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United States
of America

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PROCEEDINGS AND DEBATES OF THE 96th CONGRESS, FIRST SESSION

HOUSE OF REPRESENTATIVES—*Monday, January 15, 1979*

This being the day fixed by the 20th amendment of the Constitution and Public Law 95-594 of the 95th Congress for the annual meeting of the Congress of the United States, the Members-elect of the House of Representatives of the 96th Congress met in their Hall, and at 12 o'clock noon were called to order by the Clerk of the House of Representatives, Hon. Edmund L. Henshaw, Jr.

The former Chaplain, Rev. Edward G. Latch, D.D., delivered the following prayer:

God is our refuge and strength, a very present help in trouble.—Psalms 46: 1.

O God, our Father, who is the refuge and strength of your people in every age and our refuge and strength in this present hour, we pause in Your presence as we open the first session of the 96th Congress to offer unto You the devotion of our hearts and to dedicate our thoughts and actions to the welfare of the people of our beloved Republic.

Aware of Your presence help us to accept our responsibility to lead our Nation into a larger good for our citizens and for the people on our planet. Amid the voices which call us to lower our high ideals may we feel the power of Your presence and the life of Your love. With Your Spirit may we make this a great year in the life of our Republic.

We call to mind the lives of two of our Members, Leo J. Ryan and William A. Steiger who have gone home to be with You. For their devotion to duty and their love for our country we thank You. Comfort their families with the strength of Your Spirit.

We pause to remember the life of Dr. Martin Luther King, Jr., and the contribution he made to his people and to the life of our Nation.

Lead us all into a deeper understanding of Your message to us. Walking with You in ever greater trust may we go forward to build upon this planet an order of life in which justice and truth and brotherhood shall prevail for the good of all Your children and the glory of Your holy name.

Reverently may we offer together this familiar and heart warming prayer.

Our Father, who art in Heaven, hallowed be Thy name, Thy Kingdom come, Thy will be done on Earth as it is in Heaven. Give us this day our daily bread. And forgive us our trespasses as we forgive those who trespass against us. And lead us not into temptation, but deliver us from evil. For Thine is the kingdom, and the power and the glory, forever. Amen.

☐ 1205

The CLERK. Representatives-elect to the 96th Congress, this is the day fixed by law for the meeting of the 96th Congress.

This law directs the Clerk of the House to prepare the official roll of the Representatives-elect.

Credentials covering the 435 seats in the 96th Congress have been received and are now on file with the Clerk of the 95th Congress.

The names of those persons whose credentials show that they were regularly elected as Representatives in accordance with the laws of the several States and of the United States will be called; and as the roll is called, following the alphabetical order of the States, beginning with the State of Alabama, Representatives-elect will please answer to their names to determine whether there is a quorum present.

The reading clerk will call the roll by States.

The Clerk called the roll by States, and the following Representatives-elect answered to their names:

[Roll No. 1]

ALABAMA

Edwards, Ala.
Dickinson
Flippo
Shelby

ALASKA

Young, Alaska

ARIZONA

Rhodes
Udall
Stump
Rudd

ARKANSAS

Alexander
Bethune
Hammerschmidt
Anthony

CALIFORNIA

Johnson, Calif.
Clausen
Matsui
Fazio
Burton, John
Burton, Phillip
Miller, Calif.
Dellums
Stark
Edwards, Calif.
McCloskey
Mineta
Shumway
Coelho
Panetta
Pashayan
Thomas
Lagomarsino
Goldwater
Corman
Moorhead, Calif.
Beilenson
Waxman
Roybal
Rousselot
Dornan
Dixon
Hawkins
Danielson
Wilson, C. H.
Anderson, Calif.
Grisham
Lungren
Lloyd
Brown, Calif.
Lewis
Patterson
Dannemeyer
Badham
Wilson, Bob
Van Deerlin
Burgener

COLORADO

Schroeder
Wirth
Kogovsek
Johnson, Colo.
Kramer

CONNECTICUT

Cotter
Dodd
Giaimo
Ratchford
Moffett

DELAWARE

Evans, Del.

FLORIDA

Hutto
Fuqua
Bennett
Chappell
Kelly
Young, Fla.
Gibbons
Ireland
Nelson
Bafalis
Mica
Stack
Lehman
Pepper
Fascell

GEORGIA

Ginn
Mathis
Brinkley
Levitas
Fowler
Gingrich
McDonald
Evans, Ga.
Jenkins
Barnard

HAWAII

IDAHO

Symms
Hansen

ILLINOIS

Russo
Derwinski
Hyde
Collins, Ill.
Rostenkowski
Yates
Annunzio
Crane, Philip
McClory
Erlenborn
Corcoran
O'Brien
Michel
Findley
Madigan
Crane, Daniel
Price
Simon

INDIANA

Benjamin
Fithian
Brademas
Quayle
Hillis
Evans, Ind.
Myers, Ind.
Deckard
Hamilton
Sharp
Jacobs

IOWA

Leach, Iowa
Tauke
Grassley
Smith, Iowa
Harkin
Bedell

KANSAS

Sebelius
Jeffries
Winn
Glickman
Whittaker

KENTUCKY

Hubbard
Natcher
Mazzoli
Snyder
Carter
Hopkins
Perkins

LOUISIANA

Livingston
Boggs
Treen
Leach, La.
Huckaby
Moore
Breaux
Long, La.

MAINE

Emery
Snowe

MARYLAND

Bauman
Long, Md.
Mikulski
Holt
Spellman
Byron
Barnes

MASSACHUSETTS

Conte
Boland
Early
Drinan
Shannon
Mavroules
Markey
O'Neill
Moakley
Heckler
Donnelly
Studds

MICHIGAN

Conyers
Pursell
Wolpe, Mich.
Stockman
Sawyer
Carr
Kildee
Traxler
Vander Jagt
Albosta
Davis, Mich.
Bonior
Diggs
Nedzi
Ford, Mich.
Dingell
Brodhead
Blanchard
Broomfield

☐ This symbol represents the time of day during the House Proceedings, e.g., ☐ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

MINNESOTA

Erdahl
Hagedorn
Frenzel
Vento
Sabo
Nolan
Stangeland
Oberstar

MISSISSIPPI

Whitten
Bowen
Montgomery
Hinson
Lott

MISSOURI

Clay
Young, Mo.
Gephardt
Skelton
Bolling
Coleman
Taylor
Ichord
Volkmer
Burlison

MONTANA

Williams, Mont.
Marlenee

NEBRASKA

Bereuter
Cavanaugh
Smith, Nebr.

NEVADA

Santini

NEW HAMPSHIRE

D'Amours
Cleveland

NEW JERSEY

Florio
Hughes
Howard
Thompson
Fenwick
Forsythe
Maguire
Roe
Hollenbeck
Rodino
Minish
Rinaldo
Courter
Guarini
Patten

NEW MEXICO

Lujan
Runnels

NEW YORK

Carney
Downey
Ambro
Lent
Wydler
Wolff, N.Y.
Addabbo
Rosenthal
Ferraro
Biaggi
Scheuer
Chisholm
Richmond
Zeferetti
Holtzman
Murphy, N.Y.
Green
Rangel
Weiss
Garcia
Bingham
Peyser
Ottinger
Fish
Gilman
McHugh
Stratton
Solomon
McEwen
Mitchell, N.Y.
Hanley
Lee
Horton
Conable
LaFalce
Nowak
Kemp
Lundine

NORTH CAROLINA

Jones, N.C.
Fountain
Whitley
Andrews, N.C.
Neal
Preyer
Rose
Hefner
Martin
Broyhill
Gudger

NORTH DAKOTA

Andrews, N. Dak.

OHIO

Gradison
Luken
Hall, Ohio
Guyer
Latta
Harsha
Brown, Ohio
Kindness
Ashley
Miller, Ohio
Stanton
Devine
Pease
Seiberling
Wylie
Regula
Ashbrook
Applegate
Williams, Ohio
Oakar
Stokes
Vanik
Mottl

OKLAHOMA

Jones, Okla.
Synar
Watkins
Steed
Edwards, Okla.
English

OREGON

AuCoin
Ullman
Duncan, Oreg.
Weaver

PENNSYLVANIA

Myers, Pa.
Gray
Lederer
Dougherty
Schulze
Yatron
Edgar
Kostmayer
Shuster
McDade
Murtha
Coughlin
Moorhead, Pa.
Ritter
Walker
Ertel
Walgren
Goodling
Gaydos
Bailey
Murphy, Pa.
Clinger
Atkinson

RHODE ISLAND

St Germain
Beard, R.I.

SOUTH CAROLINA

Davis, S.C.
Spence
Derrick
Campbell
Holland
Jenrette

SOUTH DAKOTA

Daschle
Abdnor

TENNESSEE

Quillen
Duncan, Tenn.
Bouquard
Gore
Boner
Beard, Tenn.
Jones, Tenn.
Ford, Tenn.

TEXAS

Hall, Tex.
Wilson, Tex.
Collins, Tex.
Roberts
Mattox
Gramm
Archer
Brooks
Pickle
Leath, Tex.
Wright
Hightower
Wyatt
de la Garza
White
Stenholm
Leland
Hance
Gonzalez
Loeffler
Paul
Kazen
Frost

UTAH

McKay
Marriott

VERMONT

Jeffords

VIRGINIA

Trible
Whitehurst
Satterfield
Daniel, R. W.
Daniel, Dan
Butler
Robinson
Harris
Wampler
Fisher

WASHINGTON

Swift
Bonker
McCormack
Foley
Dicks
Lowry

WEST VIRGINIA

Mollohan
Staggers
Slack
Rahall

WISCONSIN

Aspin
Baldus
Zablocki
Reuss
Obey
Roth
Sensenbrenner

WYOMING

Cheney

□ 1300

The CLERK. The rollcall discloses that 414 Representatives-elect have answered to their names.

A quorum is present.

ANNOUNCEMENTS BY THE CLERK

The CLERK. The Clerk wishes to state that credentials regular in form have been received showing the election of the Honorable BALTASAR CORRADA as Resident Commissioner of the Commonwealth of Puerto Rico for a term of 4 years beginning January 3, 1977; the election of the Honorable WALTER E. FAUNTROY as delegate from the District of Columbia; the election of the Honorable ANTONIO BORJA WON PAT as Delegate from Guam; and the election of the Honorable MELVIN H. EVANS as Delegate from the Virgin Islands.

The Clerk also regrets to announce that there is a vacancy in the 11th District of California occasioned by the death of the Honorable LEO J. RYAN, and that there is a vacancy in the Sixth District of Wisconsin occasioned by the death of the Honorable WILLIAM A. STEIGER.

ELECTION OF SPEAKER

The CLERK. The next order of business is the election of a Speaker of the House of Representatives for the 96th Congress.

Nominations are now in order.

The Clerk recognizes the gentleman from Washington (Mr. FOLEY).

Mr. FOLEY. Mr. Clerk, as chairman of the Democratic Caucus, I am directed by the unanimous vote of that caucus to present for election to the office of the Speaker of the House of Representatives for the 96th Congress the name of the Honorable THOMAS P. O'NEILL, JR., a Representative-elect from the State of Massachusetts.

The CLERK. The Clerk now recognizes the gentleman from Alabama (Mr. EDWARDS).

Mr. EDWARDS of Alabama. Mr. Clerk, as secretary of the Republican Conference and as acting chairman, and by authority, by direction, and by unanimous vote of the Republican Conference, I nominate for Speaker of the House of Representatives the Honorable JOHN J. RHODES, a Representative-elect from the State of Arizona.

The CLERK. The Honorable THOMAS P. O'NEILL, JR., a Representative-elect from the State of Massachusetts, and the Honorable JOHN J. RHODES, a Representative-elect from the State of Arizona, have been placed in nomination.

Are there any further nominations?

There being no further nominations, the Clerk will appoint tellers.

The Clerk appoints the gentleman from New Jersey (Mr. THOMPSON), the gentleman from Alabama (Mr. DICKINSON), the gentlewoman from New York (Mrs. CHISHOLM), and the gentlewoman from Massachusetts (Mrs. HECKLER).

The tellers will come forward and take their seats at the desk in front of the Speaker's rostrum.

The roll will now be called, and those responding to their names will indicate by surname the nominee of their choice.

The reading clerk will call the roll.

The tellers having taken their places, the House proceeded to vote for the Speaker.

The following is the result of the vote:

[Roll No. 2]

O'NEILL—268

Addabbo
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Annunzio
Anthony
Applegate
Ashley
Aspin
Atkinson
AuCoin
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Bedell
Beilenson
Benjamin
Bennett
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Brown, Calif.
Burlison
Burton, John
Burton, Phillip
Byron
Carr
Cavanaugh
Chappell
Chisholm
Clay
Coelho
Collins, Ill.
Conyers
Corman
Cotter
D'Amours
Daniel, Dan
Danielson
Daschle
Davis, S.C.
de la Garza
Dellums
Derrick
Dicks
Diggs
Dingell
Dixon
Dodd
Donnelly
Downey
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Calif.
English
Ertel
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Ferraro
Fisher
Fithian
Flippo
Flood
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Frost
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Ginn
Glickman
Gonzalez
Gore
Gramm
Gray
Guarini
Gudger
Hall, Ohio
Hall, Tex.
Hamilton
Hance
Hanley
Harkin
Harris
Hawkins
Hefner
Hightower
Holland
Holtzman
Howard
Hubbard
Huckaby
Hughes
Hutto
Ichord
Ireland
Jacobs
Jenkins
Jenrette
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kazen
Kildee
Kogovsek
Kostmayer
LaFalce
Leach, La.
Leath, Tex.
Lederer
Lehman
Leland
Levitas
Lloyd
Long, La.
Long, Md.
Lowry
Luken
Lundine
McCormack
McDonald

McHugh
McKay
Maguire
Markey
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Mikulski
Mikva
Miller, Calif.
Mineta
Minish
Moakley
Moffett
Mollohan
Montgomery
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Pepper
Perkins
Peyser
Pickle
Preyer
Price
Rahall
Rangel
Ratchford
Reuss
Richmond
Roberts
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Runnels
Russo
Sabo
Santini
Satterfield
Scheuer
Schroeder
Seiberling
Shannon
Sharp
Shelby
Simon
Skelton
Slack
Smith, Iowa
Spellman
St Germain
Stack
Staggers
Stark
Steed
Stenholm
Stewart
Stokes
Stratton
Studds
Stump
Swift
Synar
Thompson
Traxler
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Watkins
Waxman
Weaver
Weiss
White
Whitley
Whitten
Williams, Mont.
Wilson, C. H.
Wilson, Tex.
Wirth
Wolff, N.Y.
Wolpe, Mich.
Wright
Wyatt
Yates
Yatron
Young, Mo.
Zablocki
Zeferetti

RHODES—152

Abdnor
Anderson, Ill.
Andrews, N. Dak.
Archer
Ashbrook
Badham
Bafalis
Bauman
Beard, Tenn.
Bereuter
Bethune
Broomfield
Brown, Ohio
Broyhill
Burgener
Butler
Campbell
Carney
Carter
Cheney
Clausen
Cleveland
Clinger
Coleman
Collins, Tex.
Conable
Conte
Corcoran
Coughlin
Courter
Crane, Daniel
Crane, Philip
Daniel, R. W.
Dannemeyer
Davis, Mich.
Deckard
Derwinski
Devine
Dickinson
Dornan
Dougherty
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
Emery
Erdahl
Erlenborn
Evans, Del.
Fenwick
Findley
Fish
Forsythe
Frenzel
Gilman
Gingrich
Goldwater
Goodling
Gradison
Grassley
Green
Grisham
Guyer
Hagedorn
Hammerschmidt
Hansen
Harsha
Heckler
Hillis
Hinson
Hollenbeck
Holt
Hopkins
Horton
Hyde
Jeffords
Jeffries
Johnson, Colo.
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leach, Iowa
Lee
Lent
Lewis
Livingston
Loeffler
Lott
Lujan
Lungren
McClory
McCloskey
McDade
McEwen
Madigan
Marlenee
Marriott
Martin
Michel
Miller, Ohio
Mitchell, N.Y.
Moore
Moorhead, Calif.
Myers, Ind.
O'Brien
Pashayan
Paul
Pursell
Quayle
Quillen
Railsback
Regula
Rinaldo
Ritter
Robinson
Roth
Rousselot
Rudd
Sawyer
Schulze
Sebelius
Sensenbrenner
Shumway
Shuster
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Stangeland
Stanton
Stockman
Symms
Tauke
Taylor
Thomas
Treen
Trible
Vander Jagt
Walker
Wampler
Whitehurst
Whittaker
Williams, Ohio
Wilson, Bob
Winn
Wydler
Wylie
Young, Alaska
Young, Fla.

ANSWERED "PRESENT"—2

O'Neill
Rhodes

☐ 1350

The CLERK. The tellers agree on their tallies. The total number of votes cast is 422, of which the Honorable THOMAS P. O'NEILL received 268, and the Honorable JOHN J. RHODES received 152, with 2 voting "present."

Therefore, the Honorable THOMAS P. O'NEILL, JR., is the duly elected Speaker of the House of Representatives for the 96th Congress, having received a majority of the votes cast.

The Clerk appoints the following committee to escort the Speaker-elect to the chair: The gentleman from Arizona (Mr. RHODES), the gentleman from Texas (Mr. WRIGHT), the gentleman from Illinois (Mr. MICHEL), the gentleman from Washington (Mr. FOLEY), the gentleman from Massachusetts (Mr. BOLAND), and the gentleman from Massachusetts (Mr. CONTE).

The Doorkeeper announced the Speaker-elect of the House of Representatives of the 96th Congress, who was escorted to the chair by the committee of escort.

☐ 1355

Mr. RHODES. Mr. Speaker, my colleagues, this is a habit I would like to break. However, it is a great honor to be the one to introduce the Speaker of the 96th Congress to the Members of the 96th Congress.

Our Speaker and I came to Congress together back in the Dark Ages. We have been friends for all these years. We still are, and we are going to continue to be. We will have our differences, as we have had in the past, but we will settle those differences as Americans, as Members of the House, and as personal friends.

This is a great institution, an institution in which I certainly am proud to serve. I know that this upcoming Congress will be a busy one, and I hope and pray that it will do things which will redound to the credit of the United States of America.

Many of you on my right were elected, expounding Republican principles. I heard of campaign speeches being made by Democratic Members that I just never dreamed could possibly be made. But I welcome you to the brotherhood of fiscal conservatism and I assure you that the people on my side of the aisle will be doing our very best to provide you with many opportunities to put your vote where your campaign rhetoric was. Believe me, deviations will be noted.

My good friend the Speaker, as you enter into your office, with the task of leading the majority of this Congress in traveling paths that it has never trod before, I feel for you but I want you to know that help is at hand. I have here with me copies of the Republican legislative agenda, not only of the last Congress but of this Congress, and I have autographed them to you, my friend, because I think you are going to need some guidelines as you and the majority traverse this road, which most of you had previously avoided like the plague. I wish all of you a smooth ride on this road to fiscal conservatism. I hope that together we will produce not only a balanced budget for the American people but also good, sound legislation. I hope this Congress will truly be a legislative oversight Congress. We need to cut the size of Government, and to stop so much harassment of the American people.

I have inscribed this work:

> To Tip, my good friend, to make your job as Speaker of the 96th Congress easier.
>
> JOHN J. RHODES.

This is the legislative agenda prepared by the Republicans in the 95th Congress to inform the people what they could expect from a Republican Congress. We had a similar agenda in the 94th Congress. I have also inscribed a copy of that agenda:

> To Tip, to be used as a guide to conducting a Republican Congress with a lot of Democrats.
>
> JOHN J. RHODES,
> *Republican Leader.*

Mr. Speaker, if you and the majority really want to put your actions alongside your conservative rhetoric, this will be invaluable to you as guidelines.

Mr. Speaker, seriously, as long as I had to lose, I could not lose to a better guy and a better friend.

Mr. O'NEILL. Thank you. [Applause.]

☐ 1400

Mr. O'NEILL. My friends, my wife and family, and my colleagues:

May I first say, JOHN, how grateful I am that I should receive this Republican propaganda from you. Evidently you have a tremendous amount of it left over because it was not accepted by the American voters. In order to find out where you have gone wrong, I will be happy to have one of the staff peruse it.

We had a custom in the Massachusetts legislation when I was speaker there, of allowing Republicans to be acting speaker. This is a prerogative, of course, which normally goes to the Speaker, but the custom in the House of Representatives is that only the majority party Members serve as Speaker. So, in view of the fact, JOHN, that you only have this opportunity once every 2 years for the use of a gavel, I want to present this gavel to you. [Applause.]

I am deeply grateful to each of you for honoring me with a second term as Speaker.

I am equally grateful to the voters of the Eighth Congressional District of Massachusetts who have honored me with this, my 14th term in Congress. I will spare no effort to justify their faith and yours.

Shortly each of us will take the oath as Members of the 96th Congress. We can, and should, do so proudly.

Each of us sought to serve in Congress. There should be no embarrassment in that decision. No other career offers as many opportunities to help people. No other career offers the same range of challenges and responsibilities. No other career attracts as many honorable people, men and women, willing to live their lives in a fishbowl in order to serve the public.

Each of us has been elected by our constituents. Our first duty is to keep in touch with them. We must confirm their confidence in us.

Together we represent every segment of American society. Together we try to blend, and sometimes overcome, individual interests in order to promote the national and public interest.

This is the genius of the House.

We will make mistakes, for we are ordinary people trying to grapple with extraordinary problems. But to try and fail is far better than not to try at all.

We will come in for more than our share of criticism, as we have in the past. Some of our colleagues will join in. To the extent that they impugn the House, they succeed only in diminishing themselves and in making worse the very problems they care about. And our job is already difficult enough.

Together we must insure that our tax dollars are being well spent.

Together we must find ways to control inflation without tolerating higher unemployment. [Applause.]

Together we must find a way to provide adequate health care to all Americans without generating unacceptable budget deficits.

Together we must find a way to restrict the role of special interest money in congressional campaigns without choking off public participation. [Applause.]

Together we must set priorities that promote the dignity and security of all Americans.

Every day we hear it said that government is not the answer to our problems. But that government may not be the answer does not mean that government need not find the answers.

Ours is the greatest Nation in the history of mankind. We have not attained greatness by avoiding challenges. To the contrary, in the face of adversity, Americans pull together and find solutions.

Let us all, America's elected representatives, men and women of good will, work together during the next 2 years to find the answers to our pressing problems. Let us strive to bring further credit to this great institution of which we are a part.

I thank you from the bottom of my meaningful heart for putting me in this position of authority. I will remember that the gavel is the token of power, the token of responsibility and the token of privilege. I will always use it that way and use it well.

Thank you. [Applause.]

☐ 1405

May I say how grateful I am to the leadership on both sides of the aisle and express my particular thanks to Congressman EDWARD BOLAND and Congressman SILVIO CONTE for their graciousness toward me today.

[Applause, the Members rising.]

I am now ready to take the oath of office.

I ask the dean of the House of Representatives, the Honorable JAMIE L. WHITTEN of Mississippi, to administer the oath of office.

(Mr. WHITTEN then administered the oath of office to Mr. O'NEILL, of Massachusetts.)

The SPEAKER. I have been asked by the press what the thrill was in having been elected Speaker for a second time and in having taken the oath on seven different occasions.

Actually, that is part of the honor and the glory which attaches to the office.

I am delighted. I think I should mention, by the presence of my grandchildren and their grandmother today in the gallery.

[Applause, the Members standing.]

SWEARING IN OF MEMBERS

The SPEAKER. According to the precedent, the Chair will swear in all Members of the House at this time.

If the Members will rise, the Chair will now administer the oath of office.

(The Members-elect and Delegates-elect rose, and the Speaker administered the oath of office to them.)

The SPEAKER. Having taken the oath of office, the gentlemen and gentlewomen are now officially declared to be Members of the 96th Congress.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair would like to make the following announcement:

As has been the custom in the past, the Speaker, the majority leader, and the minority leader usually have their pictures taken in the Speaker's office immediately after the swearing in exercise.

As soon as we get into the rules of the House, we will proceed with that matter.

The Chair recognizes the gentleman from Washington (Mr. FOLEY).

MAJORITY LEADER

Mr. FOLEY. Mr. Speaker, as chairman of the Democratic Caucus, I have been directed, by the unanimous vote of that caucus, to report to the House that the Democratic Members have selected as majority leader for the 96th Congress the very distinguished gentleman from Texas, the Honorable JIM WRIGHT.

The SPEAKER. The Chair now recognizes the gentleman from Illinois (Mr. ANDERSON).

☐ 1410

MINORITY LEADER

Mr. ANDERSON of Illinois. Mr. Speaker, as chairman of the Republican Conference, I am directed by that Conference to officially notify the House that the gentleman from Arizona, the Honorable JOHN J. RHODES, has been selected as the minority leader of the House.

MAJORITY WHIP

Mr. WRIGHT. Mr. Speaker, I have the honor to advise the Members of the House that the gentleman from Indiana, Mr. BRADEMAS, will act as whip of the Democratic Party for the 96th Congress.

MINORITY WHIP

Mr. ANDERSON of Illinois. Mr Speaker, as chairman of the Republican Conference, I am directed by that Conference to notify the House officially that the Republican Members have selected as minority whip the gentleman from Illinois, the Honorable ROBERT MICHEL.

ELECTION OF CLERK OF THE HOUSE, SERGEANT AT ARMS, DOORKEEPER, POSTMASTER, AND CHAPLAIN

Mr. FOLEY. Mr. Speaker, I offer a resolution (H. Res. 1) and ask for its immediate consideration

The Clerk read the resolution, as follows:

H. RES. 1

Resolved, That Edmund L. Henshaw, Jr., of the Commonwealth of Virginia, be, and he is hereby, chosen Clerk of the House of Representatives;

That Kenneth R. Harding, of the Commonwealth of Virginia, be, and he is hereby, chosen Sergeant at Arms of the House of Representatives;

That James T. Molloy, of the State of New York, be, and he is hereby, chosen Doorkeeper of the House of Representatives;

That Robert V. Rota, of the Commonwealth of Pennsylvania, be, and he is hereby, chosen Postmaster of the House of Representatives.

That Reverend James David Ford, of the State of New York, be, and he is hereby, chosen Chaplain of the House of Representatives.

Mr. ANDERSON of Illinois. Mr. Speaker, I shall offer a substitute for the resolution just offered by the gentleman from Washington (Mr. FOLEY), but before offering the substitute, I request that there be a division of the question on the resolution so that we may have a separate vote on the Office of Chaplain.

The SPEAKER. The question is on agreeing to the portion of the resolution providing for the election of the Chaplain.

That portion of the resolution was agreed to.

AMENDMENT OFFERED BY MR. EDWARDS OF ALABAMA AS A SUBSTITUTE FOR THE REMAINDER OF THE RESOLUTION

Mr. EDWARDS of Alabama. Mr. Speaker, I offer an amendment as a substitute for the remainder of the resolution.

The Clerk read the substitute amendment, as follows:

Amendment offered by Mr. Edwards of Alabama as a substitute for the remainder of House Resolution 1:

Resolved, That Joe Bartlett, of the Commonwealth of Virginia, be, and he is hereby, chosen Clerk of the House of Representatives;

That Walter P. Kennedy, of the State of New Jersey, be, and he is hereby, chosen Sergeant at Arms of the House of Representatives;

That Tommy Lee Winebrenner, of the State of Indiana, be, and he is hereby, chosen Doorkeeper of the House of Representatives;

That Ronald W. Lasch, of the State of New Jersey, be, and he is hereby, chosen Postmaster of the House of Representatives.

The SPEAKER. The question is on the substitute amendment offered by the gentleman from Alabama (Mr. EDWARDS).

The substitute amendment was rejected.

The SPEAKER. The question is on the resolution offered by the gentleman from Washington (Mr. FOLEY).

The resolution was agreed to.

A motion to reconsider was laid on the table.

□ 1415

The SPEAKER. Will the officers elected present themselves in the well of the House?

The officers-elect presented themselves at the bar of the House and took the oath of office.

NOTIFICATION TO SENATE OF ORGANIZATION OF THE HOUSE

Mr. WRIGHT. Mr. Speaker, I offer a resolution (H. Res. 2) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 2

Resolved, That a message be sent to the Senate to inform that body that a quorum of the House of Representatives has assembled; that THOMAS P. O'NEILL, JR., a Representative from the State of Massachusetts, has been elected Speaker; and Edmund L. Henshaw, Jr., a citizen of the Commonwealth of Virginia, has been elected Clerk of the House of Representatives of the Ninety-sixth Congress.

The resolution was agreed to.

A motion to reconsider was laid on the table.

COMMITTEE TO NOTIFY THE PRESIDENT OF THE UNITED STATES OF THE ASSEMBLY OF THE CONGRESS

Mr. WRIGHT. Mr. Speaker, I offer a resolution (H. Res. 3), and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 3

Resolved, That a committee of three Members be appointed by the Speaker on the part of the House of Representatives to join with a committee on the part of the Senate to notify the President of the United States that a quorum of each House has been assembled, and that Congress is ready to receive any communication that he may be pleased to make.

The resolution was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER. The Chair appoints as members of the committee on the part of the House to join the committee on the part of the Senate to notify the President of the United States that a quorum of each House has been assembled, and that Congress is ready to receive any communication that he may be pleased to make, the gentleman from Texas (Mr. WRIGHT), the gentleman from Arizona (Mr. RHODES), and the gentleman from Indiana (Mr. BRADEMAS).

AUTHORIZING THE CLERK TO INFORM THE PRESIDENT OF THE UNITED STATES OF THE ELECTION OF THE SPEAKER AND THE CLERK OF THE HOUSE OF REPRESENTATIVES

Mr. WRIGHT. Mr. Speaker, I offer a privileged resolution (H. Res. 4) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 4

Resolved, That the Clerk be instructed to inform the President of the United States that the House of Representatives has elected THOMAS P. O'NEILL, JR., a Representative from the State of Massachusetts, Speaker; and Edmund L. Henshaw, Jr., a citizen of the Commonwealth of Virginia, Clerk of the House of Representatives of the Ninety-sixth Congress.

The resolution was agreed to.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Clerk advises the Chair that many Members have not picked up their new identification voting cards. Members should obtain their cards in the lobby prior to the first electronic vote.

RULES OF THE HOUSE

Mr. WRIGHT. Mr. Speaker, I offer a privileged resolution (H. Res. 5) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 5

Resolved, That the Rules of the House of Representatives of the Ninety-fifth Congress, including all applicable provisions of law which constituted the rules of the House at the end of the Ninety-fifth Congress, be, and they are hereby, adopted as the Rules of the House of Representatives of the Ninety-sixth Congress, with the following amendments included therein as part thereof, to wit:

(1) In Rule I, clause 1 is amended to read as follows:

"1. The Speaker shall take the Chair on every legislative day precisely at the hour to which the House shall have adjourned at the last sitting and immediately call the Members to order. The Speaker, having examined the Journal of the proceedings of the last day's sitting and approved the same, shall announce to the House his approval of the Journal, and the Speaker's approval of the Journal shall be deemed to be agreed to subject to a vote on agreeing to the Speaker's approval on the demand of any Member, which vote, if decided in the affirmative, shall not be subject to a motion to reconsider. It shall be in order to offer one motion that the Journal be read only if the Speaker's approval of the Journal is not agreed to, and such motion shall be determined without debate and shall not be subject to a motion to reconsider.";

(2) In Rule I, clause 5 is amended by inserting "(a)" immediately after "5" and by adding at the end of such clause the following new paragraph:

"(b)(1) On any legislative day whenever a recorded vote or the yeas and nays are ordered on the question of passing bills or resolutions or agreeing to conference reports, or when a vote is objected to under clause 4 of Rule XV on the question of passing bills or resolutions or agreeing to conference reports, the Speaker may, in his discretion, postpone further proceedings on each such question to a designated time or place in the legislative schedule on that legislative day or within two legislative days.

"(2) At the time designated by the Speaker for further consideration of proceedings postponed under subparagraph (1), the Speaker shall put each question on which further proceedings were postponed, in the order in which that question was considered.

"(3) At any time after the vote has been taken on the first question on which the Speaker has postponed further proceedings under this paragraph, the Speaker may, in his discretion, reduce to not less than five minutes the period of time within which a rollcall vote by electronic device on the question may be taken without any intervening business on any or all of the additional questions on which the Speaker has postponed further proceedings under this paragraph.

"(4) If the House adjourns before all of the questions on which further proceedings were postponed under this paragraph have been put and determined, then, on the next following legislative day the unfinished business shall be the disposition of all such questions, previously undisposed of, in the order in which the questions were considered.";

(3) In Rule I, insert at the end thereof the following new clause:

"9. (a) He shall devise and implement a system subject to his direction and control for closed circuit viewing of floor proceedings of the House of Representatives in the offices of all Members and committees and in such other places in the Capitol and the House Office Buildings as he deems appropriate. Such system may include other telecommunications functions as he deems appropriate.

"(b)(1) He shall devise and implement a system subject to his direction and control for complete and unedited audio and visual broadcasting and recording of the proceedings of the House of Representatives. He shall provide for the distribution of such broadcasts and recordings thereof to news media and the storage of audio and video recordings of the proceedings.

"(2) All television and radio broadcasting stations, networks, services, and systems (including cable systems) which are accredited to the House radio and television correspondents' galleries, and all radio and television correspondents who are accredited to the radio and television correspondent's galleries shall be provided access to the live coverage of the House of Representatives.

"(3) No coverage made available under this clause nor any recording thereof shall be used for any political purpose.

"(4) Coverage made available under this clause shall not be broadcast with commercial sponsorship except as part of bona fide news programs and public affairs documentary programs. No part of such coverage or any recording thereof shall be used in any commercial advertisement.

"(c) He may delegate any of his responsibilities under this clause to such legislative entity as he deems appropriate.";

(4) In Rule X, clause 1(e)(1) is amended by inserting the following immediately after the phrase "No Member": ", other than the representative from the leadership of the majority party and the representative from the leadership of the minority party,";

(5) In Rule X, clause 1(e)(1) strike out the word "two" and insert in lieu thereof "three" in the second sentence, and insert the following at the end of the second sentence: ", except that an incumbent chairman having served on the committee for three Congresses and having served as chairman of the committee for not more than one Congress shall be eligible for reelection to

the committee as chairman for one additional Congress";

(6) In Rule X, clause 1(t) is amended by striking the period at the end thereof and inserting the following: ", and the functions designated in title I of the Ethics in Government Act of 1978.";

(7) In Rule X, clause 4(e)(2) is amended by adding a new subparagraph at the end thereof:

"(F) No information or testimony received, or the contents of a complaint or the fact of its filing, shall be publicly disclosed by any committee or staff member unless specifically authorized in each instance by a vote of the full committee.";

(8) In Rule X, clause 6(f) is amended to read as follows:

"(f) The Speaker may appoint the Resident Commissioner from Puerto Rico and Delegates to the House to any select committee and to any conference committee that is considering legislation reported from a committee on which they serve.";

(9)(a) In Rule XI, clause 2(g)(2), immediately after the first sentence, insert the following language: "Notwithstanding the requirements of the preceding sentence, a majority of those present, there being in attendance the requisite number required under the rules of the committee to be present for the purpose of taking testimony,

"(A) may vote to close the hearing for the sole purpose of discussing whether testimony or evidence to be received would endanger the national security or violate clause 2(k)(5) of Rule XI; or

"(B) may vote to close the hearing, as provided clause 2(k)(5) of Rule XI."; and

(b) Strike subsection (5) from Rule XI, clause 2(k) and insert in lieu thereof the following language:

"(5) Whenever it is asserted that the evidence or testimony at an investigatory hearing may tend to defame, degrade, or incriminate any person,

"(A) such testimony or evidence shall be presented in executive session, notwithstanding the provisions of clause 2(g)(2) of this Rule, if by a majority of those present, there being in attendance the requisite number required under the rules of the committee to be present for the purpose of taking testimony, the committee determines that such evidence or testimony may tend to defame, degrade, or incriminate any person; and

"(B) the committee shall proced to receive such testimony in open session only if a majority of the members of the committee, a majority being present, determine that such evidence or testimony will not tend to defame, degrade, or incriminate any person. In either case the committee shall afford such person an opportunity voluntarily to appear as a witness; and receive and dispose of requests from such person to subpena additional witnesses.";

(10) In Rule XI, the second sentence of clause 2(l)(6) is amended by striking out "two hours" and inserting in lieu thereof "three calendar days, excluding Saturdays, Sundays, and legal holidays during which the House is not in session";

(11)(a) In Rule XI, clause 4(e) is amended to read as follows:

"(e)(1) On any legislative day when reports from the Committee on Rules are being considered, the Speaker may announce to the House, in his discretion, before consideration of the first resolution, that he will postpone further proceedings on such of the resolutions reported from that committee as he may designate if a recorded vote or the yeas and nays are ordered or if the vote is objected to under clause 4 of Rule XV when the Chair puts the question on the previous question or on the adoption of the resolution, until

"(A) all such resolutions on that legislative day have been considered and any debate thereon concluded, with the question having been put and determined on each such resolution on which the taking of the vote will not be postponed; or

"(B) the next legislative day, with the question having been put and determined on each such resolution on which the taking of the vote will not be postponed.

"(2) Where the Speaker has postponed votes pursuant to paragraph 4(e)(1)(A) of this clause, when the last of such resolutions so designated has been considered and any debate thereon concluded, with the question put and determined on each such resolution on which further proceedings were not postponed, the Speaker shall put the appropriate question on each such resolution on which further proceedings were postponed in the order in which each such resolution was considered.

"(3) Where the Speaker has postponed votes pursuant to paragraph (e)(1)(B) of this clause, on the next legislative day the Speaker shall put as unfinished business the appropriate question on each such resolution on which further proceedings were postponed in the order in which each such resolution was considered.";

(b) Redesignate subparagraphs (3) and (4) as (4) and (5) respectively.;

(12) In Rule XV, clause 5, add at the end thereof the following new sentence: "The Speaker may, in his discretion, announce after a rollcall vote has been ordered on a motion to recommit a bill, resolution, or conference report thereon, that he may reduce to not less than five minutes the period of time in which a rollcall vote, if ordered, will be taken by electronic device on the question of passage or adoption, as the case may be, on such bill, resolution, or conference report thereon if the question on final passage or adoption follows without intervening business the vote on the question of recommittal.";

(13)(a) In Rule XV, clause 6(e)(2) is amended to read as follows:

"(2) Notwithstanding subparagraph (1), it shall always be in order for a Member to move a call of the House when recognized for that purpose by the Speaker, and when a quorum has been established pursuant to a call of the House, further proceedings under the call shall be considered as dispensed with unless the Speaker, in his discretion, recognizes for a motion under clause 2(a) of this rule or for a motion to dispense with further proceedings under the call."; and

(b) In Rule XV, clause 2(a), insert after the word "present" the first time it appears the following: ", subject to clause 6(e)(2) of this rule";

(14) In Rule XXIII, amend clause 2 to read as follows:

"2. (a) A quorum of a Committee of the Whole shall consist of one hundred Members. The first time that a Committee of the Whole finds itself without a quorum during any day, the Chairman shall invoke the procedure for the call of the roll under clause 5 of Rule XV, unless, in his discretion, he orders a call of the Committee to be taken by the procedure set forth in clause 1 or clause 2(b) of Rule XV. If on such call, a quorum shall appear, the Committee shall continue its business; but if a quorum does not appear, the Committee shall rise and the Chairman shall report the names of the absentees to the House. After the roll has been once called to establish a quorum during such day, the Chairman may not entertain a point of order that a quorum is not present unless the Committee is operating under the five-minute rule and the Chairman has put the pending motion or proposition to a vote; and if the Chairman sustains a point of order that a quorum is not present after putting the question on such a motion or proposition, he may announce that following a regular quorum call conducted pursuant to the previous provisions of this clause, he will reduce to not less than five minutes the period of time within which a recorded vote on the pending question may be taken if such a vote is ordered. If, at any time during the conduct of any quorum call in a Committee of the Whole, the Chairman determines that a quorum is present, he may, in his discretion and subject to his prior announcement, declare that a quorum is constituted. Proceedings under the call shall then be considered as vacated, and the Committee shall not rise but shall continue its sitting and resume its business.";

(15) In Rule XXIII, add the following new paragraph after clause 2(a):

"(b) In the Committee of the Whole, the Chair shall order a recorded vote on request supported by at least twenty-five Members.";

(16) In Rule XXIII, clause 8 is amended by adding at the end thereof the following: "It shall not be in order in the House or in a Committee of the Whole to consider an amendment to a concurrent resolution on the budget, or any amendment to an amendment thereto, unless the concurrent resolution as amended by such amendment or amendments (a) would be mathematically consistent; and (b) would contain all the matter set forth in paragraphs (1) through (5) of section 301(a) of the Congressional Budget Act of 1974.";

(17) In Rule XXVII, add at the end of clause 2 before the period the following provisions: ", except that a second shall not be required on a motion to suspend the rules where printed copies of the measure or matter as proposed to be passed or agreed to by the motion have been available for one legislative day before the motion is considered";

(18)(a) In Rule XXVII, amend clause 3 to read as follows:

"3. (a) When a motion to suspend the rules has been submitted to the House or has been seconded pursuant to clause 2 of this rule, it shall be in order, before the final vote is taken thereon, to debate the proposition to be voted upon for forty minutes, one-half of such time to be given to debate in favor of, and one-half to debate in opposition to, such proposition; and the same right of debate shall be allowed whenever the previous question has been ordered on any proposition on which there has been no debate.

"(b)(1) On any legislative day on which the Speaker is authorized to entertain motions to suspend the rules and pass bills or resolutions, including the last six days of a session, he may announce to the House, in his discretion, before entertaining the first such motion, that he will postpone further proceedings on each of such motions on which a recorded vote or the yeas and nays is ordered or on which the vote is objected to under clause 4 of rule XV, until—

"(A) all of such motions on that legislative day have been entertained and any debate thereon concluded, with the question having been put and determined on each such motion on which the taking of the vote will not be postponed; or

"(B) the next legislative day, with the question having been put and determined on each such motion on which the taking of the vote will not be postponed.

"(2) Where the Speaker has postponed votes pursuant to paragraph (b)(1)(A) of this clause, when the last of all motions on that legislative day to suspend the rules and pass bills or resolutions has been entertained and any debate therein concluded, the Speaker shall put the question on each motion which further proceedings were postponed, in the order in which that motion was entertained.

"(3) Where the Speaker has postponed votes pursuant to paragraph (b)(1)(B) of this clause, on the next legislative day the Speaker shall put as unfinished business the question on each motion on which further proceedings were postponed, in the order in which that motion was entertained.";

(b) Redesignate subparagraphs (3) and (4) as (4) and (5) respectively.;

(19) (a) In Rule XXVIII, clause 2, add the following new subclause:

"(c) Any conference report and Senate amendment in disagreement which has been available as provided in paragraphs (a) and (b) of this clause shall be considered as having been read when called up for consideration.";

(b) In Rule XXVIII, clause 4(a) (2) insert after the word "statement" the following: "or immediately upon consideration of a conference report if clause 2(c) of this rule applies,"; and

(c) In Rule XXVIII, clause 6 (b) (1), insert after the word "statement" the following: ", or immediately upon consideration of a conference report if clause 2(c) of this rule applies";

(20) In Rule XLIII insert immediately after clause 10 the following new clause:

"11. A Member of the House of Representatives shall not authorize or otherwise allow a non-House individual, group, or organization to use the words 'Congress of the United States', 'House of Representatives', or 'Official Business', or any combination of words thereof, on any letterhead or envelope.";

(21) Rule XLIV is amended to read as follows:

"Financial Disclosure

"1. A copy of each report filed with the Clerk under title I of the Ethics in Government Act of 1978 shall be sent by the Clerk within the seven-day period beginning the date on which the report is filed to the Committee on Standards of Official Conduct. By July 1 of each year, the Clerk shall compile all such reports sent to him by Members within the period beginning on January 1 and ending on May 15 of each year and have them printed as a House document, which document shall be made available to the public.

"2. For the purposes of this rule, the provisions of title I of the Ethics in Government Act of 1978 shall be deemed to be a rule of the House as it pertains to Members, officers, and employees of the House of Representatives.";

(22) In Rule XLVII, clause 2 is amended by striking out "$750" and inserting "$1,000";

(23) In Rule XLVIII clause 4 is amended by striking out "5 (a), (b), and (c)," and inserting in lieu thereof "5 (a), (b), (c), and 6(c)";

Mr. WRIGHT (during the reading). Mr. Speaker, in view of the fact that there are 500 copies of the printed resolution available to the Members on the floor of the House, I ask unanimous consent that further reading of the resolution be dispensed with, that it be printed in the RECORD at this point, and that I be recognized for purposes of debate on the resolution.

☐ 1420

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. ASHBROOK. Mr. Speaker, reserving the right to object, I am not going to object at this point because, as we know, the majority has the power to enact the rules.

I think the record ought to show that many of us are not totally pleased with them. I think in many ways they will serve the democratic spirit we thought was moving 2 years ago.

After saying that and making sure the record reflects that, Mr. Speaker, I am going to withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER. The gentleman from Texas (Mr. WRIGHT) is recognized for 1 hour.

Mr. WRIGHT. Mr. Speaker, I yield, for purposes of debate only, 30 minutes of that hour to the distinguished minority leader, the gentleman from Arizona (Mr. RHODES), and pending that, I yield myself such time as I may require.

Mr. Speaker, these are only a few changes recommended by the Democratic Caucus and brought to the body with the imprimatur of the Democratic Caucus of the House.

The rules changes we propose are modest. Their thrust is to assist the House in facilitating the business of the House. I think basically these changes embodied in this resolution will do four things:

First, some of the changes would grant authority to the Speaker to group record votes in clusters in order to expedite the consideration of relatively noncontroversial legislation. The purpose of this, quite obviously, is to save time.

The second group of changes would extend to the Speaker authority to expedite the purely procedural business of the House by delaying points of order and incidental motions while preserving the constitutional requirement of a quorum to conduct all business. Once again, it is an attempt, quite simply, to expedite the business of the House.

The third group of changes would expedite the voting procedures in the Committee of the Whole, and the fourth group would require amendments to the budget resolution to address both the aggregate totals and the coresponding functional categories in a consistent manner.

This is all these changes would accomplish. Each year at this time it is the responsibility of the majority party in the House to bring to the House such changes in the rules as its Members in their wisdom deem appropriate. This we do on this occasion.

We anticipate that the Members of the minority party, our friends from the other side of the aisle, will wish to debate the propriety of some of these changes and will wish to assert their objections to some of them, and thereafter there will be a vote on the previous question.

We would anticipate that all of the Members on the Democratic side, as has been the tradition unbrokenly in the past, will support the decision of the Democratic Caucus and of the majority party. Basically, the purpose of these changes is to save the time of the House, to save the taxpayers waste of that valuable time, and to save Members the harassment that has sometimes come from procedural demands that they present themselves and vote on meaningless votes.

For those reasons, Mr. Speaker, I would withhold the remainder of the time available to this side of the aisle and yield to my friend, the minority leader, such portion of the 30 minutes as is available to the other side as he and those he may designate would wish to consume in debate only.

Mr. RHODES. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, the package of rules proposals under consideration today includes a number that are designed to concentrate, in the name of efficiency, enormous powers in the hands of one individual—the Speaker.

While I am confident that our present Speaker would never abuse these powers, there is no way to predict the future. We may be establishing a precedent here that could prove troublesome in future Houses. As any student of this body knows, powers once granted this way are not easily rescinded.

In addition, this concern with speeding up the legislative process ignores a far more serious problem—whether we should even be legislating as much as we do. A recent study indicated that, in the 95th Congress, the House devoted an average of about 50 minutes of floor debate to each of the 670 or so measures which eventually became law.

Instead of seeking to speed up this process even more, we should be concerned with improving the quality of legislation, and with providing all Members an opportunity to gain a thorough understanding of the issues before them.

The Speaker has indicated that the 96th should be an oversight Congress, devoted to analyzing and reviewing past legislation with an eye to improvement, and where appropriate, elimination. We Republicans have long believed that Congress has woefully neglected its oversight function, and I heartily welcome the Speaker to our point of view.

Unfortunately, the rules we are being called upon to adopt today will carry us in just the opposite direction.

The old saying that, as the twig is bent, so grows the tree, essentially means that decisions made early in life can affect an individual's entire future. That maxim applies equally to great institutions, such as this House.

There are some who tend to view debates over rules as something of an "insiders" game, of interest largely to a handful of parliamentary tacticians, and not something of concern to the general public.

But, the kind of operating rules we adopt will profoundly affect the direction this House—and future Houses—will take, and greatly influence the shape of legislation that emerges.

And I would remind my colleagues on the other side of the aisle that this body legislates not only for those constituents whose Representatives may form a majority of the caucus. This body legislates on behalf of all Americans, including the 47 percent who voted for Republican congressional candidates across the Nation.

Therefore, I believe it is critical to the credibility of this body that the rules we adopt not only are perceived as being fair to the minority as well as the majority, but that the manner in which the rules are adopted also is perceived as being fair and open.

In this regard, we do ourselves, and the public, a serious injustice by considering these changes under a rule that permits only 1 hour of debate followed by a single take-it-or-leave-it vote on the entire package, with no opportunity for changes or amendments from the floor. The result is to exclude more than one-third of this body from any real say in formulating the rules by which they will be expected to abide. Beyond that, it prevents Members of the other side of the aisle from considering minority proposals which may well gain the support of a substantial majority once they are heard.

The rules of the House are too important to be treated almost like a minor housekeeping measure. That is why I am urging that the previous question be defeated.

If this is done, I intend to offer a resolution providing for the immediate adoption of the rules of the House for the 95th Congress and establishing an orderly procedure for early, open, and full consideration of amendments that Members may wish to offer.

□ 1425

Mr. Speaker, I yield 5 minutes to the gentleman from Illinois (Mr. ANDERSON).

Mr. ANDERSON of Illinois. Mr. Speaker, a few years ago this House was all awash in glorious sunshine as we opened up our committees, and conferences, and caucuses and votes to the public. It was the dawning of the age of Aquarius, and the theme song of the reformers was, "Let the sunshine in." And yet, every 2 years we are still shackled with this relic of the Dark Ages—this sunset resolution. Yes, this is a sunset resolution in the worst sense of that term because it brings an end to all that sunshine; it causes the sun to set on democratic procedures; it leaves more than a third of the Members of this body in the dark; and it locks the 80 million Americans they represent out of their own House. In fact, it casts a giant shadow over this entire House by preventing all 435 Members from offering any amendments to their own rules from the floor of this body.

Now the majority leader may argue that this is tradition, this is precedent, this is the way it has always been done. But that is just not the case. Dr. George Galloway, for instance, in his excellent "History of the House of Representatives," recounts how it was customary during the latter part of the last century for the House to spend several days at the beginning of each Congress debating and amending its rules. As he recalls it, it was a way for Members to get to know each other and familiarize themselves with the rules under which they would be operating for the next 2 years. But perhaps more importantly, it was a way for all Members to begin fully participating in the important process and institution to which they had been elected. They were truly discharging their duty under article I, section 5 of the Constitution which states that, "each House may determine the rules of its proceedings." Notice that the Constitution specifies, each "House," and not just the majority party caucus. The rules of this House apply to all Members, belong to all Members, and should be determined by all Members—not just the majority party. The Constitution is unequivocal on that point.

This 1-hour, no-amendment procedure under which we are being asked to adopt our rules today makes a mockery of our democracy and a travesty of our Constitution. This is not the way we consider important legislation and it should not be the way we consider our own rules. The Rules of the House of Representatives are no less important nor more sacrosanct than the legislation which comes before this body.

Mr. Speaker, the only way we can hope to restore democratic procedures to this rules debate is to vote down the previous question so that a substitute resolution can be offered which will permit amendments to the rules from the House floor. The minority leader is prepared to offer such a resolution if we succeed in defeating the previous question. I hope that course of action will prevail for the benefit of all freely elected and free-thinking and acting Members of this body.

We are not asking that the entire Democratic Caucus rules package be rejected in favor of a Republican rules package. There are many rules changes proposed by the caucus that we can support, and we would like to think we have several meritorious proposals that would be acceptable on the other side of the aisle. This is not a partisan question; it is an institutional issue and prerogative. All we are asking is that each of these proposed amendments to our rules be considered and voted on separately. And that is just what our substitute resolution would permit—separate consideration of all amendments under the 5-minute rule.

Given the opportunity, for instance, we would like to offer rules changes which would strengthen ethics investigatory procedures, strengthen our oversight mechanisms, tighten up on the House broadcast rule, permit greater accountability and participation in committee voting through recorded votes, abolishing proxy voting, restoring the majority quorum requirement for committee business, and requiring verbatim transcripts of conference committee meetings. These are just a few of our suggestions. They are not partisan proposals. They are designed to improve the effectiveness and openness of this institution which is now held in minimum high regard by the public. I am sure Members on both sides of the aisle have other worthwhile proposals they would like the House to consider. Let us give all Members their constitutional right to truly determine the rules of their own proceedings. Vote down the previous question so we can have that chance.

Mr. RHODES. Mr. Speaker, I yield 3 minutes to the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Mr. Speaker pro tem, I think it is interesting that the House should proceed to debate the first major issue facing the House of Representatives with probably 90 percent of the Members absent. Having taken the oath they have simply left the scene. I hope it is not a true commentary on the attitude of the House of Representatives.

In view of these absences a quorum call might be in order—is that not right, Mr. Speaker?—and it might be one of the last times a Member could produce a quorum under our new rules. I make that as a parliamentary inquiry: Is a quorum call in order at this time?

The SPEAKER pro tempore (Mr. ROSTENKOWSKI). According to the precedents, prior to the adoption of the rules, a point of order would be in order.

Mr. BAUMAN. That is correct under general parliamentary law. I just wanted to make the point, that this may be one of the last times we could get a quorum to hear anything debated in the House.

I just heard our Speaker say in his acceptance speech: "We cannot attain greatness by avoiding challenges." That is a ringing declaration, but the House is about to adopt, to swallow whole a set of predetermined rules which are tailor-made to avoid disagreeable challenges and calculated to diminish the greatness of the House.

It is rather like a bridegroom who agrees to accept impotence on his wedding night. You gentlemen fought and cleared your way here in order to have a chance to say something about the issues facing the Nation. But a majority of you will vote down the line for a set of rules that seeks to avoid the issues.

Are you concerned about inflation and a balanced budget? Do you want to support the right to life? Are you happy with our foreign policy? These rules will seriously curtail your rights. Is it more important to watch the thumb of the gentleman from Indiana (Mr. BRADEMAS), the majority whip? The thumb of the gentleman from Indiana (Mr. BRADEMAS) will indicate by its motion up or down as you come through the door how to vote. But is that why your people elected you?

That is not what you fought for to get elected to the Congress of the United States.

I hope those who will revel at their victory celebrations today will also have the courage to stand up against the imperial speakership and vote against these rules.

This is your first chance to vote. When the previous question comes before us I urge a "no" vote. It is not just the previous question before us but a whole host of important issues these rules will govern. Your vote will affect the integrity of the body the Speaker just praised for its history and future.

I urge you to vote "no." It does not hurt. It is not a bad way to start out in this Congress.

Mr. RHODES. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota (Mr. FRENZEL).

Mr. FRENZEL. Mr. Speaker, I have the same objections as the previous speaker, the gentleman from Maryland, about the way this matter is being handled. As usual, we are doing so without amendment, without even the possibility of amendment, and therefore we cannot properly discuss the rules because we cannot suggest amendments to them.

Obviously the House is accepting this first opportunity to avoid the challenges the Speaker said he could hardly wait to accept. As usual, our majority Members who are the first who claim themselves to be in support of minorities, the disadvantaged and the rights of all, can hardly wait to suppress the rights of those who would like to have a chance to debate some of these very important matters.

The gentleman from Maryland was absolutely right when he said that those who vote to support these rules or those who vote for the previous question are voting away their opportunities for debate and for voting on important substantive issues later in the session.

The many flaws in these rules, and there are many, the ones that bother me most, Mr. Speaker, are the rules on proxy voting and short quorums.

Many of our Members, particularly our newer ones, who will vote in support of these rules, campaigned vigorously for the right to vote and to represent the people who sent them here.

Yet, after working so hard to earn the right to vote here, they are cheerfully today going to give away that right by allowing others to vote for them. In my opinion the use of proxies in committees is antithetical to the democratic process. I am slightly ashamed that the majority intends again to make use of that system to carry on its business.

It stimulates absence, gives enormous power to committee chairmen, and provides a false committee voting record. There is simply no excuse for giving away our precious right to vote for our constituency. Another egregious flaw in these rules is the system of operating a committee with less than half the membership present. I do not know of any other legislative body anywhere that makes decisions with less than half of the members present. The operation of a committee with less than half of its membership is obviously ridiculous.

If your constituents knew that you were going to adopt rules without opportunity for amendment, that you were going to give away your vote by proxy, or that you were going to allow committees to make decisions with only one-third of its members on hand, I believe that they would not only be displeased, but they would be outraged.

We ought to vote down the previous question.

Mr. RHODES. Mr. Speaker, I yield 3 minutes to the gentlewoman from Maryland (Mrs. HOLT).

Mrs. HOLT. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I believe a majority of the Members of this House were elected on promises to restrain the runaway growth of the Federal budget. This is especially true of many freshmen joining us today.

It is with regret, therefore, that I note that this rules change being pushed by the leadership, would create new handicaps we would need to overcome to establish a rational, frugal fiscal policy.

I believe the purpose of the Budget Reform Act of 1974 was to give Congress the process necessary to establish fiscal policy. The budget resolution for each fiscal year is the instrument by which we set policy on total Federal spending, revenues, and debt after consideration of conditions in the national economy.

It is the habit of both House and Senate Budget Committees, however, to deal with all of specific categories of spending before considering the aggregates. We find ourselves in the position of adding up numbers to arrive at total spending, instead of first establishing a ceiling and then considering specific priorities.

In other words, the system is operating in reverse of how it should be functioning.

Last year, I attempted to correct the problem with budget amendments that would have enabled the Budget Committee and the House to establish fiscal policy before proceeding to deliberation on specific spending categories. Those efforts lost on extremely close votes.

The reaction of the House leadership is embodied in this rules change we see before us today. It would prohibit consideration of any budget amendment that did not include amounts for every category of the budget.

Thus, the leadership intends to force us into debate on the relative merits of Government programs and activities before we establish fiscal policy.

That is why this rules change is so dangerous, Mr. Speaker. It thwarts the real purpose of the budget process and makes fiscal discipline more difficult.

If Members of this House were really serious in their election campaign promises to restrain Federal spending, then they will vote to defeat the previous question to allow consideration of alternative rules.

Mr. RHODES. Mr. Speaker, I yield 1 minute to the gentleman from Iowa (Mr. GRASSLEY).

Mr. GRASSLEY. Mr. Speaker, I thank the gentleman from Arizona (Mr. RHODES) for yielding me this time.

Mr. Speaker, the package of rule changes which have been presented to the House by the Democratic Caucus suffers from a number of fatal flaws. Therefore, I would urge my colleagues—especially those from the other side of the aisle who, today, will be casting their first votes in the House of Representatives—to join me in voting against the previous question. This will permit more extensive debate and allow all the Members of the 96th Congress to work their will on the rules and procedures which will govern our actions for the next 2 years.

I take the floor today not to oppose each and every rule change presented to us. A few of the provisions of the package would, indeed, improve the operation of the House of Representatives. However, I am concerned that adoption of the rules, as set forth in the resolution now before us, will result in our being known as the "absentee"—as opposed to "oversight"—Congress.

We ought to be structuring our procedures to insure more active participation in committee and floor proceedings. Three areas of particular concern to me are use of the suspension calendar, proxy voting in committees, and finally, cluster voting on the final passage of bills, resolutions and conference reports.

I have long been concerned with the use and abuse of the Suspension Calendar. Suspending the House rules and passing a bill with only 40 minutes of debate was originally intended to be used for housekeeping or noncontroversial matters. In recent years, however, the House has passed legislation authorizing the expenditure of billions of dollars under this procedure. The $100 million in 1 fiscal year limitation proposed by the Democratic Caucus is, in my opinion, inadequate. It would seem that a lower dollar figure, perhaps $20 or $25 million, would be more appropriate and lend some credibility to hue and cry for fiscal conservatism. I also am opposed to any changes which would permit the scheduling of bills under suspension of the rules with less notice to Members. Many students of the House have argued that the Speaker and leadership of the House already have too much power and discretion in this regard. We need as much time as possible to consider and reflect upon the consequences of our actions.

The fact that the resolution now before us does not do anything to prohibit or otherwise restrain proxy voting in committees is equally disturbing. An objective observer would be justified in wondering exactly how a Representative is spending his or her time when we excuse that person from being present at committee meetings while, at the same time, votes are to be clustered in order to spare a Member the time and trouble of coming to the floor. I know as well as anyone the almost intolerable demands placed on the time of a Congressman. Nonetheless, we should keep in mind that our primary duty in Washington, when the House is in session, is to be present and actively participate in both floor and committee proceedings.

This brings me to the question of postponing and clustering floor votes. I can well appreciate the rationale behind implementing this change. We have already, to a certain extent, clustered votes which are brought to the floor under suspension of the rules. Nonetheless, I have observed that this practice has led to chronic absenteeism while the House is considering each suspension. Then, at the end of the day, we find the Chamber filled with Members who, because they have not listened to the pro and con arguments, are unaware of the implications of legislation that must be voted upon in just 5 minutes. I fear that the cluster voting provided for in the resolution now before us will only serve to make matters worse.

We all have read of how the 96th Congress is to be pegged the "oversight Congress" with the emphasis not so much on new legislative initiatives as on assessing how current laws and programs are working. This will require the regular attendance and participation of all my colleagues. We ought to adopt rules which will facilitate, rather than hinder, that review process.

☐ 1445

Mr. RHODES. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania (Mr. COUGHLIN).

Mr. COUGHLIN. Mr. Speaker, the rules you are being asked to adopt would permit the Committee on Standards of Official Conduct to ignore wrongdoing by Members or committees.

The rules you are being asked to adopt would allow convicted felons to be committee chairmen.

The rules you are being asked to adopt would continue proxy voting in committee and allow as few as one-third of the Members of a committee to act on business before the committee.

The rules you are being asked to adopt have permitted billions of dollars of programs to be enacted under gag suspension rules that permit no amendments—only an up or down vote.

The rules you are being asked to adopt would allow more taxpayer dollars to be spent for Members' and committees' salaries and expenses without even a vote of the full House.

The rules you are being asked to adopt would give the Speaker unprecedented power to conduct House business without a quorum, to further denigrate the suspension process, and to schedule votes when he alone decides it is time.

However, there may be some advantages to the proposed caucus rules changes. If one of your campaign pledges was to be a responsible Member of Congress truly representing the interests of your constituents and this Nation—relax. The effect of these rules will be to lessen the amount of time you have to spend on the House floor or in committee participating in the legislative process. Under the guise of "streamlining," these rules will only promote an absentee Congress.

If we are to have an honest Congress, if we are to have an open Congress, if we are to have a frugal Congress, if we are to have any respect at all for the people who elected us, I urge the defeat of the previous question so that every Member of this great House can help adopt rules that suit the dignity of this body.

The skids are being greased again and the taxpayers are being taken for another ride.

The elected majority in Congress is about to delegate its campaign pledges to a minority through the House rules.

When, oh when, are the public and our colleagues in the media going to realize that inflationary spending and ridiculous Government regulations originate right here in Congress.

What is downtown in the executive branch and the bureaucracy is bad enough, but the root of the problem is in the Democrat congressional leadership's welfare-state concepts that are 30 years old and unworkable today.

When, oh when, are the public and the media going to recognize that the Congress is being run, not by a majority in Congress, but by a majority of the Democrat Caucus—a caucus majority wedded to concepts that are 30 years old.

I ask my colleagues on the majority side, particularly newly elected Members, to consider their campaign pledges for open government, clean government, and lower taxes.

The rules we are being asked to adopt today are a further extension of "King Caucus."

They continue the coverup of wrongdoing.

They exploit the protection of sitting Members at taxpayer expense.

The rules you are being asked to adopt would allow Members to record their floor speeches for broadcast on television at home—at taxpayer expense.

The rules you are being asked to adopt would insure that Members' and committees' expense vouchers would be hidden from the public and published in summary form only.

Mr. RHODES. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. Mr. Speaker, I rise in opposition to the previous question. This resolution attempts to establish new rules and to change our procedures rather substantially for those of us who make the attempt to be here and participate in the debate.

We are disappointed at this rather heavyhanded attempt to prevent a full and open airing of these rules changes. We are disappointed that we will again restrict the ability of individual Members to appropriately bring their case to the floor or maintain full presences in a committee.

Mr. Speaker, I am also disappointed with the new rules relating to the budget. The new rules will severely restrict individual Members' ability to participate in the amendment process on the budget resolution when it reaches the floor twice a year.

Mr. Speaker, I urge my colleague to vote down the previous question.

Mr. RHODES. Mr. Speaker, I yield the balance of the time which has been allotted to this side to the gentleman from Illinois (Mr. MICHEL).

The SPEAKER pro tempore (Mr. ROSTENKOWSKI). The gentleman from Illinois (Mr. MICHEL) is recognized for 7 minutes.

Mr. MICHEL. Mr. Speaker, consideration of our rules is an important area of discussion, for they are going to determine how we proceed in this House for the next 2 years.

The rules changes proposed are complex and technical. I am going to place in the RECORD an analysis and an expression of my concern over what I consider to be the more significant changes proposed by the majority, but I want to mention the two areas which could lead to the greatest mischief: the postponing of votes and the budget amendments.

Mr. Speaker, the clustering of votes at the end of the day or on the following day may expedite the business of this House, but that practice certainly will not lead to better legislation. It will actually encourage absenteeism, as was alluded to by the gentleman from Iowa (Mr. GRASSLEY), and will tend to inhibit open debate and discussion.

Mr. Speaker, votes on rules reported and suspensions can actually be deferred until the next day, but it is my understanding that the Speaker would give prior notice of these votes if the votes would be deferred.

Is that correct, might I inquire of the majority leader, that on votes having to do with the clustering of suspensions and rules, there would be prior notice given to the Speaker and that this would be the intent and the method for voting on those propositions?

☐ 1450

Mr. WRIGHT. If the gentleman would yield, it certainly is expected that precisely the same procedure that was followed during the last Congress when the Speaker was given the authority to cluster votes on certain motions to suspend the rules would be followed in every instance wherein the rules would permit that discretionary power to be exercised in this Congress.

Mr. MICHEL. I thank the majority leader.

Now if I might ask another question regarding the deferral up to 2 legislative days for votes on final passage of a bill, a resolution, or a conference report. Under these circumstances it is my understanding the Speaker is not obliged to give the House prior notice. What might we expect by way of some indication in that regard?

Mr. WRIGHT. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I would be happy to yield to the distinguished majority leader.

Mr. WRIGHT. I thank the gentleman for yielding.

To the extent that it lies within the power and the knowledge of the majority leader, it would be and will be the purpose of the majority leader to share with the minority such plans as we may have on the majority side for the scheduling of votes under circumstances of that type. The purpose of these changes is to serve the convenience of Members and to permit the Members to know in advance when votes may be scheduled so as to permit them to make their plans intelligently. And that applies to minority Members as well as it does to majority Members.

Mr. MICHEL. I thank the majority leader. I would hope that we on the minority would not have any problem in making that accommodation for both sides from time to time.

Mr. WRIGHT. Would the gentleman yield?

Mr. MICHEL. I will be happy to yield.

Mr. WRIGHT. I thank the gentleman for yielding.

I would like to express the hope that in the past Congress the minority has not experienced any difficulty with being advised freely and frankly to the best of his ability by the majority leader.

Mr. MICHEL. I will say to the gentleman that I have noted a degree of improvement over what we have experienced in some years past, and I am appreciative of that accommodation.

Now if I may direct myself to the Budget Committee changes, these rules changes are actually amendments to the Budget Act. Under these new rules a Member can serve for three consecutive Congresses rather than the two as provided for currently, and a chaiman who has served for only one Congress as chairman can serve for an additional Congress regardless of limitation; and, finally, the leadership appointment for both parties would be exempt from any limitation on the length of service.

I have no particular problem with this, having served on the Budget Committee initially as it was formed, although I remember distinctly the kind of debate that ensued and the reasons for our limiting that service on the Budget Committee to two terms at this time.

Maybe there has been some reason for our extending that now with good conscience, but these amendments to the Budget Act, it seems to me, ought to be debated on their own within the framework of the whole congressional budget process and not simply done as a perfunctory matter here in adoption of the rules. That is my particular concern. I would like to mention the proposed change requiring mathematically consistent amendments to the budget resolutions. This change is obviously designed to gut our Republican effort to amend the Budget Act to provide for a two-step procedure that would deal, first, with those aggregate totals and, second, with the incremental parts that go into making up those functional categories within the previously established limit. Moreover, this rules change, it seems to me, would force the chair for the first time ever to rule on the consistency of an amendment. That is a departure from tradition of the past, and the first Chairman of the Committee of the Whole having to rule on any consistency question will be setting a new precedent in this body.

Inasmuch as these rules to be adopted provide for a code of official conduct, one clause of which reads as follows:

> A Member of the House of Representatives who has been convicted by a court of record for the commission of a crime for which a sentence of two or more years' imprisonment may be imposed should refrain from participation in the business of each committee of which he is a member and should refrain from voting on any question at a meeting of the House, or of the Committee of the Whole House, unless or until judicial or executive proceedings result in the reinstatement of the presumption of his innocence or until he is reelected to the House after the date of such conviction.

I have one final question.

By the adoption of these rules is the House prejudging the status or standing of any Member who may have been found guilty of a felony but who has since been reelected to serve in this body? In other words, if a seated Member has been convicted by a court of record during the last Congress and has since been reelected, would a proceeding against that Member for possible referral to the Standards of Official Conduct Committee be foreclosed as a result of our adoption of these rules here today?

□ 1455

Mr. WRIGHT. Mr. Speaker, will the gentleman yield further?

Mr. MICHEL. I am happy to yield to my distinguished friend.

Mr. WRIGHT. Mr. Speaker, there is nothing in these rules today which would foreclose any Member from offering such a motion as the gentleman describes.

The SPEAKER pro tempore. The time of the gentleman from Illinois has expired. All time has expired.

Mr. MICHEL. Mr. Speaker, will the distinguished majority leader yield to me a moment that I might propound a further question?

Mr. WRIGHT. Mr. Speaker, I yield 2 additional minutes to the gentleman.

Mr. MICHEL. Mr. Speaker, would adoption of these rules prejudice a possible finding or recommendation of censure or reprimand or any other sanction against a Member by the Committee on Ethics?

Mr. WRIGHT. Mr. Speaker, will the gentleman yield further?

Mr. MICHEL. I am happy to yield.

Mr. WRIGHT. I do not believe that there is anything contained in the proposed rules changes which would prejudice any Member's right to offer such a motion.

Mr. MICHEL. I thank the gentleman for that response, because there have been a number of inquiries made, particularly from incoming Members on our side. Whether there have been on the gentleman's side, too, I do not know. Many of our freshman Members have made extended and specific inquiry into the procedures under which we have been operating particularly with respect to those Members to which such an action might possibly apply.

We have responded by relating the previous court cases that have followed and tried our best to allay the feelings of these Members that their rights and their prerogatives in this House will not be jeopardized.

I am happy to have the gentleman respond in the fashion that he did to my inquiries.

Mr. WRIGHT. Mr. Speaker, will the gentleman yield further?

Mr. MICHEL. Yes.

Mr. WRIGHT. The only substantive change which these rules changes propose with respect to conditions of the type that the gentleman has been citing is the new requirement proposed in the Democratic Caucus to the effect that any Member convicted of a crime of a certain magnitude if recommended by his committee for a subcommittee chairmanship, would have to be ratified in such a role by the members of the caucus. That is the only change that has been made.

The SPEAKER pro tempore. The time of the gentleman from Illinois has again expired.

Mr. WRIGHT. Mr. Speaker, I yield 1 additional minute to the gentleman.

Mr. MICHEL. Mr Speaker, since the majority leader and the Democratic Party have a clear majority in this House to make that determination within their own caucus, it is not a prerogative for those of us in the minority, but rather for the majority party who are running things around here to take such appropriate action

I thank the gentleman from Texas for yielding this time.

At this point I would like to include my analysis:

The Democrat Rules Package: An Analysis of the Key Rules Change

(Prepared by the Office of the Minority Whip, Robert H. Michel)

INTRODUCTION

The rules changes proposed by the Majority Leadership are expected to be offered as H. Res. 5 of the 96th Congress on January 15, 1979.

There will only be 1 hour debate on the resolution and will not be amendable. Republicans will attempt to defeat the previous question on the resolution to offer our alternative—and open method of consideration of any new rules changes proposed by any member of the House.

The Majority party has gone so far in partisan reform of the rules of the House there has been an erosion of the effectiveness of the House as a deliberative body. The result has been more and more power being concentrated in the office of the Speaker and away from the true Representatives of the people.

The changes proposed by the Majority Party are very technical and their interplay with the other rules and the precedents of the House have been simplified in an attempt to place in some perspective what they will mean for the operation of the House.

The more significant rules changes proposed are grouped and analyzed under the following headings:

(1) "The House's Right To Work Its Will."
(2) Budget Act Amendments.
(3) Postponing Votes.
(4) Committee of the Whole Votes.

(1) "THE HOUSE'S RIGHT TO WORK ITS WILL"

These rule changes transfer to the Speaker more power over the order of business and take away from the House some of its traditional rights to determine how it will proceed with its consideration of legislation:

(a) Approval of Journal:

The Speaker announces his approval of the Journal and it shall be considered agreed to unless a vote is demanded. A motion to reconsider the vote is not in order. A quorum call prior to the approval is not in order.

Since the early days of the House the Speaker takes the chair at the hour indicated and "upon the appearance of a quorum" proceeds to lay before the House the business in order as prescribed under Rule XXIV. The first order of business after the prayer is the approval of the Journal—the official "record" of the House's proceedings. The effect of this rule change is to allow the Speaker to begin business without a quorum present.

(b) Proceedings Under a Call of the House:

This change allows a call of the House, but eliminates the House's right to initiate any other proceedings under the call unless the Speaker desires to entertain one.

The Constitution provides that less than a majority has the right to compel the attendance of absent members. That motion is "a call of the House". Since the 1800's Speakers have held that the House has the right to have every member present and even if only a few were absent it could send for them if it should desire.

The effect of this rules change is to say that when at least a majority has appeared under the call the Speaker alone has the right to decide whether the House take any other "incidental" action such as sending for any absent members or "dispensing with further proceedings". This amounts to giving the Speaker a right the House has always reserved for itself.

(c) Suspensions—Eliminating Seconds:

No second shall be required on a motion to suspend the rules when printed copies of the motion are available for at least one legislative day prior to its consideration.

The second was a method that the House reserved for itself to prevent consideration of any unwanted business. To prevent the unnecessary consumption of time on a suspension motion the House could vote down "ordering the second" and move on to other business.

It has been normally held that permission to move suspension of the rules should not be lightly given and the Speaker should consider only matters both meritorious and urgent when he believes it is in the best interest of a large majority of the House. With this rules change the House has given to the Speaker the right to bring up virtually any business when printed and available under suspension—the Budget Act or any rule to the contrary notwithstanding—and the House must proceed to consider it.

(2) BUDGET ACT AMENDMENTS

The Majority Caucus made the following rules changes which have the effect of changing the Congressional Budget Act, PL 93-344:

(a) Changes in Rotation of Membership of Budget Committee:

Under the current law members are allowed to serve on the Budget Committee for no more than two complete Congresses. This rule change would allow members to serve on the Budget Committee for three Congresses, and would allow a Chairman of the Budget Committee who has only served for one Congress as a Chairman to serve an additional Congress regardless of the limitation.

Under current law the leadership of both parties is allowed one appointment to the Budget Committee and this rules change would exempt that appointment from the limitation on length of service.

(b) Mathematically Consistent Amendments to Budget Resolutions:

Amendments to concurrent resolutions on the budget would not be in order unless the resolution as amended would be mathematically consistent and would contain the values for the functional categories as well as the aggregates.

The rules change involving the length of service changes the original intent of the Budget Act as far as membership on the Budget Committee in the House of Representatives is concerned. At the time the law was enacted it was felt that it was best to have a rotation of members on the committee so that the entire membership of the House might have an opportunity to serve on the committee and have a better understanding of the budget process. The law requires that the committee be composed of 5 Members from the Committee on Appropriations; 5 Members from the Committee on Ways and Means; one from the Majority Leadership; one from the Minority Leadership; and the remaining 11 from the other standing committees. This change was proposed primarily to allow the current Chairman to serve an additional term. There is some merit in allowing continuity in the position of Chairman and to allow the leadership some flexibility in their appointments. But the change amounts to changing a law by merely amending the rules of the House and should properly be done in an open debate with the full House having the opportunity to work its will.

The rule change requiring mathematical consistency appears to be politically aimed at preventing the Minority party from exercising its method of budgeting. The Minority party has contended that the Congressional Budget Act requires the House to consider spending among the major functional categories on the basis of what monies are available for total budget outlays and budget authority.

Section 301(a)(2) of PL 93-344 requires that the first concurrent resolution on the Budget shall set forth—

"(2) An estimate of budget outlays and an appropriate level of new budget authority for each major functional category, for contingencies, and for undistributed intragovernmental transactions, based on allocations of the appropriate level of total budget outlays and of total new budget authority, (emphasis added)."

It is our contention that we first must consider what is to be our fiscal policy, by determining total revenues, outlays and a deficit ceiling all in line with current economic climate. Then, based on those levels, the House should proceed to determine expenditures in the specific functional categories.

The Minority believes that this procedure is absolutely necessary since the appropriate Federal fiscal policy at a given point in time is completely independent of, and often completely opposite of, what we as politicians would like to spend on each of several thousand Federal programs.

The effect of the rules change has taken the House in the complete opposite direction and prevents the Minority from offering any amendment just dealing with an aggregate level without also showing a program category change as well. The result is to require every proposed amendment to be related to a program level and prevent the consideration of any amendment dealing only with with the "macro" figures of income versus spending.

This rules change would force the Chair for the first time to rule on the consistency of an amendment. This unprecedented requirement of the Chair in inconsistent with the precedents of the House but also appears inconsistent with the language of the law which states in section 305(a)(3):

"That it shall be in order at any time prior to final passage (not withstanding any other rule or provision of law) to adopt an amendment (or a series of amendments) changing any figure or figures in the resolution as so reported to the extent necessary to achieve mathematical consistency."

(3) POSTPONING VOTES

The Speaker is giving the discretionary authority to postpone votes on the following questions:

(a) Suspensions and "Rules":

Under this change, the Speaker would have the discretion to postpone votes on the "rules" reported from Rules Committee or suspensions of the rules until the end of all such consideration or until the next legislative day.

(b) Roll Call Votes in the House:

Roll call votes on final passage of a bill, resolution, or conference report may be postponed by the Speaker to a later time on the same day of consideration or within two legislative days of consideration.

These changes give the Majority Leadership very broad discretion in the scheduling of votes on legislation. The only requirement on the Speaker is that he announce his intention to postpone votes in the case of "rules" and suspensions of the rules.

These changes represent the second major step in the virtual elimination of a structured order of business as set forth in Rule XXIV. The Speaker has already disregarded the order of business with the trend toward making more and more business "privileged" through action of the Rules Committee. New authority to postpone votes further concentrates the power to control House activity in the hands of the Speaker.

Vote postponements will lessen the meaning of debate on proposals and eliminate any requirement for the Member to be on the House Floor during consideration of legislation. It also takes public attention away from those debates which spell out for the press and the general public, the pros and cons of the issues before Congress. Postponement also gives the Majority Leadership a great deal more power to schedule votes at times when the Leadership knows enough votes to sustain its position are available. Such a concentration of power is not consistent with the spirit of a truly open and deliberative body.

(4) COMMITTEE OF THE WHOLE VOTES

The Majority Caucus made two changes in the Rules of the House affecting votes in the Committee of the Whole. These changes are:

(a) Number Required For Recorded Vote:

This rules change increased from 20 to 25 the number of Members needed to require a recorded vote in the Committee of the Whole.

(b) Reduction of Vote Time:

New discretionary power was given the Chairman of the Committee to reduce from 15 minutes to 5 the time required for a roll call vote after a regular recorded quorum call.

The reasoning behind the increase in the number of Members required to call for a recorded vote is to discourage Members from forcing a vote and therefore consuming more time. This rule may very well backfire, however, since it may increase the frequency of points of order that no quorum is present in order to attract enough Members to the Floor to force a recorded vote.

The purpose of the reduced voting time on some recorded votes, again is purportedly to conserve time. However, the new proposed system is easily subject to manipulation by the Chairman of the Committee of the Whole, who will have more power to determine the Minority's ability to demand a recorded vote. The priorities seem backward as more time is given to a quorum call than to a record vote and this new system may give Members arriving on the Floor less time to acquaint themselves with the issue prior to voting.

Mr. WRIGHT. Mr. Speaker, I have the feeling that I have just tuned in on late-night television to a movie that I saw a couple years ago; maybe one that I have seen on several occasions. It is a good movie and I enjoyed staying with it while it played out its several reels. Of course, the gentlemen on the minority side will find objections to certain rules changes proposed.

I would like to say simply, they are very minor and very modest. They extend to the Speaker only very limited additions to his authority. I believe they are extension of authority that he has exercized in the past Congress to the express approval of every Member of the House. On those occasions when the Speaker in the previous Congress asserted the privileges given to him to cluster votes, I believe that most Members, both Democratic and Republican, will agree that it was done in such a way as to save the time and convenience of all Members, Democrats and Republicans.

So far as the extension of power to

the Speaker to close all dilatory tactics, I must conclude that most of the Members, both Democratic and Republican, would approve any such system that would save them from the repeated harassment and inconvenience to which the entire membership have been subjected by one or two dissident or disgruntled Members who want all the others to have to come over here and be recorded on a matter frequently—frequently in which there are two or three objections at the most.

□ 1500

During past Congresses, accordingly to an exhaustive study conducted by our colleague, the gentleman from California (Mr. DANIELSON), almost one-third of the entire time of this House was consumed in rollcall votes and quorum calls. Now, surely that is an excessive use of the time of the Members to be consumed in quorum calls and rollcall votes.

Once a quorum has been established for the day, the presumption should lie that a quorum of the Members is present. Surely most Members do not want to have to come back over here 8 and 9 and 10 times in a day in order to reassert their presence or to vote on some matter that really is not controversial at all. To the extent that we are saving the time of the Members of the House, we are saving money for the American taxpayers, and surely this kind of a change ought to be approved not just by Democrats but by Republicans as well.

Then there has been raised a new question with respect to the assertion that these rules would permit Members to record their speeches on the House floor at public expense.

I think that may be a misstatement of what these rules do. These rules are not calculated to guarantee to any Member any right he or she does not presently have under the rules of the House. Members have always had the right to reproduce copies of their speeches in the CONGRESSIONAL RECORD, to which the public at large has access, and to send them to members of their constituencies. I do not think that privilege has been regularly abused. Certainly it ought to be a privilege extended to Members of Congress.

Certainly members of the public ought to have a right to know what it is that has been said on the floor of the House. I do not know any reason why that same right should not extend if it is the wisdom of the House that we should have these proceedings televised subject to restrictions as to political or commercial use and to further restrictions which may be announced by the Speaker. Why is there anything wrong with letting the American public see and hear exactly what it is we say here on the House floor?

I do not see that there is any great harm or danger inherent in the rule proposed here. I think, on the contrary, what is objected to is the fact that these rules do not encompass a proposed change which the gentleman from Illinois and certain other Members might want to offer.

Let me suggest at this point that any proposed change in the rules that the gentleman from Illinois or any other Member might wish to offer may be offered under the standard procedure to the Committee on Rules. We have it on no less authority than the gentleman from Missouri (Mr. BOLLING), that he personally will do what he can to see that a substantial and sufficient portion of time is set aside for any Member to come before his committee and assert a suggestion, to defend his or her suggestion, and to advocate any change in the rules that he or she may wish to advocate.

So there is nothing different this time than has been provided for in years past.

The only other thing on which I would like to comment, simply that the record may be abundantly clear, is the suggestion that somehow we are inhibiting the rights of Members when we insist that a budget resolution, if subjected to an amendment that would reduce the total expenditure, must permit the Members to know where those reductions would be made. I think this is fully in harmony with the principles and the philosophy of the Budget Act. The entire thrust of the budget reform was to give to Members of the House and of the Senate a new tool by which we could assert some semblance of self-control by which we could look at the broad overall picture of the budget in one package and make some serious determinations as to where our spending priorities should be.

□ 1505

Therefore, it always has been held, in reason and in consistency, that the total expenditures involved in the budget ought to be exactly the total of the individual itemized expenditures.

It just does not make sense to adopt a resolution that says, "Leave the individual categories alone and reduce the total."

Mr. RHODES. Mr. Speaker, will the gentleman yield?

Mr. WRIGHT. Of course I yield to my friend, the minority leader.

Mr. RHODES. I thank my good friend, the majority leader, for yielding.

Mr. Speaker, I was on the committee which studied the congressional budget system, and I mainly agree with the gentleman's analysis of the budget system.

However, at the time I was very much imbued with the idea—and I think others were—that there really were two operations that needed to be taken into consideration. One of them was the total expenditure in any fiscal year. In order to arrive at that proper figure, you have various elements involved, such as the state of the economy, the state of unemployment, and the like, and this was best accomplished by the House in the first or second concurrent budget resolution.

I thought at the time—and I still do—that it is very important for the House to have that function. But as far as the line items are concerned, it seemed to me—and it still does—that the Budget Committee is much better prepared than the average Member of the House or the composite of the House to take the material which the House furnishes the committee and to divide it up into the component pieces, which is why I have always been in favor of the mechanism which would set the macroeconomics of the matter and leave the minutiae to the Budget Committee. It is very similar, in effect, to recommitting the first or second concurrent budget resolution to the Committee on the Budget with instructions to lower the total amount, but to tell them to use their judgment as to where it should be cut.

That is, I think, the fundamental difference between the gentleman from Texas and myself. But I do believe that it is important that the dichotomy be analyzed.

Mr. WRIGHT. Mr. Speaker, I would not disagree with the gentleman in his analysis as to where the fundamental difference may lie. And I would not characterize the position the gentleman has described as his position as being other than a responsible position. But I would like to suggest that Members need to understand that there is nothing in these rules which prevents any Member from offering an amendment to reduce the size of the budget, once the resolution comes before the House. The only inhibition is that if he is going to reduce the total, then he must show where the reduction would be let. I think that is a reasonable requirement and would reasonably well serve the Members of the House. That is the only change that would be made.

If the gentleman from Illinois (Mr. ANDERSON) desires that I yield to him, I would be happy to yield to the gentleman.

Mr. ANDERSON of Illinois. I thank the distinguished majority leader for yielding.

Mr. Speaker, I am sorry that I was called off the floor a few minutes ago and I was not here. I understand the distinguished majority leader found an analogy between furnishing reprints of the CONGRESSIONAL RECORD to the custom that will now develop of providing copies of tapes, of television tapes, of remarks delivered here on the floor by Members, and he felt that, since there has been no abuse in the case of the former, the concern that I and others have about this is misplaced, because I think the gentleman knows that, along with former Congressman Sisk of California, I had offered a proposed rule, broadcast rule, in the last Congress that would have denied that privilege to Members because I too have the genuine fear that if Members know that every speech they deliver in the well of this House and in this Chamber can be available to them in the form of a television tape which they can freely circulate among the stations and among the media in their area, it will have a tendency to seriously distort the proceedings of this body.

I wonder if I was informed correctly as to what the gentleman from Texas said on that matter.

Mr. WRIGHT. Mr. Speaker, I believe that I said that the rules changes presented in this resolution contemplate no basic change from the present situation with respect to the matter over which the gentleman has found objection. I think I suggested that what the gentleman from Illinois objects to is not that the rules proposed by the Democratic Caucus and the Democratic majority provide a change, but that they fail to provide a change on coverage which the gentleman from Illinois would like to see provided.

Mr. ANDERSON of Illinois. Mr. Speaker, if the gentleman will yield further, that is a correct analysis of my position.

☐ 1510

But in view of what I see as a threat to the proceedings of this House, it seems to me that it would be wise to consider this resolution under a procedure whereby I could have offered that amendment, and we could have had a full and free debate on the entire issue, and perhaps thereby save the House what could be the experience of discovering later on, farther on down the road, that the fears I have expressed are genuine indeed.

Mr. WRIGHT. I would be happy to advise the gentleman from Illinois that the Speaker and a panel of advisors whom he is appointing are working, and will be working, on rules of implementation for the use of the audio and television facilities of the House. I am sure they would be happy to have such suggestions the gentleman from Illinois or any other Members may wish to offer to them.

With respect to the gentleman's apprehensions, I want simply to express my own conviction. The American public is sufficiently discerning that it will be able to distinguish the difference between somebody who has something to say and someone who does not have something to say. I just have that much basic faith in the American people. I do not think they are going to respond affirmatively to somebody who rises and takes the time of the House without having something worthy of being heard.

Believing that as a fundamental premise, I do not see the danger that the gentleman foresees, but I will grant to him an assumption that he may have something worthy of being considered, and I will suggest to him that there will be a proper time and place at which he may offer his suggestions, but this is not the time and place. These rules do not provide any change from the restrictions imposed in the prior Congress, and the Chair will at the appropriate time announce his regulations on distribution of audio and visual tapes of proceedings of the House, and for that reason I think it inappropriate for us to spend much more of our time talking about that particular phase.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from Maryland.

Mr. BAUMAN. I thank the distinguished majority leader for yielding to me. I understand the House will probably have almost no business to conduct for the next 2 weeks other than receiving a message from the President. Aside from any of the issues that have been addressed by particular rules changes just proposed by the majority leader, what is the rationale of the Democratic Party and the gentleman from Texas in denying to the full House of Representatives the right to debate, amend and work our will on the rules of the House, as has been done at the beginning of almost every Congress for 200 years? What is the rationale for that? Is it just easier to ram the rules through? Is that it?

Mr. WRIGHT. If the gentleman will yield, I do not discern in the procedures that are being followed today any marked differences from what has been done——

Mr. BAUMAN. In the last few years perhaps.

Mr. WRIGHT (continuing). For decades and decades before us. The rules traditionally offered at the beginning of a Congress have been the prerogative and responsibility of the majority party. If the leadership is going to be permitted to lead, then the leadership has got to request such powers as are necessary to permit it to lead. I believe the gentleman from Maryland would feel that way if the leadership responsibilities rested on his shoulders or on the shoulders of his colleagues on the Republican side.

I think the best description I ever heard of the rules of this House is one that was given once by the late Lew Deschler when he was Parliamentarian of the House. He said that the Rules of the U.S. House of Representatives are the most finely-tuned set of rules extant in any parliamentary body on Earth. I believe he said that they have two primary objectives; the one is to protect the minority from the intolerance of the majority. The other is to protect the majority from the enthronement or obstructionism of the minority.

So, to the extent we can jointly be mindful of these two rationales for the Rules of the House; to the extent that we could respect one another's rights; to the extent that we, I think, can give assurance that the powers granted to the Speaker are not going to be abused; and to the extent that the members of the minority would agree that those powers granted to the Speaker in the preceding Congress were not abused, then I think we have fulfilled the function given to us as Members of this greatest, sometimes criticized and yet most honored legislative body on Earth.

☐ 1515

Mr. BAUMAN. Would the gentleman yield further?

Mr. WRIGHT. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Speaker, I just wanted to thank the gentleman most sincerely for his eloquent and traditionally nonresponsive answer to my question. I look forward to working with him in exploring the fine points of these delicately tuned rules forced upon us today.

Mr. WRIGHT. Mr. Speaker, I thank the gentleman for his compliment. I, too, look forward to working with the gentleman from Maryland.

Mr. Speaker, I move the previous question on the resolution.

SWEARING IN OF MEMBERS

The SPEAKER. Pending putting the previous question, the Chair will give the oath of office to the Members who were not present earlier.

Members who were absent will kindly step forward.

Messrs. OTTINGER, AKAKA, and HEFTEL appeared at the bar of the House and took the oath of office.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed resolutions of the following titles:

S. Res. 1

Resolved, That a committee consisting of two Senaters be appointed by the Vice President to join such committee as may be appointed by the House of Representatives to wait upon the President of the United States and inform him that a quorum of each House is assembled and that the Congress is ready to receive any communication he may be pleased to make.

S. Res. 2

Resolved, That the Secretary inform the House of Representatives that a quorum of the Senate is assembled and that the Senate is ready to proceed to business.

S. Res. 6

Resolved, That the House of Representatives be notified of the election of the Honorable WARREN G. MAGNUSON, a Senator from the State of Washington, as President of the Senate pro tempore.

RULES OF THE HOUSE

The SPEAKER. The question is on ordering the previous question.

Mr. RHODES. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 241, nays 156, not voting 26, as follows:

[Roll No. 3]

YEAS—241

Addabbo
Akaka
Albosta
Alexander
Anderson, Calif.
Andrews, N.C.
Annunzio
Anthony
Aspin
Atkinson
AuCoin
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Beilenson
Benjamin
Bennett
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Brown, Calif.
Burlison
Burton, Phillip
Carr
Cavanaugh
Chappell
Clay
Coelho
Collins, Ill.
Conyers
Corman
Cotter
D'Amours
Daniel, Dan
Danielson
Davis, S.C.
de la Garza
Dellums
Derrick
Dicks
Dingell
Dixon
Dodd
Donnelly
Downey
Drinan
Duncan, Oreg.
Early
Eckhardt
Edwards, Calif.
English
Ertel
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Ferraro
Fisher
Fithian
Flippo
Florio
Foley
Ford, Miss.
Ford, Tenn.
Fountain
Fowler
Frost
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Ginn
Glickman
Gonzalez
Gore
Gramm
Gray
Gudger
Hall, Ohio
Hall, Tex.
Hamilton
Hance
Hanley
Harkin
Harris
Hefner
Heftel
Hightower
Holland
Holtzman
Howard
Hubbard
Huckaby
Hughes
Hutto
Ichord
Ireland
Jenkins
Jenrette
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kazen
Kildee
Kostmayer
LaFalce
Leach, La.
Leath, Tex.
Levitas
Lloyd
Long, La.
Long, Md.
Lowry
Luken
Lundine
McCormack
McHugh
McKay
Maguire
Markey
Mathis
Mattox

Mazzoli
Mica
Mikulski
Mikva
Miller, Calif.
Mineta
Minish
Moakley
Moffett
Mollohan
Montgomery
Mottl
Murphy, N.Y.
Murphy, Pa.
Murtha
Natcher
Neal
Nedzi
Nelson
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Pepper
Perkins
Peyser
Pickle
Preyer
Price
Rahall
Rangel
Ratchford
Reuss
Richmond
Roberts
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Russo
Sabo
Santini
Satterfield
Scheuer
Schroeder
Seiberling
Shannon
Sharp
Shelby
Simon
Skelton
Slack
Smith, Iowa
St Germain
Staggers
Stark
Steed
Stenholm
Stewart
Stokes
Stratton
Studds
Stump
Swift
Synar
Thompson
Traxler
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Watkins
Waxman
Weaver
Weiss
White
Whitley
Whitten
Williams, Mont.
Wilson, C. H.
Wilson, Tex.
Wirth
Wolff, N.Y.
Wolpe, Mich.
Wright
Wyatt
Yates
Yatron
Young, Mo.
Zablocki
Zeferetti

NAYS—156

Abdnor
Ambro
Anderson, Ill.
Andrews, N. Dak.
Archer
Ashbrook
Badham
Bafalis
Bauman
Beard, Tenn.
Bereuter
Bethune
Broomfield
Brown, Ohio
Broyhill
Burgener
Butler
Campbell
Carney
Carter
Cheney
Clausen
Cleveland
Clinger
Coleman
Collins, Tex.
Conable
Conte
Corcoran
Coughlin
Crane, Daniel
Crane, Philip
Daniel, R. W.
Dannemeyer
Davis, Mich.
Deckard
Derwinski
Devine
Dickinson
Dornan
Dougherty
Duncan, Tenn.
Edgar
Edwards, Ala.
Edwards, Okla.
Emery
Erdahl
Erlenborn
Evans, Del.
Fenwick
Findley
Fish
Forsythe
Frenzel
Gilman
Gingrich
Goldwater
Goodling
Gradison
Grassley
Green
Grisham
Guyer
Hagedorn
Hammerschmidt
Hansen
Harsha
Heckler
Hillis
Hinson
Hollenbeck
Holt
Hopkins
Horton
Hyde
Jacobs
Jeffords
Jeffries
Johnson, Colo.
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leach, Iowa
Lee
Lent
Lewis
Livingston
Loeffler
Lott
Lujan
Lungren
McClory
McCloskey
McDade
McDonald
McEwen
Madigan
Marlenee
Marriott
Martin
Michel
Miller, Ohio
Mitchell, N.Y.
Moore
Moorhead, Calif.
Myers, Ind.
O'Brien
Pashayan
Pursell
Quayle
Quillen
Railsback
Regula
Rhodes
Rinaldo
Ritter
Robinson
Roth
Rousselot
Rudd
Runnels
Sawyer
Schulze
Sebelius
Sensenbrenner
Shumway
Shuster
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Stangeland
Stanton
Stockman
Symms
Tauke
Taylor
Thomas
Treen
Trible
Vander Jagt
Walker
Wampler
Whitehurst
Whittaker
Williams, Ohio
Wilson, Bob
Winn
Wydler
Wylie
Young, Alaska
Young, Fla.

NOT VOTING—26

Applegate
Ashley
Bedell
Bonker
Burton, John
Byron
Chisholm
Courter
Daschle
Diggs
Flood
Guarini
Hawkins
Kogovsek
Lederer
Lehman
Leland
Matsui
Mavroules
Moorhead, Pa.
Murphy, Ill.
Myers, Pa.
Paul
Rodino
Spellman
Stack

☐ 1535

Mr. ADDABBO changed his vote from "nay" to "yea."

So the previous question was ordered.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

SWEARING IN OF MEMBERS

The SPEAKER. Are there any further Members to take the oath of office?

Mr. MITCHELL of Maryland, Mr. GRAY, and Mr. CHARLES H. WILSON of California presented themselves at the bar of the House and took the oath of office.

RESIGNATION AS CLERK TO THE MINORITY OF THE HOUSE OF REPRESENTATIVES

The SPEAKER. The Chair at this time will insert in the RECORD the resignation of Joe Bartlett, who was an employee of the minority in the 95th Congress:

HOUSE OF REPRESENTATIVES,
Washington, D.C., January 15, 1979.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker,
House of Representatives,

DEAR MR. SPEAKER: Please permit me to tender my resignation as Clerk to the Minority of the House of Representatives.

I am profoundly conscious of the privilege I have enjoyed in serving the Congress, and I will cherish forever my association and friendship with the many, many magnificent men and women of this great institution.

My very best wishes and prayers abide with you and the 96th Congress as you continue your sacred stewardship.

Sincerely,

JOE BARTLETT.

GENERAL LEAVE

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks concerning the adoption of the resolution rules.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

COMPENSATION OF CERTAIN MINORITY EMPLOYEES

Mr. RHODES. Mr. Speaker, I offer a resolution (H. Res. 6) and ask unanimous consent for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 6

Resolved, That pursuant to the Legislative Pay Act of 1929, as amended, five of the six minority employees authorized therein shall be the following named persons, effective January 3, 1979, until otherwise ordered by the House, to-wit: Walter P. Kennedy, Tommy Lee Winebrenner, Ronald W. Lasch, Gerald Lipson, and Charles Leppert, Jr., each to receive gross compensation pursuant to the provisions of House Resolution 119, Ninety-fifth Congress, as enacted into permanent law by section 115 of Public Law 95-94.

☐ 1540

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

COMPENSATION OF CHAPLAIN OF THE HOUSE OF REPRESENTATIVES

Mr. WRIGHT. Mr. Speaker, I offer a resolution (H. Res. 7) and ask unanimous consent for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 7

Resolved, The compensation of the Chaplain of the House of Representatives shall be equivalent to the highest rate of basic pay as in effect from time to time of level IV of the Executive Schedule in section 5315 of title V, United States Code.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

AUTHORIZING ADMINISTRATION OF OATH OF OFFICE TO THE HONORABLE STEWART B. McKINNEY

Mr. WRIGHT. Mr. Speaker, I offer a resolution (H. Res. 8) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 8

Resolved, Whereas Stewart B. McKinney, a Representative-elect from the State of Connecticut, from the Fourth District thereof, has been unable from sickness to appear in person to be sworn as a Member of the House, and there being no contest or question as to his election; Therefore be it

Resolved, That the Speaker, or deputy named by him, be, and he is hereby authorized to administer the oath of office to the Honorable Stewart B. McKinney at Fairfield, Connecticut, and that the said oath be accepted and received by the House as the oath of office of the said Stewart B. McKinney.

The resolution was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER. Pursuant to the authority of House Resolution 8, 96th Congress, the Chair appoints the gentleman from Connecticut (Mr. GIAIMO) to administer the oath of office to the Honorable STEWART B. MCKINNEY.

HOUR OF MEETINGS OF THE HOUSE OF REPRESENTATIVES

Mr. WRIGHT. Mr. Speaker, I offer a resolution (H. Res. 9) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 9

Resolved, That until otherwise ordered, the hour of meeting of the House shall be, 12 o'clock meridian on Mondays and Tuesdays; 3 o'clock postmeridian on Wednesdays; 11

o'clock antemeridian on all other days of the week up to and including May 14, 1979; and that from May 15, 1979, until the end of the first session, the hour of daily meeting of the House shall be 12 o'clock meridian on Mondays and Tuesdays and 10 o'clock antemeridian on all other days of the week.

The resolution was agreed to.

A motion to reconsider was laid on the table.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
November 30, 1978.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker,
House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 11:30 a.m. on Thursday, November 30, 1978, and said to contain a message from the President wherein he transmits the second special message for fiscal year 1979 under the Impoundment Control Act of 1974.

With kinds regards, I am,
Sincerely,
EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

REPORTS ON RESCISSION AND DEFERRALS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 96-2)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Appropriations and ordered to be printed:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith propose rescission of $75,000 in unneeded funds appropriated to the Foreign Claims Settlement Commission.

In addition, I am reporting four new deferrals of budget authority totalling $889 million and two revisions to previously transmitted deferrals increasing the amount deferred by $21.4 million in budget authority. These items involve the military assistance program and programs in the Departments of Commerce, Defense, Justice, and State.

The details of the rescission proposal and the deferrals are contained in the attached reports.

JIMMY CARTER.

THE WHITE HOUSE, *November 30, 1978.*

☐ 1545

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.
December 7, 1978.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 11:50 a.m. on Thursday, December 7, 1978, and said to contain a message from the President wherein he transmits the third special message for fiscal year 1979 under the Impoundment Control Act of 1979.

With kind regards, I am,
Sincerely,
EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.
By W. RAYMOND COLLEY,
Deputy Clerk.

TEN NEW DEFERRALS OF BUDGET AUTHORITY AND FOUR REVISIONS TO PREVIOUSLY TRANSMITTED DEFERRALS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. 96-3)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Appropriations and ordered to be printed:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith report ten new deferrals of budget authority totalling $110.6 million and four revisions to previously transmitted deferrals increasing the amount deferred by $3.3 million. The items involve the military education and training program and programs in the Departments of Agriculture, the Interior, State, and the Treasury, and several independent agencies.

The details of the deferrals are contained in the attached reports.

JIMMY CARTER.

THE WHITE HOUSE, *December 7, 1978.*

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
December 12, 1978.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 12:51 p.m. on Tuesday, December 12, 1978, and said to contain a message from the President wherein he transmits the fourth special message for fiscal year 1979 under the Budget Impoundment and Control Act of 1974.

With kind regards, I am,
Sincerely,
EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

TWO NEW DEFERRALS AND REVISION TO PREVIOUSLY TRANSMITTED DEFERRAL—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. 96-4)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Appropriations and ordered to be printed:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith report two new deferrals totaling $663.8 million and a revision to one previously transmitted deferral increasing the amount deferred by $.2 million in budget authority. These items involve the foreign military credit sales program and programs in the Departments of Commerce and the Interior.

The details of the deferrals are contained in the attached report.

JIMMY CARTER.

THE WHITE HOUSE, *December 12, 1978.*

EXTENDING TIME FOR FILING ECONOMIC REPORT

Mr. BRADEMAS. Mr. Speaker, I send to the desk a joint resolution (H.J. Res. 1) to extend the time for filing the Economic Report, and ask unanimous consent for its immediate consideration.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. RES. 1

Resolved by the Senate and House of Representatives of the United States of America in Congress Assembled, That Public Law 95-594 is amended by striking out "January 22, 1979" the second time it appears in section 2, and inserting in lieu thereof "January 29, 1979".

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair would like to make a statement concerning the introduction and reference of bills today.

As Members are aware, they have the privilege today of introducing bills. Heretofore on the opening day of a new Congress, several thousand bills have been introduced. It will be readily apparent to all Members that it may be a physical impossibility for the Speaker to examine each bill for reference today. The Chair will do his best to refer as many bills as possible, but he will ask the indulgence of Members if he is unable to refer all the bills that may be introduced. Those bills which are not referred and do not appear in the RECORD as of today will be included in the next day's RECORD and printed with a date as of today.

The Chair has advised all officers and employees of the House that are involved in the processing of bills that every bill, resolution, memorial, petition, or other material that is placed in the hopper must bear the signature of a Member. Where a bill or resolution is jointly sponsored, the signature must be that of the Member first named thereon. The bill clerk is instructed to return to the Member any bill which appears in the hopper without an original signature. This procedure was inaugurated in the 92d Congress. It has worked well, and the Chair thinks that it is essential to continue this practice to insure the integrity of the process by which legislation is introduced in the House.

The Chair's directive pursuant to clause 4, of rule 22, with respect to the new rule on the cosponsorship of bills has been distributed by the Clerk and will be inserted at this point in the RECORD.

A change in the House Rules of the 95th Congress provides for unlimited additional sponsors on Public bills and resolutions. Additional sponsors may be submitted until the legislation is reported to the House by the last Committee authorized to consider and report such bill or resolution. The rules do not provide for the addition of sponsors to Private bills and resolutions at any time.

If there is not sufficient space for listing sponsors when introducing legislation the first time, please affix the list of names to the front of the bill. Additional sponsors may be added by submitting a form which will be available to Members from the Clerk's Document Room. When preparing additional sponsor lists, do not repeat names that have previously been listed on the bill or resolution. The additional sponsor form should be submitted to the House in the same manner as when a bill is introduced. If you have any questions regarding this new procedure, please contact the House Bill Clerk's Office on Ext. 54470.

☐ 1550

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Pursuant to clause 3, rule 1, the Chair desires to announce that he has instructed the Doorkeeper and the Sergeant at Arms of the House to assure that Members will have unimpeded access to the Chamber especially during rollcall votes and quorum calls. Due to the relative brevity of the period during which Members may be recorded and because Members for obvious reasons are entitled to unhindered access to any door of the Chamber from the elevators and corridors, the Chair has directed that these instructions be strictly enforced.

APPOINTMENT AS MEMBERS OF HOUSE OFFICE BUILDING COMMISSION

The SPEAKER. Pursuant to the provisions of 40 U.S.C. 175 and 176, the Chair appoints the gentleman from Texas, Mr. WRIGHT, and the gentleman from Arizona, Mr. RHODES, as members of the House Office Building Commission to serve with himself.

COMMUNICATION FROM THE COMMITTEE ON AGRICULTURE

The SPEAKER laid before the House the following communication from the Committee on Agriculture; which was read, referred to the Committee on Appropriations and ordered to be printed:

COMMITTEE ON AGRICULTURE,
Washington, D.C., October 17, 1978.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker, House of Representatives,
Washington, D.C.

MY DEAR MR. SPEAKER: Pursuant to the provisions of section 2 of the Watershed Protection and Flood Prevention Act, as amended, the Committee on Agriculture on October 13, 1978, considered and unanimously approved the following work plans for watershed projects, which were referred to the Committee by Executive Communication 4988: Deposit Creek, New York; Wet Walnut Creek, No. 1, Kansas.

Attached are Committee resolutions with respect to these projects.

With best regards,

Sincerely,

THOMAS S. FOLEY,
Chairman.

PROCEDURES IN RELATION TO THE PRODUCTION OF WITNESSES AND DOCUMENTS IN COURTS OF JUSTICE

Mr. BRADEMAS. Mr. Speaker, I offer a resolution (H. Res. 10) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 10

Whereas, by the privileges of this House no evidence of a documentary character under the control and in the possession of the House of Representatives can, by the mandate of process of the ordinary courts of justice be taken from such control or possession except by its permission: Therefore be it

Resolved, That when it appears by the order of any court in the United States or a judge thereof, or of any legal officer charged with the administration of the orders of such court or judge that documentary evidence in the possession and under the control of the House is needful for use in any court of justice or before any judge or such legal officer, for the promotion of justice, this House will take such action thereon as will promote the ends of justice consistently with the privileges and rights of this House; and be it further

Resolved, That during the Ninety-sixth Congress, when a subpena or other order for the production or disclosure of information is by the due process of any court in the United States served upon any Member, officer, or employee of the House of Representatives directing appearance as a witness before the said court at any time and the production of certain and sundry papers in the possession and under the control of the House of Representatives, that any such Member, officer, or employee of the House, after notifying the Speaker, is authorized to appear before said court at the place and time named in any such subpena or order, but no papers or documents in the possession or under the control of the House of Representatives shall be produced in response thereto; and be it further

Resolved, That after the Speaker has been notified by the Member, officer, or employee that a proper court has determined upon the materiality and relevancy of specific papers or documents called for in the subpena or other order, then said court, through any of its officers or agents shall have full permission to attend with all proper parties to the proceedings before said court and at a place under the orders and control of the House of Representatives and take copies of the said documents or papers and the Clerk of the House is authorized to supply certified copies of such documents that the court has found to be material and relevant, except that under no circumstances shall any minutes or transcripts of executive sessions, or any evidence of witnesses in respect thereto be disclosed or copied, nor shall the possession of said documents and papers by any Member, officer, or employee of the House be disturbed or removed from their place of file or custody under said Member, officer, or employee; and be it further

Resolved, That the House of Representatives reserves to itself the power to revoke or modify the authority contained herein in all or specific instances; and be it further

Resolved, That a copy of these resolutions be transmitted by the Clerk of the House to any of said courts whenever such writs of subpena or other orders are issued and served as aforesaid.

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, can the gentleman explain what this is?

Mr. BRADEMAS. Yes, if the gentleman from California will yield.

Mr. ROUSSELOT. I yield to the gentleman from Indiana.

Mr. BRADEMAS. I thank the gentleman. This is the standard resolution making it possible for the House to respond to subpenas.

Mr. ROUSSELOT. And that is all it does? On whose authority is it?

Mr. BRADEMAS. On the authority of the House.

Mr. ROUSSELOT. The Speaker?

Mr. BRADEMAS. No. If the gentleman will yield——

Mr. ROUSSELOT. I will be glad to yield. Further reserving the right to object, I yield.

Mr. BRADEMAS. The gentleman from Indiana does not profess to be an authority on the subpena authority, but as the gentleman from California will realize, when subpenas are served on Members of the House, it is customary for the House to pass a resolution in response to those subpenas. The resolution which the gentleman from Indiana has offered provides for that authority on the part of the House. It is a standard resolution that is adopted.

Mr. ROUSSELOT. No difference from previous years?

Mr. BRADEMAS. That is correct.

Mr. ROUSSELOT. I thank the gentleman, and I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

☐ 1555

REPORT OF COMMITTEE TO NOTIFY THE PRESIDENT

Mr. WRIGHT. Mr. Speaker, your committee to notify the President is ready to report.

The SPEAKER. The Chair will hear the committee.

Mr. WRIGHT. Mr. Speaker, your committee appointed on the part of the House to join a like committee on the part of the Senate to notify the President of the United States that a quorum of each House has been assembled and is ready to receive any communication that he may be pleased to make has performed that duty.

The President asked us to report that he will be pleased to deliver his message at 9 p.m. Tuesday, January 23, 1979, to a joint session of the two Houses.

The SPEAKER. The Chair thanks the committee for the efficient manner in which it has handled its job and the expeditious manner in which the Members have acted.

JOINT SESSION OF CONGRESS—STATE OF THE UNION MESSAGE

Mr. BRADEMAS. Mr. Speaker, I offer a concurrent resolution (H. Con. Res. 1) and ask for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 1

Resolved by the House of Representatives (the Senate concurring), That the two Houses of Congress assemble in the Hall of the House of Representatives on Tuesday, January 23, 1979, at 9 o'clock postmeridian for the purpose of receiving such communications as the President of the United States shall be pleased to make to them.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair desires to make an announcement.

After consultation with the majority and minority leaders, and with their consent and approval, the Chair announces that on January 23, 1979, when the Houses meet in joint session to hear an address by the President of the United States, only the doors immediately opposite the Speaker and those on his left and right will be open.

No one will be allowed on the floor of the House who does not have the privilege of the floor of the House.

Due to the large attendance which is anticipated, the Chair feels that the rule regarding the privilege of the floor must be strictly adhered to.

Children of Members will not be permitted on the floor and the cooperation of all the Members is requested.

AUTHORIZING THE SPEAKER TO DECLARE RECESS ON TUESDAY, JANUARY 23, 1979

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent that on Tuesday, January 23, 1979, it may be in order for the Speaker to declare a recess at any time subject to call of the Chair.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair would take this opportunity to advise Members that he has, pursuant to clause 9 of rule I, asked an informal panel to advise him on the full and final implementation of broadcasting, telecasting, and closed circuit viewing of the proceedings of the House. At the appropriate time the Chair will announce his regulations pertaining to the utilization of the new system and distribution of audio and video reproduction from that system. In the meantime aside from closed circuit viewing to Members' offices today for the convenience of Members and their friends, there will be no audio or video coverage of the proceedings of the House, other than the audio pickup available to accredited members of the radio-TV gallery until full implementation is completed. This is to enable the Chair's advisory panel to devote its full resources to the earliest practicable implementation of the new system.

TRIBUTE TO THE LATE HONORABLE LEO J. RYAN

Mr. BOB WILSON. Mr. Speaker, I offer a resolution.

The Clerk read the resolution, as follows:

H. RES. 11

Resolved, That the House has heard with profound sorrow of the death of the Honorable LEO J. RYAN, a Representative from the State of California.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

The resolution was agreed to.

□ 1600

TRIBUTE TO THE LATE HONORABLE WILLIAM. A. STEIGER

Mr. ZABLOCKI. Mr. Speaker, I offer a privileged resolution.

The Clerk read the resolution, as follows:

H. RES. 12

Resolved, That the House has heard with profound sorrow of the death of the Honorable WILLIAM A. STEIGER, a Representative from the State of Wisconsin.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

The resolution was agreed to.

SPECIAL ORDER FOR THE LATE HONORABLE WILLIAM A. STEIGER

(Mr. ZABLOCKI asked and was given permission to address the House for 1 minute.)

Mr. ZABLOCKI. Mr. Speaker, I take this time so that I may advise the House that, on behalf of our colleagues, the gentleman from Oklahoma (Mr. JONES), the gentleman from New York (Mr. CONABLE), and myself, that arrangements have been made for eulogies under a Special Order for our late colleague, the Honorable WILLIAM A. STEIGER, for Thursday, January 25, 1979.

ADJOURNMENT TO THURSDAY, JANUARY 18, 1979

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet on Thursday next, January 18, 1979, at 11 o'clock a.m.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair will now recognize Members for 1 minute requests.

COMPENSATION FOR VICTIMS OF CRIME

(Mr. GONZALEZ asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

● Mr. GONZALEZ. Mr. Speaker, for 15 years now I have authored and sponsored legislation that would provide some compensation for our citizens who are innocent victims of crimes and last year I was very encouraged when both the House and Senate passed such legislation. However, the conference report filed in the final days of the 95th Congress was killed by the House, so I am again proposing a bill that will bring needed assistance to those who are victims of crime.

While crime continues to increase across the country, it is heartening to note that it is doing so at a decreasing rate. However, for a victim of a crime, statistics are not reassuring. For him society has failed in its duty to protect him and a State which has this responsibility must make some effort to live up to it.

According to history the concept of society having an obligation to in some way help the citizen who falls victim to a criminal act is not a new one.

The Code of Hammurabi of ancient Babylonia evoked communal responsibility for certain crimes where it was not possible to place individual blame. If a robber has not been caught, the code specified, the robbed man shall declare his last property in the presence of the god, and the city and Governor in whose territory and district the robbery was committed shall repay him for his lost property. In addition, the code ordered that "if it was a life that was lost the city and Governor shall pay one mina of silver to the heirs."

In the 16th century, Jeremy Bentham noted the plight of the victim of crime and suggested this rationale for compensation:

> Has a crime been committed? Those who have suffered it, either in their person or their fortune, are abandoned to their evil condition. The society which they have contributed to maintain, and which ought to protect them, owes them, however, an indemnity, when its protection has not been effectual.

There are currently 16 States that operate some form of victim compensation program, but the bill I am reintroducing would encourage additional States to join in such a program. This bill gives the Attorney General the administrative responsibility for making grants to States with qualified programs and these grants would cover 100 percent of the costs of awards for victims of Federal crimes and 25 percent of the cost for State crimes. Individual States would determine which crimes qualify for their programs.

Mr. Speaker, in the past 10 years Congress has considered and provided for programs to improve the criminal justice machinery, from addressing the needs of the local police to improving the correction facilities nationwide, but we have ignored the plight of the innocent victim. We are not really dealing with the crime problem until we have taken steps to minimize the impact of the crime on the victim.

A victims of crime program might also indirectly help bring reform to our correctional institutions. To quote the English penal reformer, Ms. Margaret Fry, a rational system of correction can only be achieved when victims, satisfied financially, no longer press for revenge, but rather favor rehabilitation.

There is obviously a great deal of support for a victims of crime program since both Houses passed such a measure in the last Congress and I hope that we can make it over the last hurdle and have a bill enacted into law before the end of the year.●

INTRODUCTION OF A JOINT RESOLUTION PROPOSING A CONSTITUTIONAL AMENDMENT TO PROVIDE THAT GOVERNMENT APPROPRIATIONS NOT EXCEED GOVERNMENT REVENUES

(Mr. DE LA GARZA asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. DE LA GARZA. Mr. Speaker, today I am introducing a resolution calling for a constitutional amendment to balance the Federal budget.

You may recall, Mr. Speaker, that I first introduced this resolution when I was a freshman back in 1965. Each and every Congress since then I have kept the tradition.

I was a lonely voice in the wilderness back then. Not many felt as I did that only an amendment to the Constitution mandating pay-as-you-go government (such as we have in the State of Texas) would clamp down a lid on Federal spending. This was the genesis of my proposal to provide that Federal appropriations shall not exceed revenues except in time of war or national emergency.

In the years that passed since that cold winter's day in 1965, other voices were raised, and in each succeeding Congress they grew louder in their plea for national fiscal sanity. Now dozens of similar congressional resolutions stand beside mine, and the roll grows longer.

Mr. Speaker, I urge that this Congress now consider a proposal whose time has come. In the present climate, three-fourths of the States should have no trouble at all making this resolution the next constitutional amendment. I call upon the leadership of the Committee on the Judiciary to hold hearings on this measure, and quickly bring it before the consideration of the House.

STATEMENT OF THE HONORABLE CHARLES E. BENNETT UPON INTRODUCTION OF THE MILITARY REGISTRATION AND MOBILIZATION ASSESSMENT ACT OF 1979

(Mr. BENNETT asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. BENNETT. Mr. Speaker, I am today introducing a bill which responds to a very conspicuous national defense need and would be called the Military Registration and Mobilization Assessment Act of 1979.

MOBILIZATION DISARRAY

Our mobilization capability is in a state of disarray, according to the testimony we heard in the last Congress. The Reserves are short by over a half million personnel, the Selective Service System could not possibly meet its delivery schedule, and we do not have one clear focal point of mobilization planning.

Only recently have these deficiencies in mobilization planning become so conspicuous. The source of the problem is quite recent. The Gates Commission recommended a strong mobilization capability in their 1969 report but actually since 1973, when the draft ended, the Selected Reserve strength has dropped about 15 percent and the Individual Ready Reserve has dropped by 70 percent. It might have been prudent to take the actions of this bill even sooner, but the truth is that few like to think hard about a possible national emergency which would demand mobilization.

It has now become our clear and immediate duty to provide the manpower requirements which have been assessed by the Under Secretary of Defense for Policy. The emergency needs dictate that our 2.1 million Active Duty Volunteer Force be backed up by a wartime mobilization capability of 959,000 Selected Reservists, at least 750,000 Individual Ready Reservists, and a Selective Service callup of 100,000 within 60 days and another 550,000 in the following 120 days.

THE BILL'S PROVISIONS

This bill is tailored specifically to two immediate and conspicuous needs. It provides for peacetime military registrations and it provides for comprehensive assessments of mobilization capability which are aimed especially at solving the Reserves problem.

PEACETIME REGISTRATION

We need a tested military registration system. The Chairman of the Joint Chiefs of Staff, the congressional committees, the studies of CBO and GAO, and the Acting Director of Selective Service all attest to this current need. The ABC Harris poll of last November showed that the American people favor military registration by a 66- to 31-percent majority.

My bill calls for registration to commence not later than October 1979 in accordance with a modern and efficient registration system which would be selected by June from the various existing proposals. The registration procedures for youth would be centralized and largely automatic, with help from the schools or from other records which already exist. As far as medical needs are concerned, the bill directs that a mechanism be established in the form of a National Advisory Committee, to evaluate how we can best secure medical professionals.

When we implement a modern registration system—which can be accomplished this year—we will certainly be months ahead on meeting the Selective Service delivery schedules that would be required in an emergency. It will also help us to ascertain and eliminate problems which we cannot now specifically foresee. Since our potential enemies can see our Reserve Force problems, the step toward registration is to some extent adding credibility to our determination to defend ourselves.

MOBILIZATION ASSESSMENT

Our second clear need is for a comprehensive and focused assessment of mobilization capability. The bill would require an annual assessment of the Nation's capability to mobilize the Active Forces, Reserve Forces, retired personnel and selective service callups. All of this needs to be composed and periodically reviewed in a comprehensive assessment, including strengths as well as weaknesses, for the entire mobilization resources. I endorse the conclusion in the recent Pentagon report about "America's Volunteers" where it says that our focus needs to be turned to mobilization planning.

NEED FOR A DRAFT?

I can see no reason to compel any citizen to work for the Government unless that is absolutely essential to the Nation's existence or security. Although there has been much public criticism of the Volunteer Force concept, I know that we do not need—and we cannot afford—to force every young person into long military training in peacetime. The Volunteer concept is designed to provide the Active Duty Forces which are needed and to adequately pay them, so that we will not have a tiny portion of our young men making a disproportionate sacrifice. But it is high time to turn the focus from the Active Volunteer Forces to our Reserve problem.

Our system has not provided sufficient input to the Reserves. The bill would require evaluation of an involuntary Reserve program of perhaps 3 months active duty training followed by 3 years of Reserve duty. My hope is that added incentives may encourage volunteers, and I believe that we need involuntary programs only when large segments of a group are required. Whether the deficiencies in the Reserves now can be met by purely voluntary enlistments is what I think the administration should promptly assess. One thing that is clear is that the Reserves do have a problem which needs our attention. Either with or without an involuntary Reserve program, we need to see the full implications of an equitable system that will get the job done.

FOCAL POINT FOR MOBILIZATION PLANNING

The various pieces of the mobilization assessment and planning, from the various sources and agencies, need to be composed into a comprehensive assessment and presented to Congress for recommended actions. Mobilization planning begins with assessments of the net threat, which are already the responsibility of the Under Secretary of Defense for Policy. The bill would also assign the Under Secretary to supervise manpower mobilization planning, a closely associated matter. Under the bill Selective Service planning is placed with the Under Secretary of Defense for Policy. There is not now and there never has been anything wrong with locating Selective Service planning in the Defense

Establishment. The President's reorganization project recommends placing Selective Service there to improve coordination, save costs and increase efficiency. It should be done.

CORRECTING RESERVE OBLIGATIONS AND THE PRIVACY ACT

The final provisions of this bill would correct an inequity in the total military obligation of future volunteers and assure that the Privacy Act not be an obstacle to what is strictly required for military registrations. The bill would make the equitable and helpful requirement that future volunteers to active duty all be responsible to serve 3 years in the Reserves upon release from active duty. This would eliminate the unevenhanded present procedures which allow exemptions of all Reserve time for those 26 years of age at induction and also for time prior to delayed entry, which is an unequal treatment which should be ended. The bill would also allow regulations for access by the Selective Service System to information on ages and addresses, for conducting registration but for no purpose other than registration.

SUMMARY

Mr. Speaker, this bill is tailored directly to the recognized need for military registrations and for mobilization assessment. The time for action is clearly here. I am hopeful that my colleagues in the House will support this vital national security legislation. The bill itself follows:

THE MILITARY REGISTRATION AND MOBILIZATION ASSESSMENT ACT OF 1979

Be it enacted that—

Section 1. The President shall:

(a) Commence registration not later than October 1, 1979 under the provisions of section (3) of the Military Selective Service Act of 1967 (50 App. U.S.C. 453).

(b) Report to the Congress not later than June 30, 1979 on the plans for a modern and efficient system of registration. Such report shall include recommendations for any changes needed in the Military Selective Service Act of 1967 to improve the fairness and efficiency of the Selective Service System.

(c) Establish a National Advisory Committee to make recommendations for achieving adequate medical personnel.

Sec. 2. Title 10, United States Code, is amended as follows:

(a) Section 135(b) is amended by inserting at the end of the first sentence: "The Undersecretary of Defense for Policy shall supervise manpower mobilization planning in the Department of Defense."

(b) Section 138(c)(3) is amended by adding the following at the end thereof: "The annual report of manpower requirements shall be extended to include an assessment of the nation's capabilities to mobilize such additional manpower as may be needed to meet national security requirements under emergency situations. This assessment shall discuss the capability of mobilizing the active forces, selected reserve forces, other reserve personnel, personnel in a retired status and other persons not currently in the armed forces. The first such assessment shall specifically address the feasibility of a program of three months of active duty assignment for selected persons, followed by a three year reserve obligation."

Sec. 3. The Military Selective Service Act of 1967 is amended as follows:

(a) Section 10(a)(1) (50 App. U.S.S. 460 (a)(1)) is amended by inserting at the end thereof: "The Director of the Selective Service System shall report to the Undersecretary of Defense for Policy, except on such matters as specifically directed by the President or Congress. The personnel, property, records and unexpended balances (available or to be made available) of appropriations, allocations and other funds of the Selective Service System are hereby transferred to the Department of Defense."

(b) Section (9) (50 App. U.S.C. 459) is amended by inserting at the end of that section: "(k) Reserve Obligation. Each person who hereafter is enlisted or appointed in one of the armed forces and thereafter is released from active duty while meeting the qualifications for enlistment or appointment in a reserve component of that armed force, shall be transferred to a reserve component for three years, or as otherwise obligated by law, whichever is longer."

(c) Section (3) (50 App. U.S.C. 453) is amended by inserting at the end of that section: "Notwithstanding any other provisions of law, regulations may provide for access by the Selective Service System to age and address information in the records of any school, any agency of the United States, or any agency or political subdivision of any state, for the purposes of conducting registration, but for no other purposes."

LOCKHEED REPAYS LOAN TO THE UNITED STATES WITH INTEREST

HON. WILLIAM L. DICKINSON

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

Mr. DICKINSON. Mr. Speaker, just this past week I had the privilege of visiting the Lockheed California plant at Burbank.

I should point out that I have no Lockheed industry in my district, but I thought that the Members of the House should be aware, however, that a few years ago we were called on to underwrite, which we did, a massive loan guarantee for Lockheed, which Lockheed has, in fact, paid off. They not only paid off the loan but they paid the Federal Government $30 million in handling charges which meant that there was a net profit to the Government.

I think that anything this important to our national security, as well as our economy, should be recognized. I just wanted to call the attention of the Members to the fact that Lockheed not only paid off the loan which we guaranteed, but that we made a $30 million profit out of it.

DR. MELVIN EVANS

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. MICHEL. Mr. Speaker, as we greet the new Members of both parties I want to take this opportunity to specifically welcome Dr. Melvin Evans of the Virgin Islands.

As the first elected Governor of the Virgin Islands, from 1969 to 1975, Melvin Evans demonstrated the kind of leadership and concern for human needs that eventually won for him the support of the people of those islands in his campaign for a House seat.

Melvin Evans has been a doctor since 1944. He is a specialist in cardiology and internal medicine and was an outstanding student at Howard University both in undergraduate work and in the school of medicine.

He has public health degrees from Johns Hopkins, among other major institutions, and is deservedly proud of the honorary doctorate he received from his alma mater.

When asked about the election, Evans stated that approximately 75 percent of the eligible voters of the Virgin Islands turned out on election day. He said:

> That's not that high a turn-out, actually because people in the Virgin Islands take their politics seriously.

I agree and the proof of that is the excellence of the new Member they have sent us.

□ 1605

INTRODUCING ELEMENTARY AND SECONDARY TUITION TAX CREDIT ACT OF 1979 AND SOCIAL SECURITY REFINANCING ACT OF 1979

(Mr. LEDERER asked and was given permission to adddress the House for 1 minute and to revise and extend his remarks.)

Mr. LEDERER. Mr. Speaker, I rise on this first day of the 96th Congress to bring to the attention of the House two issues which were not resolved in the last Congress. I am here introducing the Elementary and Secondary Tuition Tax Credit Act of 1979 and the Social Security Refinancing Act of 1979. These two bills take up where we left off last year.

I am proposing a tuition credit of up to $150 for students at nonpublic elementary and secondary schools. Similar legislation was approved last year by the House but was dropped by the Senate and a compromise was not achieved in the short time remaining in the 95th Congress.

The cost of elementary and secondary education, both in public and nonpublic institutions, has increased dramatically in the last decade. This has placed a burden on the parents of the Nation, and the school systems around the country as well as the tax bases supporting education. The parents of nonpublic school children have a greater burden with each year's increases. The non-public-schools in my own city of Philadelphia, have just last week announced a dramatic tuition increase.

This tuition credit will in a small way relieve the burden on the families of non-public-school children. Many of these are low- and middle-income parents who want to continue to send their children to the school of their choice. This bill is necessary to relieve the immediate burden on the system of education in this country and to allow it to grow in the future.

The second bill I have introduced today will revamp the social security financing system by funding one-third from the employer tax, one-third from the employee contribution, and one-third from the general revenues. This formula was proposed by Chairman James Burke in the last Congress but was not acted upon. This will take much of the burden of supporting the system off the employees and employers, many of whom are unfairly burdened by the present one-half to one-half system with wage base cutoffs. To insure that this imbalance does not continue, my bill also raises the wage base subject to social security taxes to $100,000.

This bill then will insure that all employees pay their fair share into the social security system. At the same time, the Government will take up the burden, through its contribution, of the many nonpension programs which have been added onto the social security base over the years.

I urge my colleagues to seriously consider both of these bills to insure their early consideration and timely conclusion in this session. We cannot avoid hard issues like these any longer. The education of our Nation's children and the security of all of us in our old age is at stake.

RESOLUTION TO CREATE SELECT COMMITTEE ON INFLATION

(Mr. VANIK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VANIK. Mr. Speaker, with over 25 cosponsors, I am today introducing a House resolution to create a Select Committee on Inflation.

Inflation is public enemy No. 1 and it must be brought to justice. As we move into 1979, prices are almost double what they were in 1967 and there is no end to the price increases in sight. The Consumer Price Index will climb three-tenths to four-tenths of a point, because of OPEC's 14.5-percent increase in oil prices. The expected phased decontrol of gasoline prices and the political turmoil in Iran will add further increases to the Index.

Congress must take action now. Congress can jawbone price increases much more effectively than the administration. It can effectively attack the inflation nightmare through this committee. It would be a nonlegislative, factfinding committee empowered to conduct a full and complete investigation and study of the causes of inflation in the United States. The committee would examine the causes and justification for wage and price increases affecting the cost of goods and services in all areas of the economy. The committee would be able to expose and criticize wage and price greed, while at the same time commending those who make special efforts to control inflation.

Mr. Speaker, I urge support of this proposal so that Congress can do its share of bringing inflation under control.

GAME PLAN FOR THE 96TH

The SPEAKER. Under a previous order of the House, the gentleman from California (Mr. GOLDWATER) is recognized for 5 minutes.

● Mr. GOLDWATER. Mr. Speaker, we are about to kickoff the 96th Congress and Coach Taxpayer has given us the message: Reduce the size of Government, cut taxes, trim the costly bureaucratic regulation, pass sunset legislation, and stop inflationary spending. After a record 2,691 votes and nearly 24,000 bills and resolutions in the 95th Congress, I would have hoped that Coach Taxpayer could have had his way last year. But this is a new game, a fresh start, and I am sure there are many others in Congress as eager as I to score a few points for the folks back home.

I am encouraged by some of the new faces Coach Taxpayer recruited for the 96th. They hold political philosophies committed to limited Government and fiscal conservatism. It is clear to me from the results of the November elections that the voters are rapidly losing faith in the ability of the Federal Government to solve the Nation's problems. They know, for example, that a mandatory, comprehensive national health insurance program is not the correct approach to holding down the rising cost of medical care. They know an arbitrary ceiling on hospital costs is not the way to solve the problem of expensive hospitalization. They know that welfare reform is a priority deserving of greater attention by Congress. They know the importance of a balanced budget.

The game plan is on the drawing board, Mr. Speaker. I look forward to a productive 96th Congress.●

LEGISLATION DESIGNED TO GIVE FARMERS AND CONSUMERS AN EVEN BREAK WHEN IT COMES TO SUGAR

The SPEAKER. Under a previous order of the House, the gentleman from Idaho (Mr. SYMMS) is recognized for 5 minutes.

● Mr. SYMMS. Mr. Speaker, our domestic sugar industry is rapidly being destroyed, because the President and Congress has not taken any action for the farmers. The farmers are the people that have been overlooked by the Carter administration and the Department of Agriculture. While the Coca-Cola folks in Atlanta are making a bundle snuggling up to the Chinese Communists the American sugar farmer is going broke.

Senator MCCLURE, with whom I am cosponsoring this bill, along with Congressman HANSEN, has told me that on Monday, November 20, 1978, U and I, Inc., a pioneer sugar processor in the Intermountain West, announced it will go out of business. Its four processing plants are already up for sale. Located at Idaho Falls, Idaho; Garland, Utah, and Toppenish and Moses Lake, Wash., the four plants employ some 2,290 individuals on a full- and part-time basis. Hundreds of farmers and thousands of farmworkers contracted with U and I and pumped some $134.2 million into the local economies.

Now they are out of business and the same bleak future faces any number of sugar farmers and producers, because of the refusal of the White House to consider economic reality in the last session of this Congress. If these thousands of farmers are forced out of farming sugarbeets or sugarcane they are not likely to take other crops considering the high machinery costs, the bank interest rates, and the inflationary spiral of money.

If this Congress does not seek to work with the farmers then it may well starve. In Idaho, the only other crops that you might grow for profit are apparently already overproduced and are incapable of floating in a "regulated" market such as we have in this country. People say this is all too complicated, because they see the Coca-Cola people getting rich and the farmer suffering. Some even say we should get out of the sugar business altogether.

The United States cannot afford to get out of the sugar business. Just as with oil, once we are dependent upon a foreign source then that source is our owner and the price is dictated by some foreign nation and not by the marketplace in the United States. Once we come to our senses regarding the importation of sugar and allow a man to grow a crop without sucking up to the Federal Government sugar prices will fall. It is only when the market is really free at home that we can begin to see an end to the distorted Keynesian economics that the current administration is trying to force down our throats.

On the other side of the Hill, Senator MCCLURE is today introducing a similar bill that attempts to not only assure a viable industry for our sugar growers and processors, but will also assure a constant supply of sugar at extremely reasonable prices for the consumers of this country. The Senator and I agree that the old Sugar Act served the industry and the consumer for over 25 years.

This new bill is a new Sugar Act. As opposed to price supports, which means tax dollars to the citizen, this new act relies on import quotas and fees. Domestic consumption and production are determined by USDA while foreign nations are allocated the remaining demand. Supply is kept at a level only barely below demand and this assures a fair price to all concerned. Apparently, the existing means already exists at USDA to implement this bill thereby no new bureaucracy will emerge.

Action must be taken immediately to alleviate the plight of our farmers. This bill is designed to give the farmers and the consumers an even break when it comes to sugar.●

CARPENTERSVILLE EIGHT DESERVE VINDICATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. MCCLORY) is recognized for 10 minutes.

● Mr. McCLORY. Mr. Speaker, nationwide attention was directed recently to the plight of the Carpentersville Eight; that is, Village President Orville Brettman, Village Manager George Shaw, and six trustees of the village of Carpentersville in my congressional district, who were sentenced to jail after being held in contempt for their refusal to issue building permits for 11 houses in the community.

According to my information—bolstered by a report from the village's consulting engineers—these Carpentersville officials were acting in good faith—on the ground that to permit these 11 additional houses to be hooked into the village's sewer system—would or might create a danger to the health or welfare of the community from water pollution.

Mr. Speaker, it is my view supported by many of my constituents—and by expressions of public concern from around the country—that the U.S. district judge, Frank McGarr, exercised an excess of judicial authority when he ordered the incarceration of these village officials. In addition, I feel that either the State or the Federal Environmental Protection Agencies—or both—should have applied for permission to intervene in the U.S. court proceedings in order that the environmental question of threatened water pollution might have been considered—and resolved in those proceedings.

Mr. Speaker, I have prepared remedial legislation to effectively bar Federal judges from imposing such extreme punishment on village officials who are endeavoring in good faith, to uphold the environmental laws of the State and Federal governments.

Furthermore, I am introducing legislation which will require the intervention in proceedings such as that in which the Carpentersville Eight were involved—by the Federal Environmental Protection Agency.

Copies of the relevant House bills and brief explanations follow these remarks:

H.R. —

A bill to amend chapter 21, title 18, United States Code, so as to place certain limitations on the exercise of the contempt power by the courts of the United States

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title 18, United States Code, is amended by adding the following new subsection:

"§ 403. Limitation on the Contempt Power

"The criminal and civil contempt powers of the courts of the United States shall not extend to disputes involving an officer or employee of a State, municipality, agency or unit of local government, where the officer or employee is exercising good faith discretion, within the scope of his office or employment."

H.R. —

A bill to amend the Federal Water Pollution Control Act to limit the exercise of the contempt powers of the courts of the United States in environmental disputes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 509 of the Federal Water Pollution Control Act (33 U.S.C. 1369) is amended by adding the following new subsection:

"(d) The criminal and civil contempt powers of the courts of the United States shall not extend to disputes involving the overall effectiveness of a system assisted under this title, where an officer or employee of a State, municipality, agency or unit of local government is exercising good faith discretion, within the scope of his office or employment."

EXPLANATION OF THE FOREGOING TWO BILLS

This legislation aims at preventing a Federal judge from substituting his judgment for that of a State or local government official, through the use of his judicial contempt powers. That is a Federal judge would not be allowed to inappropriately impose his will on what is esentially a local matter.

The power of the courts to punish for contempt is inherent within the judicial function. However, these powers are not absolute and were never intended to permit interference with basic State or local decisionmaking. There is no question but that Congress has the power to limit and regulate the contempt powers of Federal judges. Precedents exist for this both in staues and caselaw.

This bill is intended to apply to both criminal and civil contempt situations. Most notably it would forbid a Federal judge from incarcerating a State or local government official in a dispute surrounding a local issue. Federal judges should not be in a position to arbitrarily jail or fine local officials when the decision in dispute is one which falls within that official's job responsibility and has been made in good faith. It is important to emphasize that this legislation would, in no way, interfere, with Court enforcement of essential rights guaranteed by the U.S. Constitution or in Federal law.

H.R. —

A bill to amend the Federal Water Pollution Control Act to facilitate contract enforcement and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 203(e) of the Federal Water Pollution Control Act (33 U.S.C. 1283(e)) is amended to read as follows:

"(e) At the request of a grantee under this title, the Administrator shall provide technical and legal assistance in the administration and enforcement of any contract in connection with treatment works assisted under this title, and to intervene in any civil action involving the enforcement of such a contract. Such technical and legal assistance shall also be provided in those instances where a serious question is raised in connection with the overall effectiveness of a system assisted under this title, so as to pose a potential threat to the public health or welfare."

STATEMENT OF THE BILL'S PURPOSE

This bill requires the Administrator of the Environmental Protection Agency to provide technical and legal assistance in matters related to contracts pertaining to an overall sewage system as well as treatment works assisted with EPA funds and to intervene in legal proceedings when requested by local officials.

As the law now reads, the Administrator has the discretion to intervene or not, and then only in regard to those contracts pertaining strictly to treatment works.

Where the federal government through the EPA is substantially involved in the problem, it seems both fair and logical that this agency be required to provide such technical and legal assistance—and to intervene—not merely in regard to contracts pertaining to the treatment works project but to contracts pertaining to the whole system and its overall effectiveness where there is a potential threat to the public health or welfare.●

ECONOMIC GROWTH AND PRICE STABILITY PROGRAM OF 1979

The SPEAKER. Under a previous order of the House, the gentleman from Ohio (Mr. BROWN) is recognized for 60 minutes.

Mr. BROWN of Ohio. Mr. Speaker, the Nation faces severe economic problems. Congress must use its wisdom, creativity, courage, and statesmanship to solve them.

We must act quickly because the people of this country have suffered too long. Our economy is beset by:

An inflation rate teetering on the brink of double digits.

A growing real tax burden and an adverse regulatory environment leading to a slowing of the growth of our real gross national product.

Serious underinvestment, aggravating a failure to achieve a reasonable strategy for longrun economic growth.

A serious threat of recession.

Productivity increases in the American business sector economy at about 0.1 percent, as the American manufacturing plant continues to age.

A continuing gnawing problem of heavy structural unemployment, especially among blacks and teenagers, despite welcome improvements in the total unemployment picture.

Clearly, the major economic concerns of Americans today are inflation, taxes, Federal deficits, Government regulation, and structural unemployment.

Today, as ranking minority member of the Joint Economic Committee, I am introducing a package of legislation and cosponsoring other bills, which together make up a Republican economic program to solve the foregoing list of economic ills. The goal of the package is to stimulate economic growth and curb inflation. It incorporates the best economic proposals of the last Congress plus several new initiatives. It is in the forefront of sound, modern economic theory, which takes into account both the supply side and demand side of our economy.

The economic package contains six elements: tax reform, reduced Federal spending, a savings tax credit, reduced Federal regulation, deferred minimum wage increases, and a targeted program to cure structural unemployment. I believe this is a well balanced program, and it hits at the key sore spots in our economy.

In recent years, policymakers have been at a loss to explain why inflation and unemployment have been so stubborn. The fact is, inflation and unemployment have only been as inflexible as the policymakers. The policymakers have lumped tax policy and spending policy in one category, fiscal policy, and have lost all flexibility by treating it as one rigid policy tool. They have linked fiscal policy to monetary policy in rigid fashion as well. Monetary and fiscal policy were either both too tight or both too easy, all stop or all go. Demand was pumped up or drawn down. No attention at all was paid to supply policy, or to ways in which tax policy could be used independently to affect costs, prices, employment, and growth.

Recently, Michael Evans and Alan Greenspan testified before the Joint Economic Committee. They agreed that there were indeed other policy combinations that could be used to fight the upcoming recession, generate growth, and avoid inflation, all at the same time.

Inflation is too much money chasing too few goods. The trick is to fight inflation by reducing money growth, while stimulating production, the supply of goods and services, through carefully designed tax reduction and restructing, and reducing the growth of Federal spending to eliminate Federal borrowing and crowding out. These targeted policies, some easy and some tight, could solve our problems.

Evans and Greenspan were pessimistic that such a program could survive the emotional, ideological, and educational barriers it would face in the Congress and the administration. In introducing this economic package, I am betting that Evans and Greenspan are right about their economics, and wrong about the Congress.

In recent years, we have pumped up demand by increasing spending, cutting taxes—supposedly—and creating money faster than ever. We have had the biggest deficits in history. We assumed that supply would automatically rise to satisfy the demand. This policy did not work. Output did not respond.

Output did not respond because Government has strangled it with higher taxes, higher costs, and higher regulatory burdens. Government has pumped up demand and throttled supply. No wonder we have had inflation. Furthermore, that same inflation has only made the supply situation worse.

Inflation is to economic growth what a cold shower is to romance. Inflation lowers the rate of return to every worthwhile growth activity. As the reward falls, the activity declines.

Inflation pushes people into higher tax brackets. Our so-called tax cuts of recent years have not kept pace, especially if we include social security taxes. The marginal taxes taken out of each cost of living raise have reached amazing levels. Even middle income taxpayers now face tax rates of 40 to 50 percent on each additional dollar earned.

The high and rising marginal tax burdens have reduced the rate of return to labor. There has been no increase in real after tax spendable earnings for the average worker since 1965. Extra effort is taxed at record rates. Workers have substituted leisure, early retirement, and nontaxable fringe benefits for added work and added pay.

Saving is also hard hit. The after tax reward to saving is miserably inadequate in view of the great social service that saving performs. Saving is inherently double-taxed. Income is taxed when earned. If it is spent on a good or service, only a small sales tax is incurred. If it is saved, the "service" acquired—interest or dividends—is taxed at rates up to 70 percent. Inflation increases this double tax burden as it pushes taxpayers toward the upper brackets, reducing the reward to saving even further. Taxpayers have substituted consumption for saving, and tax-sheltered saving for ordinary saving. The supply of saving to the stock, bond, and other credit markets for use by ordinary business has been choked off.

Inflation has caused a gross understatement of depreciation, the amount of plant and equipment that is wearing out. As a result, business profits are overstated, and taxes are overpaid by 25 to 30 percent. The rate of return on the use of equipment is reduced, leading to a drop in desired investment. The cost of just standing still increases, as depreciation allowed by the tax code proves inadequate to replace old machinery. Even as overstated taxes and mandated pollution control spending reduce corporate cash flow, firms must dip into that cash flow to pay inflated prices for new machines. Little is left over to raise dividends or make higher interest payments to overcome the reduced desire to save on the part of taxpayers.

The supply of credit to business is further reduced, and the cost of that credit increased, by the increasing preemption of our limited supply of savings by Government borrowing to fund the Federal deficit.

The general profitability of business is further eroded by an enormous regulatory burden, the cost of which is now in the neighborhood of $100 billion a year, almost 5 percent of GNP. This discourages all forms of production. It curbs the use of plant and equipment, labor, land, and inventory, and stifles the reward to training and education. It results in the underemployment of every conceivable factor of production.

How do we fight this situation? There is no great mystery. The methods have been thoroughly studied and are ready to use if we only have the will. Here is the program:

To fight inflation and defend the value of the dollar, curb the creation of new money.

To keep slower money growth from causing a credit crunch and recession, get the Government out of the credit market by curbing the growth of Government spending to end the deficits.

To further increase the supply of credit for real growth, encourage saving by cutting personal tax rates and index the personal income tax to keep inflation from undoing the tax cut. Institute a credit for additional saving to offset the double taxation which saving now faces.

To encourage business to use the added saving to produce real growth, enact replacement cost or indexed depreciation. Encourage the employment of all inputs in their most efficient uses by cutting corporate tax rates to discourage the use of shelters. Index the corporate tax brackets to keep inflation from undoing the tax cut.

To prevent the taxation of illusory capital gains due only to inflation, adjust the purchase price of capital assets for inflation when calculating taxable gains.

To reduce our soaring regulatory burden, enact the following reforms. Abolish existing regulations that are excessive, duplicative or contradictory. Require that regulations be drafted to minimize costs to consumers and businessmen. Establish a regulatory budget, which puts a cap on the cost each Federal agency or department could impose on the private sector.

To increase work effort and the supply of labor, reduce personal tax rates and index the income tax to keep inflation from undoing the tax cut.

To make untrained workers employable, institute a wage subsidy for the hiring of unskilled workers, putting the hard core unemployed into real training programs in the private sector. Delay further increases in the minimum wage in order to prevent thousands of teenagers and unskilled workers from being priced out of the market.

That is the program. It is infinitely more flexible than the stop-and-go policies of recent years. It can fight unemployment and inflation simultaneously. It will produce sustainable real economic growth and higher living standards for the first time in nearly a decade.

Here is a description of the bills.

PERSONAL TAX RATE REDUCTION

Increased tax credits or rebates, or wage guarantees, do nothing to increase the rate of return, the reward after taxes, to additional labor or saving. Only reduction of the marginal tax rates in each bracket, the rates that apply to added earnings due to added effort, can do that. The first section of the new Kemp-Roth bill provides for real marginal tax rate reduction for the first time since 1964. I do not reintroduce that bill here.

However, it should be considered to be part of a sound program to increase work effort and total saving, and to redirect saving out of shelters and into America's ordinary cash-starved businesses. A tax reduction bill of this size is only slightly larger than the tax increases that will be generated in the next few years due to social security tax increases and the effects of inflation in pushing people into higher tax brackets. Kemp-Roth is not large enough to work through the stimulation of demand. It works primarily because it is the right shape to stimulate supply.

INDEXING THE PERSONAL INCOME TAX

Each year, as incomes rise to keep up with the cost of living, millions of workers find themselves in higher tax brackets. The increased tax burden often robs the worker of any real increase in spendable earnings. In fact, today's average worker has had no real increase in real spendable earnings, after taxes and inflation, since 1965. That is 14 years of stagnant real spendable income even though nominal wages have more than doubled.

Because of higher tax brackets, many workers are discouraged from accepting overtime labor bargains for nontaxable fringe benefits, including more time off. Spouses who might seek part-time work find the added income taxed at high rates, and stay home. Saving is discouraged, as inflation erodes the principal and higher tax brackets steal the interest. Tax shelters are now used by millions who once had no need for them. Others simply spend. Growth rates of employment and real income are reduced.

Under the current Tax Code, tax revenues rise about 16 percent every time prices rise by 10 percent. The extra 6-percent rise in revenue is due to "bracket creep" as inflation pushes taxpayers into higher tax brackets. Bracket creep has effectively repealed the Kennedy tax cut and subsequent tax reductions. Today, because of bracket creep, a worker has to demand a cost-of-living raise of 10.5 percent to keep up with 9-percent inflation plus higher taxes due to bracket creep.

Indexing prevents inflation from pushing taxpayers into higher tax brackets just because they receive a cost-of-living increase. Indexing would hold Government revenues to a 10-percent increase when prices rose 10 percent. Thus, it does not deny the Government the revenue needed to keep up with prices. It simply denies the Government its automatic windfall from inflation.

Under the bill, each December, the Secretary of the Treasury would calculate the percent by which the average Consumer Price Index, for the 12 months ending September 30 of that year, had risen to the average Consumer Price Index for the 12 months ending September 30, 1978. All fixed dollar amounts in the income tax tables would be increased by that percent; the personal exemption, the "zero tax bracket"—that is, the standard deduction—and all the income levels which separate one tax bracket from the next, would be adjusted. This is the standard textbook method for accurately insuring that the same real income always faces the same real tax rate, both on average and at the margin. It ends the current system under which taxpayers on average have faced tax rates on additional income which are 1 or 2 percent higher each year. It ends the bracket creep problem which nurtures tax shelters, consumption, and leisure at the expense of work effort and straightforward saving and investment. It gives workers a chance for real wage increase even without double-digit wage demands. Without indexing, no program of wage guidelines has any chance of success.

The indexing bill I am introducing begins in 1980, to keep the new tax rates for 1979, enacted in the Revenue Act of 1978, from being increased by inflation. However, even these 1979 tax rates are too high. Ideally, these rates would be reduced sharply to restore the work and investment incentives lost since 1964, and to roll back the use of tax shelters. Thus, a tax rate reduction program, such as has been proposed by Senator ROTH and Congressman KEMP, should be enacted, with indexing to take effect thereafter. The new Roth-Kemp bill includes just such a proposal for indexing to take effect in 1983 after 3 years of tax rate reduction.

If rate reduction is not enacted, immediate indexing becomes imperative. Indexing would not roll back the use of tax shelters nor restore incentives lost to previous taxflation. Only rate reduction can do that. However, indexing would prevent the further deterioration of spendable earnings and savings due to future taxflation.

INDEXING CAPITAL GAINS

This bill, modeled after the Archer amendment to the Revenue Act of 1978, would adjust the basis of capital assets for inflation in determining gains and losses for tax purposes. It would involve increasing the purchase price of our asset by the percent increase in the Consumer Price Index since the asset was levied on purely illusion "gains" due to inflation.

Capital gains have been eroded by inflation to such an extent that most reported capital gains are really losses when adjusted for inflation. Prof. Martin Feldstein reported to the Joint Economic Committee on an exhaustive study of capital gains reported in 1973 tax returns. Taking all returns into account, the reported nominal gains of $4.6 billion were in fact real losses of nearly $1 billion, yet all the reported gains were taxed. Worse yet, the bulk of this overtaxation fell on middle-income taxpayers. The Tax Code was never intended to operate in this way. On average, on those "gains" which were still gains even after adjusting for inflation, the real effective tax rate was doubled. Those who paid taxes on real losses were, in effect, subject to a capital levy, a tax rate in excess of 100 percent.

As was pointed out in the 1978 Joint Economic Report:

> Capital gains are already overtaxed. They are not ordinary income, and we should not be trying to tax them as if they were.
>
> Capital gains occur when the price of an earning asset rises. The price increase is generally caused by a perceived increase in the future earnings of the asset. Those future earnings will be taxed when they occur. To tax the rise in the asset's value as well as the future earnings is to double tax those earnings. For this reason, no major nation treats capital gains as ordinary income.

To add to this double-taxation by imposing taxes on the portion of gains due to inflation raises the effective tax rate well above rates intended in the tax code. In fact, taxing real capital losses means we impose a tax in excess of 100 percent on the "profit" from many transactions. This combination of inflation plus a tax on capital transfers has "locked-in" thousands of investors and sharply reduced trading of all types of property. As a result, as several studies show, the Government is actually losing more money because of discouraged activity than it gained by raising capital gains tax rates in 1969.

More importantly, the country has lost out on a great deal of growth because saving and the efficient allocation of capital have been retarded.

INDEXING THE CORPORATE INCOME TAX BRACKETS

The Revenue Act of 1978 created a graduated corporate income tax. Rates are 17 percent on the first $25,000 in profit, 20 percent on the second $25,000, 30 percent on the third, 40 percent on the fourth, and 46 percent on profit above $100,000. However, if these brackets of $25,000 each are not widened to keep pace with inflation, small businesses will be inflated into high tax brackets in only a few years, reducing rates of return and discouraging real expansion. It takes only 10 years for inflation of 7 percent to double a profit figure, yet that doubled profit is worth no more than the original profit.

At the current inflation rate of 9 percent, doubling occurs in only 8 years. This bill widens the corporate tax brackets to keep pace with the gross national product implicit price deflator. This is analogous to indexing the personal income tax brackets by adjusting them for increases in the Consumer Price Index.

INDEXING DEPRECIATION, REDUCING AND RESTRUCTURING CORPORATE TAXES

This bill, submitted by Representative STOCKMAN in the 95th Congress, is designed to restore the rates of return to business investment and to the production of goods which inflation and rising taxes have destroyed. It is needed if there is to be sufficient incentive to use our existing industrial capacity, and to put additional labor, capital, and other resources into actual production. It is needed to make suppliers willing to respond to the demand we have created. Without such a response, demand produces nothing but further inflation.

INDEXING DEPRECIATION

Depreciation must be indexed to keep up with inflation if business is to recover the cost of replacing worn out equipment. This bill provides for indexed or replacement-cost straightline depreciation, repealing the inadequate asset depreciation range and accelerated depreciation provisions now in the code. Under present law, the purchase price of a machine is written off over several years. But, over those years, inflation erodes the value of the dollars written off. The firm never writes off the full real cost of the machine, because the dollars written off in later years have less value than the dollars originally paid out at the time of purchase. This increases the effective cost of the machine, which reduces the firm's rate of return to investment and reduces its desire to invest. This underdepreciation prevents the deduction of a real cost of business, and, thus, overstates the real profit of the firm. Therefore, the firm pays excessive taxes, which cripples its cash flow and reduces its ability to invest.

As inflation has increased, underdepreciation of inventory and equipment has assumed alarming proportions. In 1969, the sum of the inventory valuation adjustment and capital consumption adjustment, the amount of overstatement of corporate profits, was $2 billion, out of profits of $81 billion. In the first half of 1978, at annual rates, the overstatement of profits was $36 billion out of $146 billion. In 9 years, the overstatement of profits has risen from 2.5 to 25 percent of profits, drastically increasing taxes and decreasing rates of return on capital investment and production.

In fact, in recent years, effective tax rates on the real profits of such basic industries as steel, utilities, communications, and transportation have actually exceeded 100 percent. Failure to adjust depreciation for inflation has imposed taxes of several billion dollars on phantom profits in struggling industries with real losses.

For industry in general, effective tax rates on real profits have increased from roughly 40 cents on each dollar, after the tax cuts of 1962 and 1964, to roughly 50 or 60 cents by 1977. These are increases of 25 to 50 percent over the 1965 rate. No wonder supply is less responsive to demand than it used to be.

Indexing depreciation on a straightline basis for inflation or replacement cost—whichever is less—is a concrete application of dozens of studies and suggestions made by tax and growth experts over the last 20 years. The principles are universally understood and have been studied to death. This bill provides a convenient and simple means of putting these principals of sound tax policy into practice.

Straightline replacement cost or indexed depreciation is the only adequate method of restoring rates of return on investment in a nondiscriminatory, nondistorting fashion. The asset depreciation range and accelerated depreciation provisions already in the law are completely inadequate by some $15 billion, to compensate for the distorting effects of inflation. It would take 1 year write-offs of short-lived assets, and 5-year write-offs of long-lived assets, to come close to coping with the problem, and such provisions would open up recapture questions and misallocations of resources easily avoided by using replacement cost methods.

CUTTING CORPORATE TAX RATES

Replacement cost depreciation is designed to eliminate a peculiar tax bias against the use of machinery, as opposed to other inputs, in the production process. Corporate tax rate reduction is needed to raise the rate of return to output in general, simultaneously increasing the rate of return on the utilization and upgrading of all inputs, including labor, labor training, machinery, R. & D., inventory, and structures. This bill reduces the tax rates on corporations as follows:

Taxable income	Current law	Under the bill
0 to $25,000	17	14
$25,000 to $50,000	20	17
$50,000 to $75,000	30	25
$75,000 to $100,000	40	33
$100,000 and over	46	38

A reduction in the corporate tax rate increases the amount of after-tax income left to a firm, however, it expands output. The firm will increase its use of factors in the most efficient way, not confining itself to adding machines instead of men, or holding more inventory instead of improving forecasting and management techniques.

RESTRUCTING OF CORPORATE TAXES

In theory, a common low tax rate applied to a common tax base for the whole corporate sector would eliminate the biases and distortions alluded to above, and maximize growth. Most experts regard corporate rate reduction as preferable in this regard to the credits and special deductions in the present code. This bill achieves a common tax rate, and helps to finance deep corporate tax cuts and replacement cost depreciation, by repealing nearly all major corporate tax loopholes, including the investment tax credit, DISC, the intangible drilling expense deduction, excess depletion allowances for minerals, rapid amortization of pollution control equipment and other similar preferences.

The common base of taxable income is provided by permitting depreciation allowances to be indexed to current replacement costs. This will put all industries—whether capital—or labor-intensive, or whether employing long- or short-lived assets—on a common ground for the purpose of calculating taxable income.

Finally, the bill lowers the corporate tax rate to 40 percent in order to provide across-the-board incentives for increased investment.

For most of our industry, the drop in the corporate rate to 40 percent is enough to raise the rate of return on investment by more than the investment tax credit, which the bill repeals. The money saved by repeal of the ITC pays for the rate reduction, and the rate reduction also raises the rate of return on hiring and training labor, and on structures, inventory, and R. & D. Giving firms replacement cost depreciation further raises the return on capital goods.

Other loopholes dropped are of little value in raising output. They are mostly lump-sum transfers to certain types of firms. The transfers do not generally reduce costs on added output significantly and so are more in the nature of windfalls than spurs to output. In each case, the affected firms gain far more from the package than they lose.

This bill is of great benefit to basic industry now suffering from underdepreciation—steel, textiles, autos—good for employment, good for growth and wages, and good tax reform because it removes distortions while strengthening general incentives.

SAVINGS ACT OF 1979

In order to provide the credit markets with additional funds for the financing of economic growth, the Savings Act of 1979 is designed to encourage and to assist Americans to save and invest—activities which many of our citizens find next to impossible in an inflationary period.

The bill allows a tax credit of 50 percent for additions to all types of bank and savings accounts, stock and taxable bond holdings, insurance, and assets of small businesses. It will sharply increase the reward to saving, and will, for the first time in years, allow many of our citizens to have a real return after taxes and inflation on their savings. It will enable many people to set aside sufficient funds for the purchase of a home, payment of tuition or medical expenses, a secure retirement, and the many other goals our citizens have worked so hard to reach, only to be cheated out of them by taxes and inflation.

While helping savers to reach these goals, this bill will help the country reach its goals of full employment and no inflation. By adding to the supply of saving, the bill makes possible the funding of far more investment in plant and equipment, the modernization of thousands of more factories, and the creation of hundreds of thousands of additional jobs each year. By increasing productivity and the demand for labor, this will make American industry more competitive with foreign firms even while providing real wage increases for American workers. By funding the investment out of saving, instead of through money creation by the Federal Reserve, and by increasing efficiency and the supply of goods, the bill will reduce inflation.

The United States has long had the lowest rate of saving and investment in the Western World. As a consequence, every other major Western nation has a better employment record, and a faster rate of growth of real wages and fringe benefits than the United States.

WAGE INCREASES, INVESTMENT, AND SAVING

	1965–75 percent change in real wages and fringe benefits [1]	Investment as percent of GNP—Averages, 1960–73		Household savings ratios, 1976 estimate (percent)
		Total	Total minus home-building	
United States	15.7	17.5	13.6	6–8
Canada	48.5	21.8	17.4	10–12
Japan	138.9	35.0	29.0	24–26
France	77.4	24.5	18.2	16–18
Germany	78.1	25.8	20.0	14–16
Italy	116.4	20.5	14.4	22–24
United Kingdom	53.9	18.5	15.2	12–14

[1] Includes pension programs and other fringe benefits.

Sources: Bureau of Labor Statistics, OECD.

Last year, before the Joint Economic Committee, a panel of experts on growth and capital formation zeroed in on the bias in the tax code against saving. Income is taxed when earned. If it is consumed, it purchases a service or a product with little added tax. If it is saved, the service—interest or dividends—is taxed a second time at higher tax rates. The experts recommended removing saving from taxable income as the best way to return the tax code to neutrality between consumption and saving. Taxes would remain on the earnings of saving, but we would no longer be double-taxing both saving and its earnings. This bill is a major step in that direction.

The bill recognizes the difficulty lower income taxpayers have in saving by providing a tax credit rather than an exemption. Lower income taxpayers would receive a credit on all eligible savings.

Middle and upper bracket taxpayers have historically saved higher percentages of their incomes than lower bracket taxpayers. To sharply reduce the cost of the bill, these taxpayers would receive a credit only on eligible savings done in excess of the normal percent of income saved by people in their income brackets.

This savings credit will restore the attractiveness of straightforward saving in basic U.S. industry, small business, and homebuilding, as compared to inefficient but tax-sheltered projects. A 50-percent credit doubles the reward to such taxable investment and saving for any given interest rate or dividend. Thus, this credit will produce a reallocation of saving into projects of the greatest value in terms of economic growth and modernization of American plant and equipment.

Savings is the key to noninflationary economic growth. Growth is the key to full employment, rising living standards, and a sound social security system.

The first part of the bill creates a nonrefundable credit against the personal income tax equal to 50 percent of eligible net saving—defined below—insofar as the saving exceeds certain required levels.

The required levels, called threshold saving amounts, are based on the taxpayer's adjusted gross income less personal exemptions. The thresholds—see table—rise with income to reflect the fact that as a family's income rises, its saving, as a percent of its income, also rises. Only saving in excess of the threshold level is eligible for the credit.

Adjusted gross income less exemptions	Percent of income less exemptions which saving must exceed to qualify
Not over $10,000	0
Over $10,000 but not over $12,000	1
Over $12,000 but not over $15,000	2
Over $15,000 but not over $20,000	3
Over $20,000 but not over $25,000	4
Over $25,000 but not over $50,000	5
Over $50,000 but not over $100,000	6
Over $100,000 but not over $200,000	8
Over $200,000	10

Thus, a family earning $9,000 which saves $500 in eligible assets receives a 50-percent tax credit on the full amount. A family earning $18,000 would be expected to save 3 percent, or $540, before being eligible for the credit. If it saved $1,000, it would receive a credit on the $460 in excess of the required $540. A family earning $36,000 would be expected to save 5 percent, or $1,800, before being eligible for the credit. If it saved $3,000, it would receive a credit on the excess $1,200.

The bill then defines eligible net savings as the sum of net saving less ineligible debt.

Net saving is:

First. Saving in certain business: The taxpayer's share in the increase in book value—largely cash increases, inventory increases, investment in additional equipment and structures—of small businesses such as partnerships, proprietorships, and closely held corporations, plus purchases of and loans made to small business. These amounts are readily available, since they are already calculated for tax purposes;

Second. Saving in liquid assets: Saving in checking accounts, savings accounts, and savings bonds. Amounts in accounts at commercial banks, savings and loan institutions, mutual savings banks, and credit unions at the end of the year would be compared to the amounts on deposit at the end of the previous year. The net increase would be part of eligible net savings, as would savings bond purchases less redemptions;

Third. Saving in certain investment assets: Stock purchases minus sales, and purchases of taxable bonds—Federal or private sector—minus sales are eligible. These records are already kept for tax purposes;

Fourth. Savings in mortgage assets and investment real estate: Investment in mortgages or real estate, plus improvements, less loans repaid or property sold; and

Fifth. Saving in company savings plans, retirement plans, and life insurance: Payments into plans or on premiums, less withdrawals from or borrowing against such plans or policies.

Ineligible debt must be subtracted from net saving. Not only is debt a form of "negative" saving, but this provision prevents borrowing on existing assets to make deposits solely to get the tax credit. Ineligible debt is debt acquired in the tax year other than for the purchase or repair of a home or other property or the payment of medical or tuition expenses of the taxpayer or dependents.

Another safeguard is a recapture provision for credits on savings not left in some form of eligible assets for 5 years. This provision would not apply to withdrawal from savings for retirement income.

The income levels attached to each threshold percent would be indexed to prevent inflation from making the credit harder to receive over time.

FEDERAL SPENDING LIMITATION

This bill amends the Budget Act to require that spending ceilings in future budget resolutions for fiscal years 1980, 1981, 1982, and 1983 not exceed, respectively, 21, 20, 19, and 18 percent of each years' projected GNP, except by vote of two-thirds of each House of Congress.

REGULATION

One of the most serious problems facing our economy is the stifling effect on profits, incentives, and investments from Federal regulations.

Over the past decade, we have witnessed a huge explosion of Federal rules and regulations. In the mid-1950's, some 10,000 pages were published in the Federal Register each year. By 1970, 15 years later, that number had doubled to 20,000. but, by 1977, the number of pages added was 65,000. Today, the cumulative Federal Registers fills 52 large shelves, and totals over 800,000 pages, and is growing. In fact, Federal regulation is America's No. 1 growth industry.

Shelf space to house these regulations is not what concerns me. What concerns me is the costs these regulations impose on our economy.

In a recent study for the Joint Economic Committee, Murray Weidenbaum, professor at Washington University in St. Louis, put the private sector compliance costs at $97.9 billion. In addition, the agency administrative costs total $4.8 billion.

Much of this $102 billion regulatory burden is well intentioned. Concerns over safety, the environment, and consumer protection are legitimate concerns. But, it is time we applied some cost-benefit analyses to these regulations. There must be situations where the cost burdens imposed on society by these regulations exceed the benefits to society.

A number of witnesses who testified before the Joint Economic Committee last year made a strong point of the fact that Federal regulation aggravates our inflation problem. Higher prices due to regulation stem from two sources: First. the direct dollar expense of compliance with the regulations, currently costing nearly $100 billion in the aggregate, about 7 percent of personal consumption expenditures—as a micro example, Government safety and pollution-control devices add $660 to the price of the average automobile. Second is the adverse impact on productivity—when scientists and researchers are diverted from the constructive pursuits for which they are trained and qualified, to collective data and filling out forms for Government agencies, productivity declines. Edward F. Denison of the Brookings Institution has estimated that, in recent years, Government regulations have caused a loss of approximately one-fourth of the potential annual increase in productivity. This reduced output-per-person, of course, exacerbates our already disturbing inflationary pressures.

Something must be done. Americans want these burdens removed; they want action now.

REGULATION REFORM LEGISLATIVE IN 1978

Last year, we made a beginning in the battle to rein-in galloping regulations and the galloping inflation they generate. Senator **BENTSEN** and some of his colleagues in the Senate and I and some of my colleagues in the House introduced four bills designed to reduce or eliminate contradictory regulations and to reduce the cost of Federal rules and regulations.

The Senate version of one of these bills, S. 3263 in the Senate and H.R. 14371 in the House, was added as an amendment to S. 2, entitled the "Sunset Act of 1978"—section 704. S. 2 was adopted by the Senate, but no action was taken on this bill in the House in the 95th Congress.

I hope the final outcome will be different this Congress.

The regulatory reform package I am introducing today is varied, covering four aspects. It is designed to alter our Federal regulatory system. It introduces accountability—both in the Federal agencies and in the Congress. It introduces a system for abolishing existing regulations which are excessive, duplicative, contradictory, or inefficient. It mandates a thorough overhaul of the system for reviewing proposed regulations before issuance to insure that they minimize costs to consumers and businessmen. It seeks to reduce the cost of individual rules and regulations, both in direct tax costs and in the indirect costs of complying with them. The four bills are entitled: the Regulatory Conflicts Elimination Act of 1979, the Independent Agencies Regulatory Improvements Act of 1979, the Regulatory Cost Reduction Act of 1979, and the Federal Regulatory Budget Act of 1979.

Briefly, this is what each bill does:

The Regulatory Conflicts Elimination Act of 1979: Under this legislation, the Office of Management and Budget will annually report to Congress and the President on Federal agency rules or regulations which duplicate or conflict with one another. At the start of each fiscal year, the President and the head of each agency will submit to Congress his recommendations for resolving or eliminating duplication or conflicts among these rules or regulations. The recommendations will go into effect 60 days following their submission unless Congress disapproves. The GAO will evaluate the President's recommendations as well as each agency's progress in implementing the recommendations.

It is senseless for a businessman to be put squarely between the rock and the hard place where complying with one regulation requires violating another.

This legislation is designed to eliminate the irrationality of overlapping and contradictory regulations.

The Independent Agencies Regulatory Improvements Act of 197: My second bill fills a void in regulatory reform which arose when President Carter issued his Executive Order 12044 last March 23, 1978. When that order was issued, the independent agencies were not covered by its provisions on constitutional grounds. My legislation brings 17 independent agencies—it includes the Federal Reserve—under the provisions of that March 23, 1978, Executive order it incorporates the basic provisions of that order. It directs the Federal agencies to improve existing and future regulations. It calls for an analysis of new major regulations, including a study of economic consequences for the economy, for individual industries, for geographical regions or for levels of government. Regulations requiring analysis are those which result in: First, an annual effect on the economy of $100 million or more; or second, a major increase in costs or prices for individual industries or georaphic regions. In general, the Executive order calls for greater clarity of language, increased oversight, early warning announcements to the public, and opportunities for public involvement and comment.

THE REGULATORY COST REDUCTION ACT OF 1979

Under this legislation, the regulatory agencies—the independent regulatory agencies as well as those in the executive branch—will be required to meet their regulatory objectives in the most cost-effective manner available.

Congress generally fails to impose a cost-effectiveness requirement in most measures establishing new regulatory programs. As a result, regulatory agencies often issue regulations that employ excessively costly methods to achieve their goals. This is a tragic waste of our country's scarce resources.

We need to clean up our environment, we need to make our highways safe, we need to improve the health and safety of our work places. But, if we do this wastefully and inefficiently, we are simply misusing valuable resources that could be used to achieve other important goals.

Therefore, regulatory agencies should be required to minimize the cost of achieving their regulatory goals unless this consideration is overridden by a more important national goal. My bill will do this. All agencies will be required to examine all options for attacking a regulatory problem and to choose the least costly alternative. They will be required to publish a regulatory impact analysis in the Federal Register to back up their existing regulations. The only regulations exempt from this requirement are those dealing with military affairs, agency managment, and procurement.

Regulation on its face is bad enough. But onerous regulation, not founded on least-cost principles, frustrates business and hurts consumers. If we have to have regulation, enactment of this bill will assure that it is at least efficient regulation.

THE REGULATORY BUDGET ACT OF 1979

My final bill would amend the Congressional Budget Act of 1974 to require the Congress to establish a regulatory budget, along with an administrative budget, which sets for each agency or department the maximum costs of compliance with rules and regulations promulgated by that agency or department. This bill, each year, forces the President and Congress to put a cap on the costs each agency could impose on the private sector, similar to ceilings imposed on the costs of administering the agencies. In addition, it sets as an objective a reduction in the cost of compliance with Federal regulations of 5 percent per year for 5 years.

It establishes a formal mechanism within the framework of the Congressional Budget Act passed 5 years ago for limiting the burden of Federal rules and regulations. Annually, the President and Congress would establish a maximum regulatory cost—a ceiling—for each Federal agency. This ceiling would be fixed, inviolate, just as agency budgets are today. The cap would be determined after an extensive, broad-based series of hearings, administrative reviews, with ample opportunity for public input.

What we are dealing with here is ministrative budget—on-budget items. process. First, we have the regular administrative budget—"on-budget" items. Second, we have 15 off-budget activities, totaling about $12 billion in fiscal 1979. Third, my bill requires an accounting for $98 billion worth of "off-off-budget" items, namely the costs of compliance with Federal regulations. These costs have the same effect as a tax imposed on businesses.

My bill will remove the ignorance surrounding the actual magnitude of costs imposed on the private sector by Federal regulations. This bill, and the other bills I am introducing, would force the Federal agencies to account for their rules, to assess what associated costs exist, and to toe the line in minimizing their costs.

The congressional budget process has worked well in serving to stress the need for spending restraint by Congress. It has increased Congress' ability to assess the current status of the Federal budget, and to project—and thereby control—future spending levels.

It is my hope that the Federal Regulatory Budget Act will yield similar benefits in reining in the runaway cost of burgeoning Federal regulations. There is little question that such restraints are long overdue. It is my conviction that adopting the Congressional budget process is the best and most effective way to impose these restraints.

DEFERRAL OF NEXT MINIMUM WAGE INCREASE

On January 1, 1979, another increase in the minimum wage, from $2.65 to $2.90 per hour, took effect and is expected to add 0.5 percent to the inflation rate. This is the estimate of Federal Reserve Chairman G. William Miller, in hearings before the Joint Economic Committee last summer. The analysis that went into that figure is as follows:

> There will be upward pressure on wage rates from workers above the minimum who want to maintain their traditional relative wage position and from noncovered workers who attempt to emulate the gains made by covered workers. . . . Since no additional productivity gain can be expected to accompany any minimum wage adjustment, unit labor costs will be boosted by a comparable amount, and historical evidence suggests that about two-thirds of the rise in unit labor costs is passed through into higher overall prices. In addition, these higher prices will have secondary effects on other wages that are linked to prices through escalator clauses. . . . Thus, if the January, 1979, minimum wage increase was deferred, the rise in prices could be reduced by nearly one-half percentage point from that which would have occurred otherwise."

Next January 1, 1980, another increase to $3.10 per hour is scheduled to go into effect. The same inflationary results will take place.

This minimum wage increase will have a severe impact on many groups in our society. Not only is there expected to be another inflationary effect, but the sharp increase in labor costs for positions paying the minimum wage will cause the elimination of thousands of jobs. Many small businesses will be forced to close, rather than pay the increase in the minimum wage.

In light of the above analysis, and because of my deep concern over our No. 1 economic problem—inflation—I am joining Representative DOUGLAS BARNARD, JR., today, in introducing legislation to postpone the scheduled 1980 increase in the minimum wage for 2 years.

This is not a heartless proposal. Inflation is the cruelest tax of all. And the prospect of unemployment for thousands of marginal workers makes the scheduled increase in the wage minimum a very questionable policy action.

This bill will not merely defer the inflationary impact of the next hike. It will give Congress the opportunity to study in depth the entire concept of minimum wages and their automatic increase.

STRUCTURAL UNEMPLOYMENT

There is one economic problem that is most devastating to society. That problem is structural unemployment—that is, unemployment essentially caused by low skills; skills so few and so minimal that the person literally faces a life of unemployment, or at best part-time employment.

It is because of the present desperate situation and inevitable and hopeless future, that the structurally unemployed present this country with a severe test.

To meet this test, I am introducing a bill that will deal squarely with structural unemployment. This bill puts to use our most potent weapon in fighting this or any economic problem—the private sector.

By the private sector I do not mean just business, but the entire private sector—labor, business, schools, religious organizations, citizen groups, and other members of the local community. Under this bill, these aspects of the private sector will combine the work together to match the structurally unemployed with available jobs. This community combination has proved highly successful in many localities across the country for the opportunities industrialization centers, the Committee for Economic Development, and other organizations that deal directly with structural unemployment.

The bill provides a wage subsidy paid to employers for training and employment. States would approve acceptable employer programs and petition the Secretary of Labor for the subsidy money. The subsidy, which begins at 50 percent of the wage, is decreased at 6 month intervals until it ends after 2 years of employment.

I stress that this subsidy would only be paid if training is provided. Training is the key to the solution. If structural unemployment is defined as being caused by low skills, then any bill that does not stress training is a waste of time and money. This bill will establish training as a requirement in order to provide the structurally unemployed with what they need most.

The bill also establishes a priority system for granting these subsidies to private employers; assuring the subsidies will go to the areas where they are most needed and will be most successful.

The first priority established by this bill is the targeting of subsidies to areas of high unemployment. It is an unfortunate fact of our economy that structural unemployment is most severe in the most desperate of economic situations, where the structurally unemployed not only lack skills, but face a job market so depressed that they have only a small chance of receiving employment or training. They have lost man's most important defense—hope.

The second priority is for small business. The Joint Economic Committee has heard time and time again over the years that the most hopeful solution to this structural unemployment problem is small business. The reasons are simple. Every community has a great number of small businesses whose condition and needs are most known to the rest of the community. These are the employers that are most responsive to wage subsidies. If only one-third of the 10 million small businesses in the United States would hire just 1 new employee each, we would more than solve our overall unemployment problem.

As I said earlier, the concept of community is very important to solving the problem of structural unemployment. The biggest problem in any training and employment program is the location of jobs and job retention. Local, private organizations that draw together various aspects of the community to solve the problem of structural unemployment have shown a far greater success in placing people in permanent jobs than any Federal Government training program.

Accordingly, this bill offers its final priority to those employers who use these community organizations in finding employees. This priority guarantees that the hired worker will be carefully matched to the specific job. And just as important, these organizations will provide the support services after employment which are so critical to the newly hired, low-skill employee. The use of these organizations—called intermediate organizations—separate this bill from other employment and training bills. Judging from the unmatched success of intermediate organizations, it makes this a superior bill.

This bill has an important provision that guarantees that the subsidies will help those who need it the most.

This provision addresses the question of who is eligible for the subsidy. In other words, who is structurally employed? This bill uses a simple but reliable definition for structural unemployment that prevents the loss of time and effort just trying to figure out who can be hired under the subsidy.

Eligibility is defined as being out of work for at least 5 weeks and exhausting or being monetarily ineligible to receive unemployment compensation. Thus, the bill identifies workers who have been out of work for a long time and workers who have such low skills that their spotty pattern of employment provides them with only a short time period of unemployment compensation. This simple definition would include youths who have never held a job and, therefore, are not eligible for unemployment compensation. Likewise eligible would be the growing number of women who, by personal choice or economic hardship, have returned to the labor market after an absence of many years and with low marketable skills.

Highly skilled workers would not be eligible under this definition unless they faced dire economic circumstances. The reason is that highly trained workers who lose their job would receive unemployment compensation for a long period of time. Only if the highly trained worker was unemployed until unemployment compensation ran out would that person be eligible for subsidized employment.

Another important feature of this bill which improves efficiency is a minimum paperwork provision. This provision provides that no State will receive any Federal money for job subsidization until that State has assured the Secretary of Labor that its modus operandi requires a minimum of paperwork on the part of the employer. This unique feature ingrains administrative efficiency in the program at its inception. This is far different than other bills that start a program and then find out it is impossible to administer.

In conclusion, we must solve this problem of structural unemployment because our slumping economy needs the input of these workers.

But, most crucially, we must solve this problem to help millions of people who find their lives robbed of security, opportunity, and, most of all, hope.

INTRODUCTION OF RESOLUTION REQUIRING FEDERAL GOVERNMENT TO OPERATE UNDER A BALANCED BUDGET

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. ARCHER) is recognized for 10 minutes.

Mr. ARCHER. Mr. Speaker, in each Congress in which I have served, I have sponsored a proposed constitutional amendment which would—except in times of declared national emergency—require the Federal Government to operate under a balanced budget.

On this, the opening day of the 96th Congress, I am again submitting this proposal.

I also want to urge my colleagues, a number of whom I am sure will be introducing similar proposals of their own, to join me in calling for immediate Judiciary Committee hearings on the overall subject. One hundred and forty-two Congressmen joined me in making a similar request last summer, and I am optimistic that still more will do so now.

Today I also take pride in acting on behalf of the people of my home State of Texas in formally submitting to the House of Representatives resolutions passed by the Texas Legislature, on June 16, 1977, and August 4, 1978, calling on the Congress to convene a constitutional convention in order to adopt an amendment requiring a balanced Federal budget. I respectfully request that these petitions be referred to the House Judiciary Committee for appropriate consideration.

We in Texas are firmly committed to fiscal responsibility in the management of our State government's tax dollars and have placed a firm constitutional requirement on our own State spending. We believe very strongly that the Federal Government must operate under similar constraints in an effort to bring inflation under control.

THE DIPLOMATIC RECOGNITION OF THE PEOPLE'S REPUBLIC OF CHINA

The SPEAKER pro tempore. Under a previous order of the House the gentleman from Illinois (Mr. DERWINSKI) is recognized for 10 minutes.

● Mr. DERWINSKI. Mr. Speaker, the most controversial foreign policy development in the last 3 months has been the decision of the Carter administration to recognize the People's Republic of China (PRC) entirely on their terms. I believe that time will demonstrate that this step was badly handled, ill-timed, and as a result will prove counterproductive for the United States. I wish to raise a few points with regard to this agreement that I feel are pertinent.

Last month when we were not in session, the President announced that the United States and the People's Republic of China had arranged for the exchange of diplomatic representatives. He had agreed to three demands on the part of the Chinese: The severance of diplomatic relations with the Republic of China on Taiwan, unilateral termination of our mutual defense treaty, and the withdrawal of U.S. troops from Taiwan. In return, the United States would be permitted to delay the termination of the defense treaty for a year (required, in fact, by the terms of the treaty).

I have expressed my hope in the past that the United States and the PRC would be able to develop eventually a relationship of mutual benefit. Normalization of diplomatic relations, I said, "would help bolster the hopes for peace throughout the world." I believe the United States should continue to insist upon the right of the Taiwan Chinese to continue to exist as a free and independent nation, without fear of attack from the mainland. This normalization of relations with China does not assure the security of Taiwan. We have only "the confident judgement" of the administration, as quoted by the press, that Peking will not attempt to enforce its claim on Taiwan by force.

The impetuosity of the agreement overtook the planning process for carrying out both the new agreement itself and our old agreements with Taiwan. Its curious timing prevented—or avoided—consultation with the Congress which will have to help in facilitating those very agreements.

However, the administration's action cannot be undone. We have been presented with a new "simple reality," to use the President's phrase. It is our responsibility now to devise and to take the steps that will assure the peace and prosperity of our Chinese friends on Taiwan, promote our own interests, and hopefully enhance the prospects for all Asia.

The President, announcing the new relationship with mainland China, spoke of our continuing ties with Taiwan. "Congress," he said, "will be asked to play a key role in maintaining U.S. programs and relations with Taiwan." Let us now begin to play the role that the President asks of us.

It is in our own interest to protect the $4.5 billion of U.S. investments on the island of Taiwan. We must assure also that Taiwan keeps representation in international organizations and that it not suffer sanctions because of its new status. The value of our trade with Taiwan in 1977 was $7.4 billion (our trade the same year with the U.S.S.R., incidentally, after 45 years of recognition, was about $2 billion). For a long time to come we will benefit far, far more from our economic relations with Taiwan than with the PRC.

Taiwan is a little country that has made itself the world's 22d largest trading nation and the 12th largest trading partner of the United States. This trade is providing substantial employment to American workers. The United States must not lose these trade advantages by the administration's handling of our commercial relations with Taiwan.

There are other "simple realities" to consider as well in our relations with China and Taiwan. Our economy is in no condition today to give up its flourishing trade with Taiwan nor is it in any condition to finance an inefficient Communist economy on the mainland with long-term cheap credits. Let us continue to strengthen our economic and cultural ties with the Chinese on Taiwan as the President has asked.

It is obvious that the mainland Chinese need us more than we need them. The PRC is a backward peasant nation led by a mercurial leadership, and it is beset by internal disorder. It desperately needs foreign trade and technology to develop into a modern nation. If the PRC wants to trade, by all means let us trade. We must remember, however, that China lacks foreign exchange. It will be hard put to pay for what it buys. We will have to take a lot of their cheap consumer goods—textiles, for example—for a long time to pay for our machinery. Long-term credits to China will be inflationary for us—and risky.

We now recognize the PRC. That cannot be changed. But if I had a few dollars to spend, I would invest them in Taiwan; I would not bet on the economic future of mainland China.

In addition, Mr. Speaker, I believe it is accurate to say that most editorial commentary and objective reporting from reputable journalists tends to be critical of the way in which the administration has handled the China issue. One of the more interesting commentaries on this issue was by Chicago Turbine's Mike Lavelle in his column of January 9th, which I wish to insert in conclusion to my remarks:

[From the Chicago Tribune, Jan. 9, 1979]

Blue-Collar Views—China Is a Threat to U.S. Labor

(By Mike Lavelle)

Among all the stories in our newspapers and news magazines dealing with our recognition of Red China was one that quoted a banker as saying that one advantage that American businessmen would have with the potential labor force in Red China was that the population could be "shifted around" to meet the labor requirements of American industries setting up shop there. Not exactly a liberal view.

The picture of someone drooling over Red Chinese coolies is to me mostly associated with dippy movie actresses and warped college kids, not conservative businessmen. But a buck is a buck—and God bless coolie labor.

The current enchantment with communist China is not shared by one segment of the American population. Jacob Sheinkman, the secretary-treasurer of the Amalgamated Clothing and Textile Workers Union of America, testified last year before the International Trade Commission in Washington. He said, "Chinese workers earning as little as $35 a month, and apprentices earning as little as $8.50 a month, were making it possible for China to export cotton work gloves to the United States at prices that undermine the domestic industry. That aggressive and calculated entry into the American cotton glove market has made China the second biggest supplier on the American market. It has caused an erosion of American jobs by taking away 20 percent of the American market."

There is a part of Sheinkman's testimony that ought to horrify all but the dullest and dumbest minds:

"Workers in China are assigned as families, and, as so many pieces of equipment. They have no means of improving their conditions of work or rates of pay, since collective bargaining or strikes are considered traitorous acts against the state."

The situation is going to get worse for the Chinese workers as their commissars push them to produce for the American market, and for the profits of their new capitalist buddies. It will also get worse for American workers as they lose their jobs to cheap, oppressed coolie labor.

Sheinkman also pointed out in his testimony that the concept of paid overtime is alien to a system wherein "the worker is required to work long hours without additional pay on the basis that such work is a patriotic duty to the state. Production under such a system amounts to output by indentured labor."

Arthur Gundersheim, the clothing and textile workers' union specialist on imports and exports, commented that "the consumer market in Red China does not exist to the extent that American businessmen think it does. For one thing, the people are too poor. They will simply take our machinery and pay us back with textile goods!"

One has to assume that as soon as the commissars can train the docile coolie masses how to make transistor radios, the Red Chinese will swallow up whatever American market the Japanese have not taken.

Give it a few more years and you will soon see American workers marching in the streets to protest against coolie labor taking their jobs away. It ought not to be an anti-Chinese demonstration but rather anti-coolie-labor.

The irony is that the first American ambassador to Red China is likely to be Leonard Woodcock, the former head of the United Auto Workers. If only Woodcock would treat the Communist China leadership as though it were a branch of General Motors on the other side of the negotiating table.

No, I'm not cheering. I do not care for coolie labor nor do I care to see unemployed American workers.

In all the stories that I have read, the labor aspect seems to be ignored. Maybe some people see nothing wrong with coolie labor, as long as it has a Marxist tone to it.●

EMERGENCY FOOD AND FIBER SUPPLY STABILIZATION ACT OF 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. HIGHTOWER) is recognized for 5 minutes.

● Mr. HIGHTOWER. Mr. Speaker, I have introduced today what I consider is the most vital piece of legislation to be considered this year. The bill, titled the "Emergency Food and Fiber Supply Stabilization Act of 1979," is similar to legislation I introduced and worked for last year. It was defeated last year and as a result many farmers had to sell out and go to town to find jobs to support their families. Often they had to leave the small rural communities and find work in the larger cities like Amarillo, Wichita Falls, Dallas, and Houston.

This means more pressure on the urban job markets, loss of income for our rural areas, more farmland in the hands of corporate and foreign investors.

Farm prices are up some. Not enough to save a great number of producers that are now on the brink of bankruptcy. The increased prices do not help my cotton farmers and wheat farmers that have no produce to sell. And still, we have done nothing to prevent the roller coaster from taking off again for prices and supplies. The extreme gyrations we have seen over the past 5 years are hard on consumer and producer alike.

Today our granaries are full. The 3-year reserve program the administration implemented last year has held the price above the disastrous levels of 1977. If we do not begin to adjust the supplies the Federal Government is going to be back in the grain business after 1981 the way it was in the late fifties and early sixties.

The bill I have introduced today will provide that stability. You are all familiar with the concept we debated on the floor of this House last spring. If a farmer wants to be guaranteed a certain price for what that farmer produces, a certain amount of the cropland must be held out of production.

If the producer wants or needs parity, an equal price for his product compared to the price of other goods and services, the land held out of production must be equal to 50 percent of normal or intended production.

There will be the cry, "the taxpayer cannot afford parity." The farmer can no longer afford anything less. The beauty of this legislation is, it will cost the taxpayer no more than current programs. The higher the target price, the less the farmer produces. The less produced, the higher the market price. The higher the market price, the less budget exposure for the tax dollar.

Another point in favor of this legislation is our trade balance. We all know the beating we are taking in this country on the dollar value of imports versus exports. If we would sell our poducts at the true value instead of prices depressed by programs designed to keep farm prices low, we could be pulling ourselves out of the deficit problem. If we were selling our wheat for $4.50 a bushel instead of $3.50 a bushel, the dollar flow would be far greater than it is now.

It does this country and our farmers no good to export for less than it costs us to produce that commodity. My farmers can no longer afford to carry this load.

Many of my farmers will be back this year to plead their case with those of you here today. Many are not back because they have sold their farms. If we do not come to the aid of the American farmer, we will do them and this country a tragic disservice.●

ACTION FOR ALASKAN FEDERAL LANDS: A PARTNERSHIP OF CONGRESSIONAL AND PRESIDENTIAL ACTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. PHILLIP BURTON) is recognized for 10 minutes.

● Mr. PHILLIP BURTON. Mr. Speaker, I am delighted to join Mo UDALL, JOHN SEIBERLING, and many of our colleagues as an original cosponsor of H.R. 39. It is a tragedy this strong conservation bill, in the form approved so overwhelmingly by the House, did not reach the President's desk in 1978.

I am particularly glad to join in support of this new, updated version of H.R. 39, because it has been refined in several key points. As Members of the House will recall, we were unable to consider a number of important strengthening amendments during the final hours of debate on the House floor last May. I am certain that those amendments would have been adopted, had the time on a Friday afternoon not simply run out on us.

Much of the revision which has occurred in this bill is a result of adjustments made to incorporate the national monuments which President Carter established in his historic Alaska conservation decision of December 1. Faced with congressional inaction—or I should say, Senate inaction—and an impending termination of critical interim protection of these lands, the President used powers the Congress had given him for exactly such a purpose to designate a number of the House-passed national park system and other units as "national monuments."

In our new H.R. 39, each of those national monuments is incorporated and legislatively confirmed, as well as being retitled. With only the most minor exceptions, the bill makes no boundary changes over the carefully drawn boundaries which the President proclaimed—and he, of course, used lines substantially the same as the boundaries the House approved last May.

As we proceed with this legislation, I only hope that every Member of Congress will reflect upon the fact that our three branches of government have cooperated beautifully in meeting the challenge of protecting the national interest lands in Alaska .The President made proposals, responding to direction the Congress gave him in the 1971 Native Claims Settlement Act. The House then reviewed and revised those proposals, and overwhelmingly adopted H.R. 39, a strong and balanced conservation measure of which we all were very proud. Because the Senate failed to act, the expiration of the congressionally set deadline approached in mid-December and would have led to severe difficulties had interim protection for the lands terminated. At the request of many Members of the Congress, the President then utilized authorities the Congress had given to him for just such purposes to proclaim these national monuments, protecting lands this House had already made it very clear it wanted protected. Similarly, the Secretaries of the Interior and Agriculture took additional steps, also using withdrawal authorities given to them for exactly this kind of situation, to protect the balance of the lands under consideration in the Congress—and thus to protect congressional prerogatives.

President Carter's December 1 decisions are of momentous importance and will rank him as one of our greatest conservation Presidents, just as our votes for H.R. 39 last May have lasting historic significance.

For the information of my colleagues, I think it is important that we have the basic documents of the President's December 1 actions. Therefore, I ask unanimous consent to include in the RECORD at this point the text of the President's statement, a related White House fact sheet, and the texts of the specific proclamations creating the new national monuments in Alaska. I also include in the RECORD, a recent Department of the Interior statement announcing temporary regulations or the management of these lands. These, I want to emphasize, are regulations which track well with the management direction we adopted in the House-passed bill.

It is high time to complete action on this historic conservation legislation. I commend Mo UDALL and JOHN SEIBERLING, who are two of the giants in the history of conservation in the House, and I join them in urging prompt action to approve this strong Alaska Federal lands protection bill:

THE WHITE HOUSE FACT SHEET

Today the President took several actions to protect proposed National Parks, Wildlife Refuges and Wilderness Areas in Alaska. He urged Congress to act promptly next year to pass Alaska lands legislation and announced administrative actions designed to protect these areas and to preserve the Congress' options for action next year.

The President's actions include the designation of 17 National Monuments covering approximately 56 million acres and additional protections on the remaining proposed National Wildlife Refuges and proposed National Forest Wilderness areas.

BACKGROUND

Under the Alaska Native Claims Settlement Act of 1971, Section 17(d)2 authorized the Secretary of the Interior to withdraw from development 80 million acres for consideration by the Congress as additions to the National Park, Wildlife Refuge, Wild and Scenic River and National Forest systems. Such "d-2" withdrawals were made on December 17, 1973, leaving the Congress until December 17, 1978, to act, under the five-year limitation on the "d-2" withdrawal authority.

The Carter Administration came forward with detailed legislative proposals in early 1977. These proposals included 13 National Parks, 14 National Wildlife Refuges, and 7 National Forest Wilderness Areas. The 95th Congress made a great deal of progress toward passing a comprehensive Alaska lands bill. The House passed the Alaska legislation on May 19, 1978, by a vote of 277-31. The Senate Energy and Natural Resources Committee reported out a bill, but lack of time and a threatened filibuster prevented final passage.

Since adjournment of the Congress, 146 members of the House and Senate have asked the President to take action to protect the lands so that mineral entry, State land selections and other threats do not jeopardize the integrity of these important areas.

AREAS AFFECTED

The President has signed proclamations designating 17 National Monuments under the 1906 Antiquities Act. These areas include parts of all 13 of the proposed National Parks, 2 of the 14 proposed National Wildlife Refuges, and 2 of the 7 proposed National Forest Wilderness areas. They include approximately 56 million acres of land. These areas are designated in order to preserve their extraordinary scientific, historic and cultural values. They also contain some of the world's most beautiful scenery and plentiful wildlife. These designations will be permanent until modified or superseded by Congressional action.

NATIONAL MONUMENTS PROCLAIMED BY THE PRESIDENT

	Acres
1. Aniakchak	350,000
2. Bering Land Bridge	2,600,000
3. Cape Krusenstern	560,000
4. Denali	3,890,000
5. Gates of Arctic	8,220,000
6. Glacier Bay	550,000
7. Katmai	1,370,000
8. Kenai Fjords	570,000
9. Kobuk Valley	1,710,000
10. Lake Clark	2,500,000
11. Noatak	5,800,000
12. Wrangell-St. Elias	10,950,000
13. Yukon-Charley	1,720,000
Total	40,790,000
14. Yukon Flats	10,600,000
15. Becharof	1,200,000
Total	11,800,000
16. Admiralty Island	1,100,000
17. Misty Fiords	2,285,000
Total	3,385,000
Total acreage	55,975,000

(Note: Areas #1-13 are proposed National Park areas, #14-15 proposed Wildlife Refuge areas, and #16-17 are proposed National Forest Wilderness Areas.)

The President also directed the Secretary of the Interior to take the necessary procedural steps under the Federal Land Policy and Management Act to designate as National Wildlife Refuges the remaining 12 proposed refuge areas. These areas cover approximately 40 million acres. The 12 areas included in this directive are:

	Acres
1. Arctic Range	9,900,000
2. Copper River	690,000
3. Innoko	3,720,000
4. Kanuti	1,480,000
5. Kenai Moose Range	160,000
6. Koyukuk	2,080,000
7. Nowitna	1,560,000
8. Selawik	3,220,000
9. Tetlin	770,000
10. Togiak	1,180,000
11. Yukon Delta	13,710,000
12. Alaska Marine Resources	460,000
Total acreage	38,930,000

The President also noted that Secretaries Andrus and Bergland have already taken temporary steps to protect all of the areas in Congressional and Administration proposed conservation units. Under Section 204(e) of the Federal Land Policy and Management Act, Secretary Andrus issued emergency withdrawals on November 16 on all of the Interior Department lands covered by Congressional or Administration proposals to protect them from mineral entry and State selection. These three-year withdrawals cover approximately 105 million acres and will remain in force with the President's actions under the Antiquities Act. Secretary Bergland has also taken steps under Section 204(b) of the Federal Land Policy and Management Act to segregate the 11 million acres covered by Administration and Congressional proposals for National Forest Wilderness areas to protect these lands from mineral entry and State selection. These two-year segregations also remain in force with the President's actions.

STATEMENT BY THE PRESIDENT

Our nation has been uniquely blessed with a vast land of great natural beauty and abundant resources. Once these gifts seemed limitless. As our people have spread across the continent and the needs for development reach once distant frontiers, we realize how urgent it is to preserve our heritage for future generations.

Today I have taken several actions to protect Alaska's extraordinary Federal lands. Because of the risks of immediate damage to these magnificent areas, I felt it was imperative to protect all of these lands and preserve for the Congress an unhampered opportunity to act next year.

Passing legislation to designate National Parks, Wildlife Refuges, Wilderness Areas and Wild and Scenic Rivers in Alaska is the highest environmental priority of my Administration. There is strong support for such legislation in the Congress. In the 95th Congress, the House of Representatives overwhelmingly passed an Alaska bill. A bill was reported out of the Senate Committee, but time ran out and the Senate was unable to finally pass a bill. Because existing "d-2" land withdrawals under the 1971 Alaska Native Claims Settlement Act expire on December 17, much of the land to be protected by legislation would be unprotected and perhaps irrevocably lost if I did not act now.

Accordingly, along with Secretaries Andrus and Bergland, I have taken the following actions:

I have signed proclamations under the Antiquities Act of 1906 designating as National Monuments 17 of the most critical areas proposed for legislative designation—13 proposed National Parks, two proposed Wildlife Refugees and two proposed National Forest Wilderness areas.

These areas, totaling approximately 56 millon acres, contain resources of unequalled scientific, historic and cultural value, and include some of the most spectacular scenery and wildlife in the world. The Antiquities Act has been used in the past to preserve such treasures, for example by President Teddy Roosevelt who designated the Grand Canyon in this way. The monuments I have created in Alaska are worthy of the special, permanent protections provided by the Antiquities Act. They will remain permanent Monuments until the Congress makes other provisions for the land.

I have directed Secretary Andrus to proceed with necessary steps to designate National Wildlife Refuges for the remaining twelve proposed refuge areas, an additional 40 million acres.

Secretaries Andrus and Bergland have already taken steps under Section 204 of the Federal Land Policy and Management Act to withdraw or segregate all of the areas covered by either Congressional or Administration proposals from mineral entry and selection by the State of Alaska. I have directed that these withdrawals remain in place.

Each of the areas protected by these actions is exceptional and valuable. Among the treasures to be preserved are the nation's largest pristine river valley, the place where man may first have come into the New World, a glacier as large as the State of Rhode Island and the largest group of peaks over 15,000 feet in North America. Breeding areas of the Great Alaska brown bear, caribou and Dall sheep, and of ducks, geese and swans that migrate through the other 49 States each year will also be protected.

In addition to preserving these natural wonders, historical sites and wildlife habitats, our actions will ensure that Alaskan Eskimos, Indians and Aleuts can continue their traditional way of life, including hunting and fishing.

In Alaska we have a unique opportunity to balance the development of our vital resources required for continued economic growth with protection of our natural environment. We have the imagination and the will as a people to both develop our last great natural frontier and also preserve its priceless beauty for our children and grandchildren.

The actions I have taken today provide for urgently-needed permanent protections. However, they are taken in the hope that the 96th Congress will act promptly to pass Alaska lands legislation.

PRESIDENTIAL DOCUMENTS—TITLE 3—PRESIDENT

[Proclamation 4611, Admiralty Island National Monument, December 1, 1978]

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA: A PROCLAMATION

Admiralty Island is outstanding for its superlative combination of scientific and historic objects. Admiralty Island contains unique resources of scientific interest which need protection to assure continued opportunities for study.

Admiralty Island has been continuously inhabited by Tlingit Indians for approximately 10,000 years. Archeological sites and objects are plentiful in the areas of Angoon Chaik, Bay, Whitewater Bay and other bays and inlets on the island. These resources provide historical documentation of continuing value for study. The continued presence of these natives on the island add to the scientific and historical value of the area.

The cultural history of the Tlingit Indians is rich in ceremony and creative arts and complex in its social, legal and political systems. Admiralty provides a unique combination of archeological and historical resources in a relatively unspoiled natural ecosystem that enhances their value for scientific study.

Subsequent to exploration and mapping by Captain George Vancouver at the end of the 18th century, Russian fur traders, Yankee whalers, and miners and prospectors have left objects and sites on Admiralty which provide valuable historical documentation of white settlement and exploitation of the island and its resources. Admiralty Island is rich in historic structures and sites, including whaling stations, canneries, old mining structures and old village sites, for example, Killisnoo Village where a whaling and herring saltery station were established in 1880.

Unusual aspects of the island ecology include its exceptional distribution of animal species, including dense populations of brown bears and eagles, but excluding entirely—because of the island's separation from the mainland—a large number of species indigenous to the general area. This peculiar distribution enhances the island's value for scientific study.

The unique island ecology includes the highest known density of nesting bald eagles (more than are found in all the other States combined); large numbers of Alaska brown bear; and the largest unspoiled coastal island ecosystem in North America. Admiralty Island was added to the Tongass National Forest in 1909, and specific portions of the island have been designated as bear and eagle management areas and numerous scientific studies of the bear and eagle habitat have been conducted by scientists from around the world. The island is an outdoor living laboratory for the study of the bald eagle and Alaska brown bear.

Protection of the entire island, exclusive of the Mansfield Peninsula, is necessary to preserve intact the unique scientific and historic objects and sites located there. Designation of a smaller area would not serve the scientific purpose of preserving intact this unique coastal island ecosystem.

Hunting and fishing shall continue to be regulated, permitted and controlled in accord with the statutory authorities applicable to the Monument area.

Section 2 of the Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 431), authorizes the President, in his discretion, to declare by public proclamation historic landmarks, historic and prehistoric structures, and other objects of historic or scientific interest that are situated upon the lands owned or controlled by the government of the United States to be National Monuments, and to reserve as part thereof parcels of land, the limits of which in all cases shall be confined to the smallest area compatible with the proper care and management of the objects to be protected.

Now, therefore, I, Jimmy Carter, President of the United States of America, by the authority vested in me by section 2 of the Act of June 8, 1906, (34 Stat. 225, 16 U.S.C. 431), do proclaim that there are hereby set apart and reserved as the Admiralty Island National Monument all lands, including submerged lands, and waters owned or controlled by the United States within the boundaries of the area described on the document entitled "Admiralty Island National Monument (Copper River, Meridian)", attached to and forming a part of this Proclamation. The area reserved consists of approximately 1,100,000 acres, and is the smallest area compatible with the proper care and management of the objects to be protected. Lands, including submerged lands, and waters within these boundaries not owned by the United States shall be reserved as a part of the Monument upon acquisition of title thereto by the United States.

All lands, including submerged lands, and all waters within the boundaries of this Monument are hereby appropriated and withdrawn from entry, location, selection, sale or other disposition under the public lands laws, other than exchange. There is also reserved all water necessary to the proper care and management of those objects protected by this Monument and for the proper administration of the Monument in accordance with applicable laws.

The establishment of this Monument is subject to valid existing rights, including, but not limited to, valid selections under the

Alaska Native Claims Settlement Act, as amended (43 U.S.C. 1601 *et seq.*), and under or confirmed in the Alaska Statehood Act (48 U.S.C. Note preceding Section 21).

Nothing in this Proclamation shall be deemed to revoke any existing withdrawal, reservation or appropriation, including any withdrawal under section 17(d)(1) of the Alaska Native Claims Settlement Act (43 U.S.C. 1616(d)(1)); however, the National Monument shall be the dominant reservation. Nothing in this Proclamation is intended to modify or revoke the terms of the Memorandum of Understanding dated September 1, 1972, entered into between the State of Alaska and the United States as part of the negotiated settlement of *Alaska* v. *Morton*, Civil No. A-48-72 (D. Alaska, Complaint filed April 10, 1972).

Warning is hereby given to all unauthorized persons not to appropriate, injure, destroy or remove any feature of this Monument and not to locate or settle upon any of the lands thereof.

In witness whereof, I have hereunto set my hand this first day of December, in the year of our Lord nineteen hundred and seventy-eight, and of the Independence of the United States of America the two hundred and third.

JIMMY CARTER.

[Federal Register, Vol. 43, No. 234—Tuesday, December 5, 1978]

[Proclamation 4612, Aniakchak National Monument, December 1, 1978]

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA: A PROCLAMATION

The Aniakchak Caldera is located in the heart of the Alaska Peninsula. It is so unexpected a feature that it remained unknown to all but the Natives of the region until about 1920. With its average diameter of approximately six miles, Aniakchak is one of the world's largest calderas.

In the interior of the caldera are textbook examples of certain volcanic features such as lava flows, cinder cones, and explosion pits. Also lying within the caldera is Surprise Lake which is fed by warm springs and is uniquely charged with chemicals. Surprise Lake is the source of the Aniakchak River, which cascades through a 1,500 foot gash in the caldera wall and downward for 27 miles to the Pacific Ocean.

The flanks of the caldera provide a geological and biological continuum by which to make a comparative study of the formation of the caldera and the significant process of biological succession of both plant and animal species occurring in the vicinity of the caldera, an area that was rendered virtually devoid of life forms by a major eruption of the volcano in 1931.

The caldera is also climatologically unique in that, because of its topography and setting, it appears to be able to generate its own weather. A striking phenomenon known as cloud "niagaras" occurs frequently as strong downdrafts form over the caldera walls.

The land withdrawn and reserved by this Proclamation for the protection of the geological, biological, climatological and other phenomena enumerated above supports now, as it has in the past, the unique subsistence culture of the local residents. The continued existence of this culture, which depends on subsistence hunting, and its availability for study, enhance the historic and scientific values of the natural objects protected herein because of the ongoing interaction of the subsistence culture with those objects. Accordingly, the opportunity for local residents to engage in subsistence hunting is a value to be protected and will continue under the administration of the monument.

Section 2 of the Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 431), authorizes the President, in his discretion, to declare by public proclamation historic landmarks, historic and prehistoric structures, and other objects of historic or scientific interest that are situated upon the lands owned or controlled by the Government of the United States to be national monuments, and to reserve as part thereof parcels of land, the limits of which in all cases shall be confined to the smallest area compatible wtih the proper care and management of the objects to be protected.

Now, therefore, I, Jimmy Carter, President of the United States of America, by the authority vested in me by Section 2 of the Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 431), do proclaim that there are hereby set apart and reserved as the Aniakchak National Monument all lands, including submerged lands, and waters owned or controlled by the United States within the boundaries of the area depicted as the Aniakchak National Monument on the map numbered ANIA-90,006 attached to and forming a part of this Proclamation. The area reserved consists of approximately 350,000 acres, and is the smallest area compatible with the proper care and management of the objects to be protected. Lands, including submerged lands, and waters within these boundaries not owned by the United States shall be reserved as a part of the monument upon acquisition of title thereto by the United States.

All lands, including submerged lands, and all waters within the boundaries of this monument are hereby appropriated and withdrawn from entry, location, selection, sale or other disposition under the public land laws, other than exchange. There is also reserved all water necessary to the proper care and management of those objects protected by this monument and for the proper administration of the monument in accordance with applicable laws.

The establishment of this monument is subject to valid existing rights, including, but not limited to, rights confirmed in Section 15 of the Act of January 2, 1976 (89 Stat. 1145), and valid selections under the Alaska Native Claims Settlement Act, as amended (43 U.S.C. 1601 *et seq.*), and under or confirmed in the Alaska Statehood Act (48 U.S.C. Note preceding Section 21).

Nothing in this Proclamation shall be deemed to revoke any existing withdrawal, reservation or appropriation, including any withdrawal under Section 17(d)(1) of the Alaska Native Claims Settlement Act (43 U.S.C. 1616(d)(1)); however, the national monument shall be the dominant reservation. Nothing in this Proclamation is intended to modify or revoke the terms of the Memorandum of Understanding dated September 1, 1972, entered into between the State of Alaska and the United States as part of the negotiated settlement of *Alaska* v. *Morton*, Civil No. A-48-72 (D. Alaska, Complaint filed April 10, 1972).

The Secretary of the Interior shall promulgate such regulations as are appropriate, including regulation of the opportunity to engage in a subsistence lifestyle by local residents. The Secretary may close the national monument, or any portion thereof, to subsistence uses of a particular fish, wildlife or plant population if necessary for reasons of public safety, administration, or to ensure the natural stability or continued viability of such population.

Warning is hereby given to all unauthorized persons not to appropriate, injure, destroy or remove any feature of this monument and not to locate or settle upon any of the lands thereof.

In witness whereof, I have hereunto set my hand this first day of December, in the year of our Lord nineteen hundred and seventy-eight, and of the Independence of the United States of America the two hundred and third.

JIMMY CARTER.

[Federal Register, Vol. 43, No. 234—Tuesday, December 5, 1978]

[Proclamation 4613, Becharof National Monument, December 1, 1978]

BY THE PRESIDENT OF THE UNITED STATES: A PROCLAMATION

This monument on the Alaska Peninsula supports one of the densest known populations of the great Alaska brown bear. This area encompasses habitat used by a discrete population of bears for denning and foraging, both north and south of Becharof Lake.

At the southern end of Becharof Lake, several hundred bears concentrate during salmon spawning season. Certain of the bears make their dens in the area on islands a few feet above the water level, a unique phenomenon of great interest in the study of this great carnivore. Deeply worn bear trails also indicate decades of extensive use, making this area important to the study of the bears' long term habits and population fluctuation. Rich salmon spawning habitats and the presence of such prey species as caribou and moose are key factors in the intensive use of the area by the bears.

The biology of the brown bears, their habitat and associated plant and animal species within the monument, together with other ecological features of the area, combine to offer excellent opportunities for scientific study and research.

The area is interesting and significant geologically, as it contains one of Alaska's most recent volcanically active areas, the Gas Rocks under Mount Peulik. Studies here of recent volcanism may contribute to the growing understanding of this powerful geological force.

The land withdrawn and reserved by this Proclamation for the protection of the geological, biological and other phenomena enumerated above supports now, as it has in the past, the unique subsistence culture of the local residents. The continued existence of this culture, which depends on subsistence hunting, and its availability for study, enhance the historic and scientific values of the natural objects protected herein because of the ongoing interaction of the subsistence culture with those objects. Accordingly, the opportunity for the local residents to engage in subsistence hunting is a value to be protected and will continue under the administration of the monument.

Section 2 of the Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 431), authorizes the President, in his discretion, to declare by public proclamation historic landmarks, historic and prehistoric structures, and other objects of historic or scientific interest that are situated upon the lands owned or controlled by the Government of the United States to be national monuments, and to reserve as part thereof parcels of land, the limits of which in all cases shall be confined to the smallest area compatible with the proper care and management of the objects to be protected.

Now, therefore, I, Jimmy Carter, President of the United States of America, by the authority vested in me by Section 2 of the Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 431), do proclaim that there are hereby set apart and reserved as the Becharof National Monument all lands, including submerged lands, and waters owned or controlled by the United States within the boundaries of the area depicted as Becharof National Monument on the map numbered FWS-81-00-0414 attached to and forming a part of this Proclamation. The area reserved consists of approximately 1,200,000 acres, and is the smallest area compatible with the proper care and management of the objects to be protected. Lands, including submerged lands, and waters within these boundaries not owned by the United States shall be reserved as a part of the monument upon acquisition of title thereto by the United States.

All lands, including submerged lands, and all waters within the boundaries of this monument are hereby appropriated and withdrawn from entry, location, selection, sale or other disposition under the public land laws, other than exchange. There is also reserved all water necessary to the proper care and management of those objects protected by this monument and for the proper administration of the monument in accordance with applicable laws.

The establishment of this monument is subject to valid existing rights, including, but not limited to, valid selections under the Alaska Native Claims Settlement Act, as amended (43 U.S.C. 1601 *et seq.*), and under or confirmed in the Alaska Statehood Act (48 U.S.C. Note preceding Section 21).

Nothing in this Proclamation shall be deemed to revoke any existing withdrawal, reservation or appropriation, including any public land order effecting a withdrawal under Section 17(d)(I) of the Alaska Native Claims Settlement Act, 43 U.S.C. 1616(d)(1); however, the national monument shall be the dominant reservation. Nothing in this Proclamation is intended to modify or revoke the terms of the Memorandum of Understanding dated September 1, 1972, entered into between the State of Alaska and the United States as part of the negotiated settlement of *Alaska* v. *Morton*, Civil No. A–48–72 (D. Alaska, Complaint filed April 10, 1972).

The Secretary of the Interior shall promulgate such regulations as are appropriate, including regulation of sport hunting, and of the opportunity to engage in a subsistence lifestyle by local residents. The Secretary may close this national monument, or any portion thereof, to subsistence uses of a particular fish, wildlife or plant population or to sport hunting of a particular fish or wildlife population if necessary for reasons of public safety, administration, or to ensure the natural stability or continued viability of such population.

Warning is hereby given to all unauthorized persons not to appropriate, injure, destroy or remove any feature of this monument and not to locate or settle upon any of the lands thereof.

In witness whereof, I have hereunto set my hand this 1st day of December in the year of our Lord nineteen hundred and seventy-eight, and of the Independence of the United States of America the two hundred and third.

JIMMY CARTER.

[Federal Register, Vol. 43, No. 234—Tuesday, December 5, 1978]

[Proclamation 4614, Bering Land Bridge National Monument, December 1, 1978]

BY THE PRESIDENT OF THE UNITED STATES: A PROCLAMATION

The Bering Land Bridge, now overlain by the Chukchi Sea, the Bering Sea and Bering Strait, was the migration route by which many plants, animals, and humans arrived on the North American continent. The monument hereby created has within it an invaluable record of this migration.

There are found here rich archeological sites giving evidence of human migration during the periods the Bridge was water-free. Also found are paleontological sites providing abundant evidence of the migration of plants and animals onto the continent in the ages before the human migrations. The arctic conditions here are favorable to the preservation of this paleontological record from minute pollen grains and insects to the large mammals such as the mammoth.

The monument is also the summering area for a number of Old World bird species, which feed and nest in the area. It is one of the few places in North America where ornithologists are able to study these species.

The diversity of the soils, topography, permafrost action and climate within the monument leads to an excellent representation of varied, yet interrelated tundra plant communities. Their proximity and diversity make the area a prime outdoor laboratory.

The area is also rich in volcanics. Here is the opportunity to study unique Arctic lava flows which erupted through deep permafrost. The tubes and cracks of these flows are now filled with the sheen of permanent ice. In the Devil Mountain area are the uniquely paired maar explosion craters which were formed by violent explosions resulting from the steam pressure released when the hot volcanic ejecta contacted the water and ice that covered this wetland area. These craters are now crystal clear lakes bounded by a shoreline of volcanic ash, cinders and scoria.

The land withdrawn and reserved by this Proclamation for the protection of the geological, archeological, paleontological, biological and other phenomena enumerated above supports now, as it has in the past, the unique subsistence culture of the local residents. The continued existence of this culture, which depends on subsistence hunting, and its availability for study, enhance the historic and scientific values of the natural objects protected herein because of the ongoing interaction of the subsistence culture with those objects. Accordingly, the opportunity for local residents to engage in subsistence hunting is a value to be protected and will continue under the administration of the monument.

Section 2 of the Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 431), authorizes the President, in his discretion, to declare by public proclamation historic landmarks, historic and prehistoric structures, and other objects of historic or scientific interest that are situated upon the lands owned or controlled by the Government of the United States to be national monuments, and to reserve as part thereof parcels of land, the limits of which in all cases shall be confined to the smallest area compatible with the proper care and management of the objects to be protected.

Now, therefore, I, Jimmy Carter, President of the United States of America, by the authority vested in me by Section 2 of the Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 431), do proclaim that there are hereby set apart and reserved as the Bering Land Bridge National Monument all lands, including submerged lands, and waters owned or controlled by the United States within the boundaries of the area depicted as the Bering Land Bridge National Monument on the map numbered BELA-90,006 attached to and forming a part of this Proclamation. The area reserved consists of approximately 2,590,000 acres, and is the smallest area compatible with the proper care and management of the objects to be protected. Lands, including submerged lands, and waters within these boundaries not owned by the United States shall be reserved as a part of the monument upon acquisition of title thereto by the United States.

All lands, including submerged lands, and all waters within the boundaries of this monument are hereby appropriated and withdrawn from entry, location, selection, sale or other disposition under the public land laws, other than exchange. There is also reserved all water necessary to the proper care and management of those objects protected by this monument and for the proper administration of the monument in accordance with applicable laws.

The establishment of this monument is subject to valid existing rights, including, but not limited to, valid selections under the Alaska Native Claims Settlement Act, as amended (43 U.S.C. 1601 *et seq.*), and under or confirmed in the Alaska Statehood Act (48 U.S.C. Note preceding Section 21).

Nothing in this Proclamation shall be deemed to revoke any existing withdrawal, reservation or appropriation, including any withdrawal under Section 17(d)(1) of the Alaska Native Claims Settlement Act (43 U.S.C. 1616(d)(1)); however, the national monument shall be the dominant reservation. Nothing in this Proclamation is intended to modify or revoke the terms of the Memorandum of Understanding dated September 1, 1972, entered into between the State of Alaska and the United States as part of the negotiated settlement of *Alaska* v. *Morton* Civil No. A–48–72 (D. Alaska, Complaint filed April 10, 1972).

The Secretary of the Interior shall promulgate such regulations as are appropriate, including regulation of the opportunity to engage in a subsistence lifestyle by local residents. The Secretary may close the national monument, or any portion thereof, to subsistence uses of a particular fish, wildlife or plant population if necessary for reasons of public safety, administration, or to ensure the natural stability or continued viability of such population.

Warning is hereby given to all unauthorized persons not to appropriate, injure, destroy or remove any feature of this monument and not to locate or settle upon any of the lands thereof.

In witness whereof, I have hereunto set my hand this 1st day of December, in the year of our Lord nineteen hundred and seventy-eight and of the Independence of the United States of America the two hundred and third.

JIMMY CARTER.

[Federal Register, Vol. 43, No. 234—Tuesday, December 5, 1978]

[Proclamation 4615, Cape Krusenstern National Monument, December 1, 1978]

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA: A PROCLAMATION

The area of northwest Alaska known as Cape Krusenstern contains an archeological record of great significance. The Cape's bluffs and its series of one hundred fourteen horizontal beach ridges hold an archeological record of every major cultural period associated with habitation of the Alaska coastline in the last 5000 years.

The unglaciated lands lying inland, including the Kakagrak Hills, the Rabbit Creek area and others, have an older archeological record dating back to pre-Eskimo periods of at least 8000 years ago. This continuum of evidence is of great historic and scientific importance in the study of human survival and cultural evolution.

There are in this area examples of other unique natural processes. The climatological conditions are conducive to the formation of Naleds, one spectacular example of which occurs in the area. In the same inland area at Kilikmak Creek is found the only known Alaskan example of a still recognizable Illinoisian glacial esker, a formation which is over 100,000 years old.

The unique geologic process of erosion and sediment transport in this area created and continues to create the beach ridges in which is preserved the archeological record of the beach civilizations. Also found in the area is a wide variety of plant and animal species, from the marine life along the shoreline and its lagoons to the inland populations such as musk-oxen, Dall sheep, caribou and many smaller species.

The land withdrawn and reserved by this Proclamation for the protection of the geological, archeological, biological and other phenomena enumerated above supports now, as it has in the past, the unique subsistence culture of the local residents. The continued existence of this culture, which depends on subsistence hunting, and its availability for study, enhance the historic and scientific values of the natural objects protected herein because of the ongoing interaction of the subsistence culture with those objects. Accordingly, the opportunity for the local residents to engage in subsistence hunting is a value to be protected and will continue under the administration of the monument.

Section 2 of the Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 431), authorizes the President, in his discretion, to declare by public proclamation historic landmarks, historic and prehistoric structures, and other objects of historic or scientific interest that are situated upon the lands owned or controlled by the Government of the United States to be national monuments, and to reserve as part thereof parcels of land, the limits of which in all cases shall be confined to the smallest area compatible with the proper care and management of the objects to be protected.

Now, therefore, I, Jimmy Carter, President of the United States of America, by the authority vested in me by Section 2 of the Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 431), do proclaim that there are hereby set apart and reserved as the Cape Krusenstern National Monument all lands, including submerged lands, and waters owned or controlled by the United States within the boundaries of the area depicted as the Cape Krusenstern National Monument on the map numbered CAKR-90,008 attached to and forming a part of this Proclamation. The area reserved consists of approximately 560,000 acres, and is the smallest area compatible with the proper care and management of the objects to be protected. Lands, including submerged lands, and waters within these boundaries not owned by the United States shall be reserved as a part of monument upon acquisition of title thereto by the United States.

All lands, including submerged lands, and all waters within the boundaries of this monument are hereby appropriated and withdrawn from entry, location, selection, sale or other disposition under the public land laws, other than exchange. There is also reserved all water necessary to the proper care and management of those objects protected by this monument and for the proper administration of the monument in accordance with applicable laws.

The establishment of this monument is subject to valid existing rights, including, but not limited to, valid selections under the Alaska Native Claims Settlement Act, as amended (43 U.S.C. 1601 *et seq.*), and under or confirmed in the Alaska Statehood Act (48 U.S.C. Note preceding Section 21).

Nothing in this Proclamation shall be deemed to revoke any existing withdrawal, reservation or appropriation, including any withdrawal under Section 17(d)(1) of the Alaska Native Claims Settlement Act (43 U.S.C. 1616(d)(1)); however, the national monument shall be the dominant reservation. Nothing in this Proclamation is intended to modify or revoke the terms of the Memorandum of Understanding dated September 1, 1972, entered into between the State of Alaska and the United States as part of the negotiated settlement of *Alaska* v. *Morton*, Civil No. A-48-72 (D. Alaska, Complaint filed April 10, 1972).

The Secretary of the Interior shall promulgate such regulations as are appropriate, including regulation of the opportunity to engage in a subsistence lifestyle by local residents. The Secretary may close the national monument, or any portion thereof, to subsistence uses of a particular fish, wildlife or plant population if necessary for reasons of public safety, administration, or to ensure the natural stability or continued viability of such population.

Warning is hereby given to all unauthorized persons not to appropriate, injure, destroy or remove any feature of this monument and not to locate or settle upon any of the lands thereof.

In witness whereof, I have hereunto set my hand this 1st day of December, in the year of our Lord nineteen hundred and seventy-eight, and of the Independence of the United States of America the two hundred and third.

Jimmy Carter.

[Federal Register, Vol. 43, No. 234—Tuesday, December 5, 1978]

[Proclamation 4616, Denali National Monument, December 1, 1978]

By the President of the United States of America: A Proclamation

In the creation of Mount McKinley National Park the southern half of the mountain's massif was inadvertently excluded from the Park. The creation of Denali National Monument will bring within the protection of the National Park System the entirety of this, the highest peak on the North American continent. This face markedly differs from the north side for it has a more gradual rise and a significant system of glaciers. It is also the approach route used historically by those seeking to scale Mount McKinley.

Certain of the glaciers on the south face are among the largest in Alaska, reaching up to 45 miles in length. Yet, only the very uppermost parts are presently within the National Park. Their protection is enhanced by the creation of this monument.

In the southwest area of the monument hereby created are the geologically unique Cathedral Spires. From this granitic pluton mass radiate eight major glacial troughs exhibiting cirques and headwalls rising 5,000 feet from their bases.

The monument also protects significant habitat for the McKinley caribou herd which has provided a basis for scientific study since the early twentieth century. Associated with the herd in this ecosystem are other scientifically important mammals such as grizzly bear, wolf and wolverine.

The Toklat River region includes a unique area of warm springs which attracts an unusual late run of Chum salmon. This run provides an important late fall food source for the grizzly bear population of the area which, because of its accessibility, has been the subject of many scientific studies.

The land withdrawn and reserved by this Proclamation for the protection of the geological, biological and other phenomena enumerated above supports now, as it has in the past, the unique subsistence culture of the local residents. The continued existence of this culture, which depends on subsistence hunting, and its availability for study, enhance the historic and scientific values of the natural objects protected herein because of the ongoing interaction of the subsistence culture with those objects. Accordingly, the opportunity for the local residents to engage in subsistence hunting is a value to be protected and will continue under the administration of the monument.

Section 2 of the Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 431), authorizes the President, in his discretion, to declare by public proclamation historic landmarks, historic and prehistoric structures, and other objects of historic or scientific interest that are situated upon the lands owned or controlled by the Government of the United States to be national monuments, and to reserve as part thereof parcels of land, the limits of which in all cases shall be confined to the smallest area compatible with the proper care and management of the objects to be protected.

Now, therefore, I Jimmy Carter, President of the United States of America, by the authority vested in me by Section 2 of the Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 431), do proclaim that there are hereby set apart and reserved as the Denali National Monument all lands, including submerged lands, and waters owned or controlled by the United States within the boundaries of the area depicted as the Denali National Monument on the map numbered DENA-90,007 attached to and forming a part of this Proclamation. The area reserved consists of approximately 3,890,000 acres, and is the smallest area compatible with the proper care and management of the objects to be protected. Lands, including submerged lands, and waters within these boundaries not owned by the United States shall be reserved as a part of the monument upon acquisition of title thereto by the United States.

All lands, including submerged lands, and all waters within the boundaries of this monument are hereby appropriated and withdrawn from entry, location, selection, sale or other disposition under the public land laws, other than exchange. There is also reserved all water necessary to the proper care and management of those objects protected by this monument and for the proper administration of the monument in accordance with applicable laws.

The establishment of this monument is subject to valid existing rights, including, but not limited to, valid selections under the Alaska Native Claims Settlement Act, as amended (43 U.S.C. 1601 *et seq.*), and under or confirmed in the Alaska Statehood Act (48 U.S.C. Note preceding Section 21).

Nothing in this proclamation shall be deemed to revoke any existing withdrawal, reservation or appropriation, including any withdrawal under Section 17(d)(1) of the Alaska Native Claims Settlement Act (43 U.S.C. 1616(d)(1)); however, the national monument shall be the dominant reservation. Nothing in this Proclamation is intended to modify or revoke the terms of the Memorandum of Understanding dated September 1, 1972, entered into between the State of Alaska and the United States as part of the negotiated settlement of *Alaska* v. *Morton*, Civil No. A-48-72 (D. Alaska, Complaint filed April 10, 1972).

The Secretary of the Interior shall promulgate such regulations as are appropriate, including regulation of the opportunity to engage in a subsistence lifestyle by local residents. The Secretary may close the national monument, or any portion thereof, to subsistence uses of a particular fish, wildlife or plant population if necessary for reasons of public safety, administration, or to ensure the natural stability or continued viability of such population.

Warning is hereby given to all unauthorized persons not to appropriate, injure, destroy or remove any feature of this monument and not to locate or settle upon any of the lands thereof.

In witness whereof, I have hereunto set my hand this 1st day of December, in the year of our Lord nineteen hundred and seventy-eight, and of the Independence of the United States of America the two hundred and third.

Jimmy Carter.

[Federal Register, Vol. 43, No. 234—Tuesday, Dec. 5, 1978]

[Proclamation 4617, Gates of the Arctic National Monument, December 1, 1978]

By the President of the United States of America: A Proclamation

Lying wholly north of the Arctic Circle, the Gates of the Arctic National Monument hereby created preserves an area containing a wide variety of interior arctic geological and biological forms. The essence of the geology of the area is its great diversity. There are excellent examples of glacial action which formed U-shaped valleys and moraine-dammed lakes. In contrast are the fissure-shaped precipices of Ernie Creek and the tilted limestone blocks along the northern edge of the Brooks Range.

Associated with these various land forms is a progression of ecosystems representing a continuum of communities from the boreal spruce forest and riparian shrub thickets in the south to the arctic tussock tundra in the north. These communities of plants and undisturbed animals offer excellent opportunities for study of natural interaction of the species.

The monument also protects a substantial portion of the habitat requirements for the Western Arctic caribou herd which uses ancient routes through the mountains for migration. This herd, which has suffered severe population losses recently, is of great value for the study of the population dynamics relating to both the decline and recovery of the herd.

The archeological and historical significance of the area is demonstrated by the studies which have revealed evidence of human habitation for approximately 7,000 years. Several known traditional Indian-Eskimo trade routes run through the monument area giving the promise of further important archeological discoveries. In the Wiseman and Ernie's Cabin mining regions in the south are offered opportunities for historical study of the life of the Alaskan pioneer miner of the early twentieth century.

The land withdrawn and reserved by this Proclamation for the protection of the biological, geological, archeological, historical, and other phenomena enumerated above supports now, as it has in the past, the unique subsistence culture of the local residents. The continued existence of this culture, which depends upon subsistence hunting, and its availability for study, enhance the historic and scientific values of the natural objects protected herein because of the ongoing interaction of the subsistence culture with those objects. Accordingly, the opportunity for local residents to engage in subsistence hunting is a value to be protected and will continue under the administration of the monument.

Section 2 of the Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 431), authorizes the President, in his discretion, to declare by public proclamation historic landmarks, historic and prehistoric structures, and other objects of historic or scientific interest that are situated upon the lands owned or controlled by the Government of the United States to be national monuments, and to reserve as part thereof parcels of land, the limits of which in all cases shall be confined to the smallest area compatible with the proper care and management of the objects to be protected.

Now, therefore, I, Jimmy Carter, President of the United States of America, by the authority vested in me by Section 2 of the Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 431), do proclaim that there are hereby set apart and reserved as the Gates of the Arctic National Monument all lands, including submerged lands, and waters owned or controlled by the United States within the boundaries of the area depicted as the Gates of the Arctic National Monument on the map numbered GAAR–90,011 attached to and forming a part of this Proclamation. The area reserved consists of approximately 8,220,000 acres, and is the smallest area compatible with the proper care and management of the objects to be protected. Lands, including submerged lands, and waters within these boundaries not owned by the United States shall be reserved as a part of the monument upon acquisition of title thereto by the United States.

All lands, including submerged lands, and all waters within the boundaries of this monument are hereby appropriated and withdrawn from entry, location, selection, sale or other disposition under the public land laws, other than exchange. There is also reserved all water necessary to the proper care and management of those objects protected by this monument and for the proper administration of the monument in accordance with applicable laws.

The establishment of this monument is subject to valid existing rights, including, but not limited to, valid selections under the Alaska Native Claims Settlement Act, as amended (43 U.S.C. 1601 *et seq.*), and under or confirmed in the Alaska Statehood Act (48 U.S.C. Note preceding Section 21).

Nothing in this Proclamation shall be deemed to revoke any existing withdrawal, reservation or appropriation, including any withdrawal under Section 17(d)(1) of the Alaska Native Claims Settlement Act (43 U.S.C. 1616(d)(1)); however, the national monument shall be the dominant reservation. Nothing in this Proclamation is intended to modify or revoke the terms of the Memorandum of Understanding dated September 1, 1972, entered into between the State of Alaska and the United States as part of the negotiated settlement of *Alaska* v. *Morton*, Civil No. A–48–72 (D. Alaska, Complaint filed April 10, 1972).

The Secretary of the Interior shall promulgate such regulations as are appropriate, including regulation of the opportunity to engage in a subsistence lifestyle by local residents The Secretary may close the national monument, or any portion thereof, to subsistence uses of a particular fish, wildlife or plant population if necessary for reasons of public safety, administration, or to ensure the natural stability or continued viability of such population.

Warning is hereby given to all unauthorized persons not to appropriate, injure, destroy or remove any feature of this monument and not to locate or settle upon any of the lands thereof.

In witness whereof, I have hereunto set my hand this 1st day of December, in the year of our Lord nineteen hundred and seventy-eight, and of the Independence of the United States of America the two hundred and third.

JIMMY CARTER.

[Federal Register, Vol. 43, No. 234—Tuesday, December 5, 1978]

[PROCLAMATION 4618 ENLARGING THE GLACIER BAY NATIONAL MONUMENT, DECEMBER 1, 1978]

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA: A PROCLAMATION

Glacier Bay National Monument was created by Presidential Proclamation in 1925 and was enlarged in 1939 and again in 1955. It protects the great tidewater glaciers and a dramatic range of plant communities. The enlargement accomplished by this Proclamation furthers the protection of the array of geological and ecological interests in the area.

This addition includes the northwesterly side of Mount Fairweather, the highest peak in this part of Alaska, and the Grand Plateau Glacier, both significant to students of glaciology.

The Alsek River corridor provides the only pass through the coastal mountain range for 120 miles. This is the route by which large mammals first entered this isolated area and is used by a significant percentage of the Alaska bald eagle population en route to the Klukwan area where they winter.

The addition also protects two botanically significant areas. In the hills flanking Grand Plateau Glacier live the oldest plant communities in southeast Alaska which survive because the area escaped both glaciation and inundation. Also important to the study of ecological succession are the mature aquatic vegetative communities of the pre-neoglacial lakes in the Deception Hills area.

The land withdrawn and reserved by this Proclamation for the protection of the geological, biological, and other phenomena enumerated above supports now, as it has in the past, a unique subsistence culture of the local residents. The continued existence of this culture, which depends on subsistence hunting, and its availability for study, enhances the historic and scientific values of the natural objects protected herein because of the ongoing interaction of the subsistence culture with those objects. Accordingly, the opportunity for local residents to engage in subsistence hunting is a value to be protected and will continue under the administration of the area added to the Glacier Bay National Monument by this Proclamation.

Section 2 of the Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 431), authorizes the President, in his discretion, to declare by public proclamation historic landmarks, historic and prehistoric structures and other objects of historic or scientific interest that are situated upon the lands owned or controlled by the Government of the United States to be national monuments, and to reserve as part thereof parcels of land, the limits of which in all cases shall be confined to the smallest area compatible with the proper care and management of the objects to be protected.

Now, therefore I, Jimmy Carter, President of the United States of America, by the authority vested in me by Section 2 of the Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 431), do proclaim that there are hereby set apart and reserved for inclusion in the Glacier Bay National Monument all lands, including submerged lands, and waters owned or controlled by the United States within the boundaries of the area depicted as the Enlargement of Glacier Bay National Monument on the map numbered GLBA–90,005 attached to and forming a part of this Proclamation. The area reserved consists of approximately 550,000 acres, and is necessary to ensure the proper care and management of the objects the monument was established to preserve and those added by this Proclamation. Lands, including submerged lands, and waters within these boundaries not owned by the United States shall be reserved as a part of the monument upon acquisition of title thereto by the United States.

All lands, including submerged lands, and all waters within the boundaries of this addition are hereby appropriated and withdrawn from entry, location, selection, sale or other disposition, other than exchange. There is also reserved all water necessary to the proper care and management of those objects protected by this monument and for the proper administration of the monument in accordance with applicable laws.

The establishment of this addition is subject to valid existing rights, including, but not limited to, valid selections under the Alaska Native Claims Settlement Act, as amended (43 U.S.C. 1601 *et seq.*) and under or confirmed in the Alaska Statehood Act (48 U.S.C. Note preceding Section 21).

Nothing in this Proclamtion shall be deemed to revoke any existing withdrawal, reservation or appropriation, including any withdrawal under Section 17(d)(1) of the Alaska Native Claims Settlement Act, (43 U.S.C. 1616(d)(1)); however, the national monument shall be the dominant reservation. Furthermore, nothing in this Proclamation is intended to modify or revoke the terms of the Memorandum of Understanding dated September 1, 1972, entered into between the State of Alaska and the United States as part of the negotiated settlement, of *Alaska* v. *Morton*, Civil No. A–48–72 (D. Alaska, Complaint filed April 10, 1972).

The Secretary of the Interior shall promulgate such regulations as are appropriate, including regulation of the opportunity to engage in a subsistence lifestyle by local residents. The Secretary may close this addition, or any portion thereof, to subsistence uses of a particular fish, wildlife or plant population if necessary for reasons of public safety, administration, or to ensure the natural stability or continued viability of such population.

Warning is hereby given to all unauthorized persons not to appropriate, injure, destroy or remove any feature of this monument and not to locate or settle upon any of the lands thereof.

In witness whereof, I have hereunto set my hand this 1st day of December, in the year of our Lord nineteen hundred and seventy-eight, and of the Independence of the United States of America the two hundred and third.

JIMMY CARTER.

[Federal Register, Vol. 43, No. 234—Tuesday, December 5, 1978]

[Proclamation 4619, Enlarging the Katmai National Monument, December 1, 1978]

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA: A PROCLAMATION

In 1912, Mount Katmai gave vent to an extremely violent volcanic eruption. To preserve this excellent example of recent volcanism and ash deposition, Katmai National Monument was established in 1918. In the ensuing years it was recognized that in addition to the volcanoes, the area included a significant population of Alaskan brown bear and important spawning grounds for the Bristol Bay red salmon. The area was enlarged in view of these features in 1931, 1942 and 1969.

Continued research has revealed that the bear population is more mobile than originally believed. By the addition made hereby, a viable gene-pool population of the Alaskan brown bear can be protected free from human harassment. The addition closes a fifteen mile gap between the former monument boundary and the McNeil River State Game Sanctuary thereby completing the protection of the range of this population of the world's largest carnivore.

The enlargement also protects the headwaters of the drainages which provide the spawning grounds for the red salmon. By protecting the quality of the water in these watersheds, the drama of the salmon run, a phenomenon of great scientific interest over the years, may be perpetuated.

The land withdrawn and reserved by this Proclamation for the protection of the biologic and other phenomena enumerated above supports now, as it has in the past, the unique subsistence culture of the local residents. The continued existence of this culture, which depends on subsistence hunting, and its availability for study, enhance the historic and scientific values of the natural objects protected herein, because of the ongoing interaction of the subsistence culture with those objects. Accordingly, the opportunity for local residents to engage in subsistence hunting is a value to be protected and will continue under the administration of the area added to Katmai National Monument by this Proclamation.

Section 2 of the Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 431), authorizes the President, in his discretion, to declare by public proclamation historic landmarks, historic and prehistoric structures and other objects of historic or scientific interest that are situated upon the lands owned or controlled by the Government of the United States to be national manuments, and to reserve as part thereof parcels of land, the limits of which in all cases shall be confined to the smallest area compatible with the proper care and management of the objects to be protected.

Now, therefore, I, Jimmy Carter, President of the United States of America, by the authority vested in me by Section 2 of the Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 341), do proclaim that there are hereby set apart and reserved for inclusion in the Katmai National Monument all lands, including submerged lands, and waters owned or controlled by the United States within the boundaries of the area depicted as the Enlargement of Katmai National Monument on the map numbered KATM–90,007 attached to and forming a part of this Proclamation. The area reserved consists of approximately 1,370,000 acres, and is necessary to ensure the proper care and management of the objects the monument was established to preserve and those added by this Proclamation. Lands, including submerged lands, and waters within these boundaries not owned by the United States shall be reserved as a part of the monument upon acquisition of title thereto by the United States.

All lands, including submerged lands, and all waters within the boundaries of this addition are hereby appropriated and withdrawn from entry, location, selection, sale or other disposition, other than exchange. There is also reserved all water necessary to the proper care and management of those objects protected by this monument and for the proper administration of the monument in accordance with applicable laws.

The establishment of this addition is subject to valid existing rights, including, but not limited to, valid selections under the Alaska Native Claims Settlement Act, as amended (43 U.S.C. 1601 *et seq.*), and under or confirmed in the Alaska Statehood Act (48 U.S.C. Note preceding Section 21).

Nothing in this Proclamation shall be deemed to revoke any existing withdrawal, reservation or appropriation, including any withdrawal under Section 17(d)(1) of the Alaska Native Claims Settlement Act (43 U.S.C. 1616(d)(1)); however, the national monument shall be the dominant reservation. Furthermore, nothing in this Proclamation is intended to modify, revoke or abrogate the terms of the Memorandum of Understanding dated September 1, 1972, entered into between the State of Alaska and the United States as part of the negotiated settlement of *Alaska* v. *Morton*, Civil No. A–48–72 (D. Alaska, Complaint filed April 10, 1972).

The Secretary of the Interior shall promulgate such regulations as are appropriate, including regulation of the opportunity to engage in a subsistence lifestyle by local residents. The Secretary may close this addition, or any portion thereof, to subsistence uses of a particular fish, wildlife or plant population if necessary for reasons of public safety, administration, or to ensure the natural stability or continued viability of such population.

Warning is hereby given to all unauthorized persons not to appropriate, injure, destroy or remove any feature of this monument and not to locate or settle upon any of the lands thereof.

In witness whereof, I have hereunto set my hand this 1st day of December, in the year of our Lord nineteen hundred and seventy-eight, and of the Independence of the United States of America the two hundred and third.

JIMMY CARTER.

[Federal Register, Vol. 43, No. 234—Tuesday, December 5, 1978]

[Proclamation 4620, Kenai Fjords National Monument, December 1, 1978]

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA: A PROCLAMATION

Kenai Fjords National Monument borders the Gulf of Alaska and includes the Harding Icefield and extensions of mountain peaks out into the sea. The area holds a significant opportunity for geologic study of mountain building and for scientific study of ecological variations from an icecap environment to a marine shoreline environment.

The Harding Icefield, one of the Nation's major icecaps, continues to carve deep glacial valleys through the Kenai Mountains. The mountains themselves illustrate tectonic movement through uplift and subsidence over geologic time. Former alpine valleys are now fjords, and former mountain peaks are now tips of islands and vertical sea stacks.

Between the fjords, richly varied rain forest habitats offer opportunities to study life forms adaptable to the wet coastal environment. On the land these include mountain goat, black bear, otter, ptarmigan, and bald eagle. The area is extremely rich in sea bird life of interest to ornithologists and in marine mammals which come to feed in the fjords from their hauling and resting places on nearby islands. The recovery of the sea otter population from almost total extermination to relatively natural populations in this area is of continuing scientific interest.

Section 2 of the Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 431), authorizes the President, in his discretion, to declare by public proclamation historic landmarks, historic and prehistoric structures, and other objects of historic or scientific interest that are situated upon the lands owned or controlled by the Government of the United States to be national monuments, and to reserve as part thereof parcels of land, the limits of which in all cases shall be confined to the smallest area compatible with the proper care and management of the objects to be protected.

Now, therefore, I, Jimmy Carter, President of the United States of America, by the authority vested in me by Section 2 of the Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 431), do proclaim that there are hereby set apart and reserved as the Kenai Fjords National Monument all lands, including submerged lands, and waters owned or controlled by the United States within the boundaries of the area depicted as Kenai Fjords National Monument on the map numbered KEFJ–90,008 attached to and forming a part of this Proclamation. The area reserved consists of approximately 570,000 acres, and is the smallest area compatible with the proper care and management of the objects to be protected. Lands, including submerged lands, and waters within these boundaries not owned by the United States shall be reserved as a part of the monument upon acquisition of title thereto by the United States.

All lands, including submerged lands, and all waters within the boundaries of this monument are hereby appropriated and withdrawn from entry, location, selection, sale or other disposition under the public land laws, other than exchange. There is also reserved all water necessary to the proper care and management of those objects protected by this monument and for the proper administration of the monument in accordance with applicable laws.

The establishment of this monument is subject to valid existing rights, including, but not limited to, valid selections under the Alaska Native Claims Settlement Act, as amended (43 U.S.C. 1601 *et seq.*), and under or confirmed in the Alaska Statehood Act (48 U.S.C. Note preceding Section 21).

Nothing in this Proclamation shall be deemed to revoke any existing withdrawal, reservation or appropriation, including any withdrawal under Section 17(d)(1) of the Alaska Native Claims Settlement Act (43 U.S.C. 1616(d)(1)); however, the national monument shall be the dominant reservation. Nothing in this Proclamation is intended to modify or revoke the terms of the Memorandum of Understanding dated September 1, 1972, entered into between the State of Alaska and the United States as part of the negotiated settlement of *Alaska* v. *Morton*, Civil No. A–48–72 (D. Alaska, Complaint filed April 10, 1972).

The Secretary of the Interior shall promulgate such regulations as are appropriate.

Warning is hereby given to all unauthorized persons not to appropriate, injure, destroy or remove any feature of this monument and not to locate or settle upon any of the lands thereof.

In witness whereof, I have hereunto set my hand this 1st day of December, in the year of our Lord nineteen hundred and seventy-eight, and of the Independence of the United States of America the two hundred and third.

JIMMY CARTER.

[Federal Register, Vol. 43, No. 234—Tuesday, December 5, 1978]

[Proclamation 4621, Kobuk Valley National Monument, December 1, 1978]

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA: A PROCLAMATION

The Kobuk Valley and its environs, an area located in the northwest interior of Alaska, contains important archeological data and biological and geological features of great scientific significance.

Archeological features within the area illustrate an unbroken continuum of human adaptation to the natural environment from the early pre-Eskimo people of 10,500 years ago to present-day local residents. Scientists recently discovered more than 100 dwellings occupied in about 1250 A.D., comprising the largest settlement of its kind. The Onion Portage Archeological District is located within the area, and is listed on the National Register of Historic Places. Archeological research at Onion Portage has yielded evidence of more than 10,000 years of human occupation.

The area contains the Great and Little Kobuk Sand Dunes, which lie north of the Arctic Circle and include both active and stabilized dunes. Scientific studies of the dunes show them to be older than 33,000 years, and several plants have been found in association with the dunes environment which are scientifically unusual in the area. The Great Kobuk Sand Dunes attain a height of 100 feet.

The inclusion of the watersheds on the north and south of the Kobuk River protects a uniquely representative series of interrelated plant communities. There is here an essentially unspoiled laboratory for the study of the northern boreal forest.

A rich variety of wildlife also occurs within the area. Major portions of the northwest arctic caribou herd move through the area in spring and fall migrations. The area also includes one of only two significant populations of the Alaskan sheefish. The water environment is habitat for nesting waterfowl, moose, and muskrat. A relatively dense population of grizzly and black bears, wolf, wolverine, fox, otter, and other northern furbearing mammals range over the entire area.

The land withdrawn and reserved by this Proclamation for the protection of the archeological, geological, biological, and other phenomena enumerated above supports now, as it has in the past, the unique subsistence culture of the local residents. The continued existence of this culture, which depends on subsistence hunting, and its availability for study, enhances the historic and scientific values of the natural objects protected herein because of the ongoing interaction of the subsistence culture with these objects. Accordingly, the opportunity for local residents to engage in subsistence hunting is one of the values to be protected and will continue under the administration of the monument.

Section 2 of the Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 431), authorizes the President, in his discretion, to declare by public proclamation historic landmarks, historic and prehistoric structures, and other objects of historic or scientific interest that are situated upon the lands owned or controlled by the Government of the United States to be national monuments, and to reserve as part thereof parcels of land, the limits of which in all cases shall be confined to the smallest area compatible with the proper care and management of the objects to be protected.

Now, therefore, I, Jimmy Carter, President of the United States of America, by the authority vested in me by Section 2 of the Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 431), do proclaim that there are hereby set apart and reserved as the Kobuk Valley National Monument all lands, including submerged lands, and waters owned or controlled by the United States within the boundaries of the area depicted as the Kobuk Valley National Monument on the map numbered KOVA–90,-010 attached to and forming a part of this Proclamation. The area reserved consists of approximately 1,710,000 acres, and is the smallest area compatible with the proper care and management of the objects to be protected. Lands, including submerged lands, and waters within these boundaries not owned by the United States shall be reserved as a part of the monument upon acquisition of title thereto by the United States.

All lands, including submerged lands, and all waters within the boundaries of this monument are hereby appropriated and withdrawn from entry, location, selection, sale or other disposition under the public land laws, other than exchange. There is also reserved all water necessary to the proper care and management of those objects protected by this monument and for the proper administration of the monument in accordance with applicable laws.

The establishment of this monument is subject to valid existing rights, including, but not limited to, valid selections under the Alaska Native Claims Settlement Act, as amended (43 U.S.C. 1601 *et seq.*), and under or confirmed in the Alaska Statehood Act (48 U.S.C. Note preceding Section 21).

Nothing in this Proclamation shall be deemed to revoke any existing withdrawal, reservation or appropriation, including any withdrawal under Section 17(d)(1) of the Alaska Native Claims Settlement Act (43 U.S.C. 1616(d)(1)); however, the national monument shall be the dominant reservation. Nothing in this Proclamation is intended to modify or revoke the terms of the Memorandum of Understanding dated September 1, 1972, entered into between the State of Alaska and the United States as part of the negotiated settlement of *Alaska* v. *Morton*, Civil No. A–48–72 (D. Alaska, Complaint filed April 10, 1972).

The Secretary of the Interior shall promulgate such regulations as are appropriate, including regulation of the opportunity to engage in a subsistence livestyle by local residents. The Secretary may close the national monument, or any portion thereof, to subsistence uses of a particular fish, wildlife or plant population if necessary for reasons of public safety, administration, or to ensure the natural stability or continued viability of such population.

Warning is hereby given to all unauthorized persons not to appropriate, injure, destroy or remove any feature of this monument and not to locate or settle upon any of the lands hereof.

In witness whereof, I have hereunto set my hand this 1st day of December, in the year of our Lord nineteen hundred and seventy-eight, and of the Independence of the United States of America the two hundred and third.

JIMMY CARTER.

[Federal Register, Vol. 43, No. 234—Tuesday, December 5, 1978]

[Proclamation 4622, Lake Clark National Monument, December 1, 1978]

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA: A PROCLAMATION

An area in south-central Alaska contains examples of geological phenomena associated with two major mountain chains, the Alaska Range and the Chigmit Mountains, in an array that includes jagged peaks and two symmetrical, steaming volcanoes. These volcanoes, Redoubt and Iliamna, have been listed on the National Registry of Natural Landmarks.

The area's land forms also contribute to an outstanding example of ecological diversity in zones which remain relatively unspoiled for continued scientific research. Large mammals such as moose, caribou, Dall sheep, grizzly bear, black bear, and wolverine occur in natural populations. Whistling swans nest and rare trumpeter swans assemble in the area. Other birds, including bald eagle, gyrfalcon, osprey, and endangered peregrine falcon, breed within the area. Seabird colonies occur along the coast. One of the most stable natural populations of caribou in Alaska, the Mulchatna herd, calves and migrates within the area, offering significant opportunities for scientific study of this mammal.

Sockeye salmon runs within the area are exceptional. The area includes the upper drainage of the Kvichak River System, which is the single most productive spawning and rearing habitat for red salmon in the world, and the subject of scientific research for many years.

Historical resources of the area are significant. Kijik Village, on the shore of Lake Clark is the site marking the first known Russian exploration of the region in the late eighteenth century. The area holds great promise for the discovery of further evidence defining the impact of the Native-European contacts.

The land withdrawn and reserved by this proclamation for the protection of the geological, archeological, historical, biological and other phenomena enumerated above supports now, as it has in the past, the unique subsistence culture of the local residents. The continued existence of this culture, which depends on subsistence hunting, and its availability for study, enhances the historic and scientific values of the natural objects protected herein because of the ongoing interaction of the subsistence culture with these objects. Accordingly, the opportunity for local residents to engage in subsistence hunting is a value to be protected and will continue under the administration of the monument.

Section 2 of the Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 431), authorizes the President, in his discretion, to declare by public proclamation historic landmarks, historic and prehistoric structures, and other objects of historic or scientific interest that are situated upon the lands owned or controlled by the Government of the United States to be national monuments, and to reserve as part thereof parcels of land, the limits of which in all cases shall be confined to the smallest area compatible with the proper care and management of the objects to be protected.

Now, therefore, I, Jimmy Carter, President of the United States of America, by the authority vested in me by Section 2 of the Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 431), do proclaim that there are hereby set apart and reserved as the Lake Clark National Monument all lands including submerged lands, and waters owned or controlled by the United States within the boundaries of the area depicted as the Lake Clark National Monument on the map numbered LACL–90,009 attached to and forming a part of this Proclamation. The area reserved consists of approximately 2,500,000 acres, and is the smallest area compatible with the proper care and management of the objects to be protected. Lands, including submerged lands, and waters within these boundaries not owned by the United States shall be reserved as a part of the monument upon acquisition of title thereto by the United States.

All lands, including submerged lands, and all waters within the boundaries of this monument are hereby appropriated and withdrawn from entry, location, selection, sale or other disposition under the public land laws, other than exchange. There is also reserved all water necessary to the proper care and management of those objects protected by this monument and for the proper administration of the monument in accordance with applicable laws.

The establishment of this monument is subject to valid existing rights, including, but not limited to, valid selections under the Alaska Native Claims Settlement Act, as amended (43 U.S.C. 1601 *et seq.*), and under or confirmed in the Alaska Statehood Act (48 U.S.C. Note preceding Section 21).

Nothing in this Proclamation shall be deemed to revoke any existing withdrawal, reservation or appropriation, including any withdrawal under Section 17(d)(1) of the Alaska Native Claims Settlement Act (43 U.S.C. 1616(d)(1)); however, the national monument shall be the dominant reservation. Nothing in this Proclamation is intended to modify or revoke the terms of the Memorandum of Understanding dated September 1, 1972, entered into between the State of Alaska and the United States as part of the negotiated settlement of *Alaska* v. *Morton*, Civil No. A–48–72 (D. Alaska, Complaint filed April 10, 1972).

The Secretary of the Interior shall promulgate such regulations as are appropriate, including regulation of the opportunity to engage in a subsistence lifestyle by local residents. The Secretary may close the national monument, or any portion thereof, to subsistence uses of a particular fish, wildlife or plant population if necessary for reasons of public safety, administration, or to ensure the natural stability or continued viability of such population.

Warning is hereby given to all unauthorized persons not to appropriate, injure, destroy or remove any feature of this monument, and not to locate or settle upon any of the lands thereof.

In witness whereof, I have hereunto set my hand this 1st day of December, in the year of our Lord nineteen hundred and seventy-eight, and of the Independence of the United States of America the two hundred and third.

JIMMY CARTER.

[Federal Register, Vol. 43, No. 234—Tuesday, December 5, 1978]

[Proclamation 4623, Misty Fiords National Monument, December 1, 1978]

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA: A PROCLAMATION

Misty Fiords is an unspoiled coastal ecosystem containing significant scientific and historical features unique in North America. It is an essentially untouched two million-acre area in the Coast Mountains of Southeast Alaska within which are found nearly all of the important geological and ecological characteristics of the region, including the complete range of coastal to interior climates and ecosystems in a remarkably compact area.

Among the objects of geologic importance are extraordinary deep and long fiords with sea cliffs rising thousands of feet. Active glaciers along the Canadian border are remnants of the massive ice bodies that covered the region as recently as about 10,000 years ago, at the end of the Pleistocene epoch. However, there have been periodic glacial advances and retreats in more recent historic periods. Some of the area has been free from glaciation for only a short period of time, creating the unusual scientific phenomenon of recent plant succession on newly-exposed land with the accompanying animal species. The Behm Canal, the major inlet at the heart of the area, is more than fifty miles long and extraordinary among natural canals for its length and depth.

The watershed of the Unuk River, which comprises the northern portion of the Misty Fiords area, has its headwaters in Canada. It is steeply mountainous and glaciated and contains the full range of ecosystems and climates from interior to coastal. Mineral springs and lava flows add to the uniqueness of the area and its value for scientific investigation. South of the Unuk, the Chickamin River System and the Le Duc River originate in active glaciers and terminate in Behm Canal. Further south, Rudyerd Bay Fiords and Walker Cove are surrounded by high, cold lakes and mountains extending eastward to Canada.

First inhabitants of Misty Fiords may have settled in the area as long ago as 10,000 years. The area contains cutural sites and objects of historical significance, including traditional native hunting and fishing grounds. Later historical evidence includes a mid-1800's military post-port entry on Tongass Island and a salmon cannery in Behm Canal established in the late 1800's.

Misty Fiords is unique in that the area includes wildlife representative of nearly every ecosystem in southeast Alaska, most notably bald eagles, brown and black bears, moose, wolves, mountain goats and Sitka black-tailed deer. Numerous other bird species nest and feed in the area, notably falcons and waterfowl. Misty Fiords is a major producer of all five species of Pacific salmon and is especially important for king salmon. Numerous other saltwater, freshwater and anadromous fish species and shellfish are plentiful in this area, which is an extraordinarily fertile interface of marine and freshwater environments. Unusual plantlife includes Pacific silver and subalpine fir trees near the northern limit of their range. The area includes an unusual variety of virgin forests, ranging from coastal spruce-hemlock to alpine forests.

As an intact coastal ecosystem, Misty Fiords possesses a collective array of objects of outstanding value for continuing scientific study. The boundaries of the area follow watershed perimeters and include the smallest area compatible with protection of this unique ecosystem and the remarkable geologic and biological objects and features it contains.

Hunting and fishing shall continue to be regulated, permitted and controlled in accord with the statutory authorities applicable to the monument area.

Section 2 of the Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 431), authorizes the President, at his discretion, to declare by public proclamation historic landmarks, historic and prehistoric structures, and other objects of historic or scientific interest that are situated upon the lands owned or controlled by the government of the United States to be National Monuments, and to reserve as part thereof parcels of lands, the limits of which in all cases shall be confined to the smallest area compatible with the proper care and management of the objects to be protected.

Now, therefore, I, Jimmy Carter, President of the United States of America, by the authority vested in me by section 2 of the Act of June 8, 1906, (34 Stat. 225, 16 U.S.C. 431), do proclaim that there are hereby set apart and reserved as the Misty Fiords National Monument all lands, including submerged lands, and waters owned or controlled by the United States within the boundaries of the area described on the document entitled "Misty Fiords National Monument (Copper River Meridian)", attached to and forming a part of this Proclamation. The area reserved consists of approximately 2,285,000 acres, and is the smallest area compatible with the proper care and management of the objects to be protected. Lands, including submerged lands, and waters within these boundaries not owned by the United States shall be reserved as a part of the Monument upon acquisition of title thereto by the United States.

All lands, including submerged lands, and all waters within the boundaries of this Monument are hereby appropriated and withdrawn from entry, location, selection, sale or other disposition under the public land laws, other than exchange. There is also reserved all water necessary to the proper care and management of those objects protected by this Monument and for the proper administration of the Monument in accordance with applicable laws.

The establishment of this Monument is subject to valid existing rights, including, but not limited to, valid selection under the Alaska Native Claims Settlement Act, as amended (43 U.S.C. 1601 *et seq.*), and under or confirmed in the Alaska Statehood Act (48 U.S.C. Note preceding Section 21).

Nothing in this Proclamation shall be deemed to revoke any existing withdrawal, reservation or appropriation, including any withdrawal under section 17 (d)(1) of the Alaska Native Claims Settlement Act (43 U.S.C. 1616(d)(1)); however, the National Monument shall be the dominant reservation. Nothing in this Proclamation is intended to modify or revoke the terms of the Memorandum of Understanding dated September 1, 1972, entered into between the State of Alaska and the United States as part of the negotiated settlement of *Alaska* v. *Morton*, Civil No. A–48–72 (D. Alaska, Complaint filed April 10, 1972).

Warning is hereby given to all unauthorized persons not to appropriate, injure, destroy or remove any feature of this Monument and not to locate or settle upon any of the lands thereof.

In witness whereof, I have hereunto set my hand this first day of December, in the year of our Lord nineteen hundred and seventy-eight, and of the Independence of the United States of America the two hundred and third.

JIMMY CARTER.

[Federal Register, Vol. 43, No. 234—Tuesday, Dec. 5, 1978]

[Proclamation 4624, Noatak National Monument, December 1, 1978]

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA: A PROCLAMATION

The Noatak River basin is the largest mountain-ringed river basin in the Nation still virtually unaffected by technological human activity. This basin has been designated as a Biosphere Reserve under the United Nations' auspices, in recognition of its international importance for scientific study and research.

The area includes landforms and ecological variations of scientific interest. The Grand Canyon of the Noatak River is a dissected valley 65 miles long. The area contains the northwesternmost fringe of boreal forest in North America, and is a transition zone and migration route for plants and animals between subarctic and arctic environments. The diversity of the flora is among the greatest anywhere in the earth's northern latitudes.

The Noatak Valley area contains a rich variety of birdlife including several Asian species. The area is crossed twice a year by two-thirds of the Western Arctic caribou herd, and is prime habitat for the barren ground grizzly bear, moose, and several predator species.

Nearly 200 archeological sites, dating as far back in time as 5,000 years, are within the area. They give promise of future discoveries leading to a deeper understanding of the area's prehistory.

The Noatak basin is an area where indigenous plants and animals perpetuate themselves naturally, in a freely functioning ecosystem. Protection of this area will assure the preservation of an essential base against which scientists may judge environmental dynamics of the future.

The land withdrawn and reserved by this Proclamation for the protection of the geological, archeological, biological, and other phenomena enumerated above supports now, as it has in the past, the unique subsistence culture of the local residents. The continued existence of this culture, which depends upon subsistence hunting, and its availability for study, enhances the historic and scientific values of the natural objects protected herein because of the ongoing interaction of the subsistence culture with those objects. Accordingly, the opportunity for local residents to engage in subsistence hunting is a value to be protected and will continue under the administration of the monument.

Section 2 of the Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 431), authorizes the President, in his discretion, to declare by public proclamation historic landmarks, historic and prehistoric structures, and other objects of historic or scientific interest that are situated upon the lands owned or controlled by the Government of the United States to be national monuments, and to reserve as part thereof parcels of land, the limits of which in all cases shall be confined to the smallest area compatible with the proper care and management of the objects to be protected.

Now, therefore, I, Jimmy Carter, President of the United States of America, by the authority vested in me by Section 2 of the Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 431), do proclaim that there are hereby set apart and reserved as the Noatak National Monument all lands, including submerged lands, and waters owned or controlled by the United States within the boundaries of the area depicted as the Noatak National Monument on the map numbered NOAT-90,004 attached to and forming a part of this Proclamation. The area reserved consists of approximately 5,800,000 acres, and is the smallest area compatible with the proper care and management of the objects to be protected. Lands, including submerged lands, and waters within these boundaries not owned by the United States shall be reserved as a part of the monument upon acquisition of title thereto by the United States.

All lands, including submerged lands, and all waters within the boundaries of this monument are hereby appropriated and withdrawn from entry, location, selection, sale or other disposition under the public land laws, other than exchange. There is also reserved all water necessary to the proper care and management of those objects protected by this monument and for the proper administration of the monument in accordance with applicable laws.

The establishment of this monument is subject to valid existing rights, including, but not limited to, valid selections under the Alaska Native Claims Settlement Act, as amended (43 U.S.C. 1601 *et seq.*), and under or confirmed in the Alaska Statehood Act (48 U.S.C. Note preceding Section 21).

Nothing in this Proclamation shall be deemed to revoke any existing withdrawal, reservation or appropriation, including any withdrawal under Section 17(d)(1) of the Alaska Native Claims Settlement Act (43 U.S.C. 1616 (d)(1)); however, the national monument shall be the dominant reservation. Nothing in this Proclamation is intended to modify or revoke the terms of the Memorandum of Understanding dated September 1, 1972, entered into between the State of Alaska and the United States as part of the negotiated settlement of *Alaska v. Morton*, Civil No. A-48-72 (D. Alaska, Complaint filed April 10, 1972).

The Secretary of the Interior shall promulgate such regulations as are appropriate, including regulation of the opportunity to engage in a subsistence lifestyle by local residents. The Secretary may close the national monument, or any portion thereof, to subsistence uses of a particular fish, wildlife or plant population if necessary for reasons of public safety, administration, or to ensure the natural stability or continued viability of such population.

Warning is hereby given to all unauthorized persons not to appropriate, injure, destroy or remove any feature of this monument and not to locate or settle upon any of the lands thereof.

In witness whereof, I have hereunto set my hand this 1st day of December, in the year of our Lord nineteen hundred and seventy-eight, and of the Independence of the United States of America the two hundred and third.

JIMMY CARTER.

[Federal Register, Vol. 43, No. 234—Tuesday, December 5, 1978]

[Proclamation 4625, Wrangell-St. Elias National Monument, Dec. 1, 1978]

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA: A PROCLAMATION

An area of southeastern Alaska adjacent to the International Boundary with Canada contains a variety of landforms, including high mountain peaks and steep canyons, with associated geological, ecological, biological, and historical phenomena of great importance.

The area includes the greatest assemblage of mountain peaks over 14,500 feet in elevation found in the Nation, the nation's second highest mountain (Mount St. Elias, at 18,008 feet) several inactive and one active volcano (Mount Wrangell), and an active glacial complex, including some of the largest and longest glaciers in the Nation. The high mountain peaks and glaciers offer an excellent opportunity for glaciological studies. The Malaspina Glacier is listed on the National Registry of Natural Landmarks.

Thermal features in the area include the mud cones and hot springs on the western base of Mount Drum. More complete undeveloped river systems exist here than in any other land area in the Nation, with more than 1,000 miles of powerful running, silt-laden rivers.

Biologically unique subspecies of flora and fauna have developed in the Bremner and Chitina River Valleys. As a result of their isolation by virtue of ice fields and the Copper River, these areas are virtually ecological islands in which development of subspecies is largely unaffected by interchange with outside plant and animal species.

Wildlife populations include the largest population of wild mountain sheep in North America, moose, mountain goat, and a nonmigratory population of caribou. The area is the only part of Alaska where four of the five identifiable forms of bear occur, including the interior grizzly, the coastal brown bear, the black bear, and the rare, blue-color phase of the black bear called glacier bear. Along the coast of the Gulf of Alaska bald eagles and a large and varied shorebird population occur.

Cultural development within the area is of interest to archeologists and historians. Three major culture areas converge here, each with distinctive cultural patterns: the North Athapascans, the Pacific Eskimo, and the Chugach. Mining history is evidenced by the Kennecott Copper Works, a National Historic Landmark.

The land withdrawn and reserved by this Proclamation for the protection of the geological, archeological, biological, and other phenomena enumerated above supports now, as it has in the past, a unique subsistence culture of the local residents. The continued existence of this culture, which depends on subsistence hunting, and its availability for study, enhances the historic and scientific values of the natural objects protected herein because of the ongoing interaction of the subsistence culture with those objects. Accordingly, the opportunity for local residents to engage in subsistence hunting is a value to be protected and will continue under the administration of the monument.

Section 2 of the Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 431), authorizes the President, in his discretion, to declare by public proclamation historic landmarks, historic and prehistoric structures and other objects of historic or scientific interest that are situated upon the lands owned or controlled by the Government of the United States to be national monuments, and to reserve as part thereof parcels of land, the limits of which in all cases shall be confined to the smallest area compatible with the proper care and management of the objects to be protected.

Now, therefore, I, Jimmy Carter, President of the United States of America, by the authority vested in me by Section 2 of the Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 431), do proclaim that there are hereby set apart and reserved as the Wrangell-St. Elias National Monument all lands, including submerged lands, and waters owned or controlled by the United States within the boundaries of the area depicted as the Wrangell-St. Elias National Monument on the map numbered WRST-90,007 attached to and forming a part of this Proclamation. The area reserved consists of approximately 10,950,000 acres, and is the smallest area compatible with the proper care and management of the objects to be protected. Lands, including submerged lands, and waters within these boundaries not owned by the United States shall be reserved as a part of the monument upon acquisition of title thereto by the United States.

All lands, including submerged lands, and all waters within the boundaries of this monument are hereby appropriated and withdrawn from entry, location, selection, sale or other disposition under the public land laws, other than exchange. There is also reserved all water necessary to the proper care and management of those objects protected by this monument and for the proper administration of the monument in accordance with applicable laws.

The establishment of this monument is subject to valid existing rights, including, but not limited to, valid selections under the Alaska Native Claims Settlement Act, as amended (43 U.S.C. 1601 *et seq.*), and under or confirmed in the Alaska Statehood Act (48 U.S.C. Note preceding Section 21).

Nothing in this Proclamation shall be deemed to revoke any existing withdrawal, reservation or appropriation, including any withdrawal under Section 17(d)(1) of the Alaska Native Claims Settlement Act (43 U.S.C. 1616(d)(1)); however, the national monument shall be the dominant reservation. Nothing in this Proclamation is intended to modify or revoke the terms of the Memorandum of Understanding dated September 1, 1972, entered into between the State of Alaska and the United States as part of the negotiated settlement of *Alaska* v. *Morton*, Civil No. A-48-72 (D. Alaska, Complaint filed April 10, 1972).

The Secretary of the Interior shall promulgate such regulations as are appropriate, including regulation of the opportunity to engage in a subsistence lifestyle by local residents. The Secretary may close the national monument, or any portion thereof, to subsistence uses of a particular fish, wildlife or plant population if necessary for reasons of public safety, administration, or to ensure the national stability or continued viability of such population.

Warning is hereby given to all unauthorized persons not to appropriate, injure, destroy or remove any feature of this monument and not to locate or settle upon any of the lands thereof.

In witness whereof, I have hereunto set my hand this 1st day of December, in the year of our Lord nineteen hundred and seventy-eight, and of the Independence of the United States of America the two hundred and third.

JIMMY CARTER.

[Federal Register, Vol. 43, No. 234—Tuesday, December 5, 1978]

[Proclamation 4626, Yukon-Charley National Monument, December 1, 1978]

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA: A PROCLAMATION

The Yukon-Charley National Monument, an area in east-central Alaska, includes a combination of historic and scientific features of great significance. The Upper Yukon River basin contains historic remains of early mining activity, and includes outstanding paleontological resources and ecologically diverse natural resources, offering many opportunities for scientific and historic study and research.

The area provides breeding habitat for the endangered peregrine falcon, and may produce about one-fourth of the known individuals of the *anatum peregrine* subspecies in its northern habitat. Wildlife also include isolated wild populations of Dall sheep, moose, bear, wolf, and other large mammals. Nearly 200 species of birds, including 20 different raptors, are present in the area.

Geological and paleontological features within the area are exceptional, including a nearly unbroken visible series of rock strata representing a range in geologic time from pre-Cambrian to Recent. The oldest exposures contain fossils estimated to be 700 million years old, including the earliest forms of animal life. A large array of Ice Age fossils occurs in the area.

Within the area is the Charley River basin, parts of which were unglaciated, preserving relict Pleistocene plant communities. The Charley River is considered to be one of the cleanest and clearest of the major rivers in Alaska, and thereby offers excellent opportunities for scientific studies. In the upper Charley River basin, artifacts occur dating back possibly 11,000 years, attesting to the presence of ancient hunters who were the ancestors of the modern Athapascan people.

The land withdrawn and reserved by this Proclamation for the protection of the historical, archeological, biological, geological, and other phenomena enumerated above supports now, as it has in the past, the unique subsistence culture of the local residents. The continued existence of this culture, which depends on subsistence hunting, and its availability for study, enhance the historic and scientific values of the natural objects protected herein because of the ongoing interaction of the subsistence culture with those objects. Accordingly, the opportunity for the local residents to engage in subsistence hunting is a value to be protected and will continue under the administration of the monument.

Section 2 of the Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 431), authorizes the President, in his discretion, to declare by public proclamation historic landmarks, historic and prehistoric structures, and other objects of historic or scientific interest that are situated upon the lands owned or controlled by the Government of the United States to be national monuments, and to reserve as part thereof parcels of land, the limits of which in all cases shall be confined to the smallest area compatible with the proper care and management of the objects to be protected.

Now, therefore, I, Jimmy Carter, President of the United States of America, by the authority vested in me by Section 2 of the Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 431), do proclaim that there are hereby set apart and reserved as the Yukon-Charley National Monument all lands, including submerged lands, and waters owned or controlled by the United States within the boundaries of the area depicted as the Yukon-Charley National Monument on the map numbered YUCH–90,009 attached to and forming a part of this Proclamation. The area reserved consists of approximately 1,720,000 acres, and is the smallest area compatible with the proper care and management of the objects to be protected. Lands, including submerged lands, and waters within these boundaries not owned by the United States shall be reserved as a part of the monument upon acquisition of title thereto by the United States.

All lands, including submerged lands, and all waters within the boundaries of this monument are hereby appropriated and withdrawn from entry, location, selection, sale or other disposition under the public land laws, other than exchange. There is also reserved all water necessary to the proper care and management of those objects protected by this monument and for the proper administration of the monument in accordance with applicable laws.

The establishment of this monument is subject to valid existing rights, including, but not limited to, valid selections under the Alaska Native Claims Settlement Act, as amended (43 U.S.C. 1601 *et seq.*), and under or confirmed in the Alaska Statehood Act (48 U.S.C. Note preceding Section 21).

Nothing in this Proclamation shall be deemed to revoke any existing withdrawal, reservation or appropriation, including any withdrawal under Section 17(d)(1) of the Alaska Native Claims Settlement Act (43 U.S.C. 1616(d)(1)); however, the national monument shall be the dominant reservation. Nothing in this Proclamation is intended to modify or revoke the terms of the Memorandum of Understanding dated September 1, 1972, entered into between the State of Alaska and the United States as part of the negotiated settlement of *Alaska* v. *Morton*, Civil No. A–48–72 (D. Alaska, Complaint filed April 10, 1972).

The Secretary of the Interior shall promulgate such regulations as are appropriate, including regulation of the opportunity to engage in a subsistence lifestyle by local residents. The Secretary may close the national monument, or any portion thereof, to subsistence uses of a particular fish, wildlife or plant population if necessary for reasons of public safety, administration, or to ensure the natural stability or continued viability of such population.

Warning is hereby given to all unauthorized persons not to appropriate, injure, destroy or remove any feature of this monument and not to locate or settle upon any of the lands thereof.

In witness whereof, I have hereunto set my hand this 1st day of December, in the year of our Lord nineteen hundred and seventy-eight, and of the Independence of the United States of America the two hundred and third.

JIMMY CARTER.

[Federal Register, Vol. 43, No. 234—Tuesday, December 5, 1978]

[Proclamation 4627, Yukon Flats National Monument, December 1, 1978]

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA: A PROCLAMATION

The Yukon Flats National Monument exemplifies the largest and most complete example of an interior Alaskan solar basin with its associated ecosystem. The mountain-ringed Yukon Flats basin straddles the Arctic circle and is bisected by the Yukon River.

The physiography of this basin, coupled with the continuous sunlight of the summer months, results in a climatological phenomenon in the basin of warmer summer temperatures and less cloudiness, precipitation and wind than in surrounding areas. These factors produce a lush wetland area which makes the Yukon Flats basin one of North America's most productive wildlife habitats. The pristine ecological nature of the Yukon Flats offers an excellent opportunity for study of the factors contributing to the immense productivity of the solar basin areas.

The Yukon Flats contributes significant populations of several species of waterfowl to all four of the continent's flyways, including 10–25 percent of the North American breeding population of canvasback ducks. This area is also significant for its capacity to provide nesting for ducks displaced from Canadian pothole provinces in drought years. The productive, migration flows and key habitat for particular species offer abundant scientific research possibilities.

Additionally, the area produces a unique race of salmon which migrate over 2,000 miles from the sea to spawn. This genetic capability is unknown elsewhere.

From prehistoric times, the area's rich populations of furbearers have attracted humans to the area. The establishment of Fort Yukon, the first English speaking settlement in Alaska, was directly related to the Hudson Bay Company's fur trade. The area's preservation offers to the scientists the opportunity to investigate the life and society of the peoples which utilized these resources.

The land withdrawn and reserved by this Proclamation for the protection of the geological, historical, biological and other phenomena enumerated above supports now, as it has in the past, the unique subsistence culture of the local residents. The continued existence of this culture, which depends on subsistence hunting, and its availability for study, enhance the historic and scientific values of the natural objects protected herein because of the ongoing interaction of the subsistence culture with those objects. Accordingly, the opportunity for the local residents to engage in subsistence hunting is a value to be protected and will continue under the administration of the monument.

Section 2 of the Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 431), authorizes the President, in his discretion, to declare by public proclamation historic landmarks, historic and prehistoric structures, and other objects of historic or scientific interest that are situated upon the lands owned or controlled by the Government of the United States to be national monuments, and to reserve as part thereof parcels of land, the limits of which in all cases shall be confined to the smallest area compatible with the proper care and management of the objects to be protected.

Now, therefore, I, Jimmy Carter, President of the United States of America, by the authority vested in me by Section 2 of the Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 431), do proclaim that there are hereby set apart and reserved as the Yukon Flats National Monument all lands, including submerged lands, and waters owned or controlled by the United States within the boundaries of the area depicted as Yukon Flats National Monument on the map numbered FWS–81–00–1514 attached to and forming a part of this Proclamation. The area reserved consists of approximately 10,600,000 acres, and is the smallest area compatible with the proper care and management of the objects to be protected. Lands, including submerged lands, and waters within these boundaries not owned by the United States shall be reserved as a part of the monument upon acquisition of title thereto by the United States.

All lands, including submerged lands, and all waters within the boundaries of this monument are hereby appropriated and withdrawn from entry, location, selection, sale or other disposition under the public land laws, other than exchange. There is also reserved all water necessary to the proper care and management of those objects protected by this monument and for the proper administration of the monument in accordance with applicable laws.

The establishment of this monument is subject to valid existing rights, including, but not limited to, valid selections under the Alaska Native Claims Settlement Act, as amended (43 U.S.C. 1601 *et seq.*), and under or confirmed in the Alaska Statehood Act (48 U.S.C. Note preceding Section 21).

Nothing in this Proclamation shall be deemed to revoke any existing withdrawal, reservation or appropriation, including any public land order effecting a withdrawal under Section 17(d)(1) of the Alaska Native Claims Settlement Act, 43 U.S.C. 1616 (d)(1); however, the national monument shall be the dominant reservation. Nothing in this Proclamation is intended to modify or revoke the terms of the Memorandum of Understanding dated September 1, 1972, entered into between the State of Alaska and the United States as part of the negotiated settlement of *Alaska* v. *Morton*. Civil No. A-48-72 (D. Alaska, Complaint filed April 10, 1972).

The Secretary of the Interior shall promulgate such regulations as are appropriate, including regulation of sport hunting, and of the opportunity to engage in a subsistence lifestyle by local residents. The Secretary may close this national monument, or any portion thereof, to subsistence uses of a particular fish, wildlife or plant population or to sport hunting of a particular fish or wildlife population if necessary for reasons of public safety, administration, or to ensure the natural stability or continued viability of such population.

Warning is hereby given to all unauthorized persons not to appropriate, injure, destroy or remove any feature of this monument and not to locate or settle upon any of the lands thereof.

In witness whereof, I have hereunto set my hands this 1st day of December, in the year of our Lord nineteen hundred and seventy-eight, and of the Independence of the United States of America the two hundred and third.

JIMMY CARTER.

[Federal Register, vol. 43, No. 234—Tuesday, December 5, 1978]

TEMPORARY REGULATIONS FOR NEW ALASKA MONUMENTS ISSUED

The Department of the Interior today issued temporary regulations for 15 new national monuments in Alaska aimed at giving short term guidance on issues such as subsistence and access on the new monuments.

"These regulations have the dual function of protecting the great natural treasures of Alaska and the lifestyle of the rural people who often depend on local plants, animals, birds and fish for their livelihood," said Secretary of the Interior Cecil D. Andrus.

Secretary Andrus added that public comment would be sought and hearings would be held before permanent regulations are issued in early spring.

The temporary regulations were issued, Secretary Andrus said, in order to modify existing National Park Service regulations which may have barred, among other things, subsistence activities by local rural residents and in-holders, and routes and methods of access to areas within and across the new national monuments.

Existing regulations covering general use of park service areas remain in force wherever they are not altered by the new temporary regulations. Existing regulations, for example, cover such specific activities as mining and access for mining purposes within and across the new national monuments.

Temporary regulations are also necessary for the management of monuments under the jurisdiction of the Fish and Wildlife Service because of the absence of any existing applicable regulations.

President Carter established these monuments, along with two others to be managed by the U.S. Forest Service, on December 1 under provisions of the Antiquities Act of 1906.

All but two of the 15 monuments managed by the Interior Department will be managed as units of the National Park system by the National Park Service. The remaining two will be managed by the Fish and Wildlife Service.

In his proclamation establishing the areas, President Carter said, "the opportunity for local residents to engage in subsistence hunting is a value to be protected and will continue under the administration of the monument."

All units, except Kenai Fjords, where there is no record of subsistence activity, will be open to subsistence hunting, fishing and trapping.

Under the temporary regulations, the use of off-road vehicles and airplanes will continue to be allowed where such uses are traditional and established, or reasonable and appropriate in the exercise of a valid property right. Airplanes may not be used, however, for subsistence purposes.

Use of nets, except landing nets, and certain kinds of bait, is banned for sport fishing in the national park monuments in Alaska as is generally the case in park areas. Such restrictions do not apply in the two wildlife monuments.

The temporary regulations bar commercial trapping in the national park monuments. Because the 1978–79 trapping season is already underway, though, and in order to prevent undue economic hardship, the acting National Park Service area director for Alaska, Robert Petersen, has determined that existing commercial trapping under state permits will be permitted to continue for this season.

"Although the number of commercial trappers is small, the hardship that such late notice would work on them would be unfortunate," the acting director said.

In addition state permitted trapping at the current level will be permitted to continue in the wildlife monuments for this season.

The 15 new Alaska national monuments managed by the Interior Department are: Aniakchak NM (350,000 acres); Bering Land Bridge NM (2.6 million acres); Cape Krusenstern NM (560,000 acres); Denali NM (enlargement of Mount McKinley National Park 3.9 million acres); Gates of the Arctic NM (8.2 million acres); Glacier Bay NM (enlargement 550,000 acres); Katmai NM (enlargement 1.4 million acres); Kenai Fjords NM (570,000 acres); Kobuk Valley NM (1.7 million acres); Lake Clark NM (2.5 million acres); Noatak NM (5.8 million acres); Wrangell-St. Elias NM (11 million acres); Yukon-Charley NM (1.7 million acres); Yukon Flats NM (10.6 million acres); Becharof NM (1.2 million acres).

Yukon Flats and Becharof will be managed by the Fish and Wildlife Service. All the others will be managed by the National Park Service.●

ALASKA NATIONAL INTEREST LANDS CONSERVATION ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arizona (Mr. UDALL) is recognized for 10 minutes.

● Mr. UDALL. Mr. Speaker, as we open the 1st session of the 96th Congress, I very much regret that I must rise to again introduce H.R. 39, the "Alaska National Interest Lands Conservation Act."

It is regrettable that this House must once again take up this greatest of land conservation issues in our history. I regret it because I am so proud of what the House of Representatives did for the protection of the peoples' land in Alaska last year. We passed H.R. 39 then, and in those 3 days of debate and voting last May, we wrote perhaps the proudest achievement in the history of this body, in the field of land and wildlife conservation.

While I regret that the Senate was prevented from completing action on that House-passed bill last year—a House-passed bill on which the sentiment of this body is so very clear and so very strong—I am nonetheless pleased to be joined today by nearly 100 of our colleagues as original cosponsors of this new H.R. 39.

Today, on the first day of its introduction, the bill JOHN SEIBERLING and I are offering for Alaska Federal land protection is being cosponsored by more Members of the House than joined us on the bill in all of the 2 years of the 95th Congress.

This, like the historic and overwhelming votes last year, marks the breadth and depth—and growth—of support for a strong Alaska lands bill.

THE PEOPLE'S LAND

To each of our colleagues who have joined today in cosponsoring this Alaska lands bill, I simply express my appreciation. I know that the American people support this strong bill, so I know that those joining us in early support and commitment will receive also the grateful appreciation of the people. Back home in our individual districts across this land, the people understand (perhaps even better than we) the very real values that their lands in Alaska hold for them and for the quality of their lives. They feel (perhaps even more than we) the high responsibility of stewardship, the obligation to pass these stupendous natural places on to future generations of Americans and of our fellow citizens of this Earth. The people want this strong, solid Alaska Federal lands protection bill. They look to us in the Congress to fulfill our special role as "trustees" of their inheritance, and as trustees for the legacy of wild land and wildlife that they wish to leave for their children's children.

The bill JOHN SEIBERLING and I and our colleagues are introducing today will be the first focus for the work of the full Committee on Interior and Insular Affairs. It is a matter of top priority for the House of Representatives.

A REFINEMENT OF THE HOUSE-PASSED BILL

This bill is not unfamiliar to those Members returning to the House in this new session of Congress. It is, in fact, a refinement of the basic bill which the House passed overwhelmingly last May. The refinements, which I will explain in detail, respond to the circumstances which have changed since the House acted. For the benefit of new Members, I intend to review the history and some of the issues involved in H.R. 39.

But first, let me outline the contents of this bill.

THE LANDS WE PROTECT

In reviewing the acreage we propose for protection in each land classification, I want to remind my colleagues that Alaska is a whole subcontinent, 375 million acres big.

Of this 375 million acres, we have already given more than 150 million acres to the people of Alaska. In addition, another very sizable portion will remain in Federal land status for development (under the Bureau of Land Management and the Forest Service) and is available for development, without impact from this bill. Only a small portion of Alaska's 375 million acres has been protected by Congress in already existing national parks and wildlife refuges (such as Mount McKinley National Park and the Arctic National Wildlife Range). Finally, there are 56 million acres of federally owned lands which have been dedicated as national monuments for park and refuge protection, as a result of Presidential action which became necessary when the Senate failed to complete action on our House-passed bill last year.

Those recent Presidential proclamations of national monuments (which I will explain in greater detail) were basically a confirmation of the decisions the House of Representatives had already taken when it passed H.R. 39 last year.

NATIONAL PARK SYSTEM LANDS

In the bill I am introducing today, we simply confirm the protection of 41 million acres of national monuments which the President dedicated for management by the National Park Service. We retitle these areas as "national parks," a classification only the Congress can confer. Together with other national parks and national monuments already existing in Alaska, we will have a total of 48 million acres of National Park System lands in that State. Of this total, the bill will provide full statutory wilderness protection for 42.2 million acres in the new and already existing units. This is virtually the same acreage of wilderness classification for park system lands which the House approved last year.

NATIONAL WILDLIFE REFUGE SYSTEM LANDS

In the bill the House passed last year, we established some 76.8 million acres of new national wildlife refuges. Two of these areas are now dedicated as national monuments as a result of Presidential action in December, and are being administered by the U.S. Fish and Wildlife Service. These are the Becharof National Monument and the Yukon Flats National Monument. Our new bill simply confirms the protection of those lands, retitling them as "national wildlife monuments" to stress their particular purpose for wildlife preservation. They total 11.8 million acres.

In addition, the bill provides national wildlife refuge classification for 55.8 million acres of other lands, virtually all of which were approved for that status in the House-passed bill last year. Thus, the total acreage of new wildlife refuges provided for in this bill, together with the two national monuments we confirm and retitle, is less than the total refuge acreage in last year's bill. This is because we have provided for two smaller wildlife refuges (the Teshekpuk National Wildlife Refuge and the Utukok National Wildlife Refuge) encompassing only the prime wildlife habitat areas in what was, in the House-passed bill last year, a single larger "North Slope National Wildlife Refuge" in the area of the existing national petroleum reserve on the North Slope.

Within this total of new wildlife refuge lands, retitled national monuments, and existing wildlife refuges and ranges in Alaska, this bill provides for 35.2 million acres of statutory wilderness protection.

NATIONAL FOREST WILDERNESS

In southeast Alaska our bill overlays wilderness designation on the two national monuments, Admiralty Island and Misty Fjords—two areas of particular importance, both of which were protected in the House-passed bill last year. In addition, we include as wilderness 1.3 additional acres of lands on the Tongass National Forest which were approved last year by the House. Finally, on the Tongass National Forest we also include new areas totaling some 1 million acres, which are lands proposed as wilderness by the administration as a result of the Tongass land management plan for a total of about 6.4 million acres of wilderness. On the Chugach National Forest we again include some 1.6 million acres as wilderness, again lands as proposed by the administration.

Thus, on existing national forest land in southeast Alaska we propose full wilderness protection for a broad spectrum of lands which cumulatively have been endorsed by either the administration, the House, or the Senate Energy Committee.

ACREAGE SUMMARY

This bill provides for a total of 49.6 million acres of new national park system lands and new national wildlife refuge system lands. In addition, it confirms the protection under those two systems for another 52.6 million acres in existing national monuments. We also redesignate portions of existing reserved Federal lands as new refuge units (the Copper River, Teshepuk and Utukok refuges), all of which total 7.7 million acres. The bill makes relatively small additions of unreserved Federal lands to the two existing national forests in southeast Alaska, additions which total 2.74 million acres. Finally, within national forest lands which are, of course, already reserved, we designate for statutory wilderness protection some 9 million acres (which includes lands within the two national monuments on Admiralty Island and the Misty Fjords).

In total then, the land protection provided for in this bill, including confirmation of park and refuge system monuments already dedicated and some smaller reclassification of existing reserved lands, is about 110 million acres. In addition, we designate portions of these lands and portions of the existing national forests in southeast Alaska for the additional protection given by congressional wilderness classification.

These land areas have each been carefully defined, following our guiding principles of ecosystem integrity and administrative rationality. Those modest refinements we have made which differ from the House-passed bill of last year are necessary mainly to accommodate the new national monuments and to update the bill on the basis of new information. (After the main body of my remarks, I am appending an overall summary of the bill and a table of the acreages involved.)

HISTORY IN EVERY VOTE

Several points about this bill merit reemphasis, so let me repeat some of the things I said last May 17, as I opened debate on H.R. 39 on the House floor.

I said then that there would be history in every vote on this legislation. That remains true in 1979.

This challenge of conservation we face in our Federal domain in Alaska is enormous. This is the greatest land and wildlife conservation opportunity ever to be placed before the House of Representatives. Last year, the House acquitted itself splendidly in meeting this challenge. I have every confidence that we shall do so again, and promptly, in this session. In a way not generally true of the day-to-day legislation which comes before this body, H.R. 39 poses an opportunity of truly historic dimensions. In this, the House of Representatives has led the way.

As long as any of us serve in this House, we shall vote on no more vital, more far-reaching, more memorable conservation bill.

As others have said, the votes on this bill will indeed be "the land and wildlife conservation votes of the century."

THE SEIBERLING SUBCOMMITTEE

The bill the House passed last year was a carefully prepared compromise measure. As a result of the finest subcommittee work I have ever observed, led by an indefatigable—and indefatigably fair—gentleman, JOHN SEIBERLING, the House produced a balanced and strong bill.

The Seiberling subcommittee gave H.R. 39 the most complete, most thorough review any conservation bill has ever received. Commensurate with the scale and reach of the Alaska lands themselves, the Seiberling subcommittee set out to build a record in depth, not only on the details of each proposal and the administrative issues involved, but also on the views of the people of Alaska and of the rest of the American people who, in common, are the owners and trustees of these Federal lands in Alaska.

In all, the Seiberling subcommittee spent 25 days in Alaska (and individual Members made additional trips as well). We did not just hold one day of hearings, or just one week. We did not just visit Alaska's urban centers. We held hearings all across Alaska: in the citizens of Anchorage and Fairbanks, in the towns of Sitka and Ketchikan and others, in the villages of Bethel and Kozebue and Togiak and others, and on to far smaller Native villages and gathering places in the "bush," where we held less formal but transcribed "town meetings." We heard not only from the leaders of government and the captains of industry and from the chambers of commerce, but also from the common people: The workers in the mill towns of southeast Alaska, the fishermen, and the Native peoples who maintain their subsistence lifestyle and culture living close to the land. All in all over 1,000 Alaskans testified.

THE VIEW OF ALASKANS

It will interest my colleagues to know that opinion on this legislation—on the larger, more inclusive, all-wilderness version of H.R. 39 we started within in January of 1977—was sharply and rather evenly divided among Alaskans. As is true in other States where the frontier passed only recently, opinions on growth, preservation, balance and development were strongly held and of great diversity. Support for that strongest version of H.R. 39, even before we scaled it down, was as strong and as widespread among Alaskans as was the opposition. Many individual Alaskans told us, in our hearings, in our "town meetings," and just in encounters along the way in our travels, to above all protect the land and the way of life as it exists today. To them, that is Alaska.

Of course, the Seiberling subcommittee did not confine its search for opinion to Alaska. After all, the lands we are considering in this legislation are not the lands of the State of Alaska, nor the lands of private owners or of Native groups in Alaska. We have already provided very generously for those purposes with other land grants for the State, with accelerated development of millions of acres of Federal lands, and with a just settlement of the Native land claims. Rather, this land considered in H.R. 39 is the residual—the Federal land the rest of us save for ourselves and for the future. This is the land which remains in common ownership by the Federal Government after all our generosity to the State and the people of Alaska. Surely we should consult the opinion, too, of the rest of the American people.

THE PEOPLE WANT A STRONG ALASKA LANDS BILL

The Seiberling subcommittee also held full-day hearings in five regional centers across the "lower 48." Hearings were held in Washington, D.C. (drawing witnesses from all across the East), in Chicago (with witnesses from throughout the Midwest), in Atlanta (hearing citizens from every Southern State), in Denver (drawing witnesses from throughout the mountain West, and as far as from my own hometown of Tucson), and in Seattle (with witnesses from the whole length of the west coast States). About 1,000 witnesses were heard in the "lower 48" hearings. Every shade of opinion was expressed, but the overwhelming weight of citizen testimony favored our original, most-inclusive, all-wilderness version of H.R. 39—by a 4-to-1 margin.

What is absolutely clear from the impressive record compiled by JOHN SEIBERLING and the subcommittee is that American people in every region of the "lower 48" attach the utmost importance to the fate of their lands in Alaska. They care deeply that we in Congress make careful, thoughtful decisions which reflect the national interest in these federally owned park and refuge-caliber wildlands.

HOUSE FLOOR ACTION

After we completed our markup and reported H.R. 39, the bill was sequentially referred for a period to the Committee on Merchant Marine and Fisheries. That committee, too, engaged in careful hearings and review of the bill, and in detailed markup. Ultimately, we took to the floor a bill which merged the major features of both committees. That bill, with some strengthening amendments, but without a single weakening amendment, passed the House of Representatives on May 19, 1978, by a vote of 277 to 31.

THE "YOUNG AMENDMENT"

Prior to the vote on final passage, we had a detailed debate and major rollcall votes on two weakening amendments, which would have created intolerable, conflict-ridden State inholdings in the midst of national parks and national wildlife refuges, violating our careful work to define ecosystem-protecting boundaries. The Young amendment was defeated, 251 to 141.

I should add, since this argument about purported State selection rights in these national interest lands, may arise again, just these two points:

First, in 1958 the Congress granted the new State of Alaska a gift of Federal land, as a statehood grant. This was far and away the most generous grant ever given a new State: 104,000,000 acres. (That contrasts with the 10 million acres Arizona received upon statehood.) But it was even more generous, for with it we gave the State of Alaska the privilege of selecting from any vacant and unreserved Federal land (whereas other States received checkerboard sections in fixed locations) which are vacant and unappropriated at the time of selection. We did not assert an overriding claim by the Federal Government to prime development lands; we allowed the State to select such lands. This is why the State of Alaska and not our beleaguered Federal Treasury receives the revenues from the oil leases on the land at Prudhoe Bay—because the Congress gave the State of Alaska the privilege of selecting that land as its own.

Unfortunately, some in the State of Alaska now are energetically making the argument that their statehood selection privileges, in addition to being more generous than that for any other State, also gave the State an absolute first right to select any land it wanted, ahead of any competing claim (such as those for the "national interest lands)."

This is simply not the case. The State may exercise its selection entitlements, but others—including the Federal Government—may certainly be making arrangements for the permanent dedication of their lands. In the 1971 Alaska Native Claims Settlement Act—which every member of the Alaska congressional delegation vigorously supported—we provided for Federal withdrawals under both subsection 17(d)(1) and subsection 17(d)(2), involving "national interest" and "public interest" lands. The State may, of course, express an interest in selecting from among these categories of federally withdrawn land, but as our committee report last year stressed, for the State—

> to assume that by expressing an interest the lands [in a "d-1" withdrawal] automatically become available is not an accurate interpretation of the legislative history of the 17(d) withdrawals.

In the case of the "d-2" withdrawals, the legislative history is equally clear, again quoting our committee report:

> . . . while the State may indicate an interest in selecting certain of these withdrawn lands, the priorities for land selection and conveyance there are: Village corporations first; the "National Interest" second; Regional corporations third; and the State of Alaska last."

In short, the Federal Government does not stand in line behind the State of Alaska in this matter. I for one believe that it exudes an excessively ungrateful attitude for some Alaskans to now argue that in protecting our own park and refuge lands on the Federal domain in Alaska, the rest of the American people are somehow violating the Statehood Act commitments to the State.

NOW THE "BEIRNE INITIATIVE"

The second point I want to make about the "Young amendment" idea of creating State-selected inholdings in the midst of new parks and refuges in Alaska is this: Things have changed for the worse since we voted on this issue last May. Then, those of us opposed to the Young amendment pointed out that even State-owned inholdings in the midst of conservation system areas create potential for real management and protection difficulties. We expressed our worry that the ultimate development of such lands might not always remain within State control, and that there could be no guarantees of compatible management of these lands.

Well, in November of 1978 the voters of Alaska confirmed our worst fears on this score. They passed the "Beirne initiative" which, under the guise of a sort of State "Homestead Act," proposes to give tracts of State-owned lands, totaling up to 30 million acres, to Alaskan applicants. If this initiative stands expected court tests, such State-owned inholdings within Federal parks and refuges could become wide open to immediate transfer out of State ownership into private hands, in small and fragmented parcels. Without any plans. Without any controls. Without any zoning. In short, we would end up with private inholdings and developments in the middle of our Federal conservation system areas, without any guarantee at all of future compatible management and development, indeed with the almost certainty of incompatible development.

Mr. Speaker, any Member of this House familiar with the exhorbitant prices we are forced to pay to acquire conflict-ridden inholdings in our existing parks and refuges in the "lower 48" can only wince at the prospect now offered by a combination of the Young amendment and the Beirne initiative. We would be faced with buying back, with money from the taxpayers' pockets, lands the taxpayers now own, after having given those lands away free and clear to the State of Alaska. A more outrageous prospect I find hard to imagine. I do not find it hard to imagine what our own constituents will think if we permit such inholdings to be established, only to have to buy them (and their developments) back later, at enormous expense out of the pockets of the very people who own those lands right now.

There never was a good argument for the Young amendment. Now there is an even more obvious argument against it.

THE "MEEDS AMENDMENT"

The other major attempt to weaken H.R. 39 on the House floor last year was the Meeds amendment, offered by my good friend, the former Congressman from Washington, Lloyd Meeds. This amendment attempted to cut the acreage of wilderness dedications within the new parks and refuges created by the bill. In fact, it would have sliced the wilderness acreage in half. That was rejected by the House, 240 to 119.

Wilderness is what these lands in Alaska are all about. No where else on our land mass and indeed, perhaps on the entire planet, can we or our successors ever again preserve wilderness in its original form on so vast a scale. Here, for probably the last time, we can preserve whole ecosystems and whole wildlife habitats intact, in units which match the scale of the mighty Brooks Range and the sweep of the great Arctic Plain. This is important. It is obviously important to the American people, as the outpouring of support for this legislation so vividly demonstrates. It is important because our people have a fundamental, deep attachment to their land and to these greatest of our wild places, even at a distance. If the tradeoff were wilderness or our economic salvation, we might be forced to violate our last great wilderness. But, here in Alaska, we are not so poor that we must sacrifice our last great wilderness, nor as a society are we so rich (in the nonmaterial sense) that we can afford to disenfranchise future generations of their natural heritage.

In the refined bill I am introducing today, we have increased the total acreage in the protected wilderness classification. We do this simply because we recognize that it is this wilderness classification, laid on top of the general park or refuge designation, which also gives us a statutory guarantee for the perpetuation of the last, greatest wilderness of the Alaskan frontier.

This increase in the wilderness classification (which particularly involves our wildlife refuge areas) is also wise because it takes account of the kind of parks and refuges and forests the American people want in Alaska. I am convinced that our people want wilderness parks, and wilderness refuges, and a fair sampling of wilderness forests. I am convinced that those who will go to these areas in the future, and those who will read of them and dream of them from afar, will want to see and to know these great expanses as wilderness, and as the refuge of wilderness wildlife.

Finally, I have revised the wilderness portion within the areas designated by this bill also in recognition that the House was not able to reach a vote on amendments which would have accomplished this purpose. Because we took 2 days to dispose of the weakening amendments, and because we finished the bill on a Friday, time simply ran out before we could take up amendments which would have expanded the wilderness category, especially within the national wildlife refuges. I am confident these amendments would have been approved and therefore, in order to assure that the House has an opportunity to work its will on this matter this year, I have adjusted the wilderness acreage accordingly.

THE SENATE AND H.R. 39

The Senate never voted on H.R. 39.

In 44 markup sessions, the Senate Committee on Energy and Natural Resources severely cut away at the carefully balanced House-passed bill. After seemingly interminable delays (which were the fruits of a 2-year-long deliberate strategy of delay by the Alaska delegation), the Energy Committee finally reported its bill in the last weeks of the session, too late for any hope of floor scheduling. As a result, those Senators not members of the committee never had a chance to express their judgments on what the committee had done is severely weakening the House-passed bill. Major strengthening amendments which were prepared by numerous Senators could never reach a vote.

Mr. Speaker, the last word from the House of Representatives on an Alaska lands bill was spoken by that 277-to-31 vote on final passage, and by the huge margins rejecting any cut in wilderness acreage or any creation of State-owned inholdings within new park and refuge system units. That will remain our last word to the Senate until we vote again, until they vote on the Senate floor, and until the appointed managers for the two bodies meet in open and formal conference.

Frankly, Mr. Speaker, I think we all know how this Alaska lands issue is going to come out, in general terms. The will of the House of Representatives has been unmistakable, and is even more so today. I am encouraged by the sentiment I expect to see prevail when the Senate reaches its floor votes on these questions. And I am especially gratified by the splendid partnership we have seen on this issue between all three branches of the Federal Government since the adjournment of the last Congress.

PRESIDENTIAL LAND PROTECTION

The Congress, or at least the House, made its will very clear last May. The Senate was blocked from taking final action. Therefore, it was essential that the President act to avoid dangers to the land and wildlife we seek to protect. The December 18, 1978, deadline on interim protection for these lands posed real and very serious threats to the status quo.

In an effort to block Presidential action, the State of Alaska filed a Federal lawsuit in early October. At that point, before the executive branch could complete its procedures and act, it was necessary for the court to rule on motions by the State to temporarily restrain or enjoin the President from acting. I am pleased that an Alaskan Federal district judge, sitting in Alaska, ruled on November 27, dismissing the State's motions and writing at the conclusion of his opinion:

> The ultimate decision on public lands has been delegated to the Congress by Article I of the Constitution and the public interest lies in allowing the Congress to make the ultimate decision. That interest will be hindered if the status quo of the concerned lands is not maintained until the Congress can render that decision.

Thus, on December 1, the President did take action. He acted to protect these Federal lands in Alaska. Upon the advice of Secretary of the Interior Andrus and Secretary of Agriculture Bergland, at the urging of 133 Members of the House and 20 Senators—and in response to the petition of more than 1,500 civic, conservation, and sportsmen's organizations in every State.

The President invoked authorities given him in the 1906 Antiquities Act. I want to emphasize that Congress fully intended to give Presidents this broad land protection authority, as evidenced by the fact that we particularly avoided limiting this Antiquities Act authority in the 1976 Federal and Policy and Management Act, in which we curtailed many other executive land withdrawal powers.

PROTECTING CONGRESSIONAL OPTIONS

Some, including my good friends in the Alaska delegation, have sought to portray the President's action established 56 million acres of national monuments on federally owned lands in Alaska as "an abuse of executive powers." This was no abuse, for the President was acting in full consultation with congressional leaders, and in full partnership with the obvious will of the House of Representatives—and with the blessing of the court. He acted to protect lands this House had fully debated and voted—by huge margins—to protect. He was not invading congressional prerogatives, but protecting congressional options. He was assuring permanent protection for critical lands which had been included in the House-passed bill, precisely to assure that the status quo on those lands would be protected in the interim (however long) until the Congress could overcome minority delaying strategies and complete action. This was no abuse of executive powers, but a splendid partnership among all three branches of the Federal Government, for the protection of a clear national interest. And it was splendid and historic leadership by President Carter.

BALANCE IN ALASKA

Mr. Speaker, 2 years ago when I introduced the first, much larger and more totally protective version of H.R. 39, I said that—

> Today, Alaska is the embodiment of a larger public debate taking place within our society—the debate over the development of

> a wise and lasting national resource policy. The need for a comprehensive national resource use policy—including carefully addressing the element of resource conservation and preservation—is perhaps more glaringly apparent in the State of Alaska than in any other region of the country.

In H.R. 39, we have found the right balance. Though final congressional action remains to be completed this year, the House has shown the way with a sound and balanced bill. That bill, in the refined version introduced today, reflects the product of 2 years of legislative work by two major committees of this body. It also reflects both the redressing of an existing imbalance toward development of Alaska's Federal lands and a sound compromise with the resource needs of this Nation and the people of Alaska.

In the first place, this bill redresses a serious existing imbalance. The Congress has gone to great lengths to favor the development and prosperity of Alaska and its people. We have responded promptly and generously to every prodevelopment request we have received from that State—to the request that we clear the way for the trans-Alaska oil pipeline (which we did promptly in Public Law 95-153); to the request for systematic exploration of the national petroleum reserve on the North Slope (which we mandated in Public Law 94-258); to the request for expedited consideration of a proposed Alaska Natural Gas Transportation System (which we responded to in Public Law 94-586); to forest development in southeast Alaska (which we heavily subsidize every year through low stumpage fees, and on and on. We have given up millions upon millions of acres of Federal land as a gift to welcome the new State of Alaska into the Union in 1958 (in Public Law 85-508), and we have settled the confusion over aboriginal land claims by passing the Alaska Native Claims Settlement Act, (Public Law 92-203).

Now, in the name of simply restoring a balance to all this development and land transfer out of Federal ownership, we have a clear obligation to the national interest in these other lands and their superb natural values.

Moreover, this bill already involves many compromises.

"LOCK-UP": THE BIG LIE

We have spent 2 years in careful study as we have located the boundaries of new park and refuge units on the Federal lands in Alaska. We have been very deliberate in examining every resource conflict and adjusting boundaries in accordance with individual assessments by the committees as to the tradeoffs between such resources and the surface values of these lands for park, refuge, and wilderness purposes. In this process, we have recognized, too, that so much of the rest of Alaska's 375 million acre land mass offers these same resources, and are not impacted at all by H.R. 39.

Mr. Speaker, as a result of this painstaking work, approximately 65 percent of the land with metallic mineral potential in Alaska will be outside any of the lands included in H.R. 39; 80 percent of all the land in Alaska will be open to possible development; 87 percent of all the land in Alaska can be opened to sport hunting and to trapping; 90 percent of all the "favorable" and "high potential" oil and gas lands onshore in Alaska are totally outside the conservation areas in this legislation; and 100 percent of all Federal land in Alaska will be available for scientific mineral assessment by our expert Government agencies—the U.S. Geological Survey and the Bureau of Mines—and such assessment is specifically provided for in H.R. 39 and core drilling for geologic information would be authorized everywhere except in units of the national park system.

So much for the "big lie" about economic stragulation and resource "lock-up."

As one who is deeply concerned over the need of the Nation for new sources of minerals as well as the need of the Nation for national parks, wildlife refuges, national forests, and wild rivers, I believe that there is more than enough land in Alaska—Federal, State, Native—to let us satisfy all of these national goals, and this bill provides a proper balance among these competing national needs.

STATES RIGHTS

But are not we being unfair, somehow, to the State of Alaska. Should not other States, particularly public land States, be worried about this? The answer is "No."

On this question of States rights, I will simply repeat what I had to say when I opened floor debate on H.R. 39 last May—

> THE ISSUE OF STATES RIGHTS
>
> Let us just put this issue in its proper perspective: Here we have the most significant, the most historic, the most far-reaching land and wildlife conservation legislation ever placed before this body. We should not be surprised to find every narrow, privileged interest coming in here to try to get some of this land.
>
> Have we in this Congress been unfair to the State of Alaska and its people? Do they have some special claim to more of our Federal land in Alaska that all of your constituents own?
>
> Frankly, I am getting a bit tired of the special pleading of some voices in the State of Alaska. The simple fact is that the United States has been more generous with that State than with any other State in the Union.
>
> First, the United States bought Alaska from the Russians in 1867—and the taxpayers of the rest of the country paid for that.
>
> Then Alaska was admitted to the union in equality with every other State. But we went way, way beyond equality: the United States gave Alaska the largest, richest statehood land grant in history. The United States gave Alaska a whole California—104 million acres. And Alaska got it right off the top, with priority selection opportunity to high-grade the best, richest lands, to mine them, to log them, to do anything they wanted with them. In contrast, my home State Arizona received only 10 million acres at statehood.
>
> You in Alaska have Prudhoe Bay, not the taxpayers and Treasury of the rest of the country. You have been up and down every valley in Alaska, using every bit of resource data you can get to pick out the very best.
>
> Then we lifted the great uncertainty over your future in Alaska by settling the legitimate land claims of the first Alaskans, the proud Native Indians, Eskimos, and Aleuts. We settled their claims with Federal land and with a lot of Federal money.
>
> And, of course, we go beyond that year after year, every time we pass a budget and appropriate the tax revenues of all the American people around here. We give you in Alaska a larger share—by more than twice as much over any other State—of the per capita Federal expenditures in this whole country. Truly, we have given Alaska a kind of "most-favored-State" status.
>
> We have been fair to the State of Alaska—far, far fairer than to any other State in the Union. There is no basis what so ever for any feeling of obligation or "states rights" to this most favored State.
>
> Certainly the views of Alaskans are important in this whole debate and I want to assure my colleagues here today that we have modified this bill to accommodate, to the fullest extent possible, the wishes of the State of Alaska.

It is certainly true that some lands with economic potential will be closed to development by H.R. 39. Our parks and refuges and wilderness areas are not intended to be exclusively wastelands of utterly no value for any other use. To capture the richness and diversity of the scenic wonders and wildlife habitat of Alaska's Federal lands, we must weigh surface values against other values for development. Those lands which remain in this legislation as parks and refuges and wilderness areas do so because of their extremely high habitat, scientific, scenic, and recreational values—which are simply not compatible with logging, mining, oil drilling, and the like.

A CHEAP ENVIRONMENTAL VOTE

At the time of final passage of H.R. 39 last year, one of its few opponents exclaimed that these were just "cheap environmental votes." Nothing could be further from the truth.

Certainly I do not always agree with every position of this country's environmental, conservation, and sportsmen's groups. But I am well acquainted with the leaders of such groups as the Alaskan Coalition, Friends of the Earth, the National Audubon Society, the National Wildlife Federation, the National Parks and Conservation Association, the Wilderness Society, and the Sierra Club. When these groups tell us—as they do—that to them the votes on this Alaska legislation are "the land and wildlife conservation votes of the century," then I find it hard to believe they and their followers around the country think of these as "cheap votes." I know from my own travels and from my own constituents that a very broad spectrum of the American people are aware of this Alaska lands legislation and are highly supportive of what it seeks to accomplish. The active support of such organizations as the United Mine Workers of America, the National Association of Senior Citizens, the Garden Club of America, the Oil, Chemical and Atomic Workers International, the American Littoral Society, the United Automobile Workers, and the National Speleological Society, and of regional groups such as the Ozark Society, the Federation of Western Outdoor Clubs, and the Appalachian Mountain Club—not to mention Alaskan groups by the dozens—all testify to the broad public interest in this legislation.

CONCLUSION

Mr. Speaker, this Alaska national interest lands issue goes beyond the drawing of boundaries and the totaling up of acreage. It speaks to the heart of our public land policy—how much and what type of land we are willing to protect in return for having demanded so much in terms of resource development. It speaks to our responsibility as stewards of the land, to provide future generations not merely fragmented remnants of our natural heritage, but with whole, intact, truly magnificent ecosystems.

Today, these parts of Alaska are the last great unspoiled pieces of America still within our power to save for the future.

As I said here on the House floor last May, there are some who will remain vehemently opposed to this legislation—in any form. Regardless of the concessions that have been made, they will always try to "up the ante" by demanding even more concessions. Indeed, as Senator STEVENS candidly admits in an interview published in the December issue of Alaska Industry magazine, his delaying tactics last year blocked a bill containing greater concessions to parochial Alaska interests than "most people in Congress" were prepared to give.

Perhaps the rest of us would not be so concerned about our land in Alaska if it were a different time and a different place, if we still had other Alaskas to develop and to exploit. But, there are no more Alaskas. There will be no more opportunity after this, on so vast a scale. Thus, each of us in this House must ask, as we come to vote again on H.R. 39: Have we as a nation learned anything? Have we been sufficiently enlightened by our past mistakes in the "lower 48"? Or have we forgotten the lessons of Appalachia, the devastated landscapes, the 50,000 miles of once pristine rivers now rendered useless? Have we forgotten the timber barons of another era who left us millions of acres of denuded forests? Have we forgotten the buffalo whose limitless numbers were decimated to the brink of extinction in one short decade?

I would like to think we have learned; that our Nation is still great enough to have it both ways.

We can set aside the last remaining vast areas of wilderness and wildlife habitat to meet our obligations to present and future generations, and yet be responsible and flexible enough to assure that there are other lands to explore and develop, with care and sensitivity, to meet our material needs, too.

The tide of modern technological development is about to sweep over Alaska. The discovery of oil at Prudhoe Bay a decade ago is only the most obvious of a whole rash of developments now underway or being readied for implementation. All this is causing a rapid change in the Alaskan lifestyle. Not in our generation, nor ever again, will we have a land and wildlife conservation opportunity approaching the scope and importance of this one.

This time, given one great last chance, let us strive to do it right.

Summary of Provisions of Alaska National Interest Lands Conservation Act of 1979

GENERAL SUMMARY

The bill is based upon the legislation (H.R. 39) passed by the House of Representatives in the 95th Congress after being reported (in slightly differing form) by the Committees on Interior and Insular Affairs and Merchant Marine and Fisheries. It also builds upon the foundation laid by President Carter when, by proclamations of December 1, 1978, he designated 17 areas which were included in the House bill as new National Monuments.

Thus, the bill confirms the National Monuments established by the President, and in addition designates additional units of the National Wildlife Refuge, National Forest, and National Wild and Scenic Rivers Systems. (The overall acreage so redesignated or designated, however, is about 15 million acres less than would have been similarly designated by enactment of the House bill of last year.)

There are a number of differences between the House bill of last Congress and the new bill. These are the result of developments which have occurred since the House acted in May, 1978. For example, since the House acted, the U.S. Forest Service has completed its studies under the Tongass Land Use Management Plan, and information and suggestions developed through the program have been incorporated into proposed wilderness designations in the Tongass National Forest.

Another difference between last year's bill and this one also results from new developments. During the past year the Department of the Interior, under the leadership and direction of Secretary Cecil Andrus and Assistant Secretary Guy Martin, has acted to streamline its procedures and to remove administrative or legal obstacles to an accelerated transfer to the Alaska Natives and the State of Alaska of the lands to which they are entitled under the Alaska Native Claims Settlement Act and the Alaska Statehood Act. As recently as January 4, Secretary Andrus announced an expedited conveyance of most of the land due the State under the Statehood Act, promised to rescind a number of public land orders inhibiting such conveyances, and increased the staff assigned to process Alaska's land applications. Thus, the new bill omits many of the complicated provisions which were intended to produce just such an acceleration of land conveyances, although it does include a number of other provisions which will improve the administration of the Alaska Native Claims Settlement Act. I have great confidence that Secretary Andrus and the Department of the Interior will continue to move toward a rapid transfer of undisputed land selections to the State, and to a speedy implementation of the Settlement Act's provisions for land transfers to Alaska Natives. Of course, our Committee will monitor developments in this area, and if there is reason to believe that new legal tools are needed for the Secretary to meet this goal, we will be ready to propose such legislation, so that past delays in completing the land transfers to the Natives can be eliminated.

Title-by-Title Summary

TITLE I—FINDINGS, POLICY, AND DEFINITIONS

The first title contains the Congressional findings and declarations of policy which underlie the entire bill, and defines a number of the most important terms which are used throughout the bill.

There are 12 findings, upon which are based 7 general policies.

The first finding sets forth the legislative background for the bill, namely the Alaska Statehood Act and the Alaska Native Claims Settlement Act.

The second finding is that while Presidential and other administrative actions have properly and appropriately provided for the protection of nationally and internationally significant resources of the public lands in Alaska, Congressional action is required to afford complete protection which the resources merit.

The third finding notes the fact that wilderness is a distinguishing characteristic of the public lands in Alaska, is central to the continuation of Alaska's cultural values, and merits preservation, but that it is under increasing pressure from threatened intrusions and incompatible activities.

The fourth finding notes that several wildlife species, including ones threatened, endangered, or depleted elsewhere, depend for their survival on the maintenance of wilderness habitats in Alaska.

The fifth finding is that selective representation of diverse natural communities, including pristine, free-flowing rivers, should be preserved as units of Federal land conservation systems.

The sixth finding is that the world is losing wilderness habitats and associated values at an alarming rate, so that the wilderness and wilderness habitats in Alaska have a global importance and their permanent protection is a reasonable and attainable national objective.

The seventh finding notes that the continuation of the opportunity for subsistence uses by Natives of Alaska of renewable resources on public lands and Native lands is essential to their physical, economic, and cultural existence.

The eighth finding is that continuation of the opportunity for subsistence uses of renewable resources on public lands by other rural residents in Alaska is essential to their physical, economic, and traditional existence.

The ninth finding notes that the subsistence situation in Alaska is unique, because of the frequent absence of practical alternative means to replace the food supplies and other items gathered from the renewable resources of the public lands by persons dependent on subsistence uses.

The tenth finding notes the threatened situation of continued subsistence uses, as a result of population pressures, wildlife population declines, increased access to remote area, and taking of fish and wildlife in ways inconsistent with proper management principles.

The eleventh finding is that it is necessary for Congress to protect and provide for continued subsistence uses on public lands by Alaska Natives and other residents of rural Alaska.

The twelfth finding is that the national interest in proper regulation, protection, and conservation of the fish and wildlife on the public lands and continuation of the opportunity for a subsistence way of life require establishment of an administrative structure enabling local people to have a meaningful role in conservation and utilization of fish and wildlife and the management of subsistence uses on the public lands.

Policies

Based on the findings, there are set forth seven basic policies.

The first is that it is necessary to immediately designate or redesignate public lands in Alaska for inclusion in the systems of National Parks, National Forests, National Wildlife Refuges, Wild and Scenic Rivers and the National Wilderness Preservation System Taken together, these units are able to assure the realization of a number of specific goals: the preservation of unrivaled scenic, wildlife. and geologic values associated with natural landscapes; the management in a natural state of extensive unaltered arctic tundra, boreal forest, and coastal rainforest ecosystems; the protection and preservation of cultural values of both Native and non-Native people and the renewable resources related to their subsistence needs; the maintenance of sound populations of, and habitat for, a number of wildlife species, including species which need extensive undeveloped areas; the protection and interpretation of historic and archeological sites; the maintenance of wilderness resource values; maintenance of multiple watershed, flora, fauna, and subsistence values; and the preservation of free-flowing rivers. In addition the units will maintain opportunities for scientific research in undisturbed ecosystems.

The second policy relates to the planning, management, and administration of the conservation system units, and states that in these processes intangible values shall be considered on an equal basis with values which can be quantified; sound ecological principles shall be adhered to; and full public participation shall be encouraged.

The third policy is that the public should have access to the public lands in Alaska, including access to the conservation system units consistent with the purposes for which the units are established.

The fourth policy is that management policies on the public lands in Alaska are to cause the least adverse impact possible on rural people who traditionally and consistently depend on subsistence uses of the resources of such lands, consistent with management of fish and wildlife in accordance with recognized scientific principles and the purposes of the conservation system units.

The fifth policy is that nonwasteful subsistence uses of fish and wildlife and other renewable resources by rural residents is to be the first priority consumptive use of such resources on the public lands in Alaska.

The sixth policy is that Federal lands managers, so far as possible and lawful, in managing subsistence activities and renewable resources, are to cooperate with adjacent land owners and land managers.

The seventh policy is that the Federal government in implementing this Act, is to give continuing consideration to the interest of the State of Alaska (and its subdivisions) and the Native corporations in maintaining a viable economy and providing employment for citizens of Alaska.

Definitions

Section 103 contains definitions of 20 of the terms used repeatedly in this bill. One of the most important is the definition of "public lands". Because only "public lands" are added to the conservation system units, although other lands may be within the boundaries of such a unit, this definition is intended to make it clear the establishment or expansion of the conservation system units will not involve the taking of any State lands or any Native selections. Thus the tentatively-approved State selections under the Statehood Act, as well as the lands which the State has received or will receive under that or other Acts, are excluded from the definition of "public lands." (And, of course, lands already patented into State or private ownership also excluded.) Similarly, valid Native selections are not included in "public lands," even though the lands may not yet have been conveyed to the Native corporations entitled to receive them under the Alaska Native Claims Settlement Act.

Another term is "conservation system unit," which means any unit in Alaska of the National Park System, National Wildlife Refuge System, Wild and Scenic Rivers System, or National Wilderness Preservation System and includes those units which exist now, those units which would be established by the bill, the additions to existing units which would be made by the bill, and any units or additions added later.

TITLE II—NATIONAL PARK SYSTEM

The 13 National Monuments which President Carter designated as units of the National Park System are redesignated as National Parks. In addition, three new Park System units are designated as National Preserves (Lake Clark National Preserve, Bering Land Bridge National Preserve, and Noatak National Preserve): these are to be administered in the same manner as National Parks, except that sport hunting could be permitted under regulation. In addition, Glacier Bay National Monument is redesignated as a National Park and the Denali National Monument is combined with Mt. McKinley National Park into Denali National Park.

Appropriate parts of the National Parks are designated as wilderness.

TITLE III—NATIONAL WILDLIFE REFUGE SYSTEM

The Yukon Flats and Becharof National Monuments, designated by President Carter for administration by the U.S. Fish and Wildlife Service, are redesignated as National Wildlife Monuments. Twelve new units are designated and four existing units of the National Wildlife Refuge System are enlarged. Boundaries of these new units of the National Wildlife Refuge System conform closely to the lands and waters withdrawn by Secretary of the Interior Cecil Andrus on November 16, 1978, utilizing the emergency withdrawal authorities of the Federal Land Management and Policy Act and which the Secretary is in process of withdrawing permanently. Appropriate portions of the National Wildlife Refuge units are designated as wilderness areas.

There are also provisions for two special studies, one concerning the barren-ground caribou and the other concerning an unusually concentrated population of bald eagles in the Chilkat River area of southeastern Alaska. Each study is to be aimed at determining whether additional measures should be taken for proper protection of these populations.

TITLE IV—NATIONAL FOREST SYSTEM

Section 401 adds 1.450 million acres of public lands to the Tongass National Forest; and adds 1.290 million acres of public lands to the Chugach National Forest.

Appropriate areas, based on the results of the Tongass Land Use Management Plan, and recently completed studies of the Chugach National Forest, are designated as wilderness. A wilderness study area, in the Chugach National Forest, is designated the purpose of which is to provide information and reach decisions not only on wilderness values, but aquaculture needs, alternative land selections for Chugach Native corporations, and numerous other proposed and potential activities in the Prince William Sound area. The U.S. Forest Service, Department of Agriculture has assured me that designation of appropriate wilderness units in the Chugach and Tongass National Forests will not interfere with the timber industry or affect current related employment in Southeast Alaska.

The bill also contains provisions for a National Forest timber improvement program. This directs the Secretary of Agriculture to improve timber production from high-quality timber areas of the Tongass National Forest through a program of pre-commercial thinning, at an annual rate of $2,000,000. It also directs the establishment of a $5,000,000 program of guaranteed or insured loans to enable timber harvesters in Alaska to acquire new technology for more efficient harvesting and utilization of wood products, and calls for a study of ways to increase timber yields and reduce inefficiencies in timber harvest and transport in the National Forests.

TITLE V—NATIONAL WILD AND SCENIC RIVERS SYSTEM

The bill designates 13 rivers outside other protected areas for immediate inclusion as new units of the National Wild and Scenic Rivers System, and 10 others for study for possible future inclusion in the system. (Other rivers inside the national parks and national wildlife refuges are specified as wild or scenic rivers.)

TITLE VI—FEDERAL-STATE COORDINATION

This title provides for creation of an Alaska Advisory Coordinating Council to facilitate coordination and cooperation among Federal and State landowners and land managers in Alaska, and for creation of an Alaska Land Bank for similar purposes.

TITLE VII—SUBSISTENCE

This title is based on the House-passed bill of 1978, with some refinements drawn from the corresponding sections of the bill reported last year by the Senate Committee on Energy and Natural Resources. In general, it would supplement existing law by explicitly providing for a mechanism whereby the State of Alaska would be able to regulate the taking of fish and wildlife on the public lands in Alaska so as to ensure that persons who are dependent upon such resources for their subsistence would have a priority for so using those resources, should it be necessary to impose restrictions on taking. As with last year's bill, there are provisions for appropriate federal oversight of this State responsibility, insofar as the public lands and their resources are concerned. As was the case with corresponding provisions of the 1978 bill, this title clearly enhances, rather than contradicts, the State's fish and wildlife management responsibilities—and in this regard it goes beyond the existing law which would otherwise apply on many portions of the public lands in Alaska.

TITLE VIII—ADMINISTRATIVE AND MISCELLANEOUS PROVISIONS

This title contains a number of provisions for administering the lands dealt with in the bill, technical amendments to related statutes, and similar provisions. Two important parts of this title deal with access and with mineral assessments and mineral rights.

Transportation and access

The bill provides for the applicability of existing laws governing access to or on national parks, national wildlife refuges, and national forests. As did last year's bill, it specifically provides a guarantee of access for holders of valid mineral rights or other inholders. It authorizes access for mineral assessment on all public lands in Alaska. It provides for snowmobile access across wild and scenic rivers and it permits the Secretary to authorize the construction of an oil or gas pipeline across wild and scenic rivers in Alaska. Furthermore, it guarantees rights to traditional access across conservation system units.

Mineral assessment and rights

This title also includes a mandate to the Secretary of the Interior that he assess the mineral potential of all public lands in Alaska—both outside and inside conservation system units. The bill would permit the use of core drilling for geologic information in conservation system units except those in the National Parks System. Additionally, the bill mandates that the Secretary provide access for mineral assessment activities, including those under the National Uranium Resource Evaluation program. The bill authorizes the Secretary to utilize private companies to carry out all or any portion of these mineral assessment programs. The title has an explicit recognition of all valid existing mineral rights on public lands within conservation system units, and explicit permission for holders of such rights to carry out activities related to the exercise of such rights.

TITLE IX—IMPROVEMENTS IN ADMINISTRATION OF THE ALASKA NATIVE CLAIMS SETTLEMENT ACT

This title contains numerous provisions, mostly amendments to the Alaska Native Claims Settlement Act, to improve administration of that Act. These provisions are based upon similar recommendations of the Senate Energy and Natural Resources Committee which were included in the bill which that Committee reported last fall. They deal with a number of problems in the administration of the Alaska Native Claims Settlement Act, a topic which our Committee, through oversight hearings by the Subcommittee on General Oversight and Alaska Lands, explored during the last Congress.

The Senate Committee's reported bill also included a number of proposed land-exchange provisions which reportedly have been suggested to that Committee by the Department of the Interior and other parties (such as the State of Alaska and one or more Native corporations) who would have been involved in the various exchanges. While I believe that most if not all of these proposals have merit and deserve to be carried out, since our Committee has never had an opportunity to examine these or to hear testimony concerning their details, I have not included them in the bill I am introducing today. I do expect that our Committee will be looking at these as we consider this legislation, with an eye to including such of them as we believe merit enactment.●

Mr. EDWARDS of California. Mr. Speaker, when historians look back on the 96th Congress, they will no doubt praise it for its wisdom and vision. I say this with no reservations because I know this Congress is on the eve of giving final approval to the most important piece of conservation legislation this century, the Alaskan lands bill.

Mr. Speaker, one of the great disappointments of the 95th Congress was the Senate's failure to complete action on H.R. 39, the Alaska National Interest Lands Conservation Act. This historic measure was carefully crafted by my respected colleagues Morris Udall, John Seiberling, John Murphy, and Robert Leggett, and it passed the House by an overwhelming 277 to 31 vote last May.

In the wake of the Senate's failure to act on H.R. 39, 126 Members of the House, led by Morris Udall, wrote the President asking that he take strong Executive action to continue protection of Alaskan national interest lands. Members of the Senate wrote a similar letter to President Carter. The letter stated in part:

> (W)e applaud your Administration's announced commitment to protect Alaskan lands—and encourage you to use the strongest executive authority—specifically, your authority under the Antiquities Act of 1906 to establish national monuments.

Mr. Speaker, on December 1, 1978, President Carter responded boldly by designating 15 national monuments in Alaska. Establishment of these monuments protects Alaska's invaluable wildlife and wilderness—what the Los Angeles Times in a recent editorial called "every American's heritage." President Carter's unprecedented action earned him the accolade as "the greatest conservation President of all time."

Now Mr. Speaker, the 96th Congress has the chance to achieve similar fame. The responsibility is upon us once again as it was last year, to protect this pristine area. All of us are confronted each and every day with the changes brought by modern technology. Today, each Member has a color TV in his or her office to watch the day-to-day proceedings on the House floor. Computers, printing machines, and complex telecommunication systems illuminate each of our offices. While these changes are good and will continue, I think this age offers a new dimension in American advancement—the preservation of our scenic and wild areas. When our grandkids and their grandkids look back at the 96th Congress, I know they will marvel at our ability to reach out to protect these ever-shrinking areas. The realization of the fact that these areas will be lost unless we the Congress act, should be the impetus for making the Alaskan lands bill a top priority in 1979. When President Carter took these actions regarding proclamation of monuments, he said:

> . . . they are taken in hope that the 96th Congress will act promptly to pass Alaska lands legislation.

The full text of President Carter's statement is included here for the Record:

STATEMENT BY THE PRESIDENT

Our nation has been uniquely blessed with a vast land of great natural beauty and abundant resources. Once these gifts seemed limitless. As our people have spread across the continent and the needs for development reach once distant frontiers, we realize how urgent it is to preserve our heritage for future generations.

Today I have taken several actions to protect Alaska's extraordinary Federal lands. Because of the risks of immediate damage to these magnificent areas. I felt it was imperative to protect all of these lands and preserve for the Congress an unhampered opportunity to act next year.

Passing legislation to designate National Parks, Wildlife Refuges, Wilderness Areas and Wild and Scenic Rivers in Alaska is the highest environmental priority of my Administration. There is strong support for such legislation in the Congress. In the 95th Congress, the House of Representatives overwhelmingly passed an Alaska bill. A bill was reported out of the Senate Committee, but time ran out and the Senate was unable to finally pass a bill. Because existing "d-2" land withdrawals under the 1971 Alaska Native Claims Settlement Act expire on December 17, much of the land to be protected by legislation would be unprotected and perhaps irrevocably lost if I did not act now.

Accordingly, along with Secretaries Andrus and Bergland, I have taken the following actions:

—I have signed proclamations under the Antiquities Act of 1906 designating as National Monuments 17 of the most critical areas proposed for legislative designation—13 proposed National Parks, two proposed Wildlife Refuges and two proposed National Forest Wilderness areas.

These areas, totaling approximately 56 million acres, contain resources of unequalled scientific, historic and cultural value, and include some of the most spectacular scenery and wildlife in the world. The Antiquities Act has been used in the past to preserve such treasures, for example by President Teddy Roosevelt who designated the Grand Canyon in this way. The Monuments I have created in Alaska are worthy of the special, permanent protections provided by the Antiquities Act. They will remain permanent Monuments until the Congress makes other provisions for the land.

—I have directed Secretary Andrus to proceed with necessary steps to designate National Wildlife Refuges for the remaining twelve proposed refuge areas, an additional 40 million acres.

—Secretaries Andrus and Bergland have already taken steps under Section 204 of the Federal Land Policy and Management Act to withdraw or segregate all of the areas covered by either Congressional or Administration proposals from mineral entry and selection by the State of Alaska.

Each of the areas protected by these actions is exceptional and valuable. Among the treasures to be preserved are the nation's largest pristine river valley, the place where man may first have come into the New World, a glacier as large as the State of Rhode Island and the largest group of peaks over 15,000 feet in North America. Breeding areas of the Great Alaska brown bear, caribou and Dall sheep, and of ducks, geese and swans that migrate through the other 49 States each year will also be protected.

In addition to preserving these natural wonders, historical sites and wildlife habitats, our actions will ensure that Alaskan Eskimos, Indians and Aleuts can continue their traditional way of life, including hunting and fishing.

In Alaska we have a unique opportunity to balance the development of our vital resources required for continued economic growth with protection of our natural environment. We have the imagination and the will as a people to both develop our last great natural frontier and also preserve its priceless beauty for our children and grandchildren.

The actions I have taken today provide for urgently-needed permanent protections. However, they are taken in the hope that the 96th Congress will act promptly to pass Alaska lands legislation.

It is my genuine hope that the House can start the new year, and the new Congress, with a ringing endorsement of President Carter's action and the legislation drafted by Morris Udall and others. To that end, I am today joining Morris Udall and my many other colleagues as a cosponsor of the Alaska National Lands Conservation Act.

Mr. Speaker, let us all rise to this occasion and once again overwhelmingly approve this measure. History will judge favorably these efforts to protect Alaska and her wilderness.

The full text of the Los Angeles Times editorial entitled, "Every American's Heritage" is included here for the Record:

EVERY AMERICAN'S HERITAGE

President Carter has put a double lock on 56 million acres of primitive federal lands in Alaska to compel that state's politicians and developers to accept a reasonable plan for the management of one of the world's most magnificent scenic resources.

Carter's designation of the vast area as national monuments, off-limits to mineral exploration and logging, is without precedent. It is far greater in scope than the cumulative actions taken 75 years ago by President Theodore Roosevelt in creating the national park system.

Together with an additional 54 million

acres, withdrawn from development by Interior Secretary Cecil D. Andrus three weeks ago, the protection of federal lands in Alaska now covers 170,000 square miles, an area larger than California.

The President's executive order more than doubles the size of the national park system and adds more than 10 million acres to the national wildlife refuge system.

Carter was facing a deadline. Under the Alaska Native Claims Settlement Act of 1971, Congress had until Dec. 16 to assign permanent use designations to the massive tracts. But Democratic Sen. Mike Gravel was responsible for killing the necessary legislation earlier this year. In the absence of a law, many of the tracts would have become open for state claims or for mineral and oil exploration if Carter had done nothing. Andrus' earlier withdrawal of the full 110 million acres by administrative action would have been binding for only three years and would have become immediately vulnerable to challenge in the courts. But the President's action accords permanent protection to 56 million acres and only Congress can act to reduce or enlarge the preserves.

Predictably, Gravel said Carter's decision would cause grave economic dislocations within Alaska by foreclosing development of its natural resources. But that argument ignores the Administration's findings that 90 percent of high potential oil and gas areas and 70 percent of the most promising hard-rock mining areas would remain open for exploration.

The 56 million acres now under permanent protection as national monuments were chosen because of their unique scenic importance, and include wild rivers, lakes, rain forests, glaciers, tundra and the largest number of mountain peaks over 15,000 feet in North America.

The lands are also the habitat of many species of wildlife—caribou, wolves, waterfowl, mountain sheep, walruses and polar bears.

The areas in dispute were federal preserves long before Alaskan statehood and belong to all the people of this country. But Gravel and developmental interests continue to insist that the state should have an excessive control over their future.

Carter is amenable to compromise. He said he signed the executive order "in the hope that the 96th Congress will act promptly to pass Alaska lands legislation." It is probable however—and also desirable—that Administration agreement to appropriate development would affect only the 54 million acres under Andrus' temporary protection, although Congress has the authority—barring a presidential veto—to open up sections of the new national monuments as well.

Gravel is fighting a losing battle. If he returns to his obstructionist tactics at the next session, he will be threatening the very economic interests he claims to be defending.

The Administration is agreeable to reasonable resource development in tracts where it will not cause unacceptable ecological damage. But until there is legislation identifying those areas, no mining or lumbering can take place.

If Gravel thwarts congressional action again next year he—not the Administration—must accept the blame for the serious impact it will have on Alaska's economy.

FOREIGN AID—IT IS ALIVE AND WORKING IN ITALY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 10 minutes.

● Mr. ANNUNZIO. Mr. Speaker, we have all heard horror stories about the misuse of foreign aid. These stories range from corruption in foreign countries in connection with the handling of the foreign aid money to countries who accept our foreign aid and then do everything in their power to work against us, either politically or economically. In fact, almost all the stories that we hear lately concern the negative aspects of foreign aid.

Today, I am happy to report on a positive note concerning the foreign aid extended to Italy in connection with the 1976 earthquake.

For those who do not like to listen to or read long speeches, let me give you the bottom line first and then fill in the details.

The $50 million voted by the Congress for use in rebuilding the earthquake area in the Friuli region of Italy is being used in a most constructive manner. It is being used for schools and old people's homes, and the U.S. taxpayers are getting the full measure of their dollar investment. There is no scandal connected with the program and the Italian people are most grateful for this country's help.

Mr. Speaker, the results of the U.S. $50 million investment in the rebuilding of the earthquake region are truly a tribute to a small group of Americans working without publicity or plush surroundings, and the determination of the people in the earthquake area who would not give up but chose to remain and rebuild their homes and their lives.

On May 6 and again on September 15, 1976, the Friuli, one of Italy's proudest but least known to outsiders, region was ravished by earthquakes registering 6 plus on the Richter scale. The Friuli is a region of diverse geography centered on the cities of Udine and Pordenone in northeast Italy and reaching from the Adriatic to the borders of Austria and Yugoslavia. Its 1.2 million people carry on a long tradition of democracy, hard work, self-reliance and pride. The Friulani preserve their own identity even to the point of having their own language, Friulano, a combination of Celtic, Latin, and modern Italian, virtually incomprehensible to their non-Friuli countrymen.

The damage and casualties from the earthquake was spread out over an area of almost 2,000 square miles. When the horror was over there were 939 dead, 2,400 injured, 32,000 people left homeless and the homes of 150,000 people seriously damaged. Material damage was estimated at $3.3 billion and losses in earnings at another $1.6 billion.

Shortly after the first quake I introduced legislation which was cosponsored by 67 Members of this body, appropriating $25 million for relief and rehabilitation in the earthquake area. Of that amount $1 million was spent within a month for medicines and emergency supplies. The remaining $24 million was allocated for construction of four centers for the aging and eight schools.

The decision to proceed with this building program followed exhausted analysis of other possible uses of the funds. Hundreds of projects advocated by many different public and private groups were eliminated from consideration because their results were uncertain. Prefabricated structures, which would inevitably have disappointed the people of the Friuli because of their appearance and their surprisingly high cost, were avoided. Schools were an obvious priority for without them many parents of school-age children would have elected to leave the region.

Construction of centers for the aged was another natural priority given the large number of elderly and the difficulties which they faced in finding shelter. Many of the elderly saw their life's savings, invested in their houses, vanish and they could not, given their age, earn the necessary money to rebuild.

When the second tremor struck on September 15, 1976, all of the U.S. funds had been committed mainly for projects in the province of Udine which had borne the brunt of the first shock. No funds remained to offset the new losses which hit the province of Pordenone and Carnia with particular severity. Recognizing this, the Congress provided an additional $25 million in late 1977 as part of the 1978 Foreign Assistance Act. Most of these funds were quickly committed.

Because the initial funding program had been so successful it was decided to follow basically the same arrangement with the second appropriation. Thus, $22 million in new funds were earmarked for six additional schools and three more centers for the elderly. The remaining funds are being held in reserve to cover contingencies for both the first and second program.

When the funds were first approved by Congress the responsibility for dispensing the earthquake aid was given to the Agency for International Development which is headed by our former colleague, John Gilligan. He appointed Mr. Arturo G. Costantino to be Director of the Italian earthquake recovery program. It was Mr. Costantino who developed the program for concentrating money and energy into building schools and centers for the aging. And much of the credit for the success for the program must go to Mr. Costantino.

In late November of last year it was my privilege and honor to visit the earthquake area to officiate at ceremonies turning over the first school financed by the United States to the city of Maniago Libero. Most of the city's 10,500 residents attended the ribbon-cutting ceremony and everyone from Mayor Domenico Pitton to the schoolchildren themselves expressed gratitude to the United States for its help in rebuilding their town.

At the dedication ceremonies I emphasized the long friendship of the United States and Italy, the large number of Italian immigrants who have contributed so much to make the United States what it is today and the pride I shared with the people of Maniago that we had together built such a fine school.

Later I visited other construction sites and had an opportunity to meet with the mayor of Gemona, a city virtually wiped out by the two earthquakes. Although many of the structures of the town were destroyed, the spirit of the town was best typified by its mayor, Ivano Benvenuti, who told me that his town would rebuild and carry on.

We also visited Osoppo where the town's mayor, Valentino Trombetta, showed me the large school being built there with U.S. funds.

I was not able to visit all of the building sites, but I did visit AID headquarters in the earthquake region and saw scale models of all of the projects. Every one of the projects is designed to blend in with local architecture. And the leaders in each community were given an opportunity to help in planning the structures.

I might add that the AID headquarters in the earthquake region are themselves an important story. The offices are small and spartan by modern standards, and are located on the outskirts of Udine in a factory operated by an Italian subsidiary of the Carnation Milk Co. which wanted to contribute to the American effort. The entire office setup costs the American taxpayers only $1.

It might be assumed that because of the large number of dollars involved in this program, and the vastness of the undertaking that a huge staff is required, just the opposite is true. The AID program in the earthquake area consists of only four professionals and a secretary. Working with Mr. Costantino are Mike Vogel, formerly AID's chief, the Office of Engineering; Tullio A. Biagini, who is responsible for liaison with the many townships and Italian private and public agencies involved in the program; and John Saccheri, an engineer who serves as liaison for the architects and construction firms involved in the projects.

Mr. Speaker, in closing let me point out that in many countries visiting Americans are greeted with "Yankee Go Home" signs. In the earthquake region of Italy, however, I saw an entirely different type sign. In the center of every town where a U.S. project was underway was a huge sign written in both English and Italian featuring the Italian and American flag. The signs, which in many cases were 8 feet tall, expressed gratitude to the United States for its help and compassion. Perhaps in a much simpler language the sign would say, "Yankee, Thank You Very Much."●

HONORING MARTIN LUTHER KING, JR.

The SPEAKER. Under a previous order of the House, the gentlewoman from New York (Ms. HOLTZMAN) is recognized for 5 minutes.

● Ms. HOLTZMAN. Mr. Speaker, today is the 50th anniversary of the birth of the late Dr. Martin Luther King, Jr. As one who worked on civil rights cases in the early 1960's, his cause has a special meaning to me. His tireless, well-organized, and inspiring campaigns to obtain equal rights for black Americans and to eliminate poverty and social injustice still serve as a model to all of us today in our search for peace and harmony among ourselves and among people of all nations.

He brought Americans together to work side by side for social reform and encouraged others, such as women's groups, to fight for equal rights.

Today, his birthday, is a fitting time for Congress and the entire country not only to honor him with words, but also to reaffirm by deeds our commitment to his dream for a just, decent America.●

NONDISCRIMINATION IN INSURANCE ACT OF 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. DINGELL) is recognized for 5 minutes.

● Mr. DINGELL. Mr. Speaker, as this new 96th Congress convenes, I invite all Members of the House to cosponsor the bill I introduced today, "Nondiscrimination in Insurance Act of 1979."

The single objective of this bill is to prohibit insurance companies from discriminating against applicants for insurance and persons who are insured, on the basis of race, color, religion, sex, or national origin.

I. DESCRIPTION OF THE BILL

I drafted this bill along the pattern of three existing laws which now prohibit such kinds of discrimination in—

Employment: Title VII, Civil Rights Act of 1964 (42 U.S.C. 2000e);

Housing: Title VIII, Civil Rights Act of 1968 (42 U.S.C. 3601);

Credit: Equal Credit Opportunity Act (15 U.S.C. 1691).

Under this bill, a person alleging that an insurance company has committed an unlawful discriminatory action—an action specified in the bill on the basis of race, color, religion, sex, or national origin—must first file the charge with the appropriate State agency, if the State has a law prohibiting such discriminatory action and an agency to administer that law. If the State has no such law or agency, or if the State agency doesn't resolve the charge, the complainant must file the charge with the Federal Trade Commission (FTC). If the FTC fails to resolve the charge, either the FTC or the complainant may then institute a court action. The bill provides only civil sanctions—injunctive and monetary—it has no criminal sanctions—and will apply only to the future and not be retroactive to periods prior to its effective date.

II. WHY THIS BILL SHOULD BE ENACTED

The business of insurance is rife with discrimination—against blacks in connection with accident and casualty and health insurance—and against both men and women, in different ways, in life insurance and annuities. The insurance industry (which formerly discriminated quite openly against blacks on the grounds that blacks have higher mortality rates, were more irresponsible or negligent, or were otherwise economically burdensome to insure) no longer makes such arguments, but nevertheless continues to discriminate against blacks in more subtle ways. However, sex discrimination in the insurance industry is still blatant and widespread. It is time to end such kinds of discrimination in insurance.

III. THE INSURANCE INDUSTRY'S ARGUMENTS FOR CONTINUED SEX DISCRIMINATION ARE UNJUSTIFIED

The insurance industry argues that sex discrimination is justified because "women as a group have longer life expectancy than men as a group." The same justification can be made for discrimination against blacks because white persons as a group have a longer life expectancy than black persons as a group. However, such discrimination is now, and should be, totally rejected.

Furthermore, that justification is based on a distortion of the "average" woman and the "average" man. The fact is that most men and women can be paired at death age. For example, the Teachers Insurance and Annuity Association and College Retirement Equities Fund (TIAA-CREF) filed figures in the Supreme Court Manhart case (discussed below) concerning the survival experience of 100,000 males and 100,000 females retiring at age 65. TIAA-CREF's figures showed 86,193 women had the same death age as 86,193 men, 13,807 more males than females died at ages 66–80, and 13,807 more females than males died at ages 81–100.

Thus, because less than 14 percent of the women did not match the death ages of the men, all women receive lesser monthly retirement benefits than all the men, and all men receive more monthly retirement benefits than all the women. A reverse type of discrimination occurs in life insurance lump-sum payments, that is, because less than 14 percent of the men did not match the death ages of the women, all men pay higher premiums for life insurance than women, and in those cases where the men elected joint and survivor benefit plans, the men suffered a greater reduction in their annuities than all women annuitants who elected the same plan.

The insurance industry computes life insurance and annuity rates and benefits almost exclusively on the basis of sex, and disregards other more accurate classification criteria, such as smoking habits, physical condition, geographic location, family health history, recreational and occupational activities, et cetera.

Recent court decisions involving suits by employees and retirees against employers have ruled that title VII of the Civil Rights Act of 1964, which prohibits sex discrimination in employment, prevents the use of sex-based differentials in the rates and benefits under annuity and pension plans, including those operated or supported by insurance companies for employers. On April 25, 1978, the U.S. Supreme Court squarely rejected the insurance industry's argument that group discriminatory treatment as to insurance rates and pension benefits can be justified on the basis of actuarial tables indicating longer life expectancy for a group (females, or white persons) than for another group (males, or black persons). *Los Angeles Dept. of Water & Power* v. *Manhart*, 435

U.S. 702, 98 Sup. Ct. 1370, 55 L. Ed. 2d 657. This case involved an employer-operated pension plan requiring women employees to make greater payments than men employees to the pension plan. The Supreme Court ruled that the title VII statutory prohibition against sex discrimination focuses "on the individual" and therefore "precludes treatment of individuals as simply components of a racial, religious, sexual, or national class . . . Even a true generalization about the class is an insufficient reason for [treating differently] an individual to whom the generalization does not apply" because "there is no assurance that any individual woman [or man] . . . will actually fit the generalization . . ." The Supreme Court noted: "Many women do not live as long as the average man and many men outlive the average woman."

On December 18, 1978, the U.S. Court of Appeals, First Circuit, ruled that the same reasoning prohibits lesser monthly annuity payments to women than to men who had contributed equal amounts to the pension fund administered by the insurance company (TIAA-CREF). *Equal Employment Opportunity Commission* v. *Colby College and TIAA-CREF* (No. 78-1010).

It is also significant that two major government agencies interpret existing laws and Executive orders which prohibit race and sex discrimination in employment as prohibiting sex differentiation among employees in connection with pensions, insurance, et cetera, which are fringe benefits in their employment relations. This has been the clear cut position of the Equal Employment Opportunity Commission since at least 1972 in its administration of title VII of the Civil Rights Act of 1964. And on August 25, 1978, the Labor Department which has heretofore followed an ambiguous "either/or" test in administering the Equal Pay Act of 1963 and Executive Orders 11246 and 11375, announced that it intends to adopt the same test as that of the Equal Employment Opportunity Commission concerning sex differentiated pensions and insurance provided as fringe benefits in employment. (43 Fed. Reg. 38029 and 38057.)

Making the nondiscrimination rule applicable to all insurance, whether or not employment related, would not harm the insurance industry. It can easily develop nonsex-based rates and payments by adjustments to reflect the mortality and disability experience of the total population rather than separately for men and for women. Indeed, the very purpose of insurance is to spread risks, not to impose discriminations not warranted by the individual's own circumstances.

In any event, sex discrimination, like race discrimination, should be abolished as a matter of national policy.

I invite all Members to cosponsor this bill. I intend, after a reasonable time for responses, to ask that my bill be reprinted to list all cosponsors.●

WILLIAM CRAWFORD GORGAS: THE HEALTH SCIENTIST WHO MADE CONSTRUCTION OF THE PANAMA CANAL POSSIBLE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. Flood) is recognized for 5 minutes.

● Mr. FLOOD. Mr. Speaker, the Capital City of our great Nation has many organizations in various fields of science, among them the Gorgas Memorial Institute of Tropical and Preventive Medicine, of which Dr. Jack W. Millar is president.

This institution, established in 1921 at the suggestion of President Porras of Panama, was named in honor of Maj. Gen. William Crawford Gorgas, former Chief Health Officer of the U.S. Canal Zone (1904-13), and member of the U.S. Isthmian Canal Commission, 1907-13, whose leadership and work transformed the then disease ridden Isthmus into the model of tropical health and sanitation that made construction of the Panama Canal possible.

Since 1929 the Gorgas Institute has supervised the operation in Panama City, Republic of Panama, of the Gorgas Memorial Laboratory, a biomedical facility, which performs research and training related to diseases of the tropics, their causes and prevention. It also has an extensive research library on these subjects available for use by scholars and investigators of all nations, particularly those of the Western Hemisphere.

On the evening of September 26, 1978, at the Pan American Union in Washington, D.C., the Institute celebrated the 50th anniversary of the founding of the Gorgas Memorial Laboratory in an outstanding program before a distinguished gathering that included many eminent authorities in tropical diseases and related subjects, with Dr. Millar presiding.

As a preliminary, the U.S. Navy Band Sea Chanters gave an impressive rendition of "Songs of the Sea." The invocation was by the Very Reverend Francis B. Sayre, Jr., associate director of the Woodrow Wilson International Center for Scholars.

Mr. Speaker, it was my privilege to have delivered the opening address on that occasion in which I attempted to place the life and achievements of Gorgas into historical perspective.

The scientific address that followed was by the Nobel Laureate, Thomas H. Weller, M.D., professor of tropical health, Harvard School of Public Health, who gave the first lecture in the institute's newly inaugurated Fred L. Soper Lecture Series, entitled "The Field of Tropical Medicine and Research in the Field: Perfectionism at the End of the Line."

Dr. Weller's illuminating paper will be published as an early issue of the American Journal of Tropical Medicine and Hygiene. Copies will be available upon request at the Gorgas Memorial Institute, 2007 I St., NW., Washington, D.C. 20006.

Since 1914 the United States has performed the vital functions of maintaining, operating, sanitating, and protecting the Panama Canal. Of these tasks the importance of sanitation cannot be overstressed for diseases in nearby jungles and rain forests are potential endemic dangers. Their reservoirs and the animals that live in them and the diseases are transmitted by insects, most significantly mosquitoes for yellow fever, malaria, and dengue fever.

During recent voluminous Panama Canal debates in the Senate, the health and sanitation angles of the canal question did not receive their due attention and were largely ignored. The facts involved will no doubt raise these questions: In the event the United States abdicates its control over the Canal Zone who will perform the vital function of keeping sanitation at its past high standards of effectiveness? And what will be consequences of failure to much of the Western Hemisphere, including Central America and the United States? The situations that would be presented cannot be ignored with impunity.

Mr. Speaker, I quote my September 26, 1978, address as part of my remarks:

William Crawford Gorgas: A Tribute

(By Representative Daniel J. Flood)

President Millar, Members of the Board of Directors and Advisory Scientific Board of the Gorgas Memorial Institute, Distinguished Guests, Ladies and Gentlemen:

As one whose interest in the problems of the Isthmus of Panama was inspired in early youth as the result of occasional visits in my grandfather's home in Hazleton, Pennsylvania, by former President Theodore Roosevelt, I deem it both an honor and privilege to be a special guest of the scientific organization named in honor of the great medical leader whose contributions to health and sanitation are matters of international fame—General William Crawford Gorgas.

It was my fortune to have spent many hours listening to the former President telling about some of his problems in acquiring the U.S. Canal Zone and launching the Panama Canal. That great American leader naturally became my youthful ideal and inspired in me an enduring interest in the canal subject that has increased over the years.

To paraphrase the late Dr. Franklin Martin, a close associate of General Gorgas and a former president of this institute, I may say that to try to describe the distinguished career of General Gorgas and its consequences is to attempt the infinite. I shall not make that effort for the details of his brilliant achievements are historic and are carried in the principal libraries of the world.

The Gorgas Memorial Laboratory in Panama City, R.P., is located in one of the most oppressive climates as well as highly strategic areas of the western hemisphere. Its contributions in scientific knowledge under the direction of the Gorgas Memorial Institute have made it an indispensable rampart for protecting the countries north of the Panama Canal, including the United States, against the deadly perils of tropical disease epidemics of which there have been a number of tragic examples in the largest seaports of the United States.

The widely disseminated scientific reports of the institute and laboratory concerning the transmission of tropical diseases were key factors in safeguarding the health and lives of the members of our Armed Forces serving in the tropical islands of the Southwest Pacific during World War II, thus, they were vital contributions to victory in that hard fought struggle.

Today, this splendid organization with its laboratory is spreading the benefits of their scientific endeavors far and wide, attaining universal acclaim. Its expanding library at the Gorgas Memorial Laboratory has become a key central American medical reference center, specializing on the diseases of the tropics, their control and prevention. Its visiting scientists and trainees obtain knowledge and disciplined judgment that can only be developed from experience in a tropical setting such as that at Panama.

Were General Gorgas to return to earth today what would he find?

He would see that the lessons he learned at Havana and applied so efficiently on the isthmus have not been forgotten but have been greatly augmented.

He would encounter increased recognition of the fact that it was his work in health and sanitation in the Canal Zone that made construcion of the Panama Canal possible.

He would see in Panama City a laboratory the work of which has made it one of world importance, especially for the western hemisphere.

He would find a great hospital in the Canal Zone at Ancon named in his honor still following along the scientific paths that he laid out.

He would see his name permanently enshrined in the hall of fame for great Americans.

He would find in the congress a strong support for this vital organization—a support that traces back to former congressman Maurice H. Thatcher, an associate of General Gorgas on the Isthmian Canal Commission that supervised the construction of the Panama Canal and Governor of the Canal Zone, 1910–13 and, finally, the honorary president of the Gorgas Memorial Institute to which he devoted so much of his time and talents.

No better tribute has been paid to General Gorgas than this poem by Governor Thatcher:

Gorgas

God's own Samaritan, intrepid, true;
  With Christly sympathy and love for all,
And wisely skilled,—he wrote health's page anew,
  And lifted from the earth its foulest pall.
Where pestilence and plague took direst toll,
  His magic touch brought life and strength and joy;
In Isthmian realms, where rival oceans roll,
  His blessed arts for good he did employ;
And lo! The link that joins the waters twain
  (The way to Ind, thru all the age hid!)
Grew into form, and stretched from main to main,
  By reason of the deathless work he did.—
And more than this—the wondrous deeds he wrought,
  The texts became whereby the world is taught!

(October 14, 1936) ●

LEGISLATION TO STRENGTHEN THE GENERAL ACCOUNTING OFFICE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. Brooks) is recognized for 5 minutes.

● Mr. BROOKS. Mr. Speaker, today I am introducing a bill which will strengthen Congress monitoring of Federal agency operations and programs, by strengthening the General Accounting Office. The GAO serves an essential role as an investigative and auditing arm of Congress. We can discharge our oversight responsibilities better by insuring that the GAO has the ability to conduct thorough and effective investigations of executive branch activities. Several provisions of this bill work toward that goal.

First, the bill provides GAO with additional authority to audit unvouchered accounts, which can be spent solely on the signature of the President or some other designated official. Second, it will strengthen the Office's existing authority to enforce access to the material it needs to audit executive agency programs. Third, it also will provide a new mechanism for appointment of the Comptroller General and his Deputy, insuring a congressional voice in the future selection of these officials and underscoring the GAO's role as the investigative agent of the Congress. Fourth, the bill will limit the delays GAO experiences in sending its draft reports to executive agencies for their comments. Finally, another provision will bring the accounting and audit procedures of the Inspectors General in the Departments of Health, Education, and Welfare and Energy into conformity with the Comptroller General's guidelines.

In the last Congress, the House unanimously passed a measure containing most of these provisions, but it died in the closing hours of the session in the other body. I hope that this bill will be approved promptly by both Houses of Congress early in this session.●

MONETARY CONTROL BILL OF 1979 CAN AID IN INFLATION BATTLE

The SPEAKER. Under a previous order of the House, the gentleman from Wisconsin (Mr. Reuss) is recognized for 20 minutes.

● Mr. REUSS. Mr. Speaker, I am today introducing the monetary control bill of 1979, designed to help the Federal Reserve in its battle against inflation by improving its ability to control the money supply.

Continuing doubts about the ability of the Federal Reserve to reduce the rate of growth of the money supply without bringing on a recession contributes heavily to present nervousness about the economy. With inflation running nearly 10 percent, we must waste no time in arming the Federal Reserve with the best weapons available for improving management of the money supply.

The bill would improve monetary control by arresting the erosion of deposits over which the Federal Reserve has control. These reserves are now dwindling as banks pull out of the System because of the cost of membership. The Federal Reserve's position is that reserves are necessary for good monetary control. To wit: When the Fed issues a new dollar in reserves to the banking system, by buying Government securities or through a discount loan to a bank, the new dollar can be loaned out, redeposited in another bank, and loaned out again in an endless chain of uncontrolled deposit expansion, unless part of that dollar is tied up in required reserves each time it is deposited.

The monetary control bill of 1979 would improve management of the Nation's money supply in two ways additional to meeting the Fed's position on the requirement of reserves noted above:

First. It would authorize the Federal Reserve to obtain more timely and complete information on deposits in the Nation's banks and savings institutions. Currently, only Federal Reserve member banks—38 percent of the Nation's banks with 72 percent of the deposits—and no thrift institutions report, leaving the Fed with woefully inadequate information on the size of the money supply at any given time.

Second. It replaces a hodgepodge of reserve rates with more uniform rates. Currently, member banks are subject to reserve rates ranging from 7 to 16.25 percent on checking accounts, depending upon the size of the bank; between 0 and 3 percent on savings deposits; and between 0 and 6 percent on longer term certificates of deposit. Thus, when the Federal Reserve takes action to raise or lower reserves, it cannot accurately predict the effect on the money supply because the money is shifting around among deposits with various reserve rates.

Under the proposed legislation, reserve rates would be set at 9.5 percent for checking accounts—including savings accounts from which funds can be drawn by check or by automatic transfer to checking accounts; 3 percent on savings deposits; 1 percent on long-term certificates of deposit; and 8 percent on short-term certificates of deposit. The Federal Reserve could alter these rates within limited ranges, but only for the purpose of monetary control.

The bill would not only fight inflation but would keep the Federal deficit under control. Some proposals for attacking the problem of monetary control and eroding Federal Reserve membership would have induced banks to "stay with the Fed" by paying interest on reserves. Such interest payments could amount to as much as several billion dollars annually to the taxpayer, and an addition to the Federal deficit. This bill would restrict the cost to the Treasury and the deficit to approximately $172 million a year, according to administration estimates—a reasonable price to pay.

The bill would also eliminate competitive inequities between Federal Reserve member banks and other banks. Currently, the burden of maintaining reserves at the Federal Reserve—idle funds on which the banks earn no interest—is borne entirely by banks that are members of the Federal Reserve System. Under the proposed legislation, all banks with more than $50 million in checking account deposits or $50 million in time and savings deposits would be subject to reserve requirements. The $50 million exemptions will be indexed to assure that banks exempted by this legislation from having to hold reserves will by and large remain exempt. However, since vault cash would count toward meeting reserve requirements, most banks with less than $200 million in deposits would have no need to post reserves with the Federal Reserve. Some 232 large banks which are not now members would have to begin posting reserves. However, a great many more small- and medium-sized member banks—nearly 4,664—would be freed of the present need to post reserves.

In summary, 95 percent of the Nation's 14,618 banks would be completely free of the need to hold reserves with the Federal Reserve.

At the same time, member banks which would continue to have to hold reserves would have their reserve requirements substantially reduced. Instead of a maximum of 16.25 percent on checking account deposits, they would have to hold only 9.5 percent. A typical $300 million-deposit bank, for instance, would have its reserve requirements reduced by some $7 million, money which it could put out in loans.

All commercial banks would be entitled to borrow from the Federal Reserve, whether members or not. Thrift institutions which have transactions accounts—savings accounts on which checks can be drawn—also would be entitled to borrow from the Federal Reserve. The Federal Reserve, which now provides free services such as check clearing to member banks, would begin charging for such services.

The new bill contains three changes from a substantially similar measure which passed the House Banking Committee September 19, 1978: First, it includes automatic transfer accounts at commercial banks in the same category of reserve requirements as checking accounts, since both are part of the Nation's basic money supply; second, it also includes in this category savings accounts at thrift institutions on which checks can be written, since these are also part of the basic money supply (a change which, beause of the $50 million exemption, affects few if any thrift institutions, but recognizes the potential growth of such accounts); and third, it provides lower reserves on passbook savings accounts, since these do not represent "ready money," offset by slightly higher ratios on checking accounts. This keeps reserve requirements on about 68 percent of the Nation's bank deposits.

The Federal Reserve supports the basic principles of the bill, but would prefer a somewhat different approach than exempting the first $50 million of demand deposits and $50 million of time deposits from any reserve requirement. Instead, the Fed would prefer that there be no exemption (except perhaps for the smallest institutions) and that the Fed would pay interest on the amounts below $50 million in each category. It would pay interest at the same rate it earns on its portfolio, currently 6.75 percent. The Fed's proposal requires serious consideration, and the subject will be addressed at forthcoming hearings.

Hearings on the monetary control bill will begin immediately, with representatives of the bank regulatory agencies testifying first. The witnesses are:

9:30 a.m., Monday, January 22, 1979: Robert Carswell, Deputy Secretary, Department of the Treasury.

2 p.m., Tuesday, January 23, 1979: Robert McKinney, Chairman, Federal Home Loan Bank Board.

9 a.m., Wednesday, January 24, 1979: G. William Miller, Chairman, Board of Governors, Federal Reserve System.

The Comptroller of the Currency, Federal Deposit Insurance Corporation and National Credit Union Administration will submit written reports. Representatives of the trade associations affected will testify in the next few weeks.

Others wishing to testify should write to the staff director of the House Banking, Finance and Urban Affairs Committee, Paul Nelson, 2129 Rayburn House Office Building, Washington, D.C. 20515, prior to January 26, 1979.●

RELIGIOUS AND CHARITABLE DONORS' TAX JUSTICE ACT OF 1979—PROVIDING A TAX CREDIT FOR CHARITABLE CONTRIBUTIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. OTTINGER) is recognized for 5 minutes.

● Mr. OTTINGER. Mr. Speaker, according to section 170 of the Internal Revenue Code of 1954, an individual is allowed to claim as an itemized deduction the amount of charitable contributions to religious, educational, public or scientific organizations with a maximum allowable deduction of 50 percent of adjusted gross income. Today, I am introducing a bill that would allow individuals to elect a nonrefundable tax credit of $500 ($1,000 for a joint return) in lieu of this deduction.

The reasons for the bill are clear: to provide greater equity in our current tax system, to maintain the Nation's nonprofit sector of the economy, and to insure continued private choice in gift giving. It has long seemed to me highly unfair that a person of means can get a tax deduction for his charitable giving, while the low- and middle-income citizens are discriminated against so systematically in our Tax Code and are given no incentive for charitable gifts. This legislation is designed to overcome that inequity.

An additonal reason for this legislation is to give relief that is clearly constitutional to those interested in alleviating the financial pressures on private and parochial education and the parents who send their children to private and parochial schools. The tuition tax credit, which I have supported in the past, is the most direct aid to them, but this device is of very doubtful constitutionality and, at any rate, probably cannot pass over the President's certain veto. The charitable tax credit provides a constitutional avenue for those who choose to direct their charitable giving to private and parochial schools to do so, helping resolve the financial plight of these institutions and relieving the pressures that lead to higher tuition. Again, a question of equity is involved since wealthy taxpayers can already take tax deductions for gifts to such schools or even directly to their churches and synagogues, while this advantage is denied ordinary taxpayers. Accordingly, this may provide a more effective, legal fair, and acceptable way of addressing the private and parochial school problem.

Under present law, only taxpayers who itemize their deductions accrue any tax deduction benefits; no allowance for charitable giving is provided taxpayers who claim the standard deduction and no meaningful provision is made for middle-income taxpayers' charitable contributions. According to the National Committee for Responsive Philanthropy, "half—49 percent—of the Government's 'tax expenditures' for charitable contributions are made to reduce the tax bills of a tiny 1.4 percent of the United States' most affluent taxpayers—while only 14 percent of the Government's 'tax expenditures' in this category are made to induce 83.5 percent of the United States' lower and average income taxpayers to continue private charitable moneys."

The chart follows:

DISTRIBUTION OF FEDERAL TAX INCENTIVES FOR CHARITABLE CONTRIBUTIONS, BY EXPANDED INCOME CLASS, SELECTED TAX EXPENDITURES AFFECTING INDIVIDUALS, FISCAL YEAR 1977

Tax expenditures for charitable contributions	By expanded income class [1] (millions of dollars)		
	0–$20,000	$20,000–$50,000	$50,000 and up
For education	19	121	385
Percent	4	23	73
For health	70	255	465
Percent	9	32	59
For all other	657	1,578	1,700
Percent	17	40	43
Totals	746	1,954	2,550
Percent	14	37	49
Proportion of 1977 individual tax returns	83.5	15.1	1.4

[1] Source: U.S. Treasury Department.

Once it could have been argued that the standard deduction is a lump sum allowance, in lieu of itemizing, and more than compensates for amounts which could otherwise be itemized; thus no inequity exists. This argument is no longer viable especially in light of the current, seemingly endless, inflationary spiral plaguing our economy. Indeed, the recent campaign to encourage more taxpayers to opt for the standard deduction for the sakes of simplification and alleged monetary gain is, at the same time, resulting in denying more taxpayers tax deductions for their charitable contributions. In essence, the charitable deduction is emerging as another "rich man's loophole."

The inequitable nature of the current charitable deduction policy goes beyond the simple, unfair distinction between those who itemize and those who do not. By virtue of our marginal tax rate structure, the Federal subsidy of taxpayers' contributions increases as taxable incomes rise. A deduction reduces the amount of income subject to tax. Therefore, under the current procedure, for example, a family of four, filing a joint return with an income of $16,500—approximately the income of the average American family according to the most recent Government study—would save 22 cents for every $1 given to charity, whereas a person in the highest tax bracket would save 70 cents for every $1 contributed. The inequity is blatant. For these reasons alone, the mere extension of the charitable deduction to all taxpayers, regardless of whether or not they itemize, would be inadequate to establish a more equitable tax system. This proposal, put forth in the 95th Congress, although a step in the right direction, would still skew benefits increasingly in favor of those in the higher income brackets.

A tax credit, on the other hand, is subtracted from actual taxes already due. A tax credit could be claimed by all taxpayers, regardless of whether they itemize; and all taxpayers claiming the credit would accrue equal tax benefits. Under my plan, all taxpayers claiming the credit would receive a sum equal to at least 50 percent of their charitable contributions, with a maximum credit of $1,000 or their total liability, whichever is less.

With specific regard to charitable gift giving, complete substitution of the deduction with a credit would create other inequities while putting a great strain on general revenues. However, mixing the two tax policy tools insures optimum advantages for the donors, the receiving nonprofit organizations, and the Federal Government. Let me cite the following:

According to a Department of Treasury report entitled "Charitable Contributions under the Federal Individual Income Tax System: Alternative Policy Options," complete substitution of the tax credit for a charitable deduction would not discriminate among donors on the basis of income, but would discriminate among donors of cash and donors of their own services. For example, when a person in the 60-percent tax bracket contributes $1,000 of his earnings to charity, the net cost to him under deductibility is $400; similarly, if he earns $1,000 less in order to use his time to give his services to charity, the net cost is also $400. Under a 30-percent tax credit, however, his net cost would be $700 in the first instance, but only $400 in the second. No one will argue that cash gifts are necessarily more beneficial to charities than gifts of time and service. By allowing taxpayers to opt for a deduction or a credit, they will not be discouraged from providing their services or forced to decide between cash gifts or nothing.

According to the same Department of Treasury report, eliminating the deduction would have some important effects on the level and composition of private philanthropic giving. The following chart enumerates the various affects on different types of charitable institutions:

[Figures: Percentage decline in charitable contributions*]

Donee category:	
Religion	22
Education	48
Hospitals	46
Health and welfare	27
Other	33
Total giving	26

* Simulations are for 1970 and are based on the Treasury tax model for that year. Included in the "Other" category are libraries, museums, musical, literary and scientific organizations, and zoos.

However, shifting from pure deductibility to an optional tax credit would have the following effects:

TABLE 7.—EFFECTS OF OPTIONAL 30 PERCENT AND 50 PERCENT TAX CREDITS, FOR ALL TAXPAYERS AND FOR ITEMIZERS ONLY, ON INCOME TAX REVENUES AND CHARITABLE CONTRIBUTIONS, 1970

[In billions of dollars]

Optional tax credit (percent)	Income tax revenues	Charitable contributions		Percentage increase in contributions to:	
		Amount	Percent	Hospitals and education	Religion and health and welfare
Credit Granted to All Taxpayers					
30	−$2.96	$3.45	20	8	19–22
50	−11.41	13.26	77	42–44	76–83
Credit Granted to Itemizers Only					
30	−1.31	1.53	9	4	9–10
50	−7.17	8.38	48	32–34	50–52

Source: Feldstein simulations based on the 1970 Treasury Tax File.

In other words, complete elimination of the charitable deduction could have the effect of severely reducing contributions to education and hospitals. However, as the chart above demonstrates, the optional tax credit of 50 percent would increase giving to all major groups of charity—by 30 to 34 percent for hospitals and education and by 74 to 83 percent for health and welfare organizations and religion.

It is true that the cost to general revenues of providing an optional tax credit for charitable contributions could be considerable. However, most of the additional cost could be obviated by installing a floor whereby an individual could not opt for a tax credit for below a certain percentage of one's adjusted gross income; the floor would be a function of a taxpayer's past and present record of charitable giving and income. In my opinion, the advantages of the tax credit far outweigh the alleged disadvantages.

The nonprofit sector of our political economy fills a void in our system that business and government, by virtue of their vested interests and missions, cannot even attempt to fill. I fully agree with the judgment of the Filer Commission on Private Philanthropy and Public Needs expressed in its report of 1975:

> Government incentives to giving are appropriate because giving provides an important mode of citizen expression. By contributing to non-profit organizations, a citizen says with his money what needs should be met, what objectives pursued, what values served. Every contributor exercises, in a profound sense, a form of self-government that parallels, complements and enriches the democratic process itself.

In addition, as the National Committee for Responsive Philanthropy reports:

> As the standard deduction has been utilized by more and more taxpayers over the years, the percentage of taxpayers who qualify to itemize charitable contributions has substantially decreased from 48 percent in 1970 to 23 percent currently.

In other words, as the deductions become available to a smaller and smaller group of affluent taxpayers, they not only accrue the vast majority of the benefits, but also they decide the kinds of nonprofit organizations supported. "Philanthropic resources will tend toward institutions and causes favored by the rich," as stated by the editor and principal writer of the Filer Commission report, Wade Green, in an article which appeared in the New York Times last year.

An optional tax credit for charitable contributions, such as that I am proposing today, would provide the additional encouragement to charitable gift giving vital to maintaining the nonprofit sector. The magnitude of the increase in charitable giving is similar to an estimate by the Harvard Institute of Economic Research that a 30-percent optional Federal tax credit for charitable contributions—with no maximum limit—would increase total giving by 20 percent.

While my optional tax credit for charitable contributions bill does not offer solutions to all the inequities in the present system, it does address, in an optimum way, some of the major difficulties in maintaining the Nation's nonprofit sector, insuring continued broad-based private choice in gift giving and doing both in the most equitable manner.

H.R. —

A bill to amend the Internal Revenue Code of 1954 to allow individuals to elect, in lieu of the deduction for charitable contributions, a credit against income tax for 50 percent of such contributions

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Religious and Charitable Donors' Tax Justice Act of 1979".

SEC. 2. CREDIT FOR CHARITABLE, ETC., CONTRIBUTIONS AND GIFTS.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits allowable) is amended by inserting after section 44C the following new section:

"SEC. 44D. CREDIT FOR CHARITABLE, ETC., CONTRIBUTIONS AND GIFTS.

"(a) GENERAL RULE.—In the case of an individual who elects to have this section apply for the taxable year, there shall be allowed as a credt against the tax imposed by this chapter for the taxable year an amount equal to 50 percent of the aggregate qualified charitable contributions paid during the taxable year.

"(b) LIMITATIONS.—

"(1) MAXIMUM CREDIT.—The credit allowed by subsection (a) to a taxpayer for the taxable year shall not exceed $500 ($1,000 in the case of a joint return under section 6013).

"(2) APPLICATION WITH OTHER CREDITS.—The credit allowed by subsection (a) for the taxable year shall not exceed the tax imposed by this chapter for the taxable year reduced by the sum of the credits allowable under a section of this part having a lower number or letter designation than this section (other than the credits allowable by sections 31, 39, and 43).

"(c) QUALIFIED CHARITABLE CONTRIBUTION DEFINED.—The term 'qualified charitable contribution' means any amount which would (but for subsection (d)) be allowable as a deduction under section 170 (determined without regard to subsection (b) of such section).

"(d) DENIAL OF DEDUCTION.—Any charitable contribution paid by the taxpayer during a taxable year for which this section applies shall not be taken into account by the taxpayer under section 170 (relating to charitable, etc., contributions and gifts) for any taxable year.

"(e) ELECTION.—The election under subsection (a) shall be made at such time and in such manner as the Secretary may by regulations prescribe."

(b) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) The table of sections for such subpart A is amended by inserting after the item relating to section 44C the following new item:

"Sec. 44D. Credit for charitable, etc., contributions and gifts."

(2) Subsection (h) of section 170 of such Code (relating to disallowance of deduction in certain cases) is amended to read as follows:

"(h) DISALLOWANCE OF DEDUCTIONS IN CERTAIN CASES.—

"(1) For disallowance of deductions for contributions paid during taxable years for which credit is elected for such contributions, see section 44D(d)."

(2) Subsection (b) of section 6096 of such Code (relating to designation of income tax payment to Presidential Election Campaign Fund) is amended by striking out "44B and 44C" and inserting in lieu thereof "44B, 44C, and 44D".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1978.●

LEGISLATION TO PRESERVE INTENT OF CONGRESS WITH RESPECT TO FEDERAL FUNDS FOR INTERSTATE HIGHWAY PROJECTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. HOWARD) is recognized for 5 minutes.

● Mr. HOWARD. Mr. Speaker, I am introducing a bill today to preserve the intent of Congress with respect to expenditures of Federal funds for Interstate highway projects which are terminated.

Specifically, it is intended to clarify the fact that the Department of Transportation lacks statutory authority for its new regulations exempting States from requirements to reimburse the Treasury for Federal expenditures made in connection with certain projects.

This issue is not new to Members who served in the 95th Congress. Last year, with enactment of Public Law 95-599, the Surface Transportation Assistance Act of 1978, we relieved the States of payback requirements provided that the rights-of-way originally acquired for the interstate project later terminated were converted to such alternative uses as public conservation or recreation areas, transportation projects or other purposes in the public interest.

But we carefully limited the provision, contained in section 107(f), to those projects which had already been withdrawn prior to the date of enactment of the act, November 6, 1978.

Less than 2 weeks later, ignoring existing law, long-standing policy and the explicit statements of intent by the managers of the 1978 act, DOT chose to rely instead on an OMB circular dealing with disposition of surplus property and rushed out final regulations prohibiting payback in the case of projects withdrawn in the future.

I will not rehash the issue; it has been debated for years, and the Congress has acted. This bill should be passed promptly in defense of sound, congressionally enacted policy and of the principle that the laws of the United States are written by the Congress of the United States and not the Department of Transportation or the Office of Management and Budget.

I urge Members to support the bill, which I suspect may reach the floor pretty early in this session.●

LEGISLATION ASSURING THAT VA REMAIN THE SINGLE ONE-STOP SERVICE AGENCY FOR VETERANS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. ROBERTS) is recognized for 5 minutes.

● Mr. ROBERTS. Mr. Speaker, today, I am introducing a bill, along with the distinguished ranking minority member of the full committee, the Honorable JOHN PAUL HAMMERSCHMIDT of Arkansas, which would assure that the Veterans' Administration remain the single one-stop service agency for veterans and their survivors.

There has been what seems to me to be a concentrated effort on the part of the General Services Administration to force the Administrator of Veterans' Affairs to transfer operations of the Veterans' Administration Records Processing Center at St. Louis, along with millions of active and potential claims files, to the jurisdiction of that agency. The bill is a very simple one. It would require that the Administrator maintain jurisdiction over and custody of all veterans records which are first, active or second, can reasonably be assumed will become active. It would in no way change the present operation of the agency and would permit continued transfer of closed files to the various Federal record centers for storage once further veterans benefits were no longer payable.

This is important since the Veterans' Administration has a unique ability to render the services necessary for the folders now at the Records Processing Center. These folders have been defined as the less active folders, yet hundreds of calls are made daily requiring reference to the folders to establish entitlement to urgently needed hospital care, eligibility for burial in national cemeteries, and expedited transfer of folders to regional offices for processing of claims for new or increased benefits.

Mr. Speaker, at the time this records processing center was established in the mid-1950's and the records were for the first time permanently transferred away from local regional offices, the national veterans' service organizations were promised that any needed information would only be a telephone call away from a responsible and responsive VA employee. To give custody of these records to an agency which, in the past, has not been known for its efficiency and responsiveness, would not only break faith with commitments made in the past but would be a giant step toward destruction of the "one-stop agency" concept long recognized by the Congress and cherished by all concerned with service to this Nation's veterans.

I have monitored the progress of the talks between the Administrator and the General Services Administration, and I must tell you that I am not satisfied with the discussions thus far. If we do not have a firm commitment from the Administrator soon, I can assure the Members of the House that the Committee on Veterans' Affairs will report this measure to the House without delay. This matter is vitally important to veterans and their dependents who must rely on the delivery of timely benefits and services.

H.R. —

A bill to amend title 38, United States Code, to provide that the records of all active or potentially active claims for benefits under laws administered by the Veterans' Administration shall be maintained by the Administrator of Veterans' Affairs

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 3 of title 38, United States Code, is amended by inserting after section 236 the following new section:

"§ 237. Records Processing Center

"(a) There is in the Veterans' Administration a Records Processing Center. The Administrator shall maintain in the Records Processing Center the records of all claims for benefits under laws administered by the Veterans' Administration that (1) are not maintained in the Central Office or regional offices or other field offices of the Veterans' Administration, and (2) are currently active claims or could reasonably be anticipated to become active claims. The Administrator shall by regulation prescribe standards to be followed in determining whether a claim for benefits is currently active or could reasonably be anticipated to become active. Notwithstanding any other provision of law, records of any claim determined by the Administrator pursuant to such regulations to be a currently active claim or a claim that could reasonably be anticipated to become active may not be transferred out of the jurisdiction of the Administrator.

"(b) Records of any claim for benefits under laws administered by the Veterans' Administration determined by the Administrator pursuant to such regulations to be neither a currently active claim nor a claim that could reasonably be anticipated to become active may be transferred to the Administrator of General Services pursuant to law.".

SEC. 2. The table of sections at the beginning of chapter 3 of title 38, United States Code, is amended by inserting after the item relating to section 236 the following new item:

"237. Records Processing Center.".●

JUDICIAL TENURE ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. PEASE) is recognized for 5 minutes.

● Mr. PEASE. Mr. Speaker, the functions of the Federal judiciary in our constitutional government are critical. The power residing in the Justices of the Supreme Court and the Federal judges is great. The importance of the independence and integrity of the Federal judiciary cannot be overestimated. The size of the Federal judiciary has far outgrown that contemplated by the Founding Fathers. And there exists a compelling need to reinforce public confidence in the character and the professional conduct of Federal judges.

All of these factors point toward the need for legislation to establish within the judicial branch of government a system for dealing with allegations of misconduct or disability among Federal judges.

I venture to guess that most of us at one time or another have heard from disgruntled constituents, litigants and attorneys concerning Federal judges. For lack of anywhere else to file their complaints, they come to us. Today I am introducing a bill that would fill this void by creating a system whereby allegations about Federal judges could be filed with a responsible, judicial body that has both the means and the ability to investigate and take appropriate action.

Briefly, this bill establishes a procedure within the Federal judiciary for investigating and resolving allegations that a Federal judge is not conforming to "good behavior" or is suffering from a permanent mental or physical disability that seriously interfers with the performance of his official duties. This is accomplished through two-tiered judicial disciplinary system which investigates and takes appropriate action on complaints filed against a judge of the United States. Allegations could only be considered if they related to the conduct or condition of a judge which are connected with the judicial office or which prejudice the administration of justice by bringing the judicial office into disrepute. Complaints filed by persons unhappy with a judge's procedural rulings or stemming from personal disagreements with the merits of a judge's decision could not be considered.

An investigation of a complaint against a judge could result in the involuntary retirement, removal, or censure of the judge or the dismissal of the complaint.

There is a school of thought which contends that Federal judges can only be removed from office by impeachment for "bribery, treason, or other high crimes and misdemeanors." On the other hand, a competing school of thought argues that the "good behavior" clause of article III, section 1 of the Constitution needs to be defined by law so as to provide supplementary grounds for removing Federal judges from office.

Much scholarly debate has centered on these divergent constitutional interpretations. Ample historical and legal precedents have been cited in defense of each interpretation. Now is the time for the Congress to give thoughtful consideration to the approach provided in this bill as a way of establishing the constitutional parameters under which the conduct and conditions of Federal judges can be evaluated. The public is criticizing the Federal judiciary as never before, so the need for arriving at a delineation of the constitutional standard of "good behavior" is greater now than ever before.

Personally, I am persuaded there are strong arguments in defense of the constitutionality of this bill. It does not undermine the separation of powers doctrine, in my opinion, since that doctrine refers to the independence of the judiciary as an institution from the two other branches of government. It does not refer to the independence of judges from their peers. After all, under the procedures established in this bill, judges suspected of misconduct or disability would be judged by other Federal judges.

The bill is also practical. The system that would be established for handling allegations of misconduct or disability among Federal judges parallels those already in use in 47 States, the District of Columbia, and Puerto Rico.

In introducing this bill today, I hope to elicit support from my colleagues for what I feel is a responsible approach to coping with a growing public concern. I also hope this bill will encourage the House Judiciary Committee to come to grips in this 96th Congress with several issues related to judicial conduct and disability.●

PARTIAL PUBLIC FINANCING OF HOUSE GENERAL ELECTIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. MIKVA) is recognized for 5 minutes.

● Mr. MIKVA. Mr. Speaker, it is my honor today to introduce on behalf of myself and 131 of my colleagues on both sides of the aisle H.R. 1, a bill to provide partial public financing of House general elections.

This bill, Mr. Speaker, is the product of many years of effort. It contains what we believe are the best elements of previous proposals introduced by Representatives JOHN ANDERSON, THOMAS FOLEY, BARBER CONABLE, MORRIS UDALL, PHILLIP BURTON, and FRANK THOMPSON, JR., plus many new features.

Basically, the system we are proposing is similar to the Presidential primary public financing system which has proved so effective. The proposal would authorize matching of small contributions up to $100 and would provide a ceiling on the overall amount of money a candidate could spend. The bill would cover House general elections only beginning in 1980.

Since the measure is similar to bills we missed considering by only 17 votes last session, I will not spend time now reviewing the various provisions but will insert a summary of the measure at the end of my remarks. Instead, Mr. Speaker, I would like to focus my remarks on the need for this legislation.

A Democratic Study Group of campaign reports filed with the Federal Election Commission by 180 candidates in 90 races shows an astronomical increase in spending for congressional elections.

The Democratic Study Group study indicates that nearly half of these candidates—80 or 44 percent—spent more than $200,000 in 1978. That represents a 300 percent increase over 1974 when only 20 candidates spent in excess of $200,000.

Similarly, the number of candidates spending more than a quarter of a million dollars on their campaigns rose from 8 in 1974 to 46 in 1978—an increase of 475 percent.

And where it was unheard of in 1974 to spend more than a half million dollars on a House race, 6 candidates exceeded that amount in 1978. In fact, the biggest spender in 1978 spent $1.3 million in an unsuccessful effort to win election to the House.

The following table shows the increase in heavy spending over the past three elections:

Total spending

	Over $200,000	Over $250,000	Over $500,000
1974	20	8	0
1976	32	15	3
1978[1]	80	46	6

[1] 1974 and 1976 data covers all 435 House races. 1978 data covers only 90 races. Thus when all 435 House races are in, the increase in spending will be even more dramatic.

The above data clearly shows that campaign spending is out of control—and this fact alone warrants enactment of public financing legislation because that is the only way, in light of the Supreme Court verdict, that we can impose a ceiling on campaign spending.

There is another compelling reason for enactment of this legislation which is the disturbing increase in the role of special interest groups in financing our elections.

We have all read the rash of newspapers stories since the November elections noting the massive increase in special interest money in the 1978 elections.

While complete data will not be available for some time yet, it is clear that the amount of special interest money in the 1978 campaigns set an all-time record, and that the amount of such money poured into House campaigns alone has tripled or quadrupled in the past two elections.

Not only are candidates becoming more dependent on such funds to finance their campaigns, there is a growing perception that such money unduly influences legislative decisions with the result that both individual Members and Congress as an institution are being tarnished by our present system of financing campaigns.

An illustration of the increased role of special interest funds can be seen in a Democratic Study Group survey of 130 candidates in 65 races; 60 of these candidates—(52 incumbents and 8 nonincumbents)—also ran 2 years ago. The comparison between the amount of special interest PAC money these 60 candidates received in 1976 and the amount they received in 1978 is dramatic:

In 1976, 60 candidates received an average of $41,000 each in special interest PAC funds; in 1978 they received an average of $56,000 each—an increase of $15,000 per candidate or 37 percent.

The same pattern holds up when one compares the top 25 recipients of special interest funds 2 years ago with the top 25 recipients in 1978. The top 25 in 1976 received an average of $75,000 each in special interest contributions while the top 20 in 1978 received an average of $90,000 each.

Mr. Speaker, there is nothing we can do about the increasing role of special interest money until we provide some alternative source of funds for candidates to finance their campaigns—and that is one of the prime purposes of public financing. The measure we are proposing would establish a mixed system of public, private, and party financing of House general elections.

Public financing would enhance the importance of contributions from individual citizens on the local level, while reducing the need for candidates to depend on big money contributions from Washington based special interest groups and other out-of-State sources.

At this point, Mr. Speaker, I would like to insert a summary of the provisions of H.R. 1:

SUMMARY OF H.R. 1

PARTIAL PUBLIC FINANCING JANUARY 1979

1. Coverage and Effective Date.—Covers House general elections only, beginning in 1980.

2. Spending Limitations.—Limits overall spending to $150,000 plus 20% for fundraising and 10% for one mailing within the district. Also prohibits candidates from using more than $25,000 in personal funds.

3. Matching Funds.—Authorizes payments to candidates to match contributions of $100 or less received during the election year. The aggregate of matching fund payments to a candidate could not exceed 40% of the spending ceiling. Also, at least 80% of the contributions used for matching purposes must come from persons who reside in that state.

4. Eligibility Requirement.—Requires candidates who wish to receive matching funds to sign an agreement within 10 days after being nominated for election that they will comply with the $25,000 personal funds limit and the $150,000 overall spending limit. Candidates also would be required to apply for $1,000 in matching funds at this point in order to make the agreement binding in the eyes of the court.

5. Payment Procedure.—Provides a simplified procedure for obtaining matching payments in order to reduce the FEC's administrative burden and to expedite payments to candidates within 48 hours after making proper application. All payments except the last would be made in increments of $10,000. In other words, a candidate would be required to raise $10,000 in small contributions in order to receive each $10,000 matching payment. After each general election, the FEC would conduct an examination and audit of the campaign accounts of 10% of the eligible candidates who are selected by means of a scientific statistical method of random selection. An examination and audit also would be conducted whenever the commission, by a vote of four members, determines there is reason to believe a violation may have occurred.

6. Protection Against Excessive Spending By Non-Participants.—If a candidate does not opt into the public financing system and then spends more than $25,000 in personal funds or more than $75,000 overall, the spending limit is removed for the opposing candidate(s) who is participating in the public financing system and the opposing candidate is eligible to receive additional matching funds.

7. Protection Against Excessive Independent Expenditures.—If the aggregate of independent expenditures and internal communication expenditures against a candidate exceed $33,000, the spending limit is waived for that candidate.

8. Rules for Handling Matching Funds.—All matching funds must be deposited in a separate checking account which shall contain matching fund payments only, and all expenditures shall be by check drawn on that said account. Matching funds may only be used to defray campaign expenses for the general election in which they were received, and all matching funds unexpended 60 days after the election must be refunded to the U.S. Treasury.

9. Prohibitions.—Matching fund payments may not be made to any candidate who is unopposed. Also, matching funds may not be used to repay loans or to make payments to the candidate, the candidates immediate family or to any organization 10 percent of which is owned by the candidate or members of his immediate family.

10. Financing.—Matching fund payments would be derived from the same source as for Presidential election financing—the voluntary dollar check-off on federal income tax returns. Funds would not come from general revenues. Public financing of House elections is expected to cost about $25 million per year.

SPONSORS OF H.R. 1—PARTIAL PUBLIC FINANCING

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Mr. D'Amours, Mr. Daschle, Mr. Dellums, Mr. Dicks, Mr. Dixon, Mr. Donnelly, Mr. Dougherty, Mr. Downey, Mr. Drinan, Mr. Eckhardt, Mr. Edgar, Mr. Edwards of California, Mr. Fascell, Mr. Fazio, Mrs. Fenwick, Mr. Fisher, Mr. Flood, Mr. Foley, Mr. Ford of Tennessee, Mr. Garcia, Mr. Gephardt, Mr. Gilman, Mr. Giaimo, Mr. Glickman, Mr. Gore, Mr. Green, Mr. Gudger.

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THE MARTIN LUTHER KING, JR., NATIONAL HOLIDAY BILL

The SPEAKER. Under a previous order of the House, the gentleman from Michigan (Mr. CONYERS) is recognized for 60 minutes.

Mr. CONYERS. Mr. Speaker, today is the 50th anniversary of the birthdate of Martin Luther King, Jr. The passing of time ordinarily has a way of tarnishing or weakening the memory of even the greatest leaders, events, and institutions in public life. Such has not been the case with Dr. King. Indeed, in the history of our Nation he is one of a very few national leaders for whom affection, respect, and devotion have grown with the passing of time.

The affection and respect with which he is held owes to a great many qualities: his unshakable faith in human beings; his extraordinary steadiness of character, self-discipline, and self-denial; his dreams and vision of brotherhood and peace, justice and freedom. He was, of course, a deeply religious man, the son and grandson of two prominent ministers at whose church he too became a minister. He was a precocious student in the public schools of Atlanta, and was a lifelong student of theology, at Atlanta's Morehous College, the Crozer Theological Seminary in Chester, Pa., at Harvard and the University of Pennsylvania, and at Boston University where he completed his work as a doctor of philosophy.

He was also, of course, an exceptional political leader, in the Birmingham movement of 1963 to end legal segregation which culminated in the 1964 Civil Rights Act; the Selma movement, which resulted in the 1965 Voting Rights Act; numerous crusades of conscience in Montgomery and elsewhere to end segregation in public places, overcome discrimination in housing, and to win a better life for, and bring dignity to, the poor. Martin Luther King, Jr., was awarded the Nobel Peace Prize in 1964—only the third black person, twelfth American, and the youngest person ever to win it. He was, needless to say, one of America's greatest orators, yet he always remained a man of the people.

The combination of these qualities in any one of us would, of course, entitle us to recognition and respect. Yet Dr. King's greatness was more than the sum-total of his qualities of courage, eloquence, moral character, and even wisdom. I suspect that even greater than these qualities was his boundless hope in people, in America, and in the world. No obstacles could distract him from his sense of hope. In this he touched the sympathies of a whole people—and, indeed, the world—that for much of human history has lived tragically without much or any hope. "This is our hope. This is the faith that I go back to the South with," Dr. King declared 15 years ago on the steps of Lincoln's Memorial:

> With this faith we will be able to hew out of the mountain of despair a stone of hope. With this faith we will be able to transform the jangling discords of our nation into a beautiful symphony of brotherhood. With this faith we will be able to work together, to pray together, to struggle together, to go to jail together, to stand up for freedom together, knowing that we will be free one day.

This anniversary, then, is not merely the observance of a single man, however great the moral force of his character and however vast the imprint he left on the history of the world. It is, after all, a celebration of his vision, of his hope for us becoming better human beings and creating a better world, which we all share in, and aspire to, as human beings. This observance celebrates the extent to which he transformed a Nation—and, indeed, the world—through action upon his ideals, and for this reason his example grows stronger with each passing year.

Nearly 11 years have passed since Dr King's tragic assassination in Memphis. In this period of time hundreds of States, cities, and institutions across the Nation have made his birthdate a time of formal observance. What remains to be done is to make Dr. King's birthday a national holiday to permit the Nation as a whole to commemorate his life and to reflect upon, and rededicate itself to, the ideals that he lived and gave his life for.

It remains for us and future generations to complete his great work. It has become a matter of urgency to infuse once again this Nation, especially its young, with a sense of hope and the sense of responsibility to improve its life, at a time when so many individuals are filled with confusion, disbelief, indifference, and despair. For these and other reasons a national holiday on Dr. King's birthday would be the most appropriate way to restore hope and rededicate the Nation to his ideals.

Each year following his death I have introduced a bill to designate Dr. King's birthday a national holiday. In the 95th Congress, 104 Members from both parties cosponsored the Martin Luther King, Jr. national holiday bill. This year, in the 96th Congress the bill will be reintroduced in the House, and Senators EDWARD M. KENNEDY and BIRCH BAYH will introduce an identical bill in the Senate, which already has won considerable support. Speaking in Atlanta on Sunday, January 14, 1979 President Jimmy Carter strongly endorsed the legislation and voiced the hope that before years' end he would be able to sign it into law.

The text of the Martin Luther King, Jr. national holiday bill follows:

H.R. —

A bill to designate the birthday of Martin Luther King, Jr., a legal public holiday

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (a) of section 6103 of title 5, United States Code, is amended by inserting immediately below "January 1, New Year's Day." the following:

"January 15, the birthday of Martin Luther King, Junior.".

Mr. Speaker, I yield now to the chairman of the Committee on the Judiciary, the distinguished gentleman from New Jersey (Mr. RODINO).

Mr. RODINO. Mr. Speaker, I am pleased to join with my distinguished colleague, a Member of the Committee on the Judiciary, the Honorable JOHN CONYERS, in this effort to bring about a national holiday, a public legal holiday honoring the memory of a man to whom America owes such a debt of gratitude for bringing to us, with his great courage and his wisdom and his enlightened teaching, a new sense of conscience in America.

Mr. Speaker, Martin Luther King would have been 50 years old today if he had not been senselessly gunned down in Memphis 11 years ago. He was the leader of a movement toward social justice that has spread to all corners of the Earth.

It is long overdue for the Congress to officially recognize the tremendous contributions which Dr. King made to our society. I believe that 1 day a year should be set aside in his honor. That is why I am introducing legislation to make January 15 a legal, public holiday for all Americans.

This day will provide a time for all Americans to reflect on the meaning of the civil rights movement in the past and in the present. Dr. King's dream has not been totally realized, but his example provides us with the inspiration to continue his fight for an America where all citizens are equal under the law and enjoy equal opportunity.

A national holiday is most appropriate for this great modern patriot of the Republic. The social and political advancements enjoyed by numerous minority groups in America today are results of Dr. King's dedication, leadership and ultimate sacrifice.

Mr. Speaker, the American people can fulfill his legacy and our own ideals by paying respect to his memory. I am very pleased by President Carter's support for this legislation and I urge my colleagues to join in this effort to honor Dr. King.

Mr. CONYERS. Mr. Speaker, I yield to my friend and colleague, the gentleman from California (Mr. DELLUMS).

Mr. DELLUMS. Mr. Speaker, I join with my colleagues today in paying tribute to Dr. Martin Luther King, Jr. We are here to commemorate what would have been his 50th birthday. He was a man whose struggle for peace and justice not only reached black America but America as a Nation.

Walking in the light of such world peace leaders as M. K. Gandhi, Dr. King's meritorious actions for peace earned him respect and admiration the world over. His attainment of the Nobel Peace Prize in 1956 was an indication to the world of Dr. King's goals and aspirations for all humankind.

Although his assiduous call for peace, freedom, and equality was prematurely interrupted by an act of violence, we cannot afford to let the call for the realization of equality in America go unheeded. We must rededicate ourselves to the principles Dr. King articulated, and construct our efforts to incorporate these principles into American life.

In closing, Mr. Speaker, I would like to say that although we make mention of Dr. King's greatness, we have failed to put it in the perspective in which it belongs. We have failed to make the date of his birth a national holiday. This is not only an injustice to the human being that Dr. King was, but an injustice to those who carry on his struggle.

Mr. CONYERS. Mr. Speaker, I yield now to a member of the Committee on the Judiciary, the distinguished gentleman from Ohio (Mr. SEIBERLING).

Mr. SEIBERLING. Mr. Speaker, I thank the gentleman and commend him for his initiative in introducing again this resolution, which I hope this Congress will put into law, to make Dr. King's birthday a national holiday. I can think of no private citizen for whom this tribute is more appropriate than Dr. Martin Luther King, one of the truly great Americans of this century.

I have a personal feeling about it, because it was 9 years ago today that I chose to announce that I was going to be a candidate for election to the Congress of the United States.

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I chose that day advisedly because it conveyed, I thought, a message as to the kinds of causes and the kinds of values I wanted to be identified with.

Dr. King was not only a great champion of equal human rights for all people but he was also a strong opponent of the Vietnam war. While we still have a long way to go on equal rights, Congress has a strong record of constructive legislation in that field. And Congress did, though belatedly, measure up to its responsibilities and legislated an end to our involvement in the Vietnam war.

Dr. King also stood for making human needs the first priority of our society. In one statement of his which quoted in my release 9 years ago, he said that our country had a shameful order of priorities, in which human needs were placed behind the demands the military-industrial complex and the needs of the poor and the weak were placed below the demands of powerful interests in this country. In this respect, the Congress has yet to measure up to the proper order of priorities.

Now we have a new Congress, which is going to be faced with the most severe budgetary constraints we have seen in decades. As a result, we are going to be tested as never before as to what our priorities are. When the rumors have it that the executive branch is going to recommend a budget in which social programs are cut across the board and the military budget is increased, then I can only ask my colleagues to compare that with the order of priorities that the great

Martin Luther King would have urged us to follow and take heed of his words.

Mr. Speaker, the distinguished gentleman from Michigan (Mr. Conyers) has never ceased speaking and working for the values and the goals exemplified by the life and the teachings of Martin Luther King. We are indebted to him for reminding us that Dr. King's life has continued significance for all who believe in freedom, equality, peace, nonviolence, and a humane society. We need this national holiday to help all people to renew their commitment to the principles for which Dr. King lived and died.

Mr. CONYERS. Mr. Speaker, the utterances of the gentleman from New Jersey (Mr. Rodino), the gentleman from California (Mr. Dellums), and the gentleman from Ohio (Mr. Seiberling), I think, indicate the great feeling that has really been carried on by many millions of Americans who have lo all these years since 1968 been celebrating Dr. King's birthday.

Fifteen States now regularly observe Martin Luther King's birthday as a holiday, as well as scores of cities. This is an incredible phenomenon in the wake of the usual experience that with a hero, after years pass, the celebration of his memory understandably becomes weaker and weaker. That has not been the case with the subject of our instant motion or resolution here. Indeed, ironically and wonderfully, the support for Dr. King grows each year, and now it seems to me in this 96th session of Congress the time has come, the anvil is hot, and I urge all my colleagues to join in supporting this historic resolution.

● Mr. FORD of Tennessee. Mr. Speaker, today, Dr. Martin Luther King, Jr., would have celebrated his 50th birthday had he not met with his untimely death in Memphis.

The ideals that Dr. King stood for, supported, and lived by are ideals which we must not only remember, but also fight for in 1979. Dr. King sought justice for black Americans and worked for peace and against poverty on behalf of all. He had dreams that one day all of us would be able to live as one Nation, under God. He had dreams that one day, there would truly be liberty and justice for all. And, he had dreams that one day everyone would realize that the progress of America is reflected in the progress of each group and individual within it.

As we commemorate the significance of this day, I want you to know that I am remembering Dr. King not only by embracing his philosophy in the Congress, but also as I cosponsor legislation to make his birthday a national holiday.

We must let the Nation and the world know that on this date and everyday, we have not and will not forget the struggle of Dr. King. We as Americans must let the meaning of Dr. King's life continue to touch every city, every town, and every heart because Dr. King's work did exactly that.

No, his struggle has not ended with his death. It is only just begun.

So, today—let us pledge ourselves as the governing body of this land—to support my colleague from Missouri, Congressman Clay, who introduced an overdue measure to make January 15 a national holiday honoring a great American.●

● Mr. RANGEL. Mr. Speaker, it is with a sense of history and great pride that I rise on this day to commemorate the birthday of Dr. Martin Luther King, Jr.

Today marks what would have been the 50th birthday of Dr. King, a great American and leader, who made many contributions to this country and world. He left us all too soon. Had not an assasin's bullet deterred his life, he would still be here today to champion the social causes to which he was so committed. It is, indeed, a great tradegy that he is gone, but for us he is still cherished and remembered.

I urge all Americans who believe in freedom, justice, equality, and human dignity to pay homage and tribute to this distinguished American who gave his life to achieve these goals for all mankind, and to remind them of the profound love and national pride that was associated with his life.

Dr. King's strong commitment to his religion gave him the strength and courage to seek that which was wrong and make it right. For those efforts he became a deserving recipient of the 1964 Nobel Peace Prize. He was not only a civil rights leader of black America, but a universal leader for the human rights of all oppressed people—regardless of race, color, creed, sex, religion, or national origin.

As this day also marks the beginning of the 96th Congress, I urge my brothers and sisters of this body, while they are examining the Federal budget for 1980, not to preclude support for those social causes and programs for which this great man so diligently worked and to continue the American dream for all Americans in the spirit of Dr. Martin Luther King, Jr.●

● Mr. CLAY. Mr. Speaker, today marks the opening session of the 96th Congress and the anniversary of the birth of one of America's greatest black leaders, the late Dr. Martin Luther King, Jr. Americans will always remember Dr. King as the man who translated impossible dreams into living realities. He was a man of the people who devoted his life to improving the lives of his brothers and sisters. A pioneer in his mission, Dr. King was a spokesman for the millions of poor and disadvantaged American citizens at a time when helping the unfortunate was not yet a popular or fashionable cause. Dr. King's work inspired a great awakening in the United States. His achievements shook our Nation and the world.

With courage, dignity, a singlemindedness of purpose and a deep faith, Martin Luther King, Jr., struggled throughout his entire adult life to achieve equality and justice for all Americans, whether blacks in the South, Puerto Ricans in New York, poor whites in Appalachia, or Chicanos in the West. Dr. King dedicated his life to removing all vestiges of racism, discrimination, and inequality wherever they might exist, and by enlightening all elements of American society, he sought to reorder and redirect this Nation's priorities to achieve that wonderful dream of which he so eloquently spoke.

When Dr. King left our world, he left us a legacy. He left us with a new direction, he articulated our goals, and, perhaps most importantly, he crystalized in a movement the ideas of millions of individual Americans.

As we join today in commemorating this noble man, it is my privilege to share with my colleagues a poem, written by Mr. Bolden Lawson of Memphis, Tenn., which I feel captures the spirit of compassion and concern which characterized the life of the late Dr. Martin Luther King, Jr.

We Will Never Forget You, Dr. Martin Luther King

(By Bolden E. Lawson, Mar. 29, 1978)

Born, in Atlanta, Ga. Jan. 15th, nineteen hundred and twenty nine,
A year, when the depression, stopped the hands of time.
It was a time, when people, stood in soup lines to eat,
Eating out of garbage cans, many had no place to sleep.
Insufficient clothes to wear, people begged, in the streets,
No jobs, no money, some had no shoes, to wear on their feet.
Martin, with a message, into this world, you would bring,
We will never, forget you, Mr. Martin Luther King.

Not born of the rich, to your mission, you engaged,
Enrolled in public school, because God, had set the pace.
Entered, Morehouse College, to obtain, a higher degree,
Attended, the Crozel Theological Seminary, to learn God's decree.
Went to Boston University and the University of Pennsylvania too,
Received your Doctors, from Harvard, but the final test, was not yet, though.
Oh Martin, you never realized, this world could be so mean,
We will never, forget you, Mr. Martin Luther King.

You took a ride, for freedom, on a Montgomery, Alabama bus,
To rid the nation, of prejudice, racism, that had segregated us.
When bombing, burning, plagued city's, day and night,
Nonviolence, you preached, upholding the battle of freedom, was your fight.
Simplicity and valor, steadfast you held, the world would confess,
And deep down, in our hearts, Martin, you are not dead yet.
Until this earth, passes away and there not a robin, left to sing,
We will never, forget you, Mr. Martin Luther King.

The march on Washington, in 1963, lingers still in our minds,
Your speech near the Lincoln Memorial was right on time.
Winning the Nobel Peace Prize, in nineteen hundred and sixty four,
There was so many people, that felt, you was moving too slow.

Your deep rooted dream, is embedded, in the minds of all people,
Holding these truths to be self evident, that all men, are created equal.
This land of liberty, my country, tis of thee, of freedom, we sing,
We will never, forget you, Mr. Martin Luther King.

Giving your life, for the people you led, I have a dream, you said,
A forever whispering wind, whisper's, your dream, is not yet, dead.
Dreaming of a land, where all people, could live in harmony.
A world in which we live, where all men, could be free.
Dream's never dreamt, where Blacks and Whites walk hand in hand,
Where peace, love and freedom, reign, through out the land.
Deserving honors fit for a king, you left a record, spotless and clean,
We will never, forget you, Dr. Martin Luther King.

In Memphis, Martin, you made your last and final stop,
On the balcony, of the Lorraine Motel, the whole world, heard a shot.
I am not afraid, Martin, you said, for I have seen, the promise land,
And the whole world knows, that you was, a God fearing, humble man.
The freedom bell, is ringing, in every city and every State,
Blacks and Whites, Jews and Gentiles, Protestants and Catholics, its not too late.
Let's join in, the people spiritual, free at last, let us all sing,
We will never, forget you, Dr. Martin Luther King.

I would also like to take this opportunity to join my colleagues on the Congressional Black Caucus and urge the 96th Congress to pass the legislation introduced by Representative JOHN CONYERS to make January 15 a national holiday in tribute to the late, great Dr. Martin Luther King, Jr.●

● Mrs. CHISHOLM. Mr. Speaker, on this 15th birthday of our great leader, Rev. Martin Luther King, Jr., it is appropriate that we pause and take stock of the progress this country has achieved toward meeting the objectives to which Dr. King dedicated his career and life.

Largely due to the efforts of Dr. King and his followers, the Nation can take comfort in the fact that some of the more obvious forms of discrimination such as the legal restrictions enshrined in the Jim Crow Laws have now been eliminated from our system of justice. Indeed, Dr. King's valiant efforts to secure and protect the rights belonging to blacks and other minorities by virtue of their citizenship in this country have in most instances been acknowledged by the courts. In principle, blacks can now vote in our public elections, serve on juries, frequent theatres, restaurants and hotels of our choice, ride passenger trains; and we are no longer compelled to serve in segregated military units. At the same time that we acknowledge these important political and social gains, we must also candidly admit that the full promise of Dr. King's dream of total emancipation of his race has not been achieved in any meaningful way.

The legacy of the forced segregation of the races and centuries of unequal treatment is evident in almost every aspect of American life today.

Ten years after the Kerner Commission report which identified the causes of racial unrest in this country, we must sadly acknowledge that black youngsters today continue to have a life expectancy which is shorter by more than 5 years than that of a white child. The mother of a black child is over three times more likely to die of complications of childbirth, and the infant mortality rate for blacks is nearly twice that for whites. In terms of income, the average black family earns only 60 percent of the median salary of a white family; and the percentage of blacks who live in families with incomes below the poverty line is nearly four times greater than that of whites.

I am certain that Dr. King would be outraged by the unemployment situation confronting our community in 1979. Like Dr. King, I am especially sensitive to the bleak occupational prospects for black and other minority youth. We know for example, that the unemployment rate of black teenagers has swelled to upward of 35 percent nationally. In some instances, our young people must face the prospect of never gaining access to the labor market—not because these youth are not eager to obtain jobs but because they lack the education and skills necessary to compete with their more affluent peers for the limited number of positions available.

The relationship between these shocking statistics and the history of unequal treatment afforded to the Afro-American cannot be denied. Consistent with the spirit and thrust of Dr. King's deep commitment to the poor people of this Nation. We must rededicate ourselves to identify and implement stategies which begin not only to address the problems of inflation but also, and perhaps more importantly, formulate bold and creative solutions which respond to the acute needs of blacks, unemployed teenagers, and other victims of racial oppression.

Just today, I listened to the words of Dr. King, as just before his untimely death, he spoke out against the move afoot in America to retreat from our constitutional commitment to equality of opportunity. Dr. King spoke of our Constitution as a promisorial note which serves as a strong guarantee of an equal opportunity to live the American dream. As leaders of our Government, we cannot allow America to default on this note by retreating from the pursuit of equal opportunity. Too many of my colleagues have found it fashionable to attack affirmative action and other instruments for acquiring access and opportunity. Before we can attack instruments for change, such as affirmative action, we should look at the manifestations which this terrible history of discrimination has taken. I hope that as we move into the 96th Congress, my colleagues will remember that although we live in a period which seeks to limit Government and spending, we also serve in a constitutional democracy, and we have an obligation to form a more perfect society. This will not be done by balancing the budget on the backs of America's poor.

Obviously the problems we face have no easy answers, but they also will not be solved by pursuing the course of benign neglect. Many of the inequities in this society which Dr. King so eloquently dramatized still exist. I pray that as a body we will move to address these inequities forthrightly, and that we not attempt to ignore the turmoil which swells in the disadvantaged communities of this Nation.

Let me conclude my remarks by urging each Member of this body to support the bill introduced by Mr. CONYERS to designate January 15, Dr. King's birthday, a national holiday. Those of us who were among the 104 cosponsors of this legislation in the 95th Congress have sought passage of this bill to enable citizens to engage in activities on this day which symbolize the high ideals to which Dr. King dedicated his life's work. I know that this legislation has the President's endorsement, and I sincerely hope that now—a decade after the tragic events in Memphis—we will finally pass this bill.

● Mr. ADDABBO. Mr. Speaker, today we honor the birthday of a great American, the late Dr. Martin Luther King. Except for the assassin's bullet, who destroyed this good man in the prime of his life, Dr. King would be with us today on this, his 50th birthday.

Many of us in this Chamber have cosponsored legislation which would commemorate Dr. King's birthday as a national holiday. I would hope that this legislation might pass this House in the months to come because I believe it is in the national interest to always remember this man who taught all of us the true meaning of brotherhood and who set for the Nation the example of what nonviolent protest can accomplish.

To aid my colleagues, I ask unanimous consent to include in the RECORD an article from today's issue of the New York Times which sums up well, I believe, the meaning of Dr. King's life.

Remembering Martin Luther King

Many Americans today commemorate the 50th birthday of the late Martin Luther King, principal spokesman for the civil rights movement until his assassination in 1968. That movement has been transformed in the years since his death.

The venerable National Association for the Advancement of Colored People is struggling financially and has been forced to cut programs and dismiss 10 percent of its staff. The Congress of Racial Equality, far removed from its nonviolent tradition, is in trouble with the law. When members of the Southern Christian Leadership Conference, the group Dr. King headed for many years, protested Federal budget cuts yesterday as President Carter received the Martin Luther King award in Atlanta, it was the first word from them in a long time. Most civil rights groups are struggling to exist; only the Urban League, which has never relied on mass action seems intact.

It is as if the bullet that struck Martin Luther King had ricocheted through his movement. But it was not Dr. King's passing that caused the disarray. In a sense, the movement is the victim of its own success.

An expanded black middle class has emerged and its members are moving up in corporations, Government and the professions. Blacks are voting in larger numbers—though still less than whites—and winning important offices. Marion Barry, a militant activist in the 1960's, was inaugurated this month as mayor of the nation's capital. There are now black mayors in six major cities; 17 blacks sit in Congress and others hold statewide office. They are displacing leaders who emerged more informally through church and protest groups.

Not long ago, the victims of racial discrimination could turn for aid only to organized civil rights groups. Now, Government has become a major advocate for minorities. Race relations in the urban South have progressed to the point where they are as good—or poor—as those elsewhere.

Blatant acts of racism and violence have all but vanished, and so have their conspicuous advocates—the Bull Connors who provided the easy targets for organizing resistance and remedy. For many of these reasons, as William Wilson, a sociologist, argues in "The Declining Significance of Race," civil rights groups can no longer expect broad support for racial appeals.

Yet, for all the progress, black family income was 59 percent of that of whites in 1976, about where it was in 1970. The economic problems reflected in such figures are more intractable than segregated lunch counters. No one knows how to deal with the hardcore underclass in the inner city. Black unemployment is still twice the national average, and unemployment among urban minority youths is around 40 percent.

And despite impressive political victories, blacks are insufficiently represented in proportion to their numbers. Moreover, some gains of the earlier period are being eroded by inflation and by the fight against it. In city after city the poor, including many blacks, are being asked for disproportionate sacrifices to save the economy. There is growing belief in black America that race relations are deteriorating under the economic strain.

The movement that Martin Luther King led can claim enormous progress toward his dream of a new racial order in America. But the challenge for his successors is how to consolidate those gains and to attack the many surviving problems caused by racism. It is worth remembering what genius it took to rally so many divergent forces to a common purpose.

—ROBERT CURVIN.●

● Mr. STEWART. Mr. Speaker, I am pleased to join in the recognition of the anniversary of Dr. Martin Luther King's birthday. Half a century after this great leader's birth it is appropriate to remind our Nation of this prophet's still unfulfilled dream.

On August 28, 1963, Dr. Martin Luther King addressed over 200,000 people who gathered in the largest civil rights demonstration in the history of the United States.

Near the end of the March on Washington he delivered at the Lincoln Memorial what is perhaps the greatest speech in the entire civil rights movement.

The "I Have a Dream" speech echoed the Bible, the Constitution, and the national anthem. It gathered and welded together the urgent aspirations which Dr. King shared so deeply with our people. He assured the multitude of pilgrims that the prophecy of equality and freedom for all would yet come true.

Now over 10 years after Dr. King's death, some elements of the dream which he projected are beginning to become fulfilled. We have seen great progress toward achieving open housing, equal opportunity, voting rights, and recognition of our black heritage.

Yet today much still remains to be done to fulfill the dream. The most pressing problems facing this country's black and minority population concern unemployment and poverty. Without jobs and income we cannot achieve economic equality.

Too few young Americans know much about Dr. King and his life's work as a leader, a Nobel Peace Prize winner, a prophet, and a friend of all humanity.

Observing his birthday as a Federal holiday would stimulate schools, community and civic organizations, and individuals to discover his unique and invaluable contribution to American life. It would encourage everyone to examine and respect Dr. King's quest for justice and his vision of equality.

Honoring Dr. King by establishing his birthday as an official national holiday would give renewed official emphasis and commitment to fulfilling his dream.

When the dream becomes reality and the pledge of America's promised equality is finally made good, then and only then will all Americans be free.

On that day, Dr. King declared, both blacks and whites, people of all religions and all races, will have been emancipated. And on that day, then we all will sing, "Free at last! free at last! thank God Almighty, we are free at last!" ●

LEGISLATION TO INCREASE FEDERAL SHARE OF WELFARE COSTS

(Ms. HOLTZMAN asked and was given permission to extend her remarks at this point in the RECORD and to include extraneous matter.)

● Ms. HOLTZMAN. Mr. Speaker, I am today introducing a bill to increase the Federal takeover of State welfare costs. This bill will require the Federal Government to pay 75 percent of the total costs incurred by each State and will thus provide much needed aid to financially hard-pressed State and local governments.

Although welfare payments for the needy is a national problem and the cost of dealing with it should quite properly be borne by the Federal Government, the Federal Government pays different amounts of welfare costs in different States. Thus, the Federal Government pays only 49 percent of welfare costs in my own State of New York, but pays almost 83 percent of the welfare costs in Mississippi. This disparity is grossly unfair and places a disproportionate burden on the taxpayers in low-reimbursement States such as New York.

My bill will equalize Federal payments at 75 percent of the cost. This will mean for most States a substantial increase in Federal help for welfare payments. New York State, for example, would gain an additional $400 million a year from the Federal takeover of welfare alone. In addition, cities and counties will also gain significantly. New York City, for example, would receive an additional $150 million a year; Nassau County would receive $20 million.

The long-term effect of the 75 percent Federal reimbursement is that jobs will be saved and police, fire, education, and other vital services will be maintained. In addition, State and local taxes will be minimized.

Mr. Speaker, the time has come for the Federal Government to assume a larger share of the burden it has imposed on State and local governments. Although I believe the Federal Government should pay for 100 percent of welfare costs, this bill is an important first step toward achieving this goal.

The text of the bill follows:

H.R. —

A bill to amend title IV of the Social Security Act to increase the minimal Federal matching rate under the aid for families with dependent children program to 75 percent

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Increased Federal Share of Welfare Costs Act of 1979".

SEC. 2. (a) Section 403(a) of the Social Security Act (42 U.S.C. 603(a)) is amended—

(1) by striking out "October 1, 1958" in the matter preceding paragraph (1) and inserting in lieu thereof "October 1, 1979";

(2) by striking out paragraphs (1) and (2) and inserting in lieu thereof the following:

"(1) in the case of any State, an amount equal to 75 per centum of the total amounts expended during such quarter as aid to families with dependent children under the State plan (including expenditures for premiums under part B of title XVIII for individuals who are recipients of money payments under such plan and other insurance premiums for medical or any other type of remedial care or the cost thereof); and";

(3) by amending paragraph (3) to read as follows:

"(3) in the case of any State, an amount equal to 75 per centum of the total amounts expended during such quarter as found necessary by the Secretary of Health, Education, and Welfare for the proper and efficient administration of the State plan, except that no payment shall be made with respect to amounts expended in connection with the provision of any service described in section 2002(a)(1) of this Act other than services the provision of which is required by section 402(a)(19) to be included in the plan of the State; and";

(4) by amending paragraph (5) to read as follows:

"(5) in the case of any State, an amount equal to 75 per centum of the total amount expended under the State plan during such quarter as emergency assistance to needy families with children."; and

(5) by striking out "or (2)" in the sentence following paragraph (5).

(b)(1) Section 403(d)(1) of such Act (42 U.S.C. 603(d)(1)) is amended by striking out "subparagraph (A) of".

(2) Section 409(b) of such Act (42 U.S.C. 609(b)) is amended by striking out "and (4)".

(c) The amendments made by subsections (a) and (b) shall apply to amounts expended, under a State plan approved under part A of title IV of the Social Security Act, on and after October 1, 1979.●

AMENDING RULEMAKING PROCEDURES FOR FEDERAL COURTS

(Ms. HOLTZMAN asked and was given permission to extend her remarks at this point in the RECORD and to include extraneous matter.)

● Ms. HOLTZMAN. Mr. Speaker, today I am introducing a bill to amend the rulemaking procedures for the Federal courts. By amending the Rules Enabling Act, this bill seeks to insure that Federal court rules, which critically affect the rights of our citizens, will receive careful consideration and reflect public participation.

Under present law, Federal court rules are supposedly promulgated by the Supreme Court. Such rules then go into effect automatically unless Congress, by statute, changes them. In fact, the Supreme Court does not fashion the rules. Instead, they are promulgated by the advisory committees of the Judicial Conference, a group composed of Federal judges. The Supreme Court does little more than rubberstamp the rules proposed by the Conference.

Justice Douglas said of the process in his dissent to the Federal Rules of Evidence:

> (T)his Court does not write the Rules, nor supervise their writing nor appraise them on their merits, weighing the pros and cons . . . Those who write the Rules are members of a Committee named by the Judicial Conference. The members are eminent; but they are the sole judges of the merits of the proposed Rules, our approval being merely perfunctory. In other words, we are merely the conduit to Congress. Yet the public assumes that our imprimatur is on the Rules, as of course it is.

Another problem occurs under the present system. Even though the Supreme Court does not deliberate on the rules, the fact that it approves them means that the Court is then placed in the awkward positions of deciding on their validity when the rules are challenged in a particular case.

Furthermore, the rules which come to the Supreme Court for approval have often not been as good as they could be. One reason is that the Judicial Conference drafts rules without the benefit of widespread comment by the bar and interested public. The advisory committees to the Judicial Conference, which do the actual drafting, are often made up of law professors and appelate judges. They do not include enough experienced trial lawyers or represent an adequate cross-section of interests.

The Judicial Conference generally adopts rules behind closed doors. It does not have published procedures. Until recently, no public hearings were held and the record of advisory committee votes on particular rules and dissenting views were never made public.

The best evidence of the inadequacy of the rulemaking procedure is that four times in the last 5 years the Congress has had to step in and revise the proposed rules.

Under the present system, however, it is difficult for Congress to block the rules. Unless it passes a statute within 90 days, the rules go into effect automatically. This means that bad rules can go into effect by default if both Houses cannot agree, or one House fails to act or the President refuses to sign the bill. The burden should not be on Congress to stop bad rules but on the proposers to show the rules are good.

My bill would reform the present rulemaking procedures. First, it would take the rulemaking power away from the Supreme Court which does not exercise that power anyway. Second, it would give the responsibility for proposing rules to the Judicial Conference which does exercise that power now.

In addition, my bill would open up the process by which the Judicial Conference adopts rules so that the rules promulgated will have the benefit of widespread comment from the bar and the public. Specifically, the bill would require that the Judicial Conference establish regular procedures—through publication in the Federal Register—for promulgating rules. It would further require that when the Judicial Conference decides to consider rules changes that it publish 90 days before their formal consideration, a list of the changes under consideration and the issues raised by such changes in the Federal Register and Federal Rules Decisions.

The Judicial Conference would be required to seek affirmatively wide-ranging comment from the public and the bar, receive written comments, and hold public hearings on rule changes. It would then be required to publish a record of the votes taken within the Conference on particular rules and publish any dissenting views.

Finally, the bill provides that rules promulgated by the Judicial Conference would not go into effect until approved by the Congress.

The bill, in my judgment, will substantially improve the quality of the rules promulgated for Federal courts and relieve Congress of its present burden of preventing the damage that ill-considered rules could cause.

The text of my bill follows:

H.R. —

A bill to amend the provisions of title 18 and 28 that are commonly called the Rules Enabling Acts to provide a uniform method for the proposal and adoption of certain rules of court by the Judicial Conference, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Rules Enabling Act Amendments Act of 1979".

CRIMINAL CASES

SEC. 2. Chapter 237 of title 18 of the United States Code is amended to read as follows:

"Chapter 237.—RULES OF CRIMINAL PROCEDURE

"Sec.
"3771. Power of Judicial Conference.
"3772. Effect of laws and prior rules.
"3773. Manner of prescribing rules.
"3774. Effect of rules.

"§ 3771. Power of Judicial Conference

"(a) The Judicial Conference of the United States shall have the power to prescribe, from time to time, rules of pleading, practice, and procedure with respect to any or all proceedings, before or after verdict or otherwise, in criminal cases and proceedings to punish for criminal contempt in the United States district courts, in the district courts for the Districts of the Canal Zone and the Virgin Islands, in the Supreme Court of Puerto Rico, in proceedings before United States magistrates, in the United States courts of appeals.

"(b) This section does not give the Judicial Conference the power to abridge the right of the accused to apply for withdrawal of a plea of guilty, if such application is made not later than the tenth day after the date of entry of such plea, and before sentence is imposed.

"(c) Rules prescribed under subsection (a) of this section shall not abridge, enlarge, or modify any substantive rights and shall preserve the right to trial by jury as at common law and as declared by the Constitution of the United States.

"§ 3772. Effect of laws and prior rules

"(a) The right of appeal shall continue in those cases in which appeals are authorized by law, but the rules made under this chapter may prescribe the times for and the manner of taking appeals, preparing records and bills of exceptions, and the conditions on which supersedes or bail may be allowed.

"(b) Nothing in this title in any way limits, supersedes, or repeals any such rules prescribed by the Supreme Court of the United States before the date this subsection takes effect.

"§ 3773. Manner of prescribing rules

"Rules prescribed under this chapter shall be prescribed in the same manner as rules prescribed under chapter 131 of title 28.

"§ 3774. Effect of rules

"The Judicial Conference may fix the extent to which rules prescribed under this chapter shall apply to proceedings pending on the date such rules take effect.".

CASES OTHER THAN CRIMINAL CASES

SEC. 3. Chapter 131 of title 28 of the United States Code is amended—

(1) in section 2071, by striking out "Supreme Court." and inserting in lieu thereof the following: "Judicial Conference of the United States under an Act of Congress.";

(2) by striking out section 2072 and all that follows through section 2076 and inserting in lieu thereof the following:

"§ 2072. Power of Judicial Conference

"(a) The Judicial Conference of the United States (hereinafter in this chapter referred to as the 'Judicial Conference') shall have the power to prescribe from time to time, by general rules—

"(1) the pleading, practice, and procedure of the district courts and courts of appeals of the United States in civil actions, including admiralty and wartime cases, and appeals in such cases;

"(2) the pleading, practice, and procedure in proceedings for the review by the courts of appeals of decisions of the Tax Court of the United States;

"(3) the pleading, practice, and procedure for the judicial review of or enforcement of orders of administrative agencies, boards, commissions, and officers;

"(4) the practice and procedure under the Bankruptcy Act; and

"(5) rules of evidence, in the form of amendments to the Federal Rules of Evidence.

"(b) Rules prescribed under subsection (a) of this section shall not abridge, enlarge, or modify any substantive rights and shall preserve the right of trial by jury as at common law and as declared by the seventh amendment to the Constitution.

"§ 2073. Effect of prior rules

"Nothing in this title in any way limits, supersedes, or repeals any such rules prescribed by the Supreme Court of the United States before the date this section takes effect.

"§ 2074. Manner of prescribing rules

"(a) The Judicial Conference shall publish from time to time in the Federal Register a description of the procedures the Judicial Conference adopts with respect to the functions of prescribing rules under this chapter. Such procedures shall be in conformity with this section. The Judicial Conference shall also submit such description to any appropriate private publishers of regularly issued materials published for the legal community for inclusion in such materials.

"(b) The Judicial Conference shall publish in the Federal Register, and submit to private publishers as described in subsection (a) of this section, not later than ninety days before the date on which formal consideration is to be given to a proposed rule under this chapter, a notice of such proposal, including a list of issues that the proposal raises and any copy of the proposal, if such copy is then available. No rule that concerns an issue to be listed under this subsection shall be adopted by the Judicial Conference until after such issue is listed in such list and such list has been published in accordance with this subsection and furnished in accordance with subsection (c) of this section.

"(c) The Judicial Conference shall seek comment on the proposal from a wide variety of persons and organizations that may be affected by the adoption of the proposal. The Judicial Conference shall in addition furnish to the extent practicable the notice list, and copy required by subsection (b) of this section to organizations representing those segments of the legal community that are concerned or have in the past indicated a concern with matters the proposal affects, and to an appropriate committee of each House of Congress.

"(d) The Judicial Conference shall accept and consider timely written comments on such proposals. The Judicial Conference shall hold hearings (and maintain available to the public a transcript of such hearings) on matters before it for consideration under this chapter.

"(e) The number of votes in favor of and opposing the adoption of a rule that is adopted by the Judicial Conference shall be recorded and published in the Federal Register and submitted to private publishers as described under subsection (a) of this section together with the adopted rule, any dissenting views submitted in a timely fashion, and an explanation of why such rule was adopted and why any changes were made if such changes were made to the rule as proposed by an advisory committee.

"(f) Rules adopted under this chapter shall not take effect until they have been approved by Act of Congress.

"§ 2075. Effect of rules

"The Judicial Conference may fix the extent to which rules prescribed under this chapter shall apply to proceedings pending on the date such rules take effect.";

and

(3) so that the table of sections reads as follows:

"Sec.
"2071. Rulemaking power generally.
"2072. Powers of Judicial Conference.
"2073. Effect of prior rules.
"2074. Manner of prescribing rules.
"2075. Effect of rules.".●

LEGISLATION TO CLOSE LOOPHOLE IN EQUAL PAY ACT

(Ms. HOLTZMAN asked and was given permission to extend her remarks at this point in the Record and to include extraneous matter.)

● Ms. HOLTZMAN. Mr. Speaker, I am introducing legislation today to plug a loophole in the Equal Pay Act that allows unjustifiable wage discrimination.

Six years ago a Federal appeals court construed the Equal Pay Act to permit an employer to pay different salaries to men and women even though they perform the same services. The court allowed salesmen who sold men's clothes to be paid higher salaries than saleswomen who sold women's clothes in the same store.

In permitting this discrimination, the court relied on an exception to the Equal Pay Act, which does not mandate equal pay when "based on any other factor than sex." The "other factor" here was the claim that the sale of men's clothing was more profitable than the sale of women's clothing. The Supreme Court refused to review the case.

I believe this interpretation of the "other factors" clause is an unwarranted departure from the purpose of the Equal Pay Act, which is to mandate equal pay for equal work. It allows wholesale sex discrimination in wages, simply on the assertion of vague, hard-to-ascertain "business reasons."

I therefore, propose in my bill to narrow the "any other factor" provision by specifically excluding profitability as a factor upon which employers can base a wage differential between employees. My bill would, however, retain the other exceptions to the Equal Pay Act which permit wage differentials based on merit or seniority systems, measures of quantity and quality of production, or other factors not based on sex. Thus, employers would remain free to establish reasonable, work-related, or seniority based pay scales.

Discrimination in wage practices is one of the fundamental abuses that must be ended in order to secure equal treatment for women in America. Women now make up more than 40 percent of the work force. Yet in the retail sales industry, for example, female retail sales workers earned only 51.9 percent of what male retail sales workers made, as of late 1974. By limiting the other factor provision in the Equal Pay Act, we can help these women achieve the economic equality that is long overdue.

I urge my colleagues to support this important legislation.

The text follows:

H.R. —

A bill to amend the Fair Labor Standards Act of 1938 to narrow the circumstances under which an employer employing employees subject to that Act may have wage differentials based on sex of the employees

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Equal Pay Reform Act of 1979".

Sec. 2. Section 6(d) (iv) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(d) (1) (iv) is amended by striking out "other factor other than sex" and inserting in lieu thereof "other factor (other than sex), but economic profitability, to the employer, of goods produced, handled, sold, or otherwise worked on in such jobs shall not be such a factor".●

LEGISLATION TO ELIMINATE CREDIT REDLINING ON BASIS OF GEOGRAPHY

Ms. HOLTZMAN asked and was given permission to extend her remarks at this point in the Record and to include extraneous matter.)

● Ms. HOLTZMAN. Mr. Speaker, today I am introducing a bill that would put an end to present practice of credit redlining on the basis of geography. It would insure that consumer credit is not withheld from creditworthy people merely because of where they live.

A newspaper recently reported that a Detroit couple, with an annual income of $50,000, was denied a gasoline credit card, because they live in an older section of the city. It is intolerable that individuals, otherwise eligible for credit, are denied credit just because they live in a particular city neighborhood that a bank or credit card company does not like.

Credit redlining on a geographic basis is discriminatory and unfair. In addition, consumer credit redlining, like mortgage and insurance redlining, undermines efforts to keep our cities alive.

My bill which amends the Equal Credit Opportunity Act, would halt consumer credit redlining by prohibiting the denial of consumer credit on grounds of geography. The Equal Credit Opportunity Act now prohibits credit discrimination on the basis of race, color, religion, national origin, sex, marital status, age, receipt of welfare funds, or the exercise of any right under the Equal Credit Opportunity Act.

My legislation would help insure that people are not arbitrarily denied consumer credit. It would require that applicants for credit be judged on their merits and not on the discriminatory criterion of geographic location. I urge prompt passage of my bill.

The text follows:

H.R. —

A bill to amend the Equal Credit Opportunity Act to prohibit discrimination against any applicant for credit on the basis of the geographical location of the applicant's residence

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 701(a) of the Equal Credit Opportunity Act is amended by striking out "or" at the end of paragraph (2) thereof, by striking out the period and inserting "; or", and by inserting at the end thereof the following:

"(4) on the basis of the geographical location of the applicant's residence (other than any extension of credit which is secured by real property which is the applicant's residence).".●

FEDERAL GRAND JURY PRACTICE REFORM

(Ms. HOLTZMAN asked and was given permission to extend her remarks at this point in the Record and to include extraneous matter.)

● Ms. HOLTZMAN. Mr. Speaker, today I am introducing legislation to reform several serious problems related to Federal grand jury practice.

At present, there are no specific limits on the length of time a person can be imprisoned for refusing to answer questions posed by the grand jury. If held in civil contempt, a witness may be imprisoned for the life of a grand jury—up to 18 months. Moreover, when the grand jury's term expires, nothing prevents the witness from being resubpenaed before a new grand jury, questioned again, and subjected to another 18-month period of imprisonment.

Significantly, a judge acting alone cannot imprison a witness for criminal contempt for more than 6 months. My bill brings civil contempt in line with criminal contempt and limits imprisonment to 6 months. It also prohibits reimprisoning a witness for refusing to answer questions for which he has already been held in civil contempt and imprisoned.

A second major problem is that courts are provided no standards upon which to decide the place of imprisonment for contempt of a Federal grand jury. Because a person can be subpenaed to appear before a Federal grand jury anywhere in the United States, he can be imprisoned for civil contempt far from his family, home, or attorney. This has caused some extraordinarily harsh results in the past. For example, in the case of the Fort Worth Five, five New York residents were summoned to testify before a Federal grand jury in Fort Worth, Tex. These men were held in contempt and imprisoned in Texas for almost a year and a half. Since the families of all five men and their principal attorney were in New York, imprisonment in Texas posed a serious problem. My bill permits a witness held in civil contempt to apply for a transfer of his place of imprisonment on a showing of hardship.

Furthermore, a person held in civil contempt is sometimes incarcerated in State prisons or county jails. These jails are often substandard. My bill requires that, unless a witness consents, imprisonment must be in a Federal facility.

Although many other major reforms have been suggested with respect to Federal grand jury proceedings, I suggest we begin by correcting the problems I have outlined above.

The text of my bill follows:

H.R. —

A bill to amend titles 18 and 28 of the United States Code to provide that an individual appearing before certain grand juries can be imprisoned for contempt for no more than 6 months, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Civil Contempt Reform Act of 1979".

SEC. 2. Section 1826 of title 28, United States Code, is amended to read as follows:

"§ 1826. Recalcitrant witnesses

"(a) (1) Whenever a witness in any proceeding before or ancillary to any court or grand jury of the United States refuses without just cause shown to comply with an order of the court to testify or provide other information, including any book, paper, document, record, recording, or other material, the court, upon such refusal and after a hearing at which the witness may be represented by counsel, may, if the court finds that such refusal was without just cause, hold the witness in contempt and order the witness to be imprisoned.

"(2) Any imprisonment for refusal to give testimony or provide information pursuant to this subsection shall be at a Federal correctional institution unless the witness agrees to confinement at a non-Federal institution designated by the Attorney General.

"(3) Upon a showing of need or hardship, the court ordering such imprisonment may grant a request by the witness to be imprisoned at a suitable correctional institution near the place of residence or employment of the witness or the witness' family or relatives or the attorney of the witness.

"(4) Any imprisonment for refusal to give testimony or provide information pursuant to this subsection shall continue until such time as the witness is willing to give such testimony or provide such information except that no period of such imprisonment shall exceed the lesser of—

"(A) (i) in the case of a court proceeding, the life of the court proceeding before which such refusal to comply with the court order occurred, or

"(ii) in the case of a grand jury, the term of the grand jury, including extensions, before which such refusal to comply with the court order occurred; or

"(B) six months.

"(5) No hearing shall be held under this subsection unless ten days' notice is given to the witness who has refused to comply with the court order under this subsection, except that a witness subpenaed for a trial may be given a shorter notice of not less than five days if the court, upon a showing of special need, so orders.

"(b) No person imprisoned under this section for refusal to testify or provide other information concerning any transaction, set of transactions, event or events may be again imprisoned under this section or under section 401 of title 18, United States Code, for a subsequent refusal to testify or provide other information concerning the same transaction, set of transactions, event, or events.

"(c) Any person confined pursuant to subsection (a) of this section shall be admitted to bail or released in accordance with the provisions of chapter 207 of title 18, United States Code, pending the determination of an appeal taken by such person from the order of imprisonment, unless the appeal is patently frivolous. If the person has not been released on bail or otherwise released, any appeal from an order of imprisonment under this section shall be disposed of as soon as practicable, pursuant to an expedited schedule, and in no event more than thirty days from the filing of such appeal. If the appellate court shall fail to dispose of the appeal of a person who remains confined within thirty days, the person shall automatically be released on his or her personal recognizance pending disposition of the appeal.

"(d) In any proceeding conducted under this section, counsel may be appointed in the same manner as provided in section 3006A of title 18, United States Code, for any person financially unable to obtain adequate assistance.

"(e) A refusal to answer a question or provide other information before a grand jury of the United tSates shall not be punishable under this section or under section 401 of title 18, United States Code, if the question asked or the request for other information is based in whole or in part upon evidence obtained by an unlawful act or in violation of the witness' constitutional rights or of rights established or protected by any statute of the United States.".

SEC. 3. (a) Chapter 21 of title 18, United States Code, is amended by adding at the end thereof the following new section:

"§ 403. Refusal of a witness to testify in a grand jury proceeding

"No person who has been imprisoned or fined by a court of the United States under section 401 of this title for refusal to testify or provide other information concerning any transaction, set of transactions, event, or events in a proceeding before a grand jury (including a special grand jury summoned under section 3331 of this title) impaneled before any district court of the United States may again be imprisoned or fined under section 401 of this title or under section 1826 of title 28, United States Code, for a subsequent refusal to testify or provide other information concerning the same transaction, set of transactions, event, or events.".

(b) The table of sections for chapter 21 of title 18, United States Code, is amended by adding at the end thereof the following new item:

"403. Refusal of a witness to testify in a grand jury proceeding.".●

UNSPENT GOVERNMENT APPROPRIATIONS

(Ms. HOLTZMAN asked and was given permission to extend her remarks at this point in the RECORD and to include extraneous matter.)

● Ms. HOLTZMAN. Mr. Speaker, as a member of the House Budget Committee, I have become extremely concerned about the growing size of the appropriations which are not spent by Federal departments and agencies. These unspent or "unobligated balances" will total almost $47 billion by the end of fiscal year 1979, an amount greater than the estimated Federal budget deficit.

Today I am introducing a bill that will enable Congress to reduce these unspent balances. My bill requires the President in his budget to describe his efforts to reduce unobligated balances. Congressional committees must provide the Budget Committees with an accounting of the unobligated balances resulting from their budgetary recommendations and what they have done to reduce these balances. In connection with the first concurrent resolution, the House and Senate Budget Committees must also report on the unobligated balances and what steps have been taken to cut them.

These procedures should help reduce unobligated balances. The President and the congressional committees are required for the first time to focus on the problem; in addition they must propose solutions.

Unobligated balances occur throughout the Government. The Department of Defense, for example, is expected to have at least $21 billion in unobligated funds by the end of fiscal year 1979 (almost half the Federal total of unobligated balances). In addition, these Defense Department balances have been increasing each year. In 1972 they were $12 billion; in 1979 they are expected to soar to $21 billion, an increase of 75 percent.

Other Federal agencies are also guilty. By the end of fiscal year 1979, the Department of Energy is expected to have unobligated balances of more than $13 billion and the Department of Transportation more than $7 billion.

If the integrity of the budget process is not to be undermined, agencies' annual requests must be based on realistic assessments of what they can obligate in that year and they must be required to spend their appropriations in a timely manner. In addition, we must insist that these agencies and departments spend what they have previously requested before coming to the Congress for additional funds.

During last year's debate on the second concurrent resolution for fiscal year 1979, I offered an amendment that would have reduced unobligated balances by 10 percent. Although I subsequently withdrew my amendment, because it would have imposed serious practical difficulties on the appropriations process, it received strong bipartisan support and represented an attractive and sensible approach to reducing waste in Federal spending.

This bill represents a further effort to cut down the massive size of unobligated balances and make our appropriations and budgetary process more responsible.

The text of the bill follows:

H.R.—

A bill to amend the Congressional Budget Act of 1974 to require that certain information with respect to unobligated balances of budget authority be included in the report accompanying the first concurrent resolution on the budget each year (as well as in the annual reports submitted by other committees to the Budget Committees of the House and Senate, and in the President's annual budget)

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 301(d) of the Congressional Budget Act of 1974 is amended—

(1) by striking out "and" at the end of paragraph (7);

(2) by redesignating paragraph (8) as paragraph (9); and

(3) by inserting after paragraph (7) the following new paragraph:

"(8) a statement of the steps that have been and will be taken (under the concurrent resolution and otherwise) to reduce unobligated balances of budget authority under Federal programs, and an estimate of the level of unobligated balances of budget authority that will exist under programs within each major functional category, at the end of the fiscal year to which the resolution relates, as a result of the recommendations contained in the resolution and the report; and".

Sec. 2. Section 301(c)(2) of the Congressional Budget Act of 1974 is amended—

(1) by inserting "(A)" before "the estimate"; and

(2) by inserting before the period at the end thereof the following: ", and (E) an estimate of the unobligated balances of budget authority that will remain at the end of the fiscal year beginning October 1 of such year under programs within the jurisdiction of such committee, an estimate of the extent to which those unobligated balances of budget authority will be greater or less than the unobligated balances of budget authority remaining under such programs at the end of the fiscal year during which the report is submitted, and a statement of what steps will be taken to reduce the unobligated balances of budget authority under such programs".

Sec. 3. Section 201(a) of the Budget and Accounting Act, 1921 (31 U.S.C. 11(a)), is amended—

(1) by striking out "and" at the end of paragraph (12);

(2) by striking out the period at the end of paragraph (13) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following new paragraph:

"(14) a statement of the steps which are being taken to reduce the unobligated balances of budget authority under programs within each major functional category.".

Sec. 4. The amendments made by this Act shall be effective January 1, 1980.●

PROTECTION OF SOCIAL SECURITY BENEFIT INCREASES

(Ms. HOLTZMAN asked and was given permission to extend her remarks at this point in the Record and to include extraneous matter.)

● Ms. HOLTZMAN. Mr. Speaker, I am introducing today a bill to insure that social security recipients do not lose benefits from federally assisted programs because of increases in social security payments.

Under present law, increases in social security benefits are counted as income for the purposes of participation in other Federal aid programs. Thus a person whose income increases as a result of higher social security benefits may lose entitlement to such programs as medicaid, public housing, and food stamps. Others may receive reduced supplemental security income benefits.

Because of this treatment, cost-of-living increases in social security benefits, which were intended to allow senior citizens to keep pace with today's rampaging inflation, will produce no additional income for many social security recipients, and will actually lower the income of some.

My bill would rectify this injustice by requiring both State and Federal agencies to disregard social security benefit increases for purposes of benefits under federally assisted programs. It would guarantee that social security recipients actually get the benefit increases to which they are entitled and which Congress intended.

We have seen too many instances in which the Federal Government gives benefits with one hand and takes them away with the other. I believe that when Congress provides increases in social security payments in order to help senior citizens cope with inflation it does not intend to see those increases nullified by reductions in other benefits. I urge my colleagues to support my bill so that America's elderly will not suffer further from this absurd inequity in the social security law.

The text of the bill follows:

H.R.—

A bill to amend the Social Security Act to make certain that recipients of supplemental security income benefits, recipients of aid to families with dependent children, and recipients of assistance or benefits under certain other Federal and federally assisted programs will not have the amount of such benefits, aid, or assistance reduced because of post-1974 increases in monthly social security benefits

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1612 of the Social Security Act (relating to supplemental security income benefits) is amended by adding at the end thereof the following new subsection:

"Special Rule for Social Security Benefit Increases

"(c) In determining the income of any individual (or his eligible spouse) who is entitled for any month to a monthly benefit under the insurance program established by title II of this Act, there shall be excluded any part of such benefit which results from (and would not be payable but for) a cost-of-living increase in benefits under such program occurring after 1974 pursuant to section 215(i) of this Act (regardless of any concurrent increase in the benefits payable under this title which may result from the operation of section 1617), or any other increase in benefits under such program, enacted after 1974, which constitutes a general benefit increase within the meaning of section 215(i)(3) of this Act.".

Sec. 2. Section 402 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"(d) In addition to the requirements imposed by subsection (a) as a condition of approval of a State plan for aid and services to needy families with children, there is hereby imposed the requirement (and the plan shall be deemed to require) that, in the case of any individual found eligible (as a result of the requirement imposed by this subsection or otherwise) for aid to families with dependent children for any month who also receives in such month a monthly insurance benefit under title II of this Act which is increased (or is greater than it would otherwise be) by reason of a cost-of-living increase in benefits occurring after December 1974 pursuant to section 215(i) or any other increase in benefits, enacted after December 1974, which constitutes a general benefit increase within the meaning of section 215(i)(3), the sum of the aid to families with dependent children received by him for such month, plus the monthly insurance benefit received by him in such month, shall not be less than the sum of—

"(1) the aid to familes with dependent children which would have been received by him for such month under the plan as in effect for December 1974, plus

"(2) the monthly insurance benefit which was or would have been received by him for December 1974, plus the amount by which such benefit (effective for months after December 1974) was or would have been increased by such cost-of-living increase or general benefit increase,

whether this requirement is satisfied by disregarding a portion of his monthly insurance benefit or otherwise.".

Sec. 3. (a) Subsection (g) of section 415 of title 38, United States Code, is amended by adding at the end thereof the following new paragraph:

"(4) In determining the annual income of any individual who is entitled to monthly benefits under the insurance program established under title II of the Social Security Act, the Administrator, before applying paragraph (1)(G) of this subsection, shall disregard any part of such benefits which results from (and would not be payable but for) a cost-of-living increase in benefits under such program occurring after 1974 pursuant to section 215(i) of the Social Security Act, or any other increase in benefits under such program, enacted after 1974, which constitutes a general benefit increase within the meaning of section 215(i)(3) of such Act.".

(b) Section 503 of title 38, United States Code, is amended by adding at the end thereof the following new subsection:

"(d) In determining the annual income of any individual who is entitled to monthly benefits under the insurance program established under title II of the Social Security Act, the Administrator, before applying subsection (a)(6) of this section, shall disregard any part of such benefits which results from (and would not be payable but for) a cost-of-living increase in benefits under such program occurring after 1974 pursuant to section 215(i) of the Social Security Act, or any other increase in benefits under such program, enacted after 1974, which constitutes a general benefit increase within the meaning of section 215(i)(3) of such Act.".

Sec. 4. Notwithstanding any other provision of law, in the case of any individual who is entitled for any month to a monthly benefit under the insurance program established by title II of the Social Security Act, any part of such benefit which results from (and would not be payable but for) a cost-of-living increase in benefits under such program occurring after 1974 pursuant to section 215 (i) of the Social Security Act, or any other increase in benefits under such program, enacted after 1974, which constitutes a general benefit increase within the meaning of section 215(i)(3) of such Act, shall not be considered as income or resources or otherwise taken into account for purposes of determining the eligibility of such individual or his or her family or the household in which he or she lives—

(1) for participation in the food stamp program under the Food Stamp Act of 1964, or for surplus agricultural commodities under any Federal program providing for the donation or distribution of such commodities to low-income persons,

(2) for admission to, occupancy of, or fixing or adjusting rent for low-income housing under the United States Housing Act of 1937, or

(3) for any other aid or assistance in any form under a Federal program, or a State or local program financed in whole or part with Federal funds (including the Federal-State programs of aid and assistance under titles I, X, XIV, and XVI of the Social Security Act where such programs are effective), which conditions such eligibility to any extent upon the income or resources of such individual, family, or household,

or for purposes of determining the amount or extent of such participation or such aid, assistance, or benefits.

Sec. 5. The amendments made by the first section of this Act shall apply with respect to benefits for months after the month in which this Act is enacted. The amendments made by section 2 of this Act shall be effective with respect to calendar quarters beginning on or after the date of the enactment of this Act. The amendments made by section 3 of this Act shall apply with respect to annual income determination made pursuant to sections 415(g) and 503 (as in effect both on and after June 30, 1960) of title 38, United States Code, for calendar years after 1974. Section 4 of this Act shall be effective with respect to benefits, aid, or assistance furnished after the month in which this Act is enacted.●

RENEWING THE COUNTERCYCLICAL REVENUE SHARING PROGRAM

(Ms. HOLTZMAN asked and was given permission to extend her remarks at this point in the Record and to include extraneous matter.)

● Ms. HOLTZMAN. Mr. Speaker, the countercyclical revenue sharing program has been one of the most important methods by which the Federal Government has provided fiscal relief to State and local governments that have been hard hit by high unemployment. I am introducing a bill today that will reauthorize this vitally needed program and will concentrate its benefits on those governments that need them most.

Because the countercyclical program expired in September 30, 1978, and was not extended in the last Congress, States and localities were denied Federal funds that were specifically designed to help them deal with high unemployment and soaring inflation.

Even worse, the Carter administration specifically instructed many cities to include these funds in their 1979 budget. New York City, for example, was told to expect $140 million for fiscal year 1979, and Buffalo was told to plan on over $3 million. Both cities counted on these funds in their fiscal plans and the failure to provide them created serious fiscal difficulties for these cities. If the administration believes it is important to fulfill the pledges it has made to foreign countries, it should also be steadfast in fulfilling the promises it made to our own cities.

My bill changes the old countercyclical program in one important respect: State and local governments with an unemployment rate of 6 percent or higher will continue to receive countercyclical revenue sharing funds regardless of the national unemployment rate. This will target the funds to those localities that continue to lag behind the country as a whole economically and will allow the aid to be used by those governments most in need. New York City will receive $60 million a year.

Significantly, the fiscal year 1979 congressional budget already includes $550 million for the countercyclical program. Thus, this bill, which costs $550 million, is in no way a "budget breaker."

It is important to put the relatively moderate cost of this vital program in perspective. The cost overrun of a single Trident submarine is $750 million—$200 million more than the entire countercyclical revenue sharing program. If we can afford to build a Trident, we can surely afford to save our cities.

The Federal funds added by my bill will save jobs and prevent reductions in police, fire, education, and other essential services. At a time when many of our cities, including New York, are experiencing serious fiscal difficulties, it would be irresponsible for the Federal Government to withhold this critical program.

I strongly urge my colleagues support for this important legislation.

The text of the bill follows:

H.R.—

A bill to amend title II of the Public Works Employment Act of 1976 to establish a supplementary antirecession fiscal assistance program for local governments suffering severe unemployment

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Section 1. This Act may be cited as the "Antirecession Supplementary Fiscal Assistance Amendments of 1979.".

Sec. 2. Section 201 of the Public Works Employment Act of 1976 (42 U.S.C. 6721) is amended by striking out "and" at the end of paragraph (6), by striking out the period at the end of paragraph (7) and inserting in lieu thereof "; and", and by adding at the end thereof the following new paragraph:

"(8) that a supplementary antirecession fiscal assistance program which aids local governments requiring fiscal relief constitutes an essential element of a sound Federal fiscal policy.".

Sec. 3. (a) The Public Works Employment Act of 1976 (42 U.S.C. 6721 et seq.) is amended by inserting after section 201 the following:

"Subtitle A—Antirecession Fiscal Assistance"

(b) Title II of the Public Works Employment Act of 1976 is amended by inserting after section 216 the following:

"Subtitle B—Supplementary Fiscal Assistance

"FINANCIAL ASSISTANCE AUTHORIZED

"Sec. 231. (a) In General.—The Secretary shall, in accordance with the provisions of this subtitle, make payments to local governments with unemployment rates above 6 percent.

"(b) Payments to Recipient Governments.—The Secretary shall pay, not later than 5 days after the beginning of each calendar quarter for which payments are authorized under subsection (a), to each local government which has filed a statement of assurances under section 205, an amount equal to the amount allocated to such government under section 232.

"(c) Authorization of Appropriations.—There are authorized to be appropriated for each of the first 8 calendar quarters beginning after September 30, 1978, $137,500,000, for the purpose of making payments to local governments under this subtitle.

"(d) Suspension of Assistance.—

"(1) Suspension.—If the average rate of unemployment for any local government is below 6 percent during a calendar quarter, no amount may be paid to that local government under this subtitle for the third calendar quarter of the 3-calendar-quarter period which begins with such calendar quarter, or for any subsequent calendar quarter.

"(2) Termination of suspension.—Amounts may be paid under this subtitle for any calendar quarter beginning after a calendar quarter for which payments are suspended under paragraph (1) and for which the average rate of unemployment for each local government equals or exceeds 6 percent.

"ALLOCATION OF SUPPLEMENTARY AMOUNTS

"Sec. 232. (a) Allocations to Local Governments.—

"(1) In general.—The Secretary shall allocate amounts appropriated under the authorization contained in section 231(c) an amount for the purpose of making a payment to each local government, equal to the sum of—

"(A) the total amount appropriated for the calendar quarter multiplied by the applicable local government percentage, and

"(B) any supplemental allocation under section 206.

"(2) Applicable local government percentage.—For purposes of this subsection, the local government percentage is equal to the percentage resulting from the division of the product of—

"(A) the local excess unemployment percentage, multiplied by

"(B) the local revenue sharing amount.

by the sum of such products for all local governments.

"(3) Special limitation.—If the amount which would be allocated for a calendar quarter to any unit of local government under this subsection is less than $100, then no amount shall be allocated for such unit of local government under this subsection for such quarter.

"(4) Supplementary antirecession fiscal assistance payment not in excess of $10,000 to be combined with general revenue sharing payment.—If the amount of any payment to be made under this subtitle to a unit of local government is not more than $10,000 for a calendar quarter, the Secretary shall combine the amount of such payment with the amount of any payment to be made to such unit under the State and Local Fiscal Assistance Act of 1972 (31 U.S.C. 1221 et seq.), and shall make a single payment to such unit at the time payments are made under that Act. Whenever the Secretary makes a single, combined payment to a unit of local government under this paragraph, he shall notify the unit as to which portion of the payment is allocable to amounts payable under this subtitle and which portion is allocable to amounts payable under that Act.

"(b) REALLOCATION OF UNDISTRIBUTED AMOUNTS.—If, for any calendar quarter, the amount appropriated under section 231(c) for payments to local governments exceeds the sum of the amounts payable to local governments because of the limitation contained in subsection (c)(3) or because of the suspension-of-payments requirements contained in subsection (c), then the Secretary shall reallocate the excess among local governments receiving payments for the calendar quarter and pay to each such local government an amount which bears the same ratio to the amount of the excess as the amount of the payment made to such government for the calendar quarter without regard to this subsection bears to the sum of the payments made to all local governments for the calendar quarter without regard to this subsection.

"(c) SUSPENSION OF PAYMENTS FOR LOW UNEMPLOYMENT.—

"(1) SUSPENSION.—No amount shall be paid to any unit of local government under the provisions of this section for any calendar quarter if the average rate of unemployment within the jurisdiction of such local government during the second most recent calendar quarter which ended before the beginning of such calendar quarter was equal to or less than 6 percent.

"(2) TERMINATION OF SUSPENSION.—Notwithstanding paragraph (1), amounts may be paid under this subtitle to any local government for which payments were suspended under paragraph (1) beginning with any calendar quarter following such suspension which follows a calendar quarter for which the average rate of unemployment within the jurisdiction of the local government exceeds 6 percent.

"(d) For purposes of this subtitle, each term used in this section which is defined or described in paragraph (3) of section which is defined or described in paragraph (3) of section 203(c) shall have the meaning given to it in that paragraph.

"APPLICATION OF CERTAIN SUBTITLE A PROVISIONS TO THIS SUBTITLE

"SEC. 233. The provisions of sections 204, 205, 207, 208, 210(b), 211, 212, 213, and 214 shall apply to funds authorized under this subtitle.".●

COMMITMENT OF CRIMINALLY INSANE IN FEDERAL SYSTEM

(Ms. HOLTZMAN asked and was given permission to extend her remarks at this point in the RECORD and to include extraneous matter.)

● Ms. HOLTZMAN. Mr. Speaker, today I am introducing a bill to authorize the commitment of the criminally insane in our Federal system. At the present time in Federal courts, once people are acquitted of a violent crime because of insanity, they still must be released even if they pose an imminent threat to the life or physical safety of others. My bill would plug up this serious loophole in our Federal criminal law.

Under my bill, people who have committed violent crimes and are found likely to commit other such crimes can be hospitalized and treated rather than being turned loose to harm others.

My bill also attempts to assure that the procedures for commitment in such cases are fair and just. Thus, it sets up a two-step hearing process. Once a person is acquitted of a violent crime on grounds of insanity, the judge must first hold a hearing to determine if the person poses a likely danger to the safety of others. To make such a determination, the court is required to appoint two professional examiners and the acquitted person is entitled to designate a third examiner of his choice.

If the court finds that the acquitted person poses a danger to society, a second hearing is held to determine the facility to which he will be committed and the appropriate treatment. At the hearings, the acquitted person is entitled to be represented by counsel, to call witnesses and to cross-examine them. His fifth amendment right against self-incrimination is preserved.

My bill has another unique feature designed first, to insure that the mental institution in fact provides treatment and second, to safeguard against dangerous or inhumane treatment. Specifically, my bill creates a commitment review committee—made up of lay and professional persons—to review the adequacy and appropriateness of the treatment. The review committee may, if it wishes, evaluate the treatment at the request of the person who is being committed; it must review the treatment in cases involving shock therapy, behavior therapy using aversive stimuli or psychotropic drugs.

This proposed legislation, I believe, strikes an appropriate balance between the need to protect society from the criminally insane who have committed violent crimes and are likely to commit violent crimes again and the rights of such persons to due process, fair procedures, and safe and adequate treatment.

It is important that Congress deal promptly with this serious problem and I would urge speedy and favorable consideration of this measure.

The text follows:

H.R. —

A bill to amend title 18, United States Code, to provide for cases of persons acquitted of certain Federal offenses by reason of insanity

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) title 18, United States Code, is amended by adding immediately after part V the following new part:

"PART VI.—PERSONS ACQUITTED OF SERIOUS OFFENSES ON THE BASIS OF INSANITY

"Sec.
"7001. Procedure on acquittal on the basis of insanity.
"7002. Examination of acquitted person.
"7003. Right to counsel.
"7004. Custody during examination period.
"7005. Examiners' reports.
"7006. Hearing on commitment.
"7007. Hearing on treatment.
"7008. Commitment Review Committees.
"7009. Report and hearing.
"7010. Privacy of records.
"7011. Prohibition of transfer to a penal institution.
"7012. Maximum period of commitment.
"7013. Definitions.

"§ 7001. Procedure on acquittal on basis of insanity

"(a) If in a court of the United States a person is found not guilty of a violent offense only because such person was insane at the time of the commission of such offense, the fact of such insanity shall be noted in the verdict and such person shall be subject to the procedures set forth in this part.

"(b) After judgment is entered upon a verdict containing a notation of insanity described in subsection (a), the court shall immediately order the acquitted person to be examined in accordance with this part.

"§ 7002. Examination of acquitted person.

"(a)(1) When the court issues an order under section 7001(b) with respect to an acquitted person, the court shall appoint two examiners to examine such person.

"(2) In addition to the two examiners appointed pursuant to paragraph (1), an acquitted person may be examined by any examiner chosen by such person. The fees and expenses of each such examiner shall be paid by such person.

"(3)(A) If the court determines that the acquitted person is financially unable to obtain an examiner under paragraph (2), the acquitted person may petition the court, not later than ten days after the date on which the court issues an order under section 7001 (b) with respect to that acquitted person, to appoint an examiner.

"(B) The court shall appoint an examiner designated by an acquitted person unless the court determines the appointment of such examiner would cause unreasonable delay or expense.

"(4) The court shall pay any expenses necessarily incident to an examination by an examiner appointed pursuant to paragraph (1) or (3).

"§ 7003. Right to counsel

"An acquitted person has the right to be represented by counsel at every stage of any proceeding conducted under this part. If such person is financially unable to obtain counsel, the court shall pay the fees of an appointed counsel and any expenses necessarily incurred by such appointed counsel incident to the representation of such person.

"§ 7004. Custody during examination period

"During the period beginning at the time the court issues an order under section 7001 (b) and ending at the time the hearing conducted in accordance with section 7006 is concluded, the acquitted person shall be confined to a mental treatment facility if—

"(1) the court determines that because of a mental disease or defect of such person, the release of such person is more likely than not to create a danger of bodily harm to other persons; or

"(2) such confinement for such period of time is necessary to conduct an examination authorized by this part.

"§ 7005. Examiners' reports

"(a) Each examiner appointed or chosen under section 7002(a) shall file with the court, and supply to such person or any attorney representing such person, a report satisfying the standards prescribed under subsection (b). An examiner shall file such report—

"(1) not more than thirty days after the date on which such examiner is appointed or chosen; and

"(2) not more than forty-five days after the date on which with respect to such person judgment is entered upon a verdict containing a notation described in section 7001(a).

"(b)(1) The examiner's report filed pursuant to subsection (a) shall be divided into two portions, each of which shall be separately sealed.

"(2) One portion of such report shall be designated as the commitment material and shall contain—

"(A) a summary of the techniques, processes, and tests used in examining and evaluating the acquitted person with respect to whom such report is filed; and

"(B) detailed findings with respect to the mental and emotional condition of such person and a description of the factual information upon which such findings are based.

"(3) A second portion of such report shall be designated as the treatment material and shall contain—

"(A) the opinion of the examiner as to the prognosis for treatment of such person;

"(B) the opinion of the examiner as to whether such person should be confined to a mental treatment facility or have the status of out-patient is recommended; and

"(C) the recommendation of the examiner as to any treatment appropriate for such person, the expected length of the period during which any such treatment is necessary, and an identification of mental treatment facilities available to administer any such treatment.

"(c) Immediately after the examiner's report is filed pursuant to subsection (a), the commitment material contained in such report shall be made available for examination by the acquitted person with respect to whom such report is filed, and any attorney representing such person.

"§ 7006. Hearing on commitment

"(a) Not later than 60 days after the date on which judgment is entered upon a verdict containing a notation described in section 7001(a), unless the acquitted person consents to any delay, a hearing shall be conducted by the court to determine whether the acquitted person is to receive treatment from a mental treatment facility.

"(b)(1) At any hearing described in subsection (a), an acquitted person shall have the right to present evidence, subpena witnesses, and confront and cross-examine witnesses.

"(2) An acquitted person shall have the right to refuse to testify at any hearing described in subsection (a).

"(c) At the conclusion of presentation of the evidence at any hearing described in subsection (a), the court shall determine if the United States has proved by clear and convincing evidence that because of a mental disease or defect of the acquitted person, it is more likely than not that the release of such person would create a danger of bodily harm to other persons.

"(d) If the court does not determine under subsection (c) that the release of the acquitted person would create a danger of bodily harm of other persons, the court shall order such person released forthwith.

"§ 7007. Hearing on treatment

"(a) If the court makes a determination under section 7006(c) that it is more likely than not that the release of such acquitted person would create a danger of bodily harm to other persons, the court shall examine the treatment material relating to that person and shall make such material available to the acquitted person, the attorney representing such acquitted person, and the United States attorney. As soon as practicable after such material has been so examined and made available, the court shall conduct a hearing to determine the mental treatment facility to which such person shall be committed. At any such hearing, an acquitted person shall have the right to present evidence, subpena witnesses, and cross-examine witnesses.

"(b) Not later than seven days after the date on which a hearing on treatment is concluded, the court shall commit the acquitted person with respect to whom such hearing is conducted to a mental treatment facility for treatment—

"(A) as an outpatient; or

"(B) as a resident patient.

"§ 7008. Commitment Review Committees

"(a) An acquitted person may refuse any treatment under this part.

"(b) There is established in each judicial district of the United States a Commitment Review Committee (hereinafter in this part referred to as the 'Committee') which shall be composed of five members appointed by the Secretary of Health, Education, and Welfare (hereinafter in this part referred to as the 'Secretary').

"(c) Subject to subsection (c)(2), the Committee shall be composed of—

"(1) a psychiatrist;

"(2) a clinical psychologist;

"(3) a mental health professional other than a psychiatrist or clinical psychologist;

(4) a citizen who resides in the judicial district in which such Committee is established and who is not employed or trained in any profession named in paragraph (1), (2), or (3); and

"(5) an attorney.

"(d)(1) Each member of a Committee shall be entitled to receive the daily equivalent of the annual rate of basic pay in effect for grade GS-15 of the General Schedule (as provided in section 5332 of title 5, United States Code) for each day during which such member performs duties of such Committee.

"(2) A member of a Committee may not be an officer or employee of the United States.

"(e)(1) The Committee shall review the treatment of an acquitted person in accordance with this subsection.

"(2) The Committee may review on its own motion, and shall review, at the request of such person or any agent in fact representing such person, the treatment of an acquitted person to determine if the Committee should recommend to the court that such person should be transferred to another mental treatment facility, should receive different treatment, or should be released. If the Committee makes such a recommendation, the court shall promptly hold a hearing to consider the Committee's recommendation.

"(3)(A) If the mental treatment facility to which an acquitted person has been committed proposes to administer to such person any treatment described in subparagraph (B), the Committee shall review such proposal to determine if the acquitted person lacks the capacity to make an informed decision with respect to treatment and, if the Committee finds the lack of such capacity, shall recommend to the court whether such treatment should be administered.

"(B) Treatment of an acquitted person is subject to review pursuant to subparagraph (A) if such treatment is—

"(i) electroconvulsive therapy;

"(ii) behavior therapy involving aversive stimuli or substantial deprivations; or

"(iii) psychotropic medication—

"(I) the prescribed dosage of which exceeds levels recommended by the Food and Drug Administration;

"(II) two or more types of which are to be administered to such person simultaneously; or

"(III) with respect to which a pharmacist, physician, or pharmacologist has made a written declaration that potential hazards outweigh potential benefits to such person.

"§ 7009. Report and hearing

"(a)(1) Not later than six months after the date on which an acquitted person is committed to a mental treatment facility pursuant to section 7007(b), and at the conclusion of each one-year period thereafter, such facility shall file with the court, with the attorney representing the United States in proceedings under this part dealing with such person, and with any attorney representing such person a written report dealing with the current mental condition of such person. Such report shall contain—

"(A) a summary of treatment methods used and medication administered;

"(B) an analysis of any change in condition of such person;

"(C) an opinion as to whether because of a mental disease or defect of such person, the release of such person would create a substantial danger of bodily harm to other persons;

"(D) a description of factual information upon which the opinion rendered pursuant to subparagraph (C) is based; and

"(E) future treatment plans with respect to such person.

"(b) Not later than 30 days after the date on which the court receives a report described in subsection (a), the court shall conduct a hearing to determine if because of a mental disease or defect of the acquitted person with respect to whom such report is filed, it is more likely than not that the release of such person would create a danger of bodily harm to other persons. If the court determines that such person should remain confined, the court shall determine if such person should be transferred to a different mental treatment facility or if the status of such person as a resident patient or outpatient should be changed.

"(c) Any hearing conducted pursuant to subsection (b) shall be conducted in the same manner and subject to the same requirements as any hearing conducted pursuant to subsections (b) and (c) of section 7006.

"(d) An acquitted person may petition the court for examination by an examiner chosen by such person in preparation for a hearing conducted pursuant to subsection (b). Such examiner may be chosen and compensated by such person or appointed in the same manner and under the same terms and conditions prescribed for the appointment of examiners under section 7002(a).

"§ 7010. Privacy of records

"Except as otherwise provided in this part, any report to the court or other filing made with respect to an acquitted person under this part shall not be placed in that person's court record but shall be maintained separately and be made available only to such persons as the court in the interest of justice may direct.

"§ 7011. Prohibition of transfer to a penal institution

"At no time, under this part, shall the court order that an acquitted person be placed in a penal or correctional institution.

"§ 7012. Maximum period of commitment

"The maximum period of time that an acquitted person may be committed for treatment under this part is the period ending on the earliest date such person would be eligible for release on parole if such person had been sentenced to the maximum term of imprisonment which could have been imposed for commission of the offense of which such person was acquitted.

"§ 7013. Definitions

"For purposes of this part the following definitions apply:

"(1) The term 'psychiatrist' means a physician who has completed three years of residency training in psychiatry in a program approved by the American Medical Association.

"(2) The term 'clinical psychologist' means a person who has received a doctoral degree in a clinical program accredited by the American Psychological Association and who has at least three years experience in the treatment and diagnosis of serious mental diseases or defects.

"(3) The term 'examiner' means a psychiatrist or a clinical psychologist.

"(4) The term 'mental treatment facility' means any hospital, clinic, or other institution which is accredited by the Joint Commission on the Accreditation of Hospitals and which is devoted primarily to the diagnosis, treatment, or rehabilitation of persons with mental diseases or defects.

"(5) The term 'lacks the capacity to make an informed decision with respect to treatment' means the inability of a person, by reason of mental disease or defect, to achieve a rudimentary understanding of the purpose, nature, and possible consequences of mental treatment, after any other person has made conscientious efforts at explanation.

"(6) The term 'acquitted person' means a person who is found not guilty of a violent offense because such person was insane at the time of the commission of such offense.

"(7) The term 'violent offense' means an offense involving serious bodily harm to others or a substantial risk of such harm.

"(8) The term 'mental health professional' means a person who is trained or employed in the area of diagnosis, treatment, or rehabilitation of persons with mental diseases or defects.".

(b) (1) The table of parts for such title 18 is amended by adding at the end thereof the following new item:

"VI. Persons Acquitted of Serious Offenses on the Basis of Insanity ---------------------- 7001".

(2) The table of chapters for such title 18 is amended by adding at the end thereof the following new item:

"PART VI.—PERSONS ACQUITTED OF SERIOUS OFFENSES ON THE BASIS OF INSANITY".

Sec. 2. There are authorized to be appropriated for the purposes of this Act such sums as may be necessary.

Sec. 3. The amendments made by this Act shall become effective on the date 180 days after the date of enactment of this Act.●

MEDICARE COVERAGE FOR BREAST CANCER

(Ms. HOLTZMAN asked and was given permission to extend her remarks at this point in the Record and to include extraneous matter.)

● Ms. HOLTZMAN. Mr. Speaker, every 15 minutes an American woman dies of breast cancer. The incidence of this disease has reached staggering proportions. Breast cancer is expected to strike about 1 in every 15 American woman, and half of these women will die of the disease. A number of these deaths might be prevented by early detection of the cancer.

Today I am introducing a bill to provide medicare coverage for breast cancer detection. My bill will insure that virtually every elderly woman, regardless of financial means, will be able to help protect herself against this disease.

Medicare coverage is not now available for preventive examinations even though the risk of breast cancer increases dramatically with age. Women between the ages of 60 and 70 are 10 times more likely to develop breast cancer than women of 30 and twice as likely as women of 40.

Without medicare, many elderly women may not be able to afford examinations. Sixty percent of our elderly woman live below the poverty level. For them, as well as others, medicare coverage for breast cancer detection may mean the difference between life and death.

Lives may be lengthened if breast cancer is detected early enough. Mammography and xeromammography are new tests that have proved effective for elderly people in the early detection of breast cancer. Physical examination by a physician is still one of the most useful diagnostic methods.

The bill I am introducing today would provide medicare coverage for one mammography and xeromammography per year and one physician's examination every 6 months.

I urge enactment of this bill. The text follows:

H.R. —

A bill to amend title XVIII of the Social Security Act to authorize payment under the supplementary medical insurance program for certain diagnostic tests and examinations given for the detection of breast cancer

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 1862(a)(7) of the Social Security Act is amended by inserting "(subject to the last sentence of this subsection)" after "routine physical checkups".

(b) Section 1862(a) of such Act is further amended by adding at the end thereof (after and below paragraph (13)) the following new sentence:

"Paragraph (7) shall not be applicable to expenses incurred for (i) a mammography or xeroradiomammography (given for the purpose of detecting breast cancer) if the individual receiving it has not undergone a similar procedure on a routine basis during the preceding twelve months, or (ii) a physical examination of the breast by a physician (given for such purpose) if the individual receiving it has not had such an examination on a routine basis during the preceding six months.".

Sec. 2. The amendments made by the first section of this Act shall apply with respect to items and services furnished on or after the first day of the month following the month in which this Act is enacted.●

SUPPLEMENTAL HOUSING ALLOWANCE FOR NEEDY UNDER SSI

(Ms. HOLTZMAN asked and was given permission to extend her remarks at this point in the Record and to include extraneous matter.)

● Ms. HOLTZMAN. Mr. Speaker, I have on numerous occasions pointed out the failure of the supplemental security income (SSI) program to meet the needs of many poverty-stricken, aged, blind, and disabled Americans. I am introducing today legislation to provide relief, through a supplemental housing allowance, to those people who have suffered most under SSI—persons who cannot meet their most basic living expenses because of the high rents or housing costs they are forced to pay.

A fundamental defect in SSI stems from its structure as an income program. Benefits are uniform, determined without regard to the actual living costs of individual recipients. Thus, people whose living costs are relatively high receive the same benefits as those with lower expenses, and as a consequence often cannot make ends meet.

On the basis of experience with my own constituents, I have found that the greatest financial burden facing the elderly and disabled poor is the cost of housing. In my district, for example, I have encountered elderly individuals living alone paying rents as high as $150 or $160 a month. I might note that such a rent is not unusual nor does it represent luxury housing. A person in those circumstances whose monthly income is $239 may, after paying for gas and electricity, a telephone, and personal necessities such as soap, aspirin, toilet paper, and laundry, have less than $1 a day with which to purchase food.

This situation is not unique to New York. An elderly person in Texas paying $100 in rent out of a $178 benefit and a blind couple in Illinois facing monthly mortgage payments of $160 out of a benefit of $267 are in the same desperate condition.

This crisis in housing costs for the aged, blind, and disabled poor is likely to grow worse in the coming years. The President's energy program and the actions of the OPEC nations will cause major increases in the costs of gas, electricity, and home and water heating. The elderly and disabled poor living on SSI will not be able to meet these rising costs.

My bill will prevent this intolerable hardship by providing a supplemental housing allowance of up to $50 per month for an individual or couple whose rent or housing costs exceed one-third of monthly income. It would allow a couple paying $160 for rent or mortgage out of a total monthly income of $267 to receive an additional $50 per month. Such a payment would, for many recipients, make the difference between desperation and survival.

I would stress that this bill is not an extravagant measure. It uses 33⅓ percent of gross income as a trigger for eligibility while public housing requires tenants to pay no more than 25 percent of an adjusted income. The Department of Labor estimates that rent for a low-income couple should amount to 27 percent of income. The housing supplement would thus be crucial to SSI recipients who face extremely high housing costs. My bill retains the basis structure of SSI as an income program, but gives it the flexibility to meet the needs of recipients while avoiding a costly general benefit increase.

Mr. Speaker, I believe that the minimal test of our decency and humanity as a nation is in how we treat our most helpless people—the aged, blind, and disabled poor. The bill I am introducing today is an effort to meet that test. I urge its passage.

The text follows:

H.R. —

A bill to provide a supplementary housing allowance to supplemental security income recipients

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That part A of title XVI of the Social Security Act is amended by adding at the end thereof the following new section:

"SUPPLEMENTARY HOUSING BENEFITS

"Sec. 1619. (a) In addition to other benefits under this title, the Secretary shall grant full financial assistance to any individual who makes application therefor, who is an eligible individual for purposes of this title, and whose annual housing expenses exceed 33⅓ per centum of his or her annual income (which for purposes of this section shall include benefits paid under section 1611 and any income which would otherwise be excluded pursuant to section 1612(b)).

"(b) For purposes of this section, an individual's annual housing expenses shall consist of such individual's annual expenses for rent or for mortgage payments and real estate taxes, together with such individual's annual expenses for gas and electric utilities and home and water heating.

"(c) The benefit under this section shall be payable at a rate which is the lesser of—

"(1) $600, or

"(2) the amount by which such individual's annual housing expenses exceed 33⅓ per centum of his or her annual income.

"(d) If two aged, blind, or disabled individuals are husband and wife (which shall be determined in accordance with section 1614 (d)) and are not living apart from each other, only one of them may be qualified to receive benefits under this section; and the income and annual housing expenses of the other shall be included for purposes of determinations under this section to the same extent as they would be if such determinations involved eligibility for and amount of benefits under section 1611.

"(e) The Secretary shall administer this section and shall prescribe such regulations as may be necessary or appropriate to effectuate its purposes and conform its administration, to the maximum extent feasible, to the general administration of the supplemental security income benefits program under this title.".●

LEGISLATION TO ELIMINATE IMMIGRATION DISCRIMINATION AGAINST FATHERS

(Ms. HOLTZMAN asked and was given permission to extend her remarks at this point in the RECORD and to include extraneous matter.)

● Ms. HOLTZMAN. Mr. Speaker, today I am introducing a bill to change a provision of the immigration law that discriminates against fathers. Under section 101(b)(1) of the Immigration and Nationality Act, an illegitimate child can be brought into the United States by its mother, or even by an unrelated stepmother. The child cannot, however, be brought in by its natural father. Even when its mother has died or abandoned it, the illegitimate child cannot be brought into the United States by its U.S. citizen father.

Similarly, illegitimate children who are U.S. citizens may bring their mothers or stepmothers to the United States, but not their fathers.

This is blatant sex discrimination against fathers. The immigration law says in effect that the father of an illegitimate child is not a "parent" and that his illegitimate child is not a "child." But saying so does not make it so. Fathers can have a deep and abiding relationship with their children regardless of whether they were married to the mothers of these children. To pretend otherwise is cruel and inhumane. It is blatantly discriminatory to deny a father, solely on the basis of his sex, rights that a mother has.

The law is not designed to protect against false paternity claims since the natural father is not even permitted to offer proof of paternity. It is not designed to prevent "kidnaping" of illegitimate children by parents without legal custody since their mothers or stepmothers are not required to prove an award of custody and the father is not even permitted to do so. The law is not designed to keep children out of the hands of unfit parents since the mother or stepmother need make no proof of fitness. The law reflects, rather, a destructive and irrational stereotyping by sex: rights are given to a mother or stepmother but denied to a father without any justification.

This discriminatory law is, I believe, unconstitutional as well. Only 3 years ago the U.S. Supreme Court decided a very similar case in Stanley against Illinois. Under Illinois law the father of an illegitimate child was denied custody of his child even though the child's mother was dead. The Illinois statute preferred to place the illegitimate child in an orphanage rather than permit the natural father to have custody. The Supreme Court found such discriminatory treatment unconstitutional and held that the father of an illegitimate child must be considered a parent under the law.

More recently the Supreme Court said:

> It is no less important for a child to be cared for by its . . . parent when that parent is male rather than female. And a father, no less than a mother, has a constitutionally protected right to the "companionship, care, custody and management of the children he has sired and raised. . . .

Section 101(b)(1) of the immigration law works a continuous hardship on illegitimate children and their fathers who wish to be together.

I would urge prompt passage of my bill so that we can accord fathers and their natural children the due process and equal protection of the law guaranteed to them by our Constitution.

The text of the bill follows:

H.R. —

A bill to amend section 101(b) of the Immigration and Nationality Act

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 101(b)(1) is amended—

(1) by striking out clause (C);

(2) by redesignating clauses (D), (E), and (F) as (C), (D), and (E), respectively; and

(3) by striking out the semicolon at the end of the clause redesignated as (C) by paragraph (2) of this section and by inserting in lieu thereof "or natural father; or".●

LEGISLATION TO ELIMINATE DISCRIMINATION AGAINST WORKING WIDOWS UNDER SOCIAL SECURITY

(Ms. HOLTZMAN asked and was given permission to extend her remarks at this point in the RECORD and to include extraneous matter.)

● Ms. HOLTZMAN. Mr. Speaker, I am introducing today an amendment to the social security laws to remedy present discrimination against widows who have worked.

At present a widow who has worked is faced with a difficult problem: She may receive either her own old-age benefit or a widow's benefit based on her husband's earnings—but not both. Since the widow's benefit is usually the larger, she will ordinarily receive that benefit and thereby lose her own contributions to the social security trust fund. As a result, most working widows collect exactly the same benefit as widows who have never worked.

The unfairness inherent in the law is clear. Not only does the working widow collect no more than the widow who did not work, but she also loses everything she has contributed to the trust fund over the years. I think this law is an unfair restriction on the working spouses' right to receive social security benefits they have paid for through the payroll tax.

Under my bill, the working woman would be entitled to collect both her own old-age benefit and her widow's benefit when her husband dies. The bill would equally apply to men, allowing those eligible to collect a widower's benefit also to collect an old-age benefit.

In recent years we have witnessed a number of significant changes in the social security laws designed to end discriminatory treatment of women. The need for continued improvement is underscored by the disturbing fact that six out of 10 elderly women who live alone have incomes below the poverty line. My bill would be an important step toward providing a decent standard of living for widows and eliminating inequities by recognizing that the working woman should collect benefits she has earned in her own right as well as those the law provides her as a surviving spouse.

The text follows:

H.R. —

A bill to amend title II of the Social Security Act to provide that an individual may simultaneously receive (without any reduction or offset) both an old-age or disability insurance benefit and a widow's or widower's insurance benefit

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 202(k)(3)(A) of the Social Security Act is amended by inserting "(except a widow's or widower's insurance benefit)" after "any other monthly insurance benefit".

SEC. 2. (a) Section 202(e)(1) of the Social Security Act is amended—

(1) by adding "and" after the comma at the end of subparagraph (B).

(2) by striking out "and" at the end of subparagraph (C),

(3) by striking out subparagraph (D),

(4) by striking out ", dies, becomes entitled to an old-age insurance benefit equal to or exceeding the primary insurance amount of such deceased individual," in the matter following subparagraph (F) and inserting in lieu thereof "or dies,", and

(5) by redesignating subparagraphs (E) and (F) as subparagraphs (D) and (E), respectively.

(b) Section 202(f)(1) of such Act is amended—

(1) by adding "and" after the comma at the end of subparagraph (C),

(2) by striking out subparagraph (E),

(3) by striking out ", dies, or becomes entitled to an old-age insurance benefit equal to or exceeding the primary insurance amount of his deceased wife," in the matter following subparagraph (G) and inserting in lieu thereof "or dies,", and

(4) by redesignating subparagraphs (F) and (G) as subparagraphs (E) and (F), respectively.

(c)(1) Section 202(e)(6) of such Act is amended by striking out "(1)(F)" and inserting in lieu thereof "(1)(E)".

(2) Section 202(f)(7) of such Act is amended by striking out "(1)(G)" and inserting in lieu thereof "(1)(F)".

(d) Section 226(h)(1)(B) of such Act is amended by striking out "subparagraph (F)" and "subparagraph (G)" and inserting in lieu thereof "subparagraph (E)" and "subparagraph (F)", respectively.

Sec. 3. Section 202(k)(3)(A) of the Social Security Act (as amended by the first section of this Act) is amended—

(1) by inserting "(i)" after "(A)"; and

(2) by adding at the end thereof the following new clause:

"(ii) If any individual entitled both to an old-age or disability insurance benefit and a widow's or widower's insurance benefit for any month is also entitled for such month to one or more other benefits under the preceding provisions of this section, his or her widow's or widower's insurance benefit (or the largest such benefit) shall be considered the largest benefit to which he or she is entitled under subsections (b) through (h) of this section for purposes of subparagraph (B) of paragraph (2) or subparagraph (B) of this paragraph, and he or she shall not be entitled to any benefit under subsections (b) through (h) other than such widow's or widower's insurance benefit (or the largest such benefit), unless (as determined under regulations prescribed by the Secretary) the total amount of the benefit or benefits which such individual actually receives for such month under this title would be greater without the application of this clause, in which case this clause shall be disregarded and all of the other provisions of this subsection shall apply."

Sec. 4. The amendments made by this Act shall apply only with respect to monthly insurance benefits payable under title II of the Social Security Act for months after the month in which this Act is enacted, and, in the case of individuals who are not entitled to benefits under such title for the month in which this Act is enacted, only on the basis of applications filed on or after the date of the enactment of this Act.●

ASSISTANCE TO IMPROVE HOUSING AND PREVENT NEIGHBORHOOD DETERIORATION

(Ms. HOLTZMAN asked and was given permission to extend her remarks at this point in the Record and to include extraneous matter.)

● Ms. HOLTZMAN. Mr. Speaker, today I am introducing legislation to assist responsible community organizations, including nonprofit corporations, in their efforts to improve housing in their own communities and prevent neighborhood deterioration.

The bill authorizes funding for neighborhood improvements by community organizations. The Secretary of Housing and Urban Development would be empowered to make community restoration grants to local governments which in turn would allocate this money to help neighborhood development, identify and publicize available housing services, and secure financial assistance for their neighborhood improvement efforts.

The bill authorizes a maximum of $5 million a year for the next 3 fiscal years and contains auditing and evaluation provisions to insure the efficient and honest use of funds.

Neighborhood preservation activities of community groups deserve Federal support for two reasons.

First, there is ample evidence that local community groups, when they have sufficient financial resources, can make impressive strides toward community restoration. For example, a neighborhood in my congressional district, Prospect-Lefferts Gardens, dramatically reversed its physical and economic decline and is well on the way to becoming a viable integrated residential community. Similar successes in other cities were recorded in recent congressional hearings on the National Neighborhood Policy Act.

Unfortunately, neighborhood groups that can develop adequate private funding sources are the exception, not the rule. Community residents and institutions are often not willing to lend significant financial support to their neighborhood organization until it achieves visible results—results that it, ironically, cannot achieve without such support. Also, funding for restoration activity is generally least available in neighborhoods where it is most needed. The bill seeks to alleviate these financial problems by providing needed money to organizations that show a real capacity for neighborhood improvement.

Second, the bill will foster resident interest in the process of community restoration, an interest that will be crucial to the success of future Federal programs. Secretary Harris has pledged to make HUD programs more responsive to neighborhood development and restoration, and a recent law has established a National Commission on Neighborhoods. These initiatives aim to produce future Federal policies and programs more attuned to neighborhood objectives.

To be effective, however, these new initiatives will have to be coordinated with other private community development efforts at the neighborhood level. Effective neighborhood organizations can be the essential point for this coordination.

The bill I introduce today is consistent with the approach of the 1974 Housing and Community Development Act. It allows power over disbursement of grant funds to be retained in the hands of local elected officials. It maximizes the options available to local governments by permitting them to invest in neighborhood preservations efforts without jeopardizing their current usage of community development block grants. The bill employs the 1974 act's criteria for determining the eligibility of local government units.

I hope the bill will receive careful and favorable consideration.

The text of the bill follows:

H.R.—

A bill to amend the Housing and Community Development Act of 1974 for the purpose of authorizing grants to be used to fund local programs designed to improve housing and prevent neighborhood deterioration

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Community Restoration Act".

Sec. 2. The Housing and Community Development Act of 1974 is amended by adding the following new section at the end thereof:

"FUNDING OF NONPROFIT NEIGHBORHOOD ORGANIZATIONS

"Sec. 119. (a) The Secretary may make grants to units of general local government for the purpose of funding the activities, as described in subsection (b), of any nonprofit community organization which, as determined by the unit of general local government receiving the grant, (1) has a demonstrated record of effective action in providing neighborhood service or improving housing or preventing neighborhood deterioration within the jurisdictional boundaries of such unit of general local government, and (2) has demonstrated a capacity for administering grants effectively and honestly.

"(b) Funds received by a unit of general local government under this section shall be made available by such unit to any nonprofit community organization described in subsection (a). Such organization shall use such funds to support activities (including the payment of salaries and incidental expenses) by the organization which are designed to—

"(1) unite the community in support of specific housing goals for a neighborhood;

"(2) encourage and facilitate community participation in planning community development activities and making community development decisions;

"(3) inform homeowners, landlords, and tenants of available housing services; and

"(4) stabilize neighborhoods and assist neighborhood residents in securing Federal, State, and local financial assistance and in securing aid from private lending institutions for improving housing and community development.

"(c) In making grants under this title, the Secretary shall consider—

"(1) whether the proposal contained in the application by the unit of general local government is reasonably calculated to have a positive effect on the preservation, stabilization, or improvement of neighborhoods; and

"(2) the actual, or potential for, deterioration within the neighborhoods located in such unit of general local government.

"(d) Any grant made by a unit of general local government to any nonprofit community organization under this section may not exceed $50,000 in any fiscal year, and no more than one such grant may be made to the same organization within a fiscal year.

"(e) In addition to other authorizations for appropriations in this title, there is authorized to be appropriated not to exceed $5,000,000 for each of the fiscal years 1978, 1979, and 1980 for the purpose of carrying out the provisions of this section.

"(f) For purposes of this section, the term 'nonprofit community organization' means any organization, whether incorporated or not, which meets criteria prescribed, by rule, by the Secretary for the purposes of this section, as determined by a unit of general local government.

"(g) The Secretary shall insure that the effectiveness of each grant made under this section is evaluated and that appropriate procedures are created for auditing, and accounting for, all moneys received and spent by units of general local government and nonprofit community organizations funded under this section. As a condition of receipt of any funds under this section, the Secretary shall require that a unit of general local government and a nonprofit community organization shall agree to make available books or other records which pertain to the receipt and expenditure of any funds so received.".●

AMENDING FEDERAL COURT RULES ENABLING ACT

(Ms. HOLTZMAN asked and was given permission to extend her remarks at this point in the Record and to include extraneous matter.)

● Ms. HOLTZMAN. Mr. Speaker, today I am introducing a bill to amend the Rules Enabling Act, and thus the rulemaking procedures for the Federal courts. The bill has two objectives: The first is to insure that Federal court rules, which critically affect the rights of our citizens, will be proposed only after the most careful consideration and with the benefit of public participation. The second is to strengthen the ability of Congress to disapprove ill-advised rules.

Under present law, Federal court rules are promulgated by the Supreme Court, but they are in fact drafted by the Judicial Conference, a group composed of Federal judges.

The rules which come to the Supreme Court for approval have often not been as good as they could be. One reason is that the Judicial Conference drafts rules behind closed doors without the benefit of widespread comment by the bar and interested public. It does not have published procedures. Until recently, no public hearings were held and the record of advisory committee votes on particular rules and dissenting views were never made public.

The best evidence of the inadequacy of the rulemaking procedures is that four times in the last 5 years Congress has had to step in and revise the proposed rules.

My bill addresses these problems by opening up the process by which the Judicial Conference adopts rules so that the rules promulgated will have the benefit of widespread comment from the bar and the public. Specifically, the bill would require that the Judicial Conference establish regular procedures—through publication in the Federal Register—for promulgating rules. It would further require that when the Judicial Conference decides to consider rule changes that it publish, 90 days before their formal consideration, a list of the changes under consideration and the issues raised by such changes in the Federal Register and Federal Rules Decisions.

The Judicial Conference would be required to seek out comments from the public and the bar and hold public hearings on rule changes. It would then be required to publish a record of the votes taken within the Conference on particular rules and publish any dissenting views.

Under the present system, it is difficult for Congress to block proposed rules, no matter how ill-advised they may be. Unless a statute is passed within 90 days, the rules go into effect automatically. This means that bad rules can go into effect by default if both Houses cannot agree, one House fails to act, or the President refuses to sign the bill. In my judgment, these procedures are inconsistent with the responsibility of the Congress—coequal with that of the Judicial Branch—to provide rules for the operation of the courts. My bill would resolve this problem by allowing for disapproval of the rules by one House.

The bill, I believe, will substantially improve the quality of the rules promulgated for Federal courts and relieve Congress of its present burden of preventing the damage ill-considered rules could cause.

The text of the bill follows:

H.R.—

A bill to amend the provisions of title 18 and 28 that are commonly called the Rules Enabling Acts to provide a uniform method for the proposal and adoption of certain rules of court by the United States Supreme Court, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Rules Enabling Act Amendments Act of 1979".

CRIMINAL CASES

SEC. 2. Chapter 237 of title 18 of the United States Code is amended to read as follows:

"Chapter 237.—RULES OF CRIMINAL PROCEDURE

"Sec.
"3771. Power of Supreme Court.
"3772. Effect of laws and prior rules.
"3773. Manner of prescribing rules.
"3774. Effect of rules.

"§ 3771. Power of Supreme Court

"(a) The Supreme Court of the United States shall have the power to prescribe, upon the recommendation of the Judicial Conference of the United States, from time to time, rules of pleading, practice, and procedure with respect to any or all proceedings, before or after verdict or otherwise, in criminal cases and proceedings to punish for criminal contempt in the United States district courts, in the district courts for the Districts of the Canal Zone and the Virgin Islands, in the Supreme Court of Puerto Rico, in proceedings before United States magistrates, in the United States courts of appeals.

"(b) This section does not give the Supreme Court of the United States the power to abridge the right of the accused to apply for withdrawal of a plea of guilty, if such application is made not later than the tenth day after the date of entry of such plea, and before sentence is imposed.

"(c) Rules prescribed under subsection (a) of this section shall not abridge, enlarge, or modify any substantive rights and shall preserve the right to trial by jury as at common law and as declared by the Constitution of the United States.

"§ 3772. Effect of laws and prior rules

"(a) The right of appeal shall continue in those cases in which appeals are authorized by law, but the rules made under this chapter may prescribe the times for and the manner of taking appeals, preparing records and bills of exceptions, and the conditions on which supersedes or bail may be allowed.

"(b) Nothing in this title in any way limits, supersedes, or repeals any such rules prescribed by the Supreme Court of the United States before the date this subsection takes effect.

"§ 3773. Manner of prescribing rules

"Rules prescribed under this chapter shall be prescribed in the same manner as rules prescribed under section 2074 of title 28.

"§ 3774. Effect of rules

"The Supreme Court of the United States may fix the extent to which rules prescribed under this chapter shall apply to proceedings pending on the date such rules take effect.".

CASES OTHER THAN CRIMINAL CASES

SEC. 3. Chapter 131 of title 28 of the United States Code is amended—

(1) in section 2071, by inserting after "Supreme Court" the second place it appears the following: "under an Act of Congress.";

(2) by striking out section 2072 and all that follows through section 2076 and inserting in lieu thereof the following:

"§ 2072. Power of Supreme Court

"(a) The Supreme Court of the United States, upon the recommendation of the Judicial Conference of the United States (hereinafter in this chapter referred to as the 'Judicial Conference') shall have the power to prescribe in accordance with section 2074 from time to time, by general rules—

"(1) the pleading, practice, and procedure of the district courts and courts of appeals of the United States in civil actions, including admiralty and wartime cases, and appeals in such cases;

"(2) the pleading, practice, and procedure in proceedings for the review by the courts of appeals of decisions of the Tax Court of the United States;

"(3) the pleading, practice, and procedure for the judicial review of or enforcement of orders of administrative agencies, boards, commissions, and officers;

"(4) the practice and procedure under the Bankruptcy Act; and

"(5) rules of evidence, in the form of amendments to the Federal Rules of Evidence.

"(b) Rules prescribed under subsection (a) of this section shall not abridge, enlarge, or modify any substantive rights and shall preserve the right of trial by jury as at common law and as declared by the seventh amendment to the Constitution.

"§ 2073. Effect of prior rules

"Nothing in this title in any way limits, supersedes, or repeals any such rules prescribed by the Supreme Court of the United States before the date this section takes effect.

"§ 2074. Manner of prescribing rules

"(a) The Judicial Conference shall publish from time to time in the Federal Register a description of the procedures the Judicial Conference adopts with respect to the functions of the Judicial Conference under this chapter. Such procedures shall be in conformity with this section. The Judicial Conference shall also submit such description to any appropriate private publishers of regularly issued materials published for the legal community for inclusion in such materials.

"(b) The Judicial Conference shall publish in the Federal Register, and submit to private publishers as described in subsection (a) of this section, not later than ninety days before the date on which formal consideration is to be given to a proposed rule under this chapter, a notice of such proposal, including a list of issues that the proposal raises and any copy of the proposal, if such copy is then available. No rule that concerns an issue required to be listed under this subsection shall be recommended to the United States Supreme Court by the Judicial Conference until after such issue is listed in such list and such list has been published in accordance with this subsection and furnished in accordance with subsection (c) of this section.

"(c) The Judicial Conference shall seek comment on the proposal from a wide variety of persons and organizations that may be affected by the adoption of the proposal. The Judicial Conference shall in addition furnish to the extent practicable the notice, list, and copy required by subsection (b) of this section to organizations representing those segments of the legal community that are concerned or have in the past indicated a concern with matters the proposal affects, and to an appropriate committee of each House of Congress.

"(d) The Judicial Conference shall accept and consider timely written comments on such proposals. The Judicial Conference shall hold hearings (and maintain available to the public a transcript of such hearings) on matters before it for consideration under this chapter.

"(e) The number of votes in favor of and opposing the adoption of a rule that is recommended to the Supreme Court of the United States by the Judicial Conference shall be recorded and published in the Federal Register and submitted to private publishers as described under subsection (a) of this section together with the recommended rule, any dissenting views submitted in a timely fashion, and an explanation of why such rule was recommended and why any changes were made if such changes were made to the rule as proposed by an advisory committee.

"(f)(1) Rules adopted by the Supreme Court of the United States under this chapter shall not take effect until they have been reported to the Congress by the Chief Justice at or after the beginning of a regular session thereof but not later than the first day of May, and until the expiration of one hundred and eighty days after the date of such reporting. Such a rule so reported shall not take effect if either House adopts before the expiration of such one-hundred-and-eighty-day period a resolution stating in substance that such House disapproves such rule.

(2) Any rule creating, abolishing, or modifying an evidentiary privilege shall have no force or effect unless such rule or amendment is approved by Act of Congress.

"§ 2075. Effect of rules

"The Supreme Court of the United States may fix the extent to which rules prescribed under this chapter shall apply to proceedings pending on the date such rules take effect."; and

(3) so that the table of sections reads as follows:

"Sec.
"2071. Rulemaking power generally.
"2072. Powers of Supreme Court.
"2073. Effect of prior rules.
"2074. Manner of prescribing rules.
"2075. Effect of rules.".

TECHNICAL AMENDMENTS TO OTHER ACTS

SEC. 4. (a) Section 22(b) of the Organic Act of Guam (48 U.S.C. 1425(b)) is amended by striking out "pursuant to section 2072" and all that follows through "bankruptcy cases" and inserting in lieu thereof the following: "pursuant to chapter 237 of title 18 of the United States Code in criminal cases and pursuant to chapter 131 of title 28 of the United States Code in civil, admiralty and bankruptcy cases".

(b) Section 25 of the Revised Organic Act of the Virgin Islands (48 U.S.C. 1615) is amended by striking out "pursuant to section 2072" and all that follows through "bankruptcy cases" and inserting in lieu thereof the following: "pursuant to chapter 237 of title 18 of the United States Code in criminal cases and pursuant to chapter 131 of title 28 of the United States Code in civil, admiralty and bankruptcy cases".●

THE TAX EQUITY ACT OF 1979

(Mr. CORMAN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. CORMAN. Mr. Speaker, today I am introducing H.R. 1040, the Tax Equity Act of 1979. Fourteen Members of the House expressed their wish to cosponsor the bill with me. They are: Mr. ANDERSON of California, Mr. BOLLING, Mr. CONYERS, Mr. DANIELSON, Mr. DELLUMS, Mr. DRINAN, Mr. EDWARDS of California, Mr. JOHNSON of California, Mr. MAGUIRE, Mr. NOLAN, Mr. RODINO, Mr. ROSENTHAL, Mr. STUDDS, and Mr. WON PAT.

The 95th Congress opened with heady anticipation of continuing the tax reform momentum begun in the 94th. The new President proposed ambitious reform, which was applauded by many, but unfortunately was mostly rejected. Not only did Congress fail to approve any significant reform, but it reversed some essential reforms enacted in past years.

As a result, tax reformers' hopes are not high for the 96th Congress. The most we may be able to do is hold the line against any further erosion of the law. Nevertheless, reform is not dead, and it must not be abandoned. The need for closing loopholes and unraveling complexity is greater than ever. It is most important to continue to have a model for true comprehensive reform before us and H.R. 1040, the Tax Equity Act meets that purpose. First introduced in 1971, it remains one of the most complete proposals for broad reform of the tax code. Ten of its provisions were enacted in the 94th Congress and the remaining proposals address some of the still most frequently abused preferences in law.

H.R. 1040 would repeal such glaring loopholes as the Domestic International Sales Corporation (DISC), asset depreciation range (ADR), the capital gains exclusion and the exclusion of interest on State and local bonds. Ending these preferences would go a long way toward making the tax code more equitable and less complex, and their repeal would raise approximately $30 billion in revenue in 1979. It is doubtful that any of this will happen in the cautious atmosphere of the 96th Congress, but I do think it is important not to lose sight of our ultimate goals.

The prime objective of all tax reformers is to make the code more equitable, that is to insure everyone is taxed according to ability to pay. We began to establish preferences within the code in order to better define a taxpayer's real ability to pay. To look only at income would be unfair. Certain other factors have to be considered such as expenses incurred in producing income, family size and even unusual medical costs. Unfortunately, over the years, these basic considerations have been joined by other preferences that severely strain the limit of credibility. The problem with many of them is that they are available only to a select group of taxpayers usually in the higher income brackets.

The liberalization of the treatment of capital gains that took place last year is a perfect example of law that chiefly benefits the wealthy. Of the $2.5 billion revenue loss incurred by these changes, 78 percent will benefit taxpayers with incomes of $50,000 and over. While we were able to hold the line against new tax breaks for tuition costs and charitable gifts, the special deductions granted to Americans working abroad will lower taxes for a very small number of taxpayers while losing an estimated $250 million in revenue annually. Preferences such as these provide tax cuts that are unevenly distributed among taxpayers. The revenue lost could provide significant savings for all Americans if applied across the board in the form of general tax cuts.

Some of the preferences found in the tax code were put there to accomplish certain social goals. Many of them have actually backfired by directing capital into investments that are not economically sound, but which provide tax shelters for wealthy investors. The Tax Reform Act of 1976 accomplished a great deal in closing up tax shelters in the areas where the most abuse has occurred. The Revenue Act of 1978 went further by limiting opportunities for sheltering in all other areas except for one notable exception—real estate. Investors in real estate enjoy a multitude of tax breaks that were established in the hope of providing employment in the construction industry. However, most have served chiefly to make speculators wealthy. In addition, these tax preferences have contributed to the shocking rise in real estate prices which have far outstripped even the soaring rates of inflation we have seen in the past few years. One very important provision of H.R. 1040 would extend the limits enacted in 1978 to investments in real estate activity.

Taxes, like every other family expenditure, hit hardest at those in the lowest income brackets. A 1977 Brookings Institute study showed that all American families earning $50,000 and less paid out almost the same percentage—about 30 percent—of their incomes in taxes, including Federal, State, and local income taxes, payroll taxes, property taxes, and sales and excise taxes. This leaves little discretionary income for someone who earns less than $10,000 a year, but is not nearly so painful for those in the $50,000 bracket. Of course, the regressivity of such taxes as the sales and payroll taxes make this picture as bleak as it is. The Federal income tax is relatively progressive compared to the others. But it could be made less burdensome for those in the lower brackets by eliminating tax preferences that make a mockery of our progressive rate system by reducing the effective tax rate of high income taxpayers.

There are times when a tax reformer must make the difficult choice between simplicity and equity. A key section of the Tax Equity Act required just such a choice. The concept of a tax credit in place of a deduction has long been an ideal, since a credit affords the same dollar value for all taxpayers whereas the value of a deduction depends on income level. One of the most important sections of the bill in the past has provided that a credit against taxes can be taken on the aggregate amount of personal exemptions and personal deductions including the standard deduction for those who do not itemize. A problem arose this year because in 1977 Congress replaced the standard deduction with the zero bracket amount. Since the zero bracket amount simply renders a certain amount of income nontaxable, there would be nothing in current law for nonitemizers to take a credit on, if the credit in H.R. 1040 were enacted. The choice was between the simplified tax tables made possible with the zero bracket amount and the equity of the tax credit. The choice was made in favor of equity and thus H.R. 1040 regretfully calls for the repeal of the efficient zero bracket amount.

The 30-percent credit provided for in H.R. 1040 would mean lower taxes for families of four earning $28,300 or less. Specifically, a credit system means that the $1,000 personal exemption which now reduces the taxes of someone in the highest bracket by $700 and in the lowest bracket by only $140 would be worth a uniform $300 to all. A $2,000 doctor's bill would mean $600 to any taxpayer instead of anywhere from $280 to $1,400. In short, the value of personal expenses in reducing tax liability would no longer be dependent on the taxpayer's income. The move to a credit is one of the cornerstones of the bill and certainly the amount of equity it provides more than offsets the loss of simpler tax tables.

Many of the preferences H.R. 1040 would repeal not only are unfair, but also are frequently the most complex. One provision would provide immense simplification if enacted. That is section 101 which repeals the capital gains exclusion thereby eliminating a host of provisions considered among the most complicated in the code. Although the tide was running the other way in the past Congress, when the capital gains exclusion was increased from 50 to 60 percent, there is still serious doubt about the wisdom of giving capital gains preferential treatment over earned income. The only consideration that should be given is for that portion of the gain attributable to inflation. H.R. 1040 would allow a 6-percent adjustment to the basis of the property sold, for every year it was held.

The third object of the bill and some would say the prime one is to raise revenue to pay for the costs of Government. This is something on everyone's mind these days with talk of an austere Federal budget and drastically reduced Government spending. There are two ways to reduce the budget deficit, either by cutting spending or by increasing revenue. While everyone would agree there is certainly fat to be trimmed from the Federal budget, the cuts must not be so deep as to endanger important Government programs. This Government has a responsibility to take care of the aged, the poor, the sick and the environment all of us share. A reasonable amount must also be allowed for national defense which cost us over $103 billion last year. Budget cutting must be done with care and compassion.

Revenue raising is the other side of the coin and H.R. 1040 offers ways to make it less painful. We cannot increase taxes for the inflation-squeezed American wage earner, but billions could be raised just by ending a few of those tax preferences that benefit only high income taxpayers. The President's goal is to cut the budget deficit for fiscal year 1980 by $8.8 billion from this year's deficit. That is considerably less than could be raised by repealing the tax preferences mentioned above.

The choice is an obvious one, but it will take courage and persistence to achieve. Although tax reform is not likely to be the rallying cry for this Congress, we must not give up. There is much to be done in the interest of equity and simplification. Current demand for fiscal restraint makes the need for raising new revenue more pressing than ever. I hope my colleagues will give serious thought to the Tax Equity Act and all it embodies. Tax reform is not a popular course, but we cannot afford to avoid it for too long. A summary of the bill follows:

Summary of Contents of H.R. 1040

Section 1—Short title, etc.

This section provides that the Act may be cited as the Tax Equity Act of 1979, and the sections contains a table of contents of the bill.

Section 2—Technical and conforming changes

This section provides that the Secretary of the Treasury shall, within 90 days after the date of the enactment of the Act, submit to the Committee on Ways and Means a draft of any technical and conforming changes in the Internal Revenue Code which should be made to reflect the substantive amendments made by the bill.

Section 3—Treaties

This section provides that every amendment made by the Act shall apply notwithstanding that its application may be contrary to the provisions of some treaty in effect on the date of the enactment of the Act.

TITLE I—CAPITAL GAINS AND LOSSES

Section 101—Repeal of alternative tax on capital gains

This section repeals the alternative tax on capital gains for both individuals and corporations. As a result of this section and other amendments made by title I of the bill, capital gain income (for taxable years beginning after 1977) will not receive preferential treatment and will be taxed as ordinary income. (Section 301 of the bill reduces the maximum rate of tax on individuals from 70% to 50%.)

Section 102—Tax treatment of capital gains

While capital gain income will be taxed as ordinary income under the amendments made by the bill, this section provides for a limited exemption from tax depending on the length of time the property has been held before it is sold. The exemption is granted in deference to the fact that if an asset has been held a long time, the gain measured by dollars is attributable to some extent to the declining value of the dollar and does not represent increased purchasing power for the taxpayer.

This section allows an adjustment for inflation by providing, in effect, that in computing the gain on a sale of property, the taxpayer can add to the tax basis of the property 6 percent of the tax basis of the property (at the time of the sale) for each year the property was held after it was held for one year. More precisely, it is provided that the adition to the tax basis shall be one-half of 1 percent of the tax basis for each full month the property was held after it had been held for one year. Thus, if the property is held for less than 13 full months, nothing is added to the tax basis in computing gain. If the property is sold after being held 64 full months (5 years and 4 months) 26% of the tax cost (51 months at one-half of 1 percent) would be added to the basis in computing gain. Since there is no compounding of the 6 percent annual adjustment for inflation, if an asset has been held for 1 year prior to its sale, the 6 percent adjustment merely offsets a compounded inflation rate of 4½ percent.

This provision for not taxing the gain to the extent attributable to inflation applies not only to capital assets but also to property used in a trade or business, such as a plant, machinery, or other depreciable equipment. It does not apply, of course, to property held for sale to customers in the ordinary course of business.

This section of the bill repeals a number of provisions in the Internal Revenue Code which become deadwood when capital gains are treated as ordinary income. Complicated provisions, such as those dealing with collapsible corporations and the recapture of depreciation deductions on sale of property at a gain, are not needed when preferential treatment of capital gains is eliminated. No greater blow can be struck for the cause of simplification of the income tax laws than to repeal, as the bill does, the preferential income tax treatment of capital gains.

Section 103—Limitation on deduction of capital losses

Under existing law, capital losses are deductible only against capital gains plus, in the case of an individual, $3,000 of other income. This section of the bill provides that capital losses of a corporation are deductible only against gains from the sale of capital assets and property used in a trade or business. In the case of an individual, capital losses will be deductible only against such gains plus $3,000 of other income. Under present law, a long-term capital loss of $2 will offset only $1 of an individual's ordinary income. Under the bill, a capital loss of $1 will offset $1 of ordinary income (subject to the $3,000 limitation). Gains from the sale of property used in a trade or business do not include gains from the sale of property held primarily for sale to customers or gain from the sale of animals.

Section 104—Capital loss carrybacks and carryovers

This provision grants relief to an individual who has an unused capital loss of at least $10,000 by allowing him to carry it back to the 3 preceding taxable years. Cases have arisen where a large capital gain in 1 taxable year is followed by a large capital loss in the following year which may never be deducted even with the unlimited carryforward.

Under present law, if a corporation has an unused capital loss of only a few hundred dollars, this unused loss must be carried back to the 3 preceding taxable years, with resulting refunds if there are net capital gains in any of the 3 years. It cannot be carried forward if it can be used up on a carryback. This section of the bill changes existing law by providing that a corporation (like an individual) cannot carry back an unused capital loss unless it exceeds $10,000.

The bill provides that the carryback is elective with the taxpayer, whether an individual or a corporation. This will make the carryback provision less of an administrative burden on the Internal Revenue Service for in many cases the taxpayer would rather not file a claim for refund of taxes paid in a prior year if the loss can be used on a carryover.

In the case of an individual, the carryover can be used to offset ordinary income up to $3,000 a year, but on a carryback the capital loss can be used only to offset capital gains. In the case of the death of an individual the bill provides that the net capital loss for the year of his death can be carried back even though the loss is less than $10,000.

Under present law, a capital loss of a corporation can be carried over only to 5 taxable years following the year of the loss. Under the bill, a corporation (like an individual) will have an unlimited carryover of a capital loss.

Section 105—Capital gains and capital loss defined

This section amends the Code by striking out the definitions of short-term and long-term capital gains and losses since under the bill no distinction is made between short-term and long-term gains and losses. However, the bill defines the terms "capital gain" and "capital loss" since the deduction of capital losses is limited as explained above. The bill retains the definition in existing law of the term "capital asset".

Section 106—Election to include certain unrealized gains in gross income

Under present law if a decedent dies with unused capital losses, the losses cannot be carried over and used by his estate or heirs. However, in the case of unrealized gains from appreciated property, the Tax Reform Act of 1976 provided for a carryover of the decedent's tax basis so that the unrealized gain may subsequently be taxed when the estate or heirs sell the appreciated property.

This section of the bill provides that if a decedent has unused capital losses at his death (including capital losses carried over to his last taxable year), and the decedent also had unrealized capital gains, the executor or administrator of his estate can elect to include in gross income in the decedent's last taxable year the gain the decedent would have realized if he had sold the appreciated property on the date of his death for its fair market value. The gain so included, however, cannot exceed the amount of the unused capital losses. Thus, if unrealized gain on a capital asset is included in income for the decedent's last taxable year, no income tax will be incurred because the gain will be offset by the unused losses. But the decedent's estate or heirs will benefit because the bill provides that the decedent's tax basis in the capital asset—in determining the tax basis to be carried over to his estate or heirs—will be increased by the amount of the unrealized gain included in the decedent's last taxable year.

Since the effect of the carryover basis provisions has been postponed to apply only to property passing from decedents dying after December 31, 1979, this section of the bill would not be affective until after that date.

Section 107—Tax treatment of gain on certain sales of patents

Since capital losses will continue to be deductible only against capital gains (plus an additional $3,000 in the case of an individual), it is important that ordinary income is not classified as capital gain income. Under existing law, gain on the sale by an individual of a patent is treated as capital gain even though the taxpayer is a professional inventor. This section of the bill repeals this provision, so that the sale of a patent by the person whose personal efforts created the patent will be treated as ordinary income and not capital gain income, just as the sale of a copyright produces ordinary income under existing law.

In addition, this section provides that capital gain treatment will not be granted in any case where the owner (whether a corporation or an individual) of a patent enters into an agreement (whether or not it constitutes a sale, license, or assignment) under which the seller or assignor of the patent receives payment measured by a percentage of the selling price of articles produced by the buyer or transferee of the patent or where the amounts received by the seller or transferor are measured by production, sale, or use by the assignee of licensee. Periodic receipts of this kind with respect to the sale or transfer of a patent are properly treated as royalty income rather than capital gain income.

TITLE II—INCOME DERIVED FROM EXTRACTION OF MINERALS

Section 201—Repeal of percentage depletion

This section of the bill repeals percentage depletion for all minerals, including the limited allowance under existing laws for oil and gas, effective with taxable years beginning after December 31, 1979.

Section 202—Deduction of intangible drilling costs and other exploration and development expenditures

This section of the bill liberalizes the deduction of exploration expenditures for oil and gas. Under present law, intangible drilling and development costs are deductibles as incurred, but geological and geophysical costs are capital expenditures to be recovered through the depletion allowance (or as a loss upon abandonment). This section provides that all expenses incurred for the exploration and development of all minerals, including oil and gas, are deductible at the election of the taxpayer, so long as the expenditures do not have the effect of sheltering from tax income from nonmineral sources.

To deal with the problem of the tax shelter, this section provides that the aggregate deduction for exploration and development of mineral properties during the taxable year cannot exceed the taxpayer's aggregate taxable income for the year from mineral properties (computed without regard to the deduction for exploration and development). Losses on drilling a dry hole, however, will continue to be deductible without regard to the limitation. Any amount disallowed as a deduction under this limitation will be treated as an amount expended in the following year for the exploration and development of mineral properties. In the normal situation, this limitation will not limit the deduction in the case of the taxpayer who is in the business of operating mineral properties, but it will put a stop to the current practice of peddling drilling funds as tax shelters to taxpayers who are not in the business of operating mineral properties.

Section 203—Income from mineral properties located outside the United States

Under existing law, if a taxpayer goes into a foreign country to explore for and develop oil and gas wells or a mine, the deductible costs of exploration and development can be applied against income from sources within the United States. If the venture is successful and the mineral properties produce profits, the credit for foreign income taxes imposed upon those profits will, on the basis of past experience, completely offset the U.S. tax on those profits. The net result is that the United States Treasury loses revenue on account of the exploration and development in foreign countries of mineral properties and receives no revenue (because of the foreign tax credit), when the mineral properties produce profits. Moreover, if there is a loss on account of the expropriation of mineral properties by a foreign government, the deductible loss in the usual case has the effect of reducing the income taxes otherwise payable on income from sources within the United States.

To eliminate the losses to the Treasury on account of the exploration, development, and expropriation of foreign mineral properties, this section of the bill provides—

(1) a taxpayer will not include in his tax return amounts derived from the operation of a mineral property located outside the United States.

(2) no deduction shall be allowed for amounts chargeable to income so excluded from the tax return, or for any amount expended for the exploration or development of any mineral property located outside the United States, and

(3) losses on the sale, abandonment or expropriation of mineral properties located outside the United States shall be allowed only to the extent of gains from the sale of mineral properties located outside the United States.

The exclusion from gross income will not apply to profits derived from processing minerals after reaching the so-called cutoff point used in the past for percentage depletion purposes. Thus, profits from transporting minerals or in producing gasoline or refined metals will not be exempt. In addition, the exclusion from gross income will not apply to royalties received on mineral properties located outside the United States or to dividends on stock of any corporation operating mineral properties outside the United States.

TITLE III—REFORM MEASURE AFFECTING PRIMARILY INDIVIDUALS

Section 301—50-percent maximum rate for individuals

Under present law, the maximum rate of tax on individuals is 70 percent. This section of the bill reduces the maximum rate to 50 percent. This reduction is justified in the light of the other provisions of the bill which broaden the income tax base, particularly the taxation of capital gains as ordinary income, and the elimination of the tax shelters allowed under present law.

Section 302—Credit against tax for personal exemptions and nonbusiness deductions

In the past, the bill has provided a credit against tax for the personal exemptions and other personal deductions, including the standard deduction, in lieu of existing deductions for such items. Since Congress replaced the standard deduction with the zero bracket amount in 1977, this section repeals the zero bracket amount and provides a standard credit allowance in amounts equal to the present zero bracket amounts, that is 3400 for joint returns and $2300 for single persons and heads of households.

A credit of 30 percent of the aggregate amount of the personal deductions is allowed by this section. The personal deductions include the deductions for personal exemptions, interest and taxes on non-business indebtedness (such as taxes and interest on the taxpayer's home), deductions for charitable contributions, and deductions for medical expenses. In the case of a nonitemizer, the 30 percent credit will be applied to the amount of the standard credit allowance plus the amount of his personal exemptions. The credit will not be allowable with respect to alimony payments which would continue to be deductible from gross income as under existing law.

The credit is more equitable than deductions in that each taxpayer receives the same benefit for his personal exemption and the Treasury will "contribute" the same amount to all taxpayers with respect to deductible personal expenditures. Under present law, the $1000 personal exemption is worth $700 to the individual in the highest bracket and only $140 to someone in the lowest bracket. Under the bill everyone would get a $300 tax credit regardless of income. A $500 doctor bill would mean $150 to everyone rather than anywhere from $70 to $350 depending on one's tax rate.

A credit of 30 percent of personal deductions in place of deducting such amounts from gross income will reduce the income taxes of taxpayers in the lower brackets. For example, a married couple with two children having an adjusted gross income below $28,300 would have a reduction in their income taxes.

A limit is provided on the amount of credit which may be taken on account of interest and taxes paid on an individual's personal residence (or residences). Not more than $10,000 of such interest and taxes will qualify for the 30 percent credit. In the ordinary case this limitation will not come into play unless the residence has a value of more than $100,000 and is heavily mortgaged.

This section provides that the President may increase or decrease the 30-percent rate if he decides that it is in the public interest to do so. If he decides that taxes on individuals should be reduced for a temporary period, he could proclaim an increase in the 30-percent rate, and if he believes that the taxes should be increased for a temporary period, he could proclaim that the 30-percent rate be decreased. The increase or decrease, however, cannot exceed 2 percentage points.

Any increase or decrease in the 30-percent rate by the President would not take effect if either House of the Congress, within a 60-

day period after announcement of the proposed change in rate, passes a resolution stating in substance that a change in the 30-percent rate is not favored.

This section of the bill also provides that if the taxpayer is claiming a child as a dependent (and thereby receiving a credit of $300 against tax—30 percent of $1,000), the parent shall include in his gross income any income received by the child during the year from a trust created by the parent, and also any dividends, interest, or royalties received by the child from any property given to him by the parent. Income which is so taxed to the parent would not be taxed to the child. This provision would not apply if the parent does not choose to claim the child as a dependent.

This section also increases the credit against tax for child care from 20 percent to 30 percent.

Section 303—Denial of certain tax preferences to shareholder-employees of closely held corporations

This section of the bill eliminates three kinds of abuses which have arisen when an employee owns the corporation which "employs" him.

A self-employed farmer cannot deduct the cost of maintaining his residence on the farm. Such items as depreciation, repairs, heat, and insurance premiums on his house are not deductible; and he cannot deduct the cost of groceries consumed on the farm by his family. But, apparently all these personal and family expenses can be deducted if he incorporates—even though he elects subchapter S so that the corporation is not subject to tax. The Tax Court held that an individual owning all of the stock of a corporation which owned a 35,000-acre ranch in Montana was not taxable on the value of meals and lodging furnished to his family on the ranch by the corporation (and deducted by the corporation) because it was for the convenience of his corporation that he and his wife lived on the ranch and occupied the ranch house. This section of the bill provides that a shareholder-employee of a corporation cannot exclude (under sec. 119 of the Internal Revenue Code) from gross income the value of lodging and meals furnished to him by the corporation. A shareholder-employee is defined as an employee or officer of a corporation who owns 5 percent or more of the stock of the corporation.

If a doctor, lawyer, or other self-employed individual incorporates his business and then adopts a plan for the corporation to pay all medical, dental and hospital bills of any shareholder-employee (including members of his family), under existing law the payments are deductible by the corporation and are excluded from the gross income of the shareholder-employee, even though the plan does not cover employees who own no stock in the corporation. This section of the bill provides that such family expenses paid by the corporation for the benefit of the shareholder-employee will be included in his gross income unless employees who are not shareholder-employees received 75 percent or more of all such payments made by the corporation during the year.

In the case of any self-employed person, his deduction for pension contributions for his own benefit under an H.R. 10 plan is limited to 15 percent of his earned income, with a maximum deduction of $7,500 a year. But, if the doctor, lawyer, dentist, or other self-employed person incorporates his business, the H.R. 10 limitations do not apply unless the corporation elects to be taxed under subchapter S. This section of the bill extends the rule applicable to a shareholder of a subchapter S corporation, and provides that the shareholder-employee of any corporation must include in his gross income any amount contributed by his corporation for his benefit in excess of the H.R. 10 limits. This rule will not apply, however, if more than 75 percent of the contributions made during the year by the corporation under the pension plan are for the benefit of employees who are not shareholder-employees.

Section 304—Repeal of $100 dividend exclusion

This section repeals the provision in present law that allows an individual to exclude from gross income $100 of dividends received on corporate stocks.

Section 305—Deductions for attending foreign conventions

This section disallows expenses of travel (including meals and lodging) of an individual in connection with attending a convention held outside the United States. As a general rule, such expenses are incurred primarily for pleasure rather than business. Thus, expenses of lawyers attending the American Bar Convention in London in 1971 would have been disallowed if the amendment had been in effect.

Section 306—Vacation homes

The Tax Reform Act of 1976 substantially reduced the tax abuse which arose when vacation homes acquired for personal pleasure were rented out for part of the year in order to generate tax deductions to shelter income other than the rents received. The Act, however, still permits a vacation home to be used in some cases as a tax shelter. For example, if the taxpayer uses the vacation home for only 10 days during the year and rents it out for only 20 days, he can deduct without limitation against outside income, two-thirds of the depreciation and other annual expenses for the entire year. This section of the bill in further tightening up on the use of a vacation home as a tax shelter, provides in the case of the above example, that the deduction for depreciation, repairs, and insurance premiums for the year will be reduced from two-thirds to 40/365ths of such expenses (two times the number of days of rental divided by the number of days in the taxable year.)

Section 307—Farm losses

In order to deal more effectively with the problem of farm losses as a tax shelter, this section of the bill provides that farm losses can be deducted against nonfarm income only to the extent of $10,000 a year. Any amount of a farm loss which is disallowed under this provision will be treated as an expense of farming in the following taxable year.

This limitation on the deduction of a farm loss will not apply to a taxpayer whose nonfarm income is less than $20,000.

Section 308—Computation of earnings and profits on a consolidated basis

Some conglomerate companies have been paying dividends which are not fully taxable because the parent company does not have sufficient earnings and profits to cover the distribution although the consolidated group had earnings and profits during the year greater than the amount distributed. This section of the bill provides that the earnings and profits of a parent corporation for a year shall not be less for dividend purposes than the earnings and profits of the consolidated group for the year.

Section 309—Dividend on certain sales of stock

The Tax Court held that if a transaction is described in section 304 of the Code (which can produce dividend income if stock of one controlled corporation is sold to another controlled corporation) and is also described in section 351 (dealing with tax-free exchanges), then section 351 applies and not section 304. This section of the bill changes the rule of the Tax Court case and provides that the tax-free provisions of section 351 do not apply to the extent the application of section 304 produces an amount taxable as a dividend.

Section 310—Tax treatment of stock options granted by employer

The Tax Reform Act of 1976 achieved a major reform by repealing the special tax treatment previously allowed for stock options granted by corporations to officers and other highly compensated employees. However, the managers of the House and Senate conference on the Tax Reform Act made a disturbing statement in reporting the conference agreement. The conferees requested the I.R.S. to make every reasonable effort to determine a fair market value for a stock option at the time it is granted when an employee elects to report such value in his tax return, "particularly in the case of an option granted for a new business venture." Any adoption of this suggestion would create a major loophole. The repeal of the stock option provision was a reform because it requires an executive to include in gross income, when he exercises the option, the differences between the value of the stock acquired and the option price. The suggestion of the conferees, if adopted, would eliminate any tax at the time of exercise. This section of the bill will insure than an executive will have taxable income when he exercises a stock option by providing that a stock option will not have an ascertainable fair market value at the time it is granted unless the option is traded on a stock exchange or over the counter.

Section 311—Treatment of trust income payable to children of grantor

Under present law, a father can, in effect deduct on his income tax return gifts to his children if he makes a gift out of income from stocks and agrees to do so for at least 10 years. To get that result, the parent need merely transfer stock to himself as trustee and agree to pay out to his children the income from that stock for 10 years, at which time the stock will be returned to him free of the trust. Use of short-term trusts in this manner is commonplace with affluent taxpayers who can afford to give some of their dividend income to their children.

This section of the bill provides that the income of such a trust will be taxed to the grantor (if he has a reversionary interest) so long as the income is payable to a child who is under the age of 21 years or who is attending college and is a dependent of the taxpayer for purposes of the credit for personal exemptions.

Section 312—Extension of at risk rule to real estate

The Revenue Act of 1978 significantly expanded the at risk rule which is designed to prevent a taxpayer from deducting losses in excess of his actual economic investment in an activity. However, the rule still does not apply to investment in real estate where opportunities for tax shelters are abundant. This section of the bill provides that the at risk rule will also apply where the principal activity is investing in real estate.

Section 313—Underpayments of estimated tax

This section provides that an individual cannot base his estimated tax payments on the prior year's tax (or at the current year's rates applied to the prior year's facts) if in any one of the 3 preceding taxable years the tax shown on his return was in excess of $100,000.

Section 315—Partnership to be treated as corporation upon filing registration statement with Security and Exchange Commission

A key element in the syndication of tax shelters is that the business venture is treated for tax purposes as a limited partnership, so the tax losses can be passed through and be deducted by the limited partners. In a recent year registered filings with the Securities and Exchange Commission of partnership tax shelter offerings in oil drilling funds, real estate programs, cattle feeding, and the like, were in excess of $3.2 billion. Perhaps any partnership which depends primarily on limited partners for the capital of the venture should be treated as a corporation—the limited partner is like the preferred shareholder of a corporation. But at a minimum, any partnership which is required under the securities laws to register its offerings with the Securities and Exchange Commission should be treated as a corporation, and this section of the bill provides that if a registration statement is filed with the SEC or any comparable State agency, after July 1, 1979, and offers units of participation or other interests in a partnership, the partnership shall be treated as a corporation for taxable years ending after the date of the filing of the registration statement. The enactment of this provision would put an end to the interstate sale of large syndicated tax shelters.

TITLE IV—REFORM MEASURES AFFECTING PRIMARY CORPORATIONS

Section 401—Repeal of investment credit

The investment credit is a massive subsidy to corporations for their purchase of machinery and equipment, nearly all of which would be purchased in the absence of the subsidy. This section of the bill terminates the investment credit, effective with respect to property placed in service on or after January 1, 1980.

Section 402—Repeal of asset depreciation range system

In 1962, the Treasury issued guidelines specifying the number of years over which different kinds of assets could be depreciated. Through the "reserve ratio test", a direct link was maintained between the depreciation claimed by taxpayers and the actual "wearing out" of equipment. Taxpayers were not allowed to depreciate for tax purposes more rapidly than they were actually replacing the equipment.

In January, 1971, the Treasury announced some major changes. Businessmen were allowed to take guideline lives 20 percent shorter than previously. Thus, an asset which previously had a guidline life of 10 years could now be depreciated over 8 years. In addition, the reserve ratio test was repealed. These changes were given legislative approval in the Revenue Act of 1971.

This section repeals the ADR system and reinstates the reserve ratio test.

Section 403—Depreciation deduction not to exceed book depreciation

Under present law, a corporation cannot use the LIFO method of valuing inventories for income tax purposes unless it uses the same method in reporting its earnings to shareholders. The obvious rationale of this rule is that if LIFO is not considered by a corporation as a correct method for reporting earnings to shareholders, then that corporation is not entitled to use the LIFO method in reporting its earnings on the tax return.

For a similar reason, this section of the bill provides that a corporation cannot take depreciation deductions for a taxable year in an aggregate amount in excess of the depreciation taken into account in reporting earnings for the year to shareholders. Thus, if a corporation on its books computes depreciation for equipment on a straight-line basis with a 30-year life, it cannot have a larger deduction on the tax return by using the double declining balance method or a shorter life. Moreover, in the case of a publicly held company whose annual report to shareholders is certified to by independent certified public accountants, it can generally be presumed that the charge for depreciation recorded on the books is a fair and honest estimate of the actual cost of depreciation for the year. If a larger deduction for depreciation is allowed on the tax return, then the depreciation allowance becomes a subsidy and not a reasonable allowance for the exhaustion of machinery and equipment.

In the case of an affiliated group of corporations, regulations will prescribe whether the report by the common parent corporation to its shareholders, rather than the report of subsidiaries to the parent, will be taken into account for purposes of this amendment.

Section 404—Deduction for repairs limited to amount recorded on books

This section of the bill, for the reasons set forth in the preceding section dealing with depreciation, prohibits the deduction by a corporation of an expenditure for repairs if the corporation capitalizes the expenditure on its books for the purpose of reporting to shareholders its earnings and profits for the year.

Section 405—Limitations on dividends received deductions

Subsection (a) of this section of the bill provides that the dividends received deduction cannot exceed 85 percent of taxable income (computed without regard to the net operating loss carryback). The chief effect of this is to change present law which allows a full deduction for 85 percent of dividends received if this deduction will produce or increase a net operating loss for the taxable year. The amendment also provides that any amount disallowed for the taxable year because of the net income limitation shall be allowed as a deduction for the following taxable year if there is sufficient taxable income in that year. This gives the taxpayer a carryover which he does not have under present law.

Subsection (b) provides that dividends received from an unaffiliated corporation shall be reduced (for purposes of the dividends received deduction) by the amount of any interest on indebtedness incurred or continued to purchase or carry the stock of the unaffiliated corporation. An unaffiliated corporation is any corporation except one that is a component member of a controlled group of corporations which includes the taxpayer.

This section of the bill also provides that if the aggregate amount of dividends received during the year from unaffiliated corporations (after first being reduced by any interest paid as provided in the preceding paragraph) exceeds the amount of dividends paid by the corporation during the taxable year, no dividends received deduction shall be allowed with respect to the excess. Thus, if no dividends are paid by the taxpayer, no dividends received deduction can be claimed for dividends received from unaffiliated corporations. However, the amount which is so disallowed shall be treated as a dividend received in the following year for purposes of the dividends received deduction. Moreover, if dividends paid during a taxable year exceed the dividends received during the year from unaffiliated corporations, the amount of the excess will be treated as a dividend paid in the following year for purposes of the dividend received deduction.

Section 406—Use of appreciated property to redeem stock

Under present law, if a corporation redeems stock with appreciated property, gain is recognized except in certain cases. One of the exceptions is where stock or securities are distributed pursuant to a court proceeding under the antitrust laws. This section provides that the stock or securities must have been acquired before January 1, 1970, in order for the exception to apply. It is not believed corporations which have violated the antitrust laws should have a tax benefit not available to other corporations who distribute appreciated securities.

Section 407—Recognition of gain on sales in connection with certain liquidations

If a corporation adopts a plan of complete liquidation and the liquidation is completed within 12 months, under existing law (section 337 of the Internal Revenue Code) the corporation is not taxed on gains realized on the sale of property during the period of liquidation. Gains on sale of inventory, however, are exempt from tax only if the inventory is sold in bulk to one purchaser.

This section makes three amendments to section 337. First, it is provided that section 337 shall apply only if at the time of the adoption of the plan of liquidation the corporation has less than 16 shareholders.

Second, it is provided that gain on the sale of inventory shall be taxable even though section 337 otherwise applies.

The third change deals with the problem which has been presented in some cases where shareholders of the liquidating corporation transferred, after adoption of the plan to liquidate and before the corporation distributes its tax-free gains, some or all of their stock to tax-exempt charities (usually their private foundations). This amendment of section 337 insures that one tax will be imposed in such cases by providing that if tax-exempt organizations receive X percent of the amounts distributed in liquidation, then the same percent of the gains realized by the corporation during the course of the liquidation will be subject to tax at the corporate level.

Section 408—Certain transactions disqualified as reorganizations

This section of the bill provides that there cannot be a tax-free reorganization if the shareholders of the smaller company involved in the transaction end up with less than 20 percent of the voting stock of the surviving corporation in a merger or of the acquiring corporation in the case of a so-called B reorganization (stock-for-stock) or a so-called C reorganization (stock-for-assets). If a conglomerate company whose stock is listed on the New York Stock Exchange issues less 20 percent of its voting stock to acquire the stock or assets of a company whose stock is not listed, it is more realistic to treat the shareholders of the unlisted company as having sold out for a marketable security rather than having taken part in a reorganization of their company. (A similar provision was contained in the House version of the Internal Revenue Code of 1954.)

Section 409—Repeal of special treatment of bad debt reserve of financial institutions

This section of the bill provides that banks and other financial institutions that now are allowed to take special deductions for reserves for bad debts will, in the case of taxable years beginning after 1979, compute any addition to a reserve for bad debts on the basis of the actual experience of the taxpayer, the rule which is applied to all other corporations.

Section 410—Taxation of undistributed profits of foreign corporations

At the present time, American corporations do not have to pay income taxes to the Federal Government on the earnings of their controlled foreign subsidiaries so long as the earnings are undistributed. These earnings, however, are generally taken into account by the parent company in reporting earnings to its shareholders. This tax deferral constitutes an important incentive for U.S. corporations to set up plants in foreign countries. This section of the bill provides for the taxation on a current basis of the undistributed earnings of controlled foreign corporations.

Section 411—Repeal of the tax exemption for a DISC

A U.S. corporation can now set up a paper corporation (known as a DISC) and escape the corporate income tax on one-half of its profits from exports by channeling the sales through the DISC. This section of the bill would repeal the tax exemption for DISC corporations and thereby increase revenues by over $1 billion a year.

Section 412—Involuntary conversions

This section provides that if gain on an involuntary conversion of property is not recognized bcause the taxpayer purchases stock of a corporation owning property of the kind which was converted, the basis of that property in the hands of the corporation shall be reduced by the amount of gain not recognized on account of the purchase of the stock.

Section 413—Computation of underpayments of estimated tax

This section of the bill provides that a corporation cannot compute its estimated income tax payments on the basis of the prior year's tax (or on the basis of the prior year's facts and the current year's rates) if in any one of the 3 preceding taxable years the tax shown on its return was in excess of $300,000.

Section 414—Disallowance of deductions attributable to tax exempt interest of banks

When an individual borrows money to purchase tax exempt bonds, the interest on the loan is disallowed as a deduction. In the case of a bank, however, it is next to impossible to trace its use of borrowed funds, and as a result, all the interest paid by the bank is deducted even though tax exempt bonds generally comprise about 10 percent of the bank's assets and some of the bonds were surely acquired with the borrowed funds.

This section of the bill provides that interest paid by banks, and other financial institutions to depositers and other creditors will be disallowed as a deduction by the same percent which their investments in tax exempt bonds bear to their total assets. For example, if 8% of a bank's assets are in tax exempts, then 8% of its interest payments would be disallowed as a deduction.

TITLE V—REFORMS AFFECTING INDIVIDUALS AND CORPORATIONS

Section 501—Minimum tax

This section makes a number of changes in the minimum tax. First, it repeals the provision of existing law that allows regular income taxes to be deducted from the items of tax preference.

Second, the following items are added to the list of items which constitute tax preferences:

(1) Tax-exempt interest on State and local bonds (issued before January 1, 1980).

(2) The credit against the United States tax allowed for foreign income taxes.

Finally, this section of the bill strikes from existing law the provisions which treat tax preferences attributable to foreign sources more favorably than preferences attributable to sources within the United States.

Section 502—Shareholder use of corporate property

Considerable uncertainty exists over the tax treatment of interest-free loans from a corporation to its controlling shareholders and the rent-free use by shareholders of corporate property. The Tax Court has held that an interest-free loan produces no taxable income to the shareholder or the corporation, even though the funds loaned by the corporation were producing taxable income prior to the loan. This section of the bill provides that an interest-free loan or a rent-free use of corporate property by a controlling shareholder shall be treated in the same manner as if the shareholder paid to the corporation a reasonable rate of interest on the loan, or a reasonable rent for use of the property, and as if the corporation then made a cash distribution of a like amount to the shareholder.

Section 503—Deduction for depreciation based on equity in rental real estate

This section provides that in the case of a building which the taxpayer rents to others, the deduction for depreciation cannot exceed the taxpayers equity in the building and the land. That is, no additional deductions for depreciation will be allowed (including existing buildings) to the extent it would reduce the adjusted basis of the building below the unpaid balance of the mortgage on the land and building (minus the tax cost of the land). However, until the depreciation deductions equal the equity, the depreciation would be computed on the entire cost of the building and not on the amount of the equity. This amendment would not apply to a building if the primary use is by the taxpayer and not the tenants. This amendment would reduce the attractiveness of real estate ventures as tax shelters for investors.

Section 504—Charitable gifts of appreciated property

Under existing law, if capital assets which have appreciated in value are given to a private foundation, the charitable deduction is reduce by 40% of the long-term capital gain the individual would have had if he had sold the property at fair market value. However, in the case of gifts of non-capital assets to any charitable organization, the amount of the charitable deduction is reduced by the amount of the ordinary gain the taxpayer would have received if he had sold the property at fair market value. Since Title I of the bill eliminates the preferential treatment of capital gain income, this section of the bill provides that if appreciated property (whether or not a capital asset) is contributed to any charitable organization, the amount of the charitable contribution shall be reduced by the amount of gain which would have been realized if the property contributed had been sold by the taxpayer at its fair market value (determined at the time of such contribution). In computing the amount of such gain, there will be excluded the amount of any gain which is exempt from tax under the provisions of section 1202 of the Code, as amended by section 1202 of this bill.

Section 505—Capital expenditures in developing fruit or nut groves or vineyards

Present law requires the capitalization of expenditures incurred during the development stage in planning citrus or almond groves. This section of the bill extends the rule of capitalization of expenses incurred before the time when the productive stage is reached in the case of any other fruit or nut grove or any vineyard planted after December 31, 1975.

Section 506—Repeal of tax exemption for ships under foreign flag

This section of the bill repeals the provisions of existing law which state that a nonresident alien or a foreign corporation (even though 100 percent owned by a U.S. corporation or an American citizen) is not taxable on income derived within the United States from the operation of ships documented under the laws of a foreign country which grants an equivalent exemption to United States citizens or corporations.

Section 507—Tax litigation to be handled by Internal Revenue Service

Under existing law, the Internal Revenue Service conducts tax litigation in the Tax Court of the United States, but the Justice Department handles all tax litigation in the District Courts, the Court of Claims, Circuit Courts of Appeal, and in the Supreme Court. The Justice Department, rather than the I.R.S., decides whether a refund suit should be defended, whether an appeal from an adverse decision should be taken, and whether a petition for certiorari in a tax case should be filed in the Supreme Court. The charge has been made that Justice Department lawyers often consider their win/loss record rather than the importance of the tax issue involved in deciding whether or not to argue a case. Moreover, the role of the Justice Department over tax litigation deprives the Internal Revenue Service in many cases of the right to decide when and how a certain tax issue should be presented to the Courts. Since it is believed that a smoother implementation of I.R.S. tax policy will be achieved if attorneys in the Internal Revenue Service are in charge of tax litigation, this section of the bill provides that the Commissioner of Internal Revenue will be in charge of all civil proceedings in any court (including the Supreme Court) involving internal revenue taxes.

TITLE VI—REFORMS AFFECTING PRIVATE FOUNDATIONS AND ESTATE AND GIFT TAXES

Section 601—Private foundations

Under present law the distinction between "public charities" and private foundations is significant because public charities are not subject to the same restrictions on their activities as are private foundations and contributions to public charities receive more favorable treatment in certain circumstances than contributions to private foundations. In addition, a private foundation pays a tax of 2% on its investment income. The term "public charity" includes not only certain types of organizations described by function—such as churches, schools, and hospitals—but also organizations which normally receive as substantial part of their support from governmental units or the general public.

Current regulations of the I.R.S. have been criticized on the ground they allow some charities, which Congress intended to be treated as private foundations, to be classified as public charities. As an example, the I.R.S. ruled that under its regulations interpreting 509(a)(3), a certain trust was not a private foundation even though 75 percent of its income could be distributed as the trustees saw fit between six different organizations named in the trust instrument as permissible beneficiaries of the trust.

This section of the bill provides that in no case shall a trust be treated under section 509(a)(3) as a public charity if the trustees have discretion to distribute as they see fit more than 50 percent of the trust income between two or more organizations named in the trust instrument as permissible beneficiaries.

This section of the bill also makes the requirements for being considered "publicly supported" more stringent than present regulations by providing that a person's contributions will be considered as public support only to the extent that they do not exceed one-half of one percent of the organization's support. It also strengthens the rules concerning treatment of contributions by related parties. This change, for example, will require that contributions of brothers and sisters of a contributor be treated as made by the contributor for purposes of the public support tests. Also this section of the bill prevents loosely affiliated trusts or funds from being treated as one organization for purposes of meeting the public support tests by requiring that the trusts of funds be under substantial common control in order to be treated as one organization.

Section 602—Transfers taking effect at death

Before the enactment of the 1954 Code, if a taxpayer transferred property to a trust which provided that the income should be accumulated during the grantor's life and upon his death the trustee should pay the corpus and accumulated income to his children, such a transfer was included in the decedent's gross estate as a transfer taking effect at death. The 1954 Code provided that such a transfer will be included in the gross estate only if the decedent retained a reversionary interest equal to 5 percent of the value of the property. This section of the bill strikes out the 5-percent reversionary interest test since it is completely a nonsequitur in a statute which imposes an estate tax on a lifetime transfer of an interest which can be possessed or enjoyed only by surviving the transferor. This amendment would apply to transfers made after December 31, 1978.

Section 603—Compensation payable after decedent's death

Under existing law, a highly compensated corporate executive can arrange his compensation so that part of what he earns will pass to his family without being included in his gross estate. For example, in order to obtain or retain the services of the corporate executive, the corporation agrees that upon his death it will pay an annuity to his widow for a period of years or so long as she lives. Upon his death the value of the annuity payable to his widow will not be subject to the estate tax if the decedent never had a prospective interest in the annuity payments if he had continued to live. Clearly, in such a case, the annuity payments to the widow were earned by the decedent's services rendered to the corporation, and the exclusion of such payments from the gross estate constitues a serious loophole available to highly compenated corporate executives. This section of the bill closes that loophole. Under the amendment, there will be included in the gross estate the value of an annuity or other payment (including proceeds of life insurance) receivable by any beneficiary, by reason of surviving the decedent, under an agreement or plan of the decedent's employer which arose out of services rendered by the decedent, whether or not the beneficiary has an enforceable right to receive the annuity or other payment.

In the case of annuities paid out of tax-exempt pension funds, which are now excluded from the gross estate under section 2039(c) to the extent attributable to the employer's contributions, this section of the bill provides that the section 2039(c) exclusion shall apply only if the annuity payments go to the decedent's surviving spouse.

Section 604—Life insurance included in gross estate

No loophole in the estate tax can compare with that offered by life insurance. Under existing law, unlimited amounts of insurance can be passed on at death to the family of the decedent free of estate tax. If the decedent takes out insurance on his own life and gives the insurance policies to members of his own family, he can continue to pay during his lifetime all the premiums on the insurance and no estate tax will be paid at his death. And no gift tax will be paid on the premium so long as the annual premium per donee is not more than $3000 ($6000 in case of married insured.) Thus, a father age 40, for an annual premium of $6000 can acquire and give to his child a 5-year renewable term life insurance policy which will provide more than $1.3 million of insurance. If he dies while the insurance is in force, $1.3 million will go to the child free of any estate or gift tax, even though all the premiums were paid by the insured.

This section of the bill provides that life insurance on the decedent's life will be included in his gross estate in the proportion that the premiums paid by the decedent or his spouse bears to all premiums paid for the insurance. However, premiums paid before 1977 by the insured or his spouse will not be included in the numerator of the fraction, but will be included in the denominator.

This section of the bill also provides that insurance on the decedent's life will be included in his gross estate—without regard to the premium payment test—if his surviving spouse possessed at his death incidents of ownership in the policy. However, if the insurance proceeds pass to the surviving spouse and the insurance would qualify for the marital deduction if the insurance were included in the gross estate, the insurance will not be included in the gross estate by reason of incidents of ownership in, or premiums paid by the surviving spouse.

Section 605—Charitable deductions in the case of estate tax

The first amendment made by this section of the bill places a limitation on the charitable deduction for estate tax purposes, similar to what we have for the income tax. Under present law, a decedent can give his entire estate to a private foundation created by his will, and no Federal estate tax will be imposed. This amendment provides that the aggregate charitable deduction shall not exceed the greater of $1,000,000 or 50 percent of the gross estate reduced by the debts of the decedent and the expenses of administration.

The second amendment deals with the interplay of the charitable deduction and the marital deduction for estate tax purposes. The marital deduction cannot exceed 50 percent of the adjusted gross estate (gross estate less debts, losses, and expenses of administration). Cases have arisen where executors have claimed, in order to raise the amount of the adjusted gross estate for purposes of the marital deduction, that transfers made to charities during the decedent's lifetime were includable in the gross estate. Increasing the gross estate for such lifetime transfers produced no estate tax for the charitable deduction was increased by the same amount, but a larger maximum deduction was allowed for bequests to the surviving spouse. This amendment provides that in computing the adjusted gross estate there shall be excluded any transfer made by the decedent during his lifetime if an estate tax charitable deduction is allowed for that transfer.

Section 606—Charitable deduction for gift tax purposes

Since the enactment of the tax Reform Act of 1969, a gift tax is imposed in certain cases if the donor gives an interest in property to charity but retains for himself an interest in the same property. Thus, if a valuable painting is given to the National Gallery of Art subject to the right of the donor to retain possession of the painting for his lifetime, a charitable deduction is not allowed for either the income tax or the gift tax. While a deduction for income tax purposes in such a case is properly disallowed, it is not believed a gift tax should be imposed on the gift to charity, so long as no third party is given an interest in the painting. This section of the bill amends section 2522(c) of the Internal Revenue Code of 1954 to allow a charitable deduction for gift tax purposes in such a case. The amendment provides, however, that if the donor, after making such a gift to charity, thereafter transfers the interest he retained to a third party (not a charity), the donor shall then be considered as having made the transfer to charity and the third party at the same time, so that a gift tax would be imposed on the interest transferred to charity.

TITLE VII—STATE AND LOCAL OBLIGATIONS

Section 701—Repeal of exemption for interest on new issues of State and local bonds

This section of the bill provides that interest on State and local bonds issued after December 31, 1979, will not be exempt from Federal income taxation. In the case of interest on State and local obligations issued before January 1, 1980, such interest will continue to be exempt from taxation, but section 501 of the bill provides that such interest will be treated as an item of tax preference for purposes of the minimum tax.

Section 702—United States to pay 35 percent of interest yield on State and local obligations

This section provides that the Federal Government will pay 35 percent of the interest yield on State and local obligations issued after December 31, 1979. The payment of interest by the Federal Government will not apply in the case of any industrial development bond (as defined in section 103(c)(2) of the Internal Revenue Code). This section provides that upon the request of the State or local government, the liability of the United Staes to pay interest to the holders of the bond shall be handled through the assumption by the United States to pay a separate set of interest coupons issued with the bond. Otherwise, the obligation of the United States to pay 35% of the interest yield will be made directly to the issuer of the obligation.

TITLE VIII—WITHHOLDING OF INCOME TAX ON DIVIDENDS AND INTEREST

Section 801—Withholding of income tax at source on dividends and interest

Income taxes are now deducted and withheld on payments of wages and salaries but not on dividends or interest. In 1962, the Ways and Means Committee decided, as a matter of fairness, that recipients of dividends and interest should pay their taxes no less than those who receive wage and salary income and the tax should be paid just as promptly. The Revenue Bill of 1962, as passed by the House, provided for the withholding of tax on dividends and interest, and this section of H.R. 1040 contains provisions substantially identical to the withholding provisions in the 1962 bill. In 1962, the committee estimated that such withholding of tax would increase annual tax collections by about $650 million. With the great increase since then in the amount of dividend and interest payments, it is believed that the withholding of tax on such income would now increase revenues more than $1 billion annually.

FEDERAL INDIVIDUAL INCOME TAX BURDEN[1]—SINGLE PERSON AND MARRIED COUPLE WITH NO, 1, 2, AND 4 DEPENDENTS
(ASSUMING DEDUCTABLE PERSONAL EXPENSES OF 23 PERCENT OF INCOME)

	Tax liability														
	Single person			Married couple with no dependents			Married couple with 1 dependent			Married couple with 2 dependents			Married couple with 4 dependents		
Adjusted gross income[2]	Under present law	Under the proposal	Tax change	Under present law	Under the proposal	Tax change	Under present law	Under the proposal	Tax change	Under present law	Under the proposal	Tax change	Under present law	Under the proposal	Tax change
$3,000	0	0	0	0	0	0	−$299	−$299	0	−$299	−$299	0	−$299	−$299	0
5,000	$250	0	−$250	0	0	0	−499	−499	0	−499	−499	0	−499	−499	0
6,000	422	$44	−378	$84	0	−$84	−500	−500	0	−500	−500	0	−500	−500	
8,000	787	460	−327	374	0	−374	−26	−250	−$224	−166	−250	−$84	−250	−250	0
10,000	1,177	925	−252	702	$99	−603	534	0	−534	374	0	−374	84	0	−$84
12,500	1,585	1,391	−195	1,152	624	−528	972	324	−648	792	24	−768	454	0	−454
15,000	2,047	1,960	−87	1,625	1,206	−419	1,415	906	−509	1,233	606	−627	873	6	−867
17,500	2,547	2,602	+55	2,029	1,662	−367	1,819	1,362	−457	1,609	1,062	−547	1,220	462	−758
20,000	3,115	3,279	+164	2,457	2,189	−268	2,223	1,889	−334	2,013	1,589	−424	1,593	989	−604
25,000	4,364	4,824	+460	3,399	3,396	−3	3,141	3,096	−45	2,901	2,796	−105	2,421	2,196	−225
30,000	5,718	6,604	+886	4,477	4,826	+349	4,197	4,526	+329	3,917	4,226	+309	3,357	3,626	+269
35,000	7,220	8,619	+1,399	5,705	6,523	+818	5,385	6,223	+838	5,065	5,923	+858	4,435	5,323	+888
40,000	8,886	10,732	+1,846	7,052	8,328	+1,276	6,682	8,028	+1,346	6,312	7,728	+1,416	5,657	7,128	+1,471
50,000	12,559	15,042	+2,483	10,183	12,394	+2,211	9,753	12,094	+2,341	9,323	11,794	+2,471	8,463	11,194	+2,731
60,000	16,392	19,352	+2,960	13,602	16,638	+3,036	13,112	16,338	+3,226	12,634	16,038	+3,404	11,774	15,438	+3,664
70,000	20,242	23,662	+3,420	17,375	20,948	+3,573	16,885	20,648	+3,763	16,395	20,348	+3,953	15,415	19,748	+4,333
80,000	24,092	27,972	+3,880	21,178	25,258	+4,080	20,678	24,958	+4,280	20,178	24,658	+4,480	19,188	24,058	+4,870
90,000	27,942	32,282	+4,340	25,028	29,568	+4,540	24,528	29,268	+4,740	24,028	28,968	+4,940	23,028	28,368	+5,340
100,000	31,792	36,592	+4,800	28,878	33,878	+5,000	28,378	33,578	+5,200	27,878	33,278	+5,400	26,878	32,678	+5,800

[1] Computed without reference to the tax tables.
[2] Wage or salary and/or self-employment income.

Note: Details may not add to totals because of rounding.

Source: Staff of the Joint Committee on Taxation. ●

THE HEALTH SECURITY ACT OF 1979

(Mr. CORMAN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. CORMAN. Mr. Speaker, today I have introduced the Health Security Act of 1979, H.R. 21, along with 24 Members of the House of Representatives. The cosponsoring Members on this first day of the 96th Congress are the following:

Mr. Pepper, Mr. Stark, Mr. Addabbo, Mr. Anderson of California, Mr. Bonker, Mr. Clay, Mr. Conyers, Mr. Diggs, Mr. Drinan, Mr. Edwards of California, Mr. Fascell, Mr. Kildee, Mr. Lehman, Mr. Minish, Mr. Moakley, Mr. Myers of Pennsylvania, Mr. Oberstar, Mr. Reuss, Mr. Rodino, Mr. Rosenthal, Mr. Thompson, Mr. Weaver, Mr. Weiss, and Mr. Won Pat.

For the last 10 years a broad coalition of organizations and millions of individuals have united in developing the health security program and working for its enactment. The program reflects the highest standards and is as ambitious as attainable.

Last month, the Democratic Party, in midterm conference, reaffirmed its support for comprehensive national health insurance with universal and mandatory coverage. The program is to be publicly financed by a combination of employer-employee payroll taxes and general revenues. Let there be no doubt that health security is the only program which satisfies that pledge.

The struggle against the strong vested interests of the large health care industry and the health insurance companies has often been difficult and frustrating. But Americans have set their sights high and the best in national health insurance is too valuable to sacrifice for the allure of expediency.

Some Americans enjoy the best medical care. Now the American people want quality medical care available to all and the best system in the world for its delivery and financing.

It is imperative that, at this crucial juncture in the consideration of national health insurance, the commitment to the principles of health security be strengthened.

The Health Security Act reflects two fundamental objectives. The first is that every American should be assured access to appropriate health care. To eliminate income, residence, employment status, and age as barriers to health services, health security will establish uniform and comprehensive benefits without the usual insurance premiums, exclusions, deductibles, or copayments. Age, employment status, economic circumstanes will be irrelevant.

It is essential that NHI coverage be universal-compulsory and provided under one publicly financed and administered program. Everyone must enjoy uninterrupted coverage and make contributions accordingly. Only then can the program accommodate the ever-changing circumstances of individuals. Means testing, however subtle, must be avoided.

The second precept is that a national health program must go beyond insuring health care to the more difficult, but central, problems of securing health care. In other words, a national health insurance program must introduce improvements in the organization, availability and quality of services.

The success with health care reforms is dependent on the leverage of a single universal program and the open decisionmaking process and accountability of a public program.

Health security will establish a broad system for health care in the United States, not just be a new method for paying the bills for doctors and hospitals.

The program will be a working partnership between the public and private sectors. Care will be provided by physicians, hospitals, and other private providers in the same way it is done today. The health security program is not a national health service in which the Government owns the facilities and employs the personnel.

The national health insurance debate has been sidetracked far too long by the sham argument about cost. Instead of a serious and forthright discussion about the merits of the various legislative proposals, the American people have suffered the dishonesty of a range of counterfeit cost estimates.

The issue is not what proposals are less expensive than others, because the American public knows who pays the final bill. The important point is that we are now spending about $200 billion for health care and that amount will almost double in 5 years. This tab is picked up by each of us as patients, taxpayers, and consumers.

The Federal budget impact cannot be ignored. However, national health insurance would rechannel present financing, not be new expenditures for the economy. Gimmicks which may be used in an attempt to disguise the cost of health care would only serve to hinder the proper objectives of national health insurance.

Thus, the primary issue is whether the stark economics of health care are allowed to go unchecked or whether responsible public policy decisions will be made to reform the health care delivery system.

National health insurance is not needed, in the form of health security or any other program, because we as families or a nation need to spend more money to obtain necessary health services. We spend more per capita and use more of the Nation's resources for health purposes than any other nation in the world.

Support for comprehensive national health insurance arises out of the increasing need to spend our health care dollars more effectively and efficiently. The rapid and uncontrollable increases in medical costs under the existing methods of receiving and paying for care have become too burdensome.

The litany of facts and figures about

the rising health expenditures need not be repeated. In short, health costs have outstripped general economic growth as well as workers' wages.

The design of the Health Security Act is to improve and protect health, while maintaining health expenditures within reasonable limits. Initially, as all Americans obtain access to needed care under health security, some increase in expenditures can be expected.

Health security is the only health program that contains realistic mechanisms for effectively containing and directing health expenditures. Through a national and regional budgeting process under which hospitals budget their costs and doctors stick to established fee schedules, increases in health expenditures will be kept within reasonable limits and directed to meet changing health needs.

Encouraging prepaid health programs, preventive medicine, early diagnosis, and outpatient treatment will substantially improve the quality of health care and result in less costly care than if present arrangements are allowed to continue.

Under Health security, people will pay for services when they are well and working, not at the time of illness. A full range of preventive, routine, and catastrophic health services will be available when they are needed, not delayed until they can be afforded. Providers will be paid in full directly from the Health Security Trust Fund. The patient will receive no bills for extra charges.

The total health costs will be distributed through the equitable and proven social insurance system with employers-employees contributions and the Federal general revenue sharing the cost. There will also be a tax on nonearned income to cover the nonworking wealthy and assure that contributions are made according to ability to pay. As a result, a family's health costs will be predictable and easily budgeted.

It has been alleged that a program that does not impose deductibles and coinsurance, will result in high rates of unnecessary use of health resources. There is no evidence that this would happen, and in Canada the evidence is to the contrary. Slight increases in utilization occurred under Canada's health system when deductibles were removed, but these soon leveled off. Canada's experience clearly demonstrates that the paperwork and costs of administering deductibles results in more waste than savings.

Health security will actively encourage more efficient organization and equal distribution of existing health manpower and provide funds for special training of health professionals and allied personnel. A resources development fund would be established to support innovative health programs, particularly in manpower, education, training, and group practice development.

Fifty years of experience has provided clear indications that a system of private health insurance, even if it is expanded as proposed in some bills or heavily regulated as in others, will not assure uninterrupted protection or provide access to quality health care for everyone. A program of employment-based coverage through private carriers cannot assure the needed level of coverage.

Private insurance, a major contributor to our Nation's health care problems, cannot now be employed as part of the solution.

There is a widely held misconception that private health insurance covers the needs of American workers and their families. Yet of the total amount spent for personal health care, private insurance pays only 28 percent.

The Congressional Budget Office reports that less than half the Nation has major medical coverage and is "reasonably well protected against high expenses." A full 18 million citizens were found to be completely unprotected by either private insurance or public programs. Much of the rest of the population has their fingers crossed with an inadequate policy in the back pocket.

A role for the private sector in national health insurance as administrative or fiscal agents is workable. But the continuation of private underwriting defies justification. Private underwriting is unwarranted under NHI as the element of risk is removed from the provision of health services. In addition, retention of private insurers thwarts the objective of universal coverage and creates massive administrative difficulties in providing continuous coverage.

As lawmakers, we know the necessity for negotiating a sound and workable program which can be enacted as soon as possible. There are provisions of the health security program which could be modified in a manner acceptable to the principles of health security. Such things as phasing in of benefits beginning with maternal and child health, a role for private insurers as fiscal and administrative agents, a stronger role for State governments in program operation, and a public insurance corporation with an opt-out feature to private insurers could be devised.

But compromises which damage the social insurance nature of health security will be strongly resisted.

During congressional consideration of national health insurance, the opportunities to approve incremental improvements to the health system should be used fully. Substantial progress has been made in recent years and more progress can be made in the 96th Congress as hospital cost containment, medicare-medicaid reforms, health planning, child health, clinical lab standards, and other health legislation is approved.

I include the following section-by-section analysis for the further information of my colleagues:

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TITLE I—HEALTH SECURITY BENEFITS

Part A—Eligibility for benefits

(Sections 11–12.) Every resident of the U.S. (and every non-resident citizen when in the U.S.) will be eligible for covered services. Reciprocal and "buy in" agreements will permit the coverage of groups of non-resident aliens, and in some cases benefits to U.S. residents when visiting in other countries.

Part B—Nature and scope of benefits: covered services

(Section 21.) Every eligible person is entitled to have payments made by the Board for covered services provided within the United States by a participating provider.

(Section 22.) All necessary professional services of physicians (including preventive care) are covered wherever furnished, with one quantitative limitation. Psychiatric services to an ambulatory patient are covered without limit if the patient seeks care in the organized setting of a group practice organization, a hospital out-patient clinic, or other comprehensive mental health clinic. In these kinds of organized settings, peer review and budgetary controls can be expected to curtail unnecessary utilization.

If the patient is consulting a solo practitioner, however, there is a limit of 20 consultations per benefit period. In communities where psychiatric services are in especially short supply, the Board may prescribe referral or other nonfinancial conditions to give persons most in need of services a priority of access to solo practitioners.

(Section 23.) Comprehensive dental services (exclusive of most orthodontial) are covered for children under age 15, with the covered age group increasing by two years each year until all those under age 25 are covered. (Persons once covered remain covered for the rest of their lives). This benefit is limited initially because, even with full use of dental auxiliaries, there is insufficient manpower to provide dental benefits to the entire population. However, the Board may expand the benefits more rapidly if availability of resources warrants, and the Board is required within seven years of the effective date of the legislation to establish a timetable for phasing in benefits for the entire population. To encourage the development of groups which provide comprehensive medical and dental services or comprehensive dental services, the Board may phase in dental benefits more rapidly for the enrollees of those groups.

(Section 24.) In-patient and out-patient hospital services and services of a home health agency are covered for the duration of the services, and skilled nursing home services are covered for limited periods. Pathology and radiology services are specifically included as parts of institutional services, thus reversing the practice of Medicare. Domiciliary or custodial care is specifically excluded in any institution, thus necessitating the two important restrictions on payments for institutional care:

(1) Payment for skilled nursing home care is limited to 120 days per benefit period, except that this limit may be increased either when the nursing home is owned or managed by a hospital and payment for care is made through the hospital's budget or for all nursing homes affiliated with hospitals. It is not practical to assume that the majority of nursing homes and extended care facilities in the country will be able to implement effective utilization review and control plans in the first years of Health Security. The demand for essentially domiciliary or custodial care in nursing homes is so overwhelming that an initial arbitrary limit on days of coverage is necessary. Extension of the benefit is authorized when this becomes feasible.

(2) Some hospitals do not provide optimal active treatment to their psychiatric patients but rather maintain them in a custodial setting. If Health Security provides unlimited coverage for patients in these hospitals, it might tend to freeze the level of care instead of stimulating these institutions to upgrade their medical care performance. Therefore, the psychiatric hospital benefit is limited to 45 days of *active treatment* during a benefit period.

(Section 25.) The bill provides coverage for two categories of drug use: prescribed medicines administered to in-patients or out-patients within participating hospitals or to enrollees of comprehensive health service organizations, and drugs necessary for the treatment of specified chronic illnesses or conditions requiring long or expensive drug therapy. This will provide coverage of most drug costs for individuals who require costly drug therapy.

The bill requires the Board and the Secretary of HEW to establish two lists of approved drugs. There will be a broad list of approved medicines available for use in institutions and by comprehensive health service organizations and a more restricted list which is available for use outside such organized settings. The restricted list shall stipulate which drugs on it shall be available for treatment of each of the specified chronic diseases. No such restrictions shall be placed upon drug therapy within an institutional setting.

Use of the restricted list will meet the most costly needs for drug therapy while restraining unnecessary utilization. The benefit is more liberal where adequate control mechanisms exist.

(Section 26.) The appliances benefit is similar in concept and operation to the drug benefit, subject to a limitation on aggregate cost. The Board shall prepare lists of approved devices, appliances or equipment which it finds are important for the maintenance or restoration of health, employability or self-management (taking into consideration the reliability and cost of each item). The Board will also specify the circumstances or the frequency with which the item may be prescribed at the cost of the Health Security program.

(Section 27.) The professional services of optometrists and podiatrists are covered, subject to regulations, as are diagnostic or therapeutic services furnished by independent pathology laboratories and radiology services. The care of a psychiatric patient in a mental health day care service is covered for up to 60 days (day care benefits are unlimited if furnished by a group practice organization, by a comprehensive mental health center, or by an approved mental health day care service). Ambulance and other emergency transportation services are covered, as well as non-emergency services where (as in some sparsely settled areas) transportation is essential to overcome special difficulty of access to covered services.

Supporting services such as psychological, physiotherapy, nutrition, social work and health education are covered if they are part of institutional services or are furnished by a group practice organization, individual practice association or certain public or nonprofit organizations. This establishes the important principle that these and other supporting services should be provided as part of a coordinated program of health maintenance and care. Participating psychologists, physical therapists, social workers, etc. will not be permitted to establish independent practices and bill the program on a fee-for-service basis. This is intended to assure that services of this nature are provided as part of an organized plan of treatment and relate to the overall care of the patient.

In addition to services available from hospitals, mental health centers or other providers, free-standing alcohol, drug abuse, family planning and rehabilitation centers would be recognized as providers if such centers have an agreement with the Board.

(Section 28.) Health services furnished or paid for under a workmen's compensation law are not covered. Reimbursement for loss of earnings is so closely interlocked with the health services aspects of workmen's compensation that absorption of the health services portion could have the effect of delaying findings of eligibility for income payments.

School health services are covered only to the extent provided in regulations.

The Board may exclude from coverage medical or surgical procedures which are essentially experimental in nature. Individuals who enroll in a comprehensive health service organization or enroll with a primary practitioner accepting capitation payments are not covered for services from other providers (except as specified in regulations). Surgery primarily for cosmetic purposes is excluded from coverage.

The services of a practitioner are not covered if they are furnished in a hospital which is not a participating provider. This is intended to discourage physicians from admitting patients to hospitals which do not meet program standards.

Part C—Participating providers of services

(Section 41(a).) Participating providers are required to meet quality of care standards established in this title or by the Board under Part H. They must comply with requirements the Board finds necessary, to assure that their employees enjoy employment rights and working conditions similar to those of other workers. In addition, they must provide services without discrimination, make no charge to the patient for any covered service, and furnish data necessary for utilization review by professional peers, statistical studies by the Board and by the Commission on the Quality of Health Care and verification of information for payments.

(b) A provider's participation may be terminated under procedures described in part G of the bill.

(c) If a provider is merged, consolidated or reorganized, pre-existing employment rights shall be subject to reasonable requirements by the Board for protection of employees' rights.

(Section 42(a).) Practitioners licensed when the program begins are eligible to practice in the State where they are licensed. All newly licensed applicants for participation must meet national standards established by the Board in addition to those required by the State. While stopping short of creating a Federal licensure system for health professionals, this will guarantee minimum national standards. A state-licensed practitioner who meets national standards will be qualified to provide Health Security covered services in any other state.

(b) For purposes of this title a doctor of osteopathy is a physician, as is a dentist when performing procedures which, in generally accepted medical practice, may be performed by either a physician or a dentist.

A doctor of optometry or podiatry qualified in accordance with subsection (a) is a physician when furnishing services which are covered services in accordance with regulations issued under Section 27(a) and which he is legally qualified to furnish in the state in which he furnished them.

(Section 43.) This section establishes conditions of participation for general hospitals similar to those required by Medicare. Two requirements not found in the Medicare program are: (1) that the hospital must not discriminate in granting staff privileges on any grounds unrelated to professional qualifications; (2) that the hospital establish a pharmacy and drug therapeutics committee for supervision of hospital drug therapy. Medicare allows any hospital accredited by the Joint Commission on the Accreditation of Hospitals (if it provides utilization review) to participate in the program, thus in effect delegating to the Commission the determination whether the standards are met. This title requires all participating hospitals to meet standards established by the Board.

(Section 44.) Psychiatric hospitals will be eligible to participate if the Board finds that the hospital (or a distinct part of the hospital) is engaged in furnishing active diagnostic, therapeutic and rehabilitative services to mentally ill patients. Psychiatric hospitals are required to meet the same standards as those prescribed for general hospitals in section 43, and such other conditions as the Board finds necessary to demonstrate that the institution is providing active treatment to its patients. These standards will exclude costs incurred by state mental institutions to the extent they serve domiciliary or custodial functions.

(Sections 45 and 46.) Section 45 establishes conditions of participation for skilled nursing homes similar to those established for extended care facilities under Medicare. Important differences, however, are the requirement for affiliation with a participating hospital or group practice organization (see Section 51(b)) and changes in the requirements for utilization review (see Section 50). Under Section 46 participation by home health agencies will be limited to public agencies and non-profit private organizations—proprietary home health agencies are specifically excluded.

(Section 47.) Subsection (a) describes a group practice organization (one type of health maintenance organization) which undertakes to provide an enrolled population either with complete health care or, at the least, with complete Health Security services (other than mental health or dental services) for the maintenance of health and the care of ambulatory patients. The bill, in its aim to improve the methods of delivery of health services, places much emphasis on the development of new organizations of this kind and the enlargement of old ones.

Other requirements are spelled out in this section: The organization must furnish medical services (and dental services if they are included) through prepaid group practice. Other services must be furnished by staff of the organization or by contractors for whom the organization assumes responsibility, except that institutional services may be provided by arrangements with other participating providers at the expense of the group practice organization. The organization must be non-profit, but it may utilize proprietary providers in fulfilling its responsibilities.

All persons living in or near a specified service area will be eligible to enroll during an annual open enrollment period, subject to the capacity of the organization to furnish care. Services must be reasonably accessible to persons living within the specified service area. Periodic consultation with representatives of enrollees is required, and they must be given opportunity to participate in policy formulation and in evaluation of operation. Professional policies and their effectuation, including monitoring the quality of services and their utilization, are to be the responsibility of a committee or committees of physicians (and other health professionals where appropriate). Health education and the use of preventive services must be stressed, and consumers are to be employed so far as is consistent with good medical practice. Charges for any services not covered by Health Security must be reasonable. Finally, the organization must pay for services furnished by other providers in emergencies, either within the service area of the organization or elsewhere, but may meet this requirement to the extent feasible through reciprocal arrangements with other organizations.

Subsection (b) makes clear that the organization, or professionals furnishing services for it, may also serve non-enrollees, with payment to be made to the organization, or, at its request, to such professionals.

(Section 48.) An individual practice association (another type of health maintenance organization) must be a non-profit organization, sponsored by a local medical society, which meets the conditions for participation by a group practice organization other than the requirement of group practice. Physicians practicing in the area (and dentists if dental services are furnished) must be permitted to become members, subject only to criteria, approved by the Board, relating to professional qualifications. For services to enrollees, professional members may be compensated by the association by whatever method, including fee-for-service, may be agreed upon by it and its members.

Subsection (b) provides that a professional member may furnish services to persons not enrolled in the association and receive payment from the Board on the same basis as independent practitioners, except that if he is paid by capitation, salary, or stipend by the association, the payment for services to non-enrollees is to be made to the association.

(Section 49.) This section deals with several classes of health organizations that vary widely, even within a single class, in their structure and in the scope of the services which they offer. Because statutory specifications cannot well be tailored to so many variables, the section sets forth only a general statement of the kinds of organizations to which it relates and leaves participation of each organization to a case-by-case decision of the Board on such terms as the Board deems proper.

Subsection 49(a)(1) permits the participation of community health centers or the like which, though furnishing a broad range of ambulatory services, do not serve an enrolled or otherwise predetermined population and may not meet some other requirements of section 47(a). Subsection (a)(2) authorizes the Board to deal separately with the primary care portion of a system of comprehensive care where it is necessary to rely on arrangements with other providers, rather than on a unified structure, to round out the other elements of the system. Where organizations meeting the requirements of section 47(a) or 48(a) are not available, these two paragraphs of section 49(a) give the Board flexibility in furthering one of the bill's prime objectives, the development and broad availability of comprehensive services furnished on a coordinated basis.

Because of the extent to which mental health services are separated from other health care, subsection (a)(3) permits the Board to contract directly with public or other non-profit mental health centers and mental health and day care services.

If a state or local public health agency is providing preventative or diagnostic services, such as immunization or laboratory tests, the Board may under subsection (a)(4) contract with it for the continuance of these services.

In accordance with regulations, the Board may contract with free standing ambulatory treatment centers for alcoholism and/or drug abuse; for family planning services; and for rehabilitation services.

In the field of private practice, physicians, dentists or other practitioners may group themselves in a clinic or in any number of other ways, and it may be more convenient both to them and to the Board to regard them as an entity than to deal with each practitioner separately. Subsection (a)(8) permits this. The Board will have wide discretion in contracting with such entities subject to the limitation that, like other organizations described in section 49(a), the entity may not (under section 88(a)) be paid on a fee-for-service basis. Practitioners who elect that method of payment may of course pool their bills for submission to the Board, but there is no reason to contract with a unit for the payment of fees to it.

Subsection (b) makes clear that agreements with the Board under this section shall not (unless expressly so stipulated) preclude practitioners furnishing services under the agreements from furnishing other services as independent providers.

(Section 50.) This section specifies the general conditions under which independent pathology laboratories, independent radiological services, providers of drugs, devices, appliances, equipment, or ambulance services may qualify as providers. As under Medicare, a Christian Sciences Sanatorium qualifies if operated, or listed and certified, by the First Church of Christ, Scientist, Boston.

(Section 51.) The requirements of utilization review in hospitals and skilled nursing homes are similar to those in Medicare. The review is designed to serve a dual purpose: identification of misuses of institutional services with a view to their termination, and a focusing of attention on the efficient utilization of institutional resources. Section 51(a) strengthens the educational aspect of the process by requiring that records of reviews be maintained and statistical summaries of them be reported periodically to the institution and its medical staff (and, on request, to the Board). The review committee will consist of two or more physicians, with or without other professional participation; and in the case of hospitals, will normally be drawn from the medical staff unless for some reason an outside group is required. For skilled nursing homes, on the other hand, section 51(c) departs from Medicare by permitting as an alternative that the Committee be established by the State or local public health agency under contract with the Board, or failing that, by the Board. If the nursing home operates under a consolidated budget with a hospital, the review will be made by the hospital committee. Like Medicare, Section 51(d) and (e) call for review of specific long-stay cases as required by regulations, and notification to the institution, the attending physician, and the patient when a decision adverse to further institutional services is made.

(Section 52.) Subsection (a) of Section 52 requires a participating skilled nursing home to have an agreement with at least one participating hospital for the transfer of patients and medical information. Subsection (b) requires that, two years after the beginning of health benefits, skilled nursing homes and home health service agencies, affiliate with a participating hospital or group practice organization. Unless the medical staff of the hospital or organization undertakes to furnish the professional services in the nursing home or the professional services of the home health service agency, that medical staff or a committee of it must assume responsibility for these services. Subsection (c) allows the Board to waive the application of either of these requirements to a skilled nursing home or a home health agency which the Board finds essential to the provision of adequate services, if lack of a suitable hospital or organization within a reasonable distance makes a transfer or an affiliation agreement impracticable.

(Section 53.) If the construction or substantial enlargement of a hospital, skilled nursing home, or ambulatory care facility has been undertaken after December 31 of the year of enactment, without either a State certificate of need or a prior approval by a planning agency designated by the governor of the State or the Board, section 53 precludes the institution from participating in the Health Security program, except that in case of enlargement, the Board may permit participation subject to reduction in reimbursement for services. This should greatly strengthen state and local health planning agencies.

(Section 54.) This section prohibits double recovery in malpractice litigation by stipulating that no damages will be awarded to the injured party for remedial services which are available without cost under the Health Security program.

(Section 55.) Institutions of the Department of Defense and the Veterans' Administration, and institutions of the Department of Health, Education, and Welfare serving merchant seamen or Indians or Alaskan natives, are excluded from serving as participating providers, as is also any employee of these institutions when he is acting as an employee. The Board will, however, provide reimbursement for any services furnished (in emergencies, for example) by these institutions or agencies to eligible persons who are not a part of their normal clientele. It will also provide reimbursement for services furnished by members of the National Health Service Corps.

(Section 56.) This section overrides, for purposes of the Health Security Program, State laws of several kinds which inhibit the utilization or the mobility of health personnel, cloud the legality of so-called "corporate practice" of health professions, or restrict the creation of group practice organizations.

The first three paragraphs of subsection (a), while stopping short of creating a system of Federal licensure for health personnel, will greatly facilitate both the interstate mobility of State licensees and the effective use of ancillary personnel in the furnishing of health care. The dispensations contained in these paragraphs will be available to persons who meet national standards established by the Board.

Paragraph (1) permits a physician, dentist, optometrist, or podiatrist, licensed in one State and meeting the national standards, to furnish Health Security benefits in any other State, the scope of his permissible practice being governed by the law of the State in which he is practicing. This paragraph obviates the difficulty and cost which a practitioner may encounter, especially where reciprocity of licensure is not available, in taking up practice in a State in which he has not been licensed.

Paragraph (2) grants a similar authority to other health professional and non-professional personnel. For occupations such as pharmacy and professional nursing, which are subject to licensure in all States, a person can avail himself of this paragraph only if he is licensed in one State and meets the national standards; in other cases, where licensure is not universally required, compliance with national standards is sufficient.

The restrictions which many professional practice acts impose on the use of lay assistants, and the legal uncertainties which often deter such use, discourage practices that can increase greatly, without sacrifice of safety, the volume of services which professionals can render. Accordingly, paragraph (3) of subsection (a) enables the Board to permit physicians and dentists, participating in public or non-profit hospitals and group practice organizations, to use ancillary health personnel, acting under professional supervision and responsibility, to assist in furnishing Health Security benefits. Such assistants may do only things which the Board has specified, and may be used only in the context of an organized medical staff or medical group. Persons employed as assistants must meet national standards for their occupations, and satisfy special qualifications that the Board may set for particular acts or procedures.

To encourage salaried practice and the integration of professional practitioners into well-structured organizations for the delivery of health services, paragraph (4) of subsection (a) does away with the "corporate practice" rule insofar as it concerns participating public or other non-profit hospitals and group practice organizations. These institutions may employ physicians or make other arrangements for their services, unless in the unlikely event that the lay interference with professional acts or judgments should be threatened. No conflict of interest results from such arrangements; in the non-profit setting loyalty to employer and loyalty to patient run parallel.

Some state laws place restrictions of one kind or another on the incorporation of group practice organizations. When these restrictions prevent the State incorporation of an organization meeting the strict requirements of the Health Security Act, section 56(b) empowers the Secretary to incorporate it for purposes of the Act. Except for the special restrictions, State law will govern the corporation.

Part D—Trust fund; allocation of funds for services

(Section 61.) By section 406(a) of the present bill, section 1817 of the Social Security Act, creating the Federal Hospital Insurance Trust Fund, is amended and transferred to become section 61 of the Health Security Act. The fund will thus become the Health Security Trust Fund, succeeding to the assets and liabilities of both Medicare trust funds, and receiving the proceeds of the health security taxes imposed by title II of the Health Security Act and the authorized appropriations from general revenues equal to 100 percent of those tax receipts.

The Fund will also receive recoveries of overpayments, and receipts from loans and other agreements. To implement the role of the Trust Fund, the Managing Trustee (the Secretary of the Treasury) will make payments from the Trust Fund provided for under Title I, as the Board certifies, and with respect to administrative expenses as authorized annually by the Congress.

(Section 62.) The Health Security program is intended to operate on a budget basis overall. Accordingly, subsection (a) requires the Board to determine for each fiscal year the maximum amount which may be available for obligation from the Trust Fund. The amount so determined in advance shall not exceed the smaller of two stated limitations. The first limit is fixed on 200% of the expected net receipts from all the health Security taxes (i.e., the tax receipts augmented by 100% thereof, to be appropriated into the Fund from general revenues of the Government). The second limit, applicable to each fiscal year after the first year of benefit operation is an amount equal to the estimated current obligations, subject to certain adjustments. Adjustments will reflect change expected in: (A) the price of goods and services; (B) the number of eligible persons; (C) the number of participating professional providers, or the number or capacity of institutional or other participating providers so far as such changes are not already adequately reflected; and (D) the expected cost of program administration.

In the interest of prudent fiscal management, subsection (b) requires the Board to restrict its estimate of the amount available for obligation in the next fiscal year (in accordance with subsection (a)) if the Board estimates that the amount in the Trust Fund at the beginning of the next fiscal year will be less than one-quarter of the total obligations to be incurred for the current year, and that such restriction will not impair the adequacy or quality of the services to be provided. Also, the Board is required to reduce its alternative estimate of the maximum amount to be available if it finds that the aggregate cost to be expected has been reduced (or an expected increase has been lessened) through improvement in organization and delivery of service or through utilization control.

Subsection (c) provides against various other contingencies which may result in increase or decrease in the estimate of the maximum amount to be available for obligation in a next fiscal year. The amount may be modified before or during the fiscal year: if the Secretary of the Treasury finds that the expected Health Security tax receipts will differ by 1 percent or more from the estimate used under subsection (a); or if the Board finds that either its factors of expected change or the cost of administration is expected to differ from the estimate by 5 percent or more; or if an epidemic, disaster or other occurrence compels higher expenditure than had been expected. If, as a result, the maximum estimate has to be increased, the Board shall promptly report its action to the Congress with its reasons.

(Section 63.) Subsection (a) provides that separate accounts shall be established in the Health Security Trust Fund—a Health Services Account, a Health Resources Development Account, and an Administration Account, as well as a residual General Account. Subsection (b) provides that in each of the first two years of program operation, 2 percent of the Trust Fund shall be set aside for the Health Resources Development Fund; and the allocation shall increase by 1 percent at two-year intervals to 5 percent within the next 6 years. The money in this account will be used for the planning and system improvement purposes described in part F.

(c) (d) After deducting the amount approved by Congress and transferred to the Administration Account, the remainder of the monies shall be allocated to the Health Services Account, and shall be used for making payment for services in accordance with Part E.

(Section 64.) This section provides for allocation of the Health Services Account among the regions of the country. (a) The allocation to each region shall be based on the aggregate sum expended during the most recent 12-month period for covered services (with appropriate modification for estimated changes in the price of goods and services, the expected number of eligible beneficiaries, and the number of participating providers). (b) In allocating funds to the regions the Board shall seek to reduce, and over the years gradually eliminate, existing differences among the regions in the average per capita amount expended upon covered services (except when these reflect differences in the price of goods and services). To accomplish this, the Board will curtail increases in allocations to high expenditure regions and stimulate an increase in the availability and utilization of services in regions in which the per capita cost is lower than the national average. (c) A contingency reserve of up to 5% may be withheld from allocation. If the remaining funds available are inadequate, allocations will be reduced pro rata. (d) Allocations may be modified before or during a fiscal year if the Board finds this is necessary.

(Section 65.) The Board will divide the allocation to each region into funds available to pay for: institutional services; physician services; dental services; furnishing of drugs; furnishing of devices, appliances and equipment; and other professional and supporting services, including sub-funds for optometrists, podiatrists, independent pathology laboratories, independent radiology services, and other items. The percent allocated to each category of service may vary from region to region. In determining allocation to these funds they will be guided by the previous years' expenditures for each category of service but also take into account trends in the utilization of services and the desirability of stimulating improved utilization of preventive and ambulatory services.

(Section 66.) These regional funds will be sub-divided among the health service areas in each region, primarily upon the basis of the previous years' expenditure for each kind of service. Again, the Board will gradually attempt to achieve the equalization of services within each region by restraining the increase of expenditures in high cost areas and channeling funds into health service areas with a low level of expenditures.

(Section 67.) Before or during a fiscal year, the division of regional funds by classes of service or the allotments to health service areas may be modified if necessary or if indicated by newly acquired information.

Part E—Payment to providers of services

(Section 81.) Payments for covered services provided to eligible persons by participating providers will be made from the Health Services Account in the Trust Fund.

(Section 82.) This section delineates methods of paying professional practitioners. Every independent practitioner (physician, dentist, podiatrist, or optometrist) shall be entitled to be paid by the-fee-for-service method (subsection (a)), the amounts paid being in accordance with relative value scales prescribed after consultation with the professions (subsection (g)). Each physician engaged in general or family practice of medicine in independent practice may elect to be paid by the capitation method if he agrees to furnish individuals enrolled on his list with all necessary and appropriate primary services, make arrangements for referral of patients to specialists or institutions when necessary, and maintain records required for medical audit; and independent dentist practitioners may elect the capitation method of payment similarly (subsection (b)).

These requirements in connection with capitation payments are intended to assure that the physician (or dentist) provides to his patients all professional services within the range of his undertaking and secures other needed services by referral. Through regular medical audits, the Board will monitor the level and quality of care provided.

When necessary to assure the availability of services in a given area, subsection (c) permits paying practitioners a stipend in lieu of or as a supplement to other methods of compensation. This method of payment will be used selectively by the Board, mainly to encourage the location of practitioners in remote or deprived areas. Practitioners may also be reimbursed for the special costs of continuing education required by the Board and for maintaining linkages with other providers—for example, communication costs. Incentives under this provision will encourage physicians to improve the quality and continuity of patient care, even if the physician does not participate in a group practice. The Board may pay for specialized medical services on a per session or per case basis, or may use a combination of methods authorized by this section.

Subsection (d) defines the capitation method of payment.

Subsections (e), (f), (g). These subsections describe the method to be used in applying, as between practitioners electing the various methods of payments, the monies available in each health service area for payment to each category of professional providers. From the amount allocated to each service area, the Board will earmark funds sufficient to pay practitioners receiving stipends and for the professional services component of institutional budgets, such as hospitals. The remainder of the money will be divided to compute the per capita amount available for each category of service (i.e., physicians, dentists, podiatrists, optometrists) to the residents of the area. This per capita amount in each category will fix the capitation payments to organizations that undertake to provide the full range of services in that category to enrolled individuals. Lesser amounts will be fixed for more limited services. For example, if the per capita amounts available for physicians and dental services are $65 and $25, respectively, primary physicians accepting capitation payments will receive the percentage of that $65 which is allocated for primary services, a medical society-sponsored individual practice association would receive the entire $65 for physician services, dentists furnishing all covered services would receive the $25 allocated for dental services, and organizations which undertake to provide all physician and dental services to enrolled individuals will receive $90 for each enrolled individual.

The budget per capita amount for each type of covered service (physician, dental, etc.) will be divided between the categories of providers of service according to the number of individuals who elect to receive care from those providers. For example, in a city of 100,000 people, 25,000 may enroll in a group practice organization. Using the figures cited in the example above, the Board will pay the group practice organization $1,625,000 ($65×25,000) for physician services. The other 75,000 individuals elect to receive their physician services from solo, fee-for-service practitioners. The Board will create a fund of $4,875,000 ($65×75,000) to pay all fee-for-service bills submitted by physicians in that community, in accordance with relative value scales and unit values fixed by the Board. The fund for fee payments will be augmented to the extent that some capitation payments have been lowered because they cover only primary services, and may be augmented further where a substantial volume of services is furnished, on a fee basis, to non-residents of the area.

Subsection (h) authorizes the Board to experiment with other methods of reimbursement so long as the experimental method does not increase the cost of service or lead to overutilization or underutilization of services.

(Section 83.) Hospitals will be paid on the basis of a predetermined annual budget covering their approved costs. To facilitate review of these budgets, the Board will institute a national uniform accounting system. Subsection (b) stipulates that the costs recognized for purposes of the budget will be those incurred in furnishing the normal services of the institution except as changed by agreement, or by order of the Board under section 134. This will enable the Board, on the basis of State and local planning, to eliminate, gradually, wasteful or duplicative services, and also to provide for an orderly expansion of hospital services where needed.

Physicians and other professional practitioners whose services are held out as available to patients generally (such as pathologists and radiologists) will be compensated through the institutional budget, whatever the method of compensation of such practitioners and whether or not they are employees of the hospital. This departs from the practice in Medicare which allows independent billing by such physicians. The institution's budget may also be increased to reflect the cost of owning or operating an affiliated skilled nursing home, or home health service agency. Hospital budgets will be reviewed by the Board, locally or regionally, which may permit participation by representatives of the hospitals in each region. Budgets may be modified before, during, or after the fiscal year if changes occur which make modification necessary.

(Section 84.) If an entire psychiatric hospital is found by the Board to be providing active treatment to its patients, and the institution is therefore primarily engaged in providing covered services to eligible beneficiaries, it will be paid on the same basis as a general hospital (on the basis of an approved annual budget). Otherwise the Board will negotiate a patient-day rate to be paid for each day of covered service provided.

(Section 85.) This section provides that skilled nursing homes and home health agencies will be paid on an approved annual budget basis. The Board may specify uniform systems of accounting and may prescribe the items to be used in determining approved costs and the services which will be recognized in budgets.

(Section 86.) Reimbursement for drugs will be made to the dispensing agent on the basis of an official "product price" for each drug on the approved list, plus a dispensing fee in the case of an independent pharmacist. The official product price will be set at a level which will encourage the pharmacy to purchase substantial quantities of the drug (this should result in significant reductions in the unit cost of each drug). The official price may be modified regionally to reflect differences in cost of acquiring drugs. The Board will establish dispensing fee schedules for reimbursing independent pharmacies. These schedules will take into account regional differences in costs of operation, differences in volume, level of services provided and other factors.

(Section 87.) Subsections (a) and (b) provide that a group practice organization or individual practice association will be paid a basic capitation rate multiplied by the number of enrollees. The amount of the capitation rate will be determined by the per capita amounts available for the several professional services in the area, and a rate fixed by the Board as the average reasonable and necessary cost per enrollee for other covered services.

Subsection (c) fixes capitation amounts for institutional services based on per diem rates derived from the budgets of participating institutional providers or institutions with which the organization or association may have a contractual agreement. The organization or association will be entitled to share in up to 75% of any savings which are achieved by lesser utilization of institutional services by its enrollees. Entitlement to such savings is conditional upon a finding that the services of the organization or association have been of high quality and adequate to the needs of its enrollees, and that the average utilization of hospital or skilled nursing services by the enrollees of the organization or association is less than the use of such services by comparable population groups not so enrolled but under otherwise comparable circumstances. This money may be used by the organization or association for any of its purposes, including the provision of services which are not covered under the Health Security program.

Subsection (e) directs the Board to allow organizations and associations to reinsure with the Board against catastrophic costs incurred on behalf of any one enrollee, against some or all of the costs of institutional care which it contracts out, and against some or all of the costs of out-of-area services.

Subsection (f) permits the Board to make an additional payment to a group practice organization for the cost of clinical education or training provided by the organization.

(Section 88.) Subsection (a) provides that an organization or agency with which the Board has entered into an agreement under section 49 (such as a neighborhood health center, a mental health center, or local public health agency furnishing preventive or diagnostic services) may be paid by any method agreed upon other than fee-for-service.

Subsection (b) provides that independent pathology or radiology services may be paid on the basis of an approved budget or such other methods as may be specified in regulations.

Subsection (c) leaves the method of payment for other types of supporting services to be specified in regulations.

(Section 89.) This section provides that the Board will reduce payments to institutional providers in accordance with findings by the Secretary that a facility or any part of a facility has not been built in compliance with the area health plan.

(Section 90.) All participating providers will be paid from the Health Services Account in the Trust Fund at such time or times as the Board finds appropriate (but not less often than monthly). The Board may make advance payment to providers for working funds.

Part I—Development fund

Subpart 1—Planning: Funds to improve services and to alleviate shortage of facilities and personnel.

(Section 101.) This section sets forth the purposes of subpart 1 of Part F. The subpart enables the Board, through selective financial assistance, to stimulate and assist in the development of comprehensive services, the education and training of health personnel who are in especially short supply, and the betterment of the organization and efficiency of the health delivery system. In carrying out these functions, the Board is to be guided by the planning with respect to health facilities and the organization of services under title XV of the Public Health Services Act. With respect to the supply and distribution of health personnel, the Board will rely on planning conducted by the Secretary.

(Section 102.) This section places on the Secretary a continuing duty to plan for improvement of the supply and distribution of health personnel, and to do this in consultation both with the health planning agencies and with appropriate professional organizations.

(Section 103.) In administering subpart 1, this section stipulates, the Board will give priority to improving comprehensive health services for ambulatory patients through the development or expansion of group practice organizations and community health centers, and primary care centers (where full service organizations are impractical), the recruitment and training of personnel, and the strengthening of coordination among providers of services. Funds will not be used to replace other Federal financial assistance, and may supplement other assistance only to meet specific needs of the Health Security program. Other Federal assistance programs are to be administered when possible to further the objectives of Part F, and the Board may provide loans or interest subsidies to help the beneficiaries of other programs to meet the requirements for non-Federal funds.

(Section 104.) Help of several kinds will be available under this section for the creation or the enlargement of group practice organizations to serve an enrolled population on a capitation basis, agencies such as neighborhood health centers which need not require enrollment in advance, primary care centers, or organizations furnishing comprehensive dental services. Grants may be made to any public or other non-profit organization (which need not be a health organization) to help meet the cost, other than construction cost, of establishing such organizations, and to existing organizations to help meet the cost of expansion: the maximum grants being, in the former case 90 percent of the cost, in the latter 80 percent. Technical assistance may also be provided for these purposes. Loans may be made for the cost of necessary construction, subject to the same 90 and 80 percent limitations on amount. Finally, start-up costs of operation of these organizations may be underwritten, for five years in the case of organizations which must build up an enrollment to assure operating income, and in other cases until the Health Security program begins payment for services in the first year of entitlement to benefits. The effect of these several provisions is to reduce sharply, if not eliminate, the financial obstacles which have heretofore impeded the growth of group practice and similar organizations.

(Section 105.) This section contains a series of provisions to assist in the recruitment, education, and training of health personnel. The Board will establish priorities to meet the most urgent needs of the Health Security system, but the priorities will be flexible both as between different regions and from time to time. Professional practitioners will be recruited for service in shortage areas, both urban and rural, and in group practice organizations, and such practitioners may be given income guarantees. Other Federal assistance for health education and training will be availed of, but the Board may supplement the other assistance if the Board believes it inadequate to the needs, until Congress has had opportunity to review its adequacy. The training authorized includes retraining. It also includes the development of new kinds of health personnel to assist in furnishing comprehensive services, and the training of area residents to participate in personal health education and to serve liaison functions and serve as representatives of the community in dealing with health organizations. Grants may be made to test the utility of such personnel, and to assist in their employment before the effective date of health benefits. Education and training are to be carried out through contracts with appropriate institutions and agencies, and suitable stipends to students and trainees are authorized. Physicians will be recruited and trained to serve as hospital medical directors. Finally, special assistance may be given, both to institutions and to students, to meet the additional costs of training persons disadvantaged by poverty, membership in minority groups, or other cause.

(Section 106.) This section authorizes special improvement grants: first, to any public or other nonprofit health agency or institution to establish improved coordination and linkages with other providers of services; and, second, to the organizations described in section 104 to improve their utilization review, budget, statistical, or records and information retrieval systems, to acquire equipment needed for those purposes, or to acquire equipment useful for mass screening or for other diagnostic or therapeutic purposes.

(Section 107.) This section provides that loans under part F are to bear 3 percent interest and to be repayable in not more than 20 years. Other terms and conditions are discretionary with the Board, except for required compliance with the Davis-Bacon Act. Repayment of loans made from general appropriations will go to the general fund of the Treasury; repayment of later loans will revert to the Health Resources Development Account in the Trust Fund.

(Section 108.) This section specifies that payments under part F shall be in addition to, and not in lieu of, payments to providers under part E.

Subpart 2—Programs of Personal Care Services

(Section 111.) The purpose of this subpart is to encourage and assist in the development of community programs of maintaining in their own homes, by means of comprehensive health and personal care services, disabled or chronically ill persons who otherwise require or are likely to require institutional care. It is intended that a grant be made in any community that can develop a satisfactory program and such non-Federal financing as the Board finds appropriate.

(Section 112.) This section authorizes grants to public or nonprofit agencies for this purpose, each program being designed to serve a substantial urban or rural population. Grants may be made for up to four years.

(Section 113.) The services to be provided include, in addition to covered health services, combinations of personal care services (such as homemaker and home maintenance services, laundry, meals-on-wheels and other dietary services, help with transportation and shopping). Different services may be provided in different programs. Full coordination with existing community health or personal care programs is required. Committees are to be established, consisting of professionals and representatives of users of the services, to screen applications for assistance and monitor utilization.

(Section 114.) Grantees must evaluate their programs with respect both to benefits to users of the services and to the fiscal impact on the Health Security system. The Board is also to evaluate each program and summarize its conclusions in its annual reports to Congress.

(Section 115.) Within three years the Board is to report to Congress on this program with an evaluation of its operation. The Board is to submit also its recommendations of methods of developing, as widely and rapidly as practicable, personal care services where they are then lacking, with a view to making such services generally available throughout the United States; its recommendations with respect to the continuing financial support of such programs; and its recommendations on the role of the Health Security program in providing long-term institutional care and in providing personal care services in lieu thereof.

Subpart 3—Availability of Funds

(Section 120.) For the two-year "tooling-up" period, appropriations of $200 and $400 million are authorized for financial assistance. Beginning with the effective date of health benefits, percentages of the Trust Fund expenditures will be earmarked for such assistance (section 63). From that date on, the leverage of these expanding funds will supplement and reinforce the incentives, which are built into the normal operation of the Health Security program, for improvement of the organization and methods of delivery of health services.

Part G—Administration

This part of the bill creates an administrative structure within the Department of Health, Education and Welfare with responsibility for administration of the Health Security program. Program policy will be made by a five-member Board, under the supervision of the Secretary of HEW. The Board will be assisted by a National Health Security Advisory Council which will recommend policy and evaluate operation of the program, and an Executive Director who will serve as Secretary to the Board and chief administrative officer for the program. Administration of the program will be decentralized among the HEW Regional Offices. Regional and local health services advisory councils will advise on all aspects of the program in their regions and local areas. The Board may also appoint such professional or technical committees as necessary.

(Section 121.) This section establishes a five-member full-time Health Security Board serving under the Secretary of Health, Education, and Welfare. Board members will be appointed by the President with the advice and consent of the Senate, for five-year over-lapping terms. Not more than three of the five appointees may be members of the same political party. A member who has served two consecutive terms will not be eligible for reappointment until two years after the expiration of his second term. One member of the Board shall serve as chairman at the pleasure of the President.

(Section 122.) This section charges the Secretary of HEW and the Board with responsibility for performing the duties imposed by this title. The Board shall issue regulations with the approval of the Secretary. It is required to engage in the continuous study of operation of the Health Security program; and, with the approval of the Secretary, to make recommendations on legislation and matters of administrative policy, and to report to the Congress annually on administration and operations of the program. The report will include an evaluation of adequacy and quality of services, costs of services and the effectiveness of measures to restrain the costs. The Secretary of HEW is instructed to coordinate the administration of other health-related programs under his jurisdiction with the administration of Health Security, and to include in his annual report to the Congress a report on his discharge of this responsibility.

The Office of Personnel Management is instructed to make every effort to facilitate recruitment and employment, to work in the Health Security Administration, of persons experienced in private health insurance administration and other pertinent fields.

Subsection (g) authorizes the Board to establish fifty positions, carrying salaries in the GS-16 to GS-18 range, in the professional, scientific, and executive service, to meet the need for highly qualified personnel both in research and development activities and in administration. It is expected that about half of these positions would be used for high-level administrative assignments, and the other half for the most responsible professional and scientific work of the Board.

(Section 123.) This section creates the position of an Executive Director, appointed by the Board with the approval of the Secretary. The Executive Director will serve as secretary to the Board and shall perform such duties in administration of the program as the Board assigns to him. The Board is authorized to delegate to the Executive Director or other employees of HEW any of its fuctions or duties except the issuance of regulations and the determination of the availability of funds and their allocations to the regions.

(Section 124.) This section provides that the program will be administered through the regional offices of the Health Security Board. It also directs the Board to establish local health service areas which shall be the same as the health service areas under title XV of the Public Health Service Act, except that with the approval of the Secretary the Board may divide such an area into two or more areas for the purposes of the health security program. These areas are to serve as local administrative units, with a local office in each, and perhaps suboffices. One of the responsibilities of these offices will be to investigate complaints about the administration of the program.

(Section 125.) Subsection (a) establishes a National Health Security Advisory Council, with the Chairman of the Board serving as the Council's Chairman and 20 additional members not in the employ of the Federal Government. A majority of the appointed members will be consumers who are not engaged in providing and have no financial interest in the provision of health services. Members of the Council representing providers of care will be persons who are outstanding in fields related to medical, hospital or other health activities or who are representatives of organizations or professional associations. Members will be appointed to four-year over-lapping terms by the Secretary upon recommendation by the Board.

Subsection (b) authorizes the Advisory Council to appoint professional or technical committees to assist in its functions. The Board will make available to the Council all necessary secretarial and clerical assistance. The Council will meet as frequently as the Board deems necessary, or whenever requested by seven or more members, but not less than four times each year.

Subsection (c) provides that the Advisory Council will advise the Board on matters of general policy in the administration of the program, the formulation of regulations and the allocation of funds for services. The Council is charged with responsibility for studying the operation of the program, and the utilization of services, with a view to recommending changes in administration or in statutory provisions. They are to report annually to the Board on the performance of their functions. The Board, through the Secretary, will transmit the Council's report to the Congress together with a report by the Board on any administrative recommendations of the Council which have not been followed, and a report by the Secretary of his views with respect to any legislative recommendations of the Council.

(Section 126.) To further provide for participation of the community, the Board will appoint an advisory council for each region and local area. Each such Council would have a composition parallel to that of the National Council; and each will have the function of advising the regional or local representative of the Board on all matters relating to the administration of the program.

(Section 127.) The Board is authorized to appoint standing committees to advise on the professional and technical aspects of administration with respect to service, payments, evaluations, etc. These committees will consist of experts drawn from the health professions, medical schools or other health educational institutions, providers of services, etc. The Board is also authorized to appoint temporary committees to advise on special problems. The committees will report to the Board, and copies of their reports are to be made available to the National Advisory Council.

(Section 128.) Subsection (a) requires the Board to consult with appropriate State health and other agencies to assure the coordination of the Health Security program with State and local activities in the fields of environmental health, licensure and inspection, health education, etc.

Subsection (b) requires the Board, when ever possible, to contract with States to survey and certify providers (other than professional practitioners) for participation in the program. This is similar to Medicare except that the Board may establish the qualifications of persons making the inspections.

Subsection (c) authorizes the Board to contract with State agencies to undertake health education activities, supervision of utilization review programs, and programs to improve the quality and coordination of available services in that State.

Subsection (d) requires the Board to reimburse States for the reasonable cost of performing such contract activities and authorizes the Board to pay all or part of the cost of training State inspectors to meet the qualifications established by the Board.

Subsection (e) directs the Board to make inspections if a State is unable or unwilling to do so.

Subsection (f) calls for the publication of the results of the inspections.

(Section 129.) The Board is authorized to provide technical assistance either directly or through contract with a State to skilled nursing home and home health service agencies to supplement the skills of their permanent staff in regard to social services, dietetics, etc.

(Section 130.) Subsection (a) charges the Board with responsibility for informing the public and providers about the administration and operation of the Health Security program. This will include informing the public about entitlement to benefits and the nature, scope, and availability of services. Providers would be informed of the conditions of participation, methods and amounts of compensation, and administrative policies. In support of the program's effort to improve drug therapy, the Board is authorized with the approval of the Secretary, to furnish all professional practitioners with information concerning the safety and efficacy of drugs appearing on either of the approved lists (Section 25) indications for their use and contraindications. Information of this nature is not now always available to practitioners.

Subsection (b) requires the Board to make a continuing study and evaluation of the program, including adequacy, quality and costs of services. Subsection (c) authorizes the Board directly or by contract to make statistical and other studies on a national, regional, or local basis of any aspect of the title, to develop and test incentive systems for improving quality of care, methods of peer review of drug utilization and of other service performances, systems of information retrieval, budget programs, instrumentation for multiphasic screening or patient services, reimbursement systems for drugs, and other studies which it considers would improve the quality of services or administration of the program.

Subsection (d) authorizes the Board to enter into agreements with providers to experiment with alternative methods of reimbursement which offer promises of improving the coordination of services, their quality or accessibility.

(Section 131.) Severe discrepancies exist today between the national need for various kinds of health manpower and the availability of clinical facilities to train such personnel. Certain specialties (such as surgery), in which there is a surplus of manpower, monopolize clinical training facilities to the disadvantage of specialties in short supply (such as family practice), thus perpetuating the imbalance between supply and demand. This section gives the Board authority to bring the availability of clinical training facilities into balance with national or regional manpower needs by issuing training priorities for institutional providers participating in the program.

(Section 132.) This section authorizes the Board to make determinations of who are participating providers of service, determinations of eligibility, of whether services are covered, and the amount to be paid to providers. The Board is granted authority to terminate participation of a provider who is not in compliance with qualifying requirements, agreements, or regulations. But unless the safety of eligible individuals is endangered, the provider shall be entitled to a hearing before the termination becomes effective.

(Section 133.) This section establishes procedures for hearings and for judicial review, similar to those under the Social Security Act.

(Section 134.) This section has one of the bill's most important provisions with respect to achieving improvement in coordination, availability, and quality of services. It greatly strengthens state and local planning agencies and gives the Board authority to curtail inefficient administration of participating institutional providers.

The Board may direct a participating provider (other than an individual practitioner) that, as a condition of participation, the provider add or discontinue one or more covered services. For example, if two hospitals are operating maternity wards at low occupancy rates, the Board may require that one hospital cease to provide such service. A provider may be required to provide services in a new location, enter into arrangements for the transfer of patients and medical records, or establish such other coordination or linkages of covered services as the Board finds appropriate.

In addition, if the Board finds that services furnished by a provider are not necessary to the availability of adequate services under this title and that their continuance is unreasonably costly, or that the services are furnished inefficiently (and that efforts to correct such inefficiency have proved unavailing) the Board may terminate participation of the provider.

No direction shall be issued under this section except upon the recommendation of, or after consultation with, the appropriate state health planning agency. And no direction shall be issued under this section unless the Board finds that it can be practicably carried out by the provider to whom it is addressed. The Board is required to give due notice and to establish and observe appropriate procedures for hearings and appeals, and judicial review is provided.

Part H—Quality of care

This part authorizes the Board, and charges it with the duty, to maintain and enhance the quality of care furnished under the Act. Section 141(a) sets forth this authority and this duty, to be discharged with the advice and assistance of, and in collaboration with, the Commission on the Quality of Health Care created by an amendment of the Public Health Service Act contained in title III of the present bill.

Regulations are to be issued before health security benefits become effective, and thereafter to be upgraded as rapidly as is practicable. Subsection (b) states as the objective the highest quality of care attainable throughout the nation, with exceptions to quality requirements only when necessary to avoid acute shortages of services. Subsection (c) calls for collaboration with the Commission, and stipulates that failure to follow its recommendations shall be submitted to the Secretary and that, unless he directs the Board to adopt the recommended regulations, the reasons for not doing so must be published by the Board.

(Section 142.) The Board is to issue regulations for continuing professional education for physicians, dentists, optometrists, podiatrists. Reports of compliance will be required and, after warning, practitioners may be disciplined for failure to comply.

(Section 143.) Subsection (a) provides that major surgery, and other procedures specified in regulations, are not covered services unless they are performed by a specialist, and (except in emergencies) are, to the extent prescribed in regulations, performed on referral by a physician engaged in general practice. Specialists, according to subsection (b) are those certified by the appropriate national specialty boards, with a five-year period allowed board-eligible physicians to obtain certification, and with a "grandfather" exception for certain physicians practicing when health security benefits go into effect.

Subsection (c) authorizes the Board to require, except in acute emergencies, consultation with an appropriate specialist, as a prerequisite to specified surgical procedures; in such cases subsection (d) enables the Board to require pathology reports and clinical abstracts or discharge reports.

(Section 144.) Subsection (a) requires that practitioners furnishing services on behalf of institutional or other providers meet the same qualifications of independent practitioners. Subsection (b) authorizes the Board to make additional requirements, in the interest of the quality care and of safety of patients, for providers other than professional practitioners. This is like the authority given the Secretary under the Medicare law, but with the notable difference that standards of the Joint Commission on the Accreditation of Hospitals constitute a minimum for Board requirements, rather than a maximum as under Medicare. Exceptions are permitted only, as stated in section 141, to avoid acute shortages of services.

(Section 145.) Although the provisions relating to professional standard review organizations, in the Social Security Act, are repealed by section 405 of the bill, the Board is authorized, on recommendation of the Commission on the Quality of Health Care, to use organizations previously designated by the Secretary for the purposes of monitoring the quality of services. The Board may also use similar organizations approved by it in the future.

(Section 146). In exercising its authority under part H the Board is directed to take into account the findings of the Secretary's Commission on Medical Malpractice, and to seek to reduce the incidence of malpractice and to improve the availability of malpractice insurance.

Part I—Miscellaneous provisions

(Section 161.) This section contains definitions of certain terms used in the title.

(Section 162.) This section creates the offices of Deputy Secretary of Health, Education and Welfare and an Under Secretary for Health and Science in the Department of Health, Education and Welfare, and abolishes the office of Under Secretary of Health, Education and Welfare.

(Section 163.) This section stipulates that the effective date for entitlement for benefits will be October 1, of the second calendar year following enactment.

(Section 164.) Subsection (a) provides that an employer will not be relieved, by the enactment of the Health Security Act, of any existing contractual or other obligation to provide or pay for health services to his present or former employees and their families. An employer whose cost under such a contract, immediately before health security taxes go into effect, exceeds the cost to him of paying those taxes is required by subsection (b) to apply the excess, during the remaining life of the contract, first to the payment of health security taxes on behalf of his employees. If an excess still remains after meeting this obligation, and after an allowance for the cost of any continuing obligation to pay for health services not covered by Health Security, subsection (c) requires the employer to pay the amount of this excess to those employees, former employees, and survivors who are beneficiaries of the pre-existing contract; but by agreement with the employees or their representatives, these funds may be applied to other employee benefits. Computations of the amounts involved are to be made on a per capita basis, as defined in subsection (d).

TITLE II—HEALTH SECURITY TAXES

Part A—Employment taxes

(Section 201.) Effective on January 1 of the second year after enactment, subsections (a) and (b) convert the existing Medicare hospital insurance payroll taxes into Health Security taxes and set the rates at 1 percent on employees and 3.5 percent on employers. Subsection (c) sets the wage base for the employment tax at 150 percent of the Social Security wage base (or a tax base at present of $34,350). This subsection defines covered employment to include all substantial groups now excluded from social security tax coverage, except that State and local governments are excluded from the tax on employers.

(Section 202.) This section makes a number of conforming and technical amendments. Chief among these are provision for refund of excess taxes collected from an employee, who has held two or more jobs, on wages aggregating in a year more than the amount of the wage base; exclusion of Health Security contributions from agreements with State governments for the social security coverage of State and Municipal employees (since these employees will contribute to Health Security through payroll taxes); and exclusion of Health Security contributions from agreements for the coverage of United State citizens employed by foreign subsidiaries of United States corporations (since these employees will not benefit materially from Health Security in its present form).

(Section 203.) This section excludes from the gross income of employees, for income tax purposes, payment by their employers of part or all of the Health Security taxes on the employees.

(Section 204.) This section spells out the effective dates of the new payroll tax provisions.

Part B—Taxes on self-employment income and unearned income

(Section 211.) Effective at the beginning of the second calendar year after enactment, this section converts the existing Medicare self-employment tax into a Health Security self-employment tax, sets the rate at 2.5 percent, and sets the maximum taxable self-employment income at 150 percent of the Social Security Wage Base.

(Section 212.) Effective on the same date, this section adds a new 2.5 percent Health Security tax on unearned income (unless such income is less than $400 a year), subject to the same maximum on taxable income as is applicable to the employee and self-employment taxes. Taxable unearned income is adjusted gross income up to the stated maximum, minus income already taxed for Health Security purposes (excluding certain items of income (notably social security benefits) specifically excluded from the other taxes and excluding $5,000 in unearned income for persons over age 60.)

(Section 213.) This section makes appropriate changes in nomenclature and in the requirements of tax returns, including reports of estimated tax liability under the new tax on unearned income.

(Section 214.) This section details the specific effective dates of the taxes imposed by this part.

Part C—Income tax deductions for medical care

(Section 221.) This section amends the Internal Revenue Code so that no medical deductions shall be allowed for the cost of medical care which is covered by the Health Security Act on or after the effective date of health security benefits.

TITLE III—COMMISSION ON THE QUALITY OF HEALTH CARE

(Section 302.) This title creates a Commission on the Quality of Health Care in order to improve health care in the United States. The Commission's function is:

To develop methods of measuring health care;

To develop standards for promoting health care of high quality;

To encourage the use of such measurements and standards under the Health Security Act.

(Section 302.) This section adds to the Public Health Service Act a Title XIX, entitled "Commission on the Quality of Health Care."

(Section 1901, Public Health Service Act.) Subsection (a) establishes a Commission on the Quality of Health Care within the Department of Health, Education and Welfare. The Commission will consist of eleven members who are to be appointed by the Secretary after consultation with the Health Security Board.

Subsection (b) describes the requirements for the membership of the Commission. Seven of the members appointed must be representatives of health providers or representatives of non-governmental organizations that are engaged in the process of developing standards relating to the quality of health care. Four members must be representatives of consumers who are not engaged in and have no financial interest in the delivery of health care services. Commission members will be appointed for five year overlapping terms. Subsection (c) requires the Secretary to designate the Chairman of the Commission, who serves at the pleasure of the Secretary. Subsection (d) authorizes the Commission to employ needed personnel and appoint advisory committees. It also stipulates the conditions of employment and rates and terms of compensation.

(Section 1902, Public Health Service Act.) Subsection (a) defines the primary responsibilities of the Commission. The Commission is directed to initiate and continuously develop methods to assess the quality of health care delivery and use of such assessments to maintain and improve the quality of health care delivery under the Act. The Commission is required to submit its findings and recommendations to the Secretary and the Health Security Board.

Specifically, the Commission is required to:

(1) collect data on a systematic and nationwide basis on the (A) qualifications of health personnel and the adequacy and ability of health care facilities to provide quality health care; (B) the patterns of health care practices in actual episodes of care; (C) the utilization patterns for components of the health care system; and (D) the health of patients during and at the end of actual episodes of care and the relationship of the various factors outlined above to the health of such patients;

(2) use the data it collects to develop statistical norms and ranges to describe the factors outlined in paragraph (1). Such norms and ranges may be developed on a national or regional basis, for particular population groups, or on any other basis.

(3) use such statistical norms and ranges as a basis for developing standards (and acceptable deviation from such standards) that will be useful in measuring, controlling, and improving the quality of health care; and

(4) make recommendations to the Secretary and the Health Security Board on the proper use of these standards. Such recommendations may also be used by the Secretary or the Board when developing proposals to amend the Health Security Act.

When carrying out its duties under the provisions of this subsection, the Commission is directed to give first priority to the quality of care delivered for those illnesses or conditions which have high incidence of occurrence within the population and which are responsive to medical or other treatment.

Subsection (b) requires the Commission to conduct a broad health care research program. Specifically, the objectives of the program are to:

(1) improve technologies for assessing health care quality;

(2) compare the quality of health care under alternative health delivery systems and methods of payment;

(3) analyze the effects of consumer health education and preventive health services.

(4) continue the studies made by the Secretary's Commission on Medical Malpractice. In this respect, the Commission is also required to evaluate any of the recommendations of the Secretary's Commission which the Health Security Board has put into effect or any other measures that the Board has established, which pertain to the incidence of malpractice, malpractice insurance, or malpractice claims;

(5) obtain other information that will be useful in order to accomplish the purposes of this new title of the Public Health Service Act and title I, part H, of the Health Security Act (concerning the maintenance and improvement of the quality of health care delivered under the Health Security Act).

Subsection (c) authorizes the Commission to provide technical assistance to enable providers to furnish the Board with information required by it for purposes of the Commission. The Commission is also authorized to provide technical assistance to providers who are developing and carrying out quality control programs.

(Section 1903, Public Health Service Act.) This section directs the Commission, even before it has developed standards under the preceding provisions, to give advice and recommendations to the Health Security Board concerning quality health care regulations.

(Section 1904, Public Health Service Act.) This section authorizes the Secretary to establish twenty-five positions on the staff of the Commission, carrying salaries in the GS-16 to GS-18 range, in the professional, scientific, and executive service, to meet the needs for highly qualified personnel in the research and development activities of the Commission.

TITLE IV—REPEAL OR AMENDMENT OF OTHER ACTS

(Section 401.) This section repeals the Medicare and Federal Employee Health Benefit statutes on the date Health Security benefits become effective, but stipulates that this shall not affect any right or obligation incurred prior to that date.

(Section 402.) This section requires that after the effective date of benefits, no State shall be required to furnish any service covered under Health Security as a part of its State plan under Medicaid, and that the Federal government will have no responsibility to reimburse any State for the cost of providing a service which is covered under Health Security. After the effective date of benefits, the Secretary of HEW shall prescribe the new minimum scope of services required for State participation in Medicaid. To the extent the Secretary finds practicable, the new minimum benefits will be designed to supplement Health Security—especially with respect to skilled nursing home services, dental services and the furnishing of drugs.

(Section 403.) This section provides that funds available under the Vocational Rehabilitation Act or the Maternal and Child Health title of the Social Security Act shall not be used to pay for personal health services after the effective date of benefits, except to pay for services which are more extensive than those covered under Health Security.

(Section 404.) This section makes applicable to Health Security the provisions in the Social Security Act requiring reduction in reimbursement for care in facilities which have made substantial capital expenditures found by a State planning agency to be inconsistent with standards developed pursuant to the Public Health Service Act. Because the provision will continue to apply to the residual programs under titles V and XIX of the Social Security Act, the reductions will continue to be determined by the

Secretary and his determinations are made binding on the board, as provided in section 89 of the bill.

(Section 405.) This section repeals the provisions in the Social Security Act relating to professional standards review organizations. Section 145 of the bill permits the use of such organizations already designated by the Secretary, and approved by the Board and use of similar organizations in the future.

(Section 406.) Subsection (a) amends section 1817 of the Social Security Act, creating the Federal Hospital Insurance Trust Fund, and transfers it to become section 61 of the Health Security Act under the title "Health Security Trust Fund". Subsection (b) extends to the Health Security system the provisions of section 201(g) of the Social Security Act, authorizing annual Congressional determination of amounts to be available from the respective trust funds for the administration of the several national systems of social insurance. Subsections (c) and (d) contain conforming and technical provisions.

(Section 407.) This section makes a number of changes in title XV of the Public Health Service Act, National Health Planning and Resources Development Act. Under subsection (a), the DHEW Under Secretary for health and science replaces the Assistant Secretary on the National Council on Health Planning and Development, and the Chairman of the Health Security Board is added to the Council. Subsection (b) strikes out a requirement of coordination with Professional Standards Review Organizations, in view of the repeal of the PSRO provisions of the Social Security Act. Review and approval or disapproval of Federal grants and contracts by health systems agencies (subject to final decision by the Secretary) is extended by subsection (c), to include Health Security Board grants and contracts under Part F of title I. Finally, section 1526 providing for grants for State demonstrations in rate regulation is repealed, since the Health Security Board will be fixing the amount of payments to participating providers of services.

(Section 408.) This section establishes the salary levels for the Deputy Secretary and the Under Secretary for Health and Science, Department of Health, Education, and Welfare, the Chairman of the Health Security Board, members of the Health Security Board and members of the Commission on the Quality of Health Care, and the Executive Director of the Health Security Board.

(Section 409.) This section removes the operations of the Health Security Trust Fund from the administrative budget of the United States, and directs that these operations be reported and projected in a separate statement, as was done with the Social Security trust funds until recently. The Government contribution to be shown as an expenditure in the administrative budget.

TITLE V—STUDIES RELATED TO HEALTH SECURITY

(Section 501.) This section directs the Secretary of Health, Education and Welfare in consultation with the Secretary of State and the Secretary of the Treasury to study the coverage of health services for United States residents in other countries.

(Section 502.) Subsection (a) directs the Secretary of HEW to study means of coordinating the federal health care programs for merchant seamen, and for Indians and Alaskan natives, with the Health Security benefits program. The Secretary and the Administrator of Veterans' Affairs shall conduct a similar study of the means of coordinating veterans health care programs with the Health Security benefits program. A joint study is to be conducted, with the Secretary of Defense, relating to the program of care, in civilian facilities, of the dependents of military personnel. Reports to the Congress and any legislative recommendations arising from the studies are required within three years after the enactment of the Health Security Act.

Subsection (b) requires the respective Secretaries and the Administrator to consult with representatives of the affected beneficiary groups, and to include a summary of their views in the reports to Congress.

With respect to the joint study to determine the most effective method of coordinating the Veterans' Administration Health Program with the Health Security program established under this bill, it is important to understand that there is no intention to require the integration of the VA program into the Health Security Program. Rather, the section recognizes that any national health security or health insurance program would be so pervasive as to require other federal health programs such as those of the Veterans' Administration to be effectively coordinated with them. Through such coordination, needless duplication and expenditures can be avoided.

(Section 503.) This section authorizes the appropriation of money needed for conducting the studies authorized in this title, and the use of experts and consultants and advisory committees, and of contracts for the collection of information or the conduct of research.●

☐ 1610

GENERAL LEAVE

Mr. HANCE. Mr. Speaker, I ask unanimous consent that all Members may be permitted to extend their remarks and to include extraneous material on the subject of the special order today by the gentleman from Arizona (Mr. UDALL).

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

THE IMPORTANCE OF PANAMA CANAL TREATY IMPLEMENTING LEGISLATION

(Mr. MURPHY of New York asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MURPHY of New York. Mr. Speaker, one of the major legislative matters to be considered in the first session of the 96th Congress will be the implementation of the Panama Canal treaty arrangement approved by the Senate in 1978. After extensive debate on the canal issue, the Senate approved the treaty concerning the permanent neutrality and operation of the Panama Canal on March 16 and then the Panama Canal Treaty on April 18, 1978. Instruments of treaty ratification were exchanged on June 16, 1978 but the legally effective date of the exchange is March 31, 1979 as a result of the Brooke reservation. Thus, the new canal treaty arrangement is scheduled to enter into force on October 1, 1979.

The operating authority of the Panama Canal under the new treaty arrangement will be a U.S. Government agency called the Panama Canal Commission. The specifics of that commission, as well as a myriad number of other related matters, have been committed to the United States by the Panama Canal Treaty and thus will be the subjects of the treaty implementing legislation.

The executive branch has fashioned a legislative proposal for implementing the treaties. Drafts of the proposal have been available for some time and the final proposal has not yet been submitted to the Congress.

I am introducing today an alternative proposal for implementing the new canal treaty arrangement. The alternative proposal will, alongside the executive's, stimulate discussion and make available to the concerned committees viable options in the canal matter.

The overall aim of the proposal which I am introducing is the same as that of the executive proposal—to fulfill our new treaty responsibilities with Panama while protecting U.S. interests in the canal for the next generation.

The proposal I present today was conceived after thorough study of the treaties, present and past law respecting the Panama Canal and Canal Zone, and the requirements for operation and maintenance of the canal in the years ahead. While I am confident of the value of the provisions in this proposal, I offer them not as any panacea but rather as an alternative for equal consideration by all concerned. Based on the hearings and studies of this bill along with the proposal to be submitted by the executive branch in the next few months, it is anticipated that the best possible legislation will emerge.

Whatever the terms of the legislation ultimately adopted, it is important to realize that implementing legislation must be treated expeditiously. If this legislation can be enacted in late spring or early summer, the Panama Canal Commission can be properly constructed. Without any implementing legislation at the time the new treaty arrangement enters into force, the interests of the United States on the Isthmus of Panama may be considerably impaired.

I want to take just a few moments to review with my colleagues some of the major features of the bill I am introducing today providing for the maintenance and operation of the canal under the 1977 treaty. The principle distinguishing features of the bill are:

First. The provision for operation of the canal by a noncorporate agency instead of continuing the Panama Canal company under another name;

Second. The return to the requirement that revenues of the canal be paid into the Treasury and that expenditures be made pursuant to annual appropriations;

Third. The centralization of administrative authority and responsibility in the Secretary of Defense; and

Fourth. Provision for Presidential appointment and Senate confirmation of the key officials of the agency and members of the various policymaking bodies provided for by the treaty, such as the supervisory board, the consultative committee and the committee on the environment.

The provisions for a noncorporate agency subject to the financial controls applicable to the Government agencies has several subsidiary effects of importance in maintaining close congressional oversight over the canal operations, a matter that will assume increasing importance with the passage of time. Under my proposal, the accounts of the Panama Canal Company are to be established in accordance with the policies and procedures prescribed by the Comptroller General to reflect all costs of operation of the canal and related facilities.

This arrangement makes possible the elimination of fiscal provisions now included in title 2 of the Canal Zone code which were devised for the special financial structure of the Panama Railroad Company and which are unnecessary and inappropriate under the arrangement applicable to noncorporate agencies that pay their revenues into the Treasury and make expenditures authorized by appropriations. This arrangement also makes irrelevant the issue whether the agency should be required to pay into the Treasury interest on the Government's investment and amounts necessary to amortize that investment, inasmuch as all revenues of the canal are paid into the Treasury and expenditures are made from appropriations after regular congressional scrutiny. This point assumes special importance in view of the probability that tolls for use of the canal cannot be increased to cover all costs of operation of the canal over the period of U.S. control provided by the treaty.

The feasibility of operation of the canal with the organizational features incorporated in the bill I propose has been demonstrated by the successful operation of the canal under that arrangement for the 37-year period from completion of the canal until 1951.

The section-by-section analysis of the bill shows the source of the various provisions and indicates their relationship to the organization provisions of title 2 of the Canal Zone code before and after the 1950 amendments, as well as those of the draft prepared in the executive branch.

Because of the complexity of the bill and the extremely limited time that will be available for action by the Congress, I include copies of my bill and of the section-by-section analysis to be printed in the RECORD at this point:

H.R. —

A bill to provide for the operation and maintenance of the Panama Canal and to provide for the exercise of the rights and performance of the duties of the United States provided in the Panama Canal Treaty of 1977

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Panama Canal Act of 1979".

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Sec. 2. Purpose of Act.—It is the purpose of this Act to provide for the operation and maintenance of the Panama Canal and to provide for the exercise of the rights and performance of the duties of the United States set forth in the Panama Canal Treaty between the United States of America and the Republic of Panama signed on September 7, 1977 (hereinafter in this Act referred to as the "Panama Canal Treaty of 1977") and the agreements relating to that treaty signed on the same date (hereinafter in this Act referred to as the "related agreements").

Sec. 3. Applicable Laws.—

(a) Except as otherwise provided in this Act, the provisions of the Canal Zone Code (and regulations issued pursuant to such Code), and other laws applicable in the Canal Zone (and regulations issued pursuant to such laws) before the date on which the Panama Canal Treaty of 1977 enters into force, by virtue of the territorial jurisdiction of the United States in the Canal Zone, shall continue in force on or after such date only for the purpose of the exercise of the authority vested in the United States by such Treaty and related agreements.

(b) No provision of law or regulation referred to in subsection (a) shall be construed as regulating, or providing authority to regulate, any matter as to which the United States may not exercise jurisdiction under the Panama Canal agreements.

(c) (1) Subject to the provisions of paragraph (2) of this subsection, the following terms appearing in those laws and regulations continued in effect by subsection (a) of this section shall, in the application of such laws and regulations to transactions, occurrences, or status on or after the effective date of this Act, be deemed to refer to the following:

(A) "Canal Zone" shall be deemed to refer to areas and installations in the Republic of Panama made available to the United States pursuant to the Panama Canal Treaty of 1977 and related agreements.

(B) "Canal Zone waters" and "waters of the Canal Zone" shall be deemed to refer to "Panama Canal waters" and "waters of the Panama Canal", respectively.

(C) "Government of the Canal Zone" or "Canal Zone Government", shall be deemed to refer to the United States of America.

(D) "Governor of the Canal Zone" or "Governor", wherever the reference is to the Governor of the Canal Zone, shall be deemed to refer to the Panama Canal Commission.

(E) "Panama Canal Company" or "Companv", wherever the reference is to the Panama Canal Company, shall be deemed to refer to the Panama Canal Commission.

(F) In chapter 57 of title 5 of the Canal Zone Code, "hospitals" and "Health Bureau" shall be deemed to refer, respectively, to the hospitals operated by the United States in the Republic of Panama after the effective date of this Act, and to the organizational unit operating such hospitals.

(G) In chapter 57 of title 5 of the Canal Zone Code, and in section 4784 of title 6 of such Code, "health director" shall be deemed to refer to the senior official in charge of the hospitals operated by the United States in the Republic of Panama after the effective date of this Act.

(2) Any reference set forth in paragraph (1) of this subsection shall apply except as otherwise provided in this Act or unless (A) such reference is inconsistent with the provisions of this Act, (B) in the context in which a term is used such reference is clearly not intended, or (C) a term refers to a time before the effective date of this Act.

TITLE I—ADMINISTRATION AND REGULATIONS

Part 1—Administration

Chapter 1.—PANAMA CANAL COMMISSION

Sec. 101. Panama Canal Commission.—There is established as an agency and instrumentality of the United States the Panama Canal Commission. The Commission shall, under the general supervision of the Board established by section 102 of this Act, and subject to the direction of the Secretary of Defense, be responsible for the maintenance and operation of the Panama Canal and the facilities and appurtenances related thereto.

Sec. 102. Supervisory Board.—

(a) The Panama Canal Commission shall be supervised by a Board which shall act under the direction of the Secretary of Defense. The Board shall be composed of nine members, one of whom shall be the Secretary of Defense or an officer of the Department of Defense designated by the Secretary. Not less than five members of the Board shall be nationals of the United States and the remaining members shall be nationals of the Republic of Panama. No member of the Board other than the Secretary of Defense or his designee shall hold any other office in or be employed by the Government of the United States or of the Republic of Panama.

(b) The President shall appoint the members of the Board, by and with the advice and consent of the Senate. Each member of the Board so appointed shall hold office at the pleasure of the President, and, before assuming the duties of such office, shall take an oath faithfully to discharge the duties of his office. Members of the Board shall serve without compensation but shall be allowed travel expenses, including per diem in lieu of subsistence, in accordance with section 107 of this Act.

(c) The Board shall hold meetings as provided in regulations adopted by the Panama Canal Commission and approved by the Secretary of Defense. A quorum for the transaction of business shall consist of a majority of the Board members of which a majority of those present are nationals of the United States.

Sec. 103. Administrator.—

(a) The Administrator of the Panama Canal Commission shall be appointed by the President, by and with the advice and consent of the Senate, and shall hold office at the pleasure of the President.

(b) The Administrator shall be paid compensation at the rate established for positions described in section 5316 of title 5 of the United States Code.

Sec. 104. Deputy Administrator and Chief Engineer.—

(a) There shall be a Deputy Administrator and a Chief Engineer of the Panama Canal Commission, both of whom shall be appointed by the President, by and with the advice and consent of the Senate. The Deputy Administrator and the Chief Engineer shall perform such duties as may be prescribed by the President.

(b) The Deputy Administrator and the Chief Engineer shall each be paid compensation at a rate of pay established by the President which does not exceed the rate of basic pay in effect for grade 18 of the General Schedule under section 5332 of tile 5 of the United States Code.

Sec. 105.—Consultative Committee.—

(a) There is established a Panama Canal Consultative Committee to advise the United States Government and the Government of Panama on matters of policy affecting the operation of the Panama Canal. The Consultative Committee shall be composed of five representatives of the United States and five representatives of the Republic of Panama.

(b) Members of the Committee representing the United States shall be appointed as follows:

(1) Two members shall be appointed by the President pro tempore of the Senate.

(2) Two members shall be appointed by the Speaker of the House of Representatives.

(3) One member shall be appointed by the President. The two members of the Committee appointed by the President pro tempore of the Senate and by the Speaker of House of Representatives, respectively, shall not be members of the same political party. Members of the Committee representing the Republic of Panama shall be appointed by the President upon recommendations of the Government of Panama. Members of the Committee shall serve at the pleasure of the appointing officer. Members of the Committee shall serve without compensation but shall be allowed travel expenses, including per diem in lieu of subsistence, in accordance with section 107 of this Act.

(c) (1) The Consultative Committee shall submit in writing to the President any action it proposes with respect to any change in the maintenance, operation, or management of the Panama Canal. The President shall transmit such proposal, with his comments thereon, to each House of Congress. Such proposal shall be delivered to the Secretary of the Senate, if the Senate is not in session, and to the Clerk of the House of Representatives, if the House is not in session. Except as provided in paragraph (2) of this subsection, such proposed action may not be taken if, within 90 calendar days of continuous session of Congress after the date on which the proposal is transmitted to the Congress, either House of Congress adopts a resolution, the matter after the resolving clause of which is as follows: "That the —— disapproves the proposed action dealing with the matter —— which was transmitted to Congress on ——", the blank spaces therein being appropriately filled.

(2) If, at the end of 60 calendar days of continuous session of Congress after the date the proposed action of the Consultative Committee is transmitted to the Congress, no committee of either House of Congress has reported or been discharged from further consideration of a resolution disapproving the proposed action and neither House has adopted such a resolution, the proposed action may be taken immediately.

(3) Congressional inaction on, or rejection of, a resolution of disapproval under this subsection shall not be deemed an expression of approval of the proposed action.

(4) For purposes of this subsection—

(A) continuity of session shall be broken only by an adjournment of Congress sine die; and

(B) the days on which either House is not in session because of an adjournment or more than 3 days to a day certain shall be excluded in the computation of the 60 and 90 calendar day periods.

Sec. 106. Joint Commission on the Environment

(a) The President may establish a Joint Commission on the Environment to be composed of not more than three representatives of the United States and three representatives of the Republic of Panama. The Joint Commission shall periodically review the implementation of the Panama Canal Treaty of 1977 with respect to its impact on the environment, and shall make recommendations to the United States Government and the Government of Panama with respect to ways to avoid or mitigate adverse environmental impacts resulting from actions taken pursuant to such Treaty.

(b) Representatives of the United States on the Joint Commission on the Environment shall be appointed by the President, by and with the advice and consent of the Senate, and shall serve at the pleasure of the President. Members of the Commission shall serve without compensation but shall be allowed travel expenses, including per diem in lieu of subsistence, in accordance with section 107 of this Act.

Sec. 107. Travel Expenses.—While away from their homes, regular places of business, or official stations in performance of services under this chapter, members of the Supervisory Board, and the representatives of the United States on the Panama Canal Consultative Committee and on th Joint Commission on the Environment shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in Government service are allowed expenses under section 5703 (b) of title 5 of the United States Code.

Sec. 108. Control by Armed Forces in Time of War.—In time of war in which the United States is engaged, or when, in the opinion of the President, war is imminent, such officer of the Armed Forces as the President may designate shall, upon the order of the President, assume and have exclusive authority and jurisdiction over the operation of the Panama Canal and all its adjuncts, appendants, and appurtenances. During a continuation of this condition, the Commission shall be subject to the order and direction of the officer so designated, in all respects and particulars as to—

(1) the operation of the Canal; and

(2) all duties, matters, and transactions affecting the areas and installations made available to the United States by the Panama Canal Treaty of 1977 and related agreements.

Sec. 109.—Authority of the Ambassador.—

(a) The Ambassador of the United States to the Republic of Panama shall coordinate with the Republic of Panama the transfer to the Republic of Panama of those functions to be assumed by the Republic of Panama pursuant to the Panama Canal Treaty of 1977 and related agreements.

(b) The Panama Canal Commission shall not be subject to the direction or supervision of the Ambassador of the United States to the Republic of Panama, but the Commission shall keep the Ambassador fully and currently informed with respect to all activities and operations of the officers and employees of the Commission.

Chapter 3.—EMPLOYEES

Subchapter I.—Panama Canal Commission Personnel

Sec. 120. Appointment and Compensation; Duties.—

(a) Except as provided by sections 103 and 104 of this Act, and in accordance with subchapter II of this chapter—

(1) the Panama Canal Commission may appoint, fix the compensation of, and define the authority and duties of, officers, agents, attorneys and employees necessary for the management, operation, and maintenance of the Panama Canal and its complementary works, installations, equipment, and the conduct of operations incident thereto; and

(2) individuals so appointed shall be employed and shall serve under such conditions of employment, including matters relating to transportation, medical care, quarters, leave and computation thereof, and work hours, as shall be prescribed by the President.

(b) Officers and employees in other departments and agencies of the Government of the United States, including officers and other individuals in the armed forces, as defined in section 2101(2) of title 5, United States Code, may, if appointed under this section or under sections 103 or 104 of this Act, serve as officers or employees of the Commission.

Sec. 121. Transfer of Federal Employees.—The head of any department or agency of the Government of the United States, including the United States Postal Service, is authorized to enter into agreements for the transfer or detail to the Panama Canal Commission of any permanent employee of the agency. Under regulations which shall be prescribed by the Office of Personnel Management, any employee who is so transferred or so detailed shall, upon completion of his tour of duty with the Commission, be entitled to reemployment with the agency from which he was transferred or detailed without loss of pay, seniority, or other rights or benefits to which he would have been entitled had he not been so transferred or so detailed.

Sec. 122. Compensation of Individual in the Uniformed Services.—(a) If the individual appointed as Administrator, Deputy Administrator, or Chief Engineer of the Panama Canal Commission is in the uniformed services, as defined in section 2101(3) of title 5, United States Code, the amount of the official salary paid to him as an officer in the uniformed services shall be deducted from the amount of salary or compensation which is fixed by or pursuant to law for those respective offices.

(b) Except as provided in subsection (a) of this section, individuals appointed to or employed in positions in the Panama Canal Commission who are under assignment for those purposes by such a uniformed service shall not be paid by the Panama Canal Commission any amount in excess of their pay from the uniformed service for the period of that service.

(c) The Panama Canal Commission shall annually pay to the such uniformed services amounts sufficient to reimburse each of those services for the official salary paid to any individual in their service for the period of appointment or employment by the Commission.

Sec. 123. Deduction from Compensation of Amounts Due for Supplies or Services.—Amounts due from officers and employees, whether to the Panama Canal Commission or contractor, for transportation, board, supplies, or any other service, may be deducted from the compensation otherwise payable to them, and may be paid to the authorized parties or credited to the appropriation out of which the transportation, board, supplies, or other service was originally paid.

Sec. 124.—Cost of Living Allowance.—Each officer or employee of the Panama Canal Commission shall be paid an allowance to offset the increased cost of living which may result from the withdrawal of the eligibility of the officer or employee and his dependents to use military postal services, sales stores, and exchanges five years after the date on which the Panama Canal Treaty of 1977 enters into force. The amount of the allowance shall be determined by the Commission.

Sec. 125. Educational Travel Benefits.—The Panama Canal Commission may provide by regulation for round trip transportation between the Republic of Panama and the United States for undergraduate college education in the United States by dependents of employees of the Commission who are citizens of the United States. The regulations prescribed by the Commission under this section shall—

(1) provide eligibility requirements which must be met by such dependents to qualify for transportation under this section, including a requirement that all eligible dependents must be under 23 years of age; and

(2) limit the transportation provided to one round trip during any one-year period.

Sec. 126. Privileges and Immunities of Certain Employees.—The Secretary of Defense shall designate those officers and employees of the Panama Canal Commission and other individuals entitled to the privileges and immunities accorded under paragraph (3) of article VIII of the Panama Canal Treaty of 1977. The Department of State shall furnish the Republic of Panama a list of the names of such officers, employees, and other individuals and shall notify the Republic of Panama of any subsequent additions to or deletions from the list.

Sec. 127. Inapplicability of Certain Benefits to Certain Non-Citizens.—

(a) Chapter 81 of title 5, United States Code, relating to compensation for work injuries, chapter 83 of such title, relating to civil service retirement, chapter 87 of such title, relating to life insurance, and chapter 89 of such title, relating to health insurance, are inapplicable to individuals who are not citizens of the United States, who are hired by the Panama Canal Commission after the effective date of this Act, and who are covered by the Social Security of the Republic of Panama pursuant to the Panama Canal Treaty of 1977 and related agreements.

(b) Section 8701(a)(B) of title 5, United States Code, is amended to read as follows:

"(B) an employee who is not a citizen or national of the United States and whose permanent duty station is outside the United States, unless such individual was an employee for the purpose of this chapter on the day before the effective date of the Panama Canal Act of 1979 by virtue of service with a Federal agency in the Canal Zone.".

(c) Section 8901(1)(ii) of title 5, United States Code, is amended to read as follows:

"(ii) an employee who is not a citizen or national of the United States and whose permanent duty station is outside the United States, unless such individual was an employee for the purpose of this chapter on the day before the effective date of the Panama Canal Act of 1979 by virtue of service with a Federal agency in the Canal Zone.".

Subchapter II—Wage and Employment Practices

Sec. 141. Definitions.—As used in this subchapter:

(1) "department" means—

(A) the Panama Canal Commission; and

(B) an Executive agency (as defined in section 105 of title 5, United States Code) which makes an election under section 142 (b) of this Act;

(2) "position" means those duties and responsibilities of a civilian nature under the jurisdiction of a department which are performed in the Republic of Panama;

(3) "employee" means an individual holding a position; and

(4) "continental United States" means the several States of the United States of America and the District of Columbia.

Sec. 142. Applicability of the Panama Canal Employment System.—

(a) The Panama Canal Commission shall conduct its wage and employment practices in accordance with—

(1) the principles established in the Panama Canal Treaty of 1977 and related agreements and the provisions of this chapter and other applicable law; and

(2) the Panama Canal Employment System and the regulations promulgated by,

and under the authority of, the President in accordance with this chapter.

(b) The head of an executive agency other than the Panama Canal Commission may elect in whole or in part to have the Panama Canal Employment System made applicable to personnel of his agency in the Republic of Panama.

(c) To the extent he deems appropriate, the President may—

(1) exclude any employee or position from this subchapter or from any provision of this subchapter; and

(2) extend to any employee, whether or not the employee is a citizen of the United States, the same rights and privileges as are provided by applicable laws and regulations for citizens of the United States employed in the competitive civil service of the Government of the United States.

Sec. 143.—Employment Standards.—The head of each department shall establish written standards for—

(1) the determination of the qualifications and fitness of employees and of individuals under consideration for appointment to positions; and

(2) selection of individuals for appointment, promotion, or transfer to positions.

The standards shall conform to the provisions of this subchapter, the regulations referred to in section 155(a) of this Act, and the Panama Canal Employment System.

Sec. 144.—Interim Application of Canal Zone Merit System

Notwithstanding any other provision of this chapter, the provisions of subchapter III of chapter 7 of title 2 of the Canal Zone Code establishing the Canal Zone Merit System together with the regulations prescribed thereunder shall continue in effect until such time as the Panama Canal Employment System is established pursuant to section 149 of this Act.

Sec. 145. Compensation.—

(a) The head of each department, in accordance with this subchapter, shall establish, and from time to time may revise, the rates of basic compensation for positions and employees under his jurisdiction.

(b) The rates of basic compensation may be established and revised in relation to the rates of compensation for the same or similar work performed in the continental United States or in such areas outside the continental United States as may be designated in the regulations referred to in section 155 of this Act.

(c) The head of each department may grant increases in rates of basic compensation in amounts not to exceed the amounts of the increases granted, from time to time, by or under statute in corresponding rates of compensation in the appropriate schedule or scale of pay. The head of the department concerned may make the increases effective as of such date as he designates but not earlier than the effective date of the corresponding increases provided by or under the statute.

Sec. 146.—Uniform Application of Standards and Rates.—The established employment standards and rates of basic compensation established pursuant to sections 143 and 145 of this title shall be applied uniformly, irrespective of whether the employee or individual concerned is a citizen of the United States or a citizen of the Republic of Panama.

Sec. 147. Recruitment and Retention Remuneration.—

(a) In addition to basic compensation, additional compensation may be paid, in such amounts as the head of the department concerned determines, as an overseas recruitment or retention differential to any individual who—

(1) was employed before the effective date of this Act by the Panama Canal Company, the Canal Zone Government, or any department in the Canal Zone;

(2) is an employee who was recruited outside of the Republic of Panama for placement in his position; or

(3) is a medical doctor employed by the Department of Defense or the Panama Canal Commission if, in the judgment of the head of the department concerned, the recruitment and retention of the medical doctor is essential.

(b) Any employee described in more than one paragraph of subsection (a) of this section may qualify for a recruitment or retention differential under only one of such paragraphs.

(c) Additional compensation provided under this section may not exceed 25 percent of the rate of basic compensation for the same or similar work performed in the continental United States by individuals employed by the Government of the United States.

(d)(1) Section 5921 of title 5, United States Code, is amended—

(A) in paragraph (3), by striking out "President;" and inserting in lieu thereof "President, but does not include an employee assigned to work in the Republic of Panama for the Panama Canal Commission or an Executive agency which makes an election under section 142(b) of the Panama Canal Act of 1979;"; and

(B) in paragraph (6), by striking out "the Canal Zone,".

(2) Section 5925 of title 5, United States Code, is amended by inserting "to an employee" after "granted" the first place it appears.

Sec. 148. Benefits Based on Compensation.—For the purpose of determining—

(1) amounts of compensation for disability or death under chapter 81 of title 5, United States Code, relating to compensation for work injuries;

(2) benefits under subchapter III of chapter 83 of title 5, United States Code, relating to civil service retirement;

(3) amounts of insurance under chapter 87 of title 5, United States Code, relating to life insurance;

(4) amounts of overtime pay or other premium compensation;

(5) annual leave benefits; and

(6) any other benefits related to basic compensation; the basic compensation of each employee who is a citizen of the United States shall include the rate of basic compensation established for his position plus the amount of any increase in basic compensation or allowance provided under section 145 or 147 of this Act.

Sec. 149. Merit and Other Employment Requirements.—(a) Subject to this subchapter, and taking into account any recommendation of the Panama Canal Commission, the President—

(1) shall establish the Panama Canal Employment System; and

(2) may, from time to time, amend or modify the provisions of the System, including provisions relating to selection for appointment, reappointment, reinstatement, reemployment, and retention, with respect to positions, employees, and individuals under consideration for appointment to positions.

(b) The Panama Canal Employment System shall—

(1) be subject to and as limited by the Panama Canal Treaty of 1977 and related agreements, be based on the merit of the employee or individual and upon his qualifications and fitness to hold the position concerned;

(2) conform generally to policies, principles, and standards for the competitive service (as defined in section 2101 of title 5, United States Code); and

(3) include provision for appropriate interchange between the Panama Canal Employment System and such competitive service.

Sec. 150.—Salary Protection Upon Conversion of Compensation Base.—Whenever the rate of basic compensation of an employee heretofore or hereafter established in relation to rates of compensation for the same or similar work in the continental United States is converted under authority of section 145 of this Act to a rate of basic compensation established in relation to rates in areas other than the continental United States in the manner provided by section 145(b) of this Act, he shall, pending transfer to a position for which the rate of basic compensation is established in relation to rates of compensation in the continental United States in the manner provided by section 145(b) of this Act, and as long as he remains in the same position or in a position of equal or higher grade, continue to receive a rate of basic compensation not less than that to which he was entitled immediately prior to the conversion.

Sec. 151. Review and Adjustment of Classifications, Grades, and Pay Level.—An employee may request at any time that the department in which he is employed—

(1) review the classification of his position or the grade or pay level for his position, or both; and

(2) revise or adjust such classification, grade or pay level, or both, as the case may be.

The request for review and revision or adjustment shall be submitted and adjudicated in accordance with the regularly established appeals procedure of the department.

Sec. 152. Same; Panama Canal Board of Appeals; Duties.—

(a) There shall be, in conformity with this subchapter, and as prescribed by regulation promulgated by the President or his designee, a Panama Canal Board of Appeals. The regulations shall provide for, in accordance with this subchapter, the number of members of the Board and their appointment, compensation, and terms of office, the selection of a Chairman of the Board, the appointment and compensation of the Board's employees, and other appropriate matters relating to the Board.

(b) The Board shall review and determine the appeals of employees in accordance with section 153 of this Act. The decisions of the Board shall conform to the provisions of this subchapter.

Sec. 153. Same; Appeals to Board; Procedure; Finality of Decisions.—

(a) An employee may appeal to the Panama Canal Board of Appeals from an adverse determination made under section 151 of this Act. The appeal shall be made in writing within a reasonable time, as prescribed in regulations prescribed by, or under the authority of, the President, after the date of the transmittal by the department to the employee of written notice of the adverse determination.

(b) The Board may authorize, in connection with an appeal pursuant to subsection (a) of this section, a personal appearance before the Board by the employee, or by his representative designated for the purpose.

(c) After investigation and consideration of the evidence submitted, the Board shall—

(1) prepare a written decision on the appeal;

(2) transmit its decision to the department concerned; and

(3) transmit copies of the decision to the employee concerned or to his designated representative.

(d) The decision of the Board on any question or other matter relating to an appeal is final and conclusive. The department concerned shall take action in accordance with the decision of the Board.

Sec. 155. Administration by the President.—

(a) The President shall prescribe regulations necessary and appropriate to carry out the provisions of this subchapter and, in the case of any Executive agency which makes an election under section 142(b) of this Act, coordinate the policies and activities under this subchapter of the agency.

(b) The President may establish an office within the Panama Canal Commission as the successor to the Canal Zone Central Examining Office. The purpose of the office shall be to assist the President in—

(1) carrying out his coordination responsibility under subsection (a) of this section; and

(2) implementing the provisions of the Panama Canal Treaty of 1977 and related agreements with respect to recruitment, examination, determination of qualification standards, and similar matters.

(c) The President may delegate any authority vested in him by this subchapter.

Sec. 156.—Applicability of Other Laws.—This subchapter does not affect the applicability of—

(1) the provisions of sections 1302, 2108, 3305, 3306, 3309–3319, 3351, 3363, 3501–3504, 7511, 7512, and 7701 of title 5, United States Code, relating to preference eligibles, with respect to individuals who were preference eligibles on the date of the enactment of this Act;

(2) section 7501 of title 5, United States Code, relating to removal or suspension from the competitive service, with respect to individuals who were in the competitive service on the date of the enactment of this Act; and

(3) subsection (a) of section 5544 of title 5, United States Code, relating to wage-board rates and overtime, with respect to individuals who were subject to such subsection on the date of the enactment of this Act.

Subchapter III—Conditions of Employment and Placement

Sec. 202. Transferred Employees.—

(a)(1) With respect to employees of the Panama Canal Company or the Canal Zone Government who are transferred to employment in the Republic of Panama with the Panama Canal Commission or any other agency of the Government of the United States, the terms and conditions of employment set forth in paragraph (2) of this subsection shall be generally no less favorable, on or after the date of the exchange of the instruments of ratification of the Panama Canal Treaty of 1977, than the terms and conditions of employment with the Panama Canal Company and Canal Zone Government immediately before such date.

(2) The terms and conditions of employment referred to in paragraph (1) of this section are the following:

(A) wage rates;

(B) tropical differential;

(C) premium pay and night differential;

(D) reinstatement and restoration rights;

(E) injury and death compensation benefits;

(F) leave and travel, except as modified to provide equity with other employees within the agency to which the employee is transferred;

(G) transportation and repatriation benefits;

(H) group health and life insurance;

(I) reduction in force rights;

(J) an employee grievance system, and the right to appeal adverse and disciplinary actions and position classification actions;

(K) veterans' preference eligibility;

(L) holidays;

(M) saved pay provisions; and

(N) severence pay benefits.

(3) The provisions of this subsection shall take effect on the date of the enactment of this Act.

(b)(1) Section 5(c) of the Defense Department Overseas Teachers Pay and Personnel Practices Act (20 U.S.C. 903(c)) is amended by adding at the end thereof the following new sentence: "This section does not apply with respect to teachers who were employed by the Canal Zone Government school system immediately before the effective date of the Panama Canal Act of 1979 and who were transferred to a teaching position.".

(2) Section 6(a) of such Act (20 U.S.C. 904(a)) is amended by adding at the end thereof the following: "This section does not apply with respect to teachers who were employed by the Canal Zone Government school svstem immediatelv before the effective date of the Panama Canal Act of 1979 and who were transferred to a teaching position.".

(c) Sections 5595(a)(2)(iii), 5724a(a)(3) and (4), and 8102(b) of title 5, United States Code, are each amended by striking out "Canal Zone" each place it appears and inserting in lieu thereof the following: "areas in the Republic of Panama used or regulated by the United States pursuant to the Panama Canal Treaty of 1977 and related agreements".

Sec. 203.—Placement.—

(a) A citizen of the United States—

(1) who, immediately before the date of the exchange of the instruments of ratification of the Panama Canal Treaty of 1977, was an employee of the Panama Canal Company or the Canal Zone Government;

(2) who separates or is scheduled to separate on or after such date during the life of the Panama Canal Treaty of 1977 for any reason other than misconduct or delinquency; and

(3) who is not placed in another appropriate position in the Government of the United States in the Republic of Panama;

shall, upon the employee's request, be accorded appropriate placement to vacancies with the United States Government in the United States.

(b) A citizen of the United States—

(1) who, immediately before the date of the exchange of the instruments of ratification of the Panama Canal Treaty of 1977, was an employee of an agency of the Government of the United States in the Canal Zone other than the Panama Canal Company or the Canal Zone Government;

(2) whose position is eliminated as the result of implementing the Panama Canal Treaty of 1977; and

(3) who is not appointed to another appropriate position in the Government of the United States in the Republic of Panama;

shall, upon the employee's request, be accorded the placement assistance provided in subsection (a) of this section.

(c) The Office of Personnel Management shall establish and administer a Federal Government-wide placement program for all eligible employees who request appointment to positions under this subsection.

(d) The provisions of this section shall take effect on the date of the enactment of this Act.

Subchapter IV—Retirement

Sec. 205.—Early Retirement Eligibility.—

(a) Section 8336 of title 5, United States Code, is amended—

(1) by redesignating subsection (c) is subsection (c)(1); and

(2) by adding at the end of subsection (c) the following new paragraph:

"(2) A law enforcement officer or firefighter employed by the Panama Canal Company or the Canal Zone Government immediately before the date of the exchange of the instruments of ratification or entry into force of the Panama Canal Treaty of 1977, who—

"(A) is separated from the service before January 1, 2000, and, upon separation, meets the age and service requirements specified in paragraph (1) of this subsection; or

"(B) is separated not more than two years before the date or which he would meet such age and service requirements but for such separation; is entitled to an annuity.".

(b) Section 8336 of title 5, United States Code, is further amended—

(1) by redesignating subsection (h) as subsection (k); and

(2) inserting after subsection (g) the following new subsections:

"(h)(1) An employee of the Panama Canal Commission or of an executive agency conducting operations in the Canal Zone or the Republic of Panama to whom this subsection applies and who is separated from the service before January 1, 2000—

"(A) involuntarily, as a result of the implementation of the Panama Canal Treaty of 1977, except by removal for cause on charges of misconduct or delinquency, after completing 20 years of service;

"(B) voluntarily, after completing 25 years of service or after becoming age 50 and completing 20 years of service; or

"(C) involuntarily, as a result of the implementation of the Panama Canal Treaty of 1977, except by removal for cause on charges of misconduct or delinquency, or voluntarily, not more than two years before he would have met the age and service requirements specified in subparagraph (B) of this paragraph; is entitled to an annuity.

"(2) This subsection applies to an employee only if the employee—

"(A) was employed by the Canal Zone Government or the Panama Canal Company immediately before the date of the exchange of the instruments of ratification or entry into force of the Panama Canal Treaty of 1977; and

"(B) has been employed without a break in service since the date of the exchange of the instruments of ratification of the Panama Canal Treaty of 1977 or its entry into force by the Panama Canal Commission or by an executive agency conducting operations in the Canal Zone or the Republic of Panama.

"(i)(1) An employee of the Panama Canal Commission or of an executive agency conducting operations in the Canal Zone or the Republic of Panama, to whom this subsection applies and who is involuntarily separated from the service before January 1, 2000, except by removal for cause on charges of misconduct or delinquency, as a result of the implementation of the Panama Canal Treaty of 1977—

"(A) after completing 20 year of service; or

"(B) not more than two years before the employee would have met the age and service requirements specified in subparagraph (B) of subsection (h)(1) of this section but for such separation;

is entitled to an annuity.

"(2) This subsection applies to an employee only if the employee—

"(A) was employed in the Canal Zone by an executive agency other than the Panama Canal Company or the Canal Zone Government immediately before the date of the exchange of the instruments of ratification, or the entry into force, of the Panama Canal Treaty of 1977; and

"(B) has been employed without a break in service since the date of the exchange of the instruments of ratification of the Panama Canal Treaty of 1977 or its entry into force by the Panama Canal Commission or by an executive agency conducting operations in the Canal Zone or the Republic of Panama.

"(j) For the purpose of subsections (h) and (i) of this section, 'executive agency' includes the Administrative Office of the United States Courts and the Smithsonian Institution.".

Sec. 206.—Early Retirement Computation.—Section 8339 of title 5, United States Code, is amended:

(1) in subsection (f), by inserting after "subsections (a)-(e)" the following: "and (n)";

(2) in subsection (i), by inserting after "subsections (a)-(h)" the following: "and (n)";

(3) in subsections (j) and (k)(1), by inserting after "subsection (a)-(i)", each time it appears, the following: "and (n)";

(4) in subsection (l), by inserting after "subsections (a)-(k)" the following: "and (n)"; and

(5) in subsection (m), by inserting after "subsections (a)-(e)" the following: "and (n)"; and

(6) by adding at the end thereof the following new subsections:

"(n) The annuity of an employee retiring under this subchapter who was employed by the Panama Canal Company or the Canal Zone Government immediately before the date on which the Panama Canal Treaty of 1977 enters into force and who transfers without a break in service to a position in the Panama Canal Commission or in another executive agency in the Republic of Panama, is computed, with respect to the period of that service performed after the entry into force of the Panama Canal Treaty of 1977 and before any break in such service, by adding—

"(1) the product of multiplying 2½ percent of the employee's average pay by so much of such service as does not exceed 20 years; plus

"(2) the product of multiplying 2 percent of the employee's average pay by so much of such service as exceeds 20 years.

"(o) The annuity computed under subsection (n) of this section for an employee who was employed as a law enforcement officer or firefighter shall be increased by $8 for each full calendar month of such service in the Republic of Panama after the entry into force of the Panama Canal Treaty of 1977 and before the completion by the employee of 20 years of service as a law enforcement officer or firefighter.

"(p) The annuity computed under this subchapter for an employee who—

"(1) served as a law enforcement officer or firefighter in the Panama Canal Company or the Canal Zone Government immediately before the date of the exchange of the instruments of ratification or entry into force of the Panama Canal Treaty of 1977; and

"(2) does not qualify for retirement under section 8336(c) of this title;

shall be increased by $12 for each full calendar month of such service before the entry into force of the Panama Canal Treaty of 1977 and before the completion by the employee of 20 years of service as a law enforcement officer or firefighter.".

SEC. 207. NONCITIZEN RETIREMENT TRANSFER TO SOCIAL SECURITY SYSTEM OF THE REPUBLIC OF PANAMA.—

(a)(1) Subject to subsection (b) of this section, and under such regulations as the President may prescribe, the Secretary of the Treasury shall pay, to such extent or in such amounts as may be provided in advance in appropriation Acts, to the Social Security System of the Republic of Panama, out of funds deposited in the Treasury of the United States to the credit of the Civil Service Retirement Fund under section 8334 (a)(2) of title 5, United States Code, such sums of money as may be necessary to aid in the purchase of a retirement equity in such System for each individual, with respect to whom this subsection applies, who—

(A) is separated from employment in the Panama Canal Company, the Canal Zone Government, or the Panama Canal Commission by reason of the implementation of the Panama Canal Treaty of 1977 and related agreements; and

(B) becomes employed under the Social Security System of the Republic of Panama through the transfer of a function of activity to the Republic of Panama from the United States or through a job placement assistance program.

(2) This subsection applies with respect to any individual only if the individual—

(A) has been credited with at least five years of Federal service under the United States Civil Service Retirement System;

(B) is not eligible for an immediate retirement annuity, and does not elect a deferred annuity under the United States Civil Service Retirement System; and

(C) elects to withdraw the entire amount of his contributions to the United States Civil Service Retirement System and to transfer such amount to the Social Security System of the Republic of Panama pursuant to the special regime referred to in paragraph (3) of article VIII of the Agreement in Implementation of Article III of the Panama Canal Treaty of 1977.

(b) The amount paid to the Social Security System of the Republic of Panama with respect to any individual under subsection (a) of this subsection shall not exceed the entire amount of the individual's contribution withdrawn from the United States Civil Service Retirement Fund.

(c)(1) Pursuant to paragraph 2(b) of Annex C to the Agreement in implementation of Article IV of the Panama Canal Treaty of 1977, the President, or his designee, may pay to the Republic of Panama, in accordance with such regulations as the President or his designee may prescribe, and to such extent or in such amounts as may be provided in advance in appropriations Acts, amounts necessary to purchase, or to supplement the purchase of, a retirement equity in the Social Security System of the Republic of Panama for the benefit of each employee of the United States Forces in the Republic of Panama—

(A) who is not a citizen of the United States;

(B) who was employed on or before the date on which the Panama Canal Treaty of 1977 enters into force in an agency or instrumentality of the Government of the United States in the Republic of Panama (including, with respect to employement before such date, the area formerly known as the Canal Zone);

(C) who, for any period of such employee's service in such agency or instrumentality before the date on which the Panama Canal Treaty of 1977 enters into force, was not covered, by reason of such service, by the United States Civil Service Retirement System or any other Federal retirement system providing benefits similar to those retirement benefits provided by the Social Security System of the Republic of Panama; and

(D) whose period of service referred to in subparagraph (C) of this paragraph was of such a nature that such employee would have been covered at that time by the Social Security System of the Republic of Panama had such law been applicable.

(2) The retirement equity referred to in paragraph (1) of this subsection with respect to any employee will cover retroactively, from the date on which the Panama Canal Treaty of 1977 enters into force, all periods of service by such employee in agencies and instrumentalities of the Government of the United States in the Republic of Panama (including the area known before such date as the Canal Zone) during which such employee was not covered by the United States Civil Service Retirement System or any other Federal retirement system providing benefits similar to those retirement benefits provided by the Social Security System of the Republic of Panama and during which such employee's service was of such a nature that the employee would have been covered by the Social Security System of the Republic of Panama had such law been applicable.

SEC. 208. CASH RELIEF TO CERTAIN FORMER EMPLOYEES.—

(a) The Panama Canal Commission, under the regulations prescribed by the President pursuant to the Act entitled "An Act authorizing cash relief for certain employees of the Panama Canal not coming within the provisions of the Canal Zone Retirement Act", approved July 8, 1937, as amended (50 Stat. 478; 68 Stat. 17), may continue the payments of cash relief to those individual former employees of the Canal Zone Government or Panama Canal Company or their predecessor agencies not coming within the scope of the former Canal Zone Retirement Act whose services were terminated prior to October 5, 1958, because of unfitness for further useful service by reason of mental or physical disability resulting from age or disease. Subject to subsection (b) of this section, such cash relief may not exceed $1.50 per month for each year of service of the employees so furnished relief, with a maximum of $45 per month, plus the amount of any cost-of-living increases in such cash relief granted before the effective date of this Act pursuant to section 181 of the Canal Zone Code (as in effect immediately before the effective date of this Act), nor be paid to any employee who, at the time of termination for disability prior to October 5, 1958, had less than 10 years' service with the Canal Zone Government, the Panama Canal Company, or their predecessor agencies on the Isthmus of Panama.

(b) An additional amount of $20 per month shall be paid to each person who receives payment of cash relief under subsection (a) of this section and shall be allowed without regard to the limitations contained therein.

(c) Each cash relief payment made pursuant to this section shall be increased on the same effective date and by the same per centum, adjusted to the nearest dollar, as civil service retirement annuities are increased under the cost-of-living adjustment provisions of section 8340(b) of title 5, United States Code. Such increase shall apply only to cash relief payments made after the date of the enactment of this Act as increased by annuity increases made after such date of enactment under section 8340(b) of title 5, United States Code.

(d) The Panama Canal Commission may pay cash relief to the widow of any former employee of the Canal Zone Government or the Panama Canal Company who, until the time of his death, receives or has received cash relief under subsection (a) of this section, under section 181 of the Canal Zone Code (as in effect immediately before the effective date of this Act), or under the Act of July 8, 1937, referred to in subsection (a) of this section. The term "widow" as used in this section includes only the following:

(1) a woman legally married to such employee at the time of his termination for disability and at his death;

(2) a woman who, although not legally married to such former employee at the time of his termination, had resided continuously with him for at least five years immediately preceding the employee's termination under such circumstances as would at common law make the relationship a valid marriage and who continued to reside with him until his death; and

(3) a woman who has not remarried or assumed a common-law relationship with any other person.

Cash relief granted to such a widow shall not at any time exceed 50 per centum of the rate at which cash relief, inclusive of any additional payment under subsection (b) of this section, would be payable to the former employee were he then alive.

(e) Subchapter III of chapter 83 of title 5, United States Code, applies with respect to those individuals who were in the service of the Canal Zone Government or the Panama Canal Company on October 5, 1958, and who, except for the operation of section 13(a)(1) of the Act entitled "An Act to implement item 1 of a Memorandum of Understandings attached to the treaty of January 25, 1955, entered into by the Government of the United States of America and the Government of the Republic of Panama with respect to wage and employment practices of the Government of the United States of America in the Canal Zone", approved July 25, 1958 (72 Stat. 405), would have been within the classes of individuals subject to the Act of July 8, 1937, referred to in subsection (a) of this section.

SEC. 209.—APPLIANCES FOR EMPLOYEES INJURED BEFORE SEPTEMBER 7, 1916.—Artificial limbs or other appliances for persons who were injured in the service of the Isthmian Canal Commission or of the Panama Canal before September 7, 1916, may be purchased by the Panama Canal Commission out of any funds appropriated to the Commission.

Subchapter V—Leave

SEC. 211. — LEAVE FOR JURY OR WITNESS SERVICE.—Section 6322(a) of title 5, United States Code, is amended—

(1) by striking out "the Canal Zone, or"; and

(2) by striking out "Islands." and inserting in lieu thereof "Islands, or the Republic of Panama.".

Subchapter VI—Application to Related Personnel

SEC. 220.—LAW ENFORCEMENT, CANAL ZONE CIVILIAN PERSONNEL POLICY COORDINATING BOARD, AND RELATED EMPLOYEES.—

(a) For the purposes of sections 125, 202, 203, 205, and 206 of this Act, including any amendment made by such sections, the United States attorney for the district of the Canal Zone and the Assistant United States attorneys and their clerical assistants, and the United States marshal for the district of the Canal Zone and his deputies and clerical assistants shall be considered employees of the Panama Canal Commission.

(b) For the purposes of this Act, including any amendment made by this Act, the Executive Director of the Canal Zone Civilian Personnel Policy Coordinating Board, the Manager, Central Examining Office, and their staffs shall be considered to have been employees of the Panama Canal Company with respect to service in such positions before the date on which the Panama Canal Treaty of 1977 enters into force and as employees of the Panama Canal Commission with respect to service in such positions on or after such date.

Subchapter VII—Labor-Management Relations

SEC. 225.—LABOR-MANAGEMENT RELATIONS.—The provisions of chapter 71 of title 5, United States Code, shall not apply with respect to employees of the agencies or instrumentalities of the Government of the United States whose posts of duty are located in the area comprising the Canal Zone immediately before the date on which the Panama Canal Treaty of 1977 enters into force, which area is within the land and water areas the use of which is made available to the United States pursuant to such treaty. In lieu of such provisions, the Secretary of Defense shall prescribe regulations which shall provide, equally for all such employees, for collective bargaining between employee representatives and management officials in such agencies or instrumentalities. Such regulations shall incorporate the provisions of sections 7102, 7106, 7116, 7120, and 7131 of such title 5. Such regulations shall include such provisions as are necessary, and shall be administered, so that such employees shall have the right to bargain collectively under the same conditions and with respect to the same subject matter as are applicable with respect to such right in connection with the civil service within the continental United States.

Chapter 5—FUNDS AND ACCOUNTS

Subchapter I—Funds

SEC. 231.—CANAL ZONE GOVERNMENT FUNDS.—On the effective date of this Act, any unexpended balances of the appropriation accounts appearing on the books of the Government as "Operating Expenses, Canal Zone Government (38–0116–0–1–806)" and "Capital Outlay, Canal Zone Government (38–0118–0–1–806)" shall be covered into the general fund of the Treasury, and any appropriations to which expenditures under such accounts have been chargeable before such effective date are repealed. The Panama Canal Commission may, to such extent or in such amounts as are provided in appropriation Acts to the Commission for such purpose, pay claims or make payments chargeable to such accounts, upon proper audit of such claims or payments. There are authorized to be appropriated to the Panama Canal Commission such funds as may be necessary to pay claims and makes payments pursuant to this section.

SEC. 232.—PANAMA CANAL COMPANY FUNDS.—

(a) On the effective date of this Act, the account appearing on the books of the Government as the "Panama Canal Company Fund" (38–4060–0–3–403) shall be terminated, and any unexpended balances under such accounts as of that date shall be covered into the general fund of the Treasury.

(b) On or after the effective date of this Act, tolls for the use of the Panama Canal and all other receipts of the Panama Canal Commission that, before such effective date, would have been credited to the accounts appearing on the books of the Government as the "Panama Canal Company Fund" (38–4060–0–3–403) shall be deposited in the Treasury as miscellaneous receipts.

(c) No funds may be appropriated to or for the use of the Panama Canal Commission, nor may any funds be obligated or expended by the Commission for any fiscal year, unless such appropriation, obligation, or expenditure has been specifically authorized by law.

(d) The Panama Canal Commission may, to such extent or in such amounts as are provided in advance in appropriation Acts, enter into contracts in order to carry out its functions.

SEC. 233. EMERGENCY FUND.—

(a) On the effective date of this Act, the Secretary of the Treasury shall establish and thereafter shall maintain in the Treasury a fund to be known as the "Panama Canal Emergency Fund". There are authorized to be appropriated, for deposit in such Fund (1) for the fiscal year beginning October 1, 1979, $10,000,000, and (2) for any fiscal year beginning on or after October 1, 1980, such additional sums as may be necessary.

(b) The Panama Canal Commission may make withdrawals from the fund by check in order to defray emergency expenses and to insure continuous operation of the Panama Canal, if funds appropriated for the operation and maintenance of the Canal are insufficient for such purposes. Any withdrawal from the fund or expenditure made under this subsection shall be reported forthwith by the Commission to the Congress and to the Office of Management and Budget.

Subchapter II—Accounting Policies and Audits

SEC. 234.—ACCOUNTING POLICIES.—The Panama Canal Commission shall establish and maintain its accounts pursuant to the Accounting and Auditing Act of 1950 (31 U.S.C. 65 et seq.) and the provisions of this chapter. Such accounts shall specify all revenues received by the Commission, including tolls for the use of the Canal, and all expenses of maintenance and operation of the Panama Canal and of its complementary works, installations and equipment, including depreciation, amortization of the right to use assets made available to the United States under the Panama Canal Treaty of 1979, payments to Panama under the Panama Canal Treaty of 1977, expenditures for capital plant replacement, expansion and improvement, and interest on the investment of the United States as shown in the accounts of the Panama Canal Company at the close of business on the day before the effective date of this Act, and as increased by the amount of additional appropriations, and reduced by the amount of payments into the Treasury, which are made with respect to such investment.

SEC. 235.—REPORTS.—The Commission shall, not later than January 31 of each year, submit to the President and the Congress, a financial statement and a complete report with respect to the maintenance and operation of the Panama Canal during the preceding fiscal year.

SEC. 236.—AUDIT BY GENERAL ACCOUNTING OFFICE.—

(a) Financial transactions of the Panama Canal Commission shall be audited by the General Accounting Office pursuant to the Accounting and Auditing Act of 1950. In conducting any audit pursuant to such Act, the appropriate representatives of the General Accounting Office shall have access to all books, accounts, financial records, reports, files, and other papers, items, or property in use by the Commission and necessary to facilitate such audit, and such representatives shall be afforded full facilities for verifying transactions with the balances or securities held by depositories, fiscal agents, and custodians. An audit pursuant to such Act shall first be conducted with respect to the fiscal year in which this Act becomes effective.

(b) The Comptroller General shall, not later than six months after the end of each fiscal year, submit to the Congress a report of the audit conducted by the Comptroller General with respect to such fiscal year. Such report shall set forth the scope of the audit and shall include a statement of assets and liabilities, capital and surplus or deficit, based on the accounts of the Commission established pursuant to this chapter; a statement of income and expense; a statement of sources and application of funds; and such comments and information as the Comptroller General considers necessary to keep the Congress informed of the operations and financial transactions of the Commission, together with such recommendations with respect to such operations and transactions as the Comptroller General considers advisable. The report shall identify specifically any program, expenditure, or other financial transaction or undertaking observed in the course of the audit which, in the opinion of the Comptroller General, has been carried out or made and has not been authorized by law. The Comptroller General shall submit a copy of each such report to the President, to the Secretary of the Treasury, and to the Commission.

Subchapter III—Interagency Accounts

SEC. 240.—INTERAGENCY SERVICES; REIMBURSEMENTS.—

(a) The Panama Canal Commission shall reimburse the Civil Service Retirement Fund for Government contributions to the retirement fund applicable to the Commission's employees, and the Employees' Compensation Fund, Bureau of Employee's Compensation, Department of Labor, for the benefit payments to the Commission's employees, and shall also reimburse other Government agencies for payments of a similar nature made on its behalf.

(b) The Department of Defense shall reimburse the Panama Canal Commission for amounts expended by the Commission in maintaining defense facilities in standby condition for the Department of Defense.

(c) Notwithstanding any other provision of law, appropriations (for any fiscal year beginning after September 30, 1979) of the Department of Defense, or such other agency or agencies as may be designated for this purpose by the President, shall be made available for conducting the educational and health care activities, including kindergartens and college, carried out by the Canal Zone Government and Panama Canal Company before the effective date of this Act, and for providing the services related thereto to the categories of persons to which such services were provided before such effective date. Amounts so expended by an agency for furnishing services to an employee of any other agency and the dependents of such employee (less amounts payable by such employee) shall be fully reimbursable to the agency furnishing the services from appropriations of the agency bearing the cost of the compensation of the employee concerned.

(d) Mail addressed to the Canal Zone from or through the continental United States may be routed by the United States Postal Service to the military post offices of the United States Forces in the Republic of Panama. Such military post offices shall provide the required directory services and shall accept such mail to the extent permitted under the Panama Canal Treaty of 1977 and related agreements. The Panama Canal Commission may furnish personnel, records, and other services to the military post offices whenever appropriate to assure the proper distribution, rerouting, or return of such mail.

Subchapter IV—Postal Accounts

SEC. 241.—TERMINATION OF POSTAL SERVICE; DISPOSITION OF FUNDS.—

(a) The postal service of the Canal Zone maintained and operated pursuant to chapter 73 of title 2 of the Canal Zone Code, as in effect immediatey before the effective date of this Act, is terminated, and all funds of the postal service of the Canal Zone shall be covered into the United States Treasury as miscellaneous receipts.

(b) Securities of the United States acquired by investment of funds of the Canal Zone postal service under chapter 73 of title 2 of the Canal Zone Code, as in effect immediately before the effective date of this Act, shall be redeemed by the Secretary of the Treasury and the face amount thereof, with any accrued interest, shall be paid into the general fund of the United States Treasury.

SEC. 242.—POSTAL SAVINGS CERTIFICATES.—

(a) Interest on postal savings certificates issued before the effective date of this Act under chapter 73 of title 2 of the Canal Zone Code, as in effect immediately before the effective date of this Act, and interest on deposit money orders issued in lieu of such certificates before such effective date, shall cease to accrue on the anniversary dates of the respective certificates occurring in the 12-month period beginning on the effective date of this Act.

(b) In the settlement and payment of any postal savings account under this subchapter, including all interest accrued thereon, which is maintained in the name of a deceased, presumed dead, or incompetent depositor, or which is determined to be payable to—

(1) a minor;

(2) a person adjudicated mentally incompetent or under other legal disability; or

(3) the estate of a person who is deceased or presumed dead,

the payment of such account, or any appropriate share thereof, may be made to a legal representative of the depositor, or to a legal representative of the person or property of a claimant described in paragraph (1), (2), or (3). If there are no outstanding guardianship or administration proceedings concerning the person or estate of the depositor, or the person or estate of such claimant, payment shall be made to the person who is otherwise qualified to receive payment according to the laws of descent and distribution in effect in the Canal Zone immediately before the date on which the Panama Canal Treaty of 1977 enters into force. Payment made under this subsection shall be a bar to recovery by any other claimant of amounts so paid.

SEC. 243. SETTLEMENT OF POSTAL ACCOUNTS.—

(a) During the fiscal year beginning on the effective date of this Act, the Panama Canal Commission shall, to the extent practicable, settle and pay the accounts, discharge the obligations, and otherwise conclude the affairs of the Canal Zone postal service terminated by section 241(a) of this Act.

(b) Obligations of the postal service referred to in subsection (a) may be paid from any funds appropriated to the Commission.

SEC. 244.—MONEY ORDERS UNPAID AFTER TWENTY YEARS.—Money orders issued by the Canal Zone postal service may not be paid after 20 years from the last day of the month of original issue. Claims for unpaid money orders are forever barred unless received by the Panama Canal Commission within the 20-year period.

Subchapter V—Accounts With Republic of Panama

SEC. 250.—PAYMENTS TO PANAMA.—

(a) The Panama Canal Commission shall pay to the Republic of Panama those payments required under paragraph 5 of Article III and paragraph 4 of Article XIII of the Panama Canal Treaty of 1977. Such payments shall be made from appropriations for such purpose.

(b) In determining whether operating revenues exceed expenditures for the purpose of payments to Panama under paragraph 4(c) of such Article XIII, such operating revenues in a fiscal period shall be reduced by (1) all expenditures of such period as shown by the accounts established pursuant to section 234 of this Act and (2) the accumulative sum from prior years (beginning with the year in which the Panama Canal Treaty of 1977 enters into force) of any excess of expenditures of the Commission over operating revenues.

SEC. 251.—TRANSACTIONS WITH REPUBLIC OF PANAMA.—The Panama Canal Commission may, on a reimbursable basis, provide to the Republic of Panama materials, supplies, equipment, work, or services, including water and electric power, requested by the Republic of Panama, at such rates as may be agreed upon by the Commission and the Republic of Panama. Payment for such materials, supplies, equipment, work, or services may be made by direct payment by the Republic of Panama to the Panama Canal Commission or by offset against amounts due the Republic of Panama by the United States.

SEC. 252.—DISASTER RELIEF.—If an emergency arises because of disaster or calamity by flood, hurricane, earthquake, fire pestilence, or like cause, not foreseen or otherwise provided for, and occurring in the Republic of Panama in such circumstances as to constitute an actual or potential hazard to health, safety, security, or property in the areas and installations made available to the United States pursuant to the Panama Canal Treaty of 1977 and related agreements, the Panama Canal Commission may expend available funds appropriated to the Commission, and utilize or furnish materials, supplies, equipment, and services for relief, assistance, and protection.

Chapter 7—CLAIMS FOR INJURIES TO PERSONS OR PROPERTY

Subchapter I—General Provisions

SEC. 271.—SETTLEMENT OF CLAIMS GENERALLY.—

(a) Subject to type provisions of this chapter, the Panama Canal Commission may adjust and pay claims for injury to, or loss of, property or for personal injury or death, arising from the operation of the Panama Canal or related facilities and appurtenances.

(b) No claim for an amount exceeding $60,000 shall be adjusted and paid by the Commission under the provisions of this chapter.

(c) An award made to a claimant under this section shall be payable out of any moneys appropriated for or made available to the Commission. The acceptance by the claimant of the award shall be final and conclusive on the claimant, and shall constitute a complete release by the claimant of his claim against the United States and against any employee of the United States acting in the course of his employment who is involved in the matter giving rise to the claim.

(d) Except as provided in section 296 of this Act, no action for damages on claims cognizable under this chapter shall lie against the United States or the Commission, and no such action shall lie against any officer or employee of the United States. Neither this section nor section 296 shall preclude actions against officers or employees of the United States for injuries resulting from their acts outside the scope of their employment or not in the line of their duties, or from their acts committed with the intent to injure the person or property of another.

(e) The provisions of section 1346(b) of title 28, United States Code, and the provisions of chapter 171 of such title shall not apply to claims cognizable under this chapter.

Subchapter II—Vessel Damage

SEC. 291.—INJURIES IN LOCKS OF CANAL.—The Panama Canal Commission shall promptly adjust and pay damages for injuries to vessels, or to the cargo, crew or passengers of vessels, which may arise by reason of their passage through the locks of the Panama Canal under the control of officers or employees of the United States. Damages may not be paid where the injury was proximately caused by the negligence or fault of the vessel, master, crew, or passengers. If the negligence or fault of the vessel, master, crew, or passengers proximately contributed to the injury, the award of damages shall be diminished in proportion to the negligence or fault attributable to the vessel, master, crew, or passengers. Damages may not be allowed and paid for injuries to any protrusion beyond any portion of the hull of a vessel, whether it is permanent or temporary in character. A vessel is considered to be passing through the locks of the Canal, under the control of officers or employees of the United States, from the time the first towing line is made fast on board before entrance into the locks and until the towing lines are cast off upon, or immediately prior to, departure from the lock chamber.

SEC. 292.—INJURIES OUTSIDE LOCKS.—The Panama Canal Commission shall promptly adjust and pay damages for injuries to vessels, or to the cargo, crew, or passengers of vessels which may arise by reason of their presence in the Canal, or waters adjacent thereto, other than the locks, when the injury was proximately caused by negligence or fault on the part of an officer or employee of the United States acting within the scope of his employment and in the line of his duties in connection with the operation of the Canal, and when the amount of the claim does not exceed $60,000. If the negligence or fault of the vessel, master, crew, or passengers proximately contributed to the injury, the award of damages shall be diminished in proportion to the negligence or fault attributable to the vessel, master, crew, or passengers. In the case of a vessel which is required by or pursuant to regulations prescribed pursuant to section 1331 of this Act to have a Panama Canal pilot on duty aboard, damages may not be adjusted and paid for injuries to the vessel, or its cargo, crew, or passengers, incurred while the vessel was under way and in motion, unless at the time the injuries were incurred the navigation or movement of the vessel was under the control of a Panama Canal pilot.

SEC. 293.—MEASURE OF DAMAGES GENERALLY.—In determining the amount of the award of damages for injuries to a vessel for which the Panama Canal Commission is determined to be liable, there may be included—

(1) actual or estimated cost of repairs;

(2) charter hire actually lost by the owners, or charter hire actually paid, depending upon the terms of the charter party, for the time the vessel is undergoing repairs;

(3) maintenance of the vessel and wages of the crew, if they are found to be actual additional expenses or losses incurred outside of the charter hire; and

(4) other expenses which are definitely and accurately shown to have been incurred necessarily and by reason of the accident or injuries.

Agent's fees, or commissions, or other incidental expenses of similar character or any items which are indefinite, indeterminable, speculative, or conjectural may not be allowed. The Panama Canal Commission shall be furnished such vouchers, receipts, or other evidence as may be necessary in support of any item of a claim. If a vessel is not operated under charter but by the owner directly, evidence shall be secured if available as to the sum for which vessels of the same size and class can be chartered in the market. If the charter value cannot be determined, the value of the vessel to its owners in the business in which it was engaged at the time of the injuries shall be used as a basis for estimating the damages for the vessel's detention; and the books of the owners showing the vessel's earnings about the time of the accident or injuries shall be considered as evidence of probable earnings during the time of detention. If the books are unavailable, such other evidence shall be furnished as may be necessary.

SEC. 294.—DELAYS FOR WHICH NO RESPONSIBILITY IS ASSUMED.—The Panama Canal Commission is not responsible, and may not consider any claim, for demurrage or delays caused by—

(1) landslides or other natural causes;

(2) necessary construction or maintenance work on Canal locks, terminals, or equipment;

(3) obstruction arising from accidents;

(4) time necessary for admeasurement;

(5) congestion of traffic;

(6) time necessary for investigation of marine accidents; or

(7) except as specially set forth in this subchapter, any other cause.

SEC. 295.—SETTLEMENT OF CLAIMS.—

(a) Subject to subsection (b) of this section, the Panama Canal Commission, by mutual agreement, compromise, or otherwise, may adjust and determine the amounts of the respective awards of damages pursuant to this subchapter. Such amounts shall be payable promptly out of any moneys appropriated or allotted for the maintenance and operation of the Panama Canal. Acceptance by a claimant of the amount awarded to him shall be deemed to be in full settlement of such claim against the Government of the United States.

(b) The Panama Canal Commission shall not adjust and pay any claim for damages for injuries arising by reason of the presence of the vessel in the Panama Canal or adjacent waters outside the locks where the amount of the claim exceeds $60,000, but shall submit the claim to the Congress by a special report containing the material facts and the recommendation by the Commission thereon.

SEC. 296.—ACTIONS ON CLAIMS.—A claimant for damages pursuant to section 291 of this Act who considers himself aggrieved by the findings, determination, or award of the Panama Canal Commission in reference to his claim may bring an action on the claim against the Commission in the United States District Court for the Eastern District of Louisiana. Subject to the provisions of this chapter and of applicable regulations issued pursuant to section 1331 of this Act relative to navigation of the canal and adjacent waters, such actions shall proceed and be heard by the court without a jury according to the principles of law and rules of practice obtaining generally in like cases between private parties and other agencies of the United States Government. Any judgment obtained against the Panama Canal Commission in an action under this chapter shall be paid out of any moneys appropriated or allotted for the maintenance and operation of the Panama Canal. An action for damages cognizable under this section shall not lie against the United States or the Commission, otherwise, nor in any other court, than as provided in this section; nor may it lie against any officer or employee of the United States or of the Commission.

SEC. 297. INVESTIGATION OF ACCIDENT OR INJURY GIVING RISE TO CLAIM.—Notwithstanding any other law, a claim may not be considered under this subchapter, or an action for damages lie thereon, unless, prior to the departure from the Canal of the vessel involved—

(1) the investigation by the competent authorities of the accident or injury giving rise to the claim has been completed; and

(2) the basis for the claim has been laid before the Panama Canal Commission.

SEC. 298.—BOARD OF LOCAL INSPECTORS.—

(a) The President shall provide for the establishment of a Board of Local Inspectors of the Panama Canal Commission which shall perform. In accordance with regulations prescribed by the President—

(1) the investigations required by section 297 of this Act; and

(2) such other duties with respect to marine matters as may be assigned by the President.

(b) In conducting any investigations pursuant to subsection (a) of this section, the Board of Local Inspectors may summon witnesses, administer oaths, and require the production of books and papers necessary for such investigation.

Chapter 9—PUBLIC PROPERTY

SEC. 371.—ASSETS AND LIABILITIES OF PANAMA CANAL COMPANY.—All property and other assets of the Panama Canal Company shall revert to the United States on the effective date of this Act, and, except as otherwise provided by law, the United States shall assume the liabilities of the Panama Canal Company then outstanding. The Commission may use such property, facilities, and records of the Panama Canal Company as is necessary to carry out its functions.

SEC. 372. TRANSFERS AND CROSS-SERVICING BETWEEN AGENCIES.—

(a) In the interest of economy and maximum efficiency in the utilization of Government property and facilities, there are authorized to be transferred between departments and agencies of the United States, with or without reimbursement, such facilities, buildings, structures, improvements, stock, and equipment located in the Republic of Panama, and used for their activities therein, as may be mutually agreed upon by the departments and agencies involved and approved by the President of the United States or his designee.

(b) The Panama Canal Commission may enter into cross-servicing agreements with any other agency of the United States for the use of facilities, furnishing of services, or performance of functions.

(c) The Panama Canal Commission, any other agency or department of the United States, and any United States court in the Republic of Panama may transfer any of the records (or copies thereof) of the Commission, or of such agency, department, or court, as the case may be, including records acquired from the Canal Zone Government or the Panama Canal Company (including vital statistics records) to any other agency or department of the United States or to any other court of the United States and, in coordination with the Ambassador and with his approval, to the Government of the Republic of Panama.

(d) The provisions of this section shall apply to the Smithsonian Institution.

SEC. 373.—DISPOSITION OF PROPERTY OF THE UNITED STATES.—

No property of the United States located in the Republic of Panama may be disposed of except pursuant to law enacted by the Congress.

SEC. 374.—TRANSFER OF PROPERTY TO PANAMA.—On the date on which the Panama Canal Treaty of 1977 enters into force, the Secretary of State may convey to the Republic of Panama the Panama Railroad and such property located in the area comprising the Canal Zone immediately before such date, which area is not within the land and water areas the use of which is made available to the United States pursuant to such treaty. Property transferred pursuant to this section may no include buildings and other facilities, except housing, located outside such areas, the use of which is retained by the United States pursuant to the Panama Canal Treaty of 1977 and related agreements.

Chapter 11—TOLLS FOR USE OF CANAL

SEC. 411. PRESCRIPTION OF MEASUREMENT RULES AND RATES OF TOLLS.—

(a) President is authorized, subject to the provisions of this chapter, to prescribe and from time to time change—

(1) the rules for the measurement of vessels for the Panama Canal; and

(2) the tolls that shall be levied for the use of the Canal.

(b) Such rules of measurement and tolls prevailing on the effective date of this Act shall continue in effect until changed as provided in this chapter.

SEC. 412.—BASES OF TOLLS.—

(a) Tolls on merchant vessels, army and navy transports, colliers, tankers, hospital ships, supply ships, and yachts shall be based on net vessel-tons of one hundred cubic feet each of actual earning capacity determined in accordance with the rules for the measurement of vessels for the Panama Canal, and tolls on other floating craft shall be based on displacement tonnage. The tolls on vessels in ballast without passengers or cargo may be less than the tolls for vessels with passengers or cargo.

(b) Tolls shall be prescribed at rates calculated to cover as nearly as practicable all costs of maintaining and operating the Panama Canal, together with the facilities and appurtenances related thereto, including interest, depreciation, amortization of the investment of the United States in the Canal, payments to Panama pursuant to paragraph 5 of Article III and paragraphs 4(a) and (b) of Article XIII of the Panama Canal Treaty of 1977, and requirements for plant replacement, expansion and improvements.

(c) The President of the United States may require vessels operated by the United States, including warships, naval tenders, colliers, tankers, transports, hospital ships, and other vessels owned or chartered by the United States for transporting troops or supplies, and ocean-going training ships owned by the United States and operated by State nautical schools, to pay tolls. If, however, they are not required to pay tolls, the tolls thereon shall nevertheless be computed and the amounts thereof shall be treated as revenues of the Panama Canal for the purpose of prescribing the rates of tolls and computing the amount of the payment to the Republic of Panama pursuant to paragraph 4(a) of Article XIII of the Panama Canal Treaty of 1977 and section 250 of this Act.

(d) The levy of tolls is subject to the provisions of section 1 of article III of the treaty between the United States of America and Great Britain signed November 18, 1901, of article I of the treaty signed between the United States of America and the Republic of Columbia signed April 6, 1914, and of articles II, III, and VI of the Treaty Concerning Permanent Neutrality and Operation of the Panama Canal, between the United States of America and the Republic of Panama, signed September 7, 1977.

SEC. 413.—PROCEDURES.—

(a) The Panama Canal Commission shall publish in the Federal Register notice of any proposed change in the rules of measurement or rates of tolls referred to in section 411(a). The Commission shall give interested parties an opportunity to participate in the proceedings through submission of written data, views, or arguments, and participation in a public hearing to be held not less than 30 days after the date of publication of the notice. The notice shall include the substance of the proposed change and a statement of the time, place, and nature of the proceedings. At the time of publication of such notice, the Commission shall make available to the public an analysis showing the basis and justification for the proposed change, which, in the case of a change in rates of tolls, shall indicate the conformity of the existing and proposed rates of tolls with the requirements of section 412 of this Act.

(b) After consideration of the relevant matter presented the Commission may revise the proposed rules of measurement or rates of tolls, as the case may be, except that, in the case of rates of tolls, if such revision proposes rates greater than those originally proposed, a new analysis of the proposed rates shall be made available to the public, and a new notice of the revised proposal shall be published in the Federal Register apprising interested persons of the opportunity to participate further in the proceedings through submission of written data, views, or arguments, and participation in a public hearing to be held not less than 30 days after the date of publication of the new notice. The procedure set forth in this subsection shall be followed for any subsequent revision of the proposed rates by the Commission which proposes rates higher than those in the preceding proposal.

(c) After the proceedings have been conducted pursuant to subsections (a) and (b) of this section, the Commission shall publish in the Federal Register a notice of the changes in the rules of measurement or rates of tolls, as the case may be, to be recommended to the President.

(d) Upon publication of the notice pursuant to subsection (c), the Commission shall forward a complete record of the proceedings, with the recommendation of the Commission, to the President for his consideration. The President may approve, disapprove, or modify any or all of the changes in the rules of measurement or rates of tolls recommended by the Commission.

(e) Rules of measurement or rates of tolls prescribed by the President pursuant to this chapter shall take effect on a date prescribed by the President which is not less than 30 days after he publishes such rules or rates in the Federal Register.

(f) Action to change the rules of measurement for the Panama Canal or the rates of tolls for the use of the Canal pursuant to this chapter shall be subject to judicial review in accordance with chapter 7 of title 5 of the United States Code.

SEC. 414.—INTERIM TOLL ADJUSTMENT.—

(a) After the effective date of this section, the Panama Canal Company may, only in accordance with the procedures set forth in section 413 of this Act for making changes in tolls by the Panama Canal Commission and the President, propose rates of tolls calculated to cover the costs of maintaining and operating the Panama Canal during the first fiscal year of operation beginning on the effective date of this Act. Such proposed rates shall be calculated in accordance with the provisions of section 412(b) of this Act. Such proposed rates of tolls shall be submitted to the President for approval in accordance with section 413 of this Act, except that the President may establish an effective date for such rates which is less than 30 days after the publication in the Federal Register required in subsection (e) of such section.

(b) If change in rates proposed by the Panama Canal Company do not become effective before the date on which the Panama Canal Treaty of 1977 enters into force, the proposed changes of the Panama Canal Company and any proceedings conducted with respect to such proposal before the effective date of this Act shall be considered to be proposed changes in rates of the Panama Canal Commission as fully as if such changes had been proposed originally by the Commission pursuant to this chapter.

(c) This section shall take effect on the date of the enactment of this Act.

PART 2—REGULATION

Chapter 11.—GENERAL REGULATIONS

SEC. 701.—AUTHORITY OF PRESIDENT.—The President may prescribe, and from time to time amend, regulations applicable within the areas and installations made available to the United States for the operation and protection of the Panama Canal pursuant to the Panama Canal Treaty of 1977 and related agreements concerning—

(1) the use of aircraft;

(2) the possession and use of alcoholic beverages;

(3) exclusion and removal of persons; and

(4) health and sanitation.

SEC. 702.—AUTHORITY OF COMMISSION.—The Panama Canal Commission may prescribe, and from time to time amend, regulations applicable within the areas and installations made available to the United States for operation and protection of the Panama Canal pursuant to the Panama Canal Treaty of 1977 and related agreements concerning—

(1) the keeping and impounding of domestic animals;

(2) fire prevention;

(3) the sale or use of fireworks;

(4) the use of roads and highways;

(5) photographing of areas, objects, installations, and structures;

(6) swimming in the Panama Canal and adjacent waters; and

(7) the protection of wildlife; hunting and fishing.

Chapter 13.—SHIPPING AND NAVIGATION

Subchapter I—Operation of Canal

SEC. 1331.—OPERATING REGULATIONS.—The President may prescribe, and from time to time amend, regulations governing—

(1) the operation of the Panama Canal;

(2) the navigation of the harbors and other waters of the Panama Canal and areas adjacent thereto, including the ports of Balboa and Cristobal;

(3) the passage and control of vessels through the Panama Canal or any part thereof including the locks and approaches thereto;

(4) pilotage in the Canal or the approaches thereto through the adjacent waters; and

(5) the licensing of officers or other operators of vessels navigating the waters of the Panama Canal and areas adjacent thereto, including the ports of Balboa and Cristobal.

Subchapter II—Inspection of Vessels

SEC. 1351.—VESSELS SUBJECT TO INSPECTION.—With the exception of private vessels merely transiting the Panama Canal, and of public vessels of all nations, vessels navigating the waters of the Panama Canal shall be subject to an annual inspection of hulls, boilers, machinery, equipment, and passenger accommodations.

SEC. 1352.—FOREIGN VESSELS.—With respect to a foreign vessel of a country which has inspection laws approximating those of the United States, any such vessel having an unexpired certificate of inspection duly issued by the authorities of such country shall not be subject to an inspection other than that necessary to determine whether the vessel, its boilers, and its lifesaving equipment are as stated in the certificate of inspection. A certificate of inspection may not be accepted as evidence of lawful inspection under this section unless similar privileges are granted to vessels of the United States under the laws of the country to which the vessel belongs.

SEC. 1353. REGULATIONS GOVERNING INSPECTION.—The Panama Canal Commission shall prescribe, and from time to time may amend, regulations concerning the inspection of vessels conforming as nearly as practicable to the laws and regulations governing marine inspection by the United States Coast Guard.

TITLE II.—TREATY TRANSITION PERIOD

Chapter 1.—LAWS CONTINUED IN FORCE

SEC. 1501. LAWS, REGULATIONS, AND ADMINISTRATIVE AUTHORITY.—To the extent not inconsistent with the Panama Canal Treaty of 1977 and related agreements and the provisions of this Act, the Canal Zone Code and other laws, regulations, and administrative authority of the United States applicable in the Canal Zone immediately before the date on which the Panama Canal Treaty of 1977 enters into force shall continue in force for the purpose of the exercise of the United States of law enforcement and judicial jurisdiction during the transition period provided for in Article XI of the Treaty (hereinafter in this Act referred to as the "transition period").

Chapter 2.—COURTS

SEC. 1511. JURISDICTION.—

(a) During the transition period, the jurisdiction of the United States District Court for the District of the Canal Zone and the magistrates' courts under title 3 of the Canal Zone Code shall be continued, subject to the limitations set forth in Article XI of the Panama Canal Treaty of 1977.

(b) For purposes of the exercise of the jurisdiction provided in Article XI of the Panama Canal Treaty of 1977, the United States District Court and magistrates' courts referred to in subsection (a) shall construe the terms "United States citizen employees", "members of the United States Forces", "civilian component" and "dependents" as such terms are defined in the Panama Canal Treaty of 1977 and related agreements, and shall construe the term "areas and installations made available for the use of the United States' to mean (1) the Panama Canal operating areas and housing areas described in Annex A to the Agreement in Implementation of Article III of that Treaty, (2) the Ports of Balboa and Cristobal described in Annex B to that Agreement, and (3) the Defense Sites and Areas of Military Coordination described in Annex A to the Agreement in Implementation of Article IV of that Treaty.

SEC. 1512. DIVISION AND TERMS OF DISTRICT COURT.—The United States District Court for the District of the Canal Zone may conduct its affairs at such places within the areas made available for the use of the United States pursuant to the Panama Canal Treaty of 1977 and related agreements, and at such times, as the district judge may designate by rule or order.

SEC. 1513. TERMS OF CERTAIN OFFICES.—Notwithstanding the provisions of sections 5, 41, 45, and 82 of title 3 of the Canal Zone Code, in the term of office of a district judge, magistrate, United States attorney, or United States marshal appointed after the date of enactment of this Act shall extend for a period of 30 months beginning on the date on which the Panama Canal Treaty of 1977 enters into force, and any such term shall be subject to such extension of time as may be provided for the disposition of pending cases by agreement between the United States and the Republic of Panama, pursuant to the last sentence of paragraph 7 of Article XI of the Panama Canal Treaty of 1977.

SEC. 1514. RESIDENCE REQUIREMENTS.—Sections 5(d), 7(d), 41(d) and 45(d) of title 3 of the Canal Zone Code, the second sentence of section 42 of such title, and the second sentence of section 82(c) of such title, which provisions require that certain court officials reside in the Canal Zone, are hereby repealed.

SEC. 1515. SPECIAL DISTRICT JUDGE.—

(a) Section 6 of title 3 of the Canal Zone Code is amended to read as follows:

"6. Special district judge

The chief judge of the judicial circuit of the United States in which the district court lies may designate and assign a special district judge to act when necessary—

(1) during the absence of the district judge;

(2) during the disability or disqualification of the district judge because of sickness or otherwise to discharge his duties; or

(3) when there is a vacancy in the office of district judge.".

(b) Each designation and assignment by the chief judge under subsection (a) shall be made in accordance with chapter 13 of title 28 of the United States Code, which shall be deemed to apply for such purposes.

SEC. 1516. MAGISTRATES' COURTS.—

(a) The two magistrates' courts established pursuant to section 81 of title 3 of the Canal Zone Code and existing immediately before the date on which the Panama Canal Treaty of 1977 enters into force shall continue in operation for a period of 30 months beginning on such date unless terminated during such 30-month period under subsection (b) of this section.

(b) During the 30-month period referred to in subsection (a), the President may terminate one or both magistrates' courts, together with the positions of magistrate and constable corresponding thereto, if the President determines that the workload is insufficient to warrant continuance of either or both courts. If one of the courts is so terminated, the remaining magistrate's court shall exercise the jurisdiction that otherwise would have been exercised by the terminated court and shall take custody of and administer all records of the terminated court.

(c) If both magistrates' courts are terminated under subsection (b)—

(1) the United States District Court for the District of the Canal Zone shall exercise the jurisdiction of the magistrates' courts;

(2) all records of the magistrates' courts shall be transferred to and shall be considered to be records of the district court;

(3) a criminal action that otherwise would have come within the original jurisdiction of the magistrates' courts shall be instituted in the district court by a complaint executed pursuant to section 3701 of title 6 of the Canal Zone Code, and the law and rules applicable in the district court shall thereafter apply;

(4) all other criminal actions shall be instituted in the district court by the filing in each case of an information pursuant to chapter 213 of title 6 of the Canal Zone Code; and

(5) the provisions of section 172 of title 3 and sections 3801–3806 of title 6 of the Canal Zone Code, relating to preliminary examinations, shall not apply.

Chapter 3.—ATTORNEYS

SEC. 1521. OATH OF ATTORNEYS.—Section 543 of title 3 of the Canal Zone Code is amended to read as follows:

"543. Oath of Attorneys Admitted to Bar

Before receiving a certificate the applicant shall take and subscribe in court an appropriate oath prescribed by the district judge.".

Chapter 4.—TRANSITION AUTHORITY

SEC. 1531. TRANSITION AUTHORITY OF PRESIDENT.—Except as expressly provided to the contrary in this Act, in any other statute, or in the Panama Canal Treaty of 1977 and related agreements, any authority necessary for the exercise during the transition period of the rights and responsibilities of the United States specified in Article XI of the Panama Canal Treaty of 1977 shall be vested in the President.

TITLE III—GENERAL PROVISIONS

Chapter 1—CEMETERIES

SEC. 1601.—ADMINISTRATION OF COROZAL CEMETERY.

(a) On or after the effective date of this chapter, the President may enter into an agreement with the Republic of Panama for the administration by the American Battle Monuments Commission of such part of Corozal Cemetery in the Canal Zone as encompasses the remains of citizens of the United States. Such agreement shall provide for the administration of such part of Corozal Cemetery by the American Battle Monuments Commission free of all taxes and other charges and without compensation to the Republic of Panama, and in accordance with the pratcices, privileges and immunities associated with the administration of cemeteries outside the United States by the American Battle Monuments Commission, including the display of the flag of the United States.

(b) Upon the conclusion of the agreement with the Republic of Panama referred to in subsection (a) of this section, the President may transfer to the American Battle Monuments Commission the administration of such part of Corozal Cemetery as encompasses the remains of citizens of the United States.

SEC. 1602. DISINTERMENT AND REINTERMENT OF REMAINS OF UNITED STATES CITIZENS.—

(a) On or after the effective date of this chapter, the President may provide for—

(1) the removal of the remains of citizens of the United States from Mount Hope Cemetery in the Canal Zone to such part of Corozal Cemetery in the Canal Zone as encompasses the remains of citizens of the United States, or, upon the request of the next of kin, for the transportation of such remains from Mount Hope Cemetery to the United States for reinterment; and

(2) upon the request of the next of kin not later than thirty months after the date on which the Treaty between the United States and Panama Concerning the Permanent Neutrality and Operation of the Panama Canal, signed September 7, 1977, enters into force, the transportation to the United States for reinterment of the remains of citizens of the United States interred in Corozal Cemetery.

(b) The remains of any United States citizen whose next of kin objects in writing to the Secretary of the Army not later than three months after the date of the exchange of the instruments of ratification of the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal, signed September 7, 1977, may not be removed from Mount Hope Cemetery under subsection (a) of this section. Before the date on which such Treaty enters into force, the President shall fully advise the next of kin objecting under this subsection of all available options in reference to the remains of United States citizens and of the implications of such options.

SEC. 1603. COSTS.—

(a) The President may provide for the removal and reinterment of the remains of United States citizens pursuant to this chapter through any agency of the United States. The costs of such removal and reinterment may be paid out of any appropriations available to such agencies and shall not be treated as expenditures for the maintenance and operation of the Panama Canal for purposes of section 412 of this Act.

(b) Costs paid from appropriated funds pursuant to subsection (a) of this section shall include costs incurred for disinterment, preparation, cremation, transportation, and reinterment, but may not include costs incurred for caskets, urns, funeral home services, vaults, plots, or crypts, which costs shall be borne by the next of kin.

SEC. 1604. EFFECTIVE DATE.—

The provisions of this chapter shall take effect on the date of the enactment of this Act.

Chapter 2—IMMIGRATION

SEC. 1611.—SPECIAL IMMIGRANTS.—

(a) Section 101(a)(27)) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(27)), relating to the definition of special immigrants, is amended—

(1) by striking out "or" at the end of subparagraph (C);

(2) by striking out the period at the end of subparagraph (D) and inserting in lieu thereof a semicolon; and

(3) by adding after subparagraph (D) the following new subparagraphs:

"(E) an immigrant who is or has been an employee of the Panama Canal Company or Canal Zone Government before the date on which the Panama Canal Treaty of 1977 enters into force, who is resident in the Canal Zone on the effective date of the exchange of instruments of ratification of the Panama Canal Treaty of 1977, and who has performed faithful service for one year or more, and his accompanying spouse and children; or

"(F) an immigrant, and his accompanying spouse and children, who is a Panamanian national and (i) who, before the date on which the Panama Canal Treaty of 1977 enters into force, has been honorably retired from United States Government employment in the Canal Zone with a total of fifteen years or more of faithful service or (ii) who, on the date on which the Panama Canal Treaty of 1977 enters into force, has been faithfully employed by the United States Government in the Canal Zone (or former Canal Zone) for fifteen years or more and who subsequently is honorably retired from such employment.".

(b) Section 212(d) of such Act (8 U.S.C. 1182(d)), relating to waivers of conditions of inadmissability to the United States, is amended by adding after paragraph (8) the following new paragraph:

"(9) The provisions of paragraphs (7) and (15) of subsection (a) shall not be applicable to any alien who is seeking to enter the United States as a special immigrant under subparagraphs (E) or (F) of section 101(a)(27)."

(c) The amendments made by this section shall take effect on the date of the enactment of this Act.

Chapter 3—AMENDMENTS; REPEALS; EFFECTIVE DATE

SEC. 1621.—CONFORMING AMENDMENTS.—

(a) Clause (vii) of section 5102(a) of title 5 of the United States Code is amended to read as follows:

"(vii) the Panama Canal Commission; or".

(b) The second sentence of section 403(a) of title 39 of the United States Code is amended by striking out "Except as provided in the Canal Zone Code, the" and inserting in lieu thereof "The".

(c) Section 3401(b) of title 39 of the United States Code is amended by inserting "or" immediately before "the Virgin Islands" and by striking out "or the Canal Zone,".

(d) Section 3402 of title 39 of the United States Code is amended—

(1) in subsection (a) by striking out "(a)" and by striking out "each post office in the Canal Zone postal service" and inserting in lieu thereof "each military post of the United States Forces in the Republic of Panama"; and

(2) by striking out subsection (b).

(e) Section 3682(b)(5) of title 39 of the United States Code is amended by striking out "the Canal Zone and".

(f) Section 1 of title II of the Act of June 15, 1917 (50 U.S.C. 191), is amended—

(1) by striking out the second paragraph; and

(2) in subsection (b) of the last paragraph by striking out "the Canal Zone,".

(g) Section 1 of title XIII of the Act of June 15, 1917 (50 U.S.C. 195), is amended by striking out "the Canal Zone and".

(h) The first section of the Act of August 9, 1954 (50 U.S.C. 196), is amended by striking out ", including the Canal Zone,".

(i) Title I of the Act of November 27, 1973 (87 Stat. 636), is amended by striking out the heading "Payment to the Republic of Panama" and all that follows that relates to that heading.

SEC. 1622.—REPEALS.—The following provisions of law are hereby repealed:

(1) Title 2 of the Canal Zone Code.

(2) Sections 2 and 3 of title 3 of the Canal Zone Code.

(3) Subchapter III of chapter 237 of title 6 of the Canal Zone Code.

(4) Subsection (d) of section 38 of the Arms Export Control Act (22 U.S.C. 2778(d)).

(5) Section 4 of the Act of November 15, 1941 (50 U.S.C. 191b).

SEC. 1623. EFFECTIVE DATE.—Except as provided in sections 202, 203, 414, 1511, 1604, and 1611 of this Act, the provisions of this Act shall take effect on the date on which the Panama Canal Treaty of 1977 enters into force.

SECTION-BY-SECTION ANALYSIS, PANAMA CANAL ACT OF 1979

Section 1. This section provides a short title, the "Panama Canal Act of 1979". That title is consistent with the popular name of the basic legislation governing the operation of the canal since its completion, the Panama Canal Act of August 24, 1912.

Section 2. Purpose of Act. This section emphasizes the basic purpose of the Act to provide for the operation and maintenance of the Panama Canal and for the exercise of the rights and performance of duties of the United States under the 1977 treaties. This statement of the purpose is substantially broader than that found in section 1 of the Executive Branch draft, in that it recognizes the responsibilities of Congress under the Constitution that are broader than implementation of the treaty.

Section 3. Applicable Laws. Although title two of the Canal Zone Code certain provisions of the general laws of the United States are repealed by section 1611 of the bill, titles 1, and 3 through 8 of the Canal Zone Code and other general laws now applicable in the Canal Zone are left in effect for purposes of exercise by the United States of authority recognized by the treaty. Sections 3(a) and 3(b) based on paragraphs (a) and (b) of section 401 of the Executive Branch draft, recognize that such provisions of law, insofar as they are applicable by virtue of the territorial jurisdiction of the United States in the Canal Zone prior to the 1977 treaty, continue in force only for the purposes of exercising the authority vested in the United States by the treaty.

Paragraph (c), based on Executive Branch sections 2(c) and 511, provides for changes in terminology in the laws continued in force by paragraph (a) to conform to the requirements of the treaty, and the provisions of title 2 of the Canal Zone Code as revised and incorporated in title 1 of this Bill, such as substitution of the name "Panama Canal Commission" for that of the "Panama Canal Company" as the agency operating the canal, and in some cases for the name of the separate Government agency now called the "Canal Zone Government", and for the title of the head of that agency, the "Governor of the Canal Zone."

The term "Government of the Canal Zone", however, would be replaced by the term "United States of America". Unlike "Canal Zone Government" which is the name of a government unit, "Government of the Canal Zone" is the generic term for the local governmental authority in the present Canal Zone. To the extent that this authority could be exercised under the Treaty, it will inhere in the United States. Finally, insofar as laws of the United States which refer to the Canal Zone apply to events occurring after the effective date of the new Treaty, the phrase "Canal Zone" is redefined to refer to areas and installations used or regulated by the United States pursuant to the Treaty.

TITLE I—ADMINISTRATION AND REGULATION

Part I. Administration

Chapter 1. Panama Canal Commission

This chapter restores the concept under which the canal operated until 1951, that the agency operating the canal is subject to the same fiscal and administrative controls as are applicable to Government agencies generally. The most conspicuous effect of this arrangement is that all revenues derived from the operation of the canal are to be paid into the Treasury and expenditures are to be made pursuant to Congressional authorization and appropriations.

Section 101. Panama Canal Commission. The treaty (Article III, paragraph 3) provides that the United States will carry out its responsibilities for operation of the Canal by means of a United States Government agency called the "Panama Canal Commission" constituted by and in conformity with the laws of the United States (Article III, paragraph 3), and that upon entry into force of the treaty, the Government agencies known as the Panama Canal Company and Canal Zone Government will cease to operate (Article III, paragraph 10).

Section 101 of the Bill replaces the Panama Canal Company by a new agency called the Panama Canal Commission. The new agency will be subject to the laws of the United States applicable generally to other Government departments and agencies other than those established as Government corporation Control Act. Apart from that general provision of section 101 that the agency is established for the maintenance and operation of the Canal and the facilities and appurtenances related thereto, the authority and responsibilities of the agency are spelled out by the further provisions of the bill and by the general laws of the United States referred to above.

Section 101 differs from the Executive Branch draft which continues the Panama Canal Company under a new name—the Panama Canal Commission—subject to most of the statutory provisions which now govern the Company, as amended in some particulars. (See Executive Branch 201 and Executive Branch Section-by-Section Analysis, chapter 1 of title II.)

Section 101 also differs from the Executive Branch draft in the express provision for operations of the Commission to be carried out under the direction of the Secretary of Defense. The Executive Branch draft leaves unchanged the provision of the present law that the interests of the United States as owner of the corporate agency shall be represented by the President of the United States or such officer as he may designate, called the "stockholder" (2 Canal Zone Code 62). Under this provision the President has in the past designated the Secretary of the Army as stockholder (35 CR 3.2) but as a practical matter the Secretary of the Army has exercised that delegated authority subject to the direction of the Secretary of Defense. Section 101 continues this arrangement by placing the responsibility for Executive oversight of canal operations in the Secretary of Defense who may, if he so desires, delegate the responsibility in whole or in part to the Secretary of the Army.

Although it is not contemplated that the provisions of this section will make the Panama Canal Commission a part of the Department of Defense, it is considered that consolidation of oversight responsibility in the Secretary of Defense is particularly appropriate in view of the relationship of that responsibility to the related duties of the Secretary of Defense in respect to the protection and defense of the Canal under the provisions of the 1977 treaties.

Section 102. Supervisory Board. Paragraph 3(a) of Article III of the treaty provides that the Panama Canal Commission "shall be supervised by a Board" consisting of nine members, five of whom shall be nationals of the United States and four of whom shall be nationals of Panama.

Section 102 of the bill establishes such a board. Consistent with the provisions of section 101 establishing the Commission as such, section 102 provides that the Board shall supervise the Commission under the direction of the Secretary of Defense. Except for the Secretary of Defense or an officer of the Department of Defense designated by him, the section limits membership on the Board to persons who are not officers or employees of either the United States or Panama. Experience with the operations of the Panama Canal Company with Boards of Directors selected predominantly from the private sector and other Boards composed predominantly of Government officials suggests that orientation of the members of the Board to private business and professional experience is preferable to a parochial approach resulting from identification with the particular interests of one or another department of the Government. Coordination of matters of Government policy with other departments and agencies is required in the management of all Government agencies, and the means for effecting that coordination will be available to the Panama Canal Commission through established channels.

Paragraph (b) of section 102 provides for appointment of the supervisory board by the President with Senate confirmation. Provision that the members serve at the pleasure of the President, without fixed terms, reinforces other provisions of the bill intended to insure that the operation of the Canal will be fully responsive to U.S. Government policy.

Section 102(b) continues the requirement of 2 C.Z. Code 63, applicable to the Board of Directors of the Panama Canal Company, that the members of the Board take an oath faithfully to discharge the duties of their office. This requirement, also continued in the same form in Executive Branch 205, requires an oath substantially less comprehensive than that established for officers of the United States by 5 U.S.C. § 3331, although the oath prescribed by the latter section is that now administered to members of the Board of Directors of the Panama Canal Company.

Section 102(c) provides that the Commission shall hold meetings in accordance with "regulations" rather than by-laws adopted by the Commission. The subsection also requires approval of the regulations by the Secretary of Defense, a requirement not included in the corresponding provision of Executive Brance 206.

Section 102(c) of this bill also includes the requirement of Executive Branch 206 that a quorum of the board include a majority of members who are United States nationals. There is no corresponding provision in 2 C.Z. Code 63, probably because appointment of directors who were not citizens of the United States was not contemplated at the time that section was enacted and later amended.

Section 103. Administrator. Paragraph 3(c) of Article III of the 1977 treaty provides that the United States shall "employ" a United States national as "Administrator" of the Commission, and a Panamanian national as Deputy Administrator through December 31, 1989, and that thereafter a Panamanian national shall be employed as Administrator and a U.S. national as Deputy Administrator. The treaty contains no provision defining the duties of either position.

Section 103 provides for appointment of the Administrator by the President with the advice and consent of the Senate. The section establishes the tenure of the appointee as subject to the pleasure of the President, to reinforce the control of the operation by the United States. In the absence of any inconsistent provision of the bill, the treaty provisions in regard to the nationality of the Administrator would continue in effect.

Section 103(b) establishes the compensation of the Administrator at Level 5 of the Executive Pay Schedule.

Section 103 differs from Executive Branch 207, which does not provide for Senate confirmation of the Administrator but does provide that the Administrator shall be the Chief Executive Officer of the Commission. Executive Branch 207 contains no provisions on tenure or compensation.

Section 103 differs from the Executive Branch draft (E.B. 207) in that E.B. 207:

(a) Does not provide for Senate confirmation of the President's appointment of the Administrator;

(b) Provides that "subject to the direction and under the supervision of the Board," the Administrator shall be the Chief Executive Officer of the Commission;

(c) Does not make any provision in regard to compensation of the Administrator;

(d) Combines provisions for the appointment of the Administrator and Deputy Administrator in one section.

Section 104. Deputy Administrator and Chief Engineer. This section provides for appointment by the President with confirmation by the Senate of (1) a Deputy Administrator (a position established by paragraph 3(c) of Article III of the treaty) and (2) a Chief Engineer. The section provides that both these officials shall perform duties prescribed by the President and shall be paid at rates not exceeding Grade 18 of the General Schedule.

The fact that the treaty expressly contemplates appointment of an Administrator and a Deputy Administrator, does not of course, preclude provision for appointment of other officers or action by the Congress, the President, or other official to establish the duties of all the officers of the Commission.

The fact that the maintenance and operation of the canal primarily involves engineering problems suggests the desirability of appointment of a competent engineer as a senior official in the administration of the canal organization. This factor has been recognized in provisions for the organization of the agency operating the canal from the time of its construction.

Section 105. Consultative Committee. Paragraph 7 of Article III of the 1977 treaty provides that the United States and Panama "shall establish" a Panama Canal Consultative Committee composed of an equal number of representatives of each country to "advise" the two countries on matters of policy affecting the Canal's operation including tolls policy, employment and training policies to increase the participation of Panamanian nationals in the operation of the Canal, and international policies on matters concerning the Canal. Recommendations of the Committee are to be transmitted to the two Governments "which shall give such recommendations full consideration in the formulation of such policy decisions."

Paragraph 7 of Article III of the treaty presents difficult problems in the formulation of legislation to provide for operation of the Canal.

The treaty does not establish the consultative committee but provides that the two Governments shall do so. The function of the committee specified by the treaty is to advise the United States and Panama on the basic policies that lie at the core of the operation of the canal. The subject matter specified by the treaty for consideration of the consultative committee, i.e. policies in regard to tolls, employment and international matters concerning the canal, embrace matters that are committed to the United States by paragraph 2 of the same Article of the treaty and committed by the Constitution to the legislative power of the Congress to regulate commerce and establish regulations governing use of the property of the United States.

It follows that the function of the consultative committee contemplated by the treaty is a legislative function and under the Constitution the power to establish the Commission and prescribe its duties rests with the Congress.

The purpose and effect of the provision of paragraph 7 of Article III, that the consultative committee shall advise the United States and Panama on matters of policy affecting the canal's operation and that the two Governments shall give such recommendations full consideration in the formulation of policy decisions is unclear, inasmuch as the policy matters on which the committee is to give advice are those committed by the treaty to the United States alone and are not matters for decision by the Government of Panama.

Section 105 of the bill resolves the question raised by paragraph 7 of Article III of the treaty by establishing the Panama Canal Consultative Committee composed of five representatives of the United States and an equal number of representatives of the Republic of Panama. Two of the members representing the United States on the committee are to be appointed by the President *pro tempore* of the Senate, two members are to be appointed by the Speaker of the House, and one member is to be appointed by the President. Members of the Committee representing the Republic of Panama are to be appointed by the President on recommendation of the Government of Panama. All members of the Committee will serve at the pleasure of the appointing officer.

Members of the Committee are to serve without compensation but may be paid a per diem and travel expenses for travel required in performance of service for the Committee, in accordance with section 107 of the bill.

Section 105(c) provides for submission of the Committee's advice to the Congress through the President before any action is taken to make effective any change in the maintenance and operation or management of the canal based on the advice of the Committee and that such action shall not become effective if disapproved by resolution of either the House or the Senate. This provision will enable the Congress to consider the advice of the Committee on matters that are essentially legislative in nature and take such legislative action as may be appropriate.

Section 101(d) of the Executive Branch draft provides only that the President shall designate and the Secretary of Defense shall coordinate the participation of representatives of the United States to the consultative committee "to be established" under paragraph 7 of Article III of the Treaty.

Section 106. Commission on the Environment. Paragraph 2 of Article VI provides that a Joint Commission on the Environment shall be established with equal representation "from" the United States and Panama to review implementation of the treaty and make recommendations for protection of the environment from adverse effects resulting from actions taken pursuant to the treaty.

Section 106 of the bill authorizes the President to establish the Joint Commission contemplated by paragraph 2 of Article VI of the treaty, composed of not more than three representatives of the United States and three representatives of the Republic of Panama. The representatives of the United States on the Commission are to be appointed by the President, subject to confirmation by the Senate, and will serve at the pleasure of the President. Members of the Commission will serve without compensation but may be paid necessary travel expenses under section 107.

Section 101(a) of the Executive Branch draft provides only that the President shall appoint the representatives of the United States to the Commission "to be established" under paragraph 2 of Article VI of the treaty.

Section 107. Travel Expenses. This section provides that members of the Supervisory Board and members representing the United States on the Panama Canal Consultative Committee and Joint Commission on the Environment, all of whom will serve without compensation under the provisions of the bill, may be paid travel expenses in the same manner as persons employed intermittently in Government service under 5 U.S.C. § 5703(b).

There is no comparable provision in the Executive Branch draft.

2 Canal Zone Code 63(b) which would be left in effect by the Executive Branch draft, now provides that members of the Board of Directors of the Panama Canal Company may be paid a "reasonable" per diem allowance in lieu of expenses in connection with meetings of the Board or in connection with time spent on special service of the Company and travel expenses, in amounts established by the Board with the approval of the stockholder, without regard to the Travel Expense Act of 1949, as amended (now 5 U.S.C.).

Section 107 of this bill is a provision commonly included in legislation establishing boards, commissions and other bodies the members of which serve without compensation.

Section 108. Control by Armed Forces in Time of War. This section continues in effect a provision originally enacted as section 13 of the Panama Canal Act of August 24, 1912 (37 Stat. 569) authorizing the President to order the Armed Forces of the United States to assume exclusive authority over the operation of the canal in time of war or when, in the opinion of the President, war is imminent. The provision is presently incorporated in section 34 of title 2 of the Canal Zone Code. Since the opening of the canal, the authority vested in the President by this provision has been invoked by the President in the first and second World Wars. (Unnumbered Executive Order of April 9, 1917; Executive Order No. 8232 of September 5, 1939).

The Executive Branch draft repeals section 34 of title 2 of the Canal Zone Code in paragraph (a) of section 103 headed "Security Legislation" and includes no comparable provisions elsewhere in the draft. The section-by-section analysis of the Executive Branch draft, prepared by the Department of State, describes section 34 as a section that "deals with the authority of the President . . . over certain military activities within the Canal Zone" and states that the section is repealed "to reflect the termination of the Canal Zone and of the Office of the Governor." The analysis of the section goes on to add that "after the effective date of the treaty, authority over the U.S. Forces in Panama will be exercised in accordance with the normal chain of command."

The purpose of section 108 and its predecessor provisions is to integrate operation and defense of the United States in time of war or when war is imminently threatened. The section has nothing to do with what laws apply for the government of the area in which the canal is located. It does not provide for martial law or affect the military chain of command in that area; it does make the operation of the canal subject to control by the military officer designated and subjects the officials in charge of the peacetime operation of the canal to the order and direction of the officer so designated.

Nothing in the 1977 treaty affects the power of the United States to provide for control of the operation of the canal by the Armed Forces in time of war or in time of peace. The treaty provides for operation of the canal through an agency of the United States established by and in conformity with the laws of the United States. Provisions of the treaty for protection of the canal by United States and Panama in no way restrict the authority of the United States to enact laws providing for operation of the canal with appropriate consideration of the circumstances affecting that operation in time of war or when war is imminent.

Section 109. Authority of the Ambassador. This section, based on section 102 of the Executive Branch draft, excludes the Panama Canal Commission from the operation of 22 U.S.C. 2680a(1) which provides that the U.S. Ambassador to a foreign country shall have full responsibility for the "direction, coordination, and supervision" of all U.S. Government officers and employees in that country, except personnel under the command of a United States area military commander.

This provision is obviously inconsistent with the provisions of this bill, or of any legislation establishing authority and responsibility for operation of the canal in a government agency with a prescribed organizational structure that does not include the Ambassador as the supervisory authority.

On the other hand section 109(a) reenacts for the canal organization the provision of 22 U.S.C. 2080(a)(3) requiring a government agency in a foreign country to keep the U.S. Ambassador currently informed with respect to the activities and operations of its officers and employees in that country, but without the provision that the agency shall insure that its officers and employees comply with all "applicable directives" of the Ambassador.

Section 109 of this bill substitutes the Panama Canal Commission for the Administrator in the language adopted from section 102 of the Executive Branch draft.

Chapter 3. Employees

This chapter follows the form and organization of chapter 7 of title 2 of the Canal Zone Code. Some provisions of chapter 7 of title 2 of the Canal Zone Code are reenacted with appropriate changes in terminology required by the 1977 treaty and other provisions of this bill.

Chapter 7 of title 2 of the Canal Zone Code now contains five subchapters headed, respectively:

I. Canal Zone Government Employees.
II. Panama Canal Employees.
III. Wage and Employment Practices.
IV. Retirement and Other Benefits.
V. Miscellaneous.

This bill consolidates subchapters I, II, and V of the Canal Zone Code chapter 7 into one subchapter headed "Panama Canal Commission Personnel" and contains a total of six subchapters as follows:

I. Panama Canal Personnel.
II. Wage and Employment Practices.
III. Conditions of Employment and Placement.
IV. Retirement.
V. Leave.
VI. Application to Related Personnel.
VII. Labor-Management Relations.

Special provisions for the benefit of employees affected by the treaty included in the Executive Branch draft have been incorporated without substantial change. The explanation of those sections has been taken from the sectional analysis accompanying the Executive Branch draft.

Subchapter I—Panama Canal Personnel

Section 120. Appointment and Compensation; Duties. This section, based on 2 CZ Code 101 and 121, with appropriate changes in terminology required by the 1977 treaty, authorizes the Panama Canal Commission to appoint, fix the compensation of, define the duties and conditions of employment of personnel necessary to operate the canal, other than the Administrator, the Deputy Administrator and Chief Engineer who would be appointed by the President under sections 103 and 104 of the bill.

Section 4 of the Panama Act of August 24, 1912 (37 Stat. 561) authorized the President to operate the canal, through a Governor and such other persons as he might deem competent to perform the various duties involved. This authority was rephrased in section 81 of title 2 of the Canal Zone Code which provided that all persons, other than the Governor, necessary for the maintenance and operation of the canal should be appointed by the President or by his authority, be removable at the pleasure of the President, and receive compensation established by the Congress "until such time as Congress may by law regulate the same." The President exercised his authority under this section by Executive Order No. 1888 of February 2, 1914, "Providing Conditions of Employment for the Permanent Force For The Panama Canal". Section 3 of the Act of July 9, 1937 (50 Stat. 487) confirmed the construction given to the employment provisions of the Panama Canal Act (as incorporated in 2 CZ Code (1934) § 81, that the authority of the President under that section extended to prescribing conditions of employment in addition to compensation.

Under its New York charter, the Panama Railroad Company had, of course, the power to appoint necessary officers, employees, agents and attorneys. These powers were continued in the Act of June 29, 1948 reincorporating the Company under the Government Corporation Control Act (62 Stat. 1076) in a new section 248 of title 2 of the Canal Zone Code (1948) enumerating the general powers of the corporation.

The 1950 legislation changing the name of the corporation to Panama Canal Company" and transferring operation of the waterway to the Company did not substantially change the employment powers of the corporation (64 Stat. 1038).

The provisions of 2 CZ Code (1934 ed) § 81, as amended, authorizing the President to appoint and establish the conditions of employment of employees of the Panama Canal agency were continued in effect for the agency, renamed the Canal Zone Government.

The powers of the corporation and of the President were affected by legislation enacted in 1958 to carry into effect certain provisions of the 1955 treaty with Panama (Public Law 85-550, approved July 25, 1958, 72 Stat. 405). When the Canal Zone Code was revised in 1962, the employment provisions derived from the Panama Canal Act of August 12, 1914 were shown in section 101 of title 1, and the employment provisions derived from the 1948 Act reincorporating the Panama Railroad Company were carried into section 121 of title 1. The provisions based on the 1958 legislation were shown in subchapters III and IV of the 1962 edition of the Code.

Section 120(a) of the bill authorizes the Panama Canal Commission to employ the personnel necessary for carrying on the functions of the Commission. Paragraph (a) of the section also includes provision for continuation of the authority of the President to establish conditions of employment for the employees of the Commission in language adapted from the law applicable to the non-corporate agency operating the canal prior to 1950 (2CZ Code (1934 ed) § 81, as amended).

Paragraph (b) of the section, based on 2 CZ Code (1934 ed) § 82, and 2 CZ Code (1963 ed) 121(b), authorizes employment of other government employees and armed forces personnel to serve as officers and employees of the Commission.

Section 121. Transfer of Federal Employees. This section is based on section 306 of the Executive Branch draft. The section-by-section analysis accompanying that draft includes this explanation of the section:

"Section 306. Transfer of Federal Employees to Commission.—

"This section would authorize heads of federal agencies to enter into agreements to transfer or detail their employees to the new Panal Canal Commission for periods of up to five years. Affected employees would be entitled to reemployment with their original agencies without loss of those pay, seniority or rights or benefits to which they would have been entitled had they remained with such agencies. This provision would help implement Article X(5) of the Treaty, which requires the United States to rotate, with certain exceptions, at a maximum of five-year periods, U.S. citizens and other non-Panamanians hired after the Treaty effective date."

Section 122. Compensation of Persons in Uniformed Services. This section continues the provisions of 2 CZ Code 201 concerning compensation of persons in the military, naval or public health service serving with the Panama Canal Company or Canal Zone Government. Changes in terminology are made in the section to conform to the organizational changes provided for by other sections of the bill. 2 CZ Code is amended in similar fashion by section 304 of the Executive Branch bill.

Section 123. Deduction From Compensation of Amounts Due for Supplies or Services. This section continues in effect, with appropriate changes in terminology, provisions found in 2 Canal Zone Code sections 103 and 122, providing for payroll deductions of amounts due to the Canal Zone Government or Panama Canal Company, respectively by officers and employees of those agencies.

Section 301(a) of the Executive Branch draft accomplishes a similar result by repealing present section 122 and renumbering section 103 as section 122, with appropriate changes in terminology.

Section 124. Cost of Living Allowance. Since the time of construction of the canal, the United States Government agencies building and operating the canal have provided sales stores to supply the requirements of employees engaged in the operation. This practice is required to be discontinued by Article III of the treaty and the Annex referred to in paragraph 4 of Article III. However, paragraph 3 of Article XIII of the Agreement in Implementation of Article III of the Treaty permits the United States to furnish similar services to U.S. employees of the Commission in military commissaries and post exchanges for a period of five years after entry into force of the treaty. On the expiration of that five year period such employees will be required to buy exclusively from Panamanian sources and a sharp increase in their cost of living at that time is anticipated.

Section 124 of the bill authorizes payment to U.S. citizen employees of the Commission of a cost of living allowance when eligibility to buy from U.S. military sources comes to an end.

The section is identical to section 324 of the Executive Branch draft.

Section 125. Educational Travel Benefits. This section would entitle dependents of United States citizen employees of the Panama Canal Commission who are eligible for educational travel benefits, to one round trip each year for undergraduate studies in the U.S. until they reach their 23rd birthday. This benefit to employees would provide incentives for employees to stay in their jobs under the new Treaty arrangements. The section is based on section 323 of the Executive Branch draft.

Section 126. Privileges and Immunities of Certain Employees. Paragraph 3 of Article VIII of the Panama Canal Treaty permits the United States to designate not more than 20 officials of the Panama Canal Commission who, with their dependents, will be entitled to enjoy the privileges and immunities accorded to diplomatic agents and their dependents under international law and practice. The United States is required to furnish the Republic of Panama with current lists of such persons. This provision of the treaty does not of course, confer diplomatic status on the persons selected to receive these privileges.

This section of the bill provides that the persons selected to receive the privileges shall be designated by the Secretary of Defense, as the U.S. official responsible for oversight of the Commission. The section also provides that the list of persons designated by the Secretary of Defense will be submitted to Panama through the Department of State.

Section 105 of the Executive Branch draft provides that the Secretary of State will designate the persons who are to receive the privileges and furnish the list of such persons to Panama.

Section 127. Inapplicability of Certain Benefits to Certain Non-Citizens. The text of this section is based on section 328 of the Executive Branch draft, headed "Applicability of Benefits to Non-Citizens". The analysis accompanying that draft explains the purpose and effect of the section as follows:

"Section 328. Applicability of benefits to Noncitizens.—This section would effect technical amendments to conform certain provisions of personnel law to the new Treaty provisions concerning non-United States citizen employees of the Panama Canal Commission hired after the Treaty effective date who would be covered by the social security system of the Republic of Panama. See Article VIII of the Agreement in Implementation of Article III of the Panama Canal Treaty of 1977. The amendments would make inapplicable to such persons the provisions of title 5 of the United States Code dealing with compensation for work injuries, retirement, life insurance, and health insurance. Coverage under such provisions would continue for non-United States citizen federal employees who had such coverage immediately prior to Treaty effective date."

Subchapter II—Wage and employment practices

This subchapter is a revision of subchapter III of title 2 of the Canal Zone Code which incorporated the provisions of Public Law 85-550 (72 Stat. 405) enacted in 1958 to carry into effect certain provisions of the 1955 treaty with Panama, and agreements accompanying that treaty. Subchapter II of this bill makes changes in the wage and employment system set up by the 1958 legislation as required to conform to the requirements of the 1977 treaty and accompanying agreements. The changes are generally those recommended in various sections of title III of the Executive Branch draft, although in form the organization of that title is somewhat different, as indicated by the analysis of the sections of this and subsequent subchapters.

Section 141. Definitions. This section reenacts the provisions of 2 CZ Code 141, with changes in the definitions of the words "department" and "position" when read with section 142(b) to which it refers. The effect of the change in the definition of "department," is to eliminate the requirement that the Panama Canal Employment System, established by section 142 apply to all U.S. Government Departments and agencies operating in the Canal Zone, and instead make the system applicable to the Panama Canal Commission and such other departments and agencies as may elect to adopt the system.

The definition of "position" is amended to reflect the elimination of references to the Canal Zone as a geographical entity and substitute the "Republic of Panama".

Section 141 of the Canal Zone Code (as renamed "Panama Canal Code") is similarly amended by section 302 of the Executive Branch draft.

Section 142. Applicability of Panama Canal Employment System. This section incorporates, with certain changes described below, the provisions of section 303 of the Executive Branch draft, substituting a Panama Canal Employment System for the general rules governing wage and employment practices in the Canal Zone provided by 2 CZ Code 142 as added by section 3 of the Act of July 25, 1958 (72 Stat. 405), enacted to implement certain provisions of an agreement accompanying the 1955 treaty with Panama. Section 303 of the Executive Branch draft is explained in the section by section analysis accompanying that draft as follows:

"Section 303. Panama Canal Employment System.—

"Section 142(a) of title 2 of the present Canal Zone Code prescribes the general standards governing the system of wage and employment practices governing the Panama Canal Company, the Canal Zone Government and all other U.S. agencies in the present Canal Zone. In place of this general Canal Zone system, section 142(a) would be revised and divided into two parts. First subsection (a) would require the Panama Canal Commission to conduct its wage and employment practices in accordance with the Panama Canal Employment System. The latter system, like the present Canal Zone Merit System, would be established in accordance with applicable Treaty requirements, provisions of law, including in particular section 149 of title 2 of the Panama Canal Code (see, analysis to section 307), and regulations promulgated by or under the authority of the President. The views and recommendations of the Panama Canal Commission with respect to any proposed regulation would have to be sought and taken into account. This would give the Commission a voice in the formulation of applicable employment standards, particularly those affected by the Panama Canal Treaty of 1977.

"Subsection (b) would give other executive agencies (as defined in 5 U.S.C. § 105) in Panama which have their present employment practices governed by the Canal Zone Merit System, the option of electing in whole or in part either to continue under the Panama Canal Employment System, or to adopt their own employment system, e.g., the system otherwise applicable to the agency's employees worldwide."

Paragraph (c) of section 142 of this bill would continue in effect the present provisions of 2 CZ Code 142(b) that authorize the President to exclude any employee or position from any provision of the subchapter and to extend to any employee, whether or not a citizen of the United States the same rights and privileges as those extended by applicable laws and regulations for United States citizens employed in the competitive civil service. These provisions are deleted in the amendment of the section proposed in section 303 of the Executive Branch draft.

Section 143. Employment Standards. This section reenacts, with appropriate changes in terminology to conform the language to other provisions of the bill, 2 CZ Code 143, requiring written standards for determination of qualifications and fitness of employees and applicants, and selection of individuals for appointment, promotion, or transfer.

2 CZ Code 143 is not amended by the Executive Branch draft.

Section 144. Interim Application of Canal Zone Merit System. This section is based on section 304 of the Executive Branch draft, explained in the section by section analysis accompanying that draft as follows:

"Section 304. Continuation of Canal Zone Merit System.—

"This section would continue the Canal Zone Merit System beyond the Treaty effective date if necessary and until such time as the Panama Canal Employment System is established under section 303 of this Bill. This will permit both continuity and an orderly transition in employment practices."

The Canal Zone Merit System was established by Executive Order 11171 of August 18, 1964 (35 CFR 251.21).

Section 145. Compensation. This section reenacts the provisions of 2 CZ Code 144 (a)-(c) authorizing heads of departments to establish and adjust rates of compensation for employees. Subsection (c) of 2 CZ Code 144, limiting compensation to not more than 25% in excess of compensation for similar work in the United States, is eliminated by this section of the bill and transferred to section 147, providing for overseas and recruitment differentials in addition to basic compensation. This section, based on section 305 of the Executive Branch draft, would be applicable not only to the Panama Canal Commission, but also to any department or agency of the United States electing to adopt the Panama Canal

Employment System pursuant to section 142(b).

Section 146. Uniform Application of Standards and Rates. This section, with appropriate changes in internal references to other sections of the bill, reenacts the provisions of 2 CZ Code 145, requiring uniform application of the employment standards and rates of basic compensation without regard to whether the applicant or employee is a ciftizen of the United States and Panama. 2 CZ Code 145 would be left in effect by the Executive Branch draft.

Section 147. Recruitment and Retention Remuneration. This section provides for payment to certain employees of "recruitment and retention remuneration" in addition to basic compensation with a limitation of total compensation to not more than 25% above rates paid for similar work in the United States. Subsections (a) and (b) are based on the provisions of section 305 of the Executive Branch draft, amending 2 CZ Code 146. In reference to that amendment the section by section analysis accompanying the Executive Branch draft states:

Section 146 is then revised to conform to the new Treaty provisions concerning additional remuneration that may be paid as overseas recruitment and retention differentials (a) to persons already employed on the Treaty effective date, and (b) to persons thereafter recruited outside of Panama for a position in Panama. Section 146 is also revised to provide for the possibility of granting additional remuneration in the form of an overseas recruitment and retention differential to medical doctors employed by the Department of Defense and Panama Canal Commission. The present section authorizes a tax allowance intended to equalize the take-home basic compensation of United States citizens and non-United States citizens and an overseas "tropical" differential, with an overall ceiling of 25%. The proposed revision would allow payment in such amounts as the head of the agency concerned determined should be paid as overseas recruitment and retention differentials. Without this authority to pay incentive differentials, the Panama Canal Commission, as well as other United States Government agencies in the Republic of Panama, might have difficulty in recruiting and retaining both United States and non-United States citizens, particularly in certain critical skills, which are necessary for the continued effective operation of the Canal and essential support activities."

Subsection (c) makes inapplicable to persons employed in Panama by the Panama Canal Commission or an agency that elects to be covered by the Panama Canal Employment System under section 142(b), the provisions of title 5 of the U.S. Code governing payment of overseas differentials to employees of the United States generally. This provision is included in section 330(b) of the Executive Branch draft.

Section 148. Benefits Based on Compensation. This section reenacts 2 CZ Code 148, with appropriate changes in internal references. The effect of the section is to provide for the use of an employee's full compensation, including any differential, for purposes of computation of retirement and other benefits. 2 CZ Code 148 would be left in effect by the draft bill proposed by the Executive Branch.

Section 149. Merit and Other Employment Requirements.—This section amending 2 CZ Code 149 is based on section 307 of the Executive Branch draft bill. The section by section analysis accompanying that draft explains the purpose of the amendment as follows:

"Section 307. Merit and Other Employment Requirements.—This would amend section 149 of title 2 of the redesignated Panama Canal Code, relating to the merit standard and other employment system requirements. Subsection (a) would authorize the President by regulation to amend or modify the Panama Canal Employment System consistent with section 142(a) as amended by section 303 of this Bill. As in the latter section, the views and recommendations of the new Panama Canal Commission would have to be sought and taken into account.

"Subsection (b) combines the subsections (b) and (c) of the present section 149, and makes revisions required by the Treaty. In particular, the merit standard for personnel decisions would be limited by the requirements in Article X of the Treaty establishing certain preferences for Panamanians. Apart from such limitations, however, the merit standard would continue to apply. As with the present Canal Zone Merit System, the Panama Canal Employment System would be required to conform generally to policies, principles and standards established under the Civil Service Act, and could provide for interchange of U.S. citizen employees between this employment system and the competitive civil service."

Section 150. Salary Protection Upon Conversion of Compensation Base. This section reenacts 2 CZ Code 150, as added by section 11 of the Act of July 25, 1958 (72 Stat. 409), affording protection against reductions in pay for employees whose basic rate of compensation is changed from comparability to the rate paid in the United States to another basis. The section would also continue in effect, without specific reference, by the draft bill submitted by the Executive Branch.

Section 151. Review and Adjustment of Classification, Grades and Pay Level. This section is a reenactment of 2 CZ Code 151, as added by section 12 of the Act of July 25, 1958 (72 Stat. 409), providing for administrative review, upon request of an employer, of his classification, grade or pay level. The section would also be continued in effect under the draft bill submitteed by the Exective Branch.

Section 152. Same; Panama Canal Board of Appeals; Duties. This section reenacts 2 CZ Code 152, as added by section 12 of the Act of July 25, 1958, establishes a Board of Appeals, to be appointed by the President or his designee, to hear appeals of employees from adverse determinations under section 151, as provided in section 153. The provisions of this section would also be continued in effect under the draft bill submitteed by the Executive Branch.

Section 153. Same; Appeals to Board; Procedure; Finality of Decisions. This section reenacts, with appropriate changes in terminology, the provisions of 2 CZ Code 153, as added by section 12 of the Act of July 25, 1958 (72 Stat. 409) regulating the processing of employee appeals from adverse determinations under section 151. The provisions of this section would be continued in effect under the draft bill submitted by the Executive Branch.

Section 155. Administration by the President. This section reenacts with certain changes, 2 CZ Code 155, as added by section 15 of the Act of July 25, 1958 (72 Stat. 411) providing for administration of the subchapter under regulations issued by the President. The changes in the section are those provided in section 308 of the Executive Branch draft described as follows in the section by section analysis accompanying that draft:

"Section 308. Regulations, Examining Office.—

"This section would amend section 155 of title 2 of the present Canal Zone Code, which now authorizes the President to coordinate and promulgate regulations concerning the employment practices of departments and agencies in the Canal Zone. As amended, the section would require interagency coordination only in the event that an executive agency other than the Panama Canal Commission elected to participate in the Panama Canal Employment System under section 142 (b) as revised by section 303 of this Bill.

"Subsection (b) as amended would authorize the President to establish, in conjunction with the Panama Canal Employment System, a central examining office like the one presently in the Canal Zone. However, such an office would be required to be a part of the Panama Canal Commission and to perform functions relating to recruitment, examination and determination of qualification standards in accordance with the Panama Canal Treaty and related agreements, particularly Article X of the Treaty."

Section 156. Applicability of Other Laws. This section reenacts 2 CZ Code 156, as added by section 17 of the Act of July 25, 1958 (72 Stat. 411), which now provides that nothing in provisions incorporated in this subchapter affect the application of the Veterans' Preference Act of 1944; section 6 of the Lloyd-LaFollette Act of August 24, 1912, or, to the extent applicable to certain classes of employees on the date of the Act, section 23 of the Independent Offices Appropriations Act, 1935 or section 205 of the Federal Employees Pay Act of 1945. The section has been revised to reflect the effect of codification and enactment into positive law of title 5 of the United States Code by the Act of September 6, 1966 (80 Stat. 378).

The Executive Branch draft would leave 2 CZ Code 156 in effect without amendment.

Subchapter III—Conditions of employment and placement

Section 202. Transferred Employees. Paragraph (a) of this section, a new section providing protection of employees against loss of benefits in transfers brought about by the 1977 treaty, is taken from section 321 of the draft bill submitted by the Executive Branch. The section by section analysis accompanying that bill describes the purpose and intent of that section as follows:

"Section 321. Transferred Employees.—This section would add a new section 202 to title 2 of the Canal Zone Code, requiring that, pursuant to Article X(2) (b) of the Treaty, specified terms and conditions of employment applicable to employees of the Canal Zone Government and the Panama Canal Company who are transferred to employment with the Panama Canal Commission be generally no less favorable than those applied to them prior to the Treaty. This protection would also be extended to employees transferred to other U.S. agencies in Panama."

Paragraphs (b) and (c) incorporate provisions of section 330 (c) and (d), respectively, of the Executive Branch draft bill, both of which relate to provisions of the U.S. Code affecting employees who will be transferred as a result of the treaty.

Paragraph (b) amends two provisions of title 20 of the U.S. Code relating to rates of pay and leave of teachers employed in the Department of Defense to make such provisions inapplicable to teachers employed by the Canal Zone Government who are transferred to the Department of Defense overseas school system.

Paragraph (c) amends three sections of title 5 of the U.S. Code relating to severance pay (§ 5595), relocation of transferred employees (§ 5724a), and compensation for injury or death of an employee (§ 8102) to change references to the Canal Zone to references to areas in Panama used or regulated by the United States pursuant to the 1977 treaty. These provisions represent specific applications of the general formula set out in section 3(c) of the bill.

Section 203. Placement. This is a new section providing for assistance in placement in other employment for United States citizen employees of the Panama Canal Company or Canal Zone Government who are separated on the effective date of the treaty or thereafter during the life of the treaty, and for United States citizen employees of any U.S. Government agency in the Canal Zone whose positions are eliminated as a result of the treaty. The section is based on section 322 of the draft bill submitted by the Executive Branch and is described as follows in the analysis accompanying that draft:

"Section 322. Placement.—This section would add a new section 203 of title 2 of the Canal Zone Code, according appropriate placement assistance including priority placement to vacancies with the United States Government in the United States, for United States citizen employees of the Canal Zone Government and Panama Canal Company who on or any time after the Treaty effective date separate from employment for any reason other than misconduct or delinquency and are not placed in other appropriate positions with the United States Government in Panama. Subsection (b) extends the placement assistance contained in subsection (a) to employees of other U.S. agencies in Panama whose positions are eliminated as a result of implementation of the Treaty. Subsection (c) directs the Civil Service Commission to develop and administer a placement program for all eligible employees who request assistance."

Subchapter IV—Retirement

Section 205. Early Retirement Eligibility. This section amends the Civil Service Retirement Act to provide early retirement of employees of the Panama Canal Company, Canal Zone Government, Panama Canal Commission or any Executive agency in the Canal Zone who are involuntarily separated as a result of the treaty, or in the case of employees of the Panama Canal Company and Canal Zone Government, who voluntarily retire and who meet the age and service requirements set out in the section. Annuities are computed under the provisions of section 206.

Section 206. Early Retirement Computation. This section amends the civil service retirement act to provide more liberal computation of retirement annuities for employees who retire under section 205.

Sections 205 and 206 are based on sections 325 and 326 of the draft bill submitted by the Executive Branch. The section by section analysis accompanying that bill contains the following explanation of the purpose and intent of the provisions of these two sections:

"Employees of the Panama Canal Company, Canal Zone Government, Panama Canal Commission and any Executive agency in the Canal Zone, who are involuntarily separated or scheduled to be separated as a result of implementation of the Treaty will be eligible to retire if they have 18 years service and are 48 years old. Persons employed by the Panama Canal Company or the Canal Zone Government prior to the exchange of instruments of ratification of the Treaty or prior to its effective date, including some employees who are transferred to the Panama Canal Commission or an Executive agency in the Republic of Panama, and who have at least 18 years of service and are 48 years old or who have 23 years of service at any age elect to voluntarily retire if they do not wish to continue Federal employment in the Republic of Panama. There will be no reduction in the computation of the annuity because of the age at which an employee retires.

"Employees of the Panama Canal Company or Canal Zone Government who continue employment with the new Panama Canal Commission or other Executive agency in the Republic of Panama will have their annuity computed at 2½ percent for each full year they continue in such employment after the effective date of the Treaty up to a maximum of 20 years.

"Law enforcement officers and firefighters with at least 18 years of service as law enforcement officers or firefighters and who are at least 48 years of age when separated will have their annuities computed at 2½ percent for each year of service (up to 20 years). Employees who separate prior to completing 18 years of law enforcement or fire service and reaching 48 years of age will have their annuities increased by $12 for each month of law enforcement or fire service (not to exceed 20 years) prior to the effective date of the Treaty. Law enforcement officers and firefighters will receive an additional annuity of $8 for each month of such service after the entry into force of the Treaty until they have served a total of 20 years as law enforcement officers or firefighters."

Section 207. Non-Citizen Retirement; Transfer to Panama Social Security System. This section is derived from section 329 of the draft bill submitted by the Executive Branch. The section by section analysis accompanying that draft describes the purpose and intent of the section as follows:

"Section 329. Non-U.S. Citizen Retirement.—Subsections (a) and (b) relate to persons separated from employment with the present Canal agencies or the Panama Canal Commission, as a result of the implementation of the new Treaty and related agreements, who become employed under the Social Security System of the Republic of Panama through the transfer of a function or activity or through a job placement assistance program. This provision would implement Article VIII(3) of the Agreement in Implementation of Article III of the Panama Canal Treaty, and would apply regardless of the employee's nationality. In the cases specified in this section, the United States would pay matching funds to the social security system of Panama to aid in the purchase of a retirement equity in the Panama system. The matching funds would come from the United States Civil Service Retirement Fund.

"Subsection (c) would implement the requirements of paragraph 2 to Annex C of the Agreement in Implementation of Article IV of the Panama Canal Treaty. That provision requires that non-U.S. citizen employees not covered by the Civil Service Retirement System, and employees paid by non-appropriated fund instrumentalities, be covered by the Panamanian social security system with contributions from U.S. employer agencies. It also requires the United States to request legislation to pay each such employee a retirement similar to that of the Panamanian social security system. Subsection (c) implements these requirements by authorizing the purchase of a retirement equity or supplement for such employees under the Panamanian social security system. The provision will serve to provide retirements to nonappropriated fund employees working at Departments of Defense installations (e.g., cafeteria and hospital workers), pursuant to the Treaty. As understood during the Treaty negotiations, the provisions would apply retroactively to cover service prior to the Treaty effective date."

Section 208. Cash Relief to Certain Former Employees. This section is based on 2 CZ Code 181 which was derived from the so-called "Cash Relief Act" of July 8, 1937, (50 Stat. 478), as amended by the Act of September 26, 1950 (64 Stat. 1038); the Act of February 20, 1954 (68 Stat. 17); the Act of July 25, 1958 (72 Stat. 410); the Act of July 14, 1960 (74 Stat. 552); the Act of November 2, 1977 (80 Stat. 1106); and the Act of July 24, 1970 (84 Stat. 470).

The 1937 cash relief act provided small annuities for employees of the Panama Canal (the agency) who were not citizens of the United States and hence at that time not covered by the Civil Service Retirement Act, and who were separated from employment because of disability resulting from age or disease. Employees of the Panama Railroad Company were not covered by the Act, but its provisions were extended by administrative action of the Company to its non-citizen employees. After the names of the Panama Canal Agency and Panama Railroad Company were changed to "Canal Zone Government" and "Panama Canal Company" by the Act of September 26, 1950, the 1955 treaty with Panama undertook to bring the non-citizen employees of both agencies under the Civil Service Retirement System.

This was accomplished prospectively by the Act of July 25, 1958 listed above, but the cash relief act, as amended remained applicable to employees of the Canal Zone Government who had been separated from employment prior to October 5, 1958, the effective date of the Act. Conforming to past practice, the Panama Canal Company continued to apply the cash relief act to its non-citizen employees separated from employment prior to October 5, 1958. The other amendments listed provided for changes in the computation of the annuity under the cash relief act and extended its benefits to widows of deceased employees who had been eligible for such benefits.

Section 208 provides for continuation of the benefits provided by the cash relief act to eligible employees separated before October 5, 1958 but includes in the law former employees of the Panama Railroad Company or Panama Canal Company in view of the discontinuance of those government agencies that up to now have provided the benefits by administrative action. The conditions for eligibility and amount of the payments now authorized by 2 CZ Code § 181 remain unchanged.

2 CZ Code § 181 would apparently be left in effect unchanged under the provisions of the draft bill submitted by the Executive Branch.

Section 209. Appliances for Employees Injured Prior to September 7, 1916. This section continues in effect provisions of 2 CZ Code § 182 for purchase of prosthetic appliances for persons injured in the service of the Isthmus Canal Commission or of the Panama Canal prior to the date of enactment of the U.S. Injury Compensation Act of September 7, 1916 (39 Stat. 712) which authorized furnishing such appliances to injured employees of the Government generally including employees of the Panama Canal and Panama Railroad Company and their successor agencies. The provision was originally incorporated in 2 CZ Code (1934 ed.) § 124, as added by section 4 of the Act of August 12, 1949 (63 Stat. 602).

2 CZ Code § 182 would not be affected by the draft bill submitted by the Executive Branch.

Section 211. Leave for Jury or Witness Service. This section corresponding to section 330(a) of the draft bill submitted by the Executive Branch amends 5 U.S.C. § 6322(a) providing for leave of Government employees for jury or witness service. Section 6322(a) is now applicable to employees in the Canal Zone, and this section of the bill substitutes the phrase "the Republic of Panama" to conform to the provisions of the treaty.

Subchapter VI—Application to related personnel

Section 220. Law Enforcement, Canal Zone Civilian Personnel Policy Coordinating Board, and Related Employees. Paragraph (a) of this section provides that the United States Attorney for the District of the Canal Zone and the Assistant United States Attorneys and their clerical assistants and the U.S. Marshal for the District of the Canal Zone and his deputies and clerical assistants shall be treated the same as employees of the Panama Canal Commission for the purposes of sections of the bill providing for protection of transferred employees (§ 02), placement of employees (§ 203), and early retirement (§§ 205, 206). The provision does not include the Judge and other personnel of the U.S. District Court.

Under section 220(b), the Executive Director of the Canal Zone Civilian Personnel Policy Coordinating Board, the manager of the Central Examining Office and their staffs are to be considered for purposes of all provisions of the Act as employees of the Panama Canal Company before service prior to the entry into force of the treaty and as employees of the Panama Canal Commission for service after that date.

Section 220 of the bill is derived from section 327 of the draft bill submitted by the Executive Branch. The purpose and intent of the section is described in the analysis accompanying that draft as follows:

"Section 327. Employees of Related Organizations.—This section is necessary to extend to employees mentioned in this section the same benefits that the preceding sections would provide for Panama Canal Commission employees. These employees have always been so treated in matters such as these and the policy should continue."

Section 6 of Executive Order 7676 of July 26, 1937 (2 C.F.R. 1323) extended to the U.S. District Court for the Canal Zone and its personnel, including the District Attorney and Marshal, the conditions of employment and perquisites applicable to employees of the Panama Canal.

The Canal Zone Personnel Policy Coordinating Board is presently constituted and functions under regulations issued by the Secretary of the Army (35 C.F.R. § 253.4–253.5) pursuant to authority vested in the President by 2 CZ Code 142(b) and delegated to the Secretary of the Army by Executive Order 11171 of August 18, 1964 (35 C.F.R. 251.2).

Subchapter VII—Labor-Management relations

Section 225. Labor-Management Relations. This section makes inapplicable the provisions of chapter 71 of title 5 of the U.S. Code to U.S. Government employees in the areas the use of which is made available to the United States by the treaty. In lieu of those provisions, the section authorizes the Secretary of Defense to prescribe nondiscriminatory regulations incorporating certain provisions of chapter 71 of title 5 and providing for collective bargaining between employee representatives and management officials.

Chapter 5—Funds and Accounts

Subchapter I—Funds

Section 231. Canal Zone Government Funds. Paragraph 10 of Article III of the treaty provides that on entry into force of the treaty, the United States Government agency known as the Canal Zone Government shall cease to operate in territory of Republic of Panama now known as the Canal Zone.

As shown in Attachment B, the agency known as the Canal Zone Government was originally established by the Panama Canal Act of August 24, 1912 to maintain and operate the Panama Canal. In 1951 that function of the agency was transferred to the Panama Canal Company and the Canal Zone Government continued to perform the various duties connected with the canal government of the Canal Zone. In view of the provision of the 1977 treaty for discontinuance of operation of the agency in the Canal Zone the provisions of title 2 of the Canal Zone Code (§ 31–33) establishing the agency and defining the powers and duties of the Governor are repealed by section 1611 of this bill and by section 106(a) of the Executive Branch draft.

Under this section when the agency is discontinued on entry into force of the treaty, unobligated balances of Canal Zone Government appropriation accounts are to be covered into the general fund of the Treasury. The section also authorizes appropriations to the Panama Canal Commission for payment of claims chargeable to the discontinued accounts.

Section 232. Panama Canal Company Funds. Paragraph 2(d) of Article III of the treaty provides that in the operation of the canal, the United States may "Establish, modify, collect and retain tolls for the use of the Panama Canal and other charges, . . .".

Paragraph 10 of Article III provides that on entry into force of the treaty, the United States Government agency known as the Panama Canal Company shall cease to operate in the territory now known as the Canal Zone.

The Panama Canal Company presently operates the Panama Canal subject to the provisions of the Government Corporation Control Act and title 2 of the Canal Zone Code, under which all revenues from the operation are deposited in the Treasury or approved depository banks and are made available for expenditure for the purposes of the corporation by annual appropriation acts.

Under this section, when the Company ceases to operate on the effective date of the treaty the account of the Panama Canal Company in the Treasury will be abolished and any unobligated balances in the account are to be covered into the general fund of the Treasury. Thereafter, under paragraph (b) of the section, tolls for the use of the Canal and all other receipts of the Panama Canal Commission will be deposited in the Treasury as miscellaneous receipts.

Paragraph (c) of this section requires annual authorization and appropriations for expenditure or obligation of funds by the Panama Canal Commission similar to the requirements imposed on other departments and agencies by law (e.g., 10 USC 138) and the Rules of the House of Representatives.

The method of financing the operation of the canal provided by this section conforms to the arrangement in effect from the time of the opening of the canal in 1914 to the transfer of operation of the waterway to the Panama Canal Company, the Government corporation whose operations in Panama are required by the treaty to be discontinued. The provisions of the section are in *pari materia* and are to be read with the other sections of this chapter and of chapter 11 governing tolls for use of the canal.

Section 201 of the Executive Branch draft amends the charter of the Panama Canal Company by changing the name of the corporation to "Panama Canal Commission" and declaring the renamed corporation to be the successor the Panama Canal Company. Section 210 of the Executive Branch draft amends section 68 of title 2 of the Canal Zone Code to provide that all property and other assets of the Panama Canal Company and of the Canal Zone Government which are not transferred to other U.S. Government agencies or to the Republic of Panama "or otherwise disposed of" shall be the property and assets of the Panama Canal Commission which assumes the liabilities of the Company and of the Canal Zone Government. Under provisions of sections 65 and 66 of title 2 of the Canal Zone Code, which are left undisturbed by the Executive Branch draft, the Commission would have broad authority to dispose of such assets and property subject to review by the Congress only in the course of consideration of the annual budget program of the corporation.

Section 233. Emergency Fund. This section provides for a Panama Canal Emergency Fund of $40 million to be established in the Treasury. Under the provisions of paragraph (b) the Panama Canal Commission could make withdrawals from the fund by check to defray emergency expenses and to insure continuous operation of the canal if funds appropriated for the maintenance and operation of the canal prove to be insufficient for that purpose. This authority is comparable to the authority granted to the Panama Railroad by the Act of June 29, 1948 (62 Stat. 1076) to borrow from a special fund in the Treasury established by a deposit of $10 million of Company funds theretofore invested by the Company in the Government securities.

Paragraph (b) requires a prompt report to Congress and the Office of Management and Budget of emergency withdrawals from the fund and expenditures made pursuant to the section. Paragraph (c) authorizes additional deposits into the fund in amounts appropriated for that purpose.

The Executive Branch draft would continue in effect section 71 of title 2 of the Canal Zone Code which now authorizes the Panama Canal Company to borrow up to $40 million from the Treasury "for any of the purposes of the Company" without limiting the use of such borrowing authority to emergency situations.

SUBCHAPTER II—ACCOUNTING POLICIES AND AUDITS

Section 234. Accounting Policies. This section requires the accounts of the Panama Canal Commission to be kept in accordance with the provisions of this chapter and of the Accounting and Auditing Act of 1950, as amended (31 U.S.C. 65, et. seq.), which provides that the Comptroller General shall prescribe the principles, standards and related requirements for accounting to be observed by each executive agency. (31 U.S.C. 66(a)).

The section further requires that the accounts of the Commission show all revenues and expenses of the Commission, including interest on the investment of the United States in the Panama Canal.

Section 234 is closely related to the provisions of section 232, under which all revenues of the Canal operation will be paid into the Treasury and all expenses will be paid from appropriations, and the provisions of section 412 of this bill providing the basis for establishing tolls for use of the canal.

The provisions of this section when read with sections 232 and 412 are consistent with and accomplish the purposes of the reservation numbered (6) in the resolution of ratification of the Panama Canal treaty adopted by the Senate on April 18, 1978 requiring the Commission to reimburse the Treasury for interest on the investment of the United States in the Canal unless it is otherwise provided by legislation enacted by the Congress.

Interest on the investment of the United States in the canal has been recognized as a cost of operation since the canal was opened. Interest was shown in the accounts of the Panama Canal agency during the period prior to 1951 when all revenues were paid into the Treasury and all costs were paid from annual appropriations, the arrangement that would be continued by this bill. After 1951, the Panama Canal Company was required by its corporate charter (2 CZ Code 62) to reimburse the Treasury for interest on the investment.

Section 202 of the Executive Branch draft would repeal section 62(e) of title 2 of the Canal Zone Code, requiring reimbursement of the Treasury for interest on the investment, and make necessary changes in other provisions of sections 62 and 412 to reflect that change in policy.

Interest on the investment of the United States in the canal, computed in accordance with the present provisions of section 62 of title 2 of the Canal Zone Code, and at the rate established by the Treasury for fiscal year 1978 amounts to approximately $20 million a year.

Section 235. Reports. This section requires the Panama Canal Commission to submit annual reports and financial statements to the President and the Congress. No similar requirement is included in the present law or in the Executive Branch draft, although as a matter of practice the agency operating the Panama Canal has consistently published annual reports of operation, including financial statements.

Section 236. Audit by General Accounting Office. Paragraph (a) of this section provides for audit of the financial transactions of the Panama Canal Commission in accordance with the Accounting and Auditing Act of 1950, as amended. (31 U.S.C. 67)

Paragraph (b) requires the Comptroller General to make annual reports of the audit to the Congress, incorporating the same elements as those required by 31 U.S.C. §§ 850 and 851 for reports of audits of wholly owned Government corporations, now applicable to the Panama Canal Company, and which would continue to be applicable to the Panama Canal Commission under the Executive Branch draft.

Subchapter III—Interagency accounts

Section 240. Interagency services; Reimbursements. Paragraph (a) of this section is a restatement of section 69 of title 2 of the Canal Zone Code originally enacted as Sec. 252 of title 2 of the 1934 edition of the Code in section 2 of the legislation incorporating the Panama Railroad under the Government Corporation Control Act (62 Stat. 1076). When section 252 was reenacted as section 69 of the 1962 edition of the Code, a provision requiring the Panama Canal Company to reimburse the Civil Service Retirement Fund for Government contributions to the retirement fund applicable to the corporation's employees was omitted as unnecessary because of the inclusion of that requirement in the legislation governing the retirement fund for government agencies generally (now 5 U.S.C. 8334(a)(1)).

Section 8334(a)(1) is limited to Government contributions to the retirement fund matching the employees' contributions of 7 percent of the employees' basic pay. The requirement of section 240(a) of this bill that the Commission reimburse the retirement fund for "Government contributions" is not limited to the matching contribution by the agency but would apply to all payments into the fund by the U.S. Government on behalf of employees of the Commission, including the matching contribution and the addition to the fund of the early retirement provisions included in chapter 3 of this title.

Paragraph (b) of section 240 is based on section 232(a)(1) of title 2 of the Canal Zone Code which now requires the Department of Defense to reimburse the Panama Canal Company for the cost of maintaining defense facilities for that Department.

Paragraph (c) based on section 212(b) of the Executive Branch draft makes appropriations of the Department of Defense or of other agencies available for educational and health care activities now carried on by the Canal Zone Government but which may not be provided by the Panama Canal Commission under Article III of the treaty and paragraph 4 (XII) and (XIII) of the Annex referred to in paragraph 4 of Article III of the treaty. The last sentence of section 240 (c) of the bill provides for reimbursement of the agency furnishing the services by the employing agency for amounts expended for such services.

Subchapter IV—Postal accounts

Section 241. Discontinuance of Postal Service; Disposition of Funds. Chapter 73 of title 2 of the Canal Zone Code (sections 1131–1143) provides for operation by the Canal Zone Government of a postal service including money order and postal savings systems. The operations of the Canal Zone Government are required to be discontinued by paragraph 10 of Article III of the Treaty, and the Annex to the Treaty referred to in paragraph 4 of Article III includes postal services as one of the activities that may not be continued by the Panama Canal Commission (Annex, par. 4(a) (XIV)).

Under sections 1137–1139 of title 2, funds received from the issuance of money orders and postal savings certificates may be deposited in the Treasury and deposit any banks or invested in securities of the United States.

Paragraph (a) of section 241 of the bill, discontinues the Canal Zone postal service and provides for payment of the funds of the postal service into the Treasury as miscellaneous receipts. Paragraph (b) of section 241 provides for redemption by the Treasury of the securities acquired by investment of postal service funds and payment of the proceeds into the general fund of the United States.

Paragraph (a) of section 242 provides for the discontinuance of payment of interest on postal savings certificates. Paragraph (b) provides for settlement of postal savings certificate accounts maintained in the names of deceased depositors, minors and persons under legal disability. The provisions of this paragraph are based on 39 USC 5226 (P.L. 89–377, March 28, 1966. 80 Stat 96), providing for settlement of discontinued postal savings accounts by the U.S. Postal Service.

Section 243 provides for settlement and payment of the accounts of the discontinued Canal Zone postal service by the Panama Canal Commission and authorizes payment of the obligations of the postal service from funds appropriated to the Commission.

Section 244 continues the provisions of 2 CZ Code 1142 barring payment of money orders 20 years after the date of issue.

Section 245, based on section 341(d) of the Executive Branch draft, provides for delivery of mail addressed to the Canal Zone through military post offices in the Republic of Panama, and authorizes the Commission to furnish personnel, records and other services to military post offices whenever appropriate for the handling of such mail.

Section 341 of the Executive Branch draft discontinues the Canal Zone postal service but provides that the Commission will continue to administer the funds of the postal service under the provisions of chapter 73 of title 2 of the Canal Zone Code. Conforming amendments in the provisions of U.S. Code referring to the Canal Zone that would be effected by section 341(e) of the Executive Branch draft are included in section 1611 of this bill.

Subchapter V—Accounts with Republic of Panama

Section 250. Payments to Panama. Paragraph (a) authorizes the Panama Canal Commission to pay the Republic of Panama from appropriations for that purpose payments required under paragraph 5 of Article III and paragraph 4 of Article XIII of the Treaty. This provision reflects the requirement of Article I, section 9, clause 7 of the Constitution, and the uniform practice of this Government recognizing the necessity of appropriations for treaty payments, including the payments made to the Republic of Panama under previous treaties.

Paragraph (b), with certain changes, establishes the basis for payments to Panama under paragraph 4(c) of the Treaty providing for the annual payment to Panama of an amount of up to $10 million per year to the extent that Canal operating revenues exceed expenditures of the Panama Canal Commission, including amounts paid pursuant to the Treaty. The Treaty further provides that in the event Canal operating revenues "in any year" do not produce a surplus sufficient to cover this payment, the unpaid balance is to be paid from "operating surpluses" in future years.

Paragraph (b) of section 250 defines expenditures for purpose of this payment by reference to the expenses of operation required by section 234 to be shown in the accounts of the Commission.

Section 250(b) and section 234 of the bill include the categories of expense enumerated in section 203(a) of the Executive Branch draft, with the addition of interest, depreciation, and amortization of use rights, but without the provision for including as an expenditure recoveries from tolls in excess of expenses in the first part of the period projected for continuance of a newly established rate of tolls.

Both this section 250(b) and section 203 (a) of the Executive Branch draft include as an expense of a given year accumulative amounts of losses in prior years.

Section 251. Transactions with the Republic of Panama. This section authorizes the Panama Canal Commission to provide to the Republic of Panama materials, supplies, equipment, work or services, including water and electric power at rates agreed upon by the Commission and the Republic of Panama. The section further provides that payment for such materials, supplies, equipment, work or services may be effected by direct payment to the Commission or by offset against amounts due to the Republic of Panama by the United States.

This section expands the scope of section 234 of title 2 of the Canal Zone Code that now provides for the sale of potable water to Panama by the Panama Canal Company at rates agreed on by the United States and Panama. Section 212(d) of the Executive Branch draft amends section 234 by substituting the Commission for the Panama Canal Company without further changes in the section.

Section 252. Disaster Relief. This section continues the provisions of section 235 of title 2 of the Canal Zone Code with appropriate changes in terminology to reflect the jurisdictional and organizational changes effected by the Treaty and other provisions of this bill.

Chapter 7. Claims for Injuries to Persons and Property

Subchapter I—General Provisions

Section 271. Settlement of Claims Generally. Paragraph (a) of Section 271 provides authority to the Panama Canal Commission for settlement of claims generally, subject to the other provisions of this chapter. Authority for settlement of vessel accident claims is covered in detail in subchapter II. The scope of the section is generally comparable to that of 2 CZ Code 271, as amended by the Act of January 2, 1975 (88 Stat. 1973).

Paragraph (b) limits the authority of the Commission to settlement of claims of $60,000 or less, the limit made applicable to claims for vessel accidents outside the locks when the canal was operated by a noncorporate agency. The history of this limitation as shown in the analysis of section 292, *infra.*

Paragraph (c) provides for payments of awards made to claimants out of moneys appropriated for or made available to the Commission, and provides that the acceptance of the award is final and conclusive and constitutes a release of any claim against the United States or any employees of the United States arising out of the matter involved in the claim. This paragraph generally follows the language of paragraph (b) of 2 CZ Code 271, as amended.

Paragraph (d) expressly precludes any action against the United States or any officer or employee of the United States on claims cognizable under this chapter except for the consent to suit against the United States on claims for accidents in the locks authorized by section 296.

Subchapter II—Vessel Damage Claims

Section 291. Injuries in locks of Canal. This section continues the present provisions of 2 CZ Code 291 with appropriate changes in termminology to reflect the organizational changes resulting from the treaty and other provisions of the bill. The section also incorporates the amendment included in section 260(d) (2) of the Executive Branch draft changing the phrase "Damages may not be allowed and paid for injuries to any protrusion beyond the side of a vessel . . ." to read "Damages may not be allowed and paid for injuries to any protrusion beyond any portion of the hull of a vessel . . ." This amendment appears to be desirable in view of the obvious purpose of the provision and a decision by the U.S. District Court for the Canal Zone that the present language limits the exception to protrusions beyond the amidships section of the vessel and that the entire hull cannot be considered the "side" of the vessel. (*United Fruit Company* v. *Panama Canal Co.,* D.C.C.Z. 1965, 243 F. Supp. 410.)

Section 260(d) (2) of the Executive Branch draft amends section 291 of title 2 of the Canal Zone Code to condition the payment of damages for injuries to vessels in the locks on negligence of employees of the Commission—the rule now prevailing in the case of injuries to vessels outside the locks. The present provisions of section 291 for payment of damages for injuries in the locks subject only to reduction in proportion to negligence or fault attributable to the vessel, master, crew or passengers was originally enacted in section 5 of the Panama Canal Act of August 24, 1912 (37 Stat. 562) and have been in effect continuously since that time. The basis for the rule is that the ship, while in the locks, is within the exclusive control of the employees of the agency operating the Canal, except to the extent that the ship's engines are used at the direction of such employees. Under the proposed language of the Executive Branch draft, proof that the injuries did not result from the negligence or fault of employees of the Commission would relieve the Commission (and hence the United States) of liability.

Section 292. Injuries outside locks. This section reenacts section 292 of title 2 of the Canal Zone Code with appropriate changes in terminology and with an amendment which limits the authority of the Commission to adjust and pay claims for vessel damage outside the locks to claims not in excess of $60,000, corresponding to the limit previously applicable to the authority of the Panama Canal to settle such claims.

Under sec. 5 of the Panama Canal Act of Aug. 24, 1912 (37 Stat. 562) the authority of the agency operating the Canal (known as the Panama Canal) was limited to claims for injuries occurring in the locks. This provision was carried into section 10 of title 2 of the Canal Zone Code (1934 ed.) but in 1940 the section was amended to authorize adjustment and payment of claims for not more than $60,000 for injuries occurring outside the locks caused by negligence on the part of any employee of the Panama Canal. Claims for more than $60,000 were required to be submitted to Congress by a special report containing the material facts and the recommendation of the Governor of the Panama Canal, the executive head of the agency (Act of June 13, 1940, 54 Stat. 387).

When operation of the Canal was transferred to the Panama Canal Company in 1951, section 10 of title 2 of the Canal Zone Code was amended to eliminate the $60,000 limitation previously applicable to settlement of claims for vessel damage outside the locks (Act Sept. 26, 1950, 64 Stat. 1039). This provision was incorporated in section 292 of the Canal Zone Code when the Code was revised in 1962.

Sections 292 and 295 of the bill would restore the $60,000 limitation on the authority of the agency to make settlements of claims for vessel damage outside the locks. Under section 295 claims for more than $60,000 would be submitted to the Congress for consideration.

Section 293. Measure of damages generally. This section would reenact the provisions of paragraph (c) of C.Z. Code 293, as added by the Act of September 26, 1950 (64 Stat. 1039), the legislation that transferred responsibility for operation of the Canal to the Panama Canal Company. Prior to 1950, the provisions of this section were contained in Rules 94 and 95 of Executive Order 4314 of September 25, 1925, prescribing rules for navigation of the Canal pursuant to authority vested in the President by section 5 of the Panama Canal Act of August 24, 1912 (37 Stat. 562), subsequently incorporated in section 9 of title 2 of the Canal Zone Code (1934 ed.) and now found in 2 C.Z. Code 1331.

This section has been construed by the U.S. Court of Appeals for the 5th Circuit as establishing rules for recovery of damages substantially parallel to that accorded by general maritime law. *Gulf Oil Corp.* v.. *Panama Canal Company,* 481 F. 2d 561 (5th Cir. 1973).

Section 260(e) of the Executive Branch draft would amend 2 C.Z. Code 293 by restricting the damages recoverable in certain relatively minor respects in accordance with administrative construction of the present language which the Court of Appeals refused to follow in the Gulf Oil case.

Section 294. Delays for which no responsibility assumed. This section reenacts the provisions of 2 C.Z. Code 294 as added by section 3 of the Act of September 26, 1950 (64 Stat. 1039), which incorporated into the law the provisions of Rule 96 of Executive Order 4314 of September 25, 1925, prescribing rules for the navigation of the Canal pursuant to authority vested in the President by section 5 of the Panama Canal Act of August 24, 1912 (37 Stat. 562), subsequently incorporated in section 9 of title 2 of the Canal Zone Code (1934 ed.) and now found in 2 C.Z. Code 1331.

Section 260(f) of the Executive Branch draft amends 2 C.Z. Code 294 by adding a new provision excluding liability for delays caused by "time necessary for investigation of marine accidents." Inasmuch as the section applies only when the investigation has established that the vessel accident is the responsibility of the Commission, as the agency of the United States operating the Canal, it is difficult to follow the rationale of exclusion of this element of the damage from reimbursement by the United States.

Section 295. Settlement of claims. This section is based on the provisions of the second paragraph of section 10 of title 2 of the Canal Zone Code (1934 ed.) as amended by the Act of June 13, 1940 (54 Stat. 387). When operation of the waterway was transferred to the corporate agency called the Panama Canal Company, this section was amended to eliminate the $60,000 limitation on the authority of the agency to settle claims for injuries occurring outside the locks, and the provision for payment of the amount of the settlement out of funds appropriated to the agency (Act, Sept. 26, 1950, sec. 3 (64 Stat. 1039), 2 C.Z. 295).

This section and section 292 restore these provisions. Claims for more than $60,000 for damage occurring outside the locks are required to be submitted to Congress for disposition as provided in the 1940 legislation.

Section 296. Actions on Claims. Inasmuch as under the Treaty and the provisions of this bill the United States operates the Canal through one of its government agencies, actions against the United States or the agency operating the Canal for damage to vessels using the Canal are precluded except to the extent the United States consents to be sued. (*Lonergan* v. *United States,* 303 U.S. 33 1938); *Compagnie Generale Transatlantique* v. *Governor of the Panama Canal* 90 F. 2d 225 (C.C.A. 5th, 1934).

In the corporate charter enacted by Congress listing the powers of the Panama Railroad Company as a government corporation, Congress continued the corporation's amenability to suit generally. (Act June 29, 1948, sec. 2 (62 Stat. 1076); 2 C.Z. Code 65.) This consent to suit against the government corporation did not in any way involve suits for damage to vessels using the Canal which was operated by a different agency (the Panama Canal) and remedies for damage to vessels in the Canal were confined to those provided by 2 C.Z. Code 10 (1934 ed.) as amended by the Act of June 13, 1940 (54 Stat. 387).

The Federal Tort Claims Act of 1946 continued authority in Federal agencies to settle tort claims for $1,000 or less and authorized suit against the United States in such claims (Act of August 2, 1946, secs. 403, 410 (60 Stat. 843), 28 U.S.C., 1940 ed., secs. 921, 931).

The Act applied to tort claims against the Panama Canal agency generally, but section 421 of the 1946 tort claims law made the Act inapplicable to "(g) any claim arising from injury to vessels, or to the cargo, crew, or passengers of vessels which passing through the locks of the Panama Canal or while in Canal Zone waters". (28 USC, 1940 ed. 943)

In 1949 Congress made the Federal Tort Claims Act inapplicable to claims arising from the activities of the Panama Railroad Company (Act July 16, 1949 (63 Stat. 444), 28 USC 2680). This exemption had nothing to do with claims for damage to vessels in the Panama Canal which were governed by 2 U.S.C. 10, and excluded from the Federal Tort Claims Act by 28 USC, 1940 ed. 943, as noted above.

When the Act of September 26, 1950 transferred the operation of the waterway to the Panama Railroad Company (under its new name "Panama Canal Company") and changed the name of the government agency previously known as the Panama Canal to the "Canal Zone Government" the Federal Tort Claims Act remained applicable to the Canal Zone Government, but the provision of the Tort Claims Act excluding from the coverage of that Act claims for damage to vessels in the Panama Canal was repealed by the 1950 legislation, in view of the general exclusion from the Tort Claims Act of any claims arising from the activities of the Panama Railroad Company (renamed the Panama Canal Company (Act Sept. 26, 1950, sec. 13, 64 Stat. 1042).

As explained in the sectional analysis of the 1950 legislation submitted with the draft bill by the Governor of the Panama Canal, "This subparagraph [28 USC 1940, ed. 2680 (g)] is being listed for repeal because, with the transfer of canal operation to the corporation these claims will run against the corporation; and all claims against the corporation are excluded from the Federal Tort Claims Procedure by subparagraph (m) of section 2680, as added by the Act of July 16, 1949 (Public Law 172, 81st Cong.), which excepts any claim arising from the activities of the Panama Railroad Company (Panama Canal Company)". [Hearings, Subcommittee on Panama Canal, Committee on Merchant Marine and Fisheries, House of Representatives, 81st Congress, 2nd Session on H.R. 8677, p. 22.]

In view of this background, section 296 follows generally the provisions of the 1940 amendment of 2 C.Z. Code (1934 ed.) sec. 10, limiting consent to suit on vessel accident claims to those based on injuries occurring in the locks. Venne of such actions in the U.S. District Court for the Eastern District of Louisiana, since under the 1977 Treaty and title 4 of this bill the District Court for the

Canal Zone will no longer exercise civil jurisdiction in new cases. Actions brought under section 296 are to be tried to the court and are to proceed and be heard in accordance with the principles of law and rules of practice applicable between like cases between private parties and other agencies of the Government. As in the 1940 legislation, any judgment obtained in such an action is payable out of moneys appropriated or allotted for maintenance and operation of the Panama Canal.

The last paragraph of section 296 is based on the concluding provision of the 1940 amendment of 2 C.Z. Code (1940 ed.) sec. 10 now incorporated in the next to the last paragraph of 2 C.Z. Code 296.

Section 260(g) of the Executive Branch draft continues the provisions of 2 C.Z. Code 296, providing for actions on vessel damage claims arising outside the locks as well as those arising in the locks.

Section 297. Investigation of accident or injury giving rise to claim. This section continues the provisions of 2 C.Z. Code 297 with appropriate changes in terminology required by the geographic and organizational changes made by the treaty and other provisions of this bill.

Section 260(h) of the Executive Branch draft adds a provision to section 296 that lack of knowledge that an accident giving rise to a claim has occurred "does not exclude noncompliance with the requirements of this section." This provision reflects a construction of the language of the present section unsuccessfully urged on the Court of Appeals for the 5th Circuit in litigation involving a claim for damage that occurred in the Canal Zone but was not discovered until after the vessel left the Canal Zone. (*Gulf Oil Corp.* v. *Panama Canal Company*, 407 F. 2d 24 [C.A. 5, 1969]).

Sec. 298. Board of Local Inspectors. This section continues the Board of Local Inspectors for investigation of claims arising out of accidents to vessels using the canal and the performance of such other duties as may be assigned to the Board. The Board of Local Inspectors was originally established by Executive Order of the President in 1909 and, pursuant to authority vested in the President by the Panama Canal Act of August 24, 1914, to prescribe regulations governing operation of the canal (incorporated in section 701 of this bill), since 1915 the Board has been charged with responsibility for investigation of accidents to vessels using the canal.

Section 298 authorizes the Board to summon witnesses, administer oaths and require the production of books and papers necessary to the investigation of claims for vessel accidents. These powers are currently conferred on the Board, along with other Boards and officers, by 2 C.Z. Code §§ 1101 and 1102, repealed by section 1611 of this bill.

Chapter 9—Public Property

The key element in this chapter is the provision of Article IV, section 3, clause 2 of the Constitution providing:

"The Congress shall have power to dispose of and make all needful rules and regulations respecting the territory or other property belonging to the United States; . . ."

The meaning and effect of this provision of the Constitution was the subject of extensive discussion and debate during the consideration by the Senate of the 1977 treaties. See, for example, Hearings Before the Committee on Merchant Marine and Fisheries, House of Representatives, 95th Congress, 2d Session, Serial No. 95–32, "Power of Congress to Dispose of U.S. Property."

Section 371. Assets and Liabilities of Panama Canal Company. This section provides that all property and other assets of the Panama Canal Company shall revert to the United States on the effective date of the Act and that the United States generally assumes the liabilities of the Company at that time.

Although the United States Government, as sole owner of the corporate agency named the Panama Canal Company, is the beneficial owner of all property of the corporation, the Panama Railroad as a private corporation created by the State of New York had acquired certain property interests that the corporation owned at the time of acquisition of the stock in the corporation by the United States. For example, the Panama Railroad had acquired extensive rights in real property on the Isthmus of Panama, and in addition it owned the railroad across the Isthmus of Panama, ocean-going ships operated between the United States and the Isthmus of Panama, and extensive personal property. See Annual Report, Panama Railroad Company, 1951; *New York ex rel. Rogers* v. *Graves*, 299 US 401.

In successive acts of Congress involving the status of the Panama Railroad Company and its successor, the Panama Canal Company, this property has been treated as if it were the separate property of the corporation. For example, Section 2 of Public Law 808, 80th Congress, approved June 29, 1948 (62 Stat. 1076), incorporating the Panama Railroad Company added a new section 251 to title 2 of the Canal Zone Code (1934 ed.) reading as follows:

"251. Taking Over of Assets and Liabilities of, and Dissolution of, New York Company; Release of United States Treaty Rights in Assets.—The corporation is authorized and directed to take over the assets and assume the liabilities of the New York company as of July 1, 1948. To accomplish the transfer of such assets to, and the assumption of such liabilities by, the corporation, and to accomplish the dissolution of the New York company, the two corporations are authorized and directed to take, under the supervision of the stockholder, whatever action shall be determined to be appropriate and necessary, whether by agreement, transfer, merger, consolidation, dissolution, or otherwise. Effective upon the transfer of such assets and the assumption of such liabilities, there are hereby released and transferred to the corporation all the right, title, and interest, in and to such assets, which the United States now has or may hereafter acquire by virtue of the convention of November 18, 1903, between the United States and the Republic of Panama; and, specifically, there are hereby released to the corporation any and all reversionary rights of the United States in the lands of the corporation located in the cities of Panama and Colon, Republic of Panama."

Section 10 of Public Law 841, 81st Congress, transferring the responsibility for operation of the waterway to the corporation added a new section numbered 256 in title 2 of the Canal Zone Code (1934 ed.), reading as follows:

"256. Authorization for Transfer of Panama Canal to Corportation.—The President is hereby authorized to transfer to the corportation the Panama Canal, together with the facilities and appurtenances related thereto, and any or all of the facilities and appurtenances heretofore maintained and operated by the Panama Canal under authority of section 51 of title 2 of the Canal Zone Code, as amended by section 2 of the Act of August 12, 1949 (ch. 422, 63 Stat. 601), and all or so much as he may determine to be necessary of the personnel, property, records, related assets, contracts, obligations, and liabilities of or appertaining to the said Canal and the aforesaid facilities or appurtenances, and such transfer shall be deemed to have been accepted and assumed by the corporation without the necessity of any act or acts on the part of the corporation except as otherwise stipulated in the provisions of section 246 of this title."

The quoted provisions of the 1948 and 1950 acts are reflected in the current edition of the Canal Zone Code in section 68 to title 2, reading as follows:

§ 68. Rights in assets taken over upon dissolution of Panama Railroad Company; liabilities

"(a) The Panama Canal Company shall possess all the right, title, and interest in and to the assets taken over, as of July 1, 1948, from the Panama Railroad Company, since dissolved, which the United States then possessed or, by virtue of the convention of November 18, 1903, between the United States and the Republic of Panama, thereafter acquired or may hereafter acquire, and which, pursuant to law, were released and transferred, as of July 1, 1948, to the Company.

"(b) Subsection (a) of this section does not apply to any right, title, or interest transferred or conveyed to the Republic of Panama after July 1, 1948, under applicable provisions of law or of any convention or treaty.

"(c) The Company is responsible for the payment and discharge of all remaining liabilities of the Panama Railroad Company, which, as authorized by law, the Company assumed as of July 1, 1948."

Also indicative of the concept of separate ownership of its assets by the corporate entity, as distinguished from that of its owner (the United States) are certain provisions of section 65(a)(6) of title 2 of the Canal Zone Code authorizing the corporation to acquire and "sell, lease, exchange, money mortgage or otherwise dispose of, and deal in lands, leaseholds, and any interest, estaste, or rights in real, personal or mixed property . . ." and section 62(f) of title 2 commencing: "(f) The Panama Canal Company shall account for its surplus, as follows: . . ."

This bill eliminates any concept of distinction between the United States and the Panama Canal Commission in respect to ownership of the Panama Canal and the assets associated with its maintenance and operation. None of the present provisions of title 2 of the Canal Zone Code tending to indicate separate ownership of such assets by the Commission are continued in effect and section 371 is included to assure that technically the title to all property of the Panama Canal Company is vested in the United States.

A similar provision covering the property of the Canal Zone Government is unnecessary inasmuch as there has never been any indication that that Government agency had an existence separate from that of the United States insofar as concerns property and other assets administered by the agency.

Section 210 of the Executive Branch draft not only perpetuates the appearance of recognition of ownership by the agency of the property and other assets used in the operation of the Canal, but also amends section 68 of title 2 to provide that such property and other assets of the Panama Canal Company and Canal Zone Government, not otherwise disposed of, "shall be the property and assets of the Panama Canal Commission." (emphasis supplied).

The Executive Branch draft extends to the Panama Canal Commission the practically unlimited authority now vested in the Panama Canal Company by 2 C.Z. Code 65(a)(6) to acquire and dispose of property.

Section 372. Transfers and Cross Servicing Between Agencies. Paragraph (a) of this section continues the authority for interagency transfers of property located in Panama now provided by 2 C.Z. Code 372 with appropriate changes in terminology required by the Treaty and other provisions of the bill. Provisions of the existing Code section relating to the valuation of property transferred without exchange of funds are omitted as unnecessary in view of the changes in accounting effected by chapter 7 of the bill.

Paragraph (b) of section 372, based on section 106(b) of the Executive Branch draft, authorizes transfers of records by U.S. Government agencies and Panama to other agencies of the Government or to the Republic of Panama.

Section 213(a) of the Executive Branch bill includes a provision, omitted from this section of the bill, that transfers without exchange of funds are subject to 2 C.Z. Code 62 relating to accounting for the U.S. investment in the Panama Canal Company. Section 372(b) of that draft authorizes cross-servicing agreements between the Panama Canal Company and other government agencies for the use of facilities, furnishing of services or performance of functions. This provision has been omitted from section 372 of this bill as unnecessary in view of the provisions of the Economy Act of 1932, 31 USC 686, authorizing such cross servicing agreements between government agencies generally.

Sec. 373. Disposition of property of the United States. This section is based on the provision of Article IV, Section 3, clause 2 of the Constitution that "The Congress shall have power to dispose of and make all needful rules and regulations respecting the Territory or other property belonging to the United States; . . ." Article XIII of the 1977 Treaty purports to transfer the right, title and interest of the United States "with respect to all real property" on a time schedule set out in the Treaty beginning on the effective date of the Treaty and concluding on termination of the Treaty when the canal and all remaining property related to operation of the canal is to be transferred. Article V of the Agreement in Implementation of Article III of the Treaty contains detailed provisions in regard to the transfer to Panama of title to the railroad and ports of Balboa and Cristobal under Article XIII of the Treaty.

Notwithstanding the views expressed during consideration of the Treaty that these provisions of the Treaty are self-executing, under the quoted provision of the Constitution the Panama Canal and other property of the United States in the area heretofore known as the Canal Zone can be conveyed only by or pursuant to legislation enacted by the Congress. [For extensive analysis of the constitutional issue see Hearings, Committee on Merchant Marine and Fisheries, 95th Congress, Serial No. 95–32, "Power of Congress to Dispose of U.S. Property."] Even if the Treaty provisions for conveyance of this property were regarded as self-executing, the subsequently enacted provision of section 273 requiring authorization by the Congress for the transfer of the property in question would be controlling. [See The Cherokee Tobacco, 11 Wall. 616 (1870); Head Money Cases, 112 U.S. 580, 598 (1884)]

The Executive branch draft apparently follows the views expressed by the Department of State and Department of Justice at the hearings in regard to the Treaty to the effect that the Treaty provisions for transfer of property are self-executing (Hearings, Serial No. 95–32, *supra*, pp. 45–100, *passim*) and no provision is made in that draft to provide Congressional authority for such transfers.

Sec. 374. Transfer of property to Panama. This section authorizes the transfer to Panama of the property which the United States has undertaken by Article XIII of the Treaty to transfer on the effective date of the Treaty, viz, "the Panama Railroad and such property that was located in the former Canal Zone but is not within the land and water areas the use of which is made available to the United States of America pursuant to this treaty."

The second sentence of the section excluding from the transfer buildings and other facilities, except housing, the use of which is retained by the United States, outside the areas made available for use of the United States, is based on the final section of paragraph 2(a) of Article XIII of the Treaty. Such facilities and installations are described generally in paragraph 3 of Article III of the Agreement in Implementation of Article II of the Panama Canal Treaty (Department of State, Selected Documents, No. 6B, p. 2) and more specifically in paragraph 3 of Annex A to that Agreement (Selected Documents, No. 6B, p. 21).

The areas and installations now in the Canal Zone that are made available by the Treaty for use by the United States are described in paragraph 1 of Annex A to the Agreement in Implementation of Article III of the Panama Canal Treaty (see Document No. 6,B p. 17); the boundaries of the parts of Balboa and Cristobal are described in Annex B of the Agreement (*Ibid*, p. 22); and the accessory facilities and instalations outside the areas made available for use by the United States which the United States may continue to use are described in paragraph 3 of Annex A to the Agreement (Ibid, p. 21).

The real property that Article XIII of the Treaty transfers to Panama on the effective date of the Treaty can be definitely identified only by comparison of the area described in the Treaty as those made available for use by the United States with the present area of the Canal Zone defined by the Boundary Convention between the United States and Panama, signed October 22, 1914 (38 Stat. 1893) as modified by the convention, regarding the Colon Corridor and certain other corridors signed May 24, 1950 (TIAS 3180), and by Articles VI and VII of the Treaty between the United States and Panama signed January 25, 1955 (TIAS 3297), all of which are abrogated by paragraph 1(c) of Article I of the Panama Canal Treaty. See Agreed Minute to the Panama Canal Treaty (Sel. Docs., No. 6C, pp. 49–50).

Chapter 10—Tolls for Use of Canal

Chapter 10 incorporates the subject matter of the present provisions of sections 411 and 412 of title 2 of tne Canal Zone Code concerning the prescription of rates of tolls and the bases of such tolls (Secs. 411 and 412). In addition, the chapter includes new provisions on the procedures to be followed in changing rates of tolls and measurement rules (Sec. 413), and authorizes an interim adjustment in tolls rates in anticipation of changes in financial results of operation after the effective date of the Treaty (Sec. 414).

* * * * *

Sec. 411. Prescription of measurement rules and rates of tolls. Paragraph (a) of section 411 authorizes the President to prescribe and change rates of tolls for use of the canal and rules for the measurement of vessels for the Panama Canal on which tolls are based. This authority was vested in the President by section 5 of the Panama Canal Act of August 24, 1912 (37 Stat. 560) until the authority was transferred to the Panama Canal Company subject to final approval by the President, by the Act of September 26, 1950 (64 Stat. 1042). Under the basic authority of the Panama Canal Act, subsequently codified in sections 411 and 412 of the Canal Zone Code (1934 ed.), the President prescribed the rates of tolls and measurement rules by Proclamation or Executive Order. [Proc. 1225 of Nov. 13, 1912; Proc. 2247 of Aug. 25, 1937 (tolls); Proc. 1258 of Nov. 21, 1913; Proc. 2248 of Aug. 28, 1937 (measurement rules).] Restoration of the President's authority to prescribe tolls and measurement rules is consistent with the concept of this bill that the United States will operate the canal through a noncorporate agency similar to that used for the purpose before enactment of the 1950 legislation.

Paragraph (b) of section 411 continues in effect the existing measurement rules and rates of tolls until changed in accordance with the provisions of this chapter.

Section 230 of the Executive Branch draft amends 2 CZ Code 411 to continue in the Commission the present authority of the Panama Canal Company to prescribe tolls and measurement rules, but changes the period of notice of changes from six months as now provided in the section to three months. The period of notice for changes in tolls and measurement rules is one of the subjects coverd by section 413 of this bill prescribing procedures for such changes.

Sec. 412. Bases of tolls. Paragraph (a) of this section reenacts without change the language of 2 CZ Code 412(a) which in turn is based on the Act of August 24, 1937 (50 Stat. 750). The effect of this paragraph is to continue the Panama Canal measurement ton of 100 cubic feet of earning capacity as the basis for assessing tolls on vessels susceptible of measurement in that manner, and displacement tonnage as the basis for assessing tolls on war ships and other floating craft not susceptible of measurement in terms of tonnage of earning capacity. The paragraph also continues authority for lower tolls for vessels in ballast in comparison to laden vessels, without prescribing any limitation on such differentiation.

Paragraph (b) of section 412 prescribes the formula for calculating rates of tolls following the format of 2 CZ Code 412(b) in its present form, but add to the elements of cost to be recovered from tolls (1) amortization of the investment of the United States in the canal; (2) payments to Panama under the 1977 Treaty, except the "contingent payment" under paragraph 4(c) of Article XIII; and (3) capital requirements for plant replacement, expansion and improvements. The paragraph continues the requirement of the present section for inclusion of interest as one of the elements of cost to be recovered from tolls. See Reservation No. 6, incorporated in the Senate resolution of ratification of the Panama Canal Treaty.

Paragraph (c) of section 412 continues the provision of the present law authorizing the President to require U.S. Government vessels and state operated training ships to pay tolls. The second sentence of the paragraph provides that if such ships are not required to pay tolls, the amount of the tolls is to be computed and treated as canal revenues for purposes of prescribing rates of tolls and calculatnig the payment to Panama under paragraph 4(a) of Article XIII of the Treaty, and section 250 of the bill. The latter provison is new.

Paragraph (d) is a revision of 2 CZ Code 412(d) to conform the language of the Treaty to the new treaty relationship with Panama by eliminating references to the treaties abrogated by the 1977 Treaty and substituting references to the new treaties.

Paragraph (e) reenacts the provision of 2 CZ Code 412(e) excluding interest during construction from capital investment for interest purposes in the calculation of tolls. This provision was added to the tolls formula by section 12 of the Act of September 26, 1950 (64 Stat. 1042) in recognition of the value of the canal to the United States Government apart from its value to commercial users. See H. Rept. No. 2935, 81st Cong., 2nd Sess, p. 5.

Section 232(a) of the Executive Branch draft substantially revises the tolls formula now provided by 2 CZ Code 412(b). The revised tolls formula eliminates interest as an element of cost to be recovered from tolls, but includes new elements, including (1) "amortization of use rights;" (2) "unrecovered past costs;" (3) capital reserve funds; and (4) funds necessary to establish reserves "for the purpose of matching revenues with expenses during the period projected for a given toll rate to remain in effect."

Sec. 413. Procedures. This section establishes procedures to be followed in effecting changes in measurement rules and tolls. 2 CZ Code 411 now requires six months' notice of proposed changes in rules of measurement or rates of tolls, during which period a "public hearing" is required. The requirement of six months' notice first appeared in section 5 of the Panama Canal Act of August 24, 1912 (37 Stat. 562) authorizing the President to prescribe and change rates of tolls with the proviso that tolls, when prescribed, should not be changed, "unless six months' notice thereof shall have been given by the President by Proclamation." There was no requirement in the 1912 Act for nature of changes in measurement rules and no requirement for a public hearing as a part of the procedure for changing rates of tolls. In 1934, the authority of the President to change rates of tolls after six months' notice and the provisions in reference to the measurement of vessels for tolls purposes were reenacted in sections 411 and 412 of title 2 of the Canal Zone Code. In 1937, the provisions of 2 CZ Code 412 were amended to provide for payment of tolls on the basis of net vessel tonnage determined in accordance with measurement rules prescribed by the President "as may be modified by him from time to time by Proclamation" with the proviso that the basic measurement rules could not be changed "except after public hearing and six months' public notice of such change." (50 Stat. 750) As a result, after the 1937 legislation changes in rates of tolls by the President required six months' notice but not a public hearing, while changes in measurement rules required six months' notice and a public hearing.

In 1946, Congress enacted the Administrative Procedures Act (60 Stat. 238) applicable to government agencies generally for the purpose, among others, of providing for public participation in the rule making process as defined to include the prescription of rates and practices bearing thereon. Section 4 of the 1946 Act setting up the procedures for rule making, now codified in 5 USC 553, expressly excludes matters relating to public property and, the Attorney General has held that this exclusion applies to proceedings to change Panama Canal tolls and measurement rules.

In 1950, when the authority to change rates of tolls and measurement rules was transferred from the President to the Panama Canal Company, subject to approval by the President, the requirement for six months' notice and a public hearing was made applicable to changes in tolls as well as changes in measurement rules. (Act Sept. 26, 1950, Sec. 11, 64 Stat. 1042)

In 1974, the Panama Canal Company adopted administrative rules applicable to the procedures for changing tolls and measurement rules that are based on and consistent with the rule making provisions of the Administrative Procedure Act (35 CFR 70.1–70.5) and the requirements of 2 CZ Code 411 for six months' notice and a public hearing.

Sec. 413 of this bill adopts procedures for changing tolls and measurement rules that are generally consistent with applicable provisions of the Administrative Procedures Act (as codified in title 5 of the U.S. Code). Paragraph (a) of section 413 provides for initiation of the proceeding to change rates of tolls or measurement rules by notice of the proposed changes published by the Panama Canal Commission in the Federal Register. The Commission is required simultaneously to make available the financial data justifying the proposed changes, to give interested parties an opportunity to prevent written data, views or arguments, and to hold a public hearing not less than 30 days after publication of the notice.

Paragraph (b) of section 413, permits the Commission to revise the proposed measurement rules or rates of tolls after consideration of relevant matter presented after the initiation of the proceeding, but if rates of tolls higher than those originally proposed are deemed necessary, a new analysis of the proposed rates is required and, in effect, the proceedings must be recommended with a new notice in the Federal Register giving interested parties the opportunity to participate further in the proceedings and a new hearing is required not less than 30 days after the date of publication of the new notice.

Under paragraph (c), when, after consideration of relevant matter presented, the Commission finds that the proposed measurement rules or rates of tolls meet the requirements of the applicable statutes, the Commission is required to publish in the Federal Register a notice of the proposed changes to be recommended to the President.

Paragraph (d) provides that after the notice required by paragraph (c), the record of the proceeding and recommendation of the Commission be forwarded to the President who may approve, disapprove or modify the proposed measurement rules or rates of tolls recommended by the Commission.

Under paragraph (e) the changes in the measurement rules or rates of tolls take effect on the date prescribed by the President, not less than 30 days after publication of notice in the Federal Register.

Paragraph (f) of section 413 provides for judicial review of changes in measurement rules or rates of tolls in accordance with the provisions of the Administrative Procedures Act codified in chapter 7 of title 5 of the U.S. Code.

Section 230 of the Executive Branch draft amends 2 CZ Code 411 to reduce the period of notice for changes in measurement rules or rates of tolls from six months to three months without provision for other procedural changes.

Sec. 414. Interim toll adjustment. This section would authorize the Panama Canal Company to initiate changes in rates of tolls calculated to cover the cost of maintaining and operating the canal through the first fiscal year following the effective date of the Act. Under paragraph (d) the tolls formula and procedures that would be applicable after the Treaty goes into effect would apply to the interim proceeding. Under paragraph (b) of the section, if the proceedings under the section are not completed before the effective date of the Treaty, the proposal and all proceedings thereon will be treated as the proposal of the Commission.

Under paragraph (c), the section becomes effective immediately upon enactment.

Section 231 of the Executive Branch draft authorizes the Panama Canal Company to change the rates of tolls in order to insure that such rates are adequate to meet the requirements of 2 CZ Code 412 (as provided in that draft) on the effective date of the Treaty. The only procedure requirements laid down by section 231 of the Executive Branch draft are provisions for three months' notice "if and to the extent time permits" during which period a public hearing shall be conducted.

Part 2—Regulation

Under Article III of the 1903 Treaty between the United States and Panama, the United States was granted all the rights, power and authority within the Canal Zone that the United States would possess "if it were the sovereign of the territory." In the exercise of that authority, the Congress enacted the Panama Canal Act of August 24, 1912, authorizing the President to govern the Canal Zone (Sec. 4) and prescribe regulations governing the operation of the canal and the passage and control of vessels through the canal (Sec. 5). This regulatory authority, as supplemented by subsequent enactments usually authorizing regulations on specific subjects, was incorporated in various sections of the Canal Zone Code (1934 ed.). In 1950, when responsibility for operation of the canal was transferred by Congress to the Panama Canal Company, that agency assumed the authority theretofore vested in the President to prescribe regulations governing the operation of the canal (Act Sept. 26, 1950, 64 Stat. 1038, 1049).

In the revision of the Canal Zone Code in 1962, provisions specifically authorizing regulations on various subjects, including those associated with the Government of the Canal Zone, were generally consolidated in part 2 of title 2, although provisions conferring regulatory authority are found in numerous other provisions of the title.

The 1977 Panama Canal Treaty abrogates the 1903 Treaty (Act I), but grants to the United States "the rights necessary to regulate the transit of ships through the canal" (Art. I, par. 2), to "make and enforce all rules pertaining to the passage of vessels through the canal and other rules and regulations with respect to navigation and maritime matters" [Art. III, par. 2(c)]; "regulate relation swith employees of the United States Government" [Art. III, par. 2(e)]; and "issue and enforce regulations for the effective exercise of the rights and responsibilities of the United States of America under this Treaty and related Agreements" [Art. III, par. 2(g)].

On the other hand, under par. 1 of Article IX of the Treaty, the law of Panama applies in the areas made available for use by the United States under the Treaty, although par. 8 of Article IX provides that "The Republic of Panama shall not issue, adopt or enforce any law, decree, regulation or international agreement or take any other action which purports to regulate or would otherwies interfere with the exercise on the part of the United States of America of any right granted under this Treaty or related agreements." Article XI of the Treaty provides that the Republic of Panama shall reassume plenary jurisdiction over the Canal Zone, although in certain areas and for certain purposes the criminal and civil laws of the United States will apply concurrently with those of Panama for a transition period of 30 months.

Paragraph 7 of Article XI provides that "The laws, regulations and administrative authority of the United States of America applicable in the former Canal Zone immediately prior to the entry into force of this Treaty, shall, to the extent not inconsistent with this Treaty and related agreements, continue in force for the purpose of exercise by the United States of America of law enforcement and judicial jurisdiction only during the transition period. The United States of America may amend, repeal, or otherwise change such laws, regulations and administrative authority. . ."

This bill, following the organization of title 2 of the Canal Zone Code incorporates in part 2 regulatory provisions not covered in the other provisions of title 2. Authority to regulate based on the right to exercise the powers of sovereignty over the territory incorporated in the Canal Zone under the 1903 Treaty has been eliminated. Part 2 in this bill consists of two chapters, headed respectively "General Regulations" and "Shipping and Navigation."

Chapter 11. General Regulations

Section 701. Authority of President. This section authorizes the President to issue regulations applicable within the areas and installations made available to the United States for operation and protection of the canal on the following subjects that are considered to have a reasonable relation to the exercise of the rights granted to the United States by the Treaty:

1. Use of aircraft. Although the present provisions of 2 CZ Code 701, authorizing the President to issue regulations governing aircraft and aeronautical activities in the Canal Zone are based on a Congressional declaration of sovereign rights in the air space over

the Canal Zone no longer applicable under the 1977 Treaty, certain aspects of the use of aircraft in the Canal Zone are obviously directly related to the operation and protection of the canal and hence within the regulatory authority of the United States under the Treaty.

2. Possession and use of alcoholic beverages. The possession and use of alcoholic beverages in the areas used for operation and protection of the canal by persons either engaged in such operations or permitted to be within such areas are matters directly affecting the operation and protection of the canal and, as such, subject to the regulatory authority of the United States. Authority for issuance of regulations in this subject is now incorporated in 2 CZ Code 731, 732.

3. Exclusion and removal of persons. The efficient operation of the canal and the protection of the canal make necessary the regulation of entry into such areas and the right to remain therein. 2 CZ Code 841–843 authorizes the President to issue regulations on the entry of persons into the Canal Zone and deportation from the Canal Zone, based generally on the powers of the United States under Article III of the 1903 Treaty, but this section provides a narrower authority consistent with the provisions of the 1977 Treaty.

4. Health and sanitation. The issuance of regulations covering health of employees and sanitation of the areas made available for operation and protection of the canal is directly related to the successful accomplishment of those activities and hence within the regulatory authority sanctioned by the Treaty. Authority under present law is provided in 2 CZ Code 911.

Sec. 702. Authority of Commission. This section authorizes the Panama Canal Commission to prescribe regulations applicable within the areas and installations made available to the United States for operation and protection of the canal. The regulations authorized by the section relate directly to the exercise of the rights and responsibilities of the United States under the 1977 Treaty covering the following subjects (the Canal Zone Code reference for existing authority is shown in parenthesis following each entry):

1. the keeping and impounding of domestic animals (2 CZ Code 811).
2. fire prevention (2 CZ Code 931).
3. sale or use of fireworks (2 CZ Code 951).
4. use of roads and highways (2 CZ Code 1001).
5. photographing of areas, objects, installations or structures (2 CZ Code 1051).
6. swimming in the Panama Canal and adjacent waters (2 CZ Code 1411).
7. protection of wildlife, hunting and fishing (2 CZ Code 1471–1474; 1491).

Chapter 13—Shipping and Navigation

Subchapter 1—Operation of canal

Sec. 1331. Operating regulations. This section is based on section 5 of the Panama Canal Act of August 24, 1912 (37 Stat. 562) as amended and incorporated in section 9 of title 2 of the Canal Zone Code (1934 ed.), with changes in terminology required by the 1977 Treaty. As indicated above, the 1977 Treaty expressly authorizes the United States to issue and enforce regulations on these subjects [Art I, par. 2; Art III, par. 2 (c) and (d)]. The section is substantially the equivalent of the present provisions of 2 CZ Code 1331, with the addition of the operation of the canal as one of the subject matters of regulations authorized by the section. This restores to the President the regulatory authority transferred to the Panama Canal Company by the Act of September 26, 1950 (64 Stat. 1042) See 2 CZ Code 66 (a) (1).

Section 211 of the Executive Branch draft would amend 2 CZ Code 1331 by transferring the regulatory authority provided by the section from the President to the Panama Canal Commission. Regulations governing operation of the canal are not included, presumably on the assumption that such authority would continue under 2 CZ Code 66(a) (1).

Subchapter II—Inspection of vessels

Sec. 1351. Vessels subject to inspection. This section, based on 2 CZ Code 1351, provides for inspection of vessels navigating the waters of the canal, with the exception of vessels that are merely transiting the canal and public vessels. The regulations presently in effect are published at 35 CFR, Part 121. Sec. 1351 is not amended by the Executive Branch draft, except insofar as the terminology may be affected by sec. 2(c) of that draft.

Sec. 1352. Foreign vessels. This section, based on 2 CZ Code 1352, provides for reciprocal recognition of certificates of inspection of foreign vessels having inspection laws approximating those of the United States. Sec. 1352 is not amended by the Executive Branch draft except insofar as the terminology may be amended by sec. 2(c) of that draft.

Sec. 1353. Regulations governing inspection. The Panama Canal Commission shall prescribe, and from time to time may amend, regulations concerning the inspection of vessels conforming as nearly as practicable to the laws and regulations governing marine inspection by the United States Coast Guard.

TITLE II. TRANSITION PERIOD

Article XI of the Treaty provides for immediate resumption of "plenary jurisdiction" over the Canal Zone by Panama on the effective date of the Treaty, but that for a "transition period" of 30 months after that date the laws of the United States apply concurrently with the laws of Panama in certain of the areas and installations made available by the Treaty for use by the United States. The extent of the application of U.S. law, the jurisdiction of U.S. courts now established in the Canal Zone, and the police power of the United States in the affected areas and installations are defined and limited by the Article. Title 4 is included in the bill to provide the legislative basis for the exercise by the United States of the rights conferred by Article XI.

Chapter 1—Laws Continued in Force

Sec. 1501. Laws, regulations and administrative authority. This section is a paraphrase of the first sentence of paragraph 7 of Article XI of the treaty. It is more limited than the similar language of section 3 of the bill, in that it refers to laws continued in force "*for the purpose of the exercise by the United States of law enforcement and judicial jurisdiction*" during the transition period (emphasis supplied), whereas the operation of section 3 is not so limited. On the other hand, the laws continued in force by section 3 are those now applicable "by virtue of the territorial jurisdiction of the United States in the Canal Zone" whereas section 1502 continues, for the transition period, all laws, regulations and administrative authority applicable in the Canal Zone prior to the entry into force of the Treaty, to the extent such laws, regulations and administrative authority are consistent with the Treaty and the other provisions of this Act.

Section 401 of the Executive Branch draft corresponds to section 3 of this bill which, as noted, departs somewhat from the language and purposes of paragraph 7 of Article XI of the Treaty.

Chapter 2—Courts

Sec. 1511. Jurisdiction. This section continues the jurisdiction of the district court and magistrates' courts established by title 3 of the Canal Zone Code, subject to the limitations provided in Article XI of the Treaty, with changes in terminology to conform to the Treaty provisions.

This section is based on paragraphs (b) and (c) of section 402 of the Executive Branch, with some changes in phraseology in paragraph (b). Paragraph (a) of section 402 of the Executive Branch draft is omitted as unnecessary.

Section 1512. Divisions and Terms of District Court. This section, based on section 403 of the Executive Branch draft, authorizes the district court for the district of the Canal Zone to conduct its business at such places within areas made available to the United States by the Treaty, and at such times as the district judge may designate. 2 CZ Code 2, establishing two divisions of the district court, and 2 CZ Code 3, requiring that terms of the court be held in each division, are repealed by section 1611 of the bill.

Section 1513. Terms of Certain Offices. This section limits the terms of a U.S. District Judge, magistrate, U.S. attorney or marshal appointed after the date of the Act to a period ending 30 months after the Treaty enters into force, corresponding to the length of the transition period. Extensions necessary for the disposition of pending cases under paragraph 7 of Article XI of the Treaty are authorized.

The section is based on section 404 of the Executive Branch draft.

Section 1514. Residence Requirements. This section, based on section 405 of the draft bill submitted by the Executive Branch, repeals sections of title 3 of the Canal Zone Code requiring the District Judge (Sec. 5(d)), the clerk of the U.S. District Court (Sec. 7(d), the United States Attorney (Sec. 41(d)), marshal (Sec. 45(d)), to reside in the Canal Zone.

Sec. 1515. Special district judge. This section, based on section 406 of the Executive Branch draft, amends section 6 of title 3 of the Canal Zone Code, which now authorizes the President to appoint a special district judge to act during the absence of the district judge from the Canal Zone or during periods of disability or disqualification of the judge. This section of the bill transfers the appointing authority from the President to the Chief Judge of the judicial circuit of which the district court is a part and authorizes such an appointment when there is a vacancy in the office, an occasion not now covered by 2 CZ Code 6.

Sec. 1516. Magistrate's court. This section, based on section 407 of the Executive Branch draft, limits the operation of the magistrates' courts to the duration of the transition period. Paragraph (b) of the section authorizes the President to abolish one or both of the magistrates's courts during the transition period, and paragraph (c) provides for transfer to the district court of the functions of a magistrates' court abolished under the section.

Chapter 3—Attorneys

Sec. 1521. Oath of attorneys. 2 CZ Code 543 now prescribes the text of the oath to be taken by applicants on admission to the Canal Zone Bar. The prescribed oath now commences with a recital that the applicant recognizes and accepts the "supreme authority of the United States of America in the Canal Zone." Section 1510 of the bill, based on section 408 of the Executive Branch draft, amends this section of the Code to eliminate the text set out in the section, and authorizes the district judge to prescribe an appropriate oath.

Chapter 4—Transition Authority

Sec. 1531. Transition authority of the President. This section, except as expressly otherwise provided, vests in the President any authority necessary to the exercise during the transition period of the rights and responsibilities of the United States specified in Article XI of the Treaty.

Section 409 of the Executive Branch draft vests such authority in the Commission with an additional qualification in effect authorizing the President to provide otherwise by Executive Order.

TITLE III. GENERAL PROVISIONS

Chapter 1—Cemeteries

This chapter provides legislative authority for the disinterment and reinterment of the remains of U.S. citizens now interred in the Canal Zone contemplated by Reservation 3 (B) in the Resolution of Ratification of the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal, adopted on March 17, 1978 (Cong. Rec., March 16, 1978, p. S3857). Item (a), XII of paragraph 4 of the Annex to the Panama Canal Treaty, referred to in paragraph 4 of Article III of the Treaty, includes among the activities and operations not to be carried out by the Panama Canal Commission upon the date of entry into force of the Treaty: "(XII) Health and medical services provided to individuals, including hospitals, leprosariums, veterinary, mortuary and cemetery services."

The two cemeteries now located in the Canal Zone are not included in the areas made available by the Treaty for use by the United States.

Sec. 1601. Administration of Corozal Cemetery. Paragraph (a) of this section authorizes the President to enter into an agreement with the Republic of Panama for administration of that part of Corozal Cemetery as encompasses the remains of citizens of the United States. The authorization of the agreement and terms to be included therein conform to the provisions of paragraph 1 of the Reservation referred to above.

Paragraph (b) of the section authorizes the President to transfer to the American Battle Monuments Commission the administration of that part of Corozal Cemetery covered by the agreement referred to in paragraph (a).

Sec. 1602. Disinterment and reinterment of remains of United States citizens. This section, in accordance with paragraph 3(B) of the reservation referred to, authorizes (1) disinterment of remains of citizens of the United States from Mt. Hope Cemetery and reinterment of such remains in Corozal Cemetery, and (2) removal of remains of U.S. citizens from Corozal Cemetery to the United States for reinterment.

Sec. 1603. Costs. This section authorizes the President to provide for payment of the costs incurred pursuant to this chapter out of any appropriations available to any agency of the United States designated by the President. Such costs are excluded from the calculation of tolls under section 412 of title 1 of the bill.

The subject matter of this section is treated in section 502 of the Executive Branch draft.

Chapter 2—Immigration

Sec. 1611. Special immigrants. This section, based on section 410 of the Executive Branch draft, would amend sections 101(a) (27) and 212(d) of the Immigration and Nationality Act [8 USC 1101(a)(27) and 1182 (d)] to permit immigration as "special immigrants" by (1) employees of the Panama Canal Company or Canal Zone Government who are residents of the Canal Zone on the effective date of the Treaty and have performed at least one year's service, and his accompanying spouse or children; or (2) Panamanian nationals (regardless of residence) who have been retired from U.S. Government service in the Canal Zone with not less than 15 years' service. Paragraph (b) of section 1606, amending 8 USC 1182(d) waives the provisions of paragraphs (7) and (15) of subsection (a) of that section for aliens seeking to enter the United States as special immigrants under the terms of this section.

The sectional analysis accompanying the Executive Branch bill explained the purpose of this section as follows:

"This proposal arises from a desire to provide retired employees and employees presently living under U.S. jurisdiction in the Canal Zone with an opportunity to immigrate to the United States if they so choose. Many of these persons have been historically affiliated with the United States presence and have not become fully assimilated into Panamanian society. The bulk of those eligible for immigration will be persons retired from their employment with the United States Government."

Chapter 3—Amendments, Repeals, Effective Date

Sec. 1621. Conforming amendments. This section provides for amendments of certain general laws of the United States now applicable in the Canal Zone in such manner as either to make the amended provision inapplicable or conform the terminology of the provision to that of the 1977 Treaty or other provisions of the bill. Such amendments are not exclusively confined to this section. Section 3(c) contains a generalized provision for changes in terminology that are, as a general rule, appropriate throughout the body of laws now applicable in the Canal Zone and where special provision is desirable and the significance and effect of such amendments can be shown more clearly as part of or along with substantive provisions in other sections of the bill, this has been done.

Sec. 1622. Repeals. This section consolidates provisions for outright repeal of certain statutes or parts of statutes now applicable in the Canal Zone. As in the case of the conforming amendments collected in section 1621, all repeals are not exclusively confined to this section, but where the inclusion of a repealing provision with a substantive provision serves to clarify the total effect of a substantive provision, the two have been combined in other sections of the bill.

Paragraph (a) of section 1622 repeals title 2 of the present Canal Zone Code in its entirety. The provisions of title 1, other than those of section 31 incorporated in section 1503 of this bill, are either inappropriate or unnecessary in the limited circumstances resulting from the jurisdictional changes effected by the 1977 Treaties.

Provisions of title 2 that continue to be relevant under the Treaty and other provisions of the bill are incorporated into the bill so that the full text of the applicable law will appear fully from the provisions of the bill without the necessity for comparing and reconciling the provisions of this legislation with other provisions of title 2 left in effect but not mentioned or merely cited in the legislation.

Paragraph (a) of section 1622 also repeals sections 2 and 3 of title 3 and sections 5081–92 of title 6 of the Canal Zone Code. 3 CZ Code 2 and 3 establish the Balboa and Cristobal Divisions of the U.S. District Court for the District of the Canal Zone and require terms of the court to be held in each division. The subject matter of these sections is covered by section 1512 of the bill. 6 CZ Code 5081–92 provide for extradition between the Canal Zone and Panama. This extradition becomes inappropriate and unnecessary in view of the provisions of the 1977 Treaty abrogating the treaties establishing the Canal Zone and restoring to Panama complete jurisdiction over the area now included in the Canal Zone.

Paragraph (b) of section 1622, based on section 103 of the Executive Branch draft, repeals parts of two general laws now applicable in the Canal Zone as follows:

Subsection (d) of section 38 of the Arms Control Act (Act June 30, 1976 (90 Stat. 744, as amended; 22 USC 2778) which extends licensing provisions of that Act to arms exports from the Canal Zone;

Section 2 of the Act of November 14, 1941 (55 Stat. 763; 50 USC 191b) which refers to and protects from impairment the authority of the Governor of the Canal Zone to regulate the anchorage and movement of vessels under 50 USC 121, as amended by section 1621 to eliminate such authority.

Sec. 1623. Effective date. This section establishes the effective date of the Act to coincide with the effective date of the Treaty, except for sections 202, 203, 414, 1511, 1604 and 1611, which become effective on the date of enactment. Sections 202 and 203 provide benefits for employees whose employment is affected by the Treaty; section 414 authorizes the commencement of proceedings to increase tolls under the formula that will apply after the Treaty goes into effect; section 1511 limits the terms of newly appointed officers of the Canal Zone courts to the duration of the transition period of 30 months following the entry into force of the Treaty; section 1604 provides for the disinterment and reinterment of the remains of U.S. citizens now interred in Canal Zone cemeteries; and section 1611 provides for facilitation of immigration of certain employees in the Canal Zone.●

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. Lehman (at the request of Mr. Wright), after 3 p.m. today, on account of illness in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Michel) to revise and extend their remarks and include extraneous material.)

Mr. Goldwater, for 5 minutes, today.

Mr. Kemp, for 10 minutes, today.

Mr. Symms, for 5 minutes, today.

Mr. McClory, for 10 minutes, today.

Mr. Brown of Ohio, for 60 minutes, today.

Mr. Archer, for 10 minutes, today.

Mr. Derwinski, for 10 minutes, today.

(The following Members (at the request of Mr. Hance) to revise and extend their remarks and include extraneous material:)

Mr. Gonzalez, for 5 minutes, today.

Mr. Annunzio, for 5 minutes, today.

Mr. Mitchell of Maryland, for 60 minutes, today.

Ms. Holtzman, for 5 minutes, today.

Mr. Dingell, for 5 minutes, today.

Mr. Flood, for 5 minutes, today.

Mr. Brooks, for 5 minutes, today.

Mr. Udall, for 10 minutes, today.

Mr. Clay, for 5 minutes, today.

Mr. Reuss, for 20 minutes, today.

Mr. Ottinger, for 5 minutes, today.

Mr. Fisher, for 5 minutes, today.

Mr. Howard, for 5 minutes, today.

Mr. Roberts, for 5 minutes, today.

Mr. Pease, for 5 minutes, today.

Mr. Hightower, for 5 minutes, today.

Mr. Phillip Burton, for 10 minutes, today.

Mr. Charles H. Wilson of California, for 5 minutes, today.

Mr. Mikva, for 5 minutes, today.

Mr. Ford of Tennessee, for 5 minutes, today.

Mr. Conyers, for 60 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks was granted to:

Mr. MURPHY of New York, and to include extraneous matter, notwithstanding the fact that it exceeds two pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost $8,781.15.

Mr. CORMAN, to extend his remarks in the body of the RECORD, notwithstanding the fact that it exceeds two pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost $3,088.

Mr. CORMAN, to extend his remarks in the body of the RECORD, notwithstanding the fact that it exceeds two pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost $4,246.

(The following Members (at the request of Mr. MICHEL) and to include extraneous matter.)

Mr. JEFFORDS.
Mr. KEMP in four instances.
Mr. LENT in three instances.
Mr. SEBELIUS.
Mr. WYDLER in three instances.
Mr. WHITEHURST.
Mr. CARTER in two instances.
Mr. CONTE.
Mr. GRADISON in two instances.
Mr. MCEWEN.
Mr. MCCLORY in three instances.
Mrs. SMITH of Nebraska in two instances.
Mr. SYMMS.
Mr. COLLINS of Texas in three instances.
Mr. RINALDO in two instances.
Mr. WAMPLER in two instances.
Mr. GRASSLEY in two instances.
Mr. DERWINSKI in four instances.
Mr. MICHEL in three instances.
Mr. DORNAN.
Mr. ANDERSON of Illinois in two instances.
Mr. GINGRICH.
Mr. FORSYTHE.
Mr. BOB WILSON in three instances.
Mr. TREEN.
Mr. RUDD.
Mr. MOORHEAD of California.

(The following Members (at the request of Mr. HANCE) and to include extraneous matter:)

Mr. ST GERMAIN.
Mr. ASPIN in 15 instances.
Mrs. BYRON in 10 instances.
Mr. HOLLAND in five instances.
Mr. ROSENTHAL in 10 instances.
Mrs. BOUQUARD in five instances.
Mr. ANNUNZIO in six instances.
Mr. ANDERSON of California in three instances.
Mr. GONZALEZ in three instances.
Mr. BROWN of California in 10 instances.
Mr. HAMILTON in 10 instances.
Mr. BARNES.
Mr. CORMAN in two instances.
Ms. HOLTZMAN in 10 instances.
Mr. FLORIO.
Mr. LEVITAS in seven instances.
Mr. CLAY in 15 instances.
Mr. HARRIS in two instances.
Mr. DINGELL in five instances.
Mr. ROBERTS.
Mr. MCCORMACK.
Mr. WEISS in 10 instances.
Mr. MCDONALD in 10 instances.
Mr. STUMP.
Mr. BROOKS.
Mr. BRODHEAD in two instances.
Mr. VENTO.
Mr. ADDABBO.
Mr. COTTER in three instances.
Mr. VOLKMER in two instances.
Mr. FOUNTAIN.
Mr. OTTINGER in two instances.
Mr. GUDGER.
Mr. ZEFERETTI.
Mr. EDWARDS of California.
Mr. WOLFF.
Mr. BIAGGI in three instances.
Mr. PICKLE in five instances.
Mr. CHARLES H. WILSON of California.
Mr. BLANCHARD.
Mr. RANGEL in 10 instances.
Mr. PEPPER in two instances.
Mr. VANIK.
Mr. BRADEMAS in five instances.
Mr. MAZZOLI.
Mr. ROSE.
Mr. FLIPPO.
Mr. PEYSER.
Mr. CONYERS.

ADJOURNMENT

Mr. HANCE. Mr. Speaker, as a further mark of respect to the deceased, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 23 minutes p.m.), the House adjourned until Thursday, January 18, 1979, at 11 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

[*Submitted January 15, 1979*]

1. A communication from the President of the United States, transmitting a report on efforts to resolve the Cyprus dispute, pursuant to section 620(x)(2) of the Foreign Assistance Act of 1961, as amended (89 Stat. 509) H. Doc. No. 96–5); to the Committee on International Relations and ordered to be printed.

2. A letter from the Secretary of Agriculture, transmitting a summary of the Department's weather-water allocation study, pursuant to section 1460 of Public Law 95–113; to the Committee on Agriculture.

3. A letter from the Secretary of Agriculture, transmitting a report on improving soils with organic wastes, pursuant to section 1461 of Public Law 95–113; to the Committee on Agriculture.

4. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting a cumulative report on rescissions and deferrals of budget authority as of November 1, 1978, pursuant to section 1014(e) of Public Law 93–344 (H. Doc. 96–6); to the Committee on Appropriations and ordered to be printed.

5. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting a cumulative report on rescissions and deferrals of budget authority as of December 1, 1978, pursuant to section 1014(e) of Public Law 93–344 (H. Doc. No. 96–7); to the Committee on Appropriations and ordered to be printed.

6. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting a cumulative report on rescissions and deferrals of budget authority as of January 1, 1979, pursuant to section 1014(e) of Public Law 93–344 (H. Doc. No. 96–8); to the Committee on Appropriations and ordered to be printed.

7. A letter from the Deputy Director, Office of Management and Budget, transmitting a report that the appropriation to the Veterans' Administration for "Readjustment benefits," for fiscal year 1979 has been reapportioned on a basis which indicates the necessity for a supplemental estimate of appropriations, pursuant to section 3679(e)(2) of the Revised Statutes, as amended; to the Committee on Appropriations.

8. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting a report that the appropriation to the Canal Zone Government for "Operating Expenses" for fiscal year 1979, has been reapportioned on a basis which indicates the necessity for a supplemental estimate of appropriation and that the Panama Canal Company Fund has been reapportioned on a basis which indicates a necessity for an increase in the statutory "Limitation on General and Administrative Expenses," pursuant to section 3679 (e)(2) of the Revised Statutes, as amended; to the Committee on Appropriations.

9. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting a report that the appropriation for compensation and pensions and general operating expenses for the Veterans' Administration has been reapportioned on a basis which indicates the necessity for a supplemental estimate of appropriation, pursuant to section 3679(e)(2) of the Revised Statutes, as amended; to the Committee on Appropriations.

10. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting a report that the appropriation to the Department of Justice for "Fees and expenses of witnesses," for fiscal year 1979, has been reapportioned on a basis which indicates the necessity for a supplemental estimate of appropriation, pursuant to section 3679(e)(2) of the Revised Statutes, as amended; to the Committee on Appropriations.

11. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting a report that the appropriation for salaries and expenses to the U.S. Customs Service, Department of the Treasury has been reapportioned on a basis which indicates the necessity for a supplemental estimate of appropriation, pursuant to section 3679(e) (2) of the Revised Statutes, as amended; to the Committee on Appropriations.

12. A letter from the Secretary of the Interior, transmitting a report of a violation of the Anti-Deficiency Act, pursuant to section 3679(i)(2) of the Revised Statutes, as amended; to the Committee on Appropriations.

13. A letter from the Deputy Secretary of Defense, transmitting notice of authorization of deficiencies to be incurred during the last quarter of fiscal year 1978 in the appropriations for "Operations and maintenance" for the Army and Marine Corps, pursuant to section 3732(b) of the Revised Statutes, as amended (80 Stat. 993); to the Committee on Appropriations.

14. A letter from the Assistant Secretary of the Interior, transmitting certification that an adequate soil survey and land classification has been made of additional lands in Westside Water District Improvement District No. 1, California, and that the lands to be irrigated are susceptible to the production of agricultural crops by means of irrigation, pursuant to Public Law 83–172; to the Committee on Appropriations.

15. A letter from the Assistant Secretary of Defense, transmitting notice of the proposed obligation of certain funds available in the Army Stock Fund for war reserve stocks, pursuant to section 834 of Public Law 95–457; to the Committee on Appropriations.

16. A letter from the Deputy Assistant Secretary of Defense (Administration), transmitting a report covering the third quarter of fiscal year 1978 on receipts and disbursements pertaining to the disposal of surplus military supplies, equipment, and material, and for expenses involving the production of lumber and timber products, pursuant to section 812 of Public Law 95–111; to the Committee on Appropriations.

17. A letter from the Assistant Secretary of Defense (Comptroller), transmitting notice of transfers of funds appropriated for health care purposes, pursuant to section 854 of Public Law 95–111; to the Committee on Appropriations.

18. A letter from the Assistant Secretary of Defense (Comptroller), transmitting a report on the value of property, supplies and commodities provided by the Berlin Magistrate, and under the German Offset Agreement for the quarter ended September 30, 1978, pursuant to section 819 of Public Law 95–111; to the Committee on Appropriations.

19. A letter from the Assistant Secretary of Defense (Comptroller), transmitting a report that no use was made of funds appropriated in the Defense Appropriation Act, 1978, and the Military Construction Appropriation Act, 1978, during the period April 1, 1978–September 30, 1978, to make payments under contracts in foreign countries except where it was determined that the use of foreign currencies was not feasible, pursuant to sections 834 and 109 of the respective acts; to the Committee on Appropriations.

20. A letter from the Comptroller General of the United States, transmitting his review of the rescission of budget authority contained in the message from the President dated September 28, 1978 (House Document No. 95–388), pursuant to section 1014(b) of Public Law 93–344 (H. Doc. 96–9); to the Committee on Appropriations and ordered to be printed.

21. A letter from the Comptroller General of the United States, transmitting his review of the deferrals of budget authority contained in the message from the President dated October 2, 1978 (House Document No. 95–392), pursuant to section 1014(b) of Public Law 93–344 (H. Doc. 96–10); to the Committee on Appropriations and ordered to be printed.

22. A letter from the Deputy Comptroller General of the United States, transmitting his review of the proposed rescission, deferrals, and revisions of previous proposed deferrals of budget authority contained in the message from the President received this date (dated November , 1978, House Document No. 96–), pursuant to section 1014 (b) and (c) of Public Law 93–344 (H. Doc. 96–11); to the Committee on Appropriations and ordered to be printed.

23. A letter from the Comptroller General of the United States, transmitting his review of the deferrals and revised deferrals of budget authority contained in the message from the President dated December 7, 1978 (House Document No. 96–3), pursuant to section 1014 of Public Law 93–344 (H. Doc. 96–13); to the Committee on Appropriations and ordered to be printed.

24. A letter from the General Counsel, U.S. General Accounting Office, transmitting a report on proposed rescission funds made available for obligation and allotted to the Unemployment Trust Fund and other funds (recission proposal R78–7); to the Committee on Appropriations.

25. A letter from the Director of ACTION, transmitting a report of a violation of the Anti-Deficiency Act, pursuant to section 3679 (i)(2) of the Revised Statutes, as amended; to the Committee on Appropriations.

26. A letter from the Architect of the Capitol, transmitting a report on his expenditures during the period April 1 through September 30, 1978, pursuant to section 105(b) of Public Law 88–454; to the Committee on Appropriations.

27. A letter from the Secretary of Defense, transmitting the initial allocation of civilian personnel among the military departments and defense agencies for fiscal year 1979, pursuant to section 501(b) of Public Law 95–485; to the Committee on Armed Services.

28. A letter from the Secretary of Health, Education, and Welfare, transmitting the annual report on the operation of the special pay program for medical officers of the commissioned corps of the Public Health Service, pursuant to 37 U.S.C. 313; to the Committee on Armed Services.

29. A letter from the Secretary of Transportation, transmitting a report on negotiated contracts for experimental, developmental, test or research work, or for industrial mobilization in the interest of the national defense, covering the period April 1, 1978 to September 30, 1978, pursuant to 10 U.S.C. 2304(e); to the Committee on Armed Services.

30. A letter from the Deputy Secretary of Defense, transmitting notice of approval of annual compensation rates in excess of $45,000 for officials of the Institute for Defense Analyses, pursuant to section 407(b) of Public Law 91–121; to the Committee on Armed Services.

31. A letter from the Principal Deputy Assistant Secretary of Defense (Manpower, Reserve Affairs and Logistics), transmitting the fourth report on the Selected Reserve reenlistment bonus test program, pursuant to 37 U.S.C. 308b(e); to the Committee on Armed Services.

32. A letter from the Principal Deputy Assistant Secretary of Defense (Manpower, Reserve Affairs, and Logistics), transmitting a statistical status report on the fiscal year 1978 Selected Reserve Reenlistment Bonus Test Program in the Army National Guard and the Army Reserve, and an initial report on the fiscal year 1979 Incentive Program for the Selected Reserve, pursuant to 10 U.S.C. 2134, 37 U.S.C. 308b(e), and 37 U.S.C. 308c(e); to the Committee on Armed Services.

33. A letter from the Assistant Secretary of Defense (Comptroller), transmitting a list of contract award dates for the period November 15, 1978 to February 15, 1979, pursuant to 10 U.S.C. 139; to the Committee on Armed Services.

34. A letter from the Deputy Assistant Secretary of Defense for Military Personnel Policy, transmitting the annual report for fiscal year 1978 on aviation career incentive pay, pursuant to 37 U.S.C. 301a(e); to the Committee on Armed Services.

35. A letter from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting notice of the location, nature, and estimated cost of a construction project proposed to be undertaken by the Air Force Reserve, pursuant to 10 U.S.C. 2233a (1); to the Committee on Armed Services.

36. A letter from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting notice of the location, nature, and estimated cost of a construction project proposed to be undertaken by the Naval and Marine Corps Reserve, pursuant to 10 U.S.C. 2233a(1); to the Committee on Armed Services.

37. A letter from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting notice of the location, nature, and estimated cost of 8 construction projects to be undertaken by the U.S. Air Force Reserve, pursuant to 10 U.S.C. 2233a(1); to the Committee on Armed Services.

38. A letter from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting notice of the location, nature, and estimated cost of 38 construction projects to be undertaken by the Army National Guard, pursuant to 10 U.S.C. 2233a(1); to the Committee on Armed Services.

39. A letter from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting notice of the location, nature, and estimated cost of 24 construction projects proposed to be undertaken by the Air National Guard, pursuant to 10 U.S.C. 2233a(1); to the Committee on Armed Services.

40. A letter from the Assistant Secretary of Defense (Comptroller), transmitting amendments to the list of contract award dates for the period September 15–December 15, 1978, pursuant to 10 U.S.C. 139(b); to the Committee on Armed Services.

41. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the proposed sale by the Department of the Army of certain defense stocks to the Netherlands (transmittal No. 79–1), pursuant to section 813 of Public Law 94–106; to the Committee on Armed Services.

42. A letter from the Acting Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the proposed sale by the Department of the Army of certain defense stocks to the Federal Republic of Germany (transmittal No. 79–2), pursuant to section 813 of Public Law 94–106; to the Committee on Armed Services.

43. A letter from the Acting Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the proposed sale by the Department of the Army of certain defense stocks to the Federal Republic of Germany (transmittal No. 79–3), pursuant to section 813 of Public Law 94–106; to the Committee on Armed Services.

44. A letter from the Director, Defense Civil Preparedness Agency, transmitting a report on property acquisitions of emergency supplies and equipment during the quarter ending September 30, 1978, pursuant to section 201(h) of the Federal Civil Defense Act of 1950, as amended; to the Committee on Armed Services.

45. A letter from the Director, Defense Civil Preparedness Agency, transmitting a report on Federal contributions to States for civil defense equipment and facilities during fiscal year ending September 30, 1978, pursuant to section 201(i) of the Federal Civil Defense Act of 1950, as amended; to the Committee on Armed Services.

46. A letter from the Administrator, General Services Administration, transmitting a copy of a preliminary report prepared by an Advisory Panel on Stockpile Policy regarding methods of sale of stockpile materials; to the Committee on Armed Services.

47. A letter from the Director, Defense Civil Preparedness Agency, transmitting a report on Federal contributions to States for civil defense personnel and administrative expenses for fiscal year 1978, pursuant to section 205(f) of the Federal Civil Defense Act of 1950, as amended (50 U.S.C. App. 2286 (f)); to the Committee on Armed Services.

48. A letter from the Secretary of the Army, transmitting notice of the proposed disposal of certain obsolete toxic chemical munitions at Tooele Army Depot, Utah, pursuant to section 409(b)(4) of Public Law 91–121 (50 U.S.C. 1512); to the Committee on Armed Services.

49. A letter from the Secretary of the Army, transmitting the annual report of the U.S. Soldiers' and Airmen's Home for fiscal year 1977 and the report of the 1978 annual General Inspection of the Home, pursuant to the acts of March 3, 1883, and March 4, 1909 [24 U.S.C. 42, 59]; to the Committee on Armed Services.

50. A letter from the Acting Secretary of the Army, transmitting a report on Army military construction contracts awarded without formal advertisement during fiscal year 1978, pursuant to section 604 of Public Law 95–82; to the Committee on Armed Services.

51. A letter from the Acting Secretary of the Navy, transmitting a draft of proposed legislation to approve the sale of a certain

naval vessel and for other purposes; to the Committee on Armed Services.

52. A letter from the Assistant Secretary of the Army (Research, Development and Acquisition), transmitting the semiannual report for the period April 1–September 30, 1978 on Army research and development procurement actions of $50,000 and over, pursuant to 10 U.S.C. 2357; to the Committee on Armed Services.

53. A letter from the Assistant Deputy Chief of Naval Material (Contracts and Business Management). Headquarters Naval Material Command, Department of the Navy, transmitting the semiannual report for the period October 1, 1977–September 30, 1978 on Navy research and development procurement actions of $50,000 and over, pursuant to 10 U.S.C. 2357; to the Committee on Armed Services.

54. A letter from the Associate Director Legislative Liaison, Department of the Air Force, transmitting a report on Air Force military construction contracts awarded without formal advertisement during fiscal year 1978, pursuant to section 604 of Public Law 95–82; to the Committee on Armed Services.

55. A letter from the Associate Director Legislative Liaison, Department of the Air Force, transmitting a report on the highest amounts of Architect-Engineers contracts awarded by the Air Force during fiscal year 1978, pursuant to section 604 of Public Law 95–82; to the Committee on Armed Services.

56. A letter from the Assistant Secretary of Defense (Comptroller), transmitting the selected acquisition reports and SAR summary tables for the quarter ended September 30, 1978, pursuant to section 811(a) of Public Law 94–106; to the Committee on Armed Services.

57. A letter from the Secretary of Housing and Urban Development, transmitting the annual report on Indian and Alaska Native housing and community development programs, pursuant to section 4(d)(2) of Public Law 89–174, as amended (91 Stat. 1148); to the Committee on Banking, Finance and Urban Affairs.

58. A letter from the Assistant Attorney General, Antitrust Division, transmitting the annual report for calendar year 1978 on administration of the Truth In Lending Act, pursuant to section 114 of the Consumer Credit Protection Act; to the Committee on Banking, Finance and Urban Affairs.

59. A letter from the Assistant Secretary for Congressional Relations, Department of State, transmitting a report on progress in enhancing human rights through U.S. participation in international financial institutions, pursuant to section 701(c), Public Law 95–118; to the Committee on Banking, Finance and Urban Affairs.

60. A letter from the Chairman, Cost Accounting Standards Board, transmitting the progress report of the Board for fiscal year 1978, pursuant to section 719(k) of the Defense Production Act of 1950, as amended; to the Committee on Banking, Finance and Urban Affairs.

61. A letter from the Chairman, Cost Accounting Standards Board, transmitting a proposed new cost accounting standard entitled "Part 416—Accounting for Insurance Costs—a Cost Accounting Standard which establishes criteria for the measurement of insurance costs, the assignment of such costs to cost accounting periods and their allocation to cost objectives," pursuant to section 719(h)(3) of the Defense Production Act of 1950, as amended; to the Committee on Banking, Finance and Urban Affairs.

62. A letter from the president and chairman, Export-Import Bank of the United States, transmitting a report on the export expansion facility program for the quarter ended September 30, 1978, pursuant to Public Law 90–390; to the Committee on Banking, Finance and Urban Affairs.

63. A letter from the president and chairman, Export-Import Bank of the United States, transmitting a report on loan, guarantee and insurance transactions supported by Eximbank during August and September 1978 to Communist countries; to the Committee on Banking, Finance and Urban Affairs.

64. A letter from the Chairman, Board of Governors, Federal Reserve System, transmitting a proposed regulation to implement sections 909 and 911 of the Electronic Fund Transfer Act, pursuant to section 904 of the Consumer Credit Protection Act, as amended (92 Stat. 3730); to the Committee on Banking, Finance and Urban Affairs.

65. A letter from the Chairman, Board of Governors, Federal Reserve System, transmitting the Board's tenth annual report on truth in lending, pursuant to section 114 of the Consumer Credit Protection Act; to the Committee on Banking, Finance and Urban Affairs.

66. A letter from the acting Chairman, the Renegotiation Board, transmitting the 23d annual report of the Board, covering fiscal year 1978, pursuant to section 114 of the Renegotiation Act of 1951, as amended; to the Committee on Banking, Finance and Urban Affairs.

67. A letter from the Mayor of the District of Columbia, transmitting the 1978 Alcoholism State Plan for the District of Columbia, pursuant to Public Law 90–452; to the Committee on the District of Columbia.

68. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting a report on the amount of appropriations that would be needed for fiscal year 1979 in order to provide public service jobs for 20 percent of the number of unemployed in excess of 4 percent, pursuant to section 602 of the Comprehensive Employment and Training Act, as amended (92 Stat. 2006); to the Committee on Education and Labor.

69. A letter from the Secretary of Labor, transmitting the annual report on the administration of the Black Lung Benefits Act of 1972, covering calendar year 1977, pursuant to section 426(b) of the Federal Coal Mine Health and Safety Act of 1969, as amended (86 Stat. 155); to the Committee on Education and Labor.

70. A letter from the Secretary of Health, Education, and Welfare, transmitting the annual report on poverty-related research and demonstration projects, for fiscal year 1977, pursuant to section 232(b) of the Community Services Act of 1974 (81 Stat. 703); to the Committee on Education and Labor.

71. A letter from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting notice of interpretation of title I of the Elementary and Secondary Education Act requirements for the establishment of parent advisory councils and the selection of their members, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

72. A letter from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting proposed final regulations for the program governing children of migratory agricultural workers or migratory fishermen, pursuant to section 431((d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

73. A letter from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting proposed final regulations for the education information centers program, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

74. A letter from the Commissioner of Education, Department of Health, Education, and Welfare, transmitting an interim draft report on the implementation of the Education for All Handicapped Children Act of 1975, pursuant to section 618(d)(1) of Public Law 94–142; to the Committee on Education and Labor.

75. A letter from the Chairperson, Community Education Advisory Council, Department of Health, Education, and Welfare, transmitting a copy of the Council's final report evaluating the community education program, pursuant to section 405(g)(6) of Public Law 93–380; to the Committee on Education and Labor.

76. A letter from the Director, Federal Mediation and Conciliation Service, transmitting the 30th annual report of the Service, covering fiscal year 1977, pursuant to section 202 (c) of the Labor Management Relations Act, 1947; to the Committee on Education and Labor.

77. A letter from the Director, Hoover Institution on War, Revolution, and Peace, transmitting the final report on the expenditure of funds on the construction and equipping of the Herbert Hoover Federal Memorial Building, pursuant to section 4 of Public Law 93–585; to the Committee on Education and Labor.

78. A letter from the Chairman, Board of Trustees, Harry S. Truman Scholarship Foundation, transmitting the Foundation's 1977–78 annual report, pursuant to section 13(b) of Public Law 93–642; to the Committee on Education and Labor.

79. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting a report on the status of action on the recommendations of the Commission on Federal Paperwork during the period from April 1 to July 1, 1978, pursuant to section 3(d) of Public Law 93–556; to the Committee on Government Operations.

80. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting a report on improving the distribution of information on Federal assistance programs, pursuant to section 9 of Public Law 95–220; to the Committee on Government Operations.

81. A letter from the Secretary of the Treasury, transmitting the combined statement of receipts, expenditures and balances of the U.S. Government for fiscal year 1978, pursuant to section 15 of the Act of July 31, 1894, and section 114 of the Act of September 12, 1950; to the Committee on Government Operations.

82. A letter from the Secretary of Agriculture, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

83. A letter from the Secretary of Health, Education, and Welfare, transmitting a report covering fiscal year 1978 on surplus real property disposed of to public health and educational institutions under section 203 (k) of the Federal Property and Administrative Services Act of 1949, as amended, pursuant to section 203(o) of the act; to the Committee on Government Operations.

84. A letter from the Acting Assistant Secretary, Department of the Treasury, transmitting notice of a proposed new system of records, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

85. A letter from the Assistant Attorney General for Administration, transmitting notice of a proposed new records system for the Federal Bureau of Investigation, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

86. A letter from the Assistant Attorney General for Administration, transmitting notice of a proposed change in an existing system of records for the Criminal Division, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

87. A letter from the Assistant Attorney General for Administration, transmitting notice of a proposed change in an

existing system of records for the Drug Enforcement Administration, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

88. A letter from the Assistant Attorney General for Administration, transmitting notice of a proposed change in an existing system of records for the Drug Enforcement Administration, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

89. A letter from the Assistant Attorney General for Administration, transmitting a report on the Department's disposal of foreign excess property during fiscal year 1978, pursuant to section 404(d) of the Federal Property and Administrative Service Act of 1949, as amended; to the Committee on Government Operations.

90. A letter from the Assistant Attorney General (Antitrust Division), transmitting the annual report on identical bidding in advertised public procurement, pursuant to section 7 of Executive Order 10936; to the Committee on Government Operations.

91. A letter frfom the Assistant Secretary of Health, Education, and Welfare for Management and Budget, transmitting notice of two proposed new records systems, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

92. A letter from the Deputy Assistant Secretary of Defense, transmitting notice of a proposed new system of records, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

93. A letter from the Deputy Assistant Secretary of Defense, transmitting notice of a proposed new system of records, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

94. A letter from the Deputy Assistant Secretary of Defense, transmitting notice of a proposed new system of records, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

95. A letter from the Deputy Assistant Secretary of Defense, transmitting notice of a proposed new system of records, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

96. A letter from the Deputy Assistant Secretary of Defense, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

97. A letter from the Deputy Assistant Secretary of Defense, transmitting notice of a proposed new system of records, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

98. A letter from the Deputy Assistant Secretary of the Interior, transmitting notice of a proposed new system of records, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

99. A letter from the Inspector General, Department of Health, Education, and Welfare, transmitting his quarterly report for the period July 1 to September 30, 1978, pursuant to section 204(b) of Public Law 94–505; to the Committee on Government Operations.

100. A letter from the Assistant Secretary for Management and Budget, Department of Health, Education and Welfare, transmitting notice of a proposed new system of records, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

101. A letter from the Assistant Secretary for Management and Budget, Department of Health, Education, and Welfare, transmitting notice of a proposed new system of records, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

102. A letter from the Assistant Secretary for Management and Budget, Department of Health, Education, and Welfare, transmitting notice of a proposed new system of records, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

103. A letter from the Assistant Secretary for Management and Budget, Department of Health, Education, and Welfare, transmitting notice of two proposed new records systems, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

104. A letter from the Assistant Secretary of Housing and Urban Development for Administration, transmitting notice of a proposed new system of records, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

105. A letter from the Assistant Secretary of Housing and Urban Development for Administration, transmitting notice of a proposed new system of records, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

106. A letter from the Assistant Secretary of Transportation for Administration, transmitting notice of a change in an existing records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

107. A letter from the Assistant Administrator for Legislative Affairs, Agency for International Development, Department of State, transmitting a report on the Agency's disposal of foreign excess property during fiscal year 1978, pursuant to section 404(d) of the Federal Property and Administrative Services Act of 1949, as amended; to the Committee on Government Operations.

108. A letter from the Director, Procurement and Contracts Management Directorate, Department of Energy, transmitting, a report on the Department's disposal of foreign excess property during fiscal year 1978, pursuant to section 404(d) of the Federal Property and Administrative Services Act of 1949, as amended; to the Committee on Government Operations.

109. A letter from the Chairman, U.S. Civil Service Commission, transmitting notice of a proposed new records system for the Office of Personnel Management, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

110. A letter from the Chief of the Procurement and Property Management Branch, Administrative Services Division, Community Services Administration, transmitting a report on the agency's disposal of foreign excess property during fiscal year 1978, pursuant to section 404(d) of the Federal Property and Administrative Services Act of 1949, as amended; to the Committee on Government Operations.

111. A letter from the Assistant Director for General Services, Facilities and Support Services Division, U.S. Environmental Protection Agency, transmitting a report on the Agency's disposal of foreign excess property during fiscal year 1978, pursuant to section 404(d) of the Federal Property and Administrative Services Act of 1949; to the Committee on Government Operations.

112. A letter from the Chief, Records Management Division and Privacy Liaison Officer. Federal Communications Commission, transmitting notice of a change in an existing records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

113. A letter from the Deputy Administrator, General Service Administration, transmitting a followup report on actions taken on recommendations made by the Commission on the Review of the National Policy Toward Gambling, pursuant to section 6(b) of the Federal Advisory Committee Act; to the Committee on Government Operations.

114. A letter from the Deputy Administrator, General Services Administration, transmitting a followup report on actions taken on the recommendations made by the Commission on Olympic Sports, pursuant to section 6(b) of the Federal Advisory Committee Act; to the Committee on Government Operations.

115. A letter from the Deputy Administrator of General Services, transmitting a report on the donation of Federal surplus personal property to States and local organizations for public purposes, pursuant to section 203 (o) of the Federal Property and Administrative Services Act of 1949, as amended (90 Stat. 2454); to the Committee on Government Operations.

116. A letter from the Acting Administrator, General Services Administration, transmitting a followup report on the recommendations contained in the report of the Board of Visitors, U.S. Naval Academy, pursuant to section 6(b) of the Federal Advisory Committee Act; to the Committee on Government Operations.

117. A letter from the Director, International Communication Agency, transmitting a report on the Agency's disposal of foreign excess property during fiscal year 1978, pursuant to section 404(d) of the Federal Property and Administrative Services Act of 1949; to the Committee on Government Operations.

118. A letter from the Administrator, National Aeronautics and Space Administration, transmitting a report on NASA's disposal of certain foreign excess property during fiscal year 1978, pursuant to section 404 (d) of the Federal Property and Administrative Services Act of 1949; to the Committee on Government Operations.

119. A letter from the General Counsel, Securities and Exchange Commission, transmitting notice of a change in an existing records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

120. A letter from the General Counsel, Federal Trade Commission, transmitting notice of a change in an existing records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

121. A letter from the General Counsel, Federal Trade Commission, transmitting notice of a change in an existing records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

122. A letter from the Chairman, Board of Governors, U.S. Postal Service, transmitting a report on the Board's activities under the Government in the Sunshine Act during calendar year 1978, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

123. A letter from the Deputy Administrator, Veterans' Administration, transmitting a report on the Agency's disposal of foreign excess property during fiscal year 1978, pursuant to section 404(d) of the Federal Property and Administrative Services Act of 1949, as amended; to the Committee on Government Operations.

124. A letter from the Director, ACTION, transmitting a report on the Agency's zero-base paperwork project, to the Committee on Government Operations.

125. A letter from the Director, ACTION, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

126. A letter from the Chairman, Copyright Royalty Tribunal, transmitting a report on the Tribunal's activities under the Government in the Sunshine Act during calendar year 1978, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

127. A letter from the Chairman, National Advisory Committee on Oceans and Atmosphere, transmitting the committee's recommendations concerning Federal organization for marine and atmospheric affairs; to the Committee on Government Operations.

128. A letter from the Director of Administration, Nuclear Regulatory Commission, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

129. A letter from the Comptroller General of the United States, transmitting a report on Federal agencies of the Government

need for improving method of collecting amounts owed by the public (FGMSD–78–61, October 20, 1978); to the Committee on Government Operations.

130. A letter from the Comptroller General of the United States, transmitting a list of reports issued or released by the General Accounting Office during September 1978, pursuant to section 234 of the Legislative Reorganization Act of 1970; to the Committee on Government Operations.

131. A letter from the Comptroller General of the United States, transmitting a report describing ways that Federal agencies can achieve greater collections and savings by more effectively resolving auditors' findings (FGMSD–79–3, October 25, 1978); to the Committee on Government Operations.

132. A letter from the Comptroller General of the United States, transmitting a report on the audited accounts of the United States Capitol Historical Society for the year ended January 31, 1978, pursuant to section 451 of the Legislative Reorganization Act of 1970 (40 U.S.C. 193m–1) (GGD–79–2, December 5, 1978); to the Committee on Government Operations.

133. A letter from the Comptroller General of the United States, transmitting a list of reports issued or released by the General Accounting Office during November 1978, pursuant to section 234 of the Legislative Reorganization Act of 1970; to the Committee on Government Operations.

134. A letter from the Clerk, U.S. House of Representatives, transmitting a list of reports which it is the duty of any officer or department to make to Congress, pursuant to rule III, clause 2, of the Rules of the House of Representatives (H. Doc. No. 96–14); to the Committee on House Administration and ordered to be printed.

135. A communication from the President of the United States, transmitting a proposal for the designation of 1.9 million acres in portions of the Bitterroot, Boise, Challis, Nezperce, Payette, and Salmon National Forests, Idaho, as the River of No Return Wilderness, pursuant to section 3(b) of the Wilderness Act of 1964; to the Committee on Interior and Insular Affairs.

136. A letter from the Secretary of the Interior, transmitting the 1978 annual report on mining and minerals policy, pursuant to section 2 of Public Law 91–631; to the Committee on Interior and Insular Affairs.

137. A letter from the Secretary of the Interior, transmitting notice of delays in the preparation of reports on wild and scenic river studies of the Buffalo and Obed Rivers, Tenn., Pine Creek in Pennsylvania, and the Youghiogheny River, Md., required by paragraphs (3), (15), (18), and (27) of section 5(a) of Public Law 90–542; to the Committee on Interior and Insular Affairs.

138. A letter from the Secretary of the Interior, transmitting notice of the proposed refund of $17,280 in rental payments to the Union Oil Co. of California, pursuant to section X 10(b) of the Outer Continental Shelf Lands Act; to the Committee on Interior and Insular Affairs.

139. A letter from the Secretary of the Interior, transmitting the first annual progress report on management of the California Desert Conservation Area, pursuant to section 601(1) of Public Law 94–579; to the Committee on Interior and Insular Affairs.

140. A letter from the Secretary of the Interior, transmitting a report on the water conservation opportunities study, pursuant to section 1(c) of Public Law 95–18; to the Committee on Interior and Insular Affairs.

141. A letter from the Secretary of the Interior, transmitting notice of the proposed refund of $17,280 in rental payments to Sun Oil Co., pursuant to section 10(b) of the Outer Continental Shelf Lands Act of 1953; to the Committee on Interior and Insular Affairs.

142. A letter from the Secretary of the Interior, transmitting notice of the proposed refund of $17,280 in rental payments to the Mesa Petroleum Co., pursuant to section 10(b) of the Outer Continental Shelf Lands Act of 1953; to the Committee on Interior and Insular Affairs.

143. A letter from the Acting Secretary of the Interior, transmitting notice of the bidding system to be used and the tracts to be offered in Outer Continental Shelf lease sale No. 51, pursuant to section 8(a)(8) of the Outer Continental Shelf Lands Act, as amended (92 Stat. 640); to the Committee on Interior and Insular Affairs.

144. A letter from the Acting Secretary of Agriculture, transmitting a report of activities and further revisions to the regulations governing operations under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended, pursuant to section 408(d)(3) of the act (91 Stat. 957); to the Committee on Interior and Insular Affairs.

145. A letter from the Assistant Secretary of the Interior for Fish and Wildlife and Parks, transmitting the development plan and stream classification for the Obed Wild and Scenic River in Tennessee, pursuant to section 3(b) of the Wild and Scenic Rivers Act (82 Stat. 908); to the Committee on Interior and Insular Affairs.

146. A letter from the Assistant Secretary of the Interior for Indian Affairs, transmitting a proposed plan for the use and distribution of Sisseton-Wahpeton Sioux judgment funds awarded in docket 363, Second Claim (1867 Treaty and 1872 Agreement), before the Indian Claims Commission, pursuant to sections 2(a) and 4 of Public Law 93–134; to the Committee on Interior and Insular Affairs.

147. A letter from the Director, Office of Territorial Affairs, Department of the Interior, transmitting the annual report for fiscal year 1978 on the administration of the Guam development fund, pursuant to section 6 of Public Law 90–601; to the Committee on Interior and Insular Affairs.

148. A letter from the Director, Office of Water Research and Technology, Department of the Interior, transmitting notice of the selection of Alamogordo, N. Mex., and Virginia Beach, Va., for further study as potential sites for desalination demonstration plants, together with a copy of the consultant's analysis of 37 potential sites, pursuant to section 2(b) of Public Law 95–84 and section 411 of Public Law 95–467; to the Committee on Interior and Insular Affairs.

149. A letter from the Clerk, U.S. Court of Claims, transmitting the court's final determination in docket No. 169, *The Creek Nation* v. *The United States;* to the Committee on Interior and Insular Affairs.

150. A letter from the Clerk, U.S. Court of claims, transmitting the court's final determination in docket No. 272, *The Creek Nation* v. *United States;* to the Committee on Interior and Insular Affairs.

151. A letter from the Clerk, U.S. Court of Claims, transmitting the court's final determination in dockets No. 15–D, *the Pottawatomie Tribe of Indians, the Prairie Band, et al,* Plaintiffs, *Potawatomi Indians of Indiana and Michigan, Incorporated,* Intervenors, v. *The United States of America,* Defendant; to the Committee on Interior and Insular Affairs.

152. A letter from the Clerk, U.S. Court of Claims, transmitting the Court's final determination in dockets Nos. 133A and 302, *the Ottawa Tribe, and Guy Jennison et al, as Representatives of the Ottawa Tribe* v. *United States;* to the Committee on Interior and Insular Affairs.

153. A letter from the Clerk, U.S. Court of Claims, transmitting the court's final determination in dockets No. 13–E, *James Strong, et al., as the Representatives and on behalf of all Members by Blood of the* v. *The United States;* to the Committee on Interior and Insular Affairs.

154. A letter from the Clerk, U.S. Court of Claims, transmitting the final award of the court in docket Nos. 216, 15–L and 29–I, *Citizen Band of Potawatomi Indians of Oklahoma, et al and Related Cases,* v. *The United States;* to the Committee on Interior and Insular Affairs.

155. A letter from the Clerk, U.S. Court of Claims, transmitting the final award of the court in docket No. 314–B, *The Peoria Tribe of Oklahoma* v. *The United States;* to the Committee on Interior and Insular Affairs.

156. A letter from the Chairman, Advisory Council on Historic Preservation, transmitting the Council's annual report for the period covering fiscal year 1976 and the transition quarter together with fiscal year 1977, pursuant to section 202(b) of Public Law 89–665 to the Committee on Interior and Insular Affairs.

157. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting his determination and certification that downward fluctuations in foreign currency exchange rates have made it necessary to provide additional funds to maintain the budgeted level of operation for Radio Free Europe/Radio Liberty, Inc., during the fourth quarter of fiscal year 1978, pursuant to section 8 of the Board for International Broadcasting Act of 1973, as amended (90 Stat. 832); to the Committee on International Relations.

158. A letter from the Secretary of State, transmitting a report on U.S. policy toward the Soviet Union, pursuant to section 24(c) of Public Law 95–384; to the Committee on International Relations.

159. A letter from the Under Secretary of State for Security Assistance, Science and Technology, transmitting a report on all sales under the Arms Export Control Act, other than to members of the North Atlantic Treaty Organization, Japan, Australia, and New Zealand, of major defense articles or services for $25 million or more, which are considered eligible for approval during fiscal year 1979, pursuant to section 25(d) of the Arms Export Control Act; to the Committee on International Relations.

160. A letter from the Acting Assistant Secretary of State for Congressional Relations, transmitting proposed country allocations of military assistance and of international military education and training for fiscal year 1979, pursuant to section 653(a) of the Foreign Assistance Act of 1961, as amended; to the Committee on International Relations.

161. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of the State Department's intention to consent to a request by the Government of the Federal Republic of Germany for permission to transfer certain U.S.-origin defense articles to the Government of Singapore, pursuant to section 3(a) of the Arms Export Control Act; to the Committee on International Relations.

162. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of the State Department's intention to consent to a request by the Government of Israel for permission to transfer certain U.S.-origin defense articles to the Netherlands Governments, pursuant to section 3(a) of the Arms Export Control Act; to the Committee on International Relations.

163. A letter from the Acting Assistant Secretary of State for Congressional Relations, transmitting notice of the State Department's intention to consent to a request by the Government of Morocco for permission to transfer certain U.S.-origin defense articles to the firm Euro World of California, Inc., pursuant to section 3(a) of the Arms Export Control Act; to the Committee on International Relations.

164. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of the State Department's intention to consent to a request by the Government of Norway for permission to transfer certain U.S.-origin defense articles to

Greece, pursuant to section 3(a) of the Arms Export Control Act; to the Committee on International Relations.

165. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of the intention of the Department of State to consent to a request by the Government of Spain for permission to transfer U.S.-origin military equipment to the Government of Morocco, pursuant to section 3(a) of the Arms Export Control Act, as amended, to the Committee on International Relations.

166. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of the proposed issuance of a license for the export of defense articles sold commercially under a contract in the amount of $25 million or more (transmittal No. MC-7-79), pursuant to section 36(c) of the Arms Export Control Act; to the Committee on International Relations.

167. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of a proposed manufacturing license agreement for the production of certain military equipment in Japan (MC-1-79), pursuant to section 36(d) of the Arms Export Control Act; to the Committee on International Relations.

168. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of a proposed manufacturing license agreement for the production of certain military equipment in Korea (MC-2-79), pursuant to section 36(d) of the Arms Export Control Act; to the Committee on International Relations.

169. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on excess defense articles delivered to foreign governments during the transition quarter, pursuant to section 8(d) of the Foreign Military Sales Act Amendments of 1971, as amended; to the Committee on International Relations.

170. A letter from the Assistant Secretary of State for Economic and Business Affairs, transmitting a report on the national trade control systems of COCOM countries as they stood April 15, 1978, pursuant to section 302(b) of the Mutual Defense Assistance Control Act of 1951 (Battle Act); to the Committee on International Relations.

171. A letter from the Assistant Secretary of the Treasury for Legislative Affairs, transmitting project performance audit reports of the International Bank for Reconstruction, pursuant to section 301(e)(3) of the Foreign Assistance Act of 1961, as amended (87 Stat. 718); to the Committee on International Relations.

172. A letter from the Assistant Secretary of the Treasury for Legislative Affairs, transmitting project performance audit reports of the International Bank for Reconstruction, pursuant to section 301(e)(3) of the Foreign Assistance Act of 1961, as amended (87 Stat. 718); to the Committee on International Relations.

173. A letter from the Assistant Secretary of the Treasury for Legislative Affairs, transmitting project performance audit reports of the International Bank for Reconstruction, pursuant to section 301(e)(3) of the Foreign Assistance Act of 1961, as amended (87 Stat. 718); to the Committee on International Relations.

174. A letter from the Assistant Secretary of Agriculture, transmitting a report on the status of planned programing of Public Law 480, title I commodities as of December 31, 1978, pursuant to section 408(b) of the act (91 Stat. 552); to the Committee on International Relations.

175. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Navy's intention to offer to sell certain defense articles and services to the Netherlands (transmittal No. 79-1), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on International Relations.

176. A letter from the Acting Director, Defense Security Assistance Agency, transmitting an insert to the report on foreign military sales for the 3d quarter of fiscal year 1978, pursuant to section 36(a) of the Arms Export Control Act; to the Committee on International Relations.

177. A letter from the Acting Director, Defense Security Assistance Agency, transmitting notice of the Navy's intention to offer to sell certain defense articles and services to the Federal Republic of Germany (transmittal No. 79-2), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on International Relations.

178. A letter from the Acting Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense articles and services to the Federal Republic of Germany (transmittal No. 79-3), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on International Relations.

179. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense articles and services to the Netherlands (transmittal No. 79-5), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on International Relations.

180. A letter from the Director, Defense Security Assistance Agency, transmitting addenda to the quarterly report on foreign military sales as of September 30, 1978, pursuant to section 36(a) of the Arms Export Control Act; to the Committee on International Relations.

181. A letter from the Director, Defense Security Assistance Agency, transmitting a report on foreign military sales for fiscal year 1978, pursuant to section 36(a) of the Arms Export Control Act; to the Committee on International Relations.

182. A letter from the Assistant Administrator for Legislative Affairs, Agency for International Development, Department of State, transmitting a report on the Agency's allocations of funds appropriated for fiscal year 1979, by country or international organization and by program, pursuant to section 653(a) of the Foreign Assistance Act of 1961, as amended; to the Committee on International Relations.

183. A letter from the Administrator, Agency for International Development, Department of State, transmitting a report concerning the status of aid-recipient countries regarding delinquencies in their dues, assessments and other obligations to the United Nations, pursuant to section 620(u) of the Foreign Assistance Act of 1961, as amended; to the Committee on International Relations.

184. A letter from the Administrator, Agency for International Development, Department of State, transmitting a report regarding the status of the International Disaster Assistance Account for the fourth quarter of fiscal year 1978, pursuant to section 492 of the Foreign Assistance Act of 1961, as amended; to the Committee on International Relations.

185. A letter from the Assistant Administrator for Legislative Affairs, Agency for International Development, Department of State, transmitting a report on the programing and obligation of funds for relief and rehabilitation assistance to Romanian earthquake victims, pursuant to section 495(D)(e) of the Foreign Assistance Act of 1961, as amended (91 Stat. 48); to the Committee on International Relations.

186. A letter from the Senior Adviser and Director for International Narcotics Control, Department of State, transmitting a report on the proposed changes in allocations of fiscal year 1979 funds for the international narcotics control program, pursuant to section 653 of the Foreign Assistance Act; to the Committee on International Relations.

187. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b (a); to the Committee on International Relations.

188. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b; to the Committee on International Relations.

189. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b; to the Committee on International Relations.

190. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b; to the Committee on International Relations.

191. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b; to the Committee on International Relations.

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195. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b; to the Committee on International Relations.

196. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b; to the Committee on International Relations.

197. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b; to the Committee on International Relations.

198. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on International Relations.

199. A letter from the Chairman, Board of Foreign Scholarships, transmitting the Board's 15th annual report, covering calendar year 1977, pursuant to section 107 of the Mutual Educational and Cultural Exchange Act of 1961; to the Committee on International Relations.

200. A letter from the Chairman, Foreign Claims Settlement Commission of the United States, transmitting the Commission's an-

nual report for calendar year 1977; to the Committee on International Relations.

201. A letter from the Assistant Attorney General, Antitrust Division, transmitting a report on the antitrust aspects of activities of advisory committees to the Interstate Compact to Conserve Oil and Gas, pursuant to section 2(b) of Public Law 94–493; to the Committee on Interstate and Foreign Commerce.

202. A letter from the Secretary of Health, Education, and Welfare, transmitting a report on State compliance with medicaid utilization control requirements, covering the quarter ended March 31, 1978, pursuant to section 1903(g) (6) of the Social Security Act, as amended (91 Stat. 1205); to the Committee on Interstate and Foreign Commerce.

203. A letter from the Secretary of Health, Education, and Welfare, transmitting a report on the activities of the Department under title IX of the Public Health Service Act relating to heart diseases, cancer, stroke, and kidney disease, and grants and services to States, pursuant to section 227 of the Public Health Service Act; to the Committee on Interstate and Foreign Commerce.

204. A letter from the Secretary of Health, Education, and Welfare, transmitting the 1977 report on the administration of the Public Health Service, pursuant to section 511 of the Public Health Service Act; to the Committee on Interstate and Foreign Commerce.

205. A letter from the Secretary of Health, Education, and Welfare, transmitting a report on family planning services and population research, pursuant to section 1009(a) of the Public Health Service Act, as amended (89 Stat. 307); to the Committee on Interstate and Foreign Commerce.

206. A letter from the Secretary of Health, Education, and Welfare, transmitting the Surgeon General's report for 1979 on smoking and health, pursuant to section 8(a) of the Public Health Cigarette Smoking Act of 1969; to the Committee on Interstate and Foreign Commerce.

207. A letter from the Secretary of Health, Education, and Welfare, transmitting a survey report on medical, nursing and osteopathic school admissions policy relating to abortions or sterilizations, pursuant to section 7 of Public Law 95–215; to the Committee on Interstate and Foreign Commerce.

208. A letter from the Secretary of Transportation, transmitting a preliminary report on the state of the railroad industry, pursuant to sections 504 and 901 of the Railroad Revitalization and Regulatory Reform Act of 1976; to the Committee on Interstate and Foreign Commerce.

209. A letter from the General Counsel, Department of Energy, transmitting notice of a meeting relating to the international energy program to be held in San Francisco, Calif., on January 17; to the Committee on Interstate and Foreign Commerce.

210. A letter from the General Counsel, Department of Energy, transmitting notice of meetings relating to the international energy program held on November 8, 1978, in White Plains, N.Y., on November 9, 1978, in New York, N.Y., and on November 10, 1978, in New York, N.Y.; to the Committee on Interstate and Foreign Commerce.

211. A letter from the General Counsel, Department of Energy, transmitting notice of a meeting relating to the international energy program held on November 27 and 28, 1978, in Paris; to the Committee on Interstate and Foreign Commerce.

212. A letter from the Administrator, Energy Information Administration, Department of Energy, transmitting a monthly report on sales of retail gasoline for July 1978, pursuant to section 4(c) (2) (A) of the Emergency Petroleum Allocation Act of 1973; to the Committee on Interstate and Foreign Commerce.

213. A letter from the Administrator, Energy Information Administration, Department of Energy, transmitting a monthly report on sales of refined petroleum products for July 1978, pursuant to section 4(a) (2) (A) of the Emergency Petroleum Allocation Act of 1973; to the Committee on Interstate and Foreign Commerce.

214. A letter from the Administrator, Energy Information Administration, Department of Energy, transmitting a monthly report on sales of refined petroleum products and retail gasoline for August 1978, pursuant to section 4(c) (2) (A) of the Emergency Petroleum Allocation Act of 1973; to the Committee on Interstate and Foreign Commerce.

215. A letter from the Administrator, Energy Information Administration, Department of Energy, transmitting a monthly report on sales of retail gasoline for September 1978, pursuant to section 4(c) (2) (A) of the Emergency Petroleum Allocation Act of 1973; to the Committee on Interstate and Foreign Commerce.

216. A letter from the Adminstrator, Energy, Information Administration, Department of Energy, transmitting a quarterly report for the period July–September 1978, on imports of crude oil, residual fuel oil, refined petroleum products, natural gas, and coal; reserves and production of crude oil, natural gas, and coal; refinery activities; and inventories; together with data on exploratory activity, exports, nuclear energy, and electric power, pursuant to section 11(c) (2) of Public Law 93–319, as amended; to the Committee on Interstate and Foreign Commerce.

217. A letter from the Chairman, Federal Energy Regulatory Commission, Department of Energy, transmitting, a report on the implementation and actions taken under the Emergency Natural Gas Act of 1977, pursuant to section 12(b) of Public Law 95–2; to the Committee on Interstate and Foreign Commerce.

218. A letter from the Chairman, Federal Regulatory Commission, Department of Energy, transmitting interim regulations to implement certain sections of the Natural Gas Policy Act of 1978; to the Committee on Interstate and Foreign Commerce.

219. A letter from the Director, Office of Hearings and Appeals, Department of Energy, transmitting a quarterly report on private grievances and redress, covering the fourth quarter of fiscal year 1978, pursuant to section 21(c) of Public Law 93–275; to the Committee on Interstate and Foreign Commerce.

220. A letter from the President, Communications Satellite Corporation, transmitting the 15th annual report on the operations, activities, and accomplishments of (Comsat), pursuant to section 404(b) of Public Law 87–624; to the Committee on Interstate and Foreign Commerce.

221. A letter from the Chairman, U.S. Consumer Product Safety Commission, transmitting the Commission's views on S. 2, the Sunset Act of 1978, pursuant to section 27(k) (2) of the Consumer Product Safety Act; to the Committee on Interstate and Foreign Commerce.

222. A letter from the Director of Congressional Relations, U.S. Consumer Product Safety Commission, transmitting the Commission's annual report for fiscal year 1978, pursuant to section 27(j) of the Consumer Product Safety Act; to the Committee on Interstate and Foreign Commerce.

223. A letter from the Administrator, U.S. Environmental Protection Agency, transmitting a report on the preliminary survey of surface impoundments and their effects on ground water quality in the United States, pursuant to section 1442(a) (8) (C) of the Public Health Service Act, as amended (88 Stat. 1682); to the Committee on Interstate and Foreign Commerce.

224. A letter from the Chairman, Federal Trade Commission, transmitting the 63d annual report of the Commission, covering fiscal year 1977, pursuant to section 6(f) of the Federal Trade Commission Act; to the Committee on Interstate and Foreign Commerce.

225. A letter from the Acting Secretary, Interstate Commerce Commission, transmitting notice that the Commission is unable to render a final decision in docket No. 36731 (Sub-No. 28), liquefied petroleum gas, Flomaton, Ala., to Western Trunk Line Territory, within the initially specified 7-month period, and that the Commission seeks an extension until February 15, 1979, pursuant to 49 U.S.C. 10707(b) (1); to the Committee on Interstate and Foreign Commerce.

226. A letter from the Secretary, Interstate Commerce Commission, transmitting notice of the Commission's inability to render a final decision in docket No. 36952, Electrical Appliances, San Juan to Dallas, Minneapolis, and East St. Louis, within the initially specified 7-month period, and seeking an extension until April 5, 1979, pursuant to 49 U.S.C. 10707(b) (1); to the Committee on Interstate and Foreign Commerce.

227. A letter from the Vice President for Government Affairs, National Railroad Passenger Corporation, transmitting a report covering the month of July 1978, on the average number of passengers per day on board each train operated, and the on-time performance at the final destination of each train operated, by route and by railroad, pursuant to section 308(a) (2) of the Rail Passenger Service Act of 1973, as amended; to the Committee on Interstate and Foreign Commerce.

228. A letter from the Vice President for Government Affairs, National Railroad Passenger Corporation, transmitting the Corporation's financial report for the month of July 1978, pursuant to section 308(a) (1) of the Rail Passenger Service Act of 1970, as amended; to the Committee on Interstate and Foreign Commerce.

229. A letter from the Vice President for Government Affairs, National Railroad Passenger Corporation, transmitting a report covering the month of August 1978, on the average number of passengers per day on board each train operated, and the on-time performance at the final destination of each train operated, by route and by railroad, pursuant to section 308(a) (2) of the Rail Passenger Service Act of 1973, as amended; to the Committee on Interstate and Foreign Commerce.

230. A letter from the Vice President for Government Affairs, National Railroad Passenger Corporation, transmitting a report covering the month of September 1978, on the average number of passengers per day on board each train operated, and the on-time performance at the final destination of each train operated, by route and by railroad, pursuant to section 308(a) (2) of the Rail Passenger Service Act of 1973, as amended; to the Committee on Interstate and Foreign Commerce.

231. A letter from the Vice President for Government Affairs, National Railroad Passenger Corporation, transmitting the financial report of the Corporation for the month of September 1978, pursuant to section 308 (a) (1) of the Rail Passenger Service Act of 1970, as amended; to the Committeee on Interstate and Foreign Commerce.

232. A letter from the President, U.S. Railway Association, transmitting the Association's fourth quarterly report, pursuant to section 202(e) (2) of the Regional Rail Reorganization Act of 1963, as amended (91 Stat. 1423); to the Committee on Interstate and Foreign Commerce.

233. A letter from the Chief Justice of the United States, transmitting the proceedings of the meeting of the Judicial Conference of the United States held in Washington, D.C., on September 21 and 22, 1978, pursuant to 28 U.S.C. 331 (H. Doc. No. 96–15); to the Committeee on the Judiciary and ordered to be printed.

234. A letter from the Attorney General,

transmitting the annual report for calendar year 1977 on the administration of the Foreign Agents Registration Act of 1938, as amended, pursuant to section 11 of the act; to the Committee on the Judiciary.

235. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in the cases of certain aliens found admissible to the United States, pursuant to section 212(a) (28) (I) (ii) of the Immigration and Nationality Act; to the Committee on the Judiciary.

236. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in cases in which the authority contained in section 212(d) (3) of the Immigration and Nationality Act was exercised in behalf of certain aliens, pursuant to section 212(d) (6) of the act; to the Committee on the Judiciary.

237. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting reports concerning visa petitions approved according certain beneficiaries third and sixth preference classification, pursuant to section 204 (d) of the Immigration and Nationality Act, as amended; to the Committee on the Judiciary.

238. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in cases in which the authority contained in section 212(d) (3) of the Immigration and Nationality Act was exercised in behalf of certain aliens, pursuant to section 212(d) (6) of the act; to the Committee on the Judiciary.

239. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in the cases of certain aliens found admissible to the United States, pursuant to section 212(a) (28) (I) (ii) of the Immigration and Nationality Act; to the Committee on the Judiciary.

240. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting reports concerning visa petitions approved according certain beneficiaries third and sixth preference classification, pursuant to section 204(d) of the Immigration and Nationality Act, as amended; to the Committee on the Judiciary.

241. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting reports concerning visa petitions approved according certain beneficiaries third and sixth preference classification, pursuant to section 204 (d) of the Immigration and Nationality Act, as amended; to the Committee on the Judiciary.

242. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in cases in which the authority contained in section 212(d) (3) of the Immigration and Nationality Act was exercised in behalf of certain aliens, pursuant to section 212(d) (6) of the act; to the Committee on the Judiciary.

243. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in the cases of certain aliens found admissible to the United States, pursuant to section 212(a) (28) (I) (ii) of the Immigration and Nationality Act; to the Committee on the Judiciary.

244. A letter from the Director, Bureau of the Census, Department of Commerce, transmitting a report on the survey of registration and voting in the November 1976 elections in jurisdictions covered by the Voting Rights Act Amendments of 1975, pursuant to section 207(c) of the Voting Rights Act of 1965, as amended (89 Stat. 404); to the Committee on the Judiciary.

245. A letter from the Chairman, U.S. Commission on Civil Rights, transmitting a statement on the Equal Rights Amendment, pursuant to section 104(c) of Public Law 85-315, as amended; to the Committee on the Judiciary.

246. A letter from the Secretary, Federal Trade Commission, transmitting the second annual report on the operation of the premerger notification provisions of the Clayton Act, pursuant to section 7A(j) of the act, as amended (90 Stat. 1394); to the Committee on the Judiciary.

247. A letter from the Director, Federal Judicial Center, transmitting the recommendations of the Board of the Federal Judicial Center to the Judicial Conference of the United States on the Federal court library system, pursuant to 28 U.S.C. 623(b); to the Committee on the Judiciary.

248. A letter from the Deputy Comptroller General of the United States, transmitting a report and recommendation concerning the claim of Mr. James C. Wilkinson, an employee of the Department of the Interior, for reimbursement, pursuant to the act of April 10, 1928 (45 Stat. 413, 31 U.S.C. 236); to the Committee on the Judiciary.

249. A letter from the Chairman, Copyright Royalty Tribunal, transmitting the Tribunal's first annual report, covering fiscal year 1978, pursuant to 17 U.S.C. 808; to the Committee on the Judiciary.

250. A letter from the corporation agent, Legion of Valor of the U.S.A., transmitting a report on the audit of the organization's accounts for the year ended April 30, 1978, pursuant to section 3 of Public Law 88-504; to the Committee on the Judiciary.

251. A letter from the chairman, Little League Baseball, Inc., transmitting the annual report of the corporation for fiscal year 1978, including an independent certified audit, pursuant to section 14b of Public Law 88-378; to the Committee on the Judiciary.

252. A letter from the president, National Safety Council, transmitting the report of the audit of the Council's financial transactions for the fiscal year ended June 30, 1978, pursuant to section 3 of Public Law 88-504; to the Committee on the Judiciary.

253. A letter from the Adjutant General, Veterans of Foreign Wars of the United States, transmitting the report of the audit of the books of the Quartermaster General of the VFW for the fiscal year ended August 31, 1978, pursuant to section 3 of Public Law 88-504; to the Committee on the Judiciary.

254. A letter from the Secretary of the Interior, transmitting the annual report of the Fish and Wildlife Service and administration of its functions under the Marine Mammal Protective Act of 1972, covering the period June 22, 1977 to March 31, 1978, pursuant to section 103(f) of the act; to the Committee on Merchant Marine and Fisheries.

255. A letter from the Secretary of Transportation, transmitting, a report on special pay to Coast Guard officers holding positions of unusual responsibility and of critical nature during calendar year 1978, pursuant to 37 U.S.C. 206(f); to the Committee on Merchant Marine and Fisheries.

256. A letter from the Chairman, Migratory Bird Conservation Commission, transmitting the Commission's annual report for fiscal year 1978, pursuant to section 3 of the act of February 18, 1929, 16 U.S.C. 715b; to the Committee on Merchant Marine and Fisheries.

257. A letter from the Acting Director, Arms Control and Disarmament Agency, transmitting a report on scientific and professional positions established in the Agency during calendar year 1978, pursuant to 5 U.S.C. 3104(c); to the Committee on Post Office and Civil Service.

258. A letter from the Administrator, National Aeronautics and Space Administration, transmitting the annual report on scientific and engineering positions established during fiscal year 1978 under the authority of section 203(c) (2) (A) of the National Aeronautics and Space Act of 1958, as amended, pursuant to section 206(b) of the act of October 4, 1961; to the Committee on Post Office and Civil Service.

259. A letter from the Chairman, Nuclear Regulatory Commission, transmitting a report covering the period ending September 30, 1978, together with the yearend summary for fiscal year 1978, on the Commission's hiring and promotion of minorities and women, pursuant to section 201(h) of the Energy Reorganization Act of 1974, as amended (91 Stat. 1482); to the Committee on Post Office and Civil Service.

260. A letter from the Secretary of the Army, transmitting a Corps of Engineers report on the Agana River Project, Guam, in partial response to section 106 of the River and Harbor Act of 1970 (H. Doc. No. 96-16); to the Committee on Public Works and Transportation.

261. A letter from the Secretary of the Army, transmitting a Corps of Engineers report on the Root River Basin, Minn., in partial response to section 6 of the 1936 Flood Control Act, as amended, and section 11 of the Flood Control Act of 1946 (H. Doc. No. 96-17); to the Committee on Public Works and Transportation.

262. A letter from the Secretary of the Army, transmitting a Corps of Engineers report on the Gulfport Harbor project, Mississippi, in response to a resolution by the Senate Committee on Public Works and section 304 of the River and Harbor Act of 1965 (H. Doc. No. 96-18); to the Committee on Public Works and Transportation.

263. A letter from the Secretary of the Army, transmitting the Corps of Engineers phase I design memorandum for the Libby reregulating dam power units, Kootenai River, Mont., pursuant to section 1(a) of Public Law 93-251 (H. Doc. No. 96-19); to the Committee on Public Works and Transportation and ordered to be printed.

264. A letter from the Secretary of the Army, transmitting a Corps of Engineers report on Rahway River and Van Winkles Brook, in partial response to resolutions of the House and Senate Committees on Public Works (H. Doc. No. 96-20); to the Committee on Public Works and Transportation.

265. A letter from the Secretary of the Army, transmitting a Corps of Engineers report on Robinsons Branch, Rahway River at Clark, Scotch Plains, and Rahway, N.J., in partial response to resolutions of the Senate and House Committees on Public Works adopted November 25 and December 11, 1969, respectively (H. Doc. No. 96-21); to the Committee on Public Works and Transportation and ordered to be printed.

266. A letter from the Secretary of the Army, transmitting a Corps of Engineers report on the Santa Fe River and Arroyo Mascaras, in response to resolutions of the House and Senate Committees on Public Works (H. Doc. No. 96-22); to the Committee on Public Works and Transportation.

267. A letter from the Secretary of the Army, transmitting a Corps of Engineers report on the Atlantic coast of New York City from Rockaway Inlet to Norton Point, in partial response to Public Law 71-84 and section 2 of Public Law 71-520 (H. Doc. No. 96-23); to the Committee on Public Works and Transportation.

268. A letter from the Secretary of the Army, transmitting a Corps of Engineers report on harbor modification on the Cleveland Harbor, in response to a resolution of the House Committee on Public Works and Transportation (H. Doc. No. 96-24); to the Committee on Public Works and Transportation.

269. A letter from the Secretary of the Army, transmitting a Corps of Engineers report on Saw Mill Run, Pittsburgh, Pa., in

response to a resolution of the House Committee on Public Works and Transportation (H. Doc. No. 96-25); to the Committee on Public Works and Transportation.

270. A letter from the Secretary of the Army, transmitting a Corps of Engineers report on the upper Cheyenne River and tributaries, S. Dak. and Wyo., in response to resolutions of the Senate and House Committees on Public Works adopted January 23 and May 8, 1964, respectively; to the Committee on Public Works and Transportation.

271. A letter from the Secretary of the Army, transmitting a Corps of Engineers report on Blair and Sitcum Waterways, Tacoma Harbor, Wash., in partial response to section 209 of the Flood Control Act of 1962 (H. Doc. 96-26); to the Committee on Public Works and Transportation.

272. A letter from the Secretary of the Army, transmitting the findings of the Chief of Engineers on Blair and Sitcum Waterways, Tacoma Harbor, Wash., pursuant to section 101(c) of Public Law 94-587; to the Committee on Public Works and Transportation.

273. A letter from the Secretary of the Army, transmitting a Corps of Engineers report on the Chehalis River at South Aberdeen and Cosmopolis, Wash., in partial response to a resolution of the House Committee on Flood Control (H. Doc. 96-27); to the Committee on Public Works and Transportation.

274. A letter from the Deputy Under Secretary of the Army, transmitting the annual report on the status of cooperation agreements on water resource projects, pursuant to section 221(e) of Public Law 91-611; to the Committee on Public Works and Transportation.

275. A letter from the Secretary of Transportation, transmitting the Department's final conclusions on the impact of the trans-Alaska pipeline construction traffic on the Alaska highway system, pursuant to section 151(a) of Public Law 94-280; to the Committee on Public Works and Transportation.

276. A letter from the Assistant Secretary of Transportation for Governmental Affairs, transmitting a report on each proposed and each final regulation that the Department of Transportation expects to publish in the Federal Register during the upcoming 6-month period; to the Committee on Public Works and Transportation.

277. A letter from the Administrator, Federal Aviation Administration, Department of Transportation, transmitting the Agency's semiannual report on the effectiveness of the civil aviation security program, covering the period January 1–June 30, 1978, pursuant to section 315(a) of the Federal Aviation Act of 1958, as amended (88 Stat. 415); to the Committee on Public Works and Transportation.

278. A letter from the Chairman, Civil Aeronautics Board, transmitting the Board's annual report for fiscal year 1977, pursuant to section 205 of the Federal Aviation Act of 1958; to the Committee on Public Works and Transportation.

279. A letter from the Administrator, U.S. Environmental Protection Agency, transmitting the national water quality inventory report for 1977, pursuant to section 305(b) of the Federal Water Pollution Control Act, as amended (86 Stat. 854); to the Committee on Public Works and Transportation.

280. A letter from the Administrator of General Services, transmitting a prospectus proposing the continued lease of space at 820 Elkridge Landing Road, Friendship, Md., pursuant to section 7 of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

281. A letter from the Chairman, National Transportation Safety Board, transmitting a copy of a letter the Board sent to the Office of Management and Budget requesting a partial exemptiton to the hiring limitation imposed by the President on October 24, 1978, pursuant to section 304 (b)(7) of Public Law 93-633; to the Committee on Public Works and Transportation.

282. A letter from the Secretary of Commerce, transmitting the fourth annual report on implementation of the Federal Fire Prevention and Control Act of 1974, covering calendar year 1977, pursuant to section 16 of the act; to the Committee on Science and Technology.

283. A letter from the Under Secretary of Energy, transmitting a preliminary application and system design study of solar photovoltaic applications at Federal installations, pursuant to section 208(a)(1) of Public Law 95-238; to the Committee on Science and Technology.

284. A letter from the Administrator, National Aeronautics and Space Administration, transmitting a report on negotiated contracts for experimental, developmental, test or research work, or for industrial mobilization in the interest of the national defense, covering the period January 1, 1978 through June 30, 1978, pursuant to 10 U.S.C. 2304(e); to the Committee on Science and Technology.

285. A letter from the Under Secretary of Defense (Research and Engineering), transmitting a report on Defense Department procurement from small and other business firms during the months October 1977–April 1978, pursuant to section 10(d) of the Small Business Act, as amended; to the Committee on Small Business.

286. A letter from the Under Secretary of Defense (Research and Engineering), transmitting a report on Defense Department procurement from small and other business firms during the months October 1977–May 1978, pursuant to section 10(d) of the Small Business Act, as amended; to the Committee on Small Business.

287. A letter from the Under Secretary of Defense (Research and Engineering); transmitting a report on Defense Department procurement from small and other business firms during the months October 1977–June 1978, pursuant to section 10(d) of the Small Business Act, as amended; to the Committee on Small Business.

288. A letter from the Under Secretary of Defense (Research and Engineering), transmitting a report on Department of Defense procurement from small and other business firms for October 1977–July 1978, pursuant to section 10(d) of the Small Business Act, as amended; to the Committee on Small Business.

289. A letter from the Under Secretary of Defense (Research and Engineering), transmitting a report on Defense Department procurement from small and other business firms for October 1977 through August 1978, pursuant to section 10(d) of the Small Business Act, as amended; to the Committee on Small Business.

290. A letter from the Administrator, Small Business Administration, transmitting the Agency's annual report for fiscal year 1977, together with the Agency's balance sheets, lists of approved loans and contracts, and other statistical data, pursuant to 15 U.S.C. 639(a)(b), and 687(g)(2); to the Committee on Small Business.

291. A letter from the Administrator of Veterans' Affairs, transmitting a report on the need for computing the percentage of students enrolled in courses at educational institutions who are receiving Federal grants, pursuant to section 305(a)(3) of Public Law 95-202; to the Committee on Veterans' Affairs.

292. A letter from the Administrator of Veterans' Affairs, transmitting the annual report for fiscal year 1978 on the nature and disposition of all cases in which an institution approved for veterans benefits, utilizes advertising, sales or enrollment practices which are erroneous, deceptive, or misleading, either by actual statement, omission or intimation, pursuant to 38 U.S.C. 1796(d); to the Committee on Veterans' Affairs.

293. A letter from the Administrator of Veterans' Affairs, transmitting a report on the need for legislative or administrative action on standards of progress to qualify for VA educational benefits, pursuant to section 305(b)(2)(B) of Public Law 95-202; to the Committee on Veterans' Affairs.

294. A letter from the Administrator of Veterans' Affairs, transmitting reports covering fiscal year 1978 on exchange of medical information and sharing of medical resources, pursuant to 38 U.S.C. 5057; to the Committee on Veterans' Affairs.

295. A communication from the President of the United States, transmitting his determination to provide import relief with respect to high carbon ferrochromium which differs from that recommended by the U.S. International Trade Commission, pursuant to section 203(b)(1) of the Trade Act of 1974 (H. Doc. 96-28); to the Committee on Ways and Means and ordered to be printed.

296. A communication from the President of the United States, transmitting his determination that import relief for the U.S. unwrought, unalloyed copper industry is not in the national economic interest, pursuant to section 203(b)(2) of the Trade Act of 1974 (H. Doc. No. 96-29); to the Committee on Ways and Means and ordered to be printed.

297. A communication from the President of the United States, transmitting his determination that import relief for the domestic bicycle tire and tube industry is not in the national economic interest, pursuant to section 203(b)(2) of the Trade Act of 1974 (H. Doc. No. 96-30); to the Committee on Ways and Means and ordered to be printed.

298. A communication from the President of the United States, transmitting his determination that import relief for the U.S. artificial bait and flies industry is not in the national economic interest, pursuant to section 203(b)(2) of the Trade Act of 1974 (H. Doc. No. 96-31); to the Committee on Ways and Means and ordered to be printed.

299. A communication from the President of the United States, transmitting his determination to provide import relief with respect to iron or steel bolts, nuts, and large screws which differs from that recommended by the U.S. International Trade Commission, pursuant to section 203(b)(1) of the Trade Act of 1974 (H. Doc. No. 96-32); to the Committee on Ways and Means and ordered to be printed.

300. A communication from the President of the United States, transmitting notice of several trade agreements reached in the Tokyo Round of multilateral trade negotiations, pursuant to section 102(e)(1) of the Trade Act of 1974 (H. Doc. No. 96-33); to the Committee on Ways and Means and ordered to be printed.

301. A letter from the Special Representative for Trade Negotiations, Executive Office of the President, transmitting a report of the Industry Sector Advisory Committees on the United States-Indian Tropical Products Agreement entered into on July 26, 1978, pursuant to section 135(e)(1) of the Trade Act of 1974; to the Committee on Ways and Means.

302. A letter from the Executive Director, Advisory Committee for Trade Negotiations, Office of the Special Representative for Trade Negotiations, Executive Office of the President, transmitting the committee's report on the United States-United Mexican States Bilateral Trade Agreement entered into on December 2, 1977, pursuant to section 135(e)(1) of the Trade Act of 1974; to the Committee on Ways and Means.

303. A letter from the Executive Director, Advisory Committee for Trade Negotiations, Office of the Special Representative for Trade Negotiations, Executive Office of the President, transmitting the committee's report on the United States-Indian Bilateral Trade

Agreement entered into on July 26, 1978, pursuant to section 135(e) (1) of the Trade Act of 1974; to the Committee on Ways and Means.

304. A letter from the Acting Chairman, Agricultural Technical Advisory Committee for Trade Negotiations on Fruits and Vegetables, transmitting the committee's report on the United States-United Mexican Bilateral Trade Agreement entered into on December 2, 1977, pursuant to section 135(e) (1) of the Trade Act of 1974; to the Committee on Ways and Means.

305. A letter from the Acting Chairman, Agricultural Technical Advisory Committee for Trade Negotiations on Fruits and Vegetables, transmitting the committee's report on the United States-Indian Tropical Products Agreement entered into on July 26, 1978, pursuant to section 135(e) (1) of the Trade Act of 1974; to the Committee on Ways and Means.

306. A letter from the Chairman, U.S. International Trade Commission, transmitting a draft of proposed legislation to provide authorization of appropriations for the U.S. International Trade Commission for fiscal year 1980; to the Committee on Ways and Means.

307. A letter from the Vice Chairman, U.S. International Trade Commission, transmitting the Commission's 16th quarterly report on trade between the United States and the nonmarket economy countries, pursuant to section 410 of the Trade Act of 1974; to the Committee on Ways and Means.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MIKVA (for himself, Mr. Anderson of Illinois, Mr. Foley, Mr. Conable, Mr. Udall, Mr. Wirth, Mr. Akaka, Mr. Albosta, Mr. Ashley, Mr. Atkinson, Mr. AuCoin, Mr. Barnes, Mr. Bedell, Mr. Beilenson, Mr. Bingham, Mr. Blanchard, Mr. Boland, Mr. Bolling, Mr. Bonior of Michigan, Mr. Brodhead, Mr. Brown of California, Mrs. Chisholm, Mr. Conte, Mr. Conyers, Mr. Corman, Mr. Corrada, Mr. D'Amours, Mr. Daschle, Mr. Dellums, Mr. Dicks, Mr. Dixon, Mr. Donnelly, Mr. Dougherty, Mr. Downey, Mr. Drinan, Mr. Eckhardt, Mr. Edgar, Mr. Edwards of California, Mr. Fascell, Mr. Fazio, Mrs. Fenwick, Mr. Fisher, Mr. Flood, Mr. Foley, Mr. Ford of Tennessee, Mr. Garcia, Mr. Gephardt, Mr. Gilman, Mr. Giaimo, Mr. Glickman, Mr. Gore, Mr. Green, Mr. Gudger, Mr. Hall of Ohio, Mr. Hanley, Mr. Harkin, Mr. Harris, Mr. Heftel, Mr. Hollenbeck, Mr. Howard, Mr. Hughes, Mr. Jacobs, Mr. Jeffords, Mr. Jenrette, Mr. Kogovsek, Mr. Kostmayer, Mr. Leach of Iowa, Mr. Lehman, Mr. Leland, Mr. Lowry, Mr. Luken, Mr. Lundine, Mr. McCloskey, Mr. McHugh, Mr. Maguire, Mr. Markey, Mr. Matsui, Mr. Mavroules, Mr. Mazzoli, Mr. Miller of California, Mr. Mineta, Mr. Mitchell of New York, Mr. Moakley, Mr. Moffett, Mr. Moorhead of Pennsylvania, Mr. Mottl, Mr. Murphy of Pennsylvania, Mr. Murphy of New York, Mr. Nelson, Mr. Nolan, Mr. Oberstar, Mr. Ottinger, Mr. Panetta, Mr. Patterson, Mr. Pease, Mr. Pepper, Mr. Peyser, Mr. Preyer, Mr. Price, Mr. Pritchard, Mr. Rangel, Mr. Ratchford, Mr. Reuss, Mr. Richmond, Mr. Rinaldo, Mr. Rodino, Mr. Rosenthal, Mr. Roybal, Mr. Sabo, Mr. Sawyer, Mr. Scheuer, Mrs. Schroeder, Mr. Seiberling, Mr. Shannon, Mr. Simon, Mr. Solarz, Mrs. Spellman, Mr. St Germain, Mr. Stockman, Mr. Studds, Mr. Swift, Mr. Traxler, Mr. Van Deerlin, Mr. Vanik, Mr. Vento, Mr. Walgren, Mr. Weaver, Mr. Weiss, Mr. Williams of Montana, Mr. Wolpe, Mr. Won Pat and Mr. Yates):

H.R. 1. A bill to amend the Federal Election Campaign Act of 1971 to provide for financing of general election campaigns for the House of Representatives; to the Committee on House Administration.

By Mr. BLANCHARD (for himself, Mr. Mineta, and Mr. Gephardt):

H.R. 2. A bill to require authorizations of new budget authority for Government programs at least every 5 years, to provide for review of Government programs every 5 years, and for other purposes; to the Committees on Government Operations and Rules.

By Mr. PHILLIP BURTON:

H.R. 3. A bill to amend the act to establish the Golden Gate National Recreation Area in the State of California, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. PEPPER (for himself and Mr. Hawkins):

H.R. 4. A bill to amend title VII of the Civil Rights Act of 1964 to provide protection against employment discrimination to older Americans, and for other purposes; to the Committee on Education and Labor.

By Mr. RODINO:

H.R. 5. A bill to regulate and foster commerce among the States by providing a system for the taxation of interstate commerce; to the Committee on the Judiciary.

By Mr. BOLAND:

H.R. 6. A bill to preserve and promote the resources of the Connecticut River Valley, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. REUSS:

H.R. 7. A bill to facilitate the implementation of monetary policy and to promote competitive equality among depository institutions; to the Committee on Banking, Finance and Urban Affairs.

By Mr. UDALL (for himself, Mr. Kastenmeier, and Mr. Seiberling):

H.R. 8. A bill to amend the Mineral Leasing Act of 1920, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. LEDERER:

H.R. 9. A bill to amend the Internal Revenue Code of 1954 to provide a Federal income tax credit for tuition for elementary and secondary education; to the Committee on Ways and Means.

By Mr. KASTENMEIER (for himself, Mr. Rodino, Mr. Edwards of California, Mr. Conyers, Mr. Danielson, Mr. Drinan, Ms. Holtzman, Mr. Mazzoli, Mr. Harris, Mr. Hughes, and Mr. Railsback):

H.R. 10. A bill to authorize actions for redress in cases involving deprivations of rights of institutionalized persons secured or protected by the Constitution or laws of the United States; to the Committee on the Judiciary.

By Mr. FOLEY:

H.R. 11. A bill to amend the Saccharin Study and Labeling Act to extend from 18 to 36 months the period during which the Secretary of Health, Education, and Welfare may not take certain action restricting the continued use of saccharin as a food, drug, and cosmetic to the Committee on Interstate and Foreign Commerce.

H.R. 12. A bill to amend the Federal Food, Drug, and Cosmetic Act to delete certain requirements applicable to food additives and color additives; to the Committee on Interstate and Foreign Commerce.

Mr. CONABLE:

H.R. 13. A bill to repeal the carryover basis provisions added by the Tax Reform Act of 1976; to the Committee on Ways and Means.

H.R. 14. A bill to amend titles II and XVIII of the Social Security Act and chapters 2 and 21 of the Internal Revenue Code of 1954 to restore the long-range soundness of the old age, survivors and disability insurance system, to repeal special statutory increases in the earnings base (leaving such base subject to annual adjustment as under prior law), to provide mandatory social security coverage for Federal employees, to establish a working spouse's benefit, to make appropriate adjustments in social security tax rates (generally lowering the OASDHI rate through this century) and in Disability Insurance Trust Fund allocations, and to provide for partial financing of the Hospital Insurance program from general revenues; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. CONYERS (for himself, Mr. Addabbo, Mr. Akaka, Mr. Anderson of California, Mr. AuCoin, Mr. Bingham, Mr. Boland, Mr. Bolling, Mr. Brademas, Mr. Brodhead, Mr. Brown of California, Mr. John L. Burton, Mrs. Chisholm, Mr. Clay, Mrs. Collins of Illinois, Mr. Corman, Mr. Cotter, Mr. Dellums, Mr. Derrick, Mr. Diggs, Mr. Dixon, Mr. Dodd, Mr. Drinan, Mr. Duncan of Tennessee, Mr. Duncan of Oregon, Mr. Edwards of California, Mr. Fascell, Mr. Fauntroy, Mr. Fish, Mr. Fisher, Mr. Fithian, Mr. Flood, Mr. Ford of Tennessee, Mr. Fowler, Mr. Garcia, Mr. Gingrich, Mr. Gonzalez, Mr. Gray, Mr. Hall of Ohio, Mr. Hawkins, Mr. Hollenbeck, Mr. Howard, Mr. Jacobs, Mr. Jenkins, Mr. Johnson of California, Mr. Kildee, Mr. Leland, Mr. Lloyd, Mr. McHugh, Mr. Maguire, Mr. Matsui, Mr. Mavroules, Mr. Mazzoli, Ms. Mikulski, Mr. Miller of California, Mr. Mitchell of Maryland, Mr. Mottl, Mr. Murphy of New York, Mr. Murphy of Illinois, Mr. Nolan, Mr. Ottinger, Mr. Panetta, Mr. Pepper, Mr. Pritchard, Mr. Rangel, Mr. Reuss, Mr. Richmond, Mr. Rosenthal, Mr. Sabo, Mr. St Germain, Mr. Seiberling, Mr. Simon, Mrs. Spellman, Mr. Stark, Mr. Stewart, Mr. Stokes, Mr. Thompson, Mr. Weaver, Mr. Charles Wilson of Texas, Mr. Won Pat, and Mr. Yatron):

H.R. 15. A bill to designate the birthday of Martin Luther King, Junior, a legal public holiday; to the Committee on Post Office and Civil Service.

By Mr. DINGELL:

H.R. 16. A bill to provide a program of national health insurance, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. SYMMS (for himself and Mr. Hansen):

H.R. 17. A bill to provide for and maintain the continued existence of a viable U.S. sugar industry; jointly, to the Committees on Agriculture and Ways and Means.

By Mr. ULLMAN:

H.R. 18. A bill to amend the act of October 20, 1976, relating to payments to local governments based upon certain public lands within the boundaries of the jurisdiction of such governments, to include payments for lands on which are located a bombing range utilized primarily by aircraft stationed outside of the State in which the range is located; to the Committee on Interior and Insular Affairs.

H.R. 19. A bill to validate Federal reclamation contracts and written representations relating to repayment of allocated costs; to the Committee on Interior and Insular Affairs.

By Mr. MURPHY of New York (for himself, Mr. Breaux, and Mr. Forsythe):

H.R. 20. A bill to provide for the development of aquaculture in the United States, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. CORMAN (for himself, Mr. Pepper, Mr. Stark, Mr. Addabbo, Mr. Anderson of California, Mr. Bonker, Mr. Clay, Mr. Conyers, Mr. Diggs, Mr. Drinan, Mr. Edwards of California, Mr. Fascell, Mr. Kildee, Mr. Lehman, Mr. Minish, Mr. Moakley, Mr. Myers of Pennsylvania, Mr. Oberstar, Mr. Reuss, Mr. Rodino, Mr. Rosenthal, Mr. Thompson, Mr. Weaver, Mr. Weiss, and Mr. Won Pat):

H.R. 21. A bill to create a national system of health security; jointly, to the Committees on Interstate and Foreign Commerce, and Ways and Means.

By Mr. BENNETT:

H.R. 22. A bill to revise the Strategic and Critical Materials Stock Piling Act, to require that appropriations for acquisition of strategic and critical materials be authorized by law, to establish a National Defense Stockpile Transaction Fund, and for other purposes; to the Committee on Armed Services.

H.R. 23. A bill to provide for military registration and mobilization assessment, and for other purposes; to the Committee on Armed Services.

By Mr. BROOKS:

H.R. 24. A bill to improve budget management and expenditure control by revising certain provisions relating to the Comptroller General and the Inspectors General of the Departments of Energy and Health, Education, and Welfare, and for other purposes; to the Committee on Government Operations.

By Mr. CARTER:

H.R. 25. A bill to authorize necessary flood control measures at locations in Kentucky, Virginia, and West Virginia, on an expedited basis, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. PERKINS (for himself, Mr. Thompson, and Mr. Hawkins):

H.R. 26. A bill to establish an additional position of Assistant Secretary of Labor; to the Committee on Education and Labor.

By Mr. PERKINS:

H.R. 27. A bill to amend the National School Lunch Act and the Child Nutrition Act of 1966 to extend the authorizations of appropriations contained in such acts; to the Committee on Education and Labor.

H.R. 28. A bill to amend the Domestic Volunteer Service Act of 1973 to extend certain authorizations of appropriations made by such act; to the Committee on Education and Labor.

By Mr. STUDDS:

H.R. 29. A bill to provide a comprehensive system of liability and compensation for oil spill damage and removal costs, and for other purposes; jointly, to the Committees on Merchant Marine and Fisheries, and Public Works and Transportation.

By Mr. YOUNG of Florida:

H.R. 30. A bill to repeal the Foreign Intelligence Surveillance Act of 1978; jointly, to the Committees on the Judiciary and the Select Committee on Intelligence.

H.R. 31. A bill to amend title II of the Social Security Act to provide that a beneficiary shall (if otherwise qualified) be entitled to a prorated benefit for the month in which he (or the insured individual) dies; to the Committee on Ways and Means.

H.R. 32. A bill to amend part B of title XVIII of the Social Security Act to provide for fair hearings on disputed medicare claims by an impartial person other than a carrier; jointly, to the Committees on Interstate and Foreign Commerce, and Ways and Means.

By Mr. LEDERER:

H.R. 33. A bill to amend the Social Security Act and the Internal Revenue Code of 1954 to provide for Federal participation in the costs of the old-age, survivors, and disability insurance program and the medicare program, with appropriate reductions in social security taxes to reflect such participation, and with a substantial increase in the amount of an individual's annual earnings which may be counted for benefit and tax purposes; to the Committee on Ways and Means.

By Mr. COUGHLIN:

H.R. 34. A bill to amend the Internal Revenue Code of 1954 to allow a credit against income tax to individuals for certain expenses of elementary and secondary education; to the Committee on Ways and Means.

H.R. 35. A bill to amend the Internal Revenue Code of 1954 to provide a credit against income tax to individuals for certain expenses incurred in higher education; to the Committee on Ways and Means.

By Mr. MOORHEAD of Pennsylvania:

H.R. 36. A bill to amend the Council on Wage and Price Stability Act to extend the authority granted by such act to September 30, 1981, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

H.R. 37. A bill to amend the Defense Production Act of 1950 to extend the authority granted by such act; to the Committee on Banking, Finance and Urban Affairs.

By Mr. ANNUNZIO:

H.R. 38. A bill to amend the Home Owners' Loan Act of 1933 to prohibit Federal Savings and Loan Associations from making variable rate and rollover mortgages and to authorize the Federal Home Loan Bank Board to permit such Associations to issue graduated payment and reverse annuity mortgages; to the Committee on Banking, Finance and Urban Affairs.

By Mr. UDALL (for himself, Mr. Seiberling, Mr. Phillip Burton, Mr. Brademas, Mr. Studds, Mr. Fish, Mr. Patterson, Mr. Rangel, Mr. Brinkley, Mr. Conte, Mr. Vento, Mr. Kostmayer, Mr. Simon, Mr. Rodino, Mr. Weaver, Mr. Hughes, Mr. Carr, Mrs. Spellman, Mr. Gudger, Mr. Bonker, Mr. Patten, Mr. Davis of South Carolina, Mr. Barnes, Mr. Wirth, Mr. Danielson, Mr. Boland, Mr. Moakley, Mr. Green, Mr. Beilenson, Mr. Corrada, Mr. Conyers, Mr. Howard, Mr. Mikva, Mr. Corman, Mr. Vanik, Mr. Brodhead, Mr. Mineta, Mr. Waxman, Mr. Bingham, Mr. Fowler, Mr. Reuss, Mr. Van Deerlin, Mr. Harkin, Mr. Aspin, Mr. Rosenthal, Mr. Lehman, Mr. Markey, Mr. Derrick, Mr. Hawkins, Mr. Kildee, Mr. Dellums, Mr. Roe, Mr. Drinan, Mr. Blanchard, Mr. Fisher, Mr. Edwards of California, Mr. Harris, Mr. Kastenmeier, Mr. Long of Maryland, Mr. Maguire, Mr. Downey, Mr. Walgren, Mr. Pease, Mr. Ottinger, Mr. Richmond, Mr. Mottl, Mr. Moorhead of Pennsylvania, Mr. Edgar, Mr. Glickman, Mr. Sabo, Mr. Jeffords, Mr. Garcia, Mr. Hall of Ohio, Mr. Scheuer, Mr. Bonior, Mr. Mitchell of Maryland, Mr. Wolff, Mr. Hollenbeck, Mr. Traxler, Mr. Panetta, Mr. Jenrette, Mr. Florio, Mr. Andrews of North Carolina, Mr. Gephardt, Mr. Fascell, Mr. Duncan of Tennessee, Mrs. Schroeder, Mr. Gradison, Mr. John Burton, Mrs. Fenwick, and Mrs. Byron):

H.R. 39. A bill to provide for the designation and conservation of certain public lands in the State of Alaska, including the designation of units of the National Park, National Wildlife Refuge, National Forest, National Wild and Scenic Rivers, and National Wilderness Preservation Systems, and for other purposes; jointly, to the Committees on Interior and Insular Affairs and to the Committee on Merchant Marine and Fisheries for a period ending not later than March 19, 1979.

By Mr. BINGHAM:

H.R. 40. A bill to prohibit the importation, manufacture, sale, purchase, transfer, receipt, possession, or transportation of handguns, except for or by members of the Armed Forces, law enforcement officials, and, as authorized by the Secretary of the Treasury, licensed importers, manufacturers, dealers, antique collectors, and pistol clubs; to the Committee on the Judiciary.

By Mr. RAHALL (for himself and Mr. Perkins):

H.R. 41. A bill to authorize the Secretary of the Army, acting through the Chief of Engineers, to undertake flood control measures in the Tug and Levisa Forks of the Big Sandy River and the Cumberland River, W. Va. and Ky., and of Grundy, Va.; to the Committee on Public Works and Transportation.

By Mr. ROSENTHAL:

H.R. 42. A bill to amend the Federal Food, Drug, and Cosmetic Act and the Fair Packaging and Labeling Act, and to otherwise require the labels on foods and food products to disclose all of their ingredients and any changes in their ingredients, their nutritional content, accurate weight data, storage information, their manufacturers, packers, and distributors, and their unit prices and to provide for uniform product grading and prohibit misleading brand names; to the Committee on Interstate and Foreign Commerce.

H.R. 43. A bill to permit the advertising of drug prices and to require retailers of prescription drugs to post the prices of certain commonly prescribed drugs; to the Committee on Interstate and Foreign Commerce.

H. R. 44. A bill to amend the Federal Food, Drug, and Cosmetic Act so as to require that in the labeling and advertising of drugs sold by prescription the "established name" of such drug must appear each time their proprietary name is used, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 45. A bill to require that certain drugs and pharmaceuticals be prominently labeled as to the date beyond which potency or efficacy becomes diminished; to the Committee on Interstate and Foreign Commerce.

H.R. 46. A bill to amend title 35 of the United States Code to provide for compulsory licensing of prescription drug patents; to the Committee on the Judiciary.

By Mr. MONTGOMERY (for himself, Mr. Roberts, and Mr. Hammerschmidt):

H.R. 47. A bill to amend title 38, United States Code, to provide a cost-of-living increase in the rates of disability compensation for disabled veterans and in the rate of dependency and indemnity compensation for survivors of disabled veterans; to the Committee on Veterans' Affairs.

By Mr. HARSHA:

H.R. 48. A bill to prohibit the Secretary of Agriculture from prohibiting the use of nitrites as a food preservative on the basis of any carcinogenic effect nitrites may be represented to have until a satisfactory substitute preservative is commercially available; to the Committee on Agriculture.

By Mr. ERLENBORN:

H.R. 49. A bill to repeal the Davis-Bacon Act, and for other purposes; to the Committee on Education and Labor.

By Ms. HOLTZMAN:

H.R. 50. A bill to amend the Fair Labor Standards Act of 1938 to narrow the circumstances under which an employer employing employees subject to that act may have wage differentials based on sex of the employees; to the Committee on Education and Labor.

By Mr. MARKEY (for himself and Mr. Dingell):

H.R. 51. A bill to amend the Natural Gas Pipeline Safety Act of 1968 to provide for the safe operation of pipelines transporting natural gas and liquefied petroleum gas, to provide standards with respect to the siting, construction, and operation of liquefied natural gas facilities, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. OBERSTAR:

H.R. 52. A bill to incorporate the U.S. Submarine Veterans of World War II; to the Committee on the Judiciary.

By Mr. HAGEDORN:

H.R. 53. A bill to repeal the Davis-Bacon Act, and for other purposes; to the Committee on Education and Labor.

By Mr. SYMMS (for himself, Mr. Whitehurst, Mr. Bob Wilson, Mr. McDonald, Mr. Kindness, Mr. Hansen, Mr. Guyer, Mr. Edwards of Oklahoma, Mr. Evans of Georgia, Mr. Devine, Mr. Collins of Texas, Mr. Badham, Mr. Hagedorn, and Mr. Gephardt):

H.R. 54. A bill to amend the Federal Food, Drug, and Cosmetic Act to provide that drugs will be regulated under the act solely to assure their safety, to promote the efficient and fair treatment of new drug applications, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mrs. HOLT (for herself, Mr. Burgener, and Mr. Michel):

H.R. 55. A bill to improve the congressional budget process by the establishment in the House of Representatives of a two-step budget procedure for the consideration of a first required concurrent resolution on the budget; to the Committee on Rules.

By Mrs. HOLT:

H.R. 56. A bill to amend the Congressional Budget Act of 1974 to establish in the Congress a zero-base budgeting process, with full congressional review of each Federal program at least once every 6 years; to the Committee on Rules.

By Mr. NATCHER:

H.R. 57. A bill to extend veteran benefits to persons serving in the Armed Forces between November 12, 1918, and July 2, 1921; to the Committee on Veterans' Affairs.

By Mr. CONABLE:

H.R. 58. A bill to amend title XVIII of the Social Security Act to establish a program of long-term care services within the medicare program, to provide for the creation of community long-term care centers and State long-term care agencies as part of a new administrative structure for the organization and delivery of long-term care services, to provide a significant role for persons eligible for long-term care benefits in the administration of the program, and for other purposes; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. ROSE:

H.R. 59. A bill to provide competition in the domestic crude oil market; to the Committee on Interstate and Foreign Commerce.

By Mr. HOWARD:

H.R. 60. A bill to amend title 23 of the United States Code relating to the withdrawal of routes or portions thereof on the Interstate System; to the Committee on Public Works and Transportation.

By Mr. HORTON:

H.R. 61. A bill to amend title 5 of the United States Code to improve agency rulemaking by establishing paperwork control mechanisms, by expanding opportunities for public participation, and by enabling the President to delay the implementation of certain rules for 1 year to allow a more comprehensive analysis of congressional intent and public impact, and for other purposes; jointly, to the Committees on the Judiciary and Rules.

By Mr. HORTON (for himself, Mr. Brooks, and Mr. Steed):

H.R. 62. A bill to improve the economy and efficiency of the Government and the private sector by improving Federal paperwork management, and for other purposes; to the Committee on Government Operations.

By Mr. HORTON:

H.R. 63. A bill to amend title 39 of the United States Code for the purpose of establishing a new procedure for fixing rates and classes of mail, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. STOKES:

H.R. 64. A bill to provide a special program for financial assistance to national community-based organizations of demonstrated effectiveness, in order to provide 1 million new jobs and job training opportunities, and for other purposes; jointly, to the Committees on Education and Labor, and Ways and Means.

By Mr. DERRICK (for himself, Mr. Akaka, Mr. Annunzio, Mr. Burgener, Mr. Carr, Mr. Cleveland, Mr. D'Amours, Mr. Derwinski, Mr. Dicks, Mr. Duncan of Oregon, Mr. Emery, Mr. Ertel, Mr. Fascell, Mr. Frenzel, Mr. Gephardt, Mr. Giaimo, Mr. Gudger, Mr. Guyer, Mr. Holland, Mrs. Holt, Mr. Hyde, Mr. Jacobs, Mr. Jenrette, Mr. Jones of Oklahoma, Mr. Kindness, Mr. Lee, Mr. Lent, Mr. Luken, Mr. McCormack, Mr. McHugh, Mr. Maguire, Ms. Mikulski, Mr. Ottinger, Mr. Patterson, Mr. Pritchard, Mr. Pursell, Mr. Rousselot, Mr. Santini, Mr. Skelton, Mr. Whittaker, Mr. Winn, and Mr. Won Pat):

H.R. 65. A bill to improve congressional oversight of Federal programs and activities by requiring greater specificity in setting program objectives, by requiring continuing information on the extent to which programs are achieving their stated objectives, by requiring periodic review of new authorizations of budget authority and tax expenditures, and for other purposes; jointly, to the Committees on Government Operations, and Rules.

By Mr. PERKINS:

H.R. 66. A bill to amend the Vocational Education Act of 1963 to extend the authorizations of appropriations contained in such act; to the Committee on Education and Labor.

H.R. 67. A bill to improve education by increasing the freedom of the Nation's teachers to change employment across State lines without substantial loss of retirement benefits through establishment of a Federal-State program; to the Committee on Education and Labor.

By Mr. BENNETT:

H.R. 68. A bill to protect the constitutional rights of those subject to the military justice system, to revise the Uniform Code of Military Justice, and for other purposes; to the Committee on Armed Services.

H.R. 69. A bill to amend the Federal Election Campaign Act of 1971 to provide that, with respect to any Federal election, no expenditure may be made by any candidate or political committee unless there are sufficient funds in the checking account maintained by such committee to pay the amount of such expenditure and all other checks drawn on such account and unpaid, and for other purposes; to the Committee on House Administration.

By Mr. FINDLEY (for himself, Mr. Pepper, and Mr. Hawkins):

H.R. 70. A bill to amend the Age Discrimination in Employment Act of 1967 to provide that individuals who are 40 years of age or older shall be protected by the provisions of such act, and for other purposes; to the Committee on Education and Labor.

By Mr. O'BRIEN:

H.R. 71. A bill to amend section 553 of title 5, United States Code, to improve Federal rulemaking practice by creating procedures for regulatory issuance in two or more parts; to the Committee on the Judiciary.

H.R. 72. A bill to provide that polling and registration places for elections for Federal office be accessible to physically handicapped and elderly individuals, and for other purposes; to the Committee on House Administration.

By Mr. ROSENTHAL:

H.R. 73. A bill to amend title 5, United States Code, to provide for the establishment of a Special Cost-of-Living Pay Schedule containing increased pay rates for Federal employees in heavily populated cities and metropolitan areas to offset the increased cost of living, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. BROWN of Ohio:

H.R. 74. A bill to establish a program of Federal grants to encourage the employment and training of unemployed individuals; to the Committee on Education and Labor.

H.R. 75. A bill to establish a procedure to reduce the cost of compliance with Federal rules and regulations by requiring the adoption of the most cost-effective alternative; to the Committee on the Judiciary.

H.R. 76. A bill to amend the Congressional Budget Act of 1974 to require the Congress to establish, for each fiscal year, a regulatory budget for each Federal agency which sets the maximum costs of compliance with all rules and regulations promulgated by that agency, and for other purposes; to the Committee on Rules.

H.R. 77. A bill to modify the procedures used for the promulgation of rules or regulations by the independent regulatory agencies; to the Committee on the Judiciary.

H.R. 78. A bill to reduce duplicative and conflicting Federal rules or regulations, and for other purposes; to the Committee on the Judiciary.

By Mr. CHARLES H. WILSON of California:

H.R. 79. A bill to amend title 39, United States Code, to provide that the chairmen of the Board of Governors of the U.S. Postal Service be appointed by the President, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. OBEY (for himself, Mr. Baldus, Mr. Kastenmeier, Mr. Jeffords, and Mr. Aspin):

H.R. 80. A bill to amend section 201 of the Agriculture Act of 1949, as amended, to extend until September 30, 1981, the requirement that the price of milk be supported at not less than 80 percent of the parity price therefor; to the Committee on Agriculture.

By Mr. RODINO (for himself and Mr. Danielson):

H.R. 81. A bill to regulate lobbying and related activities; to the Committee on the Judiciary.

By Mr. CORRADA (for himself and Mr. Won Pat):

H.R. 82. A bill to amend the Social Security Act to provide that Federal assistance to Puerto Rico, the Virgin Islands, and Guam under the AFDC, child welfare, and social services programs shall be furnished on the same basis (under the same formula and without specific dollar ceilings) as in the case of other States, and to amend section 228 of such act to extend to Puerto Rico, the Virgin Islands, and Guam the program of special benefits at age 72 for certain uninsured individuals; to the Committee on Ways and Means.

H.R. 83. A bill to amend title XVI of the Social Security Act and related laws to extend the supplemental security income benefits program to Puerto Rico, the Virgin Islands, and Guam on the same basis as the States; to the Committee on Ways and Means.

By Mr. McCLORY:

H.R. 84. A bill to provide procedures for calling constitutional conventions for proposing amendments to the Constitution of the United States, on application of the legislatures of two-thirds of the States, pursuant to article V of the Constitution; to the Committee on the Judiciary.

By Mr. BIAGGI (for himself, Mr. Murphy of New York, Mr. Treen, Mr. Snyder, Mr. Jones of North Carolina, Mr. Pritchard, Mr. de la Garza, Mr. Young of Alaska, Mr. Patterson, Mr. Bauman, Mr. Ginn, Mr. Lent, Mr. Hubbard, Mr. Evans of Delaware, Mr. Bonker, Mr. Forsythe, Mr. D'Amours, Mr. Emery, Mr. Oberstar, Mr. Dornan, Mr. Hughes, Mr. Trible, Ms. Mikulski, Mr. Bonior, Mr. Akaka, Mr. Bowen, and Mr. Zeferetti):

H.R. 85. A bill to provide a comprehensive system of liability and compensation for oil-spill damage and removal costs, and for other purposes; jointly to the Committees on Merchant Marine and Fisheries, and Public Works and Transportation.

By Mr. BOB WILSON:

H.R. 86. A bill to amend section 907 of title 37, United States Code, relating to pay and allowances of enlisted members of the uniformed services who are appointed officers, and for other purposes; to the Committee on Armed Services.

By Mr. SMITH of Iowa:

H.R. 87. A bill to require the consideration of environmental and other factors, and the stockpiling and replacement of soil on all public works projects and highway and other projects which are federally assisted, on federally held land, and on projects which affect commerce among the States, or the general welfare and quality of life of the Nation; jointly to the Committees on Public Works and Transportation, and Agriculture.

H.R. 88. A bill to clarify the eligibility of certain small businesses for loans under the Small Business Act, to aid, protect, and preserve small businesses in meat production and marketing, and for other purposes; jointly to the Committees on Agriculture, and Small Business.

H.R. 89. A bill to amend the Commodity Exchange Act to require public disclosure of certain information relating to sales of commodities for export, and for other purposes; to the Committee on Agriculture.

By Mr. SMITH of Iowa (for himself, Mr. Conte, and Mr. McDade):

H.R. 90. A bill to amend the Small Business Act and Small Business Investment Act of 1958; to the Committee on Small Business.

By Mr. SMITH of Iowa (for himself and Mr. Conte):

H.R. 91. A bill to change the method and procedure of selling all meat commodities; to provide for licensing and regulating of market price reporting services; to insure proper market for sales and thereby prevent manipulation of prices in meat trading (selling) and the creation of a Meat Industry Standards Board to implement these objectives; to research the establishment of a centralized national market system; to the Committee on Agriculture.

By Mr. SMITH of Iowa:

H.R. 92. A bill to modify the method of establishing quotas on the importation of certain meat, to include within such quotas certain meat products, and for other purposes; to the Committee on Ways and Means.

By Mr. AKAKA (for himself and Mr. Heftel):

H.R. 93. A bill to amend the Indian Education Act and certain other related education assistance programs to provide Federal financial assistance to Hawaiian Natives, and for other purposes; to the Committee on Education and Labor.

By Mr. HARSHA:

H.R. 94. A bill to prohibit the Secretary of Agriculture and the Secretary of Health, Education, and Welfare from prohibiting the use of nitrites as a food preservative on the basis of any carcinogenic effect nitrites may be represented to have until the development of a satisfactory alternative food preservative; jointly, to the Committees on Agriculture, and Interstate and Foreign Commerce.

By Mr. YATES:

H.R. 95. A bill to designate the Indiana Dunes National Lakeshore as the "Paul H. Douglas Indiana Dunes National Lakeshore"; to the Committee on Interior and Insular Affairs.

By Mr. COLEMAN (for himself, Mr. Dannemeyer, Mr. Kramer, Mr. Hyde, Mr. Lee, Mr. Treen, Mr. O'Brien, Mr. Schulze, Mr. Montgomery, Mr. Mottl, Mr. Lagomarsino, Mr. Myers of Indiana, Mr. Badham, Mr. Buchanan, Mr. Dornan, Mr. Young of Florida, Mr. Sensenbrenner, Mr. Walker, Mr. Young of Alaska, Mr. Grisham, Mr. Corcoran, Mr. Bob Wilson, Mr. Shumway, Mr. Cheney, Mr. Sebelius, Mr. Hillis, Mr. Applegate, Mr. Dan Daniel, Mr. Collins, of Texas, Mr. Rousselot, Mr. Winn, Mr. Rudd, and Mr. Yatron):

H.J. Res. 2. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; and to provide for the systematic paying back of the national debt; to the Committee on the Judiciary.

By Mr. STEED (for himself, Mr. Jones of Oklahoma, Mr. English, Mr. Watkins, Mr. Edwards of Oklahoma, and Mr. Synar):

H.J. Res. 3. Joint resolution designating November 4, 1979, as "Will Rogers Day"; to the Committee on Post Office and Civil Service.

By Mr. CHAPPELL:

H.J. Res. 4. Joint resolution proposing an amendment to the Constitution of the United States relative to the balancing of the budget; to the Committee on the Judiciary.

By Mr. HAGEDORN:

H.J. Res. 5. Joint resolution proposing an amendment to the Constitution of the United States limiting annual increases in Federal budget outlays and new Federal budget authority; to the Committee on the Judiciary.

By Mr. LATTA (for himself, Mr. Solomon, Mr. Kramer, Mr. Rousselot, Mr. Davis of Michigan, Mr. Dornan, Mr. Bafalis, Mr. Sensenbrenner, Mr. Hyde, Mr. Guyer, Mr. Lagomarsino, Mr. Grisham, Mr. Miller of Ohio, Mr. Rudd, Mr. Devine, Mrs. Holt, Mr. Snyder, and Mr. Sebelius):

House Joint Resolution 6. Joint resolution proposing an amendment to the Constitution to prohibit the Congress from making any law which would cause the total amount of the expenditures by the United States in any fiscal year to exceed the total amount of the revenues received during that fiscal year, and which would require the Congress to provide a reasonable sum of money in each fiscal year to be applied on the repayment of the national debt; to the Committee on the Judiciary.

By Mr. DANIELSON:

House Joint Resolution 7. Joint resolution proposing an amendment to the Constitution of the United States relating to the election of the President and Vice President; to the Committee on the Judiciary.

By Mr. LEVITAS:

House Joint Resolution 8. Joint resolution proposing an amendment to the Constitution of the United States relative to the balancing of the budget; to the Committee on the Judiciary.

By Mr. BOLAND:

House Joint Resolution 9. Joint resolution proposing an amendment to the Constitution of the United States with respect to the right to life; to the Committee on the Judiciary.

By Mr. DERWINSKI:

House Joint Resolution 10. Joint resolution to amend the Constitution of the United States to provide for balanced budgets and elimination of the Federal indebtedness; to the Committee on the Judiciary.

By Mr. BENNETT:

House Joint Resolution 11. Joint resolution proposing an amendment to the Constitution to provide that, except in time of war or economic emergency declared by the Congress, expenditures of the Government may not exceed the revenues of the Government during any fiscal year; to the Committee on the Judiciary.

H.J. Res. 12. Joint resolution proposing an amendment to the Constitution of the United States to prohibit compelling attendance in schools other than the one nearest the residence and to insure equal educational opportunities for all students wherever located; to the Committee on the Judiciary.

H.J. Res. 13. Joint resolution proposing amendment to the Constitution of the United States allowing an item veto in appropriations; to the Committee on the Judiciary.

By Mr. BAFALIS (for himself, Mr. Lott, Mr. Mottl, Mr. Daniel Crane, Mr. Guyer, Mr. Robert W. Daniel, Jr., Mr. Kindness, Mr. Treen, Mr. Winn, Mr. Young of Florida, Mr. Hyde, Mr. Hagedorn, Mr. Montgomery, Mr. Rousselot, Mr. Devine, Mr. Dornan, Mr. Stockman, Mr. Duncan of Tennessee, Mr. Mathis, Mr. Buchanan, Mr. Lent, Mr. Huckaby, Mr. Benjamin, Mr. Murphy of Pennsylvania, Mr. Badham, Mr. Ireland, Mr. Butler, Mr. Lagomarsino, Mr. Schulze, Mr. Vander Jagt, Mr. Kelly, Mr. Collins of Texas, Mr. Martin, Mr. Andrews of North Dakota, Mr. Snyder, Mr. Cleveland, Mr. Burgener, Mr. Grassley, Mr. English, Mr. Edwards of Alabama, Mr. Charles Wilson of Texas, Mr. Marriott, Mr. Latta, Mr. Symms, Mr. O'Brien, Mr. Robinson, Mr. Bauman, Mr. Abdnor, Mr. Goldwater, Mrs. Holt, Mr. Spence, Mr. McDonald, Mr. Harsha, Mr. Jacobs, Mr. Moore, Mr. Runnels, Mr. Beard of Tennessee, Mr. Chappell, Mr. Davis of Michigan, Mr. Campbell, Mr. Gingrich. Mr. Sensenbrenner, Mr. Lee, Mr. Solomon, Mr. Kramer, Mr. Grisham, Mr. Shumway, Mr. Loeffler, Mr. Hinson, Mr. Lungren, Mr. Walker, Mr. Holland, Mr. Hopkins, Mr. Broyhill, Mr. Whittaker, Mr. Broomfield, Mr. Rudd, Mr. Ichord, Mr. Whitehurst, Mr. Edwards of Oklahoma, Mr. Madigan, Mr. Regula, Mr. Hansen, Mr. McCloskey, Mr. Shuster, Mr. Livingston, Mr. Sebelius, Mr. Quayle, Mr. Wylie, Mr. Taylor, Mr. Evans of Delaware, Mr. Hammerschmidt, Mr. Wampler, Mr. Lujan, Mr. Young of Alaska, Mr. Stangeland, Mr. Dickinson, Mrs. Smith of Nebraska, Mr. Mitchell of New York, and Mr. Hall of Texas):

H.J. Res. 14. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; and to provide for the systematic paying back of the national debt; to the Committee on the Judiciary.

By Mr. HAGEDORN:

H. Con. Res. 2. Concurrent resolution establishing a Commission on Legislative-Judicial

Relations; to the Committee on the Judiciary.

By Mr. MURPHY of New York:

H. Con. Res. 3. Concurrent resolution expressing the sense of the Congress that "Our American Merchant Marine March" as written and composed by Earl W. Clark be recognized as the official march of the American Merchant Marine; to the Committee on Merchant Marine and Fisheries.

By Mr. WOLFF (for himself, Mr. Rodino, Mr. Biaggi, Mrs. Collins of Illinois, Mr. de la Garza, Ms. Mikulski, Mr. Neal, Mr. Murphy of Illinois, Mr. Rangel, Mr. English, Mr. Evans of Georgia, Mr. Zeferetti, Mr. Akaka, Mr. Beard of Tennessee, Mr. Gilman, Mr. Guyer, Mr. Fascell, Mr. Dornan, Mrs. Boggs, and Mr. Railsback):

H. Res. 13. Resolution providing for the establishment of the Select Committee on Narcotics Abuse and Control; to the Committee on Rules.

By Mr. HAGEDORN:

H. Res. 14. Resolution to amend the Rules of the House of Representatives to require that each introduced bill and resolution contain a statement of the constitutional basis of authority for the bill; to the Committee on Rules.

By Mr. WHITE (for himself, Mr. Gramm, and Mr. Lott):

H.J. Res. 15. Joint resolution proposing an amendment to the Constitution of the United States to provide that the level of total outlays of the United States for any fiscal year shall not exceed the level of total receipts of the United States for such fiscal year and for the disposition of unanticipated deficits; to the Committee on the Judiciary.

By Mr. de la GARZA:

H.J. Res. 16. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; and to provide for the systematic paying back of the national debt; to the Committee on the Judiciary.

By Mr. ABDNOR:

H.J. Res. 17. Joint resolution proposing an amendment to the Constitution of the United States for the protection of unborn children and other persons; to the Committee on the Judiciary.

By Mr. ANDERSON of California:

H.J. Res. 18. Joint resolution to amend the Constitution of the United States to provide for balanced budgets and elimination of the Federal indebtedness; to the Committee on the Judiciary.

H.J. Res. 19. Joint resolution to provide for the designation of a week as "National Lupus Week"; to the Committee on Post Office and Civil Service.

By Mr. ANNUNZIO:

H.J. Res. 20. Joint resolution proposing an amendment to the Constitution of the United States to prohibit compelling attendance in schools other than the one nearest the residence and to insure equal educational opportunities for all students wherever located; to the Committee on the Judiciary.

By Mr. ARCHER:

H.J. Res. 21. Joint resolution proposing an amendment to the Constitution of the United States requiring the submission of balanced Federal funds budgets by the President and action by the Congress to provide revenues to offset Federal funds deficits; to the Committee on the Judiciary.

By Mr. BEDELL:

H.J. Res. 22. Joint resolution proposing an amendment to the Constitution of the United States to provide 4-year terms for Members of the House of Representatives, and to limit the number of consecutive terms that Representatives and Senators may serve, and for other purposes; to the Committee on the Judiciary.

By Mr. ROUSSELOT (for himself, Mr. McDonald, Mr. Symms, Mr. Paul, Mr. Ashbrook, and Mr. Collins of Texas):

H.J. Res. 23. Joint resolution proposing an amendment to the Constitution of the United States relative to abolishing personal income, estate, and gift taxes and prohibiting the U.S. Government from engaging in business in competition with its citizens; to the Committee on the Judiciary.

By Mr. BENNETT:

H.J. Res. 24. Joint resolution proposing an amendment to the Constitution to provide for the direct election of the President and the Vice President, and to authorize Congress to establish procedures relating to the nomination of Presidential and Vice-Presidential candidates; to the Committee on the Judiciary.

By Mr. CHAPPELL:

H.J. Res. 25. Joint resolution to authorize the President to proclaim the week of June 29 through July 5 as "Why I love America Week"; to the Committee on Post Office and Civil Service.

By Mr. CLAUSEN:

H.J. Res. 26. Joint resolution proposing an amendment to the Constitution of the United States requiring the submission of balanced Federal funds budgets by the President, and action by the Congress to provide revenues to offset Federal funds deficits; to the Committee on the Judiciary.

By Mr. COLLINS of Texas:

H.J. Res. 27. Joint resolution proposing an amendment to the Constitution of the United States relative to abolishing personal income, estate, and gift taxes, and prohibiting the U.S. Government from engaging in business in competition with its citizens; to the Committee on the Judiciary.

H.J. Res. 28. Joint resolution authorizing the President to designate October 7, 1979, as "Children's Day"; to the Committee on Post Office and Civil Service.

By Mr. de la GARZA:

H.J. Res. 29. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations shall not exceed revenues of the United States, except in time of war or national emergency; to the Committee on the Judiciary.

By Mr. DELLUMS:

H.J. Res. 30. Joint resolution to provide independence for Puerto Rico; to the Committee on Interior and Insular Affairs.

By Mr. DRINAN:

H.J. Res. 31. Joint resolution proposing an amendment to the Constitution of the United States lowering the age requirements for membership in the Houses of Congress; to the Committee on the Judiciary.

By Mr. ERDAHL:

H.J. Res. 32. Joint resolution proposing an amendment to the Constitution to provide that, except in time of war or economic emergency declared by the Congress, expenditures of the Government may not exceed the revenues of the Government during any fiscal year; to the Committee on the Judiciary.

By Mr. JACOBS:

H.J. Res. 33. Joint resolution to amend the Constitution of the United States to provide for balanced budgets and elimination of the Federal indebtedness; to the Committee on the Judiciary.

By Mr. EVANS of Georgia:

H.J. Res. 34. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; and to provide for the systematic paying back of the national debt; to the Committee on the Judiciary.

By Mr. GINN:

H.J. Res. 35. Joint resolution proposing an amendment to the Constitution to provide that, except in time of war and economic emergency declared by the Congress, expenditures of the Government may not exceed revenues of the Government during any fiscal year; to the Committee on the Judiciary.

By Mr. GOLDWATER:

H.J. Res. 36. Joint resolution to provide for the convening of an International Conference on Communication and Information, and for other purposes; to the Committee on International Relations.

H.J. Res. 37. Joint resolution proposing an amendment to the Constitution of the United States to give citizens of the United States the right to enact and repeal laws by voting on legislation in a national election; to the Committee on the Judiciary.

H.J. Res. 38. Joint resolution proposing an amendment to the Constitution of the United States relative to the balancing of the budget; to the Committee on the Judiciary.

By Mr. GRAMM:

H.J. Res. 39. Joint resolution proposing an amendment to the Constitution of the United States which prohibits the Congress from making any law which causes the total amount of money expended by the United States in any fiscal year to exceed the total amount of revenue of the United States received during that fiscal year; to the Committee on the Judiciary.

By Mr. GUYER:

H.J. Res. 40. Joint resolution proposing an amendment to the Constitution of the United States to give citizens of the United States the right to enact and repeal laws by voting on legislation in a national election; to the Committee on the Judiciary.

H.J. Res. 41. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; and to provide for the systematic paying back of the national debt; to the Committee on the Judiciary.

H.J. Res. 42. Joint resolution proposing an amendment to the Constitution of the United States limiting annual increases in Federal budget outlays and new Federal budget authority to the Committee on the Judiciary.

H.J. Res. 43. Joint resolution proposing an amendment to the Constitution of the United States to provide that total taxation by the Federal Government of the people of the United States shall not exceed 15 percent of the gross national product, and to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; to the Committee on the Judiciary.

H.J. Res. 44. Joint resolution proposing an amendment to the Constitution of the United States for the purpose of limiting the power of Congress to tax; to the Committee on the Judiciary.

H.J. Res. 45. Joint resolution proposing an amendment to the Constitution of the United States guaranteeing the right of life to the unborn; to the Committee on the Judiciary.

H.J. Res. 46. Joint resolution proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. HANSEN:

H.J. Res. 47. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; and to provide for the systematic paying back of the national debt; to the Committee on the Judiciary.

H.J. Res. 48. Joint resolution proposing an amendment to the Constitution of the United States to provide that total taxation by the Federal Government of the people of the United States shall not exceed 15 percent of the gross national product, and to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; to the Committee on the Judiciary.

H.J. Res. 49. Joint resolution proposing an amendment to the Constitution of the United States for the protection of unborn children and other persons; to the Committee on the Judiciary.

By Mr. HILLIS:

H.J. Res. 50. Joint resolution proposing an amendment to the Constitution of the United States to provide a 6-year term for President and for Vice President and a 3-year term for Representatives and to limit the total number of years for which Senators and Representatives may serve; to the Committee on the Judiciary.

H.J. Res. 51. Joint resolution proposing an amendment to the Constitution of the United States for the protection of unborn children and other persons; to the Committee on the Judiciary.

By Mrs. HOLT:

H.J. Res. 52. Joint resolution proposing an amendment to the Constitution of the United States for the purpose of limiting the power of Congress to tax; to the Committee on the Judiciary.

By Mrs. HOLT (for herself, Mr. Dickinson, Mr. Martin, and Mr. Rousselot):

H.J. Res. 53. Joint resolution to amend the Constitution of the United States to require a balanced Federal budget; to the Committee on the Judiciary.

By Mrs. HOLT:

H.J. Res. 54. Joint resolution proposing an amendment to the Constitution of the United States relative to neighborhood schools; to the Committee on the Judiciary.

By Mr. HYDE:

H.J. Res. 55. Joint resolution proposing an amendment to the Constitution of the United States allowing an item veto in appropriations; to the Committee on the Judiciary.

By Mr. HYDE (for himself, Mr. Davis of Michigan, Mr. Derwinski, Mr. Dougherty, and Mr. Young of Missouri):

H.J. Res. 56. Joint resolution proposing an amendment to the Constitution of the United States guaranteeing the right of life to the unborn; to the Committee on the Judiciary.

By Mr. KASTENMEIER:

H.J. Res. 57. Joint resolution proposing an amendment to the Constitution of the United States relating to the election of the President and Vice President; to the Committee on the Judiciary.

By Mr. KAZEN:

H.J. Res. 58. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; and to provide for the systematic paying of the national debt; to the Committee on the Judiciary.

By Mr. LAGOMARSINO:

H.J. Res. 59. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; to the Committee on the Judiciary.

H.J. Res. 60. Joint resolution proposing an amendment to the Constitution of the United States relating to the compensation of Senators and Representatives, providing that no increase in compensation shall take effect earlier than the following Congress; to the Committee on the Judiciary.

H.J. Res. 61. Joint resolution proposing an amendment to the Constitution of the United States to prohibit any Member of Congress sentenced for conviction of a felony during a session of Congress from continuing to serve as a Member of such Congress after the date of such sentencing; to the Committee on the Judiciary.

H.J. Res. 62. Joint resolution proposing an amendment to the Constitution of the United States limiting annual increases in Federal budget outlays and new Federal budget authority; to the Committee on the Judiciary.

H.J. Res. 63. Joint resolution proposing an amendment to the Constitution of the United States to require a two-thirds vote of each House to increase taxes; to the Committee on the Judiciary.

By Mr. LENT:

H.J. Res. 64. Joint resolution proposing an amendment to the Constitution of the United States with respect to the right to life; to the Committee on the Judiciary.

By Mr. LLOYD:

H.J. Res. 65. Joint resolution proposing an amendment to the Constitution of the United States providing that the terms of office of Members of the House of Representatives shall be 4 years, and for other purposes; to the Committee on the Judiciary.

By Mr. LUKEN:

H.J. Res. 66. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; and to provide for the systematic paying back of the national debt; to the Committee on the Judiciary.

H.J. Res. 67. Joint resolution proposing an amendment to the Constitution of the United States to give citizens of the United States the right to enact and repeal laws by voting on legislation in a national election; to the Committee on the Judiciary.

By Mr. MARRIOTT:

H.J. Res. 68. Joint resolution to authorize the President to issue a proclamation designating the week beginning on November 18, 1979, as "National Family Week"; to the Committee on Post Office and Civil Service.

By Mr. MINETA (for himself, Mr. Montgomery, Mr. Jenrette, Mrs. Holt, Mr. Price, Mr. Edwards of California, Mr. Ginn, Mr. Lagomarsino, Mr. Baldus, and Mr. Johnson of California):

H.J. Res. 69. Joint resolution designating the "square dance" as the national folk dance of the United States of America; to the Committee on Post Office and Civil Service.

Mr. MITCHELL of New York:

H.J. Res. 70. Joint resolution proposing an amendment to the Constitution of the United States with respect to public prayer and religious instruction; to the Committee on the Judiciary.

H.J. Res. 71. Joint resolution to authorize and request the President to proclaim the second week in April of each year as "National Medical Laboratory Week"; to the Committee on Post Office and Civil Service.

H.J. Res. 72. Joint resolution to authorize and request the President to proclaim May 7 of each year as a National Day of Prayer; to the Committee on Post Office and Civil Service.

By Mr. MOORHEAD of California:

H.J. Res. 73. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; to the Committee on the Judiciary.

By Mr. MOTTL:

H.J. Res. 74. Joint resolution proposing an amendment to the Constitution of the United States to prohibit compelling the attendance of a student in a public school other than the public school nearest the residence of such student; to the Committee on the Judiciary.

By Mr. NEAL:

H.J. Res. 75. Joint resolution proposing an amendment to the Constitution of the United States to provide that, except in cases of war or grave national emergency as determined by the Congress, expenditures of the United States in each fiscal year shall not exceed 20 percent of the gross national product for the preceding calendar year, and expenditures of the United States in each fiscal year shall not exceed revenues of the United States for that fiscal year; to the Committee on the Judiciary.

By Mr. ROBINSON:

H.J. Res. 76. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; and to provide for the systematic paying back of the national debt; to the Committee on the Judiciary.

H.J. Res. 77. Joint resolution proposing an amendment to the Constitution relating to the continuance in office of judges of the Supreme Court and of inferior courts; to the Committee on the Judiciary.

H.J. Res. 78. Joint resolution proposing an amendment to the Constitution of the United States with respect to the attendance of Senators and Representatives at sessions of the Congress; to the Committee on the Judiciary.

H.J. Res. 79. Joint resolution to authorize and request the President to issue a proclamation designating May 13 of each year as "American Business Day"; to the Committee on Post Office and Civil Service.

By Mr. ROE:

H.J. Res. 80. Joint resolution to provide that it be the sense of Congress that a White House Conference on Long-Term Care be called by the President of the United States in 1979, to be planned and conducted by the Secretary of Health, Education, and Welfare; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. SMITH of Iowa:

H.J. Res. 81. Joint resolution proposing an amendment to the Constitution of the United States relating to the nomination of individuals for election to the offices of the President and Vice President of the United States; to the Committee on the Judiciary.

By Mr. SNYDER:

H.J. Res. 82. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; and to provide for the systematic paying back of the national debt; to the Committee on the Judiciary.

By Mr. SPENCE:

H.J. Res. 83. Joint resolution proposing an amendment to the Constitution of the United States relative to the balancing of the budget; to the Committee on the Judiciary.

By Mr. STENHOLM:

H.J. Res. 84. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; and to provide for the systematic paying of the national debt; to the Committee on the Judiciary.

By Mr. SYMMS:

H.J. Res. 85. Joint resolution proposing the Bricker amendment to the Constitution of the United States relative to force and effect of treaties and Executive agreements; to the Committee on the Judiciary.

By Mr. TREEN (for himself, Mr. McClory, Mr. Livingston, Mr. Moore, Mr. Quayle, Mr. Snyder, Mr. Rousselot, Mr. Simon, Mr. Walker, Mr. Montgomery, Mr. Hall of Texas, Mr. Kindness, Mr. Lott, Mr. Burgener, Mr. Shuster, Mr. Badham, Mr. Lagomarsino, Mr. Sebelius, Mr. Winn, Mr. Rudd, Mr. O'Brien, Mr. Dan Daniel, Mr. Marriott, Mr. Young of Florida, Mr. Devine, Mr. Collins of Texas, and Mr. McDonald):

H.J. Res. 86. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; to the Committee on the Judiciary.

By Mr. VANDER JAGT:

H.J. Res. 87. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; and to provide for the systematic paying back of the national debt; to the Committee on the Judiciary.

H.J. Res. 88. Joint resolution proposing an amendment to the Constitution of the United States providing for the election of the President and Vice President; to the Committee on the Judiciary.

By Mr. VOLKMER (for himself and Mr. Young of Missouri):

H.J. Res. 89. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; to the Committee on the Judiciary.

By Mr. VOLKMER (for himself, Mr. Young of Missouri, and Mr. Gephardt):

H.J. Res. 90. Joint resolution proposing an amendment to the Constitution of the United States with respect to the right to life; to the Committee on the Judiciary.

By Mr. WHITE:

H.J. Res. 91. Joint resolution proposing an amendment to the Constitution of the United States relating to the busing or involuntary assignment of students; to the Committee on the Judiciary.

By Mr. WHITEHURST:

H.J. Res. 92. Joint resolution calling for a wildlife preserve for humpback whales in the West Indies; to the Committee on International Relations.

By Mr. WON PAT:

H.J. Res. 93. Joint resolution proposing an amendment to the Constitution to provide for the direct popular election of the President and Vice President of the United States; to the Committee on the Judiciary.

By Mr. WYLIE:

H.J. Res. 94. Joint resolution to amend the Constitution of the United States to provide that Federal budget outlays made by the United States after September 30, 1985, shall not exceed 20 percent of the gross national product for the previous fiscal year, except in time of war or economic necessity declared by the Congress; to the Committee on the Judiciary.

H.J. Res. 95. Joint resolution to amend the Constitution of the United States to provide that Federal budget outlays made by the United States after September 30, 1983, shall not exceed 20 percent of the gross national product for the previous fiscal year, except in time of war or economic necessity declared by the Congress; to the Committee on the Judiciary.

H.J. Res. 96. Joint resolution to amend the Constitution of the United States to provide Federal budget outlays made by the United States after September 30, 1984, shall not exceed 20 percent of the gross national product for the previous fiscal year, except in time of war or economic necessity declared by the Congress; to the Committee on the Judiciary.

H.J. Res. 97. Joint resolution to amend the Constitution of the United States to provide that Federal expenditures and budget outlays shall not exceed Federal revenues, except in time of war or economic necessity declared by the Congress; to the Committee on the Judiciary.

H.J. Res. 98. Joint resolution to amend the Constitution of the United States to provide that Federal budget outlays made by the United States after September 30, 1982 shall not exceed 20 percent of the gross national product for the previous fiscal year, except in time of war or economic necessity declared by the Congress; to the Committee on the Judiciary.

By Mr. YATRON:

H.J. Res. 99. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; and to provide for the systematic paying back of the national debt; to the Committee on the Judiciary.

H.J. Res. 100. Joint resolution to authorize the President to issue a proclamation designating March 1979, as "Youth Art Month"; to the Committee on Post Office and Civil Service.

By Mr. YOUNG of Missouri (for himself, Mr. Gephardt, Mr. Volkmer, and Mr. Hyde):

H.J. Res. 101. Joint resolution proposing an amendment to the Constitution of the United States with respect to the right to life; to the Committee on the Judiciary.

By Mr. ANNUNZIO:

H. Con. Res. 4. Concurrent resolution expressing the sense of the Congress relating to films and broadcasts which defame, stereotype, ridicule, demean, or degrade ethnic, racial, and religious groups; to the Committee on Interstate and Foreign Commerce.

By Mr. BEDELL:

H. Con. Res. 5. Concurrent resolution relative to the evaluation of certain strategic nuclear capabilities of the United States and Russia; jointly, to the Committees on Armed Services and International Relations.

By Mr. BINGHAM:

H. Con. Res. 6. Concurrent resolution authorizing a bust or statue of Martin Luther King Jr., to be placed in the Capitol; to the Committee on House Administration.

By Mr. COLLINS of Texas:

H. Con. Res. 7. Concurrent resolution to provide, subject to certain exceptions, that the House of Representatives may meet only on certain days; to the Committee on Rules.

By Mr. DRINAN:

H. Con. Res. 8. Concurrent reoslution urging the participation of the United States in the review of the United Nations Charter, and for other purposes; to the Committee on International Relations.

By Mr. EVANS of Georgia:

H. Con. Res. 9. Concurrent resolution disapproving a proposed revenue procedure of the Internal Revenue Service relating to private tax-exempt schools; to the Committee on Ways and Means.

By Mr. GUYER:

H. Con. Res. 10. Concurrent resolution to express the sense of Congress that a United Nations special investigatory commission should be established to secure a full accounting of Americans listed as missing in Southeast Asia; to the Committee on International Relations.

H. Con. Res. 11. Concurrent resolution expressing the sense of Congress with respect to the Internal Revenue Service's proposed procedure on private tax-exempt schools; to the Committee on Ways and Means.

By Mr. HANSEN:

H. Con. Res. 12. Concurrent resolution to uphold the separation of powers between the executive and legislative branches of Government in the termination of treaties; to the Committee on International Relations.

H. Con. Res. 13. Concurrent resolution to disapprove Federal motor vehicle safety standard 208 transmitted June 30, 1977; to the Committee on Interstate and Foreign Commerce.

By Mr. HILLIS:

H. Con. Res. 14. Concurrent resolution expressing the sense of the Congress that the U.S. Postal Service should not reduce the frequency of mail delivery service; to the Committee on Post Office and Civil Service.

H. Con. Res. 15. Concurrent resolution to create the Claude Pepper senior citizen intern program; to the Committee on House Administration.

By Mrs. HOLT:

H. Con. Res. 16. Concurrent resolution to collect overdue debts; to the Committee on International Relations.

By Mr. LLOYD:

H. Con. Res. 17. Concurrent resolution expressing the sense of the Congress that buildings should be accessible to the handicapped; to the Committee on Education and Labor.

By Mr. MITCHELL of New York:

H. Con. Res. 18. Concurrent resolution to provide for the procurement and display in the Capitol of a facsimile of the Constitution of the United States; to the Committee on House Administration.

H. Con. Res. 19. Concurrent resolution to seek the resurrection of the Ukrainian Orthodox and Catholic churches in Ukraine; to the Committee on International Relations.

By Mr. YOUNG of Florida:

H. Con. Res. 20. Concurrent resolution to collect overdue debts; to the Committee on International Relations.

By Mr. BAFALIS:

H. Res. 15. Resolution to amend the Rules of the House of Representatives to require that reports accompanying certain bills and joint resolutions reported by committees contain computations of the potential tax impact of such bills and resolutions on the individual taxpayer; to the Committee on Rules.

By Mr. DELLUMS:

H. Res. 16. Resolution creating a special committee to study the status of land grants from the King of Spain and the Government of Mexico; to the Committee on Rules.

By Mr. DRINAN:

H. Res. 17. Resolution expressing the sense of the House of Representatives with respect to the selection of a site other than the Soviet Union for the 1980 summer Olympic games; to the Committee on International Relations.

By Mr. EDGAR:

H. Res. 18. Resolution expressing the sense of the House of Representatives with respect to the United Nations Conference on the Law of the Sea and urging the establishment of a Common Heritage Fund; to the Committee on International Relations.

By Mr. GUYER:

H. Res. 19. Resolution to reaffirm the use of our national motto on currency; to the Committee on Banking, Finance and Urban Affairs.

H. Res. 20. Resolution to amend the Rules of the House of Representatives to require that reports accompanying certain bills and joint resolutions reported by committees contain computations of the potential tax impact of such bills and resolutions on the individual taxpayer; to the Committee on Rules.

H. Res. 21. Resolution ot amend the Rules of the House of Representatives to establish the Committee on Internal Security, and for other purposes; to the Committee on Rules.

By Mr. HANSEN:

H. Res. 22. Resolution expressing the sense of the House with regard to the disposition by the United States of any right to, title to, or interest in the property of Canal Zone agencies and any real property located in the Canal Zone; to the Committee on Merchant Marine and Fisheries.

H. Res. 23. Resolution to amend the Rules of the House of Representatives to establish the Committee on Internal Security, and for other purposes; to the Committee on Rules.

By Mrs. HOLT:

H. Res. 24. Resolution amending rule XIII of the Rules of the House to require reports accompanying each bill or joint resolution of a public character (except revenue measures) reported by a committee to contain estimates of the cost, to both public and nonpublic sectors, of carrying out the measure reported; to the Committee on Rules.

By Mr. HORTON (for himself, and Mr. STEED):

H. Res. 25. Resolution amending clause 7 of rule XIII of the Rules of the House; to the Committee on Rules.

By Mr. KOSTMAYER:

H. Res. 26. Resolution amending the Rules of the House of Representatives to provide that the Committee on Standards of Official Conduct shall promptly report a resolution recommending the expulsion of any Member who has been convicted by a court of record for the commission of a crime for which a sentence of 2 or more years' imprisonment may be imposed, if such conviction has become final; to the Committee on Rules.

H. Res. 27. Resolution amending the Rules of the House of Representatives to provide that any Member who has been convicted of crime and sentenced to 2 or more years in prison and who has exhausted all appeals of such conviction shall refrain from participation in any business of the House; to the Committee on Standards of Official Conduct.

By Mr. LAGOMARSINO:

H. Res. 28. Resolution to amend rule XI of the Rules of the House of Representatives to eliminate proxy voting in committees; to the Committee on Rules.

By Mr. LOTT (for himself, Mr. RHODES, Mr. ANDERSON of Illinois, Mr. MICHEL, Mr. EDWARDS of Alabama, Mr. QUILLEN, Mr. DEVINE, and Mr. SHUSTER):

H. Res. 29. Resolution providing for the establishment of a Select Committee on the Committee System; to the Committee on Rules.

By Mr. McDONALD:

H. Res. 30. Resolution to establish a Select Committee to Investigate Illegal or Unethical Practices of the Internal Revenue Service; to the Committee on Rules.

By Mr. MITCHELL of New York:

H. Res. 31. Resolution concerning the Safety and freedom of Valentyn Moroz, Ukrainian historian; to the Committee on International Relations.

By Mr. NEAL:

H. Res. 32. Resolution to establish a Select Committee on Inflation; to the Committee on Rules.

By Mr. O'BRIEN:

H. Res. 33. Resolution to establish a Select Committee on Handicapped Individuals; to the Committee on Rules.

By Mr. PEYSER:

H. Res. 34. Resolution to request the Speaker of the House of Representatives to establish a Task Force on Federal Regulatory Practices; to the Committee on Rules.

By Mr. ROBERTS (for himself and Mr. HAMMERSCHMIDT):

H. Res. 35. Resolution to provide for the expenses of investigations and studies to be conducted by the Committee on Veterans' Affairs; to the Committee on House Administration.

By Mr. ROBINSON:

H. Res. 36. Resolution to amend the Rules of the House of Representatives to establish the Committee on Internal Security, and for other purposes; to the Committee on Rules.

By Mr. ROE:

H. Res. 37. Resolution to create a congressional senior citizen intern program; to the Committee on House Administration.

By Mr. SCHEUER (for himself and Mr. ERLENBORN):

H. Res. 38. Resolution establishing a Select Committee on Population; to the Committee on Rules.

By Mr. VANIK (for himself, Mr. FINDLEY, Mr. LONG of Maryland, Mr. ANDERSON of California, Mr. APPLEGATE, Mr. BENJAMIN, Mr. BUCHANAN, Mr. CORRADA, Mr. DRINAN, Mr. EDWARDS of California, Mr. ERTEL, Mr. GORE, Mr. HARRIS, Mr. JONES of Oklahoma, Mr. LOWRY, Mr. LUKEN, Mr. MARKEY, Mr. MOTTL, Mr. RINALDO, Mr. SKELTON, Mr. WEISS, Mr. WINN, Mr. GINN, Mr. GEPHARDT, Mr. GONZALEZ, and Mr. DUNCAN of Tennessee):

H. Res. 39. Resolution to establish a Select Committee on Inflation; to the Committee on Rules.

By Mr. WEISS:

H. Res. 40. Resolution to amend the Rules of the House of Representatives to require that all bills and resolutions have titles which accurately reflect their contents and all subject matters contained therein; to the Committee on Rules.

By Mr. WHITE:

H. Res. 41. Resolution relating to voluntary pooling of clerk-hire funds; to the Committee on House Administration.

By Mr. YOUNG of Florida:

H. Res. 42. Resolution to reaffirm the use of our national motto on coins and currency; to the Committee on Banking, Finance and Urban Affairs.

H. Res. 43. Resolution to reaffirm the use of the phrase, "Under God", in the Pledge of Allegiance to the Flag of the United States; to the Committee on Post Office and Civil Service.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

1. By the SPEAKER: Memorial of the General Assembly of the State of New Jersey, relative to extending the anti-recession fiscal aid program; to the Committee on Government Operations.

2. Also, memorial of the Legislature of the Commonwealth of Puerto Rico, relative to their repudiation of the Resolution of the United Nations Decolonization Committee regarding Puerto Rico's status; to the Committee on Interior and Insular Affairs.

3. Also, memorial of the Senate of the Commonwealth of Puerto Rico, relative to their repudiation of interference by Representatives of Communist Cuba in the affairs of Puerto Rico in the United Nations Organization's Decolonization Committee; to the Committee on Interior and Insular Affairs.

4. Also, memorial of the Legislature of the Commonwealth of the Northern Mariana Islands, relative to the Overseas Private Investment Corporation extending loans to U.S. companies for viable economic projects in the Northern Mariana Islands; to the Committee on International Relations.

5. Also, memorial of the Legislature of the State of Texas, requesting that Congress propose, or alternatively, call a convention for the purpose of proposing an amendment to the Constitution of the United States requiring, in the absence of a national emergency, that the total of all Federal appropriations made by the Congress for any fiscal year may not exceed the total of all estimated Federal revenues for that fiscal year; to the Committee on the Judiciary.

6. Legislature of the State of Texas, reaffirming its earlier call for an amendment to the Constitution of the United States requiring a balanced annual Federal budget; to the Committee on the Judiciary.

7. Also, memorial of the Senate of the Commonwealth of Puerto Rico, relative to their support of granting citizens of Washington, D.C., full representation in the U.S. Congress; to the Committee on the Judiciary.

8. Also, memorial of the Senate of the Commonwealth of Puerto Rico, relative to their support of measures before the Congress that authorize the use of the Spanish language in the Federal Court of Puerto Rico; to the Committee on the Judiciary.

9. Also, memorial of the House of Representatives of the Commonwealth of Puerto Rico, relative to congressional authorization of the use of the Spanish language in the Federal Court for the District of Puerto Rico; to the Committee on the Judiciary.

10. Also, memorial of the Legislature of the Commonwealth of the Northern Mariana Islands, relative to requesting the U.S. Government to declare an open-sky policy for the Commonwealth of the Northern Mariana Islands to the Committee on Public Works and Transportation.

11. Also, memorial of the Legislature of the Commonwealth of the Northern Mariana Islands, relative to expressing their appreciation to the U.S. Congress for disapproving a rider to H.R. 13511 which would have denied their residents of benefits under title XVI of the Social Security Act; to the Committee on Ways and Means.

SENATE—*Monday, January 15, 1979*

The 15th day of January being the day prescribed by Public Law 95-594, 95th Congress, 2d session, for the meeting of the 1st session of the 96th Congress, the Senate assembled in its Chamber at the Capitol at 12 o'clock meridian.

The VICE PRESIDENT. The Senate will come to order. The Chaplain will offer the prayer.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

God of our fathers, God of history, God of the Scriptures, and God of inner experience, draw us together this day by our common loyalty to Thee. May the beginning day for some be a new beginning for all.

Keep us ever mindful of who we are, what our duties are, and the people who put us here. Lift our vision beyond ourselves and our party to the larger realm of our common humanity. Keep us true to truth and faithful to our best selves. Make us unashamed of old values and

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● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

unafraid of new ones. Strengthen our homes and make them sanctuaries of enduring love.

Give us a part in the spiritual renewal of America, in the restoration of the moral law and in the recovery of an elevated patriotism. Endow us with an abiding sense of servanthood. Bestow Thy higher wisdom upon the President and all who serve in the government of the Nation this day and always.

In Thy holy name we pray.

Now in keeping with a first day tradition of the Senate will you join with me in the Lord's prayer, praying in unison?

"Our Father, who art in heaven, Hallowed be Thy name. Thy kingdom come. Thy will be done, On earth as it is in heaven. Give us this day our daily bread. And forgive us our trespasses, As we forgive those who trespass against us. And lead us not into temptation, But deliver us from evil. For thine is the kingdom, and the power, and the glory, for ever." Amen.

CREDENTIALS—RESIGNATIONS AND APPOINTMENTS

The VICE PRESIDENT. The Chair lays before the Senate the letters of resignation of six Senators and certificates of appointment of six Senators to fill the vacancies caused by these resignations.

Without objection, the reading will be waived and the documents will be printed in the Record.

The documents ordered to be printed in the Record are as follows:

U.S. Senate,
Washington, D.C., December 13, 1978.

Hon. J. Stanley Kimmitt,
Secretary of the Senate,
Washington, D.C.

Dear Mr. Secretary: Enclosed herewith find copy of my letter of resignation to the Governor of Montana effective the close of business on the 14th day of December, 1978.

I am immensely proud to have been a member of the Senate and to have had the opportunity to represent the State of Montana.

I am most grateful for your many courtesies and the kindness shown to me and my staff during my stay here in Washington. I thank you sincerely for your most uncommon friendship.

Very truly yours,
Paul G. Hatfield.

U.S. Senate,
Washington, D.C., December 13, 1978.

Hon. James O. Eastland,
President Pro Tempore, U.S. Senate,
Washington, D.C.

Dear Mr. President: Enclosed herewith find copy of my letter of resignation to the Governor of Montana effective the close of business on the 14th day of December, 1978.

I am immensely proud to have been a member of the Senate and to have had the opportunity to represent the State of Montana.

I am most grateful for the many courtesies and the kindness you have shown me during my stay here in Washington, and I thank you sincerely for your most uncommon friendship.

Very truly yours,
Paul G. Hatfield.

U.S. Senate,
Washington, D.C., December 13, 1978.

Hon. Thomas L. Judge,
Governor of the State of Montana,
Helena, Mont.

Dear Governor Judge: Please accept this letter as my resignation as United States Senator from the State of Montana, effective the close of business on the 14th day of December, 1978.

Very truly yours,
Paul G. Hatfield.

State of Montana,
Office of The Governor.

Certificate of Appointment

To the President of the Senate of the United States:

I, Thomas L. Judge, Governor of Montana, pursuant to the power vested in me by the Constitution of the United States and the Constitution and Laws of the State of Montana, do hereby appoint, effective the 15th of December, 1978, Max Baucus, a Senator to represent the State of Montana in the Senate of the United States for the unexpired term ending at noon on the 3rd day of January 1979, caused by the resignation of Senator Paul G. Hatfield.

Thomas Judge,
Governor.

Attest:

Frank Murray,
Secretary of State.

U.S. Senate,

Committee on Foreign Relations,
Washington, D.C., November 30, 1978.

Hon. Walter F. Mondale,
Office of the Vice President,
The White House, Washington, D.C.

Dear Mr. Vice President: This is to advise you that I intend to resign my position as United States Senator, effective at twelve noon on Saturday, December 23rd. As President of the Senate, I wanted you to be advised of this decision.

Very truly yours,
James B. Pearson,
U.S. Senator.

The Vice President,
President of the Senate,
Washington, D.C.

Dear Mr. President: I resign as United States Senator for the State of Kansas December 23, 1978 at 12:00 noon.

James B. Pearson.

November 30, 1978.

Resignation Notification

Hon. Robert F. Bennett,
Office of the Governor, State Capitol, Topeka, Kans.

Dear Governor: This is to advise you that I will resign my position as United States Senator for the State of Kansas, effective at twelve noon, Saturday, December 23, 1978.

Very truly yours,
James B. Pearson,
U.S. Senator.

Certificate of Appointment

To the President of the Senate of the United States:

This is to certify that, pursuant to the power vested in me by the Constitution of the United States and the laws of the State of Kansas, I, Robert F. Bennett, the Governor of said State, do hereby appoint Nancy Landon Kassebaum, a Senator from said State to represent said State in the Senate of the United States until the vacancy therein, caused by the resignation of James B. Pearson, is filled by election as provided by law.

Witness: His excellency our Governor Robert F. Bennett, and our seal hereto affixed at Topeka this 23rd day of December, in the year of our Lord 1978.

By the Governor:

Robert F. Bennett,
Governor.

Ralph Bauer,
Secretary of State.

U.S. Senate,
Washington, D.C., December 27, 1978.

Hon. Walter F. Mondale,
The Vice President,
The Capitol, Washington, D.C.

Dear Mr. Vice President: I hereby resign as United States Senator from the State of Mississippi, said resignation to take effect immediately.

I am proud to have had the privilege of representing the great people and the great State of Mississippi for many years.

I take this action to help my successor to gain some seniority in the great task which he is now beginning.

Sincerely,
James O. Eastland,
U.S. Senator.

Mississippi,
Executive Department, Jackson.

Certificate of Appointment

To the President of the Senate of the United States:

This is to certify that, pursuant to the power vested in me by the Constitution of the United States and the laws of the State of Mississippi, I, Cliff Finch, the Governor of said State, do hereby appoint Senator-Elect Thad Cochran, Jackson, Mississippi, a Senator from said State to represent said State in the Senate of the United States until January 3, 1979, when the vacancy therein shall have been filled as provided by law, vice Senator James O. Eastland, resigned.

Witness: His Excellency our Governor, and our seal hereto affixed at Jackson, Mississippi, this 27th day of December, in the year of our Lord 1978.

By the Governor:

Cliff Finch,
Governor.

Heber Wadner,
Secretary of State.

U.S. Senate,
Washington, D.C., December 21, 1978.

Hon. Rudy Perpich,
Governor of Minnesota,
St. Paul, Minn.

Dear Governor Perpich: I hereby resign as a United States Senator from the State of Minnesota effective the close of business on Friday, December 29, 1978.

In accordance with Senate rules, I have notified Senator James O. Eastland, President Pro Tempore of the Senate of my resignation, and have enclosed a copy of my letter to him.

With warmest personal regards.

Sincerely,
Wendell R. Anderson.

U.S. Senate,
Washington, D.C., December 21, 1978.

Hon. James O. Eastland,
President Pro Tempore, U.S. Senate, Washington, D.C.

Dear Mr. President: I herewith tender my resignation as a member of the United States Senate from Minnesota effective the close of business on Friday, December 29, 1978.

Sincerely,
Wendell R. Anderson.

STATE OF MINNESOTA,
OFFICE OF THE GOVERNOR,
St. Paul, December 26, 1978.

Hon. WALTER F. MONDALE,
Vice President of the United States,
Washington, D.C.

DEAR MR. VICE PRESIDENT: I have decided to appoint Rudy Boschwitz from this state to represent Minnesota in the Senate of the United States caused by the resignation of Wendell R. Anderson.

Included with this letter is a Certificate of Appointment for your purposes.

Thank you.

Sincerely,

RUDY PERPICH,
Governor.

STATE OF MINNESOTA,
Executive Department.

CERTIFICATE OF APPOINTMENT

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that, pursuant to the power vested in me by the Constitution of the United States and the laws of the State of Minnesota, I, Rudy Perpich, the governor of said State, do hereby appoint Rudy Boschwitz a Senator from said State to represent said State in the Senate effective December 30, 1978 for the unexpired term ending at noon, on January 3, 1979, caused by the resignation of Wendell R. Anderson.

Witness: His excellency our governor Rudy Perpich, and our seal hereto affixed at St. Paul this 26th day of December, in the year of our Lord 1978.

By the governor:

RUDY PERPICH,
Governor, State of Minnesota.
JOAN ANDERSON GROWE,
Secretary of State.

U.S. SENATE,
Washington, D.C., December 29, 1978.

Hon. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. VICE PRESIDENT: This is to notify you that I have today informed the Governor of the State of Wyoming of my resignation as a member of the United States Senate, effective midnight, December 31, 1978.

A copy of my letter to Governor Herschler is enclosed.

Very truly yours,

CLIFFORD P. HANSEN,
U.S. Senator.

U.S. SENATE,
Washington, D.C., December 29, 1978.

Hon. ED HERSCHLER,
Governor of the State of Wyoming,
Cheyenne, Wyo.

DEAR GOVERNOR HERSCHLER: I hereby announce my resignation as a United States Senator effective midnight, December 31, 1978.

Yours truly,

CLIFFORD P. HANSEN,
U.S. Senator.

WYOMING,
Executive Department Cheyenne,
December 29, 1978.

Mr. STAN KIMMITT,
Secretary of the Senate,
Washington, D.C.

DEAR STAN: Pursuant to our telephone conversation of today I am enclosing herewith a Certificate of Appointment for Alan K. Simpson as a senator from the State of Wyoming to fill the vacancy created by the resignation of Senator Clifford P. Hansen.

I was advised this morning by Senator Hansen that he is transmitting a letter of resignation to you and that such resignation will become effective as of midnight December 31, 1978. I assume that by the time you receive the enclosed certificate you will have received Senator Hansen's letter of resignation.

In the event that you require additional information or have other requirements I would appreciate it if you would so advise.

With every best wish and kindest regards, I am

Yours sincerely,

ED HERSCHLER.

WYOMING,
Executive Department, Cheyenne.

CERTIFICATE OF APPOINTMENT

To the President of the Senate of the United States:

This is to certify that, pursuant to the power vested in me by the constitution of the United States and the laws of the State of Wyoming, I, Ed Herschler, the Governor of said state, do hereby appoint Alan K. Simson, as Senator from said state, to represent said state in the Senate of the United States until the vacancy therein caused by the resignation of Senator Clifford P. Hansen is filled as provided by law.

Witness: His excellency our Governor Ed Herschler, and our seal hereto affixed at Cheyenne, Wyoming, this 1st day of January, in the year of our Lord, 1979.

By the Governor:

ED HERSCHLER,
LINDA MOSLEY,
Deputy Secretary of State.

U. S. SENATE,
Washington, D.C., December 26, 1978.

Hon. WALTER F. MONDALE,
President of the Senate
Washington, D.C.

DEAR MR. PRESIDENT: I hereby submit my resignation from the Senate effective at midnight, January 1, 1979.

With kind personal regards,

Sincerely,

WILLIAM L. SCOTT,
U.S. Senator.

U.S. SENATE,
Washington, D.C., December 26, 1978.

Hon. JOHN N. DALTON,
Governor of Virginia,
Richmond, Va.

DEAR GOVERNOR: Enclosed is a copy of a letter to the President of the Senate submitting my resignation to be effective at midnight, January 1, 1979.

As indicated in our informal conversation, this notification should provide sufficient time for you to appoint Senator-elect John Warner so that he will have seniority over incoming senators who take the oath of office shortly after noon on January 3rd.

With kind personal regards,

Sincerely,

WILLIAM L. SCOTT,
U.S. Senator.

COMMONWEALTH OF VIRGINA,
Office of the Governor, Richmond.

CERTIFICATE OF APPOINTMENT

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify, pursuant to the power vested in me by the Constitution of the United States and the laws of the Commonwealth of Virginia, I, John N. Dalton, the Governor of said State, do hereby appoint John W. Warner, a Senator from said State to represent said State in the Senate of the United States until the vacancy therein, caused by the resignation of William L. Scott, is filled by election as provided by law.

Witness: His Excellency, our Governor, John N. Dalton, and our seal hereto affixed at Richmond this 2nd day of January, 1979.

By the Governor:

JOHN N. DALTON,
Governor.
FREDERICK GRAY, JR.,
Secretary of the Commonwealth.

The VICE PRESIDENT. The Chair lays before the Senate the credentials of 33 Senators elected for 6-year terms beginning on January 3, 1979, and the credentials of two Senators elected for unexpired terms. All certificates, the Chair is advised, are in the form suggested by the Senate except the ones from Louisiana and Delaware, which use a different form but contain all the essential requirements of the form suggested by the Senate. There being no objection, the reading of the 35 certificates will be waived, and they will be printed in full in the RECORD.

The certificates ordered to be printed in the RECORD are as follows:

To the President of the Senate of the United States:

This is to certify that on the Seventh day of November, 1978, William L. Armstrong was duly chosen by the qualified electors of the State of Colorado a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 3rd of January, 1979.

Witness: His excellency our Governor Richard D. Lamm, and our seal hereto affixed at this Twenty-eighth day of December, in the year of our Lord 1978.

RICHARD D. LAMM,
Governor.

Attest:

MARY ESTILL BUCHANAN,
Secretary of State.

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to Certify: That on the 7th day of November, 1978, The Honorable Howard H. Baker, Jr., was duly chosen by the qualified electors of the State of Tennessee a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 3d day of January, 1979.

Witness: His excellency our Governor Ray Blanton, and our seal hereto affixed at Nashville, this 3d day of January, in the year of our Lord 1979.

By the Governor:

RAY BLANTON,
Governor.
GENTRY CROWELL,
Secretary of State.

TO ALL TO WHOM THESE PRESENTS SHALL COME, GREETING:

Know Ye That I, Thomas L. Judge, Governor of the State of Montana, do hereby certify that at a General Election held in the State of Montana, on the 7th day of November, A.D. 1978, pursuant to Section 23–4018 of the Revised Codes of the said State, Max Baucus was duly elected to the office of United States Senator in and for the State of Montana, having received the highest number of votes for said office as appears from a certified copy of the abstract of votes cast at said election now on file in my office.

And by virtue of the power vested in me by the Constitution, and in pursuance of the laws, I do hereby commission the said Max Baucus to be United States Senator and authorize and empower him to execute and discharge all and singular, the duties appertaining to said office, and enjoy all the privileges and immunities thereof for a period of six years, beginning January 3, 1979.

In testimony whereof, I have hereunto subscribed my hand and caused the Great Seal of the State of Montana to be affixed at Helena, the Capital, the 24th day of November, in the year of our Lord, One Thousand Nine Hundred Seventy-eight and in the Two Hundred Third year of the Independence of the United States.

By the Governor:

THOMAS JUDGE,
Governor.
FRANK . MURRAY,
Secretary of State.

DOVER, DEL.,
January 4, 1979.

Hon. J. S. KIMMITT,
Secretary of the Senate,
Washington, D.C.

DEAR MR. SECRETARY: I am pleased to transmit to you a Certificate of the Election of the Honorable Joseph R. Biden, Jr. as Senator of and for the State of Delaware in the Senate of the United States.

Sincerely yours,

PIERRE S. DU PONT,
Governor.

By Authority of The State of Delaware

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

Be it Known, An election was held in the State of Delaware, on Tuesday, the seventh day of November, in the year of our Lord one thousand nine hundred and seventy-eight that being the Tuesday next after the first Monday in said month, in pursuance of the Constitution of the United States and the Laws of the State of Delaware, in that behalf, for the election of a Senator for the people of the said State, in the Senate of the United States.

Whereas, The official certificates or returns of the said election, held in the several counties of the said State, in due manner made out, signed and executed, have been delivered to me according to the laws of the said State, by the Superior Court of the said counties; and having examined said returns, and enumerated and ascertained the number of votes for each and every candidate or person voted for, for such Senator, I have found Joseph R. Biden, Jr. to be the person highest in vote, and therefore duly elected Senator of and for the said State in the Senate of the United States for the Constitutional term to commence at noon on the third day of January in the year of our Lord one thousand nine hundred and seventy-nine.

I, Pierre S. du Pont, IV, Governor, do therefore, according to the form of the Act of the General Assembly of the said State and of the Act of Congress of the United States, in such case made and provided, declare the said Joseph R. Biden, Jr. the person highest in vote at the election aforesaid, and therefore duly and legally elected Senator of and for the said State of Delaware in the Senate of the United States, for the Constitutional term to commence at noon on the third day of January in the year of our Lord one thousand nine hundred and seventy-nine.

Given under my hand and the Great Seal of the said State, in obedience to the said Act of the General Assembly and of the said Act of Congress, at Dover, the 4th day of January in the year of our Lord one thousand nine hundred and seventy-nine and in the year of the Independence of the United States of America the two hundred and third.

PIERRE S. DU PONT,
Governor.
GLENN KENTON,
Secretary of State.

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 7th day of November, 1978, David L. Boren was duly chosen by the qualified electors of the State of Oklahoma a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 3rd day of January, 1979.

Witness: His excellency our Governor David L. Boren, and our seal hereto affixed at Oklahoma City, Oklahoma this 25th day of November, 1978.

By the Governor:

DAVID L. BOREN,
Governor.

Attest:

JEROME W. BYRD,
Secretary of State.

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 7th day of November, 1978, Rudy Boschwitz was duly chosen by the qualified electors of the State of Minnesota a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the third day of January, 1979.

Witness: His excellency our governor Rudy Perpich, and our seal hereto affixed at St. Paul this 20th day of December, in the year of our Lord 1978.

By the governor:

RUDY PERPICH,
Governor.
JOAN ANDERSON GRAINE,
Secretary of State.

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 7th day of November, 1978, Bill Bradley, was duly chosen by the Qualified Electors of the State of New Jersey a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 3rd day of January, 1979.

Witness: His Excellency our Governor Brendan T. Byrne, and our Seal hereto affixed at Trenton, this 5th day of December, in the year of our Lord 1978.

By the Governor:

BRENDAN BYRNE,
Governor.
DONALD LAN,
Secretary of State.

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 7th day of November, 1978, Thad Cochran was duly chosen by the qualified electors of the State of Mississippi a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 3rd day of January, 1979.

Witness: His excellency, our governor Cliff Finch, and our seal hereto affixed at Jackson, Mississippi, this 8th day of November, A.D., 1978.

By the Governor:

CLIFF FINCH,
Governor.
HELEN LADNER,
Secretary of State.

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the seventh day of November, 1978, William S. Cohen was duly chosen by the qualified electors of the State of Maine a Senator from said State to represent said State in the Senate of the United States for a term of six years, beginning on the 3d day of January, 1979.

Witness: His excellency our Governor Jame B. Longley, and our seal hereunto affixed at Augusta, Maine this seventh day of December, in the year of our Lord 1978.

By the Governor:

JAMES B. LONGLEY,
Governor.
MARKHAM L. GARTLEY,
Secretary of State.

TO THE PRESIDENT OF THE UNITED STATES:

This is to certify that on the 7th day of November, 1978, Pete Domenici was duly chosen by the qualified electors of the State of New Mexico a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 3d day of January, 1979.

Witness: His excellency our Governor Jerry Apodaca, and our seal hereto affixed at the Executive Offices in Santa Fe, New Mexico, the Capital, this 5th day of December, in the year of our Lord 1978.

By the Governor:

JERRY APODACA,
Governor.
ERNESTINE D. EVANS,
Secretary of State.

SAINT PAUL, MINN.,
December 12, 1978.

Vice President WALTER F. MONDALE,
Office of the Vice President,
Old Executive Office Building,
Washington, D.C.

DEAR MR. VICE PRESIDENT: On November 7, 1978 David Durenberger was duly chosen by the people of Minnesota to complete the unexpired term of the late Hubert H. Humphrey.

Included with this letter is a Certificate of Election for your purposes.

Thank you.

Sincerely,

RUDY PERPICH,
Governor.

TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the seventh day of November, 1978, David Durenberger was duly chosen by the qualified electors of the State of Minnesota a Senator for the unexpired term ending at noon on the third day of January, 1983, to fill the vacancy in the representation from said State in the Senate of the United States caused by the death of Hubert H. Humphrey.

Witness: His excellency our governor, Rudy Perpich, and our seal hereto affixed at St. Paul this 12th day of December in the year of our Lord 1978.

By the Governor:

RUDY PERPICH,
Governor.
JOAN ANDERSON GROWE,
Secretary of State.

TO THE PRESIDENT OF THE UNITED STATES SENATE:

This is to certify that on the 7th day of November, 1978, J. James Exon was duly chosen by the qualified electors of the State of Nebraska a Senator from said State to represent said State in the Senate of the United States for a term of six years beginning on the 3rd day of January, 1979.

Witness: His excellency our governor J. James Exon, and our seal hereto affixed at Lincoln this 4th day of December, in the year of our Lord 1978.

By the governor:

J. JAMES EXON,
Governor.
ALLEN J. BEERMANN,
Secretary of State.

Salem, Oreg.,
January 3, 1979.

Hon. J. S. Kimmitt,
Secretary of the Senate,
U.S. Senate, Washington, D.C.

Dear Mr. Kimmitt: Enclosed you will find a Certificate attesting to the election of the Honorable Mark O. Hatfield as United States Senator for a six year term.

The subject election was held in the State of Oregon on the 7th day of November, 1978.

Sincerely,

Norma Paulus.

To the President of the United States Senate:

This is to certify that on the 7th day of November, 1978, Mark O. Hatfield was duly chosen by the qualified electors of the State of Oregon a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 3rd day of January, 1979.

Witness: His excellency our Governor, Robert W. Straub, and our seal hereto affixed at Salem, Oregon, this 3rd day of January, in the year of our Lord 1979.

By the Governor:

Robert W. Straub,
Governor.
Norma Paulus,
Secretary of State.

Montgomery, Ala.,
November 20, 1978.

To the President of the United States Senate:

This is to certify that on the 7th day of November, 1978, Howell Heflin was duly chosen by the qualified electors of the State of Alabama a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 3rd day of January, 1979.

George C. Wallace,
Governor.

Witness: His excellency our governor, George C. Wallace, and our seal hereto affixed at Montgomery this 20th day of November, in the year of our Lord 1978.

Agnes Baggett,
Secretary of State.

I, Thad Eure, Secretary of State of the State of North Carolina, do hereby certify that the State Board of Elections met on Tuesday, the 28th day of November, A.D., 1978, in accordance with Chapter 163 of the General Statutes of North Carolina, at which time the Board did open, canvass and judicially determine the returns of the votes cast in the election held on Tuesday, Novembr 7, 1978, and certified to me that Jesse Helms was duly elected United States Senator from North Carolina for the term of six years, beginning January 3, 1979.

In witness where of, I have hereunto set my hand and affixed my official seal.

Done in office at Raleigh, this the 29th day of November, 1978.

Thad Eure,
Secretary of State.

Raleigh, N.C.,
December 22, 1978.

Hon. Jesse Helms,
Raleigh, N.C.

Dear Senator Helms: By letters to you and the Secretary of the Senate on November 29, 1978, I enclosed certificates of your election to the United States Senate "for the term of six years, beginning January 1, 1979." The Secretary of the Senate has called my attention to the requirement that the beginning date of the term should read January 3, 1979.

Enclosed is a substitute certificate meeting the requirement to take the place of the one previously issued. A like certificate is going to the Secretary of the Senate with copy of this letter.

Sincerely,

Thad Eure.

To the President of the Senate of the United States:

This is to certify that on the Seventh day of November, 1978, Jesse Helms was duly chosen by the qualified electors of the State of North Carolina a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the Third day of January, 1979.

Witness: His excellency our governor James B. Hunt, Jr., and our seal hereto affixed at the Capitol this eleventh day of December, in the year of our Lord 1978.

By the governor:

James B. Hunt, Jr.,
Governor.
Thad Eure,
Secretary of State.

To the President of the Senate of the United States:

This is to certify that on the 7th day of November, 1978, Walter Huddleston was duly chosen by the qualified electors of the State of Kentucky, a Senator from said State, to represent said State in the Senate of the United States for the term of six years, beginning on the 3rd day of January, 1979.

Witness: His excellency our Governor Julian M. Carroll, and our seal hereto affixed at Frankfort this 27th day of November, in the year of our Lord 1978.

Julian M. Carroll,
Governor.
Drexell R. Davis,
Secretary of State.

To the President of the Senate of the United States:

This is to certify that on the seventh day of November, nineteen hundred and seventy-eight Gordon J. Humphrey was duly chosen by the qualified electors of the State of New Hampshire a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the third day of January, nineteen hundred and seventy-nine.

Witness: His Excellency, our Governor Meldrim Thomson, Jr. and our Seal hereto affixed at Concord this twenty-second day of November, in the year of our Lord nineteen hundred and seventy-eight.

Meldrim Thomson, Jr.,
Governor.

By the Governor, with advice of the Council:

William M. Gordon,
Secretary of State.

To the President of the Senate of the United States:

This is to certify that on the 7th day of November 1978, Roger W. Jepsen was duly chosen by the qualified electors of the State of Iowa a Senator from Iowa to represent Iowa in the Senate of the United States for the term of six years, beginning on the 3rd day of January, 1979.

In testimony whereof, I have hereunto subscribed my name and caused the Great Seal of the State of Iowa to be affixed. Done at Des Moines this 11th day of December in the year of our Lord one thousand nine hundred and seventy-eight.

Robert V. Ray,
Governor.
Melvin D. Synhorst,
Secretary of State.

To the President of the Senate of the United States:

This is to certify that J. Bennett Johnston having received a majority of votes cast at the primary election held September 16, 1978 and having been unopposed at the general election held November 7, 1978, was duly chosen by the qualified electors of the State of Louisiana a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the third day of January, nineteen hundred and seventy-nine.

Witness: This excellency, our Governor Edwin Edwards, and our Seal hereto affixed, at Baton Rouge, this 21st day of November, in the year of our Lord, nineteen hundred and seventy-eight.

Edwin Edwards,
Governor.

By the Governor:

Paul J. Hardy,
Secretary of State.

To the President of the Senate of the United States:

This is to certify that on the seventh day of November, nineteen hundred seventy-eight Nancy Landon Kassebaum was duly chosen by the qualified electors of the State of Kansas a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the third day of January, nineteen hundred seventy-nine.

Witness: The Honorable Robert F. Bennett, our Governor, and our seal hereto affixed at Topeka this twenty-ninth day of November, in the year of our Lord nineteen hundred seventy-eight.

By the Governor:

Robert F. Bennett,
Governor.
———— ————,
Secretary of State.

To the President of the United States Senate:

This is to certify that on the seventh day of November, 1978, Carl Levin was duly chosen by the qualified electors of the State of Michigan a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the third day of January, 1979.

Given under my hand and the Great Seal of the State of Michigan this sixth day of December in the Year of Our Lord One Thousand Nine Hundred Seventy-Eight and of the Commonwealth One Hundred and Forty-Two.

By the Governor:

William G. Milliken,
Governor.
Richard H. Austin,
Secretary of State.

To the President of the Senate of the United States:

This is to certify that on the 7th day of November, 1978, James A. McClure was duly chosen by the qualified electors of the State of Idaho a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 3rd day of January, 1979.

Witness: His excellency our governor John V. Evans, and our seal hereto affixed at Boise, Idaho this twenty-seventh day of November, in the year of our Lord 1978.

By the Governor:

John V. Evans,
Governor.
Pete T. Cenarrusa,
Secretary of State.

To the President of the Senate of the United States:

This is to certify that on the 7th day of November, 1978, Sam Nunn was duly chosen by the qualified electors of the State of Georgia a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 3rd day of January, 1979.

Witness: His excellency our Governor, George Busbee, and our Seal hereto affixed at the State Capitol in Atlanta, Georgia, this 15th day of December, in the year of our Lord 1978.

By the Governor:

George Busbee,
Governor.
Ben W. Fortson,
Secretary of State.

To the President of the Senate of the United States:

This is to certify that on the 7th day of November, 1978, Claiborne deB. Pell was duly chosen by the qualified electors of the State of Rhode Island a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 3d day of January, 1979.

Witness: His excellency our governor J. Joseph Garrahy, and our seal hereto affixed at Providence this 22d day of December, in the year of our Lord 1978.

By the governor:

J. Joseph Garrahy,
Governor.
Robert F. Burns,
Secretary of State.

Providence, R.I.

Hon. Robert F. Burns,
Secretary of State,
Providence, R.I.

Honorable Sir: This is to certify that on the seventh day of November, nineteen hundred and seventy-eight, Claiborne DeB. Pell of Newport was duly chosen by the electors of the State a Senator to represent said State in the Senate of the United States for the term of six years, beginning on the second day of January, nineteen hundred and seventy-nine.

In testimony whereof, we have hereunto set our hands and caused our seal to be affixed in the City of Providence this 6th day of December in the year of our Lord one thousand nine hundred and seventy-eight.

Board of Elections: Harry F. Curvin, Chairman; Frank Williams; James J. McGrath, and Clinton H. Wynne.

Attest:

Francis J. Rao,
Secretary.

To the President of the Senate of the United States:

This is to certify that on the 7th day of November, 1978, Charles H. Percy was duly chosen by the qualified electors of the State of Illinois a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 3d day of January, 1979.

Witness: His excellency our Governor James R. Thompson has signed and our seal hereto affixed at Springfield, Illinois this 1st day of December, in the year of our Lord 1978.

James R. Thompson,
Governor.
Alan J. Dixon,
Secretary of State.

To the President of the Senate of the United States:

This is to certify that on the 7th day of November, 1978, Larry Pressler was duly chosen by the qualified electors of the State of South Dakota a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 3rd day of January, 1979.

In witness whereof, I have hereunto set my hand and affixed the Great Seal of the State of South Dakota, this Twenty-Seventh Day of November, in the Year of Our Lord, Nineteen Hundred and Seventy-Eight.

Harvey Wollman,
Governor.

Attest:

Lorna B. Herseth,
Secretary of State.

To the President of the Senate of the United States:

This is to certify that on the seventh day of November, 1978, the Honorable David H. Pryor was duly chosen by the qualified electors of the State of Arkansas as a Senator from said State to represent said State in the Senate of the United States for a term of six years, beginning on the 3rd day of January, 1979, the vote being:

Honorable David Pryor	385,896
Mr. Tom Kelly	80,847
Mr. John G. Black	35,973
Mr. William P. Rock	113

Witness: His Excellency our Governor David Pryor, and our Seal hereto affixed at Little Rock, Arkansas, this 20th day of November, in the year of our Lord 1978.

By the Governor:

David H. Pryor,
Governor.
Winston Bryant,
Secretary of State.

To the President of the Senate of the United States:

This is to certify that on the seventh day of November, 1978, Jennings Randolph was duly chosen by the qualified electors of the State of West Virginia a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the third day of January, 1979.

Witness: His excellency our Governor John D. Rockefeller IV, and our seal hereto affixed at Charleston this eighteenth day of December, in the year of our Lord 1978.

John D. Rockefeller IV,
Governor.
A. James Manchin,
Secretary of State.

To the President of the Senate of the United States:

This is to certify that on the 7th day of November, 1978, Al Simpson was duly chosen by the qualified electors of the State of Wyoming a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 3rd day of January, 1979.

Witness: His excellency our Governor Ed Herschler, and our seal hereto affixed at Cheyenne this 15th day of November, in the year of our Lord, 1978.

By the Governor:

Ed Herschler,
Governor.
Thyra Thomson,
Secretary of State.

To the President of the Senate of the United States:

This is to certify that on the seventh day of November, 1978, Ted Stevens was duly chosen by the qualified electors of the State of Alaska a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 3rd day of January, 1979.

Witnessed by:

Jay S. Hammond,
Governor.

In testimony whereof, I have hereunto set my hand and affixed hereto the Seal of the State of Alaska, at Juneau, the Capital, this 13th day of December A.D. 1978.

Lowell Thomas, Jr.,
Lieutenant Governor.

To the President of the Senate of the United States:

This is to certify that on the 7th day of November, 1978, Donald Stewart was duly chosen by the qualified electors of the State of Alabama a Senator for the unexpired term ending at noon on the 3rd day of January, 1981, to fill the vacancy in the representation from said State in the Senate of the United States caused by the death of Jim Allen.

George C. Wallace,
Governor.

Witness: His excellency our governor, George C. Wallace, and our seal hereto affixed at Montgomery this 20th day of November, in the year of our Lord 1978.

Agnes Baggett,
Secretary of State.

To the President of the Senate of the United States:

This is to certify that on the 7th day of November, 1978, J. Strom Thurmond was duly chosen by the qualified electors of the State of South Carolina a Senator from said State to represent said State in the Senate of the United States for the Term of six years, beginning on the 3rd day of January, 1979.

Witness: His excellency our governor James B. Edwards, and our seal hereto affixed at Columbia, South Carolina, this 30th day of November, in the year of our Lord 1978.

James B. Edwards,
Governor.
O. Frank Thornton,
Secretary of State.

To the President of the Senate of the United States:

This is to certify that on the seventh day of November, nineteen hundred seventy-eight, John Tower was duly chosen by the qualified electors of the State of Texas, a Senator from said State in the Senate of the United States for the term of six years, beginning on the third day of January, nineteen hundred seventy-nine.

Witness: His excellency our Governor of Texas, and our Seal hereto affixed at Austin, Texas, this 7th day of December, 1978.

Dolph Briscoe,
Governor.

Attest:

Steven C. Oaks,
Secretary of State.

To the President of the Senate of the United States:

This is to certify that on the 7th day of November 1978, Paul E. Tsongas was duly chosen by the qualified electors of the Commonwealth of Massachusetts a Senator from the Commonwealth to represent said Commonwealth in the Senate of the United States for the term of six years, beginning on the 3d day of January 1979.

Witness: His excellency our governor Michael S. Dukakis, and our seal hereto affixed at Boston, Massachusetts this 6th day of December, in the year of our Lord 1978.

By the governor:

Michael S. Dukakis,
Governor.
Paul Guzzi,
Secretary of the Commonwealth.

To the President of the Senate of the United States:

This is to certify that on the seventh day of November, nineteen hundred and seventy-eight, Paul E. Tsongas was duly chosen by the qualified electors of the Commonwealth of Massachusetts a Senator from said Commonwealth to represent said Commonwealth in the Senate of the United States for the term of six years, beginning on the third day of January, nineteen hundred and seventeen-nine.

Witness, His Excellency our Governor, Michael S. Dukakis, and our seal hereto affixed at Boston, this sixth day of December, in the year of our Lord nineteen hundred and seventy-eight.

Michael S. Dukakis,
Governor.
Paul Guzzi,
Secretary of the Commonweath.

To the President of the Senate of the United States:

This is to certify that on the seventh day of November, 1978, John W. Warner was duly chosen by the qualified electors of the Commonwealth of Virginia a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the third day of January, 1979.

Witness: His excellency our Governor, John N. Dalton, and our seal hereto affixed at Richmond this twenty-seventh day of November, in the year of our Lord 1978.

John N. Dalton,
Governor.
Frederick Gray, Jr.,
Secretary of the Commonwealth.

The VICE PRESIDENT. If Senators to be sworn in will now present themselves at the desk in groups of four as their names are called, in alphabetical order, the Chair will administer the oath of office.

The clerk will call the names.

The legislative clerk called the names of Mr. Armstrong, Mr. Baker, Mr. Baucus, and Mr. Biden.

These Senators, escorted by Mr. Hart, Mr. Sasser, Mr. Melcher, and Mr. Roth, respectively, advanced to the desk of the Vice President; the oath prescribed by law was administered to them by the Vice President; and they severally subscribed to the oath in the Official Oath Book.

[Applause, Senators rising.]

The legislative clerk called the names of Mr. Boren, Mr. Boschwitz, Mr. Bradley, and Mr. Cochran.

These Senators, escorted by Mr. Bellmon, former Senator Mrs. Muriel Humphrey, Mr. Williams, and Mr. Stennis, respectively, advanced to the desk of the Vice President; the oath prescribed by law was administered to them by the Vice President, and they severally subscribed to the oath in the Official Oath Book.

[Applause, Senators rising.]

The legislative clerk called the names of Mr. Cohen, Mr. Domenici, Mr. Durenberger, and Mr. Exon.

These Senators, escorted by Mr. Muskie, Mr. Schmitt, former Senator Mrs. Humphrey, and Mr. Zorinsky, respectively, advanced to the desk of the Vice President; the oath prescribed by law was administered to them by the Vice President; and they severally subscribed to the oath in the Official Oath Book.

[Applause, Senators rising.]

The legislative clerk called the names of Mr. Hatfield, Mr. Heflin, Mr. Helms, and Mr. Huddleston.

These Senators, escorted by Mr. Packwood, Mr. Stewart, Mr. Morgan, and Mr. Ford, respectively, advanced to the desk of the Vice President; the oath prescribed by law was administered to them by the Vice President; and they severally subscribed to the oath in the Official Oath Book.

[Applause, Senators rising.]

The legislative clerk called the names of Mr. Humphrey, Mr. Jepsen, Mr. Johnston, and Mrs. Kassebaum.

These Senators, escorted by former Senator Mr. Maurice J. Murphy, Jr., Mr. Culver, Mr. Long, and Mr. Dole, respectively, advanced to the desk of the Vice President; the oath prescribed by law was administered to them by the Vice President; and they severally subscribed to the oath in the Official Oath Book.

[Applause, Senators rising.]

The legislative clerk called the names of Mr. Levin, Mr. McClure, Mr. Nunn, and Mr. Pell.

These Senators, escorted by Mr. Riegle, Mr. Church, Mr. Talmadge, and Mr. Chafee, respectively, advanced to the desk of the Vice President; the oath prescribed by law was administered to them by the Vice President; and they severally subscribed to the oath in the Official Oath Book.

[Applause, Senators rising.]

The legislative clerk called the names of Mr. Percy, Mr. Pressler, Mr. Pryor, and Mr. Randolph.

These Senators, escorted by Mr. Stevenson, Mr. McGovern, Mr. Bumpers, and Mr. Robert C. Byrd, respectively, advanced to the desk of the Vice President; the oath prescribed by law was administered to them by the Vice President; and they severally subscribed to the oath in the Official Oath Book.

[Applause, Senators rising.]

The legislative clerk called the names of Mr. Simpson, Mr. Stevens, Mr. Stewart, and Mr. Thurmond.

These Senators, escorted by Mr. Wallop, Mr. Gravel, Mr. Heflin, and Mr. Hollings, respectively, advanced to the desk of the Vice President; the oath prescribed by law was administered to them by the Vice President; and they severally subscribed to the oath in the Official Oath Book.

[Applause, Senators rising.]

The legislative clerk called the names of Mr. Tower, Mr. Tsongas, and Mr. Warner.

These Senators, escorted by Mr. Bentsen, Mr. Kennedy, and Mr. Harry F. Byrd, Jr., respectively, advanced to the desk of the Vice President; the oath prescribed by law was administered to them by the Vice President; and they severally subscribed to the oath in the Official Oath Book.

[Applause, Senators rising.]

CALL OF THE ROLL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll and the following Senators answered to their names:

[Quorum No. 1 Leg.]

Armstrong
Baker
Baucus
Bayh
Bellmon
Bentsen
Biden
Boren
Boschwitz
Bradley
Bumpers
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Chafee
Chiles
Church
Cochran
Cohen
Cranston
Culver
Danforth
DeConcini
Dole
Domenici
Durenberger
Durkin
Eagleton
Exon
Ford
Garn
Glenn
Goldwater
Gravel
Hart
Hatch
Hatfield
Hayakawa
Heflin
Heinz
Helms
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Jepsen
Johnston
Kassebaum
Kennedy
Laxalt
Leahy
Levin
Long
Lugar
Magnuson
Mathias
Matsunaga
McClure
McGovern
Melcher
Metzenbaum
Morgan
Moynihan
Muskie
Nelson
Nunn
Packwood
Pell
Percy
Pressler
Proxmire
Pryor
Randolph
Ribicoff
Riegle
Roth
Sarbanes
Sasser
Schmitt
Schweiker
Simpson
Stennis
Stevens
Stevenson
Stewart
Stone
Talmadge
Thurmond
Tower
Tsongas
Wallop
Warner
Weicker
Williams
Young
Zorinsky

Mr. STEVENS. I announce that the Senator from Vermont (Mr. Stafford) is absent due to illness.

The VICE PRESIDENT. A quorum is present. The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate?

The VICE PRESIDENT. The Senate will be in order.

The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I thank the Chair for trying to get order.

NOTIFICATION TO THE PRESIDENT

Mr. ROBERT C. BYRD. Mr. President, I send to the desk a resolution and ask for its immediate consideration.

The VICE PRESIDENT. The resolution will be stated.

The legislative clerk read as follows:

S. Res. 1

Resolved, That a committee consisting of two Senators be appointed by the Vice President to join such committee as may be appointed by the House of Representatives to wait upon the President of the United States and inform him that a quorum of each House is assembled and that the Congress is ready to receive any communication he may be pleased to make.

The VICE PRESIDENT. The question is on agreeing to the resolution.

The resolution was agreed to.

The VICE PRESIDENT. Pursuant to Senate Resolution 1, the Chair appoints the Senator from West Virginia (Mr. Robert C. Byrd) and the Senator from Tennessee (Mr. Baker) as members of a committee to join with the committee of the House of Representatives to wait upon the President of the United States and inform him that a quorum is assembled and that Congress is ready to receive any communication he may be pleased to make.

Mr. ROBERT C. BYRD. Mr. President, reporting on my behalf from the committee of two Senators, Mr. BAKER and myself, appointed by the Vice President to call upon the President to inform him that the Senate was organized, that there was a quorum present, that the Senate was ready to do business, and was ready to receive instructions and advice, I now report back that the committee's functions—Mr. President, may we have order in the Senate?

The VICE PRESIDENT. The Senate will be in order.

Mr. ROBERT C. BYRD (continuing). That the committee's responsibilities have been fulfilled; that Senator BAKER and I have called upon the President and informed him that the Senate is organized; that a quorum has been established; that the Senate is ready to do business; and that the Senate awaits his instructions and advice.

He expressed his appreciation to the minority leader and to me for the splendid service that had been rendered by the Members of the 95th Congress, and indicated that he felt that if this Congress measured up to that Congress it would, indeed, be a Congress in which the American public would be proud.

He stated that the state of the Union address would be delivered on January 23, and he wished every Member of this body a good year. We in turn, wished him our best for his health and indicated our willingness and desire to cooperate with him in every way that we could.

I yield to the distinguished minority leader.

The VICE PRESIDENT. The Senator from Tennessee.

Mr. BAKER. Mr. President, I thank the majority leader for yielding. It was my pleasure to join with the distinguished majority leader in waiting on the President as the precedent and this resolution dictate, to advise him that we were organized and prepared to transact the business of the country.

I would add only this to the good report made by the majority leader: As the President indicated his appreciation for past cooperation, for my part I assured him that in the future as it is possible to cooperate those of us on this side will do so enthusiastically. In those cases where it was not possible to agree, I indicated that we would disagree in good grace and without rancor.

The President expressed his understanding and I expressed my respect to him on behalf of the minority and pledged that together we would all do our best to effectuate policy for this country.

I thank the majority leader for yielding.

NOTIFICATION TO THE HOUSE

Mr. BAKER. Mr. President, I send to the desk a resolution and ask for its immediate consideration.

The VICE PRESIDENT. The resolution will be stated.

The legislative clerk read as follows:

S. RES. 2

Resolved, That the Secretary inform the House of Representatives that a quorum of the Senate is assembled and that the Senate is ready to proceed to business.

The VICE PRESIDENT. Without objection, the resolution is agreed to.

The Senator from Virginia.

SENATE JOINT RESOLUTION 3—MUTUAL DEFENSE TREATIES

Mr. HARRY F. BYRD, JR. Mr. President, I send a resolution to the desk and ask for its immediate consideration.

Mr. ROBERT C. BYRD. Mr. President, I wonder if the Senator will let me proceed.

Mr. HARRY F. BYRD, JR. Does the majority leader object?

Mr. ROBERT C. BYRD. I am willing to let the clerk state the resolution.

The VICE PRESIDENT. The resolution will be stated.

The legislative clerk read as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That it is the sense of the Congress that approval by the Senate of the United States is required to terminate any Mutual Defense Treaty between the United States and another nation.

Mr. ROBERT C. BYRD. Mr. President, I object to the further consideration of that resolution at this time.

The VICE PRESIDENT. Objection having been heard, the resolution will be held at the desk pending second reading.

The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I am sorry that the majority leader was not informed in advance of the Senator's intention to introduce that resolution. I believe the distinguished majority whip is to be recognized at this time.

HOUR OF DAILY MEETING

Mr. CRANSTON. Mr. President, I send a resolution to the desk and ask for its immediate consideration.

The VICE PRESIDENT. The resolution will be stated.

The legislative clerk read as follows:

S. RES. 3

Resolved, That the hour of daily meeting of the Senate be 12 o'clock meridian unless otherwise ordered.

The VICE PRESIDENT. Without objection, the resolution is agreed to.

ELECTION OF PRESIDENT PRO TEMPORE

Mr. ROBERT C. BYRD. Mr. President, I send to the desk a resolution and ask for its immediate consideration.

The VICE PRESIDENT. The resolution will be stated.

The legislative clerk read as follows:

S. RES. 4

Resolved, That the Honorable Warren G. Magnuson, a Senator from the State of Washington, be, and he is hereby, elected President of the Senate pro tempore, to hold office during the pleasure of the Senate, in accordance with the resolution of the Senate adopted on the 12th day of March 1890 on the subject.

UP AMENDMENT NO. 1

Mr. BAKER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The VICE PRESIDENT. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Tennessee (Mr. BAKER) proposes an unprinted amendment numbered 1:

On page 1, line 1, strike "Warren G. Magnuson, a Senator from the State of Washington," and insert in lieu thereof "Milton R. Young, a Senator from the State of North Dakota,".

Mr. ROBERT C. BYRD. Mr. President, I have no better friend in this Senate than MILTON YOUNG. I served with him on the Appropriations Committee for 20 years. He is my friend, and a friend walketh closer than a brother. But I am sure that the Senator will understand that I will have to oppose the amendment. I would hope we would have a voice vote. I do not want to table the amendment. I would not do that. I will simply ask my colleagues to reject the amendment.

The VICE PRESIDENT. The Senator from Tennessee.

Mr. BAKER. Mr. President, I will speak for only a moment. I see the distinguished Senator from Washington on his feet. I would prefer to hear his statement.

I would only say that I do not intend to ask for a record vote on instructions of the distinguished Senator whose name has been placed in nomination. He does not want that. But in keeping with tradition and precedent, in keeping with the vitality, aspirations, and ambitions of those of us on this side of the aisle, I thought we would get in practice.

[Laughter.]

The VICE PRESIDENT. The Senator from Washington.

Mr. MAGNUSON. Mr. President, I have served with the Senator from North Dakota for many, many years, since the first day he arrived on a railroad train from North Dakota. He and I were discussing this matter just a few minutes ago. We did not want to start the session with controversy right away, so we both agreed that it would be put into the RECORD that on this vote, not a rollcall vote but a voice vote, we would both be listed as voting present.

Mr. ROBERT C. BYRD. Mr. President, I will not attempt to invoke any rule that requires a Senator to state why he does not vote.

The VICE PRESIDENT. The Senator from North Dakota.

Mr. YOUNG. I deeply appreciate the comments that have been made. I would like to have a voice vote, but I do not think I have enough votes. It so happens that both the Senator from Washington and I were born in North Dakota. We hate to lose the Senator. I wound up serving as ranking Republican on the Appropriations Committee with the Senator from Washington as chairman, and we have had a wonderful relationship, and I am happy the chairman will be elected.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was rejected.

The VICE PRESIDENT. The question is on agreeing to the resolution.

The resolution (S. Res. 4) was agreed to.

ADMINISTRATION OF OATH

The VICE PRESIDENT. The Senator from Washington will, pursuant to the provisions of the Senate resolution, approach the rostrum, and I appoint Mr. YOUNG as a committee of one to escort the President pro tempore to the rostrum for the purpose of taking the oath.

The Honorable WARREN G. MAGNUSON, escorted by Mr. JACKSON and Mr. YOUNG, advanced to the desk of the Vice President; the oath prescribed by law was administered to him by the Vice President.

[Applause, Senators rising.]

The VICE PRESIDENT. If the Chair may first observe, the oath was taken on a Bible signed by King Olaf.

NOTIFICATION TO THE PRESIDENT

Mr. INOUYE. Mr. President, I send a resolution to the desk and ask for its immediate consideration.

The VICE PRESIDENT. The clerk will report.

The legislative clerk read as follows:

S. RES. 5

Resolved, That the President of the United States be notified of the election of the Honorable Warren G. Magnuson, a Senator from the State of Washington, as President of the Senate pro tempore.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

There being no objection, the resolution, (S. Res. 5) was considered and agreed to.

NOTIFICATION TO THE HOUSE

Mr. STEVENS. Mr. President, I send a resolution to the desk and ask for its immediate consideration.

The VICE PRESIDENT. The clerk will report.

The legislative clerk read as follows:

S. RES. 6

Resolved, That the House of Representative be notified of the election of the Honorable Warren G. Magnuson, a Senator from the State of Washington, as President of the Senate pro tempore.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

There being no objection, the resolution (S. Res. 6) was considered and agreed to.

SECRETARY FOR THE MAJORITY

Mr. ROBERT C. BYRD. Mr. President, I have some additional resolutions and requests.

I send a resolution to the desk and ask that it immediately be considered.

The VICE PRESIDENT. The clerk will report.

The legislative clerk read as follows:

S. RES. 7

Resolved, That Walter J. Stewart be and he is hereby elected Secretary for the Majority of the Senate, beginning January 15, 1979.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

There being no objection, the resolution (S. Res. 7) was considered and agreed to.

TRIBUTE TO JAMES H. DUFFY

Mr. ROBERT C. BYRD. Mr. President, I send to the desk another resolution and ask for its immediate consideration.

The VICE PRESIDENT. The clerk will report.

The legislative clerk read as follows:

Mr. ROBERT C. BYRD, for himself, Mr. CRANSTON, Mr. INOUYE, Mr. BAKER, and Mr. STEVENS, proposes the following resolution:

S. RES. 8

Whereas, James H. Duffy has faithfully served the Senate as the Secretary for the Majority, the Senate wishes to express its appreciation for his dedicated service as an officer of the Senate, and for his previous years of service as Counsel to the Senate Committee on Rules and Administration.

Whereas, the said James H. Duffy at all times has discharged the important duties and responsibilities of his Office with great efficiency and diligence; and

Whereas, his exceptional service and his continuous dedication to duty have earned for him our esteem and our affection: Now, therefore, be it

Resolved, That James H. Duffy is hereby commended for his lengthy, faithful, and outstanding service to the Senate.

SEC. 2. The Secretary of the Senate is directed to transmit a copy of this resolution to James H. Duffy.

Mr. ROBERT C. BYRD. Mr. President, Robert E. Lee once declared, "Duty is the sublimest word in our language." Society depends, in a large measure, upon those who do their duty and fulfill their responsibilities, without fanfare and often without recognition.

Today, however, I want to commend a man who has fulfilled his duties and responsibilities in the Senate for nearly a quarter century, and is now leaving to accept a Presidential appointment. During his years of service in the legislative branch, he has distinguished himself by his faithfulness, graciousness and thoroughness.

For the past 2 years, James H. Duffy has been the secretary to the majority. He has been responsible for many of the tasks that make it possible for the Senate to function smoothly. As many of our colleagues can testify, Jim Duffy has efficiently, courteously, and modestly carried out his duties, and I want to thank him for the services that he has rendered to the majority and to the Senate.

Prior to becoming the secretary to the majority, Mr. Duffy served 20 years as Chief Counsel of the Senate Subcommittee on Privileges and Elections, and 2 years on the staff of the majority whip. In those capacities, he won the friendship and the admiration of innumerable Senators and staff colleagues alike.

He contributed substantially to the drafting of legislation and reports to the Senate on major reforms of Federal election laws, and the creation of the Federal Election Commission. He also was responsible for conducting investigations and reporting recommendations to the Senate relative to contested elections.

Jim Duffy is a native of Rhode Island, where he was educated and practiced law following his graduation from law school in Boston and service in the Army during World War II. He is a family man, blessed with a lovely wife and two fine children.

I am sure that all of my colleagues join me in congratulating Jim Duffy as he departs the Senate to serve in his new role. I am confident that he will earn new distinctions for himself in the years ahead, and that he carries with him the best wishes of all his friends on Capitol Hill.

THE VICE PRESIDENT. Is there objection to the present consideration of the resolution?

The resolution (S. Res. 8) was considered and agreed to.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Now, Mr. President, I ask unanimous consent—may we have order in the Senate?

THE VICE PRESIDENT. May we have order? The Senate will suspend to receive a message from the President of the United States.

Mr. ROBERT C. BYRD. Mr. President, am I recognized?

The VICE PRESIDENT. The Senator has the floor.

Mr. ROBERT C. BYRD. I do not yield for that purpose.

The VICE PRESIDENT. Objection is heard.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on today morning business may be transacted by being presented at the desk.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. ROBERT C. BYRD subsequently said: Mr. President, I have already gotten consent that today morning business can be transacted at the desk, bills, joint resolutions and other resolutions, concurrent resolutions, simple resolutions, may be introduced at the desk; statements by Senators may be introduced at the desk.

Mr. President, I ask unanimous consent that my previous request providing for the introduction of bills, resolutions, and statements at the desk be in order until 5 p.m. today.

The PRESIDING OFFICER (Mr. CRANSTON). Without objection, it is so ordered.

ORDER FOR THE REFERRAL OF TREATIES AND NOMINATIONS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that for the duration of the 96th Congress it be in order to refer treaties and nominations on the days when they are received from the President, even when the Senate has no executive session that day.

The VICE PRESIDENT. Without objection, it is so ordered.

AUTHORIZATION FOR COMMITTEE ON ETHICS TO MEET DURING SENATE SESSIONS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that for the duration of the 96th Congress, the Ethics Committee be authorized to meet at any time during the session of the Senate. This would put the Ethics Committee in the same category as the Appropriations Committee and the Budget Committee now enjoy.

The VICE PRESIDENT. Without objection, it is so ordered.

AUTHORIZATION FOR RECEIPT OF BILLS, JOINT RESOLUTIONS, CONCURRENT RESOLUTIONS AND SIMPLE RESOLUTIONS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that during the 96th Congress Senators may be allowed to bring to the desk bills, joint resolutions, concurrrent resolutions and simple resolutions.

The VICE PRESIDENT. Without objection, it is so ordered.

ORDER FOR TIME LIMITATION ON ROLLCALL VOTES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that for the duration of the 96th Congress there be a limitation of 15 minutes each on any rollcall vote with warning signal to be sounded at the midway point, beginning at the last 7½ minutes, and when rollcall votes are of 10-minutes duration the warning signal be sounded at the beginning of the last 7½ minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

STANDING ORDER TO RECEIVE REPORTS AT THE DESK DURING 96TH CONGRESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that during the 96th Congress it be in order for the proper members of the staff to receive reports at the desk when presented by a Senator at any time during the day of the session of the Senate.

The VICE PRESIDENT. Without objection, it is so ordered.

SENATE RESOLUTION 9—PROPOSED AMENDMENT OF STANDING RULES OF THE SENATE

Mr. ROBERT C. BYRD. Mr. President, I would hope to have the attention of the Members at this point. They may relax. I do not intend to pull any fast ones at the moment.

[Laughter.]

I am about to send to the resk a resolution which would change certain rules of the Senate. I will be speaking for a few minutes and Members may take it easy. But I would like to have their attention.

I believe the time has come for the Senate to modify Senate rule XXII. At the present time, there is no Senate rule XXII, for all intents and purposes. Cloture may be invoked on a matter and, after having been invoked by 60 Senators—a constitutional three-fifths—that matter may be drawn out interminably by a single Senator, by two or three Senators, or by a larger group of Senators.

They may offer dilatory motions and amendments in spite of the rule. They may call up 100 amendments, 200 amendments, 500 amendments, 1,000 amendments, any number of amendments. There is no rule providing for a second cloture motion to stop the kind of so-called debate.

Thus, one Senator, two Senators, three Senators, or a minority of Senators of any number may thwart the will not only of a majority but of a three-fifths majority of the Senate, which, having voted for cloture, signifies its will that the debate shall come to a close and that the pending matter shall be acted upon one way or another.

I do not believe that this is in the national interest, and I do not believe it is fair play. The majority of the Senate is entitled to fair play. Three-fifths of the Senators who vote in a given instance to invoke cloture are entitled to fair play. They are entitled to see a matter come to a final decision at some point after a reasonable amount of debate. All Senators are entitled to offer motions and amendments, but not to abuse the rules of the Senate and to impose upon the courtesy of their colleagues and make the Senate a spectacle before the Nation.

And so, Mr. President, I have come to the conclusion, after a lot of wrestling with my own conscience, that the time has come to do something about this situation.

We live in the 20th century, and we live near the end of the 20th century. We are about to begin the 8th decade of the 20th century. I say to you that certain rules that were necessary in the 19th century, and in the early decades of this century must be changed to reflect changed circumstances.

It is becoming more and more necessary, as we face this mad rush of life and today's new issues, international and domestic, that the Senate have rules that will allow it to deal with these issues effectively, in a timely and orderly fashion.

It is now possible for the Senate to engage in at least two filibusters on any given issue. If the majority leader moves to take up a bill on the calendar, he can only do so by unanimous consent, or by motion, which is debatable—except within a tiny time frame within the first 2 hours of a new legislative day, and under certain circumstances only. Otherwise, on that motion to proceed to debate, the debate is unlimited. It makes the majority leader and the majority party the subject of the minority, subject to the control and the will of the minority. I am not speaking of a minority necessarily as a party, but it makes the majority leader subject to the will of a minority of Senators: as few as one Senator on either side of the aisle. If I move to proceed—or if any future majority leader moves to proceed to take up a matter, and unless he works it into that infinitesimally small time frame within the first 2 hours of a new legislative day—then one Senator can hold up the Senate for as long as he can stand on his feet.

Time and time again I seek to bring up bills on the calendar. Time and time again I am confronted with situations in which it is said, "Such-and-such a Senator is not here; he has a hold on that bill."

"Well, let us go to another bill."

"Well such-and-such a Senator has a hold on that bill, and he is not here, either."

"Well, let us go to this other bill."

"Well, such-and-such a Senator will object to that. He is here, but he will object."

So what kind of predicament is the majority leader in? He can move, but he is put in the position of making a debatable motion, so that any single Senator or any group of Senators, however small, can talk until such time as cloture is invoked.

So this rule needs to be changed to allow the leader of the majority party to move to take up a matter and, after a reasonable period for debate, proceed to vote on the motion to proceed. A majority of the Senate can vote to proceed to take up the matter, or can vote to reject the leader's motion. In any event, it gives the majority party and the majority leader an opportunity to work to get the business of the Senate transacted in timely and orderly fashion.

The present rule of the Senate allows two filibusters on any matter: A filibuster on the motion to proceed, and a filibuster on the particular matter once it is before the Senate. I say before all the world that Senators have a right to filibuster a matter, but the filibuster should be on the merits. There should not be a filibuster on the mere motion to proceed to take up the matter. If the opposition has 41 votes, they can kill any bill by filibustering the bill or resolution itself. They should not put the Senate through the misery of a double filibuster: A filibuster on the motion to proceed; and then, if the matter is taken up, a filibuster on the bill itself. They should allow the Senate to proceed to the consideration of the matter, and then conduct their filibuster. Otherwise, the Senate is put to the test of cloture after cloture after cloture, on the motion to proceed and, if cloture is invoked, then cloture to shut off debate on the matter itself.

One filibuster is enough. If a minority of the Senate has enough votes, 41, to kill a bill, it should allow the bill to at least be brought up for debate on the merits.

This matter of the filibuster has gotten to the point that the Senate is continually being faced with the filibuster threat. The mere threat of a filibuster, these days, is nearly as bad as the filibuster itself. We have seen, in the last 9 years since 1970, more filibusters conducted in the Senate than occurred in the previous 30 years. I cannot make that statement with assurance of absolute accuracy, but I will not miss it by much. I will say it again: The Senate, beginning in 1970, inclusive of 1970, has seen more filibusters than were conducted in the 30 years prior to 1970. Let me just discuss that for a moment.

In 1935 there were three filibusters, and in 1 subsequent year between 1935 and 1970 there were three filibusters. So in each of 2 years out of the period 1935 through 1970, there were three filibusters. There were at least 10 years during that period in which no filibuster occurred at all in any one of the 10 years—not a 10-year period, but 10 separate years. There were another 10 or 11 or 12 years during that period of time in which one filibuster occurred—only one in each of such year. And there were a few years in which two filibusters occurred in each year.

But we have reached the point now where every year we can expect 4, 5, 6, and as many as 10. I believe that in one recent year there were as many as 10 or more filibusters. Yes; in 1975 there were 12 filibusters, according to the information I hold in my hand.

Now we are becoming more and more the victim of this ingenious procedure that allows, first, a filibuster threat; second, the filibuster on the motion to proceed; third, the filibuster on the matter itself; and fourth and finally, the cost cataclysmic and divisive filibuster of all, the postcloture filibuster.

Now, Senators know what happened the year before last on the filibuster on the natural gas pricing bill. A small number of Senators utilized the rules and created a situation in which the bill would have been killed had the majority leader not used extraordinary procedural tactics to save that bill. If I had to do it all over again tomorrow, I would do it over again tomorrow. But Senators know what happened. It created bad feelings. It was a very divisive thing.

I can understand that some Senators were outraged at the procedures that I used to save that bill. But if I had not used those procedures, the conference report on that bill would not have reached the floor at the end of the last session, and we would not have passed that bill. I did what I thought I had to do. In exactly the same circumstances, I would do it all over again, and I would understand the outrage that would meet that effort.

Now, ladies and gentlemen, my colleagues, this postcloture filibuster is the kind of thing that creates ill feelings and deep divisions in the Senate. It is fractious; it fragments the Senate, it fragments the party on either side of the aisle, and it makes the Senate a spectacle before the Nation. It is not in the national interest.

So these are among the rules that I propose to modify, or to change.

There is not change which I have proposed which is not a reasonable change and which I cannot, as majority leader, stand up here and justify.

Now, I am going to yield to the minority leader in a few minutes, but I am not quite ready to yield to anyone at this moment.

I have been majority leader 2 years. I was majority whip 6 years, and I was secretary of the Democratic conference for 4 years.

In those 12 years out of my 20 years in the Senate, I dare to say that it cannot be challenged that I have stayed on this floor more than any other Senator since the first Senate met in 1789. I have stayed on this floor more than any other Senator in all of the history of the Senate for an equal given period of time—12 years.

I know pretty well what the Senate rules and precedents are. No man ever becomes a master of them. But I know something about them. Having been in the leadership for 12 years, I know what the difficulties are of having to lead the Senate.

The minority leader has a different responsibility to some degree. He, too, must share the responsibility of leading the Senate. He has cooperated, and we have worked together well. I can say the same for the distinguished minority whip, and I do not have a better friend in the Senate than TED STEVENS. He is my ranking minority member on my Appropriations Subcommittee on the Department of the Interior.

These are men I love, and I value their friendship. I appreciate the cooperation and the courtesies that they have extended to me.

The minority leader does have some of the responsibilities of keeping the legislative process moving, and he has worked with me in that regard. But he has a responsibility, also, of protecting the members of his party. He carries out his responsibilities exceedingly well. He is to be commended. I understand the function and the role of the minority party. It has an adversary role in many instances. There are instances in which, thank heavens, we have worked together. In most instances we do, and that is in the best interest of the Nation. There are times when the minority feels it is in the best interests of the Nation that they take an adversary role, and I respect them for that.

But I say to Senators that the majority has the responsibility of leading. The majority has the responsibility of keeping the legislative process moving. I can tell Senators that after 12 years in the leadership, I am only proposing changes that make it reasonably possible for the majority party, the majority leader, and, in certain instances, the majority of the Senate—forgetting party for a moment—the majority of the Senate on both sides to work its will on matters, especially after cloture has been revoked. It is for this combination of reasons that I am offering this resolution today.

I base this resolution on article I, section 5 of the Constitution. There is no higher law, insofar as our Government is concerned, than the Constitution. The Senate rules are subordinate to the Constitution of the United States. The Constitution in article I, section 5, says that each House shall determine the rules of its proceedings.

Now we are at the beginning of Congress. This Congress is not obliged to be bound by the dead hand of the past.

Take rule XXXII, for example, the second paragraph thereof which says that the rules of this Senate shall continue from Congress to Congress until changed in accordance with these rules.

That rule was written in 1959 by the 86th Congress. The 96th Congress is not bound by the dead hand of the 86th Congress.

The first Senate, which met in 1789, approved 19 rules by a majority vote. Those rules have been changed from time to time, and that portion of Senate rule XXXII that I just quoted was instituted in 1959. So the Members of the Senate who met in 1789 and approved that first body of rules did not for one moment think, or believe, or pretend, that all succeeding Senates would be bound by that Senate. The Senate of the 86th Congress could not pretend to believe that all future Senates would be bound by the rules that it had written. It would be just as reasonable to say that one Congress can pass a law providing that all future laws have to be passed by two-thirds vote. Any Member of this body knows that the next Congress would not heed that law and would proceed to change it and would vote repeal of it by majority vote.

I am not going to argue the case any further today, except to say that it is my belief—which has been supported by rulings of Vice Presidents of both parties and by votes of the Senate—in essence upholding the power and right of a majority of the Senate to change the rules of the Senate at the beginning of a new Congress.

I have not always taken that position, but I take it today in the light of recent bitter experience. The experience of the last few years has made me come to a conclusion contrary to the one I reached some years ago.

Now, Mr. President, I am going to offer a resolution, and I am going to make a motion, and I am not going to press the Senate into any vote today. I do not want to proceed in such a fashion. I want the Senate to take a week or 10 days to debate this resolution, and let any Senator any amendment that he wishes to offer. Let the Senate vote on amendments, and then vote up or down on the resolution. Vote it down if it is the majority of the Senate's wish. If the majority of the Senate wants to amend it, so be it.

If the majority of the Senate does not

like a single provision I have put in that resolution that is quite the Senate's prerogative, and I will bow to the will of the Senate. I do not want to be pushed into a situation where a majority of the Senate at the beginning of a new Congress will change the rules. But I make this prediction:

The majority of the Senate may not back me up today. This is the opening day, and we will recess so that we will still be in the opening legislative day when we come back on Thursday. I make a prediction that if the majority of the Senate does not back me up in this effort, if we, cannot get a time agreement; if we cannot work out something—but I feel that we can, that is why I am not going to press it to a vote today; I feel that we can work out a resolution; I believe that there are members of the minority who want to see something done about this postcloture situation; I want to be a reasonable man; I do not want to be put in the corner of having a proceed by majority vote.

But I will say this to Senators: I might have to do just that, and I am going to leave the way open to do that, and if I do that and fail, I will not be ashamed of having tried. If a majority of the Senate does not want to change the rules, I will have done what I think is best. But the time will come when every Member of the Senate will rue the day that we did not change that rule XXII in such a way that these very devisive postcloture situations can be eliminated and the Senate can get on to work its will and serve the national interests.

I predict further that if these postcloture filibusters continue, the day will come when the majority of this Senate will rise up and will strike down that rule and will change it; and there may then be greater and more far-reaching changes proposed than I have proposed today.

I may not be around here when that happens, but a majority of the Senate is not going to be patient much longer and the Nation is not going to stand for government by postcloture filibuster on the part of one, two, three or a small minority of the Senate, flaunting the will and defying the will and thwarting the will of the majority of Senators who have voted to invoke cloture on a given matter.

So, I say to Senators again that the time has come to change the rules. I want to change them in an orderly fashion. I want a time agreement. But, barring that, if I have to be forced into a corner to try for a majority vote, I will do it because I am going to do my duty as I see my duty, whether I win or lose.

If 51 Senators do not back me up in that, I will have done my duty. They will have done theirs as they see fit. I believe that they will come to see that, if we can only change an abominable rule by a majority vote, that it is in the interests of the Senate and in the interests of the Nation that the majority must work its will. And it will work its will.

Having said that, I say no more today. I will certainly yield to the distinguished minority leader. I want to retain my right to hold the floor. I want to protect myself in this matter. I do not relish the idea of hogging the floor, but I do want to protect my position in this situation.

It is not my intention to put the Senate to the test today. I intend only to call up the resolution and make a motion to proceed to its consideration. Then it will be my intention to move to recess over until Thursday, thus giving the minority leader and myself and other Senators an opportunity to discuss it.

So, Mr. President, I do not intend to yield the floor today, and I do not say that dictatorially or dogmatically, I just say it out of necessity; I am going to protect the rights of the minority leader—I send to the desk a privileged resolution to amend the standing rules of the Senate, and I move that pursuant to article I, section 5 of the Constitution, the Senate proceed to its immediate consideration without debate of the motion.

The VICE PRESIDENT. The resolution will be stated.

The legislative clerk read as follows:

S. Res. 9

Resolved, That paragraph 1 of rule III of the Standing Rules of the Senate is amended by striking out all after the words "unless by unanimous consent" and inserting in lieu thereof the following: "or on motion decided without debate. Motions to correct the Journal shall be privileged, shall be confined to an accurate description of the proceedings of the preceding day, and shall be determined without debate."

Sec. 2. That rule VIII of the Standing Rules of the Senate be amended by inserting a new sentence at the end of section 2, as follows: "Debate on such motions made at any other time shall be limited to thirty minutes, to be equally divided and controlled by the Majority and Minority leaders "

Sec. 3. That rule XV of the Standing Rules of the Senate is amended by adding at the end thereof the following new paragraph: "The demand for the reading of an amendment when presented to the Senate for consideration, including House amendments, may be waived on motion decided without debate when the proposed amendment has been identified by the clerk and is available to all Members in printed form."

Sec. 4. That rule XVIII of the Standing Rules of the Senate is amended—

(1) by inserting after "QUESTION" in the caption a semicolon and the following: "GERMANENESS";

(2) by inserting "1." before "If"; and

(3) by adding at the end thereof the following new paragraph:

"2. (a) At any time during the consideration of a bill or resolution, it shall twice be in order during a calendar day to move that no amendment other than the reported committee amendments which is not germane or relevant to the subject matter of the bill or resolution, or to the subject matter of an amendment proposed by the committee which reported the bill or resolution, shall thereafter be in order. Such a motion shall be privileged and shall be decided without debate.

"(b) If a motion made under subparagraph (a) is agreed to by an affirmative vote of three-fifths of the Senators present and voting, then any floor amendment not already agreed to (except amendments proposed by the committee which reported such bill or resolution) which is not germane or relevant to the subject matter of such bill or resolution, or to the subject matter of an amendment proposed by the committee which reported such bill or resolution, shall not be in order.

"(c) When a motion made under subparagraph (a) has been agreed to as provided in subparagraph (b) with respect to a bill or resolution, points of order with respect to questions of germaneness or relevancy of amendments shall be decided without debate, except that the Presiding Officer may, prior to ruling on any such point of order entertain such debate as he considers necessary in order to determine how he shall rule on such point of order. Appeals from the decision of the Presiding Officer on such points of order shall be decided without debate.

"(d) The provisions of this paragraph shall not apply to amendments subject to the rules of germaneness and relevancy contained in paragraph 4 of rule XVI and paragraph 2 of rule XXII."

Sec. 5. A. That (a) line 5 of the first paragraph of paragraph 2 of rule XXII of the Standing Rules of the Senate is amended by striking out "or the unfinished business," and in the line above inserting "or" before the words "other matter pending before the Senate," and lines 6 and 7 of the second paragraph of paragraph 2 is amended by striking out ", or the unfinished business.".

(b) The second paragraph of paragraph 2 of rule XXII of the Standing Rules of the Senate is amended by inserting at the end thereof a new paragraph as follows: "After one hundred hours of consideration of the measure, motion, or other matter on which cloture has been invoked, the Senate shall proceed, without any further debate on any question, to vote on the final disposition thereof to the exclusion of all amendments not then actually pending before the Senate at that time and to the exclusion of all motions, except a motion to table, or to reconsider and one quorum call on demand to establish the presence of a quorum (and motions required to establish a quorum) immediately before the final vote begins. The amount of time specified in the preceding sentence may be increased, or decreased (but to not less than ten hours), by the adoption of a motion, decided without debate, by a threefifths affirmative vote of the Senators duly chosen and sworn. At any time ofter ten hours of consideration, any remaining time may be reduced, but to not less than ten (10) hours, by the adoption of a motion, decided without debate, by a three-fifths affirmative vote of the Senators duly chosen and sworn, and any such time thus agreed upon shall be equally divided between and controlled by the Majority and Minority Leaders or their designees. However, only one motion to reduce time and only one motion to extend time, specified above, may be made in any one calendar day.".

(c) The last paragraph of paragraph 2 of rule XXII of the Standing Rules of the Senate is amended by striking out the first sentence and inserting in lieu thereof the following: "After cloture has been invoked, no Senator shall be entitled to speak in all more than one hour on the measure, motion, or other matter pending before the Senate, the amendments thereto, and motions affecting the same, and it shall be the duty of the Presiding Officer to keep the time of each Senator who speaks.".

B. That Rule XXII of the Standing Rules of the Senate be amended by inserting a new paragraph at the end of section 2 as follows:

"After September 1 of each calendar year until the end of the session, the application of the provisions of section 2 of rule XXII shall be modified to provide that if a proper motion to invoke cloture has been filed pursuant to section 2, it shall be in order to proceed immediately to the consideration thereof, and after three hours of debate, equally divided and controlled by the Majority and Minorty Leaders, the Senate shall proceed to vote on the adoption of that motion, and if that question shall be decided in the affirmative by a three-fifths vote of the Senators duly chosen and sworn, then said measure, motion, or other matter pending before the Senate shall be the unfinished business to the exclusion of all other business until disposed of. All other provisions of section 2 of rule XXII shall be applicable to any question on which cloture is invoked pursuant to this paragraph."

SEC. 6. That rule XXVII of the Standing Rules of the Senate is amended by adding at the end thereof the following: "The demand for the reading of a conference report when presented may be waived on motion decided without debate when the report is available to all Members in printed form.".

SEC. 7. That section 133(f) of the Legislative Reorganization Act of 1946, as amended, be amended to strike the words: "at least three calendar days (excluding Saturdays, Sundays and legal holidays)" and insert in lieu thereof the words: "at least two calendar days (excluding Saturdays, Sundays, and legal holidays, except when the Senate is in actual session on such days)".

SEC. 8. That (a) the Committee on Rules and Administration is authorized and directed to provide for installation of an electronic voting system in the Senate Chamber.

(b) The expenses incurred in carrying out the provisions of subsection (a) shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the Committee of Rules and Administration.

Mr. ROBERT C. BYRD. Mr. President, there is one area that I modify. I modify on page 3 the words "to recommit." Strike those words.

Mr. President, before I yield to the distinguished minority leader, and I beg his indulgence—if I may have the attention of all Senators—I said that I would attempt to get a unanimous-consent agreement.

I ask unanimous consent that the Senate proceed immediately to the consideration of the resolution, that during the consideration of the resolution, debate on any amendment be limited to 2 hours, to be equally divided between and controlled by the mover of such and the Senator from West Virginia (Mr. BYRD); that debate on any debatable motion, appeal, or point of order which is submitted or on which the Chair entertains debate shall be limited to 1 hour, to be equally divided between and controlled by the mover of such and the Senator from West Virginia (Mr. BYRD); *Provided,* In the event the Senator from West Virginia (Mr. BYRD) is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or his designee; *Provided further,* That no amendment that is not germane to the provisions of the said resolution shall be received; *Provided further,* That the Senate proceed to vote on the question of agreeing to the resolution no later than 3 p.m. on Tuesday, January 23, 1979, without further amendment, motion, point of order, or appeal, unless pending, with the exception of one request to ascertain the presence of a quorum; *Provided, further,* That on each day between now and the time for final action on the resolution when the Senate meets, there be 6 hours allotted for debate on the resolution, to be equally divided between and controlled, respectively, by the majority leader and the minority leader; that the said Senators, or either of them, may, from the time under their control on the question of agreeing to the resolution, allot additional time to any Senator during consideration of any amendment, debatable motion, appeal, or point of order.

That completes my request.

Mr. President, I do not lose the floor by virtue of Senators reserving the right to object. Am I correct?

The VICE PRESIDENT. The Senator is correct.

Mr. ROBERT C. BYRD. I do not yield for any purpose other than reservations for rights to object or for an objection.

I yield now to the distinguished minority leader.

Mr. BAKER. Mr. President, reserving the right to object, I begin, if I may, by commending the majority leader for——

Mr. ROBERT C. BYRD. Mr. President, before the Senator begins, I yield to the distinguished minority leader not for the purpose of his reserving the right to object, but for the purpose of his making a statement. That is, if he wishes to reserve the right to object, he may object. I do not want to put him under that condition. I do not yield for any purpose other than a statement or a reservation or an objection.

Mr. BAKER. That will save torturing some verbs in the course of this presentation.

Mr. President, I begin by commending the majority leader for his judgment and discretion in approaching this matter in this manner.

I will say in a few moments a few things about the unanimous consent request and the restrictions that I believe it lays on us. But I am genuinely pleased and happy that the majority leader has chosen to proceed in what I think is a more deliberate and profound way than might otherwise have been the case.

As is his custom, the majority leader advised me in advance of his intention to proceed on the first day with proposals for rules changes. On last Friday, he delivered to me a copy of the resolution which he has now offered, together with a section-by-section analysis.

It seems to me that his options were clear: that he could proceed, as he described, under the precedent and rules of the Senate, as he interprets them and as previous Presiding Officers have interpreted them.

I am speaking particularly of the situation in 1975, when the then occupant of the chair, Vice President Rockefeller, indicated that the question of the adoption of a rules change by majority vote presented a constitutional question which must be presented to the Senate. The effect of that ruling and subsequent motions, in the view of this Senator, was to provide the unhappy circumstance whereby the rules of the Senate might not only be changed by majority vote on the first day, but also, it is possible to do so without debate.

I reiterate: I am pleased that the majority leader has not chosen to do that. We are approaching a matter of some delicacy and difficulty with a degree of care which is also characteristic of the majority leader.

Mr. President, I do not know what we can agree to on this side, and I will elaborate that point in just a moment. But before I do that, I point out, as I am sure most of our colleagues are aware and will recall, that in the case of the most recent post-cloture filibuster, it was the majority leader and the minority leader, with the distinguished occupant of the chair, the Vice President, in the chair at the time, who managed to establish a line and series of precedents that created the possibility to at least accelerate the disposition of the controversy and conflict.

The point of the matter is that this is not, nor has it been, a matter that is purely partisan in its character. I rather suspect that there may be as many Members on his side of the aisle as there are on my side of the aisle who have a concern for that precedent and how it may affect us in the future. But that is, at best, only tangential and collateral to the matter that is before us now.

The matter at hand, in my view, is this: How can we avoid reiterating an unfortunate precedent, meet the procedural challenge of these times, and promote the best interchange of ideas between us to create a new rules situation with which we all can live, whether we are in the majority or the minority, now or in the future?

Mr. President, I can only speculate how the Members of the Senate on this side of the aisle will react to this resolution in detail; therefore, I will not do that. Rather, I will advise the minority leader and my colleagues that today, in anticipation of this dilemma, I have appointed an ad hoc committee, to be chaired by the Senator from Alaska (Mr. STEVENS), consisting as well of the Senator from New York (Mr. JAVITS), the Senator from Idaho (Mr. MCCLURE), the Senator from Rhode Island (Mr. CHAFEE), and the Senator from North Carolina (Mr. HELMS), to serve in an ad hoc capacity, to examine this proposal and propose to our conference our reaction, in an appropriate way, at the proper time.

Mr. President, I am not sure, frankly, that that can be undertaken with the deliberation that I believe it requires in order to bring this matter to a conclusion on January 23.

I hope would that there might be some flexibility in that timing. I would hope, for instance, that we might proceed on some basis that would give us a discretion to determine a final date, or, rather, even to leave the request without a final disposition date and to limit instead the consideration of amendments which may be proposed.

This is, of course, a matter which addresses itself to the majority leader and in no way suggests that I disapprove of what he has done because I recognize his responsibility. But I am sure he recognizes mine as well, because the protection of minority rights happens to be my special province in this Congress at this time.

I would hope that he would consider eliminating that provision of the unanimous-consent request for a final determination, as I understood his request, on January 23.

Mr. President, I have a number of amendments I prepared in anticipation of this resolution. I do not propose to offer them now. I think I could not do so under the rules except to offer them for printing, under the restrictions which would occur by reason of the yielding by the majority leader to me for a special purpose. But I think it is likely there will be a series of other amendments.

Mr. ROBERT C. BYRD. Mr. President, the distinguished Senator, of course, may send those amendments to the desk for their printing.

Mr. BAKER. I thank the Senator.

Mr. ROBERT C. BYRD. I continue to hold the floor but I yield for the stated purpose to the distinguished minority leader.

Mr. BAKER. Mr. President, I believe that is all I have to say at this time except to say that I share with the majority leader the belief that the post-cloture filibuster, a creature of fairly young age and recent development, is one that the Senate has not focused on adequately. I am prepared to do that and I want to do that. I believe we can do that. I am less sanguine about the possibility of dealing with the rules of the Senate which deal with matters before the invocation of cloture. I indicate this present frame of mind only by way of information to the majority leader.

Mr. JAVITS. Will the Senator yield?

Mr. BAKER. I see the distinguished Senator from New York on his feet. I wonder if the majority leader will consider yielding to him to speak on this matter.

Mr. ROBERT C. BYRD. I yield to the distinguished Senator from New York, reserving my right to the floor. I know that the distinguished Senator from New York wants to make only a similar statement. I yield only for that purpose.

The VICE PRESIDENT. The Senator from New York.

Mr. JAVITS. Mr. President, I might first state what I think ought to be done, and then to discuss the question. I think the precedent which was laid down when we began to fight the battles to amend rule XXII goes back 22 years, the length of my service here in the Senate. I believe the majority leader and the minority leader will find it highly artificial to proceed as he has to proceed today, by keeping his right to the floor and yielding only for very limited purposes, et cetera. This was preserved by Mike Mansfield by a unanimous-consent agreement. I hope it will be again. There was freedom of give and take. There was one unanimous-consent agreement which would be the rights of the majority leader to be fully preserved including the right for a summary vote on a motion to take up as well as the right to decide by a majority what should be the rule.

Second, I believe that the Senate can change what it did before. I am having our staff of this side run it down, but I believe in 1959 when we wrote into rule XXXII that the Senate Rules cannot be changed except according to rule XXII, I said at the time that it was pure rhetoric and that the Senate, of course, could change its rules because that was, in my judgment, and has been for 20 years, the dictate of the Constitution. Of course, I would have to maintain that position, and I believe it is the proper position under the Constitution.

That being said, I also would like to suggest to both Senators, because they have both shown a very equitable frame of mind as indeed they should, if possible, that it is going to be quite difficult to draft what we should do on the floor. The one thing upon which we should agree is a time limit because otherwise it might never be done. We should reserve the right of the Senate to vote on the constitutional issue because we would have to vote again to undo what it did before in the vote in 1975.

Within that framework, I deeply believe that it is going to take collaboration between the two sides with the best brains we have and the best outside brains we can consult to develop what we ought to do. I will say why.

While I consider what took place horrendous in terms of frustrating the will of the Senate and endangering the Nation perilously through the fact that we might not have passed any energy bill at all, though Lord knows as on Senator I think we have done infinitely too little and if I were President I would ration gasoline in this country tomorrow, but be that as it may I believe that equally horrendous without its being witting and without impugning remotely the patrotic motivation of the majority leader, was the sweeping aside of every right of the minority or of any Senator and not considering amendments, motions, requests for quorums, all of which went down the drain in one torrent.

This Government is built not only upon solarity but upon justice. Justice requires opposing briefs. That was a way of obliterating opposing briefs. I deeply belive, with all respect, we have to be as solicitous, if not more solicitous, about that right, about that freedom which we have to amend or to move even if it is a pain and an anguish as we do to facilitate our business.

(Mr. CRANSTON assumed the chair.)

Mr. JAVITS. I believe it can be done, I say to Senator BYRD. The human mind can contrive ways to meet this problem. Mr. BAKER has ideas, I am sure I have, and our committee will have.

Therefore, I conclude as I began, that this is an extremely critical effort. I see quite a few new Members in the Chamber. I hope they will realize how important this is to them. They will be here a lot longer when many of us are gone. They will have to live under these rules which will be prepared, manacles put upon our wrists, in their original pristine form even as we hear their form today.

I would suggest, therefore, that the majority leader and the minority leader contrive the unanimous-consent request which will give us the auspices for conducting this debate freely and easily and being able to work our will without constraints which at the moment are upon us. That has been done before and it can be done again.

Second, that we agree on a date by which this matter is to be determined. I believe that, again, that can be contrived. My belief would be that it is a matter, as I believe Senator BAKER indicated, of a month or a month and a half, something like that. Committees will have to be organized and begin to function.

Third, that we having appointed a small committee I would most respectfully suggest that it might be a good idea for the majority as well so that the two committees might meet together, might exchange ideas, might negotiate, might get all the expertise they humanly can. Then the Senate would vote on the constitutional question at a given time and then proceed to vote on amendments and motions up or down, again under unanimous consent, which would assure us we are not going to have a post-filibuster filibuster notwithstanding our unanimous-consent agreement.

Mr. President, I am deeply oppressed by the lawless state into which the Congress has fallen. There are reasons for it and the reasons are very impressive, of incompetence, of banality, of crime, and of the general dereliction in what the public perceives to be our services. I am a lawyer so that ancient adage applies to us: It is not what the facts are, we may be very virtuous, but it is what the jury thinks they are, and that is what the jury thinks they are.

I deeply believe, Senator BYRD, may I say to both of you, that we are starting in a very auspicious way if we deal with this question, and I hope that decency, the cooperation, the considerateness with which we deal with it will begin to restore us in the eyes of our fellow countrymen.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request?

Mr. BAKER. Mr. President, reserving the right to object——

Mr. ROBERT C. BYRD. Mr. President, if the Chair will withhold putting that question at the moment, I am very impressed by what both the distinguished minority leader and the distinguished Senator from New York have said. I am particularly impressed by the suggestion by the Senator from New York that there be a time limit—that there be a final vote. I have said Tuesday, January 23. I am not wedded to that date. It can be Tuesday or a month from then so far as I am concerned. I certainly would want to remove the constraints that obtain at the moment on all Senators.

I am willing to try to work out an agreement that will assure a vote without a filibuster, but a vote. If it is 6 weeks from today, that is all right with me, but I want a vote on this resolution. I want the Senate to have its opportunity to work its will on it, to make whatever changes the majority of the Senate feel necessary. That is all I am asking. I am asking for the majority of the Senate on both sides of the aisle to have its day, and then let us vote.

Now, I believe that, if I understand the distinguished Senater from New York correctly, that if there is going to be an objection to a final vote on the 23d, perhaps we had better just recess now and go out for a couple of days, and work out a time agreement that does provide a date for a final vote, and then proceed in accordance with that kind of agreement. If that is the consensus, I will not press any further with this request at this time. It is a request that gives us something to work with. I will leave it pending, and as soon as Senators have had their say on this matter, I will then move to recess for 2 days. In the meantime, perhaps, we can work out a time frame that will be suitable to all Senators. I am very agreeable to that.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. JAVITS. I think the Senator ought to withdraw the request because it means an overhanging problem for everybody to be on the qui vive.

The Senator's rights are fully preserved. He still will have the floor, and he will when we recess. The Senator can have it when we come back by unanimous consent, and I would not leave that pending.

Other than that I agree with the Senator.

Mr. ROBERT C. BYRD. I shall withdraw the request. The reason I am going to withdraw this request is that I believe that reasonable minds are going to prevail, and I think there are 100 reasonable minds in this Senate.

Based on what the distinguished Senator from New York has said, I think this is a reasonable way to approach the matter. I hope that we can work out an agreement that would allow us a final vote on this resolution.

I am not wedded to the 23d. I just want a final vote on the resolution. I want Senators to have the opportunity to debate it. I want them to have an opportunity to amend it. I want them to have an opportunity to vote on it up or down as amended, if amended and, therefore, for the time being, with the understanding that I still hold the floor, I withdraw the unanimous-consent request.

The PRESIDING OFFICER. The request is withdrawn.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, without losing my right to the floor—and I do not lose the floor by asking unanimous consent—that a section-by-section analysis of the resolution to amend certain rules of the Senate be inserted in the RECORD. Of course, this analysis does not include the last provision in the resolution that dealt with electronic voting, but that speaks for itself.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

SECTION-BY-SECTION ANALYSIS OF THE ENCLOSED RESOLUTION TO AMEND CERTAIN RULES OF THE SENATE

1. Section 1 of the resolution proposes to amend Rule III of the Senate to make motions to suspend the reading of the Journal in order without debate. Under the existing rules this can only be done by unanimous consent. Motions to correct the Journal would also be in order and not debatable under the proposed change.

2. Section 2 of the resolution would amend Rule VIII to provide that debate on motions to proceed to the consideration of any matter made at any time outside of the morning hour would be limited to not to exceed 30 minutes, to be equally divided and controlled by the majority and minority leaders, whereas under the existing procedure there is no limitation of debate on such motions.

3. Section 3 would amend Rule XV to provide that where an amendment is available to all members in printed form when presented, the demand for its reading may be waived by a majority without debate.

4. Section 4 of the resolution would amend Rule XVIII of the Senate by providing that during the consideration of a bill or resolution it would be in order to move without debate by a ⅗th vote that all subsequent floor amendments be required to be germane except for amendments recommended by the committee reporting the bill. Since there is a germaneness requirement on general appropriations bills under Rule XVI, paragraph 4 and under Rule XXII once cloture has been invoked on a matter, the provisions of this section would not apply in those two situations.

5. Section 5 of the resolution would amend paragraph 2 of Rule XXII to provide for a fixed time limitation on a measure or matter upon which cloture has been invoked. The fixed time of 100 hours of consideration would apply to all action including votes, quorum calls, etc., and at the end of that time no amendments, motions, etc., not then pending would be in order. However, one live quorum call to establish the presence of a quorum would be in order. The one hundred hour limitation could be increased or decreased on motion without debate by an affirmative vote of 60 Senators. However, a motion to reduce could not be made until after at least 10 hours of consideration of the measure on motter, and if then reduced it may not be to less than 10 hours, which time would be divided between the majority and minority leaders.

Rule XXII would also be amended by striking out in three places the expression "or the unfinished business". This is to conform the rule to the existing precedent that the measure or matter, including the unfinished business, must be before the Senate when a cloture motion is filed on it.

Rule XXII is proposed to be further amended to provide that after September of each calendar year, if a cloture motion is filed the Senate may proceed to its immediate consideration instead of having to wait 2 days, and after 5 hours of debate, the Senate would proceed to vote on such motion.

6. Section 6 would amend Rule XXVII to provide that when a conference report is available to all members in printed form, the demand for its reading when presented may be waived on motion without debate.

7. Section 7 would amend 133(f) of the Legislative Reorganization Act of 1946 by providing that the "3-day rule" on committee reports be changed to "2 days", excluding Saturdays, Sundays and legal holidays except when the Senate is in session on such days. Under the current rule, Saturday, Sundays and legal holidays are exempt from the computation of the 3 days in any event.

Mr. DOLE said subsequently: Mr. President, on January 15, we discussed proposed changes in the rules. I think the distinguished minority leader and the majority leader worked out some accommodation of discussing proposed changes. Perhaps we can work out some agreement on proposed changes.

Mr. President, the resolution proposed by the distinguished majority leader puts several distressing constraints on the minority. When I say minority, however, I do not necessarily mean myself and my colleagues on this side of the aisle. The legislation before us now can threaten a minority of 1 or a minority of 49. It can tread on the rights of the minority, whether that minority is the minority party or a minority of Senators. And it is the function and the duty of the U.S. Senate to protect the minority, to assure that each Senator is guaranteed the right to express his views, no matter how solitary or unpopular they may be. The result of this carefully devised system, I admit, is to slow down the process of legislation, which may prove frustrating to those who would prefer to see our business whisked through with a minimum of time and a maximum of results visible to the constituency.

But, Mr. President, the Senate is a body committed to the principle of free and unlimited debate. The trend of proposed rules changes in the past, particularly of rule 22, has been to gradually limit and narrow the extended debate rule and the few remaining devices available to the minority in the Senate today. This legislation means to further limit those devices and reduce the rights of the minority. On the surface, these changes seem harmless enough. They smooth out the flow, they quicken the pace, they iron out what the majority regards as the "wrinkles" in our legislative process. The Senator from Kansas feels, however, that these seemingly minor changes will serve, in the end, to rob the minority of its few remaining recourses and bestow an unfair advantage on the majority that is inequitable and unjust to the American people.

Mr. President, part of the genius of our political system is that the minority is in a better position to help shape public policy in our country than are parliamentary bodies of most other nations. The U.S. Senate is unique in that way. And I do not think that the American people are willing to forgo that distinctive mark of our democratic society. I think we owe it to our constituencies to uphold the rights of the minority and the equity of our political system.

The legislation proposed by the distinguished Senator from West Virginia seeks once again to curtail those privileges enjoyed by the minority. The resolution also fails to uphold the rights of individual Senators. It would grant the minority leader and majority leader an opportunity to control debate on a motion to proceed. Frequently, however, the side of an issue which needs airing and which could benefit from extended discussion might not include the leader of either the minority or majority. In that event, the opposition would not be protected.

RULE XXII

The resolution also presents a very serious alteration of rule 22. It would not only limit the amount of available time to each Senator, but would also create a situation in which some Senators could be cut completely out of their right to offer amendments. Because of the provision that quorum calls be charged against the maximum time limit, there is no guarantee that each senator will have time to speak.

This piece of legislation also shortens the waiting period after the filing of a cloture petition—it changes the period—from 2 days to "proceed immediately to the consideration thereof, and after 3 hours of debate, equally divided and controlled by the majority and minority leaders, the Senate shall proceed to vote." A cut of the time for consideration from 2 days to 3 hours is a substantial reduction. I doubt if meaningful debate on an issue can always be accomplished in 3 hours.

SUSPENSION OF READING OF JOURNAL

Senator BYRD's legislation also provides that the reading of the Journal and of amendments and conference reports be dispensed with by a nondebatable motion, as well as by unanimous consent. The absence of any debating time in these instances only sets the stage for parliamentary abuse on the part of the majority. It seems to me that the Senate cannot very well decide such an issue without some discussion, even if it be limited to only 10 minutes. It is evident that these proposed changes could prove very restricting to the minority and form part of a pattern for maneuvering on the part of the majority.

The right to free expression belongs to all the Senators in this Chamber and is seriously threatened by this resolution. If we allow this right to be stifled we drastically reduce the effectiveness of the Senate and its usefulness to society. I strongly recommend to my colleagues on both sides of the aisle that we reject this legislation and to allow the Standing Rules of the Senate to remain as written until they can be thoroughly reviewed by the Rules and Administration Committee and by the full Senate.

Mr. President, one thing the Senator from Kansas might suggest is that we ought to work out something to avoid what many consider an unnecessary number of rollcall votes in this body. I hope that my new colleagues who join us in the Senate might ponder the necessity of repeated votes—vote after vote after vote—when there is no real reason for the same.

As I understand it, there was a time in this body when that determination was made by the distinguished leaders, the minority leader and the majority leader would decide many times whether or not a rollcall vote was necessary.

If that is not totally satisfactory, perhaps the ranking majority member and the ranking minority member on committees might join in a request for rollcall votes.

But I do believe when we talk about an effective and orderly flow of business in the Senate of the United States, we can all think of interruptions we have had during very important Senate hearings. We have had to rush back and forth to the floor. I would certainly cooperate as one Member of this body if we could work some accommodation, as far as the rollcall votes are concerned. Perhaps the leaders do not want that great responsibility, but maybe those of us who share responsibilities as ranking minority members or majority members on the committees might work with the leaders in the Senate to see if we cannot in some way hold down the number of rollcalls we have almost on a daily basis.

When I first came to the Senate, I think it was around 200 and some. I do not know the exact number last year, but I guess it was well up to 400 or 500 rollcalls.

Mr. BAKER. Will the Senator yield?

Mr. DOLE. I yield to my colleague, the distinguished minority leader.

Mr. BAKER. Mr. President, I could not agree with the Senator from Kansas more. I think that not only are many rollcalls unnecessary, but I think, frankly, a lot of them are impositions on the Senate and its membership.

I would be more than happy to work out some sort of de facto arrangement, de facto rule or arrangement, to provide, as he suggests, that the majority leader and the minority leader might consult with the ranking members of the jurisdictional committees, or effective committees, and decide whether the rollcalls were, in fact, desirable, or not.

I suppose we could never totally enforce it, but we could establish a good precedent, if our colleagues would back us up.

I applaud the Senator from Kansas for his suggestion. I represent to him that I would be more than pleased to do that. I will certainly explore that at the first opportunity on our side and will communicate it, as well, to the majority leader and his side and hope we can carry the Senator from Kansas' suggestion into effect.

Mr. DOLE. I thank the distinguished minority leader.

It is a matter we discussed, as he recalls, briefly, a few weeks ago.

Mr. President, I might also correct the record, there were 520 rollcall votes in 1978.

I think we might have survived with 200 or 250. Maybe the 520 were necessary, but I doubt it. I doubt that many of my colleagues, as they look back on it, feel the votes they may have asked for were totally necessary.

ROUTINE MORNING BUSINESS

PROPOSED AMENDMENT TO THE TARIFF ACT—MESSAGE FROM THE PRESIDENT—PM 5

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was referred to the Committee on Finance:

To the Congress of the United States:

I am today transmitting to the Congress a proposal for legislation to extend until September 30, 1979, the authority of the Secretary of the Treasury under Section 303(d) of the Tariff Act of 1930 to waive the application of countervailing duties. The Secretary's authority to waive the imposition of countervailing duties expired on January 2, 1979. Extension of this authority is essential to provide the Congress with time to consider the results of the Tokyo Round of Multilateral Trade Negotiations (MTN). Failure to extend this authority is likely to prevent the reaching of a conclusion to these negotiations and could set back our national economic interests. Accordingly, I urge that the Congress enact the necessary legislation at the earliest possible date.

As stipulated by the Congress in the Trade Act of 1974, negotiation of a satisfactory code on subsidies and countervailing duties has been a primary U.S. objective in the Tokyo Round. We have sought an agreement to improve discipline on the use of subsidies which adversely affect trade. I am pleased to report that in recent weeks our negotiators have substantially concluded negotiations for a satisfactory subsidy/countervailing duty code which includes: (1) new rules on the use of internal and export subsidies which substantially increase protection of United States agricultural and industrial trading interests, and (2) more effective provisions on notification, consultation and dispute settlement that will provide for timely resolution of disputes involving trade subsidies in international trade.

My Special Representative for Trade Negotiations has informed me that negotiations on almost all MTN topics have been substantially concluded, and that those agreements meet basic U.S. objectives. However, final agreement is unlikely unless the waiver authority is extended for the period during which such agreements and their implementing legislation are being considered by the Congress under the procedures of the Trade Act of 1974.

Under current authority, the imposition of countervailing duties may be waived in a specific case only if, inter alia, "adequate steps have been taken to eliminate or substantially reduce the adverse effect" of the subsidy in question. This provision and the other limitations on the use of the waiver authority which are currently in the law would continue in effect if the waiver authority is extended. Thus, U.S. producers and workers will continue to be protected from the adverse effects of subsidized competition.

A successful conclusion to the MTN is essential to our national interest, as well as to the continued growth of world trade. If the waiver authority is not extended, such a successful conclusion will be placed in serious jeopardy. Accordingly, I urge the Congress to act positively upon this legislative proposal at the earliest possible date.

JIMMY CARTER.

THE WHITE HOUSE, *January 15, 1979.*

COMMUNICATIONS

The VICE PRESIDENT laid before the Senate the following communications, together with accompanying reports, documents, and papers, which were referred as indicated:

EC–1. A communication from the Secretary of Agriculture, transmitting, pursuant to law, a summary of the Weather-Water Allocation Study; to the Committee on Agriculture, Nutrition. and Forestry.

EC–2. A communication from the Acting Secretary of Agriculture, reporting, pursuant to law, as to the aggregate value of all agreements entered into under Title I of the Agricultural Trade Development and Assistance Act (Public Law 480) during fiscal year

1978; to the Committee on Agriculture, Nutrition, and Forestry.

EC-3. A communication from the Secretary of Agriculture, transmitting, pursuant to law, a report entitled "Improving Soils with Organic Wastes"; to the Committee on Agriculture, Nutrition, and Forestry.

EC-4. A communication from the Assistany Secretary of Agriculture, reporting, pursuant to law, the status of planned programming of Public Law 480, Title I commodities as of December 31, 1978; to the Committee on Agriculture, Nutrition, and Forestry.

EC-5. A communication from the Secretary of the Interior, reporting, pursuant to law, on an overobligation which occurred in the Bureau of Indian Affairs; to the Committee on Appropriations.

EC-6. A communication from the Deputy Assistant Secretary of Defense (Administration), transmitting, pursuant to law, the third-quarter fiscal year 1978 report of receipts and disbursements pertaining to the disposal of surplus military supplies, equipment, and material, and for expenses involving the production of lumber and timber products; to the Committee on Appropriations.

EC-7. A communication from the Clerk, United States Court of Claims, transmitting, pursuant to law, a final award in favor of The Creek Nation in the sum of $7,718,427.92 entered in the Creek Nation v. United States, Docket No. 272, by the Indian Claims Commission on September 22, 1978; to the Committee on Appropriations.

EC-8. A communication from the Assistant Secretary of Defense, reporting, pursuant to law, the intent to obligate $16.8 million of funds available in the Army Stock Fund for war reserve stocks; to the Committee on Appropriations.

EC-9. A communication from the Secretary of State, reporting, pursuant to law, on efforts the President and the Secretary of State have made to encourage the provision of adequate liability insurance by diplomatic missions to the United States against the risks of "loss or injury arising from the wrongful acts or omissions of the employees of such missions in the United States"; to the Committee on Appropriations.

EC-10. A communication from the Clerk, United States Court of Claims, transmitting, pursuant to law, a report of final award of the Indian Claims Commission in *The Creek Nation* v. *The United States*, in the amount of $1,115,706.20; to the Committee on Appropriations.

EC-11. A communication from the Deputy Secretary of Defense, reporting, pursuant to law, that the authority provided in section 3732 of the Revised Statutes, 41 U.S.C. 11, was used to incur obligations during the last quarter of fiscal year 1978 in certain appropriations; to the Committee on Appropriations.

EC-12. A communication from the Deputy Comptroller General of the United States, reporting, pursuant to law, on the National Center for Productivity and Quality of Working Life, Travel Reimbursement Limitation; to the Committee on Appropriations.

EC-13. A communication from the Director, Agency for Volunteer Service, ACTION, reporting, pursuant to law, a technical violation of Section 3679 of the Revised Statutes, as amended (31 U.S.C. 665); to the Committee on Appropriations.

EC-14. A communication from the Deputy Director, Office of Management and Budget, Executive Office of the President, reporting, pursuant to law, that the appropriation to the Veterans Administration for "Readjustment benefits" for the fiscal year 1979, has been apportioned on a basis which indicates the necessity for a supplemental estimate of appropriations; to the Committee on Appropriations.

EC-15. A communication from the Assistant Secretary of Defense, reporting, pursuant to law, transfers of amounts appropriated to the Department of Defense recently made pursuant to the authority granted in Section 854 of the Department of Defense Appropriation Act, 1978; to the Committee on Appropriations.

EC-16. A communication from the Assistant Secretary of Defense, reporting, pursuant to law, on the value of property, supplies, and commodities provided by the Berlin Magistrate, and under German Offset Agreement for the quarter July 1, 1978, through September 30, 1978; to the Committee on Appropriations.

EC-17. A communication from the Deputy Director, Office of Management and Budget, Executive Office of the President, reporting, pursuant to law, that the appropriation to the Department of the Treasury for "Salaries and expenses," United States Customs Service for the fiscal year 1979, has been reapportioned on a basis which indicates the necessity for a supplemental estimate of approprations; to the Committee on Appropriations.

EC-18. A communication from the Clerk, United States Court of Claims, transmitting, pursuant to law, the final award in favor of the Ottawa Tribe in the sum of $563,624.21 entered in The Ottawa Tribe, and Guy Jennison et al, as Representatives of the *Ottawa Tribe* v. *United States*, Nos. 133A and 302, by the Indian Claims Commission, August 17, 1978; to the Committee on Appropriations.

EC-19. A communication from the Clerk, United States Court of Claims, transmitting, pursuant to law, the final awards entered in favor of plaintiffs in certain cases by the Indian Claims Commission on September 20, 1978; to the Committee on Appropriations.

EC-20. A communication from the Deputy Director, Office of Management and Budget, Executive Office of the President, reporting, pursuant to law, that the appropriation to the Canal Zone Government for "Operating Expenses" for the fiscal year 1979, has been reapportioned on a basis which indicates the necessity for a supplemental estimate of appropriation and that the Panama Canal Company Fund has been reapportioned on a basis which indicates a necessity for an increase in the statutory "Limitation on General and Administrative Expenses"; to the Committee on Appropriations.

EC-21. A communication from the Assistant Secretary of Defense, reporting, pursuant to law, that no use was made of funds appropriated in the Department of Defense Appropriation Act, 1978, and Section 109 of the Military Construction Appropriation Act, 1978 during the period April 1, 1978–September 30, 1978, to make payments under contracts for any program, project, or activity in a foreign country except where, after consultation with a designee of the Secretary of the Treasury, it was determined that the use, by purchase from the Treasury, of currencies of such country acquired pursuant to law was not feasible for the reason that the Treasury Department was not holding excess foreign currencies in the country involved; to the Committee on Appropriations.

EC-22. A communication from the Clerk, United States Court of Claims, transmitting, pursuant to law, the final award in favor of the plaintiffs in the sum of $116,144.00 entered in *The Peoria Tribe of Oklahoma* v. *The United States*, No. 314-B, by the Indian Claims Commission, September 29, 1978; to the Committee on Appropriations.

EC-23. A communication from the Clerk, United States Court of Claims, transmitting, pursuant to law, the final award in favor of the plaintiffs and intervenor in the sum of $888,623.04 entered in *Citizen Bank of Potawatomi Indians of Oklahoma, et al. and Related Cases* v. *The United States*, Nos. 216, 15-L and 29-I, by the Indian Claims Commission, September 28, 1978; to the Committee on Appropriations.

EC-24. A communication from the Deputy Assistant Secretary of Defense (Installations and Housing), reporting, pursuant to law, on a construction project to be undertaken by the Naval and Marine Corps Reserve; to the Committee on Armed Services.

EC-25. A communication from the Deputy Assistant Secretary of Defense (Installations and Housing), reporting, pursuant to law, on 8 construction projects to be undertaken by the U.S. Air Force Reserve; to the Committee on Armed Services.

EC-26. A communication from the Deputy Assistant Secretary of Defense (Installations and Housing), reporting, pursuant to law, on 38 construction projects to be undertaken by the Army National Guard; to the Committee on Armed Services.

EC-27. A secret communication from the Assistant Secretary of Defense, transmitting, pursuant to law, 53 Selected Acquisition Reports (SARs) and the sar Summary Tables for the quarter ending September 30, 1978; to the Committee on Armed Services.

EC-28. A communication from the Acting Director, Defense Security Assistance Agency, transmitting, pursuant to law, information concerning the Department of the Navy's proposed Letter of Offer to the Federal Republic of Germany for Defense Articles estimated to cost in excess of $25 million; to the Committee on Armed Services.

EC-29. A communication from the Secretary of the Army, reporting, pursuant to law, on a plan prepared to dispose of the remaining Hydrogen Cyanide at Tooele Army Depot, Utah; to the Committee on Armed Services.

EC-30. A communication from the Deputy Assistant Secretary of Defense (Military Personnel Policy), transmitting, pursuant to law, a supplemental submission to the consolidated Defense Related Employment Report for fiscal year 1977; to the Committee on Armed Services.

EC-31. A confidential communication from the Assistant Secretary of Defense, transmitting, pursuant to law, contract award information amending the report covering the period September 15, 1978 to December 15, 1978; to the Committee on Armed Services.

EC-32. A communication from the Director, Defense Civil Preparedness Agency, reporting, pursuant to law, that no real or personal property acquisitions of emergency supplies and equipment were acquired during the quarter ending September 30, 1978; to the Committee on Armed Services.

EC-33. A communication from the Acting Secretary of the Navy, transmitting a draft of proposed legislation to approve the sale of a certain naval vessel, and for other purposes to the Committee on Armed Services.

EC-34. A communication from the Acting Secretary of the Army transmitting, pursuant to law, the annual report of Department of the Army contracts for military construction awarded without formal advertisement, 1 October 1977 through 30 September 1978; to the Committee on Armed Services.

EC-35. A communication from the Secretary of Defense, reporting, pursuant to law, comparing the President's fiscal year 1979 Budget request with the initial allocation of the statutory civil authorization; to the Committee on Armed Services.

EC-36. A communication from the Principal Deputy Assistant Secretary of Defense (MRA&L), transmitting, pursuant to law, on the Selected Reserve Reenlistment Bonus Test Program authorized in section 403 of the Defense Authorization Act of July 30, 1977, for the cumulative period January 1 through July 31, 1978; to the Committee on Armed Services.

EC-37. A confidential communication from the Director, Defense Security Assistance Agency, reporting, pursuant to law, concerning the Department of the Navy's proposed Letter of Offer to The Netherlands for Defense Articles estimated to cost in excess of $25 million; to the Committee on Armed Services.

EC-38. A communication from the Assistant Secretary of the Army (Research, Development and Acquisition), transmitting, pursuant to law, a report on Department of the Army Research and Development Contracts for $50,000 or more which were awarded during the period 1 April 1978 through 30 September 1978; to the Committee on Armed Services.

EC-39. A communication from the Associate Director, Legislative Liason, Department of the Air Force, transmitting, pursuant to law, reports concerning military construction contracts awarded by the Air Force without formal advertisement for the periods October 1, 1977, through September 30, 1978; to the Committee on Armed Services.

EC-40. A communication from th Assistant Deputy Chief of Naval Material (Contracts and Business Management), transmitting, pursuant to law, the Department of the Navy's semiannual report of research and development procurement actions of $50,000 and over, covering the period 1 October 1977 through 30 September 1978; to the Committee on Armed Services.

EC-41. A communication from the Director, Defense Civil Preparedness Agency, transmitting, pursuant to law, a report of Financial Contributions to the States, Personnel and Administration for the fiscal year ending September 30, 1978; to the Committee on Armed Services.

EC-42. A communication from the Director, Defense Civil Preparedness Agency, reporting, pursuant to law, on the Financial Contributions Program, Equipment and Facilities for fiscal year ending September 30, 1978; to the Committee on Armed Services.

EC-43. A communication from the Deputy Assistant Secretary of Defense (Military Personnel Policy), transmitting, pursuant to law, reports in compliance with the Aviation Career Incentive Act of 1974, as codified in 37 U.S.C. 301a; to the Committee on Armed Services.

EC-44. A communication from the Deputy Secretary of Defense, reporting, pursuant to law, on the annual compensation of officers or employees (Federal Contract Research Center) in excess of $45,000 from federal funds; to the Commitee on Armed Services.

EC-45. A communication from the Deputy Assistant Secretary of Defense (Installations and Housing), reporting, pursuant to law, on 24 construction projects to be undertaken by the Air National Guard; to the Committee on Armed Services.

EC-46. A communication from the Assistant Secretary of Defense, reporting, pursuant to law, on contract award dates for the period November 15, 1978 to February 15, 1979; to the Committee on Armed Services.

EC-47. A communication from the Secretary of the Army, transmitting, pursuant to law, the annual report of the United States Soldiers' and Airmen's Home for fiscal year 1977 and a report of the Annual General Inspection of the Home, 1978, by the Inspector General of the Army; to the Committee on Armed Services.

EC-48. A communication from the President and Chairman, Export-Import Bank of the United States, transmitting, pursuant to law, a report of actions taken by the Eximbank from July 1, 1978 through September 30, 1978; to the Committee on Banking, Housing, and Urban Affairs.

EC-49. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Administration of U.S. Export Licensing Should Be Consolidated To Be More Responsive To Industry," October 31, 1978; to the Commtitee on Banking, Housing, and Urban Affairs.

EC-50. A communication from the Chairman, Board of Governors, Federal Reserve System, transmitting, pursuant to law, its tenth Annual Report on Truth in Lending; to the Committee on Banking, Housing, and Urban Affairs.

EC-51. A communication from the Chairman, Board of Governors, Federal Reserve System, transmitting, pursuant to law, a proposed regulation implementing sections 909 and 911 of the Electronic Fund Transfer Act, Public Law 95-630, and the analysis of the economic impact of the proposed sections of the regulation on participants in EFT systems; to the Committee on Banking, Housing, and Urban Affairs.

EC-52. A communication from the Chairman, Cost Accounting Standards Board, transmitting, pursuant to law, a progress report of the Cost Accounting Standards Board for the year ended September 30, 1978; to the Committee on Banking, Housing, and Urban Affairs.

EC-53. A communication from the Assistant Attorney General Antitrust Division, transmitting, pursuant to law, a report on the enforcement of Title I of the Consumer Credit Protection Act of 1968 (Public Law 90-321) for calendar year 1978; to the Committee on Banking, Housing, and Urban Affairs.

EC-54. A communication from the Secretary of Housing and Urban Development, transmitting, pursuant to law, a report on Indian and Alaska Native Housing and Community Development Programs; to the Committee on Banking, Housing, and Urban Affairs.

EC-55. A communication from the Vice President, Government Affairs, National Railroad Passenger Corporation, transmitting, pursuant to law, a report for the month of September 1978, on total itemized revenues and expenses, revenues and expenses of each train operated, and revenues and total expenses attributable to each railroad over which service is provided; to the Committee on Commerce, Science, and Transportation.

EC-56. A communication from the Vice President, Government Affairs, National Railroad Passenger Corporation, transmitting, pursuant to law, a report for the month of October 1978, on the average number of passengers per day on board each train operated, and the on-time performance at the final destination of each train operated, by route and by railroad; to the Committee on Commerce, Science, and Transportation.

EC-57. A communication from the Secretary of Transportation, transmitting, pursuant to law, a report of contracts negotiated under 10 U.S.C. 2304(a)(11) during the period April 1, 1978 to September 30, 1978; to the Committee on Commerce, Science, and Transportation.

EC-58. A communication from the Administrator, National Aeronautics and Space Administration transmitting, pursuant to law, information with respect to contracts negotiated by NASA under 10 U.S.C. 2304(a) (11) and (16) for the period January 1, 1978 through June 30, 1978; to the Committee on Commerce, Science, and Transportation.

EC-59. A communication from the President, Communications Satellite Corporation, transmitting, pursuant to law, a report on the operations, activities and accomplishments of COMSAT; to the Committee on Commerce, Science, and Transportation.

EC-60. A communication from the Acting Secretary of the Interstate Commerce Commission, reporting, pursuant to law, that the Commission is unable to render a final decision in Docket No. 36731 (Sub-No. 28), Liquified Petroleum Gas, Flomation, Alabama, to Western Trunk Line Territory, within the initially-specified 7-month period; to the Committee on Commerce, Science, and Transportation.

EC-61. A communication from the Administrator, U.S. Environmental Protection Agency, transmitting, pursuant to law, a report entitled "Surface Impoundments and Their Effects on Ground-Water Quality in the United States—A Preliminary Survey"; to the Committee on Commerce, Science, and Transportation.

EC-62. A communication from the Chairman, U.S. Consumer Product Safety Commission, transmitting, pursuant to law, a copy of the Commission's letter to the Director, Office of Management and Budget, concerning S. 2, the Sunset Act of 1978; to the Committee, Science, and Transportation.

EC-63. A communication from the Secretary of Transportation, transmitting, pursuant to law, a report for calendar year 1978 on the utilization of the authority granted in 37 U.S.C. 306 (to pay special pay to U.S. Coast Guard officers holding positions of unusual responsibility and of critical nature); to the Committee on Commerce, Science, and Transportation.

EC-64. A communication from the Chairman, Migratory Bird Conservation Commission, transmitting, pursuant to law, a report of the Migratory Bird Conservation Commission for fiscal year ending September 30, 1978; to the Committee on Commerce, Science, and Transportation.

EC-65. A communication from the Vice President, Government Affairs, National Railroad Passenger Corporation, transmitting, pursuant to law, a report for the month of September 1978, on the average number of passengers per day on board each train operated, and the on-time performance at the final destination of each train operated, by route and by railroad; to the Committee on Commerce, Science, and Transportation.

EC-66. A communication from the Vice President, Government Affairs, National Railroad Passenger Corporation, transmitting, pursuant to law, a report for the month of July 1978, on total itemized revenues and expenses, revenues and expenses of each train operated, and revenues and total expenses attributable to each railroad over which service is provided; to the Committee on Commerce, Science, and Transportation.

EC-67. A communication from the Chairman, National Advisory Committee on Oceans and Atmosphere, transmitting, pursuant to law, recommendations concerning Federal organization for marine and atmospheric affairs; to the Committee on Commerce, Science, and Transportation.

EC-68. A communication from the President, United States Railway Association, transmitting, pursuant to law, its quarterly report for July 1, 1978 through September 30, 1978; to the Committee on Commerce, Science, and Transportation.

EC-69. A communication from the Vice President, Government Affairs, National Railroad Passenger Corporation, transmitting, pursuant to law, a report for the month of August 1978, on the average number of passengers per day on board each train operated, and the on-time performance at the final destination of each train operated, by route and by railroad; to the Committee on Commerce, Science, and Transportation.

EC-70. A communication from the Chairman, National Transportation Safety Board, transmitting, pursuant to law, a copy of the Board's letter to the Office of Management and Budget appealing the resource levels provided by OMB for fiscal year 1980; to the Committee on Commerce, Science, and Transportation.

EC-71. A communication from the Secretary of Commerce, transmitting, pursuant to law, a report on the implementation of the Federal Fire Prevention and Control Act of 1974; to the Committee on Commerce, Science, and Transportation.

EC-72. A communication from the Administrator, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, a report on the Effectiveness of the Civil Aviation Security Program for the period January 1 to June 30, 1978; to the Committee on Commerce, Science, and Transportation.

EC-73. A communication from the Chairman, National Transportation Safety Board, transmitting, pursuant to law, a copy of the Board's request to the Office of Management and Budget for a partial examption to the hiring limitation imposed by the President on October 24, 1978; to the Committee on Commerce, Science, and Transportation.

EC-74. A communication from the Chairman, Federal Trade Commission, transmitting, pursuant to law, the Commission's annual report covering its accomplishments during the fiscal year ended September 30, 1977; to the Committee on Commerce, Science, and Transportation.

EC-75. A communication from the Chairman, Civil Aeronautics Board, transmitting, pursuant to law, the Board's annual report covering fiscal year 1977; to the Committee on Commerce, Science, and Transportation.

EC-76. A communication from the Vice President, Government Affairs, National Railroad Passenger Corporation, transmitting, pursuant to law, a report for the month of July 1978, on the average number of passengers per day on board each train operated, and the on-time performance at the final destination of each train operated, by route and by railroad; to the Committee on Commerce, Science, and Transportation.

EC-77. A communication from the Secretary of the Interior, reporting, pursuant to law, that Sunmark Exploration Company, a division of Sun Oil Company (Delaware), has submitted an application to the Department for repayment of rental totaling $17,280.00 for lease OCS-G 2750, East High Island Block 365, offshore Texas; to the Committee on Energy and Natural Resources.

EC-78. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "The United States and International Energy Issues," December 18, 1978; to the Committee on Energy and Natural Resources.

EC-79. A communication from the Under Secretary, Department of Energy, transmitting, pursuant to law, a report entitled "Application and System Design Study for Cost-Effective Solar Photovoltaic Systems at Federal Installations," November 1978; to the Committee on Energy and Natural Resources.

EC-80. A communication from the Administrator, Energy Information Administration, Department of Energy, transmitting, pursuant to law, reports on (1) Petroleum Market Shares: Report on Sales of Refined Petroleum Products; and (2) Petroleum Market Shares: Report of Sales of Retail Gasoline; to the Committee on Energy and Natural Resources.

EC-81. A communication from the General Counsel, Department of Energy, transmitting, pursuant to law, notice of a meeting related to the International Energy Program; to the Committee on Energy and Natural Resources.

EC-82. A communication from the Assistant Secretary for Fish and Wildlife and Parks, Department of the Interior, transmitting, pursuant to law, the Development Plan and Stream Classification for the Obed Wild and Scenic River in Tennessee; to the Committee on Energy and Natural Resources.

EC-83. A communication from the Deputy Assistant Secretary for Environment, Department of Energy, transmitting, pursuant to law, a report on Plutonium Air Transportable Package Model PAT-1; to the Committee on Energy and Natural Resources.

EC-84. A communication from the Secretary of the Interior, reporting, pursuant to law, that Union Oil Company of California has submitted an application to the Department for repayment of one year's rental totaling $17,280 for lease OCS-G 2481, Destin Dome Block 208, offshore Florida; to the Committee on Energy and Natural Resources.

EC-85. A communication from the Assistant Secretary of the Interior, reporting, pursuant to law, that an adequate soil survey and land classification has been made of the lands in the Westside Water District, Improvement District No. 1, and that the lands to be irrigated are suceptible to the production of agricultural crops by means of irrigation; to the Committee on Energy and Natural Resources.

EC-86. A communication from the Chairman, Federal Energy Regulatory Commission, transmitting, pursuant to law, a report on the implementation and actions taken under the Emergency Natural Gas Act of 1977 (Public Law 95-2); to the Committee on Energy and Natural Resources.

EC-87. A communication from the Director, Office of Territorial Affairs, Department of the Interior, transmitting, pursuant to law, a report of the administration of the Guam Development Fund during 1978, as submitted by the Governor of Guam; to the Committee on Energy and Natural Resources.

EC-88. A communication from the Secretary of the Interior, transmitting proposed amendments relating to Title II, National Park System, Alaska National Interest Lands Conservation Act; to the Committee on Energy and Natural Resources.

EC-89. A communication from the Administrator, Energy Information Administration, Department of Energy, transmitting, pursuant to law, a report on Petroleum Market Shares; Report on Sales of Refined Petroleum Products, July 1978; to the Committee on Energy and Natural Resources.

EC-90. A communication from the Administrator, Energy Information Administration, transmitting, pursuant to law, a report on sales of retail gasoline, July 1978; to the Committee on Energy and Natural Resources.

EC-91. A communication from the President of the United States, transmitting, pursuant to law, a proposal to designate a 50.4-mile segment of the Illinois River within the Siskiyou National Forest in Oregon as an element of the National Wild and Scenic Rivers System; to the Committee on Energy and Natural Resources.

EC-92. A communication from the General Counsel, Department of Energy, transmitting, pursuant to law, notice of a meeting related to the International Energy Program; to the Committee on Energy and Natural Resources.

EC-93. A communication from the Secretary of the Interior, transmitting, pursuant to law, a report entitled "First Progress Report to the Congress, California Desert Conservation Area"; to the Committee on Energy and Natural Resources.

EC-94. A communication from the President of the United States transmitting, pursuant to law, a proposal to designate a 1.9 million acre River of No Return Wilderness on portions of the Bitterroot, Boise, Challis, Nezperce, Fayette and Salmon National Forests in Idaho; to the Committee on Energy and Natural Resources.

EC-95. A communication from the Director, Office of Hearings and Appeals, Department of Energy, transmitting, pursuant to law, the quarterly report on private grievances and redress; to the Committee on Energy and Natural Resources.

EC-96. A communication from the Secretary of the Interior, transmitting, pursuant to law, a report of the Fish and Wildlife Service on the administration of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1361, 86 Stat. 1027 (1972)) for the period June 22, 1977, to March 31, 1978; to the Committee on Commerce, Science, and Transportation.

EC-97. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Projected Timber Scarcities in the Pacific Northwest: A Critique of 11 Studies," December 12, 1978; to the Committee on Energy and Natural Resources.

EC-98. A communication from the Administrator, Energy Information Administration, Department of Energy, transmitting, pursuant to law, a report on (1) Petroleum Market Shares: Report on Sales of Refined Petroleum Products; and (2) Petroleum Market Shares: Report on Sales of Retail Gasoline; to the Committee on Energy and Natural Resources.

EC-99. A communication from the Assistant Attorney General, Antitrust Division, Department of Justice, transmitting, pursuant to law, a report on the Interstate Compact to Conserve Oil and Gas; to the Committee on Energy and Natural Resources.

EC-100. A communication from the Chairman, Advisory Council on Historic Preservation, transmitting, pursuant to law, its report covering fiscal year 1976 with its transition quarter (July 1, 1975, to September 30, 1976) and fiscal year 1977; to the Committee on Energy and Natural Resources.

EC-101. A communication from the Secretary of the Interior, transmitting, pursuant to law, a report entitled "Water Conservation Opportunities Study, September 1978"; to the Committee on Energy and Natural Resources.

EC-102. A communication from the Secretary of the Interior, reporting, pursuant to law, that Mesa Petroleum Company has submitted an application to the Department for repayment of rental totaling $17,280.00 for lease OSC-G 2410, High Island Block A-313, offshore Louisiana; to the Committee on Energy and Natural Resources.

EC-103. A communication from the Administrator, Energy Information Administration, Department of Energy, transmitting, pursuant to law, a report for the period July through September 1978 concerning imports of crude oil, residual fuel oil, refined petroleum products, natural gas, and coal; reserves and production of crude oil, natural gas, and coal; refinery activities; and inventories; to the Committee on Energy and Natural Resources.

EC-104. A communication from the Chairman, United States Nuclear Regulatory Commission, transmitting, pursuant to law, a report on abnormal occurrences at licensed nuclear facilities; to the Committeee on Environment and Public Works.

EC-105. A communication from the Chairman, United States Nuclear Regulatory Commission, Advisory Committee on Reactor Safeguards, transmitting, pursuant to law, a report on the safety research program; to the Committee on Environment and Public Works.

EC-106. A communication from the Chairman, Council on Environmental Quality, Executive Office of the President, transmitting, pursuant to law, a report entitled "Progress in Environmental Quality"; to the Committee on Environment and Public Works.

EC-107. A communication from the Secretary of Transportation, transmitting, pursuant to law, a report on the final conclusions of the Department regarding the impact of trans-Alaska pipeline construction traffic on the Alaska highway system; to the Committee on Environment and Public Works.

EC-108. A communication from the Administrator, United States Environmental Protection Agency, transmitting, pursuant to law, the National Water Quality Inventory Report for 1977; to the Committee on Environment and Public Works.

EC-109. A communication from the Administrator, General Services Administration, transmitting, pursuant to law, a prospectus for 820 Elkridge Landing Road, Friendship, Maryland; to the Committee on Environment and Public Works.

EC-110. A communication from the Deputy Under Secretary, Department of the Army, transmitting, pursuant to law, a report concerning required cooperation agreements on water resource projects; to the Committee on Environment and Public Works.

EC-111. A communication from the Director, Hoover Institution on War, Revolution and Peace, transmitting, pursuant to law, a report on the expenditure of funds on the Herbert Hoover Federal Memorial Building by the Hoover Institution; to the Committee on Environment and Public Works.

EC-112. A communication from the Chairman, United States Nuclear Regulatory Commission, transmitting, pursuant to law, a memorandum of understanding delineating respective agency responsibilities in the conduct of epidemiological planning studies; to the Committee on Environment and Public Works.

EC-113. A communication from the Chairman, United States Nuclear Regulatory Commission, transmitting, pursuant to law, a report on contracts per section 11, Public Law 95-601, NRC's 1979 Authorization Act; to the Committee on Environment and Public Works.

EC-114. A communication from the Director, Office of Water Research and Technology, Department of the Interior, transmitting, pursuant to law, a report entitled "Evaluation of Technical Material and Information for Potential Desalting Demonstration Plants," December 1978; to the Committee on Environment and Public Works.

EC-115. A communication from the Acting Chairman, Agricultural Technical Advisory Committee for Trade Negotiations on Fruits and Vegetables, transmitting, pursuant to law, the Committee's report on the US-Indian Tropical Products Agreement which was consummated by an exchange of letters on July 26, 1978; to the Committee on Finance.

EC-116. A communication from the Acting Chairman, Agricultural Technical Advisory Committee for Trade Negotiations on Fruits and Vegetables, transmitting, pursuant to law, the Committee's report on the Agreement on Trade Matters Between the United States and the United Mexican States, signed in Washington, D.C., on December 2, 1977; to the Committee on Finance.

EC-117. A communication from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, the final report on the "advantages and disadvantages of extending coverage under Title XVIII of the Social Security Act to urban or rural comprehensive mental health centers and to centers for treatment of alcoholism and drug abuse; to the Committee on Finance.

EC-118. A communication from the President of the United States, transmitting, pursuant to law, a report setting forth his decision that import relief for the domestic bicycle tire and tube industry is not in the national economic interest, and explaining the reasons for his decision; to the Committee on Finance.

EC-119. A communication from the Chairman, The Renegotiation Board, transmitting, pursuant to law, the Board's annual report for fiscal year ending September 30, 1978; to the Committee on Finance.

EC-120. A communication from the Chairman, The Renegotiation Board, reporting, pursuant to law, pertaining to the Board's annual report; to the Committee on Finance.

EC-121. A communication from the Special Representative for Trade Negotiations, transmitting, pursuant to law, reports of the Industry Sector Advisory Committees on the US-Indian Tropical Products Agreement, which was concluded on July 26, 1978; to the Committee on Finance.

EC-122. A communication from the Secretary of Health, Education, and Welfare transmitting pursuant to law, the Department's fourth report on State Medicaid program compliance with section 1903(g) of the Social Security Act; to the Committee on Finance.

EC-123. A communication from the President of the United States, transmitting, pursuant to law, a report setting forth his determination that import relief for the U.S. Artificial Bait and Flies Industry is not in the national economic interest and explaining the reasons for his decision; to the Committee on Finance.

EC-124. A communication from the President of the United States, transmitting, pursuant to law, a report setting forth his decision that import relief on unwrought, unalloyed copper is not in the national economic interest, and explaining the reasons for his decision; to the Committee on Finance.

EC-125. A communication from the President of the United States, transmitting, pursuant to law, a report setting forth his determination to provide import relief for the U.S. High Carbon Ferrochromium Industry and explaining the reasons for his decision; to the Committee on Finance.

EC-126. A communication from the Vice Chairman, Unitd States International Trade Commission, transmitting, pursuant to law, its sixteenth quarterly report on trade between the United States and the nonmarket economy countries; to the Committee on Finance.

EC-127. A communication from the President of the United States, transmitting, pursuant to law, a report setting forth his decision to modify the import relief recommendation of the U.S. International Trade Commission (USITC) by proclaiming increased tariffs of 15 percent on iron or steel bolts, nuts, and large screws for a three-year period and giving the reasons for his decision; to the Committee on Finance.

EC-128. A communication from the President of the United States, transmitting proposals relating to international trade; to the Committee on Finance.

EC-129. A communication from the Acting Chairman, The Renegotiation Board, transmitting, pursuant to law, the Board's report covering the fiscal year ending September 30, 1978; to the Committee on Finance.

EC-130. A communication from the Secretary of the Treasury, transmitting, pursuant to law, a report entitled "Combined Statement of Receipts, Expenditures and Balances of the United States Government for the fiscal year ended September 30, 1978"; to the Committee on Finance.

EC-131. A communication from the Acting Secretary of the Interior, transmitting, pursuant to law, a notice on leasing systems for the oil and gas lease Sale No. 51, central and western Gulf of Mexico, scheduled to be held on December 19, 1978; to the Committee on Energy and Natural Resources.

EC-132. A communication from the Assistant Secretary for Congressional Relations, Department of State, transmitting, pursuant to law, a report required by Title VII, Public Law 95-118; to the Committee on Foreign Relations.

EC-133. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Independent Review and Evaluation at the Asian Development Bank," October 18, 1978; to the Committee on Foreign Relations.

EC-134. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, international agreements other than treaties entered into by the United States within sixty days after the execution thereof; to the Committee on Foreign Relations.

EC-135. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, international agreements other than treaties entered into by the United States within sixty days after the execution thereof; to the Committee on Foreign Relations.

EC-136. A communication from the Assistant Secretary (Legislative Affairs), Department of the Treasury, transmitting, pursuant to law, project performance audit reports prepared by the International Bank for Reconstruction and Development (IBRD); to the Committee on Foreign Relations.

EC-137. A communication from the Director, Office of Management and Budget, Executive Office of the President, reporting, pursuant to law, increased budget level for Radio Free Europe/Radio Liberty, Inc., because of the downward fluctuations in foreign currency exchange rates; to the Committee on Foreign Relations.

EC-138. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, international agreements other than treaties entered into by the United States within 60 days after the execution thereof; to the Committee on Foreign Relations.

EC-139. A communication from the Senior Adviser and Director for International Narcotics Control, Department of State, transmitting, pursuant to law, planned changes in allocations of fiscal year 1979 funds authorized and appropriated for the International Narcotics Control Program; to the Committee on Foreign Relations.

EC-140. A communication from the Assistant Administrator for Legislative Affairs, Department of State, transmitting, pursuant to law, a report required under Section 653(a) of the Foreign Assistance Act of 1961 as amended; to the Committee on Foreign Relations.

EC-141. A communication from the Assistant Secretary for Congressional Relations, Department of State, reporting, for the information of the Senate, on the tragedy in Guyana; to the Committee on Foreign Relations.

EC-142. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, international agreements other than treaties entered into by the United States within 60 days after the execution thereof; to the Committee on Foreign Relations.

EC-143. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, international agreements other than treaties entered into by the United States within 60 days after the execution thereof; to the Committee on Foreign Relations.

EC-144. A communication from the Chairman, Board of Foreign Scholarships, transmitting, pursuant to law, a report entitled "Report on Exchanges"; to the Committee on Foreign Relations.

EC-145. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, international agreements other than treaties entered into by the United States within 60 days after the execution thereof; to the Committee on Foreign Relations.

EC-146. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, international agreements other than treaties entered into by the United States within 60 days after the execution thereof; to the Committee on Foreign Relations.

EC-147. A communication from the Assistant Secretary (Legislative Affairs), Department of the Treasury, transmitting, pursuant to law, project performance audit reports prepared by the International Bank for Reconstruction and Development (BRD); to the Committee on Foreign Relations.

EC-148. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, international agreements other than treaties entered into by the United States within 60 days after the execution thereof; to the Committee on Foreign Relations.

EC-149. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, international agreements other than treaties entered into by the United States within 60 days after the execution thereof; to the Committee on Foreign Relations.

EC-150. A communication from the Assistant Secretary (Legislative Affairs), Department of the Treasury, transmitting, pursuant to law, project performance audit reports prepared by the International Bank for Reconstruction and Development (BRD); to the Committee on Foreign Relations.

EC-151. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, international agreements other than treaties entered into by the United States within 60 days after the execution thereof; to the Committee on Foreign Relations.

EC-152. A communication from the Assistant Secretary for Economic and Business Affairs, Department of State, transmitting, pursuant to law, a report summarizing the trade controls of COCOM countries, current to April 15, 1978; to the Committee on Foreign Relations.

EC-153. A communication from the Assistant Secretary for Congressional Relations, Department of State, transmitting, pursuant to law, a report on excess defense articles delivered to foreign governments for the fourth quarter of fiscal year 1978, and the cumulative status for the year, October 1, 1977 through September 30, 1978; to the Committee on Foreign Relations.

EC-154. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, international agreements other than treaties entered into by the United States within 60 days after the execution thereof; to the Committee on Foreign Relations.

EC-155. A communication from the Secretary of State, transmitting, pursuant to law, a report on United States policy toward the Soviet Union; to the Committee on Foreign Relations.

EC-156. A communication from the Administrator, National Aeronautics and Space Administration, transmitting, pursuant to law, a report on the disposal of certain foreign excess property; to the Committee on Governmental Affairs.

EC-157. A communication from the Mayor, The District of Columbia, transmitting, pursuant to law, the 1978 Alcoholism State Plan; to the Committee on Governmental Affairs.

EC-158. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Electric Energy Options Hold Great Promise for the Tennessee Valley Authority," November 29, 1978; to the Committee on Governmental Affairs.

EC-159. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "What Was the Effect of the Emergency Housing Program on Single-Family Housing Construction?" November 21, 1978; to the Committee on Governmental Affairs.

EC-160. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Evaluation of Four Energy Conservation Programs—Fiscal Year 1977," November 21, 1978; to the Committee on Governmental Affairs.

EC-161. A communication from the Administrator, National Aeronautics and Space Administration, transmitting, pursuant to law, a report on the positions which NASA has established as of September 30, 1978, pursuant to the authority provided in Section 203(c)(2)(A) of the National Aeronautics and Space Act of 1958 as amended (42 U.S.C. 2473(c)(2)(A)); to the Committee on Governmental Affairs.

EC-162. A communication from the Inspector General, Department of Health, Education, and Welfare, transmitting, pursuant to law, the sixth quarterly report covering the activities of his office for the period July 1 to September 30, 1978; to the Committee on Governmental Affairs.

EC-163. A communication from the Chairman, United States Postal Service, reporting, pursuant to law, on compliance with the Government in the Sunshine Act for calendar year 1978; to the Committee on Governmental Affairs.

EC-164. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Problems in Auditing Medicaid Nursing Home Chains," January 9, 1979; to the Committee on Governmental Affairs.

EC-165. A communication from the Deputy Administrator, General Services Administration, transmitting, pursuant to law, a report of personal property donated under section 203(j) of the Federal Property and Administrative Services Act; to the Committee on Governmental Affairs.

EC-166. A communication from the Assistant Attorney General for Administration, Department of Justice, reporting, pursuant to law, its intention to modify an existing system of records; to the Committee on Governmental Affairs.

EC-167. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Status of the Implementation of the National Health Planning and Resources Development Act of 1974," November 2, 1978; to the Committee on Governmental Affairs.

EC-168. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Federal Management Weaknesses Cry Out for Alternatives to Deliver Programs and Services to Indians to Improve Their Quality of Life," October 31, 1978; to the Committee on Governmental Affairs.

EC-169. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "More Effective Action by the Environmental Protection Agency Needed to Enforce Industrial Compliance With Water Pollution Control Discharge Permits," October 17, 1978; to the Committee on Governmental Affairs.

EC-170. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "The Federal Bail Process Fosters Inequities," October 17, 1978; to the Committee on Governmental Affairs.

EC-171. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Victims of Unfair Business Practices Get Limited Help From the Federal Trade Commission," October 17, 1978; to the Committee on Governmental Affairs.

EC-172. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Fundamental Changes Needed to Improve the Independence and Efficiency of the Military Justice System," October 31, 1978; to the Committee on Governmental Affairs.

EC-173. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "The Fly America Act Should Allow More Agency Discretion in Authorizing Use of Military-Flag Air Carriers to Conduct Business Overseas," October 31, 1978; to the Committee on Governmental Affairs.

EC-174. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Getting a Better Understanding of the Metric System—Implications if Adopted by the United States," October 30, 1978; to the Committee on Governmental Affairs.

EC-175. A communication from the Deputy Assistant Secretary of Defense (Administration), transmitting, pursuant to law, a Department of the Navy proposed new system of records; to the Committee on Governmental Affairs.

EC-176. A communication from the General Counsel, Federal Trade Commission, transmitting, pursuant to law, a proposed new system of records; to the Committee on Governmental Affairs.

EC-177. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "More Effective Action is Needed on Auditors' Findings—Millions Can Be Collected or Saved," October 25, 1978; to the Committee on Governmental Affairs.

EC-178. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a list of reports of the General Accounting Office for the month of September 1978; to the Committee on Governmental Affairs.

EC-179. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Reserved Water Rights for Federal and Indian Reservations: A Growing Controversy in Need of Resolution," November 16, 1978; to the Committee on Governmental Affairs.

EC-180. A communication from the Assistant Secretary for Administration, Department of Housing and Urban Development, transmitting, pursuant to law, reports on Privacy Act systems of records; to the Committee on Governmental Affairs.

EC-181. A communication from the Deputy Assistant Secretary of Defense, transmitting, pursuant to law, an Office of the Secretary of Defense proposed new record system; to the Committee on Governmental Affairs.

EC-182. A communication from the Records Management Division and Privacy Liaison Officer, Federal Communications Commission, transmitting, pursuat to law, a report on a revised system of records; to the Committee on Governmental Affairs.

EC-183. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Patent and Trademark Fees Need to be Raised," November 14, 1978; to the Committee on Governmental Affairs.

EC-184. A communication from the Deputy Administrator, Veterans Administration, transmitting, pursuant to law, a report on its activities in the disposal of foreign excess property covering the period October 1, 1977 through September 30, 1978; to the Committee on Governmental Affairs.

EC-185. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Getting a Better Understanding of the Metric System—Implications if Adopted by the United States," October 20, 1978; to the Committee on Governmental Affairs.

EC-186. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Free Legal Services for the Poor—Increased Coordination, Community Legal Education, and Outreach Needed," November 6, 1978; to the Committee on Governmental Affairs.

EC-187. A communication from the General Counsel, Securities and Exchange Commission, transmitting, pursuant to law, a report relating to the modification of one of the systems of records; to the Committee on Governmental Affairs.

EC-188. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Community-Managed Septic Systems—A Viable Alternative to Sewage Treatment Plants," November 3, 1978; to the Committee on Governmental Affairs.

EC-189. A communication from the Director, Office of Administration, United States Nuclear Regulatory Commission, tranmitting, pursuant to law, a report on a proposed new system of records; to the Committee on Governmental Affairs.

EC-190. A communication from the Assistant Secretary for Management and Budget, Department of Health, Education, and Welfare, transmitting, pursuant to law, a proposed new system of records; to the Committee on Governmental Affairs.

EC-191. A communication from the General Counsel, Federal Trade Commission, transmitting, pursuant to law, a proposed new system of records; to the Committee on Governmental Affairs.

EC-192. A communication from the Assistant Secretary for Management and Budget, Department of Health, Education, and Welfare, transmitting, pursuant to law, a proposed new system of records; to the Committee on Governmental Affairs.

EC-193. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a list of reports of the General Accounting Office for the month of November 1978; to the Committee on Governmental Affairs.

EC-194. A communication from the Acting Assistant Secretary for Administration, Department of the Treasury, transmitting, pursuant to law, a proposed new system of records; to the Committee on Governmental Affairs.

EC-195. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Issues Concerning Air Force KC-10A Advanced Tanker/Cargo Aircraft," January 5, 1979; to the Committee on Governmental Affairs.

EC-196. A secret communication from the Comptroller General of the United States, transmitting, pursuant to law, a report on the factors which contribute to the Navy's favorable readiness posture for the submarine launched ballistic missile force, as well as measures which could be taken to improve these areas and the potential applicability to other Navy programs; to the Committee on Governmental Affairs.

EC-197. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "A Federal Strategy is Needed to Help Improve Medical and Dental Care in Prisons and Jails," December 22, 1978; to the Committee on Governmental Affairs.

EC-198. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "The Navy's Submarine Launched Ballistic Missile Force is Highly Ready," December 21, 1978; to the Committee on Governmental Affairs.

EC-199. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Need for Uniform Security Measures in Transporting Arms, Ammunition, and Explosives," December 21, 1978; to the Committee on Governmental Affairs.

EC-200. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Labor Needs to Manage its Workplace Consultation Program Better," December 18, 1978; to the Committee on Governmental Affairs.

EC-201. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "How to Dispose of Hazardous Waste—A Serious Question That Needs to be Resolved," December 19, 1978; to the Committee on Governmental Affairs.

EC-202. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Adjustment Assistance to Firms Under the Trade Act of 1974—Income Maintenance or Successful Adjustment?" December 21, 1978; to the Committee on Governmental Affairs.

EC-203. A communication from the Assistant Administrator for Legislative Affairs, Agency for International Development, Department of State, transmitting, pursuant to law, AID's fiscal year 1978 report on disposal of foreign excess property; to the Committee on Governmental Affairs.

EC-204. A communication from the Director, Procurement and Contracts Management Directorate, Department of Energy, transmitting, pursuant to law, a report on disposal of foreign excess property; to the Committee on Governmental Affairs.

EC-205. A communication from the Director, International Communication Agency, transmitting, pursuant to law, a report on disposal of foreign excess property; to the Committee on Governmental Affairs.

EC-206. A communication from the Assistant Director for General Services, Facilities and Support Services Division, United States Environmental Protection Agency, transmitting, pursuant to law, a report on disposal of foreign excess property; to the Committee on Governmental Affairs.

EC-207. A communication from the Assistant Attorney General for Administration, Department of Justice, transmitting, pursuant to law, a report on disposal of foreign excess property; to the Committee on Governmental Affairs.

EC-208. A communication from the Chief, Procurement and Property Management Branch, Administrative Services Division, Community Services Administration, transmitting, pursuant to law, a report on utilization of foreign excess property for fiscal year 1978; to the Committee on Governmental Affairs.

EC-209. A communication from the Secretary of Transportation, transmitting, pursuant to law, a report on disposal of foreign excess property; to the Committee on Governmental Affairs.

EC-210. A communication from the Chairman, United States Nuclear Regulatory Commission, transmitting, pursuant to law, a report on full-time permanent employees hired and promoted; to the Committee on Governmental Affairs.

EC-211. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "What Are the Capabilities of the Selective Service System?" December 14, 1978; to the Committee on Governmental Affairs.

EC-212. A communication from the Secretary of Agriculture, transmitting, pursuant to law, a report on a new proposed system of records; to the Committee on Governmental Affairs.

EC-213. A communication from the Acting Administrator, General Services Administraton, transmitting, pursuant to law, responses on a report of meeting, Board of Visitors, United States Naval Academy made to the President in May 1977; to the Committee on Governmental Affairs.

EC-214. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Liberal Deposit Requirements of States' Social Security Contributions Adversely Affected Trust Funds," December 18, 1978; to the Committee on Governmental Affairs.

EC-215. A communication from the Deputy Comptroller General of the United States, transmitting, pursuant to law, a report and recommendation concerning the claim of Mr. James C. Wilkinson, an employee of the Department of the Interior; to the Committee on Governmental Affairs.

EC-216. A communication from the Acting Director, United States Arms Control and Disarmament Agency, transmitting, pursuant to law, a report for calendar year 1978 on the fourteen scientific or professional positions authorized for establishment in the agency; to the Committee on Governmental Affairs.

EC-217. A communication from the Deputy Assistant Secretary of Defense (Administration), transmitting, pursuant to law, a proposed new system of records by the Defense Logistics Agency; to the Committee on Governmental Affairs.

EC-218. A communication from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a report on improving the distribution of information on Federal assistance programs; to the Committee on Governmental Affairs.

EC-219. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Examination of the Financial Statements of the Panama Canal Company and the Canal Zone Government for Fiscal Periods 1977, Transition Quarter, and 1976," November 30, 1978; to the Committee on Governmental Affairs.

EC-220. A communication from the Director, Agency for Volunteer Service, ACTION, transmitting, pursuant to law, a proposed new system of records; to the Committee on Governmental Affairs.

EC-221. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "The Labor Department Should Reconsider its Approach to Employment Security Automation," December 28, 1978; to the Committee on Governmental Affairs.

EC-222. A communication from the Chairman, Copyright Royalty Tribunal, transmitting, pursuant to law, a report on implementation of the Government in the Sunshine Act; to the Committee on Governmental Affairs.

EC-223. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "State and Local Government Productivity Improvement: What is the Federal Role?" December 6, 1978; to the Committee on Governmental Affairs.

EC-224. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "The Federal Government's Severence Pay Programs Need Reform," December 7, 1978; to the Committee on Governmental Affairs.

EC-225. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "State Department Office of Inspector General, Foreign Service, Needs to Improve its Internal Evaluation Process," December 6, 1978; to the Committee on Governmental Affairs.

EC-226. A communication from the Assistant Secretary for Management and Budget, Department of Health, Education, and Welfare, transmitting, pursuant to law, a proposed new system of records; to the Committee on Governmental Affairs.

EC-227. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Audit of the United States Capitol Historical Society for the Year Ended January 31, 1978; to the Committee on Governmental Affairs.

EC-228. A communication from the Assistant Attorney General for Administration, Department of Justice, transmitting, pursuant to law, a proposed modification to an existing system of records; to the Committee on Governmental Affairs.

EC-229. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Audit of the United States Capitol Historical Society for the Year Ended January 31, 1978"; to the Committee on Government Affairs.

EC-230. A communication from the Assistant Attorney General for Administration, Department of Justice, transmitting, pursuant to law, a report of the FBI's intention to more adequately describe records in the FBI Central Records System by creating a new system of records; to the Committee on Governmental Affairs.

EC-231. A communication from the Deputy Administrator, General Services Administration, transmitting, pursuant to law, comments on a report of the President's Commission on Olympic Sports made to the President in January 1977; to the Committee on Governmental Affairs.

EC-232. A communication from the Director, Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a report on the Administration's efforts to reduce paperwork during the period from April 1 to July 1, 1978; to the Committee on Governmental Affairs.

EC-233. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Status of the Federal Aviation Administration's Microwave Landing System," October 19, 1978; to the Committee on Governmental Affairs.

EC-234. A communication from the Deputy Assistant Secretary of Defense (Administration), transmitting, pursuant to law, a report of a proposed new system of records by the Department of the Army; to the Committee on Governmental Affairs.

EC-235. A communication from the Deputy Assistant Secretary of the Interior, transmitting, pursuant to law, a proposed new system of records; to the Committee on Governmental Affairs.

EC-236. A communication from the Assistant Secretary for Management and Budget, Department of Health, Education, and Welfare, transmitting, pursuant to law, a proposed new system of records; to the Committee on Governmental Affairs.

EC-237. A confidential communication from the Comptroller General of the United States, transmitting, pursuant to law, a report on the need for greater emphasis on solving environmental problems at U.S. overseas military facilities; to the Committee on Governmental Affairs.

EC-238. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Worker Adjustment Assistance Under the Trade Act of 1974 to New England Workers Has Been Primarily Income Maintenance," October 31, 1978; to the Committee on Governmental Affairs.

EC-239. A communication from the Assistant Attorney General for Administration, Department of Justice, transmitting pursuant to law, a proposed new system of records for the Drug Enforcement Administration; to the Committee on Governmental Affairs.

EC-240. A communication from the Assistant Secretary for Administration, Department of Housing and Urban Development, transmitting, pursuant to law, a report on a new system of records; to the Committee on Governmental Affairs.

EC-241. A communication from the Deputy Administrator, General Services Administration, transmitting, pursuant to law, comments on a report of the Commission on the Review of the National Policy Toward Gambling, made to the President in October 1976; to the Committee on Governmental Affairs.

EC-242. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "The Government Needs to do a Better Job of Collecting Amounts Owed by the Public," October 20, 1978; to the Committee on Governmental Affairs.

EC-243. A communication from the Deputy Assistant Secretary of Defense (Administration), transmitting, pursuant to law, a report of proposed new system of records for the Department of the Army; to the Committee on Governmental Affairs.

EC-244. A communication from the Deputy Assistant Secretary of Defense (Administration), transmitting, pursuant to law, a proposed new system of records for the Defense Mapping Agency; to the Committee on Governmental Affairs.

EC-245. A communication from the Assistant Secretary for Administration, Department of Transportation, transmitting, pursuant to law, a proposed modification of an existing system of records; to the Committee on Governmental Affairs.

EC-246. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Federal Regulation of Propane and Naphtha: Is It Necessary?" October 24, 1978; to the Committee on Governmental Affairs.

EC-247. A communication from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, a report on poverty-related research and demonstration projects delegated to the department as of July 1973; to the Committee on Human Resources.

EC-248. A communication from the U.S. Commissioner of Education, Department of Health, Education, and Welfare, transmitting, pursuant to law, a report on "Progress Toward A Free, Appropriate Public Education"; to the Committee on Human Resources.

EC-249. A communication from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, a report on "Alcohol and Health"; to the Committee on Human Resources.

EC-250. A communication from the U.S. Commissioner of Education, Department of Health, Education, and Welfare, transmitting, pursuant to law, notice of interpretation of Title I, ESEA requirements for the establishment of parent advisory councils and the selection of their members; to the Committee on Human Resources.

EC-251. A communication from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting, pursuant to law, a document entitled "Educational Information Centers Program—HEW Final Regulation, Title IV-A-5 of the Higher Education Act of 1965, as amended"; to the Committee on Human Resources.

EC-252. A communication from the Chairman, Board of Trustees, Harry S. Truman Scholarship Foundation, transmitting, pursuant to law, the foundation's annual report for 1977-1978; to the Committee on Human Resources.

EC-253. A communication from the Chairman, The Ohio White House Conference on Library and Information Services, transmitting, pursuant to law, its recommendations of the delegates to the national conference; to the Committee on Human Resources.

EC-254. A communication from the Chairperson, Community Education Advisory Council, Department of Health, Education, and Welfare, transmitting, pursuant to law, a report entitled "An Evaluation of the Community Education Program"; to the Committee on Human Resources.

EC-255. A communication from the Director, Office of Management and Budget, Executive Office of the President, reporting, pursuant to law, relative to the Comprehensive Employment and Training Act; to the Committee on Human Resources.

EC-256. A communication from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, the 1977 report on the administration of the Public Health Service; to the Committee on Human Resources.

EC-257. A communication from the Secretary of Labor, transmitting, pursuant to law, a report on the administration of the Black Lung Benefits Act; to the Committee on Human Resources.

EC-258. A communication from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting, pursuant to law, final regulation for Title I, Elementary and Secondary Education Act, Part 116d—Governing Children of Migratory Agricultural Workers or Migratory Fishermen; to the Committee on Human Resources.

EC-259. A communication from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, a report on the operation of the special pay program for medical officers of the Commissioned Corps of the Public Health Service; to the Committee on Human Resources.

EC-260. A communication from the Secretary of Health, Education, and Welfare, reporting, pursuant to law, on the activities carried on under the provisions of Title IX and sections 314(a), 314(b), 314(c), 314(d), and 314(e) of Title III of the Public Health Service Act; to the Committee on Human Resources.

EC-261. A communication from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, a policy interpretation regarding the applicability of Title IX of the Education Amendments of 1972 to collegiate athletics; to the Committee on Human Resources.

EC-262. A communication from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, the Survey Report on Medical, Nursing and Osteopathic School Admissions Policy Relating to Abortions/Sterilizations; to the Committee on Human Resources.

EC-263. A communication from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, a report on Family Planning Services and Population Research, that was prepared based on 1976 data gathered by the program; to the Committee on Human Resources.

EC-264. A communication from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, a report on the need for and feasibility of establishing an American Indian School of Medicine; to the Select Committee on Indian Affairs.

EC-265. A communication from the Assistant Secretary, Indian Affairs, Department of the Interior, reporting, pursuant to law, on adjustments or eliminations of reimbursements charges of the Federal Government existing as debts against individual Indians or Indian tribes; to the Select Committee on Indian Affairs.

EC-266. A communication from the Assistant Secretary, Indian Affairs, Department of the Interior, transmitting, pursuant to law, a proposed plan for the use and distribution of Sisseton-Wahpeton Sioux judgment funds in Docket 363, Second Claim (1867 Treaty and 1872 Agreement), before the Indian Claims Commission; to the Select Committee on Indian Affairs.

EC-267. A communication from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, reports covering the period of October 2 through October 31, 1978, concerning visa petitions which the Service has approved according the beneficiaries of such petitions third and sixth preference classification under the Immigration and Nationality Act; to the Committee on the Judiciary.

EC-268. A communication from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, orders entered in cases in which the authority contained in section 212(d)(3) of the Immigration and Nationality Act was exercised in behalf of such aliens; to the Committee on the Judiciary.

EC-269. A communication from the Chief Commissioner, United States Court of Claims, reporting, pursuant to law, on *Rawleigh Moses & Co., Inc.* v. *The United States*, Congressional Reference No. 1–77; to the Committee on the Judiciary.

EC–270. A communication from the Chief Commissioner, United States Court of Claims, reporting, pursuant to law, on *Carl Johnstone, Jr.* v. *The United States*, Congressional Reference No. 1–73; to the Committee on the Judiciary.

EC–271. A communication from the Assistant Attorney General, Antitrust Division, Department of Justice, transmitting, pursuant to law, a report on identical bidding in advertised public procurement; to the Committee on the Judiciary.

EC–272. A communication from the Attorney General of the United States, transmitting, pursuant to law, a report on the administration of the Foreign Agents Registration Act for the calendar year 1977; to the Committee on the Judiciary.

EC–273. A communication from the Director, Bureau of the Census, Department of Commerce, transmitting, pursuant to law, a report entitled "Registration and Voting in November 1976—Jurisdictions Covered by the Voting Rights Act Amendments of 1975"; to the Committee on the Judiciary.

EC–274. A communication from the Corporation Agent, Legion of Valor of the United States of America, Inc., transmitting, pursuant to law, its financial statement for fiscal year ending April 30, 1978; to the Committee on the Judiciary.

EC–275. A communication from the President, National Safety Council, transmitting, pursuant to law a report of audit of financial transactions for the fiscal year ended June 30, 1978; to the Committee on the Judiciary.

EC–276. A communication from the Executive Secretary, National Music Council, transmitting, pursuant to law, a report of audit for the fiscal period ending April 30, 1978; to the Committee on the Judiciary.

EC–277. A communication from the Certified Public Accountant, American Veterans of World War II, National Headquarters, transmitting, pursuant to law, a report of financial statement, August 31, 1978; to the Committee on the Judiciary.

EC–278. A communication from the Chairman, Copyright Royalty Tribunal, transmitting, pursuant to law, its first annual report for fiscal year ending September 30, 1978; to the Committee on the Judiciary.

EC–279. A communication from the President, National Safety Council, transmitting, pursuant to law, their 1978 "Report to the Nation"; to the Committee on the Judiciary.

EC–280. A communication from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, reports covering the period of December 1 through December 27, 1978, concerning visa petitions which the Service has approved according the beneficiaries of such petitions third and sixth preference classification under the Immigration and Nationality Act; to the Committee on the Judiciary.

EC–281. A communication from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting pursuant to law, reports covering the period of November 1 through November 30, 1978, concerning visa petitions which the Service has approved according the beneficiaries of such petitions third and sixth preference classification under the Immigration and Nationality Act; to the Committee on the Judiciary.

EC–282. A communication from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, reports covering the period June 16 through June 30, 1977, concerning visa petitions which the Service has approved according the beneficiaries of such petitions third and sixth preference classification under the Immigration and Nationality Act; to the Committee on the Judiciary.

EC–283. A communication from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, orders entered in cases in which the authority contained in section 212(d)(3) of the Immigration and Nationality Act was exercised in behalf of such aliens; to the Committee on the Judiciary.

EC–284. A communication from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, orders entered in cases in which the authority contained in section 212(d)(3) of the Immigration and Nationality Act was exercised in behalf of such aliens; to the Committee on the Judiciary.

EC–285. A communication from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, orders entered in cases in which the authority contained in section 212(d)(3) of the Immigration and Nationality Act was exercised in behalf of such aliens; to the Committee on the Judiciary.

EC–286. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Impact of the Freedom of Information and Privacy Acts on Law Enforcement Agencies," November 15, 1978; to the Committee on the Judiciary.

EC–287. A communication from the Director, The Federal Judicial Center, transmitting, pursuant to law, the Center's annual report for fiscal year 1978; to the Committee on the Judiciary.

EC–288. A communication from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, an order in the case of an alien who has been found admissible to the United States under the Immigration and Nationality Act; to the Committee on the Judiciary.

EC–289. A communication from the Chief Justice of the United States, transmitting, pursuant to law, the proceedings of the meeting of the Judicial Conference of the United States held in Washington, D.C., on September 21 and 22, 1978; to the Committee on the Judiciary.

EC–290. A communication from the Vice Chairman, Federal Election Commission, transmitting, pursuant to law, correspondence which was sent to the Office of Management and Budget; to the Committee on Rules and Administration.

EC–291. A communication from the Chairman, Federal Election Commission, transmitting, pursuant to law, a copy of correspondence which was sent to the Office of Management and Budget; to the Committee on Rules and Administration.

EC–292. A communication from the Administrator, U.S. Small Business Administration, transmitting, pursuant to law, its 1977 annual report of activities and accomplishments; to the Select Committee on Small Business.

EC–293. A communication from the Under Secretary of Defense, Research and Engineering, transmitting, pursuant to law, a report of Department of Defense Procurement from Small and Other Business Firms for October 1977 through June 1978; to the Select Committee on Small Business.

EC–294. A communication from the Under Secretary of Defense, Research and Engineering, transmitting, pursuant to law, a report of Department of Defense Procurement from Small and Other Business Firms for October 1977 to May 1978; to the Select Committee on Small Business.

EC–295. A communication from the Under Secretary of Defense, Research and Engineering, transmitting, pursuant to law, a report of Department of Defense Procurement from Small and Other Business Firms for October 1977 to July 1978; to the Select Committee on Small Business.

EC–296. A communication from the Under Secretary of Defense, Research and Engineering, transmitting, pursuant to law, a report of Department of Defense Procurement from Small and Other Business Firms for October 1977 to April 1978; to the Select Committee on Small Business.

EC–297. A communication from the Under Secretary of Defense, Research and Engineering, transmitting, pursuant to law, a report of Department of Defense Procurement from Small and Other Business Firms for October 1977 to August 1978; to the Select Committee on Small Business.

EC–298. A communication from the Administrator, Veterans Administration, transmitting, pursuant to law, a report on the necessity and desirability of including recipients of Federal grants other than from the Veterans Administration in the 85–15 ratio computation; to the Committee on Veterans' Affairs.

EC–299. A communication from the Administrator, Veterans Administration, transmitting, pursuant to law, reports concerning Exchange of Medical Information and Sharing of Medical Resources programs of the Veterans Administration for fiscal year 1978; to the Committee on Veterans' Affairs.

EC–300. A communication from the Administrator, Veterans Administration, transmitting, pursuant to law, a report for fiscal 1978 on the nature and disposition of all cases in which an institution, approved for veterans benefits, utilizes advertising, sales or enrollment practices which are erroneous, deceptive, or misleading, either by actual statement, omission, or intimation; to the Committee on Veterans' Affairs.

EC–301. A communication from the Administrator, Veterans Administration, transmitting, pursuant to law, a report entitled "Progress or Abuse—A Choice," a study to investigate the need for legislative and administrative actions regarding standards of progress provisions of the G.I. bill and class session requirements of the Veterans Administration Regulations; to the Committee on Veterans' Affairs.

EC–302. A communication from the Architect of the Capitol, transmitting, pursuant to law, a semiannual report; which was ordered to lie on the table and to be printed.

EC–303. A communication from the Director, Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a cumulative report on rescissions and deferrals, December 1978; to the Committee on the Budget, the Committee on Appropriations, the Committee on Agriculture, Nutrition, and Forestry, the Committee on Armed Services, the Committee on Commerce, Science, and Transportation, the Committee on Foreign Relations, the Committee on Human Resources, the Committee on Energy and Natural Resources, the Committee on the Judiciary, the Committee on Finance, and the Committee on Governmental Affairs, jointly, pursuant to order of January 30, 1975.

EC–304. A communication from the Comptroller General of the United States, commenting, pursuant to law, on the President's First Special Message for Fiscal Year 1979; to the Committee on Appropriations, the Committee on the Budget, the Committee on Agriculture, Nutrition, and Forestry, the Committee on Commerce, Science, and Transportation, the Committee on Armed Services, the Committee on Human Resources, the Committee on Energy and Natural Resources, the Committee on the Judiciary, the Committee on Foreign Relations, the Committee on Finance, and the Committee on Governmental Affairs, jointly, pursuant to order of January 30, 1975.

EC–305. A communication from the Director, Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a cumulative report of rescissions and deferrals, November 1978; to the Committee on Appropriations, the Committee on the Budget, the Committee on Agriculture, Nutrition, and Forestry, the Committee on Commerce, Science, and Transportation, the Committee on Armed Services, the Committee on Human Resources, the Committee on Energy and Natural Resources, the Committee on the Judiciary, the Committee on Foreign Relations, the Committee on Finance, and the Committee on Governmental Affairs, jointly, pursuant to order of January 30, 1975.

EC–306. A communication from the General Counsel, General Accounting Office, reporting, pursuant to law, on the status of budget authority that was proposed, but rejected, for rescission; to the Committee on Appropriations, the Committee on the Budget, and the Committee on Human Resources, jointly, pursuant to order of January 30, 1975.

EC–307. A communication from the Comptroller General of the United States, commenting on the President's 11th Special Message for fiscal year 1978 that was transmitted to the Congress pursuant to the Impoundment Control Act of 1974; to the Committee on Appropriations, the Committee on the Budget, and the Committee on Human Resources, jointly, pursuant to order of January 30, 1975.

EC–308. A communication from the Deputy Comptroller General of the United States, commenting on the President's Second Special Message for fiscal year 1979 that was transmitted to the Congress pursuant to the Impoundment Control Act of 1974; to the Committee on Appropriations, the Committee on the Budget, the Committee on Foreign Relations, the Committee on Commerce, Science, and Transportation, the Committee on Armed Services, and the Committee on the Judiciary, jointly, pursuant to order of January 30, 1975.

EC–309. A communication from the Director, Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a cumulative report of rescissions and deferrals, January 1979; to the Committee on the Budget, the Committee on Appropriations, the Committee on Agriculture, Nutrition, and Forestry, the Committee on Armed Services, the Committee on Commerce, Science, and Transportation, the Committee on Energy and Natural Resources, the Committee on Finance, the Committee on Foreign Relations, the Committee on Governmental Affairs, and the Committee on Human Resources jointly, pursuant to order of January 30, 1975.

PETITIONS

The VICE PRESIDENT laid before the Senate the following petitions and memorials, which were referred as indicated:

POM–1. A concurrent resolution adopted by the legislature of the State of Michigan; laid on the table:

"House Concurrent Resolution No. 668

"Whereas, There can be no doubt that the single most important issue facing America today is jobs for our people. That the federal government has thus far seemingly ignored this, the very paramount problem which permeates virtually every fiber of our society, is absolutely appalling. This is especially true in light of the President's avowed commitment to human rights; and

"Whereas, In recent years, the awesome effects of high unemployment have come to the fore and the ensuing economic sociological, and psychological damage done has wreaked havoc on the well-being of the country. This fact is undeniably an intolerable affront to a nation that purports to be the greatest in the world; and

"Whereas, It is a national tragedy of the highest magnitude that not all our people can find work and that unemployment is allowed to erode an individual's sense of self-respect, dignity, and pride. Unemployment is the most tortuous barb inflicted on the human psyche and literally undermines all sense of hope. Indeed, this situation cannot and must not be tolerated any longer; and

"Whereas, In addition to the grievous ruination of the individual's state of mind and economy, the entire society suffers drastically from high unemployment. The financial burden borne by literally every level of government and the loss to private business erodes the very foundations of our fiscal strength; and

"Whereas, Indeed, the crime of this abhorrent situation is that there is work that needs doing and needs doing now. We have hardly begun to fulfill the tremendous potential that is the apparent American birthright. It is sinful that the able-bodied, sound-minded, and willing hands and hearts of men and women unable to find work lay dormant; and

"Whereas, This scenario is an attestation of the urgency with which the Humphrey-Hawkins Full Employment Bill (H.R. 50 and S. 50) must be made law. This landmark piece of legislation would place employment as a goal of the highest priority. And surely this dilemma dictates that nothing less than the highest calling of effort and policy be implemented; and

"Whereas The Humphrey-Hawkins Full Employment Bill utilizes specific programs and guidelines to greatly reduce both unemployment and inflation. Moreover, this desperately needed plan commits all the nation's resources to achieving maximum employment. One cannot overemphasize what this restoration of the human right to work will mean to the poor, discouraged, discriminated against, and minorities; and

"Whereas, Nowhere in this country has the crushing burden of unemployment been more keenly felt than in Michigan. The cyclical nature of our economy has left us prey to the individual and collective horrors of unemployment and has ravaged the security and stability of many among us; and

"Whereas, Anything less than the policy of maximum employment set forth in the Humphrey-Hawkins Full Employment Bill is a sham on the notion of government serving the people's needs. Thus we call on the Congress and President to heed the words of the late Senator Hubert Humphrey, when he uncategorically and succinctly declared, "This legislation is a must . . . an indispensable step toward economic justice"; now, therefore, be it

"Resolved by the House of Representatives (the Senate concurring), That the Michigan Legislature hereby memorialize Congress in the strongest terms to swiftly enact the Humphrey-Hawkins Full Employment Bill (H.R. 50 and S. 50); and be it further

"Resolved, That copies of this resolution be transmitted to the President of the United States Senate and the Speaker of the United States House of Representatives and to each member of the Michigan Delegation to the Congress of the United States."

POM–2. A resolution adopted by the Board of Directors of the Church Council of Greater Seattle, Seattle, Wash., relating to national defense; to the Committee on Armed Services.

POM–3. A resolution adopted by the City Council of the City of Philadelphia, Pa. relating to a site for rehabilitation of the U.S.S. *Saratoga* and other carrier vessels in its Service Life Extension Program; to the Committee on Armed Services.

POM–4. A resolution adopted by the Puerto Rico Bar Association, San Juan, Puerto Rico, relating to presence of the U.S. Navy in the Island of Vieques; to the Committee on Armed Services.

POM–5. A resolution adopted by the Legislature of the State of New Jersey; to the Committee on Armed Services:

"Senate Resolution

"Whereas, On November 1, 1942, while heroically resisting a determined enemy onslaught near the Matanikau River on Guadalcanal, United States Marine Corps Corporal Anthony Casamento was seriously and grievously wounded by 14 bullets and innumerable grenade fragments.

"Whereas, Anthony Casamento's single-handed action prevented his position from being overrun, protected his wounded comrades from a murderous bayonet slaughter, and kept the enemy forces from gaining a commanding ridge position from which a withering fire on the rest of the battalion; and,

"Whereas, By any reasonable standard, such valiant efforts would more than qualify Anthony Casamento for the Medal of Honor; and,

"Whereas, in 1965 the Board of Decorations and Medals of the Department of the Navy recognized the heroism of Anthony Casamento and unanimously recommended that he receive the Medal of Honor; and,

"Whereas, In spite of this recommendation by the Board, the testimony of eyewitnesses and the obvious merit and justification of awarding the Medal of Honor to Anthony Casamento, the Department of the Navy has inexplicably refused to give its necessary endorsement to such award; and,

"Whereas, Members of the House of Representatives, the United States Senate, countless veterans from the Armed Forces of the United States, and many concerned American citizens are requesting that this matter be reopened and consideration again be given to awarding Anthony Casamento the Medal of Honor; and,

"Whereas, This effort is being spearheaded in New Jersey by the Corporal Phillip A. Reynolds Detachment of Marine Corps League in Freehold, which has brought this matter to the attention of the New Jersey State Senate; and,

"Whereas, The Senate of the State of New Jersey, on the eve of the 37th Anniversary of Pearl Harbor, wishes to add its collective voice to those already raised in requesting that the case of Anthony Casamento be reopened and consideration again be given to awarding him the Medal of Honor; now, therefore,

"Be It Resolved by the Senate of the State of New Jersey:

"That the Senate does hereby memorialize the President of the United States and the Congress of the United States to do everything within their power to have the case of Anthony Casamento re-examined and that serious consideration be made on awarding him the Medal of Honor; and,

"Be It Further Resolved, That duly authenticated copies of this resolution, signed by the President of the Senate and attested by the Secretary, be forwarded to the President of the United States, the Vice President of the United States, the President Pro Tempore of the United States Senate, the Speaker of the House of Representatives, the Chairman of the House of Representatives Committee on Armed Forces, the Chairman of the Senate Committee on Armed Forces, each member of Congress elected from New Jersey, the Corporal Phillip A. Reynolds Detachment of the Marine Corps League, and Anthony Casamento."

POM–6. A joint resolution adopted by the Legislature of the First Northern Marianas

Commonwealth Legislature; to the Committee on Commerce, Science, and Transportation:

"SENATE JOINT RESOLUTION

"Whereas, the Commonwealth of the Northern Mariana Islands is strategically located and forms a crossroad for aviation travel to and from the continental United States and the Orient; and

"Whereas, several airlines have expressed an interest in establishing landing and passenger rights at the Saipan International Airport so that passengers can debark and embark on Saipan while others seek permission to land at the airport for refueling purposes; and

"Whereas, the Commonwealth of the Northern Mariana Islands has limited natural resources and it is imperative that it establish, within the next several years, a tax base sufficient to support its growing requirements and to reduce its financial dependence upon the United States of America; and

"Whereas, at the present time, the Saipan International Airport is being under-utilized and, as a result, its operational costs are extremely high; and

"Whereas, the establishment of an open-sky would have the positive effect of increasing tourism, of providing additional needed revenue to the Commonwealth of the Northern Mariana Islands and of providing the travelling public with a beautiful primary or lay-over destination; now therefore,

"Be it resolved, by the First Northern Marianas Commonwealth Legislature, First Regular Session, 1978, that the United States Government be and hereby is requested to declare an open-sky policy for the Commonwealth of the Northern Mariana Islands; and

"Be it further resolved that the Senate President shall certify and the Senate Clerk shall attest to the adoption hereof and thereafter transmit a copy to the President of the United States, the Secretary of the U.S. Department of State, the Secretary of the U.S. Department of Interior, the Speaker of the United States House of Representatives, the President of the United States Senate, the Representative to the United States for the Commonwealth of the Northern Mariana Islands, the Secretary of the U.S. Department of Commerce and to the Chairman of the U.S. Civil Aeronautics Board."

POM-7. A resolution adopted by the First Northern Marianas Commonwealth Legislature, to the Committee on Finance:

"A HOUSE RESOLUTION

"Whereas, it has come to the attention of the members of the House of Representatives of the First Northern Marianas Commonwealth Legislature that the United States Congress has disapproved a rider to H.R. 13511, said rider having the effect of denying to the residents of the Commonwealth of the Northern Mariana Islands the benefits of Title XVI of the Social Security Act, as amended; and

"Whereas, Subsection 1 of Section 502 of Public Law 94-241, The Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America provides, in part, that ". . . Title XVI of the Social Security Act shall be applicable to the Commonwealth of the Northern Mariana Islands"; and

"Whereas, the Covenant was executed in good faith by representatives of the United States of America and representatives of the Northern Mariana Islands; and

"Whereas, the Supplemental Security Income program has provided valuable and needed assistance to the aged, the blind and the disabled within the Commonwealth; and

"Whereas the members of the United States Congress have responded to the needs of the people of the Northern Mariana Islands and have disapproved this rider which would have imposed severe and undue hardship on the aged, the blind and the disabled; now, therefore,

"Be it resolved by the House of Representatives of the First Northern Marianas Commonwealth Legislature, Second Regular Session, 1978, that the sincere appreciation of the House of Representatives of the First Northern Marianas Commonwealth Legislature is hereby expressed to the Congress of the United States in disapproving a rider to H R. 13511, as said rider would have had the effect of denying to the residents of the Commonwealth of the Northern Mariana Islands the benefits of Title XVI of the Social Security Act, as amended; and

"Be it further resolved that the Speaker of the House of Representatives shall certify and the House Clerk shall attest to the adoption hereof and thereafter transmit certified copies to the Honorable President of the U.S. Senate; the Honorable Speaker of the U.S. House of Representatives, Thomas O'Neill; Honorable Al Ullman, Chairman of the House Ways and Means Committee; Honorable Barber B. Conable, Jr., Ranking Minority Leader of the House Ways and Means Committee; Honorable Phillip Burton, Chairman, House Subcommittee on National Parks and Insular Affairs; Honorable James A. Burke, Chairman, House Subcommittee on Social Security; Honorable Dan Rostenkowski, Chairman, House Subcommittee on Health; Honorable Charles A. Vanik, Chairman, House Subcommittee on Trade; Honorable James C. Corman, Chairman, Subcommittee on Public Assistance and Unemployment Compensation; and to the Honorable Edward DLG. Pangelinan, Representative to the United States for the Commonwealth of the Northern Mariana Islands."

POM-8. A resolution adopted by the Southeastern Association of State Highway and Transportation Officials, Nashville, Tenn., commending Congress for the enactment of the Surface Transportation Act of 1978; to the Committee on Environment and Public Works.

POM-9. A resolution adopted by the Italian American Labor Council, New York, N.Y., relating to NATO; to the Committee on Foreign Relations.

POM-10. A resolution adopted by the Legislature of the Commonwealth of Puerto Rico; to the Committee on Foreign Relations:

"RESOLUTION

"To repudiate the Resolution of the United Nations Decolonization Committee regarding Puerto Rico's political status, since we consider that the determination of our political destiny is a matter of the exclusive jurisdiction of the people of Puerto Rico and the people of the United States of America, and to repudiate the active participation of several of our compatriots who instigated the approval of said Resolution.

"STATEMENT OF MOTIVES

"The United Nations Decolonization Committee recently approved a Resolution regarding the political status of Puerto Rico. Although it is true that said Resolution has been the subject of multiple and varied interpretations in regard to its content and its projections, what is clearly evident is that a group of nations that is totally unaware of the Puerto Rican reality pretends to dictate to us the patterns of political destiny which would be to our best advantage.

"Aside from the question as to whether it can be interpreted that said Resolution declares Puerto Rico to be a 'colony', it is obvious that its philosophy is absolutely contrary to the principle of permanent union to the United States of America, a principle which time and again has been clearly established at the polls and in the heart of the people of Puerto Rico. It is really astonishing that the Resolution proposes the elimination of the permanent ties between the United States and Puerto Rico, but it is even more amazing that the highest leaders of the Popular Democratic Party, though its Past President, Rafael Hernández Colón, have joined the separatist forces of Juan Mari-Bras to encourage and achieve the approval of the Resolution by a group of communist dictatorships which are completely hostile to the United States of America and to the democratic principles upheld by that great Nation, and ignoring the federated statehood, which is the ideological alternative supported by the majority of the people of Puerto Rico.

"This House of Representatives repudiates the unwarranted interference of that group of communist countries in the internal affairs of Puerto Rico. It is consternated by the active participation of several of our fellow-citizens who, in a complete reversal of their supposed political convictions, now pretend to disjoin us from the United States.

"Be it resolved by the House of Representatives of Puerto Rico:

"Section 1. To repudiate the Resolution of the United Nations Decolonization Committee regarding Puerto Rico's status, because we consider that it is an unwarranted interference in our internal affairs, since the determination of our political destiny is a matter of the exclusive jurisdiction of the people of Puerto Rico and the people of the United States of America.

"Section 2. To repudiate the active participation of several of our fellow-citizens who instigated the approval of said Resolution.

"Section 3. A certified copy of this Resolution shall be sent to the Secretary-General of the United Nations, to the President of the United States, the House of Representatives and the Senate of the United States, the United States Ambassador at the United Nations, the Decolonization Committee of the United Nations and the information media of the country, for its publication."

POM-11. A resolution adopted by a delegation of members of the Southern Legislators Conference of the Council of State Governments, New Orleans, Louisiana, relating to the Republic of China; to the Committee on Foreign Relations.

POM-12. A joint resolution adopted by the First Northern Marianas Commonwealth Legislature; to the Committee on Foreign Relations:

"HOUSE JOINT RESOLUTION

"Whereas, the Overseas Private Investment Corporation was formed by the United States Congress to provide funding assistance to U.S. companies that locate in and assist developing countries in improving their economic institutions by providing developmental loans for viable economic projects; and

"Whereas, since its formation in 1971, the Overseas Development Corporation has made great strides towards bringing the U.S. business community closer to nations that are less developed and that are less familiar with potential opportunities for the future; and

"Whereas, basic to the well-being of any country is the viability of its economic development; and

"Whereas, under provisions of the Covenant to Establish the Commonwealth of the Northern Mariana Islands it was envisioned that the Northern Mariana Islands would become self-sufficient, and to this end, the United States Government agreed to provide a certain level of financial assistance for a specified period of time until private investment could be encouraged; and

"Whereas, in order to expedite the development of the economy, several potentially viable economic projects have been identified, but cannot be implemented because of the lack of start-up capital; and

"Whereas, several potential investors have expressed a deep interest in investing in the Northern Mariana Islands, but have not met with any success in obtaining sufficient capital to ensure the viability of these economic ventures; and

"Whereas, since the Northern Mariana Islands is undeveloped and since it is an integral part of the United States political family, every possible assistance should be extended to potential U.S. investors in the Northern Mariana Islands; now, therefore,

"Be it resolved by the First Northern Marianas Commonwealth Legislature, Second Regular Session, 1978, that the Overseas Private Investment Corporation be and it hereby is requested to extend its economic development loan programs to United States Companies that have identified viable economic projects in the Northern Mariana Islands; and

"Be it further resolved that the Speaker certify to and the Clerk attest the adoption hereof and thereafter transmit copies of the same to the President of the United States of America, the Speaker of the United States House of Representatives and the President of the United States Senate, the Chairman of the Board of Directors of the Overseas Private Investment Corporation at 1129 Twentieth Street, N.W., Washington, D.C. 20527, the Secretary of the United States Department of the Interior, the Chairman of the House Committee on Interior and Insular Affairs, the Chairman of the Senate Committee on Energy and Natural Resources, and to the Representative to the United States for the Commonwealth of the Northern Mariana Islands."

POM–13. A resolution adopted by the Legislature of the State of New York; to the Committee on Foreign Relations:

"LEGISLATIVE RESOLUTION

"Whereas, About the year 1000 B.C. Jerusalem was captured by David, founder of the joint kingdom of Israel and Judah, and the city became a Jewish capital; and

"Whereas, David's son, King Solomon, extended the city and built his Temple therein and this holy undertaking determined the sacred character of Jerusalem as a center of holiness for the Jewish people; and

"Whereas, Down through the centuries of history the city of Jerusalem has been sacked and despoiled, its king deported and its sacred Temple destroyed by adversaries of the Jewish people; and

"Whereas, The Jewish people have never forgotten the Holy City and its existence is memoralized in the Bible with the passage: "If I forget thee O Jerusalem, let my right hand forget its cunning", and

"Whereas, For Jews throughout the world, Jerusalem is the focus of age-old yearnings, a living proof of ancient grandeur and a center of national and religious renaissance; now, therefore, be it

"Resolved, That this legislative body respectfully memorializes the Congress, the President and the Secretary of State of the United States, to immediately recognize Jerusalem as the capital of the state of Israel and take such formal diplomatic steps to implement this decision and further to take such other action as may be necessary to insure that the city of Jerusalem remain the undivided capital of Israel thereby bringing to fruition the vow of Israeli Prime Minister Menachem Begin to the Israeli people that "Jerusalem will remain undivided for all generations and until the end of the world"; and be it further

"Resolved, That copies of this Resolution be transmitted to the Congress, the President and the Secretary of State of the United States."

POM–14. A petition from a citizen of San Diego, California, relating to national health care; to the Committee on Human Resources.

POM–15. A petition from a citizen of Borger, Texas, relating to national health care; to the Committee on Human Resources.

POM–16. A resolution adopted by the American Legion, in support of the Central Intelligence Agency and the Federal Bureau of Investigation; to the Select Committee on Intelligence.

POM–17. A resolution adopted by the Legislature of the Commonwealth of Puerto Rico; to the Committee on the Judiciary:

"RESOLUTION

"STATEMENT OF MOTIVES

"Senate Bill 1315 approved by the Senate of the United States on November 8, 1977, authorizes the use of the Spanish language in the Federal Court for the District of Puerto Rico. The same purpose is pursued in House Bill 13950 which was filed at the House of Representatives by our Resident Commissioner in Washington, the Honorable Baltasar Corrada del Río. The approval of this legislation by the Congress would allow the Federal Court for the District of Puerto Rico to determine the occasions on which the proceedings must be conducted in Spanish in order to achieve better administration of justice.

"The constitutional right to due process of law is not adequately guaranteed in proceedings in which the defendant has no knowledge of the language that is being used, and therefore does not fully understand what is said, nor can he add to his own defense.

"Another way in which the use of English has an adverse effect is in the selection of the jury. The limited number of people who can understand complicated juridical processes in English, causes the jury panel to be made up of persons that do not represent a true cross-section of our Community.

"The Spanish language is our vernacular, and that of two billion inhabitants of the world. The teaching of Spanish has increased greatly in the United States, and could become a second language in that country, which would contribute to a better understanding between the people of the Western Hemisphere.

"The House of Representatives of Puerto Rico understands that the approval of these measures which are now before the Congress, would be a determining factor in achieving more just and efficient proceedings in the Federal Court for the District of Puerto Rico.

"Be it resolved by the House of Representatives of Puerto Rico:

"Section 1. The absolute support of the House of Representatives of Puerto Rico of the measures before the Congress of the United States to authorize the use of the Spanish language, our vernacular, in the proceedings of the Federal Court for the District of Puerto Rico is hereby expressed.

"Section 2. A copy of this Resolution, duly translated into English, shall be sent to the President of the United States of America, the President of the Senate of the United States, the Speaker of the House of Representatives of the United States, the Resident Commissioner of Puerto Rico at Washington, and all the information media of Puerto Rico for their publication."

POM–18. A concurrent resolution adopted by the Legislature of American Samoa; to the Committee on the Judiciary:

"SENATE CONCURRENT RESOLUTION 116

"Whereas, notwithstanding the tremendous help of the U.S. House of Representatives and all its fine supporters and co-sponsors of the American Samoan Non-Voting Delegate Bill (H.R. 13702) we would like to especially thank two hard-working Senators who helped immeasurably in securing passage of the bill through the Senate; and

"Whereas, United States Senators Daniel K. Inouye and Spark M. Matsunaga have always displayed their friendship and loyalty to our Territory of American Samoa through their efforts in our behalf; and

"Whereas, it took time away from other important subjects and issues, but they were equal to the task of their never flagging aid and assistance; and

"Whereas, they had less time within which to effect a happy conclusion of the measure; and

"Whereas, we the Fono, for the people of American Samoa wish to particularly thank those bold dedicated and fearless friends of American Samoa in the U.S. Senate, Senators Daniel K. Inouye and Spark M. Matsunaga.

"Now, therefore, be it resolved by the Senate of the Territory of American Samoa, the House of Representatives concurring:

"That, the entire Fono, on behalf of the people of the Territory of American Samoa, thanks and especially commends United States Senators Daniel K. Inouye and Spark M. Matsunaga from the Aloha State of Hawaii, our sister jurisdiction, for their able and kind assistance in securing passage through the Senate of our Non-Voting Delegate bill (H.R. 13702); and

"Be it further resolved, that the Secretary of the Senate is directed to send copies of this resolution to: Honorable Walter F. Mondale, President of the Senate; Honorable Daniel K. Inouye, Member of Appropriations, Commerce, Science and Transportation Committee; Honorable Spark M. Matsunaga, Member, Energy and Natural Resources, Finance and Veterans' Affairs Committee; Honorable Peter Tali Coleman, Governor of American Samoa; and Honorable A. P. Lutali, Delegate-at-Large to the U.S. Government."

POM–19. A resolution adopted by the Legislature of the Commonwealth of Puerto Rico; to the Committee on the Judiciary:

"RESOLUTION

"STATEMENT OF MOTIVES

"Senate Bill 1315 approved by the Senate of the United States on November 8, 1977, authorizes the use of the Spanish language in the Federal court for the District of Puerto Rico. The same purpose is pursued in the House Bill 13950 which was filed at the House of Representatives by our Resident Commissioner in Washington, the Honorable Baltasar Corrada del Rio. The approval of this legislation by the Congress would allow the Federal Court for the District of Puerto Rico to determine the occasions on which the proceedings must be conducted in Spanish in order to achieve better administration of justice.

"The constitutional right to due process of law is not adequately guaranteed in proceedings in which the defendant has no knowledge of the language that is being used, and therefore does not fully understand what is said, nor can he add to his own defense.

"Another way in which the use of English has an adverse effect is in the selection of the jury. The limited number of people who can understand complicated juridical processes in English, causes the jury panel to be made up of persons that do not represent a true cross-section of our Community.

"The Spanish language is our vernacular, and that of two million inhabitants of the world. The teaching of Spanish has increased greatly in the United States, and could become a second language in that country, which would contribute to a better understanding between the people of the Western Hemisphere.

"The House of Representatives of Puerto Rico understands that the approval of these measures which are now before the Congress, would be a determining factor in achieving more just and efficient proceedings in the Federal Court for the District of Puerto Rico.

"Be it resolved by the House of Representatives of Puerto Rico:

"Section 1. The absolute support of the House of Representatives of Puerto Rico of the measures before the Congress of the United States to authorize the use of the Spanish language, our vernacular, in the proceedings of the Federal Court for the District of Puerto Rico is hereby expressed.

"Section 2. A copy of this resolution, duly translated into English, shall be sent to the President of the United States of America, the President of the Senate of the United States, the Speaker of the House of Representatives of the United States, the Resident Commissioner of Puerto Rico at Washington, and all the information media of Puerto Rico for their publication."

POM-20. A resolution adopted by the Puerto Rico Chapter of the Federal Bar Association, in support of the appointment of a jurist from Puerto Rico to the newly created fourth judgeship position in the U.S. Court of Appeals for the First Cricuit; to the Committee on the Judiciary.

POM-21. A resolution adopted by the Legislature of the Commonwealth of Puerto Rico; to the Committee on the Judiciary:

"Senate Resolution 319

"That the Senate of Puerto Rico in its session of Tuesday, October 24, 1978, approved Senate Resolution 319, which reads as follows:

"Resolution

"For this High Body to express its complete support of the Congressional measures that authorize the use of the Spanish language in the Federal Court of Puerto Rico.

"Statement of Motives

"Senate Bill 1315 and House Bill 10129 provide for the use of the Spanish language in the Federal District Court of Puerto Rico. If such legislation is approved as suggested, the Federal Court of Puerto Rico could exercise its discretion to hold court in Spanish or English, as it may deem necessary or convenient.

"We believe that every accused person should have the right to understand everything that is said or alleged in the Court perfectly, particularly if it is against him. The plaintiff must understand it so that he can help in his own defense.

"Language is also vitally important from the viewpoint of trial by jury. It is generally known that the plaintiff has the right that the jury that is to judge him represents the various segments of society as far as possible so that he may have a better opportunity for a fair and impartial trial. In Puerto Rico, the language barrier imposes a severe limitation on this, since the jurors in our Federal Court must have a complete command of English in order to be able to understand and analyze the evidence, and although we know that a great majority of the people of Puerto Rico are bilingual, there are sectors of the population, nevertheless, that do not have command of the English language.

"On the other hand, language difficulties limit the number of lawyers who may conduct lawsuits in the Federal Court, which in turn, means that the plaintiffs have less opportunities to contract defense attorneys.

"The Senate of Puerto Rico considers that the obligation to hold trials in English in the Federal Court is contrary to the plaintiff's right to a fair and impartial trial before the Judge who presides over the Court, and before the jurors who represent the civil society. Nothing should impede the attainment of a civil right that is so fundamental and essential in our present system of government.

"Be it resolved by the Legislature of Puerto Rico:

"Section 1. To express its unconditional support of the measures before the Congress that authorize the use of the Spanish language in the Federal Court of Puerto Rico.

"Section 2. To remit a copy of this Resolution to the President of the United States, the President Pro Tempore of the Senate of the United States, the Speaker of the House of Representatives of the United States, the Resident Commissioner of Puerto Rico in the United States, and all the news media of our country."

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. DOLE (for himself and Mr. McGovern):

S. 1. A bill to improve farm income, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. MUSKIE (for himself, Mr. Roth, Mr. Glenn, Mr. Robert C. Byrd, Mr. Cranston Mr. Biden, Mr. Percy, Mr. Pell, Mr. Hatfield, Mr. Baucus, Mr. Bellmon, Mr. Bayh, Mr. Bentsen, Mr. Boschwitz, Mr. Burdick, Mr. Harry F. Byrd, Jr., Mr. Cannon, Mr. Chafee, Mr. Chiles, Mr. Church, Mr. Cohen, Mr. Culver, Mr. Danforth Mr. DeConcini, Mr. Domenici, Mr. Durenberger, Mr. Durkin, Mr. Eagleton, Mr. Exon, Mr. Ford, Mr. Garn, Mr. Hart, Mr. Hatch, Mr. Hayakawa, Mr. Heinz, Mr. Helms, Mr. Huddleston, Mr. Humphrey, Mr. Inouye, Mr. Kennedy, Mr. Javits, Mr. Laxalt Mr. Leahy, Mr. McClure, Mr. McGovern, Mr. Mathias, Mr. Matsunaga, Mr. Metzenbaum, Mr. Moynihan, Mr. Morgan, Mr. Nunn, Mr. Packwood, Mr. Pressler, Mr. Pryor, Mr. Simpson, Mr. Stafford, Mr. Stevens, Mr. Stewart, Mr. Stone Mr. Thurmond, Mr. Tower, Mr. Williams, and Mr. Zorinsky):

S. 2. A bill to require authorizations of new budget authority for Government programs at least every 10 years, to provide for review of Government programs every 10 years, and for other purposes; to the Committee on Governmental Affairs.

By Mr. HELMS:

S. 3. A bill to provide procedures for calling constitutional conventions for proposing amendments to the Constitution of the United States, on application of the legislatures of two-thirds of the States, pursuant to article V of the Constitution; to the Committee on the Judiciary.

By Mr. CRANSTON (for himself, Mr. Williams, Mr. Riegle, Mr. McGovern, and Mr. Javits):

S. 4. A bill to provide assistance and coordination in the provision of child care services for children living in homes with working parents, and for other purposes; to the Committee on Human Resources.

By Mr. CHILES:

S. 5. A bill to provide policies, methods, and criteria for the acquisition of property and services by executive agencies; to the Committee on Governmental Affairs.

By Mr. LEAHY:

S. 6. A bill to amend the Agricultural Act of 1949, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. CRANSTON:

S. 7. A bill to amend title 38, United States Code, to revise and improve certain healthcare programs of the Veterans' Administration, to authorize the construction, alteration, and acquisition of certain medical facilities, and to expand certain benefits for disabled veterans; and for other purposes; to the Committee on Veterans' Affairs.

By Mr. DOLE:

S. 8. A bill to extend diplomatic privileges and immunities to any principal liaison office of the Republic of China that may be established in Washington, District of Columbia, and to members thereof; to the Committee on Foreign Relations.

By Mr. JACKSON:

S. 9. A bill to designate certain lands in the State of Alaska as units of the National Park, National Wildlife Refuge, National Wild and Scenic Rivers, National Forest, and National Wilderness Preservation Systems, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. BAYH (for himself, Mr. Hatch, Mr. Baucus, Mr. Bentsen, Mr. Chafee, Mr. Cranston, Mr. Dole, Mr. Gravel, Mr. Hatfield, Mr. Inouye, Mr. Kennedy, Mr. Lugar, Mr. Mathias, Mr. Matsunaga, Mr. McGovern, Mr. Metzenbaum, Mr. Proxmire, Mr. Randolph, Mr. Ribicoff, Mr. Riegle, Mr. Stone, and Mr. Williams):

S. 10. A bill to authorize actions for redress in cases involving deprivations of rights of institutionalized persons secured or protected by the Constitution or laws of the United States; to the Committee on the Judiciary.

By Mr. STEVENS (for himself and Mr. Gravel):

S. 11. A bill to amend the Alaska Native Claims Settlement Act to provide clarifications and improvements in the provisions thereof; to the Committee on Energy and Natural Resources.

By Mr. DOLE (for himself, Mr. Armstrong, Mr. Humphrey, Mr. Lugar, Mr. McClure, Mr. Schmitt, Mr. Tower, Mr. Helms, Mr. Goldwater, and Mr. Jepsen):

S. 12. A bill to amend the Internal Revenue Code of 1954 to provide for cost-of-living adjustments in the individual tax rates and in the amount of personal exemptions; to the Committee on Finance.

By Mr. DOLE:

S. 13. A bill to amend the Congressional Budget Act of 1974 to impose limits on the amounts of total budget outlays and Federal revenues set forth in concurrent resolutions on the budget, to require a two-thirds vote for agreeing to concurrent resolutions on the budget which set forth a deficit, and for other purposes; to the Committee on Governmental Affairs and the Committee on the Budget, jointly, pursuant to order of August 4, 1977.

By Mr. CHURCH:

S. 14. A bill to amend and supplement the acreage limitation and residency provisions of the Federal reclamation laws, as amended and supplemented, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. LEVIN:

S. 15. A bill to amend the Consumer Credit Protection Act to prohibit discrimination on the basis of geography in the issuance and use of credit cards; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. WEICKER:

S. 16. A bill to provide for a nationwide Presidential primary for the nomination of candidates for election to the Office of President and to limit federal campaign contributions and expenditures to the year in which a federal election is held; to the Committee on Rules and Administration.

By Mr. McCLURE:

S. 17. A bill to provide for and maintain the continued existence of a viable United States Sugar Industry; to the Committee on Finance.

S. 18. A bill to amend the Internal Revenue Code of 1954 to provide individuals a credit against income tax for certain amounts of savings; to the Committee on Finance.

By Mr. BAYH:

S. 19. A bill for the relief of Silbert Anderson; to the Committee on the Judiciary.

By Mr. MATSUNAGA:

S. 20. A bill to amend the National Foundation on the Arts and the Humanities Act of 1965 to provide for the office of Poet Laureate of the United States; to the Committee on Human Resources.

By Mr. WEICKER:

S. 21. A bill to terminate public financing of Presidential campaigns; to the Committee on Finance.

By Mr. PROXMIRE:

S. 22. A bill to amend the Communications Act of 1934 in order to recognize and confirm the applicability of and to strengthen and further the objectives of the first amendment to radio and television broadcasting stations; to the Committee on Commerce, Science, and Transportation.

By Mr. CHURCH:

S. 23. A bill to amend the Plant Variety Protection Act (7 U.S.C. 2321 et seq.) to clarify its provisions, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

S. 24. A bill to amend the Internal Revenue Code of 1954 with respect to .22 caliber ammunition recordkeeping requirements; to the Committee on Finance.

By Mr. BAYH (for himself, Mr. Kennedy, Mr. Glenn, Mr. Dole, and Mr. Percy):

S. 25. A bill to designate the birthday of Martin Luther King, Junior, a legal public holiday; to the Committee on the Judiciary.

By Mr. GOLDWATER:

S. 26. A bill for the relief of Samuel S. H. Leung, his wife Carol O. K. Leung, and his sons Johnny C. Y. Leung and Jimmy C. M. Leung; to the Committee on the Judiciary.

By Mr. RANDOLPH:

S. 27. A bill to authorize the Administrator of General Services to dispose of 35,000 long tons of tin in the national and supplemental stockpiles, and to provide for the deposit of moneys received from the sale of such tin; to the Committee on Armed Services.

By Mr. INOUYE:

S. 28. A bill for the relief of Librado Perez; to the Committee on the Judiciary.

By Mr. HATCH:

S. 29. A bill to repeal the Davis-Bacon Act, and for other purposes; to the Committee on Human Resources.

By Mr. HELMS:

S. 30. A bill to repeal section 11(n) of the Federal Reserve Act (12 U.S.C. 248(n)); to the Committee on Banking, Housing, and Urban Affairs.

By Mr. HART:

S. 31. A bill to provide for a reduction in individual tax rates in calendar years 1980 through 1982 and thereafter, provided that targets limiting the growth of Federal spending and limiting the Federal deficit are achieved; to the Committee on Finance.

By Mr. PRESSLER:

S. 32. A bill to modify the method of establishing quotas on the importation of certain meat, to include within such quotas certain meat products, and for other purposes; to the Committee on Finance.

By Mr. ROTH (for himself, Mr. McClure, Mr. Tower, Mr. Garn, Mr. Hatch, Mr. Cochran, Mr. Schmitt, Mr. Simpson, Mr. Goldwater, Mr. Hayakawa, Mr. Humphrey, Mr. Armstrong, and Mr. Helms):

S. 33. A bill to provide for permanent tax rate reductions for individuals; to the Committee on Finance.

S. 34. A bill entitled the "Spending Limitation Act of 1979"; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to order of August 4, 1977.

By Mr. HELMS:

S. 35. A bill to repeal the Credit Control Act (12 U.S.C. 1901 et seq.); to the Committee on Banking, Housing, and Urban Affairs.

By Mr. PROXMIRE:

S. 36. A bill to abolish the Small Business Administration, and for other purposes; to the Committee on Governmental Affairs.

S. 37. A bill to repeal a section of Public Law 95-630; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. McCLURE:

S. 38. A bill to repeal the Gun Control Act of 1968; to the Committee on the Judiciary.

By Mr. PROXMIRE:

S. 39. A bill to amend the Bank Holding Company Act and the Bank Merger Act to restrict the activities in which registered bank holding companies may engage and to control the acquisition of banks by bank holding companies and other banks; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. FORD (for himself, Mr. Huddleston, and Mr. DeConcini):

S. 40. A bill to extend the period for SBA disaster low interest loans from October 1, 1978 to October 1, 1979; to the Select Committee on Small Business.

By Mr. FORD (for himself and Mr. Huddleston):

S. 41. A bill to authorize the Secretary of Agriculture to convey any interest held by the United States in certain lands located in Bell County, Kentucky, to the Board of Education, Bell County, Kentucky; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. CRANSTON:

S. 42. A bill to authorize the establishment of the Desert Pupfish National Monument in the States of California and Nevada, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. HATCH (for himself, Mr. Wallop, Mr. Durkin, Mr. Humphrey, Mr. Laxalt, Mr. Leahy, Mr. Melcher, and Mr. Simpson):

S. 43. A bill to promote safety and health in skiing and other outdoor winter recreational activities; to the Committee on the Judiciary.

By Mr. Hatch:

S. 44. A bill entitled the "Fair Treatment for Skilled Trades Act of 1979"; to the Committee on Human Resources.

By Mr. McCLURE:

S. 45. A bill to amend chapter 44 of title 18 of the United States Code (respecting firearms) to penalize the use of firearms in the commission of any crime of violence and to increase the penalties in certain related existing provisions; to the Committee on the Judiciary.

By Mr. STONE:

S. 46. A bill extending diplomatic privileges and immunities to all offices representing the Republic of China in the United States; to the Committee on Foreign Relations.

By Mr. HATFIELD:

S. 47. A bill to reform and simplify the Federal individual income tax; to the Committee on Finance.

By Mr. RANDOLPH (for himself, Mr. Robert C. Byrd, Mr. Huddleston, and Mr. Ford):

S. 48. A bill to authorize flood control and flood protection measures for the Tug Ford and Levisa Fork of the Big Sandy River, West Virginia and Kentucky and the Cumberland River, Ky.; to the Committee on Environment and Public Works.

By Mr. INOUYE:

S. 49. A bill for the relief of Fon-Chiau Shih; to the Committee on the Judiciary.

By Mr. HATFIELD:

S. 50. A bill to require a refund value for certain beverage containers, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. BENTSEN:

S. 51. A bill to amend the Congressional Budget Act of 1974 to require the Congress to establish, for each fiscal year, a regulatory budget for each Federal agency which sets the maximum costs of compliance with all rules and regulations promulgated by that agency, and for other purposes; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to order of August 4, 1977.

S. 52. A bill to reduce duplicative and conflicting Federal rules or regulations, and for other purposes; to the Committee on Governmental Affairs.

S. 53. A bill to modify the procedures used for the promulgation of rules or regulations by the independent regulatory agencies, and for other purposes; to the Committee on Governmental Affairs.

S. 54. A bill to reduce the costs of Federal regulations, and for other purposes to the Committee on Governmental Affairs.

By Mr. BENTSEN (for himself, Mr. Long, Mr. Chiles, Mr. Stennis, Mr. Zorinsky, and Mr. Johnston):

S. 55. A bill to modify the method of establishing quotas on the importation of certain meat, to include within such quotas certain meat products, and for other purposes; to the Committee on Finance.

By Mr. INOUYE:

S. 56. A bill for the relief of Cheh-Hsiung Chen; to the Committee on the Judiciary.

S. 57. A bill for the relief of Sun Ok Kim, Ok Lyun Kim, Koang Hi Kim, Chin Hi Kim, Hyun Soo Kim; to the Committee on the Judiciary.

S. 58. A bill for the relief of Joseph Y. Quijano, his wife Marichu Larrazabel Quijano, and his son, Franz Joseph Quijano; to the Committee on the Judiciary.

S. 59. A bill for the relief of Bounrid Vonghacdy, Phouangchith Vongphacdy, Chanmany Vongphacdy, Chandara Vongphacdy, Khamwa Phixanoukan; to the Committee on the Judiciary.

S. 60. A bill for the relief of Mr. Sushil Kuman Garg; to the Committee on the Judiciary.

S. 61. A bill for the relief of Mrs. Shu-Yung Gloria Kaw; to the Committee on the Judiciary.

S. 62. A bill for the relief of Graciela Castillo; to the Committee on the Judiciary.

S. 63. A bill for the relief of Mr. and Mrs. B. William Magallanes; to the Committee on the Judiciary.

S. 64. A bill for the relief of Mrs. Etsuko Kogachi Bowman; to the Committee on the Judiciary.

S. 65. A bill for the relief of Faatoaga Laufou; to the Committee on the Judiciary.

S. 66. A bill for the relief of Shon Ning Lee; to the Committee on the Judiciary.

By Mr. BAYH (for himself, Mr. Baker, Mr. Bellmon, Mr. Burdick, Mr. Chafee, Mr. Cranston, Mr. Danforth, Mr. DeConcini, Mr. Dole, Mr. Durenberger, Mr. Ford, Mr. Garn, Mr. Glenn, Mr. Gravel, Mr. Hatfield, Mr. Huddleston, Mr. Inouye, Mr. Jackson, Mr. Javits, Mr. Kennedy, Mr. Leahy, Mr. Magnuson, Mr. Mathias, Mr. Matsunaga, Mr. Metzenbaum, Mr. Packwood, Mr. Pell, Mr. Proxmire, Mr. Pryor, Mr. Randolph, Mr. Ribicoff, Mr. Riegle, Mr. Stafford, Mr. Stevenson, Mr. Tsongas, Mr. Williams, and Mr. Zorinsky):

S.J. Res. 1. Joint resolution proposing an amendment to the Constitution to provide for the direct popular election of the President and Vice President of the United States; to the Committee on the Judiciary.

By Mr. DeCONCINI (for himself and Mr. Goldwater):

S.J. Res. 2. Joint resolution to require the Federal Government to end deficit financing; to the Committee on the Judiciary.

By Mr. HARRY F. BYRD, JR. (for himself, Mr. THURMOND, and Mr. WARNER):

S.J. Res. 3. Joint resolution regarding mutual defense treaties (which was read the first time).

By Mr. LUGAR:

S.J. Res. 4. Joint resolution proposing an amendment to the Constitution to require that congressional resolutions setting forth levels of total budget outlays and Federal revenues must be agreed to by two-thirds vote of both Houses of the Congress if the level of outlays exceeds the level of revenues; to the Committee on the Judiciary.

By Mr. DOLE:

S.J. Res. 5. Joint resolution proposing an amendment to the Constitution to provide expenditures of the Government may not exceed the revenues of the Government during any fiscal year, and for limits on Federal spending and taxing; to the Committee on the Judiciary.

By Mr. STENNIS:

S.J. Res. 6. Joint resolution to require the Federal Government to end deficit financing; to the Committee on the Judiciary.

By Mr. ARMSTRONG:

S.J. Res. 7. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues; to the Committee on the Judiciary.

By Mr. CRANSTON:

S.J. Res. 8. Joint resolution to establish a national policy for the taking of predatory or scavenging mammals and birds on public lands, and for other purposes; to the Committee on Environment and Public Works.

By Mr. McCLURE:

S.J. Res. 9. Joint resolution to amend the Constitution of the United States to provide that appropriations made by the United States shall not exceed 33⅓ percent of the average national income of the prior 3 calendar years, except as specified during war or national emergency; to the Committee on the Judiciary.

S.J. Res. 10. Joint resolution to require a balanced budget; to the Committee on the Judiciary.

By Mr. TALMADGE (for himself and Mr. NUNN):

S.J. Res. 11. Joint resolution to amend the Constitution relating to a balanced budget; to the Committee on the Judiciary.

By Mr. HELMS:

S.J. Res. 12. Joint resolution proposing an amendment to the Constitution of the United States guaranteeing the right of life to the unborn; to the Committee on the Judiciary.

S.J. Res. 13. Joint resolution to amend the Constitution of the United States; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DOLE (for himself and Mr. McGOVERN):

S. 1. A bill to improve farm income, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

FOOD AND AGRICULTURE ACT OF 1979

Mr. DOLE. Mr. President, today I am pleased to introduce the Food and Agriculture Act of 1979. This legislation, I believe, is especially pertinent and timely; 1978 was a tough year financially for our farmers. The farm problem has not gone away and will not go away quickly. Many farmers are still suffering severe financial losses and are bearing the major brunt of inflation.

YEAR OF PARTIAL RECOVERY

The year 1978 was a year of partial recovery for agriculture. The recovery, though, was not fast enough or strong enough. There were some modest improvements in price and income levels for some commodities.

NET INCOME

U.S. farmers will have a total net income of about $27 billion for 1978, up from $20.3 billion in 1977. However, the total is modest when one takes the inflation out of it. In 1967 dollars, 1978 total net farm income is worth only about $13.5 billion.

Purchasing power is still the bottom line for farmers and, as of December 15, farm prices averaged only 72 percent of parity. This is a definite improvement over the 63 percent of parity figure in September 1977, but still far short of a fair and reasonable return, considering the cost of production, living expenses, and the rate of inflation.

There is a need for new farm legislation. Farmers are not receiving an adequate return on their investment and time. Many farmers are having to sell all or part of their farming operation to pay debts. The family farm system, so vital to the future of our country, is in serious economic condition.

BACKS AGAINST THE WALL

Without new farm legislation, American farmers could spend all of 1979 with plenty of clouds on the horizon:

First, the probability of double-digit inflation again in 1979 will cause farmers' cost of production to continue to rise.

Second, the possibility of a recession could cause the demand for farm products to fall off and decrease the price of farm products.

Third, the near 15 percent OPEC price hike will cause a new spiral in energy costs for farmers. Gasoline delivered to the farm in eastern Kansas in May of 1977 cost 52 cents per gallon. In May of 1978 it was 58.3 cents per gallon and in January of 1979 had risen to 63.1 cents per gallon. It is predicted to go to 65.1 cents per gallon by May of this year. Diesel fuel was 41.4 cents per gallon in May of 1977 and is predicted to be almost 46 cents per gallon by May of 1979.

Fourth, interest costs to farmers are at record high levels. Farmers in Kansas are paying from 10 to 12½ percent for the money they borrow. With the present economic conditions farmers are borrowing record amounts of capital. Farmers start 1979 with $136 billion in outstanding debt and the prospect that debt service outlays will cost them more than $11 billion during the year. This will be a terrible drag on the farmers cash flow problem.

Farmers Home Administration loans to farmers are at an all-time high. The demand outstrips the supply. The loans made only to farmers who cannot obtain credit from private sources.

Too many of our Nation's family farmers are in deep financial trouble and will remain so in 1979 unless the Congress acts and acts quickly. Increased farm income and a significant decrease in the inflation rate are both needed before the farmer will be in an improved financial situation.

The administration is trying to convince everyone that farmers are now well off. This is not the situation. The farmers' economic situation is still critical. Farmers cannot pay their bills with the smooth public relations program from the White House to convince Americans that farmers are well off financially.

The Food and Agriculture Act of 1979 I introduce today contains several basic provisions:

1. VARIABLE TARGET PRICE PROGRAM

This program is designed to support the family farm by bringing about increased market prices for farm products while keeping enough supplies of food products on hand to supply our domestic and foreign markets and food for peace programs.

Whenever the Secretary of Agriculture formulates a set-aside program he will set a schedule of set-asides and target prices. The farmer then chooses the price he needs for his crop and then sets aside the respective percentage of the acreage as set by the Secretary.

The program applies this variable target price concept to wheat, feed grains, and upland cotton. The higher the established (target) price the producer needs for his crop, the greater the amount of cropland on the farm a producer voluntarily sets aside. The producer shall qualify for an established price equal to 100 percent of the parity price for the commodity if the producer voluntarily sets aside from production the maximum percentage of set-aside as prescribed by the Secretary.

This program thus provides for a variable schedule of target prices, when there is a set-aside, ranging from the established (target) price now provided in law to an established price of 100 percent of parity for the maximum set-aside of cropland.

This program will allow farmers to set aside different percentages of their cropland depending on their cost of production and their own management decisions about how to maximize their farm income. The program will significantly help small family farmers to survive.

This variable target price program will not be a costly one. It should not cost any more than present set-aside programs but will provide farmers with much more flexibility in their farming operations. It should also improve the market price of the respective farm commodities. The program is designed to assist family farmers in their battle to stay alive economically in this time of low farm prices, high interest rates, rising fuel costs, and double digit inflation. The program is not costly nor inflationary.

Farmers have to cover their costs of production and make a profit in the long run to stay in business. It is in the best interests of American consumers that family farmers stay in business and produce food. We cannot refuse to raise farm prices under the banner of fighting inflation when farmers are losing money. The battle to save our family farmers is one worth fighting and worth winning. When we win this fight all Americans win. There will be an adequate supply of fairly priced farm products. We will have the largest food supply possible at the lowest price possible.

2. MILK PRICE SUPPORT

The statutory authority for support of manufactured dairy products at 80 percent of parity, contained in the 1977 Agriculture Act, expires on March 31, 1979. Last September, Secretary Bergland set the support rate for the marketing year beginning October 1, 1978, and ending September 30, 1979, at 80 percent of parity.

If Congress does nothing to extend or change the law, USDA will have the option on October 1, 1979, to set the support level for the new marketing year beginning October 1, 1979, as low as the statutory minimum of 75 percent of parity.

This provision will extend the authority contained in the 1977 Food and Agriculture Act providing that the price supports for milk be no less than 80 percent of parity. This level has proved an acceptable level to maintain dairy production without stimulating overproduction.

3. SUGAR PRICE SUPPORT

This provision will require the Secretary of Agriculture to set the price support loan for sugar at a percent of parity equal to 16.5 cents per pound. This provision extends the de la Garza amendment to the 1977 Food and Agriculture Act and expresses the intent that the Secretary maintain the market price as near as possible to this figure by the use of quotas and import fees to minimize the loan level as a market price determinant.

In October 1978, because of the conflict with administration sugar policy, we were unable to pass meaningful sugar legislation. To date, the administration has not proposed any new solutions and therefore, I feel an increase in the loan provision is necessary and appropriate to provide the farmers the assurances they need and deserve. Without this we could become as dependent on imported sugar as we are on imported oil. I am sure Chairman Long of the Finance Committee will come up with alternative approaches that will be considered in the Finance Committee. It is important we move ahead with this approach at this time.

4. FOOD STAMP PROGRAM

It is extremely important that we repeal the authorization ceiling, or "cap" in the food stamp program. The current services cost estimate for fiscal years 1980 and 1981 is substantially above the legislated authorization levels. If such action is not taken, benefits will be cut sharply to all 16 million participants the last quarter of next year—and every other year where economic conditions are worse than was predicted.

In a very real sense, legislating a specific authorization level is fundamentally inconsistent with the goals and structure of the food stamp program. The food stamp program is unique in its ability to respond quickly to changing economic conditions. An increase or decrease in the cost of food or the unemployment rate will immediately impact on the cost of the program. A study of the program found that a 1-percent increase in the unemployment rate will increase participation in the food stamp program by 500,000 to 750,000. In short, it is almost impossible to predict with any degree of accuracy the cost of the program in future years. The participants of the program should not have to bear the burden of poor economic forecasts and management.

The primary motivation for requiring a "cap" was to hedge against the elimination of the purchase requirement costing more than it was originally estimated to cost. USDA is just now in the process of implementing the new food stamp law. However, it is clear that the new, and unfortunately, higher current services cost estimate for the 1980 food stamp program is the result of changing economic conditions and not the structure of the 1977 program.

If greater oversight of the program is desired, other options are available to the Congress. Under the current law, the program expires in 2 years, 1981. The program will have to be extended at that time, which provides an excellent opportunity to review the approach adopted in 1977 and to change it if it is not satisfactory. If we are still not sure, the program can be extended for only a short period of time.

In addition to repealing the cap, the bill addresses the need to achieve greater efficiency in the food stamp program. State error rates are still too high. Questions have been raised by the General Accounting Office over the authorization of retailers which sell only token amounts of staple foods. Food stamp redemption controls need strengthening. Investigation of suspected violations should be expedited.

In my opinion, substantial savings could be achieved by greater efficiency in these areas, particularly from lowering the error rates. If we are able to save $100 to $150 million, not only is it that much less of a burden on the taxpayer, but we improve the public image of the program.

This legislation requires, therefore, that the Secretary conduct an intensive investigation of these issues and report back to Congress within a few months. While I am normally skeptical about asking for studies, with the food stamp program the precedent is rather good. It was S. Res. 58 which was passed in the 94th Congress that laid the foundation for the overall reform of the program.

5. PUBLIC LAW 480 AMENDMENT

Public Law 480 or food-for-peace legislation was signed by President Eisenhower in 1954 with his strong endorsement. Since then over $30 billion worth of farm commodities have been exported under its provisions.

The great value of this program, in terms of assisting hungry and malnourished people in developing countries is impossible to comprehend. It is one of the great practical humanitarian steps of all time.

This is a time when the hungry of the world need food and our farmers need markets. In order to achieve the twin objectives of helping the hungry and malnourished in developing nations while helping American farmers expand their markets, this provision will establish a Public Law 480 minimum quantity of 7 million tons for each of the next 3 fiscal years.

I believe that Public Law 480, title I countries could use considerably more food assistance than these minimums. Certainly export supplies are more than adequate. This provision will meet these goals and should contribute to a more even flow of food assistance throughout the fiscal year since the minimum amounts will be provided for in the budgetary process rather than being subject to the whims of the Office of Management and Budget.

6. NATIONAL AGRICULTURAL PRODUCTION COST BOARD

This provision would establish a National Agricultural Production Cost and Statistical Standards Board for the purpose of implementing and standardizing the cost of production information as it relates to agricultural production. This would be a one-time 3-year board.

I believe there is a high degree of urgency relating to the development of both method and standards in the analysis of agricultural costs as they are developed at the production level.

The advent of the Agricultural Act of 1973 and the subsequent act of 1977, which mandated the Secretary of Agriculture to conduct cost of production studies provided only very sketchy directions as to standards and methodology.

Under these circumstances it is surprising that the studies which were conducted in 1974 and published in 1976 were of any significant value considering the speed with which they were assembled. There are areas in these studies which leave the agricultural community in a very apprehensive frame of mind. Cost of production statistics need to be resolved from the standpoint of accuracy as well as to their validity at the producer level.

Legislation to establish a board was introduced last year by Senator Robert Morgan of North Carolina. I have included this bill within this legislation because I think it is important enough to warrant consideration in an omnibus bill.

Senator Morgan has notified me that he intends to introduce his bill again later this week. This will provide the Congress with the option of considering the board under separate legislative authority. I believe this board is in the best interest of farmers and the Nation.

Mr. President, I ask unanimous consent that the text of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Food and Agriculture Act of 1979".

TITLE I—PRICE SUPPORT FOR WHEAT, FEED GRAINS, AND UPLAND COTTON; GRAIN RELEASE PRICES

VARIABLE TARGET PRICE PROGRAM FOR 1980 AND 1981 CROPS

SEC. 101. Effective only with respect to the 1980 and 1981 crops of wheat, feed grains, and upland cotton, title I of the Agricultural Act of 1949, as amended (7 U.SC. 1421–1445g), is amended by adding at the end thereof a new section as follows:

"1980 AND 1981 WHEAT, FEED GRAIN, AND UPLAND COTTON TARGET PRICES

"SEC. 113. Notwithstanding any other provision of this Act, the Secretary shall formulate, announce, and put into operation for each of the 1980 and 1981 crops of wheat, feed grains, and upland cotton for which a set-aside program is in effect a program under which the level of the established price to be paid to any producer shall be based on the amount of cropland that such producer voluntarily elects to set aside from production. The higher the established price the producer elects to receive, the greater the amount of cropland on the farm the producer must set aside from production in order to qualify for such higher established price. If a producer elects to receive the maximum established price, which shall be equal to 100 per centum of the parity price for the commodity concerned, the producer must set aside from production a percentage of the cropland on the farm equal to the highest set-aside percentage prescribed by the Secretary under the set-aside program.".

GRAIN RELEASE PRICES

SEC. 102. (a) Effective only for the 1980 and 1981 crops of wheat and feed grains—

(1) Section 110(b)(5) of the Agricultural Act of 1949, as amended (7 U.S.C. 1445e(b)(5)), is amended by striking out "wheat has attained a specified level which is not less than 140 per centum nor more than 160 per centum of the then current level of price support for wheat or such appropriate level for feed grains, as determined by the Secretary" and inserting in lieu thereof "the commodity has attained a specified level which is not less than 90 per centum of the current parity price for such commodity".

(2) Section 110 (b)(6) of the Agricultural Act of 1949, as amended (7 U.S.C. 1445e (b)(6)), is amended by striking out "is not less than 175 per centum of the then current level of price support for wheat of such appropriate level for feed grains as determined by the Secretary under this Act" and inserting in lieu thereof "is not less than 105 per centum of the current parity price for such commodity".

(b) Effective only for the 1980 and 1981 crops of wheat and feed grains, section 110 (d) of the Agricultural Act of 1949, as amended (7 U.S.C. 1445e (d)), is amended by striking out "150 per centum of the then current level of price support for such commodity" and inserting in lieu thereof "90 per centum of the parity price for such commodity".

COMMODITY CREDIT CORPORATION SALES PRICE RESTRICTIONS FOR WHEAT AND FEED GRAINS

SEC. 103. Effective only for the marketing years for the 1980 and 1981 crops of wheat and feed grains, the language following the third colon in the third sentence of section 407 of the Agricultural Act of 1949, as amended by section 408 of the Food and Agriculture Act of 1977 (7 U.S.C. 1427), is amended by striking out "115 per centum of the current national average loan rate" and inserting in lieu thereof "90 per centum of the current parity price".

TITLE II—MILK PRICE SUPPORT

SEC. 201. The second sentence of subsection (c) of section 201 of the Agricultural Act of 1949, as amended (7 U.S.C. 1446 (c)), is amended by striking out "March 31, 1979" and inserting in lieu thereof "March 31, 1981".

TITLE III—SUGAR PRICE SUPPORT

SEC. 301. Effective only with respect to the 1979 through 1981 crops of sugar beets and sugar cane, section 201 of the Agricultural Act of 1949, as amended (7 U.S.C. 1446), is amended—

(1) by striking out in the first sentence "honey, and milk" and inserting in lieu thereof the following: "honey, milk, sugar beets, and sugar cane"; and

(2) by adding at the end thereof a new subsection (g) as follows:

"(g) (1) The price of the 1979 through 1981 crops of sugar beets and sugar cane, respectively, shall be supported through loans or purchases with respect to the processed products thereof at a level not in excess of 70 per centum nor less than 57 per centum of the parity price therefor, except that in no event may the support level be less than 6.5 cents per pound raw sugar equivalent. In carrying out the price support program authorized by this subsection, the Secretary shall establish minimum wage rates for agricultural employees engaged in the production of sugar.

"(2) Notwithstanding any other provision of law, the Secretary may suspend the operation of the price support program authorized by this subsection whenever the Secretary determines that an international sugar agreement is in effect which assures the maintenance in the United States of a price for sugar not less than 16.5 cents per pound raw sugar equivalent.".

TITLE IV—FOOD STAMP PROGRAM

SEC. 401. The first sentence of section 18 (a) of the Food Stamp Act of 1977 (7 U.S.C. 2027) is amended to read as follows: "To carry out the provisions of this Act, there are hereby authorized to be appropriated such sums as may be necessary for the fiscal years ending September 30, 1980, and September 30, 1981.".

SEC. 402. The Secretary shall conduct a study of the food stamp program. The Secretary shall report the results of such study to Congress by July 1, 1979, with recommendations for legislative changes that will:

(1) reduce error rates by increasing the accuracy of eligibility determinations;

(2) provide more effective monitoring and control of food coupon redemption; and

(3) provide more timely investigation and resolution of suspected violations.

The Secretary may include in the report any other recommendations the Secretary deems desirable.

TITLE V—PUBLIC LAW 480

SEC. 501. The Agricultural Trade Development and Assistance Act of 1954 is amended by adding at the end thereof a new section 406 as follows:

"SEC. 406. (a) In order more adequately to meet the food requirements of hungry and malnourished people in the developing countries, a minimum aggregate quantity of seven million metric tons of United States farm commodities shall be exported under titles I, II, and III of this Act during each of the following fiscal years: fiscal year 1980, fiscal year 1981, and fiscal year 1982. This aggregate quantity requirement shall not affect the title II minimum quantities required under section 201(b) of this Act, since those minimums shall be a part of the total minimum requirement for all titles.

"(b) The export of an aggregate quantity of seven million metric tons of each such fiscal year under titles I, II, and III shall be mandatory unless (1) export supplies are not available as determined under section 401 (a) of this Act, or (2) food needs of developing countries do not merit such quantity as gauged by (A) a lack of request for food assistance by the developing countries, or (B) a determination by the Food and Agriculture Organization of the United Nations that unfilled food requirements of the developing nations are less than seven million metric tons during such fiscal year.

"(c) Should less than the minimum quantities required by this section be exported because of the criteria in subsection (b) of this section, the President shall report to the appropriate committees of Congress the specific reasons for such shortfall.".

TITLE VI—NATIONAL AGRICULTURAL PRODUCTION COST AND STATISTICAL STANDARDS BOARD

ESTABLISHMENT OF BOARD; COMPOSITION

SEC. 601. (a) There is hereby established an advisory board to be known as the "National Agricultural Production Cost and Statistical Standards Board" (hereinafter in this title referred to as the "Board").

(b) The Board shall be composed of sixteen members appointed by the Secretary of Agriculture (hereinafter in this title referred to as the "Secretary").

(c)(1) The terms of the members first taking office shall expire (as designated by the Secretary at the time of appointment) as follows: four at the end of one year, four at the end of two years, four at the end of three years and four at the end of four years. Thereafter terms of all members shall be four years, except that the term of any person appointed to fill a vacancy on the board shall be appointed only for the unexpired term of such member's predecessor.

(2) The Secretary shall appoint persons to the Board who are producers of one or more commodities designated as feed grains, food grains, sugar crops, cotton, tobacco, livestock, or livestock products.

(3) Persons appointed to the Board shall have proven their competence to serve on such board by having demonstrated to the Secretary that they consistently manage their agricultural operation with the assistance of an enterprise cost system that reflects accurate costs of production for their operations and that they have a high level of comprehension relating to the functional aspects of such a system.

(4) The Secretary shall appoint at least one person to the Board who, by virtue of education, experience, and training, has extensive knowledge of matters relating to the cost of producing agricultural commodities.

(5) The Secretary shall designate, by and with the advice and consent of the Senate, one member of the Board to serve as chairman and one member to serve as vice chairman for the term of the appointment of such member.

(6) The Secretary shall also appoint one person to represent the interests of the consumers on the Board.

(7) No person may serve as a member of the Board for more than two consecutive terms.

FUNCTION OF THE BOARD

SEC. 602. (a) It shall be the function of the Board to coordinate and assist in the development and improvement of cost of production and financial statistical standards that relate to the production of agricultural commodities in the United States.

In carrying out such function, the Board shall—

(1) counsel with the various economic agencies of the Department of Agriculture, universities, and producers groups for the purpose of developing adequate coordinated standards among these parties for the measurement of production cost components that relate to the production of agricultural commodities;

(2) review the adequacy and accuracy of cost of production formulas, including the information relied upon in arriving at such formulas that have been developed by the Department of Agriculture for the purpose of determining the cost of producing the various agricultural commodities, and counsel with those involved in the development of such formulas and make recommendations for improvements in such formulas;

(3) review the adequacy of the parity formula, counsel with those involved in the analysis of the data used in such formula, and make recommendations for improvements in the formula and in related areas that may require improvement;

(4) review the adequacy of agricultural financial statistics that are being compiled by the Department of Agriculture, counsel with those involved in these compilations, and make recommendations that the Board believes will improve the accuracy of such statistics;

(5) advise the Secretary whether the cost of production formulas used by the Departmnt of Agriculture in connection with the administration of its price support programs are fair and accurate and recommend to the Secretary how such formulas might be improved including, when necessary, the submission of findings on actual costs of production; and

(6) advise the Secretary, at the Secretary's request, on such other matters that may relate to price targeting, price support operations, or the disposition of surplus agricultural commodities.

(b) The Secretary shall report to the Board on the disposition of its recommendations, including reasons for not implementing the recommendations of the Board.

(c) The Board shall submit annually to the Committee on Agriculture, Nutrition, and Forestry of the Senate and the Committee on Agriculture of the House of Representatives a report discussing the activities of the Board during the preceding year, including any findings or recommendations made to the Secretary with respect to its duties set forth in this title. The Board shall include in each such report a list of the recommendations made to the Secretary and the disposition made by the Secretary of such recommendations.

(d) The Board shall meet at least twice annually or more often if such meetings are necessary to meet the purposes of this Act.

OFFICE SPACE, EQUIPMENT; STAFF

Sec. 603. The Secretary shall provide the Board with such office space, equipment, and staff as may be necessary for the Board to perform its functions under this Act.

COMPENSATION; TRAVEL EXPENSES

Sec. 604. No member of the Board may receive any compensation for such member's services as a Board member, but may be paid travel expenses, including per diem in lieu of subsistence, as provided in the regulations issued under section 7 of the Federal Advisory Committee Act.

EXPIRATION OF BOARD

Sec. 605. The Board and the authority provided under this title shall expire December 31, 1983.

Mr. McGOVERN. Mr. President, I do not think the Nation will ever see the day when improvements to our food and fiber programs are not appropriate. Though the Congress passed a monumental omnibus farm bill in the first session of the 95th Congress, we came back with several changes in the second session with respect to commodity programs.

And so in the 96th Congress there is need for improvement in several areas, not all of which are necessarily associated with the commodity end of the Department's business. Farmers are constantly visiting my office and I am on a regular basis talking to farmers on trips to my home State. Without question, there is still uncertainty and unrest in the farm community. Though the parity ratio has improved somewhat over the past year, the composite ratio has only recently edged up to 72 percent and this has largely been due to improved prices for livestock. The parity index for wheat farmers still stands at a ridiculously low 55 percent and corn is but 54 percent. Given an annual wheat crop averaging about 2 billion bushels and corn crops in the 6 billion bushel range, the prices received by farmers can hardly be called encouraging.

With those thoughts in mind, I have worked closely during the recess with my good friend from Kansas (Mr. DOLE), and we have fashioned a housekeeping bill for the Department covering a broad range of departmental interests which we feel would be useful and constructive. We hope that the Department will give our suggestions its serious and sympathetic attention. I can assure the Secretary of Agriculture that the provisions of this bill would be looked on by farmers as partial answers to a good many of their questions.

VARIABLE TARGET PRICE PROGRAM

There are few who question that the target price system is here to stay. Many of us question the figures the Department will accept as target goals. There are few even at the Department who will seriously state that the present target price on wheat, for instance, remotely resembles the cost of producing a bushel of wheat.

With that thought in mind, Senator DOLE and I are suggesting that there be a provision of law that cranks more flexibility into the target price system. Title I of the Food and Agriculture Act of 1979 provides authority for the Secretary in years in which there is a set-aside program in effect to formulate a program whereby a farmer who chooses to participate in the farm program may receive a higher target price by taking additional land out of production. The legislation itself contains no formulas nor does it contain numbers. It does, however, direct the Secretary to "formulate, announce, and put into effect for 1980 and 1981 a plan for wheat, feed grains and cotton." The higher the established price the producer voluntarily elects to receive, the greater the amount of cropland the producer must set aside—the maximum amount a product could receive would be 100 percent of the parity price for the commodity concerned.

We view this provision as an effective production control tool for the Department and an opportunity for the farmer to vary his cultivation practices and receive a decent price for that portion of his crop which he chooses to put into production. Certainly it is a valid experiment to give the farmer a choice. Additionally, flexibility in the administration of farm programs has been generally found to be more desirable than rigid practices.

In the event this program is adopted, adjustment is necessary in the release prices for the grain reserve. Section 102 of this bill contains such a provision by providing release figures in terms of current parity for the commodity rather than percentages of the acquisition figures. Section 103 makes the same adjustment for Commodity Credit Corporation sales price restrictions by providing that sales under the present lot at 115 percent of the current national average loan rate be changed to 90 percent of the current parity price for that portion of CCC inventories acquired under the flexible target price program.

MILK PRICE SUPPORT

Title II of the bill concerns itself with the milk program and is only technical in nature. The 80 percent of parity support program is scheduled to expire and this provision merely extends it through March 31, 1981.

There should be little controversy in this title. The current milk program works well and the dairy community, I understand, is satisfied with it. The fact of the matter is that farmers in the dairy business find themselves among the healthiest economic sectors of American agriculture. The program should be continued according to its present provisions.

SUGAR PRICE SUPPORT

I confess to my colleagues that sugar is not a commodity that raises high sentiments in South Dakota. I can state without fear of contradiction that there is not a single sugar beet grower in my State. Nevertheless, it is an important agricultural commodity throughout many portions of the country and a major crop to South Dakota's closest neighbors, North Dakota and Minnesota. Title III of the Food and Agriculture Act of 1979 supports sugar through loans or purchases at a level not in excess of 65 percent nor less than 52.5 percent of parity with an absolute floor of not less than 16.5 cents per pound raw sugar equivalent.

Though the sugar problem is not one I must face in talking to South Dakota farmers, I am acutely aware of the severe economic distress in sugar growing areas. Sugar, be it beet or cane, is an expensive crop to grow; machinery costs are high and current price returns are tragically low. Many beet growers have simply sold out or switched to other crops. If we are to maintain a viable sugar industry in the Nation we simply must provide the financial incentives to remain in business.

FOOD STAMP PROGRAM

Title IV of this legislation would prevent a serious, impending food stamp problem that could drastically reduce benefits to all 16 million food stamp recipients.

The Food Stamp Act of 1977 established specific authorization ceilings based on the economic forecasts at the time. Unfortunately, the forecasts underestimated the food price inflation we have experienced in recent years and the predicted rise in the unemployment rate—the two factors that have the greatest impact on the cost of the program.

Food prices are now expected to rise almost 50 percent between 1977 and 1981. Unemployment is also expected to rise this year and next, with each 1 percent increase raising participation by 500,000 to 750,000 persons.

In short, it is extremely difficult to legislate specific authorization levels for a program which is intended to respond quickly to economic fluctuations. It was a poor idea to attempt to do so, and the cap should be repealed.

NATIONAL AGRICULTURAL PRODUCTION COST AND STATISTICAL STANDARDS BOARD

The Food and Agriculture Act of 1977 for the first time introduced the phrase "cost of production" into the lexicon of American agriculture. The great debate is on the variables involved in cost of production. Few could agree on formulas and there were just about as many conclusions as there were analysts.

Even today, farmers throughout the country seriously question the economic models used by the Department in computing cost of production. Though it is probably the aim of the Department to ultimately replace parity with cost of production as a guideline for commodity supports, I personally can inform the Department that parity is alive and well in South Dakota. It is as ingrained in their minds as their love for the land and the opportunity given to them to make things grow.

Given the state of cost of production at the Department of Agriculture, might it not make some sense to let the farmers in on it? Title VI of the Food and Agriculture Act of 1979 establishes a National Agricultural Production Cost and Statistical Standards Board of 16 members appointed by the Secretary and requires that such members be producers of grains or livestock or cotton. The function of the Board is to advise the Secretary on financial statistical standards which relate to the production of agricultural commodities. It just might be that if there is input from actual producers, the Department might change the attitudes it has developed in the past.

So that there is no criticism of the Board being more Government, let me hasten to point out that the members serve without compensation save travel costs and Government per diem. In some respects, this is a case of "let's let the farmers play in their own ball game" rather than allowing all the pocketbook decisions to be left in the hands of Department of Agriculture employees who have no real stake in the outcome of the game.

I know that there is support for this concept out in the country and I think that it should be adopted.

PUBLIC LAW 480—FOOD FOR PEACE

As a former Administrator of the Food for Peace Program in the early 1960's, I continue to maintain an active interest in its progress. Over the last 24 years, $30 billion of farm commodities have been exported under this program. Unfortunately, in recent years the level of exports has fallen to an average of only 4 to 5 million metric tons under the three titles of the program. The tendency has been to cut back in fiscally short years or in years when there is a drop in production.

In order to fulfill the humanitarian intentions of this program, it is our judgment that the intent of the Congress could best be served if the Congress mandated a minimum level of participation. This assures the continuity of the program as well as giving underdeveloped countries advance knowledge of what they can expect. It also tends to place a greater level of control in the Congress than in the administration. For this reason, this title of the bill provides for a minimum of 7 million metric tons to be placed in the stream in each of the coming fiscal years.

Mr. President, I feel that this bill addresses itself to agriculture's pressing problems and urge its adoption.

By Mr. MUSKIE (for himself, Mr. Roth, Mr. Glenn, Mr. Robert C. Byrd, Mr. Cranston, Mr. Biden, Mr. Percy, Mr. Pell, Mr. Hatfield, Mr. Baucus, Mr. Bellmon, Mr. Bayh, Mr. Bentsen, Mr. Boschwitz, Mr. Burdick, Mr. Harry F. Byrd, Jr., Mr. Cannon, Mr. Chafee, Mr. Chiles, Mr. Church, Mr. Cohen, Mr. Culver, Mr. Danforth, Mr. DeConcini, Mr. Domenici, Mr. Durenberger, Mr. Durkin, Mr. Eagleton, Mr. Exon, Mr. Ford, Mr. Garn, Mr. Hart, Mr. Hatch, Mr. Hayakawa, Mr. Heinz, Mr. Helms, Mr. Huddleston, Mr. Humphrey, Mr. Inouye, Mr. Kennedy, Mr. Javits, Mr. Laxalt, Mr. Leahy, Mr. McClure, Mr. McGovern, Mr. Mathias, Mr. Matsunaga, Mr. Metzenbaum, Mr. Moynihan, Mr. Morgan, Mr. Nunn, Mr. Packwood, Mr. Pressler, Mr. Pryor, Mr. Simpson, Mr. Stafford, Mr. Stevens, Mr. Stewart, Mr. Stone, Mr. Thurmond, Mr. Tower, Mr. Williams, and Mr. Zorinsky):

S. 2. A bill to require authorizations of new budget authority for Government programs at least every 10 years, to provide for review of Government programs every 10 years, and for other purposes; to the Committee on Governmental Affairs.

SUNSET ACT OF 1979

Mr. MUSKIE. Mr. President, it is with a sense of great expectation that I am reintroducing the Sunset Act of 1979, along with many cosponsors.

I do so with a sense of optimism because at the end of the 95th Congress, the Senate passed the Sunset bill by a margin of 87 to 1, and I hope that we will witness a similar endorsement early in this Congress of this extremely important legislation.

We have just come through an election year in which one of the overriding concerns of the American public was that Government is not working as well as it should. People expect more from their tax dollars than they are getting. Sunset can provide a way for Government to discipline its appetite for tax dollars, and do a better job with the resources at its command.

In the simplest sense, sunset proposes nothing more than a process through which Congress can begin to exercise greater control over the product of its legislative efforts—the hundreds of individual programs we have created over the years and which affect the daily lives of all Americans in so many ways.

In its most far-reaching sense, sunset proposes nothing less than to make Government more effective, by improving the quality of services which Government programs are intended to provide.

Sunset attacks the notion that Government programs, once enacted, should remain forever on the books. Instead it proposes that a program should continue only if Congress decides that it is needed and is still working well. If a program cannot meet these conditions, it goes out of business.

Under sunset, virtually all Federal programs would come up for a systematic review and reauthorization on a rotating 10-year basis. The bill also proposes that similar programs be considered at the same time. That way we can see whether dozens, and sometimes hundreds of programs in a particular area are still needed.

I believe sunset should be enacted for a number of reasons:

First, it would complement the budget process as an important weapon in bringing Government spending under control, and thus provide an important tool in the fight against inflation.

Second, it would strengthen the congressional authorization process, the most important policy process the Congress has.

Third, it would enhance the ability of the Congress to respond to changing national problems and priorities.

And, fourth, it would respond rationally and responsibly to the public mood which demands that Government programs be brought under control and that tax dollars be spent more effectively.

In 1978, we made little, if any, progress in streamlining and simplifying the many programs on the books. Committee reform has helped. But we still have a number of Federal programs which are conflicting or overlapping.

State and local governments continue to cite excessive program fragmentation and redtape as a major obstacle to effective policy. And the GAO continues to churn out evidence of wasted dollars because of a program structure which has grown needlessly complex.

Mr. President, perhaps the most compelling reason for enacting sunset legislation is the need to bring Government spending under control in the battle against rising inflation.

What does sunset have to do with inflation? Clearly the public understands the nexus between the two. According to the latest Harris survey 76 percent of the American people view Federal spending as the principal cause of inflation. And a look at the projection for future budgets bolsters the case for the public's concern.

As part of its 5-year projection for the first budget resolution for this year, the Budget Committee calculated the potential cost of 31 new program initiatives likely to come before Congress between now and 1983. The list was by no means exhaustive. But it did include such major items as national health insurance and additional defense expenditures.

The committee found that between 1980 and 1983, these 31 initiatives could cost as much as $416 billion in new spending. The committee also found, as did CBO, that with a moderate rate of growth between now and then, we could expect only about $120 billion in additional revenues to pay for these new demands.

Many of the initiatives the committee studied are programs we need—and the public wants to have, and there will undoubtedly be others before the next decade is out.

Yet with the economy approaching full capacity—and with inflation on the rise—spending increases of the magnitude projected by the committee are clearly out of the question.

It is obvious from these numbers that we can only afford new programs by making selective cuts in programs we now have but which we may not need. It would require a commitment from every one of us to put our favorite programs to the test—to see if they are still needed, or if they are working well. And whether we like it or not, the burden rests with us.

It is the Congress which sets national policy, through the programs we enact. If those programs have grown unresponsive and ineffective, it is we who must bear the blame. For it is our job not just to initiate new programs—but also to insure that old programs are working as well as they should.

Sunset offers us a unique opportunity to provide the extra spending discipline we need.

The sunset bill I have proposed is geared very specifically to the way Congress works. It seeks to remedy a congressional problem by building upon existing congressional processes—and to use those processes more fully to help us do a better job.

In spite of the mystique of sunset, the approach taken in the bill now before us is very simple indeed.

Title 1 sets out a 10-year five-Congress schedule for the review and reauthorization of all Federal programs, with only a few exceptions. Within this schedule, programs are grouped by budget function and subfunction, in order to encourage review of programs with related purposes during the same period of time.

The bill requires that programs, including those now permanent—save the few exceptions—be specifically reauthorized in accordance with the schedule. To enforce this requirement, title 1 also provides that a point of order would lie against consideration of an appropriation for any program not so reauthorized.

These two provisions—the reauthorization requirement and the schedule for review—taken together, are the essence of the sunset bill. Either provision without the other would leave the process incomplete.

In formulating this legislation, Mr. President, we had two very simple goals in mind. We wanted to force a regular congressional decision on Federal programs, and we wanted those decisions to be made in a broader context than that in which they are made today.

To promote these goals, we sought a process as flexible as possible. We wanted a framework in which Congress could continue to do what it does best—to make political judgments and decisions about public policy.

We worked from the assumption that no reform, no matter how well-intentioned or conceived, will work unless Congress wants it to. We realized that better decisionmaking cannot be legislated, it can only be encouraged and made easier to accomplish.

The bill before us meets these tests. It establishes a limited, precise process. But beyond a minimal threshold it does not dictate how that process should be carried out. I stress this point, Mr. President, because of concerns I have heard that sunset is too heavyhanded an approach.

The legislation now before us has come a long way in the past 3 years. Those of us who have worked on it have learned a great deal about the nature of the Federal program structure. Through this learning process, many who were once skeptical have been convinced that the need for sunset is real.

In an important way, having at our disposal the knowledge to make informed decisions concerning legislation we enact, is what sunset is all about.

The extent of support for the Sunset idea is evidenced by the fact that legislation was cosponsored by more than one-half of the Senate and well over 100 Members cosponsored it in the House in both the 94th Congress and 95th Congress. The bill has been approved by both the Committee on Governmental Affairs and the Rules Committee only after the most careful scrutiny, and then, in the final days of the last Congress, it was endorsed in this Chamber by an overwhelming vote.

More than anything else, Mr. President, sunset has opened up a much-needed dialog in the Congress on the important task of making Government more effective and efficient. We welcome all who would like to join us in this undertaking because we believe it is one in which liberals and conservatives alike have a vital stake.

Mr. President, I ask unanimous consent that the text of S. 2 be included in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Sunset Act of 1979".

SEC. 2. The purposes of this Act are—

(1) to require that most Government programs be reauthorized according to a schedule at least once every ten years;

(2) to limit the length of time for which Government programs can be authorized to ten years;

(3) to bar the expenditure of funds for Government programs which have not been provided for by a law enacted during the ten-year sunset reauthorization cycle; and

(4) to encourage the reexamination of selected Government programs each Congress.

SEC. 3. (a) For purposes of this Act:

(1) The term "budget authority" has the meaning given to it by section 3(2) of the Congressional Budget Act of 1974.

(2) The term "permanent budget authority" means budget authority provided for an indefinite period of time or an unspecified number of fiscal years which does not require recurring action by the Congress, but does not include budget authority provided for a specified fiscal year which is available for obligation or expenditure in one or more succeeding fiscal years.

(3) The term "Comptroller General" means the Comptroller General of the United States.

(4) The term "agency" means an executive agency as defined in section 105 of title 5, United States Code, except that such term includes the United States Postal Service and the Postal Rate Commission but does not include the General Accounting Office.

(5) The term "sunset reauthorization cycle" means the period of five Congresses beginning with the Ninety-seventh Congress and with each sixth Congress following the Ninety-seventh Congress.

(b) For purposes of this Act, each program (including any program exempted by provision of law from inclusion in the Budget of the United States) shall be assigned to the functional and subfunctional categories to which it is assigned in the Budget of the United States Government, fiscal year 1979. Each committee of the Senate or the House of Representatives which reports any bill or resolution which authorizes the enactment of new budget authority for a program not included in the fiscal year 1979 budget shall include in the committee report accompanying such bill or resolution (and, where appropriate, the conferees shall include in their joint statement on such bill or resolution), a statement as to the functional and subfunctional category to which such program is to be assigned.

(c) For purposes of titles I, II, III, and V of this Act, the reauthorization date applicable to a program is the date specified for such program under section 101(b).

TITLE I—REAUTHORIZATIONS OF GOVERNMENT PROGRAMS

SEC. 101. (a) Each Government program (except those listed in section 103) shall be reauthorized at least once during each sunset reauthorization cycle during the Congress in which the reauthorization date applicable to such program (pursuant to subsection (b)) occurs.

(b) The first reauthorization date applicable to a Government program is the date specified in the following table, and each subsequent reauthorization date applicable to a program is the date ten years following the preceding reauthorization date:

Programs included within subfunctional category and first reauthorization date:

254 Space, Science, Applications and Technology.
272 Energy Conservation.
301 Water Resources.
352 Agriculture and Research Services.
371 Mortgage Credit and Thrift Insurance.
376 Other Advancement and Regulation of Commerce.
501 Elementary, Secondary, and Vocational Education.
601 General Retirement and Disability Insurance.
602 Federal Employment Retirement and Disability.

703 Hospital and Medical Care for Veterans.
806 Other General Government.
851 General Revenue Sharing, September 30, 1982.
051 Department of Defense—Military.
053 Atomic Energy Defense Activities.
154 Foreign Information and Exchange Act.
251 General Science and Basic Research.
306 Other Natural Resources.
351 Farm Income Stabilization.
401 Ground Transportation.
502 Higher Education.
553 Education and Training of Health Care Work Force.
701 Income Security for Veterans.
752 Federal Litigative and Judicial Activities.
802 Executive Director and Management.
803 Central Fiscal Operations, September 30, 1984.
054 Defense Related Activities.
152 Military Assistance.
155 International Financial Programs.
253 Space Flight.
255 Supporting Space Activities.
274 Emergency Energy Preparedness.
302 Conservation and Land Management.
304 Pollution Control and Abatement.
407 Other Transportation.

Programs included within subfunctional category, and first reauthorization date:

504 Training and Employment.
506 Social Services.
554 Consumer and Occupational Health and Safety.
704 Veterans Housing.
751 Federal Law Enforcement Activities.
801 Legislative Function.
852 Other General Purpose Fiscal Assistance, September 30, 1986.
153 Conduct of Foreign Affairs.
271 Energy Supply.
303 Recreational Resources.
402 Air Transportation.
505 Other Labor Services.
551 Health Care Services.
604 Public Assistance and Other Income Supplements.
702 Veterans Education, Training, and Rehabilitation.
753 Federal Correctional Activities.
805 Central Personnel Management.
902 Other Interest, September 30, 1988.
151 Foreign Economic and Financial Assistance.
276 Energy Information, Policy and Regulation.
372 Postal Service.
403 Water Transportation.
451 Community Development.
452 Area and Regional Development.
453 Disaster Relief and Insurance.
503 Research and General Education Aids.
552 Health Research.
603 Unemployment Compensation.
705 Other Veterans Benefits and Services.
754 Criminal Justice Assistance.
804 General Property and Record Management.
901 Interest on the Public Debt, September 30, 1990.

(c) (1) It shall not be in order in either the Senate or the House of Representatives to consider any bill or resolution, or amendment thereto, which authorizes the enactment of new budget authority for a program for a period of more than ten fiscal years, for an indefinite period, or (except during the Congress in which such next reauthorization date occurs) for any fiscal year beginning after the next reauthorization date applicable to such program. Notwithstanding the preceding sentence, it shall be in order to consider a bill or resolution for the purpose of considering an amendment to the bill or resolution which would make the authorization period conform to the requirement of such sentence.

(2) (A) It shall not be in order in either the Senate or the House of Representatives to consider any bill or resolution, or amendment thereto, which provides new budget authority for a program for any fiscal year beginning after the first (or any subsequent) reauthorization date applicable to such program under paragraph (b), unless the provision of such new budget authority is specifically authorized by a law which constitutes a required authorization for such program.

(B) For the purposes of this subsection, the term "required authorization" means a law authorizing the enactment of new budget authority for a program, which complies with the provisions of paragraph (1) and is enacted during the Congress in which the reauthorization date for such program occurs, or during a Congress after such date and prior to the Congress in which the next authorization date for such program occurs.

(3) No new budget authority may be obligated or expended for a program for a fiscal year beginning after the last fiscal year in a sunset reauthorization cycle unless a provision of law providing for the continuation of such program has been enacted during such sunset reauthorization cycle.

(4) Any provision of law providing permanent budget authority for a program shall cease to be effective (for the purpose of providing such budget authority) on the first reauthorization date applicable to such program.

(5) It shall not be in order in either the Senate or the House of Representatives to consider any bill or resolution, or amendment thereto, which provides new budget authority for a program unless the bill or resolution, or amendment thereto, (or the report which accompanies such bill or resolution) includes a specific reference to the provision of law which constitutes a required authorization for such program. Notwithstanding the preceding sentence, it shall be in order to consider a bill or resolution for the purpose of considering an amendment which provides such reference to the appropriate provision of law.

SEC. 102. (a) It shall not be in order in either the Senate or the House of Representatives to consider any bill or resolution, or amendment thereto, which has been reported by a committee and which authorizes the enactment of new budget authority for a program for a fiscal year beginning after the next reauthorization date applicable to such program, unless a reauthorization review (to the extent the committee or committees having jurisdiction deem appropriate) of such program has been completed during the Congress in which the reauthorization date for such program occurs (or during a subsequent Congress when such required authorization is considered), and the report accompanying such bill or resolution includes a separate section entitled 'Reauthorization Review' recommending, based on such review, whether the program or the laws affecting such program should be continued without change, continued with modifications, or terminated, and also includes, to the extent the committee or committees having jurisdiction deem appropriate, each of the following matters:

(1) Information and analysis on the organization, operation, costs, results, accomplishments, and effectiveness of the program.

(2) An identification of any other programs having similar objectives, and a justification of the need for the proposed program in comparison with those other programs which may be potentially conflicting or duplicative.

(3) An identification of the objectives intended for the program, and the problems or needs which the program is intended to address, including an analysis of the performance expected to be achieved, based on the bill or resolution as reported.

(4) A comparison of the amount of new budget authority which was authorized for the program in each of the previous four fiscal years and the amount of new budget authority provided in each such year.

(b) It shall not be in order in either the Senate or the House of Representatives to consider a bill or resolution, or amendment thereto, which authorizes the enactment of new budget authority for a program for which there previously has been no such authorization unless the report accompanying such bill or resolution sets forth, to the extent that the committee or committees having jurisdiction deem appropriate, the information specified in subsection (a) (2) and (3).

(c) Each committee having legislative jurisdiction over a program included in section 103 shall conduct a review of such program of the type described in subsection (a) at least once during each sunset reauthorization cycle, during the Congress in which the reauthorization date applicable to such program occurs, and shall submit to the Senate or the House of Representatives, as the case may be, a report containing its recommendations and other information of the type described in subsection (a) to the extent that the committee deems appropriate. It shall not be in order to consider a bill or resolution reported by the committee having legislative jurisdiction which authorizes the enactment of new budget authority for such program unless such report accompanies such bill or resolution, or has been submitted during the Congress in which the reauthorization date for such program occurred as provided in section 101(b), whichever first occurs.

SEC. 103. (a) Section 101(c) shall not apply to the following:

(1) Programs included within functional category 900 (Interest).

(2) Any Federal programs or activities to enforce civil rights guaranteed by the Constitution of the United States or to enforce antidiscrimination laws of the United States, including but not limited to the investigation of violations of civil rights, civil or criminal litigation or the implementation or enforcement of judgments resulting from such litigation, and administrative activities in support of the foregoing.

(3) Programs which are related to the administration of the Federal judiciary and which are classified in the fiscal year 1979 budget under subfunctional category 752 (Federal litigative and judicial activities).

(4) Payments of refunds of internal revenue collections as provided in title I of the Supplemental Treasury and Post Office Departments Appropriation Act of 1949 (62 Stat. 561), but not to include refunds to persons in excess of their tax payments.

(5) Programs included in the fiscal year 1979 budget in subfunctional categories 701 (Income security for veterans), 702 (Veterans education, training, and rehabilitation), 704 (Veterans housing), and programs for providing health care which are included in such budget in subfunctional category 703 (Hospital and Medical care for veterans).

(6) Social Security and Federal employee retirement programs including the following:

(A) Programs funded through trust funds which are included with subfunctional categories 551 (Health care services), 601 (General retirement and disability insurance), or 602 (Federal employee retirement and disability).

(B) Retirement pay and retired pay of military personnel on the retired lists of the Army, Navy, Marine Corps, and the Air Force, including the Reserve components thereof, retainer pay for personnel of the Inactive Fleet Reserve; and payments under section 4 of Public Law 92–425 and chapter 73 of title 10, United States Code (survivor's benefits), classified in the fiscal year 1979 budget in subfunctional category 051 (Department of Defense-military).

(C) Retirement pay and medical benefits for retired commissioned officers of the Coast Guard, the Public Health Service Commissioned Corps, and the National Oceanic and Atmospheric Commissioned Corps and their survivors and dependents, classified in the fiscal year 1979 budget in subfunctional category 551 (health care services) or in subfunctional category 306 (other natural resources).

(D) Retired pay of military personnel of the Coast Guard and Coast Guard Reserve, members of the former Lighthouse Service, and for annuities payable to beneficiaries of retired military personnel under the retired serviceman's family protection plan (10 U.S.C. 1431–1446) and survivor benefit plan (10 U.S.C. 1447–1455), classified in the fiscal year 1979 budget in subfunctional category 403 (Water transportation).

(E) Payments to the Central Intelligence Agency Retirement and Disability Fund, classified in the fiscal year 1979 budget in subfunctional category 054 (Defense-related activities).

(F) Payments to the Civil Service Retirement and Disability Fund for financing unfunded liabilities, classified in the fiscal year 1979 budget in subfunctional category 805 (Central personnel management).

(G) Payments to the Foreign Service Retirement and Disability Fund, classified in the fiscal year 1979 budget in subfunctional category 153 (Conduct of foreign affairs).

(H) Payments to the Federal Old-Age and Survivors Insurance and the Federal Disability Insurance Trust Funds, classified in the fiscal year 1979 budget in various subfunctional categories.

(I) Administration of the retirement and disability programs set forth in this section.

(b) If a question is raised in the Senate with respect to the application of any paragraph of subsection (a) to any bill, resolution, or amendment, or to any provision of law, the Presiding Officer shall submit the question to the Senate for decision.

SEC. 104. (a) It is the sense of the Congress that all programs should be considered and reauthorized in program categories which constitute major areas of legislative policy. Such authorizations should be for sufficient periods of time to enhance oversight and the review and evaluation of Government programs.

(b) The reauthorization schedule contained in section 101(b) may be changed by concurrent resolution of the two Houses of the Congress (except that changes in the schedule affecting permanent appropriations may be made only by law).

(c) All messages, petitions, memorials, concurrent resolutions, and bills proposing changes in section 101(b) and all bills proposing changes in section 103(a), shall be referred first to the committee with legislative jurisdiction over any program affected by the proposal and sequentially to the Committee on Rules in the House of Representatives or to the Committee on Rules and Administration in the Senate as provided for in subsection (d).

(d) Except as provided in subsection (f), the Committee on Rules in the House of Representatives or the Committee on Rules and Administration in the Senate shall report any concurrent resolution or bill referred to it under the provisions of subsection (c) and which previously has been reported favorably by a committee of legislative jurisdiction within thirty days (not counting any day on which the Senate or the House of Representatives is not in session), beginning with the day following the day on which such resolution or bill is so referred, with its recommendations.

(e) The recommendations of the Committee on Rules or the Committee on Rules and Administration pursuant to subsection (d) or (f) shall include a statement on each of the following matters:

(1) The effort the proposed change would have on the sunset reauthorization schedule.

(2) The effect the proposed change would have on the jurisdictional and reauthorization responsibilities and workloads of the authorizing committees of Congress.

(3) Any suggested grouping of similar programs which would further the goals of this Act to make more effective comparisons between programs having like objective.

(f) Any concurrent resolution or bill proposing a change in section 101(b) or 103(a) which has been reported by a committee before July 1, 1980, shall be referred in the House to the Committee on Rules and in the Senate to the Committee on Rules and Administration. Such committee shall report an omnibus concurrent resolution or bill containing its recommendations regarding the proposed changes by August 1, 1980, and consideration of such bill or resolution shall be highly privileged in the House of Representatives and privileged in the Senate. The provisions of subsections (c) and (d) of section 1017 of the Impoundment Control Act of 1974, insofar as they relate to consideration of rescission bills, shall apply to the consideration of concurrent resolutions and bills proposing changes reported pursuant to this subsection, amendments thereto, motions and appeals with respect thereto, and conference reports thereon.

(g) It shall not be in order in the Senate or the House of Representatives to consider a bill or resolution reported pursuant to subsection (b), (c), (d), or (f) which proposes a reauthorization date for a program beyond the final reauthorization date of the sunset reauthorization cycle then in progress. Notwithstanding, the preceding sentence, it shall be in order to consider a bill or resolution for the purpose of considering an amendment which meets the requirements of this subsection.

TITLE II—PROGRAM INVENTORY

SEC. 201. (a) The Comptroller General and the Director of the Congressional Budget Office, in cooperation with the Director of the Congressional Research Service, shall prepare an inventory of Federal programs (hereafter in this title referred to as the 'program inventory').

(b) The purpose of the program inventory is to advise and assist the Congress in carrying out the requirements of titles I and III. Such inventory shall not in any way bind the committees of the Senate or the House of Representatives with respect to their responsibilities under such titles and shall not infringe on the legislative and oversight responsibilities of such committees. The Comptroller General shall compile and maintain the inventory, and the Director of the Congressional Budget Office shall provide budgetary information for inclusion in the inventory.

(c) Not later than January 1, 1980, the Comptroller General, after consultation with the Director of the Congressional Budget Office and the Director of the Congressional Research Service, shall submit the program inventory to the Senate and House of Representatives.

(d) In the report submitted under this section, the Comptroller General, after consultation and in cooperation with and consideration of the views and recommendations of the Director of the Congressional Budget Office, shall group programs into program areas appropriate for the exercise of the review and re-examination requirements of this Act. Such groupings shall identify program areas in a manner which classifies each program in only one functional and only one subfunctional category and which is consistent with the structure of national needs, agency missions, and basic programs developed pursuant to section 201(i) of the Budget and Accounting Act, 1921.

(e) The program inventory shall set forth for each program each of the following matters:

(1) The specific provision(s) of law authorizing the program.

(2) The committees of the Senate and the House of Representatives which have legislative or oversight jurisdiction over the program.

(3) A brief statement of the purpose or purposes to be achieved by the program.

(4) The committees which have jurisdiction over legislation providing new budget authority for the program, including the appropriate subcommittees of the Committees on Appropriations of the Senate and the House of Representatives.

(5) The agency and, if applicable, the subdivision thereof responsible for administering the program.

(6) The grants-in-aid, if any, provided by such program to State and local governments.

(7) The next reauthorization date for the program.

(8) A unique identification number which links the program and functional category structure.

(9) The year in which the program was originally established and, where applicable, the year in which the program expires.

(10) Where applicable, the year in which new budget authority for the program was last authorized and the year in which current authorizations of new budget authority expire.

(f) The inventory shall contain a separate tabular listing of programs which are not required to be reauthorized pursuant to section 101(c).

(g) The report also shall set forth for each program whether the new budget authority provided for such programs is—

(1) authorized for a definite period of time;

(2) authorized in a specific dollar amount but without limit of time;

(3) authorize without limit of time or dollar amounts;

(4) not specifically authorized; or

(5) permanently provided,

as determined by the Director of the Congressional Budget Office.

(h) For each program or group of programs, the program inventory also shall include information prepared by the Director of the Congressional Budget Office indicating each of the following matters:

(1) The amounts of new budget authority authorized and provided for the program for each of the preceding four fiscal years and, where applicable, the four succeeding fiscal years.

(2) The functional and subfunctional category in which the program is presently classified and was classified under the fiscal year 1979 budget.

(3) The identification code and title of the appropriation account in which budget authority is provided for the program.

SEC. 202. The General Accounting Office, the Congressional Research Service, and the Congressional Budget Office shall permit the mutual exchange of available information in their possession which would aid in the compilation of the program inventory.

SEC. 203. The Office of Management and Budget, and the Executive agencies and the subdivisions thereof shall, to the extent necessary and possible, provide the General Accounting Office with assistance requested by the Comptroller General in the compilation of the program inventory.

SEC. 204. Each committee of the Senate and the House of Representatives, the Congressional Budget Office, and the Congressional Research Service shall review the program inventory as submitted under section 201 and not later than March 1, 1980, each shall advise the Comptroller General of any revisions in the composition or identification of programs and groups of programs which it recommends. After full consideration of the reports of all such committees and officials, the Comptroller General in consultation with the committees of the Senate and the House of Representatives shall report, not later than May 1, 1980, a revised program inventory to the Senate and the House of Representatives.

SEC. 205. (a) The Comptroller General, after the close of each session of the Congress, shall revise the program inventory and report the revisions to the Senate and the House of Representatives.

(b) After the close of each session of the Congress, the Director of the Congressional Budget Office shall prepare a report, for inclusion in the revised inventory, with respect to each program included in the program inventory and each program established by law during such session, which includes the amount of the new budget authority authorized and the amount of new budget authority provided for the current fiscal year and each of the five succeeding fiscal years. If new budget authority is not authorized or provided or is authorized or provided for an indefinite amount for any of such five succeeding fiscal years with respect to any program, the Director shall make projections of the amounts of such new budget authority necessary to be authorized or provided for any such fiscal year to maintain a current level of services.

(c) Not later than one year after the first or any subsequent reauthorization date, the Director of the Congressional Budget Office, in consultation with the Comptroller General and the Director of the Congressional Research Service, shall compile a list of the provisions of law related to all programs subject to such reauthorization date for which new budget authority was not authorized. The Director of the Congressional Budget Office shall include such a list in the report required by subsection (b). The committees with legislative jurisdiction over the affected programs shall study the affected provisions and make any recommendations they deem to be appropriate with regard to such provisions to the Senate and the House of Representatives.

SEC. 206. The Comptroller General and the Director of the Congressional Budget Office shall include in their respective reports to the Congress pursuant to sections 202(f) and 702(e) of the Congressional Budget Act of 1974 an assessment of the adequacy of the functional and subfunctional categories contained in section 101(b) for grouping programs of like missions or objectives.

SEC. 207. (a) The Director of the Congressional Budget Office shall tabulate and issue an annual report on the progress of congressional action on bills and resolutions reported by a committee of either House or passed by either House which authorize the enactment of new budget authority for programs.

(b) The report shall include an up-to-date tabulation for the fiscal year begining October 1 and the succeeding four fiscal years of the amounts of budget authority (1) authorized by law or proposed to be authorized in any bill or resolution reported by any committee of the Senate or the House of Representatives, or (2) if budget authority is not authorized or proposed to be authorized for any of the five fiscal years, the amounts necessary to maintain a current level of services for programs in the inventory.

(c) The Director of the Congressional Budget Office shall issue periodic reports on the programs and the provisions of laws which are scheduled for reauthorization in each Congress pursuant to the reauthorization schedule in section 101(b). In these reports, the Director shall identify each provision of law which authorizes the enactment of new budget authority for programs scheduled for reauthorization and the title of the appropriation bill, or part thereof, which would provide new budget authority pursuant to each authorization.

TITLE III—PROGRAM REEXAMINATION

SEC. 301. (a) Each committee of the Senate and the House of Representatives periodically shall provide through the procedure established in section 302, for the conduct of a comprehensive reexamination of selected programs or groups of programs over which it has jurisdiction.

(b) In selecting programs and groups of programs for reexamination, each committee shall consider each of the following matters:

(1) The extent to which substantial time has passed since the program or group of programs has been in effect.

(2) The extent to which a program or group of programs appears to require significant change.

(3) The resources of the committee with a view toward undertaking reexaminations across a broad range of programs.

(4) The desirability of examining related programs concurrently.

SEC. 302. (a)(1) The funding resolution first reported by each committee of the Senate in 1981, and thereafter for the first session of each Congress, shall include a section setting for the committee's plan for reexamination of programs under this title. Such plan shall include each of the following matters:

(A) The programs to be reexamined and the reasons for their selection.

(B) The scheduled completion date for each program reexamination: *Provided*, That such date shall not be later than the end of the Congress preceding the Congress in which the reauthorization date applicable to a program occurs as provided in section 101 (b), unless the committee explains in a statement in the report accompanying its proposed funding resolution the reasons for a later completion date, except that reports on programs scheduled for reauthorization during the 97th Congress and selected for reexamination in a committee's plan adopted in 1981 may be submitted at any time until February 15, 1982.

(C) The estimated cost for each reexamination.

(2) The report accompanying the funding resolution reported by each committee in 1981 and thereafter for the first session of each Congress, shall with respect to each reexamination include in its plan both the following matters:

(A) A description of the components of the reexamination.

(B) A statement of whether the reexamination is to be conducted (i) by the committee, or (ii) at the request and under the direction of or under contract with, the committee, as the case may be, by one or more instrumentalities of the legislative branch, one or more instrumentalities of the executive branch, or one or more nongovernmental organizations, or (iii) by a combination of the foregoing.

(3) It shall not be in order to consider a funding resolution reported by a committee of the Senate in 1981, and thereafter for the first session of a Congress unless—

(A) such resolution includes a section containing the information described in paragraph (1) and the report accompanying such resolution contains the information described in paragraph (2); and

(B) the report required by subsection (c) with respect to each program reexamination scheduled for completion during the preceding Congress by such committee has been submitted for printing.

(4) It shall not be in order to consider an amendment to the section of a funding resolution described in paragraph (1) reported by a committee for a year—

(A) if such amendment would require reexamination of a program which has been reexamined by such committee under this section during any of the five preceding years;

(B) if such amendment would cause such section not to contain the information described in paragraph (1) with respect to each program to be reexamined by such committee; or

(C) if notice in writing of intention to propose such amendment has not been given to such committee and the committee on Rules and Administration in the Senate not later than January 20 of the calendar year in which such year begins or the first day of the session of the Congress in which such year begins, whichever is later. The notice required by this subparagraph shall include the substance of the amendment intended to be proposed and, if such amendment would add one or more programs to be reexamined, shall include the information described in paragraphs (1) and (2) with respect to each such program. This subparagraph shall not apply to amendments proposed by such committee or by the Committee on Rules and Administration, as the case may be.

(b) In order to achieve coordination of program reexamination each committee shall, in preparing each reexamination plan required by subsection (a), consult with appropriate committees of the Senate or appropriate committees of the House of Representatives, as the case may be, and shall inform itself of related activities of and support or assistance that may be provided by (1) the General Accounting Office, the Congressional Budget Office, the Congressional Research Service, and the Office of Technology Assessment, and (2) appropriate instrumentalities in the executive and judicial branches.

(c) Each committee shall prepare and have printed a report with respect to each reexamination completed under this title. Each such report shall be delivered to the Secretary of the Senate not later than the date specified in the resolution and printed as a Senate document. To the extent permitted by law or regulation, such number of additional copies as the committee may order shall be printed for the use of the committee. If two or more committees have legislative jurisdiction over the same program or portions of the same program, such committees may reexamine such program jointly and submit a joint report with respect to such reexamination.

(d) The report pursuant to subsection (c) shall set forth the findings, recommendations, and justifications with respect to the program, and shall include to the extent the committee deems appropriate, each of the following matters:

(1) An identification of the objectives intended for the program and the problem it was intended to address.

(2) An identification of any trends, developments, and emerging conditions which are likely to affect the future nature and extent of the problems or needs which the program is intended to address and an assessment of the potential primary and secondary effects of the proposed program.

(3) An identification of any other program having potentially conflicting or duplicative objectives.

(4) A statement of the number and types of beneficiaries or persons served by the program.

(5) An assessment of the effectiveness of the program and the degrees to which the original objectives of the program or group of programs have been achieved.

(6) An assessment of the cost effectiveness of the program, including where appropriate, a cost-benefit analysis of the operation of the program.

(7) An assessment of the relative merits of alternative methods which could be considered to achieve the purposes of the program.

(8) Information on the regulatory, privacy, and paperwork impacts of the program.

(e) A report submitted pursuant to this section shall be deemed to satisfy the reauthorization review requirements of title I.

SEC. 303. (a) Each department or agency of the executive branch which is responsible for the administration of a program selected for reexamination pursuant to this title, shall, not later than six months before the completion date specified for reexamination reports pursuant to section 302(a)(1) (B), submit to the Office of Management and Budget and to the appropriate committee(s) of the Senate and the House of Representatives a report of its findings, recommendations, and justifications with respect to each of the matters set forth in section 302(d), and the Office of Management and Budget shall submit to such committee(s) such comments as it deems appropriate.

(b) With respect to programs selected for review pursuant to a plan adopted by a committee in 1981, the respective committees and department or agency may provide for a more appropriate time for submission of the report required by this section.

SEC. 304. For the purposes of this title:

(1) The term "funding resolution" means, with respect to each committee of the Senate, the first authorization resolution reported by such committee for a year under section 133(g) of the Legislative Reorganization Act of 1946, or any action taken in lieu of such funding resolution, which in any event shall occur not later than May 15.

(2) An amendment to a funding resolution includes a resolution of the Senate which amends such funding resolution.

TITLE IV—CITIZENS' COMMISSION ON THE ORGANIZATION AND OPERATION OF GOVERNMENT

SEC. 401. There is authorized to be established, as an independent instrumentality of the United States, the Citizens' Commission on the Organization and Operation of Government (hereinafter in this title referred to as the "Commission").

SEC. 402. It is hereby declared to be the policy of the Congress to promote economy, efficiency, and improved service in the transaction of the public business in the departments, agencies, independent instrumentalities, and other authorities of the executive branch of the Government.

SEC. 403. (a) The Commission shall conduct a nonpartisan study and investigation of the organization and methods of operation of all departments, agencies, independent instrumentalities, and authorities of the executive branch of the Government in the following major policy areas:

(1) International affairs and defense.
Functions:
050—National defense.
150—International affairs.
(2) Resources and technology.
Functions:
250—General science, space, and technology.
270—Energy.
300—Natural resources and environment.
(3) Economic development.
Functions:
350—Agriculture.
370—Commerce and housing credit.
400—Transportation.
450—Community and regional development.
(4) Human resources.
Functions:
500—Education, training, employment, and social services.
550—Health.
600—Income security.
700—Veterans benefits and services.
(5) General Government.
Functions:
750—Administration of justice.
800—General Government.
850—General purpose fiscal assistance.
900—Interest.

The Commission shall make such recommendation as it determines necessary to—

(1) increase the effectiveness of Government services, programs, and activities by changing the structure and execution of administrative responsibilities;

(2) improve delivery of services through elimination of needless duplication or overlap, consolidation of similar services, programs, activities, and functions, and termination of such services, programs, and activities which have outlived their intended purpose;

(3) maintain expenditures at levels consistent with the efficient performance of essential services, programs, activities, and functions;

(4) simplify and eliminate overlaps in agency regulatory functions by review of the laws, regulations, and administrative reports and procedures; and

(5) determine the appropriate responsibilities of each level of government, the manner and alternative means for each level of government to finance such responsibilities, the forms and extent of intergovernmental aid and assistance, and the organization required for proper balance and division of respective Federal, State, and local government roles, responsibilities, and authorities.

(b) The Commission shall submit to the President, the Committee on Governmental Affairs of the Senate, and the Committee on Government operations of the House of Representatives such interim reports as it deems advisable, and, not later than four years after the appointment and qualification of a majority of the Commission Members, a final report setting forth the Commission's findings and recommendations. The final report of the Commission shall include the comments of the appropriate congressional committees.

(c) At least once every year for two years after the submission of the final report, the Comptroller General shall report to the Congress on the status of actions taken on the Commission's final report.

SEC. 404. (a) The Commission shall be composed of fifteen members appointed from among individuals with extensive experience in or knowledge of United States Government as follows:

(1) Five members appointed by the President by and with the advice and consent of the Senate.

(2) Five members appointed by the President pro tempore of the Senate, three upon recommendation of the majority leader and two upon recommendation of the minority leader of the Senate.

(3) Five members appointed by the Speaker of the House of Representatives, three upon recommendation of the majority leader and two upon recommendation of the minority leader of the House.

(b)(1) Two members appointed under subsection (a)(1) shall be appointed to serve as Chairman and Vice Chairman (as provided in paragraph (2) of this subsection) and shall not engage in any other business, vocation, or employment. Such two members shall not be of the same political affiliation.

(2) The member described in paragraph (1) who is, when appointed, not of the same political affiliation as the President shall serve as Chairman of the Commission and the other such member shall serve as vice Chairman of the Commission.

(c) Of the members appointed and qualified under subsection (a)(1) other than the members to whom subsection (b) applies, not more than two shall be of the same political affiliation.

(d) Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner in which the original appointment was made.

(e) Eight members of the Commission shall constitute a quorum, but the Commission may establish a lesser number to constitute a quorum for the purpose of holding hearings.

SEC. 405. (a) The Commission or, on the authorization of the Commission, any subcommittee or member thereof, may, for the purpose of carrying out the provisions of this title, hold such hearings and sit and act at such times and places, administer such oaths, and require, by subpena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memoranda, papers, and documents as the Commission or such subcommittee or member may deem advisable.

(b)(1) Subpenas shall be issued under the signature of the Chairman or any member of the Commission designated by him and shall be served by any person designated by the Chairman or such member. Any member of the Commission may administer oaths or affirmation to witnesses appearing before the Commission.

(2) The provisions of section 1821 of title 28, United States Code, shall apply to witnesses summoned to appear at any such hearing. The per diem and mileage allowances to witnesses summoned under authority conferred by this section shall be paid from funds appropriated to the Commission.

(3) Any person who willfully neglects or refuses to appear, or refuses to qualify as a witness, or to testify, or to produce any evidence in obedience to any subpena duly issued under the authority of this section shall be fined not more than $500, or imprisoned for not more than six months, or both. Upon the certification by the Chairman of the Commission of the facts concerning any such willful disobedience by any person to the United States attorney for any judicial district in which such person resides or is found, such attorney may proceed by information for the prosecution of such person for such offense.

(c) The Commission is authorized to secure directly from the head of any department, agency, independent instrumentality, or other authority of the executive branch of the Government, available information which the Commission deems useful in the discharge of its duties. All departments, agencies, independent instrumentalities, and other authorities of the executive branch of the Government shall cooperate with the Commission and furnish all information requested by the Commission in accordance with existing law.

SEC. 406. (a) Subject to such rules and regulations as may be adopted by the Commission, the Commission shall have the power—

(1) to appoint and fix the compensation of an Executive Director and such additional staff personnel as it deems necessary in accordance with the provisions of title 5, United States Code, governing appointments in the competitive service, and chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, and—

(A) in the case of the Executive Director, at a rate equal to that of level V of the Executive Schedule under section 5316 of title 5, United States Code; and

(B) in the case of not more than three additional staff members, at rates not in excess of the maximum rate for GS-18 of the General Schedule under section 5332 of such title; and

(2) to procure temporary and intermittent services to the same extent as is authorized by section 3109 of title 5, United States Code.

(b) The Commission is authorized to enter into agreements with the General Services Administration for procurement of necessary financial and administrative services, for which payment shall be made by reimbursement from funds of the Commission in such amounts as may be agreed upon by the Chairman and the Administrator of the General Services Administration.

SEC. 407. (a) The Chairman of the Commission shall receive compensation at a rate equal to the rate prescribed for level III of the Executive Schedule under section 5314 of title 5, United States Code, and the Vice Chairman shall receive compensation at a rate equal to the rate prescribed for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

(b) All other members of the Commission who are not officers or employees of the Federal Government shall receive compensation at the rate of $200 for each day such member is engaged in the performance of the duties vested in the Commission.

(c) Members of the Commission shall be reimbursed for travel, subsistence, and other necessary expenses incurred in connection with their activities as members of the Commission.

SEC. 408. The Commission shall cease to exist ninety days after the submission of its final report.

SEC. 409. There is authorized to be appropriated until September 30, 1984, without fiscal year limitations, the sum of $4,000,000 to carry out the provisions of this title.

SEC. 410. The Commission shall be subject to the Federal Advisory Committee Act.

TITLE V—REGULATORY IMPACT

SEC. 501. (a) The Congress finds that the Government regulation can at times be more of a burden than a benefit to American consumers, American businesses, and to the American economy as a whole.

(1) Regulatory policies often have contributed to inflation through approval of regulations not commensurate with the public interest, frequently without due consideration of the relative costs and benefits involved in such decisions, without due consideration of the competitive impact of such decisions, or without adequate provision for public participation in such decisions.

(2) Some regulatory policies harm both industry and consumers by denying businesses the chance to compete and by depriving consumers of the lower prices and diversity of services that greater competition can present.

(3) Too often, regulatory agencies have neglected critical economic issues, and failed to set clear priorities, articulate cogent policies, or to integrate planning into operational functions. As a result, certain agencies have fostered a pattern of red tape, stagnation, and waste, which has led to public frustration and confusion.

(4) Frequent use of inefficient after-the-fact case-by-case adjudication, rather than general rulemaking, by most regulatory agencies has burdened business with excessive paperwork and unreasonable delays, impaired the ability of many industries to adopt to changing market conditions and beneficial new technology, and contributed to price rises, inefficiencies, and misallocations of resources.

(5) By consistently failing to take consumer and business interests adequately into account and by arbitrarily limiting the operation of the free enterprise system, regulatory agencies too often have poorly served the public interest in disregard of their congressional mandates.

(b)(1) It is the purpose of this title to require over a period of ten years the President to submit once in each Congress and to encourage the Congress to act upon, a plan designed to prevent unnecessary or harmful regulation which has led to inflationary consumer prices, a reduction of competition in the providing of important goods and services, and other economic inefficiencies that disrupt the operation of a free enterprise system without correspondingly benefiting the health, safety, or economic welfare of the Nation.

(2) It is the further purpose of this title to require that regulation by the Federal Government be systematically and comprehensively reviewed and modified so as to assure that such regulation, where it is necessary, is aimed at and structured to achieve substantial benefits to the Nation exceeding the costs thereof, and toward this end, that each regulatory agency perform its mandated responsibilities in the most effective and least dilatory and costly manner so as to maximize the intended benefits to the Nation.

AGENCY REFORM PLANS

SEC. 502. (a) Not later than the first day of February in the first session of the Ninety-seventh Congress, the Ninety-eighth Congress, the Ninety-ninth Congress, the One-hundredth Congress, and the One-hundred and first Congress, the President shall submit an analysis containing the information required to be included under subsection (b) and the President shall submit a legislative plan containing the information called for in subsection (c) as follows:

(1) By April 1, 1981, a plan with respect to regulation of securities, trade practices, banking and finance, and communications matters by the following agencies:

(A) Securities and Exchange Commission.

(B) Federal Trade Commission.

(C) Office of Comptroller of the Currency.

(D) Federal Deposit Insurance Corporation.

(E) Federal Communications Commission.

(2) By April 1, 1983, a plan with respect to regulation of surface transportation and safety matters by the following agencies:

(A) National Highway Traffic Safety Administration.

(B) Interstate Commerce Commission.

(3) By April 1, 1985, a plan with respect to regulation or environmental, occupational, and food and health safety matters by the following agencies:

(A) Food and Drug Administration.

(B) Consumer Product Safety Commission.

(C) Environmental Protection Agency.

(D) Occupational Safety and Health Administration.

(4) By April 1, 1987, a plan with respect to regulation of air transportation matters by the following agencies:

(A) Civil Aeronautics Board.

(B) Federal Aviation Administration.

(5) By April 1, 1989, a plan with respect to regulation of energy and maritime transportation by the following agencies:

(A) Federal Maritime Commission.

(B) Federal Energy Regulatory Administration.

(C) Nuclear Regulatory Commission.

(b) An analysis submitted by the President pursuant to subsection (a) shall contain the following information with respect to agencies or designated units thereof which are referenced in paragraphs (1) through (5) of subsection (a)—

(1) the purposes for which each agency was established;

(2) significant changes which have occurred in the areas regulated by each agency, the impact of such changes on the effectiveness of the agency, and the continued appropriateness of those original purposes;

(3) the net impact of the agency and the degree to which it has accomplished its purposes;

(4) the timeliness of agency decisionmaking;

(5) the cost-effectiveness and efficiency of the operations of each agency;

(6) the extent to which agency actions may contribute to inflation; and

(7) consideration of practical alternative approaches to achieving presently demonstrated regulatory needs.

(c) A legislative plan submitted by the President pursuant to subsection (a) shall include specific legislation following up on the analysis earlier submitted by the President with respect to agencies or designated units thereof which are referenced in paragraphs (1) through (5) of subsection (a), and may include—

(1) recommendations for the transfer, consolidation, modification, or elimination of agency functions;

(2) recommendations for organizational, structural, and procedural reforms;

(3) recommendations for the merger, modification, establishment, or abolition of agencies or their enabling legislation;

(4) recommendations for eliminating or phasing out outdated, overlapping, or conflicting agency rules and mandates;

(5) recommendations for alleviating agency delays;

(6) recommendations for increasing public participating in agency proceedings;

(7) recommendations for making agency regulation more cost-effective; and

(8) recommendations for increasing economic competition.

(d) The plans submitted by the President pursuant to subsections (a) and (c) shall be referred to the committee(s) of the House of Representatives and the Senate with legislative jurisdiction over the agencies affected by the plan(s).

(e) The "Reauthorization Review" required by section 102(a) shall include a new section (5) as follows:

(5) a comparison between the recommendation of the committee and the regulatory reform plan submitted pursuant to this title, and the basis for the committee recommendation, for the program or agency which would be reauthorized by the legislation which this report accompanies.

(f) Along with each plan submitted by the President pursuant to subsections (a) and (c), the President shall report on the cumulative impact on specific industry groupings of all Government regulatory activity reviewed to that date. The report shall include recommendations to ensure that the cumulative impact of Government regulation is in the Nation's best interests. Wherever practicable, in the formulation of each plan, the President shall give explicit consideration to the particular impact of Government regulatory activity on the following relevant industry groupings:

(1) transportation and agriculture industries;

(2) mining, heavy manufacturing, and public utilities industries;

(3) construction and light manufacturing industries; and

(4) communications, finance, insurance, real estate, trade, and service industries.

LEGISLATIVE AGENCY REVIEW

SEC. 503. (a) The Comptroller General of the United States and the Director of the Congressional Budget Office shall submit, contemporaneously with the submission of the analysis required under subsection 502 (b), a report assessing each of the agencies to be included in the plan submitted by the President with respect to the same criteria set forth in that subsection.

(b) The Comptroller General of the United States and the Director of the Congressional Budget Office shall submit to the Congress not later than June 1 of each year in which a plan is submitted by the President as provided in subsections 502 (a) and (c) of this title, a complete and thorough analysis of such plan.

TITLE VI—GOVERNMENT ACCOUNTABILITY

SEC. 601. (a) At the beginning of the ninety-seventh Congress and every two years thereafter the President shall submit to the Congress a report on the management of the executive branch (hereinafter called the Management Report). The Management Report shall be submitted as part of the budget on the same day as the budget is transmitted to the Congress under section 201 of the Budget and Accounting Act, 1921.

(b) It is the intent of Congress that the President shall be granted full discretion in the design of the Management Report provided that—

(1) Programs shall be—

(i) designated within each executive department and within each independent establishment, according to their relative effectiveness, as "excellent", "adequate", or "unsatisfactory", and

(ii) ranked as to their effectiveness relative to all other programs within each category in that executive department or within that independent establishment.

(2) The designation and ranking of programs as to relative effectiveness shall be determined by the degree to which each program's statutory objective is being met, which shall be based on—

(i) the clarity of the statutory design and objective upon which the program is based,

(ii) the overall design of the program as effectuated by the responsible executive department or independent establishment, and

(iii) the overall quality of the management of the program by the responsible executive department or independent establishment.

(c) The Management Report shall include the President's reasons for the program designations and rankings he has made.

(d) The Management Report shall include a list of those programs or areas the President recommends for administrative or congressional improvement during that Congress.

(e) The Management Report shall include the report of the Director of the Office of Management and Budget required under section 602 of this Act, including the President's recommendations and proposed actions pursuant to it.

SEC. 602. (a) The Director of the Office of Management and Budget (hereinafter called the Director) shall provide an evaluative report on Federal programs to the President which shall be forwarded to the Congress by the President with his Management Report.

(b) In his report the Director shall identify any programs that are contradictory to other Federal programs and recommend corrective legislation. The Director shall also recommend the termination or modification of any programs whose relative ineffectiveness no longer justifies continued Federal expenditures or only justifies a lower level of Federal expenditures.

SEC. 603. The President may from time to time submit to the Congress reports supplementary to the Management Report, each of which shall include such supplementary or revised recommendations as he may deem necessary or desirable to achieve the purposes of this Act. The Director may, from time to time, submit to the President reports supplementary to the report required by section 602.

SEC. 604. (a) For the purposes of this title:

(1) The term "program" means an organized set of activities carried out pursuant to separate statutory authorization or for which Federal expenditures are specifically allocated by the Federal Government, and which can be evaluated in terms of relative effectiveness in pursuing a governmental goal, but shall not include national foreign intelligence activities.

(2) The term "executive department" shall have the meaning given it in section 101 of title 5, United States Code.

(3) The term "independent establishment" shall have the meaning given it in section 104 of title 5, United States Code, except that it includes the United States Postal Service and the Postal Rate Commission but does not include the General Accounting Office or the Independent Regulatory Agencies.

TITLE VII—MISCELLANEOUS

SEC. 701. Section 206 of the Budget and Accounting Act, 1921 (31 U.S.C. 15), is amended by inserting immediately before the period a comma and "or at the request of a committee of either House of Congress presented after the day on which the President transmits the budget to the Congress under section 201 of this Act for the fiscal year".

SEC. 702. Nothing in this Act shall require the public disclosure of matters that are specifically authorized under criteria established by an Executive order to be kept secret in the interest of national defense or foreign policy and are in fact properly classified pursuant to such Executive order, or which are otherwise specifically protected by law. In addition nothing in this Act shall require any committee of the Senate to disclose publicly information the disclosure of which is governed by Senate Resolution 400, Ninety-fourth Congress, or any other rule of the Senate.

SEC. 703. (a) The provisions of this section and sections 101(a), 101(b), 101(c)(1), 101(c)(2), 101(c)(5), 102, 103(b), 104(a), 104(c), 104(d), 104(e), 104(f), 104(g), title III (except section 303) section 705, and section 706 of this Act are enacted by the Congress—

(1) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they shall be considered as part of the rules of each House, respectively, or of that House to which they specifically apply, and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of either House to change such rules (so far as relating to such House) is any time, in the same manner, and to the same extent as in the case of any other rule of such House.

(b) In the Senate, paragraphs (2) and (5) of section 101(c) shall also be treated as amendments to rule XVI of the Standing Rules of the Senate.

(c) Any provision of this Act which is enacted as an exercise of the rulemaking power of the Senate may be waived or suspended in the Senate by a majority vote of the Members voting.

SEC. 704. (a)(1) To assist in the review or reexamination of a program, the head of an agency which administers such program and the head of any other agency, when requested, shall provide to each committee of the Senate and the House of Representatives which has legislative jurisdiction over such program such studies, information, analyses, reports, and assistance as the committee may request.

(2) Not later than six months prior to the first reauthorization date specified for a program in section 101(b) the head of the agency which administers such program or the head of any other agency, when requested by a committee of the Senate or House of Representatives, shall conduct a review of those regulations currently promulgated and in use by that agency which the committee specifically has requested be reviewed and submit a report to the Senate or the House of Representatives as the case may be, setting forth the regulations that agency intends to retain, eliminate, or modify if the program is reauthorized and stating the basis for its decision.

(3) On or before October 1 of the year preceding the Congress in which occurs the reauthorization date for a program, the Comptroller General shall furnish to each committee of the Senate and the House of Representatives which has legislative jurisdiction over such program a listing of the prior audits and reviews of such program completed during the preceding six years.

(4) Consistent with the discharge of the duties and functions imposed by law on them or their respective Offices or Service, the Comptroller General, the Director of the Congressional Budget Office, the Director of the Office of Technology Assessment, and the Director of the Congressional Research Service shall furnish to each committee of the Senate and the House of Representatives such information, analyses, and reports as the committee may request to assist it in conducting reviews or evaluations of programs.

(b)(1) On or before October 1 of the year preceding the Congress in which occurs the reauthorization date for a program, the President, with the cooperation of the head of each appropriate agency, shall submit to the Congress a "Regulatory Duplication and Conflicts Report" for all such programs scheduled for reauthorization in the next Congress.

(2) Each such regulatory duplication and conflicts report shall—

(A) identify regulatory policies, including data collection requirements, of such programs or the agencies which administer them, which duplicate or conflict with each other or with rules or regulations or regulatory policies of other programs or agencies, and identify the provisions of law which authorize or require such duplicative or conflicting regulatory policies or the promulgation of such duplicative or conflicting rules or regulations;

(B) identify the regulatory policies, including data collection requirements, of such programs which are, or which tend to be, duplicative of or in conflict with rules or regulations or regulatory policies of State or local governments;

(C) contain recommendations which address the conflicts or duplications identified in subsections (A) and (B).

(3) The regulatory duplication and conflicts report submitted by the President pursuant to this subsection shall be referred to the committee(s) of the House of Representatives and the Senate with legislative jurisdiction over the programs affected by the reports.

SEC. 705. (a) For purposes of this section and title I, the term "required authorization waiver resolution" means only a resolution of the Senate or the House of Representatives—

(1) which is introduced by the chairman of a committee pursuant to subsection (b);

(2) which waives the provisions of subsection 101(c)(2) of this Act for the purpose of allowing consideration of a bill or resolution providing a new budget authority for a program for not more than one fiscal year in an amount which does not exceed the amount of new budget authority required to maintain the current level of services being provided during the fiscal year preceding the fiscal year for which new budget authority would be provided; and for purposes of this section, such current level of services shall be determined initially from the report submitted to the Congress pursuant to section 605 of the Congressional Budget Act of 1974 and shall be certified by the Director of the Congressional Budget Office; and

(3) the matter after the resolving clause of which is as follows: "That it is in order in the Senate (House of Representatives) to consider a bill (resolution) providing new budget authority for   for the fiscal year   in an amount not to exceed $." (with the first blank space being filled with identification of the program; the second blank space being filled with the fiscal year for which the new budget authority would be provided; and the third blank space being filled with the amount of new budget authority necessary to maintain the current level of services for such program for the fiscal year preceding the fiscal year for which such new budget authority would be provided).

(b) The chairman of the committee of the Senate or the House of Representatives having legislative jurisdiction over a program or programs shall introduce a required authorization waiver resolution for such program or programs not later than the fifth day (not counting any day on which the Senate or the House, as the case may be, is not in session) following the occurrence of either of the following:

(1) A bill authorizing the enactment of new budget authority for the same program or programs has been under consideration for not less than fifteen hours, including debate on the motion to consider the authorization bill, and no limitation of debate has been agreed to; or

(2) A bill authorizing the enactment of new budget authority for the same program or programs has been vetoed by the President and such veto has been sustained by either the Senate or the House of Representatives.

(c) A required authorization waiver resolution relating to a program introduced in, or received by, the Senate or the House of Representatives shall be referred to the appropriate committee of the Senate or the House of Representatives, as the case may be; except that any resolution introduced, received after September 1 of the second session of a Congress shall immediately be placed on the appropriate calendar. With respect to any resolution still pending before a committee on September 1, of the second session of a Congress, the committee shall be automatically discharged and the resolution placed on the appropriate calendar.

(d) The provisions of section 912 of title 5, United States Code, relating to the consideration of resolutions of disapproval of reorganization plans shall apply in the House of Representatives and the Senate to the consideration of required authorization waiver resolutions.

SEC. 706. The Committees on Governmental Affairs and on Rules and Administration of the Senate and the Committees on Government Operations and on Rules of the House of Representatives shall review the operation of the procedures established by this Act, and shall submit a report not later than December 31, 1986, and each five years thereafter, setting forth their findings and recommendations. Such reviews and reports may be conducted jointly.

SEC. 707. There are hereby authorized to be appropriated through fiscal year 1990 such sums as may be necessary to carry out the review requirements of titles I and III and the requirements for the compilation of the inventory of Federal programs as set forth in title II.

Mr. BIDEN. Mr. President, I am pleased to join today with Senator MUSKIE and others in reintroducing Sunset legislation and urging its prompt adoption by the Senate.

When adopted, it will provide Congress with an essential tool for reviewing the need for Federal programs; controlling the growth of Federal spending; alleviating the overkill of regulatory activity; and restraining the sprawling Federal bureaucracy. I know that is a lot to claim for one proposal. But I have been working on this idea for years—as has my friend and colleague from Maine—and I am convinced it can lead to more effective and responsible congressional control over our Government, without sacrificing a single essential Government service. In fact, it should enhance the provision of truly necessary Government services.

Simply stated, the bill would terminate most Federal spending programs automatically on a regular schedule. Then, after a careful review by the appropriate Senate committee, the Senate and the Congress would decide whether to continue the program—or modify it—or terminate it. The two parts go together—the possibility of termination forces a review—and the review assures that the decision to continue or not continue the program will be a rational one. It is really a very simple mechanism—like all good mechanisms. It is also good because it builds on the existing practice of reauthorization.

We need legislation of this kind because the American people know we are not doing our job of stemming the tide of Government growth in this country. They know we are not doing our best to provide effective programs to meet their needs, but are choosing the easy way of trying to overwhelm problems with a multitude of duplicative programs. This is clear from my constituent mail. I think the perennially low performance ratings that Congress gets shows this. So I have felt for a long time that Congress should act to control government before the electorate forces action upon us.

In considering this legislation it is important that the Senate dispense with further lengthy review and discussion. Sunset passed the Senate overwhelmingly last fall and it must do so again early this year. The ideas behind sunset are not new or difficult to understand. Both Senator MUSKIE and I introduced our original versions of sunset legislation in the 94th Congress. These proposals were studied by two Senate committees and a staff study group representing all committees. The Senate debated them at length before passing the legislation in 1978.

The history of sunset in the Senate is a long one. It is a history filled with careful study and lengthy hearings, but also, unfortunately, with delays which prevented its final passage in 1976 and again in 1978. I do not see how there can be further profitable study of this legislation. Rather, it is time for the Senate to pass it promptly so that the House of Representatives will have adequate time to consider and adopt it.

The sunset process is of particular importance right now because of the bleak outlook for Federal finances over the next few years. Congress is about to embark on the difficult course of bringing Federal spending under control; balancing the budget; and reducing the tax burden. It will not be easy. If we are to put our Government's financial affairs in order, it is essential that we use every available means to restrain Federal spending and eliminate waste and duplication. Four years of work on the sunset concept has convinced me that it is an essential tool. With the present rate of Federal spending we cannot get it too soon.

Mr. DOLE. Mr. President, the Senator from Kansas is pleased to be an original cosponsor of S. 10, a bill to protect the civil rights of institutionalized persons. In brief, the bill gives to the U.S. Attorney General the authority to institute civil action in an appropriate U.S. district court in instances where the constitutional and Federal statutory rights of institutionalized persons have been violated. I would like to thank the primary sponsors of this bill, the Senator from Indiana (Mr. BAYH) and the Senator from Utah (Mr. HATCH) for the work that they have done on this bill.

This legislation has the support of the National Association for Retarded Citizens, the Mental Health Association, the American Bar Association, and other legal organizations. The problems addressed with this legislation have nagged our society for years. I am hopeful this bill will extend the basic rights most of us take for granted to those who are now denied them.

In the past, the Attorney General has occasionally intervened to litigate on behalf of the mentally ill, the mentally retarded, juvenile delinquents, and the incarcerated in instances where abuse has occurred. Sometimes the Federal district courts have requested the help of the Attorney General. Recent court rulings have questioned the Attorney General's authority to become involved when civil rights of institutionalized persons have been violated. This bill would provide him with explicit authority, if all possible alternatives have been used.

I wish to make clear, however, that the Attorney General is not free to intervene until all State measures have been exhausted to resolve the problems. The Attorney General may not become involved until State grievance procedures have been used, and he must inform the State of the resources available to correct the substandard conditions.

The bill makes it very clear that the Attorney General may become involved only as a last resort, when State and local authorities have proven unable or unwilling to correct the injustices. Ideally, the Attorney General should never need to intervene.

However, experience has shown that many States have a poor record of protecting the institutionalized person. Oftentimes, it is a forgotten constituency, a neglected group of citizens which society finds easy to overlook. In addition, some States' attorneys general are bound by law to defend the agencies responsible for the unconstitutional conditions. It is simple to understand how conflicts of interest can occur.

Mr. President, this legislation is not radical, but it seeks to protect persons in our society who traditionally have been the most helpless, the most dependent, and therefore the most vulnerable. The institutionalized oftentimes do not know their rights, have no access to legal aid, and may be punished if they attempt to complain of their treatment.

After careful review of this legislation, I feel that appropriate measures have been taken to insure that the Attorney General may not intervene until every attempt has been made to correct the problem at the State level. Certainly, I have no wish to increase Federal participation in State matters, but where there is evidence that constitutional rights have been violated under the current system, then there needs to be redress. I believe this bill, S. 10, offers that correction, and I urge my colleagues to join in support of this legislation .

By Mr. HELMS:

S. 3. A bill to provide procedures for calling constitutional conventions for proposing amendments to the Constitution of the United States, on application of the legislatures of two-thirds of the States, pursuant to article V of the Constitution; to the Committee on the Judiciary.

FEDERAL CONSTITUTIONAL CONVENTION PROCEDURES ACT

Mr. HELMS. Mr. President, when, by the terms of article V, the legislatures of two-thirds of the States petition Congress to call a convention for proposing amendments, Congress is obligated to provide for such a convention. This procedure does not involve State "memorials" to Congress which give rise to no more than a moral obligation on the part of Congress and have no legal effect. The legislation which I am introducing implements article V by establishing procedures for a constitutional convention.

One of the most significant questions in this issue is whether once two-thirds of the States have acted, can Congress call a convention limited solely to the consideration of a single, specified amendment or can the convention, once brought into existence, revise the entire Constitution.

Of course, there is nothing to prevent State legislatures from submitting petitions calling for a general or so-called "wide-open" convention. In fact, several States have done so. But to transform every petition asking for a specific amendment into a call for a convention of general jurisdiction, constitutes a strained and simplistic interpretation of article V at odds with the drafting of article V and the constitutional powers of the States.

Article V is reduced to a dead letter and absurdity if Congress is forced to call a general convention to rewrite the entire Constitution after receiving, for example, calls from 12 States seeking a balanced, 10 States limiting taxes and 12 more States seeking to limit Presidential tenure. The fact that Congress has received over 350 different convention calls and has not yet acted to call a general convention, suggests that a specific convention call mandates a limited convention.

In 1971, the Senate Judiciary Committee reported that it was the responsibility of Congress "to enact legislation which makes article V meaningful" and not to make the constitutional convention "a dead letter."

In 1973, a special study committee of the American Bar Association concluded that it is important and proper for Congress to establish procedures for implementation of an article V convention and "improper to place unnecessary and unintended obstacles in the way of its use." I believe that distorting the intention of the framers of the Constitution to require that any convention called under article V must be a general convention is just such an unnecessary obstacle.

As James Madison explained in Federalist No. 43, article V "guards equally against that extreme facility which would render the Constitution too mutable; and that extreme difficulty which might perpetuate its discovered faults. It moreover equally enables the general and the State governments to originate the amendment of errors as they may be pointed out by experience." The Founding Fathers clearly intended the convention method to be a workable, although not easy, method of balancing inaction in Congress.

During the last Congress I introduced S. 1880, the Federal Constitutional Convention Procedures Act. This legislation, with the exception of several technical changes, is identical to that introduced by my friend and distinguished former Senator from North Carolina, the Honorable Sam J. Ervin, Jr., which passed the Senate in 1971 and 1973. It is identical to the legislation which I am introducing today.

Writing in the Michigan Law Review 10 years ago, Senator Ervin wisely stated: "the contention that any constitutional convention must be a wide open one is neither a practicable nor a desirable one. If the subject matter of amendments were to be left entirely to the convention, it would be hard to expect the States to call for a convention in the absence of a general discontent with the existing constitutional system. This construction would effectively destroy the power of the States to originate the amendment of errors pointed out by experience, as Madison expected them to do."

My legislation specifically provides that upon receipt of valid applications from two-thirds of the States requesting a convention on the same subject, Congress is required to call a convention by concurrent resolution, specifying in the resolution the nature of the amendment for which the convention is being called. My bill further provides that the convention may not propose amendments on other subjects, that the delegates to the convention must take an oath to that effect, and that if it does propose amendments in violation of the act, Congress may refuse to submit them to the States for ratification.

I believe that when a significant number of States call on Congress to propose a convention limited to a specific subject, that Congress will either limit the jurisdiction of such a convention or act favorably on the proposed amendment.

This legislation provides an even-handed, nonpartisan, and fair resolution of the problems inherent in calling a convention under article V. It provides these procedures now, in the absence of a constitutional crisis in which a dispassionate resolution of the problems may not be possible.

The procedures which this legislation establishes do not favor or assist any particular call for a constitutional convention. Support of this proposal should not be viewed as support or opposition to any presently proposed constitutional amendment or convention call.

Mr. President, perhaps the best analysis of the problems involved in proposing amendments through a constitutional convention was written by former Senator Ervin for the March, 1968, issue of the Michigan Law Review. That article, entitled "The Convention Method of Amending the Constitution," was recently reprinted in the spring, 1977, issue of the Human Life Review.

Mr. President, I ask unanimous consent that the following excerpts from former Senator Ervin's article and the text of the bill be printed at this point in the RECORD.

There being no objection the excerpts and bill were ordered to be printed in the RECORD, as follows:

S. 3

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Constitutional Convention Procedures Act".

APPLICATIONS FOR CONSTITUTIONAL CONVENTION

SEC. 2. The legislature of a State, in making application to the Congress for a constitutional convention under article V of the Constitution of the United States, shall adopt a resolution pursuant to this Act stating, in substance, that the legislature requests the calling of a convention for the purpose of proposing one or more amendments to the Constitution of the United States and stating the nature of the amendment or amendments to be proposed.

APPLICATION PROCEDURE

SEC. 3. (a) For the purpose of adopting or rescinding a resolution pursuant to section 2 or section 5 of this Act, the State legislature shall follow the rules of procedure that govern the enactment of a statute by that legislature, but without the need for approval of the legislature's action by the Governor of the State.

(b) Questions concerning the adoption of a State resolution cognizable under this Act shall be determinable by the Congress of the United States and its decisions thereon shall be binding on all others, including State and Federal courts.

TRANSMITTAL OF APPLICATIONS

SEC. 4. (a) Within thirty days after the adoption by the legislature of a State of a resolution to apply for the calling of a constitutional convention, the secretary of state of the State, or, if there be no such officer, the person who is charged by the State law with such function, shall transmit to the Congress of the United States two copies of the application, one addressed to the President of the Senate and one to the Speaker of the House of Representatives.

(b) Each copy of the application so made by any State shall contain—

(1) the title of the resolution;

(2) the exact text of the resolution signed by the presiding officer of each house of the State legislature; and

(3) the date on which the legislature adopted the resolution; and shall be accompanied by a certificate of the secretary of state of the State, or such other person as is charged by the State law with such function, certifying that the application accurately sets forth the text of the resolution.

(c) Within ten days after the receipt of a copy of any such application, the President of the Senate and Speaker of the House of Representatives shall report to the House of which he is presiding officer, identifying the State making application, the subject of the application, and the number of States then having made application on such subject. The President of the Senate and Speaker of the House of Representatives shall jointly cause copies of such application to be sent to the presiding officer of each house of the legislature of every other State and to each Member of the Senate and House of Representatives of the Congress of the United States.

EFFECTIVE PERIOD OF APPLICATION

SEC. 5. (a) An application submitted to the Congress by a State, unless sooner rescinded by the State legislature, shall remain effective for seven calendar years after the date it is received by the Congress, except that whenever within a period of seven calendar years two-thirds or more of the several States have each submitted an application calling for a constitutional convention on the same subject all such applications shall remain in effect until the Congress has taken action on a concurrent resolution, pursuant to section 6 of this Act, calling for a constitutional convention.

(b) A State may rescind its application calling for a constitutional convention by adopting and transmitting to the Congress a resolution of rescission in conformity with the procedure specified in sections 3 and 4 of this Act, except that no such rescission shall be effective as to any valid application made for a constitutional convention upon any subject after the date on which two-thirds or more of the State legislatures have valid applications pending before the Congress seeking amendments on the same subject.

(c) Questions concerning the rescission of a State's application shall be determined solely by the Congress of the United States and its decisions shall be binding on all others, including State and Federal courts.

CALLING OF A CONSTITUTIONAL CONVENTION

SEC. 6. (a) It shall be the duty of the Secretary of the Senate and the Clerk of the House of Representatives to maintain a record of all applications received by the President of the Senate and Speaker of the House of Representatives from States for the calling of a constitutional convention upon each subject. Whenever applications made by two-thirds or more of the States with respect to the same subject have been received, the Secretary and the Clerk shall so report in writing to the officer to whom those applications were transmitted, and such officer thereupon shall announce on the floor of the House of which he is an officer the substance of such report. It shall be the duty of such House to determine that there are in effect valid applications made by two-thirds of the States with respect to the same subject. If either House of the Congress determines, upon a consideration of any such report or of a concurrent resolution agreed to by the other House of the Congress, that there are in effect valid applications made by two-thirds or more of the States for the calling of a constitutional convention upon the same subject, it shall be the duty of that House to agree to a concurrent resolution calling for the convening of a Federal constitutional convention upon that usbject. Each such concurrent resolution shall (1) designate the place and time of meeting of the convention, and (2) set forth the nature of the amendment or amendments for the consideration of which the convention is called. A copy of each such concurrent resolution agreed to by both Houses of the Congress shall be transmitted forthwith to the Governor and to the presiding officer of each house of the legislature of each State.

(b) The convention shall be convened not later than one year after adoption of the resolution.

DELEGATES

SEC. 7. (a) A convention called under this Act shall be composed of as many delegates from each State as it is entitled to Senators and Representatives in Congress. In each State two delegates shall be elected at large and one delegate shall be elected from each congressional district in the manner provided by law. Any vacancy occurring in a State delegation shall be filled by appointment of the Governor of that State.

(b) The secretary of state of each State, or, if there be no such officer, the person charged by State law to perform such function shall certify to the Vice President of the United States the name of each delegate elected or appointed by the Governor pursuant to this section.

(c) Delegates shall in all cases, except treason, felony, and breach of the peace, be privileged from arrest during their attendance at a session of the convention, and in going to and returning from the same; and for any speech or debate in the convention they shall not be questioned in any other place.

(d) Each delegate shall receive compensation for each day of service and shall be compensated for traveling and related expenses. Provision shall be made therefor in the concurrent resolution calling the convention. The convention shall fix the compensation of employees of the convention.

CONVENING THE CONVENTION

SEC. 8. (a) The Vice President of the United States shall convene the constitutional convention. He shall administer the oath of office of the delegates to the convention and shall preside until the delegates elect a presiding officer who shall preside thereafter. Before taking his seat each delegate shall subscribe to an oath by which he shall be committed during the conduct of the convention to refrain from proposing or casting his vote in favor of any proposed amendment to the Constitution of the United States relating to any subject which is not named or described in the concurrent resolution of the Congress by which the convention was called. Upon the election of permanent officers of the convention, the names of such officers shall be transmitted to the President of the Senate and the Speaker of the House of Representatives by the elected presiding officer of the convention. Further proceedings of the convention shall be conducted in accordance with such rules, not inconsistent with this Act, as the convention may adopt.

(b) There are hereby authorized to be appropriated such sums as may be necessary for the payment of the expenses of the convention.

(c) The Administrator of the General Services shall provide such facilities, and the Congress and each executive department, agency, or authority of the United States, including the legislative branch and the judicial branch, except that no declaratory judgment may be required, shall provide such information and assistance as the convention may require, upon written request made by the elected presiding officer of the convention.

PROCEDURES OF THE CONVENTION

SEC. 9. (a) In voting on any question before the convention, including the proposal of amendments, each delegate shall have one vote.

(b) The convention shall keep a daily verbatim record of its proceedings and publish the same. The vote of the delegates on any question shall be entered on the record.

(c) The convention shall terminate its proceedings within one year after the date of its first meeting unless the period is extended by the Congress by concurrent resolution.

(d) Within thirty days after the termination of the proceedings of the convention, the presiding officer shall transmit to the Archivist of the United States all records of official proceedings of the convention.

PROPOSAL OF AMENDMENTS

SEC. 10. (a) Except as provided in subsection (b) of this section, a convention called under this Act may propose amendments to the Constitution by a vote of a majority of the total number of delegates to the convention.

(b) No convention called under this Act may propose any amendment or amendments of a nature different from that stated in the concurrent resolution calling the convention. Questions arising under this subsection shall be determined solely by the Congress of the United States and its decisions shall be binding on all others, including State and Federal courts.

APPROVAL BY THE CONGRESS AND THE TRANSMITTAL TO THE STATES FOR RATIFICATION

SEC. 11. (a) The presiding officer of the convention shall, within thirty days after the termination of its proceedings, submit to the Congress the exact text of any amendment or amendments agreed upon by the convention.

(b)(1) Whenever a constitutional convention called under this Act has transmitted to the Congress a proposed amendment to the Constitution, the President of the Senate and the Speaker of the House of Representatives, acting jointly, shall transmit such amendment to the Administrator of General Services upon the expiration of the first period of ninety days of continuous session of the Congress following the date of receipt of such amendment unless within that period both Houses of the Congress have agreed to (A) a concurrent resolution directing the earlier transmission of such amendment to the Administrator of General Services and specifying in accordance with article V of the Constitution the manner in which such amendment shall be ratified, or (B) a concurrent resolution stating that the Congress disapproves the submission of such proposed amendment to the States because such proposed amendment relates to or includes a subject which differs from or was not included among the subjects named or described in the concurrent resolution of the Congress by which the convention was called, or because the procedures followed by the convention in proposing the amendment were not in substantial conformity with the provisions of this Act. No measure agreed to by the Congress which expresses disapproval of any such proposed amendment for any other reason, or without a statement of any reason, shall relieve the President of the Senate and the Speaker of the House of Representatives of the obligation imposed upon them by the first sentence of this paragraph.

(2) For the purposes of paragraph (1) of this subsection, (A) the continuity of a session of the Congress shall be broken only by an adjournment of the Congress sine die, and (B) the days on which either House is not in session because of an adjournment of more than three days to a day certain shall be excluded in the computation of the period of ninety days.

(c) Upon receipt of any such proposed amendment to the Constitution, the Administrator shall transmit forthwith to each of the several States a duly certified copy thereof, a copy of any concurrent resolution agreed to by both Houses of the Congress which prescribes the time within which and the manner in which such amendment shall be ratified, and a copy of this Act.

RATIFICATION OF PROPOSED AMENDMENTS

SEC. 12. (a) Any amendment proposed by the convention and submitted to the States in accordance with the provisions of this Act shall be valid for all intents and purposes as part of the Constitution of the United States when duly ratified by three-fourths of the States in the manner and within the time specified.

(b) Acts of ratification shall be by convention or by State legislative action as the Congress may direct or as specified in subsection (c) of this section. For the purpose of ratifying proposed amendments transmitted to the States pursuant to this Act the State legislatures shall adopt their own rules of procedure. Any State action ratifying a proposed amendment to the Constitution shall be valid without the assent of the Governor of the State.

(c) Except as otherwise prescribed by concurrent resolution of the Congress, any proposed amendment to the Constitution shall become valid when ratified by the legislatures of three-fourths of the several States within seven years from the date of the submission thereof to the States, or within such other period of time as may be prescribed by such proposed amendment.

(d) The secretary of state of the State, or if there be no such officer, the person who is charged by State law with such function, shall transmit a certified copy of the State action ratifying any proposed amendment to the Administrator of General Services.

RESCISSION OF RATIFICATIONS

SEC. 13. (a) Any State may rescind its ratification of a proposed amendment by the same processes by which it ratified the proposed amendment, except that no State may rescind when there are existing valid ratifications of such amendment by three-fourths of the States.

(b) Any State may ratify a proposed amendment even though it previously may have rejected the same proposal.

(c) Questions concerning State ratification or rejection of amendments proposed to the Constitution of the United States, shall be determined solely by the Congress of the United States, and its decisions shall be binding on all others, including State and Federal courts.

PROCLAMATION OF CONSTITUTIONAL AMENDMENTS

SEC. 14. The Administrator of General Services, when three-fourths of the several States have ratified a proposed amendment to the Constitution of the United States, shall issue a proclamation that the amendment is a part of the Constitution of the United States.

EFFECTIVE DATE OF AMENDMENTS

SEC. 15. An amendment proposed to the Constitution of the United States shall be effective from the date specified therein or, if no date is specified, then on the date on which the last State necessary to constitute three-fourths of the States of the United States, as provided for in article V, has ratified the same.

The Convention Methods of Amending the Constitution

(By Sam J. Ervin, Jr.)

Article V of the Constitution of the United States[1] provides that constitutional amendments may be proposed in either of two ways—by two-thirds of both houses of the Congress or by a convention called by the Congress in response to the applications of two-thirds of the state legislatures. Although the framers of the Constitution evidently contemplated that the two methods of initiating amendments would operate as parallel procedures, neither superior to the other, this has not been the case historically. Each of the twenty-five constitutional amendments ratified to date was proposed by the Congress under the first alternative. As a result, although the mechanics and limitations of congressional power under the first alternative are generally understood, very little exists in the way of precedent or learning relating to the unused alternative method in article V. This became distressingly clear recently following the disclosure that thirty-two state legislatures had, in one form or another, petitioned the Congress to call a convention to propose a constitutional amendment permitting states to apportion their legislatures on the basis of some standard other than the Supreme Court's "one man-one vote" requirement. The scant information and considerable misinformation and even outright ignorance displayed on the subject of constitutional amendment, both within the Congress and outside of it—and particularly the dangerous precedents threatened by acceptance of some of the constitutional misconceptions put forth—prompted me to introduce in the Senate a legislative proposal designed to implement the convention amendment provision in article V . . . .

III. QUESTIONS RAISED BY THE BILL

Before going to specific issues and matters of detail, it seems appropriate to discuss briefly two threshold problems posed by the bill: whether the Congress has the power to enact such legislation, and, if it does, what policy considerations should guide it in exercising such power.

I have no doubt that the Congress has the power to legislate about the process of amendment by convention. The Congress is made the agency for calling the convention, and it is hard to see why the Congress should have been involved in this alternative method of proposal at all unless it was expected to determine such questions as when sufficient appropriate applications had been received and to provide for the membership and procedures of the convention and for review and ratification of its proposals. Obviously the fifty state legislatures cannot themselves legislate on this subject. The constitutional convention cannot do so for it must first be brought into being. All that is left, therefore, is the Congress, which, in respect to this and other issues not specifically settled by the Constitution, has the residual power to legislate on matters that require uniform settlement. Add to this the weight of such decisions as *Coleman* v. *Miller*,[9] to the effect that questions arising in the amending process are nonjusticiable political questions exclusively in the congressional domain, and the conclusion seems inescapable that the Congress has plenary power to legislate on the subject by amendment by convention and to settle every point not actually settled by article V of the Constitution itself.

With respect to the second problem, within what general policy limitations that power should be exercised, I think the Congress should be extremely careful to close as few doors as possible. Any legislation on this subject will be what might be called "quasi-organic" legislation; in England it would be recognized as a constitutional statute. When dealing with such a measure, it is wise to bear in mind Marshall's well-worn aphorism that it is a Constitution we are expounding and not get involved in "an unwise attempt to provide, by immutable rules, for exigencies which, if foreseen at all, must [be] seen dimly, and which can best be provided for as they occur."[10] This approach is reflected at several points in the bill, notably in its failure to try to anticipate and enumerate the various grounds on which Congress might justifiably rule a state petition invalid, and its failure to prescribe rigid rules of procedure for the convention. In addition, I think the Congress, in exercising its power under article V, should bear in mind that the Framers meant the convention method of amendment to be an attainable means of constitutional change. This legislation can be drawn so as to place as many hurdles as possible in the way of effective use of the process; or it can be drawn in a manner that will make such a process a possible, however improbable, method of amendment. The first alternative would be a flagrant disavowal of the clear language and intended function of article V. I have assumed that the Congress will wish to take the second road, and the bill is drawn with that principle in mind.

OPEN OR LIMITED CONVENTION?

Perhaps the most important issue raised by the bill is the question of the power of the Congress to limit the scope and authority of a convention convened under article V in accordance with the desires of the states as set forth in their applications. This was, as I have noted, one of the issues that most troubled me when I first heard of the efforts by the states to call a convention.

It has been argued that the subject matter of a convention convened under article V cannot be limited, since a constitutional convention is a premier assembly of the people, exercising all the power that the people themselves possess, and therefore supreme to all other governmental branches or agencies. Certainly, according to this argument, the states may not themselves, in their applications, dictate limitations on the convention's deliberations. They may not require the Congress to submit to the convention a given text of an amendment, nor even a single subject or idea. For the convention must be free to "propose" amendments, which suggests the freedom to canvass matters afresh and to weigh all posibilities and alternatives rather than ratify a single text or idea. The states may in their applications specify the amendment or amendments they would hope the convention would propose. But once the Congress calls the convention, those specifications would not control its deliberations. The convention could not be restricted to the consideration of certain topics and forbidden to consider certain other topics, nor could it be forbidden to write a new constitution if it should choose to do so.

I will concede that such an interpretation can be wrenched from article V—but only through a mechanical and literal reading of the words of the article, totally removed from the context of their promulgation and history. My reading of the debates on article V at the Philadelphia Convention and the other historical materials bearing on the intended function of the amendment process[11] leads me to the opposite conclusion. As I understand the debates, the Founders were concerned, first, that they not place the new government in the same straightjacket that inhibited the Confederation, unable to change fundamental law without the consent of every state.

The amendment process, rather a novelty for the time, was therefore included in the Constitution itself. Second, the final form of article V was dictated by a major compromise between those delegates who would utilize the state legislatures as the sole means of initiating amendments and those who would lodge that power exclusively in the national legislature. The forces at the convention that sought to limit the power of originating amendments to the states were at first dominant. The original Virginia Plan, first approved by the convention, excluded the national legislature from participation in the amendment process. On reconsideration, the forces that would limit the power of origination of amendments to the national legislature became prevalent. The arguments on both sides were persuasive: the improprieties or excess of power in the national government would not likely be corrected except by state initiative, while improprieties by the state governments or deficiencies in national initiative. In the spirit that typified power would not likely be corrected except by the 1787 Convention, the result was acceptance of a Madison compromise proposal which read, as the final article was to read, in terms of alternative methods.

It is clear that neither of the two methods of amendment was expected by the Framers to be superior to the other or easier of accomplishment. There is certainly no indication that the national legislature was intended to promote individual amendments while the state legislatures were to be concerned with more extensive revisions. On the contrary, there is strong evidence that what the members of the convention were concerned with in both cases was the power to make specific amendments. They did not appear to anticipate a need for a general revision of the Constitution. And certainly this was understandable, in light of the difficulties that they had in finding the compromises to satisfy the divergent interests needed for ratification of their efforts.

Footnotes at end of article.

Provision in artcile V for two exceptions to the amendment power underlines the notion that the convention anticipated specific amendment or amendments rather than general revision. For it is doubtful that these exceptions could have been expected to control a later general revision.

This construction is supported by references to the amendment process in the *Federalist Papers*. In *Federalist No. 43*, James Madison explained the need and function of article V as follows:

> That useful alterations will be suggested by experience, could not but be foreseen. It was requisite therefore that a mode for introducing them should be provided. The mode preferred by the Convention seems to be stamped with every mark of propriety. It guards equally against that extreme facility which would render the Constitution too mutable; and that extreme difficulty which might perpetuate its discovered faults. It moreover equally enables the general and the state governments to criginate the amendment of errors as they may be pointed out by the experience on one side or on the other . . .

Apart from being inconsistent with the language and history of article V, the contention that any constitutional convention must be a wide open one is neither a practicable nor a desirable one. If the subject matter of amendments were to be left entirely to the convention, it would be hard to expect the states to call for a convention in the absence of a general discontent with the existing constitutional system. This construction would effectively destroy the power of the states to originate the amendment of errors pointed out by experience, as Madison expected them to do. Alternatively under that construction, applications for a limited convention deriving in some states from a dissatisfaction with the school desegregation cases, in other because of the school prayer cases, and in still others by reason of objection to the *Miranda* rule, could all be combined to make up the requisite two-thirds of the states needed to meet the requirements of article V. I find it hard to believe that this is the type of consensus that was thought to be appropriate to calling for a convention.

The bill provides that state petitions to the Congress which request the calling of a convention under article V shall state the nature of the amendment or amendments to be proposed by such convention. Upon receipt of valid applications from two-thirds or more of the states requesting a convention on the same subject or subjects, the Congress is required to call a convention by concurrent resolution, specifying in the resolution the nature of the amendment or amendments for the consideration of which the convention is being called. The convention may not propose amendments on other subjects and if it does, the Congress may refuse to submit them to the states for ratifications. . . .

MAY CONGRESS REFUSE TO CALL A CONVENTION?

Perhaps the next most important question raised by the bill is whether the Congress has any discretion to refuse to call a convention in the face of appropriate applications from a sufficient number of states.

Article V states that Congress "shall" call a convention upon the applications of the legislatures of two-thirds of the states. I have absolutely no doubt that the article is peremptory and that the duty is mandatory, leaving no discretion to the Congress to review the wisdom of the state applications. Certainly this is the more desirable construction, consonant with the intended arrangement of article V as described in the preceding section of this article. The founders included the convention alternative in the amending article to enable the states to initiate constitutional reform in the event the national legislature refused to do so. To conceded to the Congress any discretition to consider the wisdom and necessity of a particular convention call would in effect destroy the role of the states.

The comments of both Madison and Hamilton, subsequent to the 1787 Convention, sustain this construction. In a letter on the subject, Madison observed that the question concerning the calling of a convention "will not belong to the Federal Legislature. If two-thirds of the states apply for one, Congress cannot refuse to call it: if not, the other mode of amendments must be pursued."[13] Hamilton, in the *Federalist No. 85*, stated:

> By the fifth article of the plan the congress will be *obliged*, "on the application of the legislatures of two-thirds of the states, (which at present amounts to nine) to call a convention for proposing amendments, which *shall be valid* to all intents and purposes, as part of the constitution, when ratified by the legislatures of three-fourths of the states, or by conventions in three-fourths thereof." The words of this article are peremptory. The Congress "*shall* call a convention." Nothing in this particular is left to the discretion. . . .

SUFFICIENCY OF STATE APPLICATIONS

Assuming the Congress may not weigh the wisdom and necessity of state applications requesting the calling of a constitutional convention, does it have the power to judge the validity of state applications and state legislative procedures adopting such applications? Clearly the Congress has some such power. The fact alone that Congress is made the agency for convening the convention upon the receipt of the requisite number of state applications suggests that it must exercise some power to judge the validity of those applications. The impotence or withdrawal of the courts underlines the necessity for lodging some such power in the Congress. The revelant question, then, concerns the extent of that power.

It has been contended that Congress must have broad powers to judge the validity of state applications and that such power must include the authority to look beyond the content of an application, and its formal compliance with article V, to the legislative procedures followed in adopting the application. The counterargument is that to grant Congress the power to reject applications particularly if that power is not carefully circumscribed would be to supply it with a means of avoiding altogether the obligation to call a convention. The result would be that the Congress could arbitrarily reject all applications on subjects it did not consider appropriate for amendment, leaving us in effect with only one amendment process. . . .

One further important point should be mentioned. Most of the states obviously do not now understand their role in designating subjects or problems for resolution by amendment, and many of them do not even know where to send their applications. By setting forth the formal requirements with respect to content of state applications and designating the congressional officers to whom hey must be transmitted, the bill furnishes guidance to the states on these questions and promises to avert in the future some of the problems that have arisen in the current effort to convene a convention. The bill also requires that all applications received by the Congress be printed in the *Congressional Record* and that copies be sent to all members of Congress and to the legislature of each of the other states. In this way, the element of congressional surprise can be eliminated, and each state can be given prompt and full opportunity to join in any call for a convention in which it concurs.

THE ROLE OF STATE GOVERNORS

The argument has been made that a state application for a constitutional convention must be approved by both the legislature and the governor of the state to be effective. This argument rests on the claim that article V intended state participation in the process to involve the whole legislative process of the state as defined in the state constitution. I do not agree with that argument. We do not have here any question about the exercise of the lawmaking process by a state legislature in combination with whatever executive participation might be called for by state law. We have rather a question of heeding the voice of the people of a state in expressing the possible need for a change in the fundamental document.

Closely analogous court decisions support this interpretation. The Supreme Court in *Hawks* v. *Smith, No. 1*[14] interpreted the term "legislatures" in the ratification clause of article V to mean the representative lawmaking bodies of the states, since ratification of a constitutional amendment "is not an act of legislation within the proper sense of the word."[15] Certainly the term "legislature" should have the same meaning in both the application clause and the ratification clause of article V. Further support is found in the decision in *Hollingsworth* v. *Virginia*,[16] in which the Court held that a constitutional amendment approved for proposal to the states by a two-thirds vote of Congress need not be submitted to the President for his signature or veto.

The bill therefore provides specifically that a state application need not be approved by the state's governor in order to be effective.

MAY A STATE RESCIND ITS APPLICATIONS?

The question of whether a state should be allowed to rescind an application previously forwarded to the Congress is another of the political questions to which the courts have not supplied answers and presumably cannot. The Supreme Court has held that questions concerning the rescission of prior ratifications or rejections of amendments proposed by the Congress are determined solely by Congress.[17] Presumably, then, the question of rescission of an application for a convention is also political and nonjusticiable. Although the Congress has previously taken the position that a state may not rescind it prior ratification of an amendment, it has taken no position concerning rescission of applications. My strong conviction is that rescission should be permitted. Since a two-thirds consensus among the states at some point in time is necessary in order for the Congress to call a convention, the Congress should consider whether there has been a change of mind among some states that have earlier applied. Moreover, an application is not a final action, since it serves merely to initiate a convention, and does not commit even the applicant state to any substantive amendment that might eventually be proposed.

The bill therefore provides that state may rescind at any time before its application is included among an accumulation of applications from two-thirds of the states, at which the obligation of the Congress to call a convention becomes fixed. Incidentally, the bill also provides that a state may rescind its prior ratification of an amendment proposed by the convention up until the time there are existing valid ratifications by three-fourths of the states, and that a state may change its mind and ratify a proposed amendment that it previously has rejected . . .

The Congress and the courts have agreed that constitutional amendments proposed by the Congress and submitted to the states for ratification can properly remain valid for ratification for a period of seven years. It has been felt that there should be a "reasonably contemporaneous" expression by

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Footnotes at end of article.

three-fourths of the states that an amendment is acceptable in order for the Congress to conclude that a consensus in favor of the amendment exists among the people, and that ratification within a seven-year period satisfies this requirement.[18] Presumably, the same principle should govern the application stage of the constitutional amendment process . . . .

CALLING THE CONVENTION

The bill provides that the Secretary of the Senate and the Clerk of the House of Representatives shall keep a record of the number of state applications received, according to subject matter. Whenever two-thirds of the states have submitted applications on the same subject or subjects, the presiding officer of each house shall be notified and shall announce the same on the floor. Each house is left free to adopt its own rules for determining the validity of the applicants, presumably by reference to a committee followed by floor action. Once a determination has been made that there are valid applications from two-thirds or more of the state legislatures on the same subject or subjects, each house must agree to a concurrent resolution providing for the convening of a constitutional convention on such subject or subjects. The concurrent resolution would designate the place and time of meeting of the convention, set forth the nature of the amendment or amendments the convention is empowered to consider and propose, and provide for such other things as the provision of funds to pay the expenses of the convention and to compensate the delegates. The convention would be required to be convened not later than one year after adoption of the resolution.

. . . the bill has been amended to require that delegates be elected—not appointed—and that they be elected by the same constituency that elects the states' representatives in Congress. Under the amended bill, each state will be entitled to as many delegates as it is entitled to Senators and Representatives in Congress. Two delegates in each state will be elected at large and one delegate will be elected from each congressional district in the manner provided by state law. Vacancies in a state's delegation will be filled by appointment of the governor.

CONVENTION PROCEDURE AND VOTING

The bill provides that the Vice President of the United States shall convene the constitutional convention, administer the oath of office of the delegates and preside until a presiding officer is elected. The presiding officer will then preside over the election of other officers and thereafter. Further proceedings of the convention will be in accordance with rules adopted by the convention. A daily record of all convention proceedings, including the votes of delegates, shall be kept, and shall be transmitted to the Archivist of the United States within thirty days after the convention terminates. The convention must terminate its proceedings within one year of its opening unless the period is extended by the Congress by concurrent resolution.

Finally, the bill provides that amendments may be proposed by the convention by a vote of a majority of the total number of delegates to the convention. The alternative would be to impose a two-thirds voting requirement analogous to the requirement for congressional proposal of amendments. However, article V does not call for this, and I think that such a requirement would place an undue and unnecessary obstacle in the way of effective utilization of the convention amendment process.

RATIFICATION OF PROPOSED AMENDMENTS

The bill provides that any amendment proposed by the convention must be transmitted to the Congress within the thirty days after the convention terminates its proceedings. The Congress must then transmit the proposed amendment to the Administrator of General Services for submission to the states. However, the Congress may, by concurrent resolution, refuse to approve an amendment for submission to the states for ratification, on the grounds of procedural irregularities in the convention or failure of the amendment to conform to the limitations on subject matter imposed by the Congress in the concurrent resolution calling the convention. The intent is to provide a means of remedying a refusal by the convention to abide by the limitations on its authority to amend the Constitution. Of course, unlimited power in the Congress to refuse to submit proposed amendments for ratification would destroy the independence of the second alternative amending process. Therefore, the Congress is explicitly forbidden to refuse to submit a proposed amendment for ratification because of doubts about the merits of its substantive provisions. The power is reserved for use only with respect to amendments outside the scope of the convention's authority or in the case of serious procedural irregularities.

Ratification by the states must be by state legislative action or convention, as the Congress may direct, and within the time period specified by the Congress. The Congress retains the power to review the validity of ratification procedures. As noted earlier, any state may rescind its prior ratification of an amendment by the same processes by which it ratified it, except that no state may rescind after that amendment has been validly ratified by three-fourths of the states. When three-fourths of the states have ratified a proposed amendment, the Administrator of General Services shall issue a proclamation that the amendment is a part of the Constitution, effective from the date of the last necessary ratification.

IV. CONCLUSION

There is some evidence that the current effort to require the Congress to call a convention to propose a reapportionment amendment has failed and that the danger of a consitutional crisis has passed. The two additional applications needed to bring the total to thirty-four have not been received and there is a strong likelihood that some applicant states will rescind their applications. Even if this is the case, however, the need for legislation to implement article V remains. There may well be other attempts to utilize the convention amendment process and, in the absence of legislation, the same unanswered questions will return to plague us. The legislation therefore is still timely, and the Congress may now have the opportunity to deal with the sensitive constitutional issues objectively, uninfluenced by competing views on state apportionment or any other substantive issue.

Some have argued that the convention method of amendment is an anomaly in the law, out of step with modern notions of majority rule and the relationship between the states and the federal government. If so, that part of article V should be stricken from the Constitution by the appropriate amendment process. It should not, however, be undermined by erecting every possible barrier in the way of its effective use. Such a course would be a disavowal of the clear language and history of article V. The Constitution made the amendment process difficult, and properly so. It certainly was not the intention of the original Convention to make it impossible. Nor is it possible to conclude that the Founders intended that amendments originating in the states should have so much harder a time of it than those proposed by Congress. As I have pointed out, that issue was fought out in 1787 Convention and resolved in favor of two originating sources, both difficult of achievement, but neither impossible and neither more difficult than the other. My bill seeks to preserve the symmetry of article V by implementing the convention alternative so as to make it a practicable but not easy method of constitutional amendment.

FOOTNOTES

[1] The Congress, whenever two thirds of both Houses shall deem it necessary, shall propose Amendments to this Constitution, or, on the Application of the Legislatures of two thirds of the several States, shall call a Convention for proposing Amendments, which, in either Case, shall be valid to all Intents and Purposes, as part of this Constitution, when ratified by the Legislatures of three fourths of the several States, or by Conventions in three fourths thereof, as the one or the other Mode of Ratification may be proposed by the Congress; Provided that no Amendment which may be made prior to the Year One thousand eight hundred and eight shall in any Manner affect the first and fourth Clauses in the Ninth Section of the first Article; and that no State, without its Consent, shall be deprived of its equal Suffrage in the Senate, *U.S. Const. Art. V.*

[9] 307 U.S. 433 (1939).

[10] *McCulloch v. Maryland,* 17 U.S. (4 Wheat.) 316, 407, 415 (1819).

[11] *E.g.,* Legislative Reference Serv., Library of Congress, The Constitution of the United States of America; Analysis and Interpretation, S. Doc. No. 39, 88th Cong., 1st Sess. 135–36 (1964); The Federalist Nos. 43 & 85 (J. Cooke ed. 1961); L. Orfield, Amending the Federal Constitution (1942); The Records of the Federal Convention of 1787 (M. Farrand ed. 1937). The revelant excerpts from these and other sources are printed as an appendix to the *Hearings on the Federal Constitutional Convention Before the Subcomm. on Separation of Powers of the Senate Comm. on the Judiciary,* United States Senate, Oct. 30 and 31, 1967.

[13] U.S. Bureau of Rolls and Library, Documentary History of the Constitution of the United States of America V, 141, 143, *quoting* Madison's letter to Mr. Eve, dated Jan. 2, 1789.

[14] 253 U.S. 221 (1920).

[15] *Id.* at 229.

[16] 3 U.S. (3 Dall.) 378 (1798).

[17] *Coleman v. Miller,* 307 U.S. 433, 448–49 (1939).

[18] *Dillon v. Gloss,* 256 U.S. 368 (1921).

By Mr. CRANSTON (for himself, Mr. Williams, Mr. Riegle, Mr. McGovern, and Mr. Javits):

S. 4. A bill to provide assistance and coordination in the provision of child-care services for children living in homes with working parents and for other purposes; to the Committee on Human Resources.

CHILD CARE ACT OF 1979

Mr. CRANSTON. Mr. President, as chairman of the Subcommittee on Child and Human Development, I am pleased to introduce S. 4, the proposed Child Care Act of 1979. Joining me in cosponsorship are the chairman of the Human Resources Committee (Mr. Williams) who has provided steadfast support to the efforts of the Subcommittee on Child and Human Development on behalf of children, the ranking majority member of the subcommittee (Mr. Riegle), who has provided great support for the subcommittee's activities, and my colleague from South Dakota (Mr. McGovern), whose concern for children is also well-known.

Mr. President, this bill is the culmination of more than 2 years of work in developing Federal legislation in this area. During the winter of last year, the subcommittee held a series of four hearings in California and Washington, D.C., to solicit the comments of parents, child-care providers, and other concerned with the welfare of children about the need for Federal legislation in the child-care area and how best to shape such legislation. Over 50 witnesses appeared and numerous others have forwarded written testimony to be included as part of the hearing record. Those testifying included representatives of the administration, State officials, child-care service providers, researchers, and representatives from such organizations as the Children's Defense Fund, the Child Welfare League, the Day Care and Child Development Council of America, the National Association for Child Development and Education, the League of Women Voters, the National Council of Jewish Women, the Coalition of Labor Union Women, the American Home Economics Association, the American Academy of Pediatrics, and the California Children's Lobby. The subcommittee heard witnesses from all over the United States—from Arizona, California, Colorado, Connecticut, Florida, Kansas, Maryland, New Jersey, New York, Pennsylvania, Virginia, and Washington, and received written communications from numerous individuals from other States.

Following these hearings, on August 24, I presented to the Senate a floor statement summarizing the information derived from the hearings and outlining my thoughts on the direction new child-care legislation should take. That statement appears at pp. 27650–27657 of the daily edition.

NEED FOR MORE PROGRAMS

In my August 24 statement, Mr. President, I pointed out that the strongest theme to emerge from the hearings was the need for more child-care programs. Witness after witness told of the difficulties that parents face in trying to find good child care they can afford, of the long waiting lists for all type of child-care programs, and of the lack of funds to start new programs or to expand existing ones. Statistics released by the U.S. Department of Labor in March of 1977 estimated that there were then 6.4 million children in the Nation under the age of 6 whose mothers were working and 22.4 million children from 6 to 17 years with working mothers. Yet, according to 1976 HEW data, there are only 1.6 million licensed child-care openings, including center-based and family-based child care, available throughout the Nation.

In recent years, the number of working mothers of children under the age of 18 has dramatically increased from approximately 42 percent in 1970 to 53 percent in 1978—an increase of 26 percent in 8 years—and it continues to rise each year. For example, 1977 data from the Department of Labor indicate that 40.9 percent of all mothers of children under the age of 6 were in the labor force; this percentage had increased to 43.7 percent by March 1978—an increase of almost 7 percent in a single year. The percentage of labor force participation by mothers of children ages 6 to 18 also increased from 58.3 percent in 1977 to 60 percent in 1978—an increase of almost 4 percent.

Mr. President, I include in the RECORD at this point a chart providing a detailed breakdown, by age, showing the increasing participation of working mothers in the labor force in every category between 1977 and 1978.

Age of child	March 1977	March 1978	Percent change
0 to 18	50.7	52.9	+4.3
6 to 17	58.3	60.0	+2.9
(14 to 17)	(59.1)	(59.6)	+.8
(6 to 13)	(58.0)	(60.2)	+3.8
0 to 6	40.9	43.7	+6.8
(3 to 5)	(48.9)	(50.4)	+3.1
(0 to 3)	(35.1)	(39.1)	+11.3

Source: Bureau of Labor Statistics.

These figures illustrate without any doubt that a majority of mothers of children under the age of 18 are in the labor force and that the precentage of working mothers—patricularly mothers of younger children is growing every year. Yet, our witnesses clearly indicated that there has been no corresponding growth in the availability of licensed child care for the children of these working parents. Indeed, quite the contrary appears to be true. Existing programs are severely overtaxed, lengthy waiting lists prevail for admission to ongoing programs, and there is a great deal of uncertainty about what is happening to the hundreds of thousands of children whose mothers are working and for whom there simply are not enough licensed child-care openings. Census data tells us that at least 2 million school-age children between the ages of 7 and 13 are simply left alone without any supervision; and that another 20,000 pre-school children under the age of 6 are left alone while a parent works.

CALIFORNIA STATISTICS

Mr. President, since my August statement I have been presented with additional data on the dimensions of the child-care problem in my own State of California. A commission formed by Wilson Riles, the California Superintendent of Public Institutions, very recently completed a study that concludes that, in the 5-year period between 1978 and 1984, despite the decline in birth rate, the number of children under 14 years in California whose mothers work will increase by 215,000. By 1984, 52.4 percent of children under 6 years in California will have mothers who work—compared to 40.4 percent in 1978, and 61.1 percent of children over 6 years in California will have mothers who work—compared to 53.5 percent in 1978.

In addition, 24 percent of children under 14 years of age will be living in a one-parent family in California by 1984. The study reports that at present there are 1 million children in California who have working mothers and who need care and are unable to care for themselves. This figure excludes 372,000 children who may not need care while the mother works because another relative is available to care for them.

Yet, in California there are only 124,000 subsidized child-care spaces and 169,000 other licensed child-care spaces. This means that out of 1 million children in California whose mothers work, less than one-third or approximately 300,000 children can be served in licensed child care. If population trends and social indicators continue to follow the same trends across the Nation, the growing unmet need for child-care services may soon be reaching crisis proportions.

EXISTING FEDERAL CHILD-CARE PROGRAMS

Mr. President, the Federal Government presently subsidizes child care either directly through social services programs aimed at welfare recipients and families living below the poverty line or indirectly through the child-care tax credit under the Internal Revenue Code. It is estimated that the Federal Government contributes about $500 million a year to the cost of child care through the child-care tax credit. However, because of the nature of the tax credit and the structure of our tax system—the credit is not refundable and, on the average, four person families with incomes below $7,500 do not pay any Federal income taxes—the credit is largely of use to middle and upper income families. According to the Congressional Budget Office, two-thirds of the tax expenditure funds went to families with incomes over $15,000.

The major direct Federal spending for child care is through title XX of the Social Security Act. This program, aimed primarily at welfare recipients and families living below the poverty line, provides for a number of social services for these families; one of the authorized uses to which these funds may be put is child care. HEW estimates that in fiscal year 1977 about $800 million of the $2.7 billion for title XX was used for child-care services.

There are, additionally, a number of smaller federally supported programs involving child care aimed at welfare recipients or families living below the poverty line, such as the Head Start program and programs administered by such agencies as the Community Services Administration, the Department of Agriculture, the Department of the Interior, and the Department of Housing and Urban Development. Some of these programs are focused upon special populations, such as Native Americans through the Department of the Interior programs, or provide specialized support to child-care programs, for example, the child-care food program operated by the Department of Agriculture. Overall, the Congressional Budget Office has estimated that the Federal Government provides about $1.8 billion in direct spending for child care or child-care-related services under these various programs.

However, Mr. President, our present Federal activities provide little or no assistance to low-income working families, whose incomes are too low to benefit from the tax credit and too high to qualify for assistance under title XX or other programs targeted at welfare recipients or below-poverty-line families. These families, struggling to stay in the labor force—and off welfare—are often unable to receive any financial help for child care and are unable to find reasonable quality child care at prices they can afford in the present marketplace. Indeed, the data indicate that there are not sufficient licensed child-care spaces available for families who can afford them, let alone those who cannot.

Finally, not only are many low-income working families who need assistance in finding reasonable quality child care left out of most Federal programs, the Federal Government's participation in the area of child care can best be characterized as an assortment of fragmented programs spread throughout a half dozen Federal agencies, with numerous conflicting and overlapping regulations, excessive redtape, and an overall absence of coordination or focus. There are virtually no activities by the Federal Government to provide any substantial assistance to the States in upgrading their child-care programs, to transmit innovative and cost-effective technique from one State to another, or to coordinate Federal policy and activities in the area of child care.

PURPOSES OF S. 4

Mr. President, the purpose of the proposed Child Care Act of 1979 is to promote the availability and diversity of quality child-care services for all children and families who need such services and provide assistance to the States in improving the quality of and coordination among child-care programs, and generally foster increased coordination of programs at the local, State, and Federal levels. The bill is also designed to provide mechanisms to facilitate an assessment of the extent of the need for child-care services throughout the Nation, both within the next few years and thereafter.

Additionally, and fundamentally, the bill is aimed at strengthening the functioning of families by seeking to assure that parents are not forced by lack of available programs or financial resources to place a child in an undesirable care facility or arrangement. Much of the testimony received by the subcommittee in developing this legislation focused upon how important adequate child care is to supporting families where both parents must work and single-parent households. Finally, as I discussed at length in my August 24 statement, increasing adequate child-care services can have broader social impact in such areas as reduction of juvenile vandalism, delinquency, and alcohol and drug abuse.

SUMMARY OF S. 4, THE PROPOSED "CHILD CARE ACT OF 1979"

Mr. President, for the benefit of my colleagues, let me briefly describe the provisions of our bill.

Section 1 establishes the short title of the bill as the Child Care Act of 1979.

Section 2 sets forth the findings and purposes of the act which are to provide assistance to the States in improving the quality of and coordination among child-care programs and provide additional resources for child-care services; to provide mechanisms for assessing the extent of the need for child-care services in the Nation; to promote coordination at all governmental levels of child-care programs and other services for children and their families; to promote the availability and diversity of quality child-care services for all children and families who need such services; to provide assistance to families whose financial resources are insufficient to pay the full cost of necessary child-care services; and to strengthen the functioning of families by seeking to assure that parents are not forced by lack of available programs or financial resources to place a child in an undesirable care facility or arrangement.

Section 3 provides that nothing in the act shall be construed to authorize any public agency or private organization or any individual associated therewith to interfere with, or to intervene in, any child-rearing decision of parents.

Section 4 provides for State participation under the act through the submissions to the Secretary of Health, Education, and Welfare of a State plan which provides for the specification of a State agency to be responsible for administration and oversight of the State plan which is to be designed to meet the need for child-care services within the State for pre-school children and school-age children, with special attention to meeting the need for services for migrant children, handicapped children, children with limited English-language proficiency, and other groups of children having special needs. The State agency specified under the plan is also to be responsible for coordinating, to the maximum extent feasible, the provision of services under this act with other child-care programs and services assisted under any State or other Federal provision of law, and with other appropriate services, including health and nutritional services, available to such children under other Federal and State programs.

Section 4 also provides that funds shall be distributed within the State, in accordance with the plan developed, to child-care providers who are licensed by the State and meet the quality standards developed by the Secretary for all child-care programs receiving Federal funds under this act. The distribution of these funds to eligible child-care providers may be by grant or contract or by alternative payment arrangements, such as vouchers. Section 4 further provides that priority will be given to child-care providers that provide priority for services for children on the basis of family need, taking into account factors such as family income, family size, and special needs of children from households with a single parent and, that to the maximum extent feasible, provide for an economic mix of children enrolled in the program. The State agency is also charged with the responsibility of distributing funds to a variety of child-care providers in each community, including both child-care centers and family day-care providers. The State plan also must provide for a fee schedule for services provided, based upon family income and size, as well as establishment of procedures for data collection to show how the child-care needs of the State are being met by programs assisted under the act, and the degree of unmet child-care needs within the State.

Section 4 specifically provides that the State plan must include the provision, by grant or contract, for the establishment or support of information and referral services to assist parents in securing child-care services, and for the training of child-care personnel. It also provides that the State plan must include provisions for the development and implementation of State licensing of child-care providers, establishment of procedures for meaningful parental involvement in State and local planning, monitoring and evaluation of programs and services provided under the act, and assurances that funds received under the act will be used to supplement, and not supplant, existing Federal funds used for the support of child-care services and related programs. Section 4 provides that, for each fiscal year, the State may not use more than 10 percent of the funds received for administration of the program.

Section 4 further provides, as part of the State plan requirements, for the establishment of a State advisory panel on child care, composed at least of 25 percent parents of children receiving child-care services under the act, at least 25 percent representatives of child-care providers within the State, including representatives of different types of child-care programs, and at least 25 percent professionals in the field of child development and related fields.

The State advisory panel is responsible for advising the State agency on the preparation of, and policy matters arising in the administration of, the State plan, and for the review and evaluation of child-care programs and services provided under the act and other provisions of the law, and may prepare and submit, through the State agency, recommendations to the Secretary. Section 4 provides for sufficient funds to be made available under the State plan for the State advisory panel to carry out its functions and to obtain the services of such professional, technical, and clerical personnel as necessary.

Section 4 provides that the Secretary shall approve any State plan which meets the requirements set forth in the act, and provides that the Secretary may not disapprove any State plan, except after reasonable notice, an opportunity to correct deficiencies in the plan, and notice of an opportunity for a hearing on the grounds for the disapproval. Finally, section 4 provides that the specified State agency shall provide the Secretary with a concise report on an annual basis describing activities, results, and performance of the State agency in meeting the objectives of the State plan and the purposes of the act.

Section 5 relates to the national administration of the act. The Secretary is directed to designate an identifiable administrative unit within HEW and an individual within that administrative unit to be responsible for carrying out the provisions of this act and for coordination of other activities within HEW relating to child care. The Secretary is also directed to make available to such unit such staff and resources as are necessary to carry out effectively its functions under the act. Section 5 also provides for the establishment of a National

Advisory Panel on Child Care Needs and Services, consisting of not less than 25 percent parents of children receiving child-care services under the act, not less than 25 percent representatives of child-care providers, including representatives of different types of child-care programs, and not less than 25 percent professionals in the field of child development and related fields. One-third of the members serving on the National Advisory Panel shall be individuals who are serving on, or have served on, a State advisory panel established under the act.

The National Advisory Panel is made responsible for reviewing Federal policies with respect to child-care services and advising the Secretary with respect to the standards developed for programs receiving assistance under the act.

Section 5 further provides that the Secretary, with the assistance of the National Advisory Panel, shall prepare not later than 12 months after the date of enactment of the act, proposed standards to be applied to programs receiving assistance under the act. Section 5 provides that the proposed standards shall cover factors having a demonstrated impact on the quality of child care, including, but not limited to, such factors as group size and composition in terms of the number of teachers and the number and ages of children, the qualifications of the child-care providers, and the physical environment, parental involvement, and necessary support services for child-care programs. These standards shall be published in the Federal Register for public comment and distributed to each State advisory panel and State agency designated or established under the act.

Mr. President, I have received several inquiries as to how the proposed standards under this act will relate to the Federal Interagency Day Care Regulations—FIDCR—which are currently being revised by HEW and are applicable to child-care programs receiving assistance under title XX of the Social Security Act. As my colleagues know, last year HEW submitted a report to Congress on the appropriateness of the FIDCR. The report concluded that Federal regulation of federally supported day care is appropriate and suggested that consideration be given to extending the revised requirements to all child care supported with Federal funds.

The report also suggested that the existing regulations be rewritten to improve their ability to further the well-being of children. The efforts now underway in HEW to rewrite these regulations appear to be in line with the guidelines for standards set forth in this act. It is my expectation that the FIDCR—when eventually completed—would be appropriate for application to programs supported under this act and that the same standards will be applied to all child-care programs supported by Federal funds.

However, in light of the undue delays and length of time that it has taken HEW to complete its appropriateness report and begin the ask of rewriting FIDCR, our bill has been drafted in such a manner as to stand alone at this point in time without any cross-reference to FIDCR. During the process of refining and moving forward with this act, if FIDCR should be completed and issued in final form, we may well decide to make appropriate references to those regulations in this legislation.

Section 6 provides authority to the Secretary to make direct grants or contracts to public and private organizations for the support of innovative, demonstration child-care projects in such areas as night-time care, and care for sick children, migrant children, handicapped children and children with limited English-language proficiency, or other special needs populations. Section 6 provides for evaluation of projects funded under this section and authorizes the Secretary to establish regulations to carry out these provisions.

Section 7 provides that States receiving assistance under the act shall submit to the Secretary a report outlining the current status of child-care licensing within the State, the deficiences, if any, in the existing licensing program, a plan by the State to expand its licensing program, and the types of assistance the State requires to make improvements in its licensing program. Section 7 provides that each State will make this report not less than 12 months after it first receives a payment under the act. Section 7 authorizes the Secretary to make grants to the State for the purpose of developing, improving, or implementing its child-care licensing program. Section 7 also provides that the Secretary, with the assistance of the National Advisory Panel, shall develop a Model State Licensing of Child Care Providers Act to be used by the States as a guide to improving licensing of child-care providers.

Section 8 provides that the Secretary is authorized to make grants to and enter into contracts with institutions of higher education, State and local public agencies, and private organizations to provide training programs for child-care providers and employees. Section 8 also authorizes the Secretary to provide technical assistance to the States in the planning, developing, and coordinating of child-care services, in the development, expansion and implementation of State licensing of child-care programs, and in the development and conduct of teacher or child-care provider training programs.

Section 9 provides for an allotment of 1 percent of the sums appropriated for Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands and allocation of the remainder of the sums appropriated among the States based equally upon, first, each States's relative proportion of children living in homes in which both parents are employed or the child resides with only one parent and that parent is employed, and, second, its relative proportion of children who reside in households having incomes which are equal to or less than one-half of the median income of the United States for families of the same size.

Section 9 also provides for reallotment of any State's allotment which is not utilized.

Section 10 provides for the Secretary to make payments to each State having a plan approved under section 4 in the amount allotted under section 9 and provides that payments under the act may be made in installments, in advance, or by way of reimbursement, with necessary adjustments on account of overpayments or underpayments.

Section 11 authorizes the Secretary, after reasonable notice and opportunity for hearing, to withhold payments to any State where there has been a substantial failure to comply with any provision or any requirement set forth in the State plan of that State or of any applicable provision of this act. Section 11 authorizes the Secretary in his discretion to limit further payments to the State in such cases to programs or projects under the State plan, or portions thereof, not affected by such failure.

Section 12 provides for the Secretary to carry out reviews and evaluations of the programs and activities carried out under this act and conduct studies on child-care needs for the purpose of providing information aimed at enabling the Congress and the executive branch to agree upon specific, realistic objectives and expectations for programs and activities under the act, assure that programs and activities established and carried out under the act at the Federal, State, and local levels are likely to achieve progress toward such objectives and expectations, provide that sufficient data is obtained to measure progress under the act and to make such data available to the Congress and the executive branch, and to enable Congress and the executive branch to better understand the child-care needs of the Nation and how best to meet these needs in a cost-effective fashion. Section 12 directs the Secretary, in carrying out these functions, to consult with appropriate committees of the Congress and members of the executive branch, examine representative samples of actual programs, identify or develop cost-effective programs, and determine how the results of such reviews and evaluations can best be disseminated and utilized to achieve the purposes outlined. Section 12 also directs the Secretary to prepare and transmit to the President and the Congress on or before March 1 of each year a concise report of activities and progress under the act.

Mr. President, the evaluation and oversight provisions of our bill were developed with the assistance of the General Accounting Office. Last year, the Comptroller General released a report with respect to improving congressional oversight efforts. That report outlined a process for planning and carrying out congressional oversight programs. GAO staff provide great assistance to us in designing and drafting these provisions, and I am deeply appreciative of their efforts to assist us in building effective oversight mechanisms into our legislative efforts.

Section 13 sets forth definitions of the various terms utilized in the act. A "child" is defined as any individual who has not attained the age of 15. A "parent" includes any natural parent, foster parent, or legal guardian with whom the child resides.

Section 14 authorizes the appropriation of such sums as may be necessary for fiscal year 1980 and for each of the four succeeding fiscal years to carry out the provisions of the act. Section 14 further provides that of the sums appropriated for any fiscal year, 75 percent shall be used for making grants under section 4, relating to grants for carrying out the State plan, 5 percent shall be used for making grants under section 6 relating to demonstration projects, 5 percent shall be used for making grants under section 7, relating to licensing assistance; 5 percent shall be used for making grants or contracts under section 8(a) relating to training programs, and 10 percent shall be used for carrying out the provisions of sections 5, 8(b), and 12 relating to national administration—including the reasonable expenses of the National Advisory Panel on Child Care Needs and Services—and training and technical assistance. Section 14 also provides that no funds are authorized to be appropriate for any fiscal year unless funds appropriated for the preceding fiscal year to carry out part A of title V of the Economic Opportunity Act of 1964, relating to Project Head Start, are at least equal to the funds appropriated for such part for fiscal year 1979.

CONCLUSION

Mr. President, I believe that the proposed Child Care Act of 1979 addresses an important—and ever-growing—need in this country for a comprehensive, coordinated approach to child care. I know that there will be some who will question the feasibility of proposing a comprehensive child-care bill at this time of budget constraints. Yet, there is simply no question that the demand and need for child care will continue to grow. If we take steps today to design an efficient and cost-effective mechanism for meeting those needs, the ultimate savings will far outweigh the short-term expenditure. Indeed, child care itself is a long-term investment in the future. Short-term expenditures may be almost immediately offset by increased tax revenues derived from parent earnings and reductions in governmental and other expenditures necessitated by the effects of lack of adequate child-care arrangements. Some social costs such as juvenile vandalism, delinquency, and child abuse and neglect may also be reduced by prudent and cost-effective investments in child care today.

Mr. President, I am deeply grateful to the many individuals and organizations who participated in our hearings a year ago and who provided us with their insights and guidance on the development and formulation of this legislation. I believe that with the introduction of this legislation we are taking a major step toward enactment of a meaningful child-care measure which is so sorely needed and so long-awaited. I look forward to working with my colleagues and all of the interested individuals and organizations toward that end. We have scheduled hearings before the Subcommittee on Child and Human Development on this legislation on February 6 and 21, and plan to continue the process of refining and perfecting the bill after those hearings.

Mr. President, I ask unanimous consent that the text of S. 4 be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 4

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Child Care Act of 1979".

STATEMENT OF FINDINGS AND PURPOSE

Sec. 2. (a) The Congress finds that—

(1) the number of children living in homes where both parents work or where children are living with a single parent who work has increased dramatically over the last ten years;

(2) the number of licensed child-care openings is far short of the number required for children in need of child-care services;

(3) existing child-care programs are frequently filled to capacity and often have long waiting lists admission;

(4) the lack of available child-care services results in many children being left—some all day—without adequate supervision;

(5) rise in school vandalism, juvenile alcoholism, and serious juvenile crimes has been accompanied by an increase in the number of school-age children with working parents and without resources for afterschool supervision;

(6) many parents are unable to afford adequate child-care services and do not receive any financial assistance for such services through any established program;

(7) the years from birth to age six are especially important in the development of a child and the care children receive during this period is critical to the developmental process;

(8) making adequate child-care services and all natives available for working parents promotes and strengthens the well-being of families and the national economy; and

(9) there is a lack of coordination among existing child-care programs receiving Federal and State assistance and among such programs and other programs providing services to children and their families, and an absence of a coordinated administration of child-care programs and services at the Federal level.

(b) Recognizing that the parent is and must continue to be primary influence in the life of the child and that the parent must have ultimate responsibility for decisions on how child will be raised, it is the purpose of the Act—

(1) to provide assistance to States in improving the quality of and coordination among child-care programs and provide additional resources for child-care services;

(2) to provide mechanisms for assessing the extent of the need for child-care services in the Nation;

(3) to promote coordination at all governmental levels of child-care programs and other services for children and their families;

(4) to promote the availability and diversity of quality child-care services for all children and families who need such services;

(5) to provide assistance to families whose financial resources are insufficient to pay the full cost of necessary child-care services; and

(6) to strengthen the functioning of families by seeking to assure that parents are not forced by lack of available programs or financial resources to place a child in an undesirable care facility or arrangement.

PROTECTION OF PARENTAL RIGHTS

Sec. 3. Nothing in this Act shall be construed to authorize any public agency or private organization or any individual associated therewith to interfere with, or to intervene in, any child-rearing decision of parents.

STATE ACTIVITIES

Sec. 4. (a) Any State desiring to participate in a program authorized by this Act shall submit to the Secretary a plan, not less often than biennially, in such detail and form as the Secretary deems necessary. Each such plan shall—

(1) specify the State agency to be designated or created as the State agency which will, either directly or through arrangements with other State or local public agencies, act as the State agency responsible for the administration and oversight of the plan submitted under this subsection;

(2) provide that the specified State agency will—

(A) make an assessment of child-care needs in the State and an assessment of the effectiveness of programs and services under this Act and other provisions of law in meeting such needs;

(B) develop a plan designed to meet the need for child-care services within the State for preschool children and school-age children, with special attention to meeting the need for services of migrant children, handicapped children, children with limited English-language proficiency, and other groups of children having special needs;

(C) coordinate, to the maximum extent feasible, the provisions of services under this Act with other child-care programs and services assisted under any State or other Federal provisions of law, and with other appropriate services, including health and nutritional services, available to such children under other Federal and State programs; and

(D) prepare the reports required under subsection (d) of this section;

(3) provide that—

(A) funds under this Act will be distributed within the State in accordance with the plan submitted to the Secretary under this section and will be used for services provided only by child-care providers which—

(i) are licensed in the State or have applied for a renewal of such license and are determined by the State to be likely to be approved for renewal; and

(ii) meet the standards prescribed under section 5(c);

(B) funds will be distributed to eligible child-care providers by contract or grant, or may be distributed through vouchers issued to parents for use by parents with eligible child-care providers or other alternative payment arrangements; and

(C) priority will be given to child-care providers in the State that provide assurances that—

(i) priority for services will be given to children on the basis of family need, taking into account family income, family size, and the special needs of children from households with a single parent; and

(ii) each such child-care program will, to the maximum extent feasible, provide for an economic mix of children enrolled;

(4) provide that funds will be distributed, to the maximum extent feasible, to a variety of child-care providers in each community, including, but not limited to, child-care centers and family day care providers;

(5) provide for the establishment of fee schedules based upon the services provided and family income adjusted for family size for children receiving services assisted under this Act;

(6) provide for the establishment of pro-

cedures for data collection and evaluation designed to show (in a manner not inconsistent with guidelines established by the Secretary)—

(A) how the child-care needs of the State are being met by programs assisted under this Act,

(B) the degree to which child-care needs are not being met by programs assisted under this Act or other programs,

(C) the extent to which the availability of child care has been increased, including, but not limited to, measures of licensed childcare openings and of the extent to which existing programs are filled, and the numbers and average time associated with waiting lists for admission to existing programs,

(D) how the purposes of the Act and the objectives of the State set forth in each State plan are being met;

(7) provide, by grant or contract, for the support or establishment of information and referral services to assist parents in securing child-care services;

(8) provide, by grant or contract, for training programs for child-care personnel;

(9) establish procedures for the development and implementation of State licensing of child-care providers in accordance with the criteria prescribed pursuant to section 7(a);

(10) establish procedures for meaningful parental involvement in State and local planning, monitoring, and evaluation of programs and services provided under this Act;

(11) provide assurances that funds received under this Act will be used to supplement, and not supplant, existing Federal funds used for the support of child-care services and related programs;

(12) provide, for each fiscal year, that the State will use for administration of the State plan for such fiscal year an amount not to exceed 10 per centum of the funds distributed to such State, except that in the case of Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands, the State will use an amount not to exceed 5 per centum of the funds distributed to such State, for administrative costs; and

(13) provide for the establishment of a State Advisory Panel in accordance with subsection (b) of this section and specify the amount of funds to be allocated to such panel.

(b)(1) The State Advisory Panel on Child Care established by the State shall be composed of not less than sixteen members—

(A) of which at least 25 per centum will be parents of children receiving child-care services assisted under this Act,

(B) of which at least 25 per centum will be representatives of child-care providers within the State, including representatives of different types of child-care programs, and

(C) of which at least 25 per centum will be professionals in the field of child development and related fields.

(2) The State Advisory Panel shall—

(A) advise the State on the preparation of, and policy matters arising in the administration of, the State plan submitted under subsection (a) of this section,

(B) review and submit comments to the State agency on the State plan, and

(C) review and evaluate child-care programs and services under this Act and other provisions of law in the State and the progress of such programs and services in meeting the needs of the State in the provision of child-care services and make recommendations, as appropriate, on the development of State standards and policies relating to child-care programs and the provision of child-care services.

and may prepare and submit, through the State agency created or designated under clause (1) of subsection (a) of this section, such recommendations and evaluations, together with such additional comments, as that State agency deems appropriate, to the Secretary.

(3) Each State Advisory Panel shall meet within thirty days after the beginning of each fiscal year and establish the time, place, and manner of its future meetings, except that such panel shall have not less than two public meetings each year at which the public is given an opportunity to express views concerning the administration and operation of the State plan.

(4) Each State Advisory Panel shall be authorized to obtain the services of such professional, technical, and clerical personnel and to contract for such other services as may be necessary to enable the panel to carry out its functions under this Act. The Secretary shall assure that funds sufficient for the purpose of this paragraph are made available to each panel from funds available for the administration of the State plan.

(c) The Secretary shall approve any State plan, and any modification thereof, if (after approval of the first such plan) the State agency has complied with the provisions of subsection (d) of this section and if such plan complies with the provisions of subsections (a) and (b) of this section, and the Secretary shall not disapprove any State plan except after reasonable notice an opportunity to correct deficiencies in the plan and notice of an opportunity for a hearing.

(d) For the purpose of providing information to the Secretary and the Congress to aid in their oversight of the implementation and effectiveness of programs under this Act, the State agency specified under subsection 4(a)(1) of this Act shall prepare to submit to the Secretary not later than December 1 of each year, a precise report describing their activities, results, and performance in meeting the objective of the State plan and the purposes of the Act. The report submitted under this subsection shall contain the results of the data collection, reviews, and evaluations of the plan pursuant to subsections (a)(6) and (b)(2)(C) of this section.

NATIONAL ADMINISTRATION

SEC. 5. (a)(1) The Secretary shall designate an identifiable administrative unit and an individual in charge of such unit within the Department of Health, Education, and Welfare to carry out the provisions of this Act and to coordinate other activities within the Department of Health, Education, and Welfare relating to child care.

(2) The Secretary shall make available to such unit such staff and resources as are necessary to carry out effectively its functions under this Act.

(b)(1) The Secretary shall establish within six months after the date of enactment of this Act within the Office of the Secretary a National Advisory Panel on Child Care Needs and Services which shall be composed of not less than sixteen members—

(A) of which at least 25 per centum will be parents of children receiving child-care services under this Act,

(B) of which at least 25 per centum will be representatives of child-care providers, including representatives of different types of child-care programs, and

(C) of which at least 25 per centum will be professionals in the field of child development and related fields.

and not less than one-third of the members serving on the National Advisory Panel shall be individuals who are serving on, or have served on, a State Advisory Panel established by a State under section 4(b).

(2) The National Advisory Panel shall review Federal policies with respect to child-care services and shall make recommendations to and advise the Secretary with respect to the standards developed by the Secretary pursuant to subsection (c) of this section.

(3) The Secretary shall provide such personnel and technical assistance as may be required to permit the National Advisory Panel to carry out its functions under this section.

(4) Members of the National Advisory Panel who are not regular full-time employees of the United States shall, while attending meetings and conferences of the National Advisory Panel or otherwise engaged in the business of the National Advisory Panel, be entitled to receive compensation at a rate fixed by the Secretary, but not exceeding the rate specified at the time of such service for GS-18 in section 5332 of title 5, United States Code, including traveltime; and, while so serving on the business of the National Advisory Panel away from their homes or regular places of business, they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 title 5, United States Code, for persons employed intermittently in the Government service.

(c)(1) The Secretary shall, wih the assistance of the National Advisory Panel, not later than twelve months after the date of enactment of this Act, prepare and develop proposed standards to be applied to programs receiving funds under this Act. The standards developed pursuant to this subsection shall cover factors having a demonstrated impact on the quality of child care including but not limited to—

(A) group size and composition in terms of the number of teachers and the number and age of children,

(B) the qualifications of the child-care provider,

(C) the physical environment,

(D) parental involvement, and

(E) necessary support services.

(2) The Secretary shall publish the proposed standards in the Federal Register after distribution of the proposed standards to each State panel and State agency designated or established under section 4(a)(1).

(3) After taking into consideration any comments received by the Secretary with respect to the regulations proposed under paragraph (1) of subsection (c) of this section but in no event later than 12 days after the Secretary publishes proposed standards under paragraph (2) of subsection (c) of this section the Secretary shall publish in the Federal Register final standards to be applied to programs receiving funds under this Act.

DEMONSTRATION PROJECTS

SEC. 6. (a) The Secretary is authorized to make grants to and enter into contracts with public agencies and private projects organizations to support innovative demonstration child-care, including projects providing night time care, care for sick children, migrant children, children with limited English-language proficiency, handicapped children, or other special needs populations. No grant may be made under this subsection unless adequate funds are included in such grant to evaluate and report to the Secretary on the effectiveness of the approach of the program receiving assistance in meeting the child-care needs of the families being served.

(b) No grant may be made under this section unless an application is made to the Secretary at such time, in such manner, and containing or accompanied by such information as the Secretary determines necessary. The Secretary is authorized to establish regulations to carry out the provisions of this section.

LICENSING IMPROVEMENT GRANTS

SEC. 7. (a) Each State receiving assistance under this Act shall prepare a report to be submitted to the Secretary outlining the current status of child-care licensing within the State, deficiencies, if any, in the existing licensing program, the plan of the State for expanding its licensing program to cover all types of child-care providers (except where children are being cared for in their own homes, by a relative, or on a less than full-time basis in a noncommercial, neighborhood setting, such as a cooperative play group or occasional child-care arrangements) and the types of assistance the State requires to make improvements in its licensing program.

(b) The Secretary is authorized to make grants to States submitting a report under subsection (a) of this section for the purpose of developing, improving or implementing it child-care licensing program. No grant may be made under this section unless the State submits an application to the Secretary therefor at such time, in such manner, and containing or accompanied by such information as the Secretary deems necessary.

(c) The Secretary shall, with the assistance of the National Advisory Panel on Child Care Needs and Services and with the cooperation of the National Conference of Uniform Commissioners of State Laws, develop a Model State Licensing of Child Care Providers Act to be used by the States as a guide to improving licensing of child-care providers.

TRAINING AND TECHNICAL ASSISTANCE

SEC. 8. (a) (1) The Secretary is authorized to make grants to and enter into contracts with institutions of higher education, State and local public agencies, and private organizations to provide preservice and inservice training to teachers and administrative personnel involved in child-care programs, to recruit and train low-income parents for child-care positions, to provide specialized training in early childhood education for certified elementary school teachers who are unemployed, to train information and referral workers, to train persons providing services to handicapped children, immigrant children, and children with limited English-language proficiency, and to develop and improve teacher certification criteria for child-care programs.

(2) The Secretary is authorized to provide technical asistance to States in planning, developing, and conducting child-care services, in the development, expansion, and implementation of State licensing of child-care programs, and in the development and conduct of teacher or child-care-provider training programs with special attention to the factors described in paragraph (1) of this subsection.

(b) No grant may be made under this section unless an application is made to the Secretary at such time, in such manner, and containing or accompanied by such information as the Secretary deems necessary.

ALLOTMENTS

SEC. 9. (a) From the sums appropriated pursuant to section 14(a) for each fiscal year, the Secretary shall allot not more than one per centum among Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands according to their respective needs.

(b) From the remainder of such sums, the Secretary shall allot—

(1) to each State the amount which bears the same ratio to 50 per centum of such remainder as the number of children living in homes in which—

(A) both parents of such child are employed, or

(B) the child resides with only one parent and that parent is employed,

in such State bears to the number of such children in all States; and

(2) to each State an amount which bears the same ratio to 50 per centum of such remainder as the number of children who reside in households having incomes which are equal to or less than oen-half of the median income of the United States for families of the same size, as determined in accordance with criteria established by the Secretary, in such State bears to the number of such children in all States.

For the purpose of this subsection, the term "State" does not include Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands.

(c) That portion of any State's allotment under subsection (a) for a fiscal year which the Secretary determines will not be required for the period such allotment is available shall be available for reallotment from time to time on such date during such period as the Secretary may fix to other States in proportion to the original allotment of such States under subsection (a) for such year, but with such proportionate amount for any of such other States being reduced to the extent it exceeds the sum of the Secretary estimates will be needed in such State and will be used for such period for carrying out State plans approved under this Act, and the total of such reduction shall be similarly reallotted among the States whose proportionate amounts are not so reduced. Any amount reallotted to a State under this subsection during a year shall be deemed part of its allotment under subsection (a) of this section for such year.

PAYMENTS

SEC. 10. (a) From the amounts allotted to each State under section 9 of this Act, the Secretary shall pay to each State having a plan approved by him under section 4 a grant in an amount equal to the total sums to be expended by the State under the plan for the fiscal year for which the grant is to be made.

(b) Payments under this Act may be made in installments, in advance, or by way of reimbursement, with necessary adjustments on account of overpayments or underpayments.

WITHHOLDING OF GRANTS

SEC. 11. Whenever the Secretary, after reasonable notice and opportunity for a hearing to any State, finds—

(1) that there has been a failure to comply substantially with any provision or any requirements set forth in the State plan of that State approved under section 4; or

(2) that in the operation of any program or project assisted under this Act there is a failure to comply substantially with any applicable provision of this Act, the Secretary shall notify such State of the findings and that no further payments may be made to such State under this Act (or in the discretion of the Secretary that further payments to the State will be limited to programs or projects under the State plan or portions thereof, not affected by such failure) until the Secretary is satisfied that there is no longer any such failure to comply, or that the noncompliance will be promptly corrected.

REVIEW AND EVALUATION

SEC. 12. (a) The Secretary shall make reviews and evaluations of the programs and activities carried out under this Act (to be conducted by persons not directly or indirectly involved in administration of the programs or activities to be reviewed or evaluated) and conduct studies of child-care needs for the purpose of providing information aimed at—

(1) enabling the Congress and the Executive Branch to agree upon specific, realistic objectives and expectations of achievement for programs and activities carried out under this Act;

(2) determining whether the programs and activities established and carried out under this Act at the Federal, State, and local levels will be likely to achieve progress toward such objectives and expectations;

(3) assuring that sufficient data necessary to ascertain such progress is collected and made available to the Congress and the Executive Branch; and

(4) improving the capability of the Congress and the Executive Branch to understand child-care needs in the Nation and how best to meet such needs in a cost-effective fashion.

(b) In carrying out reviews, evaluations, and studies under this section, the Secretary shall—

(1) ascertain the specific objectives and expectations for achievement regarding programs and activities carried out under this Act of appropriate managers and policymakers in the Executive Branch and of appropriate committees of the Congress;

(2) examine a representative sample of the actual operation and results of such programs and activities at the Federal, State, and local levels;

(3) compare the objectives and expectations for achievement with the actual operation and results of programs and activities, including comparisons of the objectives of State plans with the actual operation and results under such plans and an assessment of the effects of increased availability of child care (including changes in the incidence of child abuse, school vandalism, and juvenile delinquency, and other relevant effects such as in health status, school attendance, and school performance);

(4) identify or develop programs and activities, or parts of programs and activities, that are able, or are likely to be able, to achieve in a cost-effective fashion progress toward such objectives and expectations; and

(5) determine how the results of such reviews, evaluations, and studies can best be disseminated and utilized to achieve the purposes described in subsection (a) of this section.

(c) The Secretary shall prepare and transmit to the President and the Congress on or before March 1 of each year a concise report containing—

(1) a statement of specific, realistic objectives and expected progress toward such objectives over the next year for the programs and activities carried out under this Act, and a statement relating such objectives and expected progress to the purposes of this Act;

(2) the results of all comparisons made under subsection (b) (3) of this section, including comparisons necessary for judging the effectiveness with which State plans, and the objectives of such plans, are carried out at the State and local levels:

(3) the results of efforts under subsection (b) (4) of this section, including options or recommendations (or both) with respect to any legislative action deemed necessary or desirable for achieving the purposes set forth in subsection (a) of this section; and

(4) plans for reviews, evaluations, and studies under this section for the ensuing year, including a statement detailing the programs and activities (or parts thereof) carried out under this Act to be the subject of such activities.

(d) The Secretary shall prepare and transmit to the President and the Congress not later than four years after the date of enactment of this Act a report on child-care needs in the Nation. Such report shall include, but not be limited to, a summary of the results of data collection under sections 4(a) (6) (A), 4(a) (6) (B), and 4(b) (2) (C) and any studies of child-care needs conducted by the Secretary under this section, a summary of other relevant research on child-care needs, and an analysis of options for more fully meeting such needs including options for legislative action.

(e) The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall, until the expiration of three years after the completion of a program, project, or activity authorized or assisted under this Act, have access for the purpose of audit and examination to any books, documents, papers, and records of recipients which in the opinion of the Secretary or the Comptroller General may be related or pertinent to the grants authorized to be made under this Act.

DEFINITIONS

SEC. 13. As used in this Act—

(1) "child" means any individual who has not attained the age of fifteen;

(2) "parent" includes any natural parent, foster parent, or legal guardian with whom the child resides;

(3) "Secretary" means the Secretary of Health, Education, and Welfare; and

(4) "State" means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands, American Samoa, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands.

AUTHORIZATION OF APPROPRIATIONS

SEC. 14. (a) There are authorized to be appropriated for fiscal year 1980, and for each of the four suceeding fiscal years such sums as may be necessary for carrying out the provisions of this Act. Of the sums so appropriated for any fiscal year, 75 per centum shall be used for making grants under section 4, relating to grants for carrying out the State plan; 5 per centum shall be used for making grants under section 6, relating to demonstration projects; 5 per centum shall be used for making grants under section 7, relating to licensing assistance; 5 per centum shall be used for making grants or contracts under section 8(a), relating to training programs; and 10 per centum shall be used for carrying out the provisions of sections 5, 8(b), and 12 relating to national administration (including the reasonable expenses of the National Advisory Panel on Child Care Needs and Services) and training and technical assistance.

(b) No funds are authorized to be appropriated for any fiscal year unless funds appropriated for the preceding fiscal year to carry out part A of title V of the Economic Opportunity Act of 1964, relating to Project Head Start, are at least equal to the funds appropriated for such part for the fiscal year 1970.

Mr. WILLIAMS. Mr. President, I am pleased to join my colleague, Senator CRANSTON, in cosponsoring the "Child Care Act of 1979," a measure designed to improve and expand quality child care services to children and their families in this country. Essentially, this legislation embodies many of the recommendations that were made by witnesses that testified before the Subcommittee on Child and Human Development on child care issues during the 95th Congress. The Senate Committee on Human Resources' Subcommittee on Child and Human Development held extensive hearings examining the role of the Federal Government in child care to determine what changes should be made to make the ongoing Federal effort more responsive to those who must have child care services but cannot afford them without assistance.

As we all know, the Federal Government has long been involved in the provision of child care services. The effort to provide critical child care services to American families has been intense, but sadly still falls far short of meeting the ever-burgeoning needs in this area. Senator CRANSTON has ably demonstrated in his statement that millions of children of all ages are in need of appropriate child care services because of working parent(s).

Statistics released by the U.S. Department of Labor in March of 1977 and data from DHEW in 1976 estimate that there were 6.4 million children in the Nation under 6 years of age whose mothers work. This data also illustrates that there are 22.4 million children from 6 to 17 years of age whose mothers work. In light of this data it seems quite shocking that there are only 1.6 million licensed child care openings available in the entire country. The programs are overtaxed, insufficient, and often result in young children that are left alone without any supervision whatsoever.

An evaluation of current Federal activities reveals that there is a scarcity of assistance to low-income working families. While struggling to stay off of welfare assistance and in the labor force, these low-income families find the door closed to reasonably priced quality child care. Unfortunately, the approach to child care for low- and moderate-income families has been scattershot or fragmented at best. To address this problem, "The Child Care Act of 1979" has been drafted to assist in improving the coordination and quality of child-care programs on the local, State, and Federal level. This measure would also seek to promote a diverse selection of quality child-care services for all children and families who need such services.

The need for an augmented effort to expand child care services is undeniable. In my own State of New Jersey, child care advocates have been strident in their commitment to improve and expand existing child care services. The consensus is, there is a need for an increased role of the Federal Government to expand existing child care services. To illustrate, Commissioner Ann Klein, of the Department of Human Services stated:

> We believe that the greatest need of this State, and probably of most others, is for a general increase in the level of Federal support for day care programs.

Day care services in New Jersey have expanded over the past decade, but the demand for child care services, for low and moderate working women has catapulted out of sight. While there is insufficient data to pinpoint the exact extent of the need in New Jersey, Commissioner Klein stated in her testimony before the Subcommittee on Child and Human Development:

> One study conducted during April through June 1976 by R. L. Associates for the New Jersey Department of Human Services estimated that there were 250,000 children in single-parent households in need for some type of day care. This group was described as having the "severest need" because of the correlation between the "frustrations and difficulties of one-adult, poor families and all kinds of social pathologies from child abuse to children in trouble with the police."
>
> Another study conducted in three communities in Union County, New Jersey, revealed that 71 percent of the families with children age 12 or younger needed some form of day care. In this study, 77 percent of the mothers who were employed during the past year said they needed day care, and 42 percent had problems with day care that interfered with their employment.

A provision in this new bill would address this problem of insufficient data and would facilitate the assessment of the need for child care services throughout the country.

In Newark, N.J., it is estimated that at least 13,000 children are in need of full-time child care because of working parents in training. Subcommittee witness, Rebecca Doggett Andrade of the Tri-City Citizen Union for Progress, Inc., stated:

> This figure does not include parents who would like early childhood programs for educational and social purposes. Nor does this figure include any calculation of how many of the 77,000 children in public school need after-care.

In the past, the consideration of child development legislation invoked the protest of individuals that interpreted that approach to abrogate or interfere with the rights and responsibilities of parents in the rearing of their children. This proposed child care bill is based on the family as the primary and most significant influence on children and one of the most important institutions in our country, and would in no way interfere with the rights of the family. In fact, an essential provision of the bill ensures the protection of parental rights and declares,

> Nothing in this Act shall be construed to authorize any public agency or provide nonprofit organization or any individual associated thereto to interfere with, or to intervene in, the child rearing decision of parents.

Grace Ibanez de Friedman of the Puerto Rican Congress, another New Jersey witness. states before the Child and Human Development Subcommittee,

> Good child care involves the parent intimately. He/she should make policy decisions about who should care for and help develop the child and under what conditions. . . .

Fundamentally, the bill is fashioned to strengthen the functioning of families by seeking to assure that parents are not forced to place a child in an unacceptable or undesirable care facility or arrangement because of the lack of adequate resources or facilities.

Mr. President, I believe that the adoption of this comprehensive child care bill can provide the needed initiative to: upgrade existing child care programs; expand child care eligibility criteria to include those groups most in need of such services; improve the coordination of the myriad overlapping child care programs; increase the level of funding to the States for the development and expansion of child day care services to day care has long been viewed by many individuals as an essential support service that meets a variety of social, educational, health and employment needs for many families. Thus, it is my view that the funds which could be made available to States and local communities under this measure for child care services are critical to our economy country. This bill represents a sound and and to the working parents of this realistic approach to an urgent national problem.

MR. RIEGLE. Mr. President, I am

pleased to join with Mr. Cranston in introducing the Child Care Act of 1979. Our bill provides essential assistance and coordination in improving the quality and quantity of child care services, especially for children with working parents.

As members of the Subcommittee on Child and Human Development during the 95th Congress, Chairman Cranston and I have confronted the problems of millions of American families where both parents (or the only parent) must work outside the home. Many child development specialists have advocated varied programs to deal with this problem, but congressional inaction has resulted only in a dearth of workable programs designed to improve child care services. The Child Care Act of 1979 is a comprehensive approach that I feel will be effective, efficient, and, most of all, humane through targeting assistance to families with working parents.

Millions of children with either both parents or their only parent working require some form of assistance, especially through arrangements that accommodate single-parent families. Parents deserve assurances that their children will be safe and well cared for, at a cost the individual family can afford.

One of the most important features of this bill is the clear protection of parental rights, enforcing our national tradition against intervention in parental child-rearing decisions. In addition, parents and their representatives will participate in State and National advisory panels to assure that their needs, and those of the children being served, are met.

The Congress has historically neglected the need for child care services in this Nation. In so doing, we have ignored the crying need to improve the environment for developing our greatest natural resource—our children.

Mr. McGOVERN. Mr. President, I am pleased to be a cosponsor of the "Child Care Act of 1979". In this, the International Year of the Child, I cannot think of a better way for Congress to demonstrate its commitment to children than to offer legislation enabling parents to provide their children with the best care possible.

I commend Senator Cranston for seeing the need for such services and working to create what I feel is a much needed service for children and families. This bill requires States desiring to participate in a program authorized by the Child Care Act, to develop a plan which will best meet the needs for child care services in the State for preschool children and school-age children. Among other things it requires coordination at all levels of government with other child care programs and services, and promotes a diversity of child care arrangements.

I am pleased that this bill also provides for mechanisms to assess the extent of the need for child care services in this country. For too long, government, both at the State and Federal level, has been throwing money at programs with little justification for their need. At a time when fiscal austerity is uppermost in people's minds, we child care advocates must have the hard facts as to why our policies are needed.

It is exciting to think that in a few years each State could have a coordinated child care plan and would know how many children needed child care, how many were receiving care, the type of care received, and what the effects of that care have on the family. Our commitment to children should be such that each State is aware of the needs of children and families and have coordinated efforts to see that families are receiving these services.

By Mr. CHILES:

S. 5. A bill to provide policies, methods, and criteria for the acquisition of property and services by executive agencies; to the Committee on Government Affairs.

Mr. CHILES. Mr. President, today, I am introducing the Federal Acquisition Reform Act. This legislation repeals the two basic laws governing Federal purchasing and replaces them with a single, modern statute which is designed to stimulate competition and encourage innovation.

The Federal Acquisition Reform Act builds on legislation, S. 1264, that I introduced during the 95th Congress. The Subcommittee on Federal Spending Practices held 5 days of hearings on S. 1264 and heard testimony from 20 witnesses representing the executive branch, the General Accounting Office, the academic community, the legal community, and the private sector. The subcommittee also received more than 80 written comments on the bill from a wide range of interested parties. As a result of the hearings and comments, as well as extensive discussions with executive agencies and the General Accounting Office, the subcommittee revised S. 1264, and the revised version was adopted by the Senate Governmental Affairs Committee and reported to the full Senate. At that time the Armed Services Committee expressed its interest in reviewing S. 1264. We agreed to refer the bill to that committee in order to benefit from the experience and expertise their oversight of the Defense Department's procurement activities has provided them with. A special working group, headed by Senator Morgan and Senator Goldwater, conducted 2 days of hearings on the bill, but the Congress adjourned before the committee could take further action on the bill. During the last several months, the subcommittee has worked to accommodate the concerns raised during these Armed Services Committee hearings. I believe that these concerns have been handled in large part, and am confident that, if any differences remain, they can be quickly resolved.

Senator Proxmire submitted his views on S. 1264 during the Armed Services Committee hearings, and his comments reflected a thoughtful, comprehensive, and balanced assessment of the bill. We have worked with the Senator from Wisconsin and his capable staff during the past several months and I feel that, as a result of our discussions, the bill has been and will continue to be improved.

The Federal Acquisition Reform Act was not drafted overnight. Its origins date back to the 2½ years of work by the Commission on Government Procurement. The Commission, a congressionally created bipartisan body composed of experts from the private sector and the public sector issued its final report in 1973. Late in 1976, I took a first effort to implement the legislative recommendations of the Procurement Commission by introducing a bill, S. 3005. That bill was revised and reintroduced in the 95th Congress as S. 1264. The legislation I am introducing today has benefitted from this extensive consideration and review. It is, I believe, a mature, balanced bill which is ripe for consideration by the full Senate and for enactment into law.

Before outlining some of the changes incorporated into this bill, let me say that the major objectives of the bill remain unchanged. This bill would consolidate and modernize the statutory framework governing Federal procurement, and establish a single, simple procurement regulation with Government-wide applicability. It vests the authority to promulgate and to revise that regulation with one agency, the Office of Federal Procurement Policy, to insure that the current fragmentation of procurement regulations does not reoccur.

It severely restricts the use of detailed specifications in purchase descriptions and encourages the use of simple functional purchase descriptions. It places restrictions on the use of sole source procurement by requiring the marketplace rather than the Agency to determine if competition exists. It insures equity and fairplay in the award of contracts by establishing a statutory base for the General Accounting Office's resolution of bid protests. Finally, it streamlines and rationalizes Government audit and surveillance efforts by focusing them on large contractors, and providing a measure of relief from complex Government requirements for smaller contractors who operate competitively.

A major addition to the bill, which comes out of our investigations into the corruption of GSA, is a series of provisions designed to insure accountability on the part of agency employees and of contractors.

A new provision of the bill calls for the Office of Federal Procurement Policy, in consultation with the Office of Personnel Management, to issue a code of conduct for Government employees who are involved in Federal contracting. The code of conduct is designed to apply to all Government acquisition personnel and will set out methods of compliance with this legislation, as well as listing prohibited actions in the acquisition process. Agency Inspectors General are to investigate alleged violations of the code, and violators will be subject to disciplinary action in accordance with the Civil Service laws.

Section 306 has been revised to make it unlawful for a contractor to deprive the Government of the benefit of a true and free audit. Contractors who violate this provision will be subject to a range of penalties, including termination of the contract for default, debarment, fines, and imprisonment.

Finally, section 508 has been modified to require agencies to refer suspected contractor violations of criminal laws, as well as antitrust laws, to the Justice Department for appropriate action. It also now vests the responsibility for investigating such violations on the Federal Bureau of Investigation, in order to insure that there is an identifiable unit within the Government responsible for such investigations.

There are a number of laws and regulations on the books today which allow action to be taken against persons who violate the law while participating in the acquisition process. The GSA investigations have shown that these laws simply are not being enforced or even worse, that no one seems to understand that such laws exist. I have included new sanctions in this legislation for these reasons. First I believe that a statute which established basic policies and procedures for the Federal acquisition process should also contain provisions which set out penalties for violations of its provisions.

It helps assure that the implementation of new procurement procedures and the promulgation of penalties for violating those procedures takes place at the same time, and establishes a link between the two from the contract. Second, I believe that it is important to indicate who the Congress expects to enforce these sanctions. By vesting a great measure of this responsibility in agency inspectors general and the FBI, we facilitate congressional oversight of the acquisition process and create focal points within the executive branch to which allegations of violations may be referred.

I have also revised that provision of the bill which deals with multiple award schedules. Currently, GSA lists thousands of items on multiple award schedules, and the Government purchases over $2 billion of mostly commercial supplies each year through these schedules. The recent investigations into the purchasing practices of GSA have revealed serious problems with the operation of the multiple award schedule program, and have indicated that a more effective program could have saved the Government significant amounts of money. I want to stress that the language in the bill today is by no means set in concrete. It simply indicates the direction in which I think the Government needs to move on multiple award schedules. I believe that the present system could be vastly improved by reducing the number of items on the schedules, by stressing price, not discounts, as the basis for awards, and by creating stringent justification procedures whenever an agency wants to use anything but the lowest priced items. The General Accounting Office is reviewing the current multiple award schedule program, and plans to have a study completed sometime this spring. I have begun to look at the procurement system of our States to see how they operate, and to determine if there are lessons the Federal Government can learn from the States. One important step we should take is to stress market research and analyses in Federal purchasing. The Federal Government ought to look before it leaps, so to speak, and that means using market research to estimate the Government's needs, determine what products can meet these needs, who sells these products and how they can be most effectively obtained.

The limitations on discussions in competitive negotiations which is in section 303 of S. 1264 has been modified. As revised, it now strikes a balance by permitting full and meaningful discussions during negotiations while prohibiting those abusive practices, like auctioneering and technical leveling, which have compromised the integrity of the system and led to buy-ins and cost overruns in the past.

The issue of U.S. purchases from foreign governments and interested organizations has not been addressed in the bill. I understand the concern certain executive agencies, especially the Department of Defense, have over the absence of such a provision.

As I have indicated in the past, however, the impact such a provision would have on efforts to achieve a measure of commonality of equipment with our NATO partners makes it appropriate that any proposal be reviewed by the Armed Services Committee. I understand that that committee has been looking into this very problem and I would plan to give great weight to any proposals it makes to resolve this important problem.

NEED FOR LEGISLATION

In the last fiscal year the Federal Government spent over $80 billion on the purchase of supplies and services in more than 15 million contract actions. The Defense Department alone used more than 35,000 persons in over 600 offices in spending $65.2 billion for the acquisition of products and services. Yet, these activities, which are immense in scope and in economic impact, are controlled by two different 30-year-old laws, each of which has been amended at different times without regard to the other. Furthermore, past reforms in procurement have focused on a particular aspect of the process, or have attempted to redress a symptomatic abuse in the system. This fragmented approach has resulted in a dual regulatory system, one for the military agencies and another for civilian agencies. Studies by the Commission on Government Procurement revealed more than 30 troublesome inconsistencies between the two regulatory systems.

For example, major inconsistencies include:

Competitive discussions: The Armed Services Act requires but the Federal Property Act does not, that proposals for negotiated contracts be solicited from a maximum of qualified sources, and that discussions be conducted with all sources in a competitive range.

Truth in negotiations: The Armed Services Act requires but the Federal Property Act does not, that contractors and subcontractors submit cost or pricing data.

Negotiation authority for research and development: Both acts require agency head approval to negotiate research and development contracts. Under the Armed Services Act someone below the head of the agency can approve contracts up to $100,000. Under the Federal Property Act, the limit is $25,000.

Negotiation of certain contracts involving high initial investments: The Armed Services Act includes, but the Federal Property Act does not, an exception to the advertising requirement for negotiating certain contracts requiring high initial investment.

Specifications accompanying invitations for bid: The Armed Services Act states that an inadequate specification makes the procurement invalid. Comparable language is not found in the Federal Property Act.

I could go on for hours citing other examples of restrictions, inconsistencies, and areas for which there is no guidance whatsoever. These inconsistencies have been magnified in the flowdown from statute to regulation to actual practice. This cripples the Government by creating confusion and paperwork with acts to inhibit many businesses, especially small ones, from competing for Government contracts.

This procurement reform legislation seeks to substitute effective competition for regulation in Federal spending.

Nearly everyone shares the popular resentment over Government regulations—and in no area is the damage greater than in Federal contracting.

But although it is popular to call for eliminating Government regulations, we have to think for a moment. These regulations grew for an apparent reason: To gain control and accountability. In Federal spending practices, the regulatory controls grew, I believe, because effective competition was dying as the primary control mechanism.

It is not enough to eliminate regulations, we need to put effective competition back to work in their place. That is why the new contracting legislation is aimed at relieving a range of Government surveillance requirements—but only for those companies who operate in a competitive environment.

If you believe half of the business complaints about being buried under Government paperwork, private firms should welcome this approach. Contractors who do business with the Federal Government will have to stand up and be counted in the harsh light of open competition, however, and I am afraid our current contracting policies have gotten some big contractors' eyes adjusted to doing business by cost-plus candlelight.

The bill also seeks to design Federal spending practices to unleash a technological offensive to meet the Nation's needs.

Unless and until we can begin to unstack the layers of managers and management from Congress on down, and unless and until we begin to put wide-open competition to work instead of enforced regulatory stagnation, and unless and until we do these things—we are going to continue to crush our most invaluable and scarce national resource: the creative talent of American businesses.

Talk about American industrial productivity. Talk about standard of living.

Talk about agricultural output. Talk about balance of trade and strength of the American dollar shifting military balance. Talk about any of these things, and the odds are that one word will constantly appear: technology. New products and new services to meet growing needs.

Federal spending practices set the economic tone for this country. They set the rules by which major corporations lean to do business, especially high technology firms which are heavily, if not totally, dependent on Federal nourishment.

This new Federal acquisition legislation is designed to convert those Federal spending practices from insensible inhibitors into positive promoters of new technology. It is founded on the proposition that the Federal Government ought to contract with the person offering the best product at the lowest price, not the fellow most adept at filling out forms.

Mr. President, I ask unanimous consent that the bill be placed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 5

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE; TABLE OF CONTENTS

SECTION 1. (a) SHORT TITLE.—This Act may be cited as the "Federal Acquisition Reform Act."

(b) TABLE OF CONTENTS.—

Sec. 1. Short title; table of contents.
Sec. 2. Declaration of policy.
Sec. 3. Definitions.

TITLE I—REGULATORY GUIDANCE

Sec. 101. Acquisition methods.
Sec. 102. Regulatory compliance.
Sec. 103. Contracting Officers Compliance Code; Enforcement.

TITLE II—ACQUISITION BY COMPETITIVE SEALED BIDS

Sec. 201. Criteria for use.
Sec. 202. Invitation for sealed bids.
Sec. 203. Evaluation, award, and notifications.

TITLE III—ACQUISITION BY COMPETITIVE NEGOTIATON

Sec. 301. Criteria for use.
Sec. 302. Solicitations.
Sec. 303. Evaluation, award, and notifications.
Sec. 304. Noncompetitive exceptions.
Sec. 305. Price and cost data and analysis.
Sec. 306. Access to records by Executive Agencies and the Comptroller General.

TITLE IV—ACQUISITION BY SIMPLIFIED SMALL PURCHASE METHOD

Sec. 401. Criterion for use.
Sec. 402. Solicitations and awards.

TITLE V—GENERAL PROVISIONS

Sec. 501. Contract types.
Sec. 502. Warranty against contingent fees.
Sec. 503. Cancellations and rejections.
Sec. 504. Multiyear contracts.
Sec. 505. Advance, partial, and progress payments.
Sec. 506. Remission of liquidated damages.
Sec. 507. Determination and findings.
Sec. 508. Enforcement and Penalty.
Sec. 509. Government surveillance requirements.
Sec. 510. Maintenance of regulations.
Sec. 511. Payment of funds due.
Sec. 512. Publication of intent.
Sec. 513. Revisions of thresholds.
Sec. 514. Sunset for specifications.
Sec. 515. Minority business participation.
Sec. 516. Limitation on contract claims.

TITLE VI—DELEGATION OF AUTHORITY

Sec. 601. Delegation within an executive agency.
Sec. 602. Joint acquisitions.

TITLE VII—PROTESTS

Sec. 701. Purpose.
Sec. 702. Jurisdiction.
Sec. 703. Proceedings.
Sec. 704. General provisions.
Sec. 705. Judicial review.

TITLE VIII—APPLICABILITY OF SUBSEQUENT LAWS

Sec. 801. Applicability.
Sec. 802. Separability.

TITLE IX—AMENDMENTS AND REPEALS

Sec. 901. Amendments.
Sec. 902. Repeals.

DECLARATION OF POLICY

Findings

SEC. 2. (a) The Congress hereby finds that—

(1) the laws controlling Federal purchasing have become outdated, fragmented, and needlessly inconsistent;

(2) these deficiencies have contributed to significant inefficiency, ineffectiveness, and waste in Federal spending;

(3) a new consolidated statutory base is needed, as recommended by the Commission on Government Procurement;

(4) further, existing statutes need to be modernized to focus on effective competition and new technology in that—

(A) national producivity rests on a base of competitive industry applying new technology in its goods and services; and

(B) Federal spending practices can encourage the Nation's business community by stimulating effective competition and the application of new technology.

Policy

(b) It is the policy of the United States that when acquiring property and services for the use of the Federal Government, the Government shall, whenever practicable rely on the private sector, and shall act so as to—

(1) best meet public needs at the lowest total cost;

(2) maintain the independent character of private enterprise by substituting the incentives and constraints of effective competition for regulatory controls;

(3) encourage innovation and the application of new technology as a primary consideration by stating agency needs and analyzing the market so that prospective suppliers will have maximum latitude to exercise independent business and technical judgments in offering a range of competing alternatives;

(4) maintain and expand the available Federal supply base by judicious acquisition practices designed to assure Government contracting with new and small business concerns to the maximum practicable extent;

(5) make available for review and examination those pertinent Federal laws and regulations applicable to the awards of contracts and those which may impact the performance of contracts, including, for example, Federal laws and agency rules relating to air and water cleanliness requirements, and to occupational safety requirements;

(6) provide opportunities to minority business firms to grow through Government contracts;

(7) initiate large scale productions only after the item or equipment to be acquired has been proven adequate by operational testing;

(8) provide contractors with the opportunity to earn a profit on Government contracts commensurate with the contribution made to meeting public needs and comparable to the profit opportunities available in other markets requiring similar investments, technical and financial risks and skills;

(9) rely on and promote effective competition; to insure the availability to the Government of alternative offers that provide a range of concept, design, performance, price, total cost, service, and delivery; and to facilitate the competitive entry of new and small sellers. Effective competition is generally characterized by—

(A) timely availability to prospective sellers of information required to respond to agency needs;

(B) independence of action by buyer and seller;

(C) efforts of two or more sellers, acting independently of each other, to respond to an agency need by creating, developing, demonstrating, or offering products or services which best meet that need, whether that need is expressed as an agency mission need, as a desired function to be performed, performance or physical requirements to be met, or as some combination of these; and

(D) absence of bias or favoritism in the solicitation, evaluation, and awards of contracts.

DEFINITIONS

SEC. 3. For purpose of this Act—

(a) The term "acquisition" means the acquiring by contract with appropriated funds of property or services by and for the direct benefit or use of the Federal Government through purchase, lease, or barter, whether the property or services are already in existence or must be created, developed, demonstrated, and evaluated. Acquisition includes such related functions as determinations of the particular agency need; solicitation; selection of sources; award of contracts; contract financing; contract performance; and contract administration.

(b) The term "executive agency" means an executive department as defined by section 101 of title 5, United States Code; an independent establishment as defined by section 104 of title 5, United States Code (except that it shall not include the General Accounting Office); a military department as defined by section 102 of title 5 United States Code; the United States Postal Service; and a wholly owned Government Corporation as defined by section 846 of title 31, United States Code (but does not include the Tennessee Valley Authority or the Bonneville Power Administration).

(c) The term "agency head" means the head of an executive agency as defined in subsection (b).

(d) The term "contracting officer" means any person who, either by virtue of his position or by appointment in accordance with applicable regulations, has the authority to enter into and administer contracts and make determinations and findings with respect thereto. The term also includes the authorized representative of the contracting officer, acting within the limits of his authority.

(e) The term "property" includes personal property and leaseholds and other interests therein, but excludes real property in being and leaseholds and other interests therein.

(f) The term "total cost" means all resources consumed or to be consumed in the acquisition and use of property or services. It may include all direct, indirect, recurring, nonrecurring, and other related costs incurred, or estimated to be incurred in design, development, test, evaluation, production, operation, maintenance, disposal, training, and support of an acquisition over its luseful life span, whether each factor is applicable.

(g) The term "functional specification" means a description of the intended use of a product required by the Government. A functional specification may include a statement of the qualitative nature of the product required and, when necessary, may set forth those minimum essential characteristics and standards to which such product must conform if it is to satisfy its intended use.

(h) The term "unsolicited proposal" means a written offer to perform a proposed effort, submitted to an agency by an individual or organization solely on its own initiative with the objective of obtaining a contract, and not in response to an agency request or communication.

TITLE I—REGULATORY GUIDANCE

ACQUISITION METHODS

SEC. 101. Except as otherwise authorized by law, an executive agency shall acquire property or services in accordance with the criteria set forth in this Act.

REGULATORY COMPLIANCE

SEC. 102. (a)(1) The Administrator for Federal Procurement Policy is authorized and directed, pursuant to the authority conferred by the Office of Federal Procurement Policy Act and subject to the procedures set forth in such Act—

(A) to promulgate a single, simplified, uniform Federal regulation implementing this Act and to establish procedures for insuring compliance with this Act and such regulation by all executive agencies within two years after the date of enactment of this Act;

(B) to review such regulation on a regular basis and issue revisions as necessary;

(C) to make periodic studies in order to determine whether agency compliance with this Act has been efficient and effective; and

(D) to establish and oversee a program to reduce agency use of detailed product specifications.

(2) In promulgating and revising the regulation required under paragraph (1), the Administrator for Federal Procurement Policy shall—

(A) utilize the procedures established under subsections (b) and (c) of section 8 of the Office of Federal Procurement Policy Act, and shall transmit the report required by such subsections to the Committees on Armed Services of the Senate and the House of Representatives, the Committee on Governmental Affairs of the Senate, and the Committee on Government Operations of the House of Representatives; and

(B) utilize the procedures established under section 14(b) of such Act to provide for open public meetings.

(b) The Administrator for Federal Procurement Policy shall include in his annual report required under section 8(a) of the Office of Federal Procurement Policy Act a report of his activities under this section, including his assessment of agency implementation of and compliance with the requirements of this Act (including, for example, specific reductions in the use of detailed specifications pursuant to this Act), and recommendations for revisions in this Act or any other provision of law.

CONTRACTING OFFICERS' COMPLIANCE CODE; ENFORCEMENT

SEC. 103. (a) The Office of Federal Procurement Policy after consultation with the Office of Personnel Management, shall establish a code of conduct with respect to which all contracting officers employed by executive agencies shall be subject, to insure that all laws, rules and regulations relating to the acquisition of property and services are complied with.

(b) The code of conduct established under subsection (a) shall—

(1) establish guidelines and standards for, and set forth actions which are prohibited in, the acquisition of property or services by contracting officers;

(2) set forth procedures and methods of compliance with the provisions of this Act and regulations prescribed under it; and

(3) contain such other matters as are necessary to insure compliance with laws, rules and regulations relating to the acquisition of property or services.

(c)(1) The Inspector General of an executive agency or another employee designated by the agency head shall receive any allegation of a violation of the code of conduct by a contracting officer of that agency and shall investigate the allegation to determine whether there are reasonable grounds to believe that a violation has occurred.

(2)(A) If, in connection with any investigation under paragraph (1), the Inspector General or designated employee determines that there is reasonable cause to believe that a criminal violation has occurred, the violation shall be reported to the Attorney General and the agency head.

(B) If, in connection with any investigation under paragraph (1), the Inspector General or designated employee determines that there is reasonable cause to believe that any violation of the code of conduct or any law, rule, or regulation has occurred which is not a criminal violation, the violation shall be reported to the agency head.

(d) The agency head shall review any matter referred to him under subsection (c) and, if he determines it necessary, shall take—

(1) an action under chapter 75 of this title or other disciplinary or corrective action in the case of a contracting officer covered by such chapter, or

(2) an action similar to actions described in paragraph (1) in the case of other contracting officers.

(e) Each executive agency shall provide contracting officers with such information with respect to the code of conduct established under this section as is necessary to enable such officers to comply with the code.

(f)(1) At the close of each calendar year each executive agency shall report to the Office of Federal Procurement Policy on the number and disposition of investigations conducted under subsection (c).

(2) The Office of Federal Procurement Policy shall review the reports received under paragraph (1) and shall compile and submit to the Congress a report on the investigations conducted under subsection (c) by all executive agencies and their disposition, together with any recommendations for legislation which the Office finds appropriate.

(g) The General Accounting Office shall from time to time review on a selected basis the methods of carrying out and disposing of investigations by executive agencies under this section to determine if the agencies are complying with the requirements of this section and shall periodically report its findings to the Congress and the Office of Federal Procurement Policy.

TITLE II—ACQUISITION BY COMPETITIVE SEALED BIDS

CRITERIA FOR USE

SEC. 201. The competitive sealed bids method shall be used in the acquisition of property and services when all of the following conditions are present—

(1) the anticipated total contract price exceeds the amount specified in title IV of this Act for use of the simplified small purchase method;

(2) the agency need can be practicably defined in terms not restricted by security requirements or proprietary design;

(3) the private sector will provide a sufficient number of qualified suppliers willing to compete for and able to perform the contract;

(4) suitable products or services capable of meeting the agency need are available so as to warrant the award of a fixed price contract to a successful bidder selected primarily on the basis of price;

(5) the time available for acquisition is sufficient to carry out the requisite administrative procedures.

(6) the property or service is to be acquired within the limits of the United States and the Territories, Commonwealths; and

(7) the price for the property or service has not been established by or pursuant to law or regulation.

INVITATION FOR SEALED BIDS

SEC. 202. (a) The invitation for sealed bids shall be publicized in accordance with section 512 of this Act and shall be issued in such a way that—

(1) the time prior to opening the bids will be sufficient to permit effective competition; and

(2) the invitation will be accessible to all interested or potential bidders; however, eligibility to participate in the bidding may be restricted to concerns eligible to participate in small business set-asides or other such authorized programs.

(b) The invitation shall include a description of any factors in addition to price that will be considered in evaluating bids.

(c) To the maximum extent practicable and consistent with needs of the agency, functional specifications shall be used to permit a variety of distinct products or services to qualify and to encourage effective competition.

(d) The preparation and use of detailed product specifications in a purchase description shall be subject to prior approval by the agency head. Such approval shall include written justification, to be made a part of the official contract file, delineating the circumstances which preclude the use of functional specifications and which require the use of detailed product specifications in the purchase descriptions.

(e) The contracting officer may request the submission of unpriced technical proposals and subsequently issue an invitation for sealed bids limited to those bidders whose technical proposals meet the standards set forth in the original invitation.

EVALUATION, AWARD, AND NOTIFICATIONS

SEC. 203. (a) All bids shall be opened publicly at the time and place stated in the invitation.

(b) Award shall be made to the responsible bidder whose bid conforms to the invitation and is most advantageous to the Government, price and other factors considered: *Provided*, That all bids may be rejected when the agency head determines that, for cogent and compelling reasons, it is in the Government's interest to do so.

(c) Notice of award shall be made in writing by the contracting officer with reasonable promptness and all other bidders shall be appropriately notified.

TITLE III—ACQUISITION BY COMPETITIVE NEGOTIATION

CRITERIA FOR USE

SEC. 301. The competitive negotiation method shall be used in the acquisition of property and services when—

(1) the anticipated total contract price exceeds the amount specified in title IV of this Act for use of the simplified small purchase method; and

(2) the acquistion does not meet the criteria set forth in section 201 of this Act for use of competitive sealed bids.

SOLICITATIONS

SEC. 302. (a) Solicitations for offers shall be issued to a sufficient number of qualified sources so as to obtain effective competition and shall be publicized in accordance with section 512 of this Act, with copies of the solicitation to be provided or made accessible to other interested or potential sources upon request; however, eligibility to respond to the solicitation may be restricted to concerns eligible to participate in small business set-asides or other such authorized programs.

(b) (1) Each solicitation shall include both the evaluation methodology and the relative importance of all significant factors to be used during competitive evaluation and for final selection. In any case, if price is included as a primary or significant factor, the Government's evaluation shall be based where appropriate on the total cost to meet the agency need.

(2) Any changes in the evaluation factors or their relative importance shall be communicated promptly in writing to all competitors.

(c) To the maximum extent practicable and consistent with agency needs, solicitations shall encourage effective competition by—

(1) setting forth the agency need in functional terms so as to encourage the application of a variety of technological approaches and elicit the most promising competing alternatives,

(2) not prescribing performance characteristics based on a single approach, and

(3) not prescribing technical approaches or innovations obtained from any potential competitor.

(d) If either the Government or an offeror, identifies inadequacies in the solicitation which cause misunderstandings of the agency's needs or requirements, clarification of intent shall be made to all offerors in a timely fashion and on an equal basis.

(e) The preparation and use of detailed product specifications in a solicitation shall be subject to prior approval by the agency head. Such approval shall include written justification to be made a part of the official contract file, delineating the circumstances which preclude the use of functional specifications and which require the use of detailed product specifications.

EVALUATIONS, AWARD, AND NOTIFICATIONS

SEC. 303. (a) Written or oral discussions shall be conducted with all offerors who submit proposals in a competitive range. An initial offer may be accepted without discussion when it is clear that the agency need would be satisfied on fair and reasonable terms without such discussions, and the solicitation has advised all offerors that award may be made without discussions. Discussions shall not disclose the strengths or weaknesses of competing offeror, or disclose any information from an offeror's proposal which would enable another offeror to improve his proposal as a result thereof. Auction techniques are strictly prohibited. Auction techniques include, but are not limited to, indicating to an offeror a price which must be met to obtain further consideration, or informing him that his price is not low in relation to another offeror, or making multiple requests for best and final offers.

(b) When awards are made for alternative approaches selected on the basis of the factors contained in the solicitation, whether for design, development, demonstration, or delivery, the contractors shall be sustained in competition to the maximum extent practicable until sufficient test or evaluation information becomes available to narrow the choice to a particular product or service.

(c) Until selection is made, information concerning the award shall not be disclosed to any person not having source selection responsibilities, except that offerors who are eliminated from the competition may be informed prior to awards

(d) Awards shall be made to one or more responsible offerors whose proposal(s), as evaluated in accordance with the terms of the solicitation are most advantageous to the Government. Notification of award to all unsuccessful offerors shall be made with reasonable promptness.

(e) Notwithstanding any other provision of this Act, the use of multiple award type schedules is authorized. However, competitive methods shall be used: (1) to limit the number of items on such schedules which meet the same need, and (2) to obtain the lowest competitively priced items which meet the minimum essential needs of the government.

NONCOMPETITIVE EXCEPTIONS

SEC. 304. (a) Compliance with the procedures prescribed in sections 302 and 303 is not required if the contract to be awarded stems from acceptance of an unsolicited proposal, or if the agency head determines that it is in the best interest of the Government to enter into a noncompetitive contract: *Provided*,

(1) That such determination, together with the reasons therefor, is in writing, and conforms with regulations issued by the Administrator for Federal Procurement Policy, pursuant to section 102(a)(1); and

(2)(A) for all contracts except those stemming from the acceptance of an unsolicited proposal, notice of intent to award such a contract shall be publicized pursuant to section 512 at least thirty days in advance of solicitation of a proposal from the prospective contractor; or, at least thirty days in advance of the proposed award date, when earlier notice is impracticable. Such notice shall include a description of the property or services to be acquired, the name of the prospective source, the time for accomplishment of the work, and the reason for selection of the source. If, after such notice, other sources demonstrate an ability to meet the requirements for the work to be performed, a solicitation or an invitation for sealed bids shall be issued to all such prospective offerors;

(B) in the case of those contracts stemming from the acceptance of an unsolicited proposal, notice of intent to award such a contract shall be publicized prior to award, pursuant to section 512 of this Act. Such notice shall include a description of the property or service to be acquired, the name of the prospective source, and the time for accomplishment of the work.

(b) Where there is no commercial usage of the product or service to be acquired under this section, and the agency head determines that substantial follow-on provision of such product or service will be required by the Government, the agency head shall, when he deems appropriate, take action through contractual provision, or otherwise, to provide the Government with a capability to establish one or more other competitive sources.

PRICE AND COST DATA AND ANALYSIS

SEC. 305. (a) (1) The term "price data" means actual prices previously paid, contracted, quoted, or proposed, for materials or services identical or comparable to those being acquired, and the related dates, quantities, and item descriptions which prudent buyers and sellers would reasonably expect to have a significant effect on the negotiation of a contract price or payment provisions.

(2) The term "cost data" means all facts which prudent buyers and sellers would reasonably expect to have a significant effect on the negotiation of a contract price or payment provisions. Such data are of a type that can be verified as being factual, and are to be distinguished from judgmental factors. The term does, however, include the facts upon which a contractor's judgment is based.

(3) The term "price analysis" means the process of examining and evacuating a price without evaluation of the individual cost and profit elements of the price being evaluated.

(4) The term "cost analysis" means the element-by-element examination and evaluation of the estimated or actual costs of contract performance, and involves analysis of cost data furnished by an offeror or contractor and the judgmental factors applied in projecting from such data to the offered price.

(b) The contracting officer shall obtain price data and shall use price analysis techniques to analyze and evaluate the reasonableness of a negotiated prime contract price or of a price adjustment pursuant to a modification thereto where—

(1) the price is expected to be $500,000 or less;

(2) the price is based on an established catalog or market price of a commercial item sold in substantial quantities to the general public; or

(3) there has been a recent comparable competitive acquisition.

(c) In the case of subcontracts, when any of the conditions in subsection (b) applies, price data shall be obtained and price analysis techniques shall be used to analyze and evaluate the reasonableness of—

(1) a subcontract price—where evaluation of a subcontract price is necessary to insure the reasonableness of the prime contract price, or

(2) a subcontract price adjustment pursuant to a prime contract modification.

(d) Except as provided in subsection (b) (2) and (3), cost data shall be obtained and cost analysis techniques shall be used to analyze and evaluate the reasonableness of prices—

(1) whenever the price of a negotiated prime contract or a price adjustment pursuant to a contract modification is expected to exceed $500,000; or

(2) for any subcontract price or price adjustment pursuant to a modification thereto in excess of $500,000 which forms part of a negotiated prime contract price or higher tier subcontract price.

(e) Notwithstanding subsection (b) hereof, the contracting officer may obtain cost data and use cost analysis techniques when authorized under circumstances set forth in regulations issued by the Administrator for Federal Procurement Policy pursuant to this Act.

(f) Contractors and subcontractors shall submit in writing such price data, or cost data as are required to be obtained pursuant to this section. Regulations issued by the Administrator for Federal Procurement Policy may authorize identification in writing of price data and cost data, in lieu of actual submission, under specified circumstances.

(g) Any prime contract or subcontract or modification thereto for which price data or cost data are required shall contain a provision that the price to the Government, including profit or fee, shall be adjusted to exclude any significant sums by which it may be determined by the contracting officer that such price was increased because of reliance on data which were inaccurate, incomplete, or noncurrent as of the date of submission or other date agreed upon between the parties (which date shall be as close to the date of agreement on the negotiated price or payment provisions as is practicable).

(h) The requirements of this section do not apply to contracts or subcontracts where the price negotiated is based on adequate price competition, prices set by law or regulation, or, in exceptional cases, where the head of the agency determines that the requirements of this section may be waived and states in writing his reasons for such determination.

ACCESS TO RECORDS BY EXECUTIVE AGENCIES AND THE COMPTROLLER GENERAL

SEC. 306. (a) Until three years after final payment under a contract or a subcontract negotiated or amended under this title, an executive agency is entitled to inspect the plants and examine any books, documents, papers, records, or other data of the contractor and his subcontractors which involve transactions relating to the contract or subcontract or to the amendment thereof, including all such books, records, and other data relating to the negotiation, pricing, or performance of the contract or subcontract.

(b) Until three years after final payment under a contract or a subcontract negotiated or amended under this title, the Comptroller General of the United States or his authorized representative is entitled to inspect the plants and examine any books, documents, papers, records, or other data of the contractor and his subcontractors which directly pertain to and involve transactions relating to the negotiation, pricing, or performance of the contract or subcontract.

(c) (1) The provisions of subsection (b) may be waived for any contract or subcontract with a foreign contractor or subcontractor, if the agency head determines, with concurrence of the Comptroller General, that such waiver would be in the public interest. The concurrence of the Comptroller General or his designee is not required—

(A) where the contractor or subcontractor is a foreign government or agency thereof or is precluded by the laws of the country involved from making its books, documents, papers, or records available for examination; or

(B) where the agency head determines, after taking into account the price and availability of the property or services from sources in the United States, that the public interest would be best served by waiving the provisions of subsection (b).

(2) If the provisions of subsection (b) are waived for a contract or subcontract based on a determination under paragraph (1) (B), the agency head shall submit a written report concerning such determination to the Congress.

(d) Multiple inspections and examinations of a contractor or subcontractors by more than one executive agency shall be eliminated to the maximum extent practicable by coordinating inspection and examination responsibilities in accordance with regulations to be issued or authorized by the Administrator for Federal procurement policy pursuant to this Act.

(e) (1) Whoever, by collusion, understanding, or arrangement, deprives or attempts to deprive the United States of the benefit of a true and free audit of the books of a contractor shall be fined not more than $20,000 or imprisoned for not more than five years, or both.

(2) In accordance with such rules, regulations, or orders as the Administrator for Federal Procurement Policy may issue or adopt, the agency head may—

(A) recommend to the Attorney General that appropriate proceedings be brought to enforce the provisions of this section;

(B) cancel, terminate, suspend, or cause to be cancelled, terminated, or suspended, any contract, or portion or portions thereof, for failure of a contractor or subcontractor to comply with the provisions of this section; or

(C) refrain from entering into further contracts, or extensions or other modifications of existing contracts with any contractor who fails to comply with the provisions of this section, until such contractor has satisfied the agency head that such contractor will comply with the provisions of this section.

(3) If an agency head terminates a contract under paragraph (2) (B), such termination shall be considered a termination for default.

(4) The action of an agency head under paragraph (2) (B) or (2) (C) shall be subject to judicial review in accordance with the provisions of chapter 7 of title 5, United States Code.

TITLE IV—ACQUISITION BY SIMPLIFIED SMALL PURCHASE METHOD

CRITERION FOR USE

SEC. 401. (a) (1) Whenever the anticipated total contract price for the acquisition of property or services does not exceed $10,000, a contracting officer may utilize—

(A) the simplified small purchase method established pursuant to this title; or

(B) one of the competitive methods established under title II or III.

(2) The Administrator for Federal Procurement Policy shall prescribe the procedures to be utilized by the agencies for the simplified small purchase method.

(b) The contracting officer shall choose the method for the acquisition of property or services under subsection (a) which is most advantageous to the Government.

(c) A contracting officer may not, for the purpose of utilizing the simplified small purchase method permitted under subsection (a), divide a contract with a total anticipated contract price in excess of $10,000 into smaller contracts which each have an anticipated contract price of less than $10,000.

SOLICITATIONS AND AWARDS

SEC. 402. The contracting officer shall use the simplified small purchase method established pursuant to this title to obtain competition to the maximum extent practicable, and may award the contract to the offeror whose offer is most advantageous to the Government. The provisions of this section shall not be applied so as to eliminate effective screening of proposed acquisitions for appropriate application of small business set-aside or other procedures designed to assist small businesses.

TITLE V—GENERAL PROVISIONS

CONTRACT TYPES

SEC. 501. (a) Contracts may be of any type or combination of types, consistent with the degree of technical and financial risk to be undertaken by the contractor, which will promote the best interests of the Government except that the cost-plus a percentage-of-cost system of contracting shall not be used under any circumstances.

(b) The preferred contract type shall be fixed price consistent with the nature of the work to be performed and the risk to be shared by the Government and the contractor.

(3) cancel a request for proposal and reject all offers.

(b) When requested, the agency head shall fully inform any unsuccessful offeror or bidder of the reasons for the rejection of his offer or bid.

MULTIYEAR CONTRACTS

SEC. 504. (a) Except as otherwise provided by law, an agency may make contracts for acquisition of property or services for periods not in excess of five years, when—

(1) appropriations are available and adequate for payment for the first fiscal year; and

(2) the agency head determines that—

(A) the Government need for the property or services being acquired over the period of the contract is reasonably firm and continuing; and

(B) such a contract will service the best interests of the United States by encouraging effective competition or promoting economics in performance and operation; and

(C) such a method of contracting will not inhibit small business participation.

(b) The Administrator for Federal Procurement Policy may grant exceptions to the five-year limitation imposed by subsection (a) upon the certification, in such form and of such content as the Administrator may require, by the agency head that such exception is in the best interests of the Government. A copy of each such certification and each exception granted shall be delivered to the chairman of the House Committee on Government Operations, the Senate Committee on Governmental Affairs, and the Committees on Appropriations of the House of Representatives and the Senate, respectively.

(c) Any cancellation costs incurred must be paid from appropriated funds originally available for performance of the contract, or currently available for acquisition of similar property or services, and not otherwise obligated, or appropriations made available for such payments.

ADVANCE, PARTIAL, AND PROGRESS PAYMENTS

SEC. 505. (a) Any executive agency may make advance, progress, partial, or other payments under contracts.

(b) Advance and progress payments under contracts with small business concerns shall be granted where possible and to the extent practicable under the circumstances existing for each acquisition. Provisions limiting advance and progress payments to small business concerns may be inserted into solicitations.

(c) Payments under subsections (a) and (b) shall not exceed the unpaid contract price.

(d) When progress payments are made, the Government shall have title to the property acquired or produced by the contractor and allocable or properly chargeable to the contact. Notwithstanding any other provisions of law, the title acquired by the Government under this section may not be divested by any action of the contractor or by a proceeding in bankruptcy, and may not be encumbered by any lien or security interest.

(e) Advance payments under subsection (a) or (b) shall not be made in excess of the amount required for contract performance, and may be made only upon adequate security and a determination by the agency head that to make such advance payments would be in the public interest. Such security may be in the form of a lien in favor of the Government on the property contracted for, on the balance in an account in which such payments are deposited, and on such property acquired for performance of the contract as the parties may agree. A lien established under this section is paramount to any other liens.

(f) (1) Payments under subsections (a) or (b) in the case of any contract, other than partial, progress, or other payments specifically provided for in such contract at the time such contract was initially entered into, may not exceed $25,000,000 unless the appropriate committees of the Senate and the House of Representatives have been notified in writing of such proposed payments and 60 days of continuous session of Congress have expired following the date on which such notice was transmitted to such committees and neither House of Congress has passed a resolution stating in substance that that House does not favor the payments contained in the notification submitted pursuant to this subsection.

(2) The provisions of sections 908, 910, 911, and 912 of title 5, United States Code, shall apply to any resolution considered under this subsection. For the purposes of the preceding sentence—

(A) all references in such sections to "reorganization plan" shall be treated as referring to "payments contained in the notification submitted under section 505(e) of the Federal Acquisition Act of 1979", and

(B) all references in such sections to "resolution" shall be treated as referring to a resolution of either House of Congress, the matter after the resolving clause of which is as follows: "That the (name of the resolving House of Congress) does not approve of the payments contained in the notification submitted on ———, 19—, under section 505 (e) of the Federal Acquisition Act of 1979", the blank spaces therein being appropriately filled.

(3) For the purposes of this subsection—

(A) continuity of session is broken only by an adjournment sine die; and

(B) the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of calendar days of continuous session.

REMISSION OF LIQUIDATED DAMAGES

SEC. 506. Upon the recommendation of the Agency head the Comptroller General of the United States may remit all or part, as he considers just and equitable, of any liquidated damages provided by the contract for delay in performing the contract.

DETERMINATIONS AND FINDINGS

SEC. 507. (a) Determination, findings, approvals, and decisions provided for by this Act may be made with respect to contracts individually or with respect to classes of contracts and shall be final.

(b) Each determination, approval, or decision shall be based upon written findings of the officer making the determination, approval, or decision, and shall be retained in the official contract file.

ENFORCEMENT AND PENALTY

SEC. 508. (a) If the contracting officer or any other agency employee has reason to believe that any bid, proposal, offer, or action by a contractor in carrying out the provisions of a contract or subcontract or amendment thereto evidences a violation of the criminal or antitrust laws, the matter shall be referred, in accordance with the procedures of the executive agency, to the Attorney General of the United States for appropriate action.

(b) The agency head shall make available to the Attorney General information which the Attorney General considers necessary and relevant to any investigation, prosecution, or other action by the United States under criminal or antitrust laws.

(c) The agency head shall render needed assistance to the Attorney General in any investigation and prosecution commenced in connection with activities under this Act.

(d) The Federal Bureau of Investigation is primarily responsible for the investigation of collusive bidding and other improper conduct under this Act that may give rise to the commencement of investigation, prosecution, or other action under the criminal or antitrust laws. The provisions of the preceding sentence shall not preclude appropriate action by other executive agencies, including the Federal Trade Commission, the Internal Revenue Service, and the Securities and Exchange Commission.

GOVERNMENT SURVEILLANCE REQUIREMENTS

SEC. 509. (a) Notwithstanding any other provisions of law, an agency shall, upon application by a contractor, waive the requirements listed in 509(c) for that part of a contractor's operation which is separately managed and accounted for if, for the contractor's most recent fiscal year, more than 75 per centum of the business of the activity, as measured by total revenues is conducted under commercial and/or competitive Government contracts. To be competitive for purposes of this section, the Government contracts must be firm fixed-price or fixed-price with escalation with price the deciding factor in the award.

(b) The waiver provided in 509(a) shall not be granted if the contractor's activity for the most recent fiscal year, had costs incurred of over $10,000,000, under Government contracts where the contract prices were based on estimated or actual costs. This category would include such contracts as cost reimbursement type contracts, firm fixed-price contracts negotiated without price competition, fixed-price incentive contracts, and time and material contracts.

(c) The waiver provided for in 509(a) shall apply to any or all of the following:

(1) reviews of contractor management and procurement systems;

(2) determinations of reasonableness of indirect overhead costs;

(3) the provisions of section 103 of the Act of August 15, 1970 (84 Stat. 796, as amended; 50 U.S.C. App. 2168);

(4) advance agreements for independent research and development and bid proposal activities.

(d) The waiver period shall not exceed two years without reconsideration by the Agency. The waiver may be canceled at any time or may be withheld altogether if the Agency head makes a written determination that the waiver should not apply. Any such cancellation shall have prospective effect only.

(e) The waiver provided for in 509(a) shall not affect the General Accounting Office access-to-records authority as set forth in section 306 of this Act.

MAINTENANCE OF REGULATIONS

SEC. 510. Notwithstanding any provision of law, any regulation of any executive agency in effect on or before the date of the enactment of this Act which is affected by any provision of, or amendment or repeal made by, this Act shall remain in effect until the earlier of—

(1) its repeal by order of the Administrator for Federal Procurement Policy, or

(2) the date two years after the date of the enactment of this Act.

An agency shall not amend any regulation referred to in the preceding sentence without the prior approval of the Administrator.

PAYMENTS OF FUNDS DUE

SEC. 511. A clause shall be included in every contract awarded by the United States pursuant to this Act which shall provide for interest to be paid by the Federal Government to the contractor on any amount due to the contractor for more than thirty days. No amount shall be considered due until (1) the Government agency office designated in the contract for submission of invoices has received a proper invoice and any substantiating documentation required. Interest shall accrue and be paid at a rate which the Secretary of the Treasury shall specify as applicable to the period beginning on July 1, 1979, and ending on December 31, 1979, and to each six month period thereafter. Such rate shall be determined by the Secretary of the Treasury, taking into consideration current private commercial rates of interest for new loans maturing in approximately five years.

PUBLICATIONS OF INTENT

SEC. 512. It shall be the duty of the Secretary of Commerce, and he is empowered, to obtain notice of all proposed acquisitions of above $10,000, from any executive agency engaged in acquisitions in the United States; and to publicize such notices in the daily publication "United States Department of Commerce Synopsis of the United States Government Proposed Procurement Sales, and Contract Awards", immediately after the necessity for the acquisition is established; except that nothing herein shall require publication of such notices with respect to those acquisitions—

(1) which for security reasons are of a classified nature; or

(2) which involve perishable subsistence supplies; or

(3) which are for utility services and the acquiring agency in accordance with applicable law has predetermined the utility concern to whom the award will be made; or

(4) which are of such unusual and compelling emergency that the Government would be seriously injured if notice were required to be publicized thirty days in advance of the proposed contract award date. In all such cases, notice shall be published at the earliest practicable opportunity; or

(5) which are made by an order placed under an existing contract; or

(6) which are made from another Government department or agency, or a mandatory source of supply; or

(7) for which it is determined in writing by the procuring agency, with the concurrence of the Administrator, Small Business Administration, that advance publicity is not appropriate or reasonable.

REVISIONS OF THRESHOLDS

SEC. 513. At least every three years beginning with the third year after enactment of this Act, the Administrator for Federal Procurement Policy shall review the prevailing costs of labor and materials and may revise the amounts stated in sections 305, 401, 509, and 512 or any prior revisions thereof, not withstanding any other provision of law, to reflect an increase or decrease by at least 10 per centum in the costs of labor and materials. At least sixty days in advance of its effective date, the Administrator shall report to Congress any such revision which by itself, or cumulatively with earlier increases, represents 50 per centum or more increase.

SUNSET FOR SPECIFICATIONS

SEC. 514. All specifications shall be reviewed at least every five years, and shall be canceled, modified, revised, or reissued as determined by such review.

MINORITY BUSINESS PARTICIPATION

SEC. 515. The Administrator for Federal Procurement Policy is authorized and directed to initiate, in consultation with the Small Business Administration, periodic reviews of acquisition programs within the executive branch with the objective of making minority business participation in government contracting more effective and assuring that minority businesses have full opportunity to compete for Government contracts. Targets should be set which reflect the Government's commitment to increasing minority business participation in Federal contracting.

LIMITATION ON CONTRACT CLAIMS

SEC. 516. Any claim by an executive agency against a contractor under a provision of a contract awarded by the agency pursuant to this Act shall be made within six years from the date of final payment under the contract.

TITLE VI—DELEGATION OF AUTHORITY

DELEGATION WITHIN AN EXECUTIVE AGENCY

SEC. 601. Each agency head may delegate any authority under this Act, provided that such delegation is made in accordance with regulations established by the Administrator for Federal Procurement Policy. Delegation of authority to make determinations under sections 202, 302(e), 304, 305, 306, and 509 shall be maintained at the highest organizational level practicable in order to protect the integrity of the acquisition process consistent with the nature and the size of the acquisition decision. The authority in section 702(b) to authorize the award of a contract notwithstanding a protest pending before the Comptroller General may not be delegated below the level of Assistant Secretary or comparable level.

JOINT ACQUISITIONS

SEC. 602. (a) To facilitate acquisition of property or services by one executive agency for another executive agency, and to facilitate joint acquisition by those agencies—

(1) the Agency head may, within his agency, delegate functions and assign responsibilities relating to the acquisition;

(2) the heads of two or more executive agencies may by agreement delegate acquisition functions and assign acquisition responsibilities from one agency to another of those

agencies or to an officer or employee of another of those agencies; and

(3) the heads of two or more executive agencies may create joint or combined offices to exercise acquisition functions and responsibilities.

(b) Subject to the provisions of section 686 of title 31, United States Code—

(1) appropriations available for acquisition of property and services by an executive agency may be made available for obligation for acquisition of property and services for its use by any other agency in amounts authorized by the head of the ordering agency and without transfer of funds on the books of the Department of the Treasury;

(2) a disbursing officer of the ordering agency may make disbursement for any obligation chargeable under subsection (a) of this section, upon a voucher certified by an officer or employee of the acquisition agency.

TITLE VII—PROTESTS

PURPOSE

SEC. 701. Under the authority contained in the Budget and Accounting Act, 1921, as amended, protests shall be decided in the General Accounting Office if filed with that Office in accordance with this title. For purposes of this title, the term "protest" means a challenge to a solicitation, or to the award or proposed award of any contract to be financed by appropriated funds for the acquisition by an agency of property or services or for any sale or lease by an agency and the term "agency" means an executive department as defined by section 101 of title 5, United States Code; an independent establishment as defined by section 104 of title 5, United States Code (except that it shall not include the General Accounting Office); a military department as defined by section 102 of title 5, United States Code; the United States Postal Service; a wholly owned Government corporation as defined by section 846 of title 31, United States Code (but does not include the Tennessee Valley Authority or the Bonneville Power Administration); and any department or agency or other activity of the Federal Government whose accounts are subject to settlement by the Comptroller General of the United States pursuant to the Budget and Accounting Act, 1921, as amended.

JURISDICTION

SEC. 702. (a) In accordance with the procedures issued pursuant to section 704, the Comptroller General shall have authority to decide any protest submitted by an interested party or referred by any agency or Federal instrumentality. An interested party is a firm or an individual whose direct economic interest would be affected as contractor or subcontractor by the award or nonaward of the contract.

(b) No contract shall be awarded after the contracting activity has received notice of a protest to the Comptroller General while the matter is pending before him: Provided, *however*. That the head of an agency may authorize the award of a contract notwithstanding such protest, upon a written finding that the interest of the United States will not permit awaiting the decision of the Comptroller General: *And provided further*, That the Comptroller is advised of such finding prior to the award of the contract.

(c) With respect to any solicitation, proposed award, or award of contract protested to him in accordance with this title, the Comptroller General is authorized to declare whether such solicitation, proposed award, or award comports with law and regulation.

PROCEEDINGS

SEC. 703. (a) To the maximum extent practicable, the Comptroller General shall provide for the inexpensive, informal, and expeditious resolution of protests.

(b) Each decision of the Comptroller General shall be signed by him or his delegee and shall be issued under the authority of the Comptroller General to settle the accounts of the Government under the Budget and Accounting Act, 1921, as amended. A copy of the decision shall be furnished to the interested parties and the executive agency or agencies involved.

(c) There shall be no ex parte proceeding in protests before the Comptroller General or his representative, except that this subsection shall not be deemed to preclude informal contacts with the parties for procedural purposes.

(d) The Comptroller General is authorized to dismiss any protest he determines to be frivolous or which, on its face, does not state a valid basis for protest.

(e) Where the Comptroller General has declared that a solicitation, proposed award, or award of a contract does not comport with law or regulation, he may further declare the entitlement of an appropriate party to bid and proposal preparation costs. In such cases the Comptroller General may remand the matter to the agency involved for a determination as to the amount of such costs. Declarations of entitlement to monetary awards shall be paid promptly by the agency concerned out of funds available for the purpose.

GENERAL PROVISIONS

SEC. 704. The Comptroller General shall issue such procedures, not inconsistent with this title, as may be necessary in the execution of the protest decision function. He may delegate his authority to other officers or employees of the General Accounting Office.

JUDICIAL REVIEW

SEC. 705. Any person adversely affected or aggrieved by the action, or the failure to act, of an agency, or of the Comptroller General, with respect to a solicitation or award hereunder may obtain judicial review thereof to the extent provided by sections 702 through 706 of title 5, United States Code, including determinations necessary to resolve disputed material facts or when otherwise appropriate.

TITLE VIII—APPLICABILITY OF SUBSEQUENT LAWS

APPLICABILITY

SEC. 801. No law enacted after the date of enactment of this Act, including any limitation in any appropriation bill or any limitation of any provision authorizing the appropriation of funds, may be held, considered, or construed as amending any provision of this Act, unless such law does so by specifically and explicitly amending or superseding a specific and separately referenced provision of this Act.

SEPARABILITY

SEC. 802. If any provision of this Act or the application thereof to any person or circumstance is held invalid, neither the remainder of this Act nor the application of such provision to other persons or circumstances shall be affected thereby.

TITLE IX—AMENDMENTS AND REPEALS

AMENDMENTS

SEC. 901. (a) The Agriculture Department Appropriation Act, 1923, is amended by striking out ", after due advertisement and on competitive bids," in the first proviso on the page at forty-second Statutes at Large, page 517 (7 U.S.C. 416).

(b) Section 101(d) and 104 of the Department of Agriculture Organic Act of 1944 (58 Stat. 734, 736; 7 U.S.C. 430, 432) are amended by striking out "in the open market".

(c) Section 2356(b) of title 10, United States Code, is amended by striking out the last sentence.

(d) Sections 4504 and 9504 of title 10, United States Code, are each amended by striking out everything after "United States" and inserting in lieu thereof a period.

(e) Sections 4505 and 9505 of title 10, United States Code, are each amended by striking out the second sentence.

(f) Clause (2) of section 502(c) of the Act of August 10, 1948 (62 Stat. 1283; 12 U.S.C. 1701c(b)(2)), is amended by striking out ", without regard to section 3709 of the Revised Statutes".

(g) Section 502(e) of the Act of December 31, 1970 (84 Stat. 1784; 12 U.S.C. 1701z-2(e)), is amended by striking out ", without regard to section 3709 of the Revised Statutes,".

(h) Section 708(h) of the Act of June 27, 1934, as amended August 10, 1948 (62 Stat. 1279; 12 U.S.C. 1747g(h)), is amended by striking out the proviso at the end.

(i) Section 712 of the Act of June 27, 1934, as amended August 10, 1948 (62 Stat. 1281; 12 U.S.C. 1747k) is amended by striking out "and without regard to section 3709 of the Revised Statutes".

(j) Section 208(b) of the Act of June 26, 1934, as amended October 19, 1970 (84 Stat. 1014; 12 U.S.C. 1788(b)), is amended by striking out the last sentence.

(k) Clause (4) of section 2(b) of the Act of July 18, 1958 (72 Stat. 386; 15 U.S.C. 634 (b)(4)), is amended by striking out: "Section 3709 of the Revised Statutes, as amended (41 U.S.C., section 5), shall not be construed to apply to any contract of hazard insurance or to any purchase or contract for services or supplies on account of property obtained by the Administrator or as a result of loans made under this Act if the premium therefor or the amount thereof does not exceed $1,000.".

(l) Section 3 of the Act of April 24, 1950 (64 Stat. 83; 16 U.S.C. 580c), is amended to read as follows:

"SEC. 3. The Forest Service is authorized to make purchases of (1) materials to be tested or upon which experiments are to be made or (2) special devices, test models, or parts thereof, to be used (a) for experimentation to determine their suitability for or adaptability to accomplishment of the work for which designed or (b) in the designing or developing of new equipment: *Provided*, That not to exceed $50,000 may be expended in any one fiscal year pursuant to this authority and not to exceed $10,000 on any one item or purchase.".

(m) Section 2(b)(1) of the Act entitled "An Act to authorize the construction of a National Fisheries Center and Aquarium in the District of Columbia and to provide for its operation", approved October 9, 1962 (76 Stat. 753; 16 U.S.C. 1052), is amended by striking out ", without regard to the provisions of section 3709 of the Revised Statutes of the United States (41 U.S.C. 5,".

(n) Section 224(a) of the Act of November 8, 1965 (79 Stat. 1228; 20 U.S.C. 1034(a)), is amended by striking out ", and, without regard to section 3709 of the Revised Statutes (41 U.S.C. 5),".

(o) Section 7 of the Act of December 20, 1945, as amended October 10, 1949 (59 Stat. 621; 22 U.S.C. 287e), is amended by striking out ", all without regard to section 3709 of the Revised Statutes, as amended (41 U.S.C. 5)".

(p) Section 707 of the Act of August 13, 1946 (60 Stat. 1019; 22 U.S.C. 1047), is amended by striking out ", without regard to section 3709 of the Revised Statutes".

(q) Section 22(e)(7) of the Act of December 29, 1970 (84 Stat. 1613, 29 U.S.C. 671(e)(7)), is amended by striking out ", and without regard to section 3709 of the Revised Statutes, as amended (41 U.S.C. 5), or any other provision of law relating to competitive bidding."

(r) Section 6(b) of the Act of August 31, 1954 (68 Stat. 1010; 30 U.S.C. 556(b)), is amended by striking out "and without regard to the provisions of section 3709, Revised Statutes (41 U.S.C. 5)".

(s) Section 1820(b) of title 38, United States Code, is amended by striking out "section 5 of title 41" and inserting in lieu thereof the "Federal Acquisition Act of 1977" and by deleting "if the amount of such contract exceeds $1,000.".

(t) Selection 5002 of title 38, United States Code, is amended by substituting a period for the comma after "work" and striking out the remainder of the section.

(u) The Act of October 10, 1940, as amended (54 Stat. 1109; 41 U.S.C. 6a, b(a), is amended by striking out section 2, and by striking out "without regard to the provisions of section 3709 of the Revised Statutes, as amended," in subsection (a). The Act of July 27, 1965 (79 Stat. 276; 41 U.S.C. 6a–1) is amended by striking out any and all references to section 3709 of the Revised Statutes in sections relating to Architect of the Capitol.

(v) Section 11 of the Act of June 30, 1936 (49 Stat. 2039, renumbered section 12 in 66 Stat. 308 , 41 U.S.C. 45), is amended to read as follows:

"SEC. 12. The provisions of this Act requiring the inclusion of representations with respect to minimum wages shall apply only to purchases or contracts relating to such industries as have been the subject matter of a determination by the Secretary of Labor.".

(w) Section 356(b) of the Act of July 1, 1944, as added October 18, 1968 (82 Stat. 1175; 42 U.S.C. 263d(b)), is amended by striking out the references to section 3709 of the Revised Statutes and 41 U.S.C. 5 in clause (3), and by striking out the parenthetical phrase "(by negotiation or otherwise)" in clause (4).

(x) Section 1(b) of the Act of October 14, 1940 (54 Stat. 1126; 42 U.S.C. 1521(b)), is amended by striking out the reference to section 3709 of the Revised Statutes in the first parenthetical phrase, and by striking out the first provisio and inserting in lieu thereof; "*Provided*, That the cost plus a percentage of cost system shall not be used.".

(y) Section 202(b) of the Act of October 14, 1940 (55 Stat. 362; 42 U.S.C. 1532(b)), is amended by striking out the reference to section 3709 of the Revised Statutes, and by adding the following proviso at the end of paragraph 1532(b); "*Provided*, That the cost plus a percentage of cost system shall not be used.".

(z) Section 309 of the Act of September 1, 1951 (65 Stat. 307; 42 U.S.C. 1592h), is amended by striking out clause (a), and amending clause (b) to read as follows:

"(b) the fixed-fee under a contract on a cost-plus-a-fixed-fee basis shall not exceed 6 per centum of the estimated cost;".

(aa) Section 103(b)(4) and 104(a)(2) of the Act of July 14, 1955, as amended November 21, 1967 (81 Stat. 486, 487; 42 U.S.C. 1857 (b)(4), b–1(a)(2)), is amended by striking out the references to section 3709 of the Revised Statutes and to section 5 of title 41, United States Code.

(bb) Secton 31(b) of the Atomic Energy Act of 1954 (68 Stat. 927; 42 U.S.C. 2051(c)) is amended to read as follows:

"(c) The Commission may make available for use in connection with arrangements made under this section, such of its equipment and facilities as it may deem desirable.".

(cc) Section 41(b) of the Atomic Energy Act of 1954 (68 Stat. 928; 42 U.S.C. 2061(b)) is amended by striking out the last three sentences in this section.

(dd) Section 43 of the Atomic Energy Act of 1954 (68 Stat. 929; 42 U.S.C. 2063) is amended by striking out the following: "without regard to the provisions of section 3709 of the Revised Statutes, as amended, upon certification by the Commission that such action is necessary in the interest of the common defense and security, or upon a showing by the Commission that advertising is not reasonably practicable. Partial and advance payments may be made under contracts for such purposes.".

(ee) Section 55 of the Atomic Energy Act of 1954 (68 Stat. 931; 42 U.S.C. 2075) is amended by striking out the second and third sentences in this section.

(ff) Section 66 of the Atomic Energy Act of 1954 (68 Stat. 933; 42 U.S.C. 2096) is amended by striking out the following: "Any purchase made under this section may be made without regard to the provisions of section 3709 of the Revised Statutes, as amended, upon certification by the Commission that such action is necessary in the interest of the common defense and security, or upon a showing by the Commission that advertising is not reasonably practicable. Partial and advance payments may be made under contracts for such purposes.".

(gg) Section 203(e) of the Act of April 3, 1970 (84 Stat. 115; 42 U.S.C. 4372(e)), is amended by striking out the references to section 3709 of the Revised Statutes and to section 5 of title 41, United States Code.

(hh) Section 703 of the Act of June 29, 1936 (49 Stat. 2008; 46 U.S.C. 1193), is amended by striking out subsection (a), by striking out "For the construction, reconstruction, or reconditioning of vessels, and" in subsection (c), and by renumbering subsections (b) and (c) as (a) and (b), respectively.

(ii) Section 8(a) of the Act of September 30, 1965 (79 Stat. 894; 49 U.S.C. 1638(a)), is amended by striking out the references to section 3709 of the Revised Statutes and to section 5 of title 41, United States Code, in paragraph (1), and by striking out paragraphs (3) and (4).

(jj) Section 5012 of title 38, United States Code, is amended by striking out the second sentence in subsection (a) and all of subsection (c).

(kk) Section 832(g) of title 16, United States Code, is amended by striking out "$500" and inserting in lieu thereof "$10,000".

(ll) Section 2075 of title 42, United States Code, is amended by striking out the second sentence and the third sentence in this section.

(mm) Section 6009(d) of title 42, United States Code, is amended by striking out the last sentence.

(nn) Section 286d(a)(7) of title 42, United States Code, is amended by striking out "without regard to section 529 of title 31 and section 5 of title 41".

(oo) Section 287b(c)(3) of title 42, United States Code, is amended by striking out "without regard to section 529 of title 31 and section 5 of title 41".

REPEALS

SEC. 902. The following statutes or provisions of statutes are repealed.

Chapters 135 and 137 and sections 4535, 7522, and 9535 of title 10, United States Code; section 637(e) of title 15, United States Code; section 7 of the Act of May 18, 1938 (52 Stat. 406; 16 U.S.C. 833f); section 7 of the Act of March 3, 1875, as amended (18 Stat. 450; 25 U.S.C. 96); section 3 of the Act of August 15, 1876, as amended (19 Stat. 199; 25 U.S.C. 97); sections 602(d)(3) and 602(d)(10) of the Federal Property and Administrative Services Act as amended (40 U.S.C. 474 (3), (8), (10), and (19); sections 10(a) and 10(b) of the Act of September 9, 1959 (73 Stat. 481; 40 U.S.C. 609(a), (b)); section 3735 of the Revised Statutes (41 U.S.C. 13); section 3653 of the Revised Statutes, as amended by the Act of July 7, 1884 (23 Stat. 204; 41 U.S.C. 24); title III of the Federal Property and Administrative Services Act of 1949 as amended (41 U.S.C. 251 et seq.); 41 U.S.C. 254(b); section 10(a) of the Act of September 5, 1950 (64 Stat. 591; 41 U.S.C. 256a); section 242m(f) of title 42, United States Code; section 292f of title 42, United States Code; section 300c–11(b)(4) of title 42, United States Code; section 300c–22(d) of title 42, United States Code; section 300d–5(d) of title 42, United States Code; section 300e–2(g) of title 42, United States Code; section 300e–3(h) of title 42, United States Code; section 510(a) of the Act of July 15, 1949 (63 Stat. 437; 42 U.S.C. 1480 (a)); section 6(e) of the EURATOM Cooperation Act of 1958 (72 Stat. 1005; 42 U.S.C. 2295(e)); section 1345(b) of the Act of August 1, 1968 (82 Stat. 585; 42 U.S.C. 4081(b)); section 404 of the Act entitled "An Act to authorize appropriations during the fiscal year 1969 for procurement of aircraft, missiles, naval vessels, and tracked combat vehicles, research, development, test, and evaluation for the Armed Forces, and to prescribe the authorized personnel strength of the Selected Reserve of each Reserve component of the Armed Forces, and for other purposes, approved September 20, 1968 (82 Stat. 849); section 403c of title 50, United States Code.

By Mr. LEAHY:

S. 6. A bill to amend the Agricultural Act of 1949, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

Mr. LEAHY. Mr. President, I have introduced legislation today which would continue the current price support levels for dairy products for an additional 3 years.

The Agricultural Act of 1949 as amended established a price support program for milk at a price level that the Secretary of Agriculture—

> . . . determines necessary to assure an adequate supply of pure and wholesome milk to meet current needs, reflect changes in the cost of production and assure a level of farm income adequate to maintain productive capacity sufficient to meet future anticipated needs.

This basic legislative directive to the Secretary focuses on maintaining dairy production on U.S. farms so as to meet the demands of American consumers.

At the time the Food and Agriculture Act of 1977 was passed, the minimum dairy price support level as set at 80 percent of parity, an increase over the 75 percent minimum provided under the 1949 act. This provision was made effective only through March 31, 1979, however, rather than through 1981 as was the case with most provisions of the 1977 legislation.

The shorter term of the provision was for a sound reason. Conditions in the dairy industry can, and do, change rapidly. By adopting the higher minimum support level for a 2-year period, it was felt that it would provide for an assessment of conditions this year, 1979, and afford the opportunity to make whatever adjustments were necessary.

As the 96th Congress convenes, we face a situation where the demand for milk and dairy products is very strong, economic alternatives are reasonably good for dairy farmers and there is a need to put force behind the legislative directive embodied in the dairy price support law. For these reasons, I am introducing legislation which will continue the 80 percent of parity minimum price support level through September 30, 1981. Milk production in 1978 totaled 122.3 billion pounds, slightly under 1977. With rising demand, however, we have seen substantial price increases for milk and dairy products over the past year. The surest way to avoid excessive price increases at the consumer level is to take those actions that will assure the needed production to meet market demand.

Total consumption of milk in all forms reached a record 119.5 billion pounds in 1978, 3 billion pounds above 1977. Per capita consumption was at the highest level since 1971. A major factor in these increases has been the rising price of meat. This has resulted in a sharp increase in cheese consumption as consumers have turned to dairy products as a source of animal protein.

In recent weeks, we have heard the predictions of continued rising meat prices through the coming year. This will maintain pressure on milk supplies and continue the strong demand trend.

While the meat price situation encourages increased consumption of dairy products, it also works to discourage or or restrain milk production. Higher beef prices have encouraged the culling of dairy herds and are providing a strong economic alternative for dairy farmers who might be considering leaving the business in favor of an enterprise that is less confining, less demanding in terms of daily attention. Utility cow prices on the Omaha market averaged $20.59 per hundredweight in November 1976, $23.80 in November 1977, and were up to $39.30 in November 1978. This strong demand for beef will encourage continued heavy culling of dairy herds, tending to slow any expansion of milk production.

The continuation of the 80 percent of parity minimum price support will provide dairy farmers the level of price assurance needed to maintain and expand production to meet market needs. It will not result in milk price increases. The present price support level is $9.64 per hundredweight for manufacturing grade milk. The market price for that milk last month was $10.35 per hundredweight. It is estimated that 80 percent of parity next April 1 will be $10.08 per hundredweight (3.5 percent butterfat) and that it will reach about $10.55 by October 1, 1979.

Despite the relatively favorable milk price level, dairy farmers are faced with rising production costs. Major feed items—the major cost factor in a dairy operation are up from a year ago. On the Chicago market, corn was 15 cents a bushel higher in November than a year earlier. Soybean meal, the industry's major protein supplement was $15 per ton higher. A 16 percent protein dairy ration was up $14 per ton from 1977.

Recent discussion of milk and dairy product price levels have indicated the price increases taking place due to increased demand. They have not, however, placed the prices for these products in perspective with other food prices or all consumer prices. For October 1978, the Consumer Price Index stood at 200.9 (1967 equals 100). The all food segment of the index was 216.8. The index for all dairy products was 191.1. Thus, while the prices for these products have increased, they still lag behind the overall level of consumer prices and trail the prices for all foods by an even greater margin.

Dairying is a long-term enterprise which depends on stability of market as a major requirement. By acting to provide the level of price assurance called for in my bill, we can maintain that level of price assurance. On this basis, dairy farmers can make the commitment to their operations that will bring forth the milk needed by the consumers of the Nation.

We are not talking here about increasing the level of price assurance. This is simply an extension of the provision of the 1977 Food and Agriculture Act.

By Mr. CRANSTON:

S. 7. A bill to amend title 38, United States Code, to revise and improve certain health-care programs of the Veterans' Administration, to authorize the construction, alteration, and acquisition of certain medical facilities, and to expand certain benefits for disabled veterans; and for other purposes; to the Committee on Veterans' Affairs.

VETERANS' HEALTH CARE AMENDMENTS OF 1979

Mr. CRANSTON. Mr. President, I am today introducing, for appropriate reference, S. 7, the proposed "Veterans' Health Care Amendments of 1979," a bill to revise and improve certain health-care programs of the Veterans' Administration, to authorize the construction, alteration, and acquisition of certain medical facilities, and to expand certain benefits for disabled veterans; and for other purposes.

BACKGROUND

This legislation is the culmination of a 7-year effort by the Senate Veterans' Affairs Committee and the Senate to improve health services to our Nation's veterans. It incorporates provisions to establish a program of readjustment counseling for Vietnam-era veterans, to enhance the VA's drug and alcohol treatment and rehabilitation programs, and to provide for a new program of preventive health-care services for veterans with service-connected disabilities. I have introduced legislation containing susbtantially similar provisions in the previous four Congresses—S. 2108, 92d Congress; S. 284, 93d Congress; S. 2908 94th Congress; and S. 1693, 95th Congress—and each time the Senate passed these provisions, but the House did not act on them. Thus, the effort of the Senate Veterans' Affairs Committee and the Senate to provide these greatly needed services has been frustrated.

This year, however, I am confident that we will be able to achieve enactment. As evidenced at the close of the last Congress, the need for the programs is now more widely and clearly recognized than ever before. The administration requested readjustment counseling and drug and alcohol treatment legislation, which I introduced in the Senate as S. 3021, on May 2, 1978, and S. 3101, on May 18, 1978, respectively. Subsequently, the President, in his message to Congress on Vietnam-era veterans on October 10, 1978, urged the Congress to enact his proposals—which are very similar to those that I am introducing today—for a program of readjustment counseling for Vietnam-era veterans and for VA authority to contract with community halfway houses, therapeutic communities, and psychiatric residential treatment centers for the treatment and rehabilitation of veterans with drug and alcohol dependency or abuse disabilities.

In addition, Mr. President, I am extremely pleased that the leadership of the House Veterans' Affairs Committee is now fully supportive of these programs as well. Before the close of the last session of Congress, in an effort to achieve enactment of these measures I entered into extensive negotiations with the chairman of the House Veterans' Affairs Committee's Subcommittee on Medical Facilities and Benefits (Mr. SATTERFIELD). As a result, we fashioned an extensive package of veterans health-care legislation that, I believe, represents a fair and reasonable compromise of the concerns of the two bodies regarding health-care programs, and would be of tremendous value and benefit to our Nations' veterans. In addition to provisions for readjustment counseling, alcohol and drug abuse treatment, and preventive health services, it incorporated, with modifications, the major provisions of H.R. 5025, the proposed Veterans' Administration Medical Facilities Acquisition Act, as passed by the House in the 95th Congress, requiring approval by the House and Senate Veterans' Affairs Committees of construction or acquisition of major VA health-care facilities. It also contained amendments to title 38 of the United States Code relating to other veterans' health-care benefits and administrative and personnel matters. Unfortunately, due to the parliamentary logjam in the House and the Senate at the end of the last session, clearance of this measure was not achieved. Although I was deeply disappointed that the legislation was not enacted last session, I was very gratified with the assurances I received from Chairman SATTERFIELD and the chairman of the House Veterans' Affairs Committee (Mr. ROBERTS) that they would do everything possible to achieve passage of this legislation early in the 96th Congress.

SUMMARY OF PROVISIONS

Mr. President, the bill being introduced today represents a further refinement and revision of the agreement we reached last session. I would like to summarize briefly the highlights of this legislation.

READJUSTMENT COUNSELING FOR VIETNAM-ERA VETERANS

Mr. President, S. 7 would provide for the establishment of a program of readjustment counseling to any veteran who served on active duty during the Vietnam era who requests such counseling within 2 years from discharge or release or within 2 years after the date of enactment, whichever is later. The bill also would provide that, in the event of another declaration of war, the Administrator would be required to recommend to the Congress, within 6 months of such declaration, whether the readjustment counseling program should be extended to veterans of such war. Necessary followup mental-health services would be authorized, including services for family members of eligible veterans where essential to the effective treatment and rehabilitation of the veteran.

With respect to former service personnel who are not eligible for readjustment counseling services because they were discharged or released from active-duty service under conditions other than honorable or who would otherwise be ineligible, the legislation would require the VA to provide referral services to help them use non-VA mental health services and, if pertinent, to advise such individuals of their right to apply for reviews of their discharges which might lead to eligibility for VA benefits. Provision is also made for the Chief Medical Director to train such professional, paraprofessional, and lay personnel as are necessary to carry out this program effectively and for the Administrator to cooperate with the Secretary of Defense in notifying veterans of potential eligibility under the program.

DRUG AND ALCOHOL DEPENDENCE OR ABUSE PROGRAM

Mr. President, S. 7 would also provide for the establishment of a special pilot program for the treatment and rehabilitation of veterans with alcohol or drug dependence or abuse disabilities. Under this program, the Administrator would, for a period of 5 years, be authorized to contract for alcohol and drug treatment for veterans in halfway houses, therapeutic communities, psychiatric residential treatment centers, and other community-based treatment facilities. A report on the Administrator's findings and recommendations based on the first 3 years of the experience under the pilot program would be required.

In addition, the VA would be directed to cooperate with the Secretary of Labor and the Director of the Office of Personnel Management with respect to employment opportunities for rehabilitated former addict veterans. In the cases of former service personnel who are not eligible for VA alcohol and drug treatment and rehabilitation services, because they were discharged or released from active-duty service under conditions other than honorable or who would otherwise be ineligible, the legislation would require the VA to provide referral services to help them use non-VA services and, if pertinent, to advise such individuals of their right to apply for reviews of their discharges which might lead to eligibility for VA benefits. Finally, certain procedural safeguards would be provided for the treatment of active-duty service personnel by the VA prior to the end of their enlistments or tours of duty.

PREVENTIVE HEALTH-CARE SERVICES

Mr. President, the proposed measure would also establish a 5-year pilot program of preventive health services providing for: First, the provision of such preventive health-care services as the Administrator may deem feasible and appropriate for veterans with a 50-percent-or-more disability rating and for veterans receiving treatment involving a service-connected disability; second, the use of interdisciplinary health-care teams in providing such services; third, a maximum expenditure of $25 million in any fiscal year to carry out this program; and fourth, inclusion of a comprehensive report on this program in the Administrator's annual report to the Congress.

EXAMINATION FOR SERVICE-CONNECTED DISABILITIES

Mr. President, this legislation would clarify the statutory hierarchy of outpatient treatment priorities in section 612(i) of title 38, United States Code, by providing that medical examinations for service-connected disability compensation claims be included in the third priority for outpatient care along with nonservice-connected care for veterans with service-connected disability ratings. In addition, it would make clear that examinations for eligibility for service-connected health care would also be included in the third priority.

OUTPATIENT DENTAL SERVICES FOR FORMER POW'S AND 100-PERCENT SERVICE-CONNECTED DISABLED VETERANS

Mr. President, the proposed legislation would extend all outpatient dental-care benefits eligibility to veterans who were prisoners of war for more than 6 months or who have 100-percent service-connected disabilities. These provisions are derived from H.R. 898 and H.R. 12018 which were introduced in the House last Congress.

SERVICE-CONNECTED CARE FOR FILIPINO VETERANS IN THE UNITED STATES

Mr. President, the bill would provide eligibility for Commonwealth Army veterans and new Philippine Scouts to receive hospital care, nursing home care, and medical services for their service-connected disabilities at VA facilities in the United States. The anomalous situation presently exists that these Filipino veterans of World War II, while eligible for VA-financed care in the Philippines—although no funds for such purposes have been appropriated for the current fiscal year—are not eligible for any VA care in the United States, even if the care would be for service-connected disabilities and they had become citizens of this country. This provision would authorize service-connected care for these Filipino veterans in VA facilities in the United States and is derived from section 303 of H.R. 5029 as passed by the Senate last Congress.

NONSERVICE-CONNECTED CONTRACT CARE

Mr. President, the proposed legislation would restore limited authority to expand the circumstances under which veterans would be eligible for contract outpatient treatment—so-called fee-basis care—for non-service-connected disabilities, by revising certain amendments to chapter 17 of title 38 made by Public Law 94–581, the Veterans' Omnibus Health Care Act of 1976. It would provide that, if the general conditions for the provision of contract care are satisfied—that facilities are incapable of providing the required care in an economical fashion, because of geographic inaccessibility—veterans eligible for regular aid-and-attendance or housebound benefits may be provided fee-basis care if, on the basis of a physical examination, it is determined that "the medical condition of such veteran precludes appropriate treatment in a VA-operated or other Government facility."

Second, the measure would provide specific authority for contract diagnostic services necessary to make determinations of eligibility for "obviate" care at VA facilities that do not have the capability of performing such diagnostic services.

These provisions are derived from section 101 of H.R. 5027 as passed by the Senate last Congress.

REPORT ON CONTRACT CARE

Mr. President, this bill would provide for a full report on the VA's use of its contract care authorities, to be submitted annually on February 1, beginning in 1980.

CONVENTION HEALTH CARE

Mr. President, S. 7 would authorize the Administrator to contract with veterans' organizations recognized by the VA under section 3402 of title 38 to furnish emergency medical services at the national conventions of such organizations. The provision of such services would be on a reimbursable basis except that no reimbursement would be required for health-care services rendered to veterans entitled under law to such care. This provision was included as section 307 in the Senate-passed version of H.R. 5029 in the last Congress.

CONSTRUCTION AND ACQUISITION OF MEDICAL FACILITIES

Mr. President, as I have indicated, this legislation includes, with modifications, the provisions of H.R. 5025, the proposed "Veterans' Administration Medical Facilities Acquisition Act of 1977," which was passed by the House in the 95th Congress. A major feature of this part of the bill would provide the House and Senate Committees on Veterans' Affairs with a substantial role in the planning for and the approval of funding for major VA medical facilities as part of the congressional authorization and appropriations processes. Thus, the bills would provide that "no appropriation shall be made" for the construction, alteration, or acquisition of any VA medical facility costing more than $2 million, or for the lease of any medical facility at an annual rental of more than $500,000, without the House and Senate Veterans' Affairs Committees having adopted resolutions approving the project. This process would apply to both administration-requested projects and those initiated by the Congress.

In order to obtain the committees' approval for a particular administration-proposed facility, the Administrator would submit to the committees a "prospectus" for the facility, which would include a detailed description of the project, including cost estimates. If funds were not appropriated for a facility within 1 year after approval, either committee would be able to rescind approval, by resolution, before an appropriation is made.

This legislation is also designed to make needed improvements in planning for construction and acquisition of VA medical facilities by requiring the VA to submit two annual reports to the committees, a June 30 report—containing a 5-year plan for construction, replacement, and alteration of the most needed new or replacement medical facilities, a priority listing of the 10, or more, hospitals most needed, and general plans for each such medical facility—and a January status report of all approved but uncompleted facilities.

In addition, the bill would, first, require that construction and equipment cost increases of more than 10 percent must be approved by subsequent committee resolutions; second, require that the committees be notified, in advance, of any proposed reprograming of funds; and third, establish and authorize appropriations for a revolving fund for garage and parking construction projects involving expenditures of $2 million or less at VA medical facilities.

Mr. President, S. 7 would also recodify and make various minor, technical, and conforming amendments to the provisions of title 38, United States Code, relating to the construction and acquisition of VA facilities.

STANDARDS FOR FOREIGN ADOPTIONS

Mr. President, S. 7 would require, in order for VA benefits to be paid to or on behalf of a child who was adopted and is residing outside the United States, that there be certain assurances that the adoptive parent actually assumed the parental role and responsibilities. Thus, it would require that the adoptive child be under age 18 at the time of the adoption, be receiving one-half or more of such child's annual support from the veteran, be residing with the veteran except in certain specified circumstances, and not be residing with the child's natural parent unless the natural parent is the veteran's spouse. After the veteran's death, such an adoption would be recognized for VA benefits purposes only if the veteran was entitled to and did receive a dependent's allowance or similar benefit for the child at any time during the year before the veteran's death, or if the above requirements were met for at least 1 year prior to the veteran's death. This provision is derived from section 201 of H.R. 5029 as passed by the Senate last Congress.

STUDY OF BENEFITS PAID OUTSIDE THE UNITED STATES

Mr. President, the bill would also require the VA to conduct, in consultation with the Secretary of State, a comprehensive study of the issues involved in the payment of benefits to persons residing outside the 50 States and the District of Columbia. This study would be required to be performed in conjunction with a similar study, mandated by section 308 of Public Law 95-588, the Veterans' and Survivors' Pension Improvement Act of 1978, regarding the payment of pension benefits overseas. S. 7 would require both reports to be combined for submission. This provision is also derived from H.R. 5029 as passed by the Senate—section 203.

MISCELLANEOUS PROVISIONS

Mr. President, the proposed legislation would also make some changes in title 38 of the United States Code with respect to administrative and personnel matters. Specifically, it would, first, permit payment by non-Federal agencies, organizations, and individuals for travel expenses of certain VA employees in connection with their official duties in certain limited circumstances; second, provide for confirmation by the Senate of the Deputy Administrator of Veterans' Affairs; third, make technical revisions in the provisions relating to benefits for overseas VA employees; and, fourth, make amendments relating to the salary schedules of the Department of Medicine and Surgery to conform those schedules, as set forth in title 38, to the October 7, 1978, Federal pay raise contained in Executive Order 12087.

EFFECTIVE DATES

Mr. President, the majority of provisions in S. 7 would become effective on October 1, 1979. These include, in order to comply with the provisions of the Congressional Budget Act of 1974, the provisions relating to readjustment counseling for Vietnam-era veterans, drug and alcohol dependence or abuse programs, preventive health-care services, outpatient dental-care services, and service-connected care for Filipino veterans in the United States. Also included are the provisions relating to the construction and acquisition of medical facilities, except that the first annual VA report of its 5-year plans for the construction, replacement, and alteration of medical facilities would be due on June 30, 1979, and this legislation would not apply to any VA medical facility construction, alteration, or acquisition that is approved by the President before October 1, 1979.

The provision requiring Senate confirmation of the Deputy Administrator of Veterans' Affairs would take effect on July 1, 1979.

The remaining provisions in the bill, including those relating to examinations for service-connected disabilities, nonservice-connected contract care, emergency medical services at certain conventions, standards for foreign adoptions, the study of benefits paid outside the United States, and employee travel expenses, would take effect upon enactment.

HEARINGS SCHEDULED

Mr. President, the Committee on Veterans' Affairs will hold hearings on S. 7, the proposed "Veterans' Health Care Amendments of 1979" on Thursday, January 25, at 9:30 a.m., in room 6226 of the Dirksen Senate Office Building. After we have had an opportunity to hear from the administration, veterans' organizations, and other individuals and groups wishing to comment on this legislation, I would hope to bring the bill through the committee and to the floor very rapidly.

Mr. President, I ask unanimous consent that the text of S. 7 be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 7

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) this Act may be cited as the "Veterans' Health Care Amendments of 1979".

(b) Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

TITLE I—HEALTH SERVICES PROGRAMS

PRIORITY FOR MEDICAL EXAMINATIONS FOR SERVICE-CONNECTED DISABILITIES

SEC. 101. Clause (3) of section 612(i) is amended by inserting "(including any veteran being examined to determine the existence or rating of a service-connected disability)" before the period.

DENTAL SERVICES AND TREATMENT FOR CERTAIN VETERANS

SEC. 102. Subsection (b) of section 612 is amended—

(1) by striking out "or" at the end of clause (5);

(2) by striking out the period at the end of clause (6) and inserting in lieu thereof a semicolon; and

(3) by adding at the end thereof the following new clauses:

"(7) from which any veteran of World War I, World War II, the Korean conflict, or the Vietnam era who was held as a prisoner of war for a period of not less than six months is suffering; or

"(8) from which a veteran who has a service-connected disability rated as total is suffering.".

READJUSTMENT COUNSELING PROGRAM FOR VETERANS OF THE VIETNAM ERA

SEC. 103. (a)(1) Subchapter II of chapter 17 is amended by inserting after section 612 the following new section:

"§ 612A. Eligibility for readjustment counseling and related mental health services

"(a) Upon the request of any veteran who served on active duty during the Vietnam era, the Administrator shall, within the limits of Veterans' Administration facilities, furnish counseling to such veteran to assist such veteran in readjusting to civilian life if such veteran requests such counseling within two years after the date of such veteran's discharge or release from active duty or two years after the effective date of this section, whichever is later. Such counseling shall include a general mental and psychological assessment to ascertain whether such veteran has mental or psychological problems associated with readjustment to civilian life.

"(b)(1) If, on the basis of the assessment furnished under subsection (a) of this section, a physician employed by the Veterans' Administration (or, in areas where no such physician is available, a physician carrying out such function under a contract or fee arrangement with the Administrator) determines that the provision of mental health services to such veteran is necessary to facilitate the successful readjustment of the veteran to civilian life, such veteran shall, within the limits of Veterans' Administration facilities as defined in section 601(4)(A), (B), and (C)(vi) of this title, be furnished such services on an outpatient basis under the conditions specified in clause (1)(B) of section 612(f) of this title. For the purposes of furnishing such mental health services, the counseling furnished under subsection (a) of this section shall be considered to have been furnished by the Veterans' Administration as a part of hospital care. Any hospital care and other medical services considered necessary on the basis of the assessment furnished under subsection (a) of this section shall be furnished only in accordance with the eligibility criteria otherwise set forth in this chapter (including the eligibility criteria set forth in section 611(b) of this title).

"(2) Mental health services furnished under paragraph (1) of this subsection may, if determined to be essential to the effective treatment and readjustment of the veteran, include such consultation, counseling, training, services, and expenses as are described in section 601(6)(B) of this title.

"(c) Upon receipt of a request for counseling under this section from any individual who has been discharged or released from active military, naval, or air service but who is not eligible for such counseling, the Administrator shall—

"(1) provide referral services to assist such individual, to the maximum extent practicable, in obtaining mental health care and services from sources outside the Veterans' Administration; and

"(2) if pertinent, advise such individual of such individual's rights to apply to the appropriate military, naval, or air service and the Veterans' Administration for review of such individual's discharge or release from such service.

"(d) The Chief Medical Director may provide for such training of professional, paraprofessional, and lay personnel as is necessary to carry out this section effectively, and, in carrying out this section, may utilize the services of paraprofessionals, individuals who are volunteers working without compensation, and individuals who are veteran-students (as described in section 1685 of this title), in initial intake and screening activities.

"(e) The Administrator, in cooperation with the Secretary of Defense, shall take such action as the Administrator considers appropriate to notify veterans who may be eligible for assistance under this section of such potential eligibility.".

(2) The table of sections at the beginning of chapter 17 is amended by inserting after the item relating to section 612 the following new item:

"612A. Eligibility for readjustment counseling and related mental health services.".

(b) In the event of a declaration of war by the Congress after the date of the enactment of this Act, the Administrator of Veterans' Affairs, not later than 6 months after the date of such declaration, shall determine and recommend to the Congress whether eligibility for the readjustment counseling and related mental health services provided for in section 612A of title 38, United States Code (as added by subsection (a) of this section) should be extended to the veterans of such war.

PILOT PROGRAM FOR TREATMENT AND REHABILITATION OF VETERANS WITH ALCOHOL OR DRUG DEPENDENCE OF ABUSE DISABILITIES

SEC. 104. (a) Subchapter II of chapter 17 is amended by adding at the end thereof the following new section:

"§ 620A. TREATMENT AND REHABILITATION FOR ALCOHOL OR DRUG DEPENDENCE OR ABUSE DISABILITIES; PILOT PROGRAM

"(a)(1) The Administrator, in furnishing hospital, nursing home, and domiciliary care and medical and rehabilitative services under this chapter, may conduct a pilot program under which the Administrator may contract for care and treatment and rehabilitative services in halfway houses, therapeutic communities, psychiatric residential treatment centers, and other community-based treatment facilities of eligible veterans suffering from alcohol or drug dependence or abuse disabilities. Such pilot program shall be planned, designed, and conducted by the Chief Medical Director, with the approval of the Administrator, so as to demonstrate any medical advantages and cost effectiveness that may result from furnishing such care and services to veterans with such disabilities in contract facilities as authorized by this section, rather than in facilities over which the Administrator has direct jurisdiction.

"(2) Before furnishing such care and services to any veteran through a contract facility as authorized by paragraph (1) of this subsection, the Administrator shall approve (in accordance with criteria which the Administrator shall prescribe) the quality and effectiveness of the program operated by such facility for the purpose for which such veteran is to be furnished such care and services.

"(b) The Administrator, in consultation with the Secretary of Labor and the Director of the Office of Personnel Management, may take appropriate steps to (1) urge all Federal agencies and appropriate private and public firms, organizations, agencies, and persons to provide appropriate employment and training opportunities for veterans who have been provided treatment and rehabilitative services under this title for alcohol or drug dependence or abuse disabilities and have been determined by competent medical authority to be sufficiently rehabilitated to be employable, and (2) provide all possible assistance to the Secretary of Labor in placing such veterans in such opportunities.

"(c) Upon receipt of an application for treatment and rehabilitative services under this title for an alcohol or drug dependence or abuse disability from any individual who has been discharged or released from active military, naval, or air service but who is not eligible for such treatment and services, the Administrator shall—

"(1) provide referral services to assist such individual, to the maximum extent practicable, in obtaining treatment and rehabilitative services from sources outside the Veterans' Administration; and

"(2) if pertinent, advise such individual of such individual's right to apply to the appropriate military, naval, or air service and the Veterans' Administration for review of such individual's discharge or release from such service.

"(d)(1) Any person serving in the active military, naval, or air service who is determined by the Secretary concerned to have an alcohol or drug dependence or abuse disability may not be transferred to any facility in order for the Administrator to furnish care or treatment and rehabilitative services for such disability unless such transfer is during the last thirty days of such member's enlistment period or tour of duty, in which case such care and services provided to such member shall be provided as if such member were a veteran. Any transfer of any such member for such care and services shall be made pursuant to such terms as may be agreed upon by the Secretary concerned and the Administrator, subject to the provisions of the Act of March 4, 1915 (31 U.S.C. 686).

"(2) No person serving in the active military, naval, or air service may be transferred pursuant to an agreement made under paragraph (1) of this subsection unless such person requests such transfer in writing for a specified period of time during the last thirty days of such person's enlistment period or tour of duty. No such person transferred pursuant to such a request may be furnished such care and services by the Administrator beyond the period of time specified in such request, unless such person requests in writing an extension for a further specified period of time and such request is approved by the Administrator.

"(e) The Administrator may not furnish care and treatment and rehabilitative services under subsection (a) of this section after the last day of the fifth year following the fiscal year in which the pilot program authorized by such subsection is initiated.

"(f) Not later than March 31, 1983, the Administrator shall report to the Committee on Veterans' Affairs of the Senate and House of Representatives on the findings and recommendations of the Administrator pertaining to the operation through September 30, 1982, of the pilot program authorized by this section.".

(b) The table of sections at the beginning of chapter 17 is amended by adding after the item relating to section 620 the following new item:

"620A. Treatment and rehabilitation for alcohol or drug dependence or abuse disabilities; pilot program.".

PILOT PROGRAM OF PREVENTIVE HEALTH-CARE SERVICES

SEC. 105. (a) Chapter 17 is amended by adding at the end thereof the following new subchapter:

"Subchapter VII—Preventive Health-Care Services Pilot Program

"§ 661. Purpose

"The purpose of this subchapter is to provide for a preventive health-care services pilot program under which the Administrator may attempt to (1) ensure the best possible health care for certain veterans with service-connected disabilities rated at 50 per centum or more and for certain veterans being furnished treatment involving a service-connected disability under this chapter, by furnishing to such veterans feasible and appropriate preventive health-care services, and (2) to determine the cost-effectiveness and medical advantages of furnishing such preventive health-care services.

"§ 662. Definition

"For the purposes of this subchapter, the term 'preventive health-care services' means—

"(1) periodic medical and dental examinations;

"(2) patient health education (including nutrition education);

"(3) maintenance of drug use profiles, patient drug monitoring, and drug utilization education;

"(4) mental health preventive services;

"(5) substance abuse prevention measures;

"(6) immunizations against infectious disease;

"(7) prevention of musculoskeletal deformity or other gradually developing disabilities of a metabolic or degenerative nature;

"(8) genetic counseling concerning inheritance of genetically determined diseases;

"(9) routine vision testing and eye care services;

"(10) periodic reexamination of members of likely target populations (high-risk groups) for selected diseases and for functional decline of sensory organs, together with attendant appropriate remedial intervention; and

"(11) such other health-care services as the Administrator may determine to be necessary to provide effective and economical preventive health care.

§ 663. Preventive health-care services

"(a)(1) In order to carry out the purpose of this subchapter, the Administrator, within the limits of Veterans' Administration facilities and in accordance with regulations which the Administrator shall prescribe, may furnish to any veteran described in section 612(f)(2) of this title, and to any veteran receiving care and treatment under this chapter involving a service-connected disability, such preventive health-care services as the Administrator determines are feasible and appropriate.

"(2) In connection with preventive health-care services furnished under paragraph (1) of this subsection, the Administrator, in accordance with regulations which the Administrator shall prescribe, may institute appropriate controls and carry out followup studies (including research) to determine the medical advantages and cost-effectiveness of furnishing such preventive health-care services.

"(b) In carrying out the pilot program provided for by this subchapter, the Administrator may not furnish preventive health-care services after the last day of the fifth fiscal year following the fiscal year in which such program is initiated.

"(c) In carrying out this subchapter, the Administrator shall emphasize the utilization of interdisciplinary health-care teams composed of various professional and paraprofessional personnel.

"(d) The Administrator may not expend more than $25,000,000 in any fiscal year to carry out the program provided for in this subchapter or, in any fiscal year in which such program is in effect for a period of less than a full fiscal year, not more than an amount that bears the same ratio to $25,000,000 as such period (considered as a fraction of a year) bears to one year.

"§ 664. Reports

"The Administrator shall include in the annual report to the Congress required by section 214 of this title a comprehensive report on the administration of this subchapter, including such recommendations for additional legislation as the Administrator considers necessary.".

(b) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following:

"SUBCHAPTER VII—PREVENTATIVE HEALTH-CARE SERVICES PILOT PROGRAM

"661. Purpose.
"662. Definition.
"663. Preventative health-care services.
"664. Reports.".

HOSPITAL AND NURSING HOME CARE AND MEDICAL SERVICES WITHIN THE UNITED STATES FOR COMMONWEALTH ARMY VETERANS AND NEW PHILIPPINE SCOUTS

SEC. 106. (a) Subchapter IV of chapter 17 is amended by redesignating section 634 as section 635 and by inserting after section 633 the following new section:

"§ 634. Hospital and nursing home care and medical services in the United States

"The Administrator, within the limits of Veterans' Administration facilities, may furnish hospital and nursing home care and medical services to Commonwealth Army veterans and new Philippine Scouts for the treatment of the service-connected disabilities of such veterans and scouts.".

(b) The table of sections at the beginning of chapter 17 is amended by striking out the item relating to section 634 and inserting in lieu thereof the following new items:

"634. Hospital and nursing home care and medical services in the United States.
"635. Definitions.".

EFFECTIVE DATE OF CERTAIN PROVISIONS

SEC. 107. The amendments made to title 38, United States Code, by sections 102, 103, 104, 105, and 106 of this Act shall be effective on October 1, 1979.

TITLE III—CONTRACT-CARE PROGRAMS

DEFINITION OF "VETERANS' ADMINISTRATION FACILITIES"

SEC. 201. (a) Paragraph (4) of section 601 is amended—

(1) by inserting "or of a veteran described in section 612(g) of this title if the Administrator has determined, based on an examination by a physician employed by the Veterans' Administration (or, in areas where no such physician is available, by a physician carrying out such function under a contract or fee arrangement), that the medical condition of such veteran precludes appropriate treatment in facilities described in clauses (A) and (B) of this paragraph "before the semicolon at the end of subclause (ii) of clause (C);

(2) by striking out "or" after the semicolon at the end of subclause (iv) of clause (C), and striking out the period at the end of such clause and inserting in lieu thereof a semicolon and the following new subclauses: "(vi) mental health services described in section 612A of this title for a veteran in Alaska or Hawaii; or (vii) diagnostic services necessary for determination of eligibility for, or of the appropriate course of treatment in connection with, the provision of medical services at independent Veterans' Administration outpatient clinics to obviate the need for hospital admission."; and

(3) by adding below clause (C) the follownew sentence:

"In the case of any veteran for whom the Administrator contracts to provide treatment in a private facility pursuant to the provisions of this paragraph, the Administrator shall periodically review the necessity for continuing such contractual arrangement pursuant to such provisions.".

(b) Not later than February 1, 1980, and annually thereafter, the Chief Medical Director of the Veterans' Administration shall submit to the appropriate committees of the Congress, through the Administrator of Veterans' Affairs, a full report on the implementation of section 601(4)(C)(v) of title 38, United States Code, and the amendments made by this section, and on the numbers of veterans provided contract treatment (and the average cost and duration thereof) in each State (as defined in section 101(20) of title 38, United States Code) in the categories described in the following provisions of such title: sections 601(4)(C), 610(a), 612(a), 612(f)(1)(A), 612(f)(1)(B), 612(f)(2), 612(g), 612A (as added by section 103(a)(1) of this Act), and section 620A (as added by section 104(a) of this Act).

EMERGENCY MEDICAL SERVICES AT NATIONAL CONVENTIONS OF RECOGNIZED VETERANS' SERVICE ORGANIZATIONS

SEC. 202. Section 611 is amended by adding at the end thereof the following new subsection:

"(c) The Administrator may contract with any organization recognized by the Administrator for the purposes of section 3402 of this title to provide for the furnishing by the Administrator, on a reimbursable basis (as prescribed by the Administrator), of emergency medical services to individuals attending any national convention of such organization, except that reimbursement shall not be required for services furnished under this subsection to the extent that the individual receiving such services would otherwise be eligible under this chapter for medical services.".

TITLE III—CONSTRUCTION, ALTERATION, LEASE, AND ACQUISITION OF MEDICAL FACILITIES

REVISION OF AUTHORITY FOR CONSTRUCTION, ALTERATION, LEASE, AND AQUISITION OF MEDICAL FACILITIES

SEC. 301. (a) Subchapter I of chapter 81 is amended to read as follows:

"SUBCHAPTER I—ACQUISITION AND OPERATION OF MEDICAL FACILITIES

"§ 5001. Definitions

"For the purposes of this subchapter:

"(1) The term 'alter', with respect to a medical facility, means to repair, remodel, improve, or extend such medical facility.

"(2) The terms 'construct' and 'alter', with respect to a medical facility, include such engineering, architectural, legal, fiscal, and economic investigations and studies and such surveys, designs, plans, working drawings, specifications, procedures, and other similar actions as are necessary for the construction or alteration, as the case may be, of such medical facility and as are carried out after the completion of the advanced planning (including the development of project requirements and preliminary plans) for such facility.

"(3) The term 'medical facility' means any facility or part thereof which is, or will be, under the jurisdiction of the Administrator for the provision of health-care services (including hospital, nursing home, or domiciliary care or medical services), including any necessary building and auxiliary structure, garage, parking facility, mechanical equipment, trackage, facilities leading thereto, abutting sidewalks, accommodations for attending personnel, and recreation facilities associated therewith.

"(4) The term 'committee' means the Committee on Veterans' Affairs of the House of Representatives or the Committee on Veterans' Affairs of the Senate, and the term 'committee' means both such committees.

"§ 5002. Acquisition of medical facilities

"(a) The Administrator shall provide medical facilities for veterans entitled to hospital, nursing home, or domiciliary care or medical services under this title.

"(b) No medical facility may be constructed or otherwise acquired or altered except in accordance with the provisions of this subchapter.

"(c) In carrying out this subchapter, the Administrator—

"(1) shall provide for the construction and acquisition of medical facilities in a manner that results in the equitable distribution of such facilities throughout the United States, taking into consideration the comparative urgency of the need for the services to be provided in the case of each particular facility; and

"(2) shall give due consideration to excellence of architecture and design.

"§ 5003. Authority to construct and alter, and to acquire sites for, medical facilities

"(a) Subject to section 5004 of this title, the Administrator—

"(1) may construct or alter any medical facility and may acquire, by purchase, lease, condemnation, donation, exchange, or otherwise, such land or interests in land as the Administrator considers necessary for use as the site for such construction or alteration;

"(2) may acquire, by purchase, lease, condemnation, donation, exchange, or otherwise any facility (including the site of such facility) that the Administrator considers necessary for use as a medical facility; and

"(3) in order to assure compliance with section 5010(a)(2) of this title, in the case of any outpatient medical facility for which it is proposed to lease space and for which a qualified lessor and an appropriate leasing arrangement are available, shall execute a lease for such facility within 12 months after funds are made available for such purpose.

"(b) Whenever the Administrator considers it to be in the interest of the United States to construct a new medical facility to replace an existing medical facility, the Administrator (1) may demolish the existing facility and use the site on which it is located for the site of the new medical facility, or (2) if in the judgment of the Administrator it is more advantageous to construct such medical facility on a different site in the same locality, may exchange such existing facility and the site of such existing facility for the different site.

"(c) Whenever the Administrator determines that any site acquired for the construction of a medical facility is not suitable for that purpose, the Administrator may exchange such site for another site to be used for that purpose or may sell such site.

"§ 5004. Congressional approval of certain medical facility acquisitions

"(a) In order to ensure the equitable distribution of medical facilities throughout the United States, taking into consideration the comparative urgency of the need for the services to be provided in the case of each particular facility—

"(1) no appropriation may be made for the construction, alteration, or acquisition (not including exchanges) of any medical facility which involves a total expenditure of more than $2,000,000 unless such construction, alteration, or acquisition is first approved by a resolution adopted by each committee; and

"(2) no appropriation may be made for the lease of any space for use as a medical facility at an average annual rental of more than $500,000 unless such lease is first approved by a resolution adopted by each committee.

"(b) In the event that the President or the Administrator proposes to the Congress the funding of any construction, alteration, lease, or other acquisition to which subsection (a) of this section is applicable, the Administrator shall submit to each committee, on the same day, a prospectus of the proposed medical facility. Such prospectus shall include—

"(1) a detailed description of the medical facility to constructed, altered, leased, or otherwise acquired under this subchapter, including a description of the location of such facility;

"(2) an estimate of the cost of the United States of the construction, alteration, lease, or other acquisition of such facility (including site costs, if applicable); and

"(3) an estimate of the cost to the United States of the equipment required for the operation of such facility.

"(c) The estimated cost of any construction, alteration, lease, or other acquisition that is approved under this section may be increased by the Administrator in the contract for such construction, alteration, lease, or other acquisition by an amount equal to the percentage increase, if any, as determined by the Administrator, in construction, alteration, lease, or other acquisition costs, as the case may be, from the date of transmittal of such prospectus to the committees to the date of contract, but in no event may the amount of such an increase exceed 10 per centum of such estimated cost.

"(d) In the case of any medical facility approved for construction, alteration, lease, or other acquisition by each committee under subsection (a) of this section for which funds have not been appropriated within one year after the date of such approval, either such committee may by resolution rescind its approval at any time thereafter before such funds are appropriated.

"(c) In any case in which the Administrator proposes that funds be used for a purpose other than the purpose for which such funds were appropriated, the Administrator shall promptly notify each committee, in writing, of the particulars involved and the reasons why such funds were not used for the purpose for which appropriated.

"(f) The Administrator may accept gifts or donations for any of the purposes of this subchapter.

"§ 5005. Structural requirements

"(a) Each medical facility (including each nursing home facility for which the Administrator contracts under section 620 of this title and each State home facility constructed or altered under section 5031 of this title) shall be of fire, earthquake, and other natural disaster resistant construction in accordance with standards which the Administrator shall prescribe on a State or regional basis after surveying appropriate State and local laws, ordinances, and building codes and climatic and seismic conditions pertinent to each such facility. When an existing structure is acquired for use as a medical facility, it shall be altered to comply with such standards.

"(b) (1) In order to carry out this section, the Administrator shall appoint an advisory committee to be known as the Advisory Committee on Structural Safety of Veterans' Administration Facilities', on which shall serve at least one architect and one structural engineer who are experts in structural resistance to fire, earthquake, and other natural disasters and who are not employees of the Federal Government.

"(2) Such advisory committee shall advise the Administrator on all matters of structural safety in the construction and altering of medical facilities in accordance with the requirements of this section and shall review and make recommendations to the Administrator on the regulations prescribed under this section.

"(3) The Associate Deputy Administrator, the Chief Medical Director or the designee of the Chief Medical Director, and the Veterans' Administration official charged with the responsibility for construction shall be ex officio members of such advisory committee.

"§ 5006. Construction contracts

"(a) The Administrator may carry out any construction or alteration authorized under this subchapter by contract if the Administrator considers it to be advantageous to the United States to do so.

"(b) (1) The Administrator may obtain, by contract or otherwise, the services of individuals who are architects or engineers and of architectural and engineering corporations and firms, to the extent that the Administrator may require such services for any medical facility authorized to be constructed or altered under this subchapter.

"(2) No corporation, firm, or individual may be employed under the authority of paragraph (1) of this subsection on a permanent basis.

"(c) Notwithstanding any other provision of this section, the Administrator shall be responsible for all construction authorized under this subchapter including the interpretation of construction contracts, the approval of materials and workmanship supplied pursuant to a construction contract, approval of changes in the construction contract, certification of vouchers for payments due the contractor, and final settlement of the contract.

"§ 5007. Reports to congressional committees

"(a) In order to promote effective planning for the orderly construction, replacement, and alteration of medical facilities in accordance with the comparative urgency of the need for the services to be provided by such facilities, the Administrator shall submit to each committee an annual report on the construction, replacement, and alteration of medical facilities. Such report shall be submitted to the committees on the same day, which shall not be later than June 30 of each year (beginning in 1979) and shall contain—

"(1) a five-year plan for the construction, replacement, or alteration of those medical facilities that, in the judgment of the Administrator, are most in need of construction, replacement, or alteration;

"(2) a list, in order of priority, of not less than ten hospitals that in the judgment of the Administrator, are most in need of construction or replacement; and

"(3) general plans (including projected costs, site location, and, if appropriate, necessary land acquisition) for each medical facility included in the five-year plan required under clause (1) of this subsection or the list required under clause (2) of this subsection.

"(b) The Administrator shall submit to each committee not later than January 31 of each year (beginning in 1981) a report showing the location, space, cost, and status of each medical facility the construction, alteration, lease, or other acquisition of which has been approved under section 5004(a) of this title and, in the case of the second and each succeeding report made under this subsection, which was uncompleted as of the date of the last preceding report made under this subsection.

"§ 5008. Contributions to local authorities

"The Administrator may make contributions to local authorities toward, or for, the construction of traffic controls, road improvements, or other devices adjacent to a medical facility if considered necessary for safe ingress or egress.

"§ 5009. Garages and parking facilities

"(a) The Administrator may construct, alter, operate, and maintain, on reservations of medical facilities, garages and parking facilities for the accommodation of privately owned vehicles of employees of such facilities and vehicles of visitors and other individuals having business at such facilities.

(b) (1) The Administrator may establish and collect (or provide for the collection of) fees for the use of such garages and parking facilities at such rate or rates which the Administrator determines would be reasonable under the particular circumstances; but no fee may be charged for the accommodation of any publicly or privately owned vehicle used in connection with the transportation of a veteran to or from any medical facility for the purposes of examination or treatment or in connection with any visit to any patient in such facility. Employees using such garages shall make such reimbursement therefor as the Administrator may deem reasonable.

"(2) The Administrator may contract, by lease or otherwise, with responsible persons, firms, or corporations for the operation of such parking facilities, under such terms and conditions as the Administrator shall prescribe, and without regard to the laws concerning advertising for competitive bids.

"(c) (1) There are authorized to be appropriated such amounts as are necessary to finance in part the construction, alteration, operation, and maintenance of garages and parking facilities (other than the construction or alteration of any garage or parking facility involving the expenditure of more than $2,000,000). Amounts appropriated under the authority of this section, and all income from fees collected for the use of such garages and parking facilities, shall be administered as a revolving fund to effectuate the provisions of this section, but only to the extent provided for in appropriation Acts.

"(2) The revolving fund shall be deposited in a checking account with the Treasurer of the United States, except that such amounts thereof as the Administrator may determine to be necessary to establish and maintain operating accounts for the various garages and parking facilities may be placed in depositories selected by the Administrator.

"§ 5010. Operation of medical facilities

"(a) (1) The Administrator, subject to the approval of the President, is authorized to establish and operate not less than one hundred and twenty-five thousand hospital beds in medical facilities over which the Administrator has direct jurisdiction for the care and treatment of eligible veterans. The Administrator shall staff and maintain, in such a manner as to ensure the immediate acceptance and timely and complete care of patients, sufficient beds and other treatment capacities to accommodate, and provide such care to, eligible veterans applying for admission and found to be in need of hospital care or medical services.

"(2) The Administrator shall maintain the bed and treatment capacities of all Veterans' Administration medical facilities so as to ensure the accessibility and availability of such beds and treatment capacities to eligible veterans in all States and to minimize delays in admissions and in the provision of hospital, nursing home, and domiciliary care, and of medical services furnished pursuant to section 612 of this title

"(3) The Chief Medical Director shall periodically analyze agencywide admission policies and the records of those eligible veterans who apply for hospital care and medical services but are rejected or not immediately admitted or provided such care or services, and the Administrator shall annually advise each committee of the results of such analysis and the number of any additional beds and treatment capacities and the appropriate staffing and funds therefor found necessary to meet the needs of such veterans for such necessary care and services.

"(b) The Administrator, subject to the approval of the President, is authorized to establish and operate not less than twelve thousand beds during fiscal year 1980, and during each fiscal year thereafter, for the furnishing of nursing home care to eligible veterans in facilities over which the Administrator has direct jurisdiction. The beds authorized by this subsection shall be in addition to the beds provided for in subsection (a) of this section.

"(c) When the Administrator determines, in accordance with regulations which the Administrator shall prescribe, that a Veterans' Administration facility serves a substantial number of veterans with limited English-speaking ability, the Administrator shall establish and implement procedures, upon the recommendation of the Chief Medical Director, to ensure the identification of sufficient numbers of individuals on such facility's staff who are fluent in both the language most appropriate to such veterans and in English and whose responsibilities shall include providing guidance to such veterans and to appropriate Veterans' Administration staff members with respect to cultural sensitivities and bridging linguistic and cultural differences.

"§ 5011. Use of Armed Forces facilities

"The Administrator and the Secretary of the Army, the Secretary of the Air Force, and the Secretary of the Navy may enter into agreements and contracts for the mutual use or exchange of use of hospitals and domiciliary facilities, and such supplies, equipment, and material as may be needed to operate such facilities properly, or for the transfer, without reimbursement of appropriations, of facilities, supplies, equipment, or material necessary and proper for authorized care for veterans, except that at no time shall the Administrator enter into any agreement which will result in a permanent reduction of Veterans' Administration hospital and domiciliary beds below the number established or approved on June 22, 1944, plus the estimated number required to meet the load of eligibles under this title, or in any way subordinate or transfer the operation of the Veterans' Administration to any other agency of the Government.

"§ 5012. Partial relinquishment of legislative jurisdiction

"The Administrator, on behalf of the United States, may relinquish to the State in which any lands or interests therein under the supervision or control of the Administrator are situated, such measure of legislative jurisdiction over such lands or interests as is necessary to establish concurrent jurisdiction between the Federal Government and the State concerned. Such partial relinquishment of legislative jurisdiction shall be initiated by filing a notice thereof with the Governor of the State concerned, or in such other manner as may be prescribed by the laws of such State, and shall take effect upon acceptance by such State.

"§ 5013. Property formerly owned by National Home for Disabled Volunteer Soldiers

"If by reason of any defeasance or conditional clause or clauses contained in any deed of conveyance of property to the National Home for Disabled Volunteer Soldiers, which property is owned by the United States, the full and complete enjoyment and use of such property is threatened, the Attorney General, upon request of the President, shall institute in the United States district court for the district in which the property is located such proceedings as may be proper to extinguish all outstanding adverse interests. The Attorney General may procure and accept, on behalf of the United States, by gift, purchase, cession, or otherwise, absolute title to, and complete jurisdiction over all such property.

"§ 5014. Use of federally owned facilities; use of personnel

"(a) The Administrator, subject to the approval of the President, may use as medical facilities such suitable buildings, structures, and grounds owned by the United States on March 3, 1925, as may be available for such purposes, and the President may by Executive order transfer any such buildings, structures, and grounds to the control and jurisdiction of the Veterans' Administration upon the request of the Administrator.

"(b) The President may require the architectural, engineering, constructing, or other forces of any of the departments of the Government to do or assist in the construction and alteration of medical facilities, and the President may employ for such purposes individuals and agencies not connected with the Government, if in the opinion of the President such is desirable, at such compensation as the President may consider reasonable.

"§ 5015. Acceptance of certain property

"The President may accept from any State or other political subdivision, or from any person, any building, structure, equipment, or grounds suitable for the care of disabled persons, with due regard to fire or other hazards, state of repair, and all other pertinent considerations. The President may designate which agency of the Federal Government shall have the control and management of any property so accepted.".

(b)(1) Subchapter II of chapter 81 is amended by redesignating sections 5011, 5012, 5013, and 5014 as sections 5021, 5022, 5023, and 5024, respectively.

(2) Section 5022(b) (as so redesignated) is amended by striking out the comma and "clinical, medical, and out-patient treatment" after "administrative".

(c) The table of sections at the beginning of chapter 81 is amended by striking out the item relating to subchapter I and all that follows through the item relating to section 5014 and inserting in lieu thereof the following:

"SUBCHAPTER I—ACQUISITION AND OPERATION OF MEDICAL FACILITIES

"Sec.
"5001. Definitions.
"5002. Acquisition of medical facilities.
"5003. Authority to construct and alter, and to acquire sites for, medical facilities.
"5004. Congressional approval of medical facility acquisitions.
"5005. Structural requirements.
"5006. Administrative provisions.
"5007. Reports to congressional committees.
"5008. Contributions to local authorities.
"5009. Garages and parking facilities.
"5010. Operation of medical facilities.
"5011. Use of Armed Forces facilities.
"5012. Partial relinquishment of legislative jurisdiction.
"5013. Property formerly owned by National Home for Disabled Volunteer Soldiers.
"5014. Use of federally owned facilities; use of Federal and non-Federal personnel.
"5015. Acceptance of certain property.

"SUBCHAPTER II—PROCUREMENT AND SUPPLY

"5021. Revolving supply fund.
"5022. Authority to procure and dispose of property and to negotiate for common services.
"5023. Procurement of prosthetic appliances.
"5024. Grant of easements in Government-owned lands.".

EFFECTIVE DATES

SEC. 302. (a) The amendments made by this title shall take effect on October 1, 1979, but shall not apply with respect to the acquisition, construction, or alteration of any medical facility (as defined in section 5001 (3), as added by section 301(a) of this Act) if such acquisition, construction, or alteration (not including exchange) was approved before such date by the President.

(b) The provisions of section 5007(a), as added by section 301(a) of this Act, shall take effect on the date of the enactment of this Act.

TITLE IV—BENEFITS PAYABLE TO PERSONS RESIDING OUTSIDE THE UNITED STATES

CHILDREN ADOPTED UNDER LAWS OF FOREIGN COUNTRIES

SEC. 401. Paragraph (4) of section 101 is amended—

(1) by inserting "(A)" before "The" and redesignating clauses (A), (B), and (C) as clauses (i), (ii), and (iii), respectively; and

(2) by adding at the end of such paragraph the following new subparagraph:

"(B) For the purposes of subparagraph (A) of this paragraph, in the case of an adoption under the laws of any jurisdiction other than a State (as defined in section 101(20) of this title and including the Commonwealth of the Northern Mariana Islands)—

"(i) a person residing outside any of the States shall not be considered to be a legally adopted child of a veteran during the lifetime of such veteran (including for purposes of this subparagraph a Commonwealth Army veteran or new Philippine Scout, as defined in section 1766 of this title) unless such person—

"(I) was less than eighteen years of age at the time of adoption;

"(II) is receiving one-half or more of such person's annual support from such veteran;

"(III) is not in the custody of such person's natural parent, unless such natural parent is such veteran's spouse; and

"(IV) is residing with such veteran (or in the case of divorce following adoption, with the divorced spouse who is also an adoptive or natural parent) except for periods during which such person is residing apart from such veteran (or such divorced spouse) for purposes of full-time attendance at an educational institution or during which such person or such veteran (or such divorced spouse) is confined in a hospital, nursing home, other health-care facility, or other institution; and

"(ii) a person shall not be considered to have been a legally adopted child of a veteran as of the date of such veteran's death and thereafter unless—

"(I) at any time within the one-year period immediately preceding such veteran's death, such veteran was entitled to and was receiving a dependent's allowance or similar monetary benefit under this title for such person; or

"(II) for a period of at least one year prior to such veteran's death, such person met the requirements of clause (i) of this subparagraph.".

STUDY OF BENEFITS PAYABLE TO PERSONS RESIDING OUTSIDE THE UNITED STATES

SEC. 402. (a) The Administrator of Veterans' Affairs, in consultation with the Secretary of State, shall carry out a comprehensive study of benefits payable under the provisions of title 38, United States Code, to persons who reside outside the fifty States and the District of Columbia. The Administrator shall include in such study—

(1) an analysis of the issues involved in the payment of such benefits to persons who reside outside the fifty States and the District of Columbia, together with analyses of such aspects of the economy of each foreign country and each territory, possession, and commonwealth of the United States in which a substantial number of persons receiving such benefits reside as are relevant to such issues (such as the rate of inflation, the standard of living, and health care, educational, housing, and burial costs);

(2) an analysis of the issues involved in the payment of such benefits as the result of adoptions under laws other than the laws of any of the fifty States or the District of Columbia;

(3) an analysis of the amounts and method of payment of benefits payable to persons entitled, by virtue of sections 107 and 1765 of such title, to benefits under chapters 11, 13, and 35 of such title;

(4) estimates of the present and future costs of paying monetary benefits under such title to persons described in clauses (1) and (3);

(5) an evaluation of the desirability of continuing to maintain the Veterans' Administration Regional Office in the Republic of the Philippines, taking into consideration (A) the current and expected future workload of such office, (B) the estimated cost in fiscal years 1981 through 1985 of continuing to maintain such regional office, (C) the feasibility and desirability of transferring appropriate functions of such regional office to the United States Embassy in the Republic of the Philippines, and (D) a provisional plan, which the Administrator shall develop, for the closing of such office and so transferring such functions, together with cost estimates for fiscal years 1981 through 1985 for the implementation of such plan assuming that such office is closed before October 1, 1981; and

(6) an evaluation of the effects of the amendments to such title made by section 501 of this Act.

(b) Not later than February 1, 1980, the Administrator shall report to the Congress and to the President on the results of such study together with the Administrator's recommendations for resolving the issues to be analyzed and evaluated in such study.

(c) The Administrator shall (1) carry out the study required under subsection (a) of this section in conjunction with the study required under section 308(a) of the Veterans' and Survivors' Pension Improvement Act of 1978 (Public Law 95–588), and (2) submit the reports of such studies as a combined report.

TITLE V—MISCELLANEOUS PROVISIONS

ACCEPTANCE OF PAYMENT FOR TRAVEL OF EMPLOYEES

SEC. 501. Section 4108 is amended by adding after subsection (c) the following new subsection:

"(d) Notwithstanding any other provision of law, the Administrator may prescribe regulations establishing conditions under which officers and employees of the Department of Medicine and Surgery who are nationally recognized principal investigators in medical research may be permitted, in connection with their attendance at meetings or in performing advisory services concerned with the functions or activities of the Veterans' Administration, or in connection with acceptance of significant awards or with activity related thereto concerned with functions or activities of the Veterans' Administration, to accept payment, in cash or in kind, from non-Federal agencies, organizations, and individuals, for travel and such reasonable subsistence expenses as are approved by the Administrator pursuant to such regulations, to be retained by such officers and employees to cover the cost of such expenses or deposited to the credit of the appropriation from which the cost of such expenses is paid, as may be provided in such regulations.".

CONFIRMATION OF DEPUTY ADMINISTRATOR OF VETERANS' AFFAIRS

SEC. 502. (a) The first sentence of section 210(d) is amended by striking out "by the Administrator" and inserting in lieu thereof "by the President, by and with the advice and consent of the Senate".

(b) The amendment made by subsection (a) shall take effect on July 1, 1979.

OVERSEAS AUTHORITIES

SEC. 503. (a) Section 230 is amended by striking out subsection (c).

(b) Section 235 is amended—

(1) in the matter preceding clause (1), by striking out "or to the Veterans' Administration office in Europe, established pursuant to section 230(c) of this title,";

(2) in clause (2), by striking out "and (7)" and inserting in lieu thereof "(7), and (11)"; and

(3) by inserting after clause (5) the following new clauses:

"(6) Section 5724a(a)(3) of title 5 (relating to subsistence expenses for 30 days in connection with the return to the United States of the employee and such employee's immediate family).

"(7) Section 5724a(a)(4) of title 5 (relating to the sale and purchase of the residence or settlement of an unexpired lease of the employee when transferred from one station to another station and both stations are in the United States, its territories or possessions, or the Commonwealth of Puerto Rico).".

(c)(1) The section heading of section 235 is amended by striking out "oversea" and inserting in lieu thereof "overseas".

(2) The item relating to section 235 in the table of sections at the beginning of chapter 3 is amended by striking out "oversea" and inserting in lieu thereof "overseas".

CONFORMING AMENDMENTS TO REFLECT PREVIOUS ADJUSTMENTS MADE IN DEPARTMENT OF MEDICINE AND SURGERY SALARY SCHEDULES

SEC. 504. (a) Subsection (a) of section 4107 is amended to read as follows:

"(a) The annual rates or ranges of rates of basic pay for positions provided in section 4103 of this title shall be as follows:

"SECTION 4103 SCHEDULE

"Chief Medical Director, $68,909.

"Deputy Chief Medical Director, $66,104.

"Associate Deputy Chief Medical Director, $63,315.

"Assistant Chief Medical Director, $61,449.

"Medical Director, $52,429 minimum to $59,421 maximum.

"Director of Nursing Service, $52,429 minimum to $59,421 maximum.

"Director of Podiatric Service, $44,756 minimum to $56,692 maximum.

"Director of Chaplain Service, $44,756 minimum to $56,692 maximum.

"Director of Pharmacy Service, $44,756 minimum to $56,692 maximum.

"Director of Dietetic Service, $44,756 minimum to $56,692 maximum.

"Director of Optometric Service, $44,756 minimum to $56,692 maximum.".

(b) Paragraph (1) of subsection (b) of such section is amended to read as follows:

"(1) The grades and annual ranges of rates of basic pay for positions provided for in paragraph (1) of section 4104 of this title shall be as follows:

"PHYSICIAN AND DENTIST SCHEDULE

Director grade, $44,756 minimum to $56,692 maximum.

"Executive grade, $41,327 minimum to $53,729 maximum.

"Chief grade, $38,160 minimum to $49,608 maximum.

"Senior grade, $32,442 minimum to $42,171 maximum.

"Intermediate grade, $27,453 minimum to $35,688 maximum.

"Full grade, $23,087 minimum to $30,017 maximum.

"Associate grade, $19,263 minimum to $25,041 maximum.

"NURSE SCHEDULE

"Director grade, $38,160 minimum to $49,608 maximum.

"Assistant Director grade, $32,442 minimum to $42,171 maximum.

"Chief grade, $27,453 minimum to $35,688 maximum.

"Senior grade, $23,087 minimum to $30,017 maximum.

"Intermediate grade, $19,263 minimum to $25,041 maximum.

"Full grade, $15,920 minimum to $20,699 maximum.

"Associate grade, $13,700 minimum to $17,813 maximum.

"Junior grade, $11,712 minimum to $15,222 maximum.

"CLINICAL PODIATRIST AND OPTOMETRIST SCHEDULE

"Chief grade, $38,160 minimum to $49,608 maximum.

"Senior grade, $32,442 minimum to $42,171 maximum.

"Intermediate grade, $27,453 minimum to $35,688 maximum.

"Full grade, $23,087 minimum to $30,017 maximum.

"Associate grade, $19,263 minimum to $25,041 maximum.".

By Mr. DOLE:

S. 8. A bill to extend diplomatic privileges and immunities to any principal liaison office of the Republic of China that may be established in Washington, D.C., and to members thereof; to the Committee on Foreign Relations.

UNITED STATES-CHINESE RELATIONS AND THE ISSUE OF SECURITY

Mr. DOLE. Mr. President, much effort has been made by the Carter administration in the past few days to downplay the suddeness with which our agreement to normalize relations with mainland China evolved. The administration has consistently tried to link Carter's abrupt decision with the Nixon and Ford initiatives, highlighted by the Shanghai Communique, as part of an inevitable evolution leading to the Friday night bombshell. But the fact that there were no lengthy or well-handled negotiations with Peking is borne out by this point: The United States did not gain a single advantage in the exchange.

Presidents Nixon and Ford could have made this same agreement long ago in the negotiating process, but they were not willing to cave in to the Communist bargaining demands. The chief obstacle was always the status of our longtime ally and friend, the Republic of China on Taiwan. But Mr. Carter found it expedient to abandon Taiwan without a warning to its government or consultation with our own.

GREAT POTENTIAL FOR UNITED STATES-PEKING TIES

The resultant public criticism of the President's action makes it easy to misunderstand the position of those who oppose the abrogation of military and political ties with Taiwan in order to gain the recognition with Peking. There are tremendous potential benefits for the American people in a closer relationship with the 1 billion Chinese on the continent. As a representative of a Midwestern State with large farming interests, I am keenly aware of the economic advantages increased trade might bring, as well as the cultural and strategic benefits that would accrue to the United States. It is already apparent that the administration plans to use these potential gains to beat down the opposition and confuse the real issue. This issue is not the diplomatic recognition of Peking. It is the manner in which the negotiations were consummated and the price that was demanded in payment.

The United States cannot afford to abandon good allies and friends for short-term political expediency. The international perception of our own country as an honorable, reliable Nation, willing to abide by its agreements and to stand firm for its principles, is bound to suffer. This is especially true with a perceived reduction in strength of the United States vis-a-vis the Soviet Union, and the withdrawal of U.S. forces from Vietnam, Korea, and the Panama Canal.

RETURN OF THE IMPERIAL PRESIDENCY

Jimmy Carter had pledged to conduct important foreign policy negotiations openly, "with the participation of Congress from the outset." While it is true that sometimes the delicate nature of negotiating prohibits immediate public disclosure, in this case the President has made only token efforts to consult with Congress, even after the passage of the Dole-Stone amendment by a vote of 94 to 0 in the Senate. This amendment specifically expressed the sense of the Senate, and later the sense of the Congress that any new relationship with Peking and Taiwan be first discussed with Congress, precisely because so many Members of Congress were deeply concerned about the safety of Taiwan and our economic and strategic interests in Asia.

During the Carter-Ford debates, Mr. Carter said he "would never let that friendship (with Peking) stand in the way of preservation of the independence and freedom of the people of Taiwan." Yet the President received absolutely no commitment from Peking in this latest agreement that the safety of Taiwan would be assured. In fact, Mr. Carter agreed with the mainland position that Taiwan was a part of China and that its future would, therefore, become an internal matter for the Chinese to decide themselves. Naturally, the President does not believe an invasion of the island republic is imminent. For the moment it better suits the purpose of the current ruling elite in Peking to let matters stand as they are. The future of the Republic of China is left very much in doubt, however.

Over the next 5 years, China, by its enhanced world prestige and position after U.S. recognition, can further isolate Taiwan. With the inevitably reduced flow of modern weapons to Taipei, and the concomitantly increased gains in technology on the mainland, China will then be able to virtually dictate terms to the island they outnumber 45 to 1.

To take one small example: When Red China entered the worldwide satellite communication system, they demanded that all matters regarding Taiwan be cleared by Peking. This would have meant that the Republic of China would be barred from modern, international communications and would have seriously hampered the island's business economy. Only strong U.S. action prevented this from becoming true. We can expect this same ploy to occur over and over again in every conceivable international organization or group. Yet when the United States no longer officially recognizes Taiwan, can we expect to be able to prevent it? The future of Taiwan looks bleak indeed.

In the meantime, Peking has adroitly played its "U.S. card" in its dealings with the Soviet Union, and delayed indefinitely the previously certain SALT II rapprochement between Carter and Brezhnev. Only the Red Chinese have received any benefits in this latest example of Carter diplomacy. They had much to gain and lost nothing—why should they not agree to our recognition.

CLOSER TIES OF POTENTIAL VALUE

As it stands now, not only did we not receive any concessions from Peking, we did not even make sure the United States would be in a position to take advantage of the potential benefits of normalization. Under the proper circumstances I am very much in favor of normalizing our relationship with the Peoples' Republic of China. The possible cultural and trade benefits are enormous, but we must first make certain the Communists are going to deal on equal terms with us. Other nations that have established relations with Peking have learned that trade with China is usually a one-way street. The Chinese have far to come to reach Western standards of living, and analysts say they are two generations away from being able to buy consumer goods in any significant quantities.

Nevertheless, I believe opportunities for economic exchange are possible. I would first like to see Peking agree to accept credits from foreign trading partners. I would like to see that American buying and selling offices are allowed to open on the continent. I would like to make certain that U.S. financial institutions have the chance to handle trade transactions between our two countries. There are many details such as these that must be carefully worked out. They had not been fully worked out when the decision was made to jettison Taiwan.

SOCIAL BENEFITS IN NORMALIZATION

China should carry some of the responsibilities of expanded world participation if it is to stand in the forefront of the world political scene. It is my intention to require China to join with other nuclear nations in banning atmospheric tests, which are frequently made in China, to the peril of the health of the citizens throughout the world. Expanded travel and communication with the Chinese people should broaden their knowledge of Western culture. This open-door policy may lead to some alleviation of China's extremely repressive human rights activities. In the area of financial responsibility, the Carter administration has failed to get a commitment from Peking to settle more than $200 million in U.S. claims against the Chinese Communist Government. This point must be resolved.

The most significant failure of our negotiating team however, was in not insuring that our strategic interests in the Pacific and the future of the people of Taiwan will continue to be secure. Since President Carter's announcement on December 15 extending diplomatic recognition to mainland China, the present ruling elite in Peking have made many vague or contradictory statements about their intentions toward the Republic of China on Taiwan. The recognition of the Peoples' Republic of China has great potential for good between our two countries and for the world in general. However, it must be the role of the Senate to ascertain the conditions from which our future relations will have to grow. We must be sure our essential interests and commitments are met.

These two measures I am introducing are intended to clarify and structure our relations with the Republic of China. The resolution provides a basis for the continued security of Taiwan and the bill calls for a governmental liaison identical to the one provided for the Peoples' Republic of China in 1973. The United States has a long tradition of friendship and alliance with the Republic of China which has served well our continuing strategic interests in the Asian Pacific. We have additionally many strong cultural and financial ties with the people of Taiwan represented by some 59 treaties with Taipei. I am sure you will agree the United States must act to insure not only the security of Taiwan from aggression, and the maintenance of our own strategic capability in the region, but to protect the reputation of our Nation within the world community as one who honors our commitments.

Mr. President, I ask unanimous consent that the text of my bill and resolution be printed in the RECORD.

There being no objection, the bill and resolution were ordered to be printed in the RECORD, as follows:

S. 8

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested, under such terms and conditions as he determines and consonant with the purpose of continuing diplomatic relations with the Republic of China, to extend, or to enter into an agreement extending, to any principal liaison office of the Republic of China that may be established in Washington, District of Columbia, or to any branch offices in the United States that may be established, and to the members thereof, the same privileges and immunities, subject to corresponding conditions and obligations, as are enjoyed by diplomatic missions accredited to the United States and by members thereof.

S. Res. 13

Whereas the United States and the Republic of China and their peoples have been allies for more than 25 years;

Whereas the President unilaterally gave notice to the Republic of China that the United States intended to terminate on January 1, 1980, the Mutual Defense Treaty between the United States of America and the Republic of China;

Whereas the United States established diplomatic relations with the People's Republic of China on January 1, 1979;

Whereas the governments of the Republic of China and the People's Republic of China claim sovereignty over the same territory;

Whereas the continued security and stability of the Asian Pacific region, and especially the continued peace and prosperity of the people of the Republic of China, is of major strategic interest to the United States; and

Whereas the United States seeks to maintain such confidence as is essential to financial investment in such region and as is essential to making commercial agreements between the United States and the Republic of China and between the United States and the People's Republic of China: Now, therefore, be it

Resolved, That it is the sense of the Senate that the Government of the United States—

(1) does not condone any threat or use of force in any attempt to unify the Republic of China and the People's Republic of China;

(2) does not recognize the right of either the Government of the Republic of China or the Government of the People's Republic of China to subvert the other by means of the use of force or the threat of an imminent use of force;

(3) should, in accordance with its constitutional processes, take all steps necessary to assist the Republic of China in ensuring its security and the security of the United States in the event of an act of aggression by the People's Republic of China against the Republic of China;

(4) should interpret any interference by any country with the commercial or cultural programs or military or economic assistance programs between the United States and the Republic of China as an unfriendly act and should react accordingly; and

(5) should use its voice and vote in each international organization of which the United States is a member to prevent the exclusion or the removal of the Republic of China from membership in each such organization.

Sec. 2. The Secretary of the Senate is directed to transmit a copy of this resolution to the President.

By Mr. JACKSON:

S. 9. A bill to designate certain lands in the State of Alaska as units of the National Park, National Wildlife Refuge, National Wild and Scenic Rivers, National Forest, and National Wilderness Preservation Systems, and for other purposes; to the Committee on Energy and Natural Resources.

ALASKA NATIONAL INTEREST LANDS CONSERVATION ACT

Mr. JACKSON. Mr. President, I am introducing today the Alaska National Interest Lands Conservation Act. The bill is identical, except for technical corrections, to H.R. 39 as reported by the Committee on Energy and Natural Resources on October 9, 1978 (S. Rept. 95–1300). I believe it is one of the most important Federal land policy proposals ever considered by the Congress. It is the product of intensive consideration by the committee of Alaska land issues over the last 5 years, including the longest markup (46 meetings) ever conducted by the committee.

The principal purpose of this legislation is to designate approximately 100 million acres of Federal land in Alaska for protection of their resource values under permanent Federal ownership and management. Enactment of this bill would more than double the size of the National Park System and the National Wildlife Refuge System. It would triple the size of the National Wilderness Preservation System. It would virtually complete the public land allocation process in Alaska which began with the Statehood Act of 1958 which granted the State the right to select approximately 104 million acres of public land. This Federal land disposal process was continued by the Alaska Native Claims Settlement Act which granted Alaska Natives the right to select approximately 44 million acres of Federal land.

In order to carry out the principal purpose, the bill includes a number of other significant provisions, which together with the land designations are discussed in the following summary of major provisions. I ask unanimous consent that the summary of major provisions be printed in the Record.

There being no objection, the summary was ordered to be printed in the Record, as follows:

Summary of Major Provisions

Title I—Purposes, Definitions, and Maps—Sets forth the purposes of the bill and spells out general definitions and map references.

Title II—National Park System—Establishes or expands 14 management units of the National Park System totaling 44.33 million acres. Sets out specific rules for management and use of these areas.

Title III—National Wildlife Refuge System—Establishes or expands 12 management units from the National Wildlife System totaling 35.79 million acres. Sets out specific rules for management and use of these areas.

Title IV—National Conservation Areas—Establishes 4 national conservation areas totaling 7.37 million acres and one national recreation area comprising an additional million acres, to be administered by the Secretary of Interior through the Bureau of Land Management. Sets out specific rules for management and use of these areas.

Title V—National Forest System—Establishes one new National Forest of 5.4 million acres, adds 3.04 million acres to existing National Forests, and establishes a 1.2 million acre Seward National Recreation Area in the existing Chugach National Forest. Sets out specific rules for management and use of these areas.

Title VI—National Wild and Scenic Rivers System—Designates 24 rivers or river segments as components of the Wild and Scenic Rivers System and designates 10 rivers for study for possible inclusion in the System. Sets out specific rules for management and use of these areas.

Title VII—National Wilderness Preservation System—Designates 37.2 million acres as part of the National Wilderness Preservation System and designates 3 million acres for wilderness study. Sets out specific rules for management and use of these areas.

Title VIII—Subsistence Management and Use—Recognizes the importance of subsistence uses of fish, wildlife and other resources by many Alaskans. Establishes a statutory preference for subsistence resource use over other uses including sport hunting and fishing. Establishes a special management system to assure that the preference is implemented.

Title IX—Implementation of Alaska Native Claims Settlement Act and Alaska Statehood Act—Expedites conveyance of Federal lands to Alaska Natives and the State of Alaska so as to fulfill the land grants made under the Alaska Native Claims Settlement Act and the Alaska Statehood Act.

Title X—Federal North Slope Lands Study Program—Recognizes the unique combination of wilderness, wildlife, and oil and gas values on the Alaska North Slope by directing a special study of all Federal lands in the area to assure that all elements of resource use and preservation will be presented to Congress at the same time. Includes a special oil and gas exploration program on the Arctic National Wildlife Range, an oil and gas leasing program for non-North Slope Federal lands and a mineral resource assessment program.

Title XI—Transportation and Utility Systems In and Across, and Access Into, Conservation System Units—Establishes special procedures for allowing access for transportation and other purposes across and into conservation system units. Recognizes the need to balance protection of the resources and the need for access to permit development of Federal, State and private lands not included in such units.

Title XII—Federal-State Cooperation—Establishes an Alaska Land Use Council as an innovative vehicle for Federal and State cooperation in the management of Federal and State lands. Also authorizes special cooperative agreements for wildlife refuges and designates the Bristol Bay Cooperative Region as a unique experiment in Federal-State cooperation in land and resource management.

Title XIII—Administrative Provisions—Contains a variety of specal management provisions dealing with various land management systems and other specific management concerns.

Title XIV—Amendments to the Alaska Native Claims Settlement Act and Related Provisions—Contains a number of amendments to the Alaska Native Claims Settlement Act which will simplify administration of that Act and assure that the Natives receive full benefits which the Congress intended in the original law. Also authorizes a number of specific land selections which will benefit both the Natives and the Federal Government. Two of the amendments related to Native taxation issues and originally included in this title have become Public Law and have therefore been deleted from the text of this bill (See P.L. 95–600, the Tax Reform Act of 1978).

Title XV—National Need Mineral Activity Recommendation Process—Establishes a special procedure under which the President, with Congressional approval, can permit mineral exploration, development and extraction which is prohibited under existing law, but may be needed to meet future national needs.

Mr. JACKSON. Mr. President, I ask that a summary of the acreage differences between the committee reported bill and the House-passed bill be printed in the Record at this point.

There being no objection, the summary was ordered to be printed in the Record, as follows:

*Designation and acreage, Alaska national interest lands**

	Senate Committee	H.R. 39 passed by House
National Park System:		
Parks and monuments	20.677	27.172
Preserves	20.532	15.548
Recreation areas	2.655	0.000
Total	43.864	42.720
National Wildlife Refuge System	35.790	78.059
National Conservation Areas (BLM):		
Conservation areas	7.370	0.000
Recreation area	1.000	0.000
National Forest System:		
New forest	5.820	0.000
Forest additions	3.040	2.740
Recreation area in existing forest	1.412	0.000
National Wilderness Preservation System:		
Wilderness in parks and monuments	22.682	32.170
Wilderness in preserves	7.098	9.520
Wilderness in wildlife refuges	4.354	19.933
Wilderness in forests	2.888	3.919
Total wilderness	37.022	65.542
Wilderness Study Areas:		
Forest	2.00	
Preserve	1.04	
Rivers or Segments:		
National Wild and Scenic Rivers System:		
Rivers or segments in parks or monuments	10	0
Rivers or segments in other conservation units (preserves, refuges, NRA's)	15	18
Rivers or segments outsider of larger units	6	10
Study rivers	10	15

*Acreage is in millions and federal lands only.

BACKGROUND AND LEGISLATIVE HISTORY

Mr. JACKSON. My colleagues will recall that this legislative proposal arises from certain provisions of the Alaska Native Claims Settlement Act (ANCSA), signed into law on December 18, 1971. As its primary purpose the ANCSA extinguishes all the aboriginal claims of the Alaska Natives and provides them with land (44 million acres) and money ($926 million).

In addition, the act recognizes that the settlement of Native claims must be accompanied by careful planning and management of the remaining public lands in Alaska. Of particular importance is section 17(d)(2) which establishes a process to preserve the so-called national interest lands in Alaska—lands which possess unique wildlife, wilderness, scenic, scientific, cultural, and historical values of national significance. This provision authorized the Secretary of the Interior to withdraw up to 80 million acres of land to be studied for possible addition to the four national conservation systems. It also required all legislative proposals arising from such studies to be submitted to the Congress within 2 years, by December 18, 1973, and provided a 5-year period continuation of the Secretarial withdrawals which considered the legislation. During this period, land withdrawn under section 17(d)(2) would not be subject to transfer out of Federal ownership under the public land laws.

During the 95th Congress, the Committee on Energy and Natural Resources considered several proposals for "d-2" legislation. Hearings were held in Washington and workshops were held in Alaska on the national interest lands and related issues. Finally, the committee conducted extensive markup sessions from July through September in an attempt to meet the December 18, 1978 deadline for expiration of the withdrawals. In an attempt to expedite enactment, House and Senate leaders, the Alaska delegation and the administration reached agreement on compromise legislation during the last week of the 95th Congress. Unfortunately, the full Senate was not able to consider either the committee's bill or the proposed compromise because of a threatened filibuster by one Senator.

Because Congress did not enact legislation before the statutory deadline, the President and the Secretaries of the Interior and Agriculture took several actions to protect the key Federal lands in Alaska, until Congress acts.

I ask unanimous consent that the White House factsheet on those actions be printed in the RECORD at the end of my statement.

Mr. President, consideration of Alaska lands legislation will be a top priority of the Committee on Energy and Natural Resources. Further delay in reaching a comprehensive settlement of land use designations in the State of Alaska can only be detrimental to the citizens of that State and to the national interest. I believe the approach adopted by the Committee on Energy and Natural Resources last year strikes a reasonable balance between protection of nationally significant and fragile land, wildlife, fish and other resource values and the national and State of Alaska's needs to permit careful, planned development of other federally owned oil, gas, hardrock minerals, and timber resources.

There being no objection, the factsheet was ordered to be printed in the RECORD, as follows:

FACTSHEET

Today the President took several actions to protect proposed National Parks, Wildlife Refuges and Wilderness Areas in Alaska. He urged Congress to act promptly next year to pass Alaska lands legislation and announced administrative actions designed to protect these areas and to preserve the Congress' options for action next year.

The President's actions include the designation of 17 National Monuments covering approximately 56 million acres and additional protections on the remaining proposed National Wildlife Refuges and proposed National Forest Wilderness areas.

BACKGROUND

Under the Alaska Native Claims Settlement Act of 1971, Section 17(d)2 authorized the Secretary of the Interior to withdraw from development 80 million acres for consideration by the Congress as additions to the National Park, Wildlife Refuge, Wild and Scenic River and National Forest systems. Such "d-2" withdrawals were made on December 17, 1973, leaving the Congress until December 17, 1978, to act, under the five-year limitation on the "d-2" withdrawal authority.

The Carter Administration came forward with detailed legislative proposals in early 1977. These proposals included 13 National Parks, 14 National Wildlife Refuges, and 7 National Forest Wilderness Areas. The 95th Congress made a great deal of progress toward passing a comprehensive Alaska lands bill. The House passed the Alaska legislation on May 19, 1978, by a vote of 277-31. The Senate Energy and Natural Resources Committee reported out a bill, but lack of time and a threatened filibuster prevented final passage.

Since adjournment of the Congress, 146 members of the House and Senate have asked the President to take action to protect the lands so that mineral entry, State land selections and other threats do not jeopardize the integrity of these important areas.

AREAS AFFECTED

The President has signed proclamations designating 17 National Monuments under the 1906 Antiquities Act. These areas include parts of all 13 of the proposed National Parks, 2 of the 14 proposed National Wildlife Refuges, and 2 of the 7 proposed National Forest Wilderness areas. They include approximately 56 million acres of land. These areas are designated in order to preserve their extraordinary scientific, historic and cultural values. They also contain some of the world's most beautiful scenery and plentiful wildlife. These designations will be permanent until modified or superseded by Congressional action.

National monuments proclaimed by the President

	Acres
1. Aniakchak	350,000
2. Bering Land Bridge	2,600,000
3. Cape Krusenstern	560,000
4. Denali	3,890,000
5. Gates of Arctic	8,220,000
6. Glacier Bay	550,000
7. Katmai	1,370,000
8. Kenai Fjords	570,000
9. Kobuk Valley	1,710,000
10. Lake Clark	2,500,000
11. Noatak	5,800,000
12. Wrangell-St. Elias	10,950,000
13. Yukon-Charley	1,720,000
Subtotal	40,790,000
14. Yukon Flats	10,600,000
15. Becharof	1,200,000
Subtotal	11,800,000
16. Admiralty Island	1,100,000
17. Misty Fiords	2,285,000
Subtotal	3,335,000
Total acreage	55,975,000

(Note: Areas Nos. 1–13 are proposed National Park areas, Nos. 14–15 are proposed Wildlife Refuge areas, and Nos. 16–17 are proposed National Forest Wilderness Areas.)

The President also directed the Secretary of the Interior to take the necessary procedural steps under the Federal Land Policy and Management Act to designate as National Wildlife Refuges the remaining 12 proposed refuge areas. These areas cover approximately 40 million acres. The 12 areas included in this directive are:

	Acres
1. Arctic Range	9,900,000
2. Copper River	690,000
3. Innoko	3,720,000
4. Kanuti	1,480,000
5. Kenai Moose Range	160,000
6. Koyukuk	2,080,000
7. Nowitna	1,560,000
8. Selawik	3,220,000
9. Tetlin	770,000
10. Togiak	1,180,000
11. Yukon Delta	13,710,000
12. Alaska Marine Resources	460,000
Total acreage	38,930,000

The President also noted that Secretaries Andrus and Bergland have already taken temporary steps to protect all of the areas in Congressional and Administration proposed conservation units. Under Section 204(e) of the Federal Land Policy and Management Act, Secretary Andrus issued emergency withdrawals on November 16 on all of the Interior Department lands covered by Congressional or Administration proposals to protect them from mineral entry and State selection. These three-year withdrawals cover approximately 105 million acres and will remain in force with the President's actions under the Antiquities Act. Secretary Bergland has also taken steps under Section 204 (b) of the Federal Land Policy and Management Act to segregate the 11 million acres covered by Administration and Congressional proposals for National Forest Wilderness areas to protect these lands from mineral entry and State selection. These two-year segregations also remain in force with the President's actions.

By Mr. BAYH (for himself, Mr. HATCH, Mr. BAUCUS, Mr. BENTSEN, Mr. CHAFEE, Mr. CRANSTON, Mr. DOLE, Mr. GRAVEL, Mr. HATFIELD, Mr. INOUYE, Mr. KENNEDY, Mr. LUGAR, Mr. MATHIAS, Mr. MATSUNAGA, Mr. MCGOVERN, Mr. METZENBAUM, Mr. PROXMIRE, Mr. RANDOLPH, Mr. RIBICOFF, Mr. RIEGLE, Mr. STONE, and Mr. WILLIAMS):

S. 10. A bill to authorize actions for redress in cases involving deprivations of rights of institutionalized persons secured or protected by the Constitution or laws of the United States; to the Committee on the Judiciary.

RIGHTS OF INSTITUTIONALIZED PERSONS

Mr. BAYH. Mr. President, today I am introducing legislation designed to give statutory authority to the Justice Department to initiate suit to enforce constitutional and other federally guaranteed rights of institutionalized persons. I am joined in this effort by Senator HATCH and 19 of our colleagues. This legislation codifies the authority exercised by the Department in the past to intervene in and to initiate civil actions on behalf of persons confined to mental hospitals, prisons, mental retardation facilities, reformatories for juvenile delinquents, facilities for emotionally disturbed children and long-term care facilities.

Similar legislation was introduced and reported by the Senate Committee on the Judiciary, but not considered by the full Senate in the 95th Congress. A companion bill, H.R. 9400, was passed by the House.

Our Nation's institutionalized citizens are uniquely unable to assert and protect their own rights. Because of mental or physical handicap or the sheer weight of despair brought on by living in dehumanizing conditions this class of people we seek to help protect through this legislation frequently lacks the ability to gain access to the legal and financial resources necessary to obtain access to justice and fair treatment.

Recognizing this, the Justice Department has, during the past decade, brought a number of actions against State institutions, successfully documenting widespread deprivations of residents' constitutional and Federal rights, and compelling State officials to upgrade conditions of confinement and treatment.

These abuses we seek to reduce are not insignificant nor are they merely technical. A brief look at the cases brought on behalf of the institutionalized highlight the need for continued participation by the Justice Department. In the landmark case of Wyatt against Stickney, the Justice Department's ability to engage in long-term discovery was instrumental in developing a record of institutionwide abuses to which inmates of mental hospitals were being subjected. Retarded persons were tied to their beds at night and confined to straitjacket for years. One woman was confined in a straitjacket for 9 years losing the use of both of her arms. At one institution, inadequate staff, insufficient supervision and uncontrolled brutality of other inmates resulted in the deaths of four residents.

In the course of litigation brought to correct abuses in a State's juvenile reformatories, a Federal court found the State juvenile system rampant with officially sanctioned brutality, including beatings, tear gassings, and placement in homosexual dormitories as a form of punishment (Morales against Turman).

Following Wyatt and other cases in which the Department participated, a number of States adopted statutes providing a right to treatment for mentally ill institutionalized persons, and a series of Federal court cases further substantiated right to such treatment. The Department of Health, Education, and Welfare followed suit by adopting many of the standards first enunciated in Wyatt and conditions for participation in federally funded programs of care for the mentally handicapped. Judge Johnson, who initially ordered the Department to appear as amicus curiae in Wyatt, was sufficiently impressed to commend Government lawyers for having "performed exemplary service for which this court is indeed grateful."

The first serious setback to these efforts came in 1976 when a Federal district court in Maryland dismissed a suit brought by the Justice Department concerning the conditions at the Rosewood State Hospital for the mentally retarded. In United States against Solomon, the court held that the Justice Department lacked inherent or commonlaw authority to sue to enforce constitutional and Federal rights of hospital inmates. Following the Solomon decision, a Federal district court in Montana dismissed another suit initiated by the Department challenging conditions in a State mental retardation hospital, again declaring that, absent express statutory authority, the Department lacked standing to sue.

This bill creates no new substantive rights, nor does it open the doors of the Federal courthouse to a new class of litigants. Under the standards we have proposed, the authority of the Department to bring suit on behalf of the institutionalized is limited to cases alleging widespread deprivations of constitutional and Federal rights and then only in the presence of "egregious or flagrant conditions." Clearly, the intent of this legislation is not to provide the Justice Department with standing to bring suit to redress minor or unimportant technical regulations. S. 10 is designed to redress the most horrendous of conditions, conditions which sometimes deprive institutionalized persons in this country of the very right to life itself.

JAILS AND CORRECTIONAL FACILITIES

This bill includes protection of the rights of persons in jails and correctional facilities. During Judiciary Committee consideration of S. 1393 in 1978 an amendment was offered and accepted that limited coverage of inmates in correctional facilities to constitutional abuses. Another amendment was offered to eliminate totally inmates of jails and correctional facilities from coverage in this bill, and I feel it appropriate to respond at this time to those who would suggest that inmates of correctional facilities do not belong in this legislation.

I agree with many of my colleagues who know that the American people do not wish to send those convicted of crimes to a country club environment. I want to emphasize that the effect of the Justice Department suits in the case of jails and correctional facilities would not be to create such an environment. In 1976, a Federal district court found in one State facility "as many as six inmates packed in 4-foot by 8-foot cells with no beds, no lights, no running water, and a hole in the floor for a toilet which could only be flushed from the outside (Pugh against Locke)."

Obviously we are not saying that prisoners should be fed steak but, rather that they should be fed meals nutritious enough to sustain life and health. We are not asking that each prisoner have a private bath but rather that there be adequate sanitary facilities to sustain minimum standards of health.

Ours is a society dedicated to human rights and humane principals. It is not now, nor has it ever been the intention of the American people to torture or abuse those we have placed in our correctional institutions. In most State penal institutions there is no reason for concern. Yet, in some of our correctional facilities, especially our jails, such abuse is precisely what is being done either through neglect or deliberate actions which establish what can only be descrbied as subhuman living conditions.

STATES' RIGHTS

There have been a few who have said that any legislation in this area would be an unwarranted intrusion on the part of the Federal Government into the business of the States.

Mr. President, if a retarded child is fed from a common bowl of gruel at such speed that the child chokes to death, if 100 percent of the inmates of an institution contract hepatitis within 6 months of institutionalization, if inmates of mental institutions are murdered by fellow inmates because of lack of supervision; and if the State puts forth no effort to right such unconscionable wrongs; then, Mr. President, I believe and apparently many of my colleagues in both the Senate and the House believe, it is not only the business of the Federal Government, but the duty of the Federal Government to intervene to protect the rights of its citizens under our Federal Constitution.

A glance at the list of cosponsors of S. 10, as well as the bill itself, makes clear that legitimate concerns for States' rights were fully protected in this bill. We have spent many hours refining and changing the original bill to insure that every reasonable effort will be made to allow States to correct unconstitutional conditions first and that even then litigation will take place only in the presence of a pattern or practice of the most egregious violations of rights of those in our Nation's institutions.

Before a suit can be brought the Attorney General must certify to the court that he has pursued with the State informal methods of changing conditions, that he has advised the State of technical and financial assistance available from the Federal Government and that he is satisfied that the State has had a reasonable period of time to make a reasonable effort to provide relief and has not done so.

There are children who have been institutionalized from infancy in institutions where they are physically abused, malnourished, and neglected, where every day of their lives they know nothing but fear and indifference. To grow to adulthood in such an environment, your spirit long since dead, and finally to die physically as well as spiritually, perhaps long before your time, is a horror I cannot personally even begin to comprehend. Yet we condemn too many of our citizens to just such an existence.

Mr. President, I am hopeful that S. 10 will be considered by the Senate early in this Congress and that we will enable the Justice Department to continue its distinguished work in helping our most helpless of citizens live free from fear and with the dignity due them by virtue of their humanity.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 10

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. Whenever the Attorney General has reasonable cause to believe that any State or political subdivision, official, employee, or agent thereof, or other person acting on behalf of a State or political subdivision of a State is subjecting persons residing in an institution, as defined in section 6, to egregious or flagrant conditions (conditions which are willful or wanton or conditions of gross neglect) which deprive such persons of any rights, privileges, or immunities secured or protected by the Constitution or laws of the United States causing such persons to suffer grievous harm, and that such deprivation is pursuant to a pattern or practice of resistance to the full enjoyment of such rights, privileges, or immunities, the Attorney General, for or in the name of the United States may institute a civil action in any appropriate United States, district court against such party for such equitable relief as may be appropriate to insure the full enjoyment of such rights, privileges, or immunities, except that such equitable relief shall be available under this act to persons residing in an institution as defined in section 6(a)(3) only insofar as such persons are subjected to conditions which deprive them of rights, privileges, or immunities secured or protected by the Constitution of the United States. The Attorney General shall sign the complaint in such action.

SEC. 2. (a) At the time of the commencement of an action under section 1, the Attorney General shall certify to the court—

(1) that at least 30 days previously he has notified in writing the Governor or chief executive officer and attorney general or chief legal officer of the appropriate State or political subdivision and the director of the institution of—

(A) the alleged conditions which deprive rights, privileges, or immunities secured or protected by the Constitution or laws of the United States;

(B) the supporting facts giving rise to the alleged conditions, including the dates or time period during which such conditions are alleged to have existed;

(C) the measures which he believes may remedy the alleged conditions;

(2) that he or his designee has made a reasonable effort to consult with the Governor or chief executive officer and attorney general or chief legal officer of the appropriate State or political subdivision and the director of the institution, or their designees, regarding financial, technical or other assistance which may be available from the United States to assist in the correction of such conditions;

(3) that he has endeavored to eliminate the alleged conditions and pattern or practice of resistance by informal methods;

(4) that he is satisfied that the appropriate officials have had a reasonable time to take appropriate action to correct such conditions, taking into consideration the time required to remodel or make necessary changes in physical facilities or relocate residents, reasonable legal or procedural requirements, and any other extenuating circumstances involved in correcting such conditions; and

(5) that he believes that such an action by the United States is of general public importance and will materially further the vindication of rights, privileges, or immunities secured or protected by the Constitution or laws of the United States.

(b) Any certification made by the Attorney General pursuant to this section shall be signed by him.

SEC. 3. (a) Whenever an action has been commenced in any court of the United States seeking relief from conditions which deprive persons residing in institutions of any rights, privileges, or immunities secured or protected by the Constitution or laws of the United States causing them to suffer grievous harm and the Attorney General has reasonable cause to believe that such deprivation is pursuant to a pattern or practice of resistance to the full enjoyment of such rights, privileges, or immunities, the Attorney General, for or in the name of the United States, may intervene in such action upon motion by the Attorney General in accordance with the Federal Rules of Civil Procedures.

(b) Any motion to intervene made by the Attorney General pursuant to this section shall be signed by him.

SEC. 4. No person reporting conditions which may constitute a violation under this Act shall be subjected to retaliation in any manner for so reporting.

SEC. 5. The Attorney General shall include in his report to Congress on the business of the Department of Justice prepared pursuant to section 522 of title 28, United States Code, a statement of the number, variety, and outcome of all actions instituted or in which the Attorney General has intervened pursuant to this Act.

SEC. 6. As used in this Act—

(a) "institution" means—

(1) any facility for mentally ill, disabled, or retarded persons;

(2) any facility for chronically ill or handicapped persons, including any State-supported intermediate or long-term care or custodial care facility;

(3) any jail, prison, or other correctional facility, or any pretrial detention facility; or

(4) any facility in which juveniles are placed awaiting trial or in which juveniles reside for purposes of receiving care or treatment, or for any other State purpose.

(b) Privately owned and operated facilities shall not be deemed "institutions" under this Act unless persons reside in such facilities as a result of State action.

(c) "State" means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, or any of the territories and possessions of the United States.

SEC. 7. Provisions of this Act shall not authorize promulgation of regulations defining standards of care.

Mr. BENTSEN. Mr. President, I am pleased to join today in introducing S. 10. This legislation will give the Attorney General express statutory authority to initiate legal actions to protect the civil rights of institutionalized persons.

It creates no new substantive rights. It allows the Justice Department to bring action to enforce existing rights where a pattern and practice of violation has been established.

It allows action only where the violations have been flagrant and systematic, where great harm has been inflicted on numerous people. It will allow prison actions only where a constitutional right has been denied. It will allow actions involving institutions housing the retarded, the mentally ill, neglected children and others where Federal statutory rights have been denied.

Mr. President, the quality of a civilization can be judged by the way it treats its most helpless members. In recent years we have seen examples of abuse in institutions that shock the conscience and violate our respect for the rule of law.

I stand second to none in my desire to see hardened criminals receive the punishment they deserve. The most vicious and violent should receive long and certain punishment. We must enact sentencing reforms to insure that punishment is both certain and fair. I will shortly reintroduce legislation to move us towards these goals.

Yet our prisons must meet constitutional standards. Our Bill of Rights is a bill of obligations. There can be no retreat from the rule of law. When constitutional rights have been denied, it should be the responsibility of the Justice Department to act.

The case is even more compelling when the abuses harm those who have done no wrong, when suffering afflicts those who are dependent on society for care.

There has been too much suffering among the neglected children, the retarded, the mentally ill, and other institutionalized persons.

Most State officials work long and hard and deserve to be commended. We owe a great debt to those countless people who labor to provide care for those who need it.

Yet adequate care is not always provided. Funds are spent on other priorities. Attention is given to other concerns. Scores of cases reveal helpless people enclosed in walls of alienation and fear.

They come for healing yet find pain. They come for hope yet find despair. They come for attention, yet find eyes that do not see and ears that do not hear.

Today we must increase our efforts to improve these conditions. S. 10, which we introduce today, will help by allowing the Attorney General to see that our laws are enforced, that the most intolerable conditions are eliminated.

To my friends who share my concern with the rights of our States, I repeat that action can only be taken when a pattern and practice of abuse has been disclosed. The Federal Government must make every effort to provide technical and financial assistance to States, to attempt to solve these problems without litigation. Notice must be given before actions are initiated, providing and I hope encouraging good faith cooperative efforts to improve conditions. The American idea of States rights is consistent with the American notion of human rights.

Mr. President, let me briefly describe the kind of widespread violations that S. 10 is addressed to.

Consider the Wyatt case, involving a mental institution. Here the court found a shortage of personnel, and inadequate care for the residents.

Retarded persons were chained to their beds at night, when employees could not be found to care for them. Toilet paper was locked up to avoid cleaning work. One patient was in a straitjacket for 9 years and lost the use of both arms.

Consider the Willowbrook case, involving a home for the mentally retarded. Evidence demonstrated the massive overdrugging of children. Some of the weaker were beaten by the stronger. Children suffered the loss of eyes, bitten off ears, broken teeth. One cerebral palsy victim spent 16 years at Willowbrook, mistakenly diagnosed as mentally retarded.

These cases demonstrate widespread abuses against great numbers of people. They are the extreme kind of case, the rare instance of great damage, that S. 10 seeks to remedy.

It is important that the great resources of our Justice Department be used to insure that our laws are enforced. The Justice Department has investigative resources, technical competence, and legal expertise unavailable to private parties. S. 10 will put those resources to use in those relatively few cases where they are urgently needed.

It will foster judicial economy and sound management when litigation is necessary. The Attorney General will be free to select cases that merit close attention, where legal action would yield the most positive results.

Mr. President, let me conclude with a thought about simple justice. Winston Churchill, speaking to a dangerous enemy of a different era, said: "What kind of a country do they think we are?".

We spend so much time criticizing ourselves here in America that we forget what a good and great country we are. We believe in justice. We believe in human rights. We believe in opportunity for each of our citizens.

It is impossible to example the cases that have come to light and not feel a sense of compassion, and responsibility.

The mentally ill must not be chained to their beds at night, or forced to consume inadequate meals in minutes

Retarded children must not burn to death in fires, because conditions were bad, because attention was not given.

We must not allow some of the most dependent people in America to be among the most forgotten, or the most abused.

In the case of criminals, they should know that they will be punished, and that the punishment will be fair. In the case of the retarded, the ill, the neglected, they should know that they will receive our compassion because they compel our concern.

This is the great strength of the American Nation.

We share a minimum standard of decency that knows no ideology, no party label, no partisanship, no bias. Today, the institutionalized persons reach out for help.

Together, let us reach back.

Mr. CRANSTON. Mr. President, I am pleased to join the Senator from Indiana (Mr. BAYH) and my other colleagues as a cosponsor of this bill to authorize, in certain instances, an action or intervention by the Attorney General where certain institutionalized individuals whose rights under the Constitution or laws of the United States are being deprived.

Mr. President, I believe strongly that S. 1393 could be of immense benefit to institutionalized children, and elderly, and handicapped—particularly mentally ill and mentally retarded—individuals, as well as incarcerated individuals.

Since 1971, the Justice Department has successfully brought suit on several occasions on behalf of such individuals. For example, in 1976, Justice successfully challenged Louisiana with respect to State policies concerning dependent children Gary W. against Stewart. Justice's discovery revealed that children were physically abused, handcuffed, chained, tied-up, kept in cages, and overdruged with psychotropic medication.

In 1974, the Justice Department appeared in a Texas suit, United States against Solomon, with respect to the State's juvenile detention facilities. The court determined that the staff of such facilities was engaged in a widespread practice of beating, slapping, kicking, and otherwise physically abusing juvenile inmates, in the absence of any exigent circumstances. Brutality was found to be a regular occurrence encouraged by those in authority.

Unfortunately, when the Justice Department's authority to initiate an action on behalf of institutionalized individuals was first challenged in a district court in Maryland that court ruled that absent express statutory authority the Attorney General lacked standing to initiate such an action, United States against Solomon. Since then, the Maryland district court decision has been upheld on appeal, and a district court in Montana has ruled likewise, United States against Mattson. Thus, in both instances in which the Attorney General's standing to bring an action for other than incarcerated persons has been challenged, the Attorney General has lost.

Mr. President, as chairman of the Subcommittee on Child and Human Development of the Human Resources Committee, I chaired hearings on January 4, 1979, in San Francisco on the abuse and neglect of children. Despite repeated stories of incidents of serious and brutal maltreatment of children residing in institutional settings, there does not appear to have been any systematic examination of the nationwide scope of this problem. This is all the more troublesome because many institutionalized children are supported by Federal funds, such as those provided under title IV–A and title XX of the Social Security Act.

Testimony at that hearing revealed that children are being confined in iron cages, held in solitary confinement in leg irons and handcuffs, tear gassed and placed—as punishment—in dormitories with older inmates who sexually abuse them. Testimony also indicated that children are often confined in institutions which rely on physical punishment and food deprivation as well as solitary confinement under the guise of treatment techniques.

Mr. President, enactment of this bill could offer a new and highly valuable avenue to provide protection for these children. I strongly support the bill and look forward to working with my colleague from Indiana (Mr. BAYH) on behalf of its favorable consideration in the Senate.

Mr. METZENBAUM. Mr. President, I am pleased to join my good friend and chairman of the Senate Judiciary Subcommittee on the Constitution in introducing S. 10. Senator BAYH has shown great leadership in this vitally important area. Since this measure was debated extensively during the last session, I hope the Senate will act quickly on it this year.

By authorizing the Attorney General of the United States to initiate civil actions on behalf of institutionalized persons, S. 10 provides for the redress of important constitutionally guaranteed rights. The courts have ruled that these rights include: The right of mentally ill patients to receive individualized treatment; the right of prison inmates to be protected from cruel and unusual conditions of confinement; and, in general, the right to be granted every privilege or immunity guaranteed by Federal law. Further, this legislation clearly states that the Attorney General will be authorized to act only in the most severe cases, where the violation is a documented pattern or practice.

The law regarding institutionalized persons has evolved largely as a result of the Department of Justice's litigation program—a program which has been emasculated by court decisions holding that the Attorney General has no authority to sue, unless such authority is granted by legislation. S. 10 would correct this situation.

This bill would redress institutionalized persons' most fundamental rights. For example, the landmark case of Wyatt against Stickney grew out of nightmarish conditions where patients in a mental hospital were tied to their beds at night for no other reason than the lack of sufficient staff to care for them. Patients were denied the use of toilet paper and were instead required to walk naked—like vehicles in carwash—through streams of water or were hosed down by fellow inmates. Other cases provide still more gruesome examples of cruelty and exploitation. I refer my colleagues to the hearing record on S. 1393, Last year's version of this bill, for numerous examples of mistreatment and the subsequent suffering of innocent patients and inmates.

When legislation of this kind is proposed, there can be no disagreement regarding its ultimate goal. However, some may question whether it is proper for the Federal Government to challenge the States in a court suit involving State-run institutions, while I believe that questions of federalism and comity must be considered, countervailing reasons suggest that the Federal Government is the appropriate entity to protect constitutional rights.

First, it is clear that the Congress is authorized to enforce other constitutional guarantees under section 5 of the 14th amendment. The rights at issue here are fundamental. Second, the Attorney General, acting through the Civil Rights Division of the Justice Department, has a record of effectiveness in this area. In almost every case in which the Department participated, the plaintiffs have prevailed on the merits and the courts have ordered relief. In addition, the Department—working with other Federal agencies—possesses the resources, expertise, and staying power to prepare and litigate these cases properly. Finally, in most instances, the Department was asked to participate in these cases as a friend of the court. This indicates the importance of the Department's counsel to the courts.

It is vital that the Congress pass this bill to insure that the rights of the institutionalized are not violated nor neglected. The protection of the basic human rights of these individuals may well depend on our willingness to enact effective legislation.

● Mr. DOLE. Mr. President, the Senator from Kansas is pleased to be an original cosponsor of S. 10, a bill to protect the civil rights of institutionalized persons. In brief, the bill gives to the U.S. dress. I believe this bill, S. 10, offers that Attorney General the authority to institute civil action in an appropriate U.S. district court in instances where the constitutional and Federal statutory rights of institutionalized persons have been violated. I would like to thank the primary sponsors of this bill, the Senator from Indiana (Mr. BAYH) and the Senator from Utah (Mr. HATCH) for the work that they have done on this bill.

This legislation has the support of the National Association for Retarded Citizens, the Mental Health Association, the American Bar Association and other legal organizations. The problems addressed with this legislation have nagged our society for years. I am hopeful this bill will extend the basic rights most of us take for granted to those who are now denied them.

In the past, the Attorney General has occasionally intervened to litigate on behalf of the mentally ill, the mentally retarded, juvenile delinquents, and the incarcerated in instances where abuse has occurred. Sometimes the Federal district courts have requested the help of the Attorney General. Recent court rulings have questioned the Attorney General's authority to become involved when civil rights of institutionalized persons have been violated. This bill would provide him with explicit authority, if all possible alternatives have been used.

I wish to make clear, however, that the Attorney General is not free to intervene until all State measures have been exhausted to resolve the problems. The Attorney General may not become involved until State grievance procedures have been used, and he must inform the State of the resources available to correct the substandard conditions.

The bill makes it very clear that the Attorney General may become involved only as a last resort, when State and local authorities have proven unable or unwilling to correct the injustices. Ideally, the Attorney General should never need to intervene.

However, experience has shown that many States have a poor record of protecting the institutionalized person. Oftentimes, it is a forgotten constituency, a neglected group of citizens which society finds easy to overlook. In addition, some States' attorneys general are bound by law to defend the agencies responsible for the unconstitutional conditions. It is simple to understand how conflicts of interest can occur.

Mr. President, this legislation is not radical, but it seeks to protect persons in our society who traditionally have been the most helpless, the most dependent, and therefore the most vulnerable. The institutionalized oftentimes do not know their rights, have no access to legal aid, and may be punished if they attempt to complain of their treatment.

After careful review of this legislation, I feel that appropriate measures have been taken to insure that the Attorney General may not intervene until every attempt has been made to correct the problem at the State level. Certainly, I have no wish to increase Federal participation in State matters, but where there is evidence that constitutional rights have been violated under the current system, then there needs to be re-correction, and I urge my colleagues to join in support of this legislation.●

By Mr. STEVENS (for himself and Mr. GRAVEL):

S. 11. A bill to amend the Alaska Native Claims Settlement Act to provide clarifications and improvements in the provisions thereof: to the Committee on Energy and Natural Resources.

ALASKA NATIVE CLAIMS SETTLEMENT ACT AMENDMENTS OF 1979

Mr. STEVENS. Mr. President, May I introduce a set of omnibus amendments to the Alaska Native Claims Settlement Act. These amendments, provide for a series of changes in landmark legislation originally passed in 1971 which settled the land claims of Alaska's Eskimos, Aleuts, and Indian communities. Seven years of implementation of this act have provided the background for these amendments which have been agreed upon by an Alaska Native Claims Settlement Act working group consisting of representatives of the Department of Interior, the State of Alaska, Alaska Federation of Natives, and the Joint Federal-State Land Use Planning Commission for Alaska. The amendments which I introduce today were all the products of this working group and were included as part of title 14 of the Senate Energy Committee's Alaska d-2 lands legislation last year. Other amendments are also under consideration by the Settlement Act working group and may be added to this legislation during the hearing and markup process.

I am pleased to introduce these amendments which provide refinements of the Alaska Native lands claims legislation. Since its passage, the Settlement Act, a bold and new congressional approach to American Indian legislation, has proven to be a workable and worthwhile experiment. The interested parties have worked closely on these amendments and have produced a good series of recommendations to improve the implementation of the Settlement Act in the future. It is my hope that this legislation can move rapidly through the Senate and be enacted into legislation in the near future. Mr. President, I ask unanimous consent that the amendments that I submit today be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 11

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION. 1. This Act may be cited as the "Alaska Native Claims Settlement Act Amendments of 1979".

STOCK ALIENATION

SEC. 2. (a) Section 7(h)(3) of the Alaska Native Claims Settlement Act is amended to read as follows:

"(3)(A) On December 18, 1991, all stock previously issued shall be deemed to be canceled, and shares of stock of the appropriate class shall be issued to each stockholder share for share subject only to such restrictions as may be provided by the articles of incorporation of the corporation, or agreements between corporations and individual shareholders.

"(B) If adopted by December 18, 1991, restrictions provided by amendment to the articles of incorporation may include, in addition to any other legally permissible restrictions—

"(i) the denial of voting rights to any holder of stock who is not a Native, or a descendant of a Native, and

"(ii) the granting to the corporation, or to the corporation and a stockholder's immediate family, on reasonable terms, the first right to purchase a stockholder's stock (whether issued before or after the adoption of the restriction) prior to the sale or transfer of such stock (other than a transfer by inheritance) to any other party, including a transfer in satisfaction of a lien, writ of attachment, judgment execution, pledge, or other encumbrance.

"(C) Notwithstanding any provision of Alaska law to the contrary—

"(i) any amendment to the articles of incorporation of a regional corporation to provide for any of the restrictions specified in clause (i) or (ii) of subparagraph (B) shall be approved if such amendment receives the affirmative vote of the holders of a majority of the outstanding shares entitled to be voted of the corporation, and

"(ii) any amendment to the articles of incorporation of a Native corporation which would grant voting rights to stockholders who were previously denied such voting rights shall be approved only if such amendment receives in addition to any affirmative vote otherwise required, a like affirmative vote of the holders of shares entitled to be voted under the provisions of the articles of incorporation.".

(b) Section 8(c) of such Act is amended to read as follows: "(c) The provisions concerning stock alienation, annual audit, and transfer of stock ownership on death or by court decree provided for regional corporations in section 7, including the provisions of section 7(h)(3), shall apply to Village Corporations; except that audits need not be transmitted to the Committee on Interior and Insular Affairs of the House of Representatives or to the Committee on Energy and Natural Resources of the Senate.".

(c) At the end of section 1696(h)(1) of title 43, United States Code, insert immediately before the period the words: "or by a stockholder who is a member of a professional organization, association, or board which limits the ability of that stockholder to practice his profession because of holding stock issued under this Act".

VESTING DATE FOR RECONVEYANCES

Sec. 3. (a) Section 14(c)(1) of the Alaska Native Claims Settlement Act is amended by inserting "as of December 18, 1971" after "title to the surface estate in the tract occupied".

(b) Section 14(e)(2) of such Act is amended by inserting "as of December 18, 1971" after "title to the surface estate in any tract occupied".

(c) Section 14(c)(4) of such Act is amended to read:

"(4) the Village Corporation shall convey to the Federal Government, State, or to the appropriate Municipal Corporation, title to the surface estate for airport sites, airway beacons, and other navigation aids as such existed on December 18, 1971, together with such additional acreage and/or easements as are necessary to provide related governmental services and to insure safe approaches to airport runways as such airport sites, runways, and other facilities existed as of December 18, 1971.".

BASIS IN THE LAND AND RESERVES FROM LAND

Sec. 4. Section 21(c) of the Alaska Native Claims Settlement Act is amended to read as follows:

"(c)(1) The receipt of land or any interest therein pursuant to this Act or of cash in order to equalize the values of properties exchanged pursuant to subsection 22(f) shall not be subject to any form of Federal, State, or local taxation. The basis for computing gain or loss on subsequent sale or other disposition of such land or interest in land for purposes of any Federal, State, or local tax imposed on or measured by income shall, at the option of the recipient, be—

"(A) the fair market value of such land or interest in land at the time of receipt; or

"(B) the amount realized on the sale or other disposition of such land or interest in land adjusted, by means of the price deflator index for the gross national product published by the United States Department of Commerce, to the time of receipt of such land or interest in land adjusted as provided in section 1016 of the Internal Revenue Code of 1954 (relating to adjustments to basis).

"(2) All rents, royalties, profits, and other revenues or proceeds derived from real property interests received pursuant to this Act shall be taxable to the same extent as such revenues or proceeds are taxable when received by a non-Native individual or corporation: *Provided*, That with respect to any such revenues or proceeds received by a Native individual, Native group, or Village or Regional Corporation with respect to which deduction for depletion would otherwise be allowable under section 611 of the Internal Revenue Code of 1954 (relating to allowance of deduction for depletion) or any corresponding provision of State and local law, the amount of such deduction shall be the greater of—

"(A) an amount equal to the deduction as determined by such section 611, using as the basis on which the depletion is to be allowed with respect to any property that basis provided in section 21(c) of this Act for purposes of computing the gain or loss on subsequent sale or other disposition of such property; or

"(B) an amount equal to the amount of such revenue adjusted, by means of the price deflator index for the gross national product published by the United States Department of Commerce, to the time of receipt of the property interest from which the revenue is derived; or

"(C) an amount equal to the deduction computed pursuant to section 613 of the Internal Revenue Code of 1954 (relating to percentage depletion).".

FISCAL YEAR ADJUSTMENT ACT

Sec. 5. (a) Moneys appropriated for deposit in the Alaska Native Fund for the fiscal year commencing on October 1, 1978, and, thereafter, shall, for the purposes of section 5 of Public Law 94–204 only, be deposited into the Alaska Native Fund on the first day of the fiscal year for which the moneys are appropriated, and shall be distributed at the end of the first quarter of the fiscal year in accordance with section 6(c) of the Alaska Native Claims Settlement Act (43 U.S.C. 1605(c)) notwithstanding any other provision of law: *Provided*, That the money appropriated for fiscal year 1979 shall be deposited into the Alaska Native Fund on the first day of the 1979 fiscal year or shall be deposited into the Fund within ten days after the enactment of this Act if such enactment occurs after October 1, 1978, but shall not be distributed, in any event, until the end of the second quarter of the 1979 fiscal year notwithstanding any other provision of law.

(b) Notwithstanding section 38 of the Fiscal Year Adjustment Act or any other provisions of law, interest earned from the investment of appropriations made pursuant to the Act of July 31, 1976 (Public Law 94–373; 90 Stat. 1051), and deposited in the Alaska Native Fund within thirty days after enactment of this Act and shall be distributed as requested by section 6(c) of the Alaska Native Claims Settlement Act (45 U.S.C. 1605 (c)).

UNDERSELECTIONS

Sec. 6. Section 22(j) of the Alaska Native Claims Settlement Act is amended by identifying the existing paragraph as paragraph (1) and adding a paragraph (2) to read as follows:

"(2) Where lands selected and conveyed, or to be conveyed, to a Village Corporation are insufficient to fulfill the Corporation's entitlement under subsection 12(b), 14(a), 16(b), or 16(d), the Secretary is authorized to withdraw twice the amount of unfulfilled entitlement and provide the Village Corporation ninety days from receipt of notice from the Secretary to select from the lands withdrawn the land it desires to fulfill its entitlement. In making the withdrawal, the Secretary shall first withdraw public lands that were formerly withdrawn for selection by the concerned Village Corporation by or pursuant to subsection 11(a)(1), 11(a)(3), 16(a), or 16(d). Should such lands no longer be available, the Secretary may withdraw public lands that are vacant, unreserved, and unappropriated, except that the Secretary may withdraw public lands which had been previously withdrawn pursuant to subsection 17(d)(1). Any subsequent selection by the Village Corporation shall be in the manner provided in this Act for such original selections.".

RETAINED MINERAL ESTATE

Sec. 7. Section 12(c) of the Alaska Native Claims Settlement Act (43 U.S.C. 1611(c)) is amended by adding a new paragraph (4) to read as follows:

"(4) Where the public lands consist only of the mineral estate, or portion thereof, which is reserved by the United States upon patent of the balance of the estate under one of the public land laws, other than this Act, the Regional Corporations may select as follows:

"(A) Where such public lands were not withdrawn pursuant to subsection 11(a)(3), but are surrounded by or contiguous to lands withdrawn pursuant to said subsection and filed upon for selection by a Regional Corporation, the Corporation may, upon request, have such public lands included in its selection and considered by the Secretary to be withdrawn and properly selected.

"(B) Where such public lands were withdrawn pursuant to subsection 11(a)(1) and are required to be selected by paragraph (3) of this subsection, the Regional Corporation may, at its option, exclude such public lands from its selection.

"(C) Where the Regional Corporation elects to obtain such public lands under subparagraph (A) or (B) of this paragraph, it may select, within ninety days of receipt of notice from the Secretary, the surface estate in an equal acreage from other public lands withdrawn by the Secretary for the purpose. Such selections shall be in units no smaller than a whole section, except where the remaining entitlement is less than six hundred and forty acres, or where an entire section is not available. Where possible, selections shall be of lands from which the subsurface estate was selected by that Regional Corporation pursuant to subsection 12(a)(1) or 14(h)(9) of this Act, and, where possible, all selections made under this section shall be contiguous to lands already selected by the Regional Corporation or a Village Corporation. The Secretary is authorized, as necessary, to withdraw up to two times the acreage entitlement of the in lieu surface estate from vacant, unappropriated, and unreserved public lands from which the Regional Corporation may select such in lieu surface estate except that the Secretary may withdraw public lands which had been previously withdrawn pursuant to subsection 17(d)(1).

"(D) No mineral estate of in lieu surface estate shall be available for selection within the National Petroleum Reserve—Alaska or within Wildlife Refuges as the boundaries of those refuges exist on the date of enactment of this Act.".

CONVEYANCES OF PARTIAL ESTATES

Sec. 8. (a) Section 14(h) (1) of the Alaska Native Claims Settlement Act (43 U.S.C. 1613(h) (1)) is amended by replacing the existing paragraph with the following paragraph to read as follows:

"(1) The Secretary may withdraw and convey to the appropriate Regional Corporation fee title to existing cemetery sites and historical places. Only title to the surface estate shall be conveyed for lands located in a Wildlife Refuge, when the cemetery or historical site is greater than 640 acres."

(b) Section 14(h) (2) and 14(h)5) of the Alaska Native Claims Settlement Act (43 U.S.C. 1613(H) (2) and (h) (5)) are amended by adding to the end of each section "unless the lands are located in a Wildlife Refuge."

(c) Section 14(h) (6) of the Alaska Native Claims Settlement Act (43 U.S.C. 1616 (h) (6)) is modified by adding at the end thereof the following sentence: "Any minerals reserved by the United States pursuant to the Act of March 8, 1922 (42 Stat. 415), as amended, in a Native Allotment approved pursuant to section 18 of this Act during the period December 18, 1971 through December 18, 1975, shall be conveyed to the appropriate Regional Corporation, unless such lands are located in a Wildlife Refuge or in the Lake Clark areas as provided in section 12 of the Act of January 2, 1976 (Public Law 94–204), as amended.".

(d) Section 14(h) of the Alaska Native Claims Settlement Act (43 U.S.C. 1613(h)) is amended by adding at the end thereof the following new paragraphs:

"(9) Where the Regional Corporation is precluded from receiving the subsurface estate in lands selected and conveyed pursuant to paragraph (1), (2), (3), or (5), or the retained mineral estate, if any, pursuant to paragraph (6), it may select the subsurface estate in an equal acreage from other lands withdrawn for such selection by the Secretary. Selections made under this paragraph shall be contiguous and in reasonably compact tracts except as separated by unavailable lands, and shall be in whole sections, except where the remaining entitlement is less than six hundred and forty acres. The Secretary is authorized to withdraw, up to two times the Corporation's entitlement, from vacant, unappropriated, and unreserved public lands, including lands solely withdrawn pursuant to section (d) (1), and the Regional Corporation shall select such entitlement of subsurface estate from such withdrawn lands within ninety days of receipt of notification from the Secretary.

"(10) Notwithstanding the provisions of subsection 22(h), the Secretary, upon determining that specific lands are available for withdrawal and possible conveyance under this subsection, may withdraw such lands for selection by and conveyance to an appropriate applicant and such withdrawal shall remain until revoked by the Secretary.

"(11) For purposes set forth in subsections (h` (1), (2), (3), (5), and (6), the term Wildlife refuges refers to Wildlife Refuges as the boundaries of those refuges exist on the date of enactment of this Act.".

(e) Any Regional Corporation which asserts a claim with the Secretary to the subsurface estate of lands selectable under section 14(h) of the Alaska Native Claims Settlement Act which are in a Wildlife Refuge shall not be entitled to any in lieu surface or subsurface estate provided by subsections 12(c) (4) and 14(h) (9) of such Act. Any such claim must be asserted within one hundred and eighty days after the date of enactment of this Act. Failure to assert such claim within the one-hundred-and-eighty-day period shall constitute a waiver of any right to such subsurface estate in a Wildlife Refuge as the boundaries of the refuge existed on the date of enactment of the Alaska Native Claims Settlement Act.

ESCROW ACCOUNT

Sec. 9. (a) Subsection (a) of section 2 of Public Law 94–204 (89 Stat. 1146) is amended to read as follows:

"Sec. 2. (a) (1) During the period of the appropriate withdrawal for selection pursuant to the Settlement Act, any and all proceeds derived from contracts, leases, licenses, permits, rights-of-way, or easements, or from trespass occurring after the date of withdrawal of the lands for selection, pertaining to lands or resources of lands withdrawn for Native selection pursuant to the Settlement Act, shall be deposited in an escrow account which shall be held by the Secretary until lands selected pursuant to that Act have been conveyed to the selecting Corporation or individual entitled to receive benefits under such Act.

"(2) Such proceeds which were received, if any, subsequent to the date of withdrawal of the land for selection, but were not deposited in the escrow account shall be identified by the Secretary within two years of the date of conveyance or this Act, whichever is later, and shall be paid, together with interest payable on the proceeds from the date of receipt by the United States to the date of payment to the appropriate Corporation or individual to which the land was conveyed by the United States: *Provided,* That interest shall be paid on the basis of semiannual computation from the date of receipt of the proceeds by the United States to the date of payment with simple interest at the rate determined by the Secretary of the Treasury to be the rate payable on short-term obligations of the United States prevailing at the time of payment: *Provided further,* That any rights of a Corporation or individual under this section to such proceeds shall be limited to proceeds actually received by the United States plus interest: *And provided further,* That moneys for such payments have been appropriated as provided in subsection (e) of this section.

"(3) Such proceeds which have been deposited in the escrow account shall be paid, together with interest accrued by the Secretary to the appropriate Corporation or individual upon conveyance of the particular withdrawn lands. In the event that a conveyance does not cover all of the land embraced within any contract, lease, license, permit, right-of-way, easement, or trespass, the Corporation or individual shall only be entitled to the proportionate amount of the proceeds, including interest accrued, derived from such contract, lease, license, permit, right-of-way, or easement, which results from multiplying the total of such proceeds, including interest accrued, by a fraction in which the numerator is the acreage of such contract, lease, license, permit, right-of-way, or easement which is included in the conveyance and the denominator is the total acreage contained in such contract, lease, license, permit, right-of-way, or easement; in the case of trespass, the conveyee shall be entitled to the proportionate share of the proceeds, including a proportionate share of interest accrued, in relation to the damages occurring on the respective lands during the period the lands were withdrawn for selection.

"(4) Such proceeds which have been deposited in the escrow account pertaining to lands withdrawn but not selected pursuant to such Act, or selected but not conveyed due to rejection or relinquishment of the selection, shall be paid, together with interest accrued, as would have been required by law were it not for the provisions of this Act.".

(b) Section 2 of Public Law 94–204 (89 Stat. 1146) is amended by adding a new subsection to read as follows:

"(e) There is authorized to be appropriated such sums as are necessary to carry out the purposes of this section.".

SELECTION REQUIREMENTS

Sec. 10. Subsection (a) (2) of section 12 of the Alaska Native Claims Settlement Act (43 U.S.C. 1611(a) (2)), is amended by adding to the end of that subsection the following: "Provided that the Secretary, in his discretion, and upon the request of the concerned Village Corporation, may waive the whole section requirement where—

"(A) (i) a portion of available public lands of a section is separated from other available public lands in the same section by lands unavailable for selection or by a meanderable body of water;

"(ii) such waiver will not result in small isolated parcels of available public land remaining after conveyance of selected lands to Native Corporations; and

"(iii) such waiver would result in a better land ownership pattern or improved land or resource management opportunity; or

"(b) the remaining available public lands in the section have been selected and will be conveyed to another Native Corporation under this Act.

FIRE PROTECTION

Sec. 11. Subsection (e) of section 21 of the Alaska Native Claims Settlement Act (43 U.S.C. 1620(e)) is amended by inserting the words "corporation organized under section 14(h) (3)," after "Native group," by replacing the comma following the citation "(64 Stat. 967, 1100)" with a period, and by making a revised sentence out of the remaining phrase by striking the words "and" and "also", replacing the comma after the word "lands" with the words "they shall", and replacing the word "forest" with "wildland."

SHAREHOLDER HOMESITES

Sec. 12. Section 21 of the Alaska Native Claims Settlement Act is amended by adding a new subsection at the end thereof, as follows:

"(1) A real property interest distributed prior to December 18, 1991, by Village Corporation to a shareholder of such Corporation pursuant to a program to provide homesites to its shareholders, shall be deemed conveyed and received pursuant to this Act: *Provided,* That the land received is restricted by covenant for a period not less than ten years to single-family (including traditional extended family customs) residential occupancy, and by such other covenants and retained interests as the Village Corporation deems appropriate; *Provided further,* That the land conveyed does not exceed one and one-half acres: *Provided further,* That the shareholder receiving the homesite, if the shareholder subdivides the land received, shall pay all Federal, State, and local taxes which would have been incurred but for this subsection, together with simple interest at six percent per annum calculated from the date of receipt of the land to be paid to the appropriate taxing authority.".

RECONVEYANCE TO MUNICIPAL CORPORATIONS

Sec. 13. Section 14(c) (3) of the Alaska Native Claims Settlement Act is amended by striking out the semicolon at the end and inserting in lieu thereof the following new language: "unless the Village Corporation and the Municipal Corporation or the State in trust can agree in writing on an amount which is less than one thousand two hundred and eighty acres: *Provided further,* That any net revenues derived from the sale of surface resources harvested or extracted from lands reconveyed pursuant to this subsection shall be paid to the Village Corporation by the Municipal Corporation or the State in trust: *Provided, however,* That the word "sale", as used in the preceding sentence, shall not include the utilization of surface resources for governmental purposes by the Municipal Corporation or the State in trust, nor shall it include the issuance of free use permits or other authorization for such purposes;".

SUPPLEMENTAL APPROPRIATION FOR NATIVE GROUPS

SEC. 14. The Secretary shall pay by grant to each of the Native Group Corporations established pursuant to section 14(h) (2) of the Alaska Native Claims Settlement Act and finally certified as a Native Group, an amount not more than $100,000 or less than $50,000 adjusted according to population of each Group. Funds authorized under this section may be used only for planning development, and other purposes for which the Native Group Corporations are organized under the Settlement Act.

RELINQUISHMENT OF SELECTIONS PARTLY WITHIN CONSERVATION UNITS

SEC. 15. Whenever a valid State or Native selection is partly in and partly out of the boundary of a conservation system unit, notwithstanding any other provisions of law to the contrary, the State or any Native Corporation may relinquish its rights in any portion of any validly selected Federal land, including land underneath waters, which lies within the boundary of the conservation system unit. Upon relinquishment, the Federal land (including land underneath waters) so relinquished within the boundary of the conservation system unit shall become, and be administered as, a part of the conservation system unit. The total land entitlement of the State or Native Corporation shall not be affected by such relinquishment. In lieu of the lands and waters relinquished by the State, the State may select pursuant to the Alaska Statehood Act as amended by this Act, an equal acreage of other lands available for such purpose. The Native Corporation may retain an equal acreage from overselected lands on which selection applications were otherwise properly and timely filed. A relinquishment pursuant to this section shall not invalidate an otherwise valid State or Native Corporation land selection outside the boundaries of the conservation system unit, on the grounds that, after such relinquishment, the remaining portion of the land selection no longer meets applicable requirements of size, compactness, or contiguity, or that the portion of the selection retained immediately outside the conservation system unit does not follow section lines along the boundary of the conservation system unit. The validity of the selection outside such boundary shall not be adversely affected by the relinquishment.

ALASKA TOWNSITES

SEC. 16. (a) Effective on and after the date of enactment of this Act, all lands which are located in patented townsites or which are the subject of an application for patent under the Acts of March 3, 1891 (43 U.S.C. 732), or May 25, 1926 (43 U.S.C. 733–736), are withdrawn from further entry.

(b) The townsite trustee shall convey all unoccupied lands in the townsite for which he still retains title, without charge, to the home rule or first- or second-class city, if any, incorporated under the laws of the State of Alaska for the community in which the townsite was originally entered. Any remaining unobligated trust funds shall also be transferred by the trustee to the city.

(c) Where a community has not incorporated a city under the laws of the State of Alaska, or a city does not wish to receive conveyance of the unoccupied lands in the townsite pursuant to subsection (b) of this section, the townsite trustee shall convey all unoccupied lands in the townsite for which he still retains title, without charge, to the State of Alaska for the community in which the townsite was originally entered, to be administered in the same manner as provided by Alaska law for administration of lands conveyed to the State of Alaska pursuant to section 14(c) (3) of the Settlement Act. Any remaining unobligated trust funds shall also be transferred by the trustee to the State. If, subsequent to conveyance of the unoccupied lands in the townsite to the State of Alaska, the community in which the townsite was originally entered incorporates a city under the laws of the State of Alaska, the State will convey to the city all unoccupied lands in the townsite for which it still retains title, without charge, together with any unobligated trust funds. This procedure will also apply in the event a city previously declining conveyance of unoccupied lands in the townsite indicates to the State its desire to receive conveyance.

(d) The Secretary shall proceed to process any pending townsite entry which has been filed by the townsite trustee and issue patent, if appropriate, to the townsite trustee. After the issue of patent to the townsite trustee, the provisions of this section shall apply. In order to protect valid existing rights, the townsite trustee shall administer and discharge his trust on all tracts lawfully occupied on the date of this Act in accordance with the rules and regulations which governed such administration prior to the repeal of the Townsite Act.

LIMITATIONS

SEC. 17. Except as specifically provided in this Act, (i) the provisions of the Alaska Native Claims Settlement Act are fully applicable to this Act, and (ii) nothing in this Act shall be construed to alter or amend any of such provisions.

Mr. GRAVEL. Mr. President, since the passage of the Alaska Native Claims Settlement Act (ANCSA) in 1971, there have arisen many problems in interpreting and implementing the complex provisions of the act. Last year I introduced similar legislation designed to clarify and correct these problems, which have resulted in numerous court suits and overall delay in conveying the land due Native corporations under the terms of ANCSA. Some of the provisions of this bill were passed in the tax bill last Congress, but most were caught up in the Alaska lands legislation dealing with new conservation system areas which failed in the final moments of the last Congress.

However, this legislation in most respects is outside the domain of the better known "d–2" or Alaska lands legislation. Passage of ANCSA amendments is vitally needed and should be considered with or without passage of an Alaskan lands bill.

The conveyance of some 44 million acres of land in Alaska promised Alaskan Natives is long overdue and swift passage of this legislation will go far in achieving the goals set forth in the 1971 act. I am pleased to join my colleague from Alaska in sponsoring this legislation and urge the Senate to act positively on the bill early this session.

By Mr. DOLE (for himself, Mr. ARMSTRONG, Mr. HUMPHREY, Mr. LUGAR, Mr. MCCLURE, Mr. SCHMITT, Mr. TOWER, Mr. HELMS, Mr. GOLDWATER, and Mr. JEPSEN):

S. 12. A bill to amend the Internal Revenue Code of 1954 to provide for cost-of-living adjustments in the individual tax rates and in the amount of personal exemptions; to the Committee on Finance.

TAX EQUALIZATION ACT

Mr. DOLE. Mr. President, despite all the political rhetoric about tax cuts during the 95th Congress, more than 80 percent of the American taxpayers can expect a tax increase this year. The increase, which will approach $10 billion, comes after Congress passed a major tax reduction in hopes that it would pacify taxpayers crying out for lower taxes.

TAXFLATION

Mr. President, inflation is our number one tax problem. As inflation increases, a taxpayer's income must also increase to enable the family to buy the same amount of goods and services. But, as nominal income rises, the taxpayer is pushed into higher and higher tax brackets—thus, paying a larger tax bill—despite the fact that no gain in purchasing power has been realized. Because of our progressive tax system, the taxpayer is required to pay a higher percentage of his earnings in taxes. Although the taxpayer is earning more money to keep up with inflation, his real standard of living may actually decline.

INDEXING

Mr. President, the legislation I introduced today is designed to insulate taxpayers from the tax impact of inflation by automatically adjusting tax liabilities each year to reflect increases in the cost of living. The tax equalization act would adjust the personal income tax rates, the personal exemption and the zero bracket amount to reflect increases in the cost of living as measured by the consumer price index during the previous year. The Tax Equalization Act is effective beginning with tax years after 1980, and will remain in effect for 4 years, at which point Congress will have an opportunity to review and determine whether to continue the indexing adjustments.

Mr. President, the effects of taxflation are dramatic. Consider the dilemma of a family of four who earns $15,000 in 1979. Assuming an inflation rate of 8 percent in 1979, the family has to earn $1,200 more in 1980, or $16,200, just to stay even with inflation. But, the family does not really stay even. While their income increases by 8 percent, their income taxes actually increase by $258, or more than 12 percent.

The impact of tax inflation becomes more dramatic as the taxpayer climbs the economic scale. A family with a $30,000 a year income in 1979 will have to earn $2,400 more in 1980 to keep pace with an 8 percent inflation rate. But, at an income of $32,400, the family tax bill will rise $888.

TAX EQUALIZATION

Mr. President, the way to stop these unlegislated increases is to index the tax system. Indexing is a simple concept. As inflation increases, the tax system is adjusted to prevent individuals from being pushed into higher tax brackets. For example, under the Tax Equalization Act, if the inflation rate for 1979 were 8 percent, the personal exemption would increase from $1,000 to $1,080.

VESTED INTEREST

The Government has a vested interest in inflation. For each percentage increase in the inflation rate, the Federal Government can expect an additional $1.5 billion in new tax revenues. According to the Joint Committee on Taxation, taxflation will increase taxes by nearly $10 billion in 1979 and an additional $11.9 billion in 1980. This yearly windfall bonus allows Congress to continually expand the role of Government without having explicitly to increase taxes to finance the programs it generates. The Tax Equalization Act, by depriving Congress of inflation-induced revenues, will encourage fiscal restraint and decrease the size of Government.

Many of the opponents of tax indexing have stated that such adjustments would be conceding defeat in our battle against inflation. This, of course, is nonsense. Indexing, by itself, will neither cause nor cure inflation. In fact, it may help to reduce the major impediment in our ability to control inflation—excessive Federal spending.

WAGE DEMANDS

Indexing may have a positive effect. It may help to keep wage increases down. Without indexing, a worker realizes that a wage increase that just keeps pace with inflation will push him into a higher tax bracket. In order for him to achieve a real gain, his wages must rise faster than the cost of living. The inflation penalty inherent in the present tax structure is one of the basic reasons for inflationary wage demands, since workers must receive inflationary wage increases in excess of the cost-of-living increase simply to maintain the actual value of their take-home pay.

PUBLIC SUPPORT

Mr. President, Congress, from time to time, has reduced taxes in order to compensate for inflation. However, these reductions are often no more than a redistribution of the tax burden. A study released to the Senate Finance Committee indicates that the American people agree that indexing is a better way to reduce taxes than the current ad hoc decreases. A study released to the Senate Finance Committee last summer indicated that 57 percent of the American public preferred indexing to the periodic tax cuts the Government has made from time to time to keep taxes in line with inflation.

Mr. President, there are a number of other countries that have already adopted some form of tax indexing. These countries include Canada, France, Luxembourg, Denmark, Israel, Brazil, The Netherlands and, recently, Australia. In the United States, Colorado and California have already initiated indexed tax systems for the collection of their State income tax.

Mr. President, the Tax Equalization Act is designed to establish a simple and modest approach which will offer both the Congress and the American people an opportunity to evaluate indexing on its merits. The bill which I introduce today does not address the issues of indexing for capital gains and making allowances for the inadequacy of depreciation. These issues are more complex but I intend to address them in subsequent legislation.

INCREASED REALITY

Mr. President, the Senator from Kansas believes that tax indexing will soon become a reality. Last year, the House of Representatives passed a bill to prevent the Federal Government from taxing inflation on capital gains. Although this was not enacted into law, it was a significant step for indexing and an indication of things to come. Last year, during the consideration of the Revenue Act of 1978, an amendment which I introduced with a number of my distinguished colleagues received wide bipartisan support. Although my proposal did not pass, it did garner more votes than the widely publicized 33 percent across-the-board tax cut.

Mr. President, the administration and congressional free-spenders cannot ignore the compelling arguments for indexing much longer. The American taxpayer understands the reasons that his taxes are increasing and that the Federal Government is the prime beneficiary. The American public will not stand for the congressional ritual of cutting taxes in election years.

Indexing is the logical and responsible way to end the see-saw syndrome of automatic and unlegislated tax increases caused by inflation. I ask unanimous consent that the text of my bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 12

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Section 1. This Act shall be known as the Tax Equalization Act.

Sec. 2. Adjustment to Individual Tax Rates so That Inflation Will Not Result in Tax Increases.

(a) General Rule.—Section 1 of the Internal Revenue Code of 1954 (relating to tax imposed) is amended by adding at the end thereof the following new subsection:

"(f) Adjustments in Tax Tables So That Inflation Will Not Result in Tax Increases.—

(1) In general—

"(A) Taxable years before 1984.—Not later than December 15 of each calendar year before 1983, the Secretary shall prescribe tables which shall apply in lieu of the tables contained in subsections (a), (b), (c), (d), and (e) with respect to taxable years beginning in the succeeding calendar year.

"(B) Taxable years after 1983.—The tables prescribed under subparagraph (A) for taxable years beginning in 1983 shall also apply in lieu of the tables contained in subsections (a), (b), (c), (d), and (e) with respect to taxable years beginning after 1983.

"(2) Method of prescribing tables.—The table which under paragraph (1) (A) is to apply in lieu of the table contained in subsection (a), (b), (c), (d), or (e), as the case may be, with respect to taxable years beginning in any calendar year shall be prescribed—

"(A) by increasing—

"(i) the maximum dollar amount on which no tax is imposed under such table, and

"(ii) the minimum and maximum dollar amounts for each rate bracket for which a tax is imposed under such table,

by the cost-of-living adjustment for such calendar year,

"(B) by not changing the rate applicable to any rate bracket as adjusted under subparagraph (A) (ii), and

"(C) by adjusting the amounts setting forth the tax to the extent necessary to reflect the adjustments in the rate brackets.

If any increase determined under subparagraph (A) is not a multiple of $10, such increase shall be rounded to the nearest multiple of $10 (or if such increase is a multiple of $5, such increase shall be increased to the nearest multiple of $10).

"(3) Cost-of-living adjustment.—For purposes of paragraph (1), the cost-of-living adjustment for any calendar year is the percentage (if any) by which—

"(A) the CPI for the preceding calendar year, exceeds

"(B) the CPI for the calendar year 1978.

"(4) CPI for any calendar year.—For purposes of paragraph (3), the CPI for any calendar year is the average of the Consumer Price Index for the months ending in the 12-month period ending on September 30 of such calendar year.

"(5) Consumer price index.—For purposes of paragraph (4), the term 'Consumer Price Index' means the Consumer Price Index for all-urban consumers published by the Department of Labor."

(*b*) Definition of zero bracket amount.—Subsection (d) of section 63 of such Code (defining zero bracket amount) is amended to read as follows:

"(d) Zero bracket amount.—For purposes of this subtitle, the term 'zero bracket amount' means—

"(1) in the case of an individual to whom subsection (a), (b), (c), or (d) of section 1 applies, the minimum amount of taxable income on which no tax is imposed by the applicable subsection of section 1, or

"(2) zero in any other case."

Sec. 3. Cost-of-Living Adjustments in Amount of Personal Exemptions.

(a) General rule.—Section 151 of the Internal Revenue Code of 1954 (relating to allowance of deductions for personal exemptions) is amended by striking out "$1,000" each place it appears and inserting in lieu thereof "the exemption amount".

(b) Exemption amount.—Section 151 of such Code is amended by adding at the end thereof the following new subsection:

"(f) Exemption amount.—For purposes of this section, the term 'exemption amount' means, with respect to any taxable year, $1,000 increased by an amount equal to $1,000 multiplied by the cost-of-living adjustment (as defined in section 1(f) (3))—

"(1) for the calendar year in which the taxable year begins, or

"(2) in the case of a taxable year beginning after December 31, 1982, for calendar year 1983.

If the amount determined under the preceding sentence is not a multiple of $10, such amount shall be rounded to the nearest multiple of $10 (or if such amount is a multiple of $5, such amount shall be increased to the nearest multiple of $10)."

Sec. 4. Adjustments in Withholding.

(a) In general.—Subsection (a) of section 3402 of the Internal Revenue Code of 1954 (relating to requirement of withholding) is amended by inserting after the third sentence the following new sentence: "The Secretary shall, not later than December 15 of each calendar year before 1983, prescribe tables which shall apply in lieu of the tables prescribed above to wages paid during the succeeding calendar year and which shall be based on the tables prescribed under section 1(f) which apply with respect to taxable years beginning in such succeeding calendar year. The tables prescribed under the preceding sentence for 1983 shall also apply with respect to wages paid after 1983."

(b) Percentage method of withholding.—Paragraph (1) of section 3402(b) of such Code (relating to the percentage method of withholding) is amended by adding at the end thereof the following new sentence: "The Secretary shall, not later than December 15 of each calendar year before 1983, prescribe a table which shall apply in lieu of the above table to wages paid during the succeeding calendar year and which shall be based on the exemption amount (as defined in section 151(f)) which applies to taxable years beginning in the succeeding calendar year. The table prescribed under the preceding sentence for 1983 shall also apply to wages paid after 1983."

(c) WITHHOLDING ALLOWANCES BASED ON ITEMIZED DEDUCTIONS.—Paragraph (1) of section 3402(m) of such Code (relating to withholding allowances based on itemized deductions) is amended—

(1) by striking out "$1,000" and inserting in lieu thereof "the exemption amount (as determined under section 151(f) for taxable years beginning in the calendar year)"; and

(2) by striking out subparagraph (B) and inserting in lieu thereof the following:

"(B) an amount equal to the maximum amount of taxable income for taxable years beginning in the calendar year on which no tax is imposed by section 1(a) (or section 1(b) in the case of an individual who is not married, within the meaning of section 143, and who is not a surviving spouse, as defined in section 2(a))."

SEC. 5. RETURN REQUIREMENTS.

(a) Clause (i) of section 6012(a)(1)(A) of the Internal Revenue Code of 1954 is amended by striking out "$3,300" and inserting in lieu thereof "the sum of the exemption amount and the zero bracket amount applicable to such an individual".

(b) Clause (ii) of section 6012(a)(1)(A) of such Code is amended by striking out "$4,400" and inserting in lieu thereof "the sum of the exemption amount plus the zero bracket amount applicable to such an individual".

(c) Clause (iii) of section 6012(a)(1)(A) of such Code is amended by striking out "$5,400" and inserting in lieu thereof "the sum of twice the exemption amount plus the zero bracket amount applicable to a joint return".

(d) Paragraph (1) of section 6012(a) of such Code is amended by striking out "$1,000" each place it appears and inserting in lieu thereof "the exemption amount".

(e) Paragraph (1) of section 6012(a) of such Code is amended by adding at the end thereof the following new subparagraph:

"(D) For purposes of this paragraph—

"(i) The term 'zero bracket amount' has the meaning given to such term by section 63(d).

"(ii) The term 'exemption amount' has the meaning given to such term by section 151(f)."

(f) Subparagraph (A) of section 6013(b)(3) of such Code is amended—

(1) by striking out "$1,000" each place it appears and inserting in lieu thereof "the exemption amount",

(2) by striking out "$2,000" each place it appears and inserting in lieu thereof "twice the exemption amount", and

(3) by adding at the end thereof the following new sentence:

"For purposes of this subparagraph, the term 'exemption amount' has the meaning given to such term by section 151(f)."

SEC. 6. EFFECTIVE DATES.

(a) The amendments made by sections 1, 2, and 4 of this Act shall apply to taxable years beginning after December 31, 1979.

(b) The amendments made by section 3 of this Act shall apply to remuneration paid after December 31, 1979.

By Mr. DOLE:

S. 13. A bill to amend the Congressional Budget Act of 1974 to impose limits on the amounts of total budget outlays and Federal revenues set forth in concurrent resolutions on the budget, to require a two-thirds vote for agreeing to concurrent resolutions on the budget which set forth a deficit, and for other purposes; to the Committee on Governmental Affairs.

SPENDING LIMITATION ACT

Mr. DOLE. Mr. President, the most pressing and serious problem facing the Congress as we reconvene for the start of the 96th Congress is the expanding role of Government. The American people are tired of seemingly limitless Government spending, ever increasing taxing and a rapidly growing national deficit.

EXCESSIVE FEDERAL SPENDING

Mr. President, the public wants more efficient and smaller Government. The overwhelming approval in California last year of the proposition 13 ballot initiative signaled a beginning. In the November elections, voters in 12 out of 16 States approved proposals to limit Government spending or taxes.

The Federal Government has so far not heeded these warnings. Congress continues to increase spending, maintain unwarranted deficits and legislate higher tax rates. The bill which I introduce today is designed to restore fiscal sanity and sound economic planning.

GOVERNMENTAL EXPENDITURES

Mr. President, the range of governmental activities has been increasingly expanding. In 1929, governmental expenditures—the combined Federal, State, and local spending—was 11 percent of our gross national product. Government spending as a percentage of gross national product rose to 20 percent in 1940, 23 percent in 1950, 30 percent in 1960, 35 percent in 1970 and nearly 38 percent last year.

Mr. President, the growth in Federal spending has been incredible. In fiscal years 1962, Federal outlays were slightly over $100 billion. In less than decades from that time, the President of the United States will submit a budget almost 5½ times that number. To demonstrate how outrageous Federal spending has become, the Government has increased new Government outlays by $130 billion in the last 3 years.

NATIONAL DEBT

This tremendous increase in spending has brought about a dramatic growth in our national debt. In fiscal year 1975, the Federal debt stood at $544 billion. However, in only a short period of time, it is likely that the national debt will soon approach $900 billion. Federal spending in the current fiscal year is up dramatically. However, if off-budget agencies are included, the figures appear even more dramatic. It is apparent that Federal spending, which has by all sane standards become out of control, needs to be cut back.

The expanding role of Government has led to a proliferation of Government agencies, regulations and bureaucratic morass. At least 90 Federal agencies are involved in issuing Government regulations. Funds allocated for regulation in this year's Federal budget amount to $4.5 billion—more than twice the expenditure in 1974. Some economists have said that Government regulation increases the price of goods and services in the United States by as much as $100 billion a year.

BALANCED BUDGET

Mr. President, since 1950, the Federal budget has been balanced in only 5 years and the Government has not balanced the budget at all in this decade. These budget deficits indicate a lack of a coherent fiscal policy. In fact, we seem to run a deficit no matter what the state of our economic affairs. Mr. President, I am introducing several proposals today. They include: Limits on Federal spending, taxes, and a mandate for a Federal balanced budget. I believe that my approach is a sensible one to a chronic problem.

SPENDING AS PERCENTAGE OF GNP

Mr. President, under the projected fiscal year, Federal spending will be approximately 22 percent of gross national product, the sum of all goods and services produced in the United States. The Senator from Kansas believes that that level, over the long run, is too high. My proposal calls for a limit on Federal spending as a percent of gross national product. The Senator from Kansas believes that it is time to return the percentage of Federal expenditures, as it relates to gross national product, to its historical level of 18 percent. The spending limitation act requires the Government to decrease spending as a percent of gross national product until it reaches the 18 percent level in 3 years. In order to maintain some flexibility, spending may rise if the increase is approved by two-thirds of both Houses of Congress.

Mr. President, to complement the spending limitation, I am introducing a counterpart initiative to limit taxes. Under my proposal, the Congress' ability to raise revenue is similarly limited to 18 percent of gross national product. This limit will act to curb Federal spending and insure potential tax relief to the overburdened taxpayer.

TAXING LIMITATION

Mr. President, the American people have had enough. They have had enough of big Government—inflation—and high taxes. The taxpayers' revolt that started in California and spread across the country is only the beginning. The taxpayers across the country are sending a message. Unless we in Washington listen, we will be faced with the same consequences.

Mr. President, the Senator from Kansas is also submitting initiatives to balance the Federal budget. It has been shown time and time again that the public overwhelmingly supports a federally balanced budget. According to a recent survey, more than 80 percent of Americans favor requiring the Congress to balance expenditures with revenue each year.

FEDERAL DEFICIT

The persistence of substantial deficits has been largely responsible for our serious inflation problem. When a government sustains a budget deficit, it is putting more money into the economy than it is extracting. It is no surprise, that when the deficit is as large as it is now at a time of economic expansion, that inflation would be accelerating. The reduction of the deficit would help suppress inflation. However, a balanced budget by itself may not result in smaller Government or lower taxes. For this reason, it is necessary not only to balance the budget, but also to reduce expenditures and taxes.

As a third prong of the Spending Limitation Act, I am calling for a federally balanced budget. In order to provide some flexibility because of economic circumstances, the budget may be unbalanced in every 2 of 5 years. However, if the budget is unbalanced, the deficit must be made up within 2 years.

CONSTITUTIONAL AMENDMENT

Mr. President, the Spending Limitation Act amends the 1974 Congressional Budget Act. However, I am also introducing a constitutional amendment for a balanced budget. This proposal is similar to the bill being introduced. It requires fiscal responsibility but allows sufficient flexibility for the Congress to respond to economic and other contingencies.

Mr. President, in order to reduce the role of government and control inflation, we must take bold action. My plan would bring about the goals which the American people support while permitting needed flexibility.

I ask unanimous consent that the text of my bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 13

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title III of the Congressional Budget Act of 1974 (31 U.S.C. 1321–1332) is amended by inserting after section 301 the following new sections:

"LIMITATIONS ON TOTAL BUDGET OUTLAYS AND FEDERAL REVENUES

"SEC. 301A. (a) PERCENTAGE OF GROSS NATIONAL PRODUCT.—Beginning with the fiscal year ending on September 30, 1980, the appropriate level of total budget outlays and the appropriate level of Federal revenues set forth in any concurrent resolution on the budget for a fiscal year shall not exceed the following percentages of the Gross National Product at the close of such fiscal year as projected by the Director of the Congressional Budget Office and reported by him, from time to time, to the Committees on the Budget of the House of Representatives and the Senate:

"(1) 21 percent, for the fiscal year ending on September 30, 1980,

"(2) 19½ percent, for the fiscal year ending on September 30, 1981, and

"(3) 18 percent, for the fiscal year ending on September 30, 1982, and for each fiscal year thereafter.

"(b) NATIONAL EMERGENCIES.—The provisions of subsection (a) shall not apply to a concurrent resolution on the budget for a fiscal year if such concurrent resolution contains a section stating the existence of a national emergency necessitating the waiver of such provisions, but on the question of agreeing, in either the House of Representatives or the Senate, to any such concurrent resolution, or to the report of a conference committee on any such concurrent resolution, the affirmative vote of two-thirds of the Members present and voting, by rollcall vote, shall be required.

"BUDGET DEFICITS

"SEC. 301A. (a) TWO-THIRDS VOTE REQUIRED.—Beginning with the fiscal year ending on September 30, 1980, if the concurrent resolution on the budget for a fiscal year required by section 301, and any succeeding concurrent resolution on the budget for the same fiscal year, sets forth a deficit in the budget as appropriate, or the report of a conference committee on any such concurrent resolution recommends a deficit in the budget as appropriate, on the question of agreeing, in either the House of Representatives or the Senate, to such concurrent resolution or such conference report the affirmative vote of two-thirds of the Members present and voting, by rollcall vote, shall be required.

"(b) NOT MORE THAN TWO DEFICITS IN FIVE YEARS.—Beginning with the fiscal year ending on September 30, 1980, it shall not be in order in either the House of Representatives or the Senate to consider any concurrent resolution on the budget for a fiscal year which sets forth a deficit as appropriate, or the report of a conference committee on any concurrent resolution on the budget which recommends a deficit as appropriate, if, for more than one fiscal year out of the preceding four fiscal years, total budget outlays exceeded total Federal revenues. In the case of a concurrent resolution on the budget for a fiscal year which is being considered before the close of the preceding fiscal year, the amount of total budget outlays and Federal revenues for such preceding fiscal year shall be based on estimates made by the Director of the Congressional Budget Office and furnished by him, from time to time, to the committees on the Budget of the House of Representatives and the Senate.

"(c) DEFICITS MUST BE MADE UP IN TWO YEARS.—If for any fiscal year, beginning with the fiscal year ending on September 30, 1980, total budget outlays exceed total Federal revenues—

"(1) the concurrent resolution on the budget for the succeeding fiscal year (or, if necessary, the succeeding two fiscal years) shall set forth an amount of appropriate surplus equal to the amount of such excess; and

"(2) it shall not be in order, in either the House of Representatives or the Senate, to consider any concurrent resolution on the budget for the second succeeding fiscal year unless such concurrent resolution sets forth an amount of appropriate surplus equal to the amount of such excess, reduced by the amount by which total Federal revenues exceeded total budget outlays for the first succeeding fiscal year.

For purposes of paragraph (2), in the case of a concurrent resolution on the budget for the second succeeding fiscal year which is being considered before the close of the first succeeding fiscal year, the amount of total budget outlays and Federal revenues for the first succeeding fiscal year shall be based on estimates made by the Director of the Congressional Budget Office and furnished by him, from time to time, to the Committees on the Budget of the Senate and the House of Representatives.".

SEC. 2. Section 904(b) of the Congressional Budget Act of 1974 is amended by striking out "title III or IV" and inserting in lieu thereof "title III (except sections 301A and 301B) or title IV".

By Mr. CHURCH:

S. 14. A bill to amend and supplement the acreage limitation and residency provisions of the Federal reclamation laws, as amended and supplemented, and for other purposes; to the Committee on Energy and Natural Resources.

RECLAMATION REFORM ACT OF 1979

Mr. CHURCH. Mr. President, I am pleased to reintroduce the Reclamation Reform Act, a bill which was subjected to hearings last year and must be acted on by the Congress this year.

This bill is the product of a bipartisan effort to address the problems which have developed in our Federal reclamation laws—problems which Congress has the duty to correct.

The subject of controversy is the Reclamation Act of 1902 which established two basic requirements for an individual to get water delivered to his land on a Federal reclamation project. First, he had to live on or near the land. This requirement was later interpreted to require residency within 50 miles of the land. Second, he could not receive water on more than 160 acres held in fee. The law did not address any limitation on leased land.

These requirements were sound and meaningful in 1902. At that time, 160 acres was about all a family could handle efficiently with a mule and plow. The residency requirement was equally effective in stimulating the population of the vast reaches of western land and in excluding land speculators from the Federal projects.

But 77 years have elapsed since adoption of the 1902 act. Tremendous changes in the economics of agriculture have taken place. Since circumstances have changed, the law must change to conform to the realities of present-day farming. Unless the Congress acts before the end of this year, thousands of reclamation project family farms will be thrown into chaos by court ordered rules strictly enforcing the outdated 1902 law.

The problems in the existing law are numerous:

Ambiguities in the 1902 Act have permitted benefits of the program to go to speculators and profiteers instead of farmers.

The residency requirements of the law have not been enforced and many farmers now live well over 50 miles from their farms. Some farmers have retired and live hundreds of miles from their farms while others have conveyed title to the land to their children living in other parts of the country.

Existing law does not deal directly with leasing on reclamation projects although the Secretary of the Interior has proposed certain restrictions.

160 acres is no longer an economic farm unit for most farmers. As a result, they have been forced to acquire title to additional land in the name of their spouses or children or they have leased additional acreage in order to operate an economic farm unit.

Individuals receiving even minimal amounts or supplemental Federal water deliveries may be subjected to the acreage limitations and requirements of Federal reclamation law.

Other ambiguities abound. As a result of the current state of the law and recent court decisions which led the Secretary of the Interior to promulgate proposed regulations to force the sale of "excess" lands, farmers on reclamation projects are confused and dismayed. No one knows what to expect. Many farmers find they are unable to secure financing for the coming year's crops due to the uncertainty.

An updating of the law is essential if farmers are to return to the business of farming with assurance that their water will not be shut off.

ACREAGE LIMITATIONS

An acreage limitation should be established for farm operations which will replace the current outmoded 160-acre restriction on individual ownership. Such a limitation would insure that the benefits of the reclamation program will be spread among as many farmers as feasible, while permitting them to operate a viable farm unit without having to play a shell game with title to the land. Moreover, an absolute limit on size, whether the land is leased or owned, will be much easier to understand and enforce than present law.

Accordingly, my bill would replace the existing acreage restriction of 160 acres per individual with an absolute maximum farm size of 1,280 acres, owned or leased in any combination.

Under existing law, as interpreted by the Secretary of the Interior, it should be observed that a family of four could control 1,280 acres, by leasing 640 and holding an additional 640 in fee. Today, in other words, the size of the family determines the size of the farm.

QUALIFIED RECIPIENTS

In order to allow for family partnerships and family corporations, without opening the door to large corporate businesses, my bill would restrict such combinations to no more than 25 persons.

If the operators desired to set up a family corporation, as many farmers do, they would not face the disadvantage present law inflicts on them. Under the Secretary's proposed regulations, a corporation could only own 160 acres, while a family of four could own 640. Thus, by incorporating, the family would have to divest 480 acres or be in violation of the law. This is manifestly unfair.

In addition, my bill would not require individual members of a farm family to own portions of the farm. To illustrate: A farm family (father, mother and dependents) would be treated as an individual for purposes of the acreage limitations. Thus, the family could obtain federally delivered water on a reclamation project for up to a maximum of 1,280 acres, no matter who in the family actually held title to the land.

Moreover, whatever legal entity is formed to hold the land, its benefits may not flow to more than 25 persons, nor could that entity obtain project water for a farm of more than 1,280 acres. The holdings of the entity would be deemed those of each beneficiary for purposes of determining compliance with the acreage limitations. For example, if a corporation had 10 shareholders and controlled 1,280 acres, each shareholder would be deemed the holder of 1,280 acres for purposes of the acreage limitations.

In addition, the Secretary would be given authority to limit the number of landholders that any person, firm, or business could manage for the benefit of another on reclamation projects. This will further limit access by large corporations, and help preserve a pattern of family-operated farms.

RESIDENCY

The residency requirement of existing law does little to assure that the benefits of the project will go to those who intend to actually farm the land; it merely requires that an owner live within a certain distance from the owned reclamation lands. As a result, a person living within 50 miles of reclamation land may purchase that land without ever intending to farm it. This permits speculators to invest in Federal reclamation projects and reap windfall profits from land benefited by project water without ever intending to farm the land. This is contrary to the goals of the program.

The legislation I am introducing today would abolish the residency requirement, since it is no longer effective in assuring that the benefits of the program go to people involved in agricultural production. Those who acquire land on reclamation projects in the future would be required to derive income from the agricultural production of their land rather than from renting it out at a fixed fee. This proprietorship test would apply for a period of 10 years, after which an operator could sell or lease the land to another qualified recipient, if he so desired.

This proprietorship test will discourage speculators seeking quick profits from the appreciation of reclamation land while insuring that those who actually depend upon farming for their livelihood will enjoy the benefits of the program.

EQUIVALENCY

Not all land on Federal reclamation projects is of equivalent productive capacity. As a result, some allowance should be made for lands of lesser productive capacity in applying the acreage limitations.

It would be wrong to treat all reclamation land alike. In fact, as reclamation projects have been built in the past, land tracts have been classified according to various criteria, such as the fertility of the soil, elevation, slope, growing season, and other physical characteristics. This was done to determine the ability of farmers on less productive land to meet repayment charges.

My bill would direct the Secretary to make appropriate increases in the acreage limitation, beyond 1,280 acres, for lands of lesser productivity than class 1 land, by utilizing these same criteria.

REPAYMENT OF CONSTRUCTION CHARGES

This bill also provides that, upon the scheduled repayment of the irrigators' portion of a projects' construction charges, the acreage limitation will no longer apply. The provision reaches two contractual situations.

The first consists of those contracts with the Government which contain a clause detailing the manner in which the irrigators, by speeding up payment of construction charges or by some other means, may exempt themselves from the acreage limitations. A number of these contracts have been approved by Congress and thus have the force of law. However, a number of others have not been so approved, and, as a result, may be ineffectual in exempting districts which have paid out in advance. My bill would give these districts the benefit of their bargain, and put them on an equal basis with those that have already secured the approval of Congress.

The second category of contracts covered by this provision contains no language terminating acreage limitations upon payout. Under my bill, once the irrigators have repaid their debt to the Government, the acreage limitations would no longer apply.

Another feature of the bill is its requirement that, upon payout, the Secretary is to issue a recordable document to be placed in the records of the county in which the land is located stating that the acreage limitations no longer are applicable to that land. This will remove the cloud from the title to lands in projects where the irrigators' obligation to the Federal Government has been fully repaid.

COMMINGLING

One problem not addressed by this legislation is commingling, where federally delivered water is mixed with water from non-Federal sources. I believe this problem should be dealt with and intend to work with concerned irrigators in an effort to devise a workable solution. I will be looking to them for guidance as this bill progresses.

FRAMEWORK UPON WHICH TO BUILD

I realize that this legislation does not contain all the answers to the complicated problems inherent in an outdated reclamation program, which has been unevenly administered through the years. I view this bill as a framework upon which to build, as Congress strives to resolve some very complicated issues.

Mr. President, I ask unanimous consent that the text of the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 14

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act shall be a supplement to the Act of June 7, 1902, and Acts supplementary thereof and amendatory thereto (43 U.S.C. 371), hereinafter referred to as the Federal reclamation laws, and this Act may be cited as the "Reclamation Reform Act of 1979".

DEFINITIONS

SEC. 2. As used in this Act—

(a) The term "Secretary" means the Secretary of the Interior.

(b) The term "qualified recipient" means an individual, including his or her spouse, or dependents thereof, within the meaning of the Internal Revenue Code (26 U.S.C. 152), or any legal entity directly benefiting twenty-five persons or less, that is a citizen of the United States and that owns or leases a landholding.

(c) The term "individual" means any person, including his or her spouse, or dependents thereof within the meaning of the Internal Revenue Code (26 U.S.C. 152).

(d) The term "landholding" means one or more tracts of land owned or leased by any person which are served with a water supply pursuant to a contract with the Secretary.

ACREAGE LIMITATION

SEC. 3. (a) Any provision of the Federal reclamation laws which establishes a limitation on acreage to be served with a water supply to the contrary notwithstanding, a landholding of any qualified recipient which consists of one thousand two hundred and eighty acres or less shall be considered to be within the acreage limitation of the Federal reclamation laws.

(b) No individual shall benefit directly from the delivery of water to landholdings in excess of the acreage limitations of the Federal reclamation laws.

(c) Each individual who would benefit directly from the delivery of water to a landholding of a legal entity must qualify as a qualified recipient in order for such lands to be eligible to be served with a water supply.

(d) The Secretary may, in his discretion, by rule, impose a limitation on the number of landholdings that may be managed on behalf of a qualified recipient by another person.

(e) Except to the extent that they are inconsistent with the provisions of this Act, the other Federal reclamation laws, including those provisions relating to the implementation of the acreage limitations, shall remain in full force and effect.

(f) Nothing in this Act shall repeal or amend other statutory exemptions from any acreage limitations of the Federal reclamation laws.

EQUIVALENCY

Sec. 4. Wherever an average limitation is imposed by Federal reclamation law, the Secretary shall (upon request of a qualified recipient or other contracting entity representing one or more qualified recipients) designate by rule the acreage of a landholding which may receive water at one thousand two hundred and eighty acres of class 1 land or the equivalent thereof in other lands of lesser productive potential. Standards and criteria for determination of land classes pursuant to this authority shall take into account all factors which significantly affect the economic feasibility of irrigated agriculture, including but not limited to, soil characteristics, crop adaptability, costs of crop production and length of growing season: *Provided*, That this section shall not apply to any project, unit or division of a project or repayment contracting entity if the average frost-free growing season, as conclusively determined from published Department of Commerce records, exceeds one hundred and eighty days and that a landholding on such project, unit or division of a project may not exceed one thousand two hundred and eighty acres.

RESIDENCY NOT REQUIRED

Sec. 5. Notwithstanding any other provision of law, a qualified recipient shall not be required to be a resident on or near a landholding in order for such landholding to be eligible to receive water pursuant to a contract with the Secretary.

REPAYMENT OF CONSTRUCTION CHARGES

Sec. 6. (a) The acreage limitation provisions of the Federal reclamation laws shall cease to apply to any landholding upon completion of the repayment required by the terms of any contracts with the Secretary relating to the delivery of water supplies to such landholding for agricultural use.

(b) The Secretary shall provide, upon request of any owner of a landholding for which repayment has occurred, a certificate acknowledging that the landholding is free of the acreage limitations of the Federal reclamation laws. Such certificate shall be in a form suitable for entry in the land records of the county in which such landholding is located.

LEASING RESTRICTIONS

Sec. 7. (a) Lands which are leased by any party and operated for agricultural production utilizing water supplied pursuant to a contract with the Secretary shall be considered to be a part of such party's ownership or landholding for purposes of applying the acreage limitation of the Federal reclamation laws.

(b) No qualified recipient acquiring a landholding after January 1, 1978, may lease such landholding unless he or she has derived income as a qualified recipient from such landholding for agricultural production rather than a fixed rental for a period of not less than ten years: *Provided, however*, That the Secretary may permit such leasing after a shorter period of time upon application of a lessor if the Secretary determines that hardship or other mitigating circumstances warrant such permission.

(c) Lands which were leased by any party and operated for agricultural production utilizing water supplied pursuant to a contract with the Secretary on January 1, 1978, in excess of the acreage limitation of the Federal reclamation law may continue to receive a water supply until the expiration of the lease or ten years, whichever is shorter.

DELIVERIES OF WATER

Sec. 8. (a) One year after the date of enactment of this Act, no lands may receive water pursuant to a contract with the Secretary, except as otherwise provided in the Federal reclamation laws, unless such lands comprise a landholding which is within the acreage limitation of the Federal reclamation laws.

(b) Lands held by a charitable or religious not-for-profit organization and receiving water supplies pursuant to a contract with the Secretary as of January 1, 1978, may continue to receive such water supplies.

ADMINISTRATIVE PROVISIONS

Sec. 9. (a) The Secretary is hereby authorized and directed to amend any provision of any contract between the Secretary and another party existing upon the date of enactment of this Act which is inconsistent with the provisions of this Act, upon the request of said other party.

(b) Determinations made by the Secretary pursuant to the authority granted in this Act shall be in accordance with the provisions of the Administrative Procedure Act, chapter 5 of title 5, United States Code.

By Mr. LEVIN:

S. 15. A bill to amend the Consumer Credit Protection Act to prohibit discrimination on the basis of geography in the issuance and use of credit cards; to the Committee on Banking, Housing, and Urban Affairs.

Mr. LEVIN. Mr. President, today I am introducing a bill to prohibit the blatantly unfair practice of credit card redlining. Companies engaged in this practice give lower point ratings for the purpose of issuing credit cards to applicants if they reside within certain regions of this country or within specific zip codes within these regions. In other words, geography, rather than individual credit history now help determine an individual's acceptability for credit.

The result of using such a scoring system is to deny credit to persons, who are otherwise acceptable, on the basis of where in America they reside.

Such a state of affairs does not do justice to the ideals or the unity of our country.

Mr. President, I ask unanimous consent that the text of the bill and the three newspaper articles describing the practice be printed in the Record.

There being no objection, the bill and the articles were ordered to be printed in the Record, as follows:

S. 15

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 701 of the Consumer Credit Protection Act is amended by adding at the end thereof the following:

"(e) It shall be unlawful for a card issuer, as defined in section 103, to discriminate against any person with respect to any aspect of the issuance or use of a credit card, as defined in section 103, on the basis of the place of residence of that person.".

[From the Washington Post, July 20, 1977]

"Redlining" With Credit Cards

We were intrigued by a story we read the other day about a husband and wife in Detroit with a combined yearly income of $50,000 who have been unable to get a credit card from the Mobil Oil Corporation. The reason is that Mobil, like a lot of other credit corporations, uses geographic location as one measure of "credit worthiness," and the couple in question lives in an older relatively poor section of Detroit. Mobil says that it divides the country into regions and can determine statistically in which regions people are more likely to default on credit. It says that its tri-state Midwest region, which includes Michigan, has a history of poor "credit experience." Other corporations acknowledge that they make similar judgments by using zip codes as an important test of a person's credit acceptability.

Now, it is true that the country has done much in the past few years to clean up unfair and arbitrary credit-rating practices. Through the Equal Credit Opportunity Act, a lot of flagrant credit discrimination has been identified and is on the way out. But the test of residential location apparently is still with us—and widely used. One reason is that the law does not prohibit discrimination on that basis. That's why the various federal agencies that regulate the credit corporations argue that they have no way to stop the practice—so long as it doesn't clearly take the form of discrimination against any one race or sex.

There is a particularly disturbing aspect to this problem—apart from the effects of this form of discrimination on individuals—and that is the area-wide effect, especially on inner-city neighborhoods. In practical terms, the determination of a person's entitlement to credit based on a region, a state or the location within a city is a form of "redlining"—a term more often associated with discriminatory mortage lending, but applicable in this instance. At a time when local and federal officials are developing programs to get more people to live in cities—and in older neighborhoods in particular—a denial of credit to otherwise credit worthy residents of the areas concerned is, to say the least, unhelpful.

Serious consideration ought to be given to amending the Equal Credit Opportunity Act so that geographic location does not remain a basis for discrimination. Credit worthiness should be determined uniformly and on the individual merits, not by the arbitrary application of tests having only to do with where the credit-seeker happens to live.

[From the New York Times, June 16, 1977]

"Redlining" Charged in Credit Denial to Detroit Couple

(By Reginald Stuart)

Detroit, June 15.—In what has been criticized as a flagrant case of credit card "redlining," a Detroit couple with an annual income of $50,000 has been denied a Mobil Oil Company credit card because the couple lives in Detroit and because the husband's occupation was not considered a good credit risk.

Isaac Selick, a retired Detroit police officer who is now a security guard and private detective, and his wife, Aileen, a member of the staff of the Detroit superintendent of public schools, received their rejection notice recently in the form of a computer printout. Part of the letter read as follows:

"Mobil uses a scoring system which was developed by analyzing the credit history of thousands of accounts, so that we could identify and assign values to those characteristics which best indicate credit performance. The values assigned to these characteristics are then applied to the responses given on each application, thereby producing an overall score.

"Each applicant's composite score is then compared to what our past experience has found to be the minimal acceptable total. Unfortunately, your composite score was below the minimum required for approval. The major areas where you scored the lowest were:

"Credit experience in your general geographical area.

"Credit experience in your occupational category."

"REDLINING OF THE WORST ORDER"

Carl Levin, who is president of the Detroit City Council and an outspoken opponent of redlining, said the letter and refusal to grant the Selicks a credit card "is nothing short of incredible and constitutes redlining of the worst order."

The term "redlining" grew out of the practice on the part of some banking or insurance officials of lining off poor or rundown sections of a city, making it difficult if not impossible for persons living in those sections—often members of minority groups—to obtain insurance or a loan for home improvements. Banking and insurance officials maintain that the practice is based on sound business principles and not on neighborhood or racial discrimination, but many people living in such neighborhoods dispute this.

W. B. Blackwell, manager of credit for the Mobil Oil Credit Corporation based in Kansas City, Mo., said the system used in evaluating the Selicks' application "is accurate, fair and objective."

SCORING SYSTEM NOT UNUSUAL

Mr. Blackwell, who said the system had been in use for at least four years, added that the geographical area referred to in the printout was Michigan. However, Mrs. Selick said that when she called Mobil several days ago inquring about the system, she was told by an account representative that ZIP codes were used in evaluating applications.

The Selicks' experience of being rejected based on a computerized scoring system is not rare. In trying to answer criticism of using a single person to evaluate and judge the credit merits of applicants, large retail credit operations have turned to scoring systems such as the one used by Mobil. The system is also being studied by commercial consumer lending operations as a replacement for the use of an individual.

An official of the Federal Reserve Board in Washington, which designs regulations regarding consumer credit standards, said today that the system used in rejecting the Selicks was perfectly legal.

"The law prohibits discrimination based on race, color, sex, religion and national origin," the official said, "but does not prohibit decision based on economic factors. Creditors are under no legal obligation to extend credit to anybody."

[From the Wall Street Journal, Aug. 8, 1977]

FTC INVESTIGATES BIG CREDIT CARD ISSUERS FOR POSSIBLE BIAS AGAINST APPLICANTS

WASHINGTON.—Major credit-card issues are being investigated by the Federal Trade Commission for possible discrimination against card applicants because of their race, sex or other factors.

The investigation disclosed over the weekend by FTC Commissioner Elizabeth Hanford Dole, will cover among other areas, the practices of "oil companies, retailers and certain travel and entertainment card companies," the commission said.

Speaking to the National Association of Women Lawyers in Chicago, Mrs. Dole said the FTC believes "racial discrimination in retail credit may be more widespread than was previously suspected."

One technique that the commission staff plans to examine is the practice of using a credit card applicant's postal zip code in determining whether to issue a card. By comparing zip codes with census tract information, "we may find that the use of zip codes as a credit scoring system results in a disproportionately larger number of rejections for blacks than for white applicants," Commissioner Dole said.

Another possible violation of the Equal Credit Opportunity Act cited by Mrs. Dole involves differentiating between applicants on the basis of sex. She indicated that the FTC staff would look for instances where waiters get more favorable treatment as applicants than waitresses, say, or where companies use different standards in writing credit histories for men than for women.

Also to be explored by the commission, Mrs. Dole added, is possible discrimination against the elderly and those on public assistance. In addition, it will investigate "indirect, unintentional" discrimination such as the use of telephone listings to determine credit worthiness—a criterion that discriminates against married women whose telephones are listed in their husbands' names, she told the women lawyers.

An FTC staff lawyer said that the investigation should begin to produce results by next spring that could be the basis for complaints against specific companies, if the commission deems such charges justified.

Separately, the FTC said it has authorized a staff investigation into whether door-to-door salesmen are complying with the commission's "cooling-off" rule.

The three-year-old rule requires door-to-door salesmen and others who make sales outside their places of business to give consumers a three-day cooling-off period during which buyers may cancel sales without penalty or fee. The rule applies to goods or services costing $25 or more.

The investigation also will determine whether the commission should attempt to obtain redress for consumers in such cases. The study doesn't imply violations of the law have occurred, commission spokesman said.

By Mr. WEICKER:

S. 16. A bill to provide for a nationwide Presidential primary for the nomination of candidates for election to the Office of President and to limit Federal campaign contributions and expenditures to the year in which a Federal election is held; to the Committee on Rules and Administration.

PRESIDENTIAL PRIMARY ACT

Mr. WEICKER. Mr. President, I am reintroducing today legislation to rationalize the Presidential nominating process. This legislation, entitled the "Presidential Primary Act," originally introduced in the 95th Congress, would establish a nationwide Presidential primary to be held in August of each Presidential election year and restrict contributions to campaigns for Federal office to the year in which the election is held.

By adopting this legislation we will achieve two essential reforms in our election process. First, we will drastically reduce the length of Presidential campaigns and thereby reduce their cost. Second, we will increase voter participation in the selection of Presidential candidates.

Mr. President, the basic problem of Presidential campaigns has always been this: Presidential campaigns are too long. A campaign of inordinate length requires money in inordinate amounts. Long campaigns translate into big money.

The Presidential Primary Act would attack the problem at its source—time. In order to be placed on the national primary ballot, Presidential candidates would be required to file, by June 30, a petition signed by qualified voters of their party plus unaffiliated voters, totaling one percent of the total vote in the last Presidential election. The national Presidential primary for each party would be held on the first Tuesday in August. If no candidate received 50 percent of the vote, a runoff election between the top two finishers of each party would be held on the third Tuesday in August. Vice Presidential candidates selection would continue in the manner each party desired. Thus, within a 2-month period, the Presidential ticket for major political parties would be established. By contrast, in 1976, for example, there were 30 primaries, held on 13 different dates beginning on February 24 (New Hampshire) and ending on June 8 (California, New Jersey and Ohio—a period of 15 weeks).

A major aspect of the bill is the end of the partial disenfranchisement of unaffiliated voters. Under this proposal they will be allowed to vote in the party primary of their choice. State laws governing elections limit the participation of unaffiliated voters to an "end of the road" choice between two alternatives presented by the major parties. Preferential treatment is given the party affiliated at the expense of unaffiliates, who comprise more than a third of all registered voters. Under color of State law a major segment of our citizenry has been effectively disenfranchised from a vital and integral part of their right to participate in the political process. The time has come to bring democracy to presidential primaries by giving everyone—independents as well as Republicans and Democrats—the chance to participate from the beginning.

Mr. President, America has always been a nation of dreamers and doers. Not content with "what might have been," we have attempted throughout our history to wed promise to practice, to forge from our ideals the courage to try. What I have proposed today is beyond the pale of politics as usual. What it will cost in stability in the short-term, I believe it will repay in the long-term by greater enfranchisement, participation, and electoral sanity.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 16

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Presidential Primary Act."

FINDINGS

SEC. 2. The Congress finds that—

(1) the procedure by which candidates are nominated for election to the Office of President is an essential and inseparable part of the process by which the people of the United States choose their President, and

(2) it is necessary and proper for the Congress to provide by legislation for the regulation of that procedure in order to protect the integrity of the Presidential election process.

DEFINITIONS

SEC. 3. As used in this Act, the term—

(1) "State" means the District of Columbia and each of the several States of the United States; and

(2) "political party" means a political party whose candidates for election as President and Vice President in the next preceding Presidential election received at least 5 per centum of the total number of votes cast in that election for all candidates for election to such offices. For purposes of this paragraph, a vote cast for an individual seeking election as an elector of the President and Vice President who is affiliated with a political party or who is pledged to cast his electoral vote for the candidates of a political party for election to such offices shall be considered to be a vote cast for the candidates of that party for election as President and Vice President.

NATIONAL PRIMARY

SEC. 4. (a) An election for the nomination of candidates of political parties for election to the Office of President shall be held in each State on the first Tuesday in August of each year in which a Presidential election is to be held.

(b) The election shall be conducted in each State by officials of that State charged with conducting public elections. Any voter who is eligible to vote for the election of electors of the President and Vice President shall be eligible to vote in the Presidential primary election. No voter shall be eligible to vote for the nomination of a candidate of a party if that voter is registered as member of a different political party. Any voter, not registered as a member of a political party, may vote for the nomination of any one candidate of any political party.

(c) If the law of any State makes no provision for the registration of voters by party affiliation, voters in that State shall register their party affiliation for purposes of this primary in accordance with procedures prescribed by the Attorney General.

(d) Within five days after the Presidential primary election, the chief executive of each State shall certify to the President of the Senate the name and party affiliation of each individual for whom votes were cast in the election and the number of votes received by that individual. The certification shall be transmitted under seal to the President of the Senate, who, in the presence of the Speaker of the House of Representatives and the majority and minority leaders of both Houses of the Congress and within five days after all certificates have been received, shall open all the certificates and cause to have published in the Congressional Record the aggregate number of votes cast for each individual.

QUALIFYING

SEC. 5. (a) No individual shall be a candidate for nomination for President except in the primary of the party of his registered affiliation. An individual's name, together with this party affiliation, shall appear on the Presidential primary ballot in each State if he qualifies under subsection (b), but shall not appear on such ballot in any State if he fails to qualify under subsection (b).

(b) In order to qualify to have his name appear on the Presidential primary ballot in each State, an individual must file, not later than the thirtieth day of June of the year in which the Presidential primary election is to be held, a petition with the President of the Senate which meets the requirements of subsection (c).

(c) A petition filed under subsection (b) meets the requirements of this subsection if it has been signed, after the last day of the calendar year preceding election year by qualified voters, as certified by the chief executive officer of the State, equaling to at least 1 per centum of the total vote cast in the previous Presidential election: *Provided*, That signatures of persons, who are members of a political party other than the political party whose nomination the candidate seeks, shall be invalid.

NOMINATION BY PRIMARY

SEC. 6. If any individual receives 50 per centum or more of the total number of votes cast for all candidates for nomination by his party in the Presidential primary election conducted under section 4, he shall be the candidate of that party for election as President in the Presidential election to be held that year. If no individual receives more than half the total number of votes cast by members of his party in such election, a second primary shall be held in accordance with the provisions of section 7.

SEC. 7. (a) If a second primary must be held, it shall be held on the third Tuesday following the first primary. The second primary shall be conducted in the same manner as the primary described in section 4, except that the candidates for the nomination of a political party for election to the Office of President whose names appear on the ballot in the second primary shall be those two candidates for the nomination of that party who received the greatest and next greatest number of votes cast in the first primary for all candidates for the nomination of that party.

(b) The candidate who receives the greatest number of votes cast in the second primary shall be the candidate of the political party for election to the Office of President in the Presidential election to be held that year.

DEATH OR RESIGNATION OF NOMINEE

SEC. 8. (a) (1) If the candidate of a political party for election as President dies or resigns the nomination before the nomination by that party of a candidate for election as Vice President, his successor shall be nominated by the convention of that party as if no individual has been nominated by the members of that party in the Presidential primary election.

(2) If the candidate of a political party for election as President dies or resigns the nomination after the nomination by that party of a candidate for election as Vice President, the individual nominated as a candidate for election as Vice President shall resign the vice-presidential nomination and become the candidate of that party for election as President.

(b) If the candidate of a political party for election as Vice President dies or resigns, or if the candidates of that party for election as President and Vice President both die or resign, a national committee of that party composed of a delegation of each State shall choose the candidate for Vice President, or both candidates (as the case may be), by vote. In taking that vote, the delegation from each State shall have one vote. A quorum for the purposes of voting under this subsection consists of a delegate or delegates from two-thirds of the States, and a majority of all States shall be necessary to a choice.

REGULATIONS

SEC. 9. The Attorney General shall prescribe such regulations as may be necessary to carry out the provisions of sections 3 through 8 of this Act.

LIMITATION ON CAMPAIGN FUND-RAISING AND CAMPAIGN EXPENDITURES TO CALENDAR YEAR OF ELECTION

SEC. 10. Title III of the Federal Election Campaign Act of 1971 is amended by inserting after section 320 (2 U.S.C. 441a) the following new section:

"LIMITATION ON CONTRIBUTIONS AND EXPENDITURES PRIOR TO ELECTION YEAR

"SEC. 320A. (a) Neither a candidate nor any of his authorized political committees—

"(1) may accept a contribution for use in connection with the campaign of that candidate for nomination for election, or for election, to Federal office before the first day of January of the calendar year in which the election is held to which that campaign relates, or

"(2) may make an expenditure for or on behalf of the candidate in connection with such campaign—

"(A) before the first day of January of the calendar year in which the election is held to which a campaign relates, or

"(B) out of funds derived directly or indirectly from contributions accepted in violation of the provisions of paragraph (1).

"(b) For purposes of this section, amounts received by or for the benefit of a candidate for nomination for election, or election, to Federal office which remain unexpended after the payment of debts incurred in connection with a campaign shall, if used to make expenditures in connection with a later campaign, be treated as having been received after the first day of January of the year in which the election is held to which the later campaign relates.

"(c) No person shall make a contribution to or for the benefit of an individual who is a candidate for nomination for election, or for election, to Federal office before the first day of January of the year in which the election is held in which that individual is a candidate.".

By Mr. McCLURE:

S. 17. A bill to provide for and maintain the continued existence of a viable U.S. sugar industry; to the Committee on Finance.

SUGAR ACT OF 1979

Mr. McCLURE. Mr. President, unless the Congress and President of the United States take immediate, meaningful action, the U.S. domestic sugar industry is doomed to virtual extinction. This statement is more than prophecy, it is fact—fact which has already seen a most painful beginning.

On Monday, November 20, 1978, U and I Inc., a pioneer sugar processor in the Intermountain West, announced it is getting out of the sugar business and has put its four processing plants up for sale. Located at Idaho Falls, Idaho; Garland, Utah; and Toppenish and Moses Lake, Wash., the four plants employ some 2,290 individuals on a full and part-time basis. Over 4,500 farmers and farm workers contract their sugar beets with the four plants, and in 1978, U and I pumped nearly $134.2 million into the economies of the three States.

U and I is going out of business because of "low sugar prices and the failure of Congress to enact helpful legislation." And it won't be long before other sugar processors follow U and I's lead, as virtually all of the domestic sugar industry in the United States has been selling its product below the cost of production since late summer of 1976.

As the processors go under, the sugar farmers of this country will be faced with some tough decisions. Will they plant other crops or go out of business altogether? The former choice would seem better than the latter, yet there are many dangers of switching to other crops. First, the expense of switching can be more than many farmers can bear, especially in these times of low farm prices and high machinery costs and interest rates. Second, and perhaps most important, many crops that sugar farmers may wish to switch to are currently themselves over produced.

In my own State of Idaho, for example, the majority of growers near the Idaho Falls plant will be able to switch from sugar beets to potatoes, wheat or barley—all of which are now greatly overproduced and receiving below cost of production prices. The fact is, many banks will not finance growers into other losing operations; thus, the latter choice of going out of business will, in many cases, be prevalent. One thing this country does not need is the loss of more family farming operations.

Another thing this country neither needs nor can afford is the loss of our domestic sugar industry. There is little doubt that if our domestic industry loses control of the U.S. sugar market, foreign nations will step in to fill the gap and grab the control. This is basic economic sense and a lesson we should have learned only too well from our friends in OPEC. Though perhaps not as important as petroleum, sugar is nevertheless one of this country's basic commodities, and we will continue to buy it, regardless of its source. Again, commonsense dictates that once someone controls the market, they can—and usually will—control the price.

If any of my colleagues or the President is concerned about the current price of sugar, or its future price under new meaningful legislation, then they better begin thinking about the sugar price dictated by a group of foreign sugar importers. I can guarantee it will be high, and I can also guarantee the American people will be screaming at each and every one of us why we did not save our domestic sugar industry while we still had a chance.

We still do have a chance, Mr. President, and what I am proposing today as I introduce The Sugar Act of 1979—Senate bill 17—will not only assure a viable industry for our sugar growers and processors, but will also assure a constant supply of sugar at extremely reasonable prices for the consumers of this country. Oftentimes as I have traveled through Idaho and the West these past 2 years, growers and processors alike asked why the Congress did not reinstate the old Sugar Act. Although there were minor problems with this legislation, the fact is it served both the industry and the consumer very well for over 25 years.

S. 17 is thus an up-dated version of the Sugar Act of 1948. Rather than rely on price supports—or tax dollars—the Sugar Act relies on a system of import quotas and fees. Domestic consumption and production are determined by USDA, and foreign nations are allocated the remaining demand. Supply is kept at a level only barely below demand, thus assuring a fair price to the grower, the processor and the consumer. The mechanism to control and operate this legislation still exists at USDA, so the passing of S. 17 would in no way create another governmental bureaucracy.

Mr. President, let me reiterate that if the Congress does not act swiftly, our sugar industry is doomed. If the Congress does not force the President to act swiftly and in a positive manner, our sugar industry is doomed. Jobs are at stake. An entire American industry is at stake. Indeed, a way of life for thousands is at stake. We must act now.

Mr. President, I ask unanimous consent that the text of S. 17 be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 17

Be it enacted by the Senate and House of Representatives of the United States of American in Congress assembled, That this Act may be cited as the "Sugar Act of 1979."

SUBCHAPTER I. DEFINITIONS

SEC. 101. DEFINITIONS. For the purposes of this chapter—

(a) The term "person" means an individual, partnership, corporation, or association.

(b) The term "sugars" means any grade or type of saccharine product derived from sugarcane or sugar beets, which contains sucrose, dextrose, or levulose.

(c) The term "sugar" means raw sugar or direct-consumption sugar.

(d) The term "raw sugar" means any sugars (exclusive of liquid sugar from foreign countries having liquid sugar quotas), whether or not principally of crystalline structure, which are to be further refined or improved in quality to produce any sugars principally of crystalline structure or liquid sugar.

(e) The term "direct-consumption sugar" means any sugars principally of crystalline structure and any liquid sugar (exclusive of liquid sugar from foreign countries having liquid sugar quotas), which are not to be further refined or improved in quality.

(f) The term "liquid sugar" means any sugars (exclusive of syrup of cane juice produced from sugarcane grown in continental United States) which are principally not of crystalline structure and which contain, or which are to be used for the production of any sugars principally not of crystalline structure which contain, soluble non-sugar solids (excluding any foreign substances that may have been added or developed in the product) equal to 6 per centum or less of the total soluble solids.

(g) Sugars in dry amorphous form shall be considered to be principally of crystalline structure.

(h) the "raw value" of any quantity of sugars means its equivalent in terms of ordinary commercial raw sugar testing ninety-six sugar degrees by the polariscope, determined in accordance with regulations to be issued by the Secretary. The principal grades and types of sugar and liquid sugar shall be translated into terms of raw value in the following manner:

(1) For direct-consumption sugar, derived from sugar beets and testing ninety-two or more sugar degrees by the polariscope, by multiplying the number of pounds thereof by 1.07;

(2) For sugar, derived from sugarcane and testing ninety-two sugar degrees by the polariscope, by multiplying the number of pounds thereof by 0.93;

(3) For sugar, derived from sugarcane and testing more than ninety-two sugar degrees by the polariscope, by multiplying the number of pounds thereof by the figure obtained by adding to 0.93 the result of multiplying 0.0175 by the number of degrees and fractions of a degree of polarization above ninety-two degrees;

(4) For sugar and liquid sugar, testing less than ninety-two sugar degrees by the polariscope, by dividing the number of pounds of the "total sugar content" thereof by 0.972;

(5) The Secretary may establish rates for translating sugar and liquid sugar into terms of raw value for (a) any grade or type of sugar or liquid sugar not provided for in the foregoing and (b) any special grade or type of sugar or liquid sugar for which he determines that the raw value cannot be measured adequately under the provisions of paragraphs (1) to (4), inclusive, of the subsection.

(i) The term "total sugar content" means the sum of the sucrose and reducing or invert sugars contained in any grade or type of sugar or liquid sugar.

(j) The term "quota", depending upon the context, means (1) that quantity of sugar or liquid sugar which may be brought or imported into the continental United States, for consumption therein, during any calendar year, from Hawaii, Puerto Rico, or a foreign country or group of foreign countries; (2) that quantity of sugar or liquid sugar produced from sugar beets or sugar cane grown in the continental United States which, during any calendar year, may be shipped, transported, or marketed in interstate or foreign commerce; or (3) that quantity of sugar or liquid sugar which may be marketed in Hawaii or in Puerto Rico, for consumption therein, during any calendar year.

(k) The term "producer" means a person who is the legal owner, at the time of the harvest or abandonment, of a portion or all of a crop of sugar beets or sugarcane grown on a farm for the extraction of sugar or liquid sugar.

(l) The terms "including" and "include" shall not be deemed to exclude anything not mentioned but otherwise within the meaning of the term defined.

(m) The term "Secretary" means the Secretary of Agriculture.

(n) The term "to be further refined or improved in quality" means to be subjected substantially to the processes of (1) affination or defecation, (2) clarification, and (3) further purification by adsorption or crystallization. The Secretary is authorized, after such hearing and upon such notice as he may by regulations prescribe, to determine whether specific processes to which sugars are subjected are sufficient to meet the requirements of this subsection and whether sugars of specific qualities are raw sugar within the meaning of subsection (d) of this section, or direct-consumption sugar within the meaning of subsection (e) of this section.

(o) The term "continental United States" means the States (except Hawaii) and the District of Columbia.

(p) The term "mainland cane sugar area" means the States of Florida and Louisiana.

SUBCHAPTER II. QUOTA PROVISIONS

SEC. 201. Annual estimate of consumption in continental United States; price objective; "parity index" and "wholesale price index" defined—

(a) The secretary shall determine for each calendar year, beginning with 1979, the amount of sugar needed to meet the requirements of consumers in the continental United States and to attain the price objective set forth in subsection (b) of this section. Such determination shall be made during October of the year preceding the calendar year for which the determination is being made and at such other times thereafter as may be required to attain such price objective.

(b) The price objective referred to in subsection (a) of this section is a price for raw sugar which would maintain the same ratio between such price and the average of the parity index (1967=100) and the wholesale price index (1967=100) as the ratio that existed between (1) the simple average of the monthly price objective calculated for the period September 1, 1970, through August 31, 1971, under this section as in effect immediately prior to the date of enactment of the Sugar Act Amendments of 1971, and (2) the simple average of such two indexes for the same period.

(c) For purposes of subsection (b) of this section—

(1) The term "parity index (1967=100)" means the Index of Prices Paid by Farmers for Commodities and Services, including Interest, Taxes, and Farm Wage Rates, as published monthly by the Department of Agriculture.

(2) The term "wholesale price index" means such index as determined monthly by the Department of Labor.

SEC. 202. Establishment of revision of quotas—

Whenever a determination is made, pursuant to section 201 of this title, of the amount of sugar needed to meet the requirements of consumers, the Secretary shall establish quotas, or revise existing quotas—

Domestic Sugar-Producing Areas

(a)(1) For domestic sugar-producing areas, by apportioning among such areas 6,820,000 short tons, raw value, as follows:

[In percent]

Area:	*Short tons, raw value*
Domestic beet sugar	49.3
Mainland cane sugar	22.3
Hawaii	16.1
Puerto Rico	12.3

(2) To or from the sum of 4,883,120 short tons, raw value, of the quotas for the domestic beet sugar and mainland cane sugar areas there shall be added or deducted, as the case may be, an amount equal to 65 per centum of the amount by which the Secretary's determination of requirements of consumers in the continental United States pursuant to section 201 of this title for the calendar year is greater than or less than 11,000,000 short tons, raw value. Such amount shall be apportioned between the domestic beet sugar area and the mainland cane sugar area on the basis of the quotas for such areas established under paragraph (1) of this subsection.

(3) Notwithstanding the foregoing provisions of this subsection, whenever the production of sugar in Hawaii or Puerto Rico in any year results in there being available for marketing in the continental United States in any year sugar in excess of the quota for such areas for such year established under paragraph (1) of this subsection, the quota for the immediately following year established for such area under such paragraph shall be increased to the extent of such excess production, except that in no event shall the quota for Hawaii or Puerto Rico, as so increased, exceed the quota which would have been established for such area at the same level needed to meet the requirements of consumers under the provisions of this subsection. Whenever sugar produced in Hawaii or Puerto Rico in any year is prevented from being marketed or brought into the continental United States in that year for reasons beyond the control of the producer shipper of such sugar, the quota for the immediately following year established for such area under paragraph (1) of this subsection and the preceding sentence shall, within the limitations of the preceding sentence and section 207 of this title, be increased by an amount equal to (A) the amount of sugar so prevented from being marketed or brought into the continental United States, reduced by (B) the amount of such sugar which has been sold to any other nation instead of being held for marketing in the continental United States.

(4) Beginning with 1979 or as soon thereafter as the quota or quotas can be used, there shall be established for any new continental cane sugar producing area or areas a quota or quotas of not to exceed a total for all such areas of 100,000 short tons, raw value, subject to the requirements of section 302 of this title.

Republic of the Philippines

(b) For the Republic of the Philippines, in the amount of 1,210,000 short tons, raw value.

Foreign Countries

(c)(1) For foreign countries other than the Republic of Philippines, an amount of sugar, raw value, equal to the amount determined pursuant to section 201 of this title less the sum of the quotas established pursuant to subsection (a) and (b) of this section.

(2) For Ireland, in the amount of 5,500 short tons, raw value, of sugar. The quota provided by this paragraph shall apply for any calendar year only if the Secretary obtains such assurances from such country as he may deem appropriate prior to September 15 preceding such calendar year that the quota for such year will be filled with sugar produced in such country.

(3) For individual foreign countries other than the Republic of the Philippines and Ireland, by prorating the amount of sugar determined under paragraph (1) of this subsection, less the amounts required to establish a quota as provided in paragraph (2) of this subsection for Ireland, among foreign countries on the following basis:

(A) For countries in the Western Hemisphere:

Country:	*Per centum*
Dominican Republic	17.76
Mexico	15.70
Brazil	15.31
Peru	10.92
West Indies	5.73
Ecuador	2.26
Argentina	2.12
Costa Rica	1.92
Colombia	1.89
Panama	1.79
Nicaragua	1.79
Venezuela	1.72
Guatemala	1.65
El Salvador	1.20
Belize	0.95
Haita	0.86
Bahamas	0.75
Honduras	0.33
Bolivia	0.18
Paraguay	0.18

(B) For countries outside the Western Hemisphere:

Country:	*Per centum*
Australia	5.27
Republic of China	2.20
India	2.12
South Africa	1.50
Fiji	1.16
Mauritius	.78
Mozambique	.78
Thailand	.39
Malawi	.39
Malagasy Republic	.31

Suspension of Diplomatic Relations; Additional Imports; Reduction of Quotas; Proration; Assurances of Filling Quotas

(d) Notwithstanding any other provision of this chapter—

(1)(A) Whenever and to the extent that the President finds that the establishment or continuation of a quota or any part thereof for any foreign country would be contrary to the national interest of the United States, such quota or part thereof shall be withheld or suspended, and such importation shall not be permitted. A quantity of sugar equal to the amount of any quota so withheld or suspended, and such importation shall not be permitted. A quantity of sugar equal to the amount of any quota so withheld or suspended shall be prorated to the other countries listed in subsection (c)(3)(A) of this section (other than any country whose quota is withheld or suspended) on the basis of the percentages stated therein.

(B) The quantities of sugar prorated pursuant to the foregoing provisions of this subsection shall be designated as temporary quotas and the term "quota" as defined in this chapter shall include a temporary quota established under this subsection.

(2)(A) Whenever the Secretary finds that it is not practicable to obtain the quantity of sugar needed from foreign countries to meet any increase during the year in the requirements pursuant to subsections (b) and (c) of this section and the foregoing provisions of this subsection, such quantity of sugar may be imported on a first-come, first-served basis from any foreign country, except that no sugar shall be authorized for importation from Cuba until the United States resumes diplomatic relations with that country and no sugar shall be authorized for importation hereunder from any foreign country with respect to which a finding by the President is in effect under paragraph (1)(A) of this subsection: *Provided*, That such finding shall not be made in the first nine months of the year unless the Secretary also finds that limited sugar supplies and increases in prices have created or may create an emergency situation significantly interfering with the orderly movement of foreign raw sugar to the United States in authorizing the importation of such sugar the Secretary shall give special consideration to countries which agree to purchase for dollars additional quantities of United States agriculture products. In the event that the requirements of consumers under section 201 of this title are thereafter reduced in the same calendar year, an amount not exceeding such increase in requirements shall be deducted pro rata from the quotas established pursuant to subsection (c) of this section and this subsection.

(B) Sugar imported under the authority of this paragraph (2) shall be raw sugar, except that if the Secretary determines that the total quantity is not reasonably available as raw sugar, he may authorize the importation for direct consumption of so much of such quantity as he determines may be required to meet the requirements of consumers in the United States.

(3) No quota shall be established for any country, other than Ireland, for the year following a period of twenty-four months, ending June 20 prior to the establishment of quotas for such year, in which its aggregate imports of sugar equaled or exceeded its aggregate exports of sugar from such country to countries other than the United States.

(4) Whenever in any calendar year any foreign country fails, subject to such reasonable tolerance as the Secretary may determine, to fill the quota as established for it pursuant to this chapter, the quota for such country for subsequent calendar years shall be reduced by the smaller of (i) the amount by which such country failed to fill such quota or (ii) the amount by which its exports of sugar to the United States in the year such quota was not filled was less than 115 per centum of such quota for the preceding calendar year: *Provided*, That (i) no such reduction shall be made if the country has notified the Secretary before June 1 of such year (or, with respect to events occurring thereafter, as soon as practicable after such event), of the likelihood of such failure and the Secretary finds that such failure was due to crop disaster or other force majeure, unless such country exported sugar in such year to a country other than the United States, in which case the reduction in quota for the subsequent years shall be limited to the amount of such exports, as determined by the Secretary, and (ii) in no event shall the quota for the Republic of the Philippines is reduced to an amount less than nine hundred and eighty thousand short tons, raw value, of sugar.

(5) Any reduction in a quota because of the requirements of paragraphs (3) and (4) of this subsection shall be prorated to other foreign countries in the same manner as deficits are prorated under section 204 of this title. For purposes of determining unfilled portions of quotas, entries of sugar from a foreign country shall be prorated between the temporary quota established pursuant to paragraph (1) of this subsection and quota established pursuant to subsection (c) of this section.

(6) If any foreign country fails to give assurance to the Secretary, on or before December 31, 1978, that such country will fill the quota as established for it under subsection (c)(3) of this section and paragraph (1) of this subsection for years after 1978, the quota for such country for such years shall be reduced to the amount which the country gives assurance that it will fill for such years. The portion of the quota for such country for which such assurance is not given shall be withdrawn for such years and a quantity of sugar to such portion shall be prorated to other foreign countries in the same manner as deficits are prorated under

section 204 of this title. For purposes of applying paragraph (4) of this subsection, any reduction in the quota of a foreign country under this paragraph shall be disregarded.

Reestablishment of Suspended Quotas

(e) Whenever the President finds that it is no longer contrary to the national interest of the United States to reestablish a quota or part thereof withheld or suspended under subsection (d)(1) of this section or under section 408(c) of this title such quota shall be restored in the manner the President finds appropriate: *Provided*, That the entire amount of such quota shall be restored for the third full calendar year following such finding by the President. The temporary quotas established pursuant to subsection (d)(1) of this section shall, notwithstanding any other provision of this section, be reduced prorata to the extent necessary to restore the quota in accordance with the provisions of this subsection.

Charge to Quotas Upon Reestablishment of Diplomatic Relations or Reduced Consumer Requirements

(f) Whenever any quota is required to be reduced pursuant to subsection (e) of this section or because of a reduction in the requirements of consumers under section 201 of this title, and the amount of sugar imported from any country or marketed from any area at the time of such reduction exceeds the reduced quota, the amount of such excess shall, notwithstanding any other provision of this section, be charged to the quota established for such country or domestic area for the next succeeding calendar year. Sugar from any country which at the time of reduction in quota has not been imported but is covered by authorizations for importation issued by the Secretary not more than five days prior to the scheduled date of departure shown on the authorization shall be permitted to be entered and charged to the quota established for such country for the next succeeding calendar year.

Authority to Limit Quarterly Quotas; Adjustment of Consumer Requirements

(g)(1) The Secretary is authorized to limit, on a quarterly basis only, the importation of sugar within the quota for any foreign country during the first quarter of 1980 if he determines that such limitation is necessary to achieve the objectives of the chapter.

(2) The Secretary is not authorized during the last three quarters of 1980 and in any full year thereafter except as provided herein, to limit the importation of sugar within the quota for any foreign country through the use of limitations applied on other than a calendar year basis.

(3) In order to attain on an annual average basis the price objective determined pursuant to the formula specified in section 201 of this title, the Secretary shall make adjustments in the determination of requirements of consumers in accordance with the following provisions: (A) the determination of requirements of consumers shall not be adjusted whenever the simple average of the prices of raw sugar for seven consecutive market days is less than 4 per centum (or, in the case of any seven consecutive market day period ending after October 31 of any year and before March 1 of the following year, 3 per centum) above or below the average price objective so determined for the preceding two calendar months; (B) the determination of requirements of consumers shall be adjusted to the extent necessary to attain such price objective whenever the simple average of prices of raw sugar for seven consecutive market days is 4 per centum or more (or, in the case of any seven consecutive market day period ending after October 31 of any year and before March 1 of the following year, 3 per centum or more) above or below the average price objective so determined for the preceding two calendar months; and (C) the determination of requirements of consumers for the current year shall not be reduced after November 30 of such year, but any required reduction shall instead be made in such determination for the following year. If in the twelve-month period ending October 31 of any year after 1972 the average price of raw sugar is less than 99 per centum of the price objective determined pursuant to the formula set forth in sction 201 of this title then, with respect to each subsequent calendar year, the Secretary is authorized after November 30 of the preceding year to limit, on a quarterly basis only, the importation of sugar within the quota of any foreign country during the first or second quarter, or both, of such subsequent year if he determines that such limitation is necessary to achieve the objectives of the chapter.

(4) The Secretary is not authorized to issue any regulation under this chapter restricting the importation, shipment, or storage of sugar to one or more particular geographical areas.

(5) The imposition of limitations on a quarterly basis under this subsection shall not operate to reduce the quantity of sugar permitted to be imported for any calendar year from any country below its quota for that year.

Native Growth Requirement for Sugarbeets and Sugarcane

(h) The quota established for any foreign country and the quantity authorized to be imported from any country under subsection (d)(2) of this section may be filled only with sugar produced from sugarbeets or sugarcane grown in such country.

Sec. 203. Estimates for consumption in Hawaii and Puerto Rico; quotas—

In accordance with such provisions of section 201 of this title as he deems applicable, the Secretary shall also determine the amount of sugar needed to meet the requirements of consumers in Hawaii, and in Puerto Rico, and shall establish quotas for the amounts of sugar which may be marketed for local consumption in such areas equal to the amounts determined to be needed to meet the requirements of consumers therein.

Sec. 204. Revision of proration upon productive deficiency of quota area—

(a) The Secretary shall, at the time he makes his determination of requirements of consumers for each calendar year, and as often thereafter as the facts are ascertainable by him but in any event not less frequently than each 90 days after the beginning of each calendar year, determine whether, in view of the current inventories of sugar, the estimated production from the acreage of sugarcane or sugar beets planted, the normal marketings within a calendar year of new-crop sugar, and other pertinent factors, any area or country will not market the quota for such area or country. Whenever the Secretary determines that any domestic area or foreign country listed in section 202(c)(3)(A) of this title will not market its quota, he shall revise the quota for the Republic of the Philippines by allocating to it an amount of sugar equal to 30.08 per centum of the deficit, and shall allocate an amount of sugar equal to the remainder of the deficit to the countries listed in section 202(c)(3)(A) of this title on the basis of the quotas determined pursuant to section 202 of this title for such countries: *Provided*, That any deficit resulting from the inability of a country which is a member of the Central American Common Market to fill its quota or its share of any deficit determined under the foregoing provisions of this subsection shall first be allocated to the other member countries on the basis of the quotas determined pursuant to section 202 of this title for such countries: And *provided further*, That if the Secretary determines the Republic of the Philippines will not fill its share of any deficit determined under the foregoing provisions of this subsection, he shall allocate such unfilled amount to the countries listed in section 202(c)(3)(A) of this title on the basis of the quotas determined pursuant to section 202 of this title for such countries. If the Secretary determines that neither the Republic of the Philippines nor the countries listed in section 202(c)(3)(A) of this title can fill all of any such deficit, he shall apportion such unfilled amount on such basis and to such foreign countries as he determines is required to fill such deficit. If the Secretary determines that any foreign country with a quota established pursuant to section 202(c)(3)(B) or section 202(c)(4) of this title will not market the quota for such area or country, he shall revise the quota for the Republic of the Philippines by allocating to it an amount of sugar equal to 30.08 per centum of the deficit, and shall allocate an amount of sugar equal to the remainder of the deficit to the countries listed in section 202(c)(3)(B) of this title on the basis of the quotas determined pursuant to section 202 of this title for such countries: *Provided*, That if the Secretary determines the Republic of the Philippines will not fill its share of any deficit determined for any country listed in section 202(c)(3)(B) of this title, he shall allocate such unfilled amount to the countries so listed on the basis of the quotas determined pursuant to section 202 of this title for such countries. If the Secretary determines that neither the Republic of the Philippines nor the countries listed in section 202(c)(3)(B) of this title can fill all of any such deficit, he shall apportion such unfilled amount on such basis and to such foreign countries as he determines is required to fill such deficit. If the Secretary determines that the Republic of the Philippines will not market its quota, he shall allocate an amount of sugar equal to the deficit to the countries listed in section 202(c)(3) of this title on the basis of the quotas determined pursuant to section 202 of this title for such countries. Deficits shall not be allocated to any country whose quota has been suspended or withheld pursuant to subsection (d)(1) of section 202 of this title. In determining and allocating deficits the Secretary shall act to provide at all times throughout the calendar year the full distribution of the amount of sugar which he has determined to be needed under section 201 of this title to meet the requirements of consumers. In making allocations for foreign countries within the Western Hemisphere under this subsection, special consideration shall be given to those countries purchasing United States agricultural commodities. Notwithstanding the foregoing provisions of this subsection, if the President determines that such action would be in the national interest, any part of a deficit which would otherwise be allocated to countries listed in section 202(c) of this title may be allocated to one or more of such countries with a quota in effect on such basis as the President finds appropriate.

(b) The quota established for any domestic area or any foreign country under section 202 of this title shall not be reduced by reason of any determination of a deficit existing in any calendar year under subsection (a) of this section: *Provided*, That the quota for any foreign country shall be reduced to the extent that it has notified the Secretary that it cannot fill its quota and the Secretary has found under section 202(d)(4) of this title that such failure was due to crop disaster or other force majeure.

(c) Nothwithstanding the foregoing provisions of this section and section 211(c) of this title if the Secretary determines that Hawaii or Puerto Rico will be unable to fill its quota established under section 203 of this title for marketing for local consumption on a day-to-day basis he shall allocate a total amount of sugar not in excess of such deficit to the domestic beet sugar area or the mainland cane sugar area or both to be filled by direct consumption or raw sugar as he determines to be required for local consumption.

Sec. 205. Allotments of quotas or prorations—Authorization; method; modification—

(a) Whenever the Secretary finds that the allotment of any quota, or proration thereof, established for any area pursuant to the provisions of this chapter, is necessary to assure an orderly and adequate flow of sugar or liquid sugar, or to maintain a continuous and stable supply of sugar or liquid sugar, or to afford all interested persons an equitable opportunity to market sugar or liquid sugar within any area's quota, after such hearing and upon such notice as he may by regulations prescribe, he shall make allotments of such quota or proration thereof by alloting to persons as he may designate, the quantities of sugar or liquid sugar which each such person may market in continental United States, Hawaii, or Puerto Rico or may import or bring into continental United States for consumption therein. Allotments shall be made in such manner and in such amounts as to provide a fair, efficient, and equitable distribution of such quota or proration thereof, by taking into consideration the processings of sugar or liquid sugar from sugar beets or sugarcane, limited in any year when proportionate shares were in effect to processings to which proportionate shares, determined pursuant to the provisions of subsection (b) of section 302 of this title, pertained; the past marketings or importations of each such person: and the ability of such person to market or import that portion of such quota or proration thereof allotted to him. The Secretary is authorized in making such allotments, whenever there is involved any allotment that pertains to a new or substantially enlarged existing sugar beet processing facility serving a locality or localities which have received an acreage allotment under section 302(b)(3) of this title or that pertains to a sugar beet processing facility described in section 302(b)(9) of this title, to take into consideration in lieu of or in addition to the foregoing factors of processing, past marketings and ability to market, the need for establishing an allotment which will permit such marketing of sugar as is necessary for reasonably efficient operation of any such sugar beet processing facility during each of the first three years of its operation. The Secretary is also authorized in making such allotments of a quota for any calendar year to take into consideration, in lieu of or in addition to the foregoing factors of processing, past marketings, and ability to market, the need for establishing an allotment which will permit such marketing of sugar as is necessary for the reasonably efficient operation of any nonaffiliated single plant processor of sugarbeets or any processor of sugarcane and as may be necessary to avoid unreasonable carryover of sugar in relation to other processors in the area: *Provided*, That the marketing allotment of any such processor of sugarbeets shall not be increased under this provision above an allotment of twenty-five thousand short tons, raw value, and the marketing allotment of a processor of sugarcane shall not be increased under this provision above an allotment equal to the effective inventory of sugar of such processor on January 1 of the calendar year for which such allotment is made: *Provided further*, That the total increases in marketing allotments made pursuant to this sentence to processors in the domestic beet sugar area shall be limited to twenty-five thousand short tons of sugar, raw value, for each calendar year and to processors in the mainland cane sugar area shall be limited to sixteen thousand short tons of sugar, raw value, for each calendar year. In making such allotments, the Secretary may also take into consideration and make due allowance for the adverse effect of drought, storm, flood, freeze, disease, insects, or other similar abnormal and uncontrollable conditions seriously and broadly affecting any general area served by the factory or factories of such person. The Secretary may also, upon such hearing and notice as he may by regulations prescribe, revise or amend any such allotment upon the same basis as the initial allotment was made. If allotments are in effect at the time of a reduction in a domestic area quota for any year, the amount marketed by a person in excess of the amount of his allotment in the next succeeding year for such person, and any allotment established for such person for the next succeeding year shall be reduced by such excess amount.

Appeal to Courts; Grounds

(b) An appeal may be taken, in the manner hereinafter provided from any decision making such allotments, or revisions thereof, to the United States Court of Appeals for the Circuit in which the appellant resides in any of the following cases:

(1) By any applicant for an allotment whose application shall have been denied.

(2) By any person aggrieved by reason of any decision of the Secretary granting or revision any allotment made to him.

Same; Initial Procedure

(c) Such appeal shall be taken by filing with said court, within 30 days after the decision complained of is effective, notice in writing of said appeal and a statement of the reasons therefor, together with proof of service of a true copy of said notice and statement upon the Secretary. Unless a later date is specified by the Secretary as part of his decision, the decision complained of shall be considered to be effective as of the date on which public announcement of the decision is made at the office of the Secretary in the city of Washington. The Secretary shall thereupon, and in any event not later than ten days from the date of such service upon him, mail or otherwise deliver a copy of said notice of appeal to each person shown by the records of the Secretary to be interested in such appeal and to have a right to intervene therein under the provisions of this section, and shall at all times thereafter permit any such person to inspect and make copies of appellants' reasons for said appeal at the office of the Secretary in the city of Washington. Within thirty days after the filing of said appeal the Secretary shall file with the court the record upon which the decision complained of was entered, as provided in section 2112 of Title 28, and a list of all interested persons to whom he has mailed or otherwise delivered a copy of said notice of appeal.

Same; Intervention

(d) Within thirty days after the filing of said appeal any interested person may intervene and participate in the proceedings had upon said appeal by filing with the court a notice of intention to intervene and a verified statement showing the nature of the interest of such party together with proof of service of true copies of said notice and statement, both upon the appellant and upon the Secretary. Any person who would be aggrieved or whose interests would be adversely affected by reversal or modification of the decision of the Secretary complained of shall be considered an interested party.

Same; Hearing; Review

(e) At the earliest convenient time the court shall hear and determine the appeal upon the record before it, and shall have power, upon such record, to enter a judgment affirming or reversing the decision, and if it enters an order reversing the decision of the Secretary it shall remand the case to the Secretary to carry out the judgment of the court: *Provided, however*, That the review by the court shall be limited to questions of law and that findings of fact by the Secretary, if supported by substantial evidence, shall be conclusive unless it shall clearly appear that the findings of the Secretary are arbitrary or capricious. The court's judgment shall be final, subject, however, to review by the Supreme Court of the United States, upon writ of certiorari on petition therefor, under section 347 of Title 28, by appellant, by the Secretary, or by any interested party intervening in the appeal.

Same; Costs

(f) The court may, in its discretion, enter judgment for costs in favor of or against an appellant, and other interested parties intervening in said appeal, but not against the Secretary, depending upon the nature of the issues involved in such appeal and the outcome thereof.

Sec. 206. Sugar-containing products or mixtures and beet sugar molasses—Authority of Secretary to reduce importation; determination that importation substantially interferes with objects of chapter—

(a) If the Secretary determines that the prospective importation or bringing into the continental United States, Hawaii, or Puerto Rico of any sugar-containing product or mixture or beet sugar molasses will substantially interfere with the attainment of the objectives of this chapter, he may limit the quantity of such product, mixture, or beet sugar molasses to be imported or brought in from any country or area to a quantity which he determines will not so interfere: *Provided*, That the quantity to be imported or brought in from any country or area in any calendar year shall not be reduced below the average of the quantities of such product, mixture, or beet sugar molasses annually imported or brought in during such three-year period as he may select for which reliable data of the importation or bringing in of such product, mixture, or beet sugar molasses are available.

Reduction of Importation in Absence of Reliable Data

(b) In the event the Secretary determines that the prospective importation or bringing into the continental United States, Hawaii, or Puerto Rico, of any sugar-containing product or mixture or beet sugar molasses will substantially interfere with the attainment of the objectives of this chapter and there are no reliable data available of such importation or bringing in of such product, mixture, or beet sugar molasses for three consecutive years, he may limit the quantity of such product, mixture, or beet sugar molasses to be imported or brought in annually from any country or area to a quantity which the Secretary determines will not substantially interfere with the attainment of the objectives of this chapter. In the case of a sugar-containing product or mixture, such quantity from any one country or area shall not be less than a quantity containing one hundred short tons, raw value, of sugar or liquid sugar.

Factors To Be Considered in Making Determinations of Substantial Interference; Rulemaking Requirements

(c) In determining whether the actual or prospective importation or bringing into the continental United States, Hawaii, or Puerto Rico will not substantially interfere with the attainment of the objectives of this chapter, the Secretary shall take into consideration the total sugar content of the product or mixture in relation to other ingredients or to the sugar content of other products or mixtures for similar use, the costs of the mixture in relation to the cost of its ingredients for use in the continental United States, Hawaii, or Puerto Rico, the present or prospective volume of importations relative to past importations, the type of packaging, whether it will be marketed to the ultimate consumer in the identical form in which it is imported or the extent to which it is to be further subjected to processing or mixing with similar or other ingredients, and other pertinent information which will assist him in making such determination. In making determinations pursuant to this section, the Secretary shall conform to the rulemaking requirements of section 1003 of Title 5.

SEC. 207. Amount of quota to be filled by direct-consumption sugar—

Hawaii

(a) The quota for Hawaii established under section 202 of this title for any calendar year may be filled by direct-consumption sugar not to exceed an amount equal to 0.342 per centum of the Secretary's determination for the preceding year issued pursuant to section 201 of this title.

Puerto Rico

(b) The quota for Puerto Rico established under section 202 of this title for any calendar year may be filled by direct-consumption sugar not to exceed an amount equal to 1.5 per centum of the first eleven million short tons, raw value, of the Secretary's determination for the preceding year issued pursuant to section 201 of this title, plus 0.5 per centum of any amount of such determination above eleven million short tons, raw value, except that 126,033 short tons, raw value, of such direct-consumption sugar shall be principally of crystalline structure.

Philippine Islands

(c) Not more than fifty-nine thousand nine hundred and twenty short tons, raw value, of the quota for the Republic of the Philippines may be filled by direct-consumption sugar.

Ireland; Panama; Allocations and Prorations

(d) None of the quota established for any foreign country other than the Republic of the Philippines and none of the deficit prorations and apportionments for any foreign country established under or in accordance with section 204(a) of this title may be filled by direct-consumption sugar: *Provided*, That the quotas for Ireland, and Panama may be filled by direct-consumption sugar to the extent of five thousand three hundred and fifty-one short tons, raw value, for Ireland and three thousand eight hundred and seventeen short tons, raw value, for Panama.

Hawaiian and Puerto Rican Local Consumption

(e) This section shall not apply with respect to the quotas established under section 203 of this title for marketing for local consumption in Hawaii and Puerto Rico.

Suspension

(f) The direct-consumption portions of the quotas established pursuant to this section, and the enforcement provisions of this subchapter applicable thereto, shall continue in effect and shall not be subject to suspension pursuant to the provisions of section 408 of this title unless the President acting thereunder specifically finds and proclaims that a national economic or other emergency exists with respect to sugar or liquid sugar which requires the suspension of direct-consumption portions of the quotas.

SEC. 208. Liquid sugar foreign quotas—

A quota for liquid sugar for foreign countries for each calendar year is established as follows: two million gallons of sirup of cane juice of the type of Barbados molasses, limited to liquid sugar containing soluble nonsugar solids (excluding any foreign substances that may have been added or developed in the product) of more than 5 per centum of the total soluble solids, which is not to be used as a component of any direct-consumption sugar but is to be used as molasses without substantial modification of its characteristics after importation, except that the President is authorized to prohibit the importation of liquid sugar from any foreign country which he shall designate whenever he finds and proclaims that such action is required by the national interest.

SEC. 209. Prohibited acts—All persons are prohibited—

Importation in Excess of Foreign Quotas

(a) From bringing or importing into the continental United States from any foreign country or any other area outside the continental United States (1) any sugar or liquid sugar after the applicable quota, or the proration of any such quota, has been filled, or (2) any direct-consumption sugar after the direct-consumption portion of any such quota or proration has been filled:

Transportation in Excess of Domestic Quota

(b) From shipping, transporting, or marketing in interstate commerce, or in competition with sugar or liquid sugar shipped, transported, or marketed in interstate or foreign commerce, any sugar or liquid sugar produced from sugar beets or sugarcane grown in either the domestic-beet-sugar area or the mainland cane-sugar area after the quota for such area has been filled;

Marketing in Hawaii and Puerto Rico in Excess of Quota Therefor

(c) From marketing in either Hawaii or Puerto Rico, for consumption therein, any sugar or liquid sugar after the quota therefor has been filled;

Exceeding Allotments or Prorations

(d) From exceeding allotments of any quota, direct-consumption portion of any quota, or proration or allocation of any quota, made to them pursuant to the provisions of this chapter;

Importation of Sugar or Liquid Sugar into Virgin Islands

(e) From bringing or importing into the Virgin Islands for consumption therein, any sugar or liquid sugar in excess of one hundred pounds in any calendar year produced from sugarcane or sugar beets grown in any area other than Puerto Rico, Hawaii, or the continental United States.

SEC. 210 Terminology of determinations—Raw value to govern—

(a) The determinations provided for in sections 201 and 203 of this title, and all quotas, prorations, and allotments, except quotas established pursuant to the provisions of section 208 of this title, shall be made or established in terms of raw value.

Sugar to Include Liquid Sugar

(b) For the purposes of this subchapter, liquid sugar, except that imported from foreign countries, shall be included with sugar in making the determinations provided for in sections 201 and 203 of this title and in the establishment or revision of quotas, prorations, and allotments.

SEC. 211. Credit against quota—Credit upon exportation of imported sugar—

(a) Sugar or liquid sugar entered into the United States, including Puerto Rico, under an applicable bond established pursuant to orders or regulations issued by the Secretary, for the express purpose of subsequently exporting the equivalent quantity of sugar or liquid sugar as such, or in manufactured articles, shall not be charged against the applicable quota or proration for the country of origin.

Exportation Defined

(b) Exportation within the meaning of sections 1309 and 1313 of Title 19 shall be considered to be exportation within the meaning of this section.

Domestic Quota To Be Filled With Products of Local Beets and Cane

(c) The quota established for any domestic sugar-producing area may be filled only with sugar or liquid sugar produced from sugar beets or sugarcane grown in such area.

SEC. 212. Exception to quota provisions—

The provisions of this subchapter shall not apply to the first ten short tons, raw value, of direct consumption sugar or liquid sugar imported from any foreign country, other than the Republic of the Philippines, in any calendar year for religious, sacramental, educational, or experimental purposes.

SUBCHAPTER III—CONDITIONAL PAYMENT PROVISIONS

SEC. 301. Conditions of production—

The Secretary is authorized to make payments on the following conditions with respect to sugar or liquid sugar commercially recoverable from the sugar beets or sugarcane grown on a farm for the extraction of sugar or liquid sugar:

Proportionate Share Production

(a) That there shall not have been marketed (or processed), except for livestock feed, or for the production of livestock feed, as determined by the Secretary, an amount (in terms of planted acreage, weight, or recoverable sugar content) of sugar beets or sugarcane grown on the farm and used for the production of sugar or liquid sugar to be marketed in, or so as to compete with or otherwise directly affect interstate or foreign commerce, in excess of the proportionate share for the farm, if farm proportionate shares are determined by the Secretary pursuant to the provisions of section 302 of this title of the total quantity of sugar beets or sugarcane required to be processed to enable the area in which such sugar beets or sugarcane are produced to meet the quota (and provide a normal carryover inventory) as estimated by the Secretary for such area for the calendar year during which the larger part of the sugar or liquid sugar from such crop normally would be marketed.

(b) That the producer on the farm who is also, directly or indirectly a processor of sugar beets or sugarcane, as may be determined by the Secretary shall have paid, or contracted to pay under either purchase or toll agreements, for any sugar beets or sugarcane grown by other producers and processed by him at rates not less than those that may be determined by the Secretary to be fair and reasonable after investigation and due notice and opportunity for public hearing.

SEC. 302. Quantity of sugar; time for payments—Amount as determined by Secretary—

(a) The amount of sugar or liquid sugar with respect to which payment may be made shall be the amount of sugar or liquid sugar commercially recoverable, as determined by the Secretary, from the sugar beets or sugarcane grown on the farm and marketed (or processed by the producer) not in excess of the proportionate share for the farm, if farm proportionate shares are determined by the Secretary, of the quantity of sugar beets or sugarcane for the extraction of sugar or liquid sugar required to be processed to enable the producing area in which the crop of sugar beets or sugarcane is grown to meet the quota (and provide a normal carryover inventory) estimated by the Secretary for such area for the calendar year during which the larger part of the sugar or liquid sugar from such crop normally would be marketed.

Determination of Proportionate Share of Farm; Sugar Beet Production History, Disposition; New Sugar Beet Areas, Acreage Allocation, Publication in Federal Register; Transfer of Sugarcane Production Record for Land in Puerto Rico

(b)(1) The Secretary shall determine for each crop year whether the production of sugar from any crop of sugarbeets or sugarcane will, in the absence of proportionate shares, be greater than the quantity needed to enable the area to meet its quota and provide a normal carryover inventory, as estimated by the Secretary for such area for the calendar year during which the larger part of the sugar from such crop normally would be marketed. Such determination shall be made only with respect to the succeeding crop year and, beginning with the 1979 crop year, only after due notice and opportunity for an informal public hearing. If the Secretary determines that the production of sugar from any crop of sugarbeets or sugarcane will be in excess of the quantity needed to enable the area to meet its quota and provide a normal carryover inventory, he shall establish proportionate shares for farms in such areas areas as provided in this subsection. In determining the proportionate shares with respect to a farm, the Secretary may take into consideration the past production on the farm of the sugarbeets and sugarcane marketed (or processed) for the extraction of sugar or liquid sugar (within proportionate shares when in effect) and the ability to produce such sugarbeets and sugarcane. In establishing proportionate shares for farms in the mainland cane sugar areas, the Secretary may establish separate State acreage allocations, may determine and administer the proportionate shares for farms in one State by a method different from that used in another State, may include in such State allocation an acreage reserve to compensate for anticipated unused proportionate shares, may make conditional allocations to farms from such reserve and establish conditions which must be met in order for such allocations to be final, may make an adjustment in a State's allocation in any years to compensate for a deficit or surplus in a prior year if the actual amount of unused proportionate shares in such State for such prior year was larger or smaller than such anticipated amount of unused proportionate shares, and, in establishing State allocations and farm proportionate shares, may use whatever prior crop year or years he considers equitable in his consideration of past production.

(2) The Secretary may also, in lieu of or in addition to the foregoing factors, take into consideration with respect to the domestic beet sugar area the sugarbeet production history of the person who was a farm operator in the base period, in establishing farm proportionate shares in any State or substantial portion thereof in which the Secretary determines that sugarbeet production is organized generally around persons rather than units of land, other than a State or substantial portion thereof wherein personal sugarbeet production history of farm operators was not used generally prior to 1962 in establishing farm proportionate shares. In establishing proportionate shares for farms in the domestic beet sugar area, the Secretary may first allocate to State (except acreage reserved) the total acreage required to enable the area to meet its quota and provide a normal carryover inventory (hereinafter referred to as the "national sugarbeet acreage requirement") on the basis of the acreage history of sugarbeet production and the ability to produce sugarbeets for extraction of sugar in each State. The personal sugarbeet production history of a farm operator who does, or becomes incapacitated, shall accrue to the legal representative of his estate or to a member of his immediate family if such legal representative or family member continues within three years of such death or incapacity the customary sugarbeet operations of the deceased or incapacitated operator. If in any year during this period sugarbeets were not planted by such legal representative or member of the family, production history shall be credited to such year equal to the acreage last planted by the deceased or incapacitated farm operator.

(3) The allocation of the national sugar beet acreage requirement to States for sugar beet production, as well as the acreage allocation for new or substantially enlarged existing sugar beet processing facilities, shall be determined by the Secretary after investigation and notice and opportunity for an informal public hearing.

(4) Whether farm proportionate shares are or are not determined, the Secretary shall, insofar as practicable, protect the interests of new producers who are cash tenants, share tenants, adherent planters, or sharecroppers and of the producers whose past production has been adversely, seriously, and generally affected by drought, storm, flood, freeze, disease, insects, or other similar abnormal and uncontrollable conditions.

(5) Whenever the Secretary determines it necessary for the effective administration of this subsection in an area where farm proportionate shares are established in terms of sugarcane acreage, he may consider acreage of sugarcane harvested for seed on the farm in addition to past production of sugarcane for the extraction of sugar in determining proportionate shares as heretofore provided in this subsection; and whenever acreage of sugarcane harvested for seed is considered in determining farm proportionate shares, acreage of sugarcane harvested for seed shall be included in determining compliance with the provisions of section 301(b) of this title, notwithstanding any other provisions of such section.

(6) For the purposes of establishing proportionate shares hereunder and in order to encourage wise use of land resources, foster greater diversification of agricultural production, and promote the conservation of soil and water resources in Puerto Rico, the Secretary, on application of any owner of a farm in Puerto Rico, is authorized, whenever he determines it to be in the public interest and to facilitate the sale or rental of land for other productive purposes, to transfer the sugarcane production record for any parcel or parcels of land in Puerto Rico owned by the applicant to any other parcel or parcels of land owned by such applicant in Puerto Rico.

(7) In order to protect the sugarbeet production history for farm operators (or farms) who in any crop year, because of a crop-rotation program or for reasons beyond their control, are unable to utilize all or a portion of the farm proportionate share acreage established pursuant to this section, the Secretary may reserve for a period of not more than three crop years the production history for any such farm operators (or farms) to the extent of the farm proportionate share acreage released. The proportionate share acreage so released may be reallotted to other farm operators (or farms), but no production history shall accrue to such other farm operators (or farms) by virtue of such reallocation of the proportionate share acreage so released.

(8) The Secretary is authorized to reserve from the national sugar beet acreage requirements the acreage required to yield 25,000 short tons of sugar, raw value, for any sugar beet processing facility which closed during 1978, if he is satisfied that such facility will resume operations and will be operated successfully and that the area which will serve such facility is suitable for growing sugar beets. The Secretary shall allocate the acreage provided for in this paragraph to farms on such basis as he determines necessary to accomplish the purposes for which such acreage is provided under this paragraph.

(9) The Secretary shall credit to the farm of any producer (or to the producer in a personal history State) who has lost a market for sugar beets as a result of (A) the closing of a sugar beet factory in any year after 1976; (B) the complete discontinuance of contracting by a processor after 1976 in a State; or (C) the discontinuance of contracting by a processor after 1976 in a substantial portion of a State in which the processor contracted a total of at least 2,000 acres of the 1976 crop of sugar beets, an acreage history (or production history) for each of the next three years equal to the average acreage planted on the farm (or by the producers) in the last three years of such factory's operation or processor's contracting, and any unused proportionate share shall not be transferred to other farms (or producers).

New Cane Sugar Areas; Publication in Federal Register

(c) In order to enable any new cane sugar producing area to fill the quota to be established for such area under section 202(a)(4) of this title, the Secretary shall allocate an acreage which he determines is necessary to enable the area to meet its quota and provide a normal carryover inventory. Such acreage shall be fairly and equitably distributed to farms on the basis of land, labor, and equipment available for the production of sugarcane. The acreage allocation for any year shall be made as far in advance of such year as practicable, and the commitment of such acreage to the area shall be irrevocable upon issuance of such determination by publication thereof in the Federal Register, except that, if the Secretary finds in any case that construction of sugarcane facilities and the contracting for processing of sugarcane has not proceeded in substantial accordance with the representation made to him as a basis for his determination in accordance with and upon publication in the Federal Register of such findings. In making his determination for the establishment of a quota, the Secretary shall base such determination upon the firmness of capital commitment and the suitability of the area for growing sugarcane and, where two or more areas are involved, the relative qualifications of such areas under such criteria. If proportionate shares are in effect in such area in the two years immediately following the year for which the sugarcane acreage allocation is committed for any area, the total acreage of proportionate shares established for farms in such area in each such two years, shall not be less than the larger of the acreage committed to such area or the acreage which the Secretary determines to be required to enable the area to fill its quota and provide for a normal carryover inventory.

Sec. 303. Acreage abandonment and crop deficiency—

In addition to the amount of sugar or liquid sugar with respect to which payments are authorized under subsection (a) of section 302 of this title, the Secretary is also authorized to make payments, on the conditions provided in section 301 of this title with respect to bona fide abandonment of planted acreage and crop deficiencies of harvested acreage, resulting from drought, flood, storm, freeze, disease, or insects, as determined in accordance with regulations issued by the Secretary, on the following quantities of sugar or liquid sugar: (1) With respects to such bona fide abandonment of each planted acre of sugar beets or sugarcane, one-third of the normal yield of commercially recoverable sugar or liquid sugar per acre for the farm, as determined by the Secretary; and (2) with respect to such crop deficiencies of harvested acreage of sugar beets or sugarcane, the excess of 80 per centum of the normal yield of commercially recoverable sugar or liquid sugar for such acreage for the farm, as determined by the Secretary, over the actual yield.

Sec. 304. Computation of payments; recipients thereof—Base rate—

(a) The amount of the base rate of payment shall be 80 cents per hundred pounds of sugar or liquid sugar, raw value.

Farm Unit as Basis of Calculation

(b) All payments shall be calculated with respect to a farm which, for the purposes of this chapter, shall be a farming unit as determined in accordance with regulations issued by the Secretary, and in making such determinations, the Secretary shall take into consideration the use of common work stock, equipment, labor, management and other pertinent factors.

Total Payment

(c) The total payment with respect to a farm shall be the product of the base rate specified in subsection (a) of this section multiplied by the amount of sugar and liquid sugar, raw value, with respect to which payment is to be made, except that reduction shall be made from such total payment in accordance with the following scale of reductions:

That portion of the quantity of sugar and liquid sugar which is included within the following intervals of short tons, raw value and the reduction in the base rate of payment per hundredweight of such portion:

350 to 700	$0.05
700 to 1,000	0.10
1,000 to 1,500	0.20
1,500 to 3,000	0.25
3,000 to 6,000	0.275
6,000 to 12,000	0.30
12,000 to 30,000	0.325
More than 30,000	0.50

Persons Entitled to Payments

(d) Application for payment shall be made by, and payments shall be made to, the producer or, in the event of his death, disappearance, or incompetency, his legal representative, or heirs: *Provided, however,* That all producers on the farm shall signify in the application for payment the percentage of the total payment with respect to the farm to be made to each producer: *And provided further,* That payments may be made, (1) in the event of the death, disappearance, or incompetency of a producer, to such beneficiary as the producer may designate in the application for payment; (2) to one producer of a group of two or more producers, provided all producers on the farm designate such producer in the application for payment as sole recipient for their benefit of the payment with respect to the farm; or (3) to a person who is not a producer, provided such person controls the land included within the farm with respect to which the application for payment is made and is designated by the sole producer (or all producers) on the farm, as sole recipient for his or their benefit, of the payment with respect to the farm.

SEC. 305. Cooperation with Secretary by certain agencies—

In carrying out the provisions of subchapter II of this chapter and this subchapter, the Secretary is authorized to utilize local committees of sugar beet or sugarcane producers, State and county agricultural conservation committees, or the Agricultural Extension Service and other agencies, and the Secretary may prescribe that all or a part of the expenses of such committees may be deducted from the payments herein authorized.

SEC. 306. Finality of Secretary's determinations—

The facts constituting the basis for any payment, or the amount thereof authorized to be made under this subchapter, officially determined in conformity with rules or regulations prescribed by the Secretary, shall be reviewable only by the Secretary, and his determinations with respect thereto shall be final and conclusive.

SEC. 307. Territorial application—

This subchapter shall apply to the continental United States, Hawaii and Puerto Rico.

SUBCHAPTER IV—ADMINISTRATIVE PROVISIONS

SEC. 401. Expenditures by Secretary—

For the purposes of this chapter, the Secretary may make such expenditures as he deems necessary to carry out the provisions of this chapter, including personal services and rents in the District of Columbia and elsewhere.

SEC. 402. Appropriations; availability of funds—

(a) There is authorized to be appropriated for each fiscal year for the purposes and administration of this chapter the funds necessary to make the payments provided for in subchapter III of this chapter and other amounts as the Congress determines to be necessary for such fiscal year to carry out the other provisions of this chapter.

(b) All funds available for carrying out this chapter shall be available for allotment to the bureaus and offices of the Department of Agriculture and for transfer to such other agencies of the Federal Government as the Secretary may request to cooperate or assist in carrying out the provisions of this chapter. The Secretary is authorized to use the services, facilities, and authorities of Commodity Credit Corporation for the purpose of making disbursements to persons eligible to receive payments under subchapter III of this chapter: *Provided,* That no such disbursements shall be made by Commodity Credit Corporation unless it has received funds to cover the amounts thereof from appropriations available for the purpose of carrying out such program.

SEC. 403. Rules and regulations; violations; publication of Secretary's determinations; independent weighmasters—

(a) The Secretary is authorized to make such orders or regulations, which shall have the force and effect of law, as may be necessary to carry out the powers vested in him by this chapter. Any person knowingly violating any order or regulation of the Secretary issued pursuant to this chapter shall, upon conviction, be punished by a fine of not more than $100 for each such violation.

(c) Whenever the Secretary determines that such action is necessary to protect the interests of the United States, consumers of sugar, or the exporters of sugar, he is authorized to require, in accordance with such rules and regulations as he may prescribe, any or all shipments of imported sugar to be weighed by persons not controlled, directly or indirectly, by any person having a direct financial interest in such sugar.

SEC. 404. Jurisdiction of courts—

The several district courts of the United States are vested with jurisdiction specifically to enforce, and to prevent and restrain any person from violating, the provisions of this chapter or of any order or regulation made or issued pursuant to this chapter and, except as provided in sections 205 and 306 of this title, to review any regulation issued pursuant to this chapter in accordance with chapter 7 of Title 5. If and when the Secretary shall so request, it shall be the duty of the several United States attorneys, in their respective districts, to institute proceedings to enforce the remedies and to collect the penalties, fees and forfeitures provided for in this chapter. The remdies provided for in this chapter shall be in addition to, and not exclusive of any of the remedies or penalties existing at law or in equity.

SEC. 405. Forfeitures—

(a) Any person who knowingly violates, or attempts to violate, or who knowingly participates or aids in the violation of, any of the provisions of section 209 of this title, or any person who brings or imports into the continental United States direct-consumption sugar after the quantities specified in section 207 of this title have been filled, shall forfeit to the United States the sum equal to three times the market value, at the time of the commission of any such act, (1) of that quantity of sugar or liquid sugar by which any quota, proration, or allotment is exceeded, or (2) of that quantity brought or imported into the continental United States after the quantities specified in section 207 of this title have been filled, which forfeiture shall be recoverable in a civil suit brought in the name of the United States.

(b) Any person whose sugar processing operations otherwise meet the requirements of section 101 (n) of this title and who subjects to such processes sugar imported or brought into the continental United States under a declaration that it is raw sugar but which sugar subsequently is determined to be of direct-consumption quality, shall forfeit to the United States a sum equal to 1 cent per pound for each pound, raw value, of such sugar in excess of that part of the direct-consumption portion of the applicable quota or proration or allotment thereof remaining unfilled at the time of such determination, which forfeiture shall be recoverable in a civil suit brought in the name of the United States.

Seizure of Property of United States citizens; Discrimination in Taxation and Other Exactions; Restrictive maintenance or operational conditions; remedial measures; duration of suspension; allocation of suspended quantities

(c) In any case in which a nation or a political subdivision thereof has, on or after January 1, 1961, (1) nationalized, expropriated, or otherwise seized the ownership or control of the property or business enterprise owned or controlled by United States citizens or any corporation, partnership, or association not less than 50 per centum beneficially owned by United States citizens, or (2) imposed upon or enforced against such property or business enterprise so owned or controlled, discriminatory taxes or other exactions, or restrictive maintenance or operational conditions (including limiting or reducing participation in production, export, or sale of sugar to the United States under quota allocation pursuant to this chapter) not imposed or enforced with respect to the property or business enterprise of a like nature owned or operated by its own nationals or the nationals of any government other than the Government of the United States, or (3) imposed upon or enforced against such property or business enterprise so owned or controlled, discriminatory taxes or other exactions, or restrictive maintenance or operational conditions (including limiting or reducing participation in production, export, or sale of sugar to the United States under quota allocation pursuant to this chapter), or has taken other actions, which have the effect of nationalizing, expropriating or otherwise seizing ownership or control of such property or business enterprise, or (4) violated the provisions of any bilateral or multilateral international agreement to which the United States is a party, designed to protect such property or business enterprise so owned or controlled, and has failed within six months following the taking of action in any of the above categories to take appropriate and adequate steps to remedy such situation and to discharge its obligations under intertional law toward such citizen or entity, including the prompt payment to the owner or owners of such property or business enterprise so nationalized, expropriated or otherwise seized or to provide relief from such taxes, exactions, conditions or breaches of such international agreements, as the case may be, or to arrange, with the agreement of the parties concerned, for submitting the question in dispute to arbitration or conciliation in accordance with procedures under which final and binding decision or settlement will be reached and full payment or arrangements with the owners for such payment made within twelve months following such submission, the President may withhold or suspend all or any part of the quota under this chapter of such nation, and either in addition or as an alternative, the President may, under such terms and conditions as he may prescribe, cause to be levied and collected at the port of entry an impost on any or all sugar sought to be imported into the United States from such nation in an amount covered into the Treasury of the United States into a special trust fund, and he shall use such fund to make payment of claims arising on or before January 1, 1961, as a result of such nationalization, expropriation, or other type seizure or action set forth herein, except that if such nation participates in the quota for the West Indies, the President may suspend a portion of the quota for the West Indies which is not in the quota for the West Indies which is not in excess of the quantity imported from that nation during the preceding year, until he is satisfied that appropriate steps are being taken, and either in addition or as an alternative he may cause to be levied and collected an impost in an amount not to exceed $50 per ton on any or all sugar sought to be imported into the United States from such nation for the payment of claims as provided herein. Any quantity so withheld or suspended shall be allocated under section 202(d)(1)(A) of this title. With respect to any action taken during 1961 in any of the categories set forth in this subsection, the provisions of this subsection relating to levying and collecting an impost shall apply only if the President so determines.

Sec. 409. Surveys and investigations by Secretary; producer-processor and producer-labor contracts—

Whenever the Secretary determines that such action is necessary to effectuate the purposes of this chapter, he is authorized, if first requested by persons constituting or representing a substantial proportion of the persons affected in any one of the five domestic sugar-producing areas, to make for such area surveys and investigations to the extent he deems necessary, including the holding of public hearings, and to make recommendations with respect to the terms and conditions of contracts between the producers and processors of sugar beets and sugarcane in such area. In carrying out the provisions of this section, information shall not be made public with respect to the individual operations of any processor or producer.

Sec. 410. Same; general conditions and factors; publication of information—

The Secretary is authorized to conduct surveys, investigations, and research relating to the conditions and factors affecting the methods of accomplishing most effectively the purposes of this chapter and for the benefit of agriculture generally in any area. Notwithstanding any provision of existing law, the Secretary is authorized to make public such information as he deems necessary to carry out the provisions of this chapter.

Sec. 411. Regulations to carry out international sugar agreements restricting importations of sugar from foreign countries—

The Secretary is authorized to issue such regulations as may be necessary to carry out any articles of an International Sugar Agreement (ratified by and with the advice and consent of the United States Senate), restricting importations of sugar into the United States from foreign countries not participating in such agreement, or to carry out the corresponding provisions of any such future agreements ratified by and with the advice and consent of the United States Senate.

Sec. 412. Authorization and Appropriations—

There is hereby authorized to be appropriated for each fiscal year for the administration of this Act such amounts as the Congress determines necessary.

Sec. 413. Termination—

The provisions of this Act shall terminate on December 31, 1984.

By Mr. McCLURE:

S. 18. A bill to amend the Internal Revenue Code of 1954 to provide individuals a credit against income tax for certain amounts of savings; to the Committee on Finance.

SAVINGS ACT OF 1979

Mr. McCLURE. Mr. President, Americans are saving far less of their money than citizens in other industrial countries. Studies indicate that American willingness to save has been diminishing over the last 10 years. This trend is especially alarming at a time of growing uneasiness over the U.S. economy. Today I am introducing a bill which I believe will reverse this dangerous trend.

The bill is entitled the Savings Act of 1979. It is designed to encourage and assist Americans to save and invest. These activities have become next to impossible for many of our citizens because of the rate of inflation we are experiencing.

The bill allows a tax credit of 50 percent for additions to all types of bank and savings accounts, stock and taxable bond holdings, insurance, and assets of small businesses. For many years our tax system has encouraged consumption by penalizing savings. This bill will sharply increase the reward for saving, and will, for the first time in years, allow many of our citizens to have a real return after taxes and inflation on their savings. Many Americans have attempted to set aside sufficient funds for the purchase of a home, payment of tuition or medical expenses, a secure retirement, as well as many other goals, only to be robbed of their hard work by taxes and inflation. This bill would enable Americans to reap the fruits of their hard work.

Much of the inflation we have faced today is a result of attempting to fund investment and economic growth through money creation by the Federal Reserve. This bill, by adding to the supply of saving, facilitates far more investment in plant and equipment out of savings and therefore would reduce inflation. We have declared full employment and no inflation as national goals. These goals can be achieved through economic growth—greater investment in plant and equipment, the modernization of thousands more factories, and the creation of hundreds of thousands of additional jobs each year all can be accomplished as this bill creates the incentives to reallocate savings into projects of the greatest value in terms of economic growth.

The United States has long had the lowest rate of saving and investment in the Western World. As a consequence, every other major Western nation has a better employment record, and a faster rate of growth of real wages and fringe benefits than the United States. The U.S. after-tax rate of saving hovers around 5 percent while Canada has a saving rate of 9.8 percent, West Germany 14 percent and Japan over 21 percent. It should not be surprising to note that these nations actively encourage saving. For example, Canada permits tax exempt deposits in special savings accounts. Germany subsidizes interest rates in a similar program. Japan, as part of its new budget package to promote more rapid growth, will allow a tax deduction for stock purchase of up to $5,000. The nationwide benefits from such programs appear to be high. There is no reason why the United States should not enjoy the same gains.

Last year, before the Joint Economic Committee, a panel of experts on growth and capital formation focused on the bias our tax code has against savings. Income is taxed when earned. If it is saved, the service (interest or dividend) is taxed a second time at higher tax rates. The experts recommended removing saving from taxable income as the best way to return the tax code to neutrality between consumption and saving. Taxes would remain on the earnings of saving, but we would no longer be double-taxing both savings and its earnings. This bill is a major step in that direction.

We all recognize the difficulty lower income taxpayers have by saving. This bill recognizes that by providing a progressive tax credit rather than an exemption or deduction. Lower income taxpayers would receive a credit on all eligible savings. While middle and upper bracket taxpayers, who have historically saved higher percentages of their incomes, would receive a credit only on eligible savings done in excess of the normal percent of income saved by people in their income bracket. By establishing this credit on the marginal savings, we sharply reduce the cost of the bill, while encouraging additional savings.

The savings credit will result in a shifting of saving from the current ineffective but tax-sheltered projects to a straightforward saving in basic U.S. industry, small business and homebuilding. A 50-percent credit restores the attractiveness of straightforward saving by doubling the reward to such taxable investment and saving for any given interest rate or dividend. Thus, this credit will produce a reallocation of saving into projects of the greatest value in terms of economic growth and modernization of American plant and equipment.

An increase in saving is essential to capital formation and would achieve the orderly and sustained growth of the economy we all seek. Removing tax disincentives to employment and investment is an essential precondition for meeting the Nation's social and environmental goals. This savings proposal will spur the Congress to get right to the heart of our economic problems. It will provide the key to full employment, rising living standards, and produce a substantial increase in the U.S. growth rate for years to come.

I ask unanimous consent that my bill, a technical explanation, and a Wall Street Journal article which documents the poor performance of the United States in saving and growth be printed in the Record.

There being no objection, the bill and the material were ordered to be printed in the Record, as follows:

S. 18

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits allowable) is amended by inserting after section 44B the following new section:

"Sec. 44C. Eligible Net Savings.

"(a) Allowance of credit.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 50 percent of the excess of—

"(1) the eligible net savings of the taxpayer for the taxpayer year, over

"(2) the threshold saving amount of the taxpayer for such year.

"(b) Threshold saving amount.—For purposes of this section—

"(1) In general.—The term 'threshold saving amount' means an amount equal to the modified adjusted gross income of the taxpayer for the taxable year multiplied by the applicable percentage determined in accordance with the following table:

"If the modified adjusted gross income is:	*The applicable percentage is*
Not over $10,000	0
Over $10,000 but not over $12,000	1
Over $12,000 but not over $15,000	2
Over $15,000 but not over $20,000	3
Over $20,000 but not over $25,000	4
Over $25,000 but not over $50,000	5
Over $50,000 but not over $100,000	6
Over $100,000 but not over $200,000	8
Over $200,000	10

"(2) MODIFIED ADJUSTED GROSS INCOME.—The term 'modified adjusted gross income' means adjusted gross income minus the deductions allowed by section 151 (relating to personal exemptions).

"(c) ELIGIBLE NET SAVINGS.—For purposes of this section—

"(1) IN GENERAL.—The term 'eligible net savings' means the excess at the close of the taxable year of net savings over ineligible debt.

"(2) INELIGIBLE DEBT.—For purposes of paragraph (1), the term 'ineligible debt means the sum at the close of the taxable year of net increases in debt of the taxpayer other than debt for—

"(A) the purchase or repair of real property,

"(B) the repair of property, and the purchase of insurance, securing any debt of the taxpayer, or

"(C) the payment of medical and tuition expenses of the taxpayer, his spouse, or any dependent of the taxpayer.

"(d) NET SAVINGS.—For purposes of this section, the term 'net savings' means the sum of items described in paragraphs (1), (2), (3), (4), and (5).

"(1) SAVINGS IN CERTAIN BUSINESS.—The taxpayer's share of the change in the book value of a farm or nonfarm proprietorship, partnership, or closely held corporation, plus new money invested in such businesses, plus purchases of new businesses less sales, plus changes in loans to such businesses in the taxable year.

"(2) SAVING IN LIQUID ASSETS.—

"(A) SAVING IN CHECKING ACCOUNTS.—The change in the balances in the taxpayer's personal checking accounts between the end of the preceding taxable year and the end of the taxable year.

"(B) SAVING IN SAVINGS ACCOUNTS.—The change in the balances in the taxpayer's savings accounts at savings and loan institutions, mutual savings banks, credit unions, and commercial banks between the end of the preceding taxable year and the end of the taxable year.

"(C) SAVING IN U.S. SAVINGS BONDS.—The purchases of nonmarketable bonds issued by the United States minus redemptions in the taxable year.

"(3) SAVING IN CERTAIN INVESTMENT ASSETS.—

"(A) SAVING IN PUBLICLY TRADED STOCK.—Purchases of common and preferred stock in domestic corporations (other than closely held corporations), shares in mutual funds and other investment companies, and shares in investment clubs, plus increases in credit balances at security dealers, less sales of such stock and shares, less increases in debit balances at security dealers, less increases in loans secured by such stocks either newly purchased or formerly held, in the taxable year.

"(B) SAVING IN CERTAIN MARKETABLE SECURITIES.—The purchases of Treasury bills, certificates, notes, bonds, and debentures, issued by the United States or by domestic corporations, less sales of such securities, less increases in loans secured by such bonds either newly purchased or formerly held, in the taxable year.

"(4) SAVING IN MORTGAGE ASSETS AND INVESTMENT REAL ESTATE.—The saving in mortgage assets and investment real estate, consisting of—

"(A) the net of amounts loaned less the principal payments received during the year on loans secured by mortgages, and

"(B) the net of purchases of, plus improvements in, less sales of, and less changes during the year in debt secured by, real estate owned by the taxpayer, other than owned homes and real estate connected with a business or profession. Included are houses owned for investment purposes, properties put to commercial use, structures used for industrial purposes, and undeveloped land held for investment or building purposes.

"(5) SAVING IN COMPANY SAVINGS PLANS, RETIREMENT PLANS, AND LIFE INSURANCE.—The saving in company savings plans, retirement, and life insurance, consisting of—

"(A) the net of contributions by members of the consumer unit to savings plans sponsored by companies for which they worked, less lump sum withdrawals;

"(B) the net of the taxpayer's contributions to retirement plans less lump sum withdrawals from such plans, not including social security contributions; and

"(C) premium payments on, less borrowing against, whole life or term life insurance.

An amount shall not be taken into account under this subsection for the taxable year if a deduction for such amount is allowed under this chapter for such year.

"(e) INCREASE IN TAX WHERE ELIGIBLE NET SAVING IS LESS THAN ZERO.—

"(1) IN GENERAL.—If for any taxable year the eligible net saving of the taxpayer is less than zero, the tax imposed by this chapter for the taxable year shall be increased by an amount equal to the lesser of—

"(A) an amount equal to 50 percent of the excess of—

"(i) zero, over

"(ii) the eligible net savings of the taxpayer for such year,

"(B) an amount equal to the amount of the credit allowed by subsection (a) for the period of 5 taxable years preceding the taxable year.

"(2) EXCEPTIONS.—

"(A) INDIVIDUALS WHO ATTAIN AGE 65.—

"(i) IN GENERAL.—Paragraph (1) shall not apply to any individual who has attained age 65 before the close of the taxable year and who makes an irrevocable election, at such time and in such manner as the Secretary may by regulations prescribe, not to seek the benefits of this section for all subsequent taxable years.

"(ii) SATISFACTION OF AGE REQUIREMENT BY ONE SPOUSE.—In the case of a husband and wife who file a joint return under section 6013 for the taxable year, if—

"(I) one spouse satisfies the age requirement of subparagraph (A), and

"(II) both spouses make the election under such subparagraph,

both spouses shall be treated as satisfying such age requirement.

"(B) NO DOUBLE RECOVERY OF CREDIT.—For purposes of applying subparagraph (B) of paragraph (1) for the taxable year (hereinafter in this subparagraph referred to as the 'computation year'), if—

"(i) there was an increase in tax under paragraph (1) for any taxable year preceding the computation year (hereinafter in this subparagraph referred to as a 'prior computation year'), and

"(ii) any taxable year in the 5-year period described in such subparagraph (hereinafter in this subparagraph referred to as a 'base period year') is taken into account under paragraph (1) both with respect to the computation year and a prior computation year,

then the amount taken into account under such subparagraph (B) for the computation year shall be reduced by the increase in tax for the prior computation year to the extent that such increase exceeds the credit allowed by subsection (a) for base period years described in clause (ii).

"(f) SPECIAL RULES.—For purposes of this section—

"(1) INFLATION ADJUSTMENT FOR MODIFIED ADJUSTED GROSS INCOME.—

"(A) IN GENERAL.—Not later than December 1 of each calendar year, the Secretary shall prescribe a table which shall apply in lieu of the table contained in subsection (b)(1) with respect to taxable years beginning in the succeeding calendar year.

"(B) METHOD OF PRESCRIBING TABLE.—The table prescribed under subparagraph (A) with respect to subsection (b)(1) for taxable years beginning in a calendar year shall be the same as the table contained in such subsection except the amounts of modified adjusted gross income (as in effect for the immediately preceding calendar year) shall be increased by an amount equal to the product of each such amount of modified adjusted gross income and the price index percentage for such preceding year.

"(C) DETERMINATION OF PRICE INDEX PERCENTAGE.—

"(i) PRICE INDEX PERCENTAGE DEFINED.—For purposes of this paragraph, the term 'price index percentage' means, with respect to any calendar year, the percentage (if any) by which—

"(I) the price index for such year exceeds

"(II) the price index for the immediately preceding calendar year.

"(ii) PRICE INDEX DEFINED.—For purposes of this paragraph, the term 'price index' means, with respect to any calendar year, the average of the monthly Consumer Price Indexes for All Urban Consumers published by the Bureau of Labor Statistics for the 1-year period ending on September 30 of such year.

"(2) APPLICATION WITH OTHER CREDITS.—The credits allowed by subsection (a) for the taxable year shall not exceed the amount of tax imposed by this chapter for such year, reduced by the sum of the credits allowable under a section of this part having a lower number or letter designation than this section, other than the credits allowable by sections 31, 39, and 43."

(b)(1) The table of sections for such subpart A is amended by inserting after the item relating to section 44B the following new item:

"Sec. 44C. Eligible net savings."

(2) Subsection (c) of section 56 of such Code (defining regular tax deduction) is amended by striking out "credits allowable under—" and all that follows and inserting in lieu thereof "credits allowable under subpart A of part IV other than under sections 31, 39, and 43."

(3) Subsection (b) of section 6096 (relating to designation of income tax payment to Presidential Election Campaign Fund) is amended by striking out "and 44B" and inserting in lieu thereof "44B, and 44C".

(c) The amendments made by this section shall apply to taxable years beginning after December 31, 1978.

DESCRIPTION OF SAVINGS ACT OF 1979

The first part of the bill creates a nonrefundable credit against the personal income tax equal to 50 percent of Eligible Net Saving (defined below), insofar as the saving exceeds certain required levels.

The required levels, called Threshold Saving Amounts, are based on the taxpayer's adjusted gross income less personal exemptions. The thresholds (see Table) rise with income to reflect the fact that as a family's income rises, its saving, as a percent of its income, also rises. Only saving in excess of the threshold level is eligible for the credit.

	Percent of income less exemptions which saving must exceed to qualify
Adjusted gross income less exemptions:	
Not over $10,000	0
Over $10,000 but not over $12,000	1
Over $12,000 but not over $15,000	2
Over $15,000 but not over $20,000	3
Over $20,000 but not over $25,000	4
Over $25,000 but not over $50,000	5
Over $50,000 but not over $100,000	6
Over $100,000 but not over $200,000	8
Over $200,000	10

Thus, a family earning $9,000 which saves $500 in eligible assets receives a 50 percent tax credit on the full amount. A family earning $18,000 would be expected to save 3 percent, or $540, before being eligible for the credit. If it saved $1,000, it would receive a credit on the $460 in excess of the required $540. A family earning $36,000 would be expected to save 5 percent, or $1,800, before being eligible for the credit. If it saved $3,000, it would receive a credit on the excess $1,200.

The bill then defines Eligible Net Savings as the sum of Net Saving less Ineligible Debt.

Net Saving is:

(1) Saving in Certain Business—

The taxpayer's share in the increase in book value (largely cash increases, inventory increases, investment in additional equipment and structures) of small businesses such as partnerships, proprietorships, and closely held corporations, plus purchases of and loans made to small business. These amounts are readily available, since they are already calculated for tax purposes;

(2) Saving in Liquid Assets—

Saving in checking accounts, savings accounts, and savings bonds. Amounts in accounts at commercial banks, savings and loan institutions, mutual savings banks, and credit unions at the end of the year would be compared to the amounts on deposit at the end of the previous year. The net increase would be part of Eligible Net Saving, as would savings bond purchases less redemptions;

(3) Saving in Certain Investments Assets—

Stock purchases minus sales, and purchases of taxable bonds (Federal or private sector) minus sales are eligible. These records are already kept for tax purposes;

(4) Savings in Mortgage Assets and Investment Real Estate—

Investment in mortgages or real estate, plus improvements, less loans repaid or property sold; and

(5) Saving in Company Savings Plans, Retirement Plans, and Life Insurance—

Payments into plans or on premiums, less withdrawals from or borrowing against such plans or policies.

Ineligible Debt must be subtracted from Net Saving. Not only is debt a form of "negative" saving, but this provision prevents borrowing on existing assets to make deposits solely to get the tax credit. Ineligible Debt is debt acquired in the tax year other than for the purchase or repair of a home or other property or the payment of medical or tuition expenses of the taxpayer or dependents.

Another safeguard is a recapture provision for credits on savings not left in some form of eligible assets for five years. This provision would not apply to withdrawal from savings for retirement income.

The income levels attached to each threshold percent would be indexed to prevent inflation from making the credit harder to receive over time.

[From the Wall Street Journal, May 17, 1978]

AMERICANS SAVE FAR LESS OF THEIR EARNINGS THAN CITIZENS ELSEWHERE, AND THE GAP GROWS

(Alfred L. Malabre, Jr.)

Americans are saving far less of their money than citizens in other industrial countries.

At a time of growing uneasiness over the U.S. economic outlook, the disparity has received few headlines. Yet it is enormous, and it has grown over the years. Many economists find the pattern deeply disturbing.

A willingness to save, of course, is fundamental to economic growth. Paul A. Samuelson, the Nobel-laureate economist at Massachusetts Institute of Technology, has observed that "to the extent that people are willing to save—to abstain from present consumption and wait for future consumption—to that extent society can devote resources to new capital formation."

DIVERSE TRENDS

American willingness to save is low, as the accompanying chart shows, and it has been diminishing. Meanwhile, saving rates abroad have risen. The following table traces these diverse trends over the last decade. In the six major industrial countries, it pinpoints consumer savings, as a percentage of consumer disposable or after-tax income.

RATE OF SAVING

It is impossible to know whether the propensity to save will continue to decline in America, or keep expanding abroad. Inevitably, much will depend on the extent to which governmental polices tend to encourage or discourage savings. And who can foresee with precision the economic plans that political leaders may be hatching?

Whatever does develop, the present disparity is significant on a number of counts. It suggests a greater *potential* for economic growth aboard than in America. "If people don't save, there can't be sufficient investments, and eventually economic growth suffers," says Martin S. Feldstein, president of the National Bureau of Economic Research, a nonprofit business-analysis organization based in New York.

Noting the remarkable rise of savings in Canada, Robert Baguley, an economist at Royal Bank of Canada in Montreal, declares: Canadians possess the capability to decrease their spending sharply." No such cushion exists in the U.S., says Paul Wachtel, an economics professor at New York University. "There is a strong argument that Americans should be saving more."

To many analysts, the relatively low rate of saving in America suggests that the U.S. economy is particularly susceptible, in the event of brisk expansion in coming months, to interest-rate increases. By the same token, these analysts maintain that interest rates are likely to rise relatively little in countries where a large portion of income is being plowed into savings. Sharply climbing interest rates, of course, act to inhibit economic activity inasmuch as they discourage borrowing for business expansion projects, homebuilding and other endeavors.

Economic growth in America has indeed tended to lag during the last decade. This is apparent, for instance, in data showing industrial production, an economic indicator expressed in physical terms and therefore not distorted by rising prices. Since 1967, industrial production in the U.S. has risen slightly over 40%. Among the major countries, only Britain shows a smaller gain. The comparable increase in Japan is 97%. West Germany, France and Canada also show far larger gains than the U.S.

By no coincidence, capital spending in the U.S. is relatively small in terms of overall economic activity. Last year, according to a U.S. Commerce Department analysis, capital investment amounted to 17% of America's gross national product. This was a lower percentage than for any other major nation. The report shows the latest comparable rates to be 30% in Japan, 23% in France and Canada, 21% in West Germany and 19% in Britain.

International comparisons of economic data, to be sure, involve a particularly high degree of risk. It is easy to find oneself comparing oranges and apples. Different countries compile statistics in different ways. Definitions vary from country to country. Statistics involving savings are no exception.

ORANGES AND APPLES

"These are somewhat messy statistics that should not be taken as precisely accurate," warns Gerard Villa, consulting economist of Banque Bruxelles Lambert in Brussels. He notes, for example, that in much of Western Europe "spending by self-employed small businessmen on their own businesses is counted as a part of personal savings." This would not normally be so in the U.S., he adds.

Such distinctions, however, are hardly sufficient to explain the large lag in savings in America. "This is not simply a case of comparing oranges and apples," declares Edward F. Denison, an economist at the Brookings Institution, a nonprofit business-research group based in Washington. "People really do save much higher percentages of their incomes abroad than in the U.S."

There is no single explanation for this U.S. tendency to spend or the propensity elsewhere to save. Various factors appear to be at work.

Mr. Feldstein, who also teaches economics at Harvard University, maintains that Americans have relatively extensive insurance against old age through such programs as Social Security. He finds the U.S. coverage "substantially greater" than, for example, in Japan. Not surprisingly, he says, the typical Japanese worker feels obligated to set aside a relatively large fraction of pay for the retirement years.

BIG BONUSES

Mr. Denison notes that workers in some countries derive a considerable percentage of their yearly pay through annual or semiannual bonuses. In Japan, he says, bonus money recently has approximately one-quarter of annual earnings. No precise figures are available, but he estimates that the comparable U.S. rate is "far lower." Bonus money, he explains, is likelier to be put into savings than regular pay.

The sharp rise of saving in Canada apparently reflects in part governmental efforts to induce thrift. Mr. Baguley of Royal Bank of Canada mentions, for example, the advent of government-sponsored plans, set up within the last decade, that provide tax breaks on various forms of saving. One plan encourages saving for retirement and another saving for home-buying.

Tax considerations are cited by many analysts. U.S. taxation of capital gains, for instance, is deemed relatively heavy. And this, many observers claim, acts to discourage key forms of saving in America. Mr. Villa maintains that the absence of a Belgian capital-gains tax on individual savings is a major reason that his country's saving rate is up around 18%. Countries that either exempt such gains from taxation or levy less of a tax than Uncle Sam also include Australia, West Germany, Italy, Japan, the Netherlands, Britain, Sweden, France and Canada.

Proposals have recently been in the Congress to trim capital-gains taxation in the U.S. However, the Carter administration makes clear that it opposes such measures. The dispute has caused a delay in congressional consideration of President Carter's entire tax "reform" package.

Demographic factors may also work to hold the U.S. saving rate below levels elsewhere. Over the next decade, forecasters project an increase of only 470,000 among Americans aged 45 to 64, a group that tends to save a relatively high percentage of income. In the period, a 6.4 million increase is foreseen among Americans aged 25 to 44, years when only a small portion of income typically is saved. Generally, these demographic patterns are more pronounced in the U.S. than in other industrial countries.

By Mr. MATSUNAGA:

S. 20. A bill to amend the National Foundation on the Arts and the Humanities Act of 1965 to provide for the office of Poet Laureate of the United States; to the Committee on Human Resources.

POET LAUREATE OF THE UNITED STATES

Mr. MATSUNAGA. Mr. President, I am introducing today a bill which would amend the National Foundation on the Arts and the Humanities Act of 1965 to establish the office of Poet Laureate of the United States.

The proposed Poet Laureate would be appointed by the President from among poets whose work reflects the qualities and attributes associated with the historical heritage, achievements and future potential of the United States. He or she would serve for a term of 5 years and would be compensated at a rate set by the President. I envision the office as being largely honorary with, perhaps, nominal compensation.

The United States is one of the few great nations in the world which has failed to give official recognition to its great poets. England, from which we inherited most of our cherished democratic traditions, officially created the position of poet laureate in the 17th century. However, the "unofficial" origin of the honorary position dates back to the reign of King Henry III in the 13th century. Japan and China also gave official recognition to their greatest poets long ago. In our own country, poets such as Carl Sandburg, Robert Frost, Walt Whitman, Henry Wadsworth Longfellow, Archibald MacLeish, Robert Penn Warren, Phyllis McGinley, and James Dickey have captured the American spirit in a unique and timeless way. Such contributions to our national heritage should be encouraged and stimulated. By creating the post of Poet Laureate, we would give the many young and relatively unknown American poets of today something to which they could aspire. We would be telling them that we value their contributions as much as those of the other builders of our Nation—engineers, scientists, explorers, statesmen, tradesmen, and others.

Mr. President, I hope that my bill will be given early, favorable consideration by Congress, and I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 20

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the National Foundation on the Arts and the Humanities Act of 1965 is amended by adding at the end thereof the following new section:

"POET LAUREATE OF THE UNITED STATES

"SEC. 15. (a) There is established the office of Poet Laureate of the United States. The Poet Laureate shall perform such duties as the President shall prescribe, but the duties so prescribed shall not impair the continuation of the creative work of the individual chosen to be Poet Laureate.

"(b) The Poet Laureate of the United States shall be appointed by the President after consideration of the recommendations of the National Council on the Arts from among poets whose works reflect the qualities and attributes associated with the historical heritage, present achievement, and future potential of the United States. The Poet Laureate shall be appointed for a term of five years, and shall receive compensation at a rate to be set by the President."

By Mr. WEICKER:

S. 21. A bill to terminate public financing of Presidential campaigns; to the Committee on Finance.

Mr. WEICKER. Mr. President, I am reintroducing today legislation that would repeal those sections of the law which created the tax check-off system and the public financing of Presidential campaigns.

From the start, I have believed that public financing was a mistake. This proposal reflects my long-held belief that public financing of Presidential campaigns, rather than being a reform, is a dangerous step toward control by the Federal Government of the elective process.

With the best of intentions, the Congress enacted campaign reform legislation calling for direct Federal subsidies to Presidential candidates. However, that accommodates rather than eliminates the problem. The problem is long time translating into big money. Public financing only pays the blackmail imposed by that sin.

Matching funds have kept floundering Presidential campaigns afloat beyond their time. They have allowed one issue candidates and those with only a marginal chance of success to overspend their budgets, knowing that Uncle Sam would pick up the tab. Mr. President, allowing the Federal Government to bankroll everybody who wants to be President is a subsidy that can only sap the vitality of a free society whose excellence depends on the survival of the fittest ideas.

One measure of a candidate is his or her ability to generate contributions for public office. Candidates should sell their ideas to win, not just be a warm body and rely on the Federal dole. Worse, public financing gives Congress control of the campaign war chests of Presidential challengers. The Campaign Reform Act was drafted in 1974, with the Congress and White House controlled by different parties. Under these circumstances, each candidate of a major political party would receive $20 million in a general election, plus compensation for inflation. When the Nation elects a President with a large majority of his own party in the Congress, who can say that the formula for allocating funds will always remain the same? And what about enforcement? Once we handed the Congress the political purse-strings, the people no longer have the final say. Instead, politicians are monitoring politicians. Not a healthy situation.

Mr. President, the dangers of public financing were recognized by the majority of the Watergate Committee when they opposed enactment of that decision. In a brief filed by the appellants in the Supreme Court in Buckley against Valeo these dangers were clearly described:

> Grave dangers to the future of democratic government result from direct payments to parties and candidates. Democracy depends largely on free political competition and the freedom to form, join or leave political organizations. Once a party becomes officially sponsored by the government or government begins to determine the allocation of political resources, that freedom is endangered.

The experience to date with the tax check-off to finance Presidential campaign funds indicates little interest and enthusiasm among the people. Only 26 percent of the taxpayers chose to direct the $1 of their taxes owed for 1976 to the campaign fund. For the taxable year 1977, approximately 27.5 percent of the taxpayers exercised this option thus far, and remember Mr. President, the only deterrent to this clever program is the wasted effort by the stroke of a pen.

With almost three-fourths of the American people saying no to check-offs, it is time the Congress reexamined the policy of paying checks out to Presidential candidates.

I understand there are those who would want to extend the Federal financing principle to senatorial and congressional campaigns. How long will it be before nondesignated general funds are used?

I confess, with today's myriad of unresolved needs, I find financing political campaigns rather far down on my priority list. If we have become so devoid of initiative, ideas and courage that the American people are walking away from today's politicians, then it is time to get out rather than monetarily assure a continued presence.

Mr. President, it was a sad day indeed when this body decided to let the Government support the candidates rather than the people. It is now time to end public financing, and let the people, not the Government, carry the campaign.

Mr. President, I ask unanimous consent that the text of the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 21

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subtitle H of the Internal Revenue Code of 1954 (relating to financing of Presidential election campaigns) is repealed.

(b) (1) Part VIII of subchapter A of chapter 61 of such Code (relating to designation of income tax payments to Presidential Election Campaign Funds is repealed.

(2) The table of parts for such subchapter is amended by striking out the item relating to part VIII.

(c) (1) The repeal made by subsection (a) takes effect on January 1, 1979, except that such repeal shall not affect the authority of the Federal Election Commission or of the Secretary of the Treasury to require repayments from candidates under section 9007 (b) or 9038(b) of the Internal Revenue Code of 1954 (both relating to repayments).

(2) The repeal and amendment made by subsection (b) apply to taxable years beginning after December 31, 1978.

(d) Amounts remaining in the Presidential Election Campaign Fund established under section 9006(a) of the Internal Revenue Code of 1954 at the close of business on December 31, 1979, shall be covered into the general fund of the Treasury as receipts from the tax imposed by chapter 1 of such Code.

By Mr. CHURCH:

S. 23. A bill to amend the Plant Variety Protection Act (7 U.S.C. 2321 et seq.) to clarify its provisions, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

PLANT VARIETY PROTECTION ACT

Mr. CHURCH. Mr. President, I am introducing legislation to amend the Plant Variety Protection Act of 1970. These are important amendments which will strengthen the ability of our agricultural sector to develop new and unique varieties of edible plants.

The Plant Variety Protection Act authorized the establishment of a Plant Variety Protection Office in the Department of Agriculture. The purpose of this office was to issue certificates of plant variety protection to assure developers of novel plant varieties the exclusive rights to sell, reproduce, import or export such varieties or use them in the production of hybrids for a period of 17 years.

Based on experience with this act, the USDA submitted proposed legislation to the Congress on October 10, 1978. These amendments, 21 in all, would further clarify wording and adjust the act to better fit the experience gained. The major substantive change accomplished by these amendments is the deletion of section 144. Deletion of this section will allow protection to be given to breeders and developers of six vegetable crops. Okra, celery, peppers, tomatoes, carrots, and cucumbers were not given protection by the 1970 act. Adoption of these amendments will extend the act's protection to these vegetable varieties. Because these amendments were received from the USDA so late in the session, they were not introduced last year.

By refining the terminology of the act, these amendments will make the act more easily understood by its users and is not expected to have any significant regulatory impact.

These amendments are endorsed by the Department of Agriculture and are supported by the American Seed Trade Association and many plant seed research and development activities across the country. A companion bill is being introduced in the House by the Honorable E "Kika" de la Garza.

Enactment of these amendments will enable the Plant Variety Protection Act to more efficiently function and will extend its protection to vegetable crops deserving of similar protection.

Mr. President, a fine example of the beneficial effect of the Plant Variety Protection Act can be found in the development of the sugar snap pea. This pea is an entirely new vegetable developed by Dr. Calvin Lamborn of the Gallatin Valley Seed Co. in Twin Falls, Idaho. The incentive to proceed with the breeding of this unique new pea was provided by the 1970 act. Similar examples abound across our land.

Part of our heritage of a productive agricultural base has been our ability to develop new and better varieties of seeds. The Plant Variety Protection Act has been an important instrument in renewing efforts in that direction. The amendments I offer today will further strengthen and insure the development of many new varieties of edible plants for our expanding population.

Mr. President, I ask unanimous consent that the text of the Plant Variety Protection Act amendments be printed at this point in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 23

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1 (7 U.S.C. 2321) of the Plant Variety Protection Act is amended by striking the words "a bureau" and inserting in lieu thereof the words "an office".

Sec. 2. Section 5 (7 U.S.C. 2325) of such Act is hereby repealed.

Sec. 3. Section 8 (7 U.S.C. 2328) of such Act is amended by striking the word "officers" and inserting in lieu thereof the word "examiners".

Sec. 4. Section 9 (7 U.S.C. 2329) of such Act is amended by striking the words "published specifications" and inserting in lieu thereof the word "descriptions" and by striking "and a file of such other scientific and technical information as may be necessary or practicable".

Sec. 5. Section 10(a)(1) (7 U.S.C. 2330(a)(1)) of such Act is amended by striking the words "specifications for plant variety protection" and inserting in lieu thereof the words "descriptions of plant varieties protected".

Sec. 6. Section 10(b) (7 U.S.C. 2330(b)) of such Act is hereby repealed.

Sec. 7. Section 10(c) (7 U.S.C. 2330(c)) of such Act is redesignated as 10(b) and is amended by striking the words "the useful arts" and inserting in lieu thereof the words "plant breeding".

Sec. 8. Section 10(d) (7 U.S.C. 2330(d)) of such Act is redesignated as 10(c) and is amended by striking from the second sentence each time it appears the word "specifications" and inserting in lieu thereof the word "descriptions".

Sec. 9. Section 11 (7 U.S.C. 2331) of such Act is amended by striking the word "specifications" and inserting in lieu thereof the word "descriptions".

Sec. 10. Section 31 (7 U.S.C. 2371) of such Act is amended by striking all after the first sentence and inserting the following:

"Such fees shall be deposited into the Treasury as miscellaneous receipts. There are hereby authorized to be appropriated such funds as may be necessary to carry out the provisions of this Act."

Sec. 11. Section 52(3) (7 U.S.C. 2422(3)) of such Act is amended by striking the last sentence.

Sec. 12. Section 56 (7 U.S.C. 2426) of such Act is amended by changing the period at the end of the second sentence to a comma and adding the following:

"the name of the applicant, and whether the applicant specified that the variety is to be sold by variety name only as a class of certified seed."

Sec. 13. Section 57 (7 U.S.C. 2427) of such Act is amended by inserting after the phrase "for the publication of" the words "information regarding".

Sec. 14. Section 83(b) (7 U.S.C. 2483) of such Act is amended by deleting the term "seventeen years" in the first sentence and inserting in lieu thereof "eighteen years".

Sec. 15. Section 84 (7 U.S.C. 2484) of such Act is amended to read as follows:

"Sec. 84. Correction of Plant Variety Protection Office Mistake.

"Whenever a mistake in a certification of plant variety protection incurred through the fault of the Plant Variety Protection Office is clearly disclosed by the records of the Office, the Secretary may issue a corrected certificate of plant variety protection, stating the fact and nature of such mistake, without charge. Such certificate of plant variety protection shall have the same effect and operation in law on the trial of actions for causes thereafter arising as if the same had been originally issued in such corrected form."

Sec. 16. Section 85 (7 U.S.C. 2485) of such Act is amended by deleting "certificate of" from the heading, by inserting before the word "certificate" the second time it appears therein the word "corrected" and by striking the words "of correction in the manner and with attachment of copies as in section 84."

Sec. 17. Section 91(b) (7 U.S.C. 2501(b)) of such Act is amended by striking the word "specification" in the second sentence and inserting in lieu thereof the word "description".

Sec. 18. Section 93(a) (7 U.S.C. 2503(a)) of such Act is amended by striking the word "specification" and inserting in lieu thereof the word "description".

Sec. 19. Section 127 (7 U.S.C. 2567) of such Act is amended by striking the phrase "the words 'Propagation Prohibited'" and inserting in lieu thereof the phrase "either the words 'Unauthorized Seed Multiplication Prohibited' or the words 'Unauthorized Propagation Prohibited'".

Sec. 20. Section 128(a)(3) (7 U.S.C. 2568(a)(3)) of such Act is amended by adding the word "either" followed the words "propagation prohibited" and inserting in lieu thereof the words "'Unauthorized Seed Multiplication Prohibited' or 'Unauthorized Propagation Prohibited'" and by striking the words "a statement of this basis being promptly filed with the Secretary if the phrase is used beyond testing and no application has been filed."

Sec. 21. Section 144 of such Act is deleted.

By Mr. CHURCH:

S. 24. A bill to amend the Internal Revenue Code of 1954 with respect to .22 caliber ammunition recordkeeping requirements; to the Committee on Finance.

Mr. CHURCH. Mr. President, today I have again introduced legislation to repeal restrictions on the sale of .22 caliber ammunition which are part of the 1968 Gun Control Act.

Over the years, the Treasury Department has consistenty supported my legislation. This position is especially notable given the Department's failed attempt at backdoor Federal gun control last year. At least in the instance of .22 caliber ammunition, the gun controllers at Treasury are taking a sensible stand.

A short review of the history of this matter explains the obvious appeal of my legislation. The unfortunate 1968 Gun Control Act—which I strongly opposed—contained certain recordkeeping requirements for firearms and ammunition. Almost immediately thereafter, in 1969, Congress enacted an amendment repealing these ill-advised requirements for sporting rifles and shotguns and ammunition for them.

In adopting that amendment, Congress sustained my belief that these reporting requirements created a useless and unnecessary burden on the Treasury Department itself, on firearms dealers, and on the Nation's sportsmen. Unfortunately such requirements still remain for .22 ammunition as it may be used for sporting rifles. My legislation simply adds .22 caliber ammunition to the older repeal provision.

I have always felt that it is an important responsibility of the Congress to eliminate unnecessary provisions of the law. In this case—and in these times—it is the Senate's best effort to repeal restrictions which are regarded by all concerned as wasteful and intrusive Government nitpicking and burdensome and meaningless paperwork.

From another perspective, these recordkeeping requirements are worse than worthless because they actually detract from a legitimate Government objective—the fight against crime. Treasury Department officials have testified that they know of no instance "where any of the recordkeeping provisions relating to sporting-type ammunition—including .22 caliber rimfire ammunition—has been helpful in law enforcement." The Justice Department confirmed that:

> There is not a single known instance, as we have learned from our discussions with IRS, with the firearms people there, not a single known instance where any of this record keeping has led to a successful investigation and prosecution of a crime.

It is clear that the restrictions on .22 ammunition which have remained in the law are just as much ill-conceived hindrances to the fight against crime as the restrictions which were repealed in 1969. As the Treasury Department gun controllers have testified in their own self-interest:

> The record keeping requirements have become so burdensome that they tend to detract from the enforcement of the firearms laws.

Just what does this recordkeeping involve? Under the 1968 Gun Control Act, it is unlawful for a federally licensed dealer to sell or deliver ammunition without making a record showing the name, age, and residence of the purchaser. In addition, all dealers are required to maintain such records of importation, production, shipment, receipt, sale, or other disposition of ammunition as may be provided by regulations. These regulations have required licensees to record: The date of transaction; the name of the manufacturer; the caliber, gage or type of component; the quantity of ammunition transferred; the name, address, and date of birth of the purchaser; and finally, the method used by the licensee to establish the identity of the purchaser.

On their face, these restrictions on .22 ammunition are useless, and more, a deterrent to the fight against crime by the waste of effort their enforcement entails. With the outcry against needless statutes and bureaucracy, repeal of these restrictions would end a senseless harassment, involving the most popular type of sporting ammunition in the United States. I urge the Senate to support my legislation and ask that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 24

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4182(c) of the Internal Revenue Code of 1954 (relating to records) is amended by inserting ".22 caliber rimfire ammunition," after "rifles generally available in commerce,".

By Mr. BAYH (for himself, Mr. KENNEDY, Mr. GLENN, Mr. DOLE, and Mr. PERCY):

S. 25. A bill to designate the birthday of Martin Luther King, Jr., a legal public holiday; to the Committee on the Judiciary.

Mr. BAYH. Mr. President, I rise on this most historic occasion to submit a bill to the Senate which will establish January 15, the birthday of Dr. Martin Luther King, Jr., as a national holiday.

It is only fitting that such legislation be introduced in the Senate and the House of Representatives on Dr. King's 50th birthday. And it is only proper that this distinguished body act expeditiously in adopting it. Making Dr. King's birthday a national holiday seems to me to be the very least we can do to show our great debt of gratitude for the lesson he taught all Americans willing to listen and learn.

He taught us that our democratic principles were seriously impaired if they did not apply to all Americans. He reminded us that the values of freedom, equality and liberty could not justly be denied to any group of Americans, lest we all lose a degree of the same values. He reminded us of our history; of George Washington, Thomas Jefferson Abraham Lincoln, Harriet Tubman, Sojourner Truth, Frederick Douglas, Franklin Roosevelt, Harry Truman, John F. Kennedy, Lyndon B. Johnson, and of the sacrifices they made to liberty and freedom.

From the darkness of a Birmingham jail, he taught us that laws and justice were sometimes at odds and did not always complement each other. Further, he always accepted, with pride, dignity, and courage, the consequences of his acts. It came as something of a revelation to many good intentioned Americans when Dr. King demonstrated that justice is a creation of God while laws are manmade, and the latter being subject to the errors of man are inferior to justice. As a result of his work many laws were drastically changed so that justice might prevail. One only need look in the lunch counters, neighborhoods, and schools in previously segregated sections of the country for evidence of this man's work.

Dr. King further taught us that the teachings of Christ were still the most effective methods by which to confront one's adversaries. He employed the Christian ethic of love thy neighbor and turn the other cheek as a means to attain his ends. Utilizing the Ghandian tactic of nonviolence, Dr. King boldly and bravely confronted his enemies and calmly convinced them of the errors in their ways. He taught us that violence and hatred appeal to the baser nature of man and that patience and understanding will ultimately triumph in the eternal struggle between good and evil.

He touched the conscience of all Americans in a way that was painful but not damaging. He demonstrated that in an era of hatred, violence, and bloodshed, love can prevail. He made us understand that if we contend to be a civilized society that we had better begin to treat our neighbors in a civilized manner. This is a lesson that can well be applied nationally as well as internationally. And for teaching us that nonviolence is the superior form of negotiation, he truly does deserve the title of prophet of nonviolence.

And finally he taught us that our dream of an ideal America can be a reality if only we work at making it so. As he stood at the Lincoln Memorial on August 28, 1963, and shared his vision with America, he touched this country in a way it had never been touched in its entire history. He shared with us his dream of black children, whites and all children, holding hands as they walked on the red clay of Georgia, oblivious to racial distinctions and prejudice. He prophesied that the day would come when all God's children would be free and equal. It is because of his vision and his work that we are much closer to a purely just and equal society. And it is because he shared his dreams with us and then went out and tried to make those dreams a reality that I introduce this legislation which would simply be our humble way of saying thank you to one of the great men in American history. "Greater love hath no man than that he lay down his life for that of another." And so it was with Martin Luther King, Jr.

Mr. KENNEDY. Mr. President, I join in support of the legislation introduced by my colleague, Senator BAYH, to designate January 15, Dr. Martin Luther King's birthday, as a national holiday, and I pledge to do all I can as chairman of the Senate Judiciary Committee to insure that this legislation is brought before the full Senate at the earliest possible opportunity.

Citizens of the United States and persons throughout the world are deeply indebted to Dr. King for his worldwide leadership in the struggle for freedom, justice, and dignity for all peoples everywhere. It is entirely fitting, therefore, that today on this 50th anniversary of his birth, we should pledge to honor his life and his great works by declaring his birthday a national holiday.

Dr. King was perhaps the greatest apostle of change of our time. Through his example, millions drew hope that their dreams of a better life could be fulfilled. Above all, by his deep commitment to nonviolence, he demonstrated that peaceful change was possible in society, and that effective leadership could bring an end to even the greatest obstacles of oppression and discrimination. In honoring Dr. King, therefore, we honor the highest tradition of our Nation and our history.

Mr. President, this past Friday, January 12, 1979, I had the honor to visit Atlanta and to participate in the weeklong celebration sponsored by the Martin Luther King Center for Social Change, commemorating the 50th anniversary of the birth of Dr. King. I ask unanimous consent that the text of my address at the Ebenezer Baptist Church may be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

KEYNOTE ADDRESS OF SENATOR EDWARD M. KENNEDY

It is a special honor for me to be here with you on this historic occasion and to stand in the pulpit of Ebenezer Baptist Church on the 50th Anniversary of the birth of Dr. Martin Luther King, Jr.

I am proud to participate in this program that pays tribute to one of the most gifted and extraordinary Americans this country has ever produced in its long and magnificent history.

I thank Congressman Walter Fauntroy of the District of Columbia for his introduction. Walter began alongside Dr. King. In keeping with the tradition of the movement, Walter has "never let nobody turn him around." And never was that inspiring quality more evident than in Walter's leadership last year in Washington, guiding the successful effort to persuade the Senate and the House of Representatives to enact the D.C. Voting Rights Amendment.

The honor of being here in Atlanta on this symbolic day is also heightened by my affection and respect for Daddy King, whose friendship, leadership and counsel have meant so much to me and so many others who share his goals.

I also pay special tribute to Coretta King and her children. Her continuing leadership and example have become one of the brightest beacons in the civil rights movement of our time, guiding all of us toward the better nation and world that she and Dr. King have seen so clearly.

In addition, I am proud of my role as a trustee of the Martin Luther King Center for Social Change, which holds such great promise for all who seek non-violent answers to the complex barriers facing human rights. The conclusion of the first three phases of this fine complex is an auspicious beginning. I pledge my full support for the completion and endowment of the Center, and I urge all Americans to join in completing "Freedom Hall," the final phase of the building program.

The spirit of Dr. King is here with us this afternoon. We honor the greatness of his leadership in the struggle to secure equal rights for all Americans. We honor the courage by which, against great odds and opposition, he moved this country to a nobler path of conscience and morality. And we also honor the strength of his commitment to these goals.

Those qualities—leadership, courage and commitment—have rarely, if ever, been combined in such high degree in any American in our history. Through those qualities, America has achieved enormous progress in recent years in human rights and civil rights, both at home and overseas. And through those qualities as well, countless others have been inspired to take up the cause of Dr. King and work to achieve his dream.

In one of his last speeches in Atlanta in 1968, in words that are now inscribed on the walls of Morehouse College, he spoke of his role:

"Yes, if you want to say that I was a drum major, say that I was a drum major for justice, say that I was a drum major for peace, say that I was a drum major for righteousness."

As a nation, we can pay no greater tribute to Dr. King than to carry on his work, so that his dream of freedom and justice will be fulfilled for the benefit not only of citizens in our own land, but in all other lands as well.

But there is a separate honor we can bestow on Dr. King that is both deserved and overdue. And those of us who serve in Congress are in a position to achieve it. When the new session of Congress opens on Monday, I pledge to do all I can, as Chairman of the Judiciary Committee in the Senate, to insure that legislation is enacted in this anniversary year, declaring that the birthday of Martin Luther King is a national holiday in every city, town and village of these United States.

Dr. King's roots were here, in the soil of Georgia, in the Ebenezer Baptist Church and in the hearts of his people in this state. But in a larger sense, his roots knew no boundary of section, creed, or color. He reached out to Americans everywhere and to peoples of all nations with his message of freedom, justice and dignity, and he led them to a better world.

He was America's first ambassador for human rights to those in other lands. He understood that the struggle for freedom anywhere is the struggle for freedom everywhere. And for his work, at the age of 35, he became the youngest person ever to win the Nobel Peace Prize.

As Americans, we are proud of the early leadership he provided to the worldwide movement for human rights, even as we take pride today in the leadership and momentum that President Carter has given to this cause.

In this country, Dr. King took his message to many different regions. I recall the personal bonds he established with the people of Massachusetts. As a young man, Dr. King came from Morehouse College in Georgia to Boston University in Massachusetts to complete his education and religious training. It was there, at the Twelfth Baptist Church in Roxbury, that he met Coretta Scott, the great partner who shared his life and dream and who carries on his work today. Twelfth Baptist is renowned for another reason too, as the site of a final stop on the underground railway that delivered so many brothers and sisters into freedom from the chains of slavery in the nineteenth century.

And I recall how Dr. King came back again to Boston in 1965, with his message of twentieth century freedom for all of those still bound by the chains of economic, social and political deprivation. He spoke to the Massachusetts Legislature. He inspired the leaders and the people of our Commonwealth with the power and the eloquence of his message.

He warned against inaction and delay. "The time is always right to do right," he said.

His message was clear. It could not be ignored. "Now is the time," he said, for action on voting rights and housing rights and so many other basic rights that had been denied to so many for so long.

In 1965, as in 1979, there were many who said that now was not the time. Although the cause was just, they said, there were other needs and other goals. The dream must be deferred, they said—deferred to a future day when progress might more easily be resumed.

But Dr. King rejected those counsels of delay. "Now is the time," he said. In 1963, in his famous "Letter From a Birmingham Jail" to the white clergymen who had urged delay, he wrote with great eloquence that delay was not acceptable, that the dream could no longer be deferred, that the movement must go on, that justice would forever be denied unless people had the courage to insist that "Now is the time."

Frederick Douglas, born a slave, said it well during the struggles of another era:

"If there is no struggle, there is no progress. Those who profess to favor freedom and yet deprecate agitation are men who want crops without plowing up the ground. They want the rain without thunder and lightening. They want the ocean without the awful roar of her mighty waters. Power concedes nothing without demand. It never has and it never will."

Now, in 1979, nearly a century after the death of Frederick Douglas, a decade after Dr. King's triumphant leadership, the debate goes on in our own day and generation. The lives and well-being of millions of our citizens are waiting for our answers.

The question is where we stand. Do we defer the dream? Do we deny the call? Do we watch reluctantly from the sidelines while progress slows and hope grows dim again? Or do we stand with Frederick Douglas? Do we stand with Dr. King? Do we keep the flame alive? Do we raise up the fallen standard and hold it high again?

Let the workshops of this conference send their message to a waiting nation, the eloquent message of Dr. King, the message that now is the time.

Now is the time to redeem the promise of the Humphrey-Hawkins Act. Let us join wholeheartedly in the fight against inflation. But let us insure that the fight is fair. And let us join as well in achieving the goal of full employment for all our people.

Now is the time to adopt the Equal Rights Amendment, and end the age-old discrimination against women in our society.

Now is the time to extend the full rights of American democracy and representative government to the people of the nation's capital, by ratifying the District of Columbia Voting Rights Amendment as part of the Constitution of the United States.

Now is the time to reduce the monopoly power of massive selfish interest groups over our economy. We can end the excessive burden of government regulation that stifles competition. We can bring modern new vitality to one of our society's most important strengths, the free enterprise system that built this nation and made it great.

Now is the time to adopt a program of universal and comprehensive national health insurance, capable at last of controlling the soaring cost of health care and bringing decent quality health care within the reach of every man, woman and child in our society.

Now is the time to promote human rights and democracy in the world, and to struggle against racism, not just in the United States but in Southern Africa and wherever else it scars the human spirit.

Now is the time as well to move forward on the other great goals we share with Dr. King—goals in areas like education and housing, the cities, crime and drug control, energy and transportation, and all the other unfinished business of our society.

Now is the time, in ways like these, to honor the memory of Martin Luther King.

Near the end of Pilgrim's Progress there is a passage that tells of the death of Valiant:

Then, he said, "I am going to my Father's; and though with great difficulty I am got hither, yet now I do not regret me of all the trouble I have been at to arrive where I am. My sword I give to him that shall succeed me in my pilgrimmage, and my courage and skill to him that can get it. My marks and scars I carry with me, to be a witness for me, that I have fought his battle who now will be my rewarder."

When the day that he must go hence was come, many accompanied him to the riverside, into which as he went he said, "Death, where is thy sting?" and as he went down deeper, he said "Grave, where is thy victory?" So he passed over, and all the trumpets sounded for him on the other side.

Black and white, north and south, on this fiftieth anniversary occasion, let us answer the call of Dr. King. Let us heed his example of leadership, courage and commitment. Let us work together, confident that we can fulfill the dream and be free at last.

By Mr. RANDOLPH:

S. 27. A bill to authorize the Administrator of General Services to dispose of 35,000 long tons of tin in the national and supplemental stockpiles, and to pro-

vide for the deposit of moneys received from the sale of such tin; to the Committee on Armed Services.

Mr. RANDOLPH. Mr. President, today I am introducing a bill which calls for the release of 35,000 long tons of tin from the U.S. stockpile. The strategic materials stockpile currently contains over 200,500 long tons of tin. Of that total, only 32,500 long tons are necessary to fulfill the stockpile goals pursuant to the Strategic and Critical Materials Stockpiling Act. Thus, there are 168,000 long tons of tin which could be made available for sale without jeopardizing our national defense goals.

I am concerned with our oversupply of tin in the stockpile, as this is economic waste. I am also concerned with the fate of the domestic tin-plated steel industry in West Virginia. This industry provides jobs for more than 5,000 workers in West Virginia. The jobs of these West Virginians, as well as other Americans, are threatened by the artificially high price of tin imported into this country. These high prices are the result of action by commodity speculators in the world tin markets.

In January 1976 the average price of tin was $3.01 per pound. Today, 2 years later, the price has risen to $6.36 per pound—an increase of over 100 percent. If this legislation is not passed, the price promises to go even higher.

Legislation authorizing the sale of tin passed both the House and the Senate in the 95th Congress. In the Senate, this was in the form of an amendment, which I cosponsored with Senator CHURCH, to the sugar bill and was lost in the rush to adjournment. As soon as this fact reached the trade press, speculators pushed the price of tin to $7.35 per pound. Failure to pass this legislation will, once again, push tin prices to higher levels. This will have an inflationary impact on food prices throughout the United States.

Total consumption of tin in the United States is approximately 61,000 tons per year. The tin plate canning industry uses approximately 18,500 tons of that total usage. West Virginia uses over 4,000 tons to produce tin-plated steel. During the past 2 years, the cost to purchase tin by this one industry in West Virginia has increased by $26,640,000. These increased costs are borne by U.S. consumers. The price of tin has increased due to two factors: A shortfall of tin supply in the world market, and fluctuation of tin prices by commodity speculators. Today the supply levels are near world demand for the first time in several years. Therefore, I believe that a release of tin would have a moderating effect on these escalating tin prices.

I urge the Senate to expedite the passage of this bill. In addition to authorizing disposal of 35,000 tons of tin, it provides that money received from this disposal will be held in a special account in the U.S. Treasury. The utilization of these funds will be determined upon passage of the Strategic and Critical Materials Stockpiling Act, which is expected to be acted on during the 96th Congress.

By Mr. HATCH:

S. 29. A bill to repeal the Davis-Bacon Act, and for other purposes; to the Committee on Human Resources.

Mr. HATCH. Mr. President, it has been well established that one of the ways to slow down the spiral of inflation is to reduce Federal spending, or at least to assure that the Federal Government obtains full value for the money it spends. Since all of us are concerned about inflation, I invite your support of a bill I am introducing today to repeal a Federal law that makes Government an accomplice in cost and price excesses in the construction industry. The subject is the Federal prevailing wage law, more commonly referred to as the Davis-Bacon Act.

In essence, the Davis-Bacon Act provides that contractors performing federally funded or assisted projects must agree to pay a specific rate of wages as established by the Secretary of Labor. This rate schedule is determined by the use of a formula which seeks to find a rate of wages that is comparable to actual wages of the local area. During the Great Depression, the intent of the act was to prevent contractors from low-wage areas from coming into higher wage areas with workers who would displace local people. Unfortunately, this law remained in effect after the depression and over the years has been responsible for billions of tax dollars being wasted. I believe construction employees and employers alike deserve a law for the 1980's and beyond and not an antiquated relic of the 1930's.

Although maladministration and excessive special influence have long characterized the act's history, I believe that the heart of the problem lies in the adverse economic consequences created by setting artificial wage rates for an area that does not reflect wages actually paid in that area. It is a fact that in many instances, wage rates paid to as few as 30 percent of construction workers in the area will determine the so-called prevailing rate for Davis-Bacon work. This is possible under the 30-percent rule which was not in the original act but, rather, was instituted by a former Secretary of Labor in 1935 through administrative fiat.

My bill seeks to restore the original intent of Congress, which is to preserve local working conditions and pay practices. Further, it will provide for greater opportunity for small business and minority contractors and their employees to participate in Federal work.

A recent General Accounting Office draft report states that the unnecessary cost to the taxpayer is some $715 million a year. In addition to the direct cost of Davis-Bacon, the GAO report estimated total public and private administrative costs at about $215 million a year. However, the most adverse effect of the Davis-Bacon Act is its "spillover" inflationary impact on local construction wages paid on private work. This private sector cost of Davis-Bacon is estimated by the Economic Policy Center of the U.S. Chamber of Commerce at $1.78 billion a year; on new home building alone, at $470 million annually.

This brings the Davis-Bacon inflationary annual price tag to $2.7 billion. Therefore, repeal of this outmoded and now unnecessary statute clearly should be one of the top priority matters before Congress.

For years, concerned legislators have been urging repeal or revision of this archaic law. Now the GAO, an independent branch of the Federal Government, has added their voice to the clamor for sensible change.

Here is what the GAO says:

> Congress should repeal the Davis-Bacon because:
>
> Significant changes in economic conditions and the economic character of the construction industry, since 1931, plus the passage of other wage laws make the act unnecessary.
>
> After nearly 50 years, Labor has not developed an effective program to issue and maintain current and accurate wage determinations and it may be impractical to ever do so.

In summary, I urge my colleagues to join me in demonstrating to the American people our resolve to eliminate this kind of inflation by regulation. Throughout this new Congress, I will be investigating the countless areas in which the Federal regulatory bureaucracy adds to the overwhelming cost of living burdens now borne by our productive citizens. Let this bill be our first genuine step toward elimination of inflation by regulation.

Mr. President, for the information of my colleagues I ask unanimous consent that a recent editorial from the New York Times dated December 29, 1978, criticizing the Davis-Bacon Act be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

MAKING FEDERAL CONSTRUCTION EXPENSIVE

Even as Alfred Kahn, the White House inflation fighter, pleads for wage moderation from unions, Labor Department officials are policing the earnings of workers on Federal construction projects, lest unskilled laborers willing to accept $4.50 an hour get less than $9.50, or pipelayers happy to take home $8 are paid less than $10.

The source of this bizarre contradiction is the Davis-Bacon Act, which requires Federal construction wages to match local "prevailing" rates. According to a new report by the General Accounting Office, the law costs the taxpayers about $715 million annually and serves no useful purpose.

The Davis-Bacon Act was passed at the nadir of the Depression to protect local construction workers from outside competitors willing to slave for peanuts. Whatever the merits of the act at the time, there is no justification for such interference with private markets today. In 1977, the Labor Department made "prevailing wage" determinations for more than 15,000 federally funded projects. According to the G.A.O.'s reckoning, the department guessed high on about 40 percent of the projects, increasing wages by $500 million and adding another $215 million in administrative costs to the Federal Government's expenditures for construction.

The inflationary impact of the regulations may in fact have been much greater. By forcing contractors to pay premium wages on Federal jobs, the Government made it difficult for those same contractors to pay their crews less on private construction. Industry leaders guess that the law may raise costs in the $170-billion construction industry by more than 10 percent.

Since the only effect of the Davis-Bacon

Act is to provide a bonus for some construction workers at the public's expense, the best possible reform would be to erase it from the books. That, unfortunately, would be extraordinarily difficult; not surprisingly, organized labor bitterly opposes repeal since the law reduces the incentive of contractors to hire nonunion workers.

An alternative is to amend the act and require the Labor Department to justify its estimates and provide a speedily appeals process. As the courts now interpret the statute, department decisions, however arbitrary, cannot be challenged. If all legislative initiatives fail, one remedy remains: the President can demand that Federal administrators bend over backward to reduce the inflationary impact of this harmful measure.

By Mr. HELMS:

S. 30. A bill to repeal section 11(n) of the Federal Reserve Act (12 U.S.C. 248 (n)); to the Committee on Banking, Housing, and Urban Affairs.

STANDBY CREDIT CONTROLS SHOULD BE REPEALED

Mr. HELMS. Mr. President, at the end of the 95th Congress, I introduced legislation which would repeal the Credit Control Act of 1969.

I did so with the hope that the Treasury Department would have an opportunity to consider the bill in the 3 months between Congress adjournment and beginning of the new Congress. Unfortunately, Treasury has not done so.

I also asked the chairman of the Federal Reserve Board, the Honorable William E. Miller for his views and he agreed that the dislocations caused by credit controls would be disruptive and costly to the economy. He felt, however, that standby controls should stay on the books, stating:

> The distortion which such wide-ranging credit controls would produce, both during and after the period when they were in effect, makes them unacceptable except under the most exigent circumstances. You have questioned whether the present authority should even be on the books.
>
> In my view, the shortcomings of mandatory credit controls are so well known as to assure that they would be used only in an emergency situation. If such a situation arose, and selective credit controls appeared to be necessary, it would be helpful to have the authority for such controls already in place. Moreover, the fact that mandatory controls could be imposed may well contribute to the success of voluntary guidelines, which of course are a much better means for generating desired flows of credit. For these reasons, the standby authority contained in the Credit Control Act probably serves a useful purpose.

I am glad that Chairman Miller agrees with the assessment that the controls would impose massive costs on the economy. But, his arguments in favor of standby credit controls could easily be used in support of standby controls over wages and prices. I do not believe that the Chairman of the Fed has advocated such controls, but there may be some inconsistency in not advocating standby controls for wages and prices if we are to have standby controls for credit. I frankly view such controls as mere treatments of the symptom of inflation—not treatment of its cause.

One sure way for the Federal Government to cause more trouble than it eliminates is to attack a problem by treating the outward manifestations and not the root causes.

Today we hear more and more people saying that wage-and-price controls can be effective to stop inflation. It is as if we say allowing no thermometer to register above 98.6° is going to stop fevers. As President Carter himself has said:

> Wage and price controls, mandatory wage and price controls, would be ill-advised and also counterproductive. I don't think they would work.

We know that there is now on the books no emergency authority allowing the President to impose wage-and-price controls. I hope there will never be such controls. They could only serve to further mask the real culprit: The U.S. Government. Specifically, the culprit is inordinate Federal spending, causing Federal deficits and expansion of the money supply brought on by the Federal Reserve System's monetization of those growing Federal deficits. Without Federal deficits, we could expect more responsibility from our monetary authorities. We could expect rational, noninflationary monetary policies.

I find, however, that there remains on the books in the Federal Code an onerous piece of legislation which purports to be a means of "combating inflation." In fact, it is little more than a means of providing total Federal control of the financial system of this country. I speak of Public Law 91–151, the Credit Control Act of 1969.

In 1969, the Nation was beginning to suffer from the inflation caused by the "guns and butter" Federal deficits of the late 1960's. In S. 2577—Public Law 91–151, the Congress approved a bill initially aimed at expanding earlier legislation relating to "disintermediation" of funds from savings and loan associations to banking institutions. The main controversy evidently centered around housing credit, and the bill provided for increased authorization for the Federal Home Loan Bank lending. Of interest is that there is almost no record of debate on one portion of the bill, title II, which provides for massive controls over all issuance of credit. Portions of 12 U.S.C. 1904 and 1905 read as follows:

> § 1904. Credit controls.
>
> (a) Whenever the President determines that such action is necessary or appropriate for the purpose of preventing or controlling inflation generated by the extension of credit in an excessive volume, the President may authorize the Board to regulate and control any or all extensions of credit.
>
> § 1905. Extent of control.
>
> The Board, upon being authorized by the President under section 1904 of this title and for such period of time as he may determine, may by regulation
>
> (1) require transactions or persons or classes of either to be registered or licensed.
>
> (2) prescribe appropriate limitations, terms, and conditions for any such registration or license.
>
> (3) provide for suspension of any such registration or license for violation of any provision thereof or of any regulation, rule, or order prescribed under this Act.
>
> (4) prescribe appropriate requirements as to the keeping of records and as to the form, contents, or substantive provisions of contracts, liens, or any relevant documents.
>
> (5) prohibit solicitations by creditors which would encourage evasion or avoidance of the requirements of any regulation, license, or registration under this Act.
>
> (6) prescribe the maximum amount of credit which may be extended on, or in connection with, any loan, purchase, or other extension of credit.
>
> (7) prescribe the maximum rate of interest, maximum maturity, minimum periodic payment, maximum period between payments, and any other specification or limitation of the terms and conditions of any extension of credit.
>
> (8) prescribe the methods of determining purchase prices or market values or other bases for computing permissible extensions of credit or required downpayment.
>
> (9) prescribe special or different terms, conditions, or exemptions with respect to new or used goods, minimum original cash payments, temporary credits which are merely incidental to cash purchases, payment or deposits usable to liquidate credits, and other adjustments or special situations.
>
> (10) prescribe maximum ratios, applicable to any class of either creditors or borrowers or both, of loans of one or more types or of all types.
>
> (A) to deposits of one or more types or of all types.
>
> (B) to assets of one or more types or of all types.
>
> (11) prohibit or limit any extensions of credit under any circumstances the Board deems appropriate.

In other words, if the President declares that "such action is necessary * * * for * * * controlling inflation," he might set all kinds and varieties of restrictions on the normal utilization of credit.

It is nothing more than price controls on money. The interest rate charged on money is no more than the price charged for "renting" money.

That this bill was passed so swiftly, and evidently with such little controversy, indicates that often Congress does not give serious enough consideration to the problems it addresses.

During consideration by the Senate of this proposal, I hope we can call on the expertise of our colleagues who worked to effect the passage of the "National Emergencies Act," Public Law 94–412, a proper and important piece of legislation which repealed numerous laws which gave the President vast powers under various "states of emergency" declarations. I hope that the good work that was done to limit the arbitrary authority of the executive branch might be used as a foundation to further trim this power now held by the President. In my mind it could be used for little, if any, good.

In developing the case for this bill, there is the entire question of academic opinion. I have a feeling that there would be precious few scholars and experts in the fields of finance and economics who could support such exercise of power except under the most dire of circumstances.

I would like very much to find out what the administration thinks of this bill. I would hope, of course, that the President would advocate elimination of this authority so as to be consistent with his opposition to wage-and-price controls.

I hope that early consideration will be given to this legislation. I am committed to an outright repeal of this law unless it can be shown that there is some great national interest served by continuation of this authority.

Mr. President, I ask unanimous consent that the following documents be printed in the RECORD. First, a Library of Congress summary of the Credit Control

Act of 1969, dated September 27, 1974; second, the full text of 20 U.S.C. 1901–09 including notes, from the United States Code annotated excerpts; and third, the text of my bill.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

LEGISLATIVE AUTHORITIES ENACTED BY THE CONGRESS WHICH GIVE THE EXECUTIVE BRANCH POWERS TO STABILIZE THE ECONOMY AND COMBAT INFLATION

CREDIT CONTROL ACT OF 1969

Purpose. To grant *permanent* authority to the President to control the extension of credit, when necessary, to (1) lower interest rates and fight inflation; (2) help housing, small business and employment; and (3) increase the availability of mortgage credit.

Major provisions

Whenever the President determines that action is necessary or appropriate for the purpose of preventing or controlling inflation generated by the extension of credit in an excessive volume, he may authorize the Board of Governors of the Federal Reserve System to regulate and control any or all extensions of credit.

The Board, upon being authorized by the President and for such period of time as he may determine, may by regulation:

(1) Require transactions or persons or classes of either to be registered or licensed.

(2) Prescribe appropriate limitations, terms, and conditions for any such registration or license.

(3) Provide for suspension of any such registration or license for violation of any provision thereof or of any regulation, rule, or order prescribed under this Act.

(4) Prescribe appropriate requirements as to the keeping of records and as to the form, contents, or substantive provisions of contracts, liens or any relevant documents.

(5) Prohibit solicitations by creditors which would encourage evasion or avoidance of the requirements of any regulation, license, or registration under this Act.

(6) Prescribe the maximum amount of credit which may be extended on, or in connection with, any loan, purchase or other extension of credit.

(7) Prescribe the maximum rate of interest, maximum maturity minimum periodic payment, maximum period between payments, and any other specification or limitation of the terms and conditions of any extension of credit.

(8) Prescribe the methods of determining purchase prices or market values or other bases for computing permissible extensions of credit or required downpayment.

(9) Prescribe special or different terms, conditions, or exemptions with respect to new or used goods, minimum original cash payments, temporary credits which are merely incidental to cash purchases, payment or deposits usable to liquidate credits and other adjustments or special situations.

(10) Prescribe maximum ratios applicable to any class or either creditors or borrowers or both, of loans of one or more types or of all types:

(A) To deposits of one or more types or of all types.

(B) To assets of one or more types or of all types.

(11) prohibit or limit any extensions of credit under any circumstances the Board deems appropriate.

The Act has no expiration date.

Implementation of authority

This standby authority for selective credit controls was enacted in response to concern that the unrestricted extension of particular forms of credit in excessive volume, based only on the highest interest rate creditors can obtain, not only raises the level of interest rates generally but results in a serious distortion of the whole credit picture. It was contended that short of direct lending by government itself, there was no mechanism available for channeling credit into those activities which national policy requires, such as low- and moderate-income housing, small business firms and other areas of the economy which operate at a distinct disadvantage during periods of tight money and sharply rising interest rates. To date this standby authority has not been invoked by the President. However, in this connection it should be noted that in October 1971 President Nixon, pursuant to the authority of the Economic Stabilization Act of 1970, established the Committee on Interest and Dividends (CID). The function of this committee, which was chaired by the Chairman of the Federal Reserve Board, was to administer voluntary programs for restraint of interest rates and dividends. Aside from these voluntary efforts, the President has refrained from invoking his authority to apply mandatory controls on interest rates and corporate dividends. The activities of the CID were terminated with the expiration of the Economic Stabilization Act on April 30, 1974.

In addition, it should be noted that on September 16 of this year, the Board endorsed a set of guidelines proposed by the Federal Advisory Council (an advisory body composed of leading bankers, one from each Federal Reserve district) that would encourage banks to allocate more funds to housing and other high-priority needs of the economy. The main objective would be to divert funds from highly speculative ventures and other business purposes deemed less essential to the economy at this time. In endorsing this proposal the Board made it clear that it had not adopted a formal system of credit allocation. Nonetheless, banks do take such guidance seriously, realizing that if such voluntary measures should fail to accomplish a more appropriate distribution of loanable funds, the Board might be compelled to take formal action. As noted above the authority for such action rests in the Credit Control Act of 1969.

CHAPTER 20.—CREDIT CONTROL [NEW]

Sec.
1901. Definitions.
1902. Rules and regulations by the Board of Governors of the Federal Reserve System.
1903. Interest.
1904. Credit controls.
1905. Extent of control.
1906. Reports; production of records.
1907. Injunctions for compliance.
1908. Civil penalties.
1909. Criminal penalty.

§ 1901. Definitions.

(a) The definitions and rules of construction set forth in this section apply to the provisions of this chapter.

(b) The term "Board" refers to the Board of Governors of the Federal Reserve System.

(c) The term "organization" means a corporation, government or governmental subdivision or agency, trust, estate, partnership, cooperative, or association.

(d) The term "person" means a natural person or an organization.

(e) The term "credit" means the right granted by a creditor to a debtor to defer payment of debt or to incur debt and defer its payment.

(f) The term "creditor" refers to any person who extends, or arranges for the extension of, credit, whether in connection with a loan, a sale of property or services, or otherwise.

(g) The term "credit sale" refers to any sale with respect to which credit is extended or arranged by the seller. The term includes any rental-purchase contract and any contract or arrangement for the bailing or leasing of property when used as a financing device.

(h) The terms "extension of credit" and "credit transaction" include loans, credit sales, the supplying of funds through the underwriting, distribution, or acquisition of securities, the making or assisting in the making of a direct placement, or otherwise partcipating in the offering, distribution, or acquisition of securities.

(i) The term "borrower" includes any person to whom credit is extended.

(j) The term "loan" includes any type of credit, including credit extended in connection with a credit sale.

(k) The term "State" refers to any State, the Commonwealth of Puerto Rico, the District of Columbia, and any territory or possession of the United States.

(l) Any reference to any requirement imposed under this title of any provision thereof includes reference to the regulations of the Board under this chapter or the provision thereof in question.

Pub. L. 91–151, Title II, § 202, Dec. 23, 1969, 83 Stat. 376.

Short Title. Section 201 of Pub. L. 91-151 provided that: "This title [enacting this chapter] may be cited as the 'Credit Control Act'."

Legislative History. For legislative history and purpose of Pub. L. 91–151, see 1969 U.S. Code Cong. and Adm. News, p. 1467.

§ 1902. Rules and regulations by the Board of Governors of the Federal Reserve System

The Board shall prescribe regulations to carry out the purposes of this chapter. These regulations may contain such classifications, differentiations, or other provisions, and may provide for such adjustments and exceptions for any class of transactions, as in the judgment of the Board are necessary or proper to effectuate the purposes of this chapter, to prevent circumvention or evasion thereof, or to facilitate compliance therewith. Pub. L. 91–151, Title II, § 203, Dec. 23, 1969, 88 Stat. 376.

Legislative History. For legislative history and purpose of Pub. L. 91–151, see 1969 U.S. Code Cong. and Adm. News, p. 1467.

§ 1903. Interest

Except as otherwise provided by the Board, the amount of the interest charge in connection with any credit transaction shall be determined under the regulations of the Board as the sum of all charges payable directly or indirectly to the person by whom the credit is extended in consideration of the extension of credit. Pub. L. 91–151, Title II, § 204, Dec. 23, 1969, 88 Stat. 377.

Legislative History. For legislative history and purpose of Pub. L. 91–151, see 1969 U.S. Code Cong. and Adm. News, p. 1467.

§ 1904. Credit controls.

(a) Whenever the President determines that such action is necessary or appropriate for the purpose of preventing or controlling inflation generated by the extension of credit in an excessive volume, the President may authorize the Board to regulate and control any or all extensions of credit.

(b) The Board may, in administering this Act, utilize the services of the Federal Reserve banks and any other agencies, Federal or State, which are available and appropriate. Pub. L. 91–151, Title II, § 205, Dec. 23, 1969, 83 Stat. 377.

References in Text. This Act, referred to in subsec. (b), is Pub. L. 91–151, which, in addition to enacting this chapter, amended sections 461, 461 note, 1425b, 1431, 1724, 1727, 1728, 1813, 1817, 1821, 1823 of this title and section 2158 of Title 50 App. and enacted provisions set out as notes under sections 1724, 1727, and 1813 of this title and section 633 of Title 15, Commerce and Trade.

Delegation of Functions. Functions of the President under section 203(a)(3) of the Economic Stabilization Act of 1970, as amended [set out as a note under this section], and functions of the Chairman of the Cost of Living Council under said Act, respecting energy matters, delegated to the Administrator of the Federal Energy Office, see section 4 of Ex. Ord. No. 11748, Dec. 4, 1973, 38 F.R. 33575, set out as a note under section 754 of Title 15, Commerce and Trade Council on Wage and Price Stability. Pub. L. 93-387, Aug. 24, 1974, 88 Stat. 750, as amended by Pub. L. 93-449, § 4(e), Oct. 18, Aug. 9, 1975, 89 Stat. 411; Pub. L. 95-121, Oct. 1974, 88 Stat. 1367; Pub. L. 94—78, § § 2 (a), 3-7, 6, 1977, 91 Stat. 1091, provided:

"[Section 1.] That this Act may be cited as the 'Council on Wage and Price Stability Act.'

NOTE.—Annotations relating to the Council on Wage and Price Stability Act and the Economic Stabilization Act has been deleted.

§ 1905. Extent of control

The Board, upon being authorized by the President under section 1904 of this title for such period of time as he may determine, may by regulation.

(1) require transactions or persons or classes of either to be registered or licensed.

(2) prescribe appropriate limitations, terms, and conditions for any such registration or license.

(3) provide for suspension of any such registration or license for violation of any provision thereof or of any regulation, rule, or order prescribed under this Act.

(4) prescribe appropriate requirements as to the keeping of records and as to the form, contents, or substantive provisions of contracts, liens or any relevant documents.

(5) prohibit solicitations by creditors which would encourage evasion or avoidance of the requirements of any regulation, license, or registration under this Act.

(6) prescribe the maximum amount of credit which may be extended on, or in connection with, any loan, purchase, or other extension of credit.

(7) prescribe the maximum rate of interest, maximum maturity, minimum periodic payment, maximum period between payments, and any other specification or limitation of the terms and conditions of any extension of credit.

(8) prescribe the methods of determining purchase prices or market values or other bases for computing permissible extensions of credit or required downpayment.

(9) prescribe special or different terms, conditions, or exemptions with respect to new or used goods, minimum original cash payments, temporary credits which are merely incidental to cash purchases, payment or deposits usable to liquidate credits, and other adjustments or special situations.

(10) prescribe maximum ratios, applicable to any class of either creditors or borrowers or both, of loans of one or more types or of all types.

(A) to deposits of one or more types or of all types.

(B) to assets of one or more types or of all types.

(11) prohibit or limit any extensions of credit under any circumstances the Board deems appropriate.

Pub. L. 91-151, Title II, § 206, Dec. 23, 1969, 68 Stat. 377.

References in Text: This Act, referred to in pars. (3) and (5), is Pub. L. 91-151, which, in addition to enacting this chapter, amended sections 461, 461 note, 1425b, 1431, 1724, 1727, 1728, 1813, 1817, 1821, 1828 of this title and sections 2158 of Title 50 App. and enacted provisions set out as notes under sections 1724, 1727, and 1813 of this title and section 633 of Title 15, Commerce and Trade.

Legislative History. For legislative history and purpose of Pub. L. 91-151, see 1969 U.S. Code Cong. and Adm. News, p. 1467.

§1906. Reports; production of records

Reports concerning the kinds, amounts, and characteristics of any extensions of credit subject to this chapter, or concerning circumstances related to such extensions of credits, shall be filed on such forms, under oath or otherwise, at such times and from time to time, and by such persons, as the Board may prescribe by regulation or order as necessary or appropriate for enabling the Board to perform its functions under this chapter. The Board may require any person to furnish, under oath or otherwise, complete information relative to any transaction within the scope of this chapter including the production of any books of account, contracts, letters, or other papers, in connection therewith in the custody or control of such person.

Pub. L. 91-151, Title II, § 207, Dec. 23, 1969, 83 Stat. 378.

Legislative History. For legislative history and purpose of Pub. L. 91-151, see 1969 U.S. Code Cong. and Adm. News, p. 1467.

§ 1907. Injunctions for compliance

Whenever it appears to the Board that any person has engaged, is engaged, or is about to engage in any acts or practices constituting a violation of any regulation under this chapter, it may in its discretion bring an action, in the proper district court of the United States or the proper United States court of any territory or other place subject to the jurisdiction of the United States, to enjoin such acts or practices, and upon a proper showing a permanent or temporary injunction or restraining order shall be granted without bond. Upon application of the Board, any such court may also issue mandatory injunctions commanding any person to comply with a regulation of the Board under this chapter.

Pub. L. 91-151, Title II, § 208, Dec. 23, 1969, 83 Stat. 378.

Legislative History. For legislative history and purpose of Pub. L. 91-151, see 1969 U.S. Code Cong. and Adm. News, p. 1467.

INDEX TO NOTES

Irreparable injury, 2.
Remedies, 3.
Scope of remedy, 1.

1. Scope of remedy:

Executive order creating the construction industry stabilization committee deals only with instance in which illegal wage increase is about to be implemented; and this section providing for injunctive relief is limited to those situations in which an agency of the United States seeks such relief; and, accordingly, neither this section nor executive order authorized contractor's action to compel union to submit proposals to contractor within framework of executive order, to compel union to exhaust its available administrative remedies and to enjoin union from engaging in any work stoppage or strike. Heavy Contractors Ass'n Inc. v. International Union of Operating Engineers, AFL-CIO, Local 571, D.C. Neb. 1971, 328 F. Supp. 897.

2. Irreparable injury:

In order to issue injunction against wage increase in excess of 5.5% without prior approval of the Pay Board, there was no need that irreparable injury be shown, and it was enough if the statutory conditions were satisfied. U.S. v. Great Atlantic & Pacific Tea Co., D.C. Md. 1972. 342 F. Supp. 272.

In view of Price Commission's order which maintained status quo and protected plaintiffs from irreparable injury by its refund and rollback provisions until final agency action, plaintiffs could not show irreparable injury required for injunctive relief against telephone company's increases in rates. Grassroots Action, Inc. v. New York Tel. Co., D.C. N.Y. 1972, 339 F. Supp. 198, affirmed 468 F. 2d 1401.

3. Remedies:

Administrative remedies provided by 1971 amendments to Economic Stabilization Act, this chapter were full and adequate to preclude injunctive relief until such administrative remedies had been exhausted. Grassroots Action, Inc. v. New York Tel. Co., D.C. N.Y. 1972, 339 F. Supp. 198, affirmed 468 F. 2d 1401.

§ 1908. Civil penalties

(a) For each willful violation of any regulation under this chapter, the Board may assess upon any person to which the regulation applies, and upon any partner, director, officer, or employee thereof who willfully participates in the violation, a civil penalty not exceeding $1,000.

(b) In the event of the failure of any person to pay any penalty assessed under this section, a civil action for the recovery thereof may, in the discretion of the Board, be brought in the name of the United States.

Pub. L. 91-151, Title II, § 209, Dec. 23, 1969, 33 Stat. 378.

Legislative History. For legislative history and purpose of Pub. L. 91-151, see 1969 U.S. Code Cong. and Adm. News, p. 1467.

INDEX TO NOTES

Amendments, 1.
Defenses, 3.
Retroactive effect, 2.

1. Amendments:

Amendment of section of Economic Stabilization Act of 1970, set out as a note under section 1904 of this title, to authorize imposition of two sanctions upon violator provides both a purely penal measure intended to obtain compliance with Act and a civil penalty denominated as such with element of scienter obviated from proof of offense, and entire section as amended allows alternative means of enforcement, one with a less exacting standard of proof. U.S. 1. Futura, Inc., D.C.Fla., 1972, 339 F.Supp. 162.

2. Retroactive effect:

Defendants, who violated this chapter by negotiating and paying wage increase in excess of 5.5% without prior approval of the Pay Board, were subject to civil penalties, even though amendment to this chapter providing for such penalties was added after the contract had been negotiated, where the penalty was civil in nature, and the defendants continued to be in violation of the law after the amendment became effective. U.S. v. Great Atlantic & Pac. Tea Co., D.C.Md., 1972, 342 F.Supp. 272.

3. Defenses:

Contention of employer that, although it knew it was violating the law when it negotiated and paid wage increase in excess of 5.5% without prior approval of the Pay Board, it made the payments because there appeared to be no viable alternative to achieve a settlement of a strike did not entitle the employer to escape civil penalties where, upon measuring the culpability of the parties, it appeared that the course of conduct of each party was determined by economic considerations which best served that party's interest. U.S. v. Great Atlantic & Pac. Tea Co., D.C.Md., 1972, 343 F.Supp. 272.

§ 1909. Criminal penalty

Whoever willfully violates any regulation under this chapter shall be fined not more than $1,000 or imprisoned not more than one year, or both.

Pub. L. 91-151, Title II, § 210, Dec. 23, 1969, 83 Stat. 378.

Legislative History. For legislative history and purpose of Pub. L. 91-151, see 1969 U.S. Code Cong. and Adm. News, p. 1467.

By Mr. HART:

S. 31. A bill to provide for a reduction in individual tax rates in calendar years 1980 through 1982 and thereafter, provided that targets limiting the growth of Federal spending and limiting the Federal deficit are achieved; to the Committee on Finance.

TAX REDUCTION AND SPENDING LIMITATION ACT OF 1979

Mr. HART. Mr. President, today I am reintroducing a proposal for yearly tax cuts in 1980, 1981, and 1982. These cuts will go into effect only if the growth of Federal spending is held to preestablished levels.

SENATE PASSED LAST YEAR

Today, the first day of the 96th Congress, I am reintroducing my proposal for tax cuts tied to restraints on Federal spending. I first introduced this proposal on October 5 of last year during consideration of the tax bill. The Senate passed a very similar proposal offered by several Senators on October 10, but it was dropped in conference with the House. This year I hope we can work together, so that a proposal of this type is signed into law.

The overriding economic challenge facing the United States today is inflation, and although tax bills always have a special significance, the legislation which Congress considered last year was particularly important. Our highest priority in enacting the Revenue Act of 1978 was to adopt tax cuts of a responsible size—large enough to protect taxpayers against both the payroll tax increase scheduled for this year and the tax increase caused by inflation, yet small enough to prevent further fueling of our already unacceptable rate of inflation.

As you know, we did not succeed in these goals. The negative effects of inflation and of the new social security taxes will take away the benefits of last year's tax cuts. As a result, in 1979, a majority of all taxpayers will pay more in taxes than they did in 1978.

Clearly, we need more tax relief. If we are to provide such relief responsibly without accelerating inflation, however, we must also cut Federal spending.

Last year the Congress did a good job of paring down the fiscal year 1979 Federal budget. It cut $12 billion off the President's original request. This year the President intends to exert more leadership in paring the budget even further, and the Congress should be a full partner.

PHILOSOPHY OF BALANCE

The philosophy of my proposal is very simple. Targets would be established for the level of Federal spending in 1980, 1981, and 1982. If spending is held to these targets, precisely measured tax cuts will occur automatically. To ensure that inflation is not fueled, further conditions on the Federal deficit, and the ratio of Federal spending to GNP would have to be met.

The targets would limit the growth of Federal spending approximately to the rate of inflation from 1980 through 1982. Over this period, taxes could be cut 29 percent from the 1978 levels. Because of the spending reductions, taxes can be reduced without causing more inflation. The Federal deficit should nearly be eliminated in 1982, and will be in slight surplus in 1983. The ratio of Federal spending to GNP will decline from 21.2 percent in 1980 to 18.6 percent in 1983.

The proposal is very specifically derived from economic projections of future growth, especially as propelled by tax cuts themselves. However, I am well aware that we just cannot project precisely several years in advance. Therefore, this proposal, or any other, will have to be modified as we go along. The important thing is that we decide as a Nation to climb the hill. Along the way, we can decide to choose another path, if economic conditions warrant it.

If the Nation's economic growth path continues as projected by economic models last fall, we can cut taxes in annual steps amounting to a 29 percent cut by 1982, and balance the budget at the same time. This is possible only if Federal spending is limited approximately to the rate of inflation.

BACKGROUND—INFLATION AND HIGH TAXES

During the past 7 years, many Americans have lost what was once an indomitable faith in the future of the U.S. economy and their own place in that future. Seven years ago, people assumed that if their income had doubled by today, they would be able to achieve most of their hopes and dreams with that increased spending power. The economy over the past 7 years has dealt a cruel blow to the hopes of most Americans.

Although average household income has almost doubled in 7 years, the sad truth is that actual purchasing power has not. In fact, it has barely increased at all. Three-fourths of the increase in average income has been swallowed by inflation. The remainder has been nearly wiped out by increased Federal, State, and local taxes.

Understandably, people are frustrated and are lashing out at most public and private institutions. They want an end to this seemingly endless cycle of inflation, high taxes, and diminishing purchasing power.

The current mix of high inflation and high taxes aggravates another problem facing our economy — low productivity. Over the past decade, business investment and expansion has stagnated, holding the level of output—or productivity—which was the basis for this Nation's high standard of living. Lower productivity, in turn, fuels inflation further. Solving these problems will be extremely difficult. Although people desire Federal tax cuts and sharply reduced inflation, they also want the continued benefits of most Federal programs. It would be easy to say that massive tax cuts are possible without simultaneously exercising discipline on Federal pending, but is political demagoguery—and economic nonsense. Tax cuts which double the Federal deficit will not help the taxpayer. Doubling the deficit will stampede inflation to such a degree that inflation will cause more injury than the tax cuts can heal.

During debate on the tax bill last year, I proposed that the way to stimulate our economy without fueling inflation is to control the growth of Federal spending at the same time taxes are cut. This approach requires difficult decisions by Congress and the American people. Those constituents who want lower taxes must be willing to help their elected officials pare Federal spending. Tougher priorities must be established to determine which Federal programs can be curtailed in order to construct a leaner budget. And even more importantly, we must find ways to keep the cost of existing high-priority programs from mushrooming beyond reasonable and responsible levels.

CONTROL FEDERAL SPENDING

Federal spending must be controlled if we are to cut taxes without increasing the Federal deficit to more inflationary levels. Currently, the Federal budget is projected to grow by about 8 percent per year into the mid-1980's. About 6 percent of this projected growth will be caused by inflation, which leaves 2 percent for expanding existing programs.

Contrary to much political rhetoric, Federal spending cannot be arbitrarily cut across the board. In fact, we must oppose such action. Arbitrary spending cuts are reckless, since they could require cuts in programs—such as research in preventative medicine, and development of new energy sources—where almost everyone would agree we need to spend more. Instead, we must establish clear priorities and weed out old program which have outlived their usefulness. I believe we do not need to expand Federal spending by 2 percent in the coming years.

But where should we hold the line? Although it is not part of this legislative proposal, I have some suggestions. First, we must note that Government spending is divided into two categories: Goods and services—for example, military hardware and troops, transportation, health research, education, Federal employes, and so forth—and transfer payments—direct payments to individuals or to third parties such as physicians and hospitals.

REDUCE PURCHASES OF GOODS AND SERVICES

Last year, spending for goods and services increased by 8 percent. The first element of my proposal to bring spending under control is to restrict the growth of purchases of goods and services to just 4 percent per year during 1980 and 1981. Because inflation is expected to be 6 percent during these years—according to administration and CBO projections, we must actually reduce goods purchased by 2 percent per year. After 1981, I propose that the growth of goods and services be limited to no more than the rate of inflation, so there will be no net change in the actual amount of goods purchased.

Less than half of the Federal budget goes to purchase goods and services for use by the Federal Government. Approximately half the Federal budget is money which is transferred directly to individuals to help pay for living expenses—payments such as medical care, housing, food stamps, retirement, and so forth.

Only 9 years ago, these transfer payments were only half as large as Federal spending on goods and services. Since then, the transfer payments budget has grown twice as fast as goods and services. Now, transfer payments budget are 15 percent greater than purchases of good and services.

Three transfer payment programs demonstrate this growth. In the last half decade, spending on medicare increased by 37 percent annually, medicaid increased by 25 percent annually, and social security increased by 20 percent annually. These three programs together now cost over $100 billion per year.

Transfer payments have mushroomed for three reasons. First, the portion of the population which is retired, unemployed, or disabled has grown. Second, the amount and scope of public assistance programs has grown. And, third, inflation has greatly increased the cost of all necessities, especially medical services, much of which are now paid by medicare or medicaid.

REDUCE GROWTH OF TRANSFER PAYMENTS

Currently, Federal transfer payments are projected to grow by more than 9 percent a year, and they are expected to increase from 43 percent of the current Federal budget to 47 percent by 1983. To avoid a large Federal deficit, this growth rate must be trimmed. But it must be trimmed without impairing the well-being of those people needing and deserving the assistance.

The challenge is how. As with the goods and services budget, this restraint cannot be imposed by arbitrary percentage cuts, which necessarily would create human suffering. Instead, those programs which do not target aid to those most in need and are inefficient can and must be made to work. The administration of public assistance programs can and must be reformed and restructured, so that the needy are helped and abuses are eliminated. We must deliver more aid and less bureaucracy for our public assistance dollars.

Total spending on transfer payments must be controlled to allow growth of 8 percent, not 9 percent, per year, as projected. Reducing expenditures by 1 percent per year is possible without reducing benefits to any needy persons.

Anyone who suggests that Federal spending be controlled has the responsibility to suggest categories where these controls will be most effective. I am preparing a preliminary list of areas where reform can reduce the cost of needed programs without harming those that deserve assistance.

TIE TAX CUTS TO SPENDING RESTRAINT

Spending restraint and tax cuts must be tied together legislatively because the issues are tied together economically. If tax cuts are not matched by spending controls, then they will be matched by rampant inflation. Tax cuts plus more inflation would be worse than no tax cuts at all. In fact, the legislation which I propose contains a provision that would allow tax cuts only if Federal spending is held within the limits established for each calendar year.

In summary, this is a new proposal to further an old idea: You do not get something for nothing. You do not get tax cuts without inflation unless you are willing to control Federal spending. The American taxpayer wants frugal budgets effectively managed. The American taxpayer also wants lower taxes to reduce the burden of Government during this period of inflation-eroded purchasing power.

No single plan will solve all of our economic problems. But this proposal would directly address the most critical and complex economic difficulties. Most of all, a plan of this type can go a long way toward reestablishing public confidence in an efficient Government.

FURTHER REFINEMENT

The specific proposal I am introducing today is for your discussion and your suggestions. Over the next couple of weeks, I plan to integrate the President's budget for 1980 and his trim budget deficit into this proposal. In February I plan to introduce an updated version, taking into account the latest economic data for the projected growth of the economy.

During the next few weeks I strongly ask for your suggestions to improve this proposal.

By Mr. ROTH (for himself, Mr. McClure, Mr. Tower, Mr. Garn, Mr. Hatch, Mr. Cochran, Mr. Schmitt, Mr. Simpson, Mr. Goldwater, Mr. Hayakawa, Mr. Humphrey, Mr. Armstrong, and Mr. Helms):

S. 33. A bill to provide for permanent tax rate reductions for individuals; to the Committee on Finance.

S. 34. A bill entitled the "Spending Limitation Act of 1979"; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to order of August 4, 1977.

ROTH-KEMP II

Mr. ROTH. Mr. President, I am today introducing a legislative package to provide across-the-board tax cuts for all Americans and to limit the growth rate of Federal spending.

The Tax Reduction and Spending Limitation Acts, which are also being introduced today in the House of Representatives by Congressman Jack Kemp, are cosponsored in the Senate by Senators McClure, Tower, Garn, Hatch, Cochran, Schmitt, Simpson, Goldwater, Humphrey, Armstrong, and Helms.

This legislative package, which we call Roth-Kemp II, combines limits on Federal spending as a percent of GNP with across-the-board tax rate reductions of 10 percent a year for 3 years and tax indexing to avoid future tax increases.

Unless taxes and spending are reduced, the economy faces continued inflation and the prospects of a deep recession. Real growth in GNP is projected to fall in 1979, and inflation is expected to increase at near double-digit levels. Consumer spending and business investment are expected to decline as interest rates climb. The increasing tax burden, from higher social security taxes and inflation pushing workers into higher tax brackets, will retard economic growth and push the economy into a recession during the second half of 1979.

The President's budget for the upcoming fiscal year is expected to call for spending of $533 billion, tax revenues of $504 billion and a budget deficit of approximately $30 billion. This budget represents a spending increase of about 7.5 percent and an increase in Government tax revenues of nearly 13 percent.

By refusing to endorse tax cuts, the President is trying to reduce the budget deficit by increasing taxes on the American people. This policy drains money out of the private economy and contributes to the prospects of a recession.

The administration is attempting to curb inflation by slowing economic growth, a policy which will result in a recession and increased unemployment.

I reject this policy. I believe inflation can be reduced and economic growth can be stimulated by removing the tax drag on the economy and slowing the growth rate of Federal spending, as we are proposing to accomplish in Roth-Kemp II.

TAX REDUCTION ACT

Part I of Roth-Kemp II would reduce individual tax rates across-the-board by 10 percent a year for 3 years. Once tax rates are reduced a tax indexing system would go into effect to keep tax rates down and avoid future automatic tax increases caused by inflation.

The tax rate reductions would provide substantial tax relief to all taxpayers. When fully effective, individual tax rates would be reduced from the present rates ranging between 14 and 70 percent to rates ranging between 10 and 50 percent. These rate reductions are designed to reduce the high rates of taxation now strangling economic growth, choking off private initiative, pushing up prices, and retarding savings, investments and the creation of new jobs.

By increasing the incentive to work, save, and invest, the tax rate reductions will expand the production of goods and services, ease inflationary pressures, and create millions of jobs in the private economy.

When fully effective, Roth-Kemp II would reduce the tax burden of all taxpayers by approximately 30 percent. According to the Joint Committee on Taxation 66 million tax returns will receive a tax reduction averaging $724.

IMPACT OF ROTH-KEMP II ON FAMILY OF 4

Income	Present tax	Proposed tax	Tax cut
$10,000	$374	$265	$109
$12,500	792	558	234
$15,000	1, 233	877	357
$17,500	1, 609	1, 146	463
$20,000	2, 013	1, 435	578
$25,000	2, 901	2, 092	809
$30,000	3, 917	2, 854	1, 063
$35,000	5, 065	3, 698	1, 368
$40,000	6, 312	4, 595	1, 717
$50,000	9, 323	6, 809	2, 514

IMPACT OF ROTH-KEMP II ON SINGLE PERSONS

Income	Present tax	Proposed tax	Tax cut
$5,000	$250	$177	$74
$6,000	422	293	130
$8,000	787	542	246
$10,000	1, 177	830	348
$12,000	1, 585	1, 140	445
$15,000	2, 047	1, 467	580
$17,500	2, 547	1, 832	715
$20,000	3, 115	2, 232	883
$25,000	4, 364	3, 150	1, 215
$30,000	5, 718	4, 139	1, 579
$35,000	7, 220	5, 217	2, 003
$40,000	8, 886	6, 370	2, 516
$50,000	12, 559	8, 911	3, 648

Source: Joint Committee on Taxation.

Substantial tax cuts are needed to offset the substantial social security and inflation-induced tax increases facing the American people. The following chart shows the Joint Committee on Taxation's static revenue impact of the tax rate reductions between 1980 and 1983.

TAX CUTS

[In billions of dollars]

	1980	1981	1982	1983
Calendar year	26.8	55.1	99.0	118.8
Fiscal year	16.6	44.3	82.3	111.3

These static revenue estimates assume that economic growth and inflation will continue to push taxpayers into higher tax brackets, increasing the size of the revenue loss. Based on 1978 income levels, the actual revenue losses are estimated to be $18.6 billion in 1980, $31.9 billion in 1981, and $47.7 billion in 1982.

The following chart shows the net tax cuts after offsetting social security and inflation tax increases from the static tax cuts over the next 4 fiscal years.

TAX CUTS VS. TAX INCREASES

[In billions of dollars]

	Fiscal year—			
	1980	1981	1982	1983
Tax cuts	16.6	44.3	82.3	111.3
Tax increases	13.8	33.4	52.9	69.0
Net tax cuts	−2.8	−10 9	−29.4	−42.3

Rather than redistributing income, these tax rate reductions will provide substantial tax relief to all taxpayers. In fact, the Roth-Kemp II rate reductions will actually increase the progressivity of the tax system. The following chart shows the percentage of Federal income taxes paid by various income groups under present law and the percentage of the tax cut received by each income group under Roth-Kemp II.

Income groups	Percent of taxes paid	Percent of tax cut
0 to $10,000	4.9	5.5
$10,000 to $15,000	9.4	9.9
$15,000 to $20,000	13.2	13.8
$20,000 to $30,000	24.4	24.8
$30,000 to $50,000	21.3	21.5
$50,000 to $100,000	13.0	13.0
$100,000 and over	13.9	11.4

As this chart shows, the Roth-Kemp II tax cuts provide tax relief based on the amount of taxes paid. For example, approximately 73 percent of all Federal income taxes are paid by those earning less than $50,000 a year, and approximately 75 percent of the tax relief under Roth-Kemp II would go to those earning less than $50,000.

Mr. President, I believe these tax cuts are urgently needed. The recently-passed tax bill was not a tax cut at all. Because it failed to offset the 1979 social security and inflation tax increases, virtually every family of four earning more than $8,000 a year will pay higher taxes this year.

Although President Carter does not believe we need a tax cut this year, the Federal tax burden will increase significantly to near record levels under our present tax laws. Unless taxes are reduced, Federal taxes as a percent of the gross national product will exceed 20 percent for the first time in 10 years. In fact, only twice in the last 25 years—during the 1969–70 tax surcharge—was the tax burden as high as it will be during the upcoming fiscal year.

The following table compares the projected tax burdens under present law if taxes are not reduced with that under Roth-Kemp II.

Fiscal year	Projected GNP	Current law		Roth-Kemp II	
		Revenues	Percentage	Revenues	Percentage
1980	2,515	505	20.1	492	19.6
1981	2,804	571	20.4	540	19.3
1982	3,131	643	20.5	585	18.7
1983	3,488	720	20.6	641	18.3

The following chart shows the levels of Federal taxes and the percent of GNP over the last 25 years:

TAXES AS PERCENT OF GNP

Fiscal year	GNP	Tax revenues	Percent
1979	2,292.0	448.0	19.6
1978	2,043.0	401.0	19.6
1977	1,835.0	356.9	19.5
1976	1,624.3	299.2	18.4
1975	1,454.6	281.0	19.3
1974	1,359.2	264.9	19.5
1973	1,237.5	232.2	18.8
1972	1,110.5	208.6	18.8
1971	1,019.3	188.4	18.5
1970	959.0	193.7	20.2
1969	903.7	187.8	20.8
1968	829.9	153.7	18.5
1967	774.4	149.6	19.3
1966	721.1	130.9	18.1
1965	657.1	116.8	17.8
1964	616.2	112.7	18.3
1963	576.3	106.6	18.5
1962	546.9	99.7	18.2
1961	508.3	94.4	18.6
1960	497.3	92.5	18.6
1959	473.3	79.2	16.7
1958	442.1	79.6	18.0
1957	432.7	79.9	18.5
1956	411.0	74.5	18.1

As these figures show, the substantial tax cuts under Roth-Kemp II are needed to reduce the Federal tax burden to the levels in effect during most of the last 25 years.

TAX INDEXING

Title II of the Tax Reduction Act would institute a tax indexing system to avoid future tax increases by reducing personal income taxes by the rate of inflation. Under this provision, the income tax brackets and personal exemptions would be adjusted, or indexed, to reflect the increase in the rate of inflation, as measured by the Consumer Price Index.

Once tax rates are reduced, tax indexing is needed to insure that taxpayers will no longer be forced to pay higher taxes simply because inflation pushes them into higher tax brackets.

Under our progressive tax system, an individual whose wage increases merely keep up with inflation will actually lose purchasing power. This is because the wage increase will push the worker into a higher tax bracket.

For example, a family of four now earning $20,000 pays $2,013 in Federal income taxes. If inflation increases 7 percent this year, the family will receive a cost-of-living raise to $21,400. Yet, even though the family's wages have just kept pace with inflation, the wage increase will push the family into a higher tax bracket and increase its tax bill to $2,200. So, even though this family had no increases in real earnings, the hidden tax of inflation reduces the family purchasing power by $187.

This hidden tax of inflation increases the tax burden of all taxpayers. And the main beneficiary of these nonlegislated tax increases is the Federal Government.

For years, the Federal Government has relied on inflation to supply the Government with a continually growing supply of tax revenues.

The hidden inflation tax has allowed the Government to create more and more spending programs, and enabled Congress to enact politically popular tax cuts every election year.

But these tax cut charades, such as the one enacted last October, do not provide real relief to the working taxpayers of this country. It is the pickpocket theory of taxation. The Government proposes tax cuts with one hand while the other hand reaches into the taxpayers' pockets and removes their wallets.

Tax indexing will put an end to this taxation without representation.

SPENDING LIMITATION ACT

Part II of Roth-Kemp II would restrain the growth rate of Federal spending to specified percentages of the gross national product. Under the Spending Limitation Act, Federal spending as a percent of GNP would be limited to 21 percent in fiscal 1980, 20 percent in fiscal 1981, 19 percent in fiscal 1982, and 18 percent in fiscal 1983. These spending limitations would restrain the growth of Federal spending to less than 7 percent a year. For fiscal year 1980, this bill calls for a "no-growth budget" and cuts of some $10 billion below the administration's expected budget levels.

When I entered Government service in 1967, the Federal outlays were $158.2 billion. This year's outlays are expected to reach $533 billion. This is an increase of 237 percent since 1967.

Last October, the President told the American people something they have known for a long time. The Government is a major cause of inflation. The President promised that the Government would "take the lead in fiscal restraint."

Now it is time for the President to practice what he preaches. It is time for the President to enforce his anti-inflationary measures on the Federal Government. If the President can tell the American people how much money they can earn, then the American people can tell the President how much of their hard-earned money the Government can spend.

The budget approved last year was the highest in our Nation's history—$496 billion. This year, there is every indication that the President's budget will set a new record—it will call for an increase to $533 billion. This is an increase of almost 7.5 percent.

The President was correct in saying that Government spending sets an example. I think a 7.5 percent increase in 1 year is the worst example we could have. It is an insult to the American people to demand in one breath that wages increase by less than 7 percent, and in another breath announce that the budget will increase by 7.5 percent.

This is why I am proposing a budget significantly lower than the President's. I believe Government must begin to clean up its own house before it has any right to look the American people in the eye and demand that they cut back.

That is why I am proposing the budget be reduced by an additional $10 billion. In so doing, the budget would be $523 billion, an increase of only 5.4 percent. If the President is serious about the Government setting an example, and I hope he is, then the best example I know of would be for the President's budget to be significantly below the 7 percent limit on wages the President has demanded of the American people.

There is no question that hard choices are necessary to reduce the Federal budget. Political pressure will be great to increase spending in particular programs. I am disappointed that this pressure has affected the President's budget in the area of CETA. One billion dollars which the President originally intended to cut from CETA's budget, has now been restored by the President. This unfortunate action must be reversed.

The President has set an ultimate goal that Federal outlays will not exceed 21 percent of the GNP. However, the President's budget would exceed this goal (21.2 percent). My proposed budget would be below the 21 percent goal.

For those who would criticize my cuts as being overly excessive, I would like to point out that it represents a 2 percent reduction from the President's proposed budget. I find it hard to believe that we cannot cut the President's budget by at least 2 percent. I am afraid to think of the consequences if we do not cut the President's budget.

[In billions of dollars]

	Fiscal year—			
	1980	1981	1982	1983
Present spending levels	533	575	623	669
Roth-Kemp II	523	560	595	628
Spending cuts	−10	−15	−28	−41

While the spending limitations under this bill would curb the growth of Federal spending, they would not require Draconian slashes in Government programs. These limitations would merely restrain the growth rate of Federal spending to less than 7 percent a year.

In addition, the spending limitations will restore Federal spending levels as a percent of GNP to the levels in effect prior to the spending excesses of the last 5 years.

For example, excluding the last 5 years, the only year in the last 25 years that spending exceeded 21 percent of GNP was in 1968 during the Vietnam war buildup.

Prior to 1975, spending as a percent of GNP was below 20 percent in 12 out of the preceding 19 years. And in 1965, the year of the Kennedy tax cuts, spending was 18 percent of GNP. The following chart shows the levels of Federal spending and GNP over the past 25 years:

SPENDING AS PERCENT OF GNP

Fiscal year	GNP	Spending	Percent
1979	2,292.0	496.6	21.7
1978	2,043.0	452.3	22.1
1977	1,835.0	402.8	22.0
1976	1,624.3	365.6	22.5
1975	1,454.6	326.1	22.4
1974	1,359.2	269.6	19.8
1973	1,237.5	247.1	20.0
1972	1,110.5	232.0	20.9
1971	1,019.3	211.4	20.7
1970	959.0	196.6	20.5
1969	903.7	184.5	20.4
1968	829.9	178.8	21.5
1967	774.4	158.3	20.4
1966	721.1	134.7	18.7
1965	657.1	118.4	18.0
1964	616.2	118.6	19.2
1963	576.3	111.3	19.3
1962	546.9	106.8	19.5
1961	508.3	97.8	19.2
1960	497.3	92.2	18.5
1959	473.3	92.1	19.5
1958	442.1	82.5	18.7
1957	432.7	76.7	17.7
1956	411.0	70.4	17.1

Mr. President, the enactment of these two bills would signal an end to the high taxes and big Government spending policies of the past few years. If Roth-Kemp II is enacted taxes will be substantially reduced, the growth of Federal spending will be curbed, and the Federal budget will be balanced by fiscal 1983. The following chart shows the estimated spending and revenue levels under Roth-Kemp II. The revenue levels assume a feedback of only 20 percent in the first year and 30 percent in the following years.

BUDGET UNDER ROTH-KEMP II

[Billions of dollars]

	Fiscal year—			
	1980	1981	1982	1983
Spending	523	560	595	628
Revenues	492	540	585	641
Deficit (−) or surplus (+)	−31	−20	−10	+13

Mr. President, Roth-Kemp II would allow us to fight inflation and recession at the same time. According to a study by Chase Econometrics Associates, real economic growth would average 3.6 percent between 1980 and 1983 if Roth-Kemp II was adopted, compared to real growth of only 1.5 percent this year.

The Chase study also found that the tax and spending cuts would reduce the inflation rate from close to 9 percent to 5.9 percent, reduce the unemployment rate by 1.6 percent, and create 8.3 million jobs between 1980 and 1983.

Mr. President, Roth-Kemp II would combine the tax cuts needed to stimulate real economic growth with the spending restraints needed to curb inflation, and I urge my colleagues to join me in this effort.

Mr. President, I ask unanimous consent that the texts of these two bills be printed in the RECORD.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 33

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) this Act may be cited as the "Tax Reduction Act of 1979."

(b) Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1954.

TITLE I—INDIVIDUAL TAX RATES

SEC. 101. Reduction in rates.

(a) In General.—Section 1 (relating to tax imposed) is amended by striking out subsections (a), (b), (c), and (d) and inserting in lieu thereof the following:

"(a) General Rule.—There is hereby imposed on the taxable income, for the taxable years beginning in the calendar years specified in subsection (b)(2) of every—

"(1) married individual (as defined in section 143) who makes a single return jointly with his spouse under section 6013, and every surviving spouse (as defined in section 2(a)), a tax determined under the applicable schedule for the taxable year,

"(2) head of a household (as defined in section 2(b)), a tax determined under the applicable schedule for the taxable year,

"(3) every individual (other than a surviving spouse as defined in section 2(a) or the head of a household as defined in section 2(b)) who is not a married individual (as defined in section 143) a tax determined under the applicable schedule for the taxable year, and

"(4) a married individual (as defined in section 143) who does not make a single return jointly with his spouse under section 6013 a tax equal to one-half the tax which would be determined for an individual described in paragraph (1) with the same taxable income.

"(b) Applicable Schedules.—For purposes of subsection (a) the applicable schedule for—

"(A) individuals described in subsection (a)(1) is schedule 2,

"(B) individuals described in subsection (a)(2) is schedule 3, and

"(C) individuals described in subsection (a)(3) is schedule 1.

"(2) Application of schedules to taxable years.—

"(A) Calendar year 1980.—The schedules in effect for taxable years beginning in 1980 are as follows:

"Schedule 1

"If the taxable income is over the amount in the left-hand column but not over the amount in the right-hand column:	The tax is the amount in the left-hand column plus a percentage (as shown) over the amount of the taxable income shown in the right-hand column:	
$0– $2,300	$0+ .0%	$0
$2,300– $3,350	$0+12.0%	$2,300
$3,350– $4,400	$126+14.0%	$3,350
$4,400– $6,550	$273+16.0%	$4,400
$6,550– $8,600	$617+17.0%	$6,550
$8,600– $10,700	$965+20.0%	$8,600
$10,700– $12,900	$1,385+22.0%	$10,700
$12,900– $15,550	$1,869+24.0%	$12,900
$15,550– $18,200	$2,505+26.0%	$15,550
$18,200– $23,500	$3,194+30.0%	$18,200
$23,500– $30,600	$4,784+36.0%	$23,500
$30,600– $43,400	$7,198+39.0%	$30,600
$43,400– $55,300	$12,190+44.0%	$43,400
$55,300– $81,800	$17,426+49.0%	$55,300
$81,800–$108,300	$30,411+54.0%	$81,800
$108,300	$44,721+59.0%	$108,300

"Schedule 2

"If the taxable income is over the amount in the left-hand column but not over the amount in the right-hand column:	The tax is the amount in the left-hand column plus a percentage (as shown) over the amount of the taxable income shown in the right-hand column:	
$0– $3,400	$0+ .0%	$0
$3,400– $5,500	$0+12.0%	$3,400
$5,500– $7,600	$252+14.0%	$5,500
$7,600– $11,900	$546+16.0%	$7,600
$11,900– $16,000	$1,234+19.0%	$11,900
$16,000– $20,200	$2,013+22.0%	$16,000
$20,200– $24,600	$2,937+25.0%	$20,200
$24,600– $29,900	$4,037+28.0%	$24,600
$29,900– $35,200	$5,521+33.0%	$29,900
$35,200– $45,800	$7,270+39.0%	$35,200
$45,800– $60,000	$11,404+44.0%	$45,800
$60,000– $85,600	$17,652+49.0%	$60,000
$85,600–$109,400	$30,196+53.0%	$85,600
$109,400–$162,400	$42,810+58.0%	$109,400
$162,400–$215,400	$73,550+61.0%	$162,400
$215,400	$105,880+63.0%	$215,400

"Schedule 3

"If the taxable income is over the amount in the left-hand column but not over the amount in the right-hand column:	The tax is the amount in the left-hand column plus a percentage (as shown) over the amount of the taxable income shown in the right-hand column:	
$0– $2,300	$0+ .0%	$0
$2,300– $3,350	$0+12.0%	$2,300
$3,350– $4,400	$126+13.0%	$3,350
$4,400– $6,500	$262+15.0%	$4,400
$6,500– $6,550	$577+16.0%	$6,500
$6,550– $8,600	$585+16.0%	$6,550
$8,600– $10,700	$924+18.0%	$8,600
$10,700– $10,800	$1,302+19.0%	$10,700
$10,800– $12,900	$1,321+20.0%	$10,800
$12,900– $14,900	$1,751+21.0%	$12,900
$14,900– $15,550	$2,181+23.0%	$14,900
$15,550– $18,200	$2,331+24.0%	$15,550
$18,200– $19,100	$2,967+26.0%	$18,200
$19,100– $23,500	$3,201+27.0%	$19,100
$23,500– $28,800	$4,411+31.0%	$23,500
$28,800– $30,600	$6,054+33.0%	$28,800
$30,600– $34,100	$6,657+36.0%	$30,600
$34,100– $43,400	$7,917+39.0%	$34,100
$43,400– $44,700	$11,544+41.0%	$43,400
$44,700– $55,300	$12,083+44.0%	$44,700
$55,300– $58,900	$16,747+46.0%	$55,300
$58,900– $81,800	$18,421+49.0%	$58,900
$81,800– $84,500	$29,642+51.0%	$81,800
$84,500–$108,300	$31,033+53.0%	$84,500
$108,300–$161,300	$43,766+58.0%	$108,300
$161,300–$214,300	$74,771+60.0%	$161,300
$214,300	$106,571+61.0%	$214,300

"(B) Calendar year 1981.—The schedules in effect for taxable years beginning in 1981 are as follows:

"Schedule 1

"If the taxable income is over the amount in the left-hand column but not over the amount in the right-hand column:	The tax is the amount in the left-hand column plus a percentage (as shown) over the amount of the taxable income shown in the right-hand column:	
$0– $2,300	$0+ .0%	$0
$2,300– $3,350	$0+11.0%	$2,300
$3,350– $4,400	$115+13.0%	$3,350
$4,400– $6,550	$252+15.0%	$4,400
$6,550– $8,600	$574+16.0%	$6,550
$8,600– $10,700	$902+18.0%	$8,600
$10,700– $12,900	$1,280+20.0%	$10,700
$12,900– $15,550	$1,720+21.0%	$12,900
$15,550– $18,200	$2,277+24.0%	$15,550
$18,200– $23,500	$2,913+28.0%	$18,200
$23,500– $30,600	$4,397+30.0%	$23,500
$30,600– $43,400	$6,527+35.0%	$30,600
$43,400– $55,300	$11,007+40.0%	$43,400
$55,300– $81,800	$15,767+45.0%	$55,300
$81,800–$108,300	$27,692+50.0%	$81,800
$108,300	$40,942+55.0%	$108,300

"Schedule 2

"If the taxable income is over the amount in the left-hand column but not over the amount in the right-hand column:	The tax is the amount in the left-hand column plus a percentage (as shown) over the amount of the taxable income shown in the right-hand column:	
$0– $3,400	$0+ .0%	$0
$3,400– $5,500	$0+11.0%	$3,400
$5,500– $7,600	$231+13.0%	$5,500
$7,600– $11,900	$504+15.0%	$7,600
$11,900– $16,000	$1,149+17.0%	$11,900
$16,000– $20,200	$1,846+20.0%	$16,000
$20,200– $24,600	$2,686+23.0%	$20,200
$24,600– $29,900	$3,698+25.0%	$24,600
$29,900– $35,200	$5,023+30.0%	$29,900
$35,200– $45,800	$6,613+35.0%	$35,200
$45,800– $60,000	$10,323+40.0%	$45,800
$60,000– $85,600	$16,003+44.0%	$60,000
$85,600–$109,400	$27,267+48.0%	$85,600
$109,400–$162,400	$38,691+52.0%	$109,400
$162,400–$215,400	$66,251+55.0%	$162,400
$215,400	$95,401+56.0%	$215,400

"Schedule 3

"If the taxable income is over the amount in the left-hand column but not over the amount in the right-hand column:	The tax is the amount in the left-hand column plus a percentage (as shown) over the amount of the taxable income shown in the right-hand column:	
$0– $2,300	$0+ .0%	$0
$2,300– $3,350	$0+11.0%	$2,300
$3,350– $4,400	$115+12.0%	$3,350
$4,400– $6,500	$241+14.0%	$4,400
$6,500– $6,550	$535+15.0%	$6,500
$6,550– $8,600	$543+15.0%	$6,550
$8,600– $10,700	$861+16.0%	$8,600
$10,700– $10,800	$1,207+17.0%	$10,700
$10,800– $12,900	$1,225+18.0%	$10,800
$12,900– $14,900	$1,613+19.0%	$12,900
$14,900– $15,550	$1,993+20.0%	$14,900
$15,550– $18,200	$2,126+22.0%	$15,550
$18,200– $19,100	$2,709+24.0%	$18,200
$19,100– $23,500	$2,925+25.0%	$19,100
$23,500– $28,800	$4,047+27.0%	$23,500
$28,800– $30,600	$5,505+30.0%	$28,800
$30,600– $34,100	$6,045+32.0%	$30,600
$34,100– $43,400	$7,182+35.0%	$34,100
$43,400– $44,700	$10,437+38.0%	$43,400
$44,700– $55,300	$10,925+40.0%	$44,700
$55,300– $58,900	$15,165+42.0%	$55,300
$58,900– $81,800	$16,695+44.0%	$58,900
$81,800– $84,500	$26,885+47.0%	$81,800
$84,500–$108,300	$28,154+49.0%	$84,500
$108,300–$161,300	$39,816+53.0%	$108,300
$161,300–$214,300	$68,171+55.0%	$161,300
$214,300	$97,321+55.0%	$214,300

"(C) Calendar year 1982.—The schedules in effect for taxable years beginning in 1982 are as follows:

"Schedule 1

"If the taxable income is over the amount in the left-hand column but not over the amount in the right-hand column:	The tax is the amount in the left-hand column plus a percentage (as shown) over the amount of the taxable income shown in the right-hand column:	
$0– $2,300	$0+ .0%	$0
$2,300– $3,350	$0+10.0%	$2,300
$3,350– $4,400	$105+11.0%	$3,350
$4,400– $6,550	$220+12.0%	$4,400
$6,550– $8,600	$478+14.0%	$6,550
$8,600– $10,700	$765+16.0%	$8,600
$10,700– $12,900	$1,101+17.0%	$10,700
$12,900– $15,550	$1,475+19.0%	$12,900
$15,550– $18,200	$1,979+22.0%	$15,550
$18,200– $23,500	$2,562+25.0%	$18,200
$23,500– $30,600	$3,887+28.0%	$23,500
$30,600– $43,400	$5,875+33.0%	$30,600
$43,400– $55,300	$10,099+38.0%	$43,400
$55,300– $81,800	$14,621+43.0%	$55,300
$81,800–$108,300	$26,016+48.0%	$81,800
$108,300	$38,736+50.0%	$108,300

"Schedule 2

"If the taxable income is over the amount in the left-hand column but not over the amount in the right-hand column:	The tax is the amount in the left-hand column plus a percentage (as shown) over the amount of the taxable income shown in the right-hand column:	
$0– $3,400	$0+ .0%	$0
$3,400– $5,500	$0+10.0%	$3,400
$5,500– $7,600	$210+11.0%	$5,500
$7,600– $11,900	$441+13.0%	$7,600
$11,900– $16,000	$1,000+15.0%	$11,900
$16,000– $20,200	$1,615+18.0%	$16,000
$20,200– $24,600	$2,371+21.0%	$20,200
$24,600– $29,900	$3,295+23.0%	$24,600
$29,900– $35,200	$4,514+27.0%	$29,900
$35,200– $45,800	$5,945+32.0%	$35,200
$45,800– $60,000	$9,337+36.0%	$45,800
$60,000– $85,600	$14,449+40.0%	$60,000
$85,600–$109,400	$24,689+43.0%	$85,600
$109,400–$162,400	$34,923+47.0%	$109,400
$162,400–$215,400	$59,833+49.0%	$162,400
$215,400	$85,803 +50.0%	$215,400

"Schedule 3

"If the taxable income is over the amount in the left-hand column but not over the amount in the right-hand column:	The tax is the amount in the left-hand column plus a percentage (as shown) over the amount of the taxable income shown in the right-hand column:	
$0– $2,300	$0+ .0%	$0
$2,300– $3,350	$0+10.0%	$2,300
$3,350– $4,400	$105+10.0%	$3,350
$4,400– $6,500	$215+11.0%	$4,400
$6,500– $6,550	$457+12.0%	$6,500
$6,550– $8,600	$463+13.0%	$6,550
$8,600– $10,700	$740+14.0%	$8,600
$10,700– $10,800	$1,044+15.0%	$10,700
$10,800– $12,900	$1,059+16.0%	$10,800
$12,900– $14,900	$1,395+17.0%	$12,900
$14,900– $15,550	$1,735+18.0%	$14,900
$15,550– $18,200	$1,855+20.0%	$15,550
$18,200– $19,100	$2,385+21.0%	$18,200
$19,100– $23,500	$2,579+23.0%	$19,100
$23,500– $28,800	$3,591+25.0%	$23,500
$28,800– $30,600	$4,942+27.0%	$28,800
$30,600– $34,100	$5,437+30.0%	$30,600
$34,100– $43,400	$6,487+32.0%	$34,100
$43,400– $44,700	$9,510+35.0%	$43,400
$44,700– $55,300	$9,965+37.0%	$44,700
$55,300– $58,900	$13,887+39.0%	$55,300
$58,900– $81,800	$15,309+41.0%	$58,900
$81,800– $84,500	$24,812+44.0%	$81,800
$84,500–$108,300	$26,000+45.0%	$84,500
$108,300–$161,300	$36,829+48.0%	$108,300
$161,300–$214,300	$62,534+49.0%	$161,300
$214,300	$88,769+50.0%	$214,300

TITLE II—INFLATION ADJUSTMENT

SEC. 201. Inflation Adjustments to Individual Tax Rates.

(a) General Rule.—Section 1 of the Internal Revenue Code of 1954 (relating to tax imposed) is amended by adding at the end thereof the following new subsection:

"(f) Adjustments in Tax Tables so that Inflation will not Result in Tax Increases.—

"(1) In General.—FOR TAXABLE YEARS AFTER 1982—Not later than December 15 of each calendar year beginning in 1982, the Secretary shall prescribe tables which shall apply in lieu of the tables contained in subsections (a), (b), (c), (d), and (e) with respect to taxable years beginning in the succeeding calendar year.

"(2) Method of Prescribing Tables.—The table which under paragraph (1) is to apply in lieu of the table contained in subsection (a), (b), (c), (d), or (e), as the case may be, with respect to taxable years beginning in any calendar year shall be prescribed—

"(A) by increasing—

"(i) the maximum dollar amount on which no tax is imposed under such table, and

"(ii) the minimum and maximum dollar amounts for each rate bracket for which a tax is imposed under such table, by the cost-of-living adjustment for such calendar year,

"(B) by not changing the rate applicable to any rate bracket as adjusted under subparagraph (A)(ii), and

"(C) by adjusting the amounts setting forth the tax to the extent necessary to reflect the adjustments in the rate brackets.
If any increase determined under subparagraph (A) is not a multiple of $10, such increase shall be rounded to the nearest multiple of $10 (or if such increase is a multiple of $5, such increase shall be increased to the nearest multiple of $10).

"(3) Cost-of-Living Adjustment.—For purposes of paragraph (1), the cost-of-living adjustment for any calendar year is the percentage (if any) by which—

"(A) the CPI for the preceding calendar year, exceeds

"(B) the CPI for calendar year 1981.

"(4) CPI for any Calendar Year.—For purposes of paragraph (3), the CPI for any calendar year is the average of the Consumer Price Index for the months ending in the 12-month period ending on September 30 of such calendar year.

"(5) Consumer Price Index.—For purposes of paragraph (4), the term 'Consumer Price Index' means the Consumer Price Index for all-urban consumers published by the Department of Labor."

(b) Definition of Zero Bracket Amount.—Subsection (d) of section 63 of such Code (defining zero bracket amount) is amended to read as follows:

"(d) Zero Bracket Amount.—For purposes of this subtitle, the term 'zero bracket amount' means—

"(1) in the case of an individual to whom subsection (a), (b), or (d) of section 1 applies, the maximum amount of taxable income on which no tax is imposed by the applicable subsection of section 1, or

"(2) zero in any other case."

Sec. 202. Cost-of-Living Adjustments in Amount of Personal Exemptions.

(a) General Rule.—Section 151 of the Internal Revenue Code of 1954 (relating to allowance of deductions for personal exemptions) is amended by striking out "$1,000" each place it appears and inserting in lieu thereof "the exemption amount".

(b) Exemption Amount.—Section 151 of such Code is amended by adding at the end thereof the following new subsection:

* * * the term 'exemption amount' means, with respect to any taxable year, $1,000 increased by an amount equal to $1,000 multiplied by the cost-of-living adjustment (as defined in section 1(f)(3))—for the calendar year in which the taxable year begins.
If the amount determined under the preceding sentence is not a multiple of $10, such amount shall be rounded to the nearest multiple of $10 (or if such amount is a multiple of $5, such amount shall be increased to the nearest multiple of $10)."

Sec. 203. Adjustments in Withholding.

(a) In General.—Subsection (a) of section 3402 of the Internal Revenue Code of 1954 (relating to requirement of withholding) is amended by inserting after the third sentence the following new sentence: "The Secretary shall, not later than December 15 of each calendar year prescribe tables which shall apply in lieu of the tables prescribed above to wages paid during the succeeding calendar year and which shall be based on the tables prescribed under section 1(f) which apply with respect to taxable years beginning in such succeeding calendar year."

(b) Percentage Method of Withholding.—Paragraph (1) of section 3402(b) of such Code (relating to the percentage method of withholding) is amended by adding at the end thereof the following new sentence: "The Secretary shall not later than December 15 of each calendar year, prescribe a table which shall apply in lieu of the above table to wages paid during the succeeding calendar year and which shall be based on the exemption amount (as defined in section 151(f)) which applies to taxable years beginning in the succeeding calendar year."

(c) Withholding Allowances Based on Itemized Deductions.—Paragraph (1) of section 3402(m) of such Code (relating to withholding allowances based on itemized deductions) is amended—

(1) by striking out "$1,000" and inserting in lieu thereof "the exemption amount (as determined under section 151(f) for taxable years beginning in the calendar year)"; and

(2) by striking out subparagraph (B) and inserting in lieu thereof the following:

"(B) an amount equal to the maximum amount of taxable income for taxable years beginning in the calendar year on which no tax is imposed by section 1(a) (or section 1(b) in the case of an individual who is not married, within the meaning of section 143, and who is not a surviving spouse, as defined in section 2(a))."

Sec. 204. Return Requirements.

(a) Clause (i) of section 6012(a)(1)(A) of the Internal Revenue Code of 1954 is amended by striking out "$3,300" and inserting in lieu thereof "the sum of the exemption amount and the zero bracket amount applicable to such an individual".

(b) Clause (ii) of section 6012(a)(1)(A) of such Code is amended by striking out "$4,400" and inserting in lieu thereof "the sum of the exemption amount plus the zero bracket amount applicable to such an individual".

(c) Clause (iii) of section 6012(a)(1)(A) of such Code is amended by striking out "$5,400" and inserting in lieu thereof "the sum of twice the exemption amount plus the zero bracket amount applicable to a joint return".

(d) Paragraph (1) of section 6012(a) of such Code is amended by striking out "$1,000" each place it appears and inserting in lieu thereof "the exemption amount".

(e) Paragraph (1) of section 6012(a) of such Code is subparagraph:

"(D) For purposes of this paragraph—

"(i) The term 'zero bracket amount' has the meaning given to such term by section 63(d).

"(ii) The term 'exemption amount' has the meaning given to such term by section 151(f)."

(f) Subparagraph (A) of section 6013(b)(3) of such Code is amended—

(1) by striking out "$1,000" each place it appears and inserting in lieu thereof "the exemption amount",

(2) by striking out "$2,000" each place it appears and inserting in lieu thereof "twice the exemption amount", and

(3) by adding at the end thereof the following new sentence:

"For purposes of this subparagraph, the term 'exemption amount' has the meaning given to such term by section 151(f)."

Sec. 205. Effective dates.

(a) The amendments made by sections 201, 202, and 204 of this Title shall apply to taxable years beginning after December 31, 1982.

(b) The amendments made by section 203 of this Act shall apply to remuneration paid after December 31, 1982.

S. 34

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Spending Limitation Act."

Sec. 2. Add to the Congressional Budget and Impoundment Control Act of 1974 the following new section:

"Sec. 312. Notwithstanding any other provision of this Act, in calendar years 1979 through 1982, the total amount of Federal outlays agreed to in the second concurrent resolution on the Budget or any further concurrent resolution on the Budget adopted by Congress under section 310 of the Congressional Budget and Impoundment Control Act of 1974 (referred to elsewhere in this section as the 'budget resolution') for the fiscal year which ends within such next calendar year shall not exceed, unless waived by a two-thirds vote in each House of Congress, the following percent of the projected gross national product projected by the Congressional Budget Office for that fiscal year on the basis of the budget resolution for that fiscal year:

"21.0% in FY 1980.
"20.0% in FY 1981.
"19.0% in FY 1982.
"18.0% in FY 1983.

By Mr. HELMS:

S. 35. A bill to repeal the Credit Control Act (12 U.S.C. 1901 et seq.); to the Committee on Banking, Housing, and Urban Affairs.

REPEAL THE POWER TO SEIZE GOLD

Mr. HELMS. Mr. President, in the depth of the depression, Congress made a number of changes in the law which were subsequently repealed or revised.

In 1973, Congress acted to restore the freedom of Americans to own gold. At that time, Congress did not address the subject of a little-known provision of the Federal Reserve Act, 12 U.S.C. 248(n). This subsection is as follows:

(n) Exchange of gold coin, buillion, and certificates for other currency on order of Secretary of Treasury; costs; penalties.

Whenever in the judgment of the Secretary of the Treasury such action is necessary to protect the currency system of the United States, the Secretary of the Treasury, in his discretion, may require any or all individuals, partnerships, associations, and corporations to pay and deliver to the Treasurer of the United States any or all gold coin, gold bullion, and gold certificates owned by such individuals, partnerships, associations, and corporations. Upon receipt of such gold coin, gold bullion or gold certificates, the Secretary of the Treasury shall pay therefor an equivalent amount of any other form of coin or currency coined or issued under the laws of the United States. The Secretary of the Treasury shall pay all costs of the transportation of such gold bullion, gold certificates, coin, or currency, including the cost of insurance, protection, and such other incidental costs as may be reasonably necessary. Any individual, partnership, association, or corporation failing to comply with any requirement of the Secretary of the Treasury made under this subsection shall be subject to a penalty equal to twice the value of the gold or gold certificates in respect of which such failure occurred, and such penalty may be collected by the Secretary of the Treasury by suit or otherwise.

I believe this subsection should have been repealed when the freedom to own gold was restored.

I asked the Chairman of the Federal Reserve Board, William E. Miller for his thoughts on this bill and he responded saying:

> Dear Jesse: Thank you for your letter of December 14 requesting views on the proposed repeal of 12 U.S.C. 248(n), which grants the Secretary of Treasury authority to call in gold from private holders. I have no objection to the proposal.
>
> Sincerely,
>
> Bill.

The Treasury Department has, as we know, adopted a policy of reducing the monetary role of gold. Therefore, it seems anachronistic to keep the arbitrary authority over gold which supposedly has no monetary role. But even if we were on a gold coin standard, this extraordinary power would be unjustifiable.

Finally, some with whom I have discussed this bill feel that the Congress can again vote to confiscate gold. That is true. However it would require an overt act of Congress before that authority could be exercised. Today all that is needed is "adjustment" undefined except as to somehow protect the "currency system."

I introduce this bill today, at the beginning of the 96th Congress so that opinions can be requested from appropriate agencies, businessmen, academicians, and interested citizens, so that early in the 96th Congress action can be taken on this archaic piece of law.

Mr. President, I ask unanimous consent that the brief text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 35

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Credit Control Act (12 U.S.C. 1901 et seq.) is repealed.

By Mr. McCLURE:

S. 38. A bill to repeal the Gun Control Act of 1968; to the Committee on the Judiciary.

Mr. McCLURE. Mr. President, I am today introducing two bills designed to bring about a fair and effective answer to the problem of criminal misuse of firearms. By any standard the Gun Control Act of 1968 has failed to halt the increase in violent crimes which plagues our country. The reason for that failure, I suggest, is that the Gun Control Act of 1968 is fundamentally misdirected. It burdens the law-abiding citizen who obtains firearms through legal channels while affecting not at all the criminal who long before 1968 was barred from legally possessing guns.

It is easy to erect obstacles to those who want to buy firearms for hunting or target practice or defense of their home and family. These people want to obey the law. But these people have nothing whatever to do with the crime problem. Yet, they, not the professional criminal, are the victim of gun control laws. So I propose that we redirect Federal gun laws to deter this criminal behavior without infringing on the tranditional right of law-abiding Americans to keep and bear arms. To do this I offer two bills. The first simply repeals a law that has failed, the Gun Control Act of 1968. The second bill imposes a mandatory 5- to 10-year prison sentence on anyone who uses a gun to commit a crime of violence.

The bill is carefully drafted to avoid Federal intrusion into areas of criminal law best handled by the States. I would like to see similar mandatory sentence provisions enacted at the State level. It can be a first step toward the rebuilding of our criminal justice system into an effective deterrent to crime. I introduced similar bills during the 95th Congress, and was pleased to see that the principles behind these bills made significant gains. During consideration of the criminal code reform legislation, the Senate adopted several amendments I offered to refine the mandatory sentencing provisions and strengthen the rights of law-abiding gun owners. Congress also cut the budget of the Bureau of Alcohol, Tobacco, and Firearms and blocked their plan to impose national registration of firearms transactions. We voted to continue the civilian marksmanship program and forced the withdrawal of a nominee with extreme antigun views to head the LEAA.

These victories were made possible by the vigilance of millions of Americans who were willing to make their voices heard in defense of traditional American values.

By Mr. PROXMIRE:

S. 39. A bill to amend the Bank Holding Company Act and the Bank Merger Act to restrict the activities in which registered bank holding companies may engage and to control the acquisition of banks by bank holding companies and other banks; to the Committee on Banking, Housing, and Urban Affairs.

Mr. PROXMIRE. Mr. President, this legislation which I introduce today for reference to the Committee on Banking, Housing, and Urban Affairs, will effectively bring under control the concentration of banking resources into fewer hands and the expansion of bank holding companies beyond banking and into commerce and industry.

This Nation is best served by markets that are competitive and a financial system that fairly dispenses credit into all sectors of the economy. Competitive markets are usually characterized by a maximum number of competitors, no one or group of which has a dominant share of the market which enables them to set monopolistic prices. A financial system that is to be depended upon to fairly dispense credit into the economy must not itself compete in commerce and industry lest its credit judgments be affected by the equity stake that it has in those industries.

Bank holding companies have been the subject of major congressional legislation passed in 1956 and 1970 to insure these goals. Unfortunately, there is significant evidence that further refinements to these laws are necessary again if we are to assure competitive financial and nonfinancial markets.

Bank holding companies dominate our banking system. They now control over 70 percent of all banking deposits. The largest of these have experienced explosive growth. During the 25-year period from 1950 to 1975, the 10 largest of these institutions increased their control of all bank deposits in the Nation from under 20 percent to about 30 percent. Moreover, many State and local banking markets are highly concentrated with a few bank holding companies dominating banking activities.

This state of affairs is bad enough, but it has been compounded by bank holding company expansion into businesses outside of banking. Witness after witness from the insurance, data processing, auto leasing, securities, mutual fund, armored car and courier, travel agency and real estate industries, appearing in support of this legislation in the past testified as to the unfair competition posed to their industries by bank holding companies whose subsidiary banks are engaged in making loans. Unfair competition arises because many customers will prefer to give their commercial business to a bank which also dispenses credit, even at a higher price, rather than to purchase their services from a nonbank competitor. Tie-in sales, whether coerced or voluntary, distort our economy and free market. This distortion means that trade is no longer carried out on the basis of price, quality, and service but on the basis of hoped-for favoritism.

This legislation will cure the deficiencies in the current situation. First, this legislation will prohibit bank holding companies from acquiring any banks if they already have 20 percent of the banking assets in any State. This will require the dominant holding companies in State markets to grow internally, not by taking over competitors. Consumers will benefit by more competitive banking markets.

Second, this legislation will require that holding companies restrict their nonbank activities to those that are directly related to banking. This represents a significant tightening of current law under which banks are permitted to engage in activities that are merely closely related to banking. Moreover, this legislation will require that bank holding companies prove that entry into nonbank fields will produce substantial public benefits to the public, which clearly and significantly outweigh possible adverse effects.

There is substantial evidence that bank holding company expansion has had adverse effects on competition in both bank and nonbank markets. Bank holding company banks, while experiencing similar growth rates to independent banks, have riskier portfolios and lower capital ratios. The evidence also is that bank holding company mortgage banking and consumer finance subsidiaries operate with lower capital ratios than their competitors in these nonbank fields. This legislation will put the burden of proof on bank holding companies to show that the public will benefit before they are allowed to expand into nonbank fields.

Mr. President, this legislation has been the subject of numerous hearings in the Banking Committee in the last two Congresses. In the last Congress, the Banking Committee was responsible for the passage of two pieces of landmark banking legislation: the International Banking Act and the Financial Institutions Regulatory and Interest Rate Control Act. In the closing days of the last Congress, legislation to control some specific aspects of bank holding company expansion passed both the House and the Senate in the same form but in different pieces of legislation. Because of the complexity of the end of session, bank holding company reform could not be achieved.

House members have stated that control of bank holding companies will be a priority item in that body. This legislation will provide the focus for the Banking Committee. Mr. President, this legislation enjoys substantial support. The Independent Bankers Association and the mutual savings banks testified in favor of control of expansion of bank holding companies. Strong support for this legislation comes from the various nonbank industries I have previously referred to which are the victims of unfair competition by bank holding companies.

Mr. President, I commend this important legislation to my colleagues for their support and I ask unanimous consent that the statement I have previously made introducing this legislation in previous Congresses be printed in the Record following my remarks because those remarks are as fully applicable to the need for this legislation today as when I made them.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Competition In Banking Act of 1977

Mr. Proxmire. Mr. President, I am today introducing a bill for reference to the Committee on Banking, Housing and Urban Affairs to control the concentration of the banking resources of the Nation into fewer hands and to put brakes on the unbridled growth of bank holding companies into nonbanking fields.

The legislation titled the "Competition in Banking Act of 1977" is identical to legislation which I sponsored in the 94th Congress (S. 2721).

My statement in support of the bill on the floor of the Senate on December 1, 1975, is fully applicable today. The Senate Banking Committee held 2 days of hearings on this bill last year. Strong statements in support of the provisions of the bill were made by spokesmen for the various commercial industries into which bank holding companies have expanded and competed unfairly. Such industries included insurance, and insurance agency, data processing, securities, automobile leasing, travel agencies, courier and armored cars, and realtors.

Chairman Burns has been quoted in the public press as having said that if he had to do it all over again, he would fight for a tougher bank holding company bill than the Bank Holding Company Act Amendments of 1970. Chairman Burns expressed the desire for a much more restrictive legislative scope to the kinds of nonbank businesses that bank holding companies should be permitted to engage. I could not agree more with the distinguished Chairman of the Federal Reserve in this regard. This bill will do the job.

Bank holding companies will continue to be permitted to engage in nonbanking activities outside the geographic areas applying to their subsidiary banks. But, under the bill, such activities must be shown to be directly related to banking and shown to have significant public benefits that clearly outweigh possible adverse effects such as unfair competition or concentration of resources. In making determinations as to which activities are permissible for bank holding companies the Federal Reserve will be required to do so on the record. Ex parte communications are forbidden.

The testimony before the committee on this bill last year was that a cozy relationship exists between the bank regulators and the banks which results in unfair treatment to bank competitors in the marketplace. The marriage between the banks and the bank regulators must be broken. This bill will accomplish this purpose with respect to bank holding companies. On a broader level, however, I believe that the bank regulatory agencies should be consolidated into a single agency which has the will to protect the public interest.

Bank holding companies have come to dominate the business of banking. The largest institutions acquired an increasing share of the Nation's banking resources over the past several years and State markets are highly concentrated. Yet banking institutions operate in a protected market where entry is restricted and capital is highly leveraged by the use of depositors' funds. In these circumstances great care needs to be taken so that banks do not unfairly compete in industries outside of banking. Many customers will naturally prefer to purchase their commercial services from banks which also dispense credit rather than to purchase such services from nonbank enterprises. This is not competition based on quality and price but rather smacks of an involuntary tie-in. We cannot allow our commercial markets to be distorted in this fashion. This bill provides the needed public protections.

To deal with concentration of banking resources, this bill amends the bank merger laws to prohibit any further bank acquisitions by a banking organization already holding 20 percent of the banking deposits in any State.

Mr. President, the Senate Banking Committee did not have the time to complete the record on this legislation in the last Congress. My intent is to complete the record in this Congress and to see this bill become law.

Competition In Banking Act of 1975

Mr. Proxmire. Mr. President, I am today introducing for reference to the Committee on Banking, Housing and Urban Affairs, a bill to amend the Bank Holding Company Act of 1956 and 1970 and to amend the provisions of the Bank Merger Act of 1966. This bill will accomplish basic reforms in the law governing the structure of banking in this Nation. The bill arises out of a need to restrict the further acquisition of banks by bank holding companies and other banks, and to restrict further the scope of activities that may be engaged in by bank holding companies to insure a safe and sound banking system, responsiveness to consumer needs, and a healthy line of demarcation between banking and commerce.

Mr. President, this bill amends the antitrust laws applying to the acquisition of banks by bank holding companies and to the merger of banks in order to control the concentration of banking resources in the Nation and to bring a measure of increased competition in the public interest to the banking industry. The bill will also amend the laws applicable to bank holding company expansion into what has unfortunately been regarded as permissible "nonbank" activities to restrict permissible activities to those that are "directly" related to banking.

The need to control the concentration of banking resources and increased competition in the banking industry is both undeniable and urgent.

Bank holding companies increasingly dominate the business of banking in this Nation. During the period 1968 to 1974 total bank deposits increased from $434 billion to $698 billion. Over this period the portion of holding company control of bank deposits went from $166 billion—38 percent—to $492 billion—71 percent. One bank holding company expansion, brought within the purview of control under Federal law in 1970, makes up a substantial portion of this growth. I wish to point out for your special note, Mr. President, that multibank holding company control of total bank deposits increased over this period from $58 billion to $280 billion. Bank holding company acquisitions of existing banks accounted for 73 percent of all acquisitions of banks at the end of 1973. These statistics underscore the inexorable movement toward control of our banking system by bank holding companies.

An analysis of the growth of large banking institutions reveals that over the course of the past 25 years, the 10 and 25 largest banking institutions have increased their share of the Nation's bank deposits from 20 percent and 30 percent, respectively, to 29 percent and 39 percent. The 10 largest institutions were responsible for the major portion of this increase in concentration of resources. Moreover, many statewide, local, and major markets have remained highly concentrated.

Make no mistake about it, Mr. President, the concentration of banking resources is not a matter of esoteric academic concern.

Where resources become concentrated, competition is reduced. The consumer, the builder, the small businessman, the homeowner, the municipal borrower, all bear the brunt of decreased competition in the form of higher costs on the money they borrow or in the form of reduced services. In its drive for growth, the focus of the banking system has all too frequently shifted to a high-profit oriented philosophy. We have gone through an unfortunate and debilitating era of "go-go" banking in which sensible rules of prudence have been cast aside in favor of speculation to earn high rates of return.

In the process of funding speculative areas of the economy, banking institutions have all too often misallocated the credit resources of the Nation which they hold in trust in the public interest. The public trust aspects in banking have been much forgotten principles. The fair operation of the banking system is basic to the needs of the economy. The operation of the antitrust laws as presently constituted have not been adequate to the task of increasing competition in the banking industry in the public interest. The antitrust laws relating to banking must, therefore, be revised if we are to cope with the problem of increased concentration, a problem which holds no promise of abating without legislative action.

Bank mergers or holding company acquisitions of a bank would be prohibited under this bill if the resultant company would control more than 20 percent of the banking assets held by banks or holding companies within States in which the company is located. An exception is provided for mergers or acquisitions which have been found to be necessary in order to prevent the failure of a bank and if less anticompetitive alternatives are not available. The Justice Department is given an independent right to seek injunctions in court for mergers or acquisitions which violate the 20 percent standard. Mr. President, this provision is necessary if we are to prevent the Nation's banking resources from coming under the control of oligopolies in individual States. The bill further gives to the bank regulatory agencies the discretion to deny anticompetitive mergers or acquisitions not violating the Sherman Act, the Clayton Act, or the 20 percent standard if the public benefits of such anticompetitive transactions are not clearly outweighed in meeting community convenience and needs. Mr. President, 33 banking institutions holding bank assets of about $107 billion, representing 12 percent of the Nation's deposits, would be covered by the 20 percent prohibitory standard.

Arthur Burns, the distinguished chairman of the Federal Reserve Board has reportedly stated that if he had to do it all over again, he would fight for a tougher bank holding company bill than the Bank Holding Company Act of 1970. Chairman Burns was stated to have expressed a desire for a much more limited legislative scope to the kinds of business a bank holding company could enter.

I agree with these statements which have been attributed to Chairman Burns. There is need to restrict the kinds of business in which bank holding companies may engage. In my view, bank holding companies should only engage in the business of offering banking services. This bill will serve to limit bank holding companies to those activities "directly" related to banking and will preserve the line between banking and commerce.

Bank holding companies are permitted to engage in a number of activities which are not "directly" related to banking. They underwrite certain types of insurance, act as insurance agents, act as investment advisors to real estate investment trusts and lease-and-market automobiles. Such activities are primarily commercial in nature and are not "directly" related to the business of accepting deposits or making loans. Instead of financing business and commerce, banks have themselves engaged in the business and commerce of the Nation.

To some extent, our fragmented regulatory structure has contributed to this situation. We have the example of the Federal Reserve denying a bank holding company permission to engage in a particular activity on the ground that the activity was not closely related to banking and the Comptroller permitting a subsidiary national bank of the holding company to engage in the same activity under the incidental powers clause of the national banking laws. This practice would be specifically outlawed by this bill. The Federal Reserve would be the final authority in such matters. Of course, on a broader level, my proposal for the establishment of a Federal Bank Commission would put such practices to rest once and for all by eliminating this competition-in-laxity among our Federal regulators.

When bank holding companies go beyond banking and engage in commerce, credit is misallocated and the potential for unsafe or unsound banking practices arises. The holding company no longer acts as a source of strength to the banks in the holding company. As a matter of fact, the bank subsidiaries in such situations are often called upon to rescue these nonbank operations from the consequences of their speculations and mismanagement. One need only examine the real estate investment trust experience to see first hand just how badly the public interest has been served by these speculations.

This bill will require the bank holding company and all of its subsidiaries to be adequately capitalized. Bank holding companies will be required to disclose their intra-corporate dealings to protect competition and the public interest.

Many of the industries into which bank holding companies have expanded recently are industries characterized by smaller producing units. In these circumstances, competitors should be given the opportunity to develop a record upon which the Federal Reserve Board will be bound before allowing bank holding companies to expand their services. This bill will require the Federal Reserve to apply the provisions of the Administrative Procedure Act to issuance of regulations and orders in its administration of the Bank Holding Company Act. Before the Board could approve any activity by a bank holding company, it would have to make two findings: first, that the proposed activity is directly related to banking; and second, that the proposed transaction is likely to produce significant benefits to the public which clearly and significantly outweigh possible adverse effects.

Existing bank holding company laws have allowed banking organizations to expand the geographic distribution of their services from coast to coast by establishing subsidiary offices across State lines. Bank holding company entry into nonbank activities under existing law has proliferated in recent years. Entry by acquisition has gone from 6 in 1970 to 806 in 1974. De novo entry into such activities has gone from 71 in 1971 to 524 in 1974. Care needs to be taken that the public interest will be served by such expansion and that existing business relationships will not be altered contrary to the public interest by methods of unfair competition or credit misallocation. This bill will accomplish these public purposes.

By making the Administrative Procedure Act applicable to Federal Reserve Board proceedings, parties in interest, including consumer groups, will be enabled to build a record to determine if the public interest will in fact be served in particular instances. These provisions will require the Board to tailor its orders precisely to the needs of the public. This bill gives the Federal Reserve continuing enforcement authority over its orders. Should the public interest fail to be served at any point, the Federal Reserve could require corrective action. Where the Federal Reserve fails to act, unreasonably, an appeal may be taken to a Federal Reserve to maintain continuous surveillance over bank holding companies and their subsidiaries to insure that their public interest functions will be served.

By Mr. FORD (for himself, Mr. HUDDLESTON, and Mr. DECONCINI):

S. 40. A bill to extend the period for SBA disaster low-interest loans from October 1, 1978, to October 1, 1979; to the Select Committee on Small Business.

INTEREST RATE ON DISASTER LOANS

Mr. FORD. Mr. President, this legislation which Senator HUDDLESTON, Senator DECONCINI, and I are proposing relates to the interest rate on certain disaster loans granted by the Small Business Administration. Public Law 95–89, had provisions respecting the interest rates on loans to repair or replace residences and to repair damage on personal property. That change permitted low-interest loans for disasters occurring on or after July 1, 1976, and prior to October 1, 1978. This change would extend the termination date on these low-interest loans to October 1, 1979.

In December of 1978, devastating floods hit a major portion of central Kentucky. Record floods were experienced in the capital city of Frankfort. The major damage in the 37 counties affected was to primary residences. For those families with outstanding loans, even with low-interest rates, the loss is tragic. Many of these families were aware that the 1977 amendment was enacted to grant relief after the April 1977 floods that hit southeastern Kentucky and West Virginia. Special relief had been granted for the low-interest rates, but this legislation had terminated October 1, 1978, only 2 months before the December floods.

This legislation will simply extend the low-interest rates to cover this flood and any of the others that might occur in the remainder of the current fiscal year.

It is important to recognize that these funds are not grants, but low-interest loans. Many of the individuals suffering losses will not only be required to repay this loan, but other outstanding loans that existed when the tragedy occurred.

It retains the same interest rates that were authorized for disasters occurring between July 1, 1976, and October 1, 1978.

Mr. HUDDLESTON. Mr. President, it is one of the most longstanding and proudest traditions of our Government to readily respond to the needs of those who fall victim to disaster in a compassionate manner. Unfortunately, these efforts are being undermined by a return to the old procedure of granting Small Business Administration disaster loans at interest rates very near the prevailing rate for private loans.

During the 95th Congress I, along with several other Senators, introduced legislation which reduced the interest rate for most SBA disaster loans to 3 percent or less. Although this change was a part of Public Law 95–89, it was only applicable to those loans for disasters occurring on or after July 1, 1976, and prior to October 1, 1978. This termination date now returns us to the old process of ignoring the fact that disaster victims are people with special needs brought about by circumstances beyond their control.

The devastating floods which hit over 30 counties in the State of Kentucky in 1978 have emphasized the need to continue low-interest disaster loans for the victims. The reduction in interest rates was intended to provide greater equity for disaster victims by insuring that the interest rates and the terms of the loans remain low enough for relief to be accessible to those who need it most. Those individuals who lose property and income, because of a disaster need this additional helping hand in order to restore their lives to a semblance of that which existed prior to a disaster in as short a time as possible.

The legislation which Senator FORD and I are introducing today would merely extend the termination date for low interest SBA disaster loans until October 1, 1979. In other words, we would continue for a limited time to grant disaster loans to victims under the same terms and conditions that existed for similar disaster victims prior to October 1, 1978.

Spiraling inflation rates have pushed interest rates for private loans into the double-digit range, and interest rates for disaster loans have been pulled upward along with them. These inflated interest rates have in effect added an additional burden to these recent disaster victims which did not exist for previous victims. I do not believe that it is fair or compassionate for these people to be forced by uncontrollable circumstances to take out loans with inflated interest rates. In order to maintain an effective disaster program, it is essential that the interest rates and the terms of the loan remain low enough for relief to be accessible to those in greatest need.

By Mr. FORD (for himself and Mr. HUDDLESTON):

S. 41. A bill to authorize the Secretary of Agriculture to convey any interest held by the United States in certain lands located in Bell County, Ky., to the Board of Education, Bell County, Ky.; to the Committee on Agriculture, Nutrition, and Forestry.

Mr. FORD. Mr. President, Senator HUDDLESTON and I are today introducing legislation to transfer 47.04 acres of Forest Service land to the Bell County Board of Education. Currently, Bell County has two high schools located in a flood plain. These schools have sustained significant damage from flood waters. If this bill is passed, the Bell County Board of Education will be able to replace both schools with a new, more secure, facility.

Mr. President, this matter cannot be solved administratively. The Department of Agriculture has determined that legislation is necessary to achieve the transfer of this land.

The Bell County Board of Education has sought this property for over a year. They are hoping to begin construction on the new high school in the spring of 1979. I urge expeditious and favorable consideration on this legislation.

Mr. HUDDLESTON. Mr. President, I take great pleasure in joining my colleague, Senator FORD, in sponsoring legislation which would remove a reversion feature from certain lands in Bell County, Ky., conveyed earlier by the Secretary of Agriculture under the authority of the Bankhead-Jones Farm Tenant Act of 1937. In particular, this legislation stipulates that these lands will be used exclusively for educational purposes by the Bell County Board of Education and permits the board to replace two flood-prone school buildings.

Bell County has two high schools which are located in the flood plain on the banks of the Cumberland River. Every time the river floods or there is high water school officials are faced with removing mud and debris, replacing expensive teaching supplies, and repairing structural damage, all of which make returning to a flooded school building unpleasant. The damages to these school buildings and the county administration building from the April 1977 flood were assessed at more than $1.1 million by the Department of Health, Education, and Welfare. This school system can ill afford to finance such expenses and is looking forward to consolidating the two existing high schools into a single facility that would provide the educational program students deserve.

Through considerable correspondence with Department of Agriculture officials I learned the Department has no authority to release the title for this land and that special legislation would be required to accomplish this action. A year and a half has passed since this land was originally conveyed to the Bell County School Board and school officials remain helpless in their efforts to finance the construction of a new school building without the enactment of this legislation. Therefore, I cannot emphasize too strongly the urgency of this situation and urge my colleagues to join with me in supporting this legislation.

By Mr. HATCH (for himself, Mr. WALLOP, Mr. DURKIN, Mr. HUMPHREY, Mr. LAXALT, Mr. LEAHY, Mr. MELCHER, and Mr. SIMPSON):

S. 43. A bill to promote safety and health in skiing and other outdoor winter recreational activities; to the Committee on the Judiciary.

NATIONAL SKI PATROL SYSTEM RECOGNITION ACT

Mr. HATCH. Mr. President, I am pleased to introduce for the consideration of the 96th Congress a bill extending full recognition and gratitude to the National Ski Patrol System. As a nonprofit, volunteer organization of over 23,000 individuals, the Ski Patrol has been credited with saving the lives of skiers and winter sports enthusiasts with their expert rendering of emergency medical aid, research and rescue techniques, and avalanche control efforts.

In following up previous research to support this measure, I have discovered many other reasons to act upon this bill. Among them is the fact that during World War II the "Tenth Mountain Division" was established at the behest of the National Ski Patrol by Gen. George C. Marshall to patrol the slopes of Germany and assist in the rescue of American military personnel. Today, the National Ski Patrol System's International Division includes 200 members in 9 patrols, 6 in West Germany, and 1 each in Spain, Italy, and Israel. These patrols concentrate on insuring the safety and enjoyment of skiing and winter outdoor activity for U.S. Government employees and American military personnel and their families.

The National Ski Patrol System is also unique in that it has helped to foster friendly relations with foreign countries. Exchanges of ideas, training aids and sometimes patrollers themselves, have taken place with Australia, Chile, Canada, and New Zealand.

The National Ski Patrol has maintained a written understanding of cooperation with the American Red Cross and has worked hand in hand with such Federal agencies as the U.S. Forest Service and National Highway Traffic Safety Administration. It should be noted that the NSPS has assumed near total responsibility for avalanche control on lands under the jurisdiction of the U.S. Forest Service and the U.S. Park Service. To illustrate the importance of this cooperation, I ask unanimous consent that letters from the U.S. Forest Service, the U.S. National Highway Traffic Safety Administration, and the statement of understanding with the American Red Cross be printed in the CONGRESSIONAL RECORD at this point.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF AGRICULTURE,
FOREST SERVICE,
Washington, D.C., June 14, 1978.

Hon. ORRIN G. HATCH,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HATCH: We have been requested by telephone to furnish information concerning the National Ski Patrol System and how they relate to National Forest lands.

The National Ski Patrol System (NSPS) has a longstanding record of assistance to the Forest Service, ski area operators, law enforcement officials, medical personnel, and the general public at National Forest ski areas. NSPS volunteers provide rescue and first aid services, snow safety training, avalanche control, and other assistance at many areas. Their activities give long-term stability to winter safety programs at ski areas where many employees change seasonally. We understand the NSPS provides similar services at ski areas administered by the Department of the Interior and at U.S. Armed Forces recreation areas overseas.

The NSPS has provided invaluable assistance in developing avalanche forecasting and control methods, and in-training for avalanche control and rescue. They sponsor a basic and advanced avalanche course annually. The basic course provides training in the recognition of avalanche hazards and basic rescue techniques. The recipients of this training are better able to more safely participate in winter sports such as cross-country skiing. They can also offer their services in organized rescue of persons missing or caught in avalanches. The advanced avalanche course, on the other hand, trains NSPS members in methods of forecasting and control of avalanches and trains them to be team leaders in rescue operations.

Ski area operators are responsible for controlling avalanches and other snow safety work at the individual ski areas. The Forest Service inspects these activities under the terms of the special use permit. The NSPS volunteers assist the ski area operator in performing these activities, thereby, reducing operating expenses and public costs.

Whether it be downhill skiing, cross-country skiing, or general winter mountaineering activities, the NSPS continues to promote user safety and enjoyment of National Forest and other lands suited to winter activities.

Sincerely,

OWEN I. JAMISON
(For JOHN R. MCGUIRE, *Chief*).

U.S. DEPARTMENT OF TRANSPORTATION,
Washington, D.C., May 24, 1978.

Hon. ORRIN G. HATCH,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HATCH: It has been brought to our attention that the National Ski Patrol has submitted a request to become nationally chartered.

The Department of Transportation's Emergency Medical Services program was authorized under the Highway Safety Act of 1966 to develop standards and guidelines and provide funding assistance to upgrade the prehospital emergency medical services system. There are numerous organizations involved in a State's emergency medical services system including hospitals, ambulance and rescue services, American National Red Cross, American Heart Association and, in many areas, the National Ski Patrol.

The National Ski Patrol has had over the years a very unique role to play. Their members cooperate with the local ambulance services in providing lifesaving emergency medical care to injured individuals, stabilizing these individuals and transporting them to a location where the victim could safely be transported by ambulance to the hospital emergency department.

A large number of National Ski Patrol members are also members of volunteer ambulance and rescue squads. The high level of patient care required in the ambulance services obviously benefits the winter wilderness.

We support the request of the National Ski Patrol for a charter.

Sincerely,

CHARLES F. LIVINGSTON,
Acting Associate Administrator,
Traffic Safety Programs.

STATEMENT OF UNDERSTANDING BETWEEN NATIONAL SKI PATROL SYSTEM AND THE AMERICAN NATIONAL RED CROSS WITH RESPECT TO FIRST AID AND SAFETY TRAINING

PURPOSE

The purpose of this statement of understanding is to strengthen and maintain the cooperative working relationships between the National Ski Patrol System (hereafter referred to as NSPS) and its divisions, regions, and patrols and The American National Red Cross (hereafter referred to as ANRC) and its areas, divisions, and chapters in providing first aid training and cooperative assistance in time of emergencies. It suggests a pattern by which they may coordinate their personnel and service facilities, and it provides a broad framework for cooperation between the organizations.

AUTHORITY

This statement of understanding is established by mutual agreement of the NSPS and the ANRC, and shall be considered as a commitment of cooperative assistance until such time as either party may desire to dissolve the relationship.

RECOGNITION

The ANRC recognizes the NSPS for its commitment to ski safety and to rescue of persons injured in the winter environment and the valuable assistance it can provide in the promotion of injury prevention and public education in first aid.

The NSPS recognizes the ANRC as an agency through which the American people voluntarily extend assistance to individuals and organizations in need of first aid and safety training.

Both organizations in their voluntary capacity recognize that first aid and safety training is a continuing need of the community at large. Both organizations accept a responsibility to meet this need.

ORGANIZATION OF THE AMERICAN NATIONAL RED CROSS

The national headquarters of the ANRC is located in Washintgon, D.C. For administrative purposes, the ANRC divides the continental United States into four administrative areas. Area offices of the national organization are located as follows: Eastern Area, Alexandria, Virginia; Southeastern Area, Atlanta, Georgia; Midwestern Area, St. Louis, Missouri; and Western Area, San Francisco, California. Each area office has an administrative staff.

Area jurisdictions are sub-grouped into divisions, which report administratively to the area office. Divisions are made up of groups of chapters, which report administratively to a division headquarters chapter. The chapter is the local unit of the ANRC and is responsible for all local activities of the ANRC within its territory, subject to the policies and regulations of the national organization. There are approximately 3,200 chapters across the United States.

ORGANIZATION OF NATIONAL SKI PATROL SYSTEM

The national headquarters of the NSPS is located in Denver, Colorado. For administrative purposes, there are 10 divisions throughout the United States and the world, with each having jurisdiction covering a specific geographical territory. Division offices are located in the following areas: Alaska, Central-US, Eastern-US, Far Western-US, Intermountain-US, International, Northern-US, Pacific Northwest-US, Southern-US, and Rocky Mountain-US. Each Division office has an administrative staff and some have field staff members. Each Division office reports to the national office.

The patrol is the local unit of the NSPS and is responsible for all local activities of the NSPS within its territory, subject to the policies and regulations of the national office. There are approximately 870 local patrols throughout the United States and the world. Division jurisdictions are sub-grouped into Regions, which report to the Division office. Regions are made up of groups of patrols who report to a Regional headquarters office.

METHOD OF COOPERATION

In order that the ANRC and the NSPS may work in harmony in providing quality training and promotion of safety, the organizations have agreed as follows:

1. Continuing liaison will be maintained between the ANRC and the NSPS at all levels.

2. The NSPS recognizes the ANRC Advanced First Aid and Emergency Care course completion certificate as being the desired minimum level training for initial membership into a patrol (effective 1978). (The NSPS recognizes the ANRC Standard First Aid and Personal Safety completion certificate as an interim minimum entrance requirement.)

3. Each organization will encourage their local units to work toward mutual service to the community.

4. If previously agreed upon at the local level, NSPS physical facilities and equipment may be utilized by the ANRC during training and vice versa.

5. The NSPS and the ANRC will work together closely on a national level in the development of materials and programs in those subject areas which fall within the realm of the respective organizations.

6. The ANRC may utilize the feedback from volunteer and professional NSPS staff to assist in the development of first aid and safety materials and other related projects which fall within the subject areas of joint concern to both organizations when applicable and mutually agreed upon.

7. The NSPS may utilize the expertise of volunteer and professional staff of the local ANRC to assist in first aid and other assignments where their expertise is applicable and mutually agreed upon.

8. The NSPS recognizes that the ANRC is dependent primarily upon voluntary public financial support to carry out its program. Therefore, the NSPS will encourage its members to support ANRC fund appeals.

9. The ANRC recognizes that the NSPS is dependent primarily upon voluntary public financial support to carry out its program. Therefore, ANRC will encourage its members to support NSPS fund appeals.

10. The NSPS and the ANRC are cognizant of the need for continuing interpretation necessary to good public understanding of first aid and safety training. To this end, the NSPS will appraise its membership of the capabilities of the ANRC and of the necessity of local planning for cooperative action. The ANRC will advise its chapters of this statement of understanding, urging contact and continued liaison with the NSPS.

11. Recognizing the need for advising the public of the work of both organizations, the ANRC will attempt to inform the public of the cooperative effort between the NSPS and the ANRC. The NSPS will likewise utilize its public resources to inform the public of the cooperative effort.

12. The NSPS agrees to cooperate with ANRC by sharing available specialized capabilities in the event of regional, local, or national disasters wherever these resources may be needed.

This statement of understanding is in force as of the date indicated below and shall remain in effect until terminated by written notification from either party to the other.

Approved: October 16, 1975.

HARRY G. POLLARD, Jr.,
National Director, National Ski Patrol System.

GEORGE M. ELSEY,
President, American National Red Cross.

Mr. HATCH. As further evidence of the Ski Patrol's effectiveness in promoting safety and providing necessary, life-saving first aid, 25 members of the NSPS Nordic Ski Patrol have been selected to patrol the Nordic ski events for the 1980 Winter Olympic Games at Lake Placid, N.Y. The world's best sportsmen and women require the world's best protection from possible injury during competition. Mr. Ronald MacKenzie, President of the 1980 Winter Olympics, wrote to me last year endorsing our efforts to secure passage of a similar bill. His comments are based on his professional involvement with outdoor recreation and competitive sport as well as his firsthand association with the National Ski Patrol. I ask unanimous consent that Mr. MacKenzie's letter be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

XIII OLYMPIC WINTER GAMES, 1980,
Lake Placid, N.Y., May 26, 1978.

Hon. ORRIN G. HATCH,
Dirksen Senate Office Building,
Washington, D.C.

DEAR SENATOR HATCH: I am writing to request your support of S1571.

The National Ski Patrol System has been a way of life and of service in many areas outside its initial purpose. In these forty years it has proved itself.

There are now many thousands of these dedicated, trained and available men and women across the country.

I was an early leader in the N.S.P.S. and member of the group which convinced the armed services to create the 10th Mountain Division in World War II. I recruited many to serve in Winter Warfare Infantry Units. I hold National Ski Patrol #201 and served 25 years as Section Chief in the Adirondack Mountain Section of New York State.

In my opinion a federal charter to such a deserving body is certainly well deserved.

Sincerely,

RONALD M. MACKENZIE,
President.

Mr. HATCH. But the National Ski Patrol System's best accomplishment is its on-going concern for the safety and pleasure of those millions of Americans who enjoy skiing, mountaineering, and other winter sports. With patrol units in 42 of the 50 States, and an ever-increasing number of people who are found on the ski slopes every year, the broad impact of their work is obvious. I am certain that other Senators have letters and statements bearing testimony to the fine job the Ski Patrol has been doing for us, and many Senators may have had personal experiences with the NSPS. I invite my colleagues to join Senators WALLOP, DURKIN, HUMPHREY, LAXALT, LEAHY, MELCHER, SIMPSON, and me in support for this legislation. In closing, I ask unanimous consent that a letter from Mayor Ted Wilson of Salt Lake City be inserted in the RECORD, as well as articles from the Salt Lake Tribune and Deseret News and the text of the bill itself. I wish to point out that this measure provides only for recognition and a congressional charter, and does not authorize any expenditure of Federal funds.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SALT LAKE CITY,
January 4, 1977.

Hon. ORRIN G. HATCH,
U.S. Senate,
Washington, D.C.

DEAR ORRIN: I was particularly pleased to learn that you have joined as a sponsor of S. 1571, which would provide a federal charter for the National Ski Patrol System. I have been acquainted with the National Ski Patrol System for some years since I was a junior racing coach, and called upon their services several times. They are a very fine group of dedicated volunteers and professional people, and they provide to our ski system a critical and vital service.

Again, congratulations for helping out in every way you can on this bill.

Best personal regards and happy New Year.

Sincerely,

TED L. WILSON,
Mayor.

[From the Salt Lake Tribune, April 10, 1978]

An Overdue "Thank You"

Another ski season has come and gone and the National Ski Patrol System is still lacking something it urgently needs—A national charter.

For several past sessions ski patrollers affiliated with the National Ski Patrol System have patiently asked Congress to grant their organization a charter, similar to those held by the American Red Cross, the Boy Scouts of America, the Girl Scouts of America and other voluntary, non-profit charitable and philanthrophic organizations.

A federal charter would substantially reduce the amount of red tape the 24,000 to 25,000 members of the National Ski Patrol System now endure in complying with increasingly complex state incorporation and tax laws. Presently, to establish its non-profit, and thus tax exempt, status in states where it maintains affiliated ski patrols, the NSPS must file separate articles of incorporation and other documents.

This diverts time and funds, both voluntary, from the local patrols' primary work—promoting skiing safety, rescuing injured skiers, maintaining avalanche control work, plus winter and, yes, summer mountain search and rescue work.

Languishing at the moment in the Senate Judiciary Committee is a straight forward, 10-page bill, S. 1571, that would grant the NSPS the national charter it has deservedly earned in some 40 years of dedicated service to the injured, lost skiers and other outdoor recreationists of this country.

Granting a national charter would under provisions of S. 1571, federally incorporate the National Ski Patrol System enabling it to join in civil suits, make and carry out contracts, acquire and lease property and borrow money for its corporate purposes.

More important, perhaps, is what S. 1571 would not do. It would not provide NSPA with any federal tax subsidies or permit profit-making or partisan political activities.

And, it would relieve ski patrollers of the onerous tax task of complying with a multiplicity of state laws dealing with incorporation of non-profit organizations. This would be a real time and money saver for a group of people who have given up countless hours, days and weeks of skiing for fun in order to make the ski slopes considerably less hazardous for millions of other Americans.

Prompt and favorable reporting by the Judiciary Committee of S. 1571, equally swift enactment by the House and Senate would be a belated, but sincere "thank you" to the 25,000 or so ski patrollers, along with their predecessors who have given dedicated and selfless service to a sizeable part of the American public. That "thank you" is, in reality, about 40 years overdue.

[From the Salt Lake Tribune, Oct. 3, 1978]

Here's a Switch: Ski Patrol Yells for Help

(By Craig Hansell)

On November 5, 1977, Snow Basin ski patroller Ray E. Storey saved the life of a 14-year-old heart attack victim while attending a football game in Ogden.

The story is not unusual. In fact, it is but one of eight lifesaving feats performed by ski patrollers in the Intermountain Area last year.

What if there were no National Ski Patrol? Well, there probably would be some accident victims who wouldn't be alive today. And we are not just talking about skiers and people who use the mountains.

Of the eight known incidents where ski patrollers are credited with saving lives last year in the Intermountain area, five of the life-saving services were rendered off the ski slopes and nationally 28 patrollers were credited with using their expertise to save lives.

EXTRA MEASURE OF SAFETY

Even people who have never seen snow or heard of the National Ski Patrol have gained an extra measure of safety because of the nation's 23,151 well-trained ski patrollers.

But now the NSPS needs help. The organization that has amassed an impressive fount of safety knowledge and has served America for two generations is finding it harder and harder to make ends meet. The pinch of inflation and rising insurance costs are threatening the NSPS.

And for the third time the NSPS is seeking aid in the form of a national charter similar to those granted to the American Red Cross and the Boy Scouts of America.

But for the third time the bill is in danger and it may never have a fair chance to be exposed to the congressional process.

It seems the bill, sponsored by Senator Thomas J. McIntyre (D-N.H.) and co-sponsored by a bi-partisan group of 24 other Senators, is stuck in the Senate Judiciary Committee.

The bill, with a quarter of the senators as its sponsors is bogged down in Senator James O. Eastland's (D-Miss.) committee, and if it doesn't surface before Saturday, the NSPS will have to wait for Senator Edward Kennedy to take the helm of the Senate Judiciary before it gets its day in the sun.

With Utah Senator Orrin Hatch as one of the bill's strongest supporters, the bill has made definite headway, only to be stalled in committee.

While there is no skiing in Eastland's home state, the merits of the NSPS are not restricted to the ski slopes alone.

Three similar measures are also meeting with some difficulty in the House Judiciary Committee.

Meanwhile, inflated costs are creeping into the NSPS coffers. In 1977 the insurance costs amounted to $46,534 while the same coverage in 1978 came to $86, 640.

Senate Bill 1571 will not be a total cure all for the NSPS finances, but it will open the door to greater service to Americans and a continuation of the 40-year tradition of safety provided by the group.

[From the Deseret News (Salt Lake City, Utah) June 22, 1978]

Pass the Ski Patrol Charter

You see them during the skiing season at the resorts—pulling an injured skier off the mountain in a toboggan, marking dangerous places, checking for avalanche dangers, making sure at the end of the day that all the skiers are off the mountain.

They're ski patrol members. And while June may seem a strange season to talk about skiing, the topic is timely because the National Ski Patrol is trying to obtain a charter from Congress.

A charter would help eliminate much of the red tape the patrol now has to go through to establish its non-profit status whenever it wants to organize a local affiliate. The present situation makes it increasingly tough to keep interest in the volunteer organization.

But the charter proposal has been languishing in Congress for three years now. Perhaps the best explanation of the long wait is then-President Lyndon Johnson's 1966 veto of a charter for another group. He thought the group in question was not deserving of such national recognition.

Since then, Congress has been loath to grant any other federal charters. Some Congressmen have pointed out that tax exemptions are now granted under the Internal Revenue Code, and that charters are sometimes abused as well as of little purpose.

That idea seems to be changing. Utah Senator Orrin Hatch, a member of the Senate Judiciary Committee considering the charter, says he is "convinced that we will be able to secure action on S. 1571 (the charter application) very soon. Momentum has been picking up here in the Senate."

A charter most certainly would help the Ski Patrol in prestige and fund-raising to promote its volunteer work. And without the patrol's services, the ski slopes could be much more dangerous than they are now.

By Mr. HATCH:

S. 44. A bill entitled the "Fair Treatment for Skilled Trades Act of 1979"; to the Committee on Human Resources.

FAIR TREATMENT FOR SKILLED TRADES ACT OF 1979

Mr. HATCH. Mr. President, I am pleased to reintroduce on the first day of this Congress the Fair Treatment for Skilled Trades Act of 1979. This is legislation I introduced in the prior Congress. the premise of which is simple and straightforward—to unshackle the thousands of skilled tradesmen in our society who find themselves trapped in unwanted industrial unions for the purpose of collective bargaining by virtue of the NLRB's Mallinckrodt decision, 162 NLRB 387. This bill is one of several bills I will introduce in the labor field during this Congress which is an integral part of a more comprehensive program to guarantee greater individual freedom in the workplace.

Because of Mallinckrodt, the Board has seldom found craft severance for these skilled tradesman proper, because of the unnecessarily restrictive criteria developed by their 1966 case. As a result, these unique employees are deprived by decisional law of the opportunity to join together as an appropriate bargaining unit. They are in essence discriminated against in the selection of a bargain representative when compared to the treatment afforded other kinds of employees under the National Labor Relations Act.

There is need for the legislation I propose. The impact of this entire and lengthy charade foisted on American industry by the Board has been devastating. Our skilled work force has lost its mobility. Apprentice programs are a farce or nonexistent, productivity among the trades of major industry is at an all time low, the trades are used as a pay-off to those who do favors for the industrial unions and work is farmed out to outside contractors and jobbing shops, because it is far cheaper. Our skilled work force continues to decrease in number while the demand grows, and employers surround the workplace with partially trained people, adding to the inflationary spiral, increasing the cost to consumers and limiting our industrial ability to compete with foreign competition. While unemployment is a major question, the demand for highly skilled labor is at an alltime high. Since the numbers of skilled men continue to shrink, soon the ability of even the jobbing shops to meet the demands from American industry will no longer be possible. If a national emergency were to take place now, America's skilled work force would be hard-pressed to meet the challenge, because there is simply not enough of them.

Research into the intent of the Congress when it passed the Taft-Hartley Act shows that the NLRB has succeeded in completely circumventing the law. What we have is a decisional misinterpretation of the law. The intent of section 9(b)(2) was to attain stability by allowing employees the right of choice. The so-called stability that has been attained by virtue of Mallinckrodt is caused by denying employees that right. The two methods are diametrically opposed.

Accordingly my bill seeks to return these employees to the original intent of section 9(b)(2) of the NLRA to provide for their unrestricted right to associate with similar employees for collective bargaining by overruling the restrictive criteria of the Mallinckrodt case. It is truly an amendment which protects the rights of employees by guaranteeing them via secret ballot the chance to exercise a free choice as to which unions and units are best suited from their viewpoint for bargaining without being "lumped" into an overall bargaining group.

The data obtained from the NLRB since the issuance of the Mallinckrodt decision in December of 1966 demonstrates that the severence question has been before the Board on 71 occasions. The Board has denied severance in 63 of these cases while granting the request for severance for only 8. It is interesting to see the results of the eight cases in that employees voted to sever from the overall bargaining unit on six occasions while voting against severance on two other occasions. The data seems to evidence the desire of skilled tradesmen to separate from an overall unit whenever the opportunity presents itself.

In those few places where craft severance has been attained in industry the history is worth examining. Few strikes have taken place. Serious consideration is given to the welfare of the employer. Class distinction between employer and employee is not a problem, nor is it promoted. It also shows that attained bargaining rights for the trades, creates the kind of long-range stability, based on the right to choose which is so desirable. Craft severance on a multicraft basis or severance on an individual craft basis can be factually projected as being far better for everyone concerned, except perhaps the leadership of the industrial unions, who have fought so long to prevent it.

Without a genuine right to choose a union and a bargaining unit for the trades, part of whose primary responsibility would have to be the welfare, mobility, ability, and replacement of our skilled work force, the situation will continue.

The reasons supporting the changes in the law are serious and deserve attention, but the moral aspects of this question are equally as important. The situation wherein our Government has sanctioned the captivity of our Nation's skilled work force should be abhorrent to every American, regardless of political persuasion. It is a policy which should not be tolerated in a free labor society and must be abolished. Equal and fair treatment for skilled tradesmen is a concept which must prevail.

By Mr. STONE:

S. 46. A bill extending diplomatic privileges and immunities to all offices representing the Republic of China in the United States; to the Committee on Foreign Relations.

Mr. STONE. Mr. President, I am today introducing legislation which would extend to the representatives of the Republic of China full diplomatic privileges and immunities as are enjoyed by the representatives of other nations with whom the United States has diplomatic relations.

It appears, Mr. President, that in seeking to normalize relations with the People's Republic of China, the administration wants to avoid granting any legal or official standing of any kind to the representatives of the Republic of China who will continue to conduct their nation's business in the United States.

In view of the long history of friendship our Nation has with the Republic of China and its citizens, this is improper and unfair. Normalization of our relations with the People's Republic of China should not require the United States to ignore any future governmental relationship with the Republic of China.

This bill would insure that the United States would accord the Republic of China something more than simply a vague "unofficial" relation with the United States. In addition, it is only fair that the same rules which applied to the Liaison Office for the People's Republic of China before diplomatic recognition, now apply to the Republic of China. The authorized representatives of that nation working in the United States are entitled to full diplomatic privileges and immunities. This is exactly what my bill, if enacted, would accomplish.

Mr. President, I ask unanimous consent that the text of my bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 46

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested, under such terms and conditions as he determines, to extend to the members of all offices representing the Republic of China in the United States the same privileges and immunities, subject to corresponding conditions and obligations, as enjoyed by diplomatic missions accredited to the United States and by members thereof.

By Mr. HATFIELD:

S. 47. A bill to reform and simplify the Federal individual income tax; to the Committee on Finance.

SIMPLIFORM TAX ACT

Mr. HATFIELD. Mr. President, you will recall that on August 1, 1977, I introduced the Simpliform Tax Act (S. 1969). This bill is similar to a proposal I presented to the Platform Committee of the 1972 Republican National Convention. I have also offered it as legislation in prior Congresses. Today I am introducing a modified version of the bill.

Without engaging in a section-by-section analysis of the bill, let me point out that its intent is best summarized by its title—to radically reform and simplify that portion of the Internal Revenue Code relating to individual income taxes, as well as the forms used to file annual tax returns. The premise of "Simpliform" is that heretofore piecemeal "reform" efforts have failed—that special interests have inhibited the Congress from taking the radical steps necessary to untangle the maze we refer to as the Internal Revenue Code.

Basically, the bill repeals many of the complex provisions now contained in the Tax Code, such as tax deduction provisions which are often no more than tax shelters inequitably administered; restructures personal income tax rates; and substitutes a simple five-line calculation for the computation of individual income taxes. Under the "Simpliform" system virtually every taxpayer would be able to figure his or her own taxes without having to incur the expense and inconvenience of retaining a tax consultant.

Furthermore, passage of "Simpliform" would restore progressivity to the tax system, and affirm Adam Smith's basic criteria for a good tax: That it be "certain, convenient, cost little to collect * * *" I would submit that the Internal Revenue Code in its present form falls far short of those goals—that its complexity has long since overcome its effectiveness.

Today I am reintroducing the Simpliform Tax Act with one significant change. There has been a great deal of discussion in Congress concerning the role of the Tax Code in stimulating private philanthropy. Charitable contributions are the life blood of many institutions. Under current law, donors are rewarded for certain kinds of contributions with an opportunity to use the donations to offset a portion of their taxable income. While "Simpliform" suggests that many special provisions add to the complexity and inequity of our current tax laws and return forms, it is difficult to justify the prohibition of all tax incentives for behavior as worthwhile as charity.

The question is how to continue tax incentives for charity within the philosophical framework of "Simpliform." Many of the present tax deductions provide incentives for behavior which is beneficial to the individual in the long-run anyway. And often these tax breaks are unavailable to lower-income taxpayers, since only those who qualify to itemize their deductions may avail themselves of the deductions.

A tax incentive for charitable contributions, however, involves an entirely voluntary expenditure usually for a public purpose. Nonprofit organizations often offer services that would otherwise be left to Government to provide. While they may share the same social goals, charities can often be more effective than Government due to their proximity to those served and their moral commitment. To the extent that the Tax Code encourages private-sector involvement in social problem-solving, the Government's responsibility will be reduced. That, in itself, is strong justification for this tax proposal.

According to the National Council on Philanthropy, Americans donated about $32 billion in 1977. This figure may have topped $35 billion in 1978. While it is impossible to know all the various motives for these gifts, certainly a significant factor must be the tax deductions that are presently available. While I firmly believe that contributions to religious institutions should be based on personal faith and not on financial reward, nonsectarian organizations should not be penalized by changes in the Tax Code.

Therefore, I have revised "Simpliform" to add a fifth line computation. This would consist of a tax credit equal to 20 percent of charitable donations, not to exceed 10 percent of total adjusted gross income. The Internal Revenue Service would continue to certify the kinds of contributions that would qualify under this provision.

Not only does this proposal meet the standards of simplicity and equity contained in "Simpliform," but it will actually broaden the scope of tax incentives for gift giving. As a credit rather than a deduction, all taxpayers will be able to participate. As my colleagues are aware, one of the greatest problems facing charities today is the diminishing base of contributors caused by increases in the zero bracket amount of income. While these increases simplify the filing of tax returns and reduce the number of taxpayers who itemize their deductions, they negate the tax incentive for charitable contributions.

According to reports I have received from both the Library of Congress and the Treasury Department, the revenue impact of the new tax credit within the context of "Simpliform" should not exceed the revenue loss incurred as a result of itemized deductions. Treasury estimates the revenue impact of a 20-percent credit to be about $4.7 billion annually, and the Library of Congress projects an even smaller loss of about $3 billion. It is important to point out here that the determination of exact figures is difficult due to the large number of variables present. The change in the tax structure itself provided for in "Simpliform" would undoubtedly affect contribution behavior. It is also impossible to determine how many new taxpayers would participate as a result of the expanded availability of the tax credit vis-a-vis the tax deduction. Nevertheless, it seems safe to assume that the revenue loss caused by the creation of this tax credit will almost certainly be less than the $5.8 billion that we will lose in the current fiscal year as a result of itemized deductions.

Believing in the worthwhile function of private sector charities in our society, and recognizing the need for the proper use of incentives in stimulating charitable behavior, I am proposing today this revised version of the Simpliform Tax Act. While for purposes of simplification I would rather not have added this fifth-line computation, I recognize the dependency of many institutions on the gifts of a supporting public. This new proposal recognizes and accommodates that need.

Mr. President, the need for tax reform has not been changed by recent tax law changes. The enormous cost to society of compliance with the present Tax Code is unacceptable. The special treatment of many forms of income encourages noneconomic behavior by taxpayers simply to receive tax benefits. And the progressiveness of the tax, accepted by most Americans as fundamental to tax justice, is greatly reduced by the special treatment of many forms of income. In short, "Simpliform" is needed today more than ever before.

Mr. President, I ask unanimous consent that the text of the bill and the remarks I made prior to my introduction of the Simpliform Tax Act on August 1, 1977, be printed in the RECORD.

There being no objection, the bill and remarks were ordered to be printed in the RECORD, as follows:

S. 47

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) this Act may be cited as the "Simplification Tax Act".

(b) AMENDMENT OF 1954 CODE.—Except as otherwise expressly provided, whenever in this Act a reference is made (by way of amendment, repeal, or otherwise) to a section, chapter, or other provision, the reference shall be considered to be made to a section, chapter, or other provision of the Internal Revenue Code of 1954.

(c) TECHNICAL AND CONFORMING CHANGES.—The Secretary of the Treasury or his delegate shall, as soon as practicable but in any event not later than 90 days after the date of enactment of this Act, submit to the Committee on Ways and Means of the House of Representatives a draft of any technical and conforming changes in the Internal Revenue Code of 1954 which are necessary to reflect throughout such Code the changes in the Internal Revenue Code of 1954 which are necessary to reflect throughout such Code the changes in the substantive provisions of law made by this Act.

EFFECTIVE DATE

SEC. 2. Except as otherwise provided the amendments and repeals made by this Act shall apply to taxable years beginning after the date of the enactment of this Act.

REPEALS

SEC. 3. (a) The following provisions in chapter 1 (relating to normal taxes and surtaxes) are repealed:

(1) Section 37 (relating to credit for the elderly).

(2) Section 41 (relating to contributions to candidates for public office).

(3) Part VI of subchapter A (relating to minimum tax for tax preferences).

(4) All sections in part III of subchapter B (relating to items specifically excluded from gross income), except—

(A) section 101 (relating to certain death benefits),

(B) section 102 (relating to gifts and inheritances),

(C) section 104 (relating to compensation for injuries or sickness),

(D) section 105 (relating to amounts received under accident and health plans),

(E) section 106 (relating to contributions by employer to accident and health plans),

(F) section 109 (relating to improvements by lessee on lessor's property),

(G) section 110 (relating to income taxes paid by lessee corporation),

(H) section 115 (relating to income of States, municipalities, etc.),

(I) section 118 (relating to contributions to the capital of a corporation),

(J) section 122 (relating to certain reduced uniformed services retirement pay), and

(K) section 124 (relating to cross references to other Acts).

(5) Part V of subchapter B (relating to deductions for personal exemptions).

(6) Section 163 (relating to interest).

(7) Section 164 (relating to taxes).

(8) Section 170 (relating to charitable, etc., contributions and gifts).

(9) All sections in part VII of subchapter B (relating to additional itemized deductions for individuals) except—

(A) section 211 (relating to allowance of deductions),

(B) section 212 (relating to expenses for production of income), and

(C) section 215 (relating to alimony, etc., payments).

(10) Subchapter D (relating to deferred compensation, etc.).

(11) Section 911 (relating to earned income from sources without the United States).

(12) Section 6013 (relating to joint returns of income tax by husband and wife).

(b) All provisions of law (other than the provisions of subtitle A of the Internal Revenue Code of 1954, as amended by this Act), and all administrative regulations or rulings which exempt or exclude items of income of individuals from the tax imposed by such subtitle A shall have no force or effect for taxable years beginning after the date of the enactment of this Act.

RATE OF TAX ON INDIVIDUALS

SEC. 4. Part I of subchapter A of chapter 1 (relating to tax on individuals) is amended to read as follows:

"PART I—TAX ON INDIVIDUALS

"Sec. 1. Tax imposed.
"Sec. 2. Community property laws not to apply.
"Sec. 3. Cross references relating to tax on individuals.

"SECTION 1. TAX IMPOSED.

"(a) BASIC TAX.—There is imposed on the taxable income of every individual a tax of 10 percent.

"(b) SURTAX.—There is imposed on the taxable income of every individual a surtax in accordance with the following table:

"If the taxable income is:	The surtax is:
Over 10,000 but not over $15,000.	5% of the excess over $10,000.
Over $15,000 but not over $20,000.	$250, plus 10% of the excess over $15,000.
Over $20,000 but not over $25,000.	$750, plus 10% of the excess over $20,000.
Over $25,000 but not over $50,000.	$1,500, plus 20% of the excess over $25,000.
Over $50,000 but not over $100,000.	$6,500, plus 25% of the excess over $50,000.
Over $100,000 but not over $500,000.	$19,000, plus 30% of the excess over $100,000.
Over $500,000 but not over $1,000,000.	$169,000, plus 35% of the excess over $500,000.
Over $1,000,000------	$344,000, plus 10% of the excess over $1,000,000.

"(c) NONRESIDENT ALIENS.—In the case of a non-resident alien individual, the tax imposed by subsection (a) and (b) shall apply only as provided by section 871 or 877.

"SEC. 2. COMMUNITY PROPERTY LAWS NOT TO APPLY.

"For purposes of this subtitle, the income of a married taxpayer shall be determined without regard to the property laws of any State under which any part of the income of a married individual is treated as the income of his spouse.

"SEC. 3. CROSS REFERENCES RELATING TO TAX ON INDIVIDUALS.

"(1) For rates of tax on nonresident aliens, see section 871.

"(2) For computation of tax where taxpayer restores substantial amount held under amount held under claim of right, see section 1311.".

PERSONAL EXEMPTION CREDIT

SEC. 5. (a) Subpart A of part IV of subchapter A of chapter 1 is amended by adding before section 45 the following new section:

"SEC. 44C. PERSONAL EXEMPTION.

"(a) ALLOWANCE OF CREDIT.—There shall be allowed to an individual as a credit against the tax imposed by this subtitle for the taxable year an amount equal to—

"(1) $250 for the taxpayer,

"(2) $250 for the spouse of the taxpayer (unless such spouse files a separate return), and

"(3) $250 for each dependent of the taxpayer who is 18 years of age or older.

"(b) DEFINITION OF DEPENDENT.—For purposes of this section, the term 'dependent' means any of the following individuals over half of whose support, for the calendar year in which the taxable year of the taxpayer begins, was received from the taxpayer (or is treated under subsection (c) or (e) as received from the taxpayer):

"(1) A son or daughter of the taxpayer, or a descendant of either,

"(2) A stepson or stepdaughter of the taxpayer,

"(3) A brother, sister, stepbrother, or stepsister of the taxpayer,

"(4) The father or mother of the taxpayer or an ancestor of either,

"(5) A stepfather or stepmother of the taxpayer,

"(6) A son or daughter of a brother or sister of the taxpayer,

"(7) A brother or sister of the father or mother of the taxpayer,

"(8) A son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law, or sister-in-law of the taxpayer,

"(9) An individual (other than an individual who at any time during the taxable year was the spouse, determined without regard to subsection (c), of the taxpayer) who, for the taxable year of the taxpayer, has as his principal place of abode of the home of the taxpayer and is a member of the taxpayer's household, or

"(10) An individual who—

"(A) is a descendant of a brother or sister of the father or mother of the taxpayer,

"(B) for the taxable year of the taxpayer receives institutional care required by reason of a physical or mental disability, and

"(C) before receiving such institutional care, was a member of the same household as the taxpayer.

"(c) RULES RELATING TO DEFINITION OF DEPENDENT.—For purposes of this section—

"(1) The terms 'brother' and 'sister' include a brother or sister by the halfblood.

"(2) In determining whether any of the relationships specified in subsection (a) or paragraph (1) of this subsection exists, a legally adopted child of an individual (and a child who is a member of an individual's household, if placed with such individual by an authorized placement agency for legal adoption by such individual), or a foster child of an individual (if such child satisfies the requirements of subsection (b)(9) with respect to such individual), shall be treated as a child of such individual by blood.

"(3) The term 'dependent' does not include any individual who is not a citizen or national of the United States unless such individual is a resident of the United States, of a country contiguous to the United States, of the Canal Zone, or of the Republic of Panama. The preceding sentence shall not exclude from the definition of 'dependent' any child of the taxpayer—

"(A) born to him, or legally adopted by him, in the Philippine Islands before January 1, 1956, if the child is a resident of the Republic of the Philippines, and if the taxpayer was a member of the Armed Forces of the United States at the time the child was born to him or legally adopted by him, or

"(B) legally adopted by him, if, for the taxable year of the taxpayer, the child has as his principal place of abode the home of the taxpayer and is a member of the taxpayer's household, and if the taxpayer is a citizen or national of the United States.

"(4) A payment to a wife which is includable in the gross income of the wife under section 71 or 682 shall not be treated as a payment by her husband for the support of any dependent.

"(5) An individual is not a member of the taxpayer's household if at any time during the taxable year of the taxpayer the relationship between such individual and the taxpayer is in violation of local law.

"(d) MULTIPLE SUPPORT AGREEMENTS.—For purposes of subsection (b), over half of the support of an individual for a calendar year shall be treated as received from the taxpayer if—

"(1) no one person contributed over half of such support;

"(2) over half of such support was received from persons each of whom, but for the fact that he did not contribute over half of such support, would have been entitled to claim such individual as a dependent for a taxable year beginning in such calendar year;

"(3) the taxpayer contributed over 10 percent of such support; and

"(4) each person described in paragraph (2) (other than the taxpayer) who contributed over 10 percent of such support files a written declaration (in such manner and form as the Secretary may by regulations prescribe) that he will not claim such individual as a dependent for any taxable year beginning in such calendar year.

"(e) DETERMINATION OF MARITAL STATUS.—For purposes of this section—

"(1) the determination of whether an individual is married shall be made as of the close of his taxable year; except that if his spouse dies during his taxable year such determination shall be made as of the time of such death; and

"(2) an individual legally separated from his spouse under a decree of divorce or of separate maintenance shall not be considered as married.

"(f) CROSS REFERENCES.—

"(1) For definitions of 'husband' and 'wife', as used in subsection (c)(4), see section 7701 (a)(17).

"(2) For deductions of estates and trusts, in lieu of credit under this section, see section 612(b).".

(b) The table of sections for such part is amended by inserting before the item relating to section 45 the following:

"Sec. 44C. Personal exemption.".

(c) Section 143(b)(1) is amended by striking out "deduction" and inserting "credit", and by striking out "section 152" and "section 151" and inserting in each place "section 44C".

(d) Section 46(a)(4)(B) (relating to the investment credit) is amended to read as follows:

"(B) section 44C (relating to personal exemptions), and".

(e)(1) Section 172(d)(3) (relating to net operating loss deduction) is amended to read as follows:

"(3) ESTATES AND TRUSTS.—No deduction shall be allowed for the personal exemption allowed an estate or trust under section 642(b).".

(2) Section 172(d) is amended by striking out paragraph (8).

(f) Section 443(c) (relating to return for short period) is amended by striking out "a deduction under section 151 (and any deduction in lieu thereof)" and inserting in lieu thereof "as a credit under section 44C a deduction under section 642(b)" and by inserting "CREDIT FOR" before "PERSONAL" in the heading thereof.

(g) The last sentence of section 642(b) (relating to estates and trusts) is amended to read as follows: "The deductions allowed by this subsection shall be in lieu of the credits allowed under section 44C (relating to credit for personal exemptions).".

(h) Section 703(a)(2) (relating to partnership computations) is amended by striking out subparagraph (B).

(i) Paragraph (3) of section 873(b) (relating to nonresident aliens) is amended to read as follows:

"(3) CREDIT FOR PERSONAL EXEMPTION.—Except in the case of a nonresident alien individual who is a resident of a contiguous country, only one credit shall be allowed for exemptions under section 44C.".

(j) Section 891 (relating to citizens of foreign countries) is amended by striking out "under section 151 and".

(k) Section 933(1) (relating to residents of Puerto Rico) is amended by striking out "(other than the deductions under section 151, relating to personal exemptions)".

(l) Section 1211(b)(3) (relating to deduction of capital losses) is amended by striking out "the deductions provided in section 151 (relating to personal exemptions) or any deduction in lieu thereof" and inserting in lieu thereof "any deduction allowed by section 642(b)".

(m) Section 1402(a) (relating to self-employment income) is amended by striking out paragraph (7).

(n) Section 63 (relating to definition of taxable income) is amended to read as follows:

"SEC. 63. TAXABLE INCOME DEFINED.

"For purposes of this subtitle, the term 'taxable income' means gross income minus the deductions allowed by this chapter.

(o) Section 441(f)(2)(B)(iii) (relating to change in accounting period) is amended—

(1) by striking out "deductions" the second place it appears and inserting in lieu thereof "credits";

(2) by striking out "and" after "365,"; and

(3) by striking out "and by adding the zero bracket amount,".

(p) Section 443(b)(1) (relating to computation of tax on change of annual accounting period) is amended—

(1) by striking out "deductions" the second place it appears and inserting in lieu thereof "credits";

(2) by striking out "12," and inserting in lieu thereof "12 and"; and

(3) by striking out ", and adding the zero bracket amount".

(q) Section 613(A)(d)(1) (relating to limitation on percentage depletion based on taxable income) is amended by striking out "(reduced in the case of an individual by the zero bracket amount)".

(r) Section 667(b)(2) (relating to tax on amount deemed distributed by trust in preceding years) is amended to read as follows:

"(2) Treatment of loss years.—For purposes of paragraph (1), the taxable income of the beneficiary for any taxable year shall be deemed not to be less than zero.".

(s) Sections 862(b) and 904(a) are each amended by striking out the last sentence.

(t) Section 1211(b)(1)(A) (relating to limitation on capital losses) is amended by striking out "reduced (but not below zero) by the zero bracket amount".

GAINS AND LOSSES ON PROPERTY HELD AT DEATH OR TRANSFERRED BY GIFT

SEC. 6. (a) Part II of subchapter B of chapter 1 (relating to items specifically included in gross income) is amended by adding at the end thereof the following new sections:

"SEC. 85. GAINS AND LOSSES ON PROPERTY AT TIME OF DEATH.

"(a) IN GENERAL.—Upon the death of an individual, there shall be taken into account in computing taxable income for the taxable period in which falls the date of his death, a percentage (determined under subsection (c)) of the gains and losses which would have been realized and taken into account in computing taxable income (of the decedent or some other person) if all the property (other than property described in subsection (b)) required to be included in determining the value of the decedent's gross estate under chapter 11 had been sold immediately before his death at the estate tax fair market value. This subsection shall not apply unless the aggregate amount of such fair market value exceeds $60,000.

"(b) EXCLUDED PROPERTY.—Subsection (a) shall not apply to—

"(1) property which passes or has passed from the decedent to his surviving spouse and which qualifies for the deduction provided by section 2056;

"(2) property which passes or has passed to a corporation, organization, or other entity described in section 2055 and which qualifies for the deduction provided by such section;

"(3) items of gross income in respect of a decedent described in section 691; or

"(4) any other property includable in the gross estate of the decedent under chapter 11 for which basis is not provided for in section 1014(a).

"(c) RULES FOR APPLICATION OF SUBSECTION (a).—For purposes of subsection (a)—

"(1) The estate tax fair market value of property is the fair market value of the property at the date of the decedent's death, or, in the case of an election under section 2032 or 2032A, its value at the application valuation date prescribed by that section.

"(2) If the aggregate adjusted basis of all property subject to the provisions of subsection (a) is less than $60,000, and the gains under subsection (a) (without the application of this paragraph) exceed the losses, then the aggregate adjusted basis of such property shall be increased to $60,000.

"(3) Losses shall be taken into account without regard to the provisions of section 1091.

"(4) The percentage of gains and losses taken into account shall be determined in accordance with the following table:

"For taxable years beginning:	The percentage is:
Less than 1 year after the date of enactment of the Simpliform Tax Act	0 percent.
1 year or more but less than 2 years after such date	20 percent.
2 years or more but less than 3 years after such date	40 percent.
3 years or more but less than 4 years after such date	60 percent.
4 years or more but less than 5 years after such date	80 percent.
5 years or more after such date	100 percent.

"(d) TIME FOR FILING RETURN.—If subsection (a) applies to the taxable year, the time for filing the return for such year shall be the date 9 months after the date of the decedent's death if such date is later than the time prescribed in section 6072 for filing such return.

"(e) LIABILITY WITH RESPECT TO PROPERTY TRANSFERRED BEFORE DEATH.—If gain is taken into account under subsection (a) with respect to property transferred by the decedent during his lifetime, the executor shall be entitled, unless the decedent directs otherwise in his will, to recover from the transferee of such property the amount of income tax imposed with respect to such gain.

"SEC. 86. GAINS AND LOSSES ON INTER VIVOS GIFTS.

"(a) IN GENERAL.—In the case of the transfer of property by an individual by inter vivos gift, there shall be taken into account in computing taxable income for the taxable period in which the transfer was made, the gain or loss which would have been realized and taken into account in computing taxable income if the taxpayer had sold the property at its fair market value at the time of the transfer.

"(b) EXCEPTIONS.—

"(1) IN GENERAL.—Subsection (a) shall not apply to a transfer of property, to the extent that, at the time of the transfer, the aggregate fair market value of—

"(A) property (including the transferred property) held by the taxpayer, and

"(B) property previously transferred by the taxpayer after the date of the enactment of the Simpliform Tax Act.

does not exceed $60,000.

"(2) GIFTS TO SPOUSE.—Subsection (a) shall not apply to a transfer of property to the taxpayer's spouse.".

(b) (1) Section 1014(b) (relating to basis of property acquired from a decedent) is amended by striking out paragraphs (5) and (6).

(2) Paragraph (9) of section 1014(b) is amended by inserting "and" at the end of subparagraph (A), by striking out subparagraph (B) and by redesignating subparagraph (C) as subparagraph (B).

(3) Section 1015 (relating to basis of property acquired by gifts and transfers in trust) is amended by adding at the end thereof the following new subsection:

"(c) PROPERTY SUBJECT TO TAX UPON TRANSFER.—If the property was acquired by a gift in a transfer to which section 85(a) (relating to gains and losses on inter vivos gifts) applied, the basis shall be the fair market value of the property at the time of the transfer.".

(4) Section 6161(a) (relating to extension of time for paying tax) is amended—

(A) by inserting "or income tax for a decedent's final taxable period" after "estate tax" in paragraph (1),

(B) by inserting "AND INCOME TAX ON GAINS AT DEATH" after "ESTATE TAX" in the heading of paragraph (2), and

(C) by inserting after "chapter 11," in paragraph (2)(A) "or of any part of the tax imposed by chapter 1 attributable to the application of section 84,".

(5) Section 6166A (relating to extension of time for payment of estate tax where estate consists largely of interest in closely held business) is amended—

(A) by inserting "AND INCOME TAX ON GAINS AT DEATH" after "ESTATE TAX" in the heading, and

(B) by redesignating subsections (j) and (k) as (k) and (l), respectively, and by inserting after subsection (i) the following new subsection:

"(j) TAX ON GAINS AT DEATH.—Under regulations prescribed by the Secretary, the provisions of this section shall apply with respect to so much of the tax imposed by chapter 1 as is attributable to the application of section 85 (relating to gains and losses on property at time of death) in the same manner as it applies to the tax imposed by section 2001.".

(c) Section 85 of the Internal Revenue Code of 1954 (as added by subsection (a)) and the amendments made by paragraphs (1), (2), (4), and (5) of subsection (b) shall apply with respect to decedents dying after the date of the enactment of this Act. Section 86 of such Code (as added by subsection (a)) and the amendments made by paragraphs (3) of subsection (b) shall apply with respect to transfers of property by inter vivos gift after such date.

TREATMENT OF CAPITAL GAINS

SEC. 7. (a) Section 1201(b) (relating to other taxpayers) is amended by inserting "or an individual" after "other than a corporation".

(b) Section 1202 (relating to deduction for capital gains) is amended by inserting "or an individual" after "other than a corporation".

(c) Section 1211 (relating to limitation on capital losses) is amended by—

(1) inserting "OR INDIVIDUAL" after "CORPORATIONS" in the heading of subsection (a) and inserting "or an individual" after "a corporation" in the text of subsection (a),

(2) inserting "or an individual" after "other than a corporation" in paragraph (1) of subsection (b), striking out subparagraph (B) of such paragraph, and redsignating subparagraph (B) as (C), and

(3) striking out paragraph (2) and redesignating paragraph (3) as (2).

SPECIFIC INCLUSION IN GROSS INCOME

SEC. 8. (a) Part II of subchapter B of chapter 1, as amended by section 6, is amended by adding at the end thereof the following new section:

"SEC. 87. SOCIAL SECURITY AND WELFARE PAYMENTS.

"There shall be included in gross income monthly insurance benefits paid under title II of the Social Security Act to the taxpayer and any other cash benefits paid (other than a lump sum payable on account of death) to the taxpayer under such Act or any other Act of the United States or of any State providing for the payment of money to individuals in order to enable them to purchase food, clothing, and shelter and otherwise provide for their general welfare.".

(b) The table of sections of such part is amended by adding at the end thereof the following new item:

"SEC. 87. Social security and welfare payments.".

(c) Section 74 (relating to prizes and awards) is amended to read as follows:

"SEC. 74. PRIZES AND AWARDS.

"Gross income includes amounts received as prizes and awards, including amounts received as scholarships and fellowship grants.".

(d) (1) Section 274(a) (relating to entertainment, amusement, or recreation expenses) is amended to read as follows:

"(a) ENTERTAINMENT, AMUSEMENT, OR RECREATION.—No deduction otherwise allowable under this chapter shall be allowed for any item with respect to an activity which is of a type generally considered to constitute entertainment, amusement, or recreation, or with respect to a facility used in connection with such activity. For purposes of this subsection—

"(1) dues or fees to any social athletic, or sporting club or organization shall be treated as items with respect to facilities, and

"(2) an activity described in section 212 shall be treated as a trade or business.".

(2) Section 274(e) (relating to specific exceptions to application of subsection (a)) is amended by striking out paragraph (1) (relating to business meals).

CREDIT FOR CHARITABLE CONTRIBUTIONS

SEC. 9. (a) Subpart A of part IV of subchapter A of chapter 1 (relating to credits allowable), as amended by section 5 of this Act, is amended by adding before section 45 the following new section:

"SEC. 44D. CREDIT FOR CHARITABLE, ETC., CONTRIBUTIONS AND GIFTS.

"(a) GENERAL RULE.—There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 20 percent of the amount of the deduction which would be allowable to the taxpayer under section 170 (as in effect on the day before the date of the enactment of the Simpliform Tax Act).

"(b) APPLICATION WITH OTHER CREDITS.—The credit allowed by subsection (a) for the taxable year shall not exceed the amount of the tax imposed by this chapter reduced by the sum of the credits allowable under a section of this part having a lower number or letter designation than this section, other than the credits allowable by sections 31, 39 and 43.".

(b) The table of sections for such subpart is amended by inserting before the item relating to section 45 the following new item:

"Sec. 44D. Credit for Charitable, Etc., Contributions and Gifts.".

MISCELLANEOUS AMENDMENTS

Sec. 10. (a) Section 62 (relating to adjusted gross income defined) is amended by striking out paragraphs (3) and (8) and redesignating paragraphs (4), (5), (6), (7), and (9) as (3), (4), (5), (6), and (7), respectively.

(b) The text of section 63 (relating to taxable income defined) is amended to read as follows: "For purposes of this subtitle the term 'taxable income' means gross income minus the deductions allowed by this chapter.".

WITHHOLDING

Sec. 11. (a) Section 3402 (relating to income tax collected at source) is amended by—

(1) striking "General rule." in paragraph and (m), and

(2) amending subsection (a) to read as follows:

"(a) Requirement of Withholding.—Every employer making payment of wages shall deduct and withhold upon such wages (except as otherwise provided in this section) a tax determined in accordance with tables prescribed by the Secretary.".

(b) Subsection (o) to extension of withholding to certain payments other than wages) is amended by—

(1) striking "General Rule." in paragraph (1) and inserting in lieu thereof "Supplemental unemployment compensation benefits and annuities.",

(2) redesignating paragraphs (1) through (3) as (2) through (4), respectively,

(3) striking "paragraph (1)" in paragraph (3)(A) (as redesignated by this Act) and inserting in lieu thereof "paragraph (2)", and

(4) inserting before paragraph (2) (as redesignated by this Act) the following new paragraph:

"(1) In general.—Under regulations prescribed by the Secretary, any person making a payment of interest, a dividend, or any other payment subject to tax under chapter 1, shall deduct and withhold upon such payment a tax of 10 percent. For purposes of this chapter (and so much of subtitle F as relates to this chapter) any such payment shall be treated as if it were a payment of wages by an employer to an employee for a payroll period.".

Simpliform Tax of 1977

Mr. President, perhaps the most enduring issue before the U.S. Congress has been the need for tax reform and simplification. Most of my colleagues agree that tax reform and simplification is necessary, but when we set out to do it, conflicting interests result in a tax code even more incomprehensible than before.

During the last year the Congress has taken action on two major tax "reform" or "simplification" bills. The Tax Reform Act of 1976 and the Tax Reduction and simplification Act were discussed by my colleagues with every good intention of carrying out what their titles imply. These bills left us, however, with a tax code still seemingly ready to crumble under its own weight. Now we are awaiting the Carter administration's own views on tax reform, with a new push for tax legislation expected later this year or early next year. What will be the result of this new debate? If past history is any indication, Congress will once again fail to significantly reduce the burden of a complex and often inequitable tax code on the citizens of this country.

For this reason, Mr. President, I am sending to the desk today a bill which would totally restructure the individual income tax system. The Simpliform Tax Act, which I am introducing is similar to the bill I proposed in the last Congress, and to the concept originally offered to the Republican Platform Committee in 1972.

Few would deny that the Federal income tax system is an indispensible tool for gathering revenue and redistributing income. Since it was first authorized by the 16th amendment to the Constitution in 1913, it has played a leading role in our Federal revenue system. Individual and corporate income taxes are expected to provide 52 percent of the revenue for the fiscal year 1978 Federal budget. State and local governments have also employed income taxes to supplement other forms of revenue.

Nearly 200 years ago Adam Smith offered a helpful set of criteria for a "good tax." He said:

> It should be certain, convenient, cost little to collect, and be based on the capacity of the taxpayer.

There is little question that our income tax system is currently falling well short of those goals.

In the first place, income taxes are not certain in the sense of being clear and indisputable to the ordinary taxpayer. The layman who itemizes his deductions must struggle through a very complex tax form or turn to a professional tax preparer or Internal Revenue Service employee for assistance. Even the experts, who work with the Tax Code every day, frequently disagree or make errors about the application of tax laws to an individual. The complexity of the forms required for filing a return with itemized deductions violates the principle of convenience. While some progress has been made toward simplying income tax forms, they remain far too inconvenient and complex. The person who can afford to employ a tax accountant to handle his personal taxes benefits more than those who cannot afford such services.

Of greatest concern to me, however, in offering the simpliform tax proposal, is the failure of the present system to genuinely reflect the capacity to pay. The Internal Revenue Code is still formally based upon the principle of the ability to pay. That is, the rates are scaled upwards along with income. There is nothing sinister or un-American about this committee to income redistribution. From the very adoption of income tax laws, it has been asumed that the funds to meet the social and economic needs of those with little or no income must come from the higher tax rates of the wealthy.

The failure of the individual income tax to be genuinely progressive in this country is best seen by considering the total tax bills, particularly including the regressive payroll tax. This combined analysis, however, is not necessary to demonstrate the failings of the individual income tax. The public exposure of the minimal income tax payments of public figures over the last several years has dramatized the failings of our tax code. Quite apart from the ethical and legal questions about the tax payments of particular individuals, the point is that the intent of the tax has been violated when a wealthy person pays little or no tax and a person of modest income surrenders $1 in $5 to the Federal Government.

It should not be thought that income tax underpayment is limited to a few highly publicized cases. In fact, studies by the Brookings Institution have indicated that the tax paid by those with income of six figures and above does not average more than 30 percent, in spite of a statutory rate up to 79 percent. Recent attempts to correct the problem by means of a minimum tax have not solved the fundamental problem. The result of this nonprogressive tax is a serious imbalance of income in a country that supposedly values equal opportunity. Studies conducted in 1970 indicate that the wealthiest 10 percent of the population receives 29 percent of the personal income and own 56 percent of the wealth. In contrast, the poorest 10 percent receive 1 percent of the income and owe more than they own.

The feature of the tax laws which allows most people, regardless of income, to keep their tax rate in the 20-percent range is, of course, the generous array of deductions, credits, and exemptions. Tax reform groups have been warning us about the violation of the progressive tax principle and now two significant studies from both the legislative and executive branches lend weight to their arguments.

The Subcommittee on Priorities and Economy in Government of the Joint Economic Committee of Congress completed a study in October 1974 of Federal subsidy programs. This excellent document prepared under the direction of the subcommittee chairman, the distinguished Senator from Wisconsin (Mr. Proxmire) covers the full range of direct cash payments, credit subsidies, and inkind distributions. Of greatest significance in reference to tax policy is the section on tax subsidies, that is, those provisions of the law which allow an individual or firm engaging in a specific market activity to make smaller tax payments to the Government than would otherwise be made. Having dealt with items which allow reduced tax payments for such things as capital gains, charitable contributions, and medical expenses, the committee estimated that nearly $60 billion was retained by individuals and corporations in fiscal year 1975 because of tax subsidies. Undoubtedly, the figure was even higher in fiscal year 1976.

Of even greater interest is the disclosure by the Office of Management and Budget of a similar listing of tax breaks called tax expenditures in the "special analysis" to the fiscal year 1978 budget. The disclosure of this information is required by the Congressional Budget Act of 1974. Tax expenditures are defined in this report as "revenue losses attributable to a special exclusion, exemption, or deduction from gross income or to a special credit, preferential rate of tax, or deferral of tax liability." It is correctly pointed out that tax expenditures are best seen as alternatives to budget outlays. They are used to encourage specific behavior by individuals and organizations by distributing to such individuals and organizations tax money which would normally be placed in the public coffers.

Of greatest interest in the context of individual income tax reform is the fact that almost 40 percent of the tax expenditures expected for fiscal year 1978 will go to individuals. Even allowing for a margin of error in these estimates—or this year, budget revisions by the new administration—the amount is enormous compared to the total expected receipts from individual income taxes in fiscal year 1978, which totals about 39 percent of total receipts, or an estimated $171.2 billion.

Tax expenditures and subsidies, then, are responsible for short-circuiting a supposedly progressive income tax. We agonize over finding the funds to appropriate a few million dollars for various worthy programs, but do not bother to regularly review the system of hidden appropriations in the form of tax expenditures or tax subsidies.

These new studies speak eloquently of the need for tax reform, as do the economic problems of our country and the world. President Carter has promised a tax reform package to the American people before the end of 1977. The Congress will probably begin considering tax legislation early in 1978. While I do not pretend that tax reform, whether achieved by my plan or any other, will cure all our economic ills, I do insist that it be considered as a necessary component of current as well as long-range economic policy.

Despite the well-intentioned efforts of the Congress to achieve comprehensive tax reform last year and on a more limited basis earlier this year, we were hindered by the resistance to basic tax reform from many sectors. Item-by-item reform, in my opinion, is always doomed to failure. Beneficiaries of tax loopholes will continue to bring pressure to bear in order to protect laws that are advantageous to themselves.

For these reasons, Mr. President, I offer Simpliform as one solution to the failings of the individual income tax. I am leaving to others the needed reforms in the corporate income tax, the payroll tax, and the estate and gift taxes. My plan would complement efforts to reform these other taxes, as well as to overhaul our welfare and income maintenance programs.

For most people, Simpliform would substitute a four-line calculation for the present complex form 1040. It replaces 27 tax brackets with nine, and four tax tables with one. It provides one tax credit for adults in place of a series of exemptions under present law. No technical assistance would be needed in most cases to complete the tax forms, and the process of filing returns and receiving refunds would be quick and inexpensive.

The reform features of Simpliform are even more important than the simplification gains. The multitude of individual tax subsidies would be eliminated in favor of a lower, but progressive tax rate. While the personal tax credit would mean that a couple with income under $5,000 would pay no tax, the basic tax rate would be 10 percent for those with income above $5,000. As income moved above $10,000, the progressive feature would be implemented by means of a surtax, which would reach a total of 50 percent for incomes in excess of $1 million. While upper income people who have been benefiting from various deductions would be subject to more tax under Simpliform, their tax rate would not surpass 30 percent unless their income exceeded $50,000.

Simpliform would also achieve some profound gains in fairness and equity. Personal tax credits are much more equitable than exemptions, for they always carry the same dollar value. The present personal exemptions provide four times as much tax saving for the wealthy as for the lower-income person. Simpliform's restriction of credits to adults removes the tax disadvantage from the single and childless taxpayers. The advantages enjoyed by the homeowner over the renter are eliminated, at least from the tax law. While these and other tax advantages under present law may actually be consistent with American goals and values, the problem is that these deductions always benefit the wealthy more than the middle- and lower-income person. As in the case of personal exemptions, the person in the higher tax bracket gains more from deductions than the lower-income person.

There are those who are troubled at the thought of tampering with some tax subsidies, such as reduced rates for capital gains and deductions for charitable contributions. Actually, reduced rates for capital gains would no longer be necessary for most people, because their lower Simpliform rate would be comparable to the reduced capital gains rate.

The elimination of deductions for contributions to charitable organizations should not be seen as a threat to the many worthy causes benefiting from these deductions. In some cases, such as educational institutions and health agencies, support should be provided by means of the direct and responsible route, that of appropriations. This could be done without seriously increasing the tax burden of the average person. Those organizations which should not be directly subsidized, such as religious groups, would continue to rely on the voluntary contributions of their supporters. Those who deeply believe in the goals and values of such groups will not cease their support because of the loss of the tax deduction. Moreover, the typical taxpayer would have additional funds for such purposes, because of the tax savings under Simpliform.

A person can easily compare the effect of Simpliform on his own income tax obligation by a quick exercise in arithmetic and a comparison with his 1976 return. Simpliform is calculated by multiplying income by the appropriate tax rate and subtracting the number of $250 adult tax credits. While those now subtracting large deductions from an income over $20,000 will probably pay more tax, they can depend on the rate not exceeding a reasonable figure and are assured of fairness in the amount that they pay. The modest income family, the single person, and the typical senior citizen can count on paying less tax under Simpliform, and can also be assured of fairness in what they pay.

Mr. President, I submit Simpliform in the hope that it will be given thorough consideration. Other tax reform plans will be offered and I am happy to have them considered as well, hoping that they too will be thorough and simple. Let us not become so preoccupied with short-range economic solutions that we neglect the urgent goal of true comprehensive tax reform.

Mr. President, I ask unanimous consent that an article by Henry M. Wriston which appeared in the April 13, 1977, issue of the Christian Science Monitor entitled "The Scandalous Form 1040," as well as an article in the April 1977 issue of Harper's by Peter Meyer entitled "A Short History of Form 1040" appear in the RECORD at this time.

[From the Christian Science Monitor, Apr. 13, 1977]

THE SCANDALOUS FORM 1040

(By Henry M. Wriston)

Income tax time invites rage. To be constructive anger should spark a concerted demand for fundamental reform. No thousand-page "amendment" will do; it only makes the taxpayer more frustrated. No draftsman can write so large a volume without providing many "loopholes."

The demand should be for clarity. The bill should raise taxes and avoid attempts at social engineering, which belongs, if anywhere, in separate legislation. The present law has so many purposes, some incongruous with others, that it makes the constructs of the late Rube Goldberg seem models of simplicity and elegance of design. In its present form the income tax law shows Congress to be the enemy of thrift, generosity, common sense and even good morals. It is as though Congress had purposely incorporated into law some of the widely advertised bad habits of certain members.

There is no excuse for a statute so long and so complex that its purported authors cannot expound it. Millions watching TV heard the director of the Internal Revenue Service admit that some passages were obscure to him. And the chairman of one of the responsible committees conceded that he found a passage he could not recall approving.

Most citizens are ready to render unto Caesar that which bears his image and superscription. We have a right, indeed a duty, to denounce a quagmire of needlessly involved requirements which expose to us to penalties for perjury, for lateness and other entrapments. It is intolerable, moreover, to face a law which virtually requires a retired teacher to employ a lawyer, an accountant, a banker or a wizard—or a team of them, to guide him through a legal maze so complex that even experts get confused. I have paid penalties for "'errors" when I felt sure the IRS auditors were as likely to be wrong as my own experts were said to have been. The needless cost to the taxpayer arising from poor congressional draftsmanship is an unreasonable burden on the innocent. It is an added impost which arises from no fault of the citizen but from carelessness on the part of Congress.

The President of the United States told the senators and representatives in joint session assembled that, on the average, they each cost a million dollars a year for salary, staff, pension and other expenses. At that heavy price it is insufferable to have Congress enact a statute which confuses the taxpayer and endows an ever growing bureaucracy as well as a generation of lawyers, et al. who make a living out of penetrating obscurity.

Senators blather about the aged ad nauseum. "Senior citizens," they proclaim, must be treated with compassion. I am one of the aged who consider the scandalous stimulation of inflation by acts of Congress a heavy, needless burden upon those of us who are retired. Added to the weight of taxation it is unendurable. What we need is a law which we can read, understand, and obey at no extra cost occasioned by the ineptitude of costly Job's counselors in Washington.

While imposing unnecessary punishment upon the hapless citizen, Congress wonders why it is not held in high esteem. How can the public have confidence in legislators who turn out volumes of sticky flypaper and call the mess law? Each member took an oath to "perform to the best of my ability." Then they enact a tax statute that make a mockery of their oath. If that law is the best they can do they should all resign forthwith. At an annual cost of a million dollars apiece we have a right to demand clarity of language, readable prose. No senator can stand in his place (among the six or eight colleagues who normally attend) and assert he has met that elementary test. No representative (between Tuesday and Thursday, his normal week) can say "under penalty of perjury" that he has even tried to meet that modest obligation. No one who voted for this convoluted abomination can pretend he tried to be clear. Whatever else he had in mind, conveniences of the taxpayer was not on the list.

The Congress voted a premium on immortality. President Carter, speaking in the Department of Agriculture, made the offhand comment that some in his audience were living in sin. That quaint expression clearly puzzled his hearers. When he clarified it by suggesting that those who were so living should get married, the response was laughter. Did not the President know that, by congressional ukase, marriage would result in a tax penalty? That was part of a "reform" bill. It was made the law of the land by a Congress which, in exchange for "30 pieces of silver" they were too craven to vote themselves, is now taking an exceedingly elementary course in "ethics," and making heavy weather of it.

Finally, consider the cost of this legislative monstrosity. It calls to mind a passage in the Declaration of Independence, he "has erected a multitude of New Offices and sent hither swarms of officers to harass our people and eat out their substance." The sheer bureaucratic cost of administering this atrocious caricature of "a government of laws, not of men" boggles the mind. When to this first cost is added the time and effort of the taxpayer, his aides, and then the auditors, the cost of obedience to law is staggering.

The President characterized this law as a scandal. Too long we have submitted to taxation without lucidity. It is time for Congress to write a statute an honest citizen can understand.

[From Harper's, April 1977]

A SHORT HISTORY OF FORM 1040

On October 11, 1913, Edward S. Beach dashed off an angry letter to the New York Times. He called President Wilson "the father of spies," and thanked the "whole brood of predatory politicians for the coming espionage." Beach was convinced that the new tax law would unleash upon the country a whole "army of Federal spies whose nose will be stuck into the affairs of every man suspected of having an income of $3,000 or more a year."

Unfortunately for Beach, the vast majority of Americans earned much less than $3,000 a year in 1913. In fact, they welcomed a law which promised to police the incomes of the rich, a measure which would redistribute the wealth and equalize the tax burden. The week before Beach's letter, Congress had attempted to do just that.

With its newly acquired Sixteenth Amendment powers, Congress wrote the first income-tax law of the century, an appendage to the Underwood-Simmons Tariff Act which reduced the tariff to its lowest level since the Civil War. Rep. Cordell Hull, chief draftsman of the income tax, had called the tariff an "infamous system of class legislation." The new tax, he argued, would rectify the inequities of a system which was "virtually exempting the Carnegies, the Vanderbilts, the Morgans and the Rockefellers with their aggregated billions of hoarded wealth." Congressman Hull also boasted that the new law was brief. In less than fifteen pages, Congress spelled out the income-tax requirements for both corporations and individuals. Only on net incomes above $3,000 (roughly equivalent to $17,550 today), said Congress, would the "normal tax" of 1 percent be leveled. An additional tax ranging from 1 to 6 percent was imposed on amounts in excess of $20,000 (about $117,000 today). In the first full year of enforcement of the new law, the tax burden fell to a scant 357,000 people—less than one-half of 1 percent of the population. Few could complain. At a time when the per capita annual income of the gainfully employed hovered near $900, the weight of the tax ballast fell clearly to those most able to pay.

On January 5, 1914, the Treasury Department unveiled the individual income-tax blank. Form 1040, together with its instructions—four pages in all—read like a Dick-and-Jane primer. It was short enough to be reproduced, instructions included, in four columns of a single page of the New York Times. (The next day two New Jersey gentlemen filed the Time's clippings, dutifully filled in, with their local revenue agent.) The original 1040 form is no less a relic of simpler times than the 1913 law itself. But the majority of the country, it seems, once granted a reprieve from taxation in 1913, sighed in relief and promptly fell asleep. From a perspective granted by six decades of tax increases and bureaucratic expansion, it appears that something has run amok.

Rep. Charles A. Vanik was born just a few months before the passage of the first income-tax law. He now sits on the House Ways and Means Committee, but believes that "there is an Alice-in-Wonderland quality in speaking of a voluntary tax system when nearly half of the nations' taxpayers feel that they must get or pay others to help them complete their own returns." The phenomenal proliferation of law, loophole, litigation, and juridicial exegesis has spawned a huge tax industry. It gathers its capital from legal conundrums. "The tax system and support for it," as Vanik points out, "is being smothered by the endless forms, instructions, and complexities of present tax law."

During 1975 the weekly Internal Revenue Bulletin notified its subscribers of 576 revenue rulings, 66 revenue procedures, 27 public laws relating to Internal Revenue matters, 31 committee reports, 3 executive orders, 42 Treasury decisions, and a host of other addenda. What does this catalogue of IRS statistics and tax-law twists and turns do for taxpayers? It insures that millions of them run to the doors of their preparers each year for guidance.

But even this recourse is not safe. A report reluctantly released by the IRS last year revealed that the experts, too, are confused. Three out of four tax returns filed by paid preparers—attorneys, public accountants, CPAs, commercial preparers—for those with incomes between $10,000 and $50,000 contain mistakes. Even the IRS errs on 79 out of each 100 returns it completes for the middle-income taxpayer.

Altogether the IRS audits a couple of million returns each year. And each year the American taxpayer comes up short—$5.3 billion in 1975. Countless millions more contain mathematical errors, most of which increase the taxpayer's liability when corrected. (The word countless is a slight exaggeration because there are very few things which the IRS doesn't count.) The mistakes, whether made innocently or fraudulently, speak less than optimistically either about our ability to comprehend our tax responsibilities or our desire to tolerate them.

So Congress bemoans the muddle in the IRS while the service pleads for simplification of the law. Commissioner Donald Alexander once told a Ways and Means subcommittee that taxpayers couldn't "find their way through the maze that Congress intended for them." Though the Tax Reform Act of 1976 was the most extensive overhaul of the system since the Internal Revenue Code of 1954, it did little to de-maze the law. As a result, the commissioner was forced back to the drawing board to relay the good news to 1977 taxpayers. "Completing your return this year," he writes, "could be more difficult."

The instructions for page one of this year's 1040 comprise nearly four pages. If the taxpayer perseveres that far he will have already encountered 15 "cautions" and "notes," as well as 206 "if" clauses and been referred to another 39 forms, schedules, and related IRS publications. If he had a question about estimated itemized deductions for alimony expenses, for example, and had a copy of the new law at hand he might turn to Code Section 3402(m)(2)(A) for explanation:

"The term 'estimated itemized deductions' means the aggregate amount which he reasonably expects will be allowable as deductions under chapter 1 (other than the deductions referred to in sections 141 and 151 and other than the deductions required to be taken into account in determining adjusted gross income under section 62 other than paragraph (13) thereof) for the estimation year."

As the figures show, most taxpayers will pay an expert to make their mistakes.

The code remains our basic tax document, a legal farrago that, as one IRS spokesman has said, "defies human understanding." Prior to last year's Reform Act it was barely compactible into a single bulky volume. The amending legislation is itself nearly 1,000 pages long. There are also volumes of Income Tax Regulations (the Treasury Department's interpretation of the code), volumes of revenue Rulings (the IRS's interpretation of specific situations), and more volumes of court decisions. It's no wonder that such an imposing tax industry has risen to interpret, administer, and exploit that document.

How many different livelihoods depend on the legal tax jargon? Nine percent of the 218,146-member American Bar Association are considered tax specialists. The IRS itself employs more than 800 attorneys; some 200 lawyers work in the Justice Departments' Tax Division. Hundreds of commercial tax preparers (in the Manhattan Yellow Pages alone, seventy-five entries crowd under the "Tax Preparation" heading) vie for the $600 million that Americans pay annually for their services. H. & R. Block, "the income tax people," last year prepared 10 percent of the more than 85.5 million individual income tax returns. Twenty research centers across the country find sustenance in tax specializing, as do 14 tax associations and some 300 journals and periodicals. And not to be forgotten in the enumeration is the IRS and its 82,000 employees, 4,050 different forms, and hundreds of publications.

The latest development in the tax imbroglio industry is the electronic law libraries. Their services are increasingly valuable as a means of sorting through what otherwise would be reams of paper. The Lexis Library of Meade Data Central, Inc., for example, has nearly 300 subscribers throughout the country. In a matter of seconds any one of them may requisition the latest tax regulation or court decision from an IBM 370/155 computer. Not surprisingly, Meade's most frequent patron is the Internal Revenue Service.

It has taken less than sixty-four years to slide into a system which warrants Mr. Beach's wrath. In the meantime we seem also to have slipped "through the looking-glass" and come upon a system bereft of manageability, not to mention comprehensibility. But Lewis Carroll said it best. "'Curiouser and curiouser!' cried Alice. . . . 'Now I'm opening out like the largest telescope that ever was! Good-bye, feet!'"

THEN AND NOW

	1914	1975	Percentage change
U.S. population	97 million (est.)	214 million	120
U.S. labor force	34.8 million (est.)	94.8 million	172
Total Internal Revenue collections.	$415.6 million ($2.43 billion today).	$293.8 billion	172
Individual income tax collected.	$41.04 million ($24 billion today).	$156.4 billion	551
Number of individual returns.	357,515	85,518,719	23, 800
Percent of population taxed	Less than 0.5 percent	40 percent	
Percent of labor taxed	1 percent	90 percent	
Tax per capita	$4.28 ($25.03 today)	$1,375	5, 390
Tax per return	$114.80 ($671.58 today)	$1,840	173
IRS employees	4,000	82,000	1, 950
IRS employees per capita	1:24,250	1:2609	829
IRS forms	45 (est.)	4,050	8, 900
ABA members	8,033 (1913)	218,146	2, 600
IRS lawyers	1	800	799
Tax-related court cases	4,731	43,687	820
IRS costs	$6.8 million ($39.7 million today).	$1.58 billion	3, 900
Number of words of law	10,000 (good est.)	750,000 (good guess)	7, 400

By Mr. RANDOLPH (for himself, Mr. ROBERT C. BYRD, Mr. HUDDLESTON, and Mr. FORD):

S. 48. A bill to authorize flood control and flood protection measures for the Tug Ford and Levisa Fork of the Big Sandy River, West Virginia and Kentucky and the Cumberland River, Kentucky; to the Committee on Environment and Public Works.

BIG SANDY RIVER FLOOD CONTROL ACT OF 1979

Mr. HUDDLESTON. Mr. President, I wish to state my strongest possible support for the emergency flood control authorization for the Tug and Levisa Forks of the Big Sandy River and the Cumberland River in Kentucky and West Virginia.

Nearly every human activity in the Big Sandy and Cumberland River Basins is affected by persistent repetition of flooding. In the past 5 years, five major floods have occurred taking 11 lives and resulting in $277 million in damages. The existing flood control system, mostly in the Levisa Fork Basin, prevented at least $175 million in damages. Nevertheless, the destruction that did occur caused severe economic disruptions and social distress, with thousands of families left homeless and hundreds of businesses totally destroyed. Relatively flood-free lands for rebuilding communities essentially are nonexistent, particularly in this area. The proposed projects would provide a high degree of protection at least sufficient to protect against the April 1977 flood. The projects also would provide protection to a substantial amount of developable land which otherwise would be subject to frequent flooding. Development of housing on these relatively flood-free acreages would ease the critical housing shortage—over 42 percent of all eastern Kentucky housing units are classified as substandard due primarily to withstanding continued flooding.

This legislation would authorize the Corps of Engineers to design and construct, at Federal expense, floodwalls, levees and other appurtenant facilities in those areas hit hardest by the repeated flooding on the Tug and Levisa Forks of the Big Sandy River and their tributaries and on the Cumberland River and its tributaries. It is my understanding that this authorization does not include any new flood control dams.

I wish to emphasize that this legislation is not limited in its application to the communities included in the legislative language. There are a number of unnamed Kentucky communities located along the Big Sandy River and the Cumberland River that have been severely damaged by repeated disastrous flooding. The welfare of the people who live in these communities is just as important as that of residents of those communities mentioned in the legislation. I would like to make clear that the authorization contained in the legislation allows the corps to dredge, deepen, clear, and snag the Big Sandy River, including both the Tug Fork and the Levisa Fork and their tributaries and the Cumberland River and its tributaries. So I want to again make this point for purposes of legislative history.

I believe it is imperative that no time be lost in alleviating the potentially critical flooding conditions in this area that has received numerous Presidential declarations in the past. In anticipation of this authorization, at my request the Senate Appropriations Committee included language in the 1978 Public Works Appropriations Act directing the corps to use available funds to proceed with this work as soon as Congress approves the authorization. I quote the language:

> The Committee understands the emergency situation existing in portions of Kentucky, West Virginia and Virginia which suffered one of the most disastrous floods experienced in the area on April 3-4 of this year. The committee believes it is imperative that no time be lost in alleviating the potentially critical flooding conditions in this area that has received numerous Presidential disaster declarations in the past. The committee is aware that section 119 of S. 1529 would authorize funds to deal with these disasters and this legislation is currently moving through the Congress toward enactment. The committee would expect the Secretary of the Army to be alerted to this legislation so that the Department of the Army would be in a position to initiate the appropriate budget request at the earliest possible date. For its part, the committee would be willing to entertain and consider reprogramming requests or budget requests in an early fiscal year supplemental request for relief of these disastrous conditions. In addition, the committee expects the Corps of Engineers to submit to appropriate committees of the Congress within six months its schedule and plan for flood protection measures to be undertaken.

This emergency flood control legislation is absolutely vital and should receive the very highest priority.

By Mr. HATFIELD:

S. 50. A bill to require a refund value for certain beverage containers, and for other purposes; to the Committee on Commerce, Science, and Transportation.

BEVERAGE CONTAINER REUSE AND RECYCLING ACT OF 1979

Mr. HATFIELD. Mr. President, today I am introducing the "Beverage Container Reuse and Recycling Act of 1979." Since I introduced this bill in the 95th Congress, three more States, Delaware, Connecticut, and Iowa, have passed legislation to require refundable deposits on beverage containers. This brings the total number of States encouraging reuse and recycling of beverage cans and bottles to seven.

This is the third time I have introduced similar legislation to the U.S. Congress. Good sense should dictate that we pass national legislation to address a national problem. Manufacture, bottling, consumption, and disposal of beverages are done, by and large, on a geographic basis, not a political one. Yet, the problem created by the disposal of approximately 80 billion beverage containers each year is being addressed by a plethora of State, county, and local ordinances, each one slightly different from the other.

In the 96th Congress, the opportunity exists for us to face a nationwide problem, correct it with relatively little cost, and reap tangible benefits the first year.

Each year 360 trillion Btu's of energy is expended in the manufacturing of beverage containers in the United States. Under this legislation, 32 to 43 percent of that figure could be saved through the return of bottles and cans. By 1985, approximately 210 million tons of refuse will yearly fill our land. Under this bill, we will have the means to recycle approximately 10.5 million tons of refuse, through the simple device of a mandatory deposit on beverage containers.

Since I introduced this bill in the last Congress, the General Accounting Office has released its study, "Potential Effects of a National Mandatory Deposit on Beverage Containers." That study reconfirms reports by the Federal Energy Administration (in October of 1976) and the Environmental Protection Agency findings, prior to the EPA approval of guidelines establishing a system of refundable deposits on all beer and soft drink containers sold on Federal facilities. The GAO study notes that much of the pressure to switch from returnable to nonreturnable containers comes from intermediate customers, stores and distributors, rather than the ultimate consumer. It speculates that the consumer may have had little effect on the industry choice of container type.

Mr. President, this bill will not infringe on any citizen's convenience. He or she will still have the option of discarding beverage containers. It will only obligate each user who discards a bottle or can to pay something nearer to the true cost of that decision to discard. Conversely, it will provide incentive to those who choose to participate in the cleanup of our land, the recovery of resources and the saving of scarce energy.

For centuries, we have had the luxury of ignoring the indirect costs of our use of our planet. That is a luxury we can no longer afford. We must become stewards of the Earth. If our stewardship is to be wise rather than rapacious, we must give value for value. We must balance our consumption of the Earth's resources with renewal of those resources, wherever possible. Where resources are not renewable, we must use no more than a reasonable share, and reuse what we can.

This bill is both a symbolic and substantive step in that direction.

Mr. President, I ask unanimous consent that a general summary of the impacts of a returnable beverage container proposed by the Environmental Action Foundation, as well as a question and answer sheet prepared by the EPA be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

BOTTLES & SENSE

(Researched and written by Patricia Taylor; edited and produced by Nancy Sachs, Carol Greenslit, Kathleen Painter, Davida Daemon; Production consultants: Philip Michael, Peg Averill; drawings by Michael Merchant)

The returnable bottle is a wonderful invention whose time has come—again. We didn't fully appreciate the returnable 15 years ago when it was the only way to buy beer and soft drinks. So nobody raised a fuss when the container manufacturers and brewers shifted to throwaway bottles and cans.

Over the past five years, however the returnable bottle has looked better and better to Americans who are tired of seeing throwaways littering their landscape. And it's not only the possibility of reducing litter that makes the returnable look good: it's a great money saver for the consumer, as well as an energy and materials saver.

The consumer doesn't buy a deposit bottle—he *borrows* it. No wonder returnables are cheaper than throwaway cans and bottles! A returnable bottle can be refilled an average of 15 times. No wonder returnables are more energy saving and materials conservative than throwaways. (We could save 115,000 barrels of oil a day and 7 million tons of reusable materials each year if we returned to returnables nationwide.)

The refillable bottle is making a comeback across the country as more and more cities, counties and states pass laws which require a deposit on all beverage containers. It's only a matter of time before refillable cans and bottles will be as fully available and in use as they were before the throwaway ethic began. Returnables make sense for today: they're a simple way to save energy, money and materials at a time when all of these resources are scarce.

The proliferation of one-way, throwaway beverage containers places a heavy and unnecessary burden on our national energy resources. According to the U.S. Environmental Protection Agency (EPA), we *waste* 224 trillion BTU's of energy each year manufacturing throwaway beer and soft drink cans and bottles. (1) That's enough energy to furnish all the electrical energy needs of New York and Chicago residents for an entire year. And it would be enough energy to meet the combined yearly requirements of 185 million people living in Asia, Africa and Central America. (2)

The Citizen's Advisory Committee on Environmental quality recognized the need for federal leadership in effective energy conservation. Therefore, the Committee recommended to the President that national legislation be enacted to require a refundable deposit on all beverage containers. Citing the energy shortage as "a critical national problem," the Committee reported that "refillable" beverage containers provide an inexpensive, . . . and energy-saving alternative to . . . energy-wasting disposable beer and soft drink containers." (3)

John Sawhill, former Administrator of the Federal Energy Administration, has said, "there are few other instances . . . where energy savings of this magnitude could be achieved as easily in terms of required capital investment and employment dislocations . . ." (4) Despite findings by government and private researchers of the potential for dramatic energy savings from nationwide returnable can and bottle use, we continue to produce billions of throwaways each year. So many, in fact, that one percent of our total national energy consumption is used solely to package the "leisure beverages" we drink.

Although some industry officials promote volunteer recycling and municipal resource recovery facilities as effective ways to reduce energy loads in the beverage industry, their claims are not borne out in fact. While recycling containers in some cases does use less energy than manufacturing new ones, refilling returnable containers uses much less energy than recycling. One throwaway can or bottle requires three times more energy to deliver the same amount of beverage than a returnable glass bottle used 10 times, less than the national average number of returns.

Energy Use of Different Containers

Environmental Impact:	Energy (*million BTUs*)
15 Trip Glass (Returnable)	15
All Steel	35
Bi-metallic Can	54
One-way Glass	63
Aluminum Can	89

Source: Midwest Research Institute under EPA contract.

Throwaway cans and bottles are an energy luxury we can no longer afford. With a nationwide all-returnable system, we could easily cut energy consumption in the beverage industry by 50 percent. Through a dramatic change in driving habits, Americans recently succeeded in saving 200,000 barrels of oil a day under the 55 mph speed limit conservation measure. By simply returning to returnables, we could save an additional 115,000 barrels of oil each day. (5)

MATERIALS

Manufacturing throwaways is a wasteful and expensive habit. One throwaway can or bottle uses four to six times more raw materials than one returnable bottle refilled 15 times, the current national average. Millions of tons of potentially useful materials end up discarded as garbage or litter.

In 1975, the U.S. beverage container industry used 7 million tons of glass, 2 million tons of steel and 500,000 tons of aluminum to make beer and soft drink containers, most of which were used once and thrown away. These materials represent a phenomenal 45 percent of all glass, six percent of all aluminum and two percent of all steel produced in the United States.(6) As William Coors, president of the nation's fourth largest brewery, recently testified, "We aren't going to have the materials in which to market our product if we don't start getting our containers back."(7)

Unless the "throwaway ethic" is reversed, the need for raw materials imports will continue to grow. Scientist Glenn T. Seaborg recently called for better planning of materials policy. "As economic growth and industrialization accelerate over much of the world, the competition for mineral supplies will increase and the developing countries will exert more control over . . . their mineral resources. This situation has the seeds for crisis. . ." (8)

Dependence on overseas suppliers for materials is especially critical in the aluminum industry. The U.S. currently imports 85 percent of its aluminum and bauxite, the raw material used to make aluminum. When bauxite prices rose recently, Alcoa cut back production of aluminum for housing, construction materials, airplanes and household foil. Aluminum was still available, however, for beer can manufacture, one of the top three categories of aluminum consumption in the United States. (9)

It is time to recognize the folly of using precious imported materials to make throwaway beverage containers. Returning to returnables would safeguard these limited materials and more sensibly allocate our nation's resources.

LITTER

In 1973, over 60 billion beer and soft drink containers were manufactured in the United States. That figure will climb to 80 billion in 1985. (10) One beverage container in four ends up as litter on our landscape. (11) The ugliness of littered beer cans and broken pop bottles along roadsides, in parks and on beaches prompted the passage of beverage container legislation in the states of Oregon, South Dakota and Vermont. In addition, Oberlin, Ohio; Bowie and Montgomery County, Maryland; Berkeley, California; Cayuga County, New York; Fairfax and Loudon Counties, Virginia have all passed legislation curbing throwaways.

Beverage containers make up between 60 and 80 percent of litter by volume and 20 and 40 percent by item count (when one beer can equals one gum wrapper). (12) The efforts of container manufacturers and the brewing and soft drink industries to educate the public against littering have had little impact. Anti-litter laws around the country have proven unenforceable.

Beverage container legislation has been in effect in Oregon and Oberlin, Ohio since 1972 and in Vermont since 1973. Litter surveys in both states have shown substantial reductions in total litter and in beverage container litter. Of the littered beverage containers found by the Vermont State Department of Highways, only 25 percent were sold in Vermont; the rest were brought in by out-of-state tourists. (13)

The economic incentive of a deposit has now been shown to effectively reduce beverage container litter. About $535 million is currently spent each year for litter pick-up around the county.(14) A deposit on beverage containers provides a financial incentive to clean up littered containers. People will once again collect beer and soft drink containers along the roadsides and return them for extra spending money.

Buying returnables is a vote against litter and a positive action for a more beautiful America.

SOLID WASTE

The growth rate of throwaways is astronomical. The manufacture of throwaway cans and bottles has grown eight times faster than actual consumption of beer and soft drinks. Between 1955 and 1973, the number of containers produced skyrocketed 488 percent, while consumption of beer and soft drinks increased only 58 percent. (15)

Cutting down on wastes is a critical problem for cities and counties responsible for solid waste collection and disposal. Beverage containers are the fastest growing category of municipal solid waste, increasing eight percent annually. Although some states and localities have enacted their own legislation to control throwaways, the growing solid waste burden must ultimately be dealt with by the nation as a whole. Endorsing this philosphy, the National League of Cities/U.S. Conference of Mayors resolved that, "Unless we reduce the total volume of solid waste generated nationally, local governments will continue to be overburdened with the flow and financing of the nation's solid waste."

As the flow of materials increases, we can expect contined expansion of the amount of waste requiring disposal, according to the National Commission on Materials Policy. The Commission recommends that "the amount of solid waste be increasingly reduced where possible by methods of recycling, reuse and recovery."(16)

Recycling centers have been set up in many communities around the country in an attempt to recover some of the aluminum, glass and steel wasted in throwaway beverages container production. Facilities to mechanically recover aluminum and glass from solid waste are now being developed. Voluntary centers have been particularly encouraged by those in the beverage container business. Rather than curtail their expanding production of throwaway cans and bottles, these industries are eager to promote the image of citizens as litter-collectors.

However only one in seven aluminum cans is actually recycled; 10 billion of them continue to find their way onto refuse piles and roadsides every year. In 1973, only three percent of the steel cans were recycled. (17) Most steel cans can't even go through the recycling process because their aluminum flip-tops contaminate the steel, making recovery uneconomical.

Mechanical systems for the separation of glass and aluminum have not yet been demonstrated on a commercial scale. Even if the technology is successfully developed,

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Footnotes at end of article.

most municipalities will not be able to afford these facilities and their construction will take many years. Therefore, resource recovery of a substantial portion of the country's throwaway cans and bottles in the near future is impossible.

It has been argued that a nationwide returnable system would reduce the aluminum can content and hence lower the market value of municipal waste available for recycling. Energy researcher Bruce Hannon of the University of Illinois has said that this logic is like having "each person swallow a little platinum to increase the value of sewage" so that the sewage treatment plant can operate efficiently. (18) In fact, there is no conflict between resource recovery systems and a nationwide returnable system. According to the EPA, "changing the composition of municipal waste through mandatory deposit legislation would not significantly affect the economics of most resource recovery plants." (19)

Our first priority should be to get rid of what we don't need; then when the technology is available, we should recover the rest. In the meantime, manual separation of recyclable materials by citizens is a viable alternative to expensive, energy-intensive resource recovery operations. With a nationwide deposit system, we could ensure that six to seven million tons of materials would be returned for reuse and recycling each year.

THE CONSUMER

Buying beer and soft drinks in returnable glass bottles instead of throwaways is a good way to save money. In New York state alone, consumers could save close to $40 million each year under mandatory deposit legislation.(20) That's how much extra they now spend for the "convenience" of throwaway containers. On the average, equivalent amounts of beverage sell for two or four cents more in a throwaway can or bottle than in returnables.

The reason for the higher prices is that the major expense in throwaway container production goes for packaging—not for labor, ingredients or transportation. According to a survey conducted by market analysts Sanford C. Bernstein & Co., "packaging is the major factor in the production of beer," accounting for as much as 56 percent of the costs while the ingredients account for only 12 percent.(21) But with returnable bottles, the consumer saves money by borrowing the expensive packaging.

Currently it is difficult for consumers who want to save money to find returnables on store shelves. In Washington, D.C., for example, an Environmental Action survey found that less than 15 percent of the 361 liquor stores surveyed carried beer in returnables. And where beer was available in returnables, it was sold only in 24-bottle cases in one or two brands. The situation is similar—and often worse—in other communities around the country.

In January, 1975 the Falstaff Brewing Co. launched the first marketing of returnables in 12-bottle cases. According to Falstaff Vice-Chairman Joseph Griesedick, "Returnable bottles are the most economical for the consumers and the brewer." He noted that consumers would pay only $2.50 for a 12-bottle case of returnables as compared with $3.13 for the same amount of beer in cans—a 5-cent-per-bottle savings.(22)

Returnable savings hold true in the soft drink industry as well. The president of Coca-Cola, USA, testified before the Senate Judiciary Committee: "Coke sold in food stores in non-returnable packages is priced, on the average, 30 to 40 percent higher than Coca-Cola in returnable bottles. The difference lies essentially in the different costs of packaging. The cost of returnables is spread over many uses; the cost of the non-returnable package is absorbed in one use."(23)

Obviously many beverage-related industries prefer to continue this upwardly spiraling system of more throwaways and higher prices. Such industries no longer have to pay the costs of refilling and reusing beverage containers which are higher than the cost of the beverage ingredients. And as taxpayers, consumers must also foot the bill for collection and disposal of throwaways.

Attitude surveys and the experiences of Oregon and Vermont have shown that consumers are more than willing to forego "convenience" packaging for a return to returnables. The first nationwide poll on the issue of returnables was recently conducted by the Opinion Research Corporation for the Federal Energy Administration (FEA). An overwhelming 73 percent of those polled favored a law requiring that all soft drinks and beer be sold in returnable bottles and cans.

In Michigan, a private poll conducted for Governor William Milliken found that 73.3 percent of the people favored a state law banning the sale of non-returnable bottles and cans.(24) And, in the state of Oregon, an opinion poll taken one year after enactment of that state's law found 91 percent of the people approved, while only five percent voiced any disapproval at all.(25)

Consumers have found other reasons, in addition to saving money, for returning to returnables. The safety hazards of throwaway cans and bottles are a source of serious concern to consumers. In its spring, 1975 hearings, the Consumer Product Safety Commission verified that throwaway bottles break more easily than returnables. The Commission pointed out that splintering or exploding glass beverage bottles were responsible for 11,000 hospital emergency cases in one year. Detachable, "flip-top", "pull-top" tabs on metal cans are also a safety hazard to people who step on them or swallow them, according to the Journal of the American Medical Association.(26) The state of California recently passed legislation prohibiting the use of detachable openings on beverage cans, and detachable flip-tops would be outlawed under national beverage container legislation.

Nationwide use of returnables would shift the cost of litter collection and container disposal back to the manufacturers and consumers of beverages, relieving the growing burden being placed on the general public. Returning to returnables would also mean a healthy financial boost for the nation's consumers.

EMPLOYMENT IMPACT

Thousands of workers have lost their jobs in the brewery and soft drink industries because of throwaways, according to Anthony Sapienza, president of Brewery and Soft Drink Workers Union Local 1164. "It requires fewer workers to process these containers than returnable bottles," Sapienza said in announcing his union's support of beverage container legislation. He added that "steelworkers make the throwaway cans, glass workers make the bottles, but we lose the jobs."(27)

Twenty-six thousand three hundred workers lost their jobs in the brewing industry between 1958 and 1974.(28) Concentration and consolidation in the beverage industry, along with the shift to throwaway containers, have led to the shutdown of many brewing and soft drink bottling companies. In 1935, for example, there were 765 brewing plants in the U.S. but by 1974, only 99 plants remained. These are owned by 55 companies, six of which control 68 percent of the market.(29) This trend is also being followed in the soft drink industry. Seven thousand nine hundred workers lost their jobs in the soft drink industry between 1970 and 1974.(30) Coca Cola plans to phase out 900 franchised bottling plants across the country and replace them with 78 centralized plants by 1980.

A recent development in beverage containers will mean even greater job loss in the future. The plastic bottle is already being used by soft drink manufacturers and is expected to capture 10 percent of the throwaway container market by 1980. The rapid introduction of this container will mean job losses for workers in the glass and can industries, as manufacturers in the brewing and soft drink industries switch to plastics.

A report commissioned by the Environmental Protection Agency predicts that continued expansion of the throwaway beverage container system will lead to further loss of jobs. (31) The job losses which have already occurred in the beverage container industry were the result of "natural" free market forces. Clearly, if we allow these market forces to prevail, thousands more workers in the soft drink, brewing and container manufacturing industries are bound to suffer major job losses and dislocation.

Passing national mandatory deposits legislation will affect the jobs of workers now manufacturing throwaway cans and bottles. Although the proposed legislation does not ban the manufacture of throwaway bottles and cans, it is expected that there will be a shift to the use of refillable bottles and recyclable cans. Thus the production of throwaway bottles and cans would be reduced. The Research Triangle Institute has estimated that after a five-year implementation period for the proposed law, about 90 percent of the containers sold would be refillable and 10 percent would be cans. During this period, the Institute estimated that 39,000 jobs would be lost; (32) yet at the same time, using RTI's methodology, approximately 107,000 new jobs would be created for small bottlers, distributors, truckers and retail clerks.

In every study conducted on the employment impact of federal or state beverage container legislation, there has been a net increase in employment. However, many of the jobs generated by a returnable system can not be substituted for jobs under a throwaway system, although many are of equal pay rate. Therefore, provision should be made for retraining and relocating displaced workers, while those presently unemployed gain the thousands of new jobs created by a shift to returnables.

It's true that there will be some job dislocations with a shift to returnables as there were in the past with the shift to throwaways. But by going back to returnables, jobs will be created instead of lost.

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Environmental Action, Inc., 1346 Connecticut Ave. NW, Room 731, Washington, D.C. 20036.

Glass Container Manufacturers Institute, 1800 K Street NW, Washington, D.C. 20006.

League of Women Voters of the U.S., 1730 M Street NW, Washington, D.C. 20036.

National Soft Drink Association, 1101 16th Street NW, Washington, D.C. 20009.

U.S. Brewers Association, 1750 K Street NW, Washington, D.C. 20009.

QUESTIONS AND ANSWERS ON RETURNABLE BEVERAGE CONTAINERS FOR BEER AND SOFT DRINKS

(Waste Reduction Branch, Resource Recovery Division, Office of Solid Waste Management Programs, U.S. Environmental Protection Agency, July 1975)

1. *What are returnable beverage containers?*

Returnable beverage containers are containers that are accepted for return after use. Usually a cash deposit is paid when the beverage is purchased and refunded when the container is returned. The purpose of the deposit is to provide an incentive for the return of the container either for refilling or for recycling of the container materials.

2. *What are the environmental and resource conservation benefits of returnable beverage containers?*

The return of beverage containers reduces the generation of beverage container waste and litter. Reuse and recycling of containers reduces air and water pollution resulting from the production of containers, and conserves energy and materials.

3. *What is mandatory beverage container deposit legislation?*

Mandatory deposit legislation is a law or ordinance which requires a deposit on all beverage containers sold in a particular jurisdiction.

4. *Is there mandatory deposit legislation in existence today?*

Three States have enacted mandatory deposit or returnable container laws for beer and carbonated soft drinks: Oregon, Vermont and South Dakota.

In Oregon, a refund value of 2 cents is carried by all "certified" containers, which can be reused by more than one manufacturer. All other containers carry a refund value of 5 cents. Metal containers with detachable tab tops are banned.

In Vermont, all beer and soft drink containers carry a refund value of at least 5 cents. The manufacturer or distributor is also required to pay the retailer a fee of 20 percent of the deposit (1 cent per 5 cent-deposit container) to cover the costs of handling the returned containers. In January 1977 nonrefillable bottles will be banned in Vermont, as will metal containers with detachable tops and non-biodegradable container carriers.

South Dakota has passed a law which requires that every beverage container sold in that State, subsequent to July 1, 1976 shall be either a reuseable container or a container which is biodegradable.

Several communities including Bowie, Maryland; Loudoun County, Virginia and Ann Arbor, Michigan have passed similar laws which have not been implemented due to legal challenges.

5. *Does mandatory deposit legislation eliminate the use of the metal can as a beverage container?*

Mandatory deposit legislation does not prohibit the use of metal cans. However, in Oregon, after passage of the law, the use of refillable bottles increased and the use of cans decreased. For soft drinks, refillable bottles increased from 53 percent of the market prior to the law to 88 percent of the market in the year following the law.[1] Soft drink cans decreased from 40 percent of the market to 12 percent.[2] Refillable beer bottles increased from 31 percent of the market before the law to 96 percent afterwards.[3] Beer cans declined from 40 percent to 3.5 percent.[4] The use of nonrefillable glass bottles was practically eliminated for both beer and soft drinks.

In Vermont comprehensive data on pre-law and post-law container usage is not available. However, as of April 1975, cans and nonrefillable bottles were still being sold for both beer and soft drinks, but a trend towards more widescale use of refillable bottles for soft drinks has been reported.[5]

Nationwide in 1972 approximately 89 percent of all soft drinks were packaged in refillable bottles, 27 percent in nonrefillable bottles and 34 percent in cans.[6] For beer the figures are approximately 18 percent for refillable bottles, 24 percent for nonrefillable bottles and 58 percent for cans.[7] The market mix of containers varies significantly for different geographic regions.

Mandatory deposit legislation would probably result in a shift towards the increased use of refillable bottles. Nonrefillable glass bottles may well disappear from the market (however for larger sizes nonrefillable bottles may remain). Cans would probably decline in market share but would remain in some quantities, especially in areas where they are currently predominant.

6. *How much solid waste can be prevented by such laws?*

On a national basis, beer and soft drink containers accounted for 8 million tons of solid waste in 1973.[8] This represented 6 percent of total municipal (household and commercial) waste. Beverage containers are a rapidly growing segment of municipal waste, with an estimated growth rate of 10 percent per year from 1962 to 1972.[9]

If 90 percent of the containers bearing a deposit were returned for refilling or recycling, there would be a reduction in beverage container waste of 70 to 75 percent, or 5 to 6 million tons on a national basis.

7. *What about littered beverage containers?*

Most studies show that beer and soft drink containers comprise between 20 to 30 percent of roadside litter by item count.[10] [11] [12] However many other littered items are smaller and less visible than beverage containers and degrade more rapidly in the natural environment. On a volume basis, which is a better measure of litter visibility, beverage containers have been found to represent 62 percent of highway litter.[11] For the year following enactment of deposit legislation, beverage container litter decreased by 66 percent in Oregon and by 67 percent in Vermont.[13] [5]

8. *How much energy could be saved by use of returnable containers?*

Beverage containers that are refilled or recycled save energy and materials. A glass beverage container used 10 times consumes less than one-third of the energy of nonreusable containers used to deliver the equivalent quantity of beverage.[14] Aluminum and all-steel cans that are recyled save 78 and 39 percent, respectively, of the energy required to manufacture a can from virgin raw materials.[15]

The energy that would be saved through mandatory legislation depends upon the resulting container mix and the return and recycling rates for the containers. For example, if national mandatory deposit legislation had been in effect in 1973, and if the bottle and can container mix had not changed, and if 90 percent of all bottles had been returned and refilled and 80 percent of all cans had been recycled, approximately 151 trillion British Thermal Units (BTU) of energy would have been saved. If on the other hand in 1973 refillable bottles had represented 80 percent of the market share (and bottle and cans had been returned and recycled at the above rates) approximately 209 trillion BTU's of energy would have been saved.[16]

9. *How significant are these energy savings?*

A saving of 209 trillion BTU's is equivalent to the energy content of 39 million barrels of oil. It is also equal to about one-half of the energy used in producing the current mix of beverage containers. While this amounts to a saving of just 0.3 percent of total national energy use, it is important to note that it is of similar magnitude to the saving achievable through other energy conservation measures currently being considered. For example, it is equivalent to one-half of the energy saving that can be achieved from strict enforcement of a 55-mile per hour speed limit nationwide.[17]

10. *How much materials could be saved through the use of returnable containers?*

If in 1973 90 percent of all bottles had been refilled, and 80 percent of all cans had been recycled, between 5 and 6 million tons of raw materials would have been saved that year. This would represent a savings of 3.8 to 4.6 million tons of glass, 1.1 to 1.3 million tons of steel and 300,000 to 350,000 tons of aluminum.[16]

11. *How would a returnable system affect beer and soft drink prices?*

Beer and soft drinks sold in refillable containers are generally cheaper to the consumer than beverages in one-way bottles and cans. Savings in the range of $.03 to $.05 per 12 ounce container have been frequently observed.[18] [19] [20] [21] However, it has been argued that the costs of handling and transporting returned containers are not fully reflected in retail prices. These costs have been estimated to range from less than $.01 to $.02 per container.[22] [23] Therefore, even if these costs are assumed not to have been reflected and are added, beverages in refillable containers cost less to the consumer. To the extent that mandatory deposit legislation induces a shift to refillable bottles, average prices for beer and soft drinks should decline.

However, it should be pointed out that a rapid widescale shift to an all refillable bottle system would require considerable equipment changeover in the brewing and soft drink industries and would result in additional costs that could be passed on to the consumer. If the transition to refillables takes place gradually over a period of years, the costs of rapid changeover would be avoided.

12. *How many times do containers have to be returned before energy and cost savings are achieved?*

For an energy saving to be achieved from use of a refillable bottle, it must make at least four trips or have a return rate of 75 percent.[24] Refillable bottles generally become cheaper than one-way containers at return rates of 80 percent (5 trips), although this varies from bottler to bottler.[25]

In Oregon one year after passage of the deposit law, refillable soft drink containers were returned at a 96 percent rate,[26] and refillable beer containers at an 80 to 95 percent rate.[27] [28] Approximately 65 to 70 percent of all cans were being returned and this rate was increasing.[26] [28] Detailed data are not available from Vermont, although several bottlers have indicated return rates of 90 to 95 percent.[5]

The subject of average national return rates for refillable bottles is a matter of considerable debate. An estimate calculated by dividing container fillings by container purchases results in an average return rate during the period 1963 to 1972 of 94 percent for soft drinks and 96 percent for beer.[29] These figures may not represent actual return rates since bottle inventories may have been changing. Furthermore, these figures include both "on-premise" beverage consumption (in taverns and restaurants) where return rates would be expected to be higher than for "off-premise" consumption (e.g. beverages purchased from supermarkets or retail stores). Another estimate indicates soft drink container trippage of 10 to 15 [30] (return rate of 90 to 94 percent) and a beer container trippage of 18 [31] (return rate of 95 percent).

In any case, for a mandatory deposit system it appears reasonable to expect a return rate for beer and soft drink containers that would be much greater than that necessary for energy and cost savings.

13. *How would a mandatory deposit law impact on the beverage production, container manufacturing and distribution industries?*

The impacts of mandatory deposit legislation upon industry would depend upon the extent of the change in the market mix of containers and the time period over which this change takes place. Most estimates of economic impact have been based upon the extreme assumption of a complete and sudden switch to refillable bottles. Under these circumstances, facilities for the production, storage eand distribution of one-way containers, not convertible to returnable systems, would become obsolete and would have to be replaced. Glass and metal container production would decline. Bottlers and brewers would initially have to invest in additional bottle washing equipment and refillable container lines. Additional transportation costs would be incurred for the distribution of beverages and the return of containers. Some retailers would need additional storage space and would have to add employees to handle returned containers.

Based on 1969 data in an industry-sponsored study of the impacts of a ban on nonrefillables, tax writeoffs would amount to $1.3 billion, and total new investments $1.2 billion.[32] More recently the brewing industry has claimed "conversion costs" of $5 billion for a sudden switch to refillables and a ban on one-way containers.[33]

The 1969 study indicated that cost increases in the brewing and soft drink bottling industries would be more than offset by container cost savings.[34] Some of these savings could also be passed on to beverage distributors and retailers to offset increased costs in these sectors. The study found that the aggregate cost to all sectors of the industry (beverage producers through retailers, inclusive) would be $250 million in the first year of a ban, but would actually become a $40 million gain in subsequent years due to container savings.[34]

Tax losses and new investment requirements would be lower for a mandatory de-

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Footnotes at end of article.

posit system in which nonrefillable containers were not completely eliminated. Capital losses would be reduced if time were allowed for normal amortization of current investments over a period of years. A 1975 study for the State of New York, assuming a 3 year phase-in to a market mix of 80 to 90 percent refillables, concluded that new investment requirements in that period would be $53 million per year, compared to a normal investment requirement of $30 million per year with no legislation.[35]

It should also be noted that normal industry competition resulting in changes in relative container prices or introduction of new container types (such as the plastic bottle) could have similar impacts on the container industries.

14. *What would be the effect of National mandatory deposit legislation on employment?*

The impact of mandatory deposit legislation upon employment would also depend on the rate of change of container useage. A rapid shift toward the use of refillable bottles would eliminate some jobs, primarily skilled positions in the container manufacturing industries. It has been estimated that a complete ban of nonrefillable containers in 1969 would have resulted in the loss of 60,000 jobs that year.[36] However it was also estimated that the establishment of a returnable system would also create a roughly equal number of new jobs, primarily jobs of lower skill classification and pay, in the retail and distribution sectors of the economy.[36] It is important to note that the employees displaced would not be directly transferable to these new jobs. Employment dislocations would be reduced if nonrefillable bottles and metal cans continued to be sold or if the change in container useage took place over a period of time. A transition period would allow natural attrition in employment to absorb some of the job losses. Also it would provide time for employment to shift to other plants or industries manufacturing other containers or similar products. For example, it has been estimated that a gradual transition over a 5 year period to a 90 percent reduction in nonrefillable containers would result in the loss of 39,000 positions.[37] A 10 year transition to a similar market would result in the loss of about 17,000 positions.[37]

Studies conducted for the States of Maryland, Minnesota, New York, Connecticut, Illinois, Michigan and Maine all found that the job gains in the retail and distribution sectors would be greater than the losses in container manufacturing.[38-44] In New York, for example, a job gain of 5,200 and a loss of 1,200 jobs was predicted, with a net annual payroll increase of $35 million.[45]

In Oregon, where a deposit law is in effect, one study estimated an addition, of 175 to 200 new jobs and a loss of 340 to 427 existing jobs but not not estimate job increases in retail stores.[46] Another study estimated a net job gain of 365 jobs (including retail).[47]

15. *Is mandatory deposit legislation at cross-purposes with plants built for the recovery of energy and materials from waste?*

A resource recovery plant processes mixed municipal waste in order to extract materials and other products which can be sold. Changing the composition of municipal waste through mandatory deposit legislation would not significantly affect the economics of most resource recovery plants. Approximately 80 percent of the municipal waste stream is organic materials—paper, plastics, etc. This fraction should be the primary concern of a resource recovery facility, as it represents the bulk of the waste, and provides the bulk of revenue ($10 to $15 per ton of waste processed) needed to make resource recovery economically feasible.[48]

As a maximum result of mandatory deposit legislation, glass in the waste stream could be reduced by about 35 to 45 percent, ferrous metal wastes could be reduced by 15 percent, and, where use of aluminum cans is substantial, aluminum wastes could decline by 30 to 45 percent. Under favorable market conditions, gross revenues from the beverage container fraction of the waste stream amount to about $1 to $2 per ton of waste processed. When the costs of recovering and transporting these fractions are considered, the net revenue contribution is considerably less. Removal of the beverage container fraction through a mandatory deposit system would probably not cause a net revenue reduction in excess of $1 per ton of waste processed.[49]

It should be emphasized that recovery technologies for glass and aluminum are for the most part not yet fully demonstrated and markets for recovered glass and metal resources have just begun to be developed. In light of the uncertainties of separating and marketing aluminum and glass from solid waste, beverage container legislation does not entail undue risk for the installation of resource recovery facilities.

Resource recovery system feasibility should not be decided solely on the basis of glass, aluminum and steel recovery economics. Other more important factors are the general uncertainty regarding future markets (especially for the organic fraction) and the institutional obstacles to organizing and implementing a venture of this sort. A significant number of future recovery investment decisions should not be adversely impacted by mandatory deposit legislation.

16. *Are there other mechanisms, such as the litter tax enacted by the State of Washington, that will achieve benefits similar to a mandatory deposit law?*

Litter taxes are generally very small taxes (a fraction of a cent per product) imposed at the time of sale of products likely to be littered. Such taxes could provide additional revenues to collect litter along streets, highways, and recreational areas. The major shortcoming of a litter tax is that it does not create a disincentive for littering (the tax is paid regardless of whether the individual purchasing the product litters the item or not). Furthermore, such a mechanism would not reduce the generation of solid waste, nor would it result in savings of energy or materials. Thus while a litter tax is not incompatible with mandatory deposit legislation, it is not a substitute for such legislation.

17. *Is there a sanitation problem in storing used containers?*

While there is a possibility of insect problems associated with the storage of bottles and cans containing beverage residues, it should be noted that returnable containers have been used for many years without significant adverse public health impacts. If public health laws and sanitation codes are strictly enforced, and containers are picked up on a frequent and timely basis, such problems should be minimized.

18. *Isn't there a loss of convenience to the consumer?*

A deposit law does not require return of the container, but does make the consumer who discards the container pay the amount of the deposit. A study for the State of Oregon found that 87 percent of those surveyed found no inconvenience with returnables.[50] Furthermore this survey found that 91 percent of the respondents approved of the legislation and only 5 percent voiced any disapproval at all.[51]

19. *What is the position of the U.S. Environmental Protection Agency on mandatory deposit legislation at the Federal, State and local levels?*

The U.S. Environmental Protection Agency has testified in favor of the adoption on a nationwide scale of a mandatory deposit system for beer and soft drink containers.[52] Based upon several years of analysis and observations in the States which have enacted mandatory deposit laws, it is concluded that a mandatory deposit program would result in significant conservation of energy and materials, and a reduction in solid waste and litter caused by beverage containers. A sudden shift to a returnable system, however, would likely result in excessive economic disruption and unemployment. To minimize the adverse economic repercussions, it is recommended that a nationwide system be phased in over an extended period of time.

While ideally such legislation should be national, State-level legislation, based upon the experience in Oregon and Vermont, also appears to be effective in achieving the benefits. Below the State-level, ordinances requiring mandatory container deposits would probably be effective in large regions, counties or metropolitan areas. Not enough experience has been acquired to indicate whether local ordinances for smaller communities would be effective.

EPA neither supports nor opposes State or local deposit legislation. EPA favors national legislation in this area and has decided not to promote the adoption of State or local laws, which may be superseded by a national law at a later time. Furthermore the Agency does not have the resources to analyze the economic impacts of different State laws. However, EPA does not oppose State or local deposit legislation that is designed to reduce negative employment and economic impacts and contains provisions anticipating possible national laws.

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SOURCE REDUCTION

Mr. HATFIELD. Mr. President, returnable beverage containers are not a new concept. As recently as 1960, 95 percent of our soft drinks and 50 percent of our beer were packaged in refillable containers of which a deposit was paid. Today 79 percent of the beer and two-thirds of the soft drinks sold in the United States are packaged in "one-way" or throwaway containers.

Our consumption of beverage containers has far outdistanced the consumption of the beverages themselves. For example, in 1959, 15.4 billion beverage containers were consumed. During the following 13 years when per capita consumption of these beverages increased 33 percent, the use of beverage containers increased by a whopping 221 percent—to 55.2 billion by 1972. In 1973, the figure increased to 60 billion and could go to 80 billion by 1980.

It is predicted that we could save 5.2 million tons of glass, 1.5 million tons of steel, and 530,000 tons of aluminum annually by switching to a returnable system. The materials used for these containers equal 45 percent of all glass, 6 percent of all aluminum, and 2 percent of all steel purchased in this country. In testimony before the Idaho State Legislature, William Coors, president of Adolph Coors Brewing Co., made the following statement:

> We aren't going to have the materials in which to market our product if we don't start getting our containers.

LITTER AND SOLID WASTE

Beverage container litter amounted to between 54 and 70 percent of the litter in Oregon prior to 1972. On a national basis cans and bottles consist of between 60 and 80 percent by volume of total litter and 20 to 40 percent by piece count. While the antilittering attitude that the industry is trying to instill through programs such as Keep America Beautiful is commendable and should be encouraged, but that alone is simply not enough.

Solid waste has quickly become a premier environmental issue. It is a problem we are now just beginning to understand and cope with. Passage of this legislation would signal a willingness on the part of this body to make a direct commitment to reducing solid waste. The National League of Cities and the U.S. Conference of Mayors have endorsed the need for solid waste reduction. They made the following prediction:

> Unless we reduce the total volume of solid waste generated nationally, local governments will continue to be overburdened with the flow and financing of solid waste.

On October 26, 1976, the Oregon Journal published the results of a litter survey which they conducted. Ten 1-mile stretches of road with comparable traffic volume in Oregon and Washington where compared. It was determined that Washington roads have 7.5 times more litter than Oregon roads, probably due to Oregon's deposit law. I ask unanimous consent that the complete survey be printed in the RECORD.

There being no objection, the survey was ordered to be printed in the RECORD, as follows:

OREGON BOTTLE BILL CUTS LITTER ACCORDING TO JOURNAL SURVEY

(By Dean Smith)

Washington highways have 7.5 times more bottle and can litter than comparable roads in Oregon, the Oregon Journal has discovered in a special survey on the eve of bottle bill balloting in four states.

Comparing 10 one-mile road sections of comparable use and traffic volume, the Journal found an average of 294 containers per mile in Washington against 39 in Oregon.

Both states have claimed that their antilitter programs—which in Washington includes a Model Litter Control Act that emphasizes public education and in Oregon the bottle bill—have substantially reduced litter.

Statistics generated in the two states are being used in emotional campaigns in Maine, Michigan, Massachusetts and Colorado where voters will consider ballot measures Nov. 2 patterned after the Oregon law, now in its 5th year.

The Journal tally, which considered only bottle and can litter, showed that few 5-cent returnable beer or soft drink cans were tossed along the 10 miles of Oregon roads inventoried.

Of the 209 cans found in the state, only 11 (or 5.3 per cent) were refundable. The other cans found apparently were purchased outside of Oregon, or were bought before the bottle bill took effect in October, 1972.

The survey, compiled with the help of volunteer students from Tigard High School and Portland State University, could not arrive at a similar comparison for discarded bottles.

It did show that a high number of all-aluminum cans, which are newer to the marketplace than other types of cans, were found in Washington.

Of the 1,968 cans turned up in Washington, 69.7 percent were non-deposit aluminum. In Oregon, 26.2 percent of the 209 cans retrieved were aluminum.

Survey tallies also showed that wine bottles—under consideration for inclusion under the bottle bill—constituted 4.8 percent of Oregon's discards and only 1 percent of those in Washington. Whisky bottles represented 2.2 percent of Oregon's total and less than one percent of the Washington litter.

Bottle bill proponent Don Waggoner, ex-president of the Oregon Environmental Council, said the newspaper's findings confirmed his long-held suspicions.

"It confirms what we've been seeing in Oregon and Washington," Waggoner said, "which is that the bottle bill is in fact working and significantly reducing can and bottle litter."

Not convinced of that conclusion is Portland attorney George Wagner, who represents several can companies and the Oregon Beverage Industry Task Force.

Wagner, noting that litter pickups had occurred on the Oregon survey sites more recently than in Washington, said that Washington has a "superior antilitter program" which is working well.

"Since Oregon cleans up after litterers much more frequently than Washington," Wagner said, "the Journal litter survey found more total litter in Washington than in Oregon. This is a measure of cleanliness, not littering."

Washington Gov. Dan Evans says his state has reduced its total litter by 66 percent since 1971, based on estimates of littering before the litter act took effect.

Former Oregon Gov. Tom McCall, meanwhile, has been claiming in the East that Oregon's litter was reduced by 47 percent after the bottle bill.

The Journal study was not able to determine to what extent the differing anti-litter programs have curbed the rate at which litter is dropped along roadways in the two states.

Officials at Washington's Department of Highways and Department of Ecology, which both conduct litter pickup programs, say they do not keep accurate records on exact highway locations cleaned.

In only one case—Oregon's Highway 224 and Washington's Highway 6—was litter collected on nearly the same date.

On the Oregon route, 97 beer and soft drink containers were found and on the Washington road a total of 144.

Illustrated by the survey is the fact that Oregon emphasized roadside cleanup more than Washington, in spite of the fact that more tax dollars are spent on litter programs in Washington.

The Oregon Highway Division spent $633,000 on litter removal during fiscal year 1975–76, while its Washington counterpart spent $480,162 during the same period.

In addition, Washington spent $724,438 for funding education, advertising and litter collection programs during the fiscal year, according to Mike Aarhaus, assistant program director for the litter act. That money comes from a small tax assessed on litter producing industries, he said.

Linda Bradford, a DOE official, said much of the litter collection funded by the act this summer was performed in state parks and other non-highway areas.

Although the bottle bill has strong public support in Oregon, it has fared poorly thus far elsewhere, with only Vermont passing a similar law.

Industry opponents reportedly will spend $300,000 in Maine, at least $750,000 in Michigan and as much as $1.3 million in Massachusetts to defeat the ballot measures.

Proponents have raised only a fraction of that to boost the refund laws, sources in those states report.

The measure is on the ballot as an initiative in Michigan and a referendum in the other states.

In all but Colorado it would ban pull-top cans, and would institute a minimum 5-cent per container refund in all four states. (Oregon requires only a 2-cent refund on certified containers able to be used by more than one manufacturer.)

For the Journal survey, volunteers went to pre-designated survey miles and picked up only the "observable" litter seen while walking along the highway shoulder.

The sites were chosen based on their average daily traffic load, similarity in the type of road (2-lane versus 4-lane, for example) and the nature of travel it generated.

All carbonated soft drink and malt beverage containers were collected—along with wine and whisky bottles—and were returned for tabulation.

In the case of broken glass containers, only the neck portions were retrieved to avoid counting a single container more than once. Bottle caps, pull-tab tops and other beverage-related litter were not collected.

In Oregon, the data showed 165 beer cans, 44 soft drink cans, 159 beer bottles, 17 soft drink bottles, 20 wine bottles and 9 whisky bottles.

In Washington, 1,273 beer cans, 695 soft drink cans, 806 beer bottles, 161 soft drink bottles, 31 wine bottles and 22 whisky bottles were recovered.

Compilations of the survey data are available by writing the Journal, 1320 SW Broadway, Portland, 97201.

OREGON, WASHINGTON ROADSIDES COMPARED

	Average daily cars	Containers	Days since last pickup
OREGON HIGHWAYS			
Oregon 26, 9 miles west of Buxton	3,200	27	65–74
Oregon 47, 5 miles south of Vernonia	915	13	100
Oregon 99W, 2 miles south of Dundee	9,300	11	78–108
Oregon 126, 9 miles east of Springfield	2,650	85	+365
Oregon 26, 4 miles east of Wemme	3,800	48	86
Oregon 99E, 4 miles south of Woodburn	6,500	34	111
Oregon 219, 10 miles north of Newberg	1,200	23	66
Oregon 224, 8 miles west of Eagle Creek	3,400	97	74
Oregon 221, 4 miles south of Dayton	1,050	17	78–108
Oregon 6, 4 miles west of Gales Creek	2,500	30	65–74
Total (for 10 miles)	34,515	385	
Averages (per mile)	3,452	38.5	
WASHINGTON HIGHWAYS			
Washington 14, 4 miles west of Stevenson	3,275	343	[1] 156
Washington 140, 8 miles north of Washougal	980	339	[1] 217
Washington 502, 4 miles west of Battleground	5,000	306	[1] 217
Washington 503, 4 miles east of Woodland	2,300	591	[1] 217
U.S. 101, 3 miles north of Hoquiam	3,900	423	(2)
U.S. 101, 2 miles south of Raymond	6,300	232	(2)
Washington 603, 4 miles north of Winlock	1,300	149	[1] 139
Washington 6, 5 miles west of Chehalifs	3,000	144	73–80
Washington 41, 12 miles north of Longview	990	253	[1] 217
Washington 504, 8 miles east of Castle Rock	1,300	155	[1] 217
Total (for 10 miles)	28,345	2,935	
Averages (per mile)	2,835	293.5	

[1] Estimates only. [2] Undetermined.

Note: The Washington Highway Department said crews worked portions of these highways at the approximate time indicated, but kept no records of the exact mileposts actually cleaned up by foot patrols.

ENERGY

Mr. HATFIELD. Mr. President, another problem created by the continued use of nonreturnables, and one that has taken added significance over the past few years, is the waste of energy resources due to our willingness to discard perfectly good glass and metal containers after one use. By switching to returnables, we could reduce the container industry's energy consumption by 42 percent and save between 80,000 and 125,000 barrels of oil per day.

According to the testimony of the U.S. Environmental Protection Agency during hearings on my returnable beverage container bill before the Senate Commerce Committee in May 1974, the manufacture of one-way bottles and cans wastes the equivalent energy needs for 1 year of all the residents of New York and Chicago. While reducing this wasteful energy consumption would by no means solve our energy problems, this amendment offers us the opportunity to make significant progress on this critical national problem.

In a study released by the Federal Energy Administration (now DOE) it is predicted that cans will continue to have a significant share of the market in beverage containers and there will be significant reduction in materials use and energy consumption. Based on a return rate of 10 trips for refillable bottles—and it is conceivable that the rate could be higher as has been the case in Oregon—the study predicts energy savings of about 81,000 barrels, which is about 44 percent of the total energy that will be used by the entire beverage container industry.

The study also contains additional figures that indicate an increase of 156,000 jobs primarily in distribution and retailing, along with a decrease of about 38,000 jobs in the container and metals industry, leaving a net increase of 118,000 jobs. These labor statistics collaborate with the experience we have had in Oregon with our own deposit law, and present favorable prospects for success for a national law. Returnables can and do work. The FEA study bears this out.

I ask unanimous consent that the FEA executive summary be printed at this point in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

ENERGY AND ECONOMIC IMPACTS OF MANDATORY DEPOSITS: EXECUTIVE SUMMARY SEPTEMBER 1976

ACKNOWLEDGEMENTS

This project was conducted by the Research Triangle Institute, Research Triangle Park, North Carolina, pursuant to Contract No. CO–0450175–00 with the Federal Energy Administration. The statements, findings and conclusions presented in this report do not necessarily reflect the view of the Federal Energy Administration.

Tayler H. Bingham, RTI, was the project manager for this study. Working with him were Bun Song Lee, Paul F. Mulligan and Philip C. Cooley. Franklin Associates, Ltd., was a subcontractor. At Franklin Associates, William E. Franklin, Robert G. Hunt and Marjorie A. Franklin were primarily involved. Personnel at Franklin Associates were responsible for the materials presented in appendixes D, G, H, I and parts of appendix M.

Morris J. Zusman, Federal Energy Administration, was project officer. Michael Loube, also of the Federal Energy Administration, assisted in the review of this study. Their interest, guidance and critical reviews are very much appreciated.

Many individuals in other government agencies, industry, labor organizations, environmental groups, and in research provided important data, insights and reviews of both the methodology (at an early meeting at RTI) and/or critical reviews of the draft version of this study. Their efforts are very much appreciated. Likewise we owe a debt to other published studies of this issue which also were important sources of data.

EXECUTIVE SUMMARY

1.0 Overview

The subject addressed by this study is the impact of proposed mandatory national beverage container deposit legislation—commonly referred to as "bottle bill" legislation. The study examines specific impacts that the imposition of a 5-cent refundable deposit on all beer and soft drink containers (refillable bottles, nonrefillable bottles and cans) would have on the total beverage related industry.

The study is not a comprehensive cost-benefit analysis of mandatory deposit legislation, but rather examines three major areas of potential impact. These impact areas are

(1) changes in annual energy consumption, (2) changes in capital investment requirements (in terms of fixed plant and equipment), and (3) changes in labor requirements (in terms of jobs and earnings). These impacts are developed for those industries in the total beverage system that would be most affected by changes caused by a mandatory deposit. The industries included are: retailers, beverage producers and distributors, container manufacturers, and producers of basic steel and aluminum.

It is important to recognize at the outset that this legislation would not ban any specific container type. Rather, it would create an incentive for consumers to return all types of empty beverage containers for a deposit refund. However, the response of consumers to the deposit incentive (and its requirement to bring containers back) is expected to cause shifts among the types of containers sold.

To develop the potential impacts, the report first projects energy, capital and labor requirements of the beverage industry assuming no deposit legislation is passed. These baseline projections are then compared to projections of what might happen after a deposit law. Results are reported for a 1982 steady-state situation, assuming that: (1) a law would be implemented in the late 1970's and (2) by 1982 transitory effects will have been dissipated.

2.0 Organization

The report is composed of a summary, three primary chapters and 13 supporting appendices.

Due to the controversial nature of this subject an early draft version of this study was sent to various individuals—in other government agencies, industry, labor, environmental groups, research, and to other knowledgeable and interested persons—for critical review and comment. Their comments and suggestions have been incorporated whenever possible in this final report. For the interest of the reader, these extensive comments have been printed verbatim in Appendix L of the study. Specific questions and issues brought out by these comments are addressed in Appendix M. For any reader not fully aware of the controversy this issue has generated, we suggest a close reading of these appendices.

3.0 Approach

The impact of a deposit law depends primarily on two factors: the technical interrelationships between container types and their respective requirements for energy, capital and labor; and the behavioral (market) responses of producers and consumers to the deposit incentive to return the empty container.

Data does exist to estimate the energy, capital and labor requirements of the beverage container system as a function of the total beverage consumed in each specific type of container (based on a specific trippage of refillable bottles and return rate of cans). This study has identified and measured the technical requirements associated with the production and use of each container type. This was done starting with mining the raw materials and continuing through manufacturing, use and disposal of the container, including a loop for recycling or reuse as appropriate.

The behavioral/market response determines the extent and direction of any impact caused by a deposit law. Unfortunately no data exist to predict with any degree of accuracy what the market response to a deposit law is likely to be. However, it is assumed that under a deposit system the market share represented by nonrefillable bottles will fall to zero since, to the consumer, there is no intrinsic difference between a one-way bottle or a refillable bottle when both have an associated deposit. Because cans, on the other hand, are intrinsically different from bottles, being lighter weight, easier to stack and not subject to breakage, it is believed that cans will continue to have a significant share of the market.

What has been done is to establish a set of parameters from which many possible market responses can be evaluated. Three parameters essentially capture the total behavioral market response. These are: the can market share, the can return rate, the refillable bottle return rate (proportion of containers returned) or trippage. Each scenario of possible market responses can be described by a unique set of parameter values.

4.0 General findings

The continuation of current trends in the beverage industry without the imposition of a deposit law will mean that in 1982, the base year for which impacts are examined, that the production and distribution of beverage will require 383 × 10^{12} Btu's of energy (about one-half of one percent of the Nation's total energy consumption), $7.3 billion in capital investment, and 369,000 jobs yielding $4.1 billion in labor earnings.

A deposit law could change these projections since the refillable bottle system, when the bottles are returned, is a comparatively labor and capital intensive system; the nonrefillable bottle and can systems are relatively materials and energy intensive. Therefore, any market shift toward refillable bottles with the bottles returned would tend to reduce materials and energy usage while increasing capital and labor requirements. Shifts toward nonrefillable bottles and cans would tend to have the opposite effects.

The increased usage of recycled materials or increases in refillable bottle trippage would tend to reduce the amount of materials required and conserve energy resources for the total beverage system. Over time technological innovations are reducing per-unit energy, labor and material requirements for all container types. The parametric curves displaying the potential impacts of the deposit legislation have these innovations embodied in them. Beyond these general statements the impact of a deposit law will depend on the extent and direction of the behavioral response.

5.0 Parametric relationships

Figures 1 through 5 present the three impacts examined in the study: figure 1, energy; figure 2 capital; figures 3, 4 and 5 labor. Because the impacts are not identical for beer and soft drinks, the impacts are presented for each beverage. To obtain the total impact of beverage container legislation the impacts for beer and soft drink must be added together. The curves are all parametric, showing the impact as a function of the can market share and the container return rate. In order to minimize the number of curves that would have to be displayed, the bottle and can return rates have been assumed to be identical. The subsequent paragraphs discuss the rationale for this assumption.

Figure 1 presents the net energy impacts of the beverage container legislation. This figure can be read, as all the other impact figures, by selecting a can market share and a container return rate. The figure is entered on the x (horizontal) axis at the can market share assumed after a deposit law is passed. A vertical line is projected until it intersects with the container return rate selected. A horizontal line is projected from the intersection point to the y (vertical) axis to read the impact. Figure 1, as all the impact curves, shows what the estimated 1982 can market share is projected to be without a deposit law. The numbers 1 and 2 on the curves correspond to two illustrative scenarios (discussed below) that are used as a means to aid the discussion in subsequent paragraphs.

The wide range of impacts at the extremes of the possible market response points out one reason why this legislation has been so controversial. Figure 1 shows that under differing scenarios the energy impact could be either positive or negative. At one extreme, if all consumers switched to refillable bottles (a zero can share) and discarded them (a zero return rate) energy consumption would increase by 322 x 10^{12} Btu annually or 155,000 barrels of oil equivalent daily. (This value is obtained by entering figure 1a (the beer panel), at the zero can share point and the zero return rate reading 100 Btu x 10^{12} on the y axis and adding it to the 220 Btu x 10^{12} that is read in a similar manner from the soft drink curve). At the other extreme, if all consumers switched to refillable bottles and always returned them, energy consumption would be reduced by 292 x 10^{12} Btu annually or 141,000 barrels of oil equivalent per day.

Neither extreme is realistic. If all refillable bottles are discarded, producers would find it cheaper to package in one-way containers because unless refillable bottles are returned several times, they are more expensive to use. The other extreme is also unrealistic since some bottles will be broken or chipped and some consumers will not return bottles under any circumstances.

(NOTE.—Figures 1-5 are not printed in the RECORD.)

The format for figures 2 through 5 is similar to that for figure 1. In figure 2 the net change in the value of the capital stock for each post deposit law can market share—container return rate combination is shown. Figure 3 presents the net aggregate employment impacts.

Because jobs are gained in some industries and lost in others, aggregating the industries, as was done in developing figure 3, masks the impacts on the individual industries. Therefore, figure 4 presents the net employment impacts disaggregated into each of the six industries considered: glass container manufacturers, can manufacturers, steel manufacturing, aluminum manufacturing, beverage production and distribution, and retailing. These impacts are presented only for the extreme return rates; both beer and soft drinks are shown in the same panel. It is assumed that workers within any industry are substitutable, for example, the same workers can make a one-way bottle or a refillable bottle. In one case, 4f retailing, employment is insensitive to the market shares and ony sensitive to the return rate. Figure 5 is the complement to figure 3. It shows the net aggregate impact on earnings.

6. Illustrative scenarios

This study uses two illustrative scenarios to indicate how to use the parametric curves. The scenarios were chosen to avoid extreme values and provide the reader with two complete estimates of the impact of a deposit law that fall within the broad range of what can be considered to be a reasonable behavioral response to beverage container legislation. However, the reader is again reminded that figures 1–5 provide the vehicle for examining the impact of any scenario.

To place the behavioral responses assumed for the two illustrative scenarios into perspective, and to allow the reader some insight for making his own assumptions, a few observations are first in order.

6.1 Key behavioral parameters

1) Refillable Bottle Return Rate—Currently this rate is about 0.9 or ten trips per bottle. It has declined over time. When the refillable bottle was the primary container, trippage rates of 30–40 were reportedly obtained. Two offsetting factors have to be evaluated to estimate the impact that a deposit law would have on trippage. First, since all stores would accept bottles back under

a deposit law the ease of returning the bottles would be greatly increased thus suggesting a higher trippage. Second, present one-way container purchasers who switched to refillables might still be inclined to discard them which would argue for lower trippage. The assumptions chosen for the two illustrative scenarios, continuing todays trippage rate or reducing trippage by half seem to fall within a reasonable range of expected outcomes after a deposit law is in place.

2) Can Return Rates—In most of the nation there currently are collection centers for the recycling of aluminum cans. Aluminum can collection centers, offering three-fourths of a cent per can, today receive approximately 25 percent of all aluminum beverage cans sold. The aluminum industry protects this rate to continue increasing rapidly in the future years. In the state of Oregon, which has a deposit law, about 70 percent of all cans are returned.

Under a national law the can return rate will depend on a number of key factors. Since individuals currently purchasing cans generally value the convenience of immediately discarding the container, low return rates would be obtained if this behavior continued. However, from a convenience standpoint, cans should be easier to return than bottles, since they are lighter and require less space. In addition, since cans may be returned even in a damaged condition, it will be relatively easy for scavengers to collect cans from waste or litter. Thus, while it is possible that a greater proportion of cans than bottles would be discarded by the initial consumer, it is also possible that the can return rate could be higher than the bottle return rate. With this background, the assumptions used in the illustrative scenarios—80 or 90 percent returns—seem to fall within a reasonable range of future (1982) expectations. Any return rate from zero to infinity can be found using the parametric curves. However, the parametric curves presented in the study tie the can and bottle return rates together, under the assumption that the consumer or scavenger will generally return either container at approximately the same rate.

3) Can Market Share—By 1982 the can market share is projected to be 59 percent. With the imposition of a deposit law, and the likely (and assumed for this report) demise of nonrefillable bottles, the can market share could either rise or fall. Nonrefillable bottle consumers may switch to purchasing cans. This could lead to continued growth in can sales. In addition, since can makers and beverage producers currently have a large capital investment in equipment dedicated to handling cans, the bulk of which cannot be shifted to other uses, they will no doubt face significant incentives to maintain the can as a competitive container in the beverage market. Arguing for a lower can share is the fact that the imposition of a deposit will require can consumers to incur either some new inconvenience by returning cans or dispose of the cans, thus forfeiting the deposit and paying a higher price. This might lead to reductions in the can market share. However, since consumers perceive cans as having some unique attributes (safer and lighter than bottles), total or near total elimination of the can will probably not occur.

Based on the foregoing it has been assumed in the two illustrative scenarios that the can volumes stop growing after legislation; for scenario 1, can sales fall to the 1976 can volume, while for scenario 2 can volume falls to half the 1976 level. This represents a decline of 29 and 65 percent respectively from the projected 1982 levels without a deposit law. In any event, using the parametric curves any can market share from zero to 100 percent may be examined.

6.2 Technical reasons for impacts

In developing any particular scenario (the two scenarios used are illustrative) the reader must keep in mind the basic assumptions used in this study. These are:

1. Beverage markets are reasonably competitive.
2. Cans and bottles will be returned at the same rate.
3. The current prices of beer and soft drinks by container reflect the actual costs of each plus a normal return on investment.
4. The relative shares of the can market for steel or aluminum containers will be unaffected by the imposition of a deposit law.
5. The market share represented by nonrefillable bottles will fall to zero after a deposit law.
6. All returned containers will be either recycled or reused, as appropriate.

Combining these assumptions and the specific behavioral responses assumed for the illustrative scenarios yields the following results (table 1 presents the complete results).

6.3 Illustrative scenario 1

Behavioral response assumed: The 1982 quantity of can sales equal 1976 can sales; cans and refillable bottles are both returned at a rate similar to the current average return rate for refillable bottles; 0.9, for refillable bottles (this return rate implies a trippage of 10 for refillable bottles). Using the parametric curves, the resulting impact of these assumptions on energy, capital, employment and labor can be found.

Energy: Consumption would be reduced about 168×10^{12} Btu annually or 81,000 barrels of oil equivalent daily, compared with 1982 projections of energy use without deposit legislation. This savings is equal to 44 percent of the energy that would have been used by the beverage industry.

Capital: Requirements would be increased by $824 million. This is an increase of 11 percent over capital needs without deposit legislation.

Labor: Employment increases of 156,000, primarily in beverage distribution and retailing, and decreases of 38,000 in container and metals manufacturing for a net increase of 118,000 jobs. This represents an increase of 32 percent in total employment for the beverage related industries. Total labor income increases by $879 million or 22 percent. This smaller income gain is due to the slight reduction in average earnings per employee since the jobs gained are generally less skilled and lower paying than those in the original job structure.

6.4 Illustrative scenario 2

Behavioral response assumed: The 1982 quantity of can sales falls to one-half of the 1976 sales level; cans and refillable bottles are both returned at a 0.8 return rate (this implies an equivalent trippage of five, about one-half the current refillable bottle trippage rate).

The parametric curves can be used to determine the impacts of this illustrative scenario. The results are displayed in table 1.

TABLE 1.—SUMMARY OF THE NET ENERGY AND ECONOMIC IMPACTS OF MANDATORY DEPOSITS: ILLUSTRATIVE SCENARIOS, 1982

	1982 baseline value	Scenario 1 (canned beverage sales equal to 1976 value; container return rate of 0.9) [1]	Scenario 2 (canned beverage sales equal to ½ of 1976 value; container return rate of 0.8) [1]
Beverage consumption rate: 10^9 ounces annually	1,893.5	−3.6	−3.5
Container production rate:			
10^9 units annually	90.6	−33.6	−48.6
Glass containers	18.0	−12.2	−1.6
Refillable	2.4	+3.4	+14.1
Nonrefillable	15.7	−15.7	−15.7
Cans	72.5	−21.3	−47.0
Steel	42.0	−12.8	−27.5
Aluminum	30.5	−8.4	−19.5
System energy requirements: [2] 10^{12} Btu annually	383	−168	−144
System capital requirements: [2] 10^6 dollars	7,303	+824	+2,006
System labor requirements: [2]			
Net employment 10^3 jobs	369	+118	+117
Jobs gained	NA	156	166
Jobs lost	NA	38	49
Labor earnings 10^6 dollars annually	4,080	+879	+936

[1] The values reported in this column represent deviations from the baseline trends reported in the first column.

[2] Major direct and indirect industries.

NA—Not applicable.

Source: Research Triangle Institute.

Capital: Requirements would be increased by slightly more than $2 billion.

Labor: Employment increases by a net 117,000 jobs (increases of 166,000 jobs and decreases of 49,000). Total labor income increases by $936 million.

The impacts described have their basis in the assumptions and behavioral responses assumed. The following short discussion represents the reasons and logical format that yield these results. This same process should be followed to examine and evaluate the impacts obtained from any scenario taken from the parametric curves.

Energy—In the case of the illustrative scenarios, energy savings are due to the increased use of refillable bottle and in the recycling of cans. Reuse of bottles avoids the raw material extraction and processing stages of production, as well as the materials and container-fabrication stages. Energy savings are also obtained from recycling metal since recycling bypasses the raw materials extraction and processing stages and lowers energy needs in the refined materials processing steps. This is of particular significance in the case of aluminum cans.

Capital—In the case of the illustrative scenarios, increased capital needs are due to additional space and handling required to return containers as well as the fact that refillable bottle lines are more expensive per unit of output.

Labor—In the case of the illustrative scenarios, additional labor is required at the retail and the beverage producer and distributor level, both to handle and transport returned containers.

6.5 Sensitivity of Results

Although the parametric curves can be used to examine the sensitivity of the impact of a deposit law across the total range of market response, it is convenient to use the two illustrative scenarios to highlight the sensitivity of the impacts to large perturbations in the market response.

With the exception of capital, all of the impacts are inelastic with respect to market responses in the range of the illustrative scenarios. For a 50 percent change in the can share of the market and a 50 percent change in the trippage (the market response changes going from illustrative scenario 1 to illustrative scenario 2), the energy impact changes only 14 percent, the jobs gained change only 6 percent, the jobs lost change 29 percent, the net jobs gained change 1 percent and the net labor earnings change 6 percent. The major shift is in capital requirements which change 143 percent. There is, however, no a priori basis for assuming that any particular scenario will in fact occur, which is why the parametric curves have been developed, allowing for the identification and examination of other scenarios.

It is apparent that within this broad range of potential market responses the impact of a deposit law on energy and labor is relatively constant.

7.0 Qualifications

In evaluating the conclusions of this research, the reader should keep in mind that the beverage production and distribution system is very complex and that packaging has a critical effect on the system. Any attempt to describe the system in terms of only three markets each for beer and soft drinks (the refillable bottle, nonrefillable bottle, and metal can markets), as is done in this study, is bound to ignore many factors that will influence the final set of impacts obtained if mandatory deposit legislation is enacted on a national scale. Furthermore, the set of impacts analyzed in this study, while it includes some of the more important issues, does not necessarily provide the complete set of impacts required for a comprehensive cost-benefit evaluation of mandatory deposits. Nevertheless, the material presented can provide an important input to an informed decision-making process.

IMPACT ON THE CONSUMER

Mr. HATFIELD. Mr. President, now let us consider the impact of throwaways on the individual shopper. The use of returnables adds to the expense of the beverage being purchased. The average price of a beverage in a returnable container is about 2 cents less than one purchased in a one-way bottle and about 5 cents less than in a can. When you buy a no-deposit, no-return bottle or can and discard it after use, you are paying for the total cost of packaging that beverage. When you purchase your beer or soft drink in a returnable container, however, you are actually borrowing the package, and sharing its cost with 15 or as many as 20 other consumers, as is the case in Oregon.

Lest we be accused of trying to regulate the marketplace by mandating the use of returnables, let me point out to my colleagues that the industry, through advertising and production policy, has convinced the consumer of the "convenience" of nonreturnables. For this reason, you are hard pressed to find beer and soft drinks sold in reusable containers in most areas of the country. In most stores today you have no choice but to purchase your favorite beverage in a nonreturanble container.

According to Mr. Joseph Griesedieck, the vice chairman of Falstaff Brewing Corp.:

> Returnable bottles are the most economical for the consumers and the brewer.

Mr. J. Lucien Smith, the president of Coca-Cola, made the following statement before the Senate Judiciary Committee:

> Coke sold in food stores in non-returnable packages is priced, on the average, 30 to 40% higher than Coca-Cola in returnable bottles. The difference lies essentially in the different costs of packaging. The cost of returnables is spread over many uses; the cost of the non-returanble package is absorbed in one use.

Mr. President, I ask unanimous consent that the "Price Comparison Survey of Beer and Soft Drinks in Refillable and Nonrefillable Containers," prepared jointly by the EPA and the League of Women Voters, be printed in the RECORD at this point.

Mr. President, I also ask unanimous consent that several other statements attesting to Oregon's success be printed in the RECORD. Included among these are statements by Mr. Don Waggoner; the Environmental Action Foundation's pamphlet, "All's Well on the Oregon Trail"; and an article for Sierra Club Bulletin by Nancie Fadeley entitled, "Oregon's Bottle Bill Works!"

There being no objection the material was ordered to be printed in the RECORD, as follows:

INTRODUCTION

During the past several years, there has been a great deal of interest in requiring a refundable deposit on beer and soft drink containers. The deposit would serve as an incentive for the consumer to return the empty container, so that it could be reused or recycled. In general, a returnable beverage container system is expected to result in an increased market share for refillable glass bottles as compared to nonrefillable bottles and cans.

One of the questions associated with a returnable beverage container system is the impact it would have on beverage costs. There have been a few comparison price surveys that indicate that beverages in refillable bottles are sold at lower overall prices for the consumer. However, these surveys have tended to concentrate on individual market areas and have generally contained only a limited number of price comparisons. In order to obtain more information on a broader basis, the League of Women Voters (LWV), in conjunction with the U.S. Environmental Protection Agency (EPA), undertook this price survey to compare beverages in refillable bottles with beverages in nonrefillable bottles and cans.

BACKGROUND

The information gathering device was a questionnaire. See Appendix IV, on which the respondents were asked to obtain comparable price data for beverages in refillable and nonrefillable containers. In addition to the price comparison data, the League members were asked to report the number of beverage brands available in refillables and nonrefillables in the store where the price data was obtained. Of the 65 questionnaires mailed to League members, 34 were returned, which is a response rate 52.3 percent. The returned questionnaires were completed between June and August, 1975.

The beverage price questionnaire was also used to collect container price comparisons data on soft drinks in the Washington, D.C., area during May, 1975. A supplementary survey of beer prices was undertaken in August, 1975, in order to obtain a complete survey of beverage prices in the Washington, D.C., area. The results of both of these surveys have been included in this report.

SUMMARY

Beverages in refillable bottles are definitely cheaper for consumers than beverages sold in nonrefillable containers, according to the results of each of the three price comparison surveys in this report.

Consumers in the Washington, D.C. area could save an average of 4.4 cents per container, or 26 cents per six-pack, if they purchased soft drinks in refillables. The purchase of soft drinks in eight-packs would save consumers an average fo 63.2 cents, or 7.9 cents per container.

Purchasers of beer could realize savings ranging from 60 cents to $2.00 per case with the purchase of regular beer in refillables in the Washington, D.C. area. They could also economize on their premium beer purchases by buying in refillable bottles. The average potential price savings observed was 55 cents per case with premium beer.

Savings averaging five cents per container, or 10 cents per six-pack, were reported by the League members for soft drinks in 7-ounce to 16-ounce refillables. Consumers could economize even more by buying soft drinks in 32-ounce refillable bottles, which were an average 16.8 cents per container less expensive than soft drinks in the same size nonrefillables.

The League members also reported that soft drinks were generally available in refillable containers, but the brand and size selection was considerably less than the selection that was available in nonrefillables. Beer, however, was available in refillable bottles in only a limited number of instances.

Of the surveys taken in the Washington, D.C. metropolitan area, only the beer survey obtained information on the availability of refillables. The data collected showed that in Washington, D.C., 37.5 percent of the stores surveyed carried refillables, while in the surrounding areas of Virginia and Maryland the percentages were 38.4 percent and 20.6 percent respectively. In addition, except for one grocery store chain, which offered beer in six-packs with refillable bottles, beer in refillables was sold only by the case.

LEAGUE OF WOMEN VOTERS PRICE SURVEY

Brand availability

The consumer generally has a choice in deciding upon the type of package in which to purchase soft drinks, according to the information supplied by the League members. However, except for a few instances, soft drinks in refillable containers are limited in both the range of sizes and the number of brands available when compared with nonrefillable containers.

Two notable exceptions, where refillable containers outnumber nonrefillables, are Oregon and Vermont. In both of these States, all beverages are sold in containers carrying deposits and the majority of these containers are also refillable.

While the consumer generally has a choice of purchasing soft drinks in refillable containers, this same opportunity does not occur with beer. Of the 14 outlets included in this survey that sold beer, only four carried beer in refillable containers, and even then the selection was limited.

Price comparisons

Direct Comparison. Again, the refillable container was shown to be the lowest cost type of package in which the consumer could purchase beverages with one exception. In one instance, the price of a soft drink in refillable and nonrefillable containers was found to be equal, (Table V).

Consumers could have economized on their soft drink purchase in the 7-ounce to 16-ounce size range by purchasing their soda in refillables. Savings with such purchases were found to range from one cent to ten cents per container, or six to 60 cents per six-pack. On a percentage basis, consumer savings were from 4.6 percent to 57.8 percent, while average savings with refillable bottles in the smaller sizes was five cents per container, or 30 cents per six-pack, See Table V–A.

The one instance where refillables and nonrefillables sold for the same price was for a soft drink in the 28-ounce intermediate size, see Table V–B. This was the only direct comparison in this size, and therefore it is not possible to offer an explanation for this occurrence. It is noteworthy that this is the only instance in the three surveys where a beverage in a refillable container was not less expensive than the same beverage in a similar sized nonrefillable container.

The largest potential savings for consumers of soft drinks is in the 32-ounce size container, (Table V–C). In this size beverage container, savings ranging from 14 to 18 cents per container were reported, or in percentage terms from 40.5 percent to 66.7 percent. The average price differential for the 12 price comparisons was 16.8 cents per container.

For beer, price savings from 30 to 65 cents per case of 24 containers were reported by the League members. This translates into savings in percentage terms of 4.6 percent to 12.0 percent. The average price reduction with refillables was 45 cents per case, see Table V–D.

TABLE V.—(SUMMARY: APPENDIX III–A)

SOFT DRINKS—DIRECT COMPARISONS

TABLE V–A

Volume: 7-oz to 16-oz; Size: 6 and 8 Packs

(Number of Observations: 24)

Savings per refillable container (cents):	
Range:	
Low	1.0
High	10.0
Percent savings per refillable container (cents):	
Range:	
Low	4.6
High	57.8
Average savings per refillable container (cents)	5.0

TABLE V–B

Volume: 28-oz; Size: Single Container

(Number of Observations: 1)

Savings per refillable container (cents)	0

TABLE V–C

Volume: 32-oz; Size: Single Container

(Number of observations: 12)

Savings per refillable container (cents):	
Range:	
Low	14.0
High	18.0
Percent savings per refillable container (cents):	
Range:	
Low	40.5
High	66.7
Average savings per refillable container (cents)	16.8

BEER—DIRECT COMPARISONS

TABLE V–D

Volume: 2-oz; Size: 24-Container Case

(Number of Observations: 3)

Savings with refillable containers per case (cents):	
Range:	
Low	30.0
High	65.0
Percent savings with refillable containers per case:	
Range:	
Low	4.6
High	12.0
Average savings with refillable containers per case (cents)	45.0

Indirect Comparisons. The indirect price comparison data presented in this section is not as easy to interpret as the direct price comparison data presented in the previous section. This is due to the introduction of each beverage price variables as differences in container and pack size, in addition to the cost differences attributable to the use of refillable or nonrefillable containers.

For this reason, the data in Appendix III–B must be examined carefully so that erroneous conclusions are not drawn from the data.

In those instances that the container pack and size comparisons are within a reasonable range, the price differentials between the refillable and nonrefillable containers are relatively easy to interpret. The remainder of the price comparisons were included to provide some further information on the cost per ounce for different types of packages, container sizes, and pack configurations.

While interpretation of the data in this section may not be as straight forward as interpretation of the direct comparisons, the indirect comparisons do indicate that beverages in refillable bottles are available at a lower cost to the consumer than beverages in nonrefillable bottles, assuming that the beverages are packaged in containers of nearly the same size and pack configuration.

APPENDIX III.—LEAGUE OF WOMEN VOTERS SURVEY

APPENDIX III–A: SAME BRANDS, CONTAINER, VOLUME, AND PACK SIZE

Location: Brand: Type of container	Size of container (ounces)	Containers per pack	Price	Deposits	Net price	Price per container	Savings per refillable container	Percentage savings per refillable container
7-OZ CONTAINERS: 6 PACK								
California—San Francisco:								
Canada Dry:								
RET	7	6	$1.45	$0.30	$1.15	$0.1917	$0.0566	29.5
NR	7	6	1.49		1.49	.2483		
10-OZ CONTAINER: 6 PACK								
Virginia—Richmond:								
Pepsi:								
RET	10	6	1.65	.60	1.05	.1750	.0867	49.5
NR	10	6	1.57		1.57	.2617		
South Dakota—Vermillion:								
Canada Dry:								
RET	10	6	1.24	.30	.94	.1567	.0250	16.0
NR	10	6	1.09		1.09	.1817		
12-OZ CONTAINER; 6 PACK								
California—San Francisco:								
Mug Root beer:								
RET	12	6	1.29	.30	.99	.1650	.0833	50.5
NR	12	6	1.49		1.49	.2483		
Colorado—Aurora:								
Pepsi:								
RET	12	6	1.26	.30	.96	.1600	.0517	32.3
NR	12	6	1.27		1.27	.2117		
Coke:								
RET	12	6	1.26	.30	.96	.1600	.0517	32.3
NR	12	6	1.27		1.27	.2117		
7-Up:								
RET	12	6	1.17	.30	.87	.1450	.0533	36.8
NR	12	6	1.19		1.19	.1983		
Hawaii—Honolulu:								
7-Up:								
RET	12	6	1.37	.30	1.07	.1783	.0533	29.9
NR	12	6	1.39		1.39	.2316		
Coke:								
RET	12	6	1.37	.30	1.07	.1783	.0533	29.9
NR	12	6	1.39		1.39	.2316		
Pepsi:								
RET	12	6	1.37	.30	1.07	.1783	.0800	44.9
NR	12	6	1.55		1.55	.2583		
Dr. Pepper:								
RET	12	6	1.37	.30	1.07	.1783	.0833	46.7
NR	12	6	1.57		1.57	.2616		
Montana—Chester:								
Coke:								11.5
RET	12	6	2.25	.95	1.30	.2167	.0250	
NR	12	6	1.45		1.65	.2417		
Pepsi:								
RET	12	6	2.25	.95	1.30	.2167	.0250	11.5
NR	12	6	1.45		1.45	.2417		
Mountain Dew:								
RET	12	6	2.25	.95	1.30	.2167	.0250	11.5
NR	12	6	1.45		1.65	.2417		
Dad's Root Beer:								
RET	12	6	2.25	.95	1.30	.2167	.0250	11.5
NR	12	6	1.45		1.45	.2417		

APPENDIX III—A: SAME BRANDS, CONTAINER, VOLUME, AND PACK SIZE—CONTINUED

Location: Brand: Type of container	Size of container (ounces)	Containers per pack	Price	Deposits	Net price	Price per container	Savings per refillable container	Percentage savings per refillable container
Fresca:								
RET	12	6	$2.25	$0.95	$1.80	$0.2167	$0.0250	11.5
NR	12	6	1.45		1.45	.2417		
Dr. Pepper:								
RET	12	6	2.25	.95	1.80	.2167	.0250	11.5
NR	12	6	1.45		1.45	.2417		
Squirt:								
RET	12	6	2.25	.95	1.80	.2167	.0250	11.5
NR	12	6	1.45		1.45	.2417		
Virginia—Richmond:								
Coke:								
RET	12	6	1.20	.30	.90	.1500	.0867	57.8
NR	12	6	1.42		1.42	.2367		
12-OZ CONTAINER, 1 CASE—SOFT DRINK AND BEER								
Pennsylvania—Allison Park:								
Pepsi:								
RET	12	24	7.00	2.50	4.50	.1875	.0729	38.9
NR	12	24	6.25		6.25	.2604		
Budweiser:								
RET	12	24	7.50	1.00	6.50	.2708	[1].0125 [2].0188	[1]4.6 [2]6.9
NR-Bottle	12	24	6.80		6.80	.2833		
NR-can	12	24	6.95		6.95	.2896		
Iron City:								
RET	12	24	6.40	1.00	5.40	.2250	.0271	12.0
NR	12	24	6.05		6.05	.2521		
16-OZ CONTAINER, 6 PACK								
New Hampshire—Nashua:								
Coke:								
RET	16	6	1.73	.60	1.13	.1833	.0550	30.0
NR	16	6	1.43		1.43	.2383		
16-OZ CONTAINER, 8 PACK								
Michigan—Rochester:								
Pepsi:								
RET	16	8	2.19	.40	1.79	.2238	.0225	10.1
NR	16	8	1.97		1.97	.2463		
Diet Pepsi:								
RET	16	8	2.09	.40	1.69	.2113	.0100	4.7
NR	16	8	1.77		1.77	.2213		
Virginia—Richmond:								
Pepsi:								
RET	16	8	2.45	.80	1.65	.2063	.1000	48.5
NR	16	8	2.45		2.45	.3063		
28-OZ CONTAINER, SINGLE CONTAINER								
California—San Francisco:								
Canada Dry:								
RET	28	1	.73	.20	.53	.5300	0	0
NR	28	1	.53		.53	.5300		
32-OZ CONTAINER, SINGLE CONTAINER								
Louisiana—Shreveport:								
Dr. Pepper:								
RET	32	1	.44	.10	.34	.34	.15	44.1
NR	32	1	.49		.49	.49		
7-Up:								
RET	32	1	.44	.10	.34	.34	.15	44.1
NR	32	1	.49		.49	.49		
Coke:								
RET	32	1	.44	.10	.34	.34	.15	44.1
NR	32	1	.49		.49	.49		
Minnesota—Roseville:								
7-Up:								
RET	32	1	.53	.20	.33	.33	.22	66.7
NR	32	1	.55		.55	.55		
North Dakota—Bismark:								
Sprite:								
RET	32	1	.52	.15	.37	.37	.15	40.5
NR	32	1	.52		.52	.52		
7-Up:								
RET	32	1	.52	.15	.37	.37	.18	48.6
NR	32	1	.55		.57	.57		
Diet 7-Up:								
RET	32	1	.52	.15	.37	.37	.18	48.6
NR	32	1	.55		.57	.57		
Coke:								
RET	32	1	.52	.15	.37	.37	.18	48.6
NR	32	1	.55		.57	.57		
Pepsi:								
RET	32	1	.52	.15	.37	.37	.18	48.6
NR	32	1	.55		.57	.57		
Diet Pepsi:								
RET	32	1	.52	.15	.17	.37	.18	48.6
NR	32	1	.55		.57	.57		
Texas—Dallas:								
Dr. Pepper:								
RET	32	1	.36	10	.26	.26	.15	57.7
NR	32	1	.41		.41	.41		
Texas—Irving:								
Coke:								
RET	32	1	.43	.10	.33	.33	.14	42.4
NR	32	1	.47		.47	.47		

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[1] Bottle. [2] Can.

CONSUMER PREFERENCE

Mr. HATFIELD. Mr. President, if, as the industry maintains, their continued production of nonreturnables reflects the preference of the consumer, why, in a nationwide poll on the issue of nonreturnables recently conducted by Opinion Research Corp. for the Federal Energy Administration, did 73 percent of those polled favor a law requiring that all soft drinks and beer be sold in returnable containers? I submit to my colleagues that the consumer is aware of the advantages of the returnable bottle or can. In Oregon an astounding 91 percent of the citizens have registered their approval of returnables. Similarly, consumers nationwide would eagerly adapt to the new system.

EMPLOYMENT

It is predicted that a net gain of between 80,000 and 118,000 jobs by 1982 with substantial increases in payrolls and labor income—about 22 percent according to the Federal Energy Administration—would result if this bill becomes law. This would be very helpful to an industry already plagued by employment problems due to the recent trend toward larger centralized brewing and soft drink plants at the expense of many thousands of jobs in smaller community breweries and bottling companies. With the 3-year phase-in provided for in this legislation, transitional problems should be minimized.

THE OREGON EXPERIENCE

Now that we have discussed the concept of returnables and their impact on solid waste, energy, the consumer, and employment, we are fortunate enough to be able to put all of this into the context of "real world" experience. In October 1972, legislation banning nonreturnables became law in Oregon. Our experience has been one of outstanding success, as evidenced by opinion polls and the comments of consumers, retailers, and distributors.

Bottles are being returned at a 90 percent rate and cans at an 80 percent rate. No increase in beer or soft drink prices has been attributable to the Oregon deposit law. In a study conducted by Don Waggoner of the Oregon Environmental Council, the Oregon law was shown to have reduced roadside litter 39 percent on a piece count basis and 42 percent on a volume basis after 2 years. Beverage container litter was reduced by 83 percent during those same 2 years with no change in litter cleanup expenditures.

We are saving 1.4 trillion Btu's annually in Oregon. This is enough energy to satisfy the home heating requirements of 50,000 Oregonians or to generate 130 million kilowatt hours of electricity worth $2.8 million annually. Moreover, there was a net gain of 365 full-time jobs, hardly substantiating the gloomy forecasts offered by many prior to adoption of the Oregon law.

Mr. President, I ask unanimous consent that three reports on the success of the Oregon beverage container law appear in the RECORD. The first, "Oregon's Bottle Bill: 2 Years Later," was prepared by Don Waggoner of the Oregon Environmental Council in 1974 and revised in May 1975. The second, "The Economic Impact of Oregon's Bottle Bill" is the work of Dr. Charles M. Gudger and Dr. Jack C. Bailes, professors at Oregon State University's School of Business and Technology. The third, a compilation of information contained in previous studies of the Oregon Beverage Law by the Oregon Department of Environmental Quality in 1977.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

OREGON'S BOTTLE BILL TWO YEARS LATER

(By Don Waggoner)

FOREWORD

Oregon's Bottle Bill was passed by the Oregon legislature in 1971. It became effective on October 1, 1972, and the results following implementation have been the center of much controversy ever since. It had been challenged in the courts and declared constitutional by both the District Court and the Court of Appeals in Oregon. In May 1974, the Oregon State Supreme Court refused to review the Court of Appeals decision. On May 22, 1974 an announcement was made that no appeal would be carried to the United States Supreme Court, thereby ending any further challenge to the Law's constitutionality.

The length of time between legislative adoption and the effective date of the bill gave ample opportunity to review the before and after consequences of this Act. Two separate major studies regarding the outcome have been completed and released.[1] [2] Litter studies which were started one year prior to the bill's effective date were continued for two years following the effective date. There has been a wealth of information, misinformation, fact and conjecture which has ben generated on this subject.

Why so much interest in Oregon's Bottle Bill? The reason goes well beyond the boundaries of Oregon. It has been interpreted by both supporters and opponents as symbolic in the effort to reverse the move toward the "throw away society". It has been argued that the bill would not work and further that it has not worked. Others have agreed with former Governor Tom McCall when he called the bill a "rip roaring success".

This report has been written with several purposes in mind. First, it is intended to provide a detailed discussion regarding the implementation of Oregon's Bottle Bill for use by others who might consider similar legislation. Second, the analysis points out areas of confusion or disagreement which have arisen and attempts to clarify them. The overall goal has been to document the value of container refund legislation in a world with finite resources that are being rapidly and, in the case of beverage packaging, unnecessarily depleted.

SUMMARY OF CONCLUSIONS

The major conclusions of this report have been summarized as follows:

1. Roadside litter was reduced overall 26% on a piece count basis and 35% on a volume basis the first year after the Bill went into effect. During the second year, the reduction increased to 39% overall by piece count and 47% by volume.

2. Beer and soft drink beverage container litter was reduced by 72% during the first year and by 83% during the second year following the Act's October 1, 1972 effective date.

3. No increase in enforcement activities was observed which would affect littering rates.

4. No changes in litter pickup expenditures were observed.

5. For beer, returnable bottles captured 96% of the market after the Act was implemented compared to 36% before. Nonreturnable bottles, which had held 31% of the market previously, were eliminated and can sales dropped from 33% to 4%.

6. For soft drinks, returnable bottles moved from 53% of the market before the October 1, 1972 date to 88% the year following and 91% two years after. Non-returnable bottles, which had held 7% of the market were removed from the market. Cans moved from 40% to 12% one year later and 9% of sales two years later.

7. A "Littering Index" which shows the relative littering rate for deposit beverage containers shows that beer cans have 16 times the chance of being littered as does a soft drink returnable bottle.

8. Return rates continue to improve for the certified compact eleven ounce "stubby" bottle. 1974 data shows a 93% return rate which compares a 96% return rate for soft drink bottles. As a result, trippages for beer and soft drink refillables are 15 and 24 respectively.

9. Beer sales continue on historical growth trends following the first year adjustment which occurred due to the move from larger cans and bottles to the eleven ounce "stubby".

10. Beer prices in Oregon were slightly higher than in Washington following an increase at the end of 1974. Prior to that time no significant differentials existed.

11. Soft drink sales have been strongly affected by large price increases caused by sugar price variations. Prices remain comparable between Oregon and Washington with large differentials between cans and non-returnables and the cheaper returnable packages.

12. Employment has been increased as a result of the Act. An approximate net increase of 55 to 365 full-time jobs have been created.

13. The economic effect on industry has been small. Other factors not related to the bottle bill have been far more important. Direct consequences of the Act have been estimated to have caused an operating income change ranging between a negative 6.8% to a positive 3.1% based on total sales at retail.

14. Energy savings as a result of a move from 43% refillables to 94% are significant. 1.4 trillion BTU's are being saved annually, enough to provide the home heating needs for 50,000 Oregonians or to generate 130 million Kilowatt hours of electricity worth $2,-800,000 annually.

PROVISIONS OF THE LAW

The Act covers all beer and carbonated soft drink beverage containers sold at retail after October 1, 1972. It requires that a refund be paid to any person presenting empty soft drink or beer bottles or cans for refund. A minimum five cent refund is required except for certified standard reusable (refillable) containers where the minimum refund is two cents. The pull tab can is prohibited. For the complete text of the Law as passed in 1971 and amended in 1973, see Appendix A. It should be noted that the Law did not ban cans nor did it require deposits. It does have the effect, however, of encouraging reusable containers and in fact, deposits have been charged on all beer and soft drinks.

The provision to encourage a standard reusable container was included to attempt to retain the then existing "stubby" beer bottle. It was also hoped that it would promote the emergence of a similar bottle for soft drinks. The compact eleven ounce "stubby" had been in wide use by the regional breweries for some time. Since any brewery could wash, fill and attach its own label for each refill, sorting by the retailer and distributor was held to a minimum.

Shortly after the Bottle Bill became effective, more than twenty different brand labels were being attached to the "stubby" by re-

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Footnotes at end of article.

gional and shipping brewers. It could therefore be said that "In Oregon, only the label and the beer were different—the bottle was the same".

No move by soft drink bottlers has been made to establish a certified container. None is expected because the spread between a refund of two cents and new soft drink container cost of more than ten cents is much larger than for the "stubby" which has a new cost of approximately five cents. Bottlers want to insure that their reusable bottles return. Therefore, since the October 1, 1972 effective date of the Bill, refunds have been increased from five cents to seven cents and in some cases ten cents on soft drink bottles of sixteen ounces or less. Similarly, quart-size bottles have increased from ten cents to fourteen and twenty cents.

APPLIED DECISION SYSTEMS STUDY

The provisions of the Bottle Bill as enacted in 1971 require that a review of the consequences be made for presentation to the 1975 legislature. To fulfill this requirement, bids were requested from consultants in early 1973. Applied Decision Systems, a Massachusetts firm was awarded the contract on November 1, 1973.

The draft copy of the ADS[2] report was released on September 3, 1974. Hearings were held on September 12 to receive testimony regarding the draft. Conclusions regarding litter reductions were challenged as being too small and economic consequences were alleged to have been misstated. Finally, on one important industry segment, the retailer grocer, ADS had not been able to obtain sufficient data to permit its inclusion in the economic analysis. Subsequently a number of changes were made to the draft. A second hearing was held on October 8, 1974. Additional testimony was received at this hearing and it became apparent that a great deal more research would be needed to resolve the controversies which had developed.

The special legislative committee which had been established to review the report finally acted unanimously to accept the ADS report with the following motion proposed by Representative Hansell. . . . "So I would move that the committee recommend to the Fiscal Officer and the Emergency Board that the ADS Report, as amended be accepted with the following provisions: that the Fiscal Office have an introduction to the report stating the history of the report and the limitations that are connected with it, and in addition that by accepting the ADS report the Fiscal Office and the Legislature disclaim any responsibility for the accuracy of the figures or the data that is used. In addition, that all statistics and data that are contained as a part of it have a prior statement as to the percent of industry that was contacted, the percentage that responded, and the percentage of the total industry that is represented. That in addition we have clearly emphasized that these questionnaires by their very nature were voluntary."

Discussion on the motion included Representative Hansell's statement that . . . "my purpose in doing this is that we get away from the idea that this is an official report and that the Oregon Legislature has completely approved . . .".

Opponents of the concept of container refund legislation have referred to the ADS[2] report as the "official study". In a release[3] dated September 19, 1974 by Rockey/Marsh-Public Relations two pages of copy contain the word "official" in regard to the ADS study eight times. Others have also used the term "official" to describe the study. A California Beer Wholesalers Association release[4] dated October 24, 1974 bears the heading "Official Study Disputes 'Bottle Bill' Success." Nevertheless, the position of the ADS study is that it was paid for by the State of Oregon but any conclusions have not been endorsed or supported by the State. In short, the ADS study must be able to stand item by item on its own merit.

GUDGER AND BAILES STUDY

Professors Charles M. Gudger and Jack C. Bailes authored a report entitled "The Economic Impact of Oregon's Bottle Bill".[1] This report, issued in March 1974, was supported in part by the National Science Foundation Institutional Grant for Science. It does not consider litter reduction but does review economic aspects in considerable detail.

OREGON LITTER SURVEYS

In October of 1971, litter surveys were begun on 30 randomly selected one mile sites throughout the state highways of western Oregon. The following Oregon State Highway Division map has been modified to show the locations of each of the 30 sites. See Appendix B for additional details regarding each of the test sites. The survey was continued for three years with the last pickup in early September 1974.

Although the thirty sites remained unchanged throughout the test period, the ways in which the litter picked up was tabulated did vary over the period. In general, each change provided more detailed information. For example, during the period October 1971 through September 1972, which will be referred to as "BEFORE", there were five categories of tabulation. During the period November 1972 through September 1973, which will be called "TRANSITION", there were six categories. This change was required because the beer and soft drink can became a refund container as a result of the provisions of the "bottle bill". Finally, during the period November 1973 through September 1974, "AFTER", there were some fourteen breakdowns in the tabulations. See Appendix C, D, E for facsimiles of the data collection sheets. Throughout, the basic groupings were not changed. Rather, greater detail was being supplied within these groupings. Figure I summarizes the categories used.

FIGURE I.—LITTER TABULATION CATEGORIES

Before, October 1971 to September 1972	Transition, November 1972 to September 1973	After, October 1973 to September 1974
More than 5 cent deposit bottles.	More than 5 cent deposit bottles.	Quart bottles (deposit over 5 cents).
5 cent deposit bottles.	5 cent deposit bottles. 5 cent deposit cans.	5 cent deposit soft drink bottles. 5 cent deposit beer cans. 5 cent deposit soft drink cans.
2 cent deposit bottles. All other beverage containers.	2 cent deposit bottles. All other beverage containers.	2 cent deposit beer bottles. Nonreturnable beer cans. Nonreturnable soft drink cans. Nonreturnable beer bottles. Nonreturnable soft drink bottles.
All other litter______	All other litter____	Other cans (miscellaneous). Other bottles (miscellaneous). Paper beverage related containers—6 pack, case (etc.). Miscellaneous litter.
Total items________	Total items_______	Total items.

RESULTS

Litter rates for all items during the transition period show a 26% reduction over the before period based on piece counts. Similarly the after period shows a 39% reduction over the before period. Littering rates for beverage containers showed a 72% reduction during the transition period and an 83% reduction for the after period. Figure II summarizes the results of the litter reduction computations.

It should be remembered that these reductions are for state highway sections. Other areas such as parks, trails, streams, beaches and county and city roads were not included in the test sites. It should also be noted that the results are based on piece counts only. Thus a cigarette butt is given equal weight in the tabulations to the far more visible beverage can.

Two conclusions may now be drawn:

1. Cans are more likely to be littered than bottles.

2. Beer containers are more likely to be littered than soft drink containers.

In each instance the margin is very dramatic. For beer, a can is 4.9 times as likely to be littered as a bottle. For soft drinks the margin is 7.1 times. A beer container is 2.4 times as likely to be littered as a soft drink container.

Finally, a beer can generates 12.9% of total deposit litter with only 2.3% of total sales for a "Littering Index" of 5.61. The soft drink bottle generates only 14.1% of total deposit litter even though it amounts to 39.0% of total sales for a "Littering Index" of 0.36. Thus the beer can has 16 times the probability of being littered as a soft drink bottle. The results can therefore be summarized as "People tend to litter beer cans".

TRIPPAGE

It is very difficult to actually determine the number of round trips which a reusable container makes before it is broken or discarded. No records are maintained on any specific bottle to determine this figure. However, a term known as "trippage" has been developed and is widely used by both the beer and soft-drink industry. "Trippage" is defined as 100% divided by the percentage of containers which fail to return after each filling. Thus, a single-use container's trippage would be 100% divided by 100% or 1 trip. Similarly, a return of half would result in 100% divided by 50% or 2 trips. Finally, a 95% return rate would give a trippage of 100% divided by 5% or 20 trips. For refillables, the actual number of reuses would be somewhat lower than the "trippage" figure calculated here, since breakage in the brewery or bottling plant reduces the quantity that can be refilled.

ADS[2] concluded that before the Bottle Bill became effective there was an 82 percent return rate on the standard 11 ounce "stubby" bottle which was widely used in the Northwest. This is equivalent to a trippage of 5.6 trips. During the transition period, ADS found that returns increased to 95 percent for the regional breweries (a trippage of 20 trips) and 29 percent for the major three national breweries serving Oregon in the "stubby" containers (1.4 trips) to give an overall return rate of 86 percent or 7 trips for the total of all breweries studied.

During the year 1974, return rates for five regional breweries increased[1][2] to 101 percent (a trippage of infinity) while those of four of the major shipping brewers increased to 57 percent. This left an average return rate for the certified "stubby" containers of 93.1 percent and a trippage of 15.

For soft drinks, ADS[2] concluded that return rates were 95.7 percent for before and 95.9 percent for transition. Recent information indicates no change in the return rate, giving a trippage of approximately 24 for both transition and after.

PUBLIC ACCEPTANCE

Six hundred in depth interviews were held with Oregon consumers in September 1973. The results of these interviews have been well documented in the ADS[2] report. They showed overwhelming acceptance by those interviewed. Ninety-five percent of the persons interviewed had an opinion regarding the Bottle Bill and 95 percent of those with an opinion voiced approval. For additional information the reader is referred to the ADS[2] report and Volume I of the supporting materials for that report.

Footnotes at end of article.

BEER SALES—TOTAL OREGON ANNUAL BEER SALES BY VOLUME[13]

FIGURE XI.—ANNUAL OREGON BEER SALES

Year	Annual sales (thousands of barrels)	Percent increase over previous year
1968	1, 151. 3	1. 57
1969	1, 228. 5	6. 71
1970	1, 314. 6	7. 01
1971	1, 395. 8	6. 18
1972	1, 469. 6	5. 29
1973	1, 489. 8	1. 37
1974	1, 574. 3	5. 67

It can be seen that beer sales increased at a relatively uniform annual rate after 1968 through 1972. During the first full year immediately following the Bottle Bill, the rate of increase was only 1.37 percent. However, during 1974, the second full year following the Bottle Bill's date, the increase again rose at the historical rate of 5.67 percent. The ADS study used the period three months before the Act went into effect and nine months after its effective date to compare to previous growth rates. They concluded that the Act had caused a long-term change in the trend of beer sales.

While it is true that there was a slight reduction from historical increases during the TRANSITION year, it is very important to further analyze the reasons for this change.

One of the goals of the supporters of the Bottle Bill was to encourage a switch away from single-use containers back to reusables. This is indeed what happened. The reusable "stubby" 11 ounce bottle increased from 48 percent of total beer sales by container in 1971, to 89 percent in 1973 and 90 percent during the first nine months of 1974. By comparison, 12-ounce cans were moving from 25 percent of the market during 1971, to 2 percent during 1973 and 3 percent during the first nine months of 1974. Similarly, the 16-ounce can changed from 8 percent in 1971 to 1 percent in both 1973 and 1974. In addition, the 12-ounce bottle which captured 14 percent of the market in 1971, moved to 6 percent in 1973 and dropped further to 3 percent in 1974. Sales of reusable quarts remained at 2 percent to 3 percent throughout the period.

The net effect of these changes was to move to a significantly smaller container. Thus, although fillings increased by 13 percent between 1971 and 1973, container barrelage increased only 7.7 percent. Putting it another way, barrelage per 1000 fillings decreased by nearly 5 percent between 1971 and 1973. Since it is likely that a consumer sits down to have a "beer or two" rather than "12-ounces" or "16-ounces" of beer, it is not surprising that the shift to 11-ounce "stubbies" brought with it a relative drop in beer sales measured by barrelage.

The 11-ounce "stubby" was already in general use in Oregon in 1972 when the switch to reusable containers took place. Had the standard container been a 12-ounce bottle, then it is likely that essentially no change in historical patterns would have taken place.

It is interesting to note that beer sales for Oregon have followed a virtually identical pattern to those of its northern neighbor, Washington State. Between 1970 and 1974 Oregon experienced a 19.69 percent increase while Washington[14] obtained a 19.25 percent increase. Similarly, both Oregon and Washington experienced an identical increase of 5.67 percent between 1973 and 1974. It can thus be stated that the Bottle Bill does not appear to have had any appreciable effect on beer sales in Oregon except that caused by reduction in average container size during 1973.

Footnotes at end of article.

BEER PRICES

Recent years have been marked by a large increase in beer prices both in Oregon and nationally. Inflation in virtually every aspect of the brewing industry has brought about these increases. It is thus difficult to evaluate the specific increases, if any, that should be attributed to the Bottle Bill. The decrease in purchase of new containers constituted a reduction in costs. On the other hand, increased handling costs for reusable containers was an offset to these savings. Nevertheless, prices for comparable packages of beer sold in Oregon compared to those in Washington, which does not have refund legislation, were essentially equal throughout both the TRANSITION and AFTER periods. This was true in spite of several increases in both States. Both Oregon Distributors and Retailers increased the percentage markups over their costs during this period. Between 1971 and August 1974, regional brewery price increases of 20.5 percent for the "stubby" 6-pak resulted in a 29.5 percent increase by the Distributors and a 31.4 percent increase posted by the Retailers.

In late December, 1974, regional brewery price increases on the "stubby" 6-pak of 4.9% became 4.9% increases at the distributor level and a 7.2% increase to Oregon consumers. Prices increased only approximately 5% in Washington State. Therefore, prices for beer are approximately 2 to 3% higher per ounce in Oregon for Regional brands on comparable sizes compared to Washington. Washington State has a sales tax of 5% while Oregon has none.

SOFT DRINK SALES

The ADS[2] report detailed a shift from canning operations to franchised bottlers between 1972 and 1973. It concluded that there was probably no net change in packaged soft drink sales between the two years. It is extremely difficult to obtain precise information regarding Oregon soft drink sales. Nationally, soft drink sales stabilized in 1974 with no increase in sales reported.[15] No specific information is published for Oregon. Since 1973, sugar price increases have required significantly increased prices of soft drinks, and this has adversely affected the sale trends of soft drinks both in Oregon and nationally. Consequently, it can be concluded that during 1974, whatever minor impacts the Bottle Bill had on soft drink sales have been completely overshadowed by price considerations.

SOFT DRINK PRICES

Soft drink prices have been subject to extreme inflationary increases of up to 50% in the Northwest. Nevertheless, prices in Washington are comparable to those found in Oregon and there is a significant cost differential between reusable and one-way containers. In Washington, the one-way container is priced between 20% and 25% more per ounce for the same brand in the same size package compared to reusable containers. In Oregon it is difficult to compare refillables to single-use containers of the same size and brand. Comparing an 8-pak 16-ounce returnable package to a 6-pak 12-ounce can package of the same brand, however, the cans cost approximately 50% more per ounce. The same is true in Washington between these two packages.

EMPLOYMENT INCREASES

Two researchers have directed themselves to the employment impacts of the Bottle Bill. Drs. Gudger and Bailes[1] considered retailers, soft drink bottles, brewers, distributors, can manufacturers, and bottle manufacturers. ADS[2] was unable to obtain sufficient information from retailers and failed to include the employment increases for common carrier trucking man hours but did obtain information regarding all other groups.

Drs. Gudger and Bailes concluded that there were increased man hours during the Transition period compared to Before which amount to a net full time increase of 365 people as shown in Figure XII.

FIGURE XII.—EMPLOYMENT IMPACT, GUDGER & BAILES

Production labor	−350
Truck driving	+140
Warehouse and handling	+575
Total	+365

Initially, ADS[2] referred readers to Gudger and Bailes for the retail portion of the employment picture. Recent estimates provided by Jim Glauthier of ADS[16] for both retailers and common carrier trucking have been included in Figure XIII. These figures are somewhat different from those given above partly because these are estimates of jobs lost or gained, not equivalent increases based on hours worked. For example, in the Retailers group, it was estimated by ADS that fifty percent of the increased hours expended did not require additional hiring but was instead done by existing personnel spending longer hours or more efficient use of persons already employed. As a result the estimate of 200 to 250 increase in jobs is half the total that would have been used by Gudger and Bailes.

FIGURE XIII.—EMPLOYMENT CHANGES ADS

	Change	
	Minimum	Maximum
Soft drinks	+82	+98
Brewers	+50	+60
Distributors	+43	+50
Can manufacturers	−140	−162
Bottle manufacturers	−200	−200
Common carrier trucking	+20	+20
Retailers	+200	+250
Total	+55	+116

ECONOMIC EFFECT ON INDUSTRY

Both ADS[2] and Drs. Gudger and Bailes[1] evaluated the economic consequences in great detail. Their methods used were different in many respects and their conclusions also varied significantly. Manufacturing and distributing soft drinks and beer is a very complicated industry process. Unfortunately, because it is a very competitive industry, some data is considered confidential and has not been made available to any researchers. Secondly, some information was made available to ADS which has not and will not be made available to others. These facts make it very difficult to compare the results of these two reports. The net impacts for the sectors studied will be tabulated as shown in Figure XIV.

FIGURE XIV.—CHANGES IN OPERATING INCOME DUE TO THE BOTTLE BILL

[In thousands of dollars]

	Gudger & Bailes	Ads	
		Minimum	Maximum
Glass bottle manufacturers	−264	+68	+106
Can manufacturers	−350	−2, 252	−2, 463
Brewers	+5, 328	−912	−1, 182
Beer distributors	−589	−661	−1, 498
Soft drink bottlers	+2, 765	−3, 116	−3, 553
Retailers	−2, 946	(1)	(1)
Total	+3, 944	−6, 873	−8, 590

[1] Not stated.

It can be seen that the two reports found widely different impacts. On Operating Income, Gudger & Bailes reported an improvement of $3,944,000 while ADS concluded that there was a $6,873,000 to $8,590,000 decrease. The most critical differences stem from conclusions regarding return rates or "Trippage" changes as a result of the Bill. ADS concluded that there was virtually no change in soft drink returns of approximately 96% while Gudger and Bailes concluded that the return rates rose from 80% to 92%. Similarly, for beer, ADS concluded that return rates increased from 82% to 86% while Gudger and Bailes used a change of from 75% to 95% in their calculations.

These differences cause very large impacts on the container purchase costs for the brewer and bottler. For example, Gudger and Bailes calculated a $16,184,000 savings in container costs to the brewers and bottlers. The much smaller changes found by ADS resulted in smaller savings for these sectors. Consequently, the negative impacts on bottle and can manufacturers who lost business could not be balanced off against savings for the brewery and bottler in the ADS analysis.

It is different to resolve this discrepancy. As was noted earlier under "Trippage", return rates on stubby beer bottles did increase to 95% in 1974. However, it does appear that soft drink return percentages have remained essentially unchanged by the Act.

Total beer and soft drink sales for 1973 at retail were $126,000,000.[1] The increased profit found by Gudger and Bailes is therefore 3.1% of total sales. By comparison, the loss shown by ADS is 5.4% to 6.8% of total sales. When the savings to the consumer as a result of more frequent purchases of the less expensive soft drink returnable packages is also considered, the impact on the consumer will be very small indeed. Other factors, such as increased raw materials and container costs and general inflationary pressures have had far greater consequences than the shift back to refillables.

ENERGY SAVINGS

Refillable containers are somewhat bulkier than single use containers. Consequently, more labor is needed to handle them. In addition, the extra sorting, handling and cleaning steps involved in the return to the bottler or brewery for reuse also require additional labor. By comparison, the single use container requires more energy in mining, transportation, molding, reduction, smelting and metal forming processes required for each use. Thus, the refillable system is a labor intensive one while the single use system is energy intensive.

Refillable containers have grown from approximately 43% of the soft drink and beer market to approximately 94% during the second year after the Act went into effect. Based upon a recent EPA report "Resources and Environmental Profile Analysis of Nine Beverage Container Alternatives" [17] using Oregon container mix changes, return rates and recycling experience, energy savings have been computed (See Appendix N). This analysis shows that approximately 1,400 Billion BTU's are being saved each year as a result of the Bottle Bill.

This is equivalent to the average Oregon home heating needs of 12,000 units that heat with natural gas or the population of a residential community of approximately 50,000 people. Alternatively, if this energy were converted to electricity, then the annual savings would total approximately 130 million kilowatt hours. If electricity rates were at the approximate average national rate [18] of 2.2 cents per kilowatt hour, this would then total $2,800,000 savings annually.

CONCLUSION

This combination of decreased consumption of energy plus increased employment as a result of the "return to the returnable" is very significant. One characteristic of convenience packaging is that it often causes energy intensive alternatives to be substituted for those which are labor intensive. Thus, energy requirements are increased, while at the same time, jobs are eliminated.

It is regrettable but true that many existing jobs and very large corporate investments are dependent upon the continuation of the wasteful practices of the "no-deposit—no return" concept. More new jobs would be created by a return to refillables than would be lost. However, this fact does not soften the impact upon the specific individual who must abandon old skills and perhaps move to a new community and a new job. This is a general problem which is as yet unsolved but which must be dealt with as our society abandons the wasteful patterns of recent years.

It is perhaps ironic that the highly visible consequences of the "throwaway" being literally thrown away on our roadsides has prompted a new awareness of the more general problems which are caused by the acceptance of the "throw-away ethic". The focus of the debate will likely shift over time from litter reduction to energy conservation and source reduction and the attendant employment increases.

Now that the results of the "Oregon Experiment" are in it is hoped that they will be used by other lawmakers as a guide to enactment of similar legislation. As a nation we we are becoming increasingly aware that our resources are finite—not unlimited. Concepts such as container refund legislation can play an important role in the much needed effort to reestablish an equilibrium with our environment as well as prevent the further erosion of our employment base.

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THE ECONOMIC IMPACT OF OREGON'S "BOTTLE BILL"

(By Charles M. Gudger, Ph. D. and Jack C. Bailes, Ph. D.)

CHAPTER ONE.—INTRODUCTION

1.1. *The Oregon Law.*—On October 1, 1973 a new law, popularly known as "The Oregon Bottle Bill" went into effect in the State of Oregon. This law imposes new regulations on carbonated beverage (malt beverage and soft drink) containers. Its primary purpose was to encourage the use of refillable containers and thus reduce the litter and solid waste associated with disposable beverage containers. The main provisions of the law are as follows:

1. All carbonated beverage containers (with the exception noted below) sold in the state must have a minimum refundable deposit of five cents.

2. Refillable containers used by more than one beverage manufacturer may be certified by the Oregon Liquor Control Commission. A certified container can have a minimum refundable deposit of two cents.

The original law used terminology to the effect that such containers shall be certified upon application by manufacturers. The effect has been that there are, at present, two certified bottles—the 11-ounce brown "stubby" beer bottle and the quart "twist top" beer bottle. No soft drink bottles have been proposed for certification. Obviously, bottles of special shape or with permanently embossed brand identification do not qualify under this provision.

3. The deposit on any carbonated beverage container must be refunded by any retailer or wholesaler who sells that kind, brand, and size of beverage.

In effect this means that containers do not have to be returned to the particular dealer who originally sold the beverage and collected the deposit. In the case of wholesalers, certified bottles have removable labels and are are being redeemed by wholesalers of competing brands.

4. Metal containers having detachable parts cannot be sold in the state.

In effect, this bans the sale of "ring pull" or "flip top" cans. Some new designs of beverage cans such as the "push top" that has disc shaped sections that are pushed into the can, but do not detach, are being marketed in the state. Most of the beverage cans being sold have solid tops that are opened with the standard beverage can opener. It will be noted that cans, although not refillable, must have a minimum deposit of five cents.

5. The law contains provisions for enabling the establishment of cooperative redemption centers to be used by groups of retailers or wholesalers.

No attempt has been made, however, to establish such a center anywhere in the state.

The "Bottle Bill" was widely hailed by environmentalists as a significant step in reversing the very great increase in litter and solid waste represented by packaging materials. It was opposed (moderately by some and vigorously by others) by all sectors of industry that were directly affected by it. Its constitutionality continues to be challenged in the courts to the present time. Some of the opposition, in fact much of the question of constitutionality, is based on the perception of these businesses that they are being singled out and thus are being discriminated against whereas other businesses are responsible for much greater volumes of waste and are not being subjected to similar regulation. As one soft drink bottler, who is not particularly opposed to the bill, stated "After all, the only real difference between a bottle and a piano crate is that few piano crates are thrown out of cars. Both are packaging materials, and the disposal of both results in environmental problems."

Additional opposition was based on considered opinion that the law would be, at best, only minimally effective in reducing litter. Further, different legislation was proposed (a tax on litter-prone package materials) that was felt to be more effective and less costly to directly affected business.

1.2 *Purpose of This Investigation.*—As with almost all environmental legislation, one of the major questions is that of what its cost will be in relation to what benefits it will bring. In the case of the Oregon Bottle Bill, the cost to government for enforcing legislation of this nature is minimal. The cost to the public as consumers is greatly dependent upon whether business costs are increased and are reflected in higher prices. (Consumer costs associated with returning containers and with having funds tied up in deposits are seen to be so small for individual consumers as to be insignificant.) The major question, then, concerns the economic impact of the law on the industries that produce and market carbonated beverages and on those industries that supply them. This report is primarily addressed to answering this latter question.

The primary objective of this study has been to conduct an independent investigation of the economic impact of the Oregon Bottle Bill on directly affected businesses. Those businesses include Container Manufacturers, Malt Beverage Brewers, Malt Beverage Distributors, Carbonated Beverage (soft drink) Bottlers, and Retailers of malt and carbonated beverages. Determination of the economic effects of the Bottle Bill is necessary for an objective evaluation of the Oregon Bottle Bill. It would not be appropriate to consider only the environmental impact of such legislation, as alternative programs (i.e. with similar reductions of litter, solid waste, or resource usage) may have differing economic implications. It is also important that a study of economic effects of the Bottle Bill be conducted by independent researchers. Conflicting projections and statements issued from industry or environmental associations have not aided objective evaluations.

The specific economic factors to be considered by this study include the following:

1. Changes in sales volumes of malt and carbonated beverages.
2. Changes in container sales mix of malt and carbonated beverages.
3. Return rates of refillable containers.
4. Changes in sales volumes of glass and metal beverage containers.
5. Price changes for malt and carbonated beverages.
6. Changes in production, distribution, and retail costs of operation.
7. Capital losses and changeover costs.
8. New capital investment.
9. Competitive changes—number of brands on the market.

1.3 *Sources of Cost Data—Methodology.*—Starting shortly after the Bottle Bill went into effect, extensive interviews were conducted with representatives of all sectors of the businesses directly affected by the bill in order to determine the affected cost elements of each type of operation. From this information, preliminary questionnaires were designed to elicit the specific data required. Whenever possible, these questionnaires contain checks for intrenal consistency. For example, pre and post-Bottle Bill information on elements such as space, sales volume, and labor cost, was requested so that the consistency of replies could be ascertained. Also, the questionnaires provided means of checking accuracy between sectors. For example, information on return rates, sales volumes, prices, etc., was requested from each industry level so that accuracy of replies could be judged. Industry representatives were most cooperative in reviewing the questionnaires for relevance, for completeness, and for understandability, and provided helpful advice as to industry record keeping practices which aided greatly in wording questions in a way that would make them more readily answered.

Preliminary questionnaires were then personally administered to at least 5 percent of the proposed samples to discover and correct any further problems with terminology, structure, or unwarranted difficulty. From this information, questionnaires were printed and distributed to 100 percent of the licensed malt beverage distributors, 100 percent of licensed soft drink bottlers, and 400 retailers in the state. The retailer sample included 300 grocers and 100 vending machine operators and taverns. All parts of the retailer sample were stratified geographically to assure that all areas—coastal resort, border, high and low population density areas, etc.—were represented. Brewers and container manufacturers with significant market shares in Oregon were interviewed directly by the principal investigators.

Follow up questionnaires were sent to all who did not respond to the initial inquiry, and the investigators attended various industry meetings in order to explain the study and encourage reply. The response rate on mailed questionnaires was expectedly low from businesses that were not significantly affected by the bill, for example, taverns and vending machine operators (service stations) responded at 12 percent and 22 percent rates respectively. Other mailed questionnaire response rates ranged from 32 percent to 48 percent. Whenever practical, atypical data from the replies were checked by personal interview or by telephone. Consequently, it was necessary to exclude very little data from the calculations.

CHAPTER FOUR.—SUMMARY AND CONCLUSIONS

4.1 *Introduction.*—This chapter summarizes the economic effects of The Oregon Bottle Bill on malt beverage brewers, malt beverage distributors, soft drink bottlers, retailers, and manufacturers of beverage containers. These results are based on empirical data collected for the year 1973, and include the effects of the bill on operating income, capital losses and changeover costs, and new investment. Further conclusions are presented concerning the economic impact of the Bottle Bill on the Oregon State Government and on the malt and carbonated beverage consumers of Oregon. Finally, implications are drawn as to the impact of the Bottle Bill on litter, solid waste, and employment.

4.2 *Summary of the Economic Impact of The Bottle Bill on Business:*

4.2.1 *Operating Income.*—Table 4–1 presents the effect of the Bottle Bill on the operating incomes of those business sectors directly affected by the legislation.

TABLE 4–1.—CHANGES IN OPERATING INCOME IN 1973 DUE TO THE BOTTLE BILL

Industry	Change in operating income	Direction of change
Glass bottle manufacturers	$264, 000	Decrease.
Can manufacturers	350, 272	Do.
Malt beverage brewers	5, 328, 383	Increase.
Malt beverage distributors	589, 000	Decrease.
Soft drink bottlers	2, 764, 675	Increase.
Retailers	2, 945, 825	Decrease.
Total change for all industries	3, 943, 961	Increase.

Source: Oregon State University bottle bill survey.

4.2.2 *Capital Losses and Changeover Costs.*—All industry segments reported zero or insignificant capital losses. This was due to the localization of the Bottle Bill to the state of Oregon and the transferability of physical capital (e. g., vending machines) or capital usage (e.g., use of can lines for beer sold in markets adjacent to Oregon). There are potential capital losses for equipment within the state of Oregon used solely for canning soft drinks, however such losses have not been realized to date. The largest of these possible capital losses would involve the $600,000 book value of canning equipment owned by Emerald Canning Company. The market value of that equipment was unavailable. Those changeover costs that have been reported are shown below:

Soft Drink Bottlers	$75, 000
Retailers	99, 627
Total Changeover Costs	$174, 627

Those changeover costs shown for retailers represent the cost of inventory that did not conform to the requirements of the Bottle Bill and could not be sold after September 30, 1972.

4.2.3 *New Investment.*—The Bottle Bill has resulted in new capital investments in several industry segments, however it has not been possible in all cases to determine the portion of actual increased investment that was necessitated by the bill. New trucks and bottling, washing, or filling equipment may have provided for capacity in excess of that required by the implementation of Oregon's Bottle Bill. Nevertheless, Table 4–2 shows the reported new investment in returnable bottle float for brewers; in truck and bottle handling equipment for beer distributors; in returnable bottle float, trucks, bottle washing and bottle filling equipment for soft drink bottlers; in bottle sorting and handling equipment for retailers.

TABLE 4–2.—NEW CAPITAL INVESTMENT NECESSITATED BY THE BOTTLE BILL

Industry	Amount of investment	Type of investment
Malt beverage brewers	$1, 300, 000	Bottle float.
Malt beverage distributors.	550, 000	Trucks, bottle handling equipment.
Soft drink bottlers	3, 310, 000	Bottle float, trucks, bottling equipment. washing equipment.
Retailers	193, 000	Bottle sorting and handling equipment.
Total new capital investment.	5, 353, 000	

Source: Oregon State University bottle bill survey.

4.3 *Economic Impact of The Bottle Bill on State Excise Tax Revenues.*—Early projections concerning the effects of the Bottle Bill predicted a decline in state excise tax revenue of up to $.5 million a year (Wagner, p. 24). This prediction was based on the expected negative sales effect of the Bottle Bill. Since the actual 1973 Oregon malt beverage sales records do not support the hypothesis of depressed beer sales, there is no evidence that excise taxes have been affected.

4.4 *Economic Impact of The Bottle Bill on Oregon Consumers.*—The actual net cost to Oregon consumers of beer and soft drinks in 1973 was not significantly different from what it would have been given pre-Bottle Bill market conditions. This was the case even though there was a price increase in 1973 for both beer and soft drinks in returnable bottles. The average price increase amounted to approximately 11 percent for all brands of beer in returnable bottles, and to 7.6 per cent for all brands of soft drinks in returnable bottles. The 1973 prices of soft drinks and malt beverages in cans were unchanged from their 1972 prices. However, the prices of beer and soft drinks in returnable bottles were still lower than the prices of those beverages in cans. This price differential favoring returnable bottles and the increases in percentages of beer and soft drinks sold in returnable bottles have offset the effect of the 1973 price increases. As shown in Table 4–3, the total expenditure in 1973 by Oregon consumers for beer and soft drinks increased by $183,550 over what they would have spent under 1972 prices and sales mixes. This increase amounts to .1 percent of the actual total expenditure in 1973. If the 1973 price increase is assumed to be due to the Bottle Bill, then the bill has had only an insignificant effect on the total amount spent by Oregon consumers for beer and soft drinks. In Chapter Two, it was concluded that the Bottle Bill did not cause the price increases; under this assumption, the Bottle Bill has resulted in significant savings to consumers. Table 4–3.

TABLE 4–3.—TOTAL EXPENDITURE BY OREGON CONSUMERS FOR SOFT DRINKS AND MALT BEVERAGES

	Soft drink	Malt beverage	Total
Actual expenditure in 1973	$49, 246, 800	$76, 462, 000	$125, 708, 800
Expenditure in 1973 assuming prebottle bill sales mix and prices	49, 980, 000	75, 545, 250	125, 525, 250
Increase (decrease) in beverage expenditure	−733, 200	+916, 750	+183, 550
Change as percent of actual	−1.5	+1.2	+0.1

Source: Oregon State University bottle bill survey.

When a returnable container is not returned, the amount of the deposit is an additional cost to the consumer. The Bottle Bill has resulted in both brewers and soft drink bottlers selling a much higher percentage of returnable bottles, and in a required deposit on beverage cans. However, under the Bottle Bill, the return rates for returnable bottles have substantially increased. The net effect has been a decrease of $266,000 in deposit losses by consumers. Table 4–4 compares the actual 1973 deposits lost with the 1973 estimated deposit losses assuming pre-Bottle Bill sales mixes and return rates.

TABLE 4–4.—OREGON CONSUMERS' LOSSES ON CONTAINER DEPOSITS FOR SOFT DRINK AND MALT BEVERAGE

	Soft drink	Malt beverage	Total
Actual deposits lost in 1973	$1, 497, 000	$635, 660	$2, 133, 660
Deposit losses in 1973 assuming prebottle bill sales mixes and return rates	1, 800, 000	593, 850	2, 393, 850
Increase (decrease) in deposit losses due to bottle bill	−303, 000	+41, 810	−261, 190

Source: Oregon State University bottle bill survey.

It is clear that the Bottle Bill has not caused significant economic losses to consumers, rather it may have been responsible for economic gains. On the other hand, consumers have suffered a loss of choice of soft drink and malt beverages in convenience oriented packaging. In addition, consumers are required to expend some effort and perhaps cost to obtain refunds of deposits on returnable containers. The effect of the Bottle Bill on consumer economic utility could not be determined without extensive consumer attitude surveys. This research study did not collect consumer attitude data, however the following sections discuss three additional areas—solid waste, litter, and employment—where the Bottle Bill could affect consumer utility. Even though this report does not provide direct evidence of consumer attitude, it has shown increased return rates, beverage sales in accordance with trends, and that retailers conspicuously did not report consumer complaints. These findings would at least tend to refute any hypothesis of negative consumer attitude toward the Bottle Bill.

4.5 *Solid Waste and Litter.*—Beverage containers sold and not returned eventually enter the solid waste stream either as disposed trash or as litter. Returned containers that are not refilled are not considered to contribute to solid waste in that they are recycled. From the sales mix and return rates under pre and post-Bottle Bill conditions, we can calculate the number of containers entering the solid waste stream annually and the difference resulting from the Bottle Bill. These figures are summarized in Table 4–5.

TABLE 4–5.—NUMBER OF BEVERAGE CONTAINERS PER YEAR IN SOLID WASTE

Type of container	Prebottle bill conditions	Postbottle bill conditions	Reduction
Bottles:			
Beer:			
Nonrefillable	89, 910, 000	458, 800	------------
Returnable	26, 692, 500	17, 556, 600	------------
Soft drink:			
Nonreturnable	18, 000, 000	0	------------
Returnable	36, 000, 000	21, 840, 000	------------
Total bottles	173, 602, 500	39, 855, 400	133, 747, 100
Cans:			
Beer	161, 320, 000	3, 478, 000	------------
Soft drink	102, 000, 000	8, 100, 000	------------
Total cans	263, 320, 000	11, 578, 000	251, 742, 000
Total beverage containers	436, 922, 500	51, 433, 400	385, 489, 100

Source: Oregon State University bottle bill survey.

The Bottle Bill has resulted in an 88 percent reduction in the number of beverage containers in solid waste. It has been estimated that the beverage container share of solid waste disposal cost is 93.3 million dollars per year (Bingham and Mulligan, p. 22). This estimate is perhaps somewhat overstated in that it compares the proportion of beverage containers to all solid waste and uses that proportion of total disposal costs. Obviously a reduction in one type of waste would not necessarily result in a similar reduction in total cost. Others, however, have estimated the cost of collection and disposal of beverage containers to be $176 million (Midwest Research Institute, p. 6). Using the lower figure, however, and considering that Oregon's share of the total beverage market is approximately 0.8 percent, the savings in solid waste disposal costs would be $656,832 per year.

The effect of the bill on roadside litter is even more pronounced. The Oregon Highway Division has conducted monthly litter counts on 25 to 30 one-mile sections of highways since October, 1971. These surveys indicate at least a 92 percent reduction in item count of beverage containers littered (Governor's Litter Composition Survey). Moreover, 66 percent of containers littered recently are non-returnables—either from other states, or purchased prior to the effective date of the bill. Despite any question concerning interpretation of the survey data, it is apparent that beverage container litter has been reduced by at least as much as has beverage container solid waste. It has been conservatively estimated that 5 percent of the beverage containers in the solid waste stream are littered (Bingham and Mulligan, p. 31). Using this percentage, the saving on litter pick-up amounts to a minimum of $366,000 per year assuming no change in frequency or intensity of litter cleanup. Perhaps more realistically, others have estimated national beverage litter collection costs at 86 million dollars (Bingham and Mulligan, p. 34). Applying the Oregon market share and the indicated reduction in litter to this figure results in an estimated saving of $632,000 per year.

4.6 *Employment.*—There has been much speculation as to the effect of the Bottle Bill on the loss of employment in skilled jobs and the gain in unskilled employment (Wagner, Midwest Research Institute, Bowman). In the industry sectors considered in this report, container manufacturers have reduced production employment as have contract canners. Soft drink bottlers and brewers have increased production employment due to increases in washing and sterilizing, and because bottling is more labor intensive than canning. Increases in transportation and delivery costs have added to truck driver employment. The increased handling, sorting and storing of returned containers has added to warehouse and handling employment. Total effects are outlined in Table 4–6.

TABLE 4–6.—*Operating employment effects of the bottle bill*

Production Labor	Decrease	(350)
Truck Driving	Increase	140
Warehouse and Handling	Increase	575
Total Employment	Increase	365

Source: Oregon State University Bottle Bill Survey.

The above figure does not include employment in industries supplying the required new capital-machinery, buildings, trucks, etc., but only that labor expended in on-going operations in the beverage and container industries. Administrative and clerical labor has not been estimated, but it is doubtful that needs in these areas would be lowered by the legislation. The total annual payroll addition represented by the net increase shown in Table 4–6 is estimated to be $1,600,000.

4.7 *Conclusions.*—The Oregon Bottle Bill was adopted with the objective of reducing litter and solid waste by encouraging the use of refillable beverage containers. It was hoped that the means selected would be effective in accomplishing the objective and result in minimum losses to business, minimum costs to government, and minimum cost and inconvenience to consumers. The findings of this study indicate that the objective is being met very well and that the costs are well below anticipated levels.

As to effectiveness: The use of refillable containers has increased from 44.6% in 1972 to 93.15% in 1973. Beverage container solid waste and litter has been decreased by 88%.

As to its cost to businesses: It cannot be demonstrated that the bill has caused reduction in sales volumes. Container manufacturers, beer distributors, and retailers have experienced adverse economic effects, but total operating income for all business sectors combined has been increased by $3.93 million per year due to the bill. Businesses have suffered capital losses and changeover costs of $175,000 and have made new investments of $5.35 million.

As to cost to government: Income tax revenues should be slightly higher due to the increased business income and increased employment and payroll. Excise tax revenues have not been affected. Costs of enforcement of the legislation are minimal. For the same frequency and intensity of collection and disposal, solid waste and litter costs are down substantially.

As to cost and inconvenience to consumers: Carbonated beverage price increases in Oregon cannot be demonstrated to be caused by the Bottle Bill. Yet considering price increases and deposit losses, the total expenditure of Oregon consumers for the same quantity of beverages in 1973 is $75,000 less than in 1972. This study has made no attempt to survey consumer attitudes. On the assumption that what consumers actually do is more indicative of their real attitude than what they say they will do, we conclude that consumers do not perceive great inconveniences resulting from the bill.

Given its objectives and constraints, the Oregon Bottle Bill has been highly successful. Whether other approaches would be as effective or as efficient can be determined only by other experiments.

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OREGON'S BOTTLE BILL; THE 1977 REPORT

OFFICE OF THE GOVERNOR,
Salem, Oreg.

We, in Oregon, are proud of the success of the Bottle Bill, the first of its kind in the nation.

Not only has our natural environment benefited from the law, but our economy has gained as well. By sharing the information we have gained from our experience, we hope you will see the value and application of similar legislation for yourselves.

BOB STRAUB,
Governor.

OUTLINE OF LAW

ORS 459.810 to 459.890

The basic provisions of the Oregon law, commonly called the "Bottle Bill" are:

1. "Beverage" is defined as beer, malt beverage, mineral water, soda water, and carbonated soft drinks.

2. All "beverage" containers must have a minimum refund value clearly marked, paid by distributor to dealer, and by dealer to consumer.

3. Dealers and distributors may not refuse to accept and refund the deposit on empty "beverage" containers of the kind, size, and brand which they sell.

4. A "certified" beverage container is reusable by more than one manufacturer; capacity and shape may be set by the Oregon Liquor Control Commission.

5. Minimum refund value of each container is 5¢, except for "certified" containers, for which the minimum refund is 2¢.

6. Metal "beverage" containers with pull tabs that are detachable without the aid of a can opener may not be sold or offered for sale.

7. Redemption centers may be established by any person in order to accept returned containers.

(See Appendix for copy of law.)

SUMMARY

The Bottle Bill works in Oregon. The evidence that it is valid and effective is overwhelming. There is no basis for the rumors and misinformation continually circulated by Bottle Bill opponents across the country as they attempt to discredit the Oregon success and to stop other states' legislation. A few facts should dispel these distortions; formidable data backs our statements. Among these facts are:

Beverages sold in returnable containers cost less, as they always have, not only in Oregon but all through the nation. Post-Bottle Bill beverage price increases, associated with runaway sugar prices and general inflation, occurred in Washington and California as well as in Oregon.

Sales have not fallen. They have increased. Weather and the availability of disposable income have their usual effects on beverage sales.

Employment has increased as a result of this legislation. A study sponsored by the Federal Energy Administration projects increased employment nationwide as a result of a proposed national Bottle Bill.

State highway department expenditures for litter collection remain stable. And litter has been reduced. Clerical errors involved in the 1972–74 highway department litter survey, long since corrected, are still being trotted out by the beverage industry as evidence against the Bottle Bill.

The aluminum can has not disappeared from Oregon, nor has any container been banned. After an initial slowing in sales, beverage cans are once again claiming their share of the market in Oregon.

Oregonians support the Bottle Bill with an enthusiasm usually reserved for popular sports, motherhood and the flag. They are not disenchanted or embittered, as some industry representatives would have us believe.

The Bottle Bill gives some Americans a chance to demonstrate their real priorities: a good life and clean environment based not on consumerism but on conservation. The public does not demand a throwaway economy; it has merely responded to aggressive advertising and marketing techniques which promote waste of natural resources.

The existence of a Bottle Bill, with its high public support and participation, has greatly enhanced community awareness of and commitment to environmental concerns. It has facilitated recycling and resource recovery operations in the State, as well as public acceptance of solid waste management programs, public involvement in community air quality standards, and public protection of open spaces.

EFFECT ON SOLID WASTE AND ROADSIDE LITTER

380 million fewer beverage containers are disposed of in Oregon each year because of the Bottle Bill. It has been calculated that the number of containers entering the solid waste stream has been reduced by 88 percent as a result of the law. A Portland garbage hauler commented that the volume of household garbage on his route diminished by 7–10 percent when the law went into effect.

NUMBER OF BEVERAGE CONTAINERS PER YEAR IN SOLID WASTE

Type of container	Prebottle bill conditions	Post-bottle bill conditions	Reduction
Bottles:			
Beer:			
Non-returnable	89, 910, 000	458, 800	
Returnable	26, 692, 500	17, 556, 600	
Soft Drink:			
Nonreturnable	18, 000, 000	0	
Returnable	36, 000, 000	21, 840, 000	
Total bottles	173, 602, 500	39, 855, 400	133, 747, 000
Cans:			
Beer	161, 320, 000	3, 478, 000	
Soft drink	102, 000, 000	8, 100, 000	
Total cans	263, 320, 000	11, 578, 000	251, 742, 000
Total beverage containers	436, 922, 500	51, 433, 400	385, 489, 100

Source: Oregon State University bottle bill survey.

Oregonians take great pride in the beauty of their state. They are especially proud when tourists remark that there is noticeably less roadside litter in Oregon than in neighboring states. This fact has been substantiated by several surveys. One of these was carried out in late 1976 by an Oregon newspaper, collecting and comparing litter from Oregon highways and those of its neighbor, Washington. They found 7.5 times more bottle and can litter in Washington. Roadside litter reduction was the original goal of the law and is also the most obvious result.

To document the level of the law's success, a survey of roadside litter amount (by volume and piece) and content was carried out on highways throughout the state, as provided in the bill. The survey was conducted by the State Highway Division along 30 randomly selected one-mile sites in Oregon, for one year before and two years after the law went into effect. When all the figures were in and comparable factors were checked for accuracy, they showed a significant reduction in beverage container litter. The reduction after one year was 72%, after two years 83%. The trend was clear: the Bottle Bill was indeed producing the desired result. There was no necessity for, nor had provision been made to continue the survey beyond these three years; costs of recording and analyzing masses of data made its continuation impractical.

The Oregon State Highway Division continues its normal highway program of roadway maintenance, right-of-way maintenance, litter collection, and so on. Over the past five years, litter collection costs have risen only 1.5% annually, well below the rate of inflation, from $589,076 in 70/71 to $633,353 in 75/76. These figures include the costs of the Oregon Youth Litter Patrol, which is funded through the sale of "vanity" license plates.

The dramatic reduction in visual pollution along Oregon highways is a result of the greatly reduced volume of beverage container litter. The number of bottles and cans found on comparable test sites before the law amounted to 22,639; after the law had been in effect for two years, the count on the same sites was down to 3,748. Not only are cans and bottles the most visible sort of litter; they are also the least biodegradable. Natural conditions can recycle a tin can to dust in 100 years, an aluminum can in 500 years, and a glass bottle in one million years.

LITTER COMPOSITION ON OREGON'S HIGHWAYS BEFORE AND AFTER THE BOTTLE BILL

	1971–72				1973–74			
	Item count	Percent of total litter	Cubic feet	Percent of total litter	Item count	Percent of total litter	Cubic feet	Percent of total litter
Deposit beverage containers	2,829	4	NA	NA	2,099	4.3	NA	NA
Nonreturnable containers	19,810	25	NA	NA	1,649	3.4	NA	NA
Total beverage containers	22,639	29	678	42	3,748	7.7	112	13
Other items	56,605	71	928	58	44,862	92.3	735	87
Total	79,244	100	1,606	100	48,610	100.0	847	100

Source: Oregon Highway Division.

ENERGY SAVINGS DOCUMENTED

The critical need to conserve energy has begun to receive national attention from both press and government. Bottle Bill proponents have long been aware of the need to look at all energy costs of container reuse, accounting for raw materials acquisition, manufacturing and cleaning processes, and transportation at each stage. Taking into account total resource patterns, energy savings resulting from the shift to returnables have been significant. A net saving of 1.4 trillion BTU's per year has been realized in the new system in Oregon alone, enough to supply the heating needs of 50,000 Oregonians. Much higher savings would be realized with a national bottle bill. A Federal Energy Administration-sponsored study projects a savings of 144 to 169 trillion BTU's annually, equivalent to 70,000 to 80,000 barrels of oil per day saved nationally.

Higher return rates result in higher energy savings, of course. In Oregon, returnable soft drink bottles are reused about 24 times and beer bottles about 20 times. At this rate, the returnable bottle system uses one third the energy consumed in the throwaway system. Added energy savings are obtained from recycling those bottles that are not refilled. The return rate for cans in Oregon is very high, at 80%; the recovered metals are recycled, for additional savings. According to industry figures, the manufacture of aluminum from virgin materials requires 20 times the energy needed for recycling aluminum.

ENERGY SAVING CALCULATIONS—OREGON 1974

	Percent recycled	Container energy per gallon consumed [1] (Btu)	Container size (ounces)	Container energy per filling (Btu)	Container mix 1971 (percent)	Total container for 1974 with 1971 mix (millions of fillings)	Container mix 1974 (percent)	Total containers for 1974 with 1974 mix (millions of fillings)	Difference in container use (millions of fillings)	Energy requirement change (billions of Btu)
Beer:										
Returnable bottles	95	30,730	12	2,880	36	144	96	384	+240	+691
Nonreturnable bottles	0	64,380	12	6,040	31	124	0	0	−124	−749
Can—aluminum	[2] 15	75,030	13	7,620	33	132	0	0	−132	−1006
Aluminum	[3] 70	38,630	13	3,920	0	0	4	16	+16	+63
Subtotal—beer					100	400	100	400		−1,001
Soft drink:										
Returnable bottles	96	11,230	16	1,404	53	159	91	273	+114	+160
Nonreturnable bottles	0	53,010	10	4,141	7	21	0	0	−21	−87
Can—bimetal	[4] 0	53,220	12	4,989	40	120	4	12	−108	−538
Can—all steel	[3] 70	31,340	12	2,937	0	0	5	15	+15	+44
Subtotal—soft drinks					100	300	100	300		−421
Total energy consumption change										−1,422

[1] Based upon data from—Resource and Environmental Profile Analysis—of 9 beverage container alternatives [17].

[2] National average percent recycled of 15 pct [17].

[3] Gudger and Bailes [1].

[4] Although the percent returned to retailers is approximately 70 pct, very few are recycled.

Source: Oregon's bottle bill 2 yr later. Oregon Environmental Council, 1974.

PUBLIC HEALTH AND SAFETY

According to all government agencies charged with inspection and enforcement of health and sanitation standards, no problems related to the Bottle Bill have been reported, nor has any new staff been added to implement the law. Distributors and dealers are managing the flow of returned containers, efficiently sorting and handling them, with no adverse effect on health and safety standards in stores or other outlets.

Public health is protected by this law as it outlaws metal beverage containers with pull tabs. The result has been to make Oregon's recreation areas cleaner and safer. Oregon has fine public beaches that run the entire length of the coast; the Bottle Bill has helped to keep them and our campgrounds and wilderness areas free of sharp metal and broken glass which are a hazard to the health and safety of people and animals.

IMPROVING THE EMPLOYMENT PICTURE

Employment in Oregon increased as a consequence of the Bottle Bill. New jobs were created in brewing, soft drink bottling, transportation and retail sales, while bottle and can manufacturing positions were reduced as the demand for containers dropped. An estimated net increase of $1,600,000 in annual payroll ensued, with its accompanying economic benefit to the community.

EFFECT OF BOTTLE BILL ON OREGON EMPLOYMENT

Production labor	Decrease	(350)
Truck driving	Increase	140
Warehouse and handling	do	575
Total employment	Increase	365

Source: Oregon State University bill survey.

A study by Gudger and Bailes estimates a gain of 365 jobs, calculated from all segments of the economy. The lowest estimate, 135 jobs gained, is from a study by ADS which was based on inadequate data, having failed to elicit enough responses from enough industry sectors.

Improving the employment picture in Oregon was not the initial goal of the Bottle Bill but has been a welcome effect.

THE ECONOMY: SALES UP, PRICES DOWN

The net economic effect of the Bottle Bill on Oregon consumers and beverage-related industries has also been positive. Excise tax records show increased beer sales. Soft drink manufacturers, distributors, and retailers reported a sales increase in 1973 over 1972 of over 10%. This figure is well above the national trend for this economically depressed period. Total operating income for all beverage-related business sectors combined was increased by $3.93 million per year in the two years following the effective date of the law. Beverage sales and price fluctuation are dependent on many factors other than refund legislation, factors which have always influenced the market, such as weather, sugar prices, spendable income, inflation, and labor costs.

Oregon consumers save money with the shift to refillable containers. The price for beverages in cans has traditionally been as much as 50% per ounce higher than for the same beverages in refillable bottles. These prices of beverages in refillable containers were compared with non-reused containers in an EPA-sponsored study in 24 States. Beer and soft drinks in refillable bottles were shown to be definitely cheaper, from 5% to 58% less, depending on the size of the container, with greater savings going to larger sizes.

Nationally, the manufacture of disposable beverage containers has grown eight times faster than the consumption of beer and soft drinks. The beverage industry believes that convenience packaging is largely responsible for sales growth; they resist refund legislation, fearing it will cut into sales volume. However, in Oregon none of these grave economic consequences predicted by the beverage industry has occurred; Oregon's economy is the better for the Bottle Bill.

OREGON BEER CONSUMPTION

Fiscal year	Gallons (millions)	Population (millions)	Consumption (gallons per capita)
1964	27.8	1.856	14.97
1965	30.0	1 906	15.73
1966	31.7	1.972	16.07
1967	33.7	2.001	16.84
1968	35.1	2.006	17.49
1969	35.7	2.055	17.37
1970	39.4	2.081	18.93
1971	40.6	2.091	19.41
1972	44.8	2.143	20.90
1973	46.3	2.183	21.20
1974	46.5	2.224	20.90
1975	48.5	2.266	21.40
1976	52.3	2.299	22.74

Source: Oregon Liquor Control Commission.

ENFORCEMENT

The Oregon refund law is self-sustained and self-implementing, a proper law which is in effect publicly administered.

There have been no enforcement problems associated with the refund law. Its highly efficient design, based on positive reinforcement, creates built-in incentives for complying. The 18-month phase-in period, between passage and implementation, gave retailers and consumers time to understand the law's mechanisms. Complaints are rare, usually resolved informally. No state or local government agency has added staff or incurred significant added expense for enforcement of this law. Enforcement power was charged to the Oregon Liquor Control Commission; they report only five retailers prosecuted in as many years since the law went into effect.

RECYCLING AND RESOURCE RECOVERY

Recycling centers, both commercial and non-profit, have continued to flourish in Oregon since the law went into effect. Since 1970, the number of recycling programs in the state has risen to 325. Bottle Bill opponents had predicted that it would cut into voluntary recycling and discourage the harvest of other recyclable waste products. In fact, the reverse is true; the public has been educated by the Bottle Bill to recycle other items. Public participation is the basis for recycling; beverage containers are not essential to economic operation of recycling centers.

Eighty percent of beverage cans are returned in Oregon; while they are not refilled, they are recycled. Several recycling companies service beer and soft drink dealers, collecting the returned aluminum, steel, and glass containers and processing them in preparation for recycling.

The Bottle Bill has not hindered the planning or implementation of resource recovery processing facilities as part of solid waste management in Oregon. Today's technology allows recovery of energy and some materials from municipal wastes; as it develops, it must become complimentary to the concepts of recycling and reuse, if it is to conserve resources rather than serve as an end in itself. Resource recovery from solid waste cannot rely on any one source of waste, such as beverage containers, and remain economically viable.

The Recycling Information Office of the Oregon Department of Environmental Quality has served as an information exchange for the public and recyclers throughout the state since 1973. Their Recycling Switchboard lists all recycling and resource recovery operations in the state; a monthly bulletin, guides for recycling projects, fact sheets, and market lists are available for recyclers, legislators, environmental groups, educators, public officials, and interested citizens.

PUBLIC ACCEPTANCE

Public acceptance is the real measure of the Bottle Bill's effectiveness. In Oregon 90% of the population approve of the law, and 95% participate in its implementation, as illustrated by the high container return rate. Energy is saved; money is saved; bottler, consumer and environment gain.

Convenience plays an important role in the Bottle Bill's popularity; containers are commonly returned to the store where they were bought, making returns easy for the consumer and the retailer. Another advantage is reduction of household garbage volume and collection cost. And, of course, pride in a cleaner landscape continues to inspire Oregonians to prefer the refillable container system.

The public opinion surveys underscore the persistence of the Bottle Bill's popularity. One, conducted by Applied Decisions Systems in 1973, showed that 95% of those interviewed had an opinion of the law and, of those, 95% approved by law. The second survey, by the Seattle Post-Intelligencer in 1975, showed 90% in Oregon in favor of the bill, and in Washington, a neighboring state, 68% in favor of an Oregon-type refund law for their state.

Oregon retailers and distributors have cooperated and supported this new law from the start, making the transition smooth. Retailers continue to handle the returns themselves rather than requesting the creation of redemption centers as provided for in the law.

Government officials and politicians look favorably on the Bottle Bill. There has been no attempt to repeal this popular piece of legislation; instead, modifications to increase its scope in various ways have been proposed in each session of the state legislature. The fact that the Bottle Bill has not increased the costs of government nor expanded the bureaucracy enhances its popularity with public and officials alike.

APPROVAL/DISAPPROVAL OF BOTTLE BILL

[In percent]

	Approve	Disapprove	No opinion
1973:			
All Oregon respondents	90.8	4.7	4.5
Oregon soft drink consumers	90.8	4.6	4.6
Oregon beer consumers	90.3	5.0	4.7
1975:			
All Oregon respondents	89.9	4.1	6.0
All Washington respondents	68.0	23.6	8.4

Sources: Applied Decisions Systems Study, 1973; Seattle Post-Intelligencer, 1975.

Note: Additional information available. See bibliography.

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For more information, call or write:
Oregon Department of Environmental Quality
Recycling Information Office
1234 SW Morrison Street
Portland, Oregon 97205

COMPARISONS OF BEVERAGE PRICES IN OREGON AND WASHINGTON, OCT. 18, 1976

	Safeway Store		Vancouver Food Center, Vancouver, Wash.	Thriftway, Portland. Oreg,
	Vancouver, Wash.	Portland, Oreg.		
Rlitz:				
6 pack, 11 oz bottles	$1.58	$1.58	$1.59	$1.58
6 pack, 12 oz cans	1.68	1.69	1.69	(1)
32 oz, quart	.58	.56	.63	.56
12 pack, 11 oz bottles	3.08	3.14		3.14
12 pack, 12 oz cans	3.28	3.35	3.35	(1)
Olympia:				
6 pack, 12 oz bottles	1.58	[2]1.58	1.59	[2]1.58
6 pack, 12 oz cans	1.68	1.69	1.69	(1)
32 oz, quart	.58	.56	.63	.56
12 pack, 12 oz bottles	3.08	[2]3.14		[2]3.14
12 pack, 12 oz cans	3.28	3.35	3.35	(1)
Rainier:				
6 pack, 11 oz bottles	1.58	1.58	1.59	1.58
12 pack, 11 oz bottles	3.08	3.14		3.14
Budweiser:				
6 pack, 12 oz bottles	1.68	[2]1.72	1.69	[2]1.72
6 pack, 12 oz cans	1.78	1.84	1.79	1.82
32 oz, quart	.68	.65		(3)
12 pack, 12 oz bottles	3.48	[2]3.39		[2]3.39
Coca-Cola:				
6 pack, 12 oz cans	1.49	1.49		
8 pack, 16 oz bottles	1.85	1.85		
26 oz bottle	3/1.09	3/1.09		
7-Up:				
6 pack, 12 oz cans	1.49	1.49		
8 pack, 16 oz bottles	1.85	1.85		
28 oz bottle	3/.99	3/1.09		
Pepsi Cola:				
8 pack, 16 oz bottles	1.85	1.85		
26 oz bottle	3/.99	3/1.09		
Tab:				
8 pack, 16 oz bottles	1.85	1.85		
32 oz bottle	3/1.09	3/1.09		
Cragmont: 12 oz cans	6/.99	6/.99		

[1] No cans.

[2] 11 oz.

[3] No quarts.

Note: Vancouver prices do not include the 5.1 percent Washington sales tax. Portland prices do not include the minimum deposit.

Source: Oregon Department of Environmental Quality Recycling Information Office.

OREGON JOURNAL ROADSIDE LITTER SURVEY, 1976

	Average daily cars	Beverage containers in litter	Days since last pickup
OREGON HIGHWAYS			
O-1	3,200	27	65-74
O-2	915	13	100
O-3	9,300	11	78-108
O-4	2,650	85	365+
O-5	3,800	48	86
O-6	6,500	34	111
O-7	1,200	23	66
O-8	3,400	97	74
O-9	1,050	17	78-108
O-10	2,500	30	65-74
Totals for 10 mi	34,515	385	
Averages per mi	3,452	38.5	
WASHINGTON HIGHWAYS			
W-1	3,275	343	[1]156
W-2	980	339	[1]217
W-3	5,000	306	[1]217
W-4	2,300	591	[1]217
W-5	3,900	423	(2)
W-6	6,300	232	(2)
W-7	1,300	149	[1]139
W-8	3,000	144	73-80
W-9	990	253	[1]217
W-10	1,300	155	[1]217
Totals for 10 mi	28,345	2,935	
Averages per mi	2,835	293.5	

[1] Estimates only.

[2] Undetermined.

Source: Oregon Journal, Oct. 25, 1976.

Mr. HATFIELD. Mr. President, I also ask unanimous consent that several other statements attesting to Oregon's success be placed in the RECORD. Included among these are statements by Mr. Don Waggoner, the Environmental Action Foundation's pamphlet, "All's Well on the Oregon Trail," and an article for Sierra Club Bulletin by Nancie Fadeley entitled, "Oregon's Bottle Bill Works."

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

[From Environmental Action]

ALL'S WELL ON THE OREGON TRAIL

A REFUTATION

In late 1975 the Aluminum Company of America (Alcoa) produced the pamphlet *Trouble on the Oregon Trail*. This publicity piece which angered environmentalists across the country is an effort to convince citizens and government representatives that the bottle bill in Oregon is a failure. Alcoa would have us believe that Oregon's litter has increased since passage of the bottle bill and that the bill is causing serious economic problems.

The truth is that Oregon's experience has been almost entirely positive. Increased employment, reduced consumer costs, less litter, lowered energy consumption and improved quality of the life have all followed the law. Let's look at the facts.

A RIP ROARING SUCCESS

Oregon's bottle bill became effective in October 1972. Under the law, all carbonated beverage containers (cans and bottles) carry a refund value. Dealers are required to pay a refund for any container they stock in that particular type and size. Soft drink and beer cans with detachable pull-tab openers were banned. Certified containers which can be reused by different bottlers carry a 2-cent deposit rather than the usual 5-cents.

The constitutionality of the law was challenged in Oregon courts and upheld. Oregon's ex-governor Tom McCall refers to it as a "rip-roaring success." And polls have shown that 91% of the consumers in Oregon favor the bill.

LESS LITTER UNDER THE LAW

Alcoa presents a chart entitled "Last of the Oregon Litter Counts" in which they compare the average number of litter items found during the summer of 1973 (the first year after the bill) to the average number found in the following year. This chart shows a 52% increase in beverage container litter.

Alcoa draws its figures from a study prepared by George Wagner (an independent consultant) of the Oregon Highway Department's litter counts. Wagner's data has been found to be "inaccurate" for many reasons by the U.S. Environmental Protection Agency (EPA). In his study Wagner compared a significantly under-estimated recount of litter for the first year after the bill was passed to an over-estimated litter count for the second year.

Furthermore, EPA has stated that "since litter data is available for the entire three-year period (before enactment, first and second year after) it is not necessary, nor is it advisable to depend upon a comparison for one three-month period in two successive years after the law's enactment . . .", as Alcoa has done in its chart.

According to EPA, the Oregon Environmental Council's study of the highway department litter collection, "provides the most complete and reliable information on the impact of the bottle bill on litter in the State of Oregon."

There were twice as many returnables sold after the bill than before and yet there was a 26% reduction in the number of returnables found in litter. And, the 83% reduction in total beverage container litter after two years of the law is most significant.

Alcoa would like to give credit for any litter reduction to an "all out effort" made by citizens and government in Oregon and not to the bill.

Alcoa claims that the state highway department quadrupled expenditures on litter clean-up. In fact, funds expended by the highway department on litter clean-up have remained almost constant from 1970 to 1974.

Alcoa's figures on litter citations are also misleading. They use figures which include citations for recreational vehicle sewage.

Alcoa also refers to "hundreds of young people" on patrol picking up litter in Oregon as a possible explanation for litter reduction. They refer to the Youth Litter Corps, SOLV (Save Oregon from Litter and Vandalism) and KOL (Keep Oregon Livable). These programs could not have had any effect on state litter surveys. The state surveys took place on 30 randomly selected one-mile sections of highways which were surveyed and picked-up early each month. No other litter crew was permitted to clean these test sections.

The fact that beverage container litter decreased by 82% in the first two years of the bottle bill while other litter only decreased by 21% shows that the bottle bill with its financial incentive has been more effective than general anti-litter programs in Oregon.

Trouble on the Oregon Trail states that bottle bills do not ". . . even propose to deal with all the sources of litter." This is true. The bottle bill in Oregon does not attempt to deal with gum wrappers, cigarette butts or any other type of litter except beer and soft drink containers. However, the results of a survey conducted in three Oregon cities before the bill took effect showed that beverage containers comprised 56% by volume of all littered items. They are the most visible and the most dangerous portion of litter.

The container industry is fond of using "piece-count" litter surveys in order to prove that their products do not represent a large portion of litter. Piece-count surveys often include non-manmade items, such as dead animals, leaves and twigs. Such surveys give every item the same value, implying that a gum wrapper is as much of an eye sore as a can or bottle.

BOTTLES AND CENTS

Earnings. Alcoa claims "earnings were down." They are referring to beverage industry earnings which they claim were down by $7 million. Alcoa's data came from a study prepared by Applied Decision Systems (ADS), a Massachusetts consulting firm. Alcoa erroneously calls the ADS report "Oregon's official study." Although ADS was paid by the state for their study, its conclusions have not been endorsed or supported by the state.

Another study prepared by Professors Gudger and Bailes of Oregon State University (OSU) found that business experienced a $4 million increase in operating revenue after the bottle bill. Included is the substantial saving to malt brewers and soft drink bottlers who no longer found it necessary to buy as many cans and bottles.

Consumer Prices. Alcoa asserts that consumers in Oregon are paying more for beer and soft drinks due to the bottle bill. However, both ADS and OSU conclude that although some beverage prices have increased there is no reason to attribute any price rise to the law. Beer and soft drink prices in Oregon remain comparable to prices in neighboring Washington where there is no bottle bill.

Sales. In claiming "sales were down", Alcoa states that sale of private label and warehouse soft drinks dropped 40%. Private label and warehouse soft drinks are the "house brands" which comprised only about 20% of the market before the bottle bill. These beverages were packaged almost entirely in throwaways.

ADS found no change in soft drink sales for the first two years of the bill.

It is true that most stores in Oregon no longer carry as many brands, or as many different kinds and sizes of containers as they did before the law went into effect. But every major domestic beer, and most foreign beers remain on the market. ADS surveyed Oregon consumers and found that only 7% thought the bottle bill had limited their choice of soft drink brands. In addition only 4% expressed negative sentiments toward this brand limitation.

Costs. Stating "costs were up", Alcoa refers to the capital investments paid by industries to switch from throwaways to returnables. This is true but it should be remembered that capital investments were also required when industry switched from returnables to throwaways in the first place. In addition, these extra investment costs are invariably passed on to consumers and do not necessarily constitute a loss to industry.

Employment. Alcoa cites job losses ranging from 165 to 227 in the first year of the bottle bill. This information came from ADS. Alcoa neglects to report that since ADS received little co-operation from retailers, the extensive job gains in retail operations were not calculated. ADS did estimate that there was an addition of a "potentially large number of jobs and overtime hours in retail stores . . ." as a result of the bill.

OSU went into employment impacts in more detail. They found that 350 jobs were gained for truck driving and 575 jobs gained for warehouse and handling giving a balance of 365 additional jobs. They also noted additional employment increases for industries supplying new capital for returnables, such as machinery and trucks.

Small Businesses. It is true that storing and handling returnables can create some problems for retailers but grocers can pass on increases in handling costs to the consumer. Innovations such as the interchangeable "stubby" bottle are making the returnable system more convenient for retailers. The "stubby" is being refilled by all brands of beer interchangeably and its standard size and shape make it easy to stack and handle.

There is no Oregon store, large or small, that has gone out of business as a result of the bottle bill.

Alcoa claims that eight of Oregon's 29 bottlers have sold out within two years of the bill. This is proportional to the number of independent small bottlers selling out to large concerns nationwide, regardless of legislation. It should be noted that selling out is different from going out of business. No bottling plant in Oregon has shut down since the bottle bill was passed.

WHAT ALCOA DIDN'T TELL US

In addition to litter reduction, Oregon has experienced other environmental benefits from the bottle bill.

Energy. Don Waggoner of the Oregon Environmental Council has estimated that Oregon is saving approximately 1,400 billion BTU's each year as a result of the law. This is equivalent to the gas used for home heating by approximately 50,000 people in Oregon annually.

Solid Waste. The OSU study concluded that Oregon has experienced a significant reduction of beverage containers in garbage. Before the bill's enactment, 436,922,500 soft drink and beer containers contributed to Oregon's solid waste every year. After the bottle bill only 51,433,400 containers per year became waste—a reduction of 88%.

PROMISING ALTERNATIVES

It's no surprise that Alcoa suggests resource recovery technology and the Action Research Model from Keep America Beautiful (KAB) as alternatives to bottle bills.

KAB's Action Research Model (ARM), which Alcoa wholeheartedly endorses, is another attempt to draw public attention away from the materials and energy wastefulness of throwaway containers.

KAB's approach is two-pronged. First: convince the public that the only problem with containers is litter and since cans and bottles make up only a small percentage (they use piece-count litter surveys), bottle bills do not help litter reduction. Second: convince the public that litter reduction is achieved by programs such as ARM. They do not, however, show any concrete evidence that ARM is working.

Represented on the Board of Directors of the National Center for Resource Recovery are most of the same corporations that make up KAB—including Alcoa. Resource recovery is a high technology, expensive process of recovering materials and/or energy from solid waste. Although it is a technology that is still in the experimental stage, great hopes are seen for it in the future.

Oregon believes that there is no inherent conflict between their bottle bill and resource recovery. The Oregon State Solid Waste Management Plan, in its effort to achieve 90% recycling by 1982, includes the building of at least a half dozen resource recovery facilities.

ADDRESS BY DON WAGGONER, PAST PRESIDENT, OREGON ENVIRONMENTAL COUNCIL TO THE SIXTH ANNUAL COMPOSTING-WASTE RECYCLING CONFERENCE

Good morning. I am very pleased to be able to be with you today and talk to you about Oregon's bottle bill. We are proud of its success here in Oregon.

The bottle bill concept approaches the problem of human waste by reducing the total amount of waste that is generated. This is the principle of source reduction and is simply summarized with the statement, "Don't make it in the first place." Those of you who read Rodale's "Environmental Action Bulletin" are well aware that Oregon's bottle bill has been extremely successful in this regard.

The Act covers carbonated soft drinks and beer and requires that a refund be paid by the retailer for empty beer and soft drink containers. In order to encourage the use of standard reusable containers, a minimum 2¢ refund is required on all bottles which are certified as being used by more than one manufacturer. For all other beverage containers (including cans) a 5¢ minimum refund is required. The law was passed in 1971 and its success in moving Oregon out of the flip-top, pull-tab, throw-away society has been nothing short of dramatic.

The beer can, which held 33% of the market in Oregon has moved to 4%. The nonreturnable beer bottle, which held 31% of the market has been virtually eliminated and the returnable, refillable beer bottle has increased from 36% to 96% of the market.

For soft drinks, a similar pattern has occurred. Cans held 40% of the market prior to the Act. They moved to only 9% of total sales during the second year after the Act's effective date. Non-returnable soft drink bottles are completely off the market and the returnable, refillable soft drink container moved from 53% to 91% of the total soft drink market.

As this has occurred the statement which alleges that "They'll never bring them back anyway" has been roundly disproved. Soft drinks enjoy a 96% return rate and the certified reusable container, the 11 ounce "stubby" enjoys a 93% return rate for the five regional breweries and four of the major shipping brewers.

This, is source reduction at its very best. During 1974, as a direct result of Oregon's bottle bill, there was a reduction of container purchases by bottlers and brewers of 81%. The solid waste stream was therefore reduced by three hundred and fifty million containers.

Now, it is conventional marketing wisdom that decreasing the different types of packages in which the product is offered will reduce sales. The same conventional wisdom tells us that effectively eliminating single use "convenience" packaging by putting a 5¢ refund value on that container will also reduce sales. This simply hasn't happened in Oregon. Beer sales continue to increase as they have in the past and there is no evidence to indicate that soft drink sales have been adversely affected.

As a nation, we are beginning to accept the fact that there *really is* an energy crisis. Further, we are coming to the realization that our natural resources are limited. Finally, there is a spreading revulsion against the highly visible litter which these throw-away beverage cans and bottles bring to our roadsides, our trails, our rivers, our lakes and our beaches.

Back in 1971, the Oregon bottle bill was enacted by a courageous and foresighted Oregon Legislature. At that time, very few people were concerned about conservation of our national resources and energy. The book "Limits to Growth" had not yet been published. OPEC had not yet shocked the industrialized nations by their price increases. However, Oregonians were becoming increasingly incensed at the litter, the most visible portion of which is often beverage containers. After all, aren't those containers designed to catch our eye?

Thus, litter reduction was the primary reason for Oregon's bottle bill. Without the promise of a significant litter reduction, I am certain that Oregon's landmark legislation could not have been passed. As it was, it was close, very close, but it did pass. The lobbying against its passage was intense, just as it has been in every city, county and state that has considered bottle bills across the country. I am sure that every argument with one exception that has been used throughout the United States was used here in Oregon.

One argument, however, was *not* used in Oregon. That argument is the one that is now being used time and time again throughout the United States. It goes something like this—"Oregon's bottle bill has failed. Litter has increased. Costs have increased. There has been a net job loss. Sales are down and the consumer is no longer able to purchase the aluminum can."

A recent effort which typifies the attack on the Oregon bottle bill is the ALCOA leaflet entitled "Trouble on the Oregon Trail". Perhaps some of you have seen this as it has been widely distributed. I would like to spend several minutes discussing the specific content of this leaflet since it is at the same time one of the most blatant and one of the most often used documents in the campaign to defeat bottle bills throughout the country. The ALCOA pamphlet starts out by stating that despite early reports of success, that the true, negative aspects of the bill are now coming out. It then details some of the anti-litter efforts which have been underway in Oregon. It speaks of the citations and warnings being handed out by police to litterers and mentions that litter clean up costs increased between 1969 and 1973. It also states that in 1973 hundreds of young people were on patrol picking up litter. Thus, it lays the foundation of a picture of Oregon as a state that is somehow different from other states, and which was making major changes which would have been expected to reduce litter even without a bottle bill.

What it fails to say however, is that there was a very elaborate test program which was established to carefully monitor any changes in roadside litter during the year prior to the bill's effective date and for two years following the October 1, 1972 effective date of the bill. The pamphlet implies that there may have been an increase in enforcement activities. This was simply not true. During the first full year immediately following the bottle bill's implementation, litter related warnings and citations actually decreased.

In a similar fashion, the litter expenses are misleading. They suggest that the increase of litter pick up expenditures could have resulted in some change to the litter reduction results. The truth is that the 30 test sites which were randomly selected from state highways in western Oregon were carefully controlled so that any increases or decreases in litter pick-up expenditures would not have effected them in any way.

Under a heading "Twilight on the Trail" the ALCOA pamphlet has been printed in two versions. The first version showed beverage container litter going up by 90% between the first and second years of the bottle bill. (The summer of 1973 and the summer of 1974). The second version which is the result of a printing revision of October, 1975 shows an increase of 52% in beverage container litter. Both of these figures are entirely unjustified. The correct result using comparable data is that there was not an increase at all but instead, a decrease of 20% between these two years.

It will be very illustrative of the tactics which have been used by the anti-bottle bill lobby if we examine this particular claim in some detail. Briefly, two separate studies which were well known to give results which could not be successfully compared have indeed been compared. It is thus, a classic "apples and oranges" comparison.

The first study lasted three years. Litter deposited on 30 one mile sections was picked up monthly or semi-monthly and tallied in the field. I will refer to these tallies as "field counts." The important thing to note is that the three year's data is comparable. Consistant methods were used throughout the full three years of the study. The study started one year before the act took effect and continued for two years after the October 1, 1972 effective date.

The second study covered only the period during the first year after the Act went into effect, it consisted of an additional tabulation of a portion of the field count data. The method used was that after the field tabulations had been made the litter was sent to Salem for a recount. There, only the first twenty-five of the field sites received in Salem were tabulated.

For various reasons, some of which are not completely understood, the Salem counts were significantly and consistantly lower than the field counts. As a result the only conclusions which can be drawn out of the Salem counts are volume relationships between various kinds of litter. However, any direct comparisons between the Salem recounts and the field counts will lead to completely misleading conclusions. This was well known by all persons who have been carefully following the results of Oregon's bottle bill. The Applied Decisions Systems report, one of the principal studies made to evaluate the Act's effectiveness, discusses this at some length in their final report.

Nevertheless, the percentage increases found in ALCOA pamphlets do use the Salem recount in their calculations. Therefore, they have a low base for the first year after the bill went into effect. It then relies upon the field count which utilizes the consistent method of counting for the second year after the bill's effective date.

An earlier report released on December 20th, 1974 by the Oregon Beverage Industry Task Force went even further and claimed a 127% increase. This report not only paired the low Salem recount against the field counts but further contained a basic error in interpreting the data which was provided by the Oregon State Highway Department.

It is significant to note that nowhere in this pamphlet is there a reference to the fact that this "apples and oranges" Salem recount versus field count comparison basis is being used. Rather, a footnote states that "information in this article is from the Oregon Highway Division survey". It is true that this data was provided by the Oregon Highway Division. However, at no time did the Highway Division ever *summarize, compare* or *draw conclusions* regarding their data. Instead, the conclusions were drawn by persons who *used* the Highway Department's raw data, unknowingly made gross errors in dealing with the data and then subsequently chose to compare incompatible surveys. It is difficult to avoid the conclusion that this amounted to deliberate deception with the apparent goal of showing that the bottle bill had been a failure.

The section "Twilight on the Trail" in ALCOA's October, 1975 version ends with the paragraphs "By September, 1974 littering with beverage containers increased 52% while other litter not covered by the Oregon bottle bill dropped 26%. The litter count was discontinued." The clear implication is that the litter count was discontinued as a result of data which was unfavorable to Oregon's bottle bill. The fact is that in October of 1973 it was decided that litter would be picked up for another year. During September of 1974 it was simply reaffirmed that sufficient data had been developed. There is absolutely *no* foundation to the suggestion that the litter count was discontinued because of a souring of the results.

The comparable field count versus field count comparisons show a continuing decline during the second year after the bill went into effect compared to the first. Comparing the year before the Act and two years after, there was a total reduction of 83% for beverage container litter and 21% for other items. This results in a 39% reduction on total litter by piece count and a 47% reduction by volume two years after the Act went into effect. Thus, the 83% reduction in beverage can and bottle litter is even slightly larger than the 81% reduction of total cans and bottles entering the solid waste stream here in Oregon following the major switch to returnable, refillable containers.

The second major ALCOA charge is economic. The "Trouble on the Oregon Trail" pamphlet states that earnings were down, sales were down, jobs were lost, costs were up, businesses were hit and consumers took it on the chin.

It is true that earnings were down some. It is an inevitable fact that source reduction techniques result in elimination of the production of certain items. This results in losses by those companies that were making the now unnecessary products. However, a large portion of the losses in pre-tax earnings which were detailed are a result of a convention used by soft drink bottlers in "writing down the container to deposit." Thus, if a bottler purchases a bottle for 15¢ and the deposit is only 5¢, he immediately charges the difference between 15¢ and 5¢ as a direct reduction of his earnings. Since the Act has gone into effect, the refund has been increased from 5¢ to 10¢ on soft drink returnables of 16 ounces or less and from 10¢ to 20¢ on larger bottles. Following the same logic of the "write down to refund" convention it would appear reasonable that it would now be necessary to "write up the value to refund". It is likely that this simple minipulation would result in more increases in pre-tax earnings being shown than the total losses previously detailed.

The statement that sales of private label and warehouse soft drinks dropped 40% completely ignores the fact that franchised bottler sales, such as Pepsi and 7-UP increased significantly to balance off the private label and warehouse sales decrease.

The statement that "Jobs were lost" ignores the increase in jobs at the retail grocer level and increases in common carrier trucking. In the Applied Decision Systems study it was specifically noted that the impact of the additional handling and sorting of the retail grocer was not included. The ADS report has simply been used directly by ALCOA without stating that the largest area of employment increase had been omitted. When common carrier trucking and retail grocer impacts are included the net change becomes an *increase* of 55 to 365 people. The lower figure assumes that fifty percent of the increased hours expended by the retail grocers resulted in existing personnel merely working longer hours. The 366 net increase is based on equivalent full time employees based on extra hours worked. No mention of this was made in the ALCOA release.

To state that costs were up completely ignores the fact that literally millions of containers did not have to be purchased. Thus, in fact costs were *down*. This is the reason why consumers actually profited from the change. If we look at consumer price level in Oregon and Washington since the bottle bill became effective, we find only slight cost differentials between comparable packages. The only significant differences have been that Oregonians are buying more refillables. For soft drinks, there has been and continues to be a significant difference between the unit cost of a refillable compared to the unit cost of a throw-away. Since Oregonians purchase a higher percentage of the lower unit cost refillables, they have actually saved money.

Finally, to suggest, as ALCOA does, that "8 of the 29 bottlers sold out within two years" as a direct result of the bottle bill is again misleading. Beginning in 1973, the large increase in sugar prices caused the retail prices of soft drinks to go up all over the United States. This resulted in a profit squeeze nationally. In some cases an actual reduction in volume ocurred as consumers resisted the price increases. Consequently, this was a difficult time for soft drink bottlers throughout the country. The important thing to note is that these bottling plants, even though they were sold, are still operating. One contract canner did close his can plant but he also owned the Coca Cola franchise for the area and he continued to bottle Coca Cola.

Nationally, the period since 1950 has been a very bad time for soft drink bottlers. Over 60 percent of all soft drink bottlers went out of business in the period 1950 to 1974. The throw-away container contributed in no small part to this decline. During the same period, soft drink sales increased 276 percent. The source for these figures is the National Soft Drink Association as published in September, 1974 in the magazine Beverage Industry's 1974–1975 Annual Manual.

ALCOA is not the only group which has been distributing this type of misleading information. The Aluminum Association has recently reprinted the October, 1975 version of ALCOA's pamphlet intact and is now distributing it. Recently the national Chief Executive Officer of Pepsico, Donald M. Kendal, has used the Aluminum Association's pamphlet in an answer to concerns raised by a man in Pennsylvania.

Kaiser Aluminum has also used much of the same type of information in their book entitled "At Issue—The Beverage Container", published in February, 1976. You may by now have asked yourself "Who has been developing and providing this misinformation?" The answer is "only ALCOA, Kaiser and the Aluminum Association know for sure". A further related question is "How long will it be before they recognize and acknowledge their errors and correct their literature?' I do not believe that the presidents of ALCOA and Kaiser Aluminum are consciously sanctioning this deplorable wholesale broadcasting of misinformation. While I am certain that they would like to increase their sales of aluminum cans, I simply am not convinced that they are so irresponsible that they would knowingly engage in this kind of misrepresentation. In this post Watergate era, responsible corporate citizens simply cannot afford to deal with anything other than fact. My conclusion is that those at the head of these corporations simply do not know the truth about what their companies are distributing.

Therefore, I urge each of you to write the President and other responsible executives of these companies and ask them what the sources are for their literature. Tell them you do not believe the statements made in their releases and pamphlets can be substantiated and ask them to review them. The reason why the ALCOA pamphlet got changed from the 90% to the 52% beverage container litter increase was that Hugh Considine, president of National Can was informed that the information stating that there was a 127% beverage container litter increase which he was providing to his stockholders was inaccurate. He promptly ordered a change made. A new release was issued on August 11, 1975 by National Can. However, they still didn't get their facts straight, since they were still incorrectly showing an increase rather than the decrease which actually occurred. In October, 1975 ALCOA changed their pamphlet to coincide with the National Can position.

Please join with me in this effort to convince the businesses who are engaged in fighting the container refund concept to at least use a factual base for their arguments. I plan to enter into a dialogue with their executives and I urge you to join me. Should you find new examples of gross misrepresentations I would welcome your sending me a copy of your letter.

I am convinced that the truth will ultimately be understood. Container refund legislation points the way to the future. The Oregon Experiment has proven that a financial incentive to return a container results in increased sales in refillable containers and it helps bring the container back. Refillable containers with Oregon's return rates permitted Oregonians to save 1.4 trillion BTU's in 1974. This is equivalent to the annual energy savings to provide the annual home heating needs for 50,000 Oregonians heating with natural gas.

This source reduction concept and others like it must be substituted for the use-it-once, throw-it-away philosophy which has become all too prevalent. If we permit experiments such as Oregon's bottle bill to flounder after their successful introduction simply because half-truths and mis-information muddy the water, our society's options for solving the very real energy and resource crisis which confront us are greatly reduced. We must not let that happen. Oregon's bottle bill is a small but important step towards showing the ways in which we kick the excessive energy consumption habit. We cannot afford to let the success of container refund legislation which has been so impressively demonstrated here in Oregon slip through our fingers.

[From Sierra Club Bulletin, July/August 1976]

OREGON'S BOTTLE BILL WORKS!

(By Nancy Fadely)

Contrary to widely circulated rumors, we still drink beer and pop in Oregon, having found that they are just as refreshing in returnable containers as they were in the nonreturnables that used to litter the state.

Consumption of these beverages has continued to increase since October 1972, when the Oregon "bottle bill," which requires a deposit on all beer and soft-drink containers sold in the state, became law. The only pattern the Oregon Liquor Control Commission can find in the fluctuation of beverage sales relates not to the availability of returnable or nonreturnable containers, but to weekend weather: the hotter the weekends, the higher the sales.

Only once since the initiation of the bottle bill have sales dropped below the pre-nonreturnable era. That was in December 1972, a time distinguished by distinctly non-beer-drinking weather. Beer sales in Oregon dropped almost thirteen percent that cold December; at the same time, the neighboring state of Washington—which has no bottle bill—experienced a *twenty*-percent drop in beer consumption.

Sales figures for soft drinks are harder to obtain because the Oregon Liquor Control Commission doesn't keep track of them, but available information suggests that consumption of carbonated beverages in Oregon continues to follow national trends.

Consumers benefit when they don't have to pay for nonreturnable containers. Gloomy forecasts that the bottle bill would cause prices to soar have proved to be incorrect. A bottle of pop does not cost more in Oregon today than in pre-bottle-bill days—it also costs more in Washington, Idaho and California. Prices in Oregon are comparable to, or lower than, prices across state lines. Contrary to the insistence of the anti-bottle-bill lobby, which spends an estimated twenty million dollars annually to fight the spread of the bottle-bill idea, inflation and the soaring costs of sugar, not the bottle bill, have caused beverage prices to rise.

Forecasts that the bottle bill would hurt Oregon's economy also were wrong. In a study of the economic impact of the legislation, Charles Gudger and Jack Bailes, professors of business administration at Oregon State University, found that although some jobs were lost, twice as many were created. The emphasis has been switched from manufacturing new containers to handling, recycling and refilling old ones—a turn from energy-intensive to labor-intensive activities.

The Oregon AFL–CIO, which opposed the bottle bill when it was introduced in 1971, no longer fights it. There have been no attempts at repeal. Instead, there is considerable talk about expanding the bottle-bill idea to other containers.

Bill Wessinger, who heads Oregon's major brewery, Blitz-Weinhard, has become one of the bottle bill's most enthusiastic supporters. "We haven't bought a new bottle since the bottle bill began," he said. Blitz refills returned bottles—ninety-six million a year—and passes some of the savings on to retailers to cover increased handling costs. Blitz isn't the only brewery to find that new beer is fine in old bottles. Others in the Northwest immediately discovered the savings resulting from reuse. Recently, Budweiser—bottled in Los Angeles—has begun paying a premium price for returnables, trucking them a thousand miles south for refilling.

In spite of inflation, litter pick-up costs in Oregon have not increased since pre-bottle-bill days; roadside and recreation areas, while not immaculate, no longer look littered. Vacationing Oregonians return with reports that they are startled to see litter along roadsides in other states. Tourists vacationing in Oregon seem just as startled by the lack of litter and frequently write the governor to ask what secret method the state has for keeping its roadsides so clean.

Opponents of bottle bills in other states have played with Oregon's litter-count figures in an attempt to discredit such legislation as a way of reducing litter. They have been unwittingly assisted by the poor way in which the state's litter surveys were done. For example, some crews counted even twigs as litter; others did not distinguish between milk containers, which have no deposit, and beer bottles, which do. Another factor complicating before-and-after counts was the publication of which sections of highways were being monitored. Later, other sections had to be selected in order to avoid possible tampering which would affect results. Worst of all, it was only after the litter surveys were under way that those in charge realized that the total volume of litter was a more significant measure than the number of pieces. (A cigarette butt, for example, should not count the same as a beer bottle.) Other complications involved construction activities, snow cover, delayed pickup dates, and discrepancies between counts in the field and those conducted at headquarters.

Nevertheless, analysis of reliable data shows significant decreases in beverage-container litter (by far the most conspicuous kind of roadside litter). Indeed, Oregon's roadsides look cleaner than those of other states. Comparisons of Oregon litter counts with those of neighboring states further confirm the value of the bottle bill in reducing litter.

Oregonians have also begun to realize that the bottle bill is energy legislation of the best sort: it takes less energy to recycle or reuse a container, even when it is shipped to Los Angeles for refilling, than it does to make a new one. At a time of increasing world shortages of various resources and commodities, the bottle bill provides a model for the kind of constructive legislation we can enact today. Last year, when home-canning jars were in short supply, America produced—and threw away—8.5 *billion* disposable soft-drink bottles, plus billions more for beer. At the same time, industries are threatened with shortages of aluminum, as well as the energy necessary to produce aluminum products even as throw-away cans continue to fill up America's landfills—another limited resource.

Ask any Oregonian and you'll learn that the Oregon bottle bill is the most popular piece of legislation ever enacted in the state. Young and old, indoor and outdoor types, liberals and conservatives—all know about and like to talk about the bottle bill. So much citizen awareness about a piece of legislation is truly unusual.

Recently, a survey was taken of 601 Oregonians to discover consumer attitudes about the bottle bill. Even though this survey began by pointing out objectionable features, such as the bother of returning features, such as the bother of returning containers and of paying deposits, ninety-one percent of those responding were in favor of the law. Only five percent of those questioned had any unfavorable reactions at all, and only two percent expressed outright opposition. Other public-opinion surveys reveal similar support.

Oregonians' enthusiastic endorsement of the bottle bill is a clear refutation of industry's insistence that Americans demand throwaway packaging. The returns from Oregon indicate that perhaps Americans have embraced the throw-away ethic largely because industry has not offered opportunities for return and reuse.

There is not a single Oregon politician who doesn't boast of his or her support for the bottle bill. Former Governor Tom McCall (a Republican) calls it "a rip-roaring success." Governor Robert W. Straub (a Democrat) has said, "Most Oregonians just wish it went further."

Mr. HATFIELD. Mr. President, the General Accounting Office study, completed in December of 1977, attempts to assess the direct effects of a national beverage container deposit on American industry and the consumer. In an effort to examine the range of possibilities in the effect the mandatory deposit will have, the GAO assessed two extremes of container mixes. One end of the scale was assumed to be the present mix of 52 percent bottles and 48 percent cans and the other was assumed to be the expected shift by manufacturers to a mix of 80 percent bottles and 20 percent cans. The final result might be anywhere between these two extremes.

With these as parameters, the GAO reached conclusions which should give us all pause to consider the opportunity we have to live in a more conservative mannner without sacrificing convenience.

The GAO estimates that even during a 3-year changeover period to returnable containers, cost savings would more than offset the costs of handling returnables, plus the cost of changing filling equipment from one-way bottles to refillables. After the 3-year changeover, GAO estimates that industry as a whole would save between $1.3 billion and $1.9 billion the following year. The savings would accrue to the bottlers. Increased handling costs to distributors and stores would have to be offset by them.

The effects on the environment would be beneficial. U.S. iron ore requirements could be reduced by 2 to 3 million tons. Bauxite use could be reduced by 1 to 1.4 million tons. Energy use could be reduced by 116 trillion to 156 trillion BTU's. The effect on the consumer would be minimal. The consumer will still have the opportunity to discard, but that opportunity will be more expensive. However, addressing that issue, the report notes that the return rate for refillable containers has never dipped below 90 percent from 1947 until 1975, nationally. Also, it publishes the rate for the State of Oregon since the passage of the Oregon bottle bill. Oregonians returned over 92 percent of their bottles and cans in 1976.

The alternative to this situation is probably one where the use of nonreturnable containers increases. The GAO report cites one prediction that the packaged beer market would increase its use of nonreturnable containers to 97 percent of total output, and the soft drink manufacturers would increase use of nonreturnables to 63 percent of the total by 1985, if the Federal Government does not intervene. As part of an effort to prevent such a situation from developing, I ask unanimous consent that these portions of the General Accounting Office study be printed in the Record.

There being no objection, the excerpts were ordered to be printed in the Record, as follows:

[Report to the Congress by the Comptroller General of the United States]

Potential Effects of a National Mandatory Deposit on Beverage Containers

Chapter 6.—Conclusions and Recommendations

CONCLUSIONS

A mandatory deposit system that imposes a deposit on all beer and soft drink containers would convert the present beverage system from less than 30-percent refillable containers to one with 100-percent returnable and/or refillable containers. Several conclusions can be drawn from our analysis of what this conversion would involve.

First, we estimated that beverage container litter would be reduced about 80 percent under this system. This translates into a possible 7 to 37 percent reduction in total litter. The solid waste reduction would be about 4 percent of the estimated 1985 post-consumer refuse, or about 8 million tons. The estimated reductions in litter and solid waste under the assumed mandatory deposit depend primarily on the change from a combined returnable and one-way container system to a completely returnable system.

Second, the consumer who did not return the container and therefore did not receive a refund of the deposit would pay more to have the privilege of throwing the container into the waste stream. Because a mandatory deposit system places a deposit on all containers, the amount of deposit not reclaimed by consumers would increase.

Third, certain business costs would increase due to handling a greater number of empty containers from the retail store to point of refilling or recycling. The eventual container mix and return rates would make some difference in how much these costs increased, but the capital, equipment, space, and labor costs to handle the returned containers would definitely rise under a mandatory deposit system because of the 100-percent coverage of a deposit law. If there were no substitution of refillable containers for one-way containers under a mandatory deposit law, then the costs of supplying beverages would go up by the amount of the costs brought about by handling previously nonreturnable containers. Even though we view the container mix which would evolve after implementation of a mandatory deposit low as uncertain, we did assume that, as a minimum, refillable bottles would replace one-way bottles (Mix I). This change would create container cost savings which would help offset the rise in business costs noted above.

We analyzed the cost changes for the beverage industry for both the changeover period, assumed to be 3 years after implementation, and for a single year after changeover. Analysis of a larger change in container mix, with refillable bottles also substituting for many one-way metal cans (Mix II), had similar results. The analysis of the costs for the single year after the changeover (1981) showed that Mix I could be about $1.3 billion less costly than continuing the present way of packaging beverages, and that Mix II could be about $1.9 billion less.

The overall conclusion is that legislating a mandatory deposit on all soft drink and beer containers would reduce solid waste and litter, increase the level of retained deposits, and increase the business costs of handling returned containers.

Other changes, including raw material use, energy use, business costs for filling containers, and container costs depend on the container mix. The container mix, which will be determined by the beverage companies, may not change much after implementation of a mandatory deposit.

AGENCY COMMENTS

The draft report was sent to four Federal agencies for review and comment. This reflects the many areas which would be affected if a mandatory deposit law were enacted and implemented. Their comments are reproduced in appendix IV.

The Federal Energy Administration (now part of the Department of Energy) suggested that the potential for lower costs in the beverage system should mean, given competitive markets, that consumer prices would be lower. They suggest that this should be highlighted in our final report. We note in chapter 4 that there seems to be potential for lower prices, but do not believe that there exists enough evidence of a direct link between lower industry costs and lower consumer prices to predict that a mandatory deposit system will result in lower prices.

The Department of Commerce is concerned that we did not examine all the options which could achieve all or part of the purported benefits of mandatory deposit legislation, but rather concentrated on the effects of an option which we felt would be before the Congress for decision in the near future. The specific comments of the Commerce Department about the draft report are reproduced in appendix IV.

The Environmental Protection Agency and the President's Council on Environmental Quality agreed with the presentation of material in our draft report.

NONFEDERAL COMMENTS

In addition to the Federal agencies which commented on the draft report, several industry groups, individuals, and environmental groups were asked to comment on and review the draft.

The industry groups, which included the

U.S. Brewer's Association and the National Soft Drink Association took issue with some aspects of the draft report. We have attempted to answer these criticisms in appendix V. We believe that each assumption which had to be made to analyze a potential Federal action is reasonable and that the analysis which flows from the assumptions is representative of the effects of a national mandatory deposit system as described in the report.

The industries which would bear the brunt of the economic adjustments agree that legislative action should continue to explore ways to combat the problems of increasing solid waste burdens and depletion of raw materials. However, the policy trade-offs for such actions are not well documented and for that reason possible policy alternatives should not be disregarded just beacuse there are other ways of achieving some of the same effects.

The environmental groups and individuals who responded to the draft report were in general agreement with the presentation.

RECOMMENDATIONS

The report was intended to compile in one study the major effects which would result from such a mandatory deposit system and to analyze the degree to which these effects would occur. The analysis we have made indicates that there are positive and negative aspects to the effects of a mandatory deposit system. The ultimate question of the appropriateness of a Federal mandatory deposit law must be answered by the Congress. We do have several recommendations to the Congress should it consider enacting such legislation.

Only by treating all containers equally can the system provide positive results because it is necessary to have as many containers as possible, whatever the mix, returned for reuse. Most legislative proposals call for such treatment, but we emphasize it since any beverage container not included would tend to negate the environmental benefits.

Many allocation formulas are possible, and the executive agency designated as the implementing agency should be responsible for its design. Prime considerations should be administrative ease of implementation and equity of the allocation.

A problem in assessing the effects of the various States' mandatory deposit systems has been the lack of good data on the period before and after implementation of the system. Such analyses will keep the responsible agency informed about the effectiveness of the program and the need for any changes. Measurements should be taken of litter and solid waste, beverage industry changeover costs, costs of goods sold, can recycling, and employment changes.

Returned cans cannot be refilled; they are valuable only as scrap. The price the bottlers and breweries would receive for the scrapped cans is less than the deposit which they could retain if the cans were not picked up from the retailer, this means that there will be no economic incentive to pick up the cans. In addition, the legislation should provide some mechanism to encourage the recycling of these cans once they are returned. Without recycling, some of the environmental benefits of a mandatory deposit system will not be realized.

FLIP-TOP HAZARDS

Mr. HATFIELD. Mr. President, I now ask unanimous consent that two articles which discuss the impacts of flip tops on the health of humans and wildlife be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Journal of the American Medical Association]

ALUMINUM "POP TOPS" A HAZARD TO CHILD

(By John D. Burlington, M.D.)

In a 3½-year period, seven children have been treated for complications of ingestion or aspiration of pull tabs from aluminum beverage cans. One child died from a fistula between the esophagus and a branch of the aortic arch, and two children suffered esophageal perforation with local abscess formation. Since aluminum absorbs X-rays poorly, the pull tabs cannot be seen in frontal projection if they overlie vertebral bodies. Any toddler with unexplained alteration of feeding habits or persistent respiratory symptoms requires evaluation for an aspirated or ingested foreign body. (JAMA 235:2614–2617, 1976).

Physicians have been alerted by Alexander et al.[1] Glass and Goodman, and others to suspect esophageal foreign bodies in children with unexplained respiratory symptoms. Radiopaque objects are easily detected by routine roentgenographic examination of the neck and mediastinum, but radiolucent objects still go undetected. The advent of radiolucent plastic toys that are frequently included in breakfast cereal or popcorn as "prizes" has produced a substantial number of esophageal obstructions and perforations in children. To this list of child health hazards producing esophageal obstruction with radiolucent objects, we must now add the ubiquitous metal strips removed from "pop top" beverage cans. These shiny pieces of metal, which litter the ground of parks and picnic areas, prove irresistible to curious toddlers or children crawling in the grass. They place the attractive new objects into their mouths and all too frequently swallow or aspirate them. While many pull tabs undoubtedly pass undetected through the gastrointestinal tract, this report outlines the case histories of seven children in whom they lodged in the esophagus or were aspirated into the airway. In none was the ingestion witnessed or suspected. Six of the children survived their encounter, but one bled to death from erosion of the pull tab through the esophagus into a branch of the innominate artery.

REPORT OF CASES

CASE 1.—A 13-month-old boy was brought to his pediatrician because of a two-week history of inability to take any table food or other solids. He had been able to drink liquids up until four hours prior to being seen. At that time he was unable to swallow his saliva. Chest roentgenograms demonstrated a column of food and air bubbles extending upward from the level of the aortic arch. He underwent esophagosecopy under general anesthesia and a large amount of food was removed from the upper portion of the esophagus. A sharp metal strip from a pop top lying at the base of the food column was removed through the esophagoscope. There were local ulcerations in the esophagus, but no evidence of perforation. His recovery was uneventful, and no stricture or other complication developed.

CASE 2.—An 11-month-old boy was seen because of high fever, difficult respiration, and inability to swallow liquids. On admission to the hospital, his temperature was 40 C rectally, and he was extremely ill. A chest roentgenogram showed mediastinal widening and fluid in the left hemithorax. Aspirated fluid showed mixed flora on Gram stain and yielded a mixture of Gram-positive and Gram-negative organisms. After 12 hours' chest drainage, rehydration, and infusion of intravenous antibiotics, he remained extremely ill. A limited barium swallow examination showed considerable distortion of the upper third of the esophagus in the region of the thoracic inlet and extravasation of contrast material into the mediastinum. After further rehydration, he underwent a right thoractomy and exploration of the upper esophagus. The region between the aortic arch and the thoracic inlet was densely fibrotic, and an abscess cavity continuous with the esophagus contained a free-floating metallic strip from a pop top. The stiff and inflamed edges of the esophageal perforation were loosely approximated with interrupted sutures of 4/0 wire. Large anterior and posterior chest tubes were placed in the right portion of the chest, with the tips near the area of perforation. A Stamm gastrostom was placed for alimentation, and a sump catheter was inserted into the nasopharynx to minimize passage of saliva down the esophagus.

The esophageal closure leaked a small amount of saliva from the third through the seventh day but ultimately sealed completely. On the ninth day, the tube in the left side of the chest was removed, and on the tenth and 14th days the tubes in the right side of the chest were removed. A rather long stricture from the thoracic inlet to the region of the aortic arch developed, which required several dilations starting one month after his original surgery. After five dilations, the esophagus assumed approximately normal caliber, and he had no further difficulties in swallowing. The gastrostomy tube was removed approximately nine months after the original operation and two months after his last dilation.

CASE 3.—A 4-month-old infant was admitted because of a coarse, hacking cough and wheezing respirations. The initial diagnosis of croup or epiglottitis could not be confirmed by lateral roentgenograms of the airway. When his symptoms worsened, he underwent laryngoscopy before an endotracheal tube was passed to relieve his airway obstruction. Wedged between the vocal cords was a rolled-up metallic portion of a beverage can top. This was removed with forceps, and an endotracheal tube was passed into his airway. Forty-eight hours later, the endotracheal tube was removed, and he had no further difficulties.

CASE 4.—A 2-year-old boy was seen for a history of difficulty in swallowing for at least one year. He supposedly had had several normal barium swallow examinations, although our initial study showed a distortion of the esophagus in the portion between the thoracic inlet and the aortic arch. There appeared to be deviation of the esophagus to the left and an apparent diverticulum or duplication of the esophagus extending to the right. Fluoroscopy showed the entire area somewhat stiffened, and peristalsis was abnormal.

An exploratory operation was performed after esophagoscopy showed only the deviation and stiffening of the esophagus. Through a right thoracotomy, the upper portion of the esophagus was mobilized, although it was deeply encased in scar. To the right and posterior portion of the esophagus lay a fairly, large abscess cavity in which a pull tab was lodged, surrounded by pus and old food. There was no mucosal lining, but at operation it was not possible to differentiate a perforation with abscess formation from the diverticulum that had become a repository for the metal strip and food.

The cavity was excised as much as possible, and the esophagus was closed primarily with interrupted sutures of 4/0 wire. A large chest tube was left in place, with its tip near the suture line, and a sump catheter was placed in the nasopharynx. A small amount of saliva

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Footnotes at end of article.

was present in the chest tube from the second to the fifth day, although a diatrizoate meglumine swallow examination performed on the tenth day showed no further leakage. The chest tube was consequently removed, and he required four dilations of a long stricture that occurred in the region of the perforation. This slowly resolved, and although his follow-up has been sporadic, he has remained asymptomatic.

CASE 5.—An 11-month-old boy was brought to the emergency room about one hour after onset of an episode of coughing and intermittent cyanosis. This had begun during a family picnic at a public picnic ground. On admission to the hospital, he had coarse breath sounds and marked dyspnea. Chest roentgenogram, including inspiratory and expiratory x-ray films to rule out a foreign body, were all interpreted as normal. He was placed in mist and given postural drainage and bronchial dilators without relief. On the following morning, he underwent bronchoscopy, and the metallic tab of a pop top was removed from the region of the carina. His convalescence was uneventful.

CASE 6.—A 13-month-old girl appeared in the emergency ward, unable to swallow her own saliva. Chest roentgenograms showed mediastinal widening, with a tiny amount of fluid in the left of the chest. A diatrizoate mellumine swallow examination showed complete obstruction of the esophagus at the level of the aortic arch but no extravasation of contrast material. After eight hours of rehydration and infusion of intravenous antibiotics, she underwent esophagoscopy and had a large amount of old food removed from her esophagus. After the food had been removed, it was not possible to pass the esophagoscope through a narrow portion of the esophagus. This scope was removed and a 3½ F bronchoscope inserted. Through the telescope, a small, metallic foreign body could be identified deeply embedded in granulation tissue. At this point, the endoscopy was discontinued, and the patient was returned to the recovery room.

On the following day, with two units of cross-matched blood on hand and with thoractomy instruments in the operating room, the endoscopy was repeated, and the metallic foreign body was removed uneventfully. There was a small amount of bleeding but no evidence of perforation. She was watched carefully in the intensive care area for 48 hours, with a nasopharyngeal sump tube in place, while receiving intravenous fluids and antibiotics. After 48 hours, the diatrizoate meglumine study was repeated and showed a small but distorted lumen in the esophagus and no extravasation of contrast material. By the fourth day, she was afebrile, and her vital signs had returned to normal. She then began a diet of clear liquids and advanced to a soft diet over the next 48 hours.

Two weeks later, she was admitted because of inability to swallow her saliva, and on examination she had food impacted above a stricture in her esophagus. The food was removed through an esophagoscope, and a filiform dilator was passed through the area of the stricture. The filiform dilator was followed with dilators up to 12 F. and then a No. 8 polyethylene feeding catheter was inserted through the nostril into her stomach. She received tube feedings for approximately one week and then underwent an esophageal dilation again. Over the next three months, the stricture slowly softened, and she required no further dilations. She is now asymptomatic.

CASE 7.—An 11-month-old boy had been seen in several different emergency rooms over a period of ten days because of noisy breathing and diminished intake of food and liquid. Numerous chest roentgenograms were taken, including a study of the entire airway from nasopharynx to mainstem bronchi. These were interpreted as normal. On the day of admission, he had passed several tarry stools, and his hematocrit reading dropped from 36% to 14%. Transfusion with packed red blood cells in the intensive care area raised his hematocrit reading to 25%. After six hours of stable vital signs, he suddenly became ashen, his blood pressure dropped to unobtainable levels, and bradycardia developed. Resuscitation required 450 ml of saline and 250 ml of packed red blood cells, approximately one blood volume for this 10-kg child, administered over approximately 25 minutes. When his resuscitation was complete, he began to vomit large volumes of bright red blood, and his abdomen distended rapidly.

With a preoperative diagnosis of upper gastrointestinal bleeding probably originating from the stomach, he was taken to the operating room. Rapid exploration of his stomach and the duodenum showed blood to be welling up from the esophagus. Examination of the lumen of the esophagus showed no evidence of mucosal tears suggestive of a Mallory-Weiss syndrome of esophageal varices. A sterile proctoscope inserted in the distal portion of the esophagus showed only that bright red blood was gushing down from above. The incisions were closed with a single running suture. The patient underwent esophagoscopy from above but bleeding was so brisk that no information was obtained.

Through a left thoractomy, the distal portion of the esophagus was freed up from the diaphragm to the arch if the aorta. An umbilical tape tied about the esophagus just below the aortic arch showed that the bleeding was coming from above. The upper portion of the esophagus between the thoractic inlet and the aortic arch was then freed up, and external compression here demonstrated that the bleeding was from behind the aortic arch. The portion of the esophagus below the arch was opened linearly, and with a finger in the esophagus, bleeding could be temporarily tamponaded by pressing upwards against the aortic arch. During the hurried dissection of the aortic arch in an attempt to control bleeding, blood loss exceeded our ability to replace it, and the patient lost all vital signs. Each time the patient was resuscitated the massive bleeding recurred, and after 20 minutes be had fixed, dilated pupils, so further efforts were abandoned.

At postmortem examination, there was a deep ulceration within the esophagus that conformed exactly to the metallic tab of a pop top. There was also a large perforation of the esophagus into the region of the aortic arch, although no direct communication could be demonstrated with the aorta. Presumably the sharp irregular tip of the metal strip had eroded through into one of the great vessels or perhaps a bronchial vessel. The foreign body was not obtained from the gastrointestinal tract at the time of autopsy, although retrospective review of the chest roentgenograms taken several days before showed a metalic object in the esophagus behind the aortic arch that conformed in outline to a metal pull tab.

COMMENT

Thin strips of aluminum that become lodged in the esophagus are particularly difficult to detect roentgenographically unless they are looked for specifically.[3] Flat objects such as coins invariably become oriented transversely in the esophagus since this represents its greatest diameter.[4] In children, most objects that do not pass the esophagus become impacted at the thoracic inlet or above the aortic arch where the esophagus overlies the vertebral column. Thus, the outline of foreign bodies in this portion of the esophagus is projected over the image of the vertebrae in routine posteroanterior or anteroposterior chest roentgenograms.

Alexander et al[1] have shown that absorption of X-rays by a substance is roughly proportional to its density. Thus, fat is less dense than water, and small shards of glass with a density of 2.4 to 2.8 may not be detectable roentgenographically when imbedded in tissue. Aluminum with a density of 2.7 has much the same radiodensity as glass, so that the pull tabs, which are made of aluminum 0.2 mm thick, show only a faint shadow on an ordinary roentgenogram. In the lateral projection, a pull tab in the esophagus presents 14 mm of aluminum in its greatest diameter, so that recognition should be facilitated. Viewing this portion of the esophagus without interference from projection of the arms and shoulders takes special effort in positioning the patient.

Since many of the ingestions or aspirations involving toddlers are not witnessed by an adult, the history obtained by the first physician to see the child may not suggest a foreign body. However, persistent respiratory symptoms and any change in eating habits should be evaluated by posteroanterior and lateral chest roentgenograms with inspiratory-expiratory views if indicated. The neck and nasopharynx should be included in all such examinations. If these are normal and there is no evidence of mediastinal abscess or free air, a contrast study of the esophagus using thickened barium will frequently show plastic, fish bones, or an aluminum foreign body lodged in the esophagus.

The metal strip from a pop top is usually bent into a hook shape as it is removed from the can. When the ring separates from the bent metal strip, it leaves a serrated edge and two sharp corners. Thus, if diagnosis is delayed, these sharp edges will perforate the esophagus and cause mediastinitis or erode into the mediastinal vessel. Safety pins lodged in the esophagus have caused aortic arch perforation and acute cardiac tamponade,[5] but since they are made of spring steel, they are more readily identified roentgenographically than are aluminum pull tabs. All parents must be cautioned about the hazard of discarded pull tabs just as they are now about the hazards of the open safety pin left within an infant's reach during a diaper change.

[From the Defenders of Wildlife, June 1975]

DEADLY THROWAWAYS—PLASTIC SIX-PACK BINDERS AND METAL PULL TABS DOOM WILDLIFE

(By Penny Ward)

A big brown pelican is cruising Florida's coastal salt flats hunting for food. He dives at a shadow in the water, snaps at it, and in a moment finds his prey choking him. It somehow wraps around his neck, then loops over his bill. In panic, the pelican flies back to his roost in the mangroves and claws at his adversary. Soon his foot is entangled. The pelican continues to fight, but in a little while he is dead, strangled by his mysterious antagonist.

The pelican mistook a plastic six-pack can binder for a fish. He became another wildlife victim of an unthinking and uninformed person, who probably tossed the plastic trash into the water without knowing it could harm a wild animal.

Wild creatures are beginning to suffer the fallout of our burgeoning solid waste litter. The "throwaway" beverage container is the chief villian. "No-deposit, no-return" litter grows about eight percent annually. Last year some *three billion* throwaways ended up on our roadsides and recreation areas. Even our most pristine reserves have become the

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Footnotes at end of article.

final resting places for millions of easy-to-tote containers and their by-products, the flip-top pull-tabs and plastic six-pack binders.

While humans see this litter as an aesthetic blight, animals see it as a possible source of food. "The big problem with plastic can binders is that grazing and wading birds are curious and nibble or dive at them," says Frank Kenney, of the U.S. Fish and Wildlife Service. "They manage to tangle them over their heads, a foot gets involved, and they strangle in the ensuing fight."

The tame, curious brown pelican—already a candidate for the endangered species list—is among the most vulnerable to such entrapment. But many states have recorded similar deaths among other types of waterfowl. Aside from the pelican, the most common victims are gulls, ducks, and geese.

If entanglement doesn't strangle the bird, it may starve to death. Dr. Martin Wiley, a Maryland wildlife biologist, describes the plight of a seagull he saw in Chesapeake Bay. "The bird had the plastic rings jammed between the mandibles of his bill and stretched over the back of his head. He could fly, but of course he couldn't eat. I watched him for days but couldn't get close. I knew he was doomed."

Some entangled animals may be able to function, but they become social outcasts. Michigan biologists found a Canada goose with plastic rings merely threaded loosely over his neck. Though he was healthy, the rest of the geese on the lake picked on him unmercifully. The gander was eventually caught and the rings removed, but it was too late to solve his marital problems. His mate and goslings had found the trash decoration so bizarre that they had abandoned him.

Small birds have similar problems with the little pull-tab rings from beverage cans. Some species find them attractive as nesting materials. A member of Washington, D.C.'s Audubon Naturalists Society tells of a cardinal found dead with a pull-tab ring jammed over its face. She thinks that the bird was partially blinded and died of exposure or exhaustion.

These sparkling little rings are also attractive to fish—in fact, some fishermen use them as spinners ahead of bait. Biologists in Michigan and California have discovered fingerling trout girdled by pull-tab rings. They theorize the fish struck at the shiny rings, missed, shot through and got stuck. In both cases the trout were about six inches long. Miracles of growth, the fish were still quite active when discovered, though the rings were slowly cutting their bodies in half.

Bigger fish sometimes swallow the rings, which they perceive as food or as aggravating intruders in their territories. Pull-tabs are occasionally discovered by sportsfihermen in the stomachs of panfish, trout, salmon, and other fish which "strike," as opposed to bottom feeders which "taste." The ring may just ride along harmlessly inside the fish, but if pushed into the digestive tract, it can fatally lacerate or impact the system. (Interestingly, major hospitals across the U.S. report pull-tabs showing up in human stomachs, inadvertently swallowed by a person who'd dropped the tab into the can. They are difficult to detect by X-ray and often require major surgery to remove.)

All grazing animals domestic and wild, accidentally eat bits of trash. Ranchers who lease state or federal lands which permit public recreation are particularly concerned about the dangers litter poses to their herds—dangers often revealed during autospy. E. P. Harvey, general manager of a large family ranch operation which includes five wildlife refuges in the Southwest, has for many years studied the problem. "Domestic animals will chew, taste, smell, and investigate all sorts of things," Harvey says. "They'll eat nails, pull-tabs, plastic items, small can lids, wire bones, and plastic bags." Harvey says that while ingested litter rarely kills an animal unless the object punctures the digestive tract or impacts the bowel, the trash diet leaves the animal in poor physical condition.

"We know a good deal about domestic animals ingesting harmful objects, but little about wildlife," Harvey says. "From observation, however, we know wildlife is interested in the same things as domestic animals, so we can assume the results are similar."

The beverage container itself—steel, aluminum, or glass—creates special hazards. Broken bottles and cans cripple livestock and wildlife. Horseback riders hesitate to ride in road ditches for this reason.

While wild animals are more alert and cautious than their domestic counterparts, rancher Harvey says that in some instances deer and antelope put their feet through beverage cans. When the hoof breaks through, the sharp edges can cut off the blood supply, crippling the animal or causing an open wound. "The lameness may lead to death by predation or severe weather, or the wound can become the target of fatal insect infection."

Perhaps these litter-related tragedies don't comprise a major threat to wildlife, yet the examples recorded are only the tip of the iceberg. The incidents are symptoms of a deteriorating environment. The condition of our wildlife is an index of the quality of our own lives.

A growing threat to animals, litter is already a plague to humans. Our wavside litter amounts to as much as four million tons per year, and we spent $200 million per year to retrieve it. About 35% of the total, 1.4 million tons, is made up of throwaway bottles and cans. And it compounds every day because glass and aluminum virtually never break down in the environment. The litter not only clutters our roadsides, but it defaces our most pristine areas. An outdoorsman who feels he's exploring an area where no one has trod is likely to find an empty beer can that dictates otherwise. Some remote backpacking trails glitter with bottles, cans, and pop tops.

Believing that what we can't see won't hurt us, some people have turned our lake and river bottoms into dumps. In 1972, Dan Carleson, a fishery biologist for the Oregon Game Commission, made a series of dives to survey the bottom of that state's serene and beautiful Diamond Lake. He found a underwater nightmare. Carleson calculated that the lake bottom was strewn with 44,500 empty beverage containers.

And Carleson could only count bottles and cans which were visible. Silt has a tendency to slowly bury its garbage. "We found that as our knees and swim fins sank into the ooze we bumped into a tremendous amount of litter that settled into the bottom," Carleson said. Commenting on Carleson's report, the editor of the *Oregon Game Bulletin* lamented, "It appears that at the rate we're going, Diamond Lake could become a landfill."

This garbage, settled into lake and stream bottoms, causes frequent injuries to swimmers and waders. It also presents road hazards to fish. Fish have accidents too, but they are seldom discovered or recorded. A few years ago a biologist for the Oregon Game Commission found a beer can containing about 50 dead hatchling trout in the Rogue River. He theorized the trout either were attracted by their blurred reflections in the metal, or perceived the dark hole in the can top as shelter. Once they followed the leader inside, they became lost in the crowded darkness and suffocated.

A fisherman at Oregon's Unity Reservoir last winter hauled out a three-pound rainbow trout wedged tightly in a broken beer bottle. And a Michigan fisherman hooked a tormented 21-inch pike which was being slowly decapitated by a six-pack binder encircling its body.

Nowadays litter creates more than an aesthetic barrier between human beings and nature. It creates physical barriers in the forms of barbed wire, locked gates, and no-trespassing signs. The Pennsylvania Fish Commission reports, "Litterbugs are largely responsible for posting by private landowners along our streams and lakes." The story is the same in other states—more and more land is being closed to public access as landowners lose patience with those who litter their property.

Litter is the most obvious sin throwaways commit against our society; it isn't the greatest. More serious sins are the wanton waste of our energy and resources. Last year Americans used over *60 billion* disposable beverage containers. The amount of electrical and fossil-fuel energy squandered in manufacturing these throwaways is staggering. According to studies based on 1972 figures—when we used eight billion *fewer* containers than last year—our throwaways cost enough energy to heat two million three-bedroom homes in the mid-Atlantic states for eight months. In other terms, the throwaways used enough energy to satisfy the annual electrical needs of 9.1 million people. In comparison to a returnable container system, in which a bottle makes about ten round trips between consumer and bottler, our throwaway system costs the equivalent of five million gallons of gasoline per day. That means, in effect, that the equivalent of 4½ ounces of gasoline is wasted in making each 12-ounce container. The figures for aluminum cans are more shocking still: To use an aluminum can, we waste the energy equivalent of *more than half the can's capacity in gasoline.*

In 1972 beverage container production required two million tons of steel, 6.2 million tons of glass, and 575,000 tons of aluminum. This use accounts for 45 percent of all glass and 8 percent of all aluminum production in the country, and is the biggest single demand on our glass and aluminum supplies. While world supplies of these resources are not critically short, we depend on foreign countries for 33 percent of our iron ore, and 84 percent of our bauxite. In these politically troubled times, such dependency is dubious.

The convenience of throwaways isn't free. Consumers pay the price. With a disposable container we actually pay three times. Once when we purchase it, once when we dispose of it, and once to have it laid to rest.

Beverages in throwaways are as much as 40 percent more expensive than drinks in returnable/refillable bottles. According to the beverage industry's own figures, 56 percent of the cost of a container of beer is the container itself. Americans spend about $1.5 billion per year for the throwaway luxury, but because of price-marketing procedures in many stores, they're not apt to be aware of it. For example, eight throwaway bottles of soda may be marked $1.61. Eight equivalent returnables may also be marked $1.61, but the consumer will get back 40 cents, or 25 percent of the purchase price, when he returns the bottles.

Even after it has been purchased, the throwaway keeps on costing. Once the beverage container is emptied, there it is—a throwaway to be throwaway. Beverage containers make up the most rapidly growing category of waste in the national trash can. They comprise about seven percent of the total of our garbage, second only to newspapers. (Garbage means solid waste thrown in trash cans as opposed to waste which becomes litter.) EPA projects that at current rates Americans will toss out 11.3 million tons of beverage containers in 1976. If the cost per ton to collect and dispose of solid waste remains stable, getting rid of all those bottles and cans will cost us nearly $200 million annually by the Bicentennial.

We are the world's leading garbage-producing nation. New York, for example, creates more garbage than London and Tokyo combined. While New York's population rose only 1.5 percent since 1960, its garbage production rose 42 percent. We are running out of space for all that garbage. A 1973 survey by the National League of Cities revealed that nearly half our cities will run out of refuse landfill capacity by 1978.

The throwaway came to us about 15 years ago, in an age of opulence. Its initiation into society accompanied big gaudy cars and gasoline wars. The term energy shortage hadn't been coined. Our resources appeared never ending, and national environmental concern was still many years off.

But today big gaudy cars and gasoline wars have left the scene, and many people think the throwaway should do likewise. In recent years over 350 bills to regulate beverage containers have been introduced in Congress, or at state and local levels. Oregon, Vermont, and South Dakota already restrict throwaways. Several other states are close to passing bills. Scores of cities and counties have passed such legislation, which at all levels has been upheld in court tests.

The Oregon bottle bill was enacted in late 1972. It required a mandatory five-cent deposit on beverage containers, and banned pull-tab rings. Oregon's success with the bill prompted Republican Senator Mark Hatfield to introduce federal legislation requiring a mandatory deposit and banning of pull-tab rings. The bill (S. 613) would be phased in nationally over a three-year period.

Hatfield's bill is rapidly gaining support, but it is bitterly opposed by the steel, glass, aluminum, and container industries, along with soft drink bottlers and brewers. Fearing the inconvenience and possible loss in profits, these groups spend millions each year to fight container legislation.

The manufacturers say that such legislation will raise prices, lower consumption, create unemployment, and fail to reduce litter. Certainly the change would create initial logistical problems for industry. The net result, however, appears worth the effort. Oregon reports that beverage prices have risen since 1972—but they've risen everywhere, largely due to increased sugar prices. Oregon's beverage prices are in line with those of neighboring Washington state, which does not yet have a bottle bill. Beer and soft drink sales in Oregon continued to climb after the law was enacted. Significantly, Oregon also reports the shift to returnables resulted in a net gain in employment. While there was a shift in the types of jobs, the move created more total jobs in industries. In fact, Maryland's Council of Economic Advisors recently projected that if Maryland returned to returnables, there'd be a net increase of 1,500 jobs generating $18.5 million in personal income.

Both Oregon and Vermont report a heartening decrease in litter following container legislation. Oregon initially reported beverage container litter down 80 to 90 percent, and recently reported total litter has dropped as much as 46 percent. Lake Diamond may not become a landfill after all. Vermont's Agency of Environmental Conservation reports that even opponents of their bottle bill now agree that legislation has greatly decreased beverage-related litter along that state's roadsides.

The Vermont agency reports that the opposition attempted to cloud the litter reduction issue by counting containers placed in roadside trash receptacles along with highway litter, and comparing the tally with prebottle law statistics which counted only roadside litter. Despite statistical games, reason dictates people are much less likely to throw away something of specific value than something intended to be thrown away.

The industries opposing container legislation point to recycling and cleanup campaigns as alternatives. Recycling, however, does not yet offer sufficient monetary reward to be successful. Only half a cent is usually offered for cans, the more recyclable of the two container types. Only 15 percent of all aluminum cans made it back to recyclers last year. The statistics for glass are worse. There are only about 100 glass recycling centers in the entire U.S. Old glass is only worth about $20 a ton, and takes more money and energy to recycle. The expense and logistics of hauling materials in for recycling has dampened the volunteer enthusiasm which sprung out of Earth Day movements. In too many cases, cities and charity organizations which sponsored recycling campaigns wound up losing money.

Certainly recycling centers are growing as cities begin to realize there's money and energy in municipal trash. And recycling does save energy and resources. When the EPA examined the various energy requirements of nine beverage container systems, it found that the pull-tab aluminum can, with a 15-percent rate of recycling, was ranked ninth, the worst, for delivering 1000 gallons of beer. A returnable/refillable glass bottle system was ranked first.

Recycling is most valuable as a complement to a system which produces less waste in the first place. A return to returnables is in fact the ultimate in recycling. It places a significant rather than a token bounty on containers. A deposit container which is extravagantly discarded becomes someone else's nickel. And when a ten-trip returnable comes to the end of its journey, it can then be recycled.

Clean-up campaigns, like recycling, are also valuable follow-ups, but they will not eliminate litter by themselves. Two of the largest national campaigns are "Keep America Beautiful" and "Pitch In." KAB is sponsored largely by beverage container industries and their suppliers, along with retail food distributors and fast food chains. "Pitch In" is sponsored by the American Brewers Association. While any clean-up effort is to be praised, these industry campaigns are no more than we might expect from the initiators of the problem. And although both organizations claim to work toward litter reduction, they actually lobby against legislation to eliminate throwaways.

Industry argues that litter is a behavioral problem which can be solved through education. Yet it's difficult to imagine anyone who has not been exposed to antilitter propaganda. In fact, containers themselves now bear a message reading "Please Don't Litter." But the problem increases. Without nipping waste production in the bud, our litter problem won't go away.

Proponents of beverage container legislation are winning inch by inch. Several recent surveys at both state and national levels indicate that citizens overwhelmingly favor returning to returnables. Their chances of doing so voluntarily are slim, since in most areas very few beverages are available in returnable bottles.

Although concerned citizens view container legislation at state and local levels as a step in the right direction, they believe the most logical and desirable legislation is Hatfield's Senate Bill 613. A federal law would create national uniformity and eliminate a series of drawn-out battles. In the minds of many, it's an idea whose time has come.

Opponent industries will suffer some pains as a result of change, but it's difficult to imagine that these corporate giants won't land on their feet. Manufacturers might well do better to spend time and money on positive efforts to facilitate the move to a returnable system. They could create a short, squatty space-saving bottle, standardized for use by more than one distributor. The label would still identify the product, and the standardization would solve sorting and distribution problems.

Several franchised bottlers have recently voluntarily switched to returnables, and realized increases in sales and profit. Joyce Beverages in Chicago made the switch in 1973. During the first year, sales of Joyce's Orange Crush *were up 87%*.

A 7-UP bottler recently stated in a beverage industry newsletter, ". . . if by our own volition, we got rid of the pull-top can and throwaway bottles, we'd make fortunes. While at corporate levels beverage industries still reject the idea, local franchised pioneers of the switch are pleased with the results.

It's unlikely many of us will resent the switch to returnables, given what we've to gain. This is, after all, the only planet we have. Its condition is a good index to the quality of our lives. Our fellow creatures—the birds, animals, and fish—must rely on our intelligence and rational behavior to protect their world and ours.

Mr. HATFIELD. Mr. President, several articles and editorials have appeared in various newspapers and periodicals concerning aspects of the beverage container issue. I ask unanimous consent that these be printed in the Record.

There being no objection, the editorials were ordered to be printed in the Record, as follows:

Bring Back the 5-Cent Deposit

Should every can and bottle of soda and beer carry a 5-cent deposit against its return? It seems like a small question until you hear the arguments pro and con; large stakes ride on the answer. A bill to require the nickel deposit seems headed for a vote in the New York State Senate this week and the Assembly soon after. Oregon, South Dakota, Vermont and all Federal installations have had a deposit system for some time; Connecticut appears close to adopting one; the voters of Michigan and Maine approved of deposits last fall, while the voters of Massachusetts and Colorado demurred. The issue boils down to whether consumers can be induced to return their drink containers—to the benefit of the environment, the energy supply and the stock of natural resources—or whether the dislocations in a major industry and the ingrained habits of consumers would merely raise everyone's costs and cause as much social harm as good.

The proposed New York bill would leave customers free to choose drinks in bottles or cans, but only those who return them would retrieve the nickel deposit. Five cents may not justify the bother for some, but it's 30 cents on a six-pack. And what a thriftless consumer would toss away, an eager youngster would likely claim. The bottles he brings back would be refilled and the cans would be recycled.

The sponsors of the bill expect that, with time to prepare and with experience, the bottling and canning industries would not only adjust to the reuse and recycling of containers but also bring their considerable technological skill to the cause of conservation. When consumers and legislators began to object to the annoying pull-tabs on our streets and roadways, the industry was moved soon enough to produce a push-down can opener to eliminate the litter. Each container brought back would save both the energy and the resources needed to produce another five or six or ten containers, depending on the number of round trips from plant to home. One study before the New York Legislature predicts a saving of 7 million barrels of crude oil a year from a lively traffic in returns, enough to run 200,000 cars.

Oregon, which pioneered with this legislation, has achieved a 90 percent return rate of beer and soft-drink containers. It has also reduced the roadside litter in beverage containers by two-thirds, for a net reduction of 10 percent in all road littering, despite the growth in other careless disposal. Why not, then, put deposits on all bottles and cans? Because it is the beverage containers that are most likely to wind up as litter, that can be most readily standardized for easier reprocessing, and, most important psychologically, that were once accepted by the public as deposit items.

The bottlers and canners have argued mightily against these bills, promising rapid strides in waste recycling, as well as cans of much lighter weight that will require less energy, steel and aluminum. They argue that the savings in large cities would be much less than elsewhere because of the constraints on transport and collection, thus reducing reuse from 10 times to perhaps only four. Even those who concede some marginal savings in energy and resources doubt that they warrant the inconvenience to consumers, the hardships to retailers, the retooling of their industries and the ensuing costs in lost jobs and in the higher prices of soda and beer.

The sponsors of the New York bill reply that dislocations and new investments would be temporary, that more people would be employed in handling the containers than would be lost in manufacturing them and that the true costs to the consumer must be measured not only in the price of a drink but in the cost of collecting litter and garbage and of wasting energy and resources.

Laymen, including legislators, may find these rival calculations dizzying. In the end they must choose, particularly when the market that has been left to its own devices has shifted the costs of both litter and waste to the community, rewarding its most wasteful members. It may be a close call on the available evidence but experience elsewhere and the desirable social momentum argue strongly for passage of this measure.

Ideally, the rules ought to be national. Our major distributors of drinks and their container producers need to operate across state borders to achieve economies of scale. But they also need an incentive to share society's concerns and costs and to help Congress enact uniform standards for which all can plan and prepare. The passage of this measure in New York would go a long way toward forcing Federal action and wiping out the state-to-state confusion. Society clearly means to arrest the ugly litter in bottles and cans, to conserve on materials and to save energy in the process. It seems ready to require the cooperation of consumers in this effort. A law in New York would require the collaboration of industry as well.

Bottle Bill Is Key to the Future

(By Michael Frome)

The returnable bottle is on its way back into America's life-style, which is cheering news.

It means the throwaway age and its nasty habits are nearing their end. A more welcome blessing for travelers I cannot imagine.

The key to the future is in the "bottle bill"—a law placing a mandatory deposit on all beer and soft drink containers, whether metal, glass or plastic, to encourage purchasers to return them for reuse or recycling. Oregon in 1972 and Vermont one year later took the lead and proved this system will work. It shows in their strikingly clean roadsides and recreation areas.

Additional states, as well as counties, cities and Canadian provinces, have followed the lead in requiring container deposits. Still others are preparing to act. Pressure is building for Congress to produce a national bottle bill covering the entire nation.

A uniform national mandatory deposit system is the only long-range solution to the throwaway container crisis. This is the principle behind the national bottle bill sponsored by Vermont Rep. James Jeffords. Sen. Gary Hart of Colorado has introduced a similar bill, the National Materials Policy Act of 1977, which would place a disposal charge on containers, packaging materials and paper.

Returnables make sense for our time as a means of conserving energy and increasingly scarce raw materials. As matters now stand manufacturers produce more than 60 billion throwaway beverage containers yearly. (That's one per day, year-round for every citizen!) A returnable bottle, however, can be refilled an average of 15 times. With a nationwide deposit system we could insure reuse or recycling of six to seven million tons of glass, steel and aluminum each year.

9TH ANNUAL BOAT SHOW TO OFFER 400 SAILBOATS, CHARTER PLANS

Fly-sail vacations will be featured offerings at the 9th annual Southern California Sailboat Show Saturday through Oct. 30 at the Long Beach Convention Center, where more than 400 sailboats will be showcased.

The fly-sail plan can be used to make arrangements for the boat you want to use on vacation at such destinations as Tahiti, the Virgin Islands, Bahamas and Puerto Rico, with or without a charter captain.

Any way you look at it, the trashing of America has been a sorry chapter in history, with a high price tag on "convenience" and the freedom to pollute.

A couple of years ago, for instance, officials of Rocky Mountain National Park, the jewel of Colorado, tallied two million visitors and estimated they left behind 175 tons of litter every single day. It's been the same everywhere, with plastic cups, paper plates, beer cans and broken bottles scarring roadsides, beaches, campgrounds, lakes and streams.

Even in remote backcountry it's difficult to escape the sight of one kind of throwaway or another, just where you least expect it. Those shiny detachable "flip tops" have caused shocking widespread damage to fish and birds.

It doesn't have to be that way. While the deposit system was being tested at Yosemite National Park last summer, 1.3 million beverages were sold. Out of every 10 containers, seven were returned for refund, accounting for 30 tons of recyclable raw materials. Starting in January, any beverage you buy on federal land, whether park, forest or military base, will have to be in a refillable container with deposit included in the purchase price.

BITTER RESISTANCE

Despite widespread support for returnables, glass and can manufacturers, big beer and soft drink companies and supermarket chains have bitterly resisted the trend. They've poured millions into lobbying and public relations schemes to block effective container legislation, defending the right to throwaway as if it was one of the five freedoms.

Now they've promoting something called a litter tax, such as Washington state has tried with little success. It's the kind of thing that requires a police officer to catch a litterer in the act. The tax only provides funds to pick up litter, while the returnable system prevents it.

The throwaway establishment has seen its efforts to undermine bottle bills in Oregon and Vermont backfire. People can see that returnables cost less than throwaways, that new jobs are created throw recycling and refilling. The ranks of brewers, bottlers and marketers aren't even solid any longer, certainly not tough enough to meet the fights on all fronts.

A recent poll conducted by the Des Moines Register and Tribune showed 75% of Iowans in favor of the Oregon-type bottle bill. A private poll taken by an influential legislator, Floyd H. Millen, recorded support of 87.2% of his constituents.

The Iowa House of Representatives has already voted for mandatory deposits on bottles and cans and Gov. Bob Ray is pressing for action in the Senate. The country plainly can take the bottle bill one state at a time or shift into high gear for a national law. It's strictly a question of time.

Make the Bottle Ban Nationwide

Remember when a favorite summer pastime of youngsters was to roam the neighborhood in search of discarded soft-drink bottles, which were immediately returned to the local grocer for a little spending money? In Oregon, the first state to ban throw-away bottles in 1972, industrious youngsters have again rediscovered that forgotten "gold mine" in backyards and alleys. In addition to producing smiling youngsters, Oregon's bottle bill also has saved vitally needed energy that would have gone into making more throwaways, increased the number of jobs primarily in the transportation and bottle-handling industries, and has reduced by almost 90 percent the cans and bottles that used to litter Oregon's highways.

Oregon officials say they found that the incentive not to throw away a beverage can or bottle also spilled over to affect other litter as well. People aren't throwing away candy wrappers and other trash as much as they did before. And despite the loud protests from bottle and can manufacturers who have spent heavily in Oregon and elsewhere to fight anti-throwaway bills, a recent survey indicated that 93 percent of Oregon's residents are pleased with the bill and its results.

Sen. Robert Packwood of Oregon, who is sponsoring a bill that would ban the use of throw-aways all across the United States and require a five-cent refundable deposit on all beverage containers, has just received important new ammunition which, in effect, says that the beneficial effects of Oregon's bottle bill would be repeated nationally if Congress enacted the proposed legislation.

A study by the General Accounting Office, the investigating agency of Congress, indicated a national throw-away ban could save up to 80,000 barrels of oil a day, would conserve millions of tons of glass, aluminum, and steel used in producing containers, and would reduce U.S. dependency on bauxite imports which go into manufacturing aluminum. It would also reduce soft-drink and other beverage prices by more than $1.8 billion a year. Feared job losses in the container industry would be more than offset by increased employment in beverage production and distribution.

Four states have or are in the process of putting into effect throw-away bans, and some 40 states in all have wrestled with the proposition. The new GAO study appears to squelch the arguments most frequently put forward by opponents—i.e., that loss of jobs would wreak economic havoc and that the five-cent deposit would not be incentive enough for returning reusable containers. The opposite has proved true in Vermont and Oregon. Likewise the state-by-state approach advocated by some opponents appears to have little merit; a national uniform law would be easier, more convenient and more economical for beverage manufacturers in the long run.

Clearly the beauty of uncluttered landscapes and the urgent need to conserve energy wherever possible are reason enough for Congress to ban throw-aways—not to mention all those smiling youngsters in Oregon with change in their pockets.

Do Bottle Bills Really Work?

(By Richard Wein and John Marshall)

Aside from the obvious point that litter just plain looks bad recent government studies have revealed that the willful waste of empty beverage containers is costly in terms of energy and natural resources consumption. And these costs appear to be significant.

According to projections made by the Environmental Protection Agency, a nationwide system that encouraged the return and recycling of bottles and cans would result in a savings of half a million tons of aluminum, 1.5 million tons of steel, 3.2 million tons of glass, and almost 50 million gallons of oil a year.

To date, five states (Oregon, Vermont, South Dakota, Michigan, and Maine)—plus all government-owned parks and reservations—have passed strict laws designed to stimulate the recycling of bottles and cans by requiring a cash deposit (or refund) on all beer and soft-drink containers sold within their boundaries.

This year, similar container-deposit legislation—often referred to as "bottle bills"—narrowly missed passage in Connecticut and Massachusetts, and related proposals are currently under consideration in most other states and at the Federal level as well. It all adds up to a determined and impressive legislative effort to curb what has been only half-facetiously referred to as the "throw-away mentality" of the American public.

Like most legislation of far-ranging consequences, the various bottle bills currently being proposed across the country have precipitated heated debates and sharply conflicting claims over their effectiveness.

On the one hand, spokesmen for the bottle and can-producing industry—often joined by beverage manufacturers and distributors and retail grocers—vigorously oppose container-deposit legislation on the grounds that such measures tend to eliminate jobs while simultaneously raising the cost of doing business. Most environmentalists, on the other hand, look upon the nonreturnable bottle and can with about as much relish as a gourmet surveying a fly floating in his soup.

Somewhere between these poles of vested interest stands the average consumer: harassed, and thirsty.

If there is any place where the controversy surrounding bottle legislation has settled into a semblance of objectivity, it must be in either Oregon or Vermont. Not only have these two states pioneered beverage-container-deposit legislation, they have also lived with the consequences of this act for a combined total of nearly a decade.

Although the widespread use of returnable containers predates current legislative efforts in this direction, it was more than a quarter of a century, it was not until the late 1960s that a small group of Oregon environmentalists began lobbying for a comprehensive statewide bottle law.

Their efforts were finally rewarded in the spring of 1971 when the Oregon legislature passed a law banning flip-top cans and prohibiting the sale of containers of beer or carbonated soft drinks without a minimum two-cent refund.

As in Oregon, impetus for a Vermont bottle law was spawned by public concern for growing litter levels within the state.

In 1970, largely owing to the vocal support of local college studies, Gov. Deane C. Davis sponsored the first state Green-Up Day, during which all Vermonters were encouraged to voluntarily pick up trash along roadways, riverbanks, and hiking trails.

Although Green-Up Day continued to be an annual rite of spring for the next few years, the enthusiasm of local residents for this form of public garbage collection soon began to wane.

Then, in the summer of 1971, just at a time when the seeds of discontent with Green-Up Day were first beginning to sprout, a young girl named Gatey Graves cut her foot on a broken bottle at a fishing access near Lake Champlain.

Gatey's father happened to be a lawyer as well as a member of the Vermont legislature. Outraged by what had happened to his daughter, Graves went straight to his study and drafted a bill that would require the recycling of all bottles purchased within the Green Mountain State.

In the face of one of the most intensive lobbying campaigns ever seen in Vermont, the Graves Bill—altered to include a minimum five-cent deposit on beer and soft-drink cans as well as bottles—became state law at the twenty-fourth hour of the last day of the 1972 legislative session.

Besides the mandatory deposit, the original Vermont bottle law carried the provision that a fee of 20 percent of that deposit (amounting to roughly one cent per bottle or can) be paid to the retailer as compensation for the extra work involved in collecting and storing the empty containers.

The law was amended in 1975 to include a ban on flip-top cans, nonbiodegradable plastic rings for six packs, and nonrefillable beer and soda bottles.

As in Oregon, the Vermont over-the-counter price for beer and soft drinks was marked up to include the deposit (refund), which is returned to the consumer when he or she brings the empty containers back to the retailer. Having collected these bottles and cans, it becomes the retailer's responsibility to pass them along to the distributor, who has the option of recycling them, dumping them, or carting them back to a beverage manufacturer to be refilled.

Despite the differences in implementation, the original intent of the Oregon and Vermont bottle laws was the same: to reduce litter. And both states have certainly accomplished that goal.

During the first year that the bottle law was in effect in Oregon, beverage-container refuse along roadsides dropped by 72 percent. In Vermont the reduction of landscape litter has been even greater.

According to Donald Webster, Vermont's director of environmental conservation, just about all the beverage containers collected for refund in the state are currently being recycled.

In Oregon, where empty nonrefillable bottles have had a sad history of winding up in town dumps, the Carter Distributing Company of Albany, Ore., has recently installed a four-thousand-dollar glass-crushing machine and is now smashing thousands of nonrefillables a week and selling the glass to the Owens-Illinois Corporation.

Perhaps one of the most confusing, misunderstood and generally maligned aspects of bottle legislation has been its effect upon the consumer.

Vermont's Donald Webster points out that in 1974–75 the beverage-container-manufacturing industry, in an all-out attempt to denigrate beverage-container-deposit legislation, engaged in a campaign of "resistance, misinformation, coercion, and distortion, not only in Vermont, but it all other parts of the country where similar legislation might be considered." And last fall, Vermont's US Rep. James Jeffords noted that during referenda campaigns in Michigan, Maine, Massachusetts, and Colorado, opponents of beverage-container-deposit legislation stated publicly and in numerous radio and television advertisements that the law in Vermont was costing the average family approximately a hundred dollars a year.

According to Jeffords, this hundred-dollar-a-year cost figure is "totally incorrect" and he cites as evidence of the basic economy of refillables the testimony of Coca-Cola president J. Lucian Smith Jr. before the House Subcommittee on Monopolies and Commercial Law.

"Coca-Cola sold . . . in nonreturnable packages is priced, on the average, 33 percent higher than Coca-Cola in returnable bottles." Smith told the Washington lawmakers. "The difference lies essentially in the different costs of the packaging: the cost of returnables is spread over many uses; the cost of nonreturnable package is absorbed in one use."

Given these circumstances, Jeffords has computed that, far from losing money because of the bottle law, the average Vermont family actually saves about 60 dollars a year by purchasing beer and soft drinks in returnable bottles and cans. In Oregon, officials estimate that their container legislation saves enough electrical energy to meet the annual home-heating needs of 50,000 residents.

Although there appears to be little doubt that the average consumer will wind up being the beneficiary of bottle laws in Oregon and Vermont, the legislation has forced beverage manufacturers and distributors in both states to invest substantial amounts of cash in converting their operations to comply with stricter legal standards.

Beverage manufacturers, for example, have had to purchase expensive washing and labeling equipment for refillable glass bottles. And distributors have found it necessary not only to buy extra trucks to collect empty containers, but also to hire extra personnel to sort the empties that have been collected.

Yet despite the extra work and money that the bottle laws in Oregon and Vermont have cost the distributors, most of them appear to be living, if not happily, at least placidly, with the legislation.

These firms write off the extra expenses incurred for trucks, personnel, and the like to "overhead," and pass them along to the retailer. Since all distributors must remain competitive with one another, thirsty Vermonters and Oregonians rarely see very much of this overhead reflected in the prices they pay for beer and soft drinks.

These days, when distributors and beverage manufacturers in Vermont and Oregon talk about bottle laws, they are more apt to talk about discrimination than balance sheets.

As Vermont Bottlers' spokesman Lee Kilburn puts it: "Any law that's forced on one industry, when you're trying to solve your total solid-waste and litter problem, isn't fair. We're part of the solid-waste problem and we're part of the litter problem; but we're not the total cause of either one of these problems."

It is Kilburn's contention that if beer and soft-drink bottles and cans must carry a deposit, then all other metal and glass food containers should be marked for deposit as well.

Perhaps the single largest interest group to be affected by the bottle laws in Vermont and Oregon is the retail grocers—the owners and operators of stores large and small who collectively serve as the front-line shock troops for the entire deposit-return system.

It is the retail grocer who sells the beer and soft drinks to the public and who reaps the rewards of empty containers. It is the retail grocer who must find sufficient space in his establishment to store these empties until the distributor arrives to cart them away. And it is the retail grocer who on many occasions has helplessly watched competitors in neighboring states without bottle law siphon off his business by radically undercutting his prices.

According to a report prepared by two economics professors at Oregon State University, the operating income for grocery stores and super markets in that state dropped by about $3 million during the first year the bottle law was in effect. Concurrently, Oregon retailers had to make one-time capital investment of nearly $200,000 to pay for bottle-sorting-and-handling equipment and the construction of space for container storage.

It is hardly surprising, therefore, that retailers remain the largest single body of critics of the Oregon bottle law.

Vermont retailers appear to be just as concerned about storage as their counterparts in Oregon, but like Oregonians, they have lived with this problem for a number of years and have learned, by necessity, how to cope with it.

As Bernie Nadeau, the owner of a small grocery store in Middlebury puts it: "If you have everything set up, ample storage space, and the right kind of help, the bottle law is all right."

What Nadeau and many other Vermont retail grocers do complain about is the 20 percent handling fee they receive from the distributor for taking in, sorting, and storing the empty bottles and cans. "It's not enough," says Nadeau. "For my operation the handling charge has not covered the cost of dealing with the bottles."

Not all Green Mountain grocers—particularly those doing business in border areas of the state—are as soft on the Vermont bottle law as Bernie Nadeau. That's because following passage of the legislation, many of these grocers found that local customers started shopping in neighboring states where the price of beer and soft drinks was not inflated by a mandatory container deposit.

This disturbing trend has been particularly evident along the Vermont-New Hampshire border where, according to Jim Holmes (the executive secretary of the Vermont Retail Grocers' Association), some small businessmen have experienced a 50 percent drop in beer sales since the bottle law went into effect.

One man who doesn't need to be reminded of such statistics is Dan Fraser, an owner of Dan and Witt's Store in Norwich.

Dan and Witt's is locted almost within a beer can's throw of the New Hampshire border and less than a dozen miles from a Granite State shopping center.

Fraser won't say how much business he's lost to his competitors in New Hampshire, who not only have no mandatory container-deposit legislation but also operate under a more favorable beverage sales-tax arrangement than exists in Vermont. But he does have some hard words for the Green Mountain lawmakers who, he feels, are responsible for his loss of business to New Hampshire.

"The people in Montpelier," he says, "don't care about any business on the border. The ones that make the laws, that is. No wonder they've got a big shopping center just over in West Lebanon, N. H. They're there to collect all the business from Vermont. And those people up in Montpelier don't realize that."

Donald Webster, sitting behind his desk in a state office building hard by the Vermont capital dome does not dispute Fraser's claims of retail border jumping.

"Some of it had to occur," says Webster, who also points out that prior to the passage of the bottle law, Vermont had a 25 cents-per-gallon tax on beer while New Hampshire's beer tax was less than half that amount. But today, Webster notes, the malt-beverage tax differential between New Hampshire and Vermont is about six cents. "So," he says, "logic dictates that border crossing isn't really worth it."

Webster's logic notwithstanding, there are a handful of enterprising Vermont retailers who are actually making money from the state's bottle law.

These are the owners of discount beverage stores and redemption centers, which, during the last five years, have appeared near almost every major Green Mountain population center.

These discount redemption centers sell beer and wine like other grocery stores, but they have also been specially set up to receive, sort, and store vast quantities of empty beverage containers.

By making it more convenient for customers to return their empties, these establishments take in far more beer bottles and cans than they sell. Since the Vermont bottle law requires distributors to pay retailers upwards of a penny "handling charge" per container, the redemption centers have the potential of making substantial profits on bottles and cans that they never sold in the first place.

The discount beverage store and redemption center has yet to make an appearance in Oregon, since the state does not have a malt-beverage tax—and its neighbors do have one—Oregonians are not tempted to cross borders to buy beer.

According to the public-opinion polls taken in Oregon and Vermont, residents of both states overwhelmingly support beverage-container legislation as a means of cleaning up the environment, conserving energy, creating jobs, and bringing about consumers savings.

THE ABC'S ABOUT BEVERAGE CONTAINERS

(By Mark Sullivan)

A. CONTAINERS AND THE OVERALL WASTE PROBLEM

As the nation's largest conservation education organization, the National Wildlife Federation (NWF) is concerned about waste in any form. In recent years, America has increasingly become a throwaway society. Everyday, more products are introduced, designed exclusively to be used once and then thrown away. A few years ago, people would have scoffed at the notion of disposable lighters or entire razors (not just blades) that are used until dull and then tossed into the trash. Durability is out. Disposability is in.

We find it difficult to accept the argument that this is progress. In an age when reminders of our dependence upon wise use of our natural resources come in the form of higher prices and loss of income and employment, conservation is more essential than ever before.

Finding alternatives to our wasteful habits requires national attention. Education is necessary to make the public aware that their consumer choices play a vital role in conservation. It will take time to find and implement many of the other needed conservation measures, but there are some areas in which obvious and logical alternatives are currently available. One of the most visible and nagging problems is the waste of beverage containers for beer and soft drinks.

Changing the present system for marketing beer and soft drinks can yield energy savings equal to 81,000 or more barrels of oil per day plus conserve material resources annually of 5.2 million tons of glass, 1.5 million tons of steel and 500,000 tons of aluminum. Also, changing the system could actually create between 80,000 and 118,000 additional jobs, save consumers as much as $1.8 billion annually and provide other desirable benefits in the form of reduced litter and solid waste. Most surprising, however, is that the proposed change is not so much a new idea as it is an old idea reconsidered, placing refundable deposits on containers as an incentive for their return for reuse and recycling!

B. REFILLABLES VS. THROWAWAYS

Not so many years ago, soft drinks and beer came almost exclusively in bottles designed to be used, washed and refilled over and over again. In fact, as late as 1960, 95 percent of all soft drinks and 50 percent of all beer was sold in refillable bottles. With refillable bottles the consumer buys only the beverage. The container is borrowed. A deposit is paid to encourage the consumer to return the container. Even if the purchaser does not return the container, the deposit provides the incentive for someone else to bring it in to claim the deposit. Persons 20 years old and older may remember collecting bottles for spending money in their childhood.

Studies commissioned by various federal and state agencies have found that refillables are used an average of 15 return trips each. That means the cost of the container is shared by all 15 users.

About 15 years ago, non-refillable containers (both bottles and cans) began to appear in large numbers on store shelves. Advertisements emphasized convenience. With non-refillables the purchaser did not have to pay a deposit or return the empty container. When used, the container could simply be discarded. These non-refillables were immediately dubbed "throwaways."

And "throwaway" is what people do with most of them. If the consumer is conscientious, the empty container goes into a trash receptable. If not, it ends up as litter. With returnables there was at least the incentive for someone to pick them up for the deposit. Throwaways provide little incentive for their collection. Now the only way they are picked up is when tax dollars are spent for litter cleanup or a volunteer group, like the Boy Scouts, has a litter pickup campaign. Litter is only one of the more visible adverse impacts of throwaways. If litter is what we gain, what is lost and who loses?

C. TAXPAYERS

Municipal and state expenditures for refuse cleanup cannot be provided to pick up all trash. When money is available, it is usually allotted to handle refuse on a priority basis. If only a small amount of money is available, it will be used first to pick up the biggest, most glaring refuse, such as junk autos and abandoned appliances. Roadside litter is of a lower priority and pickup will be concentrated upon major or scenic highways. Money is rarely available to clean up back roads, city side streets or alleys. Funds are never available for picking up litter on private lands. Farmers, for example, find litter on their land a special nuisance. Broken bottles can cut tractor tires: cans can get caught in farm machinery and cause expensive damage.

One suggested solution has been to increase litter collection expenditures. Preventing as much litter as possible in the first place, however, is most important. The Environmental Protection Agency (EPA) estimates that 4.1 billion beer and soft drink containers were littered in 1975 and that this figure will exceed 5 billion by 1980. EPA estimates that beer and soft drink containers currently comprise 20–30% of all litter by piece count and 40–60% by volume. If a substantial segment of the beverage container portion of litter can be avoided, limited funds for litter cleanup will go much further. Besides, even if litter can be cleaned up, it then becomes a disposal problem.

The cost of litter pickup is only one facet of the beverage container liability to the taxpayer. The overwhelming bulk of throwaway containers goes into our municipal trash collection and disposal systems. Taxes or user fees are charged to the public to handle that trash. Trash disposal is the second most costly municipal service—behind education but ahead of such vital services as police and fire protection. The EPA estimates that 8 million tons of beer and soft drink containers were thrown away in 1976. These accounted for 8.5% of the manufactured goods in the municipal waste stream. Tax dollars were spent to pick these up, haul them and put them into already over-burdened and expensive municipal landfills.

Containers which are refilled or recycled cause neither litter nor solid waste.

D. THE CONSUMER

If the price of a refillable bottle is shared by all of the users, the price of the throwaway is borne entirely by the single user. Actually, when beer or a soft drink is purchased in a throwaway, the consumer is buying the container as well as the beverage. The container will cost around seven cents (glass a little less, metal a little more). A recent survey conducted for EPA of soft drink bottles alone found that soft drinks in non-refillables cost consumers almost 1½ times more than in refillables.

If the consumer recycles, can the cost of the throwaway container be recovered? Some of it, yes, but only a very small portion. Even recycled aluminum, the most valuable of the containers, is worth only a fraction of what the consumer paid for the container. At 15–20¢ per pound recovered aluminum is valuable, but it takes 23 beer and soft drink containers (12 oz. equivalents) to make a pound of aluminum!

This low value helps to account for the very disappointing recycling rates nationwide.

In 1975, less than 16% of the aluminum beer and soft drink containers purchased were recycled. Steel container recycling was below 5% and the glass rate even lower. Even aluminum, for which one major beer distributor will pay ¾¢ per can, does not provide adequate economic incentive for most consumers to recycle.

E. NATURAL RESOURCES

In 1975, Americans purchased over 65 billion throwaway beer and soft drink containers. That amounts on an average to more than 300 containers for each man, woman and child in the nation. Worse still, the trend toward throwaways has yet to peak. The U.S. Department of Commerce estimates that by 1980, over 90 billion throwaways will be used annually. In 1975, over 80% of beer and 66% of soft drinks consumed were sold in throwaways.

In 1975, EPA estimates that 1.5 million tons of steel, 6.8 million tons of glass and 475,000 tons of aluminum were manufactured from raw materials to make beer and soft drink containers. It is estimated that this usage will increase to 1.7 million tons of steel, 8.2 million tons of glass and 643,000 tons of aluminum by 1980. If our current recycling efforts doubled, this increase would not even be offset. Can we afford for such a depletion of our resources to continue? William Coors, whose company pioneered the aluminum beer container, addressed this when he told the Idaho legislature in 1974, "We are not going to have the materials to market our product, if we don't start getting our containers back."

In addition to our material resources, we must also consider the waste of what is fast becoming our most precious resource—energy.

F. ENERGY

Energy is required to remove the virgin materials from the earth, to transport them to factories, to make each container, to wash each container (whether brand new or to be refilled), to transport the containers to the stores, power the delivery truck (whether empty or loaded with containers to be recycled or refilled), to pick up the litter, to haul the throwaways to disposal, and to shred and compact the throwaways in the disposal site. This energy is lost forever.

A refillable glass bottle used only ten times requires less than ⅓ of the energy for the equivalent beverage marketed in throwaways. While using refillables requires even less energy than making cans out of recycled metal. It must be noted that just using recycled aluminum and steel would save 78% and 39%, respectively, of the energy required to make cans from virgin resources. Clearly, using refillable bottles and maximizing the recycling of cans would save energy, but how much energy does the beverage industry use?

In fact ½ of 1% of our nation's entire energy consumption is currently used just in the production and distribution of beer and soft drinks. EPA estimates that in 1975, 465 trillion BTUs of energy were used by the beverage container industry. By 1980, the figure is projected to surpass 580 trillion BTUs. A substantial portion of that energy is derived directly from petroleum and natural gas. In the winter of 1973–74 and then again in the winter of 1976–77, severe shortages first of petroleum and then natural gas triggered an economic downturn, yet we continue to waste precious energy on throwaways!

G. ALTERNATIVES

It is clear that we cannot just ban beverage containers. They are a necessity. Ideally, the public should use fewer non-refillable containers and recycle those that are used. The beverage container industry contends that it is only responding to consumer demand, and that it would not sell so many throwaways if people did not want so many of them. Why then are so many throwaways sold?

Increasingly, consumers are not being given the choice to use refillables, because many beverages are not available in refillables, and many stores will not stock them or accept them for refund. Recycling is stymied because recycling centers are inconveniently located and may cost the consumer so much in time, effort, and transportation that recycling just doesn't make economic sense.

Prices of throwaways are misleading and seem cheaper than they in fact are. They do not include costs for litter cleanup and solid waste disposal, which the public pays later. In fact, those of us who use refillables or recycle throwaways subsidize the rest of the population who do not. We pay for their mess!

But the major blame lies with the public. The beverage industry notes that when given the choice between refillables and throwaways, the buying public chooses throwaways. We must take the time to evaluate all of the factors and consider them in their proper perspective. We cannot afford to be lazy. We must reject the argument that "convenience" is progress, and remember that throwing away, even when we clean it up, is wasteful!

Providing the public with the stimulus to reuse and recycle is the obvious answer. Conservationists have examined the situation and found that the solution may well have been *behind* us, in our not too distant past. The reason why the all-refillable system was so successful and why even today the return rate for refillables remains at around 90%, is the economic incentive to return the containers provided by the deposit. This is the basis for what has become known as the "bottle bill" concept.

H. "BOTTLE BILLS"

"Bottle bill" is the common term used for any measure requiring payment of a minimum deposit for the container when a beverage is purchased.

Contrary to what many people believe, bottle bills do not ban throwaway containers. As a result of bottle bills, consumers tend to buy fewer non-refillables for logical reasons. Throwaway bottles become non-competitive. Why buy a throwaway bottle if you have to pay a deposit? You might as well use a refillable because then you only borrow the container and get your deposit back when you return it. If you return the throwaway you get back your deposit, but not the price you paid for the container. The single attraction of the throwaway bottle for consumers is lost. The same can be said for the beverage industry. If bottles must be accepted for return, refilling is cheaper than recycling.

Beverages in cans, especially all-aluminum ones, will still be competitive because cans have some other attractions besides being disposable. They are lighter and will not break. The deposit provides the needed incentive to return the can for recycling. Since cans can be flattened and take up little storage space, some people find the extra cost for the container worthwhile, because they are easier to save and return in bulk for the deposits.

Bottle bills are currently in effect in many places, nationally and even in other countries. Five Canadian provinces, for example, have bottle bills. Some have been enacted on a local level (Bowie, Maryland; Mill Valley, California for example), but the most effective bottle bills in this country have been enacted at the state level.

In 1972, Oregon led the way when its legislature enacted its landmark "bottle bill." Two other states (Vermont and South Dakota) took the state legislative route to their respective bottle bills. When the legislature failed to act in four states where popular referenda were allowed, conservationists took their case to the people in November of 1976. Despite massive publicity campaigns mounted by the opponents the public approved bottle bills by large margins in two states (Maine, 58%; Michigan 63%). In the two other states, the referenda were defeated (Massachusetts, 49%; Colorado, 32%).

I. VARIATIONS ON THE BOTTLE BILL

While all of these bottle bills have the container deposit concept in common, they are not identical.

Oregon's bill included a prohibition against cans with detachable pull tabs. Other bottle bills have followed this pattern, and, in fact, three states that do not have deposit legislation (California, Minnesota and Virginia) have prohibited the tabs. To accommodate this, the industry introduced the push-button lid which accomplishes the same objective as the pull-tab without detaching.

Other bottle bills have prohibited the plastic rings used for marketing cans. Both pull tabs and plastic rings are annoying sources of litter and a particular menace to both humans and wildlife. The tabs, for example, are easily swallowed and since they cannot always be detected by x-ray, are especially dangerous. Fish and other animals can also swallow tabs. Birds can get their heads caught in plastic rings and die of starvation.

Some bottle bills provide a modest handling allowance for retailers to offset their expenses in handling returned containers. Others provide the incentive of a lower deposit on standardized containers that can be filled by more than one distributor because this streamlines handling. Some require that containers have a stamp indicating the deposit and signifying that they were purchased in a particular state or community, in order to guarantee their acceptance for refund and to keep track, especially in small states, of containers from surrounding states that carry no deposit.

J. OPPOSITION TO BOTTLE BILLS

As is the case with any measure requiring change, not everybody likes bottle bills. In fact, the bottle bill opposition is well organized, well financed and vocal. Their arguments must be considered. Some are not easily brushed aside.

Opponents note that a major reason for the switch to throwaways was to improve sanitary conditions in stores. They argue that a deposit system will cause a return to piles of filthy bottles around stores. This, of course, is not so much a weakness of returnables as it is of the way stores handle them.

A change such as the deposit requirement will cause initial dislocations and some immediate expenses (storage space and perhaps equipment) and some additional costs (perhaps extra employees to handle refillables), especially for distributors and retailers.

As noted, some of the bottle bills make special provision to cover these costs. All allow for a transition period to minimize the disruptions. These costs by no means outweigh the financial benefits to consumers or compare to the overall benefits.

Proponents note that there were massive dislocations when the beverage industry shifted to throwaways. Many jobs were lost and a lot of small, predominantly local, beer and soft drink bottlers went out of business. In fact, as throwaways take over more of the market, this trend continues. There were over 700 brewing plants in the U.S. before World War II. Today there are less than 100!

The most often heard opposition to bottle bills is the claim that they do not work, are economically disastrous and cause massive unemployment. Perhaps the best way to approach this is by looking at the record.

K. BOTTLE BILL EXPERIENCES

Two states (Oregon and Vermont) have had bottle bills in effect since 1972 and 1973, respectively, and have been the subjects of innumerable investigations. But, as former Oregon Governor Tom McCall notes in his travels around the country expounding on Oregon's bill, it is hard to argue with "a rip-roaring success."

In Oregon, in the year following the enactment of the bottle bill, beverage container litter was reduced by 72%, reducing total volume of litter by 35%. In the second year, these figures increased to 83% and 47% respectively. In Vermont beverage litter dropped 67% in the first year, despite the fact that the industry resisted the bill by continuing to market beverages in throwaways almost exclusively.

In both states the increases in beverage prices that have occurred since enforcement of the bottle bill have paralleled those nationwide due to higher sugar and grain prices and other factors unrelated to the bottle bill. In Oregon, sales of beer and soft drinks have kept pace with sales trends nationally. In Vermont, opponents attributed a drop in sales of beer and soft drinks to the bottle bill, but an EPA report noted that the primary cause was poor ski conditions which resulted in reduced tourist spending in the State.

Vermont is small and its beverage supplies come almost exclusively from distributors in surrounding states. The bottle bill effect upon energy and employment there has been hard to calculate. Oregon, on the other hand, is larger both in size and population, so the effects of its bottle bill have been possible to gauge. Studies in Oregon show that while there was a shift in employment from some segments to others, there was a net gain in both jobs and labor income as a result of its bottle bill. Annual savings equivalent to 1.4 trillion BTUs of energy (enough to satisfy the annual heating needs of 50,000 Oregonians) and a reduction of 88% in the number of beverage containers going into Oregon's solid waste disposal system were achieved.

Surveys have also found that while there are definitely costs for sanitary handling of containers, these costs have been much lower than had been anticipated. In fact, one Oregon grocery chain has become so enthusiastic that it sends representatives around the country to speak in favor of bottle bills!

Perhaps the greatest testimony to the success of the bottle bill experiments in both Oregon and Vermont is public acceptance. In both states, recent opinion surveys have found that 9 out of 10 people like the bottle bill in their state. Also, the public is cooperating. Return rates for refillable bottles are exceeding expectations and recycling of cans is phenomenal compared to voluntary recycling programs.

Yosemite National Park in California is serving as a voluntary test site for EPA's federal facilities deposit guidelines. The results of this test have received outstanding publicity nationwide. The average stay of a visitor in Yosemite is only 2½ days. This does not provide much time for educating people about the system. A remarkable 7 out of 10 container return rate has been accomplished. This success has encouraged EPA about the potential for full implementation of its guidelines.

With bottle bills in operation in several states, the momentum for bottle bills is picking up elsewhere. More than 20 additional states will consider beverage container deposit measures in 1977. Coupled with EPA's guidelines, the proliferation of bottle bills around the country does add credence to one complaint of the bottle bill opponents. Since each bill is different, the beverage industry is forced to meet different requirements in different states. Conservationists see this as one more argument in favor of their ultimate goal, a national bottle bill.

L. NATIONAL BOTTLE BILL

The advantages of a federal bill are obvious. Not only would the standardizing of deposits and other requirements make the bottle bill less difficult for the industry, it would also yield more efficient conservation results than a piecemeal state-by-state approach. The EPA has projected the following potential effects of a national beverage container deposit law phased in by 1980:

Reduction in roadside litter by 60–70% of container litter and total litter by 20–40% (by item count or volume).

Reduction in annual municipal solid waste by 7 million (at least 5% of the total) annually.

Reduction in total U.S. energy consumption of over 245 trillion BTUs annually.

Savings in virgin raw materials of 5.2 million tons of glass, 1.5 million tons of steel and 500,000 tons of aluminum annually.

Consumer price savings of about 2.5¢ per 10-ounce beverage serving.

Net increase in employment of 80,000 jobs.

EPA is not the only one looking at the potential savings from a national bottle bill.

Searching for ways to conserve energy without causing economic disruption, the Federal Energy Administration (FEA) commissioned a $100,000 study of the potential impacts of a national bottle bill phased in by 1982. Released in the Fall of 1976, the 760-page report entitled *Energy and Economic Impacts of Mandatory Deposits* provided an unparalleled analysis of the beverage industry. The study projected findings assuming such things as improvements in the throwaway system technology to reduce energy consumption. The study also assumed conservative return trip rates for refillables. It noted that the beverage industry currently is energy and technology intensive while a deposit system relies more on employment and less on machines. The study also found that the industry uses substantial amounts of energy derived directly from especially precious sources such as petroleum and natural gas. Some of the study's projections for a mandatory deposit bottle bill include:

Savings of $1.8 billion annually for consumers.

A net increase of 118,000 jobs with an accompanying annual increase in labor income of $879 million.

Energy savings equivalent to 81,000 barrels of oil per day. This is comparable to the 200,000 barrels per day savings that would result from strict enforcement of the national 55 mph speed limit and represents 44% reduction in the energy usage of the beverage industry.

Environmental Action, Inc. (EA) a national lobbying organization leading the bottle bill fight, and Rep. James Jeffords (Vt.), sponsor of the national bottle bill, used the FEA study to determine what effect a national bottle bill might have had were it in effect during the harsh winter of 1977. EA and Jeffords estimate that 30–50 billion cubic feet of natural gas alone would have been saved, alleviating the natural gas shortage. EA noted, "If a national beverage container deposit law had been in effect this year, we would have saved more natural gas than is used by the city of Washington, D.C., plus the states of Maine, New Hampshire and Vermont" in a year.

The FEA study also noted that the energy required to return refillables is marginal because consumers do so on regular shopping trips and retailers load them on returning delivery trucks.

Support for a national bottle bill is coming from other quarters as well. The National Commission on Supplies and Shortages, a bipartisan study group established by Congress, chaired by Donald Rice of the Rand Corporation (and including among its 11 members the Secretary of the Treasury, the Director of the Office of Management and Budget, the Chairman of the President's Council of Economic Advisors, two Senators and two members of the House of Representatives) recommended in its final report issued in December, 1976, that a national bottle bill be enacted.

The Unfinished Agenda: The Citizen's Policy Guide to Environmental Issues, a task force report commissioned by the Rockefeller Brothers Fund and released in early 1977, not only endorses the beverage container deposit concept as an excellent conservation measure for immediate implementation, but adds that this approach might well be applicable in other areas besides beverage containers, citing specifically other packaging materials, appliances and electronic equipment. The task force recommends serious consideration of a national "bottle bill" for automobiles as an excellent answer to the abandoned auto problem.

M. THE CHALLENGE

Bottle bills on a state-by-state basis or on a national level are not the complete answer to waste. Though less, there still will be litter and solid waste to confront, requiring both recycling and acceptable disposal methods. We must also learn to reduce the waste of energy and resources in a variety of other areas. Conservation, however, is the key, the point from which we must proceed.

The bottle bill concept offers a tailor-made remedy for one of the most visible and unnecessary forms of waste. The bottle bill is conservation at its purest. Few conservation measures, as the plant closures and other severe emergency steps taken during winter of 1977 vividly demonstrated, boast such minimal disruption to the economy while providing additional benefits to society. Conservationists know that the bottle bill is not the complete answer, but it is an excellent place to start.

N. FURTHER INFORMATION

To learn more about bottle bills contact:

Office of Solid Waste, U.S. Environmental Protection Agency, 401 M Street, S.W., Washington, D.C. 20460.

Recycling Information Office, Department of Environmental Quality, State of Oregon, 1234 S.W. Morrison, Portland, Oregon 97205.

Vermont Agency of Environmental Conservation, P.O. Box 489, Montpelier, Vermont 05602.

O. CITIZEN ACTION

For more information on citizen action on bottle bills contact:

Michigan United Conservation Clubs, P.O. Box 30235, Lansing, Michigan 48909.

Natural Resources Council of Maine, 51 Chapel Street, Augusta, Maine 04330.

Maine Audubon Society, Gilsland Farm, 120 Old Route 1, Falmouth, Maine 04105.

Oregon Wildlife Federation, P.O. Box 4552, Portland, Orgeon 97208.

Oregon Environmental Council, 2637 S.W. Water Ave., Portland, Oregon 97201.

Vermont Natural Resources Council, 26 State Street, Montpelier, Vermont 05602.

Environmental Action, Inc., 1346 Connecticut Ave., N.W., Washington, D.C. 20036.

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The Impact of Litter, Kentucky Legislative Research Council, State Capitol, Frankfort 40601. October 1975.

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RETURNING TO "RETURNABLES"

Perpetuation of what has become almost an American tradition—the attitude of "make it, use it, throw it away"—has received a boost from the Massachusetts House of Representatives.

The House refused to endorse an initiative petition measure banning use of nonreturnable bottles. In doing so it soothed national container industry fears that, if the Bay State joins Oregon and Vermont in requiring that beverages be sold in returnable bottles, the rest of the nation might soon follow suit.

In 1973 the average American used 71 "six-packs" of beverages. One out of every four of those containers ended up as trash. Bottles and cans account for approximately 50 percent of the national litter problem.

At the same time surveys on the impact of bottle laws in Vermont and Oregon show that 90 to 95 percent of the returnable beverage containers are being reused. In Oregon overall litter has dropped 39 percent, while beverage, container refuse has plunged 83 percent.

In Massachuseetts the AFL–CIO opposed the bottle bill, saying it would result in loss of up to 1,000 jobs in the bottle-making trade. Yet a Federal Reserve Bank of Boston report concludes that there would be a net gain in employment, although primarily in less-skilled, lower-paid retailing jobs. It indicates an over-all benefit to the state's economy.

On a national scale, a draft Federal Energy Administration report concludes that requiring deposits on beverage containers would result in economic gain.

Fortunately, the issue is not dead in Massachusetts. Backers of the proposal can place it on the November, 1976, ballot if they collect a little over 9,000 signatures, which should not be difficult. Meanwhile several other states, including Maine, New York, Maryland, and Virginia, are now considering similar bottle legislation.

The most effective way to curb litter, aside from convincing people not to toss it down in the firstplace, is to make it too costly for the needless litterer.

Bay State citizens and indeed all Americans ought to realize that legislative bans on disposable bottles mean both the creation of jobs and a litter-free landscape.

BOTTLE BILLS WINNERS AND LOSERS

(By Ellen Stern Harris)

While most of us were paying close attention to the fate of the candidates earlier this month, we may not have noticed the outcome of ballot issues in states other than our own. Frequently these results can serve as an important indication of developing trends that may, in time, affect our own state's decision-makers.

Nationwide, consumer and environmental groups had their eyes on Michigan, Maine, Massachusetts and Colorado. Each of these states had measures listed that were patterned after the Oregon and Vermont bottle bills requiring deposits on beverage containers to encourage recycling. In Massachusetts, the bottle bill lost by one-half of one percent and in Colorado by a whopping 60 percent.

TREMENDOUSLY ENCOURAGED

And yet the public interest groups are tremendously encouraged. That's because in Maine, where the container industry outspent the citizen organizations by 30–1, 58 percent of the voters approved a bottle measure. The greatest victory, however, was in Michigan where 63 percent of the electorate enacted such a law—in spite of the industry expenditure of an estimated $3 million in an attempt to defeat the deposit requirement.

William W. Sadd, president of the Washington, D.C.-based Glass Packaging Institute, said, "The industry is obviously concerned. We anticipate that consumer prices in Michigan and Maine will rise as a result of higher prices associated with changes in the distribution system. Nonetheless," he added, "this industry stands ready to supply the returnable bottles needed for the changeover—just as we have always tried to supply what the market demands."

The Environmental Protection Agency, concerned with the energy wasted by not reusing bottles as well as the litter problems throw-away containers cause, has adopted regulations requiring a 5-cent deposit on soft drink and beer bottles and cans sold on all federal facilities beginning next September.

EPA expects savings of 2,000 barrels of oil per day plus an annual savings of 80,000 tons of glass, 24,000 tons of steel and 6,000 tons of aluminum from just this example of enlightened consumerism. Military bases and national parks such as Yosemite (where this program has already gotten under way) will lead the way in demonstrating that returnable bottles are "in" once again.

As for the EPA's official position with regard to expanding such programs: "EPA favors national mandatory deposit legislation, phased-in, to minimize employment and other economic dislocations. It does not oppose similar state and local legislation, as long as it includes such provisions and anticipates possible national legislation in this regard," Marvin Schlackman of EPA's regional office in San Francisco told me.

If you have followed the battles to get California's legislature to approve a bottle bill, you may recall that this year its author, Sen. Omer Rains (D-Ventura), was unable to get the votes needed even to pass its first committee hurdle. He will, nevertheless, reintroduce it as SB4 in January, according to proponent Fritzi Bernstein, solid waste subcommittee chairman for the Sierra Club in Los Angeles.

ENVIRONMENTAL BURDEN

What amazes me is how we can continue to accept the economic and environmental burdens connected with producing and distributing containers that hold liquids for human consumption containing little if any nutritive value. It seems a question of fairness when, whether or not you choose to purchase such drinks, you are required to pay for the cost of disposing of the containers discarded by others. That's because these expenses are all included in the county and city's budgets. Disposal costs are paid for out of local governments' general funds that include our increased property taxes. Renters also feel the pinch as landlords frequently justify additional rent increases based on higher property taxes.

Trucking solid waste to landfills, located farther and farther from urban areas, means higher governmental costs for fuel and more smog being generated. In addition, what few scenic canyons remain near population centers are increasingly being usurped for use as landfills.

Besides the bottle-bill approach, other aspects of solid waste are receiving accelerated attention from various segments of government and industry. Next week: barriers to the recycling of newspapers.

Today, bottle-bill advocates are pushing basically similar legislation across the nation. They have made hundreds of efforts to enact bills—from Congress down to City Hall. South Dakota has passed container legislation due to go into effect in July. The District of Columbia's council adopted a bill in 1974, only to have the mayor veto it. The federal Environmental Protection Agency backs a national bill. So do such diverse organizations as the National League of Cities and the U.S. Conference of Mayors, the League of Women Voters and the United Auto Workers.[1]

The backers now see more than trash involved. They say that America has become a throwaway society, has lost the pioneer ethic of "waste not, want not." They see the bottle bill as a way to begin recapturing national thriftiness. In their scenario, if we refilled 90 percent of beverage bottles and recycled eight of ten beverage cans, the country would annually save from five to six million tons of basic resources (glass, steel, aluminum) and energy equivalent to 39 million barrels of oil.

There is also the issue of cost to the consumers. In 1972, the president of Coca-Cola, U.S.A., told Congress: "Coke sold in food stores in nonreturnable packages is priced, on the average, 30 to 40 percent higher than in returnable bottles." Why? Soft drink cans cost about seven cents each. The Pepsi-Cola franchiser in Portland, Ore., figures that using refillable bottles again and again reduces the container cost *per filling* to less than a penny, compared with four to seven cents for throwaways. A 1971 study by Prof. Bruce Hannon at the University of Illinois concluded that changing from throwaways to refillables would save consumers about $1.4 billion a year.[2]

[From Reader's Digest, March 1976]

CAN THIS LAW STOP THE TRASHING OF AMERICA?

(By Earl and Miriam Selby)

In the last 15 years, a revolution has swept through the U.S. soft-drink and beer industries. Back in 1960, we drank 95 percent of our soda pop and 50 percent of our packaged beers from refillable bottles—the kind that could be brought back for the deposit and then used over and over. Today, 79 percent of packaged beer and two out of three soft drinks are sold in cans and "no-deposit, no return" bottles, which are used once and then thrown away.

As a result, America is living amid the offal of the beer and beverage industry. Consider:

We are now using about 60 *billion* beverage throwaways a year. These cans and bottles add some nine million tons of trash to our national garbage can.

Using what it called conservative estimates, the Research Triangle Institute of North Carolina reported that in 1969 more than two billion beverage containers found their way to the national roadside. Since then, the total may have reached three billion. Such throwaways account for 20 to 40 percent of all litter.

Several years ago, a metals company offered a dime a pound for empty aluminum beer and pop cans. In 14 weeks, Billy R. Hall, a Dallas cement-finisher, and his wife salvaged almost a quarter of a million cans from the streets and alleys of their city.

A 1975 California study put that state's current litter *injuries* at 300,000 per year. The predominant causes: broken beer and pop bottles and pull-tab openers from cans.

How do we avoid this trashing of America?

In the early 1970s, two states—Vermont and Oregon—pioneered a kind of legislation that has come to be known as "the bottle bill." This legislation led to a deposit-and-refund system on beer and carbonated soft-drink containers, cans included. The theory was that it would encourage everyone to return containers to the beverage network so they could be refilled or recycled, thus cutting down on litter and also lightening the overburdened garbage can.

How did the idea work? In Oregon, according to a study by Massachusetts' Applied Decision Systems (ADS), beer and pop roadside trash declined 66 percent within one year of passage of the bottle bill; *all* litter declined 11 percent. Another study by Don Waggoner, past president of the Oregon Environmental Council, indicated that two years after the bottle bill the state's beverage trash was down 83 percent; all litter, 39 percent. In Vermont, the highway department reports that can and bottle litter declined 76 percent in one year; all litter, 33 percent.

Such a change, however, especially on a national scale, would hit certain giant industries with megaton force. Here is the reason:

There was a time when a brewer's territory was limited to the distance that a team of horses—and later a truck—could cover in a day. Throwaways changed all that. No longer concerned about getting containers back to the plant, brewers could ship a thousand miles or more, enabling the big ones to invade the local markets of smaller rivals. From 184 in 1958, the number of brewers shrank to 55 in 1974. Eight beer manufacturers now control nearly three-quarters of the market. If throwaways were banned, these giants would be hard hit.

The ADS survey provided another insight into why the beverage industry fights for throwaways. In 1972, big national brewers charged an average wholesale price of $2.50 in Oregon for a case of beer in 11-ounce, refillable bottles. For a case of 12-ounce throwaway cans, the average wholesale price was $3.20. On the bottled beer, the brewers included a mark-up for themselves of 32 cents over the cost of manufacturing. On the cans, the mark-up was 74 cents. The mark-ups for soft drinks were even larger.

It is easy to see why most big beverage makers and bottlers have fought bottle bills. They have been joined by can and glass makers, beer wholesalers, supermarket chains, and the large unions of steel, glass and aluminum workers. It has been a costly fight. William Coors, whose brewery is the only major beer maker to favor deposit legislation, has publicly put the spending at $20 million a year. There is no doubt about the campaign's success. Of hundreds of efforts to enact bottle bills, only three states and a scattering of local jurisdictions have succeeded. And most of the county and city laws have been suspended, pending court tests.

The bottle bill has done much to detrash Oregon and Vermont. Nonetheless, there are serious questions that can be raised. Here, in mini-debate form, are some of them, with replies summarizing both the industry position and that of the bottle-bill advocates.

1. Won't consumers lose "convenience" and "freedom of choice"?

Industry: Beer and soft-drink makers adopted throwaways because the consumer wanted them. Though consumers may tell pollsters they favor returnables, in the marketplace they buy non-returnables because they want the convenience. They should be allowed to choose.

Advocates: Throwaways are "convenient" chiefly for the beverage industry's biggest customer: food outlets, which avoid the cost of handling returnables. As for the consumer's supposed preferences, a survey in Oregon found that only 12 percent of consumers felt it was inconvenient to pay deposits and return empties. Only seven percent thought the bottle bill limited their choice of soft drinks—three percent for beer.

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[1] Bottle bills include various provisions. Oregon's law banned the pull-tab can altogether, on the ground that the tab was dangerous, unsightly and omnipresent in litter. Vermont initially did not ban the pull-tabs, but now has banned both them and nonrefillable bottles, starting in 1977.

[2] The impact of containers on the cost of beer is immense. A 1973 article in *Beverage Industry* said that for three of the largest brewers—all heavily into non-returnable cans and bottles—containers constituted 56 percent of their average manufacturing expenses. This was almost three times the amount spent on labor, and nearly four times the cost of the beer's agricultural ingredients.

2. Does a bottle bill cost jobs?

Industry: A national bottle bill would throw from 60,000 to 160,000 people out of work. As chairman William F. May of the American Can Co. says, this nation is too deeply committed to the one-way, no-deposit, no-return container to go back to the refillable system.

Advocates: Though there would be dislocations, overall a bottle bill *creates* employment because of the additional workers needed by beer and soft-drink makers and distributors. Anyway, did industry shed tears when throwaways allowed big brewers to swallow smaller plants and eliminate some 20,000 jobs? When Vermont's AFL–CIO leadership tried to get support for fighting that state's bottle bill, the rank and file turned it down.

3. What about the impact on industry?

Industry: It would be catastrophic. Can and bottle plants would lose billions in sales. In Oregon alone, the ADS study reported, can makers lost about $10 million in one year's sales, and it was expected that glass sales, after a spurt to meet the need for new refillables, would go down another $3.6 million.

Advocates: The bottle bill doesn't mean the end of beverage-can sales. Now that progress is being made toward an ecologically sound nondetachable opener for cans, metal containers could be expected to retain about 20 percent of the market. Besides, as the Oregon Court of Appeals told American Can and other industry litigants: "With every change of circumstance in the marketplace, there are gainers and there are losers. There will be new gainers and new losers as the industry adapts to the ban."

Industry: We estimate that converting to refillable systems—dismantling can lines, getting new equipment—would cost $5 billion. That's intolerable.

Advocates: A few years ago, the industry hired Midwest Research Institute of Kansas City to determine the impact of a ban on throwaways. MRI estimated aggregate impact (including new equipment and additional labor) for brewers, beer distributors, bottlers and retailers in the first year to be a loss of $247 million. By the second year, however, lower container costs with a refillable system were seen as yielding an aggregate gain of $37 million.

Industry: The extra costs of handling returnable bottles could be devastating to small grocers. And a flood of returnables would overwhelm the storage capacities of supermarkets. Also, stores would be exposed to vermin-ridden containers.

Advocates: There is some inconvenience for grocers in handling returns. However, when a group of Vermont grocers claimed losses because of the bottle bill, a court upheld the law and dismissed the suit. Vermont grocers already get, for handling costs, a 20-percent allowance on the deposit. Oregon's legislature, on the other hand, has not seen the need to authorize such an allowance. And neither state has yet cited any store as a health hazard for having empty beverage containers.

4. What about consumer prices?

Industry: They would have to go up, because of the tremendous costs of converting plants to refillables.

Advocates: If industry converted to returnables, it would save money, because it would be paying less per use for containers. With these savings, prices could be reduced. A widely accepted estimate is that a bottle could be refilled ten times.

Industry: The trouble with all those "savings" is that they are based on the assumption that people will return bottles. A refillable bottle may make only two or three round trips between plant and consumer in big cities, as few as five or eight elsewhere.

Advocates: When industry was arguing against a government proposal to destroy bottles bearing outlawed cyclamate labels, it said the containers lasted five years. An Arizona bottler says he gets about 50 round trips per bottle.

Besides these questions, there is one more point to consider. What do the people of Oregon and Vermont think of their bottle laws? In Vermont, every attempt to repeal or cripple the law has been defeated. The ADS public-opinion poll for Oregon says: "'Overwhelming' is virtually the only word to describe Oregon's approval of the bottle bill. Nine in ten people (91 percent) said they approved, and only one in 20 voiced any disapproval at all."

All right, says industry, but that was a poll. There have been eight legislative votes in other states involving the bottle bill, and the bill has been turned down every time.

[From the Reader's Digest, May 1976]

THE LOBBY THAT BATTLES THE BOTTLE BILLS

(By Earl and Miriam Selby)

A "bottle bill" is a piece of federal, state or local legislation aimed at helping America kick the habit of throwing away 60 billion beer and soda-pop cans and bottles every year. To stem this nine-million-ton tide of trash, the typical bottle bill proposes that all beverage containers—cans included—carry deposits with mandatory refunds, so they will be returned for refilling or recycling. Advocates of bottle bills argue that they will cut down on litter and trash, conserve energy and resources, and save consumers more than a billion dollars a year.

On the surface, those promises seem so attractive that one wonders why we haven't embraced a nationwide bottle bill. A partial answer may be found in what happened in two localities when bottle bills came up against the lobby supported by the beverage and container industries:

In 1970, in Washingon State, college professor Robert Keller triggered a statewide vote on a bottle bill. He and his group had $600 to spend on their cause. The lobby had $300,000. It inundated the state with commercials, advertising and other material. The bottle bill lost.

In Florida, a Dade County (Miami) survey estimated that a typical mile of a major Dade street is littered with 17,850 cans each year. A young county commissioner, Harvey Ruvin, proposed a bottle bill. His side had $1700—plus whatever free air time they could get under the federal "Fairness Doctrine"—to tell their story to the public. The lobby had $180,000—most of it from outside of Dade County—to mount a spectacular advertising blitz using 19 newspapers, 20 radio stations and four television outlets. In November 1974, the voters turned the bottle bill down.

William K. Coors, the only major brewer who favors deposit legislation, estimates that industry pours out $20 million a year to battle the bottle bill and to promote its own alternatives. Support is drawn from the can and bottle makers, the beer and pop industries, certain supermarket chains, and large unions of steel, glass and aluminum workers. With a total annual budget of $7.5 million, the United States Brewers Association alone can call on its lawyers, economists, consultants, think-tank researchers and field representatives to help quash a bottle bill. Such money and firepower are hard to overcome.

Thus, bottle-bill advocates have lost every one of the eight elections involving the bill. In all, there have been hundreds of efforts in Congress and the states to enact various forms of bottle-bill or other beverage-container legislation. To date, only the Oregon, Vermont and South Dakota legislatures plus a scattering of local jurisdictions, have succeeded. (South Dakota's law is not scheduled to become effective until 1978.)

The success of the lobby can be explained not only by its munificent war chest, but also by its shrewd tactics. Consider:

The lobby plays hard, and for keeps. In New York City, a group known as the Environmental Action Coalition received $350,000 in support over a period of three years from industry—Pepsi-Cola, the Can Manufacturers Institute, the Aluminum Association and other keepers of the lobby—to educate the public on such industry-endorsed goals as recycling and resource-recovery programs. In the spring of 1975, however, the Coalition endorsed the bottle bill as a companion to resource recovery. Since then, it has received almost nothing from the lobby.

The lobby can be devious. It sometimes submarines discussion of a bottle bill by raising unwarranted fears. Mayonnaise jars are a favorite tactic. William Ginn, a leader in Maine's struggle to get rid of throwaway containers, was startled when a brewers' spokesman he was debating on radio referred to such jars, implying that the bill could lead to deposit on them, although nothing in the legislative proposal even remotely supported this. Ginn got so caught up in the Mayonnaise question that by the time he recovered himself he had lost the debate. Says Ginn: "I know—now—what the technique is: confuse the public by making it unsure as to just what the bottle bill is. You don't vote for what you have doubts about."

The lobby uses time-consuming court challenges. In Bowie, Md., the city council passed a bottle bill. The lobby sued to overthrow the bill. Four years went by before the lobby was defeated in the courts.

The lobby hides its identity. Its politically active committees frequently bear names that give no indication that they are industry-supported. In Washington State, the lobby called itself Citizens Committee Against Initiative 256; in Maryland, the the Maryland Council on Environmental Economics; in Eau Claire, Wis., the Eau Claire Consumer Information Committee; in Florida, the Dade Consumer Information Committee. When Dade County environmentalists protested that this last name was misleading because the committee was not a consumer group, an industry spokesman stated that the name was proper because the committee was trying to get information to consumers.

The 1974 Florida battle deserves further attention because Dade County was so strategically important. With more than a million and a half residents, and up to 12 million tourists annually, the Miami area accounts for nearly one percent of the U.S. beverage market, consuming the contents of 490 million throwaway cans and bottles every year. If Dade went for the bottle bill—and if tourists brought word of the law back home—the domino effects could ripple everywhere.

So out went the lobby's call for money. In a single week, the Dade Consumer Information Committee collected $98,200, with individual contributors going as high as $7000. Florida law, however, limits donors in single-issue fights to $1000. The lobby was therefore forced to return $61,000. Milwaukee's Joseph Schlitz Brewing Co., which had sent in $2800, got $1800 back. A bit later, the Dade committee received $1000 from a malt company and $800 from a Wisconsin firm selling ducklings. Both are owned by Schlitz. From St. Louis, Anheuser-Busch (Budweiser) chipped in $1000. So did seven of its transportation subsidiaries, and a can company partially owned by the brewer. Total: $9000. For this single election in one county the lobby eventually financed the Dade committee with $150,000, drawn from 23 states as far away as Washington and California.

How to use the money? First, the committee hired public relations counselor Richard Rundell to coordinate its campaign. A man with 20 years' experience in Florida politics, Rundell laid down this basic strategy: "Keep the campaign *local* by using Miami people who can tell audiences, 'I am one of you. Big business happens to be against this [the bottle bill], but so am I and so should you be.'"

At Rundell's suggestion, a public-opinion poll was taken to orient the campaign. The poll found that while voters strongly endorsed a deposit on bottles, they were five-to-four against a deposit on cans. The lobby therefore concentrated its advertising firepower on can deposits. In one ad, the headline implied that *all* cans, not just beverage containers, would be subject to deposit.

The lobby fastened on inflation as the umbrella for its campaign. It claimed that fighting the bottle bill was "fighting inflation," since a deposit raised the cost. It did not mention that deposits would be refunded—nor that nationally franchised soft drinks already on local shelves in deposit bottles were generally cheaper than the same brand in throwaways.

Many supermarkets put stickers on all six-packs of beverages, saying the bottle bill would raise the price 30 cents (the deposit). The Winn-Dixie grocery chain, which financed its own campaign with $30,000, printed anti-bottle-bill statements on paper bags, so a shopper carrying one became a walking billboard for the lobby.

The lobbly touched off memories of fights over "forced busing" by calling the bottle bill the "forced deposit" law. A young black man was hired to broadcast commercials against the bottle bill and to rebut claims that the bill would help save the environment. "We made it clear," Rundell wrote in the *Public Relations Journal*, "that we felt some of our minority groups didn't have much of an environment to worry about."

Indeed, the well-organized lobby was on the attack in so many places, in so many ways, that the environmentalists never could catch up. Before the campaign, the lobby's own poll had predicted that the bill would pass, possibly by two-to-one. The actual vote, after the lobby finished its three weeks of intensive work, was 57 percent against it.

The lobby isn't always that successful. But, as in Vermont, even when it loses the first battles, it keeps the war going. Shortly after Vermont inaugurated the deposit system in 1973, beer distributors boosted their prices in the state by 60 cents a case, exclusive of deposits. Twenty-four cents were mandated in the law to repay grocers for handling container returns. And the other 36 cents? Gov. Thomas Salmon, an advocate of the bottle bill, hung them on the lobby. He charged it was grabbing for profits in an "overt attempt to anger the Vermont public by substantial increases in the price," an anger which could then be funneled into a drive to repeal the bottle bill.

Having seen something of how the beer and soft-drink lobby works, and so often wins, who can doubt its power?

CONCLUSION

Mr. HATFIELD. Mr. President, the no-deposit, no-return attitude that dominates more and more packaging ignores the energy and solid waste problems in the idolization of convenience. Beverage containers are a good place to reject this wasteful ethic in an area where we know we can succeed.

I realize that an extensive amount of materials have been offered for the Record this afternoon. It was my intention in this presentation to compile all the arguments in favor of this legislation at one time so that my colleagues, their staffs and others who use the Record would have a comprehensive review of the issue for easy reference.

In conclusion, Mr. President, I ask that the Beverage Container Reuse and Recycling Act of 1979 appear at this point in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 50

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Beverage Container Reuse and Recycling Act of 1979."

FINDINGS AND PURPOSES

Sec. 2. Congress finds and declares that:

(1) The failure to reuse and recycle empty beverage containers represents a significant and unnecessary waste of important national energy and material resources.

(2) The littering of empty beverage containers constitutes a public nuisance, safety hazard, and esthetic blight and imposes upon public and private agencies unnecessary costs for the collection and removal of such containers.

(3) Empty beverage containers constitute a significant and rapidly growing proportion of municipal solid waste, disposal of which imposes a severe financial burden on local governments.

(4) The reuse and recycling of empty beverage containers would eliminate these unnecessary burdens on individuals, local governments, and the environment.

(5) A uniform national system for requiring a refund value on the sale of all beverage containers would result in a high level of reuse and recycling of such containers when empty.

DEFINITIONS

Sec. 3. For the purposes of this Act:

(1)(A) The term "beverage" means beer or other malt beverage, mineral water, soda water, or a carbonated soft drink of any variety in liquid form and intended for human consumption.

(B) The term "beverage container" means a container designed to contain a beverage under pressure of carbonation.

(C) The term "refundable beverage container" means a beverage container which has clearly, prominently, and securely affixed to, or printed on, it (in accordance with section 4) a statement of the amount of the refund value of the container.

(2)(A) The term "consumer" means a person who purchases a beverage in a beverage container for any use other than resale.

(B) The term "distributor" means a person who sells or offers for sale in commerce beverages in beverage containers for resale.

(C) The term "retailer" means a person who purchases from a distributor beverages in beverage containers for sale to a consumer or who sells or offers to sell in commerce beverages in beverage containers under pressure of carbonation to a consumer.

(3) The term "Administrator" means the Administrator of the Environmental Protection Agency.

(4) The term "commerce" means trade, traffic, commerce, or transportation—

(A) between a place in a State and any place outside thereof,

(B) within the District of Columbia or any territory of the United States, or

(C) which affects trade, traffic, commerce, or transportation described in subparagraph (A) or (B).

(5) The term "State" means a State, the District of Columbia, the Commonwealth of Puerto Rico, or any territory or possession of the United States.

REQUIRED BEVERAGE CONTAINER LABELING

Sec. 4. No distributor or retailer may sell or offer for sale a beverage in a beverage container under pressure of carbonation unless there is clearly, prominently, and securely affixed to, or printed on, it (in accordance with regulations prescribed by the Administrator) a statement of the amount of the refund value of the container, such amount being not less than 5 cents.

RETURN OF REFUND VALUE OF BEVERAGE CONTAINERS

Sec. 5. (a)(1) If a consumer tenders for refund an empty and unbroken refundable beverage container to a retailer who sells (or has sold at any time during the period of six months ending on the date of such tender) a brand of beverage which was contained in the container, the retailer shall promptly pay the consumer the amount of the refund value stated on the container.

(2) If a retailer or consumer tenders for refund an empty and unbroken refundable beverage container to a distributor who sells (or has sold at any time during the period of six months ending on the date of such tender) a brand of beverage which was contained in the container, the distributor shall promptly pay the person the amount of the refund value stated on the container.

(b) The opening of a beverage container in a manner in which it was designed to be opened shall not, for purposes of this section, constitute the breaking of the container.

RESTRICTION ON METAL BEVERAGE CONTAINERS WITH DETACHABLE OPENINGS

Sec. 6. No distributor or retailer may sell or offer for sale a beverage in a metal beverage container a part of which is designed to be detached in order to open such container.

RESTRICTION ON METAL BEVERAGE CONTAINERS WITH DETACHABLE OPENINGS

Sec. 7. (a) Except as otherwise provided in this section, State or political subdivision thereof may establish or continue in effect any law respecting a refund value of beverage containers sold with a beverage under pressure of carbonation to the extent the Administrator determines the law is consistent with this Act.

(b) No State or political subdivision thereof may, for purposes of determining the amount of any tax imposed by such State or subdivision on the sale of any refundable beverage container, taken into account any amount charged which is attributable to the refund value of such container, if a statement of such refund value is affixed to or printed on the container in accordance with section 4.

(c) A State may require that a distributor pay a retailer for the tender of a refundable beverage container an amount, in addition to the amount of the refund value required to be paid under section 5(a)(2), for the retailer's handling or processing of the container.

(d) Subsection (a) does not prevent a State or political subdivision thereof from establishing or continuing in effect any law respecting a refund value on containers other than for beverages.

Sec. 8. Whoever violates any provision of section 4(a), 5(a), or 6 shall be fined not more than $1,000, or imprisoned for not more than 60 days, or both, for each violation.

S. 50 BEVERAGE REUSE AND RECYCLING ACT OF 1977

Sec. 9. (a) The provisions of Section 4, 5 and 7 shall apply only with respect to beverages in beverage containers sold or offered for sale in interstate commerce on or after three years after the date of enactment of this Act.

(b) The provisions of Section 6 shall apply only with respect to beverages in beverage containers sold or offered for sale in interstate commerce on or after one year after the date of enactment of this Act.

By Mr. BENTSEN:

S. 51. A bill to amend the Congressional Budget Act of 1974 to require the Congress to establish, for each fiscal year, a regulatory budget for each Federal agency which sets the maximum costs of compliance with all rules and regulations promulgated by that agency, and for other purposes; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to order of August 4, 1977.

S. 52. A bill to reduce duplicative and conflicting Federal rules or regulations, and for other purposes; to the Committee on Governmental Affairs.

S. 53. A bill to modify the procedures used for the promulgation of rules or regulations by the independent regulatory agencies, and for other purposes; to the Committee on Governmental Affairs.

S. 54. A bill to reduce the costs of Federal regulations, and for other purposes; to the Committee on Governmental Affairs.

REGULATORY REFORM

Mr. BENTSEN. Mr. President, one of the charges leveled against King George III of England in the Declaration of Independence was that—

> He has erected a Multitude of new Offices and sent hither Swarms of Officers to harass our People . . .

Ironically, millions of Americans make precisely the same charge against the Federal Government today 202 years after the signing of the Declaration of Independence.

In recent years, our pluralistic, regionally diverse society has sometimes had difficulty uniting to develop a consensus on the most pressing problems we face as a nation. It is truly ironic that today a consensus has been reached in all parts of this great Nation and among just about every group of Americans that one of our most pressing problems is the incredible tendency of our own Government to expand and intrude.

The overwhelming majority of Americans support the legitimate efforts of Government to clean up our air, to keep our water pure, and to improve the quality of life for all citizens. I support these goals. I have fought for them. What I oppose are unwarranted, confusing, and unreasonable regulations which strangle individual freedom and individual initiative and give no consideration to cost/benefit ratios.

Excessive Federal regulation is an engine of inflation. But there is a deeper, more alarming casualty of excessive regulation, one that attacks the vital center of the American economy. Our well-being as individuals and as a society rests in part on our historic ability to generate rising real incomes for all—wages and salaries that stay ahead of prices. We have been almost unique in attaining a sustained rise in real incomes throughout our history. No other nation in history has done so well for so long. The key to this enviable record has been rising productivity—the ability and willingness of American entrepreneurs to innovate, to bear risks, to invest in technology which enables workers to produce more this year than last, and more next year than this year.

Productivity and risk-taking are the twin pillars of our bountiful economy.

But, they are subject to breakdowns, to a weakening of intensity and spirit. And we have seen just that occurring in the past decade, in part due to strangulating Federal regulations.

Entrepreneurs are so concerned with filling out forms and complying with this or that rule that their innovative energies are being squandered, dissipated—not on efforts to raise productivity, but rather on Federal regulations. Their freedom to dream, to innovate, to succeed is being shackled in a sea of redtape from Washington. They are becoming an endangered species, one Washington seems bent on eliminating rather than helping.

Talking about excessive regulation is easy. The hard part is crafting specific, effective remedies to reduce the burden—the cost of regulations—without jeopardizing regulatory objectives. I made a start in 1978 at that job. In 1978, I was privileged to have the overwhelming support of my colleagues in the Senate for three pieces of legislation we passed to impose some order on the chaotic Federal regulatory system. But, the real work lies ahead. There is no question in my mind that this work must be done. Taxpayers, consumers, entrepreneurs are simply fed up with hand-wringing public officials who decry the cost of regulation without offering specific proposals to make the system more efficient and effective.

The regulatory reform legislative package I am introducing today is varied. Mr. President, this is a package designed to fundamentally alter our Federal regulatory system. It introduces accountability—both in Federal agencies and in the Congress—for new regulations. It introduces a system for abolishing existing regulations which are excessive or inefficient. It mandates a thorough overhaul of the system for reviewing proposed regulations before issuance to insure that they minimize costs to consumers and businessmen. And, it mandates an aggressive Federal effort to seek out and eliminate existing rules or regulations which duplicate or conflict with one another.

THE REGULATORY CONFLICTS ELIMINATION ACT

Under this legislation, which passed the Senate in 1978 as an amendment to the sunset bill, S. 2, the Office of Management and Budget will annually report to Congress and the President on Federal agency rules or regulations which duplicate or conflict with rules or regulations promulgated by other Federal agencies. At the start of each fiscal year, the President will submit his recommendations for resolving or eliminating duplication or conflicts among rules or regulations at the Federal level. The recommendations affecting Federal agencies go into effect 60-days following their submission unless disapproved by Congress. The GAO will evaluate the OMB report, the President's recommendations as well as each agency's progress in implementing those recommendations.

It is simply outrageous for a small businessman to confront the impossible situation where complying with one regulation requires violating another. My legislation is designed to eliminate the irrationality of conflicting or overlapping regulations.

REGULATORY COST REDUCTION ACT

Under this legislation, regulatory agencies—the independent regulatory agencies as well as those in the executive branch—will be required to meet their regulatory objectives in the most cost-effective manner available.

Congress has sadly failed to impose this requirement in most measures establishing new regulatory programs. As a result, regulatory agencies often issue regulations that employ excessively costly methods to achieve their goals. This is a tragic waste of our country's scarce resources. We need to clean up our environment, we need to make our highways safe, we need to improve the healthfulness and safety of our work places. But if we do this wastefully and inefficiently, we are simply misusing valuable resources that could be used to achieve other goals—to raise the standard of living of the middle-income American taxpayer, to alleviate the poverty of disadvantaged Americans, to strengthen our military or to revitalize our cities and rural communities. Each $1 billion spent unnecessarily on achieving the goals of a regulatory agency—when a less costly but equally effective alternative is available—is $1 billion that we could otherwise devote to worthwhile goals. We may be a wealthy nation, but as our taxpayers and voters have recently told us, things at home are tight and there just is not any money to burn.

Therefore, regulatory agencies should be required to minimize the cost of achieving their regulatory goals unless this consideration is overridden by a more important national goal. My bill will do this. All agencies will be required to examine all options for attacking a regulatory problem and to choose the least costly alternative. They will be required to publish an extensive regulatory impact analysis in the Federal Register to back up their existing regulations, with the same goal in mind.

INDEPENDENT AGENCIES REGULATORY IMPROVEMENTS ACT

Under this legislation, independent agencies will be required to follow the same procedures in developing rules and regulations as are now required of the Executive agencies under the provisions of Executive Order 12044 issued by President Carter on March 28, 1978. For constitutional reasons, independent agencies are exempted from the provisions of the Executive order; my bill would bring them into line with the regulatory procedures called for in this Executive order without relinquishing any congressional authority to the President.

This Presidential order establishes a mechanism for the review of proposed rules and regulations designed to permit broad comment and participation in rulemaking activities. This mechanism would be uniform across Cabinet departments. My legislation would significantly enhance this commendable effort by President Carter by making the regulatory review mechanism uniform across almost all of the other Federal agencies.

FEDERAL REGULATORY BUDGET ACT

This legislation will force the President and Congress each year to put a cap on the amount of regulatory costs each agency can impose on the non-Federal sector, just as we now do in the fiscal budget. This would force agencies to choose the least costly way of achieving regulatory goals.

The bill establishes a formal mechanism within the framework of the Congressional Budget Act passed 5 years ago for limiting the burden of Federal rules and regulations. Annually, the President and Congress would establish a maximum regulatory cost—a ceiling—for each Federal agency. This ceiling would be fixed, inviolate, just as agency budgets are today. The cap would be determined after an extensive, broad-based series of hearings, administrative reviews and ample opportunity for public input.

Mr. President, my legislative efforts are not aimed at the legitimate efforts of Government to clean up our environment, to protect consumers or to improve worker health and safety. They are aimed instead directly at excessive, unnecessary, and unreasonable Federal regulation. They are undertaken in the Jeffersonian spirit of allowing our citizens the freedom to regulate their own lives.

I ask unanimous consent that the text of each bill I have introduced today be printed in the Record.

There being no objection, the bills were ordered to be printed in the Record, as follows:

S. 51

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Congressional Budget Act of 1974 is amended by adding at the end thereof the following new title:

"TITLE XI—REGULATORY BUDGET PROCEDURE

"STATEMENT OF FINDINGS AND PURPOSE

"Sec. 1101. (a) The Congress finds that—

"(1) Federal rules and regulations often impose excessive costs of compliance upon the non-Federal sector;

"(2) Federal rules and regulations have grown in number and scope so rapidly that the agencies and the Congress have not had an adequate opportunity to examine the costs of compliance with such rules and regulations; and

"(3) it is the responsibility of the Congress to determine the appropriate levels of costs of compliance with Federal rules and regulations.

"(b) It is the purpose of this title to require the Congress to establish, for each fiscal year, a regulatory budget for each agency which sets the maximum costs of compliance with all rules and regulations promulgated by that agency. It is the intent of Congress, for each of the first five years for which a regulatory budget is prepared, to impose a budget which will result in reducing the total costs of compliance with Federal rules and regulations by 5 percent per year.

"DEVELOPMENT OF REGULATORY COSTS ANALYSIS PROCEDURES

"Sec. 1102. (a) The President shall, in consultation with the Business Advisory Council established pursuant to subsection (g)—

"(1) establish criteria for use in the determination of which rules or regulations are rules or regulations within the meaning of this title and furnish such criteria to the head of each agency; and

"(2) develop methods of determining the costs of compliance with rules or regulations and furnish such methods to the head of each agency.

"(b) In developing the methods required under subsection (a)(2), the President shall, after consultation with the Business Advisory Council—

"(1) take such action as may be necessary to insure that such methods are based upon the most accurate available statistical and accounting knowledge and techniques; and

"(2) provide, to the maximum extent feasible, that such methods are uniform for all agencies while taking into account the different functions of each agency.

"(c)(1) At least ninety days before the submission of the criteria and methods required under subsection (a) to the head of each agency, the President shall—

"(A) publish such criteria and methods in the Federal Register in order to solicit public comments thereon for a period not in excess of forty-five days; and

"(B) submit such criteria and methods to the Comptroller General, the Director of the Council on Wage and Price Stability, the Chairman of the Administrative Conference of the United States, and the Director for their review and comments.

"(2) The Comptroller General, the Director of the Council on Wage and Price Stability, the Chairman of the Administrative Conference of the United States, and the Director shall submit comments and recommendations concerning the criteria and methods submitted pursuant to paragraph (1)(B) within forty-five days of the receipt of such criteria and methods.

"(d) Each year, at a time and in a manner consistent with the provisions of sections 1103 and 1104, the President shall review and update the criteria and methods established under this section in accordance with the procedures established in this section.

"(e) The President may delegate his responsibilities under this section to the Director of the Office of Management and Budget.

"(f) The head of each agency shall utilize the criteria and methods developed by the President under this section to carry out the functions required under section 1103.

"(g)(1) The President shall, in accordance with the Federal Advisory Committee Act (5 U.S.C. App.), establish a Business Advisory Council to provide such information and advice as he may require to carry out his responsibilities under subsections (a) and (b) of this section.

"(2) The Council shall be composed of not less than 25 nor more than 50 members selected by the President. Such members shall include representatives of each major industrial and commercial sector, and shall include individuals from each geographic region. Such individuals shall include members from enterprises of various sizes, and shall include, to the extent possible, individuals from businesses affected by each of the major areas of Federal regulation.

"(3) The President shall provide the Council with necessary clerical and other supportive services and shall cause the minutes of meetings of the Council to be duly published. Members of the Council, other than full-time employees of the Federal Government, while attending meetings of the Council or otherwise serving at the request of the Council or the President away from their homes or regular places of business, may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for individuals in the Government serving without pay.

"REGULATORY COST COMPLIANCE REPORTS

"Sec. 1103. (a)(1) Each year, the head of each agency shall conduct a study of the costs of compliance with rules and regulations promulgated by that agency. The head of each agency shall utilize the criteria established by the President under section 1102 in conducting the study required under this subsection.

"(2) The head of each agency shall submit a report to the President, the Congress, and the Comptroller General by the November 10 preceding the beginning of each fiscal year. The report shall contain the results of the study required under paragraph (1), and shall contain a statement of—

"(A)(i) the costs of compliance for the fiscal year ending on the September 30 prior to the date on which the report is submitted;

"(ii) a comparison of the costs of compliance for such fiscal year with the regulatory budget, if any, established for such fiscal year under section 1105; and

"(iii) a full explanation for any costs of compliance which exceeded the regulatory budget for such fiscal year; and

"(B) the estimated costs of compliance for the fiscal year in progress when the report is submitted and for the succeeding fiscal year—

"(i) with rules and regulations of such agency in effect on the date on which the report is submitted;

"(ii) with rules and regulations of such agency which are to be issued, or are expected to be issued, after the date on which the report is submitted; and

"(iii) with all rules and regulations of such agency as specified in clauses (i) and (ii).

"(b) By May 15 of each year, the Comptroller General shall review the reports required by subsection (a), and shall submit a report to the Congress containing the results of such review. Such report shall identify (1) any inadequacies in the reports submitted by the head of each agency, and (2) any errors in estimates of the costs of compliance specified in such reports.

"REGULATORY BUDGET RECOMMENDATIONS

"Sec. 1104. The budget transmitted pursuant to section 201(a) of the Budget and Accounting Act, 1921, for each fiscal year, shall include a regulatory budget for each agency which shall contain recommendations for the maximum costs of compliance with all rules and regulations of each agency during the fiscal year for which the budget is submitted. If the proposed regulatory budget for any agency is lower than the estimated total costs of compliance determined by the agency head under section 1103(a)(2)(B), the Budget message shall recommend specific actions which may be taken during such fiscal year to reduce the costs of compliance with the rules or regulations of such agency.

"REGULATORY BUDGET RESOLUTION

"Sec. 1105. (a)(1) On or before September 15 of each year, the Congress shall complete action on a concurrent resolution to establish a regulatory budget for each agency which sets the maximum costs of compliance with all rules and regulations promulgated by each agency which will be in effect during the fiscal year beginning on October 1 of such year. In developing such regulatory budget, the Congress shall utilize the reports submitted by the head of each agency pursuant to section 1103(a), the report submitted by the Comptroller General pursuant to section 1103(b), and the recommendations submitted by the President pursuant to section 1104.

"(2) The provisions of section 305 shall apply to the consideration of concurrent resolutions required under this subsection.

"(b) On or before July 15 of each year, each standing committee of the House of

Representatives shall submit to the Committee on the Budget of the House, each standing committee of the Senate (and each other committee of the Senate which has legislative jurisdiction) shall submit to the Committee on the Budget of the Senate, and the Joint Economic Committee and Joint Committee on Internal Revenue Taxation shall submit to the Committees on the Budget of both Houses its views and estimates with respect to the establishment of the maximum costs of compliance with rules and regulations which relate to matters within the respective jurisdiction or function of such committee or joint committee.

"(c) In developing the concurrent resolution required under subsection (a) for each fiscal year, the Committee on the Budget of each House shall hold hearings and receive testimony from among Members of Congress and such appropriate representatives of the agencies, the general public, and national organizations as the committee deems desirable. On or before August 15 of each year, the Committee on the Budget of each House shall report to its House the concurrent resolution required under subsection (a) for the fiscal year beginning on October 1 of such year.

"REPORTS AND SUMMARIES OF CONGRESSIONAL ACTION

"Sec. 1106. (a) Whenever a committee of either House reports a bill or resolution to its House, the report accompanying that bill or resolution shall contain a statement, prepared after consultation with the Director, which contains an estimate of the costs of compliance with the rules or regulations required to carry out the provisions of such bill or resolution.

"(b) The Director shall issue periodic reports detailing and tabulating the progress of congressional action on bills and resolutions which will create costs of compliance as a result of rules or regulations required to carry out the provisions of such bill or resolution. Such report shall include—

"(1) an up-to-date tabulation, by agency, of the costs of compliance with rules or regulations required to carry out the provisions of each such bill or resolution on which Congress has completed action;

"(2) an up-to-date status report on all bills and resolutions which would create such costs of compliance; and

"(3) an up-to-date comparison, by agency, of the maximum costs of compliance established for each agency pursuant to section 1105 with the costs of compliance—

"(A) with rules or regulations in effect on the date of such report; and

"(B) with rules or regulations required to carry out the provisions of bills or resolutions on which Congress has completed action.

"NEW LEGISLATION MUST BE WITHIN REGULATORY BUDGET

"Sec. 1107. (a) After the Congress has completed action on the concurrent resolution required under section 1105 for a fiscal year, it shall not be in order in either the House of Representatives or the Senate to consider any bill, resolution, or amendment which would result in additional costs of compliance in such fiscal year, or any conference report on such bill or resolution, if—

"(1) the enactment of such bill or resolution as reported;

"(2) the adoption and enactment of such amendment; or

"(3) the enactment of such bill or resolution in the form recommended in such conference report; would cause the level of costs of compliance for any agency to exceed the maximum costs of compliance established for that agency in the concurrent resolution required under section 1105.

"(b) For purposes of subsection (a), the costs of compliance during a fiscal year shall be determined on the basis of estimates made by the Committee on the Budget of the House of Representatives or the Senate, as the case may be.

"(c)(1) The committee of the Senate which reports any bill or resolution may, at or after the time it reports such bill or resolution, report a resolution to the Senate (A) providing for the waiver of subsection (a) with respect to such bill or resolution, and (B) stating the reasons why the waiver is necessary. The resolution shall then be referred to the Committee on the Budget of the Senate. The Committee on the Budget shall report the resolution to the Senate, within ten days after the resolution is referred to it (not counting any day on which the Senate is not in session) beginning with the day following the day on which it is so referred, accompanied by that committee's recommendations and reasons for such recommendations with respect to the resolution. If the committee does not report the resolution within such ten-day period, it shall automatically be discharged from further consideration of the resolution and the resolution shall be placed on the calendar.

"(2) During the consideration of any such resolution, debate shall be limited to one hour, to be equally divided between, and controlled by, the majority leader and the minority leader or their designees, and the time on any debatable motion or appeal shall be limited to twenty minutes, to be equally divided between, and controlled by, the mover and the manager of the resolution. In the event the manager of the resolution is in favor of any such motion or appeal, the time in opposition thereto shall be controlled by the minority leader or his designee. Such leaders, or either of them, may, from the time under their control on the passage of such resolution, allot additional time to any Senator during the consideration of any debatable motion or appeal. No amendment to the resolution is in order.

"(3) If, after the Committee on the Budget has reported (or been discharged from further consideration of) the resolution, the Senate agrees to the resolution, then subsection (a) of this section shall not apply with respect to that bill or resolution referred to in the resolution.

"DEFINITIONS

"Sec. 1108. For purposes of this title—

"(1) the term 'agency' has the meaning given to it by section 551(1) of title 5, United States Code;

"(2) the term 'Comtproller General' means the Comptroller General of the United States;

"(3) the term 'costs of compliance' means, with respect to an agency, the costs imposed upon the non-Federal sector as a result of compliance with rules or regulations promulgated by that agency, including wages, salaries, benefits, capital costs, rents, interests, State and local taxes, and costs due to data collection and recordkeeping, preparation and submission of forms, data, and reports, purchase of necessary equipment, management time, training, and changes in the quality or mixture of raw materials or output, except that such term does not include normal business or recordkeeping costs which would exist in the absence of such rules or regulations;

"(4) the term 'Director' means the Director of the Congressional Budget Office;

"(5) the term 'non-Federal sector' means an individual, partnership, association, corporation, business trust or legal representative thereof, organized group of individuals, labor organization, State or territorial government or branch thereof, or political subdivision of a State or territory or a branch thereof; and

"(6) the terms 'rule and regulation' mean any rule as defined in section 551(4) of title 5, United States Code.

"EFFECTIVE DATE

"Sec. 1109. The provisions of this title shall take effect on the date of its enactment, except that the provisions of sections 1103 through 1107 shall apply only with respect to the first fiscal year beginning at least eighteen months after the date of enactment of this title, and succeeding fiscal years.".

(b) Section 1(a) of such Act is amended—

(1) by striking out the word "and" before "title X", and

(2) by inserting before the period a comma and the following: "and title XI may be cited as the 'Regulatory Budget Act of 1979'.".

(c) Section 1(b) of such Act is amended by adding at the end of the table of contents the following new items:

"TITLE XI—REGULATORY BUDGET PROCEDURE

"Sec. 1101. Statement of findings and purpose.
"Sec. 1102. Development of regulatory costs analysis procedures.
"Sec. 1103. Regulatory costs compliance reports.
"Sec. 1104. Regulatory budget recommendations.
"Sec. 1105. Regulatory budget resolutions.
"Sec. 1106. Reports and summaries of congressional actions.
"Sec. 1107. New legislation must be within regulatory budget.
"Sec. 1108. Definitions.
"Sec. 1109. Effective date.".

(d) Section 904(a) of such Act is amended by striking out "and 1017" and inserting in lieu thereof "1017, 1105, 1106, and 1107".

S. 52

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

Section 1. This Act may be cited as the "Regulatory Conflicts Elimination Act of 1979."

STATEMENT OF FINDINGS AND POLICY

Sec. 2. (a) The Congress finds and declares that—

(1) duplication among Federal rules, regulations, and data collection requirements often impose excessive and unnecessary costs and burdens on the private sector;

(2) conflicts between rules or regulations promulgated by the different executive departments and independent agencies impose excess costs on the private sector, create uncertainty, result in unintentional violations by persons required to comply with such rules and regulations, and create a disregard for the spirit and intent of such rules and regulations; and

(3) such duplicative and conflicting rules or regulations are a source of inefficiency in government, thereby reducing the productivity of government employees and increasing Federal taxes.

(b) It is the purpose of this Act to reduce or eliminate duplicative and conflicting rules or regulations among Federal agencies.

DEVELOPMENT OF REGULATORY COST ANALYSIS PROCEDURES

Sec. 3. (a) The President, in a time and manner consistent with his responsibilities under section 5, shall—

(1) establish criteria for use in the determination of which rules or regulations are within the definition of rule or regulation established in section 7; and

(2) determine criteria for use by the heads of the Federal executive departments and independent agencies in examining the costs of compliance with Federal rules or regulations.

(b) The President shall transmit the criteria developed under this section to the head of each executive department and independent agency.

ANALYSIS OF REGULATORY DUPLICATION AND CONFLICT

Sec. 4. Each year, at a time to be specified by the President in accordance with his responsibilities under section 5, the Director of the Office of Management and Budget, in cooperation with the head of each executive department and independent agency, shall submit to the President, the Congress, and the head of each independent agency a regulatory duplication and conflicts report. Each regulatory duplication and conflicts report shall—

(1) identify specific rules or regulations, including data collection requirements, of each executive department or independent agency which are duplicative of or conflict with the rules or regulations of any other executive department or independent agency, and identify the provisions of law which authorize or require the promulgation of such duplicative or conflicting rules or regulations;

(2) determine the costs of compliance with the rules or regulations of each executive department or independent agency which are duplicative or conflicting rules or regulations;

(3) contain recommendations for—

(A) modifying, eliminating, or consolidating duplicative rules or regulations among the executive departments and independent agencies; and

(B) resolving conflicting rules and regulations among the executive departments and independent agencies; and

(4) report on actions taken by each department or agency during the fiscal year prior to the fiscal year for which the report is made, and the actions which each department or agency is undertaking or planning to undertake during the fiscal year for which the report is made, to modify or eliminate duplicative or conflicting rules and regulations in accordance with the recommendations submitted under section 5.

REGULATORY CONFLICTS REDUCTION RECOMMENDATIONS

SEC. 5. (a) On or before October 1 of each year, beginning with the fiscal year 1980, the President and the head of each independent agency shall prepare and transmit to the Congress and the Comptroller General a report containing recommendations for modifying or eliminating duplicative or conflicting rules or regulations promulgated by, in the case of the President, each of the executive departments, and in the case of the head of each independent agency, that agency.

(b) Recommendations submitted by the President and the head of each independent agency to the Congress pursuant to this section shall be implemented by the President or the head of each independent agency, as appropriate, at the end of the first period of sixty calendar days of continuous session of Congress after the date on which such recommendations are transmitted to the Congress unless, between the date of transmittal and the end of the sixty-day period, the Congress passes a concurrent resolution which states in substance that the Congress disapproves any part or all of the recommendations submitted under this section.

REVIEW BY THE COMPTROLLER GENERAL

SEC. 6. (a) Within thirty days after the receipt of the reports required under section 5, the Comptroller General shall submit a review of such reports to Congress. Such review shall include—

(1) an evaluation of the report of the Director of the Office of Management and Budget submitted under section 4;

(2) an evaluation of the recommendations submitted under section 5; and

(3) an assessment of the efforts of each department or agency to modify or eliminate duplicative or conflicting rules or regulations during the fiscal year prior to the fiscal year for which the report is submitted under section 5.

(c)(1) The Comptroller General shall acquire directly from the head of any department, independent agency, or other authority of the executive branch of the government information which he considers necessary to carry out the provisions of this Act.

(2) All executive departments, independent agencies and instrumentalities, or other authorities of the executive branch of the Government shall cooperate with the Comptroller General and furnish all information requested to the extent permitted by law.

DEFINITIONS

SEC. 7. For purposes of this Act—

(1) the terms "rule and regulation" mean any "rule" as defined in section 551(4) of title 5, United States Code;

(2) the term "duplicative rule or regulation" means rules or regulations promulgated by Federal agencies which are designed to—

(A) attain the same or similar regulatory objectives;

(B) acquire the same or similar information or statistics; or

(C) encourage or discourage the same or similar courses of action by the private sector;

(3) the term "conflicting rules or regulations" means rules or regulations promulgated by Federal agencies which require different courses of action in the same or similar situations, or require the private sector to violate one rule or regulation in order to fully and faithfully be in compliance with another rule or regulation;

(4) the term "Comptroller General" means the Comptroller General of the United States;

(5) the term "costs of compliance" means the costs imposed upon the private sector as a result of compliance with rules or regulations promulgated by any Federal agency;

(6) the term "private sector" means an individual, partnership, association, corporation, business trust or legal representative thereof, an organized group of individuals, or labor organization, which is not part of, or directly funded as, an entity of a Federal, State, or local government department, agency, or other instrumentality;

(7) the term "independent agency" means an agency of the United States having quasi-legislative or quasi-judicial powers, as determined by the Director of the Office of Management and Budget; and

(8) the term "executive department" means the executive departments identified in section 101 of title 5, United States Code.

AUTHORIZATION OF APPROPRIATIONS

SEC. 8. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

S. 53

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Independent Agencies Regulatory Improvements Act of 1979".

STATEMENT OF POLICY AND PURPOSES

SEC. 2. (a) It is the policy of the Congress that rules or regulations issued by the independent regulatory agencies—

(1) be as simple and clear as possible;

(2) achieve legislative goals efficiently and effectively; and

(3) not impose unnecessary burdens on the economy, on individuals, public or private organizations, or State or local governments.

(b) It is the purpose of this Act to establish a procedure for the development of rules or regulations by the independent regulatory agencies which insures that—

(1) the need for and purpose of a rule or regulation are clearly established;

(2) the head of each agency and other officials responsible for policymaking within each agency exercise effective oversight over the promulgation of rules or regulations;

(3) opportunities exist for early participation and comment concerning rules or regulations by Federal agencies, State or local governments, businesses, organizations, and individuals;

(4) alternatives are considered and analyzed before rules or regulations are issued; and

(5) compliance costs, paperwork, and other burdens on the public are minimized.

DEVELOPMENT OF REGULATORY ISSUANCE PROCEDURES

SEC. 3. (a) Each agency head shall review and revise the procedures of the agency for the development of rules and regulations, and shall modify such procedures in a manner which minimizes paperwork and which is in accordance with the provisions of this Act. Each agency head shall, in the modification and revision of such procedures, incorporate the procedures specified in subsection (b) and section 4.

(b) Each agency head shall develop procedures to give the public an early and meaningful opportunity for participation in the development of rules and regulations. In developing such procedures, the agency head shall consider—

(1) the publication of an advance notice of proposed rulemaking;

(2) the holding of open conferences or public hearings;

(3) the sending of notices of proposed regulations to publications likely to be read by affected individuals and groups; and

(4) the direct notification of interested parties.

PROCEDURES FOR SIGNIFICANT REGULATIONS

SEC. 4. (a)(1) At least twice each year, each agency head shall publish in the Federal Register an agenda of significant rules or regulations under development or review by the agency. On the first Monday in October of each year, each agency head shall publish in the Federal Register a schedule specifying the times during that fiscal year when the agendas will be published. Each agency head may publish supplements to the agendas at other times during the year if necessary, but shall take such action as may be necessary to insure that the required agendas are complete.

(2) Each agenda published in accordance with paragraph (1) shall include—

(A) a description of the rules or regulations being considered by the agency;

(B) the need for and legal basis of each proposed rule or regulation;

(C) the status of rules or regulations listed on prior published agendas;

(D) for each rule or regulation, the name and telephone number of an agency official who is knowledgeable concerning such rule or regulation;

(E) if possible, a statement as to whether a regulatory analysis will be required for a rule or regulation analyze alternative approvisions of section 5; and

(F) a list of rules or regulations scheduled to be reviewed in accordance with the provisions of section 6.

(b) Prior to the development of any significant new rule or regulation, each agency head shall review the issues concerning the rule or regulation, analyze alternative approaches to the rule or regulation, develop a tentative plan for obtaining public comment concerning the rule or regulation, and establish target dates for the completion of steps in the development of the rule or regulation. An agency head may not delegate his responsibilities under this subsection to another official or employee of the agency.

(c) Each agency head or agency official responsible for the promulgation of rules and regulations shall approve significant rules or regulations prior to their publication for public comment in the Federal Register. Such approval shall be based upon a determination that—

(1) the proposed rule or regulation is needed;

(2) the direct and indirect effects of the

rule or regulation have been adequately considered;

(3) alternative approaches have been considered and the least burdensome of the acceptable alternatives has been chosen;

(4) public comments have been considered and adequate responses have been prepared;

(5) the rule or regulation is written in plain English and is understandable to the parties required to comply;

(6) an estimate has been made of the reporting burdens or recordkeeping requirements which will be required for compliance with the rule or regulation;

(7) the name, address, and telephone number of a knowledgeable agency official is included in the statement to be published with the rule or regulation; and

(8) a plan has been developed for the evaluation of the rule or regulation after its issuance.

(d) In the case of significant rules or regulations, each agency head shall include in the procedures for public participation developed pursuant to section 3(b) a sixty-day period for public comment on proposed rules or regulations, and shall require that in cases where a sixty-day comment period is not possible by reason of an emergency, or is barred by statute or court order, the publication of the proposed rule or regulation include brief statement of the reasons for a shorter time period.

(e)(1) Each agency head shall establish criteria for the identification of significant rules or regulations. Such criteria shall include—

(A) the type and number of individuals, businesses, organizations, State or local governments, and other institutions to be affected by the rule or regulation;

(B) the compliance and reporting requirements likely to be required as a result of the rule or regulation;

(C) the direct and indirect effects of the rule or regulation, including the effect on competition; and

(D) the relationship of the rule or regulation to the rules or regulations of other programs and agencies.

(2) If an agency head determines that a rule or regulation does not meet the criteria established pursuant to paragraph (1) for a significant rule or regulation, he shall include a statement to that effect in the Federal Register at the time the rule or regulation is proposed.

REGULATORY ANALYSIS

SEC. 5. (a) Each agency head shall prepare a regulatory analysis for significant rules or regulations which may have major economic consequences for the general economy, individual industries, geographic regions, or levels of government (as described in clauses (1) and (2)). Each agency head shall establish criteria for the determination of which rules or regulations will require a regulatory analysis. Such criteria shall require that a regulatory analysis be performed for each rule or regulation if such rule or regulation will result in—

(1) an annual effect on the economy of $100,000,000 or more; or

(2) a major increase in the expenses of individual industries, levels of government, or geographic regions.

The provisions of the preceding sentence shall not preclude any agency head from performing a regulatory analysis for any rule or regulation.

(b) Each regulatory analysis shall include—

(1) a succinct statement of the problem to be addresed by the rule or regulation;

(2) a description of the major alternative ways of dealing with the problem considered by the agency;

(3) an analysis of the economic consequences of each alternative considered by the agency; and

(4) a detailed explanation of the reasons for the choice of the alternative utilized in the rule or regulation.

(c) Each agency head shall establish procedures for the development of a regulatory analysis and for public participation and comments regarding such analysis. Each agency head shall include with the public notice of a proposed rule or regulation an explanation of the alternative selected or favored for use in the proposed rule or regulation and a short description of the other alternatives considered. Each agency head shall also include with such notice a statement describing how an individual may obtain a copy of the draft regulatory analysis prepared concerning the proposed rule or regulation.

(d) Each agency head shall prepare a final regulatory analysis which shall be made available to the public on the date of publication of the final rule or regulation.

(e) The provisions of this section shall not apply to rulemaking proceedings pending on the date of enactment of this Act if the agency head has prepared an economic impact statement in accordance with the provisions of Executive Order 11821, issued November 27, 1974, and Executive Order 11949, issued December 31, 1976.

REVIEW OF EXISTING REGULATIONS

SEC. 6. (a) Each agency head shall periodically review the rules and regulations of the agency to determine whether such rules and regulations conform with the purposes and policies of this Act as stated in section 2. Each agency head shall utilize the procedures established in section 3 through 5 to carry out the review of such rules and regulations.

(b) Each agency head shall develop criteria for the selection of rules and regulations to be reviewed in accordance with the provisions of subsection (a). Such criteria shall include—

(1) the continued need for the rule or regulation;

(2) the type and number of complaints or suggestions received concerning the rule or regulation;

(3) the burdens imposed on parties directly or indirectly affected by the rule or regulation;

(4) the need to simplify or clarify the language of the rule or regulation;

(5) the need to eliminate overlapping and duplicative rules or regulations; and

(6) the length of time since the rule or regulation has been evaluated and the degree to which technology, economic conditions, or other factors have changed in the area affected by the rule or regulation.

(c) Within sixty days of the date of enactment of this Act, each agency head shall publish the criteria for selection of rules and regulations to be reviewed and a list of possible rules or regulations to be selected for review in accordance with the provisions of this section. Rules or regulations selected for review after the selection of rules or regulations for the initial listing under this section shall be included in the semiannual agency agendas required under section 4.

IMPLEMENTATION

SEC. 7. (a) In carrying out the provisions of this Act, each agency head shall consider a series of closely related sets of rules or regulations as one rule or regulation.

(b)(1) Within sixty days of the date of enactment of this Act, each agency head shall prepare a draft report concerning the efforts of the agency to implement the provisions of this Act. Such draft report shall include—

(A) a brief description of the procedures of the agency, in effect on the day before the date of enactment of this Act, for the development of rules or regulations and the changes in such procedures made to comply with the provisions of this Act;

(B) the criteria of the agency for defining significant rules or regulations;

(C) the proposed criteria of the agency for the identification of which rules or regulations require regulatory analysis; and

(D) the proposed criteria of the agency for the selection of rules and regulations to be reviewed, and a list of rules or regulations that the agency will consider in its initial review.

(2) Each agency head shall publish the draft report required under this subsection in the Federal Register in order to solicit public comment thereon. Each agency head shall transmit a copy of such draft report to the Comptroller General.

(3) After receiving public comment on the draft report in accordance with paragraph (2), each agency head shall revise such report as may be appropriate and transmit such revised report to the Comptroller General. Unless notified by the Comptroller General that the report misstates or omits necessary elements of the report, such report shall be submitted for publication in the Federal Register.

(c) The Comptroller General shall monitor the implementation of the provisions of this Act by the agencies. The Comptroller General shall report at least semiannually to the President and the Congress on agency compliance with the provisions of this Act, including an analysis of its effectiveness. Within two years from the date of enactment of this Act, the Comptroller General shall report to the President and the Congress concerning any further legislation necessary to achieve the purposes of this Act.

APPLICABILITY

SEC. 8. The provisions of this Act shall not apply to—

(1) rules or regulations issued in accordance with section 556 and 557 of title 5, United States Code;

(2) rules or regulations issued with respect to a military or foreign affairs function of the United States;

(3) matters related to agency management or personnel; and

(4) rules or regulations related to procurement by the Federal Government.

DEFINITIONS

SEC. 9. As used in this Act—

(1) the terms "rule" and "regulation" mean any rule as refined in section 551(4) of title 5, United States Code;

(2) the term "agency" means the independent regulatory agencies of the United States, including the Civil Aeronautics Board, the Commodity Futures Trading Commission, the Consumer Product Safety Commission, the Federal Communications Commission, the Federal Deposit Insurance Corporation, the Federal Election Commission, the Federal Energy Regulatory Commission, the Federal Home Loan Bank Board, the Federal Maritime Commission, the Federal Mine Safety and Health Review Commission, the Federal Trade Commission, the Interstate Commerce Commission, the National Labor Relations Board, the Nuclear Regulatory Commission, the Occupational Safety and Health Review Commission, the Postal Rate Commission, and the Securities and Exchange Commission; and

(3) the term "Comptroller General" means the Comptroller General of the United States.

S. 54

Be it enacted by the Senate and House of Representatives of the United States of

America in Congress assembled, That this Act may be cited as the "Regulatory Cost Reduction Act of 1979".

STATEMENT OF FINDINGS AND POLICY

SEC. 2. (a) The Congress finds and declares that—

(1) Federal rules and regulations have grown in number and scope without sufficient emphasis on minimizing the costs of compliance with such rules and regulations;

(2) many government programs and policies are adopted with inadequate understanding of their direct and indirect costs to the public and with little consideration of these costs in relation to the benefits to be achieved;

(3) inflation in the United States is at least in part attributable to government programs and policies which impose excessive regulatory costs on business and the public;

(4) agencies can often achieve desired regulatory objectives through various alternative regulatory and other methods and can minimize excessive regulatory costs by choosing the least costly of such alternatives; and

(5) resources, both public and private, devoted to the achievement of regulatory objectives are not available for the fulfillment of other human needs, including alleviation of poverty, provision of health care and education, revitalization of urban areas, prevention of crime, creation of productive jobs, provision of adequate housing, and strengthening of the national defense, and thus should be devoted to regulatory objectives in the most cost-effective and least wasteful manner.

(b) Therefore, it is the purpose of this Act to control the cost of government regulation by establishing a procedure which will insure that, whenever possible, alternatives are considered and analyzed before rules or regulations are issued and that regulatory objectives are achieved in the most cost-effective and least wasteful manner.

DEVELOPMENT OF REGULATORY COST-EFFECTIVENESS ANALYSIS PROCEDURES

SEC. 3. (a) Within one year after the date of enactment of this Act, the President shall—

(1) establish criteria for use in the determination of which rules and regulations are within the definition of rule or regulation established in section 10, and furnish such criteria to the head of each agency; and

(2) develop methods of determining the costs of compliance with Federal rules and regulations and methods of comparing the cost-effectiveness of alternative ways of achieving regulatory objectives, and furnish such methods to the head of each agency.

(b) In developing the methods under subsection (a)(2), the President shall—

(1) take such action as may be necessary to insure that such methods are based upon the most accurate available statistical and accounting knowledge and techniques; and

(2) provide, to the maximum extent feasible, that such methods are uniform for all agencies while taking into account the different functions of each agency.

(c)(1) At least ninety days before the submission of the criteria and methods required under subsection (a) to the head of each agency, the President shall—

(A) publish such criteria and methods in the Federal Register in order to solicit public comments thereon, for a period not in excess of forty-five days; and

(B) submit such criteria and methods to the Director of the Council on Wage and Price Stability, the Chairman of the Administrative Conference of the United States, and the Director of the Congressional Budget Office for their review and comments.

(2) The Director of the Council on Wage and Price Stability, the Chairman of the Administrative Conference of the United States, and the Director of the Congressional Budget Office shall submit comments and recommendations concerning the criteria and methods submitted pursuant to paragraph (1)(B) within forty-five days of the receipt of such criteria and methods.

(d) The President may delegate his responsibilities under this section to the Director of the Office of Management and Budget.

(e) The head of each agency shall utilize the criteria and methods devloped by the President under this section to carry out their functions under this Act.

REGULATORY COST-EFFECTIVENESS REQUIREMENT ESTABLISHED

SEC. 4. The Congress authorizes and directs that, to the extent feasible and to the extent permitted by law, the head of each agency shall, whenever alternative methods exist for achieving a regulatory goal or objective, utilize the most cost-effective method of achieving such regulatory goal or objective, unless the head of the agency determines that the national interest requires the use of a less cost-effective alternative.

REGULATORY IMPACT ANALYSIS MANDATED

SEC. 5. (a) The Congress authorizes and directs that, for all rules or regulations meeting the criteria established under the provisions of section 3 (a), the head of the issuing agency shall prepare a draft regulatory impact analysis, which shall include—

(1) a succinct statement of the problem to be addressed by the rule or regulation, including the provision or provisions of law authorizing or requiring the rule or regulation;

(2) a description of the major alternative ways of dealing with the problem considered by the agency;

(3) an analysis of the economic and social consequences of each alternative considered by the agency, including the estimated compliance cost of each alternative;

(4) a detailed explanation of the reasons for the choice of the alternative utilized in the rule or regulation.

(b) If the alternative utilized in the rule or regulation is not the least-costly or most cost-effective alternative, the draft regulatory impact analysis shall include a detailed statement justifying the alternative utilized and shall explain in detail how the national interest required the choice of the alternative utilized.

(c) For the alternative utilized in the rule or regulation, the draft regulatory impact analysis shall also include—

(1) a statement of the recordkeeping and paperwork burden of the rule or regulation;

(2) a statement of the economic impact of the rule or regulation, including its impact on inflation, investment, productivity, employment, the environment, the public welfare, and other economic objectives;

(3) a statement examining its relative impact on large and small businesses;

(4) a list of federal rules or regulations which overlap or conflict with the rule or regulation; and

(5) a cost-benefit analysis of the rule or regulation, whenever the head of the agency determines that such an anlysis is possible.

(d) Each agency head shall establish procedures for the development of a draft regulatory impact analysis and for public participation and comments regarding such analysis. In developing such procedures, the agency head shall consider—

(1) the publication of an advanced notice of proposed rulemaking, with publication of the draft regulation impact analysis;

(2) the holding of open conferences or public hearings on the draft regulatory impact analysis;

(3) the sending of notices to publications likely to be read by affected or interested individuals and groups; and

(4) the direct notification of interested parties.

(e) Each agency head shall prepare a final regulatory impact analysis which shall be made available to the public on the date of publication of the final rule or regulation, which shall also contain the agency's actions on comments and recommendations made by the public in response to the draft regulatory impact analysis.

(f) The provisions of this section shall not apply to rulemaking proceedings pending on the date of enactment of this Act if the agency head has prepared an Economic Impact Statement in accordance with the provisions of Executive Order numbered 11821, issued November 27, 1974, and Executive Order numbered 11949, issued December 31, 1976.

REVIEW OF EXISTING REGULATIONS

SEC. 6. (a) Within five years after the date of enactment of this Act, each agency head shall review the existing rules and regulations of the agency to determine whether such rules and regulations conform with the purposes and policies of this Act. Each agency head shall utilize the procedures established in this Act to carry out the review of such rules and regulations.

(b) Each agency head shall utilize the criteria established in section 3(a) for the selection of rules and regulations to be reviewed in accordance with the provisions of subsection (a). Within sixty days after the criteria established in section 3(a) are furnished to the head of each agency, each agency head shall publish a list of rules or regulations to be selected for review in accordance with the provisions of this section.

(c) In addition to the information required under section 5, the draft and final regulatory impact analyses for existing rules and regulations shall include—

(1) an analysis of the degree to which technological change, economic conditions or other factors have changed since the date on which the rule or regulation was promulgated, the degree to which such changes have altered the continued need for the rule or regulation, and the degree to which such changes have made possible the adoption of alternatives which did not exist or were not considered at the time of the original date of promulgation; and

(2) if, after review of an existing role or regulation, the agency head determines that an alternative way of achieving the regulatory goal or objective should be implemented, an analysis of how the change in the regulation can be implemented with the least cost and disruption to those affected by the change.

(e) Each agency head shall, insofar as is possible and to the extent permitted by law, endeavor during the review of existing rules and regulations to—

(1) eliminate unnecessary, outmoded or excessively costly rules and regulations;

(2) simplify or clarify the language of such rules and regulations;

(3) eliminate overlapping and duplicative rules and regulations;

(4) eliminate or rewrite rules and regulations which conflict with or fail to implement the purposes of the enabling legislation.

IMPLEMENTATION

SEC. 7. (a) In carrying out the provisions of this Act, each agency head shall consider a series of closely related sets of rules or regulations as one rule or regulation.

(b)(1) Within one year after the date of enactment of this Act and annually thereafter at a time to be designated by the President, each agency head shall prepare a draft report concerning the efforts of the agency to implement the provisions of this Act. Such draft reports shall include—

(A) a brief description of the procedures of the agency, in effect on the day before the date of enactment of this Act, for the development of rules and regulations and the changes in such procedures made to comply with the provisions of this Act;

(B) a description of actions taken, if any, during the preceding year to increase the cost-effectiveness of the agency's rules or regulations, including a summary of all regulatory impact analyses prepared during the preceding year pursuant to the requirements of sections 5 and 6;

(C) a description of actions which the agency plans to undertake during the upcoming year to increase the cost-effectiveness of its rules or regulations, including a list of all existing rules or regulations to be reviewed during the upcoming year pursuant to the requirements of section 6; and

(D) an estimate of the costs of compliance with the agency's rules or regulations both at the beginning and end of the preceding year, and projected costs for the upcoming year.

(2) Each agency head shall publish the draft report required under this subsection in the Federal Register in order to solicit public comment thereon. Each agency head shall transmit a copy of such draft report to the President.

(3) After receiving public comment on the draft report in accordance with paragraph (2), each agency head shall revise such report as may be appropriate and transmit such revised report to the President for his approval prior to publication of the final report in the Federal Register. Copies of the final report will also be transmitted to the President of the Senate, the Speaker of the House of Representatives and the Comptroller General.

(c) The Comptroller General shall monitor the implementation of the provisions of this Act by the agencies. The Comptroller General shall report at least annually to the President and the Congress on agency compliance with the provisions of this Act, including an analysis of its effectiveness. Within three years from the date of enactment of this Act, the Comptroller General shall report to the President and the Congress concerning any further legislation necessary to achieve the purposes of this Act.

APPLICABILITY

SEC. 8. The provisions of this Act shall not apply to—

(1) rules or regulations issued with respect to a military or foreign affairs function of the United States;

(2) matters related to agency management or personnel;

(3) rules or regulations related to procurement by the Federal Government; and

(4) rules or regulations issued in response to an emergency or which are governed by short-term statutory or judicial deadlines, except that in the case of rules or regulations within the provisions of this clause, the agency shall publish in the Federal Register a statement of the reasons why it is impracticable or contrary to the public interest for the agency to issue the rule or regulation in accordance with the procedures established in this Act, including the name of the agency official responsible for the determination.

JUDICIAL REVIEW

SEC. 9. Judicial review of a final regulation as otherwise prescribed or permitted by law may include review of whether such regulation was promulgated in compliance with this Act, but only to determine whether such regulation was promulgated with deliberate or capricious disregard for the provisions of this Act.

DEFINITIONS

SEC. 10. For the purposes of this Act.—

(1) the terms "rule" and "regulation" mean any "rule" as defined in section 551(4) of title 5, United States Code;

(2) the term "agency" includes each authority as defined by section 551(1) of title 5, United States Code;

(3) the term "Comptroller General" means the Comptroller General of the United States; and

(4) the term "cost effective method or alternative" means the method of achieving a regulatory goal or objective with the minimum cost, where such cost shall be the sum of the costs incurred by the administering agency plus the costs incurred by all individuals, partnerships, associations, corporations, business trusts or legal representatives thereof, organized groups of individuals, labor organizations, States or territorial governments or branches thereof, or political subdivisions of States or territories or branches thereof as a result of complying with a rule or regulation, except that such costs shall not include normal business or recordkeeping costs which would exist in the absence of such rule or regulation.

By Mr. BENTSEN (for himself, Mr. LONG, Mr. CHILES, Mr. STENNIS, Mr. ZORINSKY, and Mr. JOHNSTON):

S. 55. A bill to modify the method of establishing quotas on the importation of certain meat, to include within such quotas certain meat products, and for other purposes; to the Committee on Finance.

MEAT IMPORT ACT OF 1979

Mr. BENTSEN. Mr. President, today I am again introducing a long overdue piece of legislation. The Meat Import Act of 1978 was passed overwhelmingly by the 95th Congress. It passed the Senate by voice vote and passed the House by 289 to 66, but was vetoed by the President after adjournment.

Thus, now in 1979 we must again seek a solution to the problems created by our current meat import law. This law and its administration have worsened the problems of our livestock industry and our consumers by magnifying the boom and bust cycle of the cattle market. The current law lets in more imports when domestic meat supplies are high and prices are low. This further depresses prices and drives even more cattlemen, and especially our smaller and younger ranchers, out of business. These low prices cause a larger-than-necessary reduction in our cow herd, with the result that during the inevitable boom phase of the cycle supplies are shorter and prices are higher. Any housewife will point out the impact in the supermarket, and especially the fact that these prices never seem to go down as far or as fast as they go up. The rancher loses also during high prices, because consumers switch to other foods such as chicken or pork, and many of them do not switch back to beef after new eating habits are formed, even when the price of beef goes back down.

Also, the current law calls for a reduction in beef imports when our domestic supplies decrease and prices are thus high, an action which would only drive prices even higher. This results in the President taking action to raise or suspend the meat import quotas. Such action must sometimes be taken, but under the current law the threat of Presidential action is always hanging over the cattle market, and the tremendous political pressures which are attracted by such power have resulted in such actions being taken in 7 of the last 9 years. This has given our producers anything but a stable market, with a resulting loss in confidence and efficiency.

Last summer, for example, the cattle industry had just broken out of some of the worst years in its history, and the ranchers who had not succumbed to their massive losses of the past 4 years were once again starting to operate at a profit. Then in June, President Carter announced a 200-million-pound increase in the beef import quotas. The effect on supermarket prices was minimal, but the impact on the cattle market was immediate and dramatic.

The real blow of this decision was not the additional meat imports. The real damage was done by the message to the rancher that he would be sacrificed readily when a little extra help was needed to reduce the monthly inflation statistics. No matter that his low prices had for months before masked increases in nonfood items and lowered the overall increase in the Consumer Price Index. The ranchers got the message, and the resulting lack of confidence has reduced our cow herd to the levels of 1969 and led Secretary of Agriculture Bob Bergland to call on producers to rebuild their herds. The roller-coaster ride only gets more violent, and everyone loses. Consumers pay higher prices, and more small ranchers are forced out of business.

Congress recognized last year that this must stop, that our beef supplies and thus prices must be stabilized through a countercyclical meat import formula such as in the bill which I introduced last year. The Congress also recognized that the formula meant little if the quotas were still subject entirely to expected or unexpected actions by the President, so it provided some restraints on the President's discretion and authority.

We found out that the President would not go along with that, that he was not willing to give up the broad authority which Presidents have used so often. And so the bill was vetoed and the consumer and the cattleman were both left on this roller coaster of prices.

Mr. President, this problem of cattle cycles has gone from bad to worse, and we do a disservice to both ranchers and consumers if we sweep it under the rug because a bill was vetoed. I have come back today with another bill which I believe will provide needed protection to both producers and consumers and which endeavors to reach a more workable arrangement on this question of Presidential discretion.

The major problem with the current authority of the President is that it has sometimes been used at the wrong time. When low prices have moved the cattle cycle into its liquidation phase, the resulting increased cow slaughter depresses prices even further. Presidential action to increase imports at this point can have a severe impact on prices, which in turn prolongs and deepens the liquidation. This causes the inevitable upturn to be unusually violent, with more impact on consumer prices.

The President has said that he must have authority to increase imports to protect consumers when domestic supplies are inadequate. The countercyclical formula is intended to do this, but he still wishes to retain his authority just in case. My bill will allow this. It will leave the President his existing authority during the expansion phase of the cattle cycle, which is the period when domestic supplies are short and the countercyclical formula is increasing imports. If the formula does not do the job during this time of shortage, then the President can take action.

During the liquidation phase of the cycle, however, the President could raise the quotas only in case of a national emergency or natural disaster. This is a time of large domestic supplies and low prices, and so there should be no need to suspend the quotas. Also, this is the time when the market is most vulnerable to disruption. A loss of confidence by producers here makes that coming low point even lower, and makes the next high much higher. The whole point of this bill is to avoid that boom-and-bust cycle. Suspension of the quotas during this period would defeat the whole purpose of the countercyclical concept, and so should be done only under extreme circumstances.

These different periods can be distinguished easily, because the countercycle fraction in the formula is a good indication of which phase the cycle is in. Thus, when the fraction is 1.0 or above, the formula is increasing imports and the President would have the authority to increase them further. When the fraction is below 1.0, imports are being decreased in response to domestic oversupply and low prices, and the President would be able to open the import floodgates only in a true emergency or natural disaster. The only other change from last year's bill is a requirement for a 30-day comment period before any Presidential action to increase imports becomes effective. This will lessen the shock of such actions and provide for needed public input into what have previously been closed door decisions.

The need for this legislation was recognized the 95th Congress, which passed the corrective legislation by an overwhelming margin. The Congress by that vote served notice on the President that the market needed protection from Presidential actions. This bill retains that needed protection, and it also gives the President the authority to act to prevent shortages. It is a good bill, a reasonable bill, and should be speedily passed and implemented to prevent even worse price gyrations than we have seen during this last cattle cycle.

Mr. President, I ask unanimous consent that the text of the bill along with a brief summary be printed in the RECORD.

There being no objection, the bill and the summary were ordered to be printed in the RECORD, as follows:

S. 55

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 2 of the Act of August 22, 1964, entitled "An Act to provide for the free importation of certain wild animals, and to provide for the imposition of quotas on certain meat and meat products" (19 U.S.C. 1202 note) is amended to read as follows:

"SEC. 2. (a) This section may be cited as the 'Meat Import Act of 1979'.

"(b) For purposes of this section—

"(1) The term 'entered' means entered, or withdrawn from warehouse, for consumption in the customs territory of the United States.

"(2) The term 'meat articles' means the articles provided for in the Tariff Schedules of the United States (19 U.S.C. 1202) under—

"(A) item 106.10 (relating to fresh, chilled, or frozen cattle meat),

"(B) item 106.20 (relating to fresh, chilled, or frozen meat of goats and sheep (except lambs)), and

"(C) items 107.55 and 107.60 (relating to prepared and preserved beef and veal (except sausage)) if the articles are prepared, whether fresh, chilled, or frozen, but not otherwise preserved.

"(3) The term 'Secretary' means the Secretary of Agriculture.

"(c) The aggregate quantity of meat articles which may be entered in any calendar year after 1978 may not exceed 1,204,600,000 pounds; except that this aggregate quantity shall be—

"(1) increased or decreased for any calendar year by the same percentage that the estimated average annual domestic commercial production of meat articles in that calendar year and the 2 preceding calendar years increases or decreases in comparison with the average annual domestic commercial production of meat articles during calendar years 1968 through 1977; and

"(2) adjusted further under subsection (d).

For purposes of paragraph (1), the estimated annual domestic commercial production of meat articles for any calendar year does not include the carcass weight of live cattle specified in items 100.40, 100.43, 100.45, 100.53, and 100.55 of such Schedules entered during such year.

"(d) The aggregate quantity referred to in subsection (c), as increased or decreased under paragraph (1) of such subsection, shall be adjusted further for any calendar year after 1978 by multiplying such quantity by a fraction—

"(1) the numerator of which is the average annual per capita production of domestic cow beef during that calendar year (as estimated) and the 4 calendar years preceding such calendar year; and

"(2) the denominator of which is the average annual per capita production of domestic cow beef in that calendar year (as estimated) and the preceding calendar year. For the purposes of this subsection, the phrase domestic cow beef means that portion of the total domestic cattle slaughter designated by the Secretary as cow slaughter.

"(e) For each calendar year after 1978, the Secretary shall estimate and publish—

"(1) before the first day of such calendar year, the aggregate quantity prescribed for such calendar year under subsection (c) as adjusted under subsection (d); and

"(2) before the first day of each calendar quarter in such calendar year, the aggregate quantity of meat articles which (but for this section) owuld be entered during such calendar year.

In applying paragraph (2) for the second or any succeeding calendar quarter in any calendar year, actaul entries for the preceding calendar quarter or quarters in such calendar year shall be taken into account to the extent data is available.

"(f)(1) If the aggregate quantity estimated before any calendar quarter by the Secretary under subsection (e)(2) is 110 percent or more of the aggregate quantity estimated by him under subsection (e)(1), and if there is no limitation in effect under this section for such calendar year with respect to meat articles, the President is required to limit by proclamation, upon giving thirty days notice by publication in the Federal Register, the total quantity of meat articles which may be entered during such calendar year to the aggregate quantity estimated for such calendar year by the Secretary under subsection (e)(1); except that no limitation imposed under this paragraph for any calendar year may be less than 1,200,000,000 pounds.

"(2) If the aggregate quantity estimated before any calendar quarter by the Secretary under subsection (c)(2) is less than 110 percent of the aggregate quantity estimated by him under subsection (c)(1), and if a limitation is in effect under this section for such calendar year with respect to meat articles, such limitation shall cease to apply as of the first day of such calendar quarter. If any such limitation has been in effect for the third calendar quarter of any calendar year, then it shall continue in effect for the fourth calendar quarter of such year unless the proclamation is suspended or the total quantity is increased pursuant to subsection (g).

"(g) The President may, after providing opportunity for public comment by giving thirty days notice by publication in the Federal Register of his intention to so act, suspend any proclamation made under subsection (f), or increase the total quantity proclaimed under such subsection, if he determines and proclaims that—

(1) such action is required by overriding economic or national security interests of the United States, giving special weight to the importance to the nation of the economic well-being of the domestic cattle industry;

(2) the supply of articles of the kind described in subsection (b)(2) will be inadequate to meet domestic demand at reasonable prices: or

(3) trade agreements entered into after the date of enactment of this Act ensure that the policy set forth in subsections (c) and (d) will be carried out.

Any such suspension shall be for such periods, and any such increase shall be in such amount, as the President determines and proclaims to be necessary to carry out the purposes of this subsection."

"(h) Notwithstanding the previous subsections, the total quantity of meat articles which may be entered into the United States during any calendar year may not be increased by the President if the fraction described in subsection (d) for that calendar year yields a quotient of less than 1.0, unless—

"(1) during a period of national emergency declared under section 201 of the National Emergencies Act of 1976, he determines and proclaims that such action is required by overriding national security interests of the United States, or

"(2) he determines and proclaims that the supply of articles of the kind to which the limitation would otherwise apply will be inadequate, because of a natural disaster, to meet domestic demand at reasonable prices.

Any such suspension shall be for such period, and any such increase shall be in such amount, as the President determines and proclaims to be necessary to carry out the purposes of this subsection. The effective period of any such suspension or increase made pursuant to paragraph (1) may not extend beyond the termination, in accordance with the provisions of section 202 of the National Emergencies Act of 1976, of such period of national emergency, notwithstanding the provisions of section 202(a) of that Act.

"(i) The Secretary shall allocate the total quantity proclaimed under subsection (f)(1), and any increase in such quantity provided for under subsection (g), among supplying countries on the basis of the shares of the United States market for meat articles such countries supplied during a representative period. Notwithstanding the preceding sentence, due account may be given to special factors which have affected or may affect the trade in meat articles. The Secretary shall certify such allocations to the Secretary of the Treasury.

"(j) The Secretary shall issue such regulations as he determines to be necessary to prevent circumvention of the purposes of this section.

"(k) All determinations by the President and the Secretary under this section shall be final.

Sec. 3. Section 2 shall take effect January 1, 1980.

Sec. 4. The Secretary of Agriculture shall study the regional economic impact of imports of meat articles and report the results of his study, together with any recommendations (including recommendations for legislation, if any) to the Committee on Ways and Means of the House of Representatives and to the Committee on Finance of the Senate not later than December 31, 1979."

Summary of Bentsen Beef Bill

A. Countercyclical formula. Same as vetoed bill.

Average Imports 1968–1977 times 3 yr. moving avg. domestic beef production; average domestic beef 1968–1977 times 5 yr. moving avg. per capita supply of domestic cow beef; 2 yr. moving avg. per capita supply of domestic cow beef.

B. Presidential Discretion.

1. Same as under current law during years when the 5/2 countercyclical fraction in the formula is 1.0 or above.

2. When the fraction is below 1.0 the President could suspend quotas only in the case of a national emergency or in case of a shortage caused by a natural disaster, as in the original Senate bill.

This would protect producers during the liquidation phase, when prices are low and supplies are high. During this phase the countercyclical formula restricts imports where the old formula increased them. This is the phase when the domestic industry most needs help.

C. Import Floor.

Same as final version of the bill, 1.2 billion pounds per year. Administration had sought 1.3 billion pound floor.

D. Live Cattle Imports.

Carcass weight of live cattle imports would be excluded from domestic production base, as in vetoed bill.

E. Slightly Processed Beef.

Loophole allowing importation of fresh beef outside the quota if it has been slightly processed is closed, as in prior bills.

F. Thirty-day notification is required before any Presidential action.

By Mr. BAYH (for himself, Mr. Baker, Mr. Bellmon, Mr. Burdick, Mr. Chafee, Mr. Cranston, Mr. Danforth, Mr. DeConcini, Mr. Dole, Mr. Durenberger, Mr. Ford, Mr. Garn, Mr. Glenn, Mr. Gravel, Mr. Hatfield, Mr. Huddleston, Mr. Inouye, Mr. Jackson, Mr. Javits, Mr. Kennedy, Mr. Leahy, Mr. Magnuson, Mr. Mathias, Mr. Matsunaga, Mr. Metzenbaum, Mr. Packwood, Mr. Pell, Mr. Proxmire, Mr. Pryor, Mr. Randolph, Mr. Ribicoff, Mr. Riegle, Mr. Stafford, Mr. Stevenson, Mr. Tsongas, Mr. Williams, and Mr. Zorinsky):

S.J. Res. 1. A joint resolution proposing an amendment to the Constitution to provide for the direct popular election of the President and Vice President of the United States; to the Committee on the Judiciary.

DIRECT ELECTION OF THE PRESIDENT AND VICE PRESIDENT

Mr. BAYH. Mr. President, as we begin the 96th Congress, we once again approach the time for a Presidential election, and once again we must drag out the strange mechanism for choosing our President and Vice President which is known as the electoral college. It was a compromise measure in the beginning which never worked as intended, and it has been the object of criticism and concern ever since. For 200 years our country has steadily moved to allow greater participation by its citizens in the selection of its leadership. Only with the choice of President and Vice President have we failed to give Americans a stronger and more equitable voice. Direct popular election is a logical step in that process. Today with the support of many of my colleagues I am introducing our proposal for this much needed electoral reform. We come from both sides of the aisle and represent many political philosophies.

Direct election is a measure which has been studied intensively in the Senate for well over a decade, but has only once reached the Senate floor. It was not allowed to come to a vote in 1970 although it was approved in the House by a vote of 339 to 70. I am confident that the 96th Congress will debate and pass this joint resolution by the necessary two-thirds vote, to be ratified by the States, and thereby finally provide our political system with a safe and fair means of electing the President and Vice President.

Mr. President, the electoral college is not harmless. If, as its defenders like to say, it has worked, it has worked oftentimes in strange ways. It carries with it always the risk that it may not work at all. Three times in the past a President was elected who did not win the popular vote. The country survived, although in the troubled times of 1876 there were serious threats of insurrection. Of course, no one can foretell with accuracy what would be the reaction in the United States in the second half of the 20th century if the duly elected President were not the popular vote winner. But we should be thinking about it. There have been three near-misses in the last five elections. When we consider our present day increased suffrage, widespread education, ever-present communications systems, and perhaps most importantly popular dissatisfaction with and distrust in national leadership and the political process, it is reasonable to predict that there would be a political crisis. There is nothing speculative in the view that the mandate of the President to lead would be severely, perhaps irreparably, weakened.

Electing a President who is not the popular vote winner is only one danger presented by the electoral college. There is little that would happen in our political life that could be more destructive of public confidence if the election should fail to produce a President and thereby be thrown into the House of Representatives. The one vote cast per State in the House could well invalidate the will of the people altogether since some States may have voted for a candidate of a party which is not the majority party of their House delegation. For States with even-numbered House delegations there is the additional danger of a tie vote which would mean the discounting of that State's vote completely under the present contingency procedure.

The prospects are excellent that a contingency election under the electoral college system would take place in a political quagmire. It was widely feared in 1968, for example, that the entry of George Wallace into the Presidential race would force a decision of the election in the House of Representatives, with all the political dealing and delay that might entail. It is worth noting, however, that Wallace had an additional election scenario in mind. In interviews in 1968, Wallace indicated that he felt that he might be able to swing the election to the candidate of his choice by "delivering" his electors. The prospect of the presidency being brokered in this manner might well embarrass and frighten all of us. As for the deals which a contingency election in the House might inspire, a reading of the diary of John Quincy Adams in the period between early December 1824, when it was clear that there was no electoral vote winner, and the 36th ballot in the House which resulted in his presidency, is enough to frighten the most hardened political observer.

Finally, Mr. President, the electoral college is inimical to our political life because unlike any other election in the United States from county commissioner to U.S. Senator, in a Presidential election all votes do not count the same. Under the electoral college, one American's vote is not equal to another's, simply on the basis of where he happens to live. Only with the direct election system would all votes be equal. The electoral college's strange alchemy of apportioning electoral votes plus its "winner-take-all" rule produces the anomolous result that, for example, a citizen from Iowa's vote is actually worth less than his neighbor's in Illinois, but more than his neighbor's in Nebraska. This effect is contrary to our experience in all other elections and the principles behind our form of Government.

The inequities inherent in the electoral college are also contrary to voter participation. The electoral college system is a disincentive for voter turnout, and this is reflected in the way presidential campaigns are conducted. It makes no difference to a Presidential candidate how many people show up on election day in any State so long as he receives a plurality of one, for that one extra vote determines the outcome of the State's bloc of electoral votes. The votes constituting the plurality over the winner's vote of one are actually worthless. Conversely, all the votes for the loser are not simply lost; they are in effect recast for the winner along with the State's bloc of electoral votes.

These inequities are of great practical consequence to the way campaigns are run and thus on the degree of encouragement by candidates for voter participation. With the electoral college, some States are inherently more influential than others, helping a candidate to decide where he will spend his time and effort. Therefore he will, in all likelihood, ignore much of the Plains and Mountain States and the South. If he reasonably expects to either win or lose a State, however, he will probably write it off as well. Thus, few Democratic candidates go to Massachusetts or Rhode Island, or Republicans to Wyoming. The electoral college gives neither the candidate nor the national party any incentive to either work to turn out the vote in those States, or widen the margin of victory if he expects to win, or narrow it if he expects to lose. There is no advantage in building significant margins of victory. As an example of how this works, in 1976 Mr. Ford picked up 45 electoral votes in California with a 127,000 plurality. Mr. Carter earned 45 electoral votes in five Southern States with a 1,044,000 plurality.

Winning under direct election, however, depends precisely on a party's ability to get out the vote and to build sizable pluralities in every community simply because every vote counts and therefore no State or population can easily be ignored.

Mr. President, there is little doubt that the American society is ready to abolish the electoral college and establish direct election in its place. Over 80 percent of the American people who expressed their opinion in the most recent Gallup and Harris polls approved of the direct election amendment. Support was overwhelming in all regions of the country. The 1977 surveys showed overwhelming popular approval of those responding to the questions in every region of the Nation and among Democrats, Republicans, and Independents. The amendment has been endorsed by an array of national organizations including the American Bar Association, the U.S. Chamber of Commerce, AFL–CIO, UAW, League of Women Voters, Common Cause, National Federation of Independent Business, National Small Business Association, National Farmers Union. In the 95th Congress it was cosponsored by 45 Senators, including 28 Senators from small States. It has broad support in the House where it passed by an 83 percent vote in 1969.

In the next several weeks I intend to announce the rest of those Senators who are cosponsoring this proposed amendment and at that time I would like to describe the strong efforts of many of my colleagues over the years to establish direct election. I am sure they join me in my belief that in 1979 the time has come to replace the strange mode of Presidential election which was left to us in the last harried hours of the constitutional convention. It is time, Mr. President, that we in Congress take the action that a great majority of our constituents long have supported and for which many of our colleagues have labored, and pass the direct election amendment.

Mr. President, I ask unanimous consent to have printed in the Record the text of the proposed legislation and a section-by-section analysis.

There being no objection, the joint resolution and summary were ordered to be printed in the Record, as follows:

S.J. Res. 1

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States within seven years from the date of its submission by the Congress:

"Article —

"Section 1. The people of the several States and the District constituting the seat of government of the United States shall elect the President and Vice President. Each elector shall cast a single vote for two persons who shall have consented to the joining of their names as candidates for the offices of President and Vice President. No candidate shall consent to the joinder of his name with that of more than one other person.

"Sec. 2. The electors of President and Vice President in each State shall have the qualifications requisite for electors of the most numerous branch of the State legislature, except that for electors of President and Vice President the legislature of any State may prescribe less restrictive residence qualifications and for electors of President and Vice President the Congress may establish uniform residence qualifications.

"Sec. 3. The persons joined as candidates for President and Vice President having the greatest number of votes shall be elected President and Vice President, if such number be at least 40 per centum of the whole number of votes cast.

"If, after any such election, none of the persons joined as candidates for President and Vice President is elected pursuant to the preceding paragraph, a runoff election shall be held in which the choice of President and Vice President shall be made from the two pairs of persons joined as candidates for President and Vice President who received the highest numbers of votes cast in the election. The pair of persons joined as candidates for President and Vice President receiving the greater number of votes in such runoff election shall be elected President and Vice President.

"Sec. 4. The times, places, and manner of holding such elections and entitlement to inclusion on the ballot shall be prescribed in each State by the legislature thereof; but the Congress may at any time by law make or alter such regulations. The days for such elections shall be determined by Congress and shall be uniform throughout the United States. The Congress shall prescribe by law the times, places, and manner in which the results of such elections shall be ascertained and declared. No such election, other than a runoff election, shall be held later than the first Tuesday after the first Monday in November, and the results thereof shall be declared no later than the thirtieth day after the date on which the election occurs.

"Sec. 5. The Congress may by law provide for the case of the death, inability, or withdrawal of any candidate for President or Vice President before a President and Vice President have been elected, and for the case of the death of both the President-elect and Vice President-elect.

"Sec. 6. Sections 1 through 4 of this article shall take effect two years after the ratification of this article.

"Sec. 7. The Congress shall have power to enforce this article by appropriate legislation.".

Direct Election of the President

SECTION-BY-SECTION ANALYSIS

The resolution contains the customary provisions that the proposed new article to the Constitution shall be valid as part of the Constitution only if ratified by the legislatures of three-fourths of the states within seven years after it has been submitted to them by the Congress.

Section 1 of the proposed article would abolish the electoral college system of electing the President and Vice President of the United States and provide for their election by direct popular vote. The people of every state and the District of Columbia would vote directly for President and Vice President. This section prevents a candidate for either office from being paired with more than one other person. Candidates must consent to run jointly.

Section 2 provides that voters for President and Vice President in each state must meet the qualifications for voting for the most numerous branch of the state legislature in that state. The term "electors" is retained, but instead of referring to the electoral college, the term henceforth means qualified voters, as it does in existing provisions dealing with popular election of members of Congress. This clause also permits the legislature of any state to prescribe less restrictive residence requirements and is necessary in order to prevent invalidation of relaxed residence requirements already or hereafter adopted by the states for voting in Presidential elections.

The Congress is also empowered to establish uniform residence qualifications. This authority would in no way affect the provisions dealing with residency requirements in Presidential elections adopted as part of the Voting Rights Act of 1970. The District of Columbia is not referred to in section 2 because Congress now possesses the legislative power to establish voting qualifications for the District under article I, section 8, clauses 17 and 18.

Section 2 is modeled after the provisions of article I, section 2, and the 17th amendment to the Constitution regarding the qualifications of those voting for Members of Congress. As a result, general uniformity within each state regarding the qualifications for voting for all elected federal officials is retained. Use of the expression "electors of the most numerous branch of the state legislature" does not nullify by implication of intent the provisions of the 24th amendment that bar payment of a poll tax or any tax as a requisite for voting in federal elections. The Supreme Court, moreover, has held that a poll tax may not be enacted as a requisite for voting in state elections as well, *Harper* v. *Board of Supervisors,* 383 U.S. 663 (1966).

Section 3 requires that candidates obtain at least 40 percent of the whole number of votes cast to be elected President and Vice President. The expression "whole number of votes cast" refers to all valid votes counted in the final tally. Section 3 further provides that if no pair of persons receives at least 40 percent of the whole number of votes cast for President and Vice President, a popular runoff will be held among the two pairs of persons who receive the highest number of votes.

Section 4 embodies provisions imposing duties upon Congress and the states in regard to the conduct of elections. The first part of this section requires the state legislatures to prescribe the time, place, and manner of holding Presidential elections and entitlement to inclusion on the ballot—subject to a reserve power in Congress to make or alter such regulations. This provision is modeled after similar provisions in article I and the 17th amendment dealing with elections of members of Congress. States will continue to have the primary responsibility for regulating the ballot. However, if a state sought to exclude a major party candidate from appearing on the ballot—as happened in 1948 and 1964—the Congress would be empowered to deal with such a situation.

Section 4 also requires Congress to establish by statute the days for the regular election and any runoff election, which must be uniform throughout the United States. This conforms to the present constitutional requirement for electoral voting (article II, section 1), to which Congress has responded by establishing a uniform day for the election of electors (3 U.S.C. 1).

Section 4 further requires Congress to prescribe the time, place and manner in which the results of such election shall be ascertained and declared. The mandatory language is comparable to the mandatory duties imposed upon the states to provide popular election machinery for members of Congress. In implementing this section, Congress may choose to accept state certifications of the popular vote as it now accepts electoral vote certifications under the provisions of 3 U.S.C. 15. Federal enabling legislation will be required to provide the specific legislative details contemplated in the broad constitutional language of the amendment.

Section 5 empowers Congress to provide by legislation for the death, inability or withdrawal of any candidate for President and Vice President either before or after a regular runoff election, but before a President or Vice President has been elected. Once a President and Vice President have been elected, existing constitutional provisions would apply. Thus, the death of the President-elect would be governed by the 20th amendment and the death of the Vice President-elect would be governed by the procedure for filling a Vice Presidential vacancy contained in the 25th amendment. Section 5 also empowers the Congress to provide by legislation in case of the death of both the President-elect and Vice President-elect.

Section 6 provides that the article shall take effect two years after ratification. Since state and federal legislation will be necessary to fully implement and effectuate the purposes of the proposed amendment, a reasonable period of time should be provided between the date of ratification and the date on which the amendment is to take effect.

Section 7 confers on Congress the power to enforce this article by appropriate legislation. The power conferred upon Congress by this section parallels the reserve power granted to the Congress by numerous amendments to the Constitution. Any exercise of power under this section must not only be "appropriate" to the effectuation of the article but must also be consistent with the Constitution.

Mr. DOLE. Mr. President, the Senator from Kansas joins as a cosponsor to Senate Joint Resolution 1, the proposed constitutional amendment to establish direct election of the President and Vice President. That candidates for these two positions should be selected by direct election is an idea which I have long supported. I am hopeful that early in this Congress we shall have the opportunity to debate this issue, and to vote on final passage of Senate Joint Resolution 1.

HISTORY

The electoral college system was provided for in the Constitution because at one time it seemed the most fair way to select the President and Vice President. Alexander Hamilton apparently expressed the prevailing view when he wrote that the small number of persons selected from the general population would most likely have the ability and intelligence to select the best persons for the job. I have no doubt but that in the 18th century, the electoral college was well suited for our country. However, already by the early 19th century, misgivings were being voiced about the college.

The skepticism seems to be related to the formation of political party candidates, and the difference they made in the selection of the President and Vice President. In the years since then, the electoral college has remained in use. It has served us fairly well—except for three times when it allowed a candidate to gain the Presidency who did not have the most popular votes.

There have been numerous other elections in which a shift of a few thousand votes would have changed the outcome of the electoral college vote, despite the fact that the would-be winner came in second place in popular votes. Mr. President, I think we are leaving a little too much to chance, and to hope, that we will not witness yet another unrepresentative election.

SMALL STATES

Many persons have the impression that the electoral college benefits those persons living in small States. I feel that this is somewhat of a misconception. Through my experiences with the Republican National Committee and as a Vice Presidential candidate, it became very clear that the populous States with their large blocks of electoral college votes were the crucial States. It was in these States that we focused our efforts.

Were we to switch to a system of direct election, I think we would see a resulting change in the nature of campaigning. While urban areas will still be important campaigning centers, there will be new emphasis given to smaller States. Candidates will soon realize that all votes are important, and votes from small States carry the same import as votes from large States. That to me is one of the major attractions of direct election. Each vote carries equal importance.

Direct election would give candidates incentive to campaign in States that are perceived to be single party States. For no longer will minority votes be lost. Their accumulated total will be important, and in some instances perhaps even decisive.

SUMMARY

The objections raised to direct election are varied. When they are analyzed, I think many objections reflect not so much satisfaction with the electoral college, but rather a reluctance to change an established political system. While I could never advocate change simply for the sake of changing, neither should we defer action because we fear change.

In this situation, I think the weaknesses in the current system have been demonstrated, and that the prudent move is to provide for direct election of the President and Vice President.

I hope that the Senate will be able to move ahead on this resolution. As long as we continue with the electoral college system we will be placing our trust in an institution which usually works according to design, but which sometimes does not. There are remedies available to us, and I trust the Senate will act to correct this weakness in our political system.

By Mr. DeCONCINI (for himself and Mr. GOLDWATER):

S.J. Res. 2. Joint resolution to require the Federal Government to end deficit financing; to the Committee on the Judiciary.

Mr. DeCONCINI. Mr. President, I am today introducing a constitutional amendment prohibiting deficit financing on the part of the Federal Government except in situations of grave national emergency declared by the Congress. Senator GOLDWATER joins me in cosponsor of this measure.

The content of the amendment we are suggesting, Mr. President, is well known. It would simply require the imposition of an income surtax to raise whatever additional revenues may be necessary to keep the budget in balance. This surtax would take effect for the calendar year following any fiscal year in which outlays exceeded revenues unless the Congress, by a two-thirds vote of those present and voting, declares a state of national emergency and suspends it in whole or in part. It would, thus, provide an uncomplicated and eminently practicable procedure for restoring responsible fiscal management to the Federal system.

It is becoming abundantly clear, Mr. President, that we cannot continue to live beyond our means as a nation. The old maxim, "There's no such thing as a free lunch," is as fundamentally valid for government as it is for any other institution or group. At some point, the laws of economics demand a settling of accounts. The costs of providing goods and services, whether in the private or public sector, may be temporarily postponed, but they cannot be avoided forever.

For too long the Federal Government has been operating as if it were exempt from the basic economic relationship. Deficit has been piled upon deficit, and in the process, the national debt has reached astronomical, indeed, almost incomprehensible magnitudes.

At the end of fiscal year 1977 the gross Federal debt stood at $785,583,000,000, which equals $3,571 for every man, woman, and child in this country. Yet, as astounding as these figures are, they understate the volume of public indebtedness in the United States. Thus, in 1976, the last year for which complete data have been compiled, the net Federal debt amounted to $515.8 billion. Off budget, but federally sponsored credit agencies had outstanding obligations of another $81.4 billion. At the same time, State and local governments were liable for $236.3 billion, Thus, 2 years ago, aggregate public debt in the United States came to a monumental $833.5 billion. The entire gross national product for that year, Mr. President, was only slightly more than double this amount, that is $1,750,000,000, and the interest on the Federal debt for that year was $27.2 billion, which was 7 percent of total outlays and a little over half of the deficit for that year.

The intervening biennium has brought over $100 billion in additional Federal deficits alone.

We cannot afford, Mr. President, to continue mortgaging the future in this manner. It is time to call a halt and bring this Nation's fiscal affairs back under some semblance of control. That is what the amendment I am introducing today intended to accomplish. It is imperative that we act promptly and expeditiously on this matter. Further delay can only worsen the economic and financial disarray with which we are confronted.

No one, to be sure, favors deficit financing as a matter of principle. Just the opposite is usually the case. I am sure that none of my colleagues think that deficits are desirable per se. At most, some may consider budgetary unbalances a necessary evil under certain economic conditions. Indeed, there is general agreement among my collegues, and for that matter, most public officials from the President on down, as to the need for a balanced Federal budget. Yet, despite this seemingly overwhelming consensus, a consensus that I believe has been forming for some time, we have been unable to achieve it. In fact, deficit financing has become a virtual addiction in the Federal sector.

In only 9 of the last 31 years has the Federal budget been in the black. Worse still, outlays have exceeded receipts in every budget in this decade and the gap has widened dramatically since fiscal year 1974. In that year, the Federal deficit was $4.7 billion. In fiscal year 1975, it jumped to $45 billion and then shot to $65 billion in 1976. It has since hovered in the range between $40 and $55 billion.

The economic consequences have been as disruptive as they should have been predictable. Inflationary pressures have sharply intensified, compounding economic uncertainties, exacerbating social conflict and unrest, and raising the specter of coercive governmental interference in the private enterprise system. This instability in turn has discouraged capital formation and stunted the growth of productivity in American industry.

The consequences have been sluggish domestic growth coupled with chronically unfavorable trade balances and a dangerously weakened dollar.

The reason it has proved so difficult to accommodate the Federal budget to these economic realities, in my judgment, have less to do with ideology or political chicanery than is commonly supposed. They inhere, instead, in certain characteristics of the institutional system through which the budget is formulated.

Let me elaborate briefly. The focus in the existing budgetary process is almost exclusively on expenditures. We estimate revenues and try to adjust outlays accordingly. But there is no direct and explicit mechanism for coordinating revenue decisions with particular authorization and funding decisions. To be sure, the congressional budget process directs attention in a general sort of way to these relationships. But, to all intents and purposes, the process of forming tax policy still involves a different set of actors, roles, and interests than do the budgetary and appropriations processes. Moreover, even when tax policy remains relatively consistent, revenues may fluctuate owing to economic circumstances. The upshot is that the revenue side of the budget is, as a practical matter, uncontrollable. And, if budget receipts cannot be definitely known, they can, in a sense, be ignored, for recourse can always be had to additional borrowing to cover the costs of expanding existing programs or instituting new ones.

This temptation to resort to the easy expedient of deficit financing is rendered all the more appealing by the fact that, at any given time, approximately 80 percent of the Government's expenditures are uncontrollable.

It is, of course, always difficult to reach agreement as to where the requisite changes and reductions should be made. Reasonable people may well disagree as to the merit of this or that program or agency. Moreover, every program has its clients, supporters, and advocates.

Taken in combination, these factors mean that a strategy which relies solely on reducing government spending to achieve a balanced budget suffers from severe handicaps.

The amendment I am introducing today would establish a procedure for coordinating tax and spending decisions and thus serve to make the real costs of governmental programs unmistakeably clear. It would, therefore, create a direct and compelling incentive for keeping a much tighter rein on Federal expenditures. It would, I believe, help to insure the kind of tough discipline that will be necessary to get Federal overspending under control and reverse the tendency toward unlimited growth in the public sector.

I urge my colleagues to support this measure, and I especially urge my colleagues on the Senate Judiciary Committee to hold indepth public hearings on this most pressing of economic issues affecting the well-being of all Americans.

I ask unanimous consent that the text of the resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S. J. RES. 2

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, (two-thirds of each House concurring therein), That the following article is hereby proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States within seven years after its submission to the States for ratification:

"ARTICLE —

"SECTION 1. In exercising its powers under article I of the Constitution, and in particular its powers to lay and collect taxes, duties, imposts, and excises and to enact laws making appropriations, the Congress shall seek to assure that the total outlays of the Government during any fiscal year do not exceed the total receipts of the Government during such fiscal year.

"SEC. 2. No later than the twentieth day after the close of each fiscal year, the President shall—

"(1) ascertain the total receipts of the Governments during such fiscal year, not including any receipts derived from the issuance of bonds, notes, or other obligations of the United States, and not including any receipts from any income tax surtax imposed under this article;

"(2) ascertain the total outlays of the Government during such fiscal year, not including any outlays for the redemption of bonds, notes, or other obligations of the United States; and

"(3) if the total receipts described in paragraph (1) are less than the total outlays described in paragraph (2), determine the percentage rate of income tax surtax, to be imposed as provided in section 3, which is necessary to provide an additional amount of revenue equal to the amount by which such total receipts are less than such total outlays, and transmit to the Congress, by special message, the rate of income tax surtax so determined.

"SEC. 3. Subject to the provisions of section 4, an income tax surtax, at the rate determined and transmitted by the President under section 2—

"(1) shall be effective for the calendar year following the close of the fiscal year with respect to which the determination was made, or for so much of such calendar year for which such surtax is not suspended under section 4, and

"(2) shall apply, as an additional income tax for the period for which it is in effect, with respect to the income tax liability of each taxpayer which is attributable to the portion or portions of such taxpayer's taxable year or years which fall within such period.

The income tax liability attributable to a portion of a taxable year falling within a period shall be based upon the ratio of the number of days in the taxable year within such period to the total number of days in the taxable year.

"SEC. 4. In the case of a grave national emergency declared by Congress (including a state of war formally declared by Congress), the income tax surtax which would otherwise be in effect for a calendar year under section 3 may be suspended for such year, or a portion thereof, by a concurrent resolution agreed to by a rollcall vote of two-thirds of the Members present and voting of each House of Congress, with such resolution providing the period of time, if less than the whole calendar year, during which such surtax is to be suspended.

"SEC. 5. This article shall apply with respect to the first fiscal year beginning after the ratification of this article and each succeeding fiscal year.

"SEC. 6. The Congress shall have power to enforce this article by appropriate legislation.".

By Mr. LUGAR:

S.J. Res. 4. A joint resolution proposing an amendment to the Constitution to require that congressional resolutions setting forth levels of total budget outlays and Federal revenues must be agreed to by two-thirds vote of both Houses of the Congress if the level of outlays exceeds the level of revenues; to the Committee on the Judiciary.

Mr. LUGAR. Mr. President, the cost of living crisis is not a new one, but a majority of Americans now realize that it has reached such dangerous proportions that our basic political and economic institutions are threatened. The time for courageous and effective action is at hand.

Since 1967, the purchasing power of the dollar has been cut in half. Eighty-one percent of the American public expresses support for a constitutional amendment to require a balanced Federal budget. For the first time, a majority holds Government principally to blame for inflation. Twenty-two State legislatures have petitioned Congress for a constitutional amendment on this subject. 1978 saw the passage of proposition 13, seven other States tax or spending limits, and the defeat of a number of prominent liberal, pro-spending Senators. Yet Congress in the same year passed a budget which proposed spending of $39 billion more than revenues.

Congressional inability to restrain itself from extravagant spending, even in the face of runaway inflation, has exasperated average citizens and seasoned observers alike, and has spawned a host of proposed remedies. Some would raise taxes to match revenues. Some would flatly prohibit unbalanced budgets except in times of war or declared national emergency. Still others would limit the yearly increase in Federal spending to some figure, such as the percentage increase in the gross national product, without reference to budget balance or imbalance. Each of these ideas enjoys a degree of support in the country, but, after extensive study of the range of alternatives, I have come to favor a different approach.

The heart of the overspending dilemma is political and structural, a fundamental fact with which reformers must contend. The growing awareness by numerous groups that they can organize successful raids on the public treasury, and their increasing sophistication in doing so, has rendered a simply majority for the spending of public money far too easy to attain. The pressures for more spending are as intense and tightly focused as a laser; the sentiment for restraint is as diffused as ceiling light.

Legislative rules frequently apply a familiar procedural device to situations in which restraint is difficult, pressures intense, and in which the subject matter involves departure from an important norm. The device is the supermajority—the requirement of more than a mere 50 percent plus one vote—and it is ideally suited to the most crucial single decision made by Congress each year, the passage of the Federal budget.

The resolution which I introduce today proposes a constitutional amendment to prohibit an unbalanced budget, except by a two-thirds vote of those present and voting in both Houses of Congress. I submit that this amendment would address effectively the principal crisis confronting American government in the modern era, and would do so with the dignity, clarity, and flexibility befitting any change in the basic charter of our democracy.

The Constitution abounds with precedent for such a "supermajority" requirement. Two-thirds majority of both Houses are currently required to override a Presidential veto of a bill, to override a Presidential veto of a congressional resolution, or to propose a Constitutional amendment to the state legislatures. Two-thirds vote of both Houses was required by the 14th amendment to admit to Congress any individual who had participated in the Civil War on the Confederate side. The votes of a four-fifths majority are required to block a listing of the yeas and nays on a congressional vote.

Two-thirds vote of the Senate is constitutionally required to convict a Federal official upon impeachment. Two-thirds of the Senate must approve any treaty. Two-thirds of either House must concur before a Member can be expelled. And, at the subconstitutional level, the Senate rules are filled with supermajority requirements for such issues as cloture of debate or the designation of a special order.

The supermajority amendment would have virtues which elude other proposals aimed at the spending inflation dilemma. It is simple to express and simple to understand. It is simple to implement; the required vote on the Second Budget Resolution reduces to a single vote the final determination of the overall Federal spending level, and could serve as the balanced budget vote.

The amendment would involve no disruption of established congressional procedures. The only difference would be the reaffirmation of the principle that a balanced, noninflationary budget is such an important norm and a national goal, that those who would deviate from it must carry a greater-than-usual burden of proof.

In practice, the two-thirds amendment will enjoy one more advantage which leads me to prefer it over available alternatives. It will be flexible, and adaptable to changing conditions, in that it does not require a balanced budget every year, but instead significantly increases the burden of proof necessary to unbalance it. There is no requirement that a Presidential emergency be declared first, or that taxes automatically increase to cover the additional spending—only that the budget evidence convince two-thirds, rather than one-half, of those voting if a deficit is to be established. Thus, in times of severe economic recession, when economists might agree that additional spending or a tax cut is appropriate, nothing would prevent this result as long as the economic case is strong enough to persuade two-thirds of both Houses of Congress.

The ravages of perpetual overspending are now too clear for dispute. Now is the time, before the petitions of 34 State legislatures force an unpredictable constitutional convention over this issue, to rectify the structural infirmity which has permitted inflation to continue to grow. It is time to establish that the stewardship of the tax dollar, and of the relinquished personal freedom which that dollar represents, is as important as a treaty or a veto override, and that those who would inflate our currency must at least make an abnormally convincing case before the Government printing presses roll.

By Mr. STENNIS:

S.J. Res. 6. A joint resolution to require the Federal Government to end deficit financing; to the Committee on the Judiciary.

PAY-AS-YOU-GO CONSTITUTIONAL AMENDMENT

Mr. STENNIS. Mr. President, I am introducing a joint resolution proposing a constitutional amendment which would require the Federal Government to terminate deficit financing and operate on a pay-as-you-go basis. This resolution is identical with Senate Joint Resolution 180 of the 94th Congress and Senate Joint Resolution 26 of the 95th Congress. These resolutions were offered and championed primarily by the distinguished former Senator from Nebraska, Mr. Curtis. They were cosponsored by me and many other Senators.

Mr. President, I want to commend the former Senator from Nebraska for the work he has done in this important field. He started the ball rolling and brought public recognition to the problem. I intend to do what I can to follow through to bring the matter to a successful conclusion.

Before discussing the provisions of this resolution, Mr. President, let me mention one simple fact that will make the dimensions of the problem clear. The fact is this: From $382 billion at the end of the fiscal year 1970 our staggering national debt will have increased to a currently estimated $840 billion at the end of fiscal year 1979. This is an increase of $458 billion in 9 short years, an average of about $50 billion a year. I doubt that this is the heritage that any of us had planned to leave our children and grandchildren.

Let me briefly explain this proposed constitutional amendment. It is clear and it is simple. More than that, it is workable. It mandates the Congress to balance the budget every year. But it goes further; it has a built-in self-enforcing provision.

Under the amendment the President would be required, within 20 days after the close of the fiscal year, to determine whether there is a deficit, and, if so, the amount of it. It would then be required that a surtax be levied for the calendar year following the year in which the deficit was incurred in an amount sufficient to offset the deficit. This surtax would be expressed as an added percentage of the income tax of all individuals and corporations. Under the amendment neither the President nor the Congress would be authorized or empowered to levy the surtax; it would automatically be imposed under the authority of the Constitution.

In short the amendment would be self-executing. No discretion on the part of anyone would be involved. If expenditures exceeded revenues a surtax would have to be levied for the following calendar year to balance the budget. The rate of surtax would be determined by the President as a mathematical calculation and no judgmental decision by the President or the Congress would be required.

The sole exception from the requirement for a balanced budget would be that it could be set aside by a three-fourths vote of all Members of each House in case of a grave national emergency. This would be a proper and necessary safety valve available in such cases as a state of declared war or a serious national depression.

This amendment has a special merit, Mr. President. It makes it clear and plain that any Member of Congress who votes for appropriations that result in a deficit is automatically and simultaneously voting for a tax increase. Under the proposal one follows the other as the night follows the day and the taxpayers who bear the burden of the tax increase will know who imposed it on them.

I submit, Mr. President, that complete and utter disaster is not an overstated description of what can happen if we follow the same fiscal course that we have followed for the last quarter of a century and if we fail to bring Federal spending under control. I endorsed the Congressional Budget Act of 1974. It was a great step forward and it has worked well. I applaud it. With it the Congress at last broke into the clear in reasserting its constitutional control of the purse strings and entering the field of Federal fiscal policymaking in a really meaningful way. However, it is apparent that the Budget Act alone will not stop deficit spending. The discipline and firm restraint that this proposed constitutional amendment would provide is, in my opinion, essential if we are to bring about the fiscal responsibility and budgetary control which is absolutely necessary to the economic well-being of our country.

We do not often find a Member of Congress who will openly express opposition to a balanced Federal budget. Instead, the argument is that we cannot do it yet; that the time is not right. There is always some superficially plausible argument to support the claim that we cannot take immediate steps to balance the budget. This will be true as long as there are special interests, special groups, and special constituencies which make huge demands on the public coffers. We must bite the bullet and say that the fast and loose buck stops here.

I know that there are a number of other measures proposed which have as their purpose bringing the budget under control and eliminating deficit financing. Certainly all of them should be fully and completely explored and considered and if any of them has more merit than the constitutional amendment which I am proposing I will certainly be glad to support them.

Mr. President, I am not going to burden the record with a long and detailed recital of facts and figures. We are all aware of the stark and sad financial history which has been written by deficits piled on top of deficits and an ever-growing national debt. I do want to point out that since 1950 the Federal budget has been in balance on only five occasions. We have had a deficit in every year but one since 1960. The result is and was inevitable. Like the ordinary citizen who does not manage his finances properly, and imprudently and continuously spends more than he earns, we find ourselves deeper and deeper in debt. The consequences of this are made plain by the unpalatable and unpleasant fact that the amount we will pay this year as interest on the national debt is more than the entire Federal budget for fiscal year 1950.

I believe, Mr. President, that it will give a great and positive boost to our economy when we embark upon the course of balancing the budget. If everyone knew that the United States had its finances under control it would create confidence at home and abroad. I believe that the U.S. dollar, which has been so weak in recent times, would be bolstered and strengthened. We all know that the potential of this country is tremendous. Our possibilities are unlimited. Private enterprise and our system of government are not failing institutions. The future will be bright if we reverse the practice of continuous deficit financing.

We are all aware of the extent, depth, and vigor of the taxpayers' revolt. The taxpayers are dissatisfied both with the crushing burden of taxes and the quality of government which they receive. The action of the California voters on proposition 13 still reverberates and causes aftershocks throughout the Nation. It dramatizes the plight and intensity of the feeling of the taxpayers.

When we discuss the tax revolt evidenced by the action on proposition 13 in California, and many elections in other States, we should realize that this stems, in part, from the fact that one of the largest and most important elements in the soaring inflation which we have experienced is taxation. Between 1972 and 1976, food prices increased by 44 percent; housing rose by 36 percent; transportation jumped 44 percent; personal care increased 36 percent; and medical care rose 42 percent.

In comparison with these figures taxes soared by a whopping 75 percent. These facts and statistics, along with the growing dissatisfaction with the quality of government, explain the tax revolt that has been growing and that threatens to erupt in this country. The unrest and discontent will surely grow and grow unless something is done to lighten the tax burden. It is not only within our power but it is our duty to take action that will give effective relief to the taxpayers and, at the same time, eliminate the tremendous deficits we have seen in the Federal budget in recent years and curb the growth of the astronomical national debt.

There could be little dispute that high taxes and continued deficit financing lead to inflation. Inflation, unless controlled, can drag us into a depression, and send the unemployment rate soaring. When inflation is rampant it takes all of the income of many of our citizens to provide the bare necessities of life for themselves and their families.

I believe that the amendment which I propose today is an idea whose time has come. The people are beginning to express themselves through the ballot box. In addition, at least 22 State legislatures have already called for a constitutional amendment with the same basic purpose as the resolution which I am proposing. Other States have indicated that they intend to take the same action.

Mr. President, we should start now—at this very moment—to advance toward a pay-as-you-go constitutional amendment. At best it will take several years to get the constitutionally-required two-thirds vote in both the House and the Senate and have the amendment ratified by three-fourths of the States. This means that, even if the Senate passes this resolution during this session, its effective date will still be several years down the road, so that the Congress would have time to act to bring the budget into balance.

Mr. President, the extent to which Federal expenditures have swollen is strikingly indicated in the case of the Department of Health, Education, and Welfare. HEW's $182 billion budget for fiscal year 1979 is the third largest in the world. It is surpassed only by those of the United States and of the Soviet Union.

The message we have received from the grassroots is loud and clear. Its meaning is unmistakable. Legislators on both the State and national level should hear and heed it. The smoldering anger and frustration of those who pay the taxes will only increase unless relief is forthcoming and forthcoming soon. The average middle-income taxpayer will not tolerate much longer increasingly large tax bites being taken out of his pocketbook to pay for spending programs that grow ever larger and which he feels are wasteful and unnecessary.

Mr. President, we are faced with a grave situation requiring drastic action. It is time to cry "halt." Returning to a course of fiscal integrity and responsibility will require courage and steadfastness. Certainly there is no easy answer. However, at this time I believe that the best answer lies in the adoption of a constitutional amendment such as I propose here today. This would effectively prevent the Congress from continuing to mortgage the Nation's future so extravagantly. I believe that the rewards which will come into our country as a result will be great. I hope that the Senate will take early and affirmative action on the resolution I have proposed.

By Mr. McCLURE:

S.J. Res. 9. A joint resolution to amend the Constitution of the United States to provide that appropriations made by the United States shall not exceed 33⅓ percent of the average national income of the prior 3 calendar years, except as specified during war or national emergency; to the Committee on the Judiciary.

Mr. McCLURE. Mr. President, today I am introducing a constitutional spending limitation amendment to limit the amount of our tax money which the Federal Government may spend. This amendment will provide protection against oppressive taxation in the same way the Bill of Rights protects our civil liberties and political rights. Now is the time to halt the growth of Government and a constitutional limit on the spending power of Government is the best way to do it.

Unless we change the direction of this country, government at all levels will take 54 percent of every dollar we make by 1984. High taxes are choking the economy by penalizing productivity, thrift, and investment. Limiting the size of Government is essential if we are to get the economy moving at full capacity again. But important as the economic effects of this amendment are, the most important benefit will be the preservation of this country as the land of the free where, as George Washington said, Government is the servant, not the master of the people. No one is free if he does not own the fruits of his labor. Limiting the power of Government to spend our money is the most important issue we face. It will be the dominant political issue of the next few years. Those of us who have long fought for tax and spending limits are heartened by the many proposition 13 type referendums that were passed in the last election. The voters of these States have shown that big Government is not inevitable. It can be halted. We have a choice.

After 12 years of working in Congress and sponsoring 25 bills to reverse the tax and spend philosophy which dominates Washington, I now believe we have found a way to achieve our goal.

I saw the irresponsible direction Government spending was taking as a freshman Congressman and therefore supported a measure in the 90th Congress to require a single appropriations bill so that we might more closely examine total Government spending and facilitate its control. Throughout my service in Congress, I have supported legislation to limit expenditures and prevent expenditures from exceeding revenues.

This year I will also introduce a constitutional amendment that, following the lead of Senator Curtis, will require a balanced budget. In past years I have supported zero-based budgeting and set legislation because I felt they would help control the rapid increase in Government spending. In 1975 I introduced the Kemp-McClure Jobs Creation Act, a comprehensive tax cut proposal which created the broad consensus that now exists for permanent, across-the-board tax reduction. At that time I said:

> As a nation, we stand at a crossroads. One road, that traveled by Great Britain, has the immediate appeal associated with redistributing existing wealth; but it also holds in store the ultimate pain of sharing not the wealth but the resultant poverty. The other, less frequently traveled road, promises continued progress and gradual enrichment for all members of society. The price of a brighter future is a less profligate present.

Five years ago I joined in sponsoring the Budget Control Act of 1974, and I sought an assignment to the newly created Budget Committee. But by the time we reported our first congressional budget resolution it was clear that although we had created a new budget process, we were still unwilling to control spending. In minority views prepared for the first budget resolution I wrote:

> For literally the first time the Senate has the occasion to specifically address itself to the aggregate budget and national economic policy, especially as it involves the budget. The process itself is an important step toward rationally addressing economic and budget questions, which has for too long been limited to ad-hoc approaches. But it is not the exercise that is important—it is the result that matters!

The result, as I feared in 1974, has been continued runaway growth in the size and cost of Government.

These measures have failed to moderate the growth of big Government because the beneficiaries of our tax dollars are well organized and skillful at manipulating Washington. The Federal Government, in turn, has an insatiable appetite for problems to solve and pressure groups to please. Until now, these forces have overwhelmed the ability of the average American who pays for all this to influence the cause of events. To correct this unbalance, I urge my colleagues in Congress and the State legislatures to amend the Constitution and limit the power of Government to spend our money.

This amendment limits Federal expenditures to one-third of the national income averaged over the past 3 years. National income is the total net income earned in production. It differs from gross national product mainly in that it excludes depreciation charges and other allowances for business and institutional consumption of durable capital goods and indirect business taxes. The Federal Government is now spending just under 35 percent of that figure. This amendment would result in an immediate reduction of between $10 and $12 billion and more importantly it prevents Federal tax bites from becoming any larger.

I believe that this amendment offers the best instrument for returning this country to the ideals on which it was founded.

By Mr. McCLURE:

S.J. Res. 10. A joint resolution to require a balanced budget; to the Committee on the Judiciary.

Mr. McCLURE. Mr. President, there is a good deal of justified alarm about the size of the Federal deficit, which exceeded $50 billion for fiscal 1978. The deficit and our inability to control it are vital issues which have a significant impact on our society and must be faced.

When families or businesses incur repeated and rising operating deficits, bankruptcy inevitably follows. When the Federal Government incurs such deficits, inflation is the inevitable consequence. In an attempt to finance this deficit the Treasury issues obligations that are puchased by the Federal Reserve and in so doing, monetizes the newly created debt. This is done in such a way that Federal spending increases without a compensating reduction in private spending. The outcome of such a series of events is clear—interest rates rise, prices rise and the economy heats up. Further, any borrowing from the private sector to finance the deficit, drains the private economy of the resources and the incentives needed to sustain expansion.

Realizing that the Federal Government is the principal culprit in our current economic difficulty is the first step that must be taken. The sure, but painful, cure for inflation and the inflation-caused recession is simply to slow the rate of growth of the money supply. Unfortunately, this cannot be done without the elimination of recurrent high employment Federal deficits. In turn, deficits cannot be controlled until we recognize two facts: First, money expenditures do not solve social problems, and second, more money spent on a bad idea will not make that idea good. Money alone does not solve problems either for individuals or for nations. New ideas and the reaffirmation of older, but valid financial standards, however, are proven methods of economic problem solving. Today we should turn our attention to principles of fiscal integrity not only because we hope to avoid inflation, but also because we strive to preserve this democracy.

It will take a constitutional amendment to get this Government back to a balanced budget. Despite the best efforts of many of us, the Congress is apparently unwilling to balance the budget on its own. I, therefore, am introducing a constitutional amendment to require a balanced budget. This amendment is the result of many years of effort by Senator Curtis and others.

The citizens of this country have clearly demonstrated its mood on taxation and Government spending. Already, 22 State legislatures have called for a Constitutional Convention for basically the purpose of considering a balanced budget amendment, and other States have indicated that they intended to take the same action. Over 45 such proposals were submitted in the last Congress.

Spending is out of control, primarily because politicians in Congress no longer give equal weight to defending the public purse as to accommodating the pressure groups. Any effort to slow down the increase in Federal spending takes considerable political courage. Those who benefit from some spending program are easily organized into a political pressure group dedicated to continuing and expanding their programs. Now is the time when every program should be examined to see whether or not there are more effective ways of accomplishing its intended results, and whether or not those results might not be better accomplished by returning the responsibilities to local levels of government, or to the voluntary private sector.

Many are unwilling to balance the budget. It would necessitate a reduction in Government spending and in turn reduce the size of Government relative to the private sector. It would be an inroad on the power that has been concentrated in Washington, and a decline in centralized political clout. Yet this is a small price to pay to make fiscal soundness a reality. This proposed amendment will do the job, just as many of our State constitutions require a balanced budget.

Mr. President, I feel it significant that on the opening day of this Congress, Republicans have introduced proposals that would balance the budget, put a limit on Government spending, index the tax brackets to prevent inflation from increasing the tax burden de facto, a proposal calling for a savings tax credit to allow for sound capital formation and expansion, as well as a one-third tax cut. It is clear that the Republican Party is serious about the economy and making fiscal soundness a reality. I ask my colleagues to join me in supporting these proposals that will return this Nation to the principles of fiscal integrity and preserve this Nation.

By Mr. TALMADGE (for himself and Mr. NUNN):

S.J. Res. 11. Joint resolution to amend the Constitution relating to a balanced budget; to the Committee on the Judiciary.

Mr. TALMADGE. Mr. President, every national survey that I see, ranks inflation and government spending as the No. 1 issue and problem of the United States. Over the past dozen or so years that our Nation has been plagued by inflation, there has been a lot of talk but little action toward reducing massive multibillion dollar deficits year after year after year. During all this time, we have seen the U.S. economy become weaker and weaker. We have seen the American dollar hit bottom. We have seen our friends and allies the world over lose faith in the stability of our Nation and government.

The only way I know to bring about a balanced budget is to prevent Congress from spending money we do not have on programs we do not need.

The only way I know to accomplish this goal is by a constitutional amendment. This approach is favored by an overwhelming majority of the American people.

I have been pushing for such a constitutional amendment for many years and I am today reintroducing my amendment to prohibit deficit spending except in times of emergency specifically declared by Congress.

By Mr. HELMS:

S.J. Res. 13. A joint resolution to amend the Constitution of the United States; to the Committee on the Judiciary.

THE HELMS BALANCED BUDGET AMENDMENT

Mr. HELMS. Mr. President, I submit a resolution to provide that the Constitution be amended to require that Federal outlays do not exceed Federal revenues. In other words, this is a proposal to require a balanced Federal budget.

The discipline this amendment would impose on the Congress and the President is imperative. The cost of not balancing the Federal budget is too high. This proposed amendment would allow deficit spending during a "grave national emergency" by a three-fourths vote of both Houses of Congress.

MORALITY OF BALANCED BUDGETS

The Federal Government has no funds to spend except money taken from the taxpayers, or the demonstrably ruinous deficit financing. It takes either through taxation and other revenue producing activities, or it takes through the financing of budget deficits. Inflation is caused by the monetization of those debts—the excessive creation of money—through the Federal Reserve System purchase and handling of those Federal debt instruments.

When the Federal Government imposes taxes equal to the amount of the expenditures, then citizens can know to what degree they are being burdened to pay for those Federal outlays. Congress has to approve the taxes to match the level of outlays. Congress has to justify expenditures which are popular or necessary with equal taxes, which are never popular.

When the President and the Congress so operate the Federal Government that the politically popular expenditures exceed the politically unpopular taxes, then Congress is hiding the cost of its largess. Politically, it is a "something-for-nothing" pretense. It is about as straightforward as a con-game. It is about as honest as a chain letter that promises windfall wealth. It is the ultimate "free lunch," except there's nothing free about it.

Mr. President, let us not be deluded: inflation is caused by Federal deficit spending, and inflation is the greatest economic disruptor ever conceived by man. And the American people now realize that the evil of inflation is caused by deficit spending.

One major way inflation disrupts the economy is in its destruction of the ability of people to measure relative economic worth. During inflationary periods, the value of currency is not stable, and its utility as the most important standard of measuring value is lost. And when the most important economic standard is corrupted, the other standards in the society come under attack. The relativism inflation imposes on the economy has been paralleled in our time by relativism in other values as well.

Inflation also cripples our society by concentrating economic power in the big corporations and the big unions. Only the big corporations have the power to ride out inflation and the money to pay for economists to aid in overcoming inflation. Only the big unions have the muscle to win gains for union members in times of inflation. In other words, the great competitive vitality that our economy has exhibited in the past is discouraged, because the small businesses are hit hardest by inflation, and the small unions are less able to operate. The innovators are discouraged, and penalized, by government-imposed inflation.

During inflation other centers of power in the society for various educational and charitable work are crippled. The resources of churches, schools, and other non-government groups and organizations are eroded by inflation, and as a result, the good works that once were performed by non-government organizations are now left only to government.

And during an inflationary period, the independence of the individual is undermined. The worker that saves for retirement finds that the value of savings has been cut drastically, and the worker finds government aid the only way to survive.

INFLATION AND THE FOUNDERS

One of the earliest reasons for forming the Union was to preserve the sanctity of contracts between individuals in the various colonies. It was rightly held that for commerce to grow and the Nation to prosper, contracts between citizens should be held enforceable.

But what do we do today?

If I rent a house from someone for a given sum, I am in effect paying a different real amount every month. The lease I signed to rent for a sum certain is being violated regularly—not by either party to that lease, but by the Federal Government which is corrupting the medium of exchange in which that contract is denominated.

By its depreciation of the dollar, the Government has not only eliminated the sanctity of contracts, it has almost made it impossible for a contract to be written in terms of constant value.

An honest dollar is necessary for honest business.

THE ECONOMICS OF BUDGET DEFICITS

Twentieth century budget deficits have been rationalized by politicians because of the allegedly salutary effects that deficits have on the Nation's economy. John Maynard Keynes said that the Government could stimulate economic activity by increasing aggregate demand: that is, by putting money into people's hands through Government deficits. Since Government spending is always politically popular the politicians naturally embraced the economics of Lord Keynes. The less attractive aspects of Keynes' economics were ignored: the inflation, the economic disruptions, and the aggrandizement of Government power.

Keynes' economic theory is today the dominant school of thought in our great Government-supported universities and certainly in the high policy centers of our Government. But, the contemporary Keynesian view of the economy has ceased to fit the facts. The Keynesian policies of stimulation have resulted in inflation and high unemployment—stagflation. When he was asked about these two problems, the Secretary of the Treasury said, "We don't know enough about inflation." It was as if the side effects of Keynesian policies indicated something basically wrong with reality rather than something basically wrong with Keynesian economics.

In a predictably self-righteous editorial last week in the Washington Post the contention was advanced that a balanced budget would put economics back to the era of Calvin Coolidge. The obvious unintentional irony is that it was during Coolidge's administration that Keynes was writing his most important works, and it indeed is the economics of that generation that we must discard.

The "common wisdom" which is held by all practicing Keynesians states that in times of economic slowdowns, the Federal Government should spend more than it takes in to stimulate the economy. Not only are these attempts at stimulation almost always timed wrong, but the stimulation is almost never accompanied by reciprocal spending cutbacks when the economy is overheated.

Ironically, the Post editorialist overlooked one of the most important tools of demand stimulation—the monetary authority of the Federal Reserve System. And the Fed does not necessarily need the excuse of Federal deficits to expand the money supply.

If the regulation of demand is the axis of economic activity as held by orthodox Keynesians, then the Federal Reserve System should be able to do the job. The politically unattractive part about this is, of course, that the Keynesian politicians would have no excuse for free lunch giveaway programs.

In fact, of course, we are now coming to the realization that the economy is not the simplistic thing that the orthodox Keynesians would have us believe. The economy depends in large part on the kinds of incentives there are for economic activity.

A balanced Federal budget will require Congress to look toward economists that have answers and not excuses. A balanced budget will require that Federal expenditures can justify themselves within the confines of firm spending limits. And, a balanced budget will eliminate the excuse for the scourge of inflation.

The language of my amendment is brief. I believe that the Constitution should not carry involved statute-like verbiage. As a result, however, my proposal does not specifically define the term "outlays." I think that should be clear enough, and I distinctly did not want a Constitutional amendment to get into the nuances of the Budget Act.

The other possible criticism of my amendment is that it does not provide for a phase-in of the balanced budget. Obviously, if our gluttonous Government went on a strict diet tomorrow and ceased running up a deficit of a billion dollars every 10 days, there would be drastic, untoward side effects. But constitutional amendments are not passed in a day. They usually take several years—time enough for Congress to get the message and begin trimming down.

Finally, I think that if Congress does not act and act soon, the various States may go ahead and amend the Constitution by the convention process. Over 20 State legislatures have already approved resolutions calling for a constitutional convention to approve an amendment requiring a balanced Federal budget.

I have also introduced legislation initially sponsored by Senator Sam Ervin of North Carolina which would provide for an orderly constitutional convention process, so that if the States act in this manner, there will be minimal risk from this unprecedented procedure.

Mr. President, I ask unanimous consent that my joint resolution be printed in the RECORD at this point.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 13

Resolved, by the Senate and the House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is hereby proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States within seven years after its submission to the States for ratification.

"ARTICLE—"

"SECTION 1. Except when Congress shall determine, by three-fourths of the votes of both Houses thereof, that a grave national emergency exists, the Congress shall assure that the total outlays of the Government during any fiscal year (not including any outlays for the redemption of bonds, notes, or other obligations of the United States) do not exceed the total receipts of the Government during such fiscal year (not including any receipts derived from the issuance of bonds, notes, or other obligations of the United States).".

SENATE CONCURRENT RESOLUTION 1—SUBMISSION OF A CONCURRENT RESOLUTION RELATING TO SENIOR CITIZEN INTERNS

Mr. ROTH submitted the following concurrent resolution, which was referred to the Committee on Rules and Administration:

S. CON. RES. 1

Resolved by the Senate (the House of Representatives concurring), that, notwithstanding any limitation imposed by law or other authority, effective January 3, 1979, and until otherwise provided by law, each Member of Congress is authorized to hire one additional employee each year for one of the two-week periods specified under section 5(2). Such employee shall be designated a Claude Pepper Senior Citizen Congressional Intern, hereinafter in this resolution referred to as a "Senior Citizen Intern" or an "Intern".

SEC. 2. A Senior Citizen Intern shall—

(1) be at least 60 years of age on the effective date of the appointment involved;

(2) (A) be a bona fide resident of the State represented by the employing Member, if such Member is a Senator; or

(B) be a bona fide resident of the congressional district represenetd by the employing Member, if such Member is a Representative, a Resident Commissioner in the House of Representatives or a Delegate to the House of Representatives;

(3) serve in the offices of the employing Member in the District of Columbia;

(4) be compensated as provided in section 3(1); and

(5) be subject to the same regulations as an employee hired under the clerk hire allowance of the Member involved, except that such Intern shall not be eligible to participate in any health or life insurance program, or any retirement system, applicable to congressional employees, and shall not accrue leave under any employment provisions applicable to congressional employees.

SEC. 3. Each Member shall have available from the contingent fund of the Senate or the House of Representatives, as appropriate, such sums as may be necessary for payment of—

(1) Senior Citizen Intern compensation at a rate of not more than $300 per week; and

(2) travel expenses for one round trip of each Senior Citizen Intern between the place of residence of such Intern and the District of Columbia, including the actual cost of transportation and other reasonable expenses.

SEC. 4. The positions made available in the first section and the amounts made available under section 3 shall be in addition to any position or amount made available to Members of Congress under any provision of law or other authority.

SEC. 5. The Select Committee on Aging of the House of Representatives and the Special Committee on Aging of the Senate shall, with respect to Senior Citizen Interns in the House of Representatives and the Senate, respectively—

(1) prescribe such regulations as may be necessary to carry out this resolution; and

(2) specify a two-week period in May and a two-week period in September in each year for which appointments may be made under the first section.

SEC. 6. As used in this resolution, the terms "Member of Congress" and "Member" mean a Senator, a Representative, a Resident Commissioner in the House of Representatives, and a Delegate to the House of Representatives.

Mr. ROTH. Mr. President, I submit this resolution with the understanding it will not automatically require additional moneys for the contingent fund of the Senate. Rather, the disbursing officer will fund the program with available moneys first and request additional funding only as necessary to cover the remainder of the cost.

SENATE RESOLUTION 10—SUBMISSION OF A RESOLUTION RELATING TO MUTUAL DEFENSE TREATIES

Mr. DOLE submitted the following resolution, which was referred to the Committee on Foreign Relations:

S. Res. 10

Whereas, the Senate amended the International Security Assistance Authorization Act, S. 3075, on July 25, 1978, expressing the sense of the Senate that there should be "prior consultation" between the Senate and the Executive Branch on any proposed policy changes affecting the continuation in force of the Mutual Defense Treaty of 1954 with the Republic of China; and

Whereas, the amendment was subsequently broadened to express the "sense of Congress" and was part of the measure signed into law by the President on September 26, 1978;

Whereas, the President on December 15, 1978 declared that notice of termination of the Mutual Defense Treaty would be sent to the Republic of China, without prior consultation with the Senate or with the government of the Republic of China: Now, therefore, be it

Resolved, That the Senate disapproves of the action of the President of the United States in sending notice of termination of the Mutual Defense Treaty with the Republic of China.

SENATE RESOLUTION 11—SUBMISSION OF A RESOLUTION RELATING TO THE REPUBLIC OF CHINA

Mr. DECONCINI submitted the following resolution, which was referred to the Committee on Foreign Relations:

S. Res. 11

Whereas, the United States of America and the Republic of China and their respective peoples have enjoyed a relationship of friendship for three decades;

Whereas, the United States of America and the Republic of China have been bound together by a Mutual Defense Treaty since March 3, 1955;

Whereas, the President unilaterally invoked the termination clause of the Mutual Defense Treaty without prior consultation with the Senate;

Whereas, the President in his negotiations with representatives of the People's Republic of China failed to receive assurances for the future safety and well-being of the government and people of Taiwan:

Now, therefore, let it be Resolved

That the United States of America acknowledges and reiterates its long-standing policy of friendship towards the government and people of Taiwan;

That the United States of America will not tolerate any aggression by the People's Republic of China against the government or people of Taiwan for the purposes of reunification or for any other purpose;

And that in the event of such aggression, the United States of America will take whatever action may be necessary to preserve the independence and freedom of the government and people of Taiwan.

Mr. DECONCINI. Mr. President, I believe that all Members of this body were disconcerted to learn that President Carter invoked the termination clause of the Mutual Defense Treaty of 1955 with the Republic of China without any prior consultation with the Senate. Such an action is virtually without precedent in American history.

Whether the powers conferred upon the President by the Constitution technically are sufficient for the President's action is not the only issue. There is a broader issue that goes to the core of the traditional bipartisan nature of American foreign policy. Bipartisanship requires that the President consult with the opposition party prior to undertaking major foreign policy initiatives. But in the extant case, the President failed even to consult members of his own party. Thus, the decision to recognize the People's Republic has taken on not only a partisan flavor, but has created an atmosphere of confrontation between the Senate and the President.

Thus, I believe, that on the score of consultation alone the President should be made aware of our disappointment. The resolution that I submit today does just that, although its primary purpose is otherwise.

It appears to me that the question of whether the United States should or should not at this juncture in world history recognize the People's Republic of China is at least a debatable one. The American people are most likely divided on the issue, although the march of events suggests that this course moves us in the right direction.

However, whether we agree or disagree over the decision to recognize the People's Republic, I believe the American people are virtually unanimous in their concern for the fate of the people and the government of Taiwan. After three decades of friendship and alliance, the action of the President essentially cuts Taiwan off and allows her to drift in a sea of uncertainty.

Incredibly, the administration, in its negotiations with the People's Republic of China, did not extract any concession regarding the future of Taiwan. I believe that this is merely another example of American negotiating weakness which seems always to be geared towards a result regardless of cost. It is that penchant in our foreign policy that should make each of us cautious over the agreements negotiated.

Every assurance the United States has that the People's Republic will not invade or otherwise coerce the people of Taiwan is based upon extrapolation and reading between the lines. For example, the administration has argued that they do not have the technical capability to launch such an invasion—therefore, an assurance is not necessary. I believe we have all witnessed on the international scene enough examples of the improbable occurring that our foreign policy should not be based upon such so-called technical assessments or the imputation of motives.

In the absence of formal assurances from the People's Republic about the future well-being and safety of the government and people of Taiwan, I believe it is imperative that the U.S. Congress clarify its resolve not to tolerate the use of force, and to continue to honor, in essence, our commitment to insure the continued independent existence of Taiwan, if that is the will of its people. To allow them to stand alone at this critical juncture in their history is unconscionable.

But there is a broader purpose yet in this resolution. By reneging on its historic commitment to protect and defend Taiwan from possible Communist invasion and coercion, the United States is denuded of its credibility as the prime defender of open societies against Communist incursion. It seems to me a very elementary principle that effectiveness in deterring others involves credibility on the part of the potential deterer. Without such credibility, the will of the deterer will be constantly tested. Thus, the President's action in terminating the mutual defense treaty with Taiwan shakes American credibility and invites our opponents to test our resolve.

The resolution I am recommending to my colleagues is a simple one. It merely reaffirms the American commitment to protect and defend the government and people of Taiwan should they be faced with aggression from the People's Republic. It does not preclude the people of Taiwan from choosing to incorporate themselves with the mainland, if that is their wish. But it also will allow them to retain a separate existence and identity, if that is their wish. The United States cannot dictate a two-China policy for China. But we can provide the Taiwanese with the support they will need, if that is the course of action they ultimately decide to pursue.

The realities of world politics will, I believe, lead to the development of two Chinas, just as we have two Germanys and two Koreas. I personally believe that for the foreseeable future this is the best solution to a conflict which has been enduring as it has been deep. Furthermore, the United States should not by its actions assist the Communist regime in Peking from absorbing the pro-Western government of Taiwan.

SENATE RESOLUTION 12—SUBMISSION OF A RESOLUTION RELATING TO UNITED STATES COMMITMENT TO TAIWAN

Mr. DANFORTH (for himself, Mr. YOUNG, Mr. THURMOND, Mr. DOMENICI, Mr. WALLOP, Mr. COCHRAN, Mr. BAYH, Mr. HEINZ, Mr. HAYAKAWA, Mr. SIMPSON, Mr. HELMS, and Mr. STONE) submitted the following resolution, which was referred to the Committee on Foreign Relations:

S. RES. 12

Whereas, the United States of America and the People's Republic of China have recognized each other and established diplomatic relations on January 1, 1979;

Whereas, the President notified the Republic of China on January 1, 1979 that the United States will terminate our Mutual Defense Treaty with it on January 1, 1980;

Whereas, in announcing this historic event on December 15, 1978, the President correctly stated that "we will continue to have an interest in the peaceful resolution of the Taiwan issue;"

Whereas, the United States has received no explicit assurances from the People's Republic of China that it will not employ force to reunite Taiwan with the mainland: Now, therefore, be it

Resolved, that it is the sense of the Senate that in the event of military aggression by the People's Republic of China against the people and territory of Taiwan, the United States must—

(a) terminate diplomatic and commercial relations with the People's Republic of China;

(b) provide military assistance to the people of Taiwan on an urgent basis in accordance with constitutional processes;

(c) bring the matter to the prompt attention of the United Nations Security Council with the objective of bringing the hostilities to an immediate end; and

(d) take what other actions are necessary to bring the aggression to an end and thereby secure a peaceful future for the people of Taiwan.

Mr. DANFORTH. Mr. President, on January 1 of this year, the United States and the People's Republic of China (PRC) ended almost 30 years of mutual isolation and established diplomatic relations. The move toward normalized relations began in 1972, with President Nixon's trip to China.

Few would disagree, I think, with the wisdom of normalizing our relations with the People's Republic of China, a country which governs over one-fourth of the world's population. The question is on what terms we recognize the PRC—and that answer rests on what obligation we have to the 17 million people on the island of Taiwan. Under the President's plan, we have agreed to the PRC demand that the United States break formal diplomatic ties and terminate our Mutual Defense Treaty with Taiwan.

Taiwan has relied on the United States ever since it became the refuge of Nationalist Chinese driven from the mainland when the Communists assumed power in 1949. Our Mutual Defense Treaty with Taiwan has assured its stability and security for 25 years. Extensive American trade with Taiwan has helped its leaders establish a thriving economy.

In light of our long-standing relationship with Taiwan, I believe the President should have received definite assurances from the PRC with respect to the peaceful future of Taiwan. The administration has stated that it received no explicit assurances from the People's Republic of China that it will not employ force to reunite Taiwan with the mainland. The agreement the President reached with the PRC is no different from what we could have had at any time since 1972. In short, I fear that the announced plan runs the risk of undermining the security of our friends on Taiwan and damaging the reputation of the United States as a dependable ally.

There is more at stake in this issue than merely the continued prosperity and security of the 17 million Chinese on Taiwan. America's reputation as a reliable ally is on the line. Taiwan is not alone in its dependence on our support. Korea and Israel rely heavily on our commitments for their security, and we have been urging countries like Egypt and Saudi Arabia to place more trust in us. We have defense treaties with European nations in NATO, and with Southeast Asian countries in SEATO. For these relationships to work, our word must be trusted.

The President stated in a television interview on December 19 that the PRC "know our firm expectations, clearly expressed to them, that the differences between China and Taiwan will be settled peacefully." I do not believe that our unilateral declaration of our expectations represents an adequate security guarantee to Taiwan. Indeed, Chinese Vice Premier Teng Hsiao-Ping recently refused to rule out the use of force against Taiwan if peaceful means fail to achieve unification.

In a widely reported January 5 news conference, Teng stated:

> President Carter indicated a wish that unification (of China and Taiwan) be accomplished by peaceful means. We take notice of that wish. At the same time, we make it very clear that the solution is China's internal affair.
>
> We shall try to solve the Taiwan question by peaceful means. Whether or not this can be done is a very complex question. We cannot assume any undertaking that no other means than peaceful will be used to achieve unification of the motherland. We can't tie our hands.

In view of these statements and the absence of any guarantees from the PRC, I am today submitting a resolution which will enhance the future security of Taiwan and not abandon totally our commitment to the people of Taiwan. Joining me in this resolution are Senators Young, Thurmond, Domenici, Wallop, Cochran, Bayh, Heinz, Hayakawa, Simpson, Helms, and Stone.

This resolution expresses the sense of the Senate that in the event of military aggression by the PRC against Taiwan, the United States must:

Terminate diplomatic and commercial relations with the PRC;

Provide military assistance to Taiwan on an urgent basis in accordance with constitutional processes;

Bring the matter to the prompt attention of the United Nations Security Council with the objective of bringing the hostilities to an immediate end; and

Take what other actions are necessary to bring the aggression to an end and thereby secure a peaceful future for the people of Taiwan.

Mr. President, recognition of the People's Republic of China and, with it, termination of the defense treaty with Taiwan has been anticipated since the Shanghai Communique of 1972. Better relations with mainland China should enhance America's presence in the world community and no doubt will improve significantly our market for exports—which will help our balance of payments problem. I support these ends—but we must be careful to seek them in a way which does not let down our friends and jeopardize their security.

SENATE RESOLUTION 13—SUBMISSION OF A RESOLUTION WITH RESPECT TO THE CONTINUING RELATIONSHIP OF THE UNITED STATES WITH THE REPUBLIC OF CHINA

Mr. DOLE submitted the following resolution, which was referred to the Committee on Foreign Relations:

S. Res. 13

Whereas, the United States and the Republic of China and their peoples have been allies for more than 25 years;

Whereas, the President unilaterally gave notice to the Republic of China that the United States intended to terminate on January 1, 1980, the Mutual Defense Treaty Between the United States of America and the Republic of China;

Whereas, the United States established diplomatic relations with the People's Republic of China on January 1, 1979:

Whereas, the governments of the Republic of China and the People's Republic of China claim sovereignty over the same territory;

Whereas, the continued security and stability of the Asian Pacific region, and especially the continued peace and prosperity of the people of the Republic of China, is of major strategic interest to the United States; and

Whereas, the United States seeks to maintain such confidence as is essential to financial investment in such region and as is essential to making commercial agreements between the United States and the Republic of China and between the United States and the People's Republic of China: Now, therefore, be it

Resolved, That it is the sense of the Senate that the Government of the United States—

(1) does not condone any threat or use of force in any attempt to unify the Republic of China and the People's Republic of China;

(2) does not recognize the right of either the Government of the Republic of China or the Government of the People's Republic of China to subvert the other by means of the use of force or the threat of an imminent use of force;

(3) should, in accordance with its constitutional processes, take all steps necessary to assist the Republic of China in ensuring its security and the security of the United States in the event of an act of aggression by the People's Republic of China against the Republic of China;

(4) should interpret any interference by any country with the commercial or cultural programs or military or economic assistance programs between the United States and the Republic of China as an unfriendly act and should react accordingly; and

(5) should use its voice and vote in each international organization of which the United States is a member to prevent the exclusion or the removal of the Republic of China from membership in each such organization.

Sec. 2. The Secretary of the Senate is directed to transmit a copy of this resolution to the President.

AMENDMENTS SUBMITTED FOR PRINTING

AMENDING THE STANDING RULES OF THE SENATE—SENATE RESOLUTION 9

AMENDMENTS NOS. 1 THROUGH 53

(Ordered to be printed and to lie on the table.)

Mr. BAKER submitted 53 amendments intended to be proposed by him to Senate Resolution 9, a resolution to amend the Standing Rules of the Senate.

NOTICES OF HEARINGS

COMMITTEE ON VETERANS' AFFAIRS

Mr. CRANSTON. Mr. President, I would like to announce for the information of the Senate and the public that the Committee on Veterans' Affairs will conduct a hearing on S. 7, which I am introducing today, the proposed "Veterans' Health Care Amendments of 1979," on January 25, at 9:30 a.m., in room 6226 of the Dirksen Senate Office Building.

Persons interested in testifying at this hearing should contact Ellen Akst, associate counsel of the committee, at 224-9126.

SUBCOMMITTEE ON LABOR

Mr. WILLIAMS. Mr. President, the Subcommittee on Labor will hold a hearing on plant closings and relocations on Monday, January 22, 1979. The hearing will be held in Newark, N.J., in room 730, Federal Building, 970 Broad Street at 9:30 a.m.

CHESAPEAKE BAY HEARINGS

Mr. MATHIAS. Mr. President, the Subcommittee on Governmental Efficiency and the District of Columbia will hold a hearing on Federal program coordination related to Chesapeake Bay on January 29 at 10 a.m. in Annapolis, Md. The hearing will be in the Old Appropriations Committee Room in the State capitol building.

ADDITIONAL STATEMENTS

THE 96TH CONGRESS ECONOMIC CHALLENGE

Mr. HELMS. Mr. President, with timing that obviously required a great deal of forethought, the Wall Street Journal last Friday began publication of a column by Paul Craig Roberts.

Craig served with great distinction as economic counsel to Senator Orrin Hatch; he also gave much helpful advice to many other Members of this body. His new position with the Journal will allow his thoughtful analyses to be shared by hundreds of thousands of readers of that newspaper.

In his inaugural column, I believe Dr. Roberts has set forth the chief issues of an economic nature that will confront the 96th Congress.

In the broadest sense, the question is: "What makes the economy run?" Specifically, the question is: "Does depression-era Keynesianism work in the last quarter of the twentieth century?"

In his inaugural column entitled "The Tax Brake," Craig Roberts goes to the core of the economic debate: Do the equations of the Keynesians and their dependence on the concept of aggregate demand fit the facts of contemporary economic life? Craig Roberts summarizes the arguments and comes to the conclusion that they do not. He is right.

Mr. President, the new Congress will have to confront major economic problems. This Congress will almost surely be faced with the problem of a recession—I hope it does not, but unfortunately it seems to be a fair prediction.

This Congress will, in all likelihood, be asked to vote on the question of mandatory wage and price controls. I fear that those in this Congress who would rather trust the wisdom of bureaucrats to control the marketplace will urge on this Nation, a kind of dictatorial regulation of the economy to set wages and prices in an attempt to control inflation. In spite of history's lesson that controls do not work and logic's lesson that controls will never work, there will probably be an attempt made to again impose such control.

This Congress must also address the question of the nature of the effects of our highly progressive tax system, and the massive disincentives imposed on the people of this nation. Disincentives discourage output, savings, and economic growth. And, it is these disincentives imposed by the Federal Government that must be debated and, I hope, reduced.

This Congress will be asked to consider a constitutional amendment of seminal economic importance: an amendment to require a balanced budget. The Keynesians defend deficit spending as an economic miracle drug. In fact we have seen the system addicted to this drug to the extent that its horrible side effects of inflation and stagnating economic activity seem to have become acceptable in some minds. The Keynesians have concluded that somehow new solutions are needed for these allegedly new problems. In fact, the new remedies needed are the removal of old ones.

What is needed is the freeing of our economy from massive deficits.

What is needed is the freeing of people from massive disincentives.

What is needed is the freeing of our policymakers from the myopia of Keynesian dogma.

Mr. President, the American people have made it clear for a number of years now that they consider inflation to be the Nation's No. 1 domestic problem. The orthodox Keynesians in our midst have chosen to fudge their democratic principles in this regard and attempt to publicly attack the symptoms of inflation: increases in the price level. They have ignored its causes—inordinate increases in the money supply caused by massive Federal deficits.

Mr. President, the 96th Congress has been given certain instructions by the American people. In many respects they are economic in nature, but in other respects they go to the heart of what philosophers calls the "American Experience." Americans have said that they do not want inflation, that they do want a balanced budget, that they do not want massive regulation. But I think it is that they want government to get off their backs.

If big government was ever a "good thing" then there has been too much of a good thing.

The 96th Congress has an opportunity for innovation in the best sense. Let the 96th Congress begin a trend toward reliance on the free market. Let the 96th Congress adopt a credo:

> In all that the people can individually do as well for themselves, government ought not to interfere.

Lincoln said it in 1854. It is no less true today.

Mr. President, I ask that the column by Paul Craig Roberts be printed in the RECORD at the conclusion of my remarks.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Jan. 11, 1979]

THE TAX BRAKE

(By Paul Craig Roberts)

Keynesian economics began its career full of confidence that if only politicians would accept deficits and the use of the government's budget to manage demand, economic stability would be assured. It was all to be so easy. Whenever demand wasn't sufficient to maintain full employment, government budget deficits would pump up spending and take up the slack in the economy. Whenever spending was so high as to threaten inflation, government budget surpluses would restrain demand.

Today Keynesian economics, the basis for economic policy for the past two decades, is mired in stagflation. The hopes are gone, and the confidence shattered. Unappealing "phillips' curve" trade-offs between inflation and unemployment march back and forth over the shredded banner of economic stability. Today pumping up demand pumps up the price level, and restraining spending pumps up unemployment. Faced with defeat on one front or the other, the policymakers offer the people austerity. Selfishness, Keynesians say is the cause of it all. Labor and business take advantage of demand stimulus to raise wages and prices. Inflation is worsening because people are becoming more selfish.

The exhaustion of Keynesian thought has led to controls, touted as the answer to selfishness. But the real problem is that the Keynesian doctors have been treating only half of the economy. Demand has been managed, but the factors governing the responsiveness of supply to demand have been ignored. Fine-tuning large macro-aggregates took Keynesians away from the foundation of economic science—the effects of prices on behavior. The study of how prices affect behavior was relegated to microeconomics, a smaller concern. In the Keynesian view, production responds to prices in individual markets, but, over all, demand is king.

It was in this way that Keynesians came to ignore the two most important prices governing production. One is the price of leisure in terms of foregone current income, and the other is the price of current consumption in terms of foregone future income. The lower these prices are, the lower production will be.

Both prices are affected by the tax rates on additional earnings. The higher the marginal tax rates, the lower the after-tax rates of return to additional work effort and investment, and the cheaper leisure and current consumption are in terms of foregone income.

In short, high tax rates encourage leisure and consumption and discourage work and saving. This means that, as tax rates rise, supply responds less to an increase in demand. A decline over time in the responsiveness of supply to opportunities to sell is consistent with the rising rate of inflation that has accompanied expansionary monetary and fiscal policies.

For a decade the tax brake has been increasingly applied to production while demand has been stimulated. U.S. Department of Commerce statistics show that the effective tax rate on corporate income has risen significantly over the last decade. And IRS statistics show that the growth of income has moved more and more people into higher brackets. Demand has spurted while supply has lagged.

In an economy with a progressive income tax, the higher the price level, the greater the tax bite on additional earnings. The more rapid the increase in the price level, the quicker the tax bite grows. Corporate income does not escape this effect. Inflation causes the firms' books to understate the cost of inventory, plant and equipment used up in production, thus reporting costs as taxable income. Since tax rates rise with inflation, inflation automatically applies the tax brake to production.

The tax brake is different from the Keynesian idea of "fiscal drag." Fiscal drag results from rising tax rates cutting into disposable income or effective demand, thus hindering spending. The tax brake, however, results from rising disincentives to produce additional income. It applies to production on the supply side of the economy and not to spending on the demand side of the economy.

The tax brake requires that we refine some influential concepts. Whether there is excess capacity or excess demand depends on the rate at which additional income is taxed. If these rates are high, there can be excess demand even though there is excess capacity in the physical sense, as productive factors remain idle for lack of incentive. With income support programs, high marginal rates of taxation on income, and low after-tax returns to saving and investment, it is not surprising that efforts to spend away unemployment only drive up the price level. Stagflation is simply a result of people's responses to the incentives established by government policies.

Studies by Martin Anderson at Stanford and Martin Feldstein at Harvard show that in the U.S. the highest tax rates are borne by people who attempt to get off welfare (as a result of loss of benefits) and by owners of capital (as a result of taxation of nominal gains), while in Sweden high tax rates have driven people so deep into leisure that policymakers are discussing ways of taxing it. Such are the consequences of ignoring the prices that govern production. Before U.S. policymakers propose to fight leisure by taxing it, we should release the tax brake and establish an incentive structure for economic growth.

LOREN BASLER

Mr. CHURCH. Mr. President, every year I host a series of Christmas parties for senior citizens around Idaho as a way of saying thanks to the elderly of the State for all the contributions they make to their communities and for their support of my efforts as chairman of the Senate Aging Committee. In Boise, an old friend, Loren Basler, helps out by leading the singing of Christmas carols.

Loren is now 80 years old, but he is a legend in Idaho. A former football coach, he won many championships for both high school teams and for the College of Idaho before he went on to work with the Veterans' Administration.

The Idaho Statesman in Boise ran a feature story on Loren on Christmas day, highlighting his career. I would like to share it, and I ask that it be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Idaho Statesman, Dec. 25, 1978]

Loren Basler's Still Going Strong 50 Years Later

(By Jim Poore)

Last week, Idaho Senator Frank Church threw a Christmas party for the senior citizens at the YMCA. Naturally, it made the paper with a picture of Frank, his wife and some senior citizens singing carols.

At first I just glanced at the picture and wondered if it would be Frank Church or Steve Symms who would be throwing a party for me on Christmas when I'm 65. Then the man on the right side of the picture caught my eye—he looked awfully familiar.

Yep, that was him all right—that fierce barrel chest, the strong sense of leadership which hadn't dulled much even though he was clipping along at 80 years of age. Just the kind of guy you'd want to write about on Christmas Day.

Loren Basler looked just as natural directing *Silent Night* as he must have over 50 years ago when he directed Boise High School's football program to astonishing heights.

That may be one of the best kept secrets around Boise these days, that the man who guided Boise High School's football team to 44 straight victories and to four straight state titles is still alive, well and taking charge of things whenever he can.

For a long time, I thought Loren Basler owned a music store called Basler's which used to stand on 11th Street, near Idaho Sporting Goods. It's gone now, but Loren Basler isn't.

"That was my wife's store, I didn't have anything to do with it," said Basler, who had his hands full coaching football, basketball and track at Boise High School.

I had called Basler to ask him what he thought about the plan proposed by the SIC for a state football playoff, a plan that eventually was not acted upon by the A-1 superintendents and thus once again keeps Idaho from having a true state playoff for its large schools.

Basler, however, thought the plan was just fine, and then he started talking about what it was like 50 years ago, when you played football in little padding, without facemasks and when there was a state playoff—not just for the big schools, but for the best the state had to offer.

"It was pretty much up to the schools to make the arrangements and the contracts after they were far enough along in the season to know who was champion in their respective area of the state," Basler said. "It wasn't organized into conferences as such like we have now."

For instance, in 1927, Boise defeated Lewiston for the state championship. For Basler, defeating Lewiston for the championship was a bit ironical—he had coached the team in 1924 before Boise High called. Basler's place at Lewiston was taken by his good friend Sib Kieffner, who later opened a successful sporting goods store in Boise which is the ancestor of McU's.

In 1928, Boise defeated Nampa for the district title and American Falls for the regional title before winning the state championship by default when a meningitis epidemic broke out in Twin Falls. Since Boise had already defeated Twin Falls during the regular season, the Braves were declared champions.

They came back to win it in 1928 and 1930, beating Nampa in 1930 after stopping Fruitland in a playoff game.

Basler coached a lot of young men who grew into Boise's leading citizens. Carl Smith, Jess Swan, John Swan, Bernard Lemp, Wee Willie Smith, Bob Hoobler, Wanek Stein Sr., Ed Elliott, Hank Uranga, Kenneth Robertson, Ted Biladeau, Earl McReynolds and Harold and Irving Schweibert all played for Basler.

After Boise High School, Wee Willie Smith went on to gain the most fame on the football field, running for big chunks of yardage for Idaho in the old Pacific Coast Conference before going on and playing professional football with the New York Giants.

Basler feels one of the reasons he had such success at Boise High School was because he took his football team to McCall every summer for a two or three weeks conditioning program before the season started.

"We'd rent the YMCA camp and we got in shape," Basler said. "We couldn't play football up there, it was against the rules. We went on hikes over steep mountains, did a lot of jogging and racing and a lot of punting and kicking, although it wasn't organized. It was for getting in shape but it was a morale builder too."

Basler left Boise High School after the 1932 season to become head coach at College of Idaho which, at that time, was a real power, playing schools like Idaho. Basler led C of I to the Northwest League championship.

About the school's decision to drop football last year, Basler will only say, "It broke my heart to see them give it up."

In the late '30s, Basler left the C of I. The state board of education had asked him to take a leave of absence to help set up recreation programs in various Idaho towns.

The leave of absence became permanent and Basler never coached another football game.

Basler moved to Weiser to open and direct a vocational trade school before returning to Boise to work for the Veterans Administration. That job took him to Montana and then Seattle before he retired and returned to Boise where he was secretary of the Elks Lodge for many years.

Basler always intended to return to coaching, but it never happened.

"I enjoyed it very, very much," he said. "I was one of those individuals who always seemed endowed with good players, so I was pretty successful. I always thought some day I might go back again, but it never worked out so I could."

Today, you can still see Loren Basler moving around town, with the same steady stride he must have exhibited when he was Coach Basler to those who flocked to the old Public School Field to watch the Braves' dynasty in action.

He still sings in the Wright Methodist Church choir while his wife Evelyn plays the organ. He still goes to all the high school football games and roots for not just Boise, his old team, but the young men at Capital and Borah.

And when Senator Frank Church drops by Idaho, he knows who to reach for to lead the Christmas Carols at the YMCA. Hopefully, Loren Basler will be doing his singing for a lot more Christmases to come.

TRIBUTE TO FORMER SENATOR WENDELL ANDERSON, OF MINNESOTA

Mr. KENNEDY. Mr. President, as the new Congress convenes, all of us regret the absence of our fine colleague and friend from Minnesota, Senator Wendell Anderson.

When Senator Anderson came to the Senate in 1977, he was already a national leader. As an outstanding Governor of Minnesota, he had already made his mark as a leader of the National Governors' Conference and as Chairman of the Democratic Platform Committee in 1976. As Governor of Minnesota, he had also earned an excellent record of leadership in both public and private education, from the elementary to the college level.

Long before proposition 13 captured the attention of the Nation, Senator Anderson understood the challenge. He froze property taxes for senior citizens, and did his best to keep them down for others. Since then, property taxes have climbed more slowly in Minnesota than almost any other State.

In his 2 brief years with us, I worked with Senator Anderson on many different issues, and I gained enormous respect for his leadership and record of service to the people of Minnesota. On the Armed Services Committee, he was an effective advocate of a strong but lean defense. On the Budget Committee, he worked hard to bring the deficit down while meeting the real needs of the Nation. As a member of the Energy Committee, he was a leader in the difficult 2-year struggle to enact a responsible energy policy for America, capable of meeting the Nation's future needs and preventing unjust windfalls to the large oil and gas companies.

Senator Anderson was also an outstanding Senator who was responsive to the people of Minnesota. One of the most complex issues in the past Congress concerned the Boundary Waters Canoe area in Minnesota. No one is ever fully satisfied with a compromise, especially when feelings are running high. But no State ever had a more conscientious or dedicated Senator working to resolve a difficult controversy in his State. And he finally resolved that issue in a way that protected the environment, avoided excessive Federal interference in the State. and was fair to the residents of northern Minnesota.

It was not an easy job, coming to the Senate, filling the shoes of two fine leaders like Fritz Mondale and Hubert Humphrey. But the people of Minnesota can be proud of Wendell Anderson. As Governor and Senator, he fit the mold of that State's giants of the past, and we shall miss his leadership here in the future.

VERMONT ROYSTER HONORED; SPEAKS OF PRESS FREEDOM

Mr. HELMS. Mr. President, about 3 weeks before Christmas, I flew back to Washington to attend a dinner honoring one of America's most respected editors, Vermont C. Royster, who has retired as editor of the Wall Street Journal. He is now teaching journalism at the University of North Carolina at Chapel Hill.

Vermont is a native of Raleigh, which is my home also. I think it is safe to say that Vermont Royster has done as much as anyone alive to preserve the credibility of the news media. Throughout his career, he has been responsible, fearless, objective, and well informed—all essential to a great editor.

The occasion on December 5, 1978, at the National Press Club, was the annual Fourth Estate Award dinner. Vermont Royster was the sixth journalist to receive the award. Previous winners, beginning in 1973, were Walter Cronkite, James Reston, John Knight, Jack Stroud, and Herb Block.

In his acceptance speech, Vermont Royster offered some valuable advice to the news media of America. He was not self-righteously lecturing anybody, but he made clear that the first amendment demands that responsibility and freedom be parallel. As he put it:

> Freedom of the press is not some immutable right handed down to Moses on Mt. Sinai. It is a political right granted by the people in a political document, and what the people grant they can, if they ever choose, take away.

My background having been the news business, I was heartened, Mr. President, that the distinguished journalists present on that occasion vigorously applauded that and other statements by Mr. Royster.

I hope that my colleagues and others will take time to read Vermont Royster's speech. Mr. President. All of us will profit from it. For that reason, I ask that the text of the address be printed in the RECORD at the conclusion of my remarks.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

REMARKS BY VERMONT ROYSTER

It's hardly necessary for me to say how pleased and honored I am to be here this evening, in this Club, before this audience.

Of all the moments of recognition that may come to a man in his lifetime, none is more deeply felt than that which comes from his peers.

That is especially true for me tonight because of those who have previously received this award. You make me a member of a very distinguished company. For that I am most grateful.

But must confess I am also embarrassed. When I received the invitation to this dinner I did not realize there was a conspiracy afoot—among old friends, my wife and present colleagues—to turn the evening into a "this is your life" affair, one that would make it for me an evening overflowing with nostalgia.

I didn't realize I would have to sit here and listen to people, one of them from my distant past, talk about me. That is embarrassing—even though I accept all words of praise as being richly deserved!

However I am chastened by recalling something Arthur Krock said to me some years ago. He remarked that no newspaperman was ever treated as a "distinguished journalist" until he was either dead or decrepit. And since I am, happily, still alive I am left with that other alternative.

In any event, I have to admit having arrived at an age where one's thoughts about the present are entangled with memories of the past. And it's always dangerous to stir an old man's memories. He is much too apt to bore you with tales of how it was in the "olden days," and to fill the air with lamentations about their passing.

For example, I remember this Club when the room we are now in was little more than an unfinished barn and the Club itself was on the ragged edge of survival.

I remember when the Washington press corps, in total, numbered only a few hundred and you could know almost all of them by sight. There was no radio and television press gallery, not even a gallery to accommodate the periodical press. Today I am stunned by the number of pages it takes in the Congressional Directory to list the accredited press in all its forms; I refuse to use that word "media."

That was not all that was different. I well remember my first Presidential press conference. For the record, the date was Friday, May 15, 1936—more than 40 years ago—and Franklin D. Roosevelt was holding his 295th press conference since becoming President.

I presented my shiny new press credentials to the guard at the Pennsylvania Avenue gate, walked up the winding driveway and entered the West Wing of the White House.

To the left of this room was a modest office for Steve Early, the President's press secretary. Beyond and out of sight were offices for Marvin McIntyre, the President's only other regular aide, and for Missy Le Hand, his private secretary. There were two others, designated as executive clerks. And that was all. The entire White House staff.

The press conference itself was held in the Oval Office. There was only a handful of reporters gathered, lined up behind Fred Storm of the UP, a huge, hulking man who had the privilege of being the first to enter. Occasionally be rapped on the door leading from the reception hall and then laughed loudly at his feigned impatience.

Someone in the crowd joked, "His Excellency is keeping the press waiting!" But it was all good natured. At 22 years old I was awed and envious of the camaraderie.

Actually I had no business being there; the White House was far above my assignment. So I stood in the back trying to hide from Claude Mahoney, The Wall Street Journal's White House correspondent, and Alfred F. ("Mike") Flynn, its senior Washington reporter. I was afraid they would think me too forward for a neophyte.

When the door opened, we gathered around the President's desk, no more than 20 of us. It wasn't a historic press conference. About all I remember of it was some casual talk about how the President was going down the Potomac on the Presidential yacht and would be back Sunday night. There were some desultory questions but I find no notes among my memorabilia. I remember only being overcome at being a few feet away from the President, at being one of the little band entitled to this privilege.

Press conferences of Cabinet officials were equally informal. The Agriculture Department was my first beat and usually only four or five of us would meet with Henry Wallace in his office. No microphones. No snaking cables for lights and television cameras. It was no different with Henry Morgenthau or Harold Ickes or Cordell Hull.

In those days all the major government departments were within easy walking distance—Agriculture, Treasury, State, the White House, even War and Navy—and since The Journal office was then equally informally organized I would often wander to other press conferences, not because journalistic duty demanded it but simply because it was fun and helped give a feel for the whole of government.

Incidentally, I would drift to the State Department for another reason. My wife, Frances, worked there as a secretary when we were first married—and made more money than I did as a Washington correspondent!

The working rules for press conferences were, by and large, those applied by the President. In general we could paraphrase what he said but could use no direct quotes without express permission. He could also give us information "for background only" which we could make use of but not attribute to him. And he kept the privilege of going "off the record" entirely when he chose.

I do not need to tell you how different it is today. That old State Department building has become the Executive Office Building and it houses more staff aides to the President than, in those olden days, there were members of the press corps.

Presidential press conferences are now TV events. The last one I attended was in the time of Gerald Ford, and I swore I would never attend another. Unless you want to get your face on television there's not much point to it.

Press conferences of cabinet officers and other high government officials are also now staged with almost equal panoply.

Though I am reluctant to admit it, there are some gains in the way the new technology has altered the manner of doing things. The ordinary citizen today does get a chance to see the President in action and doubtless to form impressions not just by what the President says but by his style. His grace under pressure, or his lack of it is not wholly irrelevant to his performance as our national leader.

The same is true of course of others in the public arena, a Secretary of State speaking on some matter of foreign policy, an economic adviser testifying before a Congressional committee. Even a 10-second snippet on the evening news tells us something about the person, and that too is not irrelevant to his public performance.

But I am not persuaded that the technological changes are all for the better. President Roosevelt could, and often did, just think out loud without fear that every word was put indelibly on the record. He could share with the reporters around his desk some information that would help them to do their jobs better, help them understand what was involved in some public question. He could, and sometimes did, misstate himself at first expression, as everyone may do in casual conversation, and then on second thought rephrase his remarks.

The modern President has no such latitude. He must live in constant fear of the slip-of-the-tongue. A misstated name from a lapse of memory can be an embarrassment. Awkward phraseology on some matter of public import is beyond recall or correction; it is flashed around the word irretrievably.

One consequence of this, it seems to me, is that Presidents today try to say no more at a press conference than what might be put as well in a carefully drafted statement. The loss here is both to the President and to the press.

The President has lost an opportunity to be frank and open. The press has lost an opportunity to share his thought processes which, without being the stuff of tomorrow's headlines, nonetheless could help them on their own to do a better job of informing their readers and listeners.

I might add, by the way, that the President has also lost the opportunity to deal bluntly with the stupid question, not unknown at a Presidential press conference. Anyway, I cannot imagine President Carter telling a reporter on television that he had asked a silly question and to go stand in the dunce corner, something President Roosevelt didn't hesitate to do.

So much for the changes wrought by technology, with their advantages and disadvantages. There are also, I think, more subtle differences in the relationship between the press and government as it was and as it is. The surface differences capsule more profound changes—in our government, in our craft, and not least in the role this journalistic craft plays in the society in which we live.

I have heard it said that the old relationship between the Washington press corps and the government was too "cozy." The implication is that we were "taken in" by the informality of, let us say, Mr. Roosevelt's press or the more casual relationship between the few regulars around a cabinet officer. That we were too flattered at being admitted as at least semi-insiders, too easily accepting the off-the-record conversation. That all this somehow intimidated us from doing our job.

I don't believe it. The competitive instinct among reporters than was no less than now. On my first beat, Agriculture, Felix Belair of The New York Times knocked naivety out of me in a hurry and he never seemed to be intimidated by Henry Wallace. I never noticed Eddie Folliard of the Post, Turner Catledge of the Times or Harrison Salisbury of the UP passing up a good story out of deference to authority.

Investigative reporting isn't new, either. It was the press that exposed the Teapot Dome scandal. In my time—for one example—Tom Stokes of Scripps-Howard won his Pulitzer for exposing graft and corruption in the WPA. The defeat of FDR's court-packing scheme was due to the spotlight the press kept on it.

But there was one thing about the press then, I think, which was different from today. We did not think of ourselves and the government as enemies.

We were cynical about much in government, yes. We were skeptical about many government programs, yes. We thought ourselves the watchdogs of government, yes. We delighted in exposes of bungling and corruption, yes. But enemies of government? No.

In any event I don't recall hearing much in those days about the "adversary relationship" between press and government. Today I hear the phrase everywhere.

It reflects an attitude that shows in many ways. At these new-style press conferences, including those of the President, the questions often seem less designed to elicit information than to entrap. Even the daily press briefings by Jody Powell have become a sort of duel, an encounter that would have astonished Steve Early and the then White House press regulars.

There appears to be a widespread view that here on one side are we, the press, and over there on the other side are government officials, none of whom can be trusted.

I suppose it's a result of Watergate. We blame everything now on Watergate—much as the Chinese do everything on the Gang of Four.

But it is, I must confess to you, an attitude that leaves me uneasy.

Under our Constitution the three official Estates of the realm are the executive, the legislature and the judiciary. Each has a different role and sometimes they disagree, one with another, about what is proper public policy. But no one supposes that because a President may differ with Congress on a particular matter that they are "enemies" by nature, or that the Supreme Court is an adversary of both. Unless each gives the others a full measure of respect our society would dissolve into anarchy.

The press is not an institution of government. But it is most definitely an institution of our society, made so by the First Amendment to our Constitution. It is not too much to say, I think, that one intent of the First Amendment was to make the press, collectively, a part of the system of checks and balances that helps preserve a free society.

That is, in Macaulay's felicitous phrase, we in the press constitute a Fourth Estate of the realm. But that very phrase "Fourth Estate" implies that we are part of the self-governing process of our society, not something set apart from it.

As such we are permitted—nay, invited—to inform the people what the other Estates are doing and upon occasion to criticize what they are doing. In that last respect, of course, our right is not different from that of other citizens, all of whom are free to speak their minds. We differ from other citizens only in the fact that watching government perform is our full-time occupation.

But that role, or so it seems to me, is not the same thing as casting ourselves as adversaries, enemies even, of government as government. There's a distinction, and an important one, between differing with a President in some editorial or commentary and being an adversary of the Presidency.

To think ourselves adversaries of government as government makes me uneasy for several reasons. For one, if the press collectively thinks itself an adversary of government, why would not the government begin to think of itself as adversary to the press?

We have, in fact, already seen some signs of that. Some of us have been spied upon—our mail opened, our telephones tapped—as if we were agents of some hostile power. Some of us have been hauled into court and thrown into jail.

The reminder here is that in polity, as in physics, every action creates a reaction. We have in turn reacted to this harassment, as well we should. We ought to cry alarm whenever the government, whether the executive or the judiciary, seems bent on intimidating us by harassment. But we ought also, so I think, take care that we in our turn do not over-react.

We should, with all the energy that is in us, defend the rights of all citizens against executive spying. When citizens cannot write to one another freely or speak to one another without fear, then all liberty is endangered.

We should demand for all citizens due process against unwarranted searches and seizures of their private papers. We should hold both the executive and judiciary strictly accountable that the right of the people be secure in their persons, their houses, papers and effects be not violated.

We should insist that no warrants, or subpoenas, be issued against any citizen except upon probable cause, duly supported before the courts and particularly describing why and what is to be seized.

We should be zealous in our protection of all citizens in their right to a public trial by an impartial jury. That means we should take care that nothing we do prejudices the minds of those who will be called to give judgment on a person accused.

That also means, surely, that we should uphold the right of an accused to obtain witnesses in his favor—by compulsory process, if need be, as the Constitution provides.

We should remember that the First Amendment protects the freedom of speech of all citizens, not just our own voices.

That is where we should stand our ground, defending the rights of all.

Beyond that we should be wary.

We should be especially wary of claiming for ourselves alone any exemption for the obligation of all citizens, including the obligation to bear witness in our courts once due process has been observed.

The risk, if we do, is that someday the people may come to think us arrogant. For there is nothing in any part of the Bill of Rights, including the First Amendment, that makes us a privileged class apart.

And it cannot be said too often: Freedom of the press is not some immutable right handed down to Moses on Mt. Sinai. It is a political right granted by the people in a political document, and what the people grant they can, if they ever choose, take away.

But what a precious right that is they have granted us.

So long as the First Amendment stands, the American press, each part choosing what it will, can publish what it will. When we think it necessary to the public weal we can seize upon documents taken from government archives and broadcast them to the world. We can strip privacy from the councils of state and from grand juries. We are free to heap criticism not only upon our elected governors but upon all whom chance has made an object of public attention. We can, if we wish, publish even the lascivious and the sadistic. And we can advance any opinion on any subject.

This is unique among the nations of the world. In what other country is the press so free? Even in that England which is the wellspring of our liberties there remain after 200 years limits upon the freedom of the press.

Only in America are the boundaries of that freedom so broad.

That is why I cherish it and pray the people will never think we abuse it. For there is no liberty that cannot be abused and none that cannot be lost.

Finally, let me say that it has been my good fortune to live in such a country, and for more than forty years to have been a small part of its Fourth Estate.

That is, incidentally, longer than any person now serving in the other Estates of the realm, the Supreme Court, the Congress or those Executive Offices on Pennsylvania Avenue. With a little bit of luck I hope to still be speaking my mind when many of those now serving the other Estates have gone on to other occupations.

So there is no other honor I could receive greater than your expression here this evening that, in the opinion of my peers, I have served well that Fourth Estate.

I am grateful to you for this award. And I thank you for listening.

JOE SAVAGE

Mr. CHURCH. Mr. President, in these days of big Government and impersonal bureaucrats, we often lose sight of the countless citizens who volunteer their time and efforts for the improvement of their communities, serving without pay on public boards and commissions simply because they feel an obligation to their fellow citizens.

Recently, the Times-News in Twin Falls printed a feature story about such a citizen, Joe Savage, and the service he and his father before him provided their community for 32 years as members of the local hospital board.

As Joe Savage was quoted as saying in the article, "It's our civic responsibility."

I would like to share the article, Mr. President, and ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LIKE FATHER, LIKE SON

JOE SAVAGE AND HIS FATHER HAVE BEEN ON HOSPITAL BOARD A TOTAL OF 32 YEARS

(By Lorayne O. Smith)

KIMBERLY.—"I've been accused of walking through surgery with cow manure on my boots."

Joe Savage of Kimberly, whose 12-year service on the Magic Valley Memorial Hospital board ends today, said the story goes that a female board member was once asked during a bridge club session if it was true "that Mr. Savage had to have the manure scraped from his boots before he walked through the surgery department."

This is just one example of the many misconceptions people have about the hospital, Savage said during an interview at his home here Friday. The former board chairman who was not reappointed for another term was sorting the huge piles of material accumulated through the years into plastic garbage bags to pass on to his as yet unnamed successor.

In the first place, he said, no one just "walks through" the hospital surgery department. The Kimberly rancher said he's only been in surgery twice—once as a patient and when the board was taken on a tour through the department.

Hospital talk, whether misconception or not, has long been part of the Savage family, for Joe was appointed to the board when his father, the late W. B. (Bill) Savage, retired in October, 1966. Together, father and son have served a total of 32 years on the MVMH board. Each served as both treasurer and chairman.

Many people believe that board members are paid, but they serve without reimbursement and no one on the present board "would want it any other way," Savage emphasized, adding, "It's our civic responsibility."

Other citizens erroneously think that the hospital is primarily supported by the county taxpayers, while only 3 percent of the $12 million yearly operating budget actually comes from this source.

But there is one point upon which Savage feels strongly—that a local hospital is best managed by public-minded citizens serving gratis on the hospital board which in turn hires the administrator.

"Doctors know health care, but they don't know hospital administration," he said.

Board members do not in any way provide health care, but after a few year's learning period on the board, the hospital trustees do become knowledgeable on the complexities of hospital management, Savage said.

He also believes, county commissioners should "leave the hospital management to the hospital board" and resents their "going over the board's head" in the current controversy over management by inviting private management firm representatives here to make their proposals.

"They (the commissioners) were pressured by the doctors," he said, whom he again described as "knowing health care but not having expertise to run a hospital."

"It takes three years to learn all the working of a hospital—you don't pick it up in a year," Savage said.

"I don't agree with Ann Cover (county commissioner) on change for the sake of change. If a person is doing a good job he should be allowed to continue," he said.

But Savage does not want to be "too negative" about his not being reappointed to the hospital board of which he has been chairman the past two years.

The former chairman discredits the influence of some 2,000 signatures on petitions presented the commissioners asking them to investigate other private management firms after the board under Savage's leadership last fall turned down proposals from the Hospital Corporation of America (HCA).

He feels people signed the petitions "because they were friends of certain doctors."

One of his principal objections to the HCA proposal was the firm's policy of having 51 percent physician membership on boards of facilities they operate.

He is convinced people in this country do not want their hospital operated by physicians.

Magic Valley Memorial Hospital's history is interwoven with the Savage family. His father, along with other civic leaders such as Clyde Bacon, Pat Parry, Everett Sweeley and Marshall Chapman, was instrumental in obtaining state legislation back in the late 1940s authorizing county commissioners to establish both hospital boards and levy taxes to assist in their operation.

According to C. D. Hiatt of Twin Falls, another former hospital board member, local civic leaders knew it was necessary to have countywide representation on a hospital board to gain support for passage of the $1.5 million bond issue to construct MVMH which was dedicated in September, 1951.

That year Joe Savage was attending the University of Idaho at Moscow. After graduating in 1952 he returned to his home town of Kimberly where he has since lived, operating farms and ranches out of Kimberly, Hansen, Murtaugh and in Gooding county.

While he did not follow hospital affairs too closely in those years, Savage recalls his father was on the original board when MVMH was built.

Asked if hospital business was a household topic during the years when his father was first board treasurer and later chairman, Savage said "to some extent."

But he explained that board members "have access to some information, such as payment writeoffs and anything of a personal nature you wouldn't talk about even to your wife."

Service on the hospital board is a real learning experience, Savage said. With hospital operation and health care becoming steadily more complex, the learning never ends.

"The government regulations will kill you," Savage said. The 1122 review process, part of the Social Security Act, is a good example of the complexity.

Another result of this increased complexity is that now the hospital administrator must bring many problems to the board which have become "too much responsibility for one person to solve."

All this means that hospital board members must donate many hours to their volunteer jobs if they hope to keep abreast of new developments, let alone understand the basics of hospital operation.

He compared a hospital to a small city, with its own laundry, housekeeping, food and maintenance departments. MVMH employs some 500 persons, making it one of the largest employers in the county.

Much of the nitty gritty of hospital board work is carried on through committees, many of which also meet monthly. Savage, as board chairman the past two years, has attended most of these.

The working committees include executive, whose members also constitute the finance committee; building; labor; joint conference, half of whose membership is composed of doctors; and the hospital development and public relations committee.

"To do the very best job, the board chairman should attend all these meetings so you really know what's going on," Savage said, "there's no substitute for being present."

And that's just what Savage has done. In his 12 years of service he has missed only two regular board meetings.

His interest above and beyond the call of duty drew high praise from James Rosenbaum, hospital administrator.

"He not only gave leadership to the board but really contributed a good deal of time and effort to make the hospital a recognized regional institution," the administrator said. "He probably put in more time than the job required because he felt a personal commitment to put in whatever time was necessary, not only to lead the board but to understand a very complex industry."

TRIBUTE TO FORMER SENATOR EDWARD BROOKE OF MASSACHUSETTS

Mr. KENNEDY. Mr. President, for the past 12 years my colleague from the Commonwealth of Massachusetts was Edward W. Brooke.

Throughout this time, on every issue before the Senate, he was a model of concern, sensitivity, courage, and intelligence. He was concerned about the problems of our Commonwealth. He was sensitive to the plight of those in our country who have so much to offer but have not found the way to offer it. He was courageous within his own party and in pursuing his vision. And, in all of these efforts, he applied a fine intelligence.

As a member of the Banking Committee, he was deeply involved in housing and transit. The Brooke amendment kept public housing tenants from paying exorbitant rents. He authored the Federal program through which subsidized housing is financed. So, too, he was a powerful force for the development of urban mass transit.

His work on the Appropriations Committee took him into all areas of Federal funding. In each, his humanity and vision shaped the leadership which he gave to that committee and the Senate. Senator Brooke had a deep commitment to improving the quality of health care, and he was a tireless advocate of greater Federal assistance, especially in the area of cancer research. He also knew the need for communities to gain greater control over their own destinies, and he worked diligently with the Community Services Administration.

Senator Brooke was also a leader of great courage and skill in guiding appropriations for the Departments of Labor and Health, Education, and Welfare through Congress without the abortion and busing restrictions that have been so controversial in recent years.

In his work outside of the committees on which he served, Senator Brooke was also extremely active. He was an outstanding leader on every major civil rights issue of the past decade in the Senate. He was an early supporter of the first SALT agreement. He had the courage to stand up and work against the appointment of Clement Haynsworth and Harold Carswell to the U.S. Supreme Court.

His very presence and success in the Senate was a symbol and encouragement to black Americans and all other minorities to take their places in elective office throughout this country. When he first came to the Senate, in 1966, he was one of a handful of black elected officials in the Nation. There are over 4,500 today, a tribute in large part to the trail he blazed in the Senate.

Massachusetts is losing an outstanding member of the Senate. Our offices were located next to one another for many years, and we worked closely together throughout our service here. As Senator Brooke leaves the Senate, I am confident that his eloquent voice will continue to be heard and that his career will continue to be an inspiration to the Nation. His contributions in the past will be remembered in the better housing in which children live. They will be remembered in the longer lives enjoyed by former cancer victims. They will be remembered by black and white Americans together in the schoolrooms and lunchrooms and voting places of Massachusetts and Mississippi, Connecticut and California, Arkansas and Arizona. They will be remembered as he continues to lead us toward a better and more just America in the future.

Mr. President, I commend my former colleague from Massachusetts for his brilliant record in the Senate, and I wish him great success in his future work.

MARGARET MEAD

Mr. JAVITS. Mr. President, late in 1978 our Nation lost one of its finest personalities and intellects when Margaret Mead, whom I knew well, succumbed to cancer. On the day of her passing, and periodically since, hundreds of thousands of words of tribute have been written about Dr. Mead, including a thoughtful, incisive piece by Alden Whitman of the New York Times.

Yet, none of what has been written about her can even yet capture fully the essence of Margaret Mead. Her contributions to the science of anthropology and thus to our society cannot yet be fully appreciated. Her pioneering methods of research alone will continue to bear the fruit of human enlightenment as others follow in her footsteps, benefiting from her genius.

As a result, Mr. President, Margaret Mead lives on. She is with us in the brilliant studies she conducted on human behavior; she lives on in the many books she has authored, including the first, great book that launched her career, "Coming of Age in Samoa," written in 1928 and which continues to be a bestseller even today; her ideas thrive in the minds of her students whom she stimulated with her zeal and zest for the search for knowledge and truth; and her legacy still shines in exhibits she caused to be erected for thousands to view each year at the American Museum of Natural History in New York City, where she was curator emeritus in the department of anthropology. Her testimony before congressional committees showed all her talent and was of great benefit to our Nation.

Mr. President, Dr. Mead passed away while the Congress was in adjournment. As a result no Congressional Record was available for those of us who knew and revered her to extol her contributions to learning and society. I ask at this first opportunity, to do just that by printing in the Record of this first day's proceedings of the 96th Congress the obituary from the November 16, 1978, New York Times by Alden Whitman that captured as well as any I have read the full worth and richness of Dr. Mead's long and active career.

There being no objection, the obituary was ordered to be printed in the Record, as follows:

Margaret Mead

(By Alden Whitman)

Margaret Mead, the anthropologist, author, lecturer and social critic, died yesterday at New York Hospital after a year-long battle with cancer. She was 76 years old.

Dr. Mead, who was curator emeritus of the department of anthropology at the American Museum of Natural History, had known that she had cancer but remained active at her work until she entered the hospital on Oct. 3, according to a museum spokesman.

President Carter mourned her death in a statement saying that she had "brought the humane insights of cultural anthropology to a public of millions." There were other tributes from Kurt Waldheim, Secretary-General of the United Nations, from Mayor Koch, the Smithsonian Institution, Edward J. Lehman, the executive director of the American Anthropological Association, and Faye Wattleton, president of the Planned Parenthood Federation.

"I'm in the middle of several different things," Dr. Mead said offhandedly a few years ago and reeled off to an inquiring friend a dozen projects that she was pursuing simultaneously. She was not boasting. She was just stating a fact of her life that had been true since early childhood: the slight but sturdy Dr. Mead was possessed of virtually boundless energy, an unquenchable curiosity, a tenacious memory and a genius for organizing her time.

She often gave the impression of being ubiquitous because she was rarely at rest in any one place for very long and because she could not permit a moment to pass unutilized. In all this she had a zest that even in her 70's confounded friends and colleagues of lesser verve.

The American Museum of Natural History, with which she was associated for most of her professional life, once drew up a list of subjects in which she was "a specialist." The list read:

"Education and culture; relationship between character structure and social forms; personality and culture; cultural aspects of problems of nutrition; mental health; family life; ecology; ekistics; transnational relations; national character; cultural change, and cultural building."

The museum might well have added "et cetera," for Dr. Mead was not only an anthropologist and ethnologist of the first rank but also something of a national oracle on other subjects ranging from atomic politics to feminism. She took on (and dismissed with disdain) Dr. Edward Teller, the hydrogen bomb advocate, and she was once described as "a general among the foot soldiers of modern feminism." Insofar as anyone can be a polymath, Dr. Mead was widely regarded as one.

HEADED SCIENCE ASSOCIATION

One evidence of her formidable powers was her election, at the age of 72, to the presidency of the American Association for the Advancement of Science. She was the second woman to head this group, one of the ranking organizations of the country's scientific community. Her stature as a scientist had been assured for many years, albeit somewhat grudgingly because she was a woman in a male-dominated discipline.

For those who saw Dr. Mead in middle age and on, she was a robust, 5-foot-2-inch figure who carried a forked walking stick (she broke her ankle years ago). Her head was topped with fluffy, slightly curly hair cut in bangs, and her feet were shod in plain leather sandals. Her voice was melodious, and her face, with its rimless glasses, was pleasant and open.

Although she could be lacerating, she was more often gentle and witty. She believed civilized mankind to be often ill-informed and pigheaded, yet she usually displayed great compassion for its individual members.

From the publication of her first book, "Coming of Age in Samoa," in 1928, in which she described the values of adolescent lovemaking in Samoan society, Dr. Mead's name become associated with sexual theory. A good deal of her subsequent writing contended that sexual repression worked against healthy maturation of the young and against successful marriages.

"ECLECTIC CIRCUITRY"

Her anthropological studies also covered other topics and were generally highly regarded as making her an expert in the sociocultural life of primitive peoples. Some, though, were reserved about the seeming contradictory nature of her material. "She illustrates the principle of eclectic circuitry," one critic said.

The number of Dr. Mead's scientific and popular lectures was staggering—110 in one sample 12-month period—and each was different. Her popular lectures, delivered usually to overflow crowds, were sometimes on rather esoteric subjects. "Acculturation Among the Iatmul Tribe of New Guinea" was one of them. ("For years I have been able to guarantee audiences a good address by using words that aren't in home dictionaries," she once said.)

Sometimes she got her audiences mixed up. Once, for example, she spoke learnedly on sex deviations among the Tchambuli to a group of theologians. They took it in good part, as did a men's luncheon club whose members applauded her talk on cultural stability in the South Seas.

Over the years, Dr. Mead lectured, sometimes for no fee, on such subjects as air pollution, hunger, mental hygiene, sex, women's careers, population control, primitive art, the family, nutrition, city planning, military service, tribal customs, alcoholism, child development, architecture, drugs and civil liberties. No matter what the topic, she did her homework. After one talk on tribal customs, a questioner asked about consumption of betel nuts in the Admiralty Islands. There was a ready and long response, as if betel nut problems were her life work.

AN ACTIVE ADVOCATE

Dr. Mead's fellow anthropologists were often uneasy about her. "You wonder what she'll take off on next," one said some years ago. "We know what Dr. Blank will say—he's probably already distributed his paper. But we're never sure about Margaret Mead."

Not only was Dr. Mead unpredictable; sometimes she also did not abide by the rules of behavior that most scientists set for themselves. Anthropology, essentially the study of adaptation, should refrain from influencing the events it observes and interprets, most scientists believe. But Dr. Mead, according to her critics, was not only a student of adaptation but also an active advocate of many specific changes in modern society.

The critics, however, almost universally admired her as a person, however much they were distressed by her as a scholar-activist. They thought she was too scattershot and sometimes self-contradictory. "But then," one critic said, "we do owe a lot to Margaret for putting us on the map."

Some social scientists thought that Dr. Mead was lacking in introspection on the human relations of her field work in the South Seas. "The remarkable thing about Margaret is that she's always been interested in the psychological end of anthropology and is, in fact, one of the leading contributors to the field," a critic said. "But her first love and primary interest is the study of culture, and she never gets to the person in the full sense."

"OH, PIFFLE"

To this and other criticisms, Dr. Mead's usual reaction was, "Oh, piffle." It was said with noticeable spunk, tinged with disdain.

Spunkiness was, indeed, among Margaret Mead's earliest traits. Born in Philadelphia on Dec. 16, 1901, she was the daughter of Edward and Emily Fogg Mead. Her father, who taught economics at the University of Pennsylvania, had hoped for a son and once told his daughter, "It's a pity you aren't a boy; you'd have gone far."

She determined to go to college and did, to De Pauw University, from which she went on to Barnard College to get her Bachelor of Arts degree in 1923.

At Barnard, the young student met Franz Boas, a magnetic man who was one of the world's ranking anthropologists. He became her mentor, and she became one of his four graduate students at Columbia, where she took her M.A. in 1924 and her Ph.D. in 1929.

"Franz Boas had to plan—much as if he were a general," Dr. Mead recalled, "with only a handful of troops to save a whole country." Dr. Boas thought she ought to work among American Indians, his area of interest, but she wanted to investigate Polynesia.

SPUNKINESS AND GUILE

Her spunkiness won out, assisted by a bit of guile. She suggested to Dr. Boas that he was trying to manipulate her and suggested to her father that her mentor was trying to control his daughter. Dr. Boas gave in, and her father gave her $1,000 for a world trip.

By this time, Dr. Mead was married to Luther S. Cressman, a young seminarian who often joked unhumorously of having to make an appointment to see his wife. They parted temporarily when she went to Samoa in 1926.

On shipboard, there was a love affair with Reo F. Fortune, a New Zealand anthropologist, to whom she was married after a brief reconciliation with Dr. Cressman. Meanwhile she did the field work for and wrote "Coming of Age in Samoa." From the start, it was enormously popular, especially among young people, some of whom were influenced by it to become anthropologists.

The scientific question underlying "Coming of Age in Samoa" was whether "the disturbances which vex our adolescents [are] due to the nature of adolescence itself or the civilization." Her findings suggest that the answer was the civilization. The easygoing ways in Samoa minimized conflict and the incidence of neurotic personalities due to guilt feelings.

TWO DARING CHAPTERS

The book was descriptive rather than statistical. It also included two chapters that daringly applied her findings to modern society, in which she proposed that strait-laced sex attitudes might be relaxed without "accepting promiscuity."

The book has often been attacked in scientific circles as too subjective and lacking the data for verifiable behavior. However, her conclusions were based on detailed observation, and if she did not conduct anthropometric tests or produce statistical surveys she did convey her subjects graphically. A typical sentence read, "Her grandmother is very old; the muscles in her neck are stringy like uncooked pork."

Dr. Mead settled down with the people she was studying. She ate their wild boar, wild pigeon and dried fish; helped to care for ill children, and gained the confidence of her informants. At one time she built a wall-less house so she could observe everything around her.

She possessed a trait unusual in anthropologists of her time, an ability to shed her Western preconceptions. She would sit on the ground for hours without moving as she watched tribal peoples. "She knows how to use her eyes, how to see," said Ken Heyman, a fellow scientist. "She has an uncanny perception for different cultural styles."

BOOKS SHOWED INTUITION

This finely attuned intuition was evident in her books on the seven cultures she studied—Samoan, Manua, Arapesh, Mundugumor, Tchambuli, Iatmul and Balinese. Out of these inquiries came, in addition to "Coming of Age in Samoa," "Growing Up in New Guinea," "Sex and Temperament in Three Primitive Societies," "Balinese Character" and "New Lives for Old." Some of her most extensive studies were done with the Manua—she visited them several times—and they spoke her name as "Makrit Mit."

Dr. Mead's association with tribal peoples was the subject of a notable New Yorker cartoon that depicted a tribal chief handing out books to boys about to be initiated into adolescence. "Rather than go into the details," he was saying, "I'm simply going to present each of you with a copy of this excellent book by Margaret Mead."

The idea behind the cartoon was not far fetched, because the Iatmul peoples once met her at their dock singing "My Darling Clementine" and then carried her off to their village.

Generalizing from her investigations, Dr. Mead said that each culture had its own distinct psychological profile. "Each society," she wrote, "has taken a special emphasis and given it a full and integrated expression at the expense of other potentialities of the human race."

Amid her studies, her life was anything but tranquil. Dr. Mead and her husband, Dr. Fortune, met Gregory Bateson, a British anthropologist, in New Guinea. There was a personal crisis among the three as a result of which there was a divorce, and Dr. Mead and Dr. Bateson were married. They had a daughter, Catherine. They were divorced after about 15 years.

"The Bateson years were probably the richest of her life," a friend of Dr. Mead said, noting that she and her husband were "perfect partners in mind and temperament." Recalling the union in her memoir, "Blackberry Winter," Dr. Mead was wistful about her marriage and its years in Bali, saying:

"I think it is a good thing to have such a model once [as Mr. Bateson] even if the model includes the kind of extra intensity in which a lifetime is condensed into a few short years."

In another recollection, she seemed to fault herself, saying "American women are good mothers, but they make poor wives; Americans are very poor at being attentive to anybody else."

Nevertheless, in their Bali years the couple took and annotated 25,000 photographs. This work, which was done in 1936–38, had a large impact on other anthropologists.

TURNED TO CURRENT ISSUES

Although Dr. Mead had usually adverted to modern society in her books and lectures before 1940, she moved more directly into discussion of her own times in "And Keep Your Powder Dry: An Anthropologist Looks at America," issued in 1942. The book dealt with American character outlined against the background of the seven other cultures she had studied. It increased the demand for her lectures and gave her the chance to speak out on current issues.

One of the issues that she tackled was male-female relationships, her thoughts on which she gathered into "Male and Female: A Study of Sexes in a Changing World," published in 1949. "A vast, turbulent book," Rebecca West said of it. Among its observations was, "Differences in sex as they are known today are based on the bringing up by the mother—she is always pushing the female toward similarity and the male toward difference."

In more recent years, Dr. Mead became an outspoken leader of the feminist movement. Indeed, she felt it her duty to improve people's understanding of themselves and especially women's understanding of themselves. She liked to talk, often with scorching humor, about what she saw as the follies of conventional ways of loving, working, birthing, housing and aging. This sense of mission appeared to many to account for Dr. Mead's restless zeal. "She wanted to be a mother to the world," a friend said.

TAUGHT AT COLUMBIA

In addition to her post at the American Museum of Natural History, she was also adjunct professor of anthropology at Columbia and taught the subject at Fordham.

In addition to her daughter, Mary Catherine Bateson Kassarjian, dean of social sciences at Raza Shah Civar University in Iran, Dr. Mead is survived by a granddaughter, Sevanne, and a sister, Elizabeth Mead Steig of Cambridge, Mass.

Funeral services will be private and burial will be in Buckingham, Pa. A memorial service will be held at 2 P.M. tomorrow in St. Paul's Chapel, Columbia University.

"PROTECTING OLDER AMERICANS AGAINST OVERPAYMENT OF INCOME TAXES"

Mr. CHURCH. Mr. President, each year the Senate Committee on Aging publishes a checklist of itemized deductions for individual taxpayers.

A major purpose of this summary is to protect older Americans—as well as younger Americans—from overpaying their taxes.

In addition, the committee wants to assure that taxpayers are completely current concerning any new developments affecting the Internal Revenue Code.

Late last year, the Congress enacted the 1978 Revenue Act which included several important tax relief provisions for all taxpayers, including older Americans.

Most of these provisions will become effective for taxable year 1979. However, some are applicable during 1978, and will be helpful for taxpayers who will prepare their tax returns during the next few weeks.

One of the most important tax relief measures for older Americans is my amendment to permit taxpayers 55 or older to exclude once in their lifetime, up to $100,000 in profit when they sell their homes. The effect of this measure is that practically all elderly persons will not be subject to capital gains tax if they sell their personal residences. This tax savings can provide considerable help for persons preparing for retirement, or those who may want to supplement their social security.

The committee's checklist is not an all-inclusive summary for every conceivable circumstance. This would require a lengthy and complicated document, which may lose some of its value for the typical taxpayer. But, the checklist can help to safeguard individuals from overpaying their taxes, especially those who are not completely current on tax relief provisions.

The checklist is helpful for taxpayers in other ways as well. The summary, for example, provides guidance to determine whether it would be more advantageous to itemize deductible expenses or claim the standard deduction.

In addition, it may be useful for individuals in planning their personal and tax affairs.

Finally, it may even be helpful for taxpayers who have already filed a tax return but overlooked allowable deductions. These persons may still claim items initially omitted by filing an amended return, form 1040X. But, it must be filed within 3 years after the original return was due or filed, or within 2 years from the time the tax was paid, whichever is later.

Mr. President, I ask unanimous consent that the Committee on Aging's checklist of itemized deductions and summary of tax relief measures for older Americans be printed in the RECORD.

There being no objection, the checklist was ordered to be printed in the RECORD, as follows:

CHECKLIST OF ITEMIZED DEDUCTIONS FOR SCHEDULE A (FORM 1040)

MEDICAL AND DENTAL EXPENSES

Medical and dental expenses (unreimbursed by insurance or otherwise) are deductible to the extent that they exceed 3% of your adjusted gross income (line 31, Form 1040).

INSURANCE PREMIUMS

One-half of medical, hospital or health insurance premiums are deductible (up to $150) without regard to the 3% limitation for other medical expenses. The remainder of these premiums can be deducted, but is subject to the 3% rule.

DRUGS AND MEDICINES

Included in medical expenses (subject to 3% rule) but only to extent exceeding 1% of adjusted gross income (line 31, Form 1040).

OTHER MEDICAL EXPENSES

Other allowable medical and dental expenses (subject to 3% limitation):

Abdominal supports (prescribed by a doctor).

Acupuncture services.

Ambulance hire.

Anesthetist.

Arch supports (prescribed by a doctor).

Artificial limbs and teeth.

Back supports (prescribed by a doctor).

Braces.

Capital expenditures for medical purposes (e.g., elevator for persons with a heart ailment)—deductible to the extent that the cost of the capital expenditure exceeds the increase in value to your home because of the capital expenditure. You should have an independent appraisal made to reflect clearly the increase in value.

Cardiographs.

Chiropodist.

Chiropractor.

Christian Science practitioner, authorized.

Convalescent home (for medical treatment only).

Crutches.

Dental services (e.g., cleaning, X-ray, filling teeth).

Dentures.

Dermatologist.

Eyeglasses.

Food or beverages specially prescribed by a physician (for treatment of illness, and in addition to, not as substitute for, regular diet; physician's statement needed).

Gynecologist.

Hearing aids and batteries.

Home health services.

Hospital expenses.

Insulin treatment.

Invalid chair.

Lab tests.

Lipreading lessons (designed to overcome a handicap).

Neurologist.

Nursing services (for medical care, including nurse's board paid by you).

Occupational therapists.

Opthalmologist.

Optician.

Optometrist.

Oral surgery.

Osteopath, licensed.

Pediatrician.

Physical examinations.

Physical therapist.

Physician.

Podiatrist.

Psychiatrist.

Psychoanalyst.

Psychologist.

Psychotherapy.

Radium therapy.

Sacroiliac belt (prescribed by a doctor).

Seeing-eye dog and maintenance.

Speech therapist.

Splints.

Supplementary medical insurance (Part B) under Medicare.

Surgeon.

Telephone/teletype special communications equipment for the deaf.

Transportation expenses for medical purposes (7¢ per mile plus parking and tolls or actual fares for taxi, buses, etc.).

Vaccines.

Vitamins prescribed by a doctor (but not taken as a food supplement or to preserve general health).

Wheelchairs.

Whirlpool baths for medical purposes.

X-rays.

Expenses may be deducted only in the year you paid them. If you charge medical expenses on your bank credit card, the expenses are deducted in the year the charge is made regardless of when the bank is repaid.

TAXES

Real estate.

State and local gasoline.

General sales.

State and local income.

Personal property.

If sales tax tables are used in arriving at your deduction, ordinarily you may add to the amount shown in the tax tables the sales tax paid on the purchase of the following items: automobiles, trucks, motorcycles, airplanes, boats, mobile homes, and materials used to build a new home when you are your own contractor.

When using the sales tax tables, add to your adjusted gross income any nontaxable income (e.g., Social Security, Veterans' pensions or compensation payments, Railroad Retirement annuities, workmen's compensation, untaxed portion of long-term capital gains, dividends untaxed under the dividend exclusion, interest on municipal bonds, unemployment compensation and public assistance payments).

CONTRIBUTIONS

In general, contributions may be deducted up to 50 percent of your adjusted gross income (line 31, Form 1040). However, contributions to certain private nonprofit foundations, veterans organizations, or fraternal societies are limited to 20% of adjusted gross income.

Cash contributions to qualified organizations for (1) religious, charitable, scientific, literary or educational purposes, (2) prevention of cruelty to children or animals, or (3) Federal, State or local governmental units (tuition for children attending parochial schools is not deductible).

Fair market value of property (e.g., clothing, books, equipment, furniture) for charitable purposes. (For gifts of appreciated property, special rules apply. Contact local IRS office.)

Travel expenses (actual or 7¢ per mile plus parking and tolls) for charitable purposes (may not deduct insurance or depreciation in either case).

Cost and upkeep of uniforms used in charitable activities (e.g., scoutmaster).

Purchase of goods or tickets from charitable organizations (excess of amount paid over the fair market value of the goods or services).

Out-of-pocket expenses (e.g., postage, stationery, phone calls) while rendering services for charitable organizations.

Care of unrelated student in your home under a written agreement with a qualifying organization (deduction is limited to $50 per month).

INTEREST

Home mortgage.

Auto loan.

Installment purchases (television, washer, dryer, etc.).

Bank credit card—can deduct the finance charge as interest if no part is for service charges, loan fees, credit investigation fees, or similar charges.

Other credit cards—you may deduct as interest the finance charges added to your monthly statement, expressed as an annual percentage rate, that are based on the unpaid monthly balance.

Points—deductible as interest by buyer where financing agreement provides that they are to be paid for use of lender's money and only if the charging of points is an established business practice in your area. Not deductible if points represent charges for services rendered by the lending institution (e.g., VA loan points are service charges and are not deductible as interest). Not deductible if paid by seller (are treated as selling expenses and represent a reduction of amount realized).

Penalty for prepayment of a mortgage—deductible as interest.

Revolving charge accounts—may deduct the separately stated "finance charge" expressed as an annual percentage rate.

CASUALTY OR THEFT LOSSES

Casualty (e.g., tornado, flood, storm, fire, or auto accident provided not caused by a willful act or willful negligence) or theft losses—the amount of your casualty loss deduction is generally the lesser of (1) the decrease in fair market value of the property as a result of the casualty, or (2) your adjusted basis in the property. This amount must be further reduced by any insurance or other recovery, and, in the case of property held for personal use, by the $100 limitation. Report your casualty or theft loss on Schedule A. If more than one item was involved in a single casualty or theft, or if you had more than one casualty or theft during the year, you may use Form 4684 for computing your personal casualty loss.

MISCELLANEOUS

Appraisal fees to determine the amount of a casualty loss or to determine the fair market value of charitable contributions.

Union dues.

Cost of preparation of income tax return.

Cost of tools for employee (depreciated over the useful life of the tools).

Dues for Chamber of Commerce (if as a business expense).

Rental cost of a safe-deposit box used to store income-producing property.

Fees paid to investment counselors.

Subscriptions to business publications.

Telephone and postage in connection with investments.

Uniforms required for employment and not generally wearable off the job.

Maintenance of uniforms required for employment.

Special safety apparel (e.g., steel toe safety shoes or helmets worn by construction workers; special masks worn by welders).

Business entertainment expenses.

Business gift expenses not exceeding $25 per recipient.

Employment agency fees under certain circumstances.

Cost of a periodic physical examination if required by employer.

Cost of installation and maintenance of a telephone required by your employment (deduction based on business use).

Cost of bond if required for employment.

Expenses of an office in your home if used regularly and exclusively for certain business purposes.

Educational expenses that are: (1) required by your employer to maintain your position; or (2) for maintaining or sharpening your skills for your employment.

Political Campaign Contributions.—You may claim either a deduction (line 31, Schedule A, Form 1040) or a credit (line 38, Form 1040), for campaign contributions to an individual who is a candidate for nomination or election to any Federal, State, or local office in any primary, general, or special election. The deduction or credit is also applicable for any (1) committee supporting a candidate for Federal, State, or local elective public office, (2) national committee of a national political party, (3) State committee of a national political party, or (4) local committee of a national political party. The maximum deduction is $100 ($200 for couples filing jointly). The amount of the tax credit is one-half of the political contribution, with a $25 ceiling ($50 for couples filing jointly).

PRESIDENTIAL ELECTION CAMPAIGN FUND

Additionally, you may voluntarily earmark $1 of your taxes ($2 on joint returns) for the Presidential Election Campaign Fund.

ADDITIONAL INFORMATION

For any questions concerning any of these items, contact your local IRS office. You may also obtain helpful publications and additional forms by contacting your local IRS office.

OTHER TAX RELIEF MEASURES

Filing status	*Required to file a tax return if gross income is at least—*
Single (under age 65)	$2, 950
Single (age 65 or older)	3, 700
Qualifying widow(er) under 65 with dependent child	3, 950
Qualifying widow(er) 65 or older with dependent child	4, 700
Married couple (both spouses under 65) filing jointly	4, 700
Married couple (1 spouse 65 or older) filing jointly	5, 450
Married couple (both spouses 65 or older) filing jointly	6, 200
Married filing separately	750

Additional Exemption for Age.—Besides the regular $750 exemption, you are allowed an additional exemption of $750 if you are age 65 or older on the last day of the taxable year. If both a husband and wife are 65 or older on the last day of the taxable year, each is entitled to an additional exemption of $750 because of age. You are considered 65 on the day before your 65th birthday. Thus, if your 65th birthday is on January 1, 1979, you will be entitled to the additional $750 exemption because of age for your 1978 Federal income tax return.

"Zero Bracket Amount."—The "zero bracket amount" is a flat amount that depends on your filing status. It is not a separate deduction; instead, the equivalent amount is built into the tax tables and tax rate schedules. Since this amount is built into the tax tables and tax rate schedules, you will need to make an adjustment if you itemize deductions. However, itemizers will not experience any change in their tax liability and the tax computation will be simplified for many itemizers.

Tax Tables.—Tax tables have been developed to make it easier for you to find your tax if your income is under certain levels. Even if you itemize deductions, you may be able to use the tax tables to find your tax easier. In addition, you do not have to deduct $750 for each exemption or figure your general tax credit, because these amounts are also built into the tax table for you.

Multiple Support Agreements.—In general, a person may be claimed as a dependent of another taxpayer, provided five tests are met: (1) Support, (2) gross income, (3) member of household or relationship, (4) citizenship and (5) separate return. But in some cases, two or more individuals provide support for an individual, and no one has contributed more than half the person's support. However, it still may be possible for one of the individuals to be entitled to a $750 dependency deduction if the following requirements are met for multiple support:

1. Two or more persons—any one of whom could claim the person as a dependent if it were not for the support test—together contribute more than half of the dependent's support.

2. Any one of those who individually contribute more than 10% of the mutual dependent's support, *but only one of them,* may claim the dependency deduction.

3. Each of the others must file a written statement that he will not claim the dependency deduction for that year. The statement must be filed with the income tax return of the person who claims the dependency deduction. Form 2120 (Multiple Support Declaration) may be used for this purpose

Sale of Personal Residence.—You may exclude from your gross income some or all of your gain from the sale of your principal residence, if you meet certain age, ownership, and occupancy requirements at the time of the sale. These requirements, and the amount of gain that may be excluded, differ depending on whether you sold your home before July 27, 1978, or on or after that date. The exclusion is elective, and you may elect to exclude gain only once for sales before July 27, 1978, and only once for sales on or after that date.

If you sold your home before July 27, 1978, and you were age 65 or older before the date of sale, you may elect to exclude the gain attributable to $35,000 of the adjusted sales price if you owned and occupied the residence for 5 of the 8 years ending on the date of sale. If you sold the home after July 26, 1978, and you were age 55 or older before the date of sale, you may elect to exclude $100,000 of gain on the sale if you owned and occupied the residence for 3 of the 5 years ending on the date of sale (or 5 of 8 years under cercumstances). Form 2119 (Sale or Exchange of Personal Residence) is helpful in determining what gain, if any, may be excluded.

Additionally, you may elect to defer reporting the gain on the sale of your personal residence if with 18 months before or 18 months after the sale you buy and occupy another residence, the cost of which equals or exceeds the adjusted sales price of the old residence. Additional time is allowed if (1) you construct the new residence; (2) you were on active duty in the U.S. Armed Forces; or (3) your tax home was abroad. Publication 523 (Tax Information on Selling or Purchasing Your Home) may also be helpful.

Credit for the Elderly.—You may be able to claim this credit and reduce taxes by as much as $375 (if single), or $562.50 (if married filing jointly), if you are:

(1) Age 65 or older, or

(2) Under age 65 and retired under a public retirement system.

For more information, see instructions for Schedules R and RP.

Credit for Child and Dependent Care Expenses.—Certain payments made for child and dependent care may be claimed as a credit against tax.

If you maintained a household that included your dependent child under age 15 or a dependent or spouse incapable of self-care, you may be allowed a 20% credit for employment related expenses. These expenses must have been paid during the taxable year in order to enable you to work either full or part time.

For detailed information, see the instructions on Form 2441.

Earned Income Credit.—If you maintain a household for a child who is under age 19, or is a student, or is a disabled dependent, you may be entitled to a special payment or credit of up to $400. This is called the earned income credit. It may come as a refund check or be applied against any taxes owed. Generally, if you reported earned income and had adjusted gross income (line 31, Form 1040) of less than $8,000, you may be able to claim the credit.

Earned income means wages, salaries, tips, other employee compensation, and net earnings from self-employment (generally amount shown on Schedule SE (Form 1040) line 13). A married couple must file a joint return to be eligible for the credit. Certain married persons living apart with a dependent child may also be eligible to claim the credit.

For more information, see instructions for Form 1040 or 1040A.

ENERGY TAX ACT

The Energy Tax Act of 1978 is directed at providing tax incentives for energy conservation measures and for conversion to renewable energy sources.

A credit of up to $300 may be claimed for expenditures for energy conservation property installed in or on your principal residence, whether you own or rent it. The residence must have been substantially completed by April 20, 1977. Items eligible for the credit are limited to the following: insulation (fiberglass, cellulose, etc.) for ceilings, walls, floors, roofs, water heaters, etc.; exterior storm (or thermal) windows or doors; caulking or weatherstripping for exterior windows or doors; a furnace replacement burner which reduces the amount of fuel used; a device to make flue openings (for a heating system) more efficient; an electrical or mechanical furnace ignition system which replaces a gas pilot light; an automatic energy-saving setback thermostat; and a meter which displays the cost of energy usage.

A maximum credit for renewable energy source property is $2,200. Equipment used in the production or distribution of heat or electricity from solar, geothermal, or wind energy sources for residential heating, cooling, or other purposes may qualify for this credit.

Energy credits may be claimed by completing Form 5695 and attaching it to your Form 1040. Credit for expenditures made after April 19, 1977, and before January 1, 1979, must be claimed on your 1978 tax return. Do not file an amended 1977 return to claim a credit for expenditure in 1977.

Examples of items which do not qualify for energy credit are the following: carpeting, drapes, wood paneling, exterior siding, heat pump, wood or peat fueled residential equipment, fluorescent replacement lighting system, hydrogen fueled residential equipment, equipment using wind energy for transportation, expenditures for a swimming pool used as an energy storage medium, and greenhouses.

For further information, consult the instructions for Form 5695 and IRS Publication 903, Energy Credits for Individuals.

TRIBUTE TO FORMER SENATOR DICK CLARK OF IOWA

Mr. KENNEDY. Mr. President, as the 96th Congress convenes, it is without Senator Dick Clark of Iowa.

In his 6 years as a Member of this body, Senator Clark established an outstanding reputation. He was an outspoken voice on many subjects, and during his service with us, we gained immense respect for his integrity, courage, and leadership.

On issue after issue, Dick Clark was often the first to blow the whistle on serious abuses. He earned a well-deserved reputation as Mr. Integrity and Mr. Reform because of his hard work and leadership in areas like the Senate Ethics Code and the effective reforms he sponsored in areas like campaign financing and the Federal lobbying laws. And when a prior administration was tempted to involve our country in the Angolan Civil War, Senator Clark said no—no more Vietnams in Asia, no new Vietnams in Africa, no more sons of Iowa or of any State killed in senseless conflicts overseas.

No Senator cared more about his State or gave it more dedicated service. The farmer, the factory worker, the veteran, the senior citizen, and many others knew they had a Senator who worked for them and cared about their needs.

In his 1972 campaign, Senator Clark walked across Iowa, one of the first Members of the Senate to use that effective method of campaigning. He demonstrated his accessibility to the people, his willingness to listen to their ideas and understand their problems.

Senator Clark was well known for his hard work in many areas, but he felt that his most significant accomplishments were in the area of agriculture. He took pride on his close relationships with the farmers of Iowa. Among his most important accomplishments was his authorship of legislation to end the abuses in commodity regulation. He was also a leader in sponsoring major reforms in packinghouse regulations and in the Nation's grain inspection system.

As a member of the Rules Committee, Senator Clark was a leader in many different efforts to reform the Senate and make it function more effectively. In addition to his outstanding leadership in reforming the campaign financing laws, he played a major role in the reform of the filibuster and seniority rules in the Senate.

It is not only the people of Iowa who have lost a courageous and responsible voice for reform and integrity. Many of us in the Senate have lost a close personal friend as well. Government in Washington may not be all that the people of the Nation would like it to be. But it is a better and more responsive government today because Dick Clark passed this way, and we shall miss his example and his friendship.

JERRY BROWN'S SECOND INAUGURAL

Mr. CRANSTON. Mr. President, the headlines on Jerry Brown's Inaugural Address last Monday focused on just one sentence of his lengthy speech—and not unreasonably, since his endorsement of a constitutional amendment to mandate a balanced Federal budget and of a constitutional convention was the most controversial aspect and clearly the news story.

But there was a great deal more to the speech. The Governor's review of the accomplishments and promises of California, of the challenges faced by those who will reach majority in the year 2000, and of the paradoxes of our successes and failures presents a fascinating commentary on where our society is and the alternatives it faces.

Most importantly, Governor Brown calls for sacrifice, for belt tightening, for less reliance on government, for national emphasis on productivity and maximization of each citizen's potential, for reduced governmental interference in our lives, and for enhancement of the quality of our environment.

I invite my colleagues to read the speech in full and ask unanimous consent that it be printed in the Record. In addition, I ask unanimous consent that California Joint Resolution Number 2 relative to a balanced Federal budget appear as an appendix to the Governor's speech.

There being no objection, the material was ordered to be printed in the Record, as follows:

Inaugural Address of Governor Edmund G. Brown, Jr.

The new year on which we now begin is a year of testing. Once again our economy is careening down the path of inflation that inexorably leads to recession. At such a time, it is right to reexamine our assumptions, state clearly our goals, and work confidently for the future.

1979 is the international year of the child. Those born this year will graduate in the class of 2000. What they inherit will depend on the courage and vision we pass on to them. Whether Californians in that year are up among the best or stagnating in the continuing aftershocks of obsolete technology and pervasive foreign imports, that depends on us.

Today we see the ethos of our moment dominated by "getting and spending" rather than innovation and risk. The depressing spirit of the age ungratefully feeds off the boldness of the past. Where there should be saving for the future, I see frantic borrowing. Where there should be investment in productive capacity, I see frenetic consumption.

California has been called the great exception. From the mystic aura of the name itself to the conquest of outer space, California has inspired greatness among its many immigrant people. Gold, forests, rich agricultural fields, high technology, universities of excellence, the Pacific horizon, diverse ethnic groups—all these have converged to keep our state a dream for the hundreds of thousands who still cross our borders each year. In the last four years, 1.5 million jobs have been created and the proportion of people over 16 employed in the wage economy has grown from 56 percent to 61 percent, a participation rate matched rarely anywhere in this country or anywhere else in the world. Over 14 million motor vehicles each month set new records in gallons of gasoline consumed and miles driven over our roads. Our 22 million people produce each year more than the combined effort of the billion people who inhabit India, Pakistan, Indonesia, the Philippines, South Korea, Nigeria and Zaire. We have the most advanced technology, the most stringent environmental laws, a strong legal commitment to equality, the highest transfer payments to those who depend on government and the most advanced labor laws.

Yet the mistrust of our public institutions and mere anxiety about our future economy are more the order than the exception. Three quarters of the people do not trust their government. More than half of the eligible citizens of California again decided not to vote in the last election. Why? Why the anti-government mood? I asked this same question four years ago and now I believe I understand. Simply put, the citizens are revolting against a decade of political leaders who righteously spoke against inflation and excessive government spending but who in practice pursued the opposite course.

It is in this fundamental contradiction between what political leaders have said in their anti-inflation and anti-spending speeches and what they have actually done in their fiscal policies that we find the cause of today's political malaise. The ordinary citizen knows that government contributes to inflation and that runaway inflation is as destructive to our social wellbeing as an invading army.

The economists will argue about the fine points but the people know that something is profoundly wrong when 75 percent of government spending decisions are automatically decided by past formulas and not present lawmakers—formulas that ensure that government and its taxes always keep ahead of inflation.

People know that something is wrong when the federal government stimulates inflation and inflation raises the face value of prices, income and property, so that the taxes on each grow higher and higher. This perverse government money machine has created a fiscal dividend for local, state and federal government and allowed all three to expand faster than inflation and faster than real economic growth. These unauthorized dividends are now being cancelled. The tax revolt is being heard.

There is much to learn about the unprecedented primary vote and victory of Proposition 13. Not the least of which is that the established political union and corporate powers are no match for an angry citizenry recoiling against an inflationary threat to their homes and pocketbooks.

While it is true that the tax revolt has increased the privileges of the few, it has without question inspired the hopes of many. Plain working people, the poor, the elderly, those on fixed incomes, those who cannot keep up with each new round of recession, these are the people who are crying out for relief.

But in their name and in the name of misfortune of every kind, false prophets have risen to advocate more and more government spending as the cure—more bureaucratic programs and higher staffing ratios of professional experts. They have told us that billion dollar government increases are really deep cuts from the yet higher levels of spending they demand and that attempts to limit the inflationary growth of government derive not from wisdom but from selfishness. That disciplining government reflects not a care for the future but rather self-absorption. These false prophets, I tell you, can no longer distinguish the white horse of victory from the pale horse of death.

In this decade government at all levels has increased spending faster than the true rate of economic growth; taxes per $100 of income have climbed steadily. The cure for inflation has been administered with a vengeance. Yet most people feel worse, not better, about their government benefactor. The elderly find their fixed incomes eroding in half; those about to retire fear their future pensions will never keep pace. Ten million California workers see their wages rise but not as fast as prices. Those on welfare obtain larger grants but find more expensive groceries.

It is time to get off the treadmill, to challenge the assumption that more government spending automatically leads to better living. The facts prove otherwise. More and more inflationary spending leads to decline abroad and decadence at home. Ultimately it will unwind the social compact that forms the basis of our society.

Lord Keynes, in whose name many of the false prophets claim to speak, had this to say on the subject:

"By a process of inflation governments can confiscate, secretly and unobserved, an important part of the wealth of their citizens. By this method they not only confiscate, but they confiscate arbitrarily; and, while the process impoverishes many, it actually enriches some. . . . There is no subtler, no surer means of overturning the existing basis of society than to debauch the currency. The process engages all the hidden forces of economic law on the side of destruction, and does it in a manner which not one man in a million is able to diagnose."[1]

Government, no less than the individual, must live within limits. It is time to bring our accounts into balance. Government, as exemplar and teacher, must manifest a self-discipline that spreads across the other institutions in our society, so that we can begin to work for the future, not just consume the present.

I propose that this year the state government lower the amount of taxes it collects per $100 of income to the level of four years ago. This will require a billion dollar tax cut. Such a tax reduction should, on a percentage basis, give the greatest benefit to renters and those at the lower and middle level of the income scale. A flat tax credit combined with an increase in renter assistance will accomplish this goal.

Some might ask, how did the state obtain this billion dollars? Did the state extract it from new wealth or increased production? Was there a vote of the legislature to levy a new tax? No! Quite simply the perverse money machine of inflation is artificially raising income, property, prices, and profits and combining with pre-existing state law to generate a tax windfall. Unearned, unvoted, and undeserved.

Next, I propose that for the first time since World War II, we actually decrease the number of positions in state government. A reduction of 5000 is reasonable and attainable without significant layoffs. It will mean that in 1980 we will operate government with fewer employees than we did in 1977.

I see this as state government, not working less, but becoming more productive. Jobs in government, education, and health constitute a substantial part of the work done in our state. Yet, it is in these fields where productivity is declining. Each year government employment grows. Each year we spend more money on fewer students. Each year we increase dramatically that amount spent on medical care. Are we better governed? Are we better educated? Are we healthier? Perhaps, but not commensurate with the additional dollars and taxes spent on each. The time has come for California to pioneer and increase productivity in these fields. It is a myth that services such as government, teaching, and curing lay fundamentally beyond those processes which have created our modern agriculture, our electronics, and aerospace. Our higher standard of living comes directly from work that uses the latest tools and the most imagination. Unless we improve the way we learn, the way we heal, and the way we govern, it is inevitable that our standard and quality of life will decline.

We are in the midst of an information revolution that draws its center from the computer and communication industries of California. As the power of the human mind expands through the technology of our own state, the challenge will be to use the new tools to expand learning, to prevent disease and make government leaner as it becomes more effective.

As government makes itself more productive, it must also strip away the roadblocks and the regulatory underbrush that it often mindlessly puts in the path of private citizens. Unneeded licenses and proliferating rules can stifle initiative, especially for small business. Society is more interdependent and our capacity to harm both nature and ourselves is greater than ever. Yet many regulations primarily protect the past, prop up privilege or prevent sensible economic choices.

These are the rules that should be changed in the ongoing self-examination by each department of government. Where economic incentives, instead of rules, can accomplish the goal, they should be tried.

Finally, in order to ensure that we permanently slow the inflationary growth of government, I will support an appropriate constitutional amendment to limit state and local spending. Such measures are difficult to draft but are justified today in order to recapture a sense of the common interest as opposed to the narrow and special interests that combine to push spending beyond what is reasonable.

I will also support the resolution now pending before the legislature calling upon Congress to propose a constitutional amendment to balance the federal budget or to convene a constitutional convention to achieve this goal.

The roller coaster of inflation followed by recession is out of control. In the last 12 years, leaders of both parties have tried in vain to slow its reckless course. At the same time, states compete with each other to extract more and more federal grants that are financed out of the deficits and not the productivity of the nation. It is, therefore, right that these same states join together to demand a constitutional amendment that will serve as the occasion for finally restraining the inflationary spending of the federal government. The nation, no less than the individual states, must eventually balance its books. The excuse that only annual deficits promote full employment is refuted by the continuing decline in productivity and investment which form the only true base of long term employment.

A constitutional convention to propose an amendment to balance the budget is unprecedented, but so is the paralysis that prevents necessary action.

The time has finally come to balance what we spend with what we produce.

To truly achieve this, we must enlist the talent of all the people in our society. This is what I call investment in human capital—an investment we have yet to fully make. Despite the affluence of California, too many still languish in the backwaters of our society.

We encounter each day the paradox of unfilled jobs existing side by side with unemployed or underemployed people. The challenge is to break down the remaining discriminatory barriers and encourage business, labor and government to provide on-the-job training, apprenticeships, and full upward mobility. We can never reach our full capacity unless we liberate the human spirit and enfranchise all the people of our state—whatever their color, their language, their disability, their age or their sex. To more completely achieve this goal, I will support the necessary changes in our Fair Employment Practices Act, to include prohibitions against discrimination based on sexual preference. The diversity of our people can be a cause of hatred and anxiety or it can be a source of strength and continued advancement. The choice is ours.

As we expand the opportunities for those within our borders, we must recognize the affinity that we have with those beyond. No small part of our present wealth or our future possibilities derives from our location on the Pacific rim. The trade and widening exchange with Mexico, with Canada, and with our more distant neighbors in the far east, offer potential still rarely imagined.

After the first Americans and long before most of our ancestors arrived in California, our neighbors from Mexico were naming our cities and dividing our lands. For too long we have ignored Mexico. Unless we understand that California and Mexico are linked by history, geography, families and a common future, we will miss one of the great opportunities of the next decade.

Let us also not neglect the other forms of life and the natural systems on which we all depend. The soil, the sun, and the water make possible our forests and the wood we take from them, as well as the food that our farmers are able to produce. This timeless bounty will endure only if we have proper reverence and respect for our natural systems. The air can become cancerous, the water polluted, and the soil eroded. It is up to us to so manage growth and technology, that we enhance the quality of our environment, not undermine it to the loss of those who will come after us. Many a civilization has fallen with its forests and eroded with its soil.

I said that 1979 was a year of testing—testing whether these people that fill the freeways of California have the vision to prepare for the year 2000. Is Alexander Solzhenitsyn correct when he says that: "A decline in courage may be the most striking feature which an outside observer notices in the west in our days"? Will we make the sacrifices to protect our land and to create the new energy sources that will power our factories? Will we invest in the information revolution and continue to dominate the conquest of outer space? Will we see beyond the last stereotypes and brace our human diversity?

To all of this I must answer with a resounding yes. California will build for the future, not steal from it. And as we do, we will know in our hearts patriotism is not just defending the country of our fathers, but preparing the land of our children.

SENATE JOINT RESOLUTION NO. 2—RELATIVE TO A BALANCED FEDERAL BUDGET

LEGISLATIVE COUNSEL'S DIGEST

SJR 2, as introduced, Smith. Balanced federal budget.

Urges the Congress of the United States, either acting by consent of two-thirds of both houses or, upon the application of the legislatures of two-thirds of the several states, to call a constitutional convention to propose an amendment to the United States Constitution to require, with certain exceptions, that the total of all federal appropriations may not exceed the total of all estimated federal revenues in any fiscal year.

This measure would also provide that if the constitutional convention is not limited to the topic of a balanced federal budget, this measure would have no effect and be considered a nullity.

Fiscal committee: no

Whereas, With each passing year this nation becomes more deeply in debt as its expenditures grossly and repeatedly exceed available revenues, so that the public debt now exceeds hundreds of billions of dollars; and

Whereas, The annual federal budget continually demonstrates an unwillingness or inability of both the legislative and executive branches of the federal government to curtail spending to conform to available revenues; and

Whereas, Unified budgets do not reflect actual spending because of the exclusion of special outlays which are not included in the budget nor subject to the legal public debt limit; and

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[1] "The Economic Consequences of the Peace," J. M. Keynes.

Whereas, Knowledgeable planning, fiscal prudence, and plain good sense require that the budget reflect all federal spending and be in balance; and

Whereas, Believing that fiscal irresponsibility at the federal level, with the inflation which results from this policy, is the greatest threat which faces our nation, we firmly believe that constitutional restraint is necessary to bring the fiscal discipline needed to restore financial responsibility; and

Whereas, Under Article V of the Constitution of the United States, amendments to the United States Constitution may be proposed by the Congress whenever two-thirds of both houses deem it necessary, or on the application of the legislatures of two-thirds of the several states the Congress shall call a constitutional convention for the purpose of proposing amendments. We believe such action vital; now, therefore, be it

Resolved, by the Senate and Assembly of the State of California, jointly, That the Legislature of the State of California respectfully proposes to the Congress of the United States that procedures be instituted in the Congress to add a new Article to the Constitution of the United States, and that the Legislature of the State of California requests the Congress to prepare and submit to the several states a amendment to the Constitution of the United States, requiring in the absence of a national emergency, as defined by a majority of the Congress to include, but not be limited to: (1) a serious threat to national security; (2) a war; (3) a natural disaster; ad (4) a serious condition of unemployment, that the total of all federal appropriations made by the Congress for any fiscal year may not exceed the total of all estimated federal revenues for that fiscal year; and be it further

Resolved, That, alternatively, the Legislature of the State of California makes application and requests that the Congress of the United States call a constitutional convention for the specific and exclusive purpose of proposing an amendment to the United States Constitution requiring in the absence of a national emergency, as defined by a majority of the Congress to include, but not be limited to: (1) a serious threat to national security; (2) a war; (3) a natural disaster; and (4) a serious condition of unemployment, that the total of all federal appropriations made by the Congress for any fiscal year may not exceed the total of all estimated federal revenues for that fiscal year; and be it further

Resolved, That the Legislature of the State of California conditions this resolution upon the Congress of the United States establishing appropriate restrictions limiting the subject matter of a constitutional convention called pursuant to this resolution to the subject matter of this resolution and, should the Congress of the United States fail to so act, this resolution shall have no effect and be considered a nullity; and be it further

Resolved, That the Legislature of the State of California also proposes that the legislatures of each of the several states comprising the United States apply to the Congress requesting the enactment of an appropriate amendment to the United States Constitution; or requiring the Congress to call a constitutional convention for proposing such an amendment to the United States Constitution; and be it further

Resolved, That the Secretary of the Senate transmit copies of this resolution to the Secretary of State and presiding officer of each house of the legislature of each of the other states in the United States, to the President and Vice President of the United States, to the Speaker of the House of Representatives, to each Senator and Representative from California in the Congress of the United States, to the Clerk of the United States House of Representatives, and to the Secretary of the United States Senate.

CHANGES IN THE PHILADELPHIA CONGRESSIONAL DELEGATION

Mr. HEINZ. Mr. President, as the 96th Congress convenes, I want to note the presence of two new Members from Philadelphia, Rev. William H. Gray and former State Senator Charles Dougherty. Although of different political parties, these two new Representatives typify the strengths of a growing, dynamic city like Philadelphia. Tough, thoughtful, and aggressive are apt characterizations of Congressman Gray and Congressman Dougherty. I am confident they will serve their city and State well, and I join all Pennsylvanians in welcoming them to the Congress. To further acquaint other Senators with the background and abilities of these two men, Mr. President. I ask that two articles published in the Philadelphia Inquirer, November 9 and November 11, 1978, be printed in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From the Philadelphia Inquirer, Nov. 11, 1978]

The Reverend Gray Is Suddenly a Political Force

(By Acel Moore)

To the casual political observer, the victory of the Rev. William H. Gray 3d by a 5 to 1 margin over his Republican opponent, attorney Roland J. Atkins, in Tuesday's general election might seem anticlimatic.

Because the real battle to become congressman-elect from Philadelphia's 2d Congressional District was won last May 16—when Mr. Gray, the 37-year-old pastor of Bright Hope Baptist Church, toppled Rep. Robert N. C. Nix, the 74-year-old, 10-term incumbent in the Democratic primary.

Still, on Tuesday, Mr. Gray did much more than simply trounce his Republican opponent in a heavily Democratic district.

He played a key role—along with state representatives John White Jr. and David P. Richardson—in forming coalitions with white liberals to defeat the Frank Rizzo-backed charter change proposal.

So, Mr. Gray was a winner on all counts Tuesday, and the figures in his district—one of the most ethnically and economically diverse in the city—underscore the growing opinion among the pundits that he has become one of Philadelphia's most powerful politicians.

The charter change went down 13 to 1 in the 2d District, but more importantly, Mr. Gray had the biggest plurality (83 percent) and polled the most votes (127,838) of any congressional candidate in Pennsylvania.

Add to those impressive numbers the fact that, with the defeat of Rep. Joshua Eilberg, none of Philadelphia's four congressmen (Charles Dougherty, who beat Eilberg, and incumbent representatives Raymond Lederer and Michael "Ozzie" Myers) will have more than two-term seniority.

Additionally, of the four, Mr. Gray probably has the closest ties to the Carter administration.

All of these factors will enable Mr. Gray to enter the 96th Congress in January as a freshman with plenty of clout.

Mr. Gray, in the cool, calm manner that has become his trademark, sat casually dressed in a yellow turtleneck sweater in the office of his church at 12th Street and Columbia Avenue Thursday morning.

He was relaxed as he and his secretary, Mrs. Linda Cauthorn, answered a string of phone calls from friends and supporters, congratulating him on his victory.

"The one thing that is significant in Tuesday's election is that we were able to discover that the mutual self-interests of the various ethnic groups are interrelated.

"The challenge now for politicians with vision is to get those groups working together on a national level to solve the problems of massive unemployment, deficiencies in public education and inflation," Mr. Gray said.

During an interview in his office, Mr. Gray was interrupted repeatedly by phone calls. One of those calls was from the speaker of the U.S. House of Representatives, Thomas P. (Tip) O'Neill.

"Yes, Mr. Speaker, I would be interested in serving on any committee that deals with urban problems and international relations," Mr. Gray said into the phone.

After the call, Mr. Gray explained that the Massachusetts Democrat had called to congratulate him and that O'Neill also told him that he had assigned one of his staff to talk to Mr. Gray about committee assignments.

Since his primary victory in May, Mr. Gray has made numerous trips to Washington, including one that occasioned a private session with President Carter.

On other trips, Mr. Gray met with the speaker and other leaders of Congress, including the head of the Black Congressional caucus, Rep. Parren J. Mitchell (D., Md.).

"I plan to be an independent Democrat," said Mr. Gray, characterizing his future role. "I will be much more visible and vocal than my predecessor and will let people know how I stand on various issues."

Mr. Gray said that he plans to commute from Philadelphia to Washington.

"I don't intend to buy a house in the District, nor will I rent an apartment. If I have to stay overnight for crucial sessions and votes I can always stay at my sister's house."

Mr. Gray's sister, Dr. Marian Secundy, is a member of the faculty of Howard University Medical School in Washington.

Mr. Gray also says he intends to spend most Sundays in the pulpit of his church.

It is the church that provided Mr. Gray with his base of strength for his seemingly sudden rise to political prominence.

He is the third-generation Gray to serve as pastor of Bright Hope. His late father, Dr. William H. Gray Jr., and his grandfather, William H. Gray Sr., preceded him.

And Mr. Gray inherited more than his pastoral duties from his father. Political activism was seemingly also part of the estate.

Dr. William H. Gray Jr., former president of Florida A&M University, was also one of Philadelphia's most powerful leaders in the Democratic Party's reform movement under mayors Joseph Clark and Richardson Dilworth.

Mr. Gray took over as pastor of Bright Hope from his father in 1972 and has guided the church to its present position as one of the most influential black Baptist churches in the city. Its 3,000 active members make it second only to the 5,000-member Zion Baptist church, headed by the Rev. Leon Sullivan, founded of the Opportunities Industrialization Center.

Mr. Gray's connections outside of the city include long-standing friendships with UN Ambassador Andrew Young, who, like Mr. Gray, is a Baptist minister; Mrs. Coretta Scott King; Patricia Harris, secretary of the U.S. Department of Housing and Urban Development, and U.S. Rep. Walter Fauntroy (D., Wash., D.C.). All of them came to Philadelphia to campaign on his behalf.

But it is the coalition that formed the backbone of his campaign locally that Mr. Gray boasts most about.

"My support represented a broad cross-section that came from the city's black community. It was from labor, black professionals, and just everyday people in Northwest Philadelphia and Germantown," Mr. Gray said.

Mr. Gray has served on the board of directors of influential civic and non-profit corporations in the city, including the Urban Coalition, Children's Hospital and the Greater Philadelphia Partnership.

"I have worked for many years in the community interest representing my church," said Mr. Gray, who has shown a keen knowledge of the issues of concern in urban Philadelphia.

In the area of housing, Mr. Gray has founded five nonprofit housing corporations, including one that is developing a $4-million senior citizens housing unit in North Philadelphia. Mr. Gray also is the developer of the Philadelphia Mortgage Plan, which is responsible for bank investments of $27 million in inner-city residential mortgages in areas that had been previously red-lined.

One of his strengths as a politician is his ability to be equally at ease in board rooms with the corporate types who populate the upper end of his district in West Mount Airy and Chestnut Hill, and with the community people in the North Philadelphia black ghetto where he grew up.

Mr. Gray, married and the father of three boys, is an individual with diverse interests, and that is reflected by his background. He was a four-letter athlete at Simon Gratz High School who also achieved scholastic honors.

He is a graduate of Franklin and Marshall College and has graduate degrees from both Princeton University and Drew Theological Seminary.

Mr. Gray thinks he is prepared to enter Congress and has done his homework—an issue that his primary opponent Nix concentrated on last May.

Nix, during the bitter primary fight, was quoted as saying: "He won't be able to find the toilet if he is elected to Congress."

"Not only have I found the toilet, but I will be able to find the floor (of the House)" has been Mr. Gray's response.

[From the Philadelphia Inquirer, Nov. 9, 1978]

He Organized His Way Right Into Congress

(By Thomas Ferrick, Jr.)

Some politicians have charisma. Others have a lot of money. Charles Dougherty, Philadelphia's new Republican congressman, has his "phase lines."

Phase lines, for those unfamiliar with Dougherty's style, are an example of the geometric precision—day-by-day, almost minute-by-minute breakdowns—with which the Republican plots his campaigns.

All those phase lines came together Tuesday when Dougherty, a two-term veteran of the State Senate, defeated incumbent U.S. Rep. Joshua Eilberg (D., Pa.) by more than 20,000 votes.

Certainly the phase lines didn't do it all for Dougherty, 41, who won despite a 2-to-1 Democratic registration edge. The federal grand jury that indicted Eilberg last month helped.

But his way of organizing things is an example of what the residents of the 4th Congressional District, which covers all of Northeast Philadelphia, can expect from the man they are sending to Washington.

He is, to begin with, perhaps the most methodical politician in the area—a man who can tell you off the top of his head the exact number of constituent problems he has handled over the last year.

During the campaign, for instance, he assembled in 12 loose-leaf binders an encyclopedia of information about the Fourth District and his opponent (five of the binders were on Eilberg).

"We put together the best campaign any candidate had running for Congress," Dougherty said yesterday with characteristic bluntness.

It is the kind of statement that only a person who has defied the odds three times—and won—can make.

In fact, in his four attempts at public office Dougherty has lost only once—to Eilberg in 1970 when he was trounced by 35,000 votes.

(In that campaign, he spent about $13,000 against the incumbent. This year he raised $130,000.)

How did Charlie Dougherty succeed?

Dougherty himself supplies the answer. "I believe," he said, "that power comes to those who work."

And, Dougherty—a former Marine and Catholic-school teacher—does indeed work. In the State Senate, where he was the only Republican from Philadelphia, he earned the reputation as a man who did his homework and who skillfully succeeded in mastering the legislative process, despite the fact that he was a member of a minority party.

It was in the State Senate that he was stamped with the "conservative" label. It is a title that irks Dougherty but is justified if you study his record on social legislation. He is a vigorous foe of abortion, forced busing and pornography.

But, Dougherty also defies conventional labels. He is, for instance, a strong supporter of organized labor and he is almost a radical, by Pennsylvania Legislature standards, when it comes to supporting innovative programs for delinquents, the mentally ill and the mentally retarded.

Dougherty's politics emerge directly from his personal experiences. He says that his views on dealing with juveniles come from his years as a teacher—first at Northeast Catholic High School and then at Philadelphia Community College and finally as principal at a Catholic reform school for girls.

He says he is sympathetic to unions because he comes from a working-class family. (His father is a retired Teamster.) Likewise, he supports aid for parochial schools and opposes abortion because he is a devout Catholic.

When he graduated in 1959 from St. Joseph's College, where he studied political science, Dougherty joined the Marines because, as he put it, "I liked the discipline and pride." He is a lieutenant colonel in the Marine Corps Reserve.

Dougherty once considered becoming a priest and also toyed with the idea of joining the CIA or the FBI.

Ultimately, however, he decided that politics would be his vocation and he hopes to practice it successfully for a long time to come.

Dougherty is married and has six children. He plans to keep his family in its modest home on Friendship Avenue and commute to and from Washington when Congress is in session.

THE NEED FOR REDUCTIONS IN TAX SPENDING AS PART OF THE BUDGET PROCESS

Mr. KENNEDY. Mr. President, the administration is currently in the home stretch of preparing budget proposals for fiscal year 1980 for submission to Congress. While the precise details of the President's budget are not yet known, a number of indications have emerged that reveal the priorities being established among competing claims for scarce Federal revenues and the drastic reductions that may be in store for health care and other important domestic social programs.

I intend to work in Congress in the months ahead to support the President in his efforts to eliminate unnecessary Government spending and to insure that the anticipated budget deficit is consistent with the Nation's economic and social goals. But I also intend to work to insure that any budget cuts that may be necessary are imposed fairly, so that no group in our society is forced to bear a disproportionate burden of such cuts, and so that reductions in Federal spending reflect the Nation's correct priorities.

Apart from the treatment of individual spending programs, however, there is another aspect of the budget process that reflects a serious omission in the development of the administration's budget. From the information that has become available to the public, it appears that the President and his budget advisers are directing their attention exclusively to cuts in direct Federal spending programs to achieve their target of a $30 billion deficit. The missing ingredient in this budget process is any effort to reduce the massive amount of Federal tax spending.

This approach to the budget is seriously defective. It means that programs involving large amounts of Federal spending have been arbitrarily exempted from budget review and from the threat of budget cuts.

At a time of austerity in Federal spending, it is unfair to concentrate on cuts in direct spending alone, while providing to blank check for all the spending programs contained in the Internal Revenue Code—the tax expenditure programs.

Nothing turns on whether a Federal dollar is spent as a tax subsidy or another form of subsidy. It is a familiar fact that any Federal spending program can be structured either as a direct spending program or as a tax spending program, as demonstrated by the vigorous congressional debate last year between tuition tax credits and direct educational grants as a means of providing increased Federal aid for education.

Federal law now contains almost 100 separate tax expenditure programs, which are listed annually in the tax expenditure budget. Tax expenditures are found in all of the budget categories into which direct spending programs are divided—in some cases, the dollar amount of tax expenditures is equal to, or exceeds, the amount for direct spending programs in the same budget function.

For fiscal year 1980, Federal revenues spent through the tax laws will total approximately $150 billion, while direct expenditures will total approximately $550 billion under the so-called current services budget. Total Federal spending in 1980, therefore—counting both tax spending and direct spending—will reach $700 billion, with tax spending representing over 20 percent of the total.

As a matter of budget policy, therefore, it would be appropriate for any necessary budget cuts to be allocated in a 4-to-1 ratio between direct spending programs and tax spending programs. For example, to reach the administration's target of a deficit of $30 billion for 1980, it is likely that total spending will have to be reduced by approximately $15 to $20 billion. If the cuts are allocated properly, then $12 to $16 billion of the cuts should come from direct spending programs, and $3 to $4 billion of the cuts should come from tax spending programs. Clearly, direct spending programs should not be required to bear the full brunt of any spending cuts that may be necessary.

Tax expenditures have always had a preferred—but undeserved—position in the budget, because they have an automatic first priority in the allocation of Federal revenues. Direct spending programs compete for the revenues left after all the tax expenditures have been funded. Thus, responsible development of the Federal budget must include an evaluation not only of relative priorities among direct spending programs, but also of the priorities involved in tax expenditure programs.

Unfortunately, there is no evidence that the $150 billion tax expenditure budget is even being given consideration as a source of possible spending cuts by the administration in the preparation of the 1980 budget. Yet, the President's $30 billion deficit figure can be reached as easily by cutting tax expenditures programs as by cutting direct expenditure programs. There is no reason why this large component of the Federal budget should be exempted from examination and from bearing its fair share of the fourthcoming austerity that is likely to be imposed.

The Treasury should be required to justify each dollar spent through the tax expenditure budget with the same degree of precision required of all other agencies in justifying their proposals for direct spending programs. In addition, each item in the tax expenditures budget should be reviewed to determine its priority compared to the direct spending programs in the same budget category that are candidates for budget cuts.

Careful review of the tax expenditure budget is also essential because it is the part of the total Federal budget that is rising the most rapidly and that is most clearly out of control. In the current decade, the number of tax expenditure programs has more than doubled, from 40 to nearly 100. Between 1971 and 1978, the total revenues spent through the tax expenditure budget increased from $51 billion to $112 billion, an increase of 141 percent. By contrast, direct spending climbed from $211 billion to $448 billion in the same period, an increase of "only" 112 percent.

I therefore urge both Congress and the administration, as part of the budget process, to examine the tax expenditure budget with the same care they give to the direct spending portion of the budget. I am confident that such study will reveal spending programs in the tax expenditure list that should be cut before some of the proposed direct spending cuts are made.

To demonstrate this point, I have made a preliminary survey of some of the proposed spending cuts that have received publicity in recent weeks. Then, I have examined tax expenditure programs in the same budget areas. This analysis reveals that often, cuts in tax expenditure items can and should be made before direct spending programs are reduced from present levels. Indeed, reduction or elimination of some of the most wasteful tax expenditures could well free up additional funds for direct spending programs that have higher priority. Clearly, however, cuts contemplated in worthwhile, direct programs could more easily and more equitably be made in tax programs in the same budget category.

First. Nutrition. The administration is reportedly planning to cut $400 to $500 million from the food stamp program, the special milk program for schoolchildren, and the school lunch program.

By comparison, the $1 billion tax spending program that subsidizes lavish meals and martini lunches for corporate executives, doctors, lawyers and other high income business persons will apparently remain untouched. Before Congress makes budget cuts in food stamps and school lunch programs for the poor and middle class, or eliminates the milk program, it ought to cut back this lavish tax subsidy which provides food stamps for the rich.

Last year, the President recommended that the deduction for business meals should be limited to 50 percent of the cost of the meal. Congress did not adopt the President's proposal, but the revenue saved would be more than enough to eliminate the need for the currently proposed cuts in the food stamp, school milk and school lunch programs.

It would be unconscionable for Congress and the administration to continue to provide federally subsidized lunches and alcoholic beverages for high income corporate executives, while cutting back on the basic nutritional needs of the poor and the schoolchildren of the Nation. The President should squarely confront Congress with this situation, and insist that the rich must take a place at the rear of the subsidized lunch line, behind the more deserving families of the Nation.

Second. Health care. There has already been extensive discussion and debate over the level of spending for health care in the direct budget. In recent weeks, the administration has restored some of the needed funds. But many important programs are still scheduled for unacceptable cuts, and I am hopeful that the additional funds will be restored as the budget process develops.

By contrast, the tax expenditures that provide health care largely for a privileged few would remain untouched. In fiscal 1980, tax subsidies for health care will exceed $11 billion. Of this amount, $1.5 billion will go to those with the top 1 percent of incomes in the country—those with over $50,000 income annually.

If we are to have an austere budget on health, the question must be faced as to whether these health subsidies for the rich—provided through tax expenditures—have a higher priority than the direct spending programs slated for drastic cutbacks, especially the programs in the areas of biomedical research and aid to medical schools, where cuts are still planned totaling approximately $500 million.

My own view is that we should move forward now to national health insurance, as the best means of controlling costs and providing adequate health care to all our citizens. But until that goal is achieved, we must make the most efficient use of the Federal funds currently available for health care. Paying 50 percent to 70 percent of the medical bills and private health insurance premiums of the highest income families in the country hardly represents a pressing health priority for the Nation. Revenues should therefore be diverted from these tax expenditure programs in order to held fund higher priority direct health care needs.

Third. Housing. Budget cuts are also being considered for federally subsidized low- and middle-income housing, which will reduce housing units by about 20 percent next year. At the same time, tax expenditures for real estate construction will remain untouched, and will total almost $1.3 billion next year. The direct spending programs benefit low- and middle-income people. But over 75 percent of the tax expenditures for real estate go to the 1 percent of individuals with the highest incomes in the country. It is a distortion of the Nation's housing priorities to reduce Federal spending for low-and middle-income persons, but to continue massive Federal spending in the form of real estate tax subsidies for the over-$50,000 income group.

Even worse, only 6 percent of the tax expenditures for real estate is used to fund low-income housing projects. The remaining 94 percent goes to provide Federal subsidies for luxury apartments, high rise office buildings, motels and similar facilities. Congress would certainly not provide indirect subsidies for these real estate projects, and we should not be subsidizing them through the tax laws. Direct subsidies for low- and middle-income persons should be held at present levels and the necessary budget reductions should come from cuts in real estate tax expenditures.

Fourth. Income security. A number of social security programs are apparently also in jeopardy in order to achieve spending cuts of $500–$600 million. Again, tax expenditure programs in the same budget category would remain untouched.

One of the programs scheduled for elimination is the modest $255 survivor's benefit, which will save $220 million in the 1980 budget. By contrast, a current tax expenditure program will provide almost $10 billion of benefits to survivors of decedents in fiscal 1980. This enormous Federal subsidy is made available through the exemption of tax on the gains in property transferred at death. For the top 1 percent of families, the tax subsidy provides an average survivor's benefit of over $5,000, at a cost of over $6 billion. It makes no budget sense to retain these handsome survivor's benefits for the richest families in the Nation, while slashing the meager $255 direct subsidy that largely goes to low- and middle-income families.

Another direct program to be cut back is the social security benefit for orphaned students. Under present law, students receive benefits until the age of 21. But the administration would phase this down to age 18, for a budget saving of $169 million. There is also a tax expenditure for orphans in the estate tax, which provides a special deduction that benefits orphans through age 21—but only for the wealthiest 2 percent of families in the country, those with the largest estates. The wealthier the parents, the larger is the Federal tax subsidy for their orphaned children. It makes no sense to provide a Federal tax subsidy for children of the country's wealthiest families until they reach 21, but to cut off orphaned students of low- and middle-income parents when they reach age 18. The tax expenditure program should be reduced or eliminated and the direct social security benefit should be retained at present levels.

Other proposed social security cutbacks would reduce minimum benefits for intermittent workers, place a cap on the maximum benefits that a disabled person can receive, and terminate benefits for mothers of dependent children when those children reach 16. These actions are apparently designed to save approximately $250 million in fiscal year 1980. Tax expenditures for private pension plans are, however, to remain unaffected. The tax subsidy for private pension plans will exceed $15 billion in 1980. Over $3 billion of this amount goes to those with incomes above $50,000 a year. Moreover, annual distributions from these plans can be as much as $90,000 per person, many times the social security benefits that are to be cut back. Surely we should be able to agree that a more likely candidate for a budget cut in the pension area is the $3 billion retirement tax subsidy for the rich, instead of direct social security benefits for low and middle income individuals.

Fifth. Education. In addition to the reduction in social security benefits for students discussed above, the administration is reportedly considering a reduction of $200 million in the basic educational opportunity grants program and a larger amount in the Elementary and Secondary Education Act program. Students in middle income families will be the hardest hit by these proposed cuts.

Yet, tax expenditures for education will exceed $1.1 billion in 1980. Of that amount, the 1 percent of families with incomes over $50,000 will receive over $130 million. In short, elimination of tax spending for students from the country's wealthiest families would permit us to come closer to fulfilling the promise of an affordable quality education for students from middle income families. The Nation's priorities are clear, and the budget should reflect them.

Sixth. Employment. The administration reportedly plans a $1 to 2 billion cut in CETA funds, which translates into a loss of 150,000 jobs under the program.

Two tax expenditure programs exist that are intended to stimulate hiring of the unemployed—the WIN tax credit and the targeted jobs tax credit. These two provisions will cost over $600 million in 1980. But, whereas the CETA revenues translate into real jobs, the tax credits have demonstrably produced only a waste of Federal funds and no increase in real jobs. Terminating the tax credit and using the revenues to prevent cuts in CETA hiring would materially improve the efficiency of Federal expenditures designed to reduce unemployment.

As the above examples show, there is considerable overlap among tax spending programs and direct spending programs. Cuts in either type of program can be made to reach the desired level of Federal spending and the budget deficit.

I do not suggest that it will always be preferable to cut a tax expenditure instead of a direct expenditure program. What is essential, however, is that the administration and Congress should remove their budget blinders and examine the entire range of Federal spending programs. The tax expenditure budget contains numerous areas where spending cuts can be made to reach our budget objectives. Neither Congress nor the administration should accept a budget policy that involves drastic new austerity for direct spending programs, while allowing the same old profligacy to continue for tax spending programs.

AN HISTORIC PRECEDENT IS SET

Mr. MATHIAS. Mr. President, January 15, 1979, will long be remembered as an historic day in the annals of the U.S. Senate—indeed in the history of the United States itself.

As Nancy Landon Kassebaum takes her seat in the U.S. Senate, it marks the beginning of a new era. All of Senator Kassebaum's predecessors in this body were first elected or appointed to Congress to fill unexpired terms of Members who resigned or died in office.

Senator Margaret Chase Smith, who served with great distinction in the Senate from 1948 to 1973, was first elected to the House of Representatives to complete the term of her deceased husband. But Mrs. Kassebaum has become a Member of this body completely on her own. It is an honor and a pleasure to welcome Mrs. Kassebaum to this Chamber today. May her tribe increase.

Public attitudes toward women are changing rapidly. This is reflected in a 1975 Gallup poll which showed that 73 percent of the population would support a woman for President, whereas in 1937, only 31 percent of the population would have. The same Gallup poll indicated that 71 percent of Americans believed the country would be as well, if not better governed, if more women held political office. The stage has been set at the grassroots level and I believe we will soon see more women than ever running for political office and running successfully.

Women's representation has increased in State legislatures by nearly 50 percent since 1972. But women are still waging an uphill fight for equal rights and for equal representation in the higher councils of State.

I am happy to report, however, that this has been a vintage year for women in Maryland.

Maryland is a State that has always respected women. It is, in fact, named after a woman—Henrietta Maria, Princess of France and Queen of England. Our capital is named for Queen Anne. Anne Arundel County is named for Lady Baltimore. St. Mary's County, Caroline County, Queen Anne's County, the town of Princess Anne and My Lady's Manor, all bear witness to Maryland's appreciation of women.

After three centuries of slow but deliberate advance in the recognition of women, Maryland has now followed this course to its logical conclusion. A Maryland woman, Margaret Brent, was the first in America to demand the suffrage. Now, four Maryland women—Marjorie S. Holt, Gladys Noon Spellman, Barbara A. Mikulski, and Beverly B. Byron—are members of the first Maryland delegation in the House of Representatives to be equally representative of men and women.

Just as Jeanette Rankin, the first women ever elected to Congress, was successful in her effort to open the political process to women, I am confident that each woman elected to serve in the 96th Congress will make the road easier for those who follow her.

JUDICIAL REVIEW OF VETERANS' ADMINISTRATION DECISIONS

Mr. CRANSTON. Mr. President, in the last Congress, the Senator from Colorado (Mr. Hart) proposed a measure, S. 364, providing for judicial review of final Veterans' Administration decisions and for other changes relating to VA procedures. As I stated on July 19 of last year, in remarks appearing at pages 21673–74 of the daily edition of the Record for that date, the Committee on Veterans' Affairs held 5 days of hearings on that legislation. From the testimony received at those hearings, it became apparent that, while S. 364 had served very well to focus needed attention on the complex issues of judicial review, administrative procedure, and attorneys' fees, the need existed for a substitute measure more specifically tailored to VA claims, adjudication, and rulemaking processes and to the circumstances of veterans and survivors with claims before the VA.

By July of last year, it became clear that, in light of the time required to complete the drafting of a new measure, the need for further hearings on it prior to committee action, and the very crowded state of the Senate's legislative calendar, there was insufficient time remaining to address this matter effectively during the 95th Congress. Therefore, with the concurrence of my friend from Colorado (Mr. Hart), I proposed that committee staff continue its work on the substitute measure and circulate the draft to all interested parties for their comments and criticisms during the fall of 1978 so that early in this Congress, either Senator Hart or I would be able to introduce a new measure.

Also, I agreed to schedule hearings on it and bring it to the committee by May 1, 1979, for disposition.

DRAFT SUBSTITUTE MEASURE CIRCULATED AND HEARINGS SCHEDULED

Mr. President, consistent with these plans, committee staff completed a draft of a substitute measure on December 8, 1978, and circulated it for comments. In a cover letter transmitting the draft legislation, I indicated that the new bill would be introduced early this year.

Subsequently, based on the assumption that the substitute measure would be ready for introduction on the first day of this Congress, I gave informal notice that hearings would be conducted on it on January 30.

HEARINGS RESCHEDULED

Mr. President, because the comments on the draft measure were so extensive and helpful, substantial revisions have been necessary and the new bill could not be ready for introduction today. Therefore, introduction is being deferred until next week.

This means that hearings will not be held on January 30. Rather, following introduction of the bill next week, hearings have been rescheduled for February 22, at 9:30 a.m., in room 318 of the Russell Senate Office Building.

Mr. President, as I have previously indicated, I greatly appreciate the strong leadership and commitment that the Senator from Colorado (Mr. HART) has displayed in this important matter and for his most helpful cooperation. I am also extremely pleased that so many organizations and individuals have given such substantial time, effort, and expertise to the issues raised in this legislation.

TRIBUTE TO FORMER SENATOR ROBERT GRIFFIN OF MICHIGAN

Mr. KENNEDY. Mr. President I wish to pay tribute to Senator Robert Griffin, Michigan's former senior Senator and a national Republican leader who is not with us as the 96th Congress convenes. Throughout his distinguished career in this Chamber, Senator Griffin was highly regarded by all his colleagues on both sides of the aisle.

Senator Griffin was only 32 when he was first elected to the House of Representatives in 1956. He was named one of the 10 outstanding young men in America by the U.S. Jaycees in 1960. He won his first full Senate term by nearly 300,000 votes, the largest plurality given a Michigan Republican senatorial candidate in 20 years.

Senator Griffin's political and parliamentary skills and his leadership ability prompted his colleagues to elect him minority whip of the Senate in his first term, in 1969, and he was one of President Ford's most valued counselors on Capitol Hill.

Senator Griffin's record was one of great distinction, especially through his fine work on the Commerce Committee, the Foreign Relations, and the Rules Committee. His continuing efforts on the national student loan program, for example, made it possible for large numbers of students to attend college with the help of low-interest loans repayable after graduation.

Although we differed on a number of issues overthe years, Senator Griffin was always a skillful and extremely well-informed proponent of his views. He was a credit to his party and to the Senate, and I wish him well in the future.

ABOLITION OF THE ELECTORAL COLLEGE

Mr. LEAHY. Mr. President, last summer I testified before the Senate Subcommittee on the Constitution on behalf of the proposed constitutional amendment to abolish the electoral college. I still believe that this amendment is very much needed and today I rejoin my Senate colleagues in cosponsoring this important measure.

The electoral college system and various proportional systems introduced in the 95th session of Congress remove the tally one step from the voter. This leads to a potential distortion of the final total and may permit a candidate who has won the popular vote to lose the election.

Under the direct election method of electing the President, the votes of individual citizens will count directly toward the final total of that particular candidate for the first time in our history. Every vote will be important and will, I believe, strengthen the party system at the local level. It will also be an incentive to increase voter turnout, which has decreased in recent years.

It has been argued that small States will be hurt by the abolition of the electoral college, that they will lose the proportional clout they now command under that system and that emphasis will be placed in any campaign on major States with small States being ignored. I disagree. With every vote counting equally toward the final total, a community the size of Burlington, Vt., will have equal importance to a town that size in New York, Missouri, or California. Thus, it will be equally important for candidates to spend a similar amount of time in small States. To forego these visits might cost them the election.

Therefore, I reaffirm my support of this proposed constitutional amendment and look forward to early passage of the direct election measure in the Senate this session of Congress.

UNIVERSITY OF HARTFORD HOSTS WHITE HOUSE INFLATION FORUM

Mr. RIBICOFF. Mr. President, inflation is the most critical issue facing Congress, the President, and the Nation. America's economic lifeblood and its very security are seriously threatened by soaring prices, a large and longstanding trade deficit, rising taxes, and an inflation rate approaching 10 percent. Inflation, if permitted to continue, will erode important economic gains which have been achieved in recent years.

There are no simple solutions or easy answers. Government alone cannot solve the problem. There must be cooperative action by Government, business, labor, and all sectors of the economy.

Early last month a high-level White House team—Wage and Price Stability Council Chairman Alfred Kahn, Council of Economic Advisers Chairman Charles Schultze, Labor Secretary Ray Marshall, Esther Peterson, the President's special consumer affairs assistant, and Ambassador Robert Strauss—traveled to the campus of the University of Hartford to explain the administration's anti-inflation program. Over 600 Connecticut business, labor, and consumer leaders as well as State and local officials participated in this important forum. Following a 15-minute telephone question-and-answer session with President Carter, there was a candid and useful exchange between the various Connecticut representatives and the administration spokesmen.

The University of Hartford anti-inflation forum was a valuable contribution to the national dialog on this important issue. All sectors of our State's government and economy were able to participate and to exchange their ideas and concerns with the White House officials. I believe my colleagues will be interested in the matters discussed during the Hartford forum, and I ask that a summary of the meeting be printed in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

WHITE HOUSE FORUM ON INFLATION

INTRODUCTION

On November 8, 1978, a White House Forum on Inflation was held at the University of Hartford's Lincoln Theatre in West Hartford, Connecticut. Cohosted by the University of Hartford and the Greater Hartford Chamber of Commerce, the forum was attended by some 800 people, including invited leaders representing business, labor, education, politics, consumer groups, religious organizations, and the community.

After a welcome by University of Hartford President Stephen Joel Trachtenberg and greetings by Hartford Deputy Mayor Nicholas R. Carbone, Mr. Henry Roberts, Chairman of the Greater Hartford Chamber of Commerce, introduced Robert S. Strauss, Inflation Counselor to President Carter. Mr. Strauss presented the groundrules for the forum: (a) presentations by the four member delegation from Washington; (b) responses from three panels representing labor, business, and consumer groups; (c) a question and answer period; (d) a phone call from President Carter, who would answer questions from three individuals and then offer some remarks.

PANELS

Administration: Robert Strauss, Inflation Counselor to the President; Ray Marshall, Secretary of Labor; Charles Schultze, Chairman, Council of Economic Advisors; Esther Peterson, Special Assistant to the President for Consumer Affairs; Alfred Kahn, Advisor to the President on Inflation and Chairman of the Council on Wage and Price Stability.

Labor: Vinnie Sirabella, President, New Haven Labor Council; John Driscoll, President, Connecticut State Labor Council; Donald Ephlin, Director, Region 9, UAW.

Business: Henry Roberts, Chairman, Connecticut General Insurance Corporation;

Wallace Barnes, Chairman, The Barnes Group; John Flannery, President, State Bank for Savings.

Consumer: James G. Harris, Executive Director, Community Renewal Team of Greater Hartford; Walter Adams, Chairman, Connecticut Senior Citizens Association; Marc Caplan, Executive Director, Connecticut Citizen Action Group.

ADMINISTRATION PANEL

Mr. Schultze: Economic Background on Inflation—Government Actions to Control Inflation:

Mr. Schultze briefly discussed his role as Chairman of the Council of Economic Advisors and then observed that the major single way the federal government affects the economy is by the federal budget.

Mr. Schultze went on to present a history of inflation in the United States over the past ten years. During this period inflation has averaged 6½% in this country, while for our major industrial partners in the world the rate has been slightly higher than 7%. Inflation, then, is a world-wide phenomenon, one with strong underlying momentum.

The problems in this country began a decade ago with excessive stimulation of our economy because the Vietnam War, then heating up, had not been financed with a tax increase. Consequently, the inflation rate rose from two to six percent. Applying brakes to the economy in late 1969 resulted in rapidly rising unemployment and then a recession, with inflation continuing right on through. In 1972–73 a too loose budgetary and fiscal policy compounded the problem, which subsequently worsened further due to a world-wide crop shortage and the quadrupling of oil prices by OPEC. The brakes were applied again, resulting in the worst recession in 40 years, but inflation continued unabated, never dipping below 6%.

We need to deal with two sets of factors, according to Schultze: (a) those which heat up the economy excessively, causing inflationary pressures; (b) the momentum or inertia factor of the wage-price spiral, which tends to continue even after the basic causes of inflation have been removed. Given this history and analysis, a two-part balanced program is necessary to deal with inflation:

1. A set of overall economic policies—fiscal, budgetary, monetary—to address the underlying causes of inflation; and

2. Measures established by the government, and complemented by a program for the private sector, to halt the momentum and break the spiral.

Neither the proper, austere budget and moderately restricted economic policies on the one hand, nor voluntary wage and price restraints on the other, can accomplish the job alone. According to Schultze, we need to combine the two major parts of a balanced program in order to continue moderate economic progress while at the same time unwinding inflation.

The federal government's responsibility in this joint policy will be, among other things, to prevent the rise of inflation out of excessive demand in the economy. This will require an austere federal budget and budget policy, but one consistent with maintaining moderate economic growth on a sustainable basis. However, the country cannot afford a boom, a rapid overheating of the economy.

The new federal budget policy will involve reducing the rate of growth of federal expenditures significantly, reducing the federal budget deficit, and moving towards balancing the budget, all with continued moderate, sustainable economic growth. Specifically, where in 1976 federal spending accounted for 22½% of our gross national product, by 1980 it will drop to 21%, according to President Carter's budget to be proposed to Congress in January. The federal deficit, that was $66 billion, or, 4½% of our GNP, in 1976, will be down to $40 billion (2% of the GNP) in 1979 and $30 billion or less by 1980, amounting to about 1% of the GNP.

(Mr. Schultze had just begun to discuss international economic policy when the meeting was interrupted for President Carter's telephone call.)

Telephone Call from President Carter:

With Mr. Strauss moderating, the President took the first question from John Driscoll, President, Connecticut State Labor Council.

DRISCOLL. The President's program with regard to wages is basically self-monitoring, with employers making sure that compensation is held to 7%, but there doesn't appear to be much of a monitoring process for prices. Why not have some kind of built-in controls on prices, perhaps using Federal income tax to provide management an incentive to hold down prices or a penalty if it fails to do so?

President CARTER. After noting improvements for the people of Hartford and Connecticut in both unemployment and inflation since he took office, Mr. Carter responded that his program is a balanced one. The 7% increase in labor wage standards represents a reduction over previous years, as does the price increase standard of about 5¾% (assuming broad compliance), which is ½% below the average of the past few years. The government will be monitoring some 400 to 500 of the nation's leading businesses and will use any legal means necessary to induce compliance; e.g., the arousal of public interest, the awarding of government contracts (an $85 billion a year proposition), etc. The members of labor will be protected. If they comply with the 7% guidelines, by an income tax reduction proportional to any increase in inflation above 7%. Thus real wages will not fall. Mr. Carter plans to do his share by holding down the federal budget, the federal work force, and federal pay, by cutting the federal deficit to less than half of what it was when he ran for office, and by reducing unnecessary federal regulations. With good cooperation from labor and business, the program and the country will succeed.

The second question came from Edward Bates, Chairman, Connecticut Mutual Life Insurance Company.

BATES. After expressing commitment to the voluntary program, Bates offered that in his belief the success of the program depends a lot upon what the government does in its own area. Noting the President's reference to possible additional legislation, he inquired about those areas that might be under consideration, particularly legislation to control inflationary government spending or to relieve the inflationary cost of legislatively mandated regulation.

President CARTER. While the President felt that it was too early to outline specific legislative proposals, he plans to reduce expenditures through a very tight fiscal budget, the one thing directly under his control. He also plans to build upon recent successes in the deregulation of major industries, such as the airlines, and sees deregulation as inserting a higher degree of competition into the free enterprise system. Another area where legislative efforts are possible to achieve an anti-inflationary end is in hospital cost containment. With regard to taxes, the President will not approve reductions in general income taxes in the future until inflation is under control.

The third question was posed by Mary Heslin, Commissioner of the Department of Consumer Protection, State of Connecticut.

HESLIN. What government actions are planned to assist the consumer in two major areas of concern: (1) increasing food prices; (2) rising health care costs?

President CARTER. Top priority in consumer efforts in 1979 will be to pass hospital cost containment legislation, which has already been approved by the Senate, although blocked by special interest groups in the House and in committees. Arousal of public interest will be helpful with this legislation. State legislation on hospital cost containment has already proven effective, as in Connecticut, or New York, where costs have gone down 6%. With regard to food prices, however, regulation would be a very difficult and, in any case, a mistake. Rather, the market forces on a world-wide basis must determine food prices. However, with bumper crops predicted this year in many areas and food stockpiles fairly high, food prices should be more stable than in the past and not as high in 1979 as they were in 1978.

Turning then to general remarks, Mr. Carter expressed his determination to be tough and persistent in his leadership role in the fight against inflation. He stressed the need for support from leaders in business and industry, from public and elected officials, and from the American people generally, who must be made to realize that through cooperation and effort we can succeed in the battle against inflation.

Return to remarks by Mr. Schultze:

On the international economic front, according to Schultze, the decline of the dollar abroad has significantly worsened inflation in this country. The executive branch, working with the Federal Reserve Board and in cooperation with other governments, particularly those of Japan, Germany, and Switzerland, has taken steps to correct this decline. Believing that the U.S. dollar has sunk in value far below what fundamental economic factors justify, these parties have indicated a readiness to intervene on the foreign exchange markets to correct the excessive depreciation. For its part, the United States government is putting together a "war chest" of some $30 billion in foreign currencies to apply towards the effort. Success in strengthening the dollar abroad will do much towards reducing inflation domestically.

Finally, Schultze considered the alternatives to the balanced, two-pronged, long-run program he had described earlier. On the one hand, very severe fiscal and monetary restraints could be applied by themselves, but the history of the past ten years shows that such a strategy, which was tried in 1969–71 and again in 1974–76, is ineffective. On the other hand, mandatory wage and price controls can be applied, but in a country with perhaps 5 million different commodities and services, they are virtually impossible to administer fully and equitably, as we discovered in 1971–72. While either of these alternatives may produce some short-term results, neither is effective for the long haul. The country's ten-year inflation must be attacked with a program that is politically and economically viable, one characterized by patience and a balanced approach, with government and the private sector cooperation.

Mr. Marshall: Explanation of the Administration's Anti-Inflation Program—Wage/Price Standards, Wage Insurance Program:

Emphasizing again the need for government and private sector cooperation, Mr. Marshall went on to explain the private sector component of the program, which is built on several principles:

1. an equitable system which applies to wages and prices both;

2. provision for a low-wage exemption for workers earning less than $4 an hour, along with the real wage insurance program in the event that inflation exceeds 7%;

3. a plan which will provide a flexible al-

ternative to the short-term and ultimately self-defeating controls or recession.

The proposed program is flexible (and so subject to evolution as we learn more about how inflationary pressures and their remedies work in the economy); it is simple (in order to promote understanding of and cooperation with it); and it is long-run, designed to address basic causes rather than symptoms of inflationary pressures.

The numerical wage and price standards suggested for the program are necessary as a guide for concerted, coherent action among all sectors and as yardsticks for evaluation and monitoring if equity is to be maintained. The 7% standard for wages and fringes, which applies to the *average* wage increase for specific employee groups but not necessarily to each individual, is intended for all classes of workers—blue collar and white collar and managerial people, whether in government or private industry. The two exceptions are low-wage exemptions for workers earning $4.00 per hour or less, and wage increases under contracts already signed. The 7% standard can accommodate a cost-of-living factor, evaluated at 6%, which is the rate to be used in contracts with cost-of-living clauses. The price standard—½% below the average increase for 1976 and 1977—likewise applies to the average price of products produced by individual firms, but not the price of individual products. Where a firm cannot meet the standard, a profit margin test will be needed.

The two standards, applied together, should produce a deceleration in inflation. However, given some slippage due to contracts and cost increases already in the pipeline, the theoretical ideal of 5¾% for next year will actually be in the neighborhood of 6 to 6½% if the program is successful. If the program fails to hold inflation under 7%, workers, who may be under a long-term contract, will be protected by the tax refund provisions of the real wage insurance proposal.

Incentives to compliance with the proposed balanced program include, first of all, its reasonableness. Furthermore the Council on Wage and Price Stability will monitor the economy and, in particular, will work closely with the nation's 500 largest companies to assist in the interpretation and application of the standards. The government will encourage compliance in three major ways:

1. by undertaking specific administrative action where there is statutory authority to deal with particular inflationary situations;
2. by focusing and harnessing public attention through various means such as public hearings;
3. by channeling procurement, as a major purchaser of goods and services, to those firms which comply with standards.

Mr. Kahn: Goals of the Administrations' Anti-Inflation Program:

After reiterating the alternatives to the President's program—deep recession or mandatory controls—and further explaining the problems with them, Mr. Kahn set forth the nature of his job. His mission is to rove across the whole geography of government regulatory policy, specifically, and government economic policy, generally, and to call attention to whatever imposes unreasonable and unnecessary burdens on the economy. He will attempt to identify policies that prevent the competitive market from functioning freely; that shelter and create monopoly; that protect and subsidize special interest groups at the expense of the general populace; that interfere with economic progress and growth. And looking at the other side of the coin, he will seek ways to create incentives, improve productivity, and increase economic growth.

In particular, Kahn plans to look hard at those sectors of the economy that have borne with the greatest weight on the consumer:

With regard to food, for example, while bad weather and subsequent price rises based on scarcity are outside of control, there is an enormous range of government policies that can have a positive effect: (1) price supports; (2) acreage limitations; (3) restrictions on imports. There is room for much creativity in the area of income support for farmers, for example, or in increasing the efficiency of food distibution through a reform of the restrictions on entering into trucking.

With regard to housing, there is work to be done cooperatively with unions and contractors to study land form restrictions and building codes, to consider ways of shifting property taxes from improved to unimproved land, to find ways of reversing the declining productivity of the past few years.

With regard to energy and utility bills, while we can't control OPEC or the price of oil, there are internal policies we can pursue that will help, like eliminating the declining block-rate system which provides rewards for consuming more where there is no justification in cost for it, or reducing time of use pricing to reward people for conserving at those times when the costs are high.

And with regard to medical costs, there are some ridiculous methods of pricing and delivering medical care and much work to be done in this area.

Mr. Kahn expressed confidence that we can do what needs doing without turning away the human face of government, without sacrificing the necessary protections of consumers, of workers on the job, of the environment. However, it will be a long-term job, but one at which we can and must succeed because the alternatives are unacceptable.

Ms. Peterson: Consumers' Response to Inflation:

The bottom line in all these concerns, according to Ms. Peterson, is the consumer. Inflation is the biggest fraud there is. It concentrates on the necessities of life and threatens the dignity of the elderly and the poor.

The President's program is designed to reach into the areas of food, health and medical care, housing, and energy. We must be aware as consumers that, for example, 60% of the food dollar is in trucking and other non-farm costs, and that a major part of the inflation in health care is due to third party costs. Clearly, there is room for progress, Peterson feels such as will be achieved if hospital cost containment legislation passes in the next session of Congress.

Regardless, though, of the measures taken in the larger arena by the government and the private sector to stop inflation, individuals and families must become more prudent consumers. Ms. Peterson then indicated pamphlets containing tips and information for consumers which had been included in the folders distributed to the audience. Such information, she felt, would provide ideas to help people cope with inflation while we are all working on the problem.

LABOR PANEL RESPONSES

John Driscoll, President, Connecticut State Labor Council:

Speaking for the A.F.L.-C.I.O. which he represents, Driscoll expressed doubts about the workability of the program. Noting that Connecticut workers have lost 5% in real wages over the past ten years, he maintained that requested wage increases are necessary to keep pace with the rise in living costs and that it is not wages that drive up prices. The emphasis in the plan is too exclusively on wages, in Driscoll's view; it does not address: corporate profits; increases in corporate dividends; increase in executives' compensation; or speculative capital gains, as result, for example, from speculation in real estate.

If Congress cooperates with legislation, and they may not, wages would be held down but price increases would still lead to the demand for mandatory controls. It would be better, Driscoll believes, to have full control of all incomes across the board from the start.

Donald Ephlin, Director, Region 9, United Auto Workers:

The UAW, according to Ephlin, supports the President's goal, although many aspects of the program are not yet clear. By the time the UAW's large contracts need to be renewed—about a year—the program will have had ample chance to prove if it is workable and equitable.

Mr. Ephlin pointed out that the UAW backs increased productivity through new technology and innovation (a goal of the program), observing that gains in productivity should benefit the workers and the stockholders, and should result in lower prices for the consumer. He went on to endorse the concept of real wage insurance, although suggesting that the lower earning level be increased to $5.25 an hour.

Vinnie Siribella, President, New Haven Labor Council:

The President's program, in Siribella's view, is fundamentally unjust to working people. It provides no guarantee for reducing inflation. It makes no catch-up provision for wages which have been behind. It doesn't consider executives' prerogatives to supplement their salaries with stock options. It permits profits to rise while labor's share continues to slide, since productivity gains benefit owners, not workers or consumers. It does not control foreign import prices. And it allows firms to circumvent the spirit of the plan while adhering to the letter by making slight cosmetic changes in products in order to label them new and raise prices above the standards.

Prices and wages can be controlled only by controlling the profit-making decisions of the major corporations, a principle incorporated in the A.F.L.–C.I.O. recommendations. The President's program is going to be too loosely administered for labor to have confidence in it or to back it at the bargaining table. There are no guarantees that the sacrifices of American workers will result in stabilizing the country's inflationary problem.

BUSINESS PANEL RESPONSES

Henry Roberts, Chairman, Greater Hartford Chamber of Commerce, and Chairman of the Board, Connecticut General Insurance Corporation:

The business panel's position, which Roberts believed to be consistent with the thinking of the Hartford area business community generally, could be found in a brief written statement (attached) available following the meeting.

Mr. Roberts did go on, though, to observe that in the panel's view programs designed to control wages and prices, whether voluntary or mandatory, have failed to deal constructively with inflation. Nevertheless, the panel felt that the President's program of wage and price constraints would have value for a limited time in support of more fundamental actions by the White House, Congress, and the Federal Reserve, and they intended to be supportive.

Wallace Barnes, Chairman, The Barnes Group:

After indicating his support and what he believed would be the support of business for the program, Mr. Barnes attacked mandatory controls as having a dismal record, as being costly and unfair and difficult to administer. They do violence to the free market system, building distortions in wages and prices and killing incentive for constructive, voluntary action.

Voluntary action to accomplish a well-defined public purpose can be much more effective, Barnes felt, pointing to the vigor and success of such phenomena as Consumerisms, the Environmental Movement, and the Civil Rights Movement.

With the government leading the way, as the President has declared it would, voluntary support from the private sector should work long enough to break the wage-price spiral, giving the government enough time to adopt the necessary monetary policies and spending and regulatory restraints. Once equilibrium is restored after a period of atonement, the free market system with its checks and balances based on supply and demand will be the best permanent controller of inflation.

John Flannery, President, State Bank for Savings:

Rather than wage and price guidelines, Mr. Flannery preferred to comment on the recent rise in the discount rate and the dollar support program. These he saw as well-reasoned, courageous, and appropriate actions to bring the government's resources to bear on inflation, albeit directed primarily at the international money market and the dollar question. Particularly encouraging were the coordination between the Administration and the Federal Reserve Board, despite questions this might raise about the continuing independence of the Board, and Chairman Schultze's indication that the "war chest" is being expanded.

Mr. Flannery did voice concern, though, about the continuing effectiveness of this tactic when its results on domestic credit markets, particularly housing and consumer lending, are felt. He also wondered about the commitment to the program under more adverse conditions than exist presently. The first step, then, must be followed with decisive, imaginative action to reduce the federal deficit, despite the political difficulty of reducing programs or curtailing services. Otherwise, there is a real risk of continued inflation, higher interest rates, and dislocations in credit markets.

Henry Roberts: Summary of the Business Panel's Position:

Business will support the President's program, but more vigorous government actions must be taken than have been to date, and tighter constraints on programs are essential. If business can help in that area, it stands ready.

CONSUMER PANEL RESPONSES

Walter Adams, Chairman, Connecticut Senior Citizens Association:

In view of the prepared statements of his two co-panelists, Mr. Adams simply posed a few questions: (1) How will the President's anti-inflation policy affect the elderly and those on fixed incomes? (2) Will it benefit them, and when will it start to benefit them? (3) Will there be an escalator clause put into Social Security? The questions, Mr. Adams was informed, would be answered after his panel's presentations.

James Harris, Executive Director, Community Renewal Team of Greater Hartford:

Echoing Ms. Peterson, Harris noted that the consumers are the only ones who cannot pass on the burden of inflation to anyone else; they must bear it themselves. Turning then to those on fixed incomes, he explained that these Americans are affected more than any other group by price increases, such as those in food costs. Connecticut welfare grants are based on the 1974 index, and persons on fixed incomes, unlike middle-income people, cannot "buy down"; they are already surviving on essential foods such as rice, beans, grains, etc. Yet the price of these foods, as well as of luxuries like steak, is rising.

Presently, New England imports 85% of all its foods from outside the region, which aggravates high prices because of trucking costs, middlemen, etc. Harris feels we must turn to more small farming in the Northeast, especially since the key to a nutritional diet (and some avoidance of health care costs) is fresh fruit, vegetables, and whole grains. Small programs have been tried in the area, but a concentrated effort, supported by federal and state government, must be mounted to encourage small farming in the region, and Harris asked if there were government programs to encourage New Englanders to grow their own products.

Marc Caplan, Executive Director, Connecticut Citizen Action Group:

After indicating his support for much of the program as it had been outlined, Mr. Caplan focused his remarks on where the average American family feels the impact of inflation. Four of five American families spend 70% of after-tax income on four basic necessities—food, fuel, housing, and health care—and these are the areas that have been skyrocketing, with food up 18%, energy up 15%, mortgage interest rates up 18%, and hospital costs up 9% in the first half of this year alone. Caplan then turned to discuss three areas where myth might be overriding fact:

On the question of regulations . . . the kind of de-regulation in airlines and trucking that the administration is talking about is certainly worth supporting. But health, safety, and pollution regulations, the costs for which increase the cost of living from one-half to one percent, are another matter. Even with a 20% reduction in these kinds of regulations (and the concomitant, significant curtailments in health and safety programs), we would be getting only one-tenth of one percen savings in inflation. Yet it is estimated that 90% of cancer is caused by environmental factors. Clearly, we must look with discrimination at the different kinds of regulations.

On the question of wages . . . in attempting to keep pace with inflation, wages have been part of the problem, but it is a myth that they are the cause. In health, for example, it is doctors' fees, not nurses' and hospital workers' wages, that have been outstripping inflation. The share of the consumer's dollars going to labor has actually been dropping in such areas as hospital charges and housing construction. The alleged effect of wages on inflation must be examined critically.

On the question of economic competition . . . Mr. Caplan supports de-regulation efforts and agrees with the need for competition and the free market, but he is concerned about the anti-competitive practices of concentrations of economic power in some areas, e.g., food (flour, grains, etc.), energy (with big oil even buying up coal, uranium, and the other energy sources). He wonders what vigorous anti-trust action the administration will pursue to prevent massive concentrations of economic power, especially in the four key areas for consumers.

Finally, Caplan commented on what can be done in Connecticut—farm markets, cooperatives, expansion of the recently enacted farm-preservation bill to insure a stable food supply. Vigorous efforts are needed, too, in containing insurance fees and hospital costs (the Hospital Cost Commission is making some progress, although slowed by too much political pressure). And along the lines suggested by Mr. Kahn, the utilities industry in the state must look carefully at projections and real energy conservation programs.

ADMINISTRATION PANEL'S RESPONSE TO QUESTIONS

Ms. PETERSON. Consumers in general, but the aged especially, are hurt by inflation, Peterson agreed, but felt that some help was available through food stamps and other programs. Even such devices as the inflation-fighting pamphlet included in the attendees' folders can help people cope and get the most for their dollars. Of course, the best answer for older people will be to cut the rate of inflation. In the interim, Peterson sees real value in consumers' self-help programs—buying clubs, gardening, and so forth.

Mr. SCHULTZE. Referring to a point made by both the labor and consumer panels, Schultze agreed that inflation has not been caused by wages. In fact, there are few villains totally inside our borders. However, all of us—government, business, labor—in trying to keep up or catch up, play a role in perpetuating inflation. Yet the wage-price spiral hasn't worked, as neither profit margins nor real wages have gone up over the past ten years. The way to catch up is not through higher prices or wages but through a reduced rate of inflation.

The plight of the poor and the aged, which it has been suggested is the most acute with respect to inflation, likewise can be addressed best by a reduction in inflation. In a time when government revenues are in some jeopardy (e.g., Proposition 13, etc.), that is the best way to increase the real incomes of the poor and aged without increasing government expenditures.

Finally, there are those areas which require the major share of consumers' incomes, especially for low income groups, and in which inflation is felt most keenly: food, energy, housing, hospital care. Yet, 60% of the price of food is in the industrial economy—processing, wholesaling, retailing, transportation. And 50 to 70% of the cost of energy is attributable, not to the price of raw energy forms, but to the industrial sector which processes and delivers it. A similar case can be made in housing. In other words, the major areas of cost in these necessities are susceptible to the President's program; wage and price standards apply. As for those areas where they do not—farm prices, OPEC rates, etc.—special measures can in many cases be applied, but a lowered rate of inflation is the best way to reduce the pressures that lead to higher prices in these areas outside of our control.

To sum up, wages are not the cause of inflation, but wages and prices, government, business, and labor, are all part of the cure.

* * * * *

Mr. Schultze's remarks concluded the formal program. Mr. Kahn then turned the floor over to President Trachtenberg to accept questions from the audience.

TRIBUTE TO FORMER SENATOR FLOYD HASKELL OF COLORADO

Mr. KENNEDY. Mr. President, I would like to pay tribute to a close friend and one of our most distinguished colleagues, Senator Floyd Haskell of Colorado, who is not returning to the Senate. His fine record of service here and the extraordinarily high quality of his work will be remembered well by all of us who knew him and respected his leadership.

With his departure the Senate has lost one of its few real experts on energy. His great ability in this area, especially on the many complex questions involving oil shale made him an undeniable asset in the Senate. He was the floor manager of the Coal Conversion Act, which is designed to accelerate the conversion by the United States to coal as a source of energy. He was the author of the first successful solar energy program to pass the Senate. He was also the creator of the Office of Energy Information in the new Department of Energy. As a result of these and many other efforts, Senator

Haskell played an outstanding role in the Nation's evolving energy policy.

Senator Haskell also worked hard to achieve a coexistence between the need to unearth new energy resources and the equally important need to protect the environment. He was the author of three major wilderness bills. He rewrote the authorizing legislation for the Bureau of Land Management. He was also a pioneer in recent years. Few, if any, Members protect communities affected by energy development.

As a champion of small business, Senator Haskell helped to lead the effort to preserve the Senate Small Business Committee and to give it jurisdiction to report legislation of its own. He also deserves great praise for his authorship of the jobs tax credit legislation in 1977, which has provided major benefits to small business.

Senator Haskell was also a leader in tax reform, and as a member of the Finance Committee he was responsible for many of the most important initiatives in recent years. Few, if any Members of the Senate had a more sophisticated or detailed grasp of the complexities of the Internal Revenue Code than Senator Haskell. He used his skill wisely and effectively for the lasting benefit of the Senate and the average American taxpayer, and we shall miss his leadership in the years to come.

FAIR TRADE OR FREE TRADE?

Mr. HEINZ. Mr. President, I bring to the attention of my colleagues an interesting article by Robert M. Kaus that appeared in the Washington Monthly shortly after the 95th Congress adjourned. In this article, titled "Getting Tough on Trade," Mr. Kaus explodes some of the popular myths about trade policy currently being perpetuated by the Carter Administration. He points out quite accurately the tendency of many in the administration to label anyone who disagrees with them on trade issues as rabid protectionists, regardless of the facts of the situation; and he clearly demonstrates with numerous examples the degree to which the United States is taken advantage of by the protectionist policies of our trading partners. In fact, what Mr. Kaus is saying is that free trade itself is a myth, made so not by our policies but by those of our trading partners. Thus the question for policymakers is not how to maintain free trade, but whether unfree trade will also be unfair, whether we will continue to permit others to take advantage of us and our economy without firm action. This is a thoughtful provocative discussion, which I hope all Senators will read. Mr. President, I ask that the article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Getting Tough on Trade

(by Robert M. Kaus)

Few eyebrows were raised in the last few months when the financial leaders of the free world delivered stern warnings to the United States about its economic policies. If the U.S. wanted monetary stability, they said, we should put our own house in order. It was *our* balance of trade that was billions in the red, and *our* currency that was sinking to new lows on world money markets. At the annual convention of the International Monetary Fund, President Carter asked the assembled leaders to be patient—his own "reputation as a leader" was committed to erasing our shameful trade deficit.

We are so used to foreign accusations against the U.S., and so used to agreeing with them, that these latest criticisms probably had a great deal of credibility. Were they justified? Foreign trade and the U.S. deficit have become big issues in Washington. It is important to examine honestly how we got into our current mess, looking especially at the role played by some of the countries that are so quick to remind us of our duties to the free trade system.

Let's start with Japan—the nation that has profited most from the relative openness of the American market. After World War II, Japan's rebuilding effort was guided by a pervasive fear of a trade deficit. The twin principles of Japanese trade policy during this period were free trade abroad (for Japanese exports), and protectionism at home (to avoid foreign competition). Protectionist devices that the most ardent labor "fair trader" wouldn't dare propose in America today—you name them, the Japanese used them. Their economy was sealed off from foreign investment (although for part of the period Japanese investment in the U.S. was *encouraged* by our tax laws). High tariffs were only the first line of Japan's defense against foreign goods—they were backed up by a comprehensive scheme of important quotas and enforced by a protection-minded government bureaucracy, the Ministry of International Trade (MITI)—or the "Ministry of One-way Trade" as it came to be known in foreign business circles. From 1945 to 1965, the Japanese were the renegades of the free trade world.

In 1955 the United States sponsored Japan's official entry into the free trade brotherhood—a membership in GATT (General Agreement on Tariffs and Trade). Only in the mid-60s however, did Japan begin to lower the official trade barriers, encouraged by a booming business of exports to other nations' markets. The tariffs began to fall during the Kennedy Round reductions of 1968. But although Japan's balance of trade had turned favorably in 1965, Japan kept its quota system largely intact until the early 70s. It wasn't until late in this decade that Japan dropped quotas specifically designed to combat America's strength as an exporter in high technology items like computers.

Eliminating all these tariffs and quotas was a great thing—unfortunately it didn't necessarily mean that Japan's market (second largest of non-communist nations) was open to the world. For the contribution of the Japanese to the science of protectionism wasn't in the field of tariffs and quotas. Those hoary devices are highly visible, and in economic circles, pretty disreputable. The Japanese had discovered a far more potent weapon: bureaucracy. If tariffs are easy to argue against, safety standards are not. And so American manufacturers attempting to unload appliances in Japan would be told—so sorry—but the cords were the wrong size. And the motors, too, were unsuited to Japan's peculiar climatic conditions. American pharmaceutical manufacturers discovered that prohibitive new health regulations just happened to spring up in the very product lines where they had a competitive edge.

Indeed, in Japan the "partnership of government and business" that so many American politicians visualize achieved reality. When a non-Japanese manufacturer sought a safety certification for an inexpensive electrical appliance, his application might be routed down to a lower level bureaucrat in MITI whose other activities included looking after the welfare of the Japanese appliance industry. "Because the approval authority is not independent of the ministry concerned," note James Abegglen and Thomas Hout in the current issue of *Foreign Affairs*, "there is substantial room for mistrust and misunderstanding." In other words, it's not rare that the bureaucrat would delay the certification of an import long enough to let the Japanese manufacturers come out with a competing model. Similarly, importers might find that their customers quietly had been given "administrative guidance" to "buy Japanese."

Today, even skeptical U.S. observers believe that many top officers in the Japanese government sincerely want to remove these bureaucratic obstacles. The problem these officials face is getting this message accepted in the ranks of protection-minded lower level bureaucrats and in the more industry-oriented ministries. "Those guys are very insulated, closely tied to the interests they regulate and there is not much improvement," noted one American expert. "It is going to be an extraordinarily slow process." When U.S. manufacturers last year achieved a breakthrough in the production of phosphate fertilizers, MITI responded with an unwritten and unpublished series of administrative "requests" to local consumers that limited U.S. imports dramatically.

Or consider the recent experience of one American entrepreneur, T. R. Cataldo of Micro-Lert Systems International. Cataldo has invented an electric device—a reverse "beeper"—that can be worn around the neck of those who, like epileptics or likely heart attack victims, may need emergency medical assistance. When help is needed, the wearer simply squeezes the device, and it sends out a signal calling a pre-arranged group of doctors or relatives. Cataldo's brainchild has tremendous potential for saving lives and eliminating the need for expensive institutional care. Late last year, on a trip to Japan, Cataldo decided to talk with the Japanese Ministry of Post and Telecommunications about marketing his product. Very interesting, a succession of ministers told him—there was nothing like it in Japan. But approval, unfortunately, would be difficult. Had Mr. Cataldo thought of manufacturing his device in Japan? It would be so much easier to get the product approved if it was licensed to a Japanese producer.

Cataldo had come face-to-face with the so-called "public policy" sector of Japanese industry—a government-run series of utilities and enterprises where "buy Japanese" is an explicit credo rather than a clandestine bureaucratic campaign. The frank public statements to this effect by the head of Japan's telecommunication industry have been a considerable embarrassment to the Fukuda government's attempt to convey a "free trade" image.

It would be unfair, of course, to give the Japanese all the credit for perfecting the bureaucratic hassle as a way to preach free trade but practice protectionism. Most European nations have fostered the art as well. France is notorious for its ingenious restrictions on the import of pharmaceuticals. In Italy, tariff barriers to popular U.S. imports of corduroy and denim aren't insurmountable, but there is a little paperwork needed. The importer must prepare nine copies of an import authorization form and complete (in triplicate) a technical certificate giving the material's fiber and dye content, weight, and so on. These forms then go to an imports office in Rome. After approval there, they go to the Ministry of Finance. After approval there. . . .

OUR BARRIERS ARE VISIBLE

Nevertheless, you are thinking, the United States blocks some imports too. You are right. But consider the following:

The barriers to foreign trade in the U.S. in the postwar era largely took the form of tariffs or negotiated import restraints. So-called "non-tariff barriers"—subsidies for exports, restrictive safety standards, import licenses, burdensome paperwork requirements—are generally conceded to have been much greater in other nations. The 1968–73 Kennedy Round of GATT negotiations successfully lowered tariff barriers dramatically but it deferred action on most nontariff barriers. The result was arguably to benefit the trade surpluses of those nations who relied on the invisible bureaucratic methods of protectionism.

The U.S., Japan, and the European Common Market (EEC) all protect their agricultural sectors, to some degree, from foreign competition. Section 22 of the Agriculture Act of 1923, for example, broadly allows the U.S. to limit imports which "interfere" with programs of the Department of Agriculture. Needless to say, there are plenty of those programs, and the provision has been invoked to protect several U.S. industries—notably dairy and sugar. But the protectionist shields of Japan and the EEC are far less selective, and have a greater restrictive impact on trade than our law. Nevertheless, in both Europe and Japan, the U.S. is repeatedly told that the political clout of local farmers makes broad agricultural liberalization "non-negotiable."

Like other countries, the U.S. has a "buy domestic" policy of government procurement. But there's a key difference. The American policy is explicit, written in a statute, and the preferential margin is fixed by law. Foreign suppliers are notified of all bids and specifications. The winning bid is published. The advantage accorded any American firm may be readily discovered. In contrast, the discriminatory policies of other countries (again, including the Common Market and Japan) don't incorporate this "due process." Often, U.S. firms aren't told when bids are taken or specifications change. The impact of this *sub rosa* discrimination is much more difficult to measure than our above-board policy.

In the three decades after World War II, the U.S. generally kept its markets open to Japanese products. European nations, in contrast, were quick to abandon free trade principles and erect barriers against Japanese competition. As a result, goods that Japan could have sold in Europe have been diverted to this country. In 1972, Japan claimed only 3.6 percent of total European imports, but 16.3 percent of goods imported to the U.S.

How did all this come to pass? Free-traders in the United States, particularly those involved in ongoing negotiations, portray the situation as a complex one in which each nation has its own dirty hands, and in which the common interest of all is served by a carefully orchestrated, mutual lowering of barriers. Confrontation is to be avoided; above all, no nation should blame any other nation for having played the balance of trade game to its advantage. The whole process is somewhat like a California sensitivity session during the mellow 60s—interdependent, "nonconfrontational," "nonjudgmental."

The big picture view misses is the distorting role of anti-communism in U.S. trade policy after World War II. In 1945 America saw its primary mission in the Far East as the reconstruction of Japan as a stable and prosperous ally. The main goal of our relationship was not a favorable balance of trade with Japan, but a mutual security treaty. It seems crazy now, but in 1962, when the Japanese resurgence was essentially complete, President Kennedy still gave as a central objective of our free trade policy "the need for new markets for Japan and the developing countries." These strategic, rather than economic, objectives dominated our European policy as well. As a rich strong nation, we could afford to look the other way if other nations chiseled a bit behind the rhetoric of free trade—if it helped their economies, so much the better. We adopted a lofty, principled view of international commerce—and even if others didn't play the game by the rules, by golly we would.

This lofty view began to be increasingly unrealistic about 15 years ago, as America's economic dominance waned, and multinational corporations spread advanced industrial techniques around the world. But our complacency was reinforced by a more sophisticated moralism among economists. Many postwar economists just couldn't understand why other countries would want to play the protectionist game. After all, economic theory proved that by denying itself the benefit of cheap foreign goods, a nation which erected trade barriers would only hurt its own interests—even if its trading partners refrained from retaliation. The theory assumed of course that all nations start from a position of full employment—but postwar economists were confident that this could be achieved by the new, sophisticated techniques of deficit spending and monetary control. Looking back on thirty years of chronic unemployment, it's harder to scoff at the foreign politicians who, heedless of economic theory, tried to protect local jobs by keeping exports high and imports low.

In 1973, with the floating of international exchange rates, economic strategists came up with new reasons to discount the impact of foreign protectionism. Any nation that tried to block our imports, it was theorized, would quickly pay the price—as its trade surplus grew, its currency would appreciate and our exports would become cheaper and more competitive. We could stick to our principles and wait for this monetary retribution—or maybe even hasten it by "talking down the dollar," as Treasury Secretary Blumenthal did last year. But in the real world, foreign trade barriers, rather than falling before the threat of dollar devaluation, played a role in frustrating Blumenthal's strategy. If other governments are determined to keep us out of their markets, we won't increase sales no matter how big the bargains we offer. The dollar has been falling for a year and a half; its decline has yet to dramatically boost U.S. exports—and this failure has only sent the dollar down further.

REDNECKS

We are now paying the price, in our massive deficits, for our high-minded view of free trade. The first step towards improving the situation is what it has always been—to realize that the battle for world trade is a grubby fight for goods and jobs, not a spiritual struggle to maintain free trade purity, and that, after sacrificing economic advantage in the name of anti-communism, we have entered the fight late. In short, we should know when we're screwed and not be afraid to screw back in order to stop it.

Yet the lofty view persists. While researching this article, I called up one former State Department official, and asked him if he agreed that the U.S. had allowed itself to get the short end of the stick in trade negotiations. He termed the suggestion "protectionist," and added, "you can get a lot of rednecks to say that, but you can't get anybody *responsible* to say it."

He is more or less right. The near-universal attitude among the international trade intelligentsia is that any attempt to dramatize the ways in which American exports are unfairly blocked is an attempt to promote a narrow-minded protectionism generally associated with the AFL–CIO. Responsible people may know when they're being had, but they would never be seen angry in public, lest they be mistaken for rednecks or disciples of George Meany. To date, the favorite negotiating tactic of the Carter administration and Special Trade Representative Robert Strauss is to achieve freer trade by using the specter of rabid American protectionism as a club with which to threaten the leaders of foreign nations. "Give us equal access to your markets," Strauss implies, "or we won't be able to hold off the crazies in Congress who want to block all imports." American senators traveling to Japan are encouraged to exaggerate the protectionist threat, and every foreign concession is welcomed with a carefully staged sigh of relief—"Let's hope that keeps Congress happy for a while."

What's missing from this scenario is any attempt to generate popular support for the view that free trade is good, but that it's about time that American businessmen received the same treatment in other nations that foreign businessmen generally get over here. Instead, Strauss' office fears that any public outpouring of dissatisfaction will play into the hands of those who don't want free trade at all. In doing so, the administration has deprived itself of one of its most powerful bargaining weapons—the power of public opinion.

The problem was illustrated during the recent trip of a U.S. trade aide to Japan. Strauss wanted to present a set of demands to the Japanese government, but he did not want to provoke a confrontation. So, it was decided to send a low-level official, and General Counsel Richard Rivers got the nod. His conservative personal style was expected to contribute to the nonconfrontational air of the meetings.

But Strauss' advisers had miscalculated the Japanese awareness of trade politics. Rivers' demands leaked to the Tokyo press before his arrival, and this, coupled with negotiations in Washington and the American announcement of planned troop withdrawals from East Asia, turned the low-level mission into a "sensational media event." Rivers' calm presentations were portrayed as aggressive and demanding. By the time he met with Prime Minister Fukuda, the Japanese head of state could introduce him, only half-jokingly, as "the most famous man in Japan."

The point of this incident is not that Strauss' office bungled the mission, but that trade policy is a matter of intense public debate in Japan. The force of the resulting public opinion is one source of Japanese strength in trade negotiations—one reason that they can label some concessions "non-negotiable." The debate has hardly started over here—how many Americans have heard of the Japanese counterpart of Richard Rivers? And the administration is doing little to stir up public sentiment in support of its policies—preferring to whisper its views to foreign leaders. But a little public righteousness—against foreign barriers to our trade, rather than against "cheap imports"—might be a powerful weapon at the GATT talks.

While we have been petrified by the possibility of a public confrontation with other nations, we haven't been able to use effectively our greatest weapon for breaking down barriers abroad: denial of the vast American market. At any point over the last two decades the aggressive use of this threat might have been extremely effective in bringing down both hidden and visible barriers to our exports. But as long as retaliation is only something that protectionists recommend, the threat isn't very credible.

Effective retaliation need not be heavy-handed. For example, Underwriter's Laboratories, the private American concern that certifies the safety of electrical appliances, has an army of inspectors in Japan, efficiently approving Japanese goods for American export in the comfort of Japanese factories. Japanese safety inspectors, on the other hand, don't make house calls; U.S. manufacturers must still go through the costly process of hiring Japanese agents and sending prototype models to Japan for testing. It wouldn't be difficult for the American government to impose similarly cumbersome requirements on Japanese goods until they gave us the same courtesies we now give them.

These alternatives will be unavailable to any administration as long as it concedes the "hard line" in trade matters to the protectionists. What would be the effect if Robert Strauss stood up and said, "if you don't give us fair treatment, not only will the Congress recommend retaliation—damn it, I'm going to recommend retaliation." How much better would things be now if something like that had been done 15 years ago?

American government policies don't deserve all the blame for our trade decline. Our businessmen had their own lofty view. All too often they preferred to accommodate foreign trade barriers by building plants abroad rather than engaging in the messy task of beating down the barriers from the outside, or hustling American-made goods in spite of those obstacles. Still, it's the government's job to channel the energies of American business in directions consistent with the national welfare. If multinational companies don't care where they make their money, the Departments of State and Treasury should.

Free trade remains a desirable goal—the economists are right when they say it allows international specialization that in the long run will benefit all nations. It is not, however, a self-enforcing mechanism, and we can't afford to sit back and congratulate ourselves on our economic wisdom while our trading partners profitably beat the system. That's how we got into the current mess. To start undoing the damage, we should admit—honestly and publicly—that we can no longer play the free trade game all alone. If free trade is to work, we must be willing to use our economic muscle to ensure that our openness to foreign competition is reciprocated.

TRIBUTE TO FORMER SENATOR WILLIAM HATHAWAY OF MAINE

Mr. KENNEDY. Mr. President, I would like to pay tribute to my close friend and former colleague, Senator William Hathaway of Maine. During his 6 years of outstanding service in the Senate, Senator Hathaway demonstrated a profound concern for the people of Maine and for all Americans.

Senator Hathaway and I served together and worked together on the Human Resources Committee for the past 6 years, and no Member of this body had a better record or was a stronger supporter of the interests of the working man and woman than Senator Hathaway.

He was one of the workhorses of the Senate, with over 200 bills and amendments to his credit enacted into law, an outstanding record for any Senator in a single term.

On the Human Resources Committee, Senator Hathaway was also an effective leader on issues like jobs and health care. On jobs, he worked hard to protect the shoe and textile workers of Maine from the rising tide of imports. He was also a leader in the successful effort to enact the 200-mile fishing limit for the Nation, which has done so much to protect the jobs of the fishermen of his State.

On health care, he was an extremely effective Member of the Senate on the problems of rural areas, especially those with critical shortages of doctors and facilities. He was a leader in the development of the Regional Medical Program Act, the Emergency Medical Services Act, and the Rural Health Clinics Act—all of which have helped to bring better quality health care to the people of Maine and to many other States.

In other major areas as well, Senator Hathaway also made important contributions. As a member of the Finance Committee, he had the best tax reform record of any member of that committee. Again and again, in the committee and on the Senate floor, he was willing to stand up for the average taxpayer, insisting on a fair share of tax relief for the ordinary citizens who have to pay the bill, opposing new loopholes for special interest groups and those rich enough to hire lobbyists to crowd the hearing rooms of Congress.

And on the Senate Small Business Committee as well, Senator Hathaway has been an effective leader, seeking to end the paperwork burdens of excessive Government regulation, insisting that small business get its fair share of Federal contracts, listening to the small business men and women of Maine, making sure that their voices were heard in both Congress and the executive branch of Government.

And finally, as a member of the Senate Intelligence Committee, Senator Hathaway was one of the most important and influential Senators in investigating the CIA, ending its abuses, and requiring its budget to meet the same strict standards of review applicable to every other agency.

But most of all, Senator Hathaway was a decent and compassionate Senator. He never forgot his roots in Maine, and he never forgot the people he represented—the ordinary citizen, the average voter, the men and women throughout the State who needed someone to speak for them and serve them in the Senate. They have lost an outstanding public servant, and all of us will miss him.

TAIWAN

Mr. GARN. Mr. President, as all the world knows, President Carter's Christmas present to the people of Taiwan was the breaking of diplomatic relations and the announcement of his intention to abrogate the Mutual Defense Treaty between the United States and the Republic of China. This action is of doubtful legality, and even more doubtful wisdom. The timing alone, while the Congress was out of session, was an insult to the Congress, and to the people and Government of Taiwan. Even members of the President's own party have criticized his timing; this is not a partisan matter.

The January 15 issue of U.S. News and World Report contains a pro and con debate between Senator George McGovern and myself over some of the issues involved in this opening to Peking, and I ask that the debate be printed in the Record.

There being no objection, the interviews were ordered to be printed in the Record, as follows:

Pro and Con—Ending Taiwan Treaty—Is It Legal?

YES—"THE PRESIDENT HAS THE CLEAR AUTHORITY UNDER THE CONSTITUTION

(Interview with Senator George McGovern)

Q. Senator McGovern, why do you think President Carter was acting legally in ending the defense treaty with Taiwan?

A. I think the President has the clear authority under the Constitution to decide on recognition of a government. Constitutionally, he is the government's chief foreign-policy maker. And when he decided to recognize Peking as the legitimate government of China, one could argue this act alone voided any other treaty we had with Taiwan—including the mutual-defense treaty.

There was no argument between Taiwan and the mainland about whether there are one or two Chinas. The only question between them was: Where was the government of China located—on the island of Taiwan in Taipei or on the mainland of China in Peking?

The Carter administration made the judgment that the government, in fact, is in Peking. That judgment follows the doctrine enunciated in the Shanghai Communique signed by former President Nixon in 1972. So I think President Carter can defend his actions on legal grounds.

Q. Does that mean that he can legally abrogate any treaty—including NATO—without consulting the Senate?

A. I suppose that is an open question. But in the case of the Taiwan pact, there was no breaking or abrogation of the treaty. There was a clause that gave either side the authority to terminate it on one year's notice. So the President acted as the treaty itself permitted. Also, we should remember that the purpose of the constitutional draftsmen in requiring Senate ratification of treaties was to make it hard to enter foreign commitments, not necessarily to end them. So if either the President or the Senate can prevent the creation of a treaty, it is logical to expect that just one of the two also ought to be able to bring the treaty to an end.

Q. Did President Carter have a special obligation to consult with Congress in view of a resolution adopted by the Senate in 1977 calling on him to do so?

A. I think he did have this obligation, even if the resolution did not make it compulsory. While I agree with what he did, I disagree with how he did it.

I think he will be able to make it stick, but the President would have been much better advised to consult closely with Congress before he took this step. It was a clear-cut political error. The administration was looking for a diplomatic victory, but it is going to pay for it in terms of lost confidence on Capitol Hill. There will be sharp attacks on the administration, an aggravation of tensions between Congress and the White House.

Q. Will Congress enact a law that would require the President in the future to obtain Senate consent before ending treaties?

A. It is possible that the kind of sentiment we are seeing in Congress over the President's Taiwan actions will be turned into law. This is a setback in terms of the President's standing with Congress and his capacity to work harmoniously with the Congress. He would have been much better advised to take time to prepare the Congress, to prepare the government on Taiwan, to prepare public opinion for the abrupt change in American policy. I don't understand the rush.

Most of my colleagues in the Senate say that normalization of relations with Peking and termination of the defense treaty with Taiwan were inevitable sooner or later, but they expected time for consultation. But the step itself was virtually assured in 1972 when President Nixon went to China.

Q. Would you support such legislation requiring Senate consent for the termination of treaties in the future?

A. I would favor extensive consultation with the Senate by the President, but I don't know that I would vote for a law requiring it or attempting to define what consultation entails in particular cases. I think President Carter and his associates made a mistake in not taking into account the long, peculiar, unique relationship we've had with Taiwan. And I think there should have been detailed and close-in consultation with the Congress.

Q. Do you believe that the administration should have gotten from Peking specific assurances of Taiwan's continued security?

A. It's conceivable that they could have gotten more out of Peking than they did. Regardless of the communiqué, we should continue to stress that all nations ought to have access to the waters between Taiwan and the mainland, and that we would look with the most serious kind of concern on any threat to Taiwan's security. We should underscore our conviction that the wishes of the people on Taiwan should be taken into account.

From the standpoint of Taiwan's security, however, it is very important that the Peking government was willing to go ahead with normalization despite our declared intent to continue supplying arms to Taiwan and to continue commercial and cultural relations with the people on that island. Vice Premier Teng has also made separate assurances that they plan to achieve reunification by peaceful means. So it is not accurate to charge that we are normalizing relations entirely on Peking's terms. Significant concessions were made.

Q. In the absence of an explicit understanding concerning Taiwan's future security, do you expect the Chinese Communists to try to seize the island?

A. No. In the near future, at least, they won't have the military capability to take on Taiwan's very formidable and modern military establishment.

What I fault is the hasty and ill-prepared way in which the decision was handled—the crude diplomacy and the bad politics. I myself have favored for about 25 years that we recognize Peking. What the President has done is to bring American foreign policy into line with the realities we all know are there: that Peking is the government of China, and that the 2 million Chinese refugees on Taiwan are not going to regain control of the mainland. The President made a realistic judgment that in our own interest we ought to recognize Peking.

NO—"A TREATY IS A LAW, AND THE PRESIDENT CANNOT REPEAL A LAW BY HIMSELF

(Interview with Senator E. J. (Jake) Garn)

Q. Senator Garn, why do you claim President Carter's termination of the mutual-defense treaty with Taiwan is illegal?

A. The Constitution clearly says ratification of any treaty requires the advice and consent of the Senate, and that this must be by a two-thirds majority vote. In 1954, the Taiwan treaty was ratified through this procedure. It is my belief that the same process must be followed to end a treaty. After all, a treaty is a law, and the President cannot repeal a law by himself. To do so would violate the Constitution.

Q. But isn't the Constitution silent about the procedure for ending treaties?

A. The Constitution is not specific, although it certainly involves the Senate in the treaty process. This treaty refers to "parties" who are required to act to terminate it, but it does not specify who those "parties" are—whether the President or Congress, or both. There are many cases that show a "party" to a treaty isn't just the President. It is the government, which includes the President and the Congress, or in this case the Senate.

Q. Why didn't the Senate challenge the Chief Executive on earlier occasions when he nullified treaties unilaterally?

A. As I understand it, there was a congressional role in every case where a treaty has been abrogated. This is the first time in our history an American government has renounced a treaty with an ally without any real cause or benefit.

Consider this: If Ronald Reagan became President in 1980, how would Carter feel if Reagan simply said he had decided to abrogate the Panama Canal treaties or the NATO pact? The attitude of Carter and his allies would be entirely different.

Q. Are you as concerned about the moral implications of the President's action as the legal impact?

A. Absolutely. I don't object to recognition of Red China, with its 900 million people. But the President has done it at the expense of 17 million Chinese on Taiwan.

Far beyond the issue of Taiwan's security is the moral credibility of the United States. I think this calls into question the basic integrity of the U.S. in the area of foreign policy.

The moral issues which concern our credibility with our friends and allies are more serious and have far graver ramifications for the future of this country.

Q. How valid is the White House argument that no agreement could have been reached with Peking if Carter had been required to consult formally and openly with Congress?

A. I believe the kind of agreement he made could not have been completed, because I believe it fails to recognize real American and Taiwanese interests. Every concession was made by us. No concessions were made by the Red Chinese. And we held all the chips.

Q. Do you believe that Congress would have insisted upon specific language to protect Taiwan's security as a condition of any recognition of Peking?

A. The Senate, I suspect, would have insisted upon a two-China policy, continuing our recognition of Nationalist China. But even if I'm wrong on that, I believe we would, at the least, have insisted on a mutual-defense treaty with Taiwan.

Q. In the past, many conservatives have argued—as in the case of Angola and arms for Turkey—that it's dangerous for Congress to restrict the President's authority to conduct foreign policy. Don't your present demands amount to the same thing?

A. Not at all. This is much different from arms sales. Here we're talking about a legally binding treaty. I agree that Congress in the day-to-day conduct of foreign policy has been getting too involved. But the distinction in this case is that we are dealing with a treaty approved by the U.S. Senate. The Senate's role in this aspect of foreign policy is required by the Constitution.

Q. Hasn't the administration implicitly guaranteed the future security of Taiwan by assuring it a continued supply of American arms?

A. We've not yet spelled out exactly what those arms sales are going to be.

And even if we sell them a good amount of arms, that certainly won't guarantee them the security they have under a defense pact with the U.S.

Q. Do you think Carter damaged his relations with Congress by acting as he did?

A. There is a damaging perception here that the timing of this announcement was deliberate, that he hastened to achieve an agreement, that it was more important to achieve an agreement for his own political purposes than for what the agreement represented. That's why he was willing to make so many concessions to get it quickly. There was no hurry on the part of the Chinese. The hurry was on our side.

Q. Why was the President in such a hurry?

A. It is widely charged that the President is so interested in political credit, doing things dramatically and rapidly, that the obtaining of an agreement becomes more important than the substance of it.

I think that's why he did it while we were out of session, just before Christmas, when there could be no organized effort against him.

Q. Do you accept the argument that by normalizing relations with Peking, the United States gains greater leverage in dealing with the Soviet Union?

A. No. As a matter of fact, I think the timing has hurt our relations with the Soviet Union, and specifically in the SALT talks. I think the Russians took advantage of this, when agreement had nearly been reached, to make further demands.

And so I believe the result will be that the Carter administrations will make further concessions in SALT, as it has in all of these other negotiations in foreign relations, to get an agreement even if it's to the detriment of the United States.

NANCY LANDON KASSEBAUM

Mr. DOLE. Mr. President, the Senator from Kansas wishes to comment upon his new colleague, the distinguished Senator from Kansas, NANCY LANDON KASSEBAUM.

We bring from the State of Kansas an outstanding lady.

Mr. President, this afternoon, we have witnessed another of those historic moments which have so distinguished this Chamber in the annals of self-government. We have welcomed to our ranks a new colleague, who I predict will earn the warm admiration of her peers as she has won the hearts and minds of her fellow Kansans.

Now much has been made of Senator KASSEBAUM's status as a woman—the first to be elected to the Senate entirely in her own right, the first sent to the Senate from Kansas, the only female Senator in this 96th Congress. It is not surprising that she has been in the limelight during these first few days in Washington. For her election to this body marks an important milestone in the continuing evolution of women in public life.

But, of course, NANCY KASSEBAUM is more than a woman. First and foremost, she is a Kansan. She hails from a proud lineage of service to the people of my State. I am conscious today of a torch being passed, as the Landon family launches the newest chapter in an honored tradition of effective and compassionate leadership.

I might add, part of the proudest moment in the life of Alf Landon was the swearing in of his daughter in Topeka, Kans. He may not have done it as well in 1936, but in 1978 the Landon name was most successful in my State.

So I just say, Mr. President, that we certainly welcome this distinguished colleague. This Senator looks forward, as I know other Senators on both sides of the aisle look forward, to working with our new colleague.

It just seems to me that we are all privileged to have an opportunity to serve with NANCY LANDON KASSEBAUM.

NANCY is her own woman. Her independence and her tenacity are matched only by her intelligence and integrity. As one who has strongly supported her political drives, I am extremely pleased to see her take her seat in the Senate. Her brand of political moderation makes her a welcome addition to the Republican Party and this Congress. Her fresh and original perspective will contribute significantly to our deliberations. For NANCY KASSEBAUM brings to our work a mind that is penetrating as well as thoughtful, and a compassion that does not exclude Government efficiency from its criteria of needs.

The Senator has enunciated clearly her belief that Government should be sensitive to individual need. It should also be sane in spending to meet those needs. These twin principles form the heart and soul of her creative republicanism. It is a philosophy which this old chamber should embrace without reservation.

For now, let me say simply that I look forward to working with Senator KASSEBAUM. I know that I speak for my colleagues when I say welcome aboard. The challenges you face are great. But so are the talents and insights you bring to your new position. In meeting and surmounting those challenges, you confirm the political faith of millions of Americans that women can take their rightful place in society's decisionmaking process. In this room where history is written with every vote taken, every debate decided, you will make history by your very presence.

It is a presence we warmly welcome.

TRIBUTE TO FORMER SENATOR THOMAS McINTYRE OF NEW HAMPSHIRE

Mr. KENNEDY. Mr. President, the absence of Senator Thomas McIntyre of New Hampshire from this chamber in the 96th Congress will be a source of great regret to all of us who served with him and worked with him.

Senator McIntyre and I both came to the Senate in 1962, and we worked closely together for 16 years. In his many years of outstanding service, he earned a solid reputation for his skillful work on national defense. As a member of the Armed Services Committee, he presided in Congress over the cutting edge of America's military strength, the research and development budget so vital to maintain our Nation's future power. And his long experience on the Banking Committee made him a leader on economic issues important to both New Hampshire and the Nation. He was widely known in Congress as the father of the NOW account, one of the most remarkable banking innovations for the benefit of the consumer in many years.

Through his work on the Senate Small Business Committee, Senator McIntyre helped to launch the drive for regulatory reform in Congress. As much as any other single factor, it was Senator McIntyre's investigative hearings that made all of us in Congress understand the crushing burden of Government paperwork, especially on small business.

In many other areas, he was also an effective Senator. He was a pioneer on solar energy, and worked hard to develop a responsible energy policy for the benefit of both New England and the Nation.

Throughout his service, Senator McIntyre was an outstanding Member of the Senate, and we shall miss his friendship and leadership in the years to come.

RECESS TO THURSDAY, JANUARY 18, 1979

Mr. ROBERT C. BYRD. Mr. President, I move the Senate stand in recess until the hour of 12 o'clock meridian on Thursday next.

The motion was agreed to; and at 1:58 p.m. the Senate recessed until Thursday, January 18, 1979, at 12 o'clock meridian.

EXTENSIONS OF REMARKS

ALASKA THE REAL ECONOMICS OF THE ALASKA NATIONAL INTEREST LANDS

HON. JOSEPH L. FISHER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. FISHER. Mr. Speaker, last May the House of Representatives passed by a resounding vote the Alaska National Interest Lands Conservation Act, H.R. 39. I was a strong supporter of that legislation. Like so many of my colleagues, I was dismayed that the Senate was never given a chance to act upon it.

For the benefit of new Members and others who may have missed them, I would like to reiterate the remarks I made last spring on this subject. The President's action on December 1 to assure protection of these lands was commendable, but it does not alter the need for legislation.

As I said last spring, the Alaska National Interest Lands Conservation Act is without doubt one of the major pieces of conservation and land use legislation in the history of the Republic. When the bill becomes law, it will rank in national importance with the Homestead Act of more than a century ago, the establishment of the first national park at Yellowstone in the 1870's, the Reclamation Act of 1902, and other historic and far-reaching laws.

As I said then, I approach the bill from a background and perspective which is probably unique among House Members. I lived and worked in Alaska for several years when I was younger, took part in numerous resource surveys and studies pertaining to Alaska, worked for Senator Ernest Gruening when he was Governor of the territory of Alaska, was a close friend and neighbor in Juneau of Senator Bob Bartlett who was the first senior Senator from Alaska and before that for a long time a delegate in the House, and over the years have followed the fortunes of Alaska and written a good deal about it. I have hunted deer on Admiralty Island, gone fishing out from Homer in Cook Inlet, made studies of the agricultural potential in the Matanuska Valley, hiked in Mount McKinley National Park, spent some days on the Yukon River in a small boat, and even panned for gold out from Fairbanks as a weekend activity. I took some part in the statehood movement, have participated in the annual Alaska science conferences, lectured at the University of Alaska, and supervised many research projects having to do with Alaskan resources.

I cite these personal experiences simply to make clear that I do have a unique background and perspective on this bill. Out of this experience I want to make two principal points.

"LOCK-UP" OF ALASKA

First, with regard to the "lock-up" of resources particularly mineral resources, that some Members think this bill will entail, I simply want to remind you that what Congress locks up Congress can unlock. The key turns both ways in the lock and Congress holds the key. As a result of resources investigations, in which I have participated in other parts of the country, I can say that this charge against resource conservation and protection legislation is a familiar charge. Naturally, private developers will want the maximum of free access to land, water, minerals and other resources. Within some framework of orderly development procedures, they want license to go ahead, and this is understandable. Citizens more generally, whether in Alaska or in other States, have a divided interest: they want cheaper agriculture, timber, fish, minerals, and other products, and they also want the benefit of outdoor recreation, sport fishing and hunting, and wilderness. The two interests frequently conflict and compromises or balances have to be struck.

In my view, a good compromise and balance is achieved in H.R. 39. Around 56 percent of the enormous land area of Alaska will be available for development; these are the 105 million acres of State land plus 44 million acres of Native corporation land, once these acres have been selected. In addition there are 82 million acres of land that would remain under the jurisdiction of the Bureau of Land Management, appropriate parts of which in the normal course will be open for grazing, timber cutting, and other uses. Furthermore, most of the national forest land, some 24 million acres will be subject to appropriate timber harvesting. Hardrock mining under this bill will continue to be eligible on 70 percent or more of the lands with some mineral potential which remains outside the conservation system.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

These acreages which can be developed so far exceed the number of acres now in development or that conceivably will be in development in the next couple of decades that it is hard to imagine that resource and economic development activities in Alaska will be hampered in the slightest degree by the reservations and restrictions in this bill for a long time ahead.

What the bill will do by designating enlarged wilderness areas, not only in the national parks created in the bill but in the wildlife refuges and other protected areas, is to prevent private development from being located anywhere and everywhere without regard to any orderly progression of economic development. In short, developers will have all the land and resources they could possibly work on for many years to come under this bill.

LEAN TOWARD PROTECTION

The second principle point I want to make coming out of my experience in Alaska and in resource studies generally is this: When the question comes down to whether a little more protection, reservation, and conservation would be desirable, or whether a little more resource development would be better, I would say lean toward protection and conservation and the postponing of development unless a strong and compelling case can be made for development now or in the near future. This is the conservative approach, the conservation approach. It says, do not open land and resources up to helter-skelter, here and there development. It says, protect the land at least until the need for development is clear and conservation guidelines have been laid down.

True conservatives, it seems to me, whether Republican or Democrat, in cases like the Alaska land question, should choose to restrain and guide the forces of economic development in a sensible and practical way. The amount of land that by the bill would be assigned to wilderness and, therefore, not open to ordinary forms of development, comes to about 66 million acres. This is an enormous amount of land, but only about 17 percent of the total land area of Alaska. For the most part it is located in the remoter parts, off the beaten track, and would not be economically feasible for development for many years, if ever. It would be much better, in my judgment, to classify these lands as wilderness and incorporate them into National Parks—which are not open for development anyway—National Forests, National Wildlife Refuges, Wild and Scenic Rivers and waterways.

PHONY ARGUMENTS

I cannot speak in detail about all of the areas specified in the bill for protection in various ways. But I think I am in a position to make the general points I have made. The bill in no sense locks up land and its resources for all time. This is a phoney charge that has been used over and over again through our national history. The bill would protect large amounts of Alaska land from immediate and near-term development and would insure an orderly process, under broad congressional authority, for opening any parcels of land for subsequent development. And that is all the bill does.

And finally, as I have said, my long experience with these matters leads me to the persuasion that when in doubt it is wiser to lean toward protection, conservation, and postponing development unless a very powerful case can be made to the contrary. This case, I believe, has not been made and, therefore, the Congress would do well to pass the bill preserving Alaska. I think future generations will be grateful to us if we do.

Mr. Speaker, I commend Congressman UDALL for reintroducing H.R. 39. I am joining him as a cosponsor, and I urge my colleagues to do the same.●

OVERCROWDING IN AMERICA'S PRISONS

HON. LEO C. ZEFERETTI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. ZEFERETTI. Mr. Speaker, the crisis of overcrowding in the American prison system is one of the most pressing problems facing our society today. In far too many instances, inmates are being released from prisons slowly due to the conditions of overcrowding, not because they are rehabilitated or are ready to function as meaningful participants in our society.

The inmate population in this country is continuing to swell with little relief in sight. With the rise in crime over the past few years, the American public has rightfully demanded a crackdown on crime and criminals. In the past 5 years, the number of inmates has jumped from 204,000 to 278,000, an increase of 36 percent.

Despite this skyrocketing rise in the number of prisoners, the facilities available for confining these convicted criminals have not kept pace. Many of the institutions were built more than 50 years ago and are grossly outdated. In many cases, two and three inmates are squeezed into cells designed for a single prisoner. Many State officials are now under court order to reduce overcrowding in already archaic facilities and nearly every State has plans on the drawing boards for new prison facilities. The major stumbling block in building these much-needed correctional institutions is the lack of sufficient funds.

In my own State of New York, recent revisions in our State's criminal code will most likely result in the arrest and detention of an increased number of lawbreakers, particularly juvenile offenders making the adequacy of space paramount and making the cry for new prison construction even greater.

In my view, correctional facilities offer the greatest potential for significantly reducing crime. As an excorrectional officer myself, I can vouch for the validity of the deterrent factor in preventing crime. Simply stated, a potential criminal will think twice before breaking the law if he is aware that he will be arrested and face certain incarceration. However, due to the lack of adequate facilities, judges many times grant suspended or reduced sentences. Parole boards release inmates not because they have been rehabilitated, but because there is a need for space.

This "revolving door" system of justice must be stopped. The American people are exposed to convicted criminals walking our streets because we have nowhere to incarcerate them. There is little doubt that new and better prison facilities are a necessity, but the poor financial condition of many of our State and local governments makes a Federal response to the condition of these institutions a necessity.

For these reasons, I am again introducing the Corrections Construction and Program Development Act of 1978. Enactment of this legislation would provide Federal funds for up to 75 percent of the cost of acquisition, construction and renovation of State, county, and local prison facilities. The Federal Government has the obligation to see that Federal moneys are made available to alleviate the financial burdens preventing the expansion of our correctional facilities.

I urge my colleagues on the Judiciary Committee to give active consideration this Congress to my proposal, for our society must be protected. If we are to address ourselves to the need for an effective criminal justice system, then we must give increased priority to this need for additional Federal, State, and local facilities.

I am confident that such a commitment by my colleagues in Congress will prove effective in reducing recidivism and preventing would-be offenders from engaging in criminal acts. Incarceration can once again become a major deterrent to crime.●

THE 1978 NOBEL PRIZE IN PHYSICS

HON. MATTHEW J. RINALDO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. RINALDO. Mr. Speaker, late last year, two prominent American scientists who work in my congressional district were awarded, with one other individual, the 1978 Nobel prize in physics. Dr. Arno Penzias and Dr. Robert Wilson, both of whom work as research scientists at Bell Laboratories in Murray Hill, N.J., were cited by the Royal Swedish Academy of Sciences for their discovery of cosmic background radiation, a residual heat that fills the spaces between stars and galaxies.

Their discovery, which is now regarded as confirmation of the "big bang" theory of the origin of the universe, came as a result of work at the most sensitive radio telescope in the world at Crawford Hill Research Labs in New Jersey. In an attempt to determine the origins of our galaxy, Drs. Wilson and Penzias encountered persistent background radiation and theorized that this radiation was the remnant of a cosmic explosion that took place 18 billion years ago, causing the birth of the universe.

This fundamental discovery has helped us to understand the origins of our solar system, our galaxy, and the entire universe. Moreover, since background radiation has a certain directional dependence, its variation can be used to measure the movement of matter through the universe.

Mr. Speaker, I want to extend my heartfelt congratulations to these two brilliant scientists. Their discovery represents years of painstaking labor and experimentation and is a tremendous advance in science. It will open doors for future researchers, and clearly merits the distinction they have received.

As the citation on the Nobel award clearly points out, Arno Penzias and Robert Wilson have helped us to a clearer understanding of the birth of the universe. I am pleased to have this opportunity to salute two outstanding citizens from my State, and wish them every future success in their endeavors.●

THE 15 DO'S AND DON'TS FOR MID-EAST PEACE NEGOTIATIONS

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. ROSENTHAL. Mr. Speaker, two top State Department officials will be traveling to the Middle East this week to resume negotiations for an Israeli-Egyptian peace treaty. These meetings, which are to clear the way for ministerial-level meetings to finalize an agreement.

It will be recalled that the talks broke down last month, but since that time both sides have expressed a desire to resume negotiations and both have reiterated their desire and intention to sign a peace treaty.

The administration's enthusiastic endorsement of Egypt's new 11th hour demands even before the Israelis had a chance to study them proved a serious mistake, and it is hoped that will not be repeated. The enormous, one-sided pressure by the United States on Israel is just the opposite of the constructive, fair-minded approach that led to success at Camp David and is so vital if a peace treaty ultimately is to be signed.

The United States, instead of focusing as it should on its own November 11 treaty draft—which Israel has accepted—and seeking to build on that, appears to have abandoned that course and associated itself with the new Egyptian demands.

I am pleased the talks are resuming and I am hopeful a treaty can be signed soon. I do not think either side wants to let this important opportunity for peace get away.

To help guide those negotiations, I would like to offer a list of "15 Do's and Don'ts" for all the parties:

THE 15 DO'S AND DON'TS FOR MIDEAST PEACE NEGOTIATIONS

For the United States:

1. Show the same degree of respect and consideration for both parties.

2. Let each party make its own evaluations; don't endorse a proposal before the other side has a chance to study it.

3. Treat Israel as though she, too, had super-rich relatives with enormous oil reserves.

4. Return immediately to the constructive, fair-minded and *patient* approach that led to success at Camp David.

For Egypt:

5. Try to understand Israel's genuine concern for her survival and security after withdrawing from the Sinai.

6. Show Israel tangible assurances that peace can endure for many years to come.

7. Don't put a self-destruct button in the peace treaty by tieing it to the actions of other parties.

8. Don't set a target date for West Bank/Gaza elections and autonomy unless the other parties show a clear-cut willingness to participate.

For Israel:

9. Give Egypt assurance that you will not sign a peace treaty with her and then drag your heels on solving the West Bank/Gaza and Palestinian problems.

10. Try to appreciate the enormous political, financial and military pressures on Egypt from the rest of the Arab world not to sign a peace treaty.

11. Believe President Sadat when he says that lasting peace in the Middle East is not possible without solving the Palestinian problem.

12. Resist the temptation to announce new West Bank settlements because of pique or frustration—that can only make matters worse.

For all:

13. Forget news leaks, temper tantrums, deep background accusations, inflammatory rhetoric and media manipulation. Keep the negotiations out of the public eye.

14. Understand that all sides may have to make concessions that once were considered unacceptable. No one has a monopoly on the truth.

15. Keep the United States as an impartial friend. Direct contacts between Israel and Egypt are to be encouraged because they build understanding and trust.●

MOST JUNKETS SERVE PURPOSE

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. McCLORY. Mr. Speaker, the subject of congressional travel is rarely described in a favorable light in the press or other elements of the news media. An exception is to be found in a December 20, 1978, editorial which appeared in the Elgin Daily Courier News. Entitled "Most Junkets Serve Purpose," the editorial defends the travel of most Members of Congress. For my own part, I can attest to the fact that, as a delegate of many conferences of the Interparliamentary Union, I have been able to serve the interests of our Nation while gaining an enlightened understanding of numerous problems and interests of other nations with whom our own Nation must have contact.

Mr. Speaker, I commend the Daily Courier News on its editorial and have attached it hereafter for the interest of my colleagues in this Chamber:

MOST JUNKETS SERVE PURPOSE

A recent Associated Press story from Washington told about some 29 senators and 59 congressmen traveling abroad at taxpayers' expense in the lull since the November elections.

And many taxpayers will take quick offense, envisioning their representatives basking on the beaches at Waikiki or getting a little skiing in Austria.

But the truth of the matter is most of the jaunts serve a function. Members of Congress must be informed on the problems of other nations. The world has grown too small for provincial political decisions.

Many of the congressmen traveled to the People's Republic of China and to Japan—nations certain to have a pronounced effect on America's future.

The most popular trips for senators were to a NATO conference in Portugal and to the Soviet Union. Again, these are places were four lawmakers could gain important facts vital to their future decisions.

There are, of course, a smattering of our representatives who take advantage of their positions and pack off on pleasure trips in the guise of fact-finding expeditions. They should be found and exposed for what they are—cheats.

Congress has stopped some of this boondoggling by prohibiting those defeated for reelection or retiring from office from going off on trips at government expense.

But, nevertheless, every trip should not be labeled a freebie—a junket.

Some of the corners this nation has painted itself into in the past might well have been avoided if Members of Congress had more firsthand knowledge of the world around us.●

ECONOMIZE BY ELIMINATING CIVIL DEFENSE SPENDING PROPOSAL

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. OTTINGER. Mr. Speaker, press attention to the expected budget cut proposals from the administration has reached an all time high in the passed few weeks. In light of the renewed dedication we in the Congress and the President have made to trimming the fat off the Federal budget, I commend to the attention of my colleagues the following editorial which appeared in the New York Times last November that documents succintly one defense program that can justifiably be scrapped:

MR. CARTER'S FALLOUT BISCUITS

The cry of civil defense is about to be heard in the land again. President Carter has been persuaded—bamboozled may be the better word—to throw $2 billion into a Federal program to plan the speedy evacuation of 140 million Americans from large cities in case of nuclear attack. His real concern, of course, is not for the defense of the population against the Russians but the defense of an arms control treaty against the Senate. Still, the idea does no augur well for the President's style of argument in that coming debate.

Our skepticism may be premature, even ungrateful. Mr. Carter may have hit upon an ingenious way to finance his urban policy in a time of stringent budgets. President Eisenhower built the interstate highways in the name of civil defense. And President Kennedy tried to get America moving out of a recession by urging the urban masses to acquire second homes, underground in the backyard. We estimate (in constant dollars) that the proposed expenditure of $2 billion by 1985 would rebuild about 8 miles of one collapsed highway in our city, from which there is now no orderly egress on the average Friday afternoon. Alternatively, the same sum could upgrade the Amtrak roadbed between New York and Washington for the emergency hauling of millions to, say, Philadelphia. If this be civil defense, we are prepared to make the most of it.

Mr. Carter seems more likely, however, to produce a new army of tin-hat wardens who will push a lot of expensive pins across fancy maps, decorate our highways with a new breed of billboard ("Nuclear Haven, Right Lane, ¼ Mile") and stock our greenbelt meadows with a five-day supply of fallout biscuits. We are not imagining the biscuits. Millions of them are left over, somewhere, from the Kennedy civil defense program that earmarked $700 million (old dollars) for the excavation, identification and provisioning of fallout shelters. The Kennedy planners preferred shelters because, they said, an evacuated population could not escape from radioactive fallout and because even in 1961 the warning time of a missile attack seemed insufficient for a drive across the George Washington Bridge. The shelter program collapsed when moralists pronounced it better to shoot an unsheltered neighbor than to risk overcrowding your own family pit.

This nonsense is being reborn because of the alleged size and pace of the Soviet civil defense effort. The Russians are said to be aiming to hold their urban casualties in a nuclear exchange to a mere 50 million. And this, it is said, proves their intention one day to blackmail us into diplomatic concessions without ever launching an attack. If we, too, could count on casualties below 100 million, the theory goes, we could risk a SALT treaty and still expect to stand firm in a crisis. It is the theory of a mentality that understands the psyche of the American city about as well as its transportation system.●

HATCH REPEAL: SPELL IT P-O-L-I-T-I-C-S

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. DERWINSKI. Mr. Speaker, one of the major concerns of this Congress is oversight of the implementation of civil service reform. It is my opinion that repeal of the Hatch Act would be a contradiction of the intent inherent in civil service reform.

An editorial in the January 8, Federal Times, very properly addresses the subject of Hatch Act repeal. I wish to insert it at this point:

HATCH REPEAL: SPELL IT P-O-L-I-T-I-C-S

The first issue of *Federal Times* was dated March 3, 1965. And one of the front page headlines read: "Hatch Act Is Target of Two Bills."

The story beneath that headline began: "Legislation has been introduced in Congress which would amend the Hatch Act and allow government employees to play an active role in partisan politics . . ."

So, here we are nearly 14 years later getting ready for Hatch Act debate once again in Congress. Plus ça change, plus c'est la même chose, as Alphonse Karr said of his world, or something, in the 19th century.

Only this year, according to some fighting to axe the Hatch Act, it's not going to be the same old thing. This year they believe they can get Congress to repeal that law. And unlike 1975, when Hatch Act revision reached President Ford's desk, this time they have a man in the White House who has said that he would sign such a bill if one comes his way. It might be noted here, too, that Mr. Carter's most influential adviser on civil service matters, Alan Campbell (Civil Service Commission chairman expected to become director of the new Office of Personnel Management), favors doing away with the Hatch Act.

Well, as a page one story this week suggests, getting Hatch Act repeal through Congress this year may not be an easy job. And we are pleased to note that Rep. Gladys Spellman, a key member of the House Post Office and Civil Service Committee, has decided to listen to her constituents—many of whom are federal workers—on this issue rather than relying on advice from union leaders.

As we have contended for a long time now, the idea that the majority of federal workers is demanding Hatch Act repeal, as some anti-Hatch people continually suggest, is extremely difficult to prove. We find no indication that such is true. The demand, we think, comes primarily from federal and postal union leaders. And understandably so. If there were no Hatch Act, and federal employees could run for public office or serve as campaign managers, union leaders would have infinitely more power than they have now.

Let's remember that the Hatch Act does not keep a federal worker from voting or contributing to any political campaign or putting a campaign sticker on his car.

It does, however, keep a federal employee from soliciting another federal employee—offduty, as well as on—for political campaign funds. Removal of the Hatch Act ban on this would obviously make it easier for a union local official to run for office since he could have his colleagues in his union solicit other union colleagues. Voluntary support, meaning doorbell ringers, is what's needed for a political campaign. And if a union local official is successful battling management or whatever by way of his union position, one would think he might be inspired to test his skill in the outside political arena. This would mean more and more federal workers involved in political campaigns which is not what taxpayers are paying federal workers to do. A political candidate or campaign worker would be able to get leave from his regular work (without pay, to be sure, but not without interruption to regular benefits) and, again, government work would have to be put on the back burner. Is that desirable? We don't think so.

If Hatch restrictions are done away with, we also believe—as we said on this page two years ago—that most federal workers feeling political pressure from the boss would not blow the whistle because to prove such coercion—when it is subtle, not obvious, as it would most usually be—would be difficult and because, as whistle blowers everywhere know all too well, the very act of tooting the whistle puts a man's job in jeopardy, no matter what the so-called rules of the game say.

We also think that political activity by federal workers could lead to a raft of conflict of interest situations. For example, let's say a bureau or division chief at HUD decides to run for elective office in an area where HUD makes grants or oversees zoning. Let's say that the federal worker wants to run for mayor or county zoning commissioner. With an election in mind, he can start campaigning while he's still on his federal job in the office by making decisions concerning that area which will help him politically. His office staff naturally must participate in such decisions or incur his wrath. Once he gets elected he can assure that his successor is someone he can "deal with" at HUD.

With Hatch out the window, you might have a political revolving door where politicians scuttle back and forth between elective and federal jobs, no holds barred. This could lead to influence peddling on a scale we can hardly imagine now.

The way the bill was written last year, foreign intelligence agents, those who enforce laws, and those awarding government contracts, subsidies or licenses will remain Hatched. But as historian Marjorie G. Fribourg has pointed out: "Someone asked [Rep. Carl] Hatch when his bill was being written [in 1938] whether there weren't some government workers who couldn't coerce anyone and shouldn't be restricted. He answered that there is no way to draw a line. Almost every agency affects the lives of multitudes.

He would not have been impressed with the few hard-to-enforce rules in H.R. 10 [the 1978 bill] stating that neither coercion nor abuse of authority (both almost impossible to prove) are not to be used for election purposes. Such rules are no substitute for a healthy nonpartisan spirit in a government office."

The Civil Service Reform Act opens the door for much more politics in the civil service. Repeal of the Hatch Act would put the icing on the cake and increase political activity and buddy-buddyism within the career service tenfold.

We did not always agree with President Ford, but we think Mr. Ford had it right when he vetoed a repeal of the Hatch Act in 1976. And we suggest that the reasons he gave then for doing so are worth remembering. When he vetoed that 1976 bill to do away with the Hatch Act, he said, in part:

"The public expects the government service will be provided in a neutral, non-partisan fashion. This bill would produce the opposite result . . .

"If the prohibitions against political campaigning were removed, we would be endangering the entire concept of employee independence and freedom from coercion which has been largely successful in preventing undue political influence in government programs or personnel management.

"If this bill were to become law I believe pressures would be brought to bear on federal employees in extremely subtle ways beyond the reach of any anticoercion statute so that they would enevitably feel compelled to engage in partisan activity.

"This would be bad for the employee, bad for the government and bad for the public. . . .

"The fundamental objection to this bill is that politicizing the civil service is intolerable."

Too bad that so many congressmen and Mr. Carter, too, do not understand such a fundamental objection.●

AMENDMENT TO MANDATE A BALANCED FEDERAL BUDGET

HON. HAROLD L. VOLKMER

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. VOLKMER. Mr. Speaker, today I have introduced a joint resolution calling for a constitutional amendment to mandate a balanced Federal budget.

This is an issue that we must face during this session of Congress. Currently, 22 States have passed resolutions calling for a Constitutional Convention for this purpose. This is an indication that such an amendment reflects the support of a great many people throughout the country.

My resolution is strictly an amendment to mandate a balanced Federal budget except in times of national emergency, such as war.

President Carter and many of my colleagues have stated that the Federal Government has to take the lead against inflation. The place to start is with the Federal checkbook.

There will be positive economic consequences when we balance the budget and continue to keep a balanced budget. There will be more faith in the dollar abroad. The American people would have more faith in their Government.

We can win the fight against inflation by our lead in balancing the budget. I think we can accomplish this by 1981.●

SOME REAL SOLUTIONS

HON. LAMAR GUDGER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. GUDGER. Mr. Speaker, today is an auspicious occasion for all of us. It marks the beginning of a new Congress, and for those newly elected Members, the beginning of a new career.

We also are still in the opening days of a new year, a year of promise and hope, a year in which we hold in our own hands the destiny that will help shape the fulfillment of those promises and hopes. It is largely up to us—in the mental attitude and sense of self-discipline in which we approach the days ahead.

An excellent guide as to how we might set about this can be found in a list of new year's resolutions by newspaper columnist Sydney J. Harris recently published in the Asheville Citizen in my congressional district.

In order that we all might share his sensible and inspirational "game plan" for the coming year, I include the column at this point in the RECORD:

NEW YEAR'S RESOLUTIONS

(By Sydney J. Harris)

Resolutions I'll Try To Keep if You'll Try To Make:

To remember that we all basically want the same things, and our differences are less important than our similarities;

To stop blaming "them" for what is wrong with the world, and to examine more scrupulously our own failure to live up to our beliefs;

To love goodness as much as we hate evil—otherwise, it becomes too easy to turn into a hater instead of a healer;

To keep in mind at all times that "justice" is a seamless web, and not until we assure justice for others do we gain the right to claim it for ourselves;

To know that strength most often discloses itself in gentleness, and weakness in fury;

To refrain from self-congratulations in contributing to charity—rather, to work for the elimination of the deeper conditions that continue to make such charity necessary;

To say no more than we know, to speak no more than we mean, and to give others as much the benefit of the doubt as we expect from them;

To cease imagining that we can change conditions for the better, by "doing" more than we do, without at first "becoming" more than we are;

To understand that what we call "freedom" is not a personal attribute, but a social relation—and that the optimum of freedom for everyone depends upon self-imposed restrictions democratically arrived at;

To look beyond the issues that divide us, and grasp for the ends that unite us—not in mere sentimentality, but as a sheer matter of the survival of our self-destructive species;

To recognize and admit our prejudices freely, and—if it is beyond our power to extirpate them—to discount them as realistically as we discount our limitations of eyesight or hearing or tastebuds;

To accept the hard moral truth that from the moment we do anything creditable in the anticipation of applause or popularity, we have forfeited our right to such credit;

To stop justifying selfishness because "the world is a jungle"—for it can also be a garden, depending on whether one wants to plant and water, or to plunder and uproot; and

Finally, to generalize less, and specify more; to think (and act) in terms of individuals and specifics, not in terms of abstract groups or policies; and, insofar as is humanly possible, to judge ourselves by the strictest demands of justice, and others by the broadest law of mercy.●

FUTURE OF VA MED CARE?

HON. RAY ROBERTS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. ROBERTS. Mr. Speaker, last year I was joined by an overwhelming majority of the House in a successful effort to maintain the Veterans' Administration medical system at a level that would permit its hospitals and clinics to provide care to eligible veterans.

We restored unwarranted budget cuts called for in the President's budget. Now we return to Washington to find that the Office of Management and Budget has refused to allow the VA to spend the funds Congress appropriated for veterans' medical care.

Veterans across the country are deeply concerned. Many have expressed anxiety about the future of the VA medical care system. In the January 1979 issue of the Washington Action Reporter of the Veterans of Foreign Wars an article spells out the basis for their concern. For the edification of our many colleagues who supported the VA budget increases last year, and for those who may have to deal with the same issue again this year, I wish to reprint that article in the RECORD:

FUTURE OF VA MED CARE?

(By Cooper T. Holt, executive director, V.F.W. Washington Office)

The medical services and hospital, nursing home, and domiciliary care that the American people, through the Congress have committed themselves to provide to the veterans of this Nation's wars is at a critical crossroad. The question is will the VA medical program survive the onslaught of the Carter Administration? This vital and essential program, which the American veteran paid for in blood and sacrifice, is slated for such severe budget and other resource reductions under the guise of inflationary control and "zero based budgeting" that, unless it is reversed, the cuts will force the VA to take care of only service-connected cases.

It is not my intent to downgrade the importance of care for service-connected veterans. The contrary is the case. It is a known fact that service-connected conditions are usually the more long-term chronic ones. A well-rounded program of hospital care and medical services can best be delivered, however, when you have the proper mix of patients, a large number of whom have acute conditions. This is the only way a health care delivery system as large as that of the VA can attract and retain highly qualified health services personnel in sufficient numbers to provide the kinds of programs the American people and the Congress intended for eligible veterans.

For a number of years, it has been the "grand design" of the Office of Management and Budget (OMB) and its predecessor agency, the Bureau of the Budget, to keep cutting away at the quantity of medical services provided veterans. In the early post World War II era, the VA operated in excess of 120,000 hospital beds. Today, the number has been cut to 88,300 according to the President's budget for FY 1979. During the same period the average daily patient census in VA hospitals has dropped from in excess of 112,000 per day to approximately 73,000 per day. At the same time, the number of domiciliary beds has suffered from the same downgrade trend. The number of VA nursing care beds has never reached more than approximately 80 percent of the 10,000 beds mandated by the Congress. Older veterans, requiring nursing home care are being forced out of contract community nursing homes into Medicaid facilities or back into their own homes where the care that can be provided ranges from little, due to the age and health of the spouse, to no care at all.

Now, if all of this shocks you, let me say there is more to come. In his fiscal year 1979 budget requests, President Carter asked for 1,183 additional full-time employees for medical care programs, excluding employees for Medical and Prosthetic Research and the Central Office staff. The Congress in the Appropriations Act for fiscal year 1979 added an additional 2,200 full-time staff years to keep open 3,132 hospital beds the VA intended to close and to man the understaffed outpatient activities. However, at this writing a telephone survey of all VA medical activities reveals that approximately 7,000 fewer staff years have been allotted to all medical facilities than were actually employed in fiscal year 1978.

Now if this is not enough, the Carter Administration has placed a freeze on the employment level and will permit the filling of only one of every two vacancies that occur during this year. It does not take a genius to realize certain health care delivery organizational sections have a high employee turnover rate. Dietetic, nursing and building management activities are to name but a few. Can you visualize what will happen to these activities if only one of each two vacancies are to be filled? Within a matter of weeks these activities will be completely ineffective. In turn, this will cripple the medical facility to a point it would become inoperable. This, of course, fits very well into the "grand design" of OMB as mentioned earlier. Should this happen, then the only viable option would be to contract for essential services for the service-connected veteran and leave the needy, non-service-connected, veteran to obtain whatever care he requires on his own in the private sector. This becomes a real possibility; and if it happens, in my opinion, the VA operated health care delivery system solely for veterans as we know it today will cease to exist.

What can you do about it you may ask yourself? Well, I believe you can do a lot. First, you and your family can each tell your nationally elected officials in Washington your thoughts on the subject. I can tell members of Congress my personal and official thoughts about it; but when you, their constituents back home, tell him, they listen. Second, you can communicate with your comrades, other friends and members of community organizations, giving the American public the facts and seek their support. It is my belief that this is the most effective way of tackling a very real and major threat to your veterans health care program.

National health insurance is still a major legislative conversation piece in Washington. If the downtrend I have outlined in this article is not reversed, you can give odds that the veterans medical program "will be phased into the general delivery of health services in communities across the country" as recommended by the National Academy of Sciences in its $7.3 million study entitled "Health Care for American Veterans."

Let us not allow this to happen.●

THAT ELUSIVE SOVIET QUAGMIRE

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. DERWINSKI. Mr. Speaker, the Carter administration's handling, or better described as mishandling, of foreign affairs is obvious. In my opinion, the overall record of the administration in foreign policy can only be described as disastrous.

I wish to insert into the RECORD at this point an article from the Wall Street Journal of January 4, 1979, by Kenneth L. Adelman. Mr. Adelman, an assistant to the Secretary of Defense in 1976 and 1977, served in Africa from 1972 to 1975, and is presently with the Stanford Research Institute. Mr. Adelman comments on the administration's reaction to Soviet forces in Africa. His remarks follow:

THAT ELUSIVE SOVIET QUAGMIRE

(By Kenneth L. Adelman)

A curious silence followed a most remarkable feat: the sudden near-doubling of formal Soviet treaties with Third World states. In short order, Afghanistan, Ethiopia and Vietnam concluded 20-year "friendship and cooperation" treaties, each adorned a military clause. The Communist initiates of Mozambique and Angola signed up a few years back, following non-Communist Iraq and India.

Soviet aggrandizement in the Third World, once provoking a shrill cry of impending peril in the West, is now greeted by a collective yawn. Commentators, academics, and even administration officials—if mentioning the subject at all—are prone to offer consoling words. Such treaties they say, have all the depth of the paper they're written on because Soviet ties to developing countries last as long as disappearing ink. If proving more indelible, then all the better, since deep Russian military involvement can open the way to the Soviets' own quagmire. Meanwhile, what harm can the Soviets possibly inflict in such impoverished states?

Granted, final judgments must be reserved. After all, Russia is still an adolescent superpower courting states in their infancy of Marxism. Yet one can now detect flaws in such reasoning, which is inspired more by a quest for the fashionable than the factual. "It will never be known," Charles Peguy wrote in 1910, "what acts of cowardice have been motivated by the fear of not looking sufficiently progressive."

HOW THE PLAYERS FEEL

While "progressive" spectators may deem these treaties paper-thin and the Marxism of the new signators skin-deep, the players themselves do not.

After signing on the dotted line, Afghanistan's president told Mr. Brezhnev, "Our two countries have assumed, I would say, a qualitatively new character." Likewise, leaders of Afghanistan, Ethiopia, Vietnam, Angola and Mozambique ardently profess their adherence to Marxism, though Westerners may doubt their sincerity. In Finland last year, questions about his brand of "Afro-communism" infuriated Mozambique's president, who denied any such hybrid existed since his state had adopted the "pure form" of "scientific socialism."

Though now burning bright, the romance's flame may soon flicker as Third World leaders see Russian crudeness, racism and economic miserliness close up. African regimes in particular—so it is believed—may be wooed but never truly won.

Indeed, the Soviet engagement in Egypt, Sudan and Somalia was brisk. But these three governments were firmly entrenched in power before inviting the Soviets in and after booting them out. The regimes in Ethiopia, Angola, Mozambique and Afghanistan, in sharp contrast, were placed or retained in power substantially by Russian arms and Cuban mercenaries; Vietnam's government triumphed by Soviet weaponry. Such indispensable aid makes for enduring ties. Sure enough, these five states show no signs of creeping querulousness with Moscow, whose own appetite seems to grow by what it feeds on.

Moreover, brevity does not assure purity. Even a temporary Soviet presence can prove devastating. During less than two decades of Soviet involvement in Egypt, the Middle East suffered three calamitous conflicts. Less than one decade of Soviet chicanery in Somalia spawned the Ogaden invasion, with tragic consequences throughout the Horn. Three years of Soviet-Cuban swashbuckling in Angola made possible two perilous invasions into Zaire's economic heartland.

A Soviet-styled Vietnam—which some Westerners fleefully anticipate—is quite far-fetched. As former Arms Control and Disarmament Ageny director Fred Ikle has written, the American-styled Vietnam occurred because Moscow and Peking showered their comrades with arms to defeat Western-backed forces. The tables cannot be turned so long as Washington denies anything near this scale of aid to thwart Soviet-backed forces. Such were among the "lessons" of Angola 1975 and Somalia 1977.

As to the harm the Soviets can inflict in such backward and brittle outposts: They can militarize volatile areas, providing the means (though not the causes) for the outbreak of full-scale warfare. Such was the case with its former allies, and such remains the case with its present allies.

Lacking any historical economic or political involvement in Africa, Moscow now supplies more than 75% of weapons headed there. It is by Russian arms that Africans are slaying one another—and Cubans are slaying Africans—all across the continent, yet not by Russian aid that they are helping one another. For Moscow turns cold-hearted when asked to help alleviate dismal poverty. As British Foreign Secretary Owen noted: "The value of Soviet aid to developing countries has declined since 1973–74 and debt service payments to the U.S.S.R. now exceed new disbursements to the least-developed countries." Somewhat miraculously, Moscow has transformed foreign aid into an income-generating scheme.

Human rights may be bleak around the Third World, but are most consistently and persistently so within Marxist quarters. No need for words on conditions in Communist Indochina. The heartrending photos of the "boat people" and the flood of refugees from all three Indochinese states—particularly from the genocide of Cambodia's new Dark Ages—suffice.

No photos, however, have been snapped of the 5,000-plus political prisoners languishing in Mozambique's jails and camps. None taken of the harsh repression in Angola, whose president proclaimed last year. "We aren't a bourgeois democracy. From now on, the dictatorship will be a little more strong," and has proven as good as his word. None of the upwards of 30,000 massacred by the grisly Marxist rulers in Ethiopia, including some 5,000 youngsters (aged 12 to 25) herded up and shot in a mere three months time—according to Amnesty International—"their bodies being left until morning with a warning placard attached to them saying. 'This was a counterrevolutionary.' " As Tolstoy said, revolutionaries in power always behave worse than those they replace in part because they come fresh to it.

AS LENIN WROTE IN 1915 . . .

What are the Russians up to? Real Soviet intentions are necessarily shrouded in mystery. For modern psychology teaches that one cannot fathom his or her own real motivations nor those of another individual, let alone those of stodgy septuagenarian bureaucrats in the Kremlin. Their stated intentions, however, are quite apparent—to create a Communist world eventually, with Moscow its Mecca—and their policies towards the Third World quite consistent. In 1915, Lenin presciently wrote that colonial-type "wars of national liberation" would lead to Marxist regimes.

This would help sever the mineral-rich developing world—frequently called by Lenin's heirs "the weakest link in the system of capitalist international economic relations"—from the West. Lenin urged support for such wars "commensurate with [Russia's] own strength," and, quite predictably, Moscow's immersion into the Third World followed on the heels of its vast expansion in military strength.

With Europe stabilized in this century's second quarter (1925–50) and east Asia semi-stabilized in its third quarter (1950–75), other Third World areas—those in south Asia and the Persian Gulf, but particularly in Africa—furnish the ripest opportunities today, in the century's final quarter. Soviet aggrandizement in such regions—as evident by their recent flurry of treaty signings—should provoke more than a collective yawn.●

TRIBUTE TO MR. HARRY E. WOHLFARTH

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. FLORIO. Mr. Speaker, I would like to take this opportunity to join the Gloucester County Board of Realtors in New Jersey in paying tribute to an outstanding member of their fine organization, Mr. Harry E. Wohlfarth.

Harry is the president of the Gloucester County Board of Realtors for 1978 and has the distinction of being chosen as "Realtor of the Year." This honor symbolizes the excellent service he has provided within his profession, to his community, and to his clients.

Harry is one of those admirable people who has been able to successfully combine both his career and his responsibility to the community. He has served as governor of Moose Lodge; president of the Lions Club and a member of the Planning Board and Zoning Board of Paulsboro, N.J. Surely, Harry's record reflects an individual dedicated in service to others by actively participating and devoting his time and energies in every facet of community life.

I feel that Mr. Wohlfarth has set a fine example to all who have been associated with him and I certainly join in the commendation and recognition he truly diservess.●

DISMISSAL OF ABZUG AS COCHAIR OF NATIONAL ADVISORY COMMITTEE ON WOMEN

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. CONYERS. Mr. Speaker, the President's dismissal Friday of Bella Abzug as cochair of the newly created National Advisory Committee on Women is a very disquieting affair. Its significance goes beyond Mrs. Abzug. It raises basic questions about the manner in which the President conducts his office, his tolerance of criticism and dissent, and his ability to reach out to others of qualification in and out of Government for advice on matters of State.

As a three-term Member of Congress, a leader of the women's movement, an opponent of the Vietnam war, crusader for civil liberties, racial justice, open government, and Federal policies to aid the disadvantaged, Bella Abzug established beyond any reasonable doubt an outstanding record of public service. The President first appointed her only last year in recognition of these considerable public accomplishments, and in particular with the knowledge of her leadership in the women's movement and the high regard with which she is held.

The firing of Mrs. Abzug should be examined and judged strictly in public terms. There is no room for personality clash or personal pique, given the circumstances. The President, of course, was well aware of Mrs. Abzug's public views and style, as she was of his. The public facts are these. The Friday meeting was the first of the Advisory Committee. An earlier meeting scheduled for last November was canceled at the last minute, for which Mrs. Abzug was not responsible. Mrs. Abzug as well as the majority of the committee spoke to the President on Friday about their social and economic concerns, in particular offering their views on the dangers of domestic budget cuts to the well-being of women, the poor, and the society in general. A news release had been prepared which was critical of the President on his budget plans. After the meeting with the President, at which Bella voiced support of the meeting's discussion and direction, she was asked to meet with two of the President's assistants who used the occasion to fire her. The preemptory and unjustified manner in which this took place immediately led to the resignation of the other cochair, Carmen Delgado Votaw, and 21 other committee members. More resignations have followed. The resignations cross party, regional, and ideological lines.

Is the meaning of the dismissal of Mrs. Abzug that the President and his administration cannot brook criticism and dissent, particularly in the social and economic area? If so, the President took a most unfortunate action. It is likely that this event will have a chilling effect throughout the Government and with regard to outside organizations that have differences with the President's policy, but who also have to work with the administration. If such is the case, the President ought to reconsider the dismissal.●

STOP PENALIZING LOWER INCOME TAXPAYERS FOR BEING THRIFTY

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. WEISS. Mr. Speaker, it is time our Tax Code stopped penalizing lower income taxpayers for being thrifty. These persons are severely strapped as inflation drives up the cost of the necessities of life such as housing and food. The elderly, blue-collar workers, and young families starting out are some of the persons hardest hit. By taxing the interest on savings earned by such persons, the Government adds to their economic burden.

In recent years the rate of inflation has often exceeded the interest rate on savings accounts. As a result, savings accounts not only do not produce real income for the savers, but the value of the principal is reduced as well. This is a cruel result for people whose low incomes makes it especially difficult to save in the first place.

I am, therefore, today introducing a bill that would exempt from income taxes part of the savings interest earned by lower income persons. The bill would exempt from taxes up to $1,000 in the case of a single individual whose adjusted gross income does not exceed $10,000, up to $1,500 in the case of married persons filing jointly whose income does not exceed $15,000, and up to $750 in the case of a married person filing separately whose income does not exceed $7,500.

By this exemption, the savings that lower income persons painstakingly accumulate can be protected. When they set aside money for a "rainy day," to provide for their retirement, or to educate their children, they can do so with some confidence that the value of their savings will not be lost to inflation and taxes.

The cost of this bill would not be great. It would exempt only a small portion of the total taxable income, and the exemption would be effectively targeted to the lower income persons who require this help. These persons generally cannot benefit from more lucrative types of investments available to more affluent people, or from other provisions of the tax code that shelter income.

I urge my colleagues to join me in sponsoring this bill:

H.R. —

A bill to amend the Internal Revenue Code of 1954 to partially exclude interest from savings from the gross income of certain taxpayers

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) part III of subchapter 1 of the Internal Revenue Code of 1954 (relating to items specifically excluded from gross income) is amended by redesignating section 124 as section 125 and by inserting after section 123 the following new section:

"Sec. 124. Partial Exclusion of Interest From Savings.

"(a) General Rule.—In the case of an individual, gross income does not include interest which (but for this section) would be includable in the gross income of such individual for the taxable year.

"(b) Limitations.—

"(1) Interest limitation.—The amount of interest excluded under subsection (a) from the gross income of a taxpayer for the taxable year shall not exceed—

"(A) $1,000, in the case of a single individual,

"(B) $1,500, in the case of a joint return, or

"(C) $750, in the case of a married individual filing a separate return.

"(2) Adjusted gross income limitation.—If the modified adjusted gross income of the taxpayer for the taxable year exceeds—

"(A) $10,000, in the case of a single individual,

"(B) $15,000, in the case of a joint return, or

"(C) $7,500, in the case of a married individual filing a separate return,

the amount of interest which may be excluded under subsection (a) from the gross income of such taxpayer (determined after the application of paragraph (1)) shall be reduced by $1 for each $1 of the excess of the modified adjusted gross income of the taxpayer over the amount applicable to such taxpayer under subparagraph (A), (B), or (C).

"(c) Special Rules for Married Individuals.—

"(1) Community property.—This section shall be applied without regard to community property laws.

"(2) Determination of status.—For purposes of this section, the determination of whether an individual is married shall be made in the manner prescribed by section 143.

"(d) Definitions.—For purposes of this section—

"(1) Modified adjusted gross income.—The term 'modified adjusted gross income' means adjusted gross income determined without regard to paragraph (3) of section 62 or to sections (a) and (b) of section 124.

"(2) Interest.—The term 'interest' means any amount (whether or not designated as interest) paid by a bank (as defined by section 581), a mutual savings bank, savings and loan association, building and loan association, cooperative bank, homestead association, credit union, or similar organization, in respect of deposits, investment certficates, or withdrawable or repurchasable shares.".

(b) The table of sections for such part III is amended by striking out the last item and inserting in lieu thereof the following:

"Sec. 124. Partial exclusion of interest from savings.

"Sec. 125. Cross references to other Acts.".

Sec. 2. The amendments made by the first section of this Act shall apply to taxable years ending after the date of the enactment of this Act.●

LET US REPEAL METRIC CONVERSION

HON. ELDON RUDD

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. RUDD. Mr. Speaker, I have today introduced a bill to repeal the 1975 Federal law providing for U.S. conversion to the metric system of weights and measures.

The overwhelming majority of Americans do not want their customary system of weights and measures to be replaced by metric units, which are foreign to many of them and no better for everyday use than our own familiar measuring units.

For those people who want to use the metric system, we have had a U.S. law on the books since 1866 which provides for the voluntary use of the metric system. We have operated well under this dual system of customary and metric measurement for more than 100 years, and there seems to be no good reason now for the Federal Government to promote total changeover to metric.

There was great debate over forcing metric upon the American people against their will when Congress passed the Metric Conversion Act of 1975, and brought into being the U.S. Metric Board to "facilitate" the use of metric. It was the clear intent of Congress that changeover to metric was to be purely voluntary, and that no citizen or business was to be coerced—either directly or subtly—to use metric measurement.

But as with many Government programs, this one is already being forced on the people of America. The U.S. Weather Service plans to switch to metric, which will force all newspaper, radio, and television clients in the private sector to start reporting weather in the unfamiliar "celsius" instead of the traditional fahrenheit temperatures.

The Department of Transportation has already tried to switch highway signs on the Nation's roads to metric, but met with a storm of opposition. At some time in the future, unless Congress repeals the metric conversion law, the Federal bureaucracy will likely try again to impose this unwanted change on the American public.

The U.S. Metric Board is supposed to be entirely neutral on the use of metric measurement. But the President appointed several members of a metric advocacy group called the American National Metric Council to the Metric Board, and this private group's former president is now the full-time salaried staff director of the U.S. Metric Board.

The American National Metric Council primarily represents vested interests committed to metric conversion, and this private organization has its own timetable for switching American business and industry to metric measurement.

Now the U.S. Metric Board is in a position to implement the power and resources of the executive branch of the Federal Government in behalf of this objective of a few vested interests, despite the clear intent of Congress that no citizen or business be made to use metric measurement unless they do so on a purely voluntary basis.

Even the Comptroller General of the United States has stated in a recent General Accounting Office report that the existence of the Federal metric conversion law and the U.S. Metric Board is being erroneously perceived as a national policy of metric conversion. This has created an "inevitability syndrome," which is helping the small minority that wants metric to impose its will on unsuspecting people in the economic sector.

The big losers are the American people—the consumers—who will be made to suffer the inconvenience, dislocations, and enormous expense of switching to metric as the metric bandwagon continues to roll.

The GAO report states that the cost in almost every sector of our economy to convert to metric will be enormous, while the purported benefits of switching to metric are either nonexistent in any sector, or so questionable as to make metric conversion a highly dubious objective.

In fact, the GAO surveyed all sectors of the U.S. economy, and reported that no benefits could be found for switching to metric in the following sectors, which can continue operating well under the current dual system of measurement: U.S. world trade, U.S. engineering standards, the fastener industry—screws, bolts, nuts—transportation, automobile dealers, the metal products industry, rubber industry, petroleum industry, aerospace, the appliance industry, paper industry, surveying and mapping, labor, weather reporting, sports, consumers, and government.

The GAO reported that the most ardent proponents of metric conversion to be only vested interests that will themselves benefit from such a change at the expense of the rest of the people—certain Government departments that will regulate and direct the changeover at the Federal and State levels, educators and curriculum producers who would benefit from the change to a different system, thus requiring new textbooks and curriculum materials, and automobile manufacturers and others whose competitive situation might benefit from a measurement system consisting of more diverse and smaller units of measurement.

Certainly any individual or business that wants to use metric measurement should be permitted to do so, and the 1866 metric law has provided for this voluntary use of metric for more than 100 years.

However, the Metric Conversion Act of 1975 has been harnessed by a small minority of metric advocates to promote total implementation of metric measurement in the United States, and abandonment of our customary system, which is not a desirable economic or social objective for our country.

I believe that the interests of our country and its people will be served by repealing the Metric Conversion Act of 1975, so that freedom of choice in this matter will be preserved for our people, and the bureaucratic prometric interests will be unable to continue using the power and resources of the Federal Government to impose an unwanted conversion to metric on the American people.

Mr. Speaker, I commend the General Accounting Office for its good report on this subject, which is entitled "Getting A Better Understanding of the Metric System—Implications If Adopted by the United States"—CED-78-128, October 20, 1978. I urge all my colleagues to benefit from the insights of this 700-page study.

I will be most pleased to have cosponsors for my bill to repeal the Metric Conversion Act of 1975, which I would like to include in the RECORD at this point:

H.R. —

A bill to repeal the Metric Conversion Act of 1975 (89 Stat. 1007)

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that this Act may be cited as the "Metric Conversion Repeal Act of 1979".

FINDINGS AND POLICY

SEC. 2. (a) The Congress finds that—

(1) the majority of American people do not favor conversion from customary United States weights and measures to the metric system, despite United States involvement as an original signatory party to the 1878 Treaty of the Meter (20 Stat. 709), and the fact that voluntary use of metric measurement standards in the United States has been authorized by law since 1866 (Act of July 28, 1866; 14 Stat. 339);

(2) the Metric Conversion Act of 1975 (89 Stat. 1007) has conveyed to the American public and to the business community the erroneous impression that U.S. conversion to the metric system is national policy, which it is not;

(3) the U.S. Metric Board, created by the Metric Conversion Act of 1975, exists as a promotional vehicle within the Federal Government, using the resources and the power of the Government to influence and encourage conversion to the metric system throughout the United States in violation of the intent of Congress;

(4) several Federal departments and agencies have provoked widespread public opposition by attempting to promote or implement use of metric measurement on highway signs, in weather reporting, in marketing beverages and other products, and through school curriculum materials, also not in keeping with the intent of Congress that use of metric measurement by any sector in the United States be strictly voluntary and not imposed by the Federal Government;

(5) according to an exhaustive study by the Comptroller General of the United States, the cost of metric conversion to the American people would be enormous, while the purported benefits of such conversion are non-existent or questionable in practically every area;

(6) standardization and rationalization of measurements, and other purported benefits ascribed to metric measurement, have occurred throughout the world under the customary system without metric conversion;

(7) there is no evidence that a solely metric system would be better for the U.S. economy, and U.S. economic activity and world trade have not been hampered or injured by a dual system of customary and metric measurement according to the Comptroller General's report;

(8) it is in the interests of the United States to eliminate Federal Government

programs or entities, such as those continuing and expanding under the Metric Conversion Act of 1975, when it is clear that their objectives and activities are not supported by the people, or their existence is unnecessary to an overriding public need.

(b) The Congress declares that it is the policy of the United States—

(1) to pursue a vigorous effort to avoid wherever possible undue or harmful socio-economic dislocations as the result of Federal Government programs or actions, such as those needlessly imposed by efforts being advanced under the Metric Conversion Act of 1975; and

(2) to eliminate Federal Government programs or entities that would cause undue socio-economic dislocations, or whose objectives or existence are not supported or needed by the American people.

REPEAL OF METRIC CONVERSION

SEC. 3. The Metric Conversion Act of 1975 (89 Stat. 1007; 15 U.S.C. 205 (a), (b), (c), (d), (e), (f), (g), (h), (i), (j), and (k) is repealed.●

DEPOLITICIZING HEALTH CARE

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. McDONALD. Mr. Speaker, Representative STEVE SYMMS and myself today are introducing a bill to repeal titles XV and XVI of the Public Health Service Act, which were created by Public Law 93-641, the "National Health Planning and Resources Development Act of 1974."

The consequences of Federal health planning will be disastrous and thus Public Law 93-641 should be repealed immediately, for the following reasons.

First, the law provides both, the mechanism and the means for total, centralized control of health care by the Federal Government. Title XV establishes the mechanism by: First, directing the Secretary of the Department of Health, Education, and Welfare to issue guidelines concerning national health planning policy; second, setting "national health priorities", and third, creating a nationwide network of "health systems agencies", "health service areas", and "State health planning and development agencies."

Title XVI provides the means by authorizing Federal aid for developing "health resources"—essentially building new medical facilities or modernizing old ones—and Federal funding for the Health Systems Agencies established in title XV. Acceptance of these funds brings a medical facility under Federal control, if indeed it isn't already taking orders from HEW through prior acceptance of funds from Federal programs such as medicare, medicaid, Hill-Burton, and so forth.

Obviously, this is a major step toward complete nationalization of the health care professions, as was made clear by its proponents:

> The important concept embodied in this legislation, that health financing should be closely related to health planning, has subsequently been reflected in almost all major proposals for national health insurance through a series of devices intended to assure that national health insurance does not pay for costly services which the planning process determines are unneeded. (House Report 93-1382, to accompany H.R. 16804, p. 8).

Aside from the intentions of its sponsors, however, Federal health planning by its very nature will lead to total Federal control of health care. One of the law's alleged purposes is to control the cost of health care, which has been rising at a rate higher than that of inflation for the past several yeas. But it attempts to do this by treating the effect, the rising prices, not the cause, which is the Government programs that socialize health care. When payments of medical services are collectivized, as under medicare and medicaid, the individual pays the same amount regardless of the cost and frequency of his own treatments. If health care is "free" on demand, demand soars and prices rise.

The health planners propose to stop this by ordering prices to hold still. They propose "maximum allowable cost" for drugs, and "professional standards review" for the elderly and indigent under medicare and medicaid, to make sure the Government pays for no "unnecessary" services. The Professional Standards Review Organizations, already established by another law, have the authority to control doctors' fees, to review confidential medical records in order to "standardize" allowable medical services, and to review hospital admissions.

Thus "free" medicine for the elderly and indigent is leading directly to Government rationing of health care services to these citizens. And now the health planners are talking about "a series of devices" to insure that the Government "does not pay for costly services which the planning process determines are unneeded," thereby extending Government rationing of health care to everyone.

Such controls, however, will not work unless they are total. Prices will continue to rise so long as the Government continues its involvement in health care, leading the planners to lobby for complete nationalization. There are only two ways to deal with the consequences of the insatiable demand induced by Government health care programs. One is to eliminate the Government programs and allow the market to bring supply and demand back into balance. The other is to give the Government total control over supply.

The health planners leave no doubt which option they chose, and are already claiming Public Law 93-641 to be inadequate. For example, Dr. Charles C. Edwards, former Commissioner of the Food and Drug Administration and former Assistant Secretary for Health at HEW, "renewed his call for a National Health Authority to regulate medicine as a public utility" in a keynote address before a meeting of the American Association for Comprehensive Health Planning last month—American Medical News, July 26, 1976.

"I am suggesting," Dr. Edwards said:

> that health planning be merged with health cost regulation. Because without such a merger—without effective cost-containment—health planning, even under the best of circumstances, will remain an exercise in frustration and a bitter disappointment.

Dr. Edwards continued by endorsing "regional rate-setting agencies operating under Federal guidelines."

In other words, health planning will not work unless the Government has total control over the supply of health services, without which those who wish to determine how much, if any, health care each individual American citizen will be allowed, will be "frustrated" and "disappointed."

Second, Federal health planning is politicizing the entire field of health care. Instead of market demand determining and directing the supply of medical facilities and services, these decisions increasingly are being made by government and quasi-government officials. The decision to build a new hospital is not being determined by the demand for medical services by the people in a given area, but by officials of a "health systems agency" who, in conjunction with officials of the "State health planning and development agency" and officials of HEW's appropriate "regional planning center," attempt to determine if their health plans are in accord with the "national health priorities" set by Congress and the "national guidelines for health planning" issued by the Secretary of HEW. Thus decisions affecting the health of millions of people must go through layer after layer of health planners before anything can be done. And since the decision is political, not economic, those with political pull will get the new hospital, if anyone does, not necessarily those who need it most.

Such a system is designed not to provide health services, but to prevent them from being provided.

Third, this law undoubtedly will distort and disrupt the delivery of health services to rural and nonrural areas. Not only do such areas lack the political pull to compete with the more densely populated urban areas, but the "national health priorities" established by Congress discriminate against less populated regions. These priorities, as mandated by section 1502 of title XV, include:

> (1) The provision of primary care services for medically underserved populations, especially those which are located in rural or economically depressed areas.
>
> (2) The development of multi-institutional systems for coordination or consolidation of institutional health services (including obstetric, pediatric, emergency medical, intensive and coronary care, and radiation therapy services).
>
> * * * * *
>
> (7) The development by health service institutions of the capacity to provide various levels of care (including intensive care, acute general care, and extended care) on a geographically integrated basis.

Apparently, primary care services are to be provided in rural areas, but other levels of care only on a "geographically integrated" basis. What about a rural hospital which provides intensive care? Must its patients be transferred to urban hospitals? Or what about a rural hospital which wants to add facilities for intensive care? Must it wait until the population in its vicinity reaches some figure arbitrarily determined by a bureaucrat in a regional health planning agency?

Fourth, Public Law 93-641 is unconstitutional, probably on many grounds. At the very least it is a violation of the 10th amendment. In fact, several States have already filed suit charging that the law is an illegal intrusion on a State's rights.

If we continue down the road being paved by Federal health planners, the American people will be denied the right to control their own health. Government planners not only will be setting doctor and hospital fees, but rationing medical care as well. Whether or not someone should have an operation no longer will be a medical decision arrived at by the individual and his doctor, but a political decision arrived at by Government health planners. In Great Britain, where health planners have been in control for many years under the National Health Service, patients are waiting in line for up to a year for a hospital bed to have a needed operation.

This is what Government health planning will lead to in our country if we do not change our course and begin systematically eliminating Government control of health care.

Repealing Public Law 93-641 would be an excellent first step toward depoliticizing the field of medicine.●

SIXTY-FIRST ANNIVERSARY OF UKRAINIAN INDEPENDENCE

HON. FRANK ANNUNZIO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. ANNUNZIO. Mr. Speaker, January 22, 1979, marks the 61st anniversary of the declaration of independence by the Ukrainian people, who, through terrible years of oppression, have kept alive their belief in the dignity of man.

Chicagoans of Ukrainian descent will commemorate this important day with the Ukrainian Independence Day banquet, Sunday, January 21, 1979, at the Pick Congress Hotel, 520 South Michigan Avenue, in Chicago, sponsored by the Ukrainian Congress Committee of America, Chicago division. Entertainment will be provided by the Ukrainian-American Youth Band and Dance Group, and also by the Ukrainian Democratic Youth String Ensemble.

The executive board of the Ukrainian Congress Committee of America, Chicago division, includes: Dr. Myroslaw Charkewycz, president; Michael Kos, vice president; Julian E. Kulas, executive vice president; Dmytro Bahrey, secretary; and Wasyl Braznyk, treasurer.

January 22 is a day of sadness, not only for the Ukrainians but also for freedom-loving people everywhere, for we know that despite their heroic efforts, the Ukrainians have been thwarted in their struggle to achieve a free nation. Ever since 1709, when Czar Peter the Great of Russia conquered the Ukraine and ruthlessly crushed the intelligentsia, the history of Ukraine has been a story of relentless struggle to throw off Russian domination.

Despite overwhelming odds, the Ukrainian people have never abandoned their hope for freedom or their longing for national independence. Taras Shevchenko, the poet laureate of Ukraine, by our own noble American tradition, was inspired to write against the imperialist and colonial occupation of his native land. And we in America have recognized Shevchenko's patriotism and dedication to liberty by erecting a statue of this great man in 1963 in our Nation's Capital at 23d and P Streets, NW.

In 1776, Americans claimed for themselves the right to determine what their destiny would be, and consequently, we feel a deep and abiding kinship for the Ukrainians, and indeed, all peoples who seek to achieve the goals that we claimed as our right. Although the Ukrainians have not yet achieved their goals, nonetheless, our expression of support for their just and rightful aims will help in some measure to make freedom an attainable and enduring reality for them.

On January 22, 1918, the fondest hopes of the Ukrainians were realized when the Parliament proclaimed the independent Ukrainian National Republic. The reality of freedom was shortlived, however, because by 1922 the Bolsheviks took over where they had left off and resumed persecutions, relocations of whole villages, exiles of significant personages, brutal starvations, and wholesale executions. Through it all, the Ukrainians remained steadfast in their resolve to regain their freedom and national sovereignty.

Today, although the Ukrainians are still under the yoke of foreign domination, I am still confident that one day their love of liberty will triumph, and the Ukraine will once again take her rightful place in the community of free nations.

Mr. Speaker, it is with pride that I join the members of the Ukrainian Congress Committee of America in tribute to the millions of Ukrainians who are continuing their struggle for the blessings of liberty in their own homeland. I am honored to join with Americans of Ukrainian descent in my own 11th District and all over this Nation who continue to cherish the hope of eventual independence and a free Ukraine. The spirit of the people of Ukraine is testimony to the fact that tyranny, in whatever brutal form it manifests itself, cannot conquer the soul of a nation and its people.●

THE 50TH ANNIVERSARY OF ST. AIDAN

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. WOLFF. Mr. Speaker, on November 19, 1978, the Church of St. Aidan in Williston Park, Long Island, within my congressional district, celebrated its 50th anniversary. For half a century, guided by men and women of wisdom, devotion and charity, the parish has flourished and become an integral part of the community life. St. Aidan's Parish School has educated thousands of boys and girls who are now adults and upstanding citizens and continues to prepare our youth for the future. St. Aidan's is a focal point of community activity in Williston Park. It meets not only the religious requirements of the people, but their educational and social needs as well. The priests, brothers, and sisters serve the young, the old, and all those in between with a dedication that is most impressive. There is a warmth in Williston Park that permeates the community. It is generated by the love, the dedication, and the faith implicit in the parish and all of its members.

I am impressed by St. Aidan's. I have a deep respect for its clergy and its parishioners. I was proud to be among them on November 19 when Bishop McGann, Father Kerwin, the pastor, and Monsignor Bermingham, pastor emeritus, celebrated the 50th anniversary Mass. I wish them all continued success and the continuance of God's blessings upon them and their generations to come.●

LOS ANGELES UKRAINIAN CULTURE CENTER

HON. CARLOS J. MOORHEAD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. MOORHEAD of California. Mr. Speaker, during the congressional break, a Los Angeles Ukrainian Culture Center presented a concert in honor of the 60th anniversary of the Proclamation of Independence of Western Ukraine. The following is a statement issued in connection with that concert:

A STATEMENT BY THE BOARD OF DIRECTORS OF THE LOS ANGELES UKRAINIAN CULTURE CENTER

Today our concert is dedicated to three purposes.

First, we commemorate the 60th anniversary of the Proclamation of Independence of Western Ukraine on November 1, 1978.

Second, we pay our respect to the millions of Ukrainians who died during the Bolshevik-inspired, artificial famine of 1932-33.

Third, we express our support for the Ukrainian dissidents who are struggling for human and national rights in Ukraine today.

From the 18th Century until 1917 Ukraine was divided and occupied by the Austrian-Hungarian Empire and the Russian Czarist Empire.

Western Ukraine was under the rule of the Austrian Hapsburg Monarchy. The political rights of the Ukrainian people were limited. Our people were subjected to social discrimination and economic exploitation. The objective of the Austrian authorities was to keep the Ukrainian people politically weak and to exploit them as a cheap source of agricultural labor.

In Eastern Ukraine the situation was much worse because the Russian authorities engaged in a vicious policy of total suppression of the rights and national identity of the Ukrainian people. Ukrainians were subjected to intense political oppression, religious discrimination, and cultural russification. For example, in 1876 the Russian Czar issued a decree forbidding the use of the Ukrainian language. The objective of the Russian authorities was to eliminate the identity of the Ukrainian people and to assimilate them into the Russian state.

Despite hardships and oppression the Ukrainian people survived. In the 19th Century the Ukrainian language blossomed forth in the poetry of Taras Shevchenko and the writings of Lesia Ukrainka and became a powerful vehicle for articulating the aspirations of the Ukrainian people.

In the early years of the 20th Century the desire of the Ukrainian people for freedom and dignity found expression in the writings of Ivan Franko and the leadership of Metropolitan-Archbishop Andre Sheptitsky.

The First World War brought an end to the Austrian and Russian Empires. When the Russian Czarist Monarchy collapsed in 1917 the Ukrainians organized committees to obtain self-government. When the Russian revolutionaries rejected the concept of Ukrainian self-government, the Ukrainians who were under Russian rule proclaimed their Independence in Kiev on January 22, 1918.

The weakening of the Austrian Empire provided an opportunity for the people of Western Ukraine to achieve their freedom. On November 1, 1918 they proclaimed their Independence in Lviv. Today we observe the 60th anniversary of the Proclamation of Independence of Western Ukraine.

The two Ukrainian Republics united on January 22, 1919 to form the Ukrainian National Republic. Ukraine was attacked by Russian Bolshevik forces, Pro-Czarist Russian forces under General Deniken, and the Polish Army of Generals Haller and Pilsudski.

By 1920 the Ukrainian National Republic was crushed. Ukraine was partitioned. Western Ukraine was taken by Poland except for Carpatho-Ukraine which was taken by Czechoslovakia and Bukovina which was taken by Rumania. Eastern Ukraine was taken by Soviet Russia and forcibly incorporated into the Soviet Union as the Ukrainian Soviet Socialist Republic.

During the Second World War virtually all of the Ukrainian land outside of Soviet borders was seized by the Soviet Red Army and incorporated into the Ukrainian Soviet Socialist Republic. This so-called republic is a puppet government under control of the Kremlin in Moscow.

Soviet rule has been a disaster for the people of Ukraine. Forty-five years ago Stalin and the Soviet apparatus, including the Red Army, the Communist Party, and the NKVD secret police, organized an artificial famine to crush Ukrainian resistance to Russian Communist rule. Grain, cattle, seeds, and tools were taken away from Ukrainian farmers. The countryside was isolated. No one could come out and food could not go into the countryside.

Soon, mass starvation began. Armed resistance was crushed by the Red Army. Many people were shot or deported to Siberia by the NKVD. Millions of Ukrainians died. Eventually the Ukrainian people had to surrender their land and were forced to work on Soviet state farms.

To this day no one knows how many people died during the Great Famine of 1932–33. Alexandr Solzhenitsyn, the famous Russian dissident and author of the *Gulag Archipelago,* states that approximately six million Ukrainians died as a result of the artificial famine. Winston Churchill in his memoirs, *The Hinge of Fate,* said that Stalin told him in August, 1942 that there were ten million casualties during the Great Famine. Nikita Khrushchev, one of Stalin's henchmen in Ukraine, in a speech to the 20th Congress of the Communist Party of the Soviet Union in February, 1956, confirmed the full extent of the Great Famine and the political motivation behind it. Western experts, like Professor Clarence A. Manning of Columbia University, estimate that at least three million men, women, and children died of hunger and millions more were deported to Siberia where, in a short time, most of them died from cold, disease, or hunger.

Let us remember and commemorate the loss of millions of victims of Soviet terror in Ukraine during the last sixty years. We solemnly protest the crass violations of human rights and basic freedoms that the Soviet government perpetuates in Ukraine to this very day.

Political freedom does not exist in Ukraine today. The Soviet authorities harrass and intimidate all religious faiths. The Soviet regime pursues a systematic policy of cultural russification aimed at obliterating Ukrainian culture and stamping-out the Ukrainian language.

Let us remember the persecuted human rights dissidents, such as Valentyn Moroz, Irena Stasiv-Kalynets, Reverend Vasyl Romaniuk, and many, many others. Let us remember, the six persecuted members of the Ukrainian Helsinki monitoring group: Mykola Rudenko, Oleksiy Tykhy, Mykola Matusevych, Myroslav Marynovych, Petro Vins, and the most recent victim of Soviet "justice", Lev Lukianenko, who was condemned this year to ten years in a hard labor camp and five years in exile.

Finally, let us remember to give our moral and financial support to the people and organizations that work for the human and national rights of Ukraine. History will judge us for what we do. But, more important, we will judge ourselves for what we did or did not do to support human rights in our time.●

REGULATORY COSTS

HON. PETER A. PEYSER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. PEYSER. Mr. Speaker, a frustrated college administrator grappling with the tentacles of Government redtape and triplicate forms once said:

> If a foreign power really wanted to destroy this country, it could develop a chemical to destroy paper. That would bring us to our knees.

This pressure does not appear to be letting us as the Office of the Federal Register this week reported that 55,000 pages of regulations were issued in 1978 compared to 20,000 in 1970—a 275-percent increase in just 8 years.

The unchecked growth of unnecessary, duplicative, and delayed regulations is contributing heavily to inflation. Higher prices we pay result from expensive production methods required by Government regulation. Unemployment is increasing as companies are forced to close down or reduce output due to costs of meeting more stringent Government standards.

Barry Bosworth, Director of President Carter's Council on Wage and Price Stability, estimates that excessive, unnecessary, and duplicative regulations are the primary reason why the average annual increase in U.S. productivity slowed from 3 percent between 1948 and 1966 to 2 percent since that time.

President Ford's White House figured that the price tag on regulation to each American family is $2,000 in Federal income taxes.

The Commerce Department reports that economic considerations are underrepresented in the formulation of regulatory policy and that the current system may be insensitive to differences in the regional impacts of regulation. The Department also suggests that costs of complying with overly stringent regulations may not be properly balanced by their benefits.

Seven Presidents beginning with President Franklin Roosevelt in 1937 commissioned studies of what is increasingly perceived as a powerful fourth branch of Government—the regulatory agencies. The House and Senate Government Operations Committees have issued similar reports, but unfortunately, little action has followed these efforts.

In 1977, the Appropriations Committee directed the Occupational Safety and Health Administration—OSHA—to eliminate nuisance standards. More recently, President Carter ordered the executive department to reduce and simplify the existing body of Government regulations. These initiatives have encouraged revocation of some regulations such as those requiring horseshoe shaped toilet seats and the mounting of fire extinguishers an exact 42 inches from the floor. Others are currently in review. But as a recent General Accounting Office study recommended, much more needs to be done.

This is why I am introducing a resolution to set up a bipartisan task force to investigate the costs and burdens of Federal regulation. For the first time, members from all House committees overseeing regulatory agencies would come together to make sense out of regulatory policy formulation; to evaluate the numerous recommendations that have already been made; and to spell out their conclusions in specific legislative proposals.

I have long been a proponent of strong health and safety laws and the Occupational Safety and Health Administration, the Environmental Protection Agency, the Consumer Product Safety Commission, the Food and Drug Administration, and other regulatory agencies designed to see that the consuming public is protected in the marketplace. But all too frequently, economic considerations are left out of rulemaking decisions and it is the consumer who pays for the consequences.

Many regulators are simply over ambitious and seek to do more than Congress has requested.

The Employee Retirement Income Security Act is a glaring example of overzealous rulemakers killing a potentially meaningful program—in this case one designed to protect employee's pension rights. Of the 500,000 pension plans in the United States, 150,000 have been dropped since the enactment of ERISA nearly 3 years ago. Many suggest that the reason for this drop is the issuance by three administering agencies, the U.S. Department of Labor, the Internal Revenue Service, and the Pension Benefit Guarantee Corporation, of over 400 temporary and permanent regulations governing pension plans. To the 300,000 small businesses with only 1 to 10 pension participants (neighborhood laundries, corner grocery stores, local dentists, and others), it is impossible to keep track of such rulemaking without hiring expensive professional help.

The National Park Service at Fort Vancouver in Washington State was prevented from baking and selling bread the way the Fort's occupants did years ago because, said air pollution authorities, the wood burning ovens could not be used—they would put too many contaminants in the air.

The byproduct of "scrubbers" urged by the Government to clean electric powerplants and large industrial furnaces is calcium sulphate. Some estimate that up to 160 square miles of pond for dumping this sour cream-like substance after usage will be necessary by 1980.

Construction of a proposed highway overpass in Indiana was vetoed by OSHA, because the State had failed to conduct a noise abatement study of how the project would disrupt a cemetery that is a quarter of a mile away.

According to a Senate Government Operations Committee study, regulatory delay and indecision is costing the Government, consumers, and industry tens of millions of dollars. Inflated legal fees, taxpayer dollars, and other costs of participation are driving up business costs which in turn increase consumer prices and discourage business investment.

When I first came to Congress in 1970, the Child Protection and Toy Safety Act had already been enacted. When I left at the end of 1976, there were no regulations to implement it. A lawsuit demanding action was filed in 1973. By 1974, there were still no Government standards for mechanical hazards in toys, such as sharp edges and points. Several citizen-plaintiffs brought a Federal suit to force the agency to propose rules within 30 days. The Consumer Product Safety Commission 25 days later proposed regulations, but issued no effective date. In response to industry and consumer uproar, a reappraisal period of more than 2 years ensued. After meeting with industry and consumer groups in 1976, the Consumer Product Safety Commission decided to withdraw its proposed regulations and start all over again. In the interim, the Toy Manufacturers established a new voluntary code for its members which incorporated the design of characteristics the agency had originally considered.

While difficult to estimate, the costs of delay are substantial as estimated by the Toy Manufacturers of America. The agency, too, expended thousands upon thousands of dollars over the years in technical research and legal costs. The CPSC reports that children 8 years and younger experience an average of 43,000 punctures and lacerations requiring hospitalization a year from toy injuries. It is possible that many of these incidents could have been avoided had effective toy safety standards been on the books.

A thousand lawyers who practice regularly before eight major commissions cited "undue delay" as the most common problem of Federal regulation. Administrative agency proceedings average more than 19 months for licensing, 21 months for ratemaking, and over 3 years for enforcement actions. It takes 169 days on the average for licensing and ratemaking to reach the hearing stage and over a year before a hearing is even convened.

The existence of overlapping and confusing jurisdictions, the fault of both the Congress and the regulators, is another burden to the private sector and our economy as a whole. Why should the Federal taxpayer be asked to pay twice to regulate identical functions?

Last year, for instance, OSHA directed the Made-Rite Sausage Co. of Sacramento, Calif. to place protective guards on its meat-blending machine. The guard, however, would have violated Agriculture Department regulations, because it would have made the machine too difficult to clean.

In another instance, one agency demanded grated floors in burtcher shops to reduce the risk of slipping and another, the Department of Agriculture, required smooth floors, because grates increase the hazards of contamination.

The authority over meat products is another confusing example of overlap. The Food and Drug Administration has authority over live animals intended for food supply but the Agriculture Department exercises exclusive jurisdiction over slaughter houses and retains authority while the meat is in process facilities. After the food product leaves the processing plant, it becomes subject to both USDA and FDA jurisdiction. Both regulatory bodies have concurrent jurisdiction over adulterated or misbranded meat products in retail outlets while only FDA has authority to inspect retail premises.

Under my resolution, a bipartisan congressional task force consisting of two members from each committee with jurisdiction over regulatory agencies would look at such questions as: Has the passage of time rendered rules obsolete? Are regulations issued and enforced with adequate appraisals of their economic and social impact? To what extent are regulations unnecessary and duplicative? Does enabling legislation provide an explicit and consistent mandate? By what methods does Congress review the performance of regulatory agencies?

The task force is additionally directed to review existing proposals, past recommendations and prepare legislation to carry out its conclusions and recommendations.

I propose that the task force terminate at the end of the 96th Congress and, therefore, urge early and speedy action on the resolution.●

OPPOSED TO FEDERAL FUNDING OF ABORTION

HON. FERNAND J. ST GERMAIN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. ST GERMAIN. Mr. Speaker, I wish to set the record straight on a vote cast in error in the waning hours of the 95th Congress. On October 14, 1978, I intended to vote "nay" to H.R. 12929 making appropriations for the Departments of Labor, Health, Education, and Welfare and related agencies.

My strong antiabortion stance remains unchanged, and I will actively continue to oppose the Federal funding of abortion throughout the 96th and all succeeding Congresses.●

WAGE AND PRICE CONTROLS

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. WEISS. Mr. Speaker, I am today reintroducing legislation to provide the President with standby authority to institute wage and price controls, including restraints on interest rates, dividends, and similar transfers.

The ravages of inflation must be halted now. Every sector of the economy is being damaged by an overall inflation rate that has exceeded 6 percent for each of the past few years. Food and health costs are soaring, with prices for other goods and services continuing to spiral as well. As the purchasing power of the dollar declines, people with low, moderate, and fixed incomes suffer most.

The American people are demanding relief from runaway inflation, and the President has indeed begun to implement a voluntary wage and price standard program. I applaud this step, but it is unlikely to be sufficient to prevent a new surge of double-digit inflation.

For any voluntary program to be effective, there must be a strong option available for enforcing the guidelines. If Congress grants the President this standby authorization, his ability to encourage voluntary economic restraints will be measurably enhanced. Hopefully the President will never need to impose the controls created by this legislation, but it is essential that they be at his disposal should the need arise.

I urge my colleagues to join me in supporting this legislation which will signal our willingness to attack inflation head-on:

H.R. —

A bill to provide authority for the President to stabilize prices, wages, interest rates, and corporate dividends

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Economic Stabilization Act of 1979".

PRESIDENTIAL AUTHORITY

SEC. 2. The President is authorized to issue such orders and regulations as he may deem appropriate to stabilize prices, rents, wages, and salaries at levels not less than those prevailinlg on January 1, 1979, and to stabilize interest rates and corporate dividends and similar transfers at levels consistent with orderly economic growth. Such orders and regulations may provide for the making of such adjustments as may be necessary to prevent gross inequities.

DELEGATION

SEC. 3. The President may delegate the performance of any function under this Act to such officers, departments, and agencies of the United States as he may deem appropriate.

PENALTY

SEC. 4. Whoever willfully violates any order or regulation under this Act shall be fined not more than $10,000.

INJUNCTIONS

SEC. 5. Whenever it appears to any agency of the United States, authorized by the President to exercise the authority contained in this section to enforce orders and regulations issued under this Act, that any person has engaged, is engaged, or is about to engage in any acts or practices constituting a violation of any regulation or order under this Act, it may in its discretion bring an action, in the proper district court of the United States or the proper United States court of any territory or other place subject to the jurisdiction of the United States, to enjoin such acts or practices, and upon a proper showing a permanent or temporary injunction or restraining order shall be granted without bond. Upon application of the agency, any such court may also issue mandatory injunctions commanding any person to comply with any regulation or order under this Act.

EXPIRATION

SEC. 6. The authority to issue and enforce orders and regulations under this Act expires at midnight September 30, 1982, but such expiration shall not affect any proceeding under section 4 for a violation of any such order or regulation, or for the punishment for contempt committed in the violation of any injunction issued under section 5, committed prior to October 1, 1982.●

LEGISLATIVE OVERSIGHT ACT OF 1979

HON. BUTLER DERRICK

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. DERRICK. Mr. Speaker, today I am introducing the Legislative Oversight Act of 1979. This bill attempts to bring about program review, the goal of most "sunset" bills which have been introduced in the House in recent years, in a workable approach to this difficult subject.

We have all recognized the need for improved congressional review of Federal programs. However, we have also realized the problems involved in developing legislation that would not produce a massive additional workload for an already overburdened Congress.

The Legislative Oversight Act of 1979 concentrates the Congress' efforts on the "front-end" of the legislative process, by requiring that program objectives and planned annual accomplishments be stated more clearly and precisely, in quantifiable terms to the extent practicable. Then, through agency reports, the Congress would be in a better position to evaluate program success against its own carefully stated objectives. And finally, when a program is to be reautorized, the committee of jurisdiction would be required to make an overall assessment of how well, or badly, the program achieved its original objectives and planned accomplishments. This proposal will substantially improve the quality of legislative proposals and make program oversight more meaningful and useful.

The major provisions of this proposed legislation are:

First. All legislation authorizing new budget authority or tax expenditures must contain language which clearly specifies the program's objectives and planned annual accomplishments and requires the administering agency to report annually to the Congress on the extent to which those objectives and planned accomplishments are being achieved;

Second. Committee reports accompanying such legislation must spell out program objectives and planned accomplishments in greater detail, relate the program and its proposed costs and accomplishments to other programs with similar objectives, and justify the need for, appropriate extent of, and expected duration of Federal support of the program;

Third. At the time of program reauthorization, committee reports must also contain an overall assessment of the extent to which the program has achieved its stated objectives;

Fourth. Agency reports on the extent to which programs are achieving their stated objectives would be submitted annually, and would be required to contain information on program costs and accomplishments that permit meaningful comparisons with other programs having similar objectives; and

Fifth. Legislation authorizing new budget authority or tax expenditures could not be effective for more than 5 years.

The Legislative Oversight Act adjusts to the existing workflow of the House and does not impose a substantial new workload burden, which would result from an arbitrary schedule for reviewing all Federal programs on specific dates. And it does not permit committees to avoid the review and evaluation process.

It is my belief that we can pass this bill during this Congress and thus demonstrate to our constituents that the Congress is prepared to undertake a real effort to end ineffective and wasteful Federal programs so that our scarce budget resources may be devoted to higher priority activities.●

OMB DIRECTOR

HON. JACK BROOKS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. BROOKS. Mr. Speaker, today I am introducing legislation to raise the level of the Director of the Office of Management and Budget to Cabinet status. In 1974, Congress recognized that the job of OMB Director is as important as that of a Cabinet officer, when it approved my bill making the OMB Director subject to Senate confirmation. But we have failed to follow through by providing for compensation of the OMB Director at the level of a Cabinet Secretary.

This legislation will correct that oversight. It will upgrade the OMB Director's slot to a level 1 position, and will raise his deputy to a level 2.

I support this bill, because it is fair, and also because principles of sound management say that people carrying equal responsibilities should be at the same level. The OMB Director is the President's chief representative in dealing directly with Cabinet officers on essential budgetary and management issues within the executive branch. He should be treated appropriately. For the same reason, his deputy should be on a par in his dealings with deputies of Cabinet heads and other level 2 officials. I urge support of this bill.●

DISABILITY INSURANCE AMENDMENTS OF 1979

HON. ELLIOTT H. LEVITAS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. LEVITAS. Mr. Speaker, today I am introducing a bill to improve the disability insurance program under social security so that it will create a more humane system for the disabled, and, at the same time, save the taxpayers money.

From the humane point of view, we should not write off and consign to our out-of-sight portion of life, those people who enter the disability system. My bill, the Disability Insurance Amendments of 1979, is designed to provide the disabled with true opportunities for rehabilitation that produces contributing citizens, unlike the system today. By the same token, the failure to make periodic redetermination and to emphasize rehabilitation, costs the trust fund and the taxpayers billions of dollars. The estimated savings could be as much as $2.5 billion.

This legislation would provide legal representation for both applicants and the trust fund before the administrative law judge. Today the ALJ must serve as defender of the fund, in some instances, and as the adjudicating official in all instances, in a "nonadversary" proceeding. In addition, the bill would reduce the number of nonentitled individuals who are receiving disability compensation, eliminate work disincentives, liberalize the earnings amount that terminates disability payments, eliminate the secondary waiting period for medicare eligibility and extend trial work periods. Among the bill's principal features is a new definition of disability to replace "permanent" or "nonpermanent" but expected to last at least 12 months." In actuality, most disabilities today are resolved by medical improvement or by the acquisition of new vocational skills, and the approximate termination dates can be predicted with great reliability.

The bill would call for both ending and beginning dates for all disabilities except the "hard core" disabled. Evidentiary requirements which are necessary to provide disability would undergo a change in definition. While most medical evidence in disability cases is hearsay, this bill distinguishes those circumstances in which such hearsay has more or less probative weight. It clarifies the weight to be assigned to psychiatric reports, requiring a distinction between objective evidence of mental status, and any crediting by the doctor of the truth of the patient's assertions. If there is only minimal clinical evidence of a medical impairment, a determination that disability exists must state the reasons explicitly.

The review process itself would also be changed under this bill, requiring the Secretary of HEW to reinstate his prior practice of full review, but only regarding allowances. Erroneous denials in the State agencies can be corrected during the appeals process. In 1971, HEW changed from a full 100-percent review to a sample review of 5-percent in initial determination and a 10 percent sample in reconsideration determination. Expenditures thereafter mounted from $3.8 billion in 1970 to $12.2 billion in 1978, with commensurate increases in the percentage of beneficiaries compared to insured workers.

What this bill would achieve, at one time, is a savings to society in terms both of productive human resources and in increasingly hard-to-find tax dollars.●

MARVIN GOLDBERGER

HON. CARLOS J. MOORHEAD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. MOORHEAD of California. Mr. Speaker, on October 27, 1978 an outstanding American and atomic scientist, Dr. Marvin ("Murph") Goldberger was inaugurated as President of the California Institute of Technology in Pasadena, Calif. During his inauguration, President Goldberger delivered an address which carried a very deep message for all Americans. The address follows:

STATEMENT OF DR. GOLDBERGER

Mr. Avery, trustees, faculty, students, delegates, distinguished guests, members of the Caltech Community:

Thank you, Dr. Gell-Mann, for your kind introduction. Thanks also to all of you for coming here to be part of this occasion. Some of you are my family, some of you are my oldest friends, some of you are my newest friends, some of you represent institutions I've had the privilege of being associated with in the past, but all of you are friends of Caltech—one of the greatest centers of research and education in the world. All of us here are proud that you have taken time to be with us today.

As most of you know, I have not been here very long—only since the first of July. In these past four months I've had a lot of catching up to do. Unlike many of my wiser (or luckier) colleagues, I had never had any professional connection with Caltech. Of course I have known many people on the faculty and had for over twenty-five years known and admired the two previous presidents—Lee Dubridge and Harold Brown. But everyone who works in scientific research soon learns about the California Institute of Technology through following the contributions to one's own field that are made here, through meeting all the outstanding people who have Caltech association—the former undergraduate or graduate students, and the postdocs, whom one encounters in leading institutions all over the world.

In January of this year I came, at the invitation of the search committee, with my wife for a two and one-half day exposure to the whole Caltech constituency: Faculty, staff, administration, student and trustees. This was at least as difficult as a Ph. D. exam; and I frequently wondered how well I was answering their questions. At the same time, the whole experience was tremendously exciting, simply because I was actually being considered as a serious candidate for the presidency of this institution. Furthermore, the social events we attened gave both my wife and me the feeling of being welcomed by new friends, rather than being looked over critically. After March 6, 1978, at 2:37 p.m. eastern time, when I received a telephone call from Stan Avery telling me I had in fact been chosen for the presidency, we visited Pasadena several times before moving out for good. As you can see, the elapsed time has been short, but we already feel very much at home in the Caltech community and even in the larger community of which Caltech is an important part.

Since that day in March I have been faced with the reality of being the fourth chief executive officer of Caltech. I have been trying hard to learn how the institute works, and how it came to be what everyone knows it is—namely, the best at everything it does. I have been pondering some of the questions addressed to me last January about what I would do if I got the job. I've done some reading and lots of talking to all the different kinds of people who have a stake in Caltech. I've been sorting out some of the ideas on education and research acquired in thirty-five years of experience. I've been worrying about recent national trends and the attitudes in Washington and elsewhere toward support of research. I'd like to share some of these reflections with you.

It seemed reasonable to begin reading about Caltech by going to Robert Millikan's autobiography. In an early address he gives a definition of the institute that is still very much to the point. "The institute is a university in the sense that it has a graduate school in which profound scholarship and the highest order of creative work are found."

"It is a college in the sense that it confers the bachelor's degree and aims to cultivate intensively the humanities through devoting special attention to English, including literature, history, and economics."

"It is a technical school in the sense that it is attempting to give the men (and now we add, obviously, and most emphatically, women) who go out from its walls with such a cultural background and so thorough a training in the fundamentals upon which all engineering rests as will enable them to take an outstanding place in the progress of industry and science."

He went on to say that the Huntington Library, and particularly the Mount Wilson Observatory, were of special importance: "These three things—fundamental and creative science, applications of science, and cultural background make this a unique research and educational enterprise." Aside from some obvious omissions such as JPL and the full panoply of the Hale Observatories, this 1921 definition of Caltech sounds remarkably fresh and accurate.

A number of noteworthy things have happened since Dr. Millikan made these remarks and he played an important role in many of them. One of these was the establishment of a division of biology in 1928, under the leadership of Thomas Hunt Morgan. We shall celebrate the 50th anniversary of this occasion next month with an international symposium. Another was the building in collaboration with the Carnegie Institution of Washington of the great 200-inch telescope at Palomar. The Jet Propulsion Laboratory dates from 1936, when a small group led by Theodore von Karman developed an interest in the basic principles of rocket propulsion. JPL became affiliated with NASA in 1958 and has played and will continue to play a central role in the Nation's space program.

More recently, beginning about 1968 a strong group in the social sciences has developed here which includes economics and political science and both of these activities have vigorous graduate programs. Finally, I should mention the Environmental Quality Laboratory (EQL) which was established in 1971 to carry out multidisciplinary policy studies of important environmental problems.

So much for the past. What now for the future? I once received a letter from a colleague recommending a particular postdoc which ended with the following statement: "Dr. I. is small of stature, But he has a fighting heart." Caltech is small in size, certainly not in stature, and it has and will continue to have a fighting heart. This is fortunate because the competition for the very best people is fierce and, as in other arenas, the strong take from the weak, but the smart take from the strong. I agree strongly with James Conant that the way to wreck a University is to make good appointments. Good appointments are not good enough; it must be only the very best that we care about.

One of the great virtues of Caltech is its smallness. I don't envisage any substantial growth in the near future. At our present size, we can avoid the inerita of larger institutions and we can move quickly when we decide what we want to do. Nevertheless, if there is a good idea in research or in education, our stature gives such innovations great influence.

The basic problem we face is the following: How do we change, staying vital and at the forefront of research and education without much growth? Sir Lawrence Bragg at Cambridge sometime during his long career enunicated two important principles that are worth recalling in this connection: (1) don't try to re-create the glories of the past and (2) don't follow the crowd. We must be sure that the argument that begins with the statement "Caltech has always been strong in . . ." doesn't force us to neglect new initiatives in order to preserve ancient traditions. As for following the crowd, we obviously cannot neglect certain popular demands when we have educational obligations to meet. But in the research area, it is often unprofitable to make radical shifts just to accommodate what may be transient swings. More important, I don't want to be in the position of playing catch-up if it can be avoided. I'd much prefer that others be trying to catch us.

In the course of changing without growing we must occasionally be daring. We have to be prepared to seize opportunities to strike out in new directions, to bring people or programs to Caltech that will make real qualitative changes. This may call for an occasional discrete jump in the size of a particular staff and for special funds. I'm eager to respond to such initiatives from the faculty and I cannot promise to forbear doing some needling if they are not forthcoming.

In a more modest vein, I'd like to mention a few conventional areas that I see as immediate targets for improvement and perhaps even a little change. The first of these has to do with undergraduate education. Our undergraduates are phenomenal. Historically, they have been phenomenally successful using any criteria of success. Since I haven't been here very long, it's not clear that all the impressions I've gathered are entirely accurate, but I feel there is enough truth to what I've heard to express some concerns. In spite of the initiation of the pass-fail option for the freshman year, we lose too many students. No institution can hope to graduate its entire freshman class, but Caltech ought to be able to hold most of the students it selects with such care. There are many reasons for the losses. Let me draw attention to the one that concerns me the most, which is also the one we can do something significant about immediately.

The material in the undergraduate curriculum is necessarily difficult, but it is also frequently boring and the students become disillusioned and impatient. In an institution like this, where the faculty are engaged in important and absorbing research and scholarship, it is often tempting to avoid giving undergraduate teaching the attention it requires to instill a sense of excitement in the students. I want to urge the senior, most distinguished faculty to undertake this task, but I warn you, It is much more difficult than graduate teaching. I'm sure that our faculty, some of whom I'm told have never taught undergraduates, can cope with the difficulties. Because our students are so exceptional, they deserve the best we have to offer.

It's worth remembering what we are trying to achieve with our undergraduate programs. Some significant fraction of our students will go on to graduate school. Some, particularly in the applied sciences, will go to work in industry. Some will go into law or medicine or politics. The latter is an area where we desperately need technically trained people. As part of the educational experience of all of these different groups, I want to suggest that the faculty consider a requirement of independent study leading to a senior thesis for all students so that they can experience the reality of research and the exhilaration of accomplishment that goes with it.

While I'm on the subject of education, I must say that while our graduate programs are extremely successful, there is no room for complacency. There are some areas in which, to my positive knowledge, we are not attracting the very best graduate students, and we must understand the reasons for this and take corrective steps.

I anticipate significant change in some other areas of our educational and research endeavors in the near future. In his definition of Caltech, Dr. Millikan stressed the importance of the humanities. This is a concept that I feel very strongly about. Lord Ritchie Calder has said, "Science is at best knowledge; it is not wisdom. Wisdom is knowledge tempered with judgment." The study of the humanities can help us immeasurably in our quest for wisdom. There are those at Caltech who believe there should be a major restructuring of the relationship between science and the humanities. I shall work hard with them in the coming months to understand these views. In the meantime I plan to move swiftly to replace those losses we've suffered in recent years in this area. I've promised the new chairman of the Humanities and Social Sciences Division a significant number of senior appointments in the humanities including the currently vacant Dreyfuss professorship. We will work to put together a group that has the typical Caltech uniqueness and distinction. We shall try to capitalize on our great local asset, the Huntington Library, to help us attract scholars of distinction.

We have another great local asset which has not, in my opinion, been exploited by Caltech as effectively as it might be. This is the jet propulsion laboratory. JPL is part of Caltech. It is, of course, far larger than the campus. It has special roles, missions and obligations to its sponsor, the national aeronautics and space administration. The NASA/JPL Association has been an enormously fruitful one for the nation, and we look forward to many more years of collaboration on exciting programs. What I would like to see, however, is an even closer relationship between the campus and JPL than we have now. A substantial number of professors and students are already involved with various aspects of JPL work, but I look forward to our seriously taking advantage of the extraordinary educational opportunity JPL provides us with. To have available a real live laboratory doing technical research, development, and systems implementation at the very limits of technology gives us an incredible advantage over any other educational institution in the country. I shall urge the faculty to look into means by which a solid work-study program—call it what you will—can be instituted for students of applied science, both undergraduate and graduate. I hope we shall also take steps to encourage and increase joint campus/JPL research activities, particularly in the field of energy.

Finally, before leaving this subject of new initiatives, I want to mention that we are about to begin construction on the Braun Cell Biology and Chemistry Laboratories. This will give added impetus to our major programs in biology, immunology, and the neurosciences. We shall also very soon see the start of the Thomas J. Watson, Sr. Laboratories for Applied Physics which will enable us to broaden research activities in this important area. We are initiating a major effort in the physics department aimed at the detection of gravitational radiation. We have a vigorous and growing program in computer science. We are embarking on a major new program in resource geology, an area in which we already have considerable strength, but one to which we are giving new emphasis. This year, as a result of generous support by our trustees, we have also established the Robert P. Sharp professorship in geology.

This all sounds very upbeat, as it is, and I have every confidence that we will succeed in all of these programs. There are, however, some clouds on the horizon of which we must be aware. Consider the outlook for continuing Federal support of research, upon which we count very heavily, just as all the Nation's principal research universities do.

For many years after World War II, basic research in the physical sciences was heavily supported by the Department of Defense and the Atomic Energy Commission. In spite of the disclaimers on the part of the scientists that no new super weapons, like the atomic bomb, were likely to result from the research, many of the defense agencies still secretly believed such weapons might emerge. Right up to very recent times the Congress held those beliefs.

A few years ago the following interchange took place between Senator Pastore and Dr. Robert Wilson, the director of the Fermi National Accelerator Laboratory, at a hearing in connection with that laboratory's 500 billion electron volt proton accelerator:

Senator PASTORE. Is there anything connected with the hopes of the accelerator that in any way involves the security of the country?

Dr. WILSON. No, sir; I do not believe so.

Senator PASTORE. Nothing at all?

Dr. WILSON. Nothing at all.

Senator PASTORE. It has no value in that respect?

And then Dr. Wilson said something which I feel expresses the fundamental aspects of basic research better than anything I've ever heard before or since.

Dr. WILSON. It has only to do with the respect with which we regard one another, the dignity of man, our love of culture. It has to do with those things. It has to do with are we good painters, good sculptors, great poets? I mean all the things that we really venerate and honor in our country and are patriotic about. It has nothing to do directly with defending our country except to help make it worth defending.

Basic research sponsored by the mission-oriented agencies, both defense and non-defense, has dropped off enormously, although there are some hopeful signs of new initiatives being taken by the Department of Defense to once again support research in the universities. Unfortunately congressional pressure in recent times has forced agencies like NASA and the Department of Defense to drop scientific programs. Of even greater significance and importance is the question of principle involved here, that mission-oriented agencies should be concerned only with applications and not with basic research. This is an incredibly short-sighted view.

Let me give one example of the kind of thing that can and did happen because of such short-sightedness. For many years the advanced research project agency (ARPA) in the Department of Defense supported major programs in materials research in universities. Now, just at a time when materials play such a critical role, in solar energy, nuclear energy, controlled fusion, fluidized-bed coal combustions, to name just a few areas, the programs no longer exist.

One of the frontier areas of science is high energy physics. The annual operating budget for the whole effort in the United States is about $200 million. The work is carried out at three major national Laboratories: Brookhaven, Fermilab, and the Stanford Linear Accelerator. The people who do the work have been trained in the universities, and are mostly members of university faculties. The program has been phenomenally successful by any measure; the field is dominated by U.S. scientists; there are important contributions to technology, such as superconducting magnets, high-powered microwave tubes, advances in electronics and computer utilization; and Nobel prizes have been won. But shrinking support is beginning to slow the program significantly. The European laboratories in Geneva, known as Cern, and in Hamburg called Desy, are growing rapidly both in facilities and research support.

At the present time, Western Europe is spending almost twice as much as the United States. Now, in all honesty, I must admit that the world will not come to an end if some important discoveries in high energy physics are made in Europe. But I dislike relinquishing supremacy in a fundamental field and I resent policies that inevitably mean we are going to come in second.

An atmosphere of tight spending in scientific research has many unfortunate consequences and dangers. First, good people are discouraged from entering the fields. Second; only the most powerful and best established people get to work with the limited funds and thus the careers of young people are blocked. Third, Federal agencies tend to support their investments in national facilities to the detriment of the universities; this sets up a chain reaction leading to a decline in the quality of research, which in turn leads to a decline in the training of a new generation of scientists.

Fourth, cutbacks in the funding of new instrumentation are particularly dangerous to big science, little science, and to industry; obsolescence of equipment means a decrease in cost effectiveness; training students on such dying equipment makes them less useful to industry; innovation is stifled and what used to be our hallmark—our ability to respond to technological challenges from abroad—is threatened. For example, our computer industry is going to be sorely tried in the near future to stay ahead of Japan. Finally, fifth, in an atmosphere of tight funding there is a tendency to do what is safe and to steer away from the true frontier areas where we can make real quantum jumps in our understanding.

Now what can be done to fight this trend? For too long the scientific community and the universities have adopted the attitude that what they were doing was so obviously good that no arguments had to be presented and that the money would just roll in. This is evidently no longer true and it is not going to be true in the future. Nothing is accomplished by sitting back and wringing our hands about the failure of Congress to appreciate and support research even in the face of a very strong effort on the part of the Carter administration to increase significantly research funds. Nor can the professional societies or the National Academy of Sciences be counted on to plead the case.

We as individual scientists and as university administrators have to take the initiative. We have a great product to sell. We must write articles, give interviews, volunteer to testify before Congress, enlist the help of technologically based industries, enter into arrangements with the media to bring to the people the truly exciting case we have to present about science and education. The future of our country and even that of the world depends on our ability to harness science and technology with wisdom for the common good and to continue to push forward the frontiers of knowledge.

We at Caltech have our work cut out for ourselves. We must continue to rely heavily on Federal support for research and we must help create the atmosphere that will earn it. We must seek innovtaive methods for interactions with industry and support from it for both basic and applied research. We must win support for our programs in the humanities by both deepening and, perhaps at some future time and in some daring fashion, broadening them. We must continue to be the leaders in all of our areas of scientific research. Research carried out in conjunction with teaching forms the cornerstone of the American educational system—in my opinion, the best in the world. We must train students who will be the new and wise leaders in industry, in public affairs, in the universities, and in extending the forefront of knowledge.

This is a heavy responsibility for one small jewel-like institution. But we stand on the heritage of Robert Millikan, Lee Dubridge and Harold Brown. I'm honored and proud to have the opportunity to follow in their footsteps and to build upon the solid foundation of greatness, laid by them. I'll do my very best, and with the help of the whole Caltech family, I think we can reach our goals.●

RECOGNITION OF APPALACHIAN REGIONAL COMMISSIONER'S ACHIEVEMENTS

HON. WILLIAM C. WAMPLER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. WAMPLER. Mr. Speaker, the opportunity to praise a Government program for its effectiveness and resulting visible improvements seldom arises.

Recognition of the Appalachian Regional Commission's achievements has been widespread, and the Commission's work in improving the standard of living throughout the Appalachian region is notable.

Since the signing of the Appalachian Regional Development Act on March 9, 1965, several important trends have been established through the Commission's efforts in Appalachia. No longer is the population leaving the area—a direct result of the expanding economy and job opportunities made possible through the support for new industry and expansion of established industry in the region. Poverty is decreasing and incomes are increasing at rates faster than the national average. Improvements in education and health in the region correlate with these economic factors and the two are mutually supportive.

With project proposals presented to the Appalachian Region Commission by the States, and through close State/Federal cooperation, Federal funds are best utilized with a minimum of redtape. Transportation, health, education, community and industrial development, and the environment are all areas of major concern in which programs are formulated.

In order to continue the pattern of improvement within the region, which I feel can best be accomplished through the proven efforts of the Appalachian Regional Commission, I am introducing legislation to extend the authorization and appropriations for the ARC for 4 years.

I urge your support of the Commission's fine accomplishments through extension of their mandate.●

REINTRODUCES BILL FOR DEVELOPMENT OF AQUACULTURE

HON. JOHN B. BREAUX

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. BREAUX. Mr. Speaker, today I join with Mr. MURPHY of New York, chairman of the House Merchant Marine and Fisheries Committee, and Mr. FORSYTHE to reintroduce a bill to provide for the development of aquaculture in the United States. Although a similar measure easily passed the House and the other body in the 95th Congress, the President chose to undo important congressional initiative by a pocket veto.

The Merchant Marine and Fisheries Committee has held extensive hearings the past several years during which testimony has been received from Federal and State representatives, industry, and academia. In the course of these hearings, we gained a good insight into the problems and constraints associated with the aquaculture industry.

In addition, two comprehensive studies have recently been completed assessing the state-of-the-art technology and the potential for aquaculture in the United States.

Today we are introducing a bill which fairly reflects views expressed in the hearings and reports and one which will help solve many of the problems that exist for this infant industry. With proper direction, coordination, and public support, it is my belief that aquaculture has the potential to augment our natural fisheries resources, to provide the means for producing protein rich food and to stimulate the national economy by providing new job opportunities.

At the present time, aquaculture production amounts to about 10 percent of the total world fish production. In some countries, such as Japan, Russia, and China, aquaculture production contributes significantly to human protein consumption. The United States has been slow to develop aquaculture and only 3 percent of the fish and shellfish products consumed domestically are cultured.

One reason aquaculture has been slow to develop is lack of coordination among the various Federal agencies involved. At the present time, 21 agencies are involved to some extent and in many cases, their efforts overlap and their responsibilities are unclear.

In addition to the lack of coordination at the Federal level of Government, many State and local agencies, regional commissions, and universities are involved in aquaculture. Generally, it is found that each entity proceeds in its own direction without regard for the activities of others. Duplication at the various levels often occurs. Funds and manpower are wasted.

The need to coordinate activities has long been recognized, as is reflected in the memorandum of agreement between the Department of Commerce and the Department of Agriculture which was implemented in 1974. Another agreement between the Department of Commerce and the Department of Interior was entered into in December 1977.

A major provision of this bill is to designate the Secretary of Commerce as the head of an interagency Committee on Aquaculture, in order to offer guidance and direction, and to coordinate activities among the relevant Federal agencies.

Traditionally, this country has been a beef-eating Nation and public support for fish farming has been lacking. People are, however, becoming more aware of the high protein and low fat content in fisheries products and it is estimated that, by the year 2000, the domestic demand will increase by 80 percent.

Fish production has a relatively low energy requirement when compared to other food products such as beef, thereby making fish more affordable. The conversion ratio for species such as trout and salmon is approximately 1.1 pounds of dry food to 1 pound of fish product, compared to 10 pounds of food to 1 pound of beef. One published document reports "that 1 acre of a good estuary area can produce 100 tons of seafood, while 1 acre of top quality pasture can yield only 100 to 250 pounds of beef." It makes sense, then, that throughout the world people are turning to aquaculture to tap additional food resources.

In the past, we have generally believed that we live in a country of plenty, that our resources are almost limitless. Now, however, we find the more desirable fisheries resources off our own coasts are being harvested at or near maximum sustainable yield. In recognition of this, we recently extended our fisheries jurisdiction to 200 miles to regulate the taking of specified species and to allow U.S. fishermen to increase their landings without competition from foreign countries. Time is needed to replenish the natural stocks and in the meantime we will be compelled to import an even greater amount of fish.

Presently, we import in excess of 50 percent of our fish and seafood requirements. It is ridiculous for a country bordered by two oceans, a gulf, and the Great Lakes and having such an extensive river system, to be importing this amount of fish and shellfish to meet its requirements.

Where would we in the United States be if it were not for aquaculture, even as modest as it is at the present time? Would we be importing a larger quantity of our salmon and all of our trout, catfish, and crayfish? It is apparent that aquaculture can be a viable industry. It can and does contribute to our food supply. It can and does create new job opportunities. Other species can be cultured on the same basis with additional research and technical know-how. All the industry needs now is support.

The reintroduced bill provides needed incentives. Individual or small companies wishing to enter the field of aquaculture have often been unable to obtain the necessary capital from the private sector. The loan guarantee provision will allow people to obtain loans if they are unable to secure loans otherwise. This money can be used to purchase or construct facilities, to purchase stock and to operate the business.

The bill provides for federally funded contracts and grants to advance aquaculture. Further, the bill provides for an aquaculture information center.

Heretofore insurance has been unavailable except at a prohibitively high rate. Insurance can now be made available to protect the farmer's and local bank's investment and create an atmosphere of security.

The fact remains that we waited too long in implementing legislation to protect the fisheries resources off our coast. Some of our stocks have reached near depletion. We have the statistics indicating that there will be a worldwide shortage of fisheries products within 3 to 10 years. The opportunity is present to plan ahead and be prepared rather than having to react to a crisis at a later date.

The President's pocket veto of the Aquaculture Act during the last Congress, was a poor decision. It was a serious setback to the development of aquaculture in the United States. The President's action was based primarily on fiscal considerations, which I should add, did not take into account the fact that the act would have stimulated investments, sales, and jobs far and away of greater economic significance than the costs of the programs. The President failed to recognize also the cost savings in increased Government efficiency which would have resulted from enactment. Nonetheless, the reintroduced measure provides for more modest Federal expenditures. The effectiveness of the legislation is diminished accordingly, but it is far better than nothing at all.

I urge your support of this bill to provide for the development of aquaculture in the United States.●

MEAT IMPORT LAWS

HON. CHARLES E. GRASSLEY

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. GRASSLEY. Mr. Speaker, during the final hours of the 95th Congress, the House of Representatives passed legislation (H.R. 11545) which would substantially modify our Nation's meat import laws. The vote was 289 yeas to 66 nays which, I think, can be taken as evidence of the amount of congressional support for this measure. The bill was subsequently passed without amendment by the Senate, sent to the White House for approval and pocket vetoed by the President on November 14, 1978.

The text of the bill I am introducing on this date is, with the exception of a few changes in dates, identical to the legislation approved by the 95th Congress. I realize that some minor modifications or changes may be necessary—few if any bills are signed into law in exactly the same form as introduced. Some of my colleagues may have objections to or wish to modify that portion of the bill which sets a floor or minimum amount of meat to be imported.

My major concern is that we get the legislative process underway as soon as possible. This matter is important, not only to cattlemen and the agricultural community, but also to the millions of Americans who depend on the meat industry for food and nutrition. The text of the legislation follows:

H.R. —

A bill to modify the method of establishing quotas on the importation of certain meat, to include within such quotas certain meat products, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2 of the Act of August 22, 1964, entitled "An Act to provide for the free importation of certain wild animals, and to provide for the imposition of quotas on certain meat and meat products" (19 U.S.C. 1202 note) is amended to read as follows:

"SEC. 2. (a) This section may be cited as the 'Meat Import Act of 1979.'

"(b) For purposes of this section—

"(1) The term 'entered' means entered, or withdrawn from warehouse, for consumption in the customs territory of the United States.

"(2) The term 'meat articles' means the articles provided for in the Tariff Schedules of the United States (19 U.S.C. 1202) under—

"(A) item 106.10 (relating to fresh, chilled, or frozen cattle meat),

"(B) item 106.20 (relating to fresh, chilled, or frozen meat of goats and sheep (except lambs), and

"(C) items 107.55 and 107.60 (relating to prepared and preserved beef and veal (except sausage)) if the articles are prepared, whether fresh, chilled, or frozen, but not otherwise preserved.

"(3) The term 'Secretary' means the Secretary of Agriculture.

"(c) The aggregate quantity of meat articles which may be entered in any calendar year after 1979 may not exceed 1,204,600,000 pounds; except that this aggregate quantity shall be—

"(1) increased or decreased for any calendar year by the same percentage that the estimated average annual domestic commercial production of meat articles in that calendar year and the 2 preceding calendar years increases or decreases in comparison with the average annual domestic commercial production of meat articles during calendar years 1969 through 1978; and

"(2) adjusted further under subsection (d).

For purposes of paragraph (1), the estimated annual domestic commercial production of meat articles for any calendar year does not include the carcass weight of live cattle specified in items 100.40, 100:43, 100.45, 100.53, and 100.55 of such Schedule entered during such year.

"(d) The aggregate quantity referred to in subsection (c), as increased or decreased under paragraph (1) of such subsection, shall be adjusted further for any calendar year after 1979 by multiplying such quantity by a fraction—

"(1) the numerator of which is the average annual per capita production of domestic cow beef during that calendar year (as estimated) and the 4 calendar years preceding such calendar year;

"(2) the denominator of which is the average annual per capita production of domestic cow beef in that calendar year (as estimated) and the preceding calendar year.

For the purposes of this subsection, the phrase 'domestic cow beef' means that portion of the total domestic cattle slaughter designated by the Secretary as cow slaughter.

"(e) For each calendar year after 1979, the Secretary shall estimate and publish—

"(1) before the first day of such calendar year the aggregate quantity prescribed for such calendar year under subsection (c) as adjusted under subsection (d); and

"(2) before the first day of each calendar quarter in such calendar year, the aggregate quantity of meat articles which (but for this section) would be entered during such calendar year.

In applying paragraph (2) for the second or any succeeding calendar quarter in any calendar year, actual entries for the preceding calendar quarter or quarters in such calendar year shall be taken into account to the extent data is available.

"(f) (1) If the aggregate quantity estimated before any calendar quarter by the Secretary under subsection (e) (2) is 110 percent or more of the aggregate quantity estimated by him under subsection (e) (1), and if there is no limitation in effect under this section for such calendar year with respect to meat articles, the President shall by proclamation limit the total quantity of meat articles which may be entered during such calendar year to the aggregate quantity estimated for such calendar year by the Secretary under subsection (e) (1); except that no limitation imposed under this paragraph for any calendar year may be less than 1,200,000,000 pounds.

"(2) If the aggregate quantity estimated before any calendar quarter by the Secretary under subsection (e) (2) is less than 110 percent of the aggregate quantity estimated by him under subsection (e) (1), and if a limitation is in effect under this section for such calendar year with respect to meat articles, such limitation shall cease to apply as of the first day of such calendar quarter. If any such limitation has been in effect for the third calendar quarter of any calendar year, then it shall continue in effect for the fourth calendar quarter of such year unless the proclamation is suspended or the total quantity is increased pursuant to subsection (g).

"(g) (1) Notwithstanding the preceding subsections, the total quantity of meat articles which may be entered during any calendar year after 1979 (as established for such year under the preceding subsections and effective as of the third calendar quarter of such year) may be—

"(A) increased by the President by 10 percent if the average index ratio for the first two calendar quarters of such year is 1.10 or higher; or

"(B) decreased by the President by 10 percent if the average index ratio for the first two calendar quarters of such year is .90 or lower.

"(2) For purposes of this subsection, the index ratio for any calendar quarter is the number obtained by dividing the Department of Agriculture Farm Price of Cattle Index for the calendar quarter by the Department of Labor Beef and Veal Price Index for the calendar quarter.

"(3) The Secretary shall compute the average index ratio for the first two quarters of each calendar year after 1979 before the beginning of the third calendar quarter of the year.

"(h) The President may suspend any proclamation made under subsection (f) increase the amount of any total quantity proclaimed under such subsection, or increase the amount of any total quantity established under subsection (g), if—

"(1) during a period of national emergency declared under section 201 of the National Emergencies Act of 1976, he determines and proclaims that such action is required by overriding national security interests of the United States, or

"(2) he determines and proclaims that the supply of articles of the kind to which the limitation would otherwise apply will be inadequate, because of a natural disaster, to meet domestic demand at reasonable prices.

Any such suspension shall be for such period, and any such increase shall be in such amount, as the President determines and proclaims to be necessary to carry out the purposes of this subsection. The effective period of any such suspension or increase made pursuant to paragraph (1) may not extend beyond the termination, in accordance with the provisions of section 202 of the National Emergencies Act of 1976, of such period of national emergency, notwithstanding the provisions of section 202(a) of that Act.

"(i) The Secretary shall allocate the total quantity proclaimed under subsection (f) (1), and any increase in such quanity provided under subsection (g), among supplying countries on the basis of the shares of the United States marked for meat articles such countries supplied during a representative period. Notwithstanding the preceding sentence, due account may be given to special factors which have affected or may affect the trade in meat articles. The Secretary shall certify such allocations to the Secretary of the Treasury.

"(j) The Secretary shall issue such regulations as he determines to be necessary to prevent circumvention of the purposes of this section.

"(k) All determinations by the President and the Secretary under this section shall be final.

"(l) The Secretary of Agriculture shall study the regional economic impact of imports of meat articles and report the results of his study, together with any recommendations (including recommendations for legislation, if any) to the Committee on Ways and Means of the House of Representatives and to the Committee on Finance of the Senate not later than December 31, 1980.".

SEC. 2. This Act shall take effect January 1, 1980.●

DAY OF MARTI—APOSTLE OF LIBERTY

HON. DANTE B. FASCELL

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. FASCELL. Mr. Speaker, January 28, 1979, will be widely celebrated by hundreds of thousands of Cubans and Cuban-Americans as the 125th anniversary of the birth of the great Latin American leader, Jose Marti.

Jose Marti, beloved as the "Apostle of Cuban Independence," is revered as the greatest hero of Cuba's struggle to gain independence from Spain. He was born in Havana in 1853, and began his participation in the revolutionary movement at the age of 15. Although banished in 1881 for his outspoken criticism of Spanish colonialism in Cuba, he continued his work in New York, where he gained renown as a journalist, translator, and skilled orator. He traveled widely, proclaiming his belief in the ideal that "the general happiness of a people rests on individual independence." In 1892, Marti and his followers founded the Cuban Revolutionary Party, and drew up a constitution for the Cuban Republic.

In February of 1895, Marti and his group of followers launched what was to be the final Cuban rebellion. They landed on the coast of Cuba on April 11th, and began a march to Santiago to unite the revolutionists. On May 19th, en route to Santiago, Jose Marti was killed in an attack by a Spanish patrol.

Jose Marti's death served as a further inspiration to his followers to continue the struggle for freedom, and on May 20th, 1902, the flag of an independent Cuba was flown for the first time over the island nation. This event marked the culmination of 75 years of struggle by the Cuban people—a struggle which is a stirring tribute to the courage and dedication of its people. Unfortunately, the suppression of human rights by the Castro government has brought about the need to renew the struggle for Cuban independence. We support the principles of human liberty for which Jose Marti fought—and died—and hope that the right of self-determination will soon be restored to the Cuban people.

On January 28th, the Latin American community of south Florida will host the eighth annual Jose Marti Inter-American parade in the city of Hialeah. The parade is being organized by Mr. Euripides Riera, a well-known and respected civic and social leader in Florida. He is president of the Pan American Chamber of Commerce, executive director of the National Association for the Advancement of Cuban-Americans, and Latin American advisor to Miami's community newspapers. He has been honored by the National Association for the Advancement of Hispanic-Americans and by the U.S. Equal Employment Opportunity Commission for his efforts in promoting the welfare of Latin Americans in the United States and in strengthening relations between the United States and its Latin American neighbors.

Mr. Speaker, Jose Marti was one of our hemisphere's greatest patriots. It is only fitting that we in the United States, which includes so many individuals of Latin American heritage among its citizens, should pay tribute to him.●

CONGRESSIONAL MEDAL OF HONOR WINNER INTERVIEWED

HON. WILLIAM R. COTTER

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. COTTER. Mr. Speaker, an article honoring John L. Levitow, a native of Glastonbury, Conn., and the youngest Air Force enlisted man to be awarded the Congressional Medal of Honor, recently appeared in Sergeant's magazine. The interview details Mr. Levitow's heroic behavior on his 180th combat mission in Vietnam, on February 24, 1969.

One of four living Air Force men to to receive the esteemed medal, Mr. Levitow distinguished himself by throwing a live flare out the cargo door of his AC–47 gunship and saving the crew from sure destruction.

At the time, enemy mortar had already ripped the plane and seriously wounded its crew. Mr. Levitow was bleeding seriously from the impact of 40 pieces of shrapnel and the plane had suffered 3,500 holes in its fuselage.

Now 33 years old and the father of two children, Mr. Levitow modestly responds to questions about the dread incident. The following interview is the best testimony to this young man's courage and heroism:

"IF THE HEAT DIDN'T GET US—THE TOXIC GAS WOULD"

(By Edwin J. Kosier)

It's been eight years since John Levitow became the youngest Air Force enlisted man to be awarded the Air Force Medal of Honor (each service has its own). He still has total recall of the events which led to receiving the nation's highest decorations.

As he recalls, Feb. 24, 1969, was a hot and muggy night at Bien Hoa AB, Vietnam. It was a routine flight and the 24-year old airman's 180th combat mission as a loadmaster aboard a AC–47 gunship.

In his own words, this is what happened on that harrowing flight along with some other thoughts relevant to his role in today's society as a Medal of Honor recipient.

Q. Would you describe the beginning of your 180th combat mission?

LEVITOW. It's ironic—the mission I was flying that night was in substitution for another loadmaster. The mission itself was flying an AC–47 gunship. We carried, if I remember right, between 50 and 75 thousand rounds of ammunition and 45 illumination flares. We flew two combat air patrols (CAPS), one was over Bien Hoa area, another was over Saigon, Tan Son Nhut area. The reason for the CAPS was in the event an airplane was needed, we could be automatically diverted from the airbourne patrol to the firing zone.

Q. Specifically, what is a CAP?

LEVITOW. A CAP is a circular type motion over specific destinations. We had two birds (AC–47) automatically go off in early evening and they flew until midnight. In the meantime, two other birds would sit on ground stand-by until midnight. As we would be landing, they would be taking off. We would then act as their back-up.

Q. Did you fly day missions?

LEVITOW. Our ships did not fly gun missions during the day. At 135 knots and 3,500 feet, I think you can see why. The life expectancy of the airplane would be about 30 seconds.

Q. What happened that fateful night?

LEVITOW. We answered a call for aid over Bien Hoa, Long Binh area. We were dropping illumination flares and firing the guns when we were hit. We didn't know what it was. The airplane was rocking and I was thrown against the flare box. I had no recollection that I was wounded at the time. I saw my lead gunner, who was bleeding heavily. I and another guy helped him forward. We were all in a state of shock. We didn't know what the heck happened. The pilot yelled, "What happened, did a flare blow up?" Nobody knew. But that had reminded me that there was a flare (they weigh 27 lbs. and have a 20 second firing fuse) that was about to be dropped.

From this point on I don't remember much. I am only going by hearsay and what I have been told. I know I looked back and that's when I saw the flare. My mind goes blank to the situation, but I am told that I got to the flare and couldn't grab it, so, I ended up by jumping on it, crawling and dragging it about ten feet to the cargo door and throwing the flare out. Apparently, the shrapnel from a mortar that hit the wing had ignited the flare in the airplane. I was later informed that the second the flare was outside of the airplane it had ignited.

Q. Do you believe your Air Force training was the reason for your instant reaction?

LEVITOW. Yes, training plus fear. I had a terrible amount of respect for the flare. When we went through at England AFB, LA, we saw one of these flares placed in the fuselage of an airplane and it burned through in about 10 to 15 seconds. The flare burns at two million candle power, so the heat is quite intense. Magnesium gas from the burning flare is also toxic. It would fill the bird in three or four seconds. So, if the heat didn't get us the toxic gas would have. And if that hadn't, it would have burned down and hit the fuel tank and that would have blown us up. So it was a three-way death certificate.

Q. What about the other people? What were they doing?

LEVITOW. Everybody was still shocked. The comical side of it was not one officer got injured. We had ten people on the airplane, three officers, seven enlisted. Every enlisted man received at least a minor puncture from the shrapnel. But not one officer. I received about 40 pieces of shrapnel throughout my thigh and back. My gunner had well over 80.

Q. Was it a mortar?

LEVITOW. They say it was actually a mortar. We flew into an arch of mortar fire. They thought we might have flown into our own artillery until they found bad metal. The mortar itself put a three-and-one-half-foot hole in the right wing and they stopped counting the patch holes in the fuselage at 3,500. I think you see the picture. Instant air conditioning.

Q. How long were you hospitalized?

LEVITOW. I was in the hospital 16 weeks before going back to Vietnam.

Q. How did you feel about going back to combat?

LEVITOW. I was told somewhere that Air Force regulations stated if you were injured and had less than 90 days to serve you were supposed to go home. Well, I had exactly 81 days left and they gave a nice complimentary ticket to fly back to Vietnam. I got back to Vietnam, checked in, went to the flight surgeon and he looked at me and said "You are not flying." So I spent another six weeks on the ground. I am not a volunteer for anything. But I became so bored that I volunteered to pull CQ (Charge of Quarters). And you know what it is like for an enlisted man to pull CQ. So finally, I talked the flight surgeon into letting me return to flying status. I flew one mission and we took about five hits of .50 calibre in the rear of the airplane.

The next night I reported to my crew. When I got out of the airplane a colonel was giving my airplane commander his checkride. He saw my name tag and he asked me what I was doing flying. I said, "I am a loadmaster on this flight" and he said "No you are not, you are grounded." I asked why? He said "Don't you know you have been recommended for the Medal of Honor." I said, "Yes, I was told that this afternoon, but I didn't believe it." He said "Hey, your recommendation automatically grounds you from any combat. Get out of here!" So, I spent 366 days in Vietnam with a little vacation in the hospital.

Q. Where did you go then?

LEVITOW. Home to Glastonbury, CN.

Q. When were you notified that you were a Medal of Honor recipient?

LEVITOW. Thirty days after I was discharged. I got out Apr. 3, 1970, and on May 3, I got a call from the Pentagon saying I was to come to Washington, D.C., May 14, to receive an award. There is a funny story behind that because I didn't know why I was going to Washington.

Q. You had no idea?

LEVITOW. I knew I was recommended but, I, as any military individual knows, that any recommendation goes from one station to the next, and to the next on the way up. It could have been an Airman's Medal. I finally got the guts to ask the day or so before.

Q. Why do most Medal of Honor recipients dislike talking about it?

LEVITOW. Why? Well the medal has a great influence on an individual's life. You are constantly living with the fact that you have it. When I was in Florida last winter a friend asked the same question. I gave him an example. If I would wreck my car you would read headlines—"Vietnam Medal of Honor veteran wrecks car." If you did it, it wouldn't even be mentioned. In other words, I'm not John Levitow, ordinary citizen, but John Levitow, Medal of Honor recipient. You've got to keep a low profile.

Q. Is there social pressure?

LEVITOW. Yes. Let me give you a quick example. A very good friend of mine, an enlisted Medal of Honor recipient on active duty, got into emotional situations that turned him into an alcoholic. At every social function he would be associating with officers. Naturally, he felt out of place. This constant social pressure made him escape to the bottle. He just wasn't able to cope. He could not adjust. I realize I have social obligations, but I'm very selective of those that I attend.

Q. Do you think your Vietnam tour was worthwhile?

LEVITOW. I am not exactly pleased that I spent 366 days over there and then have us pull out. I feel like I wasted a year. I don't have any regrets to the military itself, but I do regret that 366 days, because I don't know what I accomplished.

Q. What do you have to say about today's airman?

LEVITOW. The enlisted man has very little. He always had. It has always been an officer's service because they are the fly boys, they are the ones who have the so-called primary functions of the Air Force. That is the only way to look at it and I don't mean that bitterly. I am just saying that we are put in an unglamourous position of supporting he officers. Enlisted men know that the officer flying that F-111 or any other airplane, can't fly that bird unless we check that airplane out and support him administratively.

But don't get the idea that enlisted personnel are stupid. I went to the recent Air Force Association convention when they gave 12 outstanding airmen awards. These guys were amazing. A couple had a master's degree and one of them was damned near his doctorate.●

A TIME TO EXPAND THE AQUACULTURE INDUSTRY

HON. EDWIN B. FORSYTHE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. FORSYTHE. Mr. Speaker, I have today introduced legislation, with the leadership of the Committee on Merchant Marine and Fisheries, which offers this Nation an opportunity to seize the initiative in the development of a new seafood production industry.

Although the growth in U.S. seafood consumption during the last decade has been dramatic, the increase in U.S. seafood demand in the next 25 years will be explosive. By the year 2000 the United States demand for all fish and shellfish will increase by 80 percent.

To meet this burgeoning demand, the United States imported a record $2.6 billion of fisheries products in 1977. This excessive level of imports constituted approximately 10 percent of the total U.S. trade deficit—a deficit which is a prime contributor to an unacceptable rate of inflation.

To supply the United States with the seafood products that consumers are demanding, it is essential that our domestic fishing industry be developed. The legislation which I am introducing today, the National Aquaculture Act, provides an important vehicle for producing seafood for the U.S. market.

Aquaculture, the rapid growth of fish and shellfish in a controlled environment, has as much potential for meeting U.S. protein needs as agriculture did in the 1880's. Already, the U.S. aquaculture industry is producing annually 20 million pounds of oysters, 30 million pounds of trout, 2.6 million pounds of clams, 60 million pounds of salmon, and 800,000 pounds of shrimp. Because of the legislation I am introducing today, it is expected that these production figures can be increased substantially. In fact, in some cases, it is estimated that production levels could increase by 10 times in the next decade.

The significant fact, however, is that, at the present time, the United States is importing approximately $800 million of seafood products each year which could be produced domestically by the aquaculture industry. The projected increase in U.S. seafood consumption provides an excellent opportunity for the expansion of the U.S. aquaculture industry—in fact, it demands the development of this industry. The implications of a limited domestic supply of seafood are increased prices to the consumer, an inadequate supply of seafood products, an increase in the U.S. balance-of-payments deficit, and continuing fuel to the fires of inflation.

Mr. Speaker, the development of the U.S. fishing industry, including the U.S. aquaculture industry, could reverse these trends and have a salutary effect on the U.S. economy as a whole. In fact, the United States could become a net exporter of seafood products.

If the future of the aquaculture industry is so bright, why must we enact a National Aquaculture Act? Although the answer is not simple, it can be summarized by saying that there is a need to prove to U.S. industry, which is currently investing its available funds in more attractive projects, that aquaculture is commercially feasible. The development of aquaculture for any species is a two-step process. First, it is essential that an understanding of the basic biology of the species be developed. This entails a knowledge of species reproduction, optimal growing temperatures, food mixtures at various stages of development, et cetera. Once this information is available, it is possible to move into the second stage of development—an engineering, biological, and economic stage. There is a major difference between growing 100 fish in a laboratory tank and 100,000 fish in an aquaculture facility. The problems of disease, waste disposal, water quality within the system, nutrient mixes, and other factors become magnified. The problems are no longer solely biological.

For many species, the basic biology is known. What is needed is second stage development and here is where the problem lies. Because of the present high risk nature of the fledgling U.S. aquaculture industry, investors are generally reluctant to invest their funds in auqaculture when higher and safer returns are available elsewhere. We are thus confronted with the proverbial chicken and egg situation. Investment money is available to develop the aquaculture industry, but only after second stage development is completed. Yet without this investment capital, second stage development may never be achieved.

It is the purpose of the National Aquaculture Act to provide seed funds to develop the biological and technological capability which the industry needs and to conduct demonstration projects to prove the viability of the aquaculture concept.

Mr. Speaker, the National Aquaculture Act is a temporary program designed to provide seed capital to a young industry. The benefits of this legislation can be measured by an increased supply of seafood to the consumer, a reduction in the level of U.S. sea food imports, an increase in U.S. exports and a reduction in the U.S. inflation rate. I believe that these benefits far outweigh the relatively minor cost of the legislation.

The National Aquaculture Act is a significant and cost-effective legislative initiative and it is my hope that the Congress will take prompt action on the legislation.●

INVITING THE CHIEF JUSTICE TO ADDRESS THE CONGRESS

HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. HARRIS. Mr. Speaker, in a few days, we will have an opportunity to hear the President of the United States address the Congress and the American people in the 191st state of the Union message. On this important state occasion, the Nation's Chief Executive reports on the success of his administration, the welfare and prosperity of our people, the strength of our defenses, and our relations with other nations. The state of the Union is not a hollow ceremony, nor is it a substitute for our own judgment. It is a time for the leader of the executive branch to share his priorities and concerns with those who are in a position to act upon them.

Today, Mr. Speaker, I am introducing in the House a concurrent resolution extending to the Chief Justice of the United States, in his capacity as leader of our judicial branch, a one-time invitation to appear before a joint session of the Congress to report to the American people on the state of the judiciary.

In the last Congress, we took significant steps intended to guarantee equal rights, reduce the backlog of Federal court cases, amend our bankruptcy laws, reform Federal contracting, provide improved assistance to localities and States in fighting crime, curb abuses in foreign intelligence surveillance, and provide adequate access to legal services for the elderly and to others who cannot normally afford to be represented. In the 96th Congress, Members may be called upon to cast their votes on measures intended to protect human and civil rights, insure equal opportunity, enforce competition in business, reform and revise the criminal code, improve corrections, amend immigration and naturalization laws, and further ease citizen access to the courts. In addition, Members of the other body will be called upon to offer advice and consent to the President with regard to numerous Federal judicial appointments which can broaden the base of our judicial system through a process of merit selection. On these and other measures affecting the judicial system, I believe it is important that Members of Congress act with the advice and counsel of the chief judicial officer of the land.

The idea of a "state of the judiciary" address is not a new one. It was proposed by William P. Rogers in the early 1950's, before his service as Attorney General under President Eisenhower and as Secretary of State under President Nixon. In the last Congress, the idea was revived in the Senate and received favorable subcommittee action. My resolution, the first introduced in the House, would extend on a one-time basis, an invitation for the Chief Justice to speak to a joint session. This honor has been accorded through the years to foreign dignitaries, poets, generals, and astronauts, and national heroes. I hope the Congress will act quickly to invite the Chief Justice.

Regardless of our partisan affiliation, our regional orientation, our committee assignments in Congress, or our political philosophy, each Member shares the concern of our citizens for an orderly and fair society, for the speedy and correct punishment for crimes, for the efficient administration of justice, and for the protection of individual rights. It is appropriate and timely that we should hear the views of the judiciary on these matters as we work together to achieve these goals.●

TRIBUTE TO NAT HOLMAN, "MR. BASKETBALL"

HON. S. WILLIAM GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. GREEN. Mr. Speaker, I want to add my voice to those honoring Nat Holman, a constituent of my New York 18th Congressional District, who is known as "Mr. Basketball" to sports fans everywhere.

Nat Holman was honored recently when the School for Sports Coaches and Instructors at the Wingate Institute in Nathanya, Israel, was named for him. The Israel Olympic Committee also presented Mr. Holman with an award in recognition of his years of service in the development of competitive athletics in Israel.

Mr. Holman is a former head basketball coach at CCNY, a past president of the National Collegiate Basketball Coaches Association of America, the author of books on modern basketball and has been our country's emissary to Canada, Mexico, Turkey, Japan, Taiwan, and Korea for basketball clinics and lectures.

In 1949, Mr. Holman was sent by the U.S. Government and the U.S. Committee Sports for Israel to develop the growing popularity and sophistication of basketball coaching and playing in the state of Israel. In his numerous visits, Mr. Holman laid the foundation of modern basketball; thus he was adorned with the title of "Father of Israeli Basketball."

The Holman School trains and prepares Israeli athletes for national and international competition. It is the only school of its kind in the Middle East.

The facility is being built in part with funds raised through the United States Committee Sports for Israel, which has supported the development and expansion of the Wingate Institute since the institute began operations in 1957.

Mr. Speaker, I am proud of the role Nat Holman has played in this effort, and want to salute him and the U.S. Committee Sports for Israel for their outstanding contributions to both the world of sports and Israel.●

SUGAR LEGISLATION

HON. KEITH G. SEBELIUS

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. SEBELIUS. Mr. Speaker, many of my colleagues from sugar-producing districts last year warned the people of this Nation of the danger involved in failing to pass reasonable sugar legislation. We said that failure to protect our domestic sugar industry would lead to the death of some industry segments and losses of millions of dollars.

That process has begun. Producers in southwest Kansas have decided to close their sugarplant and go out of the sugar business. That means land that was used to produce sugar will now go to produce surplus crops of wheat, corn, and grain sorghum.

To give Members a better understanding of the problems involved, I would like to insert an excellent article into the RECORD. The article was written by Linda Mowery of the Salina, Kans., Journal:

SUGAR BEETS BEATEN IN SOUTHWEST KANSAS

(By Linda Mowery)

The death knell sounded last week for the sugar beet industry in Southwest Kansas when a producers' cooperative decided to terminate its lease on a processing plant in Rocky Ford, Colo.

Two hours later, the American Crystal Sugar Company, owner of the plant, announced the facility would be closed permanently.

"It's a real sad thing, but it was an economic decision that needed to be made," said Gary Baker, a Ulysses sugar beet farmer who is secretary-treasurer of the Colo-Kan Sugar Company, the cooperative.

He offered two reasons for the action: low prices and reduced acreage.

Last year, Baker said, growers received $19.50 a ton. To break even, he estimated that figure should have been from $25 to $27 a ton. He expects the 1978 crop to bring $16 to $18 a ton.

Many growers, he added, have lost $150 to $200 an acre the past three years.

To make the plant economical to operate, Baker said about 20,000 acres of beets would be needed. In 1978, Arkansas Valley producers planted about 15,000 acres of beets. Several years ago, 33,000 acres of beets could be seen in the area.

Northwest Kansas sugar beet growers said they won't be affected by the closing of the Rocky Ford plant. One, however, said the action was symbolic of "the course we're on."

"The sugar industry will continue to diminish as long as returns are what they are," predicted Arvene Eckhardt, Goodland, a state director of the Rocky Mountain States Beet Growers Association of Colorado and Kansas.

Northwest producers contract their beets with Great Western Sugar Company, which has a plant at Goodland. When the Southwest cooperative, comprised of 175 stockholders in Stanton, Grant, Haskell, Kearney and Finney Counties and several Colorado counties, lost money—it came from the producers' pockets.

Also, processing costs at the Rocky Ford plant are more because of the reduced acreage, Eckhardt said.

The Goodland plant handles about 22,000 acres of beets from Sherman, Thomas, Sheridan, Cheyenne and Wallace Counties in Kansas and several counties in Colorado. Three years ago, Eckhardt said, there were 40,000 acres in production, but the local plant couldn't handle that many beets and the cost of transportation to other facilities cut acreage.

"It's hard to really say if there will come a time when sugar beets won't be grown in Northwest Kansas," Eckhardt said. "We have to weigh sugar production with other crops like wheat and milo. We're choosing the better of several evils.

"But Northwest Kansas got along with sugar beets not too many years ago and we could survive again."

Beets began to be grown in the Northwest in the 1950s.

Baker said sugar beet acres in Southwest Kansas will probably be shifted to grain sorghum and wheat. Corn, he added, is becoming unattractive to farmers in his area because of water problems.

He said the plant probably wouldn't close until April because beets are now being sliced and "a lot are in storage or on the ground." Colo-Kan, which probably cannot disband until Aug. 31, 1980, had leased the plant for the past six years and still had two years remaining in a three-year agreement.

Baker said the first Southwest Kansas sugar beet plant was built in 1903 at Garden City. That plant has since closed, as have several others in Southeast Colorado.

Baker believes sugar imports have "destroyed our market."

"I used to think when you tell them (the government) you're going broke and that factories are closing, it would really mean something. It doesn't shake them up at all."

Eckhardt said most sugar beet producers favor legislation which would "level off" the market so "they would get a little return each year rather than one big return maybe every four years."

BILL TO ENCOURAGE ENERGY CONSERVATION EXPENDITURES FOR DWELLINGS OCCUPIED BY TENANTS

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. DINGELL. Mr. Speaker, I am today introducing a bill which I believe will substantially benefit the Nation's energy conservation efforts and also millions of Americans, both tenants and landlords.

My bill will correct what I believe is an inadvertant oversight when we enacted the five laws which compromise the national energy legislation signed by President Carter on November 9, 1978. I refer to the provision in the Energy Tax Act of 1978 which provided a 15-percent credit to taxpayers for various energy conservation expenditures to make their homes more energy efficient—such as expenditures for insulation, storm windows and doors, equipment, et cetera.

That credit, up to a maximum of $300 for expenditures of up to $2,000, will certainly provide a substantial incentive to millions of people to insulate their homes, and I supported that tax credit.

However, the Energy Tax Act imposed a condition that the residential unit on which the taxpayer made these expenditures must be the taxpayer's principal residence. Although the taxpayer could obtain the tax credit for his energy conservation expenditure regardless of whether he is the landlord or the tenant of the dwelling that he uses as his principal residence, that condition on the tax credit overlooked a real economic fact of life; namely, that very few tenants would spend up to $2,000 in a residence owned by someone else just to get a tax credit of $300 or less. Furthermore, the landlord cannot get a tax credit for energy conservation expenditures on a dwelling unit occupied by the tenant, because the dwelling would not be the landlord's "principal residence." Hence, there are millions of dwelling units occupied by tenants for which the tax credit provision provides virtually no incentive for making energy conservation expenditures.

From an energy conservation point of view, however, it does not make any difference whether 10 taxpayers spend $20,000 for energy conservation measures and receive $3,000 tax credit for 10 buildings which are their principal residences, respectively; or whether the same amount of money is spent for the same kind of energy conservation measures and the same amount of tax credit received, by 1 taxpayer, for the same number of dwellings which are the principal residences of 10 different persons.

My bill would allow the use of the energy conservation tax credit for every residential unit in which the taxpayer installs energy conservation measures even though it is not his principal residence, so long as it is the principal residence of someone. This would encourage landlords to make expenditures for energy conservation work on dwellings occupied by their tenants, and will assure that every dwelling, whether occupied by the owner or a tenant, will be within the coverage, both legally and realistically, of the tax credit incentive.

Of course, my bill also provides that no taxpayer can secure double tax credits by virtue of the energy conservation tax credits provisions and the existing investment credit provisions of the Internal Revenue Code.

I hope the House Ways and Means Committee, which will be considering my bill, will in the near future report it favorably and recommend that it be enacted.●

PRIVATE SCHOOLS DO NOT DESERVE THREAT

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. DERWINSKI. Mr. Speaker, an issue of much controversy is the proposed IRS regulation which would determine a private school's tax-exempt status. This subject was very thoroughly and properly covered recently in an editorial appearing in the West Proviso Herald, a publication serving suburban Cook County. The editorial follows for the Members' special attention:

Private Schools Don't Deserve Threat

The Internal Revenue Service is proposing a measure that would further hamper and possibly cripple the private and parochial school system. The proposal would take away a school's tax-exempt status if its enrollment noticeably increased due to white flight from public schools that are under federal desegregation orders. Specifically, the private school's minority enrollment must be within 20 percent of the proportion of minority students in that area's public schools.

While we don't quarrel with the government's interest in achieving integration throughout the public school system, we feel the IRS measure has too much potential for abuse. It ought not to see the light of day.

The very worst part about the proposal is that the burden of proof would be on the private school to show it was not fostering segregation. These schools are burdened enough with financial problems without the need to hire legal help to do the government's work. Surely the IRS has the investigative capacity to determine which schools are violating any law and to prove its case in court.

But that's assuming that the measure is sound in the first place. We don't think it is.

First of all, what "local" public-school area would be used as a point of comparison for a private school's minority percentage. The private and parochial schools have no districts. It is unfair to hang a private school's existence in the balance on the basis of figures that bear no meaningful relation to the private school's enrollment area.

Second, there are any number of reasons why a private school's percentage of minority students might not be as high as a public school's. The IRS presumes a lot when it believes that a "low" figure is due to an effort by that school to maintain segregation. We think it presumes too much.

Also there could be any reason why a school's enrollment might increase. The IRS presumes too much to conclude that an enrollment rise is solely or significantly due to avoidance of public-school integration.

The best way to keep students in the public schools is to keep those schools attractive to students. They need to maintain high standards and be flexible and innovative. In areas where the public schools are not up to par, the schools must be improved. They should not rely on government strictures against nonpublic schools to gain a higher-achieving group of students from which to draw.

The nation needs private and parochial schools just as it needs public schools. We feel some "competition" between private and public schools for enrollment is healthy. Private schools provide a forum for innovation and experimentation that can rub off on public schools.

To threaten removal of a private school's tax-exempt status is to threaten to put it out of business. This would be a tragedy for white and minority students. Increasingly, minority families are choosing private education. In west Proviso Twp., all private elementary schools plus two private high schools that serve the area, are integrated.

Even if an enrollment increase at a private school is to some extent traceable to "white flight" from the public schools, there is no proof that a private school itself would have caused it. The source of such a trend most likely is the parents.

We feel those parents, whatever their motives, have a right to send their children to private schools. These parents pay taxes to support public schools and make an additional sacrifice to send their children to nonpublic schools. The government has no more business thwarting these parents than it does telling them in which town they must live or where they must work.

The IRS proposal probably arose because of the proliferation of all-white "academies" in the South a few years ago during some well-publicized desegregation efforts in the public schools. We don't support the philosophy behind such schools. But we feel the vast majority of private and parochial schools in the country operate responsibly with a firm commitment to the public interest. Integration in private schools, no doubt, will increase if the government just leaves them alone. They should not be threatened for the irresponsible actions of a few.

U.S. Rep. Henry Hyde (R-6th) has come out against the IRS measure. We applaud him for doing so. We hope local residents will let Senators Percy and Stevenson know their feelings on this matter as well.●

ACCURATELY REFLECT BILL TITLES

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. WEISS. Mr. Speaker, I am reintroducing today a resolution to require that all bills and resolutions introduced for consideration by the House contain titles which accurately reflect the contents including the specific amounts of authorizations and appropriations contained therein.

In the 95th Congress several legislative matters came before us for consideration and vote which contained major provisions which were not reflected in the bill titles. This situation has been extremely misleading to the public and to Members of Congress, and has denied interested persons the opportunity to participate in the legislative decision-making process by expressing their opinions to their elected representatives. For example, last term I discovered that House Joint Resolution 227, which was titled as an "urgent supplemental appropriation for the Southwestern Power Administration," contained a major funding provision for ERDA which included over $5.5 billion tied to nuclear research and development. The only mention of the provision contained in the bill was the phrase "and for other purposes."

When the House considered H.R. 4088, authorizing appropriations to the National Aeronautics and Space Administration I discovered an authorization for a supersonic transport which had been placed solely in the committee report, but entirely omitted from the text of the bill being considered in the House.

Mr. Speaker, I believe it to be most inappropriate to have before us legislation so obfuscated that it is impossible upon a reading of the bill to tell precisely what it is that a Member is voting on. I am hopeful that this resolution will correct this problem by requiring the title of each legislative matter to contain sufficient information to advise us of its contents:

H. Res. —

Resolution to amend the Rules of the House of Representatives to require that all bills and resolutions have titles which accurately reflect their contents and all subject matters contained therein.

Resolved, That rule XXII of the Rules of the House of Reepresentatives is amended by adding the following new clause at the end thereof:

"7. The House shall not receive or consider any bill or resolution unless its title accurately reflects its contents including the specific amount of each authorization or appropriation contained therein. Reference to any program, expenditure, authorization or appropriation in a Report accompanying such bill or resolution shall not satisfy the requirements of this rule.". ●

SHOULD THE DISTRICT OF COLUMBIA HAVE SENATORS?

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. MICHEL. Mr. Speaker, the debate over the advisability of passing the constitutional amendment that would grant the District of Columbia full congressional representation is one that goes to the very heart of our governmental system.

The distinguished political scientist Walter Berns, currently a resident scholar at the American Enterprise Institute for Public Policy Research, has written a scholarly and persuasive argument against passage of this amendment. Dr. Berns asks the central question involved: is the amendment, as written, constitutional? He argues eloquently that a proper reading of the constitution demonstrates beyond any doubt that, no matter how well-intentioned the supporters of the amendment may be, the argument for such an amendment simply is not based on constitutional principles.

At this point I want to insert in the Record "Rome on the Potomac" by Walter Berns, Harpers, January 1979:

ROME ON THE POTOMAC

Machiavelli pointed out more than 400 years ago that for a city to rise to power "it has ever been necessary to employ fraud." Rome was his exemplar because the Romans were so clever in concealing what they were doing. They entered into alliances with their neighboring states, but always managed to reserve to themselves "the rights of sovereignty, the seat of empire, and the glory of their enterprises."

Someone in Washington has been reading Machiavelli. Like Rome, Washington had a small beginning and became great at the expense of the states surrounding it; again like Rome, it has allied itself with those states in an enterprise of sorts, this one carried on in the name of the rights of man but calculated to accumulate more sovereignty, a larger empire, and greater glory for the Washingtonians who constitute what we still call, however inaccurately, the federal government.

Washington has proposed to the states for their consideration an amendment—it would be the twenty-seventh—granting the District of Columbia full Congressional representation. Whether it passes depends on the ability of its opponents to resist a subtle, but in our day powerful, form of bullying: the accusation that objections to District representation are a cover for an "anti-urban, anti-black, anti-federal" prejudice. This charge of racism, made in print by columnist Garry Wills and more slyly by many Washingtonians, is designed to intimidate Republicans especially, because they have strong partisan reasons to vote against ratification: in the nation's capital there are nine registered Democrats for every Republican.

Republicans control both houses of the legislature in twelve states. But they control one house in four other states, not counting unicameral Nebraska, and a negative vote in at least one house in thirteen states is enough to defeat any Constitutional amendment. Already the Twenty-third Amendment, giving the District the right to choose Presidential electors, assures the Democrats a three-vote headstart in every Presidential election. This proposed Twenty-seventh Amendment is calculated to give Democrats two additional Senators and one or two additional members of the House—a simple enough reason for Republican opposition.

The District is primarily black, but opposition to District representation began in the nineteenth century, when the population was mostly white. Besides, the white population is rapidly increasing as young and childless couples—he a White House staffer and she a rising attorney in Justice's Antitrust Division—move into the city from the Virginia and Maryland suburbs. And it is preposterous to liken the District to Rhodesia and South Africa, as did several witnesses at the House hearings. District residents elect their own mayor and city council, they vote for Presidential electors, and they elect a nonvoting member of the House. The amendment will indeed be opposed by racists, but it will win the support of many politicians eager to avoid the imputation of racism. I think the amendment's proponents exploit this anxiety; nonetheless, there are respectable nonpartisan and nonracist reasons why the amendment should be rejected.

They are, of course, hotly denied in Washington. In the House committeee hearings, not a single witness testified against the proposed amendment; everyone favored it, and most, in one way or another, insisted that nothing could be said against it. As one House witness said, "The simple fact is . . . there is not one substantive reason why this legislation should not pass." Passage, it was maintained, is a matter of "simple justice," resting "on the simple principle upon which this great Nation was founded . . . 'no taxation without representation.'" The emphasis here is that Washingtonians, although not permitted to vote for Senators and Representatives, pay income taxes; in fact, one witness said they "pay more than their fair share of taxes." What she meant was they pay higher taxes because "the per capita income for D.C. is higher than the national average." She was right; it is 26 percent higher ($8,067 in 1976, as against the average of $6,399), which suggests that Washingtonians are getting along well even without representation.

"No taxation without representation" is a venerable American slogan, but it is not the principle, simple or otherwise, "upon which this great Nation was founded." According to the Declaration of Independence governments are founded by the people to secure their natural rights of life, liberty, and the pursuit of happiness, and it is up to the people, when adopting a constitution, to decide how these rights are best secured. They can decide on a system of "one man, one vote," which is another formulation of "no taxation without representation." Or, being apprehensive of the majority's unchecked powers, they can heed Madison's advice—as Americans did in 1787—and adopt a constitution with "auxiliary precautions." They can even establish a federal system, or one that Madison described as "neither wholly *national* nor wholly *federal*." In short, they can recognize the legitimacy and necessity of a separation of powers and various checks and balances, but also of more than one principle of representation. This describes the American Constitution, which, in addition to granting representation to the people as people, grants representation to the states as states.

The constitutional case against the proposed Twenty-seventh Amendment rests on Article V, which provides "that no state, without its consent, shall be deprived of its equal suffrage in the Senate." It rests on the "simple" fact, if you will, that the District of Columbia is not a state, and Congress is not proposing to make it a state,* and that to accord the District two Senators would deny all states their equal suffrage. Most witnesses who testified on the proposed amendment ridiculed this argument; Senator Kennedy thought it "shallow at best and pernicious at worst." Apparently they did not understand it. The Congress seems to think that equal suffrage—pertaining to states—means nothing at all, or nothing more peremptory than that the states shall each have two Senators. But as set forth in Article V, equal suffrage of the states is a right that no amendment shall curtail, except with the consent of the states involved. This means that unless a state agrees to a smaller number all the states shall have the same number of Senators; and it also means that only states shall have Senators.

Senator Kennedy and a host of witnesses were correct in seeing that this Article V provision came about as the result of the 1787 convention compromise between large and small states. What he and they did not understand is the principle of the compromise: state sovereignty, or in the words of *The Federalist Papers* (62), state "residuary sovereignty." Although states are *unequal* in wealth, industry, husbandry, virtues and vices, flora and fauna, and, most significantly, in size of population, they are equal with respect to their "stateness," a quality not possessed by the District of Columbia. That states are unequal in "their respective numbers" is recognized in the House of Representatives, where they are unequally represented. That they are equal in their "stateness" is recognized in the Senate, where they are equally represented. The Constitution recognizes the equality of the states as states, and by providing that "no state, without its consent, shall be deprived of its equal suffrage in the Senate," guarantees that "stateness" shall be forever recognized. Now the Congress, in proposing the Twenty-seventh Amendment, has decided otherwise.

Nothing in the Constitution forbids representation of District residents in the House of Representatives, and a case can be made for it. They constitute a considerable number of individuals—690,000 of them—and the House represents individuals according to their numbers. As individuals they are taxed, and as individuals they should be represented; collectively, however, they lack the requirement for Senate representation. Whatever the number of its taxpayers, the District of Columbia may be represented in the Senate only if Congress makes it a state, which it is entitled to do; otherwise, it may be represented only if each state consents to this deprivation of its equal suffrage. The proposed amendment requires the consent not of three-fourths of the states but of all the states, and, as now written, it is unconstitutional.

It is, of course, true that the Seventeenth Amendment, adopted in 1913, reduced the element of state sovereignty possessed in 1787, which Madison called "residuary." Before 1913 Senators were "chosen by the legislatures" of the states, but since then they have been "elected by the people." In principle, Senators now are less representative of their *states* than they were earlier, which is to say, ours is less a federal system than it used to be. But even under the Seventeenth Amendment Senators are elected by the people of the states, and this federalism would be endangered with the adoption of the proposed amendment.

Very much in point is the practice of Senatorial courtesy. In principle, the President appoints federal officers "with the advice and consent of the Senate"; in practice, however, because Senators defer to the wishes of colleagues, officers are appointed with the consent of the Senator or Senators immediately concerned with the office, and, in many cases, they are in fact appointed by those Senators. This is especially true with appointments to federal judgeships. Even if the President initiates an appointment—in some cases he does not—he is likely to consult those Senators from the state in which the court is located before he sends the nomination to the Senate; and to make certain that he is acting with the approval of those Senators, the Senate Judiciary Committee has developed the so-called blue-slip practice. Upon receiving a nomination, this committee informs the concerned Senators—say, Senators Jacob Javits and Daniel Moynihan—that the President has nominated someone to the vacant judgeship on the Federal District Court in New York, and the committee will not even schedule nomination hearings until Javits and Moynihan return the slips indicating their approval. If the Twenty-seventh Amendment is adopted, the two District of Columbia Senators would enjoy the power of appointment to the District Court and, even more significant, to the U.S. Court of Appeals for the District of Columbia Circuit. They would enjoy the perquisites derived from a system in which states as states are represented even though they would not represent a state.

Their decisions respecting these appointments would have national consequences. Some thirty judgeships are involved, but the importance of these courts lies not in the number of their judges. The Court of Appeals, especially, is a national court, second only to the Supreme Court in importance; as with the Supreme Court, the practice has been to staff it with judges from around the country; statute after statute grants it a broad jurisdiction, and no court plays a greater role with federal administrative agencies and their multitudinous regulations. These facts alone are sufficient to demonstrate that the District of Columbia is not simply a locality like any other.

To say that this District, this city, is not represented in the national government is a fiction: this city is the national government; its residents constitute it and live off it. They constitute a faction in the Madisonian sense of that term, a group "united and actuated by some common impulse of passion, or of interest," and I believe this interest is somehow "adverse to the rights of other citizens, or to the permanent and aggregate interests of the [national] community." For example, Washington is, as its residents frequently joke, the country's one recession-proof city: its plant is never shut down; on the contrary, its workers are never unemployed and are almost impossible to fire. There is a constant demand for its goods, because the city has found a way to control the market. Like any other business, it seeks to grow and grow; as I write, the projected budget of one department, Health, Education and Welfare, is alone $181.3 billion. A strategy to check that growth is urgently needed, and the worst course of action is to grant representation to the faction promoting still further growth. Individually, the residents of this city may deserve representation; collectively, however, they constitute an interest that should be checked, even discouraged, and, above all, not represented.

A writer exposes himself to ridicule, and not all of it good-natured, by arguing that the Constitution has some fixed meaning and that we should be bound by it and that we should be bound by its rules for changing it. Garry Wills accuses us of "odd babbling on this subject." But the advocates of constitutional change ought to be receptive to constitutional arguments. At least, such arguments ought to be available to the states where the issues are still pending. There perhaps, if not in Washington, an appeal to the Constitution might still carry some weight.

The states should act in full knowledge of the political stakes, and might do well to ponder the fate of the Italian. "When the other states in Italy finally became aware of the trap into which they had been led," Machiavelli said admiringly, "it was too late for them to do anything, because Rome had become too powerful." ●

DAVID BRODER ON POLITICAL PARTIES AND SINGLE-ISSUE GROUPS

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. BRADEMAS. Mr. Speaker, much concern is being expressed over the growth of single-issue groups and the decreased role of the political party system in the United States. David S. Broder, the political columnist for the Washington Post and author of the book, "The Party's Over," has written a thoughtful and provocative article on these subjects. Mr. Broder's essay was published by the Post on Sunday, January 7, 1979. Because the House was not in session and many Members may have missed his article. I would like to call it to the attention of my colleagues.

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* Section I of the proposed amendment reads as follows: "For purposes of representation in Congress, election of the President and Vice President, and Article V of this Constitution, the District constituting the seat of government of the United States shall be treated as though it were a State."

Following is the text of the article:

LET 100 SINGLE-ISSUE GROUPS BLOOM—THE PAINS THEY CAUSE MAY PUSH POLITICIANS BACK TO THE PARTIES

(By David S. Broder)

Some call them special-interest groups. Some call them single-interest groups. Whatever the name, it's agreed that they're a shame. "Strident and self-righteous," as one senator terms them, the single-issue groups are accused of fragmenting the political consensus, whipsawing conscientious public officials with non-negotiable demands, and generally playing havoc with responsible government and politics.

But if single-cause groups are an evil, they are a necessary evil. In fact, rather than hoping that they can be curbed, as some members of Congress have proposed, it may be better to let such groups flourish and exasperate politicians as much as possible.

I say this in the belief that American politics has reached the point where it has to get worse before it can get better. Specifically, it must become more painful and difficult for politicians and officeholders. And because single-interest groups are making it more painful and difficult, they are helping create the conditions in which responsible politics and government may be reborn.

TWIN PERILS

The complaints about single-interest groups are abundant, if sometimes overstated. When Democratic Sen. Edward M. Kennedy of Massachusetts declared last October that "the Senate and House are awash in a sea of special interest campaign contributions and special interest lobbying," he was probably mixing dreadnaughts and dories, if apples and oranges do not suit his nautical metaphor.

He cited as evidence the growth in political action committees and in their contributions to congressional campaigns.

It is true that the $76 million reported spent by 1,911 independent, nonparty groups in the 1978 elections were records, both in dollars and in numbers of organizations. But many of the largest spenders—the AFL-CIO, the National Conservative Political Action Committee, the American Medical Association for example—have broad political and policy agendas.

Nevertheless, there are certainly narrow, one-cause groups—the opponents of gun control, most notably, but also some conservation, arms-control and equal rights amendments advocates—that raised and spent substantial sums.

The concern about their influence is not misplaced. Groups like these—or the right-to-life organizations, which depend on volunteer workers rather than dollars for their influence—can effectively threaten officeholders with political retaliation because of stands on a single question.

They have demonstrated a capability—at least in some states and some races—to upset not only individual careers but also powerful party organizations. For example, the Minnesota Democratic Farmer-Labor Party, a rich source of national leadership for the past generation, has been riddled by infighting between pro- and anti-abortion groups.

When admitting the destructive power of single-interest groups, however, it is important to stress that their rise represents the *second* stage in the demolition of the party system in the United States, not the first.

The first stage came in the 1950s and 1960s, when ambitious office-seekers found that they could bypass the party and win office from the courthouse to the White House on their own. Now, in the 1970s, issue-concerned citizens are applying the same lesson—not to gain office but to force their policy views on the government. Like the candidates, they are bypassing the party structure and "taking their case directly to the people."

The result is that independent, autonomous officeholders are confronting independent, autonomous interest groups in a kind of unmediated power struggle that leaves the national interest in shreds and helps persuade voters to express their dissatisfaction in the most dramatic way possible—by not voting.

What is not generally perceived is that single-issue groups and single-shot candidates are twin perils to responsible politics and government. In reality, the Gun Owners of America Campaign Committee is no more narrow or selfish in its aims than was the Carter-for-President Committee. The League of Conservation Voters is fundamentally no different in this respect than the Committee for the Re-election of the President. One has the single interest of seeing a certain policy adopted, the other of having a certain candidate elected.

That is an alien notion, I know. But it may be more easily understood by following a short, historical trail to see how we arrived at this point in our politics.

BREAKING THE PATTERN

In the innocent days of the 1940s or 1950s, what would a young man eager for public office do? In most places, he would decide first whether he felt more comfortable as a Democrat or Republican, and then present himself to a party screening or slating committee.

After examining his credentials, the party elders might offer him their support for supervisor or sheriff, for prothonotary or (at a different level) president. But they also might say, "Doubtless you are all the things you claim, but we already have a good candidate for senator, so why don't you run for clerk this year and we'll see how you do in that job." In that way, the party maintained its members loyalties and fresh ambitions were channeled into useful roles.

The young man, of course, understood that he had acquired certain advantages and taken on certain obligations upon being embraced by the party.

His campaign costs would be met in whole or part by the party, which elected contributions from supportive citizens and interest groups. Party precinct workers would push his candidacy as they made the rounds. He would be cloaked with a label, Democrat or Republican, which had broad significance for voters, so that even if they did not know him, they would know he was (or was not) "their kind of candidate."

At the same time, the young man knew that he was no longer a free agent. He had acquired obligations to help promote his party and win votes for his ticket-mates, whatever he thought of their individual merits. A degree of loyalty was expected. His disagreements with party leaders would be expressed privately or, if publicly, in muted tones. When they needed help, he would be available.

He also knew that when the party was popular, he might benefit from the "coattails" of its leaders, and when the party lost the public's confidence, he might be booted out of office—no matter how conscientiously he had done his own job for his constituents.

That is roughly the way the game was played for most of American history in most places in this country.

But after World War II, the pattern changed. It changed because certain smart fellows discovered that they could achieve their ambitions without going through all this rigamarole. Sen. Kennedy's brother John probably wasn't the first, but he was an important trend-setter.

When he returned to Boston from Navy service, Gov. Maurice Tobin and other Democratic Party elders invited the 29-year-old novice to go on the ticket for lieutenant governor. It was a flattering offer, but one Kennedy could refuse. His goal was the House of Representatives, and he plunged into a 10-man primary without asking anyone's permission. While his father pulled strings to mollify some of the old-guard politicians, Kennedy and his young friends put together the organization of political amateurs and volunteers that won the campaign.

It worked for him not only in that first House race, but in later campaigns for the Senate and the presidency—and he was not alone.

Jerry Ford did the same thing in Grand Rapids, taking a House nomination away from a Republican incumbent. Richard Nixon launched his career in California with the same sort of volunteer effort. Jimmy Carter followed the pattern in Georgia.

They and their counterparts made a number of discoveries. They found that volunteers worked harder and were more persuasive in campaigns, than patronage-oriented "soldiers" of the old political machines.

They found that interest groups preferred to give money directly to candidates rather than through the party. They found that people of means who would never have "dirtied their hands" with party politics would contribute to a candidate who had a tasteful cocktail party or after-theater reception. Later, with the development of direct-mail techniques, people like Barry Goldwater, George Wallace and George McGovern found that the wallets of thousands of less affluent citizens could also be tapped to finance individual candidacies.

The new candidates then discovered, more powerful ways of communicating with the voters. Radio and television ads, telephone banks and computerized, targeted mailings carried much more impact than the slate-cards precinct captains used to hand out at the polls.

They discovered—or intensified the use of—an old trick: door-to-door personal campaigning. If they were willing to spend enough time with the voters themselves before a primary, they found, they could beat the organization-backed candidate.

So individuals eager for public office no longer "submit" themselves to a party screening process. They organize to capture a nomination with a full-time, extended primary campaign, and then they announce, as the most recent product of that process announced to his party on the evening he captured its nomination: "My name is Jimmy Carter, and I am running for President of the United States."

A POLITICAL PARTY OF ONE

In office, these new-style politicians behave with an independence appropriate to their manner of acquiring office. They are under no obligation to anyone—and certainly not to others who claim to be "leaders" of their party. This independence of House members has made the job of lining up votes for Democratic legislation far more difficult than it used to be. Those legislators do not feel their fate rests with the voters' judgment on their party, but on them as individuals, and they vote as best suits their individual interests.

Elected executives are no different. Cleveland Mayor Dennis Kucinich ran against the party "establishment" and carried his policy differences with the Democratic city council to the point of forcing his city into bankruptcy. Newbreed governors from West Virginia's Jay Rockefeller to Illinois' Jim Thompson to California's Jerry Brown have been at odds with their legislatures as often as Carter has with Congress.

What really has developed is a system of independent, autonomous candidates and officeholders, each with a political and governmental agenda of his own—a political party of one.

And now those officeholders are raising a cry of alarm about the invasion of their turf by independent, autonomous issue groups.

"Single-issue politics," says Democratic Sen. John Culver of Iowa, "has, in my judgment, disturbing implications for the nature and quality of political representation in this country."

"Increasingly," he says, "splinter lobbies are forcing upon elected officials and candidates . . . loyalty tests on wide ranges of peripheral matters . . . We have vocal, vehement and well-orchestrated lobbies on abortion, consumer agencies, gun control, labor law reform and a host of other subjects," each judging the officeholder not on his overall record but "by a single litmus test of ideological purity."

More and more, officeholders are demanding protection from what one of them has called the "issues extortionists." They are asking why there is nothing to provide some defense against this crossfire of non-negotiable, special-interest demands.

The blunt answer is that they themselves helped destroy the one institution that historically filled that function—the political party. The officeholders are now being victimized by people who have borrowed their own campaign techniques to use against them.

THE RISE OF THE VIGUERIES

In the old system, the parties served to screen the demands of interest groups as well as to regulate the ambitions of candidates. All groups were invited to present their proposals at platform time, but all understood that platform-writing, like ticket-balancing, was a matter of compromise and tradeoff. Individual goals were likely to be subordinated to the overall aim of maintaining the party in power.

In the last 10 years, however, the issue constituencies, witnessing the success of candidates who bypassed the party, decided they could do the same thing. If your aim was to clean up the rivers, you did not have to establish that as a priority with the Democratic or Republican platform committees. You could form the League of Conservation Voters and run campaigns against "the dirty dozen." So it went if you wanted to ban guns or protect guns, stop abortions or make them more available.

Like the candidates, these groups discovered the effectiveness of organizations built on the disciplined enthusiasm of volunteers. They learned that door-to-door canvassing and church or shopping center leaflets can have tremendous impact when targeted for or against particular candidates.

And they learned even better than the candidate organizations of the 1950s and 1960s how to use computerized direct-mail techniques. It is the ability of these groups to generate mail and money, literally at the push of a button, to support or oppose a particular legislative issue or candidate that makes officeholders most upset.

Richard Viguerie, the owner of the most active direct-mail company, has become, in an astonishingly short time, a political power in his own right. He did his first right-to-work mailing in 1969 and his first antiabortion mailing two years later. But it is only since 1975, he says, that he had begun to "focus in on special-interest clients," and his success so far guarantees an expansion of the technique.

Most of the recent complaints about single-issue groups have come from Democratic liberals. But Anne Wexler, the Carter White House aide who has given several thoughtful speeches about the problems that single-interest groups create for presidential leadership, has been honest enough to admit that she is herself the product of an important single-interest movement, one that was warmly applauded at the time by Democratic liberals.

That movement—Wexler's home ground—was the Vietnam peace movement, which mobilized around that one issue so effectively that it drove a president from office. What worked for the peace movement is now working for the right-to-life movement and other single-cause groups.

A THERAPEUTIC VALUE

For lawmakers subjected to the computerized power of single-interest groups, it can be a frightening experience. Suddenly their offices are flooded with mail warning that unless they vote a particular way on an approaching issue, "we will defeat you next time you run." Suddenly their campaign organizations pick up reports of the district being flooded with disparaging letters—not by their opponent but by some organization they never knew was there.

The politicians' pleas for protection, however, must be scrutinized with care. There are important constitutional rights involved here; the right to petition the government applies equally to organizations with computer mailing techniques as without.

Moreover, there is a therapeutic value in letting the politicians experience the dangers of the kind of politics we have today—a primal struggle for control among single-shot candidates and single-interest groups.

To be sure, it is a brutal, ugly kind of politics, and it is helping turn off the American people in massive numbers. The people are not issue ideologues. They are not candidate fanatics. They are what they have always been—reasonably broad-minded, practical and progressive.

What they hear in the last 10 days of a campaign, whenever they turn on a radio or TV set is a babble of voices saying "vote for me, vote for me, vote for me." What they read, whenever they open their mail, are injunctions to "vote for this, vote for that." Being sensible, most of them are covering their ears against the din, shutting their eyes to all the commands, and tuning out this self-serving racket by turning away from the polls.

What is missing from our politics is the mechanism which once helped organize those voter choices in a sensible fashion, which channeled the individual ambitions of eager aspirants and the conflicting claims of various interest groups into a coherent ticket and platform. That agency was the political party, and it is in a shambles today.

The destruction of the political parties began with the individual officeseekers, and it is they who keep the parties weak today.

They loved free-lance, individualistic politics—until the techniques of free-lance, individualistic politics were turned against them. Now they are saying that something dangerous has been unleashed. They are right—but about 20 years late in their discovery.

The first reaction among officeholders was to try in 1978 to curb the influence of single-interest groups by reducing the amount of money their political-action committees could contribute to congressional campaigns. Their second ploy—sure to be repeated this year—was an attempt to expand taxpayer financing of individual campaigns beyond the presidential level to House and Senate contests.

But before any curbs are put on the role of single-issue groups and before any more public funds are given to single-shot candidates, it seems reasonable to expect officeholders to demonstrate that they are prepared to sacrifice some of their own precious autonomy.

It really has to be one way or the other. If individual candidates are to be allowed to play their own games for their own ends, with blithe disregard of the effects on the governmental and political system, then single-interest groups are not to be denied the same destructive freedom. If single-issue groups are to be brought back within the constraints of party politics, then the candidates must, too.

FRANKLIN'S CHOICE

The tests of their seriousness about reconstructing the party system are very clear:

Are they prepared to submit their own credentials to serious screening by party leaders, or will they continue to insist on their absolute right to pursue any office any time the desire strikes them? Will they continue to legislate increasing numbers of primaries, thereby adding to the incentive for full-time candidates to bypass the party endorsement process, or will they cut back on that destructive change in the nominating system?

As nominees, are they prepared to campaign as members of a party ticket, rather than set up a private political organization of their own? Are they prepared to defend the record of their party, or just their own work on behalf of their own constituents?

Are they prepared to raise money for their party and partake of the party treasury, or will they keep all the funds they can gather for themselves? Will they channel public campaign subsidies through the political parties, rather than giving them to individual campaign committees, as is the case now?

Will they accept a responsibility to cooperate with the leaders of their own party—both legislative and executive—in carrying out the party program? Or will they insist that they are free agents on every vote, responsible only to their own conscience and constituents?

My guess is that few candidates or officeholders are ready to sacrifice their own freedom of action to rehabilitate their party. But it may be that when more of them have been bullied by single-issue lobbyists, threatened by single-interest mailings, and beaten by single-interest machines, they will perceive their need for the protections political parties once offered against these ideological buccaneers.

There is no way to put the genie of single-issues groups back in the bottle. But they are not new to our politics. From the anti-Masons of the 1830s to the anti-saloon leagues of the 1920s, such groups have flourished. In a pluralistic society, with a constitutional guarantee of freedom of speech and association, they have an inevitable and proper role to play.

What is different now is that the political parties are not strong enough to play their equally essential role. As Anthony King, the British journalist and politicial scientist, has observed, the threat to American government is not partisanship but hyperpluralism. Political parties function to build coalitions, but in today's politics, to use King's phrase, "they are only coalitions of sand."

The lesson the officeholders have to learn was stated at the beginning of the republic by Benjamin Franklin: Either they hang together or they hang separately.

Give them a few more years of the rigors of single-shot candidacies and single-issue movements, and even the dullest politicians will discover the need to reinvent political parties.●

FBI CHIEF ACTS TO SUSTAIN MORALE, REGAIN PUBLIC TRUST

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. EDWARDS of California. Mr. Speaker, I want to commend to my colleagues the remarks of Chief Joseph D. McNamara, chief of police for San Jose, Calif., on the recent decision of FBI Director William Webster to fire two supervisors for their roles in illegal surveillance of the Weather Underground in the early 1970's. The thoughts expressed are even-handed and incisive.

The remarks follow:

[From the San Jose (Calif.) Mercury, Dec. 13, 1978]

FBI CHIEF ACTS TO SUSTAIN MORALE, REGAIN PUBLIC TRUST

(By Joseph D. McNamara)

Recently, FBI Director William Webster announced that two FBI supervisors would be fired and another demoted for their roles in illegal surveillance of the Weather Underground in the early 1970s. He also disclosed that no action would be taken against 58 street agents involved in the break-ins, wiretappings, and mail openings in the investigation.

Webster confided to associates that it was the most difficult decision he had made as director. There is no doubt that his actions have put him squarely in the middle of controversy.

The Weather Underground was a self-proclaimed revolutionary group active in the late 1960s and early 1970s. The group claimed responsibility for a series of bombings including those at the Pentagon and the Capitol. Five suspected members were arrested a year ago by FBI agents, but eight or nine are still fugitives.

Now, Webster is being attacked for not supporting FBI anti-terrorist actions during a crisis. Simultaneously, others accuse him of condoning illegal activities for not taking action against the 58 street agents. His no win position becomes evident when examining the strong views held by both sides.

For example, last year hundreds of active and retired agents picketed, signed petitions, and helped raise legal defense funds for those agents accused of misconduct. These unprecedented actions by FBI personnel are strongly supported by many in local law enforcement with memories of the Weathermen threat and pressure on the FBI to counteract the terrorist bombings. Many Americans with little sympathy for terrorist groups can also be expected to oppose the firings and demotion.

On the other side are FBI critics disturbed by revelations of questionable Bureau activities against Dr. Martin Luther King, antiwar and civil rights groups during the 1960s. Many in this camp have strongly demanded prosecution and discipline for what they believe to be unauthorized and illegal acts by FBI personnel.

Both sides should ponder some historical facts before judging Director Webster. Those opposing any dicipline would do well to recall that classical revolutionary theory counts on an overreaction by authority which lessens public respect for government and enhances the ability of the revolutionary movement to gather new recruits and sympathizers. Those disciplined, in Webster's view, failed in their supervisory responsibilities to prevent overreaction. Webster also cited some of their answers during the investigation as "unworthy of belief," "evasive," or "inconsistent."

Those crying cover-up might consider the fact that FBI agents are charged with protecting the civil rights of Americans. Depriving them of *their* rights to due process is hardly the way to motivate them to protect and respect *our* rights.

Director Webster was correct in not making 58 street agents scapegoats. Punishing them for following orders without any showing of unlawful intent or knowledge would be unfair. Those giving the orders obviously should have known better.

Since his appointment, Webster has asked Congress to provide the FBI with a charter delineating the Bureau's authority. The charter would eliminate doubt about the legality of FBI activities. Agents would know whether or not they were receiving a legal order to be obeyed or one to be questioned or refused.

Director Webster enjoys a well-deserved reputation for fairness and integrity. In October, he addressed the International Association of Chiefs of Police, calling for support of affirmative action in law enforcement. It was a courageous speech which produced a favorable and timely response from an association often characterized as opposed or indifferent to affirmative action.

His disciplinary actions displayed the same kind of courage and concern for credibility in law enforcement. The country needs an FBI that it can be proud of, an agency above reproach. Bill Webster's decision to give 58 street agents the benefit of the doubt reveals his support for FBI personnel trying in good faith to do their jobs. The firings and demotion show his determination that the FBI shall be worthy of the public trust without which it cannot succeed. He deserves our support.●

INDEXING INCOME TAXES

HON. WILLIS D. GRADISON, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. GRADISON. Mr. Speaker, today I am introducing legislation which I believe is the fairest and most pressing revision of our personal income tax structure we can consider in the 96th Congress. This legislation is not lengthy nor complex; in fact, it requires that the Treasury make but one calculation: an index number which will adjust the dollar denumerated values in the personal income tax brackets and personal exemption to bring them in line with the current value of the dollar. This process, also known as indexing, would be unnecessary in a world of stable prices, but in our world of increasing inflation, the lack of indexing imposes a cruel and greedy tax on every taxpayer.

Every taxpayer, whether he receives a cost-of-living increase or not, is currently subject to one of three forms of "bracket creep" as a result of inflation. The most common is the case where a salary increase designed to maintain a constant real value shifts the taxpayer into a bracket with a higher marginal rate. Moreover, even if a raise leaves him in the same bracket, more of his income is taxed at the marginal rate. Finally, with no increase in salary, his real income declines yet his real tax liability does not. The result in each case is a higher real average tax rate. Every taxpayer loses.

Last year, six of our colleagues, three Republicans and three Democrats, joined me in the initial introduction of this legislation. By the end of the 95th Congress, over 100 colleagues cosponsored my bill. Although indexing was not adopted in the 95th Congress, a clear understanding of the issue and strong support for the concept was evident. Today, I am introducing my indexing plan with 42 cosponsors.

That indexing personal income taxes should gain broad bipartisan support is not surprising: There can be no fairer tax mechanism than to tax on the basis of real income.●

CIVIL DEFENSE

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

●Mr. ASPIN. Mr. Speaker, toward the end of "Dr. Strangelove," the President and his Pentagon advisers are contemplating the holocaust awaiting them when the retaliatory Russian doomsday machine goes off. Discussion turns to protecting some of the population by evacuation into mineshafts where radioactive fallout cannot penetrate. They wonder whether the Soviets already have mineshafts. Finally, Gen. Buck Turgidson emphatically exclaims: "Mr. President, we must not allow a mineshaft gap."

Film audiences roared with laughter in 1964, but it seems that some advisers in the White House and Pentagon of today are taking Turgidson's warning seriously. For the first time in 15 years, top administration officials are considering civil defense as an integral aspect of the strategic nuclear balance.

The first evidence of this shift came in 1976, when then Secretary of Defense Donald Rumsfeld ominously noted an "asymmetry" in Soviet-American civil defense preparations.[1] One year later, he wrote that this gap could "provide the Soviets with both a political and military advantage in the event of a nuclear crisis.[2] In November 1977, a report commissioned and subsequently endorsed by the Defense Department estimated that to implement a crisis evacuation plan would cost $1.15 billion over 5 years and around $2 billion over 7 years.[3] Last September 29, President Carter signed PD-41, a Presidential decision memorandum committing the United States to modest budget increases for improving our ability to evacuate urban residents and political leaders in the event of nuclear crisis. The memorandum states that civil defense is an element of the strategic balance which can serve to enhance deterrence and stability.[4]

This rebirth of concern for civil defense springs, ostensibly, from a concern about the size and effort of the Soviet civil defense program. The standard

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Footnotes at end of article.

nightmare scenario runs as follows: The Soviets evacuate their cities and take measures to protect their industrial plants. The Russian Premier calls the President and forces the United States to give in to Soviet demands by threatening to launch a counterforce strike against the United States. The United States, in a retaliatory strike, would not be able to destroy a significant portion of the—sheltered or evacuated—Soviet population or industry. The U.S. deterrent capability, thus, would be effectively neutralized. The United States would be forced either to succumb to Soviet demands or face losing a nuclear war.

Maj. Gen. George Keegan, retired Director of Air Force Intelligence—and one of the main instigators of the current worries over Soviet civil defense, says:

> Today, because of the civil defense measures in the USSR, I believe the United States is incapable of carrying out its assigned wartime retaliatory tasks of crippling the Soviet industrial economy, the essential civilian-military leadership, nuclear stockpiles, and the basic fighting capacity of the USSR.[5]

In assessing the necessity or desirability of constructing a major U.S. civil defense program to counter Soviet efforts, three questions must be asked. First: Just how intensive or extensive are Soviet civil defense measures? Second: How effective is the Soviet civil defense effort; that is, to what extent might it, if implemented, degrade U.S. deterrent capability? Third: How should the United States respond to all this?

U.S.S.R. CIVIL DEFENSE: HOW MUCH ARE THEY DOING?

The most commonly cited statistic used to illustrate the presumably high priority the Soviets attach to civil defense is that they spend $2 billion a year on their program. However, the figure is misleading.

The U.S. intelligence community estimates that the Soviets spent 400 million rubles on civil defense in 1976—less than 1 percent of their entire defense budget. CIA translated this figure into $2 billion. This translation is not an exchange rate calculation. Rather, it is what it would cost the United States to duplicate the same program. That is, it assumes, among other things, that Soviet civil defense personnel are paid at roughly GS–7 or GS–9 levels, when in fact they are paid rather meagerly. Indeed, whereas about 40 percent of the 400-million-ruble figure goes for personnel, this is true for about 70 percent of the $2 billion number.[6]

Further, the CIA emphasizes that both monetary estimates are "rough approximations . . . affected by uncertainties both in the quantitative data on civil defense programs and in estimates of prices."[7]

To measure the effectiveness or extent of the Soviet civil defense effort in terms of rubles or dollars is neither appropriate nor meaningful. If the Soviets were truly placing high priority on civil defense in its military and economic planning, they would have to be putting great emphasis on first training the civilian population for evacuation and other civil defense measures; second, properly sheltering urban residents and the top political leadership; and third, implementing plans for industrial dispersal and hardening.

Here is where the true extent of effort can most relevantly be gaged. And here is where the Soviets must be given very low marks. An examination of the Soviet civil defense program and the Soviet economy reveals major, often fundamental weaknesses, most of which are not easily, if at all, remediable.

First. Training the civilian population. The Soviets do have a compulsory civil defense education program, involving booklets, lectures, films and practical instruction.[8]

However, there is widespread and acknowledged apathy and skepticism about nuclear-war survival, and practical instruction is limited.[9]

In 1975, the portion of mandatory military affairs education devoted to civil defense was substantially reduced. Materials on the effects of nuclear weapons were dropped from the compulsory course entirely—even though a Soviet manual written the year before stated that knowledge of such effects was prerequisite to any further training.[10]

Soviet sources state that the instilling of a "deep faith" in the effectiveness of civil defense measures is vital to the success of a civil defense program.[11] By this standard, Soviet civil defense training fails. Civil defense is the topic of numerous jokes; apathy is pervasive, the program riddled with bureaucratic indifference and incompentence; factory managers often deliberately schedule exercises during the busiest work periods so they can be postponed, often canceled. CIA Director Stansfield Turner sees "little evidence today of serious efforts at mass indoctrination of the population."[12]

There is absolutely no evidence that the Soviets have carried out massive evacuation drills, nor that they have ever evacuated a single city. Small exercises have been held, usually at a single-factory level. However, no two drills have been held simultaneously; all have involved only one type of transport and all have been preceded by lengthy preparation.[13] It is highly unlikely that evacuation of the 220 cities with populations exceeding 100,000 could be executed in a short time without a single rehearsal.

In short, Soviet civil defense preparedness on this score hardly seems adequate for the task.

Second. Sheltering. There are probably sufficient blast-shelter spaces for all 110,000 "political leaders" in the U.S.S.R., for about 12 percent of the essential workforce, and about 10 percent of the urban population—including the essential workers.[14]

However, Soviet civil defense planners have not taken steps necessary to make most of these shelters effective in the face of a major nuclear war. There is believed to be some food and water stored nearby those shelters for the top leadership, but how much is uncertain. No evidence exists that any food or water is stockpiled at shelters for civilians. People would have to bring at least 2 weeks—perhaps more than 2 months—worth of food and water along with them.[15] The U.S. Defense Civil Preparedness Agency estimates that 3½ gallons of water per sheltered person is absolutely necessary; under adverse weather conditions, five times that much may be needed.

Third. Dispersal and protection. Since U.S. strategic plans aim nuclear weapons at economic and military targets—not against population per se[17]—the most vital element in an effective Soviet civil defense program must be the dispersal and protection of industry. On this score, the Soviet program is particularly weak.

There have been orders to disperse industry and laws placing limits on how many people can live in the major cities, all with little if any consequence.[18] Some dispersal has taken place, most of it east of the Urals. However, this trend is related more to economic necessity than to military strategy. The U.S.S.R.'s western regions are undergoing a depletion of vital resources—particularly of ores, fuels, electrical power resources, and timber. Naturally, therefore, Soviet economic planners are spending massive sums of money exploiting the resources of Siberia and transporting them westward.[19]

At the same time, however, new and large industrial facilities and power plants continue to be constructed in the major cities. New machinery continues to be installed in existing plants. In fact, the latest Soviet 5-year plan allocates more than two-thirds of capital investment for modernization of existing plants. The plan explicitly curtails the growth of new construction in favor of renovating and reequipping old plants. And the building patterns in many industries are becoming not more dispersed, but increasingly dense.

As a CIA report summarizes, "The leadership intends to emphasize concentration and modernization at the expense of traditional patterns of expansive growth."[20] Indeed, since World War II, concentration, specialization, and centralization have been the rule in Soviet economic planning.[21]

In short, Soviet leaders have made little effort to disperse their industrial base so as to make it less vulnerable to nuclear attack. To the extent they have done so at all, military strategy has had little to do with the effort.

Nor have they done much to separate industry from residential areas. Due to limitations in transportation, in fact, the Soviet citizen tends to live closer to his workplace—that is, to economic targets—than his American counterpart.

Collocation of Population Within Industrial Sites[22] *(Cumulative)*

[In percent]

Population within:	*U.S.*	*U.S.S.R.*
1.0 n.m. of industry	9	16
1.5	22	31
2.5	45	44
5.0	65	62

The Soviet population, urban and rural, is no more dispersed than the American population.[23]

As for protecting industry, there are plans to harden vital machinery, however, there is no evidence these plans have gotten off paper. There is no evidence of stockpiling of sandbags or can-

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Footnotes at end of article.

opies or anything else that might be used to protect machinery against the effects of nuclear weapons. T. K. Jones, who has made much of Soviet industrial hardening plans, concedes:

> The extent to which the Soviets have implemented such measures is not known; neither do we know of the specifics of the construction techniques referred to . . . (D)escriptions are not sufficiently explicit to estimate the practicality and effectiveness of protective measures for industrial machinery.[24]

After extensive study and analysis, virtually the entire U.S. intelligence community agrees that Soviet plans to disperse and harden industry have simply not been implemented.[25]

U.S.S.R. CIVIL DEFENSE: HOW EFFECTIVE?

To what extent could Soviet civil defense degrade the U.S. deterrent capability—deny to the United States the ability to deliver "unacceptable damage"—or any desired level of damage—to the Soviet society and economy? First, what effect would evacuation and sheltering efforts have on the U.S. capability to kill tens of millions of Soviet citizens? Second, what effect would Soviet civil defense have on the U.S. capability to devastate the Soviet industrial base?

Population. Over the past 15 years, the United States has gradually replaced its large, somewhat "dirty" warheads—optimal for killing people through radiation—with smaller, "cleaner," more accurate weapons—optimal for destroying economic and military targets. Concomitantly, the United States has changed its strategic targeting doctrine from "massive retaliation" to one with "flexible options" for "selective strike" purposes. The United States, in fact, no longer targets Soviet population per se, but rather military and industrial installations. This evolution has been deliberate; trade-offs between population fatalities and military/economic destruction have been consciously chosen. In other words, steps taken by Soviet leaders to protect their citizenry would not fundamentally affect U.S. deterrent capability. U.S. strategic requirements would be satisfied even if Soviet fatalities could be kept very low.

However, even with civil defense measures, several tens of millions of Soviets would die in a nuclear war.

Evacuation and sheltering are absolutely necessary if the Soviets are potentially to save a substantial fraction of their population.[26] However, evacuation would be a highly chaotic and time-consuming process. About 900,000 to 1.3 million people would be needed simply to organize and direct it; most of them would have to be quickly drafted from the population.[27] Whether these people possess the discipline and leadership qualities necessary to perform their tasks—to say nothing of how they are to be selected, located and rounded up—is a dubious matter. Then there is transportation. Roads and railways are very limited in the U.S.S.R. Most railway lines are single track—making two-way traffic impossible—and during a wartime emergency would almost certainly be used to rush troops and supplies into Eastern Europe or the Chinese border. Roughly two-thirds of Soviet roads are unpaved, making for major problems during rain or snow. Outside cities, Soviet highways contain almost no gasoline stations and nothing like the strings of hotels and motels that litter the American countryside.[28]

Highly optimistic estimates of Soviet transportation capacity—assuming full availability and perfect coordination of the mere 2 million cars, trucks and buses, plus all railway cars—still assume that 20 million evacuees will have to walk.[29] Actually, three times that number would still be optimistic.[30] They are expected to walk 30 miles in 1 day, then construct "expedient shelters" in another day or two.[31] The materials required for these shelters include stone, logs, poles, cinder, shovels and so forth.[32] There is no evidence that sufficient supplies are available; or, if they are, that they are conveniently stockpiled, or that many people could manage to walk so far in so short a time while carrying all these materials, particularly in bad weather. And would those who could choose to leave their wives, parents, or children behind? Nor do diagrams in Soviet civil defense manuals suggest that the average person could build these shelters.[33] Even assuming competence, it would take a family from 30 hours to more than a week—depending on the type—to build one.[34] This may be too long to be of any use.

The shelters would, however, be necessary. A successful evacuation that does not also include sheltering would likely result in 60 to 80 million fatalities—or 25 to 33 percent of the Soviet population.[35]

It is unlikely that occupants in shelters already built would fare much better. Even ignoring the shortage of food and water, the shelters' survivability must be rated low.

First, even if some Western analysts are correct in estimating shelter-hardness at 50 to 100 pounds per square inch—psi—in blast-overpressure resistance—Soviet sources note that total damage would be caused by 30 psi,[36] the doors and ventilation systems of the shelter are certainly not so hard. Survivable walls provide no solace if blast and radiation can kill or wound through other entrances.

Further, most urban shelters in the U.S.S.R. lie beneath surface structures. Light blast overpressure—3 to 6 psi—could cause the surface building to collapse, killing or severely injuring most of the people in the basement—and, by removing their roofs, exposing them to the radiation caused by the explosion.

Third, even if the shelter does protect against blast and radiation, chances of survival may still be low because of inadequate air filter systems. A Soviet shelter's air-supply system provides 1.1 cubic feet per minute—cfm—for each person. The Soviet civil defense handbook claims that this is adequate to absorb carbon dioxide and control heat and humidity.[37] Yet the U.S. Defense Civil Preparedness Agency has concluded from shelter experiments that at least 3 cfm are needed to control carbon dioxide and much more than that to keep temperatures at tolerable levels.[38] Oak Ridge scientists believe this deficiency in the air supply system "is the most serious flaw in the whole Soviet civil defense planning." Noting that filter specifications have not changed from those cited in older manuals, the scientists conclude that "the Soviet Union has not conducted mass shelter living experiments or even simulated ones, as has been done in the United States."[39]

Footnotes at end of article.

For shelters housed in existing buildings, the power for the filtration system is supplied by outside power plants; if the power plant is targeted, the filtration system becomes useless.[40] By Soviet estimates, furthermore, a basement shelter is resistant only to blasts of 7 to 10 psi. Bomb shelters for the essential workforce are totally destroyed at 30 psi.[41] If the industrial plant is targeted, the shelters are so close they would probably be damaged along with the factory.[42]

But let us examine two scenarios that are pessimistic from the United States point of view. In both, the Soviets successfully evacuate their cities, taking a week to do so. Those left behind are sheltered. Everything goes pretty much according to plan. The U.S.S.R. strikes first, destroying 93 percent of American ICBM's, all submarines in port and those bombers not on runway alert. The United States retaliates with most of its remaining weapons, but holds back a reserve force of at least 15 percent of the surviving warheads. The United States aims to hit not population per se, but first military and then industrial targets. In the first scenario, the United States keeps its forces on normal, peacetime alert. In the second scenario, it surges forces to a generated alert—an almost certain event, given the several days of warning during which American leaders could plainly detect massive Soviet evacuation. With a normal peacetime alert, in the mid-1980's, 21 submarines and 98 bombers would survive, in addition to 71 ICBM's; with a generated alert, 28 subs and about 239 bombers would survive, plus the 71 ICBM's.

Even under these circumstances—very optimistic for the Soviets, at least 40 million Soviets would die, depending on the scenario and various other variables. I will analyze the issue of fatalities, in greater detail, in a moment.

If the United States wanted to kill more people, attacking with ground-bursting weapons, or using a portion of the reserve force to attack those who evacuated or to attack urban shelters would raise fatalities substantially.

If the United States wanted specifically to destroy the top leadership, buried in deep and hardened bunkers, this too would be possible. Assuming that the TERCOM inertial-guidance system on cruise missiles is only one-third as accurate as its developers claim, one cruise missile would destroy with virtual certainty any point target, no matter how hardened.[43] Even if the leaders were buried so deeply that the crater effects of an explosion would leave them unscathed, the lid to the shelter would be destroyed or blown off, thereby exposing them to highly intense fallout, prompt radiation from the warhead destroying the lid, or blast effects from possible follow-on weapons.

In short, if American political leaders sought to kill several tens of millions of Russians—or to kill particular Russians, such as Kremlin leaders, while still devastating the Soviet economic base and many military targets, the United States would have little difficulty doing so, regardless of Soviet civil defense programs. This would be true if the United States used substantially fewer warheads than it currently possesses.

INDUSTRIAL BASE

As noted, U.S. targeting doctrine emphasizes destruction of economic targets, not population. Even if the Soviets could protect the vast bulk of their population, doing so would not substantially degrade the capability of the United States to retaliate with a crushing blow. In fact, if the Soviets chose to evacuate their urban population, American political leaders could well be far less reluctant to level Soviet cities in retaliation to a Soviet attack on U.S. missile silos. This would be horrifying for the Soviet regime: the same population with a decimated industrial support base would certainly spark widespread internal revolt, to say nothing of disease, hunger and prolonged socioeconomic agony.

Since the United States targets primarily the Soviet economic structure, the key questions regarding the effectiveness of Soviet civil defense is: How well could the Soviet economy be protected? How much of it could survive or be readily repaired? Examination of the Soviet economy leads one to conclude: Not much.

Taking the economy as a whole, a U.S. retaliatory strike could readily destroy more than 60 percent of Soviet industrial capacity, due to effects of blast alone. I will substantiate this later.

To deliver unacceptable damage to the Soviet economy, however, it may not be necessary to destroy that much. This is because the Soviet economy is highly concentrated, specialized and nonredundant. And it is becoming increasingly so.[44] Only 150 plants comprise 50 percent of the Soviet capacity to produce primary metals, chemicals, petroleum, construction equipment, agricultural equipment, railroad equipment, synthetic rubber and electric power generators. Only 400 plants—that is, 400 targets—produce 75 percent of such output.[45]

Virtually every sector of the Soviet economy is highly concentrated, and the great bulk of its productive capacity is located in the large urban centers.[46] In short, the economy is highly vulnerable to an attack employing even a relatively small number of nuclear warheads.

For instance, almost all the chemical plants in the U.S.S.R. are in 25 cities. Sixty percent of all natural steel is produced in 25 plants, the entire Central and Volga regions, with 59 million people, receive most of their electric power from five powerplants, all of them in large cities.

There are only 8 copper refineries, 34 major petroleum refineries, 4 plants that produce the entire aluminum and alumina output. All boiler plants are located in five cities. There are only six turbine generator works, three of them in Leningrad, another in Kharkov. Diesel engines are manufactured in only 5 cities, all with populations exceeding 700,000. The U.S.S.R. has only 17 meatpacking plants. Some 80 percent of the tractors are produced in nine plants; 20 percent are in the huge Kama River truck plant alone, which also makes one-fifth of the U.S.S.R.'s trucks. Almost all engineering work is done in seven cities. Almost all transmission equipment for Siberia powerplants is manufactured in Leningrad, Moscow, Kharkov and Riga. There are only 8 major shipbuilding works, 16 major heavy machine and 15 major agricultural machine-producing plants. The two largest hydroelectric plants, each producing about 2.5 billion kilowatts, are in Kuybyshev and Volgograd, the 9th and 21st largest cities.[47]

In other words, it would not take very many warheads to devastate the bulk of the Soviet economy.

Furthermore, even more than most modern industrial economies, the Soviet system is highly interdependent. Certain sectors vitally depend on other sectors. "Because Soviet planning is characteristically taut," notes a CIA report, "the effects of shortages of widely used materials would reverberate quickly through the economy." [48] The virtual obliteration of key sectors would be particularly debilitative. Destroying the 25 plants that produce 60 percent of the U.S.S.R.'s natural steel would be no difficult task for even a very minor nuclear power, like China.

Soviet industry tends to be geographically, as well as functionally, interdependent. In most regions, large industries are concentrated around major cities, river basins or transshipment axes. Moscow oblast—county, for example, contains 11 other cities with populations exceeding 100,000, all of them industrially dense—all of them vulnerable to the "footprint" of a single MIRV missile.[49]

There are numerous ways that a minor nuclear power, much less the United States—left with thousands of warheads even after a Soviet first strike, could devastate the Soviet Union. Twenty-four well-placed warheads could destroy the Soviet waterway system.[50] Destroying the pipelines and railway networks linking the new industries in the eastern U.S.S.R. with the western regions would, in effect, wipe out decades of hard labor, billions of dollars in investment, and the means of exploiting resources vital to the health of the Soviet economy in coming decades.

INDUSTRIAL HARDENING

The Soviets have determined that hardening industrial facilities is not cost effective.[51] Some machinery can be hardened, but only within certain limits. Canopies provide protection against only 10 psi, and are infeasibly expensive; Earth can protect against 80 psi, but the equipment being protected might corrode in the process; sandbags can protect against 80 psi, but the sand, when blasted, may scatter into the machinery, causing considerable, perhaps irreparable, corrosive damage. Further, the Soviet manual notes that a blasted building "will put equipment out of operation as a result of damage caused by collapsing structures." [52]

Even if machinery could be adequately protected, its more vulnerable support system—spare parts and supplies, transportation and fuel links, et cetera—would likely be wiped out.

There are many important components of the Soviet economy that simply cannot be protected. Soviet civil defense manuals stress that particular enterprises cannot be shut down even briefly, including reactors, blast furnaces, boiler facilities and open-hearth furnaces. Workers at these factories are not allowed to leave; they are instead to be furnished with "remote-control consoles" in shelters at the plant site.[53] These would obviously be highly vulnerable; moreover, there is no reason to believe that they have been installed anywhere.[54]

For still other installations, there are no known protective measures. These include oil refineries, chemical storage plants, steelmaking and petroleum and construction equipment plants, pharmaceuticals, component assembly factories, truck and tractor and rolling-stock manufacturers, repair and spare-part facilities, as well as marshalling yards, transport modes and highway intersections, bridges and tunnels, port facilities and pipelines, airports and shipyards.[55]

The Soviets have taken steps to harden some defense industries—but not enough that they could not be destroyed if deliberately targeted. Even if they survived, they too depend on the rest of the economic infrastructure for support.[56]

In short, as Gen. Samuel Wilson, Director of the Defense Intelligence Agency—DIA—has testified: "Overall, Soviet efforts in industrial protection are unlikely to prevent severe damage.[57]

Some have claimed that the Soviets could rebuild their economy within 2 to 4 years. Indeed, Soviet civil defense manuals strongly emphasize rescue and repair operations.[58] The criteria on which to assess the Soviet capability in this area are fairly straightforward: Leaders planning to do something that might provoke nuclear war, and who want to recover only a few years afterward, must know (a) that they could muster a quick initial rescue and repair effort, (b) that they have sufficient spare parts and replacement capital for industry, as well as (c) lasting food reserves and (d) adequate transportation. The Soviets are severely lacking in all these areas. I will present a detailed analysis of these deficiencies later in this presentation.

Finally, there is a vital political consideration. Even if the 2- to 4-year estimate were correct, that is a long time in the Soviet political context. China could take advantage of the situation and invade, taking back some long lost territory and maybe more. Eastern Europe could break away. Whatever political objectives the U.S.S.R. had sought by de-

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Footnotes at end of article.

claring nuclear war would quite likely be nullified. The Kremlin leadership, insecure as it is, must consider these fundamental dangers.

To sum up, the Soviets do have a fairly substantial civil defense program. They spend more and make more preparations than does the United States. However, the U.S.S.R. cannot deny to the United States the ability to fulfill the strategic aims of a retaliatory attack. In assessing whether Soviet civil defense plays a role in the strategic equation, this is the only really important fact.

U.S. RESPONSE: WHAT SHOULD IT BE?

What should the United States response be even if, say, the Soviets suddenly started boosting their civil defense program to unanticipated heights of effectiveness? Does establishing our own huge civil defense program, as some are urging, make sense?

And, what should the United States response be if suddenly the Soviets began evacuating and hardening their industry? Should American populations also be evacuated?

While such a plan may have marginal life-saving benefits, it would contribute little to crisis stability or deterrence. The Soviets could destroy a large portion of American ICBM's and devastate our industrial base, whether or not Americans left town. Since the Soviets would probably not explicitly target people—concentrating instead, like the United States, on military and economic targets, evacuating or sheltering people would not affect strategic capability as the Soviets see it. Further, if it is a Soviet first strike that is worrisome to officials, the Soviets are not likely to target cities in such an attack, in any event.

A more appropriate response to a Soviet evacuation is merely to surge more U.S. forces on-station. Within 2 days, the percentage of nuclear-missile submarines at sea can be raised from 60 to 80 percent. Bombers can be dispersed and the number placed on runway alert

If the U.S.S.R. started making threats in conjunction with evacuation, the United States could always respond: "Renounce your political adventurism at once, or we will merely absorb your nuclear attack, retaliate against very high-value targets with our remaining ICBM's and bombers, and then hold our SLBM's increased from 30 to more than 80 percent. Some could be placed on airborne alert as well.[59]

in reserve until your people come out of the shelters and go back to work; then we will let them have it" With increasingly long-range missiles on submarines—which can stay out at sea for longer than 100 days, Soviet antisubmarine warfare efforts would have at most only marginal significance.[60]

Further, new weapons and inertial-guidance software would nullify further efforts to harden industry. At a given radius, the Trident I missile—which will be retrofitted onto 12 Poseidon submarines by the mid-1980's—would create 50 percent greater blast overpressure than would the Poseidon missile. The air-launched cruise missile—ALCM—will exert three times the overpressure.[61] Thus, if the Soviets somehow hardened an industrial facility by a factor of three, all the United States need do is target the plant with an ALCM rather than a Poseidon.

ICBM's, SLBM's, and bombers are all rapidly retargetable, as well. Thus, we could retarget evacuated populations; or—more likely—if the ICBM's aimed at a particular high-value target were destroyed, surviving ICBM's bombs, cruise missiles, or SLBM's could be retargeted to hit them instead.[62]

Footnotes at end of article.

In short, there are plenty of responses available in the U.S. arsenal to counter any Soviet attempts to set their civil defense machinery in motion. Responding with a civil defense effort of our own is neither strategically sound nor necessary.

But what about in peacetime? Some believe that the mere perception of a civil defense gap between the United States and the Soviet Union has political consequences in the quotidian course of international relations.

It has been the aim of this paper to demonstrate that these perceptions are hollow; that they are largely the making of a mere handful of U.S. defense analysts who have shrewdly propagated their studies far and wide; that they have no connection with the findings of the intelligence community or with the widely accessible facts about the Soviet economic structure.

If perceptions matter in international politics, and no doubt they do to some extent, the United States has two choices: (a) It can embark upon a very expensive civil defense program to match misleading perceptions of the Soviet effort; or (b) it can broadcast, loudly and clearly, that Soviet civil defense expenditures could not remotely alter the strategic balance, that American deterrent capability is sound and secure, and that any Soviet efforts to improve and implement their civil defense plans could readily be countered by our existing retaliatory arsenal.

POPULATION FATALITIES

After a Soviet first-strike, assuming a best-probable case for the Soviets, the United States would be left with the following forces—the first table assuming normal, peacetime alert, the second table assuming a generated alert.

SURVIVING U.S. FORCES—NORMAL PEACETIME ALERT (MID-1980'S)

[Alert level: 60 percent of submarines, 30 percent of bombers, all ICBM. "Number deliverable" is the number surviving the strike, minus those missiles or warheads failing in launch, mid-flight MIRV-separation or fuzing phase]

	Launchers	Warheads	Megatons	Equivalent megatons [1]
ICBM's deliverable:				
Minuteman III	43	129	22	40
Minuteman II	27	27	32	30
Titan II	1	1	9	3
Total ICBM	71	157	63	73
SLBM's deliverable:				
Trident I	197	1,576	158	340
Poseidon	115	1,150	46	135
Total SLBM	312	2,726	204	475
Bombers deliverable:				
B-52D	18	72	86	79
B-52G/H	34	136	163	149
B-52 (Cruise missile)	31	620	124	212
FB-111	15	30	36	33
Total bombers	98	858	409	473
Total weapons deliverable	481	3,741	676	1,021

[1] Equivalent megatons (EMT) measures blast-area of an explosive yield, and is calculated as the ⅗ power of yield for weapons under 1 Mt, ½ the power of yield for those exceeding 1 Mt.

ASSUMPTIONS

Soviets launch a counterforce strike against entire U.S. strategic nuclear force, using two warheads per target. Due to "fratricide," only one of the warheads can detonate in such a way as to destroy a missile silo, but reliability is markedly increased. Each warhead has 1.2-Mt, with an accuracy of .1 nautical-mile (n.m.) c.e.p.—average-miss-radius. Reliability for one-shot is .85; thus, for two-shots, .98. Thus, Overall Kill Probability—OPK, or PK times r—against Minuteman III and two-thirds of Minuteman II—.91; against one-third of Minuteman II—.97; against Titan II—.98. All submarines in-port and bombers not on runway alert are destroyed.

PRESTRIKE FORCE STRUCTURE
(FOR THE MID-'80S)

550 Minuteman III—3 MIRV warheads; 170 Kt each; .08 cep; .85 r.

450 Minuteman II—1 warhead; 1.2 Mt; .3 cep; .85 r.

54 Titan II—1 warhead; 9 Mt; .7 cep; .8 r.

288 Trident I—in 12 Poseidon subs, 4 Trident subs—16/Poseidon, 24/Trident—8 MIRV warheads/missile; 100 Kt each; .25 cep; .85 r.

304 Poseidon—in 19 Poseidon subs—16/sub—10 MIRV warheads/missile; 40 Kt each; .25 cep; .8 r.

NUMBER POLARIS

79 B-52D—4 bombs; 1.2-Mt each; .1 cep; .75 r+penetration.

53 B-52G—4 bombs; 1.2-Mt each; .1 cep; .75 r+penetration.

96 B-52H—4 bombs; 1.2-Mt each; .1 cep; .75 r+penetration.

120 B-52 (Cruise Missile) (converted B-52G's)—20 cruise missiles; 200 Kt each; .02 cep; .85 r+penetration.

60 FB-III—2 bombs; 1.2 Mt each; .1 cep; .85 r+penetration.

NOTE.—The bomber force also has a total of 1,500 Short-Range-Attack-Missiles (SRAMs) of 200 Kt each. It is assumed in this analysis that they are all used to suppress Soviet air defense. Thus, they are not counted as potential weapons against industrial targets. Also, the number of bombs per bomber represents standard loadings, not maximum loadings. Finally, the number of surviving bomber-warheads is probably an understatement, since cruise-missile bombers (carrying 20 missiles each) will almost certainly be placed on higher alert levels—even in normal peacetime status—than other bombers; however, a constant 30 percent alert status for all bombers is assumed there.

Also, note that the figures for Minuteman III assume no Mark-12A warhead, although they are scheduled to be installed on 300 MM III missiles by the mid-1980s. Mark-12A has 350 Kt. If 300 Minuteman III with Mark-12A were in the force, total megatons would equal 689, total equivalent megatons would equal 1045.

SURVIVING U.S. FORCES—GENERATED ALERT (MID-1980S)

Assumptions are same as for normal alert, except that 80 percent of SLBM's survive and 70 percent of bombers survive through takeoff; 80 percent are placed on runway alert, but 10 percent of these are assumed to be destroyed on the ground. However, cruise-missile carriers—converted B-52G's—are assumed to be at the front of the runway on alert, so 80 percent of these survive. B-52D's are assumed to be at the back of the runway lines, so only 40 percent of these survive. Again, "Number Deliverable" is the number surviving the strike, minus those missiles or warheads failing in launch, mid-flight, MIRV-separation or fuzing phase.

	Lauchers	Warheads	Megatons	Equivalent megatons
ICBM's deliverable:				
Minuteman III	43	129	22	40
Minuteman II	27	27	32	30
Titan II	1	1	9	3
Total, ICBM	71	157	63	73
SLBM's deliverable:				
Trident I	245	1,960	196	422
Poseidon	154	1,540	62	180
Total SLBM	399	3,500	258	602

	Launchers	Warheads	Megatons	Equivalent megatons
Bombers deliverable:				
B-52D	25	100	120	110
B-52G/H	78	312	374	342
B-52 (Cruise missile)	82	1,640	328	561
FB-111	54	108	130	118
Total, bombers	239	2,160	952	1,131
Total weapons deliverable	709	5,817	1,273	1,806
Difference between normal and generated				
Alert	+228	+2,076	+597	+785
Percent	+47	+55	+88	+77

Sources for both charts.—Aviation Week & Space Technology, October 13, 1975, p. 15; ibid., October 17, 1977 p. 15; ibid., November 20, 1978, p. 22; ibid., August 14, 1978, pp 60-65; Harold Brown, DOD, Annual Report, FY 1979, p. 113; Thomas J. Downey, "How to Avoid Monad and Disaster," Congressional Record, September 20, 1976, p. 31250, Alton Quanbeck & Archie Wood, Modernizing the Strategic Bomber Force (Washington, D.C.: Brookings Institution, 1976, pp. 63-84; Senate Armed Services Committee, Hearings, DoD Authorization for Appropriations for Fiscal Year 1979, Part 2, p. 1029; John B. Shewmaker & Mary R. Tietz, Retaliatory Issues for the U.S. Strategic Nuclear Forces (Washington, D.C.: Congressional Budget Office, June 1978), p. 8; Robert Soule, Counterforce Issues for the U.S. Strategic Nuclear Forces (Washington, D.C.: Congressional Budget Office, January 1978); A. A. Tinajero, Projected Strategic Offensive Weapons Inventories of the U.S. and U.S.S.R. (Washington, D.C.: Congressional Research Service, March 1977). Calculations computed on D.C. Kephart's Damage Probability Computer for Point Targets with P and O Vulnerability Numbers (Santa Monica: Rand Corporation, February 1974).

How many fatalities could a U.S. retaliatory attack against the U.S.S.R. inflict, under these circumstances? Assuming effective Soviet evacuation and sheltering, highly publicized estimates of fatalities have ranged from 5-million—T. K. Jones of Boeing, to "low tens of millions" (CIA), to 23 to 34 million—Arms Control & Disarmament Agency.[63]

These estimates are so wide in range owing to differing underlying assumptions. Fatality estimates, particularly in those relating to fallout, hinge crucially on assumptions concerning such factors as availability and protection-factors of shelters, density and duration of shelter occupation, distance traveled during evacuation, warning time, as well as the nature of the attack, height-of-burst and fission yield of weapons employed, wind direction, and velocity. Slight variations in some of these assumptions can dramatically affect conclusions. Each variable, moreover, involves numerous uncertainties. The programers of the most sophisticated computer models of fallout effects acknowledge that they unavoidably oversimplify and distort, and that it is nearly impossible to know for sure in which direction or to what extent.[64] Estimates of fatalities, in order words, are only as good as the assumptions on which they rest.

First. The Boeing study by T. K. Jones, concluding that as few as 5 million and certainly no more than 25 million fatalities would result from U.S. nuclear retaliation, is perhaps the most widely cited by those in the current debate who argue the case for a massive Soviet civil defense program. The study contains several dubious assumptions;

(a) The United States retaliates with its total surviving force all in one massive salvo.[65] This minimizes the time that people would have to remain in shelters. In reality, salvos would probably be spread out in time, either as a result of graduated escalation or for strategic reasons. For example, one way the United States could retain some leverage after a Soviet first-strike would be, in retaliating, to hold back a substantial reserve force, most likely in the relatively invulnerable SLBM force, and threaten to use these weapons once the Soviets come out of their shelters.

(b) The Soviets walk for a day and dig expedient shelters with protection-factors of 200.[66] A protection-factor is the ratio of radiation-intensity outside the shelter to the intensity inside the shelter. Thus, a shelter with a protection-factor of 200 would attenuate 400 rads to 2 rads. This is a highly unrealistic assumption. A basement provides a protection-factor of only 10 or 20. Surrounding the basement with sandbags or dirt raises it to 40.[67] An expedient shelter hastily built in the countryside would not provide five times as much protection as a reinforced basement. A Defense Department-endorsed study estimates the protection-factor of expedient shelter at 55.[68] This is probably optimistic; even if correct, it means that Jones has understated the amount of radiation evacuees absorb by a factor of 3.6, thereby sharply underestimating the number of fallout fatalities.

(c) Half of the housing in the U.S.S.R. is assumed to survive.[69] This assumption ignores the burnout effect, which would likely affect areas exposed to a mere 3 to 5 psi. Taking burnout into account, it is more likely that 85-90 percent of total Soviet urban housing would be heavily damaged or destroyed—leading to numerous indirect postattack fatalities.[70]

(d) It is assumed that U.S. forces remain on normal, peacetime alert even while Soviets spend a week conspicuously evacuating their cities. The likely fatality levels in the event of a generated U.S. alert are never calculated, although a generated alert is within our means, highly likely, and would give the United States more than an additional 2,000 warheads—a 53-percent increment—and about 597 additional megatons—an 88-percent increase, compared with forces on a normal-alert status.

(e) The Boeing study contains some confusing numbers that make certain of its assumptions impossible to follow. surviving U.S. weapons are said to be capable of destroying only 3 percent of Soviet land mass; yet the 200 largest Soviet cities comprise only about 0.06 percent of total land mass. If the Boeing study is correct, that means we could destroy 50 times the area of every major city in the U.S.S.R. The study also claims that if evacuees sheltered themselves in simple foxholes, the surviving strategic arsenal's lethal area would affect only one-third of 1 percent of Soviet land mass. Still, this constitutes an area 5.2 times larger than that of the 200 largest cities. If people evacuated only 20 to 30 miles outside the cities—as many would in Boeing's study scenario—they would not escape this

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Footnotes at end of article.

lethal area.[71] The study also asserts that within a week, radiation levels would be so low that Russians could come out of their shelters for an 8-hour workday in 97 percent of Soviet territory. This 97 percent is probably all the area except the 3 percent that U.S. weapons destroyed; since this 3 percent would hold the bulk of Soviet industry, and since the Russians could not reenter this area within a week, the question must be posed—Where would they go to work? Further, since this "3-percent area"—48 times the area of the 200 largest cities—could certainly encompass the spaces where the evacuees are sheltered, this means they will have to stay in their shelters for longer than a week. Jones, however, assumes they could all be out within a week, and so again underestimates substantially the number of fatalities—here due to starvation, disease, heat exhaustion, et certera.[72]

In sum, Jones assumptions concerning U.S. targeting plans, Soviet shelter protection-factors, percent of houses surviving a nuclear attack, level of U.S. force alert, and various other factors all serve to underestimate, to an extraordinary extent, the number of fatalities and casualties resulting from U.S. retaliation.

Second. The CIA study estimates that, with successful evacuation and sheltering, Soviet casualties could be kept to the "low tens of millions," half of which would be fatalities. Most of the CIA assumptions are classified. Those revealed publicly include the following points touched upon in the preceding sections:

(a) A single salvo of the entire U.S. surviving force.

(b) U.S. forces kept on normal, peacetime alert.

(c) A week's preparation to evacuate and shelter.

The CIA assumes a protection factor, for the evacuated population, similar to that of an upgraded basement—in other words, about 40.[73] This may be excessive, but is more realistic than the Boeing studys. CIA also assumes shelter occupancy of one-half to one square-meter per person, which is quite unrealistic.

The CIA concedes that if the United States went on generated alert, if the attack were stretched out over a longer period, if the evacuation were impeded by adverse weather or transportation difficulties—and all of these contingencies are highly likely—then the number of fatalities would be higher. For instance, if the Soviets had only 2 or 3 days to prepare, casualties would probably reach 50 million, of which at least half would be fatalities. The CIA also notes that "In assessing the protection afforded by their civil defense, the Soviets would take account of these uncertainties."[74]

Third. The ACDA study estimates that, with effective evacuation and sheltering, 23 to 34 million Soviets would still be killed if the United States surged its forces to generated alert; ACDA does not calculate how many would die, under these circumstances, if the United States kept its forces on normal alert, reasoning that, given a week's warning time, no U.S. leader would sit and do nothing. ACDA assumes 80 percent of the Soviet urban population evacuate to rural areas within 115 miles of cities. The other 20 percent go to the best available urban shelters. ACDA also accounts for some medium-term fatalities, assuming that lack of medical care would increase the total killed by 10 percent within 30 days.[75]

Within the parameters of their assumptions, however, ACDA fatality estimates may be too high because the analysts probably overestimate the number of warheads surviving in the U.S. arsenal. They also assume that the United States, in retaliating, holds back a 10 to 15 percent reserve force; the reserve force, in fact, may be even larger.

Still, in another sense, all three studies are more conservative than a reasonable analysis should indulge because they ignore the following factors:

First. The greatest fallout takes place about 30 miles downwind from a nuclear explosion; this has been observed in several nuclear tests, and is called a "hot spot."[76] Since most of the scenarios assume many people to have walked 20 or 30 miles, even high protection-factors may not be sufficient in these "hot" areas. This is ignored in these studies.

Second. All three studies assess only early effects of nuclear weapons—ignoring delayed fallout, the consequences of a massive housing crisis, the destruction of the industrial base that supports a large population, the fact that portions of several cities could not be reentered safely for weeks or months, that ingestion of irradiated food causes more biological damage than radiation absorbed by the body or lungs, that partial ozone depletion—due to the release into the atmosphere of enormous quantities of nitrogen oxides—could lead to vast increases in skin cancers, and other long-term effects of nuclear war.[77] Nor do any of the studies calculate damage caused by fire, firestorms, or induced radiation. Granted, these factors are the most difficult to measure; they may be impossible to predict with any precision. However, to ignore them altogether, simply because they are not susceptible to pocket-calculator computations, is to vastly underestimate population fatalities.

Correcting for all these studies' exceedingly conservative assumptions and taking into account some of the long-term effects—while still assuming quite successful evacuation and sheltering—could easily result in estimates of 30 to 40 million fatalities or more. If something went wrong in the sheltering and evacuation process—if, as is likely, the shelters could not protect—either due to buildings collapsing on top of them or to the air-ventilation system's inability to control heat, humidity and carbon dioxide—fatalities could easily reach 60 to 80 million or more.

INDUSTRIAL DAMAGE

Destroying more than 60 percent of Soviet industrial capacity in a retaliatory nuclear strike would pose no problem for the U.S. arsenal.

Two scenarios will be considered: one where the surviving forces are based on normal, peacetime alert; the other where, preceding the Soviet attack, the United States has placed its forces on a generated alert. The latter is far more likely, since the Soviets would have spent up to a week or longer evacuating their cities, an easily detectable activity. The United States would almost certainly respond by surging more forces on station.

Both scenarios involve the force-structure assumptions cited in the tables in appendix 1.

Most buildings are destroyed at 5 pounds per square inch—psi—of blast overpressure. Some industrial structures require 10 psi or more for total destruction. The following table illustrates the destructive capability of each of the warheads in the arsenal.

NORMAL, PEACETIME ALERT

System	Number deliverable	Destroyed area for single warhead (square miles)		Total area targetable (square miles)	
		5 psi	10 psi	5 psi	10 psi
Trident 1	1,576	12.6	5.3	19,858	8,353
Poseidon	1,150	7.2	2.8	8,280	3,220
Bombs[2]	238	66.5	29.2	15,827	6,950
Cruise missiles	620	20.6	8.0	12,772	4,960
Minuteman III	129	18.1	7.5	2,335	968
Minuteman II	27	66.5	29.2	1,796	788
Titan 11	1	254.5	109.3	255	109

[1] Takes into account launch, mid-flight and fuzing failures; see table in app. 1 for full assumptions.
[2] Includes bombs from B–52–D's, G's and H's, and FB–111's.

Note: Calculated on nuclear bomb effects computer in back of Samuel Glasstone, ed., "The Effects of Nuclear Weapons," Washington, D.C.: DOD and DOE, 3d ed., 1977.

According to the Department of Defense, the 200 largest cities in the U.S.S.R. hold 62 percent of that nation's industrial capacity. Beyond those 200 cities, marginal returns on industrial damage diminish fairly rapidly.

[1970; in percent]

Number of cities	Population	Industrial capacity
10	8.3	25
50	20.0	40
100	25.0	50
200	34.0	62
400	40.0	72
1,000	47.0	82

The total area encompassing these 200 cities amounts to 5,400 square miles. It would take only 750 Poseidon warheads—or 65 percent of the surviving Poseidons—only 28 percent of the entire surviving SLBM force—to lay down at least 5 psi over the entire area. All the Poseidons and 411 Trident I's—still leaving more than 1,105 SLBM warheads—could lay down at least 10 psi over the entire area.

Due to some inaccuracy—1,500-foot average miss, or "CEP," for both Poseidon and Trident I, there are bound to be gaps and overlaps; some targets may not get hit with full force, others more than necessary. However, two considerations should be kept in mind:

First. Closer to the detonation, the blast overpressure exerted would be much higher than 5 or 10 psi, and targeting plans are doubtlessly such as to create higher overpressures closer to the center of high-value targets that might

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Footnotes at end of article.

be somewhat protected; second, the 750 Poseidon—for 5 psi—or all—Poseidon and 2,180 Trident I—for 10 psi—requirement are the numbers needed to destroy, theoretically, everything in the 200 largest cities, not just those areas inside the cities where industry is located. In other words, far fewer warheads would be needed if just the industrial sectors were targeted.

In any event, the issue is somewhat academic, since a mere 81 bombs—carried by 21 bombers—would be enough to do the same damage at 5 psi, 185 bombs—47 bombers—are sufficient to lay down 10 psi over all of the 200 largest cities. Bombs have very good accuracies—about 600 feet, so overlaps and gaps would have scant significance.

If the United States surged its forces to a generated alert, the arsenal would have the following capabilities:

GENERATED ALERT

System	Number deliverable	Total area targetable (square miles)	
		5 psi	10 psi
Trident 1	1,960	24,969	10,388
Poseidon	1,540	11,088	4,312
Bombs	520	34,580	15,184
Cruise missiles	1,640	33,784	13,120

Note: Minuteman and Titan remain the same as in normal, peacetime alert.

A mere 52 percent of the Trident I force—or all of the Poseidons and 10 percent of the Trident I's or 36 percent of the bombers alone—could cover the 200 largest Soviet cities with at least 10 psi.

A caveat should be noted. If an industrial target is hardened to resist 80 psi or more, its destruction is probably beyond the capabilities of a single Poseidon warhead. However, for any other weapon in the strategic arsenal of today or of the mid-1980's—bombs or cruise missiles, surviving ICBM warheads—even excluding the Mark-12A, and the Trident I SLBM—to be retrofitted onto 12 Poseidon subs, and placed on about 4 Trident subs by the mid-1980's—the radius at which these weapons lay down 80 psi or more exceeds their average miss-radius (CEP). They would have very high probabilities of destroying very hardened industrial targets. Even at 350 psi, a good many of the weapons would have high probability of destroying the target with a single blow.

Kill-Probability (Pk) against industrial targets of: RAND Corporation, February 1974; and Kephart, "VNTK Adjustment Monograph for P-type and Q-type Targets," provided by author.

Weapons	Alert		Pound per square inch				
	Normal	Generated	10	20	40	80	350
Bombs	238	520	0.99	0.99	0.99	0.99	0.99
ALCM [1]	620	1,640	.99	.99	.99	.99	.99
Trident 1	1,576	1,960	.91	.87	.81	.70	.59
Minuteman:							
III	129	129	.99	.99	.99	.99	.98
II	27	27	.99	.98	.97	.96	.97

[1] ALCM is estimated to have a CEP of 0.017 nautical miles; however, for purposes of conservatism, we estimate here a degradation of 20 percent.

For weapons profiles, see chart in app. 1.

Calculated with D. C. Kephart, "Damage Probability Computer for Point Targets with P and Q Vulnerability Numbers," R-1380-PR (Santa Monica).

The Pk's are probably understatements, since the calculations assume that the targets are fairly precise points, whereas some industrial facilities may cover somewhat wide areas. Thus, Trident 1 has an 87 percent chance of destroying an entire facility of 10-psi hardness, but a higher chance of destroying a portion of it—which could cause the plant's total destruction, or at least heavy damage. Also the calculation accounts for damage due to blast only, ignoring possible damage due to fire or induced radiation.

Even if some analysts are correct in assuming that much industry—or at least industrial machinery—is hardened to 80 psi, this could not degrade deterrence. If the United States kept its forces on normal, peacetime alert, the above chart indicates that 1,014 surviving warheads in the arsenal would have extremely high chances of destroying such hardened targets; on a generated alert, 2,316 surviving warheads could do so. The same is true if one assumed targets hardened to 350 psi. In a recent article, T. K. Jones claims it is possible to harden industrial machinery to resist, 1,300 psi.[78] This is highly unlikely, but if it is so, on a normal peacetime alert the 238 surviving bombs and 620 surviving cruise missiles would have at least a 99 percent chance of destroying such targets; the surviving Minuteman 111's would have a 95 percent chance—even without the Mk-12A warhead. Assuming a generated alert, the United States, in other words, would have 2,160 weapons capable of destroying—with virtual certainty—machinery hardened to resist even 1,300 psi.

Comparing the quantity and capabilities of America's deliverable nuclear force—following a Soviet first-strike—with data on the high level of concentration in Soviet industry—see text, produces a clear conclusion: The United States has assured capability to destroy the bulk of Soviet industrial capacity, and still have sufficient weaponry left over for redundant targeting and a substantial reserve force besides.

RESCUE AND REPAIR IN SOVIET CIVIL DEFENSE

Rescue and repair. In discussing postattack rescue and repair, many writers assume that the civil defense crews will be provided with water and food, but without figuring out where it will come from since everybody has taken weeks worth of food into shelters and, presumably, consumed it. In figuring the costs and benefits of aggressively cranking up the civil defense machine for a war-preparing posture, the Soviet leaders would have to assume that the United States, in retaliating, could hold some of its weapons in reserve and possibly launch a second or third salvo, days or even weeks after the first. In such an event rescue and repair operations could be nullified; the crews themselves could be killed.

There is usually also the tacit assumption that hospitals will be left standing, even though, simply due to collateral damage, 80 percent of urban hospitals are likely to be destroyed;[79] that surgical practice can go on, immediately after the attack, just as before, even though the number of patients will be staggering and a certain percentage of doctors and nurses dead.

Transportation facilities and networks will have been destroyed. Heavy tractors and bulldozers will have to be used to clear the roads and remove the rubble from the top of urban shelters. Yet the tractor and bulldozer industries leave much to be desired in the U.S.S.R. Thousands are rejected each year by equipment-processing centers, thousands more break down shortly afterward. They are not built for sustained operations in cold climates; 30 to 40 percent are in constant stand-down position due to maintenance problems.[80]

While the Soviets do have a communications system relating to civil defense operations, radio transmitters and phone lines are apt to be out completely, due to blast, radiation or electromagnetic pulse.

Soviet civil defense handbooks mention protective gasmasks, in four different sizes, as well as protective suits. However, nowhere is it claimed that such gear is adequately distributed nor that, even if this were the case, the sizes are correct. Since "every able-bodied man" must aid in the postattack effort, this is crucial.[81] Additionally, the handbook notes, "In the winter the facepiece may become stiff in extremely cold weather and the inhalation and outlet valve mechanisms may freeze."[82]

There are also assumptions concerning massive decontamination administered to everyone before they can leave an area. Again, the unposed questions: Administered by whom? How can one insure that the decontamination centers or equipment will not themselves be contaminated?

Leon Goure, who has written in great detail of Soviet rescue and repair plans, concedes that the "residential parts of the cities may either be ignored or receive only secondary attention." Further, "little can be done about firestorms."[83] Fires can be started in a variety of ways: directly, by thermal radiation; or indirectly, by blast effects overturning stoves, short-circuiting electrical wires, igniting garbage, and so forth. Firestorms create great winds, of up to 100 miles per hour or more: even with gasmasks, it would be very difficult for firemen to put them out.[84]

SPARE PARTS AND REPLACEMENT CAPITAL

This is an enormous problem in peacetime U.S.S.R. Almost every industry suffers from chronic shortages in spare parts and equipment; 60 percent of machine-investment capital is currently spent on repair. This indicates a widely noticed limitation of the Soviet economy—the leadership's reluctance and inability to develop effective, efficient new technologies, a matter of great importance in a postattack world, especially if one wants to remain a superpower.[85]

Delays plague Soviet industry across sectors. No chemical plant has ever been finished in time. The construction industry is notoriously slow. The Soviets take 11 to 15 years to build a thermal electric generating plant—2½ to 3½ times longer than it takes Americans.[86] These prob-

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Footnotes at end of article.

lems are sure to be exacerbated exponentially if the bulk of the Soviet economic infrastructure is vaporized.

LASTING FOOD RESERVES

The Soviets do have some hardened graneries; however, they are not so hard that most survivable U.S. warheads could not destroy them. Nor is it known how much grain is stored in them.[87]

Further, food production and the associated processing industries are geographically separated, particularly for recent agricultural developments. Processing plants, particularly the large modern dairy factories, are located in large cities that are bound to be targeted in nuclear war.[88]

Soviet civil defense information on protecting crop soil is both exiguous and unconvincing. "Good farming practice" is recommended as a way of minimizing induced radiation; such dubious processes as "self-decontamination" are also mentioned.[89]

Even if, as is unlikely, farmland were not affected by fallout, agriculture could not easily be regenerated if many of the small number of chemical factories or tractor manufacturies in the U.S.S.R. were blasted. Permafreeze zones and snow and little rainfall in the topologically finest farm acreage mean that fewer than 100 days per year are agricultural workdays. Even with mechanization and chemicals, labor-output ratios are extremely high in Soviet farms—in some crops, seven times higher than those in the United States.[90]

TRANSPORTATION

The poor quality of the roads, the single-track railways, the limited number of motor vehicles have already been mentioned. Additionally, more than 20 percent of Soviet rail lines are electric, making the power stations at the nodes of the railway—most of them near large cities—vulnerable high-value targets.[91] In the chapter on civil defense in "Military Strategy," Marshal V. D. Sokolovskiy states that "in the majority of cases, aid must be rendered . . . by forces and means from points that have escaped nuclear attack." The civil defense handbook notes that "transport of civil defense units to stricken areas—shall employ city motor transport facilities not involved in evacuating the civilian population and available in the rural one." [92] But (a) whether any cars will not have been used during evacuation, (b) whether these "city motor transport facilities" will still exist, and (c) how, given the quality of the road and rail system, they are to be transported, are three critical uncertainties.

The gas pipelines, carrying energy supplies from the east to the west, on which European Russia relies heavily—and increasingly so in the future, are highly vulnerable and nonredundant.[93] Destroying them would "create the danger of poisoning, fire and explosion." [94] It would take a fairly long time before they could be repaired, thus causing significant delays in the beginning stages of any post-attack recovery effort, which could—psychologically as well as materially—thwart the process entirely.

Finally, the 2- to 4-year recovery-time estimate is derived in highly unrealistic fashion. Using old U.S. civil defense studies, some analysts, such as T. K. Jones, have merely looked up how much time it would take to rebuild the entire steel industry, for example, if half of it is destroyed; they then assume that if that task takes, say, 1 year, it would take double that time to rebuild it if it is entirely destroyed—that is, they unjustifiably assume linearity; they do this with each individual industrial sector, one by one, ignoring synergistic effects that the decimation of certain crucial sectors would have on all others.

FOOTNOTES

[1] Donald Rumsfeld, DoD, *Annual Report*, FY 1977, p. 57.

[2] *Ibid.*, FY 78, p. 107.

[3] House Armed Services Committee, *Hearings on Military Posture and H.R. 10929*, FY 1976, Part 9, April 13, 14, 1978, pp. 10, 25. An unclassified version of the report is *Candidate US Civil Defense Programs*, by System Planning Corporation, for DCPA, March 1978, esp. p. 5, plan D.

[4] Jody Powell, Press Conference, November 13, 1978. According to the *N.Y. Times*, December 2, 1978, p. 2, President Carter has not yet approved the $2 billion program.

[5] *N.Y. Times*, January 3, 1977.

[6] Cf. Director of Central Intelligence (DCI), *Soviet Civil Defense*, July 1978, p. 11.

[7] *Ibid.*

[8] *Grazhdanskaya Oborona* (Civil Defense) (Moscow: Publishing House for Higher Education, 1974), esp. pp. 107-12. Translated by Oak Ridge National Laboratory, Tennessee, July 1975. Cf. also Leon Goure, *War Survival in Soviet Strategy: USSR Civil Defense* (Univ. of Miami, 1976).

[9] Soviet Civil Defense Chief, Marshal Aleksandr Altunin, admits this, stating that the training of command personnel takes place at great delay, and "at low methodological level. . . . (T)he trainees did not receive what was most necessary. The practical portion was poorly organized and . . . stereotyped." (*Voyennyc Znaniia*, October 1976.) Cf. *N.Y. Times*, January 17, 1977.

[10] Goure, p. 198; *Grazhdanskaya Oborona*, p. 108.

[11] Goure, pp. 193–194; *Grazhdanskaya Oborona*, p. 108.

[12] Hearings, Joint Economic Committee, *Allocation of Resources in the Soviet Union and China—1977*, Part 3, June 23, 30, 1977, p. 26.

[13] Goure, pp. 114, 118; DCI, *Soviet Civil Defense* p. 9.

[14] *DCI, Soviet Civil Defense*, p. 2. This assumes spacing of one person per square meter. This is probably optimistic.

[15] Destruction of transportation nodes would delay distribution of food for at least two months after the attack. Cf. U.S. Arms Control and Disarmament Agency (ACDA), *An Analysis of Civil Defense in Nuclear War*, December, 1978, p. 19.

[16] US Defense Civil Preparedness Agency, (DCPA), *DCPA Attack Environmental Manual*, Chapter 7, June 1976, panel 15.

[17] Senate Armed Services Committee, Hearings, *Defense Civil Preparedness Agency*, October 6, 1977, p. 32.

[18] Goure, p. 97.

[19] CIA, *Soviet Economic Problems and Prospects*, July 1977 p. 8.

[20] *Ibid.*, p. 9; Adm. Stansfield Turner, Hearings, Joint Economic Committee, *op cit.*, p. 27. Cf. also J. P. Cole & F. C. German, *A Geography of the USSR: The Background to a Planned Economy*, (London: Butterworths, 2nd ed., 1970), p. 178; Emily Jack, et. al., "Outlook for Soviet Energy," and Alan E. Smith, "Soviet Dependence on Siberian Resource Development," in *Soviet Economy in a New Perspective: A Compendium of Papers Submitted to the Joint Economic Committee*, October 14, 1976, pp. 467, 485.

[21] John Hard, "Summary," *Soviet Economy in a New Perspective*, p. xvii; R. S. Mathieson, *The Soviet Union: An Economic Geography*, (London: Heinemann Educ. Books, 1975), pp. 47, 63–64.

[22] ACDA, p. 5.

[23] *Ibid.*, pp. 3. 4; From 1959 to 1970, the 58 largest cities—those with populations exceeding 250,000—have risen in population by 30%, while the total Soviet population has gone up by 16%. From 1970 to 1974, cities with more than 500,000 population, as well as those from 100–500,000, have risen in population by 14%, while cities smaller than that have risen by only 6%. As for the new towns of Western Siberia, few have retained as much as 40% of their intake. From 1959 to 1967, the able-bodied population of the region declined by 550,000—19% of its initial population. As for the towns in which more industry is located east of the Urals, they have become large metropolitan centers, with populations of 200,000 or more; or many are several small towns bunched very closely together. (Cf. Joint Committee on Defense Production, *Civil Preparedness Review, Part II: Industrial Defense and Nuclear Attack*, April 1977, p. 75; Alan B. Smith, "Soviet Dependence on Siberian Resources Development," *Soviet Economy in a New Perspective*, p. 487; *N.Y. Times*, April 22, 1972, p. 2.

[24] T. K. Jones, *Industrial Survival and Recovery After Nuclear Attack*, submitted to Joint Committee on Defense Production, for Boeing Aerospace Co., November 18, 1976, pp. 17, 20.

[25] Cf. testimony by Adm. Stansfield Turner (CIA) and Gen. Samuel Wilson (DIA), Hearings, Joint Economic Committee, *op. cit.*, pp. 49, 84; DCCI, *Soviet Civil Defense*, pp. 1, 3, 4, 10; ACDA briefing on Soviet Civil Defense.

[26] ACDA estimates that sheltering without evacuation would result in 60–88 million deaths; CIA estimates about 100 million casualties. (ACDA, p. 11; DCA, *Soviet Civil Defense*, p. 11.)

[27] Goure, working from Soviet civil defense documents, reports that all urban residents would go to evacuation assembly centers, for which there is one per 2–3000 urban residents. Each would be staffed by 39–49 persons "selected from the individuals not subject to call-up by the armed forces." People then proceed to embarkment points, near transportation links, manned by 69–81 persons each. Given Goure's figure of 85.4 million urban residents, and given a presumed 80% evacuation rate, or 68.3 million people, there would have to be 23–34,000 centers and a few thousand embarkment points, or 900,000–1.3 million people. (Cf. Goure, pp. 91, 93.)

[28] Cf. Cole & German, pp. 200–10; Hardt, "Summary," *op. cit.*, p. x; Mathieson, p. 186; Jt. Committee on Defense Production, *Civil Preparedness Review, Part II*, p. 69.

[29] Number of vehicles from CIA estimate, cited by Hardt, *op. cit.*, p. x; 20 million estimate from Goure, p. 103.

[30] It has been estimated that 500,000 could be evacuated by train. Only 1.2 million cars and a total of 763,000 trucks and buses exist in the USSR. Assuming that all of these are available for evacuation, and assuming that four people could fit in a car, 10 per truck and 30 per bus, then 14.2 million more people could be evacuated by these means. Thus, 53.6 million would have to walk, assuming 80% evacuation; 62.7 million, if 90% evacuation. This number is probably too low, because some cars would be left behind for the 1–1.5 million directors of the evacuation; many of the trucks and buses would be in disrepair, or would run out of gas on the way; and, with all the tools to be brought along, the person-per-vehicle assumption may be too high.

[31] T. K. Jones, testimony, Hearings, House Armed Services Committee, Civil Defense Panel, *Civil Defense Review*, February–March, 1976, p. 246.

[32] *Grazhdanskaya Oborona*, pp. 21ff; Goure p. 125.

[33] *Grazhdanskaya Oborona*, pp. 21ff. and cover.

[34] Goure, pp. 123, 164; Hearings, *Civil Defense Review*, p. 232; *DCPA Attack Environmental Manual*, Chapter 7, Panel 12.

[35] ACDA briefing on Soviet Civil Defense, November 1976; T. K. Jones, *op. cit.*, p. 248.

[36] *Grazhdanskaya Oborona*, p. 51.

[37] *Ibid.*, p. 19.

[38] *DCPA Attack Environmental Manual*, Ch. 7, panels 3 & 4.

[39] Ed. intro., *Grazhdanskaya Oborona*, p. vi.

[40] Jones, *op. cit.*, p. 248.

[41] *Grazhdanskaya Oborona*, p. 51.

[42] ACDA Briefing on Soviet Civil Defense.

[43] TERCOM accuracy has been estimated at 30 meters CEP (the distance within which 50% of warheads are expected to land). Thus, the estimate in this calculation is 90 meters or about 300 feet. Using RAND's *Damage Probability Computer for Point Targets with P and Q Vulnerability Numbers* (by D. C. Kephart, 1974), one observes that a cruise missile (200 kt) has a kill-probability exceeding .99 against targets of any reasonable (or even unreasonable) hardness. (On cruise missile data, see Kosta Tsipis, "Cruise Missiles, *Scientific American*, February, 1977.)

[44] DCI, *Soviet Civil Defense*, p. 10.

[45] ACDA briefing on Soviet Civil Defense.

[46] Adm. Stansfield Turner, Hearings, Joint Economic Committee, *op. cit.*, p. 27.

[47] Cf. Les Aspin, "Soviet Civil Defense; Myth & Reality," *Arms Control Today*, September 1976; Cole & German, pp. 128, 179, 187–189; Jack and Smith, in *Soviet Economy in a New Perspective*, pp. 467, 485; Joint Committee on Defense Production, *Civil Preparedness Review, Part II*, p. 67; Fred M. Kaplan, "The Soviet Civil Defense Myth," *The Bulletin of the Atomic Scientists*, March 1978, pp. 18-19; Geoffrey Kemp, "Nuclear Forces for Medium Powers, Part I: Targets and Weapons Systems," *Adelphi Paper No. 106* (London: International Institute for Strategic Studies, 1974), p. 6; Mathieson, pp. 115, 117, 128, 134, 141, 146–49, 154–56, 160–61, 167, 230, 603.

[48] CIA, *Soviet Economic Problems and Prospects*, p. 10.

[49] Kemp, p. 13.

[50] Bernard S. Albert, "Constructive Counterpower," *Orbis*, Summer 1976, pp. 343–66.

[51] *Grazhdanskaya Oborona*, p. 54.

[52] Ibid., T. K. Jones, *Industrial Survival and Recovery After Nuclear Attack*, pp. 27, 34, 62–63.

[53] *Grazhdanskaya Oborona*, p. 53.

[54] If they were implemented, they would probably be so near the facility as to be highly vulnerable; if the workers weren't vulnerable, the "remote-control console" cables surely would.

[55] Joint Committee on Defense Production, *Civil Preparedness Review, Part II*, pp. 20, 68.

[56] William H. Kincade, "Repeating History: The Civil Defense Debate Renewed," *International Security*, Winter 1978, p. 119.

[57] Hearings, Joint Economic Committee, *op. cit.*, p. 84.

[58] T. K. Jones, *op. cit.*, p. 84; *Grazhdanskaya Oborona*, pp. 58–88, 99–102.

[59] Cf. House Armed Services Committee, *Hearings on Military Posture, FY 1977*, Part 5, p. 264; Senate Armed Services Committee, *Department of Defense Authorization for Appropriations for Fiscal Year 1978*, Part 10, pp. 6621, 6624.

[60] The nominal 68-day mission can be extended by 50% with rationing. Harold Brown, testimony, HASC, *Hearings on Military Posture, FY 1979*, Part I, p. 473. On inadequacies of Soviet strategic ASW, see Rear Adm. Sumner Shapiro (Dep. Dir., Office of Naval Intelligence), Senate Armed Services Committee, Hearings, *op. cit.*, FY 1979, Part 9, pp. 6662–67; Vice Adm. C. H. Griffiths (Dep. CNO for Submarine Warfare), *ibid.*, Part 2, pp. 1038, 1041; William Perry, testimony, *ibid.*, pp. 1121–22.

[61] ACDA, p. 10. ACDA uses very conservative assumptions regarding cruise missile accuracy, thereby underestimating its destructive capacity, in terms of overpressure-per-given radius, compared with Poseidons.

[62] Cf. Donald Rumsfeld, DoD, *Annual Report*, FY 1978, p. 124; Gen. David Jones, testimony, House Armed Services Committee, *Hearings on Military Posture and H.R. 10929, FY 1979*, Part 1, p. 892; Vice Adm. C. H. Griffiths, Senate Armed Services Committee, *op. cit.*, Part 2, p. 1030.

[63] The studies are T. K. Jones, *Industrial Survival and Recovery After Nuclear Attack* (see note 24); DCI, *Soviet Civil Defense* (see note 6); ACDA, *An Analysis of Civil Defense in Nuclear War* (see note 15).

[64] Cf. Samuel Glasstone, ed., *The Effects of Nuclear Weapons*, (Washington, D.C.: Departments of Defense and Energy, 3rd ed., 1977), pp. 461–513; Bruce Lennett, *Fatality Uncertainties in Limited Nuclear War*, R–2218–AF (Santa Monica: RAND Corporation, November 1977).

[65] T.K. Jones, Hearings, Joint Committee on Production, *Defense Industrial Base: Industrial Preparedness and Nuclear War Survival*, November 17, 1976, p. 168.

[66] *Ibid.*, pp. 33, 168.

[67] Glasstone, ed., *op. cit.*, p. 441; *DCPA Attack Environmental Manual*, Chapter 7, Panel 21.

[68] System Planning Corporation, *op. cit.*, (see note 3), p. 11.

[69] Jones, *op. cit.*, p. 172.

[70] ACDA, *op. cit.*, p. 7; can be calculated from "Nuclear Bomb Effects Computer," in back of Glasstone, *op. cit.*

[71] Jones, *op. cit.*, pp. 30, 47, 62. The entire Soviet land mass is 8.65 million square miles. The area of the 200 largest cities is 5401 square miles (0.06%). Cf. Geoffrey Kemp, "Nuclear Forces for Medium Powers, Parts II & III: Strategic Requirements and Options," *Adelphi Paper #107* (London: International Institute for Strategic Studies, 1974), pp. 23–26; Joint Committee on Defense Production, *Civil Preparedness Review*, Part II, p. 15.

[72] Jones, *op. cit.*, p. 30.

[73] DCI, *Soviet Civil Defense*, p. 9.

[74] *Ibid.*, p. 5.

[75] ACDA, *op. cit.*, pp. 2, 11, 18. Protection factors are classified, but they appear quite reasonable.

[76] Glasstone, *op. cit.*, p. 420. Glasstone's figures are for much higher-yield weapons than those in the U.S. arsenal; 30 miles is a scaled-down calculation.

[77] On long-term effects, see National Academy of Sciences, *Long-Term Worldwide Effects of Multiple Nuclear-Weapons Detonations*, 1975; also ACDA, op. cit., pp. 7, 11, 14–15, 20, 21; in Glasstone, *passim*.

[78] T. K. Jones and W. Scott Thompson, "Central War and Civil Defense," *Orbis*, Fall 1978, p. 697.

[79] ACDA, *op. cit.*, p. 20.

[80] Earl N. Rubenking, "The Soviet Tractor Industry: Progress and Problems, in *Soviet Economy in a New Perspective*, pp. 601–19.

[81] *Grazhdanskaya Oborona*, pp. 27–32.

[82] *Ibid.*, p. 28.

[83] Goure, p. 177.

[84] Glasstone, p. 646.

[85] Stanley H. Cohn, "Deficiencies in Soviet Investment Policies and the Technological Imperative;" Rubenking; and Francis W. Rushing, "Soviet Chemical Industry: A Modern Growth Sector," in *Soviet Economy in a New Perspective*, pp. 454, 456, 552, 606, 609.

[86] Cohn, p. 458.

[87] Kincade, p. 112; ACDA briefing on Soviet Civil Defense.

[88] Mathieson, pp. 129–30.

[89] *Grazhdanskaya Oborona*, pp. 77–79.

[90] David W. Carey, "Soviet Agriculture: Recent Performance and Future Plans," *Soviet Economy in a New Perspective*, p. 582; Mathieson, pp. 75, 161.

[91] Cole & German, pp. 200, 206–207.

[92] V. D. Sokolovskiy, *Soviet Military Strategy*, tr: Harriet Fast Scott, (NY: Crane Russak & Co., 1975), 3rd ed., 1968, p. 333; *Grazhdanskaya Oborona*, p. 90.

[93] CIA, *Soviet Economic Problems and Prospects*, p. 8; Mathieson, pp. 115, 117.

[94] Soviet civil defense handbook, cited in Hearings, *Civil Defense Review*, p. 242.●

THE CARTER FOREIGN POLICY IS BRINGING INCREASING SOVIET INFLUENCE THROUGHOUT THE WORLD

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. LENT. Mr. Speaker, there is a tendency in our preoccupation with each day's events to view them individually, rather than as part of a pattern. In a most perceptive editorial on December 15, 1978, the Wall Street Journal gave us a much needed overview of recent events, and the ominous pattern which they disclose. I commend this editorial to my colleagues as a most thoughtful warning of the dangerous direction in which we are headed. I further urge President Carter and his foreign policy advisers to give careful consideration to this wise summation of the grievous errors they have committed, and to take corrective action before we find ourselves isolated in a Soviet-dominated world.

The editorial follows:

[From the Wall Street Journal, Dec. 15, 1978]

A FINLANDIZED WHITE HOUSE

The term "Finlandization" is no doubt unfair to the Finns, who have maintained more independence of the Soviet Union than most people would have under similarly difficult circumstances. Still, it is in Finland that one sees the political results of a preponderance of Soviet military power—the need for Soviet approval of the politicians to be elected in otherwise democratic elections, the growth of a self-censorship about Soviet society and Soviet policy, the anticipation of Soviet desires so that a confrontation never is forced, and the repeated denial of all of the foregoing.

While one can always argue about degree, these adaptations are perhaps the only policy available to Finland, a nation of only five million on the periphery of Western Europe and in the shadow of Russia. Over the past few years, with the ongoing Soviet military buildup, there have been fears that the Finlandization syndrome would spread over all of Europe. These fears have receded somewhat with the left's defeat in the French elections and the coalescing of NATO to increase its defense expenditures. But in the past few weeks we have seen a remarkable series of incidents that suggest the syndrome has emerged in Washington. Consider:

IRAN

If anyone doubts that military power casts a political shadow, he need only look at the postwar history of Iran. In 1945, the Russians created a puppet regime in Iran's northern province of Azerbaijan, with the Red Army blocking entry of Iranian troops. Under pressure from the U.S., which then had a monopoly on nuclear weapons, the Soviets withdrew.

In 1978, in the midst of an uprising against the Shah, Soviet Party Chairman Brezhnev publicly warned the United States that it would regard as "affecting the interests of its security" any U.S. intervention in Iran, a nation with which the U.S. has a formal military alliance. The White House was angry, but its response consisted primarily of affirming that the U.S. has no intention of interfering in the internal affairs of Iran.

At his press conference this week, President Carter tried to climb a bit out of the hole dug by the initial response by saying we would also keep others from interfering with the internal affairs of Iran. But even with that, the U.S. has conceded a considerable principle, that Soviet warnings take precedence over U.S. alliances.

CUBA

In 1962 the U.S. used its strategic and local military superiority to face down the Soviets in the Cuban missile crisis. In return for a U.S. pledge not to invade Cuba, the Soviets agreed not to base offensive nuclear weapons there and indeed withdrew not only missiles but bombers then based on the island.

In 1978 the Soviets installed in Cuba the Flogger, a ground-attack version of their MIG-23 aircraft. President Carter publicly defended the Soviet action, saying that the planes can no doubt lift nuclear weapons and deliver them on the United States, but that "whether the planes are outfitted to do so, designed to do it, crews are trained to do it, is an entirely different matter and we don't have any indication that this is the case."

In short, the Soviets have just been assured by the President of the United States that their 1962 pledge depends not on the capability of the weapons system, but on its indeterminable inner outfitting and the training of the crews, and that the U.S. accepts the burden of proof on these matters. The MIG-23s are not militarily decisive, but if "unoutfitted" Floggers can be based in Cuba, it follows that "unoutfitted" Backfire bombers can be too. The latter would be a military development of the kind that caused the 1962 crisis. Again, an enormous point of principle has been almost gratuitously conceded.

AFGHANISTAN

Earlier this year there was a coup in Afghanistan, which installed a government led by the head of the local Communist party. The early interpretations stressed that we really didn't know if this would be a pro-Soviet or nationalist government. Much of this was attributed anonymously to U.S. officials. One problem was that the foreign aid laws require that no aid be given to a Communist nation or unless the President makes a special report to Congress explaining why. The State Department did not want to call Afghanistan Communist because it wanted to continue aid.

By now Afghanistan has signed a 20-year military cooperation treaty with the Soviet Union, parroted the Soviet line as faithfully as the Bulgarians in international forums, instituted an obviously repressive internal regime, and changed its flag to imitate that of the Soviet Union. There has not yet been any move by the White House to either cut off foreign aid or report to Congress as the law requires. Rather than call a Communist government a Communist government, the administration chooses to break the American law.

THE SCREAMING OUTRAGE

Now comes the screaming outrage: China, with or without card games a huge counterweight to the Soviet Union, is turning to the West for both industrial and military technology. This development is bound to complicate Soviet defense problems and ease ours. In particular, the Chinese want to alleviate their defenselessness against a Soviet invasion by acquiring modern aircraft. They have singled out the British Harrier jump-jet, which does not require advanced airfields, and are negotiating a purchase from the British. The Soviets have publicly protested that the British sale would have "serious consequences."

The British also received a protest, NATO sources report, from Harold Brown, Secretary of Defense of the United States. He told his British counterpart, the reports said, the extensive arms sales to China might jeopardize a U.S.-Soviet agreement to strategic arms. The Financial Times described Secretary Brown's public statements on the matters as "equivocal," saying that the sale of defensive weapons was OK while the sale of offensive ones was not, while declining to clearly label the Harrier as the defensive weapon it clearly is in the Sino-Soviet context. This administration has been Finlandized enough that the Soviets have the U.S. Defense Secretary doing their dirty work to intimidate U.S. allies.

COMING ATTRACTIONS

Fresh from these demonstrations of American wit and courage, the Secretary of State is meeting with the Soviet foreign minister to put the final touches on a new strategic arms agreement to be ratified at a Carter-Brezhnev summit. The decisions made on this treaty will determine the U.S.-Soviet strategic balance that Mr. Carter's successor will inherit.

INTRODUCTION OF H.R. 16, NATIONAL HEALTH INSURANCE

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. DINGELL. Mr. Speaker, I am in support of a program to establish a system of national health insurance and am today reintroducing H.R. 16, the legislative proposal I have sponsored for several Congresses to accomplish what should be one of our major objectives—to insure adequate and reasonably priced health care to all citizens, no matter what their ability to pay.

H.R. 16 is based on legislation my father introduced in Congress in 1943 along with the Murry-Wagner-Dingell bill, portions of which have been enacted—medicare, and certain other provisions.

H.R. 16 reflects plans for improved and extended availability of health care which our Nation requires. This legislation is one of several proposals that are surely to be introduced in the 96th Congress and, while it is not necessarily the exact bill that we should enact, it is introduced to offer a proposal for the Interstate and Foreign Commerce Committee to consider. It is a proposal to stimulate discussion and debate on the subject of national health care in the hope that we can move into the system in the near future.

We, of course, are awaiting action by the administration which has been considering the submission of the President's plan for national health insurance which he announced last July. There has been little opportunity for public debate of health insurance issues and not to any large degree has Congress considered the President's principles.

With H.R. 16 introduced today, and perhaps other proposals, and an apparent plan expected from the administration, there will exist ample legislation upon which the 96th Congress can consider the merits and the form of a national program.

Some will argue against national health insurance claiming that the economic climate of the Government and the Nation is not right, but that attitude, if successful, would deny Congress, the administration and most importantly, the American health consumer adequate opportunity and time to comment upon and debate what is an admittedly controversial and highly complex legislative proposal. The issue will demand time and tedious consideration and a priority of this Congress should be to begin and continue the process.

But, we should do no less for the American people. The people need to hear the debate and Congress must hear of public acceptability.

In any health insurance proposal for the Nation the basic consideration is the method of financing and administration. Estimates I have seen range from $25 to over $75 billion to implement national health insurance for its first year depending upon the program keeping in mind that some of those costs will replace private sector spending. The more time that elapses, the more likelihood of higher and higher cost escalations to the Government and its citizens.

The legislation I have introduced, H.R. 16, covers the entire U.S. population, linking coverage to participation in the work force, eligibility for social security benefits or eligibility for special State plans set up voluntarily by the States for certain low-income groups.

My bill provides comprehensive medical benefits. Services include general hospital inpatient care, outpatient care, physicians' and dental services, physical checkup, home health services, podiatrists' services, physical therapy, as well as coverage for costly prescription drugs and other auxiliary services.

Administration of the program in H.R. 16 would be shared jointly by the three levels of government—Federal, State, and local, with major operating responsibility falling to State and local jurisdictions.

Financing would incur a payroll tax on employers and employees, similar to the social security tax, in addition to general Treasury contributions.●

NEED EXISTS FOR BETTER INSPECTION AND LABELING OF IMPORTED MEAT

HON. VIRGINIA SMITH

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mrs. SMITH of Nebraska. Mr. Speaker, almost 2 billion pounds of red meat of all kinds come into the United States each year from foreign sources. It reaches our consumers in various forms, and because it is consumed, we have an obligation to the people who eat this meat to insure that it is pure and wholesome and that they run no health risk for themselves or their families.

We go to great lengths in the United States to make certain beyond a doubt that all meat for human consumption is properly inspected and labeled. We inspect the animals for slaughter on the hoof; we inspect the carcass and the internal organs; and we check for the presence of chemical residues. No source of disease or contamination is overlooked. By and large, I feel our Animal and Plant Health Inspection Service—APHIS—does a first-rate job and leaves the consumer free of any worry about the quality and wholesomeness of the domestically produced meat they buy.

Unfortunately, the same thing cannot be said about most of the imported meat. An effort is made, but there is too much latitude in setting standards and following procedures. Products of questionable purity are bound to slip by. There are a total of 20 Department of Agriculture inspectors who are charged with the responsibility of certifying the wholesomeness of that almost 2 billion pounds of imported meat. Twelve of them are stationed in foreign countries; the other eight travel out of Washington. Last year, we received meat imports from 52 countries and there were 1,141 packing plants involved.

The law requires that imported meat be subject to the same standards applied to domestic meat, but that does not always happen. We do not know about the testing of vital organs and issues for harmful residues in imported meat, for instance. Only a small percentage gets this surveillance, and in the random checks which are made, we find enough evidence of impurities and unwholesomeness to cause grave concern about the rest.

Under present labeling requirements, we know the country of origin for imported meat shipments when they reach our shores, but in most instances, there is no way the consumer can tell whether or not she is buying or consuming imported meat by the time it reaches her. The imported meat can go into hamburger, lunch meat, soup, TV dinners and all manner of other processed products, and there is nothing to identify it as imported.

The American consumer and livestock producer deserve better protection than they are presently receiving. To provide it has led to the introduction of legislation by other Members of Congress and myself to require higher inspection standards and better labeling requirements for meat and dairy imports. Today, I am reintroducing the same legislation in the 96th Congress. This bill was the subject last session of a public hearing in Scottsbluff, Nebr. That occurred on November 22, 1977. Assurances were given that additional hearings would be held in Washington, D.C., in 1978, but time pressures were such that those assurances were not kept. I respectfully urge that further hearings be scheduled this year.

Under the provisions of the bill, products in whole or part for human consumption must be properly labeled to let the consumer know they are imported. Tests must be conducted to determine whether imported meat and meat products contain any substance prohibited in domestically produced animal meat and meat products, or whether the imports contain substances—chemicals or chemical residues—in excess of levels permitted in this country by law.

Furthermore, the tests must be conducted in the country from which the articles are being imported by persons who are certified by the same criteria established by the Department of Agriculture for U.S. inspectors. The exporting country must also certify to the Secretary that the imports have been tested in accordance with our regulations and that they do not carry substances prohibited by law in domestic meat.

The bill would also require that U.S. officials sample the imports from time to time, and that the Secretary set assessments and fees to cover the costs of inspection, certification, testing and labeling, and that he have the authority to suspend or revoke the privilege of any exporter who fails to pay the assessment fees.

It should be said that even with all of the effort to upgrade the inspection of imported meat, we must keep in mind that a great deal of these imports arrive in this country frozen or chilled. They are thawed and processed and often frozen again, a procedure discouraged by Department of Agriculture experts. This is all the more reason why these imports must be properly labeled when they reach the point of sale. Then the consumer at least has a chance to choose between the imported product and that which is domestically produced. She can never be quite sure what she is getting when imported meat is involved. She can feel totally safe in buying the American product.

Adopting legislation of this kind will not only provide an insurance policy for the consumer, but it will result in the improvement of economy of our domestic livestock producers. Through more rigid inspection and labeling standards for imports, we would have less foreign meat on the market, and our producers could take up the slack.

There are sound and compelling reasons for taking legislative action to deal with the problem of inspection and labeling of imported meat and dairy products. I welcome cosponsors who will join me in pressing for this action.●

CONGRESS MUST PREPARE FOR CONSTITUTIONAL CONVENTION

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. McCLORY. Mr. Speaker, I rise to introduce the "Federal Constitution Convention Amendment Act" of 1979. I have chosen to act on the first day of the 96th Congress because I believe this bill could very well be the most significant piece of legislation which the new Congress will consider. My belief may not be shared by all my colleagues at this time, but the necessity of action on this important bill will become more and more apparent as each week of the 96th Congress passes.

The high priority which I place on this legislation is due to my belief that very soon the necessary two-thirds of the State legislatures will have voted to convene a constitutional convention. My reading and study of article V makes it clear that Congress must respond to such a mandate and call a constitutional convention.

Article V provides the following:

> The Congress, whenever two thirds of both Houses shall deem it necessary, shall propose Amendments to this Constitution, or, on the Application of the Legislatures of two thirds of the several States, shall call a Convention for proposing Amendments, which, in either Case, shall be valid to all Intents and Purposes, as Part of this Constitution, when ratified by the Legislatures of three fourths of the several States, or by Conventions in three fourths thereof, as the one or the other Mode of Ratification may be proposed by the Congress; Provided that no Amendment which may be made prior to the Year One thousand eight hundred and eight shall in any Manner affect the first and fourth Clauses in the Ninth Section of the first Article; and that no State, without its Consent, shall be deprived of its equal Suffrage in the Senate.

While it does much more, the primary purpose of article V is to establish the process whereby the Constitution may be amended. Two methods for amending the Constitution were devised: First. Two-thirds of both Houses of the Congress may propose an amendment or second, two-thirds of the State legislatures may require the Congress to call a constitutional convention. In either case three-fourths of the States, either in convention or the legislatures, must ratify the proposed amendment before it becomes a part of the Constitution.

The framers purposely made the process outlined in article V cumbersome: Amending the Constitution should be undertaken carefully and deliberately, and should reflect a timely and overwhelming consensus of the American people. Thus far, the process has worked reasonably well: Very few amendments have been added to the Constitution over the past 190 years.

One reason that the amending process has served us so well is that only one of the two methods provided by article V has been used. All amendments to the Constitution have been proposed by two-thirds of both Houses of Congress and submitted to the States for consideration.

Several amendments to the Constitution have been initiated because of dissatisfaction with decisions of the Supreme Court which have held statutes in violation of the Constitution. Most notably, the 13th, 14th, 15th, 16th, 18th, and 24th amendments have become part of our Constitution as a direct result of dissatisfaction with the Court's interpretation of the Constituion.

Of course, this is one reason the Founding Fathers established an amending procedure. Generally, the Congress has responded to widespread public concern over a decision of the Supreme Court. However, the framers knew that the Congress would not always be responsive, and provided that the State legislatures could require the Congress to call a constitutional convention. In fact, this method has been tried before with some surprising results, but no convention has ever been called.

Today, highly organized and well-funded single-issue constituencies are coordinating nationwide efforts to call a constitutional convention because of dissatisfaction with Congress' reluctance to forward constitutional changes to the States for their consideration.

My concern and the reason I am introducing this bill is to establish the necessary machinery for a convention with clearly established procedures formulated by Congress. I do not intend in any way that this bill encourage support for any proposed amendment or convention call effort. In fact, the bill does not address issues confronting amendments currently pending in the State legislatures. I only wish the Congress to act responsibly and be prepared should the States exercise their article V powers.

This legislation is not a new and untested idea. Originally introduced by Senator Ervin in 1967, the bill passed the Senate in 1971 by a vote of 84 to 0 in 1971. The House has never seriously considered the legislation, but this year we will be forced to act if we wish to comply with the provisions of article V. My bill incorporates a few changes to the Senate-passed version. A detailed explanation of the bill's provisions and a section-by-section analysis follows:

SECTION-BY-SECTION ANALYSIS

Section 1 provides that the title of the act is the "Federal Constitution Convention Amendment Act."

Section 2 provides that a State desiring to invoke article V to call a constitutional convention for the purpose of proposing an amendment to the Constitution must adopt a resolution pursuant to this act requesting such a convention and stating the nature of the amendment it wishes proposed. Pursuant to the requirements of this section, the measure is prospective and not retroactive in operation.

Section 3 provides that the procedure to be used by the State in adopting or rescinding a resolution is the same as that used for enacting State laws of general application except that the approval of the Governor is not required. Any questions arising as to the adoption or rescission of resolutions are matters for determination solely by the Congress as part of its responsibility to determine whether article V has been activated. Of course, Congress has no authority to examine the action of the legislature, except to assure itself that the State has used the procedure specified in section 3.

Section 4 provides that within 30 days of the adoption of a resolution the secretary of state or the equivalent officer of the State must send two certified copies to the Congress, one addressed to the President of the Senate and the other to the Speaker of the House. Each copy must contain the title of the resolution, the date upon which it was adopted, and the exact text of the resolution signed by the presiding officers of each house of the State legislature. Within 10 days of receipt, the President of the Senate and the Speaker of the House must report to their respective Houses the identity of the State making application, the subject of the application and the number of States which have thus far applied with respect to that subject. If Congress is in recess or is adjourned, the announcement would be made when Congress was again in session, and as soon thereafter as possible. The two officers must cause copies of the application to be sent to the presiding officers of each of the Houses of the other States, and to each Member of Congress.

Section 5 provides that applications for the convening of a convention are effective for 7 years from date of receipt by Congress. Whenever within a 7-year period there are in effect valid applications on the same subject from two-thirds of the States all the applications remain in effect until Congress has called the convention.

States may rescind applications by adopting resolutions of rescission in accordance with the procedures of sections 3 and 4. However, attempted rescissions would not be effective after applications have been received by Congress from the requisite two-thirds of the States. Questions concerning the rescission of applications are determined solely by Congress.

Section 6 provides that the Secretary of the Senate and Clerk of the House shall maintain a record of the applications received upon each subject. Whenever applications upon the same subject have been received from two-thirds of the States, they must report in writing to the presiding officer of their respective Houses, and such officer shall report to that House the substance of the report. Periodic reports to each House on the nature and number of petitions received would be advisable, as well.

Each House then determines whether the recitation of the report is correct. Upon such determination it is the constitutional duty of each House under article V to agree to a concurrent resolution calling for the convening of a constitutional convention. The resolution shall set forth the nature of the amendment the convention is to consider and designate the time and place for the convention. Copies of the resolution are to be sent to the State Governors and to each House of each State legislature. The convention must be convened within 1 year of the adoption of the resolution.

Section 7 provides that each State shall elect two delegates-at-large and one additional delegate from each congressional district in the State, in accordance with its usual procedures for the election of Senators and Representatives. Vacancies are filled by appointment of the State Governor. The secretary of state or each State or equivalent officer shall certify to the Vice President of the United States the name of each delegate. Delegates will enjoy the same privileges as do members of Congress under article 1, section 6. Delegates are to be compensated for service and travel and related expenses as provided for in the convening resolution.

Section 8 provides that the Vice President of the United States is to convene the convention and administer the oath of office. Each delegate is required to take an oath not to propose or vote in favor of any proposed amendment relating to a subject other than that named or described in the concurrent resolution. This is consistent with the position that the convention's authority is limited by the States' conferral of authority.

Names of the officers of the convention are to be transmitted to the Speaker of the House and President of the Senate. The convention may adopt rules of procedure not inconsistent with this act. Congress is authorized to appropriate funds for the expense of the convention: the Administrator of the General Services Administration is directed to provide the required facilities; and Congress, executive departments, and agencies are required to provide information required by the convention, except as otherwise provided by law.

Section 9 provides that each delegate to the convention has one vote. A daily verbatim record of proceedings must be kept, and the vote of each delegate must be recorded. The convention shall terminate within 1 year of the first meeting unless extended by resolution of Congress. Records of the convention's proceedings are to be transmitted to the Archives within 30 days of the termination of the convention.

Section 10 provides that amendments may be proposed by a vote of two-thirds of the total number of delegates to the convention. No amendments with respect to a subject different from that stated or described in the resolution calling the convention may be proposed and any questions relating to this point are to be determined solely by Congress.

Section 11 provides that within 30 days of the end of the convention the exact text of any amendments proposed by the Convention must be transmitted to Congress. Upon receipt of a valid proposed amendment, Congress must adopt a concurrent resolution directing the Speaker of the House and the President of the Senate to send the proposed amendment to the Administrator of the General Services Administration. The resolution shall also prescribe the time and manner of ratification by the States. Congress may adopt a concurrent resolution disapproving the submission of the proposed amendment to the States, but only on the grounds (1) that it relates to or includes a subject different from that stated or described in the resolution calling the convention, or (2) that the procedures used by the convention were not in substantial conformity with the provisions of this act. This conforms to the fact that, under article V, Congress has no power to review or veto any action of the convention because of doubts or disapproval on the on the grounds of policy. Congress' sole function is ministerial. Of course, Congress is under no obligation to transmit an amendment if the convention has exceeded its authority by proposing amendments if the convention has exceeded its authority by proposing amendments on subjects other than those designated, or if there were procedural irregularities at the convention of a substantial nature so as to make the actions of the convention ineffective.

If Congress has not adopted a concurrent resolution either transmitting or disapproving the transmission of the proposed amendment within 90 days of continuous session following its receipt, the President of the Senate and Speaker of the House nonetheless are obligated to transmit the proposed amendment to the Administrator of the General Services Administration.

This is to assure that Congress may not impede or block the transmittal to the States for the reasons of disapproval of the wisdom of the proposal. The Administrator of the General Services Administration must submit to the States a certified copy of the proposed amendment and any concurrent resolution adopted by Congress setting forth the time and manner for ratification along with a copy of this act.

Section 12 provides that amendments submitted in accordance with this act are valid as a part of the Constitution when ratified by three-fourths of the States within the time and according to the manner, by State legislature or State convention, as Congress directs by concurrent resolution. If the transmittal is made in the absence of a concurrent resolution, ratification is by State legislature and within 7 years of transmittal. Ratification by a State legislature shall be according to its own rules for such actions, but does not require the approval of the Governor. Certified copies of State ratifications must be sent promptly to the Administrator of the General Services Administration.●

TUITION TAX CREDITS

HON. WILLIS D. GRADISON, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. GRADISON. Mr. Speaker, today I am introducing the Tuition Tax Credit

Act of 1979, a bill to provide tax credits for tuition paid for all levels of education. This bill contains not only credits for college tuition, to which both the House and Senate agreed on their respective floors and in conference committee, but also credits for elementary and secondary tuition which the House has strongly supported twice in the last session. When the Tuition Tax Credit Act of 1979 was debated on the House floor, the House voted to adopt the Vanik amendment. And, when a conference report was drawn up without credits for elementary and secondary education, the House passed my motion to recommit the bill to conference committeee with instructions that credits be available for all levels of education.

The Tuition Tax Credit Act of 1979 provides tax credits for college tuition at the same level which conferees proposed last year: 35 percent of tuition up to $100 in 1979, $150 in 1980, and $250 in 1981 and 1982. Credits for elementary and secondary education are the same as the levels in my motion to recommit: 35 percent of tuition up to $50 this year, and $100 in the three following years.

The need for tax credits at all levels of education is great. Educational expenses have skyrocketed in recent years, to the point where all families, and especially middle income families, need relief. For instance, costs for public 4-year colleges rose 57.2 percent from 1971–77, while at the same time, expenses for private 4-year colleges rose 63.2 percent. For families in the $15,000 to $25,000 income range, who do not qualify for educational grants, these rising costs often mean that they cannot send their children to the college of their choice. We are fast approaching a situation in our country where only the affluent, the very poor, or the very bright will be able to attend college.

Just as important as credits for college tuition are credits for elementary and secondary education. While grants and loans help pay college tuition for lower income families, there is no relief from the burden of elementary and secondary education costs. Half the parents of children in private elementary and secondary schools have incomes of less than $17,000 a year. Although many private school tuitions are as low as a few hundred dollars a year, many families have to scrimp on basic necessities to meet these costs. Often these same parents are staggering under the heavy load of property taxes which pay for the public schools in their area—schools which they do not use. Sometimes their child has special needs which require an educational approach different from that offered by the local public schools. Sometimes the public schools simply are not doing an adequate job. But whatever their reasons for choosing nonpublic education, these parents need the tax credit not only to ease their financial burden but more importantly, to show them that the Federal Government is doing its part, along with State and local governments, in developing an even-handed approach to financing public and nonpublic education.

Parents ought to have a choice about where their children go to school. Most will continue to use the public schools as I did for my elementary and secondary education. But when they feel it would be in their children's best interests, parents ought to be able to turn to nonpublic alternatives. Maintaining the education diversity that makes us all richer requires not only that parents have the right to use alternative institutions, but that they be able to afford to exercise this right. Both public and nonpublic education will benefit from this healthy competition. Indeed the heavy burden of financing public education is reduced when nonpublic education lowers the number of students in public systems. The tuition tax credit embodies our belief that many educational options ought to exist and be encouraged.

The constitutionality of tuition tax credits at the elementary and secondary levels has been questioned. I do not know what the Court will decide; its record on this issue is uneven, contradictory and bewildering. This bill provides for an expedited review of the constitutionality of the tax credit concept. Until such a court test occurs there is no way to be certain of the result. I firmly believe, however, that it is up to the Court to decide the constitutionality of these credits—not the Congress, not the President, and certainly not the Secretary of Health, Education, and Welfare. Our job here is to legislate to the best of our ability and to devise the most appropriate Government responses to the needs and problems of our citizens. We should concentrate on this task and leave to the Supreme Court its job of subsequently reviewing the product of our efforts.

Tuition tax credits are an effective answer to the problem of rising educational costs. With a tax credit, benefits accrue directly to the taxpayer without bureaucratic redtape, and with low administrative overhead. Tax credits offer a solution which is not only urgently needed, but also is simple, straightforward, and above all, fair.●

HOUSE ACTION CAN CORRECT FLAW IN MEDICAID LAW

HON. RONNIE G. FLIPPO

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. FLIPPO. Mr. Speaker, action by the House can correct a flaw in the present medicaid law and protect the medicaid eligibility of needy older Americans who are on Federal pensions. The legislation I am introducing will solve a problem which has been encountered by a small group of senior citizens with limited incomes. These aged Americans currently suffer severe consequences as a result of being declared ineligible for medicaid benefits because of small cost-of-living increases in their monthly Federal pension payments. This imperfection in current law frustrates the intent of Congress to provide coverage to those senior citizens.

A clear example of the need for change in this law came home to me in stark terms in Huntsville, Ala. A stroke victim confined to a nursing home was declared ineligible for medicaid benefits due to a $6.14 cost-of-living increase in his monthly Federal pension check. A small increase to try and meet inflation meant financial catastrophe for this man and his family. A "Catch 22" situation developed, where despite obvious need, there was no means by which arbitrary rules could be broken. He lost, as have others in this situation, hundreds of dollars in needed medicaid benefits.

The loss of individuals caught in this trap cannot be measured simply in terms of dollars. This man and others are deprived of health care at a time when they desperately need it. It is difficult to excuse turning persons out of a nursing home when they cannot care for themselves. The burden which results on families or the dire situation of those with no family are inexcusable. The inequities which individuals and families must bear due to this quirk of law are incalculable.

This legislation would protect the medicaid eligibility rights of those receiving Federal retirement or disability benefits. Those who receive cost-of-living increases in Social Security, railroad retirement, or Veterans' Administration benefits would not be arbitrarily cut from the medicaid eligibility rolls.

A Library of Congress study I requested shows that the value of the medicaid benefits lost may be significantly greater than the increase received in the retirement-disability program benefit. This Library of Congress study examines the workings of these programs, especially the social security program, in order to show the effect of a social security benefit increase. To reach a better understanding of this legislation I submit the examination by the Congressional Research Service of how eligibility for medicaid benefits is established.

"States having medicaid programs must cover the 'categorically needy'. In general, categorically needy individuals are persons receiving cash assistance payments under the aid to families with dependent children programs (AFDC) or aged, blind, or disabled persons receiving benefits under the supplemental security income program (SSI). A State must cover under medicaid all recipients of AFDC payments. A State is, however, provided certain options—based, in large measure, on its previous coverage levels—in determining the extent of coverage for persons receiving Federal SSI benefits and/or State supplementary SSI payments. Some States provide medicaid coverage for all SSI recipients; others have chosen to limit medicaid coverage to those SSI recipients who would have been eligible based on the standards in effect in the State in January 1972.

"In addition to these categorically eligible persons, States may cover additional persons, such as the 'medically needy'—those whose income and resources are large enough to cover daily living expenses, according to income levels set by the State, within certain limits, but not large enough to pay for medical care, providing that they are aged, blind, disabled, or members of families with children. A person establishes eligibility for medicaid benefits as a 'medically needy' person by incurring medical expenses equal to the difference between his income and the level set by the State."

The Library of Congress study detailed the effects of social security cost-of-living increases for several classes of individuals. We can see that there are several cases where coverage is lost. Whether the eligibility for medicaid is affected by an increase in his social security benefit is dependent on a number of factors. The study details these factors. "Such factors include: Whether he is a welfare (AFDC or SSI) recipient; whether he resides in a State with a 'medically needy' program; and, if he is an SSI recipient, whether all SSI recipients in the State are automatically eligible for medicaid benefits."

The Library of Congress study also explains what occurs in various situations to a social security recipient who receives a cost-of-living increase.

A. CATEGORY 1—THE SOCIAL SECURITY RECIPIENT IS NOT A RECIPIENT OF AFDC OR SSI

First. If his State provides medicaid coverage only to the "categorically needy," he is ineligible for medicaid benefits. The increase in social security benefits does not affect his medicaid eligibility.

Second. If the State has a medically needy program, it has set an income level at or below which an individual may establish medicaid eligibility. If the individual's income is greater than this amount, he must incur medical expenses equal to the difference between his income and the State-set level in order to become eligible for medicaid. An increase in his social security benefit means that the individual will have to incur that much greater medical expenses in order to reduce his income to that State-set level.

B. CATEGORY 2—THE SOCIAL SECURITY RECIPIENT IS AN AFDC RECIPIENT AND HIS SOCIAL SECURITY INCREASE RENDERS HIM INELIGIBLE FOR AFDC BENEFITS

First. If he resides in a State that provides medicaid coverage only to welfare recipients, the loss of AFDC means that he automatically loses his medicaid coverage. The value of the lost medicaid may be significantly greater than the amount gained in social security benefits.

Second. If he resides in a State that provides medicaid coverage to the medically needy as well as to the categorically needy, he loses his automatic entitlement to medicaid, but may be able to establish medicaid eligilibilty by incurring medical expenses equal to the difference between his income and the State's medically needy standard.

C. CATEGORY 3—THE SOCIAL SECURITY RECIPIENT IS ALSO AN SSI RECIPIENT AND THE SOCIAL SECURITY INCREASE RENDERS HIM INELIGIBLE FOR SSI BENEFITS

First. If he resides in a State that automatically provides medicaid coverage to all SSI recipients he is protected by the provisions of Public Law 94-566, which provides that SSI recipients will be prevented from losing medicaid eligibility solely because of future cost-of-living increases in social security benefits.

Second. If he resides in a State that has chosen not to automatically cover all SSI recipients under medicaid, the provisions of Public Law 94-566 are not applicable. However, SSI law requires that if a State does not cover all SSI recipients under medicaid it must provide medicaid coverage to all persons (regardless of their SSI status) who: First, meet the applicable definition of age, blindness, or disability, and second, incur medical expenses equal to the difference between their income and the State's applicable income level. Therefore, the individual may be able to establish medicaid eligibility by incurring sufficient medical expenses.

OTHER RETIREMENT/DISABILITY BENEFIT INCREASES

Increases in VA benefits, railroad retirement, and the like have the same effect on medicaid eligibility as social security increases except that the provisions of Public Law 94-566 are applicable only to social security increases.

It is important to note at this point that this medicaid eligibility protection has been afforded to individuals receiving supplemental security income (SSI) benefits. This was accomplished in section 503 of the Unemployment Compensation Act Amendments of 1976 (Public Law 94-566). This section amended 42 U.S.C. 1396a and provided for the "Preservation of Medicaid Eligibility for Individuals who Cease to be Eligible for Supplemental Security Income Benefits on Account of Cost-of-Living Increases in Social Security Benefits."

It is only equitable to extend this treatment to needy individuals who are receiving social security, railroad retirement or Veterans' Administration benefits. This had been made a provision in the last Congress of the child health assurance program amendments which was reported from the Interstate and Foreign Commerce Committee. I was grateful then for the leadership of my former colleague Paul G. Rogers of Florida on the Subcommittee on Health and the Environment for including this medicaid eligibility protection in this legislation.

The Congress must now act to see that the inadequacy of the current law is rectified as soon as possible. This bill would amend title XIX of the Social Security Act to provide that future increases in social security benefits, railroad retirement benefits, veteran benefits, or other benefits of a similar nature would be disregarded in determining an individual's income for purposes of medicaid eligibility.

Older Americans deserve the assurance that they will not lose the level of assistance they deserve and have qualified for due to a slight increase in a cost-of-living raise or similar adjustment in a pension. As the law stands now we give with one hand take with the other. The increase may amount to a small pittance to try and keep pace with the ravages of inflation. The loss may be catastrophic.

The social costs of ignoring this problem are too high for our Nation to bear. We cannot allow the inadequacy of current provisions to endanger the benefits that some retired citizens are receiving under medicaid. Our aged citizens deserve the benefits of the pensions that they worked for and earned. These aged individuals also deserve the freedom from the fear of losing medicaid benefits due to arbitrary income requirements.●

BROKEN PROMISES LITTER ROAD TO CHINA

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. DERWINSKI. Mr. Speaker, the Federal Times is a publication which specializes in news and information of interest to Federal Government employees. This publication is well-known for the diversity and lively spirit of its columnists.

One such columnist, Fred Reed commented on the President's China policy in his column in the January 8, 1979 edition of the Federal Times. I wish to insert it at this point for the Members' special attention:

BROKEN PROMISES LITTER ROAD TO CHINA

Regarding our current adventure with China, a few thoughts:

Our breaking relations with Taiwan is regarded by some as an exercise in realpolitik. Realpolitik is a German approach, widely practiced elsewhere, which recommends garroting one's grandmother if it is to one's advantage—that is, shaping one's policy with regard only to realities, among which morality is not included.

Realpolitik is a junior State Department official's substitute for a dueling scar: It conveys a manly swagger, yet is more genteel than a tattoo. It tends to be invoked when an official wants to do something which is morally distasteful. When he wants to stop doing something distasteful, such as bombing Asian villagers, he invokes compassion.

But dropping Taiwan is not even good realpolitiks.

China needs us more than we need China. We are not decades behind the world in our technology, nor do we have a large number of Soviet troops on our borders. We do not particularly need anything that China exports, although she needs practically everything that we export. We may have reasons for recognizing China, and for trading carefully with her, but we are in a position to do it on our terms.

The pressure for breaking relations with Taiwan has sprung from neither realpolitiks nor compassion-politics, but from flaky-politics—that is, from emotional and ideological considerations, applied inconsistently to differing parts of the world. For example, many of Washington's older commentators are simply mad at Chiang Kai Shek, whose China lobby bulldozed Congress for years. But Chiang is dead.

Personalizing politics is naive. Mistaking a nation for a decreased generalissimo is idiotic. It is also unfair. Chiang Kai Shek by most accounts would have been unfit to run a good elevator, much less a country, but the present Nationalists are doing an admirable job of running the country. Taiwan is among the few genuinely developing countries in the world.

Morally, the inconsistency of those who favored dumping Taiwan is contemptible.

To argue for abandoning Taiwan on the grounds that it is a dictatorship is not an untenable position, perhaps even admirable in the sense that absolute pacifism is admirable. Yet it is logically absurd to drop Taiwan, a dictatorship, in order to recognize China, a worse dictatorship. And of course China is the chief prop of Cambodia, a nation which would arouse the admiration of Hitler.

Those who want to de-recognize Taiwan generally want to recognize Vietnam, which is so repressive that its people tend to leave on anything that floats. Selective morality is little morality.

The obvious parallel is with Israel, another small country that makes relations difficult with a large number of Arabs. The parallel is so obvious that commentators who favored de-recognizing Taiwan have fallen over themselves to make a distinction between the two. There is none. Both are successful nations of 30 years standing, guilty of little and depending on us for survival. One may argue that Israel is safe because she enjoys broad support in the U.S. So did Taiwan. The difference is that Taiwan lacked support in the upper regions of government. Israel does not, yet. If I were an Israeli, watching the rising price of oil, Taiwan would seem an unwholesome precedent.

The suddenness of Mr. Carter's announcement was a deliberate attempt, apparently successful, to circumvent the will of the people—else why did he not proceed publicly with politically profitable fanfare? Government without the will of the people is called autocracy. Carter has spoken highly of participatory democracy. He seems to practice it only when he has the votes.

The notion that a President can abrogate a treaty is interesting in its implications. One imagines the next conservative President simply abolishing SALT and the Panama treaties. Then a liberal President would do away with NATO and . . . gosh, wouldnt' that be exciting?

We would do well to maintain a realistic view of China and the Chinese. Americans tend to patronize the Chinese. Historically our missionaries regarded them as half-human and wondered whether they had souls. "The starving Chinese," unable to feed themselves, are part of our folklore. My generation grew up with the expression "fouled up like a Chinese windmill" and with derisive jingles beginning "Ching Chong Chinaman, sitting on a fence . . ." I see the same condescension, he slightly veiled, in the American reaction to photos of Chinese children dancing in Peking: "Aren't they darling, and so cute . . ."

In fact the Chinese are tough, immensely capable people with a tradition through the millenia of believing that other nations should be vassals of China. The communist regime feels the same way, having conquered Tibet, invaded India, taken indirect part in several wars, and generally behaving as an ambitious power. She is totalitarian. We should treat her with friendship if possible, certainly with respect and caution.

One might reasonably ask to what extent we want to assist in the technological advancing and arming of an ambitious nation with four times our population.●

A CAMPAIGN SPEECH I'D LIKE TO HEAR

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. SYMMS. Mr. Speaker, this is an interesting speech written by Benjamin Stein which was not used in any campaign. It actually appeared in the Los Angeles Herald Examiner on November 5, 1978. I think this speech has many merits and states what many Americans feel, but what many politicians are afraid to say.

People are tired of welfare abuse, the ineffective criminal justice system, social engineering in the education system and the growth of inflation which hits older Americans the hardest.

The article reads as follows:

A Campaign Speech I'd Like to Hear

(By Ben Stein)

During this year's gubernatorial campaign, I have watched the debates and listened to the newscasts and read the newspapers and I have been disappointed. Neither the governor nor the attorney general said the things that I hoped they might say. Perhaps some day a candidate will give a speech like this and I will know that we are going somewhere:

Ladies and gentlemen. I stand here before you to tell you that our government is simply not working in all of its key areas and to lay out for you the steps I will take to make it start doing what it was intended to do.

First, my friends, this country has not been in a depression for almost 40 years. The measures that were dreamed up to relieve the distress of the Depression—and did not work then—are certainly unnecessary now. We no longer need to give workers governmental jobs because the private sector cannot find work for them. Indeed, our problem today is just the opposite. The jobs are there, ready, waiting, and unfilled. But the government, including the government of the state of California, has encouraged our able-bodied men and women to stay idle so effectively that our employers cannot find willing workers.

To solve the problem, I will do the following if elected:

I will immediately freeze all state hiring at present levels and will attempt to cut state employment by 10 percent per year for each year of my term, even if this takes action by the State Legislature. Everyone in this state knows that non-uniformed state employees generally produce nothing useful. I see no reason why the working people of California should continue to support those who produce nothing, and I will put a stop to it.

I will propose legislation drastically curtailing eligibility for welfare payments for all of those not disabled by age or clearly evident disease. It is simply outrageous that the taxpayers of California should support people who can work and do not, and I will put a stop to it. I will not listen to those who call this a racist or discriminatory action. The true racists are those who believe that certain groups cannot survive without being patronized. Under my administration, citizens of every race and background will have the chance to grow as people by the most salutary of all public acts—work.

My administration will simply cut off payments to those who are able bodied two months after I take office. If there are conflicts with federal law, we will fight the legal battles all the way to the Supreme Court. I will not tolerate making the working people of this state pick up the tab for ruining the lives of people who will not work. In our California, we will not force the taxpayers and breadwinners to pay for the loafers and the bums.

I will propose legislation shortening the length of time for the payment of state unemployment benefits to a maximum of four weeks for families with no children and six weeks for families with children. Unemployment taxes are paid by people who work and I will not allow the proceeds to go for supporting people who do not choose to work. In America, in California in 1978, anyone who wants to get a job can get a job. The unemployment insurance system has been perverted beyond belief so as to provide year long vacations for the cunning and the indolent at the expense of the hardworking. I will not allow this obscenity to continue. There is no room in this state for the moochers and the cheats.

Second, dear friends, I know and you know that we have lost a precious freedom in this state's large cities. We are no longer able to walk the streets or sleep in our beds in peace. Violent crime intrudes upon our serenity and confidence all of the time. We can no longer laugh at the cities of the East. Our streets have become jungles as well.

Accordingly, if elected, I will take the following steps:

I will propose legislation to amend our state's criminal justice system in several respects. First, I will ask that the distinction between youthful offenders and adult offenders be ended. I am nauseated by true stories of 16-year-olds who murder and who are sent to camps for a few months and let out to murder again. That is not justice at all. That is a blot upon civilization. In my administration, people of any age who kill or rape or maim will be treated alike—with the utmost severity. There will be no free rides for teen-age killers and rapists. Once convicted, they can expect to be treated like the animals they are.

Second, I will ask that the system of indeterminate sentences be terminated. That system has led to horrifyingly light sentences for the most barbaric crimes. We will have fixed, severe sentences that will keep the criminal off the streets for a long time. Whatever other functions prisons may do in my administration, they will keep vicious brutes from terrorizing innocent people on the street. A man in San Quentin cannot harm a child in Glendale.

Third, I will review the sentencing practices of all judges hearing criminal cases in California. When I find a judge who has consistently given unduly light sentences to dangerous criminals, I will do everything I can to replace that judge with someone who respects the innocent as much as the guilty.

The system of law under which the criminal is out of jail before the victim is buried is over for good if I become governor.

Ladies and gentleman, the educational system of this state was once the envy of all America. Today, it is a disgrace. In all of the great cities of this state, students are more preoccupied with their physical safety than with learning. Teachers have long ago lost the dedication which is necessary for any meaningful instruction in far too many of our classrooms. Year by year, the abilities of our students decline, and with that decline goes our hopes for the future.

The ultimate debasement of our schools occurred this year when busing came to Los Angeles. The school system was used as a monstrous tool to tear children from their families and neighborhoods in the name of an arcane and evil social experiment. As a result, that system, the largest in this state, lies in ruins.

If I am elected, I will propose legislation which will authorize the state to pay to every parent of every school-age child, the amount which the state would spend on that child on a pro-rated basis if the child does not attend the public schools. The money would be payable into the accounts of any private school (including parochial) in this state. The only hope of avoiding a generation of brainwashed, tampered with illiterates is an efflorescence of a private school system in which teachers taught, children learned without fear, and social tinkerers kept their hands off.

I am confident that the ingenuity of man can find a way to insulate children from the follies of their elders within the educational establishment. If the method I outlined above does not work, I will not rest until I find a method that does work.

Fourth, I am appalled at the fear that grips our older citizens when they contemplate their financial futures. These people have worked and sacrificed to make this country great and to keep us free. They have built our houses and factories and grown our food. Now, as they retire, they dread living longer than their savings will last. Inflation destroys their security day by day.

Unfortunately, there is little I can do for them as governor, because inflation is manufactured in Washington. But what I can do, I will.

First, I will propose legislation halving the rate of state income tax on all persons of any income level above the age of 65. The state takes far too much money from every class of citizens, but the burden on the aged is especially intolerable.

Second, I will propose legislation to eliminate entirely all property taxes for homeowners over the age of 65 on their primary residence. For years, the state has been forcing older people into shabby rented rooms by raising their property taxes. It is an unnecessary and cruel fate, and I will put an end to it.

Well, no one is ever going to give a speech like this, so I might as well forget it before I get carried away.●

REGULATION OF SMOKE DETECTORS CONTAINING RADIOACTIVE ISOTOPES

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. WEISS. Mr. Speaker, I am introducing two bills today which would regulate the sale of a widely used variety of smoke detector containing radioactive isotopes. I urge my colleagues to join me by cosponsoring these important bills.

One bill would prohibit the interstate sale of the ionization smoke detector. These devices which account for about 75 percent of all currently marketed smoke detectors, contain a highly radioactive substance, usually americium-241.

A number of highly respected scientists and radiologists have pointed out that this material, a waste product from the nuclear cycle, represents a serious threat to human health and to the environment. Americium-241 is, for example, 53 times more radioactive by weight than plutonium-239. It has a half-life of 458 years, meaning that it will retain its potentially lethal properties for several centuries. Ingestion of even a minute amount of americium-241 can cause cancer.

A safe and reliable alternative to the ionization type detector is currently available. This is the photoelectric variety which does not contain any radioactive material and has been shown to be effective in providing early alerts.

The other bill that I am introducing today would, as an interim measure, help to alert the millions of consumers who purchase smoke detectors to the potentially serious radiation hazard the ionization model presents. This bill would require manufacturers of ionization smoke detectors to affix to their product and its packaging a notice which states: "This device contains radioactive material which may be hazardous to your health if ingested or improperly disposed." A recognized symbol for radioactivity would also have to appear on the product.

Prospective purchasers of smoke detectors would be given essential information on the possible risks associated with these products. Forewarned by this notification, a consumer would then be free to choose between the ionization device or a comparably effective model which operates on a photoelectric principle and which contains no radioactive material.

There is no justification for continuing to sanction the sale and distribution of an unlabeled device which significantly increases radiological health hazards. These bills are important consumer product safety initiatives that will help safeguard public health and environmental quality. I hope that my colleagues will recognize the danger posed by the ionization smoke detector, and act accordingly by cosponsoring these bills.

H.R. —

A bill to provide that ionization smoke detectors containing any radioactive isotope shall be considered banned hazardous substances subject to the prohibitions of the Federal Hazardous Substances Act

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That any ionization device which—

(1) is designed to detect the presence of smoke in the atmosphere; and

(2) contains any radioactive isotope;

shall be considered to be a banned hazardous substance for purposes of the Federal Hazardous Substances Act (15 U.S.C. 1261 et seq.), and shall be subject to the prohibitions established in section 4 of such Act (15 U.S.C. 1263) and to the other provisions of such Act.

Sec. 2. Any person who violates the provisions of section 4 of the Federal Hazardous Substances Act (15 U.S.C. 1263), in connection with the manufacture of the device specified in the first section of this Act, or in connection with the introduction or delivery for introduction of such device into interstate commerce, shall be subject to the penalties established in section 5 of such Act (15 U.S.C. 1264).

Sec. 3. The device specified in the first section of this Act shall be liable to seizure in accordance with the provisions of section 6 of the Federal Hazardous Substances Act (15 U.S.C. 1265).

H.R. —

A bill to provide that ionization smoke detectors shall bear a label specifying that they contain radioactive materials

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That it shall be unlawful for any person engaged in the packaging or labeling of any ionization smoke detection device for distribution in commerce, or for any person (other than a common carrier for hire, a contract carrier for hire, or a freight forwarder for hire) engaged in the distribution in commerce of any packaged or labeled ionization smoke detection device, to distribute or to cause to be distributed in commerce any such device if such device is not labeled in a manner which complies with the requirements of section 2.

Sec. 2. (a) Any ionization smoke detection device distributed in commerce shall bear a label which—

(1) includes a recognized symbol indicating the presence of radioactive material; and

(2) bears the following statement: "This device contains radioactive material which may be hazardous to your health if ingested or improperly disposed.".

(b) The label required in subsection (a) shall be affixed to the outside back panel or portion of any ionization smoke detection device, and to any package containing such a device.

Sec. 3. Any violation of the first section of this Act shall constitute an unfair or deceptive act or practice in commerce in violation of section 5(a) of the Federal Trade Commission Act and shall be subject to enforcement under section 5(b) of the Federal Trade Commission Act.

Sec. 4. For purposes of this Act—

(1) the term "commerce" means—

(A) commerce between any State, the District of Columbia, the Commonwealth of Puerto Rico, or any territory or possession of the United States, and any place outside thereof; and

(B) commerce within the District of Columbia or within any territory or possession of the United States not organized with a legislative body;

but such term does not include exports to foreign countries; and

(2) the term "ionization smoke detection device" means any device which—

(A) is designed to detect the presence of smoke in the atmosphere; and

(B) contains any radioactive isotope.

Sec. 5. The provisions of this Act shall apply to any ionization smoke detection device which is available for retail sale in commerce after the date of the enactment of this Act.●

SUNSET ACT OF 1979

HON. JAMES J. BLANCHARD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

Mr. BLANCHARD. Mr. Speaker, today Representatives Mineta and Gephardt and I—along with 73 other cosponsors—are introducing H.R. 2, the Sunset Act of 1979.

It is time now, in this Congress, for the House of Representatives to make a serious commitment to such legislation.

The background work has already been done. Our sunset legislation and its Senate companion bill, sponsored by Senator Muskie, were first introduced in the 94th Congress. The bills have undergone extensive review by House and Senate panels over the past two Congresses. And at the close of the last session, the Senate sunset bill, S. 2, was passed by the Senate by an overwhelming vote of 87 to 1.

Sunset provides Congress with an effective, orderly process to seriously review Federal spending. At the same time, it provides a workable way of addressing the growing realization within Congress itself of the need for genuine oversight. It is designed to give Congress the tools it needs to exercise its budgetary responsibilities.

We lack such tools now. The present system under which we operate is haphazard. Three-fourths of the Federal budget is termed "uncontrollable," meaning that it will be spent automatically without any congressional action. Eight hundred of more than 1,200 programs are permanent, never coming under any regular congressional review. Programs within the same budget subfunction frequently have various dates of expiration—if they have any at all—and various committee jurisdictions—allowing very little opportunity for systematic review.

While the reforms of the 1974 Budget Act have enabled Congress to make informed decisions about overall levels of Federal spending and revenues, there remains a gap in dealing in an informed way with individual parts of the Federal budget Sunset legislation will fill that gap.

Two of the many reasons why "Sunset" should be a priority of this Congress are revealed by the economic and social policy debates occurring in Washington and throughout the land. First, to the extent that continuous Federal budget deficits fuel inflation—how are we to end that chronic problem? Certainly not by rhetoric—that has gone on long enough. The fact is that the Congress does not have a process which requires review of the 1,200 Federal programs in place. Without such a process, we will have no real budget control. Sunset will help give us that control. Another serious issue is how are we going to finance new policy initiatives or fully fund worthwhile existing programs?

The evidence shows that if we are to find the money for these endeavors we will have to weed out programs that are duplicative or wasteful—because, simply speaking, the money for new initiatives is very limited. The Senate Budget Committee recently calculated the potential cost of 31 new programmatic initiatives likely to come before Congress over the next 5 years including national health care. They found that from 1980 to 1983, those 31 programs could cost as much as $416 billion, and that we can only expect to have available $120 billion in new revenues to pay for them. Given these figures, Congress could soon have to choose the lesser of two evils: either to reject new programs and initiatives in existing programs, or to pay for them by raising taxes or by raising the Federal deficit. It would be foolish to follow either of those courses, and the public reaction would prevent such conduct anyway.

Sunset legislation offers a workable alternative. Its key aim is to identify programs that are wasteful or no longer useful, and make needed room for more effective funding of worthwhile programs.

The bill we are introducing today is virtually identical to the Senate-passed sunset bill, with the addition of a provision to include tax expenditures under a sunset review. It includes the following provisions:

Require that all Federal programs be reviewed and reauthorized at least once every 10 years;

Terminate funding for any program which Congress does not reauthorize;

Require the review and reauthorization of similar programs at the same time and in relation to each other;

Establish an explicit, but flexible, review procedure for committees to follow in determining the appropriate funding level for programs they authorize;

Exempt from the reauthorization requirements certain Federal retirement programs to which individuals have contributed in anticipation of later return; and

Require the House Ways and Means and the Senate Finance Committees to draw up a similar review and reenactment cycle for tax expenditures.

Further action on sunset legislation is essentially up to the House of Representatives—and we believe that the House is ready to make this commitment. One hundred and eighty Members sponsored the bill in the 95th Congress. In addition, the results of a poll by Common Cause show that more than two-thirds of House Members support sunset legislation for Federal programs and tax expenditures.

We cannot afford to postpone sunset any longer—the task before us is clear and a commitment to effective action must now be made.

TO AMEND TITLE 23, U.S. CODE, RELATING TO ENERGY-IMPACTED PUBLIC ROADS

HON. WILLIAM C. WAMPLER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. WAMPLER. Mr. Speaker, today I am introducing a bill to amend chapter 1 of title 23 of the U.S. Code to add a new section concerning energy impacted public roads.

Last year, language identical to that in the bill I am introducing was included in the House version of the Surface Transportation Assistance Act of 1978. However, this important language was deleted during the House-Senate conference and was therefore absent in the final version which was signed into law.

Although the bill will assist in the repair and construction of public roads used in the transport of several energy resources such as oil, natural gas and coal, my emphasis at this time in introducing the measure is to stress the need for assistance on our coal-haul roads. The very nature and location of coal mining necessitates the use of trucks, and therefore highways and roads, as the chief mode of transportation for this vital and abundant energy resource.

Many of my constituents have written to me regarding their opposition to imposing a national severance tax on coal to provide the funds for the upgrading and repair of these roads. However, I also do not feel that this is the method by which improvements should be financed. Additional taxes on the coal industry, already dogged by Federal intervention and regulation, can only have a further negative effect on production of this much needed energy resource. To prevent the further counterproductivity which would be caused by such a tax, the legislation I am introducing would authorize the use of moneys from the Highway Trust Fund for fiscal years 1979, 1980, 1981, and 1982. It will be in the interest of the general public, both from a safety viewpoint and from an energy resources viewpoint, to improve these roads.

In order to prevent impediments to the timely transportation and delivery of coal, and to assure the safety of all who utilize the highways and roads over which coal is hauled, immediate assistance for upgrading or constructing the effected transportation arteries is necessary. My bill will provide this assistance, and I am hopeful that early hearings can be held on the issue I have presented.●

UNTRUE MYTHS ABOUT AGING

HON. CHARLES E. GRASSLEY

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. GRASSLEY. Mr. Speaker, older citizens in our society have long been the brunt of a range of myths concerning what happens to us as we age. Many of the more ridiculous of these have fortunately been disproved in recent years, but others persist.

In a recent Associated Press story—which appeared in the Waterloo, Iowa Courier and was datelined Madison, Wis.—Prof. Fred Lengfeld, chairman of the University of Wisconsin extension program on aging, was extensively quoted on the work he has done in the area of aging myths. As we consider the merits of allowing the House Select Committee on Aging to continue its work, I ask that we keep the article, and the work of Professor Lengfeld, in mind. It is evidence to me that our older citizens are as much in need of special representation in the Congress as they ever have been, and that the work of our committee is far from complete. The text of the article follows:

MADISON, Wis.—True or false? People over the age of 65:

(a) often feel physically miserable;
(b) have more auto accidents;
(c) are often bored, isolated and lonely;
(d) are more religious.

All the answers are false, according to Professor Fred Lengfeld, chairman of the University of Wisconsin Extension program on aging.

Lengfeld says scientific studies he did with other researchers turned up repeated popular myths about old people.

For instance, he says, younger people tend to think their lives and interests will change in later life.

One study showed that UW-Madison undergraduates' favorite activities are things like horseback riding or sailing or basketball. But when listing what leisure activities they actually pursued most often, UW-Madison undergraduates listed napping, walking, eating and conversation, in that order.

A similar survey among the elderly, Langfeld says, showed their most common leisure activities were napping, walking, eating and conversation, in that order.

"Our educational institutions have spent too much time on the present and the past but not enough time has been spent on the future," says Lengfeld, himself a spry 62-year-old whose career spans four decades of physical education and coaching.

Here are some of Lengfeld's examples of "myths and realities" about the nation's more than 20 million persons aged 65 or above:

Besides vision and hearing, touch is the other of the five senses which most often diminishes as a person ages.

Only 15 percent of the elderly live below poverty levels.

Physical strength often declines in old age, but many authorities believe that stems primarily from reduced exercise.

Only 4.8 percent of the nation's aged—65 or older—live in long-stay institutions such as nursing homes.

Older people may take longer to learn something new, but given adequate time they learn it at least as efficiently as the young.

Twelve percent of the elderly hold paying jobs. Nineteen percent are involved in volunteer work.

Older workers are more dependable and have fewer accidents.

Lengfeld relates a favorite story, about attending a recent senior citizens' group dance where an elderly woman dropped dead of a heart attack in the midst of a vigorous polka.

Instead of widespread horror, he says, most of the elderly dancers simply nodded to each other saying, "Wasn't that a nice way for her to go?"

The ancedote, Lengfeld says, sums up a lot of what it means to be old.

"Death is very common and it's just part of the performance," he says. "It's indicative, again, of how tough old people really are." ●

FLOOR STATEMENT OF THE HONORABLE MARIO BIAGGI, CHAIRMAN, SUBCOMMITTEE ON COAST GUARD AND NAVIGATION, UPON INTRODUCTION OF A BILL ON OIL POLLUTION LIABILITY AND COMPENSATION

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. BIAGGI. Mr. Speaker, I am introducing today a bill to provide a comprehensive system of liability and compensation for damage caused by oil pollution—and for removal costs. As you no doubt are aware, this has become necessary due to the failure of the Senate to act on the extensive work we completed here in the House on September 12, 1977, during the 95th Congress, when we passed H.R. 6803.

This legislative initiative actually had its inception over 10 years ago when the tank vessel *Torrey Canyon* grounded off the southwest coast of England in 1967. In that incident, approximately 100,000 tons of crude oil were spilled into the ocean and ultimately fouled the shores of the British Isles and the coast of France.

The oil pollution problem was again highlighted in 1969 when a production platform off Santa Barbara, Calif., suffered a blow-out which lasted for many days and discharged considerable amounts of oil before it could be brought under control.

Since then, numerous other casualities have highlighted the oil pollution problem and the need for a national and comprehensive oil spill liability and compensation scheme.

While existing oil pollution legislation permits compensation for cleanup and removal cost, there is no legislation which adequately and timely compensates those who have been victimized.

One particular casualty, the grounding of the very-large crude carrier, *Amoco Cadiz*, of 228,513 deadweight tons, off the coast of France on March 16, 1978 is the most recent and most memorable reminder of the need to establish such a system as soon as possible. It is absolutely necessary to provide for adequate compensation to those parties who suffer damage from the effect of oil pollution incidents occurring along our coasts and in the waters of the United States.

Prevention of oil spills is still considered to be the most effective means of protecting our coastal and estuarine environment from damage. The Port and Tanker Safety Act of 1978—which I was privileged to sponsor and pursue during the 95th Congress—should be very effective in this area of prevention. However, we cannot preclude the possibility of oil spills occurring due to mechanical failures and the carelessness of individuals.

In the United States, the public's concern has led to the enactment of a number of measures to improve the quality of our waters and control pollution. The Water Quality Improvement Act of 1970—which was subsequently amended by the Federal Water Pollution Control Act Amendments of 1972—and most recently amended by the Clean Water Act of 1977—declared, as a national policy, that there should be no discharges of oil into or upon our waters. In addition to numerous specific measures for the protection of the marine environment, they established liability on the part of spillers for the costs of cleanup. These acts, however, do not address themselves to the question of any damages other than for the costs of cleanup.

Three other Federal statutes have been enacted which do address the problems of liability for damages. In the Trans-Alaska Pipeline Authorization Act, the Congress in 1973—for the first time—addressed in Federal statute the issue of liability for damages other than cleanup costs. We created a compensation fund available to respond to damage caused by oil pollution from vessels moving TAP's oil to ports in the continental United States.

A similar scheme of liability and compensation was also established in the Deepwater Port Act of 1974 for oil pollution damage from offshore facilities constructed pursuant to the act or from vessels at those facilities.

Recently, the Congress—in enacting the Outer Continental Shelf Lands Act Amendments of 1978, during the last days of the 95th Congress—established a similar liability and compensation scheme for oil pollution damage related to ICS activities.

The Coast Guard has already proposed enabling regulations for the establishment of a federally administered Outer Continental Shelf Fund to provide compensation for losses which are not otherwise compensated. These regulations detail requirements for the establishment of financial responsibility, settlement and adjudication of claims, notification of oil pollution incidents, designation of pollution sources, and many other related provisions.

These measures are necessary to insure that funds are available to pay for the prompt removal of any oil spilled or discharged as a result of OCS activities—and to compensate for any damage to public and private interests caused by such spills or discharges when, for whatever reason, payment is not made by those responsible for the source of the oil pollution.

While this offshore fund legislation focuses on oil pollution incidents arising in connection with OCS activities, it contains parallel provisions to the House-passed bill, H.R. 6803, which was not acted upon by the Senate during the latter part of the 95th Congress.

The bill I am introducing today likewise parallels these provisions and will expand the scope of coverage to include virtually all marine oil pollution from vessels and from onshore facilities. My proposal, which has been generally referred to as super fund legislation, would continue the imposition of strict liability on persons responsible for an oil spill—while creating a domestic compensation fund that would be available to settle claims in excess of a spiller's liability.

The concepts of super fund have had broad support from the users of oil—from the oil industry itself—from the insurance industry, who does the underwriting—and from many environmental groups. The passage of H.R. 6803 by the House during the last Congress—by a recorded vote of 332 to 59—is a significant attestation of support.

The bill I am introducing today should continue to receive overwhelming bipartisan support. The bill:

Establishes strict liability for the owners and operators of the source of oil discharges;

Creates a backup compensation fund to respond to damage claims which are not satisfied;

Provides for maintaining the fund at a level of between $150 and $200 million by the collection of a fee—not to exceed 3 cents per barrel of oil received—from the owners of the oil;

Provides for superseding duplicative funds and procedures which now exist in various Federal and State statutes;

Provides for evidence of financial responsibility sufficient to satisfy the maximum amount of liability; and

Provides a simple and workable claims settlement procedure.

I reiterate my prior conviction that this bill is practicable in application—and fully considers the needs of those who have been victimized by oil pollution. I firmly believe that we must act now in the public interest and provide a comprehensive oil pollution liability and compensation scheme—the often referred to super fund.

One might ask "why has this legislative initiative—if it has broad support—met strenuous opposition by our colleagues in the Senate?" Before commenting, I might note that only a limited number of our colleagues and their staffers in the Senate have voiced opposition—but those few have been successful in preventing enactment of this important legislation in the last two Congresses.

Prior to discussing the issues which prevented enactment, I would like to discuss the study by the attorney general on the methods and procedures for implementing a uniform law providing liability for cleanup costs and damages caused by oil spills from ocean-related sources. This study was reported to the Congress on July 3, 1975.

As many of you might recollect, during Congress' consideration of the Deepwater Port Act of 1974 (Public Law 93-627, enacted on January 3, 1975), the weaknesses in oil spill liability and compensation laws became indisputedly evident. The Senate, in particular, adopted a provision which required that "the study shall give particular attention to methods of adjudicating and settling claims as rapidly, economically, and equitably as possible."

I believe that the Attorney General's study and his report have served as valuable background to the intricate legal problems associated with oil pollution liability and compensation. I further believe that the bill we passed in the last Congress and the bill I am introducing today have considered or adopted all of the recommendations in the report.

One of the major issues which received and continues to receive considerable attention is the question of preemption of State laws.

It has been claimed that, by permitting the States to establish liability schemes and other requirements as they see fit, the States—on an individual basis—can develop such strict requirements that the owners and operators of all modes of transportation—that is, vessel, truck, train, and pipeline—and the owners and operators of storage, transfer, and processing facilities will exercise such extreme care and diligence that there will be no oil pollution. This is simply not true. This is what I call emotional reasoning, completely without foundation, in fact.

The simple fact is that in any business or industrial activity there is a recognized potential for damage with attendant liability. Even the homeowner or renter recognizes that he can cause damage to a visiting guest and can be made liable for those damages .

The issue of liability touches all of us in our day-to-day activities, and we protect ourselves by obtaining the necessary insurance. The transportation industry—the oil industry—any industry, like the homeowner or renter, protects itself with insurance.

No matter what liability limits are established—and no matter who, State or Federal, establishes them, the end line is insurability. For example, if a vessel operator cannot obtain insurance, then there will be no vessels carrying the needed oil. The same can be said for the other modes of transportation. A case in point is the history of the oil pollution liability law in the State of Florida.

While the Supreme Court upheld some provisions of that law, the inability to insure to meet these provisions—and the resultant loss of vessel transportation of oil—created a serious oil distribution problem that was only remedied when these provisions were not enforced. As a matter of fact, they were eventually brought in parallel with existing Federal law, where they remain today.

It is also argued that the States should have the right to maintain their own funds—to charge their own fees—and to provide for the payment of any economic or natural resources damages they see fit.

No one argues with this right, and no one wants to see an erosion of State power. However, one must think of the consuming public—the ones who will, in the end, pay for whatever liability and compensation scheme or schemes are developed.

A patchwork of oil spill liability and compensation laws on the Federal and State levels can only create excessive bureaucracies and a quilt of paperwork which would stretch beyond the imagination.

How can the various affected industries and transportation modes be able to cope with fifty or more liability and compensation schemes and funds which I am sure are going to be varied and complex? The burden we are imposing—if we do not preempt State laws in this field—will only create a greater burden on you and I—the paying consumer. I sympathize with those who advocate State's rights, but I have considerably more sympathy for the paying consumer.

I believe we must ask ourselves, "What do we really want and how can that best be achieved?"

First, we must consider what damage should be made compensable.

Second, we must examine the limit of liability we want to impose.

Third, we want to make sure that, no matter what the damage is, there will be funds available for compensation.

Fourth, although we want the oil industry to pay for the creation of a fund, it must be recognized that the user of oil—the consumer—in the end will be paying through increased cost of the product.

I believe my bill provides for a simple and practicable system for the compensation of a broad range of oil pollution damage. It also imposes reasonable and insurable limits of liability on the owner or operator of the particular transportation mode or facility—thereby making him the front-line payer in most instances, and insuring front-line responsibility for responding to an oil pollution incident.

In those cases wherein damage claims are not satisfied, there is a compensation fund of up to $200 million available as a backup. The creation of the super fund will be through the imposition of a fee on oil received which should be adequate to meet all anticipated contingencies. Further, once the fund reaches its limit, the interest alone should generate sufficient capital—thereby reducing or eliminating the fee and, in turn, removing another burden from the consumer.

Another issue is the one of hazardous substances. There is no denying that hazardous substances threaten the public and the environment. However, the issues of hazardous susbtance pollution enforcement, liability, and compensation are highly complex and contain a number of problems which are not found in the development of an effective oil pollution enforcement, liability, and compensation program.

Despite passage of the Federal Water Pollution Control Act Amendments in 1972, this Nation has not had an effective hazardous substance program—even though the legislation we developed in 1972 was well-intended. It does absolutely no good to enact requirements which can not be enforced due to technical unfeasibility and impracticability.

To highlight the problem of enforcement for hazardous substance pollution—and without considering the issues of liability and compensation—it is history that the Environmental Protection Agency has not, until very recently, been able to even agree on a list of hazardous substances.

Once the list was published and enforcement began, the courts enjoined the enforcement actions as being patently arbitrary and capricious. A "quick fix" to the Federal Water Pollution Control Act in the waning days of the 95th Congress might permit an effective enforcement program; however, this is yet to be proven.

Hazardous substances is not only a subject unto itself—separate and apart from oil pollution—but is also full of complex subdivisions and degrees of hazard within themselves. Certainly, it can be agreed that the probability and extent of damage that can be created by—say, certain acids—is completely different than the probability and extent of damage that can be created by chlorine gas and, again, different from liquefied natural gas. Even within the compressed gas field itself there are differences in probability of damage between certain related gases.

In addition, it is my understanding that the administration has established a task force to study the numerous issues related to hazardous substances liability and compensation—and that the same issues are also the subject of extensive conferences in the international maritime community through the Inter-Governmental Maritime Consultative Organization.

In summation, I believe the hazardous substance problem is a separate and highly complex one that should be handled by separate legislation after everyone has been given an opportunity to be heard. This would permit the establishment of a fair and equitable hazardous substances liability and compensation scheme—coupled with an aggressive and effective enforcement program.

I had hoped that, during the last Congress, we could have put oil pollution liability and compensation to rest—and then, during the 96th Congress, we could have concentrated on hazardous substances legislation. This has not been the case. However, I once again promise my wholehearted cooperation in addressing this problem as soon as the oil pollution super fund legislation is passed by the Congress.

A third issue which has had extensive review is the limit of liability problem. During the 95th Congress, the hearings on H.R. 6803 and the attendant report clearly documented the rationale for certain limits of liability.

The bill provides that, in the preponderance of incidents, the source of the pollution will be liable for all claims. In those cases where the pollution is extensive, the source of the pollution will be held liable for all claims up to reasonable and insurable limits, while the owner of the oil carries the burden for claims exceeding those limits by contributing to the fund. Thus, the cost of oil pollution is spread between the owner or operator of the transportation mode or facility from which oil enters the environment—and the owner of the oil which creates the pollution risk.

Ultimately, of course, as I have previously stated, the cost is reflected in large measure in the cost of the product—and is therefore borne by the user of the oil, the consumer.

Different limitations of liability are necessary due to the many varied modes of transportation and facilities. With respect to different limits of liability for various types of vessels, it is readily apparent that a general cargo freighter—carrying only oil bunkers for the vessel's operation—does not present as great a risk of oil pollution as a tank vessel that not only has bunkers on board but also carries a cargo of oil.

The same rationale is applicable to tank barges, which often carry considerably less than a self-propelled tank vessel. However, it must be remembered that limitations of liability do not reduce the amount of funds available for payment of damages, since the fund—which is supported by all oil owners—is available to pay any additional amounts above the limitations.

During the last Congress, there was considerable discussion within both the Subcommittee on Coast Guard and Navigation and the Committee on Merchant Marine and Fisheries on a maximum ceiling of liability for tank vessels. There was eventual agreement on a maximum level of $30 million, because this was reported as being the so-called insurable limit, the limit of coverage that could be provided by the international insurance market.

A fourth issue which I have reviewed and reconsidered is the many purposes which have been advocated for the use of the fund. I still believe that the fund should be established for limited purposes—and should provide an immediate source of available funds for cleanup and should assure reasonable and expeditious compensation to the damaged party.

I do not believe the fund we are establishing should be available for the payment of costs which are of a capital or research nature—and which are normally subject to authorization and appropriation processes.

A fifth issue of a somewhat lesser concern has been the method and procedure for processing claims and the related administration of the fund. The bill is designed to provide for minimal governmental interference—with strong incentives for prompt and equitable settlement using detailed statutory provisions.

I believe that many of these procedures are so important in creating substantial incentives to settle damage claims that they cannot be left to the imagination of the administration through regulatory and rulemaking procedures.

Further, many of these requirements—such as types of claims payable; types of investigative, court, or attorney fees; and the availability of interest charges—are so substantive that we might create a vacuum if they were not included in the bill.

The objectives of my oil spill liability and compensation legislation are to:

Establish one fund at the Federal level that will provide ample money for prompt compensation of oil spill damage;

Establish one set of oil spill liability laws for the entire Nation, covering all types of oil spills from all sources;

Remove the overlaps and bare spots of the present patchwork system; and

Minimize the bureaucracy.

This, in turn, will benefit the one who has been victimized as well as the one who will pay for this compensation—the ultimate consumer of oil.

I, therefore, am introducing legislation similar to H.R. 6803, which was passed by the House during the last Congress, for reconsideration by this Congress.●

NORMAN ROCKWELL

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. CONTE. Mr. Speaker, shortly after adjournment of the 95th Congress, Norman Rockwell, perhaps this century's best known American artist, died at the age of 84. He lived in Stockbridge, Mass., which lies in my district, for 25 years. Despite his fame, he lived without pretention and mingled in the town's activities. The faces of Stockbridge residents appear often in his paintings. The town people considered him above all else, a good friend and neighbor.

Two Rockwell reproductions hang in my office. One is Freedom of Speech, from the well known series, The Four Freedoms, Freedom of Worship, Freedom from Want, and Fredeom from Fear, based on an address given to Congress by President Roosevelt at the beginning of World War II. The other is a townscape of Stockbridge at Christmastime. Norman Rockwell had many sides and he illustrated many things. His paintings cover a wide range of human actions, actions, reactions, quirks, and foibles. They can be amusing, nostalgic, noble and disarmingly candid. But I would like to mention one thing in particular that he brought to our society, and that is his contribution to the spirit of patriotism in the United States.

Many of us can remember the paintings Rockwell reeled off during World War II serviecmen, Wacs and Waves, that became a popular part of the Nation's war effort. Pride in this country and the democratic spirit emanate from many of his paintings. He was so close to the changing mood and tempo of American life that we can trace in his life work a pictorial essay that spans 65 years of American history, from early flashbacks to World War I, up to Rockwell's depiction of the civil rights campaign of the 1960's. Norman Rockwell cared deeply about America and throughout his career, he quite literally charted every aspect of the American dream.

His portraits are of people who have heritage, loyalty, reverence, pride and compassion.

Although he painted Presidents, his real heroes were the common people. And so we have a friendly doctor who will listen expectantly through his stethescope for the heartbeat of a little girl's doll. And we see a man entering the ballot box on election day who eyes the newspaper photographs of the candidates conscientiously. Clearly, he is undecided about which man is deserving of his vote. Never was human nature shown to such advantage.

There is no place in the world of Rockwell's paintings for wars that should not have been fought, convoluted problems or dashed hopes. There is only the brightness of opportunity. The young soldier telling war stories in a local grocery store is regarded by all with admiration and respect. And when people argue or gossip, it is endearing and somehow humorous.

Since his death, many have been careful to note that Rockwell's penchant for idealization may have ruined his chances of being considered a great artist. But whether he is to be considered by posterity as an artist or an illustrator, he did reach millions of Americans, and this, more because of than in spite of his idealism. His style of perfect optimism was deliberate. He said, "I paint life as I would like it to be." In his work, he had blinders which he held up continually to the bad and the ugly in society because his endeavor was to show the good things about our country and ourselves.

If our efforts could match his optimism in intensity, we might consider ourselves a part of his vision. His work remains, a source of happiness for many and a gentle reminder of the promise and peace in an honest exchange, mutual trust and a sense of community. In the crystal clear expressions of people whose lives are uncomplicated, we can recognize the endurance of loyalty and compassion, the uplifting of the American ideal, and the quality of human life with gratitude.

We of the Berkshire Hills were proud to have him as a friend and neighbor and we will not easily forget him.

[From the Berkshire (Pittsfield, Mass.) Eagle, Nov. 9, 1978]

STOCKBRIDGE MOURNS LOSS OF AN OLD FRIEND

(By Stephen Fay)

STOCKBRIDGE.—The scene this morning in the town that Norman Rockwell adopted 25 years ago was reminiscent of anything but a Rockwell illustration. Where Rockwell saw dignity, humor, befuddlement and joy, today one sees dejection and melancholy. Norman Rockwell, who relied to a great extent on local faces to depicit universal emotions, died last night alone and in bed. He was 84 years old.

Ernest W. Hall, owner of the Red Lion Garage off Main Street, served as the model for Rockwell's 1955 Saturday Evening Post cover illustration entitled "Expense Account," (reproduced on page 10 of today's Eagle). Like so many people in town, Hall has lost a friend.

"I don't know why he picked me," Hall said today, recalling the day the famous illustrator asked him to sit for a picture.

Hall recalls Rockwell's warmth and humor. The painter cracked jokes and visited pleasantly with Hall while he worked away on his canvas. Incredibly, Hall said, Rockwell had him sit for only an hour.

"I guess he knew me pretty well," Hall said.

Rockwell made it his business to get to know people. His afternoon bike rides, his visits with his neighbors and his talks to area groups were recalled with sad pride by many this morning.

"He was a very warm, a very gracious man," said Richard J. Clemens, former state police officer in Lee and Pittsfield, who was depicted in the 1958 Post cover called "The Runaway," (page 10).

Clemens now chief of plant protection at the Pittsfield General Electric plant, said that he and Rockwell used to be neighbors on South Street here, and that Rockwell was glad to meet his neighbors on the street and visit with them. The illustrator created a Christmas card for the Massachusetts State Police. He once had Clemens and another officer over for dinner.

"It's a great loss," Clemens said, "he was a bit of Americana that will never be duplicated."

David H. Wood, curator of the Old Corner House on Main Street, which serves as a museum for many of Rockwell's works, spoke of his old associate and friend this morning, after first coming out of the museum to turn back a bus load of tourists who, like more than 350,000 visitors before them, wanted to view the comic and compassionate works for which Rockwell was famous. The museum will be closed until Monday.

Wood said that Rockwell had been infirm for more than a year. The last time he attempted to paint was last spring, Wood said, when he struggled over to the studio in the yard by the house he shared with his wife of 17 years. The painting on which he had been working depicts an apocryphal incident from the history of Stockbridge. It shows the Rev. John Sargeant with a Stockbridge Indian at the Mission House, Sargeant's home, now located on Main Street here. The painting is still sitting on the easel.

"It will stay there," Wood said.

As to the cause of the artist's death, Wood quoted Mrs. Rockwell: "He died of being 84 years old."

Mr. Rockwell was born in New York City Feb. 3, 1894. He was the son of Jarvis and Mary Hill Rockwell. He served in the U.S. Navy during World War I. An illustrator most of his life, he came to Stockbridge 25 years ago from his former home in Arlington, Vt.

He leaves his wife, Mary (Molly) Leete Punderson, a Stockbridge native; three sons, Thomas R. Rockwell of Freedom Plain, N.Y., Peter B. Rockwell of Rome, Italy, and Jarvis W. Rockwell of Stockbridge and seven grandchildren.

The funeral will be Saturday afternoon at 2 at St. Paul's Episcopal Church. There will be no calling hours. Burial, in Stockbridge Cemetery, will be private.

The family has requested that in lieu of flowers, memorial contributions be made to the Lenox or Stockbridge libraries, or to the American Friends Service Committee.

Times Critic Takes a Look at Rockwell

(By John Russell)

New York.—Norman Rockwell was lucky enough to live at a time when the demand for what he could do had no limits. Furthermore, what he could do was what he wanted to do.

"I've always wanted to be an artist," he once said. "I can't remember wanting to be anything else." He also said, when he was a student, that he wanted to be a great illustrator. He worked very hard, he took all the opportunities that came his way, and he happened to be around at a time when the cover of The Saturday Evening Post was an infallible index to popular feeling.

HE CAUGHT THE TIDE

This meant that the tide of life was running Norman Rockwell's way. Fifty years earlier, he would have been a neat and nimble draftsman—no worse and no better than many another. Today, he would be an amiable anachronism. But in the heyday of the weekly magazines Norman Rockwell spoke loud and clear for a majority of the American people, and that majority knew it at once and said "Thank you."

He was perfectly well aware of his good fortune, and he was not at all puffed about it. He never forgot how he had been on stage with Enrico Caruso, when Caruso had been Radames in "Aida" and Norman Rockwell had carried a spear by his side. Caruso had spotted Rockwell as an art student and made a point of being nice to him. Neither Caruso, nor Rockwell, nor anyone else at that time ever dreamed that Rockwell one day would be even more famous than Caruso. And when he was summoned in 1952 to draw Dwight D. Eisenhower at 2½ hours' notice, Rockwell was as nervous as a beginner. He never got spoiled.

Undeniably he appealed to a middlebrow audience that knew nothing of art. He stood by that audience. "I cannot really convince myself," he once said, "that any painting is good unless it is popular." If people did not respond to one of his covers, he took it as a rebuke and worried for days on end as to where he had gone wrong. He knew that he ought to trust his own judgment, but he didn't.

This could have been his downfall, but when he was put to the test he came out on the right side. When Franklin D. Roosevelt defined the four essential freedoms in his annual message to the Congress on January 6, 1941, Norman Rockwell knew that something fundamental was at stake, and he put that speech into images that would strike home across the boundaries of language.

A HUMBLE SPIRIT

When his designs were turned down, as occasionally they were, he took it in almost too humble a spirit. When they went through to universal acclaim, he himself sometimes had second thoughts. "I often caricature when I shouldn't," he would say. "I fail to see the people as real people. I oversimplify. I try to make them too cute."

All that was true, beyond a doubt. But it took a good man to admit it. Norman Rockwell will not live in the history of art; but as a witness to a certain view of America, and of what America should be, he was the right man in the right place at the right time.

Norman Rockwell, 84, Dies at Home

Stockbridge.—Norman Rockwell America's most famous artist and illustrator, died at his home on South Street last night at 11:30. He was 84.

The slender, white-haired artist continued the struggle to work even as the gathering infirmities of age overtook him. Some years ago he told an interviewer: "When I die, I want to be working on a picture and just fall over." It almost happened that way. On an easel in his nearby studio was a last painting—a humorous depiction of the town's Indian-Colonial heritage he started more than a year ago and never finished.

For years Rockwell had been a familiar sight, bicycling along the Stockbridge roads, often accompanied by his wife Molly. He and his South Street home and studio were obligatory targets for tourists. One, it is said, even climbed into Rockwell's bedroom window hoping to catch a glimpse of his quarry. The artist bore these intrusions with all possible grace.

Rockwell's fame grew over the years to the point where he became an American institution. His appeal spanned virtually every segment of society. The cognoscente sometimes wrinkled their noses at his work, calling him "illustrator" over "artist." For millions of his countrymen, however, he represented all they knew of art.

He let it be known to newspapers that he preferred to be called an illustrator. But, with his ever present sense of humor, he commented in an interview a few years back that when people pressed him in an argument over whether he is an artist or an illustrator. "I let them win the argument."

Despite his fame, which included receiving the 1976 Medal of Freedom, the nation's highest civilian award, he was simply "Norman" to his friends. Fame and humility were matching garments to him.

In 1969, a group of his Stockbridge neighbors purchased and renovated the Old Corner House at Main and Elm streets to provide a site for the display of Rockwell works. He loaned many of them for permanent display there, and the house became such a success that it has attracted 360,818 visitors since it opened.

Rockwell's modesty about his talents bordered on immodesty. In an interview as he neared 80, he called himself "just a hack illustrator who made a lot of money." The comment was classic understatement, implying that his work was easy and superficial.

Few artists paid as much attention to detail. For a Saturday Evening Post cover on the occasion of Charles A. Lindbergh's transatlantic flight in 1927, Rockwell worked for 26 straight hours to salute the event.

For a 1969 commission from Look magazine of Neil Armstrong's first step on the moon, Rockwell traveled to Houston to view the simulated moon surface there to get the most realistic effect.

If his art was enchanting, folksy, warm and unrealistic in social terms, he knew it and was unapologetic. In 1960, he commented at length:

"Maybe as I grew up and found the world wasn't the perfectly pleasant place I had thought it to be, I unconsciously decided that if it wasn't an ideal world, it should be. So I painted only the ideal aspects of the world, pictures in which there were no drunken slatterns of self-centered mothers, but in which there were instead foxy old grandpas who played baseball with the kids, and boys who fished from logs and got up circuses in the back yard. If there were problems, they were humorous problems. The people in my pictures are never mentally ill or deformed. The situations they face are commonplace everyday situations not the agonizing crises and tangles of life."

His work included nearly 400 magazine covers, every Boy Scout calendar but two since 1924, portraits of each president from Warren G. Harding to Richard Nixon, stars like John Wayne, Bing Crosby and commercial clients like fried chicken magnate Col. Harlan Sanders.

He rode the crest of the heyday of magazine illustration, and some of his paintings became as forceful as artillery. His World War II series of paintings of the four freedoms found its way into millions of American homes and typified the effort and goal of war.

In the troubled 1960s, Rockwell began to exhibit a strong social conscience. Themes of poverty, civil rights, the generation gap, the Vietnam War, and the threatened environment flowed from his brushes.

"I'm getting fed up with cute situations," he grumbled.

Norman Rockwell was born in New York City on Feb. 3, 1894, the son of Jarvis Waring and Nancy Hill Rockwell. At 16 he dropped out of high school and joined the Art Students League, where he earned his first commission by doing four Christmas cards for the wealthy Mrs. Arnold Constable. Soon he was illustrating books and getting regular advertising assignments.

At age 22, he went to Philadelphia in hopes of showing his portfolio to George Horace Lorimer, who had built a minor magazine into a giant with two million readers. The magazine was called The Saturday Evening Post. Lorimer bought two paintings for $75 each and approved three sketches for future covers. Rockwell recalled later, "I had arrived."

And indeed he had, for Liberty magazine soon tried to buy him away from the Post, offering him double his fee if he would move. But Rockwell preferred to stay with the first employer who had taken a chance on him, a canny decision since the Post immediately doubled his cover price from $250 to $500. His long-range good sense was borne out as well. Liberty magazine died a pauper's death in 1951.

Rockwell's first marriage ended in divorce. His second wife, Mary, who died in 1959, was the mother of his three sons; Peter, a sculptor; Thomas, a writer; and Jarvis, a modern painter. Six years after Mary's death, Rockwell married Mary L. "Molly" Punderson, a retired teacher.

"I realized a long time ago that I'll never be a Rembrandt," said Rockwell several years ago, "but I start each picture with the same high hopes, and if I never fulfill them, I still try my darnedest. Someone once asked Picasso which was his favorite painting, and he said, 'the next one.' I'll echo that," said Rockwell.

For Norman Rockwell there will no longer be a "next one," but millions of Americans will remember the ones that went before.●

OPPOSITION TO TAX BILL

HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. GONZALEZ. I opposed the tax bill that Congress passed last year because I did not believe that it was fair and equitable. It will not reduce the level of taxes for 80 percent of our citizens, it will not reduce any of the inequities that pervade the tax system and it will not stimulate significant new economy activity.

I was disappointed that we did not make more progress in making our tax system more equitable and I am again proposing legislation that I have introduced in the last two Congresses calling for a limit on Federal income tax of 10 percent on an adjusted gross income of $30,000 or less.

In the past 10 years we have seen prices skyrocket in every area of the family's budget, in food, clothing, gasoline and utilities, but the biggest increase has been in the amount of taxes our citizens must pay. Thoughtful taxpayers find themselves paying more for less and feel that they have absolutely no control over the tax system. They find it more complex each year and as a result two out of every five taxpayers is forced to seek outside help to complete tax forms.

The American tax system is the most successful in the world, because our citizens voluntarily comply with its requirements, and I'm convinced that they do not mind paying taxes as long as they feel they are paying their fair share and that everyone is doing the same. However, each time we amend the system the middle-income taxpayer feels that it is becoming more inequitable and they have reason to believe this. We make numerous changes in the tax system that end up benefiting everyone but the average taxpayer, who is generally not involved in certain financial activities to benefit from these changes. He then ends up feeling as though he is bearing the burden of the tax system and is not happy with this thought.

The measure I am proposing, to have a flat maximum tax rate for those under a certain adjusted gross income will certainly not cure all our economic problems, but it will allow a large portion of our taxpaying population a feeling that they not only can understand the system but that it is more fair and equitable.

I would hope that the House Ways and Means Committee would take the opportunity in this Congress to review my proposal and consider using this simple approach as a steppingstone to true tax reform.●

DEDICATION OF MACARTHUR SQUARE

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. WHITEHURST. Mr. Speaker, I had the good fortune to attend ceremonies in Norfolk last September 17 to dedicate a city block recently named MacArthur Square in honor of General of the Army Douglas MacArthur. From an impressive beginning when General MacArthur was laid to rest in the rotunda of that city's old courthouse on April 11, 1964, Norfolk's tribute to that great American has been progressively expanded by the addition of three splendidly functional yet architecturally harmonious structures. When, in January of 1978 Norfolk's city council named the entire block MacArthur Square, dedication ceremonies were scheduled for the late summer with Mr. Lowell Thomas, noted world traveler, author, and friend of MacArthur as the principal speaker. Gen. Lemuel C. Shepherd, Commandant of the Marine Corps in the mid-fifties also spoke, paying tribute to MacArthur's strategic brilliance, and at a preceding luncheon sponsored by the Association of the U.S. Army, the Army's Chief of Staff, Gen. Bernard W. Rogers delivered an impressive eulogy. The general's charming and spirited widow, Mrs. Jean MacArthur, was in attendance throughout and at the conclusion of the ceremonies took the microphone to briefly but warmly thank the participants and the audience of 2,000 assembled in the square's plaza for this wonderful tribute.

I am delighted and honored to bring the remarks of General Rogers, General Shepherd, and Mr. Lowell Thomas to a wider audience by printing the remarks in the RECORD.

The remarks follow:

DOUGLAS MACARTHUR MEMORIAL FOUNDATION CEREMONIES DEDICATING MACARTHUR SQUARE IN NORFOLK, VA.

(Address by Gen. Bernard W. Rogers, Chief of Staff, U.S. Army)

General Rogers: Colonel Hall, General Hill, Mrs. MacArthur, Your Excellencies, Members of Congress, Distinguished Guests, Ladies and Gentlemen.

You have honored me in asking that I speak on this occasion. Yours is an important chapter of the Association of the U.S. Army. Your work is valued by those of us in uniform and your chapter has a very special distinction. In having taken the name of a great American, Douglas MacArthur, you perpetuate the memory of a leader whose stature looms larger with each passing year. Somewhat later this afternoon, we will participate in a dedication ceremony which will provide another means to keep his memory bright to new generations of Americans who have not lived through the years he helped to shape.

On this occasion, it seems fitting that we should remind ourselves of the spirit and resolve of a man whose character and achievements have left such an imprint on our world.

Great men are to some extent formed by the circumstances around them. Yet one has the abiding conviction that Douglas MacArthur would have risen to the top in any setting at any time. His was a drive to serve and to succeed that few of us could ever sustain. That this drive was available to America during times of her greatest need must be counted as one of our single national blessings.

Douglas MacArthur does not belong to the United States alone. His service is the heritage of free men everywhere, and though performed in America's name, his actions and inspiration reached more broadly to ensure that men elsewhere could aspire to the dignity and expanse of freedom. He thereby touched the lives of many more millions of people than our forefathers had in mind over two centuries ago, when they dedicated themselves to the cause of liberty.

The challenges which General MacArthur faced during his crowded life were awesome. Men of less determination and ability would have been well satisfied with but a small portion of those he was dealt. Yet General MacArthur rose to each occasion in turn, and over each in turn be prevailed. Some of those major moments I should like to recall.

His record as a cadet at West Point was unmatched, and it set a sure pattern for the career which followed.

By the time the United States had entered World War I, Douglas MacArthur had forged his professional background as a soldier in command and staff, at home and overseas. His deeds with the famous 42d "Rainbow" Division in France are well known, and perhaps best summed up in his citation for an oak leaf cluster to the Distinguished Service Cross which contains this sentence, "On a field where courage was the rule, his courage was the dominant figure."

At war's end, he was called upon to rebuild the Military Academy which had been required to graduate three of its upper classes of cadets in a single year. The honor system, the discipline and the curriculum all had to be freshly and quickly reconstituted. The foundations he laid during his remarkable superintendency left their stamp on the ranks of subsequent cadets who assumed such important roles of leadership during the next World War.

As Chief of Staff of the Army during the first half of the 1930's, General MacArthur faced challenges few in that office face—and I can speak with some authority in that regard. The Depression, disgruntled veterans, a profound national sentiment of anti-militarism, rising danger abroad, inadequate equipment, obsolete doctrine, and demoralized soldiers—these were the fabric of his inheritance. The American Army at the time was smaller than that of either Belgium or Switzerland. The Army he left, though not much larger, formed the tightly-knit, hard, professional cadre around which our nation rallied with such effect several years later.

When General MacArthur then retired to the Philippines he loved, believing his work finished, he did not know the even greater demands that would be made upon him later. Yet when he was called, his response wrote history. The tenacity of his defense of Bataan, the genius of his vast island-hopping campaign across the Pacific, the magnanimity of his far-sighted post-war occupation, and the brilliance of his amphibious landings at Inchon will be studied years hence. They involved enterprises on a scale and of an import given to few to undertake, let alone achieve.

America was General MacArthur's ideal. Service was his calling. And although the military was his medium, the legacy he bequeathed us stretches far beyond the profession of arms. The principles by which he lived can apply to all of us, regardless of occupation or position, if we let them. They can inspire us to reach as he reached, and in the reaching be better citizens and servants of our fellows.

Prime among these principles must be the source of his driving spirit—a deep faith in our system of government and the right of peoples everywhere to pursue their destinies in freedom. His was not an idle patriotism, born solely of books. His was an active patriotism, imbued in his boyhood, nurtured by study, fired by the injustices he saw about him, and given outlet in military service. His patriotism gave him the power to persevere where others might have faltered. It is a faith open to all of us if we but make the effort.

Faith alone, however, cannot move mountains. Courage and hard work can. Courage, General MacArthur had in abundance, and his capacity for work is legendary. Most of us are not given to know the full depth of valor that must be called forth on the field of battle, but all of us must take a special stand at some point in our lives—a stand that defines us as human beings, that makes our lives truly worthwhile, that calls for a moral courage at times more difficult for us to muster than when faced by mortal danger. This kind of courage is open to us, too, if we but try. So is hard work. Hard work is a matter of application. As Edison has said, genius is two percent inspiration and ninety-eight percent perspiration. The question is: are we willing to make the requisite sacrifice?

And finally, no enterprise of great moment can be accomplished alone, without a keen understanding of and ability to work with other people. General MacArthur was a consummate leader and a brilliant manager. He had an intellect with which not many are gifted and an eloquence few possess. But his understanding of what motivates people, and particularly soldiers, can be studied and applied—for the soldiers with whom he dealt, and from whom he extracted such achievement, are little different from those with whom we deal today. His techniques for fostering loyalty or delegating authority can be copied. His methods of inspiring confidence and eliciting that extra margin of effort that brings success are timeless. They, too, can be ours if we choose.

And he, as is true of most men of destiny, had a lady upon whom to lean, to turn to for love, compassion, strength and understanding. She, as so many other wives who have been the solid rock of support of men upon whom the spotlight is focused, remained in the background making a major contribution to our nation for which we all are most grateful. How happy we are that Mrs. MacArthur is with us today!

Yes, Douglas MacArthur is a towering figure, one justly tall in our memory by his character, his beliefs, his aspirations and by his achievements. The value of his service to our nation and to the free world is inestimable. We today have it within us to build on what he did, to draw inspiration from his example, and to devote ourselves to the causes for which he lived. In so doing, we can better ourselves and our service to others. The remembrance being paid to him today is part of that very worthwhile endeavor.

Remarks of Gen. Lemuel C. Shepherd at Dedication of MacArthur Square

General Shepherd: Mrs. MacArthur, Mr. Martin, Mr. Thomas, General Anderson, Mr. Ambassadors, Bishop Vashé, Ladies and Gentlemen: I consider it a distinct honor to have been invited to this ceremony and asked to make a few remarks on the Inchon Landing which took place in Korea 28 years ago this month.

The amphibious assault at Inchon has been recorded in history as one of General Douglas MacArthur's greatest military achievements.

His brilliant concept of this operation against what appeared to be insurmountable obstacles, and its successful execution by the Navy and Marine Amphibious Forces, resulted in a military victory that subsequently freed the Republic of South Korea from its enemy occupied territory.

As you may recall, the Korean War erupted without warning on June 28, 1950 with an attack by North Korean forces on South Korea. Within two weeks Seoul, the capital of the country had been captured and disorganized remnants of the South Korean Army had been forced to withdraw to the southern part of the Korean Peninsula.

When the Korean War began, I had just assumed command of the Fleet Marine Forces Pacific with its headquarters at Pearl Harbor, Hawaii.

With the deterioration of the military situation in Korea, Admiral Radford, Commander in Chief of the U.S. Pacific Fleet, became increasingly alarmed. As his senior Marine officer he directed me to fly out to Tokyo to obtain first hand information on the situation and to offer General MacArthur such assistance as the Navy could provide.

Upon my arrival at Headquarters Far Eastern Command, I was escorted into General MacArthur's office.

Apparently the General recalled that I had been the Assistant Commander of the First Marine Division when it landed at Cape Glouchester, New Britain in General MacArthur's initial thrust northward from Australia toward the Philippines.

He immediately began to reminisce about this operation and at the conclusion of our conversation he arose from his chair and, pointing to a map of Korea on the wall of his office, he remarked: "Lem, if I had the First Marine Division under my command I would land it at Inchon and seize Seoul. By cutting the logistic supply lines that pass through this important road center, I would force the North Korean Army to withdraw north of the Han River."

Perceiving the logic of General MacArthur's concept, I said: "General why don't you request the First Marine Division with its supporting air wing be assigned to your command. The Division is under my control as a unit of the Fleet Marine Force Pacific, but I cannot order it to Korea without approval of my Commandant, General Cates, and the authority of the Joint Chiefs of Staff." General MacArthur then said, "Prepare a dispatch to Cates and the Joint Chiefs recommending the First Marine Division and First Marine Air Wing be ordered to Korea for an amphibious landing at Inchon and I will sign it."

This I did. With the subsequent approval of General Cates and the Joint Chiefs of Staff, President Truman authorized the deployment of the First Marine Division and the First Marine Air Wing to Korea.

The date General MacArthur had selected for the amphibious assault at Inchon was September 15th. This was due to the 18 foot rise and fall of the tide in the Han River. The 15th was the only day in September that there would be a flood tide in both the morning and afternoon. When the tide was at ebb, the impassable mud flats in the river would have prevented the debarkation of troops on dry land.

Following World War II the Armed Forces of the United States had been greatly reduced and organized combat units were well below their normal size.

With less than two months before the date selected for the landing, it was a major undertaking for the Marine Corps to fill the depleted ranks of the First Marine Division and its supporting air wing, and to assemble the required supplies to mount out these units at their war strength tables of organization.

Furthermore, it was necessary for the Navy to recommission ships currently in mothballs to transport the troops with their equipment and supplies on the three weeks voyage across the Pacific.

With the "Can Do" resourcefulness of the Marine Corps this was accomplished on schedule and the convoy of ships arrived in the Han River off Inchon on the morning of September 15th.

Before the main landing of the First Marine Division could take place, it was necessary to seize the Island of Walmi-Do at the entrance to the harbor at Inchon.

This was accomplished by the 3rd Battalion, 5th Marines on the morning high tide of the Han River.

General MacArthur had previously requested me to accompany him for the landing operation as his amphibious advisor. During the assault on Warmi-Do, I was standing with him on the bridge of the Mount McKinley off Inchon and we were able to clearly observe the combat that took place several hundred yards away. When word was received that the island had been secured, General MacArthur sent the following message to the participating units:

"The Navy and Marines have never shone brighter than this morning."

One of General MacArthur's attributes as a military commander was to give prompt recognition of individual bravery for a job well done. As he was aware that it boosted the morale of his troops.

At high tide in the late afternoon of the 15th, the First Marine Division successfully landed against enemy resistance several miles south of Inchon.

The following day Marine and Army troops of the X Corps captured Inchon against determined resistance of North Korean forces defending the city.

The next objective in MacArthur's plan of attack was the seizure of Seoul some 20 miles away on the north side of the Han River.

To do so it was necessary to overcome the enemy forces defending Yongdupo on the south side of the river opposite Seoul.

Heavy fighting took place before this town was taken.

Since the bridge crossing the Han River between Yongdupo and Seoul had been destroyed, it was necessary for the first Marine Division to make a night crossing of the Han several miles West of Seoul and to attack this city from the North.

It took several days of heavy fighting by Marine and Army troops before Seoul was captured.

A week later the Eighth U.S. Army, which had been advancing against the retreating North Korean forces in the southern part of the Korean Peninsula linked up with the X Corps and the Hammer and Anvil strategy General MacArthur had planned in his concept of the Inchon Landing had proved successful.

On the withdrawal of the North Korean Army above the 38th Parallel, the Republic of South Korea was freed of its invaders and refugees were able to return to their homes. In retrospect, the amphibious assault at Inchon must be considered as a masterpiece in the annals of military history.

The unswerving determination of General MacArthur to carry out the concept he envisioned, made possible by the amphibiously trained Marines serving under his command, characterizes the high military qualities of the distinguished soldier we honor today.

In concluding my remarks, I wish to congratulate Mr. Martin, President of the MacArthur Foundation, who with other prominent citizens of the City of Norfolk had the foresight to obtain General MacArthur's approval for his remains be laid to rest in this impressive and historic old court house, renamed the MacArthur Memorial, and its surrounding grounds which are being dedicated in his name today.

DOUGLAS MACARTHUR MEMORIAL FOUNDATION CEREMONIES DEDICATING MACARTHUR SQUARE IN NORFOLK, VA.

(Address by Mr. Lowell Thomas, author, explorer)

Mr. Lowell Thomas: Mrs. MacArthur, Mayor Thomas, Governor Robb, Ladies and Gentlemen, Mrs. MacArthur just spoke to me a moment ago asking if she could hold my hat, and that brings back a memory. By the way, it's dangerous to invite anyone my age to stand before a microphone because after you pass the 80 milestone everything you say reminds you of something else. Mrs. MacArthur's remark reminded me that a few years ago I left one of these hats on a barroom stool at the Majestic Hotel in Saigon and six months later I got a letter from an Air Force Colonel in Louisiana saying, "I'm wearing a Stetson hat with your name in it and you're *not* about to get it back!" So that's part of the reason why I'm holding on to it. I've left them all around the world.

My wife and I have been much impressed not only with the MacArthur Memorial but with the City of Norfolk. This is my first time here in many years. It's a handsome city indeed. In coming here I've had several bonuses—quite unexpected. I was surprised to find one of my cousins the Mayor of Norfolk. I also was pleasantly surprised to find one of the most interesting personalities of our time here. He's sitting here with you now. You actually have already met him. You know, during the second World War Mrs. MacArthur along with her husband and son and some others were rescued from Manila at the order of President Roosevelt. They were spirited away from Corregidor to Australia so that MacArthur could become the Commander-in-Chief of all our forces in the Pacific. Their getting away from Corregidor was one of the most dramatic episodes of the war, and the man who rescued them in command of the PT boat, is sitting up here in the front row—Admiral Bulkeley.

Admiral Bulkeley, I envy you partly because I had an opportunity to rescue Mrs. MacArthur at the Waldorf Towers in New York one night and I failed. You may recall the "Great Blackout." During that blackout former Postmaster General Jim Farley and I were starting up the stairs to our rooms and on the third floor landing we found Mrs. MacArthur resting. When we asked how much farther she had to go, she said, "Only twenty-six more floors." And you know if I had been as powerful a fellow as John Bulkeley or as powerful as Lt. Governor Robb who is here on the platform with me, or even my cousin, the Mayor of Norfolk, I would have picked her up and carried her those twenty-six floors. But I failed: My golden opportunity slipped by!

I just wanted to pay tribute to Admiral Bulkeley. One of the most remarkable books to appear during World War II was entitled They Were Expendable, telling about the escape from Corregidor.

I first crossed the MacArthur Trail in World War I. Yes, I go back that far. Incidentally, when I reached the age of 80 I decided that I would never again prepare a speech and then when I passed my 85th milestone I decided I would never again make a speech. But I wasn't conscious of the powers of persuasion of one of the most charming ladies of our time, Jean MacArthur.

I wish you could have all been at luncheon today to have heard General Rogers. He and General Shepherd are the two orators for this occasion, General Shepherd, a few moments ago, and General Rogers at the luncheon. They covered much of the MacArthur life history—so I'll merely add a postscript to what you have heard from them.

After the first World War, as you know, Douglas MacArthur became the Superintendent at West Point. I have a farm not far from there and again came in contact with the General. I am something of a football fan. Incidentally, that reminds me of something. I was quarterback of a team the year that the forward pass was invented but the football was shaped differently in those days and we didn't know exactly what to do about it. Alas, we didn't have the famous Red Blaik for a coach. I often went over to West Point to the games and sometimes had luncheon with the Superintendent. Then along came the War with Japan and I next crossed the MacArthur Trail in the Philippines. We all know the dramatic speech he made in Australia when he told the Australians and the Filipinos and the World "I Shall Return." I happened to be in Manila not long after he did return.

Then some years later when Douglas MacArthur and his wife at long last came home to America I had the pleasure of taking the Commander-in-Chief to an unusual event—the first prize fight he had seen in 18 years. He was a fight fan and Gene Tunney and I took him to the Sugar Ray Robinson-Randy Turpin fight. Then in 1949 I had the good fortune to be invited by the Ruler of Tibet—the Dhali Lama—to visit his remote capital on the other side of the Himalayas. On my way to Asia, I stopped in Tokyo and was the guest of General and Mrs. MacArthur. I remember two things about that—one was the General telling me that he envied me—that he wished he could go along to Tibet—that it had been one of his early dreams. The second thing I remember was that when I asked some question about Emperor Hirohito General MacArthur asked me if I would like to spend part of the day with the Emperor. This he arranged. As I look back on it now, I realize that the true Emperor of Japan for some five years was none other than Douglas MacArthur, one of the most extraordinary happenings in all human history.

Later, I came in contact with the MacArthurs on various occasions in New York. This was a period in the General's life when he was attacked from time to time by belittlers. One story illustrates my views on that sort of thing.

There was a very colorful Virginia lady whom you all remember, Nancy Aster. She asked a favor of me on one occasion. Although American born, as you know, she was the first woman ever to be a member of the mother of Parliaments. Lady Aster called me on the overseas telephone and said, "Lowell, I wish you would come over to London and stop the publication of a book. The book is a bitter, vitriolic attack on Lawrence of Arabia and I would like to have you come and stop its publication." I mention this because there have been people—there always seem to be those who want to tear down national heroes, belittle all great men and women.

In the case of Lawrence of Arabia, you no doubt have heard of the many attempts made to belettle him. Actually he was a phenomenon, one of the great men of our time. Lawrence played a key part in winning the first World War—not only for his own nation but for the rest of mankind, because the overthrow of the Turks in which he played a vital role with Allenby, also brought down the Bulgarians, then the Austro-Hungarian Empire, and Germany.

Anyway, I said, "Lady Aster, why do you think I have that kind of muscle in England? You are much more potent there than I am."

However, a few days after that the number one British Press Lord, Lord Beaverbrook, happened to go through New York and I said to him, "When you get back to London here's an assignment for you. Why not get in touch with Lady Aster and help her solve the problem of this vicious attack on Lawrence of Arabia?"

Whereupon Beaverbrook made a remark that I've never forgotten. He said the person who would suffer most from the attack was the man who made it. And then he added:—"There never has been any great person in history who has escaped bitter, vitriolic attack."

As we all know, this has also been true of the great man we are honoring today. And I want to conclude my remarks by saying this: I at one time had an address I made many times. The title of it: *There Are Still Giants Who Walk The Earth*. Of all the giants we have produced in our time there has been none greater than Douglas MacArthur.

DEDICATION OF MACARTHUR SQUARE

(Mrs. Douglas MacArthur's response)

Mrs. MacArthur. Thank you, one and all. You know it is very difficult for me to express my appreciation for the honor that has been shown my General here today. All the tributes paid him, you know, touched me very, very deeply, as you can well imagine it would be difficult for me to thank all those people who have said so many wonderful things about him. It would be hard for me to even begin to thank them. Also, I want to thank all of you people who have come because this is a day that I will always remember and I will always keep it in my heart.

Thank you all and God bless each and every one of you.●

WILL IT BE THIS YEAR?

HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. HARRIS. Mr. Speaker, I join the 96th Congress with many major hopes. One of my fondest, however, is that all of my friends in the Soviet Union, with whom I have been corresponding over the past 2 years, can be free to join their loved ones in other parts of the world.

As an honorary member of the board of the Washington Committee for Soviet Jewry, I pledge my efforts to facilitate the reunification of families separated by political boundaries. Many of the individuals who write me for help have served harsh sentences in Soviet prisons and labor camps while others fear they may be on the next train to one of these camps if they continue to express their strong desires to emigrate.

During the course of the next year, I will speak about each case individually under a special order entitled "Helsinki's

Unfulfilled Promise." We want the Soviets to know that the persecution of citizens who are simply trying to claim the rights which have been promised them, will attract worldwide attention.●

INTRODUCTION OF LEGISLATION TO AMEND SECTION 6 OF THE MARITIME ACADEMY ACT OF 1958

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. MURPHY of New York. Mr. Speaker, I am today introducing an administration bill to amend section 6 of the Maritime Academy Act of 1958. That section now provides that the Secretary of Commerce may make grants of not more than $1,200 per academic year to students at approved State maritime academies or colleges. The bill would convert such grants to loans for all such students in classes entering such State maritime academies or colleges after enactment of the bill.

Section 2 of the Maritime Academy Act of 1958 declares the policy of that act to be the promotion of the policies of the Merchant Marine Act, 1936 by assisting or cooperating with States and Territories in the operation and maintenance of maritime academies or colleges for the training of merchant marine officers. Section 6 requires that the current grants be used to assist students at these schools in defraying the cost of uniforms, books, and subsistence. Since the present statute does not require service in the Armed Forces or the maritime industry in return for the grants, the congressional policy behind the grants may be frustrated by a student's failure to fulfill his moral obligation.

Under the bill, which for the future would convert these grants to loans, the loan recipient would be required to serve after graduation for 5 years in a uniformed service of the United States or the maritime industry, to obtain and maintain for at least 6 years a merchant marine officer's license, and to serve 6 years as a commissioned officer in the Naval Reserve (unless he performs active duty). To the extent that a graduate of a State maritime academy performed the service obligation, the loan would be forgiven. To the extent that a graduate failed to perform the service obligation, he would be required to repay the loan with interest from the date of graduation. If a student left the school for a reason not permitted by the bill, he would be required to repay the loan amounts already received with interest.

The bill also contains a provision, adopted from the Education Amendments of 1976 (90 Stat. 2141; Public Law 94-482), which prevents, except in hardship cases, release by a discharge in bankruptcy of a debt which is a loan under the bill until 5 years after the loan becomes payable.

The bill was proposed to the Congress by the Department of Commerce in Executive Communication 5102, which was received during the last week the House was in session during the 95th Congress. Legislation on this subject was recommended in the Oversight Report on the Federal Government's Role in Merchant Marine Officer Education which was adopted by the Committee on Merchant Marine and Fisheries last fall, and I expect that it will receive early consideration.●

HILLEL BUTMAN—A SOVIET PRISONER OF CONSCIENCE

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. LENT. Mr. Speaker, during the recent holiday period, I had a poignant meeting with the wife and elder daughter of my Fourth Congressional District's "adopted" prisoner of conscience, Hillel Butman, along with Mrs. Lynn Singer, president of the Long Island Committee for Soviet Jewry. At a time when families the world over gather to share in the joy of the season's holiday traditions, however, our meeting with Eva Butman and 12-year-old Lily was one of sadness, rather than joy, because after more than 8 years, the Butman family remains separated, hostage to Soviet unwillingness to comply with the Helsinki Agreement calling for the free exercise of basic human rights to which the Soviet Union is a signator.

Mrs. Butman traveled to our country from Israel where she and her children have emigrated from the U.S.S.R. She came to meet with those of us who continue to fight for Hillel's freedom, and to plead anew the case for her husband's release from Chistopol Prison—a plea based on the illegality of his confinement which is in direct violation of the terms of his sentence imposed over 8 years ago. Hillel Butman's sentence called for a 10-year term in a "labor camp" rather than a "prison." Thus, the years of prison confinement he has already endured are not consistent with his sentence. Moreover, Hillel has already served well over half of his 10-year sentence, making him eligible for release under Soviet law.

Because Hillel's confinement runs counter to the Helsinki Final Act as well as to Soviet law itself, I have joined in bringing the details of his case to the attention of several officials in our own Department of State: the Honorable Patricia Derian, Assistant Secretary for Human Rights and Humanitarian Affairs; Mr. Robert W. Farrand, Chief Bilateral Affairs, Office of Soviet Union Affairs; and Mr. Charles Salmon, Director, Office of Human Rights. Copies have also been sent to Soviet General Secretary Brezhnev and General Shelokov, Minister of the Interior. A copy of my letter follows, along with letters written on Hillel Butman's behalf by Senator BOB DOLE and Representative BENJAMIN J. GILMAN.

I share my colleagues' anticipation for the Department of State's responses to our pleas for intercession on Mr. Hillel Butman's behalf. Hopefully our own Government will agree that the time has come to push for Hillel's release and reunification with his family and loved ones.

The letters follow:

U.S. HOUSE OF REPRESENTATIVES,
Washington, D.C., December 28, 1978.

Hon. PATRICIA DERIAN,
Assistant Secretary for Human Rights and Humanitarian Affairs, U.S. Department of State, Washington, D.C.

DEAR ASSISTANT SECRETARY DERIAN: This letter is to urge your intercession on behalf of Mr. Hillel Butman, a prisoner of conscience in the Soviet Union since 1970. As one who has taken a personal interest in this case and has writen Hillel, his family, and the Soviets periodically for the past four years, I am deeply concerned that Hillel Butman be released soon from prison and be permitted to emigrate. My concern is also shared by Hon. Edward M. Kennedy, Hon. Robert Dole, Hon. Benjamin A. Gilman, the Long Island Committee for Soviet Jewry, and many others.

The grounds for Hillel Butman's release are strong. First, his imprisonment offends against the Final Act of the Helsinki Conference on Security and Cooperation in Europe, which the Soviet Union signed in 1975. One of the major principles of Basket Three of the Final Act is the pledge to allow for the reunification of families: "The participating states will deal in a positive and humanitarian spirit with the applications of persons who wish to be reunited with the members of their family."

The Soviet Union, however, has not dealt with the reunification of the Butman family in any way which can even remotely be called "positive and humanitarian." Hillel Butman has already served more than half his sentence and is therefore eligible for release under Soviet law. The Soviet Union's failure to comply with the reunification provision has deeply hurt the Butman family in addition to raising grave doubts over the U.S.S.R.'s willingness to fulfill its other international agreements.

As examples of the burdens the family must bear, consider that Hillel Butman has never seen his second daughter, Geula. He has not seen his 12½ year old daughter, Lily, since she was four. His mother, Sara Butman, who emigrated to Israel in February 1977, passed away only five months later without having seen her son again. Hillel Butman is deeply troubled that his children are "growing up as orphans even though their father is alive," to use his own words from a letter to prison officials. It is this kind of psychological and emotional damage to innocent families that the Helsinki Accords sought to halt.

Not only does Hillel's confinement run counter to international agreement, but also to Soviet law. In May 1971, Hillel was tried, convicted, and sentenced to ten years in a strict regime labor camp. He began serving his sentence in a camp in Mordovia and, in July 1972, he was moved to Perm Camp 35. However, in 1974, he was transferred to Vladimir Prison and, just this past October, he was transferred to Chistopol Prison. Incarceration in prison, however, is in direct violation of his sentence which stipulated labor camp and raises serious questions over the legality of his confinement. Therefore, pending his release, the Soviet Union should at least comply with its own judicial system's sentence of Hillel Butman and should return him to a camp.

For these reasons, the strongest possible effort should be made to obtain Hillel Butman's release and permission to emigrate to Israel. Furthermore, his name should be included in any general amnesty or prisoner exchange agreement between the U.S. and the Soviet Union. No stone should be left unturned in obtaining Hillel Butman's early release!

Thank you for your attention to this important case.

Sincerely,

NORMAN F. LENT,
Member of Congress.

UNITED STATES SENATE,
December 12, 1978.

NACHALNIKU GLAVNOE UPRAVLENIE, I.T.U.,
M.V.D. S.S.S.R., Bolschaya Bronnaya Dom 3, Moscow, R.S.F.S.R., U.S.S.R.

DEAR DIRECTOR:

You are no doubt familiar with the case of Hillel Butman, who was sentenced in 1970 to ten years in a strict regime labor camp. Since 1970, there have been some developments which I feel warrant a serious reappraisal of his case.

In 1975, the Soviet Union signed the Final Act of the Helsinki Conference on Security and Cooperation in Europe, pledging compliance to the principles therein. One of the major principles of Basket Three of the Final Act is the pledge to allow for the reunification of families:

"The participating states will deal in a positive and humanitarian spirit with the applications of persons who wish to be reunited with members of their family . . ."

In 1973 Hillel Butman's wife, Eva, was allowed to immigrate to Israel. There, she gave birth to their second daughter, whom Hillel has never seen.

There is another development in his case which is of particular interest to me. In 1974, Hillel Butman was transferred from his labor camp in Mordovia to the Vladimir Prison, in violation of his sentence. This incarceration lasted a year. This past October, I am informed that he has once more been transferred to prison, this time to Chistopol. This is again in direct violation of his sentencing to a labor camp and seriously brings the legality of his sentencing into question.

In view of the Soviet Union's pledge to family reunification, in view of the fact that Hillel Butman has served over 8 years of his sentence—over a year in illegal prison confinement, and in view of the Soviet Union's avowed compliance and compassion in the field of human rights, I appeal to you to release Hillel Butman, so that he may immigrate to Israel to join his family. At the very least, he should be returned to a labor camp, as his original sentence stipulated.

I appeal to you for compassion for a man who has already fulfilled over eight years of his ten year sentence.

Sincerely yours,

BOB DOLE,
U.S. Senate.

U.S. HOUSE OF REPRESENTATIVES,
Washington, D.C., January 11, 1979.

MS. PATRICIA DERIAN,
New State Building, Washington, D.C.

DEAR MS. DERIAN: I am writing to you on behalf of Hillel Butman, a Soviet Jew in jail since June 1970 for alleged involvement with anti-Soviet organizations, specifically, the circulation of propaganda.

Insofar as Mr. Butman is still separated from his immediate family, seeking only to be united with them in Israel after these many years of both moral and physical persecution, I would hope that you might be able to be of assistance in confronting these blatant and extensive denial of Human Rights, on a general level as well as in reference to this particular case.

For your further review, I am enclosing some background information and would appreciate hearing from you at your earliest possible convenience.

With best wishes,

Sincerely,

BENJAMIN A. GILMAN,
Member of Congress.●

SENIOR CITIZENS HEALTH INSURANCE STANDARDS ACT OF 1979

HON. WILLIAM M. BRODHEAD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. BRODHEAD. Mr. Speaker, today I introduced the Senior Citizens Health Insurance Standards Act of 1979, a bill to outlaw gross abuses in the marketing of so-called medi-gap insurance to senior citizens. Medi-gap is a term applied to private insurance which provides more than the minimal coverage provided to senior citizens under medicare.

Congressional hearings before the Senate Special Committee on Aging and the House Select Committee on Aging documented widespread abuse in the sale of such insurance. Among them were the sale of policies which duplicate and overlap medicare coverage, misleading language in policies—for example, a claim to cover nursing home care when, in fact, the type of care provided by 75 percent of the Nation's nursing homes is not covered—and the use of scare tactics by agents. Other abuses uncovered are policies which do not cover some of the most common illnesses of senior citizens on the basis that they are pre-existing conditions and failure to disclose the contents of policies in clear, understandable language.

The House Committee has estimated that senior citizens are being bilked to the tune of $1 billion every year by unscrupulous companies and their agents. I believe this is a national disgrace, and the Federal Government which helped create the problem through the gaps and limitations in medicare has a clear responsibility to act. Some 15 million Americans over 65 purchase supplementary health insurance. Medicare covers only about 38 percent of the health care costs of senior citizens because of gaps and limitations including the deductible for part A hospitalization insurance and the 20 percent co-payment for physician's services under part B. Nor does medicare pay for prescription drugs, eyeglasses, hearing aids, or dentures. The patient must also pay the difference between what medicare calls "reasonable and necessary" and what the physician actually charges.

One of the best indications of whether an insurance company is taking unfair advantage of its clients is the company's loss ratio, for example, the percentage of health insurance premium dollars a company pays out in claims. Blue Cross-Blue Shield and the best private companies return about 90 percent of premiums to the insured in claims. However, companies which have a clear track record of abusing the elderly have shockingly low loss ratios—some as low as 20 to 40 percent.

My bill mandates Federal minimum standards which companies selling medi-gap insurance to the elderly must meet. It also directs the Secretary of Health, Education, and Welfare to make a comprehensive study of methods to assure that good quality health insurance is available to the elderly at a reasonable price.

Each State must submit a minimum standards plan to the HEW Secretary which will accomplish the following objectives:

First. Insurance companies must return at least 75 percent of premiums in the form of benefits.

Second. Prohibition of the sale of insurance which duplicates medicare coverage.

Third. Drastic limitation on pre-existing conditions.

Fourth. Requirement of full disclosure of all policy provisions to purchaser.

Fifth. Requirement that policies be written in plain and simple language.

The bill utilizes the existing regulatory mechanisms by requiring each State to change its law and/or regulations to meet at least the minimum standards set up by the bill. If the States do not elect to regulate the insurance companies themselves, then the Secretary of HEW shall enforce the minimum standards in that State. Except for some minimal administrative expenses, these vital reforms could be accomplished at no additional costs to the taxpayer.

Despite the widespread evidence of abuse, it would be erroneous to conclude that all insurance companies are guilty of these abuses. In fact, most of the Nation's insurance companies are reputable and market fair health policies.

I wish to extend my highest praise to Representative CLAUDE PEPPER, chairman of the House Select Committee on Aging, and Senator LAWTON CHILES who conducted the Senate hearings for the excellent work they did in uncovering these abuses.

It is my hope that this bill will induce a cooperative effort between the States, the insurance industry, senior citizens groups, and the Congress in an effort to come to grips with this problem.●

AN ABIDING FAITH IN AMERICA

HON. NEWTON LEROY GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. GINGRICH. Mr. Speaker, although I have been the representative of Georgia's Sixth Congressional District for several weeks now, today it becomes official. January 15 thus takes on a special significance for me because it is the day I am sworn in as a Member of the House of Representatives.

This is a special date for another reason, too. Today marks the 50th anniversary of the birthday of the Reverend Martin Luther King, Jr. My district includes a portion of the city of Atlanta, where Dr. King was born.

Not only is Atlanta Dr. King's birthplace, it is also where much of his life's work was accomplished. He served as the minister at the Ebenezer Baptist Church there. And it is in Atlanta that the Martin Luther King Center for Social Change was established after his tragic death.

On this day I think it is especially appropriate to recall the words Dr. King spoke when he accepted the Nobel Peace Prize on December 11, 1964. He said:

> I accept this award with an abiding faith in America and an audacious faith in the future of mankind.

Mr. Speaker, I share Dr. King's faith in America. I am pleased, therefore, to recall his words today and to bring them to the attention of my colleagues as we begin this new session of Congress. At this time I also wish to publicly state my support for two proposals to honor and keep alive the memory of Dr. King.

First, there is a proposal pending to place in the U.S. Capitol building a statue or bust of Martin Luther King, Jr. There are, to date, no black leaders represented among the many great figures from American history who are memorialized in the Capitol. A statue of Dr. King thus would be especially appropriate.

Second, JOHN CONYERS recently reminded us that over 100 Members of Congress last year cosponsored legislation to make Dr. King's birthday a national holiday. I have advised Mr. CONYERS that I wish to have my name added as a cosponsor of that proposal.●

LET PATTY HEARST GO HOME—AND STAY THERE

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. BOB WILSON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following:

LET PATTY HEARST GO HOME—
AND STAY THERE

In the days remaining before Christmas, President Carter can do what is right and just and merciful. He can pardon Patricia Hearst.

If anyone technically guilty of a crime has suffered enough, it is Miss Hearst. Dragged kicking and screaming from her apartment by a band of malevolent revolutionaries, she was subjected to unspeakable brutalities while held captive in dark closets and automobiles. Her life was threatened and to save it she consented to say and do things which plainly she would not have done had she been left alone.

The long ordeal of the trial and the pain of her conviction have added to the humiliation and suffering she endured as a pawn of the Symbionese Liberation Army. Miss Hearst did not invite those lunatics to her apartment, nor did she ask to be hauled around the country. She was kidnapped because she was the daughter of a rich man and because her captors knew the kidnapping and their cause would be well publicized.

Tougher individuals than Miss Hearst have cracked under the relentless brainwashing techniques practiced with so much ardor by the partisan zealots who believe there is only a single truth—theirs. None of us can say with certainty that if we had been placed in similar circumstances we would not have done precisely what Miss Hearst did. That goes for the jurors who convicted her of participating in the bank robbery and for the judge who passed the sentence.

Miss Hearst is much more the victim of a crime than its perpetrator. For being the daughter of a rich man, she had to suffer separation from her family, the horror of never knowing whether the fanatics who held her captive would carry out their threats, the derision of an intolerant segment of the public, the interruption of her personal life, the accusatory declamations of the prosecutor at her trial and finally the embarrassment and humiliation of her conviction.

There is no disputing that Miss Hearst stood in the bank lobby holding a machine gun, but she was no more in command of her own thoughts and actions than someone with a gun pointed at his head or a knife at his throat.

Miss Hearst cannot be blamed for wanting to live. That is a noble longing for most of us. At the time she was Tania, the revolutionary, she was frightened and alone and not herself.

In the name of justice, in the cause of humanity, Patricia Hearst should be freed so she can be with her family at Christmas and begin repairing a broken life that unjustly will be her burden for years to come.●

CARTER STRONG-ARM TACTICS THREATEN CHANCES FOR ISRAEL-EGYPT PEACE TREATY

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. LENT. Mr. Speaker, on this first day of the 96th Congress, I would like to direct the attention of my colleagues to the dangerous disintegration which has taken place with respect to the Israeli-Egyptian peace negotiations.

The recent disruptive events in Iran and Cambodia have to a considerable extent distracted attention from the serious deterioration in the spirit of the Camp David accords, and the lack of progress in ratification of a treaty between the parties.

Indeed, there are those who speculate that the dramatic December 15, 1978 announcement of the U.S. recognition of the Peoples Republic of China was timed precisely to mask the failure to achieve the signing of an Israeli-Egyptian peace treaty due December 17, 1978. But there is a growing recognition that the Carter Administration must shoulder a good deal of blame for the current Israeli-Egyptian impasse, no matter how it tries to hide the fact.

That unpleasant and tragic fact is clear to anyone who reviews the sequence of events which preceded the disruption of the Middle East peace negotiations.

Last September, in the afterglow of the Camp David Summit, President Carter pledged the United States would be a "full partner" in the negotiations needed to achieve a peace treaty between Egypt and Israel. But, as the Washington Post pointed out recently, what was required by Camp David was that American diplomacy serve as "an honest broker. If Washington takes sides, it risks forcing a stallout."

Tragically, inexplicably, Washington took sides. The Carter Administration forced a stallout just as it appeared the problems were about to be resolved. Under the auspices of Secretary of State Cyrus Vance, a draft treaty between Israel and Egypt had been prepared in the context of the Camp David accords. It was then approved by the negotiators and on November 21, 1978, by the Israeli Cabinet. However, Egypt raised several objections to the draft treaty.

Then began the fateful chain of events which led to the present impasse. Secretary of State Vance set out for the Middle East in an attempt to resolve what President Carter called "minor differences." In 3 days of conferences in Cairo with Egyptian President Sadat, Vance found that Sadat, apparently in reaction to pressures from other Arab States, had suddenly shifted his position drastically. Sadat proposed major changes in the draft treaty. Incredibly, Vance not only agreed to the changes, but adopted them as the American position as well, even though they conflicted with the September understandings reached at Camp David.

Vance termed these new ideas "minor clarifications," giving no hint as to their real content, nor to the impact they would have on the Israelis. Prime Minister Begin and his Cabinet rightfully rejected these new demands, but again declared their willingness to accept the draft treaty.

A close examination of the new Egyptian demands reveals the threats they raised to Israel's security. One would force a review and reassessment of the treaty's Sinai military and security provisions after 5 years. Even more deadly was a clarifying provision which would allow Egypt to override its obligation in the treaty to remain at peace with Israel if other Arab States should make war with Israel. A third provision disrupted the Camp David accords by delaying exchanges of ambassadors—the consummating act of diplomatic normalization—until Israel meets a target date for Palestinian self-rule on the West Bank and in Gaza. In this last new demand Sadat injects into the Israeli-Egyptian peace terms and the peace negotiations a condition that will vitally depend on participation by Jordan and the Palestinians, neither of which has shown any willingness to participate in negotiations with Israel.

It is difficult to understand what led the Carter administration to submit to the Arab demands and to embrace these substantive and dangerous—to Israel—changes. But whether it was lack of understanding, concern about Arab oil supplies or just downright stupidity, the Carter administration then compounded its error by launching a campaign of vilification of Israel and praise for Egypt.

In a carefully orchestrated campaign, anonymous White House advisers, Presidential aides," and senior officials let it be known to the press that the President was livid and frustrated by Israel's refusal to accept the Egyptian demands. Unnamed Presidential spokesmen contrasted the "forthcoming Egyptian" attitude with the "intransigent" Israeli stand, while claiming the differences were negligible, minor technicalities. One official went so far as to accuse Prime Minister Begin of falsifying the terms of the new demands. Although

President Carter and Secretary Vance avoided direct public criticism of Prime Minister Begin or Israel, they did characterize the Sadat demands as very generous, constructive, and reasonable.

This attempt to place all of the blame for the stallout on Israel rightly brought a sharp reaction.

The Conference of Presidents of Major American Jewish Organizations—representing 32 American Jewish groups and more than 4 million American Jews—wrote President Carter:

> The manner in which the blame was placed on Israel by our country was distressing . . . such pressure . . . flies in the face of your own wise and significant assurances that our country would never require Israel to agree to conditions that she regards as harmful to her security.

Perceptive Democrats in the Congress, usually supporters of the Carter foreign policy, joined in deploring the Administration actions. Father ROBERT DRINAN denounced the President for "placing undue pressure on the Israeli Government." Senator BIRCH BAYH challenged the administration approach, saying:

> Some statements by U.S. officials have caused some anxiety and left doubts as to our own commitment to fairness.

Equally perceptive were editorial comments in newspapers which usually support the Carter administration. The Washington Star—December 17, 1978—editorialized:

> The U.S. has not of late played the role of honest broker; we have instead sponsored Egypt's new demands . . . President Carter must stop pretending that the hard-headedness of Prime Minister Begin is the only complicating factor. It is not.

The New York Times warned against upsetting the terms of the Camp David agreement, as the Egyptians now propose with American support. In an editorial on December 17, 1978, the unmet target date for the treaty signing, the Times lamented:

> President Carter is justly annoyed. Unjustly, he blames only Israel . . . The strain of trading hard-won territory for an easily altered declaration of peace is hard enough for the Israelis without this added psychological pressure. Camp David envisioned Israel's exchanging every inch of Egyptian territory for a full measure of peace. It is wrong to tamper with that yardstick now.

How true are those words in the New York Times.

It is a tragic irony that the spirit of cooperation and good will among Egypt, Israel, and the United States, which President Carter did so much to develop at Camp David, should now be foundering because of the sudden abandonment of fair mediation by the President and his administration.

I hope and pray that it is not too late to bring back the spirit of Camp David. It is encouraging that both Egypt and Israel express a desire to resume discussions, and that, later this week, State Department officials will travel to the Middle East in a new effort to resolve the differences. Of course, the United States must continue to assist. But it must do so with fairness and with patience. President Carter and Secretary Vance must stop pressuring Israel to make concessions that were not so much as intimated, let alone stated, in the Camp David accords.

It is patently ridiculous to expect the Israelis to give up their main defense buffer—the huge oil-producing Sinai—in exchange for a treaty crafted to self destruct if Israel does not accede to Palestinian demands by a deadline date.

Mr. Speaker, in the name of world peace, I urge President Carter to bring the parties back to the negotiating table and to resume his role as a mediator, rather than an advocate, in order to give the assistance he provided so skillfully in working out the Camp David frameworks for peace. Threats and calumny produce only discord and disagreement, and do a disservice to the cause of peace.●

INTRODUCTION OF LEGISLATION IMPOSING SERVICE OBLIGATIONS OR GRADUATES OF THE U.S. MERCHANT MARINE ACADEMY

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. MURPHY of New York. Mr. Speaker, I am today introducing an administration bill to place service obligations on graduates of the U.S. Merchant Marine Academy. Section 216 of the Merchant Marine Act, 1936 requires the Secretary of Commerce to maintain a Merchant Marine Academy at Kings Point, N.Y., for the instruction and preparation for service in the merchant marine of selected persons as officers thereof. That act provides that the United States pay for cadets' tuition, room and board, uniforms, textbooks, and transportation, but does not require graduates of the Academy to serve the United States for a period of time after graduation in return for their free education.

The statutes authorizing the U.S. Naval Academy, the U.S. Military Academy, the U.S. Air Force Academy, and the U.S. Coast Guard Academy have requirements for a period of service for graduates of those institutions. While Department of Commerce regulations require each cadet to sign an agreement to perform post-graduation service, no provision is made in the regulations for enforcement of the service obligation.

The bill submitted by the Commerce Department would provide that each candidate for each class entering the Academy after enactment agree as a condition of admission to complete the course of instruction at the Academy unless sooner separated by the Academy, and to fulfill the service obligation after graduation. The service obligation would consist of a basic 5-year employment requirement, a requirement to obtain and maintain for at least 6 years an officer's license in the U.S. merchant marine, and acceptance of a 6-year Naval Reserve obligation as a commissioned officer if active duty is not performed in a uniformed service of the United States. The service obligation would, under the bill, be enforced by allowing the Secretary of the Navy to order the cadet or graduate who has broken the agreement to active duty.

The bill was proposed to the Congress in Executive Communication 5101, which was received during the last week the House was in session during the 95th Congress. Legislation on this subject was recommended in the Oversight Report on the Federal Government's Role in Merchant Marine Officer Education which was adopted by the Committee on Merchant Marine and Fisheries last fall, and I expect that it will receive early consideration.●

LEGISLATION ON FLOOD CONTROL

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. CARTER. Mr. Speaker, today I am introducing legislation to authorize necessary flood control measures to provide adequate protection for those who live in communities on the Cumberland River in Kentucky and on the Levisa and Tug Forks of the Big Sandy River in Kentucky, Virginia, and West Virginia.

After the devastating flood of April 1977, the people of these areas rebuilt with enormous strength and courage their communities, their homes, and their lives, all of which were nearly completely destroyed. Much of the physical evidence of that tragic time has now been erased through their hard work and determination not to give up, but the memory of the devastation is as vivid as ever. Furthermore, the threat of future flooding and renewed destruction has not diminished.

During the previous Congress, I introduced legislation and testified numerous times concerning the urgent need for flood control measures and in support of those who have suffered the threat of annual flooding for far too long. I believe strongly that the need for action to remedy the situation is as great today as it has ever been.

Last year, the Committee on Public Works and Transportation held hearings on this issue. They concluded that the flood control measures sought by the people of these areas of Kentucky, Virginia, and West Virginia are justified.

Mr. Speaker, I wish to include a portion of the committee's report of August 8, 1978, on H.R. 13059, Water Resources Development Act, which contained provisions for necessary flood protection in these areas:

> The areas covered by this section [Sec. 147, Water Resources Development Act of 1978, H.R. 13059] have a long history of floods which have had devastating effects on residents of the area and their property. The flood of April 1977 was the most destructive of all.
>
> The people who live in this area have little choice but to live where they are. The land which they occupy is subject to severe flooding, yet there is virtually no other land available to them. The area is a coal mining area, and the Nation benefits greatly from that resource. Yet the people who live there, who work the mines, who stay because of the employment opportunities afforded by the mines and because of their loyalty and deep affec-

tion for the land, their families and ancestry, are repeatedly subjected to losses of lives and property caused by severe flooding.

The uniqueness of the problems of Appalachia, the perseverance and resourcefulness of the people of that region, and the potential of the region and its people to participate in, as well as contribute to, a better way of life, were recognized in the Appalachian Regional Development Act of 1965. Yet, under the terms of traditional economic evaluation criteria, it has not been possible to justify, in economic terms, measures which would alleviate the intense human suffering which occurs repeatedly in the area.

In section 209 of the Flood Control Act of 1970, the intent of Congress was expressed that, in formulating and evaluating water resources development projects, four matters should be considered. These are national economic benefits, regional economic benefits, environmental quality, and the well-being of the people. Section 209 has never been implemented. Water resources projects are still evaluated strictly on the basis of national economic benefits. In the case of flood protection, where the benefits are evaluated as damages prevented, this results in areas with lower property values being denied assistance, because the value of protecting these areas is exceeded by the cost of protection. Yet if an area of higher economic value is involved, the benefits of flood protection would exceed the costs.

The committee feels strongly that national economic benefits should not be sole criterion for determining whether assistance in protection from flood damages is warranted. There are exceptional cases, such as in the area covered by this section, where other factors come into play—environmental considerations, the well-being of the people, and regional development, which help not only that region but the Nation as a whole.

The committee has held numerous hearings and site investigations of the devastation and suffering which has occurred in this area. Accordingly, the committee has concluded that flood protection for the area involved is warranted in consideration of the four objectives set forth in section 209 of the Flood Control Act of 1970. The well-being of the people in the area involved, combined with their contribution to the Nation's energy requirements and its social fabric, mandate that flood protection be provided.

Mr. Speaker, the people of Kentucky, Virginia, and West Virginia remain strongly interested in steps to improve protection against flooding, and they deserve our support. The bill that I am introducing today contains language similar to that reported last year by the Committee on Public Works and Transportation, and I believe that we should now proceed as soon as possible to adopt this legislation.

I urge my colleagues to give this matter their favorable consideration.●

RESTRICTIONS ON RADIOACTIVE MATERIAL

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. WEISS. Mr. Speaker, the hazards posed by highly radioactive nuclear material have been amply documented in recent months. The threat to public health and safety involved in transporting these substances through densely populated communities requires legislative redress.

For this reason, I am today reintroducing legislation which prohibits the Department of Transportation from approving shipments of radioactive material through any geographic area with a population density of more than 12,000 persons per square mile. The only exceptions to this ban would be for radioactive elements to be used in medical diagnosis or treatment within the area or in cases of national emergency.

This legislation is needed because DOT now has the authority to not only sanction such shipments, but also to override State or local law forbidding nuclear waste transport.

In New York City, for example, the municipal health code prohibits shipments of radioactive material except when it is to be used for medical purposes or during a national emergency. But DOT, acting on an appeal from the manager of Brookhaven National Laboratory on Long Island, recently considered pre-emption of the city's regulation, and DOT is now undergoing possible routing regulation adoption.

The New York City Bureau for Radiation Control strongly opposes any erosion of the health code's restrictions. Its director, Dr. Leonard Solon, points out that an accident or sabotage involving nuclear waste cargo in the city could result in up to 10,000 immediate deaths and some 1 million latent cancer fatalities.

A section of the Hazardous Materials Transportation Act of 1974 gives the DOT Secretary the power to pre-empt local and State ordinances such as New York City's. It is this provision which my legislation would amend.

Whatever slight inconvenience this legislation imposes on shippers will be more than offset by the public health and safety safeguards we will be establishing.

Studies undertaken by the Energy Research and Development Administration, the Nuclear Regulatory Commission and the General Accounting Office—as well as by private industry—have indicated the gravity of the threat faced by Americans as nuclear waste products proliferate. We can significantly reduce the risks of a catacylsmic radiation emission by keeping nuclear materials out of our more densely populated communities.

I urge my colleagues to join me in supporting this legislation.

H.R. —

A bill to amend the Hazardous Materials Transportation Act of 1974 to prohibit the transportation of radioactive materials in densely populated areas

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 105 of the Hazardous Materials Transportation Act of 1975 is amended by adding the following new subsection at the end thereof:

"(d) The Secretary shall not issue any regulation, exemption, exception, or inconsistency ruling thereto, the effect of which is to permit the transportation of any radioactive material through or into a geographic area containing a population density greater than twelve thousand persons per square mile, except when the radioactive material involved is to be used for medical diagnosis or treatment in such area, or during a national emergency.".●

A NEW MARSHALL PLAN

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. BARNES. Mr. Speaker, one of the major factors behind instability in the world today is the absence of an interdependent economic system between the industrialized nations and the so-called Third World. By the year 2000, according to World Bank figures, 600 million people will be living in absolute poverty.

I believe quite strongly that the United States needs to do its fair share to remedy this imbalance. We alone can't be expected to feed the world, but we can challenge other nations to join us in a partnership to meet basic human needs. A civilization with the technology to send space craft hurtling to distant planets should also have the wisdom to assure that its children are fed and their parents have an opportunity for a decent life.

Thirty years ago, the United States adopted the Marshall Plan to rebuild a world devastated by war, hunger and disease. We should consider a similar approach today. At present, the United States spends less than 0.27 percent of its gross national product on development assistance, which ranks us only 13th among the 17 Western industrial countries and far below the 0.7 percent target proposed by the United Nations. We can and we must do more.

Mr. Speaker, without endorsing any specific approach at this time I think we should begin a serious debate on these questions in the 96th Congress. One interesting analysis of the possibilities and problems associated with a new Marshall Plan was written by Ronald E. Müller, an economist at American University, and Everett M. Ehrlich, an energy economist, and appeared in the Washington Post of January 7, 1979.

The article follows:

NEEDED: A GLOBAL MARSHALL PLAN

(By Ronald E. Müller and Everett M. Ehrlich)

A notable aspect of American economic policy in recent years has been its defensive nature. Internationally, instead of addressing ourselves to remedies, we have preferred quotas, tariffs and other protectionist palliatives. Similarly, President Carter's November emergency measures to protect the shaky dollar were clearly another admission of crisis rather than a solution to one.

Neither those steps nor others that have been taken are expected to solve the complex underlying problems that have given us persistent "stagflation," or rapid inflation with high unemployment and sagging economic growth. The world is understandably jittery, given the realization, summed up recently by Arthur Burns, that "our economy is no longer working as we once supposed."

The global crisis of confidence, however, has produced an anomaly which contains a significant basis for hope—if only we will take the initiative and seize it, as others have been urging us to do in international economic and political forums.

The anomaly is that investors are holding a global cash pool of at least $500 billion that they are apprehensive about committing, even though there is a deep need in the United States for new plant and equipment to create jobs and, among Third World countries, a demand for capital goods and technology to help them overcome poverty. There are, for example, an estimated $25 billion to $30 billion of feasible food, mining and energy projects in Third World countries for which no financing is currently available.

The irony of massive unused funds existing side by side with massive unmet needs suggests one approach to the world's economic dilemma which, while not promising to "solve" it in its entirety, is likely to make a major difference. An infusion of this idle wealth into developing nations would allow large segments of the Third World to import from us the capital goods and technology that we produce. This obviously would have a circular effect, stimulating both our own economy and the Third World's and helping poorer nations overcome the mounting short-term debt problem that has curtailed their ability to buy our exports.

What is needed, in short, is a global version of the Marshall Plan in which the industrial world creates new markets for its products by financing poorer nations' development needs, just as we ensured demand for American products 30 years ago through the rebuilding of Europe.

Pooling resources from wealthier nations to invest in poorer ones is, of course, already a central purpose of, already a central purpose of, among others, the World Bank. But for a variety of reasons—ranging from limits on borrowing and lending authority to an inability to resolve disputes that have kept away larger contributions from the oil-rich OPEC countries—existing institutions have failed to attract and make use of that idle $500 billion-plus.

What is needed now is a new and broader mechanism to add to and reinforce existing arrangements.

Europe, Japan, OPEC and non-OPEC Third World countries have in fact made repeated overtures to us to consider such a step. But, unfortunately, we have remained silent.

It should come as no surprise, then, that our economic allies are moving toward going it alone; they have been offering the Third World mini-Marshall Plans on a regional or economic-bloc basis, negotiating bilateral trade, aid and investment agreements, and arranging such special deals as exchanges of their exports for Mexican oil. Half of Japan's exports and 40 percent of Europe's, after all, depend on the Third World—and the poorer nations are strugging to find money to pay for those goods.

Third World markets are of no small concern to the United States, either. As Deputy Secretary of State Warren Christopher remarked in October, "Our exports of manufactured goods to the developing world already exceed our exports of these products to Western Europe, Japan and Communist countries combined. The developing countries are our fastest growing markets and critical sources of raw materials."

The separate moves by our economic partners toward the Third World—combined with what a recent study by the General Agreement on Tariffs and Trade terms "an increase in protectionist pressures to levels that haven't been seen since the Great Depression"—can only give new urgency to a disturbing question: whether our post-World War II economic alliance will be undermined by what some have called a series of "trade, aid and investment wars."

Only last month Sen. Frank Church of Idaho, soon to become chairman of the Senate Foreign Relations Committee, declared: "If we are seeing the end of 'the American Era,' it is not because we have lost the superpower race with the Soviet Union for strategic superiority, but because we are losing our capacity to compete [economically] with our own allies."

The alternative to trade wars and protectionism among allies is growth, and economic growth will be difficult unless the world's idle funds are channeled into productive purposes. Since existing efforts have fallen far short of achieving this, it is clearly in our own interest, as well as in the interest of the rest of the world, to give much more serious consideration to a global version of the Marshall Plan that might provide a large part of the answer.

OPEC IS A KEY

Of the $500 billion-plus that is currently sitting idle in the world, the OPEC oil cartel holds about $110 billion, or more than 20 percent of the total.

OPEC's reluctance to invest in more plant and equipment or other wealth-producing projects has been understandable. The World Bank, while eager to help OPEC recycle more of its funds into developing countries, has yet to raise OPEC's voting power in the bank, which would require a politically difficult and time-consuming change in its constitution. OPEC countries, moreover, are wary of putting up factories or making too many other fixed investments in nations like the United States where, they fear, their assets might be seized if a serious dispute erupted over oil prices and policies.

As a result of these and other factors, less than 40 percent of OPEC's unspent surplus petrodollars have been sunk into productive assets. Just as with private investors in the West, the lion's share of OPEC's savings remain in such defensive havens as real estate, gold and short-term U.S. Treasury bills.

OPEC, of course, has a large vested interest in seeing healthy industrialized economies and a stable dollar; a robust industrial world means a heavy and reliable demand for its oil, and the oil is sold in dollars. But the fact that the immense pool of OPEC and others' savings are now in defensive investments that can be moved virtually overnight is itself a major source of instability in the dollar and of economic uncertainty in general.

Because holders of the rest of the idle $500 billion cannot make commitments without knowing what OPEC will do, securing OPEC's participation is a critical element of all versions of a global Marshall Plan. It is essential to do this, moreover, without significantly disturbing the economic and political relations reflected in existing international economic institutions. Consider, therefore, the following version of such a plan:

A series of "OPEC Development Bonds" would be issued in the United States and in foreign capital markets. OPEC itself would buy 25 percent of the bonds and guarantee them with a Triple A rating, meaning they would offer the best available combination of interest rates and security. The other 75 percent would be offered to banks, insurance companies, pension funds and other private investors, particularly in the Eurocurrency market, where much of the world's cash is housed in an unregulated melting pot.

The money raised by selling these bonds would go into a special fund that could be administered by the World Bank and its affiliates, thereby avoiding the immense chore of establishing an entirely new institution. There, the United States and other industrial member nations would provide a second guarantee for the bonds as well as make their own direct contributions to the special fund.

Each member nation would decide whether its contribution would come from an increase in its overall development assistance budget or from its existing aid outlays. Those that might come from existing contributions would represent only a modest fraction of such spending and certainly would not undermine the wide array of existing development programs. In fact, the special fund in many cases could be coordinated with and reinforce the operations of existing development institutions.

THREE-PARTY DECISIONS

In either case, the initial goal would be to raise, from all sources, up to $20 billion annually, sustained for at least four years. That would make this money available for long-term loans to finance more port, irrigation, food-storage, mining, hydroelectric and other basic development projects in the Third World.

These and other projects, of course, would require more goods and technology from the United States and other industrial nations; trucks, tractors, fertilizer, drills, heavy and light construction machinery, communications equipment, technical planning and financial services, to name a few.

Importantly, the decisions on how this additional money is lent would be made separately—and under separate procedures—from the main operation of the World Bank.

Specifically, OPEC, the industrialized nations which form the Organization of Economic Cooperation and Development (OECD) and the less developed countries themselves would all participate in those decisions. This would assure OPEC of the stronger voice it has been seeking in the use of any large sums it contributes—but without disturbing existing voting power in the World Bank itself.

It also would ensure the necessary voice of the poorer nations in helping determine the best use of the money. If one lesson of the original Marshall Plan was the need for a sustained, long-term financial commitment to make visions of recovery believable, another was the importance of involving the recipients themselves in planning and carrying out the program.

Similarly, the voice of the United States and the other industrialized nations in the OECD would be used to make sure that the money was chiefly invested, on a sound financial basis, in projects using products we export. The United States would likely receive a hefty share of this business, as it had been doing for 20 years. Third World purchases here have slowed in recent years, but this is mainly because the financing hasn't been available, not because the demand hasn't been there.

The importance of this export business should not be underestimated. Swedish calculations show that loans made to non-OPEC Third World countries in 1974–77 resulted in $90 billion of imports from the United States and other OECD nations and saved at least 3 million jobs in those countries. Similarly, a 1976 report by Arnold Packer and Van Ooms for the Senate Budget Committee showed that the 1974–75 U.S. recession would have been far worse had it not been for the developing world's ability to maintain and even increase its purchases of our exports.

Today, every $6 billion increase in Third World purchases of exports from OECD nations expands the industrialized world's gross product by half a percentage point.

More importantly, in the United States the increases in domestic business resulting from development aid have chiefly gone to our industries most in need. Of 39 major industry groups receiving such export orders in 1976 from the Third World, 34 were suffering from high unused production capacity.

Legitimate questions can be raised about the ability of a number of Third World countries to absorb large new infusions of development funds, about whether they have the transportation networks, commercial organizations, communications systems, trained personnel, cultural traditions or political stability to make wise and productive use of such money.

But funds are already being channeled to these nations, and the demand greatly exceeds the supply. Moreover, the absorption problem is already being addressed, at least in part, by new arrangements between Third World governments and multinational corporations, which certainly do have the necessary expertise. Development planners from countries as ideologically diverse as China, South Korea, Algeria, Tanzania and Mexico have learned, sometimes through bitter experience, how to work jointly with the multinationals. This is all the more true when international development institutions like the World Bank act as "honest broker" between the host countries and the corporations, which would be the case with any projects funded by a global Marshall Plan than involved the multinationals.

What must be kept in mind, in addition, is that global Marshall Plan loans would be aimed in large part at financing those very foundations of industrialization—ports, communications, food production, mining, energy—that are the prerequisites for future expansion, and that this would be done at the request of the poorer nations; it would not be imposed on them. No doubt considerable care and sensitivity would be needed in choosing the projects to be funded, but that is the case with all development aid.

Although these and other questions would have to be examined in much greater detail before creation of such a special fund, they are no reason for delaying moves in that direction. We can no longer delude ourselves into thinking that protectionism and other defensive national measures taken under crisis conditions constitute an economic policy, or that we can solve our problems by ourselves in an increasingly global economy.

Leaders in industrial and developing nations say that Washington's excuse for remaining silent so far on proposals for a global approach to "stagflation" is fear of rejection by Congress. But numerous congressional hearings, concurrent House and Senate resolutions on "global stimulation proposals" and a call by Sen. Henry Jackson of Washington State for a Middle East Marshall Plan all suggest that the Congress is searching for precisely such initiatives in this area.

A major impetus for the original Marshall Plan obviously came from national security worries of the Cold War era. Now we have Sen. Church suggesting that our most critical foreign policy issue of the 1980s will be our troubled economy. As he puts it, "a resurgent domestic economy . . . is the key to America's overall position of power and influence in the world." But our own economy depends in large measure on the health of others' economies.

Like the original Marshall Plan, a 1980s versions would not preclude the use of more traditional policies. Rather, it would provide one important new approach to the profound problems of our increasingly interdependent world. The costs of moving in this direction seem slight when compared with the likely benefits: stimulating more exports and jobs for both the United States and our allies, making a significant dent in world poverty and in global "stagflation," and putting American leadership behind a policy that eases protectionist pressures and helps maintain a more open world economy.●

SECRETARY SCHLESINGER SPEAKS ON THE CHALLENGE OF THE COMING WORLD OIL SHORTAGE

HON. MIKE McCORMACK

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. McCORMACK. Mr. Speaker, on last November 29, Secretary Schlesinger of the Department of Energy delivered a major address to an organization known as The Pilgrims in London. The title of Secretary Schlesinger's address was Long Term Strategic Implications of Energy.

Because of the leading role Secretary Schlesinger plays in formulating energy policy for the United States, his remarks bear considerable weight. In addition, I believe that most observers would agree with Secretary Schlesinger's message: that this Nation, and the Western world in general, is facing an almost unparalleled challenge because of the impending shortage of world supplies of gas and oil. Our response to this challenge must, of course, be to modify our major reliance upon the use of oil and gas, imported or domestic, and to dramatically increase our production of energy from other domestic sources.

For the benefit of all the Members, I submit herewith portions of Secretary Schlesinger's address:

. . . To this point the American people have enjoyed boundless expansion and seemingly limitless resources. There has been no need to face up to the concept of finiteness in resources—as the oil supply/demand balance now requires us to do. Passage of the National Energy Act represents a watershed in that it starts the adjustment of our demands to the means available. It implies recognition that even in the United States our wellbeing, perhaps our survival, depends upon careful attention to our productive resources.

* * * * *

That turn in the road is forced upon us—all of us—by the limits, physical and political, on prospective oil supplies. Those limits imply conditions dramatically different from those that we have encountered in the last half-century—a period in which oil has increasingly become the dominant energy source for economic expansion—and has gradually altered the Western world's reliance on the more abundant but less convenient coal on which previously it had overwhelmingly depended.

The enormous expansion of economic activity and of international trade, which the industrial world has so spectacularly enjoyed since the close of World War II, took place through the increased usage of oil—and notably cheap oil. (It should also be noted that that expansion of international trade and investment took place within a framework of unparalleled international security, provided in large part by the power of the United States—a subject that deserves further examination.)

But oil is no longer cheap. And within a few years its availability, at least from conventional sources, will no longer increase. That implies that we must be attentive to the motive power of our industrial civilization and must adjust our ways, if over the long haul we are to preserve the economic viability and political stability of our several nations. Adjustments must come—either wisely through adoption of intelligent policy or haphazardly through the appearance of energy shortages with which we would find it difficult to cope.

The implications are obvious. We must take advantage of the time available to make the inevitably time-consuming adjustments of our stock of capital equipment—while there is time—so that we can move smoothly through this difficult transition. Alternatively, in the absence of a smooth transition, we will face serious economic difficulties and political unsettlement. The choice seems clear. It implies that for the decades immediately ahead the energy problem must be placed continuously and prominently on our political agenda. Despite the unavoidable frictions and despite the chore of painstaking attention devoted to an activity seemingly mundane because in the past we could always take it for granted, we have no serious alternative if our free societies are to remain vigorous.

In the past year our estimate of oil availability in the middle 80's has undergone downward revision, reflecting in particular a reduction in prospective OPEC supplies. Oil production worldwide, now running in excess of 60 million barrels a day, should not be counted on to increase by more than 20 percent before reaching its practicable limits.

If oil consumption were to increase at 4 percent per annum, as in recent years, we would have reached capacity limits before the middle 1980s. Even if the growth rate were to be reduced to 2 percent per annum—a substantial accomplishment given where we now stand—we would still reach the crunch point by the early 1990s, a period in which we expect conventional oil production perforce to peak. So the task of adjustment through greater fuel efficiency and the shift to more abundant energy sources is upon us now—and we must effectively exploit the time available.

Too much time has probably been devoted to attempting to determine the precise year in which the ex ante demand will likely overtake prospective supply, whether it be 1985 or later. It has led unduly to millenarian pondering regarding the Day of Reckoning. But that is a variable date depending on how well we do regarding fuel efficiency and alternative sources of supply—and how badly we do in maintaining economic growth. The former are, of course, the instruments of intelligent policy.

Policy can make an effective contribution. The three million barrels a day savings resulting from the provisions of the National Energy Act could defer the period of worldwide oil supply difficulties by as much as two years. In a recent speech Sir David Steel indicated that British Petroleum now projects that as a result of improved governmental policies, better conservation practices, and slower economic growth that we shall get by the middle 1980s and not be in difficulty until around 1990. But it imposes upon us the responsibility for adaptation during the course of the next decade.

In this connection one should note that there is surprising and undue satisfaction taken in slower economic growth as a partial solution to our energy problems. To be sure slow economic growth both defers and provides time for resolution of some critical difficulties regarding energy supply, but it is hardly an acceptable solution. We must not come to regard economic stagnation as a form of deliverance. Soon enough shall we come to recognize anew the serious problems that unsatisfactory economic growth inevitably entails.

There is, however, a further and serious concern. These longer term difficulties of transition—for which we must adopt longer term measures—will constitute our principal problem, only if we are lucky. There is also a nagging worry regarding the possibility of short term interruptions. The principal source of oil supply, on which the health of the international economy depends, lies in the Middle East, a region historically volatile and with a potential for political instability. More than 40 percent of the world's oil passes down from the Persian Gulf through the Straits of Hormuz. The embargo of 1973–74 dramatized the growth in our dependence and vulnerability. The Abquaiq fire of 1977 and, more recently and dramatically, the disruptions in Iran's oil fields are vivid reminders of the fragility of the production and logistical system on which the health of the industrial world depends.

Such vivid reminders, unpleasant as they are, are perhaps necessary. As the industrial world's dependence and vulnerability have risen, its attentiveness has tended to diminish. We have become more vulnerable, not only in the physical and economic sense, but in a geopolitical sense as well.

The texture of strategic relationships in the preeminent oil producing region is in the process of change—and we must be alert to those changes.

You in these Islands—to start with your historic example—were long concerned with the "Lifeline to the East." Increasingly in this century protection of the oil routes first equalled and then superseded communications with the Empire as the central purpose embodied in the concept of the Lifeline. Yet, it was not the only lifeline. Until the 1960s, there was shut-in capacity in Texas and other producing states. So long as you could count on American support, as you did in World War II, energy supplies would be forthcoming. The lifeline was as much a convenience as a necessity. It may have been a lifeline for Anglo-Iranian but it was not a lifeline for Britain itself.

In today's conditions, however, despite the relative immunity provided to Britain by North Sea oil, the oil routes have indeed become a lifeline for Western Europe—and for Japan as well. The United States may have a lesser and perhaps tolerable degree of dependency, but for the industrial democracies taken as a whole, bound together as they are by affection by interests, and by treaty obligations, there is no evading the fact that the Lifeline concept is now both compelling and collective.

In 1968 Britain made the decision to withdraw east of Suez, a process that was completed in 1971. The Shah was persuaded that there should be no external replacement of the British presence, and unilaterally decided to take on the responsibility of Guardian of the Gulf based on the strategic vision of the importance of the Gulf and a need to avoid a vacuum of power. There has been nothing in recent developments that suggests that the underlying strategic issue has been satisfactorily resolved.

The events of this past year have hardly been reassuring: a coup in Afghanistan that is reducing that country to the status of a Soviet satellite, the murders of two chiefs of state in both North and South Yemen, and the further strengthening of Soviet influence in the latter country, the developments in the Horn of Africa with the arrival of Cuban forces and Soviet military leaders, and the subsequent treaty of cooperation. Perhaps the most dramatic of all has been the severe unrest in Iran that has shaken the entire area. The political implications of these disruptions undoubtedly exceed in importance the direct impact on prospective oil supplies.

What our Soviet friends refer to as the "correlation of forces" has scarcely been moving in a satisfactory manner from our standpoint. The stability of what earlier was referred to as the Northern Tier has been badly shaken. Whatever the intent, the pattern of events has created the perception in the Gulf States of the prospect of encirclement.

These are developments that we shall have to ponder.

In the quarter century after World War II an unprecedented degree of political stability—providing, as a by-product, security for international trade—was attained through the preponderance of American power. In more recent years political stability has depended upon the maintenance of a global balance. On that global balance rests the security of the industrial democracies. And that global balance must rest on something more than a generalized and overall assesment of the indices of power worldwide. It must continue to be one that effectively provides for stability in critical regions of the world.

The intimate connection between energy and security is increasingly accepted, just as is the more obvious connection between economic performance and energy cost and availability. These are not new problems, but they are old problems that have now acquired a new significance. Change means adaptation—or more precisely, makes intelligent adaptation necessary. Like your namesakes, the Pilgrims of 1620, we are entering into an unknown land. Like them also, we must do so with undaunted spirit.

In the long sweep of human history there have been numerous challenges. In recent centuries no nations have more effectively surmounted such challanges than have our own—based as they are on free institutions. The challenges are still there. We should welcome them. For the nations—and the social orders—that The Pilgrims cherish will, we can be confident, effectively respond to such challenges—with courage and with vision.●

ERRORS, TRAUMAS ARE BEING REPEATED

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. BOB WILSON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following:

ERRORS, TRAUMAS ARE BEING REPEATED

(By Ira C. Eaker)

Many thoughtful citizens now believe, and future historians may confirm, that the Vietnam War was the greatest American tragedy of this century.

"Strategy for Defeat" is the best book I have read on that conflict. The author, Adm. U. S. G. Sharp, was the military man responsible for the operational direction of the Vietnam War for the first four years, as Commander-in-Chief, Pacific.

Hanson W. Baldwin, the able and authoritive retired military editor of the New York Times, wrote a perceptive foreword. Some pertinent quotes follow:

"In effect, the failure to employ properly the tremendously superior U.S. air and sea power in Vietnam accounted for the first defeat in American history.

"The historical blame must be placed squarely where it belongs—not primarily upon our military leaders . . . but upon the very top policy makers in Washington. President Lyndon B. Johnson and his right-hand man in this strategy of equivocation, indeed an architect of it, was then secretary of defense, Robert S. McNamara, with his 'Whiz Kids' and arrogant academicians who surrounded him. These are the men who, with flagrant arrogance or naive wishful thinking, fashioned the policies of defeat in Vietnam. Some of them, unfortunately, have returned to positions of power in Washington today."

Adm. Sharp, in his preface, leaves no doubt about his reasons for writing this significant book when he says, "This book will concern itself in general with the overall strategy of the war . . . in particular with the conduct of the air war over North Vietnam.

"Our air power did not fail us; it was the decision makers. And if I am unsparingly critical of those decision makers, I offer no apology. Looking to the future, the taxpayer and much of his tax dollar is going to support military air power, and he may well ask, 'Why should we spend more money on air power? It did not get the job done in Vietnam.'

"My purpose is to tell those who will listen how air power could have done the job if only it had been used properly, and also to justify its future utility."

Adm. Sharp dispels any notion that this book is a diatribe against civilian control of the military when he says, "I believe unequivocally that civilian authority is supreme under our Constitution."

The author does not spare President Richard Nixon and his secretary of state, Henry Kissinger, for their unfortunate, ill-advised haste in winding down the war, thus abandoning our Asian allies to the holocaust, which has already needlessly sacrified 3 million South Vietnamese, Laotians and Cambodians.

All fair-minded citizens, after reading this book, should agree with its basic conclusions.

"It was folly to commit Americans to combat and then force them to fight without utilizing the means we so richly possessed to win an early victory. We could have brought the Vietnamese War to a successful conclusion in short order early in the game. All we needed to do was assemble the necessary force and then use it the way it was designed to be used."

The reason this book is so critically important today, other than as a historical record, is because the errors and traumas from that conflict are being repeated today and are affecting adversely our present foreign policy and national security.●

BARNEY MILLER

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. MURPHY of New York. Mr. Speaker, aside from today's more serious business, I would like to take a moment to applaud a group of men whose creativity has produced one of the best shows on television today. They live in that elusive "12th Precinct" which provides the background for the Barney Miller series, and which falls within my 17th Congressional District borders in Lower Manhattan. While today's television programing has been called a vast wasteland by many, including myself, these men have proven that we have in this medium an opportunity to express the many problems of our daily lives in a positive, creative, and entertaining fashion.

This year marks the beginning of Barney Miller's fifth year on television, and I believe that this milestone deserves some special recognition for those who have brought the 12th Precinct into our homes.

Danny Arnold is the executive producer and cocreator of the Barney Miller series; without his talents and endless energy, this unique portrayal of life in New York would not be the same.

Besides Danny Arnold, I would like to recognize the star of the series, Hal Linden, a fine actor whose portrayal of Captain of Detectives Barney Miller offers his exceptional view of the compassionate, thoughtful police officer—which is what officers often are, but are not recognized as such by the public.

Yet no series is solely the work of the creator or the star. It has taken the combined efforts of many people to produce this fine show. Max Gail plays the affable Wojo; Ron Glass is the dapper Harris; Steve Landesberg is the erudite Dietrich; Ron Carey is the punctilious Levitt; and

James Gregory is the out-of-step Inspector Luger.

It grieves me to report that one member of the cast, Jack Soo—in reality, Gora Suzuki—will no longer be available to us as the philosophical detective Nick Yemana. Jack Soo died last week, after suffering from cancer of the esophagus for over a year. I would like to pay special tribute to his talent in creating such marvelous humor for us all in his performances on the show, as well as in a long career which began as a singer and dancer in a Chinese nightclub, and continued with work as Joey Bishop's "straight man," as well as more than 50 television roles, including many appearances on the Jack Benny Show. He also appeared in both the stage and movie versions of "Flower Drum Song." The entertainment world has lost a fine actor. As Mr. Soo himself joked about his long illness, "it must have been my coffee."

I would like to digress further for a moment to comment on this wonderful American. Born in Oakland, Calif., and raised there, he had the misfortune of beginning his career at a time when being a Japanese-American was considered a terrible thing. But he has proven through his service, as well as that of his brother, Michio Suzuki, a Deputy Commissioner of the U.S. Department of Health, Education, and Welfare, that the Suzuki family of Oakland, Calif., was and is, first and foremost, American. I think it only fitting that we recognize the goodness that they and other Americans of their ancestry have given to their nation, and that we deplore the tragedy that any American's identity be threatened, because of their ancestry. If anything, Gora Suzuki has proven all his life that he truly was an outstanding American citizen. I am proud of his many contributions to our culture and our society.

I would also like to pay tribute to Noam Pitlick, the director of the series, and to the producers, Tony Sheehan and Reinhold Weege, whose outstanding talents have proven to be the reason "Barney Miller" stays viable and relevant.

This series has shown that efforts to deal with very real human problems can have a strong foundation in humor. Far too seldom do we use this tool to truly reflect upon the human condition; such a perspective is the message of this program.

I am proud to have Barney Miller's 12th Precinct in my congressional district, and I hope that law officers nationwide feel themselves to be at least a spiritual part of that unique detective squad whose image gives such pleasure to others.●

MEAT IMPORT ACT OF 1979

HON. BERKLEY BEDELL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. BEDELL. Mr. Speaker, I am today introducing the Meat Import Act of 1979 which would make some improvements in the present method of computing quantitative limitations on the importation of meat and contribute to a more stable environment for the meat production industry.

Last year, both houses passed the Meat Import Act of 1978 in the closing days of the 95th Congress. That legislation, as we all know, was a well-balanced and fair proposal, and I think that the chairman of the Trade Subcommittee, Mr. VANIK, should be commended for the outstanding work he did in assessing the needs of both the cattle industry and the consuming public during the drafting process. Regrettably, the President vetoed the bill after adjournment of Congress, and that action has left a policy vacuum which should be filled.

Unquestionably, the Meat Import Act of 1978 would have gone a long way toward providing needed import stability. Just how much the lack of such stability can adversely affect both producers and consumers has been made clear by developments in the past several months. Last summer, the domestic cattle industry was just beginning to come out of an extended and devastating economic depression—an occurrence that most cattlemen had accepted as a necessary evil associated with the traditional cattle cycle. However, certain governmental actions, most notably in the area of renegotiations of import levels, served to destabilize the market, artificially postpone the long-awaited price recovery and, most importantly, erode producer confidence so extensively that the necessary herd rebuilding activity has been significantly stifled. Neither the producer nor the consumer benefited from such instability in the meat production industry.

The Meat Import Act of 1978, it will be remembered, was designed to improve upon the existing situation by amending the Meat Import Act of 1964 in two general ways. First, it would have established a new quota formula approach that would have operated in a so-called countercyclical manner. This simply meant that quotas would have been allowed to rise in those years when domestic production was low, and to fall when production was high. This approach was more conducive to stabilizing prices and herd numbers. The second major change in the Meat Import Act of 1978 would have brought even more needed stability into the import level formulation process by reducing the possibility for disruptive governmental tampering with import levels. The most important tool it provided in this respect was the "average index ratio". This ratio was to be obtained by dividing the USDA's Farm Price of Cattle Index for the calendar quarter by the Labor Department's Beef and Veal Price Index. The new language would have allowed the President to increase the meat import level by 10 percent only if the average index ratio for the first two calendar quarters was 1.10 percent or higher.

As noted earlier, the President found the Meat Import Act of 1978 unacceptable, citing its restriction of Presidential authority to increase meat imports and its 1.2 billion pound minimum access level, which he considered too low, as the basis for his veto. In fact, in the Memorandum of Disapproval issued by the White House, the President stated that:

> If the Congress had enacted H.R. 11545 without these objectionable provisions, I would have been pleased to sign it. . . .

I have carefully examined the arguments for the veto, as well as those in support of the bill. This assessment has convinced me that the Meat Import Act of 1978 was a good bill and that its enactment would be in the best interests of society as a whole. The existing law, the Meat Import Act of 1964, needs to be changed, for it falls woefully short of its mandate, which is to provide for a stable supply of the high-quality beef that Americans have come to expect. While the President's concern over having his discretionary authority circumscribed is understandable, the figures show that, if the average index ratio had been in operation during the last 10 years, of the 10 times that the Executive has suspended quotas and increased allowable import levels, he would have been prohibited from acting only once. The ratio is reasonable and provides sufficient discretion to the President.

Unfortunately, however, the President and the Congress are at an impasse, and it is unlikely that the act will ever become law unless the Presidential authority language is modified. My proposal responds to the President's objections in this regard without compromising the objective of the Meat Import Act of 1978. It is identical to that legislation except for one important difference regarding the circumstances under which the President could increase imports without the average index ratio reaching 1.10.

The bill I am proposing would allow the President to increase import levels even if the so-called average index ratio stipulated in the bill had not reached 1.10, provided that the President—through the Secretary of Agriculture—informs both the House and Senate Agriculture Committees of his intention, along with the reasons for it, 30 days prior to the date of implementation. If both Houses of Congress do not pass a resolution of disapproval within that 30-day period, the Presidential action would take effect. In addition, language has been added which stipulates that the President should notify Congress 30 days prior to increasing import levels as provided by the bill in the event that the average index ratio reached 1.10. In this case, Congress could not block the proposed increase, just as in last year's bill.

I believe that this compromise proposal merits support for several reasons. First, from the standpoint of the cattle producer, its acceptance would mean that the Meat Import Act, with its countercyclical formula and the more narrowly proscribed parameters of Presidential discretionary authority, could become law. Even if the President were to successfully attempt to increase import levels without the average index ratio climbing to 1.10, the cattleman would benefit from the language I propose in the sense that the "cooling-off" period called for between the time the President announces the proposed action and the time when it could take effect would do much to prevent the precipitous price declines that characteristically accompany announcements of this type. For instance, the mad dash of selling by speculators would, in all likelihood, be prevented.

And second, from the policy formulation perspective, it offers the principle of prior consultation. I am convinced that many of the ill-advised actions that have been taken in recent months in terms of quota realignments would not have occurred if there had been an institutionalized mechanism for a more thorough airing of the potential ramifications of the proposals before their implementation. All parties—the Executive, Congress, producers and consumers—would stand to benefit from the increased cooperation and discussion that such prior consultation would foster.

In summary, Mr. Speaker, I believe that the Meat Import Act that I am offering today is worthy of the support of all of my colleagues, whether they represent producers or consumers. The compromise language that it contains to satisfy the President's objections to the limiting of his authority to raise import levels is designed to transform the decisionmaking process in the meat import area into a mutual effort that includes the Congress as well as the Executive.

I am convinced that this bill will serve to stabilize annual beef import levels, and thereby induce producers to make the considerable investment risks necessary to pursue herd reconstruction. The end result of this reform is to assure that the American consumer has the stable supply of high quality beef at reasonable prices that has become a trademark of the American food production industry. I hope that all my colleagues will be able to quickly lend their support to this proposal so that it can be swiftly passed and enacted.●

CHINA RELATIONS

HON. L. H. FOUNTAIN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. FOUNTAIN. Mr. Speaker, like most of us in this House and around the Nation, I was taken by surprise by the President's sudden and dramatic China announcement on December 15.

At the same time, I was left sincerely troubled, not so much by the decision itself to extend diplomatic recognition to the People's Republic of China as by the timing and the manner in which the decision was made—at the expense of Taiwan, a valuable and trusted friend and ally, and without meaningful "prior consultation" with the Congress called for in section 26 of the International Security Assistance Act of 1978.

Few of us, I believe, could have entertained reasonable doubts prior to December 15 that diplomatic recognition of the PRC was eventually going to take place, especially in the light of President Nixon's 1972 visit to the mainland, the Shanghai Communique, the establishment of official liaison offices, and several other overtures and official exchanges during the Ford and Carter administrations—all of which indicated probable diplomatic recognition at some point.

However, I was hopeful all along—as were many of my colleagues and most of my constituents in North Carolina—that an improved relationship with the PRC, or complete diplomatic recognition, could have been accomplished without abrogating or otherwise impairing our historical friendship with the Republic of China. Regrettably, the President's untimely and premature decision dashed those hopes.

In fact, I have always been a strong supporter not only of maintaining full diplomatic relations with the ROC, but also of not altering or diluting in any way the Mutual Defense Treaty of 1954—unless and until a responsible, equitable, and workable solution to the so-called "two Chinas" problem could have been reached.

All of us knew that many negotiating sessions and much additional hard work would have been needed to arrive at an appropriate accord on the matter. In international affairs especially, difficult challenges require forthright and measured responses without a "rush to judgment" type of atmosphere.

Taken as a whole, however, the December 15 announcement was neither in the paramount interests of the United States nor in the overall interests of peace and security in East Asia and the Western Pacific. Since its establishment 30 years ago, the ROC has preserved the traditional culture of the Chinese people, upheld basic human rights, done its part in shoring up our alliance, supported in every way the free enterprise system, and served as a major trading partner of ours. To have extended diplomatic recognition to the PRC, while concurrently ending unilaterally our diplomatic relations with the ROC and giving notice of terminating the 1954 treaty was unwise and ill-advised.

Within a recent 2-year period, I participated in two factfinding missions to China and the Far East under the auspices of the House International Relations Committee of which I am ranking majority member. The first, in November, 1976, included 3 days in the Republic of China, and the second, in July, 1978, consisted of a 10-day conference in the People's Republic of China. Our 1976 report to the Committee, "Outlook on the Far East," discussed the normalization, economic, defense, and human rights issues which were then current and are familiar to most of us.

The report on the 1978 mission, entitled "A New Realism" and issued by the International Relations Subcommittee on Asian and Pacific Affairs just prior to the President's December 15 announcement, included five principal recommendations by our delegation. The recommendations follow:

(1) The possible implications of China's "new realism" as it affects establishing full diplomatic relations with the United States should be pursued by the administration in a timely manner.

It has been nearly 7 years since the signing of the Shanghai Communique. The question of timing, therefore, is important in order that U.S. inaction—or the appearance of inaction—not help induce a return to the more inflexible attitudes of recent years in China.

(2) An active search for the "grey area" between the fixed positions of both sides on the Taiwan question should be pursued in light of the presently favorable atmosphere perceived by the delegation.

The 1955–56 offer to negotiate a treaty with the United States, combined with informal suggestions to the delegation of willingness to consider negotiations with the Kuomintang, would seem to constitute the boundaries of a "grey area" which could produce favorable results, so long as a positive attitude continues to exist between Washington and Peking.

(3) To foster a continued positive attitude on both sides, the United States and the People's Republic of China should encourage and develop increased exchanges of people and views on official, private, and corporate-business levels.

Such exchanges, particularly when they are designed to increase trade, are both a stimulus to, and an actual component of, the normalization process. The delegation feels that a growing trade and cultural relationship between China and the United States can lead to a genuine bond between our two countries.

Specifically, the delegation now formally recommends what it has already informally suggested: that the administration send the President's Special Negotiator on Trade at the head of an official trade mission to China to follow up and seek to expand on the initiatives being pursued by private corporations and organizations.

The delegation urges a realistic and systematic approach to expanding United States-China relations, particularly in the areas of industrial and scientific exchange, coupled with a careful analysis of the estimated returns to the United States and its interests, particularly in the security area.

(4) The question of normalization should be based on the common bilateral interests and concerns of the United States and the People's Republic of China.

The delegation notes that despite their harsh statements concerning Soviet intentions, PRC leaders stressed that normalization should not be pursued purely as an anti-Soviet measure.

The delegation feels that opposition to the Soviet Union is inadequate to serve as the foundation for a solid relationship between the United States and the People's Republic of China.

(5) The delegation urges upon the administration the necessity of full cooperation with the Congress regarding its normalization plans and policies.

The work of the subcommittee and its predecessor (the Future Foreign Policy Subcommittee) since 1975 including the factfinding mission of July 1978, has been designed to minimize the possibility of divisive debate (as occurred on the Panama Canal Treaty) because the Congress and the American people are unfamiliar with the history and issues involved in normalization, including progress, or lack of it.

In order to avoid unwarranted fears or misunderstandings, the component parts or packages of the normalization process must be recognized and spelled out, particularly those regarding trade, security, and related questions which will require congressional approval, and which in many cases will require congressional initiative.

The delegation recognizes that normalization is a process which may either begin with, or culminate in, an actual exchange of ambassadors, and that the decision regarding this exchange rests with the Executive, but

that its implementation must be a shared process with the Congress.

Mr. Speaker, I ask that my own supplemental statement in the report be included at this point:

SUPPLEMENTAL STATEMENT OF REPRESENTATIVE L. H. FOUNTAIN

While I am in general agreement with the recommendations of the delegation, I want to take this opportunity also to reaffirm my longstanding interest in maintaining cordial relations with our historic friend and allay, the Republic of China. As I have stated on past occasions, I favor continued diplomatic recognition of the Republic of China and preservation of the Mutual Defense Treaty. I oppose sacrificing Taiwan as the price of achieving normalization with Peking, and hope that it will be possible to move toward full diplomatic relations with the PRC without impairing our historical friendship with the ROC.

Also troublesome, Mr. Speaker, is the language of section 26 of last year's international security assistance legislation, Public Law 95–384, which reads as follows:

UNITED STATES-REPUBLIC OF CHINA MUTUAL DEFENSE TREATY

SEC. 226. (a) The Congress finds that—

(1) the continued security and stability of East Asia is a matter of major strategic interest to the United States;

(2) the United States and the Republic of China have for a period of twenty-four years been linked together by the Mutual Defense Treaty of 1954;

(3) the Republic of China has during that twenty-four-year period faithfully and continually carried out its duties and obligations under that treaty; and

(4) it is the responsibility of the Senate to give its advice and consent to treaties entered into by the United States.

(b) It is the sense of the Congress that there should be prior consultation between the Congress and the executive branch on any proposed policy changes affecting the continuation in force of the Mutual Defense Treaty of 1954.

Let me note also that the conference report on this bill, House Report 95–1546, said the legislative intent of this section was ". . . to make clear that the House of Representatives is to be included in this consultation process."

Whatever consultation there may have been, Mr. Speaker, was inadequate in the sense contemplated by the statute. I do not believe that a few vague references to the negotiations from time to time, plus telephone calls to a few congressional leaders a couple of hours before the President's announcement satisfied the letter and the spirit of section 26. At any rate, at no point before the President went on the air was I consulted by him or by any of his representatives.

In fact, within days of the announcement, I cosigned, along with several colleagues on the International Relations Committee, a letter to the President registering "our concern, displeasure and dismay over the cavalier way in which this decision was conveyed to the Congress."

Mr. Speaker, as a result of the China decision, I fear that some of our allies around the world might for a while simply not believe what our country says. Regrettably, we probably have lost for the time being a good deal of trust, faith, confidence, and credibility placed in us by many of our friends.

Despite my objections and reservations concerning the President's action, however, I stand ready to work with the International Relations Committee, the House, and the executive branch in fashioning responsible legislation to maintain and improve commercial, cultural, educational, and other ties and relations—however unofficial—with the people and leaders of Taiwan. Examples of such legislation would include bills to continue several dozen executive agreements and other treaties between the United States and Taiwan, to continue arms sales to Taiwan, and to grant most favored trade status to Taiwan.●

VICE PRESIDENT MONDALE HONORS ISRAELI AMBASSADOR DINITZ

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. ROSENTHAL. Mr. Speaker, one of the most capable, effective and popular ambassadors ever posted to Washington was Simcha Dinitz of Israel. Last month he completed his assignment in Washington, having served under three Israeli prime ministers and through three American administrations. During that 5-year period I came to know and respect Simcha Dinitz and to call him my friend.

A friend of both Ambassador Dinitz and myself, Vice President MONDALE, has said of him, "no single individual has done more in these crucial years to cement the friendship between the United States and Israe that Simcha Dinitz." I can attest to the truth of that statement from firsthand knowledge.

"Simcha Dinitz brought a breadth of vision—and a singleness of purpose—which time and again have made the difference between success and failure," the Vice President said in a warm, affectionate farewell to Ambassador Dinitz and his charming, intelligent wife, Vivian. I would like to share with my colleagues Vice President MONDALE's farewell tribute to Ambassador Dinitz by inserting his remarks in the RECORD at this point:

REMARKS OF VICE PRESIDENT WALTER F. MONDALE

INTRODUCTORY REMARKS

Thank you very much, Chairman (Marvin) Kay, for that wonderful, generous introduction. I'm certain God will forgive you. I'll have the President put in a good word.

President (Michael) Aaron; Chairman (Marvin) Kay; Executive Director (Stanley) Siegel; my friend, Rabbi (Stanley) Rabinowitz; my good friends, Bob Lipshutz and Ed Sanders; ladies and gentlemen; and our distinguished guests, Simcha and Vivian Dinitz . . .

I am delighted to be here, to join this outstanding organization in honoring two of the best and most decent people we have ever known—Simcha and Vivian Dinitz.

And it's very appropriate that they should be honored by the organization for which Vivian has worked so hard—and which shares the dream of a growing and thriving Israel—the National State of Israel Bond Committee.

I have a great deal of respect for this organization. There are hundreds in Washington which espouse various principles. But very few have supported their goals so tangibly over the years. It was Bond money which built the Port of Ashdod—and made it one of the major seaports in the Western Mediterranean. It was Bond money which helped build the Dead Sea industrial complex and the National Water Carrier. And the latest project—the power station at Haberawill account for over a third of Israel's energy needs.

It's a truly remarkable record of accomplishment. It reflects the deepest promise of peace and growth in the Middle East. And no leader has worked harder or more productively for that dream, than Simcha Dinitz.

As we honor Simcha tonight, I think it's important that we understand what brought him to Washington in the first place. This isn't widely known, but it's a true story: About six years ago, Simcha was already an important leader in Israel. He had served as Minister to Italy and Delegate to the United Nations, and he was working as an advisor to Prime Minister Meir. And one Friday night—about three o'clock in the morning—Simcha was awakened by a phone call from Mrs. Meir. Since it was the Sabbath, he couldn't turn on a light. So he stumbled toward the phone in the dark, tripped over a chair, and broke his toe. And when he told the Prime Minister what had happened, she said, "Simcha. Someday you will learn how to operate in the dark without stubbing your toe. And when you do, I'll send you to Washington."

That was the last time Simcha Dinitz ever stubbed his toe. He's lasted through three Israeli Prime Ministers and three American Administrations. That's what we call survival. And I don't think it's any coincidence that when all of us went to Camp David for those historic talks, Simcha was assigned to stay in the cabin called "Hemlock." They figured he had the best chance.

And he has survived, with great distinction. And it's a measure of that distinction that just a few months ago, Simcha was honored by his Alma Mater, Georgetown University, with a Doctorate of Humane Letters. I want to read you a few lines from the presentation of the Doctore, because they really illustrate the most important qualities of this man. It says:

"Those of us who live in Washington know much about him; his sense of humor, his partisanship for the (Washington) Bullets (even though he did arrange to have them defeated in Israel), his cordial friendship for other ambassadors from the Middle East, his love of classical music, and (most important) his generosity towards his Alma Mater. We also share with him the grief and sorrow that he must feel, as he watches time, diplomacy, and the advancing years eat away at his lifelong ambition to (someday) play at Wimbledon."

Now those are the qualities which earn you a Doctorate of Humane Letters. But there is one additional quality which is Simcha's most outstanding—the one for which he has no rival—and that's Vivian. There's no doubt about it, she's the class of the act . . . so gracious . . . so intelligent . . . so loving . . . and so much a partner in the vital work of representing her country.

The other day I was reading the State Department's background briefing on the various officials and personalities from Israel. They give it to you when you travel there or have a conference here. And the whole thing is written in this bureaucratic jargon which always put me right to sleep. But when you get to the section on Vivian Dinitz, all of a sudden you're reading that the Ambassador's wife is, quote, A "delightful and charming person." Obviously some State Department Desk Officer was just as charmed and taken as the rest of us. And it isn't hard to see why.

PRAISE FOR DINITZ

So this is a moment which for me is sad as well as happy. For those of us who are elected to public office, it's always a cultural shock to give up your moorings and move to Washington. This is a city always in flux—its people always in transition. And what makes life here most meaningful are the few real friendships you can make here, and the small community of friends you can find.

Since they came here almost six years ago, Vivian and Simcha have been our friends . . . friends to Joan and to our family. So mostly for selfish reasons, I'll be very sorry to see them go. He has been a friend and admirer.

But Simcha's departure is a loss of far more than personal dimension. It's a loss for all of us, because no one—no single individual—has done more in these crucial years to cement the friendship between the United States and Israel—than Simcha Dinitz.

Simcha came to this country at the Threshold of a new era in the Middle East—only days before the Yom Kippur War in 1973. He served through the Sinai I negotiations of 1974—the Sinai II negotiations of '75—and the crucial steps toward understanding at Camp David.

And to all of those endeavors, Simcha Dinitz brought a breadth of vision—and a singleness of purpose—which time and again have made the difference between success or failure. Disraeli said once that the secret to progress is constancy of purpose. And Simcha has brought to his mission those rare personal qualities which can turn our common dreams into tangible realities.

His genius is legendary. His compassion is unbounded. And his eloquence is unparalleled. I remember back in May, when Simcha and I both addressed the national meeting of the American Jewish Committee in New York. It was two weeks after the Middle East arms sale—and the atmosphere was charged with doubt and expectation. But when Simcha spoke with the air of uncertainty lifted, and the monetary differences of policy gave way to a profound identity of purpose.

He talked about the special relationships between our countries—cemented over thirty years of common struggle. He talked about the strength of friendship between freedom-loving nations. And then he said something I've never forgotten, because it proved so prophetic. He said that regardless of temporary differences, that shared allegiance always creates the opportunity for men and women of courage to find a common ground.

SPIRIT OF CAMP DAVID

And if any lesson emerged from Camp David, it was the promise and the force of individual human courage. The acts of individuals can change the course of history.

And Simcha Dinitz has proved that lesson every day of his public life. He said recently that Camp David was a vindication of the role of diplomacy. It was more than that. It was a vindication of the life and work of this man. It was a culmination of the seeds which he has planted over these crucial five years.

And it will succeed. The difficulties remain. The course ahead is uncertain. But we will succeed. We will turn a Framework for Peace into a Treaty of Peace. And with it, we will take a first step toward the larger peace—for all parties who cherish their cradle of civilization in the Middle East.

COMMITMENT TO ISRAEL

I remember back in July when I traveled to Egypt and Israel. Camp David was only a distant dream—and the closer reality was more conflict and more uncertainty. But even in that atmosphere, the people of Israel were not thinking about war. They were thinking and talking about new schools and hospitals—new ways to create jobs and increase farm yields. They were planning for peace.

And when I stood to speak at the Knesset Building—and talked with the leaders of Israel—there was no hint of a nation defensive or in danger. There was only the hope and progress of a working and thriving democracy. And it is that identity of principle—more than anything else—which cements the special relationship between the United States and Israel.

CONCLUSION—DINITZ

Here in this country, Simcha Dinitz has personified that relationship . . . not just the formalities of alliance between two nations . . . but the bonds of friendship between two peoples. For vast numbers of Americans—for Jews and gentiles—for interested organizations and for average citizens—he has been the voice and the symbol of Israel. There is no voice more eloquent—and no better symbol of the dreams and hopes and capabilities of the Israeli people.

When Simcha spoke last month at Georgetown, he left a message for the students, and for all of us. He said:

"Let us hope that out of the common heritage and ethics which guide us all, we (can) derive the necessary strength and wisdom to create a new reality which harbors unparalleled opportunity for all the people of the Middle East."

He was looking beyond the formalities of a negotiated peace. He was thinking about the promise of peace—which can unlock the talents and the resources and the common will of two great and ancient peoples. And when the day comes that peace in the Middle East achieves that grand dimension, all of us will count Simcha Dinitz among its builders.

I want to close where I began—on a personal note. I'm told that in Hebrew, the Word "Simcha" means "rejoicing." And a secondary meaning is an event or a person who brings happiness and rejoicing. To those of us in Washington, Simcha and Vivian have brought happiness. They've brightened our lives. They make us better for having known them. And for that reason above all the others, we will miss you. Peace be with you, and peace be with us all.

Thank you very much.●

INTRODUCING LEGISLATION TO AMEND THE PRICE-ANDERSON ACT

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. WEISS. Mr. Speaker, I am today introducing legislation to amend the Price-Anderson Act, the 1957 law limiting liability for a nuclear powerplant accident. My bill would remove the act's $560 million compensation ceiling and would require all atomic plant licensees to arrange a combination of individual private policies and an industry-financed insurance pool to cover the balance of claims resulting from a nuclear incident.

The June 26, 1978, Supreme Court decision upholding the constitutionality of Price-Anderson requires affirmative congressional action to protect fully all potential victims of a nuclear disaster. Revoking the $560 million liability limitation, established 21 years ago and never subsequently adjusted for inflation, would also introduce a measure of economic realism to the nuclear industry. Under this legislation, the true costs of atomic energy generation would no longer be artificially deflated through an arbitrary and inequitable cut-off of claim payments.

At present, the $560 million figure is comprised of the amount of private coverage available to a particular plant—about $140 million on the average—and a formula, based on the number of plants in operation, which currently establishes a $310 million industry pool and a $110 million Federal guarantee.

This legislation would amend Price-Anderson in the following ways:

Stipulates that each licensee must obtain the maximum coverage available from private insurers;

Provides that in the event of an accident at a particular plant, this facility's insurance would be the first source of claim payments;

States that if the judgment against a given facility exceeds its private insurance coverage, the plant would then be liable up to the total of its assets;

Requires that if a court determines that the plant's assets are insufficient to meet the full judgement, the industry pool shall cover the balance of outstanding claims;

Mandates that pool participants shall contribute to the cost of the judgement according to a formula based on each licensee's generating capacity, its degree of risk, its total assets and other factors;

Provides that should a court determine that a given plant cannot meet its proportional share to the pool, that plant would then become eligible for long-term Federal loans to be secured against the plant's assets;

Makes explicit that each licensee shall be liable for any incident at its facility resulting in injury to persons and/or damage to property, and

Waives the 20-year statutory limitation on claims resulting from a nuclear incident.

Unlike the Price-Anderson Act which mandates an automatic Federal subsidy for nuclear power insurance, my bill would entail use of Federal funds only in the event of a major catastrophe where victims' claims exceed a plant's private insurance coverage, plant's total assets and the proportional contribution toward an industrywide pool. Even then, Federal moneys would be used only to provide interest-bearing loans.

Price-Anderson was enacted as a means of encouraging private industry to accelerate nuclear power development. That was 21 years ago, and since then more than 60 atomic power plants have been activated in our Nation. The time has come for nuclear power either to stand or fall on its own merits. No other method of energy-generation enjoys a similar liability limitation, and Congress now has a clear duty to end this unfair underwriting of atomic power.

If nuclear energy is indeed as safe as its proponents maintain, then the nuclear industry should be able to convince private insurers to write policies in excess of the current $140 million average amount. Atomic energy advocates should also be willing to back up their claims of a nearly infallible energy source by financing a pool to cover the costs from an accident which they regularly describe as "almost impossible."

I urge my colleagues to join me in this important effort.

H.R. —

A bill to amend the Atomic Energy Act of 1954 to modify certain statutory limitations on the amount of financial protection required with respect to nuclear incidents, to remove the statutory limitation on the aggregate liability for a single nuclear incident, to limit the financial obligations of the United States with respect to such incidents, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of American in Congress assembled, That this Act may be cited as the "Nuclear Incident Liability Reform Act of 1979".

SEC. 2. (a) Section 170 a. of the Atomic Energy Act of 1954 is amended by striking out the second sentence thereof.

(b) (1) The first sentence of section 170 b. of such Act is amended to read as follows: "The amount of financial protection required shall be the maximum amount of liability insurance available from private sources. Such amount shall be redetermined periodically by the Commission on the basis of the cost of living (including the cost of health care).

(2) The third sentence of such section 170 b. is amended to read as follows: "All licenses required to maintain financial protection under this section shall also be required, without regard to the manner in which they obtained other types or amounts of financial protection, to participate in an industry retrospective rating plan. Such plan shall provide for premium charges deferred in whole or in major part until public liability from a nuclear incident exceeds or appears likely to exceed the sum of—

"(1) the level of primary financial protection required of the licensee involved in the nuclear incident, and

"(2) the amount otherwise available from such licensee for the satisfaction of such liability (including all real and personal property of the licensee and any amounts available pursuant to applicable bankruptcy proceedings).

The deferred premium which shall be charged following any nuclear incident under such a plan shall be such amount as is required under rules promulgated by the Commission not later than sixty days after the date of the enactment of the Nuclear Incident Liability Reform Act of 1978. Such amount required under such rules shall be determined according to a formula based on—

"(A) the licensee's generating capacity,

"(B) the degree of risk of nuclear incident associated with the licensee,

"(C) the licensee's total assets, and

"(D) such other factors as the Commission deems appropriate.".

(3) Such 170b. is further amended by striking out the fifth sentence and all that follows and substituting: "If any licensee is unable to meet any assessment of deferred premiums within a reasonable time following any nuclear incident without impairing the provision of electric utility service by such licensee, the Commission may loan such licensee the amount by which such assessment exceeds the amount which the licensee is able to pay without such impairment. Thee loan shall be made upon such terms and conditions as may be established by the Commission except that such loan shall be secured by the liens on assets of such licensee and on the revenues derived therefrom and shall bear interest at a rate determined by the Secretary of the Treasury on the basis of the current average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the making of such loan.".

(c) Subsection c. of section 170 of such Act is hereby repealed.

(d) Subsection d. of such section 170 is amended by striking out ", in the amount of $500,000,000" and all that follows down to the period at the end thereof.

(e) Subsections e., f., g., and h. of such section 170 are hereby repealed.

(f) Subsection i. of such section 170 is amended by striking out "which will probably require" and all that follows down through "$560,000,000".

(g) Subsections k. through m. of such section 170 are hereby repealed.

(h) Paragraph (1) of subsection n. of such section 170 is amended to read as follows:

"(1) With respect to any nuclear incident with respect to which financial protection is required under this section and which—

"(a) arises out of, or results from, or occurs in the course, of the construction, possession, or operation of a production or utilization facility, or

"(b) arises out of, or results from, or occurs in the course of transportation of, source material, byproduct material, or special nuclear material to or from a production or utilization facility, or

"(c) during the course of the contract activity arises out of, or results from, the possession, operation, or use by a Commission contractor or subcontractor of a device utilizing special nuclear material or byproduct material,

the Commission shall require provisions to be incorporated in insurance policies or contracts furnished as proof of financial protection, which waive (i) any issue or defense as to conduct of the claimant or fault of persons required to obtain financial protection, (ii) any issue or defense as to charitable or governmental immunity, and (iii) any issue or defense based on any statute of limitations if suit is instituted within three years from the date on which the claimant first knew, or reasonably could have known, of his injury or damage and the cause thereof. The waiver of any such issue or defense shall be effective regardless of whether such issue or defense may otherwise be deemed jurisdictional or relating to an element in the cause of action. When so incorporated, such waivers shall be judicially enforcible in accordance with their terms by the claimant. Such waivers shall not preclude a defense based upon a failure to take reasonable steps to mitigate damages, nor shall such waivers apply to injury or damage to a claimant or to a claimant's property which is intentionally sustained by the claimant or which results from a nuclear incident intentionally and wrongfully caused by the claimant.".

(i) Paragraph (2) of subsection n. of such section 170 is amended by striking out "extraordinary nuclear occurrence" each place it appears and substituting "nuclear incident".

(j) (1) The section heading for section 170 is amended to read as follows:

"SEC. 170. LIABILITY FOR NUCLEAR INCIDENTS.—".

(2) The item relating to section 170 in the table of contents is amended to read as follows:

"Sec. 170. Liability for nuclear incidents.".

SEC. 3. Section 53 e. of the Atomic Energy Act of 1954 is amended by striking out paragraph (8), by striking out "; and" in paragraph (7) and substituting a period, and by inserting "and" at the end of paragraph (6).

SEC. 4. Section 2 i. of the Atomic Energy Act of 1954 is amended by striking out ", and may limit the liability of those persons liable for such losses".

SEC. 5. (a) Section 11 t. of the Atomic Energy Act of 1954 is hereby repealed.

(b) Section 11 m. of such Act is amended by striking out "; and (3)" and all that follows down to the period at the end thereof and by inserting "and" before "(2)".

(c) Section 11 w. of such Act is amended by striking out "indemnified" and substituting "required to obtain financial protection under section 170".

(d) Section 11 p. of such Act is amended by striking out "as the term is used in subsection 170 l., it shall include any such occurrence outside the United States: *And provided further,*".

SEC. 6. The amendments made by this Act shall take effect on the date sixty days after the date of the enactment of this Act and shall apply with respect to all contracts referred to in section 170 d. of the Atomic Energy Act of 1954 and to all licenses referred to in section 170 a. of such Act without regard to whether such contracts were entered into, or such licenses were issued, before, on, or after the date of the enactment of this Act.●

IN MEMORY OF RONALD M. MACKENZIE

HON. ROBERT C. McEWEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. McEWEN. Mr. Speaker, December 23, 1978, was a sad day for amateur sports enthusiasts throughout the United States and especially in Lake Placid, N.Y. On that day, Ronald M. MacKenzie, president of the Lake Placid Olympic Organizing Committee and lifelong booster of winter amateur sports, died while attending the inaugural ski jump on Lake Placid's new 70-meter hill.

Ron had worked for a lifetime to bring the Winter Olympics back to Lake Placid, N.Y., where they had been held for the first time in the United States in 1932. The opening of the new 70-meter ski jump was another milestone on the road to reaching that goal. It was natural for Ron to be there because he had been a qualified U.S. ski jumping judge for 30 years, and he relished every opportunity to get away from his desk and see the new sports facilities in action.

The ski jumping complex at Intervale, which includes the 70-meter jump, will always stand as a memorial to Ron MacKenzie. Indeed, all the permanent sports facilities being constructed at Lake Placid, N.Y., bear the imprint of Ron's dedication and perserverance to amateur sports. I suspect that nothing could make Ron happier than knowing that thousands and thousands of young men and women will be using all of these facilities to train and compete before, during and long after the 1980 Olympic Winter Games at Lake Placid, N.Y.

Mr. Speaker, I would like to include three very well written editorials from local papers that demonstrate how the people in Ron's community felt about him:

[From the Plattsburgh Press Republican, Dec. 28, 1978]

We Will Miss Ron MacKenzie

Lake Placid, the North Country and the entire Olympic world were stunned Saturday to learn that Ronald MacKenzie had died.

Mr. MacKenzie personified everything that was good about friendly international competition. He was a competitor himself and indeed helped make Lake Placid the winter sports capital of North America, if not the world.

His unrelenting passion to boost his hometown was again evident during the past two years during his service as president of the Lake Placid Olympic Organizing Committee. His very presence lent a stature to the tiny village's bid to host this greatest of all international sports events and helped immeasurably in securing the host's role.

It was perhaps fitting, therefore, that his enormous heart gave out in the very shadow of the spectacle he helped create. He died under the 70-meter ski jump that was to be inaugurated that fateful day. In fact he was there to help mark the occasion of the first jump to take place off the brand new structure and its bigger brother beside, the 90-meter jump.

It was also fitting that Mrs. MacKenzie, in her first act as widow, bade the ceremonial jump to take place, as her husband would have wanted.

It is undoubtedly true that an event of the gigantic proportions of the Olympic Games doesn't start and stop on the axis of one man. But if there is a potentially measurable loss to the 1980 Winter Olympics, it is surely the death of Ron MacKenzie.

Lake Placid has lost a benefactor, the Olympic Committee has lost a pivotal leader and all of amateur athletics has lost a close friend.

The world goes on according to the saying. But at least one corner of it goes on a little sadder and a little poorer without Ron MacKenzie.

[From the Saranac Lake, (N.Y.) Adirondack Daily Enterprise, Dec. 27, 1978]

Fond Memory of Ronald MacKenzie

Most everyone in the area has his own memories of Ronald MacKenzie, the sports patriarch of Lake Placid, who devoted his life to expanding the opportunities for winter sports for the nation's youths.

Upon hearing of his death on Lake Placid's new jumping hill, we thought of a very cold afternoon three years ago cross country skiing on the marvelous Mount Van Hoevenberg trails.

It was mid-week and the trails were virtually deserted. We were four miles in and suddenly there was Ron MacKenzie, at the age of 72 full of life, gliding along the cross country network which he had inspired.

We were puffing along, but Ron was in fine fettle.

Immediately he said, "Let's go take a look at the site for the biathlon."

And so at full tilt we skied to the biathlon site which was then a field full of short pines.

Ron knew all about it—the proposed location of the target area, where the cross country loops would go, and how they would tie into the existing cross country trails.

He knew more about winter sports and loved them more than any man we have ever met.

It was his love of the sports which led Ron to work so hard for the development of Lake Placid as a sporting capital of the world. He had the vision to see what the community could be and the quiet perserverance to make that vision a reality.

Ron MacKenzie was refreshing for his modesty. He was never interested in self-aggrandizement, but rather in providing sporting opportunities for others.

He was known throughout the world as a promoter of winter sports. But here he was known as a quiet, effective man, who loved the out-of-doors and winter sports.

We will all miss him.

In the weeks and months to come the Lake Placid Olympic Organizing Committee should give careful thought to which of the new facilities will be named in his honor as a lasting living memorial to Ronald MacKenzie.

For ourselves, we will see him still, alone in the quiet of the Mount Van Hoevenberg trails.

[From the Lake Placid News, Jan. 3, 1979]

Words of Praise

"We are shocked and saddened by the sudden loss of our close and dear friend, Ron MacKenzie. He was a giant among Olympians and an inspiration to all associated with winter sports. His dedication and commitment to excellence will continue to guide us as we strive to make his Lake Placid dream a reality."

Petr Spurney, General Manager, LPOOC

"Lake Placid's reputation as a major international sports center has flourished through the efforts of Ron MacKenzie. The people of our community have long recognized his accomplishments and are truly grateful for his unselfish devotion on their behalf. Their loss is immeasurable. Knowing that he will be remembered in our community as the kind, generous Father of Skiing is an appropriate tribute to his life-long work."

Jack Shea, Supervisor, Town of North Elba

"Although the initial reaction of those of us associated with the XIII Olympic Winter Games is the loss that our organizing committee has suffered, the greater truth is that our community has lost one of its more dedicated sports persons. His major role in our community for the past half century has made Lake Placid the outstanding world-renowned sports center that it has become. The XIII Olympic Winter Games will forever write his name into the anals of international sports where it truly belongs."

Rev. J. Bernard Fell, Executive Director, LPOOC

"The loss of President MacKenzie is not limited to the Lake Placid Organizing Committee or the community; he was loved and respected throughout the international winter sports world. But his devotion to helping the youth of our community through his active involvement in various ski and recreational programs has reached deep into every family in Lake Placid. The loss of Ron MacKenzie is a personal one to each of us in our community."

Robert Peacock, Mayor of the Village of Lake Placid. ●

LATVIAN INDEPENDENCE DAY

HON. FRANK ANNUNZIO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. ANNUNZIO. Mr. Speaker, November 18, 1918, was the 60th anniversary of the declaration of independence by the Latvian people. Although Latvia has been occupied by foreign powers throughout most of its history, the people of this nation have maintained their language and cultural identity. In November of 1918 they had their chance for freedom and proclaimed their independence.

The new state, with a population of slightly over 1 million, was in a precarious position from the beginning as it was surrounded by more powerful neighbors. However, Latvia survived and the interwar years marked a rennaissance of Latvian politics and culture. For 22 years the Latvian Government functioned on the basis of a true proportional representation. Numerous political parties, of all opinions, existed and actively contested free and open elections. Latvia was a model democracy. Because the basis of a healthy democracy is an enlightened electorate, Latvians spent over 15 percent of their national budget on education. Free public schools were open to all and by 1940 the literacy rate was over 90 percent.

Mr. Speaker, Mr. Viktors Viksnins, President of the Chicago Latvian Community Center, has forwarded to me a publication entitled, "Latvia," which contains information on life in Latvia now under the brutal yoke of Communist dictatorship, and a portion of that statement follows:

> Latvia, along with Estonia and Lithuania, is one of the three Baltic States on the eastern shores of the Baltic Sea. Its territory of 25,000 sq. mi. (about the size of West Virginia) has a population of 2 million inhabitants. The capital city Riga (founded in 1201, present population over 700,000) has always been an important cultural and trade center in Northeast Europe since the Middle Ages.
>
> The Latvian language belongs to the Baltic branch of Indo-European languages. It shares certain linguistic features with some of the other European languages and at the same time retains its own identity apart from the tongues of Germanic and Slavic nations.
>
> The cultural patterns in Latvia have a decidedly Western European orientation, as witnessed by Latvian architecture, art, literature, religion, and the present style of living of Latvian peoples.
>
> Pressed on its borders by their more populous and powerful neighbors, the Latvians have always managed to retain their cultural, if not political, identity and independence. During the past centuries, parts of Latvia have been repeatedly economically ruined and even depopulated by onslaughts of foreign armies fighting for the dominance of Northeast Europe. In 1795 Russia succeeded in bringing the whole Latvian territory under its sole rule. The collapse of Russian and Austro-Hungarian empires at the end of World War I enabled several nations in Central and Northeast Europe (from Czechoslovakia to Finland) to gain their independence. Latvia was proclaimed an independent democratic republic on November 18, 1918, but a war of liberation against German and Russian armies lasting from 1918 to 1920 still remained to be fought. In the Peace treaty of Moscow (August 11, 1920) the Soviet Union renounced "forever" any claims on Latvian territory and pledged to respect its status as a sovereign nation.
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> However, a secret agreement between Nazi Germany and the Soviet Union, the Molotov-Ribbentrop Pact of 1939, divided their spheres of influence and showed the cynical disregard of the Soviets for the treaties they had signed with its militarily weaker neighboring states. In June 1940, while France was being overrun by the German armies, the Soviet Union lost no opportunity in occupying the 3 defenseless Baltic States—Estonia, Latvia and Lithuania. Following the Soviet plan, a hasty sham

"election" was held in July, 1940, with only one list of Moscow approved communist candidates. Other candidates were rejected and even jailed on the charge of being "political opportunists". In August, 1940 Latvia was forced to become a Soviet republic, a dependent part of the U.S.S.R., and the Latvian people were denied their constitutional rights to express their will. The United States formally declared on July 23, 1940 that it does not recognize the forcible incorporation of Estonia, Latvia and Lithuania into the Soviet Union. A year of terror, economic plunder and mass deportations of Latvians followed.

The subsequent clashes of Soviet and Nazi armies on Latvian soil brought devastation to the country. After the end of World War II, Latvia and many other Eastern European countries still remain occupied by the only old-fashioned colonial empire left intact in the 20th century—the Soviet Union. In the meantime, numerous African and non-Russian Asian nations have gained independence. For all the non-Russian "republics" within the Soviet empire, sovietization also means russification and a loss of cultural independence. In Latvia, even the little decisions affecting everyday lives of the local population are made not in Riga, but in Moscow. Russian overseers, who have been sent to Latvia, have more real power than the local Latvian Communist party functionaries.

The russification process in Soviet occupied Latvia is prominently evident in education: textbooks used in Latvian schools are mainly translations from the Russian. Higher education can be obtained only if a student is a member of communist youth organizations. Less than one half of teachers in rural areas have college degrees.

Free expression in literature and art is discouraged. Unless writers, poets, artists, and musicians follow the approved political doctrine, their works are not published or performed openly. Deviations from the prescribed course of action are met with restrictions upon the authors' and artists' activities and personal lives.

As a result of religious discrimination, membership in the Latvian Lutheran church has decreased from 1 million prior to Soviet occupation to 0.3 million during the late 1960's; only 50 of the 259 churches are still used for religious services. In many parishes, christening, confirmation, and wedding ceremonies have not been performed for years. The communists are applying pressure to discard even last rites and burial services. Despite all this, there is evidence that Latvian youth displays a deep religious conviction.

Nationalism continues to be a most dangerous threat to the Soviet system. Lack of help from the Western nations has left the younger generation of nationalistic Latvians with only one alternative: to seek more power inside the communist system for more independence from the Soviet Union. Their immediate concern is to stop the influx of Russian workers that are brought into Latvia as a result of heavy industrialization. At the same time, educated Latvian youths are assigned positions elsewhere in the Soviet Union. This process will eventually lead to loss of national identity; Latvians will become a minority in their native country. The restlessness in the non-Russian parts of the Soviet empire forces the Soviet leaders to ruthlessly suppress even the slightest movement toward national independence. Nevertheless, the Latvians, Estonians, Lithuanians and other oppressed nations are looking for opportunities to rid themselves of the Soviet Russian domination.

As a further step to eliminate persistent nationalistic loyalties, the Soviet leaders have begun a controversial consolidation of its national planning regions that may ultimately erode the identity of individual Soviet ethnic republics. Under this plan, Latvia, Estonia, and Lithuania, as well as the Byelorussian Republic would be combined with the adjoining Leningrad and Moscow regions into a new north-central planning region.

Mr. Speaker, many Latvians emigrated to America over the years because of the brutal oppression of their homeland. They brought their hopes of freedom to this great country in addition to their ethnic heritage and culture, arts, science, history, and knowledge, and have contributed much to the present wealth and greatness of our land. The liberty that we enjoy in America, however, has been denied those who remain in Latvia, and I am honored to join Latvian-Americans in the 11th District, which I am proud to represent, and all over this Nation in their fervent hope that the people of Latvia will soon achieve their freedom once again.●

BILL STEIGER: A STORY THAT SHOULD HAVE BEEN TOLD

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. BOB WILSON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following:

BILL STEIGER: A STORY THAT SHOULD HAVE BEEN TOLD

(By David S. Broder)

It is a cliche in the political-reporting business that every one of us carries around in his head a list of stories that he would have given his eyeteeth to have written. Some are scoops on which you were beaten. Some are exposes for which you wish you could claim credit. But the most uncomfortably remembered stories are those where you might have said—but did not—that somebody is doing a helluva job in public office.

Bill Steiger had done that kind of a job ever since he came to the House of Representatives in 1966 as a 28-year-old freshman Republican from Oshkosh, Wis. He died last week, after a heart attack, at age 40. The sense of personal loss that I share with his other friends and admirers is compounded by the regret that this column was not written earlier—not for Steiger's sake, but for the greater credibility that it might have had with the young people for whom he had a special concern.

They are awfully cynical about politics and politicians these days. On the college campuses that I have visited in the past few weeks, the students are very familiar with the real names and cases of Congressman Kickback and Senator Shakedown, and they ask, in world-weary voices, why the voters reelect such men and why Congress seats them. They don't ask about the Steigers of the world—and for a good reason. We haven't told them nearly as much about them. And we should have.

Steiger was 13 when he learned that he had diabetes. He lived as long as he did by injecting insulin twice a day. Despite it, he was unstinting in the energy that he poured into politics and public office. By the time he was an undergraduate at the University of Wisconsin, his friend and classmate, John Bibby, recalls, "Bill has done so much in campus politics and state and national Young Republican politics that our professors discussed things with him as they would with a political pro."

He was graduated in June, 1960, and the next November was elected to the state Assembly. There, he became a leading proponent of a state open-housing law that was finally passed in his third term. It was a strange issue for a man from a district that then included only 189 nonwhites, but Steiger was never a parochial politician.

In 1966, he ran against an incumbent Democratic congressman who had opposed federal open-housing laws and tried to make that an issue against Steiger. The voters were wiser than the opponent thought, and gave Steiger the first of his seven House victories.

During his House service, Republicans were always in a minority. In that situation, it is easy and tempting to vote against every program not desired by the dominant interests in your district. Steiger did not do that. He took the far harder course of searching out ways to shape basic legislation and push national policy in directions that he thought it should go. In doing so he became, as his Wisconsin Democratic colleague, Rep. David R. Obey (a legislator of comparable quality), said, "the Republican who was the most effective bridge between the parties in Congress."

Working with Sen. Harrison A. Williams, Jr. (D–N.J.), he devised the compromise that permitted passage of the Occupational Safety and Health Act in 1970. Working with Sen. Spark M. Matsunaga (D-Hawaii), he succeeded in 1971 in legislating the end of the draft and the start of the volunteer Army. Working with then-Sen. Walter F. Mondale (D-Minn.), he was instrumental in gaining passage of the program providing legal services to the poor.

Steiger was a reformer who understood the importance of knowing the rules. He was an "institutional man," devoted to the House and to the Republican Party. His respect for them made him willing to work long hours against great odds to improve their functioning.

As his reputation inside Congress grew, so did the opportunities to cash in by accepting lucrative outside job offers. Another friend, Rep. Barber M. Conable Jr. (R-N.Y.), recalls that Steiger turned down an industrial-foundation post that would have doubled his congressional salary and provided financial security for his wife and young son. Instead, he stayed at his work. In leading the successful fight this year for reduction in capital-gains taxes, over the opposition of President Carter and the Democratic congressional leadership, he won acclaim from financial circles that managed to overlook his earlier constructive work in the social-policy area.

Methodically, as always, Steiger used his new role as a sought-after speaker on the national GOP fund-raising circuit as a way to mobilize support for his next major goal: the nomination and election of his friend George Bush to the Presidency.

Steiger was a man of exceptional talent, integrity and drive. But there are more than a few of his kind in politics. It would honor his memory if we occasionally wrote about them, too—before they die.●

THE 1979 ACREAGE LIMITATION REPEAL ACT

HON. BOB STUMP

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. STUMP. My Speaker, today, I am introducing the 1979 Acreage Limitation Repeal Act. This effort will once and for all put to rest the problem that we have been experiencing regarding the limitation which has been placed on the amount of water that a person might receive from Federal reclamation projects. Purely and simply, it is a comprehensive bill to repeal the 160-acre limitation and remove the residency requirement.

This obsolete law, enacted in 1902, has at best been very loosely enforced. We like to analogize this situation to the State legislator who discovered an obsolete State law which says that motor carriages must pull over to the side of the road when they approach within 100 yards of any horse or horse-drawn vehicle. Now that State law had not been enforced for over 75 years. The legislator brought this obsolete law before a committee of the State legislature. Rather than repeal the obsolete law, the committee elected to increase the distance that the motor carriages had to pull over from 100 to 500 yards.

Mr. Speaker, we have the same situation as it relates to the Acreage Limitation Act of 1902 and subsequent acts. Some are suggesting that we increase the limitation from 160 acres to some other magic number. However, we are dealing with an obsolete law that has been loosely enforced. While the original purpose was meritorious, it has long since served its purpose.

As presently interpreted by the courts, the 1902 Reclamation Act will limit farm income, abuse private property rights, set up a Government-run lottery for land, dictate to whom one can sell, sanction a philosophy of land redistribution, limit farmers to some arbitrary farm operational size, and destroy the free enterprise incentive. As Senator WALLOP so succinctly stated on March 10, 1978:

> The problems with the present excess land laws are many. One hundred sixty acres is no longer an economical farm unit for virtually all lands within reclamation projects. Variations in productive potential of various lands are ignored in all but a few isolated instances. Residency requirements are unduly strict. The limitations apply equally to those receiving only a supplemental supply of water, as well as those who are dependent on water from Federal reclamation projects. Many irrigators are now being denied the benefit of payout contracts which they entered into in good faith. Their Government has breached its faith.

While the social experimenter flippantly tried to give the opposite impression, the family farm is not an obsolete concept. It is the rule. Corporate farming is the exception. The 160-acre limitation, together with the residency requirement, the Interior Department would like to impose is tantamount to expropriation by the Government of private property.

The 1979 Acreage Limitation Repeal Act allows continued control of ownership in reclamation areas, but would not place a limit on the size of farming operations. I do not believe it was the intent of the 1902 Reclamation Act to limit farm income by controlling the business end of the operation.

Last year over 70 Members of the House and Senate cosponsored this legislation with Senator GOLDWATER and me. Further, on March 9, 1978, the Arizona State Legislature passed senate concurrent memorial 1003, urging the Congress to amend the Reclamation Act of 1902 to eliminate or modify acreage limitations and remove residency requirements relating to farmland irrigated with water from Federal reclamation projects. Following is the senate concurrent Memorial:

SENATE CONCURRENT MEMORIAL 1003

(A concurrent memorial urging the Congress of the United States to amend the Reclamation Act of 1902 to eliminate or modify acreage limitations and eliminate residency requirements relating to farmland irrigated with water from federal reclamation projects)

To the Congress of the United States of America:

Your memorialist respectfully represents:

Whereas, in 1902, Congress enacted a Reclamation Act, 32 Stat. 388, to provide irrigation systems for farmlands in the arid West; and

Whereas, section five of such Act prescribed in limitation of one hundred sixty acres owned by an individual farmer eligible to receive irrigation water from a reclamation project; and

Whereas, section five of such Act limited sales of such land to bona fide residents residing in the neighborhood of such land; and

Whereas, such limitations have been only sporadically enforced by the United States Department of the Interior; and

Whereas, because of the lack of enforcement of such law, many people have acquired legitimate interests in land and water in excess of authorized limits; and

Whereas, the Department of the Interior, under court order, has proposed regulations which would strictly enforce the limitations in the future and force persons holding excess lands to dispose of them in a manner and to persons dictated by the Department; and

Whereas, under the proposed regulations, an owner of excess land would be forced to sell it for a price well below its true market value; and

Whereas, under the proposed regulations, an owner of excess land would be prohibited from even leasing back such lands after disposition; and

Whereas, because of inflation and the state of commercial agriculture, one hundred sixty acres is an unrealistic limitation on agricultural holdings to the point of being arbitrary and capricious; and

Whereas, many reclamation statutes provide exceptions to the acreage limitations and such lack of uniformity may raise constitutional questions; and

Whereas, reclamation systems on Indian reservations contain no such limitation even though most of such land is under long-term lease to non-Indians; and

Whereas, strict application of the limitations at this late date will be clouded by litigation for years to come; and

Whereas, across-the-board application of the acreage limitation does not take into consideration substantial economic variations depending on the crop grown, the type of soil, the length of the growing season, the elevation and latitude of the land, the salinity of the water and many other factors; and

Whereas, the original purposes of the acreage limitation to distribute the benefits of reclamation projects, promote family farms and preclude speculation underwritten by Federal investments are now largely obsolete, moot or nugatory; and

Whereas, imposition of the residency requirement, not enforced since the Omnibus Adjustment Act of 1926, 44 Stat. 636, would work great hardship on many people who have developed alternative lifestyles in reliance on Federal policy; and

Whereas, in the State of Arizona nearly thirty thousand acres of land would have to be transferred to comply with the proposed regulations; and

Whereas, the appearance of unpredictability of Federal policy may and the application of the proposed regulations would severely affect the marketability of all reclamation lands. Wherefore your memorialist, the Senate of the State of Arizona, the House of Representatives concurring, prays:

1. That the Congress of the United States amend the Reclamation Act of 1902 to eliminate the acreage and residency limitations contained in section five of such Act.
2. That, as an alternative to eliminating the acreage limitation, the Congress of the United States amend such Act to revise the acreage limitation substantially upward and to authorize acreage equivalency provisions to include consideration of farm economics, the cost of operation and viable farm sizes for all crops in all areas affected by the Act.
3. That the Secretary of State of the State of Arizona transmit copies of this Memorial to the President of the United States Senate, the Speaker of the United States House of Representatives and to each Member of the Arizona Congressional Delegation.

Mr. Speaker, I invite any Member to join me in sponsoring this piece of legislation. The time has come to do away with this outdated, difficult to enforce, and unnecessary law. The 1979 Acreage Limitation Repeal Act will do just that. In short, it will provide reasonable restrictions in return for the use of public investment.●

CONSUMER FOOD LABELING ACT

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. ROSENTHAL. Mr. Speaker, I really do not care to know Coca-Cola's famous secret formula or how to put the snap, crackle, and pop in Rice Krispies or just how the colonel blends those secret herbs and spices for his chicken or why nobody does not like Sara Lee.

But I do want to know what is in each of these products and every other package of processed food on the supermarket shelves. It is not a matter of curiosity. It is a matter of necessity and of right.

As many as one in every four Americans has a need to know what is in the food he or she eats. Most often it is for reasons of health, but it may also be for religious, philosophical, or economic reasons.

Yet we are denied the basic instrument needed to protect us: information.

If you are a parent with a child allergic to a wide variety of food ingredients, how do you protect your child from sickness? Read food labels? Forget it. Most food labels conceal more than they reveal, and that is no accident.

It is because the food manufacturers do not want us to know what they are putting into those packages. They have spent millions of dollars protecting those secrets—all to our detriment.

Now I am not talking about secret

formulas, the trade secrets that must be protected from competitors. What I am concerned about is a simple list of ingredients—not the unique recipe.

That is of little value to a competitor—his labs probably worked the data out long ago. Printing an ingredient list is a long way from revealing a secret formula. After all, simply knowing what is in a Coke or a sauce or a fine French pastry does not reveal just how it is made.

The persistent refusal of the food manufacturers to share with their customers the identity of ingredients in the foods they sell amounts to one of the largest and most callous coverups ever perpetrated.

Business' contempt for its customers has caused needless pain and suffering for millions of Americans. Sadly, Government has been a coconspirator.

Our present food labeling laws and regulations of the Food and Drug Administration are so full of loopholes and exceptions that they are virtually useless. Some foods are fully labeled as to contents, but there is no way for consumers to tell whether the information on a food label is complete.

FDA, now under new leadership, has taken some small, cautious steps to rectify the problem, but it contends it lacks the legislative authority to make any significant changes such as mandating full ingredient disclosure.

Some 350 products—known as standardized foods—are exempt from complete labeling disclosure. Their ingredients are spelled out in FDA regulations. Optional ingredients are permitted for inclusion but their presence need not always be labeled. These anachronistic rules date back nearly 40 years to when homemakers were intimately involved in the preparation of foods such as mayonnaise, peanut butter, cheeses, fruit jellies, and bread.

Nonstandardized foods do not have to tell all, either. Some must list only selected ingredients. And even those that are supposed to reveal everything actually are exempt from listing the names of spices, flavorings, and colorings they contain—and we are all aware of the problems associated with the latter two, particularly those linked with cancer.

Compounding the problem is the fact that there is no way for the consumer to tell which food is in which disclosure category.

To clear up the confusion and give consumers the information they need and are entitled to, I am today introducing the Consumer Food Labeling Act (H.R. 42). It not only requires full disclosure labeling but it also mandates listing the percentage of every ingredient as well.

The Nation's leading allergists, nutritionists, and health professionals have called for full disclosure food labeling. They know how ineffective it is to tell their patients to avoid certain ingredients when it is impossible to determine which foods contain them.

One result of full disclosure labeling might be to make processors more cautious about using certain ingredients, particularly questionable additives, in the first place.

But it is not enough that all ingredients and their percentages be listed. Changes in a product's composition also must be revealed. Many persons become ill each year because ingredient changes are made in familiar products but consumers are not informed. H.R. 42 calls for a notice to appear on labels warning users when products have been changed. Unlike the meaningless "New and Improved" slogan found on so many packages, which give the shopper no hint as to what is actually different—probably the price is new and the profits are improved—the label should have to identify specifically all changes.

Food producers and processors cannot be permitted to avoid revealing ingredients on the grounds it would be impractical for them or would reveal trade secrets. The coverup must end. The public health and welfare must take precedence.

The Consumer Food Labeling Act also calls for other information to protect and inform the food-buying public.

TITLE I

Truth in food labeling requires foodmakers to show on their labels all ingredients by percentage, including all additives and preservatives, and by their common or usual names.

TITLE II

Nutritional labeling requires that any packaged consumer food product be labeled by the producer with the following information:

First, nutritional statements including fat content, vitamin and protein value, fats and fatty acids, calories, and other nutritional data;

Second, the net weight and drained weight of canned or frozen products packaged in a liquid medium;

Third, the major ingredients, by percentage and weight, of any combination food item.

TITLE III

Open dating perishable food requires that all packaged perishable and semiperishable foods be prominently labeled to show clearly the date beyond which it should not be sold and the optimum storage conditions at home. It also provides that overage products can be sold but only if they are safe, separated from other items and clearly identified as being beyond the expiration date.

TITLE IV

Consumer food grading requires a uniform system of retail quality grade designations for consumer food products based upon quality, condition and nutritional value.

TITLE V

Marketing practices disclosure required labels on foods, drugs, and cosmetics to contain the name and place of business of the true manufacturer, packer and distributor.

TITLE VI

Unit and item pricing requires retailers to make the actual selling price on the product itself, regardless of the possible presence of computer pricing codes, and requires disclosure on the package or shelf of the unit (ounce, pound, quart, et cetera) price of packaged groceries. Small retailers are exempted.

TITLE VII

New ingredient notification requires manufacturers to print notices on all food labels that will alert consumers to ingredient changes.

TITLE VIII

Misleading brand names prohibits the use of product brand names that could mislead or deceive the consumer. Advertising such names would violate the Federal Trade Commission Act unless the manufacturer can demonstrate that the product lives up to its name.

Informative food labeling is not a luxury. As I pointed out earlier, it is a matter of necessity for millions of Americans who suffer food allergies, who must control their diets for medical reasons and who want to know a food's ingredients because of religious conviction.

But more than that, every consumer has a right to know what is in the food he or she eats, and there is no justifiable reason for concealing that information.●

PREEMPTION

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. WEISS. Mr. Speaker, I am introducing today a bill to eliminate the Department of Housing and Urban Development's "preemption" regulation.

Initially issued in 1975, this regulation (24 CFR 403) permits HUD to override local rent control ordinances affecting multifamily housing projects insured, subsidized, or owned by HUD–FHA. Preemption occurs when, upon the application of a landlord, a federally protected mortgage is judged by HUD to be in jeopardy.

What is most threatening about preemption is that it places no limits on potential rent increases. Thus we have a situation where the Federal Government has the power to level exorbitant rent increases on city residents, bypassing in the process the local regulations designed to protect those tenants. It is obviously a backdoor attempt by the Federal Government to undermine rent control and should not be tolerated.

In New York City preemption threatens 500,000 tenants in 200,000 apartments. But while New York faces perhaps the biggest threat from preemption, this regulation is a potential danger to any city with rent control or stabilization laws. Boston, for example, has already been the site of a major court case—City of Boston against Hills—involving preemption, and HUD has tried to invoke preemption at several places in northern New Jersey. Los Angeles, Chicago, or Washington are equally susceptible to this bureaucratic lawmaking process.

In response to the public outcry surrounding this dubious policy HUD recently proposed and adopted new, revised regulations—see Federal Register July 24, 1978, page 32104—in an attempt to placate localities affected by preemption. However, the rewritten regulation did little to improve the then-existing rules.

The changes do not remove the antitenant, prolandlord biases that have marked the entire preemption policy. It failed to formulate adequate due process provisions, left unchanged the patent unfairness of the jeopardy formula, set no standards for returning a preempted building to local rent controls, and omitted any consideration of the right of localities to govern themselves.

While the regulation does require a landlord to notify tenants of a preemption request and also gives tenants access to the application and a 30-day period to respond to the request, it does not insure that tenants will have an equal voice during consideration of a preemption application. The regulation does not require that the validity of a landlord's claim of financial jeopardy be examined impartially at a formal adversary proceeding. It does not give tenants the opportunity to analyze the owner's records. And it fails to set any objective criteria for determining when and why local legal remedies may be insufficient to address the claim of jeopardy.

The 30-day review period recommended by the regulation does not afford either a local rent board or the tenants of a building facing preemption enough time to assess the application fully. The New York City Conciliation and Appeals Board, for example, often requires more than 30 days to conduct a thorough review of a request for exemption from local rent controls. It also seems arbitrary and unfair to compel tenants to develop formal response within 30 days.

The regulation further permits landlords to impose preemption rent increases without regard to the impact of such a sudden and often steep rent hike on tenants and on the building's stability. The rule likewise establishes no clearly defined process for returning a preempted building to local rent jurisdiction once the jeopardy factor has been eliminated.

Tenants' rights during and after preemption are not delineated by the regulations. What is the status of senior citizen rent increase exemptions, established by New York City law, under preemption? To whom does a tenant appeal for redress of grievances during preemption? Why does the regulation not stipulate that a landlord must provide full services during and after preemption? Does HUD plan to assist older tenants and others living on fixed or low incomes who will be unable to pay sharp rent increases?

Perhaps the major flaw underlying both the preemption policy and its modifications is the failure to define what constitutes "jeopardy." The present formula is not an adequate measure of a building's financial status. It was devised long before that preemption rule was promulgated and it was never intended to serve as a reliable gage of a landlord's assertion of financial difficulties.

The jeopardy formula assumes a vacancy rate of 5 percent of a building's rent roll, even though many buildings in New York and other cities have actual rates that are far lower. The formula also sets an artificially high management allowance of 5 percent although current metropolitan rates are lower. It uses estimated figures wholly unrelated to the actual known expenses for such items as debt service and return on investment. It does not include miscellaneous income derived from property. It uses estimated replacement allowances which are often inflated, and it does not mandate examination of cost allocations ascribed to a particular building where costs are shared among several properties owned by one mortgagor.

HUD's regulation should have specifically exempted from its preemption policy those localities such as New York City which have established a body of law applicable to assertions of financial hardship. President Nixon exempted New York City from the rent-level component of his 1971 wage and price controls since it was widely recognized that the city had a rent stabilization system responsive to the economic climate and thus should not be subject to Federal rent criteria.

Instead of perpetuating its misguided preemption policy, HUD should improve its standards for approving and monitoring FHA mortgages and it should institute an early warning mechanism for forecasting financial problems in an insured building. Owners should be counseled by HUD on management procedures which would enable them to avoid jeopardy in the first place.

The availability of the preemption option encourages poor management and places the onus of landlord laxity on tenants. Continuation of this policy also undermines local self-governance and misplaces the power to regulate rents with unaccountable bureaucracies.

My bill prohibits the Federal Government from authorizing rent increases above the limit established by local laws. Abolishing preemption is not only necessary for protecting the integrity of State and local housing regulations, it is an essential means of preventing a middle-class urban exodus.

H.R. —

A bill to provide that the Secretary of Housing and Urban Development may not approve any application for rental increases in federally assisted housing unless the amount of such increase is permitted under State and local law

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That after the enactment of this Act, the Secretary of Housing and Urban Development may not approve any increase in rental charges for any dwelling unit in federally assisted housing in a jurisdiction subject to State or local rent regulations unless the amount of such increase shall have been previously approved pursuant to such regulations.

SEC. 2. For purposes of this Act—

(1) the term "rental charges" includes any utility or other charge which any person may be required to pay to the owner of any dwelling unit in connection with such unit;

(2) the term "federally assisted housing" means any rental housing with respect to which (A) mortgages are insured or held by the Department of Housing and Urban Development, or (B) rental assistance payments are made, directly or indirectly, under any Federal program or under any State or local program financed with Federal funds; and

(3) the term "State" means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, American Samoa, the Canal Zone, the Virgin Islands, Guam, the Northern Mariana Islands, or any other territory or possession of the United States.●

INTRODUCTION OF THE NATIONAL AQUACULTURE ACT OF 1979

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. MURPHY of New York. Mr. Speaker, today I am introducing the National Aquaculture Act of 1979 together with Congressmen BREAUX and FORSYTHE.

Humankind has farmed the fishes for over 2,000 years. The culturing of Carp in China has been documented as early as 475 B.C. Yet the husbandry of aquatic organisms under controlled circumstances, an ancient idea, has had only haphazard, short-lived application in the United States.

A position of U.S. Commissioner of Fish and Fisheries was not created until 1871; in 1885 the first commercial marine hatchery was built at Woods Hole, Massachusetts. The first efforts of American aquaculture were directed at renewing depleted waters by the introduction of hatchlings and fertilized eggs, and by 1905 the original hatchery and two additional ones in New England had released 3 billion juvenile fish.

The U.S. aquaculture effort has greatly expanded on these early enterprises and new programs have been directed toward rearing marine species past the period immediately following hatching. This approach has required the development of artificial environments and nutrient mixes that promote the growth and survival of larval and juvenile fish. The aquaculture industry focuses on the culturing of oysters, mussels, shrimp, clams, catfish, trout, salmon and other marine species which have successfully been reared in aquaculture facilities.

However, in contrast to advanced production in some countries, aquaculture in the United States accounts for only 3 percent of all fish and shellfish consumed domestically. With the U.S. importing over 60 percent of its fish for human consumption, it is immediately apparent that large economic benefits would accrue to this country in the forms of a healthier balance of trade and less strain on existing capture fisheries if this Government would encourage much more extensive aquaculture.

This is not being done, and what is being accomplished is taking place almost in spite of the diffusion of laws and agencies charged with responsibility for the aquaculture industry. The National Aquaculture Act is designed to bring rationality to Government implementation of, and encouragement to, the farming and ranching of marine species.

Annual landings of edible fish by U.S. fishermen—about 2.4 billion pounds—have remained relatively constant since 1960. Traditional stocks of marine resources, once thought to be unlimited, are now estimated at a maximum level of global harvest of 100 to 150 million metric tons. Fish catches of such resources currently exceed 64 million metric tons commercially and are increasing.

With finite marine resources and a seemingly infinitely expanding human appetite for protein due to population growth, it is incumbent on the United States as an advanced country with access to the appropriate technology to increase greatly its aquaculture production. The potential protein production per unit area of water has been estimated to be up to 5,000 times that of a similar area in pasture used for beef production, and the conversion by fish of feed to edible protein is done much more efficiently than by those mammals husbanded by man on dry land.

An early example of the United States encouraging its people to eat fish was a poster published during World War I by the then-U.S. Food Administration. It read:

> Save the products of the land—eat more fish—they feed themselves.

Naturally, in aquaculture humans have to feed the fish, but the point is made: Expensively raised grain goes much further in the never-ending battle to grow protein when it is converted into fish protein than when it is converted into mammal protein. In a world starved for protein and usually short of grain, this is a vital point.

Aquaculture needs firm, rational encouragement from the Federal Government if it is to succeed and grow in the way it should. It is hardly a risk-free business: even under controlled circumstances aquaculture is at the mercy of nature, and it should be Government policy to aid in a fair way those entrepreneurs who take on the risks of the business.

However, at present, 11 Federal agencies have been identified as having direct involvement with aquaculture, and some 10 other agencies have programs which are indirectly related. Several of these agencies and components within these agencies have conducted research and development within the framework of specific missions, yet any coordination that has taken place has been primarily to avoid undesirable overlaps. However, far more serious than the overlaps have been the gaps because of lack of proper coordination and direction.

The bill will closely parallel H.R. 9370, the National Aquaculture Act which passed the House and Senate late in the second session of the 95th Congress and which the President pocket vetoed on October 19 of last year. However, as introduced today, the bill will remedy the lack of coordination by having one agency, the Department of Commerce, spearhead the development of a national aquaculture policy and the national plan for implementing that policy. The vetoed bill called for a national council composed of the secretaries of Commerce, Agriculture, and the Interior to assume this leadership.

The Secretary of Commerce, in consultation with the secretaries of the Interior and Agriculture, the chief executive officers of other Federal agencies with related interests, and any appropriate regional fishery management council and State agency, would be required to establish a national aquaculture development plan within 18 months.

In the plan, aquatic species which can be cultured on a commercial basis would be identified and the actions to be undertaken for each species in the way of research and development of actual methods of raising such species would be reviewed annually to see if any were now considered of doubtful value, and to add any which new knowledge and experience showed to be of potential value.

The three Secretaries—Commerce, Interior, and Agriculture—are then charged with implementing the national aquaculture development plan by carrying out under their respective jurisdictions any program established under the act. They would be required to provide educational, advisory, and technical services to interested public and private organizations; to consult and cooperate with interested individuals and organizations regarding the development of aquaculture technology; and to produce and sell at cost seed stock for aquatic species when privately produced seed stock is not readily available.

In addition, each Secretary is charged, incidental to his or her implementation of any program under the plan, to conduct scale tests and, if necessary, to construct, operate, and maintain developmental aquaculture facilities for the purpose of assessing the biological and economic feasibility of any aquaculture system.

The Secretary of Commerce would establish an Aquaculture Information Center which would function as a national clearinghouse for the collection and dissemination of scientific, technological, and economic information relating to aquaculture. The Secretary would also maintain an inventory of public and private aquaculture carried out in the United States, and would arrange for the mutual sharing of aquaculture information with foreign countries. And the Secretary would report to Congress on a biennial basis on the existing capture fisheries and any adverse effects on them caused by aquaculture enterprises significantly aided under the act. In the report to Congress would be recommendations to ameliorate any adverse impact.

The bill would also establish an interagency Committee on Aquaculture under the chairmanship of the Secretary of Commerce and made up of the Secretaries of the Interior, Agriculture, and Energy, the Administrators of the Environmental Protection Agency and the Small Business Administration, the Commissioner of Food and Drugs, the Chief of Engineers, and the Governor of the Farm Credit Administration. The committee would provide for a continuing exchange of information among the agencies and would insure that the agencies are carrying out aquaculture-related programs under their respective jurisdictions in compliance with the requirements of the act.

The three Secretaries would be authorized to make grants to or to contract with any other Federal agency, any State agency or political subdivision of a State, and individuals. The amount of any grant could not exceed one-half the estimated cost of the project.

Loans would be guaranteed by the Secretary of Commerce for the purpose of financing the construction of aquaculture facilities, the acquisition of stocks for such a facility, initial operating expenses, and marketing operations exclusively for aquaculture products and for refinancing existing loans for the above purposes. The aggregate unpaid principal amount of all obligations guaranteed and outstanding at any time could not exceed $200 million—the vetoed bill authorized $300 million.

Additionally, the bill provides for an insurance program to insure owners of aquaculture facilities if such insurance is not available at reasonable rates in the commercial market. The insurance would insure owners against loss of or damage to facilities or stocks, and against bodily injury or property damages caused by facilities or stocks. The face value of all insurance outstanding at any one time could not exceed $150 million—the vetoed bill authorized $250 million.

A Federal Aquaculture Assistance Fund would be created in the Treasury to be used as a revolving fund for carrying out and administering the loan guarantee and insurance programs.

In addition to the assistance programs, there would be authorized to be appropriated to the Department of Commerce not to exceed $11 million for fiscal year 1980, $14 million for fiscal year 1981 and $14 million for fiscal year 1982. And to the Departments of Agriculture and the Interior, not to exceed $3 million each for fiscal year 1980, $5 million each for fiscal year 1981, and $5 million each for fiscal year 1982. The President, in his veto message stated that he felt that, with the various existing aquaculture programs already in place and under administration by the various agencies, it was not necessary at this time to superimpose a more expensive set of programs onto the existing ones.

This bill, the National Aquaculture Act, acknowledges the existence of the welter of aquaculture programs but seeks to rationalize them, organize them, and corral them in such a way that they can be scrutinized on the whole for the purpose of improving them by either enlarging them or trimming them as experience directs.

The White House pointed out that the Interagency Subcommittee on Aquaculture of the Federal Council on Science and Technology already exists to coordinate the aquaculture programs of the Federal Government. However, this group has no legislative sanctions to back itself with, as would the Interagency

Committee on Aquaculture as proposed in this bill.

The National Aquaculture Act addresses several areas not mentioned by the President but which were brought home to the Committee on Merchant Marine and Fisheries during hearings on the subject.

Testimony received from the industry indicated that technical or economic information on certain species having potential for aquaculture is lacking and, consequently, industry is reluctant to invest in these species. Researchers testified that prototype facilities may be necessary in order to develop this kind of information. This is addressed in section 5(b)(1)(A) of the bill.

Both the aquaculture industry and researchers indicated more funds should be devoted to support overall aquaculture research. This would be in addition to funds now being spent on ongoing activities.

There is a generalized feeling in the venture capital sector that aquaculture has been tried and does not work. This overgeneralization has created an environment in which it is difficult to raise private capital. The reputation has come from past failures which have resulted from natural disasters, disease, lack of operating capital, and an absence of technical or economic data. The Small Business Administration and Farmers Home Administrations both lend money to aquaculture entrepreneurs but the SBA has a very inadequate loan limit, and the FmHA does not lend to new-technology, high-risk businesses. The problem of capital is addressed in sections 9 and 10 of the bill.

The President's veto message recited some of the Federal agencies responsible for aquaculture but did not address itself to the large concern of duplication of effort, lack of coordination and the overlaps and gaps in the agencies' programs. The Merchant Marine and Fisheries Committee believes what is needed for aquaculture to achieve its full potential is the development of a national plan and a national policy with one agency—the Department of Commerce—spearheading the plan. Commerce is the most experienced fish management agency of Government and has been most intimately involved in the research and development of aquaculture, both plant and animal.

Aquaculture is an idea whose time is overdue. The National Aquaculture Act proposes an all-out effort in the direction of creating a widespread, vital aquaculture industry. The moneys required by the bill are not out-and-out expenditures by the Treasury, lost to any other purpose. Rather they are moneys invested in one form or another, to be retrieved under normal circumstances by the Treasury through repayment plans and additional revenues. It is significant to note that the bill assumes that the aquaculture industry, once built up, will cease to need financial attention from the Government. The authorizations, except for the loan guarantee program, will terminate after 3 years.

America needs aquaculture. Aquaculture needs Government. And this Government needs a rational, orderly policy on the subject. The National Aquaculture Act provides that policy. Every single fish we grow on purpose represents one we do not import; every single fish we grow represents low-calorie, inexpensive, high-grade protein; every fish we grow is a triumph of technology over hunger.●

TRIBUTE TO MARTIN LUTHER KING

HON. WYCHE FOWLER, JR.

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. FOWLER. Mr. Speaker, 11 years after his tragic death in Memphis, the loss of Dr. Martin Luther King, Jr., remains immeasurable. This, the 50th anniversary of his birth on Atlanta's Auburn Avenue, is an appropriate time to remember his record of achievement and to rededicate ourselves to the principles which guided his life.

Dr. King's career as the primary catalyst and most eloquent spokesman for this country's civil rights movement began in the region where oppression of blacks was most evident. As a young pastor of a Baptist church in Montgomery, Ala., Dr. King lead the successful bus boycott in that city before going on to form the Southern Christian Leadership Conference. He returned to Atlanta in 1960 to join his father in the copastorship of the Ebenezer Baptist Church. From that pulpit, Dr. King continued to attack the attitudes and policies of racial discrimination while insisting that struggles could be won through civil disobedience and peaceful demonstration. He led marchers through dangerously hostile crowds and was frequently jailed for his efforts. Rejecting the rhetoric of violent confrontation, Dr. King rightfully maintained that a struggle won through bloodshed was not worth winning.

Martin Luther King, Jr. received worldwide acclaim for his efforts. In 1964, he was awarded the Nobel Peace Prize, the only Georgian to be so honored. The son and grandson of Baptist ministers, Dr. King preached a social activism that was deeply rooted in the principles of Christian tolerance and charity. He saw that black Americans could only win the struggle against racial oppression by embracing rather than despising their enemies.

Early on, Dr. King realized that the work of desegrating lunch counters, buses, and schools was relatively simple compared to the task of bringing blacks and other minorities into the mainstream of American economic life; 11 years after his death, that mission is still far from complete. As we begin the 96th Congress, I urge my colleagues not to forget the broad disparities which still exist between rich and poor in our Nation. While no government can guarantee affluence to all its citizens, we can and must continue to work to insure equality of opportunity in all phases of American life. We, as representatives of a diverse people, must direct our efforts toward a day when all Americans have a fair chance to earn their daily bread.

We commemorate the birth of Dr. King with sorrow at his death but with hope for his dream. His vision of a nation freed from poverty and injustice stands before us. It is our task to make his dream reality.●

SOLVING CAPITAL FORMATION

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. PICKLE. Mr. Speaker, I am introducing a bill that I believe will materially help solve the problem of capital formation by encouraging stockholders to plough back their dividends into the company. This bill also represents a first step in the direction of reducing the impact of double taxation of corporate earnings distributed as dividends.

My bill provides for the deferral of any current Federal tax on dividends reinvested in original issue stock under a qualified dividend reinvestment plan. The stock received on reinvestment of such dividend would, instead, be regarded as the equivalent of a stock dividend and taxed on the same basis as a conventional stock dividend.

A problem that our economy has faced since the mid-1960's, and particularly since 1973, is the downward drift of fixed business investment relative to the Nation's output of goods and services. My bill would provide a tax incentive that would provide a stimulus in this direction at a relatively small—and only an initial—cost. According to a study done by Robert R. Nathan Associates in July of 1978 this would increase national output on the order of $10 billion, stimulate business fixed investment by close to $3.5 billion and add the equivalent of 200,000 jobs per year. The revenue loss to the U.S. Treasury is estimated, considering only present participation in dividend reinvestment plans to be in the range of $300 to $400 million the first year. They estimate that the revenue loss in its first full year to be around $1 billion, but within the third or fourth year there is estimated to be a net revenue gain to the Treasury on the order of $1.5 billion to $2 billion.

This is not a new idea, it was proposed earlier as part of the National Energy Bill, although in that version it would have applied only to capital starved utility companies. My bill would apply to any company that had a qualified dividend reinvestment plan but would not allow a company to go out and buy stock from the open market in order to qualify.

Today if a person received a stock dividend it is not taxable. However, any cash dividend is taxable, even if the stockholder immediately reinvests it in a qualified stock plan. My bill would simply defer the tax on any dividend that was immediately reinvested until the stock was sold. This would encourage people to reinvest their dividends in the company. There are obvious advantages—it would improve capital formation, it would reduce the double tax on dividends, it is fair to the participant and encourages individual savings to provide supplemental income for retirement.●

HOUSE OF REPRESENTATIVES—*Thursday, January 18, 1979*

☐ 1100

The House met at 11 o'clock a.m.

Rev. Walter J. Ungerer, First Presbyterian Church, Kokomo, Ind., offered the following prayer:

Eternal Father, Creator and Sustainer of the universe, we gather today in this great Chamber to work. Admittedly, some of us are tired from the activities of the night and the burdens the morning hours have brought. Some of us may desire to be elsewhere, either with family or friends or because we are apprehensive of the responsibility laid upon us. Cause us to know the peace that comes from You and the hope that is ours who trust.

As we begin our daily routine help us to distinguish between truth and error, justice and injustice. Help us to listen to one another and to experience the joys of dialog and communication.

We especially pray for our new colleagues who seek to understand their leadership roll and come to us with a fresh enthusiasm. We pray for those of our number who may be ill and absent from us but, above all we ask as we begin this session we might sense Your presence and guidance in all we do. We pray in and through Him who gives life, Jesus the Christ. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule 1, the Journal stands approved.

SWEARING IN OF MEMBERS

The SPEAKER. Will the Members-elect who have not taken the oath present themselves in the well and raise their right hand to take the oath?

Messrs. PRITCHARD, MARKS, BUCHANAN, SOLARZ, NICHOLS, BEVILL, and KASTENMEIER presented themselves at the bar of the House and took the oath of office.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Marks, one of his secretaries.

REV. WALTER J. UNGERER

(Mr. HILLIS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HILLIS. Mr. Speaker, it is a privilege and an honor to have my minister, Walter J. Ungerer, pastor of the First Presbyterian Church of Kokomo, Ind., deliver the opening prayer in the House this morning.

Mr. Ungerer is the senior minister of the First Presbyterian Church in Kokomo and has held that position since March of 1977. Prior to that time for the preceding 5 years, he served in the same capacity at Northfield Presbyterian Church in Northfield, Ohio. He has also served as the student minister at Olivet Presbyterian Church in Brooklyn, N.Y., and as the assistant and associate minister of the Webster Presbyterian Church in Webster, N.Y.

He is a graduate and holds degrees from the Northeastern Bible College, Nyack College, New Brunswick Theological Seminary, and Princeton Theological Seminary.

Mr. Ungerer has had a unique background growing up in the heart of Brooklyn, N.Y., under very depressed conditions. In his youth he was actually a member of various street gangs. In fact, he is presently writing an autobiographical book called "The Window" which is based on these experiences.

He has been very active and has served on numerous committees of his denomination. While in Ohio, he served as chairman of the board of Man to Man Associations which is a prison rehabilitation program and for his work was given a resolution which was written into the Ohio Senate records recognizing his work and ministry at the Northfield Church and his work with prison rehabilitation.

In 1962, he married Janet Mildred Hagmann, of Irvington, N.J. The Ungerer's have three children—Cheryl Lyn, age 12; Walter John, age 10, and Brian Alan, age 9.

Reverend Ungerer has authored books, traveled extensively, and both he and his wife have devoted their time to work camp experiences for young people. He has led workshops in church leadership.

Certainly, it is a pleasure, as well as an honor to have him with us today.

☐ 1105

NADIYA SVITLYCHNA—HEROIC UKRAINIAN FIGHTER

(Mr. LEDERER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEDERER. Mr. Speaker, I would like to pause in the business of the House to ask my colleagues to join with the city of Philadelphia in welcoming Nadiya Svitlychna, the first Ukrainian woman dissident to be allowed by the Soviet Government to emigrate from Ukraine.

It is most appropriate that this valiant freedom fighter has chosen to live in the City of Brotherly Love—the cradle of American liberty. And it is highly fitting that Nadiya's welcoming ceremony to Philadelphia will take place on January 22, 1979, the 60th anniversary of the Proclamation of Ukraine in 1918.

The indomitable will of Nadiya Svitlychna and her family exemplifies the freedom-loving spirit of the Ukrainian people; a spirit which cannot be extinguished by the brutal totalitarian measures of the Soviet regime. Nadiya and her brother Ivan, a well-known Ukrainian poet and literary critic, have both braved the horrors of Soviet labor camps. Their "crimes" were an unyielding belief that Ukrainian culture and tradition be allowed to exist and flourish in the sovereign Nation of Ukraine.

January 22, 1979, will indeed be a day of mixed emotions. There is joy, on this the 60th anniversary of the Proclamation of Independence of Ukraine in 1918. Yet, there is infinite sadness, because the Soviet regime chooses to treat this declaration of freedom and sovereignty as if it does not exist. We feel tremendous happiness that Nadiya Svitlychna and her two sons, Ivan and Yarema, will now be able to live as free people in a free nation. Yet, our happiness is tempered by the knowledge that Ivan Svitlychna and all Ukrainians are still suffering under the yoke of Soviet oppression.

In first arriving to this country, Nadiya Svitlychna declared that "I want to believe that in welcoming me to America, you greet a part of Ukraine in me." Entwined in that part of Ukraine within you, Nadiya, is a spirit which will fight against oppression no matter how strong or brutal the tyrant. I join with my colleagues in the House of Representatives in saluting Nadiya Svitlychna, whose courage in the face of totalitarianism will serve as an inspiration not only to her fellow Ukrainians, but to oppressed people all over the World.

OMB SETS UP TELEPHONE "HOTLINES" FOR WHISTLEBLOWERS

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, I was pleased to read in yesterday's Washington Post of plans by the Office of Management and Budget to set up telephone "hotlines" for Federal employees who want to blow the whistle on mismanagement, waste, or corruption. OMB Director James T. McIntyre has, apparently, decided to implement vigorously the whistleblower protection provisions of the Civil Service Reform Act of 1978 (Public Law 95–454).

Responding to frequent charges of bureaucratic inefficiency and illegality, the 95th Congress voted to protect Federal employees who disclose evidence of violations of laws, rules, or regulations as well as evidence of mismanagement, gross waste of funds, abuse of authority, or substantial and specific dangers to public health or safety. In addition to protecting employees who speak out about wrongdoing, the law passed last

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☐ This symbol represents the time of day during the House Proceedings, e.g., ☐ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

year mandated the establishment of dissent channels which employees could use in anonymity to report abuse. In concert with the Inspector General Act of 1978 (Public Law 95-452), the Civil Service Reform Act provided confidentiality and job protections for Federal workers who take information of wrongdoing to the Inspector General of an agency or another official designated by the head of an agency to receive these allegations.

Hence, Mr. McIntyre's instruction to agency heads requiring the designation of an official to receive complaints about waste, fraud, and error represents vigilant enforcement of congressional intent. The administration went a couple of steps farther by proposing the establishment of an employee hotline. I commend the administration for its aggressive efforts to make the civil service law work.

THE 1979 CALENDAR FOR 96TH CONGRESS, 1ST SESSION

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that the calendar for the 96th Congress, 1st session, including the dates of our Washington work periods and our home district work periods, may appear at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The calendar for the 96th Congress, 1st session, is as follows:

THE 1979 CALENDAR FOR 96TH CONGRESS, 1ST SESSION

January 15: Congress convenes.

January 15 through February 8: Washington work period: Congress convenes; state of Union address; organize House, organize committees.

January 22: Receive President's budget.

February 9 through February 12: District work period.

February 12: Lincoln's Birthday.

February 13 through April 12: Washington work period.

February 19: Washington's Birthday (no business).

March 15: Committees submit reports to Budget Committee on fiscal year budget.

April 12 through April 22: District work period.

April 15: Easter Sunday.

April 23 through May 25: Washington work period.

May 15: Complete action on first budget resolution; deadline for reporting fiscal 1980 authorization bills.

May 26 through May 29: District work period.

May 28: Memorial Day.

May 30 through June 29: Washington work period.

June 30 through July 8: District work period.

July 4: Independence Day.

July 9 through August 2: Washington work period.

August 3 through September 4: District work period (under statute).

September 3: Labor Day.

September 5 through September 28: Washington work period.

September 10: Spending legislation completed.

September 15: Complete action on second budget resolution.

September 25: Reconciliation process completed.

September 29 through October 8: District work period.

October 1: Fiscal year begins.

October 8: Columbus Day.

October 9 through October 20: Washington work period.

October 20: Adjournment target.

RETIREMENT OF CHARLES W. HACKNEY, JR.

(Mr. WRIGHT asked and was given permission to address the House for 1 minute.)

Mr. WRIGHT. Mr. Speaker, today our senior reading clerk, Charles W. Hackney, Jr., leaves the House after 38 years of distinguished service. Charlie left his home in North Carolina in 1941 to serve as a page in the House Democratic cloakroom.

Charlie joined the Navy during World War II. After the war he attended college under the Navy ROTC program and continued in the Navy Reserve for 25 years until retirement at the rank of commander. Charlie spent 1 year with the General Accounting Office after discharge and then returned to the Democratic cloakroom as assistant manager, a position he held until 1963 when he was selected majority reading clerk from a field of more than 30 applicants.

Charlie was highly valued by the majority leadership during his many years in the cloakroom as a loyal and industrious floor assistant. Among his innovations was the weekly whip notice which he personally printed and which has become so highly developed and significant in the ensuing years.

Charlie and Harriet Hackney were married 9 years ago and they have five children. Charlie is loved by all his associates for his shy but always friendly manner, his total absence of complaint or criticism and his complete loyalty to and faith in the House of Representatives.

● Mr. ROSTENKOWSKI. Mr. Speaker, today our senior reading clerk, Charles W. Hackney, Jr., leaves the House after 38 years of distinguished service. Charlie's close association with the House dates back to 1941 when he left his native North Carolina to serve as a page in the Democratic cloakroom.

With the outbreak of World War II, Charlie joined the Navy. Immediately after the war he attended college under the Navy ROTC program and continued in the Navy Reserve for 25 years until retirement at the rank of commander. Charlie spent 1 year with the General Accounting Office after discharge and then returned to the Democratic cloakroom as assistant manager, a position he held until 1963 when he was selected majority reading clerk from a field of more than 30 applicants.

Charlie was highly valued by the majority leadership during his many years in the cloakroom as a loyal and industrious floor assistant. Among his innovations was the weekly whip notice which he personally printed. This weekly source of information has gone on to become a most essential legislative tool.

Charlie is loved by all his associates for his shy but always friendly manner. He is a man of complete good nature—one who has refrained from complaint or criticism of his colleagues.

Mr. Speaker, there is little question that Charlie Hackney will be sorely missed. I close my remarks by wishing this gentleman of the first rank good luck on his future endeavors. I hope he will come back often to see his many friends in this Chamber.●

PROTESTING RECENT STATEMENTS OF AMBASSADOR YOUNG

(Mr. WOLFF asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WOLFF. Mr. Speaker, it is with sadness that I rise today to protest the recent statements attributed to my friend and colleague, Andy Young, for I have the highest personal regard for him. Although I think he is well-intentioned, I must protest, because I believe his recent statements serve to undermine U.S. policy in the Middle East.

The very same day that Yasser Arafat was calling for an intensified guerrilla war against Israel in order to defeat the Camp David accords, and what he called "U.S.-Zionist plots," a published interview with Ambassador Young quoted him as saying that the PLO's U.N. Representatives are "very skilled politicians and very intelligent, decent human beings." These "decent human beings" are the same ones that espouse the destruction of the peace process through bloody violence against Israel's civilian population, and have called, year after year, for the annihilation of Israel. Just this morning a PLO bomb reportedly killed 21 people in a Jerusalem marketplace.

Ambassador Young also praised the decision to allow the PLO representation at the U.N. as a very successful one. It has most certainly been an unmitigated success for the PLO's campaign of hatred against Israel. I would like to remind my colleagues that in the 95th Congress, this body voted to eliminate PLO propaganda committees at the U.N. This body voted in the Foreign Relations Authorization Act that:

> The President should direct the United States Ambassador to the United Nations to use all means at his disposal to obtain action by the General Assembly to terminate the Committee on the Exercise of the Inalienable Rights of the Palestinian People and the Special Unit on Palestinian Rights.

These are the two PLO propaganda committees at the U.N., one of which, the special unit, is located in the office of the Secretariat. I must remind Ambassador Young that what I just quoted is public law.

I am drafting legislation, which will be submitted soon, to reduce the U.S. contribution to the U.N. by that amount, approximately $190,000, which represents the U.S. share of the budget for those two committees. I am seeking cosponsors for this legislation, and I urge my colleagues to send a message to the United Nations by cosponsoring this resolution, that the people of the United States will not stand for the representation at the U.N. of this terrorist group which seeks war, and not peace, and seeks to undermine this Nation's efforts to bring peace to the troubled Middle East.

As for Andy Young, I think it is time that he learned that the "personal opinions" of public officials, concerning official U.S. policy, are bound to be interpreted by most people as official U.S. Government policy. This is not the first time his publicly stated, "private" opinions have been seen as undermining the administration's policies.

WALKER CALLS FOR ANTICRIMINAL PENSION BILL

(Mr. WALKER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WALKER. Mr. Speaker, I have today introduced legislation to prohibit any Federal officials convicted of a felony from receiving a Federal pension. A bipartisan group of 15 of our Members have joined me in this effort.

The need for such action is obvious. We have seen the uncovering of a monumental scandal in a major Federal agency, the indictment and conviction of elected Federal officials, and the developing potential that several more persons in Washington who have violated the public trust will be convicted.

Confidence in Congress and Government sags all across the country when Federal officials who rob and rip off the taxpayers are permitted to continue feeding at the public's trough.

A serious injustice is done to the American people when their hard-earned tax dollars are used to provide retirement comfort for convicted criminals.

The place to correct this injustice is the Congress. The way to correct it is with strong reform legislation. The time to correct it is now.

FREE AND FAIR TRADE ACT OF 1979

(Mr. SCHULZE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHULZE. Mr. Speaker, I am today introducing the Free and Fair Trade Act of 1979 because of my concern for the international trade problems currently plaquing our country.

Over the last several years an increasing number of American firms are finding themselves the victims of unfair foreign competition. As a result, these firms have sought relief through the provisions of the trade act of 1974. Regrettably, this relief has not been forthcoming and the provisions of the antidumping act of 1921, as amended, have not supplied adequate mitigation from the unfair trade practices which are so injurious to our economy. The aim and purpose of our antidumping law is a correct one: the elimination of less than fair value sales causing injury to American industry. However, this intent has been lost because of ineffective and time-consuming implementation of this law.

Our dumping laws are reminiscent of the dinosaur which became extinct. When the dinosaur was stabbed in one of its extremities it took a long time for the impulse to be recorded by the brain and for some defensive action to be taken. By this time, fatal damage had already been inflicted. By the same token, our economy is threatened with extinction because the same type of slow reaction to foreign intrusion is taking place.

The clear purpose of my legislation is to amend the antidumping statutes to provide streamlined, clear, fair, and expeditious means of attacking dumping practices and to provide a real deterrent to importers and foreign producers contemplating actions these statutes make unlawful. This bill will continue the process, begun in the Trade Act of 1974, of assuring a swift response to unfair trade practices by tightening the enforcement procedures in existing law.

The legislation I am introducing today is not protectionist in nature. It embraces, rather than abandons, the goal of free trade. It would help foster free and fair competition by offering effective remedies for dealing with such marketplace distortions as predatory pricing and anticompetitive practices on the part of foreign manufacturers.

Any trade legislation must be dedicated to the principle that free trade must mean fair trade. That free competition must also mean fair competition. It is not free trade and it is not fair trade if Americans play by the rules and our foreign competitors do not.

My proposal would restore these noble principles of free trade and fair competition by speeding up the enforcement of the Antidumping Act of 1921 through a number of important administrative changes and by offering a deterrent to those who desire to "dump" their products in the future.

In short, my bill offers four important amendments to the Antidumping Act of 1921. These are: First, impose a 9-month time limit instead of the current 13-month limit on Treasury Department investigations; second, refer all antidumping petitions to the International Trade Commission at the time an affirmative preliminary determination is made by the Treasury Department; third, require the Treasury Department to retroactively withhold appraisement on foreign goods 1 month after the Treasury Department commences an investigation; and fourth, impose a 12-month deadline on the customs service for assessment of dumping duties.

This bill does not expand the scope of existing unfair trade statutes. Instead, it seeks to simplify—expedite—clarify—and make reliable the procedures under which domestic industries may obtain relief from unfair trade practices.

It has often been said that justice delayed is justice denied. I believe this proposal will offer justice without penalizing our foreign trading partners who do not violate our trading laws and may go a long way toward reducing our current trade deficit which is the largest in our history.

For the sake of our American economy and for the sake of the thousands of individuals facing unemployment as a result of unfair foreign competition, I urge you to take a long, hard look at this legislation and assist me in my efforts to amend the Antidumping Act of 1921 in a constructive manner.

Thank you, Mr. Speaker, for allowing me to address this serious, pressing problem.

☐ 1115

TO PROVIDE LOW INTEREST RATES ON SBA DISASTER LOANS

(Mr. BADHAM asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BADHAM. Mr. Speaker and Members of the House, I introduced on the beginning day of this session, on Monday, January 15, 1979, H.R. 114. H.R. 114 would embody section 113, title I, of H.R. 11445 of the 95th Congress which was passed by both Houses but which was pocket-vetoed by the President on October 25, 1978.

My bill, H.R. 114—which I encourage the cosponsorship and support of by all of the Members of this body—would allow section 113 to be enacted into law. This section dictates a 3-percent interest rate on the first $55,000 and the cost of money to the Government in excess of that amount for disaster loans to people who have suffered as a result of a Presidential or SBA-declared disaster, and a 5-percent interest rate on the first $250,000 with the cost of money in excess for a business affected by a disaster.

Since the October veto by the President of the United States we have had two disasters in California and there have been disasters in Louisiana, Kentucky, West Virginia, and Arizona. Once again, I urge the support of all of the Members for this legislation and ask for their cosponsorship so that the victims of these disasters in areas throughout the United States might be recompensed by the U.S. Government.

MAKING THE 96th CONGRESS AN OVERSIGHT CONGRESS

(Mr. SHUSTER asked and was given permission to address the House for 1 mintue and to revise and extend his remarks.)

Mr. SHUSTER. Mr. Speaker, today I have introduced a sense of the House resolution which will make the 96th Congress an "oversight Congress." This resolution which I introduced in the House Republican conference was unanimously adopted by House Republicans. Therefore, it is now up to the majority party in this body to determine whether this issue will again be put on the "back burner" or whether it will, at long last, receive positive action. This should not be a partisan matter. Not one of us sitting here today can fail to hear the message from American citizens and taxpayers across the country. It comes through loud and clear. They are demanding we strip away the layers of waste, inefficiency, bureaucracy and redtape that have grown like barnacles on the hull of our Ship of State. With runaway inflation, one of the highest tax burdens in our Nation's history, and reckless Government spending, the time has long since passed for the Congress to begin to take its oversight responsibility more seriously. I urge and challenge the Democrat majority in the House to join with Republicans in adopting this resolution.

The American people are crying out for a tighter, leaner, more efficient and cost-effective Government. There is a virtual taxpayers' revolution in our country. The present Democrat administration has given much lipservice to "streamlining the bureaucracy." As he campaigned for the Presidency, President Carter promised time and time again to fight waste and inefficiency in Washington. He devoted hours of political rhetoric against what Mr. Carter called the "horrible bureaucratic mess in Washington." This resolution gives the Democrats the opportunity to turn that rhetoric into reality. The American people are watching and waiting to see whether it is done.

LEARNING LANGUAGES

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, to judge from President Carter's remarks about inflation yesterday, he has secretly been taking language lessons. He is learning, however haltingly, to talk Republican.

He said that the best thing he can do for the poor is to fight inflation. This is an old Republican proverb and it was pleasant to hear the President say these words even though he seemed obviously uncomfortable saying them.

During his election he was speaking differently, talking about multibillion-dollar inflationary "full employment" programs and other economically ruinous schemes.

But, as he himself said on September 24, 1976, "Economics is a very complicated business. Not many people understand it." It is now clear he was referring to himself and to all other political figures spouting the same line.

EXPRESSING DISMAY AT WASHINGTON POST'S PUBLISHING FULL-PAGE CARICATURE OF DON FRASER

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

Mr. FINDLEY. Mr. Speaker, I take this minute to express my dismay and deep regret at the decision of the Washington Post of yesterday to publish the full-page advertisement of the Unification Church. This advertisement appeared on page A9 of the January 17 issue of the Post.

The message of the ad was a legitimate response to the final report of a subcommittee of the Committee on International Relations headed by our former colleague, Don Fraser; and I would not question the right of the newspaper to accept a message of that sort and also the other message in the ad, which was a sales pitch for a new publication issued by the church.

However, I do express my great dismay that a newspaper of prestige and dignity like the Washington Post would print a dreadful caricature of a former colleague of ours, Don Fraser of Minnesota, a man who is noted for his kindness and decency, for his gentle manner, for his courage and diligence, for his compassion, and for his consideration of the views of others.

Mr. Speaker, I can not believe that the Washington Post was in such great need of money that it had to accept an ad with the ugly caricature of Mr. Fraser. As a former newspaperman myself, I know the discretion that a newspaper has in accepting or rejecting ads of that sort.

I was a colleague of Don Fraser of Minnesota for 16 years. I know him perhaps as well as does any other Member of this body, and I feel that his departure is a great loss to this body. His investigation of the Unification Church was very much in the public interest, and hope that others of this body will carry on the task that he so well advanced.

Mrs. FENWICK. Mr. Speaker, will the gentleman yield?

Mr. FINDLEY. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Speaker, I am so happy to hear the remarks of the gentleman from Illinois (Mr. FINDLEY). I would like to associate myself with his every word.

Mr. FINDLEY. Mr. Speaker, I thank the gentlewoman from New Jersey.

PERSONAL EXPLANATION

Mr. COURTER. Mr. Speaker, on rollcall No. 3, the vote on the previous question on adopting the House rules for the 96th Congress, I am recorded as not voting. I was present and voted "no."

Mr. Speaker, I ask that this statement appear in the permanent RECORD.

PROVIDING FOR PAYMENT OF GRATUITY TO MRS. JANET D. STEIGER, WIFE OF LATE HON. WILLIAM A. STEIGER

Mr. THOMPSON. Mr. Speaker, I send to the desk a resolution (H. Res. 46), relating to the payment of a gratuity to the wife of the late William A. Steiger and ask unanimous consent for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 46

Resolved, That there shall be paid out of the contingent fund of the House a sum equal to the annual compensation of a Representative in Congress as a gratuity to Janet D. Steiger, wife of the Honorable William A. Steiger, late a Representative from the State of Wisconsin.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The SPEAKER. The gentleman from New Jersey (Mr. THOMPSON) is recognized for 1 hour.

Mr. THOMPSON. Mr. Speaker, the resolution, as is the one following, is self-explanatory.

Rather than delaying the payment of this entitlement until next summer, when the supplemental appropriation bill is enacted, the resolution provides for the immediate payment of the gratuity.

The resolution is identical to resolutions adopted in the House in October of 1978, covering gratuity payments to the survivors of late Representatives Goodloe Byron and Ralph Metcalfe.

The minority has agreed to this provision, and I urge the immediate adoption of the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

☐ 1125

PROVIDING FOR PAYMENT OF GRATUITY TO THE CHILDREN OF THE LATE REPRESENTATIVE LEO J. RYAN

Mr. THOMPSON. Mr. Speaker, I send to the desk a resolution (H. Res. 47) relating to the payment of a gratuity to the children of the late Representative Leo J. Ryan, and ask unanimous consent for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 47

Resolved, That there shall be paid out of the contingent fund of the House a sum equal to the annual compensation of a Representative in Congress as a gratuity to Shannon J. Ryan, Patricia E. Ryan, Erin M. Ryan, Kevin L. Ryan, and Christopher R. Ryan, children of the Honorable Leo J. Ryan, late a Representative from the State of California. Such gratuity shall be divided equally among the children named in the preceding sentence.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

AUTHORIZING FUNDS FOR THE STANDING AND SELECT COMMITTEES OF THE HOUSE OF REPRESENTATIVES

Mr. THOMPSON. Mr. Speaker, I send to the desk a resolution (H. Res. 49) authorizing funds for the standing and select committees of the House of Representatives, and ask unanimous consent for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 49

Resolved, That (a) there shall be paid out of the contingent fund of the House, in accordance with subsection (b), for the period beginning January 3, 1979, and ending March 31, 1979, such sums as may be necessary for the continuance of necessary projects, activities, operations, and services, by contract or otherwise, including payment of staff salaries for services performed, by each standing or select committee established in the Rules of the House.

(b) Each committee referred to in subsection (a) shall be entitled, for each month during the period specified in subsection (a), to payments out of the contingent fund of the House in amounts equal to one-twelfth of the total amount authorized for use by such committee during the second session of the Ninety-fifth Congress.

Sec. 2. (a) Except as provided in subsection (b), in the case of any former select committee of the House—

(1) which was esablished by resolution during the Ninety-fifth Congress; and

(2) for which a reestablishing resolution is introduced in the Ninety-sixth Congress;

such committee shall be entitled, for each month during the period specified in subsection (a) of the first section, to payments out of the contingent fund of the House, for the purposes specified in subsection (a) of the first section, in amounts equal to one-twelfth of the total amount authorized for use by such committee during the second session of the Ninety-fifth Congress.

(b) In the case of the former Select Committee on Assassinations, the unexpected balance of funds for the operation of such committee during the second session of the Ninety-fifth Congress shall be available to the Clerk of the House for the purpose of completing the final report of such committee not later than March 31, 1979. The Clerk is authorized to employ such persons as may be necessary and to expend the funds referred to in the previous sentence for completion of the report. Representative Louis Stokes is authorized to exercise the authority of the former select committee with respect to the handling of classified materials relating to the operations of such committee.

Sec. 3. The entitlement of any standing or select committee of the House to payments under this resolution shall cease on the effective date of the primary expense resolution adopted with respect to such committee.

Sec. 4. Funds authorized by this resolution shall be expended pursuant to rules and regulations promulgated by the Committee on House Administration.

Sec. 5. Notwithstanding any provision of law, Rule of the House, or other authority, from January 3, 1979, until the election of the chairman of the committee involved in the Ninety-sixth Congress—

(1) the Member of the House who was chairman of a committee of the House which was in existence at the close of the Ninety-fifth Congress (if such Member is a Member of the House in the Ninety-sixth Congress); or

(2) in any other case, the ranking majority party member of such committee who was serving on such committee at the close of the Ninety-fifth Congress (and is a Member of the House in the Ninety-sixth Congress); may approve payments under this resolution under rules and regulations promulgated by the Committee on House Administration.

Mr. THOMPSON (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the Record.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

Mr. BAUMAN. Reserving the right to object, Mr. Speaker, I yield to the gentleman from Alabama (Mr. Dickinson).

Mr. DICKINSON. I thank the gentleman for yielding.

I would just like to clear up for the record—and I am sure the membership in general would be interested to learn—what this will do as far as the Select Committee on Assassinations is concerned and what unexpended funds they might have, and what this will enable them to do. As the gentleman well knows, there is firm agreement by all concerned that the committee died at the end of the last Congress. Will the gentleman enlighten us?

Mr. THOMPSON. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from New Jersey.

Mr. THOMPSON. I thank the gentleman for yielding. If the gentleman will agree to the unanimous consent request, I am prepared to explain the resolution and to answer the questions the gentleman raised.

Mr. Speaker, section 1 of the resolution will authorize each standing committee of the House, and the two permanent select committees established in the rules of the House, to expend necessary moneys from the contingent fund until the House is able to adopt primary expense resolutions covering such committees, or until March 31, 1979.

Section 2 is broken down into two paragraphs. Paragraph (a) provides the basis for authorizing the former select committees of the 95th Congress, with the exception of the former Select Committee on Assassinations which is dealt with in paragraph (b), to expend moneys from the contingent fund until the committees are reconstituted and funded by resolution, or until March 31, 1979. There are six former select committees which would be covered by the language in paragraph (a). They are the Select Committees on Energy, Ethics, Population, Outer Continental Shelf, Congressional Operations, and Narcotics Abuse and Control. The Select Committees on Energy and Ethics are not expected to seek reconstitution. The other committees have indicated their intention to seek reconstitution, and each would qualify under paragraph (a) upon the introduction of a reconstitution resolution. There are approximately 100 staff persons currently employed by these four select committees.

Paragraph (b) of section 2 authorizes the Clerk of the House to oversee the completion of the report of the former Select Committee on Assassinations on or before March 31, 1979, using unexpended funds authorized for use by such committee during the 2d session of the 95th Congress.

☐ 1130

This provision is a recognition of the need to complete the final report of the committee without reconstituting it. The gentleman from Ohio (Mr. Stokes), the distinguished chairman, is authorized to deal with the classified material necessary for the publication of the report in the possession of the clerk and others.

Section 3 provides that funds spent by all committees under the continuing resolution shall be debited against the amounts authorized in the primary expense resolutions.

Section 4 requires compliance with the Regulations of the Committee on House Administration and any rules necessary to administer the continuing resolution.

Section 5 provides that a returning chairman, or if there is no returning chairman, then the next ranking majority party member, be authorized to sign the vouchers and certifications necessary to make payments under the continuing resolution until such time as a chairman is duly elected for the 96th Congress.

This provision is essential to insure the timely payment of routine and continuing expenditures, including January committee payrolls, which must be proccessed prior to the earliest date upon which the House is scheduled to consider action on committees.

Mr. BAUMAN. Mr. Speaker, I thank the gentleman. I yield to the gentleman from Alabama.

Mr. DICKINSON. Mr. Speaker, if the distinguished chairman of the Committee on House Administration will yield, I was wondering if the distinguished chairman could tell us how much unexpended funds are available to be drawn on and expended by the Committee on Assassinations?

As I recollect, we have appropriated and authorized some $5.5 million so far. I was wondering how much of that is left.

Mr. THOMPSON. Mr. Speaker, the staff informs me that the latest accounting shows approximately $100,000.

Mr. DICKINSON. All right, now, with the $100,000, the Subcommittee on Assassinations will stay in existence, at least the clerical help will until March; is that correct?

Mr. THOMPSON. May I clarify that for my distinguished friend?

Mr. DICKINSON. Yes, please.

Mr. THOMPSON. First of all, I am the former chairman of the Committee on House Administration at the moment.

Mr. DICKINSON. I do not think that will be a permanent situation at all.

Mr. THOMPSON. I hope not.

The Select Committee on Assassinations no longer exists. No resolution has been introduced for its reconstitution. The gentleman from Ohio (Mr. Stokes), the distinguished chairman, is authorized to handle the classified information. The remainder of the moneys are under the control of the Clerk of the House, without any further appropriation, for the sole purpose of completing the necessary and voluminous reports by March 31.

Mr. DICKINSON. I understand what the gentleman is saying, if the gentleman will yield further; but it was my understanding last September and October, that we were authorizing additional funds to allow the Select Committee on Assassinations to continue its existence until the end of the year, so that they might then have completed their reports and done everything necessary for the successful termination of that committee.

I assume something has happened in the interim that would make that impractical or impossible.

Mr. THOMPSON. Mr. Speaker, if the gentleman will yield further, the gentleman is quite correct. In October it was determined that there were insufficient funds to continue the number of hearings which continued until approximately the first of this year.

☐ 1135

A very careful review was done of the financial situation of the Committee on Assassinations, and on October 14 a specific agreement was arrived at by the gentleman from New Jersey, the Speaker, and the chairman of the Assassinations

Committee, the gentleman from Ohio (Mr. STOKES), with the specific understanding that the committee would continue to exist until January 3, 1979, that it would not be reconstituted, and that approximately $100,000 would remain for completion of the reports.

It developed, I might say to the gentleman from Alabama (Mr. DICKINSON), that so much testimony was taken, especially in the last days, that to have terminated without completion of the reports would not make any logical sense. So the agreement was reached whereby the rather modest sum left would be used for the sole purpose of completing and printing the remaining reports.

Mr. DICKINSON. Mr. Speaker, I thank the committee chairman.

Mr. BAUMAN. Mr. Speaker, further reserving the right to object, I would like to thank the gentleman from New Jersey (Mr. THOMPSON) for his explanation, but I would also hope that the $100,000 remaining is adequate in every respect for the printing of these Assassination Committee reports. I agree with the gentleman that it would serve no purpose at this point not to publish the committee's findings, such as they may be.

But I might also use this occasion, which I hope is the last such occasion, to remind the Members that at the time of the formation of this select committee those of us who 2 years opposed the creation of the committee predicted the ultimate findings would not lead to a settlement of the many questions surrounding the Kennedy and King deaths. Indeed the reason for the formation of the select committee advanced by its proponents was that its main purpose was to settle these questions and doubts. That was the major justification for $6 million worth of appropriations. So now, $6 million later, we have a report to which we will look forward eagerly, of course, since it costs $100,000, due on March 1. That report will do exactly the opposite of what its authors intended, that is, create even more doubts.

I think this is proof that this kind of congressional forum is not proper for the resolution of national questions of this nature.

Mr. THOMPSON. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I certainly will yield to the distinguished chairman of the committee.

Mr. THOMPSON. Mr. Speaker, the gentleman from New Jersey is not privy to what will be contained in the final reports. The gentleman from New Jersey did, of course, support the resolution, unlike my friend, the gentleman from Maryland (Mr. BAUMAN), but I can assure my friend, the gentleman from Maryland, that as far as the gentleman from New Jersey is concerned, there will be no further funding.

Mr. BAUMAN. We find ourselves in agreement once again, and I thank the gentleman for his statement.

Mr. THOMPSON. That does not happen very often, and I am delighted that on this first day we are in agreement. I do not expect that will continue, but I hope once in awhile it will happen.

Mr. BAUMAN. Perhaps we should embrace in the well.

Mr. THOMPSON. I would rather not.

Mr BAUMAN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The SPEAKER. Is there objection to the original request of the gentleman from New Jersey?

There was no objection.

The SPEAKER. Does the gentleman from New Jersey (Mr. THOMPSON) seek time on the resolution?

Mr. THOMPSON. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. THOMPSON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the resolutions just considered and agreed to.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

GENERAL LEAVE

Mr. THOMPSON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of the retirement of our great friend, Charlie Hackney, the majority reading clerk.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

PROPOSAL FOR LEGISLATION TO EXTEND AUTHORITY OF SECRETARY OF THE TREASURY TO WAIVE APPLICATION OF COUNTERVAILING DUTIES—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 96-34)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Ways and Means and ordered to be printed:

To the Congress of the United States:

I am today transmitting to the Congress a proposal for legislation to extend until September 30, 1979, the authority of the Secretary of the Treasury under Section 303(d) of the Tariff Act of 1930 to waive the application of countervailing duties. The Secretary's authority to waive the imposition of countervailing duties expired on January 2, 1979. Extension of this authority is essential to provide the Congress with time to consider the results of the Tokyo round of Multilateral Trade Negotiations (MTN). Failure to extend this authority is likely to prevent the reaching of a conclusion to these negotiations and could set back our national economic interests. Accordingly, I urge that the Congress enact the necessary legislation at the earliest possible date.

As stipulated by the Congress in the Trade Act of 1974, negotiation of a satisfactory code on subsidies and countervailing duties has been a primary U.S. objective in the Tokyo round. We have sought an agreement to improve discipline on the use of subsidies which adversely affect trade. I am pleased to report that in recent weeks our negotiators have substantially concluded negotiations for a satisfactory subsidy/countervailing duty code which includes: (1) new rules on the use of internal and export subsidies which substantially increase protection of United States agricultural and industrial trading interests and (2) more effective provisions on notification, consultation and dispute settlement that will provide for timely resolution of disputes involving trade subsidies in international trade.

My Special Representative for Trade Negotiations has informed me that negotiations on almost all MTN topics have been substantially concluded, and that those agreements meet basic U.S. objectives. However, final agreement is unlikely unless the waiver authority is extended for the period during which such agreements and their implementing legislation are being considered by the Congress under the procedures of the Trade Act of 1974.

Under current authority, the imposition of countervailing duties may be waived in a specific case only if, inter alia, "adequate steps have been taken to eliminate or substantially reduce the adverse effect" of the subsidy in question. This provision and the other limitations on the use of the waiver authority which are currently in the law would continue in effect if the waiver authority is extended. Thus, U.S. producers and workers will continue to be protected from the adverse effects of subsidized competition.

A successful conclusion to the MTN is essential to our national interest, as well as to the continued growth of world trade. If the waiver authority is not extended, such a successful conclusion will be placed in serious jeopardy. Accordingly, I urge the Congress to act positively upon this legislative proposal at the earliest possible date.

JIMMY CARTER.

THE WHITE HOUSE, *January 15, 1979.*

☐ 1140

ADJOURNMENT TO MONDAY, JANUARY 22, 1979, AT 12 O'CLOCK NOON, AND ADJOURNMENT FROM MONDAY, JANUARY 22, 1979, TO TUESDAY, JANUARY 23, 1979, AT 8 O'CLOCK P.M.

Mr. MURTHA. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at noon on Monday next, and that when the House adjourns on Monday, it adjourn to meet at 8 p.m. on Tuesday, January 23, 1979.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

AUTHORIZING CLERK TO RECEIVE MESSAGES FROM THE SENATE AND THE SPEAKER TO SIGN ENROLLED BILLS AND JOINT RESOLUTIONS DULY PASSED BY THE TWO HOUSES AND FOUND TRULY ENROLLED, NOTWITHSTANDING ADJOURNMENT

Mr. MURTHA. Mr. Speaker, I ask unanimous consent that notwithstanding any adjournment of the House until Monday, January 22, 1979, the Clerk be authorized to receive messages from the Senate and that the Speaker be authorized to sign any enrolled bills and joint resolutions duly passed by the two Houses and found truly enrolled.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

SIXTH REPORT OF UNITED STATES SINAI SUPPORT MISSION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on International Relations:

To the Congress of the United States:

I am pleased to transmit, as requested by section 4 of Public Law 94-110 of October 13, 1975, the Sixth Report of the United States Sinai Support Mission, describing operations of the U.S. early warning system in the Sinai Desert. The Mission's activities are an important part of the disengagement arrangements between Egypt and Israel concluded in September 1975.

The cost of operating the Sinai Support Mission during Fiscal Year 1978 was $11.7 million, about a half million dollars less than the amount appropriated. The estimated budget for Fiscal Year 1979 remains at $11.7 million.

At the request of the Subcommittee on Europe and the Middle East of the Committee on International Relations, House of Representatives, this report includes a brief review of the applicability of the United States early warning system concept to other areas of the Middle East. It concludes that the basic approach to early warning employed in the Sinai could be successful elsewhere, provided the parties directly concerned want and are willing to support it.

Talks now under way in Washington between Egypt and Israel are likely to result in substantial changes in the United States' role in the Sinai. I will consult closely with the Congress as these and subsequent talks proceed, in order to insure that the peacekeeping efforts of the United States continue to advance the goal of permanent peace in the Middle East.

JIMMY CARTER.

THE WHITE HOUSE, *January 18, 1979.*

REPORT OF UNITED STATES GOVERNMENT ACTIVITIES IN THE UNITED NATIONS AND ITS AFFILIATED AGENCIES DURING CALENDAR YEAR 1977—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on International Relations:

To the Congress of the United States:

I am pleased to send Congress this report of United States Government activities in the United Nations and its affiliated agencies during calendar year 1977.

This 32nd annual report strengthens my conviction that the United Nations is of great and growing importance to the conduct of U.S. foreign relations. We cannot effectively advance world peace and our other national interests if we ignore the potential of this global organization.

Ambassador Andrew Young called the 1977 General Assembly the "most constructive session in many years." It was largely free of the wasteful tactics of confrontation that had marred other recent sessions.

The other organs of the United Nations and the various specialized agencies also made progress on many of the difficult issues that humanity faces.

I am proud of the role we played in encouraging this constructive atmosphere. We are committed to resolving problems through reason and discussion, not confrontation.

Our national interests are best served by such cooperation, and by listening with respect to the problems of all nations, large and small. Our delegations paid particular attention to the views of those developing nations which make up two-thirds of the UN's membership and worked with them to identify points of common concern.

The interests of America and of many other UN members coincided in the search for peace in the Middle East and southern Africa, the promotion of human rights, the Panama Canal Treaties, and economic development to help meet the basic human needs of more than a billion of the world's people.

One of my first acts as President was to invite UN Secretary General Kurt Waldheim to the White House, and I have discussed international issues with him on a number of occasions since then. During 1977, I was also privileged to speak at the United Nations twice—once during March, and again at the opening of the 32nd General Assembly in September. Also while in New York, I took the occasion to sign the two United Nations human rights covenants which for many years had lacked U.S. signature.

Secretary of State Cyrus Vance has taken extraordinary pains—including direct participation in Security Council and General Assembly meetings—to make the United Nations an increasingly vital factor in the conduct of this country's foreign relations. And Ambassador Young has worked with great skill and unusual effectiveness in improving our relationship with the UN and its member states.

Events in the United Nations system will not always go the way that this country might desire. The changing makeup of these organizations, the increasing diffusion of global power and the growing complexities of all issues make this inevitable. But those occasions should not make us withdraw our support, for the UN reflects the reality of the world in which we must live. We should, instead, feel challenged to develop imaginative and thoughtful new approaches in our diplomacy so as to advance our interests, and to play a constructive role in the world community. In particular, we need to continue demonstrating our faith in the basic purposes of an organization whose strength and effectiveness are essential to us and to the world.

The attached report details U.S. positions and policies on the issues which arose in the UN system during 1977. It includes:

—The extensive conduct of the so-called "North-South" dialogue—the discussion of economic and other issues between industrialized countries and the developing nations;

—Our support for the social and economic development activities—including those of the UN Development Program. Some 90 percent of the funds expended by the UN system benefit these activities;

—U.S. efforts to support new progress on human rights throughout the UN system;

—Preparations for the 1978 special General Assembly session devoted to disarmament;

—The adoption by consensus of a General Assembly resolution on aircraft hijacking, to make the world's airways safer for people everywhere;

—The beginning of extensive efforts against great odds to pursue peaceful settlements in Namibia and Rhodesia; and

—U.S. ratification and support of a new UN specialized agency—the International Fund for Agricultural Development—which will provide new resources to improve food production and nutrition in low-income countries and can benefit us by stabilizing the global food market.

Also included in this document is an analysis of the U.S. decision to withdraw from the International Labor Organization in November 1977. I took this decision with regret, since U.S. interests in international organizations are better met through membership and active participation than through withdrawal. Nevertheless, since announcement in 1975 of U.S. intention to withdraw, we believed that insufficient progress had been made in resolving a number of difficulties in operation of the ILO. I still hope that the United States can return to the ILO when its operations clearly return to the organization's basic purposes.

Finally, among the activities of 1977—but not included in this report—was steady work within the Administration on ways that the United States can work to strengthen the United Nations. My report on that topic, sent to the Congress on March 2, 1978, outlines reforms which can make the United Nations even more effective as the world's major forum for discussion and action on global issues.

I welcome the continuing interest of the Congress in U.S. participation in the United Nations, and I urge its increased moral backing and financial support as the United States addresses in the United Nations the increasingly difficult issues that lie ahead.

JIMMY CARTER.

THE WHITE HOUSE, *January 18, 1979.*

REPORT ON PAY ADJUSTMENT FOR FEDERAL STATUTORY PAY SYSTEMS IN OCTOBER 1978—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 96–35)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying paper, referred to the Committee on Post Office and Civil Service and ordered to be printed:

To the Congress of the United States:

In accordance with the provisions of section 5305 of title 5 of the United States Code, I hereby report on the pay adjustment I am ordering for the Federal statutory pay systems in October 1978.

The Secretary of Labor, the Director of the Office of Management and Budget and the Chairman of the Civil Service Commission, who serve jointly as my agent for Federal pay, found that an increase averaging 8.4 percent would be appropriate if comparability with private enterprise salary rates for the same levels of work were to be achieved. The Advisory Committee on Federal Pay recommended that the findings of my agent be implemented.

After considering the findings of my agent and the recommendation of the Advisory Committee on Federal Pay, I determined that an across-the-board increase of 5.5 percent was dictated by economic conditions affecting the general welfare and transmitted to the Congress the alternative plan to that effect called for by section 5305(c) of title 5 of the United States Code. On October 7, 1978, I signed the Executive order to implement this increase.

I am transmitting herewith copies of the reports of my Pay Agent and the Advisory Committee on Federal Pay, the alternative plan, and the Executive order I promulgated to put this pay adjustment into effect.

JIMMY CARTER.

THE WHITE HOUSE, *January 18, 1979.*

☐ 1145

APPOINTMENT AS MEMBERS OF BOARD OF REGENTS TO THE SMITHSONIAN INSTITUTION

The SPEAKER. Pursuant to the provisions of 20 United States Code, 42 and 43, the Chair appoints as members of the Board of Regents to the Smithsonian Institution the following Members on the part of the House: The gentleman from New Jersey (Mr. THOMPSON), the gentleman from California (Mr. MINETA), and the gentleman from Massachusetts (Mr. CONTE).

COMMUNICATION FROM COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

The SPEAKER laid before the House the following communication from the chairman of the Committee on Public Works and Transportation, which was referred to the Committee on Appropriations:

COMMITTEE ON PUBLIC WORKS
AND TRANSPORTATION,
Washington, D.C., January 2, 1970.

Hon. THOMAS P. O'NEILL,
Speaker, House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: Pursuant to the provisions of the Public Buildings Act of 1959, as amended, the House Committee on Public Works and Transportation approved the following items on October 4, 1978:

BUILDING PROJECT SURVEY

Omaha, Nebraska.

11(b) RESOLUTION

Queens, New York.

LEASES

1320 Wilson Boulevard, Arlington, Virginia.
Crystal Plaza No. 2, Arlington, Virginia.
Ballston Center, Towers II, Arlington, Virginia.
120 Church Street, New York, New York.
2025 M Street, N.W., Washington, D.C.
150 Causeway, Boston, Massachusetts.
106 Wynn Drive, Huntsville, Alabama.

The original and one copy of the authorizing resolutions are enclosed.

Sincerely,

HAROLD T. (BIZZ) JOHNSON,
Chairman.

SPECIAL ORDER OF MR. CONABLE TO FOLLOW SPECIAL ORDER OF MR. ZABLOCKI ON THURSDAY, JANUARY 25

Mr. MILLER of Ohio. Mr. Speaker, I ask unanimous consent that the special order granted for the gentleman from New York (Mr. CONABLE) on Thursday, January 25, 1979, immediately follow that of the gentleman from Wisconsin (Mr. ZABLOCKI) on that same date, in order that they may pay tribute to the late Honorable William A. Steiger.

The SPEAKER pro tempore (Mr. MATSUI). Is there objection to the request of the gentleman from Ohio?

There was no objection.

☐ 1110

ALABAMA'S TEXTILE INDUSTRY THREATENED FROM TWO SOURCES

(Mr. NICHOLS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. NICHOLS. Mr. Speaker, I am very pleased to return to Washington to represent the people of Alabama's Third Congressional District. As you are aware this is a predominantly textile oriented area, depending on the mills to keep our fragile economy stable, but all is not well in my area of Alabama. Many mill workers are on short hours, some have been laid off entirely and those remaining on the job do not know from one week to the next if their full-time pay checks will turn into unemployment checks the following weeks.

In the past 2 years nearly 2,500 workers have been laid off from three mills in my congressional district alone. The future for the remaining mills is not good. Without a doubt the health and future stability of Alabama's textile industry will be one of my major concerns during the 96th Congress.

The problems are complex but the Birmingham News, in the Sunday, December 3, 1978, edition, very succinctly outlines two of the major factors damaging todays textile industry, the regulations imposed by agencies of the U.S. Government and the encroachment of foreign goods on our domestic market.

Because of the importance of this problem I am submitting a copy of this article for printing in the CONGRESSIONAL RECORD. I hope that all Members of this legislative body take a few minutes to read this very fine article for it will provide a great understanding of the problems facing the textile industry.

[From the Birmingham News, Dec. 3, 1978]

GOVERNMENTAL REGULATION, FOREIGN COMPETITION—ALABAMA'S TEXTILE INDUSTRY THREATENED FROM TWO SOURCES

(By Brett Guge)

The Alabama textile industry is an $860-million-a-year business that is the financial backbone for many small towns throughout the state.

Now it is being menaced both from within this country and from without by forces that threaten to close mills or to make them greatly reduce work forces.

The U.S. government is blamed by industry executives for many of the problems—primarily for the constant battery of new regulations that textile executives say are difficult and expensive to meet.

Also hurting textile makers badly, in Alabama and elsewhere, is a growing wave of cheaply produced, inexpensively priced, imported textile goods.

"This business isn't any fun anymore," says one long-time Alabama textile baron.

The problem is really a national one. In 1978, according to statistics released by the American Textile Manufacturers Institute in Washington, D.C., more than 330,000 textile workers across the country were either on "short time"—working less than 40 hours weekly—or out of work altogether.

There are 100,000 textile and apparel manufacturing workers in the state, making Alabama the fifth largest textile producer in the nation.

Despite growing problems, the Alabama textile industry has fared reasonably well in terms of plant closings and layoffs, according to Tod Eden, executive vice president of the Alabama Textile Manufacturers Association Inc. in Montgomery.

But there are ominous signs that something is amiss:

The closing of a 700-employee plant, Olympia Mills, in Tuscaloosa in 1976, due largely to import competition.

Layoffs in May of 200 workers at West Point Pepperell's Fairfax plant, which has been all but phased out.

A cutback early this year from 700 to only 30 workers at one point at Handley Textiles in Roanoke. The firm has since switched from weaving heavy industrial cloth to producing yarn, and the work force is back up to 120.

The closing last November of a 200-employee Dan River Co. plant in Clanton.

A current cutback at Talladega's Bemis Co. mill, from a previous high of 1,200 employees to around 900, with more layoffs possible due to falling profits.

Many of the workers at these and other plants are offered early retirement, or transfer to another mill in the same company. Inevitably, however, some are simply let go.

Industry officials say the hardest-hit area for layoffs and closings, by far, has been in the production and sale of heavy woven cloth often used in industry: Canvas, duck and some denims.

"We were affected very much by industrial fabric imports," says Charles Eichelberger, a spokesman for Handley Textiles Inc. in explaining his firm's drastic work force cutbacks.

Workers at heavy-cloth mills in Alabama are usually paid about $5 per hour. Their working conditions, even such things as the amount of dust in the air, are heavily regulated.

Those two factors do not mean that Alabama-made industrial cloth is priced too high, but it is considerably more expensive than, for instance, the same cloth made by Koreans working for 50 cents an hour—with no expense-boosting government regulations with which to contend.

"We can spend at least half our capital money in meeting certain government regulations," moans Murray Williamson, assistant manager at the Bemis Co. plant in Talladega.

Towns like Talladega depend heavily on mills such as Bemiston, the name for Williamson's plant. Bemiston came to Talladega in 1929, when the town, like the rest of America, was on hard times.

"It came here and started employing in the Depresssion years," says retiring Plant Manager C. P. Eldred. "If it had not been for the Bemis Co., and the Bemis Co. payroll during those years, I don't know what would have happened to Talladega."

Since that time, the company built a model mill vollage around the plant, eventually selling the houses to workers. Bemis Co. has donated a recreation center and a school building to the City of Talladega, and literally thousands of Talladegans have worked there.

But now, Bemiston is fighting for its very life.

Williamson says imports and government regulations have hurt Bemiston and other textile plants. But he says he just can't swallow those two factors being the whole problem.

The denim industry, he says, oversupplied itself during the blue jean boom of the early 1970s. Fashions have changed, and many companies that geared up for massive denim production are now regretting it.

Other, more subtle changes in market demand have hurt in some areas, he adds. Take, for instance, basketball shoes.

"Five years ago, every basketball team that you saw, from the pre-teens to the pros, wore canvas basketball shoes," says Williamson. "(Now), you go out and try to find them. They don't make them any more. Those shoes . . . that the baskeball players are wearing are leather shoes (or simulated leathers.)"

Still, imports and government regulations remain at the top of textile industry's hate list.

A spokesman for American Textile Manufacturers Institute says imported textile goods are about as high in quality as the same materials made in America.

"The basic problem is that they are simply produced at costs much lower than ours," says the spokesman. "For the most part, they are very comparable products."

He says there are two basic ways by which the United States tries to control imports and keep its more than $5 billion deficit in textiles trade from growing larger.

One is through tariffs, which are taxes on imported goods. Naturally, the higher the traiff, the less profitable it is for foreign dealers to import.

The other means is called the "Multi-Fiber Arrangement," a complicated series of agreements between the United States and a number of other countries to regulate textile trade.

Loopholes in these agreements have allowed import excesses to creep in, says the ATMI spokesman.

"We don't believe (they've) been administered diligently," he says. "There's been a good deal of slippage."

□ 1150

THE REIGN OF KING CRIME

The SPEAKER pro tempore (Mr. MATSUI). Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ is recognized for 60 minutes.

Mr. GONZALEZ. Mr. Speaker, the reason I importune the House at this time is because I feel that this is a matter of great and serious implication not only to my district and my area that I have the honor to represent but also to the entire Nation. It is a subject matter that I have addressed in special orders to the House since 1970, off and on. The matter of crime has reached such proportions in our country that it is my contention that unless this matter is addressed in the most forceful way in a matter of national priority that in effect what we have is the reign of King Crime in the United States, both organized as well as unorganized, but the special reference that I wish to address my remarks to today has to do with the organized, highly sophisticated form of crime.

In 1970 as a matter of fact I took exactly 47 occasions to address myself to the specific case of the Justice Department and the Deputy Assistant Attorney General, who was a former attorney general of the State of Texas. It was not until after the 45th speech that the administration then of John Mitchell and President Nixon was compelled to fire the Deputy Attorney General, and only because I spoke out.

It was a grievous situation. It pinpointed the malodorous practice, particularly one which has been very much more practiced since the adoption of the omnibus crime control bill, so-called, of 1970 and the deal that then was attempted and in effect successfully foisted on the people of Texas and the Nation because of the connivance of the Deputy Attorney General and assistant district attorney in the Southern Judicial District in Houston, Tex., and a financier in Texas who had gypped the public and the innocent investors out of millions of dollars in the so-called Sharpstown scandal.

□ 1155

It was I who focused on the Sharpstown scandal and it was I who exposed the peculiar combination between the schemers and defrauders and the Justice Department. At that time I made the outright allegation that organized crime had successfully penetrated the highest levels of the Federal Government. I reiterate that charge today.

Now, then, that triggers off the latest, most disturbing, and far more disturbing thing than anything that happened between 1970 and 1976, because of the latest attacks, for example, in my district, on the assistant district attorney on the Federal level in charge of the prosecution of the international drug traffickers in the western judicial district, are insidious to say the least, and another attack, under similar conditions, on another Federal district attorney here in the District of Columbia—both yet unresolved. The attack on the assistant district attorney of the western district, Mr. Kerr, is still unsolved. And it was the first direct insult and direct challenge on the part of organized crime to the law enforcement agencies of the United States, that they are vulnerable. In fact, and indeed, they are, because here we have the men that we are charging with enforcing our law hiding in fear, as the assistant district attorney, Mr. Kerr, is to the present day. He is under what you could call custodial protection while the criminals roam the land in and out of Texas and in and out of Mexico freely.

Mr. WOLFF. Mr. Speaker, will the gentleman yield?

Mr. GONZALEZ. I am happy to yield to the distinguished gentleman from New York (Mr. WOLFF).

Mr. WOLFF. Mr. Speaker, I want to thank the gentleman from Texas (Mr. GONZALEZ) for bringing to the attention of this House and to the American people the important problem that exists through the impact of organized crime and their hold on the law enforcement people of this Nation, and who clearly threaten the existence of effective law enforcement in this country.

I think the gentleman should be commended for centering the attention of this House on this problem.

Mr. GONZALEZ. Mr. Speaker, I thank my colleague, the gentleman from New York (Mr. WOLFF) for his comments. Coming from him it is a real compliment because he is the leader and he has exhibited leadership in this area in very specific instances having to do with the international drug traffic.

But my concern is also personal. In 1970, because of the relationship that I have been very privileged to have with my constituency, I was informed of something that was new in the area, and, indeed, as it turns out, clearly it looks like my home district of San Antonio became a way station.

My district has never been an area of any kind of a concentrated, organized crime scene. San Antonio has been exempt up until these last years when it became a way station when the heroin traffic from France was temporarily plugged on the Canadian border and the eastern seashore, and then they began to get what they call brown heroin from Latin America, mostly through the Mexican border points at the Texas border, also California, but particularly at that time in Texas.

□ 1200

The city of San Antonio became a way station, not a center, but a way station. As it turned out, the papers would report the finding of bodies in certain isolated areas in and out of my district; and apparently, mysteriously, they would not account for what was happening.

I was tipped off that it was connected with a ring then across the border in the city of Nuevo Laredo and that in that area the hit men would get in their cars, cross this border, in a matter of 3 or 3½ hours would be in San Antonio and make the hit, and in another 3½ hours would be safe across the border, defying the local law enforcement officials, who lacked any kind of ability to control them.

I then went before the local grand jury, the Bexar County grand jury. I visited the grand jury again in 1971 and twice in 1972 I alerted the grand jury. I was the only one who was so doing at the time that, in the meanwhile, for the first time a ring had been forming in the San Antonio area and was going not only into way-station operations, but into the actual importation and peddling of the drug.

This turned out to be the Carrasco ring, and then national news was made about 3 years ago, when Carrasco, holed up in the penitentiary, perpetrated the attempted escape of the century and was killed, alongside, unfortunately, of two women and another innocent employee of the Texas prison system.

Late last year, in the autumn and in the late summer, the San Antonio papers again began to report finding individuals murdered gangster fashion; and, believe it or not, in the same areas as those who had been murdered in 1970, 1971, and 1973 in similar fashion.

Again I received information that there was a recrudescence of the remaining factions, including some of the lieutenants of the old Carrasco ring, plus an insidious overtone coming from the north, Chicago, and this area.

We have a new twist in crime, and that is the international stolen-vehicle or automobile, and the so-called stolen parts, which are "shopped," as it is known, into the southern Republics in exchange for drugs. This situation has now been backed up by organized crime, with particular concentrated effort in the city of El Paso, which is about 600 miles from my district; and again, my district has become a sort of way activity.

I announced that information, as received by me, clearly indicated that, again, the hits were being made in a similar fashion and for the same reason. For example, with respect to two of the individuals who were found murdered gangster fashion, the police were and continue to be mystified, because they have no kind of previous record, unlike the victims in 1970, 1971, and 1973. However, when my information came in, I found out that it was the case of those two wnich triggered the present flurry of activity, and that both had one thing in common: They were engaged in the automobile-sale business. They were both hit for the same reason.

I stated that this was more insidious than the situation in 1970, 1971, or 1973 because this time we really have organized crime going into this billion dollar business, which is what it is now and what it has become just in the last 3½ years.

Mr. BIAGGI. Mr. Speaker, will the gentleman yield?

Mr. GONZALEZ. I am glad to yield to the gentleman from New York.

Mr. BIAGGI. Mr. Speaker, I congratulate the gentleman for focusing attention on this rather remarkable and unique development in the whole crime picture. Traditionally, the criminal element would operate with the knowledge that there was peril of apprehension.

Mr. GONZALEZ. That is right.

Mr. BIAGGI. They would accept it at that, but there has been a change. Now the organized crime elements have involved themselves in multibillion dollar undertakings which are as important that they have come to regard human life as less than worthy of any consideration. Anything which jeopardizes their undertaking justifies any action that they think appropriate.

□ 1205

We have seen throughout the country and throughout the world the elimination of opponents, the elimination of competition, the elimination of any hazard. That refers to criminals. It refers to law enforcement people, and refers to their own colleagues in their own organizations. What makes this experience distinctive is that an arrogance has developed. An arrogance has developed in the whole crime picture that those involved in these multibillion-dollar undertakings simply do not give a damn for any individual if he jeopardizes their business. We have witnessed where they have been able to infiltrate law enforcement agencies, especially in Washington where they have a bureau of informants who are supposed to be kept in a highly classified position, the absence of which the whole law enforcement structure would falter.

Informants are critical. Those informants have been most valuable in the prosecution of crime. But now we find that when we have informants making revelations, in short order, either before the criminal trial or thereafter, in vengeance those informants are assassinated. They have been able to infiltrate and obtain that information.

We have held hearings in the Coast Guard Committee of which I am chairman in relation to narcotics and the transportation of marihuana, and the Coast Guard to their credit confiscated 3½ million pounds last year, which gives us an idea of just how important a business this is, despite the contention of some that it is harmless trafficking.

We have statements and testimonies of criminals who have been apprehended and cooperated with us, who state that when they wanted information, they just made a call to their friends in the various law enforcement agencies. So it highlights the sophistication of their whole operation. But the one word that should infuriate all Americans is the "arrogance" of these people who dare assume a posture of being above the law in every regard, where they assault the whole structure to a point where they will kill the law enforcement men in the field, threaten the prosecutor or in fact kill him, threaten the judge or in fact inflict harm. In that direction and to those facts we should address ourselves and reinforce and recommit our energies to the extinction of those who participate in this area.

I thank the gentleman for yielding.

Mr. GONZALEZ. I wish to thank the distinguished gentleman from New York (Mr. BIAGGI), as well as the former speaker on the subject matter, his colleague from New York, but particularly the gentleman from New York who has just spoken, who himself has a tremendous background in law enforcement experience and has been the congressional voice on the subject matter of domestic crime, as the gentleman from New York (Mr. WOLFF), internationally.

I am deeply grateful. What the gentleman has said is very true. It is what I have been trying to say, not as eloquently as my distinguished colleague, the gentleman from New York, but which has in essence encapsulated what I have been trying to say in all these words. It is the most serious threat that we in the Congress and those out of the Congress and those in the executive branch have today. We can worry about communism and Russia and all of that, but I tell my colleagues, this is the real threat. This is aimed at the heart of our social structure. This is what our Government is supposed to be all about. If our Government cannot protect a citizen and cannot protect its own agents charged with the enforcement of the law, then I do not know what it is that we have that we can define as government.

□ 1210

This is why I importune the House. It is more insidious even than what the gentleman has just said, because the challenge has been made overtly.

The assistant Federal district attorney, I am sure, could have been murdered successfully, because believe it or not, an M-1 gun was used out of the rear of a van in the early morning when he was leaving his home to go to his employment. His actual prosecution was taking place in the El Paso area. Subsequent to that, a lawyer was murdered in El Paso. His case is not unconnected with this.

You might say, "Fine. You knew about all this. You have been worried about it since autumn. What have you done about it?"

Well, I did something. I felt and feel now that unless the Executive Office on the highest level, the President himself, and on the enforcement level the Attorney General, unless they give this national priority, the cases will not be resolved. The heat of intense public indignation should be daily concentrated.

Well, you would be surprised. I was criticized and attacked. Of course, it was by our local opposition, our local officer, saying that publicity was not desirable. I believe it is indispensable in this case, because it is the only thing that can aid us in bringing the organized criminal and his syndicate to bay.

Right now they are roaming free. They control the situation. They actually are superior to our ability to enforce the law. This is a clear defiance. It is a challenge. Organized crime has passed the gauntlet. Therefore, I addressed myself to Mr. Eizenstat, the Chief of Domestic Policy for the President. I wrote him immediately. I addressed the Honorable Griffin Bell, the Attorney General, in Texas, and I wish to submit a copy of that letter for the RECORD at this point. Mr. Stewart Eizenstat's letter was at least 3 weeks earlier than the one to the Attorney General.

HOUSE OF REPRESENTATIVES,
Washington, D.C., December 21, 1978.
Hon. GRIFFIN B. BELL,
The Attorney General, Department of Justice, Washington, D.C.

DEAR GENERAL BELL: Nothing could be more intolerable to a lawful society than callous attacks upon its law enforcement officers. An assault on a law enforcement officer is an assault upon all law enforcement.

One month ago, an Assistant U.S. Attorney was attacked by gunmen in front of his San Antonio home. There is no question that the attackers intended to destroy this man, or at the very least destroy his effectiveness in prosecuting drug cases. The victim lived, with only minor wounds, but he is not able to carry on his work, since the perpetrators have not been arrested and, indeed, there are no signs that they will be. Assistant U.S. Attorney Kerr is in hiding, for all intents and purposes, a fugitive. That the prosecutor should be forced to hide while his attackers go free, roaming at will, undermines the work of all prosecutors and investigators everywhere. For if those charged with enforcing the law cannot be assured of their own safety, neither can anyone else. No prosecutor, under the circumstances we have today, can be willing to investigate major crimes fully and prosecute them vigorously.

Your Department receives discretionary funds to cover extraordinary situations, and it is plain that wanton attacks upon U.S. Attorneys are unprecedented.

I am asking that you give this question your most urgent attention, and that no effort be spared to find and bring to justice those who so brazenly attacked Jim Kerr. To facilitate this, I ask that you offer a reward of $50,000 for information that will lead to the arrest and prosecution of those responsible, and that you finance it from discretionary funds available to you.

As long as your own prosecutors cannot feel safe in the performance of their duties, they cannot be effective in their work. The very existence of law enforcement is threatened, and with it, the existence of a free society. Liberty requires that citizens feel secure and safe from wanton attacks. You should recognize this situation for what it is: unprecedented, intolerable and demanding of the most vigorous and extraordinary response of which this government is capable.

Sincerely yours,
HENRY B. GONZALEZ,
Member of Congress.

I did not receive an answer in what I consider to be reasonable time, which was almost a month, and finally I did, but not before I had to write a second letter to Mr. Eizenstat. I said that sometime back I wrote him a letter suggesting, among other things, such things as improvement in border control so that the United States could improve its effectiveness against drug traffickers.

Since that time there have been assaults against U.S. attorneys who are engaged in drug prosecutions and the attackers are remaining free, while the victims are in hiding. This indicates the low opinion these criminals have of our law enforcement programs.

I had written Mr. Eizenstat even before the assault on the district attorney. It was when I predicted this kind of assault that I was laughed at and mocked. I have a personal interest, because I happen to believe that we as elected political figures are just as vulnerable and will be down the line. We will be in line, just like the assistant district attorneys are right now. Why would organized crime go after a lowly assistant district attorney? The assistant district attorney is not even the Attorney General, if it is not intimidation. They could easily have murdered him, as they did when they pumped 29 bullets into his car. He ducked underneath the panel and therefore received only minor wounds.

□ 1215

The attack on the assistant district attorney of the District of Columbia was similar. He was not killed. I cannot help but believe it was done by professionals. They could have done it.

So their message is clear. The subsequent message is that the attack on the attorney in El Paso is not unrelated. Yet from any public discussion one would not think so.

Carrasco, the criminal, the great drug traffic peddler, whom we can unfortunately claim as San Antonio's contribution—he was the one and only—when he was holed up in the prison yard shortly before they were shot or shot to death, he was interviewed by a radio news correspondent, and he denounced only one individual. That was me.

Why? Why did Carrasco, there at the end of his rope, denounce me of all the people he could have denounced? He could have denounced the prosecutors. Why did he denounce me?

So I have more than just a passing interest, because I, too, received a series of threats, two of them emanating from the FBI, as reported. I have spoken on that subject matter before on the floor of the House, so I will not make further reference to it, but given my experience with that, I feel very keenly for this poor district attorney, because there is nothing more harrowing when we know how vulnerable and how unprotected a citizen can be.

We simply must raise the bulwark of protection against this type of criminal activity. It is inexcusable not to, if we want to preserve any kind of viable, democratically free society.

This is the issue. I think we must pursue it. I am delighted that I have had the joinder of the two leaders here in the Congress on this subject matter. I indeed did seek and I have been delighted to seek a personal meeting with both Mr. Eizenstat and Mr. Bell in order to impress both with the need that the National Government, from the President on down, including the Attorney General, that they give this national priority. Unless they do, the current case in San Antonio and the case in the District of Columbia of the prosecutor, I predict, will not be solved any more than Jimmy Hoffa's disappearance has been solved.

Mr. Speaker, I yield back the balance of my time.

CRITICISM OF WORK OF THE SELECT COMMITTEE ON POPULATION

(Mr. KILDEE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KILDEE. Mr. Speaker, I find it incumbent upon myself to publicly express some reservations about some of the conclusions and recommendations contained in the reports which have been issued by the Select Committee on Population. Although I was a member of the committee during the 95th Congress, I am not in agreement with all of the conclusions which were reached.

While much of the committee's work was of high quality, I fear that it may have been eroded by the manner in which the final reports were prepared. While the members of the committee were given a preliminary draft of each report, and their comments were solicited, there was no opportunity to review a final draft before it was printed. Since 16 Members of Congress had the opportunity to suggest changes, the final version of any report could differ substantially from the first draft.

Having reviewed the final reports, I am left with the feeling that my own input was not always taken into account. Indeed, in several specifics, I find myself in disagreement with the conclusions and recommendations contained in the reports.

□ 1220

JAPAN: BULLHEADED TRADE PARTNER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. GOLDWATER) is recognized for 5 minutes.

● Mr. GOLDWATER. Mr. Speaker, one of my chief concerns as a Member of the House has been the U.S. trade position with Japan. Agriculture interest in my congressional district have long sought a market for their products in Japan, but have had little success in achieving this end. There are many American industries in the same boat, and frankly, I am disappointed that efforts to establish greater United States-Japanese cooperation on matters of international commerce have not gone well.

After the adjournment of the 95th Congress, I was privileged to travel to Japan with a delegation of Congressmen to meet with Japanese officials on this important issue. While I now have a greater understanding of Japan's trade policy with the United States, I left their country with a strong sense of frustration.

Last year the United States ran an $8 billion deficit with Japan, while the Japanese managed a trade surplus of $12 billion with the United States. Their surplus with the world community amounts to $26 billion, and it is likely that compatible figures will be realized this year. Meanwhile, there are projections that our trade deficit with Japan will increase by 50 percent in 1979. The critical problem of a declining U.S. dollar can be attributed, by and large, to the protectionist trade practices of Japan.

The trade barriers imposed by the Japanese are deep-rooted and virtually impenetrable. My colleague in the House, Oklahoma Representative JAMES R. JONES, chairman of the Ways and Means task force on United States-Japanese trade, has incisively calculated the direction of our relations with Japan on trade. In his view, unless the Japanese open the door to American goods or pull the reins on the shipment of their wares to the United States, then the United States will have no alternative but to impose tough barriers of its own.

I believe a less bullheaded posture by Japan would not only benefit American business, but would enhance the prospect of favorable action by Congress on the Geneva trade package. But the ball is clearly in Japan's court. A little less propaganda about the progress Japan has made in buying American, and a little more substantive purchasing is essential. The Japanese Government must change some of its own policies as well—selling U.S. wheat at a 100-percent markup, for example, does not exactly excite the Japanese consumer. American cigarettes are priced 500 percent above cost, and ridiculous product standards set by the Japanese delay the marketing of many goods by up to 18 months. All of this has to change.

As the 96th Congress convenes, I look forward to both the House and Senate giving this matter the full attention it deserves. As far as I am concerned any hope for a congressional seal of approval on the Geneva talks hinges on a less adamant Japanese trade policy.●

PRODUCTIVITY IMPROVEMENT IN STATE AND LOCAL GOVERNMENTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. CORCORAN) is recognized for 5 minutes.

● Mr. CORCORAN. Mr. Speaker, I was pleased to note the recent publication of a report to the Congress by the General Accounting Office entitled "State and Local Government Productivity Improvement: What is the Federal Role?" This GAO report—GGD-78-104 of December 6, 1987—clearly states the importance of productivity improvement efforts in terms of "getting more bang for the buck" from State and local governments.

The Federal Government ought to do all it can to encourage improved productivity at the State and local levels and, as the report states, assist by: First, developing a general management improvement program to assist State and local productivity improvement programs and to sponsor research and development that is of national interest; second, improving the Federal grants system so that productivity improvement is rewarded; and third, establishing a strong Federal focal point for State and local productivity improvement to lead the entire Federal effort. This last point is particularly relevant in view of last October's termination of the National Center for Productivity and Quality of Working Life which had been established in 1975 by Public Law 94-136.

I think that the key point made by the GAO report is that while Federal encouragement of State and local productivity improvement efforts may involve Federal expenditures, those expenditures would be far outweighed by the benefits to the entire public sector. In this era of proposition 13, I think it is particularly important for State and local governments to do what they can to improve productivity and for the Federal Government to encourage that effort. One area where the Federal Government can assist is through the development of a national productivity clearinghouse which could assist State and local governments as well as the private sector by informing them of successful productivity efforts around the country. The GAO made just such a recommendation in its December 12, 1978, report—FGMSD-79-4—entitled "Development of a National Productivity Clearinghouse."

As a member of the House Committee on Post Office and Civil Service, I would especially encourage the newly created Office of Personnel Management, through its administration of the Intergovernmental Personnel Act, to strongly support State and local efforts to improve productivity. Further support for this kind of effort has been announced in the National Governors' Association 1978-79 Policy Positions which state that—

> The federal government must dedicate itself fully to simplifying program management through the reduction of regulations and enactment of statutory changes to improve efficiency, effectiveness, and productivity.

Productivity improvement efforts require a certain amount of political courage because such efforts are often difficult to initiate and sometimes prove their worth only in the long run. I think that such efforts are important and I will do everything I can to encourage the Federal Government as well as government officials of Illinois and its local units of government to improve their productivity.

Mr. Speaker, at this point, I would like to include in the RECORD the Digest conclusions and recommendations of the December 6, 1978, GAO Report GGD-78-104, "State and Local Government Productivity Improvement: What is the Federal Role?":

CONCLUSIONS

The Federal Government should encourage and support State and local government efforts to improve their productivity.

Although the Federal Government cannot provide the primary stimulus or impetus for State and local productivity improvement efforts, direct Federal financial and technical assistance can be valuable to State and local governments with sufficient internal management interest.

This assistance must be part of a broader Federal general management improvement program for State and local governments consisting of:

Funds for a limited seed money grant program for State and local general management improvement.

Increased funds for national research and development programs in public management, including development of better measurement systems and alternative approaches to public service delivery.

Improved dissemination of information to State and local governments on management improvement techniques, comparative performance rates, and other productivity-related work.

However, the major Federal impact on State and local productivity itself is achieved through the grants system. At this point, the structure and strictures of the grants system exert a primarily negative impact on productivity. However, due to the growing fiscal importance of Federal grants for State and local governments, the grants system can be harnessed to provide positive incentives for improved productivity in functions aided.

There is a need for a more effective broker in the Federal Government who can articulate the management needs of State and local governments and effectuate needed changes in Federal programs and policies which either directly or indirectly affect State and local productivity. A central broker, or focal point, could work to institutionalize a concern for productivity in the Federal Government's ongoing relationships with State and local governments.

RECOMMENDATIONS

To the President

The President should establish a focal point at the Federal level with clear authority to oversee and provide stronger leadership for Federal efforts assisting State and local management improvement and productivity. It is important that the President also seek adequate funding for the focal point commensurate with this responsibility. The Civil Service Commission, soon to become the Office of Personnel Management, would be the most appropriate organizational location for this focal point.

To the Congress

The Congress should institute fundamental changes in the grants system by removing negative barriers retarding State and local government productivity and by incorporating positive incentives to reward improved productivity in existing and future grant programs where appropriate.

The Congress should also amend the Intergovernmental Personnel Act to authorize funding for general management improvement projects for State and local governments and provide funding to the Bureau of Labor Statistics needed to measure State and local productivity trends under the general direction of the proposed Federal focal point.

To the Director, Office of Management and Budget

The Director, Office of Management and Budget, with the assistance of the proposed focal point, should lead a Government-wide effort to promote increased concern for productivity in Federal assistance programs. This Government-wide effort should primarily focus on encouraging the use of positive productivity incentives in grant programs where appropriate and beneficial.

Agency comments

The Office of Management and Budget found it difficult to take a position on GAO recommendations at this time. It suggested that the appropriate Federal role in State and local productivity improvement be studied by the new Cabinet-level Productivity Council.

It is regrettable that in the Executive Order outlining a national productivity program to carry on the functions of the National Center, a Federal focal point was not designated to deal with State and local productivity. GAO fears that Federal involvement in this crucial area could dissipate. While the Office of Management and Budget indicated that the National Productivity Council, created by the Executive order, would undertake a study of State and local productivity improvement, a Federal leadership vacuum will be created until the study is completed and the Council considers any future recommendations.

The Civil Service Commission found the report useful and endorsed its recommendation to locate a Federal focal point for State and local productivity within the Commission. Major public interest groups supported GAO's conclusions and recommendations in joint letters to the Assistant to the President for Intergovernmental Affairs, the Office of Management and Budget, and the Civil Service Commission.

While GAO's recommendations have budgetary implications for the Federal Government, the payoff to the entire public sector from an effective short would far outweigh these costs. In fact, it is somewhat ironic that the Federal effort to enhance State and local productivity has suffered with the funding reductions in relevant research and development efforts at the Federal level at a time when the public's demands for less costly and more efficient Government are growing.●

ECONOMIC JUSTICE FOR HOMEMAKERS

The **SPEAKER** pro tempore. Under a previous order of the House, the gentlewoman from Massachusetts (Mrs. HECKLER) is recognized for 15 minutes.

Mrs. HECKLER. Mr. Speaker, over a year ago efforts began in Massachusetts to develop a nationwide essay contest on subject "A Practical Program to Achieve Economic Justice for Homemakers." Under the leadership of Prof. Frank Genovese of Babson College in my congressional district, the essay contest has attracted widespread attention, provoking more than 6,000 inquiries—proof of the depth of the national concern to correct the economic injustice women suffer under many of our outmoded laws.

More than 1,000 essays were considered for judgment offering a wealth of ideas, statistics, and information that show the rising need for Congress to act to provide ways for homemakers to achieve the economic equity they deserve.

These essays showed that the changing socioeconomic conditions have resulted in a higher frequency of four disruptive events often faced by women: death of spouse, dissolution of marriage, disability, and depreciation of employment skills. Since many homemakers possess neither the assets in their own name nor adequate marketable skills, they are generally vulnerable in these four situations. This vulnerability is magnified because public and private insurance coverage for these events depends on an employment record and are unavailable to homemakers. Whatever protection she has comes from the traditional view that the male's role is that of provider and protector and this protection is inadequate in many cases.

Traditionally men and women have shared in the production of goods and services for the family with the home as the focal point of this production. If the husband's production could be spared, he sold it in the marketplace where industrialization eventually concentrated the base of economic power. Work outside the home generated direct wage income to the family; home production did not. Most women stayed at home to care for the family and this choice of a workplace profoundly affected women's position in society and their economic status.

Today, the homemaker still produces goods and services for in-home consumption but because this production is never marketed, no exchange price exists. No revenues are generated, she receives no explicit income, and—in the end—she has acquired no assets. Without clearly established prices that can only result from activity in the marketplace, society has no standard measure for work. Unfortunately, many Federal policies have historically equated the information vacuum with a lack of value rendering the homemaker an invisible uncounted and unrewarded part of the production system.

Several recent trends make this failure to recognize the homemakers' efforts increasingly untenable and the lack of an economic base undesirable. In 1920 the divorce rate per 1,000 population was 1.6; in 1960 the rate was 2.2; by 1976 the rate had jumped to 5.5. Typical problems of the homemaker in a dissolution situation are a small share of a small asset base, often irregular income from child support and/or alimony, and inadequate current earning power.

Homemakers should participate in the Social Security system and receive specific credit as a homemaker. The concept is to make the homemaker self-employed, and thus eligible for at least some social security coverage in her own right. In offering my first legislative initiative of the 96th Congress, I seek to deal with this inequity of homemakers.

The bill I am introducing today recognizes the significant contributions homemakers have made to the well-being of the Nation through not only their housekeeping activities but family and financial management as well, and amends the social security system to provide benefits for homemakers. This is a first step in achieving long overdue economic justice for homemakers and I urge the Congress to make this matter a priority by quickly scheduling hearings on this national problem.

☐ 1225

Mr. WEAVER. Mr. Speaker, will the gentlewoman yield?

Mrs. HECKLER. I yield to the gentleman from Oregon.

Mr. WEAVER. Mr. Speaker, I was glad that I was on the floor to hear the gentlewoman's remarks. They are excellent. I want to associate myself with them, and support her in her fight.

Mrs. HECKLER. I thank the gentleman for his kind remarks, and hope that he will cosponsor this bill.

THE CONGRESSIONAL AWARD PROGRAM

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. HOWARD) is recognized for 5 minutes.

● Mr. HOWARD. Mr. Speaker, on Monday I introduced a bill to establish a congressional award program patterned after the Duke of Edinburgh's Award in England. Last session, Senator WALLOP of Wyoming and I sought to gather congressional support for this program and were successful in attracting 51 House and 35 Senate cosponsors. Those of you who were here last year will remember the congressional reception which was held on October 13 to promote the award at which we were honored by the presence of His Royal Highness Prince Philip, the Duke of Edinburgh. The occasion was a success and we were pleased by the increased interest for the program in both Houses.

When I reintroduced the congressional award program on Monday, already 31 of last year's cosponsors had advised me that they would again cosponsor this worthwhile scheme. It is my hope that many more of my colleagues will join me in supporting the bill so that it may receive swift action by the Congress.

Our award program is designed to recognize the achievements of young people and increase their knowledge of government while at the same time focusing their energies in helping others and broadening their own horizons. It will give national recognition to their achievements and will create a real avenue of communication between the young and Members of the Congress and Government. The award would accomplish these goals with the help and cooperation of the older generation through step-by-step fulfillment of certain requirements.

This is a voluntary program; the young people who would participate will not belong to it as members of an organization. They can earn their awards by themselves, or with the guidance of designated organizations.

As the legislation is currently written, young people between the ages of 14 and 23 would be eligible to earn bronze, silver, and finally gold medals by satisfying requirements in the areas of public service, exploration and personal interests. The qualifying standards are defined in terms of proficiency, perseverance, or sustained effort. Successful completion in many cases may depend more on persistence than on "brains" or athletic prowess. A handicap should not deter anyone from taking part or prevent anyone from obtaining an award.

There are three awards which may be earned by participants of differing age and maturity. There is no necessity to progress from one to the other, and thus either the bronze, silver, or gold award program may be entered directly. The bronze award is for individuals in the 14 to 16 age range and is a time to discover what their capabilities in the three areas are and what new goals they can achieve. The silver award, for those above 16, has as its goal achievement of a higher level of proficiency in public service, personal interests, and exploration as well as increased time requirements. The gold award, for those above 19, requires one to take the major role in planning the goals of any area with less supervision and direction. The goals are in part perseverance and the pursuit of excellence, however that may be defined for the activity. Considerable is expected, both in the time demands and levels of endeavor. It is the culmination of the award program.

For each level of Congressional Award, those taking part would have to meet the requirements of three sections: public service, personal interests, and exploration. Each of the three sections prescribes different kinds of activity. While the choice of activities within a section may vary, the names of the sections are the same for the bronze, silver, and gold.

As I mentioned earlier, enabling legislation for the award was introduced during the 95th Congress and enjoyed bipartisan support. During the last session 32 Governors, 25 big-city mayors, and 50 national, State, and local organizations have indicated their support or interest.

The award will require no Federal appropriation. A nonprofit Congressional Award Foundation has been established for the sole purpose of the award. The fundraising campaign to attract voluntary donations in support of the program has begun to be successful. Dr. Frank Arlinghaus, Jr., the chairman of the committee for the establishment and promotion of the Congressional Award, has assembled a group of dedicated individuals to work on the program. An 18-month pilot program has been planned and is ready to go.

Mr. Speaker, there is no single program or group of programs of this caliber with these goals that currently operates in America. The award will enhance the following ideas by the dimension of national recognition: to value by appreciation, to cultivate by leadership, and to preserve by commitment.

Mr. Speaker, I hope that the House will have the opportunity to act favorably on this legislation during the 96th Congress. I include the proposed bill to be printed in the RECORD.

H.R. —

A bill to establish a congressional award program for the purpose of recognizing excellence and leadership among young people

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Congressional Award Program Act".

ESTABLISHMENT OF THE CONGRESSIONAL AWARD

SEC. 2. There is hereby established a program to be known as the Congressional Award. The Congressional Award shall be administered by a Congressional Award Board (hereinafter referred to as the "Board") and a Director (hereinafter referred to as the "Director").

CONGRESSIONAL AWARD MEDALS

SEC. 3. (a) There are established three Congressional Award Medals to be designed gold, silver, and bronze awards. The medals shall be of such design and materials as the Board may prescribe.

(b) The Director shall arrange for the presentation of the awards, including participation by Members of Congress and opportunities for the exchange of information and views among award recipients and Members of Congress and the executive branch.

FUNCTIONS

SEC. 4. The Board is authorized to—

(1) initiate and administer in the United States and its territories a program open to young people aged fourteen through twenty-three (with exceptions to be made by the Board) designed to promote youthful initiative, achievement, and excellence in the areas of expedition fitness, personal creative development, and public service;

(2) set the standards of achievement required for young people to qualify as recipients of the gold, silver, and bronze Congressional Award Medals;

(3) establish procedures for the selection of individuals to be awarded the Congressional Award Medals, and designate the recipients of such medals;

(4) delineate the role, if any, of State directors in administering the Congressional Award;

(5) arrange appropriate ceremonies at the State and national levels for the presentation of the Congressional Award; and

(6) establish such policies and programs for the Congressional Award as may be appropriate to carry out the provisions of this Act.

(b) The Board shall prepare and submit an annual report to the Congress before January 31 of each year summarizing the activities of the Congressional Award and making appropriate recommendations. Minority views and recommendations, if any, of members of the Executive Committee of the Board shall be included in such reports.

MEMBERS OF THE BOARD

SEC. 5. (a) The Board shall consist of fifteen members, to be appointed by a Commission consisting of the majority and minority leaders of the Senate, and the Speaker and the minority leader of the House of Representatives.

(b) The Commission shall appoint individuals to the Board who are active in one of the fields of concern of the Congressional Award. The Commission shall, in making appointments to the Board, consider any recommendations submitted by the Committee for the Establishment and Promotion of the Congressional Award or by the members of the Board then in office.

(c) Members of the Board shall serve for a term of five years, except that seven of the members first appointed shall serve for a term of three years and eight of the members first appointed shall serve for a term of five years, as designated by the Commission at the time of appointment. Members of the Board, except members whose terms are designated by the Commission at the time of appointment, may serve until their successors are appointed. Any individual chosen to fill a vacancy on the Board shall be appointed only for the unexpired term of such vacancy. A vacancy on the Board shall not impair its power to function.

(d) The Board shall establish an Executive Committee and may delegate to such Committee or the Director such powers and functions as the Board deems appropriate.

(e) The Board shall meet annually on June 15, unless, prior to May 1 of any year, the Chairman has set a date for the annual meeting for a day in June in that year other than the fifteenth. The Board shall meet at such other times as the Chairman may determine. The Chairman shall call a meeting whenever one-third of the Board requests a meeting in writing. Each member shall be given notice of the call of any meeting by registered mail or certified mail mailed to his last known address of record not less than fifteen days prior to such meeting.

(f) A majority of the members of the Board shall constitute a quorum.

(g) The Chairman and the Vice Chairman of the Board shall be elected at the annual meetings of the Board occurring in even-numbered years. The Vice Chairman shall perform the duties of the Chairman in his absence. In case a vacancy occurs in the chairmanship or vice chairmanship, the Board shall elect a member to fill such vacancy at the next meeting of the Board following the date on which the vacancy occurred.

(h) The Board is authorized to appoint from among its members or otherwise such committees as may be necessary and to assign to such committees such functions as may be appropriate to assist the Board in carrying out the provisions of this Act.

DIRECTOR OF THE CONGRESSIONAL AWARD

SEC. 6. (a) The Director of the Congressional Award (referred to in this Act as the "Director") shall be appointed by a two-thirds vote of the Board. The Director shall serve for a term of five years unless removed by a two-thirds vote of the Board.

(b) The Director may from time to time authorize any State director appointed pursuant to section 7 or any other officer or employee of the Congressional Award to perform any of the functions of the Director, including functions delegated to him by the Board, except that the Director may not redelegate policymaking functions delegated to him by the Board.

(c) The Director shall, in consultation with the Board—

(1) formulate programs to carry out the policies of the Congressional Award; and

(2) establish such divisions within the Congressional Award as may be appropriate.

(d) The Director shall be an ex officio member of the Board.

STATE AWARD DIRECTORS

SEC. 7. State award directors (referred to in this Act as a "State director") may be appointed for each State and territory or groups of States and territories of the United States by a two-thirds vote of the Board. The Board shall make such appointments from lists of candidates submitted to the Board by the Director. The Director shall compile such lists from recommendations solicited from a representative number of public and private youth organizations within such State or group of States. Members of the Board may make nominations for State award directors.

ADMINISTRATIVE PROVISIONS

SEC. 8. The Board shall have the authority, within the limits of available resources and donated funds, to take such action as may be necessary to carry out the provisions of this Act, including the authority—

(1) to prescribe such rules and regulations as may be necessary concerning the operations, organization, and personnel of the Congressional Award;

(2) to seek funds and resources only from institutions and sources other than the Government;

(3) to make such expenditures as may be necessary for administering the provisions of this Act;

(4) to enter into contracts or other arrangements, or modifications thereof, for the carrying out of such activities as may be necessary to carry out the purposes of this Act, except that no contract may be entered into for an amount in excess of the amounts available to the Board in any fiscal year;

(5) to acquire by purchase, lease, loan, or gift, and to hold and dispose of by grant, sale, lease, or loan property of all kinds necessary for, or resulting from, the exercise of authority granted by this Act;

(6) to receive and use funds donated from any source, if such funds are donated without restriction or without restriction other than that the funds donated be used in furtherance of one or more purposes among the purposes of the Congressional Award; and

(7) to accept and utilize the services of voluntary and uncompensated personnel.

EMPLOYMENT OF PERSONNEL

SEC. 9. (a) The Director shall, in accordance with such policies as the Board shall from time to time prescribe, appoint such other personnel as may be necessary to carry out the provisions of this Act, and may compensate such personnel from the donated funds of the Congressional Award.

(b) The Director shall not engage in any other business, vocation, or employment while serving as Director. Neither the Director nor any other personnel of the Congressional Award may hold any office in, or act in any capacity for, any organization, agency, or institution with which the Congressional Award enters into any contract or other arrangement under this Act, except with the approval of the Board.

(c) A person holding any other office in any branch of the Government may serve as a member of a committee created by the Board, but shall not receive remuneration for services as a member of such committee during any period for which he receives compensation for such other office of the Government.

A TRIBUTE TO FLOYD F. HEDLUND

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. COELHO) is recognized for 5 minutes.

● Mr. COELHO. Mr. Speaker, on January 12, 1979, Floyd F. Hedlund concluded 41 years of service with the U.S. Department of Agriculture. Since 1961 he served as Director of the Fruit and Vegetable Division of USDA's Agricultural Marketing Service. He was responsible for supervising various marketing programs including market news, marketing agreements and orders, and standardization and grading programs, as well as regulatory programs, including the Perishable Agricultural Commodities Act.

Mr. Hedlund was active in international agricultural affairs, representing the United States at many conferences and meetings and completing assignments for the Agency for International Development and the Central Treaty Organization.

Mr. Speaker, too often we hear of government employees who are nonproductive and merely add another layer of bureaucracy and redtape between government agencies and the people they are supposed to serve. Mr. Hedlund, on the contrary, has made valuable contributions to agriculture. The USDA itself has cited him on four occasions, and twice awarded him its highest honor, a Distinguished Service Award for exceptional service.

The people of the 15th Congressional District of California, who I am proud to represent, produce over 200 different agricultural commodities. A great number of these are specialty crops. Mr. Hedlund has done an outstanding job administering the programs under which these crops are produced, and consequently, done an outstanding job for the people of the 15th district.

Mr. Speaker, I am proud to have known and worked with this man, and I wish Floyd and his wife, Dolly, a happy, well-deserved retirement from government service.●

FAIR DEBT COLLECTION PRACTICES ACT—IT WORKS AND HELPS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, when I first introduced the Fair Debt Collection Practices Act some 4 years ago, it was greeted with almost universal criticism by the debt collection industry. Many in the industry contended that the act would do nothing but help deadbeats while others suggested that passage of the Act would result in some 400 debt collection agencies going out of business. My investigations that led up to the introduction of the act showed me that neither of these positions were valid.

First, almost every debt collector that I talked to said that the deadbeat, that is a person who absolutely refuses to pay a just debt, would not be helped or hurt by this act since a deadbeat won't pay regardless of what types of collection methods are used. Many collection agencies shy away from even trying to collect debts from known deadbeats since they know they will only be wasting their time.

I also talked to many well-run debt collection agencies and found out that nothing in my legislation would cause them to make changes in their operations that would result in the company being unable to collect a debt. A large number of collectors told me that they already followed all of the provisions in my bill and because of that the act would not hurt them at all.

During our hearings on the legislation we heard from Mr. Jack Fletcher, president of United Creditors Service of Nashville, Tenn. I had never met Mr. Fletcher prior to his appearance, but I quickly became impressed with the manner in which he approached his occupation. I found him to be a most honorable and straightforward individual and one who represented the best in his industry.

In his testimony he pointed out that the act would not hurt his company nor did he feel that it would cause problems for many collectors. He did feel that some of the recordkeeping requirements in the original bill would cause problems for smaller companies. It was primarily because of the suggestions made by Mr. Fletcher that many of the recordkeeping provisions that would have overloaded the small collector with paperwork were eliminated.

Since the Fair Debt Collection Practices Act has been in effect, I have made it a point to periodically check to make certain that the act is meeting its intent without causing undue problems for creditors and that the act is not preventing the legitimate collection of debts. In that regard, I would like to share with the Members of the House portions of a letter that I received last month from Mr. Fletcher.

In part he writes:

> Your records will show that during your hearings on 95–109 we stated "we realize that we have rotten apples in our barrel" because the collection industry is no different than any other and of course this even goes as high as The United States Congress.
>
> I believe that most people in our industry will now say that the Fair Debt Collection Practices Act helped to clean up our apple barrel. I can only speak for our company and say that our operation is very little different than it was twenty some years ago, in fact, 1978 will probably be one of the best years in the history of the company.

Mr. Speaker, I submit that when a gentleman of the caliber of Mr. Fletcher states that the Fair Debt Collection Practices Act has not only failed to hurt his company, but that during the first year the law was in effect his company concluded what may have been its most successful year in its history, then the act must be a success.

In conclusion, let me point out that when the act was signed I said on the floor of this House that the Fair Debt Collection Practices Act may well be the most important thing to happen to the debt collection industry. It will give it status, it will give it a benchmark with which to judge its operations, and it will make certain that unscrupulous competitors will not be allowed to operate. Most importantly, it will make certain that the honest and reputable debt collectors, of which there are many, will not have to worry that some fly-by-night phone and desk operation will be able to use cutthroat tactics and steal business.

It is a good act, it is on act of which all the Congress can be proud. And the act will succeed because of the outstanding quality of the men such as Jack Fletcher.●

THE UNITED STATES—A WASTEFUL SOCIETY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. WEAVER) is recognized for 5 minutes.

Mr. WEAVER. Mr. Speaker, I intend to address the House from time to time on the matter of the coming depression. If we do not curb our excesses, the economy will curb them for us.

Waste is an economic sin, and we are a sinful society. We are certainly a wasteful society, a throwaway society. Our garbage cans overflow. We cannot find places to bury our waste. We drive huge clunker cars, one person to a car. In motels we see the air cooling turned on at the same time the heating is on.

Of course, this is our fault, but as individuals who want to change, waste is forced upon us by packaging that we cannot avoid, by garbage collection systems that make individual efforts futile, by chemicals that make waste unusable, and by pricing systems in our so-called free market that force us to waste energy and other resources.

Our culture, our very economy, has waste built into it, each reinforcing the other, making us as individuals sloppy and lazy from habit and training, or lack thereof, and from the perceived futility of individual effort.

We live in a world that is changing while we as individuals and we as a society are not changing.

Mr. Speaker, our natural resources are running out or becoming exhorbitant in price. Yet, we as a society and as individuals continue our pattern of waste into the high price era. Our Government makes no effort to lead us away from this extremely dangerous pattern of waste. Indeed, with its huge, extravagent, and deficit spending, it is the prime culprit.

So, we go down the primrose path of ever-increasing inflation, dangerous inflation, putting in jeopardy our economy, our political institutions, our very well-being.

The first step is to make it possible for the individual to conserve; in other words, change those laws, regulations, marketing systems, ways of doing business that force waste on us, that reward the exploiter and penalize the concerned. As an example, in my Fourth Congressional District of Oregon, the Bureau of Land Management has a small wooden bridge which is declared to be unsafe. They say they must, by regulation, put in a $100,000 steel bridge to replace it. They do not have the money, so they are not going to put the bridge in at all.

The people there would like to put a few wooden stringers across, shore up the pilings and do the job for a couple hundred dollars by themselves, but no, the regulation by the Bureau of Land Management makes this impossible, makes it impossible for people to make do for less.

□ 1230

So, Mr. Speaker, I say that unless we curb our excesses the economy will curb them for us, and the coming depression will come only too soon.

THE ADMINISTRATION'S REAL WAGE INSURANCE PROGRAM: A MULTIBILLION-DOLLAR LOSER

(Mr. VANIK asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. VANIK. Mr. Speaker, the administration's real wage insurance proposal promises more inflation than it cures. The $8 to $15 billion drain on the Treasury to pay for it is likely to raise the cost-of-living by more than 1 percent. This makes the program self-defeating. The Treasury loss would have to come out of cutbacks in critical areas of public spending or by adding to the debt and deficit.

The administration's proposal cannot be considered as a temporary expedient. The plan would become a permanent addition to the Tax Code at a cost of incredible billions in the future. If Congress indexes incomes to inflation, it must also index income taxes to inflation. The resulting attrition of Federal revenue could create an inflationary explosion in new borrowing.

The administration's bill is likely to become a carrier pigeon for all kinds of tax concepts and special interest loopholes. In the last Congress we managed to survive a large scale assault on the fiscal integrity of the country. We will not succeed in 1979 if the administration persists in this dangerous scheme.

The selective tax-cut provisions provided through so-called real wage insurance would be denied to millions of Americans who suffer most through inflation: the unemployed, the self-employed, and the millions whose earnings do not increase. The proposal would be unfair and cruel to those excluded from the program who would have to pay higher taxes for the benefit of those who are advantaged.

The Congress should consider alternate proposals—perhaps a penalty tax on those who prod inflation. Congress should establish select committees on inflation to conduct hearings on price and wage abuse. Congress can effectively engage in legislative jaw-boning. The exposure of price and wage greed would go to the heart of the problem.

WILSON REINTRODUCES CHARITY DISCLOSURE LEGISLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. CHARLES H. WILSON) is recognized for 5 minutes.

● Mr. CHARLES H. WILSON of California. Mr. Speaker, today I am reintroducing an important piece of consumer protection legislation which received wide attention in the last Congress—the charity disclosure bill.

This legislation, H.R. 41 in the 95th Congress, would require organizations seeking charitable contributions from the general public to disclose at the time of solicitation what the specific charitable purpose actually is, and how much of the money raised by the organization in the previous year went to this purpose as opposed to fundraising, management and other expenses.

I do not think that it is necessary to detail the long list of charity scandals which make this legislation necessary, suffice it to say that there has been a very real problem which not only has resulted in millions of dollars being stolen and wasted, but has also shaken public confidence in the vitally important work which is done by all legitimate voluntary agencies.

For this reason, H.R. 41 was endorsed in the last Congress by many reputable charities, including the American Heart Association, the National Kidney Foundation, Save the Children Federation and the American Lung Association.

The concept was also strongly backed by the Charitable Trust Committee of the National Association of Attorneys General. Attorney General William Scott of Illinois, who has prosecuted several major charity frauds, told my subcommittee in 1977 that a Federal charity disclosure law is desperately needed to supplement State law enforcement efforts in this regard.

Mr. Speaker, in the last Congress there were some scare tactics used against this bill by certain groups which opposed any form of disclosure to the public.

I intend to pursue this issue in the 96th Congress and work out any lingering concerns responsible groups have with this concept.

I would welcome any constructive comments from interested parties as we move toward enactment of the bill. The text of the bill follows:

H.R. —

A bill to amend title 39, United States Code, to require the furnishing of certain information in connection with the solicitation of charitable contributions by mail, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) chapter 30 of title 39, United States Code, is amended by adding at the end thereof the following new section:

"§ 3012. Soliciting charitable contributions by mail

"(a) Any charitable organization which solicits, in any manner or through any means, the remittance of a contribution by mail, shall include with such solicitation the following information:

"(1) the legal name and the principal business address of the charitable organization making the solicitation;

"(2) the purpose of the solicitation and the intended use of the contribution solicited;

"(3) the obligation of the charitable organization to furnish information in accordance with the provisions of subsection (d) of this section;

"(4) in the case of any charitable organization which is not subject to the provisions of paragraph (6) of this subsection, the percentage of all contributions for the charitable purpose of the organization which were directly applied to such charitable purpose after deducting all fundraising and management and general costs during the most recent complete fiscal year of the organization, except that if the solicitation is made during the 6-month period immediately following the close of such fiscal year, such costs may be based upon the fiscal year preceding such fiscal year;

"(5) in the case of a federated fundraising organization, the percentage of all contributions distributed or allocated by such organization to its member organizations, during the most recent complete fiscal year of the organization which were directly applied by such member organizations to the charitable purpose involved, after deductions described in paragraph (4) of this subsection are made by such federated fundraising organization and by its membership organizations, except that if the solicitation involved is made during the 6-month period immediately following the close of such fiscal year, information relating to such portion of contributions may be based upon the fiscal year preceding such fiscal year; and

"(6) a statement which specifically indicates the period during which the charitable organization has been in operation and specifies that such organization is not required to comply with the requirements of paragraph (4) in the case of any charitable organization which has not been in operation for a period which includes one complete fiscal year and the 6-month period immediately following such fiscal year.

"(b)(1) In the case of a written solicitation which requests the mailing of contributions and which is subject to the provisions of subsection (a) of this section, the information required to be included with such solicitation by subsection (a) of this section shall be presented in language which is readily understandable by those persons to whom the solicitation is directed, shall be located in a conspicuous place on such solicitation, and shall appear in conspicuous and legible type in contrast by typography, layout, or color with other printed matter on such solicitation.

"(2) In the case of a solicitation which is subject to the provisions of subsection (a) of this section and which is made through the use of radio or television communications, the information required to be included with such solicitation by subsection (a) of this section—

"(A) shall be presented in language which is readily understandable by those persons to whom the communication is directed;

"(B) in the case of a radio communication, shall be clearly audible;

"(C) in the case of a television communication, shall (i) appear in lettering of sufficient size to be readily legible to the viewer; (ii) be shown against a background which does not impair the legibility of such communication; (iii) remain in view for a period sufficient to enable the viewer to read such communication; and (iv) if presented in audio form, be clearly audible;

"(D) if such solicitation is made as part of a fund-raising program which is 4 hours or more in duration, shall be presented at least once during each 4-hour segment or portion thereof; and

"(E) in the case of any noncommercial educational broadcast station, shall be presented at least once during each 4-hour period of broadcasting if any such solicitation is made during such period by such station.

"(3)(A) Any solicitation which is made through the use of radio or television communications and which does not exceed 60 seconds in duration shall not be subject to the provisions of this section;

"(B) Any solicitation which—

"(i) appears in any newspaper, magazine, or other periodical without charge to the charitable organization involved, as a public service by the owner or publisher of such newspaper, magazine, or other periodical; and

"(ii) does not exceed 2 column inches in length and contains less than 20 words of text;

shall not be subject to the provisions of subsection (a) of this section.

"(4) For purposes of this subsection, the term 'noncommercial educational broadcast station' has the meaning given it in section 397(7) of the Communications Act of 1934.

"(c)(1) Any charitable organization which makes a solicitation which requests the mailing of contributions and which is subject to the provisions of subsection (a) of this section, or any charitable organization which receives any grant or allocation from any federated fund-raising organization which requests the mailing of contributions and which is subject to the provisions of subsection (a) of this section, shall, upon request by the Postal Service, furnish to the Postal Service such audit reports, accounts, or other information as the Postal Service may require to establish or verify information which such organization is required to include in solicitations in accordance with subsection (a) of this section.

"(2) The provisions of paragraph (1) of this subsection shall not be construed to authorize the Postal Service to require any charitable organization specified in paragraph (1) of this subsection to furnish audit reports, accounts, or other information—

"(A) at regular intervals specified by the Postal Service; and

"(B) which is not required by the Postal Service in connection with a specific need to establish or verify information which such organization is required to include in solicitations in accordance with subsection (a) of this section.

"(d) Any charitable organization which makes a solicitation which requests the mailing of contributions and which is subject to the provisions of subsection (a) of this section shall, no later than 30 days after the receipt of a request from any person receiving such solicitation, furnish to such person a pertinent financial statement prepared in accordance with generally accepted accounting principles, for the most recent complete fiscal year of the organization, which is reasonably sufficient to verify any information included in the solicitation involved in acordance with paragraphs (3), (4), and (5) of subsection (a) of this section. If the solicitation involved is made during the 6-month period immediately following the close of the most recent complete fiscal year of the charitable organization, then the financial statement required by the preceding sentence may be based upon the fiscal year preceding such fiscal year.

"(e) Accounting methods and procedures to be used by charitable organizations to assure compliance with the provisions of this section shall conform to any generally accepted accounting principles applicable to the field of operation of the charitable organizations involved.

"(f) Any charitable organization which has revenues from any source, in addition to receipts from contributions, may, for purposes of complying with the provisions of paragraph (4) of subsection (a) of this section, apportion management and general costs, other than fundraising costs, between receipts from contributions and receipts from other sources.

"(g) The provisions of this section shall not apply to any bona fide membership organization, including any local religious congregation or parish, with respect to any solicitation for contributions by mail made by such organization exclusively to the members of such organization.

"(h) The provisions of this section shall not apply to—

"(1) any school, college, or university with respect to any solicitation for contributions made by such institution exclusively to its students, alumni, faculty, members of governing bodies or boards and appointed committees, or a member of the family of any such individual;

"(2) any hospital or other health care facility with respect to any solicitation for contributions made by such hospital or facility exclusively to its professional staff and other personnel, board of trustees, members of appointed committees, or a member of the family of any such individual; or

"(3) any charitable organization which is authorized by, and exclusively makes expenditures to or for the benefit of, a school, college, university, or hospital or other health care facility, with respect to any solicitation for contributions made by such organization exclusively to—

"(A) any individual specified in paragraph (1) of this subsection, in the case of a charitable organization which is authorized by, and exclusively makes expenditures to or for the benefit of, a school, college, or university; or

"(B) any individual specified in paragraph (2) of this subsection, in the case of a charitable organization which is authorized by, and exclusively makes expenditures to or for the benefit of, a hospital or other health care facility.

"(i) Notwithstanding any other provision of this title, the Postal Service shall not have any authority to prescribe any rule or regulation to carry out the provisions of this section.

"(j) For purposes of this section—

"(1) the term 'charitable organization' means any person (including any individual, organization, partnership, association, trust, society, foundation, group, corporation, or any combination of them) which is organized, or which claims to be organized, for any charitable, benevolent, philanthropic, humane, patriotic, scientific, literary, medical, religious, or educational purpose, or for the prevention of cruelty to children or animals, or for any other eleemosynary purpose;

"(2) the term 'contribution' means the promise, grant, gift, or pledge of any money or property of any kind, for any charitable, benevolent, philanthropic, humane, patriotic, scientific, literary, medical, religious, or educational purpose, or for the prevention of cruelty to children or animals, or for any other eleemosynary purpose;

"(3) the term 'federated fundraising organization' means a charitable organization established for the purpose of raising and distributing money for and among affiliated charitable organizations in any case in which affiliation with, or membership, in such organization does not confer operating authority and control by any individual charitable organization upon any other individual charitable organization;

"(4) the term 'membership' does not include any case in which an organization confers a membership on any person solely as a consideration for making a contribution; and

"(5) the term 'written solicitation' includes any request for the remittance of a contribution which is made through the use of any letter (other than a letter to any individual with whom the individual transmitting such letter is personally acquainted), circular, notice, brochure, advertisement, or other written material which is (A) mailed or delivered by any means to the individual receiving the solicitation; or (B) displayed in any newspaper, magazine, or other periodical or printed matter, or which is displayed on any billboard, poster, or other device for the display of written, printed, or graphic matter.".

(b) The table of sections for chapter 30 of title 39, United States Code, is amended by adding at the end thereof the following new item:

"3012. Soliciting charitable contributions by mail.".

Sec. 2. Section 3005(a) of title 39, United States Code, is amended by inserting immediately after "means of false representations," the following: "or for a charitable purpose without complying with the provisions of section 3012 of this title,".

Sec. 3. (a) Except as provided in subsection (b), this Act shall take effect 18 months after the date of the enactment of this Act.

(b) The provisions of paragraph (4) and paragraph (5) of section 3012(a) of title 39, United States Code, as added by subsection (a) of the first section of this Act, shall take effect 3 years after the date of the enactment of this Act.●

RESOLUTION CALLING FOR ASSESSMENT OF SO-CALLED MULTIPLE AIM POINT SYSTEM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. Bedell) is recognized for 5 minutes.

○ Mr. BEDELL. Mr. Speaker, last fall I introduced a resolution calling on the President to establish a highlevel commission to make a thorough evaluation of the appropriateness of the so-called MAP (multiple aim point) system. Since that time, the MAP basing mode proposal has been subjected to considerable scrutiny by the general public, and much opposition has been expressed to its implementation. Recent reports indicate, however, that MAP is still very much alive. In fact, it is one of two options that has been presented to the President as the prime candidates for the mobile missile basing mode, with the final decision being set for sometime in early April. The second option is the air mobile/transportable mode.

In light of these new realities, I have introduced an expanded resolution calling for an assessment of both proposed basing modes—MAP and the airborne mode—to be conducted within the context of a comprehensive analysis of widely perceived realinements in the relative strategic balance between the United States and the Soviet Union. This resolution allows the President the option of either appointing a new commission or designating a body that is already in existence, with the requirement that either group be comprised of experts on defensive weapons systems from both the military and civilian strategic communities, interested representatives of the general public, and concerned Members of Congress, and accurately reflect the various dimensions of the debate surrounding the need for new strategic weapons systems.

There can be little question that the balance between United States and Soviet nuclear capabilities has changed significantly over the past several years and that we are entering an important transition stage. Whereas the U.S.S.R. had the distinct quantitative edge and the United States the unquestionable qualitative superiority, the two have gradually come together. The Soviets have made qualitative advances, especially in the area of MIRV accuracy, which bring into question all of the once-ironclad assumptions underlying our strategic triad system.

One of the most frequently challenged assumptions these days is that each leg of the triad—land, air, and sea—is roughly equivalent in terms of survivability. There are many who would have us now believe that the 1,054 land-based ICBM's in the US. nuclear arsenal could be, for all practical purposes, negated by a Soviet counterforce strike. They thus argue that the fixed-site basing mode that is used to house U.S. ICBM's is unacceptably vulnerable to enemy warheads and that a new mobile missile is imperative if the U.S. strategic land force, which is crucial to the credibility of our nuclear deterrent, is to be maintained.

U.S. policymakers find themselves having to choose between two distinct types of basing modes that would, it is claimed, make our ICBM's less vulnerable: Either the MAP system or the airborne approach, which is otherwise referred to as the air mobile/transportable basing mode. Both options would entail great expenditures of resources, financial and natural, and the implementation of either is sure to have awesome implications for every American. Yet, when measured in relation to the tremendous costs and ramifications of each of the basing mode options, the scope and quality of the public debate on their merits has been sadly restrictive, and I believe that it is Congress duty to broaden and enliven that debate as much as possible. My resolution is designed to serve that end.

Some who read this statement might ask why there is so little reference to the development of a new U.S. ICBM. The reason is simple: the failure of policymakers to come up with an acceptable mobile basing mode whatever other type that may finally emerge—means that the alleged strategic dilemma facing the United States in regard to land-based ICBM vulnerability still has not been solved. Consequently, I have chosen to emphasize almost exclusively the importance of thoroughly evaluating the basing mode option.

Unfortunately, neither of the basing mode frontrunners is able to withstand close scrutiny. Both raise serious questions in terms of their cost and likely effectiveness.

The solution advocated by MAP's proponents is to reduce our land-based ICBM vulnerability by dispersing and hiding the true location of the missiles. One of the early proposals put forth to achieve this objective—the trench system in which the missile would have been transported on an underground railroad system—was soon found to suffer from serious flaws, not the least of which was the distressing proneness of the system to a knockout blow by just a few Soviet warheads. Consequently, the trench proposal gave way to the MAP, or multiple aim point, concept, which has been analogized by many to a giant (and deadly) "shell game." This approach would involve the construction of thousands of vertical silos, among which approximately 200 missiles would be shuttled covertly so as to prevent the Soviets from determining their precise location. Proponents also call for the production of a new missile, such as the MX or a "common missile" (so-called because it would use a hybrid of the MX and Trident submarine missiles and could be adapted for both land and sea usage), to go into these silos as a further demonstration of American "determination."

The MAP idea is "full of holes" in more ways than one. First, taken to its logical conclusion, the MAP system would transform the Midwest and West (the sites for the silos) into a veritable "sponge" that would serve to "absorb" Soviet warheads in the event of a nuclear exchange. Second, at a time when Government spending is decried as excessive and inflationary, the MAP price tag has been estimated anywhere from $20 to $50 billion, a figure which represents considerable opportunity cost in terms of forgone development in other important areas. Third, there is justification for the concern that MAP's inherent contradiction between its immediate objective of deception and the arms control requirement of verification would erode any basis that exists for a successful transition toward meaningful arms reduction. Fourth, the implementation of the MAP basing mode would have negative impact on the productivity and land use patterns of the affected area. Total land requirements have been projected to be somewhere near an area the size of the State of Connecticut—over 5,000 square miles. The security measures that would be required to protect the inviolability of the secret missile locations have not been precisely identified, but are sure to be sweeping.

Those who advocate the airborne mode of mobile missile basing, including the President's science adviser, have sought to respond to MAP's glaring shortcomings by promoting a basing approach that would involve "housing" the missile in an aircraft specially designed for quick takeoff and landing. Yet, the airborne mode is also very vulnerable to criticism. The Department of Defense's Defense Science Board has rejected the airborne proposal out of hand (admittedly, the DSB has already gone on record as supporting MAP, so that its objectivity can be questioned). Some of the glaring weaknesses that it identified were cost (the air mobile/transportable basing mode would cost at least $50 billion, as compared with the DSB estimate of $25 to $30 billion for MAP) and vulnerability. In fact, a recent National Security Record report from the Heritage Foundation noted that the missile being launched from this mode "would be vulnerable to barrage attacks of its escape areas by depressed-trajectory submarine launched ballistic missiles." The Soviet Union has already tested such depressed-trajectory SLBM's and its ability to deploy them at some time in the future is not in question. Yet another question is that of the potential fuel requirements of the airborne approach, a consideration which will take on increasing importance as time goes on.

The failure to correct the vulnerability dilemma does not haunt only the airborne mode. MAP is just as prone to circumvention and obsolescence. Without a SALT agreement that would put a meaningful limit on the allowable numbers of reentry vehicles each side could have, the system would be worthless. If the Soviets were free to proliferate an unlimited number of RV's they could negate MAP by simply targeting each additional silo in order to be sure of getting the "real thing." In the event that this were to happen, the United States would be much worse off than it was before MAP.

Mr. Speaker, at the very least, the two prime candidates for replacement of our present fixed-site basing of land-based ICBM's have enough shortcomings to warrant further scrutiny. The disastrous consequences of an ill-advised move toward adoption of either of these options should be evident to all. I believe that the representative commission that I call for in my resolution would be able to make a significant contribution toward arriving at the optimum decision.

Further, it is clear that a rational decision on the appropriateness of the proposed basing modes cannot be made independently of an assessment of the validity of those claims which contend that United States-Soviet nuclear balance has been so drastically changed that the backbone of the U.S. nuclear deterrent—our land-based ICBM's—is in dire jeopardy. I firmly believe that such an Earth-shattering proposition should be exhaustively evaluated, with not one shred of its underlying assumptions being taken for granted. Hopefully, my colleagues will share this belief and, by supporting this resolution, will involve Congress and the informed public in the effort to determine the optimum course for U.S. strategic development.●

A BILL TO EXTEND AUTHORITY TO WAIVE IMPOSITION OF COUNTERVAILING DUTIES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. ULLMAN) is recognized for 5 minutes.

● Mr. ULLMAN. Mr. Speaker, today the House received a message from the President requesting the Congress to extend for a temporary period the authority under the Trade Act of 1974 of the Secretary of the Treasury to waive the imposition of countervailing duties on foreign subsidized imports, which expired on January 2 of this year. In response to this request, I am introducing a bill, cosponsored by a number of my colleagues on the Ways and Means Committee, which will extend that authority retroactively from January 3 until October 20, or until legislation implementing the international agreement or agreements on subsidy practices is enacted or either House of Congress defeats such implementing legislation, whichever occurs first.

Any waiver determinations in effect on January 2 would remain in effect during the extension period unless the waiver conditions under existing law are no longer met and the determination is revoked by the Secretary. The retroactive waiver authority would also apply to any countervailing duty determinations made after January 2 and before October 20 which the Secretary determines have met the waiver conditions under the Trade Act. Congress would retain the right to disapprove any use of the waiver authority in individual cases as provided under current law.

In the Trade Act of 1974 Congress mandated timely countervailing duty action by the Secretary of the Treasury against foreign subsidized imports into the United States. At the same time Congress included authority for the Secretary of the Treasury to waive countervailing duties during the 4-year period which expired on January 2 for the express purpose of enabling the negotiation of international rules to discipline the use of subsidy practices as they affect trade in agricultural and industrial products and procedures for timely and effective resolution of international disputes in this area. Reaching such an international agreement has been a primary U.S. objective in the multilateral trade negotiations conducted in Geneva on tariff and nontariff barriers during the past 4 years.

The President has recently notified the Congress that negotiations on a subsidy/countervailing duty code have been substantially concluded. The committee will be watching closely further developments on this code and other trade agreements still under negotiation that deal with subsidy practices with a view to their early finalization in Geneva as we proceed with consideration of the waiver extension.

In the closing hours of last session Congress came very close to approving an extension of the waiver authority before it expired. Since January 2 the Secretary of the Treasury has required affected importers of products previously subject to waiver to post bonds or letters of credit to cover the contingent liability of the penalty duties. As stated in his message to the Congress the President regards extension of the waiver authority during the period Congress considers implementation of the MTN results under the special expedited procedures of the Trade Act as necessary to final conclusion of the negotiations themselves. In fact, failure to extend the waiver authority would, in his view, place conclusion of the negotiations in serious jeopardy. The bill I am introducing differs in only one respect from the substance of the President's request: it would extend the waiver authority until October 20, the projected adjournment date of the Congress this year, rather than until September 30. I believe the extra 3 weeks is necessary to insure that Congress has had sufficient time in what will be a heavy legislative schedule to complete consideration of the MTN implementing legislation this year, and to avoid the possibility of having to deal with the waiver issue again.

I am very hopeful we can act quickly and positively on this measure. Our Subcommittee on Trade has already announced public hearings beginning February 7. Its consideration by the full committee is of first priority. I urge my colleagues in the House to join us in approving the President's request as soon as possible. Under the condition which the waiver authority is exercised American firms and workers are protected from the adverse effects of subsidized competition. Most importantly, this action will permit these very important trade negotiations to be concluded soon and their merits considered by the Congress.●

THE SAN CARLOS INDIAN WATER STORAGE ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arizona (Mr. UDALL) is recognized for 5 minutes.

● Mr. UDALL. Mr. Speaker, for over 2 years the users of Gila River water have strained to produce an acceptable compromise to cure finally and forever the occasional die-off of all the fish in the San Carlos Reservoir. They have not been successful. I believe the Congress itself must now take responsibility for preventing this needless waste of resources. The fish crop, worth nearly a million dollars, lies under a threat that those with storage rights in the reservoir will claim the last drop of that lake. I intend not to let that happen again.

The San Carlos Tribe, with less than 6,000 acre-feet appropriated to it, has been the only water user that has showed a willingness to allow the sportsmen and the boaters of Arizona to have a permanent lake in which to enjoy their pursuits. If, under this bill, the tribe were ever to become entitled to additional water, up to 10 percent of the reservoir would be available to it. I want to point out that the reservoir has never been more than 80 percent full since it was built 50 years ago. I believe that all this unused storage should be put to the beneficial use of the tens of thousands of Arizona citizens who picnic, boat, fish, and swim in the lake each year. This lake is the best bass-breeding body of water in my State, and I intend to let it perform at capacity.●

THE 96TH CONGRESS MUST SUBMIT A BUDGET-BALANCING AMENDMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. GUDGER) is recognized for 5 minutes.

● Mr. GUDGER. Mr. Speaker, I am today introducing a resolution calling for an amendment to the Constitution of the United States to require a balanced budget except in national emergency years as certified by Congress. This resolution is similar to certain other budget-balancing resolutions presented in the 95th Congress, but not reported out of the House Committee on the Judiciary to which assigned. It is distinguishable, however, in that it: First, limits the time for ratification to 3 years; second, limits deficits to 10 per centum and 5 per centum respectively in the 2 fiscal years following the date of ratification; and third, requires full compliance with the act—that is, a fully balanced budget—within the third fiscal year after ratification, subject to the national emergency exception noted. It is also substantially distinguishable from other introductions in that it does not establish a fixed retirement machinery for the then outstanding gross national indebtedness. Instead, it calls upon the President to certify the amount of such indebtedness to Congress not later than 30 days after the close of the third fiscal year following ratification and that he accompany this with his "recommendations for the systematic and timely discharge of said indebtedness."

Thus, the resolution addresses the real problem—mandating a balanced budget—but leaves the Chief Executive and Congress free to develop plans for discharging the cumulative national debt in a manner appropriate to the circumstances then existing after the budget has been brought into balance. The proposed amendment is simple, direct, and objective.

Senior Members of Congress will probably concur that the 95th Congress appropriately deferred consideration of budget-balancing resolutions offered in that session in view of the pressing need to consider extension of ERA-ratification time and the amendment calling for District of Columbia representation. Furthermore, during the full biennium of the 95th Congress, the national budget was out of balance and it seemed to be the consensus of economic opinion that a balanced budget could not be foreseen before the fiscal year 1982. Now, however, in this period of recommitment to fiscal austerity, the goal of achieving a balanced budget within 3 to 5 years seems attainable. If so, it appears that the 96th Congress should seriously consider this resolution I am submitting today calling for a balanced-budget amendment subject to the short-term ratification of 3 years and triggering debt retirement thereafter. Furthermore, 29 States now maintain a balanced State budget either because of State tradition or State constitutional limitation, and recent polls indicate that 81 percent of the American people desire a balanced Federal budget and would support a budget-balancing amendment if the ratification process involved public referendums.

Even more compelling is the fact that 22 States have already adopted resolutions applying to Congress to call a constitutional convention to consider a budget-balancing amendment. Indeed, yesterday the Senate of my home State of North Carolina passed such a constitutional convention resolution and it is expected that North Carolina and two other States may complete legislative actions on such resolutions within the month. With substantially all State legislatures now in session, it is apparent that a very real possibility exists that the 34 States necessary to achieve the two-thirds required to compel Congress to convene a constitutional convention might be realized by summer of this year.

An alarming feature of an article V constitutional convention derives from the fact when such a convention is called by the Congress on the "application of the legislatures of two-thirds of the several States," the convention is "for proposing amendments" to the Constitution and there is no language in article V which allows the applications emanating from the State legislatures or the act of Congress calling the convention to limit its authority to consideration of a single amendment. Indeed, the majority opinion of legal scholars seems to conclude that such a convention could take up and consider any constitutional amendment advanced by any delegate and could result in the adoption of a vast number of amendments by the convention.

Accordingly, it is my strong conviction that the 96th Congress needs to enact at an early date a resolution submitting a budget-balancing amendment to the several States for ratification so that the process of ratification can be underway before public demand for a budget-balancing amendment has the effect of inciting the legislatures of another 12 States to adopt constitutional convention resolutions, thereby forcing the Congress to call such a convention. The idea of an article V constitutional convention with authority to undertake and debate a vast battery of proposed amendments reflecting the ingenuity or rancor of its most extreme delegates is a fearsome prospect. Such a convention could be a dangerous and politically disruptive experience at any time in our Nation's history, but now it appears particularly hazardous when inflation, unemployment, international stress and uncertainty, and instruments of nuclear war characterize the times. We submit and believe that this resolution which we are offering today is timely and should be adopted by the requisite two-thirds vote of each House of Congress.●

NATIONAL PRAISE, SUPPORT FOR PROTECTION OF PEOPLE'S ALASKA LAND TREASURES

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. SEIBERLING. Mr. Speaker, one of the most important items of business which remained unfinished at the end of the 95th Congress was final action to assure the proper protection for the "crown jewels" of the American people's land holdings in Alaska. The bill which the House passed, 277 to 31, in May 1978, under the outstanding leadership of our colleague (Mr. UDALL), never reached the floor of the Senate—and an attempt to continue interim protection of the lands in question, which the House passed on the final day of the last session, was killed by a threatened filibuster by one Senator. Thus, the task was not completed in the last Congress.

However, thanks to the courageous and entirely proper actions of President Carter and Secretaries Andrus and Bergland in extending the protection of the Antiquities Act and other statutes to these key Federal lands in Alaska, the new Congress will have an opportunity to start afresh and to finish the job.

Specifically, in November, Secretary of the Interior Cecil Andrus, using a statutory emergency authority, issued a public land order which withdrew from mineral entry and from State selection for up to 3 years all Federal lands within the conservation system units which would have been protected under our bill, the administration's original proposals, or the Senate committee's proposals. On December 1, President Carter designated about 56 million acres of Federal lands as national monuments under the Antiquities Act which will give more permanent protection to key areas in Alaska, including two areas within existing national forests which were outside the scope of the emergency withdrawals. And Secretary of Agriculture Bob Bergland has acted to have additional forest areas closed to mineral entry, while administratively deferring any steps toward timber harvest, in order to preserve the status quo pending congressional action.

Mr. Speaker, there can be no doubt that by these actions the President and his administration have acted with a high regard for the national interest, meaning the interest of all the American people of this and future generations. As one newspaper editorial put it:

> Future generations may remember that it was William H. Seward who bought Alaska, but Jimmy Carter who saved it.

And that was only one of a great many expressions of approval which have come from all parts of the country. For the benefit of all our colleagues, I am having included in the RECORD a sample of newspaper editorials and columns which have commended the President and the Secretaries for their actions.

Still, there remains much to be done. We in the Congress must finish the job, so that the "best of the best" of Alaska's wilderness treasures may be set aside and protected, and so both the State and the Nation can proceed with settlement and growth of Alaska on the basis of certainty and balance.

Following these remarks are a number of newspaper editorials and columns commenting on the actions of the administration and the responsibilities of Congress to complete the work:

[From the Cleveland Plain Dealer, Dec. 5, 1978]

CARTER'S ALASKAN ACT

By putting 56 million acres of Alaska's federally-owned lands under the protection of the National Park system last week, President Carter acted firmly—and properly—where Congress was unable to tread.

It was not a complete victory for the environmentalists. They wanted all of the more than 100 million acres at stake to be put under park protection.

It certainly was not a victory for the mining, oil and logging companies and Alaskan state interests seeking immediate economic development in the land of the midnight sun. The rest of the land cannot be touched without court battles or voluntary transfer of the land from the federal government to the state.

Both the state of Alaska and its native Alaskans had been given the right to select land under previous acts of Congress. Congress also gave itself a limit of Dec. 16 to determine how much of the federal land it wanted to keep for what purposes.

When Congress failed to act in October after two years of wrangling, the threat existed that none of the land would be reserved by the federal government. A land rush was expected on Dec. 18. And land that Congress later might decide would become parks, forests, wildlife refuges and wilderness areas would have to be bought back from new, private owners.

Last month Interior Secretary Cecil D. Andrus closed 100 million acres of federal land to commercial development for three years, about a third of the state. It would give Congress more time to decide what to do with the land before private claims were staked out on it.

But the problem with Andrus acting under the Bureau of Land Management Organic Act of 1976 was that it had never been tested in the courts, as had the law under which Carter acted. Alaska had threatened suit to free the land for development.

Carter chose key areas out of the 100 million acres to set aside under the Antiquities Act of 1906. It designates the land as National Monuments, which are the same as National Parks that are created by Congress. The Grand Canyon and Death Valley National Parks were first established as monuments by presidents.

The moves by Carter and Andrus will force Congress to reapproach the issue in its next session, and hopefully resolve it. Andrus said he would start releasing some land to Alaska. The interests of both environmentalists and economic developers must be fairly balanced by Congress.

ALASKA: PRESIDENT CARTER'S EXECUTIVE ACTION SAVES OUR LAST GREAT WILDERNESS

Future generations may remember that it was William H. Seward who bought Alaska, but Jimmy Carter who saved it. The president's executive action to set aside 56 million acres there in 17 national monuments has doubled the national park system at a stroke, and lifted him high as a hero of the American conservation movement.

Mr. Carter's action, along with earlier steps taken by his Interior secretary, Cecil Andrus, withdraws more than 100 million acres from mining, drilling and logging, and forestalls the state of Alaska from claiming it for development or homesteading—just before the Dec. 18 deadline when the temporary protection afforded the land by a past administration was due to expire.

Congress will eventually designate the lands involved as parks, preserves, wildlife refuges and national forests, probably very much along the lines of what the Carter administration has already done. In the end, what will be saved are some of our planet's most magnificent, unspoiled landscapes and its richest wildlife breeding grounds: the most enduring gift Americans of this generation could ever make to the future.

During the long debate in the past Congress over the Alaskan lands, there were many reasons cited for preserving them, including the growing demand for outdoor recreation areas, the need to protect migratory fish and wildlife populations, the opportunity they offer for research in biology, geology and archeology. But the most important reasons for saving them more likely have to do with the American spirit.

It was the encounter with the New World wilderness that shaped our history, our literature, and what, in our optimistic moments, we think of as our sense of destiny and greatness. Americans will always have a need to know that somewhere their wild frontier still exists, on an immense, mythic scale; and to believe that someday they or their children may meet it. That somewhere is Alaska; and now we will always have it.

[From the Nashville Tennessean, Dec. 8, 1978]

PROTECTING ALASKA LANDS

President Carter is to be commended for his far-sighted action in placing more than 56 million acres of Alaska's federal lands in the National Park System.

These lands, plus an additional 54 million acres of federal holdings, were withdrawn from development two weeks ago by Mr. Cecil D. Andrus, the Secretary of the Interior. Mr. Andrus used a section of the Bureau of Land Management Organic Act that freezes them for only three years.

Mr. Carter has placed a second lock on the lands by designating them as national monuments under the Antiquities Act of 1906.

The 56 million acre action was the largest National Park designation any president has ever made.

"Because of the risks of immediate damage to these magnificent areas, I felt it was imperative to protect all of these lands and preserve for the Congress an unhampered opportunity to act next year," Mr. Carter said.

The 110 million acres withdrawn from development include virtually all of the areas in the administration's Alaska Lands Bill submitted to Congress last spring. The bill was blocked in the closing days of the last session.

Under the Alaska Native Claims Settlement Act of 1971, Congress had until Dec. 16 to decide which sections of Alaskan lands would become national parks or monuments, which of the streams would be protected and which sections would be classified as wilderness areas.

When it failed to act, many of these areas would have been open for state claims or for mineral and oil exploration. Mr. Carter and Secretary Andrus have prevented that and given the Congress time to act.

Conservationists were especially pleased that the president recognized the urgent need to safeguard the spectacular Misty Fjords, the important waterfowl nesting grounds of Yukon Flats and the virgin rain forests of Admiralty Island.

Mr. Carter's significant and farreaching action to safeguard irreplaceable natural treasures for the future deserves the applause of all Americans.

[From the New York Times, Dec. 8, 1978]

RESCUING ALASKA'S LANDS

(By John B. Oakes)

President Carter made history last week when, in the most far-reaching environmental initiative ever undertaken by executive order of an American President, he seized an opportunity handed him by Congressional default to protect nearly 100 million acres of the fines remaining natural, scenic and wildlife areas in the United States.

Congress failed in the last hours of its last session to adopt any protective legislation for Alaska at all—due largely to the obstructive tactics of one man, Alaska's Senator Gravel—or even to extend the temporary protection which it had previously granted to these Federal lands.

Mr. Carter thereupon resorted to a 72-year-old law that had been used many times before by Presidents (including both Roosevelts) for the same purpose, but never on so magnificent a scale. He created by Presidential proclamation 17 "national monuments" totaling 56 million of Alaska's most spectacular and most fragile acres, which thus became part of the National Park System—more than doubling it in size.

At the same time, Mr. Carter directed Secretary of the Interior Cecil D. Andrus to set up (subject only to Congressional veto) national wildlife refuges on another 39 million of Alaska's threatened acres, also more than doubling the size of that element in the nation's conservation system.

The total of about 95 million acres thus protected by the Presidential action comes reasonably close, both in quantity and quality, to the minium of approximately 100 million acres of selected mountain, river and forest land that most conservationist experts on Alaska had hoped Congress would protect by law at the session just ended. It excluded, incidentally, the overwhelming majority of the state's potential oil, gas and mineral-bearing areas.

But the fight to preserve the most ecologically fragile parts of the Alaska wilderness from various forms of intrusion, ranking from mining and lumbering to "sport hunting" and real-estate speculation, is not over.

The attack on the Carter-Andrus program is already under way in the courts, and it will be pursued with vigor by Alaska's hungry politicians and multifarious special interests next year when Congress is called on to ratify or modify the President's actions. Serious attempts will be made to reduce the boundaries of the newly established conservation areas and also to pare down the degree of protection afforded to wilderness values as well as to the "subsistence rights" of native Eskimos, Aleuts and Indians.

But the entire psychology of the coming Congressional battle has been altered by Mr. Carter's action. Since the major potential park areas have now been established by proclamation, it will obviously be more difficult to destroy them than it was to block them before they were created, as was done in the Senate a few weeks ago. The advantage now lies with the defenders of what has been done rather than with those who have up to now succeeded in preventing anything from being done.

However, the leading Alaska conservationists in Congress—such as Udall of Arizona and Seiberling of Ohio in the House, and Durkin of New Hampshire in the Senate—have a lot more to do than merely fend off attacks on the Carter-Andrus proposal. Legislation is needed to give special wilderness status (which the President alone does not have power to grant) to many millions of acres within the areas he has designated for inclusion in the national conservation system, as well as to major tracts in the Alaska Peninsula and in southeast Alaska that ought to have been included but unfortunately were left out.

Meanwhile, nobody need be deceived into thinking that the people of Alaska—numbering less than half a million or about the population of Buffalo in an area more than twice the size of Texas—are being deprived of valuable resources that rightfully belong to them. They aren't.

At the time of statehood, they were allotted 100 million acres of Federally-owned land—more than one-fourth of Alaska's surface—in the most generous grant to any new state in American history. Although Alaska has already obtained some of the most valuable of these acres (Prudhoe Bay among them) it also wants for development (or giveaway, as mandated in a recent referendum) some of the most crucially important areas now reserved for conservation purposes. These it must not get.

It is not the Alaskans who are being deprived of what is rightfully theirs. Nor are the oilmen or the miners or the loggers, who already have or will have two-thirds of the state at their disposal.

Those who will be truly deprived—if Congress fails to support and strengthen the President's hand—are the people of all the United States (including Alaska) who own these lands. It is for their benefit that this irreplaceable treasure house of natural beauty and unique ecological value must be protected now and for the future.

[From the San Diego (Calif.) Evening Tribune, Dec. 20, 1978]

PRESIDENT PROTECTS ALASKAN WILDERNESS

President Carter has taken courageous action to protect Alaskan wilderness lands in the public interest. But there remains a need for Congress to enact strong Alaska legislation in the next session.

On Nov. 16, Secretary of the Interior Cecil Andrus ordered an emergency three-year withdrawal of 110 million acres of Alaskan wildlands.

On Dec. 1, the president used the Antiquities Act of 1906 to set aside 56 million acres, more than half the 110 million total, as permanent national monuments.

These were bold and decisive actions to protect the public interest. They were necessary because the Congress failed to act on an Alaskan lands bill and a Dec. 17 deadline was approaching under the Alaskan Native Claims Settlement Act of 1971. The legal effect of allowing the deadline to pass was not entirely clear but it might have opened all unprotected federal land in Alaska to mineral claims and other private development.

The great land of Alaska, so vast that it is hard for anyone from the lower 48 to imagine its size, is a national heritage that must be protected from the boomers and the boosters who would plunder it for profit with a heedless fury like that of the stampeding miners in the Klondike gold rush.

But the Andrus and Carter actions are little better than an interim stopgap. To protect Alaska's grandeur for future generations of Americans, Congress must act in an orderly way to create new national parks, new wilderness areas, new national wildlife refuges, new wild and scenic rivers, and to protect them in perpetuity.

[From the Chicago Tribune, Dec. 6, 1978]

THE NATIONAL INTEREST IN ALASKA

Congress adjourned without enacting the Alaska National Interest Lands Conservation Act even though existing provisions for Alaskan conservation were to expire this month. President Carter has plugged the resulting loophole by decisively asserting the national interest in Alaska. He has taken steps to protect 106 million acres from immediate exploitation.

By proclaiming 17 new national monuments consisting of 56 million acres, President Carter has at one stroke doubled the size of the national park system. Designation as a national monument has no expiration date. In addition, 39 million Bureau of Land Management acres are protected for up to 20 years. And 11 million acres of national forest land in southeastern Alaska are withdrawn from the usual "multiple use" classification for up to two years, pending later decisions.

The Alaskan lands bill passed by the House [by a vote of 277 to 31] protected about 100 million acres, less than all-out conservationists wanted but more than most Alaskan politicians were prepared to accept. In the Senate, Sen. Ted Stevens [R., Alaska] was able to eviscerate the House compromise in Senate committee. Then Sen. Mike Gravel [D., Alaska] at the last minute prevented extension of existing deadlines. So it was executive action or nothing. The Alaska senators had created that dilemma for the President, who has chosen national interests over state interests as understood by the Alaskan delegation in Congress.

Occasion for legislation concerning Alaskan land remains. Designations as wilderness and long-term legislative classification of public lands outside the national parks and monuments remain on the agenda.

The administration can be congratulated for preserving the continuity of national interests in Alaska—a continuity that would have been interrupted had both the executive and legislative branches of the federal government failed to act this year. The acreage the administration has protected, though vast, is not out of proportion to the size and nature of Alaska or to the national consensus as reflected by the bill passed by the House of Representatives.

Alaska developers still have access to the greater part of Alaska, including of course the generous grant of public land to the state. That grant contained the parts of Alaska most nearly ripe for development. The developers may also take consolation in the thought that, though natural habitats lost now are gone for good, what is conserved now can be mined, paved, drained, or cut over later.

[From the Bergen County (N.J.) Record, Dec. 6, 1978]

SAVING ALASKA FOR ALL

The Carter administration has kept its pact with posterity, putting 110 million acres in Alaska off-limits to bulldozers and drilling rigs—the largest withdrawal of public lands in U.S. history.

Two weeks ago, Interior Secretary Cecil Andrus used his administrative powers to freeze development of the acreage—about one-third of the state's total—for three years. Last Friday, President Carter designated 56 million of those acres as part of the national park system.

He acted under the Antiquities Act of 1906, which permits presidents to protect areas of historic or scientific interest. Oil and mineral exploration, timbering, and hunting are barred, unless Congress determines otherwise. The areas preserved are a bountiful inventory of majestic scenery and vast wilderness. The untouched Yukon River valley, for example, is home to swarms of creatures—grizzlies, caribou, and trumpeter swans—that are near extinction elsewhere.

The Antiquities Act protection had been advocated by conservationists who see it as the surest way to protect national natural treasures from future tampering. Since its passage, the act has been used by every president except Richard Nixon to secure for future generations such wonders as the Grand Canyon, the Carlsbad Caverns, and Acadia National Park on the coast of Maine.

The balance of the reserved land—54 million acres—is protected for a maximum of three years, while Congress weighs the competing claims of developers and conservationists about how the land shall be used. A careful compromise seven years in the making, was passed last spring by the House. It left wide swaths for hunting, cutting timber, and mineral exploration, and gave the state an advisory voice in protection for various areas.

The legislation was scuttled in the Senate by Sens. Mike Gravel and Ted Stevens of Alaska. Their argument, stripped of finery, was that home rule for 450,000 Alaskans was paramount. As if to show what a bad idea that is, the state's voters in November approved a homesteading referendum that amounts to a giveaway of precious lands already ceded to the state by the federal government.

The obstructionism of the Alaska senators caused Congress to miss a court-set deadline of mid-December for a determination of how to allot to Alaska the 103 million acres it was ceded by the federal government at the time of statehood.

The House bill would have solved this difficult question. The Gravel-Stevens intervention has made it imperative for the administration to use its powers to save the nation's last wilderness. For nearly half the land involved, of course, the rescue is only temporary, and the fight must begin again with the new Congress. We applaud the administration's actions as farsighted and forthright.

[From the Washington Post, Dec. 19, 1978]

A GIFT OF LAND

(By Marquis Childs)

President Carter has given us all a fine Christmas present and we owe him the warmest thanks. It is the kind of present that grows in value with each passing year so that our grandchildren, their children and succeeding generations will know its rare quality.

This was what Carter did when he put 56 million acres of scenic land in Alaska under federal jurisdiction. It is almost the last heritage of the unspoiled wilderness that once covered the entire continent. The president's action came on a deadline to hold off the land speculators and exploiters determined to have all of Alaska as their preserve.

Besides the extraordinary beauty of the lands set aside, they contain the last great unpolluted river basins in the United States and the only remaining great forests. The range of wildlife, birds, 37 species, and animals is incalculably rich.

The preservation of this unspoiled treasure for future generations takes on added importance when measured against the waste of land resources in the continental United States. Secretary of Agriculture Bob Bergland recently quoted a figure of 15,000 tons of top soil a second pouring out through the mouth of the Mississippi River. He called the loss of soil and ground water a national disaster.

The president early this year sent up to Congress an Alaskan lands bill to preserve up to 60,000,000 acres of the national heritage. It was passed by the House in May by a vote of 277 to 31. In the Senate it ran up against the opposition of Mike Gravel, (D-Alaska). Gravel's threat to filibuster persisted until the turbulent end of the session when he held out against what had seemed a reasonable compromise by senators and members of the House, including Sen. Ted Stevens, (R-Alaska).

Gravel, who made his fortune in land speculation, was acting for the land grabbers and the exploiters. As the record shows, since the territory was made a state in 1959 the speculators and developers have little reason to complain that a part of the heritage is being saved.

Before statehood, virtually all of Alaska's 375 million acres were in federal ownership. The federal government has turned over to the state 103 million acres and another 44 million to the natives so they can pursue their subsistence lifestyle. In both cases they have selected the best known mineral, oil and agricultural lands, about 40 percent of Alaska free of federal restrictions.

As Secretary of Interior Cecil Andrus pointed out, all the lands available for development add up to an area twice the size of Texas. Never before has the federal government made such a munificent gift.

The administration will send to the 96th Congress in January a new Alaska lands bill. Gravel may thwart it or, between the House backing a strong bill and the Senate a watered-down version, nothing at all may come out. But the president's order designating 17 national monuments and parts of national parks and wildlife refuges will stand. In 1906 Theodore Roosevelt, one of the nation's greatest conservationists, designated the Grand Canyon in Arizona as a national monument and that has been its status ever since.

At the time Alaska became a state, the 49th to enter the union only a few months ahead of Hawaii, there were doubts about statehood conferred on such a vast empty territory with a minute population. Gravel represents 400,000 citizens of Alaska, the smallest population of any state. Less than 1 percent of the 375 million acres has been developed, which makes the loud complaint of the exploiters sound absurd.

So much of the past is locked in this rich wilderness, a treasure for science and history. A sitka spruce, three and a half feet in diameter, was a seedling when Columbus set sail for the New Land. That great tall tree is a prime nestling place for the bald eagle now extremely rare in the continental United States.

This last frontier is the breeding ground for the largest herd of free roaming animals, the Porcupine Caribou. The herd has been estimated at 120,000 and in migration it has been observed to cover an area three miles wide and 15 miles long. They migrate in order to exist on sparse vegetation. Specialists believe that development of their habitat would break up the herd, which might never form again, thereby destroying a pattern thousands of years old.

Most of us may never see such wonders as the Gates of the Arctic, Yukon-Charley and the Bering Land Bridge, but our grandchildren may see them. And besides, it is a comfort just to know they are there in the state in which they were created. So Merry Christmas, Mr. President, and the thanks you rarely receive in the impossible office (Harry Truman's definition) you hold.

[From the St. Paul Pioneer Press, Dec. 5, 1978]

CARTER SAVES ALASKA LANDS

In a move that missed the headlines and TV coverage it deserved, President Carter last Friday more than doubled the size of this nation's national parks system. It was by all odds the greatest single act of conservation in the country's history.

What the President did was set aside 56 million acres of Alaska in new national monuments, under authority of the Antiquities Act of 1906, passed when Theodore Roosevelt, long considered the foremost conservationist ever to sit in the White House, was President. Until Friday, the National Park system had contained about 33 million acres; the oldest and largest single park, Yellowstone, contains 2,200,000.

It was no overstatement, then, when the head of the Alaska Coalition, a private conservation group which has been fighting for the preservation of the Alaskan wilderness, said "President Carter has now replaced Teddy Roosevelt as the greatest conservation President of all time."

There was "poetic justice" in Mr. Carter's turning to the 1906 law. It had been passed to save Indian art in the Southwest from vandals and exploiters, but the powers it gave the President were later used when Congress failed to act on preserving priceless natural wonders. The Grand Canyon, for example, was first set aside under the Antiquities Act. In the last session of Congress, Alaska's senators had succeeded in blocking passage of the Alaska Lands bill, which would have set aside nearly 100 million acres in parks, wildlife preserves and national monuments. An emergency authority invoked by the Secretary of the Interior protected these lands from developers and the state of Alaska until the President acted under the Antiquities law. That emergency protection will continue, at least until the next congressional session, for the remaining nearly 44 million acres.

Alaska's politicians are upset, of course. Its three-man congressional delegation is furious, and even Gov. Jay Hammond, considered something of a moderate—as Alaskans in general go—on conservation issues, is upset.

Hammond is especially concerned because the President's order bans sport hunting on 40 million acres. Sport hunting furnishes a livelihood for numbers of Alaskans who act as guides and pilots for well-heeled hunters from the "Lower 48." Hammond has promised to fight the presidential order in the courts, but over the years courts have uniformly sustained the President's powers under the Antiquities Act.

The next move is up to Congress, which is left with narrowed alternatives. It can now go ahead and encompass the original 100 million acres in a comprehensive lands bill, designating some of the new "monuments" as national parks, others as wildlife reserves, and so on, as the original bill provided. It can balk and refuse to go beyond the President's order of last week. What it apparently cannot do, however, is cancel what the President already has done.

Congress' failure to act this year was a bitter blow to conservationists and environmentalists all over this country, for Alaska truly is the last frontier and offers the nation a magnificient opportunity to avoid a calamitous repetition of the "rape and ruin" exploitation that has characterized so much of our history. In this critical time, President Carter, acting on his often-repeated pledge to save the Alaskan lands, reached back to a law passed more than three-quarters of a century ago. "Sweet are the uses of adversity."

[From the Long Island (N.Y.) Newsday, Dec. 5, 1978]

MEETING AN ALASKA DEADLINE

Present and future Americans owe President Carter and his interior secretary many thanks for acting to keep a portion of Alaska's vast wilderness from being further exploited. Congress had failed to act despite a Dec. 16 deadline for deciding the future of Alaska's federal lands.

Rather than sit back and do nothing, Carter last week took the caribou by the antlers, so to speak, and designated some 56 million acres as national monuments. They're included in the 110 million acres Interior Secretary Cecil Andrus withdrew for study last month, freezing any development there for three years.

"Because of the risks of immediate damage to these magnificent areas," Carter said, "I felt it was imperative to protect all of these lands and preserve for the Congress an unhampered opportunity to act next year."

We hope Congress won't take "unhampered" to mean that all deadline pressures are off. Various pro-Alaska development groups have already gone to court to nullify the administration's actions, and the issue badly needs a final settlement.

The administration says it intends to send the next Congress a bill similar to this year's. Extensive hearings were held this year, and we urge the new legislators to rely on the work already done to achieve a speedy solution.

[From the Missoula (Mont.) Missoulian, Dec. 4, 1978]

PRESIDENT DOES THE RIGHT THING FOR OUR GREATEST WILDERNESS

President Carter has now put the Alaska lands issue smack back where it belongs in the lap of Congress.

In 1971 Congress itself set a deadline. It would sort out the issue of who gets to do what with Alaska's vast federal lands by Dec. 16, 1978.

Not untypically, Congress dithered and dawdled the years away. Millions of acres were designated for use by the state, native tribes, and resource developers.

But this year the issue centered on 110 million acres whose fate remained undecided. There was harsh deadlock. The House passed a bill reserving much of the 110 million acres for parks, recreation areas, wild life refuges or wilderness.

The bill went to the Senate where, with the help of Montana's Sen. John Melcher, those opposed to the bill—principally Alaska's own senators—dithered and dawdled and prevented Senate action on the bill.

Without action by Congress, the 110 million acres would be thrown open after Dec. 16 to state claim or to exploitation by oil and mining companies. The land would be thrown open, that is, unless the executive branch stepped in to block development.

That has now been done. First Secretary of the Interior Cecil Andrus froze the land by protecting it under the Bureau of Land Management Organic Act, which preserves from development, for three years, land under consideration for wilderness status.

But conservationists were urging the president to employ the Antiquities Act, which would protect the land as national monuments permanently unless Congress acted to change their status.

Now Carter has thrown the protective mantle of the Antiquities Act over 56 million acres. The other 54 million acres are protected under the Organic Act. The problem is smack back in the lap of Congress.

Where it belongs. Good for Carter.

—Sam Reynolds

[From the Baltimore (Md.) Sun, Dec. 10, 1978]

ALASKAN LANDS SAVED

Conservationists are hailing President Carter as the greatest conservation president since Theodore Roosevelt. They have good reason. With a stroke of the executive pen, the President invoked the 1906 federal Antiquities Act (a Roosevelt legislative initiative) and proclaimed that 56 million acres of federal lands in Alaska now have national monument status. The President also instructed Interior Secretary Andrus to designate as national wildlife refuges another 40 million acres. His action followed earlier moves by Mr. Andrus and Agriculture Secretary Bergland to protect 116 million acres of Alaska land that otherwise might have been subject to mineral or other development upon expiration of temporary protections on December 16.

The new actions set aside a bloc of lands for protection from development larger, by far, than any ever so designated in man's history. These actions are so far-reaching that they fairly can be said to represent a major effort to shift the nation from acceptance of heedless, reckless frontier-type development toward the realistic proposition that man risks destroying his own habitat if he does not treat the land and nature kindly. Alaska may be the last frontier. But on the protected lands it will not be a frontier blighted by the boomtowns, by the extermination of entire species and by the ugly mounds of mine tailings of earlier frontiers. The President's action will make it possible for Americans in the year 2000—and perhaps in 3000—to know what a true wilderness really is like, to see wild caribou and grizzly bears in their unsullied native habitats.

The executive actions by no means settle all the details. The President has made it clear that he acted because time to protect the Alaska lands had run out on the 95th Congress—but that he hopes for action from the 96th. What that Congress needs to do is to decide, in detail, which lands should be placed in various categories of protection according to their sensitivity to environmental insult. But now that the lands enjoy the protection conferred by the presidential and secretarial orders, the 96th Congress will not face the extreme developer obstructionism that made it impossible for the 95th Congress to act. There will be future skirmishes in Congress over Alaska lands, but the major battle has been won—thanks to the President.

[From the Philadelphia (Pa.) Inquirer, Dec. 5, 1978]

CARTER'S SPLENDID STAND ON ALASKAN WILDERNESS

President Jimmy Carter established his environmental conservation credentials as unequivocal and unyielding when he extended federal protection to 56 million acres of Alaskan wilderness late last week. Charles Clausen, executive director of the Alaska Coalition, a private environmental group, was well within the arguable bounds of history in declaring that Mr. Carter "has now replaced Teddy Roosevelt as the greatest conservation president of all time."

Mr. Carter's designation of the acres as national monuments, under the executive authority of the 1906 Antiquities Act, in addition to lesser and more uncertain protection which Secretary of the Interior Cecil D. Andrus previously imposed on 54 million more acres, preserves area as large as the entire state of California from commercial, mineral and petroleum development. If nothing upsets those actions, they will constitute by far the largest single act of wilderness preservation in history.

Mr. Carter's courageous decision, however, carried substantial political costs. Response from Alaska's principal political forces was immediate and strongly negative.

Sentiment within Alaska and among supporters of mineral and "other commercial development adamantly opposes the preservation measures. If it prevails, that position, understandably reflecting an appetite for vast material prosperity, unquestionably would serve short-term Alaskan economic interests. It would, however, forsake forever the present potential for preserving a magnificent natural heritage for future generations.

The opposition will not cease now. Within hours after Mr. Carter announced his decision, Sen. Mike Gravel, the Alaska Democrat, charged that the President had "overstepped the bounds of the law," and that efforts would be continued in the courts to gain commercial access to much of, the land in question.

"The Antiquities Act," said Mr. Gravel, "was not intended for huge withdrawals of this kind. I feel quite sure these withdrawals will not hold up under a court test."

Mr. Carter did not choose his action as the most favored response to the threat of commercial plunder of Alaska's wilderness. He strongly had urged passage of legislation to accomplish the same essential end and the House of Representatives supported him. The Senate, however, largely because of the obstructionism of Sen. Gravel and his Republican colleague, Sen. Ted Stevens, blocked passage of an acceptable Alaska Lands Bill in the 95th Congress's waning days.

Friday, Mr. Carter pledged a renewed effort to pass such a bill in the new Congress. That effort, he said, will have his administration's "highest environmental priority"—a commendable commitment which should be pressed unrelentingly.

Mr. Carter has taken his stand on firm historic ground. It would be more desirable politically, however, if the Congress demonstrated the same commitment to the future by enacting a law which would accomplish the same result.

The prospect for such legislation will be influenced importantly by senators and representatives from states far removed from the arctic wilderness—among them those of the Northeast. The next few weeks will be an appropriate time for those who are devoted to preserving what little is left of the unspoiled surfaces of the earth to make their concerns known to legislators in both the House and the Senate.

[From the Grand Rapids (Mich.) Press, Dec. 4, 1978]

ALASKA SAFE FOR NOW

President Carter has acted decisively to protect and preserve broad portions of Alaska's most spectacular inland and coastal landscape. With powers granted him under the 1906 Antiquities Act, the president designated 17 areas of the state as national monuments.

Of these, 13 are potential national parks, two are wildlife refuges and two are national forest wilderness regions. In all, 56 million acres are affected. Mr. Carter's move on Friday more than doubles the size of the national park system.

At the same time, the president ordered Interior Secretary Cecil Andrus to set aside for 20 years an additional 39 million acres for 12 other wildlife sanctuaries. Mr. Carter also approved Agriculture Secretary Bob Bergland's recent action protecting for two years 11 million acres which might otherwise have been exploited by mining interests or acquired by the state of Alaska.

Aimed at preserving what the president called "our last great natural frontier," the Friday proclamation was prompted by the inability of the 95th Congress to work out an understanding with the state of Alaska as to which lands should remain under federal jurisdiction. Had Mr. Carter not acted by Dec. 18, a 1971 law would have permitted the Legislature in Juneau to begin claiming the remaining 29 million acres to which it is entitled under the 1958 Alaska Statehood Act.

President Carter has said his designations will remain "until modified or superseded by congressional action." Clearly he wants the legislative branch to settle this matter once and for all.

Alaska Sens. Mike Gravel and Ted Stevens describe the executive order as unnecessary and excessive. But it was their filibuster threat which discouraged the Senate from adopting a House-passed bill which would have set aside 129 million acres in Alaska for parks, wildlife refuges, national forest wilderness areas and wild and scenic rivers. The president had to act as he did; the alternative was the very real possibility that excessive mining, logging, oil and gas drilling and other forms of development would be permitted by the state of Alaska.

Mr. Carter is to be applauded for what he has done. Certainly his action reflects the wishes of the House of Representatives. Not only did that body adopt an Alaska bill last May by an overwhelming vote, 277–31, but 130 congressmen wrote the president in mid-November urging him to use whatever powers were at his disposal "to ensure that the decisions concerning these public lands are made by the people's representatives, and not by private interests." Twenty senators voiced a similar desire.

Also to be commended for their efforts in developing among the American people an awareness of the great issues at stake in this controversy are members of the Alaska Coalition. Together with the Wilderness Society, Sierra Club, the National Parks and Conservation Association, Friends of the Earth and the National Audubon Society, the Coalition lobbied effectively to persuade lawmakers and the White House to preserve Alaska's national interest wildlands.

[From the Los Angeles Times, Dec. 6, 1978]

EVERY AMERICAN'S HERITAGE

President Carter has put a double lock on 56 million acres of primitive federal lands in Alaska to compel that state's politicians and developers to accept a reasonable plan for the management of one of the world's most magnificent scenic resources.

Carter's designation of the vast area as national monuments, off-limits to mineral exploration and logging, is without precedent. It is far greater in scope than the cumulative actions taken 75 years ago by President Theodore Roosevelt in creating the National Park System.

Together with an additional 54 million acres, withdrawn from development by Interior Secretary Cecil D. Andrus three weeks ago, the protection of federal lands in Alaska now covers 170,000 square miles, an area larger than California.

The President's executive order more than doubles the size of the National Park System and adds more than 10 million acres to the national wildlife refuge system . . .

The 56 million acres now under permanent protection as national monuments were chosen because of their unique scenic importance, and include wild rivers, lakes, rain forests, glaciers, tundra and the largest number of mountain peaks over 15,000 feet in North America . . .

The areas in dispute were federal preserves long before Alaskan statehood and belong to all the people of this country. But Sen. Mike Gravel (D-AK) and developmental interests continue to insist that the state should have an excessive control over their future.

Carter is amenable to compromise. He said he signed the executive order "in the hope that the 96th Congress will act promptly to pass Alaska lands legislation." It is probable, however—and also desirable—that Administration agreement to appropriate development would affect only the 54 million acres under Andrus' temporary protection, although Congress has the authority—barring a presidential veto—to open up sections of the new national monuments as well. . . .

[From the Seattle (Wash.) Post-Intelligencer, Dec. 11, 1978]

CARTER AND ANDRUS ACT ON ALASKA

At the first of the month, President Carter classified 56 million acres of Alaskan wilderness as part of the national monument system, thereby banning mining and other development.

All of the lands are within 110 million acres of federal land that a month earlier Secretary of Interior Cecil Andrus had frozen for development.

Both actions stemmed from Congress' inability at the last moments of the last session to pass a law putting about 100 million acres of Alaska into the National Park and Wilderness system.

Such a bill passed the House 277–31 but was stymied in the dying days of the Senate, despite compromise trimming and wording put forth by Sen. Henry M. of this state. The reason for the bill's death was simple. Sen. Mike Gravel of Alaska threatened a filibuster and those familiar with his past efforts along this line knew he is wonderfully capable of speaking forever about nothing.

At the time, Alaskan politicians who thought the Senate bill would be the best they could get were infuriated by Gravel's stubbornness. But now the official voices in Alaska are venting their ire at the president and Andrus, who both said they acted to protect unique Alaskan wilderness because they feared development would begin before Congress got back to considering an Alaskan lands bill anew.

Much of the reaction in Alaska is reflexive and stems from many sources. People who have lived in Alaska for long, and the very tiny group who were born and reared there, are used to what seem dictatorial orders from Washington, D.C.

A major land set-off from the Carter administration strikes Alaskans, even the large percentage who have been there for only a short time, on a most sensitive nerve.

One outcry turns around the notion that "Alaska is for Alaskans," as if their immense state (bigger than the 12 other Wetern states put together) is some kind of private preserve for the half million people who live there. This response, while emotionally satisfying and understandable, avoids the question of what rights all the rest of the citizens of the United States have in the unique, immense and magnificent parts of Alaska in question.

There also has been reflexive response from commercial and industrial interests, both in and out of Alaska. This argument goes that the land set-offs forever deny the nation the vast oil and mineral wealth (yet undiscovered mainly) that may be in the set-off areas.

This argument demands consideration. It should be noted that the Senate bill that Sen. Gravel threatened out of existence allowed for certain kinds of development should it be demonstrated that commercially valuable resources existed. It also has to be noted that exploitation of Alaska's renewable and nonrenewable resources has provided the state's main value in the eyes of many outsiders—fish, fur, gold, silver, copper, oil. Seattle has large and deep commercial ties to the 49th state.

The portions of Alaska that Carter and Andrus set off do not entirely lend themselves to the argument that immense resources are being denied to exploitation.

To begin with, many of the areas are, like Mount Rainier, valuable mainly for their esthetic and scientific character. No one has suggested that enlarging Mount McKinley National Park will stifle much commerce, not setting off the Aniakchak volcanic crater nor enlarging the volcanic Valley of the Ten Thousand Smokes.

In the main, the set-off areas have not been developed because even before federal restrictions no one could find much in them to make money from.

However, some magnificent hunks of wilderness do have resource potentials. The new Gates to the Arctic National Monument leads into the arctic oil fields. The Yukon Flats National Monument contains historical gold mining areas and hydroelectric dam potentials, however uneconomic these might be now. Other river area setoffs make the eyes of oil prospectors glow.

But taken as whole, the lands that Carter and Andrus have put aside until Congress acts amount to rare and fragile and unique wilderness areas that to date have hardly produced a nickel for anybody. Their value for this and future generations cannot be measured, no more than the value of Mount Rainier or the Grand Canyon can be measured.

Congress can overturn everything that the Carter administration has done, and no doubt there will be new Alaskan land bills, just as there will be plenty of room to compromise between legitimate Alaskan and commercial desires and the desires of the nation as a whole.

It also should be remembered that vast areas of Alaska, some with even better resource prospects, remain to be developed and exploited. Indeed since the land set-offs will force a geographical focusing of capital for resource development in the state, it may turn out that what Carter and Andrus have done is sitmulate the Alaskan economy in certain areas.

It hardly needs to be said that if the set-offs continue they will be a great boon to Alaska's already bustling tourist industry.

Carter and Andrus basically have done right. They have given the nation and Alaska time to think out what should be done with some of the finest wilderness terrain in the world.●

□ 1220

ANDREW YOUNG SPEAKS OUT WISELY

(Mr. FINDLEY asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

● Mr. FINDLEY. Mr. Speaker, the U.S. Ambassador to the U.N., Andrew Young, as reported in today's press, spoke wisely when he noted the importance of communicating with Palestinians and mentioned with approbation the quality of Palestinian personnel assigned to the United Nations.

For several years I have lamented the policy under which our Government has refused to communicate even informally with the acknowledged spokesmen for the Palestinians, the Palestine Liberation Organization.

I therefore welcome the views expressed by Ambassador Young and hope they will lead soon to regular U.S. communication with the PLO. The Palestinian problem is the key to the settlement of Mideast problems. At least, that is my view and the view of many serious students of the mideast. How can we hope to bring about a reconciliation of Palestinian attitudes with those of other principals in that troubled region unless we at least begin to talk.

The experiences I have had the past year in direct discussions with Yasser Arafat, head of the PLO, and with other PLO officials have convinced me that the administration can advance the peace process by beginning regular communication with the PLO.●

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. Gonzalez, for 1 hour today; and to revise and extend his remarks.

(The following Members (at the request of Mr. Miller of Ohio) to revise and extend their remarks and include extraneous materials:)

Mr. Goldwater, for 5 minutes, today.

Mr. Brown of Ohio, for 30 minutes, today.

Mr. Corcoran, for 5 minutes, today.

Mr. Conable, for 60 minutes, on Thursday, January 25.

Mrs. Heckler, for 15 minutes, today.

(The following Members (at the request of Mr. Ratchford) to revise and extend their remarks and include extraneous material:)

Ms. Holtzman, for 5 minutes, today.

Mr. Howard, for 5 minutes, today.

Mr. Coelho, for 5 minutes, today.

Mr. Lederer, for 10 minutes, today.

Mr. Annunzio, for 5 minutes, today.

Mr. Kastenmeier, for 5 minutes, today.

Mr. Weaver, for 5 minutes, today.

Mr. Charles H. Wilson of California, for 5 minutes, today.

Mr. Bedell, for 5 minutes, today.

Mr. Ullman, for 5 minutes, today.

Mr. Udall, for 5 minutes, today.

Mr. Zablocki, for 60 minutes, on January 25.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Seiberling, and to include extraneous matter notwithstanding the fact that it exceeds two pages of the Congressional Record and is estimated by the Public Printer to cost $1,737.

(The following Members (at the request of Mr. Miller of Ohio) and to include extraneous matter:)

Mr. Conable.

Mr. Shuster.

Mr. Young of Alaska.

Mr. Gilman in five instances.

Mr. Forsythe.

Mr. Winn.

Mr. Jeffords.

Mr. Michel in two instances.

Mr. Symms.

Mr. Derwinski in four instances.

Mr. Rhodes in two instances.

Mr. Lent.

Mr. Latta.

Mr. Lagomarsino in three instances.

Mr. Carter.

Mr. Frenzel in three instances.

Mr. Evans of Delaware.

Mr. Grassley.

Mr. Vander Jagt.

Mr. Anderson of Illinois.

Mr. Kemp in two instances.

(The following Members (at the request of Mr. Ratchford) and to include extraneous material:)

Mr. Vento in three instances.

Ms. Holtzman in 10 instances.

Mr. Drinan in 12 instances.

Mr. Howard in five instances.

Mr. Corman in five instances.

Mr. de la Garza in 10 instances.

Mr. Weiss in six instances.

Mr. St Germain.

Mr. Wolff.

Mr. Pickle in 10 instances.

Mr. Murphy of New York.

Mr. Holland in five instances.

Mr. McDonald in six instances.

Mr. Rose in five instances.

Mr. Anderson of California in three instances.

Mr. Gonzalez in three instances.

Mr. Blanchard in two instances.

Mr. Eckhardt.

Mr. Mazzoli.

Mr. Roberts.

Mr. LaFalce.

Mr. Skelton.

Mr. Moakley in five instances.

Mr. Levitas in three instances.

Mr. Ford of Tennessee in two instances.

Mr. Montgomery.

Mr. Steed.

Mr. Clay.

Mr. Conyers.

Mr. Yatron.

Mr. Pepper in three instances.

Mr. Simon in three instances.

Mr. Bingham in five instances.

Mr. AuCoin.

Mr. Bedell.

Mr. Ambro.

Mr. Udall in two instances.

Mr. Edwards of California.

ADJOURNMENT TO MONDAY, JANUARY 22, 1979

Mr. RATCHFORD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 34 minutes p.m.), under its previous order, the House adjourned until Monday, January 22, 1979, at 12 o'clock noon.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

[*Introduced January 15, 1979*]

By Mr. CHAPPELL:

H.R. 96. A bill to amend the Internal Revenue Code of 1954 to prohibit the Internal Revenue Service from terminating for reasons of racial discrimination the tax exempt status of any organization established for the purposes of educational instructions without proper adjudication by a court of the United States or of any State; to the Committee on Ways and Means.

H.R. 97. A bill to amend title XVIII of the Social Security Act to provide for the administration and judicial review of claims (involving the amount of benefits payable) which arise under the supplementary medical insurance program; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

H.R. 98. A bill to amend title 38 of the United States Code so as to treat certain expeditionary campaigns as periods of war for the purposes of such title; to the Committee on Veterans' Affairs.

By Mr. GONZALEZ:

H.R. 99. A bill to provide for grants to States for the payment of compensation to persons injured by certain criminal acts and omissions, and for other purposes; to the Committee on the Judiciary.

By Mr. DINGELL:

H.R. 100. A bill to prohibit discrimination in insurance on the basis of race, color, religion, sex, or national origin; to the Committee on Interstate and Foreign Commerce.

By Mr. ANNUNZIO:

H.R. 101. A bill to amend the Omnibus Crime Control and Save Streets Act of 1968 to require as a condition of assistance under such act that law enforcement agencies have in effect a binding law enforcement officers' bill of rights; to the Committee on the Judiciary.

H.R. 102. A bill to amend the Gun Control Act of 1968 to provide for separate offense and consecutive sentencing in felonies involving the use of a firearm; to the Committee on the Judiciary.

H.R. 103. A bill to amend the Labor-Management Reporting and Disclosure Act of 1959 with respect to the terms of office of officers of local labor organizations; to the Committee on Education and Labor.

By Mr. FINDLEY:

H.R. 104. A bill to provide for uniform standards for trucks carrying freight in interstate commerce, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ANDERSON of California:

H.R. 105. A bill to amend the Internal Revenue Code of 1954 to increase the adjusted gross income limitation on the credit for the elderly, to increase the amount of such credit, and for other purposes; to the Committee on Ways and Means.

By Mr. ANDERSON of California (for himself, Mr. AuCoin, Mr. Barnard, Mr. Bonior of Michigan, Mr. Brown of Ohio, Mr. Buchanan, Mr. Corco-

RAN, Mr. CORRADA, Mr. ERTEL, Mr. FOUNTAIN, Mr. JONES of Oklahoma, Mr. LENT, Mr. LEVITAS, Mr. MCHUGH, Mr. MADIGAN, Mr. MARTIN, Mr. MAZZOLI, Mr. MILLER of California, Mr. MITCHELL of New York, Mr. PATTERSON, Mr. ROSE, Mr. SPENCE, Mr. CHARLES H. WILSON of California, and Mr. WON PAT):

H.R. 106. A bill to amend chapter 44 of title 18 of the United States Code (respecting firearms) to penalize the use of firearms in the commission of any felony and to increase the penalties in certain relating existing provisions; to the Committee on the Judiciary.

By Mr. ANNUNZIO:

H.R. 107. A bill to make additional immigrant visas available for immigrants from certain foreign countries, and for other purposes; to the Committee on the Judiciary.

H.R. 108. A bill to extend to all unmarried individuals the full tax benefits of income splitting now enjoyed by married individuals filing joint returns; and to remove rate inequities for married persons where both are employed; to the Committee on Ways and Means.

H.R. 109. A bill to amend the Internal Revenue Code of 1954 to provide a basic $5,000 exemption from income tax, in the case of an individual or a married couple, for amounts received as annuities, pensions, or other retirement benefits; to the Committee on Ways and Means.

H.R. 110. A bill to amend title XVI of the Social Security Act to provide that supplemental security income benefits shall be payable to a resident alien only if he has continuously resided in the United States for at least 5 years; to the Committee on Ways and Means.

By Mr. MURPHY of New York (for himself, Mr. DE LA GARZA, and Mr. HUBBARD):

H.R. 111. A bill to provide for the operation and maintenance of the Panama Canal and provide for the exercise of the rights and performance of the duties of the United States provided in the Panama Canal Treaty of 1977; jointly, to the Committees on Merchant Marine and Fisheries, International Relations, the Judiciary, and Post Office and Civil Service.

By Mr. ARCHER:

H.R. 112. A bill to repeal the Davis-Bacon Act, and for other purposes; to the Committee on Education and Labor.

H.R. 113. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

By Mr. BADHAM (for himself, Mr. GUYER, Mr. MITCHELL of Maryland, Mr. NOLAN, Mr. PURSELL, Mr. UDALL, Mr. MCCORMACK, Mr. HUBBARD, Mr. GRISHAM, and Mr. HYDE):

H.R. 114. A bill to amend the Small Business Act to reduce interest rates on certain amounts of disaster loans made with respect to disasters occurring on or after October 1, 1978, and before October 1, 1982; to the Committee on Small Business.

By Mr. RODINO:

H.R. 115. A bill to designate the birthday of Martin Luther King, Jr., as a legal public holiday; to the Committee on Post Office and Civil Service.

By Mr. BAFALIS:

H.R. 116. A bill to amend section 8e of the Agricultural Adjustment Act of 1933, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, to subject imported tomatoes to restrictions comparable to those applicable to domestic tomatoes; to the Committee on Ways and Means.

By Mr. BARNARD (for himself, Mr. ROUSSELOT, Mr. JONES of Oklahoma, Mr. GUYER, Mr. IRELAND, Mr. DORNAN, Mr. FRENZEL, Mr. LAGOMARSINO, Mr. CORCORAN, Mr. BROWN of Ohio, Mr. LENT, Mr. MCDONALD, and Mr. WALKER):

H.R. 117. A bill to postpone the increase in the minimum wage and the adjustment to the tip credit under the Fair Labor Standards Act of 1938; to the Committee on Education and Labor.

By Mr. BEDELL:

H.R. 118. A bill to amend the Agriculture Act of 1949 to require that the proclamation made by the Secretary of Agriculture with respect to the national program acreage for feed grains to be made no later than October 15 of each year for crops harvested in the next succeeding calendar year; to the Committee on Agriculture.

H.R. 119. A bill to amend chapter 35 of title 44, United States Code, to require a biennial justification for the continued use of any form used to solicit information from private persons and State and local government agencies; to the Committee on Government Operations.

H.R. 120. A bill to modify the method of establishing quotas on the importation of certain meat, to include within such quotas certain meat products, and for other purposes; to the Committee on Ways and Means.

By Mr. BENNETT:

H.R. 121. A bill to amend title 10, United States Code, to regulate the discharge of members of the Armed Forces, and for other purposes; to the Committee on Armed Services.

H.R. 122. A bill to make eligible for annuities payable under section 4 of Public Law 92-425 (relating to the Armed Forces survivor benefit plan) persons who became widows during the 18-month period following the effective date of such law; to the Committee on Armed Services.

H.R. 123. A bill to provide Federal grants to assist elementary and secondary schools to carry on programs to teach the principles of citizenship and ethics; to the Committee on Education and Labor.

H.R. 124. A bill to provide for the regular review of certain Federal agencies and for the abolition of such agencies after such review unless Congress specifically provides for their continued existence; to the Committee on Government Operations.

H.R. 125. A bill to establish a series of six regional Presidential primaries at which the public may express its preference for the nomination of an individual for election to the office of President of the United States; to the Committee on House Administration.

H.R. 126. A bill to permit the National Park Service to accept privately donated funds and to expend such funds on property on the National Register of Historic Places; to the Committee on Interior and Insular Affairs.

H.R. 127. A bill to establish the U.S. Agency for World Peace within the Department of State; to the Committee on International Relations.

H.R. 128. A bill to provide for disclosures by lobbyists, and for other purposes; to the Committee on the Judiciary.

H.R. 129. A bill to subject certain nationals or citizens of the United States to the jurisdiction of the U.S. district courts for their crimes committed outside the United States and to provide for the apprehension, restraint, removal, and delivery of such persons; to the Committee on the Judiciary.

H.R. 130. A bill to abolish diversity of citizenship as a basis of jurisdiction of Federal district courts, to abolish the amount of controversy requirement in Federal question cases, and for other purposes; to the Committee on the Judiciary.

H.R. 131. A bill to amend title 18, United States Code, to provide that any parent who kidnaps his or her minor child shall be fined not more than $1,000, or imprisoned for not more than 1 year, or both; to the Committee on the Judiciary.

H.R. 132. A bill to amend chapter 313 of title 18 of the United States Code to improve the system dealing with mental defectives charged with offenses against the United States; to the Committee on the Judiciary.

H.R. 133. A bill to prohibit any act or threat of violence in a labor dispute and any conspiracy to accomplish such act or threat and to impose criminal and civil penalties therefor; to the Committee on the Judiciary.

H.R. 134. A bill to provide that any increase in the rate of pay for Members of Congress proposed during any Congress shall not take effect earlier than the beginning of the next Congress; to the Committee on Post Office and Civil Service.

H.R. 135. A bill to amend title 5, United States Code, to permit present and former civilian employees of the U.S. Government to receive civil service annuity credit for retirement purposes for all their periods of services to the United States (Federal Government, Uniformed Services and District of Columbia Government) including such service which was covered by social security, regardless of eligibility for social security benefits; to the Committee on Post Office and Civil Service.

H.R. 136. A bill to amend the Federal Aviation Act of 1958 to require regulations prohibiting air carriers from dispensing alcoholic beverages and tobacco without charge to passengers aboard air carrier aircraft; to the Committee on Public Works and Transportation.

H.R. 137. A bill to require the submission to Congress of research proposals prior to the expenditure of Federal funds; to the Committee on Science and Technology.

H.R. 138. A bill to provide for a Veterans' Administration general medical and surgical hospital at Jacksonville, Fla., and to achieve cooperation with the University of Florida College of Medicine in its activities in Jacksonville; to the Committee on Veterans' Affairs.

H.R. 139. A bill to provide for a national cemetery in Duval County, Fla.; to the Committee on Veterans' Affairs.

H.R. 140. A bill to extend to all unmarried individuals the full tax benefits of income splitting now enjoyed by married individuals filing joint returns; and to remove rate inequities for married persons where both are employed; to the Committee on Ways and Means.

H.R. 141. A bill to amend the Internal Revenue Code of 1954 to provide that no individual shall pay an income tax of less than 10 percent of his net income which exceeds $30,000 for any taxable year; to the Committee on Ways and Means.

H.R. 142. A bill to amend title XVI of the Social Security Act to provide that an alien may not qualify for supplemental security income benefits unless he not only is a permanent resident of the United States but has also continuously resided in the United States for at least 5 years; to the Committee on Ways and Means.

H.R. 143. A bill to amend title 10, United States Code, and the Public Health Service Act, as amended, to provide for adjustments in the benefits afforded participants in the Armed Forces health professions scholarship program; jointly, to the Committees on Armed Services and Interstate and Foreign Commerce.

By Mr. GRASSLEY:

H.R. 144. A bill to provide that Federal expenditures shall not exceed Federal revenues, except in time of war or grave national emergency declared by the Congress, and to provide for systematic reduction of the public debt; to the Committee on Ways and Means.

By Mr. BENNETT:

H.R. 145. A bill to provide that payments for military retired pay shall be made by the Civil Service Commission and that appropriations for such purpose shall be made to the Civil Service Commission; jointly, to the Committees on Armed Services and Post Office and Civil Service.

H.R. 146. A bill to amend the National Security Act of 1947 to define more specifically the jurisdiction of the Central Intelligence Agency, and for other purposes; jointly, to the Committees on Armed Services, and the Permanent Select Committee on Intelligence.

H.R. 147. A bill to abolish the National Security Council, and for other purposes; jointly, to the Committees on Armed Services; and the Permanent Select Committee on Intelligence.

H.R. 148. A bill to amend the Defense Production Act of 1950, as amended; jointly, to the Committees on Armed Services, Banking, Finance and Urban Affairs, Government Operations, and Post Office and Civil Service.

By Mr. BINGHAM:

H.R. 149. A bill to amend the Internal Revenue Code of 1954 to deny the deduction for amounts paid or incurred to advertise certain products which are sold with health warnings; to the Committee on Ways and Means.

By Mr. BOLAND:

H.R. 150. A bill to amend the Internal Revenue Code of 1954 to allow a credit against income tax to individuals for certain expenses incurred in higher education; to the Committee on Ways and Means.

By Mr. BRINKLEY:

H.R. 151. A bill to amend the Federal Civil Defense Act of 1950 to allow Federal civil defense funds to be used by local civil defense agencies for natural disaster relief, and for other purposes; to the Committee on Armed Services.

H.R. 152. A bill to amend the Public Health Service Act to improve the national cancer program and to authorize increased appropriations for such program for the next 4 fiscal years, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 153. A bill to amend the Public Health Service Act to improve the national cancer program and to authorize increased appropriations for such program for the next 4 fiscal years, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 154. A bill to incorporate the Gold Star Wives of America; to the Committee on the Judiciary.

H.R. 155. A bill to amend title 38, United States Code, to establish a program to provide direct loans to veterans for residential solar energy systems and certain other energy conservation improvements; to the Committee on Veterans' Affairs.

H.R. 156. A bill to amend title 10, United States Code, to allow supplies under the control of departments and agencies within the Department of Defense to be transferred to the Federal Emergency Management Agency as if it were within the Department of Defense and to amend the Federal Civil Defense Act of 1950 to authorize the Federal Emergency Management Agency to loan to State and local governments property transferred to such agency from other Federal agencies as excess property; jointly, to the Committees on Government Operations and Armed Services.

H.R. 157. A bill to amend the Equal Credit Opportunity Act to prohibit discrimination by card issuers against any shipment for a credit card on the basis of such applicant's occupation or the location of such applicant's residence; to the Committee on Banking, Finance and Urban Affairs.

H.R. 158. A bill to amend the Securities Exchange Act of 1934 to require notification by foreign investors of proposed acquisitions of equity securities of U.S. companies, to authorize the President to prohibit any such acquisition as appropriate for the national security, to further the foreign policy, or to protect the domestic economy of the United States, to require issuers of registered securities to maintain and file with the Securities and Exchange Commission a list of the names and nationalities of the beneficial owners of their equity securities, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 159. A bill to amend title 28 of the United States Code to provide that the courts of the United States shall have jurisdiction to review decisions of the Administrator of Veterans' Affairs; to the Committee on the Judiciary.

By Mr. STUMP:

H.R. 160. A bill to remove residency requirequirements and acreage limitations applicable to land subject to reclamation law; to the Committee on Interior and Insular Affairs.

By Mr. BRODHEAD:

H.R. 161. A bill to amend title 38, United States Code, to eliminate the time period in which a veteran has to use his educational benefits; to the Committee on Veterans' Affairs.

H.R. 162. A bill to provide for judicial review of administrative determinations made by the Board of Veterans Appeals; to the Committee on Veterans' Affairs.

H.R. 163. A bill to amend title XVIII of the Social Security Act to include dental care, eye care, and hearing aids among the items and services for which payment may be made under the supplementary medical insurance program; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

H.R. 164. A bill to provide medicare coverage for orthopedic shoes or other supportive devices prescribed by a physician for correction or treatment of abnormalities of the feet or legs which cause serious detrimental medical effects; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. BRODHEAD (for himself and Mr. EVANS of Georgia):

H.R. 165. A bill to direct the Secretary of Health, Education, and Welfare to provide Federal minimum standards for health insurance for the elderly, and to amend title XVIII of the Social Security Act for the purpose of directing the Secretary to study methods of further improving the regulation of health insurance for the elderly and to evaluate methods by which the medicare program could more fully meet the health insurance needs of the elderly; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. BROOKS:

H.R. 166. A bill to recognize the Cabinet status of the Director of the Office of Management and Budget, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. BROWN of California:

H.R. 167. A bill to amend the Internal Revenue Code of 1954 to provide that advertising of alcoholic beverages is not a deductible expense; to the Committee on Ways and Means.

By Mr. BROWN of Ohio:

H.R. 168. A bill to amend the Congressional Budget and Impoundment Control Act of 1974; to the Committee on Rules.

H.R. 169. A bill to amend the Internal Revenue Code of 1954 to provide individuals a credit against income tax for certain amounts of savings; to the Committee on Ways and Means.

By Mr. ROSENTHAL:

H.R. 170. A bill to establish the Airport Noise Curfew Commission and to define its functions and duties; to the Committee on Public Works and Transportation.

By Mr. BROWN of Ohio:

H.R. 171. A bill to amend the Internal Revenue Code of 1954 to provide for tax reform, and for other purposes; to the Committee on Ways and Means.

H.R. 172. A bill to amend the Internal Revenue Code of 1954 to provide for cost-of-living adjustments in the individual tax rates and in the amount of personal exemptions; to the Committee on Ways and Means.

H.R. 173. A bill to amend the Internal Revenue Code of 1954 to provide for inflation adjustments in the corporate tax rates; to the Committee on Ways and Means.

H.R. 174. A bill to amend the Internal Revenue Code of 1954 to provide for the indexing of certain assets for purposes of determining gain or loss; to the Committee on Ways and Means.

By Mr. CHAPPELL (for himself, Mr. LOTT, and Mr. ROBINSON):

H.R. 175. A bill to amend title II of the Social Security Act to provide that an individual may qualify for disability insurance benefits and the disability freeze if he has 40 quarters of coverage, regardless of when such quarters were earned, to the Committee on Ways and Means.

By Mr. CHAPPELL:

H.R. 176. A bill to amend the Clean Air Act and the Federal Water Pollution Control Act to provide that compliance orders shall include cost-benefit analyses; to the Committees on Interstate and Foreign Commerce, and Public Works and Transportation.

H.R. 177. A bill to assist in combating crime by reducing the incidence of recidivism, providing improved Federal, State, and local correctional facilities and services, strengthening administration of Federal corrections, strengthening control over probationers, parolees, and persons found not guilty by reason of insanity, and for other purposes; to the Committee on the Judiciary.

H.R. 178. A bill to authorize the Secretary of the Interior to classify and inventory wetland resources, to measure wetlands contribution of natural wetlands, and for other purposes; to the Committee on Merchant Marine and Fisheries.

H.R. 179. A bill to provide for a Veterans' Administration hospital in the Halifax area of Volusia County, Fla.; to the Committee on Veterans' Affairs.

H.R. 180. A bill to establish the Mineral Conservation Research and Development Commission within the National Science Foundation, and to provide for the inventory of major nonfuel raw materials and the development of substitute materials; to the Committee on Science and Technology.

H.R. 181. A bill to amend titles II and XVIII of the Social Security Act to eliminate the requirement that an individual must have been entitled to disability benefits for at least 24 consecutive months in order to qualify for medicare on the basis of disability; to the Committee on Ways and Means.

H.R. 182. A bill to amend title II of the Social Security Act to eliminate the 5-month waiting period which is presently a prerequisite of eligibility for disability insurance benefits or the disability freeze; to the Committee on Ways and Means.

H.R. 183. A bill to amend the act of August 13, 1946, to increase the Federal contribution to 90 percent of the cost of shore restoration and protection projects; to the Committee on Public Works and Transportation.

H.R. 184. A bill to provide for study of a certain segment of the Oklawaha River for potential addition to the national wild and scenic rivers system; to the Committee on Interior and Insular Affairs.

H.R. 185. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

H.R. 186. A bill to provide Federal assistance to States to enable them to provide day care services for children from needy families where the parents are working, training, or incapable of self-support; to the Committee on Education and Labor.

H.R. 187. A bill to amend the Occupational Safety and Health Act of 1970, and for other purposes; to the Committee on Education and Labor.

H.R. 188. A bill to amend title 10, United States Code, to provide a new Assistant Secretary of Defense for Reserve Affairs and to change the existing position of Assistant Secretary of Defense for Manpower and Reserve Affairs to Assistant Secretary of Defense for Manpower; to the Committee on Armed Services.

H.R. 189. A bill to amend the Internal Revenue Code of 1954 to allow individuals to designate $1 of their income tax liability to be used for purposes of reducing the public debt of the United States; to the Committee on Ways and Means.

H.R. 190. A bill to provide for the establishment of a national cemetery in Florida; to the Committee on Veterans' Affairs.

H.R. 191. A bill to authorize the Attorney General to exchange criminal record information with certain State and local agencies; to the Committee on the Judiciary.

H.R. 192. A bill to amend title 38 of the United States Code to permit veterans to determine how certain drugs and medicines will be supplied to them; to the Committee on Veterans' Affairs.

H.R. 193. A bill to amend title 28 of the United States Code, to provide for an exclusive remedy against the United States in suits based upon acts or omissions of United States employees, and for other purposes; to the Committee on the Judiciary.

H.R. 194. A bill to amend the Freedom of Information Act to exempt naval nuclear propulsion information from disclosure in the absence of a finding that such disclosure will not be inimical to the interests of the United States; to the Committee on Government Operations.

H.R. 195. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income certain amounts received by members of certain firefighting and rescue units; to the Committee on Ways and Means.

H.R. 196. A bill to amend the Export-Import Bank Act of 1945 to authorize the President of the United States to suspend credit for exports to certain countries; to the Committee on Banking, Finance and Urban Affairs.

H.R. 197. A bill to amend title XIX of the Social Security Act to impose certain requirements relating to the discharge or transfer of medicaid patients from skilled nursing or intermediate care facilities, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 198. A bill to discontinue issuance of the $2 U.S. note; to the Committee on Banking, Finance and Urban Affairs.

By Mr. CLAUSEN:

H.R. 199. A bill to amend the National Labor Relations Act to provide that any employee who is a member of a religion or sect historically holding conscientious objection to joining or financially supporting a labor organization shall not be required to do so; to the Committee on Education and Labor.

By Mr. COLLINS of Texas:

H.R. 200. A bill to amend the Employee Retirement Income Security Act of 1974 with respect to certain reporting and disclosure requirements; to the Committee on Education and Labor.

H.R. 201. A bill to reduce the number of individuals employed by the Federal Government in Executive agencies in or near the District of Columbia; to the Committee on Post Office and Civil Service.

H.R. 202. A bill to establish a 10-year moratorium on the construction, alteration, acquisition, or leasing of certain buildings for use by Federal agencies in the Greater Washington area; to the Committee on Public Works and Transportation.

H.R. 203. A bill to amend the Congressional Budget Act of 1974 to assure a balanced budget by requiring that Federal expenditures be limited to Federal revenues under the congressional budget process; to the Committee on Rules.

H.R. 204. A bill to provide for the safeguarding of taxpayer rights, and for other purposes; to the Committee on Ways and Means.

H.R. 205. A bill to amend the Internal Revenue Code of 1954 and certain other provisions of law to provide for automatic cost-of-living adjustments in the income tax rates, the amount of the standard, personal exemption, and depreciation deductions, and the rate of interest payable on certain obligations of the United States; to the Committee on Ways and Means.

H.R. 206. A bill to amend the Internal Revenue Code of 1954 to allow a credit against income tax to individuals for certain expenses incurred in higher education; to the Committee on Ways and Means.

H.R. 207. A bill to extend to all unmarried individuals the full tax benefits of income splitting now enjoyed by married individuals filing joint returns; and to remove rate inequities for married persons where both are employed; to the Committee on Ways and Means.

H.R. 208. A bill to provide that Federal taxes may not be increased during a 4-year period; to the Committee on Ways and Means.

H.R. 209. A bill to prescribe the conditions with respect to affirmative action programs required of Federal grantees and contractors in complying with nondiscrimination programs, to prescribe the necessary requirements for a finding of discrimination in certain actions brought on the basis of discrimination in employment and to prescribe reasonable limits on the collection of data relating to race, color, religion, sex, or national origin, and for other purposes; to the Committees on the Judiciary, and Education and Labor.

By Mr. COLLINS of Texas (for himself and Mr. MOORHEAD of California):

H.R. 210. A bill to amend title II of the Social Security Act and the Internal Revenue Code of 1954 to provide that any individual may elect (on an annual basis) to contribute to a private retirement plan rather than participating in the social security program; to the Committee on Ways and Means.

By Mr. CORRADA (for himself and Mr. WON PAT):

H.R. 211. A bill to amend the Social Security Act to increase the dollar limitations and Federal medical assistance percentages applicable to the medicaid programs of Puerto Rico, the Virgin Islands, and Guam; jointly, to the Committes on Interstate and Foreign Commerce and Ways and Means.

By Mr. PHILIP M. CRANE:

H.R. 212. A bill entitled the "Fair Treatment for Skilled Trades Act of 1979"; to the Committee on Education and Labor.

H.R. 213 A bill to amend the Internal Revenue Code of 1954 and certain other provisions of law to provide for automatic cost-of-living adjustments in the income tax rates, the amount of the standard, personal exemption, and depreciation deductions, and the rate of interest payable on certain obligations of the United States; to the Committee on Ways and Means.

H.R. 214. A bill to provide that the Internal Revenue Service may not implement certain proposed rules relating to the determination of whether private schools have discriminatory policies; to the Committee on Ways and Means.

By Mr. PHILIP M. CRANE (for himself, Mr. DERWINSKI, Mr. GUYER, Mrs. HOLT, Mr. KRAMER, Mr. LAGOMARSINO, Mr. MILLER of Ohio, Mr. SYMMS, and Mr. DUNCAN of Tennessee):

H.R. 215. A bill to amend the Internal Revenue Code of 1954 to provide a credit for tuition paid for higher education; to the Committee on Ways and Means.

By Mr. ROBERT W. DANIEL, JR.:

H.R. 216. A bill to modify the project for navigation on the Southern Branch of Elizabeth River, Va.; to the Committee on Public Works and Transportation.

H.R. 217. A bill to terminate authorization for a portion of the Nansemond River project, Virginia; to the Committee on Public Works and Transportation.

By Mr. DANIELSON:

H.R. 218. A bill to amend chapter 5, subchapter II, of title 5, United States Code, to provide for improved administrative procedures; to the Committee on the Judiciary.

H.R. 219. A bill to amend chapter 5, subchapter II, of title 5, United States Code, to provide for improved administrative procedures; to the Committee on the Judiciary.

H.R. 220. A bill to amend chapter 5, subchapter II, of title 5, United States Code, to provide for improved administrative procedures; to the Committee on the Judiciary.

H.R. 221. A bill to amend chapter 5, subchapter II, of title 5, United States Code, to provide for improved administrative procedures; to the Committee on the Judiciary.

H.R. 222. A bill to amend chapter 5, subchaper II, of title 5, United States Code, to provide for improved administrative procedures; to the Committee on the Judiciary.

H.R. 223. A bill to amend chapter 5 of title 5, United States Code, to provide for improved administrative procedures; to the Committee on the Judiciary.

H.R. 224. A bill to provide for equitable waiver in the compromise and collection of Federal claims; to the Committee on the Judiciary.

H.R. 225. A bill to amend the Immigration and Nationality Act to provide that any person who pays any compensation to an illegal alien shall be subject to a criminal fine; to the Committee on the Judiciary.

H.R. 226. A bill to amend the Indochina Migration and Refugee Assistance Act of 1975 to provide a 2-year extension of Federal assistance to Indochina refugees and to provide Federal assistance beyond 2 years to any Indochinese refugee who is under 18 years of age; to the Committee on the Judiciary.

H.R. 227. A bill to amend subsection (a) of section 2737 of title 10, United States Code, and for other purposes; to the Committee on the Judiciary.

H.R. 228. A bill to amend chapter 44 of title 18 of the United States Code to penalize the use of a cutting or stabbing weapon in the commission of a felony, and to increase the penalties for the use of firearms in the commission of a felony; to the Committee on the Judiciary.

H.R. 229. A bill to amend title 28, United States Code, to provide for a declaratory judgment in certain cases involving public utilities; to the Committee on the Judiciary.

H.R. 230. A bill to amend chapter 171 of title 28, United States Code, to alter procedures with respect to certain malpractice suits against Federal medical personnel, and for other purposes; to the Committee on the Judiciary.

H.R. 231. A bill to amend title 28 of the United States Code to establish a Federal cause of action for and Federal court procedures with respect to aviation activity, and for other purposes; to the Committee on the Judiciary.

H.R. 232. A bill to amend title 28, United States Code, to increase to $50.000 the amount of an award which an agency may determine, without the approval of the Attorney General; to the Committee on the Judiciary.

H.R. 233. A bill to repeal sections 3478 and 3479 of the Revised Statutes (31 U.S.C. 204 and 205), which impose a requirement upon persons prosecuting claims, either as attorney or on their own account, to take the oath of allegiance and to support the Constitution of the United States; to the Committee on the Judiciary.

H.R. 234. A bill to amend section 1 of the act of June 5, 1920, as amended, to authorize the Secretary of Commerce to settle claims for damages of less than $2,500 arising by reason of acts for which the National Oceanic and Atmospheric Administration shall be found to be responsible; to the Committee on the Judiciary.

H.R. 235. A bill to amend the act of August 24, 1935 (commonly referred to as the "Miller Act") to provide for additional protection to persons supplying labor and material in the prosecution of work provided for in contracts for the construction, alteration, or repair of any public building or public work of the United States, and for other purposes; to the Committee on the Judiciary.

H.R. 236. A bill to transfer responsibility for furnishing certified copies of Miller Act payment bonds from the Comptroller General to the officer that awarded the contract for which the bond was given; to the Committee on the Judiciary.

H.R. 237. A bill to amend the General Revision of Copyright Law, and for other purposes; to the Committee on the Judiciary.

H.R. 238. A bill to provide that certain annuity payments made pursuant to the Civil Service Retirement Act shall be fixed at the nearest penny; to the Committee on Post Office and Civil Service.

H.R. 239. A bill to provide that no relocation payments made under the Uniform Relocation Assistance Act shall be paid to persons who are unlawfully present in the United States; to the Committee on Public Works and Transportation.

H.R. 240. A bill to place Arlington National Cemetery within the National Cemetery System; to the Committee on Veterans' Affairs.

H.R. 241. A bill to amend title 38, United States Code, so as to authorize furnishing of memorial markers for graves in private cemeteries wherein the remains of an honorably discharged serviceman are not recoverable; to the Committee on Veteans' Affairs.

H.R. 242. A bill to amend title 38 of the United States Code in order to require the Administrator of Veterans' Affairs to pay a $150 allowance to any State or any agency or political subdivision of a State in reimbursement for expenses incurred in the burial of each veteran in any cemetery owned by such State or agency or political subdivision of a State, if the cemetery or section thereof is used solely for the interment of veterans; to the Committee on Veterans' Affairs.

H.R. 243. A bill to amend the Internal Revenue Code of 1954 to allow an itemized deduction for certain salaries and other compensation paid for personal services; to the Committee on Ways and Means.

H.R. 244. A bill to amend the Internal Revenue Code of 1954 to disallow deductions from gross income for salary paid to aliens illegally employed in the United States; to the Committee on Ways and Means.

By Mr. DE LA GARZA:

H.R. 245. A bill to strengthen the penalty provisions of the Gun Control Act of 1968; to the Committee on the Judiciary.

H.R. 246. A bill to direct the Attorney General to establish special drug forces for the purpose of providing temporary emergency law enforcement assistance to States and local governments; to the Committee on the Judiciary.

H.R. 247. A bill to require the submission, prior to publication in the Federal Register, to the appropriate committees of the Congress, of all regulations proposed to be promulgated by Federal departments and agencies; to the Committee on the Judiciary.

By Mr. DELLUMS:

H.R. 248. A bill to establish the office of Assistant Secretary of Defense for Equal Opportunity, and for other purposes; to the Committee on Armed Services.

H.R. 249. A bill to provide for the exclusion of industrially funded personnel in computing the total number of civilian personnel authorized by law for the Department of Defense in any fiscal year; to the Committee on Armed Services.

H.R. 250. A bill to amend title 10, United States Code, to provide for identification of positions in the Department of Defense which can be filled by civilian employees and to prohibit assignment of active-duty military personnel to such positions unless such personnel meet the civilian qualifications for such positions, and for other purposes; to the Committee on Armed Services.

H.R. 251. A bill to amend the Civil Rights Act of 1964 to eliminate employment discrimination on the basis of military discharge status; to the Committee on Education and Labor.

H.R. 252. A bill to amend the Budget and Accounting Act of 1921 to provide for investigations and expenditure analyses of the use of public funds; to the Committee on Government Operations.

H.R. 253. A bill to provide for the receipt of testimony and information from executive agencies and bodies; to the Committee on the Judiciary.

H.R. 254. A bill to amend chapters 5 and 7 of title 5, United States Code, to require formal rulemaking procedures in the establishment of grant, loan, benefit, and contract practices, to authorize payment of expenses to certain participants in administrative proceedings, to waive sovereign immunity where judicial relief other than money damages is sought, and to require the establishment of enforcement procedures for grant-in-aid programs; to the Committee on the Judiciary.

H.R. 255. A bill to prevent lawless and irresponsible use of firearms, by requiring national registration of firearms, by establishing minimum standards for licensing possession of firearms, and to prohibit the importation, manufacture, sale, purchase, transfer, receipt, possession, or transportation of handguns; to the Committee on the Judiciary.

H.R. 256. A bill to establish minimum prison and parole standards in the United States, and for other purposes; to the Committee on the Judiciary.

H.R. 257. A bill to amend title 28, United States Code, to provide more effectively for bilingual proceedings in all district courts of the United States, and for other purposes; to the Committee on the Judiciary.

H.R. 258. A bill to exonerate and to provide for a general and unconditional amnesty for certain persons who have violated or are alleged to have violated laws in the course of protest against the involvement of the United States in Indochina, and for other purposes; to the Committee on the Judiciary.

H.R. 259. A bill to amend title 38, United States Code, to provide for the entitlement to veterans' benefits of Americans who fought in the Abraham Lincoln Brigade during the Spanish Civil War, and for other purposes; to the Committee on Veterans' Affairs.

H.R. 260. A bill to help preserve the separation of powers and to further the constitutional prerogatives of Congress by providing for congressional review of executive agreements; jointly, to the Committees on International Relations and Rules.

H.R. 261. A bill to reorganize the intelligence community of the executive branch of the Government, create an Intelligence Research and Analysis Agency, and prevent future intelligence abuses by Federal agencies, and for other purposes; jointly, to the Committees on Armed Services, Judiciary, Permanent Select Committee on Intelligence, and Ways and Means.

By Mr. DERWINSKI (for himself, Mr. BENJAMIN, Mr. ANNUNZIO, Mr. CONTE, Mr. PHILIP M. CRANE, Mr. DAN DANIEL, Mr. FARY, Mrs. HOLT, Mr. HYDE, Mr. LAGOMARSINO, Mr. MCCLORY, Mr. MITCHELL of New York, Mr. MOAKLEY, Mr. MURPHY of Illinois, Mr. RUDD, Mr. UDALL, Mr. BOB WILSON, and Mr. WINN):

H.R. 262. A bill to authorize the construction and maintenance of the Gen. Draza Mihailovich Monument in Washington, District of Columbia, in recognition of the role he played in saving the lives of approximately 500 U.S. airmen in Yugoslavia during World War II; to the Committee on House Administration.

By Mr. DICKINSON:

H.R. 263. A bill to provide that the Internal Revenue Service may not implement certain proposed rules relating to the determination of whether private schools have discriminatory policies; to the Committee on Ways and Means.

By Mr. DINGELL:

H.R. 264. A bill to amend the Internal Revenue Code of 1954 to provide that, for purposes of computing the residential energy credit, the taxpayer may take into account qualified energy conservation expenditures with respect to any dwelling unit which is owned by the taxpayer and which is the principal residence of any individual other than the taxpayer; to the Committee on Ways and Means.

By Mr. DRINAN:

H.R. 265. A bill to amend the Federal Reserve Act to allow the President to appoint an individual to serve on the Federal Reserve Board whom he intends to designate as chairman who is from the same Federal Reserve district as a current member of the Board; to the Committee on Banking, Finance and Urban Affairs.

H.R. 266. A bill to amend the Federal Reserve Act to shorten the term of members of the Board of Governors of the Federal Reserve System from 14 years to 8 years, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

H.R. 267. A bill to amend the Federal Reserve Act and the Federal Deposit Insurance Act to extend the 2-year prohibition on employment of bank regulators by insured banks and member banks to include bank holding companies; to the Committee on Banking, Finance and Urban Affairs.

H.R. 268. A bill to amend the Truth in Lending Act to require biannual examinations of creditors, to require public disclosure of certain information obtained in such examinations, to require persons affected by violations of the act to be so notified, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

H.R. 269. A bill to establish a Consumer Savings Disclosure Act in order to provide for uniform and full disclosure of information with respect to the computation and payment of earnings on certain savings deposits; to the Committee on Banking, Finance and Urban Affairs.

H.R. 270. A bill to amend the Wagner-Peyser Act to provide more effective job placement services, improved administration, and management planning, review of policy alternatives, innovative employment services, and for other purposes; to the Committee on Education and Labor.

H.R. 271. A bill to amend title VII of the

Civil Rights Act of 1964 to provide increased protection to employees' religious observances and practices; to the Committee on Education and Labor.

H.R. 272. A bill to amend section 411 of the Higher Education Act of 1965 to exclude from eligibility calculations for basic grants the value of a family's residence; to the Committee on Education and Labor.

H.R. 273. A bill to authorize the Secretary of Health, Education, and Welfare to make grants to conduct special educational programs and activities designed to achieve conservation and nonuse of energy and materials, and for other related educational purposes; to the Committee on Education and Labor.

H.R. 274. A bill to amend the act of September 24, 1959, to limit congressional members of the Advisory Commission on Intergovernmental Relations to single 2-year terms; to the Committee on Government Operations.

H.R. 275. A bill to amend the Export Administration Act of 1969 to stabilize domestic prices, and for other purposes; to the Committee on International Relations.

H.R. 276. A bill to amend the Arms Export Control Act to change the method of determining the period of time for adopting a concurrent resolution of Congress objecting to a proposed sale under such act; to the Committee on International Relations.

H.R. 277. A bill to prescribe certain rules for Federal, State, and local agencies regulating electric rates; to the Committee on Interstate and Foreign Commerce.

H.R. 278. A bill to authorize grants under the Safe Drinking Water Act to public water systems to clean and update waterlines for purposes of meeting requirements under such act, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 279. A bill to amend the Federal Food, Drug, and Cosmetic Act to authorize the regulation of tobacco products under that act in the same manner as food is regulated under that act; to the Committee on Interstate and Foreign Commerce.

H.R. 280. A bill to provide for an annual report to Congress on the effect of cigarette smoke upon nonsmokers; to the Committee on Interstate and Foreign Commerce.

H.R. 281. A bill to strengthen the warning label required on cigarette packages, extend such warning to cigarette advertisements, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 282. A bill to promote the development of methods of research, experimentation, and testing that minimize the use of, and pain and suffering to, live animals; to the Committee on Interstate and Foreign Commerce.

H.R. 283. A bill to secure and protect the freedom of the press from unwarranted intrusions by persons acting under color of law; to the Committee on the Judiciary.

H.R. 284. A bill to amend chapters 5 and 7 of title 5 of the United States Code to provide for the award of reasonable attorney fees, expert witness expenses, and other costs reasonably incurred in proceedings before Federal agencies, and for other purposes; to the Committee on the Judiciary.

H.R. 285. A bill to substantially reduce the personal dangers and fatalities caused by the criminal and violent behavior of those persons who lawlessly misuse handguns by restricting the availability of such handguns for law enforcement, military purposes, and for certain approved purposes including sporting and recreational uses; to the Committee on the Judiciary.

H.R. 286. A bill to enhance the personal safety of U.S. citizens and to reduce crime by providing for a Federal system of registration and licensing of all firearms, and for a ban on the sale, manufacture, or importation of certain handguns; to the Committee on the Judiciary.

H.R. 287. A bill to carry out the principles of the Helsinki Final Act pertaining to freedom of travel and emigration, by providing that aliens who are associated with certain political organizations or who advocate certain political beliefs shall not be eligible to receive visas and excluded from admission into the United States, or deported from the United States, because of such association or beliefs; to the Committee on the Judiciary.

H.R. 288. A bill to amend the copyright law to secure the rights of authors of pictorial, graphic, or sculptural works to prevent the distortion, mutilation, or other alteration of such works, and for other purposes; to the Committee on the Judiciary.

H.R. 289. A bill to amend title 5 of the United States Code for the purpose of removing the restriction on the use of recording clocks to record time of employees of executive departments in the District of Columbia; to the Committee on Post Office and Civil Service.

H.R. 290. A bill to provide for certain research and demonstration respecting the disposal of sludge, the reclamation of waters damaged by sludge and sewage, assistance to State and local governments for the removal of sludge and other solid waste from waters and shoreline areas, and to provide that grants for waste treatment works shall be made only if such works provide for environmentally sound sludge management; to the Committee on Public Works and Transportation.

H.R. 291. A bill to provide additional assistance to small business concerns in acquiring procurement information and contracts from the United States; to the Committee on Small Business.

H.R. 292. A bill to establish an independent agency to administer the internal revenue laws; to the Committee on Ways and Means.

H.R. 293. A bill to establish a health protection tax on cigarettes, and for other purposes; to the Committee on Ways and Means.

H.R. 294. A bill to amend title II of the Social Security Act to provide that the automatic cost-of-living increases in benefits which are authorized thereunder may be made on a semiannual basis (rather than only on an annual basis as at present); to the Committee on Ways and Means.

H.R. 295. A bill to amend title II of the Social Security Act to provide that an individual may qualify for disability insurance benefits and the disability freeze if he has enough quarters of coverage to be fully insured for old-age benefit purposes, regardless of when such quarters were earned; to the Committee on Ways and Means.

H.R. 296. A bill to amend the Trade Act of 1974 to require the International Trade Commission to examine and report on the probable impact on domestic retail prices of remedies recommended by the Commission pursuant to import relief investigations; to the Committee on Ways and Means.

H.R. 297. A bill to suspend for 2 years the duty on wood excelsior imported from Canada; to the Committee on Ways and Means.

H.R. 298. A bill to provide for incentives for the commercial application of solar energy, energy conservation, and renewable resource equipment and devices in homes, neighborhood and community structures, small businesses, and facilities owned or occupied by nonprofit organizations; jointly, to the Committees on Banking, Finance and Urban Affairs, and Small Business.

H.R. 299. A bill to amend the Office of Federal Procurement Policy Act to require the payment of interest by Federal agencies on overdue payments to small business concerns; jointly, to the Committees on Government Operations and Small Business.

H.R. 300. A bill to regulate smoking in Federal facilities and in facilities serving interstate common carrier passengers, and for other purposes; jointly, to the Committees on Interstate and Foreign Commerce, and Public Works and Transportation.

H.R. 301. A bill to amend the Internal Revenue Code of 1954 to provide for judicial review of certain interpretations of the Federal tax laws; jointly, to the Committees on Ways and Means, and the Judiciary.

By Mr. DUNCAN of Tennessee:

H.R. 302. A bill to provide that in civil actions where the United States is plaintiff, a prevailing defendant may recover a reasonable attorney's fee and other reasonable litigation costs; to the Committee on the Judiciary.

H.R. 303. A bill to clarify the circumstances under which territorial provisions in licenses to manufacture, distribute, and sell trademarked soft drink products are lawful under the antitrust laws; to the Committee on the Judiciary.

H.R. 304. A bill to amend section 15d of the Tennessee Valley Authority Act of 1933 to provide that expenditures for pollution control facilities will be credited against required power investment return payments and repayments; to the Committee on Public Works and Transportation.

H.R. 305. A bill to amend the Internal Revenue Code of 1954 to require the Internal Revenue Service to pay certain costs incurred by a taxpayer during a tax audit if the audit does not result in additional tax liability; to the Committee on Ways and Means.

H.R. 306. A bill to amend the Internal Revenue Code of 1954 to exempt from the excise tax imposed on trailers any trailer designed to be used with a light-duty vehicle for farming purposes or for transporting horses or livestock; to the Committee on Ways and Means.

H.R. 307. A bill to amend the Internal Revenue Code of 1954 to suspend the imposition of interest and to prohibit the imposition of a penalty for failure to pay tax on underpayments of tax resulting from erroneous advice given in writing by the Internal Revenue Service; to the Committee on Ways and Means.

By Mr. EDGAR:

H.R. 308. A bill to amend the National Labor Relations Act to provide that the duty to bargain collectively includes bargaining with respect to retirement benefits for retired employees; to the Committee on Education and Labor.

By Mr. EDWARDS of Alabama:

H.R. 309. A bill to limit the growth rate of Federal spending; to the Committee on Rules.

H.R. 310. A bill to amend the Internal Revenue Code of 1954 to allow a credit against the individual income tax for tuition paid for the elementary or secondary education of dependents; to the Committee on Ways and Means.

H.R. 311. A bill to amend the Internal Revenue Code of 1954 to provide a credit against the individual income tax for certain expenses of higher education; to the Committee on Ways and Means.

H.R. 312. A bill to amend the Internal Revenue Code of 1954 to provide a basic $5,000 exemption from income tax for amounts received as annuities, pensions, or other retirement benefits; to the Committee on Ways and Means.

H.R. 313. A bill to amend title 5 of the United States Code to establish a uniform procedure for congressional review of agency rules which may be contrary to law or inconsistent with congressional intent, to expand opportunities for public participation in agency rulemaking, and for other purposes; jointly, to the Committees on the Judiciary and Rules.

By Mr. THOMPSON (for himself and Mr. CORMAN):

H.R. 314. A bill to amend the Service Contract Act of 1965 to extend its coverage to professional employees; to the Committee on Education and Labor.

By Mr. EDWARDS of California:

H.R. 315. A bill to amend section 557 of title 5, United States Code, to provide for the disclosure of agency findings and recommendations in bank chartering and branching proceedings and in other related proceedings and to make the provisions of subsection (d) (relating to ex parte communications) applicable to such proceedings; to the Committee on the Judiciary.

By Mr. EVANS of Georgia:

H.R. 316. A bill to amend section 203 of the Federal Property and Administrative Services Act of 1949 to require, prior to disposal, that notice and first right of refusal be given to certain previous owners of surplus real property; to the Committee on Government Operations.

H.R. 317. A bill to discourage the prevention of the marketing of certain patented means for energy conservation; to the Committee on the Judiciary.

By Mr. FISH:

H.R. 318. A bill to establish a national adoption information exchange system; to the Committee on Education and Labor.

H.R. 319. A bill to provide that polling and registration places for elections for Federal office be accessible to physically handicapped and elderly individuals, and for other purposes; to the Committee on House Administration.

H.R. 320. A bill to prohibit fuel adjustment clauses in electric utility rate schedules; to the Committee on Inerstate and Foreign Commerce.

H.R. 321. A bill to establish an energy program to provide energy stamps to low- and moderate-income households to help meet the costs of rising fuel bills; to the Committee on Interstate and Foreign Commerce.

H.R. 322. A bill to amend title 18, United States Code, to make unlawful the search of places and the seizure of things in the possession or control of a person who is not suspected of committing a criminal act; to the Committee on the Judiciary.

H.R. 323. A bill to secure and protect the freedom of the press from unwarranted intrusions by persons acting under color of law; to the Committee on the Judiciary.

H.R. 324. A bill to amend title 18, United States Code, to permit the transportation, mailing, and broadcasting of advertising, information, and materials concerning lotteries authorized by law and conducted by a nonprofit organization, and for other purposes; to the Committee on the Judiciary.

H.R. 325. A bill to amend section 1332 of title 28, United States Code, to grant jurisdiction to the district courts to enforce any custody order of a State court against a parent who, in contravention of such order, takes a child to another State; to the Committee on the Judiciary.

H.R. 326. A bill to amend the Immigration and Nationality Act to facilitate the admission of aliens for temporary employment; to the Committee on the Judiciary.

H.R. 327. A bill to require the inspection of certain towing vessels, and for other purposes; to the Committee on Merchant Marines and Fisheries.

H.R. 328. A bill to amend the Internal Revenue Code of 1954 to permit an exemption of the first $5,000 of retirement income received by a taxpayer under a public retirement system or any other system if the taxpayer is at least 65 years of age; to the Committee on Ways and Means.

H.R. 329. A bill to amend title II of the Social Security Act to provide that the automatic cost-of-living increases in benefits which are authorized thereunder may be made on a semiannual basis (rather than only on an annual basis as at present); to the Committee on Ways and Means.

H.R. 330. A bill to provide for the monthly publication of a Consumer Price Index for the Aged which shall be used in the provision of cost-of-living benefit increases authorized by title II of the Social Security Act; to the Committee on Ways and Means.

H.R. 331. A bill to revise the laws governing appointments to the service academies so as to relieve Members of Congress from the responsibility of making nominations for appointments thereto, and for other purposes; jointly, to the Committees on Armed Services and Merchant Marine and Fisheries.

H.R. 332. A bill to amend titles IV, XI, and XIX of the Social Security Act to increase the Federal matching rate for purposes of reimbursement to States under the program of aid to needy families with children and medical assistance; jointly, to the Committee on Ways and Means, Interstate and Foreign Commerce.

By Mr. JACOBS:

H.R. 333. A bill to amend title II of the Social Security Act to provide that renewal commissions, received by a retired insurance agent from life insurance policies which were sold by him before his retirement, shall not be taken into account in determining his net earnings from self-employment for purposes of the earnings test; to the Committee on Ways and Means.

By Mr. FISH:

H.R. 334. A bill to amend title XVIII of the Social Security Act to authorize payment under the medicare program for certain services performed by chiropractors; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

H.R. 335. A bill to amend title XVIII of the Social Security Act to include, as a home health service, nutritional counseling provided by or under the supervision of a registered dietitian; jointly, to the Committees on Ways and Means, and Interstate and Foregin Commerce.

H.R. 336. A bill to terminate the granting of construction licenses of nuclear fission powerplants in the United States pending action by the Congress following a comprehensive 5-year study of the nuclear fuel cycle, with particular reference to its safety and environmental hazards, to be conducted by the Office of Technology Assessment, and for other purposes; jointly, to the Committees on Interior and Insular Affairs, Interstate and Foreign Commerce, and International Relations.

By Mr. FISH (for himself, Mr. MOORHEAD of California, and Mr. HORTON):

H.R. 337. A bill to amend the Internal Revenue Code of 1954 to allow a deduction from gross income for social agency, legal, and related expenses incurred in connection with the adoption of a child by the taxpayer; to the Committee on Ways and Means.

By Mr. FLIPPO:

H.R. 338. A bill to amend title XIX of the Social Security Act to continue medicaid eligibility for certain individuals by disregarding certain involuntary increases in income; to the Committee on Interstate and Foreign Commerce.

By Mr. FLOOD:

H.R. 339. A bill to provide authorizations for the Department of State, and for other purposes; to the Committee on International Relations.

By Mr. GINN:

H.R. 340. A bill to provide parity to farmers and to prevent interruptions in the supply of food to American consumers; to the Committee on Agriculture.

H.R. 341. A bill to provide for the regular review of certain Federal agencies and for the abolition of such agencies after such review unless Congress specifically provides for their continued existence; to the Committee on Government Operations.

H.R. 342. A bill to amend chapter 44 of title 18 of the United States Code (respecting firearms) to penalize the use of firearms in the commission of any felony and to increase the penalties in certain related existing provisions; to the Committee on the Judiciary.

H.R. 343. A bill amending title 5 of the United States Code to improve agency rulemaking by expanding the opportunities for public participation, by creating procedures for congressional review of agency rules, and expanding judicial review, and for other purposes; jointly, to the Committees on the Judiciary and Rules.

By Mr. GOLDWATER:

H.R. 344. A bill to amend the Fair Credit Reporting Act dealing with depository institutions and privacy, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

H.R. 345. A bill to amend the Fair Credit Reporting Act dealing with consumer credit and privacy; to the Committee on Banking, Finance and Urban Affairs.

H.R. 346. A bill to amend the Fair Credit Reporting Act dealing with insurance institutions and privacy; to the Committee on Banking, Finance and Urban Affairs.

H.R. 347. A bill to amend the Family Educational Rights and Privacy Act (20 U.S.C. 1232) to provide for the protection of the privacy of personal information, and for other purposes; to the Committee on Education and Labor.

H.R. 348. A bill to amend the Farm Labor Contractor Registration Act of 1963 to provide that labor organizations which provide employment referral services and other similar services to assist migrant workers in obtaining agricultural employment shall be considered to be farm labor contractors for purposes of such Act; to the Committee on Education and Labor.

H.R. 349. A bill to amend the Privacy Act of 1974; to the Committee on Government Operations.

H.R. 350. A bill to establish a Federal Information Practices Board to review and report on fair information and privacy practices of governmental and nongovernmental entities; to the Committee on Government Operations.

H.R. 351. A bill to establish an independent Federal Aviation Agency, and for other purposes; to the Committee on Public Works and Transportation.

H.R. 352. A bill to amend the Airport and Airway Development Act of 1970 to make privately owned public use airports eligible for funding under the act; to the Committee on Public Works and Transportation.

H.R. 353. A bill to amend title 38 of the United States Code in order to waive the payment of premiums for a national service life insurance by certain persons who have attained age 70; to the Committee on Veterans' Affairs.

H.R. 354. A bill to amend the Internal Revenue Code of 1954 dealing with privacy; to the Committee on Ways and Means.

H.R. 355. A bill to amend the Internal Revenue Code of 1954 in order to encourage small corporate employers to establish retirement pension plans for their employees and to provide worthwhile benefits for them under such plans; to the Committee on Ways and Means.

H.R. 356. A bill to amend the Internal Revenue Code of 1954 to provide an additional itemized deduction for the use of a passenger automobile in a carpool; to the Committee on Ways and Means.

H.R. 357. A bill to amend the Internal Revenue Code of 1954 to exempt certain additional aircraft museums from Federal fuel taxes and the Federal tax on the use of civil aircraft, and for other purposes; to the Committee on Ways and Means.

H.R. 358. A bill to restrict the use of Social Security Act account numbers as governmental or universal personal identifiers; to the Committee on Ways and Means.

H.R. 359. A bill to provide for the privacy of certain public assistance and social service records used or maintained by State and private agencies under programs receiving Federal financial assistance; jointly, to the Committees on Agriculture, Interstate and Foreign Commerce, and Ways and Means.

H.R. 360. A bill to amend title XI of the Social Security Act to provide for the confidentiality of personal medical information created or maintained by medical care institutions providing services under the medicare or medicaid programs, and for other purposes; jointly, to the Committees on Interstate and Foreign Commerce, and Ways and Means.

H.R. 361. A bill to amend the Social Security Act to provide for the protection of the privacy of personal medical information maintained by certain medical care institutions; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. GONZALEZ:

H.R. 362. A bill to amend the Internal Revenue Code of 1954; to the Committee on Ways and Means.

By Mr. GRADISON:

H.R. 363. A bill to provide for additional sentences for commission of a felony with use of a firearm; to the Committee on the Judiciary.

H.R. 364. A bill to amend title 39, United States Code, to prohibit certain franked mailings by Members of the Congress during certain periods before elections; to the Committee on Post Office and Civil Service.

By Mr. GRADISON (for himself, Mr. Brown of Ohio, Mr. Broyhill, Mr. Buchanan, Mr. Burgener, Mr. Campbell, Mr. Conable, Mr. Corcoran, Mr. Dornan, Mr. Duncan of Tennessee, Mr. Edwards of Oklahoma, Mr. Evans of Georgia, Mr. Frenzel, Mr. Goldwater, Mr. Green, Mr. Guyer, Mr. Horton, Mr. Hyde, Mr. Ireland, Mr. Jeffords, Mr. Kelly, Mr. Kemp, Mr. Kindness, Mr. Lent, Mr. Levitas, Mr. Luken, Mr. Martin, Mr. McEwen, Mr. Moore, Mr. Miller of Ohio, Mr. Murphy of Pennsylvania, Mr. O'Brien, Mr. Quayle, Mr. Robinson, Mr. Sebelius, Mr. Spence, Mr. Stockman, Mr. Symms, Mr. Treen, Mr. Vander Jagt, Mr. Walker, Mr. Whitehurst, and Mr. Bob Wilson):

H.R. 365. A bill to amend the Internal Revenue Code of 1954 to provide for cost-of-living adjustments in the individual tax rates and in the amount of personal exemptions; to the Committee on Ways and Means.

By Mr. GRADISON (for himself, Mr. Rousselot, Mr. Derwinski, and Mr. Frenzel):

H.R. 366. A bill to amend the Internal Revenue Code of 1954 to provide a Federal income tax credit for tuition; to the Committee on Ways and Means.

By Mr. GRASSLEY:

H.R. 867. A bill to modify the method of establishing quotas on the importation of certain meat, to include within such quotas certain meat products, and for other purposes; to the Committee on Ways and Means.

By Mr. GREEN:

H.R. 368. A bill to guarantee the confidentiality of sources of information of the news media and to protect certain rights of privacy of individuals; jointly, to the Committees on Interstate and Foreign Commerce and the Judiciary.

By Mr. GUYER:

H.R. 369. A bill to amend section 6(d)(1) of the Food Stamp Act of 1977, and for other purposes; to the Committee on Agriculture.

H.R. 370. A bill to amend the Truth in Lending Act to require that contracts and agreements respecting credit transactions subject to the act be written in clear and understandable language; to the Committee on Banking, Finance and Urban Affairs.

H.R. 371. A bill to amend the Elementary and Secondary Education Act of 1965 to provide assistance for the establishment of basic standards of educational proficiency applicable to public school students; to the Committee on Education and Labor.

H.R. 372. A bill to amend the Occupational Safety and Health Act of 1970 to provide that the requirements of such act with respect to employers shall apply to the Occupational Safety and Health Administration; to the Committee on Education and Labor.

H.R. 373. A bill to amend the Civil Rights Act of 1964 to make it an unlawful employment practice to discriminate against individuals who are physically handicapped because of such handicap; to the Committee on Education and Labor.

H.R. 374. A bill to amend title VII of the Civil Rights Act of 1964 to provide increased protection to employees' religious observances and practices; to the Committee on Education and Labor.

H.R. 375. A bill to improve agency responsiveness to citizen complaints and inquiries, to require submission to Congress of information on administrative procedures used to handle citizens complaints and inquiries, and for other purposes; to the Committee on Government Operations.

H.R. 376. A bill to amend the Buy American Act to increase the incentives for the purchase of domestic articles, materials, and supplies with regard to Federal and federally funded procurements; to the Committee on Government Operations.

H.R. 377. A bill to amend the Communications Act of 1934 to prohibit making unsolicited commercial telephone calls to persons who have indicated they do not wish to receive such calls; to the Committee on Interstate and Foreign Commerce.

H.R. 378. A bill to expand the medical freedom of choice of consumers by amending the Federal Food, Drug, and Cosmetic Act to provide that drugs will be regulated under that act solely to assure their safety; to the Committee on Interstate and Foreign Commerce.

H.R. 379. A bill to insure equal protection of the laws as guaranteed by the 5th or 14th amendment to the Constitution of the United States; to the Committee on the Judiciary.

H.R. 380. A bill to secure and protect the rights of citizens and protect freedom of the press; to the Committee on the Judiciary.

H.R. 381. A bill to prohibit any act or threat of violence in a labor dispute and any conspiracy to accomplish such act or threat and to impose criminal and civil penalties therefor; to the Committee on the Judiciary.

H.R. 382. A bill to encourage on-the-scene emergency care aboard aircraft by relieving physicians, registered nurses, and aircraft employees from civil liability for damages resulting from any act or omission in rendering such care; to the Committee on the Judiciary.

H.R. 383. A bill to amend the Administrative Procedure Act to require the performance and publication of economic impact analyses in the Federal Register for all proposed and final rules which are subject to the provisions of that act; to the Committee on the Judiciary.

H.R. 384. A bill to amend title 5, United States Code, to deny Federal retirement annuities to individuals convicted of any felony, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 385. A bill to amend title 39, United States Code to establish a reduced rate of postage for certain mail matter of private individuals; to the Committee on Post Office and Civil Service.

H.R. 386. A bill to prohibit the expenditure of Federal funds for the conversion to the metric system of measurements posted on highways without a direct authorization by the Congress for such expenditure; to the Committee on Public Works and Transportation.

H.R. 387. A bill to amend the Metric Conversion Act of 1975 to provide that the functions of the Federal Government with respect to the metric system shall be limited to coordinating the conversion to such system in areas of industries which desire it, and keeping the public informed thereon, without encouraging in any way the adoption or use of such system; to the Committee on Science and Technology.

H.R. 388. A bill to amend the Internal Revenue Code of 1954 to eliminate the adjusted gross income limitation on the credit for the elderly, to increase the amount of such credit, and for other purposes; to the Committee on Ways and Means.

H.R. 389. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for amounts paid by speech-impaired or hearing-impaired individuals for use of toll telephone service by means of teletypewriters; to the Committee on Ways and Means.

H.R. 390. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for the purchase and installation of certain teletypewriters for use by individuals whose sight, hearing, or speech is impaired; to the Committee on Ways and Means.

H.R. 391. A bill to amend the Internal Revenue Code of 1954 to provide that advertising of alcoholic beverages is not a deductible expense; to the Committee on Ways and Means.

H.R. 392. A bill to amend section 44A of the Internal Revenue Code of 1954 to allow all qualifying individuals to take into account employment-related expenses incurred for services outside the taxpayer's household in determining the credit for expenses for certain household and dependent care services under such section; to the Committee on Ways and Means.

H.R. 393. A bill to amend the Internal Revenue Code of 1954 to allow individuals to compute the amount of the deduction for payments into retirement savings on the basis of the compensation of their spouses, and for other purposes; to the Committee on Ways and Means.

H.R. 394. A bill to amend the Internal Revenue Code of 1954 to provide that trusts established for the payment of product liability claims and related expenses shall be exempt from income tax, and that a deduction shall be allowed for contributions to such trusts; to the Committee on Ways and Means.

H.R. 395. A bill to increase the period during which certain private foundations may continue to hold their May 26, 1969, interests in certain public utilities without being subject to the excise tax on excess business holdings; to the Committee on Ways and Means.

H.R. 396. A bill to amend title II of the Social Security Act and chapter 21 of the Internal Revenue Code of 1954 to allow farmers to participate in the management and inspection of property being rented to others without causing their rental income to be treated as covered self-employment income; to the Committee on Ways and Means.

H.R. 397. A bill to amend title II of the Social Security Act to extend the period during which the monthly earnings test is applicable in the case of a farmer who retires in 1 year but does not sell the crops produced in that year until the following year; to the Committee on Ways and Means.

H.R. 398. A bill to eliminate the reduction in social security benefits for spouses and surviving spouses receiving certain Government pensions, as recently added to title II of the Social Security Act by section 334 of the Social Security Amendments of 1977; to the Committee on Ways and Means.

H.R. 399. A bill to amend title II of the Social Security Act and the Internal Revenue Code of 1954 to provide that any individual may elect (on an annual basis) to contribute to a private retirement plan rather than participating in the social security program; to the Committee on Ways and Means.

H.R. 400. A bill to reduce the amount of paperwork required by Federal agencies and to increase congressional awareness of the increase in paperwork required by bills and joint resolutions under consideration by Congress; jointly, to the Committees on Government Operations and Rules.

H.R. 401. A bill to prevent Federal enforcement of racial quotas; jointly, to the Committees on the Judiciary, and Education and Labor.

H.R. 402. A bill to prescribe the conditions with respect to affirmative action programs required of Federal grantees and contractors in complying with nondiscrimination programs, to prescribe the necessary requirements for a finding of discrimination in certain actions brought on the basis of discrimination in employment and to prescribe reasonable limits on the collection of data relating to race, color, religion, sex, or national origin, and for other purposes; to the Committees on the Judiciary and Education and Labor.

H.R. 403. A bill to amend title 5 of the United States Code to establish a uniform procedure for congressional review of agency rules which may be contrary to law or inconsistent with congressional intent, to expand opportunities for public participation in agency rulemaking, and for other purposes; jointly, to the Committees on the Judiciary and Rules.

H.R. 404. A bill to amend title XVIII of the Social Security Act to include dental care, eye care, and hearing aids among the items and services for which payment may be made under the supplementary medical insurance program, and to provide safeguards against consumer abuse in the provision of these items and services; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 405. A bill to amend the Immigration and Nationality Act to prevent the illegal entry and employment of aliens in the United States, to facilitate the admission of aliens for temporary employment, to regulate the issuance and use of social security account cards, and for other purposes; jointly, to the Committees on the Judiciary, Education and Labor, and Ways and Means.

H.R. 406. A bill to amend the Federal Aviation Act of 1958, relating to aircraft piracy, to provide a method for combating terrorism, and related purposes; jointly, to the Committees on International Relations, the Judiciary, and Public Works and Transportation.

By Mr. HAMMERSCHMIDT:

H.R. 407. A bill to amend title 38, United States Code, to increase the rates of disability compensation for disabled veterans and to increase the rates of dependency and indemnity compensation; to the Committee on Veterans' Affairs.

H.R. 408. A bill to amend title 38 of the United States Code to provide that progressive muscular atrophy developing a 10 percent or more degree of disability within 7 years after separation from active service during a period of war shall be presumed to be service connected; to the Committee on Veterans' Affairs.

H.R. 409. A bill to amend title 38, United States Code, to increase the rates of vocational rehabilitation, educational assistance, and special training allowance paid to eligible veterans and persons, and for other purposes; to the Committee on Veterans' Affairs.

H.R. 410. A bill to amend title 38 of the United States Code in order to provide mortgage protection life insurance to certain veterans unable to acquire commercial life insurance because of service-connected disabilities; to the Committee on Veterans' Affairs.

H.R. 411. A bill to authorize veterans loan guaranty benefits notwithstanding usury provisions of State constitutions or statutes, and for other purposes; to the Committee on Veterans' Affairs.

H.R. 412. A bill to amend title 38, United States Code, in order to revise the provisions therein relating to the construction, alteration and acquisition of medical facilities under the jurisdiction of Veterans' Affairs; to the Committee on Veterans' Affairs.

By Mr. HANSEN:

H.R. 413. A bill to protect the welfare of consumers of sugar and those engaged in the domestic sugar-producing industry; and for other purposes; to the Committee on Agriculture.

H.R. 414. A bill to establish standards of fair practices that shall be observed by handlers and associations of producers in their dealings in agricultural products; to the Committee on Agriculture.

H.R. 415. A bill to amend the Food Stamp Act of 1964, to exclude from coverage under the act households which have members who are on strike, and for other purposes; to the Committee on Agriculture.

H.R. 416. A bill to amend chapter 49 of title 10, United States Code, to prohibit union organization in the Armed Forces, and for other purposes; to the Committee on Armed Services.

H.R. 417. A bill to prohibit the transfer or other disposal of any military installation located in the Canal Zone without the specific authorization of Congress; to the Committee on Armed Services.

H.R. 418. A bill to facilitate the implementation of monetary policy and to promote competitive equality among commercial banks; to the Committee on Banking, Finance and Urban Affairs.

H.R. 419. A bill to repeal limits on interest paid on savings, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

H.R. 420. A bill to provide for steady, noninflationary growth in the money supply; to the Committee on Banking, Finance and Urban Affairs.

H.R. 421. A bill to amend the Federal Reserve Act to provide authority for Federal Reserve banks to lend obligations to the Secretary of the Treasury and for the Secretary of the Treasury to borrow such obligations to meet the Treasury's short-term cash needs; to the Committee on Banking, Finance and Urban Affairs.

H.R. 422. A bill to provide for further diversification of the Federal Reserve Boards of Directors, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

H.R. 423. A bill to amend the Federal Reserve Act to provide that the Chairman and Vice Chairman of the Board shall continue to serve until their successors are designated and have qualified; to the Committee on Banking, Finance and Urban Affairs.

H.R. 424. A bill to amend the Federal Reserve Act to require that detailed minutes of Federal Open Market Committee meetings be released to the general public 5 years after the date of the meeting to which they relate; to the Committee on Banking, Finance and Urban Affairs.

H.R. 425. A bill to repeal the Occupational Safety and Health Act; to the Committee on Education and Labor.

H.R. 426. A bill to amend the Occupational Safety and Health Act of 1970 to provide that the Secretary of Labor may conduct inspections at the workplace of an employer only after the issuance of a search warrant; to the Committee on Education and Labor.

H.R. 427. A bill to amend the Occupational Safety and Health Act of 1970 to prohibit restrictions on work rules in locations in which there is hunting, fishing, or shooting sports, and for other purposes; to the Committee on Education and Labor.

H.R. 428. A bill to amend the Occupational Safety and Health Act of 1970 to exempt small businesses having no more than 10 full-time employees or the equivalent thereof, and does not have an occupational injury incidence rate exceeding 7 per 100 full-time employees based upon the annual Bureau of Labor Statistics survey of 3- and 4-digit standard industrial classification code industries; to the Committee on Education and Labor.

H.R. 429. A bill to amend the Davis-Bacon Act, and for other purposes; to the Committee on Education and Labor.

H.R. 430. A bill to require the Environmental Protection Agency and all other Federal regulatory agencies to evaluate, prior to the issuance of a regulation, the potential economic effect and environmental impact of such regulations; to the Committee on Government Operations.

H.R. 431. A bill to provide that the Secretary of the Interior and the Attorney General shall not withhold water deliveries from any beneficiary of a Federal reclamation project for the purpose of achieving conformity with the reclamation rules and regulations proposed by the Bureau of Reclamation, Department of the Interior, until January 1, 1980; to the Committee on Interior and Insular Affairs.

H.R. 432. A bill to amend and supplement the acreage limitation and residency provisions of the Federal reclamation laws, as amended and supplemented, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 433. A bill to provide for the confidentiality of medical and/or dental records of patients not receiving assistance from the Federal Government, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 434. A bill to expand the medical freedom of choice of consumers by amending the Federal Food, Drug and Cosmetic Act to provide that drugs will be regulated under that act solely to assure their safety; to the Committee on Interstate and Foreign Commerce.

H.R. 435. A bill providing that any State legislature which rescinds its ratification of a proposed amendment to the Constitution shall not be considered to have ratified the amendment; to the Committee on the Judiciary.

H.R. 436. A bill to provide that in civil actions where the United States is a plaintiff, a prevailing defendant may recover a reasonable attorney's fee and other reasonable litigation costs; to the Committee on the Judiciary.

H.R. 437. A bill to repeal the Gun Control Act of 1968; to the Committee on the Judiciary.

H.R. 438. A bill to remove statutory limitations upon the application of the Sherman Act to labor organizations and their activities, and for other purposes; to the Committee on the Judiciary.

H.R. 439. A bill to clarify the circumstances under which territorial provisions in licenses to manufacture, distribute, and sell trademarked soft drink products are lawful under the antitrust laws; to the Committee on the Judiciary.

H.R. 440. A bill to amend the Federal Water Pollution Control Act, as amended, to define the term "navigable waters" as it applies to Corps of Engineers responsibility and authority to regulate the discharge of dredged or fill material; to the Committee on Public Works and Transportation.

H.R. 441. A bill to prohibit the transfer or other disposal of any veterans' cemetery located in the Canal Zone without the specific authorization of Congress; to the Committee on Veterans' Affairs.

H.R. 442. A bill to amend title 38 of the United States Code to deny veterans' benefits to certain individuals whose discharges from active military service under less than honorable conditions are administratively upgraded under the revised standards as implemented by the Department of Defense's special discharge review program; to the Committee on Veterans' Affairs.

H.R. 443. A bill to amend the Internal Revenue Code of 1954 to provide for tax reductions and reforms; to the Committee on Ways and Means.

H.R. 444. A bill to amend the Internal Revenue Code of 1954 to exempt dividends from Federal taxation, to allocate corporate income tax revenues for payments to qualified registered voters, and for other purposes; to the Committee on Ways and Means.

H.R. 445. A bill to amend the Internal Revenue Code of 1954 to repeal the estate and gift taxes; to the Committee on Ways and Means.

H.R. 446. A bill to provide tax relief to persons whose property was destroyed or damaged as the result of the collapse of the Teton Dam; to the Committee on Ways and Means.

H.R. 447 A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

H.R. 448. A bill to amend title II of the Social Security Act and the Internal Revenue Code of 1954 to provide that any individual may elect (on an annual basis) to contribute to a private retirement plan rather than participating in the social security program; to the Committee on Ways and Means.

H.R. 449. A bill to modify the method of determining quantitative limitations on the importation of certain articles of meat and meat products, to apply quantitative limitations on the importation of certain additional articles of meat, meat products, and livestock, and for other purposes; to the Committee on Ways and Means.

H.R. 450. A bill to prohibit the importation of Ugandan products into the United States; to the Committee on Ways and Means.

H.R. 451. A bill to prohibit the importation into the United States of certain agricultural products of Cuba, to include citrus, winter vegetables, and tropical fruits until after 1989; to the Committee on Ways and Means.

H.R. 452. A bill to prescribe the conditions with respect to affirmative action programs required of Federal grantees and contractors in complying with nondiscrimination programs, to prescribe the necessary requirements for a finding of discrimination in certain actions brought on the basis of discrimination in employment, and to prescribe reasonable limits on the collection of data relating to race, color, religion, sex, or national origin, and for other purposes; jointly to the Committees on the Judiciary and Education and Labor.

H.R. 453. A bill to amend title 5 of the United States Code to establish a uniform procedure for congressional review of agency rules which may be contrary to law or inconsistent with congressional intent, to expand opportunities for public participation in agency rulemaking, and for other purposes; jointly, to the Committees on the Judiciary and Rules.

H.R. 454. A bill to provide the congressional authorization required by clause 2, section 3, article IV of the Constitution, for the transfer to Panama of the property of the United States in the Canal Zone; to authorize the appropriations required by clause 7, section 9, article I of the Constitution, to implement that transfer of U.S. property, including the transfer of military installations and of cemeteries in which U.S. veterans are interred, the closing of the Canal Zone courts, and the assumption by the U.S. Postal Service of the functions of the Canal Zone postal service; to otherwise provide legislatively the authorizations not provided pursuant to clause 2, section 2, article II of the Constitution which are necessary to implement the Panama Canal Treaty of 1977 and related agreements; and for other purposes jointly; to the Committees on Merchant Marine and Fisheries, International Relations, the Judiciary, and Post Office and Civil Service.

By Mr. HIGHTOWER:

H.R. 455. A bill to provide wheat, feed grain, and cotton producers the opportunity to receive parity prices for the 1979 through 1981 crops; to the Committee on Agriculture.

By Mr. HILLIS:

H.R. 456. A bill to amend the Federal Civil Defense Act of 1950 to allow Federal civil defense funds to be used by local civil defense agencies for natural disaster relief, and for other purposes; to the Committee on Armed Services.

H.R. 457. A bill to amend chapter 44 of title 18 of the United States Code (respecting firearms) to penalize the use of firearms in the commission of any felony, and to increase the penalties in certain related existing provisions, to lower certain age limits from 21 years to 18, and to eliminate certain recordkeeping provisions with respect to ammunition; to the Committee on the Judiciary.

H.R. 458. A bill to amend the Internal Revenue Code of 1954 to allow taxpayers to treat certain federally required nonproductive expenditures as not chargeable to capital account and as currently deductible to the Committee on Ways and Means.

H.R. 459. A bill to amend title XVIII of the Social Security Act to include dental care, eye care, dentures, eyeglasses, and hearing aids among the benefits provided by the insurance program established by part B of such title, and for other purposes; jointly, to the Committee on Ways and Means and Interstate and Foreign Commerce.

By Mr. HOLLAND (for himself, Mr. Broyhill, Mr. Hefner, Mrs. Bouquard, Mr. Applegate, Mr. Moore, Mr. Nichols, Mr. Emery, Mr. Levitas, Mr. Barnard, Mr. Michael O. Myers, Mr. Moakley, Mr. Lederer, Mr. Jenrette, Mr. Hollenbeck, Mr. Montgomery, Mr. Addabbo, Mr. Mathis, Mr. Richmond, Mr. Murtha, Mr. Preyer, Mr. D'Amours, Mr. Bevill, Mr. Jenkins, Mr. Annunzio, Mr. Lott, Mr. Hillis, Mr. Beard of Tennessee, Mr. Rangel, Mr. Studds, Mr. Corrada, Mr. St Germain, Mr. Edwards of Alabama, Mr. Charles Wilson of Texas, Mr. Maguire, Mr. Duncan of Tennessee, Mr. Spence, Mr. Murphy of New York, Mr. Yatron, Mr. Derrick, Mr. Martin, Mrs. Heckler, Mr. Gudger, Mr. Rinaldo, Mr. Walker, Mr. Florio, Mr. Price, Mr. Myers of Indiana, Mr. McDonald, Mr. McCormack, Mr. Ertel, Mr. Benjamin, Mr. Dan Daniel, Ms. Mikulski, Mr. Garcia, Mr. Hall, Mr. Wolff, Mr. Stratton, Mr. Burlison, Mr. Bonior, Mr. Rahall, Mr. Roe, Mr. Evans of Georgia, Mr. Kildee, Mr. Alexander, Mr. Andrews of North Carolina, Mr. Lee, Mr. Evans of Delaware, Mr. Rose, Mr. Dickinson, Mr. Boland, Mr. Jones of Tennessee, Mr. Jones of North Carolina, Mr. Fountain, Mr. Patterson, Mr. Chappell, Mr. Howard, Mr. Kazen, Mr. Runnels, Mr. Campbell, Mr. Ginn, Mr. Gaydos, Mr. Skelton, Mr. Rosenthal, Mr. Bafalis, Mr. Davis of South Carolina, Mr. Akaka, Mr. Whitley, Mr. Rodino, Mr. Wampler, Mr. Kindness, Mr. Ottinger, Mr. McDade, Mr. Luken, Mr. Nowak, Mr. Edgar, Mr. Cleveland, Mr. Robinson, Mrs. Holt, Mr. Brinkley, Mr. Huckaby, Mr. Neal, Mr. Taylor, and Mr. Pickle):

H.R. 460. A bill to amend the Trade Act of 1974; to the Committee on Ways and Means.

By Mrs. HOLT:

H.R. 461. A bill to amend the Food Stamp Act of 1964 to prohibit any individual from receiving food stamps who receives at least one-half of his income from any other individual who is a member of another household which is ineligible for food stamps; to the Committee on Agriculture.

H.R. 462. A bill to authorize recomputation at age 60 of the retired pay of members and former members of the uniformed services whose retired pay is computed on the basis of pay scales in effect prior to January 1, 1972, and for other purposes; to the Committee on Armed Services.

H.R. 463. A bill to provide for payments in lieu of real property taxes, with respect to certain real property owned by the Federal Government; to the Committee on Government Operations.

H.R. 464. A bill to amend the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 to provide emphasis within the National Institute on Alcohol Abuse and Alcoholism for families of aclohol abusers and alcoholics; to the Committee on Interstate and Foreign Commerce.

H.R. 465. A bill to provide a remedy for sex discrimination by the insurance business with respect to the availability and the scope of insurance coverage for women; to the Committee on Interstate and Foreign Commerce.

H.R. 466. A bill to limit the jurisdiction of the Supreme Court of the United States and of the district courts to enter any judgment, decree, or order, denying or restricting, as unconstitutional, voluntary prayer in any public school; to the Committee on the Judiciary.

H.R. 467. A bill to amend chapter 44 of title 18 of the United States Code (respecting firearms) to penalize the use of firearms in the commission of any felony and to increase the penalties in certain related existing provisions; to the Committee on the Judiciary.

H.R. 468. A bill to amend title IV of the Civil Rights Act of 1964 to prohibit federally ordered assignment of teachers or students on racial and other similar grounds; to the Committee on the Judiciary.

H.R. 469. A bill to repeal section 3108 of title 5, United States Code, which prohibits the employment by the United States and the District of Columbia of individuals employed by detective agencies; to the Committee on Post Office and Civil Service.

H.R. 470. A bill to amend title 38, United States Code, to authorize a program of assistance to States for the establishment, expansion, improvement, and maintenance of veterans cemeteries, and to provide for transportation of bodies to a national cemetery; to the Committee on Veterans' Affairs.

H.R. 471. A bill to amend the Internal Revenue Code of 1954 to allow a taxpayer a deduction from gross income for expenses paid by him for the education of any of his dependents at an institution of higher learning; to the Committee on Ways and Means.

H.R. 472. A bill to amend the Internal Revenue Code of 1954 to allow a deduction to individuals who rent their principal residences for a portion of the real property taxes paid or accrued by their landlords; to the Committee on Ways and Means.

H.R. 473. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income the interest on deposits in banks and certain other savings institutions; to the Committee on Ways and Means.

H.R. 474. A bill to amend the Internal Revenue Code of 1954 to provide that advertising of alcoholic beverages is not a deductible expense; to the Committee on Ways and Means.

H.R. 475. A bill to assure the continued dedication of the United States to quality education and the neighborhood school concept; jointly, to the Committees on the Judiciary and Education and Labor.

By Ms. HOLTZMAN:

H.R. 476. A bill to amend the Equal Credit Opportunity Act to prohibit discrimination against any applicant for credit on the basis of the geographical location of the applicant's residence; to the Committee on Banking, Finance and Urban Affairs.

H.R. 477. A bill to amend the Housing and Community Development Act of 1974 for the purpose of authorizing grants to be used to fund local programs designed to improve housing and prevent neighborhood deterioration; to the Committee on Banking, Finance and Urban Affairs.

H.R. 478. A bill to amend title II of the Public Works Employment Act of 1976 to establish a supplementary antirecession fiscal assistance program for local governments suffering severe unemployment; to the Committee on Government Operations.

H.R. 479. A bill to amend titles 18 and 28 of the United States Code to provide that an individual appearing before certain grand juries can be imprisoned for contempt for no more than 6 months, and for other purposes; to the Committee on the Judiciary.

H.R. 480. A bill to amend the provisions of titles 18 and 28 of the United States Code that are commonly called the Rules Enabling Acts to provide a uniform method for the proposal and adoption of certain rules of court by the U.S. Supreme Court, and for other purposes; to the Committee on the Judiciary.

H.R. 481. A bill to amend the provisions of titles 18 and 28 of the United States Code that are commonly called the Rules Enabling Acts to provide a uniform method for the proposal and adoption of certain rules of court by the Judicial Conference, and for other purposes; to the Committee on the Judiciary.

H.R. 482. A bill to amend title 18, United States Code, to provide for cases of persons acquitted of certain Federal offenses by reason of insanity; to the Committee on the Judiciary.

H.R. 483. A bill to amend section 101(b) of the Immigration and Nationality Act; to the Committee on the Judiciary.

H.R. 484. A bill to amend title II of the Social Security Act to provide that an individual may simultaneously receive (without any reduction or offset) both an old-age or disability insurance benefit and a widow's or widower's insurance benefit; to the Committee on Ways and Means.

H.R. 485. A bill to amend title IV of the Social Security Act to increase the minimal Federal matching rate under the aid for families with dependent children program to 75 percent; to the Committee on Ways and Means.

H.R. 486. A bill to amend the Social Security Act to make certain that recipients of supplemental security income benefits, recipients of aid to families with dependent children, and recipients of assistance or benefits under certain other Federal and federally assisted programs will not have the amount of such benefits, aid, or assistance reduced because of post-1974 increases in monthly social security benefits; to the Committee on Ways and Means.

H.R. 487. A bill to provide a supplementary housing allowance to supplemental security income recipients; to the Committee on Ways and Means.

H.R. 488. A bill to amend title XVIII of the Social Security Act to authorize payment under the supplementary medical insurance program for certain diagnostic tests and examinations given for the detection of breast cancer; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

H.R. 489. A bill to permit officers and employees of the Federal Government to elect coverage under the old-age, survivors, and disability insurance system; Committee on Ways and Means.

H.R. 490. A bill to amend the Congressional Budget Act of 1974 to require that certain information with respect to unobligated balances of budget authority be included in the report accompanying the first concurrent resolution on the budget each year (as well as in the annual reports submitted by other committees to the Budget Committees of the House and Senate, and in the President's annual budget); jointly, to the Committees on Government Operations and Rules.

By Mr. HORTON:

H.R. 491. A bill to amend the Export Administration Act of 1969 to prohibit exporting to Uganda of goods subject to control under that act; to the Committee on International Relations.

H.R. 492. A bill to prohibit the importation of Ugandan products into the United States; to the Committee on Ways and Means.

H.R. 493. A bill to amend the Tariff Schedules of the United States in order to prohibit the importation of coffee which is the product of Uganda; to the Committee on Ways and Means.

By Mr. HORTON (for himself and Mr. Lee):

H.R. 494. A bill to clarify the circumstances under which territorial provisions in licenses to manufacture, distribute, and sell trademarked soft drink products are lawful under the antitrust laws; to the Committee on the Judiciary.

By Mr. HOWARD:

H.R. 495. A bill to establish a congressional award program for the purpose of recognizing excellence and leadership among young people; to the Committee on Education and Labor.

H.R. 496. A bill to provide for public financing of election campaigns for the House of Representatives, and for other purposes; to the Committee on House Administration.

H.R. 497. A bill to amend the Clean Air Act to authorize assistance to States for purposes of reducing asbestos levels in the interior of school buildings; to the Committee on Interstate and Foreign Commerce.

By Mr. HOWARD (for himself, Mr. Gephardt, Mr. Winn, Mr. Pickle, Mr. Oberstar, Mr. Whitehurst, Mr. Duncan of Oregon, Mr. Won Pat, Mr. Rodino, Mr. Akaka, Mr. Mitchell of Maryland, Mr. Flood, Mr. Wolff, Mr. Stokes, Mr. Forsythe, Mr. Solarz, Mr. Hawkins, Mr. Jacobs, Mr. Johnson of California, Mr. Nolan, Mr. Hubbard, Mr. Jeffords, Mr. Derwinski, Mr. Lagomarsino, Mr. Richmond, Mr. Levitas, Mr. Downey, Mr. O'Brien, Mr. Watkins, Mrs. Heckler, and Mr. Rangel):

H.R. 498. A bill to establish a congressional award program for the purpose of recognizing excellence and leadership among young people; to the Committee on Education and Labor.

By Mr. HUGHES:

H.R. 499. A bill to amend the Internal Revenue Code of 1954 to allow certain individuals who have attained age 65 or who are disabled a refundable tax credit for property taxes paid by them on their principal residences or for a certain portion of the rent they pay for their principal residences; to the Committee on Ways and Means.

By Mr. HYDE:

H.R. 500. A bill to provide procedures for calling constitutional conventions for proposing amendments to the Constitution of the United States, on application of the legislatures of two-thirds of the States, pursuant to article V of the Constitution; to the Committee on the Judiciary.

H.R. 501. A bill to amend title 18 of the United States Code for the purpose of prohibiting the sale of children in interstate or foreign commerce; to the Committee on the Judiciary.

H.R. 502. A bill to amend title I of the Omnibus Crime Control and Safe Streets Act of 1968 to provide for the recapture of unused proceeds of certain grants; to the Committee on the Judiciary.

H.R. 503. A bill to provide a penalty for the robbery or attempted robbery of any controlled substance from any pharmacy; to the Committee on the Judiciary.

H.R. 504. A bill to amend title 18, United States Code, relating to the production of false documents or papers of the United States, and the use of false information in obtaining official documents and papers of the United States, involving an element of identification; to the Committee on the Judiciary.

By Mr. JEFFORDS:

H.R. 505. A bill to amend the Agricultural Act of 1949 for purposes of providing that milk shall continue to be supported at not less than 80 percent of the parity price for milk until October 1, 1981, and for other purposes; to the Committee on Agriculture.

By Mr. JEFFORDS (for himself and Mr. Perkins):

H.R. 506. A bill to amend the Internal Revenue Code of 1954 to provide that expenditures for woodburning stoves shall be eligible for the 15-percent residential energy credit for energy conservation expenditures; to the Committee on Ways and Means.

By Mr. JOHNSON of California:

H.R. 507. A bill to authorize Federal participation in stream rectification, Trinity River Division, Central Valley project, Calif., and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. KASTENMEIER:

H.R. 508. A bill to promote competition in the production of coal, uranium, and geothermal power; to the Committee on the Judiciary.

H.R. 509. A bill to establish a Federal Oil and Gas Corporation; jointly, to the Committees on Interior and Insular Affairs, Interstate and Foreign Commerce, and Science and Technology.

By Mr. KILDEE (for himself, Mr. Brodhead, Mr. Conyers, Mr. Bonior of Michigan, Mr. Bafalis, Mr. Lederer, Mr. Traxler, and Mr. Wolpe):

H.R. 510. A bill to amend the Internal Revenue Code of 1954 to provide for the exclusion from gross income of a certain portion of amounts received as annuities, pensions, or other retirement benefits by individuals who have attained age 65; to the Committee on Ways and Means.

By Mr. KINDNESS:

H.R. 511. A bill to amend the Internal Revenue Code of 1954 to permit the deduction of certain expenses by members of State legislatures to the extent such expenses may be deducted by Members of Congress; to the Committee on Ways and Means.

H.R. 512. A bill to amend title 5 of the United States Code to improve the quality of agency rulemaking by establishing a uniform procedure for the congressional review of agency rules, to expand the opportunities for public participation in agency rulemaking, and for other purposes; jointly, to the Committees on the Judiciary and Rules.

By Mr. LAGOMARSINO:

H.R. 513. A bill to amend the Surface Mining Control and Reclamation Act of 1977 with respect to designation of lands unsuitable for noncoal mining; to the Committee on Interior and Insular Affairs.

H.R. 514. A bill to provide for the establishment of a National Voluntary Health Insurance Act; to the Committee on Interstate and Foreign Commerce.

H.R. 515. A bill to provide that any increase in the rate of pay for Members of Congress proposed during any Congress shall not take effect earlier than the beginning of the next Congress; to the Committee on Post Office and Civil Service.

H.R. 516. A bill to provide that no increase in pay for Members of Congress shall take effect without a recorded vote in each House; jointly, to the Committees on Post Office and Civil Service and Rules.

H.R. 517. A bill to amend the Internal Revenue Code of 1954 and certain other provisions of law to provide for automatic cost-of-living adjustments in the income tax rates, the amount of the standard, personal exemption, and depreciation deductions and the rate of interest payable on certain obligations of the United States; to the Committee on Ways and Means.

H.R. 518. A bill to reduce social security payroll taxes by amending the Social Security Act and the Internal Revenue Code of 1954; to the Committee on Ways and Means.

H.R. 519. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

By Mr. LENT:

H.R. 520. A bill to direct the Secretary of the Treasury to compensate States and units of local government for the loss of real property tax revenues due to the tax-exempt status of certain real estate property owned or occupied by foreign countries and international organizations; to the Committee on Government Operations.

H.R. 521. A bill to amend the Internal Revenue Code of 1954 to provide a basic $5,000 exemption from income tax, in the case of an individual or a married couple, for amounts received as annuities, pensions, or other retirement benefits; to the Committee on Ways and Means.

H.R. 522. A bill to amend the Internal Revenue Code of 1954 to provide individuals a limited exclusion from gross income for interest on deposits in certain savings institutions; to the Committee on Ways and Means.

H.R. 523. A bill to amend the Internal Revenue Code of 1954 to allow certain low- and middle-income individuals a refundable tax credit for a certain portion of the property taxes paid by them on their principal residences or of the rent they pay for their principal residences; to the Committee on Ways and Means.

H.R. 524. A bill to establish a task force to study and evaluate the taxation of real property by State and local governments, the effects of such taxation on certain taxpayers, and the feasibility of Federal taxation and other policies designed to reduce the dependence of State and local governments on such taxation; jointly, to the Committees on Ways and Means, and Government Operations.

By Mr. LEHMAN:

H.R. 525. A bill to authorize equalization of the retired pay of certain members and former members of the uniformed services; to the Committee on Armed Services.

H.R. 526. A bill to amend the Land and Water Conservation Fund Act of 1965, relating to the issuance to certain disabled individuals of lifetime admission permits to certain areas within the National Park System and national recreation areas; to the Committee on Interior and Insular Affairs.

H.R. 527. A bill to amend title 5, United States Code, to provide that any Federal employee who, at the time of retirement does not elect a reduced annuity in order to provide a survivor annuity to a spouse or other person may make such an election within 1 year after retiring; to the Committee on Post Office and Civil Service.

H.R. 528. A bill to amend title 5, United States Code, to provide survivor annuities to subsequent spouses of certain additional classes of deceased annuitants who died after making available survivor annuities for previous spouses at time of retirement, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 529. A bill to amend title 38, United States Code, to eliminate the time period in which a veteran has to use his educational benefits; to the Committee on Veterans' Affairs.

H.R. 530. A bill to provide for a national cemetery in the area of Broward County or Dade County, Fla.; to the Committee on Veterans' Affairs.

H.R. 531. A bill to allow a credit against Federal income taxes or a payment from the U.S. Treasury for State and local real property taxes or an equivalent portion of rent paid on their residences by individuals who have attained age 65; to the Committee on Ways and Means.

H.R. 532. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

H.R. 533. A bill to amend title XVIII of the Social Security Act to include, as a home health service, nutritional counseling provided by or under the supervision of a registered dietition; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. LEVITAS:

H.R. 534. A bill to require the Comptroller General of the United States to carry out audits of expenditures and financial transactions of Members, officers, and standing committees of the House of Representatives; to the Committee on House Administration.

H.R. 535. A bill to amend title 18, United States Code, to further restrict the interception of certain wire or oral communications; to the Committee on the Judiciary.

H.R. 536. A bill to provide coverage under the Federal old-age, survivors, and disability insurance system for all officers and employees of the United States and its instrumentalities other than those in the judicial branch; to the Committee on Ways and Means.

H.R. 537. A bill to provide coverage under the Federal old-age survivors, and disability insurance system for all Members of Congress and other officers and employees in the legislative branch of the Government; to the Committee on Ways and Means.

H.R. 538. A bill to amend the Social Security Act and the Rehabilitation Act of 1973 to provide provisional definitions of disability of varying duration, to eliminate work disincentives in programs affecting workers, and for other purposes; jointly, to the Committees on Ways and Means and Education and Labor.

By Mr. LLOYD:

H.R. 539. A bill to amend chapter 44 of title 18 of the United States Code (respecting firearms) to penalize the use of firearms in the commission of any felony and to increase the penalties in certain related existing provisions; to the Committee on the Judiciary.

H.R. 540. A bill to establish a system of protection against catastrophic health care costs; to the Committee on Ways and Means.

H.R. 541. A bill to amend the Internal Revenue Code of 1954 to exclude from the gross income of individuals who have attained the age of 62 $3,000 of interest received during any taxable year; to the Committee on Ways and Means.

H.R. 542. A bill to amend the Internal Revenue Code of 1954 to allow a deduction of not more than $1,500 for amounts paid or incurred for maintaining a household a member of which is a dependent of the taxpayer who has attained the age of 65; to the Committee on Ways and Means.

H.R. 543. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

H.R. 544. A bill to require authorizations of new budget authority for Government programs at least every 5 years, to establish a procedure for zero-base review of Government programs every 5 years, and for other purposes; jointly, to the Committees on Government Operations and Rules.

H.R. 545. A bill to abolish certain Federal regulatory agencies and to bring about the abolition of certain Federal regulatory agencies or their successor agencies after a specified period of time, and for other purposes; to the Committees on Government Operations and Rules.

By Mr. LUKEN:

H.R. 546. A bill to amend chapters 2 and 21 of the Internal Revenue Code of 1954 and title II of the Social Security Act to improve the financing of the social security programs by adjusting old-age, survivors, and disability insurance and hospital insurance tax rates, increasing the allocations for disability insurance purposes, repealing the recently enacted statutory increases in the contribution and benefit base, and permitting the two old-age, survivors, and disability insurance trust funds to borrow from each other when necessary to make benefit payments and continue full operation; to the Committee on Ways and Means.

By Mr. McCLORY:

H.R. 547. A bill to amend chapter 21, title 18, United States Code, so as to place certain limitations on the exercise of the contempt power by the courts of the United States; to the Committee on the Judiciary.

By Mr. McCLOSKEY:

H.R. 548. A bill to amend the Voting Rights Act of 1965 to limit certain aspects of its coverage for other than racial groups; to the Committee on the Judiciary.

By Mr. McCLORY:

H.R. 549. A bill to amend the Federal Water Pollution Control Act to facilitate contract enforcement and for other purposes; to the Committee on Public Works and Transportation.

H.R. 550. A bill to amend the Federal Water Pollution Control Act to limit the exercise of the contempt powers of the courts of the United States in environmental disputes; to the Committee on Public Works and Transportation.

By Mr. McCLOSKEY:

H.R. 551. A bill to require a reduction in the salaries of Members of Congress and individuals paid under the Executive Schedules for any calendar year by an amount which reflects the budget deficit of the Federal Government, if any, in the fiscal year ending in such calendar year; to the Committee on Post Office and Civil Service.

Mr. McCORMACK:

H.R. 552. A bill to provide for the alleviation of high ground-water conditions in and adjacent to the town of Moses Lake, Wash., and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. McDONALD:

H.R. 553. A bill to provide that existing regulations issued by the Secretary of Labor with respect to occupational exposure to cotton dust shall cease to be effective and that any future regulations with respect to such exposure shall be subject to congressional disapproval; to the Committee on Education and Labor.

H.R. 554. A bill to reduce expenditures by the Federal Government, except expenditures for national defense and national security, for the fiscal year 1979; to the Committee on Government Operations.

H.R. 555. A bill to require the Comptroller General of the United States to audit annually the gold held by the United States on the first day of each fiscal year and to report his findings to the Congress; to the Committee on Government Operations.

H.R. 556. A bill to insure the equal protection of the laws and to protect the liberty of citizens as guaranteed by the 14th amendment, by eliminating Federal court jurisdiction over forced school attendance; to the Committee on the Judiciary.

H.R. 557. A bill to amend chapter 44 of title 18 of the United States Code (respecting firearms) to penalize the use of firearms in the commission of any Federal felony and to increase the penalties in certain related existing provisions; to the Committee on the Judiciary.

H.R. 558. A bill to amend section 154 of title 23, United States Code, to increase the national maximum speed limit to 65 miles per hour; to the Committee on Public Works and Transportation.

H.R. 559. A bill to provide that the Internal Revenue Service may not implement certain proposed rules relating to the determination of whether private schools have discriminatory policies; to the Committee on Ways and Means.

H.R. 560. A bill to amend the Internal Revenue Code of 1954 to provide an inflation adjustment for the amount exempted from gift tax; to the Committee on Ways and Means.

H.R. 561. A bill to limit eligibility for appointment and admission to any U.S. service academy to male individuals; jointly, to the Committees on Armed Services, and Merchant Marine and Fisheries.

By Mr. McDONALD (for himself and Mr. SYMMS):

H.R. 562. A bill to repeal titles XV and XVI of the Public Health Service Act; to the Committee on Interstate and Foreign Commerce.

By Mr. MATHIS (for himself and Mr. WAMPLER):

H.R. 563. A bill to prohibit the Secretary of Agriculture from prohibiting the use of nitrites as a food preservative on the basis of any carcinogenic effect nitrites may be represented to have until a satisfactory substitute preservative is commercially available; to the Committee on Agriculture.

By Mr. MAZZOLI:

H.R. 564. A bill to amend the Federal Election Campaign Act of 1971 to provide for financing of general election campaigns for the House of Representatives; to the Committee on House Administration.

H.R. 565. A bill amending title 5 of the United States Code to improve agency rule making by expanding the opportunities for public participation, by creating procedures for congressional review of agency rules, and by expanding judicial review, and for other purposes; jointly, to the Committees on the Judiciary and Rules.

By Mr. MIKVA:

H.R. 566. A bill to prohibit the importation, manufacture, sale, purchase, transfer, receipt, or transportation of handguns, except for or by members of the Armed Forces, law enforcement officials, and, where authorized, licensed importers, manufacturers, dealers, and pistol clubs; to the Committee on the Judiciary.

By Mr. MILLER of Ohio:

H.R. 567. A bill to authorize the construction of such facilities as deemed necessary by the Secretary of the Army (acting through the Chief of Engineers) in the vicinity of Logan and Nelsonville, Ohio, for the purpose of providing adequate flood protection to this area; to the Committee on Public Works and Transportation.

H.R. 568. A bill to terminate the authorization of the Salt Creek Dam and Reservoir project, Ohio; to the Committee on Public Works and Transportation.

H.R. 569. A bill to amend the Internal Revenue Code of 1954 to provide a basic $5,000 exemption from income tax for amounts received as annuities, pensions, or other retirement benefits; to the Committee on Ways and Means.

By Mr. MITCHELL of New York:

H.R. 570. A bill to amend the Agricultural Act of 1970 for the purpose of authorizing the Secretary of Agriculture to include hay as a disaster reserve; and for other purposes; to the Committee on Agriculture.

H.R. 571. A bill to amend the Federal Civil Defense Act of 1950 to authorize appropriations for the purposes of such act for fiscal years 1980 through 1986; to the Committee on Armed Services.

H.R. 572. A bill to direct the Secretary of Defense to make veterans with service-connected disabilities and their surviving spouses eligible for commissary and post exchange privileges; to the Committee on Armed Services.

H.R. 573. A bill to clarify the circumstances under which territorial provisions in licenses to manufacture, distribute, and sell trademarked soft drink products are lawful under the antitrust laws; to the Committee on the Judiciary.

H.R. 574. A bill to grant a Federal charter to the Italian American War Veterans of the United States; to the Committee on the Judiciary.

H.R. 575. A bill to award one preference point to National Guard and Armed Forces Reserve veterans applying for employment in the competitive service; to the Committee on Post Office and Civil Service.

H.R. 576. A bill to provide financial aid to local fire departments in the purchase of advanced firefighting equipment; to the Committee on Science and Technology.

H.R. 577. A bill to amend title 38 of the United States Code to remove the time limitations within which programs of education for veterans must be completed; to the Committee on Veterans' Affairs.

H.R. 578. A bill to amend title 38, United States Code, to increase from 1 year to 7 years the period after a veteran is separated from military service during which development of Parkinson's disease will be presumed to be service-connected; to the Committee on Veterans' Affairs.

H.R. 579. A bill to amend title 38, United States Code, to include insomnia within the list of chronic diseases for which compensation may be provided under such title for a service-connected disability; to the Committee on Veterans' Affairs.

H.R. 580. A bill to amend title 38 of the United States Code relating to the recognition of representatives of the Polish Legion of American Veterans as claims agents for claims arising under laws administered by the Veterans' Administration; to the Committee on Veterans' Affairs.

H.R. 581. A bill to amend the Internal Revenue Code of 1954 to provide that the special expenses incurred in maintaining a retarded or handicapped individual shall be allowable as a medical deduction without regard to the 3-percent floor; to the Committee on Ways and Means.

H.R. 582. A bill to amend the Internal Revenue Code of 1954 to exempt farmers from the highway use tax on heavy trucks for farm purposes; to the Committee on Ways and Means.

H.R. 583. A bill to amend the Internal Revenue Code of 1954 to permit a taxpayer to deduct certain expenses paid by him for special education furnished to a child or other minor dependent who is physically or mentally handicapped; to the Committee on Ways and Means.

H.R. 584. A bill to amend the Internal Revenue Code of 1954 to exempt from Federal income taxation a trust established by a taxpayer for the purpose of providing care for certain mentally incompetent relatives of the taxpayer; to the Committee on Ways and Means.

H.R. 585. A bill to amend the Internal Revenue Code of 1954 to provide an additional income tax exemption for a taxpayer supporting a dependent who is mentally retarded; to the Committee on Ways and Means.

H.R. 586. A bill to amend title II of the Social Security Act to provide for the computation of benefits thereunder on the basis of the worker's 3 years of highest earnings; to the Committee on Ways and Means.

H.R. 587. A bill to amend title XVI of the Social Security Act to provide for the exclusion from income, for purposes of determing eligibility and amount of benefits under the supplemental security income program, of income received by reason of employment in a sheltered work setting; to the Committee on Ways and Means.

H.R. 588. A bill to amend title XVI of the Social Security Act to provide that increases in social security benefits shall be disregarded in determining an individual's eligibility for supplemental security income benefits, and to provide that support and maintenance furnished a mentally retarded individual living in another person's household shall not constitute income to him for supplemental security income benefit purposes; to the Committee on Ways and Means.

H.R. 589. A bill to amend title XVI of the Social Security Act so as to make the supplemental security income benefits program more effective, and benefits under such program more realistically available, for mentally retarded persons; to the Committee on Ways and Means.

H.R. 590. A bill to amend title XVI of the Social Security Act to provide for the exclusion from income, for purposes of determining eligibility and amount of benefits under the supplemental security income program, of certain earned income received by reason of employment in a sheltered work setting; to the Committee on Ways and Means.

H.R. 591. A bill to amend title XVI of the Social Security Act to provide that payments of tuition, fees, or other training costs by any person for a mentally retarded adult individual attending a school for the retarded shall not be treated as income of such individual in determining his or her eligibility for supplemental security income benefits; to the Committee on Ways and Means.

H.R. 592. A bill to amend the worker adjustment assistance provisions of the Trade Act of 1974 in order to repeal the requirement that workers may not be covered under certification of eligibility to apply for such assistance unless they are totally or partially separated from adversely affected employment within 1 year before the date of petitioning for such certification; to the Committee on Ways and Means.

H.R. 593. A bill to amend the Tariff Schedules of the United States in order to increase the rate of duty on certain boxes, cases, and chests lined with textile fabrics; to the Committee on Ways and Means.

H.R. 594. A bill to provide for the recycling of used oil, and for other purposes; jointly, to the Committees on Interstate and Foreign Commerce, Ways and Means, Government Operations, and Science and Technology.

By Mr. MOLLOHAN:

H.R. 595. A bill to authorize the Administrator of General Services to dispose of 35,000 long tons of tin in the national and supplemental stockpiles, and to provide for the deposit of moneys received from the sale of such tin; to the Committee on Armed Services.

H.R. 596. A bill to clarify the circumstances under which territorial provisions in licenses to manufacture, distribute, and sell trademarked soft drink products are lawful under the antitrust laws; to the Committee on the Judiciary.

By Mr. MONTGOMERY (for himself, Mr. ROBERTS, and Mr. HAMMERSCHMIDT):

H.R. 597. A bill to amend Title 38 of the United States Code, to permit the exchange of 5-year level premium term policies of national service life insurance to special endowment at age 96 plans; to the Committee on Veterans' Affairs.

By Mr. MOORHEAD of California:

H.R. 598. A bill to incorporate the U.S. Submarine Veterans of World War II; to the Committee on the Judiciary.

H.R. 599. A bill to incorporate the American Blood Commission; to the Committee on the Judiciary.

H.R. 600. A bill to incorporate United Service Organizations, Inc.; to the Committee on the Judiciary.

H.R. 601. A bill to amend title 5 of the United States Code to establish a uniform procedure for congressional review of agency rules which may be contrary to law or inconsistent with congressional intent, to expand opportunities for public participation in agency rulemaking, and for other purposes; jointly, to the Committees on the Judiciary and Rules.

H.R. 602. A bill to amend the Defense Production Act of 1950 to include synthetic fuels which may be used as fuels under title III; to the Committee on Banking, Finance and Urban Affairs.

By Mr. MURPHY of New York:

H.R. 603. A bill to amend section 6 of the Maritime Academy Act of 1958; to the Committee on Merchant Marine and Fisheries.

H.R. 604. A bill to impose service obligations on graduates of the U.S. Merchant Marine Academy; to the Committee on Merchant Marine and Fisheries.

By Mr. NEAL:

H.R. 605. A bill to establish a Solar Energy Development Bank to provide long-term low-interest loans for the purpose and installation of solar energy equipment in commercial and residential buildings in the United States; to the Committee on Banking, Finance and Urban Affairs.

H.R. 606. A bill to direct the President to establish a Liaison Office of the U.S. Government on Taiwan with responsibility for representing U.S. interests on Taiwan, such Liaison Office to be comparable to the Liaison Office which the United States maintained in Peking prior to U.S. recognition of the People's Republic of China; to the Committee on International Relations.

H.R. 607. A bill to provide for the elimination of inactive and overlapping Federal programs, to require authorizations of new budget authority for Government programs and activities at least every 4 years, to establish a procedure for zero-base review and evaluation of Government programs and activities every 4 years, and for other purposes; jointly, to the Committees on Rules and Government Operations.

By Mr. NOWAK:

H.R. 608. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income the interest on deposits in certain savings institutions; to the Committee on Ways and Means.

By Mr. O'BRIEN:

H.R. 609. A bill to amend the Civil Rights Act of 1964 to make it an unlawful employment practice to discriminate against individuals who are physically handicapped because of such handicap; to the Committee on Education and Labor.

H.R. 610. A bill to strengthen the penalty provisions of the Gun Control Act of 1968; to the Committee on the Judiciary.

H.R. 611. A bill to clarify the circumstances under which territorial provisions in licenses to manufacture, distribute, and sell trademarked soft drink products are lawful under the antitrust laws; to the Committee on the Judiciary.

H.R. 612. A bill to amend section 404(b) of the Federal Aviation Act of 1958 to provide that no physically handicapped individual shall be denied air transportation solely because of such physical handicap, and for other purposes; to the Committee on Public Works and Transportation.

H.R. 613. A bill to terminate the authorization of a navigation project on the Illinois Waterway, Ill. and Ind.; to the Committee on Public Works and Transportation.

H.R. 614. A bill to amend the Internal Revenue Code of 1954 to allow individuals an income tax credit for certain expenses of elementary or secondary education; to the Committee on Ways and Means.

H.R. 615. A bill to amend the Internal Revenue Code of 1954 to allow a credit against income tax to individuals for certain expenses incurred in higher education; to the Committee on Ways and Means.

H.R. 616. A bill to amend the Internal Revenue Code of 1954 to treat adopiton fees in the same manner as medical expenses for income tax purposes; to the Committee on Ways and Means.

H.R. 617. A bill to amend the Internal Revenue Code of 1954 to allow an individual to elect a tax credit for 50 percent of his charitable contributions in lieu of the deduction allowed for such contributions; to the Committee on Ways and Means.

H.R. 618. A bill to amend the Internal Revenue Code of 1954 and certain other provisions of law to provide for automatic cost-of-living adjustments in the income tax rates, the amount of the standard, personal exemption, and depreciation deductions, and the rate of interest payable on certain obligations of the United States; to the Committee on Ways and Means.

H.R. 619. A bill to allow a credit against Federal income taxes or a payment from the U.S. Treasury for State and local real property taxes or an equivalent portion of rent paid on their residences by individuals who have attained age 65; to the Committee on Ways and Means.

H.R. 620. A bill to amend title II of the Social Security Act to provide that a beneficiary who dies shall (if he is otherwise qualified and it would not reduce total family benefits) be entitled to a prorated benefit for the month of his death; to the Committee on Ways and Means.

By Mr. OTTINGER:

H.R. 621. A bill to amend the Internal Revenue Code of 1954 to allow individuals to elect, in lieu of the deduction for charitable contributions, a credit against income tax for 50 percent of such contributions; to the Commitee on Ways and Means.

By Mr. PEASE:

H.R. 622. A bill to establish a procedure, in addition to impeachment, for the removal of certain members of the judiciary of the United States whose conduct is or has been inconsistent with the good behavior required by article III, section 1 of the Constitution of the United States, to establish additional procedures for the retirement of certain disabled members of the judiciary of the United States, and for ther purposes; to the Committee on the Judiciary.

By Mr. PEPPER:

H.R. 623. A bill to amend the Older Americans Act of 1965 as amended, to authorize the Commissioner on Aging to make grants for the establishment of internship programs for secondary school students in the field of aging; to the Committee on Education and Labor.

H.R. 624. A bill to further amend the Older Americans Act of 1965, as amended, to establish a program under which institutions of higher education may receive grants to defray 55 percent of the tuition costs of older persons attending such institutions on a tuition-free basis, and for other purposes; to the Committee on Education and Labor.

H.R. 625. A bill to amend the Older Americans Act and the Public Health Service to provide expanded counseling assistance for the elderly sick and disabled; to the Commitee on Education and Labor.

H.R. 626. A bill to amend the Domestic Volunteer Service Act of 1973 to provide that volunteers serving in the Service Corps of Retired Executives may provide services to certain home health agencies; to the Committee on Education and Labor.

H.R. 627. A bill to establish a program of drug benefits for the aged; to establish a Drug Benefits Council and other appropriate management controls to provide for the efficient administration of such program; and to require the conducting of certain studies and experiments, to enhance the capability of the Secretary of Health, Education, and Welfare to administer such program, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. CORMAN (for himself, Mr. ADDABBO, Mr. BAFALIS, Mr. BENJAMIN, Mr. BINGHAM, Mr. BRODHEAD, Mr. BUCHANAN, Mr. CLAY, Mr. CLEVELAND, Mr. CLINGER, Mrs. COLLINS of Illinois, Mr. CORRADA, Mr. DANIELSON, Mr. DELLUMS, Mr. DOWNEY, Mr. DUNCAN of Tennessee, Mr. JONES of Oklahoma, Mr. LEHMAN, Mr. MILLER of California, Mr. OTTINGER, Mr. PATTEN, Mr. PEPPER, Mr. RANGEL, Mr. RODINO, Mr. ROSENTHAL, and Mr. SEIBERLING):

H.R. 628. A bill to amend the Internal Revenue Code of 1954 to allow certain individuals who are participants in employer pension plans a deduction for their contributions to such plans or for their contributions to individual retirement savings plans; to the Committee on Ways and Means.

By Mr. PEPPER:

H.R. 629. A bill to establish within the Department of Health, Education, and Welfare, a Home Health Clearinghouse to provide elderly persons with a single place where they can obtain complete information on the Federal home health programs available to them; to the Committee on Interstate and Foreign Commerce.

H.R. 630. A bill to amend title XIX of the Social Security Act to permit one or more county governments in a State to provide for additional medical assistance under the State's medicaid plan; to the Committee on Interstate and Foreign Commerce.

H.R. 631. A bill to amend various laws relating to civil rights to extend their protection to the elderly, and for other purposes; to the Committee on the Judiciary.

H.R. 632. A bill to eliminate mandatory retirement provisions applicable to certain individuals employed in the civil service and in certain other positions in the Federal Government; to the Committee on Post Office and Civil Service.

H.R. 633. A bill to amend the Internal Revenue Code of 1954 to provide individuals a refundable credit against income tax for maintaining a household a member of which is an individual who has attained the age of 65; to the Committee on Ways and Means.

H.R. 634. A bill to amend the Internal Revenue Code of 1954 to provide that the amount of the charitable deduction allowable for expenses incurred in the operation of a highway vehicle will be determined in the same manner as the business deduction for such expenses; to the Committee on Ways and Means.

H.R. 635. A bill to amend the medicare

program to provide for reimbursement for certain extended care services; to the Committee on Ways and Means.

H.R. 636. A bill to amend title XX of the Social Security Act to provide for the reallotment of unused social services funds, in any fiscal year, to States which will use such funds during the succeeding year in furnishing services aimed at preventing or reducing inappropriate institutional care by making home or community care available; to provide additional Federal matching for multipurpose senior center programs; and to provide for the standardization of eligibility requirements for the funding of senior centers; to the Committee on Ways and Means.

H.R. 637. A bill to amend the Social Security Act to revise and expand various provisions relating to home health and other long-term care services under the medicare program, and for other purposes; jointly, to the Committees on Banking, Finance and Urban Affairs, Interstate and Foreign Commerce, and Ways and Means.

H.R. 638. A bill to amend the Public Health Service Act to revise the program of assistance for health maintenance organizations, to encourage the enrollment of medicare beneficiaries and medicaid recipients, and for other purposes; jointly, to the Committees on Interstate and Foreign Commerce, and Ways and Means.

H.R. 639. A bill to amend title XVIII of the Social Security Act to provide long-term care services as a part of the hospital insurance program, to encourage the creation of community long-term care centers to assist in providing such services, and for other purposes; jointly, to the Committees on Inter-Interstate and Foreign Commerce and Ways Means.

H.R. 640. A bill to amend title XVIII of the Social Security Act to make coverage for mental illness available on the same basis as coverage for physical illness under medicare, and to provide coverage for certain psychologists' services under the supplementary medical insurance benefits program; to amend title XVI of such act to deal more effectively with abuses involving supplemental security income recipients with histories of mental illness in certain long-term care institutions; and for other purposes; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

H.R. 641. A bill to amend the Social Security Act to provide for inclusion of the services of licensed practical nurses under medicare and medicaid; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

H.R. 642. A bill to amend the Social Security Act to require automatic sprinkler systems in all nursing facilities and intermediate care facilities certified for participation in the medicare or medicaid program, and to provide for direct low-interest Federal loans to assist such facilities in constructing or purchasing and installing automatic sprinkler systems; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

H.R. 643. A bill to amend the Social Security Act to provide that any patient of a long-term care institution participating in the medicare or medicaid program, or otherwise receiving funds under that act, shall have the right to terminate his or her contract with such institution upon giving reasonable advance notice, and to expressly prohibit such an institution from requiring any patient to turn over to it any income received by him or her after such notice is given; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

H.R. 644. A bill to amend title XVIII of the Social Security Act to authorize payment under the supplementary medical insurance program for optometric and medical vision care; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

H.R. 645. A bill to amend title XVIII of the Social Security Act to authorize payment under the supplementary medical insurance program for preventive services furnished in the screening, testing, diagnosis, and treatment of individuals for hypertension; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

H.R. 646. A bill to amend title XVIII of the Social Security Act to include dental care, eye care, hearing aids, physical checkups, and foot care among the items and services for which payment may be made under the supplementary medical insurance program, and to provide safeguards against consumer abuse in the provision of these items and services; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 647. A bill to amend title XVIII of the Social Security Act to provide for the enforcement of standards relating to the rights of patients in certain medical facilities; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

H.R. 648. A bill to amend title XVIII of the Social Security Act to reduce certain deductibles and coinsurance under the medicare program and to fund such reductions from general revenues; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

H.R. 649. A bill to amend title XVIII of the Social Security Act to authorize payment under the medicare program for services provided in a rehabilitation facility for the blind, and for services furnished to blind individuals by mobility therapists and rehabilitation teachers; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. PEPPER (for himself and Mr. Mollohan):

H.R. 650. A bill to amend the Public Health Service Act to provide additional programs of assistance for health personnel training programs, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. PERKINS:

H.R. 651. A bill to amend title 23 of the United States Code to provide Federal funds for projects on energy impact roads; to the Committee on Public Works and Transportation.

H.R. 652. A bill to amend title II of the Social Security Act to eliminate the offset against social security benefits which is presently imposed in the case of spouses and surviving spouses receiving certain Government pensions; to the Committee on Ways and Means.

By Mr. PICKLE:

H.R. 653. A bill to amend the Internal Revenue Code of 1954 to exclude from the gross estate of any individual benefits payable under certain State judicial plans, and for other purposes; to the Committee on Ways and Means.

By Mr. PICKLE (for himself, Mr. Archer, Mr. Rousselot, Mr. Duncan of Tennessee, Mr. Holland, Mr. Lott, Mr. Badham, Mr. Bafalis, Mr. Martin, Mr. Horton, Mr. Kindness, Mr. Buchanan, and Mr. Slack):

H.R. 654. A bill relating to tax treatment of qualified dividend reinvestment plans; to the Committee on Ways and Means.

By Mr. PICKLE:

H.R. 655. A bill to provide a comprehensive program to improve cargo security for property being transported in interstate and foreign commerce; jointly, to the Committees on Interstate and Foreign Commerce, the Judiciary, Merchant Marine and Fisheries, Public Works and Transportation, and Ways and Means.

By Mr. RICHMOND:

H.R. 656. A bill to provide Federal assistance to screen those workers (and members of their families) exposed to asbestos who cannot otherwise receive the screening under a workman's compensation, health insurance, or other program; to the Committee on Education and Labor.

H.R. 657. A bill to establish a commission to identify, designate, preserve, and protect cemeteries, monuments, and historic buildings which are located abroad and which are associated with the foreign heritage of U.S. citizens; to the Committee on International Relations.

H.R. 658. A bill to amend title II of the Social Security Act to provide that the marriage of a disabled individual receiving child's insurance benefits shall not operate to terminate his or her entitlement to such benefits if the marriage is to a civil service retirement or survivor annuitant, just as it would not terminate such entitlement if it were to another social security beneficiary; to the Committee on Ways and Means.

H.R. 659. A bill to establish the Federal Municipal Bond Guarantee Administration to guarantee municipal bonds, and to provide that the interest on certain government obligations shall be taxable income; jointly, to the Committees on Banking, Finance and Urban Affairs, and Ways and Means.

By Mr. RINALDO:

H.R. 660. A bill to amend the Immigration and Nationality Act to authorize certain courts which have naturalization jurisdiction to retain up to $20,000 of the fees collected in naturalization proceedings held in such courts in any fiscal year; to the Committee on the Judiciary.

By Mr. ROBINSON:

H.R. 661. A bill to amend section 6(d)(1) of the Food Stamp Act of 1977, and for other purposes; to the Committee on Agriculture.

H.R. 662. A bill to amend the Truth in Lending Act to eliminate the inclusion of agricultural credit; to the Committee on Banking, Finance and Urban Affairs.

H.R. 663. A bill to preserve and protect the free choice of individual employees to form, join, or assist labor organizations, or to refrain from such activities; to the Committee on Education and Labor.

H.R. 664. A bill to amend the Occupational Safety and Health Act of 1970 to provide that any employer who successfully contests a citation or penalty shall be awarded a reasonable attorney's fee and other reasonable litigation costs; to the Committee on Education and Labor.

H.R. 665. A bill to amend the National Labor Relations Act to provide for a freedom of choice in labor relations for full-time and part-time secondary and college students by exempting them from compulsory union membership, and for other purposes; to the Committee on Education and Labor.

H.R. 666. A bill to establish the authorized area of Shenandoah National Park; to the Committee on Interior and Insular Affairs.

H.R. 667. A bill to limit U.S. contributions to the United Nations; to the Committee on International Relations.

H.R. 668. A bill to provide for the confidentiality of medical and/or dental records of patients not receiving assistance from the Federal Government, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 669. A bill to amend the Communications Act of 1934 to authorize interstate toll service connection between small telephone companies without a certificate of public convenience and necessity; to the Committee on Interstate and Foreign Commerce.

H.R. 670. A bill to provide that in civil actions where the United States is a plaintiff, a prevailing defendant may recover a reasonable attorney's fee and other reasonable litigation costs; to the Committee on the Judiciary.

H.R. 671. A bill to amend section 1951, title 18, United States Code, Act of July 3, 1946; to the Committee on the Judiciary.

H.R. 672. A bill to amend title 18, United States Code, relating to the production of false documents or papers of the United States, and the use of false information in obtaining officials documents and papers of the United States, involving an element of identification; to the Committee on the Judiciary.

H.R. 673. A bill to provide for the exclusion from the United States of aliens affiliated with terrorist organizations, to require investigations of registered agents of such organizations, and for other purposes; to the Committee on the Judiciary.

H.R. 674. A bill to provide for the establishment of a U.S. Court of Labor-Management Relations which shall have jurisdiction over certain labor disputes in industries substantially affecting commerce; to the Committee on the Judiciary.

H.R. 675. A bill to encourage on-the-scene emergency care aboard aircraft by relieving physicians, registered nurses, and aircraft employees from civil liability for damages resulting from any act or omission in rendering such care; to the Committee on the Judiciary.

H.R. 676. A bill to amend the Federal Salary Act of 1967, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 677. A bill relating to collective-bargaining representation of postal employees; to the Committee on Post Office and Civil Service.

H.R. 678. A bill to amend the Small Business Emergency Relief Act to provide for emergency relief for small business concerns in connection with fixed-price Government contracts for the lease of real property; to the Committee on Small Business.

H.R. 679. A bill to amend title 38, United States Code, to provide that remarriage of the surviving spouse of a veteran after age 60 shall not result in termination of dependency and indemnity compensation; to the Committee on Veterans' Affairs.

H.R. 680. A bill to amend the Internal Revenue Code of 1954 to allow a deduction from gross income for social agency, legal, and related expenses incurred in connection with the adoption of a child by the taxpayer; to the Committee on Ways and Means.

H.R. 681. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for State and local public utility taxes; to the Committee on Ways and Means.

H.R. 682. A bill to amend the Internal Revenue Code of 1954 to encourage the use of alcohol as an alternative fuel for motor vehicles by allowing the rapid amortization of facilities producing alcohol for use as such a fuel, and for other purposes; to the Committee on Ways and Means.

H.R. 683. A bill to amend the Internal Revenue Code of 1954 to exempt nonprofit volunteer firefighting or rescue organizations from the Federal excise taxes on gasoline, diesel fuel, and certain other articles and services; to the Committee on Ways and Means.

H.R. 684. A bill to amend the Internal Revenue Code of 1954 to allow certain married individuals who file separate returns to be taxed as unmarried individuals; to the Committee on Ways and Means.

H.R. 685. A bill to amend the Internal Revenue Code of 1954 to suspend the imposition of interest and to prohibit the imposition of a penalty for failure to pay tax on underpayments of tax resulting from erroneous advice given in writing by the Internal Revenue Service; to the Committee on Ways and Means.

H.R. 686. A bill to amend the Internal Revenue Code of 1954 and certain other provisions of law to provide for automatic cost-of-living adjustments in the income tax rates, the amount of the standard, personal exemption, and depreciation deductions, and the rate of interest payable on certain obligations of the United States; to the Committee on Ways and Means.

H.R. 687. A bill to amend title II of the Social Security Act to provide that attorneys' fees allowed in administrative or judicial proceedings under that title (or under title XVIII of such act), in cases where the claimants are successful, shall be paid by the Secretary of Health, Education, and Welfare rather than deducted from the amounts awarded claimants; to the Committee on Ways and Means.

H.R. 688. A bill to abolish certain Federal regulatory agencies and to bring about the abolition of certain Federal regulatory agencies or their successor agencies after a specified period of time, and for other purposes; jointly, to the Committees on Government Operations and Rules.

H.R. 689. A bill to provide for the elimination of inactive and overlapping Federal programs, to require authorizations of new budget authority for Government programs and activities at least every 4 years, to establish a procedure for zero-base review and evaluation of Government programs and activities every 4 years, and for other purposes; jointly, to the Committees on Government Operations and Rules.

H.R. 690. A bill to provide for congressional review of all regulations relating to costs and expenditures for health care, reimbursements to individuals or providers of health care, and for other purposes; jointly, to the Committees on Interstate and Foreign Commerce, Ways and Means, and Rules.

H.R. 691. A bill to amend title 5 of the United States Code to establish a uniform procedure for congressional review of agency rules which may be contrary to law or inconsistent with congressional intent, to expand opportunities for public participation in agency rulemaking, and for other purposes; jointly, to the Committees on the Judiciary and Rules.

H.R. 692. A bill to provide for permanent tax rate reductions for individuals and to amend the Congressional Budget and Impoundment Control Act to limit Federal Budget Authority and Budget Outlays in fiscal years 1980, 1981, 1982 and 1983; jointly, to the Committees on Ways and Means, Government Operations, and Rules.

By Mr. ROBINSON (for himself and Mr. WAMPLER):

H.R. 693. A bill to amend the Federal Meat Inspection Act with respect to custom slaughtering; to the Committee on Agriculture.

By Mr. ROE:

H.R. 694. A bill to amend the National Housing Act and other Acts for the purpose of providing assistance for outpatient geriatric clinics and for multipurpose senior centers, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

H.R. 695. A bill to amend the Older Americans Act and the Public Health Service Act to provide expanded counseling assistance for the elderly sick and disabled; to the Committee on Education and Labor.

H.R. 696. A bill to amend the Older Americans Act of 1965 to provide that the Commissioner of the Administration on Aging may make grants to assist older persons adversely affected by natural disasters, and for other purposes; to the Committee on Education and Labor.

H.R. 697. A bill to amend the National Labor Relations Act to provide that the duty to bargain collectively includes bargaining with respect to retirement benefits for retired employees; to the Committee on Education and Labor.

H.R. 698. A bill to require recipients of Federal aid to higher education to provide senior citizens with access, on a space available basis, to already scheduled courses and programs; to the Committee on Education and Labor.

H.R. 699. A bill to amend the Railroad Retirement Act of 1974 to eliminate the reduction of railroad retirement annuities by amounts payable as social security benefits in cases of persons who had current connections with the railroad industry, had at least 5 years of service, and had attained the age of 65 as of the effective date of such act; to the Committee on Interstate and Foreign Commerce.

H.R. 700. A bill to amend title XIX of the Social Security Act to improve the early and periodic screening, diagnosis, and treatment program; to the Committee on Interstate and Foreign Commerce.

By Mr. HARRIS:

H. Con. Res. 21. Concurrent resolution to invite the Chief Justice of the United States to appear before a joint session of the Congress to report on the state of the judiciary; to the Committee on Rules.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

[*Introduced January 15, 1979*]

308. A letter from the Secretary of Agriculture and the Secretary of the Army, transmitting notice of the intention of the Departments of the Army and Agriculture to interchange lands at Lake Cumberland project, Kentucky, pursuant to 70 Stat. 656 16 U.S.C. 506a; jointly, to the Committees on Agriculture, and Public Works and Transportation.

309. A letter from the Chairman, Federal Election Commission, transmitting copies of correspondence sent to the Office of Management and Budget, pursuant to section 310(d)(1) of the Federal Election Campaign Act of 1971, as amended; jointly, to the Committees on Appropriations, and House Administration.

310. A letter from the Vice Chairman, Federal Election Commission, transmitting copies of correspondence sent to the Office of Management and Budget, pursuant to section 310(d)(1) of the Federal Election Campaign Act of 1971, as amended; jointly, to the Committees on Appropriations, and House Administration.

311. A letter from the Chairman, National Transportation Safety Board, transmitting a copy of a letter the Board sent to the Office of Management and Budget appealing the amounts provided for fiscal year 1980, pursuant to section 304(b)(7) of Public Law 93–633; jointly, to the Committees on Appropriations, and Public Works and Transportation.

312. A letter from the Comptroller General of the United States, transmitting a report on fundamental changes needed to improve the independence and efficiency of the military justice system (FPCD–78–16, October 31, 1978); jointly, to the Committees on Government Operations and Armed Services.

313. A letter from the Comptroller General of the United States, transmitting a report on Selective Service System manpower delivery requirements of the Department of Defense (FPCD–79–4, December 14, 1978); jointly, to the Committees on Government Operations and Armed Services.

314. A letter from the Comptroller General of the United States, transmitting a report the Navy's submarine launched ballistic missile force as being at a high level of readiness (LCD–78–429A, December 21, 1978); jointly, to the Committees on Government Operations and Armed Services.

315. A letter from the Comptroller General of the United States, transmitting a report on issues concerning Air Force KC-

10A advanced tanker/cargo aircraft (PSAD-79-8, January 5, 1979); jointly, to the Committees on Government Operations and Armed Services.

316. A letter from the Comptroller General of the United States, transmitting a report on financial status of major Federal acquisitions September 30, 1978 (PSAD-79-14, January 11, 1979); jointly, to the Committees on Government Operations and Armed Services.

317. A letter from the Comptroller General of the United States, transmitting a report assessing the impact of the Federal Government's effort to stimulate single-family housing construction through the Government National Mortgage Association, Department of Housing and Urban Development (CED-78,155, November 21, 1978); jointly, to the Committees on Government Operations and Banking Finance and Urban Affairs.

318. A letter from the Comptroller General of the United States, transmitting a report on the Federal Government's role in promoting productivity of State and local governments (GGD-78-104, December 6, 1978); jointly, to the Committee on Government Operations and Banking, Finance and Urban Affairs.

319. A letter from the Comptroller General of the United States, transmitting a report on needed improvements in the management of the workplace consultation program by the Occupational Safety and Health Administration (HRD-78-155, December 18, 1978); jointly, to the Committees on Government Operations, and Education and Labor.

320. A letter from the Comptroller General of the United States, transmitting a report on weaknesses in management of Federal Indian programs (CED-78-166, October 31, 1978); jointly, to the Committees on Government Operations and Interior and Insular Affairs.

321. A letter from the Comptroller General of the United States, transmitting a report discussing the origin and nature of reserved water rights on Federal and Indian Reservations, the controversial questions and issues surrounding them, and proposals suggested for resolving them (CED-78-176, November 16, 1978); jointly, to the Committees on Government Operations, and Interior and Insular Affairs.

322. A letter from the Secretary of the Treasury, transmitting the second formal report by the Department on significant unsettled claims against foreign governments by the U.S. Government and its agencies through March 31, 1978, pursuant to a recommendation by the House Committee on Government Operations; jointly, to the Committees on Government Operations, and International Relations.

323. A letter from the Comptroller General of the United States, transmitting a report on recommendations to improve the coordination of population assistance to developing countries by the Department of State and the Agency for International Development (ID-78-54, December 29, 1978); jointly, to the Committees on Government Operations and International Relations.

324. A letter from the Comptroller General of the United States, transmitting a report recommending that Congress amend the Export Administration Act to be more responsive to U.S. industry by directing that export control management responsibility be centralized in the Department of Commerce (ID-78-60, October 31, 1978); jointly, to the Committees on Government Operations and International Relations.

325. A letter from the Comptroller General of the United States, transmitting a report on the needs of the State Department's Office of Inspector General, Foreign Service, to improve its internal evaluation process (ID-78-19, December 6, 1978); jointly, to the Committees on Government Operations and International Relations.

326. A letter from the Comptroller General of the United States, transmitting a report describing legislative and management conditions that have hindered the Federal Trade Commission's consumer redress activities under the Magnuson-Moss Warranty—Federal Trade Commission Improvement Act (HRD-78-140, October 17, 1978); jointly, to the Committees on Government Operations and Interstate and Foreign Commerce.

327. A letter from the Comptroller General of the United States, transmitting a report on the Federal regulation of propane and naphtha (EMD-78-73, October 24, 1978); jointly, to the Committees on Government Operations and Interstate and Foreign Commerce.

328. A letter from the Comptroller General of the United States, transmitting a report discussing status of the implementation of the National Health Planning and Resources Development Act of 1974 (HRD-77-157 November 2, 1978); jointly, to the Committees on Government Operations and Interstate and Foreign Commerce.

329. A letter from the Comptroller General of the United States, transmitting a report on anticipated problems in implementing the Resource Conservation and Recovery Act of 1976 (CED-79-13, December 19, 1978); jointly, to the Committees on Government Operations, and Interstate and Foreign Commerce.

330. A letter from the Comptroller General of the United States, transmitting a report on problems in auditing medicaid nursing home chains (HRD-78-158, January 9, 1979); jointly, to the Committees on Government Operations and Interstate and Foreign Commerce.

331. A letter from the Comptroller General of the United States, transmitting a report discussing several ways to make Federal bail decisions fairer and more consistent (GGD-78-105, October 17, 1978); jointly, to the Committees on Government Operations and the Judiciary.

332. A letter from the Comptroller General of the United States, transmitting a report discussing improvements in efforts of the Legal Services Corporation in providing free civil legal services to the poor (HRD-78-164, November 6, 1978); jointly to the Committees on Government Operations and the Judiciary.

333. A letter from the Comptroller General of the United States, transmitting a report discussing the need to raise fees in the U.S. Patent and Trademark Office because of increased operating costs in this Office (CED-78-163, November 14, 1978); jointly, to the Committees on Government Operations and the Judiciary.

334. A letter from the Comptroller General of the United States, transmitting a report on more effective action by the Environmental Protection Agency needed to enforce industrial compliance with water pollution control discharge permits (CED-78-182, October 17, 1978); jointly, to the Committees on Government Operations and Public Works and Transportation.

335. A letter from the Comptroller General of the United States, transmitting a report on status of the Federal Aviation Administration's microwave landing system; jointly, to the Committees on Government Operations and Public Works and Transportation.

336. A letter from the Comptroller General of the United States, transmitting a report recommending amending the International Air Transportation Fair Competitive Practices Act of 1974 to allow more agency discretion in authorizing use of foreign-flag air carriers overseas (LDC-78-235, October 31, 1978); jointly, to the Committees on Government Operations and Public Works and Transportation.

337. A letter from the Comptroller General of the United States, transmitting a report discussing the benefits and obstacles concerning septic systems as viable waste water treatment alternatives to central sewage treatment plants (CED-78-168, November 3, 1978); jointly, to the Committees on Government Operations and Public Works and Transportation.

338. A letter from the Comptroller General of the United States, transmitting a report recommending many energy supply and demand options that the Tennessee Valley Authority (TVA) should pursue as a leader of the electricity sector (EMD-78-91, November 29, 1978); jointly, to the Committees on Government Operations and Public Works and Transportation.

339. A letter from the Comptroller General of the United States, transmitting a report on the implications if the United States converts to the metric system (CED-78-128A, October 20, 1978); jointly, to the Committees on Government Operations and Science and Technology.

340. A letter from the Comptroller General of the United States, transmitting a report discussing worker adjustment assistance under the Trade Act of 1974 to New England workers affected by import competition (HRD-78-153, October 31, 1978); jointly, to the Committees on Government Operations and Ways and Means.

341. A letter from the Comptroller General of the United States, transmitting a report on the effectiveness of the firm adjustment assistance program administered by the Department of Commerce (ID-78-53, December 21, 1978); jointly, to the Committees on Government Operations and Ways and Means.

342. A letter from the Comptroller General of the United States, transmitting a report on liberal deposit requirements of States' social security contributions adversely affected trust funds (HRD-79-14, December 18, 1978); jointly, to the Committees on Government Operations and Ways and Means.

343. A letter from the Comptroller General transmitting a report on need for uniform security measures in transporting arms, ammunition, and explosives (LCD-78-237, December 21, 1978); jointly, to the Committees on Government Operations, Armed Services, and Interstate and Foreign Commerce.

344. A letter from the Comptroller General of the United States, transmitting a report recommending the Labor Department reconsider its approach to employment security automation (HRD-78-169, December 28, 1978); jointly, to the Committees on Government Operations, Education and Labor, and Ways and Means.

345. A letter from the Comptroller General of the United States, transmitting a report on 11 studies of projected timber scarcities in the Pacific Northwest (EMD-79-5, December 12, 1978); jointly, to the Committees on Government Operations, Agriculture, and Interior and Insular Affairs.

346. A letter from the Comptroller General of the United States, transmitting a report on a Federal strategy to help improve medical and dental care in prisons and jails (GGD-78-96, December 22, 1978); jointly, to the Committees on Goevrnment Operations, Interstate and Foreign Commerce, and the Judiciary.

347. A letter from the Comptroller General of the United States, transmitting a report on four energy conservation programs for fiscal year 1977 (EMD-78-81, November 21, 1978); jointly, to the Committees on Government Operations, Banking, Finance and Urban Affairs, and Interstate and Foreign Commerce.

348. A letter from the Comptroller General of the United States, transmitting a report

on the Asian Development Bank in establishing an independent review and evaluation system of its programs and activities (ID–78–49, October 18, 1978); jointly, to the Committees on Government Operations, Banking, Finance and Urban Affairs, and International Relations.

349. A letter from the Comptroller General of the United States, transmitting a report on the Federal Government's severance pay programs and unemployment insurance (FPCD–78–68, December 7, 1978); jointly, to the Committees on Government Operations, Armed Services, Post Office and Civil Service, and Ways and Means.

350. A letter from the Comptroller General of the United States, transmitting a report on the United States and international energy issues (EMD–78–105, December 18, 1978); jointly, to the Committees on Government Operations, International Relations, Interstate and Foreign Commerce, and Ways and Means.

351. A letter from the Chairman, U.S. Nuclear Regulatory Commission, transmitting a copy of the memorandum of understanding between the Commission and the Environmental Protection Agency concerning epidemiological research on the health effects of low-level ionizing radiation, pursuant to section 5(b) of Public Law 95–601; jointly, to the Committees on Interior and Insular Affairs, and Interstate and Foreign Commerce.

352. A letter from the Chairman, U.S. Nuclear Regulatory Commission, transmitting the Commission's annual report on the use of contractors, consultants, and the National Laboratories, pursuant to section 11 of Public Law 95–601; jointly, to the Committees on Interior and Insular Affairs, and Interstate and Foreign Commerce.

353. A letter from the Chairman, Nuclear Regulatory Commission, transmitting the 14th report on abnormal occurrences at licensed nuclear facilities, pursuant to section 208 of Public Law 93–348; jointly, to the Committees on Interior and Insular Affairs, and Interstate and Foreign Commerce.

354. A letter from the Chairman, Advisory Committee on Reactor Safeguards, U.S. Nuclear Regulatory Commission, transmitting a report on Reactor Safeguards on the Commission's safety research program, pursuant to section 29 of the Atomic Energy Act of 1954, as amended (91 Stat. 1483); jointly, to the Committees on Interior and Insular Affairs, and Interstate and Foreign Commerce.

355.A letter from the Secretary of State, transmitting a report on insurance coverage of diplomatic missions to the United States, pursuant to section 510(1) of Public Law 95–148; jointly, to the Committees on International Relations, and Appropriations.

356. A letter from the Comptroller General of the United States, transmitting a report on environmental problems with U.S. overseas military activities (CED–78–175, October 16, 1978); jointly, to the Committees on Government Operations, and Armed Services.

357. A letter from the Comptroller General of the United States, transmitting a report on the readiness of the Navy's submarine launched ballistic missile force (LCD–78–429, December 21, 1978); jointly, to the Committees on Armed Services, and Government Operations.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

[*Introduced January 15, 1979*]

By Mr. ROE:

H.R. 701. A bill to amend the Legal Services Corporation Act to provide legal assistance to older persons in connection with their participation in certain health insurance and medical assistance programs under the Social Security Act; to the Committee on the Judiciary.

H.R. 702. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 to add a requirement that the comprehensive State plan include provisions for attention to the special problems of prevention, treatment, and other aspects of crimes against the elderly; to the Committee on the Judiciary.

H.R. 703. A bill to amend various laws relating to civil rights to extend their protection to the elderly, and for other purposes; to the Committee on the Judiciary.

H.R. 704. A bill to amend the Internal Revenue Code of 1954 to provide for adjustment in the dollar limitations for purposes of the retirement income credit in order to make the tax benefits accorded to retirement income comparable to those accorded to social security income; to the Committee on Ways and Means.

H.R. 705. A bill to amend the Social Security Act and the Internal Revenue Code of 1954 to provide for Federal participation in the costs of the social security program, with a substantial increase in the contribution and benefit base and with appropriate reductions in social security taxes to reflect the Federal Government's participation in such costs; to the Committee on Ways and Means.

H.R. 706. A bill to amend title II of the Social Security Act to provide in certain cases for an exchange of credits between the old age, survivors, and disability insurance system and the civil service retirement system so as to enable individuals who have coverage under both systems to obtain maximum benefits based on their combined service; to the Committee on Ways and Means.

H.R. 707. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

H.R. 708. A bill to amend title II of the Social Security Act to provide that all benefits based upon the attainment of age will be payable at age 60, subject to actuarial reduction; to the Committee on Ways and Means.

H.R. 709. A bill to amend title II of the Social Security Act to provide that an individual may qualify for disability insurance benefits and the disability freeze if he has 40 quarters of coverage, regardless of when such quarters were earned; to the Committee on Ways and Means.

H.R. 710. A bill to amend title II of the Social Security Act to provide that renewal commissions, received by a retired insurance agent from life insurance policies which were sold by him before his retirement, shall not be taken into account in determining his net earnings from self-employment for purposes of the earnings test; to the Committee on Ways and Means.

H.R. 711. A bill to amend title II of the Social Security Act to provide that the automatic cost-of-living increases in benefits which are authorized thereunder may be made on a semiannual basis (rather than only on an annual basis as at present); to the Committee on Ways and Means.

H.R. 712. A bill to amend title II of the Social Security Act to require that procedures be established for the expedited replacement of undelivered benefit checks, to require that decisions on benefit claims be made within specified periods, and to require that payment of benefits on approved claims begin promptly; to the Committee on Ways and Means.

H.R. 713. A bill to amend title XVI of the Social Security Act to direct the Secretary, in determining the extent to which the value of an individual's home is excludable for purposes of establishing his or her eligibility for supplemental security income benefits, to take into account regional variations in the market prices of homes and to make periodic adjustments reflecting changes in land and home values; to the Committee on Ways and Means.

H.R. 714. A bill to amend part A of title XVIII of the Social Security Act to authorize payment for emergency inpatient hospital services furnished outside the United States, to a qualified individual whose principal residence is within the United States, without regard to where the emergency occurred; to the Committee on Ways and Means.

H.R. 715. A bill to amend the Internal Revenue Code of 1954 to allow a deduction to taxpayers who contribute the right to use certain real property to charitable organizations for outpatient geriatric clinics or for multipurpose senior centers; to the Committee on Ways and Means.

H.R. 716. A bill to amend the Internal Revenue Code of 1954 to treat the amounts paid for custodial care by institutions of certain dependents as amounts paid for medical care; to the Committee on Ways and Means.

H.R. 717. A bill to provide joint and survivors' annuity benefits under private pension plans based upon the participant's vested benefit; jointly, to the Committees on Education and Labor, and Ways and Means.

H.R. 718. A bill to increase alternatives to institutionalization for senior citizens; jointly, to the Committees on Interstate and Foreign Commerce, and Ways and Means.

H.R. 719. A bill to establish within the Department of Health, Education, and Welfare a Home Health Clearinghouse to provide elderly persons with a single place where they can obtain complete information on the Federal health programs available to them, and to crease within the Department an Assistant Secretary for Elderly Health with responsibility for all health and health-related matters involving the elderly; jointly, to the Committees on Interstate and Foreign Commerce, and Ways and Means.

H.R. 720. A bill to amend the Social Security Act to provide for the updating of safety provisions in skilled nursing facilities; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 721. A bill to amend the Social Security Act to require automatic sprinkler systems in all nursing facilities and intermediate care facilities certified for participation in the medicare or medicaid program, and to provide for direct low-interest Federal loans to assist such facilities in constructing or purchasing and installing automatic sprinkler systems; jointly, to the Committee on Ways and Means, and Interstate and Foreign Commerce.

H.R. 722. A bill to amend the Social Security Act to provide for inclusion of the services of licensed (registered) nurses under medicare and medicaid; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 723. A bill to amend title XVIII of the Social Security Act to authorize payment under the medicare program for occupational therapy services, whether furnished as a part of home health services or otherwise; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 724. A bill to amend title XVIII of the Social Security Act to remove all limits on the number of home health visits for which payment may be made under both part A and part B (eliminating the requirement of prior hospitalization in the case of home health care under part A), to include additional types of services as home health care, and for other purposes; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 725. A bill to amend title XVIII of the Social Security Act to authorize payment under the supplementary medical insurance program for the cutting and removal of corns, warts, and calluses and the reduction of club nails; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 726. A bill to amend title XVIII of the Social Security Act for the purpose of including outpatient rehabilitation services among the benefits of the medicare program; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 727. A bill to amend title XVIII of the Social Security Act with respect to the types of transportation for patients which may be included in the definition of medical and other health services under such title; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 728. A bill to amend title XVIII of the Social Security Act to authorize payment under the supplementary medical insurance program for certain diagnostic tests and examinations given for the detection of breast cancer; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 729. A bill to amend title XVIII of the Social Security Act to include, as a home health service, nutritional counseling provided by or under the supervision of a registered dietitian; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 730. A bill to amend title XVIII of the Social Security Act to authorize payment under the medicare program for certain services performed by chiropractors; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. ROSE:

H.R. 731. A bill to amend the Agricultural Act of 1949 to provide that milk shall continue to be supported at not less than 80 per centum of the parity price for milk until October 1, 1981, and for other purposes; to the Committee on Agriculture.

By Mr. ROUSSELOT (for himself and Mr. SYMMS):

H.R. 732. A bill to repeal the Emergency Petroleum Allocation Act; to the Committee on Interstate and Foreign Commerce.

By Mr. ROUSSELOT:

H.R. 733. A bill to amend title 39, United States Code, to eliminate certain provisions relating to private carriage of letters, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 734. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income $1,000 of interest on savings in the case of an individual taxpayer; to the Committee on Ways and Means.

H.R. 735. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income $2,000 of interest on savings in the case of an individual taxpayer; to the Committee on Ways and Means.

H.R. 736. A bill to repeal the earnings limitation of the Social Security Act; to the Committee on Ways and Means.

H.R. 737. A bill to amend title XI of the Social Security Act to repeal the provision for the establishment of Professional Standards Review Organizations to review services covered under the medicare and medicaid programs; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. ROUSSELOT (for himself, Mr. SYMMS, and Mr. HANSEN):

H.R. 738. A bill to repeal the Occupational Safety and Health Act; to the Committee on Education and Labor.

By Mr. RUDD (for himself, Mr. MADIGAN, and Mr. DEVINE):

H.R. 739. A bill to repeal the Metric Conversion Act of 1975 (89 Stat. 1007); to the Committee on Science and Technology.

By Mr. SANTINI:

H.R. 740. A bill to amend the Geothermal Steam Act of 1970 for the purpose of enhancing the development of geothermal resources situated beneath Federal lands; to the Committee on Interior and Insular Affairs.

H.R. 741. A bill to amend the Federal Food, Drug, and Cosmetic Act to require the label on certain food products to disclose the total sugar content thereof; to the Committee on Interstate and Foreign Commerce.

By Mr. SEIBERLING:

H.R. 742. A bill to provide that certain cost-of-living and other increased benefits received under title II of the Social Security Act will not be considered as income for purposes of determining eligibility and the amount of benefits of participants in the food stamp program and for purposes of determining eligibility and the amount of benefits of participants in certain programs concerning surplus agricultural commodities; to the Committee on Agriculture.

H.R. 743. A bill to provide that social security benefit increases occurring after May 1977 shall not be considered as income or resources for the purposes of determining the eligibility for or amount of assistance which any individual or family is provided under certain Federal housing laws; to the Committee on Banking, Finance and Urban Affairs.

H.R. 744. A bill to amend title XIX of the Social Security Act to make certain that individuals otherwise eligible for medicaid benefits do not lose such eligibility, or have the amount of such benefits reduced, because of increases in monthly social security benefits; to the Committee on Interstate and Foreign Commerce.

H.R. 745. A bill to amend the Clayton Act to prohibit restraints of trade in the transportation of petroleum, and for other purposes; to the Committee on the Judiciary.

H.R. 746. A bill to amend the Clayton Act to prohibit the suppression of certain technology, and for other purposes; to the Committee on the Judiciary.

H.R. 747. A bill to amend title II of the Social Security Act to require that procedures be established for the expedited replacement of undelivered benefit checks, to require that decisions on benefit claims be made within specified periods and to require that payment of benefits on approved claims begin promptly; to the Committee on Ways and Means.

By Mr. SMITH of Iowa:

H.R. 748. A bill to assist in the handling of reserves of agricultural commodities and for other purposes; to the Committee on Agriculture.

H.R. 749. A bill to repeal the 1976 Official Standards for Grades of Carcass Beef; to the Committee on Agriculture.

H.R. 750. A bill to authorize loans for study at nonprofit institutions of higher education; to the Committee on Education and Labor.

H.R. 751. A bill to amend the Internal Revenue Code to regulate and prevent multiple taxation of certain kinds of income; jointly, to the Committees on the Judiciary and Ways and Means.

By Mr. SMITH of Iowa (for himself, Mr. CONTE, and Mr. MCDADE):

H.R. 752. A bill to amend title 18 of the United States Code to make it a Federal offense to kill a Small Business Administration employee engaged in the performance of his official duties; to the Committee on the Judiciary.

By Mr. SMITH of Iowa (for himself, Mr. CONTE, and Mrs. FENWICK):

H.R. 753. A bill relating to the loading and unloading in the transportation of perishables and exempt commodities, and for other purposes; to the Committee on Public Works and Transportation.

By Mrs. SMITH of Nebraska:

H.R. 754. A bill to require that imported meat and meat food products made in whole or in part of imported meat be subjected to certain tests and that such meat or products be identified as having been imported; to require the inspection of imported dairy products and that such products comply with certain minimum standards of sanitation; to require that the cost of conducting such tests, inspections, and identification procedures on imported meat and meat food products and on dairy products, as the case may be, be borne by the exporters of such articles; and for other purposes; to the Committee on Agriculture.

By Mr. SOLOMON:

H.R. 755. A bill to require biennial reports to Congress on the effectiveness of Government programs, and for other purposes; to the Committee on Government Operations.

H.R. 756. A bill to amend the Internal Revenue Code of 1954 to require that an annual report on the effects of inflation (or deflation) on the Federal income tax be transmitted to the Congress; to the Committee on Ways and Means.

By Mr. STARK:

H.R. 757. A bill to amend title XVI of the Social Security Act to provide that an individual who applies for supplemental security income benefits on the basis of disability shall be considered presumptively disabled if he has received social security or supplemental security income benefits as a disabled individual within the preceding 5 years; to the Committee on Ways and Means.

By Mr. STENHOLM:

H.R. 758. A bill to amend title XVIII of the Social Security Act to provide flexibility in the application of standards to rural hospitals; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. STOKES:

H.R. 759. A bill to require that discharge certificates issued to members of the Armed Forces not indicate the conditions or reasons for discharge, to limit the separation of enlisted members under conditions other than honorable, and to improve the procedures for the review of discharges and dismissals; to the Committee on Armed Services.

H.R. 760. A bill to require that any person holding a federally related home mortgage shall provide certain services and follow certain procedures before instituting foreclosure proceedings with respect to such mortgage; to the Committee on Banking, Finance and Urban Affairs.

H.R. 761. A bill to amend the Public Health Service Act to provide for the establishment of a Division of Minority Mental Health Programs within the National Institute of Mental Health, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 762. A bill to establish a program providing financial assistance to low-and moderate-income households with regard to utility costs incurred by such households; to the Committee on Interstate and Foreign Commerce.

H.R. 763. A bill to prohibit psychosurgery in federally connected health care facilities; to the Committee on Interstate and Foreign Commerce.

H.R. 764. A bill to amend title XVI of the Social Security Act to provide that benefits under the supplemental security income program shall be in amounts equal at least to the poverty level, to allow each spouse in an eligible couple to receive such benefits in his or her own right, to reduce from 65 to 60 the age of eligibility for such benefits, to provide an effective method for replacing lost or stolen benefit checks, and to make various other improvements in the administration of such programs; to the Committee on Ways and Means.

H.R. 765. A bill to amend title II of the Social Security Act to remove the present ceiling on the contribution and benefit base with a partial exemption from social security taxes for low-income workers, to increase the minimum benefit, to provide full benefits at a reduced age for members of groups with less than average life expectancy, to repeal the earnings test, to provide mandatory coverage for Federal employees, and to make other improvements in the old-age survivors, and disability insurance programs; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. STRATTON:

H.R. 766. A bill to amend the Economic Stabilization Act of 1970 to establish an Economic Stabilization Board, to stabilize prices, wages rents, and interest rates at levels prevailing on the date of enactment of these amendments, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

H.R. 767. A bill to stabilize prices, rents, wages, salaries, profits, dividends, interest rates, and other economic transfers; to the Committee on Banking, Finance and Urban Affairs.

H.R. 768. A bill to provide for the payment of losses incurred as a result of the ban on the use of the chemical Tris in apparel, fabric, yarn or fiber, and for other purposes; to the Committee on the Judiciary.

By Mr. STUDDS:

H.R. 769. A bill to amend the Emergency Petroleum Allocation Act of 1973 to extend price controls on domestically produced crude oil for a period of 24 months; to the Committee on Interstate and Foreign Commerce.

By Mr. SYMMS (for himself, Mr. Hansen, and Mr. McDonald):

H.R. 770. A bill to repeal the Gun Control Act of 1968; to the Committee on the Judiciary.

By Mr. SYMMS (for himself, Mr. McDonald, and Mr. Hansen):

H.R. 771. A bill to repeal the Occupational Safety and Health Act of 1970; to the Committee on Education and Labor.

By Mr. VANDER JAGT:

H.R. 772. A bill to amend section 1332 of title 28, United States Code, to grant jurisdiction to the district courts to enforce any custody order of a State court against a parent who, in contravention of such order, takes a child to another State; to the Committee on the Judiciary.

H.R. 773. A bill to clarify the circumstances under which territorial provisions in licenses to manufacture, distribute, and sell trademarked soft drink products are lawful under the antitrust laws; to the Committee on the Judiciary.

H.R. 774. A bill to amend title 38, United States Code, to provide for the payment of service pensions to veterans of World War I and the surviving spouses and children of such veterans; to the Committee on Veterans' Affairs.

H.R. 775. A bill to amend the Internal Revenue Code of 1954 to increase the limitations on the deduction of expenditures by farmers for clearing land; to the Committee on Ways and Means.

H.R. 776. A bill providing that certain foreign losses which were economically incurred before December 31, 1975, will not be subject to the loss recapture rules of the Tax Reform Act of 1976; to the Committee on Ways and Means.

By Mr. THOMPSON:

H.R. 777. A bill to extend the benefits of Federal labor relations acts to public employees and their employers; to the Committee on Education and Labor.

By Mr. VANDER JAGT:

H.R. 778. A bill to amend title II of the Social Security Act to provide that a beneficiary shall (if otherwise qualified) be entitled to a prorated benefit for the month in which he (or the insured individual) dies; to the Committee on Ways and Means.

H.R. 779. A bill to amend title II of the Social Security Act to make it clear that every beneficiary is entitled to apply the monthly earnings test (under the amendment made by section 303 of the Social Security Amendments of 1977) in at least 1 year after 1978; to the Committee on Ways and Means.

H.R. 780. A bill to amend title 5 of the United States Code to establish a uniform procedure for congressional review of agency rules which may be contrary to law or inconsistent with congressional intent, to expand opportunities for public participation in agency rulemaking, and for other purposes; jointly, to the Committees on the Judiciary and Rules.

By Mr. WALKER:

H.R. 781. A bill to improve the level of nutrition of households which participate in the food stamp program by authorizing the use of food stamps only to purchase nutritious foods, and for other purposes; to the Committee on Agriculture.

H.R. 782. A bill to forbid the use of quotas to deny opportunities in education or employment; jointly, to the Committees on the Judiciary, and Education and Labor.

By Mr. WAMPLER:

H.R. 783. A bill to amend title 23. United States Code, relating to energy impacted public roads; to the Committee on Public Works and Transportation.

H.R. 784. A bill to amend the Appalachian Regional Development Act of 1965 to extend the authorizations of appropriations contained in such act; to the Committee on Public Works and Transportation.

By Mr. WEISS:

H.R. 785. A bill to amend the Internal Revenue Code of 1954 to partially exclude interest from savings from the gross income of certain taxpayers; to the Committee on Ways and Means.

By Mr. WEISS (for himself, Mr. Nolan, Mr. Waxman, and Mr. Rosenthal):

H.R. 786. A bill to provide authority for the President to stabilize prices, wages, interest rates, and corporate dividends; to the Committee on Banking, Finance and Urban Affairs.

By Mr. WEISS (for himself, Mr. Bonior of Michigan, Mrs. Chisholm, Mr. Downey, Mr. Garcia, Ms. Holtzman, Mr. Markey, Mr. Rangel, Mr. Richmond, Mr. Rosenthal, Mr. Solarz, Mr. Wolff, and Mr. Zeferetti):

H.R. 787. A bill to provide that the Secretary of Housing and Urban Development may not approve any application for rental increases in federally assisted housing unless the amount of such increase is permitted under State and local law; to the Committee on Banking, Finance and Urban Affairs.

By Mr. WEISS (for himself and Mr. Thompson):

H.R. 788. A bill to amend the Labor-Management Reporting and Disclosure Act of 1959 to require reporting by certain employee associations; to the Committee on Education and Labor.

By Mr. WEISS (for himself, Mr. Bedell, Mr. Conyers, Mr. Dellums, Mr. Edwards of California, Mr. Fish, Ms. Holtzman, Mr. Mikva, Mr. Richmond, and Mr. Weaver):

H.R. 789. A bill to amend the Atomic Energy Act of 1954 to modify certain statutory limitations on the amount of financial protection required with respect to nuclear incidents, to remove the statutory limitations on the aggregate liability for a single nuclear incident, to limit the financial obligations of the United States with respect to such incidents, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. WEISS (for himself, Mr. Dellums, Mr. Edwards of California, Mr. Guyer, Ms. Holtzman, Mr. Jenrette, Mr. Maguire, Mr. Markey, Mr. Mineta, Mr. Mitchell of Maryland, Mr. Ottinger, Mr. Patterson, Mr. Scheuer, Mr. Simon, Mr. Solarz, Mrs. Spellman, Mr. Stark, Mr. Whitehurst, and Mr. Wolff):

H.R. 790. A bill to provide that ionization smoke detectors shall bear a label specifying that they contain radioactive materials; to the Committee on Interstate and Foreign Commerce.

By Mr. WEISS (for himself, Mr. Maguire, Mr. Mitchell of Maryland, Mr. Ottinger, Mr. Solarz, and Mr. Stark):

H.R. 791. A bill to provide that ionization smoke detectors containing any radioactive isotope shall be considered banned hazardous substances subject to the prohibitions of the Federal Hazardous Substances Act; to the Committee on Interstate and Foreign Commerce.

By Mr. WEISS (for himself, Mr. Bingham, Mr. Bonior of Michigan, Mr. Clay, Mr. Dellums, Mr. Garcia, and Mr. Moakley):

H.R. 792. A bill to amend the Hazardous Materials Transportation Act of 1974 to prohibit the transportation of radioactive materials in densely populated areas; jointly, to the Committees on Interstate and Foreign Commerce, and Public Works and Transportation.

By Mr. WHITE:

H.R. 793. A bill to authorize the Secretary of the Army to acquire certain private and State-owned lands in Texas, in exchange for Government-owned lands; to the Committee on Armed Services.

H.R. 794. A bill to amend the Occupational Safety and Health Act of 1970 to provide additional consultation and education to employers, and for other purposes; to the Committee on Education and Labor.

H.R. 795. A bill to amend the Occupational Safety and Health Act of 1970 to exempt employers of 10 or fewer regular employees, to require the issuance of warnings to employers of 25 or fewer regular employees for the first instance violations, and to bar the assessment of penalties where fewer than 10 violations are cited; to the Committee on Education and Labor.

H.R. 796. A bill to amend and supplement the acreage limitation and residency provisions of the Federal reclamation laws, as amended and supplemented, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 797. A bill to permit the Tigua Indian Tribe of Texas to file with the U.S. Court of Claims any claim of such tribe for compensation for lands allegedly taken from such tribe by the United States without the payment of adequate compensation; to the Committee on Interior and Insular Affairs.

H.R. 798. A bill to amend the Communications Act of 1934 to establish orderly procedures for the consideration of applications for renewal of broadcast licenses; to the Committee on Interstate and Foreign Commerce.

H.R. 799. A bill to amend section 106 of title 4 of the United States Code relating to State taxation of the income or residents of another State; to the Committee on the Judiciary.

H.R. 800. A bill to amend the Immigration and Nationaltiy Act to provide for the issuance of nonimmigrant visas to certain aliens entering the United States to perfrom services or labor of a temporary or seasonal nature under specific contracts of employment and fair employment conditions; to require an immigrant alien to maintain a permanent residence as a condition for entering and remaining as an immigrant of the United States; and for other purposes; to the Committee on the Judiciary.

H.R. 801. A bill to eliminate the offset against social security benefits in the case of spouses and surviving spouses receiving certain Government pensions; to the Committee on Ways and Means.

H.R. 802. A bill to extend from 8 months to 24 months the period in which domesticated animals may pasture in foreign countries and be accorded duty-free status upon reentry into the United States; to the Committee on Ways and Means.

H.R. 803. A bill to establish a method whereby the Congress (acting in accordance with specified procedures) may prevent the adoption by the executive branch of rules or regulations which are contrary to law or inconsistent with congressional intent or which go beyond the mandate of the legislation which they are designed to implement; jointly, to the Committees on the Judiciary and Rules.

By Mr. WHITEHURST:

H.R. 804. A bill to amend section 907 of title 37, United States Code, relating to pay and allowances of enlisted members of the uniform services who are appointed officers, and for other purposes; to the Committee on Armed Services.

H.R. 805. A bill to provide a basic allowance for quarters for certain members of the armed services while on field or sea duty; to the Committee on Armed Services.

H.R. 806. A bill to establish a National Zoological Foundation; to the Committee on Merchant Marine and Fisheries.

H.R. 807. A bill to include in the definition of law enforcement officer contained in title 5, United States Code, employees whose duties include both the investigation, apprehension, or detention of criminals and the protection of human lives and property; to the Committee on Post Office and Civil Service.

H.R. 808. A bill to amend the Congressional Budget of 1974 to require the Congressional Budget Office to prepare economic impact statements in connection with legislation reported by congressional committees and in connection with rules and regulations proposed by Federal agencies; to the Committee on Rules.

H.R. 809. A bill to amend title 38, United States Code, to provide that remarriage of the surviving spouse of a veteran after age 60 shall not result in termination of dependency and indemnity compensation; to the Committee on Veterans' Affairs.

H.R. 810. A bill to amend the Internal Revenue Code of 1954 to provide tax-saving incentives for savings accounts established for the purpose of purchasing a home; to the Committee on Ways and Means.

H.R. 811. A bill to amend the Internal Revenue Code of 1954 to encourage the use of methanol as an alternative fuel for motor vehicles by allowing the rapid amortization of facilities producing methanol and by providing that fuels which are at least 10 percent methanol will not be subject to the Federal excise taxes; to the Committee on Ways and Means.

H.R. 812. A bill to assist former spouses of Federal employees in obtaining court-ordered payments; to the Committee on Ways and Means.

By Mr. WHITEHURST (for himself and Mr. Roe):

H.R. 813. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for State and local public utility taxes; to the Committee on Ways and Means.

By Mr. BOB WILSON:

H.R. 814. A bill to amend title 10, United States Code, to change the method of computing retired pay of certain enlisted members of the Army, Navy, Air Force, or Marine Corps; to the Committee on Armed Services.

H.R. 815. A bill to amend title 10, United States Code, to change the method of computing retired pay of certain enlisted members of the Army, Navy, Air Force, or Marine Corps; to the Committee on Armed Services.

H.R. 816. A bill to amend title 10 of the United States Code so as to permit members of the Reserves and the National Guard to receive retired pay at age 55 for nonregular service under chapter 67 of that title; to the Committee on Armed Services.

H.R. 817. A bill to provide retirement annuities for certain widows of members of the uniformed services who died before the effective date of the Survivor Benefit Plan; to the Committee on Armed Services.

H.R. 818. A bill to amend title 37, United States Code, to authorize family separation allowance for members in the pay grade of E-4 and below with dependents; to the Committee on Armed Services.

H.R. 819. A bill to provide for the advance payment of station housing allowances for members of the uniformed services assigned overseas; to the Committee on Armed Services.

H.R. 820. A bill to amend the Public Health Service Act to provide financial assistance to medical facilities for treatment of certain aliens; to the Committee on Interstate and Foreign Commerce.

H.R. 821. A bill to amend title 5, United States Code, to credit time spent in the Cadet Nurse Corps during World War II as creditable service for civil service retirement; to the Committee on Post Office and Civil Service.

H.R. 822. A bill to amend title 38 of the United States Code to provide an alternative method for computing dependency and indemnity compensation in order to insure that in certain instances the survivors of deceased veterans receive an amount of compensation equal to that to which they would have been entitled if such veterans had been civil service employees killed while performing job-related functions; to the Committee on Veterans' Affairs.

H.R. 823. A bill to amend section 3104 of title 38, United States Code, to permit certain service-connected disabled veterans who are retired members of the uniformed services to receive compensation concurrently with retired pay, without deduction from either; to the Committee on Veterans' Affairs.

By Mr. CHARLES H. WILSON of California:

H.R. 824. A bill to amend title 39, United States Code, relating to transportation of mail on U.S. vessels; to the Committee on Post Office and Civil Service.

H.R. 825. A bill to amend title 39, United States Code, to require the furnishing of certain information in connection with the solicitation of charitable contributions by mail, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 826. A bill to amend title 39, United States Code, to provide that the U.S. Postal Service shall be subject to certain provisions of the Occupational Safety and Health Act of 1970; to the Committee on Post Office and Civil Service.

H.R. 827. A bill to establish dispute resolution procedures and an arbitration board to settle disputes between organizations of supervisors and other managerial personnel and the U.S. Postal Service; to the Committee on Post Office and Civil Service.

H.R. 828. A bill to amend title II of the Social Security Act and the Internal Revenue Code of 1954 to provide that any individual may elect (on an annual basis) to contribute to a private retirement plan rather than participating in the social security program; to the Committee on Ways and Means.

H.R. 829. A bill to require that specific alien and citizenship status information be provided prior to the issuance of a social security card, to require that social security cards which cannot be duplicated be issued, to require that these cards be presented to employers by prospective employees before obtaining employment, to provide penalties against employers for violating provisions of the act, and for other purposes; to the Committee on Ways and Means.

By Mr. WOLFF:

H.R. 830. A bill to provide that elderly persons residing in dwelling units receiving Federal assistance shall be provided with certain rights in the lease agreements between the elderly persons and the owners of the units; to the Committee on Banking, Finance and Urban Affairs.

H.R. 831. A bill to authorize the establishment of the Long Island Sound Heritage in the States of Connecticut and New York; to the Committee on Interior and Insular Affairs.

H.R. 832. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for contributions to an educational fund for the benefit of the taxpayer's children; to the Committee on Ways and Means.

H.R. 833. A bill to amend the Internal Revenue Code of 1954 to allow a credit against income tax to individuals for certain expenses incurred in providing higher education; to the Committee on Ways and Means.

H.R. 834. A bill to amend the Internal Revenue Code of 1954 to provide an additional itemized deduction for individuals who rent their principal residences; to the Committee on Ways and Means.

H.R. 835. A bill to amend the Internal Revenue Code of 1954 to allow an individual an income tax deduction for the expenses of traveling to and from work by means of mass transportation facilities; to the Commitee on Ways and Means.

H.R. 836. A bill to amend the Internal Revenue Code of 1954 to allow individuals a deduction for certain social security taxes; to the Committee on Ways and Means.

H.R. 837. A bill to amend the Internal Revenue Code of 1954 to suspend the imposition of interest and to prohibit the imposition of a penalty for failure to pay tax on underpayments of tax resulting from erroneous advice given in writing by the Internal Revenue Service; to the Committee on Ways and Means.

H.R. 838. A bill to amend the Internal Revenue Code of 1954 to allow certain individuals whose employers make contributions to pension plans a deduction for their contributions to employer pension funds and to allow certain individuals to establish modified individual retirement plans when the employer-employee pension contributions are small; to the Committee on Ways and Means.

H.R. 839. A bill to amend the Internal Revenue Code of 1954 to allow a deduction in computing gross income for theft losses sustained by individuals, for certain amounts paid to protect against theft, for medical expenses caused by criminal conduct, and for funeral expenses of victims of crime; to the Committee on Ways and Means.

H.R. 840. A bill to amend the Internal Revenue Code of 1954 to provide that pensions paid to retired policemen or firemen or their dependents, or to the widows or other survivors or deceased policemen or firemen, shall not be subject to the income tax; to the Committee on Ways and Means.

H.R. 841. A bill to amend the Internal Revenue Code of 1954 to permit an exemption of the first $5,000 of retirement income received by a taxpayer under a public retirement system or any other system if the taxpayer is at least 65 years of age; to the Committee on Ways and Means.

H.R. 842. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income the interest on deposits in certain savings institutions; to the Committee on Ways and Means.

H.R. 843. A bill to amend the Internal Revenue Code of 1954 to allow a deduction or credit against tax to individuals and corporations for certain expenses incurred in the conversion of pilot lights to a system of manual ignition in certain gas appliances; to the Committee on Ways and Means.

H.R. 844. A bill to amend the Internal Revenue Code of 1954 to provide an additional itemized deduction for taxicab fares paid by disabled individuals; to the Committee on Ways and Means.

H.R. 845. A bill to provide payments to States for public elementary and secondary education and to allow a credit against the individual income tax for tuition paid for the elementary or secondary education of dependents; jointly, to the Committees on Education and Labor, and Ways and Means.

By Mr. WON PAT:

H.R. 846. A bill to amend title 10, United States Code, to increase the number of appointments to the service academies to which the Delegate in Congress from Guam is entitled; to the Committee on Armed Services.

H.R. 847. A bill to provide Federal assistance to cities with high concentrations of foreign-born persons, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

H.R. 848. A bill to waive the visa requirements for aliens visiting Guam for not more than 15 days; to the Committee on the Judiciary.

H.R. 849. A bill to amend the Internal Revenue Code of 1954 to provide that the pension plan reserves of a life insurance company shall include amounts allocable to certain trusts forming part of a pension, profit sharing, or stock bonus plan all of the participants of which are residents of Guam; to the Committee on Ways and Means.

H.R. 850. A bill to amend the Social Security Act and the Internal Revenue Code of 1954 to provide that disability insurance benefits shall be financed from general revenues rather than through the imposition of employment and self-employment taxes as at present, to adjust the rates of such taxes for old-age and survivors insurance and hospital insurance purposes, to provide for reductions in the amount of such disability benefits to take account of the recipient's need as determined on the basis of his family income, to improve disability determination procedures, and for other purposes; to the Committee on Ways and Means.

By Mr. WYLIE:

H.R. 851. A bill to amend the Truth in Lending Act to facilitate compliance by simplifying the requirements imposed, to reduce regulatory burdens, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

H.R. 852. A bill to amend the Truth in Lending Act to provide privacy protection for consumers using electronic funds transfer services; to the Committee on Banking, Finance and Urban Affairs.

H.R. 853. A bill to amend the Congressional Budget Act of 1974 and the Budget and Accounting Act, 1921, to provide that Federal expenditures shall not exceed Federal revenues, except in time of war or economic necessity declared by the Congress; to the Committees on Government Operations and Rules.

H.R. 854. A bill to amend the Congressional Budget Act of 1974 and the Budget and Accounting Act, 1921, to provide that Federal expenditures shall not exceed Federal revenues, except in time of war or economic necessity declared by the Congress; and that a fixed percentage of 1 percent of Federal budget outlays each year shall be used for the reduction of the national debt; jointly, to the Committees on Government Operations and Rules.

H.R. 855. A bill to amend the Congressional Budget Act of 1974 and the Budget and Accounting Act, 1921, to provide that Federal expenditures shall not exceed Federal revenues, except in time of war or economic necessity declared by the Congress; and that a fixed percentage of 2 percent of Federal budget outlays each year shall be used for the reduction of the national debt; jointly, to the Committees on Government Operations and Rules.

H.R. 856. A bill to amend the Congressional Budget Act of 1974 and the Budget and Accounting Act, 1921, to provide that Federal expenditures shall not exceed Federal revenues, except in time of war or economic necessity declared by the Congress; and that a fixed percentage of 3 percent of Federal budget outlays each year shall be used for the reduction of the national debt; to the Committees on Government Operations and Rules.

H.R. 857. A bill to amend the Congressional Budget Act of 1974 and the Budget and Accounting Act, 1921, to provide that Federal expenditures shall not exceed Federal revenues, except in time of war or economic necessity declared by the Congress, and that, at the termination of a declaration of war or economic necessity declared by Congress, a fixed percentage of 2 percent of Federal Budget Outlays each year shall be used for the reduction of the national debt to the level of the debt before the declaration; jointly, to the Committees on Government Operations and Rules.

H.R. 858. A bill to amend the United States Code (relating to congressional budget and fiscal operations) to limit the total of all Federal expenditures and outlays to 20 percent of gross national product after September 30, 1982, except in time of war or economic necessity declared by the Congress; jointly, to the Committees on Government Operations and Rules.

H.R. 859. A bill to amend the United States Code (relating to congressional budget and fiscal operations) to limit after September 30, 1982, the total of all Federal expenditures and outlays for a given fiscal year to 20 percent of gross national product for the previous fiscal year, except in time of war or economic necessity declared by the Congress; and to phase in the discipline steadily during the interim years; jointly, to the Committees on Government Operations and Rules.

H.R. 860. A bill to amend the United States Code (relating to congressional budget and fiscal operations) to limit the total of all Federal expenditures and outlays to 20 percent of gross national product after September 30, 1983, except in time of war or economic necessity declared by the Congress; jointly, to the Committees on Government Operations and Rules.

H.R. 861. A bill to amend the United States Code (relating to congressional budget and fiscal operations) to limit after September 30, 1983, the total of all Federal expenditures and outlays for a given fiscal year to 20 percent of gross national product for the previous fiscal year, except in time of war or economic necessity declared by the Congress, and to phase in the discipline steadily during the interim years; jointly, to the Committees on Government Operations and Rules.

H.R. 862. A bill to amend the United States Code (relating to congressional budget and fiscal operations) to limit the total of all Federal expenditures and outlays to 20 percent of gross national product after September 30, 1984, except in time of war or economic necessity declared by the Congress; jointly, to the Committees on Government Operations and Rules.

H.R. 863. A bill to amend the United States Code (relating to congressional budget and fiscal operations) to limit after September 30, 1984, the total of all Federal expenditures and outlays for a given fiscal year to 20 percent of gross national product for the previous fiscal year, except in time of war or economic necessity declared by the Congress, and to phase in the discipline steadily during the interim years; jointly, to the Committees on Government Operations and Rules.

H.R. 864. A bill to amend the United States Code (relating to congressional budget and fiscal operations) to set a maximum percentage of 7 percent by which Federal expenditures and new budget authority could increase from any one fiscal year to the next fiscal year, except in time of war or in time of economic necessity declared by Congress; jointly, to the Committees on Government Operations and Rules.

H.R. 865. A bill to amend the United States Code (relating to congressional budget and fiscal operations) to set a maximum percentage of 8 percent by which Federal expenditures and new budget authority could increase from any one fiscal year to the next fiscal year, except in time of war or in time of economic necessity declared by Congress; jointly, to the Committees on Government Operations and Rules.

H.R. 866. A bill to amend the United States Code (relating to congressional budget and fiscal operations) to set a maximum percentage of 9 percent by which Federal expenditures and new budget authority could increase from any one fiscal year to the next fiscal year, except in time of war or in time of economic necessity declared by Congress; jointly, to the Committees on Government Operations and Rules.

H.R. 867. A bill to amend the United States Code (relating to congressional budget and fiscal operations) to set a maximum percentage of 10 percent by which Federal expenditures and new budget authority could increase from any one fiscal year to the next fiscal year, except in time of war or in time of economic necessity declared by Congress; jointly, to the Committees on Government Operations and Rules.

H.R. 868. A bill to amend the United States Code (relating to congressional budget and fiscal operations) to set a maximum percentage of 11 percent by which Federal expenditures and new budget authority could increase from any one fiscal year to the next fiscal year, except in time of war or in time of economic necessity declared by Congress; jointly, to the Committees on Government Operations and Rules.

By Mr. YATES:

H.R. 869. A bill to prohibit the importation, manufacture, sale, purchase, transfer, receipt, or transportation of handguns, in any manner affecting interstate or foreign commerce except for or by members of the Armed Forces, law enforcement officials, and, as authorized by the Secretary of the Treasury, licensed importers, manufacturers, dealers, and pistol clubs; to the Committee on the Judiciary.

H.R. 870. A bill to prohibit commercial flights by supersonic aircraft into or over the United States until certain findings are made by the Administrator of the Environmental Protection Agency and by the Secretary of Transportation, and for other purposes; to the Committee on Public Works and Transportation.

H.R. 871. A bill to amend chapter 1 of title 26, United States Code, to allow a deduction to tenants of houses or apartments for their proportionate share of the taxes and interest paid by their landlords; to the Committee on Ways and Means.

H.R. 872. A bill to extend to all unmarried individuals the full tax benefits of income splitting now enjoyed by married individuals filing joint returns; to the Committee on Ways and Means.

H.R. 873. A bill to encourage increased use of public transit systems by amending chapter 1 of title 26, United States Code, to allow a credit against individual income taxes for funds expended by a taxpayer for payment of public transit fares from his or her residence to his or her place of employment and from his or her place of employment to his or her residence; to the Committee on Ways and Means.

H.R. 874. A bill to amend title 42, United States Code, chapter 7, subchapter II to reduce from 20 to 5 years the length of time a divorced woman's marriage to an insured individual must have lasted in order for her to qualify for wife's or widow's benefits on his wage record; to the Committee on Ways and Means.

By Mr. YOUNG of Florida:

H.R. 875. A bill to provide a penalty for unlawful assault upon policemen, firemen, and other law enforcement personnel, and for other purposes; to the Committee on the Judiciary.

H.R. 876. A bill to provide for the personal safety of those persons engaged in furthering the foreign intelligence operations of the United States; to the Committee on the Judiciary.

H.R. 877. A bill to amend section 700 of title 18, United States Code, relating to desecration of the flag of the United States; to the Committee on the Judiciary.

H.R. 878. A bill to provide that pay adjustments for Members of Congress may take effect no earlier than the beginning of the Congress next following the Congress in which they are approved; to the Committee on Post Office and Civil Service.

H.R. 879. A bill to amend title 38, United States Code, to provide that remarriage of the widow of a veteran after age 60 shall not result in termination of dependency and indemnity compensation; to the Committee on Veterans' Affairs.

H.R. 880. A bill to provide for national cemeteries in the central west coast area of the State of Florida; to the Committee on Veterans' Affairs.

H.R. 881. A bill to amend the Internal Revenue Code of 1954 to provide income tax incentives for the modification of certain facilities and vehicles so as to remove architectural and transportational barriers to the handicapped and elderly; to the Committee on Ways and Means.

H.R. 882. A bill to amend title XVI of the Social Security Act to provide that a bural plot or crypt shall be excluded from an individual's resources in determining his or her eligibility for SSI (and medicaid) benefits; to the Committee on Ways and Means.

H.R. 883. A bill to amend part A of title XVIII of the Social Security Act to reduce the inpatient hospital deductible under the medicare program to its 1978 level; to the Committee on Ways and Means.

By Mr. ZEFERETTI:

H.R. 884. A bill to provide assistance for the construction, acquisition, and renovation of State and local prison facilities, and for other purposes; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

[Introduced January 15, 1979]

By Mr. ANNUNZIO:

H.R. 885. A bill for the relief of the Continental Chemiste Corp.; to the Committee on the Judiciary.

H.R. 886. A bill for the relief of Modern Life and Accident Insurance Co. of Chicago; to the Committee on the Judiciary.

By Mr. BENNETT:

H.R. 887. A bill for the relief of Elizabeth Berwick and Alexander Berwick, her husband; to the Committee on the Judiciary.

By Mr. BOLAND:

H.R. 888. A bill for the relief of Chunchai Letasz; to the Committee on the Judiciary.

By Mr. BROWN of California:

H.R. 889. A bill for the relief of Naomi Chiu; to the Committee on the Judiciary.

By Mr. CHAPPELL:

H.R. 890. A bill for the relief of Yick Bong Au Yeung; to the Committee on the Judiciary.

H.R. 891. A bill for the relief of Barbara Laws Smith; to the Committee on the Judiciary.

H.R. 892. A bill for the relief of Ramona Castro Flores Vda. de Guzman; to the Committee on the Judiciary.

H.R. 893. A bill for the relief of Ellen and Horst Bliedung; to the Committee on the Judiciary.

By Mr. ROBERT W. DANIEL, JR.:

H.R. 894. A bill for the relief of Gina Marie S. Hernandez; to the Committee on the Judiciary.

By Mr. DANIELSON:

H.R. 895. A bill for the relief of Maria Auxillio Arrieta Davila; to the Committee on the Judiciary.

H.R. 896. A bill for the relief of Joseph J. Andrews; to the Committee on the Judiciary.

H.R. 897. A bill for the relief of P. S. Seymour-Heath; to the Committee on the Judiciary.

H.R. 898. A bill for the relief of Rodney L. Herold and others; to the Committee on the Judiciary.

H.R. 899. A bill for the relief of Mr. and Mrs. Aaron Wayne Ogburn; to the Committee on the Judiciary.

H.R. 900. A bill for the relief of Grace Maria Salazar Santos; to the Committee on the Judiciary.

H.R. 901. A bill for the relief of John A. Townsley; to the Committee on the Judiciary.

By Mr. DELLUMS:

H.R. 902. A bill for the relief of Mrs. Dorothy S. Eaton; to the Committee on the Judiciary.

H.R. 903. A bill for the relief of Leticia Tongohan Pellerin; to the Committee on the Judiciary.

H.R. 904. A bill for the relief of Paul Sakwa; to the Committee on the Judiciary.

By Mr. DERWINSKI:

H.R. 905. A bill for the relief of Richard B. Port; to the Committee on Armed Services.

By Mr. FISH:

H.R. 906. A bill for the relief of Grace M. Caporino, Pamela Caporino, and Melanie Caporino; to the Committee on the Judiciary.

H.R. 907. A bill for the relief of Louis Rizzo; to the Committee on the Judiciary.

By Mr. FOUNTAIN:

H.R. 908. A bill for the relief of Rosario M. Stancil; to the Committee on the Judiciary.

By Mr. HAGEDORN:

H.R. 909. A bill for the relief of Stefano de Asarta; to the Committee on the Judiciary.

H.R. 910. A bill for the relief of Simon Marriott; to the Committee on the Judiciary.

H.R. 911. A bill for the relief of Francesco da Conturbia-Rota; to the Committee on the Judiciary.

By Mr. HORTON:

H.R. 912. A bill for the relief of Mordechai Dror; to the Committee on the Judiciary.

H.R. 913. A bill for the relief of Joseph P. Mahady; to the Committee on the Judiciary.

H.R. 914. A bill for the relief of Dr. Ching W. Tang; to the Committee on the Judiciary.

By Mr. HUBBARD:

H.R. 915. A bill for the relief of Dr. Emmanuel Najera Macaraeg and his wife, Aurora C. Macaraeg; to the Committee on the Judiciary.

H.R. 916. A bill for the relief of Dr. Ricardo B. Maddela and his wife, Dr. Zenaida Andaya Maddela; to the Committee on the Judiciary.

H.R. 917. A bill for the relief of Dr. Kok Liong Tan and his wife, Gloria Siao Tan; to the Committee on the Judiciary.

By Mr. HYDE:

H.R. 918. A bill for the relief of Maryrose and Rosemary Evangelista; to the Committee on the Judiciary.

By Mr. JEFFORDS:

H.R. 919. A bill for the relief of Camille Joseph Paul; to the Committee on the Judiciary.

By Mr. JOHNSON of California:

H.R. 920. A bill to authorize the Secretary of the Interior to convey certain lands in Placer County, Calif., to Mrs. Edna C. Marshall, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 921. A bill to authorize the Secretary of the Interior to rectify a public land transaction; to the Committee on the Judiciary.

By Mr. KASTENMEIER:

H.R. 922. A bill for the relief of Felipe B. Manalo and Maria Monita A. Manalo; to the Committee on the Judiciary.

By Mr. KAZEN:

H.R. 923. A bill for the relief of Raul Lopez Maldonado; to the Committee on the Judiciary.

By Mr. KOSTMAYER:

H.R. 924. A bill for the relief of Frank Ciccarone; to the Committee on the Judiciary.

H.R. 925. A bill for the relief of Leah Mi Cohen; to the Committee on the Judiciary.

H.R. 926. A bill for the relief of Vassilios Stamatacos; to the Committee on the Judiciary.

By Mr. LATTA:

H.R. 927. A bill for the relief of Dr. Ka Chun Wong, and his wife, Marilyn Wong; to the Committee on the Judiciary.

By Mr. LENT:

H.R. 928. A bill for the relief of Antonio Lopez Rodriguez; to the Committee on the Judiciary.

H.R. 929. A bill for the relief of Eun Kyung Cho and Hei Kyung Cho; to the Committee on the Judiciary.

H.R. 930. A bill for the relief of the New York Institute of Technology; to the Committee on the Judiciary.

H.R. 931. A bill for the relief of Norman Shubinsky; to the Committee on the Judiciary.

By Mr. McCLOSKEY:

H.R. 932. A bill for the relief of Doris Mauri Coonrad; to the Committee on the Judiciary.

By Mr. MITCHELL of New York:

H.R. 933. A bill for the relief of GFM Co.; to the Committee on the Judiciary.

By Mr. MOORHEAD of California:

H.R. 934. A bill for the relief of Brian Hall and Vera W. Hall; to the Committee on the Judiciary.

H.R. 935. A bill for the relief of Jesse Kuo Tang and Sharon Kuo Tang; to the Committee on the Judiciary.

H.R. 936. A bill for the relief of Kit Tung; to the Committee on the Judiciary.

By Mr. NATCHER:

H.R. 937. A bill for the relief of Doctor Orlando Fusilero Bravo; to the Committee on the Judiciary.

H.R. 938. A bill for the relief of Doctor Kok Liong Tan and his wife, Glorio Siao Tan; to the Committee on the Judiciary.

By Mr. OTTINGER:

H.R. 939. A bill for the relief of Henry Sherman Ochshorn; to the Committee on the Judiciary.

H.R. 940. A bill for the relief of Elsie Stevens; to the Committee on the Judiciary.

By Mr. SMITH of Iowa:

H.R. 941. A bill for the relief of Neil R. Fairbanks; to the Committee on the Judiciary.

By Mr. STANTON:

H.R. 942. A bill for the relief of Helga M. Methena; to the Committee on the Judiciary.

By Mr. STEED:

H.R. 943. A bill for the relief of Lystra Umilta Downs; to the Committee on the Judiciary.

By Mr. STENHOLM:

H.R. 944. A bill for the relief of Dr. Ricardo Mateo Rodriguez; to the Committee on the Judiciary.

By Mr. VANDER JAGT:

H.R. 945. A bill for the relief of Reverend Harold A. Kirchenbauer; to the Committee on the Judiciary.

By Mr. BOB WILSON:

H.R. 946. A bill for the relief of Maria Estela Sims; to the Committee on the Judiciary.

H.R. 947. A bill to direct the Secretary of the department in which the U.S. Coast Guard is operating to cause the vessel *Bomar* to be documented as a vessel of the United States so as to be entitled to engage in the coastwise trade; to the Committee on Merchant Marine and Fisheries.

H.R. 948. A bill for the relief of Maria Corazon Samtoy; to the Committee on the Judiciary.

H.R. 949. A bill for the relief of Welita F. Sebastian; to the Committee on the Judiciary.

H.R. 950. A bill for the relief of Jordao Rodrigues Da Silva; to the Committee on the Judiciary.

By Mr. YATES (by request):

H.R. 951. A bill for the relief of Dong Hwan Kim; to the Committee on the Judiciary.

By Mr. YATES:

H.R. 952. A bill for the relief of Phyllis T. Pontrelli; to the Committete on the Judiciary.

By Mr. DANIELSON:

H. Res. 44. Resolution to refer the bill for the relief of P. S. Seymour-Heath to the Chief Commissioner of the Court of Claims; to the Committee on the Judiciary.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

[*Introduced January 15, 1979*]

12. By the SPEAKER: Memorial of the Senate of the State of New Jersey, relative to the award of a Medal of Honor to Anthony Casamento; to the Committeee on Armed Services.

13. Also, memorial of the Legislature of the State of Michigan, relative to the Humphrey-Hawkins Full Employment Act; to the Committeee on Education and Labor.

14. Also, memorial of the Legislature of the Territory of Guam, relative to air service by All Nippon Airway to Guam; to the Committee on Public Works and Transportation.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

[*Introduced January 15, 1979*]

1. By the SPEAKER: Petition of The National Association of State Departments of Agriculture, Washington, D.C., relative to Congress implementing certain policy positions adopted by the Association at their annual meeting; to the Committee on Agriculture.

2. Also, petition of Birmingham Audubon Society, Birmingham, Ala., relative to approving the President's veto of the Public Works Bill, opposing certain uneconomic water projects; to the Committee on Appropriations.

3. Also, petition of city council of Philadelphia, Pa., relative to awarding contract for rehabilitation of the U.S.S.R *Saratoga* to the Philadelphia Naval Shipyard; to the Committee on Armed Services.

4. Also, petition of board of supervisors of Milwaukee County, Milwaukee, Wis., relative to the Humphrey-Hawkins bill; to the Committee on Education and Labor.

5. Also, petition of American Council on the Teaching of Foreign Languages, Inc., New York, N.Y., relative to second language learning in the United States; to the Committee on Education and Labor.

6. Also, petition of the board of supervisors of the county of Los Angeles, Calif., relative to policy guidelines for new legislation involving administration of State-Federal programs; to the Committee on Government Operations.

7. Also, petition of the village board of trustees, Green Island, N.Y., relative to requesting that future State and Federal mandated programs be funded by the mandating body; to the Committee on Government Operations.

8. Also, petition of town board, Babylon, N.Y., relative to renewal of Antirecession Funds under title II of the Public Works Employment Act of 1976; to the Committee on Government Operations.

9. Also, petition of the town board of Smithtown, N.Y., relative to renewal of Antirecession Funds under the Public Works Employment Act of 1976; to the Committee on Government Operations.

10. Also petition of the town board of Southold, N.Y., relative to renewal of Antirecession Funds under the Public Works Employment Act of 1976; to the Committee on Government Operations.

11. Also, petition of the town board of East Hampton, N.Y., relative to renewal of Antirecession Funds authorization; to the Committee on Government Operations.

12. Also, petition of Hudson County Central Labor Council, AFL-CIO, Jersey City, N.J., relative to supporting the Federal Antirecession urban aid programs for economically depressed cities; to the Committee on Government Operations.

13. Also, petition of Vaiinupo J. Ala'ilima, Pago Pago, American Samoa, relative to alleged election fraud on American Samoa; to the Committee on Interior and Insular Affairs.

14. Also, petition of the council, city of New York, N.Y., relative to funds for rehabilitation of Ellis Island, to the Committee on Interior and Insular Affairs.

15. Also, petition of the assembly of the Kenai Peninsula Borough, Soldotna, Alaska, relative to opposing the use of the Antiquities Act of 1906 to effect land withdrawals by Presidential Executive order creating national monuments in Alaska; to the Committee on Interior and Insular Affairs.

16. Also, petition of the Grand National Assembly of the Socialist Republic of Romania, Bucharest, relative to lasting peace; to the Committee on International Relations.

17. Also, petition of Michael H. O'Keefe, Chairman, Delegation to the Republic of China, Southern Legislators Conference of the Council of State Governments, New Orleans, La., relative to China; to the Committee on International Relations.

18. Also, petition of the 1978 Winter Camp at Lake Texoma Resort, Norman, Okla., relative to China; to the Committee on International Relations.

19. Also, petition of the Holy Synod of the Church of Cyprus, relative to human rights in Cyprus; to the Committee on International Relations.

20. Also, petition of the Italian-American Labor Council, Inc., New York, N.Y., relative to the North Atlantic Treaty Organization; to the Committee on International Relations.

21. Also, petition of the board of Alderman, city of Somerville, Mass., relative to continuing the Caspar alcohol education program; to the Committee on Interstate and Foreign Commerce.

22. Also, petition of the city council, Philadelphia, Pa., relative to drug laws; to the Committee on Interstate and Foreign Commerce.

23. Also, petition of the General Assembly of the Orthodox Presbyterian Church, Philadelphia, Pa., relative to abortion; to the Committee on the Judiciary.

24. Also, petition of Women in Communications, Inc. Austin Tex., relative to citizens' rights under the first and fourth amendments to the Constitution; to the Committee on the Judiciary.

25. Also, petition of Mr. Clifford Barrister, New York, N.Y., relative to redress of grievances; to the Committee on the Judiciary.

26. Also petition of Walter F. Gibbs, commissioner for boating, Pennsylvania Fish Commission, Reno, Pa., relative to the use of Federal taxes on motor fuels and gasoline used in recreational motorboats for maintenance of boating related projects; to the Committee on Merchant Marine and Fisheries.

27. Also, petition of the Puerto Rico Manufacturers Association, Hato Rey, Puerto Rico, relative to holding down shipping transportation costs; to the Committee on Merchant Marine and Fisheries.

28. Also, petition of the National Council of the Churches of Christ in the U.S.A., New York, N.Y. (relative to making Dr. Martin Luther King, Jr.'s birthday a Federal holiday; to the Committee on Post Office and Civil Service.

29. Also, petition of the Young Crusaders, First United Methodist Church, Lafayette, La., relative to designation of their organization as U.S. missionaries; to the Committee on Post Office and Civil Service.

30. Also, petition of the council, the city of New York, N.Y., relative to funds for major improvements in New York Harbor; to the Committee on Public Works and Transportation.

31. Also, petition of the Urban Area Citizens' Advisory Committee of the Toledo Metropolitan Area Council of Governments, Toledo, Ohio, relative to Federal-aid interstate funds for the Ohio Turnpike; to the Committee on Public Works and Transportation.

32. Also, petition of New Haven Minority Contractors Assistance Associates, Inc., relative to alleged discriminatory practices against minority contractors; to the Committee on Small Business.

33. Also, petition of Richard W. (Dick) Rylander, Sacramento, Calif., relative to redress of grievances; to the Committee on Ways and Means.

34. Also, petition of the Jefferson County Association of Retired School Employee Charles Town, W. Va., relative to inflation, ethics, and crime; jointly, to the Committees on Banking, Finance and Urban Affairs, and the Judiciary.

35. Also, petition of The American Legion, National Headquarters, Indianapolis, Ind., relative to reaffirming their support for the Central Intelligence Agency and the Federal Bureau of Investigation; jointly, to the Committees on the Judiciary and Permanent Select Committee on Intelligence.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

[*Submitted January 18, 1979*]

358. A letter from the Deputy Secretary of Defense, transmitting five reports of violations of the Anti-Deficiency Act, pursuant to section 3679(i)(2) of the Revised Statutes, as amended; to the Committee on Appropriations.

359. A letter from the Comptroller General of the United States, transmitting his review of the deferrals and revised deferrals of budget authority contained in the message from the President dated December 12, 1978 (H. Doc. No. 96–4), pursuant to section 1014 (b) and (c) of Public Law 93–344 [H. Doc. No. 96–36]; to the Committee on Appropriations and ordered to be printed.

360. A letter from the commander, Naval Facilities Engineering Command, Department of the Navy, transmitting the annual report for fiscal year 1978 on military construction contracts awarded by the Navy on other than a competitive bid basis to the lowest responsible bidder, and the top 10

architect-engineer firms, pursuant to section 604 of Public Law 95-82; to the Committee on Armed Services.

361. A letter from the Secretary of Housing and Urban Development, transmitting the second annual report on the urban homesteading program, pursuant to section 810(e) of the Housing and Community Development Act of 1974; to the Committee on Banking, Finance and Urban Affairs.

362. A letter from the president and chairman, Export-Import Bank of the United States, transmitting a report on loan, guarantee, and insurance transactions supported by Eximbank during October and November 1978 to Communist countries; to the Committee on Banking, Finance and Urban Affairs.

363. A letter from the District of Columbia Auditor, transmitting a report on the policy for retiring and replacing general-purpose motor vehicles, pursuant to section 455 of Public Law 93-198; to the Committee on the District of Columbia.

364. A letter from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting proposed final administrative and technical regulations for the basic educational opportunity grant program, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

365. A letter from the Director, National Institute of Education, Department of Health, Education, and Welfare, transmitting the final report of the Panel for the Review of Laboratory and Center Operations, pursuant to section 405(f)(3)(B)(iii) of the General Education Provisions Act, as amended (90 Stat. 2229); to the Committee on Education and Labor.

366. A letter from the Administrator, Office of Federal Procurement Policy, Office of Management and Budget, Executive Office of the President, transmitting a report on the activities of the Office of Federal Procurement Policy for the period January 1977 through September 1978, pursuant to section 8(a) of Public Law 93-400; to the Committee on Government Operations.

367. A letter from the Secretary of the Interior, transmitting a report on the disposal of surplus Federal real property for park, recreation, and historic monument purposes during fiscal year 1978, pursuant to section 203(o) of the Federal Property and Administrative Services Act of 1949, as amended; to the Committee on Government Operations.

368. A letter from the Administrator of General Services, transmitting a report on the disposal of surplus Federal real property for historic monument purposes during fiscal 1978, pursuant to section 203(o) of the Federal Property and Administrative Services Act of 1949, as amended; to the Committee on Government Operations.

369. A letter from the Assistant Secretary of Agriculture for Administration, transmitting a report on the Department's disposal of foreign excess property during fiscal year 1978, pursuant to section 404(d) of the Federal Property and Administrative Services Act of 1949, as amended; to the Committee on Government Operations.

370. A letter from the Acting Director, Office of Administrative Services, Department of Commerce, transmitting a report on the Department's disposal of foreign excess property during fiscal year 1978, pursuant to section 404(d) of the Federal Property and Administrative Services Act of 1949, as amended; to the Committee on Government Operations.

371. A letter from the Assistant Attorney General for Administration, transmitting notice of a proposed new records system for the Drug Enforcement Administration, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

372. A letter from the Assistant Secretary of Commerce for Administration, transmitting notice of a proposed new records system for the Department's Executive Secretariat and changes to an existing records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

373. A letter from the Deputy Director for Administration, Central Intelligence Agency, transmitting notice of seven new records systems and amendments to two existing systems, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

374. A letter from the Sergeant at Arms, U.S. House of Representatives, transmitting his annual report of funds drawn by him, the application and disbursement of the sums, and balances remaining in his hands as of January 15, 1979, pursuant to section 7 of the act of October 1, 1890 (26 Stat. 646); to the Committee on House Administration.

375. A letter from the Assistant Secretary of the Interior, transmitting financial statements of the Colorado River Basin project for fiscal year 1978, pursuant to section 404 of the Colorado River Basin Project Act of 1968; to the Committee on Interior and Insular Affairs.

376. A letter from the Assistant Secretary of the Interior for Indian Affairs, transmitting a report on cancellations of debts of Indians and Indian tribes owed to the United States, covering fiscal year 1978, pursuant to the act of July 1, 1932 (48 Stat. 564); to the Committee on Interior and Insular Affairs.

377. A letter from the Clerk, U.S. Court of Claims, transmitting notice that certification has been made to the General Accounting Office of the payment of judgments entered in docket Nos. 15-E, 29-C, and 338, *The Pottawatomie Tribe of Indians and Related Cases* v. *The United States*; to the Committee on Interior and Insular Affairs.

378. A letter from the Clerk, U.S. Court of Claims, transmitting notice that certification has been made to the General Accounting Office of the payment of judgments entered in docket No. 315, *The Kickapoo Tribe of Kansas, etc.* v. *The United States*; to the Committee on Interior and Insular Affairs.

379. A letter from the Secretary of State, transmitting a report reviewing various aspects of the U.S. role in maintaining the security of the Republic of Korea, pursuant to section 668 of the Foreign Assistance Act of 1961, as amended; to the Committee on International Relations.

380. A letter from the Director, Defense Security Assistance Agency, transmitting a list of proposed training requirements for fiscal year 1979 under the international military education and training program scheduled to be conducted outside the United States, pursuant to section 542 of the Foreign Assistance Act of 1961, as amended (90 Stat. 732); to the Committee on International Relations.

381. A letter from the Secretary of Transportation, transmitting recommendations for redirection of the Northeast corridor improvement project; to the Committee on Interstate and Foreign Commerce.

382. A letter from the Administrator, Economic Regulatory Administration, Department of Energy, transmitting the 1978 annual report on electric utility rate design and energy management initiatives, pursuant to section 206 of Public Law 94-385; to the Committee on Interstate and Foreign Commerce.

383. A letter from the Chairman, Federal Trade Commission, transmitting a report concerning the effectiveness of cigarette labeling, current practices and methods of cigarette advertising and promotion, and recommendations for legislation pursuant to section 8(b) of the Public Health Cigarette Smoking Act; to the Committee on Interstate and Foreign Commerce.

384. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in cases in which the authority contained in section 212(d)(3) of the Immigration and Nationality Act was exercised in behalf of certain aliens, pursuant to section 212(d)(6) of the act; to the Committee on the Judiciary.

385. A letter from the Chairman and members, U.S. Commission on Civil Rights, transmitting an update on the Commission's report on the status of women and minorities in television, pursuant to section 104(b) of Public Law 95-315, as amended; to the Committee on the Judiciary.

386. A letter from the Chairman of the Board of Governors, Federal Reserve System, transmitting a policy statement adopted by the Board regarding expanded rulemaking procedures; to the Committee on the Judiciary.

387. A letter from the Clerk, U.S. Court of Claims, transmitting a report on all judgments rendered during fiscal year 1978, pursuant to 28 U.S.C. 791(c); to the Committee on the Judiciary.

388. A letter from the Librarian of Congress, transmitting a report on scientific and professional positions at the Library of Congress during calendar year 1978, pursuant to 5 U.S.C. 3104(c); to the Committee on Post Office and Civil Service.

389. A letter from the Fiscal Assistant Secretary of the Treasury, transmitting a statement of liabilities and other financial commitments of the U.S. Government as of September 30, 1978, pursuant to section 402 of Public Law 89-809; to the Committee on Ways and Means.

390. A letter from the Chairman, National Commission on Unemployment Compensation, transmitting the interim report of the Commission; to the Committee on Ways and Means.

391. A letter from the Comptroller General of the United States, transmitting a report on the Navstar Global Positioning System (PSAD-79-16, Jan. 17, 1979); jointly, to the Committees on Government Operations and Armed Services.

392. A letter from the Comptroller General of the United States, transmitting a report on the Office of Education's process for establishing school eligibility to apply for participation in Federal aid programs (HRD-78-120, Jan. 17, 1979); jointly, to the Committees on Government Operations and Education and Labor.

393. A letter from the Comptroller General of the United States, transmitting a report on the Nation's petroleum refining capacity (EMD-78-77, Jan. 15, 1979); jointly, to the Committees on Government Operations and Interstate and Foreign Commerce.

394. A letter from the Comptroller General of the United States, transmitting a report on minority set-aside provisions for local public works projects (CED-79-9, Jan. 16, 1979); jointly to the Committees on Government Operations and Public Works and Transportation.

395. A letter from the Comptroller General of the United States, transmitting a report on techniques used in other countries to provide adjusting assistance to workers, firms, and communities affected by disruptions caused by increased imports (ID-78-43, Jan. 18, 1979); jointly, to the Committees on Government Operations and Ways and Means.

396. A letter from the Comptroller General of the United States, transmitting a report on the Social Security Administration's efforts to recover overpayments to retirement, survivors, and disability insurance beneficiaries (HRD-79-31, Jan. 17, 1979); jointly, to the Committees on Government Operations and Ways and Means.

397. A letter from the Secretary of Health,

Education, and Welfare, transmitting a copy of the report on the need for and feasibility of establishing an American Indian school of medicine, pursuant to section 601 of Public Law 94–437; jointly, to the Committees on Interior and Insular Affairs and Interstate and Foreign Commerce.

398. A letter from the Secretary of the Interior, transmitting recommendations for a program to assure that individuals employed on the Outer Continental Shelf are properly trained to operate or supervise pollution-prevention equipment, pursuant to section 607 of Public Law 95–372; jointly, to the Committees on Interior and Insular Affairs and Merchant Marine and Fisheries.

399. A letter from the Chairman, U.S. Railway Association, transmitting justifications for (1), a 1979 supplemental appropriation (2), a 1980 appropriation for administrative expenses and (3), additional appropriations for purchase of ConRail securities; jointly, to the Committees on Interstate and Foreign Commerce and Appropriations.

400. A letter from the Secretary of Health, Education, and Welfare, transmitting the final report on the advantages and disadvantages of extending coverage under title XVIII of the Social Security Act to urban or rural comprehensive mental health centers and to centers for treatment of alcoholism and drug abuse, pursuant to section 4 of Public Law 95–210; jointly, to the Committees on Interstate and Foreign Commerce and Ways and Means.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

[*Submitted January 18, 1979*]

By Mr. ANDERSON of California (for himself, Mr. Akaka, Mr. Ashley, Mr. Bingham, Mr. Brown of California, Mr. John L. Burton, Mr. Corman, Mr. Corrada, Mr. Cotter, Mr. Coughlin, Mr. Dellums, Mr. Dornan, Mr. Downey, Mr. Drinan, Mr. Edwards of California, Mr. Fary, Mr. Flood, Mr. Fowler, Mr. Gibbons, Mr. Green, Mr. Hawkins, Mr. Hollenbeck, Mr. Jacobs, Mr Mikva, Mr. Mitchell of Maryland, Mr. Moakley, Mr. Mottl, Mr. Ottinger, Mr. Patterson, Mr. Rangel, Mr. Richmond, Mr. Rinaldo, Mr. Rodino, Mr. Roe, Mr. Roybal, Mr. Russo, Mr. Seiberling, Mr. Stark, Mr. Studds, Mr. Van Deerlin, Mr. Vento, Mr. Waxman, Mr. Won Pat, and Mr. Zeferetti):

H.R. 953. A bill to regulate the trapping of mammals and birds on Federal lands, and for other purposes; jointly, to the Committees on Merchant Marine and Fisheries, and Interstate and Foreign Commerce.

By Mr. ANDREWS of North Dakota:

H.R. 954. A bill to prohibit the acquisition of land by the use of eminent domain for fish and wildlife enhancement in connection with the Garrison Diversion Unit of the Missouri River Basin project; to the Committee on Interior and Insular Affairs.

By Mr. ASHBROOK:

H.R. 955. A bill to repeal the Davis-Bacon Act, and for other purposes; to the Committee on Education and Labor.

By Mr. BEDELL:

H.R. 956. A bill to require committee reports on proposed legislation to contain statements of the reporting and recordkeeping requirements which will be imposed on individuals, private industry, and state and local governments as a result of the enactment of such proposed legislation; to the Committee on Rules.

By Mr. BIAGGI:

H.R. 957. A bill entitled "Victims of Crime Act of 1979"; to the Committee on the Judicary.

By Mr. BRODHEAD:

H.R. 958. A bill to amend the Consumer Credit Protection Act to prohibit discrimination on the basis of geography in the issuance and use of credit cards; to the Committee on Banking, Finance and Urban Affairs.

H.R. 959. A bill to amend the Internal Revenue Code of 1954 to repeal the excise tax on trucks, buses, and tractors and parts and accessories for such vehicles; to the Committee on Ways and Means.

H.R. 960. A bill to amend the Internal Revenue Code of 1954 to permit the voluntary withholding of income taxes from certain payments under employer wage continuation plans: to the Committee on Ways and Means.

H.R. 961. A bill to amend the Internal Revenue Code of 1954 to encourage employment and the modernization of manufacturing plants by providing an additional investment credit for machinery placed in service in existing manufacturing plants or in nearby plants; to the Committee on Ways and Means.

H.R. 962. A bill to amend the Internal Revenue Code of 1954 to allow certain individuals who are participants in employer pension plans a deduction for their contributions to individual retirement savings plans; to the Committee on Ways and Means.

H.R. 963. A bill to amend title II of the Social Security Act to make the monthly retirement test available in limited circumstances in the case of certain beneficiaries, to amend the technical requirements for entitlement to medicare, and for other purposes; to the Committee on Ways and Means.

H.R. 964. A bill to amend title II of the Social Security Act to provide a more equitable method of determining average monthly wages for purposes of computing disability insurance benefits in the case of certain individuals who qualify for such benefits before attaining age 31; to the Committee on Ways and Means.

H.R. 965. A bill to amend title II of the Social Security Act to make it clear that the monthly earnings test (under the amendment made by section 303 of the Social Security Amendments of 1977) is available to every beneficiary in at least 1 year after 1977; to the Committee on Ways and Means.

H.R. 966. A bill to amend title XVI of the Social Security Act to provide that attorneys' fees allowed in administrative or judicial proceedings under such title, in cases where the claimants are successful, shall be paid by the Secretary of Health, Education, and Welfare; to the Committee on Ways and Means.

H.R. 967. A bill to amend title XVI of the Social Security Act to remove certain work disincentives for the disabled under the supplemental security income benefits program; to the Committee on Ways and Means.

H.R. 968. A bill to amend the Social Security Act and the Internal Revenue Code of 1954 to provide that disability insurance benefits and the medicare program shall be financed from general revenues (pursuant to annual authorizations) rather than through the imposition of employment and self-employment taxes as at present, with the new method of financing being gradually phased in over a 3-year period, and to adjust the rates of such taxes (for purposes of financing the OASI program) accordingly; to the Committee on Ways and Means.

By Mr. BROOKS:

H.R. 969. A bill to modify the Galveston Channel 40-foot project for navigation in Galveston Bay, Tex.; to the Committee on Public Works and Transportation.

H.R. 970. A bill to amend the Clayton Act and the Internal Revenue Code of 1954 with respect to punitive damages received by private litigants under the Clayton Act, and for other purposes; jointly, to the Committees on the Judiciary and Ways and Means.

By Mr. BROWN of Ohio:

H.R. 971. A bill to provide that adjustments to the pay of Members of the Congress based on adjustments to rates of pay under the General Schedule under title 5 of the United States Code shall not take effect without the express approval by both Houses of the Congress; to the Committee on Post Office and Civil Service.

By Mr. BROWN of Ohio (for himself and Mr. Pease):

H.R. 972. A bill to provide that adjustments to the pay of Members of the Congress shall take effect at the beginning of the Congress following the Congress in which they are approved, and for other purposes; to the Committee on Post Office and Civil Service.

By Mrs. COLLINS of Illinois:

H.R. 973. A bill to amend the Truth in Lending Act to prohibit discrimination on account of age in credit card transactions; to the Committee on Banking, Finance and Urban Affairs.

H.R. 974. A bill to amend the Truth in Lending Act to require lenders to post current interest rates charged for various categories of loans to consumers; to the Committee on Banking, Finance and Urban Affairs.

H.R. 975. A bill to protect purchasers and prospective purchasers of condominium housing units, and residents of multifamily structures being converted to condominium units, by providing for the establishment of national minimum standards for condominiums (to be administered by a newly created Assistant Secretary in the Department of Housing and Urban Development), to encourage the States to establish similar standards, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

H.R. 976. A bill to permit Federal financial assistance provided by section 8 housing to be made available in Chicago, Ill., through existing Federal programs without regard to criteria which presently prohibit the use of such assistance for such purposes; to the Committee on Banking, Finance and Urban Affairs.

H.R. 977. A bill to provide that certain services under the Older Americans Act of 1965 be delivered by personnel trained in the field of aging and to encourage the development of training programs in the field of aging under the Higher Education Act of 1965; to the Committee on Education and Labor.

H.R. 978. A bill to prohibit the export of certain militarily significant items to the Republic of South Africa and to provide for notification to the Congress of the proposed issuance of a validated license for an export to the Republic of South Africa, with each House of Congress being able to prevent the issuance of any such license by adoption of a resolution of disapproval; to the Committee on International Relations.

H.R. 979. A bill to make it an unfair practice for any retailer to increase the price of certain consumer commodities once he marks the price on any such consumer commodity, and to permit the Federal Trade Commission to order any such retailer to refund any amounts of money obtained by so increasing the price of such consumer commodity; to the Committee on Interstate and Foreign Commerce.

H.R. 980. A bill to amend title 18 of the United States Code to provide penalties for assaults against the elderly that result in medical expenses paid by the United States; to the Committee on the Judiciary.

H.R. 981. A bill to amend the Immigration and Nationality Act to require that any alien who has been detailed for further inquiry or who has been temporarily excluded shall have the right to be represented by counsel from the time of such detention or exclusion; and for other purposes; to the Committee on the Judiciary.

H.R. 982. A bill to amend title 5, United States Code, to require certain Federal agencies to provide to certain employees notice of procedures through which such employees may challenge actions taken against them by such agencies; to the Committee on Post Office and Civil Service.

H.R. 983. A bill to amend chapter 4 of title 23, United States Code, to authorize the Secretary of Transportation to make incentive grants to any State which uses certain information relating to auto safety devices in its procedure for the issuance of motor vehicle operating permits; to the Committee on Public Works and Transportation.

H.R. 984. A bill to amend the Internal Revenue Code of 1954 to provide an additional personal exemption for certain elderly individuals whose spouses have died; to the Committee on Ways and Means.

H.R. 985. A bill to amend the Public Works and Economic Development Act of 1965, as amended, to establish an emergency Federal economic assistance program, to authorize the President to declare communities of the Nation which meet certain economic and employment criteria to be economic disaster communities, and for other purposes; jointly, to the Committees on Public Works and Transportation and Banking, Finance and Urban Affairs.

H.R. 986. A bill to amend title XVIII of the Social Security Act to provide for coverage under part B of medicare for routine Papanicolaou tests for the diagnosis of uterine cancer; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. CORCORAN:

H.R. 987. A bill to repeal the provisions of law allowing automatic cost-of-living adjustments in the salaries of Members of Congress; to the Committee on Post Office and Civil Service.

By Mr. CONABLE:

H.R. 988. A bill to amend section 4941(d)(2)(G) of the Internal Revenue Code of 1954; to the Committee on Ways and Means.

H.R. 989. A bill to amend the Internal Revenue Code of 1954 to allow States to deny unemployment compensation payable to individuals on the basis of services performed as substitute teachers; to the Committee on Ways and Means.

H.R. 990. A bill to amend and revise provisions of the Internal Revenue Code of 1954 relating to nonprofit organizations, and for other purposes; to the Committee on Ways and Means.

By Mr. PHILIP M. CRANE:

H.R. 991. A bill to amend the Metric Conversion Act of 1975 to provide that the functions of the Federal Government with respect to the metric system shall be limited to coordinating the conversion to such system in areas or industries which desire it, and keeping the public informed thereon, without encouraging in any way the adoption or use of such system; to the Committee on Science and Technology.

By Mr. PHILIP M. CRANE (for himself and Mr. DORNAN):

H.R. 992. A bill to limit the jurisdiction of the Supreme Court and of the district courts in certain cases; to the Committee on the Judiciary.

H.R. 993. A bill to limit the jurisdiction of the Supreme Court and of the district courts in certain cases; to the Committee on the Judiciary.

By Mr. D'AMOURS:

H.R. 994. A bill to prohibit any State from imposing a tax on the income derived by any individual from services in the Federal area within such State if such individual is not a resident or domiciliary of such State or of any other State which imposes a tax on income; to the Committee on the Judiciary.

H.R. 995. A bill to amend title 4 of the United States Code to restrict the authority of any State to impose any income tax on any compensation paid to any individual who is not a domiciliary or resident of such State; to the Committee on the Judiciary.

H.R. 996. A bill to amend the Internal Revenue Code of 1954 to provide that services performed for camps by certain students who generally are not eligible to receive unemployment compensation will not be subject to the Federal unemployment tax; to the Committee on Ways and Means.

By Mr. DANIELSON:

H.R. 997. A bill to amend the copyright law, title 17 of the United States Code, to create public performance rights with respect to sound recordings, and for other purposes; to the Committee on the Judiciary.

By Mr. DE LA GARZA:

H.R. 998. A bill to amend the Agricultural Adjustment Act of 1938, as amended, to exempt State prison farms from paying of marketing quota penalties; to the Committee on Agriculture.

By Mr. DE LA GARZA (for himself, Mr. BURGENER, Mr. COELHO, Mr. CORRADA, Mr. FASCELL, Mr. GRASSLEY, Mr. GUDGER, Mr. HANSEN, Mr. HIGHTOWER, Mr. KOSTMAYER, Mr. LEE, Mr. MADIGAN, Mr. MATHIS, Mr. MINETA, Mr. NICHOLS, Mr. PANETTA, Mr. ROBERTS, Mr. STENHOLM, Mr. SWIFT, and Mr. WHITEHURST):

H.R. 999. A bill to amend the Plant Variety Protection Act (7 U.S.C. 2321 *et. seq.*) to clarify its provisions, and for other purposes; to the Committee on Agriculture.

By Mr. DORNAN:

H.R. 1000. A bill to amend the Internal Revenue Code of 1954 to provide for tax reductions and reforms; jointly, to the Committees on Ways and Means, Government Operations, and Rules.

H.R. 1001. A bill to curb inflation by providing for the reduction of the annual rates of pay for Members of Congress and for certain appointed Federal officials, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 1002. A bill to amend the Internal Revenue Code of 1954 to provide that the tax exemption of certain charitable organizations and the allowance of a deduction for contributions to such organizations shall not be construed as the provision of Federal assistance; to the Committee on Ways and Means.

By Mr. DICKINSON:

H.R. 1003. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

By Mr. DINGELL (for himself, Mr. UDALL, and Mr. FUQUA):

H.R. 1004. A bill to authorize appropriations to the Department of Energy and the Federal Energy Regulatory Commission pursuant to section 660 of the Department of Energy Organization Act, and for other purposes; title I and II to the Committee on Interstate and Foreign Commerce; title III to the Committee on Interior and Insular Affairs; title IV concurrently to the Committees on Interior and Insular Affairs and Interstate and Foreign Commerce; title V concurrently to the Committees on Interior and Insular Affairs, Interstate and Foreign Commerce and Science and Technology; title VI concurrently to the Committees on Interstate and Foreign Commerce and Science and Technology; and titles VII and VIII concurrently to the Committees on Interior and Insular Affairs, International Relations, Interstate and Foreign Commerce, and Science and Technology.

By Mr. ECKHARDT:

H.R. 1005. A bill to amend the Magnuson-Moss Federal Trade Commission Improvement Act to extend the protections contained in such act to owners of new passenger motor vehicles, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. EDWARDS of California:

H.R. 1006. A bill to provide for the use of alcohol produced from renewable resources as a motor vehicle fuel; to the Committee on Interstate and Foreign Commerce.

By Mr. EDWARDS of California (for himself, Mr. MCCLOSKEY, and Mr. MINETA):

H.R. 1007. A bill to amend the Copyright Act of 1976 to provide copyright protection for imprinted design patterns on semiconductor chips; to the Committee on the Judiciary.

By Mr. EVANS of Delaware:

H.R. 1008. A bill to permit the review of regulatory rules and regulations by the Congress; to the Committee on Government Operations.

H.R. 1009. A bill to provide that the Internal Revenue Service may not implement certain proposed rules relating to the determination of whether private schools have discriminatory policies; to the Committee on Ways and Means.

By Mr. EVANS of Georgia:

H.R. 1010. A bill to abolish the Environmental Protection Agency; to the Committee on Government Operations.

By Mrs. FENWICK:

H.R. 1011. A bill to provide that increases in rates of pay for Members of Congress, and other financial benefits specifically applicable to Members of Congress, may take effect only if approved by the Congress and deferred until the beginning of the following Congress; to the Committee on Post Office and Civil Service.

By Mrs. FENWICK (for herself and Mr. MOLLOHAN):

H.R. 1012. A bill to reduce the tax on marriage by amending the Internal Revenue Code of 1954 to provide that a married individual who files a separate return may be taxed on his or her income at the same rate as an unmarried individual; to the Committee on Ways and Means.

By Mrs. FENWICK (for herself and Mr. MITCHELL of New York):

H.R. 1013. A bill to increase alternatives to institutionalization for senior citizens; jointly, to the Committees on Interstate and Foreign Commerce and Ways and Means.

By Mr. FLOOD:

H.R. 1014. A bill to provide that the U.S. Canal Zone shall be represented by a Delegate to the House of Representatives; to the Committee on Merchant Marine and Fisheries.

By Mr. FORD of Tennessee:

H.R. 1015. A bill to amend title XVIII of the Social Security Act to include dental care among the items and services for which payment may be made under the supplementary medical insurance program; jointly, to the Committees on Ways and Heans and Interstate and Foreign Commerce.

By Mr. FUQUA:

H.R. 1016. A bill to amend title 10 of the United States Code in order to establish Optometry Corps in the Army and the Navy and to provide a separate optometric service within the Air Force; to the Committee on Armed Services.

H.R. 1017. A bill to authorize recomputation at age 60 of the retired pay of members and former members of the uniformed services whose retired pay is computed on the basis of pay scales in effect prior to January 1, 1972, and for other purposes; to the Committee on Armed Services.

H.R. 1018. A bill to amend the Occupational Safety and Health Act of 1970 to provide that where violations are corrected within the prescribed abatement period no penalty shall be assessed; to the Committee on Education and Labor.

H.R. 1019. A bill to amend the Federal Property and Administrative Services Act of 1949 to permit State and county extension services to obtain excess property from the United States; to the Committee on Government Operations.

H.R. 1020. A bill to terminate any phosphate leases issued pursuant to the Mineral Leasing Act of February 25, 1920, as amended, and rights to such leases within the Osceola National Forest and to direct the Secretary of the Interior to take action with respect to the same; to the Committee on Interior and Insular Affairs.

H.R. 1021. A bill to amend the Controlled Substances Act to provide penalties for persons who obtain or attempt to obtain narcotics or other controlled substances from a retail pharmacy by force and violence, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 1022. A bill to repeal the Gun Control Act of 1968, to reenact the Federal Firearms Act, to make the use of a firearm to commit certain felonies a Federal crime where that use violates State law, and for other purposes; to the Committee on the Judiciary.

H.R. 1023. A bill to amend the Miller Act to authorize the payment of attorney fees and litigation cost to a prevailing plaintiff from performance bonds furnished by Federal contractors; to the Committee on the Judiciary.

H.R. 1024. A bill to provide for the issuance of a commemorative postage stamp in honor of the 51st anniversary of the creation of the Future Farmers of America; to the Committee on Post Office and Civil Service.

H.R. 1025. A bill to amend title 39, United States Code, to require the U.S. Postal Service to make certain considerations prior to the closing of third- and fourth-class post offices; to the Committee on Post Office and Civil Service.

H.R. 1026. A bill to direct the Administrator of General Services to provide for the construction of a public building in Tallahassee, Fla.; to the Committee on Public Works and Transportation.

H.R. 1027. A bill to authorize and direct the Secretary of the Army to convey to the trustees of the Salem Wesleyan Church a certain parcel of land of the United States at the Jim Woodruff Dam and Reservoir project, Fla.; to the Committee on Public Works and Transportation.

H.R. 1028. A bill to amend title 38 of the United States Code to make certain that recipients of veterans' pension and compensation will not have the amount of such pension or compensation reduced because of increases in monthly social security benefits; to the Committee on Veterans' Affairs.

H.R. 1029. A bill to amend the Internal Revenue Code of 1954 to exempt nonprofit volunteer firefighting or rescue organizations from the Federal excise taxes on gasoline, diesel fuel, and certain other articles and services; to the Committee on Ways and Means.

H.R. 1030. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount to outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

H.R. 1031. A bill to amend title XVI of the Social Security Act to provide that supplemental security income benefits which are due an individual who dies without leaving an eligible spouse shall be paid to the person or persons who paid the expenses of such individual's last illness and burial; to the Committee on Ways and Means.

H.R. 1032. A bill to provide for fair and equitable compensation of professional employees in the performance of technical support service contracts; jointly, to the Committees on Armed Services and Government Operations

H.R. 1033. A bill to permit either House of Congress to disapprove certain rules proposed by executive agencies; jointly, to the Committees on the Judiciary and Rules.

H.R. 1034. A bill to amend title XVIII of the Social Security Act to authorize payment under the supplementary medical insurance program for optometric and medical vision care; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

H.R. 1035. A bill to amend title XVIII of the Social Security Act to authorize payment under the supplementary medical insurance program for optometric and medical vision care; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. FUQUA (for himself and Mr. Hutto):

H.R. 1036. A bill to provide for a Veterans' Administration outpatient clinic at an appropriate location in northwest Florida; to the Committee on Veterans' Affairs.

By Mr. GONZALEZ:

H.R. 1037. A bill to amend title II of the Social Security Act so as to liberalize the conditions covering eligibility of blind persons to receive disability insurance benefits thereunder; to the Committee on Ways and Means.

By Mr. GUDGER:

H.R. 1038. A bill to provide for the protection of Palmer's Chapel within the Great Smoky Mountains National Park, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mrs. HECKLER:

H.R. 1039. A bill entitled "Homemakers Social Security Benefits Act"; to the Committee on Ways and Means.

By Mr. CORMAN (for himself, Mr. Anderson of California, Mr. Bolling, Mr. Conyers, Mr. Danielson, Mr. Dellums, Mr. Drinan, Mr. Edwards of California, Mr. Johnson of California, Mr. Maguire, Mr. Nolan, Mr. Rodino, Mr. Rosenthal, Mr. Studds, Mr. Won Pat, Mr. Roybal, and Mr. Seiberling):

H.R. 1040. A bill to broaden the income tax base, provide equity among taxpayers, and to otherwise reform the income, estate, and gift tax provisions; to the Committee on Ways and Means.

By Mr. KILDEE:

H.R. 1041. A bill to amend part J of title I of the Omnibus Crime Control and Safe Streets Act of 1968 to extend death benefits to public safety officers who die as a result of conditions arising out of or exacerbated by official duty; to the Committee on the Judiciary.

By Mr. RICHMOND:

H.R. 1042. A bill to provide an opportunity for taxpayers to make financial contributions, in connection with the payment of their Federal income tax, for the advancement of the arts and the humanities; jointly, to the Committees on Ways and Means and Education and Labor.

By Mr. HAMMERSCHMIDT:

H.R. 1043. A bill to amend title II of the Social Security Act to provide that renewal commissions, received by a retired insurance agent from life insurance policies which were sold by him before his retirement, shall not be taken into account in determining his net earnings from self-employment for purposes of the earnings test; to the Committee on Ways and Means.

H.R. 1044. A bill to prohibit the Secretary of Agriculture and the Secretary of Health, Education, and Welfare from prohibiting the use of nitrites as a food preservative on the basis of any carcinogenic effect nitrites may be represented to have until the development of a satisfactory alternative food preservative; jointly, to the Committees on Agriculture and Interstate and Foreign Commerce.

By Mr. KASTENMEIER (for himself, Mr. Baldus, Mr. John L. Burton, Mr. Obey, Mr. Studds, Mr. Brown of California, Mr. Panetta, Mr. Simon, Mr. Nolan, Mr. Stark, Mr. Jeffords, Mr. Seiberling, Ms. Holtzman, Mr. Mineta, and Mr. Harkin):

H.R. 1045. A bill to amend the Clayton Act to provide for additional regulation of certain anticompetitive developments in the agricultural industry; to the Committee on the Judiciary.

By Mr. KASTENMEIER (for himself, Mr. Rodino, Mr. Danielson, Mr. Mazzoli, Mr. Santini, Mr. McClory, and Mr. Railsback):

H.R. 1046. A bill to improve access to the Federal courts by enlarging the civil and criminal jurisdiction of U.S. magistrates, and for other purposes; to the Committee on the Judiciary.

By Mr. KASTENMEIER (for himself, Mr. Harris, and Mr. Railsback):

H.R. 1047. A bill to provide for consistent standards relating to standing to bring suit in Federal courts; to the Committee on the Judiciary.

By Mr. LaFALCE:

H.R. 1048. A bill to amend the Solid Waste Disposal Act (as amended by the Resource Conservation and Recovery Act of 1976) to establish a program for the identification and reclamation of abandoned hazardous waste sites, to establish a fee for the storage or disposal of hazardous wastes, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 1049. A bill to provide a comprehensive scheme of compensation for victims injured as a result of toxic pollutants; jointly, to the Committees on Education and Labor, Interstate and Foreign Commerce, and the Judiciary.

By Mr. GLICKMAN (for himself, Mr. Mathis, Mr. Hefner, Mr. Fountain, Mr. Rose, Mr. Preyer, Mr. Akaka, Mr. English, Mr. Brown of California, Mr. Erdahl, Mr. Wolpe, Mr. Gudger, and Mr. Jones of North Carolina):

H.R. 1050. A bill to provide for the establishment of a National Agricultural Cost of Production Board; to the Committee on Agriculture.

By Mr. KAZEN (for himself and Mr. Leath of Texas):

H.R. 1051. A bill to require that imported meat and meat food products made in whole or in part of imported meat be subjected to certain tests and that such meat or products be identified as having been imported; to require the inspection of imported dairy products and that such products comply with certain minimum standards of sanitation; to require that the cost of conducting such tests, inspections, and identification procedures on imported meat and meat food products and on dairy products, as the case may be, be borne by the exporters of such articles, and for other purposes; to the Committee on Agriculture.

By Mr. LAGOMARSINO:

H.R. 1052. A bill to amend the Internal Revenue Code to provide for individual housing accounts; to the Committee on Banking, Finance and Urban Affairs.

H.R. 1053. A bill to require the payment of interest by Federal agencies on overdue contract payments, to amend the Office of Federal Procurement Policy Act, and for other purposes; to the Committee on Government Operations.

H.R. 1054. A bill to terminate any phosphate lease or rights issued or pending under serial No. Riverside 04843 pursuant to the Mineral Leasing Act of February 25, 1920, as amended, within the Los Padres National

Forest; to the Committee on Interior and Insular Affairs.

H.R. 1055. A bill to amend the Administrative Procedure Act to provide that rulemaking hearings required by statute which primarily concern a single unit of local government, geographic area, or State be held within such unit, area, or State; to the Committee on the Judiciary.

H.R. 1056. A bill to prohibit vessels transporting Alaskan oil from using routes through the territorial and international waters northward of the Santa Barbara Channel Island; to the Committee on Merchant Marine and Fisheries.

H.R. 1057. A bill to amend title 39, United States Code, to provide for the mailing of correspondence to Members of the Congress free of postage, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 1058. A bill to establish a method whereby the Congress (acting in accordance with specified procedures) may prevent the adoption by the executive branch of rules or regulations which are contrary to law or inconsistent with congressional intent or which go beyond the mandate of the legislation which they are designed to implement; jointly, to the Committees on the Judiciary and Rules.

H.R. 1059. A bill to require authorization of new budget authority for Government programs at least every 5 years, to provide for review of Government programs every 5 years, and for other purposes; jointly, to the Committees on Rules and Government Operations.

H.R. 1060. A bill to amend title XVIII of the Social Security Act for the purpose of improving certain provisions of the medicare program; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. LATTA:

H.R. 1061. A bill to improve the safety of products manufactured and sold in interstate commerce, to reduce the number of death and injuries caused by such products, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 1062. A bill to prohibit the use of expenditure of Federal funds for the conversion of weather information to the metric system without a direct authorization by the Congress; to the Committee on Science and Technology.

H.R. 1063. A bill to eliminate the reduction in social security benefits for spouses and surviving spouses receiving certain Goverment pensions, as added to title II of the Social Security Act by section 334 of the Social Security Amendments of 1977; to the Committee on Ways and Means.

H.R. 1064. A bill to provide for the safeguarding of taxpayer rights, and for other purposes; to the Committee on Ways and Means.

H.R. 1065. A bill to amend the Internal Revenue Code of 1954 to permit a taxpayer to claim a credit for amounts paid as tuition to provide education for himself, for his spouse, or for his dependents, and to provide that such credit is refundable; to the Committee on Ways and Means.

H.R. 1066. A bill to amend title XVIII of the Social Security Act to authorize payment under the medicare program for certain services performed by chiropractors; jointly to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. LEVITAS:

H.R. 1067. A bill to establish an Office of Regulatory Review in the General Accounting Office to assist the Congress in evaluating the economic impact of agency rules; to the Committee on Government Operations.

By Mr. McCLORY:

H.R. 1068. A bill to amend the National Security Act of 1947, as amended, to protect foreign intelligence information from unauthorized disclosure; to the Permanent Select Committee on Intelligence.

By Mr. McCORMACK:

H.R. 1069. A bill to authorize the acquisition of lands, easements, rights-of-way, and complete relocations associated with Canyons 1 and 2 at Wenatchee, Wash.; to the Committee on Public Works and Transportation.

By Mr. MATHIS:

H.R. 1070. A bill to provide for the reform of the administrative and reimbursement procedures currently employed under the medicare and medicaid programs, and for other purposes; jointly, to the Committees on Interstate and Foreign Commerce and Ways and Means.

By Mr. MOAKLEY (for himself, Mr. BRODHEAD, Mr. EDWARDS of California, Mr. KILDEE, Mr. LONG of Louisiana, Mr. LOTT, Mr. NOLAN, Mr. RICHMOND, Ms. SCHROEDER, and Mr. WEAVER):

H.R. 1071. A bill to require that the Secretary of Energy notify any State of any investigation of any site in such State for the construction of any radioactive waste storage facility and allow such State to prevent the construction of such facility on such site by an action of the State legislature or a statewide referendum; jointly, to the Committees on Interior and Insular Affairs and Interstate and Foreign Commerce.

By Mr. NEAL:

H.R. 1072. A bill to provide that certain funds which may be available for programs relating to the health effects of smoking shall be redirected for research on any potentially harmful properties of tobacco, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. PICKLE:

H.R. 1073. A bill to amend the Truth in Lending Act to provide that a creditor may not be held civilly liable under the act if the creditor is in good faith in substantial compliance with the provisions of the act; to the Committee on Banking, Finance and Urban Affairs.

H.R. 1074. A bill to amend section 501 of the Internal Revenue Code of 1954 to provide tax exemption for an association operated exclusively to provide workmen's compensation for State and local employees; to the Committee on Ways and Means.

By Mr. PICKLE (for himself and Mr. DE LA GARZA):

H.R. 1075. A bill to amend the Internal Revenue Code of 1954 to provide for the refund of the gasoline tax to the agricultural aircraft operator, and for other purposes; to the Committee on Ways and Means.

By Mr. PICKLE (for himself, Mr. HIGHTOWER, Mr. KAZEN, Mr. LEATH, of Texas, Mr. GRAMM, Mr. WYATT, and Mr. STENHOLM):

H.R. 1076. A bill to modify the method of establishing quotas on the importation of certain meat, to include within such quotas certain meat products, and for other purposes; to the Committee on Ways and Means.

By Mr. QUILLEN:

H.R. 1077. A bill to amend title 10 of the United States Code in order to provide that no veteran may be denied care or treatment under the Champus program for any service-connected disability solely because care or treatment for such disability is available at Veterans' Administration medical facilities; to the Committee on Armed Services.

H.R. 1078. A bill to amend title 10 of the United States Code to permit Senior Reserve officers' training programs to be established at public community colleges; to the Committee on Armed Services.

H.R. 1079. A bill to authorize recomputation at age 60 of the retired pay of members and former members of the uniformed services whose retired pay is computed on the basis of pay scales in effect prior to January 1, 1972, and for other purposes; to the Committee on Armed Services.

H.R. 1080. A bill to amend section 709 of title 32, United States Code, to provide increased job protection for certain civilian National Guard technicians, and for other purposes; to the Committee on Armed Services.

H.R. 1081. A bill to amend the Federal Civil Defense Act of 1950 to allow Federal civil defense funds to be used by local civil defense agencies for natural disaster relief, and for other purposes; to the Committee on Armed Services.

H.R. 1082. A bill to remove from the Supreme Court of the United States and the district courts of the United States jurisdiction over any case relating to voluntary prayer in any public school or public building; to the Committee on the Judiciary.

H.R. 1083. A bill to repeal the Gun Control Act of 1968; to the Committee on the Judiciary.

H.R. 1084. A bill to amend the Railroad Retirement Act of 1974 to change benefit eligibility requirements so that individuals who have completed 30 years of service as an employee and have attained the age of 55 years are eligible and so that certain other individuals who have attained the age of 55 years and are related to employees are also eligible; to the Committee on Interstate and Foreign Commerce.

H.R. 1085. A bill to amend the Public Health Service Act to authorize the Secretary of Health, Education, and Welfare to provide epileptics medicine for the treatment of epilepsy; to the Committee on Interstate and Foreign Commerce.

H.R. 1086. A bill to incorporate the United States Submarine Veterans of World War II; to the Committee on the Judiciary.

H.R. 1087. A bill to incorporate the Gold Star Wives of America; to the Committee on the Judiciary.

H.R. 1088. A bill to amend the Congressional Budget Act of 1974 to reestablish the fiscal integrity of the Government of the United States through the establishment of controls with respect to the levels of its revenues and budget outlays and the preparation of the budget, to provide for 5-year estimates of the cost of reported bills to State and local governments, and for other purposes; to the Committee on Rules.

H.R. 1089. A bill to amend title 38, United States Code, to provide that monthly annuity payments under the Railroad Retirement Act of 1975 shall not be included as income for the purpose of determining eligibility for or the amount of certain veterans' pension and dependency and indemnity compensation benefits; to the Committee on Veterans' Affairs.

H.R. 1090. A bill to amend title 38, United States Code, to provide veterans' benefits in the case of any veteran who during the period beginning on June 1, 1914, and ending on May 8, 1916, served in Mexico, on the borders thereof, or in the water adjacent thereto; to the Committee on Veterans' Affairs.

H.R. 1091. A bill to amend title 38 of the United States Code to remove the time limitation within which programs of education for veterans must be completed; to the Committee on Veterans' Affairs.

H.R. 1092. A bill to amend title 38, United States Code, to require that burials be permitted in national cemeteries on weekends and holidays; to the Committee on Veterans' Affairs.

H.R. 1093. A bill to amend the Internal Revenue Code of 1954 to increase to $1,200 the personal income tax exemptions of a taxpayer (including the exemption for a spouse, the exemptions for dependents, and the additional exemptions for old age and blindness; to the Committee on Way and Means.

H.R. 1094. A bill to amend the Internal Revenue Code of 1954 to provide that an individual may deduct amounts paid for his higher education, or for the higher education of any of his dependents; to the Committee on Ways and Means.

H.R. 1095. A bill to amend the Internal Revenue Code of 1954 to allow certain married individuals who file separate returns to be taxed as unmarried individuals; to the Committee on Ways and Means.

H.R. 1096. A bill to amend the Internal Revenue Code of 1954 to eliminate the adjusted gross income limitation on the credit for the elderly, to increase the amount of such credit, and for other purposes; to the Committee on Ways and Means.

H.R. 1097. A bill to amend the Internal Revenue Code of 1954 to provide to individuals who have attained the age of 62 a refundable credit against income tax for increases in real property taxes and utility bills; to the Committee on Ways and Means.

H.R. 1098. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for amounts paid by an individual for dependent care services to enable him to perform volunteer services for certain organizations; to the Committee on Ways and Means.

H.R. 1099. A bill to amend the Internal Revenue Code of 1954 to allow handicapped individuals a deduction for certain transportation expenses; to the Committee on Ways and Means.

H.R. 1100. A bill to amend the Internal Revenue Code of 1954 to exempt farmers from the highway use tax on heavy trucks used for farm purposes; to the Committee on Ways and Means.

H.R. 1101. A bill to amend the Internal Revenue Code of 1954 to exempt nonprofit volunteer firefighting or rescue organizations from the Federal excise taxes on gasoline, diesel fuel, and certain other articles and services; to the Committee on Ways and Means.

H.R. 1102. A bill to amend the Internal Revenue Code of 1954 to allow a deduction from gross income for social agency, legal, and related expenses incurred in connection with the adoption of a child by the taxpayer; to the Committee on Ways and Means.

H.R. 1103. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

H.R. 1104. A bill to amend title II of the Social Security Act to provide that the automatic cost-of-living increases in benefits which are authorized thereunder may be made on a semiannual basis (rather than only on an annual basis as at present); to the Committee on Ways and Means.

H.R. 1105. A bill to amend title II of the Social Security Act to provide that an individual's entitlement to benefits thereunder shall continue through the month of his or her death (without affecting any other person's entitlement to benefits for that month), in order to provide such individual's family with assistance in meeting the extra death-related expenses; to the Committee on Ways and Means.

H.R. 1106. A bill to require authorizations of new budget authority for Government programs at least every 6 years, to provide for review of Government programs every 6 years, and for other purposes; jointly, to the Committees on Government Operations and Rules.

H.R. 1107. A bill amending title 5 of the United States Code to improve agency rulemaking by expanding the opportunities for public participation, by creating procedures for congressional review of agency rules, and by expanding judicial review, and for other purposes; jointly, to the Committees on the Judiciary and Rules.

H.R. 1108. A bill to amend the Social Security Act to provide for inclusion of the services of licensed (registered) nurses under medicare and medicaid; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

H.R. 1109. A bill to amend the Social Security Act to provide for inclusion of the services of licensed practical nurses under medicare and medicaid; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

H.R. 1110. A bill to amend title XVIII of the Social Security Act to eliminate all the deductibles, coinsurance, and time limitations presently applicable to benefits thereunder; to eliminate medicare taxes as the method of financing hospital insurance benefits and premium payments as the method of financing supplementary medical insurance benefits (so that all benefits under such title will be financed from general revenues); to provide payment for eye care, dental care, hearing aids, prescription drugs, prosthetics, one physical checkup a year, preventive care, diagnosis of breast cancer, services of certain psychologists, services of registered nurses, and certain other items not now covered; and to provide for the administrative and judicial review of claims (involving the amount of benefits payable) which arise under the supplementary medical insurance program; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

H.R. 1111. A bill to amend title XVIII of the Social Security Act to require the continued application of the nursing salary cost differential which is presently allowed in determining the reasonable cost of inpatient nursing care for purposes of reimbursement to providers under the medicare program; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

H.R. 1112. A bill to amend part B of title XI of the Social Security Act to assure appropriate participation by professional registered nurses in the peer review, and related activities authorized thereunder; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

H.R. 1113. A bill to amend the Social Security Act to provide for the payment of services by psychologists, and for other purposes; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. RICHMOND (for himself, Mr. AKAKA, Mr. BINGHAM, Mr. BONIOR, Mrs. BOUQUARD, Mr. DICKS, Ms. FERRARO, Mr. HORTON, Mr. IRELAND, Mr. JENRETTE, Mr. KILDEE, Mr. MCCLOSKEY, Mr. MCHUGH, Mr. MITCHELL of Maryland, Mr. MURPHY of New York, Mr. NOLAN, Mr. OTTINGER, Mr. PERKINS, Mr. PRICE, Mr. PRITCHARD, Mr. RODINO, Mr. ROSENTHAL, Mr. THOMPSON, Mr. TRAXLER, and Mr. WAXMAN):

H.R. 1114. A bill to provide an opportunity for taxpayers to make financial contributions, in connection with the payment of their Federal income tax, for the advancement of the arts and the humanities; jointly, to the Committees on Ways and Means, and Education and Labor.

By Mr. ROE:

H.R. 1115. A bill to amend section 218 of the Social Security Act to require that States having agreements entered into thereunder will continue to make social security payments and reports on a calendar-quarter basis; to the Committee on Ways and Means.

H.R. 1116. A bill to amend the Internal Revenue Code of 1954 to permit an exemption of the first $10,000 of retirement income received by a taxpayer under a public retirement system or any other system if the taxpayer is at least 65 years of age; to the Committee on Ways and Means.

By Mr. ROYBAL:

H.R. 1117. A bill to amend the National Housing Act and other Acts for the purpose of providing assistance for outpatient geriatric clinics and for multipurpose senior centers, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

H.R. 1118. A bill to provide for the inclusion of emergency power equipment in federally assisted multifamily housing facilities which are designed for occupancy in whole or substantial part by the elderly, and to authorize Federal loans to finance the provision of such equipment for those facilities; to the Committee on Banking, Finance and Urban Affairs.

H.R. 1119. A bill to amend section 8 of the U.S. Housing Act of 1937 for the purpose of reducing the amount of rent required to be paid by elderly families residing in dwelling units assisted by Federal contributions authorized by such section; to the Committee on Banking, Finance and Urban Affairs.

H.R. 1120. A bill to provide that elderly persons residing in dwelling units receiving Federal assistance shall be provided with certain rights in the lease agreements between the elderly persons and the owners of the units; to the Committee on Banking, Finance and Urban Affairs.

H.R. 1121. A bill to provide assistance and coordination in the provision of child-care services for children living in homes with working parents, and for other purposes; to the Committee on Education and Labor.

H.R. 1122. A bill to provide expanded counseling assistance for the elderly sick and disabled; to the Committee on Education and Labor.

H.R. 1123. A bill to provide for the monthly publication of a Consumer Price Index for the Elderly and to provide for studies to be made with regard to utilizing such index in determining cost-of-living adjustments authorized in certain Federal programs for individuals who are at least 62 years of age; to the Committee on Education and Labor.

H.R. 1124. A bill to amend the Older Americans Act of 1965 to provide assistance for the installation of security devices in the residences of elderly persons; to the Committee on Education and Labor.

H.R. 1125. A bill to amend the Education of the Handicapped Act to provide tutorial and and related instructional services for homebound children through the employment of college students, particularly veterans and other students who themselves are handicapped; to the Committee on Education and Labor.

H.R. 1126. A bill to amend the Community Services Act of 1974 to permit the Director of the Community Services Administration to furnish assistance for the installation of security devices in the residences of elderly persons; to the Community on Education and Labor.

H.R. 1127. A bill to establish an Office of Spanish-Speaking Affairs in the Executive Office of the President, and for other purposes; to the Committee on Government Operations.

H.R. 1128. A bill to provide for grants to States for the payment of compensation to certain elderly individuals who are injured by criminal acts and omissions or who suffer property loss as a result of certain criminal acts and omissions, and for other purposes; to the Committee on the Judiciary.

H.R. 1129. A bill to provide for payment by the United States for certain medical services and treatment provided to U.S. citizens and permanent residents suffering from physical injuries attributable to the atomic bomb explosions on Hiroshima and Nagasaki, Japan, in August 1945; to the Committee on the Judiciary.

H.R. 1130. A bill to amend the Legal Services Corporation Act to provide legal assistance to older persons in connection with their participation in certain health insurance and medical assistance programs under the Social Security Act; to the Committee on the Judiciary.

H.R. 1131. A bill to amend title 5, United States Code, to include as creditable services for civil service retirement purposes service as an enrollee of the Civilian Conservation Corp, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 1132. A bill to amend the Internal Revenue Code of 1954 to make permanent law the deduction for expenditures to remove architectural and transportation barriers to the handicapped and elderly; to the Committee on Ways and Means.

H.R. 1133. A bill to amend title II of the Social Security Act to increase to $7,200 in the case of an individual under age 65, and to $10,500 in the case of an individual age 65 or over, the amount of outside earnings which (subject to further increases under the automatic adjustment provisions) is permitted each year without any deductions from benefits thereunder; to the Committee on Ways and Means.

H.R. 1134. A bill to amend title XX of the Social Security Act to include among the services eligible for Federal assistance under such title the installation of devices to promote the security of the elderly in their homes; to the Committee on Ways and Means.

H.R. 1135. A bill to amend title XVI of the Social Security Act to provide for the payment of a special housing allowance to each recipient of supplemental security income benefits whose housing expenses exceed an amount equal to 25 per centum of his or her income, so as to reduce such expenses to that amount; to the Committee on Ways and Means.

H.R. 1136. A bill to amend the Social Security Act and other acts to make certain that recipients of supplemental security income benefits, recipients of social services, recipients of aid to families with veterans' benefit programs, and certain other Federal and federally assisted programs will not have the amount of such benefits, services, aid, or payments reduced because of increases in monthly social security benefits, and to provide that cost-of-living increases in annuity, pension, retirement, disability, or other employment-related benefits being paid to an individual under a public program, occurring after such individual's initial entitlement to such benefits, shall not be included in such individual's income in determining his or her eligibility for supplemental security income benefits; to the Committee on Ways and Means.

H.R. 1137. A bill to authorize the Secretary of Housing and Urban Development to encourage and assist in the development on a demonstration basis of several carefully planned projects to meet the special healthcare and related needs of elderly persons in a campus-type setting; jointly to the Committees on Banking, Finance and Urban Affairs and Interstate and Foreign Commerce.

H.R. 1138. A bill to amend the Immigration and Nationality Act, and for other purposes; jointly, to the Committees on the Judiciary and Ways and Means.

H.R. 1139. A bill to amend title XVIII of the Social Security Act to include hearing aids and dentures among the items and services for which payment may be made under the supplementary medical insurance program; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

H.R. 1140. A bill to amend titles XVIII and XIX of the Social Security Act to include services of licensed (registered) nurses, physician extenders, and nurse practitioners among the services for which payment may be made under the medicare and medicaid programs; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. SCHULZE:

H.R. 1141. A bill to amend the Antidumping Act, 1921, to provide for expedited proceedings under such act, to provide for the withholding of appraisement on imported goods at an earlier time during such proceedings, and for other purposes; to the Committee on Ways and Means.

By Mrs. SPELLMAN:

H.R. 1142. A bill to permit the burial of Chief Tayac in Piscataway Park, Oxon Hill, Md; to the Committee on Interior and Insular Affairs.

By Mr. STAGGERS:

H.R. 1143. A bill to amend title VIII of the Public Health Service Act to extend for 2 fiscal years the program of assistance for nurse training; to the Committee on Interstate and Foreign Commerce.

By Mr. STEED:

H.R. 1144. A bill to provide for the distribution of certain funds appropriated to pay judgments in favor of the Delaware Tribe of Indians and the Absentee Delaware Tribe of Western Oklahoma in Indian Claims Commission Dockets numbered 27A, 27B, 241, 289, and 338 to said Tribes, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. THOMPSON (for himself, Mr. Conte, Mr. Minish, Mr. Roe, Mr. Edgar, and Mr. Waxman):

H.R. 1145. A bill to amend the National Labor Relations Act to provide that the duty to bargain collectively includes bargaining with respect to retirement benefits for retired employees; to the Committee on Education and Labor.

By Mr. UDALL:

H.R. 1146. A bill to amend an act entitled "An act for the continuance of construction work on the San Carlos Federal irrigation project in Arizona, and for other purposes," approved June 7, 1924 (43 Stat. 475), to permit the San Carlos Indians to store water at the dam authorized to be constructed by such act; to the Committee on Interior and Insular Affairs.

By Mr. ULLMAN (for himself, Mr. Rostenkowski, Mr. Vanik, Mr. Corman, Mr. Gibbons, Mr. Jones of Oklahoma, Mr. Jacobs, Mr. Mikva, Mr. Fisher, Mr. Ford of Tennessee, Mr. Downey, Mr. Conable, and Mr. Frenzel):

H.R. 1147. A bill to extend temporarily the authority of the Secretary of the Treasury to waive the imposition of countervailing duties; to the Committee on Ways and Means.

By Mr. VANIK:

H.R. 1148. A bill to amend section 302 of the Communications Act of 1934 to authorize the Federal Communications Commission to prescribe regulations establishing minimum standards with respect to certain electronic equipment that is susceptible to radio frequency energy interference; to the Committee on Interstate and Foreign Commerce.

By Mr. WALKER (for himself, Mr. Dannemeyer, Mr. Dougherty, Mr. Duncan of Tennessee, Mr. Erlenborn, Mr. Gingrich, Mr. Green, Mr. Grisham, Mr. Guyer, Mr. Hagedorn, Mr. Lagomarsino, Mr. Leach of Iowa, Mr. McDonald, Mr. Winn, Mr. Goodling, and Mr. Dornan):

H.R. 1149. A bill to amend title 5, United States Code, to deny Federal retirement annuities to individuals convicted of any felony, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. WATKINS:

H.R. 1150. A bill to amend the Clean Air Act to postpone for 1 year the application of certain restrictions to areas which have failed to attain national ambient air quality standards and to delay for 1 year the date required for adoption and submission of State implementation plans applicable to these areas, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. WHITEHURST:

H.R. 1151. A bill to modify the navigation project for Lynnhaven Inlet, Bay, and connecting waters, Virginia; to the Committee on Public Works and Transportation.

By Mrs. COLLINS of Illinois:

H.J. Res. 102. Joint resolution to provide for the designation of September as "National Sickle Cell Month"; to the Committee on Post Office and Civil Service.

By Mr. PHILIP M. CRANE:

H.J. Res. 103. Joint resolution to amend the Constitution of the United States to provide that appropriations made by the United States shall not exceed 33⅓ percent of the average national income of the prior 3 calendar years, except as specified during war or national emergency; to the Committee on the Judiciary.

By Mr. FUQUA:

H.J. Res. 104. Joint resolution proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

H.J. Res. 105. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; and to provide for the systematic paying back of the national debt; to the Committee on the Judiciary.

H.J. Res. 106. Joint resolution proposing an amendment to the Constitution of the United States to establish a new procedure for the election of the President and Vice President; to the Committee on the Judiciary.

H.J. Res. 107. Joint resolution requesting the President to proclaim the period of July 16 through 24 of each year as "United States Space Observance"; to the Committee on Post Office and Civil Service.

By Mr. GAYDOS:

H.J. Res. 108. Joint resolution proposing an amendment to the Constitution of the United States guaranteeing the right to life to the unborn, the ill, the aged, or the incapacitated; to the Committee on the Judiciary.

By Mr. GUDGER:

H.J. Res. 109. Joint resolution to amend the Constitution of the United States to provide for balanced budgets and elimination of the Federal indebtedness; to the Committee on the Judiciary.

By Mr. GUYER:

H.J. Res. 110. Joint resolution authorizing the President to proclaim May 1, 1979, "National Bicycling Day"; to the Committee on Post Office and Civil Service.

By Mr. HAMMERSCHMIDT:

H.J. Res. 111. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; to the Committee on the Judiciary.

By Mr. JEFFORDS:

H.J. Res. 112. Joint resolution to commend the United States Jaycees, the St. Albans Jaycess, and Deere and Co., for their participation in the Outstanding Young Farmer Program; to the Committee on Post Office and Civil Service.

By Mr. LAGOMARSINO:

H.J. Res. 113. Joint resolution proposing an amendment to the Constitution of the United States to give citizens of the United States the right to enact and repeal laws by voting on legislation in a national election; to the Committee on the Judiciary.

H.J. Res. 114. Joint resolution proposing an amendment to the Constitution of the

United States to limit the number of consecutive Congresses in which Senators and Representatives may serve; to the Committee on the Judiciary.

By Mr. LATTA:

H.J. Res. 115. Joint resolution proposing an amendment to the Constitution of the United States with respect to the offering of prayer in public buildings; to the Committee on the Judiciary.

H.J. Res. 116. Joint resolution proposing an amendment to the Constitution of the United States with respect to the right of life; to the Committee on the Judiciary.

H.J. Res. 117. Joint resolution designating the composition known as "The Stars and Stripes Forever" as the national march of the United States; to the Committee on Post Office and Civil Service.

By Mr. MYERS of Indiana:

H.J. Res. 118. Joint resolution to authorize the President to issue a proclamation designating the week in November which includes Thanksgiving Day in each year as "National Family Week"; to the Committee on Post Office and Civil Service.

By Mr. PEPPER:

H.J. Res. 119. Joint resolution expressing the determination of the United States with respect to the situation in Cuba; to the Committee on International Relations.

H.J. Res. 120. Joint resolution commending the Cuban "Declaration of Freedom"; to the Committee on International Relations.

H.J. Res. 121. Joint resolution to authorize and request the President to proclaim January 28, 1980, as "Day of Marti, Apostle of Liberty"; to the Committee on Post Office and Civil Service.

By Mr. QUILLEN:

H.J. Res. 122. Joint resolution to encourage formation of an international organization for the conservation of whales; to the Committee on International Relations.

H.J. Res. 123. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or threat of war as determined by the Congress; and to provide for the systematic paying back of the national debt; to the Committee on the Judiciary.

By Mr. ST GERMAIN:

H.J. Res. 124. Joint resolution proposing an amendment to the Constitution of the United States with respect to the right to life; to the Committee on the Judiciary.

By Mr. BARNARD (for himself and Mr. Marlenee):

H. Con. Res. 22. Concurrent resolution expressing the sense of Congress that the new regulations of the Department of Labor with respect to the health and safety training of miners places an undue burden on small operators; to the Committee on Education and Labor.

By Mr. FUQUA:

H. Con. Res. 23. Concurrent resolution to collect overdue debts; to the Committee on International Relations.

By Mr. QUILLEN:

H. Con. Res. 24. Concurrent resolution expressing the sense of the Congress that the President submit to the Congress a balanced budget; to the Committee on Government Operations.

By Mr. STUMP:

H. Con. Res. 25. Concurrent resolution to uphold the separation of powers between the executive and legislative branches of Government in the termination of treaties; to the Committee on International Relations.

By Mr. WHITEHURST:

H. Con. Res. 26. Joint resolution pertaining to the methods used on animals in research; jointly, to the Committees on Interstate and Foreign Commerce and Science and Technology.

By Mr. SMITH of Iowa:

H. Res. 45. Resolution to provide funds for the further expenses of the investigations and studies of the Committee on Small Business; to the Committee on House Administration.

By Mr. McDONALD:

H. Res. 48. Resolution to amend the Rules of the House of Representatives to establish the Committee on Internal Security, and for other purposes; to the Committee on Rules.

By Mr. DIGGS:

H. Res. 50. Resolution authorizing the printing of the publication entitled "History of the Committee on the District of Columbia: The Planning, Development, Government and Institutions of the Nation's Capital (1808–1978)"; to the Committee on House Administration.

By Mrs. FENWICK:

H. Res. 51. Resolution providing that the House beauty and barber shops be privately operated on a self-sustaining basis; to the Committee on House Administration.

By Mr. FUQUA:

H. Res. 52. Resolution authorizing the printing of the volume entitled "History of the Committee on Science and Technology, 1959–1979"; to the Committee on House Administration.

By Mr. MURPHY of New York (for himself, and Mr. Forsythe):

H. Res. 53. Resolution providing for the establishment of a Select Committee on the Outer Continental Shelf; to the Committee on Rules.

By Mr. SHUSTER (for himself, Mr. Rhodes, Mr. Michel, Mr. Anderson of Illinois, Mr. Lott, Mr. Vander Jagt, Mr. Quillen, and Mr. Devine):

H. Res. 54. Resolution expressing the sense of the House of Representatives that the 96th Congress be an oversight Congress; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

[Submitted January 18, 1979]

15. By the SPEAKER: Memorial of the Legislature of the State of Michigan, ratifying the proposed amendment to the Constitution of the United States relating to representation of the District of Columbia in the Congress; to the Committee on the Judiciary.

16. Also, memorial of the Legislature of the State of Ohio, ratifying an amendment to the Constitution to provide for representation of the District of Columbia in the Congress; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

[Submitted January 18, 1979]

By Mr. ANDERSON of California:

H.R. 1152. A bill for the relief of Blanca Rosa Luna de Frei; to the Committee on the Judiciary.

By Mr. ANDERSON of Illinois:

H.R. 1153. A bill for the relief of Nyoman Rahmawati; to the Committee on the Judiciary.

By Mr. BRODHEAD:

H.R. 1154. A bill for the relief of Michelle A. Mudie; to the Committee on the Judiciary.

By Mr. CHAPPELL:

H.R. 1155. A bill for the relief of Lillian June Demers; to the Committee on the Judiciary.

By Mr. D'AMOURS:

H.R. 1156. A bill for the relief of Sammy Ennabe; to the Committee on the Judiciary.

H.R. 1157. A bill for the relief of Tin Foo Chan (a.k.a. Michael Chan); to the Committee on the Judiciary.

By Mr. DANIELSON:

H.R. 1158. A bill for the relief of James C. Wilkinson; to the Committee on the Judiciary.

By Mr. FUQUA:

H.R. 1159. A bill for the relief of Dr. R. E. Kalman; to the Committee on the Judiciary.

H.R. 1160. A bill for the relief of Michael D. Howard; to the Committee on the Judiciary.

H.R. 1161. A bill for the relief of Marija Artis; to the Committee on the Judiciary.

H.R. 1162. A bill for the relief of Archibald M. Withers; to the Committee on the Judiciary.

By Mr. RICHMOND:

H.R. 1163. A bill for the relief of Gladys Venicia Cruz-Sanchez; to the Committee on the Judiciary.

By Mr. ST GERMAIN:

H.R. 1164. A bill for the relief of John and Margaret Diehl, Julie Eastridge, and Jerome and Betty Davis; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 2: Mr. Akaka, Mr. Anderson of California, Mr. Applegate, Mr. Baldus, Mr. Bedell, Mr. Benjamin, Mr. Bennett, Mr. Bevill, Mr. Boland, Mr. Bonior, Mrs. Bouquard, Mr. Brodhead, Mr. Buchanan, Mr. Campbell, Mr. Carr, Mr. Conte, Mr. Corrada, Mr. D'Amours, Mr. Daschle, Mr. Dellums, Mr. Derwinski, Mr. Dicks, Mr. Dornan, Mr. Drinan, Mr. Duncan of Tennessee, Mr. Duncan of Oregon, Mr. Edwards of California, Mr. Emery, Mr. English, Mr. Ertel, Mr. Evans of Georgia, Mr. Fascell, Mr. Fithian, Mr. Foley, Mr. Forsythe, Mr. Frenzel, Mr. Fuqua, Mr. Glickman, Mr. Goodling, Mr. Gore, Mr. Grisham, Mr. Guyer, Mr. Hamilton, Mr. Harkin, Mr. Heftel, Mr. Hillis, Mr. Hollenbeck, Mrs. Holt, Mr. Howard, Mr. Hubbard, Mr. Huckaby, Mr. Hughes, Mr. Ichord, Mr. Jenrette, Mr. Kildee, Mr. Kogovsek, Mr. Lagomarsino, Mr. Levitas, Mr. Lloyd, Mr. Luken, Mr. Markey, Mr. Mazzoli, Mr. McCloskey, Mr. McHugh, Mr. McKay, Mr. Miller of California, Mr. Mitchell of New York, Mr. Montgomery, Mr. Mottl, Mr. Murphy of Pennsylvania, Mr. Neal, Mr. Nedzi, Mr. Nowak, Mr. Oberstar, Mr. Ottinger, Mr. Panetta, Mr. Patterson, Mr. Pease, Mr. Pepper, Mr. Price, Mr. Pritchard, Mr. Rahall, Mr. Rangel, Mr. Rinaldo, Mr. Russo, Mr. Santini, Mr. Scheuer, Mr. Stanton, Mr. Steed, Mr. Studds, Mr. Traxler, Mr. Udall, Mr. Vento, Mr. Walker, Mr. Weaver, Mr. Whitehurst, Mr. Whitley, Mr. Charles H. Wilson of California, Mr. Winn, Mr. Wirth, Mr. Wolff, Mr. Yatron. and Mr. Zeferetti.

H.R. 21: Mr. Bonior, Mrs. Collins of Illinois, Mr. Hawkins, Mr. Ottinger, Mr. Price, Mr. Roybal, Mr. Seiberling, Mr. Udall, and Mr. Wolff.

H.R. 660: Mr. Akaka, Mr. Barnes, Mr. Boland, Mr. Carney, Mr. Downey, Mrs. Fenwick, Mr. Gilman, Mr. Guarini, Mrs. Heckler, Mr. Horton, Mr. Howard, Mr. Lee, Mr. Lent, Mr. McClory, Mr. Mavroules, Mr. Ottinger, Mr. Patten, and Mr. Wolff.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

[Submitted January 18, 1979]

36. By the SPEAKER: Petition of the National Guard Association of the United States, Washington, D.C., relative to re-

cruiting and retention in the National Guard and other Reserve forces; to the Committee on Armed Services.

37. Also, petition of the Commissioners' Court of Tom Green County, San Angelo, Tex., relative to Goodfellow Air Force Base; to the Committee on Armed Services.

38. Also, petition of the North Atlantic Assembly, Brussels, Belgium, relative to the recommendations, resolutions, and order which were adopted at the Twenty-Fourth Annual Session of the North Atlantic Assembly; to the Committee on International Relations.

39. Also, petition of Arizona Coordination Council of Republican Women, Phoenix, Ariz., relative to China; to the Committee on International Relations.

40. Also, petition of California Library Association, Sacramento, Calif., relative to the late Representatitve Leo J. Ryan; to the Committee on Post Office and Civil Service.

41. Also, petition of the American Association of Retired Persons, Inc., East Hampton, N.Y., relative to (1) proposing a constitutional amendment mandating a balanced budget; (2) indexing Federal personal income tax rates to inflation; (3) implementation of sunset provisions in existing and new legislation; and (4) public financing of Federal elections; jointly, to the Committees on Government Operations, House Administration, the Judiciary, and Ways and Means.

SENATE—*Thursday, January 18, 1979*

(Legislative day of Monday, January 15, 1979)

The Senate met at 12 o'clock meridian, on the expiration of the recess, and was called to order by Hon. PAUL S. SARBANES, a Senator from the State of Maryland.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Hear the words of the Apostle Paul, as written in I Thessalonians 5: 17:

Pray without ceasing.

Let us pray:

O God, the Light of all who seek Thee, grant to each of us that illumination without which we walk in darkness. Prompt us to heed the Apostle's word, "to pray without ceasing." We would pray not only in the sanctuary or the convocation of a prayer-breakfast, not only in the spasms of troubled times or in moments heavy with emotion; we would pray hour by hour and moment by moment in our daily vocations. Help us to make sacred all that we do so that the time of prayer is indistinguishable from the time of work and we may see Thee in the broadening purposes of human history. Keep our leaders and the people of this Nation close to Thee that Thy kingdom may be set forward on Earth as it is in heaven. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., January 18, 1979.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable PAUL S. SARBANES, a Senator from the State of Maryland, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. SARBANES thereupon assumed the chair as Acting President pro tempore.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I do not want to get the floor and hold it. I have the floor, but I do not want to hold it as I did on Monday.

I have discussed this request with the distinguished minority leader.

SENATE RESOLUTION 9—UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, with reference to the resolution which I introduced on Monday and the motion I made relative to that resolution, that no motion, no point of order, or any action whatsoever that would impact upon my resolution and my motion be in order today.

I make this request so that I may yield the floor shortly. It will be my intention to ask unanimous consent that Senators may speak on any subject they wish to speak on up to, say, 15 minutes during the remainder of the day, and it will be my intention to ask unanimous consent that the Senate stand in recess at no later than 2 o'clock p.m. today until 12 o'clock tomorrow, and that on tomorrow there be only a pro forma session. I am only stating what my intentions are, not making my request at this time.

That the Senate, on tomorrow, meet merely for the purpose of a pro forma session, that it go out immediately without any debate and without any business being transacted at all; in other words, it would be a 5-second session or something to that extent, and then the Senate would recess over until Tuesday next, at the hour of 12 o'clock noon.

That is what I hope to do.

My consent request would allow Senators to offer bills and resolutions and whatever, but there would be no business transacted other than what I have just stated: the introduction of bills and resolutions and petitions and memorials, and the opportunity to make statements.

The ACTING PRESIDENT pro tempore. Is there objection——

Mr. ROBERT C. BYRD. Mr. President, I have not finished yet. The request I have made is with respect to my resolution, I believe it is Senate Resolution 9, offered on Monday, and with respect to the motion that I made with respect to the introduction of that resolution. I renew that request at this time.

The ACTING PRESIDENT pro tempore. Is there objection to the unanimous-consent request?

Mr. BAKER. Mr. President, reserving the right to object——

The ACTING PRESIDENT pro tempore. The Senator from Tennessee.

Mr. BAKER. Mr. President, I will not object. I think it is a good arrangement, and the majority leader has correctly stated that we have consulted on this proposal this morning. I believe it preserves all his rights with respect to the resolution; it provides all of us on this floor an opportunity to work out a sensible solution; and I will not object.

Mr. HARRY F. BYRD, JR. Mr. President, reserving the right to object, could I ask the distinguished majority leader, I assume that the unanimous-consent request which has just been made will not adversely impact on Senate Members who may have resolutions or legislation to present?

Mr. ROBERT C. BYRD. It would not, may I say to my distinguished friend from Virginia, Mr. HARRY F. BYRD, JR. The request as made would simply allow me to make a few other unanimous-consent requests, and then sit down or get out of the Chamber and let other Senators have an opportunity to speak on any subject they wish to speak on. They could offer resolutions, they could introduce bills, make speeches, or offer petitions and memorials. So it would not have that effect.

Mr. HARRY F. BYRD, JR. So other Members of the Senate could proceed as if there were no unanimous-consent request as has just been made by the distinguished Senator from West Virginia, insofar as presenting bills and resolutions and motions thereto?

Mr. ROBERT C. BYRD. Well, presentings bills and resolutions, but not making motions in regard thereto.

Mr. HARRY F. BYRD, JR. Would it preclude a Senator from presenting a bill or a resolution and asking for immediate consideration, at which time——

Mr. ROBERT C. BYRD. No; it would not.

Mr. HARRY F. BYRD, JR. It would not?

Mr. ROBERT C. BYRD. It would not prevent a Senator from calling up a resolution and asking for its immediate consideration, and another Senator objecting thereto.

Mr. HARRY F. BYRD, JR. I thank the Senator.

The ACTING PRESIDENT pro tempore. Is there objection?

Hearing no objection, the unanimous-consent request is agreed to.

ORDER FOR RECESS TODAY NO LATER THAN 2 P.M. UNTIL TOMORROW AT 11 A.M. AND RECESS FROM TOMORROW UNTIL TUESDAY, JANUARY 23, 1979

Mr. ROBERT C. BYRD. Mr. President, if the Chair will protect me, I am going to make some unanimous-consent requests and I do not yield the floor by virtue of making those requests.

The ACTING PRESIDENT pro tempore. The Senator is correct.

Mr. ROBERT C. BYRD. I ask unanimous consent that the Senate, no later than 2 p.m. today, stand in recess over until tomorrow at the hour of 11 a.m.; and that, at that time, no business be transacted, no statements be in order; that the Senate merely meet and immediately recess until the hour of 12 o'clock noon on Tuesday next.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. BAKER. Mr. President, reserving the right to object, I shall not object.

I join with the majority leader in this request, if he will permit me to do so. Beginning duties on both sides of the aisle in our respective caucuses and conferences are such that we welcome this additional time.

Mr. ROBERT C. BYRD. I thank the distinguished minority leader. I am having my own conference at 2 o'clock p.m. today. This will protect every Member on this side of the aisle to attend that conference.

The ACTING PRESIDENT pro tempore. Without objection, the unanimous-consent request is agreed to.

UNANIMOUS-CONSENT AGREEMENT ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when I yield the floor, Senators may be allowed to speak on any subject they wish to speak on and introduce resolutions, bills, petitions, and memorials, and that their speeches be limited to not to exceed 15 minutes today. If a Senator wants to speak 30 minutes, he can get 15 minutes and another Senator will accommodate him by getting recognition for 15 minutes and yielding the 15 minutes to that Senator.

I make that request with the understanding that no motions be in order this afternoon. That does not rule out unanimous-consent requests such as the Senator from Virginia was talking about.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. BAKER. Mr. President, I am sorry, I did not hear the first part of the request. I apologize for that.

Mr. ROBERT C. BYRD. Yes. I ask unanimous consent that once I yield the floor, which I intend to do shortly, any Senator may speak up to 15 minutes and may offer resolutions, bills, petitions, and memorials; he may ask unanimous consent if he wishes for immediate consideration of any resolution, and so forth, but that no motions be in order during that period, and we shall go out no later than 2 o'clock under the order previously entered.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXTENSION OF TIME FOR FILING ECONOMIC REPORT

Mr. ROBERT C. BYRD. Mr. President, before I yield the floor, I have some other unanimous-consent requests to make.

I send to the desk a joint resolution to extend the time for filing the economic report and I ask unanimous consent for the immediate consideration of this resolution. I hope it will not be objected to. It merely extends the time for filing the economic report from January 22 to January 29, one week.

The ACTING PRESIDENT pro tempore. The joint resolution will be stated by title.

The legislative clerk read as follows:

> House Joint Resolution 1, to extend time for filing the Economic Report.

Mr. JAVITS. Mr. President, will the Senator yield to me?

Mr. ROBERT C. BYRD. Yes.

Mr. JAVITS. Speaking for the Joint Economic Committee, I gather this affects us. I wonder, has the Senator checked whether that automatically extends the other dates? We are supposed to respond at given times. It can be done later, as a matter of fact, but I wonder if this resolution does that.

Mr. ROBERT C. BYRD. I shall ask the Chair to respond to that.

The ACTING PRESIDENT pro tempore. The Chair advises the Senator that the times for response are set in relationship to the time for the receipt of the report.

Mr. JAVITS. I thank the Chair.

The ACTING PRESIDENT pro tempore. Without objection, the joint resolution will be considered as having been read twice. Is there objection to the present consideration of the joint resolution?

There being no objection, the joint resolution (H.J. Res. 1) was considered, ordered to a third reading, read the third time, and passed.

JOINT SESSION OF THE TWO HOUSES TO RECEIVE A MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

Mr. ROBERT C. BYRD. Now, Mr. President, I ask that the Chair lay before the Senate a message from the House on House Concurrent Resolution 1. This provides—and I hope there will be no objection to this request—that the two houses of Congress assemble on the 23d of January for the purpose of receiving the President's State of the Union address. I ask the Chair to lay that before the Senate.

The ACTING PRESIDENT pro tempore laid before the Senate House Concurrent Resolution 1, which was read as follows:

H. CON. RES. 1

> *Resolved by the House of Representatives (the Senate concurring)*, That the two Houses of Congress assemble in the Hall of the House of Representatives on Tuesday, January 23, 1979, at 9 o'clock postmeridian for the purpose of receiving such communications as the President of the United States shall be pleased to make to them.

The ACTING PRESIDENT pro tempore. Is there objection to the immediate consideration of the concurrent resolution?

There being no objection, the Senate proceeded to consider the concurrent resolution.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the concurrent resolution.

The concurrent resolution (H. Con. Res. 1) was agreed to.

AMENDMENT OF THE STANDING RULES—S. RES. 14

Mr. ROBERT C. BYRD. Mr. President, I send to the desk a resolution that is a Senate resolution. I ask unanimous consent for its immediate consideration and I object to my own request.

The ACTING PRESIDENT pro tempore. The clerk will state the resolution by title.

The legislative clerk read as follows:

> A resolution (S. Res. 14) to amend the standing rules.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the resolution?

Mr. ROBERT C. BYRD. Mr. President, I object to my own request.

The ACTING PRESIDENT pro tempore. The objection having been made to the present consideration, the resolution will go over under the rules.

The resolution is as follows:

S. RES. 14

> *Resolved*, That paragraph 1 of rule III of the Standing Rules of the Senate is amended by striking out all after the words "unless by unanimous consent" and inserting in lieu thereof the following: "or on motion decided without debate. Motions to correct the Journal shall be privileged, shall be confined to an accurate description of the proceedings of the preceding day, and shall be determined without debate.".
>
> SEC. 2. That rule VIII of the Standing Rules of the Senate be amended by inserting a new sentence at the end of section 2, as follows: "Debate on such motions made at any other time shall be limited to thirty minutes, to be equally divided and controlled by the Majority and Minority Leaders.".
>
> SEC. 3. That rule XV of the Standing Rules of the Senate is amended by adding at the end thereof the following new paragraph:
>
> "The demand for the reading of an amendment when presented to the Senate for consideration, including House amendments may be waived on motion decided without debate when the proposed amendment has been identified by the clerk and is available to all Members in printed form.".
>
> SEC. 4. That rule XVIII of the Standing Rules of the Senate is amended—
>
> (1) by inserting after "QUESTION" in the caption a semicolon and the following: "GERMANENESS";

(2) by inserting "1." before "If"; and

(3) by adding at the end thereof the following new paragraph:

"2. (a) At any time during the consideration of a bill or resolution, it shall twice be in order during a calendar day to move that no amendment other than the reported committee amendments which is not germane or relevant to the subject matter of the bill or resolution, or to the subject matter of an amendment proposed by the committee which reported the bill or resolution, shall thereafter be in order. Such a motion shall be privileged and shall be decided without debate.

"(b) If a motion made under subparagraph (a) is agreed to by an affirmative vote of three-fifths of the Senators present and voting, then any floor amendment not already agreed to (except amendments proposed by the committee which reported such bill or resolution) which is not germane or relevant to the subject matter of such bill or resolution, or the subject matter of an amendment proposed by the committee which reported such bill or resolution, shall not be in order.

"(c) When a motion made under subparagraph (a) has been agreed to as provided in subparagraph (b) with respect to a bill or resolution, points of order with respect to questions of germaneness or relevancy of amendments shall be decided without debate, except that the Presiding Officer may, prior to ruling on any such point of order, entertain such debate as he considers necessary in order to determine how he shall rule on such point of order. Appeals from the decision of the Presiding Officer on such points of order shall be decided without debate.

"(d) The provisions of this paragraph shall not apply to amendments subject to the rules of germaneness and relevancy contained in paragraph 4 of rule XVI and paragraph 2 of rule XXII.".

SEC. 5. A. That (a) line 5 of the first paragraph of paragraph 2 of rule XXII of the Standing Rules of the Senate is amended by striking out "or the unfinished business," and in the line above inserting "or" before the words "other matter pending before the Senate," and lines 6 and 7 of the second paragraph of paragraph 2 is amended by striking out ", or the unfinished business,".

(b) The second paragraph of paragraph 2 of rule XXII of the Standing Rules of the Senate is amended by inserting at the end thereof a new paragraph as follows:

"After one hundred hours of consideration of the measure, motion, or other matter on which cloture has been invoked, the Senate shall proceed, without any further debate on any question, to vote on the final disposition thereof to the exclusion of all amendments not then actually pending before the Senate at that time and to the exclusion of all motions, except a motion to table, or to reconsider and one quorum call on demand to establish the presence of a quorum (and motions required to establish a quorum) immediately before the final vote begins. The amount of time specified in the preceding sentence may be increased, or decreased (but to not less than ten hours), by the adoption of a motion, decided without debate, by a three-fifths affirmative vote of the Senators duly chosen and sworn. At any time after ten hours of consideration, any remaining time may be reduced, but to not less than ten hours, by the adoption of a motion, decided without debate, by a three-fifths affirmative vote of the Senators duly chosen and sworn, and any such time thus agreed upon shall be equally divided between and controlled by the Majority and Minority Leaders or their designees. However, only one motion to reduce time and only one motion to extend time, specified above, may be made in any one calendar day.".

(c) The last paragraph of paragraph 2 of rule XXII of the Standing Rules of the Senate is amended by striking out the first sentence and inserting in lieu thereof the following: "After cloture has been invoked, no Senator shall be entitled to speak in all more than one hour on the measure, motion, or other matter pending before the Senate, the amendments thereto, and motions affecting the same, and it shall be the duty of the Presiding Officer to keep the time of each Senator who speaks.".

B. That rule XXII of the Standing Rules of the Senate be amended by inserting a new paragraph at the end of section 2 as follows:

"After September 1 of each calendar year, until the end of the session, the application of the provisions of section 2 of rule XXII shall be modified to provide that if a proper motion to invoke cloture has been filed pursuant to section 2, it shall be in order to proceed immediately to the consideration thereof, and after three hours of debate, equally divided and controlled by the Majority and Minority Leaders, the Senate shall proceed to vote on the adoption of that motion, and if that question shall be decided in the affirmative by a three-fifths vote of the Senators duly chosen and sworn, then said measure, motion, or other matter pending before the Senate shall be the unfinished business to the exclusion of all other business until disposed of. All other provisions of section 2 of rule XXII shall be applicable to any question on which cloture is invoked pursuant to this paragraph.

SEC. 6. That rule XXVII of the Standing Rules of the Senate is amended by adding at the end thereof the following: "The demand for the reading of a conference report when presented may be waived on motion decided without debate when the report is available to all Members in printed form.".

SEC. 7. That section 133(f) of the Legislative Reorganization Act of 1946, as amended, be amended to strike the words: "at least three calendar days (excluding Saturdays, Sunday, and legal holidays)" and insert in lieu thereof the words: "at least two calendar days (excluding Saturdays, Sundays, and legal holidays, except when the Senate is in actual session on such days)".

SEC. 8. That (a) the Committee on Rules and Administration is authorized and directed to provide for the installation of an electronic voting system in the Senate Chamber.

(b) The expenses incurred in carrying out the provisions of subsection (a) shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the Committee on Rules and Administration.

ORDER OF PROCEDURE

Mr. ROBERT C. BYRD. Mr. President, I yield without losing my right to the floor to the distinguished acting Republican leader and I shall yield the floor shortly.

Mr. STEVENS. I thank the majority leader.

RATIFICATION OF SALT II

Mr. STEVENS. Mr. President, it is my firm belief that Senate ratification of a projected SALT II treaty must be contingent on an accord that is equal, balanced, and verifiable. The latter is certain to be one of the major points of controversy during Senate debate.

Although verification is considered a crucial factor, it has been reported that the United States has made a concession to the Soviet Union on encryption that could seriously jeopardize our ability to monitor their compliance with the terms spelled out in the forthcoming treaty. Encryption, a method used by the U.S.S.R. to conceal test data by coding missile telemetry, makes it impossible for the United States to decipher test results.

Rowland Evans and Robert Novak detail the potential ramifications of this latest concession. They also report two additional methods allegedly not prohibited under the proposed SALT II treaty by which the Soviets could thwart verification. Moreover, the U.S. verification ability may be further constrained in the wake of recent stories that the United States is dismantling CIA missile-monitoring devices in Iran.

I ask unanimous consent that the Evans and Novak column, entitled "The 'Encryption' Gamble," which appeared in the Wednesday, January 10 Washington Post, be printed in the CONGRESSIONAL RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Jan. 10, 1979]

THE "ENCRYPTION" GAMBLE

(By Rowland Evans and Robert Novak)

A major concession to the Soviet Union that permits the results of test flights of Soviet strategic missiles to be partly concealed from the United States has raised a potent threat to President Carter's hopes for Senate approval of a new strategic arms limitation treaty (SALT II).

Still shrouded in official secrecy, the concession was agreed to by Secretary of State Cyrus Vance during his latest arms-control talks with Soviet Foreign Minister Andrei Gromyko in Geneva three weeks ago. What makes it so serious is its effect on verification—the process by which the United States tries to prove or verify that the Russians are not cheating.

Thus, at stake is an extremely grave issue for Carter and his country: whether Moscow can get away with secret missile tests that could violate the treaty and endanger U.S. and Western safety, something neither Vance nor any other responsible official could conceivably wish to happen.

Verification will be the paramount issue in the Senate when the new SALT agreement is submitted for approval. If President Carter can make a strong case that SALT II is verifiable, Senate approval will still be difficult but perhaps attainable; if Carter cannot make a strong case, SALT II will go the way of the Versailles Treaty.

The concession made by the United States at Geneva permits the Russians to continue "encrypting" in secret code information routinely radioed to ground stations from a missile during its test flight. This information, known as telemetry, is radioed back to earth on 40 to 60 separate radio channels, one channel for each component of the missile, so that Soviet weapons experts can learn the test results.

By far the most important source of U.S. information on Soviet missilery is the test-flight telemetry picked up by U.S. satellites and other monitors as it is radioed back to earth. There was consternation three years ago when the Russians started encrypting test data from the medium-range SS20 mobile missile—but that missile is not covered by SALT.

Last summer, however, the Soviets are known to have encrypted at least one test of their giant SS18 intercontinental missile with 10 independently targeted warheads.

When the United States realized that SS18 test data were being concealed, Central Intelligence Director Stansfield Turner went to Carter and, on the basis of highest national security, urged him to demand a halt. He produced prima facie evidence that the Russians had encrypted most of the 40 to 60 channels of test data radioed back to earth. Indeed, only four channels of this vital information could be "read" by U.S. monitors.

Carter ordered that a formal complaint be made to Moscow, but the Kremlin came back with an air of injured innocence: There is nothing in SALT I that prohibits encryption, they said.

Now, instead of demanding a complete halt to encrypting, the United States agreed at Geneva to ambiguous language allowing encryption except where the information put into secret code has a direct bearing on verification. That theoretically makes the Soviet Union its own policeman. Only the Soviets would know what secret performance data they are concealing, and they could conceal it by claiming it did not deal with specific weapons limitations imposed by the new treaty.

In the closed society of the Soviet Union, nothing is publicly revealed about weapons development. Thus, when the American theory of anticheating verification was first developed in 1972, it meant the right of the United States, through electronic eavesdropping and any other monitoring devices, to establish the truth of Soviet claims about its nuclear missiles.

But today, following the reign of Paul Warnke as director of the Arms Control and Disarmament Agency, verification has been qualified by the word "adequate." All that is now required is to ensure that the United States will discover Soviet cheating before it has "significantly affected" the U.S.-Soviet strategic balance of power.

Vance's concession on encryption shows how far the word "adequate" allows the Soviets to go on concealing perhaps vital parts of their test programs. Even worse, SALT II does nothing to block two other ways in which the Soviets could thwart verification: by sending its flight-test telemetry back to ground by low-powered transmitters, which the U.S. could not monitor; or by not transmitting at all, but encasing the test data in a little black box and retrieving the box after the test.

Given the vivid evidence of Soviet willingness to thwart verification, SALT skeptics and critics are asking why the new treaty ignores these two other tactics, which could deny the United States information that could be vital to its future.

Encryption, with Carter's inadequate answer to it, is by no means the only or even the principal target for anti-SALT senators, but it may become the most important because of its intimate association with verification. The treaty will likely rise or fall on how senators feel about legal rights given the United States to detect Soviet cheating.

For the Soviets, few missile secrets cannot be discovered in the open U.S. society. For the United States, verification is the name of the game to hold Moscow to the letter and spirit of SALT II.

Mr. JAVITS. Mr. President, will the Senator yield on that?

Mr. STEVENS. I am not certain, Mr. President, that I have the right to yield under my present situation.

The ACTING PRESIDENT pro tempore. The Senator is correct. The Senator from West Virginia has the floor and yielded to the Senator from Alaska.

Mr. JAVITS. Mr. President, will the Senator from West Virginia yield to me on this subject?

Mr. ROBERT C. BYRD. Yes.

Mr. JAVITS. Mr. President, many technical questions will arise respecting SALT; for example, this one, which I think that, very wisely, Senator STEVENS has brought up. It was also brought up in Lisbon at the meetings of the North Atlantic Treaty Organization, the NATO parliamentary group. It was also brought up by the Russians, the Russian parliamentary delegation, when a delegation of which I was a member was in Moscow.

The only thing I would ask of the Members of the Senate is that we remember what every lawyer knows: There is always another side to a case and therefore we do not assume that that someone is ringing the alarm bell and the Russians are taking us to the cleaners. I suggest that we keep our minds open. This question is very important. There are other questions equally important and it will be our duty to explore them in the Committee on Foreign Relations and to satisfy the Senate when there is a treaty that it is the right or the wrong thing to do, whatever we think.

That is all I hope. I hope the Members will not assume that somebody suddenly discovered some horrendous thing on which we are being taken. We are very well aware of this and many other things. We will carry the burden. It will be our duty to prove to the Senate that it is our duty to take everything together. That is the one thing I hope very much, that we have this clear in our consideration of SALT II.

We have already had a curtain-raiser on the debate between Senator JACKSON and myself in Europe. It is very healthy. I welcome it. I know we have a responsibility, and I can assure the Senate, if I have anything to do with it, we will discharge it.

Mr. ROBERT C. BYRD addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from West Virginia.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I thank the Senate for its indulgence and understanding my getting the floor and holding it. I am now going to yield it.

Before I do, under the consent order entered, I am entitled to 15 minutes, am I not?

The ACTING PRESIDENT pro tempore. The Senator is correct.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent I may yield my 15 minutes—and I am now recognized for it—to Mr. EAGLETON at such time as he is recognized, which will make for him a total of 30 minutes.

He called this morning. He wanted 30 minutes. He can have it in this way and it will not impinge on the rights of other Members.

Mr. STEVENS. Reserving the right to object, I say to the majority leader, Mr. President, we had a request specifically for time from the Senator from Arizona, who wanted 15 minutes. In view of the order that was entered, we did not object on the basis we thought there would be adequate time.

Now we are approaching 12:30. We will recess at 2. With a half-hour coming out of that, there are only four opportunities to be recognized at 15-minutes levels.

I do not object on the basis of my good friend's recognition, but in view of the fact we did not ask for specific recognition for Senator GOLDWATER.

Could we accord him 15 minutes from Senator EAGLETON in order to balance this situation?

Mr. EAGLETON. I will withdraw the 15.

Mr. ROBERT C. BYRD. Mr. President, I withdraw my request. Senator EAGLETON's 15 minutes will be sufficient.

Mr. President, I yield the floor.

Several Senators addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Missouri.

Mr. EAGLETON. I yield 1 minute to the Senator from South Carolina.

Mr. HOLLINGS. I want a little bit more than that.

Mr. EAGLETON. I only have 15 minutes. I yield 2 minutes.

(Mr. HOLLINGS' remarks at this point in connection with the introduction of a bill are printed under Statements on Bills and Joint Resolutions.")

PRIVILEGE OF THE FLOOR

Mr. HELMS. Mr. President, I ask unanimous consent that Dr. James Lucier of my staff be granted the privilege of the floor during any discussion or vote on Senate Resolution 9 today or any succeeding day.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. EAGLETON. I yield to the Senator from South Carolina.

ANN STEVENS

Mr. HOLLINGS. Mr. President, the gifts of warmth, enthusiasm, and joy of life are human traits, but individuals differ in their capacity to share them. And rare indeed is that person whose own vitality and humanity can inspire others to discover the same traits in themselves. Such a person was our friend—our good and cherished friend—Ann Stevens.

Mr. President, I do not make comments to get a response from our distinguished colleague from Alaska, but Ann was too much a member of this body and a member of the family of U.S. Senators that we not make some comment here.

At her funeral, whaling captain Oliver Leavitt said that "She was a part of us," and I felt immediately that he had captured the almost universal appreciation people had of Ann. Wherever she went, whomever she met, people felt that way. I saw it in the Eskimo community. I saw it all around Alaska; here in

Washington, and on trips overseas. Her appreciation of other people knew no artificial divisions. She loved people. She loved life. And she lived it with a vitality and grace that won the hearts of all who knew her.

My wife, Peatsy, and I have lost a dear friend—one of the closest we will ever have. The memories of our times together will remain with us always, as will the knowledge that as wife, mother, and citizen, here was a person who contributed in her short life what most of us cannot contribute in many years more.

Our hearts and hands go out to Ted and to each of the five Stevens children. We share in their loss as we shared in their happiness. And we share, too, in the special gift of having known a very special person.

Mr. President, Peatsy and I were among those who attended the funeral. We participated in the service, listened to the eulogy, and learned the depth of admiration and friendship which this remarkable woman drew from those around her. I ask unanimous consent that Oliver Leavitt's eulogy, the program of the service, some commentary and news coverage from the Alaska press, and Chaplain Elson's eloquent prayer be included in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

ANN: A PART OF ALASKA

(Here is the text of Oliver Leavitt's eulogy for Ann Stevens, given at her funeral here Saturday. Leavitt is a whaling captain from Barrow:)

Ann Stevens shared her enthusiasm for life with us. She was a part of us, whether on a whale hunt or in the quiet of our homes.

She was the counter part of Senator Ted. Her partner's visits were necessarily action and issue oriented. Ann's presence brought calm to rustled waters.

We would like to think that Ann Stevens captured the depth of our spirit. She understood the beauty and silence of the ice, or the contrasting silence of a whale watch. And yet, her eyes would sparkle with the capture of a whale as she joined in the work and enthusiasm of an entire community harvesting its subsistence. She reflected the spirit of our dances, of feasts and festivals. She also understood the dramatic change that we, as a people, are experiencing and was most helpful in translating that change to ourselves and to the world that she knew.

The same person hosted us and helped us feel at home in the much different atmosphere and complexity of our nation's capital.

Somehow we, her friends in the Arctic, feel at peace today. We feel blessed and are happy and thankful that Ann Stevens journeyed our way.

We feel confident that she will continue to be with us in our efforts to meet the challenges of life; and in our own way and custom the story about her will grow as we tell our children about a special lady who was an aide and companion to another special friend of ours.

We, the Eskimo community, appreciate this opportunity to publicly express our gratitude for a friend and to share the common spirit that we feel about her with her relatives and friends.

She lived a great life—and we all shared in it.

STEVENS FUNERAL

CELEBRANTS

The Rev. Norman H. V. Elliott, *Rector, All Saints' Episcopal Church.*

The Rev. James W. Buffington, *Pastor, First Methodist Church.*

The Most Rev. Francis T. Hurley, *Archbishop, Archdiocese of Anchorage.*

Mr. Oliver Leavitt.

Ms. Myrtle Johnson.

Ms. Arlene Ray, organist.

ACTIVE PALLBEARERS

Dave Covich, Warren Elliott, John Katz, Al McDermott, John Monroe, Marco Pignalberi, Jack Roderick, and Mike Spaan.

HONORARY PALLBEARERS

Barbara Andrews, Mrs. Howard Baker, Mrs. Henry Bellmon, Rose Blakely, Ken Brady, Carl Brady, Sr., Carl Brady, Jr., Corrine Blair, Kit Crittenden, Mrs. Marlow Cook, Mrs. Lawton Chiles, Mike Dalton, Karen Fitzgerald, Governor Jay Hammond, Mrs. Ernest Hollings, Wally Hickel, and Mrs. Henry Jackson.

Andy Milner, Gloria McCutcheon, Wilda Marston, Rosemary Messer, Mrs. James McClure, Maxine Nerland, Mrs. Gaylord Nelson, Edie Opinsky, Alice Puster, Marie Pignalberi, Maxine Reed, Matilda Stepovich, Margaret Sullivan, Molly Tryck, Jo Anne Wold, Congressman Don Young, and Mrs. Milton Young.

ANN STEVENS, JOE RUDD

(By Joe Josephson)

The wife (or husband) of a political leader has a difficult task. That others have performed admirably as partners for politicians doesn't make the task easier. In a way, the variety of successful styles which are serviceable models makes the task more confusing.

Eleanor Roosevelt was a public person, an author and lecturer, her husband's eyes and ears and legs, and maybe a spur to his social awareness and conscience.

Bess Truman was a private person. In the midst of all the storms and troubles of Harry Truman's presidency, she helped maintain her husband's perspective on life's values and renewed his strength for struggles yet to come.

Ann Hart, the wife of the late Sen. Phil Hart of Michigan, was a political activist. While her husband served in the Senate, she participated in a peace demonstration at the Pentagon. Sen. Hart didn't mind. He wanted his spouse to follow the dictates of her own conscience in political matters. He thought that Michigan voters who knew him for his own integrity would expect nothing less.

Vide Bartlett made no speeches, wrote no policy papers. But she matched her husband, the late Sen. E. L. (Bob) Bartlett of Alaska, in his love of Alaska's people, Alaska lore and Alaska friendliness. She helped him give warmth to the sometimes stodgy office of a United States Senator. She helped him remember always who sent Bob Bartlett to Washington and in whose service his career was to be dedicated.

Ann Stevens was no stranger to the Washington scene when her husband, Ted, became a Senator. A political science graduate herself, she was familiar with the models I have mentioned, and others. But if she was alert enough to be influenced by good examples, she was genuine enough to do things in her own inimitable way. She steered clear, too, of all pitfalls.

The pitfalls are obvious. When one's partner in marriage comes under attack, as politicians must expect will happen, the spouse can develop life-sapping grudges or hatreds against third parties. The spouse can absorb all the stories from the political partner—stories that are usually rendered in a one-sided or self-serving way, human nature being what it is. The grudges may be held long after the politician has forgotten what the issue really was and has gone on to other problems.

The spouse can be supportive and comforting—to the degree that the political partner is reinforced in his or her shortcomings or biases, instead of encouraged to grow in wisdom and insight.

The spouse can be challenging—the "devil's advocate"—to the extent that the politician sees the spouse as another adversary to be reckoned with.

In an effort to be helpful, the spouse can ignore warning signs that may suggest that the politician partner should really be doing something else, developing new temporary or permanent career interests which offer better opportunities for self-actualization and public service.

The spouse can be overwhelmed by the perceived glitter or perquisites of high public office and help generate a false perspective that places superficialities ahead of purposeful service.

By all of the evidence, in the midst of all of these pitfalls, Ann Stevens carved out a sensible and sensitive role. Probably no woman in Alaska history has met all of the challenges as the partner of a mate in public life with equal success, in each aspect of a well-rounded life. She was wife, mother, friend, adviser, businesswoman. She could organize her time, without losing spontaneity and spark, and without a trace of brusqueness. She was comfortable with the high and the mighty, and with ordinary folks.

She moved with ease from whaling expeditions in the Arctic to receptions at the White House. Although devoted to her husband's Republican causes, she knew the limits of partisanship, and she understood that an incumbent serves all his constituents, regardless of party. We are, to paraphrase Lyndon Johnson, Alaskans first and Republicans or Democrats or independents or Libertarians second.

If these thoughts have been expressed better, and sooner, by others, then I apologize. But sometimes one finds it just necessary to write down the reflections of the heart.

Much has been written, too, about Joe Rudd, the distinguished lawyer who met his death in the same crash. But this column is about the spouses of political people, and the tributes to Joe haven't focused on his own largeness of spirit as the spouse of a state representative, Lisa Rudd.

It's natural that the tributes to Joe Rudd centered upon his expertise as a lawyer and his own community services. But he set an example as a man who encouraged a creative woman to make her own community contributions in her own style, in public life.

He was secure enough about his achievements and his place in the community to do that—to help give Alaskans the benefit of his wife's two terms of service in the Legislature. That was a community contribution by Joe Rudd which may have been overlooked this week. In some ways, it may represent some kind of model for Alaska husbands in a state that needs more talented people, both men and women, in elective office.

There's a lot of work to do in Alaska. Ann Stevens and Joe Rudd set some wonderful examples, examples that should get those of us who are left after them to roll up our sleeves.

ANN "WAS ONE OF US": FRIENDS BID GOODBYE TO MRS. STEVENS

(By Susan Andrews)

"Ann Stevens was one of us," Barrow whaling captain Oliver Leavitt said Saturday in a moving eulogy to the wife of Alaska's Sen. Ted Stevens.

"Whether on a whale hunt or in our homes, her presence brought calm to ruffled waters," Leavitt told the family of Ann Cherrington Stevens and more than 600 friends who gathered here for the funeral at First Methodist Church. It was an Episcopal service, conducted by the Rev. Norman H. V. Elliott of All Saints' Episcopal Church.

Mrs. Stevens, 49, died Monday in a plane crash at Anchorage International Airport.

Among the mourners was Tony Motley, who with Sen. Stevens survived the crash in which five lives were lost. Motley has yet to be released from Providence Hospital, where he is being treated for a broken collar bone and other injuries.

Former State Rep. Lisa Rudd also was there. Her husband, Joseph, a prominent Anchorage attorney, was one of the five victims of the crash.

Also present Saturday were parka-clad contingents from Barrow and Nome, and a planeload of mourners from Washington, D.C., including Sens. Howard Baker, Henry M. Jackson, Tom Eagleton, Ernest Hollings and Mrs. Hollings, and Stevens' fellow Alaskan, Sen. Mike Gravel and his wife, Rita, and congressmen, including Rep. John Durkin.

Both Mrs. Jackson and Mrs. Hollings were among the honorary pallbearers.

So were Gov. Jay Hammond, Rep. Don Young, Wally Hickel and Mrs. George Sullivan. Former Anchorage Borough Mayor Jack Roderick was among the active pallbearers.

Young, who has worked closely with Stevens on the Alaska land issue for many months, was weeping as he left the church with his wife, Lu.

Stevens and his daughters Beth and Susan, both in black, and sons Walter, Ted Jr. and Ben, sat in the front of the church. They followed the casket as it was moved down the aisle after the service.

Barbara Andrews, who manages the senator's Anchorage office, sat with others of the senator's staff during the service. She walked alone up the aisle afterward, her eyes downcast.

A score of floral arrangements—including one large wreath of greens and two dozen white poinsettia blossoms—were placed at the front of the church. Many of the flowers were later taken to the cemetery, where bitter cold winds tossed them about and bruised them.

Ann Stevens, who took delight in sharing the traditional whale hunt with North Slope Eskimos, "understood the beauty and silence of the ice," Leavitt said in his tribute, recalling that her eyes sparkled when the catch was brought in. "And she reflected the spirit of our dances, feasts and festivities."

Ann also understood the dramatic change the Eskimo people are experiencing, Leavitt said, and she was "most helpful in translating that change" both to the Eskimo people and to people Outside.

And she hosted and "helped us feel at home in a much different atmosphere," he said, when they visited the nation's capitol.

"We feel blessed, happy and thankful that Ann Stevens journeyed our way," Leavitt said. "We are confident she will continue to be with us.

The stories about Ann Stevens will grow, Leavitt said, "as we tell our children of a special lady, who was aide and companion to another special friend of ours. . . . "

"She lived a great life and we all shared in it."

Myrtle Johnson, who runs Stevens' Nome office, described Ann Stevens in Eskimo and then translated it: "a very good woman," she said. And she said "Thank you" to Mrs. Stevens' husband and family for sharing her with them.

"She was a true Alaskan, traveling over the whole state," Ms. Johnson said. "She became a part of us." Though small in stature, Ann Stevens was "mighty in her actions."

Only time will ease the pain her family and friends feel now, she said. "Knowing Ann, she would say 'Pick up the pieces,' the world goes on."

The Most Rev. Francis T. Hurley, archbishop of the Roman Catholic archdiocese of Anchorage, said God's message, "I will raise him up on the last day," highlights the paradox of the Christian on earth, who must prepare for ultimate unity with God but first must respond to the realities and people of the world.

"For all who knew Ann Stevens, the picture emerging here is clear. She was in every sense a Christian woman."

She had "external charm and internal consecration of spirit," he said. "She set a high standard. She moved easily and gracefully among national and international leaders, but with equal grace among those from whence she came. She made it a point to stay in contact. Even on the day of her death, she was sharing her recipes in the newspaper.

"She had deep respect for people," Bishop Hurley said, recounting an incident he had heard of Ann Stevens offering a bus—in the midst of her husband's recent campaign for reelection—to a group of children from St. Mary's. And she invited them to a reception for campaign workers.

"Such poise is possible only when one knows the deep love of husband and children," he said, and one who has "inner harmony with the natural and supernatural." In her, "Truly the grace of God had built on human nature.

"Through Ann Stevens," he said, "we pay tribute to the wives of all public figures."

A memorial service was held at the same time at St. John's Episcopal Church in Ketchikan.

It was snowing and a cold wind was blowing at the brief burial service which followed at Angelus Memorial Cemetery.

"In sure and certain hope of the resurrection to eternal life . . . we commend to Almighty God our sister Ann; and we commit her body to the ground; earth to earth, ashes to ashes, dust to dust," recited Father Elliott.

The VIPs and pallbearers were carried by military car and bus to the cemetery. It took an hour for the slow-moving 100-car procession to make the trip.

The delegation which arrived from Washington by plane Saturday was hosted Saturday evening at dinner at the home of Mr. and Mrs. Al Swalling.

FRIENDS COME TOGETHER TO SAY FAREWELL TO ANN STEVENS

Anchorage townsfolk joined national and state personages Saturday afternoon to say goodbye to Ann Stevens.

The territory was unfamiliar to some.

The ground at Angelus Memorial Park was icy, the wind was bitter. At midafternoon, the huge orange sun dipped behind the Alaska range to the southwest. It was nearly dark and snow was falling when they lowered Mrs. Stevens into the frozen earth.

U.S. Senators, some with their wives, stood ceremoniously as they have many times before at funerals. Their high stations call for them to do so.

Nearly all had tears in their eyes.

Tears flowed also from just plain friends of Ann Stevens. It was a sad afternoon.

Earlier at the crowded funeral in the First United Methodist Church downtown, Tony Motley, who with Sen. Ted Stevens had survived the crash that killed Mrs. Stevens and four others, entered just before the Episcopal rite began. He carried a cane, an arm was in a sling, his face was puffy and nearly colorless.

He was accompanied by his wife Judy, who had come so close to being made a widow Monday afternoon.

Special arrangements had been made to bring Motley from Providence Hospital, where he is still a patient, to the service. Hospital community relations man Chris Beardsley was made responsible for Motley and sat near him up front in the church. Motley was brought downtown more than an hour early so he could rest in one of the church offices before making has appearance.

The widow of Joe Rudd, who also was killed in the crash, was seated on the same row with the Motleys. She was accompanied by Carolyn Guess, a friend of the Rudds who also is the widow of a prominent Alaskan. Her husband, Gene Guess, a one-time candidate for the U.S. Senate, died four years ago.

U.S. Sen. Mike Gravel cut short a trip to Saudi Arabia to be here for the ritual. On his arm was his wife Rita. The Gravels were married in the same sanctuary 19½ years ago.

Lu Young clung tightly to the arm of her husband, U.S. Rep. Don Young. Young was so distraught by Mrs. Stevens' death Monday that he instructed his staff not to put callers through until Tuesday morning.

Gov. Jay Hammond, appearing deep in thought, was the chief state mourner. Also in church were two former governors, Walter Hickel and Keith Miller.

This year's unsuccessful gubernatorial candidates, Tom Kelly and Chancy Croft, with their wives, and Jimmy Drew Lockhart were there.

So was former Lt. Gov. Lowell Thomas Jr. and his wife Tay. And former Lt. Gov. Red Boucher and his wife Vicky. And former Lt. Gov. Bob Ward and his wife, Beverly.

Anchorage Mayor George Sullivan, a former neighbor of the Stevenses, attended. His wife, Margaret, was an honorary pallbearer. Former Anchorage Borough Mayor Jack Roderick was an active pallbearer.

Alaska labor leader Jesse Carr and his wife were at the funeral and at the graveside for the burial.

Members of Stevens' staff in Alaska and in the District of Columbia attended. Barbara Andrews and Gloria McCutcheon, both visibly grieved, were among the few who were given special seats just behind the Stevens family at the cemetery. Former Stevens staff members now living in Anchorage—Jim Crawford and Mike Todd, with his wife, Karen—attended.

Vern Wiggins, director of the Citizens for the Management of Alaska Lands, was at the church. Stevens was en route to a meeting at Wiggins' office when the fatal crash occurred.

"I went into a bar that night and had a drink," he said. "It was the first drink I had had in three years, since I developed this thyroid condition."

There were three nuns from Providence Hospital: Sister Claire Gagnon, Sister Stella Marie and Sister Lucille.

Federal Judge and Mrs. James von der Heydt came. So did district Judge Joe Brewer.

Two generals sat with the distinguished guests: Lt. Gen. Winfield W. Scott Jr., commander of the Alaskan Air Command, and Brig. Gen. Theadore G. Jenes Jr., commander of the 172nd Infantry Brigade (Alaska). Both are new to the state.

Fellow parishioners from All Saints' Episcopal Church, which was too small for the funeral, included the Oakley Browns, the Karl Hahns, Christina von Hoene, Bettie Peck and Mrs. Pat Symonds.

And then there were friends.

The Bob Atwoods, with their daughter, Elaine; the Jim Isbells, the Don Smiths, the Bill Dorcys, the Al Bramstedts, the Richard Anglemyers, the Ken Maynards, the Jack

Andersons, the Bill Nugents, the Ken Humes, the Kent Edwardses, the Bert Halls, the Bill Tobins, the Fred McGinnises, the Bill Arnolds, the Arme Espes, the Bruce Schultheises, the Ken Taylors, the Herb Hilschers, the Lou Simpsons, the Bob Penneys, the Clinton Andrewses, the Charles Towills, the Larry Landrys, the Charles Trycks, the Vern Hickels, the Frank Reed Jrs.

Bill Scott, Tim Sullivan, John Havelock, Ray Waters, Al Augestad, Morris Thompson, Lael Morgan, Brooke Marston, Cliff Groh, Robert Weller, Dorothy Beaulieu, Rep. Tim Kelly, Sen. Mike Colletta, Bill Bittner, Gen. Nick Necrason, Jim Lexo, Bob Hickel, Ron Birch, Jim Parsons, Rose Bolik, Bob Thwing, Ken Sheppard, Kay Fanning, John Parks, Hoyt Cole, Mary Taylor, Clay Beal, Rep. Bob Bradley.

And scores and scores more.

Active pallbearers, in addition to Roderick, were Dave Covich, Warren Elliott, John Katz, Al McDermott, John Monroe, Maco Pignalberi and Mike Spaan.

Honorary pallbearers were Barbara Andrews, Mrs. Howard Baker, Mrs. Henry Bellmon, Rose Blakely, Ken Brady, Carl Brady, Sr., Carl Brady, Jr., Corrine Blair, Kit Crittenden, Mrs. Marlow Cook, Mrs. Lawton Chiles, Mike Dalton, Karen Fitzgerald, Gov. Hammond, Mrs. Ernest Hollings, Walter Hickel, Mrs. Henry Jackson, Andy Milner, Gloria McCutcheon, Wilda Marston, Rosemary Messer, Mrs. James McClure, Maxine Nerland, Mrs. Gaylord Nelson, Edie Opinsky, Alice Puster, Marie Pignalberi, Maxine Reed, Mathilda Stepovich, Margaret Sullivan, Molly Tryck, Jo Anne Wold, Rep. Don Young and Mrs. Milton Young.

Organist at the funeral was Arlene Ray.

Prayer by the Rev. Dr. Edward L. R. Elson, Chaplain, United States Senate at the Orientation for New Senate Wives of the Ninety-sixth Congress, Old Supreme Court Chamber in the Capitol, January 16, 1979

Eternal Father, in whom we live and move and have our being:

We thank Thee for all the hallowed memories which cluster about the life of Ann Stevens.

We thank Thee for the life she lived, the witness she gave, the love she revealed, the faith she affirmed.

We thank Thee for the home she made, the children she mothered and the partnership shared with her husband in the affairs of government.

May some measure of her beauty and goodness fall upon each of us that in the days given to us we may serve Thee better.

Now send us to our work and our play and our leisure made strong in the Lord and in the power of His might. Make firm our union with our loved ones at home and at work. Match us in love and in the spirit of service to the needs of this hour. Make us good enough and great enough for our generation. May goodness and mercy follow us all the days of our lives that we may dwell in Thy house forever. Amen.

Mr. EAGLETON. Mr. President, I very much wish to associate myself with the fine remarks of the Senator from South Carolina.

I have known of no finer person in my entire life than Ann Stevens. It was a loss to many of us, especially to my wife. Mrs. Stevens and my wife were, indeed, very close friends.

There is not much more I can say at this time.

Mr. HOLLINGS. I thank my distinguished colleague.

I know that we all join in this.

Mr. ROBERT C. BYRD. Mr. President, if the Senator will yield, I wish to associate myself with the remarks, very appropriate, timely and thoughtful remarks, that have been made by Mr. Hollings and Mr. Eagleton.

Mr. DOLE. Mr. President, the great British philosopher Bertrand Russell one wrote a book called "Marriage and Morals." And in it, he expressed the following maxim—

> To fear love is to fear life, and those who fear life are already three parts dead.

Ann Stevens never feared life. She epitomized it. She gave it a joy and nobility that others could only dimly perceive, and she made it more hospitable for all who came in contact with her.

Ann Stevens never feared love. She was blessed with an abundance of that rare gem, along with generosity in sharing it. She shared it with her husband and with five children. She shared it with friends and with all the people of her adopted home, Alaska. They returned her love, and when she left us in a tragic accident several weeks ago, they joined with us in expressing the age-old shock that accompanies the premature death of a good and loving woman.

The ways of the Almighty are indeed beyond our comprehension. The whys of Ann Stevens' passing may never be answered. But the wonders of her life are ours for the contemplation and enjoyment. Memories do not replace a loved one. But no one really dies if they live on in the remembrances of those they knew and loved. We remember Ann now, and she is with us still.

And we are blessed to have with us her loyal and loving husband. Ted has our sympathy and our warmest respect. Like his wife, Ted is a person of courage, tempered by a warmth that melts partisan prejudice and invites both personal and political intimacy. He has come far, and he has far to go.

To him in his hour of sorrow, a sorrow shared by his friends and colleagues, I would address the famous lines of Robert Frost. "The woods are lovely, dark, and deep, but I have promises to keep. And miles to go before I sleep. And miles to go before I sleep."

Ann Stevens kept all her promises, and more. May her example inspire the rest of us as we travel the miles allotted before we, too, achieve our rest.

Mr. SCHMITT. Mr. President, although a relatively recent addition to the U.S. Senate, having been here for about 2 years, I did get to know the wife of our distinguished minority whip, Ann Stevens, through her graciousness as a hostess and as a person. Never have I run into a woman or a person who was more warm in the hospitality she showed in her home, and more dedicated to the life that she and her partner, Ted Stevens, were leading.

I think this was brought home most forcefully at the very simple but majestic funeral and interment that occurred in Anchorage.

I had the honor and privilege of attending that event. As we went through the proceedings, the friends and neighbors and Ann Stevens and Ted Stevens reiterated in many different ways and eloquent ways the life she had led and the life they had led with her.

Finally, standing in the snow-covered hills of that part of Alaska with those friends and neighbors, I could not help but feel that Ann Stevens was going to be remembered for as long as there are snow-covered hills in Alaska.

I know the great loss the Senator from Alaska, our friend, Ted Stevens, has felt. But it is a loss we all feel, and I hope that he knows, and I am sure he does know, that our hearts are with him and his family.

Mr. THURMOND. Mr. President, I wish to extend to our colleague, Senator Ted Stevens, deepest sympathy on the untimely death of his wife, Mrs. Ann Stevens, in the terrible airplane crash which occurred in Alaska on December 4, 1978.

This crash which also claimed the lives of several others and almost cost Senator Stevens his life was a great shock. To all of us who have known the Stevens family so well and have associated with them it was particularly shocking.

Mrs. Stevens was a great lady who was a constant source of strength and support for her husband. We in this Chamber, as public figures, know the blessings of a strong helpmate in the performance of our public duties. Mrs. Stevens not only provided devoted sustenance to her husband but also carried on the many and varied activities which are common to Senate wives. Beyond that, however, she was always busy with the work she saw that needed to be done. In the years before her husband was elected to this body, she was very active in the League of Women Voters and its concerns. She continued to share in these concerns after coming to Washington, even though she could no longer participate as a member.

A mother of five children, she was a vital, active woman who gave of her time and her talent for many goals she felt worthy. As a part of the Senate family, for example, she was an integral part of the Senate Wives Club and the activities of that organization.

In recent times, she had undertaken the partial operation of two businesses: first, a flower shop and, then, the restoration of old homes. She put herself into both of these operations with the same enthusiasm and verve that always characterized her activities.

Her death with several friends on a flying trip home to Alaska for Christmas was tragic, but we are, indeed, thankful that our colleague, Senator Stevens, was spared in this accident.

My wife Nancy joins me in extending our deep sympathy to Senator Stevens and all of his family on the death of his wife, Mrs. Ann Stevens.

Mr. STEVENS subsequently said: I ask unanimous consent that this statement be printed at the close of the remarks concerning my departed wife. I want to thank all Members of the Senate who have expressed their condolences not only here today, but to me personally and in writing, on behalf of myself and my children.

The PRESIDING OFFICER (Mr. Moynihan). Without objection, it is so ordered.

Mr. EAGLETON. I yield 5 minutes to the Senator from Arizona.

Mr. GOLDWATER. I thank my friend from Missouri.

SENATE CONCURRENT RESOLUTION 2—SUBMISSION OF A CONCURRENT RESOLUTION RELATING TO TERMINATION OF TREATIES

Mr. GOLDWATER (for himself, Mr. DeConcini, Mr. Dole, Mr. Domenici, Mr. Garn, Mr. Hatch, Mr. Helms, Mr. Laxalt, Mr. McClure, Mr. Schmitt, Mr. Thurmond, Mr. Tower, Mr. Wallop, Mr. Young, Mr. Roth, and Mr. Humphrey) submitted the following concurrent resolution, which was referred to the Committee on Foreign Relations:

S. Con. Res. 2

Whereas under the Constitution of the United States, treaties are solemn undertakings of the duly established authorities;

Whereas by article VI of the Constitution United States, treaties are solemn undertakings of the duly established authorities;

Whereas by article VI of the Constitution and decisions of the Supreme Court, treaties are deemed to be part of the law of the land;

Whereas article II, section 3, of the Constitution states that the President "shall take care that the laws be faithfully executed";

Whereas the Senate, being a partner with the President to the treatymaking authority, possesses a special interest and role in the method used by the United States for the termination of treaties;

Whereas, in accordance with the separation of powers, the President should not unilaterally terminate a treaty absent a material breach by another party;

Whereas the termination of a defense treaty is a decision of the highest national importance which, under the checks and balances system, should receive the added deliberation provided by the participation of the Senate or Congress;

Whereas, as a matter of actual practice under the Constitution, treaties or obligations thereunder generally have been terminated by the United States only upon notice having been given by the President acting pursuant to or in anticipation of the authorization or direction of the Congress or Senate;

Whereas under United States practice, the Senate and House of Representatives have acted jointly in the enactment of legislation terminating over forty treaties;

Whereas the United States has never terminated a defense treaty with a friendly government: and

Whereas bipartisan support in the United States Senate was instrumental in creating the entire structure of interlocking and interdependent treaties which has helped safeguard the peace and security of the Nation in the period following World War II: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That, in accordance with the separation of powers under the Constitution, the President should not unilaterally abrogate, denounce or otherwise terminate, give notice of intention to terminate, alter, or suspend any of the security treaties comprising the post-World War II complex of treaties, including mutual defense treaties, without the advice and consent of the Senate, which was involved in their initial ratification, or the approval of both Houses of Congress.

THE PRESIDENT'S RECOGNITION OF RED CHINA

Mr. GOLDWATER. Mr. President, on December 15, President Carter announced his unilateral decision to recognize Red China, break relations with the Republic of China on Taiwan, and abrogate our defense treaty with her. What the President did is bad enough. But the way he did it, is even worse. For by his actions, the President of the United States has thumbed his nose at a Congress controlled by members of his own party.

In the face of a law he himself signed just last September which calls for prior consultation, he has ignored the Congress. In no way did he consult with us.

He told a few Senators 1 or 2 hours ahead of the event, at the same time he was briefing selected members of the media, what he was going to do; but he did not consult.

He did not allow us to have an opportunity to influence policy. In fact, he deliberately acted while Congress was out of session so that we could not mount any organized answer to his decisions.

The President has belittled the Congress by acting as if he holds the entire wisdom to himself. He only talked with people who shared his views. He did not want to hear the voice of the people.

It is obvious the President was afraid of having a public debate on the issues. "What does the public know?" he seems to have said. The executive branch has all the truth and cannot gain from consulting with others.

Mr. President, this is arrogance at its worst. It is reneging on a promise made to the people before he was elected, that the President would listen to their commonsense opinions and bring the American public into the mainstream of important policy decisions.

And it is a violation of his duty to uphold the Constitution because the President is trying to break the law. He is trying to amend the Constitution without sending the amendment to the States.

The President has taken an unprecedented action. No President has ever terminated a defense treaty. And there is no court decision, that anyone can point to, that says he has power to do it.

A defense treaty is different from other treaties. A defense treaty is tied to the war powers.

The framers of the Constitution viewed the termination of a defense treaty as being equivalent to an act of war. It is a formal act resembling a public declaration of war.

So those of my colleagues who believe the Congress possesses control over the war powers should be very careful they do not allow the President to set a precedent by grabbing control over the interpretation of military treaties.

Moreover, treaties of alliance were mentioned in the same breath as treaties of peace at the Constitutional Convention. The framers believed that treaties of peace would be used as the normal method of declaring a definitive conclusion of a war.

It is inconceivable that the framers intended for the President alone to terminate treaties of peace. In their experience, the repeal of a treaty revived the chance of a resumption of hostilities and gave ground for the other nation to declare war.

Even if the State Department can show a handful of incidents which they claim are precedents for independent Presidential termination of minor treaties, it is clear the President cannot exercise the same power with respect to treaties of peace and alliance, both of which are directly linked to the war powers.

Mr. President, the unfortunate truth is that the State Department has given very poor legal advice to President Carter. I have seen the legal adviser's memorandum. It is actually a legal brief, a one-sided argument that hides from the Secretary of State and the President anything that does not agree with a preconceived policy decision.

The State Department memo is filled with fabrications. It is built on half truths and omissions. For example, it omits a 1941 Attorney General's opinion which told President Roosevelt he could not act under the notice provision of a treaty unless he had authority from the Senate or Congress.

The State Department has not identified any text of the Constitution which states that the President alone can repeal a treaty. And since he is the one who has acted unilaterally, the burden should certainly be on him to prove he has the power. If there is any doubt, he obviously should have come to the Congress to explain his policy wishes, and then sought to work out that policy in cooperation with the Congress.

But no, President Carter has rejected the course of cooperating with the Congress. He has presented us with an accomplished fact—at least until the courts overturn his action, as I fully expect them to do.

Mr. President, I might remind my colleagues that the Constitution is silent on how to repeal an act of Congress. Article I declares how a bill shall become law, but it nowhere states how that law shall be repealed.

Are we now to expect that the President will say that he can terminate a statute enacted by Congress? For a treaty is specifically made equal to an act of Congress by the Constitution. Article VI states that a treaty is placed among "the supreme law of the land."

The answer is obvious. Just as the President cannot break any other law, he cannot repeal a treaty.

In fact, the Constitution expressly tells him he must faithfully carry out a treaty. Article II, section 3, states that the President "shall take care that the laws be faithfully executed." This is exactly the opposite of conferring upon him a power of repealing laws.

Mr. President, there is a very good reason why the framers intended the treaty termination power to be a shared one. By vesting the power of ending treaties jointly with the President, plus the Senate or Congress, the framers meant to assure that the people would receive greater security. They would have the security that results from the extra caution that accompanies placing a decision in the hands of more than one person. The people would have the security that comes from the added deliberation and consideration which would be given the subject if both the President and Senate had to act on the critical decision of canceling our solemn word as pledged in a formal treaty.

Now, I know the President claims the Taiwan treaty is different. He claims he is acting under a provision of that treaty which allows its termination upon 1 year's notice by either party.

But the President has not told us that nowhere in that treaty is there any reference to "the President of the United States." The treaty only uses the term "party."

This word, of course, means the sovereign authority of the state, who is empowered to perform the specified act. To find out who in our Government possesses that power, we must turn to the Constitution.

So in saying he is the "party" mentioned in the treaty, the President is reasoning in a circle. He is making a self-serving interpretation of the Constitution.

But he cannot do this. The courts have said over and over that it is their province "to say what the law is."

So the President is not only usurping the power of the Senate, he is invading a field reserved to the courts.

Mr. President, there is an important matter of policy involved, too. If the President succeeds in getting away with ending the defense treaty with the Republic of China, he can cancel every treaty we have with another nation.

An isolationist President could pull us out of NATO without any prior consultation. A hawkish President could remove the country from the restrictions of the Nuclear Nonproliferation Treaty, and so on.

Therefore, President Carter's unilateral action is a dangerous precedent for the future. Unless we speak out now, in the courts or in legislation taking a stand in defense of our constitutional rights, we will long regret the missed opportunity and the American people will blame us eternally for our weakness.

Mr. President, at this time I submit a resolution in which I am joined by 15 other Senators.

The PRESIDING OFFICER (Mr. MORGAN). The resolution will be received and appropriately referred.

Mr. HARRY F. BYRD, JR., addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. STEVENS. Mr. President, will the Senator permit me to be recognized, so that I may yield my time to the Senator from Missouri?

Mr. HARRY F. BYRD, JR. I also intend to yield time to the Senator from Missouri.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Mr. President, I yield my 15 minutes to the Senator from Missouri.

Mr. HARRY F. BYRD, JR. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order. Senators talking in the aisles will please take their seats.

Mr. HARRY F. BYRD, JR. Mr. President, I commend the able Senator from Arizona for his excellent and powerful speech in the Senate today in regard to the question as to whether a President unilaterally can abrogate a treaty of friendship with another nation.

I will speak on this subject at a later time, but at this time I want to express strong commendation to the Senator from Arizona (Mr. GOLDWATER) for his provocative and thoughtful words this morning.

SENATE RESOLUTION 15—SUBMISSION OF A RESOLUTION RELATING TO MUTUAL DEFENSE TREATIES

Mr. HARRY F. BYRD, JR. Mr. President, on Monday, the Senator from Virginia, the Senator from South Carolina (Mr. THURMOND), and my colleague from Virginia, Senator WARNER, presented a Senate joint resolution dealing with precisely this matter.

Today, these three Senators, plus the Senator from North Carolina (Mr. HELMS) will present in a moment a virtually identical resolution. While the resolution presented on Monday was a Senate joint resolution, I am today presenting a Senate resolution, and I am doing this for parliamentary purposes.

So, at this point I send to the desk a Senate resolution, ask that it be stated, and ask for its immediate consideration.

Mr. ROBERT C. BYRD. Mr. President, I will not object until the clerk states the resolution.

The PRESIDING OFFICER. The resolution will be stated.

The legislative clerk read as follows:

> *Resolved*, That it is the sense of the Senate that approval of the United States Senate is required to terminate any Mutual Defense Treaty between the United States and another nation.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, is this a simple resolution?

Mr. HARRY F. BYRD, JR. A simple resolution.

Mr. ROBERT C. BYRD. I object, Mr. President, with respect to my friend.

The PRESIDING OFFICER. The resolution will go over, under the rule.

Mr. HARRY F. BYRD, JR. May I ask the Chair to state that again? The resolution goes over under the rule?

The PRESIDING OFFICER. Under the rule.

Mr. WARNER subsequently said: Mr. President, I consider it a great privilege to cosponsor Senate Resolution 15, a resolution concerning mutual defense treaties, submitted by HARRY F. BYRD, JR., the senior Senator from Virginia.

The resolution provides that it is the sense of the Senate that approval of the U.S. Senate is required to terminate any mutual defense treaty between the United States and another nation.

Further, Mr. President, I note my commendation to our distinguished colleague from Arizona, Mr. GOLDWATER, for his comments earlier today with respect to a problem that very definitely needs the wisdom and experience that he has.

Thank you, Mr. President.

Mr. HARRY F. BYRD, JR. Mr. President, I yield the remainder of my time to the Senator from Missouri, who has been very gracious with his time this morning.

IRAN: WHO REALLY LOST

Mr. EAGLETON. Mr. President, in 1976 I visited Iran as part of a Senate delegation. When some of us in the delegation—particularly Senator CULVER and myself—expressed to then Ambassador Helms an interest in asking some hard questions of the Shah, we were advised that we must be cautious in asking any embarrassing questions because it would not be wise to antagonize the Shah. The Shah—the Daddy Warbucks of the Levant—knows best, so we were led to believe.

Following that visit, Senator CULVER and I made the following statement in the delegation's final report:

> Despite a foundation of mutual interests, our relations with Iran today are far too dependent on a highly personalized relationship with the Shah . . . U.S. policy over the past 20 years has held and continues to hold that the Shah's responsiveness to our interests depends in large part in our continuing to reassure him, and to make clear to other countries that American relations with him and Iran are extraordinarily close and initimate.

Today, the Shah is gone, and with him the cornerstone of United States Persian Gulf diplomacy for a quarter of a century. We rescued him, nurtured him, fortified him, pandered to him, and inextricably linked our destiny to him. While he reigned, we flourished—or so some thought. Now that he has departed Iran, we are as empty there as is the Pahlavi dynasty. How did all this come to pass? How was Iran lost?

Thirty years ago, the Senate drew battle lines and engaged in serious—often bitter—debate on the "loss" of China. Today we ponder the "loss" of Iran. Now, as then, there are no formula answers. But it is helpful to ponder these riddles in the hope that self-examination will lead to some useful conclusions in the the Shah to Louis XIV. In his words, the New York Times, recently compared event of future Irans.

John Oakes, former senior editor of both monarchs considered themselves "the personification of the state." The Shah always considered himself the pivotal force in Iranian society. Small wonder that he was out of touch with the pressing realities of a growing opposition movement in his country. His loyal advisers and our CIA yes-men were always there to support his position and assure him that all was well. And, by our blind acceptance of the Shah as the embodiment of Iran, small wonder that the crisis leading up to his departure eluded us until the very last moment.

But that is not to say the crisis is one that developed at the last moment. For the current turbulent state of affairs in Iran is not a situation which began developing just last week, or just in the last few months, or even just in the last few years. It is a situation we should have seen developing as long as 25 years ago.

Back in 1953, a curious, erratic politician named Mohammad Mossadegh came to power in Iran. He was a super nationalist and suspicious of foreign domination by the British and the Americans and their corporate oil holdings in Iran. He sent the trembling Shah packing in 1953. However, good forture soon smiled on the Shah. This was the heyday of CIA coupmanship. We dispatched Kermit Roosevelt to Teheran, and with a small band of systematic insurrectionists, a few million well-placed dollars, and a modest supply of small arms, we toppled Mossadegh and placed the Shah firmly back on the Peacock throne.

In the early years, the Shah was satisfied to do our bidding, and to respect the geopolitical decisions of British and American oil cartelists. The Shah was our pampered puppet. But then the unexpected happened: the Shah started to think for himself. He perceived himself as the leader of a new Persian Empire. In pursuit of this self-styled legacy, he summoned a galaxy of international celebrities to Persepolis in 1967 for a coronation of sorts. The ostensible occasion was the 2,500th anniversary of the founding of the Persian Empire, but more to the point was the Shah's desire to fix in the eyes of his countrymen and the rest of the world his firm position on the peacock throne. The Village Voice described the Shah's regal gala with appropriate scorn:

> The Shah . . . yearned to be placed in the national historical pantheon ranging back to the ancient Persian kings. And in the eyes of international society, at least, he achieved his ambition with the famed coronation at Persepolis in 1967. Virtually every king was there except Kong. In a tented city a goodly proportion of the executives, chislers, and spongers of western capitalism gathered to marvel and stayed to gorge at a coming-out gala for a regime of unexampled savagery.

Of course, the Shah has not an ounce of royal blood in his veins. His dreams of grandeur were passed on to him by his father, a soldier in the Iranian Army who came to power in a coup in 1921. At that time, the Shah's father assumed Pahlavi as the family name. Pahlavi is the ancient Persian language, and it has a nice ring of royalty and antiquity to it.

And so these new Pahlavis assumed their roles of reincarnated leaders of the Persian Empire. The Shah determined not only to modernize his nation but to catapult it in one fell swoop from the 18th century to the 20th century, from a political and diplomatic backwater to a mini-super power.

His goal was to become the dominant military power of the Persian Gulf with a military might sufficient to ward off the Soviet Union for enough time to allow the United States to land troops in the area.

The Shah's designs for a new Persian Empire required vast amounts of money and arms, however. President Nixon fulfilled half of that demand on his 1972 visit to Teheran, when he promised the Shah not only the F–14 and F–15, but also virtually any other sophisticated U.S. weapon he wanted to buy.

That left only the money to worry about, and our buddy the Shah took care of that in 1973, as he led OPEC in a quadrupling of oil prices. Soon, the arms merchants were trooping to Teheran with their catalogs in hand. As a crowning irony, President Nixon also sent to Teheran our CIA chief, Richard Helms, as ambassador. What better person to hold the Shah's hand than Helms, who was becoming an increasing political embarassment at home anyway?

After all, the CIA had reinvented the Shah in 1953. In 1973, it seemed only logical to send our No. 1 sleuth to Iran.

Thus, in 1973, the Shah appeared to be riding high, enjoying the best of both worlds. On the one hand, he supplied oil to Israel, which gratified the United States. On the other hand, he beat the drums for higher and higher OPEC prices, which fed his grandiose military budget. But what the Shah ignored—and what we saw fit to ignore along with him was the continuing neglect of the Iranian masses which would, in the end, humble the Shah. Iranians, with almost a total illiteracy rate and a per capita income of $160 per year, were caught in the squeeze as long overdue social reforms were neglected in favor of a continuing buildup of expensive arms technology in the Iranian arsenal. The Shah could not possibly begin to absorb all of this technology, and we should have seen that in the end his planes and bombs could not save him from his own people

We placed our destiny in the Shah's hands. His intelligence sources became our sole intelligence sources when, in 1960, we struck a deal with him. In exchange for the right to position surveillance equipment along the Iran-Soviet border, we agreed to rely strictly on Savak—the Shah's dreaded secret police—for any intelligence information on Iran. By doing so, we effectively cut ourselves off from any contact with opposition elements within Iran. But this was the preference of our administration. Whatever the Shah said we accepted at face value. We ignored mounting reports of serious human rights violation in Iran because the Shah simply said it was not so. The Shah would have us believe only that all was calm and that he was firmly in command. As recently as June 1978, the Shah told a U.S. News & World Report interviewer:

> Nobody can overthrow me. I have the support of 700,000 troops, all the workers and most of the people. Wherever I go, there are fantastic demonstrations of support. I have the power and the opposition cannot be compared in strength with the government in any way.

These hollow words must be small comfort to the Shah in exile.

The lid really began to blow for good last year in Iran. The Shah began to do serious battle with a curious alliance. On the one hand, he faced dissidents who felt that his dreams of military and imperial splendor undercut more pressing domestic needs. On the other hand, he faced the backlash of conservative Muslims who resented a modernization program which undercut centuries-old religious traditions. Then, too, there was the Iranian military which wanted to maintain control at any cost. At the peak of the revolution, and continuing until the Shah's downfall, virtually every sector of Iranian society had become involved in the opposition. The Shah's only comfort were his Savak thugs, our CIA yes-men, and a mountain of U.S. military armament that he could not turn on his own people.

And so, at the end, the Shah sat on his majestic arsenal which could stave off the Russians, but not his own people. He has paid for his arrogance and authoritarianism by being compelled to leave his homeland. We are paying for our blind, unquestioning faith in the Shah by being left with no contingency policy in Iran.

Iran was never ours to lose. In our eyes, we equated Iran with the Shah. The Shah has gone, and with him goes U.S. policy. He is alone in exile. We are empty in Iran.

CAMBODIA: AN ONGOING TRAGEDY

Mr. EAGLETON. Once again, Mr. President, war has visited the tiny, bucolic country of Cambodia. This time, thankfully, American troops were not involved in the devastation. Yet we are not entirely removed from today's tragedy in Cambodia. It was American involvement in Cambodia from 1969 to 1973 that transformed a country which Gloria Emerson, former New York Times correspondent, described as ". . . A plump and gentle country where there were small houses on stilts and yellow pagodas" into what Dick Dudman of the St. Louis Post Dispatch recently described as ". . . A Hiroshima without the destruction, a Pompeii without the ashes," as we assess the current damage in Cambodia, we cannot do so without a hard look at the misguided policy we followed there so recently, a policy which drew Cambodia into the southeast Asia conflict and led indirectly to the tragedy of recent days.

Just 5 short years ago—in August of 1973—our senseless involvement in Cambodia ended. But only after we had decimated the country side with nearly half a million tons of bombs. Only after the destruction of homes, entire villages, and entire families. Only after the toll of 3 years of war and destruction had made refugees of over one-third of Cambodia's population. And only after Congress following up on an amendment I was proud to author, literally forced President Nixon to stop the slaughter in Cambodia.

Our involvement grew out of our own self-serving, desperate interests. Self-serving because we featured ourselves the guarantors of peace and the containers of communism in Southeast Asia, and desperate because the reality of our ever-growing failure in Vietnam caused our policymakers to look for a way to save face. Thus our Commander in Chief—whose house was in a shambles—ordered bombing raids into Cambodia to "Save American lives" and "end the war."

Early in his administration—in 1969—President Nixon had announced that we would steer clear of the extension of the Vietnam war into Cambodian border sanctuaries where Vietcong troops had been positioned for some 3 or 4 years. Shortly after this announcement—and unknown to all but a handful of Nixon advisers—U.S. bombers began conducting secret bombing forays across the Cambodian border. It is no wonder that columnist Anthony Lewis later characterized the 1969 noninvolvement pledges as "One of Mr. Nixon's most brazen lies."

In April 1970, Mr. Nixon announced publicly the planned incursion into the parrot's beak and fish hook sanctuaries, the idea being to rid these border sanctuaries of Vietcong troops. It is estimated that—unknown to all but a few close to the President—the United States already had conducted some 3,500 secret bombing raids between March 1969 and the time of President Nixon's announcement. The April 1970 incursion—which we undertook to "end the war"—destroyed the sanctuaries, all right, but it also drove the Vietcong deeper into Cambodia, thus irreversibly expanding the conflict.

Prince Norodom Sihanouk—Chief of State of Cambodia until he was overthrown in March 1970—was a major victim of the Nixon-Kissinger Cambodia folly. Sihanouk was a master of neutralization. He had carried on a fairly successful balancing act with the United States and China, cultivating relations with both in an effort to maintain Cambodia's neutrality in the war. Sihanouk tried, to no avail, to persuade Nixon to keep American involvement out of Cambodia. In spite of the presence of Vietcong troops and Cambodia's border sanctuaries—which Sihanouk had known about for a few years—he still believed his country could remain detached. But our administration thought differently, and acted accordingly. Thus, Cambodia became irreversibly involved in the Indochina conflict. Sihanouk was replaced by Lon Nol, and in 1975, the Lon Nol regime was replaced by the Pol Pot regime, described by President Carter last year as "the most violator of human rights in the world today." No one knows the full extent of the atrocities committed by that barbaric regime. It is estimated that during Pol Pot's 3 years in power as many as 2 million Cambodians died.

There are many theories about what really happened in Cambodia between 1969 and 1973 when our involvement ended. Some believe that Sihanouk privately supported U.S. bombing raids. He has vehemently denied this. Some feel the CIA engineered the coup which put the pro-Western Lon Nol in power. This too has been denied, although some are quick to point out that the Nixon administration was much more comfortable with Lon Nol in power because he was amenable to U.S. military involvement in Cambodia.

An editorial in the April 1, 1970 Washington Post (following Sihanouk's overthrow and before public announcement of our military involvement in Cambodia), gave this advice:

> It is a fragile moment. If the leaders in Phnom Penh choose to pursue policies which pull Cambodia into the Vietnam whirlpool, that is their privilege. But their choice establishes no requirement on the United States to render its support . . . to lengthen the leash which has limited American military action is virtually to guarantee that pressures and demands will amount to lengthen the leash yet more.

The advice was ignored, and indeed we did lengthen the leash for 3 more years. Finally, in May of 1973, Congress had had its fill of the President's usurpation of the right to make war. On May 31, 1973, the Senate accepted my amendment to the supplemental appropriations bill, mandating an immediate end to our military involvement in Cambodia by stating that no funds appropriated in that bill or any other bill could be used for further military activity in Cambodia or Laos. When the bill finally reached the President—with the Eagleton amendment intact—it was immediately vetoed.

My amendment then was attached to the debt ceiling authorization bill, and again the Senate passed it overwhelmingly. However, the almost certain knowledge that the President would veto yet another money bill sent some of my colleagues in search of a compromise. We finally agreed on a Fulbright substitute for my amendment, which mandated an end to all activity in North Vietnam, South Vietnam, Laos, and Cambodia by August 15, 1973. Finally, the administration had no choice but to abide by the will of Congress. The war which Richard Nixon had hoped history would one day regard as "America's finest hour" was reaching a conclusion, but only after a devastating toll on the countries of Southeast Asia.

Thus, although no American played a direct role in the recent takeover of Cambodia by the Vietnamese, we must accept responsibility for triggering the chain of events leading up to the bloody takeover.

William Shawcross, who covered the Indochina war for the London Sunday Times, recently said of Cambodia:

> If one searched the world for the single country that has endured the most suffering in recent times—and that endures the most today—one would probably have to choose Cambodia. . . . In Cambodia, a former island of peace, a pleasant and gentle land, no one smiles today. Now the land is soaked with tears and blood. . . . Cambodia is hell on Earth.

What little we know of the new regime in Cambodia is not sufficient at this time to determine if the bleak conditions described by Mr. Shawcross will improve. There have been reports that the new leadership will loosen up on some of Pol Pot's brutal tactics and permit such things as urban resettlement and family reunification.

We can only hope that these reports are accurate and that the decade ahead will be kinder to Cambodia. However, if recent history is any indicator, it is likely that Cambodia's suffering is not yet over.

RICHARD DUDMAN REPORTS ON CAMBODIA

Mr. President, the recent tragic events in Cambodia surprised much of the world, partly because of the cloak of secrecy which has draped that nation for almost 4 years. The Communist regime sealed the borders of Cambodia, allowing little in the way of information to get out and no Western reporters to get in.

This cloak of secrecy was lifted slightly in December, when Richard Dudman of the St. Louis Post-Dispatch and Elizabeth Becker of the Washington Post became the first Western journalists to visit Communist Cambodia. For Dudman, who also was the first American journalist to visit Vietnam after the fall of Saigon, this was the 15th working visit to Southeast Asia in the last 12 years.

On an earlier visit to Cambodia, in 1970, Dudman was taken prisoner by Communist guerrillas and held as a prisoner for 40 days. Dudman's December trip was no less fraught with personal danger; the trip ended with terrorist attack, in which Dudman and Miss Becker were fired upon and one member of their party was killed.

Dudman since has written an excellent series of articles, providing a unique glimpse of life in Cambodia just a few days before the outbreak of hostilities. I ask unanimous consent that the Dudman articles, along with his account of the terrorist attack, be printed in the RECORD at this point.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the St. Louis Dispatch, Jan. 15, 1979]

CAMBODIA

(By Richard Dudman)

INTRODUCTION

(The Pol Pot regime came to power in Cambodia by guerrilla warfare, and even while it ruled, it apparently stood ready to return to the jungle if necessary. And today, just 3½ years after hostilities ended, guerrilla warfare is indeed a reality once again.

(A new regime under Heng Samrin was installed by force in Phnom Penh by the Vietnamese Jan. 8 while Pol Pot reportedly was taking to the jungle to organize resistance to the invaders. It is another chapter in the centuries-old history of attempts by one or another of the peoples of Southeast Asia to rule all of that area.

(Richard Dudman, chief Washington correspondent of the Post-Dispatch, and two other Westerners were permitted by the now-dislodged rulers to visit their country last month in an eleventh-hour effort to present to the world an image of strength and stability, and to drum up support against the Vietnamese assault. Dudman's observations are detailed in this special section. Because of the turn of events, this report may stand as a unique compilation by a Western correspondent of what appears to be but a fleeting moment in the long and tormented history of the peoples of this land.

(The end of this chapter, however, may not be written for many years. Pol Pot's first actions after he gained power in 1975 were designed to reverse history, to turn a land that had been moving into the 20th century into an all-encompassing agrarian, communal society. He drove his people from the cities and towns to farm and build in labor brigades with primitive tools. His regime has been accused of killing hundreds of thousands of Cambodians in the process.

(But these actions left Cambodia with few if any worthwhile military targets for a modern aggressor. The exodus left no major inhabited cities, few factories and not much of a standing army in the Western sense.

(Cambodia's experiment in Cambodian-style Communism may have played out its brief role on the world's stage—unless the guerrilla-type insurgency Pol Pot apparently has returned to can again be victorious, this time against the Vietnamese.)

THE ENEMY: VIETNAM

Cambodia's leaders were preparing for the worst last month while trying to present to the world an image of strength and stability.

They spoke freely of the possibility of having to abandon large parts of the country, perhaps including Phnom Penh, in the face of a full-scale Vietnamese offensive.

If that happened, they told me they would revert to the guerrilla warfare that they had fought from 1970 until their victory of April 17, 1975.

I found Phnom Penh and the other cities still almost totally deserted—little changed in the nearly four years since they were quickly and forcibly evacuated in the days immediately after the 1975 "liberation." Their capture in a Vietnamese thrust would have little but symbolic meaning.

Although Phnom Penh remained the nominal seat of government, the shadowy ministries of the Pol Pot regime seemed to have no fixed headquarters. The old administrative buildings of the former government stood empty.

The officials told us frankly that fear of being targeted for execution was the reason leaders of the regime generally avoided being photographed or interviewed—or even allowed themselves to be identified by name.

For the same reason, the government refused to publish a table of organization or give the names of more than a few of its top officials.

The leaders said fear of assassination also led them to keep secret the details of a shakeup of senior government positions after an attempted coup last May. They preferred to keep their enemies guessing as to who held what job.

Officials spent much of their time moving about the country, explaining that they had to circulate to maintain close touch with the people. But security considerations doubtless figured in this policy as well—in the manner of a hunted man who sleeps in a different bed every night.

In short, the Communist government of the country it renamed Democratic Kampuchea never really rose above the shadowy underground insurgency that it had been before it overthrew the previous, United States-supported government.

Pol Pot and his associates were so secretive that they did not even call their movement the Cambodian Communist party until September 1977, although it had been founded in 1960 or earlier. Until 1977, they called it only "Angka," Cambodian for "The Organization."

Now that the worst has happened, in the "lightning war, lightning victory" that they said the Vietnamese had been plotting all along the prospects are that the ancient country will once more be torn by protracted guerrilla warfare.

The two-week visit by myself and Elizabeth Becker of the Washington Post in December, the first by any non-Communists since the 1975 victory, may also prove to have been the last look by any outsider at Cambodia under the harsh and xenophobic rule of the Pol Pot regime. The major Vietnamese invasion that has now swept across the country began two days after our departure.

The notebooks, photographs, and recollections of Miss Becker and myself, plus whatever his colleagues may make of the meticulous notes of Malcolm Caldwell, the British scholar who accompanied us and was killed in a terrorist attack on our last night in Phnom Penh, may be the only first-hand non-Communist record of a short-lived regime unique in world history.

While the visit amounted to a conducted tour, with strict limits on conversations with ordinary Cambodians and no opportunity to speak with any but a few top government officials, there was plenty of opportunity for observation in tours of 11 of the 19 provinces.

The trip produced fresh insights into the mounting Cambodian-Vietnamese hostilities, the evacuation of the cities, allegations of genocide, and the nature of daily life in a land almost totally closed off from outside inspection.

In a show of confidence, our escorts took us to the border town of Krek, which many Western intelligence estimates were considering to be in Vietnamese hands. Visits to two specific areas where Radio Hanoi had told of current uprisings found peaceful harvest scenes and a small pottery plant operating normally.

In one such spot, the Cambodians had set out a picnic table with chrome and plastic chairs and served orange soda pop and cookies under the trees to demonstrate that they controlled the area. This was at the ancient temple of Banteay Srei, near the historic ruins of Angkor Wat.

But this picture did not come through as sharply as the Cambodians had hoped.

They ignored or refused our requests to visit other border points where Vietnam was widely believed to hold substantial parts of Cambodia. And while we traveled through the country, every venture among the people was treated as a small military operation.

On the road, our Mercedes-Benz sedan was sandwiched between at least two other cars. When we walked through a factory, or a rice paddy, or temple ruins, two khaki-clad guards with pistols under their loose shirts fanned out to protect our flanks.

Officials warned us against wandering off unescorted, even in almost-deserted Phonom Penh. They said there was danger—although unspecified—even though the few persons remaining in the capital presumably had been carefully screened.

When we slipped away several times, believing the warnings to be a mere excuse to keep us from seeing too much, the guards quickly found us and drove us back by automobile to whichever guest house we were occupying at the time.

On one occasion, a guard took Miss Becker by the arm and gently but firmly conducted her home.

Our escorts discouraged visits to private homes on more precise security grounds. They permitted us inside only two occupied houses in the entire two weeks.

When we made an urgent and rather formal request to see more homes and speak with the residents, one of the officials considered the matter for an hour and then replied in sad tones: "You have forced me to tell you something I did not want to tell you. Our people have been subjected to five years of war and much bombing, and their attitude now reflects that experience. We have to go ahead and explain very carefully that these are Americans who come in friendship. We are responsible for your safety."

This little speech drew a private comment from Caldwell, who was a Marxist and a committed believer in the rightness of revolution but also a skeptical and perceptive critic.

"I wonder if the cadres aren't afraid for their own safety when they go among the people," he said.

Despite the restrictions the Cambodians placed on our activities, we were able to gather significant information about the new Cambodia for the first time since the Communist victory of almost four years ago.

At one of the few unscheduled stops on tours of the country, we ignored the objections of our driver and walked through a banana grove to a peasant home. Four young women willingly lined up in front of the thatched house and smiled as we took their picture.

We saw no sign of the resentment mentioned by the official, there or anywhere else in our travels around the country.

Special safety precautions were taken as we approached the border town of Krek on Dec. 13. Three jeeploads of soldiers armed with a submachine gun and an anti-tank recoilless rifle accompanied our limousine.

We took Route 7 southeast from the provincial capital of Kompong Cham. At Suong, still 25 miles from the border, the word was no further stops until Krek. It would be too dangerous.

State Department officials had suggested that I ask the Cambodians to take me along Route 7 to Mimot and Snuol as a test of intelligence reports, many of them from Vietnamese sources and subject to bias.

They had predicated that the Cambodians would not be able to take me even as far as Krek. As we approached the town, however, the area was peaceful and the Cambodians were clearly in control.

Occasional gunfire in the distance was the only reminder that the border was just five miles away to the east and that the front in the shooting war was less than one-quarter that far.

No guns or Cambodian troops could be seen except those in our party. Farmers were harvesting within a mile of where we stood, at the junction where Route 22 heads south toward Tay Ninh in Vietnam and on to Ho Chi Minh City (Saigon). Workmen were repairing the Krek airport landing strip, damaged when the area was overrun in a Vietnamese offensive a year earlier. The sector commander whose entire name was Pin, a tough, 40-year-old man with skin the color of an old penny, pointed south at the fork and said the front was one and one-quarter miles down the road.

How wide was no-man's land? He said there was no distance at all between the two lines: "We are always engaged."

Pin scoffed at the idea of Western analysts that the Vietnamese might be able to take Phnom Penh.

"We have a revolutionary army, and they are noble people with correct leadership," he said. "Even if the Vietnamese use planes and tanks and very sophisticated artillery, with the Soviets backing them, our revolutionary army can wipe them out any time they launch an offensive."

He described the Cambodian strategy by saying that they allowed the Vietnamese to advance some distance, offering only light head-on resistance. Then the Cambodians would bring in their heaviest force and strike the Vietnamese from both sides.

This was the response to the Vietnamese offensive of December 1977, when he said the Cambodians defeated the Vietnamese strategy of "lightning attack, lightning victory."

Pin said the Vietnamese forces in the sector were far weaker than a year earlier, when they had advanced to a point just east of Suong before the Cambodians drove them back in the "great victory" of Jan. 6.

Vietnamese performance since then suggests that officer Pin either was wrong or else was putting on a brave show. Krek, Suong, Mimot and Snuol, all towns in Pin's military sector, were among the first places reported overrun in the new offensive.

This casts doubt on other things he said. But for what it's worth, he told us malaria and venereal disease, which used to plague his troops, had both been wiped out in recent months. He said Cambodian troops never smoked marijuana, "because it is no good for the spirit of fighting."

Throughout the visit, officials denounced the Vietnamese continually—as did Radio Phnom Penh—as fascists, false Communists, aggressors, "the Cubans of Asia," "country-swallowers," and crocodiles—a "most ungrateful animal, which does not recognize as master the person who feeds it."

The foreign ministry official who toured the country with us took us to a zoo and at one point said, "Come see the Vietnamese prisoners." He led the way to a pit with 60 big crocodiles in it.

At another time, the official said with a straight face that all Vietnamese army officers have three wives—one in Hanoi, another in Saigon, and the third at the front. He complained of a Vietnamese restaurant operator in Paris who had the effrontery to name his place Angkor Wat.

The same official told of a battle in which the Cambodians could not understand why the Vietnamese continued fighting so long, until they advanced and saw the dead enemy soldiers chained to their guns. There was no supporting evidence of this, and Caldwell joined in calling the tale an old chestnut.

At a dinner given by the foreign minister, Deputy Prime Minister Ieng Sary, at former Prime Minister Lon Nol's old palace, Ieng Sary told us that for our own safety we would not be permitted to go to a "hot battlefront." He listed as "hot" Route 7 near the border beyond Krek, Route 22 in the same area, and route 13, which runs from Snuol to the border.

Nowhere in our travels did we see any sizable body of Cambodian troops or weapons, and the only signs we saw of Chinese assistance in the country were two MIGs flying over Phnom Penh one day and a line of 55 Chinese trucks driving north from Kompong Som, where a Chinese freighter had discharged them.

The weekly Chinese plane between Peking and Phnom Penh, a Boeing 707, was full of Chinese in both directions, however, giving support to estimates that China has 20,000 advisers in Cambodia.

For their own part, Cambodian leaders have said repeatedly that they would abandon the cities if necessary and revert to guerrilla warfare.

WHERE ARE THE RICH?

In the eyes of much of the world, the most important question about Cambodia is whether the now-dislodged Pol Pot regime systematically killed off entire classes of the population as charged by Vietnam and some Cambodian refugees.

A related question: What has happened to the upper- and middle-class city dwellers, who were forced to join in the quick evacuation of Phnom Penh and other cities immediately after the Communist victory of April 17, 1975?

Two weeks of questioning and observation in 11 of the country's 19 provinces led to the conclusion that the Cambodian revolution must be one of the bloodiest of our era.

But repeated interrogation produced no clear answer to the question of "autogenocide," the term for an alleged methodical execution of much of the entire class of former professionals, tradesmen, civil servants, and soldiers.

It seemed evident throughout this reporter's visit to Cambodia before the recent Vietnamese attack that the new Cambodia's version of Communism had no place in it for anyone who wanted to read, write, or even think independently, or for anyone who wanted to own more that a bare minimum of personal property.

At the same time, the physical condition of life may well have improved for many peasants and former urban workers—possibly for the vast majority of the population, as the regime claimed.

The revolution, an unprecedented leveler, had made conforming a condition of survival.

Cambodia's revolution, surely the most extreme in modern history, evidently had forced former city dwellers to adapt to an austere standard of hard manual labor, no money, no mail system, no telephone service, no books, almost no individual property, no advanced education, little or no religion, and none of the freedoms accepted or at least professed by most of the rest of the world.

Social upheaval had gone well beyond the Chinese precedent at the height of the Great Proletarian Cultural Revolution, when China was in the grip of the faction now denounced as the Gang of Four.

Top officials whom we interviewed acknowledged by clear implication that the revolution had been accompanied by many killings, although they never would give a total figure and certainly gave no confirmation of the estimates of 1 million to 3 million often cited by outsiders.

Thiounn Prasith, the high foreign ministry official who had charge of our visit, disputed the charges of genocide. He asked how the new government could build up the country's agriculture and industry if it killed off all the former soldiers and civil servants when it needed all the manpower it could muster.

Complaining about critics' emphasis on human rights, Prasith said that "some persons pay much attention to the traitors and no attention to the people." He said the Western view seemed to apply the human rights standard to "traitors who killed many people" but to ignore the victims of past killing and repression.

Ieng Sary, the deputy prime minister for foreign affairs, did not bother to deny the charges. He complained angrily, in an interview, that outsiders always wanted to know about the "5 to 20 percent of Cambodians who were well-off before the revolution" and seemed to lack any interest in the great majority who were poor.

He said that some killing could not be avoided after the 1975 "liberation." But he added that, considering the "complicated situation" after the five-year war, the Cambodian Communist party had "solved the problem in a good condition" and had "avoided many more killings."

"Maybe that is not your belief," he went on. "But we are responsible and we grasp the concrete situation in our country. We carry out all our tasks in order to serve the rights of our people, not just the rights of certain groups."

Prime Minister Pol Pot, in his first meeting with non-Communist reporters, avoided the question with these words:

"We consider that 95 percent of the people, both those before liberation and those after liberation, are good.

"Among the other 5 percent who were hesitating, we were able to successfully re-educate and recover more than 4 percent . . . As for the remaining 1 percent, we do our utmost to re-educate them."

The officials insisted that most former city dwellers had been integrated into the rural communal cooperatives or industrial work forces or "trade unions," sometimes after a period of adjustment. They said this differed from the Vietnamese system of segregated re-education camps for suspect elements.

But persistent requests to obtain eyewitness accounts of the mass exodus from the cities and the adaptation to life in the new order produced access only to one man and one other family whose members had lived in Phnom Penh before the revolution.

Interviewed through a Communist interpreter, with local Communist cadres listening, they told routine stories of having voluntarily left the capital and made their way to a hospitable reception in their present cooperatives.

One of these persons was a man named Leng Kry, who was presented to us at a co-op at the village of Preuh Meas in Kompong Cham Province. He said he had worked before the war in a furniture shop owned by a man named Truong Duc, behind Phnom Penh's central market. He said he went to work in the Sam Peou Meas restaurant and later in the Sra Mekong liquor store when wartime inflation made life difficult.

Kry, 45, said he left the capital the day after "liberation" because he had heard life was better under the revolutionaries. He added that he had heard that the capital was full of spies and he did not want to be associated with them.

It took him a week, he said, walking or catching a ride in a car or truck, to reach the co-op with his family. They took along his bicycle and his wife's sewing machine, he said.

Kry said that from the start he worked and ate and attended political meetings with the peasants who were already there.

We neglected to ask what had happened to the bicycle and sewing machine. An official said later that Kry probably still had the use of them but they now would be shared with other members of the co-op.

The Phnom Penh family was brought forth at the Le Bo cooperative in Takeo province, south of the capital. Managers of several co-ops had been telling us that half their members had come from Phnom Penh. But when we asked to meet some of them, they always turned out to be away bringing in the rice harvest.

Neth Yan, his wife, Ken, and their two daughters, 15 and 17, who giggled shyly as we questioned their father in a communal dining hall, had left the capital the afternoon it fell. The father said he had been a soldier in an engineering unit under the former government.

Yan said he changed out of his uniform immediately because he was afraid. (A burst of giggles from the daughters at this.) He said he took the family to Takeo Province because it had been his home originally.

It took him two years to learn to work alongside the farmers, plowing the paddies and transplanting rice seedlings, he said, but eventually he became a full-fledged member of the new society and began taking part in the political meetings held three days a month.

He described these as sessions in which members discussed how to build up the country and the standard of living and then adopted some resolutions about working hard to achieve maximum production.

When we pressed for details of the political meetings, his replies grew more formal, as if he had been coached.

Had he been required to engage in self-criticism about his deeds as a soldier? "I had only to learn the spirit of patriotism, to love the country and the people," he said, according to the interpreter. "I did not have to criticize myself."

How did the meeting handle a case where someone had not done his part of the work?

"Nobody is against building up the country," he said.

Wasn't there ever a single member of the cooperative who was only 90 percent perfect?

"No, because what they do is for others," he said.

At a third cooperative, named Kandal Sung, in Kandal Province, again the "responsible members" of the managing committee said about half the co-op members had come from Phnom Penh. They said the evacuees had been immediately mixed with the earlier residents, sharing their houses at first until private houses could be built for the newcomers.

What were some of the names of those who came from Pnnom Penh? There was some consultation with our government escort, and the local cadres finally came up with one name: Meach. The officials began looking at their watches.

We persisted: How well did a rich person adapt to a new life of manual labor?

"Even the rich can learn to build a dam or work on an irrigation project," said one of the committee members.

Could they name one rich man who had come to the co-op and learned to work on a dam or help cultivate a field?

More consultation, and they came up with the name of Sam Bath, a merchant formerly of Phnom Penh. Unfortunately, he was out working and not available for an interview.

So much for our efforts to penetrate the big question in the minds of most Westerners.

A Nation At Work

The new Communist Cambodia became one huge work camp, but its people clearly were not being worked to death and starved to death as foreign critics often charged.

On the bright side, moreover, I found the country in the midst of one of the world's great housing programs. What will become of that program now is open to question.

Prior to the Vietnamese invasion, simple but attractive individual wooden houses in several styles were going up by the thousands all over the country to replace the old thatched huts that used to become infested with insects, mice, and snakes and rot away in a few seasons.

I had lived in some of those old-style peasant huts while I was a captive of Communist guerrillas for a few weeks in 1970. That experience made it possible to contrast the old life in the countryside with life under the new order.

What I found in two weeks of touring Pol Pot's Cambodia—under strict government supervision but with good opportunity for observation—was a regimented life of hard work for most Cambodians, leavened, however, by much improved housing, regular issuance of clothing, and an assurance of apparently adequate food.

I did not find the grim picture painted by the thousands of refugees who couldn't take the new order and fled to Thailand or Vietnam. In this lull between wars, those who remain appeared to be reasonably relaxed at the height of the busy harvest season. They sometimes leaned on their hoes like farm workers everywhere. And they often stared and then smiled and waved at the rare sight of Western faces.

Workers usually appeared to be operating under their own direction. There was no sign of government cadres giving orders or armed guards enforcing the working hours, although individuals seemed to know what was expected.

The daily and monthly schedule was standard throughout the thousands of hamlets and villages scattered about the country. Whistles blew at 5 a.m. to signal time to get up. By 6 or 6:30 a.m., clusters of farm workers gathered on the road to await an open truck to take them to the field to cultivate or harvest rice or other crops. Others walked in long lines along the road and out along the narrow dikes into the rice fields.

At 11 a.m., the midday break began, and the farm workers headed for lunch at one of the huge new communal dining halls. Afterward, many could be seen relaxing or taking naps in hammocks slung under the houses on stilts. Work resumed at 1 p.m.

There could be no doubt that quitting time was 5 p.m. Wherever we were in the country, men, women, and children began filing out of the paddies at that hour to bathe in an irrigation canal, wash clothes, or tend household vegetable plots and then head for the dining hall once more.

Officials said the harvest sometimes required night work, too, when the moon was full. But we saw no work in the fields after dark.

At night, on drives through the countryside, we did see children playing and men and women, changed out of their dusty work clothing, strolling along the road or clustered around small fires in the yards.

Black shirts remained the standard uniform, with black pants for men and black, ankle-length skirts for women. An occasional bright red pair of pants or a bright green or polka dot blouse could be seen. An added touch of color was the red-brimmed palm leaf hat worn by many farm laborers on or off the job.

In addition to the enforcement of communal eating, another drastic changed imposed by the new order was abolition of the weekly work cycle. In its place was a new 10-day schedule, with days off on the 10th, 20th, and 30th of every month.

For two hours or so each holiday morning, the workers could be seen attending political meetings in mess halls or under the trees. These were said to consist of criticism and self-criticism, followed by discussions of how to improve production.

Another pattern of labor, observed only at a distance, consisted of "mobile brigades," in which groups of laborers lived at remote work sites for weeks at a time. Our escorts did not permit a close look, but the brigades' temporary shacks of thatch and sheet metal could be seen where crews were rebuilding a bombed bridge, making road repairs, or harvesting.

Child labor, appearing to begin at the age of 7 or 8, was used systematically, for light farm work such as carrying firewood and tending water buffalo, as well as for factory work. No matter how young a child looked, when asked his age he always replied 13 or 14 if the government interpreter could not supply that answer first.

Authorities left it unclear exactly what education children received under the Pol Pot regime. They apparently were taught to read and write, but the only classrooms we were allowed to visit were in a technical high school in Phnom Penh. No books were in evidence. The children copied their lessons from the blackboard into notebooks.

On one occasion, we were driven at sunset for a perfunctory look at a small irrigation pumping station. The true purpose of the trip became clear when a line of about 100 boys, perhaps 8 to 12 years old, the leaders carrying red Cambodian flags, came marching down the road.

"They are coming home from school," our escort said.

He said they had gone out at 7 a.m. and were returning at 5 p.m. Under questioning, he said that they had been working in the fields as well as studying in the classroom, in a combination of learning and practical experience. He said he did not know how the time was divided.

On another day, in an unplanned encounter, we saw a similar group of children walking along a road, each carrying a heavy branch of firewood. The official guide gave this explanation of the scene:

"Cambodia needs its own technicians. That is why we combine practical experience with study, so that when they grow up they can apply theory to the concrete situation in Democratic Kampuchea (the Pol Pot regime's name for the country).

"If we sent them abroad to study, they would become accustomed to a high living standard and would expect the same standard when they returned."

One of Cambodia's biggest achievements in these three-plus years was its housing program, a sudden mass upgrading of the individual family homes from the standard that has existed for centuries.

At a typical development, carpenters were erecting 16 new wooden houses with tile roofs, set on stilts in the traditional style to keep them above the annual floods. Similar scenes were observed all over the country.

Almost everything needed for the new homes came from the immediate vicinity. Concrete footings to keep the wooden stilts out of the dirt and away from wood-boring insects had been cast just down the road. The roof tiles had been fired at a neighboring kiln.

Workmen were sawing lumber by hand from logs hauled from a nearby teak forest. All the necessary tools—saw blades, hatchets, and hammers—had been made at a local blacksmith shop, mostly from pieces of old U.S. military equipment.

In accordance with Cambodia's policy of self-reliance, everything was supplied on the spot except for two items—steel screws imported from China to install the hinges for the louvered shutters and the whetstones used to sharpen the tools.

The new houses are twice the size of some of the small huts they replace. The new ones, like the old, are one-room affairs, but they sometimes now have a small porch or balcony. Families traditionally use two wooden beds, with slats and fiber mats instead of springs and mattresses. One bed is for the parents and the other is for the children, who may number five or six. Cambodia needs more people and has no birth-control program.

Families sometimes hang a cloth between the beds to provide some privacy.

In some places, the frames of new houses could be seen going up adjoining the old grass shacks. When the new house was finished the family could move right in and demolish the old one.

Although small and simple, the new houses represent a big upward step for the peasants, if a downward step for anyone used to a city house with a bathroom, kitchen, and maybe air conditioning.

The new houses probably meant better living, too, for the hundreds of thousands of country people who were driven into the cities by the five-year war and who had suffered wartime crowding and poverty.

Feeding the People

Aside from the mounting war with Vietnam, the New Cambodia's first priority had been feeding itself. Officials said it had succeeded and the country was even resuming rice exports. The current Vietnamese invasion at the height of the rice harvest, however, throws all projections into doubt.

Until the new offensive, the prospects appeared bright. We saw many new dams and canals, parts of a crash irrigation program that is bringing new areas under cultivation and permitting two or three rice harvests a year in some areas.

Foreign analysts have been skeptical of government claims of a modest rice surplus in each of the past two years. They have said any exports would be at the cost of hunger or starvation at home.

Refugees, who have accused the Pol Pot government of methodically killing off hundreds of thousands of former city dwellers, said the food allowance for those who remained was far below minimum requirements.

I saw no evidence of starvation, however. My observation of hundreds of ordinary Cambodians suggested that they got an adequate diet, if a plain one.

Government officials refused access to any production or trade specialists for detailed questioning about production claims. They likewise refused to permit me to visit any of the hospitals or many small clinics they say are operating or to interview any public health authority.

Even the most complete figures on rice production, health and nutrition, moreover, would tell nothing about the human cost of increasing food production. This cost includes the forced emergency evacuation of Phnom Penh and other cities, the strict regimentation of those who survived, and the concentration on agricultural production at the expense of freedom to learn, read, travel, and practice religion.

But on the simple question of economic viability, this rich agricultural country once more appeared to be flourishing and potentially prosperous—at least until the Vietnamese invaders moved in.

The conclusion that ordinary Cambodians were adequately fed rested on more than the rather clumsy propaganda efforts of the government. The few persons I could ask about their rice rations replied in Prime Minister Pol Pot's phrase and said they "ate their fill."

We often asked to drop in unexpectedly at a mess hall at mealtime, but the only communal meals we saw had been carefully staged.

At lunchtime at a pharmaceutical plant in Phnom Penh, the workers were sitting at a lavish meal, including huge bowls of rice and four side dishes, plus dessert. They were stiffly picking at the rice, obviously waiting for another tour group of "foreign friends." Side tables were loaded with bunches of bananas and bottles of orange soda pop.

"How often do they get the orange drink?" I asked.

"On holidays," said a government escort, referring to the national days off on the 10th, 20th, and 30th of each month.

But it was Dec. 22, and I asked why they were getting it that day.

"We had some left over from the 20th," was the reply.

Disregarding such stage setting, I could tell the state of nutrition by the common sight of playful small children, sometimes running about naked in dooryards in the hot tropical sunshine, with none of the listlessness or protruding bellies that bespeak starvation or malnutrition.

At a shipyard along the Mekong river at Kompong Cham, three of the builders, men of 54, 60, and 62, looked strong and competent. One of them said he always ate his fill and then smiled as I felt his biceps. His arm was big and muscular.

Hundreds of adults observed closely throughout our travels had the alertness, vitality, and spontaneity that suggested generally good health.

I saw many pregnant and nursing women, who appeared to be in good health. The sight seemed to refute reports by some refugees that life is so austere that most women have become barren and mothers' milk has gone dry.

Rice is the heart of the Cambodian diet, and the country historically has been one of the great rice suppliers of Asia. With the war against the old Lon Nol regime, however, peasants were driven off the land and into the cities. Production dropped, and regular shipments of rice from the United States were needed to feed the swollen city population during the five-year war that ended with Communist victory.

U.S. specialists have acknowledged that the Cambodian claim of reviving rice production to the point of resuming exports would, if true, be a spectacular achievement.

Authorities at the seaport of Kompong Som (formerly Sihanoukville) said Cambodia exported 15,000 tons of rice in 1977, much of it to the Malagasy Republic. They said extensive flooding had cut back 1978 exports. But they said 6,000 tons had gone to Malagasy and 3,000 tons to Singapore nonetheless.

In telling the food story, Cambodian officials put heavy emphasis on dams and irrigation. Water and its mastery, they said, are the keys to solving their food problem. They took us to several new dams, including three large concrete structures they said had been built on a crash basis by thousands of workers using only hand labor.

Dams and related canals have opened many thousands of acres to new rice cultivation and permitted two or even three crops a year in regions where alternate drought and flooding had limited harvests to one a year.

One of the largest of the new dams, the Paryuth, or "Struggle," dam, about 15 miles south of Battambang in western Cambodia, had been an obvious failure, but the Cambodians showed it off proudly anyway. Record floods last September washed out one entire side of a concrete downstream flood wall, and two of the 13 huge buttresses that supported the dam itself had collapsed. The whole structure, which officials said irrigated 41,000 acres, came close to giving way.

The Cambodians attributed the failure to inexperience and boasted that their reaction demonstrated their capacity to learn from mistakes.

Officials said that when the fall floods came, operators of the dam found that a series of lift rods were not strong enough to raise the concrete floodgates and ease the strain on the structure.

An official said general flood damage was just as bad in Cambodia as if was in Laos and Vietnam, which have been seeking emergency foreign aid.

"But we don't cry for help," he said. "We mobilize our people and solve the problem."

We were taken to a rice experiment station in Battambang Province, where laboratory workers tested soil and studied insect pests, using Chinese microscopes and other equipment.

Outside, in experimental plots, workers tended new hybrid strains, tested them for yield, taste, and resistance to disease, sun, and wind, and recorded the time from planting to harvest. Some plots demonstrated the effect of various fertilizers and insecticides.

Before the invasion, seeds were sent out to other parts of the country. Instead of having an extension service, the laboratory rotated workers through its operation and returned them to their home cooperatives to take charge of converting to new methods.

As usual on my trip through Cambodia, the manager of the station insisted that no one there had special training but that all had learned from the wisdom of the peasants. But when I suggested that the chemical laboratotry must have been set up by someone with formal training in chemistry, he acknowledged that to be true.

Strangely, the station had no reporting system on the use of the seed it distributed. When the manager was asked what yields were being achieved in practice, he could recall but a single report dealing with a planting in one province.

Workers at the station demonstrated a simple but ingenious manual rice-planting device being produced for distribution around the country. It planted six rows at a time. When the wooden frame was dragged through a paddy, wooden paddles turned tiny cups that deposited five seeds at a time from six tin hoppers.

My tour of the vast ricelands, often stretching to the horizon, and the dikes and canals dividing the bright green flooded paddies of young seedlings and the golden fields ready for harvest, gave meaning to the slogan heard constantly in Cambodia: "With water we have rice; with rice we have everything."

NEW JOBS, OLD METHODS

Agriculture was not everything in the new Cambodia, despite the assertions of some of the refugees and many outside analysts. I saw a wide range of industrial growth—concentrated more in tiny and primitive cottage industries such as brick making, silk spinning, and local blacksmith shops, but including also a fairly sophisticated rubber factory near Kompong Cham.

The foreign ministry official who accompanied us around the country, Thiounn Prasith, said: "The principle of our party is to take agriculture as fundamental and to have capital from agriculture in order to build industry."

He said the plan called for modernizing agriculture within 10 to 15 years and building industry within 15 to 20 years.

What happens now remains to be seen, of course.

Prasith outlined a progressive industrial growth plan, with light industries, such as textile, glass and plywood manufacturing already in operation. Later will come such heavy industry as steel manufacturing, with emphasis on agricultural machinery, he said.

He spoke of the country's urgent need for labor-saving machinery to permit rapid growth; of farm production with limited manpower.

"We have only about 8 million people," he said. "In Kampuchea (Cambodia) there is no family planning. We need more and more people. We would like to have 20 million people in 10 years."

Cambodia placed a high priority on transportation in repairing the damage of the five-year war. It had to start almost from scratch. Most rail lines were wrecked, including the track between the capital and the seaport, recently repaired. Ships had been sunk in rivers. Roads and bridges had been smashed. Oil and gasoline imports had abruptly halted. And there were scarcely any trucks or buses that would run.

Along the main highways, bullock carts far outnumbered the motor vehicles.

Intercity telephone service had not yet been restored at the time of our visit, although makeshift telegraph lines have been strung between provincial capitals and Phnom Penh.

Officials said Phnom Penh had cable links with Singapore and Bangkok and through Peking with other cities of the world.

Partly to test the overseas communication capability, I filed a brief story to St. Louis from Phnom Penh reporting arrival there and telling of a government disclosure that the wartime Viet Cong had its secret headquarters west of the Mekong River rather than just inside Cambodian territory as U.S. intelligence believed at the time. It took the cablegram 2½ days to reach the Post-Dispatch.

One of the most impressive industrial projects was a new railway link between Phnom Penh and the seaport of Kompong

Som. It was designed to cross the Elephant Mountains in the south and parallel Route 4 to the capital.

Reports that the new line was being built were picked up recently by one of the better informed Western embassies in Peking, with the added information that the Chinese were helping with the job.

Other listening posts in Peking had not heard of the project and doubted its existence. However, I saw long rows of stacked cross-ties beside Route 4 and long stretches of the new right-of-way above the often-flooded rice paddies, showing that construction was, indeed, well along. Work apparently had been suspended until the rice harvest was completed.

Only one grader could be seen. Presumably most of the earth moving was by hand, the same way the new Cambodia built its dams.

Whether the Chinese had anything to do with the new project was impossible to determine. Neither Cambodian nor Chinese officials talked readily about the reported aid program.

Another sign of Chinese assistance was a long line of 55 medium-sized trucks on the road from Kompong Som to Kampot. A Cambodian official said they had arrived by ship from China three or four months earlier. He said they had been serviced and now were being driven north to be portioned out two or three to each cooperative.

Two tankers, one Chinese and the other from Singapore, were discharging gasoline and oil into a row of tank cars on a siding at the seaport. The only refinery in Cambodia was severely damaged by American rockets in retaliation for the capture of the Mayaguez by the Cambodians in May 1975. The refinery has not been rebuilt.

One of the most advanced industrial plants we visited was the rubber factory at the Chamcar Andong plantation near Kompong Cham. Machines formed latex that had dripped from the rubber trees into a white, continuous belt. Women with shears cut the belt into short sections and hung them on a rack that was then rolled into a big oven.

Other women, crouched on a platform, sorted the cooked rubber into grades and used power presses to pack it into bundles for shipment.

We also were taken to a relatively modern pharmaceutical plant in Phnom Penh that made both conventional medicines and native remedies, from such materials as dried lizards (cough suppressant), pale yellow wood chips (malaria), deer horn (vitamins), and water buffalo horn (rheumatism).

In a more primitive pharmaceutical plant at Kompong Cham, boys and girls who said they were 13 and 14 but looked no older than 10 were punching out tin pill boxes and plastic bottle caps one at a time on hand-operated machines, using old tin cans and shredded plastic as raw material.

Traditional river boats were being built of a teak-like wood at a yard along the Mekong River in Kompong Cham. They were 115-foot cargo ships powered by 250-horsepower diesel engines from China.

Toward the primitive end of the scale was a technical high school in Phnom Penh, where little boys and girls who looked as young as 10 were learning to tear down old automobile starters and generators and rewind the coils.

In a machine shop at the same school, children were shaping and welding sheet metal to turn out hundreds of DDT tanks for use in spraying to protect the rice crop and eradicate malaria.

A Phnom Penh textile mill using 100 Chinese looms that had been installed before the war looked fairly modern and efficient as it turned out bolts of cloth—black for workers' cothing, green poplin for army uniforms, and red for Cambodian flags, so the plant manager said.

But in the next room, a tiny girl with big dark eyes was sitting on the floor producing thread by turning a spinning wheel with her foot.

A scene on Monivong Boulebard in front of our guest house in Phnom Penh was a reminder of the make-do nature of Cambodia's fledgling industry.

An old Dodge truck had broken down. Two men worked on it for a half hour, then tried unsuccessfully to start it by pulling a rope wound around a wheel on the front of the crankshaft, the way a power mower or ourboard motor is started.

When that didn't work, they tried pushing, enlisting a half dozen other men. That failed, too.

Finally, another old truck came along, and the men tried hooking it to the broken-down truck with a piece of electrical wire. The wire broke twice, but at last it held, the towed truck gained speed, and the engine started with a gust of blue exhaust.

Our companion Malcolm Caldwell watched the backward methods with a mixture of puzzlement and admiration.

Viewing one such scene, he paraphrased Lincoln Steffens' remark after visiting the Soviet Union in 1919 and said, "I have seen the past and it works."

GOVERNING IN SECRET

Throughout our visit, we tried to penetrate the secrecy and learn how the Kafkaesque economic and governmental system worked.

The regime justified its conspiratorial ways in a 94-page "Black Paper" of "facts and evidences of the acts of aggression and annexation of Vietnam against Kampuchea."

It charged that Vietnam's Politburo had sent agents across the border into Svay Rieng and Kompong Cham provinces, where they conducted secret meetings to prepare to overthrow the Cambodian government and set up a puppet regime under Vietnamese control.

The book listed six of the alleged conspirators, some of them with aliases, including a former counselor at the Vietnamese embassy in Phnom Penh.

So secret was the government structure that members of a factory management committee in Phnom Penh pretended not to remember the name of the minister of commerce. At other times, plant or warehouse managers gave this official's name as Van Rit, although Western sources had understood that a person named Chhour Doeun held this post.

An army regimental commander at the border town of Krek would not give the name of the army chief of staff. There was no reply when we asked Cambodian officials the name of the first vice chairman of the State Presidium, a position provided for in the published constitution.

One revolutionary leader who had been considered dead by some Cambodia-watchers appeared for a boat trip up the Mekong River and a drive to Angkor Wat and other points with our group.

Ok Sakun sometimes spelled Sokhun, was one of the intellectuals, engineers, and economists who often have been said to have been killed in internal purges. He said he worked in the ministry of foreign affairs. He mentioned Hu Nim, minister of information and Hou Yuon, minister of the interior, communal reforms and troops, as other persons who were still active in the government although believed in the West to be missing or dead. Their fate now is uncertain.

Obtaining a few names was difficult enough. Getting to meet them was nearly impossible. Despite repeated requests, I was not permitted to meet any high officials except Prime Minister Pol Pot, probably the top government leader, and Ieng Sary, deputy prime minister for foreign affairs.

I had asked to meet most of the known officials, a total of about 10, including two French-educated sisters who are married to Pol Pot and Ieng Sary and held important positions in their own right. Both are understood to speak English.

I asked in vain to meet the former head of state, Prince Norodom Sihanouk, who managed the country's tightrope neutrality policy until he was ousted in a coup in 1970 and then joined the Communists' popular front as nominal leader of a provisional revolutionary government.

Officials said he had been refusing all requests by visiting delegations who wanted to see him. Besides, he probably was traveling around the country, they said.

When the Vietnamese swept across the country, Sihanouk took refuge in Peking and later went to the United Nations in New York to represent the Cambodians in opposition to the Vietnamese.

My request for a table of organization of both the government and the Cambodian Communist Party was made on the first day of the visit. Foreign specialists were not sure of the makeup or order of rank of members of the Cambodian Central Committee or Politburo.

I understood officials to have promised to provide both lists. When they were not forthcoming, I asked Ieng Sary for them.

"If we were the United States, France or Britain, we could publish this kind of information," he said. "But in Kampuchea during the last three years there have been many moves, many developments.

"Frankly, we do not want to publish the information because we do not want the Vietnamese to hunt down our leaders. We publish names only if very necessary."

His comments may have been prophetic, given subsequent developments. Ieng Sary himself asked for political asylum in Communist China.

Ieng Sary noted that the Cambodian Communist Party was formed 18 years ago but remained secret until two years ago.

Although the leadership was shadowy, officials did provide some information about the country's political organization.

The basic economic and social unit was the cooperative, a communal organization that held the land, tools, vehicles, and most other property. It organized the work in the fields, kilns, foundries, and other workshops that provide for most of the cooperative's needs.

Families lived in individual houses except for mobile work brigades and young, unmarried men and women, who lived in segregated dormitories. Meals were always served communally, often in big dining halls at tables for seven or eight persons.

Officials said the individual cooperatives, which may have included 100,000 persons or more, operated under the direction of provincial and regional committees.

Each committee included a chairman and individuals who were in charge of production, agriculture, industry, social affairs, health, and trade. But the decisions were taken collectively.

They were vague about how members of a committee were selected.

A similar committee operated at the national level. At each level, decisions were made by committee; even the army was said to be run by a committee. The committees always had an odd number of members, to avoid an even split, officials said.

At the top of the hierarchy was Prime Minister Pol Pot, who also was secretary general of the Cambodian Communist Party.

Officials made much of the fact that Pol Pot was perhaps the only national leader in the world whose picture was not seen frequently in public places. Not one picture of the prime minister was seen except in a propaganda film, where he was seen repeatedly, with a big smile, working alongside the field hands.

The reason given was that Cambod' had no need for a cult of personality. But his official biography, printed in English, seemed intended to build his image. It said he "has a a large spirit of union, shows revolutionary optimism, is deeply and firmly confident in the people, the masses, especially in the poor peasants, (and) likes to live and work in the calm."

He will have need of all those qualities if he has, indeed, gone underground to lead a new guerrilla war against the Vietnamese invaders.

And it should help not to have copies of his picture spread all over the country.

A NIGHT OF TERROR

Gunshots shattered the stillness of the almost deserted city of Phnom Penh. The time was 12:55 a.m. on Dec. 23. It was the start of a three-hour ordeal for Elizabeth Becker and me, the first two American journalists to visit Cambodia since the Communist takeover nearly four years ago.

The third Westerner in the party, Malcolm Caldwell, 47, an economist who specialized in Southeast Asia, did not make it through this ordeal. He was shot to death. The three of us were targets of a terrorist attack, an apparent effort to embarrass the government of Cambodia.

Caldwell, Miss Becker, a reporter of the Washington Post, and I had completed our two-week visit. We were preparing to leave the country, which Miss Becker and I would write about for our newspapers. We were scheduled to fly to Peking the next afternoon and then on to the United States.

The terrorists struck when we were sleeping in a government guest house in Phnom Penh.

Miss Becker was the first to see one of the intruders. Awakened by the first shots, she stepped out of her first-floor room to find herself face to face with a young Cambodian armed with a pistol and submachine gun and wearing an ammunition harness.

He pointed the pistol at her. She screamed, "No, don't!" ran into her room, slammed the door, and hid in the bathroom. Crouched in the tub, she heard sandaled footsteps climbing the stairs to the second floor.

In my second-floor bedroom, I awoke at the first shots, turned on my light, and checked the time. From my window, I could see shadowy figures running back and forth outside the garden wall in the dim glow of the streetlights.

Thinking that the guards had detected a prowler, I stepped into the hall for a better look. A young man with the same weapons later described by Miss Becker was just going out the double doors at the back of the building into a servants' area.

He seemed to motion for me to get out of the way. His gesture made me think he was one of the household guards, and it occurred to me that he had been quick to arm himself in an emergency.

The young man went out of sight, and I stepped through the screen door onto a front balcony for a better view of what was happening in the street. I saw several figures, apparently guards, at least one of them carrying a pistol.

Returning to the hallway, I stepped across to Caldwell's room and knocked. He came to the door. The light was on and he was fully dressed. We consulted briefly and decided we should stay in our rooms with the lights out.

As I began to head for my room, the intruder reappeared at the rear doors, pointed his pistol at me from a distance of about 20 feet and fired. The bullet must have come close.

I ran into my room and slammed the door, standing at one side, where I was shielded by the masonry wall. Two more shots ripped through the wooden door.

After a moment, there were three or four more shots. That must have been when Caldwell and the gunman were killed, but I was not to know the outcome until nearly three hours later.

I flipped out the lights, ran around the bed, and lay on the floor, trying to get under the bed. I could hear someone moving in the house and thought at any moment someone would come in to finish me off. I had no idea whether my two colleagues were alive or dead.

When the house seemed to go silent after a few minutes, I got to my knees and peered out the window. I could see more figures flitting back and forth outside the wall. I tiptoed across the room and turned off the noisy air conditioner, then silently placed a chair by the window and sat watching.

As the minutes passed, I decided that the government must have been overthrown in a coup. Officials had told us of an attempted coup last May. Why else didn't guards come in to check out the grounds and the house? If that had happened, I knew no authority that could protect us and get us out of the country.

Silently, I opened the zipper of my bag and took out a Tiger Milk bar to munch in hopes the nourishment would give me energy and a dose of courage.

It was a time of tension and fear but also one of regret and decision. I was frightened. Eight years earlier, when Communist guerrillas had captured me not many miles from where I sat, I had found it almost a lark, asking how lucky a reporter could be to find himself, safe for the moment, with a unique opportunity to view the other side of the Vietnam war.

This time, it just seemed foolhardy and dangerous, one more test of luck that I didn't need. I hated myself for putting my wife and daughters through a siege of anxiety once more. I decided never to undertake any more hazardous assignments for the Post-Dispatch. And I decided if I got out of this one alive I would take two weeks off for a Caribbean vacation with my wife.

An hour and a half went by. Suddenly there was a fresh burst of activity in the street. I heard the click of weapons being cocked. Additional figures appeared from both directions and six or eight men filed rapidly through the front gate, into the yard and into the house. I could hear them downstairs and see their shadows against the garden wall.

There was a crash of glass shattering, then a sound of broken glass moving across cement, as if someone was slowly sweeping or dragging something.

A few minutes later, I heard steps on the stairs, then a rap at my door. I saw nothing to do but open it. I recognized the three men who stood there as a security man from the foreign ministry and two guards. They clapped me on the shoulder as if to say they were glad to find me all right.

They seemed to be trying to reassure me. I understood them to be trying to say in sign language that Miss Becker and Caldwell also were all right. After checking the bathroom and closets, they gestured that I should remain in the room until someone rapped again.

There was another wait of an hour and a quarter. I could hear movement in the house, with an occasional rap on another door, as if they were checking out the entire building.

I passed part of the time by making notes of everything I had seen and heard to that point. Then I thought of trying to finish a novel I had been reading but dropped that idea when I picked up the book and was reminded of the title. It was John D. MacDonald's "One Monday We Killed Them All."

At 3:45 a.m., one of the government's Mercedes-Benz limousines pulled in front of the house. A figure got out and walked quickly into the house and up the stairs. There was another rap at my door.

It was Thiounn Prasith, the senior foreign ministry official who was in charge of our visit. The usually dapper man looked stricken and bone-tired. He took me by the hand and led me to a couple of chairs.

"Miss Becker is all right, but Mr. Caldwell is dead," he said. "I think you must come and see."

Stepping into the hall, I could see the dead gunman sprawled across the threshold of the open door of Caldwell's bedroom, the weapons beside him.

Walking a few steps farther, I could see into the lighted room. Caldwell lay on his back on the floor beside the bed, his eyes staring, his face ashen. Blood from wounds of the thighs and body soaked his clothing.

The official asked Miss Becker also to view the bodies.

I told Prasith, "I think I must take a picture." He said his people would photograph the scene and asked us to pack our things so that we could be moved to another house.

We drove a few doors to another government house, where we had discussed our program with officials on the first day of our visit. At Prasith's request, we recorded and typed statements of what we had seen and heard.

Prasith told us he had been informed that the gunman had shot himself. (I learned later that Cambodian authorities informed the British government that Cambodian government forces had killed the gunman.)

He said another intruder had been captured and a third had escaped. He said there had been three casualties on the government side: two servants wounded, apparently when the first terrorist shot his way in through the back door, and one soldier killed.

Prasith described the shooting as "a political act to discredit us in the world," and to "show that we cannot protect our friends." He said the terrorists knew that the visit of the first three Westerners to Cambodia was a significant one and that Cambodia's reputation in the world would be greatly damaged if they were assassinated. Only days later that Cambodian regime would be driven into hiding by a Vietnamese assault.

Cambodian Foreign Minister Ieng Sary, in a brief ceremony before we drove to the airport with Caldwell's body to catch the weekly Chinese plane to Peking, gave the same explanation. He called Caldwell a friend of Democratic Kampuchea, the official name of the country, and said the scholar had been working to improve relations between Cambodia and the rest of the world.

Ieng Sary said sadly that the visit had been intended to present to the world the "concrete situation" in his country but that the terrorist incident had "cast a very dark cloud" on this effort.

The Cambodian government later attributed the terrorist act to Vietnam, its enemy in a current war in which there was a temporary lull at the time of our visit.

Questions remained:

Were the terrorists trying to kill all three of us, or was Caldwell the main target? If it was only Caldwell, that would explain why the gunman did not fire at Miss Becker and why he did not follow me into my room. Caldwell, moreover, was known as a friend of Cambodia, while we were recognized as disinterested journalists.

How could the terrorists have gained access to the guest house at 22 Monivong Boulevard in the heart of Phnom Penh, part of a government complex that should have been one of the most heavily guarded spots in the country? Prasith said there had been three guards on duty at all times, armed with pistols worn under their shirts.

Why the delay of 90 minutes before government forces entered the grounds to secure the house and check on our welfare? Why the additional 75 minutes before we were permitted to leave our rooms and learn what had happened? Prasith showed annoyance at the way the incident had been handled. He said he had not been notified until 2:30 a.m.

Was it in any sense an inside job? Planning the attack and entering the complex would have been difficult without help from someone trusted by the government, especially for an armed man in unusual dress. Miss Becker noted that he wore a black T-shirt and a baseball cap like those worn by American soldiers.

Was there any scene-setting before Miss Becker and I saw the bodies? She reported afterward that she had heard the sound of something heavy being dragged down the stairs and thought she had seen a stain where someone had tried to wipe up blood on the first floor.

Finally, was there any possibility that the government could have arranged the attack? A dispatch from Hanoi later reported that Caldwell had recently turned against Cambodia and conjectured that the government may have wanted to prevent what they feared would be an adverse report.

This seems out of the question. The Cambodian government had everything to lose from the incident. If for some unaccountable reason the authorities had wanted us killed, they could have contrived an accident or ambush to kill us all. And from lengthy conversations with Caldwell up to a few hours of his death, I know that he remained fully sympathetic to the Cambodian revolution.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield at that point for a unanimous-consent request?

Mr. EAGLETON. I yield.

AUTHORITY FOR SENATORS TO FILE BILLS, RESOLUTIONS, PETITIONS AND MEMORIALS, AND STATEMENTS FOR THE RECORD UNTIL 5 P.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that in view of the fact that the Senate will recess no later than 2 p.m. today, Senators may have until 5 p.m. in which to present for inclusion in the RECORD bills, statements, resolutions, and petitions and memorials.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EAGLETON. I yield the floor, and thank my colleagues.

DEATH OF REPRESENTATIVE WILLIAM A. STEIGER, OF WISCONSIN

Mr. PROXMIRE. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on House Resolution 12.

The PRESIDING OFFICER (Mr. FORD) laid before the Senate a resolution (H. Res. 12), which was read as follows:

Resolved, That the House has heard with profound sorrow of the death of the Honorable William A. Steiger, a Representative from the State of Wisconsin.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

Mr. PROXMIRE. Mr. President, William Steiger, the Representative from the Sixth District of Wisconsin, was a most unusual and remarkable Member of Congress. He was an amazing young man, a very attractive young man; he was 40 years old and looked 25, full of life, with a great sense of humor, extremely popular, very intelligent and able.

I think one of the most respected columnists in this country is James Reston of the New York Times. Mr. Reston published a column on the death of Representative Steiger when he died, and I would like to read briefly from it. He said:

> The sudden death of Rep. William Steiger of Wisconsin at the age of 40 has been marked here by an exceptional outpouring of respect and affection for one of the most promising young men in Congress.
>
> Mainly this was a reaction to the magic of his personality, the gifts of his energy and intelligence and the shock of his premature death, but there was something beyond that.
>
> It was not merely that Steiger arrived here 12 years ago as the youngest member of Congress, or that he advanced by diligence to a leading position on the Ways and Means Committee. . . .
>
> The point should not be misunderstood. Steiger was effective in the House of Representatives not because, like John Kennedy at his own age, he had presidential ambitions, but because he didn't. He thought he had plenty to learn and plenty of time. He studied and learned the cards in the congressional deck, and the mystifying techniques of the legislative process. And he worked tirelessly on the substance of taxes, the military security of the Nation and the internal struggles of his party.

Mr. President, this article is one of many fine tributes to Representative Steiger, and I ask unanimous consent that Mr. Reston's full article be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

STEIGER WAS CONCERNED ABOUT HIS GOP

(By James Reston)

WASHINGTON.—The sudden death of Rep. William Steiger of Wisconsin at the age of 40 has been marked here by an exceptional outpouring of respect and affection for one of the most promising young men in Congress.

Mainly this was a reaction to the magic of his personality, the gifts of his energy and intelligence and the shock of his premature death, but there was something beyond that.

It was not merely that Steiger arrived here 12 years ago as the youngest member of Congress, or that he advanced by diligence to a leading position on the Ways and Means Committee. (It is, in a way, that he was a symbol of the problems of youth in a Republican Party dominated by old men.)

The point should not be misunderstood. Steiger was effective in the House of Representatives not because, like John Kennedy at his own age, he had presidential ambitions, but because he didn't. He thought he had plenty to learn and plenty of time. He studied and learned the cards in the congressional deck, and the mystifying techniques of the legislative process. And he worked tirelessly on the substance of taxes, the military security of the nation and the internal struggles of his party.

I cannot pretend to be wholly objective about this modest and engaging young man and his lovely wife Janet Dempsey Steiger. My eldest son, Richard, was his roommate at the University of Wisconsin and best man at their wedding, but sometimes you have to be personal to be understood.

Nobody can say that the Republican Party held him back. His qualities of mind and character were recognized. He was able to take the lead in the battle to reduce the capital-gains tax this year, and he played an important role in the struggle between Gerald Ford and Ronald Reagan at the 1976 Republican presidential nominating convention. But there are limits on the ambitions of youth in the Republican Party that do not exist to the same extent in the Democratic Party.

In congressional politics, the Republicans have been in the minority in both the House and Senate for 41 out of the last 45 years. Only in the 80th Congress from 1947–49 and the 83d from 1953–55 have they been in control. Getting to the top for a young Republican on Capitol Hill can easily be a lifetime career, even the discouraging career of a very long lifetime, which Steiger didn't have.

In presidential politics, the outlook for young Republicans these days is more bleak, and even for middle-aged Republicans like Howard Baker of Tennessee, the Republican leader of the Senate, or Charles Mathias of Maryland or George Bush of Texas, former head of the CIA and ambassador to the United Nations and Peking, the prospects are not very good.

So there is clearly a difference between the parties these days about the age of responsibility in presidential elections. Kennedy captured the Democratic Party almost against its will and took over the White House at the age of 43, the youngest president of the 20th Century except Theodore Roosevelt, who was 42 in 1901 when he took the oath of office.

Again after the Johnson, Nixon and Ford administrations, the Democrats passed over the elders of their party and elected Jimmy Carter at the age of 52. But even now the Republicans are still looking primarily not to the rising generation in their 40s or 50s, but the familiar figures of the past, Reagan, Ford and John Connally, now all in their middle 60s.

It was clear to Steiger and some of the other young hopefuls of the GOP that another divisive battle between the elders of the party for the presidential nomination of 1980 could only hurt the Republican chances of recapturing the White House.

There was even some vague talk about trying to organize a mid-term convention to test the strength not of the Steigers or the men of his generation, but to rally behind Baker or Bush or one of the middle-aged Republican moderates, but nothing came of this and Steiger had given up the idea before he died.

For it was clear to him as it still is to most other Republican leaders that the decisive instruments of power in the Republican Party still lie with the dominant figures of the last Republican convention, particularly with Reagan, and that only hope of younger challengers lies in the primary elections.

It never occurred to Steiger to be one of the challengers, but the thought of change, of debating the issue within the party before staggering into another battle with the same candidates who divided the GOP and lost the last election was at least a fleeting notion that he didn't live to pursue.

At least, he believed that the new generation of Republican leaders should be heard before the party loitered down into another eletction with the same cast of characters, and it's still a pretty good idea.

Mr. PROXMIRE. Mr. President, on behalf of my colleague, Senator NELSON, and myself, I send a resolution to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated.

The resolution (S. Res. 16), was read as follows:

Resolved, That the Senate has heard with profound sorrow the announcement of the death of the Honorable William A. Steiger, late a Representative from the State of Wisconsin.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit an enrolled copy thereof to the family of the deceased.

Resolved, That when the Senate recesses today, it recess as a further mark of respect to the memory of the deceased Representative.

Mr. PROXMIRE. Mr. President, I move the adoption of the resolution.

Mr. TOWER. Mr. President, will the Senator withhold that, and yield to me?

Mr. PROXMIRE. I am delighted to yield to the Senator from Texas.

Mr. TOWER. I want to express my thanks to the distinguished senior Senator from Wisconsin and his colleague (Senator NELSON) for offering this fine tribute to Representative Steiger. He was well-known to those of us on this side of the aisle who had an opportunity to work with him on many substantive matters affecting the economy of the United States, and on many matters that affected the Republican Party.

It was my privilege to work with him, sometimes on the opposite side of the fence, on intraparty matters, but he was a man for whom I always had a tremendous regard, and one man who, although he had no inordinate personal ambitions for himself, engendered so much respect and esteem from his colleagues that I think it is very likely, had he survived, that he would have gone on to very much higher office indeed.

So, on behalf of the Republican side of the aisle, I would like to join with our distinguished colleague from Wisconsin in expressing our sorrow on the loss of this distinguished colleague.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution was considered and agreed to.

Mr. TOWER. I move to reconsider the vote by which the resolution was agreed to.

Mr. PROXMIRE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. PROXMIRE. Mr. President, I ask unanimous consent I may yield briefly to the Senator from North Carolina without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATOR STONE ON TAIWAN

Mr. MORGAN. Mr. President, on December 17, 1978, Senator RICHARD STONE of Florida, a member of the Senate Foreign Relations Subcommittee on East Asian and Pacific Affairs, was interviewed on the CBS television program, "Face the Nation," concerning President Carter's recognition of the People's Republic of China and the consequences of this decision on the Republic of China on Taiwan. Senator STONE has not only visited the Republic of China and the People's Republic of China, but, as a member of the Senate Foreign Relations Committee, has become a knowledgeable leader with respect to East Asia.

Because of the importance of the decision to normalize relations with the People's Republic of China and its consequences to American foreign policy, I ask unanimous consent that Senator STONE's remarks on this subject be printed in the RECORD.

There being no objection, the interview was ordered to be printed in the RECORD, as follows:

REMARKS BY SENATOR RICHARD STONE

HERMAN. Senator Stone, you have had some pretty strong words to say about the President's announcement about recognizing full recognition of Peking; you called it a slap in the face to Taiwan, you called it a direct breach of the actions of the Senate, but what if anything, can you and the Senate do about it?

Senator STONE. I think that what the Senate and I, as a member of the Senate, ought to try to do is to repair the damage done to our credibility as an ally and to strengthen the residual situation of the Republic of China on Taiwan, anti-Communist China, legislatively. For example, in the joint communique, we say that there will be commercial relations but no governmental relations. I doubt that that has to be the case. If we're going to have commercial relations, I think we need some kind of government relations, and we ought to do our best as a Congress to recreate those government relations as far as we can.

ANNOUNCER. From CBS News, Washington, a spontaneous and unrehearsed news interview on "Face the Nation," with Senator Richard Stone, Democrat of Florida, member of the Foreign Relations Committee, and Chairman of the Subcommittee on Mid-East and South Asian Affairs. Senator Stone will be questioned by CBS News Correspondent, Bernard Kalb, by Jack Germond, Columnist for The Washington Star, and by CBS News Correspondent, George Herman.

HERMAN. Senator Stone, could you be a little more specific in what you think the Senate and the Congress can do legislatively—first of all, do you think you have the votes to oppose or to modify the President's position on China?

Senator STONE. I would doubt that there is sufficient votes to reverse his action. But I think there is more than sufficient votes to stand up for our ally, the Republic of China on Taiwan. The administration has said that we will maintain cultural and commercial relations. We have some forty-nine or fifty agreements with the Republic of China, apart from the mutual defense treaty of 1954. That's going to have to be revised and re-done. That provides the Congress with an opportunity which I believe we do have the votes to sustain, to make sure that they can defend their independence and that we are not seen by the rest of our allies around the world as those who would pull the rug out from under our allies and our alliances.

GERMOND. Senator, conspicuously missing from the agreement with the Chinese is any pledge from them not to use force against Taiwan. You're a member of the Foreign Relations Committee and presumably have been briefed on these things; have you been given any assurances from the White House that there is such an agreement—tacit or otherwise?

Senator STONE. I would hope that there is, but the only official statement by China is this, and I quote from their Peking New China News Agency, their version of President Carter's announcement. Quote, as for the way of bringing Taiwan back to the embrace of the motherland and re-unifying the country, it is entirely China's internal affairs, unquote. Now I would hope that when Teng Hsiao-Ping visits here he will make appropriate assurances to us and that there are, and that there were agreements, but I don't know of any.

KALB. Senator, forgive me for putting my question in these terms, but aren't you living in a dream world and having some sort of soliloquy right now when you think that the Senate can reverse the President on this in any way, and do anything to get the Chinese to accept government-to-government relations between Taiwan and the United States?

Senator STONE. I didn't say that we could reverse the President; I said we couldn't. In terms of——

KALB. No, but on the question, we're talking about the government——

Senator STONE. In terms of our own government to the Republic of China, I think we better. In the future we may need a reliable ally and a reliable base. What happens if the pragmatic policies of Teng Hsiao-Ping and with some in-fighting with the successors of the Mao line of self-reliance—after all, a number of them are still around and that policy could end. Teng Hsiao-Ping himself is seventy-five years old or thereabouts. We well may need a reliable and safe and friendly base offshore the mainland of Asia, and so I think we better do it.

GERMOND. Senator, the implication of what you've been saying in these first questions is that—or it seems to me that it is anyway—is that Carter gave away too much, that we've been too soft in this negotiation. Is that what you think?

Senator STONE. Yes, it is what I think.

I just came back two weeks ago from the Peoples Republic of China where I felt no sense of urgency or immediacy in making this move. To the contrary, I felt the beginnings or the continuation of a process of rapproachment between the Peoples Republic of China and the Republic of China. They had recently attended a joint scientific conference with delegates from the Republic of China; they were modernizing without respect to capitalist philosophy; turnkey jobs with American hotel chains, with Japanese fashion designers, with factories from Hong Kong. These were moves that were going in the right direction and when it comes to military common cause, we already have established that we support their resistance to Soviet expansion.

KALB. Senator, what do you think impelled the Chinese at this particular point to swing that door open so widely toward the United States?

Senator STONE. They have not swung their door any wider towards us than they had before this normalization.

HERMAN. Why did they press for such a fast solution?

Senator STONE. I don't believe that they were pressing for such a fast solution. I just visited there and I didn't sense that at all; on the contrary, I sensed their moving towards us without this solution.

HERMAN. So you feel that the administration sources who are saving in briefings and so forth, and some of them off the record, and background, that the Chinese pressed for a fast solution are trying to mislead the public?

Senator STONE. Well, I didn't sense that pressure at all, and the visible signs were to the contrary. That doesn't mean that there weren't private representations that you have three more weeks and then we're going to slam the door on you, but it certainly didn't seem that way——

HERMAN. Senator, let me take you in one other direction before we get—during the course of the debate on the amendment which you and Senator Dole sponsored through the Congress, which was to protect relations between the United States and Taiwan, Senator Sparkman, who was the Chairman of the Foreign Relations Committee, received a letter from Secretary of State Vance in which Secretary Vance said, this administration has consulted and will continue to consult with the Congress on developments affecting our security commitment to the Republic of China. Now do you feel that this promise in this letter is being—has been lived up to?

Senator STONE. No, it has not, but it's more than a letter of promise by a vote of ninety-four to nothing, and a later conference committee—slight change to make it the sense of the Congress instead of just the sense of the Senate. The Congress found that that security treaty with the Republic of China on Taiwan aided the stability of East Asia and asked that there should be prior consultation between the Congress and executive branch on any proposed policy changes affecting the continuation of that treaty. There was no such consultation.

KALB. Was there any kind of consultation, Senator?

Senator STONE. They——

KALB. Rather than an informational consultation just prior to the announcement?

Senator STONE. No, they—several hours before the communique, some senior senators and congressmen were called in for a discussion.

KALB. And were told, or were consulted?

Senator STONE. Well, they were told.

GERMOND. Let me go back to the flip side of Bernie's question about who felt compelled to act now. If it is your feeling that the Chinese did not, then obviously we did. Now, why is that? Why did President Carter and this administration feel compelled to act now?

Senator STONE. They're your best source of that answer——

GERMOND. I'm looking for wild speculation.

Senator STONE. The only close and exact speculation I could make is that it was timed to take place before the Congress reconvened and while the Congress was out. This provision of law, which is not legally binding but it certainly expresses the sense of the Congress, was not part of some minor bill. It was part of the International Security Assistance Act of 1978, one of the major bills, signed by the President. Yet this communique was issued on a Friday afternoon, late, on the eve of Christmas when our attention was directed in other directions, and to be consummated before the Congress reconvenes on January 15.

HERMAN. Now what avenues of redress do you have? You've mentioned a few. Let me call your attention—a short list that Senator Javits, who is considered to be one of the best Senate lawyers, has drawn up. He says Congress must confirm an ambassador to Peking, Congress must pass specific legislation to enable United States to engage in commercial and so forth, arrangements with Taiwan, Congress must also satisfy itself of the President's power to abrogate the agreement with Taiwan. Now, do you think you have any chance of winning on any of those three? Or, is there any intention to fight on any of those three?

Senator STONE. I think that the fight should not come with recriminations or in an attempt to deny the President his right to conduct foreign policy. The fight should come in revising our commercial and other relations of which there are forty-nine or fifty such agreements, in a way that will, indeed, establish government relations with our ally and friend and commercial trading partner to the tune of more than six billion dollars a year, while the mainland has less than a billion, and we can do that, and we should do that. We should do that not only in our own interest but in terms of our reputation for being a reliable and trustworthy ally.

KALB. Senator, you seem to suggest that President Carter slipped one passed Congress while Congress was home and the holidays were on. Now, is that correct?

Senator STONE. Yes.

KALB. And what does that do for the sense of cooperation required to get momentum going on legislation and everything else the way we operate.

Senator STONE. Well, it doesn't help us. It was a dramatic stroke of leadership. No question that the President has polls which support the recognition of the Peoples Republic of China. I really think there's little opposition to the diplomatic recognition of the true fact that the Peoples Republic of China control the mainland and have for decades. Where the opposition is, in the country and in the Congress, is to stating that the sole legal government of Taiwan is the mainland government when it isn't.

KALB. When you review, in fact, what has happened, can you isolate anything that President Carter obtained in extending full diplomatic relations to Peking?

Senator STONE. Well, he got normalization with the—at a time before the defense pact is fully cancelled, at a time when notice of one-year cancellation takes place. But to me that is not only a tiny gain, and he also, of course, got an ambassador where we now have a liaison office in both places. But that is a very small gain to pay for the loss of a military alliance and a reliable military base.

GERMOND. What is the attitude that you expressed about the way he handled this, the consultative process and so forth? What is your guess about how that impacts—or is likely to impact on Senate ratification of SALT?

Senator STONE. Well, it doesn't make it any easier. But I think that SALT is going to—is another one of these great issues that has to stand on its own merits. We don't know what is contained in SALT; the negotiations are still not consummated. And we'll have to look at that according to its own provisions when the time comes.

KALB. Senator, you're suggesting a loss of credibility on the part of the United States by taking this action with respect to Taiwan. If that, in fact, is so, what impact does it have on America's powers of persuasion with respect to Israel, toward prodding Israel into an agreement with Egypt?

Senator STONE. It can't help, but I would think that, and I would be glad to discuss the Middle Eastern impact of this in a minute—I think there is one more immediate preoccupation all of us ought to have, and that is, what impact does this have on South Korea? Will they not break relations with the Republic of China in an effort to buddy up to the mainland government, the communist government, and to that extent, won't our American influence be that much more lessened, and isn't South Korea a vital link in the protection of the security of Japan and our own Asian alliance. So I feel that the immediate impact will come first in Asia—there, and in our negotiations for Philippine bases, and in our security relationships with Japan, not our commercial relationships.

KALB. Now on the Middle East——

Senator STONE. Now on the Middle East I think that the immediate impact will be as to our relationship with Iran, as opposed to Israel. There we have a very risky and unstable situation in which for weeks and months we have been assuring the world and our main ally in that area, the Shah, that we support the Shah. If recent statements attributed to Mr. Ball and other senior advisors of the administration are to the effect that the Shah must now bring in to a civilian coalition opposition leadership both from the extreme Moslem leadership and from the radical left group some of the Palestinian supported—and other—and Iraqi supported left group, doesn't that have to be seen in the context of this move with our ally, the Republic of China, and doesn't it also have to be seen in the takeover of effective—and I use the new word now, hegemony, domination—by the Soviet Union of Afghanistan? In other words, the impact on the Middle East is cumulative and our will power, and our firmness in support of our own stated alliance and goals, is called into question. That's the difficulty in this move.

KALB. Does it complicate the American search for peace in the Middle East?

Senator STONE. I—I think it really does. We have to say to Israel, rely on us as a supplier, and as a logistic ally; we will supply you with the most advanced defensive and, if necessary, offensive weapons to protect your situation, and for that you should give up your buffer territory and sign off. That is the dimension that always produced the movement, and the concessions, by Israel. I'm sure that's what produced the great breakthrough that President Carter achieved at Camp David. To the extent that that reliability and trustworthiness is lessened by this move, that makes the further concessions that much harder to——

GERMOND. Do, do you really see any parallel between our, our stake in Israel and Taiwan in view of the American political situation and the influence of Israel and Jewish-Americans in our foreign policy? Now, aren't they totally different things?

Senator STONE. The parallel is in our military basing reliability. In Taiwan, we had a reliable air and naval base with willing allies, even willing to fight on our side with their own people if asked in the recent Asian conflicts. In Israel, we have similarly a reliable air and naval base. We are outnumbered in our Sixth Fleet in the Mediterranean; we have to be very careful to protect not only our own, but Japan's and Europe's oil interest in the Middle East. With a shaky Iran we have to rely on that reliable basing and military strength in Israel and so we need to keep that military alliance. Even if it isn't reduced to a treaty it's even stronger than a treaty in force and effect.

HERMAN. How is all of this going to impact do you think on President Carter's standing, his popularity? I mean, in the end all American policy boils down, sooner or later, in even-numbered years, to politics and votes.

Senator STONE. I think that when you talk about an American President, you can't simply talk about interest groups and voting blocs. We all unite behind the President of the United States in the national interest on the major issues. There's very few issues more important to the well-being of every citizen than the major issue of foreign policy.

HERMAN. If I could just get a word in. You unite the American people, unite behind the President on issues of major issue up until an election comes, then they may decide that he's wrong and unite behind his opponent.

Senator STONE. I would hope that the President's statement, that he has the sincere concern for the well-being of the people who live on Taiwan extends further than that, to a concern for the independence of the country of the Republic of China on Taiwan, which is viable militarily, diplomatically and in every other way. If it does——

HERMAN. How does he show that it does?

Senator STONE. By helping us in the next session of the Congress, repair the damage to our alliance as far as we are able to go.

GERMOND. Alliance with Taiwan?

Senator STONE. Yes. They are a valuable commercial and military ally. We have clearly negotiated our own commitment to continue commercial relations. In order to do that, we really do have to have some form of government relationship. You can't just trade with someone that's out there, and one of those things that the President's, or his senior people have committed to do, is to make available appropriate weapons. Now he has to help us do that, and if he does that, then I think that would minimize any damage he might otherwise suffer at the polls.

Kalb. You know, what we're doing right now is concentrating on China and I would suspect that's precisely what the Carter administration would like us to do, and I think we ought to take a minute to review what happened this past week, Vance's unsuccessful mission in the Middle East. Now I travelled with the Secretary to both Egypt and Israel, and certainly in Israel, there was a sense of outrage as to what they regard as enormous pressure by the Carter administration for Israel to make new concessions. Now is that the way you, as a Senator, saw it back here, and what was the sentiment on the Hill about this?

Senator Stone. Well, you see I would rather not dwell on the recent failures of our diplomacy to obtain the Egyptian-Israeli treaty. It's much too important for finger pointing, or for handwringing, and also it's very hard to wring your hands and point a finger at the same time——

Kalb. Yes, but somebody has to analyze——

Senator Stone. Well, I will be glad to analyze what went wrong. What went wrong is, that instead of dwelling on the American draft of a peace treaty based on the Camp David accords, we associated ourselves with additional Egyptian demands. What we therefore need to do, is to return to the American draft, which even in the latest statement of the Cabinet of Israel, they said they're ready to sign that, and renegotiate again with both countries on the basis of that draft, calmly, and at a lower level, and without a focus of heat or pressure. We, must go ahead and get this peace treaty; it's too important to us to let it go.

Herman. But we're getting pressure. You've seen all the letters and statements by various members of the Jewish committees—the American-Jewish Committee and others, saying the President is losing the votes of the American Jewish community and so forth—so there is domestic—as I say, everything comes back to politics. There is rising domestic political pressure over this. Somebody in fact is pointing fingers.

Senator Stone. The answer politically to the President to pressures which he puts on Israel or which supporters of Israel put on him is a successful consummation of the Egyptian treaty. If he does that, he'll suffer not at all and he'll gain greatly, and that can be done.

Kalb. There is certainly that feeling that the Administration sees the Egyptians as having demonstrated new flexibility, and I think as a matter of fact, they have, and I think what we're watching, in a way, is a getting together but the getting together has hardened positions although the differences are smaller. Do you see it that way, Senator?

Senator Stone. Not quite. I think that there needs to be a reassurance to the Egyptian side against their feeling of isolation from the other Arabs, and a reassurance to Israel that we will indeed be a reliable supporter of theirs should they become menaced in the future, and some low-level, continuing negotiations starting with the American compromise draft based on the Camp David success.

Germond. We're down to the last minute. Let me ask you a very brief question. Do you think, in balance—you're a politician, so is the President—that the President has done a wise thing politically in terms of his own situation in the China initiative?

Senator Stone. At this moment, no, but he has a chance to repair any problems he may have by following a constructive approach to rebuilding to the greatest extent possible, our alliance and the survivability of the Republic of China, free anti-communist China on Taiwan—if he'll help us do that, then he'll not suffer at all.

Germond. Do you have any assurance the administration is anxious to do that?

Senator Stone. I hope so. I hope they will.

Herman. The key word, though, is really to the greatest extent possible. That involves Peking's willingness to go along.

Senator Stone. Not entirely, not entirely. We have not given up our own sovereignty and the Congress has not given up our own prerogatives and I hope we never will.

Herman. Thank you very much Senator Stone for being our guest on FACE THE NATION today.

Announcer. Today on "Face the Nation," Senator Richard Stone, Democrat of Florida, member of the Foreign Relations Committee, and Chairman of the Subcommittee on Mid-East and South Asian Affairs, was interviewed by CBS News Correspondent Bernard Kalb; by Jack Germond, columnist for the Washington Star; and CBS News Correspondent George Herman.

Next week another prominent figure in the news will "Face the Nation."

Mr. PROXMIRE. Mr. President, I happened to see that appearance by Senator Stone on "Face the Nation" and was tremendously impressed; in fact, I wrote Senator Stone to tell him I thought it one of the best appearances on television I had seen in a long time. It happened right after the transaction and the President's announcement, and he showed remarkable knowledge on this very complicated situation, and I thought handled it with remarkable ability.

I agree that it was too bad that the President acted so precipitately without an opportunity for the Senate to act, and agree that the people of Taiwan should be the principal concern of both the Senate and the House of Representatives in the coming months.

RATIFICATION OF THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, for a number of years I have risen on the floor of the Senate almost every day, pleading with the Senate to adopt the Genocide Convention. The Genocide Convention, as we know, was proposed by President Truman in the United Nations more than 30 years ago, and was adopted by the United Nations. Since then, 82 nations have ratified the Genocide Convention. Virtually every great nation in the world except the United States has ratified the Genocide Convention. Every President—President Truman, President Eisenhower, President Kennedy, President Johnson, President Nixon, President Ford, and President Carter—every President since then has pleaded with us to ratify the Genocide Convention. Every religious group—Catholic, Protestant, and Jewish—has asked us to do so.

The American Bar Association, which opposed the Genocide Convention for years, has changed its position and now has enthusiastically pleaded with the Senate to ratify the convention. It is up to us.

This is a basic human rights convention, involving the right to live, to exist, to survive as a people. Mr. President, I intend to continue to speak on this subject until we act on the Genocide Convention. I have talked to the leadership, and it is my understanding that they will consider bringing the Genocide Convention to the floor at a time when we can assure them that we have the votes to act on it.

I have been talking with Senators in the last few weeks; I have talked to most of the Senators who have heretofore been opposed—not all, but many of them—and I think we have a good, strong, fighting chance to adopt the Genocide Convention, and I fervently hope that the Senate this year will act on it. It is about time.

FIRST AMENDMENT CLARIFICATION ACT OF 1979

Mr. PROXMIRE. Mr. President, on Monday, I introduced the First Amendment Clarification Act of 1979, but I did not have time to speak on it.

This bill is similar to a measure I first introduced in January 1975 and then again in January 1977.

The major goal of this legislation is to give fuller meaning to our first amendment's guarantee of freedom of the press by abolishing the so-called fairness doctrine and the equal time rule.

FIRST AMENDMENT: 24 PERCENT EFFECTIVE

The first amendment forbids the Congress from passing any law that might diminish our right to have a free press.

But, unfortunately, Congress has enacted a law which does just that. I refer, of course, to the Communications Act, which has abridged the rights of a part of the free press.

Other means of mass communication—newspapers, magazines, pamphlets, books, and motion pictures—have kept their free press rights. But not broadcasting.

Broadcasting—radio and television—is the preferred source of news for 76 percent of the American people. Yet, because of governmental controls like the fairness doctrine and the equal time rule, broadcasters are second-class citizens when it comes to first amendment rights.

In practical terms, this means that our first amendment is only about 24 percent effective when it comes to freedom of the press. Obviously, we can and must do better.

Freedom of the press is for the benefit of all Americans. If television and radio, the most popular disseminators of news and opinion, continue to be tied down by stifling Government regulation, the people of this Nation will continue to be the losers.

Mr. President, my bill aims to change this situation by giving broadcasters more of the first amendment freedom they deserve.

PURPOSE DEFINED

The first section of my bill defines its purpose: To recognize and confirm the applicability of the first amendment to broadcasting and to strengthen and further the objectives of the first amendment.

This purpose is to be accomplished by removing certain statutory and regulatory restrictions placed on broadcasters operating under the Communications Act of 1934.

Section 2 of my bill deals with the definition of "public interest, convenience, and necessity" under which broadcasters operate.

That phrase in the Communications Act is currently used to make broadcasters accountable to the Federal Communications Commission, after the fact, for everything they put on the air.

My proposal makes it clear that the term "public interest, convenience, and necessity" cannot be construed to give the FCC jurisdiction to require that any person be provided broadcast time, or to require that any viewpoint be given broadcast time.

Section 3 of my bill repeals that part of the Communications Act which permits the FCC to revoke the license of any station that willfully refuses or fails to allow a candidate for Federal office to buy reasonable amounts of broadcast time.

SECTION 315 REPEALED

Section 4 repeals section 315 of the Communications Act of 1934. Section 315 contains both the equal time rule and the basis for the FCC's Fairness Doctrine.

The equal time rule requires that when a candidate for public office is given or sold time, any other candidate for that same office must be given an equal opportunity.

That sounds great. But the equal time rule is an abridgment of the first amendment. It is governmental control over a part of the free press.

The fairness doctrine of the FCC requires that broadcasters afford reasonable opportunities for the presentation of contrasting viewpoints on controversial issues of public importance.

Unlike the equal time requirement, the fairness doctrine does not call for each viewpoint to receive the same amount of air time. Nor does it require that the other viewpoint be given in the same program.

Again, that sounds fine. But the fairness doctrine, like the equal time rule, violates the first amendment. Once more, a segment of the free press is being regulated by the Government.

PUBLIC BROADCASTING

Section 5 deals with a first amendment problem contained in section 396(g)(1)(A) of the Communications Act of 1934, which authorizes the Corporation for Public Broadcasting to facilitate the full development of educational broadcasting in which programs of high quality, obtained from diverse sources, are to be made available to noncommercial educational television or radio stations. But this must be done with "strict adherence to objectivity and balance in all programs or series of programs of a controversial nature."

Such a Government-imposed standard is inappropriate and undesirable. Trying to enforce it can result in a chilling effect on the free play of ideas which public broadcasting should help promote.

By simply deleting this standard, section 5 of my bill is designed to solve the first amendment problem it poses.

Finally, section 6 of my bill repeals the prohibition on political editorializing by noncommercial educational broadcasting stations. This section of the current law, aimed at licensees, seems clearly unconstitutional.

ABOLISH THE SMALL BUSINESS ADMINISTRATION

Mr. PROXMIRE. Mr. President, on Monday I introduced a bill to abolish the Small Business Administration. Based on the fiscal year 1979 budget estimates, this could reduce the Federal payroll by 4,600 positions and save $2.3 billion in budget outlays. These estimates will change when we receive the President's fiscal year 1980 budget in a few days.

There are a number of reasons why I believe the SBA should be abolished.

First, the Small Business Administration has a history of political favoritism, bad judgment, and biased decisions. It has been a repository of patronage and scandals.

Second, it has helped only a minute number of small businesses in this country, far less than 1 in 100.

Third, many of its programs have been distorted and do not serve the purposes for which they were authorized or intended. The aid to minority businesses program is one such example. Recent hearings under the direction of my colleague Mr. NELSON, indicate that only 7 of the 32 loans ostensibly made to minority businesses actually went to minority businesses.

Fourth, the results under many of its programs have been disastrous. The failure of almost all the businesses allegedly helped by the SBA in the inner cities, or the failure of the SBA to have any knowledge of what happened to them, is illustrative of what is wrong with this agency.

Fifth, the SBA has had a very bad record with loans. Those with large incomes and no need for the loans often receive them, and there are myriad examples of those who should not have gotten a loan under any circumstances but who did receive them and whose businesses failed.

Finally, there is little or no need now for the SBA at all. With the outlawing of redlining by the Congress which is carried out by the banking authorities, with much greater competition in the banking and loan making community, and with the relative ease with which loans to deserving businesses can now be made, the earlier conditions which warranted a Small Business Administration have largely vanished. In too many cases the SBA makes loans to those who have been turned down legitimately by the existing private lending institutions, and do not qualify for a loan under any standards of potential business success or great personal character.

The Federal Government is too big. Spending is excessive. The Federal debt is too high. As the President wants to cut the budget and as Congress wants to cut the budget and the people of the country want to cut the budget, the Small Business Administration, which has lost its way and outlived its usefulness, is the place to start.

BUDGET CUTTING NOT THE ONLY ANSWER TO INFLATION, MONETARY POLICY IS IMPORTANT TOO

Mr. PROXMIRE. Mr. President, it is crucial that we slow down the growth in public spending if we are to come to grips with the present rampaging inflation. The President's projected $530 billion-plus budget with a $30 billion deficit is, in my view, much too high and should be brought into balance. Further, it is my prediction that Congress will cut below the President's proposed budget and that in the end, it will be Congress, the budget cutter, fighting against the various Departments and agencies of the Government who will want appropriations at least as high as the President proposes.

MONETARY POLICY IMPORTANT TOO

As important as fiscal policy and cutting the budget is in getting inflation under control, monetary policy or the growth in the money supply is equally important. This should not be forgotten or overlooked in our effort to bring prices down.

The causes of the present inflation are many, starting with the excessive spending in the Vietnam war, the effect of wage and price controls under the Nixon administration, the OPEC oil price increases, the cost of food, the decline in productivity, and the continuation of inflation due in part to the need for working men and women to catch up with past price increases and hence to demand and get present wage increases which, with the fall in productivity, can be and are often inflationary.

But perhaps as important, if not more important, than any one of these, is the growth in the money supply. Too much money chasing too few goods causes inflation, or adds to inflation. In recent times, the increase in the money supply has certainly been both a cause of the inflation and a major element in its continuation. Yet, very little attention has been paid to monetary policy by comparison with the emphasis in both the Congress and the country on fiscal policy or spending as a cause of inflation. That balance needs to be corrected.

ALBERT'S E. BERGER'S ARTICLE

I therefore wish to draw the attention of the Congress and the public to an article in the December 1978 issue of the Review published by the Federal Reserve Bank of St. Louis entitled, "Is Inflation All Due to Money?" by Albert E. Burger. In it, and especially in table I, Mr. Burger shows how the growth in prices in any 1 year is related to the growth rate of the money supply in the preceding 5 years. The relationships are amazingly similar with a very close relationship between the two.

I am aware of the criticisms that will be made of Mr. Burger's arguments and his tables. It will be said that it represents a monetarist point of view. It will be said that examining what has happened in the past over something like a 5-year span makes predictions of what will happen in the sixth year relatively accurate. It will also be asked, which comes first, the increase in prices or the increase in the money supply? Is it really a cause and effect relationship?

ONE NEED NOT BE A MONETARIST TO REALIZE THE IMPORTANCE OF MONETARY POLICY

I am not only aware of these criticisms, but I share some of them. I am not a monetarist and do not believe that monetary policy alone is the key to price rises or economic well-being.

But I think Mr. Burger's article and arguments are an important offset to the failure to give monetary policy its proper due as a cause of the inflation and a reason for its continuation. One need not be a monetarist to believe that monetary policy is important.

This article is a very thoughtful article by an outstanding expert. I do hope that Senators have an opportunity to review it.

It is important enough that Mr. Burger's article and his arguments should be read. When taken in their proper proportions and giving due weight to the critics, he makes important points and a contribution to the understanding of inflation problem.

I, therefore, ask unanimous consent that his article be printed in the RECORD at the end of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. PROXMIRE. I hope very much that the policymakers in the Government and economists and financial experts in the private sector will begin to give monetary policy its proper place in the fight against inflation.

Its role has been neglected for too long.

EXHIBIT 1

IS INFLATION ALL DUE TO MONEY?

(By Albert E. Burger)

Inflation is an all-pervasive problem which affects everyone's decisions. Individuals must consider the outlook for prices when planning budgets or wage demands, when deciding whether to buy a house or in what form to hold savings, as well as a multitude of other economic decisions. Also, business is increasingly concerned about the outlook for inflation, especially as it relates to planning and capital investment.[1] It is not surprising, therefore, that persistent inflation has led to increased public demands that something be done to correct the problem.

The current Administration has responded to these demands by announcing an anti-inflation program which includes, among other aspects, a promise to intervene in individual price and wage decisions in an attempt to reduce inflationary pressures. But such an approach, at best, has only a very limited chance for success because it fails to distinguish between two key characteristics of the inflation process. First, there are increases (or decreases) in prices which result from nonmonetary factors that cover a gamut of influences such as the effects of weather on agriculture and actions of foreign oil producers. The basic characteristic of all these nonmonetary factors is that they have a transitory influence on inflation. They have their impact on the level of prices in selected periods, but their influence is either reversed in following periods or ceases to be a cause of period-after-period changes in prices in the same direction. It is the second aspect of inflation, the trend or persistent year-after-year increase of prices, that is really "public enemy number one." This is the aspect of inflation to which corrective economic policy must be directed. Otherwise, all other economic programs to stop inflation will end in frustration.

CONTRASTING EXPLANATIONS OF INFLATION

The rate of change of prices can show considerable short-term fluctuation. For example, the implicit price deflator for gross national product rose at a 5 percent rate in the third and fourth quarters of 1977, accelerated to about a 7 percent rate in the first quarter of 1978, rose further to an 11 percent rate in the second quarter, only to recede back to a 7 percent rate in the third quarter of 1978.

In addition to this variation in the general price index, there are also frequent fluctuations in the prices of individual items included in the general price indexes. Since pronounced swings in the prices of specific goods or services sometimes coincide with fluctuations in the general index of prices, specific items are frequently cited as the cause of the current inflation. Also, because the magnitude and timing of price changes vary from item to item, the blame for inflation is often transferred, from period-to-period, from one item to another. Consequently, a number of explanations of the inflation process have been offered, involving at various times the behavior of such diverse items as steel prices, exchange rate movements, union wage demands, agricultural conditions, changes in minimum wages and even the behavior of the periodically elusive anchovy. Such an analysis provides an everchanging array of inflation villains. The blame for inflation is shifted from Arabs to coffee producers to beef producers to steel producers to specific union leaders to large banks and so on.

Concentration on such short-term oscillations in the various elements of price indexes clouds the issue of the fundamental force behind the persistent increase in the general level of prices. The problem of inflation is much more than an unfortunate sequence of increases in the prices of particular items. Focusing attention on movements in the price of particular items or each wiggle in the general price indexes gives only a description of where and when the general inflationary pressures fall in the economy. The important issue is why prices, on average, continue to rise over an extended period of time.

An explanation of the fundamental source of a continued pressure on prices requires a broader, longer-run perspective that incorporates monetary developments. When the money stock grows too rapidly relative to the rate of increase of goods and services, individuals find themselves holding more money than they demand, given existing income, prices, and yields (including interest rates) on other assets. In the process by which they attempt to pull their holdings of money in line with the quantity demanded, inflation results. To put the matter more simply, when "too much money is chasing too few goods" there will be persistent increases in prices. Consequently, analysis of persistent increases in the general level of prices requires consideration of the growth of the money stock. Such a monetary view contends that although prices can periodically rise or fall sharply due to nonmonetary factors, inflation continues only if these nonmonetary factors recur in succeeding periods, or if there is a continued excessive expansion of money.

The emphasis which is placed on the role of monetary actions in the fight against inflation depends very much on which of these two aspects of price changes is the center of attention. Concentration on movements in individual prices or short-term movements in the general price indexes typically leads to assignment of a limited role to monetary actions, a focus of attention on nonmonetary factors, and the recommendation of some form of direct controls on the prices of specific items. In contrast, consideration of why prices continue to increase period after period, pinpoints the rate of monetary expansion as the prime factor in the fight against inflation.

MONEY AND INFLATION

To illustrate the difference between inflation caused by monetary factors and short-term movements in price indexes caused by nonmonetary factors, consider the following simple monetary guide to inflation.[2]

"The rate of change of prices over the next year is equal to the average rate of growth of the money stock over the previous five years."

The results of using this shorthand representation of the driving force behind the inflation process and its long-run character are presented in Table I.[3] The information in this table shows that, over the period 1953–71, past or trend growth rates of money were a reasonably good guide to the year-to-year behavior of prices. During this nineteen-year period, the average difference between actual yearly inflation and that indicated by the past rate of monetary expansion was only 0.2 percentage point, and in two-thirds of the years the error was 0.5 percentage point or less. On a quarter-to-quarter basis, the rate of change of prices oscillated around the trend rate of inflation. However, the rate of change of prices returned consistently to that dictated by the rate of monetary expansion.

Also during this period, changes in the five-year trend growth of money accurately indicated changes in the year-to-year rate of inflation. As the trend growth of money slowed in the period 1958–63, inflation was reduced. Over the next eight years, the trend growth of money accelerated steadily from less than a 2 percent rate to a 5 percent rate, and inflation rose from less than 2 percent to 5 percent per year.

In contrast to the 1953–71 period, the last six years present some examples of abnormally large differences between changes in the price index and the inflation indicated by past growth rates of money. In particular, 1972 and 1974–75 stand out as glaring exceptions to the previous performance of the monetary guide to inflation. To understand the behavior of inflation since 1971, and how this experience fits into the general monetary explanation of inflation, it is crucial that one clearly understand the effect of nonmonetary factors on the behavior of prices. Specifically, it is very important to realize that, although the level of prices can change, sometimes even for a prolonged period, the rate of change of prices cannot continue to substantially deviate from the rate of monetary expansion.[4]

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[1] John A. Tatom and James E. Turley, "Inflation and Taxes: Disincentives for Capital Formation," this *Review* (January 1978), pp. 2–8.

[2] For other examples of the use of monetary guides to inflation, see Richard T. Selden, "Inflation: Are We Winning the Fight?," Morgan Guaranty Survey (October 1977), pp. 7–13, and Allan Meltzer, "It Takes Long-Range Planning to Lick Inflation," Fortune (December 1977), pp. 96–106.

[3] Annual data are calculated as to the average of the four quarters of data in a given year. For example, the growth rate of prices from 1976 to 1977 on an annual basis is computed by comparing the average of the four quarters in 1977 to the average of the four quarters in 1976.

[4] Even here, however, monetary factors still play a role, although indirectly. Autonomous events can have an effect on the demand for money, which, if not matched by a one-time change in the money supply, result in a one-time increase in the *level* of prices. In such instances, prices rise not because of an excessive increase in the money supply but because of excessive money balances created by a decrease in money demand.

TABLE I.—MONETARY GROWTH AS AN INDICATOR OF INFLATION

Period	Growth rate of money (percent) (1)	Period	Growth rate of prices (percent) (2)	(1)−(2)
1947–52	2.3	1953	1.5	0.8
1948–53	2.7	1954	1.4	1.3
1949–54	3.2	1955	2.2	1.0
1950–55	3.3	1956	3.1	.2
1951–56	2.7	1957	3.4	−.7
1952–57	1.8	1958	1.6	.2
1953–58	1.5	1959	2.2	−.7
1954–59	2.0	1960	1.7	.3
1955–60	1.3	1961	.9	.4
1956–61	1.5	1962	1.8	−.3
1957–62	1.8	1963	1.5	.3
1958–63	2.2	1964	1.6	.6
1959–64	2.2	1965	2.2	0
1960–65	3.1	1966	3.3	−.2
1961–66	3.6	1967	2.9	.7
1962–67	4.0	1968	4.5	−.5
1963–68	4.8	1969	5.0	−.2
1964–69	5.2	1970	5.4	−.2
1965–70	5.1	1971	5.1	0
1966–71	5.5	1972	4.1	1.4
1967–72	6.1	1973	5.8	.3
1968–73	6.2	1974	9.7	−3.5
1969–74	6.1	1975	9.6	−3.5
1970–75	6.2	1976	5.2	1.0
1971–76	6.0	1977	5.9	.1

What special nonmonetary factors in 1972 and 1974–75 operated to cause such large deviations of actual changes in prices from those indicated by past growth rates of money?[5] First, 1972 was a year of price controls. By law, reported prices were not allowed to fully reflect market pressures, especially those pushing prices upward. Under such circumstances, the reported change in prices would be expected to be considerably less than inflation indicated by a monetary guide. From the perspective of a monetary interpretation of inflation, the gap in 1972 between price changes consistent with past money growth (about 5.5 percent) and those reported during wage and price controls (about 4 percent) indicates (1) an upsurge of prices when price controls were removed, and (2) an incentive for transactions to take place at prices above posted prices.

Other major differences between reported changes in prices and those indicated by past monetary expansion occur in the more recent period of 1974–75. Over this period, the level of prices was sharply and unexpectedly raised by the now well-known pricing actions of the major oil-producing nations and the nonmonetary effects of weather on agriculture. The actions of the Organization of Petroleum Exporting Countries (OPEC) resulted in a substantial, unexpected rise in the price of energy. Since energy is a basic input into most production processes, these OPEC actions had a widespread, and unexpected upward effect on costs of production. There was a decrease in the effective productive capacity of the economy. With aggregate demand affected to only a minor extent and real output reduced, the *level* of prices rose sharply.[6] Consequently, the rate of change of prices, computed over the period when these sharp upward adjustments in the level of prices took place, would be expected to be substantially, but temporarily, higher than that indicated by past monetary expansion. As their effect was absorbed in the economy, however, the *rate of change* of prices fell back to that dictated by the trend rate of money growth. Although in 1976–77 inflation returned to the rate dictated by monetary expansion, the *level* of prices remained about 4 percent higher, reflecting the effect of the OPEC actions.

TABLE II.—GROWTH RATES OF SELECTED COMPONENTS OF CONSUMER PRICES

[In percent]

Period	Food prices	Energy prices	All items less food and energy	Monetary rate of inflation
II/70 to IV/72	3.9	3.7	3.1	6
IV/72 to I/74	19.6	22.3	4.6	6
I/74 to III/75	8.8	13.9	9.7	6
III/75 to II/78	6.2	6.9	6.6	6

Table II shows the movement of prices of selected groups of items during the period from mid-1971 to mid-1978. As shown in the table, price increases of all items other than food and energy were held to about a 3–4 percent rate while general price controls were in effect (August 1971 through April 1974). After controls were removed from most items, prices accelerated to about a 10 percent rate, as shown in the period I/74—III/75. Table II also clearly shows that the sharp surge in prices from late 1973 into late 1975 was initially led by the sharp rise in agricultural and energy prices[7] and then was reinforced by the adjustment of prices of all other items resulting from the removal of price controls in early 1974. None of these components of consumer prices (food, energy, all other) continued the sustained double digit rate of increase. Since 1975 the average rate of increase of all these prices has fallen back into line with the sustainable rate indicated by the past rates of monetary expansion.

IMPLICATIONS FOR MONETARY ACTIONS

The above discussion has important implications for assessing the effects of past, current, and prospective monetary actions in the battle against inflation. The experience of the last six years makes it clear that it can be just as misleading to ascribe each and every reported increase in prices entirely to monetary factors as it is to ignore the effect of money on inflation. Consequently, failure to separate the monetary (trend) and nonmonetary (transitory) aspects of inflation can lead to confused demands on policymakers.

To illustrate the importance of this distinction, consider economic developments over the last six years. During the three-year period ended in the second quarter of 1971, the persistent rate of inflation was very much in line with the rate indicated by a monetary guide to inflation. Over the next six quarters, however, prices rose at about a 4 percent rate. Could this fall in inflation be attributed to monetary actions? The answer is no, the fall in reported inflation was strictly due to nonmonetary factors, that is, price controls that went into effect in August 1971.

From early 1973 through early 1975 prices rose very rapidly. From a 4 percent rate, inflation accelerated to about an 8 percent rate in the year ended first quarter 1974. Then, over the next four quarters inflation took another sharp leap upward, averaging 11.6 percent. If one attributes all of these increases in prices during this period to the cumulative effect of past monetary actions, then it appears that the Federal Reserve had let things get seriously out of hand. On the other hand, if the short-run influences of nonmonetary developments on prices are taken into consideration, quite a different conclusion emerges. Careful analysis of the effects on prices of weather, OPEC actions, and the removal of price controls would indicate a sharp rise in the level of prices beginning in late 1973 that was not the result of past monetary actions. The basic rate of inflation, the one determined by the cumulative effect of past monetary actions, remained at about 6 percent.

Early in 1975, inflation dropped sharply, and averaged 6.5 percent over the remainder of the year. Then inflation eased further to a 4.4 percent rate over the first three quarters of 1976. Was this substantial slowing in inflation the result of monetary policy actions? Again the answer is no. The slowing in the rate of change of prices from the double-digit pace of 1974 reflected only that the OPEC actions of late 1973 were not repeated in the following years, the general adjustment of other prices to the removal of price controls had been completed, and favorable agricultural conditions resulted in a sharp drop in the rate of increase of food prices. Did the basic inflation slow to a sustained 4.5 percent rate by late 1976? Again the answer is no. From late 1976 to the end of 1977 inflation returned to a 6 percent rate, the same as that indicated by the trend growth of money.

What was the effect of monetary actions, as measured by the growth of the money stock, on inflation over the six-year period 1972–77? In particular, what was the effect of allowing M1 to grow at about an 8 percent rate from late 1971 to early 1973, then cutting M1 growth to 6 percent for a year, further slashing it to 4 percent for a year, and then progressively reaccelerating M1 growth, first to 5 percent for six quarters, and then to almost 8 percent over the two-year period ended in the third quarter of 1978? Did these gyrations in money growth substantially change the basic rate of inflation? Using the past growth pattern of M1 as a guide to inflation, then again the answer is no. Money had grown at a 6 percent rate over the five years (20 quarters) ended in the fourth quarter of 1971, remained at 6 percent in the 20 quarters ended in early 1975 and by the end of the fourth quarter of 1977 the twenty-quarter growth rate of M1 was still essentially 6 percent.

CONCLUSIONS

In analyzing the inflationary process, one must be careful to avoid shortsightedness. In particular, short-run gyrations in prices must be distinguished from persistent changes in prices. Monetary policy cannot prevent the quarter-to-quarter fluctuations in the price level that naturally result from the dynamics of economic activity. However, concentrating on only these short-run fluctuations in the level of prices can result in falsely blaming nonmonetary factors for a persistent rise in prices. The analysis of inflation then tends to bounce, month-to-month, quarter-to-quarter from one item or sector of the economy to another. Such an approach diverts attention from the role of monetary actions, results in failure to permanently reduce inflation and ultimately means that inflation will return to plague the economy. The monetary actions of the government must be given a key position in any program to permanently reduce persistent inflation.

Over the first half of 1978, prices rose at about a 9 percent rate. Should inflation be expected to continue at this rate? The monetary guide presented in this paper, indicates a persistent inflation of about 6.2 percent for the period III/78—III/79. Some economists would contend that individuals now adapt their expectations of inflation more rapidly than previously, hence, a five-year trend rate of growth for M1 is too long. If the period for calculating the trend rate of money is shortened to four years, the inflation indicated for III/78—III/79 rises to 6.4 percent. Shortening the period further to three years, raises the basic inflation rate to 6.8 percent for the next year. Consequently, the lasting rate of inflation indicated by past monetary developments falls in a fairly narrow range of 6.2–7 percent, nowhere near a 9 percent rate.

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[5] For a more complete technical discussion of the effects of special developments in 1972–74, see Denis S. Karnosky, "The Link Between Money and Prices—1971–76," this *Review* (June 1976), pp. 17–23.

[6] For a technical discussion of the effect of the rise in energy prices, see Karnosky, "The Link Between Money and Prices—1971–76," pp. 17–23; Robert H. Rasche and John A. Tatom, "The Effects of the New Energy Regime and Economic Capacity, Production, and Prices," this *Review* (May 1977), pp. 2–12; and "Energy Resources and Potential GNP," this *Review* (June 1977), pp. 10–24.

[7] Price controls on agricultural products were removed in September 1973. The initial OPEC rise in oil prices came in late 1973.

However, just because a rough monetary guide to inflation, such as the one presented in this article, does not indicate that past monetary actions have yet cumulated into a 9 percent persistent inflation should not be taken as a cause for rejoicing. A persistent inflation of 6.5–7 percent is still at least three times as fast as any lasting inflation the U.S. economy experienced from the end of World War II through 1965. Furthermore, historical evidence indicates that the development of such a persistent inflation is a rather sluggish process that does not adjust immediately to accelerations or decelerations of the growth of money.[8]

Currently, the trend rate of money growth is being held down by the 5 percent growth rate that prevailed from the third quarter of 1973 to the third quarter of 1976. In sharp contrast, over the last two years (III/76—III/78), the average rate of monetary expansion accelerated to 8 percent. As the effect of the 5 percent growth wears off, if money continues to grow at an 8 percent or faster rate, inflation will rise sharply to a persistent, year-after-year, 8–9 percent rate.

GOLDEN FLEECE AWARDS FOR OCTOBER, NOVEMBER, AND DECEMBER

Mr. PROXMIRE. Mr. President, unfortunately, the Federal bureaucracy continues to waste taxpayers money even when the Congress is not in session. My Golden Fleece of the Month Awards for October, November, and December demonstrate the perseverance and imagination of our Federal bureaucrats when it comes to wasting Federal funds.

My Fleece of the Month award for October went to the Environmental Protection Agency for spending $38,174 in a 2-year study to find out that runoff from open stacks of cow manure on Vermont farms causes the pollution of the water in nearby small streams and ponds. This research is an example of both solid waste in spending and what the "trickle down" theory of Government is all about.

In this case the award is for redundancy. There is not a dairy farmer in all of Wisconsin or Vermont who did not know the results of findings of this study before it was made. It reminds me of the old saying "She was a cowman's daughter and all the cowmen knew her."

The study, entitled "Alternate Methods of Manure Handling," was carried out at two Vermont sites, one at the University of Vermont Animal Sciences Research Center and another on a dairy farm. The university contributed $29,040 to the project so that the total cost was $67,214. The study also included a questionnaire answered by 874 dairymen "* * * to learn what farmers might do both in the presence and absence of external regulation."

Here are the major conclusions in the words of the report:

The concentrations and amounts of nutrients in runoff from the manure storage facility were high enough to cause deterioration of water qaulity in small streams and ponds.

The runoff from such a facility should be confined in a lagoon and irrigated on cropland, or

The manure stack should be covered to eliminate the large volume of contaminated runoff.

Covering for the facility should probably be a permanent roof rather than a thin plastic sheet placed directly on the pile. The later is cumbersome and not very efficient.

The key recommendations were:

It is therefore strongly suggested that either the manure storage area be covered or the runoff contained in a lagoon and later irrigated on cropland.

Coming from a dairy State, I strongly favor economical studies with a favorable cost/benefit ratio in support of milk, dairy farmers, or the cow. But I am at a loss to understand what this study found out that every dairy farmer not only in Wisconsin but in Vermont did not already know.

While neither the study nor the conclusions ever make this point, the project officer agreed with the suggestion of my staff that a purpose of the study was how to prevent runoff from manure by inexpensive means.

This is one occasion when the city slickers at the EPA got taken by the "Down Easters" from Vermont. Not only was the manure in this study stacked high, but the deck was stacked even higher against the American taxpayer.

This is one case where there was too much bull and not enough common sense. There was not only a deterioration in water quality but in the thinking of those who authorized this study.

NOVEMBER AWARD TO INTERIOR DEPARTMENT FOR FUNDING WAVE-MAKING MACHINE

I gave my Golden Fleece of the Month award for November to the Bureau of Outdoor Recreation of the Department of the Interior for spending $145,000 to install a wave-making machine in a specially designed double olympic sized swimming pool in Salt Lake City.

This marks a historic moment in American history. It can be said that for the first time Federal bureaucrats are making waves. In the meantime the taxpayers are getting soaked.

According to local officials, the 4-foot surf created by the machine will provide a recreation experience not available in an inland society—an experience of the rushing water of a river or wave action you can only get at the ocean. Based on this rationale, hard pressed taxpayers will next be asked to fund ski slopes in Florida, mountain scenery in Indiana, igloos in Death Valley, or tropical rain forests in Wisconsin.

The gigantic, 180-foot long, 17,500 square foot, fan shaped pool is only part of a larger project that includes a marina, boat ramp, bath house, and parking lot. The cost of the entire project is estimated, at least primarily, at $1,008,000.

Some $500,000 of this amount will be supplied by the Federal Bureau of Outdoor Recreation under a law which calls for developing outdoor recreational resources that are necessary and desirable. Although such amounts are ordinarily matched on a 50-to-50 basis by State, local, and private groups, an additional $300,000 of Federal funds are coming from the community development authority of the Department of Housing and Urban Development.

While apparently legal, here is a situation where Federal funds are matched in part by Federal funds, and the total cost to the State, local and private authorities will be only $208,000. Thus in addition to providing a wave making machine, Federal taxpayers are going to be socked for 80 percent of the cost of this swimming pool and park complex instead of the 50 percent ordinarily required.

This project is merely one of a number of surf making machines paid for in whole or in part by the Federal Government. So the overburdened taxpayer is drowned in the undertow of Federal spending. And other projects similar to the Salt Lake City project have been approved for construction in Kentucky and Mississippi, according to Bureau of Outdoor Recreation officials.

Why should this wave-making pool be funded at all? A project spokesman told us that the surf making machine should help to keep Salt Lake City citizens home where they belong now that the energy crunch has made gasoline expensive. As one official justified the expenditure to my office, "* * * residents will no longer need to jump in their campers and travel 300 miles to feel the rushing water of Flaming Gorge."

As community development funds under the law must go primarily to low and moderate income persons, either the camper-owner residents of the area are impoverished, or the justification is of questionable merit.

Another official justified the project on the grounds that it was an experimental and innovative approach to outdoor recreation.

The Bureau of Outdoor Recreation-provided surf machine and pool are expected to be completed in time for the summer of 1979. Desert surfers will ride the 4-foot swells while mothers and their children splash in the wavelets at pool's edge. So, surf's up in Salt Lake City, but the Federal taxpayers are the ones taking a bath.

DECEMBER AWARD TO OFFICE OF EDUCATION

I gave my Golden Fleece of the Month Award for December to the Office of Education (HEW) for spending $219,592 to develop a "curriculum package" to teach college students how to watch television. The product of the contract, according to its recipient, will enable college students to "* * * distinguish between television's fact and fiction, recognize its various viewpoints, and evaluate its messages."

Rather than teaching the undergrads at Old Siwash how to look at the tube, it would perhaps be better for both students and the taxpayers if this contract went down the tube.

If a student's critical viewing skills have not been sufficiently developed by college age so he or she can understand—in the words of the proposal itself "* * * how weekly viewing of Rhoda affects the viewer's attitude toward divorce or more broadly toward feminism," one doubts seriously whether development by the Federal Government of this curriculum will help. While students may see an easy A in "TV Viewing 101," the Office of Education deserves a solid F for this contract.

Under its Special Projects Act, the Office of Education—which has in fact developed some outstanding television programs, like Sesame Street and the Electric Company—has let four contracts totaling $823,651 to develop "critical television viewing skills" at the elementary, middle, secondary, and postsecondary school levels. Another $800,000 to train teachers and distribute the materials developed and tested in phase 1 is contemplated.

In view of the amount of violence on television or the attempt of advertisers to aim commercials at children, there may be some justification for the elementary, middle, or secondary level proposals. But the spending of $219,000 for the college program gets such low ratings it should be canceled. If education has failed to endow college students with critical faculties which can be applied to the spectrum of their lives, a series of new courses on how to watch television critically will not provide it.

The college program, to be undertaken by the school of public communication at Boston University, calls for the development of student materials to—

> . . . help viewers to understand the differences and the values of various types of television programming, i.e., commercials, drama, soap opera, situation comedies, documentaries, public affairs, news, (and) sport programs.

The viewer will learn to—

> . . . become aware of the differences between an issue presented in a television drama (fiction) and the same issue treated in a television documentary (fact).

One can envision a proliferation of such grants. This one could be followed by Federal funding to develop college curricula in the "critical skills" needed to watch football, shop for Christmas gifts, or to shovel snow.

In addition the study proposal is replete with the jargon of modern education, psychology, and testing. There are "target populations," the "replaction of results," "impact evaluations," "feedback" from teachers, and "deliverables" under the contract.

The analysis of the field test program is described in the following language:

> A series of univariate and multivariate analyses will be performed in order to delineate the characteristics of the sample in terms of pre-test level of critical viewing skills, as well as sociodemographic and other variables, and the effect of the test curriculum. Among these analyses will be a multiple analysis of variance, with experimental vs. control as the independent variable, and a set of difference (post-minus pre-test) scores assessing selected critical viewing skills as the dependent variable. In addition, multiple regression analysis and cannonical correlation will be used to assess the relationships between the critical viewing skills on one hand, and on the other, sociodemographic and other variables.

Is it possible that those who wrote that paragraph can write materials or textbooks to provide "* * * an understanding of the relation between television programming and the printed word?"

The grant raises a whole series of issues. Should the Government be involved in developing curricula to teach students how to watch the mass media? If needed, why should not it be done by individual university faculties to fit their own specific needs? Why should not the materials be developed and produced by one of the many private textbook publishing houses? Is it clear that college students are, in fact, watching too much television or that they are unable to criticize it intelligently? Should the Federal Government be offering inducements for the proliferation of new courses to substitute for the limited time students have for fundamental subjects?

In my view, in this period of inflation and budget stringency, the money should not be spent at all. There is already ample literature in the field. Why should not college students develop their critical viewing skills by reading Newton Minow, Vance Packard, or Marshall McLuhan rather than having taxpayers' money spent to provide the Office of Education with the results of univariate and multivariate analyses delineating the sociodemographic, dependent and independent variables, all nicely assessed through multiple regressions and cannonical correlations?

OVERSIGHT HEARINGS DURING RECESS

Mr. PROXMIRE. Mr. President, during the recess, our Banking Committee was busy with a number of oversight hearings. I have instructed the staff of the committee to summarize those hearings, particularly the most cogent testimony received, and the conclusions which I draw—and I do not hold the rest of the committee responsible for any of these conclusions—as a result of these hearings. I am submitting those summaries to the Senate for their information, because I think that in each case these affected economic matters that are of great concern to the country, to various groups throughout the economy, to members of the committee and to Members of Congress generally.

I ask that these summaries be printed in the Record.

There being no objection, the summaries were ordered to be printed in the Record, as follows:

Foreign Exchange Trading—Summary of December 20th Hearing and Suggested Follow-up

The purpose of the hearing was to explore explanations for the volatility of exchange rates and the drastic depreciation of the U.S. dollar in 1978. Witnesses were invited to state their views on the extent of disorderly foreign exchange trading conditions and divergence of exchange rates from fundamental economic trends. Witnesses were also asked to address: (1) possible collusion by banks to stimulate and profit from sudden rate movements; (2) asset diversification by foreign holders of U.S. dollars, including central banks; (3) the effect of the Eurodollar market on the U.S. dollar's exchange rate; (4) foreign exchange controls and market intervention by foreign central banks; and (5) market inperfections, such as inadequate information, which could contribute to a crowd psychology among traders.

Some witnesses took the view that the dollar's decline had not been excessive through November 1, 1978 and that exchange rates did not fluctuate too widely. Professor Blumberg presented statistical results based on data for 30 currencies over 7 years which showed that exchange rates adjust to changes in relative purchasing power (inflation) with a variable lag of one to twelve months, and adjust faster if currencies are free to float. Professor Aliber and Professor Dunn stressed that anticipations of future rates, and hence future economic policies and trends were the critical factors affecting spot rates. The lack of confidence in U.S. economic policies generally, together with trends in U.S. inflation, budget deficit, trade deficit, and productivity, contribute to pessimism about the future value of the dollar. Blumberg and Dunn agreed that where runs against the dollar had exceeded relative prices the reason was probably asset diversification by foreign dollar holders.

The collusion thesis received no support from the witnesses. It was their unanimous view that collusion to manipulate rates was unlikely and could only influence rates in the short run if it occurred. Professor Aronson, who had heard reports of manipulative "rings" of European banks operating in 1973 and 1974, had no information that such manipulation had been attempted since 1974 and agreed with Dr. Solomon that there was no evidence that U.S. banks had ever been involved in such activities. Existing data on foreign exchange trading are insufficient to reach definite conclusions, however.

Asset diversification by foreign holders of U.S. dollars, especially central banks of developing countries, depressed the dollar more than fundamental economic conditions justified, according to several witnesses (Carli, Dunn, Blumberg). Foreign dollar holdings, both official reserves and Eurodollars, constitute a dollar "overhang" which can descend, driving the exchange rate down, whenever confidence ebbs. Measures to reduce U.S. inflation and the trade deficit can restore confidence for a time, but for the longer term, several witnesses suggested that steps be taken to limit the expansion of dollar assets abroad or at least discourage the conversion of such assets into other foreign currencies. Dr. Carli suggested that an international reserve asset be made available to foreign central banks wishing to switch out of dollars (a substitution account in the International Monetary Fund is one example). Professors Aliber and Dunn proposed that uniform reserve requirements be placed on dollars deposited abroad and domesticalsy—a step which would require the cooperation of foreign monetary authorities.

The witnesses agreed that the Eurodollar market is not a major factor influencing exchange rates, but does complicate U.S. monetary policy. Several witnesses favored reserve requirements on Eurodollar deposits as a device to assist U.S. control of the domestic money supply, but Dr. Carli opposed such action at this time because he does not want to inhibit the Eurodollar market's role in recycling the OPEC surplus.

Foreign exchange controls were opposed unanimously by the witnesses. Views differed on market intervention by central banks: Professor Blumberg opposed intervention except in rare cases of disorderly markets; Professor Aronson favored intervention to smooth rate movements; Professor Aliber proposed that central banks try to keep rates within a very wide band around purchasing power parity.

The witnesses did not view market imperfections as seriously affecting exchange rates. They opposed regulation of foreign exchange trading, including such suggestions as limits on foreign exchange position-taking by banks, licensing of brokers and dealers, and regulation of quotation of bids and offers. They did not oppose measures to require more public information on market transactions.

SUGGESTIONS FOR COMMITTEE ACTION:

1. Additional data on foreign exchange trading is needed in order to increase knowledge of how the market works and to lay to rest rumors that U.S. banks have conspired to drive the dollar down (assuming that is not the case). The Committee staff have met with representatives of the Federal Reserve Board and the Treasury Department to discuss a questionnaire to be addressed to the principal U.S. banks engaged in foreign exchange trading. Data to be obtained would include daily volume of trading, position-taking at end-of-the-day, and maximum position during the trading day for the last quarter of 1978. Quarterly reports on foreign exchange profits and losses over the past few years (which are publicly available) would also be obtained. The data would indicate the level and direction of U.S. bank activity during the period in which the dollar dropped most precipitously as well as whether the banks realized unusual foreign exchange profits. Hearings could be held late in the spring after the data have been analyzed.

2. Senate resolution calling for U.S. representatives to IMF to propose measures to:

A. ensure firm IMF surveillance of exchange rate policies of members;

B. limit asset diversification by central banks by requiring IMF approval for large changes in proportions of reserves held in particular foreign currencies;

C. develop uniform reserve requirements on foreign currency holdings by banks (Eurocurrencies); and

D. provide for the SDR or another international reserve asset to assume gradually the primary role in the international monetary system.

Conclusions of Multifamily Housing Rehabilitation Hearings

On Thursday, December 21, 1978, the Banking Committee held oversight hearings on multifamily housing rehabilitation. The hearings focused on the problems which adversely affect smaller, existing multifamily buildings whose debt was either initially conventionally financed or insured by FHA, which serve predominantly low- and moderate income tenants, and which tend to be located in older, urban neighborhoods.

PROBLEMS

The testimony of the witnesses, who ranged from Assistant Secretary Simons to a Brooklyn-based nonprofit housing sponsor, indicated that the problem of an increasingly deteriorating or otherwise troubled multifamily housing stock can be traced to a number of factors. These include:

1. Neighborhood decline, as evidenced by high (above 6%) vacancy rates that have been increasing, high (above 20%) annual household turnover, buildings with excessive debt such as short-term balloon payment mortgages, frequent and uncorrected housing code violations, high crime rates and a large welfare population.

2. Operating expenses for individual buildings that continue to significantly lag behind rental income. Operating expenses have typically been increasing at twice the rate of rents. Factors contributing to the gap which make rental housing extremely sensitive, in many urban areas, to shifts in demand; competition from federally-subsidized public housing and other privately-sponsored, heavily subsidized housing (e.g., Section 8); and the sheer inability of tenants to pay higher rents.

3. Lack of financing. Testimony indicated that as rental income becomes an uncertain source of return, the deductions used to shelter other income of the owner becomes extremely important.

These deductions, primarily interest on mortgage debt and writeoffs for depreciation, are an incentive to the owner to stay with a building that is not otherwise paying its way. However, as depreciation brings the owner's tax basis on the property to zero and/or as amortization of mortgage principal begins to exceed interest payments, a sale or refinancing is necessary to enable the owner to recapture the remainder of his equity. In addition, since few owners have reserves for major repairs, a sale or refinancing is often the only means by which major rehabilitation, often deferred for years, can be undertaken. Despite the crucial importance of this process of cyclical financing, many owners of buildings in declining neighborhoods find that mortgage money is not available to them. This lack of money will cause the owner to begin to "milk" the building or to turn to relatively short-term, high interest loans, which often carry balloon payments at the end of the term or to take out second or third mortgages from speculators or their suppliers of goods and services. The absence of a secondary market (except where GNMA mortgage-backed securities are used) has greatly hampered the ability of mortgage bankers and savings and loan associations to make money available.

4. Indifferent or inexperienced owner-managers. Both Irving Kriegsfeld, an apartment owner-manager, and Professor George Sternlieb, of Rutgers University's Center for Urban Policy Research, indicated that a rather large percentage of the owners of these buildings are inexperienced, small-time operators without a thorough knowledge of the economics of owning and maintaining a multifamily property and like to walk away from a possibly salvageable building which encounters difficulties.

5. Overly conservative underwriting and appraisal standards. Both Kathryn Wilde, a nonprofit housing sponsor, and Robert Wettengel, Executive Director of Louisville's community development agency, testified that appraisal and underwriting standards applied both by private lending institutions and by the FHA, itself, have the effect of reducing the availability of even federally-insured loans to owners of multifamily buildings in older urban areas. For example, many inner-city areas are characterized by the mixed commercial and residential land use common in an era when people lived close to where they worked. Yet, commonly-accepted and applied appraisal and underwriting standards stress the desirability of a homogeneous land use pattern. Thus, buildings are often undervalued or entire neighborhoods redlined, with consequent acceleration of deterioration and abandonment of structures that are otherwise sound or could be made sound.

ASSUMPTIONS OF APPROACHES TO RESOLVING THE PROBLEMS

An approach that might be addressed by the Committee must rest, ultimately, on two fundamental assumptions:

1. Continued reliance on the private sector is both inevitable and desirable. More particularly, private investor-owners will continue to be integral to any strategy which seeks to bring about the upgrading and preservation of our multifamily housing stock. It is unrealistic to expect that government ownership of these properties will yield measurable improvements in deteriorating units. Reliance on tenant cooperatives or other community-based nonprofit sponsors is problematic on any large scale. Many tenants lack the interest in or expertise needed to manage multifamily properties. The tax advantages that induce private individuals to purchase and maintain buildings are largely denied low-income, tax-exempt organizations, such as cooperatives. As a result, any approaches must be primarily directed at making long-term investment by the private sector in these units worthwhile.

2. The gap between operating expenses and rents will not likely narrow in the foreseeable future, particularly in buildings serving low- and moderate-income tenants. This will be the case even if tenants were required to pay more than 25 percent of their incomes for rent as is the present, explicit objective of many of our federal subsidy programs such as Section 8, Section 236 and Section 221(d)(3) BMIR. Thus some subsidy will be essential to maintain these buildings as suitable housing for lower income tenants.

POSSIBLE APPROACHES OR SOLUTIONS

At this point, it would appear that the Department of Housing and Urban Development has sufficient tools at its disposal to meet both the problem of incenting private involvement in multifamily housing and to provide, within the limitations of those resources appropriated by Congress, subsidies to cover the rental income-operating expense gap. It would appear, however, that regulatory restrictions and bureaucratic turgidity discourage many small owners from taking advantage of these programs. The role that this Committee can play is continued oversight of HUD's administration of these programs to assure that they are carried out more efficiently and effectively.

Notwithstanding the foregoing conclusion, it would appear that there are some legislative actions that this Committee might take in the future. These include the following:

1. Very serious problems have been raised about the cost efficiency of the Section 8 Substantial Rehabilitation program. According to the Congressional Budget Office, the cost of this program is very nearly equal to that of the new construction Section 8 program, with annual contract authority approaching $5000 per year per unit. It has been alleged that the gut rehabilitation financed by Section 8 is often undertaken when more moderate rehabilitation would be appropriate. The Committee should carefully scrutinize this program with perhaps a legislatively-mandated phasing out or a severe limitation placed on its use. Such an action, however, would have to be accompanied by an assurance of the availability of alternate, less costly programs, such as a tandemed Section 312/Section 8 Existing Housing Certificate, for those buildings which do require substantial rehabilitation.

2. Two witnesses persuasively argued that the Section 223(f) program offers significant potential for facilitating the refinancing of existing debt by owners. However, and with good reason, HUD regulations currently limit the amount of debt that can be refinanced to that whose amortization would exceed no more than 85% of project income. Where income is very low, due to a high proportion of lower-income tenants, this rule makes the program impossible to use. This problem could be resolved either through lowering the borrowing costs, through an interest credit, or by providing a subsidy specifically tailored to the Section 223(f) program which would cover the 15% required spread between amortization and income.

3. A careful look at the reasonableness of the application of Davis-Bacon Act requirements to all multifamily projects above 8 units, regardless of the tenant population to be served or the type of sponsor-developer, will have to be considered. In New York City, many nonprofit sponsors have indicated that the 40% additional labor cost expense imposed by Davis-Bacon has rendered a number of projects infeasible, economically. While some of the problems relate to the Department of Labor's administration of the Act, and while some unions have agreed to work out arrangements that are advantageous to

the sponsor, the very requirement, itself, has continued to be troublesome.

4. Displacement of lower-income tenants as a consequence of rehabilitation (particularly that which results in significantly higher rents) is a concomitant aspect of increased rehabilitation efforts. The Committee cannot avoid confronting this very complex and very important issue.

OTHER ISSUES

A number of issues remain unexplored or, at best, only adumbrated by the testimony at the recent hearings. These will have to be examined by the Committee before it can fully deal with the problem of multifamily housing rehabilitation. These include the following:

1. The importance of certain provisions of the tax code to investor-owners of multifamily housing is substantial. Without them, as noted by Assistant Secretary Simons, "the incentives to the formation of that capital are going to have to come . . . through some other route which would give higher returns to attract that capital." (Transcript page 169) One witness, Irving Krigsfeld, has suggested that additional tax credits should be made available to owners of buildings which serve low-income tenants, much as tax credits are given to employers of low-income workers. A thorough understanding of the role of tax shelter provisions in this field is essential in evaluating the extent to which direct subsidies ought to be relied upon in incenting private investment in these properties.

2. The role of GNMA, FNMA and FHLMC in facilitating the sale of rehabilitation loans in the secondary market was barely discussed at the hearings. As mortgage bankers are the primary source of money for refinancing for multifamily properties, a vigorous secondary mortgage market directly impacts the number and size of loans that will be made available for these structures.

3. The bank regulatory agencies constrain the involvement of banks and savings and loan associations in the multifamily rehabilitation market. For example, Kathryn Wilde informed the Committee that the FDIC's pressures on banks to unload, rather than recast defaulted loans, and Federal Home Bank Board requirements of 25 percent equity for uninsured loans may contribute to disinvestment in multifamily buildings or make more difficult, particularly for low-income cooperatives, the rehabilitation of existing, older buildings. The Committee will have to determine what the proper role the bank regulatory agencies should play in this area.

HEARINGS ON HOUSING OUTLOOK: DECEMBER 22, 1978: FORECAST AND POLICY RECOMMENDATIONS

FORECAST

All of the witnesses forecast that housing starts will decline significantly next year. Most predict a 15 to 20 percent decline during 1979, with production declining from approximately 2.0 million units to 1.6 plus million units. (The annual Federal Home Loan Bank Board Conference settled on a 1.6–1.7 million unit forecast.)

While many observers feel the downturn will be moderate with recovery to a needed 2 plus million units in 1980, some express concern that the expected downturn will snowball in conjunction with a general economic recession, and others fear that recovery will, because of continuing inflation, be slower.

Most forecasters anticipate a sharp reduction in the annual rate between the 4th quarter of 1978, and the 4th quarter of 1979, reaching as low as 1.1 million units next year at this time, a decline of almost 50%. Most foresee a gradual decline in housing activity through 1979 and a recovery in 1980. The optimistic see a rapid upturn of starts early in 1980. The more pessimistic anticipate a gradual recovery. Almost all expressed considerable uncertainty about what would happen after mid-1979.

Greenspan—expects starts to slip 21% for the year reaching a low of less than 1.5 million units annually at years end. He anticipates a rapid recovery, reaching 2.0 million units for the year 1980.

Hudson (Morgan Guaranty Trust)—foresees a general recession and a housing recession in 1979. Overall starts will exceed 1.6 million for the year. But he expects a sharp decline to about 1.4 million units, 30% downturn, by the end of the year. He would probably expect a slower recovery than Greenspan during 1980.

Schechter (AFL–CIO)—anticipates, unless some action is taken, a deep downturn to just over 1.1 (45% decline) million units at the end of the year.

Sumichrast (NAHB)—Looks for a moderate downturn—a decline of 400 thousand units to 1.56 million units for the year. But he is very concerned that it is difficult to control a downturn when tight money is the breaking mechanism.

Thygerson (U.S. League of Savings) HANC (Mutual Savings) Reidy (MBA) and Greenwood (National S&L League)—all agreed on a 1.6–1.7 million unit year. Reidy expects housing demand to weaken noticably, though doesn't look for a major recession. Thygerson foresees a quick rebound in 1980.

Hon. Robt. McKinney—forecasts a slowdown to 1.75 million units with a low of 1.5 million in the 4th quarter. If inflation proves more intractable, starts could average 1.5 million for the year, and decline further to 1.3 million annually in mid 1980.

Secretary Harris—forecasts 1.7 million. The decline in housing starts will have no significant effect on the economy—and not result in a general increase in unemployment. HUD does not foresee a recession but "we are in unknown land," circumstances are different from previous periods of economic uncertainty. The downturn will be sharper in single family starts than in multifamily, largely because of HUD's proposed multifamily production program.

POLICY RECOMMENDATIONS

Almost all of the witnesses agreed that some decline in housing production is needed at this time to assure the long term health of the industry and the general economy. Almost all agreed that reduced government spending is essential to curbing inflation and protecting the dollar. Most agreed that a reduction of the budget deficit—even below the President's initial goal—is likely to benefit housing as well as the general economy over the longer run. Almost all agreed that Federal policy should not rely too heavily on monetary policy: A balance of monetary, fiscal and other policies is needed to spread the impact of deflationary actions on all sectors of the economy instead of permitting housing to bear the major impact.

LEGISLATIVE RECOMMENDATIONS

1. Provide new authority for HUD to require forbearance in cases of default.

2. Provide authority to exempt Federally chartered financial institutions, and FHA–VA guaranteed houses from state usury ceilings.

3. Change Brooke-Cranston authority (which has $1 billion in appropriations standby authorization) in order to assure greater targeting to lower income families.

4. Revise standby authority for program of foreclosure relief or a redrafted Homeowners Loan Program to protect homeowners in case of widespread default.

5. Consider implementation of selective credit controls authorized by the Credit Control Act.

6. Oppose over response by the Federal Reserve Board in utilizing monetary tools to curb inflation.

INDIVIDUAL VIEWS

Greenspan—There appears to be little we can do at this stage but we can focus on appropriate policies for 1980 and beyond. It should not be too difficult to restore budget balance and a non-inflationary environment in which home construction will be viable.

Hudson (Morgan Guaranty Trust)—The principal contribution we can make is to run overall economic policy in a way that avoids stress in the general economy of the kind that is now evolving. We need to seek means to alter the pattern of volatility but unfortunately a good many of the remedies that have been proposed have doubtful merit. We have gradually been improving the capability of mortgage lending institutions to sustain flows of credit.

Schechter (AFL–CIO)—We need to expand subsidized housing production in order to counteract the basic inflationary problem of a shortage of housing. We will need selective credit controls.

Sumichrast (NAHB)—We need a contingency plan to bolster single family construction. And if it gets worse, some means for directing credit into housing construction.

Thygerson (U.S. League)—Expand alternative mortgage institutions and encourage use of variable rate mortgages by all financial institutions. Reappraise need for Federal Mortgage Credit institutions as a result of success of new private Mortgage credit instruments. Review need for local tax exempt issues for mortgage credit (Chicago Plans). Provide new incentives to induce greater personal savings. Develop a balanced monetary economic stabilization policy—reviewing need for existing federal credit agencies (in addition to federal mortgage credit agencies).

Hanc (Mutual Savings Banks)—Inflation is the chief threat to long term housing health. Need to increase use of VRM's.

Reidy (MBA)—Revitalize FHA. Fiscal restraint. Eliminate usury ceilings. Reduce housing costs—particularly government regulation.

Greenwood (National League)—Congress should continue to give Home Ownership opportunity a high priority—public policy should recognize that producing housing is more important than producing most other goods. Policies to curtail housing production and restrict availability of mortgage credit will have disasterous social and economic consequences—and will only serve to further exacerbate the problem of rising housing costs.

Key to curbing inflation is restraining the credit demands of local, State and Federal governments, and raising real growth and productivity.

Eliminate usury ceiling.

Oppose Federal Reserve proposal for a universal reserve requirement for all financial institutions.

Secretary Harris—Support Administration anti-inflation program: "A small, short-term decline in housing is essential for the long-term health of the industry, as well as the general economy." We do not project the need for a safety net—you will not be receiving any recommendations from us which assumes there will be a recession over the next 1½ years—except for one dealing with HUD forebearance power in cases of mortgage defaults.

Hon. Robt. McKinney—Support Administration program, particularly in restraining Federal spending. Need to pursue balanced program and not rely unduly on monetary policy. Eliminate usury ceiling. Maintain Regulation Q. The Federal Home Loan Bank should be prepared to act to reduce reserve requirements, promote advances, etc., in order to maintain the supply of credit if events during the year create painful effects on housing.

OVERSIGHT RECOMMENDATION

Because of the considrable economic uncertainty facing the industry it may be well to hold a followup hearing later this year.

FNMA–FHLMC UNDERWRITING HEARING—SUMMARY AND LEGISLATIVE IMPLICATIONS

I. FHLMC AND FNMA RESPONSES

In general, FHLMC's prepared testimony was quite responsive to a number of the concerns raised in the Committee staff memorandum which had been prepared to help them focus their testimony. In addition, in the Q & A session, Phil Brinkerhoff and his assistant Will Thomas went well beyond the prepared statement and affirmatively responded to a number of additional issues.

On the other hand, FNMA's response was, at best, only marginally responsive.

A summary broken down by issues follows.

Remaining economic life. It was clearly the impetus of these hearings which caused FHLMC to decide on a revision of its policy providing that remaining economic life will only be taken into account if the appraiser can document that it is five years or less. Apparently for several years FHLMC has been purchasing some loans where the term exceeds the remaining economic life but this internal policy had not been incorporated in their published guidelines nor apparently in any formal internal policy document. The new five year rule is a significant breakthrough.

FNMA's testimony, on the other hand, held firm to the concept that the loan term should not exceed the remaining economic life, although in the Q & A session, Oakley Hunter seemed to be on the defensive, and several times indicated that he didn't really have any objection to the new FHLMC approach but believed that FNMA's approach was also acceptable.

Effective Age. FHLMC's prepared statement suggested that effective age would continue to be used in reviewing the appropriateness of loan terms, but in the Q & A, Brinkerhoff and Thomas indicated that this was not correct and that effective age would simply be used as a cross check to check for the internal consistency of the appraisal. If FHLMC sticks by this position as stated in the Q & A, it would be an important reform, since presumably it means that once FHLMC is satisfied with the appraisal estimate of current fair market value, effective age will not be used in reviewing the underwriting decision on the loan, including the appropriateness of the terms of the loan.

There appeared to be no change in FNMA's position on effective age, although Oakley Hunter did concede that it is a subjective judgment.

Chronological Age. In his statement, Brinkerhoff indicated that as used in the current FHLMC guidelines, the use of "age of property" is outdated, and that in FHLMC's new guidelines "the actual age of property will have no material bearing on our decision to buy or reject a loan."

Block by Block Analysis. Both FNMA and FHLMC made favorable comments on the block by block underwriting approach, but both stopped short, in their prepared statements, of agreeing to incorporate the concept in some fashion in their written guidelines. However, in the Q & A, Brinkerhoff appeared to indicate that there would not be a problem in so doing, at least as an illustration.

Maximum financing criteria. FHLMC announced what it described as a major revision in its criteria for maximum financing, but the statement and the Q & A suggested inconsistencies in its new policy, and further clarification will be needed.

Heterogeneous vs. Homogeneous Neighborhoods. Both FHLMC and FNMA in their statements indicated that revisions in their guidelines would be made to prevent unnecessary discrimination against heterogeneous neighborhoods, although the specific guideline language still needs to be formulated.

Focus on Early Years of Loan. In the Q & A session, Brinkerhoff agreed that the FHLMC underwriting guidelines should be revised to focus more on evaluating risk in the early years of the mortgage, with respect to evaluating both the risk of value decline and in evaluating stability of income.

Dollar Value Per Square Foot Language. In the Q & A, in response to a question about whether certain language in the FHLMC guidelines might create a bias against inexpensive homes, Will Thomas of FHLMC admitted that the current language was improper and he indicated that it would be discarded.

II. THE APPRAISER-LENDER PANEL

In addition to its role in providing background to assist in the questioning of FNMA and FHLMC, the appraiser-lender panel in the morning session also developed a record on various underwriting issues which should have broader value. The record breaks new ground on questions relating to the reliability and validity of the use of remaining economic life and effective age as underwriting tools, and it contains the most extensive discussion yet before the Committee of the block by block underwriting approach of the Philadelphia Mortgage Plan.

With respect to remaining economic life, the one strong defender on the panel of the utility of the concept was Charles Akerson, President of the American Institute of Real Estate Appraisers. Yet even Akerson stated, in response to the discussion, that the concept has indeed been greatly misused, and he also acknowledged that the risk of value decline (rather than remaining economic life) would be of primary interest to the underwriter.

In addition to Rene Fougeray's favorable testimony on the Philadelphia Mortgage Plan, both Richard Betts, the appraiser from Berkeley, and Dexter MacBride, Executive Vice President of the American Society of Appraisers, strongly supported the block by block approach to underwriting in their testimony, and specifically mentioned both the Philadelphia Mortgage Plan and the approach in the State of California's Fair Lending Guidelines. (Akerson did not comment on the block by block approach.)

A number of very significant points were brought out in the Q & A to Fougeray's testimony. At several points, Fougeray indicated that the banks in Philadelphia had, in effect, redlined in the past. He also stated that the Philadelphia Mortgage Plan involved a complete revision of underwriting criteria by the banks, and that aggressive efforts were made to communicate to real estate boards and community groups the new availability of loans. Further he indicated that as a result of the plan, a substantial number of loans (at least 4200) have been made that would not have been made in the past, and that these loans have had a good delinquency record.

This experience is consistent with the experience of State licensed savings and loans in California which have been subject to administrative fair lending and anti-redlining regulations and guidelines since August 1976. The California regulations and guidelines required not only reforms in underwriting but also the development of affirmative marketing plans. The development and implementation of these regulations and guidelines has caused more than a 100% increase in the relative share of loans by State licensed S&L's going to neighborhoods which have been categorized as "mortgage deficient", with no apparent delinquency problem.

III. OVERSIGHT FOLLOWUP WITH FHLMC AND FNMA

The immediate next step with FHLMC and FNMA should be to monitor closely and be involved in the process leading to formal adoption of the specific revisions in FHLMC's guidelines. This should involve additional correspondence, further staff discussions as appropriate, and offering specific comments on specific drafts of language revisions. FHLMC has indicated that a complete first draft of their revised guidelines should be ready sometime in January. Once the reforms that FHLMC has indicated it is prepared to make have been translated into a formal revision of FHLMC's published guidelines, further pressures can be brought to bear on FNMA to follow suit.

IV. LEGISLATIVE IMPLICATIONS

In the past, there have been a large number of studies, and much testimony before the Committee, demonstrating the virtual absence of lending by banks and savings and loans in certain neighborhoods. In response to this evidence, the industry has often argued that such patterns of lack of lending are the result of 1) lack of demand; and/or 2) sound business decisions because of the risks involved in lending in such neighborhoods.

The latest hearings have furthered the public dialogue on these issues in several ways. First, they highlighted several underwriting concepts commonly used (relating to remaining economic life and effective age) which can be a bar to loans in older urban neighborhoods even though a strong argument can be made that such underwriting concepts are not reliable or even relevant predictors of loan risk or adequacy of loan security.

Second, the hearings, through Fougeray's testimony, have provided strong evidence that when lenders do make basic reforms in their underwriting criteria, and take meaningful steps to communicate their desire to make loans, they are able to make substantial numbers of loans in older urban neighborhoods that they previously were not making, and without any particular default problem. Thus, when the reforms are made and properly communicated, considerable "demand" suddenly appears, and can be satisfied without undue risk. This is probably the best evidence to date that the concerns about "redlining" have been justified.

While it may be argued that the banks participating in the Philadelphia Mortgage Plan have voluntarily addressed the problem of redlining, and while their successful effort has stirred some interest in a number of other cities, it seems clear that if left on a strictly voluntary basis, the spread of this type of effort to other cities is likely to be relatively slow. While underwriting reforms by FHLMC and FNMA certainly should assist this process, in my judgment by far the most effective way to speed this process of reform is by the adoption and enforcement of anti-redlining regulations and guidelines by financial regulatory agencies. This approach, which has been in effect in California for several years, has produced reforms in underwriting and marketing similar to the Philadelphia experience, with similar results.

The Federal Home Loan Bank Board, in its anti-redlining regulations which took effect in July 1978, has adopted a similar approach. While as yet it is still too early to make any definitive statements on the impact of the Board's regulations, it is clear that if properly enforced these regulations have tremendous potential for addressing the problem of redlining. It should be noted that in oversight hearings on the House side last summer, the Board indicated that its anti-redlining regulations were an important complement to the CRA.

Unfortunately, the bank regulatory agencies have thus far refused to follow the Board's lead in adopting anti-redlining regulations (although the FDIC at least has apparently been giving active consideration to such an initiative). Thus, I recommend that you sponsor anti-redlining legislation which would endorse and build on the Bank Board's initiative by 1) providing a specific statutory base for it; and 2) expand the coverage to include banks.

Key provisions of the legislation would:

1. Prohibit a financial institution from discriminating based on consideration of neighborhood factors, unless the financial institution can demonstrate that such consideration in the particular case is required to avoid unsound lending;

2. Prohibit a financial institution from discriminating based on consideration of the age of the dwelling, but explicitly provide that a financial institution may consider the actual physical condition of the dwelling to the extent required to avoid unsound lending;

3. Provide that each financial institution shall periodically review its marketing programs and practices to ensure that such programs and practices are consistent with the achievement of the purposes of the Act; and

4. Instruct each appropriate regulatory agency to issue appropriate regulations and guidelines to interpret and enforce the Act and to effectuate its purposes.

The legislation could also include other provisions such as civil liability provisions and reports to Congress.

Essentially, the legislation would be nothing new to the savings and loan industry, since they are already under the Bank Board's regulations. The main effect of the legislation would be to instruct the Comptroller of the Currency, FDIC, and the Federal Reserve to follow the Bank Board's lead. Also, by providing a statutory base for the Bank Board's existing regulations, it would strengthen the ability of Congress to engage in oversight on the implementation of the Board's regulations.

While I am sensitive to emerging concerns regarding the level of regulation in our economy, the type of regulation that would flow out of this bill is a good type of regulation in that it has a demonstrated track record of inducing needed reforms in the private sector. Since it has the potential for inducing a substantial amount of sound lending in older urban neighborhoods without relying on any federal subsidy, it also would appear to be a logical initiative on which to focus given existing federal budget realities.

One final comment on legislative implications from the hearings should be noted. At some point it would be desirable to remove the reference to remaining economic life from the FHA 203(b) statutory language. However, since the major problem with the FHA programs has not been redlining but rather inadequate supervision of mortgage bankers, shoddy appraisals and poor underwriting, removing the remaining economic life language does not appear to be a top priority. However, if it can conveniently be done (e.g. in the context of making other reforms in FHA programs) it would certainly be desirable.

The PRESIDING OFFICER. The Senator's 15 minutes have expired.

Mr. PROXMIRE. Mr. President, I yield the floor.

Mr. TOWER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

S. 25—MARTIN LUTHER KING, JR. NATIONAL HOLIDAY

Mr. DOLE. Mr. President, today I join several of my colleagues in sponsoring legislation to declare January 15, the birthday of Martin Luther King, Jr., a national holiday.

Today we celebrate the 50th anniversary of the birth of Dr. King. This is a particularly appropriate day on which to initiate efforts to honor this champion of the rights of all people. On this, the Golden Anniversary of his birth, we should recommit ourselves to his golden dream of the brotherhood of all men. As we begin the first few hours of the 96th Congress, we should recommit ourselves to fight Dr. King's battle for equal rights and equal opportunity for all Americans.

Martin Luther King was a remarkable American, a man of vision whose dream of equality and brotherly love moved an entire generation. His efforts to eliminate prejudice and bridge the chasms of hatred in America continue to inspire millions of Americans.

Despite the obstacles and hatred Dr. King encountered, he stuck to the principle of nonviolence. In his struggle for brotherhood and opportunity, Dr. King held true to his philosophy of love and tolerance. He showed us that lasting social change can be achieved through peaceful protest. He reminded us that, as Americans, we must be constantly vigilant in preserving our constitutional heritage of freedom. Dr. King's dream was not simply one of racial harmony. His vision was primarily American. His goals were those of our Founding Fathers—of establishing for all Americans the equal right to "life, liberty, and the pursuit of happiness."

Because of Martin Luther King's unique contributions to American life, I believe it is fitting that we honor him by designating his birthday as a national holiday. It is my hope that a year from now, January 15, will be celebrated in the memory of Dr. King and his eternal vision.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

INAUGURATION OF GOVERNOR IN TENNESSEE

Mr. BAKER. Mr. President, I am sure that it has come to the attention of my colleagues that in my State we have had an extraordinary and unprecedented development in State government in the last few hours. I refer, of course, to the administering of the oath of office to Gov. Lamar Alexander 3 days in advance of the time which had been set by the State legislature for his inauguration.

At this time I will not dwell on the details but, rather, I rise to say that I think of this as a sad time for my State; and I wish to take this opportunity to commend the distinguished speaker of our house of representatives in Nashville and the distinguished Lieutenant Governor of Tennessee, who presides over our Senate, and our new Governor for their approach to a difficult situation in an appropriate, careful, and thoroughly bipartisan manner.

While the developments of the last few hours will be studied and examined for many years to come because of their unprecedented nature, I am sure that all the people of Tennessee and scholars and historians in the future will express their approval—indeed, their admiration—for Democratic officials, in the persons of the speaker and the Lieutenant Governor, recommending to and joining a new Republican Governor in the liquidation, in an honorable way, of a difficult and embarrassing situation.

I wish the new Governor well. I send my congratulations and respect to the speaker and the Lieutenant Governor.

Mr. President, I am proud of my State for its exercise of bipartisan responsibility under most difficult and embarrassing circumstances.

Mr. SASSER. Mr. President, I join my able and distinguished colleague in expressing my feeling about what has occurred in our beloved State, not only yesterday but also over a series of days and weeks.

I was saddened and shocked quite profoundly at the news accounts and at the reports that were coming to me from constituents and friends in Tennessee.

I join my distinguished colleague in commending the Lieutenant Governor of the State of Tennessee, the Honorable John Wilder, and the speaker of the house of representatives, the Honorable Ned McWherter, for the courage they displayed and for their dedication to the public interest. I have discussed the events of the past few days in great detail with both of them, as recently as this morning.

The action they took was a result of great soul searching on their part and the result of what I firmly believe is their profound interest in the public good of our beloved State. I commend them for the action they took. Under the circumstances, it was the only course left open to them. It was in the tradition of our native State and in the tradition of great political leaders of the past that our distinguished Lieutenant Governor and the speaker of the house of representatives made this very, very difficult decision.

Mr. President, I wish our new Governor well, as he begins his administration under very difficult circumstances. I pledge to him and to the leadership of our State legislature in Tennessee that I intend to cooperate with the new administration in every way I can to benefit the people of our State.

We are bringing to a close what in the past few weeks has become a sad and tragic chapter in the history of our State. Unfortunately, the achievements of the last administration, which I think have been substantial, will be—and perhaps have been—obliterated in the minds and hearts of the citizens of Tennessee, at least for my lifetime. This also is a tragedy.

But I think the occurrences in our State in the past few hours indicate that the State government there is strong; that the leadership in our legislature is strong; and that we can rededicate ourselves in the coming weeks, months, and years to restoring the faith of our citizenry in a bipartisan effort to once again, strongly and vigorously, move our State government in the right direction.

QUORUM CALL

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RESOLUTION RELATIVE TO THE DEATH OF REPRESENTATIVE LEO J. RYAN, OF CALIFORNIA

Mr. CRANSTON. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives.

The PRESIDING OFFICER. The clerk will read the message from the House.

The assistant legislative clerk read as follows:

H. Res. 11

Resolved, That the House has heard with profound sorrow of the death of the Honorable Leo J. Ryan, a Representative from the State of California.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

Mr. CRANSTON. Mr. President, on behalf of Senator Hayakawa and myself, I send to the desk a resolution relative to the death of Representative Leo J. Ryan, of California, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will state the resolution.

The assistant legislative clerk read as follows:

S. Res. 17

Resolved, That the Senate has heard with profound sorrow the announcement of the death of the Honorable Leo J. Ryan, late a Representative from the State of California.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit an enrolled copy thereof to the family of the deceased.

Resolved, That when the Senate recesses today, it recess as a further mark of respect to the memory of the deceased Representative.

Mr. CRANSTON. Mr. President, I ask for action now on this resolution, which is a very fitting tribute to a fine Representative from California who died in the line of duty.

The PRESIDING OFFICER. Without objection, the resolution is considered and agreed to.

Mr. CRANSTON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. THURMOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

IS CONGRESS IN NEW MOOD?

Mr. THURMOND. Mr. President, an editorial comment entitled "Is Congress in 'New' Mood?" recently appeared in the Greenville News/Piedmont, January 14, 1979. This editorial reflects the dynamics of major fiscal and foreign policy issues to be considered in the 96th Congress. I would like to share these observations with my colleagues as I felt this enlightening article would be helpful to them.

Mr. President, I ask unanimous consent that this editorial be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Is Congress in "New" Mood?

A widely-expressed opinion holds that the new Congress of the United States which takes up the legislative reins this week is a conservative, fiscally-responsible group of people, reflecting what is called the new mood of the country. We shall soon see, perhaps beginning this week.

What, if anything, the Senate does about threatened moves to kill or drastically restrict the filibuster may give a good idea of what the Senate side of the Capitol will be like.

If the filibuster goes bye-bye, the country will say hello to such non-conservative legislation as bills to streamline unionization procedures, repeal or water down the Hatch act, additional hamstringing regulatory measures and higher appropriations for costly giveaway programs. If senators leave the filibuster as is, prospects for a more responsible Senate will be brighter.

The big test is whether the new Congress can get a tight grip on spending, whacking down on a host of welfare-state programs, and put a bridle on government regulators. Non-productive programs, deficit spending and government regulations have combined to fuel the fires of the inflation which has ravaged all citizens in recent years. These and the idea of getting something for nothing are the root causes of the rising costs and prices which keep Americans on a ruinous financial treadmill.

Ideally the new Congress would set for itself the task of scaling down the size and the scope of the federal establishment and setting up an orderly fixed schedule for the repeal of numerous costly programs, especially those created in the runaway 1960's. Realistically, that may be too much to ask. But it is possible to hope that Congress will move toward fiscal responsibility by shelving any costly new programs, by giving taxpayers some relief from inflation through a system of indexed income tax exemptions and even cutting rates, and by moving toward some deregulation of the private sector.

At the same time the nation wants Congress to do something about the uncertain state of national security, including strategic and conventional military forces, intelligence agencies and the position of this country vis a vis potential enemies.

Congress ought to look long and hard, and with a wary eye, at any new treaty proposals affecting relations with the major powers.

Attention to all foreign nations controlling resources vital to the American economy is required. There is a dire need for the ability and wisdom to distinguish between developments in areas like Southeast Asia, where American interests are minimial, and those in Southern Africa and the Middle East, which have oil and mineral resources vital to this country's economy.

A wise Congress would insist upon a clear statement of American policy outlining those areas which this country will keep open, even if military force is required.

Unfortunately, many Americans do not understand the inseparable relationship of developments in some foreign nations to their own daily lives. Therefore, Congress may be inclined to neglect foreign affairs at a time when the national interest demands attention to what is happening in other parts of the world.

All this adds up to one central question: Will the new Congress signal an end to the sick national mood which has darkened the American scene in the post-Vietnam, post-Watergate era, and help restore the national pride and vitality which made this country the envy of the world.

NEWSWEEK COLUMN BY GEORGE F. WILL

Mr. THURMOND. Mr. President, the January 22, 1979 issue of Newsweek magazine includes an excellent article by columnist George F. Will entitled "Fear of Facing the Truth."

Mr. Will has made some thought-provoking points on the approaching SALT II Treaty and Soviet imperialism in general. As the legislative body responsible for consultation on treaties, Members of the Senate should consider these views carefully.

Mr. President, I ask unanimous consent that this editorial be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Fear of Facing the Truth

(By George F. Will)

When, as lately, America's decline accelerates, it is useful to look back along the downward, crumbling path. Eugene Rostow has done so in The Washington Quarterly, recalling the 1968 Soviet invasion of Czechoslovakia. He was Under Secretary of State, and was struck, then as now, by the attitude prevalent within government that "Soviet action must always be given the benefit of the doubt." That summer, officials resisted the idea that Soviet military maneuvers presaged an invasion. When senior Soviet officials interrupted their August vacations to convene in Moscow, President Johnson assumed they were preparing not an invasion but an invitation (for him to visit Moscow to begin strategic arms limitation talks). Significantly, they were preparing both. They wrongly assumed what they reasonably assume today, that the U.S. Administration would mute its reaction to Soviet conduct, however aggressive, rather than jeopardize SALT negotiations. (Johnson immediately canceled the trip.)

With today's satellites, U.S. officials would have seen unusual markings on tanks and other vehicles in the Soviet maneuvers. Evidence that these were about to go into action against identical tanks and vehicles—those of the Soviet-supplied Czech Army. But many officials would have resisted any upsetting evidence about the Soviets. Rostow recalls this from the preceding summer:

". . . The first time 'Egyptian' MIG fighters appeared over our Sixth Fleet shortly after the 1967 Six Day War, our monitoring sources reported that the pilots of these 'Egyptian' planes were talking Russian . . . Well, for two weeks our Soviet experts were explaining this away . . . [They said] that these were training flights, that the pilots were Egyptians who had been instructed in Russian by Russian personnel . . . and so on. Of course it soon transpired that the pilots were Russian and those arguments collapsed. But for two weeks they were stubbornly held . . ."

"STABILITY IN IRAN"

Today, the pattern of strikes and unrest in Iran strongly suggests Soviet fingerprints, but while the Soviets broadcast instructions for manufacturing grenades and bombs, U.S. "experts" suggest that the Soviets are primarily interested in "stability" in Iran. How does Rostow explain such willful imperviousness?

"The answer is: fear. The American political class is afraid of living with the evidence of reality, because if you accept that the Russians are embarked on an imperialist course for the indefinite future, if you accept that their military, economic, educational and cultural policies are all geared to the reduction . . . of the ability of the United States and its allies to resist, then you have to do something about it."

What the United States has done since the mid-1960s is invest its hopes in arms control. It has based arms-control policy on the hope that the Soviet buildup is merely a reaction to U.S. arms, and can be restrained by unilateral U.S. restraint. So U.S. arms-limitation efforts have limited . . . U.S. arms. Now The Economist of London warns that the SALT II treaty, designed to run through 1985, "could be the beginning of seven singularly dangerous years."

"A HALF-HOUR CATACLYSM"

The cosmetic equality in permitted totals of launchers conceals, The Economist says, "a large imbalance in Russia's favor." Given existing U.S. arsenals and procurement plans, "by 1985 the United States will be behind Russia both in the over-all total and in some of the most important sub-categories," including "modern large" missiles: the Soviets will be permitted 308 (a force that can carry 3,000 warheads), the U.S. will be permitted none. And SALT II "may leave the United States itself vulnerable to a surprise Russian attack.

"By the early 1980s, the growing number of increasingly accurate warheads Russia can pack into its huge missiles will put it in a position of being able to destroy virtually all of America's land-based missiles in a single half-hour cataclysm, while still keeping quite a lot of its own missiles in reserve, ready for a second blow . . . [A] counterattack against the Soviet missile system would have to depend mainly on the aircraft-carried Cruise missiles permitted under SALT II, which would take ten hours to trundle toward their targets—and even then would destroy not much more than half of the Soviet launching silos."

To say that the Russians would probably not push the button "misses the point of nuclear mathematics:

> "The point is that the Russians would not have to. If they know that [an] exchange of Soviet first strike and American counterstrike would leave them with more surviving missiles, which would then hold America's cities hostage, they would know that the American President would know it too; and that he would be paralyzed by his knowledge . . . This is the political reality behind the apparently abstract calculations of who-would-have-more-missiles-left."

On the crucial question of how the United States sank to this danger, The Economist is too charitable: "Americans were so mesmerized by Vietnam and Watergate that they failed to spot the danger." Not true. The political class had sufficient evidence all along. It also had a desire to disbelieve, and with a few exceptions (such as Sen. Henry Jackson) has shrunk from leadership.

Fred Ikle, former director of the Arms Control and Disarmament Agency, writes that we are in a third postwar phase. From 1945 through 1950, the period of "nuclear monopoly," the U.S. actually had few ready nuclear weapons and was substantially weaker than the Soviet Union in terms of ready land-based power. After North Korea attacked, the U.S. immediately tripled its defense budget, building up air and naval capabilities. After the Cuban missile crisis, the Soviets began a sustained buildup, while Vietnam sapped America's material and moral resources.

IGNORANCE AS A STRATEGY

The Soviet Union has doubled its military budget, in real terms, in the last fifteen years. The U.S. budget in constant dollars is less than it was in 1961. And as Ikle says, this "third-phase shift in the Soviet Union's favor is still under way." In 1965, Defense Secretary McNamara said that "the Soviets have decided that they have lost the quantitative race . . . there is no indication the Soviets are seeking to develop a strategic nuclear force as large as ours." Ikle blames a huge "intelligence failure" in the 1960s for such thinking and for "our harmful persistence in unilateral restraint as a policy for inducing Soviet restraint. For eleven years in a row, the annual U.S. intelligence forecasts underestimated the number of missiles Russia would deploy."

But Ikle, like The Economist, is too charitable. When people are so wrong for so long on the same subject, in the same direction, the failure is not of intelligence but of will. For such people, ignorance is a strategy. Their problem is not in finding the truth, but in facing it.

THE AUSTRALIAN ECONOMY BENEFITS FROM IMPROVED LABOR-MANAGEMENT RELATIONSHIPS

Mr. THURMOND. Mr. President, the continuing inflationary trend in the United States is receiving major attention as we seek appropriate actions that will provide us the much needed stability in our national economy. The problem is extremely complex and, obviously, we must consider many approaches, relationships, and alternatives.

One approach that has been credited as a major factor in the recent Australian economic turnaround is an unique effort in that country to achieve sharply improved labor-management relationships. Much of the credit for Australia's recently reduced inflation rate is attributed to the work of a new management organization which advocates better cooperation and understanding in labor-management relations through improved communication of business facts to employees. The approach emphasizes consensus and cooperation between management and labor instead of conflict and confrontation.

An article titled, "Australian Turnaround", in the December 1978 issue of the American Legion Magazine provides some discussion of the key elements of this approach toward combating inflation.

Mr. President, in order to share this interesting and informative article with my colleagues, I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

AUSTRALIAN TURNAROUND

(By Joseph Gambatese)

Australia is undergoing an economic turnaround and political shift away from the radical left. What happened, and how, is worth the attention of Americans concerned about the continuing inflationary trend in this country.

Less than six years ago, Australia's inflation rate approached runaway proportions of more than 20 percent a year. Taxes were punitive. Government spending increased an astounding 50 percent in two years. Deficits soared. Labor costs rose 70 times faster than productivity. Unemployment jumped sharply. The strike record was the third worst in the world.

Add to this the threats of nationalization of key industries and you can see why the inflow of foreign capital—the very lifeblood of Australian economic progress—slowed almost to a halt.

Then came the change.

Taxes were cut $1 billion through automatic indexing. The annual increase in budget outlays also were shrunk from 25 percent to 10–11 percent. Interest rates eventually turned downward, dropping from 9.5 to 9.1 percent early this year and headed still lower.

Increases in wages and salaries were slowed down from 15 percent in 1975 to 14.5 percent in 1976, and to 10.3 percent last year. The increases were confined largely to those arising out of a quarterly wage indexing. Even with reduced pay rises, the strike picture improved, the number of workdays lost through strikes falling sharply from 6,300,000 to 1,600,000 over a four-year period.

The effect was visible at the supermarket and in the family budget. The rise in consumer prices was cut in half in three years—from 15.1 percent to 13.5 percent in 1976; to 12.3 percent in 1977, and to an estimated 8 or 9 percent this year.

Believe it or not, the inflation rate, once more than 20 percent, was cut to only 5.2 percent early this year.

Also vitally important is the fact that foreign investment capital began to flow back to Australia. Major U.S. corporations are sinking hundreds of millions of dollars into ore and coal mining, exploration and other ventures. Foreign investment reached a record $1.9 billion in 1977, more than double the previous year.

The turnaround began after Malcolm Fraser was installed as Prime Minister by a coalition of the Country and Liberal Parties, which terminated the three-year Labour government of Cough Whitlam in December 1975. (The Liberal Party name in Australia is a misnomer, actually representing what Americans would consider to be conservative views.)

Naturally, the Fraser administration is getting the recognition it deserves for the remarkable economic comeback.

Describing the Labour government's reign from 1972 to 1975 as "three years of misrule," Robert M. Blieberg, editor of the highly respected Dow-Jones financial weekly, Barron's, commented in the June 19 issue:

> "Instead of kiling the goose that lays the golden egg, the Liberal (misnomer) government of Malcolm Fraser, unlike its discredited and twice repudiated Labour predecessor, is taking pains to keep the precious thing alive and well."

An important element in Australia's economic recovery, acknowledged by Fraser, is the work of a new management organization which advocates better cooperation and understanding in labor-management relations through improved communication of business facts to employees. Called "Enterprise Australia," it appropriately came into being about the time Fraser came into power.

The organization's chief executive, Jack T. Keavney, explained its concept, objectives and achievements on a recent visit to this country.

"We are trying a new approach by emphasizing consensus and cooperation between management and labor instead of conflict and confrontation," he said. "And it's working, splendidly, in fact."

A major factor which led to the creation of "Enterprise Australia" was the "polarization to an extent never before known in Australia," which stemmed from the dismissal of the Labour government and the ensuing election of Fraser, a conservative, by a record majority in both Houses. The founders, Keavney said, were motivated by a number of overriding beliefs:

First: There was a need for a "third force" in the labor-management relationship. There were 2,600 trade associations and 282 labor unions, but no organization with credibility on both sides to represent the public interest and act as a catalyst for cooperation.

Second: There was a need to rally the Australian moderates—the great majority—irrespective of their politics or position in the industrial scene. The moderates had to be informed and committed to their hard-won freedoms.

Third: There was a need for a credible organization to build a climate in which moderates could win the day in political parties, business and unions. For instance, there is a plank in the policy of the Federal Labour Party that says: "Recognizing that ours is a mixed economy, that the private sector provides employment for a substantial part of the Australian work force, we must create a healthy environment in which business and agriculture can plan on a reasonably long-term basis to receive reasonable returns for investment in order, among other things, to promote innovation and research." Yet this seemed to contradict the opening phrase of the party platform which has, as its objective ". . . the democratic socialization of the means of production, distribution and exchange."

The founders of "Enterprise Australia" believed that ultimately the very fate of Australia would depend on whether those who believed in accommodation with the private sector could win against those who believed that the course Australia should take was the road to nationalization.

Fourth: The founders believed that the field of industrial relations is widely misunderstood. Too many people, including managers and unionists, regarded the managers and employees as two billiard balls that had to come into contact with each other or the game could not go on—that it had to be a conflict situation. The interests of management could be better represented by a circle and those of employees by another circle. Significantly, these circles not only are not far apart, but really intersect—the area of intersection representing the community of interest. If all sections of society—particularly employers and employees—concentrated on areas of common interest, they would find they agreed on many more things, basically, than those on which they disagreed.

Lastly, it was believed that the objectives could not be achieved by the "Hoorah for Free Enterprise!" approach. Company facts and figures—the arithmetic—showing that employees got a "fair share," and getting these and other business facts across in terms employees could understand, would do more good than all the sloganeering in the world. Employees are like anyone else. They can be antagonistic if they get the wrong picture. Properly presented, facts could help create an entirely different climate. And this proved to be the case.

"Enterprise Australia's" first major project was to bring to Australia John Q. Jennings of New York, an internationally known industrial consultant, whose "Jennings Formula" on division of income had proven over and over again, Keavney said, that antagonists could be turned into friends if they had the facts and accepted them.

Jennings had proved his mettle in labor relations as chief federal mediator in Detroit during the heyday there of two of the nation's most aggressive unionists, the Auto Workers' Walter Reuther and the Teamsters' Jimmy Hoffa.

He later became internationally known as a consultant to management on creating economic understanding in employee relations. He urged businessmen to tell their employees the economic facts about their business, with emphasis on how the income derived from a business is split between profits and the cost of employee wages and benefits. This usually served to change negative attitudes toward their employer after they learned, for instance, that employees take home 10 times more than is set aside as profit. And, further, that stockholders who risk their savings receive only part of the profits because some has to be reinvested in the business to keep it profitable and growing, thus protecting existing jobs and creating new ones. The result often was happier employees, more reasonable wage demands, fewer strikes, higher productivity and an undermining of Socialist and Communist propaganda.

Over a period of months in Australia, Keavney arranged for Jennings to explain his communications concept to Prime Minister Fraser, leading federal ministers, and top industrialists and union leaders, including some Communists, in every major city. Follow-up meetings for further discussion were held within the business community and between business leaders and unionists.

Because "Enterprise Australia" was set up by institutions concerned with the development of the free enterprise system, Keavney said it was difficult at first to get the unionists really interested. He ultimately made a breakthrough with R. J. Hawke, president of the Australian Labour Party and of the Australian Trade Union Congress, the counterpart of America's George Meany, AFL–CIO president.

"When I explained to him what we were about," says Keavney, "he agreed it would be a useful contribution—if it worked—and agreed to help me get the cooperation of State Labour Councils.

"We had a highly successful series of meetings, in which prominent political and industrial leaders talked consensus and cooperation, and pulling together for the good of Australia, from the same platform, to mixed groups, including hundreds of unionists."

As a result of Jennings' talks with corporate managers, Keavney points out, many labor-intensive companies are, for the first time in history, issuing annual reports for employees. These reports, usually illustrated, tell in clear detail how the company's income is shared between employees and stockholders, how much is paid out in taxes, for supplies and services and for reinvestment in the business. Workers are usually impressed by the fact that the share that goes for worker compensation is about 10 times the amount that goes for profits.

Fraser has become a strong ally and booster of "Enterprise Australia" and its objectives. On one occasion, addressing a convention of 400 businessmen, he exhorted them to stand up and defend the business system.

"How can I explain to the people that private enterprise is the best system for the average Australian if management cannot be bothered explaining it to their own employees?" he asked.

He suggested they spend less time talking to their government, which he said is committed to free enterprise, and more time talking "to employees who are often skeptical, and who often do not have a clear understanding of the benefits they derive from productive enterprise . . . Employees should not have to read in a newspaper the fate of the firm for which they work."

Another indicator of progress under "Enterprise Australia," besides improved labor relations, is the swing from the radical left to the mainstream of politics which Keavney says was evident at the Labour Party conference last June. One of the two largest states, Victoria, voted to modify the commitment to nationalization in the platform, and the other, New South Wales, supported a proposal to discuss whether the word "socialism" in the platform is relevant now.

One Labour spokesman observed: "The old enemy—capitalists—no longer exist. Today in our society, corporate management has reached the stage where real ownership of capital is all of us sitting. There are no capitalists of a form you can identify."

According to Keavney, responsible leaders of the Labour Party are making it clear that they do not believe "Socialism and nationalism are the proper goals of the Party; rather, that the Party's function is to contribute to the efficient working of our mixed economy."

"Australia is going through its most strike-free period in five years," Keavney points out. "For every trade unionist planning disruption, 10 or more are sitting down with management, trying to promote the common interest."

He said that the popular overseas image of Australian industry continually being held up for ransom by left-wing or Communist officials or condemned by left-wing Labour politicians is no longer valid.

"The tide has turned," he emphasizes, "and it is time that the world knows about it."

"Enterprise Australia" is no longer being seen as "defending business." Keavney sums up. "We are recognized as an organization that is demonstrating to the public that the main beneficiary of private enterprise is the community itself. We are proving this by facts and figures, showing that employees are getting a 'fairer share' than they, or even some managements, knew.

"We are getting people to see that greater productivity is needed if all sections of our society are to enjoy continuing and greater prosperity. As John F. Kennedy used to say, 'A rising tide lifts all boats.' "

Keavney concluded that the philosophy of "Enterprise Australia" is summed up in an old Chinese proverb "Tell me, I'll forget. Show me, I may remember. Involve me, I'll understand."

Jennings says that the help he has given "Enterprise Australia" over the past two years is merely a nationwide version of what he and a partner, Sherman Rogers, did on a citywide basis in Racine and Kenosha, WI and Massillon, OH almost 40 years ago, just before World War II, under the sponsorship of American Legion Posts in those cities. Their work in Wisconsin was financed by contributions from industrialists and others who wanted to correct the national "image" of that part of Wisconsin as being "Little Moscow." It involved an Americanism campaign to bring "Idle Dollars and Idle Men" together for community harmony, and was publicly acclaimed a succes by both employers and unionists.

The Massillon project to weld public opinion into a unified effort to move the city out the economic doldrums of 1939 was paid for by the American Economic Foundation, of which Jennings is now a trustee. The Legion Post was praised for its leadership.

Among Jennings' prominent clients are TRW, Inc., and the Singer Co. in the United States, and, overseas, Britain's Guest, Keen & Nettlefolds, a giant conglomerate known as GKN.

All publish reports to employees with colorful graphics and charts explaining in simple terms where the company's income goes. Highlight of TRW's report, for instance, is that out of every dollar available for payrolls and profits (after other expenses are paid), 91.3 cents goes for payroll and fringe benefits, 4.1 cents goes to stockholders, and 4.6 cents is reinvested in the business. This breakdown is rougly typical of most businesses.

Keavney cites GKN's experience as proof of the effectiveness of the "Jennings Formula," to which the company turned when its Brymbo Steel Works was threatened with nationalization.

"For the first time in their history," he told an American audience, "they turned out an employees annual report that showed, in diagrammatic form, that the work force was already receiving 95 cents out of the 'divisible dollar,' after all outside expenses had been paid.

"They sent this report to the homes of all employees, and then had a polling organization, commonly used by unions, poll the employees as to their views on nationalization. They voted 97½ percent to stay with private enterprise. Since then GKN has not had a strike over pay rates."

More significantly, GKN took full-page ads throughout the British Isles to publicize how employees felt about private ownership of their companies. It also publicized its "division of income" figures in the press, opening the eyes of workers in other corporations. Result: Prime Minister Harold Wilson utilized the publicity to get coal miners' acceptance of an anti-inflation plan limiting wage increases to 10 percent. The threatened nationalization of GKN's steel works never materialized.

The objective of Jennings' communication formula is to correct widespread public misunderstanding of profits, which he rates as "the greatest economic delusion of the century."

Even if the federal government establishes sound fiscal and monetary policies, Jennings warns, "Employee cost-push inflation will continue to plague us until and unless both public and private employers correct the monumental disparity between facts and opinions concerning the distribution of national income and corporate income that exists in the minds of a majority of Americans."

To illustrate the economic ignorance that exists not only among the general public, but also among teachers and college students, Jennings frequently cites examples like these:

When Opinion Research asked a cross section of Americans how they thought corporate income was divided between employee compensation and profits, the answer was 25 percent went to employees and 75 percent for profit. Students of The King's College, at Briarcliff Manor near New York City, polled by Jennings, thought the split was 60–40 in favor of profits.

The facts, according to Jennings, were that 90.6 percent went for employee compensation and the remainder for profits.

A majority—52 percent—of teachers polled by Opinion Research said they believed that the largest portion of national income went to "owners." The facts, according to Jennings, are that 77.3 percent was distributed as employee compensation. Profits amounted to only 7.8 percent. After taxes, profits came to only 3.5 percent.

Americans polled by Opinion Research thought that 10 percent net on sales after taxes would be a "fair" profit, but they believed manufacturers actually made 20 percent. The facts, says Jennings, are that, historically, after-tax profit on sales averages far less than 4 percent.

Chances of the "Enterprise Australia" concept of labor-management relations being accepted in the United States are not promising. Inquiries of national employer and union organizations revealed little interest.

Heath Larry, president of the National Association of Manufacturers, said, "Every country has its own problems. 'Enterprise Australia' apparently is a good thing for Australia. The unions there were sufficiently concerned about their problem to want to cooperate. That won't happen here unless the unions reverse their traditional position of being the last to react."

Al Zack, spokesman for the. AFL–CIO, said, "There are so many differences between the Australian and the U.S. systems that it is difficult to see how an American version of 'Enterprise Australia' could flourish. U.S. unions do not fight the free enterprise system, and do not advocate Socialism or nationalization of industry."

Sources at the Chamber of Commerce of the United States were not familiar with "Enterprise Australia," and indicated little interest in it. In a Labor Day message, President Richard L. Lesher did say, however:

"Management and workers are partners in social and economic progress. This is the time for cooperation and mutual understanding rather than divisive actions and the shrill rhetoric of confrontation."

Mr. THURMOND. Mr. President, how long do we have—15 minutes?

The PRESIDING OFFICER. The Senator is correct. He has 5 minutes and 22 seconds remaining.

Mr. THURMOND. Mr. President, in May 1978, the U.S. Court of Military Appeals hosted the Third Annual Homer Ferguson Conference on Appellate Advocacy in Washington, D.C.

One of the conference speakers was Col. Frederick Bernays Wiener, AUS, retired, PH.B., 1927, Brown University; LL.B., 1930, Harvard University; LL.D., 1969, Cleveland-Marshall Law School. He practiced law from 1930 to 1973, privately; and also as an attorney in civilian government service and in the Army Judge Advocate General's Corps. He was assistant to the Solicitor General of the United States from 1945 to 1948.

Colonel Wiener was an advocate before the Supreme Court; and through his efforts, he succeeded in securing reargument and eventual victory in the landmark cases, *Reid* v. *Covert*, 354 U.S. 1 (1957), and Kinsella against Kruger—a companion case. These cases overturned apparently settled law concerning peacetime courts-martial jurisdiction over dependents of military personnel.

Mr. President, Colonel Wiener is one of the most prolific, widely quoted and authoritative writer on military law of this century. His speech at the Third Annual Homer Ferguson Conference, delivered on May 18, 1978, entitled, "Advocacy at Military Law: The Lawyer's Reason and the Soldier's Faith," was not only about appellate advocacy, but it also was on the present activist trend of the U.S. Court of Military Appeals. His remarks were published in the 1978 spring edition, volume 80, Military Law Review, a publication of the Judge Advocate General's School, U.S. Army. I commend this astute evaluation of military law by Colonel Wiener to my distinguished colleagues and to those in our country who are responsible for our military judicial system.

Mr. President, I ask unanimous consent that Colonel Wiener's speech on military law, which was published in the 1978 spring edition of the Military Law Review, be printed in the Record.

There being no objection, the speech was ordered to be printed in the Record, as follows:

ADVOCACY AT MILITARY LAW: THE LAWYER'S REASON AND THE SOLDIER'S FAITH*

(By Colonel Frederick Bernays Wiener, AUS, Retired**)

I. THE GREATEST SOLDIER-JURIST OF THEM ALL

Part of the title of my talk this afternoon,[1] and many of its themes, are taken directly from the words of one of the most towering figures of modern times, the single individual who without question can be deemed America's outstanding soldier-jurist. I refer of course to Captain and Brevet Colonel Oliver Wendell Holmes, Jr., of the 20th Massachusetts Volunteers, who fought and was three times wounded in the Civil War.[2] At the close of his military service, he commenced the study of law.[3] Soon he became a consummate lawyer, first editing the 12th edition of Kent's *Commentaries*,[4] and then publishing his own classic, *The Common Law*, in 1881.[5] A year later he became a Justice of the Massachusetts Supreme Judicial Court, the highest tribunal in that Commonwealth, where he served for twenty years, for the last three as Chief Justice. Then, in December 1902, he took his seat on the Supreme Court of the United States. And there, for nearly thirty years, he shaped American law, with more grace, and above all with more wisdom, than most of his brethren, then or later. His influence did not cease with retirement in his 91st year, for many of the doctrines that he first set forth in dissent subsequently became law.[6]

Let me recall some of Justice Holmes' most striking passages that are particularly relevant here. In a famous address he said, "it seems to me that at this time we need education in the obvious more than investigation of the obscure."[7] And in one of his early opinions he had declared: "Great constitutional provisions must be administered with caution. Some play must be allowed for the joints of the machine, and it must be remembered that legislatures are ultimate guardians of the liberties and welfare of the people in quite as great a degree as the courts."[8]

"The war," the Justice said years afterwards, "was a great moral experience,"[9] and of course it had an extraordinary impact on his thinking; no place there for soggy, sweet-scented nonsense about military matters. Let me share with you a few of the most striking excerpts from his talks and from his writings.

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*An address delivered under the auspices of the United States Court of Military Appeals and of the Military Law Institute at the 3d Annual Homer Ferguson Conference on Appellate Advocacy, at Washington, D.C., 18 May 1978. The opinions and conclusions expressed in this article are those of the author and do not necessarily represent the views of The Judge Advocate General's School or any other governmental agency.

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Numbered footnotes at end of article.

"If we want conscripts, we march them up to the front with bayonets in their rear to die for a cause in which perhaps they do not believe. The enemy we treat not even as a means but as an obstacle to be abolished, if so it may be. I feel no pangs of conscience over either step. . . .[10]

"Those who have not known what it is to march straight to where you see the bullets striking may talk, if they like, about the trials of civil life being greater than those of war. They may be right. But the men who have been soaked in a sea of death and who somehow have survived, have got something from it which has transfigured their world. They learned in a bitter school honor and faith. They knew the passion of life and the irony of fate.[11]

"The flag is but a bit of bunting to one who insists upon prose. Yet, thanks to Marshall and to the men of his generation—and for this above all we celebrate him and them—its red is our life-blood, its stars our world, its blue our heaven. It owns our land. At will it throws away our lives." [12]

And Justice Holmes had no patience with those who distorted constitutional provisions into attenuated technicalities that subverted justice. In the *Paraiso* case he pointed out that the provision in the Philippine Bill of Rights, drawn almost verbatim from the sixth amendment,[13] "giving the accused the right to demand the nature and cause of the accusation against him does not fasten forever upon those islands the inability of the seventeenth century common law to understand or accept a pleading that did not exclude every misinterpretation capable of occurring to intelligence fired with a desire to pervert." [14]

All of those quotations, and of course many more are available, bear on the themes I propose to discuss with you today under the general heading of Advocacy at Military Law.

For I venture to suggest that the military lawyer is, in a very real sense, a special breed, one who combines with the reason of the lawyer the faith of the soldier. That does not mean that he—or she, because, obedient to the rule laid down in the very first section of the United States Code, the masculine includes the feminine [15]—that does not mean that the military lawyer must be a certified combat hero, or have successfully completed the ranger course, or be able to function as a parachutist, or as a frogman, or as a submariner. If indeed he can actually qualify as any of those, so much the better. After all, two Judge Advocates General of the Army won the Dinstinguished Service Cross in combat, General Blanton Winship in command of an infantry regiment in World War I, General Eugene M. Caffey while leading an Engineer Special Brigade on Utah Beach in Normandy on D-Day in World War II.

My point is that the military lawyer must combine the virtues of both professions that he represents. He must have, first, the resourcefulness of the old-time solo practitioner, and here I quote from Mr. Justice Jackson: ". . . this vanishing country lawyer . . . never quit. He could think of motions for every purpose under the sun, and he made them all. He moved for new trials, he appealed; and if he lost out in the end, he joined the client at the tavern in damning the judge—which is the last rite in closing an unsuccessful case, and I have officiated at many." [16]

In addition, the military lawyer must have, at an irreducible minimum, a high degree of moral courage. He must, of course, treat with respect all of his military superiors. What they direct after discussion must be the guideline of his conduct. But he is bound to be fearless in tendering advice and in stating his opinion. He is bound by the same rules of professional ethics as is his counterpart in mufti.[17] But he should always bear in mind that any behavior or position on his part that is morally pusillanimous constitutes conduct unbecoming a wearer of his country's uniform. Once more to draw on Mr. Justice Holmes, "It is worse to be a coward than to lose an arm. It is better to be killed that to have a flabby soul. The true teaching of life is a tender hard-heartedness which has passed beyond sympathy and which expects every man to abide his lot as he is able to shape it." [18]

II. THE ESSENTIAL SUBSTANCE OF ADVOCACY

What is advocacy? Believe me, it is not raising one's voice and shouting in court; it is not putting on a show at trial or on appeal; nor is it arguing one's case to the public before a television microphone. (Time was when the conventions of the profession forbade that latter performance; time also was when a lawyer was not permitted to advertise himself. But they order these matters differently now,[19] and I suppose that the larger firms will soon be placing discreetly worded cards in the yellow pages—or perhaps even on billboards: "Fifty lawyers; no waiting.")

No, advocacy is, very simply, the art of persuasion. It is the process of persuading another, or others, in law always those who constitute a tribunal or fact-finding body, to agree with the position that is being advanced. Sir Winston Churchill, speaking of the thirty most active and fruitful years of his life, referred to them as "years of action and advocacy." [20]

And, very plainly, advocacy needs to be learned. The present Chief Justice's recent denigration of the talents of the bar should not have come as a stunning surprise to any who have regularly listened to counsel in that most august of American tribunals, the Supreme Court of the United States. Thirty-odd years ago, my dear friend and mentor, Mr. Justice Frankfurter, told me privately that four out of every five arguments that he was required to hear were "not good." A decade or so later, when I inquired whether the proportion had changed, he replied in the negative, although he then suggested the word "inadequate."

So, let me assure you, advocacy badly needs to be learned, and so it needs to be taught. I undertook the teaching of it nearly thirty years ago by writing a book that set out the governing principles. It was well received, indeed it won the ultimate accolade of being stolen from library shelves. It was later revised, and then supplemented, and as it is still in print and this is obviously a literate audience, I shall not and need not repeat any of its contents orally.[21]

But, in addition to intimating, as gracefully as possible, that you could profitably dip into that particular volume, let me urge you strongly to go to court, and listen to advocates arguing actual cases. You will learn much from the able lawyers—and at least an equal amount from those who can only be characterized as unable, or even as lamentable. I am not at all ashamed to say that much of what I learned about advocacy and later successfully applied came from observing, and from reflecting on, the mistakes that I had seen others making in court. I say this not because of what the Germans call *Schadenfreude*, pleasure at some one else's discomfiture, but because, by noticing approaches and techniques that obviously failed to convince, I was greatly helped in eliminating from my own presentations everything that had been proved to be obviously self-defeating.

So. time spent listening to arguments in court is always time well spent. Similarly, I would strongly recommend learning the techniques of advocacy by studying the briefs in particular cases, and then comparing them with the opinions in those cases. This will enable you to evaluate the arguments that were persuasive, and to determine why they were, and similarly to assist you in understanding why other contentions proved unpersuasive. The older reporters understood this, and so always set out the text of counsel's arguments. Today, but in very attenuated and hence only marginally helpful form, you can find abstracts of briefs in the Lawyers' Edition of the United States Reports.

By way of making certain of these generalizations more concrete, I shall review with you three types of cases all of which present problems for the advocate. No one needs much help in winning the easy case, except perhaps to heed the admonition that it is poor advocacy to stamp too hard on losing counsel when he is obviously down; any such action is apt to kindle a feeling of sympathy for him, sympathy that might carry over into his case.

I shall discuss with you three situations that are far from easy. First, the uphill case, which is always a challenge. Second, the dream case, where after losing on the first time up, you turn the court around on rehearing. Third, the dilemmatic case, where the court's mind is so firmly closed that there is simply no opening or opportunity for persuasion.

In all of these three categories, I shall be drawing on cases that arose in my own practice. You may conclude from that circumstance that I am now in my anecdotage. You may recognize in my selection the eternal dichotomy between, on the one hand the interesting cases, and, on the other, the other fellow's cases. But I think that I can provide a sounder justification for my selections. Once more to quote Justice Holmes.

"I say these things because I think one of the best things an older man can do for younger men is to tell them the encouraging thoughts his experience has taught him. It is better still if he can lift up their hearts—if after many battles which were not all victories, the old soldier still feels that fire in him which will impart to them the leaven of his enthusiasm".[22]

Indeed, even the invitation to participate in the proceedings of this conference evokes another Holmes remarks: ". . . it is a great pleasure to an old warrior who cannot expect to bear arms much longer, that the brilliant young soldiers still give him a place in their councils of war." [23]

III. THE ADVOCATE'S CHALLENGE: THE UPHILL CASE

What makes a particular case an uphill challenge? Well, it may be weak on the facts, which are unappealing or unconvincing or both; or, while reasonably strong on the actual facts, those are not adequately reflected in the record; or, again, it may be weak on the law, either because many lower courts are opposed, or because the recent precedents in the court where the case is to be heard are, or at least strongly appear to be, essentially unfavorable.

I will discuss with you a single uphill case, a military one in the Supreme Court, *Wade* v. *Hunter*.[24]

Wade and another had been tried for the rape of a German woman, soon after their 76th Infantry Division had entered Germany. After the court-martial had heard evidence and arguments, it reopened, calling for additional, identified civilian witnesses, and continuing the case until they could be produced.[25] But, during the continuance, the war moved on, and the 76th moved with it; this was "The Last Offensive" in the spring of 1945 just before the end of hostilities in Europe.[26]

Accordingly, since it was no longer possible to bring the requested witnesses across the debris of combat to the location that the 76th Division had reached, its Commanding General transmitted the charges to Third Army, recommending retrial by a new court-martial. But the latter unit, which had all but reached the gates of Prague in Czecho-

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Footnotes at end of article.

slovakia, was similarly unable to deal with civilians in the German Rhineland. So it in turn sent the case to Fifteenth Army, the American occupation force in Germany.

Wade and the other soldier were then tried again by a court-martial of Fifteenth Army, which convicted Wade and acquitted the other. A Board of Review in the Assistant Judge Advocate General's Office held that, on the foregoing facts, Wade had been twice placed in jeopardy, and accordingly set aside the conviction. The Assistant Judge Advocate General for the European Theater of Operations disagreed, so the issue, which plainly was not open and shut, was resolved, under the terms of AW 50½ then in force,[27] by the Theater Commander, who sided with the Assistant Judge Advocate General.

Once back in the United States, in the Disciplinary Barracks at Fort Leavenworth, Wade sought habeas corpus, with success in the district court.[28]

Thereafter a recommendation for appeal reached the Department of Justice. But examination of the record there revealed its thinness; it reflected only names of places, and did not show their relationship or distance from each other. Thus the record left the impression that, somehow, the Army had sought and obtained a second bite at the cherry.

How does one improve a record when the case is on appeal? In *Wade*, with the help of historians and cartographers in The Pentagon, there was constructed a map that showed the place of the alleged rape, the place of the first trial, the front line when the 76th Division transferred the charges to Third Army, and the front line when Third Army sent the case to Fifteenth Army. On this was superimposed, to scale, the boundaries of the State of Kansas. And that map was submitted to the district court in support of a motion for new trial.

Well, the motion was denied, but by then the map had become part of the record on appeal. And for that appeal, it was blown up, and placed on an easel in the appellate courtroom.

Let me pause for a moment to explain why it was deemed insufficient to let the judges simply look at the small map in the printed record. Any time that counsel hands a document to the judges to be examined while he is arguing, he is creating competition that will almost completely deflect the attention of his audience. A map, in particular, will prove an overwhelming distraction, as much so as if a tape of someone else's conversation were being played back while counsel is on his feet talking.

With the map in the courtroom, within sight of all the judges, counsel for the government was able to outline the facts by using a pointer. Soon there were questions directed at places on the map. And when counsel for Wade appeared, he too referred continuously to what was on the easel.

As I have said, the case was far from being open and shut. The Tenth Circuit reversed, sustaining the military proceedings 2 to 1,[29] after which the Supreme Court also sustained them, this time by 6 to 3,[30] again after argument that had employed the map.

Consequently, I submit, *Wade v. Hunter* stands as an example of a case that could easily have been lost, what with disagreements in both the military and civilian judicial systems, but which was rescued through effective presentation of the realities, which were then made to prevail over sterile formulas and abstract concepts arising out of a single and essentially equivocal word, "jeopardy." In the end, the same "manifest necessity" that permits a new trial after the first jury has disagreed [31] or after a juror duly sworn is found to be disqualified [32] was held fully applicable to a situation where the first court-marital was unable to complete the trial because of its unit's continuing advance into enemy territory.

It seems appropriate to add that the *Wade* case also constitutes a most convincing exhibit in support of the proposition that there are indeed vast differences between civilian and military justice. In the civilian community, courts meet in established courthouses at fixed locations, and adhere to terms and hearing lists that are prescribed in advance. Contrariwise, the American military community during the last few months of World War II in Europe was constantly on the move as it advanced ever more deeply into the heart of the enemy's homeland. Therefore the *Wade* case not only illustrates techniques of advocacy, it counsels strongly against the doctrinaire application of rules appropriate for a stable civilian community to a fluid, rapidly moving armed force engaged in actual and bitter combat.

IV. THE ADVOCATE'S DREAM: TURNING A COURT AROUND ON REHEARING

To be able to persuade a court to reverse itself on rehearing is indeed a dream, for it does not happen very often.

It did happen in the famous income tax case of the 1890's, but there no opinion on the point had been published after the first argument, the court being equally divided.[33] It happened in a Jehovah's Witnesses case in the 1940's, following a change in the membership of the court.[34] But the only time in the Supreme Court's now 188-year long history that it reversed itself on rehearing following a published opinion and without a controlling change in its membership was in *Reid v. Covert*,[35] a decision with which, I take it, you are all reasonably familiar.

I should suppose that now, more than twenty years after the event, neither that case nor its sequels [36] will raise either hackles or blood pressures in military circles. Believe me, those were once burning issues that then strained even the closest and longest of friendships. But in today's calmer atmosphere and on the present occasion it may be found useful to review some of the problems in advocacy that the rehearing presented.

The details of the two cases appear in detail in the opinions below,[37] and require no recital here, much less still another reargument of either law or fact. Suffice it to say that, after Mrs. Covert had been granted release by the U.S. District Court in the District of Columbia, and Mrs. Smith had been denied release by a U.S. District Court in West Virginia, both cases came to the Supreme Court on an accelerated briefing schedule, after which they were argued late in the term—and very late in the day.[38]

Let me interrupt here to suggest that it is rarely the part of wisdom to ask to advance a case or to join in an adversary's request to do so. Like the "hydraulic pressure" of the so-called "great cases" of which Mr. Justice Holmes spoke,[39] the pressure of time has an equally deleterious effect. For it leads to decision by deadline, which is not good for litigants, any more than it is for courts.

In the first decisions, five justices voted to sustain the military jurisdiction to try the two women, while at the same time declining to consider the scope of the constitutional provision that empowers Congress "To make Rules for the Government and Regulation of the land and naval Forces." [40] Three justices announced a dissent that they had not had time to write.[41] Mr. Justice Frankfurter, reserving judgment, also because of insufficient time to examine the issues, commented on the rationale of the majority decision by saying, "The plain inference from this is that the Court is not prepared to support the constitutional basis upon which the Smith and Covert courts-martial were instituted and the convictions were secured." [42] Or, less elegantly put, there were insufficient votes to hold that the constitutional words, "land and naval Forces," were broad enough to include dependent wives.

When that opinion *dubitante* was orally announced, a knowledgeable lawyer sitting next to me whispered, "That's a command to file a petition for rehearing." And such a petition, which has been published and thus is available for study, was duly and timely filed.[43]

Obviously, it was demonstrably untenable to sustain court-martial jurisdiction without consideration of the constitutional provision conferring such jurisdiction. But—Supreme Court Rule 58(1) stated that "A petition for rehearing . . . will not be granted, except at the instance of a justice who concurred in the judgment or decision and with the concurrence of a majority of the court." Therefore, one justice of the five who constituted the original majority had to be persuaded to change his mind.

Well, Mr. Justice Harlan did change his mind, for reasons that he later set forth with unique candor.[44] To what extent he was influenced by the petition for rehearing, to what extent he was more greatly moved by the importunities of one or more of his brethren, probably no one now living can say. But this much is certain, that unless this one judge had been unusually open-minded, all the untenability of the original holding, and all the analysis and argument advanced in the petition for rehearing, would have been utterly and equally unavailing.

V. THE ADVOCATE'S DILEMMA: COURTS WITH COMPLETELY CLOSED MINDS

When, however, judges' minds are completely closed, every effort at persuasion necessarily fails. Law, history, the force of reasoned argument, whether singly or in combination, are then quite unable to move the immovable.

This was the lesson I learned in *Roman v. Sincock*,[45] the Delaware reapportionment case, one of a series that first announced that the *Baker v. Carr* [46] doctrine of equal apportionment extended to both chambers of state legislatures.

In the "One Man, One Vote" argument that had earlier prevailed, it was contended that the federal analogy of equal state representation in the United States Senate was inapplicable to state legislatures, because, while the Thirteen States had indubitably created the Union, it was the several states that had made their own counties.

Now as a matter of history—genuine, documented history, not the slanted and selective presentation that is properly denigrated as "law office history"—as a matter of demonstrable historical fact, in Delaware that process had been reversed. There it was the "Three Lower Counties on Delaware," thus always referred to in the early Journals of the Continental Congress and in other contemporaneous writings, that, in 1776, had formed "The Delaware State." [47]

Moreover, further research demonstrated a massive infirmity in the proposition that the fourteenth amendment prohibited legislative malapportionment. It was shown that, when Florida was readmitted to Congressional representation in 1868,[48] a Congressman voiced objection to the new Florida constitution. Under that instrument, he said on the floor of the House, Dade County with its last recorded population of only 30—that is where Miami now towers—had representation in the lower house equal to that of Jefferson County, the site of Tallahassee, which had over 3000 people. No such state constitution, he urged, should be approved. He was answered by that stalwart architect of Reconstruction, one of the leaders of the Radical Republicans, Ben Butler of Massachusetts.

Florida's constitution, said Butler, had been carefully considered by the Senate Committee on the Judiciary and by the House Committee on Reconstruction. It had been found republican and proper and to conform in every respect to the fourteenth

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amendment. The gentleman's objection should be voted down—and voted down it was.[49]

Now, very obviously, that legislative history quite cut out the very heart of the constitutional organism of *Baker v. Carr*. But, since the Court that heard *Roman v. Sincock* believed in *Baker v. Carr,* and since it was determined to apply its apportionment doctrine to both parts of all state legislatures, it simply ignored the 1868 legislative history, which of course was closer to the meaning of the fourteenth amendment than were the judges who sat in the 1960's. No answer to that incident was ventured, because, very obviously, there was none that could be made. So counsel for the Delaware officials obtained, in return for his efforts, only two crumbs of rather wry professional amusement. The first was the look of extreme pain on the countenance of the late Chief Justice when the Ben Butler colloquy was unveiled in open court. The second was an identical look of pain when Mr. Justice Harlan referred to the same incident during the oral announcement of his dissent.[50]

In short, and I think this may be set down as a timeless generalization of universal applicability, it is simply not possible ever to persuade people who resolutely refuse to be persuaded.

VI. APPLICATION OF ALL OF THE FOREGOING TO CURRENT MILITARY LAW

From what I have been able to gather from the USCMA reports and from the literature, I fear that there are indications that the Court of Military Appeals now seems to be suffering from a collectively closed mind as it pursues its self-appointed task of undertaking to "civilianize" or to "judicialize" the military justice system.[51]

Recently, in the course of a workshop on appellate advocacy for prosecutors, I was asked by a young Army JA captain how to treat a question that he had been asked, or had heard asked, by the Court of Military Appeals. In substance, a judge had said, "You have cited cases from our court and from the U.S. Supreme Court. Do you have anything else?"

My suggested reply was, "No, we do not. We have assumed that this court would respect its own precedents, and that it would of course follow the rulings of the highest court in the land."

But, on further reflection, I am not at all sure that this suggested after-the-fact answer was really helpful, essentially because a young lawyer is never as free as an older one to deal with extreme judicial positions. In the military, it is RHIP—rank is the touchstone; but in a courtroom it is AHIP—age. An older layer is allowed much more freedom, particularly when he is well known to the court in question.

But, recurring to substance, what can lawyers usefully say when facing the transformation and restructuring of the military justice system that seems to be in train?

Let me go back once more to Justice Holmes' timeless comment that "we need education in the obvious." [52] And let me touch just briefly on some of the more obvious fundamentals.

The first American military codes go back to the Continental Congress, where John Adams drafted both the Articles of War as well as the Articles for the Government of the Navy. He followed the British Articles of War almost verbatim, because, as he wrote. those provisions had carried the British Empire "to the head of mankind." [53] And Adams, let it be remembered, was not a military man at all. He was a lawyer, one of the ablest in the Colonies.[54]

Following the successful outcome of the Revolution, the Federal Convention met in 1787 to draft the Constitution. Of that body's 55 members, well over half had been in uniform during the arduous and at times apparently hopeless war for Independence. Including Washington, 18 had served in the Continental Army, while 13 more had had militia duty during the long struggle.[55]

Did the framers, in the face of their own searing experiences, undertake to civilianize military justice? They did not. They put military justice into Article I, Section 8, clause 14, and they placed civilian justice into Article III.

Let us turn to Congress, which has legislated on military law under the Constitution since the beginning.[56] Its latest expression is the Uniform Code of Military Justice, last amended in 1968 [57]—and that legislation appears in title 10 of the United States Code, Armed Forces, while civilian justice is dealt with in title 28.

Next, what says the Supreme Court? It was Jeremy Bentham, and here I am quoting from memory, who sneered that jurisprudence was the science of being methodically ignorant of what everyone knew. Well, the Supreme Court has not been fairly subject to that stricture in matters military. Some time back it said, in words frequently reported:

"An army is not a deliberative body. It is the executive arm. Its law is that of obedience. No question can be left open as to the right to command in the office, or the duty of obedience in the soldier. Vigor and efficiency on the part of the officer and confidence among the soldiers are impaired if any question be left open as to their attitude to each other." [58]

Nor should we overlook what the Court said in the second flag salute case: "The Nation may raise armies and compel citizens to give military service . . . It follows, of course, that those subject to military discipline are under many duties and may not claim many freedoms that we hold inviolable as to those in civilian life." [59]

And, let me add, the Supreme Court in recent years has regularly reversed Courts of Appeals that lost sight of those so obvious propositions: *Parker v. Levy,*[60] *Greer v. Sprock* [61] *Middendorf v. Henry* [62] *Schlesinger v. Councilman,*[63] all of these were government appeals in which the judgments of the Courts of Appeals were reversed.

Moreover, any decision that breaks or subverts the chain of command dilutes if indeed it does not nullify the constitutional provision that makes the President the Commander in Chief. [64] In this connection it is well not to ignore the *Swaim* case, a decision notable not only for its dramatic circumstances but even more so for its basic doctrine.[65]

The dramatic feature is that General Swaim remains the only Judge Advocate General—up to now—ever convicted by court-martial. And the doctrinal feature of the decision most significant in the present connection is that the Court sustained the power of the President to convene a general court-martial even though Congress had not specifically conferred such power on him. Why? Because, said the Court, the President is made Commander in Chief by the Constitution. I commend careful study of the *Swaim* case to any who are still inclined to believe that, even when expressly empowered by Congress to do so,[66] the Commander in Chief lacks authority to prescribe even a portion of the *Manual for Courts-Martial.*[67]

Contentions along the foregoing lines doubtless mark the outside limits of any advocate's presentation. It is to be hoped that consideration of the fundamentals that have been outlined may serve to deflect the Court of Military Appeals from its present course of their disregard. It is also to be hoped, both for the state of the armed forces and for the safety of the nation, that the country's highest military tribunal will begin to map a path away from some of its more recent recent novel departures.

But although advocates before that court are under fairly obvious restraints, I am here under no such restrictions. I speak here as one equally retired from law practice and from military status, viewing current problems simply as a concerned citizen, but against a background of over 40 years' experience in and exposure to military law. Justice Holmes once said, "I hate to hear old soldiers telling what heroes they were." [68] But I can at least say, without the slightest immodesty, that my experience with military justice has been multi-faceted. I have served as staff judge advocate; I have occupied every seat in the military courtroom—except one; I have taught military law at a university law school; and in the civil courts I have both defended and challenged the judgments of military tribunals.

And having had that background and experience, I want to emphasize the real, not just the verbal differences, between an armed force and a civilian society. Let me quote from General William Tecumseh Sherman, who was a lawyer long before he became a general.[69]

"I agree that it will be a grave error if by negligence we permit the military law to become emasculated by allowing lawyers to inject into it the principles derived from their practice in the civil courts, which belong to a totally different system of jurisprudence.

"The object of the civil law is to secure to every human being in a community all of the liberty, security, and happiness possible, consistent with the safety of all. The object of the military law is to govern armies composed of strong men, so as to be capable of exerting the largest measure of force at the will of the nation.

"These objects are as wide apart as the poles, and each requires its own separate system of laws, statute and common. An army is a collection of armed men obliged to obey one man. Every enactment, every change of rules which impairs that principle weakens the army, impairs its value, and defeats the very object of its existence. All the traditions of civil lawyers are antagonistic to this vital principle, and military men must meet them on the threshold of discussion, else armies will become demoralized by grafting on our code their deductions from civil practice.[70]

I should add that the basic definition, "An army is a collection of armed men obliged to obey one man," was neither original with Sherman nor with any other military figure. It goes back to John Locke, from whom it was quoted by Dr. Samuel Johnson in his *Dictionary.*[71]

Consequently, as the Supreme Court said in *Orloff v. Willoughby,*[72] "The military constitutes a specialized community governed by a separate discipline from that of the civilian."

And why? Because, while the civil community seeks to achieve the greatest good for the greatest number, the object of an armed force is to send men obediently against the public enemy, to their death if need be.

That is not a palatable fact these days, and so, being unpalatable, the Age of Aquarius deems it something to be ignored. But it cannot be ignored, and so I turn once more to Mr. Justice Holmes. Here is what he said in 1895:

"I have heard the question asked whether our war was worth fighting, after all. There are many, poor and rich, who think that love of country is an old wife's tale, to be replaced by interest in a labor union, or, in the name of cosmopolitanism, by a restless self-seeking search for a place the most enjoyment may be had at the least cost. . . . For my own part, I believe that the struggle for life is the order of the world, at which it is vain to repine. I can imagine the burden changed in the way it is to be borne, but I cannot

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imagine that it will ever be lifted from men's backs. . . . Now, at least, and perhaps as long as man dwells upon the globe, his destiny is battle, and he has to take the chances of war." [73]

That being so—and who is there now alive who can gainsay it?—we must address ourselves to the endless debate on the relationship between justice and discipline in a military community.

That matter was well put in a book on *The Art of War* published precisely three centuries ago, in a passage that graced the frontispiece of an earlier edition of the *Manual for Courts-Martial:*

"Justice ought to bear rule everywhere, and especially in armies; it is the only means to settle order there, and there it ought to be executed with as much exactness as in the best governed cities of the kingdom, if it be intended that the soldiers should be kept in their duty and obedience." [74]

In actual fact, justice and discipline in the military are indivisible, because, as everyone with troop experience has known since the beginning, a unit subjected to injustice is bound to be undisciplined. Hard, even harsh treatment in difficult situations is understandable when fairly administered, and is therefore acceptable. But unjust treatment is certain to destroy morale and hence military effectiveness. In short, just as liberty *and* union are, as Daniel Webster reminded us, one and inseparable in civil relationships, so justice *and* discipline are one and inseparable in the military community.

In this connection, I must draw attention to a recent pronouncement to the effect that military discipline and military justice are not only divisible, but that the line between the two is to be drawn between the summary and the special court-martial. The American bar was recently told that nonjudicial Article 15 action and summary courts-martial involve military discipline, while proceedings before special and general courts-martial pertain to military justice.[75]

Just a glance at the Uniform Code will serve to dispel this newly vouchsafed revelation.

Article 15 of the Code permits most minor miscreants to escape nonjudicial punishment by demanding trial by court-martial. Article 20 further entitles an accused to refuse trial by summary court-martial. Consequently, if the military boundary between justice and discipline is actually located above the summary and below the special court, then every minimal offender other than the maritime mischief-marker—the "member attached to or embarked in a vessel" [76]—can, by his own unilateral and unreviewable act, remove himself entirely from the lowly levels of military discipline and enter upon the rarified uplands of military justice.

So my comment on this novel theory as to the point of separation between military discipline and military justice, a view first unveiled only a few months ago, is that it flies into the face of the Code and is, in consequence, completely mistaken. I doubt if I could deal with that hypothesis any more gently except at the sacrifice of accuracy.

Moreover, I venture to submit, the circumstance that presently the United States has only volunteer armed forces surely does not justify a fundamental restructuring of the Congressionally established system of military justice. For, traditionally as well as historically, the United States has almost always had volunteer forces. Although conscription was indeed considered in October 1814,[77] there was no draft law on the books until 1863, in the Civil War; [78] nor from Appomattox until 1917,[79] nor from the 1918 Armistice until late in 1940, after the fall of France.[80] Remember, if you please, that an extension of the 1940 draft beyond a single year only passed the House of Representatives in August 1941 by a single vote.[81] It was only from 1948 to 1973 that we regularly had peacetime conscription, and for much of that period it was concerned with actual hostilities in Korea and in Viet Nam.[82] Consequently, most American military law, in actual, demonstrable fact, was fashioned and developed for purely volunteer forces.

Again, let it not be said that, because there is now no draft law in effect, enlistment in the armed forces has become like entering on any civilian job; it hasn't. To take only a very few examples, the civilian worker can quit at will, while for a soldier to do so is always a military offense, AWOL at best, desertion at worst.[83] The civilian can tell off the boss at any time; in an armed force such liberty is an obvious violation of the Code.[84] And to go on strike, which many hail as the highest manifestation possible in a free society, is in an armed force, inescapably mutiny.[85]

Also, and here I venture on delicate ground, what about the death penalty in the two situations? I will not undertake to review the gyrations of the Supreme Court in this area, although it would be well to point out that, since the fifth amendment in three separate clauses contemplates capital punishment,[86] the eighth amendment, adopted simultaneously as a part of the identical document, cannot fairly be read as condemning death sentences.

But what about death sentences in a military society? The faithful and obedient soldier daily risks death in every combat situation, and, counting only the wars of this century, more than 425,000 loyal and decent Americans have died in or as the result of battle.[87] Can we remain true to their memories, can we look future soldiers in the eye, if henceforward the cowards and the skulkers and those who misbehave before the enemy will be permitted to escape danger by receiving only sentences to imprisonment, sentences that are certain to be mitigated after the passage of a few years? The fact that in the 113 years since the Civil War ended there has been only a single execution for a purely military offense in the American armed forces, and that this single wholly justified penalty has evoked a continuing emotional wail over more than a quarter of a century, strongly suggests that we badly need to rethink our civic values.[88]

Finally, and of course this is something that counsel are not free to say, civilian justice as now administered is hardly a persuasive advertisement for nonmilitary tribunals.

Back in 1905, William Howard Taft declared that "I grieve for my country to say that the administration of the criminal law in all the states in the Union (there may be one or two exceptions) is a disgrace to our civilization." [89] What do you suppose he would say today, when the streets of few American cities are safe at night, when in some there is no safety even in daylight hours, and when bail practices are so loose that, once a criminal has been apprehended, he is immediately turned loose to commit further depredations?

The raunchy centers of adult bookstores and theaters that now infest virtually all sizeable communities today are a direct consequence of the series of decisions that suddenly discovered how, contrary to previous pronouncements,[90] the first amendment protected obscenity.[91] And in my home state, state judicial proceedings to close down massage parlors, which of course are simply old-time bawdy houses differently named, were halted for six weeks by a federal judge while he pondered the merits of those establishments' claims of constitutional right.[92] The same jurist recently enjoined a municipal ordinance that sought to bar nude theatrical performances.[93] I wonder what James Madison, who framed the Bill of Rights, would have thought of those results.

Nor should we forget why it is that the federal courts are overcrowded. Without any doubt, it is because they are too busily engaged in tasks for which they are obviously unfitted, such as operating schools and prisons, apportioning legislatures, and listening to the complaints of every eccentric who claims constitutional sanctions for everything he wants, or who asserts constitutional prohibitions against everything he dislikes.[94] Indeed, today the Supreme Court is all too plainly passing on the utility and desirability of legislation, behaving precisely like that Council of Revision that the Framers advisedly rejected.[95]

So I say, let us not hold up today's American civilian justice as the embodiment of everything that is excellent. Believe me, it is currently a badly flawed institution.

I have pointed out earlier that the Court of Military Appeals' campaign to civilianize military justice lacks affirmative constitutional and statutory sanction. More than that, its holding that there are limits on the President's power to prescribe the *Manual for Courts-Martial* plainly ignores the constitutional provision that makes him the Commander in Chief.[96] Its determination that it is the body having ultimate supervision of all aspects of the administration of military justice, so that it can mandamus a Judge Advocate General,[97] disregards the explicit Code provision that lodges the "supervision of the administration of military justice" in the several Judge Advocates General.[98]

Nor can I forbear mention of the *Henderson* case, where an individual convicted of a premeditated conspiracy to murder went scot-free because the prosecution had been somewhat dilatory in bringing him to trial.[99] The statutory admonition for prompt trial in Article 10 of the Code sets no fixed time limits. It derived from old AWs 69 and 70,[100] which in turn had their origin in the Civil War provision that effected the release of Brig. Gen. Charles P. Stone, who had been held for several months and then was never tried.[101] In the *Henderson* case, there was no indication whatever that the accused had been prejudiced in the slightest by the delay in bringing him to trial. The disinterested observer, therefore, is bound to apply to that decision, which turned loose a convicted murderer, the famous remark of Charles Dickens' Mr. Bumble: "If the law supposes that, then the law is a ass—a idiot." [102]

All too plainly, therefore, the Court of Military Appeals has become an activist court. This is regrettable, because in our constitutional system judges are meant to be umpires, not contestants. An activist court, operating not only without warrant from statutes or from the Constitution, but actually in violation of both, is thus an essentially lawless body. If it has not respect for its own precedents, how can it expect respect from others for its more recent pronouncements? The worthies of old, from the Thirteenth Century to the Twentieth, have always inveighed against activist judges.

Hearken to Bracton, writing before 1257; he composed that monumental treatise *On the Laws and Customs of England* because, he said, "these laws and customs are often misapplied by the unwise and unlearned who ascend the judgment seat before they have learned the law . . ., and frequently subverted by the greater judges who decide cases according to their own will rather than by the authority of the laws." [103] And Justice Holmes, some six hundred and fifty years later, made the same point: "It is a misfortune if a judge reads his conscious or unconscious sympathy with one side or the other prematurely into the law, and forgets that what seem to him to be first principles are believed by half his fellow men to be wrong." [104]

Nor must we forget the same Justice's later comment, uttered in dissent: "I recognize without hesitation that judges do and must legislate, but they can do so only in-

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terstitially; they are confined from molar to molecular motions. A common-law judge could not say I think the doctrine of consideration a bit of historical nonsense and shall not enforce it in my court." [105] Alas, that standard of restraint was later widely ignored.

During the time that Chief Justice Warren presided over the Supreme Court, that tribunal squarely overruled over 30 cases.[106] Such a wholesale disregard of what theretofore was settled is, very plainly, not justice according to law.[107] It is, rather, a return to justice without law, to the jurisprudence of the Eastern *Kadi* at the gate, who decides cases by whim rather than by rule. Dean Roscoe Pound once wrote, "Law must be stable and yet it cannot stand still." [108] Well, law in the United States over the last twenty years or so has been far from stable.

Let me quote here, with permission from the owner of the literary rights, part of a letter that the late Dean Acheson wrote me in September 1964, when he was engaged in writing his first volume of memoirs, *Morning and Noon*.[109] He had been law clerk to Mr. Justice Brandeis from 1919 to 1921; this is what he wrote:

"I have just been writing of those days and of "our" court, as Brandeis called the White Court, in a volume which I hope to finish before I get sent away again. It was not so bad, a pig headed and obstructive group of old codgers. But they were not trying to goose the country into their conception of the New Jerusalem.[110]

As I have said, I sincerely hope that the Court of Military Appeals can be persuaded to abandon its present effort to restructure the military justice system to their own hearts' desire. But if reason proves unable to prevail, there are remedies at hand—and all of them involve Congressional action.

We are witnessing now how the Congress is in the process of declaring illegal unionization of the armed forces.[111] No quicker way towards demoralizing and dismantling an armed force could possibly be devised than to permit its members to join labor unions; and obviously Congress was dissatisfied with the half-hearted directives emanating from the Department of Defense, directives that approached the matter from the widely different situation of civil servants' rights rather from that of soldiers' and sailors' and airmens' duties.[112]

Similarly, I am certain that Congress will not permit those same armed forces to be disrupted by decisions, from a court of its own creation, that short-circuit the chain of command, doctrinare decisions that are all too plainly rested on demonstrably fallacious notions. So I envisage three possible solutions.

The first of these, which may indeed have been long overdue, is to permit an appeal by the government from Court of Military Appeals decisions, excluding, of course, further review of rulings on the sufficiency of evidence and similar purely factual matters.

Actually, such a provision would simply equalize the existing position, for the accused is always free to invoke the assistance of the federal courts once he has exhausted his military remedies. Of course he could always relitigate the question of jurisdiction, which he—and mostly she—have already done with considerable success.[113] More than that; the accused who loses in the Court of Military Appeals can, as the *Calley* case shows, retry virtually every asserted trial error on collateral attack.[114] So a provision permitting government appeals would really be an equalizer.

And, with such appeals given a statutory basis, I foresee no constitutional complications, any more than where the federal courts now review the conclusions of administrative agencies. Of course I am aware that direct appeal failed in three earlier cases, *Ex parte Vallandigham*,[115] *In re Vidal* [116] and *Shaw v. United States*.[117] But in none of those was there the slightest authorization for the course being attempted.

A second form of remedy was proposed about a dozen years ago, which I mention only for the sake of completeness. At that time a high-powered Army board, obviously misled by its lawyer members, proposed afforcing the Court of Military Appeals by increasing its membership: There were to be two additional judges, drawn from the ranks of retired Judge Advocates General of the armed forces.[118] At the time I expressed indignation that this crass court-packing plan, all too reminiscent of 1937, had not evoked immediate outrage.[119] But perhaps I should not have been concerned, for in the event the plan was so obviously infirm that it never got off the ground; and today it is remembered, if at all, merely as a curiosity.

Finally, and of course this would be the most drastic cure of all, if we look back into American history we will find that, on three separate occasions, Congress abolished courts of which it did not approve.

The first instance is a matter of general history, tolerably well know. After the election of 1800, the lame duck session of President John Adams' last Congress created a series of United States Circuit Courts which, as a matter of judicial administration, were badly needed. In the closing days of Adams' tenure, a host of partisan Federalists were appointed to these new tribunals; those were the "midnight judges." Within a year, those Circuit Courts were simply abolished by Jefferson's 7th Congress.[120]

The second example is less widely known, except of course to students of the federal judicial system. Back in 1910, before planes and buses, when the railroads constituted the basic system of communication holding the country together, the front line of litigation was engaged in fighting over the regulatory powers of the Interstate Commerce Commission. At that time a Commerce Court was established, whose jurisdiction was limited to review of that agency's orders.[121] Well, the Commerce Court had a sorry record of reversals by the Supreme Court, and one of its members was impeached and convicted. So, in the first year of the Wilson administration, it was abolished, and all of its jurisdiction was transferred to three-judge district courts—where it rested for some 60 years.[122]

The third example is hardly known even to lawyers; it comes from the Civil War. At that time, Washington was a Southern city in every respect, where slavery existed until abolished, not by anything in the Constitution, but by an Act of Congress in April 1862.[123] The court of general jurisdiction then was the Circuit Court of the United States for the District of Columbia, which trebled in brass as a U.S. District Court and also as a Criminal Court. But its judges were suspected of being Confederate sympathizers. So Congress in March 1863 simply abolished that court, and created instead a new tribunal, the Supreme Court of the District of Columbial, to which President Lincoln appointed staunch Union men.[124] Despite a change of name in 1936 [125] and the transfer away of its non-Federal business in 1970,[126] the court created in 1863 is still functioning today; it is now the United States District Court for the District of Columbia. But the judges of the tribunal that was abolished in 1863 were simply turned out to pasture.

I suppose that every one present here today was at some time, most likely in grammar school, exposed to Patrick Henry's thrilling denunciation of the Stamp Act in 1765. The precise text of his remarks was doubtless somewhat embroidered by his grandson-biographer, but it has been a part of the American heritage for so long that the legend, if indeed legend it be, now qualifies as a fact that has been conclusively established.

Here was Patrick Henry's peroration:

Tarquin and Caesar each had his Brutus, Charles the First his Cromwell, and George the Third—

"Treason!" shouted the Speaker.

"Treason, treason," cried other members.

Henry finished his sentence: "may profit by their example. If *this* be treason, make the most of it." [127]

FOOTNOTES

[1] *The Soldier's Faith* (1895) in The Occasional Speeches of Justice Oliver Wendell Holmes (M. D. Howe ed. 1962) 73 [hereinafter cited Occasional Speeches].

[2] Captain Holmes received successive brevets to Major, Lieutenant Colonel, and Colonel in 1867, back-dated to "the bloody 13th of March 1865," that were awarded for each of the three engagements in which he had been wounded. General Orders No. 67, W.D., A.G.O., at 21, 35, 56 (16 July 1867).

[3] "Wendell, by the way, is working hard at the law, and judging by the fondness he has for talking over his points he is much interested in it. He will master the theoretical part easily enough, I doubt not." Letter from John C. Ropes to John C. Gray, Jr. (31 Jan. 1865) in War Letters 1862–1865 (W. C. Ford ed. 1927) 450–451.

[4] Kent's Commentaries (12th edition), published in 1873.

[5] See now the 1963 edition of The Common Law by M. D. Howe.

[6] *See generally* the biography by Mr. Justice Frankfurter in Dict. Amer. Biog., Supp. One (1944) 417. The late Professor M. D. Howe's full length study of the Justice's life did not extend beyond the year 1882. M. D. Howe, Justice Oliver Wendell Holmes: The Shaping Years, 1841–1870 (1957); *id.*, The Proving Years, 1870–1882 (1963).

[7] *Law and the Court* (1913), in Occasional Speeches, supra note 1, at 168, 169.

[8] Missouri, Kansas & Texas Ry. v. May, 194 U.S. 267, 270 (1904).

[9] *A Provisional Adieu* (1902), in Occasional Speeches, supra note 1, at 150, 152.

[10] *Ideals and Doubts* (1915), in Collected Legal Papers (1921) 303, 304 [hereinafter cited as C.L.P.].

[11] *Remarks at a Meeting of the Second Army Corps* (1903), in Occasional Speeches, *supra* note 1, at 158–159.

[12] *John Marshall* (1901), in Occasional Speeches, *supra* note 1, at 131, 135.

[13] "That in all criminal prosecutions the accused shall enjoy the right to be heard by himself and counsel to demand the nature and cause of the accusation against him, to have a speedy and public trial, to meet the witnesses face to face, and to have compulsory process to compel the attendance of witnesses in his behalf." Act of 1 July 1902, ch. 1369, § 5, 32 Stat. 691, 692.

[14] Paraiso v. United States, 207 U.S. 368, 372 (1907).

[15] "In determining the meaning of any Act of Congress, unless the context indicates otherwise . . . words importing the masculine gender include the feminine as well." 1 U.S.C. § 1 (1976).

[16] R. H. Jackson, *Tribute to Country Lawyers: A Review*, 30 A.B.A.J. 136, 139 (1944).

[17] [T]here is not only no divergence between the Manual for Courts-Martial and the Canons of Professional Ethics, there is actually a literal concordance between the two. and why should there be essential conflict between the ethical standards of the two professions, of law and of arms? The lawyer is required to represent his cause with undivided fidelity, with unfailing energy, fearlessly, by every honorable means at hand, and without violating confidences reposed in him. The soldier for his part is bound to speak truth, to deal honorably with his fellows, and, in all this word, to fear only God. Proceedings in Memory of Judge Paul W. Brosman, 15 Feb. 1956, 6 C.M.A. xi.

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[18] *Admiral Dewey* (1899), in Occasional Speeches, *supra* note 1, at 109, 110.

[19] Bates v. State Bar of Arizona, 433 U.S. 350 (1977).

[20] W. S. Churchill, The Gathering Storm (1948) iv.

[21] F. B. Wiener, Effective Apellate Advocacy (1950); F. B. Wiener, Briefing and Arguing Federal Appeals (1961 & Supp. 1967) [hereinafter cited as B.A.F.A.].

[22] *Anonymity and Achievement* (1890), in Occasional Speeches, note 1, *supra* at 59, 61.

[23] Preface to C.L.P., *supra* note 10, at v.

[24] 336 U.S. 684 (1949).

[25] Law Member: The Court desires that further witnesses be called into the case, and to allow time to secure these witnesses, this case will be continued. We would like to have as witnesses brought before the Court, the parents of this person making the accusation, Rosa Glowsky, and also the sister-in-law that was in the room who could further assist in the identification or identity of the accused. The Court will be continued until a later date set by the T. [rial] J. [udge] A. [dvocate]. 336 U.S. at 686, note 2.

[26] C. B. MacDonald, The Last Offensive (1973), in the series, U.S. Army in World War II: European Theater of Operations.

[27] As amended by the Act of 1 Aug. 1942, ch. 542, 56 Stat. 732; *codified at* 10 U.S.C. § 1522 (1946).

[28] Wade v. Hunter, 72 F. Supp. 755 (D. Kan. 1947).

[29] Hunter v. Wade, 169 F. 2d 973 (C. A. 10, 1948).

[30] Wade v. Hunter, 336 U.S. 684 (1949).

[31] United States v. Perez, 9 Wheat. 579 (1824).

[32] Simmons v. United States, 142 U.S. 148 (1891); Thompson v. United States, 155 U.S. 271 (1894).

[33] Pollock v. Farmers' Loan & Trust Co., 158 U.S. 601 (1895); Pollock v. Farmers' Loan & Trust Co., 157 U.S. 429 (1895).

[34] Jones v. Opelika, 316 U.S. 584 (1942), *vacated on rehearing*, 319 U.S. 193 (1943). In the interval, Mr. Justice Byrnes had resigned and was replaced by Mr. Justice Rutledge.

[35] 354 U.S. 1 (1957), *withdrawing* Reid v. Covert, 351 U.S. 487 (1956) and Kinsella v. Krueger, 351 U.S. 470 (1956).

[36] McElroy v. Guagliardo, 361 U.S. 281 (1960); Grisham v. Hagan, 361 U.S. 278 (1960); Kinsella v. Singleton, 361 U.S. 234 (1960).

[37] United States v. Covert, 6 C.M.A. 48, 19 C.M.R. 174 (1955); United States v. Smith, 5 C.M.A. 314, 17 C.M.R. 314 (1954); United States v. Covert, 16 C.M.R. 465 (A.F.B.R. 1954); United States v. Smith, 13 C.M.R. 307 (A.B.R. 1953; United States v. Smith, 10 C.M.R. 350 (A.B.R. 1953).

[38] The arguments concluded at 5:40 P.M., whereas at that time the stated hour for adjournment was 4:30 P.M. Supreme Court Rule 4(1) of 1954.

[39] Northern Securities Co. v. United States, 193 U.S. 197, 400–401 (1904).

[40] Kinsella v. Kruger, 351 U.S. 470 (1956), U.S. Const. art. I § 8, cl. 14.

[41] 351 U.S. at 485.

[42] 351 U.S. at 481.

[43] B.A.F.A., *supra* note 21, at 431–40.

[44] Reid v. Covert, 354 U.S. 1, 65 (1957).

[45] 377 U.S. 695 (1964).

[46] 369 U.S. 186 (1962).

[47] As this cannot be concisely documented, a reference to Appellants' Brief, at 33–53, Roman v. Sincock, 377 U.S. 695 (1964), where the authorities are collected, must suffice.

[48] *See* United States v. Florida, 363 U.S. 121 (1960).

[49] Cong. Globe, 40th Cong., 2d Sess. 3090–92 (1868).

[50] Harlan, J., dissenting in Revnolds v. Sims, 377 U.S. 533, 589, 604–08 (1964), a dissent applicable also to Roman v. Sincock.

[51] Address by Hon. A. B. Fletcher, Jr., *Where the Court of Military Appeals is Going in the COMA Evolution*, Federal Bar Association annual convention (30 Sept. 1977); J. S. Cooke, *The United States Court of Military Appeals, 1975–1977: Judicializing the Military Justice System*, 76 Mil. L. Rev. 43 (1977).

[52] *Supra* note 7.

[53] 3 Diary and Autobiography of John Adams (L. H. Butterfield ed., 1961) 409–410.

[54] 1, 2, and 3 Legal Papers of John Adams (L. K. Wroth & H. B. Zobel eds., 1965), *passim.*

[55] 6 D. S. Freeman, George Washington (1954) 93.

[56] See the authorities collected in my *Courts-Martial and the Constitution: The Original Practice*, 72 Harv. L. Rev. 1, 13–22 (1958), *reprinted in* Mil. L. Rev. Bicent. Issue 169, 181–188 (1975).

[57] Military Justice Act of 1968, Pub. L. 90–632, 82 Stat. 1335.

[58] *In re* Grimley, 137 U.S. 147, 183 (1890).

[59] Board of Education v. Barnette, 319 U.S. 624, 642 note 19 (1943).

[60] 417 U.S. 733 (1974).

[61] 424 U.S. 828 (1976).

[62] 425 U.S. 25 (1976).

[63] 420 U.S. 738 (1975).

[64] U.S. Const. art. II, § 2.

[65] Swaim v. United States, 165 U.S. 553 (1897).

[66] Uniform Code of Military Justice art. 36, 10 U.S.C. § 836 (1976) [hereinafter cited as U.C.M.J.]

[67] United States v. Ware, 24 C.M.A. 102, 104 note 10, 106, 51 C.M.R. 275, 277 note 10, 279, 1 M.J. 282, 285 note 10, 287 (1976). *Compare* the concurring and dissenting opinions in United States v. Newcomb, 5 M.J. 4 (C.M.A. 1978).

[68] *The Fraternity of Arms* (1897), in Occasional Speeches, *supra* note 1 at 100, 101.

[69] L. Lewis, Sherman: Fighting Prophet (1932) 103-112.

[70] Uniform Code of Military Justice, *Hearings on H.R. 2498 Before a Subcomm. of the House Comm. on Armed Services*, 81st Cong., 1st Sess. 780.

[71] *See* E. L. McAdam Jr. and G. Milne, Johnson's Dictionary: A. Modern Selection (1963) 65.

[72] 345 U.S. 83, 87 (1953).

[73] *The Soldier's Faith* (1895), in Occasional Speeches, *supra* note 1, at 73, 74, 75.

[74] By Louis de Gaya (1678); frontispiece, Manual for Courts Martial, U.S. Army, 1921.

[75] Address by the Hon. A. B. Fletcher, Jr., at the Mid-Year Meeting of the American Bar Association, New Orleans, Louisiana (12 Feb. 1978). *See also* United States v. Booker, 3 M.J. 443 (C.M.A. 1977).

[76] U.C.M.J. art. 15(a).

[77] E. Upton, The Military Policy of the United States (1917) 123, citing 1 Am. State Pap. Mil. Affairs 515.

[78] Act of 3 Mar. 1863, ch. 75, 12 Stat. 731.

[79] Act of 18 May 1917, ch. 15, 40 Stat. 76.

[80] Selective *Training* and Service Act of 1940, ch. 720, 54 Stat. 885.

[81] H.J.R. 222, concerning extension of the Selective Compulsory Military Training and Service Act of 1940, was passed on 12 August 1941 by a vote of 203 to 202, with 27 members not voting. 87 Cong. Rec. 7074 (1941).

[82] The last selective service measure was the Act of 28 Sept. 1971, Pub. L. 92-129, 85 Stat. 348. Section 101(a)(35) of that act extended induction authority from 1 July 1971 to 1 July 1973. 50 U.S.C. App. § 467(c) (Supp. V. 1975). The basic legislation was allowed to expire on the extended date.

[83] U.C.M.J. art. 86 (absence without leave); U.C.M.J. art. 87 (missing movement); U.C.M.J. art. 85 (desertion).

[84] U.C.M.J. art. 89 (disrespect); U.C.M.J. art. 89 (insubordinate conduct).

[85] U.C.M.J. art. 94.

[86] "No person shall be held to answer for a capital, or otherwise infamous crime. . . ."; "nor shall any person be subject for the same offence to be twice put in jeopardy of life or limb"; and "nor be deprived of life, liberty, or property, without due process of law." U.S. Const. amend V.

[87] World Almanac (1978) 329. The exact figure is 425,845.

[88] At this juncture I venture to cite my own study, *Lament for a Skulker: The Case of Private Slovik*, 4 Combat Forces J. (July 1954) 33.

[89] W. H. Taft, *The Administration of Criminal Law*, 15 Yale L.J. 1, 11 (1905).

[90] Chaplinsky v. New Hampshire, 315 U.S. 568, 571–72 (1942).

[91] *E.g.*, Memoirs v. Massachusetts, 383 U.S. 413 (1966).

[92] Phoenix, Arizona, newspapers for 31 March and 13 May 1978 (Maricopa County campaign against massage parlors).

[93] Phoenix, Arizona, newspapers for April 1978 (Yuma, Arizona, ordinance against nudity).

[94] *E.g.*, P. B. Kurland, *Government by Judiciary*, 20 Modern Age 358 (1976).

[95] M. Farrand, The Framing of the Constitution (1913) 70, 156–57, 202.

[96] U.S. Const. art II, § 2. *Compare* United States v. Larneard, 3 M.J. 76 (C.M.A. 1977).

[97] United States v. McPhail, 24 C.M.A. 304, 52 C.M.R. 15, 1 M.J. 457 (1976).

[98] U.S.C.M. art 6(a).

[99] United States v. Henderson, 24 C.M.A. 259, 51 C.M.R. 711, 1 M.J. 421 (1976).

[100] H.R. Rep. No. 491, 81st Cong., 1st Sess. 13 (1949); S. Rep. No. 486, 81st Cong., 1st Sess. 10 (1949).

[101] 1 W. Winthrop, Military Law and Precedents (2d ed. 1896) *165–67; *id*, 1920 reprint at 119.

[102] Oliver Twist, ch. 51.

[103] 2 Braction, De Legibus et Consuetudinibus Angliae (S.E. Thorne ed. 1968) 19 note 1.

[104] *Law and the Court* (1913), in Occasional Speeches, *supra* note 1, at 168, 171–172.

[105] Southern Pacific Co. v. Jensen, 244 U.S. 205, 218, 221 (1917).

[106] U.S. Constitution Annotated, S. Doc. 92–82, 92d Cong., 2d Sess. 1794–1796 (1972) (Nos. 89–133).

[107] See R. Pound, *Justice According to Law*, 13 Colum. L. Rev. 696 (1913), 14 *id.* 1, 14 *id.* 103 (1914). No one can read this seminal essay without being permanently impressed by Pound's greatness, a quality that none of his later tergiversations could ever dilute or dissipate.

[108] R. Pound, Interpretations of Legal History (1923) 1.

[109] Published in 1965.

[110] Here quoted with the permission of his son, David C. Acheson, Esq., of the District of Columbia bar.

[111] S. 274, 95th Cong., 1st Sess. (1977), a bill to prohibit union organization in the armed forces, passed the Senate on 16 Sept. 1977. 123 Cong. Rec. 15088 (1977).

[112] D. C. Siemer, A. S. Hut, Jr. and G. E. Drake, *Prohibition on Military Unionization: A Constitutional Appraisal*, 78 Mil. L. Rev. 1 (1977).

[113] McElroy v. Guagliardo, 361 U.S. 281 (1960), considering United States v. Guagliardo, 25 C.M.R. 874 (A.F.B.R.), *pet. denied*, 9 C.M.A. 819, 26 C.M.R. 516 (1958); Wilson v. Bohlender, 361 U.S. 281 (1960), considering United States v. Wilson, 9 C.M.A. 60, 25 C.M.R. 322 (1958); Grisham v. Hagan, 361 U.S. 278 (1960), considering United States v. Grisham, 4 C.M.A. 694, 16 C.M.R. 268 (1954); Kinsella v. Singleton, 361 U.S. 234 (1960), considering United States v. Dial, 9 C.M.A. 541, 26 C.M.R. 321 (1958); Kinsella v. Krueger, 354 U.S. 1 (1957), considering United States v. Smith, 5 C.M.A. 314, 17 C.M.R. 314 (1954); and Reid v. Covert, 354 U.S. 1 (1957), considering United States v. Covert, 6 C.M.A. 48, 19 C.M.R. 174 (1955). In each of these cases, the Court of Military Appeals had earlier sustained jurisdiction.

[114] Calley v. Callaway, 382 F. Supp. 650 (M.

D. Ga. 1974), *rev'd* 519 F. 2d 184 (5th Cir. 1975), *cert. denied,* 425 U.S. 911.

[115] 1 Wall. 243 (1863).

[116] 179 U.S. 126 (1900).

[117] 209 F. 2d 811 (D.C. Cir. 1954).

[118] Committee on the Uniform Code of Military Justice, Good Order and Discipline in the Army, Report to Honorable Wilber M. Bruckner, Secretary of the Army 194, 195, 198 (1960). The proposal would have required amendment of U.C.M.J. art. 67(a)(1).

[119] *Constitutional Rights of Military Personnel, Hearings Before the Subcomm. on Constitutional Rights of the Senate Judiciary Comm.* 87th Cong., 2d Sess. 781 (1962).

[120] Act of 13 Feb. 1801, ch. 4, 2 Stat. 89; Act of 8 Mar. 1802, ch. 8, 2 Stat. 132; *see* F. Frankfurter and J. M. Landis, *The Business of the Supreme Court* (1928) 25–32, *reprinted from* 38 Harv. L. Rev. 1029–1036.

[121] Act of 18 June 1910, ch. 309, 36 Stat. 539.

[122] Act of 22 Oct. 1913, ch. 32, 38 Stat. 208, 219; *see* F. Frankfurter and J. M. Landis, *The Business of the Supreme Court* (1928) 153–162, *reprinted from* 39 Harv. L. Rev. 594–603. Jurisdiction to review ICC orders was finally transferred from three-judge district courts to courts of appeals by the Act of 2 Jan. 1975, Pub. L. 93–584, 88 Stat. 1917, *codified at* 28 U.S.C. § 2321 (1970).

[123] Act of 16 Apr. 1862, ch. 54, 12 Stat. 376.

[124] Act of 3 Mar. 1863, ch. 91, 12 Stat. 762; *see* F. L. Bullard, *Lincoln and the Courts of the District of Columbia,* 24 A.B.A.J. 117 (1938).

[125] Act of 25 June 1936, ch. 804, 49 Stat. 1921.

[126] Title I if the District of Columbia Court Reform and Criminal Procedure Act of 1970, Pub. L. 91–358, 84 Stat. 473; *see* Palmore v. United States, 411 U.S. 389 (1973).

[127] R. D. Meade, Patrick Henry: Patriot in the Making (1965) 173, quoting from 1 W. W. Henry, Life, Correspondence and Speeches of Patrick Henry (1891) 86–87.

S. 274 AND NATIONAL DEFENSE

Mr. THURMOND. Mr. President, as we commence our work in the 96th Congress, we should pause a moment to reflect upon one of our major accomplishments for defense in the last Congress.

Recently, in the December 1978 issue of Army, published by the Association of the U.S. Army, Editor-in-Chief L. James Binder notes that S. 274, which prohibits the unionization of the military, was major pro-defense legislation. He put it this way:

> Historians will never list S. 274 with the likes of Yorktown and Gettysburg, but there can be little doubt that it represents one of the most significant victories ever achieved for U.S. armed forces.

Mr. President, the 96th Congress will face some very difficult issues concerning the defense of our great Nation. When these issues come before us, budget considerations will be important. However, my attention will be focused on whether proposed legislation will provide an overall sound defense for the United States.

Also, receiving my full attention will be whether legislative proposals offered in the Senate keep faith with our service personnel. They must be treated fairly.

The threat of unions in the military was given impetus by the declining state of morale. On this issue, I remain committed to the views I expressed in an article in the American Enterprise Defense Review magazine, No. 1, entitled, "Military Unions: Yes and No" which was published in the February 1977 issue.

Mr. President, I ask unanimous consent that there be printed in the Record the article by Mr. Binder which appeared in the December 1978 issue of Army magazine under the headline "Truly a Pro-Military Bill" and the comments I made on military morale which appeared in the February 1977 issue of Defense Review entitled, "The Problem of Morale."

There being no objection, the material was ordered to be printed in the Record, as follows:

AEI Defense Review

THE PROBLEM OF MORALE

In my opinion, the union issue has emerged mainly because of the trend I mentioned earlier—servicemen regard their government as insensitive to their problems and unresponsive to their needs. Frustrated and disillusioned, they have become susceptible to the wiles of self-interest union advocates such as the leaders of AFGE.

The Defense Manpower Commission has apparently observed the same regrettable development. After field visits last year, it made the following statement in its April 19, 1976, report: "Many members of the armed forces felt dismayed and disillusioned because of what they perceive to be neglect, disinterest, or a breach of faith on the part of their government; and there appears to be a significant communications gap between departmental policy-makers and troops in the units in the field."

Howard Flieger, in *U.S. News and World Report,* October 25, 1976, came to the identical conclusion in his second editorial opposing military unions:

> [My first] article produced a torrent of mail from readers. Most agreed with the central point, but many argued that the armed forces are being doublecrossed by Congress and the Department of Defense.
>
> That is, indeed, a serious charge. It is one thing to say that people who volunteer for a military service forego the "accepted rights" of civilian workers. But in so saying, it should be understood that management—in this case Congress and the Government—must keep faith with those they recruit. If that faith is broken, it is understandable that servicemen and women will feel cheated by the uniforms they wear. . . . A unionized armed force makes no sense as a front line of national security. But neither does a disillusioned armed force. It is a situation that needs urgent attention by Washington.

That is not news to those of us in Congress who take a serious interest in our armed services. On January 31, 1975, I wrote to the President to protest the erosion of military benefits, particularly a proposed reduction in commissary subsidies. My letter concluded:

> As you well know, our government has broken faith with our military community in many areas, especially our retired personnel, such as changing the long-established method of computing retired pay, slashes in the CHAMPUS program, and now medical and dental services and the commissaries are being chipped away.
>
> I strongly urge reconsideration of your proposal. In my view, the disadvantages far outweigh any possible limited and short-term advantages which might scarcely help our nation's economic ills.

My mail on S.3079 has supported the findings of the Defense Manpower Commission and Howard Flieger, as well as my own position.

This problem of morale must be faced immediately. Loyalty must go from the top down as well as from the bottom up. Our military service members have a right to expect loyalty from the commander-in-chief, Congress, civilian leaders within the military departments, and the uniformed leadership of the armed services. If they do not get it, no legislation or directive will instill loyalty in them. What should the authorities do to reassure our servicemen that their interests are being protected?

To begin with, penny-wise and pound-foolish actions, which have affected our servicemen so adversely, must be defeated. The dispute whether service personnel, active or retirees, should be allowed to continue to buy goods at military commissaries provides a good example. Some leaders have tried to eliminate this benefit by using a technique I call bureaucratese. That is, although it is plain to see that something is being lost, they try to hide the loss in a fog of ambiguous or meaningless words.

Other leaders have said that salary increases have eliminated the need for some benefits, even though recruiting continues on the basis of those benefits, just as it has for years. Other techniques of equal guile have been employed at the expense of our servicemen. I have fought against such practices. Senator Barry Goldwater and others have also spoken out against them. Erosion or perceived erosion of benefits cannot continue if we are to have a well-motivated volunteer force.

The credibility of the leadership needs to be restored. Budget considerations must be given due weight, but keeping faith and telling the truth come first. When unpopular decisions must be made, we must be prepared to explain why. Honesty should replace guile. Our military people have always recognized, respected, and accepted the truth.

The military associations have a definite role to play in this endeavor. They have been heard with attention and respect. They must continue the activist role they have recently assumed and they must continue to urge policies for the good of both our nation and our service members. They must keep their members informed and urge their increased participation in the electoral process. By so doing, they will help to dissipate whatever pressure may be felt for military unions. They will make our military union-proof.

[December 1978 Army]

Truly a "Pro-Military Bill"

Historians will never list S. 274 with the likes of Yorktown and Gettysburg, but there can be little doubt that it represents one of the most significant victories ever achieved for U.S. armed forces.

It is important that the *for* be stressed because the battle took place in Congress which gave birth to S. 274, gave the measure its overwhelming approval and sent it on to President Carter who signed it into law last month.

S. 274 (now Public Law 95–610) prohibits unionization of the armed services, a prospect which less than two years ago was a controversy of national proportions. So real was the possibility that to many people the question was not *if* there would be a union but *when.*

Fortunately for future military readiness, there were those who did not accept the idea that a union was inevitable. Convinced that unionization would have a disastrous effect upon discipline and the ability of the services to function effectively, these opponents fought on for legislation that would unequivocally put the idea to rest.

The ranks of those calling for a law banning unions thinned considerably in September, 1977, when members of the American Federation of Government Employees (AFGE) rejected by a four-to-one margin their leadership's plans to organize the armed forces. With the collapse of the only current unionization effort of any significance, many advocates of legislation decided that further efforts were unnecessary.

But there were people left who foresaw that the union issue would be a poised sword unless it were outlawed, and so they pressed on. The Association of the U.S. Army reaffirmed its determination to support passage of pending (but languishing) legislation and then led the way with a series of position papers, testimony before congressional committees at their request, speeches and releases. Army magazine continued its campaign of informing and speaking out editorially on the unionization issue.

The aim was to inform, state a position and hope that the facts and reason would speak for themselves in the efforts to alert the country to the dangers posed by an unprotected military establishment. Others took up the cry and last September the House of Representatives approved S. 274 by a 395–12 vote.

As Sen. Strom Thurmond (R–S.C.) said of the bill he introduced nearly two years ago: "It is not an anti-union bill, but rather a pro-military bill."

Having produced this truly landmark legislation, however, does not absolve Congress—and the American people—of further concern with the unionization issue.

The prospect of being represented by a union had a surprising amount of appeal among service people—a minority, according to a number of polls, but still enough to indicate significant disquiet about matters in which a union could be expected to provide leverage.

It is perhaps no mere coincidence that the appeal reached its zenith at about the same time that lawmakers and the Administration were hacking at service benefits with a vigor that many perceived as bordering on the vengeful.

The passage of S. 274 was a wise decision which is a fitting and indispensable addition to current efforts to step up readiness. It is to be hoped that Congress will now finish the job by acting fairly on the compelling "people" problems that surfaced during the debate.

UNDER EXORBITANT PRESSURES

Mr. THURMOND. Mr. President, this Congress should heed the warning of a recently retired Vice Admiral of the Navy. He has stated publicly that the Navy is rapidly losing its ability to protect the Nation and our military leaders are "under exorbitant pressure" to deny to even Congress their real military opinions.

Vice Adm. Pierre Charbonnet, Jr., recently retired Chief of Naval Reserve, made these and other important comments in an interview in the New Orleans Times-Picayune on September 17, 1978.

Admiral Charbonnet stated that he was "worried about our sustained capability to meet the Russians and whip 'em in the future."

He spoke out against current Defense Department doctrine that our defense preparations can be based on Soviet intentions rather than their capabilities. He said, "many of these Pentagon people are not qualified by virtue of experience" and "they don't know what the hell they're talking about."

Admiral Charbonnet even stated:

> At one time we were told by somebody in defense that we should get clearance and approval to state our personal opinions.

Mr. President, anyone who knows anything about the state of our military preparedness realizes how serious this situation has become. This must be corrected, but if even the military leaders of the Nation are going to be muzzled in giving a personal opinion to Congress, then Congress must insist that such policies cease immediately.

Mr. President I ask unanimous consent that an article which appeared in the December 1978 issue of the Naval Reserve Association News be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

CHARBONNET—"UNDER EXORBITANT PRESSURES"

VADM Pierre N. Charbonnet Jr. leaves the Navy after 40 years dismayed by the Carter Administration's defense policies and "worried about our sustained capability to meet the Russians and whip 'em in the future."

"I think we can do it right now," said the 58-year-old admiral, who took an early retirement rather than continue to support administration policies he did not believe in during testimony before congressional committees.

"You've got to remember the Soviets have got a momentum built up and I don't think we really know how great that momentum is," added the three-star admiral, who retired 1 September as Chief of Naval Reserve and Commandant of the Eighth Naval District.

"We know their capacity for building and fabricating ships, like submarines, is something fantastic," he said." They're geared for military production now. They've got an economy which permits them to go and concentrate on anything they want to."

Could the U.S. Navy keep the vital sealanes open in the event of war with the Soviet Union, which has a constantly growing bluewater Navy?

"I think we could in the selected areas that we would have to," ADM Charbonnet replied. "We do not have, in my opinion, blanket superiority and capability to cover the seas, period. I think those days are long gone. We could do that 15 years ago.

"I think right now we could probably keep the sealanes open to principalities in Europe or Japan," he said. "Heck, I think you've got to consider Japan in any context of confrontation with the Soviet Union and we have too much vested in the Pacific area to ignore them. And I'm not too damn sure that the Russians are not going to make that type move."

At present, the Department of Defense only has eyes for Europe, but ADM Charbonnet observed: "When the Russian applies pressure and if we have a confrontation with them, there are other places we could have them besides Europe. I'm not necessarily totally sold that NATO is the place, but, of course, we've got to be prepared for NATO."

ADM Charbonnet worries about a trend he sees among DoD planners: trying to guess Russian intentions.

"We've got to base our defense establishment on his capabilities, not his intentions," he warned. "I'm sick of this worrying about intentions because we've never guessed intentions right of anybody I've ever known. That goes from Hitler to Castro. We're never right!"

ADM Charbonnet said that Pentagon planners are talking about a given scenario in a confrontation with Russia. "They're saying things like the war in Europe will be over so fast that maybe the Navy won't even participate," he said.

"This is intentions again and this is not capabilities," he said. "This sort of ignores the fact that there's a Pacific Ocean and we're going to be fighting. I assume the Russians or the Iron Curtain in the Pacific. It's going to be a worldwide thing if you fight the Russians, who have access to all oceans—and a fine, expanding navy.

"If you play against his capabilities—and we have a good estimate of his capabilities—and you build for that, it's just one helluva lot safer. You can lose a war easily—quick—on intentions.

"This is like trying to estimate when he's going to make an assault into NATO," ADM Charbonnet said. "I don't think we will ever have a warning. I think every year when he goes and changes his troops in Eastern Germany, he could make his assault right then."

The admiral said the Soviets are working hard at building a strong military capability and their development of defensive or offensive capabilities are almost entirely based on what the U.S. can do.

"He doesn't mess around with our intentions," ADM Charbonnet said. "He assumes always, I think, that they're bad for him. And I think we should continue to have the same feeling because it's the safe way to play. You're playing for something in which there are no second-place winners.

"It's just like air combat. You either win or you've had it," said ADM Charbonnet, who flew as a squadron and group commander in the Pacific Theater during World War II.

ADM Charbonnet has accepted the position of executive assistant to the president of Oil Mop Inc., the New Orleans-based international pollution control company.

ADM Charbonnet said he was ready to retire last October, but decided to stay on at the request of ADM James L. Holloway III, then CNO.

He said the muzzling of the military under the Carter Administration has to be experienced to be believed.

Referring to the President, Charbonnet said: "He says if you can't go and support me, get out. You either go our way or leave. And, consequently, that's what I'm doing.

"At one time, we were told by somebody in Defense that we should even get clearance and approval to state our personal opinions," ADM Charbonnet said. "And it puts you under, I thought, exorbitant pressures.

"For one thing," he said, "I felt constantly sort of hypocritical when I appeared before the Congress where you would go over and defend really the budget that was not your budget, not what we submitted, not what our requirements were, but the requirements that had been interpreted by this echelon of general staff—the analyst types, the budgeteers, the Office of Management and Budget guys.

"I just don't want to go and be dictated to by the Administration that I can't agree with.

"When you go and testify in front of Congress any military man has got to have allegiance to the commander-in-chief," ADM Charbonnet noted. "I recognize that and when I went up there on the Hill I represented the (Naval) Reserve budget to Congress as the administration wanted it. When I went and testified to the Congress, I told them what the Administration, the Secretary of Defense, wanted for the Naval Reserve. Not what the Navy wanted."

ADM Charbonnet said there are many brilliant young civilians working in the Pentagon with beaucoup doctorates in this and that. But, he said, so many have no experience in military matters and "are making decisions about things they really don't know anything about. And this goes for selections of weapons systems and estimates of the threat.

"So many of these Pentagon people are not qualified by virtue of experience," ADM Charbonnet said. "They don't know what the hell they're talking about."

CORRECTION OF AN ERROR IN PRINTING OF PUBLIC LAW 95-613

Mr. ROBERT C. BYRD. Mr. President, there is a joint resolution that I am going to send to the desk to correct an error made in the printing of Public Law 95-613. This has been cleared with the minority, I believe. I am going to send it to the desk, have the clerk state it.

I ask unanimous consent that it be considered as having been read twice, and that the Senate proceed to its immediate consideration, but I would like for the clerk to state it first.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

S.J. RES. 14

To correct an error made in the printing of Public Law 95–613

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That paragraph (3) of subsection (b) of the first section of Public Law 95–613 (92 Stat. 3093), relating to the extension of programs of assistance under title X and part B of title XI of the Public Health Service Act, is amended by striking out in clause (B) "1979; $3,600,000 for the fiscal year ending September 30, 1980;" and inserting in lieu thereof "1979, $120,800,000 for the fiscal year ending September 30,".

SEC. 2. The amendment made by this joint resolution shall be effective as of November 8, 1978.

The PRESIDING OFFICER. Without objection, the joint resolution will be considered as having been read twice and as being before the Senate for immediate consideration.

Mr. ROBERT C. BYRD. Mr. President, the joint resolution proposes to correct an error made at the end of last session, when, in the process of enrolling a bill for the signatures of the Presiding Officers of each House and the President, a line of type was inadvertently dropped. The joint resolution would amend Public Law 95–613, by placing into law the line of type agreed to by each body, last fall, in approving the House amendment to S. 2522, but, as I noted previously, dropped when being prepared for transmittal to the White House.

Mr. STEVENS. The minority has no objection.

The joint resolution was ordered to a third reading, was read the third time, and passed.

SENATE RESOLUTION 18—AUTHORIZING RELEASE OF DOCUMENTS, TESTIMONY, AND OTHER INFORMATION

Mr. CHURCH. Mr. President, I send a resolution to the desk and ask for its immediate consideration. I understand it has been cleared on both sides.

Mr. ROBERT C. BYRD. This has been fully cleared.

Mr. President, I ask unanimous consent that the Senate be permitted to proceed for 2 minutes longer before it recesses.

The PRESIDING OFFICER. Without objection, it is so ordered. The resolution will be stated.

The assistant legislative clerk read as follows:

S. RES. 18

Authorizing the Chairman of the Special Committee on Aging to appear or to designate an employee of the Special Committee on Aging to appear as a witness and to produce documents in the case of the United States v. Dr. Clyde Weissbart

Whereas, in the case of the United States of America v. Dr. Clyde Weissbart, pending in the United States District Court for the Southern District of New York (No. 78 Cr. 584 (WCC)), a subpoena has been issued by such court and addressed to the Chairman, Special Committee on Aging, United States Senate, directing him to appear to give testimony and to bring with him certain records consisting of tapes, transcripts, notes, and correspondence, such records being in the possession and custody of the Senate of the United States: Now, therefore, be it

Resolved, That by the privileges of the Senate of the United States no evidence under the control and in the possession of the Senate of the United States can, by the mandate of process of the ordinary courts of justice, be taken from such control or possession but by permission of the Senate.

SEC. 2. By the privileges of the Senate and by rule XXX of the Standing Rules of the Senate, no Member or employee of the Senate is authorized to produce documents, papers, or records of the Senate but by order of the Senate, and no Member or employee of the Senate may give testimony with respect to information secured in the performance of his official duties without the consent of the Senate.

SEC. 3. When it appears that testimony of a Member or employee of the Senate is needful for use in any court for the promotion of justice and, further, that such testimony may involve documents, papers, or records under the control of or in the possession of the Senate and communications, conversations, and matters related thereto, the Senate will take such order thereon as will promote the ends of justice consistent with the privileges and rights of the Senate.

SEC. 4. (a) The Chairman of the Special Committee on Aging is authorized, in response to a subpoena issued by the United States District Court for the Southern District of New York in the case of United States of America V. Dr. Clyde Weissbart, to appear or to designate an employee of the Special Committee on Aging to appear and to give testimony and to take with him and produce and present to the court authenticated copies of all Senate records commanded by such subpoena and which are in the possession or control of the Special Committee on Aging, but he shall not take with him any original Senate record.

(b) In addition, the court, through any of its officers or employees, has full permission to attend, with all proper parties to the proceeding, at any place under the order and control of the Senate and make copies of all Senate records commanded by such subpoena which are in the possession or under the control of the Special Committee on Aging.

SEC. 5. The Secretary of the Senate shall transmit a copy of this resolution to the United States District Court for the Southern District of New York.

Mr. CHURCH. Mr. President, I offer today a resolution to permit the withdrawal and release of documents, testimony and other information obtained by, and in the possession of, the Special Committee on Aging.

A subpena was issued January 11, 1979 by the U.S. District Court for the Southern District of New York, upon the application of the defendant in the case of United States against Dr. Clyde Weissbart, directing the chairman of the Special Committee on Aging to produce certain documents obtained by the committee staff during the course of an investigation conducted in 1976 into possible fraud in the medical program in New York and other States.

Pursuant to rule XXX of the Standing Rules of the Senate, and the privileges of the Senate, such information may not be released without a resolution of the Senate.

Accordingly, Mr. President, I offer the following resolution, approved by the Committee on Aging's ranking minority member, Mr. DOMENICI, and ask that this resolution be adopted.

The PRESIDING OFFICER. Without objection, the resolution is considered and agreed to.

ROUTINE MORNING BUSINESS

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Marks, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT OF THE U.S. SINAI SUPPORT MISSION—MESSAGE FROM THE PRESIDENT—PM 6

The ACTING PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Foreign Relations:

To the Congress of the United States:

I am pleased to transmit, as requested by section 4 of Public Law 94–110 of October 13, 1975, the Sixth Report of the United States Sinai Support Mission, describing operations of the U.S. early warning system in the Sinai Desert. The Mission's activities are an important part of the disengagement arrangements between Egypt and Israel concluded in September 1975.

The cost of operating the Sinai Support Mission during Fiscal Year 1978 was $11.7 million, about a half million dollars less than the amount appropriated. The estimated budget for Fiscal Year 1979 remains at $11.7 million.

At the request of the Subcommittee on Europe and the Middle East of the Committee on International Relations, House of Representatives, this report includes a brief review of the applicability of the United States early warning system concept to other areas of the Middle East. It concludes that the basic approach to early warning employed in the Sinai could be successful elsewhere, provided the parties directly concerned want and are willing to support it.

Talks now under way in Washington between Egypt and Israel are likely to result in substantial changes in the United States' role in the Sinai. I will consult closely with the Congress as these and subsequent talks proceed, in order to insure that the peacekeeping efforts of the United States continue to advance the goal of permanent peace in the Middle East.

JIMMY CARTER.

THE WHITE HOUSE, *January 18, 1979.*

REPORT ON COMPARABILITY FOR FEDERAL STATUTORY PAY SYSTEMS—MESSAGE FROM THE PRESIDENT—PM 7

The ACTING PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Governmental Affairs:

To the Congress of the United States:

In accordance with the provisions of section 5305 of title 5 of the United States Code, I hereby report on the pay adjustment I am ordering for the Federal statutory pay systems in October 1978.

The Secretary of Labor, the Director of the Office of Management and Budget and the Chairman of the Civil Service Commission, who serve jointly as my agent for Federal pay, found that an increase averaging 8.4 percent would be appropriate if comparability with private enterprise salary rates for the same levels of work were to be achieved. The Advisory Committee on Federal Pay recommended that the findings of my agent be implemented.

After considering the findings of my agent and the recommendation of the Advisory Committee on Federal Pay, I determined that an across-the-board increase of 5.5 percent was dictated by economic conditions affecting the general welfare and transmitted to the Congress the alternative plan to that effect called for by section 5305(c) of title 5 of the United States Code. On October 7, 1978 I signed the Executive order to implement this increase.

I am transmitting herewith copies of the reports of my Pay Agent and the Advisory Committee on Federal Pay, the alternative plan, and the Executive order I promulgated to put this pay adjustment into effect.

JIMMY CARTER.

THE WHITE HOUSE, *January 18, 1979.*

REPORT OF U.S. RATIFICATION IN THE UNITED NATIONS—MESSAGE FROM THE PRESIDENT—PM 8

The ACTING PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Foreign Relations:

To the Congress of the United States:

I am pleased to send Congress this report of United States Government activities in the United Nations and its affiliated agencies during calendar year 1977.

This 32nd annual report strengthens my conviction that the United Nations is of great and growing importance to the conduct of U.S. foreign relations. We cannot effectively advance world peace and our other national interests if we ignore the potential of this global organization.

Ambassador Andrew Young called the 1977 General Assembly the "most constructive session in many years." It was largely free of the wasteful tactics of confrontation that had marred other recent sessions.

The other organs of the United Nations and the various specialized agencies also made progress on many of the difficult issues that humanity faces.

I am proud of the role we played in encouraging this constructive atmosphere. We are committed to resolving problems through reason and discussion, not confrontation.

Our national interests are best served by such cooperation, and by listening with respect to the problems of all nations, large and small. Our delegations paid particular attention to the views of those developing nations which make up two-thirds of the UN's membership and worked with them to identify points of common concern.

The interests of America and of many other UN members coincided in the search for peace in the Middle East and southern Africa, the promotion of human rights, the Panama Canal Treaties, and economic development to help meet the basic human needs of more than a billion of the world's people.

One of my first acts as President was to invite UN Secretary General Kurt Waldheim to the White House, and I have discussed international issues with him on a number of occasions since then. During 1977, I was also privileged to speak at the United Nations twice—once during March, and again at the opening of the 32nd General Assembly in September. Also while in New York, I took occasion to sign the two United Nations human rights covenants which for many years had lacked U.S. signature.

Secretary of State Cyrus Vance has taken extraordinary pains—including direct participation in Security Council and General Assembly meetings—to make the United Nations in increasingly vital factor in the conduct of this country's foreign relations. And Ambassador Young has worked with great skill and unusual effectiveness in improving our relationship with the UN and its member states.

Events in the United Nations system will not always go the way that this country might desire. The changing makeup of these organizations, the increased diffusion of global power and the growing complexities of all issues make this inevitable. But those occasions should not make us withdraw our support, for the UN reflects the reality of the world in which we must live. We should, instead, feel challenged to develop imaginative and thoughtful new approaches in our diplomacy so as to advance our interests, and to play a constructive role in the world community. In particular, we need to continue demonstrating our faith in the basic purposes of an organization whose strength and effectiveness are essential to us and to the world.

The attached report details U.S. positions and policies on the issues which arose in the UN system during 1977. It includes:

—The extensive conduct of the so-called "North-South" dialogue—the discussion of economic and other issues between industrialized countries and the developing nations;

—Our support for the social and economic development activities—including those of the UN Development program. Some 90 percent of the funds expended by the UN system benefit these activities;

—U.S. efforts to support new progress on human rights throughout the UN system;

—preparations for the 1978 special General Assembly session devoted to disarmament;

—the adoption by consensus of a General Assembly resolution on aircraft hijacking, to make the world's airways safer for people everywhere;

—the beginning of extensive efforts against great odds to pursue peaceful settlements in Namibia and Rhodesia; and

—U.S. ratification and support of a new UN specialized agency—the International Fund for Agricultural Development—which will provide new resources to improve food production and nutrition in low-income countries and can benefit us by stabilizing the global food market.

Also included in this document is an analysis of the U.S. decision to withdraw from the International Labor Organization in November 1977. I took this decision with regret, since U.S. interests in international organizations are better met through membership and active participation than through withdrawal. Nevertheless, since announcement in 1975 of U.S. intention to withdraw, we believed that insufficient progress had been made in resolving a number of difficulties in operation of the ILO. I still hope that the United States can return to the ILO when is operations clearly return to the organization's basic purposes.

Finally, among the activities of 1977—but not included in this report—was steady work within the Administration on ways that the United States can work to strengthen the United Nations. My report on that topic, sent to the Congress on March 2, 1978, outlines reforms which can make the United Nations even more effective as the world's major forum for discussion and action on global issues.

I welcome the continuing interest of the Congress in U.S. participation in the United Nations, and I urge its increased moral backing and financial support as the United States addresses in the United Nations the increasingly difficult issues that lie ahead.

JIMMY CARTER.

THE WHITE HOUSE, *January 18, 1979.*

MESSAGES FROM THE HOUSE

At 12:03 p.m., a message from the House of Representatives delivered by Mr. Hackney, one of its reading clerks, announced that the House has agreed to House Resolution 2, informing the Senate that a quorum of the House of Representatives has assembled; that Thomas P. O'Neill, Jr., a Representative from the State of Massachusetts, has been elected Speaker; and Edmund L. Henshaw, Jr., a citizen of the Commonwealth of Virginia, has been elected Clerk of the House of Representatives of the Ninety-Sixth Congress.

The message also announced that the House has agreed to House Resolution 11, relating to the death of the Honorable Leo J. Ryan, a Representative from the State of California.

The message further announced that the House has agreed to House Resolution 12, relating to the death of the Honorable William A. Steiger, a Representative from the State of Wisconsin.

The message also announced that the House has passed House Joint Resolution 1, a joint resolution to extend the time for filing the economic report, in which it requests the concurrence of the Senate.

The message further announced that the House has agreed to House Concurrent Resolution 1, that the two Houses of Congress assemble in the Hall of the House of Representative on Tuesday, January 23, 1979, at 9 o'clock post meridien for the purpose of receiving such communications as the President of the United States shall be pleased to make to them, in which it requests the concurrence of the Senate.

COMMUNICATIONS

The ACTING PRESIDENT pro tempore laid before the Senate the following communications, together with accompanying reports, documents, and papers, which were referred as indicated:

EC-310. A communication from the clerk of the U.S. Court of Claims, transmitting, pursuant to law, a copy of the court's order of January 5, 1979, pursuant to which judgment in the sum of $11,427,130.00 was entered for the plaintiffs in the Kickapoo Tribe of Kansas, et cetera, against the United States, No. 315; to the Committee on Appropriations.

EC-311. A communication from the Deputy Secretary of Defense, transmitting, pursuant to law, reports of violations of the Antideficiency Act (section 3679, Revised Statutes), and of Department of Defense Directive 7200.1, "Administrative Control of Appropriations"; to the Committee on Appropriations.

EC-312. A communication from the clerk of the U.S. Court of Claims, transmitting, pursuant to law, copies of the court's orders of December 8, 1978, and January 5, 1979, with regard to the judgments entered in the Pottawatomie Tribe of Indiana and related cases against the United States, Nos. 15-E, 29-C and 338, in the sum of $123,667.20 for the Ottawa Tribe and $108,734.40 for the Kickapoo Tribe; to the Committee on Appropriations.

EC-313. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Audit of the Office of the Attending Physician Revolving Fund—Fiscal Year 1978," January 15, 1979; to the Committee on Appropriations.

EC-314. A communication from the chairman, U.S. Railway Association, transmitting, pursuant to law, the fiscal year 1979 supplemental budget submission for administrative expenses; to the Committee on Appropriations.

EC-315. A communication from the Deputy Director, Office of Management and Budget, Executive Office of the President, reporting, pursuant to law, that the appropriation to the Department of Justice for "Fees and Expenses of Witnesses," for the fiscal year 1979, has been reapportioned in a basis which indicates the necessity for a supplemental estimate of appropriations; to the Committee on Appropriations.

EC-316. A communication from the clerk of the U.S. Court of Claims, transmitting, pursuant to law, certification of the judgement in favor of the plaintiffs in the sum of $11,427,130, entered by the court in the Kickapoo Tribe of Kansas, et cetera against the United States, No. 315, on January 5, 1979; to the Committee on Appropriations.

EC-317. A communication from the CEC, Naval Facilities Engineering Command, Department of the Navy, transmitting, pursuant to law, a report of military construcion awarded wihout competition during fiscal year 1979; to the Committee on Armed Services.

EC-318. A communication from the Principal Deputy Assistant Secretary of Defense (MRA&L), transmitting, pursuant to law, a report concerning the enlistment and retention incentives; to the Committee on Armed Services.

EC-319. A communication from the Associate Director, Legislative Liaison, Department of the Air Force, transmitting, pursuant to law, a report of the ten firms awarded the highest amounts of architect-engineer contracts by the Air Force in fiscal year 1978; to the Committee on Armed Services.

EC-320. A communication from the Chairman, Cost Accounting Standards Board, transmitting, pursuant to law, a proposed standards, rules, and regulations promulgated by the Board; to the Committee on Banking, Housing, and Urban Affairs.

EC-321. A communication from the Chairman, Board of Governors, Federal Reserve System, reporting, pursuant to law, adoption of a voluntary policy regarding expanded rulemaking procedures which are believed to comply with Executive Order No. 12044 (Improving Government Regulations); to the Committee on Banking, Housing, and Urban Affairs.

EC-322. A communication from the President and Chairman, Export-Import Bank of the United States, reporting, pursuant to law, on loan, guarantee and insurance transactions supported by Eximbank during August and September 1978 to Communist countries (as defined in section 620(f) of the Foreign Assistance Act of 1961, as amended); to the Committee on Banking, Housing, and Urban Affairs.

EC-323. A communication from the Secretary of Housing and Urban Development, transmitting, pursuant to law, the second annual report on the urban homesteading program; to the Committee on Banking, Housing, and Urban Affairs.

EC-324. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Amtrak's Economic Impact on the Intercity Bus Industry," January 12, 1979; to the Committee on Commerce, Science, and Transportation.

EC-325. A communication from the Secretary, Interstate Commerce Commission, reporting, pursuant to law, that it is unable to render a final decision in docket No. 36952, Electrical Appliances, San Juan to Dallas, Minneapolis, and East St. Louis, within the initially specified 7-month period; to the Committee on Commerce, Science, and Transportation.

EC-326. A communication from the Chairman, U.S. Consumer Product Safety Commission, transmitting, pursuant to law, the Commission's 1980 budget request; to the Committee on Commerce, Science, and Transportation.

EC-327. A communication from the General Counsel, Department of Energy, reporting, pursuant to law, notice of a meeting related to the international energy program; to the Committee on Energy and Natural Resources.

EC-328. A communication from the Chairman, National Commission on Unemployment Compensation, transmitting, pursuant to law, the Commission's interim report; to the Committee on Finance.

EC-329. A communication from the Fiscal Assistant Secretary, Department of the Treasury, transmitting, pursuant to law, a statement of liabilities and other financial commitments of the U.S. Government as of September 30, 1978; to the Committee on Finance.

EC-330. A communication from the Chairman, U.S. International Trade Commission, transmitting a draft of proposed legislation to provide authorization of appropriations for the U.S. International Trade Commission for fiscal year 1980; to the Committee on Finance.

EC-331. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Population Growth Problem in Developing Countries: Coordinated Assistance Essential," December 29, 1978; to the Committee on Foreign Relations.

EC-332. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, international agreements other than treaties entered into by the United States within 60 days of the execution thereof; to the Committee on Foreign Relations.

EC-333. A communication from the Secretary of the Interior, transmitting, pursuant to law, a report covering the disposal of surplus Federal real property for park, recreation and historic monument purposes for fiscal year 1978; to the Committee on Governmental Affairs.

EC-334. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Financial Status of Major Federal Acquisitions, September 30, 1978," January 11, 1979; to the Committee on Governmental Affairs.

EC-335. A communication from the Deputy Director for Administration, Central Intelligence Agency, transmitting, pursuant to law, a report of the proposed establishment of seven new records systems and the amendment of two existing records systems; to the Committee on Governmental Affairs.

EC-336. A communication from the Assistant Secretary for Administration, Department of Agriculture, transmitting, pursuant to law, a report of the activities of the Department for the fiscal year ending September 30, 1978, with regard to the disposal of foreign excess property; to the Committee on Governmental Affairs.

EC-337. A communication from the Administrator, Office of Federal Procurement Policy, Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a report on their activities and accomplishments for the period beginning January 1977 and ending September 1978; to the Committee on Governmental Affairs.

EC-338. A communication from the Administrator, General Services Administration, transmitting, pursuant to law, a report covering the disposal of surplus Federal real property for historic monument purposes for fiscal year 1978; to the Committee on Governmental Affairs.

EC-339. A communication from the Assistant Attorney General for Administration, Department of Justice, reporting, pursuant to law, its intention to establish a new system of records; to the Committee on Governmental Affairs.

EC-340. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled

"U.S. Refining Capacity: How Much Is Enough?" January 15, 1979; to the Committee on Governmental Affairs.

EC–341. A communication from the Assistant Secretary for Administration, Department of Commerce, reporting, pursuant to law, a proposed new system of records; to the Committee on Governmental Affairs.

EC–342. A communication from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, the 1979 Surgeon General's report on smoking and health; to the Committee on Human Resources.

EC–343. A communication from the Director, National Institute of Education, Department of Health, Education, and Welfare, transmitting, pursuant to law, a report on "Long-Term Special Institutional Agreements With the Seventeen Existing Laboratories and Centers"; to the Committee on Human Resources.

EC–344. A communication from the Director, Federal Mediation and Conciliation Service, transmitting, pursuant to law, its report for fiscal year ending September 30, 1977; to the Committee on Human Resources.

EC–345. A communication from the clerk of the U.S. Court of Claims, transmitting, pursuant to law, its annual report for the year ended September 30, 1978; to the Committee on the Judiciary.

EC–346. A communication from the Comptroller General of the United States, reporting, pursuant to law, on the President's third special message for fiscal year 1979 that was transmitted to the Congress pursuant to the Impoundment Control Act of 1974; to the Committee on Appropriations, the Committee on the Budget, the Committee on Foreign Relations, the Committee on Agriculture, Nutrition, and Forestry, the Committee on Energy and Natural Resources, the Committee on Finance, the Select Committee on Small Business, and the Select Committee on Indian Affairs, jointly, pursuant to order of January 30, 1975.

EC–347. A communication from the Chairman and Executive Director, Pension Benefit Guaranty Corporation, transmitting, pursuant to law, its third annual report; to the Committee on Human Resources and the Committee on Finance, jointly, by unanimous consent.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the third annual report of the Pension Benefit Guaranty Corporation be jointly referred to the Committees on Human Resources and Finance.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

This has been cleared on both sides of the aisle?

Mr. STEVENS. That is correct.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Executive Communication No. 272, a report from the Attorney General of the United States on the administration of the Foreign Agents Registration Act for 1977, which was referred to the Committee on Judiciary, be referred jointly to that committee and the Committee on Foreign Relations.

Mr. STEVENS. No objection.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

PETITIONS

The ACTING PRESIDENT pro tempore laid before the Senate the following petitions and memorials, which were referred as indicated:

POM–22. A petition from a citizen of the United States relative to a redress of grievances; to the Committee on Governmental Affairs.

POM–23. A joint resolution adopted by the Legislature of the State of Ohio; to the Committee on the Judiciary:

"SENATE JOINT RESOLUTION NO. 36

"Whereas, Both houses of the ninety-fifth Congress of the United States of America, at the second session of such Congress, by a constitutional majority of two-thirds of the members of each house thereof, made a proposition to amend the Constitution of the United States in the following words, to-wit:

" 'JOINT RESOLUTION

" 'Proposing an amendment to the Constitution to provide for representation of the District of Columbia in the Congress

" '*Resolved* by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States within seven years from the date of its submission by the Congress:

" 'ARTICLE —

" 'Section 1. For purposes of representation in the Congress, election of the President and Vice President, and article V of this Constitution, the District constituting the seat of government of the United States shall be treated as though it were a State.

" 'Section 2. The exercise of the rights and powers conferred under this article shall be by the people of the District constituting the seat of government, and as shall be provided by the Congress.

" 'Section 3. The twenty-third article of amendment to the Constitution of the United States is hereby repealed.

" 'Section 4. This article shall be inoperative, unless it shall have been ratified as an amendment to the Constitution by the legislatures of three-fourths of the several States within seven years from the date of its submission."; therefore be it

"*Resolved*, By the General Assembly of the State of Ohio, that the said proposed amendment to the Constitution of the United States be, and the same is hereby ratified; and be it further

"*Resolved*, That the Secretary of State of the State of Ohio be, and he hereby is directed, to deliver to the Governor of this state a certified copy of this resolution, and such certified copy shall be forwarded at once by the Governor to the Administrator of General Services, United States Government, Washington, D.C., to the President of the Senate of the United States, to the Speaker of the House of Representatives of the United States, and to the Secretary of State of the United States."

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. HOLLINGS (for himself, Mr. DURKIN, Mr. HEINZ, Mr. MORGAN, Mr. NUNN, Mr. TALMADGE, and Mr. THURMOND):

S. 67. A bill to amend the Trade Act of 1974; to the Committee on Finance.

By Mr. HOLLINGS:

S. 68. A bill for the relief of Doctor Jesus Tan, his wife, Margaret Pearl Liyao Tan, and their son, Jesse William Liyao Tan; to the Committee on the Judiciary.

By Mr. FORD:

S. 69. A bill for the relief of Doctor Kok Liong Tan, and his wife, Gloria Siao Tan; to the Committee on the Judiciary.

S. 70. A bill for the relief of Dr. Emmanuel Najera Macaraeg, and his wife, Aurora C. Macaraeg; to the Committee on the Judiciary.

S. 71. A bill for the relief of Dr. Ricardo B. Maddela, and his wife, Dr. Zenaida Andaya Maddela; to the Committee on the Judiciary.

S. 72. A bill for the relief of Natvarlal Govindji Patel; to the Committee on the Judiciary.

S. 73. A bill for the relief of Falicita Smith; to the Committee on the Judiciary.

S. 74. A bill for the relief of Puangpaka Vertrees and Puangtip Vertrees; to the Committee on the Judiciary.

By Mr. DOLE (for himself and Mr. NELSON):

S. 75. A bill to amend the Internal Revenue Code of 1954 to allow a retirement savings deduction for persons covered by certain pension plans; to the Committee on Finance.

By Mr. STONE:

S. 76. A bill to amend title XVIII of the Social Security Act to authorize payment under the Medicare Program for certain services performed by chiropractors; to the Committee on Finance.

By Mr. STENNIS:

S. 77. A bill for the relief of Vicent Man-Suen Tsin; to the Committee on the Judiciary.

S. 78. A bill for the relief of Sidsel Hansen; to the Committee on the Judiciary.

By Mr. HELMS:

S. 79. A bill to amend the Internal Revenue Code of 1954 to reinstate the nonbusiness deduction for State and local taxes on gasoline and other motor fuels; to the Committee on Finance.

By Mr. NELSON (for himself, Mr. PROXMIRE, and Mr. McGOVERN):

S. 80. A bill to amend section 201 of the Agricultural Act of 1949, as amended, to extend until September 30, 1981, the requirement that the price of milk be supported at not less than 80 per centum of the parity price thereunder; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. STENNIS:

S. 81. A bill to impose quotas on the importation of beef in order to assure an adequate supply of quality beef at stable prices for the American consumer; to the Committee on Finance.

By Mr. BAYH:

S. 82. A bill to restore and to promote competition in the petroleum industry, and for other purposes; to the Committee on the Judiciary.

By Mr. MORGAN:

S. 83. A bill for the relief of Charles Mohamed S. Awad and Karen Russell Elizabeth Latimer Awad; to the Committee on the Judiciary.

By Mr. THURMOND:

S. 84. A bill to amend the Food Stamp Act of 1977 to prohibit the distribution of food stamps to any household where the head of such household is engaged in a labor strike; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. PROXMIRE:

S. 85. A bill to amend the Federal Reserve Act to provide for maintenance of reserves in order to facilitate the implementation of monetary policy, to promote competitive equality among depository institutions, to require the imposition of service charges for services by Federal Reserve Banks, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

S. 86. A bill for the relief of Derek Saicheong Chung; to the Committee on the Judiciary.

S. 87. A bill for the relief of Michael Denis Cullen; to the Committee on the Judiciary.

S. 88. A bill for the relief of Soerjanti Bonzoumet-Soetarto; to the Committee on the Judiciary.

S. 89. A bill to amend the Bank Holding Company Act Amendments of 1970; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. CHURCH (for himself and Mr. William):

S. 90. A bill to amend title XVI of the Social Security Act to permit States to replace supplementary payments with vendor payments on behalf of residents of certain facilities, and for other purposes; to the Committee on Finance.

By Mr. THURMOND:

S. 91. A bill to amend title 10, United States Code, to remove certain inequities in the Survivor Benefit Plan provided for under chapter 73 of such title, and for other purposes; to the Committee on Armed Services.

S. 92. A bill to amend title 5 of the United States Code to permit present and former civilian employees of the Government to receive civil service annuity credit for retirement purposes for periods of military service to the United States as was covered by social security, regardless of eligibility for social security benefits; to the Committee on Governmental Affairs.

By Mr. EAGLETON (for Mr. Nelson (for himself and Mr. Eagleton)):

S. 93. A bill to require that Federal agencies publish certain statements during the rulemaking process, and for other purposes; to the Committee on Governmental Affairs.

By Mr. BENTSEN:

S. 94. A bill to amend the Internal Revenue Code of 1954 to allow individuals to compute the amount of the deduction for payments into retirement savings on the basis of the compensation of their spouses, and for other purposes; to the Committee on Finance.

By Mr. CHURCH (by request):

S. 95. A bill to protect the wildlands comprising the River of No Return Wilderness and the free-flowing Salmon River in the State of Idaho as an enduring resources of wilderness for the benefit of the the people of Idaho and the Nation pursuant to the Wilderness Act and the Wild and Scenic Rivers Act, and for other purposes; to the Committee on Energy and Natural Resources.

S. 96. A bill to protect the wildlands comprising the Idaho Wilderness and the free-flowing Salmon River and to release for management certain adjacent lands in the State of Idaho; to the Committee on Energy and Natural Resources

S. 97. A bill to designate the River of No Return Wilderness, Bitterroot, Boise, Challis, Nezperce, Payette, and Salmon National Forests, Idaho; to the Committee on Energy and Natural Resources.

By Mr. CHAFEE:

S. 98. A bill to amend the Internal Revenue Code of 1954 to provide a credit for amounts contributed to an individual housing account; to the Committee on Finance.

By Mr. DOLE:

S. 99. A bill to amend title 5, United States Code, to eliminate an inequity in computing annuities of Federal law enforcement officers or firefighters; to the Committee on Governmental Affairs.

By Mr. PACKWOOD:

S. 100. A bill to amend the Internal Revenue Code of 1954 to provide a deduction for expenses incurred for reforestation, and for other purposes; to the Committee on Finance.

By Mr. HATCH:

S. 101. A bill to amend the National Labor Relations Act and the Railway Labor Act to revise provisions relating to religious freedom; to the Committee on Human Resources.

By Mr. TOWER (for himself, Mr. Hayakawa, and Mr. Lugar):

S. 102. A bill to postpone the increase in the minimum wage and the adjustment to the tip credit under the Fair Labor Standards Act of 1938; to the Committee on Human Resources.

By Mr. HATCH (for himself, Mr. McClure, Mr. Laxalt, Mr. Thurmond, Mr. Goldwater, Mr. Helms, Mr. Garn, Mr. Harry F. Byrd, Jr., Mr. Tower, Mr. Hayakawa, and Mr. Stevens):

S. 103. A bill to provide that the Internal Revenue Service may not implement certain proposed rules relating to the determination of whether private schools have discriminatory policies; to the Committee on Finance.

By Mr. SCHMITT (for himself, Mr. Laxalt, Mr. Nunn, Mr. Schweiker, Mr. Goldwater, Mr. Stevens, Mr. Zorinsky, Mr. Hayakawa, Mr. Thurmond, Mr. Helms, Mr. Cochran, Mr. Tower, Mr. Warner, Mr. McClure, and Mr. Hatch):

S. 104. A bill to improve and systematize the procedures for the promulgation of rules by the Federal agencies, to establish a uniform procedure for congressional review of agency rules, and for other purposes; to the Committee on the Judiciary.

By Mr. LEAHY:

S.J. Res. 15. A joint resolution to commend the United States Jaycees, the St. Albans Jaycees, and Deere and Company for their participation in the Outstanding Young Farmer Program; to the Committee on the Judiciary.

By Mr. WALLOP (for himself, Mr. Morgan, and Mr. Thurmond):

S.J. Res. 16. A joint resolution to amend the Constitution of the United States to provide for balanced budgets and elimination of the Federal indebtedness; to the Committee on the Judiciary.

By Mr. ROTH:

S.J. Res. 17. A joint resolution relating to diplomatic relations with the Republic of China; to the Committee on Foreign Relations.

By Mr. THURMOND (for himself, Mr. Goldwater, and Mr. Wallop):

S.J. Res. 18. A joint resolution proposing an amendment to the Constitution of the United States relative to balancing of the budget and reducing the public debt; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HOLLINGS (for himself, Mr. Durkin, Mr. Heinz, Mr. Morgan, Mr. Nunn, Mr. Talmadge, and Mr. Thurmond):

S. 67. A bill to amend the Trade Act of 1974; to the Committee on Finance.

AMENDMENT OF THE TRADE ACT

Mr. HOLLINGS. Mr. President, last fall, both Senate and House passed legislation to include textile and apparel goods among those items not subject to the tariff-cutting talks currently taking place in Geneva. This was approved by lopsided majorities. Then the President vetoed the measure in November. Let us look for a few moments at some of the background of this problem.

When the Trade Act was passed in 1974, Congress mandated that any article suffering injury should be removed from tariff-cut negotiations. Accordingly, specialty steel, color television, CB radios, and nonrubber footwear have been removed. No one thought of textiles under the injury section of the 1974 Act, because textiles had proven injury already under the Agriculture Act of 1956. The Multifiber Arrangement of 1974 supposedly held textiles at a constant level. But in 1976, the textile and apparel trade deficit had jumped to $2.6 billion. By 1977, it was $3.4 billion. And in 1978, it reached nearly $5.2 billion. Injury has been proved and is increasing. By placing textiles and apparel under the injury section, my bill would carry out the intent of the 1974 Trade Act. In contravention of that intent, the administration has put on the negotiating table at Geneva proposals for far-reaching textile and apparel tariff reductions.

The administration tries to make the argument that passage of this bill would cause the Geneva talks to collapse. Nonsense. Europe is not about to walk out of these talks over a problem primarily Asian. Of that $5.2 billion trade deficit last year, the deficit from Europe was $416 million. For Asia, it was $4.396 billion. We receive from Hong Kong $1.134 billion in textile-apparel products, and we sell them for $28 million—a deficit of $1.106 billion. Hong Kong is not even in the Geneva talks. We could give half of that to the People's Republic of China, because our trade with them last year was about $500 million.

Another administration argument is that unless we cut textile and apparel tariffs, the Europeans will not give anything on agriculture. Well, in the Kennedy round, we cut textile tariffs 21 percent. And the Europeans gave nothing on agriculture. The fact of the matter is that they have always been hardnosed on agriculture.

To be fair, trade must be reciprocal. Cordell Hull achieved the Reciprocal Trade Act of 1934. Like the United Fund, in trade every article must give its fair share. Textiles and apparel have done that. Now they simply ask that, while hemorrhaging, we do not cut another vein.

Textiles and apparel are fundamental to our American economy. This is the largest employer of manufacturing labor in the country, accounting for one of every eight manufacturing jobs. Its 2.3 million paychecks go to some very integral segments of the economy and population. Female and minority employment are particularly dependent upon this industry. In textiles, 47 percent of the employees are women; and in apparel, 81 percent. Twenty-one percent of textile employees are minority; and in apparel, 24 percent. I would also point out that rural area and inner city are both heavily dependent upon textile-apparel employment—and these are the areas where job dislocation has already inflicted such a heavy toll. It is only fair and only sensible that we hold the line on these jobs.

Mr. President, since World War II, this country of ours has been on a binge. We have exported our jobs and dollars and technology as if there were no tomorrow. Well, tomorrow is here. Our trade ledger is sadly in the red, and here is $5.2 billion of the reason why. We have been trying to go in two different directions at the same time, and you just cannot do that. It makes no sense to spend billions to create jobs here at home, and then pursue a trade policy that eliminates them faster than they can be created. Textile and apparel import levels today have displaced over 400,000 American jobs!

Our American textile industry can be completely competitive in a fair trade environment. It has modernized its facilities. Its plant and equipment enable it to more than hold its own—providing we do not stack the deck in the other fellow's favor. And that, unfortunately, is exactly what we have been doing. To be free, trade needs also to be fair. But when foreign governments underwrite and subsidize and in a multitude of ways support their own home textile and apparel industries, then we must inquire where the equity is. And when we are talking about low-wage countries to boot—with the Korean textile worker receiving hourly compensation of 55 cents while our textile worker gets $4.53—the situation becomes fundamentally unfair and fundamentally unsound.

To consider tariff cuts when the volume of imports is inundating us—to consider tariff cuts when the deck is already stacked in favor of other countries—to consider tariff cuts when plants are closing and jobs are being lost—is a prescription for economic disaster. No one else in the world is going to look after us. It is our job to do. And, late in the day though it is, we still have the chance. But if we keep heading down this dangerous road of give-away and cave-in to the one-sided trade policies of our competitors, then we are asking for a smash-up.

I am not trying to be rhetorical or dramatic. But the fact is that we have neglected these vital matters of trade and commerce, and if we do not start tending to our business with some common sense and foresight, the accounting which inevitably lies ahead will spare no American. This Congress has the opportunity—and the responsibility—to put in place the kind of realistic trade policy which this Nation must have if it is to remain competitive and prosperous. It is with this in mind that I today introduce this bill to amend the Trade Act of 1974, and I ask my colleagues for their prompt consideration of this vital legislation.

Mr. President, I ask unanimous consent that in the printing of this bill, 350 copies be provided.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. TALMADGE. Mr. President, last year, after considerable thought, I cosponsored the bill offered by my good friend from South Carolina to prohibit the reduction of textile tariffs in trade negotiations. I am cosponsoring the same bill introduced by Senator HOLLINGS today.

The bill raises difficult questions. The textile and apparel industry is the largest single employer in the United States. Approximately 1 million people are employed in the textile industry and 1.3 million people are employed in the apparel industry. This industry is a mainstay of the American economy and the economy of Georgia. The health of the textile and apparel industry is of critical importance to the American economy and the economy of Georgia.

Over the last several decades, Mr. President, the textile and apparel industry has been under particular pressure from imports. In 1977, total U.S. imports of textile and apparel products were worth approximately $6 billion. Our trade deficit in textile and apparel products that year was approximately $3.4 billion. In 1978, total imports were worth approximately $7 billion, and our trade deficit was $5.2 billion.

Mr. President in recent years imports have battered the domestic industry causing the loss of tens of thousands of jobs. And, to add insult to injury, foreign governments such as the European Communities have increased barriers to American textile exports.

Mr. President, the multilateral trade negotiations are rapidly coming to an end. Our negotiators are discussing tariffs right now. The bill introduced today is an expression of concern about the effect of irresponsible tariff reductions on the textile and apparel industry. As an official advisor to the trade negotiations I will review any proposed textile tariff reductions very closely during consultations with the administration over the next 2 months. The treatment of the textile and apparel industry in the negotiations will weigh heavily in my decision whether or not to support the overall trade package.

Mr. President, one thing is clear. The U.S. Congress will not permit the destruction of the textile and apparel industry. The overwhelming support for this position was demonstrated last year. I am cosponsoring Senator HOLLINGS' bill this Congress to again send a message to the administration and our trading partners.

FREE TRADE OR FAIR TRADE?

Mr. MORGAN. Mr. President, I am pleased to rise in support of the bill being introduced today by the distinguished Senator from South Carolina.

This legislation is urgently needed for two basic reasons. First, it will help restore an element of sanity to the general trade policy of the United States. Second, it will curb a tide that threatens one of the most vital industries of our Nation, the textile industry.

My colleagues, indeed, the entire Nation, are entitled to know why I feel enactment of this legislation would contribute to a more sound trade policy. After all, this legislation has been described as protectionist.

The reason why this is not protectionist is because we do not have a free trade environment in textiles and apparel. In fact, textiles exporting nations have found literally dozens of ways to underwrite their industries—tax breaks, guaranteed loans, et cetera. Likewise, the average Korean textile worker receives about 55 cents an hour, eight times less than the average American textile worker.

The bill that Senator HOLLINGS and I bring before the Senate today is designed only to achieve equity, equity for an industry that can compete aggressively in the international marketplace under true free trade conditions.

It is important that the Members of this Chamber understand fully the nature of the textile industry. I would like to share some information of the importance of this industry to my home State, North Carolina.

First, textiles and apparel account for 40 percent of the manufacturing jobs in the State. Textiles plants produce a $2.2 billion annual payroll, apparel another $570 million.

Second, textiles and apparel account for 255,400 and 87,000 jobs—one out of every four jobs in North Carolina.

Most importantly, this vital industry provides much needed jobs for minorities and women.

This final factor, employment for minorities and women, should cause us particular concern. To me, it is senseless to enact job creation programs such as CETA while destroying an important industry through unintelligent trade policies. This is why we need to view our trade policies within the context of world realities and domestic policies and programs.

Mr. President, the Congress does not have much time in which to consider this bill that we offer today. I urge my colleagues to give urgent consideration to this bill so that it can move expeditiously through the legislative process.

Mr. THURMOND. Mr. President, I am pleased to join with the junior Senator from South Carolina and others as an original cosponsor of legislation that will prohibit the reduction or elimination of import restrictions on certain imported textile and apparel products.

This legislation which we are introducing today would amend section 127 (b) of the Trade Act of 1974 by adding another class of articles which would be reserved from tariff reductions. These articles would consist of items for which action has been taken under section 204 of the Agricultural Act of 1956, as amended (7 U.S.C. 1854).

As many of my colleagues are aware, I was an original member of the Senate Commerce Subcommittee to study the textile industry. The findings and recommendations of the subcommittee were instrumental in focussing attention on the problem of textile imports.

Over the years, I have continually followed the import situation. I have watched it steadly worsen to where imports now threaten the health of the entire industry.

Mr. President, this is a serious and real problem to the 188,000 people of my home State that are employed by the textile and apparel industry. Just last month, one of our State's leading firms announced that it would be closing the doors on December 15 of its plant located in Forks Shoal, S.C.

As such, exactly 10 days before Christmas, 84 persons found themselves without a job. This plant closing was directly due to the irresponsible trade policies of the Federal government.

But, textile and apparel imports are not just a South Carolina problem; they are a national problem. Nationwide, nearly 2.3 million people work in the fiber, textile, and apparel industries. This represents 1 out of every 8 manufacturing jobs in the United States. Already in 1978, 326,000 textile workers were either unemployed or on short-time because of imports.

I ask you, Mr. President, what is going to happen if we cut tariffs by 50 percent as the President proposes? I know exactly what will happen; 500,000 of these workers will have their paychecks cutoff.

These jobs need to be protected. Free trade is a fine thing, provided that all nations play by the same rules. A number of competitors, however, are not observing the rules. I see no reason why American consumers should enrich foreign manufacturers, whose factories are often little better than sweat shops, while our textile workers at home lose their jobs.

Mr. President, I urge my colleagues to join me in cosponsoring this legislation. In 1978, textile and apparel imports reached a record high at 6 billion equivalent square yards and a textile trade deficit of $5.1 billion. We must act now to stop this flood of foreign imports and protect our American jobs.

By Mr. DOLE (for himself and Mr. Nelson):

S. 75. A bill to amend the Internal Revenue Code of 1954 to allow a retirement savings deduction for persons covered by certain pension plans; to the Committee on Finance.

LIMITED EMPLOYEE RETIREMENT ACCOUNT

● Mr. DOLE. Mr. President, enactment of the Employee Retirement Income Security Act of 1974 has contributed to the instability of many qualified pension plans. Under ERISA, an individual is allowed a tax deduction for contributions to an individual retirement account. However, the 1974 law failed to permit a deduction for an employee contribution to a qualified plan. This disparity has resulted in a drop of employee participation in private pension plans.

LIMITED EMPLOYEE RETIREMENT ACCOUNT

Mr. President, I believe that every American deserves the opportunity to save for his retirement. Today, I am introducing legislation which will encourage employees to remain in qualified pension plans and induce employers to maintain qualified plans.

CURRENT LAW

Under current law, an individual who is entitled to make a deductible contribution to an individual retirement account may generally make a contribution up to the lesser of $1,500 or 15 percent of compensation for the year. The individual may not make a deductible contribution to an IRA if the individual is an active participant during any part of the tax year in a qualified plan, a tax-deferred annuity maintained by a tax-exempt institution, or a governmental plan.

As a result of the law, an active participant in such a plan may not make a deductible IRA contribution even though the employer's contribution on behalf of the individual is small, or the individual might never vest in a retirement benefit, because of frequent changes in employment.

REVENUE ACT OF 1978

Mr. President, the initiative which is introduced today is similar to a provision which I sponsored as part of the Senate-passed Revenue Act of 1978. Although the section was deleted in conference, the support for the measure remains strong. Essentially, my bill allows an employee who participates in a plan maintained by the employer to deduct contributions to either the plan or contributions to an IRA. The contribution is limited to the lesser of 10 percent of compensation or $1,000.

NONDISCRIMINATION

Mr. President, the proposal must be applied on a nondiscriminatory basis. After careful consideration, the Senator from Kansas has concluded that the adoption of a nondiscrimination standard which I propose in this area is preferable to enacting an income phaseout for the deduction for employees earning above a particular level of income. An income phaseout would automatically exclude a large portion of taxpayers, not only from any benefit, but also from any interest in this legislation. In addition, each year inflation will undoubtedly cause more individuals to fall into the arbitrarily excluded group.

The discrimination test which is included in the bill requires that the actual deferral percentage for highly compensated employees meets certain standards similar to those applied in cash or deferred compensation arrangements. Under the standards the deferral percentage for highly compensated participants may not exceed: First, 1½ times the deferral percentage for all participants or second, if the deferral percentage for highly compensated participants is not more than 3 percentage points above the deferral percentage for all other participants, the deferral percentage for highly compensated participants may not exceed 2½ times the deferral percentage for all other participants.

If the discrimination test cannot be met, the plan will not be disqualified, but the highly compensated participants will not be allowed to deduct their contributions. A "highly compensated participant" is defined as any individual who earns more than the compensation received by two-thirds of the other plan participants but only if such individual earns at least what is equivalent to step 1 of the grade of GS–14. Accordingly, an individual who earns less than a GS–14 level would automatically be allowed to deduct the contributions made to the plan.

VOLUNTARY AND MANDATORY CONTRIBUTIONS

Mr. President, my proposal does not make a distinction between mandatory and voluntary employee contributions. There are some that have suggested that my plan apply only to voluntary contributions. However, penalizing mandatory contributions by subjecting them to either a lower deduction limit or not allowing a deduction at all would cause many employers to abandon contributory plans, because employees would complain about the limited deductibility of their contributions. Many employers would not have the profitability to absorb the high cost of replacing these employee contributions.

Mr. President, I believe that my proposal is relatively straightforward. It entails no burdensome regulations. It is important that Congress assure our citizens, who have spent their careers in useful and productive work, adequate incomes upon retirement. The enactment of this legislation is a step in the right direction.

I ask unanimous consent that the text of my bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 75

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Internal Revenue Code of 1954 is amended to provide for the limited Employee Retirement Account of 1979 as follows:

(a) Deduction for Certain Employee Retirement Savings Contributions.—

(1) In general.—Part VII of subchapter B of chapter 1 (relating to additional itemized deductions for individuals) is amended by redesignating section 221 as 222 and by inserting after section 220 the following new section:

"Sec. 221. Deduction for Certain Employee Retirement Savings Contributions.—

"(a) Deduction Allowed.—In the case of an eligible employee, described in subsection (c), there is allowed as a deduction amounts paid in cash for a taxable year by such individual for the benefit of himself—

"(1) to a plan described in section 401(a) which includes a trust exempt from tax under section 501(a),

"(2) to an annuity plan described in section 403(a)

"(3) to a qualified bond purchase plan described in section 405(a),

"(4) to an individual retirement account described in section 408(a), individual retirement annuity described in section 408(b), or for a retirement bond described in section 409, or

"(5) to a group retiremennt trust maintained by a labor organization described in section 501(c)(5) which is financed exclusively by assessments of individuals who are members of such labor organization, which was established prior to January 1, 1974, and in which the assessment paid to the trust by any participant are 100% nonforfeitable.

"(b) Limitation and Restrictions.—

"(1) Maximum deduction.—The amount allowable as a deduction under subsection (a) to an eligible employee for any taxable year may not exceed an amount equal to 10 percent of the compensation includible in his gross income for such taxable year, or $1,000, whichever is less.

"(2) Additional limitation.—No deduction is allowed for any amount paid to an account, annuity, or for a bond described in paragraph (4) of subsection (a) except to the extent of the excess of the amount determined under subsection (b) over any amount paid by the eligible employee to a plan or trust described in paragraph (1), (2), (3) or (5) of subsection (a).

"(3) Alternative deduction.—No deduction is allowed under subsection (a) for the taxable year if the individual claims the deduction allowed by sections 219 or 220 for the taxable year.

"(4) Exception where plan is discriminatory.—No deduction is allowed under subsection (a) for a highly compensated participant (as defined in subsection (c)(7)) unless the employer certifies in accordance with regulations to be prescribed by the Secretary that the plan satisfies the discrimination standards in subsection (c)(6).

"(c) Definitions and Special Rules.—

"(1) Eligible employee.—For purposes of this section, the term "eligible employee" shall mean an individual who is an employee without regard to section 401(c)(1) or is a member of a labor organization referred to in subparagraph (D) and who is an active participant for any part of the taxable year in—

"(A) a plan described in section 401(a) which includes a trust exempt from tax under section 501(a),

"(B) an annuity plan described in section 403(a),

"(C) a qualified bond purchase plan described in section 405(a), or

"(D) a group retirement trust maintained by a labor organization described in section 501(c)(5) which is financed exclusively by assessments of individuals who are members of such labor organization, which was established prior to January 1, 1974, and in which the assessments paid to the trust by any participant are 100 percent nonforfeitable, but not if such plan is established or maintained by the United States, by a State or political subdivision thereof or by agency or instrumentality of any of the foregoing.

"(2) REPORTS.—The Secretary shall promulgate regulations which prescribe the time and manner reports shall be filed by an employer receiving contributions deductible under this section and by any eligible employee making any such deductible contribution.

"(3) RECONTRIBUTED AMOUNTS.—No deduction shall be allowed under this section with respect to a rollover contribution described in section 402(a)(5), 402(a)(6), 402(a)(7), 403(a)(4), 403(a)(5), 403(b)(8), 408(d)(3), or 409(b)(3)(C).

"(4) AMOUNTS CONTRIBUTED UNDER ENDOWMENT CONTRACT.—In the case of an endowment contract described in section 408(b), no deduction shall be allowed under this section for that portion of the amounts paid under the contract for the taxable year which are properly allocable, under regulations described by the Secretary, to the cost of life insurance.

"(5) MARRIED INDIVIDUALS.—In the case of an individual who is married (as determined under section 143(a)), the maximum deduction under subsection (b) shall be computed separately for each individual, and this section shall be applied without regard to any community property laws.

"(6) DISCRIMINATION STANDARDS.—

"(A) A plan shall satisfy the discrimination standards if the actual deferral percentage for highly compensated participants (as defined in paragraph (7)) for a plan year bears a relationship to the actual deferral percentage for all other participants for such plan year which meets either of the following tests:

"(i) The actual deferral percentage for the group of highly compensated participants is not more than the actual deferral percentage of all other participants multiplied by 1.5.

"(ii) The excess of the actual deferral percentage for the group of highly compensated participants over that of all other participants is not more than 3 percentage points, and the actual deferral percentage for the group of highly compensated participants is not more than the actual deferral percentage of all other participants multiplied by 2.5.

"(B) For purposes of subparagraph (A), the actual deferral percentage for a specified group of participants for a plan year shall be the average of the ratios (calculated separately for each participant in such group) of—

"(i) the amount deducted on behalf of each participant for such plan year, to

"(ii) the participant's total compensation for such plan year.

For purposes of the preceding sentence, the amount deducted on behalf of a highly compensated participant shall be determined without regard to the exception in subsection (b)(4).

'(7) HIGHLY COMPENSATED PARTICIPANT.—for purposes of this section, the term "highly compensated participant", means any participant who is more highly compensated than two-thirds of all participants but only if such participant's compensation for a plan year equals or exceeds the salary of an employee of the United States who is compensated at a rate equal to the annual rate paid for step 1 of grade GS-14. No individual who participates during a plan year only in a group retirement trust described in subsection (a)(5) shall be considered a highly compensated participant for such year.

(2) DEDUCTION ALLOWED IN ARRIVING AT ADJUSTED GROSS INCOME.—Section 62 (defining adjusted gross income) is amended by inserting after paragraph (13) the following new paragraph:

"(14) DEDUCTION FOR CERTAIN CONTRIBUTIONS.—The deduction allowed by section 221 (relating to certain employee retirement savings contributions)."

(b) TAX TREATMENT OF CERTAIN DEDUCTIBLE EMPLOYEE CONTRIBUTIONS.—Subpart A of part I of subchapter D of chapter 1 (relating to retirement plans) by inserting after subsection (1) of section 414 the following new subsection:

"(m) DEDUCTIBLE EMPLOYEE CONTRIBUTIONS.—For purposes of this title other than for purposes of sections 401(a)(4) and (5), 404, 410(b), 411, and 412, any amount which an employer is required to report pursuant to regulations promulgated under subsection (c)(2) of section 221, with respect to an amount paid by an eligible employee, as defined in subsection (c)(1) of section 221, as an employee retirement savings contribution, shall be treated as an employer contribution."

(e) CONFORMING AMENDMENTS.—

(1) So much of section 72(f) as precedes paragraph (1) thereof is amended to read as follows:

"In computing, for purposes of subsection (c)(1)(A), the aggregate amount of premiums or other consideration paid for the contract, for purposes of subsection (d)(1), the consideration for the contract contributed by the employee, and for purposes of subsection (e)(1)(B), the aggregate premiums or other consideration paid, amounts which an employer is required to report, pursuant to regulations promulgated under subsection (c)(2) of section 221, with respect to an amount paid by an eligible employee, as defined in subsection (c)(1) of section 221, as a retirement savings employee contribution shall be excluded, and amounts contributed by the employer shall be included, but only to the extent that—"

(2) Section 414(h) (Tax Treatment of Certain Contributions) is amended by inserting after "any amount contributed" the following: "other than an amount described in subsection (m)".

(3) So much of section 4973(b) as follows paragraph (1)(A) thereof is amended to read as follows:

"(B) the amount allowable as a deduction under section 219, 220, or 221 for such contributions, and

"(2) the amount determined under this subsection for the preceding taxable year, reduced by the sum of—

"(A) the distributions out of the account for the taxable year which were included in the gross income of the payee under section 408(d)(1),

"(B) the distributions out of the account for the taxable year to which section 408 (d)(5) applies, and

"(C) the excess (if any) of the maximum amount allowable as a deduction under section 219, 220, or 221 for the taxable year over the amount contributed (determined without regard to sections 219(c)(5) and 220(c)(6)) to the accounts or for the annuities or bonds for the taxable year."

For purposes of this subsection, any contribution which is distributed from the individual retirement account, individual retirement annuity, or bond in a distribution to which section 408(d)(4) applies shall be treated as an amount not contributed.

(d) EFFECTIVE DATE.—The amendments made by this Act shall apply to taxable years beginning after the date of the enactment of this Act.●

● Mr. NELSON. Mr. President, I am pleased to join Senator DOLE today in introducing the Limited Employee Retirement Account Act of 1979. This proposal is designed to promote improvements in private sector employee benefit plans. The proposal would permit an employee to claim a deduction for his or her mandatory or voluntary contributions to a qualified pension plan, an individual retirement account (IRA), or a combination of the two. The deduction would be limited to 10 percent of the employee's wages and salary or $1,000, whichever is less.

Under current law, if an employee is an active participant in his employer's qualified retirement plan, he may not claim a tax deduction for a contribution to the plan. At the same time, he may not claim a tax deduction for contributions to an IRA.

On the other hand, if an employee is not covered by his employer's qualified plan, he may set up his own IRA and make tax deductible contributions of up to $1,500 for himself (or himself and his nonemployed spouse).

As a result, present law discriminates against any employee participating in his employer's qualified retirement plan, where the employer contributes less than $1,500 on behalf of the employee.

The proposal I cosponsor today attempts to remove this patent discrimination from our current structure of Federal pension regulation. It will encourage additional retirement savings which will help relieve the burden on the social security system as well as increase capital available for investment.

If we are to meet increased retirement income needs, the best and most painless way to do it is by expanding coverage of our private sector retirement plans. Private, individual savings are not sufficient to provide retirement income in most cases, because most individuals will not or cannot set aside sufficient amounts over their working careers and because private savings are often drawn upon in times of need before retirement. We need to increase the number of qualified retirement plans and the number of employees covered under them.

To the extent we do so, we will not only assure adequate levels of retirement income, we will also make available additional billions of investment capital. The proposal introduced today seeks to achieve this goal by assisting low-income Americans and workers participating in low benefit pension plans.●

By Mr. STONE:

S. 76. A bill to amend title XVIII of the Social Security Act to authorize payment under the medicare program for certain services performed by chiropractors; to the Committee on Finance.

● Mr. STONE. Mr. President, today I am reintroducing S. 76, legislation to broaden the coverage of chiropractic services under medicare. The medicare program already recognizes chiropractic health care as a reimbursable expenditure. However, I see two important inequities in the present system which this bill would remedy.

Current regulations limit reimbursable chiropractic services to treatment of subluxation—partial dislocation. They mandate the use of X-rays for diagnosis and specifically limit treatment to manual manipulation of the spine, yet medicare will not pay for the mandatory diagnostic X-rays.

The logic behind these regulations eludes me. Partial dislocation can often be diagnosed without the use of X-rays. In fact, exposing the patient to unnecessary radiation can have a very harmful effect on their health. In addition, since medicare does not consider this mandatory X-ray a reimbursable cost, many medicare recipients are discouraged from receiving proper medical attention. Limiting coverage to one specific treatment results in the patient incurring the cost of all diagnostic tests as well as any other necessary treatment. This additional financial burden is often enough to discourage further medical care.

The legislation I propose will correct this situation. It will both eliminate the mandatory use of X-rays and include, under medicare coverage, additional methods of treatment and diagnosis. By removing unnecessary limitations which now apply to this field, this legislation will afford chiropractic patients the same benefits that other medicare recipients now receive.

These amendments are in complete accord with those adopted in the 1975 Federal Employees Compensation Act, Public Law 93-416. Medicare recipients have a right to quality health care including chiropractic treatment. It is time we allow the doctor to treat his patients appropriately without being limited by a reimbursable cost clause.

I am pleased to introduce this amendment to title VIII of the Social Security Act and urge its timely enactment. In the 95th Congress the House of Representatives, as part of the Medicare Amendments of 1978, included a provision which would have eliminated the mandatory X-ray requirement for chiropractic reimbursement under medicare. Although there were 37 cosponsors in this body, the Senate failed to act on this legislation before adjourning sine die.

I ask unanimous consent that the text of this bill be printed in the RECORD, along with a list of cosponsors in the 95th Congress.

There being no objection, the bill and list were ordered to be printed in the RECORD, as follows:

S. 76

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That clause (5) of section 1861(r) of the Social Security Act is amended—

(1) by inserting "and for appropriate X-ray, and physical examination and related routine laboratory tests, which he is authorized by State law to perform," after "1861 (s)(2)(A)"; and

(2) by inserting "or by chiropractic clinical findings" after "demonstrated by X-ray".

SEC. 2. The amendments made by the first section of this Act shall apply with respect to items and services furnished on or after the first day of the first month beginning after the date of the enactment of this Act.

S. 76

Mr. Stone, et al.

COSPONSORS

Inouye, Williams, Humphrey, Case, Gravel, Metcalf, Goldwater, McIntyre, Abourezk, Chiles, Burdick, McGovern, Curtis, DeConcini, Morgan, Magnuson, Church, Thurmond, Pell, Johnston, Melcher, Bayh, Matsunaga, Leahy, Hatch, Schweiker, Allen, Jackson, McClure, Riegle, Durkin, Randolph, Anderson, Hathaway, Helms, and Hatfield.●

By Mr. HELMS:

S. 79. A bill to amend the Internal Revenue Code of 1954 to reinstate the nonbusiness deduction for State and local taxes on gasoline and other motor fuels; to the Committee on Finance.

REINSTATEMENT OF THE GASOLINE TAX DEDUCTION

● Mr. HELMS. Mr. President, the amendment I propose restores the itemized deduction for State and local nonbusiness gasoline and motor fuel taxes which was eliminated by the provisions of the Revenue Act of 1978.

Last year, the Finance Committee repealed this deduction during its final hours of markup. During debate on the tax package, I sponsored an amendment to reinstate the deduction. While there was widespread support for the amendment, the Senate never had the chance to take an up or down vote on it. This is because the Chair had sustained a point of order that the amendment violated the Senate budget resolution. A challenge to the Chair's ruling was defeated by a vote of 48 to 43.

It is my hope that the gasoline tax deduction can be given more adequate attention in this Congress. My amendment reinstates the deduction for taxable years beginning after December 31, 1978; and would, therefore, negate the backhanded manner in which the deduction was eliminated in the hectic closing days of the 95th Congress:

WHY THE GASOLINE TAX DEDUCTION SHOULD BE RETAINED

(1) The gasoline tax deduction benefits primarily those middle income taxpayers who rely heavily upon their automobiles for non-business purposes, because they remain a relatively inexpensive mode of transportation. 87% of the dollar value of deductions taken under this provision benefit those taxpayers with adjusted gross incomes between $10,000 and $50,000.

(2) Unlike other itemized deductions allowed in the tax code, the amount of the gasoline tax deduction is relatively constant across income categories. Other deductions, such as the one for state and local income taxes, rise at least in proportion to taxpayers' income levels, or even faster, and are thus much more beneficial to taxpayers in upper income brackets. The gasoline tax deduction is of roughly equal value to all taxpayers who itemize, and therefore is considerably less regressive than other deductions.

(3) Staff estimates have consistently indicated that repeal of the gasoline tax deduction would yield no significant energy savings. For this reason, among others, the Finance Committee rejected elimination of the deduction during consideration of the energy bill last year. Rather than demonstrating Congressional concern about our energy problems, repeal of the gas tax deduction might well suggest that the Congress is willing only to make symbolic, ineffectual gestures towards energy conservation, rather than tackling the substantive and meaningful policy questions.

(4) It makes little sense, in the name of tax reform or tax simplification, to eliminate one of the simplest and easiest to understand provisions in the tax code. A Roper poll taken in July 1978 indicates that very few Americans equate tax reform with tax simplification; a large plurality see reform instead as increasing the equity of the tax code. Moreover, the poll shows that a dramatic majority of the American people see the gas tax deduction as "perfectly reasonable," and only 17% of those interviewed were willing to see the deduction eliminated even if it meant a lower overall tax rate.

(5) Whether state and local gasoline taxes are earmarked for highway maintenance or contributed to general revenues, denying taxpayers a deduction for them on their federal taxes would interfere with the legitimate revenue needs of other jurisdictions by making it more difficult for them to raise the tax moneys they require. While there currently are certain minor state taxes which are not deductible (such as the so-called "sin" taxes on commodities like alcohol and tobacco), these can be justified as furthering a particular social goal, i.e. discouraging the use of those items. However, eliminating the deduction for taxes on gasoline, a substance which few Americans can do without, could well establish a precedent of federal infringement on the revenue raising ability of state and local governments. Allowing a deduction for taxes already paid acknowledges that the taxpayer has not actually realized that income, and therefore ought not to be taxed on it.

(6) The increased tax burden to taxpayers resulting from elimination of the gas tax deduction would be greater than the revenue increase to the Federal treasury. This is because thirty-three states and the District of Columbia model their income tax returns after the federal return with respect to the gas tax deduction. Thus, taxpayers in those states would lose both the federal and state deductions, and in some cases a local deduction as well. According to the National Association of Tax Administrators, states affected are the following:

Alabama, Alaska, Arizona, Arkansas, California, Colorado, Delaware, District of Columbia, Georgia, Hawaii, Idaho, Iowa, Kansas, Kentucky, Louisiana, Maine, and Maryland.

Minnesota, Missouri, Montana, Nebraska, New Jersey, New Mexico, New York, North Dakota, Oklahoma, Oregon, Rhode Island, South Carolina, Utah, Vermont, Virginia, West Virginia, and Wisconsin.

Aggregate value and value of deduction per itemized return, by States, 1975

	Aggregate return (in millions)	Average return
Alabama	$50.4	$142.83
Alaska	5.1	99.72
Arizona	35.8	118.37
Arkansas	17.0	122.97
California	390.0	116.07
Colorado	42.4	106.25
Connecticut	61.6	158.78
Delaware	9.7	140.54
D.C	8.8	108.53
Florida	98.5	117.84
Georgia	63.3	128.26
Hawaii	12.1	107.94
Idaho	8.5	108.86
Illinois	142.5	108.58
Indiana	56.6	119.10
Iowa	27.0	90.14
Kansas	24.0	101.78
Kentucky	43.1	135.80
Louisiana	42.6	131.40
Maine	11.5	129.84

Aggregate value and value of deduction per itemized return, by States, 1975

	Aggregate return (in millions)	Average return
Maryland	89.2	140.18
Massachusetts	85.2	116.40
Michigan	184.8	150.07
Minnesota	64.5	118.82
Mississippi	29.1	146.39
Missouri	52.6	111.19
Montana	6.5	93.21
Nebraska	14.1	104.14
Nevada	8.3	103.37
New Hampshire	9.3	135.64
New Jersey	132.0	128.55
New Mexico	11.4	110.51
New York	294.2	119.54
North Carolina	79.3	146.24
North Dakota	4.1	80.80
Ohio	112.2	106.86
Oklahoma	26.8	105.67
Oregon	28.2	95.38
Pennsylvania	145.7	124.32
Rhode Island	13.2	133.70
South Carolina	38.6	135.41
South Dakota	4.0	98.18
Tennessee	87.3	123.50
Texas	87.3	87.17
Utah	18.8	110.87
Vermont	5.8	119.91
Virginia	84.0	142.87
Washington	56.5	127.95
West Virginia	9.9	120.77
Wisconsin	53.2	92.97
Wyoming	3.3	102.03
United States	2,946.0	118.16 ●

By Mr. STENNIS:

S. 81. A bill to impose quotas on the importation of beef in order to assure an adequate supply of quality beef at stable prices for the American consumer; to the Committee on Finance.

BEEF IMPORT ACT OF 1979

● Mr. STENNIS. Mr. President, I rise to introduce the Beef Import Bill of 1979. This bill is identical to the bill which was passed by the Senate on May 5, 1978.

The intent of the Beef Import Bill is to give some added stability to beef prices, which historically follow a boom or bust cycle depending on domestic cattle production levels. Imported frozen boneless beef makes up 15 to 20 percent of the ground meat sold at retail.

Under present law, beef imports are increased as domestic cattle production increases. This adds to the boom or bust cycle.

The Beef Import Bill will reverse this by allowing increased imports during periods of low beef production (and high prices), and reduce imports when beef production is high (and prices low). This is the so-called countercyclical feature of the bill.

As you know, last November the President vetoed a similar bill. In his Memorandum of Disapproval he stated that he vetoed the bill because it would restrict Presidential authority to increase meat imports. He said that he supports the countercyclical management of meat imports, but that the bill uses an untested formula which might not respond ideally, and so he desired to retain the full Presidential flexibility to increase imports. He announced he is agreeable to working with Congress again on a countercyclical bill, with suitable safeguards for Presidential action if necessary.

On this basis an effort will be made to reach a suitable compromise with the administration on the discretionary authority allowed the President to increase meat imports. The situation is further complicated by the fact that the pending international trade agreements which will be presented to Congress later this year may contain a beef agreement code. It is my understanding that under the present draft of this code, although reductions are sought in trade restrictions, it will be possible to continue the present system of voluntary agreements which limit annual beef imports to the United States.

It is my sincere hope that such a compromise can be reached with the administration, and that it will give the needed protection to American cattlemen.

The distinguished Senator from Texas (Mr. BENTSEN) has introduced a beef import bill this year which works toward reaching a compromise solution. I have asked to be included as a cosponsor of his bill. The Senator from Texas was the author of the original beef bill last year, which I also cosponsored. I wish to make it clear that we share the desire to obtain a bill which will not be vetoed and which will bring the desired degree of stability to the beef industry.

The cattle producers are struggling back after several very hard years. Under such adversity they had to cut back their herds. We are seeing the result now in shorter supplies of beef and rapidly rising retail prices. This is an excellent example of the boom-or-bust cycle that we want to avoid. Adversity for cattlemen is followed in a very few years by adversity for consumers.

Mr. President, a good countercyclical beef import bill is necessary for American cattlemen and it will help consumers as well. I urge the early committee consideration of the beef import bill and its prompt passage by the Senate.●

By Mr. BAYH:

S. 82. A bill to restore and to promote competition in the petroleum industry, and for other purposes; to the Committee on the Judiciary.

PETROLEUM INDUSTRY COMPETITION ACT OF 1979

● Mr. BAYH. Mr. President, I am today introducing the Petroleum Industry Competition Act of 1978. This legislation is virtually identical to S. 2387, sponsored by the late Senator Phil Hart and myself in 1975, and reported out of the Senate Judiciary Committee in June, 1976. It addresses the stranglehold that the major vertically integrated oil companies have over every aspect of our Nation's petroleum industry—from production to distribution, refining and the sale of crude oil and refined petroleum products—and has as its goal the establishment of a truly free market in crude oil and petroleum products. Instead of a free market, today the vertically integrated structure of the major oil companies permits a relatively small number of companies to control the flow of crude oil and refined products, thus resisting the price competition that normally exists in a free marketplace. This phenomenon has resulted in industry inefficiencies and higher prices for consumers, a web of complex Government regulations presided over by a growing army of Federal bureaucrats, an increasing similarity of interests between the majors and the OPEC oil cartel, and the denial to thousands of Americans of the opportunity to successfully operate independent, small businesses.

Mr. President, while the anticompetitive nature of the oil industry is not a new phenomenon, I believe its consequences may be more serious now than ever before. With the OPEC cartel once again raising oil prices, the prospect of oil shortages before us as a result of turmoil in the Middle East, and proposals to lift domestic price controls on crude oil and gasoline in the works, a free market in crude oil is essential. As we face these difficulties, we must not leave questions of oil prices and supplies to a handful of monopolistic oil companies who have so successfully used their political and economic power over the years to shape public policy to their interests. Oil is too essential a commodity to leave these decisions in their hands. Therefore, I would hope that the Senate Judiciary Committee will give this bill very serious consideration during the 96th Congress.

Mr. President, the anticompetitive nature of the petroleum industry is not a new phenomenon. Indeed, as far back as the end of the 19th century there were questions raised about the lack of competition in the oil industry. The Supreme Court decision ordering the breakup of the old Standard Oil trust in 1911 still stands as a landmark decision in antitrust enforcement.

In the decades following the dissolution of the Standard Oil trust there were numerous efforts to deal with the persistent anticompetitiveness of the oil industry. These included congressional initiatives and attempts by different administrations to tackle the structure of the oil industry under existing antitrust laws. One current effort is the case the Federal Trade Commission brought against the eight major oil companies in 1973. In that proceeding, known as the Exxon case and which is currently in the discovery stage, the FTC has charged the companies with engaging in a host of anticompetitive practices. It is relevant to note that the head of the FTC Bureau of Competition, when asked what remedy he would seek if the FTC won the case, replied without hesitation "divestiture."

While the FTC action in the Exxon case has been the most dramatic initiative in the executive branch in the area of oil industry competition in recent years, it is important to note that our late colleague, Senator Philip Hart of Michigan, worked for years as chairman of the Subcommittee on Antitrust and Monopoly to focus attention on the anticompetitive nature of the oil industry and to encourage consideration of divestiture as a solution to the institutional problem in the industry.

Mr. President, the lack of competition in the oil industry is manifest in many ways: The manipulation of production levels to avoid the drop in prices abundant supplies would stimulate in a free market; the denial of access to gathering and trunk lines for independent producers, which forces them to sell their oil to the majors; the barriers erected against independent refiners as a result of their inability to bid equally for crude oil supplies; the price discrimination practiced against independent marketers, which makes it doubly hard for them to compete against the majors; the economic blackmail of independent service station dealers by the majors, which denies small businessmen opportunities and denies consumers convenient and full service in their neighborhoods; and the exploitation of supply shortages to drive independent refiners and marketers out of business.

The Petroleum Industry Competition Act of 1979 would deal with these abuses by requiring, in 5 years time, that the major vertically integrated oil companies be split into three component and independent parts: production, transportation, and refining-marketing. To protect gasoline retailers from further encroachment by large refiners, it also prohibits large refiners from acquiring retail outlets not owned prior to January 1, 1979. It provides for an orderly divestiture process by giving the responsibility for drawing up a divestitude plan to the companies themselves, in concert with the Federal Trade Commission and the Securities and Exchange Commission, to make sure it is done as efficiently as possible in a manner that will be beneficial for the company's stockholders.

Because vertical integration only reaches severe anticompetitive levels with firms of a certain size, the bill is addressed to producers who produce 100,000 or more barrels of oil a day, and to refiners and marketers who refine or market more than 300,000 barrels a day, respectively. The 18 companies affected by these criteria are listed in the following table:

Company	Produce over 100,000 barrels per day	Refine over 300,000 barrels per day	Market over 300,000 barrels per day
Exxon	767.0	1,339.0	1,748.0
Texaco	564.0	1,019.0	1,278.0
Shell	505.0	1,086.0	1,046.0
Standard of Indiana	453.0	1,067.0	1,294.0
Atlantic Richfield	407.7	774.9	736.2
Gulf	402.2	847.5	822.0
Standard of California	362.0	1,213.0	1,264.0
Mobil	314.0	798.0	852.0
Getty	278.9	(234.5)	(262.4)
Phillips	255.2	(297.0)	491.0
Sun	201.1	531.6	798.3
Union	202.1	451.9	438.8
Continental	187.5	354.0	398.0
Marathon	180.9	478.2	488.4
Standard of Ohio (BP)	167.2	425.8	406.0
Cities Service	113.5	(251.9)	(297.8)
Ashland	(22.1)	358.2	501.0
Amerada Hess	(95.2)	700.0	648.0

Figures in parentheses represent amounts below the size threshold contained in this bill.

SOURCE: "Market Shares and Individual Company Data for U.S. Energy Markets: 1950–1977"—American Petroleum Institute.

To assure expeditious and equitable handling of all proceedings arising under the bill, the legislation establishes a Temporary Petroleum Industry Divestiture Court to handle all litigation arising under the act and provides ample opportunity for all parties with an interest to participate in the proceedings.

Mr. President, I am by no means claiming that vertical divestiture is a panacea for our energy and economic problems. However, I do believe that it can contribute to solving some of the highest priority issues we will be addressing this year: The continued influence of the OPEC cartel on our society; the need to hold prices down in the face of possible decontrol of domestic oil and gasoline prices and continually high inflation rates; the growing cost and frustration attendant to Federal regulations; and the increasing difficulty of starting and successfully operating small businesses in competition with monopolistic giants. I hope that the Senate Judiciary Committee will act expeditiously on this important piece of legislation.

Mr. President, I ask unanimous consent that the text of the bill, a factsheet on the legislation, and a point-counterpoint discussion that I have prepared on this issue be inserted in the RECORD at this point.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 82

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Petroleum Industry Competition Act of 1979".

FINDINGS AND PURPOSE

SEC. 2. (a) FINDINGS.—The Congress finds and declares that—

(1) this Nation is committed to a private enterprise system and a free market economy, in the belief that competition spurs innovation, promotes productivity, prevents undue concentration of economic, social, and political power, and helps preserve a democratic society;

(2) vigorous and effective enforcement of the antitrust laws and reduction of monopoly and oligopoly power in the economy and contribute significantly to reducing prices, unemployment, and inflation;

(3) existing antitrust laws have been inadequate to maintain and restore effective competition in the petroleum industry; and

(4) the extraordinary dimensions of the remedy required by this Act necessitate expenditure judicial supervision of the divestitures and attendant actions required by this Act.

(b) PURPOSE.—It is the purpose of the Congress in this Act to facilitate the creation and maintenance of competition in the petroleum industry, and to require the most expeditious and equitable separation and divestment of assets and interests of vertically integrated major petroleum companies.

TITLE I—INDUSTRY COMPETITION

DEFINITIONS

SEC. 101. As used in this title—

(a) "person" means an individual person or a corporation, partnership, joint stock company, trust, trustee in bankruptcy, receiver in reorganization, association, or any organized group whether or not incorporated, and whether or not domiciled or incorporated within the United States. It does not include any authority of the United States or of the several States:

(b) "control" means a direct or indirect legal or beneficial interest in or legal power or influence over another person, directly or indirectly, arising through direct, indirect, or interlocking ownership of capital stock, interlocking directorates of officers, or contractual relations which substantially impair the independent business behavior of another person;

(c) "affiliate" means a person controlled by, controlling, or under or subject to common control with respect to any other person;

(d) "asset" means any property (tangible or intangible, real, personal, or mixed) and includes stock in any corporation;

(e) "commerce" means commerce among the several States, with the Indian tribes, or with foreign nations; or commerce in any State which affects commerce among or between a State and a foreign nation;

(f) "energy resource" means crude oil, natural gas liquids and condensate;

(g) "refine" means to change by any operation the physical or chemical characteristics of petroleum or petroleum products in order to create a derivative product for resale, exclusive of the operations of passing petroleum through a separator to remove gas, placing petroleum in settling tanks to remove basic sediment and water, dehydrating petroleum and generally cleaning and purifying petroleum;

(h) "refined product" means any product, whether liquid or gas, which is produced by a refinery asset;

(i) "marketing asset" means any asset used in the sale and distribution of gasoline or fuel oil, including diesel and distillate, to ultimate consumers at a retail motor fuel outlet, other than the initial sale with transfer of ownership to customers at the refinery;

(j) "operate" means engaging in the business of selling gasoline and diesel, directly or indirectly, or through any agent who receives any commission, compensation, or payment because of the sale of such product;

(k) "production asset" means—

(A) natural deposits of crude oil, or condensate and natural gas liquids;

(B) any asset used primarily in the exploration for, development of, or production of an energy resource including, but not limited to, an interest in real property, whether or not such real property is developed or undeveloped; and

(C) geological and geophysical information;

(l) "refinery asset" means any asset used in the refining of an energy resource;

(m) "transportation asset" means any asset used in the transportation within the

United States by pipeline or gathering line of crude oil or refined product;

(n) "major marketer" means any person which, during the calendar year 1979 or in any subsequent year, alone or with affiliates, marketed or distributed one hundred and ten million barrels of refined product within the United States;

(o) "major producer" means any person which, during the calendar year 1979 or in any subsequent calendar year, alone or with affiliates, produced within the United States either a total of thirty-six million five hundred thousand barrels of crude oil, condensate and natural gas liquids, or whose interest in crude oil, condensate and natural gas liquid production totaled thirty-six million five hundred thousand barrels;

(p) "major refiner" means any person which, during the calendar year 1979 or in any subsequent calendar year, alone or with affiliates, refined within the United States one hundred and ten million barrels of refined product, including that refined by another refiner under a processing agreement;

(q) "petroleum transporter" means any person which transports an energy resource or refined product by pipeline in commerce within the United States;

(r) "Outer Continental Shelf" means all submerged lands lying seaward and outside of the area of lands beneath navigable waters as defined in section 2 of the Submerged Lands Act (67 Stat. 29) and of which the subsoil and seabed appertain to the United States and are subject to its jurisdiction and control;

(s) "State" means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and the Trust Territory of the Pacific Islands, and the Outer Continental Shelf;

(t) "Commission" means the Federal Trade Commission: and

(u) "prohibited asset" means any marketing asset, production asset, refining asset, or transportation asset, the retention of which is prohibited by section 102 of this Act.

UNLAWFUL RETENTION

SEC. 102. Notwithstanding any other provision of law, five years after the date of enactment of this Act, it shall be unlawful—

(a)(1) for any major producer to own, or control, any interest in any refinery asset, transportation asset, or marketing asset;

(2) for any petroleum transporter to own or control any interest in any production asset, refinery asset, or marketing asset;

(3) for any major refiner or major marketer to own or control any interest in any production asset or transportation asset;

(b) for any person who owns any refining asset, production asset, or marketing asset to transport any energy resource or refined product in which he has any interest, by means of any transportation asset in which he has any interest.

UNLAWFUL OPERATION

SEC. 103. Upon enactment of this Act, it shall be unlawful for any major refiner to operate, either directly or indirectly, any marketing asset which it did not operate prior to January 1, 1979.

EXEMPTIONS

SEC. 104. (a) The Commission may, upon application by any person required to divest interests in assets under section 102 or prohibited from using assets by section 102(b), exempt any major producer, petroleum transporter, major refiner, major marketer, or any other person from the operation of section 102 with respect to any transportation asset upon a finding—

(1) that such transportation assets are so integral a part of other assets, the retention or use of which is not prohibited under section 102, that no public purpose would be served by the divestment of or prohibition of the use of any such transportation asset; and

(2) that the retention or use of any such transportation asset will not tend to injure competition or otherwise subvert the purposes of this Act.

(b) In order to facilitate the purposes of this section, the Commission is authorized to exempt any corporation formed or reorganized as a result of compliance with this section from the prohibitions contained in section 8 of the Act of October 5, 1914 (38 Stat. 732; 15 U.S.C. 19) for a period not to exceed one year.

REPORTS

SEC. 105. Each person subject to section 102 or 103 shall, within thirty days from the date of enactment of this Act, file with the Commission a report listing their prohibited assets. The Commission may order subsequent reports from persons subject to section 102 or 103 and may order reports from such other persons as it requires. Appeals from an order of the Commission issued under this section must be filed with the court within five days after the order has been served and the court must grant or deny the appeal, or modify the order as it deems proper within ten days.

PROHIBITION ON SOLICITATION

SEC. 106. It shall be unlawful for any person to solicit or to permit the use of his or its name to solicit, by use of the mails or any means or instrumentality of interstate commerce, or otherwise, any proxy, power of attorney, consent, or authorization regarding any security of a corporation subject to the requirements of section 102 or 103 or a subsidiary corporation thereof in contravention of such rules.

ENFORCEMENT

SEC. 107. (a) The Commission, in accordance with such rules, regulations, or orders as it deems appropriate to carry out the purposes of this Act shall require each person subject to the provisions of section 102 or 103 to submit to the Commission within 18 months of the date of enactment of this Act, a plan or plans for the divestment of the prohibited assets. Such plan must—

(1) be fair and equitable to all affected persons; and

(2) substantially accomplish the required divestiture within 5 years of the date of enactment of this Act.

The Commission, within one hundred and twenty days after the submission of the plan or plans by the persons subject to sections 102 and 103, shall file its plans with the court; except that no plan shall be filed which will not substantially accomplish divestment of prohibited assets on or before five years from the date of enactment of this Act. Failure of any person or persons to file a plan or plans shall not relieve the Commission of its duty to file its plan or plans for the divestiture of the prohibited assets of that person or persons.

(b) The plan required under subsection (a) of this section shall be devised by each person subject to the provisions of this Act, with respect to their own interests only, in consultation with the officers and employees of the Commission, and the Securities and Exchange Commission under guidelines which the Commission, with the advice and counsel of the Securities and Exchange Commission, shall promulgate.

(c) The Commission shall institute suits or actions only in the court established under title II of this Act for such relief as is appropriate to assure compliance by any person with this Act, including, but not limited to, orders of divestiture, declaratory judgments, mandatory or prohibitive injunctive relief, interim equitable relief, the appointment of temporary or permanent receivers or trustees, civil penalties, and punitive damages for willful failure to comply with lawful orders of the court.

(d)(1) In the administration of the provisions of this section, the Commission shall have primary oversight jurisdiction and responsibility for the preparation and final approval of the required divestiture plans.

(2) The Securities and Exchange Commission shall advise the Commission as to the conformity of each such plan with general standards of fairness and equity with respect to the interests of the holders of debt and equity interests in corporations affected by the operation of section 102 or 103.

(e) In carrying out the provisions of this Act, the Commission and the Securities and Exchange Commission are each authorized to utilize all powers conferred upon them separately, and all sanctions associated therewith, by any other provision of law.

(f) The Commission and the Securities and Exchange Commission shall serve as advisers to the court in any reorganization proceeding related to the operation or enforcement of the provisions of section 102 or 103 of this Act.

FAIR AND EQUITABLE

SEC. 108. Simultaneously with the filing of the Commission's plan with the court, the Securities and Exchange Commission shall file separately and independently an analysis of the conformity of such plan with general standard of fairness and equity with respect to the holders of debt and equity interests of any corporation affected by the provisions of section 102 or 103.

STATEMENT OF DIFFERENCES

SEC. 109. Any person subject to the provisions of section 102 or 103, not later than sixty days after the date on which the Securities and Exchange Commission and the Commission have filed the reports pursuant to the requirements of section 107, shall be entitled, as a matter of right, to file with the court a statement of differences with the proposed plans.

JUDICIAL DISPOSITION

SEC. 110. After the filing of the plans by the Commission, the court shall—

(a) give notice to all persons affected by the plans;

(b) permit the intervention by all persons having legally cognizable rights affected by the final disposition of the plans;

(c) resolve in hearings on the record such disputes of law and fact as may arise between and among the affected persons, the Commission, and the Securities and Exchange Commission regarding the disposition of the plans for divestiture of the prohibited assets;

(d) prior to entering a final order regarding the implementation of the plans, give an opportunity to all interested persons to file written comments on the plans; and

(e) no later than two years from the filing by the Commission of its plans, issue orders causing the implementation of the plans in such a manner as will accomplish the purposes of the Act within five years of its enactment and be fair and equitable to all persons affected.

The court shall have the power to modify the plans as it deems necessary.

Notwithstanding any other provisions of law, the Attorney General of the United States may intervene in any matter before the court as a matter of right. The court may seek the advice of the Attorney General concerning any matter before it.

ADMINISTRATIVE SUPPORT

SEC. 111. Notwithstanding any other provision of law, the Commission and the Securities and Exchange Commission may contract for the services of such persons including lawyers, economists, accountants, appraisers, securities analysts, neutral experts, and such other personnel as may be necessary to expeditiously carry out the responsibilities vested in each of them respectively by the provisions of this Act.

SANCTIONS

SEC. 112. (a) Any person or any officer, director, or partners thereof, who violate any provision of this Act shall forfeit and pay to the United States a civil penalty of not more than $100,000 in the case of an individual, or not more than $1,000,000 in the case of a corporation. Such penalties shall accrue to the United States and may be recovered in a civil action brought by the Commission. Failure to obey any order of a court pursuant to this Act shall be punishable by such court as a contempt of court.

(b) Any person or any officer, director or partner thereof, who violates a lawful order of the Commission issued pursuant to this Act shall forfeit and pay to the United States, for each violation, a civil penalty of not more than $100,000 which shall accrue to the United States and may be recovered in a civil action brought by the Commission. Each separate violation of such an order shall be a separate offense, except that in the case of a violation through continuing failure or neglect to obey an order of the Commission, each day of continuance of such failure or neglect shall be deemed a separate offense.

SALE OF SECURITIES

SEC. 113. (a) The Commission shall promulgate such rules, regulations, and orders as it deems necessary to require that any plan or plans for divestment of the prohibited assets shall provide for the maintenance of competitive conditions in capital markets for the sale of notes, securities, or assets pursuant to such plan or plans.

(b) To this end, the Commission shall require that the size, timing, and other conditions of sale for such notes, securities, or assets shall be such as to encourage broad participation by underwriters and potential purchasers.

(c) The Commission shall promulgate such rules, regulations, and orders as it deems necessary to assure that competitive conditions are maintained in capital markets when loans, leases, and other financings are entered into by persons required to submit a plan or plans required pursuant to this section during the pendency or in conjunction with such plan or plans.

TITLE II—TEMPORARY INDUSTRY DIVESTITURE COURT

ESTABLISHMENT

SEC. 201. There is hereby created a court of the United States to be known as the Temporary Petroleum Industry Divestiture Court (hereinafter referred to in this title as the "court") which shall consist of three or more judges to be designated by the Chief Justice of the United States from judges of the United States district courts and circuit courts of appeals. The court shall be dissolved by order of the Chief Justice of the Supreme Court upon a determination that its purposes have been accomplished and at such time its power, jurisdiction, and any unfinished business shall be transferred to the United States District Court for the District of Columbia.

JUDGES

SEC. 202. The Chief Justice of the United States shall designate one of such judges as chief judge of the court and may, from time to time, designate additional judges for such court and revoke previous designations. The chief judge may, from time to time, divide the court into divisions of three or more members and any such division may render judgment as the judgment of the court.

REFERENCE JURISDICTION

SEC. 203. The court shall have the powers of a district court with respect to the jurisdiction conferred on it by this Act. The court or a panel thereof may, at any stage of a proceeding under this Act, refer the proceeding or any part thereof or any issue therein to a referee in bankruptcy to hear and determine any and all matters not reserved to the court or panel by this Act, or to referee as a special master, to hear and report generally or upon specified matters, or to a special master for such action with respect thereto as the court or a part thereof may direct.

TRANSFER JURISDICTION

SEC. 204. (a) A single judge or panel of the court may exercise all functions of the Judicial Panel on Multidistrict Litigation as provided under section 1407 of title 28, United States Code, with respect to any matter before the court.

(b) The Judicial Panel on Multidistrict Litigation shall exercise no function with respect to any matter before the court.

GENERAL JURISDICTION

SEC. 205. The court shall have exclusive jurisdiction, without appeal, except as otherwise provided in this Act, of all plans, actions, and suits brought under this Act or which relate to any matter affected by the operation of this Act and the resolution of which is necessary to the expeditious implementation of any provision of this Act or of any divestiture required by this Act. The jurisdiction of the court shall not include any action brought by the Department of Justice or the Commission under the antitrust laws or the Federal Trade Commission Act.

COMPULSORY PROCESS

SEC. 206. Notwithstanding any other provision of law in the execution of its responsibilities and powers under this title the court may issue its process to any person and service thereof may be had in any district where such person resides, transacts business, or may otherwise be found. The court, in aid of the execution of this provision, may issue such writs as may be provided under section 1651 of title 28, United States Code.

RULES

SEC. 207. The court shall exercise its powers and prescribe rules governing its procedure in such manner as to expedite the determination of cases of which it has jurisdiction under this Act.

APPEAL

SEC. 208. The court may fix and establish a table of costs and fees to be approved by the Supreme Court of the United States, but the costs and fees so fixed shall not exceed with respect to any item the costs and fees charged in the Supreme Court of the United States. Within thirty days after entry of a judgment or order, interlocutory or final, by the court a petition of a writ of certiorari may be filed in the Supreme Court of the United States, and thereupon the judgment or order shall be subject to review by the Supreme Court in the same manner as a judgment of a circuit court of appeals of the United States. No interlocutory appeal may be filed without certification of the court. The Supreme Court shall advance on the docket and expedite the disposition of all causes filed therein pursuant to this section. The court and the Supreme Court upon review of judgments and orders of the court shall have exclusive jurisdiction. Except as provided in this section, no court, Federal, State, or territorial, shall have jurisdiction or power to consider any appeal involving any action or suit brought under this Act or any matter affected by the operation of this Act and the resolution of which is necessary to the expeditious implementation of any provision of this Act or any divestiture required by this Act.

CLERK AND EMPLOYEES

SEC. 209. (a) The court may appoint a clerk who shall be subject to removal by the court. The court may appoint or authorize the appointment of such other officers and employees in such number as may be approved by the Director of the Administrative Office of the United States Courts.

(b) The officers and employees of the court shall be subject to the removal by the court or, if the court so determines, by the clerk or other officer who appointed them, with the approval of the court.

(c) Referees and special masters appointed under section 203 shall be compensated as provided under section 40 of the Act entitled "An Act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898 (30 Stat. 544, 556), as amended (11 U.S.C. 68).

(d) The clerk shall pay into the Treasury all fees, costs, and other moneys collected by him and make returns thereof to the Director of the Administrative Office of the United States Courts.

LAW CLERKS AND SECRETARIES

SEC. 210. The judges of the court may appoint such law clerks and secretaries as may be necessary.

LIBRARIAN, MARSHAL, AND BAILIFFS

SEC. 211. (a) The court may appoint a librarian and necessary library assistants who shall be subject to removal by the court.

(b) The court may appoint a marshal, who shall attend the court at its sessions, be custodian of its courthouse or chambers and offices, have supervision over its custodial employees, take charge of all property of the United States used by the court or its employees, and perform such other duties as the court may direct. The marshal shall be subject to removal by the court. The marshal, with the approval of the court, may employ necessary bailiffs. Such bailiffs shall attend the court, preserve order, and perform such other necessary duties as the court or marshal may direct. The bailiffs shall receive the same compensation as bailiffs employed for the district courts of the United States.

SEAT

SEC. 212. The principal seat of the court shall be in the District of Columbia. The court may sit at such times and places within the United States as the court may designate.

SEAL

SEC. 213. The court shall have a seal which shall be judicially noticed.

SESSIONS

SEC. 214. The time and place of the sessions of the court shall be prescribed by the chief judge pursuant to rule of the court.

CONFLICTS

SEC. 215. No judge of the court, receiver in bankruptcy, or special master shall hear or determine any matter in which he has a conflict of interest.

APPROPRIATIONS

SEC. 216. There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act ●

FACTSHEET ON THE PETROLEUM INDUSTRY COMPETITION ACT OF 1979

1. The bill, introduced by Senator Birch Bayh, is substantively unchanged from S. 2387 which was reported favorably by the Senate Committee on the Judiciary late in the 94th Congress.

2. The legislation has several objectives:

(a) To create a free market in crude oil. At present independent oil producers are often forced to sell their oil to major, vertically integrated oil companies. Also, independent refiners are almost entirely dependent on Federal regulation to assure them of a fair supply of crude oil at reasonable prices. Creating a free market in crude oil will not only provide all refiners equal access to crude oil, but also will provide now absent price competition. It will also remove the existing entry barriers that have limited the growth of independent capacity.

(b) To protect retailers franchised by the major oil companies and independent marketers from predatory pricing and other anticompetitive practices by the major vertically integrated oil companies. Major companies are increasingly closing dealer operated service stations and replacing them with company owned stations managed by company employees.

(c) To remove major incentives for the multi-national, vertically integrated oil companies to cooperate fully with the pricing and supply practices of the Organization of Petroleum Exporting Countries. Because higher OPEC prices increase the value of the oil reserves of the major oil companies, and because those companies need an assured supply of crude oil for their downstream (refining and marketing) operations, there is no incentive to try to weaken the cartel. Through divestiture we can create a situation in which refiners will finally want to buy crude oil as cheaply as possible and thus begin to exert pressure on OPEC prices.

(d) To provide all oil producers, refiners and marketers equal, non-discriminatory access to crude oil and petroleum product pipelines, thus ending the monopoly power exploited by the vertically integrated major oil companies through their control of more than 90 percent of the nation's pipeline capacity.

3. The legislation proposes to achieve these objectives through vertical divestiture of the largest, integrated oil companies. Divestiture would work in this fashion:

(a) The 18 largest integrated oil companies would be required to separate their exploration and production from their refining and marketing within five years of the bill's enactment.

(b) With limited exceptions, oil producers, refiners and marketers would be prohibited from owning crude oil or petroleum product pipelines, thereby giving these pipelines the common carrier status they should have. Exceptions are provided for pipelines integral to the operation of a production or refining asset where retention of such pipelines will not contravene the purposes of the legislation nor impede competition. Exception may be granted by the Federal Trade Commission upon application by an affected company.

(c) While permitting refining and marketing to remain together, refiners may not operate or own, directly or indirectly, marketing outlets not owned or operated prior to January 1, 1979.

(d) The Federal Trade Commission is empowered to receive and to approve, and to amend if necessary, divestiture plans to be prepared by the affected companies and submitted to the FTC within 18 months of the enactment. Such plans must take effect no later than five years after enactment.

(e) A special Temporary Petroleum Industry Divestiture Court is created to handle all litigation arising from the legislation to assure expeditious action on such litigation. All appeals from decisions of the Temporary Court will go directly to the U.S. Supreme Court which is also instructed to give expeditious action to suits arising from the legislation.

4. Affected companies include all crude oil and petroleum product pipelines and major producers, refiners and marketers. For the purposes of the legislation major producers are defined as those producing 100,000 barrels of oil a day and major refiners and marketers are defined as those refining or marketing 300,000 barrels of oil a day, respectively.

MAJOR PRODUCERS, REFINERS, AND MARKETERS (U.S. ONLY)

[In thousands of barrels per day]

Company	Produce over 100,000 barrels per day	Refine over 300,000 barrels per day	Market over 300,000 barrels per day
Exxon	767.0	1,339.0	1,748.0
Texaco	564.0	1,019.0	1,278.0
Shell	505.0	1,086.0	1,046.0
Standard of Indiana	453.0	1,067.0	1,294.0
Atlantic Richfield	407.7	774.9	736.2
Gulf	402.2	847.5	822.0
Standard of California	362.0	1,213.0	1,264.0
Mobil	314.0	798.0	852.0
Getty	278.9	(234.5)	(262.4)
Phillips	255.2	(297.0)	491.0
Sun	201.1	531.6	798.3
Union	202.1	451.9	438.8
Continental	187.5	354.0	398.0
Marathon	180.9	478.2	488.4
Standard of Ohio (BP)	167.2	425.8	406.0
Cities Service	113.5	(251.9)	(297.8)
Ashland	(22.1)	358.2	501.0
Amerda Hess	(95.2)	700.0	648.0

Note: Figures in parentheses represent amounts below the size threshold contained in this bill.

Source: "Market Shares and Individual Company Data for U.S. Energy Markets: 1950-1977"—American Petroleum Institute.

POINT AND COUNTERPOINT ON VERTICAL DIVESTITURE

The vertical divestiture debate centers on fifteen basic points of contention. The following briefly discusses these points.

IMPACT ON OPEC

The oil companies claim that vertical divestiture will help strengthen the Organization of Petroleum Exporting Countries (OPEC) . . .

The truth is that vertical divestiture is an essential step in the direction of breaking-up the cartel.

The integrated oil companies affected by the proposed divestiture legislation have three very important reasons to cooperate fully with the cartel:

(1) While many of the OPEC nations have bought out the oil reserves previously controlled in their countries by the oil companies, those same companies stand to make new riches as the producing agents of the OPEC countries;

(2) The worldwide increase in the price of oil brought about by the cartel has increased by hundreds of billions of dollars the reserves owned by the integrated oil companies in the U.S. and around the globe.

(3) Integrated companies require a guaranteed supply of crude oil for their downstream (refining and marketing) operations. The guarantee of supply is far more important to an integrated company than the price of oil since they are often paying themselves for crude oil and, in turn, selling refined product to themselves. Because supply is often more important to an integrated company than price, the major oil companies have little incentive to destroy their sweetheart relationship with OPEC.

While divestiture legislation is not likely to interrupt the close relationship between OPEC and the production companies operating in the OPEC countries, divestiture will help bring pressure to bear on the cartel. It will do so in this fashion:

With refiners separated from producers the refiners will develop a now absent interest in purchasing crude at lower prices in order to compete in the sale of refined products. Instead of blithely paying the OPEC price, refiners will have a now non-existent incentive now glaringly absent to begin to try to drive down the price.

Also, after divestiture the companies will no longer have the same motivation and ability they now have to control output from the OPEC countries to help sustain higher prices. No less an authority than the Shah of Iran has acknowledged that the integrated companies now regulate output to maintain the OPEC price. With an end to their stranglehold on the marketplace the companies will no longer be in a position to do OPEC's dirty business for it.

IMPACT ON COMPETITION

The oil companies claim that the enactment of divestiture legislation will actually lead to less, not more, competition . . .

The truth is that divestiture opens the door for competition where it is now lacking.

The oil industry is essentially non-competitive for three reasons:

(1) It is more integrated than any other basic industry, with a relatively small number of companies controlling the oil from the time it is produced until the time it is sold to the consumer.

(2) The industry has developed a set of interrelationships more designed to inhibit than to promote competition. Such techniques as the joint bidding for the rights to produce oil on Federal property, joint ownership of oil pipelines, the swapping of crude oil and refined products, and the whole host of joint ventures by the companies create common interests that inevitably stifle competition.

(3) The industry is highly concentrated, with a small number of companies having extensive control of much of the crude oil, pipeline and refining capacity and marketing outlets.

By addressing itself to the most deleterious of these problems—the vertical integration—divestiture legislation can spur competition in the following ways:

There will be a free market in crude oil in which all refiners will have an equal opportunity to bid for all crude oil with a common interest in holding prices down.

Pipelines will become true common carriers, providing equal access to all shippers and ending the discrimination the independent sector of the industry has faced in trying to use crude oil and product pipelines.

Since major companies will be prohibited from expanding their marketing operations the service station dealers whose very existence has been threatened by the integrated companies will be protected against further encroachments. These dealers are most often independent businessmen who seek to compete fairly and openly, but who have been the victims of an anti-competitive behavior by the major campanies.

IMPACT ON PRICES

The oil companies claim that prices will go up if the divestiture legislation enacted . . .

The truth is just the opposite—divestiture should mean lower energy prices for consumers.

Independent marketers have traditionally undersold integrated marketers by three to five cents a gallon. With the free market to be created by divestiture there will be true price competition and the law of supply and demand will be permitted to operate in the oil industry. When free enterprise is permitted to operate in the American economy the historical record is for prices to come down. In the case of oil such successful price competition could translate to savings for consumers of at least $324 billion a year for gasoline alone. This is based on the sale of 108 billion gallons a year and allows for price reductions in the three to five cents range in that portion of the retail market now controlled by the integrated companies.

Also, independent refiners with an assured supply of crude oil have been able to provide price competition to the refining operations of integrated companies. The president of Ashland Oil, for example, has said he can pay a dollar more a barrel for crude oil, than a major refiner and compete in the sale of refined products.

The abuse of a free market in crude oil, with independent producers forced to sell to integrated pipelines and with independent refiners dependent on Federal regulations to guarantee them a crude supply, prevents price competition. Divestiture, on the other hand, by providing all producers with equal access to crude pipelines and by providing all refiners with an equal opportunity to purchase crude oil will hold prices in check through healthy competition. It is important to recognize that even the limited competition now provided by independent refiners and marketers would be impossible were it not for an elaborate system of government regulation of prices and supplies. Divestiture will permit a free market to operate without such government interference in the marketplace.

IMPACT ON CAPITAL

The oil companies claim they will have trouble raising the capital for energy exploration and development if divestiture legislation is passed ...

The truth is that the Petroleum Industry Competition Act should have no bearing on capital formation. The 18 companies covered under the bill's provisions as major producers, refiners and/or marketers are so large that after divestiture each of the component parts of those companies would qualify for the Fortune 500 list of America's largest corporations. Just one example of the size of these companies can be found in the case of Exxon, now the largest company in the world. After the proposed divestiture the refining and marketing company created from Exxon would be the second largest of all corporations, and the production company created from Exxon would be the sixth largest. The fact is that after divestiture the component parts of the affected companies would all rank among the top ¼ of one percent of all corporations in the U.S. and thus be in an excellent position to raise capital.

The truth is that the oil industry raised the same phony cry about capital formation when the oil depletion allowance was repealed. Yet, according to the American Petroleum Institute, the oil industry drilled 17.5 percent more wells in 1975 than in 1974, despite the fact that depletion was almost entirely repealed effective January 1, 1975.

The truth is that the oil industry is quite profitable and that it has had, and will continue to have, no trouble attracting needed capital. Indeed, the capital available to the industry so far exceeds what it needs for energy exploration and development that Mobil committed close to a billion dollars to the purchase of Marcor, the parent company of Montgomery Ward, and Atlantic Richfield bid almost $200 million for Anaconda. Gulf even went so far several years ago as to try to use some of its capital to buy the Ringling Brothers Circus.

LESS EFFICIENCY OR MORE

The oil companies claim their integrated structure provides efficiencies which will be lost if divestiture legislation is enacted. . . .

The truth is that the industry has never demonstrated what those efficiencies are; it has never substantiated this claim.

The truth is that the extensive vertical integration and unparalleled interrelationships of the major oil companies provide a degree of market control which minimizes the need for efficiency in oil company operations. By bringing the free enterprise system to bear in the industry divestiture will require the oil industry to respond to a free market, as should all industries. Then the uninhibited operation of the law of supply and demand will provide the proper incentive for the industry to truly be efficient.

The real test of efficiency in the industry has been met by the independents who have had to compete with the integrated companies. Faced with the market domination of the majors the independents have survived because of the implementation of efficiencies far greater that those employed by the major, integrated companies.

There may be no better source to refute the claim that divestiture will mean the loss of efficiencies of integration than the respected economist M. A. Adelman, who is himself opposed to divestiture. Professor Adelman wrote in the Washington Post of May 8, 1976: "The industry's contention, that vertical integration helps efficiency, is unfounded."

The phony nature of this argument of efficiency is even further devastated by the testimony of Exxon officials in state tax cases in Wisconsin and South Carolina that the company is already divided among functional lines such as those to be followed in divestiture. In the South Carolina case Exxon said: "Each of these functions is managed and accounted for on a functional operating basis. Each is a segment of (Exxon's) total corporate enterprise, but each has its own accounting, budgeting and forecasting, its own management and staff, its own profit center, its own investment center, its own physical facilities, etc."

If integration provides efficiencies, Exxon has hidden them quite well.

IMPACT ON STOCKHOLDERS

The oil companies claim that divestiture will hurt their stockholders. . . .

The truth is that precedents support the argument that stockholders will actually benefit from divestiture.

Under the most likely form of divestiture, called stock spin-offs, stockholders receive shares in the divested companies in proportion to their holdings in the original integrated company. When such a divestiture of the Standard Oil of New Jersey Trust was ordered by the U.S. Supreme Court in 1911, the combined value of the stocks of the divested companies rose 47 percent in one year, while the stockmarket as a whole rose by only seven percent.

The interests of stockholders would be fully protected under divestiture, especially since the affected companies are actually empowered to write their own divestiture plans, subject to approval by the Federal Trade Commission.

It should be little wonder that Joseph Tovey, a stock analyst opposed to divestiture, has said, ". . . from an investor's standpoint, if there were to be a breakup, I think it would be a bonanza for investors."

FREE ENTERPRISE OR GOVERNMENT TAKEOVER

The oil companies claim that divestiture legislation is a major step toward a government takeover of the industry. . . .

The truth is that divestiture is designed to provide a free market in crude oil and refined petroleum products and thus to lessen the need for government involvement in the oil industry.

At present, through an elaborate system of price regulation, supply allocations, and refiner entitlements, the oil industry is the most closely regulated of all industries, other than public utilities. This complex maze of government regulations developed in response to the lack of competition in the industry and to the heavy-handed treatment of independent refiners and marketers by the integrated companies.

Divestiture is designed to create a free market in the oil industry and thus enable us to move away from such extensive government regulation of this vital industry. Unless the market control of the major, vertically integrated companies is ended through the enactment of divestiture legislation it will be necessary to perpetuate unwieldy government regulation of the industry, something divestiture proponents seek to avoid.

The truth, also, is that divestiture in no way opens the door for nationalization of the industry. Quite to the contrary, divestiture is designed to still the cry for nationalization by requiring the oil industry to operate—like other U.S. industries—under a truly free market.

THE CONCENTRATION ARGUMENT

The oil companies claim that vertical divestiture legislation is misdirected since the oil industry is less concentrated than some other industries . . .

The truth is that the industry's attempt to focus attention on concentration ratios is a public relations effort to divert attention from the real culprit—vertical integration.

The truth is that while divestiture proponents have not built their case on concentration the oil industry is actually far more concentrated than the industry numbers suggest.

Competition is lacking in the oil industry because of the unique combination of extention of extensive vertical integration and serious concentration. While some other industries are more concentrated than oil, no other basic industry has the same degree of vertical integration as the oil industry, and it is to integration that the divestiture legislation is addressed.

The oil companies are fond of talking about all the independent oil producers, refiners and marketers in the U.S. The fact is that most oil discovered by independents is sold to major, integrated oil companies who gain control of crude oil through their extensive control of the nation's crude oil pipelines. Also, independent refiners are beholden to the integrated companies for crude oil. The power of the integrated oil companies was demonstrated in recent years when they sought to deny lower priced crude oil to independent refiners, an anti-competitive gambit that brought forth an elaborate system of government regulation known as entitlements. Similarly, when refined petroleum products were in short supply the integrated companies sought to use their market control to put independent service station dealers out of business. The large companies might well have succeeded except for the imposition of mandatory allocation rules by the Federal government.

The simple fact is that the existence of independents at different levels of the oil business does not refute the reality of the market control enjoyed by the integrated major oil companies. Since that integration includes control of more than 90 percent of the nation's oil pipelines by the top twenty oil companies, and since many of those lines are actually joint ventures of two or more of those huge companies, the integrated companies are able to take control of more than 90 percent of the Nation's crude oil.

In understanding the lack of validity of the industry's recitation of concentration figures, it is important to bear in mind that if concentration were the problem in the oil industry, conventional anti-trust legislation might well solve the problem. The divestiture legislation directed at a different, yet quite serious, problem of vertical integration: the total domination of all phases of the oil industry by a relatively small number of companies.

THE DISRUPTION ARGUMENT

The oil companies claim that divestiture will create confusion in the industry and disrupt the normal operations of the oil industry. . . .

The truth is that the industry has been guilty of duplicity in describing the current nature of the industry, and the threat of havoc in the industry with divestiture has not been substantiated.

The argument that divestiture will create confusion and disrupt the industry is based on the contention that integrated oil companies are single "unitary" companies not easily divided along functional lines. Yet Exxon actually went to court in Wisconsin and South Carolina to avoid state taxes by proving just the opposite—that the company is divided along distinct functional lines. As the Exxon counsel told the Wisconsin State Tax Appeals Commission: "Our evidence . . . will show that each function is independent and unitary to, or an integral part of, any other function." Exxon went so far as to bring into the Wisconsin case the head of the Houston office of the Arthur Anderson and Company, the huge accounting firm, who testified on the basis of his personal knowledge that other companies, besides Exxon, maintained functional divisions in their operations.

1906 the U.S. Department of Justice brought a civil suit charging the Standard Trust with violation of the anti-trust laws.

1906 Senator Henry Cabot Lodge called for divestiture of oil pipelines.

1911 the U.S. Supreme Court upheld the Justice Department case and ordered the break-up of Standard Trust.

1920–22 Senator Robert LaFollette conducted extensive hearings into the oil industry and reached the conclusion that all oil pipelines should be common carriers.

1940 the U.S. Department of Justice brought the famous "Mother Hubbard" case charging 22 oil companies, hundreds of their affiliates, and the American Petroleum Institute with anti-trust violations.

1973 the Federal Trade Commission charged the eight largest oil companies with engaging in a host of anti-competitive practices.

The pending divestiture legislation, rather than being an emotional and unnecessary step, is the only logical step to take since it is clear that existing anti-trust law is inadequate to bring competition to the oil industry.

IMPACT ON EMPLOYEES

The oil companies claim that divestiture will hurt their employees, either through a reduction in jobs or by endangering pension rights. . . .

The truth is that oil company employees, along with all Americans, stand to benefit from divestiture and vertical divestiture has been endorsed by many major unions.

The oil industry is not labor intensive; it has relatively few employees for so large an industry and thus the employment consequences of divestiture will not be great. While the employment impact of divestiture will not be great it still should be a positive, not a negative, impact by removing entry barriers that have inhibited the independent sector of the industry.

This is another of the areas in which the oil industry tries to argue both sides of an issue. The industry claims divestiture will increase operating costs by destroying present efficiencies and requiring the hiring of unneeded personnel. And then the industry turns around and tries to argue that divestiture will cost jobs. It can't have it both ways.

In any event, rather than letting the oil companies speak to the employment issue, let those most directly affected respond. And that response can be found in the endorsement of vertical divestiture in 1976 by the AFL–CIO, the UAW, and the Teamsters.

Regarding the alleged threat to employee pensions through divestiture, the major pension law enacted in 1974, the Federal Employment Retirement Income Security Act, protection for the pension rights of oil company employees. Any suggestion to the contrary shows an unwillingness or an inability to understand how this landmark legislation works.

By Mr. MORGAN:

S. 83. A bill for the relief of Charles Mohamed S. Awad and Karen Russell Elizabeth Latimer Awad; to the Committee on the Judiciary.

● Mr. MORGAN. Mr. President, two Canadian citizens, Mr. and Mrs. Charles Mohamed Awad are presently residing in the State of Florida. Based on information supplied them by the U.S. Consular Office in Halifax, Canada, the couple moved to south Florida to assume the status of permanent residents as business investors.

The information they were supplied was that the only requirements for attaining permanent status was to invest at least $40,000 in a U.S. business enterprise, obtain a financial statement to that effect and furnish the social security numbers of the U.S. citizens that they would employ.

Apparently, there was no mention of the fact that there would be a 2-year wait for an immigrant visa number to achieve the adjustment of status to permanent residency.

Relying on the faulty information, Mr. and Mrs. Awad legally entered the United States in possession of all their property under a B–1 visa. They proceeded to purchase a motel and employed several U.S. citizens in the south Florida area. They purchased a home and enrolled their children in schools.

Needless to say, the Awads would not have gone to so much trouble and sought to act according to the law, but for the erroneous information they received and, on the basis of which, they entered the United States.

Their visas expired a few days ago, although proper application for an extension was filed. It is my impression that this matter should be resolved here in the United States and that the Awads should not be sent away from their home and business. It is to that end that this private bill is introduced.●

By Mr. THURMOND:

S. 84. A bill to amend the Food Stamp Act of 1977 to prohibit the distribution of food stamps to any household where the head of such household is engaged in a labor strike; to the Committee on Agriculture, Nutrition, and Forestry.

Mr. THURMOND. Mr. President, in previous sessions of Congress, I introduced a bill to amend the Food Stamp Act of 1964 in order to prohibit food stamp distribution to a household where the head of that household is engaged in a labor strike.

This bill has been referred to the Committee on Agriculture and Forestry, but unfortunately not been reported to the full Senate. I am introducing this bill again today with the hope that it will receive favorable action in the near future.

Mr. President, I do not believe that a majority of our people are aware that striking workers can receive food stamps. When our taxpayers realize that fact, they are outraged because their tax dollars are being used to intervene in a labor dispute.

A strike is a tactic used by one side in a labor dispute. Those going on strike do so in the belief that it will strengthen their position at the negotiating table. By going on strike, they take the risk of loss of salary and other benefits which they receive while they are working. If the Federal Government provides food stamps to these people who voluntarily walk off their jobs, it injects itself into the dispute on one side. This is not fair. It is not fair to the other side of the bargaining table, and, most of all, it is not fair to the American taxpayer who must bear the cost of the food stamp program.

The need for such an amendment has never been so evident as during the coal miners strike of the winter of 1978. Nationwide, $13 million worth of food stamps monthly went to striking coal miners during January, February, and March of 1978. Finally the strike became so serious that the President invoked the Taft-Hartley Act. Yet food stamps still went to the strikers.

The time has come to reevaluate our priorities in regard to the food stamp program. Food stamps to striking workers only results in more and longer strikes with consequently greater damage to the economy. The Federal Government should not feed those who voluntarily refuse to work. That is the responsibility of the striking union.

Mr. President, I request that this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 84

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 6 of the Food Stamp Act of 1977 is amended by adding at the end thereof a new subsection as follows:

"(i) Notwithstanding any other provision of this Act, no household shall be eligible to participate in the food stamp program if the head of the household is on strike against his employer as the result of a labor dispute, except where such household was eligible for participation in such program prior to the time the head of the household went on strike against his employer. The provisions of this subsection shall not apply in any case in which the head of a household is not working because of an employer lockout. As used in this subsection the term 'head of the household' means the member of any household who provides over one-half of the support for the household.".

By Mr. PROXMIRE:

S. 85. A bill to amend the Federal Reserve Act to provide for maintenance of reserves in order to facilitate the implementation of monetary policy, to promote competitive equality among depository institutions, to require the imposition of service charges for services by Federal Reserve Banks, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

MONETARY POLICY IMPROVEMENT ACT OF 1979

Mr. PROXMIRE. Mr. President, I am today introducing the Monetary Policy Improvement Act of 1979. The legislation is designed to deal with the problems associated with the erosion of membership in the Federal Reserve System. The objectives of the bill are to:

First, strengthen the ability of the Federal Reserve Board to conduct monetary policy;

Second, promote greater competitive equality between financial institutions;

Third, enhance the safety and soundness of the banking system;

Fourth, improve the efficiency of the Federal Reserve payments system; and

Fifth, minimize any loss in Treasury revenues.

Last fall the committee considered several pieces of legislation that would have strengthened the ability of the Federal Reserve to implement monetary policy by requiring all banks and other depository institutions with transactions accounts of a certain aggregate size to maintain required reserves. Unfortunately, time did not permit the committee to complete action on this important issue. A commitment was made by the committee, however, to consider this legislation as its first priority business during the new session of Congress.

In order to facilitate early consideration of this issue I am introducing at this time the Monetary Policy Improvement Act of 1979. This legislation is similar to S. 3485 which I introduced in the 95th Congress.

While I am reasonably flexible on the details of any membership proposal, I am concerned about the cost to the Treasury. Accordingly, if the Congress does act on the Fed membership issue, I do believe the cost to the Treasury, and ultimately the American taxpayer, should be held to a minimum. The legislation I am introducing would result in an annual net pretax revenue loss to the Treasury of only $133 million. Some of the loss would be recaptured through taxes on the increased bank earnings from lower reserve requirements. The remainder would be about what the Treasury will lose anyway, without legislation if Federal Reserve membership continues to decline at current rates.

SUMMARY OF MAIN FEATURES

The principal features of the bill are as follows:

First. Universal reserve requirements. All federally insured depository institutions with deposits above a specified amount would be required to maintain reserves against those deposits in accordance with the reserve ratios prescribed by law. The reserve ratios would be the same for all institutions regardless of size. The Federal Reserve Board is authorized to vary those ratios within a limited range for monetary policy reasons.

Commercial banks would be required to maintain reserves against their combined demand and transactions accounts in excess of $40 million and against their time and savings deposits in excess of $40 million. The Federal Reserve Board would define a "transactions account" for reserve purposes, but the term would include demand deposits, negotiable order of withdrawal accounts, savings deposits subject to automatic transfer, and share draft accounts.

All other federally insured depository institutions or members of the Federal Home Loan Bank system including mutual savings banks, savings and loan associations, and credit unions would be required to maintain reserves against their transaction accounts in excess of $40 million. Those institutions would not have to hold reserves against time and savings deposits.

Second. Simplified Reserve requirements. Under the present hodge-podge system, the Federal Reserve Board has prescribed 12 separate reserve ratios depending upon the type of deposit, its maturity, and the size of the bank. The proposed legislation would substantially simplify this complex structure by prescribing just four reserve ratios for all commercial banks subject to reserve requirements:

(i) 13 percent against demand deposits and other transactions accounts;

(ii) 3 percent against savings deposits;

(iii) 6 percent against shorter term time deposits with initial maturities of 179 days or less, and

(iv) 1 percent against longer term time deposits with initial maturities of 180 days or more.

Other depository institutions subject to reserve requirements would be required to maintain a 13-percent reserve against their transaction balances.

Third. Reporting requirements. The Federal Reserve Board is authorized to require periodic financial reports from all depository institutions in order to perform its monetary policy responsibilities. Institutions not subject to reserve requirements can provide these reports to their respective supervisory agencies.

Fourth. Access to discount window and other Fed services. All depository institutions required to maintain reserves and who are not members of the Federal Reserve System would be automatically entitled to all of the privileges of membership, including access to the discount window and Fed services. In addition, all nonmember banks who, because of their size are not subject to reserve requirements, would be given access to the discount window upon a certification of solvency from the FDIC.

Fifth. Pricing of Fed services .The Federal Reserve Board is required to publish a schedule of fees for its services to commercial banks by July 1, 1979 and to begin charging for these services by July 1, 1980. All depository institutions would be able to purchase these services on the same terms and conditions as member banks. The fees would take into account an allowance for taxes and the cost of capital.

EFFECT OF THE PROPOSAL

First. Effect on financial institutions. The system of universal reserve requirements together with the $40 million exemptions as proposed in the legislation would halt the decline in the percentage of bank deposits subject to reserve requirements, while at the same time relieving most banks from the burden of maintaining reserves. The bill would subject only 1,961 banks to reserve requirements compared to a present total of 5,664. Moreover, because the bill authorizes banks to count their vault cash against their reserve requirements, only 797 banks would have to keep reserves at a Federal Reserve Bank. This includes 517 banks that are presently members of the Federal Reserve System and 280 nonmember banks. Some of these nonmember banks covered by reserve requirements would be covered anyway by the International Banking Act recently passed by the Congress.

Of the 5,664 current member banks, 4,412 would be relieved of reserve requirements entirely and 735 would be able to meet all of their reserve requirements with their present amount of vault cash. The bill provides that any increase in reserve requirements would be phased in gradually over 4 years for any member bank facing higher reserve requirements and for any nonmember bank subject to reserve requirements.

The bill also would apply reserve requirements to nonbank depository institutions offering transactions accounts that are equivalent to demand deposits. However, because of the $40 million exclusion, because many thrift institutions still lack the legal authority to offer transactions accounts, and because of the ability to satisfy reserve requirements with vault cash, very few nonbank institutions would actually be required to maintain reserves with the Fed, according to estimates supplied by the Federal Reserve staff. Thus, the application of reserve requirements to all depository institutions offering checking-type accounts would have virtually no financial impact on the thrift industry; but it would foreclose a potential source of erosion in monetary control if, in the future, Congress and the States were to provide thrift institutions with additional powers to offer checking or similar type accounts. It also insures a greater degree of competitive equality between bank and thrift institutions in competing for the public's checking account business.

Second. Effect on monetary policy. The legislation would strengthen in a number of ways the ability of the Federal Reserve Board to perform its monetary policy responsibilities.

First, the bill would halt the decline in the proportion of total bank deposits subject to reserve requirements. The erosion in the Federal Reserve's membership has reduced the percentage of total deposits at banks subject to reserve requirements from approximately 84 percent in 1961 to less than 73 percent today. Unless action is taken to halt this decline, a further erosion in Fed membership could weaken the ability of the Federal Reserve to control the Nation's money supply. The system of universal reserve requirements proposed in the bill together with the $40 million exclusions would cover 75.3 percent of total commercial bank deposits. Thus, the Fed's ability to control the monetary aggregates would be increased.

Second, the simplified structure of reserve requirements proposed in the bill would make it far easier for the Fed to predict and control future changes in both reserves and the money supply. Under the present system, if a consumer transfers funds from his checking account to another individual or company with an account at a nonmember bank, the reserve requirement against those funds could decline from 16¼ percent to zero. These freed-up reserves could produce a multiple expansion in the money supply unless offset by the Federal Reserve. Similar complications arise when funds are transferred from a checking account into a NOW account or from a checking account in a large member bank to a checking account in a medium or small sized member bank. In theory, the Fed can predict these transfers and take them into account when formulating monetary policy. In practice, however, such predictions are extremely difficult. Also, innovations in funds transfer technology have made it far easier for consumers and businesses to shift funds between their accounts, thus complicating the Fed's monetary projections.

Many of these problems would be alleviated under the proposed legislation. The bill would apply the same reserve requirement against demand deposits, savings accounts subject to automatic transfers, share draft accounts, NOW accounts, and other transactions accounts that may be developed. Thus, deposit shifts between these types of accounts would have no monetary significance. Also, the uniform 13 percent reserve requirement against demand deposits would reduce the complications arising from shifts in demand deposits between different size banks which, under the present system, have reserve requirements ranging from 7 percent to 16¼ percent.

Monetary policy would be further strengthened by authorizing the Fed to require timely financial reports from nonmember financial institutions. Such reports are now available only 4 times a year from the "call reports" and then only after significant time has elapsed. The lack of timely data from these institutions has, in the past, caused the Fed to make monetary policy judgments on the basis of incomplete and inadequate information. In order to minimize reporting burdens, the bill further provides that these reports may be provided through an institution's regular supervisory agency.

Finally, monetary policy would be strengthened and the safety and soundness of the banking system would be enhanced by permitting all banks to meet their temporary liquidity needs through the Federal Reserve's discount window. Under the current system, a sizable portion of the banking industry is precluded from using the discount window except under severe emergency conditions. This exclusion can dilute the aggressiveness of the Federal Reserve Board in pursuing a restrictive monetary policy. There are times when the Board may hesitate to impose the degree of restraint called for by economic conditions in order to avoid the potential liquidity strains that could be visited upon nonmember banks. Guaranteeing all nonmember banks access to the discount window will allow the Board a greater degree of freedom in conducting monetary policy.

Third. Effect on competitive equality. On balance, the legislation would provide more competitive equality between different classes of financial institutions. Our present system creates numerous imbalances in the competition for deposits, since reserve requirements are not applied uniformly. A 1 percentage point reserve requirement raises the effective cost of funds by as much as 10 basis points. This extra cost can place member banks at a substantial disadvantage compared to nonmember banks and thrift institutions.

Under the proposed bill, the system of universal reserve requirements will place member and nonmember banks on a more equal footing. All banks would be subject to the same reserve requirements regardless of membership status. After the initial exclusion level, the reserve requirements would be the same for all institutions regardless of size.

The bill also helps to equalize competition between commercial banks and thrift institutions in the market for certificates of deposits (CD's). The bill helps to restore competitive parity in the longer term CD market where, under the present system, member banks are required to maintain a reserve of 2½ percent against CD's in excess of $5 million that are between 179 days and 4 years in maturity. This would be reduced to 1 percent under the proposed bill.

The bill would also provide further competitive equality between banks by guaranteeing that all nonmember banks shall have access to the discount window. This access would be automatic in the case of the 280 nonmember banks required to keep reserves at the Federal Reserve. However, all nonmember banks would also be given ready access to the discount window upon a certification of solvency from the FDIC. Under current Federal Reserve Board interpretations of the Federal Reserve Act, nonmember banks cannot be given access to the discount window except under severe emergency conditions.

Access to the Fed's discount window can enhance the long-term viability of our smaller, locally controlled banks. By providing them with an alternative source of credit for liquidity needs, it also reduces their dependence on their larger correspondent banks. This in turn should strengthen the ability of smaller banks to compete more equally with their big city rivals.

Finally, the bill promotes competitive equality by requiring that all depository institutions—banks and thrifts alike—be able to purchase Federal Reserve check clearing and transfer services on the same terms and conditions that apply to member banks. This will insure that the Federal Reserve pricing proposals do not discriminate against nonmember institutions.

Fourth. Effect on Treasury revenues. This legislation would affect the revenues of the Federal Reserve Banks and ultimately the Treasury in a number of ways:

First, the revised reserve requirements together with the $40 million exemptions would reduce required reserves for members by $10.5 billion. This would increase member bank earnings, but would cost the Treasury $684 million in pretax revenues.

Second, the application of reserve requirements to the larger insured and noninsured nonmember banks will result in an increase in reserves of $2.1 billion and a $140 million revenue increase to the Treasury before taxes.

Third, the mandate to begin charging for Federal Reserve services would produce an additional $410 million in pretax revenues to the Treasury.

The combined effect of these changes would result in a pretax revenue loss of $133 million. However, these net losses in revenue to the Treasury would also constitute a corresponding net gain in income to the banking system or its customers. This additional income would be subject to taxation. The Federal Reserve has estimated that this income would be recoverable by the Treasury through taxes at a rate of 55 percent. This would produce after-tax losses of $60 million. Moreover, other proposals to deal with the membership problem would cost $200 to $300 million or more in after tax revenues. In our inflationary environment and with President Carter's commitment to hold down spending and the Federal deficit we must be careful to use Treasury revenues wisely when seeking ways to find a solution to the Federal Reserve's membership problem.

While $60 million a year is a substantial amount, it is far less than the cost of other Fed membership proposals that have been advanced. Moreover, according to estimates by the Federal Reserve, the Treasury will lose about this much revenue anyway if the decline in Fed membership continues at the same rate that has occurred over the last several years. Finally, the reserve loss must be evaluated in terms of the corresponding benefits. It is clearly worth something to strengthen the ability of the Federal Reserve to conduct monetary policy. Also, the efficiency of the banking and payments system will be enhanced through pricing of Fed services and through the greater degree of competitive equality that will result from the legislation. These benefits will accrue to the public generally in the form of lower prices for banking services.

Mr. President, last summer the Banking Committee staff researched the structure of 12 foreign central banks in the world's most developed free industrial states. Of the 12 central banks considered, 11 operate under a system in which they may establish reserve requirements for all commercial banks. The 12th nation, Canada, merely uses the devise of nationally chartered banks exclusively, in order to have Parliament supervise all banks. Therefore, whether the reserve requirements were fixed or variable, in all 12 nations the central bank may set mandatory reserve requirements for all banks.

The study also looked briefly at check clearing and similar services in the 12 countries. In every country where private institutions provide the basic banking services similar to those supplied by the Federal Reserve, charges are levied for the services. In the cases where the central banks provide the basic banking services, four charge directly and several others require the banks to hold clearing balances which they adjust periodically as transactions are made.

The Federal Reserve System is this Nation's central bank. It is by historical accident that membership is voluntary. In 1913, when the Federal Reserve was established, it was to be a central clearing bank to provide a uniform payments mechanism throughout the Nation. Membership was voluntary, although most banks joined. The Federal Reserve did not assume its role in the formulation and implementation of monetary policy until the 1930's. In 1933, legislation was passed broadening the role of scope of the Federal Reserve's responsibilities to include monetary policy and, in particular, created the Federal Open Market Committee. A large share of total deposits was held by member banks and thus were covered by reserve requirements, so the member-nonmember question was not significant. Today there is a problem. The deposit base covered by our central bank's reserve requirements is declining. The easiest and most direct way to stop this erosion is to recognize that the Federal Reserve is our central bank, it is responsible for conducting monetary policy, and it should set reserve requirements for that purpose for all depository instituitons offering transaction accounts. Membership is not essential for monetary policy, but universal and uniform reserve requirements are essential.

In testimony before the Senate Banking Committee, Federal Reserve Board Chairman Miller has urged the Congress to take prompt action on the Federal Reserve's membership problem. The concept of universal reserve requirements is supported by the Federal Reserve Board, the Carter administration, and by the Independent Bankers Association. Because of this support I am hopeful that action can be obtained this year.

Mr. President, I ask unanimous consent that the text of the bill, a section-by-section analysis and the Banking Committee staff study comparing 12 central banks and the Federal Reserve System be included in the RECORD at the end of my remarks.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 85

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Monetary Policy Improvement Act of 1979".

DEFINITIONS

SEC. 2. Section 19(a) of the Federal Reserve Act (12 U.S.C. 461(a)) is amended by adding at the end thereof the following new paragraphs:

"The term 'depository institution' means—

"(1) any insured bank as defined in section 3 of the Federal Deposit Insurance Act;

"(2) any mutual savings bank as defined in section 3 of the Federal Deposit Insurance Act;

"(3) any savings bank as defined in section 3 of the Federal Deposit Insurance Act;

"(4) any insured credit union as defined in section 101 of the Federal Credit Union Act;

"(5) any member as defined in section 2 of the Federal Home Loan Bank Act;

"(6) any insured institution as defined in section 401 of the National Housing Act; and

"(7) for the purpose of section 13 and the fourteenth paragraph of section 16, any association or entity which is wholly owned by or which consists only of institutions referred to in clauses (1) through (6).

"The term 'bank' means any insured or noninsured bank, as defined in section 3 of the Federal Deposit Insurance Act, other than a mutual savings bank or a savings bank as defined in section 3 of the Federal Deposit Insurance Act;

"The term 'transaction account' means a deposit or account on which the depositor or account holder is allowed to make withdrawals by negotiable or transferable instrument or other similar item for the purpose of making payments to third persons or others. Such term includes demand deposits, negotiable order of withdrawal accounts, savings deposits subject to automatic transfers, and share draft accounts.

"In order to prevent evasions of the reverse requirements imposed by this Act, after consultation with the Board of Directors of the Federal Deposit Insurance Corporation, the Federal Home Loan Bank Board, and the National Credit Union Administration Board, the Board of Governors of the Federal Reserve System is further authorized to determine, by regulation or order, that an account or deposit is a transaction account if such account or deposit may be used to provide funds directly or indirectly for the purpose of making payments or transfers to third persons or others.".

REPORTING REQUIREMENTS

SEC. 3. Section 11(a) of the Federal Reserve Act (12 U.S.C. 248(a)) is amended by adding at the end thereof the following new paragraph:

"The Board may require any depository institution specified in this paragraph to make, at such intervals as the Board may prescribe, such reports of its liabiilties and assets as the Board may determine to be necessary or desirable to enable the Board to discharge its responsibility to monitor and control monetary and credit aggregates. Such reports shall be made (1) directly to the Board in the case of member banks and in the case of other depository institutions for all liabilities subject to reserve requirements, and (2) for all other reports to the Board through the (A) Federal Deposit Insurance Corporation in the case of insured State nonmember banks, savings banks, and mutual savings banks, (B) National Credit Union Administration Board in the case of insured credit unions, (C) Federal Home Loan Bank Board in the case of any institution insured by the Federal Savings and Loan Insurance Corporation or which is a member as defined in section 2 of the Federal Home Loan Bank Act, and (D) such State officer or agency as the Board may designate in the case of any other type of bank, savings and loan association, or credit union. The Board shall endeavor to the maximum extent feasible to avoid unnecessary burdens on reporting institutions and the duplication of other reporting requirements, and any data therefrom shall be made readily available to the Board. The Board may classify depository institutions for the purposes of this paragraph and may impose different requirements on each such class.".

RESERVE REQUIREMENTS

SEC. 4. Section 19(b) of the Federal Reserve Act (12 U.S.C. 461(b)) is amended to read as follows:

"(b)(1) Every bank shall maintain reserves against that portion of the total of its demand deposits and transaction accounts in excess of $40,000,000 in the ratio of 13 per centum, or in such other ratio not greater than 14 per centum and not less than 12 per centum, as the Board may by regulation prescribe solely for the purpose of implementing monetary policy.

"(2) Every bank shall maintain reserves against that portion of its time and savings deposits in excess of $40,00,000 in a ratio of—

"(A) 6 per centum against time deposits with initial maturities of 179 days or less or in such other ratio not less than 4 per centum or more than 8 per centum, as the Board may by regulation prescribe solely for the purpose of implementing monetary policy;

"(B) 1 per centum against time deposits with initial maturities of 180 days or more or in such other ratio not less than one-half of 1 per centum or more than 2 per centum, as the Board may by regulation prescribe solely for the purpose of implementing monetary policy; and

"(C) 3 per centum against savings deposits other than transaction accounts or in such other ratio not less than 1 per centum or more than 5 per centum, as the Board may by regulation prescribe solely for the purpose of implementing monetary policy.

In determining its reserve requirement under this paragraph, a bank shall apply the $40,000,000 exemption provided herein in proportion to the distribution of its aggregate time and savings deposits among (i) time deposits with initial maturities of 179 days or less, (ii) time deposits with initial maturities of 180 days or more, and (iii) savings deposits other than transaction accounts, as reported in the bank's most recent report of condition.

"(3) Every depository institution other than a bank shall maintain reserves against that portion of its transactions accounts in excess of $40,000,000 in the ratio of 13 per centum, or in such other ratio not greater than 14 per centum and not less than 12 per centum as the Board may by regulation prescribe solely for the purpose of implementing monetary policy.

"(4) Upon a finding by the Board that extraordinary circumstances require such action, the Board may impose reserve requirements outside the limits otherwise prescribed by this section for a period not exceeding 30 days but which may be extended for further periods not exceeding 30 days by affirmative action by the Board in each instance. The Board shall promptly transmit to the Congress a report of any exercise of its authority under this subsection and the reasons for such exercise.

"(5) If the Board determines that such action is necessary to the implementation of monetary policy, then in addition to any reserves required to be maintained pursuant to paragraphs (1), (2), and (3) of this subsection, any bank subject to reserve requirements shall maintain reserves in such ratios as the Board may prescribe against net balances owed by domestic offices of banks in the United States to their directly related foreign offices and to nonrelated foreign banks and against their borrowing based on loans to United States residents made by overseas offices of banks with offices in the United States, and assets (including participations) held by foreign offices of banks in the United States acquired from their domestic offices.

"(6) During any period that a depository institution is maintaining reserves pursuant to this Section, such depository institution shall be entitled to all the privileges of membership in the Federal Reserve System except that, if it is not otherwise a member, it may not hold stock in, or vote for any director of, a Federal Reserve bank.

"(7) A nonmember bank not maintaining reserves pursuant to this section shall be entitled to the same discount and borrowing privileges as member banks except that the Board as a condition of access to or maintenance of such privileges may require certification of solvency of such bank from the Federal Deposit Insurance Corporation.

"(8)(A) With respect to any depository institution that is not a member of the Federal Reserve System on August 30, 1978, the required reserve imposed pursuant to this section on the effective date shall be reduced by 75 per centum during the first year that begins after the effective date, 50 per centum during the second year, and 25 per centum during the third year: *Provided, however,* That the reduction in required reserves may be increased in any year and extended for up to two additional years for any nonmember depository institution whenever the Board determines, pursuant to regulation, that the application of the reserve requirements provided in this section would seriously impair the safety and soundness of such institution.

"(B) With respect to any member bank, the amount of required reserves imposed pursuant to this section on the effective date that exceeds the amount of required reserves maintained during the reserve computation period immediately preceding the effective date shall be reduced by 75 per centum during the first year that begins after the effective date, 50 per centum during the second year, and 25 per centum during the third year: *Provided, however,* That the reduction in required reserves may be increased in any year and extended for up to two additional years for any member bank whenever the Board determines, pursuant to regulation, that the application of the reserve requirements provided in this section would seriously impair the safety and soundness of the bank.

"(9) In order to provide for an orderly transition period, the Board may implement, on a gradual basis over a period of 48 months, the decreases in reserve requirements imposed by this section on member banks from those reserve requirements applicable on the effective date of this section.

"(10) In the case of affiliated banks and affiliated nonbank depository institutions, the total deposit liabilities exempted from reserve requirements pursuant to subsections (1), (2), and (3) shall not exceed in the aggregate for such affiliated groups the product resulting from multiplying the number of institutions in such affiliated group on August 1, 1978, by $40 million for each such exemption, provided that no more than $40 million shall be exempted under each such exemption at any individual bank or nonbank depository institution.".

FORM OF RESERVES

SEC. 5. Section 19(c) of the Federal Reserve Act, as amended (12 U.S.C. 461) is amended to read as follows:

"Reserves held by a depository institution to meet the requirements imposed pursuant to subsection (b) of this section shall be in the form of—

"(1) balances maintained for such purposes by such depository institution in the Federal Reserve bank of which it is a member or at which it maintains an account. However, the Board may, by regulation or order, permit depository institutions to maintain all or a portion of their required reserves in the form of vault cash: *Provided,* That such proportion shall be identical for all depository institutions; and

"(2) balances maintained by a nonmember depository institution in a bank that maintains required reserve balances at a Federal Reserve bank, in a Federal home loan bank, or in a central liquidity facility for credit unions: *Provided,* That such bank, Federal home loan bank, or central liquidity facility maintains such funds in the form of balances in a Federal Reserve bank of which it is a member or at which it maintains an account. Balances received by a bank from another depository institution that are used to satisfy the reserve requirement imposed on such depository institution by this section shall not be subject to the reserve requirements of this section imposed on such bank, and shall not be subject to assessment imposed on such bank, pursuant to section 7 of the Federal Deposit Insurance Act."

PRICING OF SERVICES

SEC. 6. The Federal Reserve Act is amended by inserting after section 11 (12 U.S.C. 248) the following new section:

"SEC. 11A. Not later than July 1, 1979, the Board shall publish for public comment a set of pricing principles and a proposed schedule of fees for Federal Reserve System services; and not later than July 1, 1980, the Board shall put into effect a schedule of fees for such services based on those principles. The principles published by the Board shall insure that all depository institutions be able to purchase the services provided by the Federal Reserve System on the same terms and conditions. Such pricing principles shall take into account the taxes that would be paid and the capital costs that would be incurred if privately owned organizations provided similar services, and shall give due regard to competitive factors and the provision of an adequate level of such services nationwide.".

COMMITTEE ON MONEY SUBSTITUTES

SEC. 7. (a) The Board of Governors of the Federal Reserve System (hereinafter referred to as the "Board") shall establish a committee on reserve requirements for money substitutes, including bank and nonbank liabilities that are substitutes for demand deposits.

(b) The Committee shall be composed of five members appointed by the Board. In making appointments to the Committee, the Board shall select individuals with broad backgrounds in monetary affairs, economic policy, or finance and who are not employed by the United States Government or employees, officers, or directors of a Federal Reserve bank.

(c) The Committee shall conduct a thorough study and investigation of the need for legal reserve requirements against short-term liabilities of bank and nonbank depository institutions, and other financial institutions offering short-term money substitutes, and recommend appropriate administrative actions and legislation. Among other things the Committee shall be directed to examine—

(1) the need for reserve requirements against short-term money substitutes such as nonbank "federal funds", security repurchase agreements, Eurodollars, security dealer repurchase agreements, liquid asset mutual funds, cash management services, and travelers checks;

(2) the appropriate level of reserve requirements against each type of short-term money substitutes; and

(3) the need for the Federal Reserve Board to have flexibility to change reserve requirements against such money substitutes in order to execute monetary policy.

AUTHORITY OF STATE BANK SUPERVISORS

SEC. 8. Nothing in this Act or in the amendments made by this Act shall be construed in derogation of the authority of any officer or agency of State over any institution organized or existing under the laws of such State.

EFFECTIVE DATES

SEC. 9. This Act shall take effect on the date of enactment, except that the amendments made by sections 4 and 5 of this Act shall take effect on the first day of the sixth calendar month which begins after the date of enactment of this Act.

MONETARY POLICY IMPROVEMENTS ACT OF 1979

SECTION-BY-SECTION ANALYSIS

Section 1. Title.—This section indicates that the title of the Act is the "Monetary Policy Improvements Act of 1979."

Section 2. Definitions.—This section defines "depository institution", "bank", and "transaction account".

A "depository institution" is defined as any insured bank, mutual savings bank, insured credit union, or savings and loan association. It also indicates that for the purposes of collection of checks, drafts, or maturing notes and bills by Federal Reserve Banks any association which consists of depository institutions will itself be considered a depository institution.

A "bank" is defined as any insured or noninsured bank as defined in Section 3 of the Federal Deposit Insurance Act other than a mutual savings bank or a savings bank as defined in Section 3 of the Federal Deposit Insurance Act.

A "transaction account" is defined as a deposit or account on which the holder of the account is allowed to make withdrawals by any type of negotiable or transferable instrument for the purpose of making payments to third persons. Transaction accounts include demand deposits, negotiable order of withdrawal (NOW) accounts, and share draft accounts.

This section also indicates that the Federal Reserve Board, after consultation with the Board of Directors of the Federal Deposit Insurance Corporation, the Federal Home Loan Bank Board, and the National Credit Union Administration, may in order to prevent evasion of reserve requirements determine an account or deposit to be a transaction account where such accounts may be used to make payment or transfer funds to a third person.

Section 3. Reporting Requirements.—In this section the Federal Reserve Board is authorized to collect reports from any depository institution of the institution's liabilities and assets as may be necessary or desirable to enable the Board to discharge its responsibility to conduct monetary policy. In cases where the depository institution is subject to reserve requirements set by the Board, such reports would be made directly to the Federal Reserve. For all other depository institutions the report would be made to the appropriate Federal regulatory agency, or to a state officer or agency, and through such agency to the Board. This section indicates that the Board shall endeavor to avoid unnecessary reporting burdens. Different reporting requirements may be made in different classes of depository institutions.

Section 4. Reserve Requirements.—This section indicates the basic framework for reserve requirements against deposits held by depository institutions. Reserve requirements would be set by the Federal Reserve Board and would be applicable to various types of deposits held by banks and to transaction accounts at other depository institutions. Reserve requirements would apply to the total of demand deposits and transaction accounts excess of $40,000,000 at all depository institutions, and to time and savings deposits in excess of $40,000,000 at banks. A bank must apply the $40,000,000 exemption for time and savings deposits against such deposits in proportion to their holding of such deposits as reported in the bank's most recent report of condition.

Reserve requirements would be uniform for all institutions regardless of size. The initial reserve requirement and the range within which the Federal Reserve Bank may set the reserve requirement by regulation are as follows: (1) total of net demand deposits and transaction accounts at banks and transaction accounts at other depository institutions, 13 percent within a range of 12 to 14 percent; (2) time deposits with initial maturities of 179 days or less, 6 percent within a range of 4 to 8 percent; and (3) time deposits with initial maturities of 180 days or more, 1 percent within a range of ½ to 1 percent to 2 percent.

This section also provides that in extraordinary circumstances the Federal Reserve Board may impose reserve requirements outside the limits prescribed fcr a period not exceeding 30 days, which may be extended for an additional 30 days. Exercise of this authority requires the Board to promptly transmit to Congress the reasons for its use of this authority.

For banks subject to reserve requirements, the Board is also permitted to impose reserve requirements against net balances owed by domestic offices of banks in the United States to their related foreign offices and to nonrleated foreign banks and against their borrowings based on loans to United States residents made my overseas offices of banks with offices in the United States and assets held by foreign offices of banks in the United States acquired from their domestic banks, if such action is necessary to the implementation of monetary policy.

Reserve requirements for any depository institution not a member bank on August 30, 1978 would be phased in over a period of four years. During the first year required reserves would be reduced by 75 percent, during the second year by 50 percent, and during the third year by 25 percent. There is also a provision for further reduction in required reserves in cases where the Board determines application of the reserve requirement would seriously impair the institution.

For any member bank which would have its reserve requirements increased by this legislation, the addition reserve requirement would be phased in over a four year period in a similar manner and a similar proviso for additional reduction in reserve requirement has been included.

This section also indicates that in the case of affiliated banks and affiliated nonbank depository institutions, the total deposit liabilities exempted from reserve requirements shall not exceed in the aggregate the product resulting from multiplying the number of institutions in such affiliated group on August 1, 1978 by $40,000,000 for each such exemption. For each such exemption, no more than $40,000,000 shall be exempted at any individual bank or nonbank depository institution.

The new reserve requirement structure in this section would result in a reduction in reserve requirements for many member banks and for the banking system as a whole. In order to provide for an orderly transition period, the Board may implement the new reserve requirements on a gradual basis over a period of 48 months. Thus, the old reserve requirements would be phased out as the new are phased in.

Any depository institution maintaining reserves as required by the Federal Reserve Board would be entitled to all the privileges of membership in the Federal Reserve System, except the holding of stock in, or voting for any director of, a Federal Reserve Bank.

Nonmember banks not maintaining reserves would be entitled to access the Federal Reserve discount window. The Federal Reserve Board may as a condition of access require certification of solvency of such bank from the Federal Deposit Insurance Corporation.

Section 5. Form of Reserves.—Reserves held to meet the reserve requirement set by the Board may be in the form of (1) balances in a Federal Reserve bank at which the depository institution is a member or at which it maintains an account; (2) balances maintained by a nonmember depository institution in a bank that maintains required reserve balances at a Federal Reserve bank, in a Federal Home Loan Bank, or in a central liquidity facility for credit unions, provided that such funds are then passed-through to a Federal Reserve bank; or (3) in the form of vault cash. The proportion of vault cash that may be counted to satisfy reserve requirements must be identical for all depository institutions. Balances received by a bank from another depository institution that are used to satisfy reserve requirements on such depository institution would not be subject to reserve requirements imposed on the receiving bank or to assessment imposed on such bank pursuant to the Federal Deposit Insurance Act.

Section 6. Pricing of Services.—This section requires the Federal Reserve Board to price services provided by the Federal Reserve System at a market cost and to provide access to such services to all depository institutions on the same terms and conditions. Such services are currently provided by banks without charge. The Board would be required to publish for comment a set of pricing principles and a proposed schedule of fees for Federal Reserve services by July 1, 1979, and to institute pricing of its services by July 1, 1980.

The pricing principles would be required to take into account the taxes that would be paid and the capital costs that would be incurred if privately owned organizations provided similar services. Due regard would be given to competitive factors and to the provision of an adequate level of services nationwide.

Section 7. Committee on Money Substitutes.—This section would require that the Federal Reserve Board establish a committee to examine questions related to the imposition of reserve requirements against bank and nonbank liabilities that are substitutes for demand deposits. The Committee would be composed of five members to be appointed by the Board and the individuals would have broad backgrounds on monetary affairs, economic policy, or finance. The appointees could not be United States Government employees, or employees, officers, or directors of a Federal Reserve bank.

The committee would conduct a thorough study and investigation of (1) the need for legal reserve requirements against short-term liabilities such as nonbank "federal funds", security repurchase agreements, Eurodollars, security dealer repurchase agreements, liquid asset mutual funds, cash management services, and travelers checks; (2) the appropriate level of reserve requirements against each type of money substitute; and (3) the need for the Federal Reserve Board to have flexibility to change such reserve requirements.

The committee would be required to include in its report to the Board recommendations for administrative actions and legislation.

Section 8. Authority of State Bank Supervisors.—This section indicates that nothing in this Act or in amendments made by this Act shall be construed as derogation of the authority of any state bank supervisor over any institution it supervises by state law.

Section 9. Effective Date.—The new reserve requirements included in Section 4 and 5 shall take effect on the first day of the sixth calendar month after enactment. All other sections take effect on the date of enactment.

Universal Reserve Requirements, Interest on Reserves, and Charges for Services: A Comparison of 12 Central Banks With the Federal Reserve System

(By Evan Migdail and Steven M. Roberts)

This study has been prepared in anticipation of consideration by the Congress of legislation amending the Federal Reserve Act.[1] Its purpose is to compare the Federal Reserve System and proposed changes in the system with the structure of Central Banks of twelve industrialized countries. The proposed changes would create universal reserve requirements for all depository institution, initiate payment of interest on reserves, and mandate charges by the Federal Reserve for certain banking services. These services are currency and coin services, check collection, net settlement, wire transfer, automated clearinghouse, securities safekeeping and any new payment services that the Federal Reserve should choose to provide at some future time.

It should be noted from the outset that consideration of banking operations abroad has long been a starting point for planning for changes in our own banking law. In fact, the hearings and studies pursuant to consideration, in 1913, of the original Federal Reserve Act included extensive discussion of the operations of foreign central banks.[2] It is hoped that consideration now of the operations of foreign central banks will aid in evaluating the merits of the proposals recently made by the Federal Reserve to the Congress.

I. THE AMERICAN DUAL BANKING SYSTEM

Foreign Central Banks and the Federal Reserve System are readily comparable as to their technical structures. In fact, much symmetry is found in the areas considered in this study. However, as an aid in comparison, it is necessary to call attention to one area that is unique to the United States, that being the American dual-banking system.

In the United States we have both a federally controlled system of banking and a state-controlled system. On the other hand, the foreign states considered, generally have a system of banking that is totally under control of the central government.

This difference stems from the structure of federal-state relations in American Constitutional Law. The federal Congress is not given any explicit authority over banking in the Constitution.[3] However, the Congress is given explicit authority over such matters as the regulation of interstate commerce, collection of revenues, the raising and supporting of the military, and the power to coin money and regulate the value of money.

At the same time, the Constitution grants authority to the Congress to do what is "necessary and proper" to carry out its ex-

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Footnotes at end of article.

plicit powers.[4] From this "elastic clause" the Congress has implied certain other powers. In the context of banking, it has long been the law that the Congress has the power to incorporate national banks and regulate them.[5] Through the interstate commerce power, Congress has had the power to insure banks and extend credits and loans.

Therefore, the Federal Reserve System as it was instituted was based on "membership." Membership is obligatory for all national banks,[6] but voluntary for state-chartered banks.[7] Currently reserve requirements and regulations set by the Federal Reserve apply to member banks only.[8] These member banks represent 40 percent of all commercial banks and 72 percent of total bank deposits.

This difference, going directly to the proposed legislation, merely serves to compel the need to study foreign systems, and does not detract from the merit of such studies. However, it must be kept in mind in evaluating the more extensive control over banking by other central governments.

II. THE PROPOSED LEGISLATION

Proposed legislation would require all depository institutions, defined as those covered by the Federal Deposit Insurance Act, the Federal Credit Union Act, and the Federal Home Loan Bank Act, and the National Housing Act, to maintain reserve requirements against their transaction accounts in amounts determined by the Federal Reserve. This change has been requested and justified by the Federal Reserve Board on the theory that although state non-member banks are required to keep reserves by state law, in many cases those banks are able to hold those reserves in interest bearing forms. Therefore, according to the Federal Reserve Board, a degree of inequality had occurred, causing competitive inequities between federal and state banks. By its proposal the Federal Reserve Board has said that this competitive inequality would be reduced, and therefore, that the withdrawal of state banks from the system would stop. In the past eight years, 430 member banks have left the system and only 103 nonmember banks have joined.[9]

A second proposal made by the Federal Reserve Board is the payment of interest on reserves left on deposit at Federal Reserve Banks. Such payments are not made at this time and, in fact, have never been made in the history of the Federal Reserve System. In fact, there is serious question as to the existing authority under the Federal Reserve Act for such payments to be made without explicit authorization by the Congress.

Finally, there is a proposal that would mandate that the Federal Reserve charge for the previously enumerated banking services. At present, the Federal Reserve Board has legal authority to do so,[10] but does not exercise this power. That is, services are provided to members without charge in recognition of the reserves they hold at the Federal Reserve Banks.

Four of the foreign central banks studied in this paper charge directly for banking services and in the eight other systems reviewed banking services are provided in part by the central bank, and also by private institutions. Six central banks provide services without charge, and in all instances where private institutions provide some banking services, there is a charge for the services.

Throughout this paper the terms 'clearing' and 'settlement' are used. Clearing refers to the accounting process when funds are drawn at one bank against accounts in another. Settlement refers to the process involving the actual transfer of funds.

III. FOREIGN CENTRAL BANK STRUCTURES

The attached chart shows in detail information about the relationship between the central bank and the commercial banks within its jurisdiction. It enumerates the reserve requirement relationship, whether interest is paid by the central bank on reserves held with it, whether the central bank provides bank services, and on what basis.

The following material is intended as an expansion of the information in the enclosed chart. It is compiled primarily from information provided by the International Monetary Fund, embassies of countries studied, the FINE Study, conducted by the House Banking Committee Staff, the British and Canadian Bankers' Association, and materials listed in the bibliography. Most of the information is current to 1977.

(a) *Great Britain*

The Bank of England, the central bank of England and Wales, is responsible for note issue, administration of the national debt, and acts as government agent in certain important financial transactions and adviser to the government on financial matters.[11] It is also the primary body responsible for monetary policy, which it influences through setting of the rediscount rate, open market transactions, and reserves that must be kept by all British banks with the Bank of England.

COUNTRY	RESERVE REQUIREMENTS	INTEREST OR NO INTEREST	MANDATORY ALL BANKS	SERVICES PROVIDED	SERVICE CHARGES
AUSTRIA: Austria National Bank.	9 percent on demand deposits; 7 percent on time, if less than 12 months; 6 percent on time if more than 12 months.	None is paid.	Yes.	Provides currency, but check clearing and other interbank services are provided by private banks.	None for currency services—Private banks charge for their services.
BELGIUM: National Bank of Belgium.	Two types—Legal and monetary: Up to 20 percent for demand deposits; 7 percent for time deposits.	None—Unless reserves are held in the form of govt. bonds, in which case the market rate is paid.	Yes—No differences on the basis of size of location of banks.	Coin and currency; National Bank provides a forum for large commercial banks to settle obligations Check clearing, transmission, and other interbank services are provided by private, profit institutions.	No charge. National Bank charges fee for settlement services; Private institutions charge for their banking services.
CANADA: Bank of Canada.	Current accounts, 12 percent; Time deposits, 4 percent; Savings, 4 percent.	None is paid.	No—Chartered banks only. This excludes trust banks and loan banks.	Only service by central bank is delivery of note issue.	No charge.
				Check clearing by Canadian Bankers Assoc.	Charge.
				Other services are privately provided.	Charge.
WEST GERMANY: Deutsche Bundesbank.	Up to 30 percent for demand deposits; 20 percent for time deposits; 10 percent for savings; at all credit inst's.	No—Central bank holds reserves as interest free current accounts.	Varies according to size, location (i.e., proximity to a regional central bank), and importance of bank. Used basically for monetary policy.	Check clearing and settlement for large banks only; coin and currency services.	None.
SWITZERLAND: Swiss National Bank.	Reserve fund of $\frac{1}{20}$ of a bank's net profits yearly. Deposits for inflation control.	None is Paid.	Yes.	The Bank issues bank notes, ships currency, safekeeping of securities, check clearing.	No charge.

Footnotes at end of article.

Country	Reserve Requirements	Interest or No Interest	Mandatory All Banks	Services Provided	Service Charges
GREAT BRITAIN: Bank of England.	12½ percent day to day liquid reserves; consists of cash and securities.	None is paid.	Yes.	Provides currency in England and Wales. Check clearing, wire transmission, and settlement services are provided by private inst's.	No charge for shipping currency; Services by private institutions are provided at a charge.
	Minimum balance on cash deposit.	None is paid.			
	1½ percent special cash reserve.	None is paid.			
	Monetary cash reserve can be called in at any time.	Interest paid at market rate.			
ITALY: Bank of Italy.	Legal reserve fund of 1/20th of net annual profits until such fund reaches 1/5 of the entire capital.	Yes—Current rate is 5.5 percent.	Yes—For all commercial and savings banks.	Check clearing;	No charge.
				Currency and coin services;	No charge.
				Wire transfer services;	Charge.
				Settlement services.	There is a commission charge on this.
FRANCE: Bank of France.	Can be set up to 15 percent—Vary according to nature, amount and variation of the elements of liabilities to which they apply.	No.	Yes.	The bank provides check clearing, currency and settlement services.	No charge for any services.
MEXICO: Bank of Mexico.	Currently set at 37 percent; two types, legal and monetary.	Only a portion of this (over 50 percent) receives interest.	Yes.	Check clearing, coin and currency, wire transmission and settlement services.	Bank of Mexico charges for all services.
DENMARK: Danmarks Nationalbank.	No reserves as such but:		Yes.	Check clearing and transmission services; also wire transmission.	No charge for services. Only when there is check clearing, a charge is registered in the commercial bank's balances with the central bank.
	Liquidity ratios;	Not applicable.			
	Deposits taken at times for monetary policy or check clearing.	Yes, at the market rate.			
GREECE: Bank of Greece.	20 percent private sight and restricted;	None on first reserves.	Yes for all commercial banks. No exceptions.	Central bank provides currency settlement services, and check clearing.	Central bank charges for settlement and check clearing based on a percent of the volume transacted.
	5 percent of private savings;				
	2d reserves of 20 percent private sight and restricted, 3 percent savings.	2d reserves with interest at market rate. Currently at 9.5 percent.			
JAPAN: Bank of Japan.	Varies by type of institution and size between 1.625 percent and 0.125 percent for time, and 2.5 percent to 0.25 percent for other deposits. Banks are classified by size and function, i.e., agricultural v. savings, etc.	No interest paid on any reserves.	Yes—No exceptions for any banks.	Check clearing and settlement done through a current account kept with Bank of Japan by commercial banks; also providing of yen, wire transmissions, and discounting of bills.	No direct charges for services, however, adjustments are made in the balances of commercial banks with Bank of Japan.

Implementation of central bank policy in England has been effected traditionally through informal agreements rather than by statute. However, should there be a "breakdown of trust," the Bank of England Act of 1946 gives the Bank authority to implement the above banking policies. At this writing, the Bank of England has not yet had occasion to use its statutory authority.

British banks are broken down into four classifications. These are Deposit, Merchant, British Overseas and Commonwealth and the Foreign and Consortium Banks. Crucial to the Bank of England's supervision of the economy is the provision that all British banks provide it with statistics regarding their assets and liabilities (including reserves), a requirement that has led to their being called "statistical banks."

Since 1971 there has been a mandatory 12.5 percent reserve requirement, on day-to-day eligible liabilities, for purposes of controlling money and credit. There may also be minimum deposits with the Bank of England for facilitation of clearing (clearing balances) as well as a 1.5 percent special liquidity cash reserve. In addition, at any time the Bank of England may call in a further monetary reserve. Of the various types of reserves that may be required, interest is payable only on this monetary reserve, and would be calculated at the market rate of interest. Reserves are required generally for the purpose of monetary control, however, reserves are also held so as to ensure that British banks are able to meet their day-to-day demands of the clearing system.

The Bank of England provides note and coin issue to England and Wales at no charge for shipping. Check clearing is done by private institutions, known as the clearing banks. By way of a cooperative network, the heads of each bank send an accounting of checks drawn against the other banks for clearance. Non-clearing bank members can participate in clearing through a special agent appointed for clearing purposes. While clearing is done by the private institutions, the clearing banks themselves may maintain a clearing balance with the Bank of England and clear checks by way of bank drafts drawn against these balances. Settlement services are also provided by private institutions. For these services there is a charge, as the private clearing and settlement institutions are profit making.

It is probably valid to say that the authority of the Bank of England would appear to be more narrowly drawn than that of the Federal Reserve, but that the small number of banks and the power of moral suasion gives the Bank of England greater overall day-to-day control of the banking system. Also, unlike the United States, the Bank of England covers all banks, there being no dual banking system.

(b) *Belgium*

Banking in Belgium is controlled by two organizations, the Royal Banking Commission and the Bank of Belgium. The former is responsible mostly for micro-economic policy, such as supervision and regulation of individual banking institutions. The Bank of Belgium performs services generally associated with central banks such as providing coin and paper currency, providing settlement facilities, holding bank reserves and serving as the lender of last resort. It is also in charge of monetary policy. Under the Belgian political structure, which is different from the American federal-state model, banking is controlled in large part by Royal decree and is applicable to all banks.

Reserves are deposited in the Bank of Belgium as a fixed proportion of the monetary liabilities of all banks. Generally there is no interest payable on reserves. However, a portion of the reserves may be held in the form of government bonds, and interest, on these bonds, is payable at the market rate.

The Bank of Belgium provides coin and paper currency at no cost. Check clearing is provided by private institutions, and these charge for their services. Settlement may be effected through facilities of the Bank of Belgium, which basically consist of facilities where officials of the few banks can meet to clear accounts. The Bank of Belgium charges a low fee for the use of the facility. This is easily accomplished owing to the small number of banks in the country and the consequent ease of coordination.

(c) *Federal Republic of Germany*

The Deutsche Bundesbank, the post-war West German central bank is structured in a way similar to that of the Federal Reserve System. There is one central bank with branches in each of the eleven states of the German Federation. The President of each of the regional banks, along with the Board of Governors of the main central bank are responsible for monetary policy. The Bundesbank has control over all banks in the Federal Republic.

There is also a Bank Supervisory Authority which oversees bank regulatory policy in coordination with the Deutsche Bundesbank. The latter can refuse to offer its rediscounting facilities to banks if they should violate recommendations of the Supervisory Authority. The Bundesbank collects statistical information from all West German banks for the purposes of planning policy.

The basic justification for reserve requirements held by the Deutsche Bundesbank is the effectuation of monetary policy. Germany in the post-war period has been among few countries to use variable reserve requirements to implement its monetary policies, basically as a check on the balance of payments and as a means of reinforcing the official discount rate.[12]

Reserves are held as interest-free deposits with the central bank. There are upper limits on the amount of the reserve, and these can be varied according to size of the banks, location, and importance. As far as location is concerned, proximity to a regional central bank would be a factor in keeping a smaller reserve.

Settlement services are offered only to "large" banks, and the central bank also performs check clearing and provides coin and paper currency. There is no charge for these services.

(d) *France*

The French banking system is under the supervision of two organizations, the Bank of France and the Banking Commission. The Banking Commission is presided over by the Governor of the Bank of France. It is responsible for banking and reserve ratio policy at the micro-level, whereas the Bank of France is primarily concerned with overall economic policy.

The Bank of France is similar in function to the other central banks reviewed. It is the issuer of currency, performs clearing and settlement services, is responsible for foreign banking and monetary control, and performs miscellaneous functions on the Treasury's behalf.

In similar fashion as the Deutsche Bundesbank, the Bank of France has experimented with variable reserve requirements. The variations go to the amount and nature of the liabilities to which they apply. Under French law these can be set at up to 15 percent. The French requirements apply to all banks without exception. The Bank does not charge for its banking services, and no interest is paid on reserves.

(e) *Italy*

The Bank of Italy is not owned in any part by the government. Instead it is owned by shareholders, who elect all the directors, except for the Governor, who is chosen by the directors with the approval of the government.[13] The shareholders are commercial and savings banks. The Bank of Italy is one of the few foreign central banks with a permanent office in the United States for the study of American financial institutions.[14]

The Bank of Italy has broad authority in the areas of credit control and monetary policy. It also performs typical central banking functions such as providing currency, check clearing and settlement, and wire transfer services. Charges are made for the wire transfer services, and a percentage commission is taken on settlements. There are private clearing houses in Italy, as is the case in Great Britain, and the Central Bank has the power to advance, for a period of up to ten days, funds to facilitate settlements between the banks and the clearing houses.

Reserves are mandatory for all commercial and savings banks, and are deposited with the Bank of Italy. These are calculated as a percentage of deposits with a ceiling on the total accumulation. Interest is paid on the reserves, the current rate as of July 1978 being 5.5 percent.

At times a percentage of the reserves may also be held in government bonds or securities, as is the practice in Belgium. The breakdown of such an arrangement is to be determined by the Bank of Italy and must allow at least 15 percent of the requirement to be held with the Bank of Italy. Under these circumstances, those revenues on deposit with the Bank of Italy would receive 5.5 percent and the rest would obtain whatever yield the bonds or securities offer.

(f) *Denmark*

The Danish banking system is far less complex than that of most other countries in this study, a surprising fact because of the comparatively large number of banks for so small a nation. While there are three large Copenhagen banks, with over 50 percent of the total banking business, there are also 78 independent banks.[15]

Banking in Denmark is under the supervision and control of the Danmarks Nationalbank. The key mechanism used by the bank for the control of monetary policy is the discount rate.

There are no reserves comparable to those required by the other central banks. However, the central bank does have certain requirements designed for the protection of the banking public. The first of such requirements are liquidty ratios, consisting of holdings in the vaults of each bank. These are cash or easily marketable securities. The aggregate amounts must not be less than 15 percent of a bank's commitments payable on demand or at less than one month's notice.

Besides the liquidity ratios there are deposits taken by the central bank for the purposes of check clearing (clearing balances). The size of such balances are determined by the central bank. There is also authority for the central bank to require additional deposits with it for monetary purposes. In either of these two cases, any deposits left with the central bank would receive the market rate of interest.

Banking services such as providing currency, check clearing, and wire transmission of funds are provided without charge.

(g) *Switzerland*

The Swiss National Bank, which predates the Federal Reserve by six years, is the only note issuing bank in Switzerland. It is not owned by the Confederation but is a public limited company with its shares quoted on the stock exchange. About 42 percent of the issued capital (50 percent of the total capital) is in private hands, the rest being owned by the cantons, the cantonal banks or other public entities. At one time, as is presently the case in Great Britain, the Swiss Bank operated on the basis of mostly informal agreements. However, in recent years, this has yielded to the formalism of law.[16]

The Bank is broken down into three departments, two in Zurich and the third in Berne. These are also functionally divided in terms of banking services. The services offered in Berne relate to bank notes issue, gold control, and coordination with federal authorities. At the two other departments there is safekeeping of securities, clearing, collection, and settlement, discount of eligible paper, and loan functions of the Swiss Bank. The Bank is also responsible for monetary policy through control of the money supply and open market operations.

Reserves are mandatory for all banks, and are of two types. One is in the form of an interest-free deposit to fight inflation, which the Bank may authorize. Such reserves are a function of the bank's growth level and liabilities.

A second reserve is for the writing off of losses, and is calculated, at a minimum, one-twentieth of a bank's yearly profits. The ceiling on this amount would be one-fifth of paid in capital, or in the case of banks with no paid-in capital, one twentieth of deposits.

The Swiss National Bank does not charge for banking services.

(h) *Austria*

The Bank of Austria, in similar fashion to other central banks, performs both national economic and monetary policies, as well as the recognized currency services of most central banks. However, under the Austrian system, the central bank issues only bank notes while coins are exclusively issued by the Ministry of Finance.

All credit institutions must maintain reserves. These are uniformly fixed, by law, as a percentage of liabilities, the opposite of the neighboring German system of variable reserves. No interest is paid on reserves.

The Bank and the Ministry of Finance deliver currency free of charge. However, other banking services, such as check clearing, settlement, and miscellaneous interbank exchanges are provided by private institutions rather than by the Bank of Austria. As is generally the case, there is a charge for the services of private institutions.

(i) *Greece*

In terms of political authority of national banking organizations, the Greek system is the exact opposite of the Federal Reserve. Here the national government has strict con-

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Footnotes at end of article.

trol over all banks without exceptions. All financial policy is placed in the Greek Currency Committee. The Bank of Greece has the authority to enforce adherence by the banks to the decisions of the currency committee.

The Bank of Greece is similar to the Federal Reserve in the sense that they are both among only five world central banks in which the state does not have any direct share of ownership.[17] Besides its supervisory authority over policy it performs traditional central banking functions such as settlement and check clearing, providing currency, transfer of funds, and custodian of the state's foreign assets. The Bank charges a percentage rate fee for settlements and check clearing services.

Reserves are held in two parts. The first is calculated at 20 percent of demand and time deposits and 5 percent of private savings. No interest is paid on these reserves. On the second reserve, which is the same for demand and time, and 3 percent for savings, interest is paid. Current rate is 9.5 percent.[18]

(j) *Mexico*

The Mexican Central Bank is owned 51 percent by the Mexican government, the remaining 49 percent held by the credit institutions themselves. The Mexican government's requirements cover all banks.

The Organic Law of the Bank of Mexico[19] states that the Bank's functions are regulation of currency, clearing, management of reserves held with it by the commercial banks, supervision of compliance by the commercial banks of decisions of the National Banking Commission, and acting as financial agent of the government in foreign transactions and loan matters.

Reserves are a major policy tool in Mexican monetary policy. At present they are set at 37 percent of deposits. The reserves can be divided into two parts; those taken for monetary policy and those for legal purposes. About one half of all reserves earn interest.

The Bank provides currency, settlement and clearing as well as wire transmission services to the commercial banks. There are charges for all of these services.

(k) *Japan*

The Bank of Japan is one of the oldest central banks, dating back to 1882. Its origins are in the monetary crisis of the same year, caused by an overabundance of paper money issued by the several national banks. The Bank ordered the withdrawal of all issue and became the sole source of currency.[20]

The Bank has a complex system of variable reserve requirements, which classify banks on the basis of size and function of institution, as well as type of deposit. Function classes range from savings, to agricultural, to "near-banks" that perform only one banking function. No interest is paid on any reserves.

Among its banking services is providing currency, wire transmission, and discounting of bills. No charge is made for these services. For settlement and check clearing there is no direct charge. This is done through a system of clearing balances held by the Bank. Adjustments are simply made in the balances to account for transactions.

The Bank is owned 55 percent by the government, the remainder by the commercial banks. Its directors are all government appointed, and there is no shareholder participation in management.

(l) *Canada*

Canada's banking structure is set up so that all institutions allowed to call themselves banks are under the control of Parliament. This is accomplished by having only twelve banks, each required by law to be chartered by Parliament. These handle savings and commercial transactions. Mortgage, trust, and loan activities are handled by other institutions, known commonly as "near-banks" but not within the bank classification. The system has been relatively stable. In fact, the last bank failure in Canada took place in 1923.

The Bank of Canada does not provide the full range of services provided by other central banks reviewed in this study. Its main responsibility is the control of credit. As such it holds reserves of the chartered banks in two classes of reserves. Cash reserves, held in the form of deposits with the Bank of Canada are set at present at 12 percent for demand and 4 percent for time deposits. Secondary reserves are a complex scheme of deposits in excess of the above cash reserves. Also, on the basis of moral suasion Canadian banks generally are advised to keep an investment in some liquid asset. Reserves are non-interest bearing.[21]

The Bank of Canada provides coin and paper currency at no cost for shipping. However, settlement and clearing is the responsibility of the Canadian Bankers' Association through a network of clearing houses. The Bank of Canada assists in this to a certain degree by supervision at the head offices of the banks and in transmitting net clearing results to the banks. The CBA charges for interbank services.

The statutory scheme of Canadian banking law provides for a revision every ten years. In August, 1978, a revised bill entered its second reading before Parliament. Of relevance to the changes now being contemplated in the United States is the provision in the new bill for a Canadian Payments Association.[22]

The CPA would be chartered by Parliament, in much the same way as the twelve chartered banks. All twelve banks would be required to join. The purpose of this facility is to widen the scope of the clearing system and the coordinated banking in Canada.[23] The CPA would not be an agent of the Canadian government.

Originally, the proposal had called for mandatory reserves of all CPA members, but it now appears that this proposal has been deleted. All banks (but not near-banks) under the new legislation will still be required to keep reserves with the Bank of Canada, but these reserves are to be reduced by approximately 2 percent across the board. It might also be pointed out that the near-banks do not have access to the banking services of the Bank of Canada.

IV. CONCLUSIONS

The central banks chosen for this paper represent the banking systems of the world's most developed, free industrial states. While there are many other central banks abroad, these represented the most advanced that could be readily studied.

Of the twelve central banks considered, eleven operate under a political system in which the national government reaches all banking institutions without the need for a participatory scheme that excludes some commercial banks. The twelfth nation, Canada, merely uses the device of nationally chartered banks exclusively, in order to have Parliament supervise all banks. Therefore, whether the reserves are variable or fixed, in all twelve nations they are mandatory for all banks.

In every country where private institutions provide the basic banking services similar to those discussed above for the Federal Reserve, charges are levied for the services. In the cases where the central bank provides the basic banking services, four charge directly and several other require the banks to hold clearing balances which they adjust periodically as transactions are made. Charges are in the form of either flat fees or percentage commissions or both on various transactions.

Interest on reserves held by foreign central banks is not a common feature. Only three nations, Greece, Italy and Mexico pay interest directly. Only Italy pays interest across the board on all reserves. Moreover, Mexico pays only on a portion of reserves and Greece only on secondary reserves. Italy at times permits banks to hold reserves in bonds and securities, and in such circumstances, reserves receive the market yield.

The central bank of Belgium allows some reserves to be held in the form of Treasury Securities. Great Britain pays interest on emergency monetary reserves, but these reserves are not a permanent feature. Denmark is among four nations that hold prudential, check clearing or special monetary deposits. It is the only nation studied paying interest on check clearing balances or special monetary deposits.

In Belgium, West Germany, France, Mexico and Greece, banking supervision is pursued by royal or governmental commissions acting in concert with the central bank. The commissions deal mostly with micro-policy, the regulation of individual banks, and leave macro-policy, the national economic regulation, to the central bank. However, there is a thin line separating the commissions and the central banks, and in some cases, the central banks are the enforcers of both micro and macro policy.

Finally, in Great Britain and Canada, while the central banks do not operate in as many areas as the Federal Reserve, coordination with a National Bankers' Association, and the power of moral suasion leads to a tightly regulated banking system.

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Footnotes at end of article.

FOOTNOTES

[1] 12 U.S.C. § 221, et seq.

[2] Hearings Before the Committee on Banking and Currency, United States Senate, 63d Cong. 1st Sess., 1913 (in three volumes).

[3] U.S. Cons. Art. 1, § 8.

[4] U.S. Cons. Art. 1, § 8, cl. 18.

[5] M'Culloch v. Maryland, 17 U.S. 316 (1819).

[6] 12 U.S.C. § 221.

[7] 12 U.S.C. § 321.

[8] 12 U.S.C. § 561.

[9] Statement of G. William Miller, Chairman, Board of Governors of the Federal Reserve System, Before the Committee on Banking, Finance and Urban Affairs of the House of Representatives, 27 July 1978.

[10] 12 U.S.C. § 467.

[11] See generally British Information Services, *British Banking and Other Financial* Institutions (1974).

[12] M.H. deKock, *Central Banking*, pp. 224–226 (1974).

[13] Id. at 307–310.

[14] Bank of Italy office is in New York City.

[15] This should be compared to Canada, below, with only twelve institutions that are legally designed as banks.

[16] Peter G. Fousek, *Foreign Central Banking: The Instruments of Monetary Policy*, pp. 41, 45–46 (1957).

[17] M.H. deKock, *Central Banking*, pp. 305–306 (1974).

[18] June 1978 figure provided by Greek Embassy, Washington, D.C.

[19] Hans Aufricht, *Central Bank Legislation* (1960).

[20] M.H. deKock, *Central Banking*, p. 7. (1974).

[21] See Canadian Bankers' Association publications in bibliography.

[22] Bill C–57, 26–27 Elizabeth II, 1977–78.

[23] Donald S. Macdonald (Minister of Finance), *White Paper on the Revision of Canadian Legislation* (1976).

By Mr. PROXMIRE:

S. 89. A bill to amend the Bank Holding Company Act Amendments of 1970; to the Committee on Banking, Housing, and Urban Affairs.

CARSON CITY SILVER DOLLAR

Mr. PROXMIRE. Mr. President, I am introducing legislation to amend section 205(a) of Public Law 91–607 the Bank Holding Company Act Amendments of 1970, which authorized the public sale of approximately 3 million rare silver dollars by the General Services Administration under procedures established by the Joint Commission on the Coinage. Since 1970, when the legislation was enacted, approximately 2 million coins have been sold with receipts of $55.3 million. These receipts are deposited into the general fund of the Treasury and help reduce the national debt.

Although I first introduced this legislation last year on behalf of the administration, the final version passed by the Congress was vetoed by the President because of a controversial, nongermane amendment added during the final hours of the 95th Congress.

Mr. President, the bill before you is identical to the one introduced in both Houses of the previous Congress and is part of the 1979 legislative program of the General Services Administration. GSA has advised that the guidelines set down by the joint commission are no longer an effective method of marketing the remaining coin inventory of approximately 1 million coins. Accordingly, the proposed amendment to section 205(a) of the Bank Holding Company Act Amendments of 1970 would allow the Administrator of General Services to conduct future sales in a less cumbersome manner than the currently authorized procedure. If enacted, the legislation would bring an estimated $24 million into the U.S. Treasury.

By Mr. CHURCH (for himself and Mr. WILLIAMS):

S. 90. A bill to amend title XVI of the Social Security Act to permit States to replace supplementary payments with vendor payments on behalf of residents of certain facilities, and for other purposes; to the Committee on Finance.

Mr. CHURCH. Mr. President, on behalf of myself and Senator WILLIAMS, I introduce for appropriate reference a bill to amend the supplemental security income law to permit States to replace supplementary payments with vendor payments on behalf of residents of group care facilities.

This measure would also help States in auditing and maintaining standards for group care facilities serving SSI residents.

Two major changes were made in 1976 affecting State supplements under SSI. First, Public Law 94–585 required the States to "pass along" SSI cost-of-living increases by continuing the existing levels of State cash supplements or by maintaining in cash supplements the aggregate prior year's expenditure for these payments.

Second, the Keys amendment, which was included in Public Law 94–566, required States to define and enforce standards for group care facilities in which SSI recipients resided. The amendment also provided, in effect, that vendor payments based on need, made by State or local governments on behalf of residents in group care facilities, would not be counted in determining their SSI eligibility and payment level. These vendor payments are made to group care facilities for services provided to SSI recipients.

However, a problem has arisen for certain States which now pay a substantial part of their State supplements to persons residing in group care facilities. Some would prefer to make these payments directly to the facilities for the care of the SSI recipient, instead of paying the supplement directly to the individual. If the States could do this, they could have authority to audit the financial records of the group care facilities receiving vendor payments. Moreover, they would be in a better position to assure "what is purchased is, in fact, being provided."

But under present law, States making supplementary payments to individuals, who then give these checks to group care facilities, must continue to make these payments, because of the pass-along requirement. This provision requires States to continue their cash supplements from the previous year or maintain in cash supplements the aggregate supplementary payment expenditure for the prior year.

Our bill would make two key changes. First, it would permit States to replace SSI cash supplements to individuals residing in group care facilities with vendor payments to these facilities. Second, States opting to maintain a previous year's total expenditure for supplementary payments, instead of passing along Federal benefit increases, would be allowed to reduce its previous year's expenditure by the amount replaced by vendor payments. The vendor payments would not be controlled by the pass-along provision. However, States which discontinue vendor payments would be required to restore the cash supplements replaced by the vendor payments.

These two changes would give States greater flexibility in supervising group care facilities. Direct vendor payments, for example, would permit States to conduct financial audits and develop a cost-related reimbursement for these facilities.

In addition, the bill would provide relief from penalties for States which are unable to meet all the requirements of the pass-along provision for the past year. Current law penalizes States by taking away all of their Federal medicaid funds, even though they may have just missed the technical requirements of the law. Yet, they have complied to the best of their ability with the spirit of the law so that SSI recipients would not be adversely affected.

The method of supporting and administering group and domiciliary care homes differs from State to State. These differences, as well as variations in State supplementary payments, have caused administrative obstacles which usually result in poorer standards of care. Our bill would permit States to remove these obstacles and to develop more effective methods in controling group care facilities. I strongly believe that allowing the States auditing and access authority will give them a more effective means to enforce better standards of care.

Mr. President, I urge adoption of this bill and ask unanimous consent that it be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 90

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) Section 1618 of the Social Security Act is amended by inserting "(1)" after "(b)", and by adding the following new paragraph (2):

"(2)(A) In determining whether a State meets the requirements of this subsection with respect to any twelve-month period in which the State begins to make vendor payments of the type described in subparagraph (C), and (if in the twelve-month period in which the State first makes vendor payments, the State begins those payments after the first month of the twelve-month period) with respect to the subsequent twelve-month period, there shall be excluded from the State's expenditures in the preceding twelve-month period (according to a methodology prescribed by the Secretary) the amount of State supplementary payments replaced by vendor payments.

"(B) In determining whether a State meets the requirements of this subsection with respect to any twelve-month period in which the State discontinues making vendor payments of the type described in subparagraph (C), and (if in the twelve-month period in which the State discontinues making vendor payments, the State discontinues them after the first month of the twelve-month period) with respect to the subsequent twelve-month period (according to a methodology prescribed by the Secretary) the amount of State supplementary payments which had previously been excluded on account of the vendor payments that the State is discontinuing.

"(C) The term 'vendor payments' as referred to in this subsection means vendor payments begun after June 30, 1977, to institutions, foster homes, or group living arrangements on behalf of residents of such institutions, homes or arrangements, made in lieu of State supplementary payments formerly payable to individuals in such categories of living arrangements.".

(b) Section 1618(b) is further amended by adding the following new paragraph (3):

"(3) The Secretary shall not find that a State has failed to meet the requirements imposed by paragraph (4) of subsection (a) with respect to the levels of its supplementary payments for individuals in categories of living arrangements for a particular month or months if for such month or months, the State makes vendor payments to those individuals as described in subparagraph (2)(C) in replacement of State supplementary payments previously made.".

SEC. 2. Section 1618(a) of such Act is amended by striking out "June 30, 1977" each place it appears and inserting in lieu thereof in each instance "June 30, 1978".

SEC. 3. (a) The amendments made by section 2 of this Act shall be effective with respect to calendar quarters beginning after June 30, 1977, and no reductions in payments to States pursuant to title XIX of the Social Security Act shall be made under section 1618 of such Act for any quarter beginning prior to June 30, 1978.

Mr. WILLIAMS. Mr. President, I am pleased to join my good friend Senator CHURCH in sponsoring legislation to allow States greater flexibility, under supplemental security income (SSI) law, in making payments on behalf of SSI recipients who are housed in group care facilities. Partly because of requirements in currently existing SSI law, the States cannot respond fully to the needs of SSI recipients residing in such group care facilities as boarding homes that provide personal services. The legislation which I propose would allow my own State to implement an integral part of its effort to alleviate what is acknowledged to be a "boarding home crisis."

In 1976, two statutes were enacted which directly affected State supplements to Federal SSI payments. Public Law 94–585 required States to "pass along" SSI cost-of-living increases. States can meet this requirement by either preserving the existing supplemental payment to individual recipients or by maintaining the previous year's aggregate expenditure for these payments. Public Law 94–566, in addition to requiring States to develop standards for group care facilities in which SSI recipients reside, provided that payments made on behalf of these residents directly to the vendors of such facilities not be considered as income in determining an individual's SSI eligibility. In effect, this provision means that a State cannot count vendor payments as part of its supplemental payment for purposes of fulfilling the pass-along requirement.

In many States, a large share of the SSI State supplement is paid to individuals residing in group care facilities. Some States would like to make these payments directly to the operators. By so doing, a State could create a system of cost-based reimbursement as an incentive for these facilities to expand and upgrade their services. In addition, a system of direct payments would place the State in a better position to monitor these facilities and to insure that the rights of the SSI recipients themselves are observed.

By allowing States to replace SSI cash supplements to individuals in group care facilities with vendor payments to these facilities, the legislation being proposed today would allow the States much greater flexibility in meeting the pass-along provision and in providing for the special needs of these SSI recipients. Let me emphasize that this bill in no way mandates the States to institute a system of vendor payments. Instead, it merely makes this option available to States who wish to use it.

The administrative obstacles created by the current system of supporting group care homes can only lead to lower standards of service. The bill I am introducing along with my distinguished colleague from Idaho, Senator CHURCH, would remove these obstacles and allow States to develop more effective systems of monitoring group care facilities. I strongly urge my colleagues to support this legislation.

By Mr. THURMOND:

S. 91. A bill to amend title 10, United States Code, to remove certain inequities in the survivor benefit plan provided for under chapter 73 of such title, and for other purposes; to the Committee on Armed Services.

Mr. THURMOND. Mr. President, in September 1972, a military survivor benefit pan (SBP) was signed into law. Supposedly, it was patterned after the civil service plan which had become law 24 years before.

From the beginning, the military plan contained inequities which have resulted in a much lower participation rate than is desired, so it is clear that many retirees are not making adequate provisions for their widows.

In 1976, the House of Representatives sent us a bill which would have corrected most of the flaws. Unfortunately, it was received shortly before adjournment and too late for adequate study. As a result, only two provisions were passed which had previously been made law for civil service retirees.

Mr. President, in September 1977, the Senate received another bill from the House. It was received more than a year before adjournment of the 95th Congress. In this case, the Senate had ample time to act; however, the Armed Services Committee could not schedule hearings until August 17, 1978. This left insufficient time to resolve discrepancies in cost estimates submitted by the office of the Secretary of Defense and by the Congressional Budget Office.

Because of the discrepancies in cost estimates of some provisions, the distinguished chairman of the Subcommittee on Manpower and Personnel, Senator NUNN, requested that the Secretary of Defense prepare a study including an actuarial analysis and cost estimates of specified provisions and other data.

Deadline for submission of the report was set as no later than February 1, 1979. Our subcommittee chairman planned to schedule further hearings by March 1, 1979. I commend Senator NUNN for this positive action. I hope his plan will produce legislation early enough, so that the Congress can act promptly to correct discrepancies which should have been corrected at least 3 years ago.

Mr. President, to assist with this vital legislation, I am today introducing a bill which encompasses provisions of several bills I have introduced in the past. These provisions include those elements in the previous Senate and House bills which were not accepted in the last session due primarily to cost discrepancies. One of its most important provisions pertain to the social security offset. My measure would reduce from 100 to 50 percent the social security offset which is based on the retiree's active military service. The 100-percent offset is one of the major reasons why so many decline to participate in the program. For some, especially in the enlisted grades, the offset completely wipes out the widow's annuity for which the retiree has paid a substantial amount during his lifetime. This is grossly unfair.

Mr. President, this bill would eliminate the offset entirely for widows who receive social security payments based on their own earnings. It just does not make sense to impose the offset when widows have earned social security benefits on their own by many years of hard work and who are drawing nothing from entitlement based on the active duty of their husbands. It would eliminate the offset when there is one dependent child. This seems only fair, because existing law exempts widows with two or more children.

My proposal would also correct a glaring inequity which grows worse with each cost-of-living adjustment. Since the SBP is patterned after the civil service plan with the same formula for computing the cost, the military retiree should be paying the same amount as the civil service retiree pays for the same coverage. Yet, because of a different wording in the law, there is a difference in the way in which cost recalculations are made following cost-of-living adjustments.

At present, a military retiree who has been in the program since its beginning pays approximately $15 per month more than a civil service retiree pays for exactly the same annuity for his widow. What is fair about that? Why should it continue? I say it should not continue. We should correct it now. We are several years late already and if we do not act favorably, those who served our country in uniform will continue to be victims of an injustice.

Mr. President, if we were to be absolutely fair with them, we would refund the money over and above what should have been collected. I doubt very much that this will happen, so the least we can do is to lower the costs to the level they should have been and assure that in the future the cost-of-living adjustments are applied in the same manner for both military and civil service retirees.

I know that some will say this is costly. It is not a cost, it is a reduction in Government revenue to the point where it should have been in the first place. It is a matter of equity. We have been taking more money out of the pockets of our military retirees than we should have taken.

Mr. President, my bill also includes other vital provisions. It will provide benefits for pre-1972 widows whose husbands had no opportunity to participate in the SBP. It will eliminate the offset for reservists in cases where social security payments were refunded.

It will provide for an open enrollment period of 270 days for retirees who declined to participate in the plan, because of existing inequities.

Mr. President, I feel that many had no real choice but to turn down the previous plan. With the flaws eliminated, they should be given another opportunity to provide for their widows. A greater participation will further increase the surplus funds accumulated in the SBP account.

I remind my distinguished colleagues, as I did 2 years ago, that my proposal will merely improve the existing survivor benefit plan, so that it will provide widows of military retirees with a program equivalent to the one provided for widows of civil service retirees. These are widows who suffered the rigors of military life, who made the necessary sacrifices, met the challenges and kept the family together while their husbands served in wars and emergencies.

Mr. President, last July I introduced the House-passed bill as an amendment to the defense authorization bill, in an urgent effort to press this important SBP measure through the Senate. That amendment was rejected by only three votes, 46 to 43. It was announced that three more of my distinguished colleagues would have voted "yea" had they been present. Now, I fully realize that some "nay" votes were for procedural reasons, based on the conviction that important legislation should reach the floor only after the committee with oversight responsibility has given it adequate study and has submitted a favorable report. I understand their feelings and normally would take the same position, but in this case, it was time to set those feelings aside in the interest of getting long overdue action.

I was extremely pleased that so many of you agreed with me. It is my sincere hope that those of my colleagues who supported my amendment last July will do so again. I feel confident that we will be joined by a large number of our colleagues, so that this matter will be resolved in the first session of the 96th Congress.

Mr. President, I ask unanimous consent that this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 91

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1451(a) of title 10, United States Code, is amended to read as follows:

"(a) If the widow or widower is under age 62 or there is a dependent child, the monthly annuity payable to the widow, widower, or dependent child who is entitled under section 1450(a) of this title to an annuity shall be—

"(1) 55 percent of the base amount, if the annuity is provided by virtue of eligibility under section 1448(a)(1)(A) of this title, or

"(2) a lesser percentage (determined by the Secretary of Defense in accordance with subsection (d)) of the base amount, if the annuity is provided by virtue of eligibility under section 1448(a)(1)(B) of this title.

When the widow or widower reaches age sixty-two, the monthly amount shall be reduced by an amount equal to 50 per centum of the amount of any survivor benefit which the widow or widower receives under subchapter II of chapter 7 of title 42 based solely upon service by the person concerned as described in section 410(l)(1) of title 42 and calculated assuming that the person concerned lived to age sixty-five. The reduction prescribed by the second sentence of this subsection shall not be made if the only service by the person concerned are described in section 410 (l)(1) of title 42 involved periods of service of less than thirty continuous days for which the person concerned is entitled to receive a refund under section 6413(c) of title 26 of the social security tax which he had paid.".

SEC. 2. Section 1452 of title 10, United States Code, is amended by adding at the end thereof a new subsection as follows:

"(g) The reductions in the retired pay as prescribed by this section shall be increased at the same time and by the same percent as retired or retainer pay is increased under section 1401a of this title.".

SEC. 3. (a) Notwithstanding any other provision of law, any individual who on or before September 20, 1972, was a widow of a person who (1) was entitled at the time of his death to retired or retainer pay because of service in the uniformed services, and (2) had served on active duty in the uniformed services for a period of not less than twenty years, shall be paid an annuity by the Secretary concerned in the amount prescribed in subsection (b) unless such widow is eligible to receive an annuity under subchapter II of chapter 73 of title 10, United States Code.

(b)(1) Subject to the provisions of paragraphs (2), (3), and (4), the amount of the annuity paid to any widow under this section shall be an amount equal to 55 per centum of the amount of retired or retainer pay to which her spouse would have been entitled to receive on September 20, 1972, had he lived to that date.

(2) Each annuity payable under this section shall be increased on the effective date of this Act by the percentage increase in retired and retainer pay under section 1401a of title 10, United States Code, since September 21, 1972.

(3) Whenever there is an increase in retired and retainer pay under section 1401a of title 10, United States Code, each annuity payable under this section on the day before the effective date of that increase shall be increased by the same percentage as the percentage of that increase, effective on the effective date of the increase.

(4) The annuity paid to any widow under this section shall be reduced by any amount such widow is entitled to receive as an annuity under subchapter I of chapter 73 of title 10, United States Code, death compensation under subchapter III of chapter 11 of title 38, United States Code (or under any prior corresponding provision of law), dependency and indemnity compensation under section 411(a) of such title 38, or pension under subchapter III of chapter 15 of such title 38 or under section 9(b) of the Veterans' Pension Act of 1959.

(c) In no case shall the total amount of benefits payable to any widow as a result of the enactment of this section be less than the total amount of benefits which would have been payable to such widow had this section not been enacted.

(d) As used in this section the term "uniformed services" has the same meaning ascribed to it in section 1072(1) of title 10, United States Code.

SEC. 4. Notwithstanding any other provision of law, any person who is entitled to retired or retainer pay on the effective date of this Act and who did not elect to participate in the survivor benefit plan as prescribed by subchapter II of chapter 73 of title 10, United States Code, may, within two hundred and seventy days after the effective date of this Act, elect to participate in such plan and continue his participation under subchapter I of that chapter, except that the total of the annuities elected may not exceed 100 per centum of his retired or retainer pay.

SEC. 5. The provisions of this Act and the amendments made by this Act shall be effective on the first day of the second calendar month following the date of enactment of this Act, and shall apply to annuities payable by virtue of such amendments for months beginning on or after such date. No pay shall accrue to any person by virtue of enactment of this Act for any period before the date of enactment of this Act.

By Mr. THURMOND:

S. 92. A bill to amend title 5 of the United States Code to permit present and former civilian employees of the Government to receive civil service annuity credit for retirement purposes for periods of military service to the United States as was covered by social security, regardless of eligibility for social security benefits; to the Committee on Governmental Affairs.

Mr. THURMOND. Mr. President, in 1956, the Congress, in passing a modification to the social security law (Public Law 84–881), inadvertently created an inequity that has come to be known as "Catch-62." I am again proposing legislation to correct this inequity.

"Catch-62" refers to the provision in the law which requires that at age 62 and thereafter, all civil service retirees who are veterans and have combined their military service and civil service for calculation of their civil service annuities, must involuntarily accept a recomputation of their annuities, omitting all credit for their military service after 1956. This is because of their eligibility for social security benefits due in any part to military service.

These annuity reductions take place even though the retiree may not receive social security payments because he is working, or would prefer to delay receiving them for other reasons. Even when social security is received, the annuity losses are frequently far greater than the social security payments.

Some veterans retiring in 1979, are subject to a 54 percent loss of annuity. The loss increases approximately 3 percent for each year of military service after 1956.

Mr. President, this mandatory substitution of a less advantageous civil service annuity, after a veteran has properly qualified for an annuity based upon the average of his highest 3 years' pay, was placed in Public Law 84–881 without adequate hearings, or evaluation of its long-term effect. While the intent of the law was to provide military personnel a portable social security benefit to increase their incomes in retirement, the effect has been extremely damaging to many who went into the Federal civil service.

This treatment of social security covered military service contrasts diametrically with the treatment of social security covered temporary civil service employment. Under Public Law 91–360, temporary employees who acquire permanent employee status and come under the civil service retirement system may credit all their temporary employment for retirement purposes without penalty at age 62. They also retain their social security entitlements based upon their temporary employment. More than 350,000 temporary civil service employees have become permanent employees, and the number is increasing daily. Approximately 50 percent of civil service employees have some military service. Less than 5 percent are military retirees.

Mr. President, there are several agencies whose veteran employees have been granted special exemptions from the unfavorable impacts of Public Law 84–881. These are: the Foreign Service, certain employees of the Environmental Protection Agency, the Federal Water Pollution Control Administration, and the Consumer Product Safety Commission. In fairness, the policy should be uniform for all.

I am sure that my colleagues are familiar with the rising tide of complaints from veterans and their families about this situation. Admiral Rickover, in testimony to the Congress in 1977 stated:

> Federal employees with prior military service receive a much lower retired pay after age 62, than they receive from age 55 to 62. In fairness, this anomaly should be corrected.

Mr. President, I am introducing a bill to correct this injustice which has been unfairly denying retirement annuity credit for military service after 1956. It is similar to S. 245, which I introduced in the last session of Congress. It will carry out the recommendation made to the Congress and the administration on April 10, 1978, by the President's Commission on Military Compensation. The commission's recommendation was to "resolve the commonly described 'Catch-62' problem as expeditiously as possible."

Mr. President, I am confident that my distinguished colleagues will want to go on record in support of this bill. It will end the discriminatory treatment to which a small group of veterans and their survivors have been subjected for 22 years.

My bill is a simple measure. It will simply provide credit for all military service when a civil service retiree's annuity is recalculated at age 62.

Retirement annuities based on total service are already budgeted for these veterans from age 55 to age 62. Any additional costs should be nominal. Regardless of the money involved, however, we are dealing here not with any additional pay or "double-dip," but with an injustice perpetrated in error. Mr. President, veterans who served in Vietnam, for example, are at age 62 presently denied retirement credit on a combined annuity for such wartime service. Simple equity demands that "Catch-62" be abolished without further delay.

Organizations, such as the following, support the elimination of "Catch-62":

The National Association for Uniformed Services.

Veterans of Foreign Wars.

American Federation of Government Employees.

National Federation of Federal Employees.

National Treasury Employees' Union.

American Association of Retired Persons.

National Retired Teachers Association.

The Retired Officers Association.

Fleet Reserve Association.

National Association of Retired Federal Employees.

Air Force Association.

Air Force Sergeants Association.

Marine Corps Reserve Officers Association.

Marine Corps League.

Blinded Veterans Association.

Disabled American Veterans.

Disabled Officers Association.

Paralyzed Veterans of America.

Organization of Professional Employees/Department of Agriculture.

National Association of Federal/State Employees.

National Association of Rural Letter Carriers.

Jewish War Veterans.

Legion of Valor.

Regular Veterans Association.

Retreads.

Non-Commissioned Officers Association.

National Association of Letter Carriers.

Purple Heart.

Chief Warrant and Warrant Officers Association, USCG.

National Association of Concerned Veterans.

National Association of Supervisors.

Amvets.

The Department of Defense supports elimination of "Catch-62."

In the House of Representatives, Representative CHARLES E. BENNETT is introducing similar legislation.

Mr. President, I urge my distinguished colleagues to support this most worthwhile measure. I ask unanimous consent that this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 92

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 8332(j) of title 5, United States Code, is amended—

(1) by striking out "military service, except military service covered by military leave with pay from a civilian position, performed by an individual after December 1956," in the first sentence thereof; and

(2) by striking out "the military service or" in the second sentence thereof.

(b) The amendment made by subsection (a) shall apply only in the case of annuities to which individuals become entitled on or after the date of the enactment of this Act.

(c)(1) Upon the written request to the United States Civil Service Commission (filed in such form and manner and containing such information as the Civil Service Commission shall by regulation prescribe) by any individual receiving an annuity before the date of the enactment of this Act to have the amendment made by subsection (a) apply to such annuity—

(A) the provisions of section 8332(j) of title 5, United States Code, as amended by subsection (a), shall apply to such annuity, and

(B) the Civil Service Commission shall recompute such annuity by redetermining the aggregate period of service on which the annuity is based so as to include military service excluded under such section 8332(j) as in effect on the day before such date of enactment.

(2) Any annuity which is recomputed under paragraph (1) shall be effective with respect to payments of such annuity for months after the month in which this Act is enacted and no payment of any such annuity for any month prior to such month shall be considered erroneous by reason of this paragraph.

(3) The Civil Service Commission shall take such actions as may be necessary to notify individuals receiving an annuity before the date of the enactment of this Act of the provisions of this section.

By Mr. EAGLETON (for Mr. NELSON) (for himself and Mr. EAGLETON)):

S. 93. A bill to require that Federal agencies publish certain statements during the rulemaking process, and for other purposes; to the Committee on Governmental Affairs.

REGULATORY PROCEDURES IMPROVEMENTS ACT OF 1979

Mr. EAGLETON. Mr. President, the stampede of Government regulation must be stopped. That is why I am delighted to join today with my distinguished colleague, Senator NELSON, in the introduction of the Regulatory Procedures Improvements Act of 1979. It is a tough, strong bill that sets specific restraints on the regulators. It will curb needless regulation, cut down on burdensome paperwork, and channel Government action to those areas of clear and emphatic public need.

Regulation costs American business an estimated $102 billion a year, about

$30 billion of it in mountains of paperwork. All this adds to the crushing burden of inflation, directly costing the average American family about $1,200 a year in higher prices business charges for compliance and in taxes the Government takes for enforcement.

The bill, in its opening section, explicitly identifies regulation as "a significant cause of inflation" and says the purpose of the legislation is "to help reduce inflation by making rules and regulations more responsive to the needs of consumers."

Excessive regulation not only contributes to inflation, but it eats away at the good sense of Government itself. Let me cite just a couple of examples of foolish regulation:

First, the New York Times just recently carried a story about the efforts of a town in Delaware to obtain funds to rebuild a decrepit bridge which is on a busy traffic artery. The town asked for $6 million in aid but the application was rejected by the Federal Highway Administration because regulations provide for grants only in excess of $10 million. The solution is simple. The town only has to inflate its cost-estimate by $4 million or so, and it will qualify for Federal aid. But is that what we want—an incentive to waste taxpayers' money?

Second, closer to home, the town of Wardell, Mo., recently received word that HUD had rejected its application for funds to help improve the local water system. Improvements became necessary after the town discovered the chlorine level in its water supply did not meet standards mandated under the Safe Drinking Water Act. While it was processing its application to HUD, the town took the precaution of borrowing a chlorinator from the State so as to protect public health. HUD, however, rejected the fund request on the argument that there must be evidence of sickness caused by impure water before it can act on applications.

Third, another Missouri example involves the Federal flood insurance program which I have criticized for several years now as being unnecessarily harsh toward small communities which have only minor flood problems and little likelihood of development in the flood plain. Now, after 5 years of harassing these small communities, the Flood Insurance Administration has quietly conceded it was all quite pointless and it is taking steps to eliminate some 9,000 small communities from the program. It is anyone's guess how much taxpayers money went into this useless enforcement effort or what it cost local communities who were forced to comply.

I believe the bill would do away with such absurdities. It would do so simply because it would force rulemaking fully into the open by requiring—

First. A detailed statement of the need, the cost, the paperwork impact, inflationary consequences and possible alternatives for any regulation.

Second. An annual report from each regulatory agency on the status of current regulations and an agenda for any future ones.

Third. The automatic termination, through an inescapable sunset provision, of a regulation after 5 years unless its extension can be fully justified.

Above all, it would require agencies to put consumers and their pocketbooks in the center of consideration in the rulemaking process.

The bill puts a premium on explicit, bread-and-butter information which sets forth the benefits and drawbacks on each regulation. The various detailed reporting requirements and the sunset provision would assure sufficient information in ample time to assure public reaction and comment before any regulation is approved or renewed.

The bill specifically would apply to regulations that significantly impact the Nation's economy by $100 million or more a year. The bill in no way would stymie a needed regulation that truly protects a vital public interest in health or job safety or pollution controls or whatever. But it would assure that regulations are based on solid judgments on whether the problems they confront truly outweigh their probable cost in money, time, and redtape.

In short, agencies, under the bill, would have to look beyond their enabling statutes and their rule books to the real-life implications of their actions. This, I firmly believe, will make commonsense the scale on which to balance objectives and probable outcome.

The bill makes emphatic the precision and detail required from agencies in their statements of need and analysis on proposed regulations. Additionally, it makes emphatic that the analysis should be in clear English and, where possible, in hard, dollar-and-cents figures. Involved would be analysis of cost to business, the public and to local and State governments as well as Federal. Other major factors would include evaluations of the paperwork entailed and of economic consequences that might curtail competition and jobs.

The regulatory reform bill Senator NELSON, as chairman of the Senate Committee on Small Business, and I, as chairman of the Subcommittee on Governmental Efficiency, are introducing today, I am confident, will make the regulatory process more conscious of cost and more sensitive to inflationary pressures, the agencies more effective and responsive to real public needs and, above all, the regulators, themselves, more accountable to the American people.

Mr. President, I ask unanimous consent that a statement by the Senator from Wisconsin (Mr. NELSON) on this same question of regulatory reform be printed in the RECORD together with the text of the bill.

There being no objection, the statement and bill were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR NELSON

I am today introducing along with Senator Eagleton, the "Regulatory Procedures Improvements Act of 1979". The cost and volume of government regulation continue to soar despite recent efforts to make government more efficient and responsive. As Chairman of the Senate Small Business Committee, I am particularly disturbed about the effect of regulations on small business which now take an average of $3600 out of the pocket of every small businessman. Regulation has helped society achieve important economic and social goals but regulations can be improved by making them less inflationary and more responsive to the nation's needs. That is what the "Regulatory Procedures Improvements Act of 1979" would do.

The key elements of this bill are:

1. A statement that it is the intent of Congress that agencies take the cost of complying with a proposed regulation into consideration prior to the promulgation of the regulation;

2. Require regulatory agencies to publish a notice of justification of their need to regulate a specific issue;

3. Require regulatory agencies to publish a notice of justification if an agency uses a design standard stipulating how a goal is to be achieved rather than a performance standard stipulating only that a goal must be achieved;

4. Require regulatory agencies to perform an economic impact comparison of proposed regulations which breach a $100 million cost threshold test, with alternative means of achieving the same specified goal;

5. A requirement that all regulations which would have a $100 million economic impact expire five years after their effective date and be renewable only if the proper agency did a follow-up economic impact evaluation.

6. Sunset provisions requiring the phasing out of existing regulations breaching the $100 million economic impact threshold test if Federal agencies fail to do an economic evaluation of such regulations within 7 years.

7. A requirement that agencies perform a paperwork impact statement on the paperwork burden created by regulations.

8. A requirement that agencies submit an annual report to Congress which would include the regulator's plans for the next fiscal year.

The thrust of this bill is to make regulators more accountable for their actions. It does not prohibit them from promulgating a regulation. However, by making regulators justify the use of design standards, it does to the maximum extent which is prudently advisable get the government out of the business of telling the private sector how to run its business. Furthermore it requires regulators to justify their need to regulate a specific issue and to develop a process whereby they review the economic impact of their activities. In particular, regulators would be required to focus on the inflationary impact of their proposed regulations. The criteria for this economic review are, in part, based upon Executive Order 12044 which applies to executive branch agencies but not to independent regulatory agencies. This bill would require an economic impact evaluation of all regulations meeting the $100 million cost threshold test regardless of whether the regulation was being proposed by an executive branch agency or an independent agency.

Finally, in an effort to improve existing regulations and make sure that their economic impact as well as the economic impact of future regulations is fully known, the bill contains sunset provisions.

There is no doubt that the government has a definite role and a substantial responsibility to regulate and to adequately protect the interest of the consumer. The regulatory role of government in our complex society is a necessary and important one. Regulation has helped us to substantially improve our society. It has helped reduce industrial accidents and improve job safety. It has helped us achieve cleaner air and a more livable environment. It has helped hold business more accountable. And, it has helped improve the position of minorities. But, we should not allow the role of government to become excessive and intrusive and that is where it is heading.

In the last two decades alone, there has been a 250 percent increase in the number of federal agencies promulgating regulations. In addition, the Center for the Study of American Business, Washington University, has calculated that in fiscal 1979 the aggregate cost of government regulation will be $102.7 billion, a 30 percent increase over the estimated fiscal 1977 cost of $79.1 billion. The small businessman is hit particularly hard by excessive regulation because he often has neither the financial capability nor the legal expertise to cope with the mushrooming regulatory regime.

But the burden of excessive regulation is not just borne by the small businessman. Excessive regulation, by increasing produce prices and fueling inflation, creates an economic burden for all Americans as regulation will cost the average American family $1,200 in 1979. Although none of us will receive a bill for the regulatory services we receive we will nonetheless pay for them through increased taxes and higher consumer prices. Regulation creates an economic burden for big business and small business, for the rich and the poor, for the corporate officer and the working man. Inflation has become our principal economic problem and it affects all Americans. Many regulations are necessary, but if we had better regulations we could reduce their inflationary impact.

Excessive regulation reduces our real earnings, retards economic growth by channelling investment into nonproductive projects and thus reduces the number of job opportunities for the unemployed, the poor, and the disadvantaged. It is time that we ask ourselves what are the costs of regulation. And in particular, what are the effects of regulation on prices, employment, and economic growth in relation to the benefits we receive.

S. 93

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Regulatory Procedures Improvements Act of 1979".

STATEMENT OF FINDINGS AND PURPOSE

SEC. 2. (a) The Congress finds and declares that—

(1) there has been a continued increase in the number of rules and regulations promulgated by Federal agencies;

(2) many rules and regulations are promulgated by Federal agencies without sufficient analysis of the potential impact of such rules and regulations;

(3) the cost of compliance with Federal rules and regulations by the private sector is often passed on to the consumer in the form of higher prices for products; and

(4) Federal rules and regulations are a significant cause of inflation, and inflation detrimentally affects the welfare of all consumers.

(b) Therefore, it is the purpose of this Act—

(1) to create a mechanism for agency accountability in the regulatory process; and

(2) to help reduce inflation by making rules and regulations more responsive to the needs of consumers.

DEFINITIONS

SEC. 3. For purposes of this Act—

(1) the term "agency" has the same meaning as section 551(1) of title 5, United States Code;

(2) the term "rule" has the same meaning as in section 551(4) of such title, and includes a rule or regulation which establishes conditions for financial assistance;

(3) the term "significant rule" means a rule which may result in—

(A) an annual effect on the economy of $100,000,000, or more; or

(B) a major increase in costs or prices for individual companies, units of State or local government, industries, levels of governments, or geographic regions; and

(4) the term "rulemaking" has the same meaning as in section 51(5) of title 5, United States Code.

INTENT OF THE CONGRESS

SEC. 4. It is the intent of the Congress that Federal agencies carefully consider, during the rulemaking process—

(1) the direct and indirect effects of Federal rules on the private sector and State and local governments; and

(2) the cost to Federal agencies of monitoring compliance with such rules by the private sector and State and local governments.

REGULATORY NEED STATEMENT

SEC. 5. (a) Not less than 30 days prior to the publication of notice of a proposed rule in the Federal Register (or in any case in which the publication of a final rule is not preceded by a proposed rule, not less than 30 days prior to publication of a final rule), an agency shall publish a regulatory need statement. Each regulatory need statement shall describe the factual problem or matter which has led the agency to take action to issue a rule. A regulatory need statement is not sufficient under this section if it only states the provisions of law which give the agency jurisdiction to issue rules in a particular area without providing the factual description required by the preceding sentence.

(b) The provisions of this section shall apply only to rules which an agency determines will have a significant economic or societal impact.

NOTICE OF JUSTIFICATION

SEC. 6. If an agency intends to promulgate a rule utilizing a design standard rather than a performance standard, the agency shall publish, with the publication of a notice of a proposed rule (or, in any case in which a final rule is not preceded by a proposed rule, with the publication of the final rule), a notice of justification. Each notice of justification shall contain an explanation of the reasons for the use of a design standard in the rule, and an explanation of the reasons for not utilizing a performance standard in the rule.

REGULATORY ANALYSIS

SEC. 7. (a) An agency shall prepare a regulatory analysis for each significant rule, and may prepare a regulatory analysis for any rule. Each regulatory analysis shall contain—

(1) a succinct statement of the matter to which the rule is addressed;

(2) a description of the major alternative methods considered by the agency that address the matter with which the rule is concerned;

(3) for each alternative considered by the agency—

(A) an analysis of the economic consequences of the alternative;

(B) an analysis of the economic and societal effectiveness of the rule, including the cost of compliance with the rule by the private sector and State and local governments, and of the relation of such effectiveness to the economic and societal effectiveness of each of the alternatives considered by the agency;

(C) an analysis of the cost to the Federal government of monitoring compliance with the alternative;

(D) an analysis of the aggregate cost of compliance with the alternative by the private sector and State and local governments, as well as an analysis of the major divisions of the cost of compliance with the rule among State and local governments, sectors of the economy, levels of government, and agencies of the Federal Government; and

(4) a description of the regulatory approach selected by the agency, and a detailed explanation of the reasons the agency selected the alternative utilized in the rule.

(b) In preparing a regulatory analysis—

(1) the agency shall prepare the portion of the regulatory analysis described in subsection (a)(3) in descriptive terms, and, where practicable, the agency shall prepare such portion in quantifiable terms; and

(2) the agency shall consider closely related sets of rules as one rule.

(c)(1) The agency shall prepare and publish a summary of the regulatory analysis described in subsection (a) with the publication of a notice of a proposed rule (or, in any case in which a final rule is not preceded by a proposed rule, with the publication of the final rule), unless the agency certifies in writing that the action of the agency in promulgating the rule (A) is being taken in response to an emergency situation, or (B) is governed by short term statutory or judicial deadlines which make preparation of the regulatory analysis prior to the date of publication of a notice of a proposed rule (or, if applicable, prior to the publication of the final rule) impracticable.

(2) If the agency makes a written certification under clause (A) or (B) of paragraph (1), the agency shall—

(A) publish in the Federal Register, within a reasonable time but in no event later than the publication of the final rule, the written certification of the agency and a statement of the reasons why preparation of the regulatory analysis prior to the publication of the notice of a proposed rule (or, if applicable, prior to the publication of the final rule) is impracticable; and

(B) complete the preparation of the regulatory analysis and publish a summary of such analysis within 90 days after the publication of the proposed rule (or, if applicable, within 90 days after the publication of the final rule).

(d) The agency shall include with the summary of a regulatory analysis published in the Federal Register a statement describing how the public may obtain a copy of the regulatory analysis. The provisions of section 552 (b) of title 5, United States Code, relating to agency information which is exempt from public access, shall not apply to any regulatory analysis prepared or revised pursuant to this section.

(e) If the agency publishes a regulatory analysis with the notice of a proposed rule, the agency shall, if necessary, prepare a revised regulatory analysis reflecting any modifications in the proposed rule that are incorporated in the final rule. The revised regulatory analysis shall include a descriptive summary of significant comments received by the agency which were and were not incorporated in the final rule and a statement of the reasons of the agency for not incorporating particular comments in the rule. The agency shall make such revised regulatory analysis available to the public on the date of publication of the final rule.

(f) The process and methodology for the preparation of, and the contents and provisions of any regulatory analysis prepared under this section shall not be subject to review in any court.

AGENCY REPORTS

SEC. 8. By September 30 of each year, each agency shall prepare and transmit a report to the Congress. Each report shall contain—

(1) a statement of the intent of the agency with regard to the issuance of rules during the succeeding fiscal year, including a description of the areas in which the agency intends to regulate, and a description of the reasons for the decisions of the agency to regulate in such areas and the public need for regulation in such areas;

(2) an analysis of the regulatory activities of the agency during the fiscal year, including—

(A) the number of significant rules promulgated by the agency; and

(B) a statement of the regulatory accomplishments of the agency, including a comparison of the statement of intent made by the agency under paragraph (1) for such fiscal year with the regulatory activities of the agency for such fiscal year; and

(3) for the fiscal year ending three years prior to the fiscal year in which the report is made, a comparison of the cost of the rules of the agency, including the cost of compliance with such rules by the private sector and State and local governments and the cost to the Federal government of monitoring compliance with such rules, with the effectiveness of such rules in addressing the matters with which the rules were concerned.

REPORT BY THE COMPTROLLER GENERAL OF THE UNITED STATES

SEC. 9. Within three years after the date of enactment of this Act, the Comptroller General of the United States shall prepare and transmit to the Congress a report concerning the activities of Federal agencies in implementing the provisions of this Act. The report shall include an analysis of the effect of the administration of the provisions of this Act on the improvement of regulatory procedures, along with recommendations for legislative action to improve the administration of this Act.

SUNSET OF SIGNIFICANT AGENCY RULES

SEC. 10. (a) (1) Each agency shall establish an expiration date for each significant rule promulgated after the date of enactment of this Act. The agency shall set the expiration date for each significant rule at not more than five years from the effective date of the rule. Each significant rule shall lapse on the expiration date set by the agency or five years after the effective date of the rule, whichever is earlier, unless the rule is repromulgated by the agency in accordance with the provisions of paragraph (2).

(2) At least sixty days prior to the repromulgation of a rule which has expired or will expire under paragraph (1), an agency shall publish a notice in the Federal Register which announces that the agency is considering the repromulgation of the rule and which invites public comment on the rule. Such notice shall contain a statement of the rule, a summary of the regulatory analysis of the rule prepared pursuant to section 7, and a statement describing how the public may obtain a copy of the regulatory analysis. After considering the public comments concerning the rule, the agency shall review the rule and the regulatory analysis of the rule and modify the rule or regulatory analysis. If necessary, in accordance with such comments. The agency shall publish the final rule in the Federal Register, with a summary of the significant public comments which were and were not incorporated in the rule and a statement of the reasons of the agency for not incorporating particular comments in the rule or the regulatory analysis.

(b) Each agency shall review each significant rule which is in effect on the date of enactment of this Act, and shall repromulgate each such rule in accordance with the procedures established under section (a) (2). Any such rule which is not repromulgated within seven years after the date of enactment of this Act shall lapse.

EFFECT OF RULES ON COMPETITION

SEC. 11. An agency shall publish with a notice of a proposed rule (or in any case in which the publication of a final rule is not preceded by a proposed rule, with the publication of the final rule) an analysis of the effect of the rule on national and international competition in any appropriate industry.

PAPERWORK IMPACT OF RULES

SEC. 12. (a) For each rule which an agency determines will impose a major paperwork burden on more than ten members of the public, the agency shall prepare and publish with the notice of a proposed rule (or in any case in which the publication of a final rule is not preceded by a proposed rule, with the final rule) a paperwork impact analysis. Each paperwork impact analysis shall contain an evaluation of the paperwork requirements to be imposed on the public by the rule, including the estimated cost of compliance by the public and the estimated number of manhours required for compliance, and an analysis of whether the agency could obtain the information sought from the public under the rule from alternative sources, including other Federal agencies.

(b) If an agency publishes a notice of a proposed rule or a final rule for which a paperwork impact analysis is required under subsection (a), the agency shall transmit a notice to the appropriate authorizing committees of the Congress. Such notice shall include a copy of the proposed or final rule and a copy of the paperwork impact analysis for such rule.

(c) Within three years after the date of enactment of this Act, and every three years thereafter, each agency shall prepare and transmit a report to the Congress concerning the paperwork requirements of the agency which require a response from more than ten members of the public. Such report shall include an analysis of the estimated cost of compliance by the public with the paperwork requirements of the agency, and a justification of the need of the agency for the information required from the public, including a certification that such information cannot be obtained from other Federal agencies.

APPLICABILITY

SEC. 13. The provisions of this Act shall not apply to rules—

(1) issued with respect to a military or foreign affairs function of the United States; or

(2) concerning matters related to agency management or personnel.

By Mr. BENTSEN:

S. 94. A bill to amend the Internal Revenue Code of 1954 to allow individuals to compute the amount of the deduction for payments into retirement savings on the basis of the compensation of their spouses, and for other purposes; to the Committee on Finance.

● Mr. BENTSEN. Mr. President, I rise today to introduce a bill with an important dual purpose—to meet the social goal of greater retirement security and to advance the economic objective of increased savings and investment. I propose that homemakers, who make an invaluable economic contribution to the welfare of our country, be eligible to provide for their own retirement through the establishment of individual retirement accounts, at the same $1,500 contribution rate currently available for a working spouse.

Under present law, wage earners who do not participate in another retirement plan may receive a tax deferral for IRA contributions equal to the lesser of 15 percent of earned income or $1,500. The IRA limit is $1,750 if the wage earner who himself is eligible to establish an IRA elects to set up a spousal IRA. The homemaker retirement bill would allow the homemaker to set up an IRA regardless of the type of retirement plan, if any, the working spouse has. It would permit an annual contribution of up to $1,500 by the homemaker and the working spouse each, for a maximum $3,000 combined contribution (in lieu of the current maximum $1,750 spousal contribution).

This is a very simple proposal for individuals to understand and for the IRS to administer. The bill merely expands the number of individuals currently eligible to establish an IRA. It is not a complete tax exemption. An IRA is a tax deferral until the money is taken out at retirement.

Mr. President, financial security in retirement will become increasingly difficult to achieve in the years to come. By the turn of the century, 13 percent of our population will be over 65 years of age. Older persons are living longer, retiring earlier and becoming increasingly dependent upon retirement income programs. At the same time, the declining birth rates will mean fewer workers supporting more beneficiaries in the social security system.

In 1935 there were nine workers for every aged person. In 1977 the worker to aged ratio was four to one, and there were three workers for every social security beneficiary. By the year 2030 there will be two workers for every one beneficiary. It is easy to see that the social security system cannot take this kind of overload. The economic crunch—limited resources and expanding costs—is already upon us.

One way to ease the burden on the system is to enable and encourage persons to provide for their own retirement. It was with this idea in mind that Congress included in the Employee Retirement Income Security Act of 1974 (ERISA) provisions which would allow individuals not participating in qualified private or governmental retirement programs to set up their own retirement plans. The homemaker retirement bill would extend the rationale of this provision to enable an important group of individuals with no current means of providing for their retirement to do so—the 30 to 50 million American homemakers who are rapidly approaching retirement age without any type of retirement plan. These individuals have devoted many years of self-sacrificing unpaid work toward the welfare of the family. These homemakers often face financial crisis when confronted with an untimely death of the working spouse before retirement age, a dissolved marriage, or old age with only minimum social security benefits for their support. I feel that it is about time we recognized the contribution of these hard-working homemakers and gave them the opportunity they have earned to provide for their own retirement security.

I have long argued that our present tax system is biased against savings. We need to constantly be looking for ways to encourage savings which provide a greater source of capital for the investment needed to promote economic growth and boost productivity. This simple and equitable IRA eligibility expansion is one such option. The average American should have the opportunity to invest in an easily understandable, fully vested retirement plan which will in turn generate much needed capital flow to the economy.

Finally, Mr. President, I feel that it is about time that homemakers were given equal treatment under ERISA. Though they do not work for wages, the Nation's homemakers do very real work with very long hours. It is about time that we recognized the economic value of their work. Homemakers, like the self-employed and those whose employment does not offer a retirement plan, deserve and require the opportunity to provide for financial security in old age. They should not have to rely upon uncertain survival benefits, dwindling social security funds, or welfare. The Homemaker Retirement bill encourages these individuals to take independent action to establish their own retirement funds, thus providing them with the means to live their later years in the dignity and self-respect which is rightfully theirs.●

By Mr. CHURCH (by request):

S. 95. A bill to protect the wildlands comprising the River of No Return Wilderness and the free-flowing Salmon River in the State of Idaho as an enduring resource of wilderness for the benefit of the people of Idaho and the Nation pursuant to the Wilderness Act and the Wild and Scenic Rivers Act, and for other purposes; to the Committee on Energy and Natural Resources.

S. 96. A bill to protect the wildlands comprising the Idaho Wilderness and the free-flowing Salmon River and to release for management certain adjacent lands in the State of Idaho; to the Committee on Energy and Natural Resources.

S. 97. A bill to designate the River of No Return Wilderness, Bitterroot, Boise, Challis, Nezperce, Payette, and Salmon National Forests, Idaho; to the Committee on Energy and Natural Resources.

IDAHO WILDERNESS PROPOSALS

Mr. CHURCH. Mr. President, today I am introducing, by request, three different proposals for the allocation of certain primitive and undeveloped national forest lands in central Idaho. Two of the proposals have been drafted by Idaho groups; one by the River of No Return Wilderness Council and the other by the Idaho Forest Industry Council. These two bills both recommend reclassifying the Idaho and Salmon River Breaks Primitive Areas as wilderness. A third bill, sponsored by the Carter administration, also recommends the designation of a large wilderness area in this region.

The River of No Return Wilderness Council's bill would designate a 2.3 million acre "River of No Return Wilderness" and would add all 237 miles of the main Salmon River to the National Wild and Scenic Rivers System.

The Idaho Forest Industry's bill would establish a 1.3 million acre "Central Idaho Wilderness." In addition, it would designate approximately 850,000 acres of this region for multiple-use management.

The President's recommendations for the area call for the creation of a 1.9 million acre "River of No Return Wilderness." Although not specifically contained in this bill, the administration is also on the record in support of wild and scenic river classification for all of the main stem of the Salmon River.

I am introducing these three proposals today in order to assure that the alternative plans for this region of Idaho are laid before the public for review and discussion.

In this connection, I have today sent a letter to Senator Jackson, chairman of the Energy and Natural Resources Committee, requesting hearings as soon as all interested parties have had an opportunity to study the several proposals. Field hearings in Idaho will provide the forum to assist Congress in reaching a wise and well-balanced decision. I ask unanimous consent that the letter be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

January 18, 1979.

Hon. Henry M. Jackson,
Chairman, Energy and Natural Resources Committee, U.S. Senate.

Dear Mr. Chairman: As you know, I am introducing, by request, three bills for the reclassification of the Idaho and Salmon River Breaks Primitive Areas as wilderness.

The reclassification of the two remaining Idaho Primitive Areas has been long awaited by Idahoans. I have been asked by both the River of No Return Wilderness Council and the Idaho Forest Industry Council to introduce legislation they have prepared for the allocation of the primitive and undeveloped land encompassing and surrounding the two primitive areas, along with the Administration's proposal for the region.

These two areas comprise the largest unbroken tract of wilderness left in the lower forty-eight. Their future allocation will be the subject of much discussion in Idaho during the next few months. Given the high level of interest in Idaho, and the national significance of these wildlands, I hope that it would be possible for the Energy and Natural Resources Committee to hold several days of field hearings in cities throughout Idaho as soon as possible this spring.

I look forward to working with you and other members of the Energy and Natural Resources Committee on this important legislation.

With best wishes,
Sincerely,

Frank Church.

Mr. CHURCH. Mr. President, I ask unanimous consent that certain materials prepared by the River of No Return Wilderness Council explaining their bill, a letter addressed to me from Idaho conservationists, and the text of the 2.3 million acre bill be printed at this point in the Record.

There being no objection, the bill and material were ordered to be printed in the Record, as follows:

S. 95

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "River of No Return Wilderness Act of 1979".

STATEMENT OF FINDINGS AND POLICY

Sec. 2. (a) The Congress hereby finds that—

(1) the Salmon River of Idaho—the famous "River of No Return"—and its wildland environment constitute a wilderness resource of national significance;

(2) the pure, high quality waters of the Salmon River provide the critical spawning and rearing habitat for runs of Chinook salmon, steelhead, and other anadromous and resident fish species of vital importance to commercial and sports fishermen and, therefore, to the commerce of Idaho, the entire Columbia-Snake River basin, and to the Pacific Coast Fishing industry;

(3) the purity of the waters of the Salmon River depends upon rigorous protection of the land and fragile soils within the watershed from road building, logging, and other land disturbances, as does the future wellbeing of nationally significant populations of wilderness-dependent wildlife species, including elk, bighorn sheep, and cougar;

(4) protection of these wildlands and free-flowing waters has been a long-standing objective of public policy, exemplified by the establishment of the Idaho Primitive Area in 1931 and the classification of the Middle Fork of the Salmon River as a wild river by the Congress in 1968;

(5) these wildlands and free-flowing waters comprise a precious sample of the vanishing wilderness heritage of Idaho and the Mountain West which can endure as a resource of wilderness and as an undisturbed control area for ecological research, without conflict with established uses, including hunting, grazing, ranching, and commercial guide and outfitter services; and

(6) pursuant to the mandate of Congress, comprehensive studies, reviews, and public hearings have been completed, demonstrating that the people of Idaho, the West, and the United States overwhelmingly support the continued and expanded protection of the free-flowing Salmon River and its wilderness watershed.

(b) Therefore, it is hereby declared to the policy of Congress that, in furtherance of the purposes of the Wilderness Act and the Wild and Scenic Rivers Act, the national interest will be served by the continuation of the established protection for the Idaho and Salmon River Breaks Primitive Areas, the strengthening of that protection as a matter of law, and the extension of such strengthened protection to additional endangered wildlands and to the main Salmon River. It is the purpose of this Act to provide a comprehensive statutory framework for the protection, administration, and management of these nationally significant wildlands and freeflowing waters through—

(1) classification of the two hundred and thirty-seven-mile main Salmon River in the highest categories possible within the National Wild and Scenic Rivers System, and

(2) designation of some two million three

hundred thousand acres of Federal lands as the River of No Return Wilderness within the National Wilderness Preservation System.

CLASSIFICATION OF SALMON RIVER

Sec. 3. The Wild and Scenic Rivers Act (82 Stat. 906, as amended; 16 U.S.C. 1271 et seq.), is further amended as follows:

In section 3(a) after paragraph (23) insert the folowing new paragraph"

"(24) (A) Salmon, Idaho.—The segment of the main river from the mouth of the North Fork Salmon River downstream to its confluence with the Snake River, in the following classes:

"(i) the forty-six mile segment from the mouth of the North Fork Salmon River to Corn Creek as a recreational river area;

"(ii) the seventy-nine-mile segment from Corn Creek to Long Tom Bar as a wild river area;

"(iii) the fifty-nine-mile segment from Long Tom Bar to Hammer Creek as a recreational river area; and

"(iv) the fifty-three-mile segment from Hammer Creek to its confluence with the Snake River as a scenic river area;

all as generally depicted on a map entitled "Salmon River Study", dated July 1976, which is on file and available for public inspection in the office of the Chief, Forest Service, U.S. Department of Agriculture.

"(B) The portion of this segment within the boundary of the Hells Canyon National Recreation Area and the portion upstream from the boundary of the Nezperce National Forest shall be administered by the Secretary of Agriculture and the remainder shall be administered by the Secretary of the Interior. *Provided*, That after consultation with State and local governments and the interested public, the Secretaries shall take such action as is required by subsection (b) of this section within one year from the date of enactment of this paragraph; and *Provided further*, That nothing in this Act shall impair or otherwise affect the statutory authority vested in the Secretary of the Department in which the Coast Guard is operating to achieve its assigned missions, including aids to navigation, search and rescue, marine environmental protection, and recreational boating safety.

"(C) Notwithstanding any other provision of law, but subject to valid existing rights, the minerals in Federal lands within the boundary of this river segment are hereby withdrawn from all forms of appropriation under the mining laws, from disposition under all laws pertaining to mineral leasing and all amendments thereto, and from leasing or other disposition under the Geothermal Steam Act of 1970.

"(D) For the purposes of this river segment there are hereby authorized to be appropriated not more than $6,211,000 for acquisition of lands and interests in lands.".

DESIGNATION OF WILDERNESS AREA

Sec. 4. (a) In accordance with subsection 3(b) of the Wilderness Act (78 Stat. 890; 16 U.S.C. 1131), the areas in the Boise, Challis, Payette, Salmon, Bitterroot, and Nezperce National Forests, Idaho, situated north and south of the Salmon River and which comprise about two million three hundred and twenty thousand six hundred and eighty-eight acres, as generally depicted on a map entitled "River of No Return Wilderness, Proposed", dated February 1978, are hereby designated as wilderness and, therefore, as a component of the National Wilderness Preservation System. The previous classification of the Idaho and Salmon River Breaks Primitive Areas is hereby abolished.

(b) As soon as practicable after this Act takes effect, the Secretary of Agriculture shall file a map and a legal description of the River of No Return Wilderness with the Interior and Insular Affairs Committees of the United States Senate and House of Representatives and such map and description shall have the same force and effect as if included in this Act: *Provided, however*, That correction of clerical and typographical errors in such description and map may be made.

(c) The wilderness area designated by this section shall be known as the River of No Return Wilderness and, except as otherwise provided by this section, shall be administered by the Secretary of Agriculture in accordance with the provisions of the Wilderness Act governing areas designated by that Act as wilderness areas, except that any reference in such provisions to the effective date of that Act shall be deemed to be a reference to the effective date of this Act.

(d) Notwithstanding any other provision of law, but subject to valid existing rights, the minerals in Federal lands within the wilderness area designated by this Act are hereby withdrawn from all forms of appropriation under the mining laws, from disposition under all laws pertaining to mineral leasing and all amendments thereto, and from leasing or other disposition under the Geothermal Steam Act of 1970.

CONTINUATION OF ESTABLISHED USES

Sec. 5. (a) Within the River of No Return Wilderness the use of aircraft or motorboats, where these uses have already become established, may be permitted to continue subject to such restrictions as the Secretary of Agriculture deems desirable.

(b) Within the River of No Return Wilderness the grazing of livestock, where established prior to the effective date of this Act, shall be permitted to continue subject to such reasonable regulations as are deemed necessary by the Secretary of Agriculture.

(c) Commercial services may be performed within the River of No Return Wilderness to the extent necessary for activities which are proper for realizing the recreational or other wilderness purposes of the area.

(d) Nothing in this Act shall constitute an express or implied claim or denial on the part of the Federal Government as to exemption from State water law.

(e) Nothing in this Act shall be construed as affecting the jurisdiction or responsibilities of the Department of Fish and Game of the State of Idaho with respect to wildlife and fish within the lands and waters subject to this Act.

River of No Return Wilderness Council

(By Ted Trueblood)

This bill (first introduced in February 1978) proposes to extend permanent protection under the Wilderness Act to a unique and spectacular area of rivers and lakes, rugged peaks and deep canyons that lies near the heart of Idaho. The area is bisected by the main Salmon River, whose deep canyon turned back Lewis and Clark and is today still unpenetrated by roads. The bill also extends Wild and Scenic River protection to the main Salmon River.

It is significant that in 1931, when Idaho had but 445,000 people in all its 83,000 square miles, the value of the central Idaho wilderness was already recognized and the first steps wer taken to protect it by administrative classification. The core of this area has been managed as wilderness by the Forest Service for almost 47 years.

The "Idaho Primitive Area", created by executive order in 1931, is south of the Salmon River; the "Salmon River Breaks Primitive Area" slopes down to the Salmon from the north and was set aside in the same manner in 1936. These two administratively-established primitive areas, of 1,224,576 and 216,870 acres respectively, are the heart of the proposed "River of No Return Wilderness." The Middle Fork of the Salmon River, one of the original wild river segments designated by the 1968 Wild and Scenic Rivers Act, flows north through the Idaho Primitive Area.

THE FOREST SERVICE STUDY

The 1964 Wilderness Act required that administratively-established primitive areas would undergo special study, as the first step in upgrading those areas (with appropriate boundary modifications) to the stronger protection available as a statutorily-designated unit of our National Wilderness Preservation System. The Forest Service has made these studies, as well as the study of the main Salmon River required by the 1968 Wild and Scenic Rivers Act.

While the Forest Service study was underway, a broad-based group of Idaho citizens came together to conduct their own "citizen studies" of this very special area. The group included conservationists, representatives of wildlife clubs, outing groups, hunters, fishermen, and many others. Ultimately the group was formalized as the River of No Return Wilderness Council, and it produced a full scale citizen proposal for the "River of No Return Wilderness." That proposal embraces the two established primitive areas, together with key contiguous tracts vital to an ecologically-sensitive and well-rounded wilderness boundary.

In November 1973 the Forest Service conducted day-long public hearings to receive public comment on their study and proposal, and on alternative proposals put forward by others. These hearings, which are part of the process required by the Wilderness Act, were held in Boise, Lewiston, and Pocatello, Idaho.

The Forest Service has prepared a detailed summary and analysis of the public responses it received at the hearings and in written form during the post-hearing period.

WHAT THE PEOPLE WANT

This public involvement process for the central Idaho wilderness was one of the most extensive ever conducted by the Forest Service for a specific area, and certainly the most extensive ever conducted in Idaho. The message was loud and clear: the majority of public support favored not only the modest proposal of the Forest Service, but the full 2.3 million acre citizen proposal for the "River of No Return Wilderness." That same proposal, so strongly endorsed by the people, is now embodied in the legislation being introduced today.

In summarizing the results of those public hearings and all the written input received, it is useful to compare the responses to the three main plans offered as alternatives to the Forest Service recommendation. In addition to the 2.3 million acre "River of No Return Wilderness" proposal, two others were suggested. The Boise-Cascade Corporation plan called for no wilderness at all, with a small area of "roadless recreation" land along the rivers to be left under administrative designation, and a million acres of the existing primitive areas to be thrown open to "graduated multiple use." The alternative plan put forward by then-Governor Cecil Andrus called for a wilderness area of at least 1.8 million acres, centered on key protection for the watershed of the Middle Fork of the Salmon River.

As summarized by the Forest Service, the public choice among these alternatives was overwhelmingly for the full 2.3 million acre "River of No Return Wilderness" proposal.

In total, 4,883 "inputs" (oral and written) were received commenting on these three alternatives. Of those, 3,543, favored the River of No Return Wilderness Council's alternative, and an additional 935 favored the Governor's proposal. Only 124 "inputs" supported the Boise-Cascade Corporation plan. Significantly, 257 specifically expressed their opposition to the Boise-Cascade Corporation plan, while only 14 stated specific opposition to the River of No Return Wilderness Council's alternative and only 10 specifically opposed the Governor's plan.

Looking at these results by type of input, the oral testimony in the three Idaho hearings was overwhelmingly in support of the proposal of the River of No Return Wilderness Council. 184 witnesses endorsed this citizen proposal, as against 6 who spoke in favor of the Boise-Cascade Corporation plan: a ratio of 30 to 1. The citizen proposal was preferred to the 1.8 million acre Governor's plan by a ratio of 4 to 1. Counting personal letters submitted for the hearing record (but excluding form letters), the Forest Service found again that support was overwhelmingly for the citizen proposal. Of nearly 4,000 personal letters, the ratio was 55 to 1 against the Boise-Cascade Corporation plan, and the citizen proposal was preferred 4 to 1 over the somewhat smaller Governor's proposal.

These results speak for themselves. The people favored the "River of No Return Wilderness" as now proposed in this legislation, by 4 to 1 over the next largest alternative.

These results are entirely consistent with other polls which have found that the people of Idaho want wilderness as a part of their future. This is Idaho's greatest wilderness. With the future of the most precious jewel of Idaho's remarkable wilderness heritage at stake, the people of Idaho are overwhelmingly in support of the carefully-developed "River of No Return Wilderness" proposal.

THE IDAHO CITIZEN'S PROPOSAL

The plan prepared by the River of No Return Wilderness Council, and now embodied in this legislation for consideration by the Congress, is based upon the protection of the existing primitive areas, and on additional lands which are absolutely vital to fully preserve the unique scenic, recreational, fishery, archaeological, and wildlife values of this area.

To accomplish this, the River of No Return Wilderness Council believes that 14 areas of wilderness quality contiguous to the original primitive areas should be included as integral parts of the proposed wilderness.

The first purpose is to maintain the high water quality of the Middle Fork of the Salmon River. This is a big river, a tributary contributing nearly a million acre-feet of crystal-clear water per year to the Salmon River and, ultimately, to the Columbia. Not only is this water vital to the maintenance of the anadromous fish in the Columbia, the unsurpassed spawning riffles of the Middle Fork and its tributaries produce a major portion of the spring and summer Chinook salmon and steelhead smolts that eventually find they way to the Pacific.

In addition, the west-slope cutthroat trout, which was native to the Middle Fork and its tributaries, still thrives there. It requires clear, pure water and it has disappeared from other western rivers where roads and logging have hastened erosion and degraded the streams.

Among the 190-some kinds of wildlife that have been identified in the proposed wilderness are Rocky Mountain goats and bighorn sheep. Both have critical habitat requirements. They are not compatible with roads and logging, and the good ranges that remain are extremely limited. Some of the contiguous tracts proposed by the River of No Return Wilderness Council are important for sheep or goats; others provide moose habitat, which is also limited.

Still others of these contiguous tracts have been proposed for inclusion because of their recreational and scenic values. Their high Alpine terrain, with jagged peaks, sparkling lakes, and flower-dotted meadows, is not productive timber land, but it is an inspiring land to visit and valuable as watershed.

The proposed wilderness has a great range in elevation—from 2,000 to 10,000 feet above sea level. This is responsible for the wonderful variety of plant, bird, and animal life. At the lower elevations where the first Americans once spent their winters and the deer, elk, and sheep still do, the summer days are hot, but the south slopes are often bare in January. The high country is lush in summer but buried under deep snow in winter, and some of that snow remains the year around under the peaks.

THE KEY CONTIGUOUS TRACTS

The existing two primitive areas comprise the heart of this great wilderness. Full protection for the watersheds, the wildlife, and the recreational values of the area require the addition of 14 contiguous tracts. Each is briefly described here:

1. Clear Creek. The Forest Service proposal included only 8,020 acres. An additional 72,000 should be included to take in the Clear Creek drainage. This area is important to elk and bighorn sheep and is a buffer for the Bighorn Crags to the West.

2. Yellowjacket. Adjacent to the Bighorn Crags, this important fragile-soils area varies from 5,500 to 9,000 feet and includes several lakes and gentle alpine basins.

3. Camas Creek. An important anadromous fish spawning stream and a major drainage of the Middle Fork. Upper Camas Creek is a summer range and part of the migratory route for bighorn sheep wintering in Morgan Creek.

4. Warm Springs. The Forest Service proposal excluded a major portion of the Loon Creek drainage that is unroaded. This is another Middle Fork tributary, an important salmon spawning stream. There are numerous alpine lakes in the Sleeping Deer Mountains area.

5. Vanity Lakes. An alpine area with outstanding mountain lake fishing and scenery.

6. Soldier and Cutthroat Lakes. The most extensive lake system, other than the Bighorn Crags, in the Middle Fork drainage. An area of exceptional beauty, drained by Rapid River, a major Middle Fork tributary.

7. Sulphur Creek. Lying about four miles east of Deadwood Summit, this area contains Sulphur Creek which meanders through a broad valley for eight miles including deciduous thickets and beaver dams. This is the second most important chinook salmon spawning water on the west side of the Middle Fork drainage (second only to Big Creek.) All but a small portion of the drainage is intact.

8 Chilcook. Deep glacial troughs with marshes and meadows behind moraines provide a unique ecological system.

9. Pinnacles. A spectacular alpine lake area in the upper reaches of the Big Creek drainage. This area provides habitat for cougar, bear, elk, goats, deer and sheep, with numerous lakes, streams and beaver dams. A key summering area for elk.

10. South Fork Salmon. The Forest Service included an area on the east side. An area is also needed on the west side of the South Fork to protect the lower 14 miles, an outstanding stretch of this river. This is critical big game winter range.

11. Dixie Tall. The Dixie Tall of the Salmon River Breaks Primitive Area is important bighorn sheep range, a stronghold for sheep on the lower Salmon River. Without this area, there would be only a one-fourth mile wild river corridor on the west side of the main Salmon River in this area.

12. Big Mallard Creek. A 24,487-acre north of the Salmon River important to the Salmon watershed. This is an elk calving area and a valuable summer range for both elk and moose. Moose habitat is not abundant in Idaho. (Logging is proposed for this area).

13. Upper Bargamin Creek. Also a valuable moose summer range area and important to the Salmon River watershed. (Logging is proposed).

14. Upper Reynolds Creek. This is an area of highly unstable soils. Five alpine lakes and a summer area for elk.

THE BILL SUMMARIZED

The text of the River of No Return Wilderness bill is self-explanatory. All who are concerned with this issue should read it carefully.

Briefly, the objective of this proposal is to secure an adequate wilderness in the Salmon River country, in the heart of Idaho. Other proposals, calling for less of the critical contiguous tracts to be protected, are simply inadequate. The full 2.3 million acre area is vital; any reduction from it will result in a loss that cannot be replaced.

The opening sections of the bill spell out its objectives, recognizing that this is a wilderness and wildlife resource of truly national significance. The waters it protects are critical to the greatest runs of anadromous fish we have, and those waters could easily be defiled by road building, logging, or other land disturbance. In its present natural condition, this magnificent area represents perhaps our best sample of the wilderness heritage of Idaho and the Mountain West. We can preserve it all in a way which enhances its many values, without conflicting with established uses (such as hunting, existing patterns of access, and guide and outfitter services). The River of No Return Wilderness Council favors continuation of such existing uses, including the backcountry air strips, existing power boat use on the main Salmon River, and the management facilities associated with outfitter and guide services.

This legislation proposes a comprehensive statutory framework to guide the future protection and management of the area. Wilderness designation and wild river classification are embodied in a single bill. Full provision is made to protect the area and its waters and wildlife against their principal threats; logging, roadbuilding, and location of new mining claims. Existing rights—including valid existing mining claims—will be fully protected. As the Wilderness Act provides, recurring mineral surveys will be conducted by our expert government mineral agencies to assure an up-to-date assessment of mineral values should an emergency arise that might require Congress to consider opening up some part of the area.

Section 5 of the bill is included to stress that established uses may continue, just as is already specified in the provisions of the 1964 Wilderness Act. Each of those provisions—concerning established aircraft and motorboat use, established grazing of livestock, commercial services (such as guide and outfitter services), State water law, and fish and wildlife jurisdiction—are restated verbatim from the Wilderness Act, for emphasis.

THE HEART OF IDAHO

The debate over wilderness is often heated. Confusion and misunderstanding can blur the real issues. A frequent misunderstanding likely to be heard again in this debate was singled out in the Forest Service's analysis of the earlier public hearings. It is worth quoting here:

"Many of those opposing classification of the Primitive Areas or the Salmon River stated they favored 'multiple use management' instead. The fact that wilderness is itself a resource which embodies several of the multiple uses of the National Forests and is consistent with the Multiple Use-Sustained Yield Act is not readily understood by the public."

This misunderstanding requires a broader perspective, and a better understanding. Both are provided by those two excerpts from a speech about this area made in 1975 by then-Governor of Idaho Cecil Andrus:

"To me, and from my viewpoint, Idaho's wilderness is its heart.

"In Idaho, as in the rest of the Northwest, we have branded our great natural inheritance with various signs of our civilization. We have built dams and logged forests; mined and dredged.

"We have turned plains into pasture and sloping valleys or flat river bottoms into irrigated farms that look from the air like green, gold and brown sections of a giant patchwork quilt.

"By domesticating much of our wild country, we have, in many cases, made it uninhabitable for fish and wildlife. In the wake of development then, we have traded some of our inheritance.

"Of Idaho's 53 million acres, approximately 11,000,000 acres remains much like it always was. The question currently before all of us is, how much of it can and will be wilderness in the future?

"In the context of mining, logging, and motorized recreation, the words multiple use refer only to people—not to wild life and (the) green plant base that is so important to the fragile granite soils of Idaho's primitive areas.

"On the other hand, the concept of Wilderness enables use and enjoyment of an area by hunters, backpackers, photographers, fishermen, boaters, floaters, researchers, outfitters, guides, and pilots—all on a renewable basis that does minimum damage to the environment and creates minimum interference with the natural fish and game cycles."

This is the essential perspective: to see wilderness as land which does indeed serve many needs for people, as land truly devoted to multiple use.

The "River of No Return Wilderness" will preserve this heartland of Idaho. Its clear waters will still flow free. Its native wildlife, in unsurpassed abundance, will roam free, protected in a wilderness area encompassing the whole ecological system. Here will remain, as it has always been, a wilderness paradise to be treasured by all Idahoans and all Americans, for this and for future generations.

JANUARY 12, 1979.

HON. FRANK CHURCH,
U.S. Senate,
Washington, D.C.

DEAR FRANK: We request that you reintroduce, at the beginning of the 96th Congress, our citizens bill for the reclassification of the Idaho and Salmon River Breaks Primitive Areas as a 2.3 million acre "River of No Return Wilderness." (In the last Congress, you introduced this bill as S. 2494.)

As you know, last summer President Carter enjoyed his own family vacation in the heart of this magnificent wild land, on our famed Middle Fork of the Salmon River, whose pure waters and legendary fishing owe their survival to the protection of the wilderness watershed. Subsequently, the President has sent Congress an expanded Administration recommendation for a "River of No Return Wilderness" of some 1.9 million acres.

Now most recently, recommendations have been made for wilderness designation of certain additional contiguous roadless lands, as part of the Secretary of Agriculture's January 4, 1979 announcement of the results of the RARE-II study program. Wilderness was proposed by the Secretary for a number of areas which, in effect, would expand the 1.9 million acre Administration proposal to a wilderness of some 2.1 million acres. (The Secretary also recommended full wilderness status for other areas in central Idaho, as you know.)

We are, of course, gratified that the Forest Service and the Secretary of Agriculture now see the wisdom of the greater portion of our larger wilderness proposal. Still, the full watershed of the Middle Fork and other critical lands have not gained official recognition, so the need for thorough congressional review of all these various proposals is clear—as is the need to avoid any development action in any lands under consideration until the Congress has finalized its wilderness designations.

It is our understanding that you also expect to be simultaneously introducing (also on a "by request" basis), a bill prepared by officials of Idaho timber companies.

As you know, our citizen wilderness proposal for this area has been a matter of public knowledge for more than five years. Indeed, the timber industry has had access to our proposal in bill and map form since February of last year. On the other hand, we have not been advised in any detail of the contents of their brand new proposal, nor have we seen maps to illustrate its boundaries and land classifications. Thus, you will understand that they have had an advantage in reacting to our long-standing public proposal, while we are not in a position to react to the details of their proposal until leaders of our groups throughout Idaho have had a chance to see it.

It is our general understanding, however, that the timber industry bill proposes a "mini-wilderness" far smaller than our proposal, and smaller, too, than the Administration recommendation. Inasmuch as their proposal may only involve lands which have been under "primitive area" protection since the 1930's, you can understand our lack of enthusiasm. As you know, Idaho citizens supported our full 2.3 million acre wilderness proposal overwhelmingly at the 1973 Forest Service hearings in Boise, Lewiston, and Pocatello.

It is also our general understanding that the industry bill will call for massive and radical "instant" disposal of all remaining potential wilderness lands, uncritically accepting Forest Service land use plans which—in Idaho—have been uniformally of poor quality (and frequently overturned by higher authorities upon appeal). These "instant disposal" lands apparently involve roadless land both within our 2.3 million acre boundary and far beyond—thus substantially broadening the territory under discussion.

You may be certain that we and the people of Idaho will have a response to this brand new timber industry bill. However, in simple fairness, we cannot prepare a response until we see the actual dimensions of their proposal, their maps, and related data—and until we have had a chance to consult with the broad group of conservation and sportsmens leaders throughout Idaho.

Therefore, we ask that you incorporate this letter in the explanatory remarks accompanying your reintroduction of the citizens "River of No Return Wilderness" bill, as notice that we shall in due course have a reaction to the timber industry bill and its broader geographical scope.

As always, we deeply appreciate your leadership as we now approach the time of decision for these wildlands which have for so long been so central a part of the life and spirit of the people of Idaho.

Sincerely yours,

Ted Trueblood, President, River of No Return Wilderness Council, Nampa, Idaho; Mary Lou Reed, Chairman, Board of Directors, Idaho Conservation League, Coeur d'Alene, Idaho; Mark Ingram, Executive Director, Idaho Conservation League, Boise, Idaho; Jerry Jayne, President, Idaho Environmental Council, Idaho Falls, Idaho; Dennis Baird, Wilderness Chairman, Sierra Club, Moscow, Idaho; Scott W. Reed, Member, Board of Directors, National Audubon Society, Coeur d'Alene, Idaho.

Mr. CHURCH. Mr. President, I ask unanimous consent that a summary of the Idaho Forest Industry Council's bill, a letter to me from IFIC executive director, Louise Shadduck, and the text of the IFIC bill be printed at this point in the Record.

There being no objection, the bill and material were ordered to be printed in the Record, as follows:

S. 96

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Central Idaho Wilderness and Management Act of 1979."

STATEMENT OF FINDINGS AND POLICY

Sec. 2. (a) The Congress hereby finds that—

(1) the Salmon River of Idaho—the famous "River of No Return"—and its wildland environment constitute a wilderness resource of national significance;

(2) the pure, high quality waters of the Salmon River provide the critical spawning and rearing habitat for runs of Chinook salmon, steelhead and other anadromous and resident fish species of vital importance to commercial and sports fishermen and, therefore, to the commerce of Idaho and the entire Columba-Snake River basin;

(3) protection of these wildlands and free-flowing waters has been a long-standing objective of public policy, exemplified by the establishment of the Idaho Primitive Area in 1931 and the classification of the Middle Fork of the Salmon River as a wild river by the Congress in 1968;

(4) these wildlands comprise a sample of the wilderness heritage of Idaho and the Mountain West which can endure as a resource of wilderness and as an undisturbed control area for ecological research and historical example, without conflict with established uses, including hunting, grazing, ranching and commercial guide and outfitter services;

(5) pursuant to the mandate of Congress, comprehensive studies, reviews and public hearings have been completed, demonstrating that the people of Idaho, the West, and the United States support the continued protection of the watershed of the free-flowing Salmon River.

(b) Therefore, it is hereby declared to be the policy of Congress that, in furtherance of the purposes of the Wilderness Act, the Resources Planning Act and the National Forest Management Act, the national interest will be served by the protection of the Central Idaho Wilderness Area and by the careful management of significant adjacent areas for other non-wilderness purposes.

DESIGNATION OF WILDERNESS AREA

Sec. 3. (a) In accordance with subsection 3(b) of the Wilderness Act (78 Stat. 890, 16 U.S.C. 1131), the areas in the Boise, Challis, Payette, Nez Perce, and Salmon National

Forests, Idaho, situated north and south of the Salmon River and which comprise about one million two hundred ninety thousand acres, as generally depicted on a map entitled "Central Idaho Wilderness and Adjacent Areas, Proposed," dated ___________, 1978, are hereby designated as wilderness and, therefore, as a component of the National Wilderness Preservation System. The previous classification of the Idaho and Salmon River Breaks Primitive Areas is hereby abolished.

(b) As soon as practicable after this Act takes effect, the Secretary of Agriculture shall file a map and a legal description of the Central Idaho Wilderness with the Energy and Natural Resources Committee of the United States Senate and the Interior and Insular Affairs Committee of the House of Representatives and such map and description, which shall be consistent with the provisions of this Act, shall have the same force and effect as if included in this Act: *Provided, however*, That correction of clerical and typographical errors in such description and map may be made.

(c) The wilderness area designated by this section shall be known as the Central Idaho Wilderness and, except as otherwise provided by this section, shall be administered by the Secretary of Agriculture in accordance with the provisions of the Wilderness Act governing areas designated by that Act as wilderness areas, except that any reference in such provisions to the effective date of that Act shall be deemed to be a reference to the effective date of this Act.

(d) Notwithstanding any other provision of law, but subject to valid existing rights, the minerals in Federal lands within the wilderness area designated by this Act will be withdrawn after 1985 from all forms of appropriation under the mining laws, from disposition under all laws pertaining to mineral leasing and all amendments thereto, and from leasing or other disposition under the Geothermal Steam Act of 1970.

CONTINUATION OF ESTABLISHED USES

SEC. 4. (a) Within the Central Idaho Wilderness the use of aircraft or motor boats, where these uses have already become established, may be permitted to continue subject to such restrictions as the Secretary of Agriculture deems desirable.

(b) Within the Central Idaho Wilderness the grazing of livestock, where established prior to the effective date of this Act, shall be permitted to continue subject to such reasonable regulations as are deemed necessary by the Secretary of Agriculture.

(c) Commercial services may be performed within the Central Idaho Wilderness to the extent necessary for activities which are proper for realizing the recreational or other wilderness purposes of the area.

(d) Nothing in this Act shall constitute an express or implied claim or denial on the part of the Federal Government as to exemption from State water law.

(e) Nothing in this Act shall be construed as affecting the jurisdiction or responsibilities of the Department of Fish and Game of the State of Idaho with respect to wildlife and fish within the lands and waters subject to this Act.

WILDERNESS STUDY AREAS

SEC. 5. (a) Those areas adjacent to the Central Idaho Wilderness Area established by this Act, which comprise about 28,800 acres, as generally depicted under the category "Wilderness Study Areas," on the map entitled "Central Idaho Wilderness and Adjacent Areas, Proposed" and dated , 1978, shall be studied by the Secretary of Agriculture to determine the suitability and feasibility of their incorporation into the National Wilderness Preservation System as part of the Central Idaho Wilderness established under Section 3 of this Act.

(b) The Study referred to in subsection (a) shall be completed within three years after the date of enactment of this Act and shall be forwarded upon completion to the Energy and Natural Resources Committee of the United States Senate and to the Interior and Insular Affairs Committee of the House of Representatives.

(c) Any lands within the category "Wilderness Study Areas" depicted on the map referenced under subsection (a), which are not recommended by the Secretary for incorporation into the Central Idaho Wilderness, shall, upon the transmission of the report to Congress of the study required under subsection (a), be immediately available for multiple use management under the existing applicable Forest Service land management plans.

MANAGEMENT AREAS

SEC. 6. (a) Within sixty days after the date of enactment of this Act, the Secretary of Agriculture shall implement the multi-purpose resource development plan on file with the Chief of the Forest Service, identified as the "Warren Planning Unit Land Management Plan, Payette National Forest, Idaho," dated , 1978, and numbered said plan covering lands in the Payette National Forest, Idaho, which comprise about 352,000 acres, as generally depicted upon the category "Warren Planning Unit Area," on the map entitled "Central Idaho Wilderness and Adjacent Areas, Proposed" dated , 1978.

(b) Within two years after the date of enactment of this Act, the Secretary of Agriculture shall implement a multipurpose resource development plan or plans for development of the Federal lands identified as "Panther Creek Roadless Area," which comprises about ninety-four thousand acres, as generally depicted under the category "Management Areas," on the map entitled "Central Idaho Wilderness and Adjacent Areas, Proposed" and dated, 1978.

(c) The multipurpose resource development plan or plans referenced under subsection (b) shall comply with the provisions of the Multiple-Use Sustained-Yield Act of 1960 (74 Stat. 215, 16 U.S.C. 528) and the Forest and Rangeland Renewable Resources Planning Act of 1974 (88 Stat. 476, 16 U.S.C. 1601) as amended, and shall conform in all respects to the provisions of the National Forest Management Act of 1976 (90 Stat. 2949, 16 U.S.C. 1600), including the regulations, guidelines and standards promulgated pursuant to that Act.

(d) After the date of the enactment of this Act, the Secretary of Agriculture shall manage pursuant to the provisions of the Multiple-Use Sustained-Yield Act of 1960 (74 Stat. 215, 16 U.S.C. 528) and the Forest and Rangeland Renewable Resources Planning Act of 1974 (88 Stat. 476, 16 U.S.C. 1601) as amended, all the remaining roadless areas within the Nez Perce National Forest inventoried in the Roadless Area Review and Evaluation (RARE I and RARE II) that are not included in existing wilderness areas or in the Central Idaho Wilderness and with respect to such lands the environmental reviews and studies heretofore conducted including those conducted pursuant to the Roadless Area Review and Evaluation (RARE I and RARE II) are hereby determined to be in full compliance with the requirements of Section 102 of the National Environmental Policy Act of 1969 (83 Stat. 853, 42 U.S.C. 4332) for purposes of commodity production including timber harvest.

(e) The lands referenced in subsections (a), (b), and (d) of this section shall not be the subject of further studies by any department or agency of the Federal Government for possible inclusion in the National Wilderness Preservation System.

AUTHORIZATION

SEC. 7. There is hereby authorized to be appropriated annually the sum of $2,000,000 for five years for forest road costruction activities pursuant to the plans developed under Section 6(a) of this Act, such sums shall be considered in addition to funds authorized under any other acts.

IDAHO FOREST INDUSTRY COUNCIL

The Idaho Forest Industry Council, an association consisting of the Southern Idaho Forestry Association and the Northern Idaho Forestry Association, which represents the aggregate of the wood products conversion companies of Idaho, proposes a bill to allocate certain National Forest lands in Central Idaho. In summary, the bill would:

1. Reclassify the existing Idaho and Salmon River Breaks Primitive Areas as wilderness, by designating a 1.3 million acre Central Idaho Wilderness Area;
2. Designate 28,000 acres along the eastern side of the new Central Idaho Wilderness as Wilderness Study Areas to be studied by the Secretary of Agriculture to determine the desirability of their incorporation in the Central Idaho Wilderness;
3. Implement the final land use plan and environmental statement for the 352,000 acres of land in the Payette National Forest known as the Warren Planning Unit;
4. Require within two years the preparation of a land management plan for the development of the 94,000 acre Panther Creek Area of the Salmon National Forest lying adjacent to the Idaho Primitive Area;
5. Classify certain roadless and undeveloped areas in the Nezperce National Forest contiguous to the Salmon River Breaks Primitive Area as "multiple-use" lands with emphasis on commodity development and timber harvest to supply a steady flow of materials for local dependent communities;
6. Provide for continuation of existing established uses within the Central Idaho Wilderness; and
7. Authorize an extra $2 million annually for the construction of forest roads within the Warren Planning Unit.

JANUARY 15, 1979.

DEAR FRANK: Enclosed is a copy of the final draft of legislation which the Idaho Forest Industry Council has prepared to allocate certain National Forest System lands in Idaho.

This legislation has been prepared by those wood products companies with mills near the Idaho and Salmon River Breaks Primitive Areas. Our proposal calls for the reclassification of the two Idaho primitive areas as a 1.3 million acre Central Idaho Wilderness. Our bill also would allocate for multiple-use purposes some 850,000 acres in this same region.

The Idaho Forest Industry Council understands that you will soon be introducing several proposals for the allocation of National Forest lands in the central Idaho area. We would appreciate it very much if at that time you would introduce on our behalf this proposal.

For your use, we are also enclosing a summary sheet which outlines our proposal.

With warm regards,

LOUISE SHADDUCK.

Mr. CHURCH. Mr. President, I ask unanimous consent that a summary of the President's 1.9 million-acre wilderness bill, his letter of transmittal to Congress, and the text of the administration bill be printed at this point in the RECORD.

There being no objection, the bill and material were ordered to be printed in the R53*84, as follows:

S. 97

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in accordance with subsection 3(b) of the Wilderness Act (78 Stat. 891; 16 U.S.C. 1132 (b)), the areas classified as the Idaho and Salmon River Breaks Primitive Areas, with the proposed additions thereto and proposed deletions therefrom, as generally depicted on a map entitled "River of No Return Wilderness (Proposed)", which is on file and available for public inspection in the Office of the Chief, Forest Service, U.S. Department of Agriculture, is hereby designated as the River of No Return Wilderness (1,889,288 National Forest System acres), within and as parts of the Bitterroot, Boise, Challis, Nezperce, Payette, and Salmon National Forests in Idaho.

SEC. 2. As soon as practicable after this Act takes effect, the Secretary of Agriculture shall file a map and legal description of the River of No Return Wilderness with the Energy and Natural Resources Committee, United States Senate, and the Interior and Insular Affairs Committee, House of Representatives, and such description shall have the same force and effect as if included in this Act: *Provided, however*, that correction of clerical and typographical errors in such legal description and map may be made.

SEC. 3. The River of No Return Wilderness shall be administered by the Secretary of Agriculture in accordance with the provisions of the Wilderness Act except that any reference in such provisions to the effective date of the Wilderness Act shall be deemed to be a reference to the effective date of this Act.

SEC. 4. The previous classification of the Idaho and Salmon River Breaks Primitive Areas is hereby abolished.

SUMMARY

This proposal results from technical field studies encompassing the Idaho and Salmon River Breaks Primitive Areas, plus certain contiguous lands, by the Forest Service, U.S. Department of Agriculture. A mineral survey has been made on most of the proposed area by the U.S. Geological Survey and the Bureau of Mines. This proposal results from an examination of the combined area for its suitability as Wilderness, according to the criteria established by the Wilderness Act.

The proposed 1,889,288 acres of Wilderness include 1,408,149 acres of the existing 1,439,871 acres in the Idaho and Salmon River Breaks Primitive Areas, plus 481,139 acres of contiguous lands. These contiguous lands consist of ten areas which are suitable and available for Wilderness. Within the two Primitive Areas, declassification from Primitive Area status is recommended for eight areas, totaling 31,722 acres.

LOCATION

The proposed River of No Return Wilderness is within the Columbia River Basin in Custer, Idaho, Lemhi, and Valley Counties of central Idaho approximately 80 miles northeast of Boise. It is within the boundaries of the Bitterroot, Nezperce, Boise, Challis, Payette, and Salmon National Forests. Most of the area is within the drainage of the Salmon River and its tributaries. The Salmon River flows between or adjacent to the proposed Wilderness for a distance of 76 miles.

PRINCIPAL FEATURES AND ATTRACTIONS

These undeveloped areas of central Idaho encompass large, rugged, scenic, and mountainous areas, with towering peaks and deep canyons. They embrace the Salmon River, where powerboats are a major means of access, as well as 104 miles of the Middle Fork of the Salmon River, a unit of the Wild and Scenic Rivers System which is nationally known for its float boating and fishing opportunities. The gorge formed by the main Salmon River constitutes the second deepest gorge in the Continental United States. It is exceeded in depth only by the Seven Devils Canyon on the Snake River. The areas offer exceptionally fine hunting with large herds of deer and elk. Bighorn sheep are a common sight along the rivers.

WILDERNESS QUALITY AND SUITABILITY

The Wilderness resource is of high quality over much of the areas. Much of the areas are trailless, with difficult access, thus offering opportunity for solitude in areas remote from human activities. Evidence of man's intrusion is substantially unnoticeable over most of the areas. However, there are some principal exceptions. These include 29 fire lookouts, 10 fire guard stations, 75 trail bridges, 19 airstrips, and a variety of improvements on private inholdings, including cabins, lodges, resort facilities, and 12 of the above airstrips.

Solitude is impaired in some places within the proposed Wilderness by manmade noise and activities. Such impairment includes motor noise from powerboats, vehicles, aircraft, and generators, as well as the disturbances resulting from the concentrated occupancy of popular recreation use areas.

The area offers diverse opportunities for scientific and educational study.

The area generally meets the criteria set forth in the Wilderness Act and is, therefore, recommended for Wilderness designation.

ACCESS AND RELATION TO URBAN AREAS

The proposed Wilderness is located in an undeveloped and sparsely populated section of central Idaho. Railroads and scheduled airlines do not serve the area directly. Access to the boundaries of the proposed Wilderness is by unimproved, single-lane Forest development roads or unimproved, single-lane mining roads. Air, water, and trail access exist within portions of the proposed Wilderness.

The area is accessible in about 11 hours flying and driving time from New York City, 8 hours from Phoenix, and 7 hours from San Francisco. Driving time from the principal nearby cities of Sun Valley, Twin Falls, Boise, Pocatello, and Idaho Falls, Idaho; Missoula, Montana; and Spokane, Washington, is not more than 6 hours. The population within 250 miles of the proposed Wilderness is over 2 million persons.

PROXIMITY TO OTHER WILDERNESSES, PRIMITIVE AREAS, AND WILD AND SCENIC RIVERS

The proposed River of No Return is about 15 miles north of the ¼-million-acre Sawtooth Wilderness, 6 miles southeast of the Gospel Hump Wilderness, 48 miles east of the Hells Canyon Wilderness, and 2 miles south of the 1¼-million-acre Selway-Bitterroot Wilderness. The middle Fork of the Salmon River, a unit of the Wild and Scenic Rivers System, passes through the proposed Wilderness for a distance of about 104 miles. The main Salmon River, which is being proposed for designation as a unit of the Wild and Scenic Rivers System, flows between or adjacent to the proposed Wilderness for a distance of 76 miles.

THE WHITE HOUSE,
Washington, D.C.

Hon. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: In accordance with the Wilderness Act of 1964, I am pleased to transmit a proposal to designate a 1.9 million acre River of No Return Wilderness on portions of the Bitterroot, Boise, Challis, Nezperce, Payette and Salmon National Forests in Idaho.

This proposal fulfills a pledge made in my Environmental Message of May 1977 to review and expand the wilderness recommendation for this area submitted to the Congress by the prior Administration. The additional acreage included in my proposal reflects substantial involvement by concerned government and private organizations and groups at the national, state and local levels.

I strongly urge the Congress to favorably consider this proposal to preserve the outstanding natural qualities of this large undeveloped area for the benefit of present and future generations of Americans.

Sincerely,

JIMMY CARTER.

By Mr. CHAFEE:

S. 98. A bill to amend the Internal Revenue Code of 1954 to provide a credit for amounts contributed to an individual housing account; to the Committee on Finance.

YOUNG FAMILIES HOMEOWNERSHIP ACT OF 1979

● Mr. CHAFEE. Mr. President, this afternoon I am introducing the Young Families Homeownership Act of 1979.

My proposal would assist individuals and families who wish to enter the housing market for the first time by awarding tax credits for amounts deposited to a new kind of savings plan, the individual housing account. A prospective home buyer would be entitled to a 20-percent income tax credit on contributions of up to $2,500 a year to such an account, thus being eligible for a maximum $500 credit per year. The total allowable credit would be $2,000 over a 10-year period.

By employing a tax credit rather than a tax deduction, my bill makes the benefits of the program available to virtually all taxpayers who are saving to buy their first home. Since a credit can be subtracted directly from one's tax liability, it can be used by individuals whether they itemize their tax returns, or not. A tax deduction, on the other hand, can only be used by taxpayers who itemize, and those individuals are likely to be homeowners in the first place. Therefore, use of the tax credit approach is a key element to making this an equitable program.

In addition, the interest income accruing to the account would not be taxable. These provisions would be effective only as long as the savings in the account are used toward the purchase of a first home. If funds are withdrawn from the account for another purpose, or have not been used within 10 years of the initial deposit for the purchase of a home, a 20-percent penalty will be levied on the funds in order that the Treasury might recover the amount previously credited to the taxpayer.

One does not need the benefit of sophisticated economic data to know that rising costs have made home buying nearly prohibitive to young people as well as most moderate- and lower-income families. From December 1977 to December 1978, the cost of buying a new house escalated at two times the overall rate of inflation. The average new home, which cost $57,700 only a year ago, now sells for $67,600—an increase of over 17 percent. While the cost of purchasing today's existing home is somewhat less, about $58,000, the impact of inflation has been no less devastating, averaging over 17 percent for both the new and existing housing stock.

Most young Americans who want to buy a house of their own are running into the same problem—they can not save fast enough to beat inflation. I know you would agree that it is not a good situation when the ability to purchase one's own home becomes a privilege enjoyed only by those in the upper income brackets. Yet, this is a situation we are rapidly approaching.

Congress has done much in the past to help people who already own a home. They can deduct interest payments on the mortgage, local property and real estate taxes, and certain home improvement expenses from their taxable income. But there are no comparable incentives, no tax breaks, for those who are struggling to save their money for their first home. Under present laws all the benefits go to those fortunate enough to have already made it into the housing market. My bill will help those families and individuals who do not yet own their own home.

Mr. President, I urge the Senate to give this important legislation prompt and favorable consideration. I ask unanimous consent that the text of my bill be presented in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 98

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

Section 1. This Act may be cited as the "Young Families Homeownership Act of 1979".

ALLOWANCE OF CREDIT

Sec. 2. (a) In General—

(1) Credit allowed.—Section 44 of the Internal Revenue Code of 1954 is amended to read as follows:

"Sec. 44. Contributions to Individual Housing Accounts.

"(a) Credit allowed.—In the case of an individual who does not own, has never owned, and is not purchasing a principal residence (within the meaning of section 1034) for himself (or for himself and his spouse), there is allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 20 percent of the sum of the amounts paid in cash during the taxable year by such individual to an individual housing account.

"(b) Limitations.—

"(1) Maximum annual credit.—The amount allowable as a credit under subsection (a) to an individual for any taxable year may not exceed $500. In the case of a married couple filing separate returns, the sum of the amounts allowable to each of them under subsection (a) for the taxable year may not exceed such amount.

"(2) Maximum lifetime credit.—The amount allowable as a credit under subsection (a) to an individual for all taxable years may not exceed $2,000. In the case of a married individual, the $2,000 amount in the preceding sentence shall be reduced by an amount equal to the sum of the amounts allowed as credits for all taxable years to his spouse.

"(3) Minimum deposit period.—Any amount paid into an individual housing account which is paid or distributed out of the account less than 12 months after it was paid into the account shall be treated as if it were not contributed. For purposes of this paragraph, any amount paid or distributed out of such an account shall be treated as having been distributed out of the most recently contributed amounts.

"(c) Definitions and Special Rules.—

"(1) Individual housing account.—For purposes of this section, the term 'individual housing account' means a trust created or organized in the United States for the exclusive benefit of an individual, or in the case of a married individual, for the exclusive benefit of the individual and his spouse jointly, but only if the written governing instrument creating the trust meets the following requirements:

"(A) No contribution will be accepted unless it is in cash, and contributions will not be accepted for the taxable year in excess of $2,500 on behalf of any individual or in excess of $10,000 on behalf of an individual for all taxable years.

"(B) The trustee is a bank (as defined in section 401(d)(1)) or another person who demonstrates to the satisfaction of the Secretary that the manner in which that person will administer the trust will be consistent with the requirements of this section.

"(C) No part of the trust funds will be invested in life insurance contracts.

"(D) The interest of an individual and the balance in his account is nonforfeitable.

"(E) The assets of the trust will not be commingled with other property except in a common trust fund or common investment fund.

"(F) The entire interest of an individual or married couple for whose benefit the trust is maintained will be distributed to him, or them, not later than 120 months after the date on which the first contribution is made to the trust.

"(d) Tax Treatment of Distributions.—

"(1) In general.—Except as otherwise provided in this subsection, if any amount is paid or distributed out of an individual housing account for any purpose other than the purchase of a principal residence, then the tax under this chapter for the taxable year shall be increased by an amount equal to 20 percent of the amount so paid or distributed. The basis of any person in such an account is zero.

"(2) Excess contributions returned before due date of return.—Paragraph (1) does not apply to the distribution of any contribution paid during a taxable year to an individual housing account to the extent that such contribution exceeds $2,500 if—

"(A) such distribution is received on or before the day prescribed by law (including extensions of time) for filing such individual's return for such taxable year.

"(B) no credit is allowed under subsection (a) with respect to such excess contribution, and

"(C) such distribution is accompanied by the amount of net income attributable to such excess contribution.

Any net income described in subparagraph (C) shall be included in the gross income of the individual for the taxable year in which it is received.

"(3) Transfer of account incident to divorce.—The transfer of an individual's interest in an individual housing account to his former spouse under a divorce decree or under a written instrument incident to a divorce is not to be considered a taxable transfer made by such individual notwithstanding any other provision of this subtitle, and such interest, at the time of the transfer, is to be treated as an individual housing account of the spouse, and not of such individual. After the transfer, the account is to be treated, for purposes of this subtitle, as maintained for the benefit of the spouse.

"(4) Amounts not meeting minimum deposit period requirement.—Paragraph (1) does not apply to any amount to which subsection (b)(3) applies.

"(e) Tax Treatment of Accounts.—

"(1) Exemption from tax.—Any individual housing account is exempt from taxation under this subtitle unless such account has ceased to be an individual housing account. Notwithstanding the preceding sentence, any such account is subject to the taxes imposed by section 511 (relating to imposition of tax on unrelated business income of charitable, etc., organizations).

"(2) Effect of pledging account as security.—If, during any taxable year, the individual for whose benefit an individual housing account is established uses the account or any portion thereof as security for a loan, the portion so used is treated as distributed to that individual.

"(f) Additional Tax for Certain Amounts Distributed.—

"(1) Distribution not used to purchase residence.—If a distribution from an individual housing account to an individual for whose benefit such account was established is made, and not used in connection with the purchase of a principal residence for such individual, the tax liability of such individual under this chapter for the taxable year in which such distribution is received shall be increased by an amount equal to 10 percent of the amount of the distribution.

"(2) Disability cases.—Paragraph (1) does not apply if the payment or distribution is attributable to the taxpayer becoming disabled within the meaning of section 72(m)(7).

"(g) Community Property Laws.—This section shall be applied without regard to any community property laws.

"(h) Custodial Accounts.—For purposes of this section, a custodial account shall be treated as a trust if the assets of such account are held by a bank (as defined in section 401(d)(1)) or another person who demonstrates, to the satisfaction of the Secretary, that the manner in which he will administer the account will be consistent with the requirements of this section, and if the custodial account would, except for the fact that it is not a trust, constitute an individual housing account described in subsection (c). For purposes of this title, in the case of a custodial account treated as a trust by reason of the preceding sentence, the custodian of such account shall be treated as the trustee thereof.

"(i) Reports.—The trustee of an individual housing account shall make such reports regarding such account to the Secretary and to the individual for whom the account is maintained with respect to contributions, distributions, and such other matters as the Secretary may require under regulations. The reports required by this subsection shall be filed at such time and in such manner and furnished to such individuals at such time and in such manner as may be required by those regulations.

"(j) Reduction of Basis.—The basis of any residence acquired with funds withdrawn from an individual housing account shall be reduced by an amount equal to the amount of expenditures made in connection with the acquisition of the residence out of such funds.".

(b) Tax on Excess Contributions.—Section 4973 of such Code (relating to tax on excess contributions to individual retirement accounts, certain section 403(b) contracts, certain individual retirement annuities, and certain retirement bonds) is amended—

(1) by inserting "INDIVIDUAL HOUSING ACCOUNTS," after "ACCOUNTS," in the caption of such section,

(2) by redesignating paragraphs (2) and (3) of subsection (a) as (3) and (4), and

by inserting after paragraph (1) the following:

"(2) an individual housing account (within the meaning of section 221(c)),", and

(3) by adding at the end thereof the following new subsection:

"(d) EXCESS CONTRIBUTIONS TO INDIVIDUAL HOUSING ACCOUNTS.—For purposes of this section, in the case of an individual housing account, the term 'excess contributions' means the amount by which the amount contributed for the taxable year to the account exceeds $2,500 for such taxable year or, for all taxable years, exceed $10,000. For purposes of this subsection, any contribution which is distributed out of the individual housing account and a distribution to which section 44(d)(2) applies shall be treated as an amount not contributed.".

(c) REFUND OF EXCESS CREDIT.—

(1) Subsection (b) of section 6401 of such Code (relating to amounts treated as overpayments) is amended—

(A) by striking out "and 43 (relating to earned income credit)", and inserting in lieu thereof the following: "43 (relating to earned income credit), and 44 (relating to contributions to individual housing accounts)", and

(B) by striking out "sections 31, 39, and 43" and inserting in lieu thereof the following: "sections 31, 39, 43, and 44".

(2) Paragraph (4) of section 6201(a) (relating to erroneous credit under section 39 or 43) is amended—

(A) by striking out "section 39 or 43" in the caption and inserting in lieu thereof the following: "section 39, 43, or 44", and

(B) by striking out "or section 43 (relating to earned income)," and inserting in lieu thereof the following: "section 43 (relating to earned income), or section 44 (relating to contributions to individual housing accounts),".

(d) FAILURE TO PROVIDE REPORTS ON INDIVIDUAL HOUSING ACCOUNTS.—Section 6693 of such Code (relating to failure to provide reports on individual retirement account or annuities) is amended—

(1) by inserting "OR INDIVIDUAL HOUSING ACCOUNTS" after "ANNUITIES" in the caption of such section, and

(2) by adding at the end of subsection (a) the following: "The person required by section 44(i) to file a report regarding an individual housing account, at the time and in the manner required by such section shall pay a penalty of $10 for each failure unless it is shown that such failure is due to reasonable cause.".

(e) ADJUSTMENT OF BASIS OF RESIDENCE PURCHASED THROUGH USE OF AMOUNTS IN ACCOUNT.—Section 1016(a) of such Code (relating to adjustments to basis) is amended by inserting after paragraph (20) the following new paragraph:

"(21) in the case of a residence the acquisition of which was made in whole or in part with funds from an individual housing account, to the extent provided in section 44(j);".

(f) CONFORMING AMENDMENTS.—Sections 44A(b)(7) and 56(c)(7) of such Code are each amended by striking out "purchase of new principal residence" and inserting in lieu thereof "contributions to individual housing accounts".

(g) CLERICAL AMENDMENTS.—

(1) The table of sections for subpart (A) of part IV of subchapter A of chapter 1 of such Code is amended by striking out the item relating to section 44 and inserting the following new item:

Sec. 44. Contributions to individual housing accounts.".

(2) The table of sections for chapter 43 of such Code is amended by striking out the item relating to section 4973 and inserting in lieu thereof the following:

"Sec. 4973. Tax on excess contributions to individual retirement accounts, individual housing accounts, certain 403(b) contracts, certain individual retirement annuities, and certain retirement bonds.".

(3) The table of sections for subchapter B of chapter 68 of such Code is amended by striking out the item relating to section 6693 and inserting in lieu thereof the following:

"Sec. 6693. Failure to provide reports on individual retirement accounts or annuities or an individual housing accounts.".

(h) EFFECTIVE DATE.—The amendments made by this section apply to taxable years beginning after December 31, 1978.●

By Mr. DOLE:

S. 99. A bill to amend title 5, United States Code, to eliminate an inequity in computing annuities of Federal law enforcement officers or firefighters; to the Committee on Governmental Affairs.

AMENDMENT—HAZARDOUS DUTY RETIREMENT PROPOSAL

Mr. DOLE. Mr. President, the bill I am offering at this time was originally introduced as Senate bill S. 565 during February of 1977. At that time, I pointed out that the legislation is intended to correct an oversight in Public Law 93-350, which was enacted by the 93d Congress.

ANNUITY COMPUTATION FORMULA

Mr. President, during the 93d Congress, we gave our approval to a bill, H.R. 9281—later enacted as Public Law 93-530—to provide Federal law enforcement and firefighting personnel a special 2½-percent retirement computation formula in recognition of the special, hazardous duty service which they perform. In doing so, however, we failed to recognize the substantial inequity that would result from premising the incentive credit on a full 20 years of service in such capacity.

In order to correct that oversight, I propose this bill to extend appropriate annuity credit to retiring Federal employees who have at least 5 years' service as law enforcement or firefighter personnel, but who have not completed 20 years. This would be consistent with the full credit given congressional employees under the higher 2½-percent formula after they have served 5 years (5 U.S.C.A. 8339 (b)).

As the law now stands, Government employees who have performed "hazardous duties" for fewer than 20 years are penalized merely because they fail to reach the magic benefit line. Even though they were exposed to the same dangers, subjected to the same perils, and employed in the same high risk endeavors for our Nation, they receive no recognition if, for one reason or another, they choose or are compelled to leave such service 1 day before their 20 years are up.

SUPPORT FOR AMENDMENT

This legislation has been endorsed by the International Association of Chiefs of Police, Inc., and has been praised by the Federal Criminal Investigators Association, the National Treasury Employees Union, and the Society of Former Special Agents of the FBI. Last August, this Bill was accepted by the Senate as an amendment to the Civil Service Reform Act. Unfortunately, the amendment was dropped in conference. I believe there remains a good deal of support in Congress for the measure, and I hope we see its enactment in the 96th Congress.

Although the Civil Service Commission is on record as opposing preferential computation formulas as a reward for particular kinds of service, it seems to me that as long as the current law provides for such treatment, all those entitled should receive it. If they do not, we are going to find ourselves in the business of suppressing lateral movement of these types of Government employees, as well as discouraging the initial recruitment of qualified personnel who may not wish to commit themselves for a full 20 years in such a demanding profession.

In addition to the recruitment argument, it is my belief that the change I am proposing could also operate to help retain qualified and experienced personnel within the Government by encouraging them to stay in, or return to, civil service rather than the private sector. Too often, now, for example, a firefighter or law enforcement officer who has put in perhaps 10 years of service and decides that it is not in his own or his family's best interest to continue for another 10 years, would have just as much motivation to go to private industry as to another Government agency.

It seems to me that 5 years is a reasonable minimum to expect of a career-oriented professional and that, in many instances, we are promoting morale problems and indifference among 15- to 20-year agents who are "putting in their time" simply because of the leverage being held over them by the 20-year requirement. Again, I think we could have a much more dedicated, effective and inspired contingent of Federal officers if they knew they could transfer at any time from a hazardous position and still receive full credit for the period spent in that position when they eventually qualified for Government retirement.

Since the bill I am proposing would become effective upon enactment, any problem of recomputation for those already retired would be avoided. Moreover, Federal service retirement computations are done on an individual basis anyway, and no additional administrative burden would be imposed.

Any measure designed to eliminate an existing inequity should, Mr. President, receive the sympathetic consideration of this body. I hope the Senate Government Operations Committee will schedule hearings and computation formula for Federal hazardous-duty employees.

By Mr. PACKWOOD:

S. 100. A bill to amend the Internal Revenue Code of 1954 to provide a deduction for expenses incurred for reforestation, and for other purposes; to the Committee on Finance.

FOREST PRESERVATION ACT OF 1979

● Mr. PACKWOOD. Mr. President, for more than a half century, Congress has fought to replant the Nation's forests as they are cut. In Oregon we have learned the simple truth that our trees are our lifeblood. They bring jobs, build houses, and assure us our land and our values will remain intact. They must be preserved and renewed.

Yet, for that same half century, we have failed to achieve 100 percent reforestation. For every tree cut, we have not planted one in its place. It is not through a lack of will or a lack of commitment, but perhaps the fact that we exhausted our money before we exhausted our commitment. Today I renew that pledge as I introduce S. 100, the Forest Preservation Act of 1979. With this legislation, I offer the means to make 100 percent reforestation a goal we can achieve.

S. 100 will make 100 percent reforestation a reality by providing an annual assured source of funding for that reforestation. S. 100 will establish a national forest trust fund of $30 million from existing tariffs on imported lumber and plywood. The trust fund will be used to supplement congressional appropriations for reforestation and timber stand improvement on our national forests. The Secretary of Agriculture would be authorized to transfer from the fund to the Forest Service each year an amount the Secretary determines is necessary to eliminate the backlog of unreforested national forest lands by 1985. The trust fund will terminate when the backlog is eliminated.

S. 100 will also permit private timber landowners to make deductions of up to $10,000 a year for reforestation and timber stand improvement expenses.

The Federal Government has not done enough to replant and improve the Nation's commercial timberlands. Over 1 million acres of national forest lands, denuded decades ago by timber cutting and fire, have not been replanted. An additional 1 to 2 million acres need timber stand improvement—TSI, the forester's term for treatments which increase the quantity and quality of wood grown on a given plot of land. The Nation's small privately owned forests have 25 million acres of unreforested land, and upward of 100 million acres which need TSI.

The productive potential tied up in this "backlog" is enormous. The annual potential yield of the unreforested national forest backlog is twice that of the roadless areas recommended for wilderness under RARE II. The annual potential yield of the private nonindustrial lands backlog approaches the total annual harvest from the national forests.

Reforesting these lands certainly makes sense from a timber supply perspective. But it pays society in many other ways. It provides jobs to forest communities, many of which have been hard hit by recent reductions of harvest levels. It protects forest soils from erosion, preserving water quality, and the health of our fisheries. It restores the forest wildlife habitat, and shortens the duration of clearcutting's visual impact.

Reforestation and TSI—hereinafter referred to as simply "reforestation"—are good economic investments for both the Federal Government and the private landowner. The profit-conscious forest industry has recognized this, and has taken the lead in forest regeneration. Experience has shown that a dollar spent on growing trees yields one of the best rates of return accessible to the landowner, whether that landowner is a forest products corporation, small farmer or Uncle Sam.

Why then, do we have this huge backlog of nonproductive and underproductive forest lands? It is, too, often because the person who plants the tree is not the one, years later, who will cut and sell that tree. On the national forests, it is the Federal Government that defers its obligation to 100 percent reforestation.

For almost half a century Congress has sought a mechanism to provide enough funding for reforestation. It started in 1930 with the Knutson-Vandenberg (KV) Act, which allowed the Forest Service to charge timber purchasers the cost of reforesting the sale area. Historically, however, these KV funds have not proven adequate. In 1949, the Anderson-Mansfield Revegetation Act recognized a growing backlog. It authorized appropriations to supplement KV funds, with the intention of eliminating the backlog by 1965. Twenty-three years later, in 1972, Congress noted the backlog had not been eliminated. It had in fact grown. The House approved a bill to establish a reforestation trust fund, but that provision was dropped in conference. The accelerated Reforestation Act of 1972 increased the authorization and again urged all reforestation work to be brought up to date.

In 1974, Congress substantially boosted the appropriation for reforestation and TSI. The House report said fiscal year 1975 was to be the first year of a 10-year program to eliminate the backlog; that is, by fiscal year 1984. During the same year, Congress enacted the Forest and Rangeland Renewable Resources Planning Act—also known as Humphrey-Rarick. In a separate reforestation provision, this act set the year 2000 as the deadline for eliminating the backlog, and required the President to request adequate funds for this purpose in his annual budget.

The 1976 National Forest Management Act (NFMA) is the foundation for S. 100's trust fund provision. The reforestation section of the NFMA amended the 1974 Resources Planning Act by moving the deadline to within 8 years of the 1976 act's enactment—fiscal year 1984 or 1985, depending on which fiscal year you start with. It directs the Agriculture Secretary to include a statement of this program's projected cost in the annual budget submitted to Congress.

Through these laws and with the clear commitment of Congress, explicit deadlines have been set and assured funding sought. Yet, in spite of Congress good intentions for half a century, adequate funding for reforestation and timber stand improvement is not being provided. For 2 years now the administration has requested funding far below the level required by the 1976 act. Congress has appropriated a higher level, but has not provided full funding. The Forest Service now says that the backlog cannot be eliminated until 1985, and only then if full funding is provided through that year.

The present funding shortage is compounded by the fact that reforestation is made up of several interdependent steps extending over several years. Sites must be prepared up to a year in advance, seedlings must be grown up to 2 years prior, and tree nursery capacity must be expanded prior to that. For example, the Forest Service cannot use money to plant 200 million trees in 1982 if the funds needed to increase their annual nursery capacity to 200 million seedlings were not provided in 1980.

Uncertain, eratic funding impedes this program, and results in inefficient use of resources. Yet, history tells us this situation is unlikely to change, given the current funding mechanism. Reforestation must compete with programs that have greater and more immediate political appeal. As long as the benefits of tree planting and thinning are perceived to be distant, sufficient reforestation appropriations are unlikely.

S. 100 seeks to guarantee the goal sought by Congress for half a century. This is done simply by providing an assured adequate source of funding. S. 100 is a logical extension of the 1976 act, the next and final step toward elimination of the backlog of unreforested national forest lands.

Trust funds will be transferred to the Forest Service only in the amounts needed to meet the 1976 act's reforestation goal. The Forest Service already has a program for eliminating the backlog by 1985, and the Secretary of Agriculture annually tells Congress what this program will cost during the upcoming year. Under S. 100, Congress may appropriate the full amount from regular sources. If it cannot, trust fund money will supply the difference. Congress is not denied the right to review the backlog program, nor is it denied the right to bar the trust fund supplement if waste or misuse of funds is discovered.

Like regular appropriations, trust funds may be used only for reforestation and timber stand improvement as defined by the 1976 act. They may not be used for road building, timber sale administration, construction of visitor centers, and the like. S. 100's trust fund will not provide the agency with a lifetime source of funding. When the reforestation goal is met, when we are current, the trust fund will terminate and the money it contains will return to the Treasury.

I want to make it very clear this bill does not change in any way the processes by which national forest management decisions are made. It does not seek to reverse or affirm any administrative decisions. Let me be more specific. S. 100 does not mandate an increase or reassessment of annual allowable harvest levels. It does not propose intensive timber management for existing roadless areas, regardless of status. It does not attempt to resolve the question of whether or not the use of herbicides should be allowed. It does not propose an expansion of "super tree" planting or fertilization programs.

A forum exists for all of these policy decisions. Management of the national forests will still be subject to the provisions of the Multiple Use Sustained Yield Act of 1960, the National Environmental

Policy Act of 1969, and the National Forest Management Act of 1976. S. 100 simply says that when we have decided how the forest should be managed for everyone, the money for 100 percent reforestation will be there.

Timber lands on small private ownerships have the greatest potential to meet our increased timber needs in future years. They constitute 60 percent of the Nation's commercial timber lands (200 million acres, as compared to 100 million on the national forests, 50 million in State and other government ownerships, and 60 million in corporate ownerships). Reforestation and improvement of these lands has also suffered from the owner's reluctance to make the necessary long-term investment. For the private owner, however, it is more than a matter of patience or politics. Up front costs can be an insurmountable barrier, especially considering the trees might not be cut and sold until after the original investor has died. Loans are difficult to obtain, and Government grant programs, because of funding and administrative limitations, cannot begin to reach the tens of thousands of owners who need help.

A tax incentive would be the most efficient means to reach the potential investor. The tax code presently requires reforestation and timber stand improvement expenditures to be capitalized. Therefore, the tax benefit is deferred until the trees are cut or the land sold (again, often beyond the lifetime of the original investor).

S. 100 would permit an "above the line" deduction for reforestation or TSI expense. What this means is that it would be available to those who do not itemize deductions, as well as those who do. The cost could be substantially or completely covered by this tax break, depending upon the size of the job and the taxes normally paid by the investor.

Timber corporations have recognized the economic necessity of reforestation and TSI. They appear satisfied with capitalizing their investments, and will probably continue to do so. In order to focus the deduction on those who need it the most, there would be a $10,000 ceiling for annual deductions. Ten thousand dollars at today's prices would replant roughly 100 acres, or permit a precommercial thinning on 150 acres. The deduction proposed by S. 100 will accommodate the need of the small owner without incurring excessive costs to the Government.

There is no need to detail the timber supply dilemma this Nation faces. Demand for lumber and wood products will increase. So will demands on other values that the forests provides, values ranging from hard economic to purely aesthetic. The challenge for the decades to come is seeing that demands for both are satisfied.

There is much that can and should be done to increase the efficiency with which we use our timber resources. These efforts range from increased utilization of trees cut (directional falling, improved milling technology, and use of wood waste for building materials and fuel) to increased recycling of wood fibers. We must also insure that timber management and harvesting be done in a manner that reduces as much as possible impact on other forest uses.

But it is not often in this age of shortages and scarcity that we can significantly reduce or eliminate a conflict in resource allocation simply by creating more of that scarce resource. Less often can we get all the major interest groups to agree on how this should be done. Reforestation is a notable exception. With a continued commitment to investments in reforestation and timber stand improvement, we can significantly increase the supply of timber without reducing the long-term productivity of the land, and without diminishing the forest values that mean so much to our quality of life and to our economy.

S. 100 is a bill that everyone can agree on. For the forest industry, it means a more secure supply of logs for the mills. For environmentalists, it means that there will be less pressure to extend the logging into wilderness and other environmentally sensitive areas. For loggers, it means not only more work cutting trees, but alternative employment in replanting and improving the forest. For commercial, sport, and native fishermen, it means protecting the spawning grounds of fish populations. For hunters and wildlife observers, it means restoring the forest environment for game and nongame wildlife.

Inflation fighters, which should include all of us, can support S. 100 for several reasons. First, it is a budget booster, not a budget buster. A dollar spent today on reforestation will return to the Treasury many times over. The Forest Service currently takes in over four times as much money from the sale of trees as it would spend on growing them if S. 100 were law. And we would not have to wait 100 years for the returns. By filling in the low spots in the future supply curve, reforestation, and TSI would permit increases in the national forest's annual cut over the short term, without violating the principle of sustained yield. The reforestation program would more than pay for itself in increased timber sale receipts. Furthermore, S. 100 would result in more efficient use of Forest Service resources. And its tax incentive provision is the most cost-effective way of assisting the private landowner. Federal expense is kept to a minimum.

S. 100 would contribute to improving our balance of payments, as the tariff on imported wood will pay for growing the trees we need to become self-sufficient. Last and certainly not least, S. 100 would help hold down the cost of wood products and, therefore, the cost of housing.

S. 100 would set an example to the world, a significant portion of which is being deforested at an alarming rate. We must demonstrate that trees are a renewable resource only if people choose to make it so. We must demonstrate that reforestation is an investment that we can afford—because we cannot afford not to do it. We have a long history of legislative support for full reforestation. Now is the time to commit our resources and ingenuity to the task. That is what S. 100 will do.

Mr. President, I submit the text of this bill now and ask that it be printed in the RECORD.

The text of the bill follows:

S. 100

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) part VI of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to itemized deductions for individuals and corporations) is amended by adding at the end thereof the following new section:

"SEC. 193. REFORESTATION EXPENDITURES.

"(a) TREATMENT AS EXPENSES.—

"(1) IN GENERAL.—A taxpayer may elect to treat qualified reforestation expenditures which are paid or incurred by him during the taxable year as expenses which are not chargeable to capital account. The expenditures so treated shall be allowed as a deduction.

"(2) ELECTION.—An election under paragraph (1) shall be made at such time and in such manner as the Secretary prescribes by regulations.

"(b) QUALIFIED REFORESTATION EXPENDITURES.—For purposes of subsection (a), the term 'qualified reforestation expenditures' means direct costs incurred in connection with reforestation by planting and artificial or natural seeding, and timber stand improvement by precommercial thinning of existing forest stands, including, but not limited to, costs—

"(1) for the preparation of the site.

"(2) of seed or seedlings; and

"(3) for labor and tools, including depreciation of equipment such as tractors, trucks, tree planters and similar machines used in planting or seeding.

"(c) LIMITATIONS.—

"(1) $10,000 LIMIT.—The deduction allowed by subsection (a) for any taxable year shall not exceed $10,000.

"(2) ALLOCATION.—In the case of component members of a controlled group of corporations (within the meaning of section 1561), the $10,000 amount referred to in paragraph (1) shall be allocated among such members under regulations prescribed by the Secretary.".

"(3) FEDERAL COST SHARING PROGRAMS.—No deduction is permitted for amounts reimbursed under Federal reforestation and timber stand improvement cost sharing programs authorized by section 4 of Public Law 95–313.

(b) (1) The table of sections for part VI of subchapter B of chapter 1 of such Code is amended by adding at the end thereof the following new item:

"Sec. 193. Reforestation expenditures.".

(2) Section 263 (a) (1) of such Code (relating to capital expenditures) is amended—

(A) by striking out "or" at the end of subparagraph (E),

(B) by striking out the period at the end of subparagraph (F) and inserting ", or", and

(C) by adding at the end thereof the following:

"(G) reforestation expenditures which the taxpayer elects to deduct under section 193.".

(3) Section 1245 (a) of such Code (relating to gain from disposition of certain depreciable property) is amended—

(A) by inserting "193," after "190," each place it appears in paragraph (2), and

(B) by striking out "or 190" each place it appears in paragraphs (2) and (3) (D) and inserting in lieu thereof "190, or 193".

(4) Section 1250 (b) of such Code (relating to depreciation adjustments) is amended by striking out "or 190" and inserting in lieu thereof "190, or 193".

(c) The amendments made by this section apply to taxable years beginning after December 31, 1979.

SEC. 2. (a) There is established in the Treasury of the United States a trust fund to be known as the "Reforestation Trust Fund" (hereinafter in this section referred to as the "Trust Fund") consisting of such amounts as may be appropriated to the Trust Fund as provided in this section.

(b) (1) There is appropriated to the Trust Fund—

(A) amounts equivalent to the tariffs received in the Treasury after September 30, 1978, and before September 30, 1985, under subparts A and B of part 1 of schedule 2 of the Tariff Schedules of the United States (19 U.S.C. 1202); and

(B) amounts equivalent to the tariffs received in the Treasury after September 30, 1978, and before September 30, 1985, under part 3 of such schedule 2.

(2) The amount appropriated under paragraph (1) for any fiscal year shall not exceed $30 million.

(3) The amounts appropriated by paragraph (1) shall be transferred at least quarterly from the general fund of the Treasury to the Trust Fund on the basis of estimates made by the Secretary of the Treasury. Proper adjustment shall be made in the amounts subsequently transferred to the extent prior estimates were in excess of or less than the amounts required to be transferred.

(c) (1) It shall be the duty of the Secretary of the Treasury to hold the Trust Fund, and (after consultation with the Secretary of Agriculture) to report to the Congress each year on the financial condition and the results of the operations of the Trust Fund during the preceding fiscal year and on its expected condition and operations during the next five fiscal years. Such report shall be printed as a House/Senate document of the session of the Congress to which the report is made.

(2) (A) It shall be the duty of the Secretary of the Treasury to invest such portion of the Trust Fund as is not, in his judgment, required to meet current withdrawals. Such investments may be made only in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States. For such purpose, such obligations may be acquired (i) on original issue at the issue price, or (ii) by purchase of outstanding obligations at the market price. The purposes for which obligations of the United States may be issued under the Second Liberty Bond Act, as amended, are hereby extended to authorize the issuance at par of special obligations exclusively to the Trust Fund. Such special obligations shall bear interest at a rate equal to the average rate of interest, computed as to the end of the calendar month next preceding the date of such issue, borne by all marketable interest-bearing obligations of the United States then forming a part of the Public Debt; except that where such average rate is not a multiple of one-eighth of 1 percent, the rate of interest of such special obligations shall be the multiple of one-eighth of 1 percent next lower than such average rate. Such special obligations shall be issued only if the Secretary of the Treasury determines that the purchase of other interest-bearing obligations of the United States, or of obligations guaranteed as to both principal and interest by the United States on original issue or at the market price, is not in the public interest.

(B) Any obligation acquired by the Trust Fund (except special obligations issued exclusively to the Trust Fund) may be sold by the Secretary of the Treasury at the market price, and such special obligations may be redeemed at par plus accrued interest.

(C) The interest on, and the proceeds from the sale or redemption of, any obligations held in the Trust Fund shall be credited to and form a part of the Trust Fund.

(d) (1) Amounts in the Trust Fund shall be available to meet those obligations of the United States—

(A) incurred under subsection (d) of section 3 of the Forest and Rangeland Renewable Resources Planning Act of 1974, as amended by the National Forest Management of 1976 (P.L. 94–588), in eliminating and preventing a backlog in the reforestation of the National Forest System, but only to the extent in any fiscal year that such obligations exceed amounts appropriated for such fiscal year under any other provision of law; and

(B) For those portions of administrative expenses attributable to activities described in subparagraph (A).

(2) The Secretary of the Treasury shall pay from the Trust Fund such amounts during any fiscal year, not in excess of $30 million, as the Secretary of Agriculture certifies are necessary to make the payments provided in paragraph (1).

(3) The Secretary of the Treasury shall pay into the general fund of the Treasury any amounts, including interest earned on such amounts, remaining in the Trust Fund after September 30, 1985 which were not expended and remain in the Trust Fund.●

By Mr. HATCH:

S. 101. A bill to amend the National Labor Relations Act and the Railway Labor Act to revise provisions relating to religious freedom; to the Committee on Human Resources.

RELIGIOUS FREEDOM IN THE WORKPLACE ACT OF 1979

● Mr. HATCH. Mr. President, I venture to say that most Americans know that one of the great tenets of our society, and possibly the greatest, is the freedom to worship as we individually see fit. The desire to escape religious persecution was the motivating reason for the pilgrims to seek a better way of life in a new land. It is a cherished right which most of our people would be willing to surrender their lives to preserve.

With this self-evident statement having been made, it is ironic that our industrial laws, which have been developed in large measure over the past 50 years, have not recognized and guaranteed this right which we all take for granted. And now I am speaking of existing conflicts in the workplace which pit two principles against each other: union security and religious freedom.

Under the National Labor Relations Act which sets forth our labor relations policy for most employers and employees, union security agreements are legally enforceable requirements in States which do not have so-called "right to work" laws when an employer and union representatives agree to have such a provision. While the term union security does not lend itself to a precise definition, it generally connotes a legal requirement between a labor union and an employer whereby the employer agrees to require his employees, as a condition of their employment, to affiliate with the union in some way. In a situation of this sort, the employee must support a union at least financially, if he is to retain his job.

The conflict takes place in a case where an employee, because he is a member of and adheres to established and traditional tenets of a bona fide religion which have historically held conscientious objections to joining or financially supporting a labor organization, is discharged for refusing to join or support the union. In other words, under present employment laws there is no accommodation made for the retention of an employee's religious beliefs when he is on the job and continuing employment when the conscientious objection is raised as a bar to union membership.

In summary, the employee can be fired without any legal recourse if he refuses to support financially the union where union security arrangements have been agreed to.

The purpose of my bill, which I have termed the "Religious Freedom in the Work Place Act of 1979," is to make employment available without religious discrimination in a union shop under the jurisdiction of the National Labor Relations Act or the Railway Labor Act which governs employment conditions for our railroad and airline workers. My proposal has precedent in existing law for hospital employees only but it is a right which should be available to all workers regardless of the industry in which they are employed.

My bill, while providing for this greater individual freedom on the job, nevertheless treats employees and unions equitably by requiring the employee claiming religious exemption to make a contribution equal to union dues and initiation fees to a stipulated nonreligous nonlabor charity (one of three, if stipulated in the contract—otherwise to a fund chosen by the employee). This provision is an attempt to eliminate the "free rider" argument that unions make in cases where employees share the benefits derived from union organizations yet avoid the costs associated with securing those benefits. I believe such a requirement is necessary, because under Federal law, labor unions have the affirmative duty to represent everyone in the bargaining unit fairly and impartially. Thus, the union must negotiate wages and other benefits for everyone, not just union members. Indeed, many of the improvements in working conditions that labor unions obtain through collective bargaining necessarily benefit everyone; if the union obtains better lighting in the plant, this benefits the union and nonunion employee alike, since such a benefit is not individually divisible. Moreover, if the employer violates the contract rights of a particular employee, whether this employee is a voluntary dues-paying member of the union or not, then the union must, under the statutory duty of fair representation, represent that employee in the processing of his grievance against the employer and by taking the matter to arbitration if necessary.

My bill in this latter respect goes one step farther than other bills previously introduced on this subject. Specifically it would obligate the person claiming a nonunion religious membership exemption to pay the costs of processing a grievance which that person initiates on his own behalf. As such it allows for a greater sensitivity to labor's dilemma of being forced to provide services to all employees on a nondiscriminatory basis, but insures that it will be compensated when the demand for services in regard to the grievance/arbitration machinery is triggered by a demand by the employee.

Mr. President, I believe the bill as drafted balances the interests of labor and the religious employee to a greater extent than previously approved by the

House in the form of H.R. 3384 last year. The bill as constituted is right in principle and approach. It resolves what I would choose to classify as an oversight in our labor relations laws and corrects inequities which are apparent and troublesome. The need for this legislation is now in that the U.S. Supreme Court in the case of Southern Pacific Transportation Co. against Burns has declined to intercede to help an employee who as a Seventh-day Adventist asserted immunity from compulsory union membership and dues but was nevertheless fired from his job.

The time has come to pass this legislation and I invite all of my colleagues to join with me in promoting it throughout the Senate.

Mr. President, I ask unanimous consent that the text of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 101

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Religious Freedom in the Workplace Act of 1979".

Sec. 2. Section 19 of the National Labor Relations Act is amended to read as follows:

"Sec. 19. Any employee (including any employee of a health care institution) who is a member of and adheres to established and traditional tenets or teachings of a religion, a religious body or a religious sect which has historically held conscientious objections to joining or financially supporting labor organizations shall not be required to join or financially support any labor organization as a condition of employment; except that such employee may be required in a contract between such employees' employer and a labor organization in lieu of periodic dues and initiation fees, to pay sums, equal to such dues and initiation fees, to a nonreligious nonlabor organization charitable fund exempt from taxation under section 501(c)(3) of the Internal Revenue Code, chosen by such employee from a list of at least three such funds, designated in such contract which is consistent with the employee's belief, or if the contract fails to designate such funds, then to any such fund chosen by the employee. Where the employer otherwise has a dues checkoff procedure, the charitable payment may be deducted by the employer and sent directly to the charity. If such employee who holds conscientious objections pursuant to this section requests the employee organization to use the grievance-arbitration procedure on the employee's behalf, such employee shall reimburse the employee organization for the reasonable cost of using such procedure in an amount approximately equal to monthly dues, until such costs are paid in full. Such payments shall not be in the place of, but in addition to his or her regular monthly obligation to such charity.".

Sec. 3. The Railway Labor Act is amended by adding at the end thereof the following new title:

"TITLE III—RELIGIOUS CONNECTIONS OF INDIVIDUALS

"Sec. 301. Any employee who is a member of and adheres to established and traditional tenets or teachings of a religion, a religious body or a religious sect which has historically held conscientious objections to joining or financially supporting labor organizations shall not be required to join or financially support any labor organization as a condition of employment; except that such employee may be required in a contract between such employees' employer and a labor organization in lieu of periodic dues and initiation fees, to pay sums, equal to such dues and initiation fees, to a nonreligious nonlabor organization charitable fund exempt from taxation under section 501(c)(3) of the Internal Revenue Code, chosen by such employee from a list of at least three such funds, designated in such contract which is consistent with the employee's belief, or if the contract fails to designate such funds, then to any such fund chosen by the employee. Where the employer otherwise has a dues checkoff procedure, the charitable payment may be deducted by the employer and sent directly to the charity. If such employee who holds conscientious objections pursuant to this section requests the employee organization to use the grievance-arbitration procedure on the employee's behalf, such employee shall reimburse the employee organization for the reasonable cost of using such procedure in an amount approximately equal to monthly dues, until such costs are paid in full. Such payments shall not be in the place of, but in addition to his or her regular monthly obligation to such charity.".●

By Mr. TOWER (for himself, Mr. Hayakawa, and Mr. Lugar):

S. 102. A bill to postpone the increase in the minimum wage and the adjustment to the tip credit under the Fair Labor Standards Act of 1938; to the Committee on Human Resources.

INFLATION REDUCTION AND JOBS PROTECTION ACT

● Mr. TOWER. Mr. President, on January 1 of this year, the basic minimum wage rate rose to $2.90 per hour, a 9.4 percent increase over last year's rate of $2.65. This latter figure, I might add, was a healthy 15 percent boost from the previous year's rate of $2.30.

Despite warnings of inflationary impact and increased unemployment, Congress passed these wage hikes in late 1977, as well as additional scheduled increases which will bring the minimum wage to $3.25 by 1981. As early as last summer, just months after the first increase became effective, noted economists of diverse philosophical persuasions were suggesting a moratorium on future wage boosts to allow the economy a breathing spell.

At that time, citing my own firm belief that the timing and magnitude of the minimum wage increases would exacerbate inflation, I introduced legislation calling for a 1-year moratorium on the three scheduled increases for 1979, 1980, and 1981. This legislation was not considered by the 95th Congress, but in recent months, the growing support for this proposal has encouraged me to reintroduce the measure.

The bill I am introducing today, along with my colleague from California, Mr. Hayakawa, and Indiana, Mr. Lugar, calls for a 2-year delay in the proposed wage increase, as well as the proposed reduction in the tip credit provisions. That is, the wage and tip credit proposals scheduled for 1980 would be postponed until 1982, with the subsequent changes occurring in 1983.

This year's wage increase will affect directly some 5.2 million workers. Indirectly, a far greater number of salaries will be affected as workers with earnings close to the minimum wage seek to maintain their relative wage status. Estimates developed by economists at the Federal Reserve Board indicate that these indirect effects may be nearly one-half the size of the direct effects. This same analysis contends that the underlying inflation rate could have been reduced by 0.4 percent, had the recent 1979 increase been postponed 1 year.

Chairman William Miller of the Federal Reserve Board has advocated a 2-year moratorium on minimum wage increases, based on the "implications for cost and for youth employment opportunities." Treasury Secretary Blumenthal has also recommended postponement, and Arthur Okun, of the Brookings Institute, predicted a half a percentage point reduction in the 1979 inflation rate would result from a 1-year deferral.

A recent Wall Street Journal article reports that the President's own economic policy advisers recently voted 6 to 1 for a change in the minimum wage rates in an effort to lessen inflation. The dissenting vote was cast by Secretary of Labor Ray Marshall. According to the newspaper report, Secretary Marshall subsequently met with political advisers at the White House, and the decision of the economic group was ultimately reversed.

The fact of the matter is that economists and high-ranking public officials charged with the responsibility of administering economic policy have argued against these wage increases—increases, I might add, which exceed the wage guidelines in the President's own anti-inflation plan. Despite the advice of these experts, the administration has refused to seek this delay.

Secretary Marshall insists that changing the wage rates would "transfer too much of the cost of policy to the people who can least afford it—those at the bottom of the economic ladder." Well, let's look at that a little closer.

First of all, most of those individuals employed at the minimum wage rate are teenagers, students, second or third wage earners in a family, or lower-skilled workers. What will happen to these workers as the minimum wage continues to increase?

A number of these people will lose their job, have their hours reduced, or be unable to find a job at all because they are priced out of the market in terms of their skills and experience. This is particularly the case for young people. Last year, unemployment rose from 17.6 to 19.4 percent among white males, aged 16 to 17. For blacks in the same age group, the figure went from 38.7 to 50.4 percent. Now how on Earth does a minimum wage increase help these young workers?

It is interesting to note a comparison here with the Canadian Province of Quebec, which has the highest minimum wage rate in Canada—and one roughly equivalent to our own. The results of a Government-commissioned study by economist Piere Fortin showed that their high minimum wage cost up to 42,000 jobs in a 20-month period, and incerased unemployment by nearly 1½ percent. The Quebec Government has postponed a subsequent scheduled increase in their minimum wage, and we might do well to heed their experience.

By way of contrast, we also have a commission studying the impact of the minimum wage, but considering their 3-year time schedule, a good deal of damage could be done before a consensus is reached.

Mr. President, I am hopeful that we will have an opportunity here in the Senate to consider the merits of this legislation. I do not anticipate that a minimum wage delay alone will solve our mighty economic problems. But if we are to make any strides in this direction, it just may be that we will have to start with a few small steps. I might point out, here, that legislation similar to ours has been introduced in the House by the distinguished Member from Georgia, Mr. BARNARD, and others. I ask unanimous consent that the text of our bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 102

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Inflation Reduction and Jobs Protection Act".

SEC. 2. (a) Section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) is amended by striking out "1980" and inserting in lieu thereof "1982" and by striking out "1980" each time it appears in such section and inserting in lieu thereof "1982" in each case.

(b) Section 3(b)(2) of the Fair Labor Standards Amendments of 1977 is amended by striking out "1980" and inserting in lieu thereof "1982".

(c) The amendments made by this section shall take effect on the date of enactment of this section or on December 1, 1979, whichever first occurs.●

By Mr. HATCH (for himself, Mr. McCLURE, Mr. LAXALT, Mr. THURMOND, Mr. GOLDWATER, Mr. HELMS, Mr. GARN, Mr. HARRY F. BYRD, JR., Mr. TOWER, Mr. HAYAKAWA, and Mr. STEVENS):

S. 103. A bill to provide that the Internal Revenue Service may not implement certain proposed rules relating to the determination of whether private schools have discriminatory policies; to the Committee on Finance.

SAVE OUR SCHOOLS ACT OF 1979

● Mr. HATCH. Mr. President, last September, I introduced legislation intended to save the tax exempt status of some 3,500 American private schools and academies which have been threatened with extinction by the Internal Revenue Service.

Specifically, my bill, the Save Our Schools Act of 1978, would have required that the IRS regulations in question be subject to formal congressional hearings before any new Federal rules are put into effect. These IRS regulations, published in the August 22, 1978, Federal Register were entitled, "Proposed Revenue Procedure on Private Tax Exempt Schools." These procedures would presume discriminatory the thousands of private schools, church and synagogue academies unless they embarked on a complicated affirmative action and quota program.

Initially, those of us who sponsored this legislation sought what we felt was a reasonable compromise. We simply wanted the Commissioner of the IRS, Jerome Kurtz, to hold up the promulgation date when these regulations were scheduled to become effective. We simply wanted them postponed long enough for both the House and the Senate to hold public legislative hearings on the impact of what everyone acknowledges to be a history-making decision by the IRS which will have a major impact on the future course of American education. Many Members of both the House and Senate, hundreds of education and civil associations, and literally thousands of citizens have deluged the poor IRS building. Their request has since then turned into a demand in light of IRS intransigence. The demand is that the IRS not proceed with these very weighty procedures until the Congress has a chance to weigh their effects and to act accordingly.

With the exception of 2 days of IRS hearings in December when Congress was adjourned, and subsequent private meetings the IRS has been holding with private education representatives who are already sympathetic to what the IRS intends to do, the Internal Revenue Service has been insensitive to this public uproar. The Commissioner has made it plain in word and pen, that he intends to go "full speed ahead" with the implementation of regulations which would mean the death knell to many educational institutions in this country.

For these and other reasons, I am today introducing the Save Our Schools Act of 1979. Essentially, this measure would postpone until December 31, 1980, the implementation of the regulations in question. The purpose of it is to assure that both the public and the Congress of the United States remain essential partners in our lawmaking process. It is to guarantee that we do not encourage or permit Federal action which has not been carefully thought through and been subject to public examination and scrutiny.

I am honored to have as cosponsors of this legislation, Senators who have been equally active in the quest for congressional hearings. This is why I am especially thankful to my friends and colleagues, Senators JIM McCLURE, PAUL LAXALT, STROM THURMOND, BARRY GOLDWATER, JESSE HELMS, JAKE GARN, HARRY BYRD, JOHN TOWER, SAM HAYAKAWA, and TED STEVENS.

Next Monday, my colleagues will receive a colleague letter from my office which will further explain the nature of the action we take. We certainly solicit the endorsement and support of each of our colleagues, and I hope to be speaking with all of you individually about this in the days ahead.

At this time, I ask unanimous consent the text of the Save Our Schools Act of 1979 be printed in the RECORD. I also ask unanimous consent that a column by the distinguished and prize-winning journalist, Mr. George F. Will, as well as a letter to Mr. Jerome Kurtz by Indiana University law professor, and the president of the Lincoln Center for Legal Studies, Dr. William Stanmeyer, Esquire be printed in the RECORD.

There being no objection, the bill and the material were ordered to be printed in the RECORD, as follows:

S. 103

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) during the period beginning on the date of the enactment of this Act and ending on December 31, 1980, the Secretary of the Treasury or his delegate shall not issue—

(1) in final form the proposed revenue procedure described in subsection (b), and

(2) in proposed or final form any regulation, revenue procedure, revenue ruling, or other guidelines which set forth rules substantially similar to the rules set forth in the proposed revenue procedure described in subsection (b).

(b) For purposes of subsection (a), the proposed revenue procedure described in this subsection is the proposed revenue procedure which was published in the Federal Register of August 22, 1978, and which sets forth guidelines to be used in determining whether educational institutions claiming tax exemption under section 501(c)(3) of the Internal Revenue Code of 1954 are operating on a racially nondiscriminatory basis.

[From the Washington Post, Dec. 17, 1978]

TAX-EXEMPT SCHOOLS AND STATISTICAL "JUSTICE"

(By George F. Will)

Few people are at peak form at breakfast, but that neither excuses nor explains what President Carter said to reporters at a breakfast session: "If I didn't have to get Senate confirmation of appointees, I could just tell you flatly that 12 percent of all my judicial appointments would be blacks, three percent would be Spanish-speaking and 40 percent would be women and so forth."

"And so forth," indeed.

It would be fascinating to hear Carter explain how his campaign slogan, "Why not the best?," translates into the allocation of judgeships on the statistical basis he yearns to use. Pending that explanation, it is fascinating to watch the Internal Revenue Service administer statistical justice to private schools.

There are 18,000 secular private schools. Catholic schools probably are at least 80 percent of the religious schools, which now number more than 14,000. But Protestant schools that reflect the "born again" religious movement and the "back to basics" educational movement are sprouting like crocuses in spring.

IRS's principal targets are those private schools—perhaps 3,500 of them—that have "insignificant" numbers of government-approved minorities (blacks, Hispanics, Asians or Pacific Islanders, and American Indians or Alaskan Natives) and were founded or substantially enlarged when the community's public schools were desegregated (or when the public schools were subject to compulsory integration, which is not the same thing).

Leave aside the obvious problems concerning religious schools. (Sometimes it is hard to find enough black Catholics or Hispanic Jews to bring a school into a statistical "balance.") But note that, again, a government agency is inferring racist intentions from statistical consequences.

The founding or expanding of many private schools did coincide with desegregation or with busing or with other compulsory integration policies in their communities' public schools. But the expansion of private education also coincided with rising dismay about discipline and academic standards in public schools.

Informed people disagree about the extent to which the decline of public schools is related to attempts to use those schools to create an integrated society. But this is certain: The mixture of motives behind the expansion of private schools is at least as complicated as the reasons for the decline of public schools.

IRS has a duty, affirmed by courts, to deny tax-exempt status to schools that have been found to discriminate racially. But IRS's new policy requires schools that are "statistically suspect" to take "affirmative action" or risk losing tax-exempt status.

As Chief Justice John Marshall would say were he with us: Where private schools (and many other private institutions) are concerned, the power to deny tax-exempt status involves the power to destroy. And the fury with which the public education lobby (including government, acting as an interest group) fights competition from private schools causes some people to believe that government desires the destruction of as many private schools as possible. Whether or not that is a motive for the IRS procedures, those procedures raise problems of principle.

Granted, one of the most reiterated objections to the procedures is untenable. It is the flat assertion that religious schools enjoy constitutional immunity from regulation. Surely the state has a compelling interest in enforcing minimal standards of education, regardless of who dispenses the education.

A more serious objection to the IRS procedures is that they constitute another government program shifting the burden of proof in racial matters. Institutions that are suspect on statistical grounds are required to prove that they are not guilty, and they can only prove that by meeting requirements that are appropriate only for schools already proven guilty.

Further, the program is pregnant with potential for abuse. It could be extended to all schools and, indeed, to all tax-exempt institutions. And, most important, the principle involved can be used to impose government policy beyond racial matters to (for example) fine points of curriculum.

Tax exemption has been a mechanism by which government stimulates diversity and innovation through the private provision of socially beneficial services. But tax exemption could become a mechanism for breaking private institutions to the state's saddle.

The danger is inherent in the principle that tax exemption should not be bestowed on institutions that violate fundamental public policy. IRS is making social judgments that are not properly the responsibility of a revenue-raising agency. Another problem is that the list of policies that government considers so "fundamental" as to require conformity tends to change, and expand.

It is hard to imagine what the list might include in 1990. Until recently, it was hard to imagine a president who favored allocating judgeships in the manner Carter endorsed at breakfast.

William A. Stanmeyer,
Attorney at Law, October 18, 1978.

Attention: E:EO

Mr. Jerome Kurtz,
Commissioner,
Internal Revenue Service
Mr. James E. Griffith,
Exempt Organization Division, Internal Revenue Service, Washington, D.C.

Dear Mr. Commissioner and Mr. Griffith: This letter is a comment on the "Proposed Revenue Procedure on Private Tax-Exempt Schools," which appears in 43 FEDERAL REGISTER (No. 163) page 37296 ff., on Tuesday, August 22, 1978.

In sum, the "procedure" proposes automatic loss of tax exemption for all private schools in the United States if they have been found to be discriminatory by a court or agency or if, as a so-called "reviewable" school they lack a "minority" student enrollment of twenty percent (20 percent) of the so-called "minority school population" of the school district or system in which the school is located.

Further, a presumption is established that the school is discriminatory if it fails to have, inter alia, "An increasing percentage of minority student enrollment" and "employment of minority teachers." This presumption can be rebutted, if at all, only if it carries "the burden of clearly and convincingly rebutting this prima facie case of racial discrimination." If among other things the school "agrees not to institute a declaratory judgment action" it may be accorded a two-year "grace period." But the basic policy is that "Only in rare and unusual circumstances will a school be considered . . . nondiscriminatory . . . if the school does not enroll some minority students."

I. GENERAL COMMENT

This "procedure" is utterly and unqualifiedly unjustified. It has no support in common sense. It has no support in administrative procedure law. It lacks any basis in the I.R.S.'s past practices in an era when racial discrimination in public and private schools was more widespread than it is today. It violates clear Supreme Court case law on racial matters. Its statistical presumptions are utterly fanciful. Its legal burden-of-proof requirement is so unfair that it shocks the conscience. Its manifest prejudice against a certain class of citizens embodies the very "discrimination" it pretends to attack. Its stated application to church-related schools violates the First Amendment Fredom-of-Religion Clause and No-Establishment Clause as interpreted by the Supreme Court. The "procedure" violates Congressional intent. It offends common principles of ethics, justice, and morality.

II. THIS "PROCEDURE" IS UTTERLY AND UNQUALIFIEDLY UNJUSTIFIED, IT HAS NO SUPPORT IN COMMON SENSE

First, this is not a "procedure." It is a change in substantive law. It establishes a a policy of Government disapproval of and attack against over 3,500 private schools. The rumored bringing to Washington of I.R.S. agents from other branches and re-training them to enforce this procedure vigorously, if true, further demonstrates a policy judgment on the part of Government that the time has come to destroy the private schools. This is a substantive policy, for this destruction of the private schools will be the natural result of the I.R.S. efforts, and normal persons are taken to intend the natural, probable, and forseeable consequences of their deliberate acts.

Yet the "procedure" has no support in common sense. To use a whole school district —public school district—as the denominator-basis of one's operative statistical fraction, in judging whether a private school has "enough" of "Blacks; Hispanics; Asians or Pacific Islanders; and American Indians or Alaskan Natives," as the Rev. Proc. puts it, is—to call the matter by its true name—absurd. One might as well enquire whether United Air Lines, headquartered in Cook County, Illinois, carries, among its plane passengers, a percent of " minorities" based on 20 percent of the minority citizens in Chicago.

The reason, as anyone familiar with independent schools knows, and certainly I.R.S. knows or can discover, is that there is a necessary self-selection process in the student bodies of independent schools. For at least two reasons, the makeup of their student—and teaching—bodies cannot reflect any significant percent of "minorities" (as a general rule): (1) all these schools charge tuition. Most "minority" people are "disadvantaged" and cannot afford the tuition. Also, they get public school access free, usually in buildings with far more costly equipment and higher-paid teachers. Second, (2) perhaps 90 percent of the private schools are religiously-oriented. Baptists, Lutherans, Orthodox Jews, Catholics, Christian Reformed, Mormons, Church-of-God, and many other denominations work Bible studies and religious training into parts of the curriculum, because of this they attract their prime constituency and probably repel some potential constituency.

Will the Revenue Service remove tax-exemption from a Mormon school in Hawaii because it lacks a percent of "Pacific Islanders," most of whom are not Mormon? Will it do so in the case of a Lutheran school in Providence, Rhode Island, where it is said the vast majority of people are Roman Catholic? Will it do so in the case of a Catholic school in the ghetto of Chicago, where most of the parents cannot afford the tuition and in any event are Fundamentalist Protestant?

III. THIS "PROCEDURE" HAS NO SUPPORT IN ADMINISTRATIVE PROCEDURE LAW AND LACKS ANY BASIS IN IRS'S PAST PRACTICES

Administrative procedure law requires that there be public hearings when significant changes affecting the rights of citizens are proposed.

I understand that President Carter has issued an Executive Order to the same effect. Certainly a policy-change as sweeping as this requires public hearings. As a matter of fact, it should not be undertaken without the express mandate of Congress, which in the nature of things would have extensive public hearings. To attempt it in camera, as it were, through the instrumentality of the ponderous and, by the general public rarely-read, Federal Register, without more, certainly violates the spirit of administrative fairness the Government should foster in an era of public disenchantment with arbitrary taxation and regulatory failure.

Moreover, the epoch of massive racial discrimination is past. The matter is settled: the national policy is in favor of integration. This is a policy that most, indeed probably 90 percent, of the private schools the Rev. Proc. now attacks have always adhered to. Since the 1954 Brown case the Supreme Court has been clearly on record as to the national policy; how is it that in 1978—fully 24 years later!—the I.R.S. gets around to developing standards for private school noncompliance?

The answer certainly is: for most if not all of those 24 years, I.R.S. realized the truth of the case urged here: that the private schools cannot be expected, as a general rule, to reflect any specific quota or percentage of "minority" enrollment, any more than any enterprise following market principles and charging a price for its service can be expected to "sell" its service to an exact percent of its potential clientele, especially when a competitor—here the public schools—provides the same (and sometimes quantitatively better) service free.

Now the I.R.S. proposes to reject its own prior practice extending over almost a generation. It proposes to institute a statistical-analysis presumption based on fanciful conjectures and contrived and continually-shifting data, to remove a tax exemption it had previously granted, and to remove it whatever the real, factual commitment of a given school to integration may be.

The facts—that as a whole the private schools do not discriminate—have not changed. I.R.S., however, has changed: it now proposes to rely not on a case-by-case review of facts, but on pre-judgment. Which is another name for prejudice.

IV. THIS "PROCEDURE" VIOLATES CLEAR SUPREME COURT CASE LAW ON RACIAL MATTERS

The Supreme Court has consistently held that intent and purpose are crucial in determining discrimination. This for public schools; then a fortiori for private schools:

de facto absence of a given percent of "minorities" in a given private school simply proves nothing. In Milliken v. Bradley, and in Bakke v. Board of Regents, and in many other cases the factual record of discrimination vel non becomes a necessary preliminary to any judgment of illegality. Yet the I.R.S. proposes to dispense with any factual record in a given case and substitute statistics.

The Revenue Service must know that in the last fifteen years or so there have been literally countless Federal District Court cases, many of them going to appeal, on the issue whether a given school district intended to discriminate. The elaborate records, discovery procedures, and witness lists give eloquent testimony to the fact that this is not an easy question to decide.

The Revenue Service is telling the private schools, in effect, that they are presumed to be in violation of the Supreme Court's Brown case and its progeny. This because the schools fail to meet a numerical quota set up by the I.R.S.—why 20 percent rather than 15 percent or 25 percent? and why the entire school district rather than within the boundaries of the private school's natural reach (e.g., a parish school's boundaries)?—a numerical quota itself in obvious violation of the Supreme Court's Bakke case. In simple terms: a private entity is adjudged in violation of Brown by a public agency (I.R.S.) using standards that violate Bakke.

There is a maxim of equity: "Those who seek equity must do equity." In another form this maxim is sometimes stated: "One must come into the equity court with clean hands."

V. THE "PROCEDURE'S" BURDEN-OF-PROOF REQUIREMENT IS SO UNFAIR THAT IT SHOCKS THE CONSCIENCE.

In one section (#.05 appearing on p. 37297) it is stated:

> If there is *any* evidence that a school in fact has a racially discriminatory policy or practice the Service [may remove exemption] without regard to whether the school has complied with the guidelines set forth in this revenue procedure. [Emphasis added.]

This would mean that if one person complains that he was, say, passed over for a scholarship or even a position in the school play, because of his race—this would be "any" evidence—then even if the school has complied with the quota, the hiring of teachers, the special programs, etc., it would not matter: I.R.S. could take away the exemption, period.

This is absolute liability. A simple allegation would suffice. So would a newspaper article or a letter from a dismissed teacher.

Yet the burden of the defense is entirely different. "Mere denial of a discriminatory purpose is insufficient," says the Rev. Proc. text, citing relatively old cases, dealing, I believe, with public schools in the South.

Further, it is stated that "A 'reviewable school' will be considered by the Service to have a racially discriminatory policy . . . until the school can demonstrate either: (1) Actual enrollment of minority students [up to the arbitrary quota of 20 percent-of-minority percent in the community] or (2) Operation in good faith on a racially nondiscriminatory basis as evidenced by at least four out of five factors."

It is fundamental in our jurisprudence that the burden of proof when a right is in jeopardy is on the accuser or the complainant. In criminal law a crime must be proved "beyond a reasonable doubt." In civil law a case must be made "by the preponderance of the evidence." One is innocent until proved guilty. Even in absolute liability cases in tort law a naked allegation of fault will not suffice to make the case.

It shocks the conscience that I.R.S. would attempt to wrench away a right Congress has conferred by placing the burden of proof not on the Government, with its batteries of agents, attorneys, accountants, and investigators; but on small private schools some of which in the case of Protestant Fundamentalists lack the means even to hire one full-time attorney; and, in any event, even if wealthy, should not have to meet a different and much more stringent burden of proof than its accuser. The presumption of innocence is not revoked in a criminal matter when the accused is wealthy; nor is the burden of establishing the preponderance of the evidence in a civil matter.

But the Revenue Service uses words of art: "Only in rare and unusual circumstances . . ." And: "the burden of clearly and convincingly rebutting this prima facie case . . ." To require "clear and convincing" evidence of the schools, but to require only "any" evidence of the accuser is to stand justice on its head. One is reminded of the Soviet Union, where any State informer can accuse some dissident writer of "slandering" the State—and then the burden of proof shifts to the defendant, whose life and associations are all scrutinized to the last breath, and who has the impossible burden of proving, to a suspicious and hostile court, that he is totally loyal in all his thoughts, words, and deeds.

VI. THE "PROCEDURE'S" MANIFEST PREJUDICE AGAINST A CERTAIN CLASS OF CITIZENS EMBODIES THE VERY DISCRIMINATION IT PRETENDS TO ATTACK

The proposed rule treats private schools as a class. It assumes, without looking at individual conduct in any fair or serious way, that all private schools are guilty of a moral fault that is now condemned by public policy. This is the same mental set, in structure, as that attitude of segregationist Whites who assume, without looking at individual conduct in any fair or serious way, that all Blacks are guilty of some fault and should be shunned. The Government, whose own commitment to fairness is late and spotty, turns on Christian and Jewish communities and condemns them for not having done—with no financial resources—what it has failed in many cases to do with virtually unlimited finances.

Indeed, it would be an interesting exercise of legal discovery to ascertain how many I.R.S. agents are members of "minorities" as judged by a 20%-of-population test.

It appears I.R.S. does not plan to wrench away tax-exemption from public schools and colleges which fail to meet its newly discovered standards of nondiscrmination. Yet not to treat State schools and colleges with the same harshness violates equal protection.

Further, there is a subtle *apartheid* in the proposed Rev. Proc. Who will decide whether a person is, truly, a member of a "Minority" group? How many people in Hawaii are Pacific Islanders? How does one categorize a student who has one parent who is Black or Hispanic and one who is White? Are children of Italian immigrants who settled in Alaska to be called "Alaskan Natives"?

The explanatory comment says: "if both blacks and Hispanics have been found in a court or agency adjudication to have been the subject of discrimination, the appropriate percentage of minority students will be determined separately for blacks and for Hispanics." What if a student has one Black and one Hispanic parent? Will he be counted twice?

The questions are not meant to be flip. In 1898 the Supreme Court maintained the segregationist system in Plessy v. Ferguson, where the "minority" person in question was one-eighth Black and seven-eighths Caucasian. And the deadly seriousness that apartheid is taken in South Africa, where individual people are broken up into percentages for record-keeping and civil rights purposes, is well known.

Will the I.R.S. now train its agents to do blood tests and trace genealogies? Or are the private schools expected to enter into such demeaning makework?

VII. THE "PROCEDURE'S STATED APPLICATION TO CHURCH-RELATED SCHOOLS VIOLATES THE FIRST AMENDMENT FREEDOM OF RELIGION CLAUSE AND NO-ESTABLISHMENT CLAUSE AS INTERPRETED BY THE SUPREME COURT"

The overwhelming majority of private schools under scrutiny here are religiously-oriented. It is fair to say that the Rev. Proc. is directed at such schools as a class. It will deprive these schools of a very valuable Congressionally-bestowed right intimately supportive of their very existence: it will destroy many if not most of them. Yet Pierce v. Society of Sisters (1925) held that Government cannot single out these schools with special burdens that will, in effect, result in their destruction. And Everson v. Board of Education (1947) held that citizens could not be deprived of a publicly-conferred benefit "because of their religion." In Wisconsin v. Yoder (1972) it was held that the parental right to educate in accord with one's religious conscience supercedes and transcends the State's right to compel educational conformity in public schools; yet the Rev. Proc. will destroy many private schools and make a mockery of that parental right. Walz v. Tax Commissioner upheld tax exemption for religious charitable/educational groups, at the very height of the concern over discrimination in public (and some private) schools.

Moreover, Lemon v. Kurtzman, following Walz, held that Government violates the Establishment Clause when it sets up administrative procedures that create "excessive entanglement" with the internal workings of religiously-oriented schools. It seems to me that for I.R.S. to police its own regulations on this non-discrimination matter will be such excessive entanglement: Government Agents will have to inspect the schools to count the "minority" students; they will have to review the internal memoranda of the scholarship committee; they will have to count the student applicants and determine their racial and religious background to see whether acceptance or rejection was—in the judgment of Government Agents not part of the community-of-faith which set up the school—"justified" by the I.R.S.'s views of what is good education. The I.R.S., through its Agents, will take upon itself the right to decide whether a given teacher, perhaps of "minority" derivation, was not hired because of race, or because of salary demands, or—and here is the religious entanglement—because his or her religious commitment was not judged strong enough by the school authorities. The I.R.S. will decide, under section No. .03 [page 37298 of the Federal Register] whether a school's "(e) special minority-oriented curriculum . . . programs" pass muster if they do or do not talk about religious missionary efforts in Africa or Asia, if they do or do not comment on the toleration in the past—and strong condemnation later—by religious bodies of various forms of slavery.

Such inquiries are violations of the school's academic freedom. They are clearly "entanglements" which are "excessive." They will put a Government Agency in the strange business of judging the degree which religious conscience is or is not "correct" on racial matters. Such a role for I.R.S. is simply intolerable in a free society. I confidently predict it will be struck down bluntly by the Supreme Court.

From what has been said it is obvoius that the Rev. Proc. violates Congressional intent and that it offends common principles of ethics, justice, and morality. Moreover, so offensive is it that it is reasonable to predict, should it not be withdrawn, that offended parties will sue relevant I.R.S. officials in their personal capacity, under pertinent Civil Rights statutes, for depriving them of their Constitutional and Civil Rights "under color of law."

No responsible person supports racial discrimination. The vast majority of private schools, especially the religiously-oriented ones, have longstanding—and for them financially costly—policies of fairness. They seek, they welcome, minorities. If a few remain discriminatory, Congress and the Courts can deal with them; or the I.R.S., if empowered by Congress. But it is a greater discrimination to take away a right from a class of people—including many grammar-school children and their taxpaying parents—because of a contrived presumption. The I.R.S. should withdraw this proposed "procedure" at once.

Sincerely,
WILLIAM A. STANMEYER,
Associate Professor of Law,
Indiana Univ. School of Law.●

By Mr. SCHMITT (for himself, Mr. LAXALT, Mr. NUNN, Mr. SCHWEIKER, Mr. GOLDWATER, Mr. STEVENS, Mr. ZORINSKY, Mr. HAYAKAWA, Mr. THURMOND, Mr. HELMS, Mr. COCHRAN, Mr. TOWER, Mr. WARNER, Mr. MCCLURE, and Mr. HATCH):

S. 104 A bill to improve and systematize the procedures for the promulgation of rules by the Federal agencies, to establish a uniform procedure for congressional review of agency rules, and for other purposes; to the Committee on the Judiciary.

RESTORING THE BALANCE—CONGRESSIONAL CONTROL OF EXECUTIVE BRANCH LAWMAKING

● Mr. SCHMITT. Mr. President, I am today introducing a revised and improved version of S. 2011, the regulatory Reduction and Congressional Control Act, which I previously introduced in the last Congress.

This bill would establish a 60-day period in which there would be an opportunity for congressional disapproval of proposed agency rules. The bill, however, carefully avoids imposing the excessive burden of mandating the review of all rules. It simply opens up the rulemaking process to appropriate, but limited participation by the elected representatives of the people. Regulatory law-making as exercised by the executive branch must become more responsive to the Congress, particularly when its costs have grown to be so great.

Inflation has finally become recognized as our Nation's number one problem, and the significant contribution that Federal regulation has made to the inflation rate has also become well known. Regulation is the fastest growing contributor to inflation. The landmark study of Prof. Murray Weidenbaum of the Center for the Study of American Business at Washington University in St. Louis demonstrates that regulatory costs imposed by the Federal Government on the private sector alone are expected to amount to approximately $103 billion for fiscal year 1979. This figure is equal to one-fifth of the Federal budget but is not subject to any systematic procedure of congressional scrutiny.

It is interesting to note in this regard that 34 States have taken steps to improve the legislative oversight of rulemaking on the State level. The laboratory of State experience has provided the Congress with an opportunity to select from among many alternative procedures for legislative review of regulations. State legislators have testified that where such procedures are available, the quality of legislative oversight has significantly improved. Simply the existence of the authority to disapprove proposed rules also seems to have resulted in a more responsive executive branch. This is true even in those States where the legislatures have seldom if ever used their authority to disapprove a proposed or existing regulation. The States are far ahead of Congress in this regard, and it is high time for the Congress to assume its responsibility for the quality and quantity of regulatory law.

The National Conference of State Legislatures has documented the State experience with legislative review of regulations in a booklet entitled "Restoring the Balance." A copy of this booklet has been sent to each Member of the Senate, and I hope each Senator will take the time to review this most interesting document.

Growing public awareness and concern about regulation demands that the Congress examine this problem in detail and pass legislation establishing an orderly and certain process for congressional oversight of the rulemaking process. The bill I am introducing today is designed to accomplish this purpose.

MAJOR PROVISIONS

The major provisions of the bill as reintroduced today are as follows:

First. Federal departments and agencies will be required to make a preliminary economic review of all proposed rules in order to develop a preliminary estimate of any costs these rules may impose on the private and public sectors of our economy.

Second. For any proposed rule whose costs may exceed $100 million per year, the department or agency in question will be required to prepare a full economic impact statement which analyzes in greater detail both the costs and benefits of the rule to the public. President Carter's Executive Order No. 12044 currently requires economic impact statements for rules whose cost exceeds $100 million. In this respect, this bill simply makes law what should be already standard practice. In addition, the bill provides that the economic impact statement shall be open to public comment and that any changes made in the impact statement as a result of such comment shall be explained at the time a final rule is published in the Federal Register. It is important to note that this legislation does not eliminate the existing procedures for public comment, but instead gives the public additional information on which to base their comments.

Third. At the time of final publication, the proposed rule and economic impact statements will be simultaneously transmitted to Congress and to the General Accounting Office. The GAO will conduct a brief analysis of the impact statement to determine if the department or agency's cost estimates are realistic. The Council on Wage and Price Stability currently performs a similar function in the executive branch under the executive order cited above. The GAO review will be conducted with a minimum of staff, probably no more than a professional staff of 25, according to Congressional Budget Office estimates. This process will leave the Congress free to make policy decisions with regard to proposed rules, with the GAO performing all technical evaluation.

Fourth. After the proposed rules are referred to the appropriate congressional committee, it is important to note that no further congressional action needs to be taken. Nothing in this bill will require any congressional committee to evaluate any proposed rule at any time. The bill simply provides that proposed regulations will be made available to the Congress before going into effect. All regulations will go into effect automatically after 60 calendar days of continuous session unless one House of Congress has adopted a resolution of disapproval, in which case the rule will not go into effect for an additional 30 days to give the other House an opportunity to act on the resolution. Whether a proposed rule should be evaluated or made the subject of a hearing is a matter for the committee to determine. It need not do anything.

Fifth. On those occasions when the committee determines that a proposed rule is inconsistent with law or congressional intent, or that a proposed rule represents an excessively costly approach to the problem being addressed, a resolution of disapproval may be reported. Should the committee fail to take any action on a resolution of disapproval after 45 calendar days of continuous session from the date of its introduction, a motion may be made to discharge the committee from further consideration of a resolution if supported by one-fifth of the Members of the House in which it was introduced. In such a case, the resolution of disapproval would become privileged business on the floor of either House.

If a resolution of disapproval is passed by one House, it will be sent to the other House of Congress, where, if no further action is taken within 30 days, the proposed rule will not go into effect. However, the other House retains the right to reject the resolution of disapproval, in which case the rule will go into effect. This procedure avoids the constitutional controversy surrounding the two House veto and yet, unlike the strict one House veto, it allows both Houses of the Congress to be involved in any action on a proposed rule.

Sixth. Should a rule be disapproved, the department or agency will be encouraged to take a different approach to the problem being addressed and to promulgate another proposal for public comment and congressional review. This procedure is not designed to unnecessarily interfere with the regulatory process, but to insure that regulatory law follows legislative intent and the will of the people.

Seventh. Existing rules will also be subject to congressional review. These rules will be subject to a resolution of reconsideration under procedures which are similar to those used for proposed rules. Passage of such a resolution will require the repromulgation of the rule according to the procedures outlined above.

HEARINGS

In the 95th Congress, the Subcommittee on Administrative Practice and Procedure of the Committee on the Judiciary held several days of hearings on S. 2011. During these hearings, testimony was received from distinguished economists, experts in constitutional law, State legislators, a former director of the National Commission on Paperwork, the American Bar Association, representatives from consumer groups, the administration, and many others. As a result, I have made several important changes from the original version of this bill introduced in the 95th Congress.

These changes include the following:

NO SUNSET OF RULES

S. 2011 would have required the "sunset" of agency regulations after 5 years. This provision has been deleted from the new version of the bill in favor of the procedure described above which would allow for Congress to target individual regulations for reconsideration.

While the concept of terminating all regulations at some point in time after promulgation has some merit, testimony has indicated that it would impose an unnecessarily burdensome workload on the executive branch and that the "rifleshot" approach of a resolution of reconsideration is superior.

NO RESOLUTION OF APPROVAL

The original version of S. 2011 required that before any regulation whose impact exceeds $100 million in any year could go into effect, it must first be approved by both Houses of Congress. All other regulations would be subject to disapproval. In order to avoid unnecessary congressional involvement and to assure that all regulations would be handled with the same procedure, this provision has been dropped in favor of requiring all rules to be subject only to a resolution of disapproval passed by either House and not disapproved by the other House.

LIMITED LEGISLATIVE DISAPPROVAL OF PROPOSED RULES

S. 2011 provided for the disapproval of proposed rules by the action of either House of Congress. Because of the concerns expressed that this procedure might exclude one House of Congress from participating in the disapproval of a regulation or might allow one House to negate a principle previously agreed to, the revised version provides for one House to disapprove the action of the other.

LIMITED ECONOMIC IMPACT STATEMENTS

S. 2011 required a complete economic impact statement for all regulations promulgated by Federal Departments and agencies. Testimony from noted economists has suggested that this kind of analysis, while valuable, should not be imposed upon all regulations. Thus, the revised version of S. 2011 requires only that agencies conduct a preliminary review of economic impact for all regulations, reserving the requirements of the full economic impact statement only for those regulations whose estimated costs to the economy exceeds $100 million.

GENERAL ACCOUNTING OFFICE INVOLVEMENT

S. 2011 would have required proposed rules and accompanying impact statements to be submitted directly to Congress for referral to the appropriate standing committee. The revised version of S. 2011 provides for General Accounting Office review of the economic impact statements required under the bill. This review is to be an evaluation of an agency's determination that the benefits of the proposed rule exceed its costs. This procedure was developed in response to suggestions that the standing committees would not have the staff nor the expertise to handle this responsibility effectively.

CONSOLIDATION OF IMPACT STATEMENTS

S. 2011 required agencies to prepare economic, paperwork and judicial impact statements, where applicable, for each proposed rule. In response to concerns that have been expressed over the proliferation of impact statements, in the new version, these three statements have been consolidated and streamlined into a single impact statement.

NEED FOR LEGISLATION

This legislation, with the improvements which have been made as a result of hearings before the Committee on the Judiciary, will provide Congress with a valuable tool for assuring that executive branch rules are a true expression of congressional intent.

Let me review for a few moments the reason that this legislation is required. Recent years have witnessed an unprecedented eruption of regulations and regulatory bureaucracies which impact on almost every facet of the lives of the citizenry.

The American citizen, the small businessman, and government itself are staggering under an increasingly heavy load of regulations. People have a general perception that the regulatory bureaucracy is out of control. There is a mandate to the Congress to do something about reestablishing control of the regulatory process and to reform existing regulations.

The size of this massive burden can be appreciated by recognizing that at the Federal level there are 44 independent regulatory agencies plus 1,240 boards, commissions, et cetera. These organizations employ over 100,000 individuals responsible for controlling the lives of our citizens. The cost to the taxpayers to finance these Federal bureaucracies is equally large, growing from just over $2 billion in 1974 to an estimated $3,500,000,000 in 1977. The total cost to the economy has been estimated to be as much as $200 billion annually when costs to both the public and private sectors are considered.

There is little question that in recent decades, Congress has increasingly given up much control over the "making of law" to the regulatory agencies. This loss of constitutional congressional authority has occurred through the passage of legislation that calls for the "promulgation" of rules and regulations that supposedly will cure some social ill. Subsequent congressional oversight over the rules and regulations so "promulgated" has been inconsistent. While there have been a few examples of good congressional oversight, most has been lost in the press of other duties. Thus, the constitutional concept of the separation of powers between the legislative and executive branches of government has been seriously blurred and compromised.

Mr. President, the concept of returning to the elected representatives of the people the control over governmental decisionmaking has become a familiar one in recent years. Several years ago, the Congress passed the Congressional Budget and Impoundment Control Act to reassert its control over the Federal budget process. The legislation which I am introducing today would likewise employ a set of procedures to reestablish congressional control in the area of regulatory rulemaking by executive branch agencies.

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 104

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE; FINDINGS AND PURPOSES

SECTION 1. (a) This Act may be cited as the "Regulatory Reduction and Congressional Control Act".

(b) It is the finding of the Congress that the steady usurpation of quasi-judicial and legislative powers by the Federal agencies represents a clear and dangerous challenge to the constitutional provisions establishing the separation of powers among the three equal branches of the Federal Government. In making this finding, the Congress has determined that—

(1) there is an urgent requirement for a legislatively approved uniform procedure to oversee the rulemaking activities of the executive branch of the Federal Government, and such a uniform procedure will preserve and protect the constitutional doctrine relating to the separation of powers among the three equal branches of the Federal Government;

(2) there is an urgent need for the legislative branch to supervise the Federal agencies in the exercise of the limited judicial and legislative powers which have been granted by the legislative branch to the executive branch;

(3) the often arbitrary exercise of the powers granted to the executive branch has seriously eroded the confidence of the citizenry in the executive branch and thereby has weakened the confidence of the citizenry in our system of Federal Government;

(4) there is a need for greater participation by the public in the decision making process which occurs during the exercise of the properly mandated regulatory powers of the executive branch, and such public participation can best be acomplished by making Federal agencies more responsive to the need of the citizenry for information and participation in regulation activities;

(5) the citizenry of the United States are in need of protection from the often unnecessary, arbitrary, and capricious actions of Federal agencies, particularly when such actions result in significant economic, legal or bureaucratic burdens; and

(6) the legislative branch of the Federal Government, the branch of the Government which is closest and most responsive to the needs and will act of the citizenry, must reassert on behalf of the people the constitutional right of the people to be secure from the unreasonable and arbitrary actions of the executive branch which result from the usurpation by the executive branch of the powers granted by the people to the judicial and legislative branches of the Federal Government.

IMPROVEMENTS IN REGULATORY PROCEDURES

SEC. 2. (a) Section 551 of title 5, United States Code is amended—

(1) by striking out paragraph (4) and inserting the following:

"(4) 'rule' means the whole or part of an agency statement of general or particular applicability designed to implement, interpret, or prescribe law or policy or to describe the organization, procedure, or practice requirements of an agency and includes—

"(A) the approval or prescription for the future of rates, wages, corporate or financial structures or reorganizations thereof, prices, facilities, appliances, services or allowances therefor or of valuations, costs, or accounting, or practices bearing on any of the foregoing; and

"(B) any amendment, revision, or repeal of such an agency statement.";

(2) by striking out the word "and" in paragraph (13);

(3) by striking out the period at the end of paragraph (14) and inserting a semicolon and the word "and"; and

(4) by inserting immediately after paragraph (14) the following new paragraph:

"(15) 'emergency rule' means a rule which is temporarily effective without the expiration of the otherwise specified periods of time for public notice and comment and which was duly promulgated by an agency pursuant to a finding that delay in the effective date thereof would—

"(A) seriously injure an important public interest,

"(B) substantially frustrate legislative policy and intent, or

"(C) seriously damage a person or class of persons without serving any important public interest.".

(b) Section 553(b) of such title is amended—

(1) by striking out clause (B) and inserting the following:

"(B) when the agency for good cause finds that public notice and comment are unnecessary due to the routine nature or matter or insignificant impact of the rule, or that emergency rules should be promulgated.

An agency which finds that a rule is within an exception specified in clause (A) or (B) of this subsection shall publish in the Federal Register with the final rule a statement of the finding of the agency under such clause and a brief description of reasons for such finding. The provisions of clauses (A) and (B) of this subsection shall not preclude an agency from—

"(i) inviting persons representing different points of view to submit comments,

"(ii) creating an advisory committee to report, or

"(iii) using such other devices to obtain suggestions,

regarding the content of proposed rules prior to notice of rulemaking.";

(2) by striking out the word "and" in clause (2);

(3) by striking out the period at the end of clause (3) and inserting a semicolon and the word "and"; and

(4) by inserting immediately after clause (3) the following:

"(4) the summary statement and the preliminary economic analysis prepared pursuant to section 602 of this title; and

"(5) in the case of a major rule as defined in section 601(4) of this title, a summary of the economic impact statement prepared pursuant to section 603 of this title;".

(c) Section 553 of such title is amended by redesignating subsection (e) as subsection (f), by striking out subsection (d), and by inserting immediately after subsection (c) the following new subsections:

"(d) Unless a longer period of time is required by law or provided in the rule—

"(1) a rule may become effective immediately if it—

"(A) grants or recognizes an exemption to or relieves a restriction from a rule, or

"(B) is exempt from public notice and comment under clause (A) or (B) of subsection (b) of this section; and

"(2) a rule which is subject to disapproval pursuant to chapter 6 of this title shall not take effect except as provided in section 606(b) of such chapter.

"(e) At the time of publication of an emergency rule, an agency shall commence rulemaking proceedings in accordance with subsections (b) and (c), except that the period for public comment shall be limited to sixty days unless the agency determines that an additional thirty days are necessary to enable diligent, interested persons to participate in the rulemaking. Within thirty days after the close of the period for public comment, the agency shall issue a final rule to take effect as provided under subsection (d). Unless earlier withdrawn by the agency, disapproved by resolution of Congress pursuant to chapter 6 of this title, or set aside by court action, an emergency rule shall expire on the sixtieth calendar day of continuous session (calculated in accordance with section 608 of this title) after the date by which a final rule is required to be promulgated under the preceding sentence.".

PUBLIC PARTICIPATION IN AGENCY RULEMAKING

SEC. 3. Section 553(c) of title 5, United States Code, is amended to read as follows:

"(c) After notice required by this section, the agency shall give interested persons not less than sixty days to participate in the rulemaking through submission of written data, views, or arguments with or without opportunity for oral presentation. The agency may extend the sixty day time period if it appears that such period is too short to permit diligent, interested persons to prepare comments or if the agency determines that other circumstances justify an extension. After consideration of the relevant matter presented, the agency shall incorporate in the rules adopted a concise general statement of their basis and purpose. In any case in which a final rule is not preceded by a proposed rule, the agency shall include with the publication of the final rule the summary statement and the preliminary economic analysis prepared pursuant to section 602 of this title, and in the case of a major rule, a summary of the economic impact statement prepared pursuant to section 603 of this title. When rules are required by statute to be made on the record after opportunity for an agency hearing, sections 556 and 557 of this title apply instead of this subsection.".

CONGRESSIONAL REVIEW

Sec. 4. (a) Title 5 of the United States Code is amended by inserting immediately after chapter 5 the following new chapter:

"Chapter 6—CONGRESSIONAL REVIEW OF AGENCY RULEMAKING

"Sec.
"601. Definitions.
"602. Summary statement; preliminary economic analysis.
"603. Economic impact statement.
"604. Agency procedures.
"605. Congressional review of agency rules.
"606. Resolution of disapproval.
"607. Resolution for reconsideration.
"608. Computation of calendar days of continuous session of Congress.
"609. Procedures for consideration of resolutions.
"610. Effect on statutory time limits.
"611. Effect on judicial review.
"612. Applicability.
"613. Agency implementation.
"614. Review by the Comptroller General of the United States.
"615. Agency reports.

"§ 601. Definitions

"For purposes of this chapter—

"(1) the term 'agency' has the same meaning as in section 551(1) of this title, and includes the functions excluded from the definition of such term under subparagraph (H) of such section;

"(2) the term 'rule' has the same meaning as in section 551(4) of this title;

"(3) the term 'emergency rule' has the same meaning as in section 551(15) of this title; and

"(4) the term 'major rule' includes any rule which the agency, based upon a preliminary review of the economic impact of all proposed rules, estimates—

"(A) will result in increased costs—

"(i) for the national economy, in excess of $100,000,000 in any one year or in excess of $150,000,000 in any two year period, or

"(ii) for any economic sector, industry, or level of government, in excess of $5,000,000 in any one year or in excess of $75,000,000 in any two year period;

"(B) is likely to lessen substantially competition, limit market entry, restrain market information, or tend to create a monopoly or monopolistic market power in any line of commerce in any section of the country in any case in which commerce in the relevant market exceeds $100,000,000 per year;

"(C) will result in a direct change in total employment—

"(i) for the national economy, of two-tenths of 1 per centum in total employment, or

"(ii) for any specific industry, regional economy, level of government or category of employees, of ten thousand or more jobs;

"(D) will affect products or services having an annual wholesale or retail value in excess of one-twentieth of 1 per centum of the gross national product;

"(E) is likely to cause serious harm to the public health, safety, and welfare;

"(F) will provide a civil or criminal penalty or forfeiture in excess of $1,000 per offense or $100 per day; or

"(G) will require an inspection of the premises by an agency or representative thereof acting in an official capacity.

"§ 602. Summary statement; preliminary economic analysis

"With the publication of each proposed and final rule, including each emergency rule and major rule, an agency shall prepare and publish—

"(1) a summary statement, written in clear English that is understandable to the lay person, of the problem requiring remedial Federal action for which the rule is being promulgated; and

"(2) a preliminary economic analysis of the rule which estimates to the extent practicable, the costs imposed by the rule upon the various sections of the economy affected.

"§ 603 Economic impact statement

"(a) For each rule, an agency shall utilize the preliminary economic analysis prepared pursuant to section 602 (2) to determine whether the rule is within the definition of major rule established in section 601 (4).

"(b) For each proposed major rule and final major rule, an agency shall prepare and publish an economic impact statement Each economic impact statement shall include—

"(1) estimates, to the extent practicable and appropriate, of the cost impacts on and benefits to consumers, wage earners, businesses, markets, and Federal, State, and local governments as a result of the rule;

"(2) estimates, to the extent practicable and appropriate, of the effects of the rule on productivity, competition, supplies of important manufactured products or services, employment, the quantity of energy resource supply and demand, and the environment;

"(3) an analysis which demonstrates that the benefits of the rule are likely to exceed the costs which the rule imposes on the areas of the economy specified in paragraph (1);

"(4) estimates, to the extent practicable and appropriate, of the effect of the rule on paperwork required of the public and private sectors which show, for each occurrence of compliance, an estimate of—

"(A) the number and categories of persons that would be required to file reports, maintain records, and fulfill any of the information gathering requirements under the rule;

"(B) the nature and amount of the information that would be required to be filed in such reports and the frequency of such reports which would be required under the rule; and

"(C) the hours and costs that would be required to keep such records and make such reports under the rule;

"(5) estimates, to the extent practicable and appropriate, the effect of the rule on the operation, workload, and efficiency of the Federal courts;

"(6) an index of all rules pertaining to the same subject matter as the rule which lists all such rules by title and subject matter and shall include a brief summary of the content, purpose, and compliance costs of the regulations;

"(7) any other explanatory and supportive statements and materials as the agency deems necessary and appropriate for congressional consideration of each rule; and

"(8) additional information prepared by the agency in accordance with criteria that may be developed for the executive agencies by the Office of Management and Budget and for the independent regulatory agencies by the General Accounting Office.

"(c) Where quantifiable data for support of the estimates and analyses required under paragraph (1), (2), or (3) of subsection (b) cannot be practicably obtained by the agency by any means, the agency shall substitute for such data its most reasoned estimate based upon the experience of such agency and other external information sources. Where the agency is unable to assess impacts for the purposes of the estimates and analyses required under such paragraphs, the agency shall include a statement of the nature and extent of nonquantifiable costs and benefits.

"(d) The Administrator of General Services shall take such steps as may be necessary to ensure prompt publication of all materials required to be published pursuant to sections 602 and 603.

"(e) The economic impact statement required under this section shall not be subject to judicial review.

"§ 604. Agency procedures

"(a)(1) The summary statement and preliminary economic analysis required under section 602, and, if applicable, a summary of the economic impact statement required under section 603, shall be published—

"(A) in the case of a proposed rule, with the text of such proposed rule on the date such rule is published in the Federal Register; and

"(B) in the case of a final rule (whether or not preceded by a proposed rule), with the text of the final rule on the date such rule is published in the Federal Register.

"(2) In the case of any final rule which is preceded by a proposed rule, the agency shall include with the publication of the final rule the text of, and an explanation of, any revisions in the economic impact statement prepared pursuant to section 603 which are warranted as a result of public comment received pursuant to section 553 (c) of this title.

"(b) The agency head shall transmit a copy of the complete text of each final rule, the summary statement and the preliminary economic analysis prepared pursuant to section 602, and, if applicable, the complete text of the economic impact statement prepared pursuant to section 603, to the Senate and the House of Representatives on the day on which the final rule is published in the Federal Register.

"(c) Whenever an agency promulgates a set of proposed or final rules on the same subject at the same time, such rules shall be considered en bloc for the purposes of determining whether a rule is within the definition of 'major rule' established in section 601(4), and whether an economic impact statement is required under section 603.

"§ 605. Congressional review of agency rules

"(a)(1) The appropriate standing committees of the Congress may review any any rule and the accompanying materials transmitted to the Senate and the House of Representatives under section 604(b) for the purpose of determining whether—

"(A) the estimated costs of implementing the rule would exceed the benefits expected to be derived from the rule; or

"(B) the rule contains any provision which—

"(i) violates provisions of existing law;

"(ii) is in conflict with court decisions;

"(iii) goes beyond the mandate of the legislation which the rule is designed to implement;

"(iv) is redundant, overlapping, or inconsistent with provisions of the same or another rule;

"(v) would seriously injure an important public interest; or

"(vi) is inconsistent with congressional intent.

"(2) If the appropriate standing committee determines, with respect to a rule, that its estimated costs exceed its expected benefits or that it contains a provision described in paragraph (1)(B), the committee may report a resolution of disapproval of such rule in accordance with the provisions of section 606. A committee may report a resolution of disapproval of a rule based on such factors (other than the factors specified in subparagraphs (A) and (B) of paragraph (1)) as the committee finds to be appropriate.

"(b)(1) The appropriate standing committees of the Congress may review periodically any existing rule for the purpose of determining whether—

"(A) the costs of such rule exceed the benefits being derived from such rule; or

"(B) such rule contains any provision described in subsection (a)(1)(B).

"(2) If the appropriate standing committee determines with respect to any rule, that its costs exceed its benefits or that it contains a provision described in subsection (a)(1)(B), the Committee may report a resolution for reconsideration of such rule in accordance with the provisions of section 607. A committee may report a resolution of reconsideration for a rule based on such factors (other than the factors specified in subparagraphs (A) and (B) of paragraph (2)) as the committee finds to be appropriate.

"§ 606. Resolution of disapproval

"(a) For purposes of this title, the term 'resolution of disapproval' means a resolution of either House of the Congress, the matter after the resolving clause of which is as follows: 'That the disapproves the rule promulgated by dealing with the matter of , which rule was transmitted to the Congress on .", the first blank being filled with the name of the resolving House, the second blank being filled with the name of the agency issuing the rule, the third blank being filled with the title of the rule and such further description as may be necessary to identify it, and the fourth blank being filled with the date of transmittal of the rule to the Congress.

"(b)(1) Except as provided in paragraph (2), a rule, including an emergency rule and a major rule, shall not become effective if within 60 calendar days of continuous session of the Congress after the date of transmittal of the rule to the Congress, one House agrees to a resolution of disapproval and at the end of 30 additional such calendar days after the date of transmittal of the resolution of disapproval to the other House of Congress, such other House has not passed a resolution disapproving such resolution.

"(2) Notwithstanding paragraph (1), if at the end of 60 calendar days of continuous session of the Congress after the date of transmittal of the rule to the Congress, neither House has agreed to a resolution of disapproval of such rule, and the committee to which a resolution of disapproval concerning such rule has been referred has not reported and has not been discharged from further consideration of such a resolution, such rule shall be effective at the end of such 60 day period or such later date as may be prescribed by such rule.

§ 607. Resolution for reconsideration

"(a) for purposes of this title, the term 'resolution for reconsideration' means a resolution of either House of the Congress, the matter after the resolving clause of which is as follows: "That the directs to reconsider its rule dealing with the matter of which is found at .', the first blank being filled with the name of the resolving House, the second blank being filled with the name of the agency issuing the rule, the third blank being filled with the title of the rule and such further description which may be necessary to identify it, and the fourth blank being filled with the citation to the rule in the agency records.

"(b) If either House of Congress adopts a resolution for reconsideration of an existing rule, other than an emergency rule, and at the end of 30 calendar days of continuous session of Congress after the date of transmittal of such resolution to the other House such other House has not passed a resolution disapproving such resolution for reconsideration, the rule shall be reconsidered as specified in subsection (c).

"(c) Two hundred and ten days after the passage by either House of the Congress of a resolution for reconsideration of a rule which has taken effect the rule shall lapse unless repromulgated by the agency. Unless excepted by section 553(a) of this title, the agency shall, not less than 60 days prior to repromulgating such a rule, give notice of a proceeding to consider its repromulgation. The notice and proceeding shall comply with subsections (b) and (c) of section 553 of this title, except that the provisions of section 553(b)(3) shall not be available to the agency and the agency shall hold a hearing for oral presentations. Rules repromulgated pursuant to this subsection within 180 days of the passage of the resolution for reconsideration shall take effect as provided in section 606(b), and during the period for congressional review provided in that section the reconsidered rule may remain in effect.

"(e) A resolution of disapproval supersedes a resolution for reconsideration of the same rule or part thereof.

"§ 608. Computation of calendar days of continuous session of Congress

"For the purposes of this chapter—

"(1) continuity of session is broken only by an adjournment sine die; and

"(2) the days on which either House is not in session because of an adjournment of more than 3 days to a day certain are excluded in the computation of calendar days of continuous session.

"§ 609. Procedure for consideration of resolutions

"(a) The provisions of this section are enacted by Congress—

"(1) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they are deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of resolutions described by sections 606 and 607 of this title; and they supersede other rules only to the extent that they are inconsistent therewith; and

"(2) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of that House.

"(b)(1) Resolutions of disapproval, resolutions for reconsideration of a rule and resolutions disapproving a resolution of disapproval or reconsideration in the other House shall, upon introduction, be immediately referred by the presiding officer of the Senate or of the House of Representatives to the appropriate standing committee of the Senate or the House of Representatives.

"(2) If the committee to which a resolution has been referred does not report a resolution—

"(A) within 45 calendar days of continuous session of Congress after the date of transmittal of the rule to which such resolution relates, in the case of a resolution of disapproval or a resolution for reconsideration referred to in section 607(b); or

"(B) within 90 calendar days of continuous session of Congress after referral, in the case of a resolution for reconsideration referred to in section 607(c),

it shall be in order to move to discharge the committee from further consideration of such resolution.

"(3) Such motion to discharge must be supported by one-fifth of the Members of the House of Congress involved, and is highly privileged in the House and privileged in the Senate (except that it may not be made after a resolution of disapproval or for reconsideration has been reported with respect to the same rule); and debate thereon shall be limited to not more than 1 hour, the time to be divided in the House equally between those favoring and those opposing the motion to discharge and to be divided in the Senate equally between, and controlled, by the majority leader and the minority leader or their designees. An amendment to the motion is not in order.

"(c)(1) Except as provided in paragraphs (2) and (3) of this subsection, consideration of a resolution of disapproval or for reconsideration shall be in accord with the rules of the Senate and of the House of Representatives, respectively.

"(2) When the committee has reported or has been discharged from further consideration of a resolution with respect to a rule, it shall be in order at any time thereafter (even though a previous motion to the same effect has been disagreed to) to move to proceed to the immediate consideration of the resolution. The motion is highly privileged and is not debatable. An amendment to the motion is not in order.

"(3) Debate on the resolution shall be limited to not more than 2 hours, which shall be divided equally between those favoring and those opposing the resolution. A motion further to limit debate is not in order. An amendment to, or motion to recommit the resolution is not in order.

"§ 610. Effect on statutory time limits

"If a resolution of Congress disapproves a rule which was being promulgated subject to a statutory time limit for rulemaking, the adoption of the resolution shall not relieve the agency of its responsibility for adopting a rule, but any statutory time limit shall apply to such renewed rulemaking only from the date on which the resolution was adopted.

"§ 611. Effect on judicial review

"Congressional inaction on or rejection of a resolution for disapproval shall not be deemed an expression of approval of such rule.

"§ 612. Applicability

"The provisions of this chapter shall not apply to—

"(A) a rule of agency organization, practice, and procedure;

"(B) a rule relating to agency management personnel; or

"(C) a rule granting or recognizing an exception or relieving a restriction.

"§ 613. Agency implementation

"The Administrator of General Services shall take such steps as may be necessary to insure that officers and employees of the United States receive information and training necessary to permit them to expeditiously prepare the statements, analyses, and other findings required by sections 602 and 603 of this chapter, and shall revise accordingly the Document Drafting Handbook published by the Office of the Federal Register.

"§ 614. Review by the Comptroller General of the United States

"(a) An agency shall transmit each preliminary economic analysis required under section 602, each economic impact statement required under section 603, and any other materials required under section 602 to the Comptroller General of the United States on the date such analysis, statement, and materials are transmitted to the Senate and the House of Representatives.

"(b) The Comptroller General of the United States shall utilize the analyses, statements, and materials transmitted pursuant to subsection (a) to determine whether the benefits of each rule exceed its costs, and shall report his findings within 30 calendar days to the appropriate congressional committees.

"(c) The Comptroller General of the United States shall make a finding as to whether the data in each economic impact statement transmitted pursuant to subsection (a) is accurate, and as to whether any major omissions have been made by the agency in preparing such statement.

"(d) The Comptroller General of the United States shall, in conjunction with the Director of the Office of Management and Budget, develop a model format, methodology, and standards for use by each agency in the preparation of preliminary economic analyses required under section 602 and economic impact statements required under section 603.

"§ 615. Agency reports

"Each year, each agency shall prepare and transmit to the Congress a regulatory cost information report. In preparing such report, each agency shall develop an estimate of the total cost borne by the public in complying with the rules of the agency by utilizing the information contained in the preliminary economic analyses prepared pursuant to section 602 and the economic impact analyses prepared pursuant to section 603.".

(b) The table of chapters for part I of title 5, United States Code, is amended by inserting immediately after the item relating to chapter 5 the following:

"6 Congressional Review of Agency Rule Making

(c) The provisions of chapter 6 of title 5, United States Code, shall supersede any other provisions of law governing procedures for congressional review of agency rules to the extent such other provisions are inconsistent with such chapter.

EFFECTIVE DATE

SEC. 5. (a) This Act and the amendments made by this Act shall become effective at the beginning of the session of the Congress immediately following its enactment.

(b) This Act and the amendments made by this Act shall lapse at the adjournment sine die of the fifth Congress following its enactment unless renewed prior thereto.

AUTHORIZATION

SEC. 6. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of chapter 6 of title 5, United States Code, as added by section 4(a) of this Act.●

By Mr. LEAHY:

S.J. Res. 15. A joint resolution to commend the U.S. Jaycees, the St. Albans Jaycees, and Deere and Co. for their participation in the outstanding young farmer program; to the Committee on the Judiciary.

● Mr. LEAHY. Mr. President, I rise today to give recognition to a remarkable, though not fully appreciated minority—the young farmers of America.

The farmer has played a major role in the development of our Nation. It was the farmer who left his fields to win our independence at Lexington and Concord, and today it is the American farmer who feeds the world's hungry.

Mr. President, today's farmer does not merely work the soil. Our farmers, whether they own a 4,000 acre potato farm in Texas, or a 250 acre dairy farm in my own State of Vermont, are skilled tradesmen. In order to produce the quality agricultural products that the world needs, farmers today must be mechanics, conservationists, and businessmen.

Burlington, Vt., is proud to host the National Jaycees' 23d Annual National Outstanding Young Farmer Awards Congress. From February 23–26, tribute will be paid to the outstanding young farmers from each of 44 States. The theme of the congress is the preservation of the family farm. They will focus their attention on financing future growth, and keeping land in agriculture.

I am proud of the effort made by Vermonters, and particularly the Greater St. Albans Jaycees, who have put so much time into this event.

Mr. President, I ask that the text of this joint resolution to commend the U.S. Jaycees' outstanding young farmer program be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 15

Whereas agriculture is the foundation of a strong America;

Whereas farming has become steadily more complex, requiring the farmer to become an agriculturalist, a conservationist, and a businessman;

Whereas the United States Jaycees have annually since 1954 undertaken great effort to better urban-rural relations through the Outstanding Young Farmer Program;

Whereas thousands of young farmers have gained recognition in the nation and in their communities and States through their selection by chapters of the United States Jaycees as Outstanding Young Farmers, bringing about greater attention, respect, and understanding for the entire agri-business community;

Whereas nearly 2,000 local chapters of the United States Jaycees across the country will participate in the search for the four Outstanding Young Farmers for 1978–1979, and

Whereas the St. Albans, Vermont Jaycees will host the Outstanding Young Farmers Awards Congress in Burlington, Vermont from February 23, 1979, through February 26, 1979; Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President of the United States is authorized and requested to commend the United States Jaycees, the St. Albans Jaycees, and Deere and Company, the national sponsor of the Outstanding Young Farmer Program, for their part in recognizing the outstanding contributions of the young American farmer to the greatness of the United States through the Outstanding Young Farmer Program.●

By Mr. WALLOP (for himself, Mr. MORGAN, and Mr. THURMOND):

S.J. Res. 16. A joint resolution to amend the Constitution of the United States to provide for balanced budgets and elimination of the Federal indebtedness; to the Committee on the Judiciary.

● Mr. WALLOP. Mr. President, 2 years ago when I first introduced this resolution, balancing the budget was regarded as a fiscal conservative's unrealistic pipedream. Many people in Congress and across the country regarded this concept as a passing joke, an issue whose time had not come, and an issue whose time would never come. What we have seen in the last 2 years is a tremendous groundswell across the country proving the contrary. The public believes inflation and economic problems to be our No. 1 problem. Local, State, and national officials are being told in a variety of ways to cut Government spending. The public is concerned, and it is the responsibility of Congress to deal with this issue.

One way to deal with inflation and Government spending is to require that the Federal budget be balanced and that the national debt be paid off. The billions of dollars we must allocate to pay interest on the Federal debt are dollars wasted, dollars which have no productive ends, and dollars which fire the flames of inflation. We can, we must, eliminate this waste with a balanced budget.

I am reintroducing a constitutional amendment to provide for balanced budgets and eliminate Federal indebtedness. If passed, this resolution would require a balanced budget by 1982 and that 5 percent of the national debt be paid off each year, thereafter making the Federal Government debt free near the turn of the century. The resolution is similar to the one introduced in the House by Representative JACOBS and 30 of his colleagues from both sides of the aisle.

Mr. President, 2 years ago, I said that putting our financial house in order is not a partisan goal. I would like to emphasize that whatever method we choose, balancing the budget and cutting spending is in everyone's best interest. It would be my hope that the Judiciary Committee hold early hearings on the issue and that arguments pro and con would be fully aired. We have dragged our feet too long.

Mr. President, I ask unanimous consent that the text of the resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S. J. RES. 16

Resolved by the Senate and House of Representatives of the United States of America in Congress (two-thirds of each House concurring therein), That the following article is hereby proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States within three years after its submission to the States for ratification:

"ARTICLE

"SECTION 1. In exercising its powers under article I of the Constitution, and in particular its powers to lay and collect taxes, duties, imposts, and excises and to enact laws making appropriations, the Congress shall assure that the total outlays of the Government during any fiscal year do not exceed the total receipts of the Government during such fiscal year and that the Federal indebtedness is eliminated.

"SEC. 2. During the first fiscal year beginning after the ratification of this article, the total receipts of the Government, not including receipts derived from the issuance of bonds, notes, or other obligations of the United States, shall not be less than 95 per centum of the total outlays, not including any outlays for the redemption of bonds, notes, or other obligations of the United States. During the second fiscal year, the total receipts shall not be less than 98 per centum of the total outlays.

"SEC. 3. During the third fiscal year beginning after the ratification of this article, and for each suceeding year thereafter, total outlays shall not exceed total receipts.

"SEC. 4. In the case of a national emergency, Congress may determine by a concurrent resolution agreed to by a rollcall vote of two-thirds of all the Members of each House of Congress, that total outlays may exceed total receipts: *Provided, however*, That outlays shall never exceed receipts by more than 10 per centum.

"SEC. 5. During the fourth fiscal year beginning after the ratification of this article and for the next nineteen succeeding fiscal years thereafter, the total receipts of the Government shall exceed outlays by an amount equal to 5 per centum of the Federal indebtedness at the beginning of the fourth fiscal year. The President shall, not later than the thirtieth day after the close of the fourth fiscal year, ascertain the total Federal indebtedness and transmit said total to the Congress by special message.

SEC. 6. Thereafter, whenever the Congress determines under section 4 that an emergency exists and authorizes outlays to exceed receipts, any indebtedness ensuing therefrom shall be extinguished within three fiscal years years of being incurred.

"SEC. 7. The Congress shall have power to enforce this article by appropriate legislation.".●

By Mr. ROTH:

S.J. Res. 17. A joint resolution relating to diplomatic relations with the Republic of China; to the Committee on Foreign Relations.

● Mr. ROTH. Mr. President, I am introducing two pieces of legislation responding to issues raised by the President's decision to terminate our diplomatic and security relations with Taiwan.

Today I am offering a joint resolution which would have the effect of maintaining a credible American defense commitment to Taiwan. I believe this is needed to provide psychological reassurance to the people of Taiwan and our other allies in East Asia and to give substance to the President's statement that the United States continues to have an interest in the peaceful resolution of the Taiwan issue.

Next week I intend to propose legislation to clarify the constitutionally ambiguous question of executive branch and congressional powers in the area of treaty termination and abrogation. It is clearly unwise to permit one man—the President—to have the sole power to terminate or abrogate important treaties, such as the NATO treaty and our bilateral security treaties, which were entered into as a product of both Presidential and Senate action. My proposed legislation will protect our existing security treaties against possible future termination by a President acting alone and define a procedure to insure that in the future the termination of an important treaty will be a product of the best judgment and the action of both the Congress and the President.

I support the improvement of our relations with the People's Republic of China, but President Carter's decision to terminate official diplomatic ties with Taiwan and end the Mutual Defense Treaty with that country were, in my view, unnecessary for good relations with the PRC. The United States could have held out for the normalization of relations with Peking without conditions; instead, in a hasty and ill-considered action, the President chose to concede to conditions Peking was in no position to dictate, and these conditions included our "derecognition" of Taiwan and the termination of the Mutual Defense Treaty.

While I disapprove of the substance of the President's decision, therefore, let me make it clear the legislation I am proposing is in no way directed against the People's Republic of China nor would it reverse the President's decision. Reversal now could only increase the diplomatic costs of the decision and have very harmful consequences. We have recognized Peking, albeit on the wrong terms. This is a reality and we should make every use we can of the relationship. There are ways and means of cooperation for mutual benefit, and we should exploit these.

The Congress and the President, however, have an opportunity and a responsibility to rectify some of the damage done to our credibility as an ally and our self-esteem as a nation by the shabby treatment given to Taiwan. My resolution would do this by maintaining a commitment to the defense of Taiwan by legislation rather than treaty and by giving

Taiwan a diplomatic status more appropriate with reality.

The President should have been sensitive to the agonizing difficulties his decision would cause for the people and government of Taiwan. He should have been aware of the concern it would cause to other American allies around the world who have counted on our word and commitments. He should have been cognizant of the attitudes of the American people and Congress on this question and sought their advice and support. He could, at least, have acted in a more deliberate manner to give the Congress, the American people, the people of Taiwan, and our other allies a chance to adjust to the policy decision.

Instead, a poor decision was made much more costly and damaging by the manner it was carried out. Even many of those who support the substance of what the President did have been highly critical of the way it was announced. For example, Senator **GEORGE McGOVERN** has said:

> What I fault is the hasty and ill-prepared way the decision was handled—the crude diplomacy and the bad politics.

It contradicted other administration pledges and emphases, adding to the already prevailing confusion about our Nation's foreign policy. Mr. Carter had promised an open Government, but the China decision was developed in secrecy and haste, directly contradicting the spirit of an amendment urging prior consultations with Congress before modifying or terminating the Mutual Defense Treaty with Taiwan.

Mr. Carter had promised to consult our allies prior to taking actions which would affect their interests, but like Mr. Nixon in the past, what he is pleased to call consultation amounts to notification a few minutes prior to the public announcement of the decision.

The President's emphasis on human rights is well known, but the recognition of the People's Republic of China and termination of diplomatic relations with Taiwan favors the government with the worst human rights record.

As a candidate, Mr. Carter had promised a Government as good as the American people. The American people I know regard Mr. Carter's treatment of Taiwan as shameful and expedient.

The administration is now engaged in an unprecedented charade to accommodate the whims of Peking to the realities of Taiwan. It was certainly absurd to recognize the Taipei government as the Government of all China, as we have done in the past. But it is equally absurd to recognize the People's Republic of China as "the sole legal Government of China" when at the same time we are drafting legislation which, for domestic purposes, would give "the people of Taiwan," a euphemism for the Republic of China, the legal status for domestic purposes, of a government. We are acknowledging the Chinese position that Taiwan is a part of China, but we are apparently not recognizing Taiwan as a province of the mainland government. We are continuing for a year the Mutual Defense Treaty with a government we ceased to diplomatically recognize on January 1. In return for Peking's willingness to accommodate our need to continue the treaty for a year (which allowed the President to terminate rather than denounce it), we have promised not to agree to military sales to Taiwan during this period. But once the treaty is terminated and the U.S. military commitments to Taiwan have ended, then we can resume military sales.

Our Government's willingness to engage in such charades is shameful, but our new position is also wrong in terms of our strategic interests. Our Mutual Defense Treaty with Taiwan reflected the reality that an attack on Taiwan by the mainland would be profoundly unsettling and destabilizing to our other allies is East Asia, especially Japan, South Korea, and the Philippines. A quarter century later, this reality remains the same. Taiwan is a dynamic nation of 17 million people and is an integral part of a growing network of economic and commercial links among the non-Communist nations of East Asia. When one considers the present uneasiness the nations of that region have about the demise of the isolated and cruel Pol Pot regime in Cambodia, a country with less than half Taiwan's population and a one-twentieth of its gross national product at the hand of Vietnam, a nation less than one-fifteenth the size of China, one can imagine the magnitude of the repercussions an armed attack on Taiwan would cause.

Writing in the Christian Science Monitor, Joseph C. Harsch has commented:

> The old U.S.-Taiwan defense treaty, signed on Dec. 2, 1954, declared that "an armed attack in the West Pacific area directed against the territories of the parties would be dangerous." Territories were defined. In respect to Taiwan they were identified as "Taiwan and the Pescadores."
>
> Well, an armed attack on Taiwan or the Pescadores or the Philippines, or Japan, would be just as "dangerous" this year as it would have been last year. The Chinese in Peking are far too sensible to dream of committing any such folly as doing a "dangerous" thing like that. But the Taiwanese need time to get accustomed to the change. They need comfort and reassurance that they have not and will not be forgotten or abandoned.
>
> That should have been taken care of at the time. Also the Senate should have been reassured, at least privately, in advance of the public announcement. At this stage the danger can be controlled by a public clarification of the fact that any armed attack in the West Pacific would still be "dangerous" and that the United States would act appropriately should such a folly be committed. Taiwan is not in danger, but it and its friends need to have this explained and made manifest. If done, the sour aftertaste could be washed away.

The President's decision, of course, created bitterness, disillusionment, and great anxiety in Taiwan, but a good many of our other friends are concerned as well. The Japanese are referring to the decision as a "Carter shock," and the South Koreans are hoping a similar shock will not be administered to them. In the Philippines, Foreign Secretary Romulo said in a television interview that the U.S. treaty with Taiwan has been a symbol the United States will stand by its allies and our termination of the treaty is eroding Philippine confidence in our commitments to that country. It is hardly reassuring to our allies the President made his decision to terminate the Mutual Defense Treaty despite Peking's unwillingness to provide explicit assurances the Taiwan issue would be resolved peacefully.

What will be the impact of the termination of the treaty on the Peking and Taipei governments? In Taipei, the Nationalists will have to spend more on defense and the need for internal discipline in the face of increased external isolation and pressure will surely militate against the recent trend toward political liberalization. It should hardly be surprising if Taipei reexamines the nuclear option. Moreover, the treaty and relationship with the United States helped psychologically to keep the morale and spirit of the Taiwanese people high; the absence of the ties may have a long-term corrosive effect which may one day result in an accommodation with Peking bringing Taiwan under Communist rule.

As for Peking, I am very pleased with the present pragmatic direction of the policies of Vice Premier Teng Hsiaoping and by the moderate and conciliatory tone the Chinese leadership has recently adopted on the Taiwan issue. Vice Premier Teng's visit to the United States is a very significant event, and I hope he will leave here more than ever impressed by the need to establish and maintain a sound Sino-American relationship.

At the same time, I wonder what a hard-nosed and pragmatic man like Mr. Teng, who obviously understands the uses and realities of power, thinks of a country which is so ready to dump a longtime ally and a major trading partner for elusive, future benefits. Do our actions suggest the United States is a nation whose pledges can be counted upon?

It is also important to remember that the internal political situation within China is by no means settled. Mr. Teng is hardly the first Chinese leader to seek to put China on a much different course than in the past, and he may well be defeated in this effort. Indeed, our termination of the Mutual Defense Treaty with Taiwan might strengthen other voices in China who regard the United States as a "paper tiger," see confirmation of this view in our actions toward Taiwan, and argue the way is now clear for an aggressive Chinese campaign against Taiwan.

To reassure the Taiwanese and our other allies, to make it absolutely clear to all on the mainland that the United States does have a vital stake in the defense of Taiwan, and to continue to provide a climate of stability in East Asia and the Pacific, I believe we should make much more concrete, through legislation, President Carter's assertion that "we will continue to have an interest in the peaceful resolution of the Taiwan issue."

This is why I am offering a resolution to continue the U.S. defense commitment to Taiwan. As domestic legislation, not an international treaty, this should not interfere in our new ties with Peking, but clarify our position. It covers the same territories—Taiwan and the Pescadores—as does the Mutual Defense Treaty, and it embodies the same commitment—that in the event of an armed attack on these territories, the United

States will act in accordance with our constitutional processes. These constitutional processes, of course, include the application of the War Powers resolution, insuring the Congress must approve of whatever action is deemed needed.

The resolution also permits Taiwan to establish a liaison office here in Washington for the conduct of official relations. At the present time, it is envisaged that relations would be carried out through a corporate entity. This is demeaning to a government which has been a longtime friend and ally. The People's Republic of China has maintained a liaison office for more than 6 years, during which time we officially recognized the Republic of China on Taiwan. I can see no reason Taiwan should not have the same right nor any legitimate reason for Peking to complain.

Mr. President, I believe enactment of this resolution would help restore the faith others have in our commitments and promote the kind of climate in East Asia which would enhance peace and stability in this most important region for the lasting benefit of the peoples of the United States, Taiwan, and the People's Republic of China.●

By Mr. THURMOND (for himself, Mr. Goldwater, and Mr. Wallop):

S.J. Res. 18. A joint resolution proposing an amendment to the Constitution of the United States relative to balancing of the budget and reducing the public debt; to the Committee on the Judiciary.

Mr. THURMOND. Mr. President, in these beginning days of the 96th Congress, I am sending to the desk a resolution calling for a balanced budget and establishing a means to eliminate our Federal debt. It is a measure that is sorely needed if this Government is to avoid financial ruin and get back on the track of sound fiscal responsibility.

Mr. President, our fiscal picture has changed drastically since I introduced a resolution similar to this one in 1965. At that time, we had just experienced a deficit of $5.9 billion. However, there were those in the Senate who said this was not necessary because our deficits were only temporary and were, in any event, small. However, I could see then that with the increased role of the Federal Government in our lives and the corresponding high spending levels that unless we were to establish some controls, our spending and deficits would increase. Indeed, during the next 14 years, we suffered deficits every year except one. I must admit, however, that even I did not anticipate the rapid and astounding increases that did occur. As a result, we are looking at deficits last year of not $5, $10 or even $20 billion, but over $60 billion.

The President promised back in 1976 that he would balance the budget by 1981. It is not difficult to see that he will not honor that promise. With all the cuts he is proposing for the upcoming budget, we are still looking at a deficit of around $30 billion. This is supposed to illustrate fiscal restraint. It is clear that without a constitutional amendment, having a balanced budget will continue to be the exception rather than the rule.

A balanced budget is required in the constitutions of 26 of the 50 States. I am proud to say that my State of South Carolina is among these. In 38 States, the legislatures are completely limited or severely restricted from incurring a debt to cover deficiencies in revenue. These States realize the necessity of a constitutional restraint to prevent careless spending and high deficits. It is a necessity the Federal Government should realize and upon which to take action before the mounting deficits completely overpower us.

The action I am recommending is simple—we do not spend more than we receive in revenues. It does not take a professional economist to realize that this is sound fiscal policy. Every year we will receive a report of our estimated receipts for the upcoming fiscal year. From this we can establish our outlays within those bounds. We will then begin to have balanced budgets and may even enjoy surpluses.

This resolution also provides a means to eliminate our Federal debt. However, realizing the cuts and restraint required to attain a balanced budget, this provision does not become active until 5 fiscal years after we have obtained a balanced budget. At that point, 5 percent of our receipts for the next 20 years will be applied toward our Federal debt. I am aware that this percentage may seem high; it is not when compared to our extremely high Federal debt. Using current figures on receipts, this would require about $22 billion per year to apply toward a present debt of almost $800 billion. Even this will not completely eliminate the debt, but once we obtain a balanced budget and become more fiscally responsible, it is hoped that more money can be applied toward the debt. in addition, as the debt decreases so will the interest payments which now amount to over $40 billion annually, thereby freeing funds to be diverted from payments on interest to the much more desirable function of a payment on principal.

Finally, Mr. President, this amendment provides that in the event of war or other grave national emergency the restraints may be removed by a vote of three-fourths of both Houses of Congress. Therefore, this amendment will not tie our hands if a legitimate need arises requiring additional expenditures.

I am sure there are some in this body who are very skeptical of any proposal to balance our budget and eliminate our debt. However, I am also confident that if we can get hearings on this amendment, skeptics will be shown that this goal can be achieved and indeed must be achieved. So to them, I only ask for consideration and an open mind.

Mr. President, I want to state that I have either sponsored or endorsed measures of this kind on many occasions, but in the past the voices of big spending and large deficits have prevailed to insure that they not be given appropriate consideration. The recent elections have clearly shown us that the people of this country are extremely concerned with the fiscal responsibility of our Government, and the Congress can illustrate its concern through this amendment. I cannot emphasize too strongly that the time for this amendment is now. I ask unanimous consent that the text of my resolution be printed in the Record.

There being no objection, the joint resolution was ordered to be printed in the Record, as follows:

S.J. Res. 18

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein). That the following article is hereby proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States:

ARTICLE —

"Section 1. On or before the fifteenth day after the beginning of each regular session of the Congress, the President shall transmit to the Congress a budget which shall set forth his estimates of the receipts of the Government, other than receipts of trust funds, during the ensuing fiscal year under the laws then existing and his recommendations with respect to total outlays to be made, other than outlays from trust funds, during such ensuing fiscal year, which shall not exceed the estimated receipts that will be available to defray outlays after the application of section 2 of this Article. The President in transmitting such budget may recommend measures for raising additional revenue and his recommendations for the expenditure of such additional revenue. The Congress, in the exercise of its powers, shall not authorize outlays to be made during such ensuing fiscal year in excess of the estimated receipts that will be available to defray outlays after the application of section 2 of this Article.

"Sec. 2. Beginning with the fifth fiscal year after the effective date of this Article, and for each of the next twenty fiscal years thereafter so long as there remains any public debt of the United States, five percent of the receipts of the Government, not including receipts of trust funds, shall be available only to reduce the public debt. If during any of such fiscal years the public debt is less than five percent of receipts, so much of such receipts as is necessary to eliminate the public debt shall be available only for that purpose.

"Sec. 3. In case of war or other grave national emergency, the Congress upon vote of three-fourths of all the Members of each House may suspend the provisions of sections 1 and 2 of this Article for periods, either successive or otherwise, not exceeding one year each.

"Sec. 4. This Article shall take effect on the first day of the calendar year next following its ratification, *Provided however*, That this Article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of three-fourths of the several States within seven years from the date of its submission to the States by the Congress.".

ADDITIONAL COSPONSORS

S. 2

At the request of Mr. Muskie, the Senator from Connecticut (Mr. Ribicoff), the Senator from Washington (Mr. Jackson), the Senator from Michigan (Mr. Levin), the Senator from Indiana (Mr. Lugar), and the Senator from Connecticut (Mr. WEICKER) were added as cosponsors of S. 2, the Sunset Act of 1979.

S. 8

At the request of Mr. DOLE, the Senator from South Carolina (Mr. THURMOND), the Senator from Mississippi (Mr. COCHRAN), and the Senator from Wyoming (Mr. WALLOP) were added as cosponsors of S. 8, to extend diplomatic privileges and immunities to any principal liaison office of the Republic of China that may be established in Washington, D.C., and to members thereof.

S. 10

At the request of Mr. BAYH, the Senator from Washington, (Mr. MAGNUSON), the Senator from Connecticut, (Mr. WEICKER), and the Senator from Michigan, (Mr. LEVIN), were added as cosponsors of S. 10, to protect the rights of institutionalized persons.

S. 25

At the request of Mr. BAYH, the Senator from Michigan, (Mr. LEVIN), the Senator from New York, (Mr. JAVITS), and the Senator from Illinois (Mr. PERCY), were added as cosponsors of S. 25, to designate the birthday of Martin Luther King, Jr., a legal holiday.

S. 29

At the request of Mr. HATCH, the Senator from Texas (Mr. TOWER) was added as a cosponsor of S. 29, a bill to repeal the Davis-Bacon Act.

S. 33

At the request of Mr. ROTH, the Senator from Maine (Mr. COHEN) was added as a cosponsor of S. 33, a bill to provide for permanent tax rate reductions for individuals.

S. 34

At the request of Mr. ROTH, the Senator from Maine (Mr. COHEN) was added as a cosponsor of S. 34, the spending Limitation Act of 1979.

S. 55

At the request of Mr. BENTSEN, the Senator from Iowa (Mr. CULVER) was added as a cosponsor of S. 55, the meat import bill of 1979.

SENATE RESOLUTION 12

At the request of Mr. DANFORTH, the Senator from Alaska (Mr. STEVENS), the Senator from Texas (Mr. TOWER), and the Senator from Pennsylvania (Mr. SCHWEIKER) were added as cosponsors of Senate Resolution 12, relating to the U.S. commitment to Taiwan.

SENATE RESOLUTION 13

At the request of Mr. DOLE, the Senator from South Carolina (Mr. THURMOND), the Senator from Mississippi (Mr. COCHRAN), and the Senator from Wyoming (Mr. WALLOP) were added as cosponsors of Senate Resolution 13, with respect to the continuing relationship of the United States with the Republic of China.

SENATE RESOLUTION 19—SUBMISSION OF A RESOLUTION RELATING TO REQUIRED REDUCTIONS IN BUDGET AUTHORITY

Mr. STONE submitted the following resolution, which was referred to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to order of August 4, 1977:

S. RES. 19

Resolved, That (a) in reporting any concurrent resolution on the budget under title III of the Congressional Budget Act of 1974 for the fiscal years ending September 30, 1980, September 30, 1981, and September 30, 1982, the Committee on the Budget of the Senate shall not include an appropriate level of total budget outlays or of new budget authority which is greater than the following percentages of *the adjusted amount of the appropriate level of total budget outlays* or total new budget authority, respectively, set forth in the final concurrent resolution on the budget for the fiscal year ending September 30, 1979:

(1) 98 percent, in the case of the fiscal year ending September 30, 1980,

(2) 98 percent, in the case of the fiscal year ending September 30, 1981, and

(3) 98 percent, in the case of the fiscal year ending September 30, 1982.

(b) For purposes of Subsection (a), the adjusted amount of the appropriate level of total budget outlays or total new budget authority set forth in the final concurrent resolution on the budget for the fiscal year ending September 30, 1979, is the amount set forth increased or decreased, as of any date, by the same percentage by which the Consumer Price Index (published by the Bureau of Labor Statistics) on such date has increased or decreased over the Consumer Price Index on September 30, 1979.

Mr. STONE. Mr. President, I am today submitting a resolution calling for the Senate Budget Committee to lead the way in reducing Federal expenditures.

Before submitting this resolution I want to commend the Budget Committee for reducing the budget authority for fiscal year 1979 by more than $11 billion from the First Senate Budget Resolution and thereby reducing the projected Federal deficit. Indeed, I believe the Senate Budget Committee is meeting its responsibilities outlined in the Budget Act.

The committee's recommendations over the past several years show continued progress toward a balanced budget. My proposal would encourage this progress in the future by directing the Senate Budget Committee to report to the Senate a budget resolution incorporating at least a 2 percent reduction each year in Federal spending outlays and authorization for the next 3 fiscal years, beginning in fiscal year 1980.

The resolution allows for an inflation adjustment in computing the actual amount of the reduction from year to year in order to allow for increases in the cost of delivering the same government services.

Inflation is our Nation's most pressing problem. The Congress must lead the attack on excessive Government spending and deficit Government financing which contribute significantly to inflation. We can start by reducing, and eventually eliminating deficit spending. Federal borrowing continues to compete with private industrial demand for loans, thereby driving up interest rates and adding to the cost of producing goods and services. In addition, it tends to restrain investment in the private sector and, as a result, costs Americans jobs. Unless the Federal budget is balanced in the next few years, the cycle of inflation and recession will continue to plague our Nation.

This resolution, if adopted, would demonstrate the Senate's commitment to continue moderate reductions in Federal spending until annual outlays no longer exceed annual revenues. This gradual reduction in budget authority and outlays, combined with a thorough examination of all programs, will enable Congress to work more realistically toward the goal of a balanced budget.

If this resolution is enacted, the Senate will be serving notice on all Federal agencies that we are sincere in our commitment to balance the budget. This will help prod agencies into taking a closer look at their own budgets with an eye toward cutting unnecessary expenditures.

In my own State of Florida, the Fort Lauderdale News prints a daily column entitled "Your Tax Dollars in Action." Its author, Duncin MacKenzie, regularly chronicles unnecessary grants and contracts, and let me assure you, he does not suffer from lack of material. We all agree that waste exists and that we must work harder to reduce it. That entails making tough budgetary decisions.

Last year I joined with a number of my colleagues in an effort to cut each 1979 appropriations bill by 2 percent across the board. I was encouraged by our initiatives because they caused the Senate to take a hard look at Federal spending programs and reexamine priorities. But I feel we can do better, indeed, we must do better if inflation is to be brought under control. It is time to plan ahead for reductions in spending and this resolution does just that. It sets moderate 3-year goals, moving us beyond the year-to-year system now employed.

Mr. President, if we are to enact responsive and responsible legislation for the American people, then we should begin looking ahead and setting moderate goals. If we continue to lower Federal spending we can look forward to the day when our economy is free from the enormous Federal debt and inflation is under control.

NOTICES OF HEARINGS

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. PROXMIRE. Mr. President, the Committee on Banking, Housing, and Urban Affairs will hold an oversight hearing on the New York City Loan Guarantee Act on Wednesday, February 7, at 10 a.m. in room 5302, Dirksen Senate Office Building.

The purpose of the hearing is to determine whether the requirements of the Loan Guarantee Act are being met and whether New York City is making progress toward balancing its budget and regaining access to the credit markets.

Witnesses will include the Honorable Edward I. Koch, mayor of the city of New York; the Honorable Hugh L. Carey, Governor of the State of New York; and the Honorable Roger C. Altman, Assistant Secretary of the Treasury for Domestic Finance.

COMMITTEE ON FOREIGN RELATIONS

Mr. CHURCH. Mr. President, the Committee on Foreign Relations has scheduled a hearing on the nomination of Mr. George M. Seignious to be Director of the Arms Control and Disarmament Agency. The hearing will begin at 10 a.m., Thursday, January 25, room 4221 of the Dirksen Senate Office Building.

I intend to make certain that the Committee on Foreign Relations maintains thorough and effective oversight of all matters within the jurisdiction of the committee, including the Arms Control and Disarmament Agency and its officers. I anticipate that Mr. Seignious' views and qualifications will be assessed in depth in the course of the hearing on his nomination.

In view of the interest many have expressed in this nomination, I have extended an invitation to Senator JOHN C. STENNIS, chairman of the Committee on Armed Services, welcoming him or any other member of the Committee on Armed Services to join the Committee on Foreign Relations at that hearing.

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. TALMADGE. Mr. President, I wish to announce that the Senate Committee on Agriculture, Nutrition, and Forestry has requested Secretary of Agriculture Bob Bergland to report on the state of American agriculture on Wednesday, January 24.

I have asked the Secretary to appear early in the new Congress in order that our committee may have the benefit of a first hand report and assessment from the Carter administration on the current economic state of American agriculture and American farmers.

The hearing will begin at 9 a.m. in room 324 Russell Office Building. Secretary Bergland will be the only witness.

Anyone wishing further information should contact the committee staff at 224–2035.

SUBCOMMITTEE ON ENVIRONMENT, SOIL CONSERVATION, AND FORESTRY

● Mr. MELCHER. Mr. President, this is to announce that the Subcommittee on Environment, Soil Conservation, and Forestry of the Committee on Agriculture, Nutrition, and Forestry will hold hearings on the economic implications of the Department of Agriculture's RARE II wilderness proposals, and on the Nation's outlook for timber and lumber supplies, on February 6 and February 8 in room 322 of the Russell Senate Office Building. The hearings on each day will begin at 9:30 a.m.

The environmental impact statement for RARE II proposes that several million acres of the national forest system be designated wilderness by Congress and additional acreage be segregated by the Forest Service for additional study.

The purpose of the hearings will be to examine those withdrawals in terms of the economic resources that will be lost, and to examine planning and programs to maximize the productivity of our forest lands in face of tight supply. The hearings will be in the context of the program of work approved for the Forest Service by the Congress and the White House under the provisions of the Forest and Rangeland Renewable Resources Planning Act of 1974.

On February 6 the subcommittee proposes to hear from the Secretary of Agriculture and the Director of the Office of Wage and Price Stability. On February 8 we will hear from public witnesses. Public witnesses wishing to testify should contact Denise Alexander in the committee office at 224–0014.●

ADDITIONAL STATEMENTS

SMOKING AND HEALTH

● Mr. KENNEDY. Mr. President, the report of the Surgeon General on smoking and health is a truly impressive document. Anyone who examines this report in an objective and open minded way can come to only one conclusion: that cigarette smoking exacts a terrible toll on the health and well-being of Americans, and that this habit is far and away the single leading preventable cause of death and disability in America.

I commend Secretary Califano and Surgeon General Richmond for issuing this document at this time. Their efforts to make Americans aware of the true hazards of tobacco use have generated storms of protest over the last 18 months. But this new Surgeon General's report makes clear that the scientific basis for their efforts is unassailable.

Since 1964, the evidence indicting cigarette smoking has continued to accumulate at a rapid rate. It is now clear that the cigarette habit causes not only cancer, heart disease, and chronic lung disease, but also peptic ulcer disease, cancer of the oral cavity and the esophagus, and bladder cancer as well. The pernicious effects of cigarette smoking also affect the unborn and the newborn. Cigarette smoking contributes to fetal and neonatal deaths, results in lower birth weight infants, and may affect physical growth, mental development and behavioral characteristics of children at least up to the age of 11. We now know, also, that cigarette smoking and occupational exposures can combine to produce devastating effects. Asbestos workers who smoke have eight times the risk of developing lung cancer compared to nonsmoking workers.

I could go on with this indictment of tobacco use. Our added knowledge concerning the use of tobacco puts to rest once and for all the debate over the hazards of cigarette smoking. Despite the Tobacco Institute's continuing efforts to deceive and confuse the American people, I think few if any, continue to believe that cigarette smoking is safe.

The Surgeon General's report makes clear that we have much to do and much to learn before we can give Americans the kind of help they need in avoiding this deadly habit. We know very little about how to keep children and teenagers from starting to smoke, and we know very little about what methods are effective in getting smokers to quit. Our school health education programs are underdeveloped and inadequately studied, and we do not do enough to focus our educational efforts on groups at highest risk; workers with occupational exposures; schoolchildren and teenagers; minority groups; and women.

In addition, we know too little about the health effects of low tar and low nicotine cigarettes. The Surgeon General's report clearly documents tremendous changes in the composition of commercially manufactured tobacco products over the last 15 years. It is becoming increasingly clear that we need more knowledge of the true health effected of consuming these changing cigarettes. Do cigarettes low in tar and nicotine have new and unanticipated hazards? What is the nature of their additives? Do cigarette smokers inhale more carbon monoxide with these new products? Do they inhale more frequently or deeply?

I find particularly deplorable our inadequate knowledge of the potential hazards of additives to commercially manufactured cigarettes. It is time to ask tobacco industries to voluntarily disclose the nature of those additives, so that Americans know what potentially noxious chemicals they are daily exposing themselves to.

Above all, the Surgeon General's Report on Smoking and Health points out that we have within our power the capacity to make major inroads against death and disease in our society. The American people are well-served by the kind of effort which went into the Surgeon General's report.●

MENDING FENCES WITH MEXICO

● Mr. GOLDWATER. Mr. President, for more years than I like to remember, I have had the feeling that my country, the United States, has never had the proper attitude toward our neighbor to the south, Mexico, Having been born on the border and brought up with these delightful people, I am pained to see our State Department and our President and others involved in foreign policy so totally ignore the rich friendship and comradeship and help when needed that lies to the south of us. I would like to see my President, Mr. Carter, take immediate steps to mend the fences that are so full of holes caused by the wrong attitudes of Presidents who have preceded him. Mexico is growing, it is growing fast, it needs help, she needs our attention and we should be far more concerned about the future of Mexico than the future of countries lying half way around this world.

I ask unanimous consent that an excellent article written by our colleague from Maryland (Mr. MATHIAS), and published in the Washington Post of January 15, 1979, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MENDING FENCES WITH MEXICO

(By CHARLES McC. MATHIAS, Jr.)

Robert Frost's neighbor stubbornly maintained that "good fences make good neighbors." But Frost wasn't convinced. And neither am I. Some fences make bad blood, and we are building that kind of fence along the Rio Grande.

It is symptomatic of the way U.S. policy toward Mexico is managed that the contract for the lengthening and strengthening of the fence on the Texas-Mexican border was announced by the U.S. Immigration and Naturalization Service without any advance notice to our ambassador in Mexico City. What proved to be a traumatic blow to neighborly feelings, one which dominated the Mexican news for many days, was tossed into the diplomatic thicket as carelessly as a child might toss a match into a pile of leaves.

Similarly, a year ago the Department of Energy intervened at the last minute to put a bureaucratic roadblock in the way of the purchase of Mexican natural gas by U.S. energy companies. The gas deal had been negotiated at length between Pemex, the official Mexican petroleum agency, and private U.S. companies. The Mexican government's long-range energy plan had been based on the sale and export of natural gas and the alternative consumption of more oil at home. Economic and other considerations had been calculated and the construction of the pipeline to the U.S. border had begun. The whole fabric of this agreement was rent when an abrupt, unilateral ruling was issued by the Department of Energy in Washington on the stated ground of objection to price. In that one decision, years of a positive, mutually beneficial relationship with the Mexicans were jeopardized. The president of Mexico, one of the friendliest in recent history, was left, by his own description, "hanging by his paint brush" when we knocked over the ladder. And Mexicans generally have been given reason to wonder whether our vaunted "free-enterprise" system is a reality or a myth.

So whether it is building fences on the Rio Grande, or buying gas or oil from south of the border, it is time to get our act together.

In the first place we have to ask whether building fences is an effective answer to the problem of illegal immigration from Latin America into the United States. It may be easier and cheaper to help by giving would-be migrants a reason to stay home.

It is estimated that about 800,000 Mexican workers move silently and invisibly across the border every year. Some work a while and return to their homes and families. Some remain in the United States. The facts are not well known and are hard to prove. No one knows what the cumulative illegal immigration now amounts to, but it is surely many millions.

The U.S. government's response to the situation has been feeble and ineffective. We have neither welcomed these visitors as a supplement to our work force and tried to regularize their activities nor have we been able to deny them entry or jobs.

Governmental indecision is reinforced by the attitude of organized labor. The unions are fearful that any move to regulate and control the alien workers will also legalize them, so they have opposed any move in that direction. At the same time, labor has taken no interest in developing other solutions.

The subject is a painful one for the Mexican government, which does not discuss it very freely. The government exposes its sensitivity quietly for several reasons. Any brutal action to expel resident aliens and to repel migrant workers would be an ethnic insult with serious political impact. On the practical side, the Mexicans working in the United States are a significant source of dollars and one that Mexico cannot afford to lose just now. So governmental enthusiasm for keeping people home cannot be counted on as a deterrent.

In the past, problems such as these have been allowed to fester because the effort and cost of finding solutions was greater than the potential benefit. Now that is all changed as Mexico's population tops 65 million, as her economy grows and as she discovers some of the earth's largest reservoirs of energy—both gas and oil.

Let us look at the changes. The ties that bind Mexico and the United States are becoming increasingly important; we must not ignore them. Oil is only one of the more obvious. As Mexico adds to its oil production, it could become a secure source of energy for the United States. At present, we take the bulk of Mexico's 500,000 barrels per day in oil exports. As these exports increase, Mexican oil will pose a very attractive alternative to our dependence on imported Middle East oil. Events in Iran only underscore the dangers of this dependence on distant sources of energy.

It is estimated that Mexico could provide as much as 30 percent of our import needs by 1985. Even if Mexican oil does not flow directly to the United States, the very existence of a major new petroleum source entering the market cannot help but have a positive effect on world energy supplies and prices.

Oil is not, however, the only issue that binds our two nations together.

Mexico is the fifth largest trading partner of the United States. In 1977, $9 billion in goods and services were exchanged by our two countries. The Mexican government is attempting to stimulate and diversify Mexico's export capabilities. The U.S. market is an important factor in this effort. Problems arise, however, to the extent that Mexican exports compete with U.S. domestic production. But these are problems that can be worked on and eased.

I do not have answers to all the questions pending between our two nations. But answers must be found, and to find them the United States must devote far more attention in the future to its critical Mexican relationship than it has in the past.

I welcome the administration's current review of U.S./Mexican relations. I believe it vital, however, that we develop a mechanism for coordinating our government's dealings with Mexico. The time has long passed when each separate department of the U.S. government could afford the luxury of its own individual, uncoordinated Mexican foreign policy. When the Department of Energy rejects a gas deal with Mexico, the negative repercussions across the range of our relations with Mexico could hobble us for years to come.

On the question of illegal immigration, I want to reiterate what I said following my visit to Mexico in 1977. Rather than simply applying unilateral regulations designed only to stem and reverse the tide of illegal immigrants, the United States should consider ways to encourage the government of Mexico to initiate large-scale labor-intensive development programs in Mexico's rural areas, where most of the migrants originate. It seems clear that the government of Mexico will need significant outside help if it is to address the task of absorption and resettlement without incurring massive social and political unrest. Relief measures that could be considered include the exemption of the products of a Mexican rural development-resettlement plan, from U.S. tariffs or other trade restrictions for a given period. While this idea could become unwieldy in practice (how to discriminate between "new development" products and others for example), efforts should be made to find and establish concrete economic incentives for Mexicans to remain within their own development areas.

On this increasingly difficult issue, Mexican/U.S. relations are at a threshold. There are no easy solutions, indeed there may be only partial solutions. But one thing is certain: The problem cannot be satisfactorily resolved by unilateral measures. Legislation, not reinforced by strong and effective programs to provide relief for persons who may be returned across the border, will create a grave threat to the stability of Mexico—a stability that is of vital concern to our own country.●

MARVIN WARNER, OUR INNOVATIVE AMBASSADOR

● Mr. METZENBAUM. Mr. President, more than a year-and-a-half has gone by since I had both the pleasure and the honor of recommending Senate approval of a good friend and fellow Ohioan, Marvin L. Warner of Cincinnati, as our new Ambassador to Switzerland. Today, with a great deal of pride, I take this opportunity to report that the confidence that I and my fellow Senators showed by overwhelmingly approving his appointment was not misplaced.

A recent article in the Chicago Tribune shows that Ambassador Warner is blazing a new trail for ambassadors, selling not only goodwill to foreign countries, but American-made products as well. Ambassador Warner has a long history of business successes in Ohio which he obviously is putting to good use in his new post by promoting American businesses, going even to the extent of putting on an auto show at the American Embassy to promote American-made autos.

According to the article:

> The Swiss seem delighted and the Austrian ambassador is on record as calling Warner "a whiff of fresh air."

The Ambassador himself says:

> I don't see the embassy just as part of the American government, but also as part of American business.

Mr. President, I commend Ambassador Warner for his innovative, constructive, and refreshing approach to diplomacy and hope some of our other diplomatic personnel around the world can learn from his lesson. I ask that the article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

What's a U.S. Envoy Doing Selling Cars?

(By R. C. Longworth)

Bern, Switzerland.—Marvin L. Warner, the American ambassador to Switzerland, passed the popcorn and tried to sell the Swiss chief of protocol an Oldsmobile.

The Swiss diplomat didn't have a chance. Warner has been selling things all his life. Long before the popcorn ran out, the chief of protocol had a new Olds 98.

The scene was a show of 1979 models of 24 American cars on the lawn of the ambassadorial residence in the Swiss capital. Warner claimed that it was an unprecedented event for an American embassy. That is only fitting, since Warner himself is an unprecedented sort of American ambassador.

Warner, an Alabama native, is a Cincinnati real estate developer and part-owner of the Tampa Bay Buccaneers of the National Football League. President Carter paid off a political debt last year by naming him ambassador to Switzerland, and Warner has been making waves, both here and in the wider world of American diplomacy, ever since.

Basically, Warner sees old-fashioned American salesmanship as a prime purpose of American diplomats overseas. He views U.S. embassies as branch offices for American businesses.

"As a businessman," he says, "I feel that our financial stability depends on our economic system."

"Besides, what with jets and phones, an ambassador's role has changed. An ambassador today doesn't negotiate on a high-level plane on political issues.

"Today, one of the most important things we can do is to invite American exporters to meet Swiss importers right here at my embassy. We put all the horses of the embassy behind this".

Warner, a 59-year-old former fund raiser for the Democratic Party, runs his embassy meetings like sales conventions and sees himself as a middleman getting buyer and seller together.

"I don't see the embassy just as part of the American government, but also as part of American business," he said.

On the one hand, Warner may be right that, in these perilous times for the economy, the leading duty of U.S. representatives abroad may lie in hawking goods.

On the other hand, most diplomats do not learn French, world politics, and gracious living in order to become car salesmen. The Warner approach has starched a few tailcoats, not the least at a recent meeting of American ambassadors in London.

According to people who were there, Warner, who has been a diplomat for barely a year, freely advised his experienced colleagues to concentrate on boosting trade while cutting embassy staff in other areas.

"I didn't want the other ambassadors to think I'm telling them what to do," Warner recalls of that meeting, although that is pretty much what he did. "But I think exports are our life-blood and as a noncareer guy I got the impression that some of them considered promoting exports to be below their dignity."

Warner's style is unabashed backslapping and ballyhoo. Whatever other American diplomats say, it seems to be making a hit with the Swiss.

At the recent auto show, he lined up the cars on the embassy lawn, in cooperation with the American exporters and their Swiss salesmen, and festooned great banners for the makers from the trees.

He laid out plenty of popcorn, hot dogs, and hamburgers and invited people most likely to make big purchases—the Swiss army, provincial government officials, large companies, government ministries, even ambassadors from other embassies.

More than 800 people turned out, despite a slight drizzle, to munch doughnuts made in the embassy kitchen, listen to recorded strains from "Saturday Night Fever," and pore over price lists.

The prices themselves are a big selling point. Although American auto exporters inflate their prices in Europe to avoid competition with their own subsidiaries in Europe, U.S. cars are still cheaper than comparably sized European models. A Chevrolet Malibu Classic, which cost about $6,600 in the United States, goes for $13,450 here—but this is still far below what a competing Mercedes would cost.

Warner also has used the embassy to promote sales of American picnic ware, recreation items, clothing, and farm implements.

He claims he has even lined up Swiss agencies to help.

Zurich Airport, after considerable pressure, allowed Warner to post a sign advertising the embassy and reading: "Welcome Americans—for American Embassy Service, Call 43-00-11."

"We're the only embassy that advertises," Warner says proudly.

Warner has hosted meeting of Swiss industrialists and has had them fill out questionnaires on the American products they could use, or raise their hands to signify an intention to invest in U.S. firms. In the supersecret world of Swiss business, this just isn't done—but Warner is doing it. And to the amazement of both the Swiss and the Americans here, he is getting a good response.

Warner also runs a cash bar at his sales meetings—a departure from the usual practice of drinks on the house. He has trouble getting his Alabama tongue around the jawbreaking German names of some Swiss firms. No matter. The Swiss seem delighted, and the Austrian ambassador is on record as calling him "a whiff of fresh air."

Warner seems to love the attention. His office readily hands out a press packet on him—even including critical articles.

He concedes that he doesn't expect to have another diplomatic post after this one and is making the most of this one.

"As an American, as a business guy, I feel it's my obligation to do as much as I can in the relatively short time I'm here," he said. "I do go along with protocol—attending receptions and all that, although I don't stay too long. I feel our funds should be used for productive purposes.

"What we're doing here could be of real importance if other embassies also did it." ●

TAIWAN AND THE PEOPLE'S REPUBLIC

● Mr. SCHMITT. Mr. President, the recent termination of our diplomatic and defense relations with Taiwan not only is unnecessary, but also causes serious international questioning of the soundness of U.S. foreign policy and the strength of commitments to our allies.

There is no question that improved communication with the nearly one billion people of mainland China is a positive goal. Commercial, cultural, scientific, and limited political contact clearly are in our best interests and are in the traditions of our long personal attachment to the Chinese people.

In addition, the People's Republic forms another bulwark against the expansionist aims of the Soviet Union. In this respect, improved relations will help stabilize present world conditions.

However, in recent years there has been no indication that Taiwan must be the victim of expanded communication with the People's Republic. In fact, my studies of Chinese history and my contacts with many recent and very thoughtful visitors to that vast Nation indicate just the opposite is true.

The expansion of commercial, cultural, and scientific contact is clearly in the best interests of the present leadership of the People's Republic and has been proceeding without formal recognition.

Equally fundamental to their interests has been the maintenance of a strong U.S. presence in the Western Pacific from Australia through Japan. Our support of Taiwan has been an integral part of this defense system and has helped to balance Soviet expansion into Southeast Asia and the Pacific. The leaders of the People's Republic have repeatedly acknowledged these facts.

There seems to be little question that if diplomatic recognition were really necessary the President could have struck a better deal. This act will be added to the list of unnecessary or premature concessions in foreign policy which includes the cancellation of the B–1 bomber, the delay of major new weapons development, and the support of Soviet interests in Africa.

The U.S. Senate must move rapidly to insert commonsense into the administration's foreign policies. In particular, the Senate must insist that Taiwan not be sacrificed and thus reassure our other allies that expediency will not win over honor and good sense. ●

GOLDA MEIR REMEMBERED

● Mr. RIBICOFF. Mr. President, Erwin Savelson, editor of the Metropolitan Star, reports perceptively and accurately. He wrote an especially moving column about Golda Meir in the November-December 1978 issue of the Star. Erwin Savelson's recollections of Golda Meir captured much of the spirit and compassion of Israel's great lady. Mr. President, I ask that Mr. Savelson's column be printed in the Record.

The column follows:

A Reporter Remembers Golda

There was only one Golda. Chances are the world will never see the likes of her again.

Our paths first crossed during a reporting assignment in the closing months of the 1948–49 War For Independence. It took place on the sun-kissed terrace of the then small but comfortable Keate Dan hotel fronting on the Mediterranean, now the site of the luxurious Dan.

She was the Minister of Labor in Israel's first cabinet under the late Prime Minister David Ben-Gurion, upon whose insistence she adopted a Hebrew name, choosing Meir—which means in Hebrew: To illuminate.

And illuminate the world about Israel she did, and I fell in love with her, for that's the way it was with nearly everyone whose lives she touched.

She was a favorite with the corps of correspondents covering the dramatic story of the rebirth of Israel. For Golda Meir knew her way around with reporters. She was just as comfortable with them as with the Presidents, Kings and world personalities she was to meet in the years ahead.

She could banter with the best of them, mincing no words in expressing her feelings and thoughts. But, she lived for one thing: Israel.

Avraham Harman, former Ambassador to the U.S. and now President of the Hebrew University in Jerusalem, had arranged the meeting with us that sunny afternoon in his then capacity as a press liaison for the Foreign Office. She came to illuminate us and she did.

"You can't tell the story of Israel in two paragraphs," she admonished us in firm, but gentle motherly tones.

"Israel is one of the greatest stories of time. Israel is one of the greatest and most fascinating events not only in Jewish history, but in all human history."

She possessed a matchless sense of humor and smiling eyes, but they burned with biblical zeal when it came to defending the security and integrity of the Jewish people and the land she loved.

As when she told world Jewish leaders—including B'nai B'rith figures—gathered in Jerusalem in January, 1969:

"As long as we (Israel) live, our children and grandchildren—the State of Israel and Jewish life—will be defended at all costs.

Some called her rigid. Rigid? She could weep unashamedly for every mother's son or daughter—Jewish as well as Arab—killed in the thirty years of war between Israel and her neighboring states.

Her greatest dream was of peace. She spoke of it forcefully on March 16, 1970, when as Prime Minister she welcomed the B'Nai B'rith Board of Governors Leadership Cabinet at its extraordinary assembly in Jerusalem.

"We see no glory in all the victories of war," she told 1,500 Israelis who crowded the Wise Auditorium of Hebrew University in the welcoming reception to the world B'nai B'rith leadership.

"We have lived and learned to respect the life of a human being," she went on. "What we have done, we did with sorrow. We never saw any glory in it. We want peace."

Of such stuff was Golda—born Golda Mabowitz on May 3, 1898, in Kiev, the Ukraine—made. The family moved to Pinsk from where her father emigrated to the United States. In

1906, the rest of the family joined him in Milwaukee, where both of her parents became active in B'nai B'rith.

It was there in 1917 that Ben Gurion and Itzhak Ben Zvi, who was to become Israel's second President, imbued her with the spirit of Zionism. She sailed four years later for then Palestine with her husband, Morris Myerson, on a ship called the *Pocohontas*.

The rest is history and Golda Meir is now a legend. As Jack J. Spitzer, International President of B'nai B'rith, noted, in paying homage to her:

"Golda was the very embodiment of Israel's heart and soul. She was a force for humanity and justice."

The Jewish people have always loved and remembered their Women of Valor. They call them affectionately by their first names—Sarah . . . Rachel . . . Rebecca . . .

There is a new star in that firmament. The name is Golda.●

THE PRESIDENT'S WAGE AND PRICE GUIDELINES

● Mr. LUGAR. Mr. President, the AFL–CIO has expressed strong and justifiable opposition to the President's new wage and price guidelines. 1 believe that the concerns of the AFL–CIO are serious ones, and I endorse the view expressed by its executive council:

> In the last analysis, the members of the 60,000 public and private sector collector bargaining units that will negotiate contracts over the next year must determine for themselves what they will need to provide food, housing, energy and medical care for their families. In making their decision they will consider the costs of all the necessities they must provide for their families and the profitability of their employer.

The President has said that his across-the-board wage and price ceilings are reasonable and equitable, with no group unfairly shouldering the burden. To speak plainly, there is no fairness in the President's wage and price ceilings. The variety of situations which confront industries, firms, and labor unions simply cannot be covered by an arbitrary wage ceiling such as 7 percent. The only proper solution to the question of wage increases is healthy reliance upon collective bargaining. Any other arrangement can result only in governmentally mandated injustice which bears little or no relation to the particular needs of workers, or businesses, or to the realities of supply and demand. The market still works: The realities of supply and demand cannot be abolished by Government. We should encourage business and labor to continue to work out fair and mutually agreeable wage increases based on the full variety of factors considered in collective bargaining.

The wage guideline of 7 percent—like all arbitrary guidelines—imposes an unjust equality on workers in greatly differing situations. Consider, for example, workers in a strong industry or firm with a high growth rate and high productivity increases reflecting free consumer choices. Such firms should expand and create more jobs. If productivity is increasing at a high rate, why should not workers have a chance to obtain a share of this growth? Why should a Government order limit them to an arbitrary 7-percent increase which will not even keep pace with rising prices? The AFL–CIO has quite correctly observed that "the current plan would not allow workers to participate in productivity gains." And this is, quite simply, unwarranted Government interference in the opportunities of working Americans to increase incomes.

On the other hand, consider a declining industry or firm in which smaller wage increases may be necessary for the present in order to keep business alive. Labor leaders and business leaders can take account of such realities when they are free to negotiate through the time-honored process of collective bargaining. In such cases there is no place for a wage insurance rebate such as the President has proposed; such rebates will raise the taxes of other working Americans and thus cut into real future purchasing power.

The President's plan will impose different costs upon different working groups, with the heaviest costs falling on high-visibility industries, firms, and labor unions. The President's plan will employ arbitrary discretionary enforcement procedures which will be invoked to compel compliance. And finally, the President's plan is unlikely to reduce the inflation rate very much, because it does not focus full attention on the actions of Government which are the roots of our inflation. The President has asked the private sector—business and labor—to make sacrifices to cure a disease which can be cured only if Government spending is reduced and the supply of money is not allowed to exceed productivity gains in our economy.

THE AFL–CIO and working Americans are correct in criticizing the President's wage and price guidelines. The silence of business leaders in hoping that labor will carry the ball for them is inexcusable. The President's program—even with its untested and potentially expensive real wage insurance scheme—is a poor alternative to the proven merits of the strong advocacy and skillful negotiation of collective bargaining. It is even a lesser alternative to strong new job gains through new private investment. ●

GIVE DEMOCRACY A CHANCE IN SPAIN

● Mr. CHURCH. Mr. President, there is a time to speak out against injustice and repression by governments and a time to urge conciliation and restraint. I have spoken out in the past against the excesses by the Government of Spain under the Franco regime, and I would not hesitate to do so again.

However, the current situation in Spain is quite different from the Franco era. In a remarkably short transition period, Spain has gone from a fascist dictatorship to a limited constitutional monarchy with a parliamentary form of government. New democracies are by nature the most fragile of governments. And the Spanish democracy especially needs time to breathe and to accommodate all the pressures which have accumulated under Franco in a historically divided country.

For these reasons, I want to emphasize my concern about the increasing violence of extremists in Spain. Their apparent purpose is the destruction of Spanish democracy while it is still in its cradle. Elections for a new Spanish Parliament have been set for March 1, and now is the time to end the violence and let the democratic process work its will. The people of Spain deserve no less.

Mr. President, I ask to have printed in the RECORD a newspaper article in connection with this matter, published in the Washington Post of January 15, 1979.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ANGERED BY ATTACKS, SPANISH OFFICERS DEFY PREMIER, KING

(By Miguel Acoca)

MADRID, January 14—The unrelenting wave of terrorist killings in Spain has aroused strong sentiment against this country's fragile democracy among a number of military officers who are openly defying not only the government but King Juan Carlos, their commander-in-chief.

The king's sharp rebuke of officers a week ago for turning the funeral of an assassinated general into a fascist demonstration has done little to cool "emotional dissent" in officer's mess halls, according to informed military sources.

The anger is such, sources said, that the king's portrait has either been removed or turned face against the wall in important barracks. Western analysts confirmed that "griping is unquestionably hot" in many garrisons, but they discounted the possibility of a coup.

The temper of the officer corps can be measured by the resignation Friday of a national police general and two colonels who disagreed with the government's "soft" plan for combating urban guerrillas. So far this year, guerrillas have killed 10 persons, including Madrid's military governor, a Supreme Court judge, and several police officers.

Seven were slain by ETA, which is fighting for the independence of the Basque provinces.

Spain's major public order forces—the heavily-armed national police, the paramilitary Civil Guard and the plainclothesmen of the Security Directorate—are under the command of regular army officers.

Saturday, the government ordered 2,000 national police to the Basque region to reinforce large contingents already there, and police clashed with demonstrators in the Basque city San Sebastian today.

Like the Spanish Army the security forces were trained and deployed by the late dictator Francisco Franco to fight "terrorist enemies" under 1936-39 civil war regulations that were abrogated by the democratic constitution approved in a referendum last month.

Nevertheless, rightist army generals, colonels and majors publicly insult the defense minister, retired Lt. Gen. Manuel Gutierrez Mellado, and blame him for doing nothing while "terrorists kill officers and police with impunity."

The defense minister is backed by the king, the premier and loyalist officers, but his project to cut the number of civil war veterans in the armed forces by lowering the retirement age to 55 has been shelved for months. The reason, fear of a rightist back lash.

Another target of military criticism is Premier Adolfo Suarez, who, with the king's full backing, has masterminded the difficult transition to democracy and called parliamentary elections for next March 1.

Last November the premier survived an attempted military coup that the government has minimized. Extensive talks with loyalist military officers and Spanish officials indicate it was a serious plot that involved plans to kill the premier and two other Cabinet officers.

Some high officers, who have strong support within the conservative navy, make no secret of their objectives. They want the king to impose martial law in the Basque region to "liquidate ETA once and for all."

The king and the government so far have resisted military pressure for the "pacification of the Basques." But some Spanish officials believe that if ETA, an acronym for Basque Independence and Liberty, continues its terrorist campaign, a junta of senior military officers is prepared to go to the king to demand postponement of parliamentary and municipal elections and appointment of a rightist civilian government that will cooperate with the military and give the army a free hand to deal with ETA.

Western diplomats, who had assumed that the military had been tamed by the king, have been distressed by the mounting signs of military discontent.

"Any strong army move would end Spanish expectations of entering the Common Market and of joining the North Atlantic Treaty [Organization]," said a diplomat. "But the behavior of the military in the past two months shows the frailty of Spanish democracy."

Neither NATO nor the Common market appear to matter to rightist officers.

"We survived without them before," said a colonel. "We'll get along without them in the future. What matters to us is terrorism, our dead, and the unity of Spain. We can't let ETA dismember Spain to please countries that don't really like us, anyway."●

DEATH OF DR. McCHESNEY GOODALL

● Mr. BAKER. Mr. President, it was with great personal sadness that I learned of the death of Dr. McChesney Goodall, first medical director of University Hospital in Knoxville and founder of its research center.

Dr. Goodall died last week in Richmond, Va., where he was on the medical staff of the Medical College of Virginia. He was a native of Staunton, Va.

Ches Goodall was a good friend of mine, an early political supporter, and, during his stay in Knoxville, a dedicated civic leader.

The people of Tennessee owe a sizable debt to Ches Goodall for his skillful and energetic commitment to exploring new frontiers of medical care.

His was an example of scholarship and leadership that served his profession, his community and his country well.

My deepest sympathy goes to Mrs. Goodall and her family, and I know my colleagues in the Senate share in that sentiment.●

CONNECTICUT BUSINESS JOURNALISM AWARDS

Mr. RIBICOFF. Mr. President, four newspaper reporters and the producers of a radio program and a television program won the First Annual Awards for Excellence in Connecticut Business Journalism in ceremonies December 4, 1978, at the Hartford Club.

The Connecticut Business Journalism awards were established by the Greater Hartford Chamber of Commerce in cooperation with the University of Connecticut Department of Journalism. Purpose of the awards is to encourage and reward accurate, responsible, and incisive reporting of business and financial news in Connecticut.

Joan Poro and Dan Stets of the New London Day won in the category of daily newspapers with circulation above 30,000 for their five-part series on the Electric Boat Co.

Linda Lumsden of the Manchester Inquirer won in the category of newspapers with less than 30,000 circulation for her two-part series on teenage beauty pageants.

In the category of weekly newspapers, Bill Baldwin of Fairpress, published in Westport, won for his three-part series on taxation.

Robert Pantano of station WICC of Bridgeport won in the category of radio programing for his 30-minute documentary on extension of the Sikorsky Airport in Stratford.

For television programing, the winner was Richard Ahles of WFSB–TV, Hartford, for a 30-minute documentary on interlocking corporate directorates in Connecticut.

The judges were William Arthur, executive director, the National News Council; Paul Erdman, author; Irwin Landau, editor, "Consumer Reports"; Ida Cole, dean, Medill School of Journalism, Northwestern University; and Francis Pollock, member of Adjunct Faculty, Graduate School of Journalism, Columbia University. Evan Hill, head of the Department of Journalism at the University of Connecticut, was chairman of the panel of judges.

Joseph McGarry, chairman of the Chamber's Business Journalism Advisory Committee, presented a plaque and cash award to each of the winners.

The program is funded by Aetna Life & Casualty; Connecticut Bank and Trust Co.; Connecticut Mutual Life Insurance Co.; Emhart Corp.; The Hartford Insurance Group; Hartford Steam Boiler Inspection and Insurance Co.; Kaman Corp.; Northeast Utilities; Southern New England Telephone Co.; The Travelers Corp.; Combustion Engineering, Inc.; Connecticut General Insurance Corp.; The Covenant Mutual Insurance Co.; G. Fox and Co.; Hartford National Bank & Trust Co.; Heublein, Inc.; Mechanics Savings Bank; Society for Savings; and United Technologies Corp.

I want to congratulate the winners of these awards and commend the Greater Hartford Chamber of Commerce, the University of Connecticut Journalism Department, the judges and the sponsors of these awards. Business reporting is one of the most important functions of any news gathering organization. Good reporting in this field should be encouraged and recognized. The annual Awards for Excellence in Connecticut Business Journalism promote good business reporting.●

FORMER SECRETARIES OF AGRICULTURE OPPOSE WHITE HOUSE STAFF REORGANIZATION PLAN

● Mr. TALMADGE. Mr. President, late last week, six former Secretaries of Agriculture wrote to President Carter in connection with the reorganization of the natural resource functions of the Government being proposed by the White House Staff.

The excellent letter opposes in the strongest terms the transfer of the Forest Service and elements of the Soil Conservation Service to a renamed Department of Interior.

I might add, the letter by the former Secretaries is totally consistent with the approach which Chairman Tom Foley of the House Agriculture Committee and I have taken in three letters to the President. The Natural Resources proposal is not sound—not fiscally sound, not sound in terms of efficiency, nor is it politically feasible.

During the 95th Congress, the entire Committee on Agriculture, Nutrition, and Forestry made it abundantly clear that they would not accept any attempt to dismantle the Department of Agriculture. The Senate reinforced that commitment when it overwhelmingly defeated an attempt to move the child nutrition programs of USDA to a proposed new Department of Education. I expect another such bipartisan effort to develop should a final decision be made to move the vital forestry and conservation programs from USDA.

Mr. President, I ask that the letter to Mr. Carter from the six former Secretaries of Agriculture be printed in the Record.

The letter is as follows:

The President,
The White House,
Washington, D.C.

Dear Mr. President: It is our understanding that you will be making a decision in the next few days on a proposal to reorganize the natural resource functions of the federal government. We strongly support your objective of improving the effectiveness and efficiency of federal programs. We represent 30 years of experience as Secretary of Agriculture responsible for both the protection and production of natural resources in this nation. And we maintain a vital interest in the future success and improvement of those programs which touch the lives of every citizen of this nation, and indeed, every nation of the world. We wish to offer our views for your consideration as you make a most difficult decision.

This nation is increasingly dependent on its natural resources. Wise management of those resources depends on a sound scientific base. USDA has the dominant role in the federal system for the conduct of research in renewable resources through in-house research by its agencies or through cooperative efforts with the land grant institutions. The management of renewable natural resources, whether of agricultural crops, or production from forests and grasslands, or enhancement of wildlife habitat, is dependent on close association with the body of scientific investigation and accumulated experience found in USDA.

The Secretary of Agriculture has responsibility for the programs affecting the economic and social well-being of rural America. Those complex objectives are dependent in good measure on the coordination of programs applicable to both public and private lands, and to both agricultural and nonagricultural lands. To organize departments or programs on the basis of federal ownership of land instead of the programs and services affecting all lands would be, in our view, most unwise and ineffective.

The delivery system of agencies must be designed so that decisions can be made quickly and soundly at the ground level where the people and the resources are located. USDA has, since its creation by President Lincoln in 1862, been a people's department. It has operated in a decentralized manner, and we believe in a very effective manner. We urge that nothing be done to shift toward centralization or greater control of programs at the national level or to segregate programs on the basis of land ownership.

We are proud of the fact that a Secretary of Agriculture initiated the wilderness system in 1924, 40 years before the National Wilderness Preservation Act was passed. The USDA has established an enviable record of attention to, and improvement in, environmental protection of both agricultural and wild lands and has long demonstrated a balanced approach to protection and production.

Mr. President, we are deeply concerned with the recommendation of the natural resource reorganization study team. We have consistently opposed during our tenure efforts to remove the Forest Service and portions of the Soil Conservation Service from USDA. This kind of proposal has been rejected time and again for very sound reasons. We believe it would again encounter intense opposition and probable defeat. We also understand that there are other proposals under consideration to reassign various functions of USDA to other departments which would weaken the Department of Agriculture. USDA's strength has evolved over the decades as a result of the diversity of its programs and the broad base of public support that such diversity engenders. We encourage you to consider using USDA as the nucleus around which all natural resource programs are clustered. To this end we offer our support.

Sincerely yours,

Charles Brannon,
Ezra Taft Benson,
Earl L. Butz,
Orville L. Freeman,
Clifford Hardin,
John A. Knebel.●

BELLA

● Mr. RIEGLE. Mr. President, I include an editorial from the Detroit Free Press of January 16 which offers a useful perspective on the recent firing of Bella Abzug. I recommend it to my colleagues and other readers of the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

BELLA: THE PRESIDENT HAS SHOWN US A BAD SIDE OF HIMSELF IN HER FIRING

There are only losers in President Carter's abrupt dismissal of Bella Abzug as co-chairwoman of his National Advisory Committee on Women, and the big loser is plainly President Carter.

Mr. Carter is not the first person, to be sure, to find Ms. Abzug difficult; there are sharp edges to her personality. But the President surely had seen enough when he appointed her to know that she was not going to put on a collar and be his person when he gave her an office and a platform. She did what comes naturally to Bella Abzug; she spoke frankly and freely without regard to the presumed—now apparent—sensitivities of the White House.

The President cannot have both an "open" administration with free-wheeling criticism and exchange of ideas and a tight control of what people say and do. Particularly in the case of an advisory commission, the purpose is to advise. That is not the same as to assent.

Whatever the accumulation of irritations that the White House and the President himself feel they have endured from Ms. Abzug, the firing has a symbolic significance—a sort of petulant "get-back-in-the-kitchen" attitude—that does not jibe with Mr. Carter's avowals of commitment to strengthening women's rights.

What is worse for Mr. Carter, there is almost no logical way in which he can move to repair the damage done here. We have no idea how many votes Mr. Carter won or lost here; some of both, we suspect. There are people who do not love Ms. Abzug. But the tragedy of this is not what it does to Mr. Carter's political equation, though it certainly alienates people whose allegiance he might have been able to count on.

The tragedy is what it does to the perception of Mr. Carter as leader of the nation; not strong, but arbitrary; not even-handed, but petulant; not a man attuned to the social changes that are pulsating through American society and American homes. The President has damaged himself with a lot of Americans, and it is the country, rather than merely the country's leader, that is injured by that fact. ●

JAMES V. BENNETT

● Mr. CHURCH. Mr. President, the convening of a new Congress is a time for rededication to public service, and there could be no better example of a fine public servant than James V. Bennett, who passed away during the adjournment period.

During his 34 years with the Federal Bureau of Prisons, 27 as its Director, Mr. Bennett personified prison reform. As an editorial eulogizing him in the Washington Post pointed out, his main concern was each individual's human potential: "We must not rob a man of all hope." I ask that this editorial be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. CHURCH. Mr. President, only uncommon men enlist in unpopular causes, and there are few subjects less popular than concern for the well-being of the convicted. Moreover, it is far easier to espouse reform from the outside, when there is no daily responsibility for working in a system as it exists. Jim Bennett espoused—and achieved—prison reform from the inside; he was a truly uncommon man.

With Jim Bennett's passing this winter, the continuing debate over the prison system has suffered a major setback, and our Nation has suffered a major loss. My own loss, however, is far greater. Jim was my neighbor, and my friend.

We became neighbors when I first came to Washington more than 20 years ago. I was the new boy on the block, and I could not have had a better friend as I began my own career in public service. Friendships and neighborhoods in Washington are too frequently superficial and transitory, but our neighborhood and friendship were, indeed, real and deep.

Our heroes, Mr. President, are always few, and it is a rare personal privilege when they touch our lives.

EXHIBIT 1

JAMES V. BENNETT

James V. Bennett, who died last Sunday, once summarized the philosophy that made him one of the world's foremost leaders in prison reform in these words: "We must not rob a man of all hope." That principle was his guide during his 34 years in the Federal Bureau of Prisons, 27 of them as its director, and few men have ever done as much to turn a simple belief into government policy.

It is hard now to realize what conditions were in American prisons when Mr. Bennett wrote his first report on them 49 years ago. Prisoners worked in chains, ate from buckets, lived in filth and survived (or died from) the beatings administered by sadistic guards. Courts these days would say the prisoners were being subjected to "cruel and unusual punishment," but that was the way it was when Mr. Bennett began his work of changing things.

The reforms that Mr. Bennett helped to bring to the federal prison system are legion. They range from the abolition of those chains to the creation of halfway houses and open prisons. Some of these were programs he originated; some were the ideas of others that he put into operation. But in almost every instance, he was the one who persuaded Congress and his colleagues in the executive branch that the changes should be made. His judgment as to what would work in a prison setting was so good that most of the reforms he sponsored had been copied by the states and many foreign governments long before his death.

Some of Mr. Bennett's beliefs are now being challenged by a new generation of prison reformers. This is as it should be. And there is much to what some of those critics say. They question, for instance, the idea that most prisoners can be rehabilitated if only society would commit the necessary resources to that end and the argument that indeterminate sentences give prisoners an incentive for self-improvement. But whether Mr. Bennett, and the others who fought the battle of reform with him, were right or wrong on these questions is, in a way, beside the point. For even those who are challenging some of the last generation's reforms do not dispute the basic principle that no man should be robbed of all hope. That thought is now deeply embedded in our national policy, and James Bennett had everything to do with putting it there.●

OMB REORGANIZES COMPUTER OPERATIONS

● Mr. RIBICOFF. Mr. President, the Office of Management and Budget is reorganizing Federal computer operations. A summary of OMB's goals in this area was provided in a speech given by Wayne E. Granquist, Associate Director for Management and Regulatory Policy, before the Association for Computing Machinery on December 5, 1978, at the Sheraton Park Hotel in Washington, D.C. I request that Mr. Granquist's speech be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

SPEECH BY WAYNE E. GRANQUIST

Good morning, it is a pleasure to be here to discuss the management and use of data processing resources by the Federal Government. I would like to use my time this morning to tell you about recent Administration initiatives to improve the management of our computer resources, the Federal Data Processing Reorganization Study, and our plans for the immediate future. First, though, I want to spend a few moments discussing how we got to where we are.

When President Carter entered office he directed all those within his Administration—political appointees as well as career staff—to look into the proverbial mirror to see if they were satisfied with their appearance. There were no exceptions; every Federal program and activity were to be subjected to this scrutiny. Since then, we have been using management reviews, reorganization studies, and the budget process to reevaluate the role, functions and structure of the Federal Government.

Based on these evaluations one fact is obvious—we can no longer continue the way we have been going—the expansion of the Federal bureaucracy and the growth of the Federal budget must be curtailed. This is the message that the President is spreading and one I want to repeat here—because it has significant implications for the future of Federal data processing.

Let me state four of our immediate objectives and then discuss the impact these will have on you as managers, users and providers of data processing services.

The first objective is simple: Improve the delivery of services. The pressing need before us is to increase the quality and quantity of services to the American public. The demands upon the government to provide services, from health care to national defense, are growing as they never have before, and the demands are for both more services and better services. The time-worn answer to demands such as these has been to increase resources through an ever-expanding Federal budget. We can no longer afford that solution and must find new ways to deliver more services for fewer dollars. This objective will become even more critical in the future since the Federal workforce will remain relatively stable while our clientele—the over 230 million citizens—will continue to grow.

Our second objective, therefore, is to revitalize the Federal workforce. The limits on the size of the Federal workforce—which is now congressionally mandated—require that we hire and retain only the best people. Many of us came to office believing that we did not have a system which provided incentives to stimulate high productivity. We've changed that. The Civil Service Reform Act—an effort which I co-chaired with Scotty Campbell, Chairman of the CSC—embodies the most far-reaching changes in how the Federal Government should manage its human resources since the original Civil Service legislation was passed in 1883. We have finally moved into the 20th century for personnel management. We can reward exceptional performance. We can also cut through the red tape, and motivate, discipline and, if necessary, fire those persons who cannot live up to performance standards which the American people have a right to expect of their government.

Our third objective is clear. It is also incredibly tough. We must reduce the rate of growth in the Federal budget. The President has stated that he wants to reduce the Federal deficit to $30 billion or less by FY 1980. To achieve this—and we must achieve it as an important part of our fight against inflation—there must be less growth in the base and fewer new programs for the future than we have been accustomed to. From the discussions now going on with the President as a part of the budget reviews, I can assure you that the President means it when he says that FY 1980 is going to be an austere year.

Our fourth objective is to reduce the size of government and streamline the bureaucracy. We must have a structure which is conducive to efficient operations and keeps overhead costs to a minimum. We began by reducing the Executive Office of the President. Other reductions have been accomplished or are underway.

What does this mean to you? I hope it doesn't mean just fear—fear that your programs will be cut, planned growth eliminated, or positions frozen in the future. It shouldn't because the Administration objectives provide a unique opportunity for the users, managers and providers of information technology resources. You can take advantage of the opportunities offered by technology to expand the capability of the Federal workforce, to increase productivity, to improve the quality of services—and to reduce costs. I don't need to remind you—of all people—of the tremendous potential of technology to increase the level and quality of services, as well as reduce the unit costs of providing those services. To be very simplistic, think what it would take to prepare and distribute monthly checks to 38 million Social Security Administration beneficiaries if there were no computers. The short answer is that it couldn't be done. At the same time, I think you would agree that more could be done to improve our use of technology in preparing and distributing checks. So the challenge is to do two things: to improve our management of existing technology and to identify new programs and opportunities for employing technology in the future.

The primary responsibility for meeting this challenge is going to fall on the shoulders of those agency managers who are directly responsible for carrying out agency programs. However, those of you who manage or provide data processing resources—and know what technology can and cannot do—have an obligation to the program managers—as well as to the agency heads, the President, and the public—to assure that the Federal Government uses information technology efficiently and effectively, and that we take advantage of the opportunities afforded by that technology.

With technology we can provide more services with fewer resources than would be needed if we were to employ other means. Effective use of this technology will permit us to make substantial progress towards accomplishing three of our major objectives—improve the delivery of services, contain the size of the Federal workforce and reduce the rate of growth in the Federal budget. This potential is the reason the President recommended that FY 79 resources for Federal data processing be increased $500 million over the FY 78 level. At the same time, when I speak of making greater use of technology, I am not suggesting that we go out and buy all new computers. The money simply is not there. All future resource requests, especially those for increases, will have to provide evidence of a specific return on investment or demonstrate how they will contribute to the Administration's goals.

To achieve these ends, you must change your role within the organization. For too long, data processing managers have been passive providers of a service. It is time for the data processing community to take the initiative and broaden its perspectives beyond the narrow confines of a computer shop. You are managers and providers of information. With that role comes certain responsibilities. You must show the leadership of your agency and the program managers how they could accomplish their missions more effectively. You must become an active participant in the accomplishment of your agency's mission. You should seek out and identify innovative ways to use technology to accomplish your agency's mission. You should discourage users who want to use technology in a manner which is not cost-effective, sensitive to the concerns of privacy—or otherwise not in the best corporate interests of the organization. You should be continually evaluating alternative ways to accomplish specific functions. You must demonstrate self-restraint in your requests for resources. You must improve your justification for new resources and do more with those already available. And finally, you must do better planning for the future. This is a tremendously difficult task and will require both a change in attitude and a change in behavior.

During the past year we have seen encouraging signs that this sort of change is beginning to take place. Some agencies have adopted new management techniques or new technology which has significantly increased their level of output without a corresponding increase in resources. For example, the IRS has acquired new laser printers to assist in processing tax returns. They estimate savings of $2.9 million in FY 79 and $25 million from FY 80–84. Other agencies have suggested innovative applications of technology to deliver services. The FAA has developed an aircraft flow control model which can be used to schedule landings and departures during bad weather so as to minimize fuel consumption. During one 21½ hour period at O'Hare Airport in Chicago, use of this model resulted in fuel cost savings of over $640,000. The FAA has also developed a computer program which assists in locating downed aircraft. This program has reduced the average time to find a missing aircraft from 174 hours to 36 hours. Since the first 48 hours after a crash are the most critical, this has immeasurable payoffs in terms of human lives. Another benefit of this program is that, since 1975, the number of search incidents has increased 12.5%, but the total hours flown on search missions has decreased 32%. Regrettably, the public rarely hears about these success stories. It is an unfortunate fact of life that GAO studies, congressional reports and the press tend to focus on the examples of mismanagement and systems that have "failed." While we have our share of "failures", we also have many examples of good, effective and beneficial uses of technology. I think those of us responsible for Federal data processing have frequently gotten a bad rap and one of our goals is to find a way to balance the score sheet by recognizing and rewarding good performance.

I have spoken of what you must do if we are to meet the President's objectives. But, I don't want to leave the impression that you are being asked to go it alone. OMB, as well as GSA, Commerce, and Civil Service (soon to be the Office of Personnel Management), are prepared and ready to assist you in whatever way we can. Each of these organizations has been or will be restructured or reenergized to make it more efficient and effective. For example, let me address the recent changes in OMB.

Shortly after I arrived at OMB—the OMB career staff, representatives of the private sector and others, brought to my attention the problems and missed opportunities in the management and use of Federal data processing resources. We also recognized early on that there were two structural anomalies which prevented more effective use of our resources in the Executive Office of the President. The first was that the OMB office responsible for Federal data processing policies also had an operational responsbility — to provide computer support to the Executive Office — which diverted resources from their policy formulation and control responsbilities. Accordingly, we removed that operational function and transferred it elsewhere within the Executive Office. The second problem was that the management structure of the Executive Office did not permit us to exploit the opportunities afforded by the convergence of data processing and telecommunications. Having one policy organization for telecommunications — OTP — and one for data processing — OMB — precluded the development of effective and consistent policies. This was one of the reasons we abolished the Office of Telecommunications Policy and assigned its government telecommunications policy responsibility to OMB.

The result of these actions was that for the first time a single office is responsible for developing policies for both Federal data processing and telecommunications — in other words, information technology resources. As soon as the smoke from these reorganizations cleared, we began to refocus our efforts towards addressing both information technology and "information policy" issues; many of which had heretofore not been adequately addressed within the Executive Office of the President because of the diversion of resources. A major part of this refocusing effort has been directed towards establishing effective working relationships with the Domestic Policy Staff, the Department of Commerce, the Office of Science and Technology Policy, and others. The development of a mechanism for coordinating policy development and assuring that divergent views are adequately considered is especially important — because many of the issues we are confronting cut across many programs and agencies.

It has taken us some time to put these new mechanisms in place and it is still too early to tell how effective they will be. However, based on our progress to date I am both pleased and optimistic about our prospects for the future. To guide our activities we have established an agenda of high priority goals and objectives. This agenda permits us to measure the effectiveness of specific actions and programs in meeting Administration goals and also provides critera for identifying which issues deserve Executive Office and Presidential attention. Among the items on this agenda are:

To use information technology in manner which improves the delivery of public services and improves the management of government programs.

We also want to make sure that information technology is acquired and managed in an effective and efficient manner which provides the lowest overall costs to the taxpayer.

We intended to make sure that the Federal Government collects and maintains only that information which is absolutely necessary and that the burden on the public to provide information is minimized.

We are developing programs and policies to assure that the Federal Government adequately protects its information, whether personal, proprietary or classified, and uses information only for the legitimate purposes for which it was obtained.

Wherever possible, we intend to take advantage of the competitive market place to provide goods and services.

We want to improve both the quality and timeliness of information necessary for decisionmaking.

We want to make sure that, wherever feasible, information developed or held by the Federal Government is made available to the public in an effective and efficient manner.

Finally, we want to assure that the need for individual privacy is properly balanced with the needs of society and that the Federal Government does not unnecessarily infringe upon individual rights, especially with technology.

To implement this agenda, we have undertaken a number of specific actions during the past year. Perhaps the most visible one has been the Federal Data Processing Reorganization Study. We initiated this effort in order to address specific, major problems and identify possible courses of action for the future. This project has already had a direct impact on our management of Federal information technology resources and a number of our recent initiatives are the direct result of the team member's efforts. For example, the teams found that inadequate planning and a lack of early visibility on major acquisitions were a major deficiniecy in our current management process which precluded more effective use of information technology resources. In order to improve our planning and budgeting for those resources, we have:

Revised the methodology for budgeting for computer and telecommunications resources to assure that they are reviewed in the context of the program they are supporting and not as an end in themselves.

We have established a requirement for agencies to identify all information technology procurements exceeding $1 million. We will publish a list of these in order to provide early visibility to the President, Congress and the private sector on major acquisitions.

While we have already used the reorganization team findings as a major source of ideas for new policy initiatives, they have not yet completed their efforts. However, we have moved out on a number of different fronts while we await their final report. Among other recent actions:

OMB has issued a computer security policy which will assure that Federal computer systems are properly designed and adequately protected, thereby reducing the potential for fraud and waste in computer supported programs and assuring that personal, proprietary and sensitive data is adequately protected.

In order to increase user accountability for the utilization of technology we have recently issued for comment a draft full cost policy which requires users to account for the full cost of their data processing requirements.

We are also establishing, in conjunction with NTIA, GSA, and OSTP, an agenda of goals and objectives for high priority telecommunications policy issues which we intend to emphasize during the coming year.

We have asked each State Governor to nominate a point-of-contact in order to facilitate intergovernmental communication about the management and use of information technology.

We have a major effort underway to identify ways to reduce the costs of Federal radionavigation systems. The DOT and Department of Defense have already stated that the discipline imposed by this project has substantially improved their own planning proceses.

Next week, OMB will publish an annotated compendium of laws, policies and regulations affecting the acquisition and management of data processing and telecommunications resources.

We have just released for informal comment a major revision to OMB Circular No. A–71, which establishes agency responsibilities for managing Federal computer resources. This revised document is intended to clarify the changes in responsibilities which have occurred since 1965 and, by recognizing the convergence of computers and telecommunications, establish a framework for exploiting the advantages of technology.

We have initiated the transfer of the Smithsonian Science Information Exchange from the Smithsonian Institution to the Department of Commerce in order to more closely align its functions with those of the National Technical Information Service and thereby improve the dissemination and use of scientific information.

We are now reviewing over 300 public comments on the proposed OMB policy on the dissemination of scientific and technical information produced with Federal funds. This policy—like the transfer of SSIE—is intended to improve public access to Federal information.

We have initiated a test to determine the feasibility of establishing a locator system for identifying Federal information sources as a means of increasing access to Federal information and reducing the burden on the public to provide information.

We have recently issued a new policy on program evaluations in order to improve their quality and increase the use of such evaluations in making program and resource decisions.

We have a study underway to recommend improvements in the way in which the government develops and uses statistics.

Finally, we are participating on a joint legislative-Executive Branch committee—along with representatives from labor unions, the private sector, libraries and others—which has been established to identify those issues which should be considered in rewriting Title 44 of the U.S. Code. This title is the basic law on public printing and documents and includes a wide range of provisions ranging from the Government Printing Office and the depository library program to records management, the National Archives and the Federal Reports Act. Among the issues currently being discussed are: What is the proper role of the GPO? How should the government manage and disseminate information? Should government information be free? How can technology be more effectively used to disseminate information?

This should give you a good feel for the wide range of information policy issues we are currently involved in. But I'm not here to talk about just our accomplishments and initiatives. Many of the other departments and agencies have also been busy and I want to recognize them. For example: GSA has recently reorganized the Automated Data and Telecommunications Service to take advantage of the opportunities offered by the convergence of data processing and telecommunications. No longer will they treat data processing and telecommunications as separate, unrelated activities.

They have raised the dollar threshold for blanket delegations of procurement authority from $100,000 to $300,000.

They have consolidated and reissued their Federal Management Circulars and FPMR's.

They have strengthened their review of agency procurement requests to assure greater compliance with Federal standards.

During the past year the Department of Commerce has:

Established the National Telecommunications and Information Administration to more effectively address national and international telecommunications and related information issues.

They have taken steps to strengthen the Federal Information Processing Standards program by developing a five year plan for the program; they have begun to develop and publish cost-benefit studies on their standards efforts; they are developing a mechanism for measuring agency compliance with standards; and beginning in 1979, the Secretary of Commerce has committed her agency to preparing an annual report on the status of the Federal Information Processing Standards Program.

To assist the Secretary, this week, OMB is sending a memorandum to the head of each department and agency emphasizing the importance of viable standards. Each department will be asked to identify a senior management official who will be responsible for implementing standards within his or her agency and for assisting the Department of Commerce with its responsibilities.

The Department is also developing a brochure which will provide information on what advisory and assistance services are available to the managers of Federal information technology. One of the findings of the reorganization team was that many managers were unaware of the types of assistance that exist.

I am also pleased to report that a number of departments and agencies are taking steps to improve their management of information technology and identify new opportunities for using that technology.

HEW has initiated an experiment in Baltimore to evaluate the feasibility of automating eligibility determination for social welfare programs. This, by the way, is a direct result of one of the reorganization team recommendations.

HEW and others have instituted computer matching programs to reduce the amount of fraud in welfare and loan programs. One such program at HEW, which cost $1 million to run, has already identified $12 million in savings. Any program which has a benefit to cost ratio of 12 to 1 can be rated a definite success. OMB, by the way, has developed guidelines to assure that such programs are conducted in a way which will minimize improper government intrusion into the privacy of individuals.

The Department of Defense has undertaken several reorganizations to improve their management of information technology; is working to improve career paths for persons in this area; and has recently implemented major new policies on life cycle management and approval processes for automated information systems. DOD has indicated that the reorganization teams were a great help in identifying the need for some of these changes.

As you can see, the past year has been a busy one. At the same time, there is much more that can and should be done. To assist us in identifying next steps we have sought ideas and suggestions from a wide variety of sources—both inside and outside government. For example, all of our major policy initiatives—such as the full cost, computer security and telecommunications agenda—were distributed widely for public comment. We intend to continue this process and hope that all of you—whether in the public or private sector—will take the time to provide us with your thoughts.

I have already mentioned the Federal Data Processing Reorganization Study and the impact it has had on the management of Federal resources. I want to spend a moment discussing why it was so important, its current status and where we go from here.

We initiated this project because early in the Administration we recognized the importance of computers to the accomplishment of the President's goals and agreed with the OMB staff recommendation that an objective and independent study would be of value in assessing curent problems and trends.

I first announced the project 18 months ago in a speech before the Interagency Committee on Automatic Data Processing.

The project was composed of 10 teams, staffed with over 50 volunteers, 40% of whom were senior management personnel from the private sector, universities and local government. Five of the teams looked at the management of computer resources within specific agencies and five of the teams looked at government-wide issues. I won't dwell on the issues the teams were asked to address or the way the project was structured—since these were addressed in the August 30, 1977 study plan which most of you have probably seen—and was the subject of many speeches and press articles.

As of today, eight teams have completed their reports and formally submitted them to OMB. The Central Agency team—which looked at OMB, GSA and Commerce—and the Science and Technology Team—which looked at high technology agencies such as NASA and the Department of Commerce—have not yet completed their reports. A consolidated report is also being prepared which will integrate the findings, conclusions and recommendations of the ten individual teams.

It is impossible at this time to assess the ultimate impact of the project. However, we have not spent the past year waiting for the final results. As the teams have published their reports we have taken the recommendations and used them it initiate new activities or as the basis for pursuing new courses of action. At the same time, there are some recommendations in the team reports with which we do not agree.

For example, recent trade press articles indicated that the teams were considering recommending a Special Assistant to the President for Information Technology. It is my understanding they no longer intend to recommend this. I beleve that a decision to drop this recommendation is a correct one.

The teams have also recommended that there be an Executive Associate Director for Information Technology within OMB in order to improve Executive Office oversight and management of Federal information technology. While I agree with their goal, I disagree with their methodology for accomplishing it.

As I indicated a few moments ago, we have already restructured and refocused the Executive Office of the President to more effectively address information technology issues. Although it is too early to fully evauate the success of those new efforts, the list of recent initiatives I mentioned provides ample evidence that we can accomplish the team's goals without an additional structural change.

This is important because I believe that information technology functions must be carried out in close coordination with existing management and budget processes. Currently my office is responsible for a wide range of Administration activities, including an anti-waste and fraud program, regulatory reform, paperwork commission implementation, reorganization of Federal statistical activities, assessment of joint funding, Civil Service reform implementation, cash management and many others. All of these efforts involve information and have implications for information technology. I have taken special steps to assure that we are effectively coordinatig our activities and working towards common goals. Additionally, we have developed good relationships with the budget side of OMB to assure that both budget and management perspectives are considered in the development and execution of policy. I believe it would be counterproductive to remove the information technology part of these programs and assign functional responsibility to a separate organization. At a minimum, it would upset the delicate balance we have achieved. It would also serve to further fragment accountability and responsibility for management and budget functions within OMB. Since the current structure provides for the effective intergration and coordination of budget, management and policy issues, I see no need to change.

Where do we go from here? The first step is to accept the challenge before us. We must work together to improve our management of these resources. We, in the OMB, GSA, and Commerce will support you in whatever way we can. We will support managers who demonstrate their willingness to innovate. We will support new and creative uses of technology. We will provide advice and assistance, or help you get it. We will also develop new policies or revise or dispose of old ones that are ineffective. But, there are no easy solutions and I will not pretend there are. We must work together to identify and try workable solutions to our current and future problems. I have spent a great deal of my time telling you what has been done during the past year to improve the management of Federal information technology resources. I would like to close by quickly mentioning one more initiative that is in the works.

During this winter, OMB will sponsor a conference to identify workable solutions to immediate high-priority problems—such as: to improve planning; to identify innovative use of technology; and to unclog the channels of communication among policy makers, program managers and information technology managers. The participants will be senior personnel from the departments and agencies who are responsible for policy, program management and information technology. This will be a working conference. We hope the results will greatly enhance our ability to use technology to improve the operations of government and the delivery of services to the public.

More information on this conference will be forthcoming shortly. In the meantime, I urge you not to wait for us. Take the initiative; identify improvements in your agency's management and use of information technology; and bring forward to us recommendations and ideas for government-wide improvements. Perhaps then, we can use this winter's conference to highlight our accomplishments as well as our problems.

Thank you.●

SMOKING AND HEALTH

● Mr. FORD. Mr. President, I ask to have printed in the RECORD, for review by my colleagues, an interesting speech delivered by Horace R. Kornegay, president of the Tobacco Institute, at the Magazine Publishers Association and American Society of Magazine Editors conference on October 16, 1978.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

WARNING: READING MAY BE HAZARDOUS TO YOUR HEALTH

(By Horace R. Kornegay)

As I glanced at this morning's program, I recalled an observation made by Lucius Seneca, a Roman philosopher and statesman, who distinguished himself early in life as young Nero's tutor and ended his life as Emperor Nero's victim.

"All art," said Seneca nearly two thousand years ago, "is but an imitation of nature." His definition is timely and raises today's program to art of the first rank. Notice the sequence of speakers and see how accurately it imitates the nature of government as we have all come to know it.

It begins with a man who represents the lawmakers; it ends with a man who represents the regulators. And in between, it sandwiches a man who represents those who bear the burden of their proliferation.

Thus, the program, faithfully imitating nature, artfully puts the businessman in the position where he inevitably and unenviably finds himself—in the middle. Also true to nature, in the program, as in life, the spokesmen of government get the first and last word.

Nevertheless, I welcome an opportunity, any opportunity, to speak to magazine publishers and editors. For the nature of the media's response to messages about tobacco from tobacco men is more akin to a vacuum than anything else I can think of.

Very few people read what we have to say, because very few people actually get an opportunity to see in print what we are saying. But I am not complaining. I am simply leading up to the theme of this talk and its relation to the theme of your conference, "Frontiers 1978."

A few weeks ago when I received your invitation I sat at my desk in Washington wondering just what I could possibly say to interest the sophisticated and knowledgeable audience I would be facing today. My thoughts turned to Thoreau, recalling that he had said that frontiers were neither east nor west, north nor south, but wherever a man confronted a fact. And I delved further, hoping that this cranky, original American thinker might have another idea for my talk. He did. Thoreau also said that "it takes two people to speak the truth—one to speak and one to hear."

His two thoughts combined in my mind to form a third idea. Our frontier in 1978, and for years to come, is a communications frontier—a relational frontier rather than a spatial frontier, where people confront ideas, opinions and facts. And yet it is as troubled as any past geographical frontier of the east, west, north or south.

Never before have more people confronted more information through more massive communications. And never before have more people been so confused and so inattentive to the messages.

Something is wrong, either with the people or with the process of communication. I believe that the fault is with the latter. I also believe that until the communications process can be corrected, Reading Can Be Hazardous To Our Health.

I do not mean that reading per se is hazardous. I do not mean that reading small print in poor light can cause eye strain. I am not cautioning anyone that reading the third or fourth generation of a Xerox copy can cause intense frustration, although I am convinced of it.

But I am reflecting Thoreau's view that the derivation of truth through reading implies messages that are received as well as sent. I am talking about the absolute need for all sides of issues to be freely exchanged in the marketplace of public opinion. I am warning about the dire consequences that will result from anything less.

I consider that there is great hazard in the kind of reading that Mark Twain had in mind when he said: "It's not what we don't know that can hurt us, it's what we know that ain't so."

I am talking about the kind of reading that is implicit in William Hazlett's attack on the psuedo-science of phrenology a hundred and fifty years ago. "The origin of all fake science and imposture," he said, "is in the desire to accept false causes rather than none; or, which is the same thing, in the unwillingness to acknowledge our own ignorance."

In other words, I am saying that the kind of reading that short circuits free, full and fair discussion, and leads to the premature conviction that one is in possession of the truth—is hazardous to the health of our democratic society.

The tobacco industry—and the millions of American citizens associated with it—have been hurt by this kind of reading. But we are only the first casualties of the reading hazard. Ultimately, all business and industry can be included among what public health officials like to call "high-risk populations."

Let me mention a few obvious ones:

Television, we read, causes violence.

Automobiles, we read, are unsafe at any speed, cause air pollution and oil shortages.

Milk, eggs, red meat, we read, cause cholesterol-clogged arteries.

We also read that sugar leads to obesity, tooth decay, diabetes; and its substitutes, saccharin and cyclamates, are even worse.

We read that refined flour and snack foods are chock-full of empty calories and result in malnutrition.

We read that prosperity causes inflation, that inflation causes devaluation; that our long-sought-after affluence is an affliction; that our high standard of living, our envied lifestyle, is doing us in—morally, economically, and physically.

We read that the Enemy of Being is Having, that less is More, and that Small is Beautiful.

We read so much bad news about how we eat and drink and live that many people have given up reading.

But the regulators, the government officials and the politicians have not given up reading. Too many of them are avid readers and galvanic reactors to what they read.

As soon as they see a scarce headline, their writing hands start to twitch, and begin to spell out new laws, new rules, new regulations.

If you think I exaggerate, let me call as a witness Stefan Kanfer. He wrote a Time essay recently, translating overexuberant "menu-ese" into plain English. For example:

When you read "Salisbury Steak" on a menu, it means "Hamburger."

When you read "Bifteck a la Cuisinart," it means "Hamburger."

When you read "O.K. Corral Man-Handler," it means "Hamburger."

When you read "Hamburger" on a menu, it means "Leftovers."

His essay was meant to be humorous, but a New York City Councilwoman did not get the joke. She introduced a truth-in-menus bill that would outlaw such misrepresentations as "Baked Ham" that is boiled or "Idaho Potatoes" that are dug out of Long Island.

No one opposes the legislative intent. Indeed, I would think that restaurant owners wound be leading the movement to give diners a true-blue Blue Plate Special. I am sure that the vast majority of them are doing so. But many government officials seem to think otherwise and prefer to substitute a corps of menu regulators for the normal operation of the free market mechanism.

The rush to regulate is a major distemper of our time. There is a new class in our country who distrust the integrity of businessmen and doubt the intelligence of their customers. They are dedicated to regulate the former in order to protect the latter. Unforunately, they are entrenched in all branches of government.

What is the relevance for magazine publishers? Let me use our experience in tobacco as a predictor of the shape of things to come.

The attempt to substitute regulation for the marketplace will have its onset in an attack on advertising. And you are vulnerable.

About one-third of all magazine advertising in this country is devoted to products embroiled in controversy. For example: Tobacco accounts for 10 percent, automobiles for another 10 percent, alcoholic beverages 7 percent, and cosmetics 3 percent. Clearly, then, the magazine publishing business is highly dependent upon the continued ability of these advertisers to advertise.

Many policymakers argue that advertising must be regulated so that consumers will be "better" informed in order to make "better" choices.

Right now the pressure is on the advertiser, but will it stay there? What happens when people do not behave in the approved manner? Will the pressure shift to the publisher, and will the publisher stand up to it?

Here is a possible scenario you might want to think about.

Cigarettes, more than any other consumer product using heavy print media placements, have been subject to continuous and increasing regulations restricting our ability to market our product.

Begining in 1970 after discussions with the government, we agreed to print all "tar" and nicotine figures in brand advertising.

In 1972, the ratchet turned another notch, and we were subject to another advertising regulation calling for the display of warning labels in print advertisements.

Then came the "great shrinkage debates" in which the FTC is determined to hold advertisers responsible for a technical printing problem which is beyond their control.

In 1976, the Commission subpoenaed all of our members, and many of their ad agencies, to move mountains of confidential market research down to its office.

The regulators are clearly frustrated. Consumers are simply not making "better" choices. Cigarette consumption has increased since 1970. The public, they believe, is being manipulated by massive Madison Avenue magic. Apparently, they cannot conceive the possibility that the public is simply rejecting Big Brother's advice.

So now the Commission—at least its staff—is turning the screw, and is contemplating a new concept called the "nonverbal, noncognitive pictorial" elements in advertising. In addition to scrutinizing ads for "deceptive" claims, the Commission seems to be positioning itself to protect consumers from allegedly "deceptive" pictures.

How much further can it all go? Will magazine publishers in the future—as well as advertisers—be held responsible for the "deceptive" pictures that they publish on the advertiser's behalf?

Magazines enjoy as much, and perhaps more, First Amendment freedom as any other segment of the press. Television and radio are rigidly controlled by the government. But magazines are free—free to print those deleted expletives and many far worse; free to illustrate all those closet fantasies, and far worse. The thriving "skin" magazine market is proof enough that magazines are the freest of the free enterprise communications media.

But publishers should not become overconfident with their seemingly unlimited freedoms. For once the freedom to advertise a legal product is eroded, the erosion of other freedoms will follow. It will not be long before the leak in the dike becomes a deluge.

The recent Farber-New York Times case is an example. It might be a signal that magazine journalism may be the next target of attack.

Freedom of the press, in the absolute Constitutional sense, may no longer exist. Threats to our basic speech and business liberties are bound to affect the business of magazine publishing. There is bound to be some fallout on magazine content.

Consider some possibilities.

With the recent trend toward holding celebrities responsible for the products they endorse (for example, the Pat Boone and Karl Malden cases), will magazines become liable for the advertisements they carry? Under the threat of government sanction, television and radio stations screen and approve every product advertisement. Can newspapers and magazines escape scot-free? Will magazines become defendants in class action suits claiming that death and disease were related to their publication of advertisements for products like cosmetics, hair dyes, drugs, automobiles, food products . . . and tobacco?

Will magazines be held accountable for the accuracy of advertising claims about automobile mileage, or tire safety standards? Will magazines be responsible for communicating the alleged harmful effects of certain drugs . . . or warning against the dangers of hair dyes, shampoos and other cosmetics?

Already, HEW is pressuring the print media to volunteer more space to propagandize against tobacco. Will they also ask you to volunteer free space to warn against other alleged health hazards? And will mandatory government messages follow, in accordance with an expanded "fairness doctrine"?

We now have non-commercial, government-supported public broadcasting. Will we see this idea stretched to include non-commercial, government-supported public publications?

Before this parade of horribles comes marching down the pike toward you, however, your advertisers will experience "affirmative disclosure and counter-advertising regulations." The burden may lead many of them to seriously consider whether the game is worth the candle. The Commission itself recognized in The Eyeglass Rule that "disclosure requirements can increase advertising costs and discourage advertising altogether."

The fact is that it is possible to sell cracker-jacks without putting a prize in the box. That was the lesson of the cigarette labeling and advertising legislation, which ended broadcast advertising of cigarettes.

Sometimes called, "the Noble Experiment of 1970," the broadcast ban demonstrated that a bullet can miss its mark and hit a bystander. Intended to maim the tobacco industry, it actually wounded the broadcast industry. In any case, it was fatal to neither; and in fact, may have done most damage to those who fired the shot. For now the anti-tobacco lobby has come to regret its action.

And so, too, in time, may the regulators and the lawmakers.

One instance from the long history of government regulation of "tar" and nicotine suggests this is a possibility. In the late 1950's the Federal Trade Commission banned all advertising of cigarettes based on a brand's "tar" and nicotine content. The Commission declared it to be a "deceptive" practice. In 1966, the Commission reversed itself, finding that it was not only not "deceptive", it was a good practice. So, for more than six years, federal regulators denied the industry the opportunity to advertise lower "tar" and nicotine brands—and thus fully inform consumers. While one might argue that regulation delayed the public's "better choice" of cigarettes, one might also argue that regulators can change direction—although very slowly.

Indeed, the results of the free market mechanism should gratify those health regulators who believe that "the less 'tar' and nicotine, the better." In slightly more than 20 years, the "tar" and nicotine rating of the average cigarette purchased has dropped by more than half. Currently, no American brand is on the market with a "tar" and nicotine rating as high as the average cigarette sold in 1954. Sales growth is now concentrated in the low "tar" segment, 15 mg. or under. In 1976, one out of six cigarettes sold was low "tar"; in 1977, it was one out of four; by the end of 1978, it will be one out of three.

This result came about through the operation of the free marketplace—not government regulation. Can we hope that the regultors will begin to doubt that regulation can out-perform individual choice? Can we hope that they will begin to perceive that their controls are less efficient than the free enterprise system? If it is the government's purpose to encourage "better" choices or "approved" behavior from its citizens, can we look forward to the day when it dawns on them that regulation is not necessary?

Not in the near future, if the case of one scientist is any indication. Dr. Gio Batta Gori is a microbiologist at the National Cancer Institute. He is deputy director of cancer prevention and for about ten years has been in charge of the NCI's tobacco and health program. One of his major tasks has been to spearhead research into what he and others refer to as a "safer" cigarette. Let me emphasize that this is a government program, initiated by the Executive Branch and approved and funded by the Congress.

Yet in August, when Dr. Gori reported to the press on a paper which was about to be published in the Journal of the American Medical Association, the sky fell in on the poor fellow. As one columnist put it, "the gentleman committed truth . . . in the Washington Wonderland this qualifies as a capital offense. Off with his head."

Dr. Gori's transgression was to deviate from the official antismoking party line. He said that some brands of cigarettes were now so low in "tar" and nicotine that we can begin to talk about "tolerable" levels of smoking, in terms of the average effects on over-all mortality. Arthur Upton, Gori's boss at the National Cancer Institute, complained that the statements had "set back our cause." Julius Richmond, the Surgeon General and Upton's boss, howled foul. Joe Califano, boss of all bosses at HEW, hit the ceiling, according to insiders. Sidney Wolfe, who heads a Nader health group, took the direct approach to a defector: Fire Gori, he said, for making "the most damaging statement that has been made about smoking in the past 10 years."

If the rhetoric seemed more political than scientific, so too did the disposition of Dr. Gori. A Ph.D. in biology, he has been reassigned as a student in a master of public health program at Johns Hopkins University. His banishment to Baltimore, while not as far away as Siberia, effectively removes him from his work, serves as a chilling object lesson to scientists dependent on research funds from HEW, and makes it crystal clear that HEW Secretary Califano, who controls these vast funds, has his sights set on stamping out smoking.

By contrast, the President of the United States, who is Mr. Califano's boss, has a somewhat different vision. The administration's objective, he has said, is "an accurate and enlightened education program and research program to make the smoking of tobacco even more safe than it is today."

Here is a perfect example of what Thoreau was talking about ("It takes two to speak the truth—one to speak and one to hear.") Joe isn't listening to Jimmy. Or is it Jimmy who isn't listening to Joe?

Naturally, the Winston-Salem *Journal* was outraged. "Research on smoking and health which does not provide new ammunition for an anti-tobacco campaign," it declared, "won't be tolerated at HEW." And, naturally, Senator Morgan of North Carolina vigorously objected to Dr. Gori's punishment, "Freedom should prevail regardless of the popularity or unpopularity of the sicentific findings," he said. "Freedom should not be suspended because the ego of the Secretary of HEW is wounded."

However, it was refreshing and unexpected to hear from a newspaper in Boston which was one of the first to drop cigarette advertising. No possible taint of a vested economic interest could be associated with its editorial view.

"At times," said the Boston Globe, "Secretary Califano exhibits all the qualities of a born-again religious fanatic. His recent conversion from smoker to non-smoker is admirable. As head of the nation's health agency, he is certainly in a position to set policy as well as an example for Americans who are still hooked on tobacco. But his apparent unwillingness to hear all sides of the story can only be harmful in the long run."

And that, my friends, is the most important lesson to be derived from this whole affair. There is an unwillingness to hear all sides of the story. And it is not only Joe Califano's unwillingness. You, the gatekeepers of public opinion, are also not without fault.

By and large, the national press—magazines, newspapers and broadcast—have neither the time, the inclination, the technical expertise, nor the information to cover scientific controversy properly. Or so it seems. You cover the good and bad of most other facets of the news, but science is generally regarded as all good. A sacred cow—all milk and no manure—science escapes your scrutiny.

However, bad science does, in fact, exist. It leads to bad policy and costly social penalties. In the health area, bad science leads to public alarms, political overreaction, and unwarranted, unjustified, expensive regulatory actions.

We cannot distinguish good science from bad by noting the color of a scientist's symbolic hat. The White hats vs. the Black hats is not the proper way to assess the validity of scientific findings.

Yet there is a tendency among journalists and their editors to regard any scientist whose findings seem to support business as opposed to environmentalists or consumerists as wearing a black Stetson and evaluating his work accordingly.

I submit that such a short cut to the truth may possibly lead to error. However, such thinking appears to be widespread among executives, managers and professionals—that is the social class to which magazine publishers and editors belong. A recent Seasonwein Poll finds that this group is more critical than the general public of a number of industries.

Among the public, negative mentions of 10 industries were 32 percent. Among businessmen and professionals, negative mentions rose to 42 percent. Businessmen and professionals were more critical than the public of the following industries: In first place was the oil industry, then a three-way tie of chemicals, steel and cigarettes; next came automobiles, followed by packaged foods; then a tie between drugs and airlines; there was no difference for paper and clothing.

In my opinion, most magazines today are editorially tilted against business and in favor of government intervention. Most of this support stems from a proper concern for the interests of your readers as consumers. This is a bona fide corporate concern, which I recognize as an appropriate one for journalism. However, I would hope that your tilt toward your readers' consumer interest does not interfere with an equal and opposite tilt in the direction of their interests as citizens and taxpayers. This broader interest requires you to look at all sides of complicated issues.

The fact is that most often regulation just does not pay off as promised. Government now has a major say in most economic decisions. The result, according to a Yale economist, is lower production, declining productivity, higher prices and "no appreciable benefits."

The British bread industry has been regulated for seven centuries, ever since 1266. According to an English economist, who has studied its history, "There is . . . little evidence . . . to support the view that self-interested politicians (who seek to maximize votes) will serve the consumer any better than self-interested businessmen (who seek to maximize profits)."

None of us, as businessmen—or as ordinary members of the electorate, for that matter—should accept governmental regulation without question. Certainly there are needed reforms, certainly there are abuses to be corrected. But the solutions can be worse than the problem. Behind so much of the rhetoric of reform and the push for regulation lies a covert thrust at the free market system of American enterprise.

All of us suffer when freedoms are weakened for however noble the purpose. The more restrictive controls placed on the marketing of consumer products, the less opportunity for product advertising, and what is inevitable—the less freedom of the press.

Irving Kristol, a brilliant and entertaining social commentator, has recently given two cheers for capitalism. His voice is faint in comparison to the chorus of condemnation of American free enterprise shouted by the so-called "new class" of critical professionals, intellectuals, bureaucrats and government officials. Nevertheless, his cheers are worthy of attention.

His first cheer—our free enterprise system works! People who subscribe to its philosophy and practice its virtues do indeed better themselves. And over the long term, everyone benefits, he says, "visibly and substantially."

His second cheer—our free enterprise system is "peculiarly congenial" to personal liberty! "History," he points out, "does not provide us with any instance of a society that repressed the economic liberties of the individual while being solicitous of his other liberties."

Let me offer a third cheer—the alternatives to our system are much worse in terms of economic rewards and individual liberties.

To purge our system of the ills of affluence and freedom, its detractors propose remedies that would result in more and greater authority and austerity, bureaucracy and bankruptcy.

A country doctor of my acquaintance has codified a few principles of medicine that apply to our ailing body politic and those who would treat it with drastic therapies. I suggest we follow his simple rules:

(a) If what you're doing is working, keep doing it.

(b) If what you're doing is not working, stop doing it.

(c) If you don't know what to do, don't do anything.

(d) Above all, never let a surgeon get a hold of your patient.

The last rule is particularly important for, as he explains it, "A well-trained physician knows what to do for his patients. The especially well-trained physician knows what not to do." He adds that "it takes two years to learn when to go into the abdomen and twenty years to learn when to stay out."

This attitude of questioning and comparing the alternatives should be basic equipment for all of us who must live and work on the communications frontier of 1978 and for years to come.●

MEXICAN OIL AND GAS OFFER OPPORTUNITY FOR UNITED STATES-MEXICAN TRADE

● Mr. STONE. Mr. President in a speech in New York on January 9, Energy Secretary Schlesinger indicated the Department of Energy may be once again putting the Mexican gas project on a back burner. If this is so, and I hope it is not, I fear the decision could have grave consequences for the energy policy and economic security of the United States.

According to the most recent official estimates, Mexico has proved oil and natural gas reserves of approximately 40.2 billion barrels equivalent, probable reserves of approximately 44.6 billion barrels, and potential reserves of 200 billion barrels. Production of 1.5 million barrels per day last December made Mexico one of the free world's largest oil producers, roughly comparable to Kuwait, Abu Dhabi, and Indonesia. Mexico has the potential to become an oil and gas producing and exporting nation, second only to Saudi Arabia.

Realizing the potential of Mexico as a new and closer source of new supplies, in August 1977 six U.S. interstate natural gas pipeline companies signed a Memorandum of Intentions with Pemex, the national oil and gas agency of Mexico, to import up to 2 billion cubic feet per day of natural gas for distribution throughout the United States. The price negotiated between these six companies and Pemex for purchase of this natural gas was the wholesale price of No. 2 fuel oil in the New York harbor, estimated at the time to be a delivered price of approximately $2.60 per million Btu's for Mexican gas at the border.

As the six private companies and Pemex were negotiating a definitive gas purchase contract in 1977, Dr. Schlesinger, other U.S. Government officials, and at least one U.S. Senator raised questions about the price which had been negotiated for this new supply of natural gas. In particular, concern was expressed that this price was higher than the price proposed in the administration's natural gas legislation and the $2.16 per million Btu price then being paid for Canadian gas. This ultimately led Mexico to suspend negotiations.

Because Mexican oil and gas provide this Nation an alternative to a significant portion of the oil and gas it presently (or in the future) must obtain from the Middle East and Africa, I have discussed this matter with Department of Energy officials, including Secretary Schlesinger, several times in the past year. On these occasions I was reassured that the Department of Energy viewed the Mexican gas project as a most attractive foreign energy project and that Mexican officials had been advised of our Government's interest in this project once the 1978 Energy Act was passed.

Whether intended or not, Secretary Schlesinger's speech has clearly raised questions as to the administration's attitude concerning the Mexican gas project.

The United States continues to depend heavily on foreign energy sources, and there is little prospect of this dependence being significantly reduced in the foreseeable future. In recent months we have been importing approximately 8 million barrels per day, more than 40 percent of total use. Both the number of barrels imported and the percentage of total supply from foreign sources have increased significantly since the 1973–74 oil embargo. More importantly, the proportion of our total imports provided by unreliable OPEC sources has increased substantially over the same period. The increasing vulnerability of the United States brought by this trend has been alarmingly underscored by the interruption of supplies from Iran and by the recent 14-percent increase in OPEC oil prices.

In addition to aggresively developing its domestic energy resources, the United States must undertake every reasonable effort to see that new and more reliable oil and gas supplies are developed, especially in the Western Hemisphere. The best prospects for that development seem to be in Mexico and Canada. Not only does development of these supplies help moderate OPEC's pricing domination of the world market, but it also contributes to the long-term economic health of our neighbors, creating new trade opportunities among the countries involved and easing the adverse effects Middle East oil has on our balance of payments.

Whatever the intentions of Secretary Schlesinger's speech, this is something that should not be overlooked.●

NATIONAL ECONOMIC SURVEYS FROM THE NEW YORK TIMES AND THE WASHINGTON POST

● Mr. MUSKIE. Mr. President, I would like to join in welcoming the new Members to the Senate and in welcoming veteran Members back for the 96th Congress.

1979 will be a critical year for the economy, and a critical year for the congressional budget.

Inflation accelerated last year to close to a double digit rate. The momentum of that inflation will persist into this year. On top of that momentum we face the pressures of the OPEC oil price increase, rising food prices, labor cost increases due to higher social security taxes and the increased minimum wage, and major union wage negotiations.

The outlook for economic growth and employment has also worsened. Economists forecast that economic growth may slow late next year, pushing up the unemployment rate. Some economists believe that the economy may experience a recession.

This uncertain economic outlook will provide the backdrop as the Congress formulates the Federal budget for fiscal year 1980. We face the challenge of constructing a budget which seeks to control Federal spending and fights inflation, but at the same time avoids a serious economic downturn that would sharply increase unemployment. That will not be an easy task.

I would like to take a few minutes to review the budget timetable for the months ahead.

On January 22, the President will announce his budget recommendations for fiscal year 1980.

During the 10 days following the release of the President's budget two important economic reports will be presented.

On January 25 we will receive the annual report of the Council of Economic Advisers.

On January 29 the Congressional Budget Office will release its economic report and 5-year projections.

In early February the Budget Committee plans to hold a series of hearings on the President's budget and the economic outlook for 1979 and 1980.

On February 6, Dr. Charles Schultze, chairman of the Council of Economic Advisers, will testify before the committee on the administration's economic forecast and budget recommendations.

Later that day, Dr. Alice Rivlin, Director of the Congressional Budget Office, will testify on the economic outlook and fiscal policy options.

On February 7, Jim McIntyre, Director of the Office of Management and Budget, will testify on the President's spending recommendations for fiscal year 1980.

February 8, Treasury Secretary Blumenthal testifies on the outlook for international trade and the dollar and on the administration's tax proposals for fiscal year 1980.

Later in the month, on February 21, Harold Brown, Secretary of the Department of Defense, will discuss the administration's defense budget.

And the following day, February 22, Federal Reserve Chairman Miller will appear before the committee to discuss the relationship between congressional fiscal policy and the plans and objectives indicated in the Federal Reserve Board's economic report, which will be released on February 20 in accordance with the Humphrey-Hawkins Act.

Further Budget Committee hearings will take place later in February and into March.

During the next 2 months the committees of the Senate will be preparing their fiscal year 1980 budget recommendations. Those recommendations, which will be completed and sent to the Budget Committee by March 15, will provide the Budget Committee with essential information needed to markup the first budget resolution for fiscal year 1980.

The first budget resolution for fiscal year 1980 should reach the Senate floor for debate in late April.

The schedule for preparing the fiscal year 1980 budget is clearly a full one, but putting together the fiscal year 1980 budget will be the most challenging task for the Budget Committee and the Congress since the budget process began.

Given the magnitude of our task, it is not too early to begin by taking stock of the economic outlook and taking a good look at some of the key policy issues Congress will face this year.

Senators interested in getting a headstart on these issues may profit by examining two analyses. One collection of articles was published January 7, 1979, as a supplement to the New York Times. Another review appeared in the January 14, 1979, edition of the Washington Post.

Mr. President, I ask that these articles be printed in the RECORD at the conclusion of my remarks.

They offer an informative and wide-ranging analysis of the outlook for the economy and the key policy issues facing the Congress this year.

The viewpoints expressed in those articles are, of course, those of the authors and not my own or those of the Budget Committee.

I urge my colleagues to look through this collection.

It is not too soon to start thinking hard about the tough budget decisions we face this year.

There being no objection, the articles were ordered to be placed in the RECORD, as follows:

[From the Washington Post, Jan. 14, 1979]

BUSINESSMEN FRETTING OVER DOOMSAYERS

(By Bradley Graham)

The U.S. economy spun fast and furiously in the final lap and raced across 1978's year-end mark in a robust finish.

Like kids on a roller coaster, business executives squealed delight at healthy fourth quarter sales figures and a rush of orders. But beyond the dizziness was the sobering fear that the thrills wouldn't last.

There was good reason to fret. Inflation persists, wage-price controls loom, interest rates spiral up, the unemployment rate is stuck, the dollar remains weak, and political uncertainties abound.

Little wonder the nervous finger-tapping on boardroom tables has quickened and business confidence has crumbled. The latest confidence survey conducted by the Conference Board, a nonprofit research organization in New York, indicated that the 1,600 chief executive officers surveyed are as morose as ever about the overall economy for 1979. The board's November index of executive assessment of future business conditions hit a low of 33 on a scale of 100.

Such distress does seem exaggerated in view of what are some still very encouraging signs of economic strength. After all, production is up and so are incomes and the number of new jobs. Also, corporations have been careful to keep inventories under control and have maintained strong cash positions.

But the polls suggest that business managers would rather believe the worst. They are listening to the forecasts of their economic advisers, which by-and-large are dismal, and adjusting their investment strategies accordingly—which is to say, they aren't spending or expanding more than is absolutely necessary.

It's hard to blame them. Never in recent times have so many forecasters foreseen a slowdown. If it comes, this recession will be the most widely advertised in memory.

According to the latest government survey of capital investment plans, capital spending will increase only 3 percent in real terms in 1979, as compared with 4.5 percent in 1978. Many analysts say this forecast is exceedingly optimistic and are predicting instead a real decline in investment this year.

"In the aggregate, the picture's relatively gloomy," said Robert Gough, senior economist with Data Resources Inc. in Boston.

The basic problem is one of attitude, not need, since the need for heavy investment is certainly there—in energy and transportation, in major bridge construction and railroad improvements, and in a variety of other industries where plant and equipment have aged.

"You have the underlying factors for a large capital goods type expenditure, if you could ever get it along," observed Kathryn Eickhoff, vice president for Townsend-Greenspan, an economic consulting firm in New York.

Further, there is considerable vigor evident still in a number of major industries. Most notable is the takeoff in aircraft which, on top of an influx of tool orders from the auto industry, has also propelled the machinery industry into a record boom. Elsewhere, the paper and petroleum industries are prospering; the electronics field is expanding aggressively to meet world competition; steel, having won protection from foreign competition, is picking up again, and retailing has surged.

But even in such pockets of good fortune, the outlook for future spending remains cautious and conservative. Machinery makers, for instance, have resisted the temptation to build new capacity to handle new orders, believing the upturn is temporary.

In other instances, companies have coped with higher sales simply by hiring more people rather than by adding plant space. One side benefit of this was a surge in national employment, resulting in the creation of 3.3 million new jobs last year. At the same time, this preference for short-term hiring over long-term investment helped depress further the nation's productivity rate and mortgaged the future of a number of industries at considerable later cost.

Where investment is going on, it is as in the steel industry's case, simply to update old equipment and make minor improvements rather than to add capacity. Elsewhere, it has been prompted not by expanded sales or the need for greater efficiencies, but by the demands of regulation.

A recent survey by the Manufacturing Chemists Association, for instance, predicts that the chemical and allied process industries will spend $7.8 billion on capital projects in 1979, a 7 percent increase over 1978. But 15 percent of that will go just to satisfy government health and pollution rules. Moreover, auto king Henry Ford has estimated that meeting government standards will gobble up 80 percent of his company's capital spending between now and 1985.

This funneling of capital outlays into projects mandated by regulation has been cited as a major cause of the lag in U.S. productivity and seeming slump in the spirit of inventiveness that once distinguished American industry. The feeling that something deep in the economy has gone awry became more pervasive and worrisome in 1978 as the signs became more evident.

Among the most disturbing indicators are these:

The number of U.S. patents issued each year to U.S. inventors reached a peak in 1971 and has declined steadily since. But the number granted to foreign inventors has increased steadily since 1963. Last year, foreigners claimed more than one third of all patents issued in the U.S. across a broad range of fields.

The U.S. balance of trade has worsened, due not only to increased oil imports as is often mentioned, but also to more imports of foreign manufactured goods.

Productivity gains have slowed severely. In the past decade, the rate of growth in U.S. productivity has averaged only half of what it was the previous 20 years. In contrast, productivity growth rates in Europe and Japan have been on the rise.

Spending on research and development isn't what it used to be. From 1953 to 1966, U.S. investment in research grew at an impressive rate of 10 percent annually in inflation-adjusted dollars. However, investment in research by all sectors in the U.S. over the past 10 years has shown essentially no growth in constant dollars. And what funds U.S. corporations are expending on R&D have been going into short-term quick-profit products rather than into long-term, basic research of the kind that leads to major breakthroughs.

No one quite knows just how to explain these alarming trends. Some claim that Yankee enterprise has been choked by both excessive government regulation and an unfavorable business tax climate. Others insist that the business community itself is largely to blame for its slump. The argument here is that managers, particularly managers of big businesses, have become lethargic, short-sighted and cranky. They have been especially slow to seize opportunities in foreign markets.

In any case, concern over what has happened to America's innovative spirit last year prompted the Carter administration to launch a major study of the problem. The study is being coordinated by the Commerce Department and involves more than 15 agencies. A final report, including recommendations for the president of things to be done to foster innovation in private industry, is expected by April.

One recommendation sure to be included in the final report will urge liberalization of the tax laws to provide incentives for investment and generally to put a greater emphasis on savings over consumption. Already Congress has begun to move in this direction.

Last year's tax bill included a cut in business taxes of $3.7 billion. Among the major changes were a paring of the top corporate rates from 48 to 46 percent, rate reductions for small corporations, a more generous investment tax credit and a new jobs credit targeted at the hard-core unemployed. In addition, investors received a reduction in the capital gains tax from 49 to 28 percent, worth an estimated $2.2 billion.

Unfortunately, passage of the tax bill came too late in 1978 to influence capital spending plans for 1979, and some analysts argue the changes still won't be enough to lift the American business community out of its doldrums.

To turn the prevailing mood around, the business view is that action is needed on several fronts, including a more liberal tax policy, a relaxed regulatory policy, a less aggressive antitrust policy, a national export promotion program, and, in general, a more cooperative spirit between business and government such as exists in Japan and leading Western European countries.

Above all, business leaders have called for greater certainty in government policy. They have applauded White House promises to hold federal spending in check and trim the budget deficit, and they appear willing to accept the discipline of the Federal Reserve's tight money program so long as it offers hope of wringing inflation out.

Their chief worry is whether President Carter and the Congress can hold to their conservative pledges in view of the pressures sure to build on them this year—from growing ranks of unemployed as the economy slows, from bororwers who can't afford high interest rates, from special interest groups seeking to preserve pet programs.

"We can live with slower economic growth in 1979 and 1980—even a mild recesssion," Irving Shapiro, chairman of Du Pont told a gathering of corporate chairmen in December. "But we cannot afford a reversal of the policies now in place. One must hope that the resolve of the administration will be a match for the pressures certain to appear next year."

Fourth Quarter Built Momentum—Recession Will Start Later, Last Longer Than Expected, Which Won't Help Carter

(By Art Pine)

President Carter is facing some good news and some bad news in this year's economic outlook:

The good news is that as analysts now figure it, the economy won't be falling into a recession as quickly as the forecasters once thought. The odds are now that the downturn won't come until sometime in the fall. A slump by spring or even mid-year now seems unlikely.

The bad news for Carter is that when the recession does come, it's likely to be a bit deeper than most of the experts had been predicting—and it's apt to spill over well into 1980, leaving the unemployment rate high at the start of next year's presidential election campaign.

That means Carter is less likely to be able to pull off the trick some of his political advisers envisioned—that is, to get the recession "out of the way and done with" before the 1980 campaign begins. And if the recession proves deeper than expected as well, Carter's political troubles will increase.

The changes from the earlier forecasts stem basically from two factors:

First, the economic statistics for the fourth quarter of 1978 have been coming in far more robust than expected, suggesting there probably will be enough momentum to carry the economy through the first six months of this year. In particular, consumer spending has continued relatively high.

At the same time, the steeper-than-predicted oil price increase announced by the petroleum exporters' cartel last month is considered likely to add to inflation and make businessmen more wary of investing. Although the recession still is apt to be mild, the risks now are greater that it could deepen.

"There's no question the current outlook reduces the chances for a soft landing," says Arthur M. Okun, former Johnson economic adviser who earlier had been more ebullient about prospects for 1979. "There's no sign of a recession now," Okun says. "But it's hard to see how we can escape one."

Alan Greenspan, President Ford's chief economist, agrees the later-than-expected recession could leave Carter "in rather difficult shape" for 1980. "Rather than look benevolently on the numbers that are coming out, Carter ought to be apprehensive," Greenspan says. Ford lost in just such a box.

Here's where most of the private forecasts come out:

OUTPUT

The economy is likely to grow between 1 and 2.5 percent this year—a forecast that implies continued moderate, increases during the first half of the year and small to moderate declines in the final two quarters—enough to qualify technically as a recession, and perhaps even more.

Most economists still expect consumer spending to taper off before mid-year, as buyers realize they're too heavily in debt. Housing is apt to slow from its present pace. And business investment will remain flat. On the good side, the economy still is in balance, with no major distortions.

INFLATION

Although the Carter administration still is predicting that inflation will slow to just above 7 percent—from about 8.5 percent in 1978—most private economists are forecasting that prices will continue at an 8 percent pace or so, even with the new guidelines program.

Besides the larger-than-expected oil-price hike to contend with there's also the Federal Reserve Board's latest rise in interest rates, and a spate of government-induced cost-increases, such as the higher minimum wage and Social Security payroll tax hikes.

UNEMPLOYMENT

With the economy's growth rate slowing, it's almost certain the jobless rate will begin rising—perhaps to 7 percent by year-end, from the present 6 percent level, and possibly to 7.5 percent in 1980 before finally edging down.

Although the high jobless rate isn't likely to hurt as much as in previous years—because workers are better protected by unemployment insurance and private jobless benefits—many low-skilled and "marginal" workers will be in bad straits. And that could spell trouble for Carter in 1980.

(These forecasts already include the likely impact of such outside forces as the increase in crude-oil prices announced last month for 1979 by the Organization of Petroleum Exporting Countries, and the effect of the 1978 tax bill. The OPEC hike sounded big, but wasn't much larger than expected.)

There's still some debate about the depth, if not the likelihood, of the coming recession. The Carter administration, along with a minority of private economists, still is predicting there won't be any downturn—just sluggish growth ranging between 2.5 and 3 percent this year.

Although more realistic administration economic advisers gradually have been trimming back their forecasts, Carter himself is said to be convinced he can avert a real downturn. He told a group of businessmen recently the economy will fall into a recession only if Americans "talk ourselves into one."

But that kind of optimism increasingly is being abandoned by non-government economists, most of whom seem convinced a recession is virtually inevitable and now are arguing only about its timing and depth.

Otto Eckstein, another former Johnson economic adviser who now heads Data Resources, Inc., an economic forecasting firm, has just altered his 1979 forecast to push the recession into the third and fourth quarters, with a sharp drop in output in the final three months of the year.

Eckstein's figures, however, include a prediction of a 75-day-long auto strike against General Motors during the fall. While the inevitable production loss stemming from the strike almost certainly would be made up in the first quarter of 1980, the shutdown would worsen the late 1979 performance.

The risk in whether the sluggishness deepens into a significant economic slump. Right now, analysts don't see that as likely, if only because the economy still is too well-balanced. The inventory pile-up that preceded the 1974-75 recession, for example, just isn't in the cards.

To many economists, the biggest uncertainties are in the two big areas over which Carter doesn't have any real control—the money and credit policies set by the independent Federal Reserve Board, and the fate of the dollar in the hands of foreign currency traders.

Thanks to the new six-month money market certificates, the economy has been insulated from the recent tightening of monetary policy. The Fed's steady upward push in interest rates has only begun to cut into the housing boom, and signs are new starts still will come in this year at 1.7 million or so.

But the fact is, analysts still don't know for sure how the economy will react if interest rates go significantly higher. The prime rate is expected to reach 13 percent or so by late spring. If economic activity slows sharply in response, it could quickly exacerbate the recession.

The dollar problem is even more uncertain. With the trade balance improving and the administration's dollar-rescue plan in place, most analysts had expected the dollar to remain stable through most of the year, edging up some when the U.S. enters its recession. But now some say it could slip further.

For all the talk about continuing pockets of high unemployment, a good many analysts are convinced the economy already is approaching a "demand-pull" phase of the cycle, where economic overheating is likely to pull prices up even more rapidly. A mild recession could help stave off that situation.

It's too early to tell which prediction will prove correct for 1979—the private forecasters' warning of a recession or administration's more optimistic scenario. But, to President Carter, at least, the race may prove more than academic. It could mean the 1980 election as well.

Dollar Drama Could Return for 1979 Season

(By Hobart Rowen)

After a fairly tranquil 1977, last year proved to be traumatic on the international economic front. A dramtic collapse of the U.S. dollar in foreign exchange markets raised new doubts about the ability of the international monetary system to cope with world problems, and produced the first serious challenge to the role of the dollar—the European Monetary System.

As the new year starts, there is more confidence in Washington that there will be a greater dollar stability—but this is far from a solid consensus. There are many analysts and officials who think that the dollar will undergo another testing period early this year. And even those American officials who are optimistic about the dollar concede that almost everything depends on a successful fight to slow the rate of inflation in the United States.

It would be very difficult to visualize a dollar course this year as erratic as in 1978. In the 13 months prior to the Nov. 1 emergency "rescue" package, the dollar dropped 38 percent against the Swiss franc; 34 percent against the yen and 26 percent against the German mark.

The spectacular recovery in three weeks after Nov. 1 recouped as much as one third of those losses. But in the final weeks last year, as much as one half of the post-November dollar gain was yielded, a response primarily to a larger-than-expected oil cartel price increase for this year, and the poltical-military upheaval in Iran, which scrambles the world oil supply outlook.

The net gain for the dollar from the October low point to the end of the year was about 9 percent against the Swiss franc and the Japanese yen and about 4.5 percent against the German mark. So the dollar starts off 1979 still substantially depreciated from levels prevailing during the fall of 1977.

Almost universally, experts expect that while the U.S. trade deficit will continue to be very heavy for at least a couple of years, it will be substantially lower this year than in 1978. And because of an enormous U.S. surplus on services and "invisibles," the closely watched current account should go down dramatically. By the end of the year, some of the more optimistic economists at the Treasury and Council of Economic Advisers think the current account could be coming into balance or even a surplus.

In part, this improvement would be the result of the depreciation of the dollar, which should help restore a traditional trading edge in manufactured goods exports, plus a slowdown in the U.S. economy that will dampen the import flow. Almost surely, the official administration figures understate the probable degree of sluggishness of the domestic economy in 1979.

Treasury calculations are that the overall trade deficit will drop from about $35 billion last year to about $25 billion in 1979, with a reduction in the current account deficit from about $17 billion-$18 billion last year to about $6 billion this year.

According to conventional wisdom, dramatic improvement in the trade and current accounts, coupled with the new American policy of strong and active intervention, which is backed by a $30 billion "hard money" kitty, should assure a stronger dollar. And in fact, that is the consensus that emerged from a survey of 250 businessmen and bankers conducted at the end of December by the American Express International Banking Group.

Yet, there are nagging doubts that the dollar's performance will match the statistical promise. For one thing, markets are anxious to see an actual turnaround in the trade deficit, not just the forecasts. Then, there are those who believe that neither President Carter nor the U.S. Federal Reserve System will have the spine to stay with austere policy long enough to wring inflation out of the economy.

A leading U.S. policy maker said that the official optimistic forecasts for a reduced trade and current accounts deficit "are very solid. If you assume, as I assume, that fiscal and monetary policy will stay tight, then it's unrealistic to think that the dollar will come under renewed pressure."

Foreign exchange markets probably have not yet fully comprehended the degree and extent of the American policy shift inherent in the Nov. 1 stabilization package. Without back sliding into a "pegged" rate for the dollar, the U.S. government has committed itself to preventing the kind of speculative, one-way assault on the dollar that took place before Nov. 1.

President Carter has a stake in making this policy work—indeed, his own political future may be tied irrevocably to the dollar's health—and it is clear that if all of the $30 billion kitty gets chewed up in dollar-propping activities (although no one expects that), officials plan to marshall additional intervention resources.

Meanwhile, Carter's advisers are steeling themselves for continued nervousness in the exchange markets. The sometimes dramatic movements of the dollar, the yen, and gold make good headlines for stories that are often over-written. The "hype" comes through vividly on the radio and television news shows.

"Politicians, heads of state, financial analysts, financial writers, all haven't learned to live with foreign exchange markets as they have with the stock market" says CEA member William Nordhaus.

"We somehow have not got used to the fact markets are noisy things. To the extent that we have to live in a market-based system, we have to learn that the noise level is somewhat higher than we'd like."

There are many other important international problems or events coming up on the international economic scene this year, all related to each other, and to the dollar crisis itself:

Multilateral Trade Negotiations (MTN): This is legislative priority "A" for the Carter administration, which anticipates getting an MTN treaty through Congress after a political fight comparable in intensity and importance to the SALT agreement.

Lower tariffs—although the cuts will not be so deep as first hoped by Special Trade Representative Robert S. Strauss—and lowered trade barriers should help improve trade and help to counteract the creeping increases in protectionism in evidence last year. Congressional failure to approve on MTN would be a setback of the first magnitude.

Energy: President Carter is faced with the need to make a decision on decontrol of domestic oil prices. Every indication is that the higher prices and shortages created by the unexpected combination of the 14.5 percent OPEC boost and the Iranian production shutdown will postpone full decontrol.

Instead, a phasing out of controls over a number of years seems to be in the cards.

North-South issues: An acceptable "common fund" to help stabilize commodity prices—an urgent demand of the poor nation—has eluded negotiators so far. The dialogue has been abrasive. But it is possible that a compromise may be reached this spring at the United Nations Conference on Trade and Development at Manila.

In reality, the rich nations think that the poor will get more benefit from a successful MTN than from a common fund. They will also benefit from a new issue of SDRs (Special Drawing Rights) by the International Monetary Fund, activation of the IMF's "Witteveen Fund," and, ultimately, from an expanded World Bank operation. In principle, the U.S. will go along with a World Bank executive board decision early this year to double the bank's capital.

The European Monetary System (EMS): Although stalled by a spat between the French and the Germans over agricultural price supports, the common market countries are due to experiment with a new scheme designed to create more stability of exchange rates within Europe.

Officials here have little doubt that the EMS timetable was advanced because of concern over the dollar, with the hope that Europe could insulate itself from the dollar's erratic movements. But no one knows whether it will work. Perhaps its greatest significance—like the Nov. 1 dollar support program—is evidence that over the long haul, governments well may be forced to consider new and fundamental changes in the existing international monetary system.

The EMS is a partial throwback to a fixed exchange rate system, and the U.S. dollar support program is a dramatic modification of the former commitment to letting the market have total say about exchange rates.

Whether these changes will constitute enough of a "reform" of the international monetary system, over the long run, is a question no one can answer with certainty at the moment.

The Tokyo economic summit: Fifth in the heads-of-state series, this economic summit will deal importantly with the mirror image of the U.S. trade deficit—the enormous Japanese surplus. To look at the bright side, one can consider that despite 1978's difficulties, the international adjustment system worked pretty well, leaving only two major imbalances—the U.S. current account surplus of about equal magnitude. German economic growth appears to be improving smartly (although the Germans once again are worried because inflation has climbed to the astonishing rate of 3 percent). And the OPEC surpluses have come down to modest levels.

Thus, it will up to the Tokyo summit, with Prime Minister Ohira as the host, to grapple with the U.S.-Japanese trade distortions, in the context of slow economic growth in most of the industrialized world. Quick fixes are not available.

Should the dollar still be in trouble when Carter and his peers go to Tokyo, it is possible that all of the old ideas and perhaps some new ones for international monetary reform will be brought up, although there is no formal plan now for such a discussion.

"When you get right down to it," says a leading administration economist, "economic policy in this area, as in all others, gets overwhelmed by actual events."

Carter's Latest Budget Policies Familiar, Full of Ironies

(By Art Pine)

Three years ago, then-President Ford announced a tough new anti-inflation measure: a sharply pared-back "austerity" budget calling for massive cutbacks in traditional Democratic social programs. His theme: A "new realism" was needed for the economy. The only major question was, could he pull it off?

Next week, President Carter—who defeated Ford in part because of those very austerity policies and then stimulated the economy to create jobs—will propose a similar set of cutbacks that some out-of-work Ford aides may find familiar. The theme again: "A new reality" for the economy.

The fact that policy once again has come full circle may not be the only irony that onlookers find in the coming round of policy pronouncements. Carter is heading into 1979 facing still another paradox as well—and the question, as in Ford's day, still is, can he pull it off?

For the first time since the president took office, the administration finally has begun to get its economic policy act together: The White House now is united on the need to fight inflation. Carter has set a tight budget. He's imposed voluntary wage-price guidelines. And he's accepted high interest rates.

At the same time, however, in part because of its past mistakes, analysts say the administration probably has less chance than ever before of pulling off its twin economic goals—those of dampening inflation and averting a recession late this year and early in 1980.

Indeed, in the minds of many onlookers, the administration is facing a series of serious risks: Its voluntary wage-price guidelines are widely expected to blow up after the Teamsters negotiations in March. The coming recession could well bust the budget. And tight money could worsen the slump.

Moreover, Carter's decisions now could well prove crucial to his 1980 reelection chances. The policies the administration sets this month will help shape the economy in 1980. If the administration errs visibly now, there's little it will be able to do to correct its mistakes before the election.

Carter's 1979-80 economic program—an assortment of policies designed to cover all bases in the fight against inflation—includes these elements:

Budget: An unusually austere budget for fiscal 1980, which begins next Oct. 1, designed to hold overall spending to $533 billion and to trim the deficit to just over $29 billion, down from a red-ink figure of $42 billion or so this year.

The overall spending total by itself is about $16 billion less than would be needed to maintain current programs intact in the face of inflation. But Carter plans to boost defense spending even more than is needed to offset inflation. So cutbacks in most other areas will be even heavier than some had thought.

Wage-price guidelines: The administration's new wage-price guidelines will prove their mettle—or else their ineffectiveness—this year, with enforcement beginning in mid-January after a few start-up snags. Few believe the effort will succeed. But Carter is pushing it anyway, to help slow the increase in wages.

The general expectation is that the Teamsters settlement will wreck the program, but the administration could well emerge only scathed—not mortally wounded—from the fray. There's also a battle looming over Carter's new "real wage insurance" tax rebate in Congress.

Monetary policy: Although the White House technically has no power to affect the Fed's money and credit policy, top officials have publicly embraced the Fed's new move to high interest rates, with Treasury Secretary W. Michael Blumenthal asserting that policy should remain tight until inflation wanes.

Carter's endorsement of the new higher interest rate policy marks a visible departure from the administration's earlier opposition to the Fed's tight-money moves. As late as last summer, top White House officials still were complaining publicly whenever the Fed boosted rates.

Taxes: Carter won't propose any further cuts in income taxes or even a rollback of the new boost in Social Security payroll taxes. But the White House will send Congress its proposal to offer a tax rebate as "wage insurance" for workers who may fall behind inflation because of the wage guidelines.

The proposal, scheduled to be unveiled by the Treasury this week, would offer refunds of up to 3 percent of the first $20,000 a worker earns, depending on how far the inflation rate outstrips the administration's 7 percent wage guideline. The plan would cost just under $5 billion if inflation were to hit 8 percent this year.

Congressional leaders already are fearful the House will turn the proposal into a plan to "index" the tax system for inflation—something Carter considers inflationary.

The series of proposals marks a sharp turnabout from 1978's economic policy prescription. Carter went to Congress at this time last year seeking a tax cut for more economic stimulus and added public-service jobs. And, despite some talk of austerity, the administration eschewed any tough anti-inflation moves.

This year, Carter significantly has made fighting inflation his No. 1 priority, coupling budget-tightening with the new wage-price guidelines program and a push to trim back government regulations—all aimed at easing business cost pressures. To some, it's a born-again version of economics' old-time religion.

In a large measure, it has been the administration's own mistakes in 1977 and 1978 that have forced Carter policy makers into this year's austerity programs. Lack of White House attention to the worsening inflation problem helped drive the dollar down. And many of Carter's 1977–78 actions exacerbated the spiral.

It was the need for the emergency dollar-rescue plan last November, however, that really cemented administration policy for 1979. Once that step was taken, it was almost too late for Carter to turn back. To make the dollar-rescue credible, a tight budget was needed. The rest followed suit.

Coincidentally, the change of direction falls into line with the policy prescription most economists had been urging anyway. Even if inflation hadn't speeded up, the economy already had come so far that some analysts were worried about overheating. And the jobless rate has fallen far faster than expected.

The alarming speedup in inflation also resolved another one of Carter's big problems: It united his economic advisers and political lieutenants on the seriousness of the wage-price spiral—and the need to act boldly to try to do something about it.

In the minds of many analysts, the political-economic split—along with Carter's own refusal to recognize inflation as the paramount problem—had been a major cause of the confusion that characterized administration economic policy in 1977 and 1978.

Now, the administration appears to have begun to get its act together. Even house liberals such as Vice President Walter Mondale and domestic staff chief Stuart E. Eizenstat are spouting the anti-inflation line. And the fiscal 1980 budget due out Jan. 22 will show the results.

The question is, now that the administration has united behind a single, reasonably coherent policy, can it succeed in making its plans work? To some analysts, the wheel-spinning Carter did in his first two years in office only made inflation more difficult to deal with. The odds are tougher now.

There are these problems:

Carter's new pledge to hew to a $30 billion-or-under budget deficit—the heart of his new austerity program—may well go down the drain if the economy falls into a recession, with neither Congress nor the administration likely to be able to control it.

Any time the economy slows markedly, federal spending increases because the government has to pour more into unemployment benefits. At the same time, tax receipts are apt to be down sharply. And Carter's $30 billion figure is based on an economic forecast most analysts consider unrealistic.

The nation's inflation problem is likely to prove more stubborn than it would have a year ago—not only because the price spiral is moving more rapidly than it was last year, but also because the more rapid price increases have been "built into" higher wage boosts.

Moreover, many of the inflationary measures Carter endorsed—or at least did not fight—in 1977 and 1978 now are beginning to take root. Among them: the recent rise in payroll taxes, a higher minimum wage level, expensive farm subsidies and price boosts for sugar and milk.

If the guidelines program fails, it could set off a new round of wage and price increases in anticipation of mandatory controls. More importantly, Congress might be prodded into giving Carter controls authority if the current effort goes down the drain.

The economy could be buffeted by international pressures that aren't really under Carter's control—such as a new run on the dollar, which could add substantially to the domestic inflation rate. Any new moves in that direction would require even tighter policies here at home.

Carter also soon will have to face a decision over how rapidly to phase out controls on crude oil and gasoline prices—issues policy makers agree the White House must confront but finds difficult to do quickly with the current inflation. Almost anything Carter does will prove controversial.

Admittedly, there's always a chance that the administration may succeed in its 1979 policies—that inflation will wind down a bit, that the economy won't fall into a recession and that the dollar will recover its earlier losses.

As the nation heads into 1979, the odds still are stacked against the administration's new efforts. But the next few months will tell whether Carter has acted in time to get his economic policy house in order, or whether it's too late. As in the case of Gerald Ford, his re-election chances may depend on the outcome.

THE URBAN CRISIS HAS NOT BEEN REHABILITATED AWAY

(By Susanna McBee)

Every few years someone pipes up with the proclamation that the urban crisis has vanished.

Richard Nixon did it in 1973 when he declared, "City governments are no longer on the verge of financial catastrophe. . . . The hour of crisis has passed."

Harper's magazine editors did it last month when they announced in a headline, "The urban crisis leaves town and moves to the suburbs."

Such booming conclusions are at best illusory (and at worst fatuous) because they lead us to think of cities as a monolith. They are not. Some are in solid fiscal shape. Some are still in trouble.

The good news for 1979 is that many urban experts do not expect any other major city to teeter on the fiscal brink the way Cleveland, New York and Newark have done.

The bad news is that certain older cities in the Northeast and Midwest are still fiscally fragile and could suffer severe stress if the national economy takes a dive.

"When the country comes down with a bad economic cold, these cities come down with fiscal pneumonia," says John Shannon, assistant director of the federal Advisory Commission on Intergovernmental Relations.

Among those distressed cities are Detroit, St. Louis, Buffalo, Pittsburgh and Philadelphia he said.

Such cities, according to economist Deborah N. Matz of Congress' Joint Economic Committee, never fully recovered from the 1973–1975 recession, "and if we have another one, they'll be in even worse shape."

Ironically, this is considered a good time for cities. We can see positive signs all around us. Look at Quincy Market in Boston, Logan Circle in the District, Fells Point in Baltimore or Queen Village in Philadelphia.

Houses are being rehabilitated; businesses are moving into charming arcades and malls; whole neighborhoods are being upgraded; developers are performing plastic surgery on the faces of downtown America.

To be sure, cities have had massive injections of federal aid in recent years.

Last year the total amount of federal aid to state and local governments was $80 billion, about $30 billion of which went to localities.

But the giddy days of federal wine and roses are over.

The cutoff of anti-recession aid, which in two years totaled $3.2 billion for state and local governments, had an extra sharp sting for a number of cities.

It forced Detroit to cut its city payroll by 348 employes; Newark dropped 441; New York decreed a hiring freeze; Chicago decided to sell off some unused city-owned land.

New Orleans was not hit directly, but a city spokesman said the cutoff "caused us to look down the road, and we saw what was happening with federal aid as a whole." So the city—swimming against the anti-tax tide—raised three local levies to avoid a $30 million deficit.

Donald Haider, a deputy assistant secretary of the Treasury, explained how important the antirecession money was to cities, which had depended on it to maintain services and avert layoffs without raising taxes. "It was glue money," he said. "They could use it to plug leaks. Now they're telling us, 'You've blown a hole in our budgets.' " Haider cited a new report by the Council of Economic Advisers that predicts that state and local surpluses, which dwindled rapidly late last year, will vanish completely this year.

Although the Carter administration has said it will try again to get an antirecession aid bill—sharply reduced and directed only at cities with severe problems—through Congress, many urban experts do not expect much new federal money for urban America.

Richard P. Nathan of the Brookings Institution here says, not at all facetiously, that "the heyday of urban policy may turn out to have been the period just before the announcement last March of the Carter urban program."

He noted that the administration backed down last year on some of its efforts to "target" funds to distressed cities and that Congress itself is leery of the idea.

MONETARY JUNCTURE CRITICAL

(By James L. Rowe, Jr.)

Monetary policy is at a critical juncture.

The Federal Reserve Board—which spent the spring, summer and early fall boosting interest rates to retard excessive money growth—is faced with a money supply that has suddenly begun to decline.

The question the Fed must resolve soon is whether that decline is a technical, flukey one or whether it is real.

If policy makers guess wrong, they run the risk of plunging the nation into a recession or exacerbating the very inflation they spent all of 1978 fighting.

Even if the decline is real—and the consensus of most analysts is that the contraction is temporary and the money supply will again grow sharply—the Fed will be confronted with the dollar problem. Should it ease up on its program of monetary restraint in the interest of preventing a recession, if that easing could trigger a renewed wave of dollar selling in foreign currency markets.

"It is a puzzlement," congressional economist Robert Weintraub said of the abrupt decline in the amount of currency and checking accounts. "If we have another two or three months of this we're not only going to have a recession, it'll be a wing-dinger."

But, Weintraub concedes, he is no more convinced that money growth has really slowed than he is that the money growth will take off again within the next few months.

The Fed seems convinced that the recent declines in the money supply are temporary, that it must keep short-term interest rates high. The Fed has not budged one bit from the 10 percent target it set on its key interest rate (the so-called federal funds rate).

Although economists are divided on just how important the money supply is to inflation and economic growth, most now agree that if the money supply grows faster than the real output of goods and services, inflation results and if it grows more slowly, a recession can occur.

The Fed has been managing monetary policy for the last year with an eye to slowly winding down the rate of inflation without sending the economy into a tailspin.

It seemed up until October that the Fed had failed to curb demand for money. Despite near record interest rates the money supply grew rapidly and demand for credit continued apace. But beginning in November, just after the President announced a dollar-propping program that included further sharp increases in interest rates, the money supply began to slow its growth, then actually fall.

According to figures prepared by the Federal Reserve Bank of St. Louis, the basic money supply that grew at an annual rate of 8.5 percent in the first 10 months of 1978, fell at an annual rate of 1.7 percent during November and December.

Although Federal Reserve Board chairman G. William Miller recently complained that the press had not taken notice of the Fed's seeming success in slowing money growth, the central bank, by its actions, appears convinced that it has not in fact succeeded in slowing money growth.

The sudden slowdown may be due to "technical factors" such as a run up in the size of Treasury accounts, which the government will reduce in the weeks ahead, giving renewed impetus to money supply growth.

Lawrence Kudlow, vice president of Paine Webber, said the brief abatement in money growth appears to be more related to such technical considerations rather than to Federal Reserve Board tightening. He expects money growth to "re-enter the highly inflationary 7.5 to 8.5 percent growth range that has existed during most of the past two years."

But many monetary economists criticize the Federal Reserve for trying to reduce money growth using interest rate targets. The agency tries to figure out what level of federal funds rate (the interest banks charge each other for overnight loans of excess reserves) is compatible with the money growth target it seeks.

Inevitably, these economists say, the Federal Reserve thinks it is tightening monetary policy because interest rates are going up, when in fact demand for credit is boosting interest rates. But at some point, the economists contend, the Fed does get a federal funds rate that not only begins to squeeze demand for credit, but squeezes too much. By the time the agency recognizes it has overtightened, so to speak, the economy is headed into a tailspin.

ORGANIZED LABOR HEADING INTO HEAVY BARGAINING YEAR

(By Frank Swoboda)

Organized labor is headed into a major new round of contract bargaining this year, with many unions publicly rejecting President Carter's latest anti-inflation program. The potential confrontation between labor and the White House has cast a shadow of uncertainty over the nation's economic outlook.

With approximately 3.8 million workers covered by major union contracts up for renegotiation this year, government labor relations experts already are predicting a sharp increase in strike activity as workers in key industrial sectors of the economy test the government's voluntary 7 percent wage guideline.

The outcome of this year's negotiations is particularly critical to the economy since it is the start of a new three-year bargaining cycle. Wage settlements this year will serve as the "pattern" for other unions through 1981.

In an apparent effort to avoid a direct showdown with labor at the bargaining table, the Carter administration already has eased its wage standard to accommodate some union critics.

The original wage standard proposed by the Council on Wage and Price Stability was the most rigid government wage standard in modern labor history. Of particular concern to the unions was the fact that the 7 percent limit applied to both wages and fringe benefits.

With inflation rising at double-digit rates and fringe benefits now accounting for as much as 30 percent of total compensation in major union contracts, the new standard would have limited "cash wages" to 3 or 4 percent a year. Wage increases could be even less, union officials argued, when the cost of simply maintaining existing benefits for such items as pensions and health care was taken into account.

Responding to this criticism, the White House excluded all costs for maintaining existing pension benefits and part of the health care costs from the 7 percent standard.

Key union leaders insist, however, that the government did not go far enough. As a result, many union leaders have called on their members to simply ignore the government anti-inflation program.

United Rubber Workers President Peter Bommarite, in a New Year's message to his union's membership, says the URW will ignore the government program when it negotiates new contracts this spring with the Big Four of the rubber industry—Goodyear, Firestone, Goodrich and Uniroyal.

David Fitzmaurice, president of the International Union of Electrical Workers, is equally direct in his instructions to union negotiators this summer in the electrical manufacturing industry.

"We've instructed our people to negotiate as if there were no guidelines—to negotiate for the needs of their members and to strike, if necessary," Fitzmaurice says. Fitzmaurice calls the White House wage guidelines "unrealistic."

The key to this year's negotiations, however, does not rest with either Bommarite or Fitzmaurice. Both the White House and other major unions are looking to this year's Teamster negotiations for a new national trucking contract to set the tone for the bargaining cycle.

It was basically to accommodate the Teamsters and some of their specific problems at the bargaining table that the White House relaxed its wage standard. The union has a large pension liability—no one is sure quite how large—as the result of various legal actions against the management of the union's retirement programs by the Labor Department. In addition, the union has large funding liabilities as a result of the 1974 federal pension law.

The new wage standard will allow the Teamsters to exclude all the added pension costs from the 7 percent government guideline.

So far, Teamster President Frank Fitzsimmons basically has refrained from any major attack on the White House anti-inflation program. After initially attacking the 7 percent standard as unfair, Fitzsimmons has avoided fiery rhetoric both publicly and privately. Negotiators at the union's mid-December meeting with trucking management say Fitzsimmons was even more moderate during the closed bargaining session than he was in public.

Clearly, the biggest negotiations after the Teamsters are the talks between the United Auto Workers and the Big Three of the auto industry—General Motors, Chrysler and Ford.

THE EASTERN GIANT AWAKENS TO TRADE

(By Jay Mathews)

PEKING.—Trade between the United States and China may triple in 1979 as American bankers, oilmen and hotel chain executives scramble to do business with the awakening giant of international commerce, businessmen and China trade experts in the Orient say.

The decision to open full diplomatic relations with Peking is expected eventually to win billions of dollars in contracts for U.S. companies to drill for oil in the South China sea. Peking's demand for new mines, tourist services, airplanes, trucks and steel mills could swell trade figures even more.

But even if two-way Sino-American trade does grow to about $3 billion this year, from about $1 billion in 1978. it will still approach only a tenth of total American trade with Japan and only half of trade with little Taiwan. Oriental trade experts think China's trade with the United States could climb much higher, but as one said, "There are just so many imponderables."

Congress, for instance, now in an unhappy mood over Carter's failure to consult in advance about normalizing relations with Peking, has to cooperate if Washington is to extend most favored nation status to Peking. China will continue to buy U.S. goods even without getting this lower tariff arrangement for its own exports, but analysts say the gesture in favor of Chinese goods would create good feelings, which would help American traders in situations where they compete closely with Japan or Germany for the Chinese market.

The often politically volatile Chinese must also stick with their extraordinary decision to shelve the economic self-reliance policy of the late chairman Mao Tse-Tung in favor of an unabashed effort to borrow billions of dollars from capitalist banks in Japan and the West. Peking earns $2 billion to $3 billion a year in foreign exchange by selling goods to and receiving overseas Chinese remittances from Hong Kong. Its exports to the rest of the world, particularly Japan, are increasing, but these are mostly low-grade consumer goods like fireworks, feathers and pig bristles that cannot hope to raise the capital needed for the post-Mao leadership's ambitious modernization program.

Wang Yao-ting, chairman of the official China Council for the Promotion of International Trade, has laid out in the clearest fashion to date China's willingness to go deep into debt. Wang said Peking was considering adopting methods suggested by foreign customers such as "use credit from foreign trade organizations or foreign banks." The previous Chinese method of delayed payments over five to seven years for purchases like the Pullman Kellogg fertilizer plants "could not meet the needs of our rapidly growing foreign trade," Wang said in an interview in the January issue of the official magazine China Reconstructs.

Petroleum could become one Chinese export that draws considerable foreign currency, but China needs to extract oil from offshore wells in quantities enough to feed both its growing industries and its foreign customers, and for that it first needs considerable investment in new drilling equipment and technical expertise.

The oil companies from the United States and other nations that eventually win the right to construct the new oil fields are expected to take payment in the form of oil from those fields. China will probably use this method of payment in many other manufacturing plant deals.

Louis E. Sauboulle, the Bank of America vice president in Hong Kong who specializes in China trade, said he thought Peking's new commitment to foreign commerce was "firmly based." Recent increases in trade with the United States, however, have resulted largely from "increased sales of agricultural commodities to China, particularly wheat," he told businessmen in San Francisco.

Five American banks have now opened full correspondent relationships with the official Bank of China, including American Security Bank in the District. Many more are moving to offer the full resources of American investment capital to Peking. The other five banks include First National Bank of Chicago, which got a jump on competitors a year ago by severing banking ties with Taiwan; Citibank; Chase Manhattan and Bank of America.

U.S. banks must still use foreign intermediaries in some transactions until the 28-year-old problem of blocked claims and frozen assets is solved. Treasury Secretary Michael Blumenthal and Commerce Secretary Juanita Kreps are scheduled to visit Peking later this year. They may work out ways to pay off about $196 million in claims on formerly American-owned property in China with about $78 million in Chinese funds held frozen in U.S. banks since 1950.

When asked about the claims and assets issue in a press conference with U.S. journalists Jan. 5, Vice Premier Teng Hsiao-ping said he thought it was "not a big problem."

In recent weeks the Chinese have signed capital development agreements of enormous size that will affect trade figures with the United States for years to come.

The Largest American deal to date was signed here Jan. 5. U.S. Steel agreed to build a huge iron-ore processing plant worth about $1 billion in an area of Northeast China. The plant, scheduled to be completed in four years, will allow a 25 percent increase in Chinese steel production.

The Flour Corp. signed a $10 million agreement to plan a copper mine that is expected to lead to a construction contract totaling $800 million over the next several years, the largest U.S.-China trade deal to date. The hotel subsidiary of Pan American Airways won a contract to build hotels in China worth $500 million, and manage them for several years. Other American-backed hotel chains have left Peking recently reporting similar arrangements.

Peking, which already owns several Boeing 707s, bought three Boeing 747s and took options on two more last month (December) for a total $250 million deal. Coca-Cola signed an agreement to sell and later bottle its product on the Chinese mainland for the first time in 30 years. This brought cheers from teetotalling foreign travelers who have had to make do with China's own medicinal tasting orange soda pop.

Some bankers in the Orient have begun to express vague worries about China's ability to pay for the size and speed of development it seeks. The National Council for U.S.-China trade, the principal American commercial liaison group, estimates Peking will purchase $40 billion in foreign technology between now and 1985. "By present international standards, they've got enough creditworthiness to absorb that," said one banker. He cautioned, however, that such figures remain for now just estimates.

The Chinese may find they do not have enough trained personnel, English-speaking guides and living facilities to absorb quickly so many projects directed by foreign experts. Some major foreign technology projects, like the massive steel mill outside Wuhan built with German and Japanese help, have experienced serious delays in the past, although these they have been blamed on political disruption, which the government now says is over for good.

Continued bad grain harvests could also cut into Peking's ability to pay for new technology. The 1978 harvest of 295 metric tons failed to meet the leadership's expectations. It forced the purchase of more than $500 million in American grain, a drain on foreign exchange that brings no lasting benefits to the nation's industrial base. Chinese officials have suggested that such large grain purchases will continue for years to come.

OPEC and Iran Cloud Oil Cost

(By Art Pine)

When Congress passed the energy bill last year, there was widespread relief that the U.S. finally had turned a corner. Although the new law isn't apt to cut consumption much, it was a symbolic commitment to a national energy policy. At last there was an overall framework for U.S. initiatives.

Now, barely three months later, the nation is facing its biggest uncertainty over energy since the days after the 1973 oil embargo. The political turmoil in Iran—and the steeper-than-expected oil-price hike by the Organization of Petroleum Exporting Countries—have shattered the once-favorable outlook.

Plans to lift government price controls over crude oil and gasoline early this spring have been dealt a new setback. And suddenly, policy makers have begun hinting that the nation may have to resort to rationing if the situation doesn't stabilize soon.

The cloud-shrouded picture stems primarily from the Iranian oil workers' strike. The unrest has slashed that country's daily crude oil production from 6 million barrels a day—about one-fifth of the oil cartel's total output levels—to practically zero, in the space of a few weeks.

While the Energy Department estimates that the U.S. can go as long as six months or so before feeling any pinch from the cuts private experts aren't as sanguine. Data Resources Inc., a private consulting firm, figures that the impact could be felt as early as April 1. After that, it's downhill—fast.

But the Iranian situation isn't the only element in the energy picture for 1979. Prices which moderated in 1978 after a big surge during the previous year, are expected to speed up sharply again in 1979. Consumption—mainly because of the coming recession—will remain flat. And imports will rise.

There are these predictions:

PRICES: DRI's forecast predicts that overall energy prices will rise 13.3 percent this year—compared with 4.8 per cent in 1978—primarily because of last year's natural gas deregulation bill and the expected phasing out of crude-oil price controls beginning next May.

Of this, more than 5½ percentage points stems from expected decontrol of oil prices, 2.7 percentage-points from higher electric utility bills, 2 percentage points from higher gas prices and 1 percentage point from increased coal costs. The OPEC price rises will add another 1½ percentage points.

Ronald M. Whitfield, chief of DRI's energy forecasting team, lists these changes in government regulations as major factors behind this year's price boosts: The new natural gas bill, eliminating the two-tier price system; oil price decontrol; new strip-mining regulations; and more clean-air rules.

Consumption: Mostly because of the coming economic slowdown, overall energy consumption is expected to remain relatively flat this year, rising by a scant 0.6 percent, following increases of 3.4 and 3½ percent in the two previous years.

Despite worldwide grousing about the huge—and, to foreigners, seemingly uncontrollable—U.S. energy appetite, consumption in this country has been tapering off steadily in the face of constantly rising prices ever since the 1973 embargo. If the recession runs deeper, intake could slow even more.

Imports: In large part because of the OPEC price rise, the dollar volume of U.S. imports of foreign-produced petroleum is likely to rise moderately—perhaps to 8.4 million barrels a day in 1979, up from 8.34 million barrels last year, according to DRI.

Nevertheless, the overall U.S. trade deficit still is expected to shrink visibly, and the "current account"—the closely watched measure that includes not only trade but tourism, investment flows and military sales as well—is expected to approach near-balance.

(The OPEC price hike, while larger than expected, still isn't likely to be that crippling, at least according to most forecasters. While technically the rise totals a scary 14½ percent between now and next October, it actually amounts to 10 percent for the year—close to the 6 percent forecast eariler.)

Supplies: Apart from the Iranian oil situation, the rest of the energy supply outlook here looks relatively good: in the wake of last year's natural gas legislation, there's a surfeit of gas in this country, at least for the moment, and coal supplies are expected to hold their own through 1979.

The impact of all this on U.S. energy policy is to throw what had been a set of reasonably clear commitments into a sea of confusion. Before the latest OPEC price rise and the Iranian shutdowns, Carter had one distinct energy goal for 1979—to begin pushing domestic prices toward the world market prices.

But now, however, with inflation and the larger-than-expected OPEC price boost making price-raising so difficult politically, Carter is said to be seeking adminstratve alternatives to outright decontrol—by revamping existing regulations.

Moreover, while supplies are reasonably plentiful now, policymakers have raised the possibility that the administration also may have to move simultaneously to rationing if the Iranian cutbacks continue. Energy Secretary James R. Schlesinger mentioned the prospect a few weeks ago.

LOOKING FOR BETTER TIMES IN RUSSIA

(By Kevin Klose)

Moscow.—When Soviet police dragged Francis J. Crawford out of his silver-grey Volvo station wagon one night last June and held him in Lefortovo prison for 15 days' intensive interrogation on blackmarket currency allegations, it seemed as though the KGB had deliberately aimed a body blow at American business interest in better bilateral trade.

After all, the chairman of Crawford's company, International Harvester, was Brooks McCormick, a staunch supporter of more east-west trade, and an active member of the U.S.-U.S.S.R. Trade and Economic Council, which aids companies seeking Russian or American markets.

The mood of most of the 23 permanent American corporate representatives, who were having another disappointing year of trade with the Soviets, turned bleak. One resident director quickly packed his bags and left for good, fed up with the difficulties and unpleasantness of life here. He was also reported to be apprehensive that he might become the next unwilling target of what Americans here regarded as Soviet retaliation. The Crawford case was felt to be a reaction to the arrest and pending trial of two Soviet United Nations diplomats on charges of naval espionage.

But six months later, with the hapless Crawford convicted in a transparent political trial and allowed to leave the country, it can be said that the Americans once more are looking cautiously if somewhat pessimistically for better times ahead for U.S.-Soviet trade.

Why this should be so is a bit of a paradox.

With few exceptions, the American businesses footing stiff annual bills to keep offices, directors, quarters and staffs afloat here—Marshall I. Goldman, associate director of Harvard's prestigious Russian Research Center estimates it at an average of $500,000 annually per corporation, have not found a paradise here for capitalists.

The vast new markets for sophisticated American goods and services that the 1972 Soviet-American trade agreement seemed to promise have never developed. The U.S. embassy here projects that U.S. exports of nonagricultural goods—machine tools, computers and the like—may total no more than $550 million for the year, down more than $30 million from last year's indifferent $586.7 million.

The Russians continue to be short of hard currency and stubbornly try instead for compensation agreements of little interest to American corporations. Soviet negotiation practices try the patience of an elephant and the resourcefulness of a Houdini. Most of the country's trade with the U.S. remains in agricultural products.

Continued dollar erosion has sent skyrocketing the costs of maintaining Moscow backup services in Western Europe. And foreign competitors are aided by the complexities and delays of U.S. government-imposed licensing requirements for many technologically advanced, big-ticket items.

Business and politics have been intertwined from the beginning of the new trade relationship. The Jackson-Vanik amendment to the 1974 Trade Act tied tariff relief for the U.S.S.R. to eased Soviet emigration restrictions. The Soviets refused to accept these and other conditions related to easier credit imposed by the Stevenson amendment.

These factors have inhibited trade in fundamental ways, creating an atmosphere of tension and Russian resentment that is now heightened by the sudden appearance of the Chinese in world markets as the U.S.S.R.'s bitterest foe seeks to modernize its backward economy.

Nevertheless, a number of American companies and the Carter administration now are hopeful that U.S. trade with the Soviets may improve.

Although the Pullman Corp. has withdrawn from permanent accreditation here, three other companies this year have gained permanent resident status: Dresser Industries, Armco International, and Control Data Corp., raising the total U.S. companies here to 25.

The U.S.-U.S.S.R. Trade and Economic Council during the past two years has added about 20 additional U.S. firms to its membership rolls. The council's 260 member companies pay dues starting at $1,000 to use low-cost translation rates and other services when their representatives are here in Moscow conducting business or talking about future deals.

The reasons for the newly accredited companies are both tactical—impending major deals—and strategic—placement in the market if the future turns rosy.

Armco is currently engaged in complex negotiations to become the prime contractor for an immense rolled steel facility that could cost more than $400 million. Control data has had continuing success selling computers and related services to the Soviets, and Dresser has recently been cleared by Washington to sell a $144 million oil drill bit manufacturing plant to the Soviets.

More than 50 U.S. firms have signed long-term protocols setting forth specific trade relationships with various Soviet trade entities, and more can be expected. All these business contacts and dealings may ultimately generate substantially increased trade, but at present, U.S. exports to the U.S.S.R. account for only about 2 percent of total American exports. And bilateral trade turnover amounts to about 0.02 percent of the officially stated Soviet gross national product. One reason is that the political quotient continues to be a major factor in Soviet-American trade.

For example, Treasury Secretary W. Michael Blumenthal and Commerce Secretary Juanita Kreps headed a U.S. trade delegation here in December, carrying a message from the White House that the president sincerely wants to improve trade with the Soviets. Kreps announced that 22 licenses being reviewed for oil field machinery and technology had been abruptly cleared and approved after some months' wait. It was largely a political gesture, clearing away bureaucratic functions that reflect the continuing American worries that U.S. technology will be used in ways inimical to American interests.

And more significantly, the cabinet officials made clear that any administration fight to repeal the Jackson-Vanik amendment, which the Soviets consider so onerous, must await a successful White House fight for ratification of a new Soviet-American strategic arms limitation treaty.

Final agreement on SALT–II, thought by the Americans to have been within grasp at the Geneva talks just before Christmas, has slipped away. The U.S. negotiators said later that they were sure the Russians had delayed agreement at the last moment to avoid a mid-January Washington summit between Soviet leader Leonoid Brezhnev and President Carter, a summit that was likely to be upstaged at the end of the month by a visit from Chinese Vice Premier Teng Hsiao-Peng.

If the Americans' well-informed hunch is correct, final SALT agreement appears possible no earlier than several months hence, followed by a Carter-Brezhnev summit and the signing. A Senate vote on SALT ratification seems unlikely before summer then, and is certain to be preceded by lengthy and perhaps bitter public hearings. That pushes any attempt at repeal of Jackson-Vanik into the fall or later, when the issue could run into deadly election year politics.

The SALT delay has somewhat dampened the enthusiastic reaction that set in after the Blumenthal-Kreps visit and a related plenary session of the U.S.-U.S.S.R. Trade and Economic Council that attracted almost 400 American businessmen to Moscow. It was marked by scores of cordial meetings between the Americans and their Soviet counterparts.

Meanwhile, potential opportunities for better business in the future seem to suggest themselves. The complex Soviet economy, while still expanding (it was up 4 per cent in 1978), desperately needs to acquire and utilize Western technology to reverse its steadily falling growth rate and supplement a dwindling manpower supply.

Demand for petroleum—both for crucial hard-currency-earning export as well as domestic consumption—is outstripping supply and the exploitation rate must increase if the Soviets are to avoid an energy crunch. The U.S. has the technology to help.

The Russians also need infusions of Western know-how to improve agricultural enterprise, compared with one in 20 in the United States. The U.S. produces far more bountiful harvests every year, while the U.S.S.R. fluctuates between bare sufficiency and outright shortage.

WOULD-BE OIL CUSTOMERS ARE LINING UP TO COURT MEXICO

(By Marlise Simons)

Mexico City.—The local cartoonists have been having a field day with the "second conquest" of Mexico. One showed a group of conquistadors with gas cans rushing up to an Indian under an oil rig, shouting "Amigo!" Another had a buxom Mexican woman on Uncle Sam's lap, as he whispered in her ear: "I'm not after your money—there are other values as well."

The cartoonists, of course, are right. Mexico's spectacular new oil reserves have caused a sensation and led to a rediscovery of this country, to modify the cartoonists' view.

The wave of would-be customers from Europe, Japan and Latin America prompted Mexican oil chief Jorge Diaz Serrano to exclaim recently, "We are frankly as inundated with buyers as with oil."

Members of OPEC, the international oil cartel, have once again started to drop heavy hints, hoping to get the obstinate Mexicans to join their club.

But above all is a flurry of official reports and press accounts in the United States—which is suddenly feeling vulnerable in its energy supply by the turmoil in Iran—that bluntly ask: "What's in it for us?"

Mexico's firm retort so far was, "First of all, what's in it for Mexico?" And by all appearances, this may remain the Mexican administration's position for the remaining four years of its term.

Pemex, the state oil monopoly, has signed all of its crude export contracts for 1979, committed most of its 1980 production and drawn up production goals through 1982 that it is calling "rational." Whatever the changes in the geopolitics of energy, President Jose Lopez Portillo emphasized in an interview this week that he was determined to abide by these plans.

That decision, he said, was a combination of the country's ability to absorb the new income without distorting the economy and the oil industry's own capacity to expand without relying wholly on foreign equipment.

A cautious administrator who shifted the economy from crisis to near recovery and cut inflation in half—down to 17 percent—in two years, Lopez Portillo has frequently pointed at financial mismanagement in other oil producing nations. He regards avoiding congestion and rampant inflation as determining factors in Mexico's short- and medium-term oil strategy.

But in addition, the oil industry itself, according to oil chief Diaz Serrano, is bound by strict political and technical rules. Mexico's goal is to export petrochemicals rather than endless quantities of crude. And although the industry has recently grown at unprecedented rhythms—it virtually doubled its production to the current 1.5 million barrels per day in two years time—Diaz Serrano maintains that "we could not grow much faster than planned even if we wanted to."

A rare hint of obstacles to growth—Pemex has always been extremely discreet about internal operations—surfaced in a report released last week. It said that almost 8 percent of Pemex's 1978 budget had not been spent because of "a shortage of drilling equipment and of construction materials," as well as "problems resulting from land expropriations which led peasants in the oil regions to set up roadblocks and to occupy the land."

But regardless of the political or economic restraints Mexico's energy picture is impressively rosy.

Suspecting that there are oil and gas deposits under most of Mexico's territory, Pemex is feverishly exploring now in 27 of Mexico's 31 states and in large areas of the Gulf of Mexico.

The country's proved reserves—11 billion barrels two years ago—have burgeoned; two weeks ago they were set at 40 billion barrels with estimated additional reserves at 4.6 billion barrels above that. Mexico's potential reserves remain at 200 billion barrels, far exceeding any other country in the western hemisphere. At current production rates Mexico's 40 billion barrels are sufficient to last the country 60 years.

However, predictions made recently that Mexico could fill 30 percent of U.S. import needs by the mid-1980s are being contradicted by Lopez Portillo and his staff.

Mexico's production targets are much lower. While 85 percent of Mexican oil exports last year went to the U.S., with the remaining 15 percent shared by Israel and Spain, Mexico's "export diversification plan" called for a cutback in the U.S. proportion of total exports of crude.

Pemex export director Juan Aizpura said that this year, for example, 80 percent of Mexican crude will go to the U.S., while by 1980 the U.S. share will be down to between 60 and 66 percent with the balance going to Europe and Japan.

But because Mexico's total exports will increase rapidly—they should reach 1 million barrels per day, double today's rates, by 1980—the U.S. will not receive less but somewhat more Mexican oil.

That Mexico's nationalism is a force to be reckoned with became clear one year ago when the Mexican oil chief and U.S. energy secretary James Schlesinger clashed over Mexican natural gas sales in Washington. Diaz Serrano stormed out of Schlesinger's office after what a Mexican diplomat described as "unbelievable arrogance and insults from Schlesinger." The result was that Mexico decided to use its gas surplus domestically—and lose money—rather than accept the lower U.S. price.

Early last year, the U.S. Ambassador to Mexico was reportedly laughed at in the Department of Energy when he reported that much of Mexico's industry was switching from oil to natural gas as a source of energy. But the domestic gas pipeline feeding that industry will be inaugurated on March 18.

"Schlesinger was very important in raising our consciousness about not trusting the U.S. and carrying out our own plan," said a high Mexican official. "He did not realize it but he did us a favor in the end."

As Mexico steps up its oil production, however, additional vast quantities of gas will become available and they are known to be of interest to the U.S. The Mexican president has said he is willing to sell these "if the conditions are right." Lopez Portillo said he expects to discuss this with President Carter during his visit to Mexico in mid-February.

But referring to Schlesinger's statement this week that it is not in the interest of the U.S. to buy Mexican gas, an irritated Lopez Portillo said once again the U.S. was being "erratic."

"I know what to do with my gas. I'll use it at home and I'll sell it at a price that suits me," he said. "If they (the Americans) don't want to discuss it, that's it: We just won't deal with the matter."

Mismanagement, War Plaguing Black S. Africa

(By David B. Ottaway and Carlyle Murphy)

Lusaka.—War, political upheavals and bad management continued to wreak havoc on the economies of black-ruled nations across Southern Africa last year with the noticeable exception of those operating within the orbit of South Africa itself.

Acute shortages of basic commodities such as cooking oil, butter, flour, rice and corn persisted in Angola, Zambia, Mozambique and parts of Zaire where queueing before food shops seemed to rival soccer as the main national pastime.

National debts grew ever larger while production remained stagnant or dropped, and there was no significant rise in the price of copper, which constitutes the main money earner for both Zaire and Zambia.

Mozambique, Rhodesia, Zambia, Zaire and Angola all posted negative, or at best only marginally positive, growth rates in per capita income terms. By contrast, South Africa recovered from its 1977 recession to register a growth rate of 2.7 percent, and the small economies of neighboring mineral-rich Botswana and agriculturally based Malawi continued to expand at a respectable pace.

As the result of economic slumps and transportation bottlenecks in black African countries immediately to its north, South Africa continued to expand its trade relations with all of them, except Angola.

One of the main causes of the region's difficulties was the ever worsening war in Rhodesia that spilled over on an almost daily basis into neighboring Mozambique, Zambia and Botswana as the Rhodesians accelerated their efforts to wipe out nationalist guerrilla bases in these countries.

But the spread of fighting seemed to affect practically the whole region in 1978. In southern Zaire's Shaba Province, dissident Lunda tribesmen crossed the main mining town of Kolwezi, cutting the country's copper exports for a time and generally upsetting the whole economy.

In southern Angola, guerrillas of the National Union for the Total Independence of Angola (UNITA) continued to defy Cuban-backed government attempts to eliminate them. They kept normal trade between the north and south at a standstill and prevented the east-west Benguela railroad, which once served Zaire and Zambia as well as southern Angola, from resuming regular service.

Meanwhile, there was no sign of any reversal in the trend toward ever mounting debts in either Zambia or Zaire. Even as the International Monetary Fund and American and European bankers were pumping hundreds of millions of dollars into the ailing Zambian economy, they were showing increasing reluctance to continuing similar assistance to Zaire.

Zaire now has a 2.5 billion to 3 billion dollar debt, and Zambia is no longer far behind if the 18 months of nonpayment for goods already received is included. Zambia now owes around $2 billion to its foreign creditors.

In addition to bogging down in wars and debts, most nations of this region were experiencing enormous difficulties in simply managing their economies, whether Socialist in orientation like Mozambique and Angola or capitalist like Zaire and Rhodesia.

A shortage of skilled manpower began to cripple parts of the white-run Rhodesia economy as the exodus of Europeans picked up. The same problem plagued Marxist Mozambique and Angola as their governments tried to fill the vacuums left by the departing Portuguese and take over more and more of the economy.

Japan's Ohira Won't Set Off Economic Fireworks

(By William Chapman)

Tokyo.—For those who expect changes of government to be followed by sharp changes in policy, Masayoshi Ohira is bound to represent a disappointment.

If his first moves as prime minister are a gauge, he will not offer any spectacular diversions in the economic arena. He doesn't intend any major shifts that would send the American dollar scooting up or down. He hasn't mentioned any tactics that would dramatically lower Japan's trade surplus. He bills himself as a slow-growth man in economics but the path he's choosing doesn't seem all that different from his predecessors.

The signs may be misleading and may reflect only the instinctive caution of a career bureaucrat and party manager accustomed to thinking hard and long about where he wants to go. Ohira's slow-moving cautiousness is almost a legend in political circles and next to him his predecessor, Takeo Fukuda, seems as reckless as a riverboat gambler.

One story going the rounds compares him to a character in a Japanese proverb, a man so careful that before crossing any stone bridge he would patiently tap on each part to assess its strength. The only difference, so the story goes, is that Ohira taps every stone on every bridge and does not cross any of them.

One high-level government official said recently that if Ohira differs from Fukuda in any significant way it is merely in matters of style. Ohira is not the type, he said, to go to international summits and pledge his country to unlikely goals, as Fukuda did at Bonn last year in promising a 7 percent growth rate. If there is any constant thread running through his statements so far, it is Ohira's sense of the limits to what governments can accomplish.

Like every Japanese prime minister, and like just about every other world leader, Ohira thinks the American dollar should stay strong as the mainforce in currency stability around the world. What he would do if there is another run on the dollar next year, like the one last year is not clear. He has suggested that the Japanese yen could play more of a "supplementary" role, taking some pressure off the dollar. Surplus dollars, he has asserted, might be absorbed through the use of more of the International Monetary Fund's special drawing rights. Some expect Ohiria to offer some alternatives to free-floating currencies during the Tokyo summit next summer, but no one seems to have an idea what it will be.

In the field of foreign trade, where Japan's big surpluses anger the rest of the world, Ohira may not face the rugged tests that Fukuda did. Japan's trade surplus in the current fiscal year ending in March is still a whopper and is likely to end up at the $15 billion mark. But when measured in yen or by actual volume, Japan's exports are tapering off, although they will continue to rise in dollar terms for several more months, most authorities believe.

Some of the more aggravating trade issues have been settled. Japan has agreed to import more agricultural products, enough to take the edge off the American charge of closed markets, but not enough to satisfy Robert Strauss, President Carter's trade negotiator, completely. Automobile exports are still drifting downward. Shipments of color television sets are within the limits negotiated with the U.S. One official of Japan's ministry of international trade and industry observed recently that only one specific export item—semiconductors—is likely to cause a trade crunch in the coming months as the U.S. and Japan get closer to a trade war over computer-ware.

Some optimists even dare to suspect that the old criticism of Japan's import policy may be buried in the coming year. It is widely assumed that Japan's domestic market is arbitrarily closed to foreign manufacturers by an assortment of tricky regulations. But in the past six months Japan's imports have risen. True, the European exporters have benefitted more than Americans, but that isn't Japan's fault. Some of the increase is rather artificial, reflecting Fukuda's decision to escape the international heat by "emergency" imports through government purchases, but not all of it by any means.

The big question in many minds is how forcefully Ohira will act to stimulate the Japanese economy and increase domestic demand. Some economists have contended all along that this—rather than artificially raising imports and lowering exports—is the key to resolving international trade friction. If the supposedly lush Japanese consumer market is greatly expanded, it is argued, the demand would be enough to wipe out the balance of payment problems gradually.

Ohira's track record in the field of economic expansion is murky and full of conflicting signs. His reputation was built in Japan's high-growth days of the 1960s and Ohira was an enthusiastic supporter of prime ministers who wanted the economic engines to run faster and faster. But in the past year, as he built up his campaign against Fukuda, Ohira has argued that the old days of high growth are over. He thought that Fukuda's 7 percent growth target was unrealistic; in fact, he has opposed even the idea of establishing percentage targets and then gearing the national economy to reach them.

On the other hand, a couple of Ohira's cabinet appointees are high-growth advocates prompting some to suspect the new prime minister is not so wedded to cooling off the engines. Furthermore, Japanese newspapers report that, after considerable internal bickering, the new government has settled for a growth target of 6.3 percent next year, which is higher than many prominent economic researchers think possible without more stimulants in the meantime.

CANADIAN ECONOMIC MALAISE CONTINUES

(By Nancy Ross)

While Canada maintains a sharp watch on the U.S. economy in 1979, America will be keeping an eye on Canadian politics.

A recession south of the border will probably mean a sixth successive year of sluggish growth for Canada. And since it is also election year there, the Carter administration may be interested to see if Prime Minister Pierre Trudeau, now trailing in the polls, can stimulate his economy enough to pull off an upset victory.

Economic malaise seems bound to continue in Canada, judging from private forecasts. Real growth, according to the Conference Board in Canada, can be expected to rise 3.4 percent, compared with an estimated 3.3 percent in 1978. Only six out of the 10 provinces can expect real growth this year. A national unemployment rate of 8.8 percent, up 4/10ths of a percent, is anticipated.

On the more positive side, productivity, which dipped to minus 0.3 percent last year, will regain its 1977 level of 1.4 percent. The Consumer Price Index will moderate to 7.8 percent from 9 percent in 1978, which was marked by a decline in the dollar and especially high food prices (up 16 percent overall, while beef jumped 42 percent in the year ending in October).

Other nongovernmental Canadian economists predict a real GNP as low as 2.2 percent, and a jobless rate ranging up to 9.3 percent. From abroad, the Organization for Economic Cooperation and Development foresees a 1979 Canadian GNP in the 3 percent range. Not surprisingly, Trudeau's government looks through rosier glasses. In his budget message last November, Finance Minister Jean Chretien opined that 1979 would bring a real national output of 4 or 4.5 percent, and price increases to an average of 6.5 percent.

He announced a 1979–80 budget deficit of $12.9 billion, up slightly from the previous fiscal year's estimated $12.1 billion and 1977–78's actual deficit of $10 billion. (These figures are expressed in Canadian dollars; were they in U.S. currency the deficits would appear much smaller because of the devaluation of the Canadian dollar, which has dropped 18 percent against the U.S. dollar in two years. Economic forecasters are predicting that the Canadian dollar will inch up to around 88 U.S. cents in 1979.)

Back in November, the Liberal Party's finance minister advocated a rather conservative fiscal policy. Chretien told the House of Commons, "I have been urged to cut taxes massively in order to stimulate the economy. Given the expansionary forces which are already at work, I do not think this would be wise, particularly when our cash requirements are so high."

Among the cuts he called for were a decrease from 12 to 9 percent in the ad valorem manufacturers' sales tax, amounting to $1 billion, which should be passed on to consumers in the form of lower prices, a $1.2 billion reduction in federal personal income taxes, and lower unemployment insurance premiums. He also called for more tax write-offs for mining, oil and gas exploration, and pollution control equipment as well as targeted incentives aimed at increasing investment tax credits for those regions in most distress.

Among the adverse factors influencing the Canadian economy this year are many sensitive labor negotiations following the end of three years of wage and price controls. The 300,000 unionized government employees, who received effective wage increases of 7.3 percent last year, compared with 8.6 percent in the private sector, are expected to demand a catch-up. Housing construction and consumption of durable goods will also be off in 1979.

Interest rates and stock prices will follow those of the U.S. Analysts warn investors of falling yields in the Canadian bond markets. They favor pulp and paper stocks as well as oil and gas stocks, helped by proposed price increases. The outlook is for more petroleum company mergers this year, following the announced $1.4 billion takeover of Pacific Petroleum, formerly owned in part by a U.S. company, by the government-owned oil company, PetroCanada.

The only significant source of growth, this year, according to the Conference Board, will be renewed investment in machinery and equipment by business, up 5.7 percent in real terms compared with 2 percent in 1978, as a result of a significant increase in profits last year.

A quarter of Canada's GNP and 70 percent of its merchandise exports go to the United States. The Trudeau government is counting on its devalued dollar to stimulate exports and build a $4 billion trade surplus. But if the U.S. encounters a serious economic slowdown this year, leading to a fall off in consumer spending, and if Canada cannot market enough goods in Europe and the third world, a desperate Trudeau—running 20 percent behind his Conservative opponent in the last Gallup poll—may try to stimulate the economy further, even at the risk of increasing inflation.

COMPETITIVE BALANCE SHIFTING IN EUROPE

(By Murray Seeger)

BRUSSELS—Slightly more than a decade ago, Europe was warned that U.S. business was about to take over the continent, but the competitive balance has shifted and the Americans are taking another look at their strategy.

Some of the U.S.-based multinational corporations that flocked to Europe in the postwar period have slowed their investments on the continent and many are sending their U.S. executives home. Some companies with plants in Europe now find that they can manufacture more cheaply in the United States. Others are discovering that exporting to Europe can be profitable.

Instead of dominating the world business scene as they once did, the Americans find themselves challenged in Third World markets by equally clever foreign companies offering products as good as or better than those made in the U.S.A.

While the U.S. firms have been adjusting to more and stronger competition overseas, foreign corporations and individuals have been taking advantage of the change in economic fortunes to invest at record levels in the United States.

"What we are seeing today is not the Americanization of Europe but the growth of a Western style of business culture and taste which covers Western Europe, the United States, Canada, much of Latin America and part of the Far East, including Japan," the chief executive of a major U.S. manufacturer in Europe said.

The often-quoted warning about the U.S. commercial invasion of Europe was sounded in 1967 by the French journalist-politician Jean-Jacques Servan-Schreiber. He wrote that by 1982 "it is quite possible that the world's greatest industrial power, just after the United States and Russia, will not be Europe but American industry in Europe."

Now it seems clear that U.S. business has not taken over Europe. But neither has it been turned out of the continent. Instead U.S. business has become an integral, essential element in the European economy, existing side by side with revised European enterprises.

The American presence in Europe is so immense—and still so profitable—that even five years of steady decline for the dollar, world recession and heightened competition have not diminished its dimensions.

What has happened in the last few years is that the strong, well-managed U.S. corporations have elected to put down deeper European roots while the weaker companies have pulled up stakes and gone home, or moved to easier markets.

"American investment is down in Europe, but then all investment is down," an American government expert in Brussels commented. "There is no trend toward disinvestment."

According to a U.S. diplomat in Paris, there is no strong trend for investment up or down. "The strong are getting stronger and the weak are getting out," he added.

The U.S. Commerce Department reported in August that in 1977 U.S. investment overseas totaled $148.8 billion, of which 40 percent—more than $60 billion—was in Western Europe. Sales by the American subsidiaries in Europe that year totaled more than $220 billion, 20 percent more than the total output of Italy, and about 11 percent of the entire European economy outside the Soviet Union.

U.S.-owned companies in 1977 were responsible for nearly 15 percent of all sales within the European Economic Community, where most of their factories and offices are located.

Despite the generally sluggish world economy, U.S. companies in 1977 increased their overseas investment by 9 percent. Foreigners raised their investment in the United States by 11 percent, bringing the total to $34 billion.

The U.S. presence in Europe is small compared with the size of U.S. domestic business. But many of the companies that have established themselves abroad are conspicuous major participants in the European economy and have done extremely well.

Last year, for instance, Ford Motor made twice as much money overseas as it did at home. Citicorp, the world's second-largest banking firm (after Bank of America) earned 90 percent of its profits overseas.

A 1974 survey showed that such companies as National Cash Register, Coca-Cola, Gillette, Hoover, IBM, International Flavors, Pfizer and Sperry Rand made half or more of their profits abroad.

More recent surveys have shown that U.S. corporations have slowed their acquisition of affiliates overseas and that multinationals based in other countries are the acquisition leaders.

This reinforces the conclusion that the Americans who have survived the five-year European recession are investing in their better affiliates and selling off their losers.

The EEC, which surveyed multinationals in 1976, found that while Europeans owned twice as many international companies and were expanding more rapidly, the U.S.-based companies were much more profitable.

EEC officials concluded from this that "American multinationals achieve a total turnover which is 43 percent higher than the turnover of approximately twice as many European firms."

To the casual observer, the U.S. presence in Europe seems greater than it actually is because of the conspicuous success of relatively few companies in some areas.

For example, U.S.-owned companies produce 30 percent of the automobiles sold in Europe and a large portion of the gasoline that fuels them, as well as two-thirds of the computers sold on the continent. Western European airlines, with few exceptions, fly U.S. made aircraft. Yugoslavia, the most independent of the Communist nations, has in recent years bought for its national airline nothing but U.S. airliners

Walking any major city street in Europe, visitors are assaulted by U.S. brand names—Coca-Cola, Marlboro, Levi Strauss, Wrangler, Kodak, Parker, Arrow. In some cities these traditional favorites have been joined by McDonald's, Burger Chef, Baskin-Robbins, Tandy and Mister Minit.

Americans dominate some fields. In advertising, for example, they own the top five agencies in Britain, four of the first five in West Germany, three of five in Italy and Belgium and two of five in France, Spain and the Netherlands. And they continue to be strong in accounting, management, consultancy and banking.

In supermarkets, which reflect dramatic changes in European eating habits, Kellogg's cereals have expanded rapidly, as have different brands of Florida orange juice, some of it shipped frozen from the United States and some of it packaged in Europe.

One export product, bourbon whiskey, is finding acceptance in Europe for the first time, although it still lags far behind U.S. cigarettes as a symbol of the American's overseas presence. Most U.S. brands are manufactured locally. Some have been adopted as local.

"H. J. Heinz has been in England so long that people no longer think of it as an American company," a U.S. business expert in London commented. "Hoover is so entrenched that the brand name has become an English verb meaning " 'to vacuum.' "

On the other hand, in the broader range of industrial output, U.S. firms have been set back by strong European competition.

Ten years ago, U.S. companies were the largest in 11 of 12 major industries—aerospace, automobiles, chemicals, electrical equipment, food machinery, steel, metal products, paper, oil, pharmaceuticals and textiles—as well as in banking.

In 1976, Americans led in seven, West Germany in three, British and Japanese in one each and one was jointly owned by British and Dutch interests.

"The American presence in multinational business remains the largest single presence, even though it was overstated in the late 1960s, as a good deal of research on non-U.S. business has now disclosed," according to Lawrence Franko, who participated in a massive survey of the subject for the Harvard Business School. "Other countries' multinationals are expanding, not retreating."

The movement is illustrated by the automobile business, which in the last year has seen General Motors and Ford expand in Europe while Chrysler was selling out to Peugeot-Citroen.

The tire industry shows a similar pattern. In the last two years, Goodrich has given up manufacturing in Europe and Firestone has cut back, while Goodyear has continued to make good profits and is expanding its research center in Luxembourg.

In Belgium, site of many U.S. investments, J. C. Penney is a major retailer through its Sarma subsidiary. On the other hand, Sears Roebuck did not do well in Belgium and recently sold its retail outlets to a French company.

"Europe has become more and more competitive," a U.S. tire man commented. "In this industry, Europe's technology caught up and passed the American."

The big mover in the tire business has been Michelin of France, which developed the radial tire. It used its success to start manufacturing in the United States and to take a lucrative share of the market away from the huge U.S. rubber companies.

Some experts believe that the first multinational corporation was the Singer Sewing Machine Co., which opened a factory in Glasgow in 1867. At that time the old German Bayer chemical corporation had an analine plant in Albany, N.Y., and the Swedish Nobel company was making dynamite in Hamburg, Germany.

Westinghouse Airbrake came to Europe before World War I because it found a better reception for its products among nationalized railroads when it manufactured on the continent.

After World War I, Ford, General Motors, Proctor & Gamble, Remington Rand and Hoover invaded the continent.

The big explosion came between 1946 and 1970,when the value of the American presence increased more than twenty-fold to $21.5 billion.

"By the early 1970s, the United States had become more of a foreign investor than an exporter of domestically manufactured goods," Prof. Robert Gilpin of Princeton University wrote in a recent book on multinational corporations.

The overseas expansion was fueled by great sales successes. From 1966 to 1976 annual sales went from $40 billion to $207 billion, an increase of 500 percent at a time when the European economy grew by about 300 percent.

The tide started to turn in 1975, in 1973 and 1974 U.S. affiliates saw their sales go up 33 percent and 30 percent, but in 1975 and 1976 the gains were relatively modest at 12 percent and 11 percent.

While sales fell and competition became sharper, operating costs continued to rise. European labor, which had worked longer hours for less money than U.S. labor, used the period of steady prosperity to bid wages and fringe benefits up at world-record rates.

A Citibank survey found that between 1970 and 1977, in terms of local currencies, real labor costs (after eliminating the effects of inflation) went up the most in Italy (70 percent), followed by Belgium (61 percent), the Netherlands, West Germany and Sweden (all 48 percent) U.S. labor costs in the same period rose 12 percent.

Citibank found the highest wages in Sweden—$10.30 an hour compared with the U.S. average of $8.71.

Belgium and the Netherlands were also above the U.S. average. Britain, at $3.62, had the lowest of the 12 major economies, including Japan, that were examined.

As wages rose sharply, governments supported them by enacting a complex, expensive system of social benefits.

Also, the fall of the dollar has made it difficult for companies that rely on domestic sales for most of their profits to invest in strong-currency countries such as Switzerland, West Germany, Belgium and the Netherlands. American executives are not eager to move overseas unless their companies guarantee them protection from dollar erosion and pay them substantial cost-of-living differentials. Some of the most successful U.S. companies in Europe, such as IBM and Ford, have trained local executives to take the place of U.S. citizens.

As they look at the new investment possibilities, Americans in Europe carefully examine the economic and political factors.

For years, Britain was the most popular site for U.S. companies because of the common language and easy market entry. Then as the European Economic Community developed, at first without Britain, the Americans moved into the Benelux countries and West Germany because of their central location and strong industrial traditions.

Now France is getting attention because the French government clearly encourages foreign investment. Ireland gets attention because of its low labor costs, but its location poses a delivery problem. Spain is also attractive, because costs are relatively low and the country is expected to enter the EEC within the next five years.

"On paper, Britain is clearly the best place to make a new investment," an American executive based in Germany said. "As a practical matter, however, given the problems with labor unions in Britain, right now I would choose France for a new plant."

With the dollar so cheap compared with European currencies, and the European market about as large and rich as the American, many U.S. companies are discovering their potential as exporters.

U.S. automakers, despite big investments in Europe, are setting an example that has Europeans worried and is stimulating some consolidation among Continental automakers.

"There is no product being made by an American company in Germany today that couldn't be made at a lower price in the United States and sold in export," a U.S. trade official said in Bonn.

Inflation: A Showdown Is at Hand

(By Leonard Silk)

Sometime last year, inflation underwent a sea-change in the United States; it changed from being regarded as a tolerable to an intolerable problem. And now the course of business will in large measure be shaped by the efforts of the Federal Government and the monetary authorities to solve this problem that has eroded confidence in the American economy, both at home and abroad.

Indeed, it was the loss of confidence abroad—erupting into a flight from the dollar that threatened to become a panic in late October—that finally produced the Carter Administration's decisive shift from rhetoric to action to bring the inflation under control.

To stop the dollar's fall, the Federal Reserve, with the support of President Carter, pushed interest rates sharply higher by raising the discount rate a full percentage point—the biggest jump since the Great Depression.

Only a week earlier, in announcing his anti-inflation package of Oct. 24, which included wage-price guidelines and a tax-incentive proposal to coax labor into observing the wage guideline, President Carter had left out any reference to monetary policy, other than a brief, populist bemoaning of high interest rates. An anti-inflation program without a monetary policy was like performing Hamlet without the Prince of Denmark.

However, the Nov. 1 program of monetary measures to check inflation and support the dollar represented a dramatic change in Administration priorities—from keeping the economy buoyant in order to reduce unemployment, to arresting the inflation, even if this meant stopping the economic expansion.

The shift in priorities was reinforced by domestic political considerations, for the inflation was growing as intolerable to the great American middleclass and to the business community as it was to foreign holders of dollars. American consumers and businesses have grown increasingly anxious over the relentless upward march of prices, costs and taxes.

Far from settling down to live with the chronic inflation, American voters on Nov. 7 manifested their acute discontent over the loss of the value of their money—and the garnishing of their paychecks by the tax collector—by swinging conservative in the Congressional elections. That swing has sunk deep into the consciousness of Mr. Carter and most of his fellow Democrats, in Washington and around the nation.

The majority of Democratic politicians have no intention of leaving the issue of inflation to the Republicans to exploit. Indeed, in late September, it was the President who said, "The most complicated and intractable and corrosive problem of them all—the problem of inflation."

Fighting inflation, the Administration knows full well, will not be costless, either in economic or political terms. But not fighting the inflation could be far more costly. What the Administration faced on Nov. 1 in the foreign-exchange markets as well as in the security markets was the threat of panic—the sort of panic that, half a century ago, had enacted in a crash and the tearing apart of the world economic and monetary system.

This year, the 50th anniversary of the great crash, is not one in which the Administration is likely to grow forgetful and to reenact history by feeding an inflation in order to keep an expansion going. In 1929 the Federal Reserve was pouring out money to keep a stock-market boom going and, until recently, the Fed was juicing up an already overliquid system to keep an economic expansion going—parallels that are close enough to command attention.

And there is, once again, the concomitant danger of a world monetary crisis. In fact, the scope of the danger is even vaster this time, with half-a-trillion dollars or more—in the hands of oil-producing countries, industrial countries, private corporations and individuals abroad. A failure to control United States inflation would, sooner or later, trigger a massive unloading of dollars that would end in a disaster for both the United States and the world economy.

So the question is no longer whether the Government means to fight inflation this year, but how; how far it will go and how fast, with what degree of Presidential muscle, to reduce the rate of wage and price increase—and how long it will preserve in that fight if the economy slides into the recession that so many private economists expect, but that the President and his economic advisers do not concede is bound to happen.

To be sure, no administration has even predicted that a recession would occur, as a result of its own policies. Yet, there is no reason to think that Mr. Carter and his advisers are dissimulating; their economic policy is intended to slow the inflation down, without producing a recession.

Nevertheless, they know the risks of recession are real. Federal Reserve Chairman G. William Miller admitted in an unguarded moment, that it would take a "minor miracle" to avoid a recession.

In the United States economy today short-term interest rates have risen above long-term rates, signalling a developing credit crunch. And past credit crunches have almost invariably resulted in recessions; the crunches of 1956–57, 1959–60, 1970–71 and 1973–74 were all followed by recessions. The credit crunch of 1966 knocked housing down by almost 50 percent but resulted in only a minirecession, because the overall economy was then being borne aloft by increased spending on the Vietnam War.

The odds are strong now that the emerging credit crunch will again take its toll from housing, sales of autos and other consumer durables, and from business spending for plant and equipment. And the strong probability is that as growth slows, unemployment will rise.

The political costs to the President of a steep recession could also be serious. But he has apparently resolved to run that risk in 1979 rather than in 1980, when he is likely to run for re-election.

Mr. Carter has, in any case, asserted his belief that the political gains of fighting inflation will outweigh the costs of lost political support from much of the Democratic Party's traditional constituency, including organized labor, blacks and other minorities, "the cities"—that is, the poor in the central cities—and other low-income groups for whom unemployment and cuts in social welfare programs loom as a more serious problem than inflation.

The President's anti-inflation program may well undergo shifts in tone and emphasis in response to the pressures of the groups that will seek to shield themselves from absorbing the heaviest burdens of lost jobs or incomes that could result from the program.

Mr. Carter has every reason to try to check the inflation with a minimum increase in joblessness. Even so, unemployment is likely to rise by a full percentage point or about a million workers. He will seek to avoid a deep slump, since it would not only send unemployment shooting upward, but would also put the budget into deep deficit and end by exacerbating rather than curbing inflation.

The Administration's anti-inflation strategy thus has three main components—monetary policy, fiscal policy and incomes policy.

MONETARY POLICY

The task facing the Federal Reserve is to reduce the availability of money and credit so that consumers and businesses will have to scale back their spending for goods and services. High interest rates become a major deterrent to borrowing, spending and long-term investment once inflationary expectations are broken.

To break such expectations monetary authorities must no longer appear to validate the assumption that borrowed money is relatively costless even at high interest rates, since money loses its value so fast that it is better to grab goods. The Federal Reserve under G. William Miller will strive to bring down the rate of monetary growth gradually to avoid jolting the economy too much.

FISCAL POLICY

But if the slowdown in monetary growth is not to result in a collapse of business investment, housing construction, the output of autos and other durable consumer goods bought on credit—and hence a huge loss of jobs—it will be essential that the Administration and Congress not throw undue or unbearable burdens on monetary policy.

A worsening of the Government deficit by excessive spending or tax cuts would require the Fed to offset that extra demand by tightening monetary policy still further. That would drive interest rates even higher, and risk bringing the economy down with a crash. The Carter Administration in the coming year will try to bring Government spending under tighter control. Its efforts, however, must be pointed at the fiscal 1980 budget, where it faces a fight within the Democratic Party on whether budget cuts ought to come out of defense or social spending.

But the course of fiscal policy for most of 1979 has already been set by the decisions of the last year. The current budget for fiscal 1979 is moderately stimulative, and this will keep pressure on interest rates during the early part of the year. This increases the risks of a turn down by midyear.

INCOMES POLICY

The President's program of wage-price restraints is intended to make it possible to reduce total demand without producing a recession. The object is to make it possible for slower monetary expansion to cover only a small increase in real output and a lower rate of inflation. If, however, the increase in wages and prices is not reduced by the actions of business and labor, the reduced volume of money and credit will choke off demand and real output. This is the reason Alfred E. Kahn, the President's chief inflation fighter, warned—before the White House politicos shut him up—that a failure of the wage-price guidelines to work could bring on a "deep, deep depression."

Rather than let that happen, will the Administration move to direct controls? Mr. Carter, although he has often said he opposes them, has left himself an out, saying he would resort to controls "only in an emergency." An emergency could occur if the guidelines fail and the country faces either worse inflation or depression.

The leaders of United States business, who dislike the guidelines, but hate controls and fear inflation, mean to lend their support to Mr. Carter's guidelines. This increases the probability that, the rate of wage increase, at least, will be brought down to the guideline figure of 7 percent. Further toughening in the Administration's so-called "voluntary" guidelines for prices and profits will be necessary if its price goal of limiting increases to 5¾ percent is to be achieved.

The leaders of organized labor are less willing to support the President's guidelines since they believe that the program is tougher on labor. For this reason a toughening of Administration pressures on business is likely.

It will require remarkable timing, finesse and determination on the part of the President and his aides for this three-pronged monetary, fiscal and incomes policy to work without triggering a recession. Has the Carter Administration the skill and toughness to make its program work? Skepticism reigns among American business, labor and much of the electorate on the basis of Mr. Carter's past performance.

But the United States economy does not depend solely on the economic knowledge or managerial skill of one man in the White House. The underlying balance of the American economy has not yet shown signs of serious weakness.

Nevertheless, this business expansion, already more than three and a half years old—a ripe old age for business cycles—appears due for a correction this year. And American business would rather get it over with than risk something worse by trying to prolong a failing and inflationary expansion. Business is prepared to sweat out 1979, hoping to move forward again in 1980.

[From the New York Times, Jan. 7, 1979]

Strategies for a Slowdown

(By Isadore Barmash)

Corporate America is willing to accept the likelihood of an economic slowdown this year, particularly in the final two quarters, but most business leaders are not wholly swallowing the forecasts of a recession. Indeed, many are convinced that there is still perceptible economic momentum, and, thus, are pursuing cautious but flexible policies, hoping to turn bad into not-so-bad and good, if it comes, into better.

Businessmen generally accept the negative panoply—the predicted rise in unemployment to 6½ percent from 6 percent, a smaller real gain in gross national product to about 2.4 percent from last year's 3.9 percent and a pre-tax profit gain of only 4½ percent, or less than the inflation rate. Still, they avoid the word recession. Some see it as a self-fulfilling prophesy; others cite their companies' minor or noninvolvement in the 1974–1975 recession.

"We really don't see a slowdown coming," observed William M. Agee, chairman of the Bendix Corporation, who succeeded Treasury Secretary W. Michael Blumenthal at that company. "There's still too much good out there. We expect to do well in our markets in 1979."

"I'm still optimistic," noted John T. McGillicuddy, president of the Manufacturers Hanover Trust Company. "I wasn't among those who anticipated a true recession in 1979 before the new policies of monetary and fiscal restraint were put into place, and I do not anticipate one now."

"No recession," says Thomas A. Murphy, chairman of the General Motors Corporation, who believes the economy will continue to maintain momentum and predicts sales of 11.5 million passenger cars this year.

Others are more cautious.

"We are of the recession school, and we are trying to make certain that all of our groups conservatively assess their markets against that background," said John L. Grant, executive vice president of American Standard.

Reginald H. Jones, chairman of the General Electric Company and often a spokesman for American business, does not see a deep recession, but he does expect a second-half slowdown with tight money and high consumer debt curbing housing and consumer expenditures. Business investment and strengthened defense outlays ought to keep the slowdown from turning into a deep recession, Mr. Jones said. And he expects the start of the year to be strong as a result of the tax cut, good housing starts in late 1978 and large capital-goods backlogs.

Both in the consumer and industrial sectors such executives as Edward F. Gibbons, chairman of the F. W. Woolworth Company and Mr Agee of Bendix believe that there is an even chance that their sales will hold up and possibly top last year's. However, Mr. Gibbons added, "my big fear is inflation, but I don't think mandatory controls are the answer. Let's try the guidelines."

Nonetheless, it appears that no year since 1975 has opened for business with more uncertainty than 1979, and that calls for keeping a sensitive hand on the throttle—one that can react quickly to sudden developments. Among the strategies being adopted are:

The United States Steel Corporation, hoping that the Federal Government will become more aggressive to curb steel imports, plans to return capital outlays to the $800 million level this year after a cutback last year when earnings slid. The company has increased its long-term debt in recent years so that it now has about $1 billion in cash, which Bruce Thomas, executive vice president for accounting and financing, says is invested with a return of 10 percent to 11 percent. It "will be available for expansion, for investment opportunities and for other needs," he said.

Obviously with the steel industry still under considerable cost and import pressures and United States Steel now deriving a large part of its pretax profits from nonsteel diversification it is likely that some of those funds will go into more remunerative fields than steel, Mr. Thomas indicated.

The Great Northern Nekoosa Corporation, one of the country's largest paper manufacturers, has an ongoing $250 million expansion project in its white-paper operations, which have bigger backlogs than either its printing paper or newsprint divisions. But if cash flow withers, it will lessen capital outlays by slowing down on new approvals, said Robert Hellendale, president of Great Northern Paper.

The Eltra Corporation, a diversified electrical products company, has generated an "exhaustive" divisional cost-reduction program. "We are resisting price increases that we consider too high," said Jack A. Keller, chairman, "even if we have to change old suppliers. In some product lines, we feel that a 5 percent price increase is too much."

In the consumer-goods area, new products, promotion and capitalizing on new indicated potential mark the year's game plans, but there are also moves to control inventories carefully.

While Robert Gwinn, chairman of the Sunbeam Corporation, thinks 1979 will be a "tough year," he said that "the way to hit a slowdown is to emerge with new products." Two such new Sunbeam housewares products due for a major push are the electronic memory bath scale and a solid-state electric blanket. Woolworth plans a promotion blast centered on its 100th anniversary celebration "which, we believe, will be an offset against any possible buyer slowdown," Mr. Gibbons said.

Stringent inventory control and expense tightening are under way at Levi Strauss Inc., the nation's largest apparel producer and the leading maker of jeans. Nevertheless, the company is making a major investment in its women's apparel division by substantially adding to its sales staff.

"We've beefed up our women's staff 50 percent to 105, many of them women, and we have dramatically revised our sales estimate for the division," said Peter E. Haas, the concern's president. "It should pay off this year."

Tight money and indications that interest rates may go as high as 13 percent are compelling some companies to plan for a possible cutback of capital outlays late this year. The Armco Corporation, a major producer of carbon and other steel, has such plans, as well as a "contingency plan" to maintain profit margins in the event of a sales cut. Harry Holiday Jr., president, said the plan involved cutting shifts in less capital-intensive divisions and reduction of inventories.

Oddly enough, one company, American Standard plans to "become more aggressive" on capital expenditures if a slowdown occurs. Mr. Grant the executive vice president, said, "If that happens, we will increase our expenditures 10 percent to 15 percent at a time when our capacity is down because making the capital additions to the factories will be a lot less disruptive than when they are at capacity."

The Bendix Corporation recently concluded arrangements for a $150 million line of credit as well as a $50 million loan with an insurance company, according to Mr. Agee, the chairman. "If there is a money crunch, that will give us $150 million on call," he said. "That's also a disaster plan because if there is a squeeze on working capital, that money would be available."

And perhaps because the domestic economy is so murky, some concerns, such as Levi Strauss, are considering foreign investments. But others feel that the European economy may have even slower growth. Woolworth, for one, with its far-flung international operations, sees more slowdown coming in West Germany, which has a dearth of good store sites, in Spain and in Canada.

Will there be as many corporate mergers in 1979? One merger specialist, Louis Perlmutter, senior partner at Lazard Frères Inc., predicts that there will be, even if the cost of money continues to grow. "Tax laws allow interest on debt incurred to finance acquisitions to be deductible," he said. "So with the current merger boom, I don't see the higher interest rates being a deterrent."

Consumers Pile Up Debt To Buy Homes, Furs, Autos

(By Barbara Ettorre)

"Last year I brought a house on waterfront property," said Arthur Britten, owner of a merchandise buying office in New York. "I had a condominium, but I feel the value of the land will appreciate and the pool and tennis court will give me luxurious living and offer good resale possibilities. I'm not depriving myself of anything."

Mr. Britten's observation typified two consumer trends apparent in 1978: Consumers put their money into real assets such as housing and land and they didn't blink an eye at their expenditures and their outstanding debt.

Consumer spending is stretched like a taut bowstring, and the question for 1979 is whether that string will break. To many it is one of the biggest economic questions of the year, because consumers have been the mainstay of the economic recovery and their spending represents almost two-thirds of the gross national product.

"The consumer has been saying that it is far more rational in a world of high or rising inflation to save in the form of real assets—real estate or durable goods—than in the form of financial assets," said Mary Gottschalk, assistant vice president and an economist at Citibank.

"Consumers tend to be rational, to make judgments about expenditures in the same way as corporations," she continued. "Having made the decision to buy, they can either buy now or save for it, then buy."

What worries a number of economists is that while consumers have been spending at a brisk rate for services and for durable goods, such as appliances and automobiles, they have been borrowing heavily to support these buying habits. During this economic expansion, consumers have accumulated debt at a faster rate than at any other time in the nation's history. In the first three quarters of 1978, home mortgages, consumer installment and noninstallment credit outstanding rose by about $100 billion to almost $1 trillion.

As a result, according to both the Federal Reserve and Data Resources, the proportion of total outstanding debt to disposable income is estimated to have hit a record 67.9 percent in the third quarter of 1978, up from 66.9 percent in the previous quarter.

"We might think the consumer has run out his string on debt, but this is not the case even now," said Jay Schmiedeskamp, research director of the Gallup Economic Service. "In an October consumer survey, for example, 47 percent of those interviewed said they were reluctant to buy on credit. But this was no greater than the 48 percent who said that in a January 1977 survey."

Consumer watchers say that real-income

gains increased slightly more than inflation in 1978, and, while they expect a moderation of these gains in 1979, they maintain consumers will be able to handle their debt burden.

A slower economy, as is sought by the Administration in its anti-inflation program, could mean slower retail sales and less production for the factories. But if the Administration's program triggered a recession, a real problem could ensue with consumer debt if many consumers were forced out of work and left unable to repay their debts.

However, analysts say, the consumer is in fairly good shape to weather a slowdown—providing employment and income do not experience drastic downturns, a factor they do not foresee.

"Inflation, the eroding purchasing power of the dollar and a lackluster stock market have encouraged people to hold a larger share of their net worth in the form of tangible assets, at the expense of their net financial positions," said Carol Brock Kenney, consumer analyst at Loeb Rhoades, Hornblower & Company.

This is the case for Lorraine Baltera, a 28-year-old employee of a public relations company.

"For the first time in my life, I've got two possessions that need to be insured, one being a fur coat," she said. "I'm thinking much more now in terms of major possessions as investments for the future. I want to acquire several good quality paintings, for example."

Mrs. Kenney predicted that with a 2½ percent real economic growth-rate in 1979, real consumer spending would grow by 2 percent to 2½ percent, compared with 3½ percent for most of 1978.

Also evident last year was the continuing trend of more consumer dollars being spent for services—anything from restaurant expenditures, dry cleaning, rent, college tuition and health club membership to child care and adult education courses. The Conference Board estimated that $600 billion was spent in this category in 1978.

"Back two-and-a-half decades ago, about a third of the average family's budget was spent on services. But in 1978 the proportion exceeded 45 percent substantially," said Fabian Linden, director of the consumer research department of the Conference Board, in a recent report on consumer expenditures for services.

"Even after adjusting for inflation, consumer outlays for services have been growing at an annual rate of almost 4.2 percent over the past decade and a half, or faster than total consumer outlays," he said.

In an interview in December, Mr. Linden said, "As we grow increasingly affluent, necessities take a smaller share and nonnecessities a larger one."

Many economists expect consumer spending to decelerate slightly in 1979. Moreover, they expect buying patterns to change slightly. The consumer still will spend at a brisk pace for household items, for example, primarily as a result of last year's boom in housing starts.

However, durable goods might experience some slowdown in 1979, after three years of consumer "catch-up" from the 1975 recession, Mr. Schmiedeskamp said.

Edward A. Treichel, a financial economist for the Continental Bank in Chicago, modified this view of the trend in durable-goods sales.

"In the short-term, there will be a tendency to slow growth in durables. But in the long-term, such items as appliances will show some gains," he said.

"In 1979 I don't see declines in real spending," he continued. "I feel the consumer will be supportive of the business climate, not a drag on it."

Tax Revolt: An Idea Whose Time Has Come?

(By Adam Clymer)

Washington.—When California voters decided June 6 to slash their property taxes, Proposition 13 spread fear through some groups that depend on government spending, such as public-employee unions. John E. Petersen of the Municipal Finance Officers Association gave the gravest comment: "If the states are to be the test tubes of democracy, Jarvis-Gann is the Frankenstein."

Now, seven months later, despite much publicity for Howard Jarvis, the antitax antispending movement he fomented appears less a meteor than a rather slow comet—something that is going to be around, but less dramatically, for some time in American politics.

The tax revolt is really a three-pronged siege. At its most spectacular, it involves an attack on a particular tax. Idaho, for example, followed California in voting to cut property taxes. But Michigan and Oregon rejected such plans.

Less dramatically, the movement seeks to limit the growth in government spending by imposing formulas on budget increases that are tied to inflation, economic growth or population.

That part of the effort actually succeeded before Proposition 13 took form, when a constitutional convention vote in Tennessee in March led to legislative action immediately after the convention that rejected such ordinarily sacred themes as more state aid for teachers' salaries.

States as diverse as Arizona and Michigan will be learning how to live with that sort of restriction, for their voters, among others, adopted similar state spending limits in November.

The third part of the antitax movement involves state attacks on Federal spending. In the last couple of years, 22 states have voted to ask Congress to call a constitutional convention to consider an amendment pushed by the National Taxpayers Union that would require a balanced Federal budget. If 12 more states join them and if Congress finds their requests more or less identical—a big if—then Congress will be obliged to call such a convention.

North Carolina Governor James Hunt warns fellow Democrats wherever he finds them that the move is coming, saying if Congress does not balance the Federal budget first, "the people themselves will do it" through an amendment.

But this amendment scheme may run into competition from another group, the National Tax Limitation Committee, which is coordinating the various drives to limit state spending. It wants to push for a constitutional amendment requiring limited growth in Federal spending.

The phenomenon is still viewed with horror by public employees' organizations—teachers in Michigan came close to defeating their state's limitation amendment—and by some economists and public officials. They fear that limitations, especially at the Federal level, would make it hard or impossible to cope with a slowdown in the economy.

In fact, except for Tennessee's short experience with a limit, and even more tenuous data from New Jersey and Colorado, where legislatures have passed laws (which they could repeal or disobey without constitutional sanction) setting similar ceilings, the only evidence of effect thus far is from California.

There, thanks to the state's steeply progressive income tax and a healthy economy, most independent observers think Proposition 13 has had very little effect on public services, despite its opponents' preelection fears. But if a recession comes, and California's economy tends to be volatile, public services may be cut deeply.

Politically, the results have been less than dramatic. Most of these moves have been sponsored by conservative Republicans, but they have carefully stayed clear of the rhetoric of the far right. And Democrats running last fall managed to make themselves into watchdogs of government spending at least as convincingly as Republicans did.

John Connally, the former Governor of Texas now weighing a Republican presidential bid, argued that the tax cut issue hurt the Republicans with voters in November.

"We were proposing a larger tax cut than they thought was credible," he said, adding that his party's candidates should have emphasized reductions in spending instead.

But other Republicans enthusiastically endorsed the tax cuts. Senator S. I. Hayakawa of California, for example, said, "Proposition 13 limited only local government spending, but symbolically it challenged government spending at all levels. I welcome this kind of revolution. It may be the only way to save the American middle class from extinction."

He pointed out that "in 1965, 19 percent of the taxpayers were in the 20 percent or higher bracket. In 1975, 53 percent of the working people paid 20 percent or more."

The phenomenon of Democrats stealing Republican budget issues was accomplished long before California's Governor, Edmund G. Brown, Jr., switched sides and identified himself with the proposition he had fought hard to defeat. As a candidate, Jimmy Carter talked long and hard about balancing the budget, and the deficit of $30 billion or less that he has promised to propose this month will mark a major step toward that goal.

President Carter plainly sees a reduction in Federal spending—which pluralities, and in some cases majorities, of poll respondents call the prime cause of inflation—as an idea whose time has come.

He is laboring to bring his party in line with this thinking. He warned at the Memphis meeting that budget-cutting was essential to halt inflation, and that inflation "breeds a politics of fear," that makes it impossible to "preserve a commitment to compassionate and progressive government."

And for now at least the Democratic majorities in Congress seem ready to go along, according to such diverse Democrats as House Speaker Thomas P. O'Neill, Jr., and Representative Abner J. Mikva of Illinois, who noted, after the first flurry of 2 percent budget cuts passed last summer, that "tax revolt is nowhere near as traumatic as people said."

As a 1980 issue, this is likely to be heard first among Democrats. Senator Edward M. Kennedy of Massachusetts, warning that it would divide the party and the nation if Democrats cut social programs, is already challenging the Presidential lead.

If Mr. Carter can bring off budget cuts without causing a recession and manage to cut inflation too, that liberal challenge will be diminished, and Republican hopes should dissipate. But if unemployment goes up sharply this year, as the Congressional Budget Office fears, he may face a tough fight for renomination before anyone gets around to considering whether the Republicans could do better.

"Fitz," Tough Negotiator for Teamsters

Frank E. Fitzsimmons, 70 years old and the fifth president of the International Brotherhood of Teamsters, may be a pariah to George Meany who heads the A.F.L.-C.I.O. and a perennial target of Federal investigators who have yet to charge him with anything, but he is still a darling to Presidents who need a favor—and the Carter Administration needs one if its wage guidelines are to be effective. One of the toughest tests will occur when the Teamsters' master freight agreement expires on March 31.

The craggy-faced, heavy-set Teamster is often underrated outside the union: He is less than articulate and is even reduced to sputtering over allegations of Teamster corruption. Once an over-the-road driver, he rose to power as Jimmy Hoffa's aide and took over union leadership when Hoffa was jailed. He has been elected ever since, and remains unchallenged in a union of tough guys. He maneuvered cleverly to build alliances among the Teamster powers and won enormous pay and benefit increases for his members—over-the-road drivers now earn $25,000 a year.

Now the Government is seeking his help. President Carter's wage-price guidelines suggest a 7 percent limit to total wage-benefit increases. "Fitz" said 7 percent was not enough and that fringes, such as added pension costs and welfare benefits, shouldn't be counted. Quick as a bunny, Secretary of Labor Ray Marshall made it clear that the guideline "was not etched in stone."

But unlike the guideline, Fitz doesn't bend. When he heard that the Government might interfere in his bargaining, he said: "The first time the Government intervenes in our negotiations, we will negotiate from a strike position."

THE PRESIDENT VS. THE ECONOMY: WHO'S AHEAD?

(By David E. Rosenbaum)

WASHINGTON.—Sometime between the time he made those two statements—between the time he proposed a $50 tax rebate to all Americans and the time he took a series of extraordinary steps to bolster the dollar, between the time he endorsed ambitious plans for revamping the nation's welfare, health and other social systems and the time he decided to limit the budget deficit to a parsimonious $30 billion—sometime, in other words, in his first two years in office, President Carter realized that he had lost control of the nation's economy.

No longer is there hope for new initiatives to help the underprivileged. No longer is there a chance to reduce the unemployment rate to 5 percent or lower. No longer is an annual growth rate of 5 percent a realistic target. No longer, in short, can Jimmy Carter pursue traditional Democratic goals and the platform on which he was elected.

His goal now is a single-minded one: He must somehow limit inflation—"our most serious domestic problem," he now concedes—without plunging the nation into a recession. Outside the Administration, not one economist in 10 gives him much chance of succeeding.

Publicly, the President's closest advisers say that fighting inflation is good politics, that a conservative tide is sweeping the country and that the people are willing to settle for less rather than more from government. Privately, these same advisers are deeply concerned that Mr. Carter will lose the war against inflation, lose his natural Democratic constituency in the process and lose the 1980 election as a result.

It ought not have come as a surprise that the economy seems to have gotten the better of Mr. Carter's plans. His three most recent predecessors similarly changed economic course in mid-stream.

Lyndon B. Johnson was forced to abandon the notion that the country could afford both guns and butter, and he pushed through Congress a surtax to pay for the war in Vietnam. Richard M. Nixon discarded the laissez faire approach to the economy on which he had been elected and instituted mandatory wage and price controls. Gerald R. Ford stopped trying to whip inflation within months after he took office in the face of a staggering slide in the economy.

But that is no solace to Mr. Carter. It came, his advisers say, as a rude shock to Mr. Carter that the success of his presidency would hinge on so many factors outside his control.

First, there is Congress, where many of the major battles in the war against inflation will be fought and where the President has few committed allies. The "real-wage insurance" proposal, which has become the cornerstone of his anti-inflation program, has been attacked by many of the Congressional leaders whose support is necessary if it is to be enacted. Even if it becomes law, there will probably be so much Congressional nitpicking that passage will come too late to affect wage settlements in 1979.

Congress will also decide in the end whether the budget deficit can be held below the magic $30 billion figure. Senator Edmund S. Muskie, Democrat of Maine, and others in Congress who are responsible for setting spending and revenue levels doubt now that it can. Liberals, led by Senator Edward M. Kennedy, Democrat of Massachusetts, have pledged to continue to strive for more outlays for social-welfare programs. And the influential analysts at the Congressional Budget Office are predicting a recession in the last half of 1979 if Congress sticks to the President's plan. The second factor, over which Mr. Carter has little control is labor negotiations. Neither businesses nor unions have much confidence in the anti-inflation program. Many in labor, including George Meany, president of the A.F.L.–C.I.O., view the President virtually as a traitor. The business sector sees the President as ineffectual. Both sides have told him to keep out of their bargaining.

A third force is the international money markets. The international bankers thumbed their collective noses initially at the anti-inflation program. The steps taken in November to stabilize the dollar were successful in the short term, but no one knows about the long haul. If the dollar remains weak, inflation cannot be conquered; conversely, if inflation does not abate, the dollar will not strengthen.

In the final analysis, Mr. Carter cannot be expected in the year ahead to control the economy. He can only try to cope with it—and hope that next year, when he begins his race for re-election, the economy is no longer controlling him.

GUIDELINES TODAY—CONTROLS TOMORROW?

(By Steven Rattner)

WASHINGTON.—President Carter's voluntary wage and price guidelines, while just a few months old, have already caused confusion and considerable speculation that mandatory controls are likely to follow within a year.

The Administration has maintained insistently that there will be no mandatory controls, but whether the voluntary program will be successful in curbing inflation is far from clear.

The reason for concern, however, is crystal clear: After the disastrous post-Vietnam oil-price experience of 1973–74, inflation by 1976 had slowed to 4.8 percent. In 1977, it crept up to a still tolerable 6.8 percent. But in 1978, the rate exploded. In some months, the increases in the Consumer Price Index were nearly a full percentage point, and by year-end, the total was frighteningly near double-digit territory.

Reacting to a disastrous first quarter, the President in April announced Phase I of his inflation program—a voluntary system of guidelines designed to decelerate wage and price increases under the direction of the energetic Robert S. Strauss, who was already holding down one job as the nation's chief trade negotiator.

But even Mr. Strauss's energy could not overcome the widespread evidence that the program was largely windowdressing. On Oct. 24, a less-voluntary, but still not mandatory, Phase II was announced. The actors changed as well, with Alfred E. Kahn, the highly acclaimed chairman of the Civil Aeronautics Board, assuming the role of chief inflation fighter with the principal title of chairman of the Council on Wage and Price Stability.

The anti-inflation program was the product of an interagency group, which, enjoined not to propose anything that required new legislation and constrained by the President's lack of authority, developed a series of guidelines similar in concept to the mandatory controls of the Nixon era.

The Nixon wage and price controls, which began in August 1971 with a total freeze on wages and prices, had similarly come in response to a mounting inflation rate. But the program then was mandatory and included complex requirements for computing and posting permitted prices for thousands of items. Yet, some of the Nixonian precedents were used—sometimes almost verbatim—in drawing up President Carter's program.

Basically, under the current program, labor contracts were to include the wage and benefit increases totaling no more than 7 percent, and price increases were generally to be kept below a 5¾ percent ceiling, but could be as much as 9.5 percent depending on whether the company had had unusual cost increases or whether the company historically had increased prices substantially.

The Government's principal weapon of enforcement was to be the threat of denial of the right to bid on Government contracts. Lesser threats were to include the power of regulatory agencies over certain industries and the ability of the Administration to control such things as import quotas.

The plan has been under continued attack from labor as favoring business. Union leaders have charged that while the wage standards is almost completely inflexible, companies are offered several alternative ways to formulate their price structure.

To most observers, the charges had some validity, but the bias was seen as stemming not so much from a pro-business slant as from a conviction within the Administration that business's prices are basically competitive and rise when the underlying costs—represented principally by labor—also rise. Monitoring of business is necessary, but the real key to curing inflation is to deflect the rate at which wages are rising, Administration economists believe.

But the wage standard proved so tough that in early December, the Administration moved to loosen it (and made some other changes as well). As tough as it would be to win support from unions accustomed to 10 percent annual increases. Administration economists reasoned, getting them to include the mounting cost of fringe benefits plus salary increases within a 7 percent standard would prove virtually impossible. Corporations, worried that the Administration would denounce them, agreed, so the costs of maintaining existing fringe benefits were removed from the guideline for wage increases.

The changes notwithstanding, trying to comply with the guidelines remained a difficult task for business, which was faced with often-confusing regulations. The task was also tough for the Administration, which at year's end was trying to add 100 economists, lawyers and accountants to the enforcement staff of the Council on Wage and Price Stability.

Nonetheless, the Administration maintained that it would present a Phase III to Congress this month. That package of legislative proposals was to include not only the innovative real-wage insurance plan, designed to provide tax credits to reimburse workers for inflation, but also the longstanding proposal to control rising hospital costs and perhaps other ideas such as deferring minimum-wage increases.

The real Phase III, in the minds of the public, is the question of mandatory controls. The position of the Administration has been unequivocal: no mandatory controls under any circumstances presently imaginable. To the skeptical public, that was reminiscent of similar promises made by former President Nixon before he imposed mandatory controls.

That conviction was reinforced by the fact that also at year's end, the Administration's voluntary program seemed to be having no effect. Nor was there any sign of promise that the two big contracts of early 1979—involving oil workers and truckers—would represent a victory for the guidelines.

Miller's Monetary Policy—How Tight?

(By Clyde H. Farnsworth)

WASHINGTON.—Not since the days of Franklin D. Roosevelt has a President had so great an opportunity to shape the independent central bank as President Carter will soon have. Some time early this year the White House will nominate two new members of the board—an action that will be watched closely both domestically and internationally for an indication of Government intentions on the course of the dollar, the flows of credit and much of the economic future of this country.

Together with G. William Miller, a socially conscious businessman from New England whom the President named chairman of the board, and Nancy Hays Teeters, an eclectic Keynesian fiscal specialist whom he named to the board, the new members will form a majority of the seven-member board. And within a year there may be another vacancy when the term of Philip E. Coldwell, a career Fed economist from Dallas, expires. Thus, the boards direction will give a clear signal of whether the Administration is determined to back up its official rhetoric with tough policies to beat inflation.

The shared responsibility of the selection process (between the White House and Mr. Miller) makes it also, as Wall Street Fed-watcher, Henry Kaufman, general partner of Salomon Brothers, puts it, "a key test for Mr. Miller."

After early accommodations to the President's populist inclination for easier money and credit, Mr. Miller, with Treasury Secretary W. Michael Blumenthal as a powerful ally, persuaded the Administration to shift its priorities 180 degrees to fight inflation and stem the dollar's plunge.

When chaos broke out in the financial markets following the President's Oct. 24 anti-inflation speech, Mr. Miller and Mr. Blumenthal drew up the celebrated dollar defense package. One of the main elements was the one-percentage point rise in the discount rate announced by the White House.

Mr. Miller also led the Administration to trim the size and defer the timing of the tax cut to reduce the fiscal deficit. Finally the Administration, at his prodding, again weighed balancing the budget.

But not everyone gives Mr. Miller high marks after almost a year in office. The chairman of the Senate Banking Committee, William Proxmire, publishes his report card. The grade was "F"—"clear failure," said the Wisconsin Democrat. Both inflation and interest rates have continued to rise despite Chairman Miller's statements that he wants to reduce them. And now to make matters worse, interest rates have reached levels that many economists believe will lead to a recession next year."

That's a bit unfair, says another Wall Street Fed-watcher, David Jones, vice president of Aubrey Lanston and Company, who gives Mr. Miller a "B" against "A—" for Arthur F. Burns, his predecessor.

Mr. Miller has taken to giving his own report card: "I give Senator Proxmire a B+ as chairman of the Banking Committee, but a"Z" on analysis of who or what causes inflation and interest rates to rise."

The new chairman, who as chairman of Textron had a reputation as one of the quickest and smartest business executives in the country, found he could not move rapidly to meet the demands of domestic and foreign money centers for an interest rate jolt to control the rapid expansion of the money supply and inflation. Mr. Carter and most of his advisers abhorred high interest rates; and despite the Fed's independence, Mr. Miller would not risk a showdown with the President who had just appointed him.

Independence may be the ideal, but accommodation is the political reality, according to such Fed watchers as former governor Sherman Maizel and Congressional economist Robert Weintraub.

Thus, Mr. Miller moved cautiously even as the onslaught upon the dollar intensified. He talked anti-inflation to the Administration, but sided with the doves in the policy-setting Federal Reserve Open Market Committee.

He made a mistake, and later recanted it, when he became publicly identified with a vote against raising the discount rate last July. It was a mistake because it raised questions about anti-inflation credibility and triggered heavy dollar selling.

He also spoke, perhaps prematurely, of interest rates "peaking" by the end of the year. In a December interview a little before the Organization of Petroleum Exporting Countries raised the price of oil, he called the present degree of credit restraint adequate. But after the oil price rise rates edged up.

Finally, at yearend, as he had predicted, the high interest rate policies seemed to be biting. Growth of the money supply was finally slowing after the Federal Funds rate, the short-term money rate that is the barometer of Fed intentions, had climbed above 10 percent from 6¾ percent last spring.

Another Wall Street Fed-watcher, James Sinclair, commented: "If the detractors of the Fed action got what they purportedly want, I assure you they would not want what they would get. Interest rates would shoot up to 14 percent, and the stock market would stumble into a deep, dark hole."

Mr. Miller, is a brisk, practical man. His style is to avoid confrontations and get things done. The pipe-smoking Mr. Burns was an unusually strong personality who dominated the board and the Open Market Committee. Mr. Miller is less charismatic, more of a consensus man. The emphasis is on action, brevity (no one is allowed to talk too long), less smoking (he's a non-smoker) perhaps less wit.

In a recent interview, he said he had been enjoying himself at the Fed, even though he makes only a fraction of what he earned in private industry. He said that working with other parts of the Government and the Administration, had been "much easier and more harmonious" than he expected.

Tax Credits: Carter's Ploy to Restrain Wage Gains

(By Edward Cowan)

WASHINGTON.—With the emphasis here on fighting inflation and trimming the budget deficit, Congress will probably skip the issue of tax cuts this year unless consumer spending collapses and the national unemployment rate soars above 7 percent.

Government economists are hoping that the Revenue Act of 1978 will help prevent that. They say that the $19 billion of income and capital gains tax-cuts for individuals and corporations—showing up this week in the form of reduced income-tax withholding in the first pay checks of 1979—will help sustain consumer spending and corporate investment and prevent the economy from sliding into a recession.

But at the same time higher Social Security taxes, which went into effect on Jan. 1, will, in many cases, offset the gains of lower withholding rates.

To give wage-earners relief if consumer prices rise by more than 7 percent, President Carter has proposed a new tax credit he calls "real-wage insurance." To be eligible, a taxpayer would have to be part of an employee group within his company whose compensation—salary plus benefits—rose by no more than 7 percent during the year.

The real-wage insurance bill is likely to become a partisan battleground in Congress. The President proposed it to encourage labor to accept his wage guideline. A vote for it will be construed as support of his price-wage stabilization program and that means most Republicans will oppose it.

Organized labor also opposes the voluntary guidelines, and if the unions seek to shoot down the insurance legislation, Mr. Carter will have great difficulty moving it from Capitol Hill to his desk for signing. Indeed, Congress could well reject the proposal outright.

Other issues facing Congressional tax writers include revision of three sections of the Internal Revenue Service regulations that deal with:

An issue called "carryover" which has to do with capital gains and estate taxes; it is very complicated and by most accounts it is the most emotional tax issue to vex Congress in quite a long time. Congress changed the carryover rule concerning capital gains on inherited assets in 1976 to close what tax-reform advocates said had been a loophole. The 1976 act required that an heir take as his cost-basis not the value of the asset at inheritance—which the law had permitted until 1976—but the basis that would have been used had the benefactor sold the asset in his lifetime. Probate lawyers have contended that the 1976 changes created impossibly complex problems of tax and estate administration. The Treasury asserted that this was a false claim whose real purpose was repeal of the 1976 act. But last year Congress temporized by extending the effective date of the new rules to the end of 1979.

Withholding of taxes for payments to so-called independent contractors. The question of who is an independent contractor and who is an employee has embroiled the I.R.S. in some close call. By listing someone who does work for a company as a contractor, the employer avoids paying Social Security and unemployment insurance taxes and the contractor's wages are not recorded with the I.R.S. in the same manner as that of regular workers. The Treasury says that, as expected, independent contractors seem to omit more income from their returns than do employees whose pay is recorded on a W-2 form.

Fringe benefits. The I.R.S. has been trying for several years to collect taxes on certain kinds of non-cash benefits it regards a taxable income, such as free tuition for the children of a university's employees, free plane rides for airline employees and free use of company cars for nonbusiness driving.

There also will be a good deal of talk—but probably little legislative action—about Social Security payroll taxes and something called VAT, an acronym for value-added tax, which is a European-style sales tax levied on manufacturers and sometimes services. At each stage of production and distribution the tax is imposed on the value added by the fabricator or processor or packager. Ultimately, the tax is added to the price the consumer pays for the item.

The chairmen of the tax-writing committees—Russell B. Long, the Louisiana Democrat of the Senate Finance Committee and Al Ullman, the Oregon Democrat of the House Ways and Means Committee—see VAT as an alternative to the Social Security payroll tax. That tax rose on Jan. 1 to 6.13 percent on the first $22,900 of earnings. By 1981 it will reach 6.65 percent of earnings of up to $29,700. Mr. Ullman and the executive branch think that's too high.

Hearings on VAT and on Social Security financing in 1979 could pave the way to legislation later. The value-added approach is probably two years, perhaps a half-dozen, away from enactment—if it makes it at all. Mr. Ullman's Social Security timetable calls for action in 1980 to scale back the 6.65 rate.

The tax-writing committees have stopped the I.R.S. from acting administratively because of the heavy mail members of Congress get whenever the issue warms up. However, the tax writers have found it easier to procrastinate than to write a bill.

Deregulation: Panacea or Pandora's Box?

(By Ernest Holsendolph)

Washington.—This city, known for its susceptibility to fevers, has come down with a major one called deregulation virus.

Its beginning can be traced to the pledge made by President Carter during his campaign that he would seek to cut out regulatory red tape and governmental interference with business. From that germ, an epidemic of regulatory reform has spread.

Actually the idea of deregulation has been alive here for several years, revived now and then by academicians and encouraged by Senator Edward M. Kennedy of Massachusetts.

But the predisposition of President Carter, with his opposition to the "wastefulness" of compliance with regulations and the dramatic success of airline deregulation last year, truly brought deregulation to its current feverish stage.

Actually there were three main developments in 1978 on the regulatory front: the President's announced intention last fall of reducing the inflationary impact of regulation; the implementation of Charles L. Schultze's idea of forming a regulatory review council to measure and grade the economic impact of specific regulations as well as to introduce a calendar of coming regulatory events; and the move among independent regulatory agencies to assess their impact and to loosen their grip on their rules.

Also, the Administration is preparing legislation to change the regulatory framework governing railroads and trucking, in both cases generally aimed at reducing its control of the two industries.

While chances appear good that some legislation will come out of Congress on railroads, transportation specialists say that it is doubtful that the committees can get to trucking in 1979. Senator Howard Cannon, the Nevada Democrat who now heads the Commerce Committee, says flatly that he does not intend to tackle trucking. Late last month, however, the Interstate Commerce Commission said it would continue its attempts to deregulate trucking.

Regulation is big business. In a respected analysis, Murray L. Weidenbaum and Robert DeFina, economists at Washington University in St. Louis, found that in 1976 the total annual cost of Federal regulation, including administrative costs and compliance costs, was $66 billion. The compliance costs formed the greatest share of the overall cost, amounting to some $63 billion. And the paperwork involved in compliance was the biggest single segment of cost—$25 billion—for all of the industries put together.

If the $66 billion in 1976 appears large, it will be dwarfed by the costs in 1979, Dr. Weidenbaum predicted, citing estimates of more than $103 billion.

While the Washington University analysis is the most highly regarded effort in what all economists acknowledge is a slippery task, Secretary of Commerce Juanita Kreps and her staff are working on a framework for a "regulatory budget." It would require each agency to project, along with its traditional costs, the costs of complying with each regulation that it promulgates in order to keep officials cognizant of the consequences of their policies.

But, while they are diminishing in number, there are still strong advocates of regulation. Bennett C. Whitlock Jr., president of the American Trucking Associations, asserts that "the orderly protection of the regulatory umbrella has been enjoyed most significantly by the shipper, who has been able to take advantage of reasonable rates, good service and get value for his dollar."

And in a presentation in December to the Senate Commerce Committee, Wayne G. Granquist, a specialist in regulatory policy for the Office of Management and Budget, put it this way:

"We recognize that we must pay more attention to *incremental* costs and benefits. For example, in determining the level of stringency of a regulatory standard, we need to know whether the extra benefits are worth the extra costs. We must also try to assure that these dollars are being allocated where they will do the most good."

Conservationists and environmentalists, of course, are wary of the abundant talk about reducing the impact of regulation, fearing that such concerns will provide an excuse for taking the pressure off industries that spoil the environment. But Carolyn Shaw Bell, an economist at Wellesley College, suggests that while in addition to toting up the costs of regulation, reformers must also take into account such "benefits" of regulations as higher productivity resulting from reduced illness and increased longevity of workers thanks to improved working conditions mandated by the regulatory agencies.

A number of regulatory agencies that deal with specific industries are making moves on their own. Some of their actions are:

The Civil Aeronautics Board, even before Congress passed a sweeping law to provide freer entry and give carriers latitude to change prices, promoted competition by extending wider operating authority to airlines that offered low fares.

The Interstate Commerce Commission, whose surface transportation industries shelled out $11 billion for compliance in 1976, is moving steadily to relax regulations in the huge trucking industry. It plans to provide easier access to the business by truckers in hopes that added capacity will serve to pressure prices downward.

The Federal Communications Commission, partly under pressure from Rep. Lionel Van Deerlin, the California Democrat who heads the Communications subcommittee, is proposing to deregulate radio broadcasters in selected markets in 1979 as a test.

Consumer and safety regulatory agencies have not signalled broad relaxation of their politically sensitive rules, but they have indicated growing consciousness of the impact of the rules on industry. Douglas Costle, head of the Environmental Protection Agency, has been named by the White House to head the Regulatory Analysis Review group which will measure the impact of specific regulations.

With the Administration continuing to press its concerns about inflation, it is clear that the pressure will grow on individual agencies to justify regulations and exhaust all other alternatives before promulgating additions to Washington's voluminous list of controls over the way industry works.

Farm Aid: Legislating Higher Food Prices

(By H. J. Maidenberg)

("The harvest is past; the summer is ended, and we are not saved."—Jeremiah 8:20.)

The prophet might just as well have been assessing the current state of the nation's biggest industry, agriculture. After three record harvests of basic foodstuffs—corn, wheat and soybeans—food prices are again expected to climb 10 percent this year. And food is the biggest factor in the cost of living.

And while President Carter has showered more benefits upon farmers in the last year than during most of the New Deal Era, farmers are now convening once again at Washington's Quality Motor Inn to demand still more help from the Administration.

To further confuse the agribusiness situation, the agricultural sector of the economy remains outside the President's anti-inflation wage-price guidelines; so do foreign commodities. But food processors are expected to live with these price parameters.

Above all, the prices all Americans, indeed, everyone on the planet, will pay for food this year not only depends on a fourth consecutive record crop year in the Northern Hemisphere, which is considered extremely chancy, but also on how much food China's 900 million people will require.

These questions were raised by John Schnittker, a leading agribusiness consultant to the food industry and a former Assistant Secretary of Agriculture in the Johnson Administration, during a recent interview at his Washington offices.

"We have still to see the full impact of the farm decisions made by the Executive Branch and the Congress in 1978," he said. "Thus far only four cases stand out as inflationary factors. One is the extension of the reserve and set-aside programs. The second is the 9 percent rise in dairy support prices that have been passed on to consumers.

"Thirdly, sugar prices are 40 percent higher than they would have been if these support prices had not been increased. Finally, all the three factors just mentioned have built-in mechanisms that are bound to generate higher prices, even if nothing else is added."

A former professor of agriculture in his native Kansas, Mr. Schnittker noted that the odds against a fourth straight record harvest this season were enormous and that a major crop failure in any major food importing country would cause inflation to accelerate.

China is the second major question mark after the weather. Long before Washington and Peking decided to restore full diplomatic relations last month, the Administration moved to permit China to buy unlimited amounts of American farm products on long-term credit.

Despite a normal harvest last year, China bought 8 million tons of American grain, plus an equal amount elsewhere, just to maintain then-current rations for its people. The purchases here were the first in four years. China had to feed 18 million new people in 1978.

Happily for the American consumer, the Soviet Union, another big customer, reported a record harvest last year, which should substantially reduce its requirements in 1979.

But the consumer must also reckon with the increasing sophistication of the American farmer in holding his vast inventory of grain away from the market (soybeans, although vital to the food industry, have never been in significant oversupply).

The farmer can hold his crops off the market because the Administration extended the Federal crop loan period from 11 months to three years. Thus, a farmer can pawn his corn, wheat and other crops at a modest interest cost and still receive Government payments for storage on or off the farm. This is what Mr. Schnittker referred to when he cited the new "reserve" program.

Meanwhile, the set-aside program, formerly known as the soil bank, enables farmers to idle varying portions of their acreage without, in effect, losing any money. Outright subsidies have been increased.

Cargill, Inc., the giant grain-trading house, summed it all up recently when it reported: "The maze of Government lending programs makes it virtually impossible to generalize about borrowing costs and credit availability in the agricultural sector. There are also the added factors today of Federal crop loan and reserve programs."

What, then, do farmers want today? According to Mr. Schnittker, the farmers gathering in Washington want full, 100 percent parity, meaning that they want the Government to guarantee them their cost of production as well as a "reasonable" profit.

These angry farmers are comprised mostly of younger people who often have to rent or lease land because they cannot afford to buy farms at today's prices. Most are deeply in debt, squeezed by climbing overhead costs and therefore unable to take advantage of another benefit bestowed on farmers by the President last year—the right to borrow up to $400,000, with the Government guaranteeing 90 percent of the loans.

"There are about 2.7 million farmers in the nation," Mr. Schnittker said. "About 700,000 own their own land, are buying up smaller properties all the time to expand output economically, and are generally in fine shape. At the other end we see 300,000 farmers below the poverty line or close to it. In between we find a great many who farm and work in other businesses, so the income figures are distorted because they are part-time farmers and ranchers."

Indeed, the only certainties in agribusiness today is that production, processing and marketing costs will continue to rise; more farmers will be bought out by luckier and wealthier producers; farmers will demand more Federal financial aid because prices aren't high enough; food manufacturers will cite higher farm prices in marking up their goods, and the consumer will pay more at the check-out counter.

Profit Gains Expected for Most Industries

(By Phillip H. Wiggins)

Despite rising inflation, a devastating weakness in the dollar in the third quarter and talk of the recession, major industrial sectors of the economy, although remaining cautious, foresee limited gains this year. Analysts are forecasting a 6 percent to 10 percent growth in after-tax corporate profits for 1979, compared with an 11 percent gain estimated for 1978.

"We share the general view that growth will be slow in 1979, but we do not expect the kind of recession that would impact profits and dividends severely," said Arnold Bernhard, research chairman of the Value Line Investment Survey. "We think the dividend level will hold. In fact, it may go up more than profits. The payout ratio is very low."

Mr. Bernhard said he thought airlines would benefit from deregulation of fares, that health services would continue to grow and that the hotel and motel businesses would prosper.

"We expect consumer hardgoods—from refrigerators to automobiles—to be down this year because the consumer is stretched thinner today than at any other time in recent memory," said Steven Lewins, research director at Value Line. "The housing industry is poised for a cyclical downturn."

Mr. Lewins said Value Line was "deeply concerned about the prospects of strikes this year in four major areas—trucking, autos, building trades and the tire and rubber industry."

Analysts' views of the outlook for several key industries are:

Airlines: Whether the airline industry will continue to chalk up record profits in 1979 is questioned by Robert S. Krauser, a member of the New York Society of Securities Analysts.

Much to the industry's surprise, he said, lower fares resulted in a dramatic increase in passenger miles and correspondingly higher profits in 1978. However, with deregulation of both routes and prices on the way, new competitors may proliferate. The result could be that gains in passenger miles will not bring higher profits, he said.

At the same time, he added, the airlines will be spending billions of dollars on fleet expansion and any disappointment in revenues could have a sharp effect on this industry. Pan American World Airways and Trans World Airlines showed dramatic improvement last year.

Chemicals: In terms of profits, the chemical industry in 1978 performed better than expected.

There were divergent trends. "Downstream" companies, those involved more with retail sales to the consumer, such as Celanese and the E. I. du Pont, fared better than "upstream" companies, those concerned more closely with production and raw materials, such as Dow Chemical and Union Carbide. Du Pont's profits, for example were expected to be up about 40 percent for 1978, probably one of the highest in the industry, while Dow Chemical's earnings were expected to rise only about 3 percent.

Overall, chemical-industry profits for 1978 are expected to be 10 percent above 1977. But some analysts believe, with the anticipated slowdown of the economy this year, that chemical profits could be off as much as 10 percent. Analysts expected chemical companies to try to push through price increases early in 1979, beating anticipated price controls.

Computer equipment: A 15 percent rise in revenues has been estimated for the computer industry in 1978. A computer specialist at Value Line said overall capital expenditures would expand by 12 percent, or 4 percent in real terms.

"There is no price inflation in computer revenues because of advancing technology, which gives more performance for the dollar," he said. "We are looking for about a 13 percent rise in revenues in 1979 and a 10 percent rise in earnings."

The 27 computer companies Value Line uses to gauge the industry will have projected revenues of $45 billion in 1979, up from an estimated $40 billion in 1978. Net profits are estimated at $4.8 billion in 1979, up from $4.4 billion estimated for 1978. The International Business Machines Corporation, the NCR Corporation, the Control Data Corporation, Honeywell Inc., the Sperry Rand Corporation and the Burroughs Corporation, leaders in the field, all performed better last year.

Food: About a third of the typical American family's food budget is spent eating away from home. This is expected to rise to 50 percent by the 1980's, a report by Doremus & Company shows.

Consumption of natural foods is increasing in West Germany, the Netherlands, Belgium, Britain and Japan, and American food exports to these countries can be expected to expand substantially in 1979.

The largest and fastest-growing segment of the $95 billion food-service industry is commercial, accounting for 67 percent of the total dollar volume. Fast-food chains are expected to increase their business by 24 percent over the next two years, recreational food service by 21.5 percent and full-service restaurants by 23 percent, the report said.

Insurance: The rapid pace of merger and acquisition activity highlighted the insurance industry in 1978. The year's largest bid was the NLT Corporation's acquisition on Dec. 4 of 5 million shares of the Great Southern Corporation at $58 a share, or a total of $290 million.

"The life-insurance industry continues to show excellent growth, with earnings expected to rise 12 percent to 14 percent in 1978 and in the range of 12 percent to 12.5 percent for 1979," said Theodore J. Newton Jr., an insurance industry analyst at Blyth Eastman Dillon & Company. "Property and casualty insurance is having an excellent year. In terms of profit margins, it will probably be the best year of the current cycle with a profit margin of about 5 percent," he said of 1978.

Machinery: Capital-goods orders in the machinery-manufacturing industry have continued higher, according to Merrill Lynch, Pierce, Fenner & Smith's third-quarter industry report. The firm expects capital spending for 1979 to increase slightly in real terms from 1978. Therefore, Merrill Lynch says, earnings of most machinery companies should increase next year.

Merrill Lynch says the machinery stocks seem to be discounting any deep recession in 1979. "We believe that until that discounting process is complete, the shares of machinery companies will tend to reflect the prospects for a decline in earnings in 1980, despite the likelihood of higher earnings in 1979."

"Two premier machinery companies in terms of investment quality have been the Caterpillar Tractor Company and Deere & Company," said Alexander M. Blanton, Merrill's senior machinery analyst.

Paper Products: "Last year the paper industry grew faster than generally because the markets that paper services, such as magazines and advertising, have grown faster than general business activity," said Norma Pace, senior vice president and chief economist of the American Paper Institute.

"In 1979, the demand for paper will be paced by economic activity. If we have a 2 percent growth in the gross national product, we will see at least a 2 percent growth in the paper industry," she added.

The institute's annual survey of pulp, paper and paperboard capacity foresees an expansion-rate of 2.4 percent a year between 1979 and 1981. Paper and paperboard capacity in 1981 is expected to be 72.6 million tons, with woodpulp totaling 57 million tons. This compares with an estimate for 1978 of 67.5 million tons for paper and paperboard and 53 million tons for woodpulp.

The sales of 40 companies in the paper and paper-related products field for the first three quarters of 1978 reached $25.1 billion, 11.9 percent above 1977.

The Champion International Corporation and the Georgia-Pacific Corporation gained in 1978, while earnings slipped at the Crown Zellerbach Corporation and the International Paper Company.

Pharmaceuticals: "I'm expecting outstanding, unusual earnings progress by the drug industry in 1978, averaging more than 25 percent year-to-year comparisons," said David Saks, drug analyst for Wertheim & Company. "This year I'm looking for another 16 percent average earnings gain. By comparison, in the years 1975, 1976 and 1977, average earnings expanded only 7 percent.

Factors that would contribute to such gains include an increase in introductions of new drugs, recovery of demand in international markets and attempts by the industry to raise prices. On a short-term basis, the industry's earnings reflect a relaxation of efforts by the Food and Drug Administration and Congress to regulate the industry.

Prime beneficiaries of new-drug activity have been Merck & Company, with its Clinoral, an anti-inflammatory drug for the treatment of arthritis; the Smith Kline Corporation with its Tagamet, a drug for the treatment of ulcers, and the Upjohn Company with Motrin, another anti-inflammatory drug.

HOUSING—IT SHELTERS MORE THAN THE FAMILY

(By Alan S. Oser)

Despite high prices and tightening credit, demand for housing has remained strong with people increasingly relying on home purchases as a hedge against inflation.

"We finally saved enough for the downpayment, and, with the prices rising, we thought it was better to buy now than next year," said Mrs. Karen Lando, of LaGrange, Ill., one such buyer. She and her husband bought a $90,000 house with a 20 percent downpayment.

Such reasoning may prove sound because the average price of a single-family house rose 14½ percent last year, while the overall inflation rate was about 8 percent—a more rapid appreciation than the usual rise in the resale price of houses of two points ahead of the inflation rate.

The industry has also been bolstered by the longterm prospect of high housing demand, accompanied by a growing mobility in American Society, creating constant housing needs.

Moreover, at the end of 1978, builders were not experiencing the "overhang" of unsold units that lengthened the previous major downturn, and the California, Florida, Dallas and Phoenix and markets have been particularly active.

"Californians never accepted the conventional 'stay-put' idea," observed Leon Kendall, president of the Milwaukee-based Mortgage Guarantee Insurance Corporation. They expect to move again in a few years, he said, and "all they ask is," "How much down and how much per month?"

In California "in the last 60 days bookings were as strong as they were a year ago," said Michael Tenzer, president of the Leisure Technology Corporation, builders of retirement communities.

Furthermore, the pool of the strongest potential buyers—those in the 25- to 34-year-old age group—is rising. That segment of the population rose from 27 million in 1972 to 33 million last year and is expected to keep rising through 1990.

But as the year drew to a close, the negative impact of rising interest rates on housing starts and purchases had started to take hold. Housing was into what Mark Riedy, executive vice president of the Mortgage Bankers Association, called a "soft landing" as mortgage-interest rates reached 9½ percent to 10½ percent. And Mr. Tenzer suggested that the Northeast would not be able to bear the steadily rising costs of labor and materials.

The industry managed to avert an abrupt decline because banks were able to use new tools to retain funds for mortgage loans at a time when rising interest rates elsewhere were competing for their deposits. The savings institutions offered six-month certificates at rates higher than Treasury bills, thus impeding the flight of funds from housing lenders that accompanied the last recession.

Nonetheless, most industry leaders were predicting that there would be about 300,000 fewer homes built in 1979—a 15 percent downturn from 1978's 2 million starts. Most estimates of new starts in 1979 ranged from 1.6 million to 1.8 million, an aggregate number that masks severe regional differences.

Since housing and related industries account for about 7 percent to 8 percent of gross national product, an overall decline of 10 percent to 15 percent in one year is substantial, said one housing economist, Louis Winnick of the Ford Foundation. In some regions of the country such a national rate "translates into something that could be characterized as recession," he said.

Across the country lenders were already predicting production declines of varying sizes as higher financing costs restricted the public's capacity to "carry" new houses. James Lutes, senior vice president of the Midland Federal Savings and Loan Association in Denver, said the association would cut its budget for mortgage loans by $25 million in the fiscal year. It expects a construction decline of 10 percent in the Denver area where the market is relatively strong.

"There will be more dramatic declines where there are usury laws," he predicted. With interest rates at 10¾ percent in that area, "I don't anticipate a nosedive."

In New Jersey, John Atherton, executive vice president of the City Federal Savings and Loan Association, said, "We anticipate an active presence no matter what happens to rates." He and others commented that there had been more housing activity in the recent tight-money period than in others past.

In the San Joaquin Valley of California, Donald Dauer, executive vice president of the First Savings and Loan Association in Fresno, said he expected a "slight decrease" in loan activity, coming off what has been a "plateau" for six months.

Large builders stressed the high demand and the fact that building companies are in a stronger position to ride out a downturn than they were in 1973 and 1974, when so many had large inventories of land. Eli Broad, chairman of the board of Kaufman and Broad, Inc., which builds in the Northern California, Southern California, Chicago and New Jersey markets, said that the danger lay in the "supply of funds and the cost of funds." The resale market and the market for second and third homes will be affected most, he suggested. But in general "Americans are acting more like Europeans and accepting 9 percent, 10 percent, 10½ percent interest rates."

The Government's new graduated-payment mortgages, lowering initial costs for home purchasers; the increasing availability of private mortgage insurance, which also lowers initial costs, and the insulation of the thrift institutions against deposit outflows all served to slow the housing decline as interest rates rose. It was a different story in states with usury laws, however. There buyers have already found terms stiffening. In New Jersey some lenders are already reported to require a 30 percent or 40 percent downpayment on new housing. In New York State, where unusually restrictive usury laws held housing back for years, the state legislature lifted the legal mortgage rate to 9½ percent last year and allowed the rate to float to two points above a 10-year index of long-term Government securities.

As for multifamily rental housing, it has never recovered strongly from the recession. Prospects for increased construction are considered poor even where there are no rent controls. High costs largely attributable to the growing length of development time tend to put required rents out of the range of many market segments, and operating costs keep rising. This has led to speculation that the trend to condominium conversion will increase and that a rental-housing crunch can be expected in 10 or 15 years.

OIL PROBLEMS HOW TO CUT CONSUMPTION AND INFLATION

(By Anthony J. Parisi)

The Carter Administration is committed to raising energy prices. The Carter Administration is committed to reducing inflation. Ergo: The Carter Administration has a problem—one that may prove as frustrating to the President during his next two years in office as were his original energy proposals during the first two.

Economic forecasters say energy prices will climb this year by perhaps 12 percent at the consumer level. In 1978, by contrast, the fuel and power components of the Consumer Price Index rose 4.5 percent.

One reason for the dramatic difference is that the Organization of Petroleum Exporting Countries, after foregoing an increase in 1978, has decided to raise prices an average of 10 percent this year. But economic forecasters say an even bigger factor in the sharply higher fuel and power bills will be price increases mandated by the United States Government. The most painful: An estimated 20 percent increase in the price of natural gas at the well and a similar jump in the price of crude oil.

"It's a cruel dilemma," said Milton Russell, a senior fellow at Resources for the Future, a research institute based in Washington that specializes in energy, resources and environmental studies. "President Carter promised at the summit meeting in Bonn to get United States prices up to the world level by 1980; on the other hand he is pledged to fight inflation. I would not underestimate the difficulty in resolving this conflict."

As the President and his energy advisers have repeatedly explained, they want to raise the price of all regulated fuels to their true replacement values. Market prices, the argument goes, would prompt more conservation, stimulate investment in conventional supplies and encourage exploitation of alternative energy sources, all of which would help slake the nation's thirst for OPEC oil. And the Administration has wide backing on this from economists.

"I think we ought to take our inflation medicine now and get it over with," said Michael K. Evans, president of Chase Econometric Associates, a subsidiary of the Chase Manhattan Bank.

Added Ronald Whitfield, director of energy services for Data Resources Inc., an economics consulting firm: "By not raising energy prices, we may be able to lessen inflation this year, but only by making it worse later on."

As they see it, holding prices down would eventually lead to unnecessarily high oil imports, and that would add directly to future inflation, as well as tend to weaken the dollar, leading to price increases in other imported goods.

The Petroleum Industry Research Foundation figures that this year the nation will increase its purchases of foreign oil by some 700,000 barrels a day over last year. That would mean the oil trade deficit, which ran about $41 billion last year, might widen this year by more than $5 billion.

Domestic oil production has declined, despite an increase in drilling since the original OPEC price rise. The main reason for the falloff, oilmen say, is that "all the easy oil has already been found."

And this decline in production gives additional impetus for raising prices, for the lower the domestic price, economists point out, the higher the nation's consumption of energy. That means greater demand for OPEC oil—which would give the cartel even more leverage to raise oil prices, making the whole sequence of events more painful.

"It's a vicious spiral," noted Chase's Dr. Evans.

But politics often override economics, especially when the short-term gains seems to outweigh the long-term considerations. The all-too-pressing truth is that higher energy prices in 1979 will mean higher inflation in 1979—regardless of what they may do in the future—and this fact has not escaped notice in Congress. The President's inflation watchdog, Alfred E. Kahn, has already come under attack for the Administration's apparently contradictory goals of higher energy prices and lower inflation. More uproar seems inevitable as regulatory changes already enacted, or currently in the works, show up in the form of higher energy prices.

The energy legislation that Congress passed in the fall kicked off a big round of increases in the price of natural gas at the well. Customers are just now beginning to pay the higher utility bills that those increases will eventually lead to. Data Resources has calculated that, for 1979 as a whole, consumers will pay about 12 percent more for their natural gas than they did in 1978; commercial users around 13 percent more, and industrial users 19 percent more.

Meanwhile, the average price of domestic crude oil, which has been inching up steadily under legislation passed during the Ford Administration, is expected to start taking bigger strides in June, when that law expires. Although no one knows definitely what the new pricing strategy will be, the Administration has indicated that it would like to loosen the regulations, and Data Resources has estimated that faster decontrol will mean a 17.5 percent increase in domestic crude oil prices this year.

This, together with other factors, such as the OPEC increase, will raise the price of gasoline, fuel oil and other petroleum products by about 10 percent at the retail level in 1979, according to most estimates. Electric utility bills are expected to climb apace. Only coal, of all the major forms of energy, is projected to advance at a significantly slower pace than it did in 1978, when the miners' strike sent prices soaring on the open market.

All this, however, assumes no change in the Administration's energy strategy. "So much depends on policy decisions," notes Dr. Russell of Resources for the Future. "If you want to set economic policy for the decade, then you want to get energy prices up. But you don't live by the decade, especially in the White House."

For Airlines, Profits Now But Cloudy Skies Ahead

(By Richard Witkin)

Not since airlines began their pell mell growth four decades ago on the wings of the DC–3 has the industry been in such upheaval. The upheaval is composed of many elements of which the dominant is the Deregulation Act of 1978. That legislation has made formal the swing to a virtually open market for fare reductions and has effected wide freedom in route competition.

Essentially, the situation is this:

The consumer has been happily taking advantage of a cornucopia of bargain ticket prices, and the airlines have been ringing up record profits. Yet the future is so full of uncertainties that many analysts, while moderately optimistic about profits in the short term, are loath to predict the shape and health of the industry a year, much less five, from now.

"I can safely say that it is much too early to assess fully the impact of the new deregulation legislation as well as the changing competitive structure of the industry," said Julius Maldutis, airline expert at Salomon Brothers, in a recent interview. "It is also much too early to assess the depth and duration of the merger trend," he added.

To illustrate the swings that may be in the offing, consider the vital issue of profits: The scheduled United States carriers did such a booming business in 1978 that, despite the downturn in the price of the average ticket, total profits were being estimated at year's end in the neighborhood of $1.2 billion. This would compared with $754 million for 1977.

Industry economists said this figure would amount to a return on revenues of about the same as the return for the nation's overall manufacturing industry.

But 1979, they warned, does not look quite so promising. Alfred H. Norling, airline analyst at Kidder Peabody & Company, predicted airline traffic in 1979 would grow by about 7 percent, compared with 16 percent for 1978. He estimated that total airline profits were likely to decline by 35 percent, but that the final figure would still be a healthy one.

Such forecasts appear typical among industry experts, and they are not attributable simply to the new competitive environment fostered by the deregulation bill. Many other factors are at work: a forecast recession, expected rising costs for labor and fuel and growing air-traffic congestion.

The deregulation bill did not become law until late in October. But the airlines, accurately assessing the deregulation trend and dealing with a Civil Aeronautics Board whose leadership was actively promoting the radical turn toward less regulation, had begun their discount-fare contest many months before.

The upturn in travel that coincided with the deep-discount offers went far beyond the most daring predictions and made a hero of Alfred E. Kahn, the C.A.B. chairman who in October moved on to become President Carter's anti-inflation chief.

The upturn helped to unleash billions of dollars worth of new aircraft orders, giving momentum to Boeing in its impressive campaign to market two new middle-size jets.

What remains to be analyzed is to what extent the surge in travel resulted from fare-cutting and to what extent it reflected other economic realities. In any case, the airlines are trying to take advantage of the new climate by moving into new routes and ordering new fleets of planes and to protect themselves from the hazards of the new competition by increasing efficiency and cutting costs.

Most far-reaching of the defensive strategies were a series of merger moves last year that could well proliferate in 1979. The move to mergers began with two thoroughly amicable projects that, if the C.A.B. approves, will tie together Continental and Western Airlines in one case, and North Central Airlines and Southern Airways in the other. Much more complicated and not so amicable is the attempt by three airlines so far—Texas International Airlines, Pan American World Airways and Eastern Airlines—to take over National Airlines.

The C.A.B. may make a determination on one or more of these proposed consolidations by spring.

One more factor that must be taken into account in assessing the airlines' economic outlook is what is to be done to cope with the hazard of midair collisions.

In the aftermath of the Sept. 25 San Diego collision of a Pacific Southwest Airlines jet and a small private plane, Federal authorities made clear that sweeping measures would be invoked to minimize chances that the tragedy, whose death toll of 144 was a record for this country, would be repeated.

Whatever steps are finally taken, it is deemed inevitable that they will cost a good deal in the form of slowed traffic, wasted fuel and investments in new radar and other air-navigation facilities.

Truckers, Braking Reform?

(By Winston Williams)

If the enraged truckers have their way, Federal regulators will have a much more difficult time rerouting the nation's motor-carrier system than they had unshackling the airlines.

Critics of recent efforts by the Interstate Commerce Commission to deregulate the trucking industry argue that changing the rules would eliminate the smaller competitors and that large companies, like Consolidated Freightways, Roadway Express and McLean, would be the ultimate beneficiaries.

"We're being steamrolled," said Pansey H. Beroth, vice president of Pilot Freight Carriers, a $128 million company based in Winston Salem, N.C.

Mrs. Beroth is also a member of a dissident group of small truckers and complains that the group's lobbying efforts have been stymied by Washington's sudden enthusiasm for deregulation. "Everything is moving so fast we just can't act the same way we have in the past," she said.

The larger companies are bit more conciliatory.

"We'll have to look at what the President wants. Then we'll go to our Congressmen and tell them what we want," said Steve Murphy, senior vice president of Yellow Freight System, the nation's third-largest trucker.

To dramatize that deregulation of trucking will be no simple matter, the American Trucking Association, the industry trade association, likes to brag that the 17,000 regulated truckers, unlike the handful of airlines, have political clout in every Congressional district in the country. The truckers also remember fondly that the implementation of a 1975 I.C.C. decision to expand unregulated local zones, which reduced demand for some haulers, was delayed for nearly three years by court challenges.

But the truckers say they won't rely on muscle alone to keep the $30 billion regulated portion of the industry highly profitable. They are polishing up arguments that sweeping reform would destroy the nation's transportation network—as well as lower the return on equity for trucking companies, which has averaged above 20 percent over the last decade.

Some of the arguments that predict all manner of chaos or that plead concern for small carriers and for the transportation needs of small communities, are obviously self-serving. The more sophisticated cases emphasize the difference between the airline and trucking industries.

The most often-heard difference is that cutting prices would not generate one additional pound of freight for haulage, even though reducing airline fares increased the passenger total. Another argument is that the cost of transportation is an "infinitesimal" part of the total cost of a manufactured goods, and saving 5 percent on transportation would do almost nothing to bring down the inflation rate.

To make the latter point, A.T.A.'s president Bennett C. Whitlock uses the example of an electric typewriter selling in Chicago for $249.47. He calculates that the cost of transporting the finished product from New York is only $1.74. However, that cost does not include transportation of raw materials and parts prior to assembly.

Whatever combination of persuasion and force the truckers use, the movement toward easing Federal regulations appears irreversible. The rapid chain of events that followed the President's October antiinflation speech seems to have insured that. Everybody is getting into the act:

The I.C.C. has reversed more than 40 years of policy by ruling that private fleets owned by nontrucking businesses can hire themselves out to others to haul goods. The commission has also alerted the industry that it will no longer rubber-stamp requests for rate increases and will allow more competitors to enter the market as contract carriers, truckers who haul truckloads for one shipper. These actions have effectively destroyed the truckers' unity by pitting different segments of the industry against one another.

Senator Edward M. Kennedy, the Massachusetts Democrat who heads the antitrust subcommittee, is preparing legislation to rescind immunity of the rate bureaus, the geographically based carrier groups that jointly set rates.

The Transportation Department is preparing its own grandiose deregulation scheme for all modes of transport.

The railroads are asking to be deregulated, and there's some sympathy in the Administration for deregulating all transportation at once to avoid disturbing the competitive balance.

One factor that could slow the pace of deregulation is the ambivalent attitude of shippers. They aren't always satisfied with the rates they pay, but they like those facets of regulation that set minimum levels of service.

"Under complete deregulation no rates would be published. We would have to deal with each carrier individually," said Donald Boyes, a transportation official at the Reynolds Metals Company and president of the Industrial Traffic League, an organization of large shippers.

"We wouldn't know from one day to the next what the prices would be, and with free entry and free exit for carriers, we wouldn't even know whether the trucks would show up," he added.

Thus the stage seems set for compromise, after considerable haggling of course. The truckers are already talking about proposing their own reform legislation. Among other things it would allow rates to go up or down by 7 percent without consent of the commission or the rate bureaus. They say they would consent to the abolition of the ban on corporate fleets' hauling for different subsidiaries of the same corporation. At the same time they would like permission to set joint rates with barge and railroad companies, and they want new rules that would streamline the commission's decision-making process.

Steel's Surprise: Demand Is High

(By Agis Salpukas)

After a rocky beginning, the steel industry found 1978 a year of surprises—mostly pleasant—that put it back on the road to profitability. And after some initial wariness over whether the recovery could last, the industry began voicing optimism once again as profits of some steelmakers neared the record levels of 1974.

Domestic consumption of steel last year stood at 111 million tons, the third-best year ever. And demand has not let up, although there are concerns that sales of rolled products, such as sheet, will fall off because of declines in sales of cars and large appliances.

Nevertheless, top executives predict a good year for 1979. David M. Roderick, the president of the United States Steel Corporation, has forecast that consumption for this year will be 113 million tons, which, he notes, would be only 4 million tons below 1974.

The slack in autos and appliances, he predicted, will be taken up by "the upward movement in business investment." Heavy construction, particularly by utilities and government, he predicted, will keep demand high for heavy steel products.

Just how much the domestic industry will capture of this market could vary from 100 million to 96 million tons, Mr. Roderick estimated. "The imports control that," he said.

Under trigger prices, which the Treasury Department put into effect in May, steel cannot be imported at prices below certain levels without risking an investigation by the Treasury Department of whether it is being dumped—sold at prices lower than it cost to produce. Although the system has not cut imports, it has protected the domestic industry from price-cutting by the importers and thus allowed the domestic producers to raise prices.

Prices went up 5.5 percent in the spring, 1.1 percent in March and 3 percent in June. Another price increase of 3.2 percent is due in January, the maximum allowed then under the Administration's wage-price guidelines.

The imports situation in 1978 was one of the unpleasant surprises for the domestic industry last year. When the Treasury Department put in the trigger price system, imports were expected to drop below the level of 1977. Instead, while the Japanese cut back, countries of the European Community and the third world producers sharply increased their shipments. It is estimated that imports in 1978 ran well over 20 million tons, or some 16 percent ahead of 1977s record 19.3 million tons.

As a result, top steel-industry executives have become increasingly angry, particularly at the Europeans, and have made threats to revive antidumping suits if imports do not soon drop below 1977 levels.

However there is also evidence that imports have already begun to drop. The increase of the trigger prices by an average of 7 percent for the first quarter, the strengthening of the dollar and the Administration's 3.2 percent ceiling on price increases by the domestic industry will make domestic steel more competitive.

Last year got off to a shaky start. The long coal strike and bitter weather disrupted production just when there were signs of recovery. Then there was the legacy of the year before—one of the worst in the industry's history during which plant closings eliminated 7 million tons of capacity and the jobs of 20,000 workers.

So when orders began to surge in the second quarter top industry executives and analysts were still wary.

"When you've had two bad years," Earl Simanek, group vice president of the manufacturing division of United States Steel noted, "you get gun-shy."

But to the surprise of most executives, the high demand has lasted, enabling most steel plants to reach near full capacity and approach the efficient operating rates of 1974.

But if the situation worsens, having tasted the potency of political action in 1977, when the industry won, in addition to trigger prices, a wide program of aid from the Carter Administration, the steel industry will again look to Washington for relief if it believes imports are still too high.

Can Detroit Finance the Car of the 1980's?

(By Reginald Stuart)

New-car sales this year will take their first downturn in four years, if the forecasts of some auto-industry executives here and of Wall Street analysts are accurate. Nevertheless, the industry, which normally cuts spending during periods of weak sales, faces its highest spending levels in history—approximately $9 billion.

In what has come to be known as "downsizing" to meet tough Federal standards for improved fuel economy, pollution-control, safety and damagability, the industry has been forced to spend substantial amounts for new product designs and development, despite the prospect of lower sales.

"Our ongoing programs will require annual expenditures of more than $5 billion in 1979 and beyond, a rate more than double the amount spent in any year prior to 1977," said Thomas A. Murphy, chairman of the General Motors Corporation, in his annual economic forecast statement.

The Ford Motor Company plans to spend about $3 billion a year and the Chrysler Corporation between $700 million and $1 billion.

Many associated with the industry are anticipating a sales slump of 5 percent to 8 percent as a result of President Carter's efforts to fight inflation and a suspected drop in demand for new cars after a four-year cycle of growing sales. Consequently, this may well turn out to be the first year in which top management in Detroit will be forced to rethink its concept of costcutting. It will not only have to take into account the traditional needs of remaining competitive, but also the new concern of meeting the Federal standards.

The importance of assuring a solid cash position to finance the new designs has been painfully demonstrated in recent months by the struggling Chrysler Corporation, the nation's No. 3 automaker. It has sold numerous properties, including most of its foreign operations, and created a preferred class of stock in order to raise funds to finance its fleet of the 1980's. The Chrysler move demonstrates, industry and investment analysts say, that projects associated with "downsizing" will be the last to be cut. But with a new president, Lee A. Iacocca, who assumed leadership in November after being fired and replaced by Philip Caldwell as president of Ford, Chrysler's tactics for the future are uncertain.

The three major American automobile manufacturers, General Motors, the industry giant, followed by Ford and Chrysler, are expected to spend some $70 billion by 1985 to build a new generation of cars that, as has been demonstrated in the first few rounds of downsizing, will be smaller, lighter and look considerably different than most cars on the road today, but will meet the Federal standards.

As many visitors to new-car showrooms have found, the first round of downsizing (another round begins with the 1982 model-year cars) has not only resulted in shrinking cars but also in increasing dramatically the use of plastics, aluminum, glass and high-strength, low-alloy steel in place of much of the iron and steel used extensively before world oil prices quadrupled in 1974.

The use of these materials, the industry has found, has led to considerable savings on parts and components, as well as to reduced weight with resultant improved fuel economy.

"At this point in time our experience has been that it costs about $1 billion to achieve a one-half-mile-per-gallon improvement in our cars," said Elliott M. Estes, president of G.M.

"As we get further into this, it's going to cost even more because then we'll be getting into the more sophisticated technology," he said, such a computerized engine systems that will be standard on most G.M. cars in the early 1980's. "The easy things like weight-reduction are behind us," said Mr. Estes.

The yardstick that is emerging here also suggests that because of economies of scale, it will cost G.M.'s smaller competitors from $100 to $700 more per car than G.M. to achieve the same objectives.

Investment analysts tend to support the industry's arguments, and also have some additional views, of why prices continue to rise.

"For smaller cars the rising is clearly in response to the Japanese yen," said David Eisenberg, senior research analyst for the New York investment house of Sanford C. Bernstein & Company. "The rising price of the yen in comparison to the dollar has given United States automakers a chance to recoup some of their higher costs and still stay competitive" against Toyota, Datsun, Honda and Japanese makes, which have risen in price as the yen has floated upward, he said.

How long Detroit can use the yen's appreciation to its advantage is not clear. Already Volkswagen has opened a plant in the United States and there is conjecture that some Japanese automakers will do likewise, offsetting Detroit's current pricing edge.

So, while the industry intends to abide by the Government's request that businesses limit annual price increases to 6.2 percent, it also appears that its reading of its capital needs and the likelihood of a weak market will mean it will make the maximum permissible price increase this year and next. By 1980, consumers could see the $10,000 car.

IN BANKING, THE STREET IS GETTING CROWDED

(By Deborah Rankin)

A major structural upheaval is underway in the banking industry with the forces for change coming from both outside and inside. The banking landscape is being transformed by the growing presence here of foreign banks.

The foreign banks are competing aggressively for the big commercial credits that have been the bread and butter business of American commercial banks, which are battling to maintain their share of the corporate lending market, and now claim nearly 18 percent of these credits nationwide.

Domestically, the gentlemen's agreement between commercial banks and thrift institutions not to encroach on each other's territory has been broken irretrievably. The advent of a new type of service that, in effect, allows the banks to pay interest on checking accounts has set off a free-for-all for the consumer's dollar.

The accelerating foreign invasion is particularly troubling to many observers. The number of foreign banks operating in the United States has more than doubled in the last five years, and their assets have soared nearly 300 percent to more than $95 billion—while American-owned banks have grown by only 64 percent.

Concern has grown because of foreign proposals last year to acquire four major American banks. The biggest deal is the Hongkong and Shanghai Banking Corporation's proposed takeover of the Marine Midland Banks of New York, 13th largest in the country. In the three other plans the Standard Chartered Bank of London would acquire the Union Bancorp of California, the National Westminster Bank of London would take over the National Bank of North America of New York and the Algemene Bank of the Netherlands would buy the La Salle National Bank of Chicago. Also in the works is the proposal by the Bank of Montreal to acquire most of the Bankers Trust Company's retail offices in the New York metropolitan area.

Although all of these offers are awaiting approval from state and Federal regulators, observers believe they are the harbinger of things to come. Some 20 other big United States banks are reported to be on the auction block.

Eric R. Durant, a bank analyst with Merrill Lynch Pierce Fenner & Smith, noted that the foreign banks' actions were simply a mirror image of those taken by American banks in the 1960's. "They're just doing what American banks have been doing for decades—following their customers to new markets," he said.

C. Edward McConnell, vice president of Keefe, Bruyette & Woods, an investment banking firm, said that one reason for the push was that it gave foreign banks access to an important source of dollar funding. "Clearly what they want is to secure a source of domestic deposits," he observed. "Right now they're even having trouble tapping the New York certificate of deposit market."

One factor that may inhibit the growth of foreign banks is the passage of the International Banking Act of 1978, which removes many of the competitive advantages that foreign banks had over their domestic counterparts. The Fed is now authorized to impose reserve requirements on foreign banks, for example, and for the first time there are restrictions on their ability to take deposits nationwide.

Although the act's most important regulations remain to be written, the consensus is that the law will result in significant change.

Some say that the act's greatest import lies in the section authorizing regulators to undertake a study of the McFadden Act, a 40-year-old statute that prohibits interstate branching. They are buoyed by the current climate in Washington, which is more receptive to consideration of this controversial issue than it has been in years.

"Congress really hasn't addressed the McFadden Act in an objective way until now—it's been sort of holy," said Carter H. Golembe, head of Golembe Associates, a banking consulting firm based in Washington. "I don't think there will be legislation this year," he added, "but it's very encouraging."

Competition is intensifying within the domestic banking industry as well. The already fuzzy distinction between commercial banks and thrift institutions was further blurred in November by the introduction of automatic transfer service accounts. Banks attempted to lure retail customers away from the savings banks and savings and loans by offering the accounts, which essentially permit the payment of interest on checking accounts by allowing consumers to shift funds from their savings to their checking accounts at the last minute. At stake is the savings industry's nearly $640 billion in deposits.

But the thrifts got a new tool to attract consumers with the midyear introduction of the new six-month savings certificates pegged to Treasury bill rates. The certificates proved to be a major factor in preventing a repeat of the 1974 credit crunch, when funds flowed out of the thrifts directly into money-market instruments. An estimated $50 to $60 billion of the certificates were sold during the last six months on the scene, but some money-market instruments were yielding more than the certificates when the first batch of them began to mature at the end of the year. The question was whether the prescription would continue to cure the old illness.

One pessimist was David A. Levine, a partner of Sanford C. Bernstein & Company, a New York investment research firm. He predicts that cost pressures will become so strong that authorities will ban the certificates by next summer, when "a profit crisis develops in the mutual savings bank industry."

The credit-card business also saw intense competition last year. The two big credit-card organizations, Visa and Master Charge, fought aggressively for new customers and new merchants. By the year's end, each was claiming it had surpassed the other.

Even the staid, but lucrative world of travelers' checks—was not immune from infighting. Both Visa and Master Charge announced plans to invade the once-exclusive turf of American Express.

And the competition in banking is certain to continue and intensify during 1979. One major concern for all banks is the probability of recession and the question of how they can ride it out. Analysts, however, appeared to believe that most would weather an economic downturn in good shape.

"I am fairly sanguine," said Mr. Durant of Merrill Lynch. "Both corporations and banks learned from the last recession and have become more prudent."

Mr. McConnell of Keefe, Bruyette says that another factor that will help the banks is their increased loan-loss reserves and higher provisions for loan losses. "Even if losses increase substantially, they won't have the devastating impact on earnings that they did before," he said.

GRASSROOTS OPTIMISM IS UNDAUNTED

THE MIDWEST

(By Douglas E. Kneeland)

CHICAGO.—The attitude of shoppers along Chicago's North Michigan Avenue, or in Kansas City's posh Country Club Plaza, rebuilt after being ravaged by floods slightly more than a year ago, would warm the hearts of tradesmen anywhere.

"People just don't have the same fear of the future," said George W. Cloos, an economist at the Federal Reserve Bank here. "There's less fear of debt. I'm a child of the Depression, and I still have a fear of debt. There's some slowdown on furniture and appliances, but things like snowblowers, that people don't need, are going like hotcakes."

That strong consumer pulse-rate is also being felt by Sears, Roebuck and Company.

"We expect, for the year ahead, inflation will continue high, averaging about 7.5 percent, but consumer demand is holding up quite well," said Jay Levine, an economist at the company's headquarters here. "General merchandise sales in current dollars for 1979 should be up about 6.6 percent."

There is also evidence that shoppers are beginning to learn to live with the realities of inflation.

"Notwithstanding the current inflation, the customer seems to be more understanding today and less inclined to blame the food retailer than she was in the mid-70's," said Walter Y. Elisha, president of Jewel Food Stores, a Midwestern chain. "She has perfected her ability to 'cherry pick' during inflationary time and to trade down in purchases."

For whatever it says of confidence, nine new high-rise office buildings are being added to the dramatic skyline of downtown Chicago, an area developers considered overbuilt only a couple of years ago.

"The Chicago metropolitan area, as a whole, is very healthy," said Richard S. Peterson, an economist at Continental Bank.

While the Zenith Radio Corporation, facing Japanese competition, has phased out a number of its television manufacturing operations in the area, throwing several thousand employees out of work, the region has had few other severe dislocations.

And some insist that the Midwest is holding its own in the Sunbelt-Snowbelt tug-of-war. Employment has generally been growing, and the jobless rate, while near the national average of 6 percent in Illinois, has been about half that in the less industrialized states of Iowa, Kansas, Minnesota and Nebraska.

"Midwestern farm states have benefited as much from the moves of manufacturers out of major cities as the Sunbelt has," Mr. Peterson of Continental said. "I'll bet on 75 percent of the farms, the guy has another job." And farming itself has made money.

Despite a record corn crop, prices have held up moderately well because of overseas sales and the farmers' restraint in keeping much of their production in storage. Soybeans prices are still high, despite a record crop, and wheat has been fairly strong. Shortages have kept cattle and hog prices high.

Overall, farm income last year was about 30 percent above the previous year. And while it was considerably short of the 1974 peak, it was enough of a gain to bring back relative prosperity.

"We had a good crop year and we also had a good cattle year for the fellow who got in and got out," said Gerald Clause, president of the Home State Bank in Jefferson, a village amid the fertile fields of west-central Iowa. "The hog boys made a little money. The merchant had a pretty slow time last fall, but they'll feel a whole lot better this year."

NEW ENGLAND

(By Michael Knight)

BOSTON.—The election of Edward J. King as the first Governor of Massachusetts in recent times to abandon an antibusiness attitude and openly advocate unrestrained economic growth—positions that had previously been political heresy here—has given the region's business community hope that the New England economy, a wheezing, coughing, staggering affair whose death has often been predicted, may be headed for rejuvenation.

His election comes at a time of crisis for the region's high-technology industry—the manufacturers of computers and related equipment whose booming growth throughout the decade has been the only real economic bright spot here.

Those companies, which employ more than 200,000 persons in the "Golden Horseshoe" along Route 128 around Boston, in the southern tier of New Hampshire, in Maine and in northern Vermont, have outstripped the local supply of electrical engineers.

Despite full-page advertisements and recruiting trips across the country, the companies report that they cannot fill 2,400 of an expected 3,200 new engineering jobs a year expected for the next four years because of the region's high cost of living.

As a result, the share of the nation's new high-technology jobs held by New England has dropped from 65 percent in 1970 to 45 percent today, according to James Howell, chief economist for the First National Bank of Boston.

"The electrical engineers are the linchpin of these companies, who are supposed to take up the slack and save us all," he said. "The linchpin is what holds the wheel to the axle, and if the engineers want to live somewhere else, the companies are going to build somewhere else. They are very labor dependent."

Mr. Howell said he hoped that Mr. King would be able to prevent that, as well as change the "tax the rich" attitude he saw here.

Still, New England had a good economic year in 1978, with increases in employment that nearly matched the national rate, 4.2 percent to 4.3 percent; personal income gains that slightly topped the national average, 11.6 percent to 11.4 percent, and a 5.8 percent unemployment rate, slightly below the nation's 6.1 percent.

To economists here that means that the nation's oldest industrial region, with its aging plants, high cost of labor, energy and transportation and fleeing population, did not, for once, slip still further behind the rest of the nation. And it might mean that the six states north of New York may be able to ride out next year's expected downturn comfortably.

"About the best New England can realistically hope for is to grow about as well as the rest of the nation," explained Richard Syron, a vice president and economist for the Federal Reserve Bank here.

In New Hampshire, whose explosive growth has been fueled by refugees from Massachusetts in recent years, the boom continued despite increasing local opposition to the changes being wrought in once-rural communities. In 1978, the state added 28,000 new jobs, an increase of 8.3 percent; unemployment dropped from 3.8 percent to 3.3 percent and personal income rose 13 percent, the same as in 1977. In addition, the influx of companies into the state because of its low-tax business climate increased, with 37 move-ins and 55 expansions.

THE SOUTH

(By Wayne King)

Atlanta.—An overheated climate in construction, slowing consumer activity and problems in the manufacturing sector are expected to take some of the glow off the South's usually shining economic performance in the coming year, but the region is still expected to outpace the rest of the country.

"Basically, overall, what we are staring at in 1979, is 2 percent real growth nationally and 3 percent in the South," said Donald Ratajczak, director of the Economic Forecasting Project at Georgia State University here. "That's compared to a growth rate in the 5.5 percent to 6 percent range in 1978, so it's a decided slowdown. But the South will still be outperforming the United States as a whole."

The South's prolonged above-average economic showing over the last decade has resulted in large part from the Northeast to the South and Southwest. This, coupled with the region's relatively close proximity to domestic sources of energy in Texas and Louisiana, has enabled the South to maintain a level of growth consistently higher than that in the rest of the nation.

But a key factor in the predicted slowdown in the South in 1979 is an expected dampening of construction activity as a result of high interest rates and tight credit. This is also true in the rest of the country, but not to the extent it is in the South, where population rises have spurred building.

Construction industry leaders generally have been predicting a slowdown, and Mr. Ratajczak expects the decline to be on the order of 10 percent to 15 percent throughout the region.

"Construction either has to slow down, or there has to be a heck of a lot of industry continuing to move in—and 1979 is just not an industry year," he said.

And because of a multiplier effect by which one job is lost in other sectors of the economy for every one lost in construction, the building slowdown is expected to affect the South's economy significantly.

However, a renewed acceleration in population growth after a dip in 1975 and 1976 when Georgia and Florida actually experienced net outmigration, is expected to offset some of the economic depressants. Florida is expected to pace the growth trend again with 2 percent growth, followed by Tennessee and South Carolina with somewhat lesser rates. Generally, recession slows migration trends, but that is not expected to take effect in the South until late 1979.

Manufacturing activity in the South during 1978 grew by 4.5 percent over 1977, but economists are predicting no growth for 1979, saying they expect shoppers to be cautious buyers this year because the level of consumer debt is rising sharply.

Some problems are expected in the apparel industry, which will feel the impact of imports, while textiles are expected to be somewhat better off.

Trade and services are expected to hold up very well, with growth in the 3 percent area, and government, despite Proposition 13 outcries, is expected to experience modest growth.

MID-ATLANTIC

(By Ben A. Franklin)

Norfolk, Va.—Following coal and rail strikes that rattled the Middle Atlantic region last year, another cycle of labor-management turmoil seems likely to renew familiar economic vibrations in the old industrial sector sloping eastward from the Appalachians to three major Tidewater seaports.

While the inland economies of Pennsylvania, Maryland and West Virginia recuperate from strikes in 1978 by the United Mine Workers union and clerks of the coal-hauling Norfolk & Western Railway, uncertainty in 1979 is focused on the least unionized of the Middle Atlantic states, Virginia, where a major shipyard walkout is foreseen.

The Newport News Shipbuilding and Dry Dock Company, which, with 19,000 workers, is the state's major industrial employer, has had bitter labor confrontations over the years. Last month the United Steelworkers of America authorized a strike against the company in an attempt to oust a company union.

The strike would "really put a hole in southeast Virginia and in the Virginia economy," said Dr. Lelland H. Trawick, director of the Bureau of Business Research at William and Mary College.

Such fears have been heightened, Dr. Trawick believes, by the fact that $25 million to $30 million was taken out of the southeastern Virginia economy in 1978 during the waterfront paralysis brought on by the coal miners' and Norfolk & Western strikes and because consumers in the state have already lost $15 million in buying power because of shipyard layoffs that began last year. Some 95 percent of the huge bulk-cargo tonnage through Norfolk is normally coal shipped in by rail.

Unlike Pennsylvania, where a year-old Volkswagen plant at New Stanton has brought in a rush of other foreign and domestic businessmen looking for plant sites, Virginia's Tidewater area has so far failed to acquire new industry. A Volvo assembly plant was promised, then postponed at Chesapeake—a vast, mostly undeveloped "city" suburb of Norfolk that rivals Los Angeles in size. And a big new oil refinery at Portsmouth, on the drawing boards for years, is still tangled in environmental protests.

"In 1979 what I am looking for is a slowdown or a recession," Dr. Trawick said in an interview. "But it will not be so bad here, even with the shipyard trouble, as in the big industrial states."

Coal and steel are expected to float West Virginia, Maryland and western Pennsylvania over some recessionary bumps, if they come. But it has not been so easy to turn on the "energy-crisis coal boom" that was forecast by the mining industry following the Government's efforts to curb oil consumption.

Clean-air regulations may reduce—or erase—the market for millions of tons of high-sulfur coal in the East. The requirements are making it cheaper for some steel mills to import finished coke from Europe than to install costly air-pollution controls on smokey coke ovens at home. And that hurts the mining industry's most profitable segment: high-grade metallurgical coal for coking. Good and stable times in coal may be three years off.

Although the Middle Atlantic states had the smallest increase in total personal income of any region in recent years—as a result of strikes—Maryland, Delaware and the Government-salaried District of Columbia were in the top 10 jurisdictions in per capita income.

However, the old industrial economy of Pennsylvania is regarded by economists as the most vulnerable to an instant bump if there is a national downward trend. Philadelphia is getting up a hedge—an "international city plan" that may include a freeport area for the assembly, without United States duty, of imported components. And Philadelphia has netted new local branches of an Israeli and a European bank with the hope of luring foreign business.

The Southwest

(By William K. Stevens)

Houston.—For the last three years, the supercharged economy of Texas has roared ahead unchecked and untrammelled, accelerator to the floor like a Porsche or a Ferrari racing past the humid Gulf Coast bayous, or along Houston's freeways, or across the dusty mesquite flats of West Texas, easily outperforming all rivals.

But recently there have been signs that what has become the nation's most robust regional economy is in danger of overheating. Maybe, some Texans have mused, it is time to slow down and cool off.

And that is exactly what many economists expect the state's economy to do in 1979—and the effects will be felt throughout the huge oil-and-gas domain that stretches into Oklahoma, parts of New Mexico and Louisiana.

"While you wouldn't expect it to be as strong as it has been, we're not expecting a collapse," said Dr. Lorna Monti, an economist at the Bureau of Business Research at the University of Texas.

Signs of a slowdown have already appeared. Fewer new industrial plants were established in the state during the first three quarters of 1978 than in the comparable period of 1977. Neither industrial production nor construction activity has been growing nearly so fast lately as 18 months ago.

And in Houston, where growth has been most spectacular, inflation has well exceeded the national level. Last August, for example, the Consumer Price Index here stood at 211, while nationwide it was 199.1.

"Houston is seeing a cyclical peak right now," said William W. Garretson, vice president and senior economist of New York's Citibank. "And growth rates are going to decline." He reasoned that Houston's peak—even higher than for the state as a whole—is attributable to the "double thrust" of the energy and construction booms. "You're not going to get that double thrust in the near future," he said.

But there is still room for optimism over the economic future, most agree. The continuing demand for energy, combined with its high price, is what insulates the state's economy in times of recession. Houston, where most of the industry's infrastructure is situated, is perhaps the most insulated of the state's big cities. San Antonio and El Paso, on the other hand, are less tied to oil and usually experience about the same level of recessionary unemployment as the country at large.

For the state as a whole, few analysts believe that the expected recession of 1979 will make more than a small dent in employment. But combined with the rise in interest rates, some say, it will probably blunt the construction surge that has especially affected Houston.

The roots of the state's economic expansion began to take hold in 1973, when world oil prices rose sharply and triggered a new, latter-day surge in exploration for oil and gas. The 1974–75 recession slowed it only slightly, and since 1975 it has really taken off, benefiting Oklahoma and Louisiana, as well as Texas.

The zenith, perhaps, was the period between August 1976 and August 1978. During that time the Texas industrial production index jumped from 130.2 to 145.9 (the base of 100 was established in 1967). More than 450,000 new workers, many of them migrants from the North and East, sought and found jobs in the state during the period.

The economy absorbed them with little strain; statewide unemployment hovered around 5 percent and was even lower in Houston, Dallas, Austin and Amarillo. The number of building permits for new houses increased by an astounding 59 percent. Retail sales jumped by 33 percent, and personal income was about to reach, and perhaps surpass, the national average for the first time ever. But future gains will be harder won, and slower, Southwestern economists believe.

THE WEST COAST

(By Pamela G. Hollie)

LOS ANGELES.—The taxpayer revolt in California last year may hold ominous overtones for business. While the state had a $7 billion budget-surplus to use to reduce the impact of lost tax revenues resulting from the passage of Proposition 13, it now faces the question of what happens when there is no surplus in fiscal 1978–80.

"If taxpayers do not want to carry some of the burden of growth, the most logical scapegoat becomes business," said James P. Kennedy, director of taxation for the California Chamber of Commerce.

Already as a result of Proposition 13—which reduced property taxes and put a limit on increases—a $450 million annual inventory tax has been restored in California. There are rumblings that the state's corporate income tax may be increased. The state legislators have proposed a split tax system so that business can be taxed at different rates than homeowners. And another piece of legislation seeks to exempt homeowners from property taxes entirely.

All of this explains why the Bank of America, which reaped $13 million in Proposition 13 savings, and the Southern California Edison Company, which saved $65 million, each spent $25 million opposing Proposition 13.

But despite the fallout from Proposition 13, the state's economy is still stronger than the nation's The median income is expected to rise to $21,425 in 1979 compared with an estimated $18,500 for the rest of the nation. And the state's gross state product has now reached $271 billion according to the United California Bank in Los Angeles. Unemployment is expected to hold at 7.5 percent, about 1.5 percent higher than the 1978 United States average.

Business in the West, which had a record year in 1968, expects more gains in 1979. The aerospace industry has made a comeback with new orders for commercial aircraft after being in the doldrums for years.

Agriculture, after two years of drought, is now benefiting from higher prices and strong demand. The electronics industry is as healthy as ever, and the forest-products industry is booming as demand for housing in the West remains strong.

"Even an expected turndown in housing starts in 1979 will not greatly impact housing in the West," according to the California Builders Council. Even with interest rates at 11 percent—there is no usury law in California—would-be homeowners draw lots for the privilege of buying new homes.

But the housing boom also brings side-effects: rapid in-migration, housing shortages, escalating real-estate values, bigger government and a budding anti-growth sentiment.

San Diego Mayor Pete Wilson, a strong advocate of "controlled growth" is only one of many elected officials echoing the concern over a decreasing quality of life in the West.

Still the move westward continues. In Seattle, where the Boeing Company was hiring 15,000 workers, the aerospace concern got 200,000 job applications despite the rapid rise in the cost of living in the Pacific Northwest. The cost of living in Southern California, particularly for housing, has risen so high that corporations must offer low-interest home loans, up-front signing bonuses and home-purchase guarantees to lure executives.

"Such growth is the root of the taxpayer revolt," said Gary A. Horton, economist for the Nevada National Bank in Reno.

AUTHORITY TO RECEIVE MESSAGES DURING THE RECESS OF THE SENATE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that during the recess of the Senate over until tomorrow, which will be a pro forma session only, and then over until Tuesday at 12 o'clock noon, the Secretary of the Senate be authorized to receive messages from the President of the United States and from the other body, and that they may be appropriately referred.

AUTHORITY FOR SIGNING OF DULY ENROLLED BILLS AND JOINT RESOLUTIONS DURING THE RECESS OF THE SENATE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that during that same period, the Vice President of the United States, the President pro tempore of the Senate, and the Acting President pro tempore be authorized to sign all duly enrolled bills and joint resolutions.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 11 A.M. TOMORROW

The PRESIDING OFFICER. Under the previous order, and pursuant to the provisions of Senate Resolution 16, as a further mark of respect to the memory of the deceased Hon. William A. Steiger, late a Representative from the State of Wisconsin, and also pursuant to the provisions of Senate Resolution 17, as a further mark of respect to the memory of the deceased Hon. Leo J. Ryan, late a Representative from the State of California, the Senate will now stand in recess until 11 a.m. tomorrow.

Thereupon, at the hour of 2:02 p.m., the Senate recessed until tomorrow, Friday, January 19, 1979, at 11 a.m.

NOMINATIONS

Executive nominations received by the Senate January 18, 1979:

OFFICE OF MANAGEMENT AND BUDGET

John Patrick White, of California, to be Deputy Director of the Office of Management and Budget, to which office he was appointed during the last recess of the Senate.

FEDERAL ELECTION COMMISSION

John Warren McGarry, of Massachusetts, to be a member of the Federal Election Commission for a term expiring April 30, 1983, to which office he was appointed during the last recess of the Senate.

FEDERAL LABOR RELATIONS AUTHORITY

Henry Bowen Frazier III, of Virginia, to be a member of the Federal Labor Relations Authority for a term of 1 year, to which office he was appointed during the last recess of the Senate.

Ronald W. Haughton, of Michigan, to be a member of the Federal Labor Relations Authority for a term of 5 years, to which office he was appointed during the last recess of the Senate.

FOREIGN CLAIMS SETTLEMENT COMMISSION

Richard W. Yarbrough, of Texas, to be a member of the Foreign Claims Settlement Commission of the United States for a term of 3 years from October 22, 1978, to which office he was appointed during the last recess of the Senate.

MERIT SYSTEMS PROTECTION BOARD

Ruth T. Prokop, of the District of Columbia, to be a member of the Merit Systems Protection Board for the remainder of the term expiring March 1, 1981, to which office she was appointed during the last recess of the Senate.

Ruth T. Prokop, of the District of Columbia, to be chairman of the Merit Systems Protection Board, to which office she was appointed during the last recess of the Senate.

NATIONAL COMMISSION ON SOCIAL SECURITY

James J. Dillman, of Wisconsin, to be a member of the National Commission on Social Security for a term of 2 years, to which office he was appointed during the last recess of the Senate.

Milton S. Gwirtzman, of Massachusetts, to be a member of the National Commission on Social Security for a term of 2 years, to which office he was appointed during the last recess of the Senate.

D. S. MacNaughton, of Tennessee, to be a member of the National Commission on Social Security for a term of 2 years, to which office he was appointed during the last recess of the Senate.

David H. Rodgers, of Washington, to be a member of the National Commission on Social Security for a term of 2 years, to which office he was appointed during the last recess of the Senate.

National Council on the Humanities

Kay Howe, of Colorado, to be a member of the National Council on the Humanities for the remainder of the term expiring January 26, 1980, to which office she was appointed during the last recess of the Senate.

Charles V. Hamilton, of New York, to be a member of the National Council on the Humanities for a term expiring January 26, 1984, to which office he was appointed during the last recess of the Senate.

Louis J. Hector, of Florida, to be a member of the National Council on the Humanities for a term expiring January 26, 1984, to which office he was appointed during the last recess of the Senate.

M. Carl Holman, of the District of Columbia, to be a member of the National Council on the Humanities for a term expiring January 26, 1984, to which office he was appointed during the last recess of the Senate.

Jacob Neusner, of Rhode Island, to be a member of the National Council on the Humanities for a term expiring January 26, 1984, to which office he was appointed during the last recess of the Senate.

Mary Beth Norton, of New York, to be a member of the National Council on the Humanities for a term expiring January 26, 1984, to which office she was appointed during the last recess of the Senate.

Sister Joel Read, of Wisconsin, to be a member of the National Council on the Humanities for a term expiring January 26, 1984, to which office she was appointed during the last recess of the Senate.

Leon Stein, of New York, to be a member of the National Council on the Humanities for a term expiring January 26, 1984, to which office he was appointed during the last recess of the Senate.

Harriet Morse Zimmerman, of Georgia, to be a member of the National Council on the Humanities for a term expiring January 26, 1984, to which office she was appointed during the last recess of the Senate.

Office of Personnel Management

Alan Keith Campbell, of Texas, to be Director of the Office of Personnel Management, to which office he was appointed during the last recess of the Senate.

Jule M. Sugarman, of Virginia, to be Deputy Director of the Office of Personnel Management, to which office he was appointed during the last recess of the Senate.

U.S. Arms Control and Disarmament Agency

George M. Seignious II, of South Carolina, to be Director of the United States Arms Control and Disarmament Agency, to which office he was appointed during the last recess of the Senate.

United States Postal Service

William J. Sullivan, of Maine, to be a Governor of the U.S. Postal Service for the term expiring December 8, 1984, to which office he was appointed during the last recess of the Senate.

Department of State

K. Mathea Falco, of the District of Columbia, to be Assistant Secretary of State for International Narcotics Matters (new position).

Leonard Woodcock, of Michigan, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the People's Republic of China.

Philip Henry Alston, Jr., of Georgia, now Ambassador Extraordinary and Plenipotentiary of the United States of America to Australia, to serve concurrently and without additional compensation as Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Nauru.

W. Beverly Carter, Jr., of Pennsylvania, a Foreign Service information officer of class 1, to be Ambassador at Large.

Department of the Interior

Larry E. Meierotto, of the District of Columbia, to be an Assistant Secretary of the Interior, vice Ronald G. Coleman, resigned.

Department of Agriculture

James H. Williams, of Florida, to be Deputy Secretary of Agriculture, vice John C. White, resigned.

U.S. Fire Administration

Gordon Vickery, of Washington, to be Administrator of the U.S. Fire Administration, vice Howard D. Tipton, resigned.

National Council on Educational Research

Helen S. Astin, of California, to be a member of the National Council on Educational Research for a term expiring September 30, 1979, vice John C. Weaver, term expired.

Department of Housing and Urban Development

William Brownlee Welsh, of Virginia, to be an Assistant Secretary of Housing and Urban Development, vice David S. Cook, resigned.

National Council on the Humanities

Dave Warren, of New Mexico, to be a member of the National Council on the Humanities for the term expiring January 26, 1982, vice Arthur L. Peterson, term expired.

California Debris Commission

Brig. Gen. Norman G. Delbridge, Jr., [redacted], U.S. Army, to be a member of the California Debris Commission, under the provisions of section 1 of the Act of Congress approved 1 March 1893 (27 Stat. 507) (33 U.S.C. 661), vice Brig. Gen. Richard Martin Connell, reassigned.

Commission on Civil Rights

Louis Nunez, of Maryland, to be staff director for the Commission on Civil Rights, vice John A. Buggs, resigned.

Communications Satellite Corporation

The following-named persons to be members of the Board of Directors of the Communications Satellite Corporation for the terms indicated:

Jesse Hill, Jr., of Georgia, until the date of the annual meeting of the Corporation in 1979, vice Rudolph A. Peterson, term expired.

Joan Fleischmann Tobin, of the District of Columbia, until the date of the annual meeting of the Corporation in 1980, vice Frederic G. Donner, term expired.

Corporation for Public Broadcasting

Geoffrey Cowan, of California, to be a member of the Board of Directors of the Corporation for Public Broadcasting for a term expiring March 26, 1984, vice Joseph D. Hughes, term expired.

Paul S. Friedlander, of Washington, to be a member of the Board of Directors of the Corporation for Public Broadcasting for a term expiring March 26, 1984, vice Gloria L. Anderson, term expired.

Kathleen Nolan, of California, to be a member of the Board of Directors of the Corporation for Public Broadcasting for a term expiring March 26, 1984, vice Amos B. Hostetter, Jr., term expired.

Howard A. White, of New York, to be a member of the Board of Directors of the Corporation for Public Broadcasting for the remainder of the term expiring March 26, 1980, vice W. Allen Wallis, resigned.

Superior Court of the District of Columbia

Peter Henry Wolf, of the District of Columbia, to be an Associate Judge of the Superior Court of the District of Columbia for a term of 15 years, vice Harold H. Greene, elevated.

Federal Communications Commission

Anne P. Jones, of Massachusetts, to be a member of the Federal Communications Commission for a term of 7 years from July 1, 1978, vice Margareta E. White, term expired.

Federal Deposit Insurance Corporation

Irvine Henry Sprague, of California, to be a member of the Board of Directors of the Federal Deposit Insurance Corporation for a term of 6 years, vice George A. LeMaistre, resigned.

Federal Election Commission

Max L. Friedersdorf, of Indiana, to be a member of the Federal Election Commission for a term expiring April 30, 1983, vice William L. Springer, term expired.

Legal Services Corporation

Michael Kantor, of California, to be a member of the Board of Directors of the Legal Services Corporation for a term expiring July 13, 1981, vice Glee S. Smith, Jr., term expired.

Robert J. Kutak, of Nebraska, to be a member of the Board of Directors of the Legal Services Corporation for a term expiring July 13, 1981 (reappointment).

F. William McCalpin, of Missouri, to be a member of the Board of Directors of the Legal Services Corporation for a term expiring July 13, 1981, vice Roger C. Cramton, term expired.

Revius O. Ortique, Jr., of Louisiana, to be a member of the Board of Directors of the Legal Services Corporation for a term expiring July 13, 1981 (reappointment).

Howard R. Sacks, of Connecticut, to be a member of the Board of Directors of the Legal Services Corporation for a term expiring July 13, 1981, vice J. Melville Broughton, Jr., term expired.

Ramona Toledo Shump, of Kansas, to be a member of the Board of Directors of the Legal Services Corporation for a term expiring July 13, 1981, vice Glenn C. Stophel term expired.

Mississippi River Commission

Maj. Gen. Richard Lee Harris, [redacted] U.S. Army, to be a member of the Mississippi River Commission, under the provisions of section 2 of an act of Congress, approved 28 June 1879 (21 Stat. 37) (33 U.S.C. 642).

Maj. Gen. Louis Watkins Prentiss, Jr., [redacted] U.S. Army, to be a member of the Mississippi River Commission, under the provisions of section 2 of an act of Congress, approved 28 June 1879 (21 Stat. 37) (33 U.S.C. 642).

National Commission on Social Security

Elizabeth Duskin, of Maryland, to be a member of the National Commission on Social Security for a term of 2 years (new position).

National Council on the Arts

Norman B. Champ, Jr., of Missouri, to be a member of the National Council on the Arts for a term expiring September 3, 1984, vice Henry Cauthen, term expired.

Martin Friedman, of Minnesota, to be a member of the National Council on the Arts for a term expiring September 3, 1984, vice Clint Eastwood, term expired.

Bernard Blas Lopez, of New Mexico, to be a member of the National Council on the Arts for a term expiring September 3, 1984, vice Eudora Welty, term expired.

Robert Lawson Shaw, of Georgia, to be a member of the National Council on the Arts for a term expiring September 3, 1984, vice Judith Jamison, term expired.

Jessie A. Woods, of Illinois, to be a member of the National Council on the Arts for a term expiring September 3, 1984, vice Rosalind Russell Brisson, term expired.

Rosalind W. Wyman, of California, to be

a member of the National Council on the Arts for a term expiring September 3, 1984, vice James D. Robertson, term expired.

NATIONAL INSTITUTE OF BUILDING SCIENCES

The following-named persons to be members of the Board of Directors of the National Institute of Building Sciences for the terms indicated:

For a term expiring September 7, 1979:

Blanca G. Cedeno, of New York (new position).

For terms expiring September 7, 1980:

Guy O. Mabry, of Ohio, vice Robert J. Brungraber, term expired.

Leonard Miller, Florida, vice Jodie R. Johnson, term expired.

John P. Millhone, of Minnesota (new position).

Joseph Herbert Newman, of New Jersey (reappointment).

For a term expiring September 7, 1981:

Lois A. Craig, of Massachusetts (new position).

NATIONAL RAILROAD PASSENGER CORPORATION

S. Lee Kling, of Missouri, to be a member of the Board of Directors of the National Railroad Passenger Corporation for a term expiring July 18, 1981, vice Donald P. Jacobs, term expired.

NATIONAL SCIENCE FOUNDATION

Eugene H. Cota-Robles, of California, to be a member of the National Science Board, National Science Foundation, for a term expiring May 10, 1984, vice William H. Meckling, term expired.

Ernestine Friedl, of North Carolina, to be a member of the National Science Board, National Science Foundation, for a term expiring May 10, 1984, vice Wesley G. Campbell, term expired.

Walter Eugene Massey, of Rhode Island, to be a member of the National Science Board, National Science Foundation, for a term expiring May 10, 1984, vice T. Marshall Hahn, Jr., term expired.

David V. Ragone, of Michigan, to be a member of the National Science Board, National Science Foundation, for a term expiring May 10, 1984, vice Joseph M. Reynolds, term expired.

Edwin Ernest Salpeter, of New York, to be a member of the National Science Board, National Science Foundation, for a term expiring May 10, 1984, vice William A. Nierenberg, term expired.

Charles Pence Slichter, of Illinois, to be a member of the National Science Board, National Science Foundation, for a term expiring May 10, 1984 (reappointment).

U.S. RAILWAY ASSOCIATION

Thomas P. Salmon, of Vermont, to be a member of the Board of Directors of the U.S. Railway Association for the remainder of the term expiring July 8, 1982, vice Richard B. Ogilvie, resigned.

COMMODITIES FUTURES TRADING COMMISSION

James M. Stone, of Massachusetts, to be a member of the Commodity Futures Trading Commission for a term expiring April 13, 1983, vice Read Dunn, Jr., term expired.

James M. Stone, of Massachusetts, to be Chairman of the Commodity Futures Trading Commission, vice William T. Bagley, resigned.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Sterling Tucker, of the District of Columbia, to be an Assistant Secretary of Housing and Urban Development, vice Chester Crawford McGuire, Jr., resigned.

IN THE AIR FORCE

Gen. John W. Roberts, U.S. Air Force, (age 57), for appointment to the grade of general on the retired list pursuant to the provisions of title 10, United States Code, section 8962.

The following-named officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

*Maj. Gen. James Patrick Mullins, [redacted] U.S. Air Force.

*Indicates ad interim appointment.

IN THE ARMY

The following-named officer to be placed on the retired list in grade indicated under the provisions of Title 10, United States Code, section 3962:

To be lieutenant general

Lt. Gen. Harold Robert Aaron, [redacted], (age 57), Army of the United States (major general, U.S. Army).

The following-named officer under the provisions of title 10, United States Code, section 3066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 3066, in grade as follows:

To be lieutenant general

Maj. Gen. Richard Hulbert Groves, [redacted] U.S. Army.

The following-named Army Reserve officer for appointment to the grade of brigadier general, Army of the United States, under the provisions of title 10, United States Code, sections 3442 and 3447:

To be brigadier general

Brig. Gen. Carl D. McIntosh, [redacted].

IN THE NAVY

Adm. Stansfield Turner, U.S. Navy, (age 55) for appointment to the grade of admiral on the retired list pursuant to the provisions of title 10, United States Code, section 5233.

EXTENSIONS OF REMARKS

DON'T GIVE UP ON METRICS

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. McCLORY. Mr. Speaker, some of the criticism which is directed at the ongong voluntary conversion to the metric system of weights and measures—is wholly unjustified. Indeed, some of the inflammatory rhetoric directed at the extensive and persistent conversion to metric standards has the potential of setting back a coordinated and orderly conversion from which our business and educational institutions could benefit—as well as the general public.

In endeavoring to keep the subject of metric conversion in perspective and on track, the Chicago Tribune presented recently—November 12, 1978—an illuminating editorial, entitled, "Don't Give Up on Metrics."

I am pleased to attach this editorial here for the edification of my colleagues:

DON'T GIVE UP ON METRICS

A General Accounting Office study raises questions about the wisdom of converting to the metric system. It talks of high costs and limited advantages and consumer resistance. It prompted the magazine U.S. News & World Report to canvass business opinion, and the magazine reports what it calls a rising backlash against the switch.

There are many, it says, who share the GAO's doubts as to "whether the use of the metric system throughout the world warrants the effort and expense needed to convert our day-to-day affairs, such as highway speed limits, consumer products, and weather reporting into metric measure."

In Britain, where the metric system was launched with great fanfare nearly a decade ago, progress has come to something of a standstill. Export industries have generally converted; the average Englishman still thinks in terms of pounds and acres.

The question being raised, in effect, is, "Why convert?" This is the wrong question. The right question is, "Why not convert—quickly in matters where it is of immediate importance, and at our own comfortable speed in other matters?"

The immediate importance of conversion is to coordinate American export machinery with standards used in the rest of the industrial world. Much of this has been achieved, at no inconvenience to the average American who cares little whether machine screws are threaded in millimeters or fractions of an inch.

The magazine quotes one industrialist as complaining that the metric system is pointless because the biggest market for our manufactured products is in the United States itself. Quite true, and that is precisely the trouble. It's important, for the health of the dollar and our economy, that we export more, and the earlier we coordinate our standards with foreign standards, the easier this will be.

Much of the objection, and probably most of the estimated cost, will come through conversion in day-to-day domestic matters where there is no urgent pressure to change. Nobody is asking that our real estate plats and descriptions be redrawn in meters and hectares. As for highway signs and temperature reading, the move to show figures in terms of both systems can proceed without great cost or inconvenience to anyone.

Adherence to feet and inches, after all, is like racial prejudice. It is in our schools where the change can be best facilitated. If our children are taught to feel at home with both systems, and with all races, prejudice will tend to disappear; and a generation hence, our descendants may feel perfectly at home with metrics. After all, trade and travel are bound to bring the United States and the rest of the world closer together. Why perpetuate habits and prejudices which will only make life more difficult for future generations? ●

AUTO WARRANTY BILL

HON. BOB ECKHARDT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. ECKHARDT. Mr. Speaker, I have reintroduced today a bill entitled the "Automobile Warranty and Repair Act."

The bill amends the Magnuson-Moss Act to provide new car owners with greater warranty protection and to encourage the auto manufacturers to give better warranty repair service.

In the 95th Congress, my Subcommittee on Consumer Protection and Finance held 6 days of hearings examining auto repair practices. The subcommittee heard from a wide range of industry, Government, insurance, and consumer witnesses. The overwhelming majority of those testifying agreed that unsatisfactory auto repairs is the No. 1 consumer problem. Complaints involving poor performance on auto warranties figure prominently in the overall auto repair problem. According to the Better Business Bureau's most recent statistics, some 57.5 percent of all automobile-related complaints involve new vehicles under warranty.

The auto manufacturers offer warranties to assure purchasers that their cars, if not perfect, are well built. The auto manufacturer promises in the warranty to remedy those defects which surface in the early phase of a car's life. The importance of such warranties was best demonstrated in an Arthur Young & Co. survey sponsored by the Federal Trade Commission. According to that survey, nearly 30 percent of the motor vehicles delivered to purchasers had some defect covered by warranty.

However, the auto warranty is of little use if the manufacturer does not perform as it has promised. The Arthur Young & Co. data shows that approximately 30 percent of the motor vehicles with some warranty problem took over a month to resolve. If these statistics are applied to the 11.2 million new cars sold in 1977, this means that over a million new car buyers had serious difficulty with warranty service. In addition, some 25 percent of those who had warranty problems with their motor vehicle were dissatisfied with the final outcome. Typical complaints voiced by consumers to the subcommittee were that: The car was not repaired because the needed parts were not available; it took several trips to the dealer to get the problem repaired; and the manufacturer's zone representative, who must authorize some warranty repairs, refused to meet with the consumer.

The Automobile Warranty and Repair Act would address these problems in several ways. The bill would require auto manufacturers to offer a full warranty. Presently, only American Motors with a less than 2 percent market share offers such a warranty. A full warranty on cars will provide an incentive for the auto manufacturer to provide consumers with quickly and correctly by requiring the manufacaurer to provide consumers with substitute transportation if the repair is going to take more than a reasonable period of time.

In addition, the legislation would apply the "lemon" provision of the Magnuson-Moss Act to all passenger vehicles. Under present law, the lemon provision applies only to those few cars with full warranties. Thus, consumers are forced to look to State law for relief. However, the State law on lemons requires giving up the car during the entire length of the dispute, which may be several months in the case of a lawsuit. By requiring the auto manufacturers to provide a full warranty, my bill would allow consumers to sue under Magnuson-Moss to make a company buy back a lemon car and to keep and use the car during any dispute. Of course, if the consumer wins, the refund for the car would be offset by an allowance for the consumer's use of the car.

The bill also makes it easier for a consumer to seek redress against an auto manufacturer which fails to honor its warranty. The Magnuson-Moss Act currently provides for the award of attorney's fees to the plaintiff where appropriate, and class action if 100 plaintiffs are named in the complaint. My bill would eliminate the 100 named plaintiff requirement as a prerequisite for class action, because an attorney attempting to contact other potential plaintiffs to meet the 100-plaintiff threshold may be engaging in solicitation. Further, the bill would make the award of attorney's fees and other costs mandatory in all cases where the plaintiff wins. So long as the award of attorney's fees remains discretionary, the gamble taken by consumers and their attorneys is prohibitive.

Thank you, Mr. Speaker.●

COMPENSATION AND INSURANCE BENEFITS FOR VETERANS

Hon. G. V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. MONTGOMERY. Mr. Speaker, I introduced, along with the distinguished chairman of the full committee, the Honorable RAY ROBERTS of Texas, and the distinguished ranking minority member, the Honorable JOHN PAUL HAMMERSCHMIDT, two bills for consideration by the Subcommittee on Compensation, Pension and Insurance of the Committee on Veterans' Affairs.

The first bill proposes a new plan of insurance for veterans who have carried term policies since World War II and who now find that premiums are so high they may have to drop their insurance. Though this type of policy provides maximum coverage at the lowest possible premium rate for younger veterans when their family responsibilities are the greatest, the premiums increase every 5 years. Those choosing to hold such plans should convert to a permanent plan later as soon as economically possible to do so. The fact is that many individuals have, for whatever reason, continued term plans and now find their premiums a burden.

The endowment at age 96 plan, which I have introduced today, is patterned after a bill which solved a similar problem for World War I veterans. The bill would assure a level premium and the policy would build cash and loan values. I expect hearings on the insurance program at an early date.

The other bill which I call to your attention proposes a 7-percent increase in compensation payments for service-connected disabled veterans and a similar increase in dependency and indemnity compensation (DIC) for the wives and children of veterans who died of service-connected causes.

This 7-percent increase is in line with the President's guidelines for containing inflation and at this time represents our best guess as to the expected inflation rate between now and October 1, the bill's proposed effective date. If we find following hearings that the inflation factor is more than 7 percent, we would urge the Administrator to give consideration to a cost-of-living adjustment that would truly reflect the inflation factor.

Last year, we passed many bills that became law to improve the service-connected compensation program for veterans and their survivors. In addition, a law completely rewriting the pension program was passed. In addition to solving the social security problem, the new pension plan now assures eligible veterans incomes above the poverty level. At the same time it removed many of the inequities and anomalies of the old law that permitted payment of pension to many with substantial income from other sources.

It is my personal opinion, and a belief which I feel the leadership and a majority of the Members of the House share, that this year should be chiefly devoted to thorough oversight of existing programs. It will be my purpose to assure that benefits provided by a grateful nation are being administered in the way these programs were intended.●

CHINESE MYTHS

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. McDONALD. Mr. Speaker, I do not always agree with columnist William F. Buckley, Jr., on matters concerning foreign affairs, but his column entitled: "Chinese Myths" that appeared in the Atlanta Journal on December 29, 1978, was right on the mark. In this column he discusses the fact that Communist China is in the economic doldrums and is not likely to provide the big consumer market some of the more naive people in the press are talking about. Communist China is a poor country and if it is to buy anything in significant amounts from the United States, it will first need to borrow the money from the U.S. taxpayer. United States-China trade is likely to be a bigger bust than U.S.-U.S.S.R. trade. Mr. Buckley's column explains why:

CHINESE MYTHS

(By William F. Buckley, Jr.)

NEW YORK.—It is relevant, in the euphoria in some business circles after the demarche by President Carter, to pause a little bit to consider the Chinese economic question.

Most middle-aged Americans grew up on some variant of the proposition that if every Chinese person earned 10 cents per hour per day more than their current wages, unemployment in the United States would end. It is a metaphorical extension of that point that led Mr. Carter, on announcing his break with Taiwan, to suggest that great mountain ranges of plum puddings lay ahead of us by virtue of his step toward what he calls normalization.

This analysis isn't on any ethical question. We will not today dwell on the interesting schizophrenia that there are so many Americans anxious to stop trading with the South Africans while anxious to increase trade with the mainland Chinese. Nor is it here the point to explore whether, in fact, there is anything at all in the new arrangements that makes possible economic exchanges that were not possible under the old relations. The purpose here is modest, namely to explore the question of the economic prosperity of mainland China after 30 years of Maoism.

We are all beholden to Professor Donald Zagoria of Hunter College, whose deeply learned and ingenious essay in economic archeology appeared in the spring issue of Dissent magazine in 1975. Mr. Zagoria tells us things which are interesting at two levels. On one, he enlightens those who believe that there are, somehow, great reserves of consumer purchasing power in China waiting to buy American goods. At another level, he answers those who have hailed the economic accomplishments of Mao Tse-tung.

"According to the latest World Bank figures," Mr. Zagoria writes, "the per capita growth rate for China (2.9 per cent for the period 1952–1971) is less than the average growth rate in Central and South America from 1960–1970, which was 4.3 per cent per year, and it is less than that average growth rate in the same period for all Asian and Middle Eastern countries excluding Japan, i.e., 4.2 per cent."

Professor Zagoria is prepared for the usual objections. He meets them head-on. "It may be objected that the comparisons made here between Chinese growth rates and the growth rates of other developing countries are misleading because of China's unusually large population, which compounds problems of development. Yet a comparison between the growth rates of China and India, two countries of comparable size, is not dramatically favorable to China. There is general agreement among economists that India did better than China in agricultural growth, that China did somewhat better in industry."

The myth that Mao ended hunger in China is gruesomely dispelled. "During the '50s, according to all Western estimates, Chinese grain production was generally well below 180 million metric tons, except for 1957 and 1958; it did not rise consistently above 180 million tons until 1963. . . . The average for the period of 1963–72 (was) 3.1 per cent per year."

Those enthusiasts for Chinese economics who now change the subject and talk instead of the paradigmatic accomplishments of the communists in equality once again come upon the statistics. "One sample survey in 1965," writes Professor Zagoria, "found that average income per peasant in the richest commune studied was 3.4 times that of a peasant in the poorest one. Another study showed per capita peasant income in Kiangsu Province to be 74 per cent higher than a comparable figure for Szechuan. Still another survey reported that the most affluent locality in Kiangsu Province had an average income 83 per cent higher than the lowest."

All of which is yet another tiresome indictment of the proposition that communist economics can do anything to help the people or that the surrealist communist vision (from each according to his ability, to each according to his need) happens anywhere on earth.

The figures point simply to this: The Communists in China are among the poorest people in the whole wide world, and all those beautiful gates opening up to American enterprise are likely to produce about the same avalanche of economic benefits that we have had from trading over the past 25 years with India, to which proud country, a half-dozen years ago, we settled the problem of selling them grain by the simple expedient of forgiving them a debt of about $10 billion.

President Carter will get around to that in his second term of office, if there is a second term of office, the alternative being that he might be hired as an economic consultant by China to increase the productivity of peanut production, a change in station and responsibilities that should receive bipartisan support.●

THE CHALLENGES OF 1979

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. VENTO. Mr. Speaker, we begin what I hope will be a productive and responsible session of this new 96th Congress with many major problems facing us.

Inflation is certainly the number one problem in this country. In spite of the debate, the rhetoric, the useful legislation, we have not come to grips with the illusive menace that is eroding the stability of our economy. Any actions to curb inflation are long term, but it is clear there must be a greater effort by government and better incentives to stop inflationary practices in the private sector.

The voluntary wage and price guidelines, while certainly a start, have too many loopholes and allow too many exceptions. There are unbalanced applications of the rules. There is a growing sense of frustration on the part of the worker, who is being asked to accept a voluntary 7-percent lid on pay increases, while more and more price increases—especially for energy costs—escape any real ceiling. We will tread a narrow, precarious path as we deal with threats of an upcoming recession and look for legislative recourse to stop it.

But inflation is not the only piece of unfinished business before this Congress. Energy is a recurring problem and the energy bill passed by the last Congress certainly will not solve it. We have yet to see the outcome of the crisis in Iran and its impact on world oil supplies, including vital energy supplies to this country.

Even before we have a chance to readjust the legislative schedule and ascertain our priorities, the problems of mounting health care costs and the need for some type of national health program to meet the needs of all Americans stand out as important goals.

And these are not the only problems pushing for immediate attention. We must deal with the Amtrak issue and the whole question of public transportation; whether we are going to provide reparations to victims of crime; social security and medicare funding; public financing for political campaigns; and monumental environmental questions about the future of Alaska lands and what we are going to do about the growing crisis of nuclear and other hazardous wastes.

International affairs are going to take on increasing importance and test our effectiveness as a deliberative body. The normalization of relations with China means we will be involved in the development of that nation's physical and human resources, from new trade and economic agreements to the more sensitive issues of human rights.

This Congress and this administration will have to deal with the crisis in Iran, the stalemate in the Middle East, the tenor of negotiations with Russia for an arms limitation agreement.

The year 1979 will be a formidable year. This country and this Congress may be tested as we have never been tested before—in our attitudes, in our ability to act quickly and decisively, and in our willingness to accept new values and new standards for the quality of American life.●

DAY OF MARTI

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. PEPPER. Mr. Speaker, I would like to bring to the attention of my colleagues a bill I am reintroducing, to authorize and request the President to proclaim January 28, 1980, as "Day of Marti, Apostle of Liberty."

Jose Marti, founder of the democratic tradition of Cuba at the beginning of this century, was a man who cherished liberty and the ideals for which our Nation also stands. Not only as one of the greatest poets in the Spanish tongue but as politician in exile in New York City and as guerrilla martyr for the cause of freedom, he served to glorify the dignity of his people and our common goal.

The memory of Jose Marti, who stands today as a reminder of the terrors of oppressive government in Cuba and of the desire of its people to be free, ought not to be forgotten in a new age of that terror or even in a new land of exile. Let us join in support of the memory of such an outstanding man of present and past history as Jose Marti.

The bill follows:

Joint Resolution To Authorize and Request the President To Proclaim January 28, 1980, as "Day of Marti, Apostle of Liberty"

Whereas the contributions of Jose Marti to the cause of liberty, freedom, and the self-determination of peoples of the world are worthy of the praise and admiration of mankind;

Whereas the Cuban people derived their independence from colonial government much as a result of the efforts and inspiration of Jose Marti; and

Whereas Jose Marti is remembered as "The Apostle of Cuban Independence" by hundreds of thousands of Cubans and Cuban-Americans residing in the United States who contribute richly to the life of our Nation: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to issue a proclamation designating January 28, 1980, as "Day of Marti, Apostle of Liberty", and calling upon the people of the United States and interested groups and organizations to observe such a day with appropriate ceremonies and activities.●

CONGRESSMAN TIM LEE CARTER HONORED

HON. SAMUEL L. DEVINE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. DEVINE. Mr. Speaker, last month one of our colleagues, Tim Lee Carter, was honored with the presentation of the American Medical Association's 1978 Dr. Benjamin Rush Bicentennial Award for Citizenship and Community Service.

I join in congratulating Dr. Carter on this recognition by the AMA and wish to insert into the Record a copy of the press release announcing this honor for our good friend from Kentucky:

Kentucky Physician-Congressman To Receive Dr. Benjamin Rush Award

Chicago.—A Kentucky physician and veteran Congressman has been named recipient of the American Medical Association's 1978 Dr. Benjamin Rush Bicentennial Award for Citizenship and Community Service.

Tim Lee Carter, M.D., 68, will be honored in ceremonies at 2 p.m. on Sunday, December 3rd opening the 1978 Interim session of the AMA House of Delegates at the Palmer House in Chicago.

The award consists of a commemorative plaque and $5,000, and is given annually to a physician who has made an outstanding contribution in citizenship and public service above and beyond the call of duty as a practicing physician.

A native of Tompkinsville in Monroe County, Kentucky, Dr. Carter served as a one-room school teacher and basketball coach for four years before entering Western Kentucky University. He graduated from the Medical School of the University of Tennessee in 1937 and, following internship, practiced medicine in Tompkinsville until 1942, when he volunteered for service with the U.S. Army. As a combat medic in the Pacific Theatre for 42 months, he earned the Bronze Star Medal and Combat Medical Badge.

Returning to private practice following World War II, Dr. Carter was chairman of the Board of Education in Monroe County and chairman of the County Republican Party for 12 years prior to his election to the U.S. House of Representatives in November of 1964. He has just been reelected to his eighth consecutive term as Fifth Kentucky Congressional District Representative.

As a member of Congress, Dr. Carter has served on the Committee on Interstate and Foreign Commerce and was selected as the ranking minority member of its subcommittee on health and the environment in January of 1975. He is also ranking minority member of the Committee on Small Business subcommittee on environment, safety and research.

Dr. Carter has received Distinguished Service Awards from the American Medical Association, the American Academy of General Practice, the National Arthritis Foundation and Medical Tribune for his work on health legislation.

Citations have also been presented to him by the Kentucky and American Diabetes Associations, the International Society of Laboratory Technology, the American Digestive Disease Society, the American Society of Hematology, the Kentucky State Review Committee on Family Planning, the Kentucky Alliance for Health, Physical Education and Recreation, and the Kentucky Hospital Association.

The National Associated Businessmen selected Dr. Carter for their "Watchdog of the Treasury" award in 1965–66, 1967–68, and again in 1969–70. In 1972, the National Federation of Independent Business named him their "Kentucky Man of the Year." For his work in the 95th Congress he was presented NIFB's "Guardian of Small Business" award.

Two other Distinguished Service Awards have been conferred on Dr. Carter by the University of Kentucky School of Agriculture and the National Cystic Fibrosis Research Foundation.

Additional honors accorded Dr. Carter include Honorary Doctorate degrees from Lincoln Memorial University in 1973 and from Union College and Eastern Kentucky University in 1974.

Dr. Carter is a member of the Kentucky and American Medical Associations and the Kentucky and American Academies of General Practice. A Baptist and a thirty-third degree Mason, he is a member of the Lexington Consistory and Kosair Shrine of Louisville. He also belongs to the American Legion and the Veterans of Foreign Wars.

Dr. Carter is married to the former Kathleen Bradshaw of Tompkinsville.●

HOME REMEDY FOR INFLATION

HON. EDWIN B. FORSYTHE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. FORSYTHE. Mr. Speaker, I would like to share with my colleagues an article given to me by a thoughtful constituent, Mr. Herb Cohen, which in its simplicity teaches a very dear lesson in economics. I have found great value in "Grandma's Economics" and I believe it behooves all of us to consider the merits of its message.

Grandma's Economics

I know very little about economic theory and my grandmother knew even less. My grandmother knew a great deal about making good, strong, healthy (yes, she was a Jewish grandmother) chicken soup.

The one thing she knew, without a shadow of a doubt, was that if you started with a pot of good soup and kept adding water to it, you would eventually end up with a pot of watery, weak, tasteless chicken soup that was no good for colds or anything else. My grandmother might have even said—if she knew the words—that the chicken soup depreciated at a rate directly related to the addition of water.

A little chart in last Sunday's Los Angeles Times listed the amount of money in circulation that week, and the amount for the same week a year ago. It seems that exactly a year ago there was slightly less than $100 billion floating around, and that now there is slightly less than $110 billion of the supposedly same dollars. How strange that both our rate of inflation and the amount of additional dollars printed are almost the same—10 percent.

I think that my grandmother would see the connection at once. I also think that she would predict that if we print 20 percent more dollars, we would have an inflation rate of 20 percent, and if we withdrew 10 percent of the dollars from circulation, our dollar would appreciate by 10 percent. It is, after all, simply a matter of adding water.

What my grandother would not understand, and I do not understand it either, is why all the highly paid, extremely well-educated, sophisticated experts cannot see that the more paper dollars we print, the less each dollar will be worth. But then, maybe they do not teach how to make chicken soup at prestigious schools of economics.

Si Frumkin.

Studio City, Calif.●

THE COST OF REGULATIONS AND THE NEED FOR ECONOMIC IMPACT STATEMENTS ON NEW REGULATIONS

HON. ELLIOTT H. LEVITAS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. LEVITAS. Mr. Speaker, the evidence is overwhelming that Government regulations have a significant economic impact upon those individuals and businesses required to comply with them. According to a study conducted by the Center for the Study of American Business at Washington University in St. Louis, the total cost of complying with Government regulations in fiscal year 1977 was $79.3 billion. Moreover, the price tag is rising. It is estimated that the aggregate cost of Government regulations in fiscal year 1979 will be a staggering $102.7 billion, consisting of $4.8 billion in direct expenses by regulatory agencies and $97.6 billion in costs of compliance on the part of the private sector.

Some time ago, I received a copy of a letter to the President from a small businessman in Georgia which really brought home to me the effect Government regulations can have. That letter began with the statement, "You win! I quit!" and proceeded to list the many Government regulations and forms with which this small businessman had to contend. He was driven out of business by the costs of complying with Government regulations and filling out Government reports. His 29 employees were put out of their jobs.

It is the consumer—the average American—who bears the cost of Government regulations because, by and large, these costs are passed on to consumers. Reducing the cost of compliance is not just a business concern, but it is equally a concern of consumers. For example, according to figures compiled by the center at Washington University, the price of a new house goes up from $1,500 to $2,500 because of Federal, State, and local regulations imposed on developers.

To be sure, there are important benefits which are derived from regulatory requirements—safe food, honest advertising, healthy work environments, and so forth. Most of these benefits would not happen without the requirements of law or regulation. But, the public is entitled to know and assess both the benefits and the cost of regulations.

There is clearly a need to establish the economic impact of Government regulations before they go into effect. Congress and the public need to know the cost/benefit comparison of new Government regulations. Yet, there is no statutory requirement for a systematic analysis of whether the benefits to be received from a proposed rule would exceed any negative economic impact. Regulations should only be promulgated after such an analysis has been made and the results examined.

Today, I am introducing legislation which would amend the Administrative Procedures Act to require the preparation and development of specific economic impact analyses for all rules and regulations which are required to be published in the Federal Register. These economic impact statements would also be published in the Federal Register.

I am not introducting this bill so that, if enacted, it could be passed over with a simple coverup sentence such as—

> There would be no adverse economic impact from implementing this proposed regulation.

My bill requires a detailed analysis that would address the cost impact of the regulation on consumers, businesses, markets, and Federal, State, and local governments. It would deal with the estimated cost of implementing, monitoring, and enforcing the rule by the agency, the effect of the rule on employment and the fiscal effects of any predicted increase in unemployment if the analysis so indicates, the effect of the rule on productivity of wage earners, businesses, and Government. It would also require the alternatives that were considered by the agency to the proposed rule to be published along with a finding as to why the alternatives were not proposed.

Mr. Speaker, we are in a phase of acute inflationary pressures. One of the significant steps we can take to lessen inflationary pressures is to decrease the costs imposed by Government regulations. President Carter has recognized that Government regulations impose unnecessary costs on the American economy and fuel inflation, and he has taken steps to alleviate these pressures. Executive Order 12044, Improving Government Regulations, issued March 24, 1978, requires executive branch agencies to prepare statements assessing the economic consequences of proposed regulations involving significant costs. Yet, this Executive order is deficient in certain respects. It is nonstatutory so that it can be revoked or changed at any time by this or subsequent administrations. It does not apply to the independent regulatory agencies where much of the problem lies. And finally, it does not establish criteria specific enough so that the quality of the regulatory economic impact analyses thus far has been spotty.

I believe that the bill I am introducing addresses some of the deficiencies in the President's Executive order. Most importantly, it makes regulatory economic analyses part of the statutory requirements for promulgating regulations by both the executive branch and independent agencies. This would insure that such analyses are accomplished and available to Congress and the public. It would also insure that future administrations would not be able to change this policy.

Mr. Speaker, I introduced identical legislation during the last Congress which was cosponsored by 65 Members of the House from both sides of the aisle and many political philosophies. I am confident that this bill will receive similar support in the 96th Congress because it improves the public's confidence in Government and makes that Government better. I hope that we can move ahead with this proposal.●

A CHALLENGE TO TURN DEMOCRAT RHETORIC INTO REALITY

HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. SHUSTER. Mr. Speaker, today I have introduced a sense of the House resolution which will make the 96th Congress an "oversight Congress." This resolution which I introduced in the House Republican Conference was unanimously adopted by House Republicans. Therefore, it is now up to the majority party in this body to determine whether this issue will again be put on the "back burner" or whether it will, at long last, receive positive action. This should not be a partisan matter. Not one of us sitting here today can fail to hear the message from American citizens and taxpayers across the country. It comes through loud and clear. They are demanding we strip away the layers of waste, inefficiency, bureaucracy, and redtape that have grown like barnacles on the hull of our ship of state. With runaway inflation, one of the highest tax burdens in our Nation's history, and reckless Government spending, the time has long since passed for the Congress to begin to take its oversight responsibility more seriously. I urge and challenge the Democrat majority in this House to join with Republicans in adopting this resolution.

The American people are crying out for a tighter, leaner, more efficient and cost-effective Government. There is a virtual taxpayers' revolution in our country. The present Democrat administration has given much lip service to "streamlining the bureaucracy." As he campaigned for the Presidency, President Carter promised time and time again to fight waste and inefficiency in Washington. He devoted hours of political rhetoric against what Mr. Carter called the "horrible bureaucratic mess in Washington." This resolution gives the Democrats the opportunity to turn that rhetoric into reality. The American people are watching and waiting to see whether it is done.

I for one would not welcome the task of explaining to my constituency why I failed to support it. Yet, while we have perennially paid lip service to the need for greater oversight, we continue to approach it in a lukewarm, slipshod, haphazard and ineffective manner. The fact remains that the majority in Congress still lacks the will and determination to perform this oversight function in a comprehensive and rational fashion.

While the new political, budgetary and economic realities may now force the Congress to recognize this long neglected responsibility, there is little evidence that we will do a much better job than we have in the past without a certain self-imposed discipline and comprehensive oversight approach. This resolution attempts to address that deficiency by suggesting positive steps we can take to realize the objective of making this, and subsequent Congresses, more effective oversight Congresses.

First, the resolution calls on each standing committee to formally develop an oversight agenda and timetable in each Congress. The present House rule simply calls for representatives of each committee to meet with representatives of the Government Operations Committee to discuss their oversight plans, and for these to be published within 60 days of the convening of a new Congress. Over the last two Congresses the development of these oversight plans has been a rather perfunctory and meaningless staff-level effort, with little real input or thought being given by the committee members themselves.

Second, the resolution calls on each standing committee to establish an exclusive oversight committee. While this was an original recommendation of the Bolling-Martin Select Committee on Committees in the 93rd Congress, that provision was diluted by the Democratic Caucus Substitute which made the establishment of oversight committees optional. Thus, at present, only about 7 of our 21 standing committees now have exclusive oversight subcommittees. I feel that so long as the oversight function is handled by subcommittees having legislative responsibilities as well, it will continue to be a neglected stepchild of the committee.

Third, the resolution calls for priority consideration to be given during the first session of the 96th Congress to the enactment of legislation requiring a "sunset" review timetable for all Federal agencies and programs. While various sunset bills have been around for several Congresses, these have met with resistance and pigeonholing by the majority leadership and the committees of jurisdiction. It is my strong feeling that only by imposing specific oversight plans and timetables will we truly be able to initiate the type of comprehensive oversight approach that is needed.

Finally, the resolution calls for permitting the disapproval by the Congress of any proposed Federal regulations before they take effect. At the present time, many executive agencies are promulgating all manner of regulations far beyond the intent of the Congress or the scope of the authorizing legislation. Our citizenry, our businesses, and our economy are being strangled in all this redtape, much of which contributes little if anything to the public good. The regulations issued by these agencies are a delegation of legislative authority by the Congress, and, as such, should be subject to congressional review and veto before they go into effect. As things now stand, we are often powerless to stop ill-advised regulations until after they take effect and some damage has already been done.

Giving this prior review authority to the Congress will serve as a deterrent to the promulgation of questionable regulations in the first place.

Once again I repeat, the time has long since passed for positive action on this subject. We are faced with double digit inflation, a runaway cost of living, staggering taxation, and a taxpayer revolt. We must listen, heed, and act on the message the American people are sending to Washington.●

ALCOHOL FUELS: A REALITY OF THE FUTURE

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. EDWARDS of California. Mr. Speaker, today I am introducing a bill to provide for the use of alcohol produced from renewable resources as a motor vehicle fuel. The Gasohol Motor Fuel Act of 1979 is needed in light of our growing petroleum problems. I am hopeful that Congress will use its vision and wisdom to quickly pass this act and get our Nation on the productive track of using our resources effectively and skillfully.

Last month OPEC announced its 14.5 percent increase in the price of crude oil. While economists differ over the impact of this move, there is no doubt that it does indicate a pattern of consistency in this organization's behavior, namely the continuing spiral of petroleum prices in the coming decade. Out of sheer necessity, we, the U.S. Congress, must now take steps to protect our economy from an energy collapse. One way to achieve this is through enactment of a strong alcohol fuels program.

In the coming months, we will continue to debate the merits and problems associated with nuclear, solar, hydroelectric, coal, and petroleum power. There are substantial differences among Members of Congress on the relative merits of these various energy sources. I personally have my own "Small is beautiful" conception of future energy systems and will be joining in on the debates to see that this philosophy is given adequate recognition.

However, there are some hard, cold facts which do not allow us to continue to focus debate exclusively on these varying technological systems. Twenty-six percent of our country's energy consumption is related to the field of transportation. Over half of this figure is consumed directly by automobiles. Though we wisely passed the Clean Air Act, which mandated higher efficiency standards for tomorrow's cars, the evergrowing number of cars on the roads and highways of our country make it necessary for us to provide new answers to this continuing situation. This is precisely why I am introducing this bill which mandates a 10 percent alcohol fuel at all service stations by 1990. We are faced with the necessity to conserve all our energy resources, but particularly petroleum products since we rely on them so heavily. Commonsense allows each and everyone of us to see this, and we must act accordingly to take the needed steps to cut back our consumption of petroleum. I hope my colleagues will join me in supporting this measure when it comes to the floor of this Chamber for final passage.

There is another compelling reason why I think it is particularly necessary to pass an alcohol fuels bill this year. This regards the boosting of octane levels for marketed unleaded gas. I believe our oil companies have shown a lack of responsibility in planning for no-lead, high octane gasoline fuels, thus making congressional initiatives necessary.

Since our environmental regulations require no-lead gasoline, and our new cars are increasingly geared for high performance and high octane levels in the fuels with which they will run, we are stuck with achieving the best of both worlds; no-lead and high octane gasoline. There are two ways to achieve this feat, and here is where the big problem lies.

The first of these is at the refinery, by using petroleum and natural gas resources. To achieve this the oil companies have to make tremendous capital investments in order to change the present refineries and provide for adequate capacity for these additionally needed processes. They also increase capital investment to use up additional quantities of crude oil. According to Urvan R. Sternfels, chief attorney for the National Refiners Association, it takes 5 percent more crude oil to make a gallon of premium unleaded gasoline than it takes to make regular unleaded. Mr. Jack Freeman, chairman, American Petroleum Institute Alcohol Fuels Task Force, said it takes 6 percent more crude oil to make unleaded gasoline than it takes to make leaded premium. This crude expenditure is in addition to the normal 10- to 15-percent crude oil that is used up when processing regular fuel.

The other way to achieve no-lead, high octane gasoline, and the most sensible method, in my view, is by using oxygenated fuel additives. These additives are alcohols, or ether derivatives of alcohols, and are manufactured from refinery byproducts. This is the present state of affairs in the gasoline industry. We are going to see more and more high octane, no-lead cars, and thus gasoline to make these cars run. Personally, I am outraged over the use of 6 percent more crude oil at the refinery in order to achieve these desired levels. In short, I do not think it is something we as a country, dedicated to energy conservation can afford to stomach, let alone pay for. Petroleum prices are soaring and will continue to rise. Why in the world would we choose to accept a technological innovation rooted in using more of this precious resource? This whole idea flies in the face of energy conservation, and concrete workable alternatives for future energy systems.

This legislation which I am introducing calls for the development and commercialization of an alcohol fuels program. Research has shown that agricultural waste products, and excessive agriculture products can be distilled to make alcohol. In sum, the technology is here now, all we need do is apply it.

I hope my colleagues will join me in supporting a strong alcohol fuels program in order to get our country on the right track for future automobile fuel systems.●

CARTER AT MID-TERM

HON. DELBERT L. LATTA

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. LATTA. Mr. Speaker, I would like to direct the attention of my colleagues to an article entitled, "Carter at Mid-Term," which appeared in the Cleveland Plain Dealer on January 16, 1979. The article, written by syndicated columnist, George Will, speaks for itself—President Carter has not kept his campaign promises. The text of the story is as follows:

CARTER AT MID-TERM

(By George F. Will)

WASHINGTON.—At the 24-month mark, halfway through a term and perhaps a presidency, President Carter is treating campaign promises—120 pages of them—about as cavalierly as most presidents have done. Regarding those promises, from deregulation of new natural gas through aid to parents of pupils in parochial schools (he fought bills that would have fulfilled both), he may seem unusually cavalier. But that is only because he promised to be unusually scrupulous.

Carterism, it now seems, is Menckenism turned inside out. H. L. Mencken expressed for sophisticates of the 1920s the view that politics is a carnival of claptrap, poltroonery and humbug. Carterism is the idea that politics should be the translation of broad moral categories (such as "human rights") into policies, and the use of pseudo-moral categories (such as "efficiency" and "openness") as substitutes for policies.

The difference between Carterism as slogan ("Why not the best?") and as government can be judged in terms of three things that matter—the law, the currency and the ability to constrain the Soviets.

Carter's slogan, and his famous disdain for politics-as-usual, have not prevented him from producing a traditional pattern of judicial appointments. Of Carter nominees to district courts, a slightly higher percentage (93.6) are from the presidents party than was the case under Johnson, Nixon and Ford, and a higher percentage (53.5) have records of party activism.

The percentage of party members appointed to courts of appeals is slightly lower (91.7), but the percentage of party activists is significantly higher (75%, compared with Johnson's 58.5, Nixon's 60 and Ford's 58.5). Overall, and in the context of expectations that the "outsider" would be "different," Carter's record is remarkable only for its ordinariness.

Regarding the basic constitutional balance between the elected branches of government, and the issue of an expansive interpretation of presidential discretion, Carter is in the Johnson-Nixon tradition. In foreign policy he has terminated a defense treaty (with Taiwan)—the gravest sort of treaty—without seeking Senate consent, and with only a perfunctory, 11th hour charade of consultation. In domestic policy, his coercive wage-price "guidelines" are called "voluntary" in order to disguise the fact that he is attempting to impose broad controls without the sort of legislative authorization Nixon had in August 1970—without, that is, due process of law.

The inflation rate is approaching twice what it was when Carter took office, and the dollar, measured against the world's major currencies, has lost more than a quarter of its value. The administration spent about 14 months pushing for measures (first a $50 tax rebate, then a tax cut aimed at stimulating consumption) to stimulate an economy already seized by inflationary forces. Fortunately, the pushing was in vain.

The promise of a balanced budget in fiscal 1981 has been replaced by the promise of a deficit of "only" $30 billion for fiscal 1980. That would be too much. And the figure is fiction.

The administration almost certainly is underestimating expenditures, overestimating revenues generally, and not allowing for what is probable—at least a moderate-size tax cut. The deficit probably will be closer to $50 billion.

Regarding national security, Carter has closed the Minuteman III production line, slowed the MX missile and cruise missile and Trident submarine programs, canceled the B-1 bomber, refused to deploy neutron weapons and vetoed the aircraft carrier that Congress considered necessary. He did all this without seeing or seeking reciprocal restraint on the Soviet side. The administration has been unable to inhibit the Soviet Union's military buildup, its activities of subversion, its acquisition of client states or its imperialism with Cuban proxies. ●

TRIBUTE TO WOLFGANG J. NAUKE

HON. JEROME A. AMBRO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. AMBRO. Mr. Speaker, this Saturday, January 20, one of the most dedicated and compassionate men I have ever had the pleasure of knowing will step down as president of the United Veterans Organization, a post he has held for the past year.

Wolfgang J. Nauke, a resident of Huntington, N.Y., which in my Third Congressional District, will close yet another chapter in a lifetime of selfless service to the people he loves most after his own family—the American veterans.

I have known Wolf almost all of my public life. A man with deep convictions and beliefs, he is one of the all too rare individuals who will devote the totality of his time, his energy, and his talents to the fullfillment of his vision and for almost three decades that vision has locked on the welfare and well-being of those who defended our Nation in war and peace.

Born in Dresden, Germany, in 1921, Wolf's parents brought their family to the United States when he was 5. They moved to Huntington on the North Shore of Long Island in Suffolk County. He entered the Armed Forces in 1942, serving in the European Theater in both North Africa and Italy. He joined the Veterans of Foreign Wars in 1952 and from then until now, veterans, groups and organizations have been his almost exclusive focus outside his home.

A past Suffolk County commander, past commander of the Nathan Hale Post 1469, formally acclaimed All-State Post Quartermaster, among the many positions he has held, Wolf has been honored by our distinguished colleague in the other body, Senator BARRY GOLDWATER.

Married to the former Lee Alessio of Huntington, he has three sons.

Mr. Speaker, Wolfgang Nauke has through his labor, promoted the interests of those very important Americans who have worn proudly our Nation's uniform and defended her principles. I ask all of my colleagues in this House of Representatives today to join with me in paying tribute to this outstanding American, husband, father, community leader, and patriot.●

AN $8,200 THANK YOU

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. VENTO. Mr. Speaker, the UNICO Saint Paul Chapter, 28 strong, has over the years proven to be a generous source of contributions to worthy causes in the Twin Cities area.

This group of public-spirited citizens of Italian descent raises money throughout the year in a variety of ways for scholarships and so that at Christmas time gifts can be made available to the poor and the sick.

The Saint Paul Pioneer Press of December 15, 1978, reports on UNICO-St. Paul's most recent largesse. I include the article in the RECORD at this point:

An $8,200 Thank You

"For 400 years," East Side businessman and master of ceremonies Matt Morelli told his fellow UNICO Club members and guests at a luncheon Thursday at the Venetian Inn, "no matter how bad things were, the Italians always had one thing going for them—they had a pope.

"But not any more," said Matt. And, he added, he's "noticed a certain smugness lately up at the Polish-American Club on Arcade."

Nevertheless, Matt continued, the Italians still have a lot of which to be proud. He mentioned, specifically, Italy's unmatched contributions to the arts, world trade and discoveries, which brought him to about 1880.

Life was hard then in an Italy torn by wars and "foreign princes." And in the years that followed "our fathers and forefathers, hundreds of thousands of them, came to this country.

"They came to work," Matt said. "They were willing to work. They were not looking for handouts. They took menial jobs and they worked very hard.

"They were looked down on. They were foreigners. They spoke a strange language and they clung to a strange faith and to their families.

"And they made it! No other ethnic group succeeded as quickly in this great country as the Italians. You can't really count the Irish because they spoke the language . . . and they got all those City Hall jobs."

"So that's why we're here today," Matt concluded. "To say 'thank you.' To give away some money. That's just our way of saying 'thank you' in this country. And our UNICO chapter had some extra money this year . . ."

UNICO. A national organization composed of businessmen who are Italians or of Italian descent. The St. Paul chapter, Minnesota's only chapter, was organized in 1939. It now counts 28 members.

They raise money in various ways. Cadillac dinners. Other fund-raisers. "Put the bite on our members, too," Matt explained later. Annually, this money provides scholarships—about $10,000 worth.

But this was a very good year. The following institutions, organizations—and so on—also got checks Thursday.

Gillette Children's Hospital, $1,500. Little Sisters of the Poor, $1,000. Senior Citizens Center, $1,000. Our Lady of Good Counsel Cancer Home, $1,000. Home of the Good Shepherd, $500. Kaposia Learning Center, $500.

Hiawatha Children's Home, Rochester, $500. St. Ambrose Church, $500. Mexican-American Boxing Club, $200. Stella Del Nord Italian-American Historical Society, $500. Paul Light Fund (for the kids at Gillette), $500.

And the Mayor's Christmas Party, $500. Mayor George Latimer was on hand to accept that check.

UNICO donated some $8,200 in all. And that $1,500 to Gillette was only the last of a long series of contributions to the hospital. About $52,000 in all, over the years, said Dr. Sam Valento, who has been in charge of that project.●

TRIBUTE TO HON. BILL STEIGER

HON. HAROLD E. FORD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. FORD of Tennessee. Mr. Speaker, it is with a great sense of loss that I join my colleagues in mourning the death of the Honorable William A. Steiger of Wisconsin.

As a member of the Ways and Means Committee, I came to know Bill Steiger as a tremendously articulate spokesman for whatever cause he represented. Although a member of the minority party, he was very effective and influential in committee proceedings. Having Bill Steiger on your side of an issue meant a great deal. He did not support a position just because one party or the other supported it—he voted for something because he thought it was right. Similarly, he was a formidable opponent. His arguments were rooted in sound logic which was hard to dispute.

Bill Steiger came to this body in 1967 as the youngest Member of Congress. Through six terms he kept his youthful appearance, his vigor, and his fresh approach to the ideas and issues which face all of us as representatives of the people. The reason for this is that Bill Steiger truly loved his work as few Members of this body do. You could see this in his smiling face and friendly nature.

Only in the last Congress did Bill Steiger attract much national attention. And attract it he did with the Steiger amendment on capital gains. He truly believed that our tax policy needs to stimulate capital formation, and he worked hard to get his amendment passed. However, he was not averse to compromise—he did not want to hold up the progress of vital tax legislation and threw his support behind a compromise. This brand of unselfishness—this putting the good of the public above one's own self-interest—can only be called statesmanship.

The term "statesman" is rarely used in connection with a Member of Congress.

Bill Steiger is worthy of this title, and this body will miss him greatly.

Mr. Speaker, my heart goes out to the Steiger family, their friends, and all of those who feel the loss of Bill Steiger.●

THERE IS A GOOD AMERICA

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. SKELTON. Mr. Speaker, so often we hear and see from the news media the critical side of our country. It is certainly good to read an article that was in the recent Lexington Advertiser-News of Lexington, Mo., my hometown, that speaks well of our great country. This article is entitled "There is a Good America" and it was written by a friend of mine, Harry Dunford, who is a regular contributor to the Lexington paper. I congratulate Mr. Dunford on a well thought-out and positive statement about America. It is as follows:

THERE IS A GOOD AMERICA

(by Harry Dunford)

Yes Virginia, there is a good America. You ask in your letter how can there be a good America when the newspapers and TV constantly blare forth with the news of all the bad things that happen in our country and how we are hated by so many other countries and, apparently, even by some of our own people.

Well, Virginia, it is in the nature of the news to dwell upon the bad things that happen because they are out of the normal pattern of life. A mother and father, for instance, who go about their daily lives working hard to sustain the family, giving love and affection and guidance and discipline to their children is supposed to be normal. It is not sensational or abnormal or violent or even unusual; in fact, most families go about their business of living in just such a manner, but it is seldom reported as news.

America can not be judged by the content of the daily newspaper or the boiled down headlines on the nightly TV news. The bad things that happen are reported, most of the good things that happen are not. Remember that.

It is true that America has its problems; we have always had our problems. In the days of the American Revolution there were problems in beginning a nation; during the Civil War there were problems in holding together a nation. And during World War II there were problems in seeing to it that we could continue to have the kind of nation we wanted. Many people, over the years, have died to preserve our nation and our heritage of freedom.

We have our problems today; inflation, unemployment, energy, the threat to family life, division among various sectors of the population on any number of issues. Life is not meant to be problem free; we will always have problems, but in America we have usually met our problems head on and eventually we overcome them. Don't forget that thirty years ago polio was a menace to young people; today it is nearly forgotten as it has been conquered.

America has met and solved many problems; our Social Security system has given dignity to older people upon their retirement from active work life; our economy, even with all its problems, has given more people the better things in life than in any other country; our move towards more equity and fairness in relation to minority groups has been slow and painful, but gradually successful. We have made much progress.

Yes, Virginia, there are many people in other countries who hate America. They can see no good in our country and accuse us of everything under the sun. We are envied for what we have and are blamed for many of the ills of the world.

But, Virginia, there is no country in the world which can claim a record of compassion such as we have. During World War I, we sent the cream of our manhood to finally put an end to four years of brutal trench warfare and then we fed the hungry of Europe for years after that. During World War II, we again fought for freedom and then rebuilt Europe and Japan with our money, our food, our technology, and with no strings attached.

Our record as a compassionate nation is shown in the figures for voluntary service and voluntary donations to charities and worthy causes. No other nation can come close. Whenever there is a disaster anywhere in the world it is the United States which is first on the scene with aid and comfort. It is our tradition to help out those in need.

We have made our mistakes from time to time; in Vietnam we began with a noble purpose to build a nation free from Communism. This noble impulse bogged down and has been severely criticized, but in the beginning it was a noble purpose. Much is made of Watergate, but in the final analysis it was the actions of a few people and not a reflection on the country as a whole. We survived it because our institutions of government were strong.

So, Virginia, let me say this to you. There is a good America. It may not be reflected in the daily news, but it is there and you are part of it. Whenever you have doubts about America, just look around you at your friends and neighbors, your schools and churches, your hospitals and nursing homes, your factories and stores, your history and your heritage. It is a good America.●

THANK YOU FROM A VIETNAM VETERAN

HON. RAY ROBERTS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. ROBERTS. Mr. Speaker, the Washington Post recently published this expression of thanks from Vietnam veteran Darrel Rippeteau, of Washington, D.C., which I would like to share with my colleagues:

From time to time various persons call upon the nation to provide more benefits for military veterans. Vietnam veterans are sometimes portrayed as the least loved of a neglected throng.

I am a Vietnam veteran. I was drafted, trained and sent to the war for a one-year tour of duty.

When I came home and sought work, the New York State Employment Agency gave me veterans' preference status. I got a job the following week. When I got married, my veterans' status allowed me to buy prime-rate life insurance without a physical exam. Soon I returned to college on the G.I. Bill. While I was in school, a Vietnam medical problem relapsed. I had to have surgery—in a VA medical center—for free. When my wife and I moved here, we had no money for a down payment on a house, so we got a VA-approved loan and bought our home—no money down.

Veterans benefits took a lot of the struggle out of my life and have, in fact, put me ahead of many of my peers who didn't get drafted.

From veterans like me there can be no complaint. Rather, let me say what many of us should have said before: America, thank you.●

PATRIOTIC FERVOR STAMPS COLLECTION

HON. LARRY WINN, JR.

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. WINN. Mr. Speaker, I rise today to pay tribute to one of my constituents who undertook a rather unusual project to commemorate our Nation's Bicentennial in 1976. Tiring of the commercialism that flourished in the year prior to this historic event, C. H. "Mike" Shannon of Mission, Kans., spent many hours turning his coin and stamp collection into a Bicentennial memorial.

It gives me great pleasure to submit for the RECORD today an article which appeared in the Kansas City Star last summer describing Mr. Shannon's tremendous achievement.

[From the Kansas City Star, July 4, 1978]

PATRIOTIC FERVOR STAMPS COLLECTION

RED, WHITE AND BLUE BELIEVER HAPPY TO MAKE CONTRIBUTION

(By Robert J. Pessek)

Most folks watched parades and other banner events—either along their main streets or on television—when our nation unfurled flags and popped its collective cork for the Bicentennial anniversary two years ago.

But not Mike Shannon.

Shannon, who lives in Mission, was in Independence with 1,100 envelopes—two of them 4 feet by 5 feet.

To be more precise, Shannon was in the main Independence post office to get every single one of the varied and colorful envelopes postmarked.

The postal workers, taken aback ("stupified," Shannon says), did so for a nickel a letter.

The $55 price tag didn't faze Shannon. He'd already spent about $3,000 for stamps to affix to the evelopes, and he'd completed the job of licking and sticking stamps on more than a thousand envelopes.

Shannon spent seven months gathering mementos, curiosities and artwork for what he thinks is a one-of-kind Bicentennial commemoration.

In an age when words like patriotism bring a blush or cynical smile to many American faces, Mike Shannon, a World War II Navy veteran, is an unabashed, old-fashioned, flag-waving lover of his country. Some of the organizations to which he belongs reflect his brand of patriotism: the American Defense Preparedness Association, the American Security Council, the National Rifle Association and the Air Force Association.

"I believe in peace through strength. I saw it work for so long. JFK (President John F. Kennedy) made it work in Cuba, and Truman made it work when he dropped the bombs on Japan."

Shannon also has been a coin and stamp collector, which, combined with his patriotism, was the source of his Bicentennial memorial.

Not only his pride in his country, but also disgust with the way some of his countrymen were celebrating its 200th birthday anniversary, drove Shannon to action.

"When the Bicentennial came up, I saw people taking advantage of everyone. Greed, grab it (money) and run, that was the attitude of many people in that time," Shannon, 49, said. "For a while it was a mania, then it got to be a drag for some. But I thought it fitting we gave a whole year to celebrate it."

He spent much of the year before July 4, 1976, preparing his envelope collection. The array of envelopes affixed with red, white and blue insignias, pictures, postage stamps, souvenirs, artifacts and other memorabilia of the Bicentennial do say something about how America has evolved since its fight for independence.

There are bumper stickers bearing flag-waving slogans, a sign advocating the presidency of the Hamm's Beer bear, Bicentennial covers of national magazines such as Time, Newsweek and Life (the rest of the magazine is inside the envelope), and more than a thousand odds and ends prepared for the national birthday party.

All of it was found and gathered by Shannon with family help and the patience of his wife, Mrs. Lola Shannon, he said.

"Every Saturday we'd end up going to a TG&Y or Skaggs," he said about his relentless search for material. Some items are unusual—such as stamps issued by an Arabic country that not only honor the American Bicentennial but also note the World's Fair of Philadelphia, which was never held because the City Council would not appropriate funds for it.

Other parts of the collection undoubtedly will have growing value, such as mint proof sets of American coins as well as special medals struck for the occasion.

Other envelopes have $2 bills, which depict the signing of the Declaration of Independence, on them; some have patriotic pamphlets, and two feature the resignation letters of former President Richard M. Nixon and of former Vice President Spiro Agnew.

There also are restaurant place mats and menus, reproductions of important American documents, and stickers from all branches of the armed forces. Shannon's pride, however, are the two huge envelopes, each of which has a surface area of 20 square feet. They and the other envelopes in the collection were prepared by and obtained from the Smith-Grieves Printing Co. and the Western Envelope Manufacturing Co. Shannon is treasurer of both firms.

On one giant envelope is the design of the flag of the 13 colonies, created with hundreds of red, white and blue stamps.

Although unwilling to discuss specific figures, Shannon said he had received substantial offers for the collection. He first became interested in such a project while attending a stamp and coin show about 10 years ago. There a first-day issue envelope stamped in Philadelphia for the July 4, 1876, commemoration of America's Centennial was selling for $15,000.

The potential value of an even greater collection for the Bicentennial (sometimes cynically called the "buycentennial" by some observers) was not lost on Shannon, a Tulsa, Okla., native.

He now pays $92 a year for the four safety deposit bank boxes in which the collection is kept. The two big envelopes are kept in a larger vault in the bank.

On the rare occasions when he displays the collection in his home—and returns it to the bank the same day—it fills the living room and spills over into the dining room.

Now that the Bicentennial is two years behind us, Shannon is faced with what to do with the collection. He rejected an offer by an Eastern firm to display it and charge an admittance fee because he thinks it should not be commercialized.

On the other hand, he has put much of his own time and money into the project and would like some compensation if it goes "public."

"I would love to see someone who would display them properly make me a decent offer," he said. "I would love to see them displayed locally, especially in Independence."

That city, the hometown of former President Harry S Truman and the site of the Truman Library and Museum, was chosen especially by Shannon for its postmark two years ago.

Some historians may question the historical value of the glittering, simplistic collection, since it gives little information about either the events of the American Revolution or what the country became in the ensuing 200 years.

However, it does represent the mania, as Shannon described it, of Americans to overproduce gaudy gadgets for a special date and then quickly discard them.

In this case, Mike Shannon wants to make sure we remember how we did celebrate and how we depicted our country on the red, white and blue occasion two years ago.

CUBAN EXILES' DECLARATION OF FREEDOM

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. PEPPER. Mr. Speaker, I am introducing today a bill to recognize and commend the "Declaration of Freedom" which was promulgated on January 23, 1966, by a group of Cuban exiles in Key West, Fla. The fundamentals of this resolution for freedom were the abolition of communism as well as a restoration of Cuban liberty and independence.

In 1959, the liberty and growing economic prosperity of the Cuban republic were destroyed when Fidel Castro seized power and drove hundreds of thousands from their homes in Cuba who valued their freedom higher than the possessions and lives they were forced to leave behind. Even now, hundreds still leave this unfortunate island every month to escape political confinement and the oppressive climate of domestic poverty, shortage and armed intervention abroad under the leadership of Soviet Russia, Castro's mentor.

I would like to ask our distinguished colleagues to join with me in expressing the indignation of this House at Castro's part and officially commend the bravery of these few and their mighty stand for a better future.

The bill follows:

H.J. Res. 199

Joint resolution commending the Cuban "Declaration of Freedom"

Whereas on January 23, 1966, a "Declaration of Freedom" was adopted by one thousand five hundred Cubans in exile meeting in Key West, Florida; and

Whereas this declaration was written at the San Carlos Club from which the great Cuban patriot, Jose Marti in 1898, turned the course of history by proclaiming the ideological basis of a free Cuba; and

Whereas Cuba once again has fallen victim to a totalitarian regime as embodied by Castro communism; and

Whereas the "Declaration of Freedom" reads as follows:

"In the city of Key West, Monroe County, State of Florida, United States of America, we, the Cuban exiles in the United States, in the name of God Almighty, and speaking both for ourselves and the oppressed people in Cuba, the martyr island, do say:

"That on January 1, 1959, the slavery yoke that came from Europe and was extinguished in Cuba at the end of the nineteenth century, was resumed.

"That those responsible for this high treason to our fatherland and to our people are just a score of traitors who, usurpating the government of the country have been acting as mercenary agents for the Sino-Soviet imperialism, and have surrendered to that imperialism our freedom and our dignity, also betraying the American hemisphere.

"That as a consequence of this high treason, those who are usurpating the power in Cuba (as they were never elected by the people), are imposing a regime of bloodshed, terror and hate without any respect or consideration to the dignity of the human being of the most elementary human rights.

"That in their hunger for power, these traitors, following the pattern of totalitarian regimes are trying, within Cuba, to separate the family, which is the cornerstone of actual society, and at the same time, are poisoning the minds of the Cuban children and youth, in their hope of extending the length of time for this abominable system.

"That the rule of the law has been wiped out in Cuba, and it has been replaced by the evil will of this score of traitors, who are acting under orders from their masters, the Sino-Soviet imperialists.

"In view of the aforegoing, we declare:

"First. That the actual Cuban regime is guilty of high treason to our fatherland and to the ideals of the freedom revolution which was started on October 10, 1868.

"Second. That this score of traitors who have committed treason against our fatherhood, in case they survive the downfall of their regime, will have to respond, even with their lives before the ordinary courts of justice of Cuba.

"Third. That as the noble Cuban people will not ever surrender, because that nation was not born to be slave, we, the Cuban people, hereby make the present declaration of freedom.

"We hereby swear before God Almighty to fight constantly, until death comes to us, to free Cuba from communism.

"The fundamentals of this resolution for freedom are:

"First. God Almighty, above all things, in whom we believe as the essence of life.

"Second. The fatherland, with all of its laws, traditions, customs, and history as a spiritual value, only surpassed by the concept of God.

"Third. The family, as the cornerstone of the human society.

"Fourth. Human rights, for each and every citizen, regardless of race or creed.

"Fifth. The law, as the foundation for the proper development of the human society.

"Sixth. Democratic government, with its three independent branches: Legislative, executive, and judicial.

"Seventh. Representative democracy, through the exercise of universal suffrage, periodically, free, and secretive, as the expression of popular sovereignty.

"Eighth. Freedom of worship, freedom of teaching, freedom of the press and free enterprise.

"Ninth. Private property and ownership, as the basic expression of liberty.

"Tenth. The improvement of living conditions for both rural and city working masses, with the just and necessary measures, keeping in mind the legitimate interests of both labor and capital.

"Eleventh. The derogation and eradication of anything which is opposed to the political and religious fundamentals aforementioned, and specifically, the abolition of communism and any other form of totalitarian manifestation.

"Signed and sealed in Key West, Fla., on the 23d day of January, 1966."

Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the House of Representatives that this inspiring declaration should be patriotically considered by all Cubans in exile and by all who wish to end the tyranny of Castroism and communism in Cuba and that the "Declaration of Freedom" should serve to unite those pledged to restoring Cuban liberty and independence, and that it should be the objective of the United States to commend and encourage recognition and respect for the declaration.●

IRANIAN REVOLUTIONARY MAELSTROM STRIKES U.S. TARGETS

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. McDONALD. Mr. Speaker, the Shah of Iran for more than a quarter of a century a loyal friend and ally of the free world has, despite various euphemisms by our State Department and certain U.S. media commentators, has been forced into exile. Shah Mohammad Raza Pahlavi is not leaving his country because his army has been defeated by insurrectionary forces or because it has wavered in its loyalty, but because the chief industrial powers of the free world, led by the United States of America has decided to sell him down the river rather than back him against a coalition of extremist and fanatical religious leaders and Soviet-supported Communists who have been staging riots in Iran's cities—and who have exported these riots to our country.

Rather than support the Shah's decision to maintain order in the emergency by installing a military government, the Carter administration chose to put its support behind a virtually unknown 62-year-old lawyer, Shapour Bakhtiar, who was expelled as deputy head of his own political party, the National Front, as soon as he accepted the post of prime minister. Ruhollah Khomeini, the fanatic religious leader, certainly does not expect that Bakhtiar can command the Iranian Army's loyalty to resist his mobs, and has boasted that Bakhtiar's government will last mere days after the Shah leaves Iran. The Communists, who are the only tightly organized political grouping in Iran's chaotic stew, also expect Bakhtiar, viewed as Iran's Kerensky, to fall; and clearly expect to pick up the pieces of power from the aged Khomeini.

Khomeini's supporters point to his recent Paris press in which he has criticized communism for its atheism (but not for its totalitarianism in other areas) as "proof" of his anticommunism. They neglect to mention that Khomeini's closest adviser in Paris, an Iranian of Syrian ancestry, Sadegh Ghotzbadeh, who uses the alias "Asfahani," is known to be a high level secret agent for the Communists. In its December 11, 1978 issue, Newsweek magazine in its Periscope section, cited French intelligence sources for the information that Ghotzbadeh has direct connections with the leaders of the Communist Parties of France and Italy and that he works closely with the Libyan secret service which is one of the chief promoters of terrorism in Europe and the Middle East, and collaborates in backing terrorism against the West and its allies with the Soviet KGB.

As Michael Ledeen recently wrote, there is

> a convincing body of evidence that Khomeini, who has called for the removal of the Shah and who appears to be controlling much of the disruption in Iran, is in fact a clerical fascist, a violent anti-Semite and an intensely chauvinistic anti-American.

Ledeen pointed out that the evidence of Khomeini's extremism was not secret allegations from the files of intelligence agencies, but a collection of Khomeini's own lectures published in Arabic in 1970, called Islamic Government; and a second book, "Khomeini and His Movement," published in Persian in 1975.

As Mr. Ledeen wrote in his article published in the Washington Star of January 7, 1979:

> Khomeini criticizes the shah for violating Islamic law and for betraying the principles of the Koran. "The rationale of (the shah's) government and some of its members is the abolition of the laws of Islam," Khomeini is quoted as saying in the 1975 volume.
>
> The violations he ascribes to the shah's government are those that characterize what we would call a secular, pluralistic society. Thus, Khomeini rails against the employment of women in boys' high schools, and men in girls' high schools, "the moral wrongness of which is clear to all." Furthermore, the shah and his allies are condemned for urging that "women enter (certain) government offices, while their being there is both self-evidently useless and morally wrong." The shah is also attacked for his leniency in the enforcement of the Koran's moral code. "We want," according to Khomeini's 1970 volume, "a ruler who would cut off the hand of his own son if he steals, and would flog and stone his near relative if he fornicates."
>
> If Khomeini and his followers come to power in Iran, all this will presumably be rigorously enforced. In the 1970 book he says: "If a just mullah is placed in charge of the enforcement of canonical punishments . . . would he enforce them otherwise than how they were enforced in the days of the Prophet . . .? Would the Prophet have imposed more than a hundred lashes on the fornicator not previously chaste? Can the mullah reduce the amount of this punishment, thereby creating a divergence between his practice and that of the Prophet? Most certainly not! The ruler . . . is no more than the executor of God's command and decree."
>
> Khomeini's complaints about the Shah are made, then, in the name of the Muslim divines in Iran, for only they (the mullahs) can be expected to enforce the laws of Islam properly. The attacks on the shah are not complaints about the harshness of his regime or violation of human rights by Savak, the secret police. Rather, Khomeini condemns the shah's regime for having sapped the fiber of the country by bringing unsuitable people (non-mullahs) to positions of power.
>
> Above all, Khomeini bemoans the replacement of mullahs with lay persons in the courts of Iran. In fact, under the shah's father and more recently under the shah himself, some lay persons have been appointed to judgeships, and it is even theoretically possible that some non-Moslems could become judges (although no such cases have been reported). Khomeini is quoted in the 1975 book as finding such pluralism contemptible:
>
> "In order to accomplish its own designs and to abolish manliness and adherence to Islam as qualities for judges, the government's Ministry of Justice has shown its opposition to the established laws of Islam. From this point on, Jews, Christians and enemies of Islam and of the Muslims must interfere in the affairs of Muslims . . ."
>
> When Khomeini refers to "enemies of Islam," this is a code-word for the Baha'is, an eclectic offshoot of Islam, who, along with Christians and Jews, would find a regime led by the mullahs extremely unpleasant."
>
> But if Khomeini is consistently xerophobic toward all non-Muslims, he reserves particular venom for the Jews, and for their two great national supporters in the world: Israel and the United States. In the case of Israel, no distinction is made between Jews and Israelis, and the shah is viewed as the agent of both: ". . . what is this relationship and association between the shah and Israel that the Savak says, 'Do not speak about the shah or about Israel.' Is the shah in the view of the Savak an Israeli? Or, in the view of the Savak, is the shah a Jew?"
>
> It is Israel and the Jews who, in the writings of Ayatollah Khomeini, have brought about the desecration of Iran. Over and over again, in a series of books, lectures and harangues, Khomeini has lashed out at Israel (and, ultimately the United States) as the basic cause of his country's moral and religious ills.

ASSASSINATION OF PAUL GRIMM

As you will recall, Paul Grimm, an American who was the general manager for operations of the Oil Service Co. of Iran, and his Iranian colleague, Malek Bourojerdi, were murdered in separate incidents in Iran on December 23. The three assassins ambushed Grimm at a busy intersection with small caliber handguns which they fired in the two-handed professional marksman style. The murder was typical of assassinations carried out by the Mujaheddin Khalq (People's Strugglers), a terrorist group intelligence sources report has training facilities in Palestine Liberation Organization camps in Lebanon and Iraq, and which receives training in "armed struggle techniques" from the Soviet KGB, as well as from Libya and Iraq's Baath Arab Socialist party. The Mujaheddin Khalq, which is an amalgam of Communist, independent Marxist, and extremist Islamic tendencies, has been estimated to have as many as 4,000 active members inside Iran.

The second most active Iranian terrorist group, the Organization of Iranian People's Fedayee Guerrillas (OIPFG)—also called the People's Sacrifice Guerrillas—in Persian, Cherika Fedayee Khalq—Marxist and Maoist in rhetoric, maintains liaison with the somewhat larger group, the Organization of Mujaheddin of the People of Iran (OMPI). During the past year press reports indicate that members of the Marxist terrorist groups, including some who had been active with radical Iranian student groups in Western Europe, have returned to Iran and have entered Shia Muslim seminaries which they use as a base for their operations.

The murders of Paul Grimm and his Iranian colleague were not acts of random violence, but acts designed to further the political and economic turmoil in Iran. Mr. Grimm was reportedly playing an important role in persuading striking oil workers to go back to work, and his murder successfully reversed an economic trend favorable to the Iranian Government.

IRANIAN STUDENT ASSOCIATION RIOT

Many of my colleagues doubtless saw some of the television footage of the attack on the Beverly Hills, Calif., house in which the Shah's sister and his 90-year-old mother were living on January 2, by some 2,000 members of the Iranian Students Association, National Union (ISA).

Approximately at noon, the ISA members and supporters assembled and began marching through Beverly Hills chanting their customary slogans, "Shah is a fascist butcher: down with the Shah;" and "Death, death, death to the Shah." These were the same slogans we heard in Washington in November 1977 when the ISA and its allies staged a riot when during a visit of the Shah to the White House in which innocent, unarmed persons were brutally clubbed to the ground and U.S. Park Police officers were attacked.

This time the ISA militants did not bother to cover their faces, because they feel confident that they will return to Iran to participate in a revolutionary regime, not to be placed under surveillance or arrested by the Shah's government.

The marchers had no parade permit. But the police told the group that so long as they marched on the sidewalk and did not interfere with traffic, they would remain within the limits of the law. In order to get close to the home of the queen mother and the princess, the ISA leaders conducted their cadres in a disciplined formation along the sidewalks. An ISA spokeswoman, Mina Azad, described Princess Shams and Queen Mother Tadj-ul-Molouk as "criminals * * * being harbored here" to the press during the march. When asked to give examples of their alleged crimes, the response was merely their blood relationship to the Shah. In other words, merely to be related to him is a "crime" to the ISA extremists. Mina Azad said she wanted the women deported back to Iran because the Iranian insurgents would have "tried and justly attacked them."

Her brother, Said Azad, 27, well-known in the Washington area as a national leader of the ISA at the University of Maryland, had a more precise command of English when he described ISA's demand that the princess and queen mother be deported to Iran where "the only justice is that all (members of the royal family) should be hanged." Azad maintained that even the 90-year-old invalid queen mother should be "pursued" by the Iranian revolutionaries and "brought to justice." As one observer to the riot commented later:

> If they had got their hands on the old lady or her daughter, they'd have lynched them.

As has been the case previously in mass ISA demonstrations, the group remained within the limits of the law until their target was in sight. While a large number of police officers accompanied the marchers on motorcycles and in patrol cars, the house was defended by a relatively small group of 30 officers. As the ISA demonstration approached the house, its members grew more and more violently agitated. A cadre group of some 200 stormed the gate, smashed its lock with tree limbs and hurled rocks, sticks and clods of earth at police, driving them back toward the house. While some overturned a car in the driveway and set it afire, others charged the house in which the two women were trapped and were stopped only feet from the building by uniformed and plainclothes officers with drawn guns. A number of shots were fired during the melee. The ISA militants smashed their way into an adjoining house where they broke windows and vandalized furniture. In the street outside, another 300 rioters battled police and sheriff's department reinforcements, and set more than a dozen brush fires with their placards serving as impromptu torches.

During the 45-minute melee, a woman deputy sheriff was dragged from her car by the ISA mob. Three sheriff's department cars responded to rescue her. Photographs and observers' reports indicate that one of the first two cars responding to the officer in distress emergency struck a woman demonstrator. A third patrol car then hit several of a group of demonstrators who moved into the street.

ISA spokesman claimed that 50 demonstrators had been "seriously" hurt; but of the 22 taken to UCLA Medical Center, all were treated and released except for one with a head cut, and of 13 taken to Cedars Sinai Medical Center, all were released but a man with two fractured legs and a woman with head injuries. Some two dozen police officers received injuries during the riot.

As might be expected under the circumstances, only seven demonstrators were arrested. According to press reports they were:

Hamid Parcham, 26, USC student, arrested by Beverly Hills police on arson charges and held in $10,000 bond.

Said Ajhoe Parcham, 22, USC student, brother of above and arrested on identical charges.

Ali Mouhmad, 18, assault with a deadly weapon.

Taghi Mobarez, 29, assault with a deadly weapon.

Maysud Moslah, 25, interference with police officer.

Mohamad Hosani, 25, interference with police officer.

Hassan Zarjfifar, 23, interfering with police officer.

Legal representation is being provided by National Lawyers Guild (NLG) attorney Richard Eiden.

According to the press statements of ISA spokesman Saeed Mobarez, 25, the demonstration in Beverly Hills was planned at the Devonshire Downs Hall owned by the California State University (CSU) at Northridge in which his faction of the ISA was holding its convention. Mobarez said the hall was being used for headquarters for some 1,500 ISA members from across the country who had traveled there for the meeting and demonstration where they swelled the ranks of their 500 local supporters.

Despite these open statements from the ISA, James Cleary, president of CSU Northridge, held a press conference after the attack on the house at which he asserted that the demonstration had not been planned on university property, and said that only 400 ISA members were using the hall they had rented for $4,350.

It should be noted that the chief banner in the hall was one that had been displayed during the November 1977 riot and demonstration here in Washington. It depicts a Soviet AK-47 assault rifle above a hammer and sickle, superimposed over a globe depicting Iran. Across the bottom of the banner are the initials OIPFG which stand for the Organization of Iranian People's Fedayee Guerrillas, the Marxist terrorist organization whose alliances are with the PLO's Rejectionist Front led by the Popular Front for the Liberation of Palestine (PFLP) with training centers in Libya, Iraq and the People's Democratic Republic of Yemen (Aden).

It should be noted that Soviet ships have become increasingly present at Aden and at the entrance to the Persian Gulf where they are in a strategic position to cut off oil shipments. In November, a contingent of Soviet military technicians expelled Bedouins from an area of the PDRY near its border with the Republic of Yemen (North Yemen) and began constructing an intelligence communications system. The PDRY operates a terrorist group, the Popular Front for the Liberation of Oman (PFLO)—formerly called the Popular Front for the Liberation of Oman and the Arab Gulf (PFLOAG) until that alienated the leaders of the United Arab Emirates and Abu Dhabi who pour so much oil money into the PLO and its allies—which has been virtually driven out of Oman by Iranian Army forces called in at the Sultan's request. A destabilized Iran hostile to the West gives the Soviet-backed insurgents based in Aden a free hand in their attempts to overthrow Oman, North Yemen, the United Arab Emirates, and Saudi Arabia, source of this country's main oil imports.

Another ISA grouping held its national convention in Oakland, Calif., from December 24 to 30, 1978. An estimated 2,500 revolutionaries attended who listened to countless reports of violence in Iran and militant "solidarity" demonstrations against the United States and the Iranian Government in West Germany, France, and other countries. The ISA grouping is cultivating U.S. supporters previously active in the pro-Hanoi, pro-Havana activities of the 1960's and 1970's. The purpose of its coalition efforts and a mass demonstration it staged through San Francisco, according to one of its spokeswomen, Sheila Khalili, is to forestall any potential involvement of U.S. military forces in Iran. "Stop Iran from becoming the next Vietnam," was their theme. But another ISA representative was more direct; Ali Masud stating, "We are ready to burn the system down."

These violent actions on the streets of American cities by Iranian revolutionaries is all too familiar. Equally familiar is the reluctance of the agencies of the Department of Justice to take measures to restrain their repeated lawbreaking or to impose legal sanctions on them.

On six separate occasions during the past 18 months—since July 1977—I have alerted my colleagues to the threat to public order created by mobs of Iranian radicals who, apparently without hinderance, have been permitted to roam at will across the United States, often wearing masks to conceal their identities, vandalizing property, injuring our citizens, attacking police officers, and putting many people in fear.

The Attorney General has responded to the problem with bureaucratic indifference. Although I have supplied the Department of Justice and other appropriate authorities with photographs of these demonstrators breaking the law, and with documentation of their prior intent to break the law, no action has been taken. The Attorney General, his Department of Justice, and its agencies principally responsible in this matter, the Federal Bureau of Investigation and the Immigration and Naturalization Service, have been so isolated from events taking place in our cities from Houston to Washington, from Chicago to Los Angeles, from Corsicana, Tex., to New York City, that they still maintain that the Iranian Student Association factions have no relationship to any of the terrorist groups in Western Europe or Iran.

Mr. Speaker, that is arrant nonsense; and it is plain from photographic evidence and real evidence obtained during the recent ISA conferences, as well as from previously obtained materials, that the ISA has intimate connections with the terrorists of the OIPFG, the Mujaheddin, and other revolutionary organizations; and that ISA groups function as active support cells for those terrorists.

The Shah of Iran will be coming to this country in the very near future. Preparations are being made for his security and for the security of his family, but it is imperative that strict precautions be taken to prevent further violence by ISA extremists or their U.S. supporters who may, being less noticeable, take action on behalf of the ISA against him. Furthermore, it is long past time that Iranian radicals, many of them here on-out-of-date student visas, who are convicted of criminal actions speedily have those visas revoked for cause. If this is not done and our laws are not upheld, the responsible officials should be held accountable for their misfeasance.●

MILK PARITY

HON. CHARLES ROSE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. ROSE. Mr. Speaker, on Monday, January 15, 1979, I introduced H.R. 731 to continue the present level of price supports for American dairy farmers. I would like to explain several reasons why I have chosen this course of action. Support has been set, as you know, at a minimum of 80 percent of parity by the farm bill of 1977 for the past 2 marketing years. My proposed legislation would continue this level through October 1981.

The dairy industry had a problem with surplus milk production last year. Milk production was at 122 billion pounds, and increasing. Under the price support program, the Commodity Credit Corporation of the Department of Agriculture picked up 638 million pounds of nonfat dry milk and 149 million pounds of butter for storage and surplus distribution—some 2½ percent of supplies.

Since then, with a minimum price support set at 80 percent of parity, our dairy farmers have been able to maintain a decent income. The prices for their milk have now risen to $11.36 per 100 pounds above the support price of $9.65 per 100 pounds for the first time in several years. Production has also decreased between 1 to 2 percent on a consistent basis during 1978. During the past several months, the Commodity Credit Corporation has not made any purchases, thereby saving the taxpayers' money. This is an important tool to help fight inflation and fulfills the rightful purpose of the Price Support Act.

Faced with increased inflation and milk-feed ratios, I see a need to continue 80 percent through the next 2 marketing years until 1981 to prevent the loss of our dairy farmers. I urge my colleagues to support early passage of this bill as the current law expires March 31, 1979.●

DISABILITY INSURANCE SHOULD PROVIDE WORK INCENTIVES FOR BLIND

HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. GONZALEZ. Mr. Speaker, I am again proposing legislation that I have sponsored in previous Congresses that would improve the social security disability insurance program to provide maximum work incentives for the blind. This would be accomplished by liberalizing the conditions governing eligibility of blind persons for receiving disability insurance benefits.

My bill would allow a person who is blind to qualfiy for disability insurance payments after working six quarters under social security covered work and would allow them to continue to draw disability benefits so long as they are blind, regardless of any additional earnings they might be able to make.

Under present law, social security disability benefits are not payable to persons who are able to engage in substantial gainful activity, the rationale being that such individuals are not disabled. A change was made in the 1977 Social Security Act amendments to liberalize this provision somewhat by stating that blind persons would not be regarded as engaging in substantial gainful activity on the basis of earnings when earnings are less than the retirement test level for persons who retire at age 65. However, while this change will be of some benefit, we must remember that blindness continues to be a disabiltiy regardless of earnings.

The blind, while handicapped, are by and large able to work, but the substantial gainful activities test is a built-in disincentive which inhibits the initative of any blind person who is concerned about long-range economic security for himself and his family. While a blind person may be able to locate employment, it generally will not provide a salary to enable him to live solely on this income. Thus, he is forced to remain outside the mainstream of society for reasons over which he has no control.

One of the main arguments against changing the present law is the cost, and there is no doubt that this must be taken into consideration. However, when determining the cost we must also keep in mind that those who do return to the work rolls will be paying into the social security system as well as paying income tax, not to mention the benefit to the economy by making these people more productive.

Mr. Speaker, the public is more conscious than ever of the problems of the handicapped as can be seen by many of the architectural changes being made around the country to accommodate them, but these changes will not mean a great deal if the handicapped have no meaningful reason to use them. The bill I am offering will allow them the opportunity to seek meaningful employment without losing economic security for themselves and their families. I do not feel this is too much to ask of a system that was designed to partially replace earnings lost due to disability.

I would hope that the House Ways and Means Committee would act early in this session and consider my proposal that will offer some measure of relief to the blind by giving them a chance to again become a part of the mainstream of society.●

MAZZOLI COMMEMORATES KING

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. MAZZOLI. Mr. Speaker, I want to take this opportunity to commemorate the birthday of one of America's truly great men. Dr. Martin Luther King, Jr. was cut down in the prime of his life in April of 1968, but his courage and conviction remain with us today.

Dr. King serves as inspiration to millions of our Nation's citizens. His dream was America's dream, and he brought us closer to its realization. Martin Luther King saw an America in which all men and women, regardless of color or creed, regardless of sex or economic background, would have the basic rights of life, liberty, and the pursuit of happiness.

We owe Dr. King more than making his birthday a national holiday, though that would be commendable. I am pleased at this time to add my name as a cosponsor to legislation to set aside January 15—Dr. Martin Luther King's birthday—as a national holiday.

Such a holiday would be a fitting memorial to a man who devoted his life and full being to equal rights for all Americans.●

WELFARE REFORM

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. COLLINS of Texas. Mr. Speaker, inflation is No. 1 in the minds of Americans. They know Congress must reduce spending. Let us hope that 1979 will see Congress showing the leadership to balance the budget.

When I was in Texas, I attended a large seminar where editors of Business Week were discussing the 1979 economic outlook. One question was "Does Congress have the intellectual ability, fortitude and integrity to deal with inflation?" After a considerable pause, the editor gave this answer, "The people got what they deserved."

But America deserves better. We in Congress can end inflation by developing a responsible budget. The big target to control is excess relief benefits. One of the best editorials I have read in a long time was in the Dallas Times Herald. It got down to case studies showing that excess welfare reduces work and causes more families to break up. I want more people to read and reread the Senate committee facts that the Dallas Times Herald sums up so well.

Let's reduce welfare with stronger limits. Read the facts as told so bluntly in the Dallas Times Herald:

> When talk turns to welfare reform, as it has on many occasions in recent years, there are always many who argue that the assistance system could be simplified and benefits made more equitable if some form of a guaranteed income plan were instituted.
>
> Those favoring the guaranteed income idea often assert that pride would prevent most recipients from loafing their lives away. Opponents of the income plan felt, almost instinctively, that people who could have a free ride were not likely to expend very much energy on a job.
>
> A federally sponsored study in Seattle and Denver provides statistical proof for those who think that the "no work, no pay" plan is the only sensible way to proceed in establishing welfare programs.
>
> Several thousand poor families in the two cities took part in a "negative income tax" experiment beginning in 1971. Some families were guaranteed incomes at various levels above and below the poverty line, some for three years and some for five. A control group received no income guarantee.
>
> The results were outlined to a Senate welfare subcommittee:
>
> People receiving the guarantees worked less than those who did not. In the three-year assistance group, husbands worked 7.6 per cent fewer hours than the control group; wives, 16.7 per cent less; female heads of families, 13 per cent less; other family members aged 16–21, 43 per cent less for males and 33 per cent less for females.
>
> For the five-year group, the drop-off in work was even sharper, a reduction of as much as 60 per cent for young women not heading families.
>
> Families receiving assistance broke up more frequently than those not receiving it—63 per cent more for whites and 43 per cent more for blacks. Welfare reform advocates have long argued that the existing system breaks up families because a woman with children can get more aid if her husband is not around.
>
> Welfare reform has been stalled for many years because of the split between the work-incentive group and the negative-income promoters. Even a program with strong incentives for poor people to supplement their welfare checks with income-producing work would be too expensive for the immediate future.
>
> The statistics from the Seattle-Denver study should be most helpful in drafting a welfare reform plan which recognizes the realities of human nature. No one wants to withhold assistance from people who cannot help themselves—the young, the aged, the sick and the handicapped. Those who can lift a finger in their own behalf should be expected to do just that.●

A NATIONAL PROGRAM DEALING WITH HAZARDOUS SUBSTANCES: THE TOXIC TORT ACT AND THE HAZARDOUS WASTE CONTROL ACT

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. LAFALCE. Mr. Speaker, our industrialized society has provided immeasurable benefits to the vast majority of Americans. Despite its troubles, our economy remains one of the strongest in the world and our citizens are healthy and free and, we hope, generally happy.

Yet while we have reaped these benefits we have also produced byproducts which are often lethal or dangerous to the public health. These hazardous wastes remained almost invisible until very recently. But they were nevertheless produced and are still being produced, and even at this late date it is incumbent on us to deal with them and make sure that the lives and health of Americans are not unreasonably jeopardized by exposures to toxic substances.

As the representative in Congress for the city of Niagara Falls, I have been involved with this question on almost a daily basis for the past 18 months. For that city contains an area known as the Love Canal, which is the name for an abandoned chemical dumpsite which recently began to emit the ugly evidence of its contents—noxious odors and potent liquids—contents which, when analyzed by scientists, were found to include a number of known or suspected carcinogens as well as other toxic chemicals.

These chemicals were buried a quarter of a century ago. Between then and now people who lived adjacent to the canal also lived, without knowing it, in an environment that was quite clearly dangerous to their health. Medical surveys have shown that there were unusually high incidences of miscarriages among pregnant women in the area and of birth defects in children born to mothers who lived next to the canal. More detailed health surveys are being pursued now to see what other harm may have been caused by the presence of these chemicals.

The Love Canal is the most prominent of the abandoned landfill sites, but it is now known that it merely exemplifies hundreds, and perhaps thousands, of similar situations throughout the United States. For our industrial society used to merely hide these residues, either not knowing or not caring that they would someday come back to haunt us and require action to protect the health of our citizens and our environment.

That someday has now come. Today I am introducing two bills designed to deal with the two primary problems that exist in situations of this kind. The first, the Toxic Tort Act, is intended to set up a system through which persons injured as a result of toxic pollutants in our environment can seek relief for those injuries. The second, the Hazardous Waste Control Act, is intended to insure that hazardous substances are handled and disposed of safely and to identify and reclaim abandoned sites where such substances were disposed of in the past.

THE TOXIC TORT ACT

This bill, identical to one I introduced late in the 95th Congress, essentially distinguishes among three classes of victims—those victims who sustained their injuries as a result of the fault of a manufacturer, those victims who sustained their injuries in the course of their employment, and those victims who sustained their injuries as a result of a toxic pollutant, but without fault. While the bill treats each of these three classes in a somewhat different fashion, it does provide a central theme: the Environmental Protection Agency is directed to study physical injuries, and to determine which such injuries are caused by toxic pollutants. In making this determination EPA will take into account the exposure to the toxic pollutant—both as to time and place—necessary to produce the physical injury. EPA's determination will greatly expedite the compensation processes since the bill provides for the ultilization of this finding in subsequent legal and/or administrative proceedings.

The measure also provides for the creation of a compensation agency. Generally, this agency will pay benefits, up to $50,000, to persons (other than employees) who have sustained injury as a result of toxic pollutants. These benefits will be available regardless whether a manufacturer is ultimately determined to be responsible for the physical injuries. However, in the event that a manufacturer is at fault. EPA will be subrogated to the rights of the injured person, and will either share in any recovery he may receive, or initiate its own action against the person at fault.

I will conclude my remarks by briefly outlining for you how this measure will affect each of the three classes of persons.

VICTIMS WHOSE INJURY WAS CAUSED AS A RESULT OF A MANUFACTURER'S FAULT

The legal system has inhibited victims seeking redress for toxic pollutant-related injuries, since under existing law, it is either difficult to establish causation, or, by the time the injury is linked to the toxic substance, the action is for a Federal cause of action addressed to both of these difficulties.

It provides that an action may be maintained in either State or Federal court, which is supplementary to all existing rights. The time for bringing such an action, which is provided in the bill to be 2 years, does not begin to run until EPA determines that there is a "requisite nexus" between the physical injury complained of and the toxic substance alleged.

While the plaintiff still must show the manufacturer to be at fault to recover, his burden of proof insofar as showing causation is considerably ameliorated. He must merely show that he has in fact sustained the physical injury, that EPA has determined that the pollutant causes the injury, and that he has had a sufficient exposure to the pollutant—both as to time and place—within the guidelines determined by EPA.

I should emphasize, Mr. Speaker, that the foregoing process deals only with the question of causation of an injury, and does not bear on the question of a manufacturer's alleged negligence. That will still have to be proven in court under existing or future standards of liability. Unsuccessful plaintiffs seeking damages for negligence may still receive benefits under titles II and III of the bill, described in greater detail below, if they meet the standards set forth in those titles.

When a plaintiff does sustain his cause of action, he is entitled to damages, both special and general. Moreover, in the case where the manufacturer is found to have operated with a gross and wanton disregard for human life, exemplary (punitive) damages can be had. However, these latter damages are paid not to plaintiff, but rather to the toxic pollutant revolving fund which will be discussed below.

EMPLOYEES

Under present law, employees, like the victims described above, suffer difficulties in obtaining benefits for toxic pollutant-caused injuries sustained in the workplace as a result of deficiencies in State workers' compensation laws. These difficulties include severe problems in establishing causation, as discussed above. Moreover, these claims if ultimately filed may be untimely, since often it was not discovered that the injury was caused by substance to which they were exposed in the workplace until long after they have left the particular job. Title II of the bill preempts State law to expand the time for filing a worker's compensation claim, and permits an employee to establish causation, both in the fashion described above. It is important to note, however, that the bill does not substantively enlarge upon the rights of these injured employees who, under present law, are not permitted to maintain a direct action against their employer who was responsible for their injuries.

VICTIMS INJURED WITHOUT FAULT

Upon occasion, despite all precautions taken by a manufacturer who is conducting his operations under the best conditions then known, physical injuries may be caused by toxic pollutants produced by such a manufacurer. This may be especially true of those substances which require 20 to 30 years of exposure before producing their deleterious effects. It was my judgment that to hold such a manufacturer liable for injuries resulting thereby would be inequitable.

Accordingly, the bill provides for a toxic pollutant compensation agency within EPA, which will pay, up to a minimum of $50,000, benefits to persons with physical injuries caused by such toxic pollutants. These benefits include medical benefits, rehabilitative services, and lost compensation. However, to obtain such benefits, EPA must have determined the requisite nexus between the physical injury complained of, and the alleged toxic substance. If the claimant can establish that he is in fact suffering the physical injury, and has had the requisite exposure, then he will be able to obtain these benefits.

The benefits are paid out of the "toxic pollutant revolving fund," which is administered by the toxic pollutant compensation agency.

TEMPORARY ASSISTANCE FOR VICTIMS WITH RECOURSE ONLY TO LEGAL SYSTEM

It was also thought appropriate to include for victims with recourse only through the legal system as eligible for benefits from the toxic pollutant control agency. (Employees can generally obtain benefits through the worker's compensation system much more rapidly than litigants.) In the case of these victims, the agency will operate similarly to a State worker's compensation system: it will become subrogated to the rights of any claimant to whom it pays benefits, and may maintain an action directly against the manufacturer at fault, or alternatively, will share in any recovery the claimant may obtain under the legal system.

All amounts recovered by way of subrogation or lien will be deposited in the revolving fund, as will any exemplary damages awarded as provided above.

THE ENVIRONMENTAL PROTECTION AGENCY

The Environmental Protection Agency is given a broad grant of power to make findings and determinations with respect to physical injuries caused by alleged toxic pollutants. Its finding, termed under the act a finding of "requisite nexus" will greatly facilitate the legal and administrative burdens of all victims. The formulation of this standard is, of course, subject to due process requirements, as it may adversely affect many manufacturers. Accordingly, the bill provides for input by all manufacturers into the decisionmaking process.

In conclusion, I believe the approach put forth in this bill to be both comprehensive, yet equitable for all persons concerned. While refinements to this measure may ultimately prove appropriate, I nevertheless believe that its general approach would go a long way toward alleviating problems encountered in the burgeoning problem area of toxic pollutants.

THE HAZARDOUS WASTE CONTROL ACT

This bill, Mr. Speaker, is intended to fill the gaps which have become evident in the Resource Conservation and Recovery Act of 1976 (RCRA) by amending it to:

Establish a program for the identification and reclamation of abandoned hazardous waste sites;

Set fees to be paid by private organizations which store or dispose of hazardous wastes, and

Provide a process for the selection of future sites for the disposal of hazardous wastes.

This bill is not meant to be a definitive judgment on the ways in which RCRA should be improved. I introduced a bill similar to this one during the final days of the 95th Congress in hopes of having that one serve as a starting point for discussion for congressional action. It did. My staff and I have had many discussions since the introduction of that bill with many different people and we have received much constructive comment. I believe that the bill which I am introducing today will reflect some of this comment and serve as a catalyst for more creative and provocative thoughts by others similarly concerned. RCRA comes up for reauthorization this year and I expect it will be amended in many ways. I plan to take an active role in this process and I hope that many of my colleagues will also, because as we all know from the national media during this past year, the handling and disposing of hazardous wastes, in the past and in the future, is of prime importance to all of us.

THE PROBLEM

RCRA, as presently written, does not provide a program for the identification, reclamation, and maintenance of hazardous waste sites, whether abandoned or presently in operation. Neither does it provide for the location of future sites. Recently we have all become acutely aware of the need for such a program, as witnessed by the explosion of the "Love Canal" in the city of Niagara Falls, which is in my congressional district.

At least 39 additional abandoned landfill sites have been identified in Niagara County alone; according to the U.S. Environmental Protection Agency (EPA), the exact number of these "ticking timebombs" cannot be definitely determined—only estimated. EPA's estimate is 3,000 nationwide.

ABANDONED SITES

A concerted effort must be made to identify all abandoned landfill sites that do or may contain hazardous wastes, and once they are identified they must be reclaimed, if feasible. If reclamation is not feasible they must be monitored to insure that public and environmental health and safety are not endangered. My bill includes an approach to do just that; it establishes a joint State/Federal procedure for identifying, reclaiming and/or maintaining abandoned sites.

LOCATION OF FUTURE LANDFILL FACILITIES

When RCRA was passed in 1976, no one foresaw the widespread public opposition to new hazardous waste disposal sites which has swept the country. The general public was not then fully aware of the large number of abandoned sites throughout the country, the deleterious effects they were having on people's health and safety, and their dire impact on the environment. Now that public awareness has grown, in part because of the Love Canal emergency, citizens are understandably leery about the dubious honor of having a new site proposed to be located in their backyards.

However, the hazardous waste disposal situation is here to stay; our advanced manufacturing processes must produce wastes as byproducts of those very activities that allow us to enjoy one of the highest standards of living in the world.

Therefore, we must create a program and process for locating new facilities for the treatment, storage and disposal of hazardous waste materials in as rational, effective and equitable a manner as possible. That is precisely what my bill is intended to provide. A permit system will be established under which permits will be issued only after assurances are given about the environmental safety and soundness of any new facility's location. Affected local residents, local governments and States would be included in the process and must be consulted; panels of scientific experts wil be formed to help answer the many questions that arise in such situations.

CLOSING OF EXISTING HAZARDOUS WASTE DISPOSAL SITES

My bill also creates a program for the termination of existing hazardous waste disposal sites in a safe manner. This is most important, for it will provide assurances to communities surrounding such sites that they will not cause problems in the future such as those we are experiencing as a result of past landfill sites being abandoned and improperly sealed.

FEE SYSTEM

The bill would initiate a system of fees to be levied on permitholding operators of hazardous waste treatment, storage or disposal facilities. The fees will be deposited into a fund to be used for the maintenance and reclamation of abandoned sites.

The fees collected will be deposited into a fund which will be used to help defray the costs of monitoring and reclaiming abandoned sites. It is anticipated that the fees will provide 45 percent of these costs. The remainder will be provided for by the Federal Government which will pay 45 percent and the State governments which will pay 10 percent.

EMERGENCY ASSISTANCE AND LIABILITY

The bill I am introducing would also establish a program and a contingency fund for emergency assistance and payment of costs for clean up operations in the event any pollutant or other contaminant associated with any facility for the treatment, storage or disposal of hazardous wastes present an imminent and substantial danger to the public health and welfare. This is a customary provision in this type of legislation, and it is accompanied by an equally customary provision providing for the Government to bring an action against owners or operators of facilities where such emergencies arise to recover the costs of cleanup operations.

CONCLUSION

Mr. Speaker, I repeat that I do not consider either of these bills to be a final product that solves all the problems we now know about in the area of solid waste disposal. Rather, I view them as a beginning of a long and arduous task—one that will lead, hopefully, toward some solutions to some of the problems our highly industrialized and technological society has created. If anything needs cradle to grave attention, it is hazardous wastes, and I hope Congress will act to help achieve that goal.●

HEN'S FEED REDUCES CHOLESTEROL IN EGGS

HON. MATTHEW J. RINALDO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. RINALDO. Mr. Speaker, I would like to bring to my colleagues' attention a new patent, registered by one of my constituents, which could result in a significant reduction in the cholesterol level in the diet of millions of Americans.

The following article, taken from the New York Times, describes this development:

HEN'S FEED REDUCES CHOLESTEROL IN EGGS

(By Joseph F. Sullivan)

A special diet supplement for chickens that could result in lower cholesterol levels in humans has been devised by a New Jersey pharmacologist using combinations of common and esoteric plant material.

"I'm a sulphur and molasses man; I believe in natural things," said Dr. Samuel Klein, who received a patent this month for his poultry feed supplement after three years of research and testing. He believes that the feed, which is said to cut egg cholesterol levels by at least 30 percent, can reduce the risk of heart attacks and problems associated with high blood pressure.

"The same effect can be achieved by giving the chickens chemical injections, but the resulting eggs are specialty items costing between $2 and $3 a dozen, and they can't be purchased everywhere," Dr. Klein said. "By adding a small amount of vegetable material costing a few cents to each 50-pound bag of poultry feed, cholesterol levels can be significantly reduced without changing the taste or the nutritive value of the eggs."

The poultry-feed patent contains the names of dozens of botanical species and hundreds of plants. They must be mixed and pulverized so the mixture contains 6 to 12 percent by weight of iodine, 10 to 20 percent by weight of niacin, 1 to 5 percent of natural hormones and fractional percentages of calcium and magnesium.

To accomplish this in one experimental supplement, the 75-year-old pharmacologist used capsicum pods, powdered licorice, parsley, elder flowers, fenugreek, rose hips, dulse and devil's apron. Working with Dr. Paul Pratter, technical director of the Research Organic-Inorganic Chemical Corporation in Belleville, Dr. Klein conducted tests at a poultry farm.

After three weeks of feeding some hens the supplement and keeping a control group on its regular diet, tests disclosed that the cholesterol in the eggs from the control group averaged 15.8 milligrams per gram of yolk, while the level in the eggs laid by hens eating the special feed averaged 10.51 milligrams.

The results were said to be even better when larger hens (Hy-Line hens No. 1) were fed a ration containing 2 percent of another vegetable mix that included such things as nettle, unicorn root, blueberries and stonewort. The controlled hens' eggs averaged 18.1 milligrams of cholesterol per gram of yolk while those on the special feed laid eggs with 10.72 milligrams.●

FREE LUNCH

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. COLLINS of Texas. Mr. Speaker, let me share with you an excellent report by Eddie Chiles. It was published in the Fort Worth Star Telegram business report. I received a reprint from Joe Dealey of the Dallas News and when Joe says to read something in the Star Telegram, then it must be good.

Down home the Texas Bureau for Economic Understanding is getting the basic facts through to the folks. An outstanding voice is that of Eddie Chiles who is chairman and chief executive officer of the Western Co. Eddie is a great, plain spoken businessman who tells the story about the Government just as it is.

Read Chiles' comments on the free lunch:

"FREE LUNCH" A PERILOUS ROAD FOR UNITED STATES

(By H. E. Chiles)

The general economic climate of the United States today revolves around a constant battle between free enterprise and the "free lunch." Few Americans recognize that this battle is in progress, and fewer still realize what its outcome means to the future of America and the world.

The American people believe in free enterprise, but, to put it bluntly, free enterprise is losing the battle. If this continues, the future is bleak for all of us.

The blame for the weakening of the free enterprise system must rest squarely on our federal government and the "free lunch" it promises to individuals and special interest groups.

In its basic economic concept, the "free lunch" means that an individual or group can be provided goods or services at no cost to the individual receiving the benefit, or to anyone else. This "free lunch" myth has been responsible for much of the "consumer" and environmental legislation of recent years. Consumer advocates led us to believe that automobiles could be made safer at little or no cost to the consumer. We know now how wrong this idea is.

The "free lunch" myth is also responsible for much of the impetus behind the environmental movement. We are told that industry can clean up our air and water—which is true—but we are not told what the costs will be. We have a stated national goal of ending the discharge of pollutants into the nation's waterways by 1985. This amounts to a zero level of water pollution. The cost of attaining such a standard, even if technically possible, would be astronomical.

The "free lunch" advocates would also have us believe that profits of the oil industry can be taxed away without affecting the domestic supply of petroleum products. The public is led to believe that oil prices can be "rolled back" or profits reduced without affecting producer incentives and long-run oil and gas production.

There is no "free lunch."

Nobody, whether it be a single individual or the strongest government on the face of the earth, can create something from nothing. We must pay the price for whatever we get.

The price we are paying in this country today consists of higher and higher taxes on all levels. Indeed, in many ways our republic has come to resemble a monarchy, as government leaders adopt a "King George III mentality." They seem to believe that everything belongs to the government, that what we earn is not our own, that they know better how our money should be spent than we.

The federal government has led us to believe that it can solve any and all problems with enough money.

Where will these free-spending and confiscatory taxing policies lead the United States of America?

Unless they are changed, I sincerely believe they will result in the death of the work ethic and the free enterprise system. When enough people begin relying on the "free lunch," the end for our nation—as we know it—is near.

We already are experiencing crushing inflation with soaring prices for all goods and services. This is caused solely by the government's monetary policies of printing more money, and the most frequent reason for printing more money is the existence of an unbalanced budget.

Price controls cannot stop or slow down inflation. They are always harmful because they squeeze or wipe out profit margins, disrupt production and lead to bottlenecks or shortages.

The federal budget must be balanced at the earliest possible moment. Balance must be brought about by slashing reckless spending and not by increasing a tax burden that is already undermining incentives and production.

Government economic policies have resulted in denying to business and industry the new capital needed to expand, to create new wealth and new jobs.

Make no mistake in believing that printing more money creates wealth. It only makes each piece in circulation worth less. Cheap money and inflation go hand in hand.

It is only the private sector of our nation—the businesses and industries made possible by the free enterprise system—that can utilize capital to create new wealth and new jobs. The government cannot do this.

As long as our federal government is permitted to tax us at the limit of our ability to pay and still operate with an unbalanced budget, funds for business and industrial expansion will be available only for giant companies, with small business squeezed even more and more.

It is the duty of every American businessman to understand this situation and to work to correct it. Because it is our elected representatives who formulate federal policy, we can change it by sending the right people to Washington and telling those already there where we stand.●

AGRICULTURE AIRCRAFT USERS TAX

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. PICKLE. Mr. Speaker, I am today introducing a bill to amend the Internal Revenue Code of 1954 to exempt certain agricultural aircraft from the aircraft use tax, to provide for the refund of the gasoline tax to the agricultural aircraft operator, and for other purposes. This bill passed both the House and the Senate last session but unfortunately in the Senate they added the controversial counter cyclical aid bill and as a result it got lost in the closing session.

This bill merely gives to the aerial aircraft operators the refund on aviation fuels used for agricultural spraying and crop dusting that are today available to the farmer.

Today more and more of our farm operations are being handled by air. Planting as well as spraying is done by air. This saves fuel, is more efficient and faster and uses less manpower. This bill would help the aerial operator by giving him, the person who buys the gasoline, the gasoline exemption already available to the farmer. The revenue cost is modest, the bookkeeping is simple, I urge the passage of this bill.●

SUPPORT SUNSET LEGISLATION

HON. BERKLEY BEDELL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. BEDELL. Mr. Speaker, I am pleased to join my colleagues as a cosponsor of a bill that will establish an effective procedure for reviewing all Federal spending programs on a regular and rational basis. "Sunset" review of Federal spending is essential to any effort to deal successfully with the problem of excessive and wasteful government. I therefore urge my colleagues to give their full support to this proposed legislation.

Perhaps the most important problem facing the Congress is that of decreasing control and flexibility in our budgetary decisionmaking. This diminishing control results from our current budgetary and spending procedures, which bind us to decisions made by previous Congresses and make it extremely difficult to contain runaway Federal spending and reduce inefficiency.

Clearly, the American people are concerned over this problem. A CBS/New York Times poll in June of last year indicated that 78 percent of the public believe that "a lot" of their tax money is wasted by Government. Three months later, another CBS poll found that by a margin of 70 percent to 21 percent, people consider cutting spending more important than cutting taxes. To respond to this widespread dissatisfaction, we will have to do more than make political promises to cut spending that our budgetary mechanism prevents us from keeping.

A few statistics help illustrate the magnitude of the difficulty we face in controlling the Federal budget. In addition to 11 departments and 44 independent agencies, there are over 1,200 advisory boards, committees, commissions, and councils. Over 1,000 different Federal spending programs are administered by 56 agencies. This situation is exacerbated by the fact that nearly three-fourths of our budget appropriations are uncontrollable. In other words, some 75 percent of annual Federal spending goes for permanently enacted programs and to meet obligations made by Congress in previous years. Such uncontrollable spending has been growing twice as fast as controllable spending.

When our decisionmaking becomes restricted in this manner, priorities are in effect set for us, rather than by us. Spending practices determined in the past become locked in, and are difficult to reverse or modify.

Federal spending programs that overlap, that do not work, or that waste money can, and do, go on and on. Of more than 1,200 programs identified by the General Accounting Office, over 800, or two-thirds, are permanently authorized. They never come up for review or reconsideration. Accoding to the Congressional Budget Office, 78 percent of the laws funded in the 1979 budget are permanent authorizations, while only 17 percent are expiring authorizations.

These permanent programs continue year after year with little or no regular reconsideration by Congress. The programs that do expire and require reauthorization, on the other hand, usually expire at different times. Hence, programs that are reconsidered are rarely reviewed in relation to other programs that are similar in nature and objective. In sum, our budget process is essentially out of control. A large part of our spending is predetermined, and the remainder is allocated without a comprehensive look at where it is going.

Tax decisions are also largely uncontrollable. Of some 85 tax policy items, 75 require no periodic review by Congress. Decisions concerning taxation should receive as much attention as those involving expenditure of revenues. Too much money is at stake to exclude them from a rational review process.

Such a process is the goal of the bill I am cosponsoring today. There are three major aspects to the idea embodied in this legislation: First, a review of all Federal spending programs at regular intervals, such as every 6 years; second, consideration of programs in the same functional categories at the same time, and in comparison with one another; and third, a fixed termination date, which would force congressional action and insure that each program receives some form of review.

It should be noted that the termination date is intended to act only as a device to insure a conscious desire to continue programs. It provides for a ban on outlays for any program that does not receive specific reauthorization. However, only the funding is stopped; the law creating the program remains valid, thus keeping legislative authority for future funding alive.

When all is said and done, the sunset mechanism is really not different from the current reauthorization process, except in two respects: First, it places similar programs in the same budget category so that they may be considered together; and second, it requires conscious approval of the Congress in order to keep revenues flowing to programs that heretofore have been viewed as permanent and thus automatically deserving of continued funding. We need to make the budget reflect our priorities as a Nation, but we have difficult choices ahead of us. If we are to make them successfully, we need the advantages that are afforded by the sunset bill that has been introduced. I strongly urge you to give it your support.●

SOMOZA: HE MAY BE LAST U.S. MARINE

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. McDONALD. Mr. Speaker, it has been difficult to find a balanced view of the situation in Nicaragua these days with many in the U.S. press writing with the seeming hope of a Sandanista victory, with no thought of the consequences of such a victory. Therefore, I was pleased when, recently, an article by Mr. Jack Cox on Nicaragua, that appeared in the Houston Chronicle of December 17, 1978 was called to my attention. In this article Mr. Cox, a veteran observer of Central American affairs, points out the reasons for the actions of Costa Rica and Panama as well as the influence of Communist Cuba and even the Soviet Union, indirectly, on this situation. I commend this article to the attention of my colleagues who are seriously interested in learning all the ramifications of a Sandanista victory in Nicaragua.

SOMOZA: HE MAY BE LAST U.S. MARINE

(By Jack Cox)

The recent war in Nicaragua is not a matter of civil strife. It's an international war.

What is happening in Nicaragua today is of more importance to the United States than the events in Iran, South Africa or any other part of the world. The outcome likely will be decided in the next 60 days, and the future of Nicaragua and of Central America will be decided by the United States.

If it is, as President Carter and the State Department maintain, a civil matter to be decided by the people of Nicaragua, then this administration is blind to the involvement of men, weapons and supplies to the guerrillas in Nicaragua. By the same token, they are deaf to Sandanista guerrillas' pronouncements being made in Nicaragua, Costa Rica, Panama and Cuba.

The Sandanistas derive their name from General Sandino, who fought the U.S. Marines in the early part of this century when they were stationed in Nicaragua.

In the middle 1920's civil strife plagued Nicaragua much like it does today. There was bloodshed and extensive property damage. In essence, the Conservatives and the Liberal parties were engaged in a civil war. Then Nicaragua's military leaders met in seclusion to decide the nation's future direction.

The military decided that there was a single solution: They should call upon the U.S. to send troops to Nicaragua.

General Sandino arrived late at the meeting, and by that time the other military leaders had reached a decision. General Sandino was furious and stormed out, saying he would fight the U.S. Marines.

So, the Sandinistas took their name in memory of a man who vowed to fight and did. Following the Marines' occupation of Nicaragua, elections were held that brought President Anatasio Somoza's regime to power.

Arnold Ramirez-Eva, a well-known and successful Nicaraguan businessman who for years was associated with the Somoza family and formerly was minister of economic affairs, industry and trade under General Somoza, says Somoza "is the last United States Marine."

Ramirez-Eva now opposes Somoza and heads a group called El Frente Amplio Opositor (FAO), whose purpose is to remove Somoza from office. The FAO is not connected with the Sandinistas, but they do have a common objective: remove Somoza.

In methods and ideals, however, the two groups are poles apart.

The FAO is comprised of business leaders and members of the professional community. This organization has laid out a sophisticated plan for mediation with representatives from the governments of the Dominican Republic, the United States and Guatemala. Mediation is in progress, but the goals sought by the FAO and the Somoza government do not coincide.

On the other hand, the Sandinistas believe in terrorism, armed action and death to those who oppose them.

Visits with the FAO and with members of the Sandinistas make one point clear. The two groups act on different motives. The business group opposing Somoza feels it can control the Sandinistas. The communist-led Sandinistas say no one will control them. But at this point they feel the business group is useful to their movement.

Luis Tous, now a resident of San Jose, Costa Rica, and a former millionaire businessman in Cuba, said recent developments seem to repeat history. He recalled a meeting between the leaders of Havana and President Fulgencio Batista.

At that meeting Batista warned the participants of the consequences should Castro overthrow his government. Batista told them that they might think his administration was bad, but just wait until they got Castro.

Tous said that when he left that meeting he simply shrugged it off as being politics, and he was not a politician. Tous said the businessmen of Nicaragua should take a long look at the disaster in Cuba.

Why the statement that the current events in Nicaragua represent an international war?

Cuba is believed to be supplying arms, ammunition and guerrilla training for the Sandinistas. Castro hates Somoza and, even though he is supplying revolutionaries for other parts of the world, Nicaragua is a special target.

After all, Somoza granted permission to the United States to train the Bay of Pigs invaders on the soil of Nicaragua. This military gesture on behalf of the United States represented the zenith of treachery, and Castro wants Somoza out.

The U.S. State Department has evidence indicating that Cuban military support for the Sandinistas is channeled through Panama. From Panama the military support is run through Costa Rica to the Sandinistas.

The Sandinistas are receiving Russian-made arms and equipment. Therefore, the Soviet Union, in indirect fashion, is involved in the war that now goes on in Nicaragua.

Why does General Omar Torrijos of Panama support the Sandinistas in Nicaragua? All of the answer is not available, but for years Torrijos has resented Somoza.

At various Central American functions Somoza was a central figure. Somoza's role resulted because other Central American countries recognized he was backed by the United States. Also, Somoza is more skilled in political intrigue than other Latin American heads of state.

Some observers see the Nicaraguan crisis as a battle for power in Central America, Torrijos of Panama vs. Somoza of Nicaragua.

One thing is certain, Omar Torrijos runs Panama. Omar Torrijos is Panama.

Recently Panama's armed forces commander, Col. Rodrigo Garcia Ramirez, was forced into early retirement. Actually, there was a shake-up in the top echelon of the National Guard. The reasons for this shake-up are revealing. To Americans, the "sacking" of a military leader should come as no surprise, but Col. Ramirez was actually put in jail before he was retired.

Ramirez' fatal military mistake was in his public disapproval of Torrijos' selection of Aristides Royo S. to be president of Panama. He also expressed displeasure with the Torrijos' policy concerning Nicaragua. Col. Ramirez felt that Panama should give no support whatsoever to the Sandinistas.

Two and one-half years ago, Torrijos headed a Panaminian delegation to Cuba. Castro endeavored to put forth the bright and shining face of a communist Cuba.

At his departure, General Torrijos told Castro that his communist form of government was not for Panama.

But Torrijos appears to have changed his position. Recently he handpicked a man regarded by many as a Marxist to be Panama's president. If not a Marixst, the new president, Artitides Royo S., leans far to the left. He is a former minister of education in Panama.

Another international involvement in the Nicaraguan crisis relates to Venezuela. This country, loaded with petro dollars, reportedly is supplying aid to the Sandinistas in Nicaragua. This is the only South American country thus far that is reported to be directly involved in the efforts to oust Somoza.

It is difficult to ascertain why Venezuela would like to see the comunist-led Sandinistas in control of Nicaragua. But Venuzuelan President Carols Andres Perez and President Somoza have carried on a long-standing personal feud and at any rate, the addition of Venezuela to the list of countries known to be aiding the Sandinistas makes Somoza's survival more difficult.

Costa Rica, a tiny republic just south of Nicaragua, is caught in a difficult position. Considerable enmity exists between Nicaragua and Costa Rica and has done so for years. Taking advantage of the situation, the Sandinistas have used the northern frontier of Costa Rica as a sanctuary and training area.

At a propitious moment, the guerrillas have begun launching regular attacks into Nicaragua from their Costa Rican haven. When pursued by the army of Nicaragua, these guerrillas retreated across the border.

On two occasions Somoza's air force retaliated and strafed the guerrilla camps. This action brought serious complaints from Costa Rica and Panama, and Venezuela sent aerial units to Costa Rica. The United Nations is debating whether to sanction Nicaragua for violating Costa Rican air space.

Recently, two members of the Costa Rican Civil Guard were killed by a Nicaraguan army unit. Costa Rica maintained they were killed on Costa Rican soil and then broke off diplomatic relations with Nicaragua. The Organization of American States investigated the incident. It has not released its findings, but the probe reportedly established that the Costa Ricans were on Nicaraguan territory when they were slain.

Generally speaking, the people of Costa Rica, Latin America's most democratic country, oppose Somoza. But there are many who foresee great danger for Costa Rica should there be a communist takeover in Nicaragua.

There is serious speculation as to why Commander Eden "Zero" Pastora, the principal Sandinista leader, has until recently been the guest of former Costa Rican President "Don Pepe" Figueres at his farm, La Lucha.

It was Pastora who commanded the Sandinistas last August when they stormed the national palace in Managua and took some 1,500 people hostage. The Nicaraguan government paid the Sandinistas $500,000 and released 59 political prisoners. Most of the political prisoners were flown to Cuba after stops in either Panama or Venezuela.

Tomas Borge Martinez, one of the founders of the Sandinista National Liberation Front (FSLN) and considered to be the group's most militant leader, appeared on television in Havana and stated that the Sandinistas would establish a Nicaraguan government modeled after Cuba's. The released political prisoners and the Sandinista leaders were given a heroes' welcome at the Havana airport.

So, why is Pastora a guest at the home of Figueres in Costa Rica? It was then-President Figueres who granted permission to Russia to establish an embassy in Costa Rica. This was done despite the fact that a vast majority of the people opposed the action. The embassy now serves as a focal point for Russian activity in Central America. The Russian embassy is sufficiently staffed to handle the affairs of any major nation. And yet, Costa Rica has a population of about two million people and is approximately the size of West Virginia.

Why are the guerrillas permitted to train in Costa Rica and use its northern frontier as a sanctuary. One reason is that Costa Rica is the only country in Latin America that does not maintain a standing army.

It does have a civil guard, but it is undermanned and, according to government leaders, is not capable of patrolling the 450 kilometers along its border with Nicaragua. Also, there are many people in that area of Costa Rica who sympathize with the Sandinistas.

Costa Rica is considered the garden spot of Central America. Its government is stable and the people peaceful. Some 10,000 Americans live there, and this fact alone is an expression of confidence. In the current international conflict involving Nicaragua, President Carazo failed to comprehend the seriousness of Costa Rican involvement and the consequences should the Sandinistas succeed.

The situation in Nicaragua is critical. In all probability, it will be resolved, one way or another in the next 60 days. The United States holds the key to whatever solution may be forthcoming. Thus far, the Carter administration has been inclined to oppose Somoza, even though a neutral stance has been projected. But all military aid to Nicaragua has been cut off. This has not pleased several countries in Central America.

Government and business leaders in Guatemala, Honduras and El Salvador also worry about developments in Nicaragua. The prevailing attitude is fear. In each of these countries there are leftists and a certain amount of guerrilla activity. The governments in each of these countries support Somoza. Their fear is that should the Sandinistas succeed in Nicaragua, it would only be a matter of time until each of these Central American nations would fall.

In Cuba, Castro first flew false colors. Prior to his victory he emphatically denied that he or his associates were communist. Castro maintained that his revolution was as "Cuban as the palm trees."

Now, many concerned residents of Central America remember that it was after Castro had been in power almost two years that he felt confident enough to announce to the world that, "I am Marxist-Leninist, and I will be to the last day of my life."

Had Castro made his position known prior to his victory in Cuba, the United States may have exerted pressure to see that a Soviet satellite was not established in the Western Hemisphere.

Nicaragua's current conflict bears certain similarities. Only this time the Sandinistas have announced in advance that they are Marxists.

Tomas Borge Martinez, leader of the Sandinistas, has said that "all of Central America is at stake." He further stated that "a revolutionary transformation in all Central America will occur in a very short historical period. And the revolutionary transformation of Central America will change the political geography of the continent and would upset the correlation of forces in Latin America."

The plan, the ideology and the objectives are clearly stated. It's not just Nicaragua that serves as a target. It's Central America and ultimately all of Latin America.

Somoza has announced that he plans to serve as president until his constitutionally determined term expires in 1981. Those who seek his ouster say they will not wait until 1981. Both the business leaders who oppose Somoza and the Sandinistas want him out now.

The relatively moderate FAO seeks to make the change in a peaceful fashion. This, they feel, can be done under certain conditions by a national plebiscite. The Sandinistas seek to gain control through an armed uprising.

In essence, there are three competing factions: the FAO, the Sandinistas and Somoza's ruling Liberal Party. And there can be no easy solution.

Added to the constant threat of open warfare, the economy of the country has suffered greatly. The battles of September that left five major Nicaraguan cities in ruins have caused widespread unemployment.

Construction firms have either gone broke or have ceased to operate. Factories have closed their doors, and business is moving at a snail's pace.

The economy, long considered one of the healthiest is Latin America, has shown an average growth rate of approximately 5.5 percent annually during the past 20 years, but will show no growth this year. The government hopes to bolster the ailing economy with the current coffee crop. But the Sandinistas have said they will burn the coffee mills and the coffee ready for export.

Economic problems may present a greater threat to Somoza than an armed confrontation with the Sandinistas. Economic leverage may be the most effective weapon possessed by the Sandinistas. When people are jobless and their children hungry, drastic action can be expected.

The view of the capital city of Managua from the top floor of the Hotel Intercontinental results in an eerie feeling. An automobile tour of the city that was largely destroyed by an earthquake in December 1972 drives home the reality of emergency.

When the scars of battle loom forth from formerly peaceful cities, the seriousness of the war in Nicaragua is revealed. Only then is the necessity of peace fully realized.

The enormity of the problem transcends the borders of Nicaragua, Honduras, Costa Rica, El Salvador, Guatemala and Panama. The entire hemisphere is involved, whether or not this realization has fully dawned upon the administration in Washington.

So far as the United States is concerned, some very important facts should be reviewed and restated:

Anastasio Somoza is a graduate of the U.S. Military Academy at West Point.

He is strongly anti-communist.

He is pro-United States and long has been a spokesman for U.S. policy in Latin America.

These factors have contributed greatly to the difficult position in which Somoza finds himself. What a former official of Nicaragua said may well be true: "Somoza is the last U.S. Marine, and the Sandinistas want him dead."

Again, this is not a matter of civil strife in Nicaragua. It's an international war. The United States can find a workable solution or can stand by and watch the part of the noncommunist world disappear. Indeed, as Sandinista leader Tomas Borge Martinez stated, the entire continent could be at stake.●

WHERE IS THE REAL JERRY BROWN

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. MICHEL. Mr. Speaker, for many years now the pundits and opinion-makers have been warning us about rightwing plots and ultraconservative conspiracies. I believe I have conclusive evidence of a rightwing plot so astounding, so brazen, and so incredible that it all but defies description.

Recently major newspapers all over the Nation carried excerpts of an inaugural speech made by Governor Jerry Brown of Calif. That speech spoke of the need for deep cuts in Government spending. It spoke of the evil of inflation. It scolded "political leaders who righteously spoke against inflation and excessive Government spending but who in practice pursued the opposite course."

Now I ask you, Mr. Speaker: Does anyone really believe that Jerry Brown said those words? Jerry Brown, the hip guru of the liberals, the California darling of the Democrat Party? No, it is clear that the real Jerry Brown has been captured and replaced by a double, much in the manner of the old movie "The Prisoner of Zenda."

At this moment there is a rightwing imposter, cleverly made up to look like Brown and coached to talk like him, saying all sorts of sensible things to the people of California.

I call upon the Democrats in the California delegation to put together a band of hearty liberal adventurers to rescue the real Jerry Brown so Californians may once more enjoy his combination of Zen politics, Beverly Hills mysticism, and bigger budgets.

While I am at it, I might add that the conservative rhetoric used by some of the big-spending liberals in this House during the last election, strongly suggests there are 50 or so rightwing imposter clones among us. Those rightwingers are devilishly clever.●

THE CHALLENGE OF ALASKA

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. VENTO. Mr. Speaker, the 95th Congress marked the passage of many important pieces of environmental legislation. The passage of legislation such as the Boundary Waters Canoe Area Wilderness Act, the National Parks and Recreation Act of 1978, the Endangered American Wilderness Act, and the Redwoods National Park Extension reaffirmed our Nation's commitment to the protection of our few remaining acres of wilderness for the enjoyment and use of present and future generations of Americans. Unfortunately, the substantial environmental achievements of the 95th Congress are clouded by the failure to complete action on legislation designed to protect the vast wilds of Alaska.

The failure to act was not the result of a lack of careful study on this issue. As a member of the House Interior Subcommittee on General Oversight and Alaska Lands, I can attest to the thorough deliberation that was expended in consideration of H.R. 39. The bill that eventually came before the full House was the result of hundreds of hours of debate and study and the testimony of over 2,000 witnesses. It was a bill that balanced our concern for protecting the unique characteristics of Alaska with the future development of that State's considerable natural resources. The balanced approach of H.R. 39 was confirmed by the overwhelming vote of support that the bill reached during full House consideration and passage.

Unfortunately, the Senate was unable to act on this most important piece of conservation legislation and at the close of the 95th Congress, a final solution to the Alaska lands issue had not been reached.

This lack of action benefited no one: The transfer of lands to native corporations and to the State has been delayed; the development of the vast Alaskan storehouse of natural resources has been sidetracked; and the beauties of the Alaskan wilderness have been threatened. Only the bold, farsighted actions of President Carter and Secretaries Andrus and Bergland have prevented an irreversible degradation of the land from occurring. I congratulate and thank the President and his administration for their brave actions.

We must not, however, consider the recent Executive actions as a final solution to the Alaskan lands issues. Many issues on Alaska, affecting all Americans, still exist and can only be resolved by congressional action. We must build upon the solid foundation laid by the President and must resolve the uncertainties that surround the future use of Alaskan lands. Today's introduction of H.R. 39 is an important first step in the resolution of these issues. Based on the bill that passed the House last May by a vote of 277 to 31, the new H.R. 39 complements the recent Executive actions. It is a balanced approach, establishing Federal policies that will provide for the economic development of the State, the wise development of the natural resources, and the protection of the most significant areas of Alaska. H.R. 39 is worthy of the support of all Members and I am pleased that so many of my colleagues have joined with me in cosponsoring this bill. I urge those colleagues who have not yet voiced their support for H.R. 39 to do so as soon as possible.

Mr. Speaker, the challenge of enacting legislation dealing with Alaska stands before the 96th Congress. We cannot allow this issue to remain unresolved and must pass sound, comprehensive and balanced legislation. We can meet this challenge by passing the bill that satisfies those demands, H.R. 39.

At this time, Mr. Speaker, I would like to call my colleagues' attention to several recent articles dealing with the challenge facing the 96th Congress: Two editorials from the St. Paul Pioneer Press and the Minneapolis Tribune praising the President's actions and urging further congressional action and a recent poll showing the overwhelming support of Minnesotans for further congressional action.

[From the St. Paul Pioneer Press, Dec. 5, 1978]

CARTER SAVES ALASKA LANDS

In a move that missed the headlines and TV coverage it deserved, President Carter last Friday more than doubled the size of this nation's national parks system. It was by all odds the greatest single act of conservation in the country's history.

What the President did was set aside 56 million acres of Alaska in new national monuments, under authority of the Antiquities Act of 1906, passed when Theodore Roosevelt, long considered the foremost conservationist ever to sit in the White House, was President. Until Friday, the National Park system had contained about 33 million acres, the oldest and largest single park, Yellowstone, contains 2,200,000.

It was no overstatement, then, when the head of the Alaska Coalition, a private conservation group which has been fighting for the preservation of the Alaskan wilderness, said, "President Carter has now replaced Teddy Roosevelt as the greatest conservation President of all time."

Alaska's politicians are upset, of course. Its three-man congressional delegation is furious, and even Gov. Jay Hammond, considered something of a moderate—as Alaskans in general go—on conservation issues, is upset. Hammond is especially concerned because the President's order bans sport hunting on 40 million acres. Sport hunting furnishes a livelihood for numbers of Alaskans who act as guides and pilots for well-heeled hunters from the "Lower 48." Hammond has promised to fight the presidential order in the courts, but over the years courts have uniformly sustained the President's powers under the Antiquities Act.

The next move is up to Congress, which is left with narrowed alternatives. It can now go ahead and encompass the original 100 million acreas in a comprehensive lands bill, designating some of the new "monuments" as national parks, others as wildlife reserves, and so on, as the original bill provided. It can balk and refuse to go beyond the President's order of last week. What it apparently cannot do, however, is cancel what the President already has done.

Congress' failure to act this year was a bitter blow to conservationists and environmentalists all over the country, for Alaska truly is the last frontier and offers the nation a magnificient opportunity to avoid a calamitous repitition of the "rape and ruin" exploitation that has characterized so much of our history. In this critical time, President Carter, acting on his often-repeated pledge to save the Alaskan lands, reached back to a law passed more than three-quarters of a century ago. "Sweet are the uses of adversity."

There was "poetic justice" in Mr. Carter's turning to the 1906 law. It had been passed to save Indian art in the Southwest from vandals and exploiters, but the powers it gave the President were later used when Congress failed to act on preserving priceless natural wonders. The Grand Canyon, for example, was first set aside under the Antiquities Act. In the last session of Congress, Alaska's senators had succeeded in blocking passage of the Alaska Lands bill, which would have set aside nearly 100 million acres in parks, wildlife preserves and national monuments. An emergency authority invoked by the Secretary of the Interior protected these lands from developers and the State of Alaska until the President acted under the Antiquities law.

That emergency protection will continue, at least until the next congressional session, for the remaining nearly 44 million acres.

President Carter and Secretary of the Interior Cecil Andrus are making the right moves to protect Alaska from unacceptable environmental risks. By executive authority under a 1906 law Carter has designated national monuments covering 58 million acres of Alaskan federal lands. At the same time, he is directing Andrus to hold hearings on permanent protection for 39 million acres as wildlife refuges. And Andrus has agreed with Secretary of Agriculture Bob Bergland on special safeguards for 11 million acres in two national forests for the next two years.

These are strong and welcome measures. They more than double the size of America's national park system. They erect a barrier against premature development of public lands for mining, logging and drilling for oil. They insulate large areas from immediate acquisition by the state. They express a policy of long-range trusteeship over economic resources and scenic treasures that belong to everyone. Carter deserves the praise he is getting as "one of the greatest conservation-minded presidents."

But much as we commend them, executive actions are not enough. The administration's moves are necessary now because Congress failed last session to enact legislative policy for federal lands in Alaska. That failure—largely brought about by the delaying tactics of Alaska's Senators Stevens and Gravel—threw the status of the millions of acres into question. Carter is rightly trying to clarify the question by protection policies of his own. But some of his orders can be challenged in court, and others must be temporary under existing law. Only Congress can satisfactorily lay the matter to rest.

The federal lands in Alaska deserve national attention and national legislation. The House and Senate should act strongly this winter to confirm the trusteeship that the president has expressed.

[From Minneapolis Tribune, Dec. 24, 1978]

MOST SAY U.S. IS DOING GOOD JOB OF PRESERVING WILD AREAS

A majority of Minnesotans think the United States is doing a good job in preserving wilderness areas.

In a statewide opinion survey, the Minneapolis Tribune's Minnesota Poll found 62 percent of those interviewed believe the United States is doing a good job in preserving wilderness areas, while 36 percent consider the government's efforts not so good.

Indicative of Minnesotans' support of government preservation of wilderness was their strong feeling in mid-November that Congress should approve a bill to set aside 100 million acres in Alaska for parks, wildlife refuges, wilderness zones and national forests.

President Carter dramatically changed the dynamics of the Alaskan wilderness controversy on Dec. 1 when he:

Created 17 new national monuments in Alaska by proclamation, totaling 56 million acres. (A national monument generally is operated under the same restrictions on use as national parks, which includes a ban on motorized boats and snowmobiles. A national monument can be created by the president under the Antiquities Act of 1906.)

Withdrew 11 million acres in southeast Alaska from possible mining.

Proposed that 39 million acres be designated as wildlife refuge areas.

The administration acted because Dec. 17 was the deadline for the federal government to turn over land stipulated in the statehood grant. Alaska has filed a suit against the administration actions.

The House passed legislation last May to put 100 million acres of federal land in Alaska into national parks, refuges and wilderness. But the bill failed to pass the Senate, partly because of opposition by Sen. Mike Gravel, D-Alaska. Although much of the land is protected by Carter's orders, the administration hopes next year's Congress may act on some items in the legislation.

A balanced sampling of 621 Minnesotans were asked about that bill in this way:

"Next year Congress will consider a bill concerning wilderness areas in Alaska. The bill would put about 100 million acres—more than a fourth of the state's area—into protected areas, like parks, wildlife refuges, wilderness zones and national forests. Would you like Congress to approve or disapprove of this proposal?"

Minnesotans from different walks of life reacted favorably to the setting aside vast acreages:

Want Congress to approve?

[Percent]

	Yes	No	Don't know
All adults	69	26	5
Men	70	25	5
Women	67	26	7
18–24 years	86	13	1
65-years and over	56	35	9
Attended college	74	18	8
H.S. grads	69	27	4
Less education	57	37	6
Liberals	72	19	9
Moderates	71	23	6
Conservatives	65	32	3
Region of state:			
South	63	32	5
Twin Cities area	74	19	7
North	62	35	3

The next question was:

"In general, do you think the United States is doing a good job or not so good in preserving wilderness areas?"

The replies:

	Percent
U.S. doing a generally good job	62
Not so good	36
Don't know	2
	100

Among Minnesotans who are critical of the government's performance in wilderness preservation, the desire to have Congress pass legislation setting aside 100 million acres of Alaska for wilderness areas is slightly stronger than it is among those who approve.

This Minnesota Poll involved interviews with 621 men and women 18 and over from Nov. 17 to 19 throughout Minnesota. As a scientifically based opinion survey, it provides an approximation of the response that could be expected if all adult Minnesotans had been interviewed.

The editors of the Tribune developed the questionnaire used in the survey. Research Information Center, Inc., of Phoenix, Ariz., obtained the interviews and tabulated the answers.

Results of such surveys are subject to sampling error. For a random sampling of this size and type, it is possible to say that the sampling error almost never will exceed four percentage points either way. This sample was taken only from households with telephones.

For a subsample of the population—for example, the 148 residents of northern Minnesota—the error could be larger.●

CRUDE OIL MARKETING COMPETITION ACT OF 1979

HON. CHARLES ROSE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. ROSE. Mr. Speaker, on Monday, January 15, I introduced H.R. 59, the Crude Oil Marketing Competition Act of 1979. This legislation addresses an anticompetitive situation in the crude oil market which has been created—amazingly—by certain provisions of the Department of Energy crude oil allocation regulation and the rulings and interpretations thereof. Interestingly, the Bureau of Competition of the Federal Trade Commission and the Antitrust Division of the Department of Justice have filed formal comments with the Department of Energy urging the reversal of the anticompetitive aspects of the crude oil supplier/purchaser relationships regulation (10 CFR 211.63). If the Department of Energy would heed these sound recommendations and respond appropriately, this legislation and the allocation of congressional resources which will be required to consider this legislation would not be necessary.

On January 14, 1974, the Federal Energy Office, acting in response to the crude oil shortages created by the Arab embargo which began in October 1973 and acting pursuant to the allocation authority granted in the Emergency Petroleum Allocation Act of 1973 (EPAA), "froze" all crude oil supplier/purchaser relationships as they existed on December 1, 1973. Today, more than 5 years after the Arab oil embargo and in a time of adequate crude oil supply, a "freeze" on domestic crude oil supplier/purchaser relationships remains the rule rather than the exception. On October 5, 1977, the Department of Energy adopted an amendment to the regulation (10 C.F.R. 211.63(d)(iv)) which seemed to allow significant competition in the domestic crude oil market. However, the Department issued ruling 1977–78 on December 30, 1977, which effectively reversed the liberalizing amendment of October 5, 1977. Under the present Department of Energy crude oil supplier/purchaser relationship regulations, new market entrants are effectively barred from the domestic crude oil market and competition between purchases of domestic crude oil is virtually nonexistent.

Both the House Interstate and Foreign Commerce Committee and the Senate Energy and Natural Resources Committee addressed this problem in the 95th Congress by reporting provisions similar to this legislation in their respective versions of the fiscal year 1979 Department of Energy Authorization Act. Unfortunately, Congress failed to enact the fiscal year 1979 Department of Energy Authorization Act during the 95th Congress.

The House Interstate and Foreign Commerce Committee version of the fiscal year 1979 DOE Authorization Act (H.R. 11382) provided the following, in section 106:

LIMITATION OF USE OF FUNDS IN ADMINISTERING CERTAIN REGULATIONS

Sec. 106. (a) No funds authorized to be appropriated pursuant to this Act may be expended to enforce any regulation of the Department of Energy regarding the supplier-purchaser relationship between crude oil producers and purchasers of crude oil (10 C.F.R. 211.63) which has not been reviewed by the Department within 60 days after the date of the enactment of this Act and modified, as the Secretary of Energy determines necessary, by a proposed rule, to remove aspects of such regulation which eliminate competition, unless such aspect of such regulation is necessary to protect the supply of crude oil to small refiners or is essential to implementation of crude oil pricing regulations, as determined by the Secretary of Energy.

The House committee report accompanying H.R. 11392—House Report 95-1166, part 2—stated the following, at page 138:

Section 106—Limitation on Use of Funds in Administering Certain Regulations

Section 106 limits the use of funds in administering certain DOE regulations. Subsection (a) prohibits the use of funds appropriated in this legislation to enforce regulations concerning supplier-purchaser relationships between crude oil producers and purchasers, unless such regulations have been reviewed in 60 days by the Department, and modified, as the Secretary deems necessary, to remove anti-competitive aspects which are not necessary to protect crude oil pricing regulations, as determined by the Secretary. The committee also recognizes that other considerations, such as the protection of supply for small refiners and the administration of price regulations may require the operation of certain regulations. Therefore, the committee has prohibited the use of funds to enforce these regulations unless such a review and modification, if necessary, is made. This action is also consistent with DOE plans to place the review of such regulations on the agenda of the Regulatory Reform Task Force.

The Senate Energy and Natural Resources Committee version of the fiscal year 1979 DOE Authorization Act (S. 2692) provided the following:

COMPETITION IN CRUDE OIL SALES

Sec. 602. The President may not continue in effect any provisions of the regulation under section 4(a) of the Emergency Petroleum Allocation Act of 1973, or any ruling or interpretation thereof, regarding the relationship between suppliers and purchasers of crude oil unless he has, by rule, within sixty days after enactment of this section, reviewed and modified the regulation or ruling or interpretation thereof, as the President determines necessary, to remove those provisions of the regulations or ruling or interpretation thereof, regarding the relationship between suppliers and purchasers of crude oil, which restrict competition, unless and to the extent he finds such provisions are necessary to provide an adequate supply of crude oil to small refiners.

The Senate committee report accompanying S. 2692—Senate Report 95-967—stated the following, at page 258:

O. COMPETITION IN CRUDE OIL SALES

(SEC. 602)

The Committee is concerned that the present Department of Energy allocation regulation promulgated under Section 4(a) of the Emergency Petroleum Allocation Act, as well as the rulings and interpretations thereof, concerning domestic crude oil supplier/purchaser relationships (10 CFR 211.63) may be having an unwarranted anticompetitive impact on the domestic crude oil marketing section of the petroleum industry.

The original supplier/purchaser regulation was issued in response to the Arab oil embargo which began in October 1973. At that time, the regulation was necessary to manage the severe energy shortage and crude oil supply dislocations caused by the embargo. This result was achieved by "freezing" supplier/purchaser relationships. One undeniable result of the regulation, however, was to create severe barriers of entry to persons who attempted to enter the domestic crude oil marketing business shortly before or after the imposition of the freeze.

The Department and its predecessors have recognized that in a period of ample supply a total freeze on supplier/purchaser relations might not be appropriate. On a number of occasions, the regulation has been modified for the stated purposes of allowing a greater opportunity for market forces to operate and crude oil marketers to compete. The present supplier/purchaser regulation, as amended in October 1977 and as as interpreted in Department of Energy Ruling 1977–8, however, continues to insulate a substantial portion of the domestic crude oil supply from competition by new and recent market entrants in the crude oil marketing business.

The Committee intends that competition be reintroduced into the crude oil marketing sector to the maximum extent possible. Section 602 directs that no crude oil supplier/purchaser regulation shall continue in effect unless the President has, by rule, within 60 days after enactment of this section, reviewed such regulation, including the rulings and interpretations thereof, to remove those provisions of the regulation, rulings or interpretations which restrict competition.

The Committee intends that the phrase "may continue in effect" means that, beginning on the sixty-first day after enactment of this section, the crude oil supplier/purchaser relationship regulation (1 CFR 211.63), including all rulings and interpretations thereof, which were issued prior to the date of enactment of this section may not be enforced either administratively or judicially unless the President has made the review and modification required by the section. The Committee further intends that no regulation, ruling or interpretation thereof concerning the relationship between crude oil suppliers and purchasers may be issued after the date of enactment of this section if the effect would be to restrict competition in the crude oil marketing business, unless the President finds such regulation, ruling or interpretation necessary to insure an adequate supply of crude oil to small refiners.

In section 602, the Committee directs the President to undertake an expeditious review, in the light of prevailing conditions and his other responsibilities under the EPAA, of the regulation, rulings and interpretations regarding the supplier/purchaser relationships for crude oil in order to determine their effect on competition and to remove those provisions of the regulation which restrict competition in the crude oil marketing business. The Committee has also provided that the Presidential review be made by rule and that all modifications to the regulation, ruling or interpretation may be completed within 60 days of the date of enactment of the section.

The Committee intends, by use of the term "modified," to grant the President authority to alter or delete any ruling, interpretation or provision of the regulation which restricts competition. The President may determine that alteration or deletion of one or more rulings, interpretations or provisions is necessary to remove restrictions against competition.

In conducting his review of the present crude oil supplier/purchaser regulation and the rulings and interpretations thereof, the Committee expects that the President will seek the views of the Department of Justice regarding the impact on competition of the present regulation, rulings and interpretations.

Finally, the Committee has granted the President the authority to preserve those provisions of the present regulation which he finds are necessary to provide an adequate supply of crude oil to small refiners notwithstanding the fact that such provisions restrict competition. In addition, the President has the authority to modify such present provisions if he finds that the provisions are overly broad. However, prior to either preserving or modifying the present provisions, the President must make a finding that the provisions are necessary to protect small refiners in accordance with section 4(b)(1)(F) of the Emergency Petroleum Allocation Act. In making such a finding, the President must determine that the national interest in protecting such small refiners outweighs the national interest in fostering competition.

"Small refiners" is defined in the Emergency Petroleum Allocation Act of 1973. The use of the phrase "unless and to the extent" is intended to insure that any regulation, ruling or interpretation should provide an adequate supply of crude oil to small refiners without otherwise restricting competition in the crude oil marketing business. Furthermore, this provision permits the President to establish special provisions benefiting a particular subclass of small refiners if he determines that the particular subclass is the only group of small refiners in need of special protection to ensure an adequate supply of crude oil.

Clearly, then, neither the problem addressed by this legislation nor the solution proposed by this legislation is new. But it is long past time that the Federal Government apply the solution to this problem and remove the unnecessary and unwarranted regulatory barrier to competition in the domestic crude oil market. I encourage each of my colleagues to work for the early adoption of this legislation and the expeditious return of competition to the domestic crude oil market.●

REPORT ON SUBCOMMITTEE ON ASIAN AND PACIFIC AFFAIRS FAR EAST MISSION

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. WOLFF. Mr. Speaker, the subcommittee on Asian and Pacific Affairs recently completed a seven-nation mission to Asia, stopping in Japan, South Korea, the Philippines, Taiwan, Burma, Malaysia, and Thailand. Traveling with the subcommittee were Mr. NEAL, Mr. HYDE, Mr. DORNAN, and Mr. KELLY. I wish to thank these gentlemen, and to commend them for their hard work during what was an arduous, but very useful mission at a very critical time. I would like now to present the following report so that we can share with our colleagues the preliminary findings and recommendations stemming from the mission. A full report will be forthcoming:

STATEMENT BY THE HONORABLE LESTER L. WOLFF, CHAIRMAN, HOUSE SUBCOMMITTEE ON ASIAN AND PACIFIC AFFAIRS

Between December 28 and January 13, my colleagues and I undertook a seven-country, two week inspection mission through North, East and Southeast Asia. In each country, and with our ambassadors during the Chiefs of Mission conference in Bangkok, we explored several major themes which were regional in nature:

(1) The need for concerted, world-wide action by the international community and individual nations to break the log-jam and help share the burden of the refugees still pouring out of Indochina.

(2) Improving cooperation in the international struggle against illegal narcotics trafficking. This was particularly stressed at the meeting in Kuala Lumpur, Malaysia, of the State Department's Southeast Asian Narcotics Coordinators Conference, attended by personnel from State, DEA, the intelligence community and Customs.

(3) Reviewing the political and strategic implications of normalization of relations between the People's Republic of China and the United States.

(4) Discussing and, where appropriate, inspecting areas of direct U.S. military presence in Asia, in particular, the bases at Clark and Subic in the Philippines, and the U.S. forces in South Korea and their relationship to regional stability.

(5) Assessing regional stability, in particular, the nature, impact and implications of the "third Indochina war" which reached such critical proportions during our stay in Bangkok.

(6) Seeking to re-state what has been a consistent theme of the Subcommittee on Asian and Pacific Affairs for the past two years—that the United States is and will remain a Pacific nation; U.S. economic and security interests in Asia will be maintained, and where appropriate, enlarged.

(7) Discussing in each nation the need for more organized, more aggressive U.S. export trade posture. While Asia is presently America's largest trade partner, this is due to the effort of a few large U.S. companies, rather than U.S. government tax policy to stress investment growth over short term profits, or export initiatives by the vast majority of American business and industry.

Our itinerary originally was scheduled to take us to Hanoi just prior to our mission to Taipei. But after full consultation with the Department of State, and after careful consideration on our part, the members of the delegation reluctantly concluded that to visit Hanoi at this critical juncture was not appropriate.

I say "reluctantly" because we very much wanted to discuss with Hanoi the problems caused by the continued flow of refugees from areas under its control. We wished to discuss the continued heartbreak caused by Hanoi's failure to provide a final accounting for the many hundreds of Americans still listed as missing in action from the war. We wanted to discuss the issue of regional stability, and how Hanoi planned to reassure its neighbors, and particularly the ASEAN nations, as to its intentions. Finally, we wished to discuss the issue of normalization of relations between Vietnam and the United States.

But this was not to be.

We strongly regret that Vietnam has violated the most basic principle of international relations—namely the self-determination of states. We all earnestly hope that the Government of Vietnam will be able to take sufficient steps in the near future so that Vietnam's neighbors will be reassured as to their prospects for a zone of peace, freedom and neutrality in Southeast Asia, and in the region as a whole.

On this mission we visited seven countries: Japan, the Philippines, South Korea, Thailand, Burma, Malaysia and Taiwan. I have spoken of our over-riding major themes. In each country we also discussed specific bilateral concerns. A brief summary of our discussions follows:

(1) *Japan*—Discussions in Japan centered on economic matters, regional security and Japanese views on the establishment of diplomatic relations between the United States and the P.R.C. Having themselves recently concluded a treaty of cooperation and friendship with the People's Republic of China, the Japanese are supportive of the U.S. move. The Japanese Government has stated that the establishment of diplomatic relations will add to the stability and security of the region.

Japan continues to regard the Soviet Union as a potential security threat and is taking a number of measures to improve its defensive posture. The delegation expressed its appreciation for the recently concluded cost-sharing agreement on U.S. bases in Japan, and urged that greater efforts be made in this direction.

As a country extremely dependent on foreign trade and secure sea lanes, Japan will continue to be concerned about the security and economic well-being of Taiwan, a major trade partner which sits astride its principal sea transportation routes. Japanese leaders stressed the necessity of a peaceful solution to Taiwan's future in order to ensure regional stability.

(2) *Philippines*—The Mission arrived in Manila just as the final touches were being given to the agreement on continued American use of the bases at Clark and Subic. This new agreement, technically an amendment to the 1947 agreement which would have expired in 1991, has been basically completed to the satisfaction of both parties. On its part, the delegation sought to stress that the Administration has pledged its "best effort" to seek Congressional authorization on an annual basis for a five-year program of security and economic supporting assistance totaling some $500 million dollars. Initial authorization of these funds each year will require action by the International Relations Committee. The Subcommittee on Asian and Pacific Affairs will begin reviewing these budget proposals, and the technicalities of the base agreements, as an initial order of business in the 96th Congress.

The delegation discussed the human rights situation in the Philippines since the elections of last year, and sought to encourage the continued progress toward moderation which has been made in recent months.

The delegation also visited a major refugee camp in Manila, and held discussions with the Asian Development Bank on possible financing of development projects to aid refugees which will be more fully discussed in a later section of this report.

(3) *South Korea*—While in Korea, the Mission discussed the progress and implications of the continued program of withdrawing the 2d Infantry Division, particularly in light of recent information that the strength of North Korean forces may have been underestimated in the past by U.S. Intelligence.

The delegation would stress that before the next contingent of U.S. Army personnel are withdrawn from South Korea, all new information concerning North Korea strength must be reevaluated by both the executive branch and the Congress.

The delegation would note, however, that for the past several years the U.S. has been engaged in a continuous review of its assessment of North Korean force levels, and that U.S. and South Korean analysts have stated that North Korea has been devoting increasing amounts of its resources to strengthening its offensive capability. The Congress has already approved an $800 million program to compensate South Korea with equipment and training over the next several years, as well as an annual $275 millon F.M.S. appropriation.

Also discussed with Korean officials was the anticipated effect on stability on the Korean peninsula of normalization of relations between Washington and Peking. Korean officials expressed hope that favorable results would be forthcoming, but warned against excessive optimism without solid evidence of performance by Peking or Pyongyang.

The delegation expressed its support of recent actions favorable to human rights in South Korea, and met with key figures in that movement.

(4) *Thailand*—The delegation arrived in Bangkok just as the joint Vietnamese-Cambodian rebel invasion reached Phnom Penh, and threatened the eastern border of Thailand itself. The issue of regional stability, and the direct threat to Thailand posed by uncertainty over Vietnamese intentions was fully discussed.

The delegation expressed its full support for a continued strong U.S. relationship with Thailand, including the security aspects of the Manila pact.

The joint work of Thai, U.S. and regional narcotics efforts were pursued by the delegation, and the need for greater cooperation along the border areas with Burma stressed.

The delegation visited three major refugee camps in Thailand (Aranyaprathet on the Cambodian border, Nong Khai and Ubon) and expressed its support for Thailand's response to the refugee situation. (The delegation's specific findings and recommendations on refugees will be presented at the conclusion of this survey of each country.) The delegation also held extensive meetings with U.S. State Department Refugee Officers, representatives from the United Nations High Commissioner on Refugees, and members of the various volunteer organizations working with the Thai Government to provide the refugees with the bare necessities of life.

(5) *Burma*—The mission to Burma represented the first Congressional delegation to that nation in a decade. In that time, Burma and the nations of the golden triangle have come to supply nearly one-third of the U.S. domestic heroin market through an annual crop of some 400 tons of opium poppies.

Through extensive cooperation by Burmese authorities, the delegation was able to carry out on-site inspection of the utilization of 25 helicopters and four fixed-wing aircraft supplied by the U.S. to aid the Burmese Government in eradication of the opium poppy fields, interdiction of the opium caravans, and destruction of heroin refineries along the Burma-Thai border.

The Burmese have also mounted an impressive campaign to prevent drug abuse by their citizens, a serious and growing problem which now reaches into every strata of Burmese society, just as it does in the United States.

The delegation, which also represented the select Committee on Narcotics Abuse and Control, will be working with U.S. executive agencies and international organizations such as the United Nations to help promote crop substitution and other methods of providing the opium farmers with viable alternatives to their presently deadly crop.

The Burmese consider the narcotics trafficking problem and their insurgency problem to be two sides of the same coin. They thus feel that by combatting the narcotics traffic they will eliminate the insurgents' means of support. We encouraged the Government of Burma to initiate a dialog with those insurgent groups which are not involved in the opium traffic in hopes of resolving a political conflict which goes back to the end of the second World War. We stressed to the Burmese that narcotics control assistance was not being supplied to suppress the human rights of the minority peoples of Burma which are guaranteed by the Burmese constitution.

(6) *Malaysia*—Malaysian officials stressed that the absence of a coherent international program to pledge resettlement of refugees in third countries, they fear they will be permanently saddled with a major "residue" of refugees who cannot be resettled.

The delegation flew out to inspect a Vietnamese boat refugee camp at Pulan Besar, and also overflew the huge camp established on Pulan Bedon Island off the coast at Trengganu.

The delegation stressed its dissatisfaction with the organization and pace of the UN program of resettling refugees in third countries. Quicker action is needed to relieve the burden on the temporary host nations of Thailand, Malaysia and the Philippines. Also discussed was minister Ghazali's proposal, endorsed on the day of the delegation's arrival by the ASEAN ministers, that an island or islands be set aside to serve as a temporary holding facility for all Indochina refugees until permanent third country homes could be found.

(7) *Taiwan*—The delegation was the first Congressional mission to visit Taiwan since President Carter announced the breaking of diplomatic relations with Taipei and the termination of the Mutual Defense Treaty with the Republic of China.

The delegation sought to stress the continued determination of the Congress and the American people to safeguard the economic growth and stability of Taiwan, and noted the Administration's determination to continue in force more than 50 treaties and agreements between Taiwan and the United States. Under this policy, Taiwan will continue to have status as a legal entity in the world community and the U.S.

The delegation noted that in every Asian nation it has visited in the past year, the importance of securing a peaceful solution to the future of Taiwan was expressed by government officials and private and business contacts. Further, the importance to regional stability of a peaceful solution was stressed by the Subcommittee on Asian and Pacific Affairs during its mission to Peking last July.

In particular, the Subcommittee discussed in Peking the intention of the United States to continue supplying needed security assistance to Taiwan in the event of normalization, and in the absence of a formal mutual defense treaty.

In Taipei, the delegation stressed that President Carter specifically stated the determination of the United States to continue to supply arms and equipment as is deemed necessary in the future.

One of the Subcommittee's first orders of business in Washington will be to begin work with the Administration in drafting and reviewing legislation necessary to guarantee that the traditional social and economic relationship between the United States and Taiwan will continue to flourish.

REFUGEES

I have saved for the conclusion a more full discussion of our preliminary findings and recommendations on the refugee situation. As noted, we inspected 6 major refugee camps in the Philippines, Thailand and Malaysia. On previous missions, we had discussed the refugee issue with officials in Hong Kong and Singapore. On the basis of this experience, and that of hearings held by the Subcommittee over the past two years, we make the following preliminary findings and recommendations:

(1) Until and unless the United Nations, the voluntary organizations, and the individual members of the international community break the log-jam by embarking on a serious, full time effort to re-settle the Indochina refugees, the temporary host nations will be unable to provide any but the bare necessities of life for those refugees who live to reach their shores.

(2) Once a long-range program of assured re-settlement for the great majority (if not all) of the refugees is underway, the particular problems presently existing in the camps will be much easier for the host nations and the volunteer organizations, working together, to resolve. In this regard, it should be noted that a proper balance must be struck between resettling land refugees and boat people, since land refugees constitute by far the vast majority.

(3) The United States, France, Australia and Canada have almost entirely served as havens for resettlement, as have Thailand, Malaysia and the Philippines almost entirely borne the burden of initial refuge. The delegation suggests that there is no moral excuse for this situation. The United Nations, and

particularly those nations which were so vocal in condemning the Vietnam War, have shirked their responsibilities now that that war is over.

(4) The delegation would stress that a key to stimulating the re-settlement of Indochinese refugees is to stop thinking of these people as burdens for the potential host nations. The facts are that Indochinese refugees are a good investment in the future. They are hard-working, have high skill levels, and are obviously motivated to participate in a free enterprise system.

(5) The delegation recognizes that economic constraints exist in the form of initial costs of accepting large numbers of refugees because of the time it will take for the refugees to become economically self-sustaining. With that problem in mind, the delegation suggested that the Asian Development Bank favorably review applications from host-nations for joint development projects which would allow communities and regions with refugee populations to be economically self-sustaining, and not be a burden on the host countries or on the world.

(6) The delegation notes that even under the present conditions which limit the ability of the temporary host nations to meet the needs of refugees, more can be done to ease the plight of the residents of the camps. While sensitivity to local political and social factors must be borne in mind, the fact is that the food, water, and sewage situation in most camps is still inadequate. Camp conditions can be improved, in some cases dramatically, in order to relieve the human suffering. Key to this process is a more sustained effort by United Nations officials to back up the work of UNHCR field representatives and members of the voluntary service organizations who actually work in the camps. The delegation notes that efforts to raise the morale of camp residents—particularly in Malaysia, where mail deliveries are prevented as an act of policy—would appear to offer dividends far in excess of any presumed benefit of withholding such amenities from human beings cut off from their families for months, even years, without word.

These and other specific recommendations will form the basis of hearings and a full report by the Subcommittee on Asian and Pacific Affairs in the new Congress.●

REESTABLISHMENT OF THE SELECT COMMITTEE ON THE OUTER CONTINENTAL SHELF

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. MURPHY of New York. Mr. Speaker, and fellow Members of the House, I rise to urge your strong support for House Resolution 53, which provides for the reestablishment of the Ad Hoc Select Committee on Outer Continental Shelf as a select committee for the 96th Congress to allow the committee to continue critical oversight functions.

The Select OCS Committee was created to circumvent the overlapping and conflicting jurisdictions of the three standing committees with respect to OCS matters—the Committees on Merchant Marine and Fisheries, Judiciary, and Interior and Insular Affairs; and to develop a new national policy for the development and production of offshore oil and gas.

On September 18, 1978, President Carter signed into law S. 9, the Outer Continental Shelf Lands Act Amendments of 1978, culminating some 4 years of legislative activities to update the outmoded Outer Continental Shelf Lands Act of 1953. This comprehensive act addresses every aspect of oil and gas development of the Outer Continental Shelf—OCS—and its enactment ensures the establishment of a new and improved regime for OCS management. This historic achievement was largely made possible through the hard work and dedication of the Ad Hoc Select Committee on Outer Continental Shelf.

While the Congress can be proud of the accomplishment of the Select OCS Committee and its counterpart in the Senate, the critical work to follow through on this achievement has only just begun. We must now proceed with the immensely challenging task of assuring the proper implementation of the 1978 OCS amendments through intense and extensive congressional oversight.

This complex act requires the development of rules and regulations of extraordinary intricacy and the filing and review of programs and reports, and we can ill afford to dissipate the vast reservoir of expertise which now resides in the committee and staff of the OCS committee. Numerous representatives from executive agencies, State and local governments, environmental organizations and industry groups—which had opposed OCS reforms—have spoken to the compelling need to continue the Select Committee.

It is apparent that the Select OCS Committee is the best equipped body to oversee the promulgation of regulations to implement the 1978 OCS amendments. The work of the Congress will be undermined without close monitoring by those Members and staff most familiar with the new law. Clearly, the continuation of the committee as a focal point or forum for oversight is the most cost effective means of securing efficient and speedy implementation.

The OCS amendments fall under the jurisdiction of roughly nine standing committees of the House, and about 11 Federal departments. Such fragmented oversight would be totally inconsistent with the consolidated focus provided by the Congress when it created the OCS Committee, and would be unwieldy and time consuming. The attendant delays could be disastrous, as there are currently over 10 lease sales scheduled for early 1979 and 1980, and the Department of the Interior has already indicated its concern over possible conflicting oversight responsibilities.

Accordingly, I have sought the Speaker's support for the reestablishment of the committee, as a select committee for the 96th Congress. At a time when our energy situation dictates diligent and prompt OCS exploration and development, the reestablishment of the Select OCS Committee is truly a small investment that will yield great returns in terms of obviating jurisdictional conflicts and satisfactorily implementing our Nation's OCS program.

For the benefit of the new Members, I would like to briefly relate the arduous, but productive history of the Select OCS Committee. The creation of the Ad Hoc Select Committee on the Outer Continental Shelf in the 94th Congress and its continuation in the 95th Congress resulted from public concern about the Department of the Interior's accelerated OCS leasing schedule under the authority of the OCS Lands Act of 1953; congressional concern that bills to amend the OCS law would have to be referred to three or more House committees; and the expressed desire to avoid parliamentary confusion and delay. Thus, many Members soon recognized the need for the formation of a special committee by the Speaker of the House for the sole purpose of considering OCS legislation.

In March of 1975, it was recommended to the Speaker that such a committee be created for the purpose of considering OCS legislation and reporting it to the full House. Thereafter, on April 22, 1975, Majority Leader THOMAS P. O'NEILL introduced House Resolution 412, requesting the establishment of the Ad Hoc Select Committee on Outer Continental Shelf. Membership of and staff for, this special committee was drawn from the three parent committees.

On the same day, the Honorable PETER W. RODINO, Leonor K. Sullivan, and I introduced H.R. 6218, a comprehensive bill to amend the OCS act. That day the House passed House Resolution 412 by unanimous consent, the committee was established, and H.R. 6218 was referred to the select committee. During the 94th Congress, the committee engaged in 8 months of investigative work involving staff studies, visits to offshore oil drilling sites, briefings, and hearings. The Members heard from more than 300 witnesses in 13 cities and compiled a hearing record totaling more than 8,000 pages. After 5 months of markup sessions, 5 days of floor consideration, and a hurried House-Senate conference, the legislation was brought before the House for final approval. After lengthy consideration, a motion was offered to recommit the OCS report back to conference committee to make certain modifications. This motion was barely approved by a 198 to 194 vote, a vote attributable to the threat of a veto on the part of the Ford administration, a scheduling logjam on the House floor, a threat of a Senate filibuster, and a national advertising campaign against the bill on the part of industry. The demands for OCS amendments and prompt action in the 95th Congress, including a call by then candidate Jimmy Carter for OCS reforms as one of his two key energy-environment proposals, compelled action in the 95th Congress.

As soon as the 95th Congress convened, the OCS reform legislation was introduced in both Houses, becoming H.R. 1614, and S. 9. In January 1977, House Resolution 97 reestablished the committee to complete its mandate. As recognized in the March 1978 report of the Committee on House Administration, regarding the provision of funds for the Select OCS Committee, this mandate included important oversight functions:

> *H. Res. 97, which established the Committee for the 95th Congress, authorized the committee to stay in existence "through the legislative process." This process clearly should include the oversight and monitoring of the promulgation of rules and regulations* to implement the 1978 amendments to the OCSLA.
>
> Congressional oversight on the exploration, development, and production of the Outer Continental Shelf is mandated by H.R. 1614. The Department of the Interior has indicated its interest in working closely with the Congress to develop regulations to revise and improve OCS supervision. * * * The Coast Guard and other *affected Federal agencies have indicated their interest in having Congressional input into the development of these regulations on a continuing and high-level basis.* [Emphasis added.]

The Select Committee held 4 more months of hearings and received testimony from 80 additional witnesses, compiling another 2,000 pages of testimony. This activity was followed by 2 months of lengthy markup sessions, about 1 week of consideration on the floor, and 3 months of thorough consideration in the House-Senate Conference Committee.

The OCS amendments that were finally signed into law this past September are lengthy and intricate. Among other things, the new act:

Introduces alternative bidding systems in order to enhance competition on the OCS;

Provides funds to the States to ameliorate the adverse effects of OCS activities;

Provides authority to insure expeditious activity—diligence—and to cancel leases for serious environmental threats;

Provides for increased involvement for States and local governments in the OCS decisionmaking process;

Requires the Secretary of the Interior to prepare a 5-year leasing program for orderly and timely OCS development;

Provides for environmental studies to collect baseline and monitoring information;

Requires exploration and development plans to be formulated by the lessees and approved by the Secretary of the Interior;

Provides for the consolidation of citizens' suits so that cases may be resolved quickly and fairly;

Provides for an information program in order to assess the Nation's OCS oil and gas resources;

Establishes crewing and manning requirements for vessels and rigs engaged in OCS activities;

Establishes a fund to compensate fishermen for damages due to OCS activities;

Provides for an offshore oil spill pollution fund to compensate the OCS-related damages, and

Requires the best available and safest procedures for all OCS activities.

During the next 2 years, new regulations are to be promulgated; new leasing programs prepared; new bidding systems established and applied; new oil spill, fishermen and coastal zone funds created or expanded; and other new provisions developed. During the next 2 years, most frontier areas will be leased and exploration in some frontier areas substantially completed.

The 1978 OCS amendments attempt to resolve many of the problems and conflicts involved in prior OCS leasing by detailing requirements for revision or promulgation of regulations. These regulations will generally be promulgated by the Department of the Interior, and some by the Coast Guard. Congress must insure that its intent, policies, and purposes are being properly incorporated in new and revised regulations. Accordingly, Congress, through careful oversight, must be intimately involved in the preparation and implementation of rules and regulations. Moreover, one of the primary responsibilities of Congress should be to insure that there are no undue delays brought about by the implementation process. One source of potential delay is the division of responsibility for the management of OCS activities and one purpose of the act is to insure cooperation and coordination by the numerous agencies involved in OCS actions.

As with all major pieces of legislation, the 1978 OCS Act seeks to facilitate proper implementation by providing for periodic reports on activities, programs and policies. Accordingly, the act provides for about 20 studies and reports, involving a multiplicity of departments and agencies. These reports include an annual report on the leasing and production program, and on OCS competition; a report on the management and administration of the oil spill liability fund; a detailed report on the Fishermen's Contingency Fund; a report on a proposed training program for OCS workers; reports on the bidding systems concerning each lease sale; a report on the availability of oil and gas resources on the OCS; detailed proposals prior to the use of new bidding systems not enumerated in the act; a proposed 5-year leasing program; an assessment of the cumulative effects of OCS activities on the human, coastal, and marine environment; an annual report on all violations of safety and health rules with information on all major OCS-related accidents and deaths; a report prior to any proposed export of OCS oil and gas; a review of shut-in or flaring wells; a review of royalty payments; and a review of disclosures pursuant to the sunshine in Government provision.

Certainly, it will be necessary for the Congress to carefully review these various reports and studies to assure that the 1978 amendments are being faithfully carried out, and to consider any proposed legislative changes or remedies.

The Department of the Interior and various other groups reiterated the desire for uniform congressional input and assistance, and urged the continued existence of the select OCS committee during its first round of oversight hearings held on December 6 and 7, 1978. The success of these oversight hearings can be gaged by the flurry of activity in the Federal Register just prior to and after the committee's hearings, as the various agencies responsible for implementation were spurred into action. This type of probing oversight should, and must, continue.

A serious question was raised during the oversight hearings over whether or not the law is being put into operation at the rate we had anticipated. Unusually, both the environmental and the industry representatives came to the committee, were concerned that the delays in the implementation of the law would result in the safeguards that it contains not being brought into force. Industry restated their original fears that passage of the law would cause crippling delays in retrieving oil and gas which is desperately needed by this country.

Statements from the various witnesses at our oversight hearings demonstrate the need and widespread support for strong oversight and the reestablishment of the committee. I would cite only a few of many such statements.

Evelyn Murphy, the Secretary of Environmental Affairs for the State of Massachusetts, stated:

> The Interior Department is not the only office in Washington with the major role in implementing the OCS Lands Act amendments. According to the statute, Congress will be receiving several reports and studies for review, and I hope this committee will monitor and supervise the agencies' progress—let me underline that. *I think the kind of expertise of committees such as this is really imperative to indeed get good oversight, to get the executive branch to move quickly and expeditiously . . . and I would hope that the Committee will continue in its function, and this will be the sole agenda of the Committee.*
>
> Further, this committee simply cannot sit back and allow another 25 years to pass before recognizing the need (for) additional change(s).

John Bednerik, Director of Government Affairs for the International Association of Drilling Contractors declared:

> *Concerning the continued existence of the OCS committee, while generally our membership favors the reduction of Government and the elimination of temporary bodies when their mission has been completed, we would agree at this point that there is still much work to be done* in the oversight area on the OCS and that the expertise developed by this committee, its members and staff, should . . . be the continued focal point for that oversight function. So, we would endorse the continuation of this Ad Hoc Committee. [Emphasis added.]

Joe Foster, president to Tenneco Oil Exploration and Production, added to the sentiment for strong oversight:

> Uncertainty occurs because we have too many . . . detailed rules, and have left little or no discretion with the local (OCS) supervisors. It will only get worse as the rules and regulations proliferate. Hopefully, better Congressional oversight can slow, if not stop, this proliferation.
>
> This committee should not hesitate to impose the same sort of deadlines on the bureaucracy as it has imposed on itself. *Unless this committee strongly and continuously asserts its oversight powers, the goals of the Outer Continental Shelf Lands Act Amend-*

> *ments of 1978 will not be met.* [Emphasis added.]

Finally, a distinguished colleague from the State of California, Leon K. Panetta, joined in the chorus of support for reestablishment:

> Mr. Chairman, you have my commitment in supporting not only the effort to continue the oversight of the committee, but also to get the necessary funding to truly implement . . . the basic intent behind the OCS amendments.

Although the Department of the Interior must be seen as the lead agency for the leasing of our OCS resources, a myriad of Federal agencies maintain OCS-related responsibilities. In order to strengthen the coordination of OCS policy, the Congress included in the 1978 OCS Act a subsection 204(h), which mandates that the head of any Federal department or agency who takes any action which has a direct and significant effect on OCS development, shall promptly notify the Secretary of the Interior of such action. The oversight hearings clearly demonstrated that the committee is needed to exercise strong vigilance to insure that the coordination mandate is carried out.

Second, some concerns were raised about requirements for clean air standards. As outlined in the conference report on S. 9, the provisions of the 1978 amendments would be subject to any court decisions that result from the pending lawsuit by Exxon against EPA. EPA claims that the national ambient clean air standards apply now to the air over the OCS, while provisions of the OCS legislation only provide that ambient air quality standards must apply if the air over a State is significantly affected. So, this situation must be followed closely.

Next, safety standards and enforcement must be developed in line with legislative intent, and the Coast Guard's responsibilities must be coordinated with those of the Interior Department, where remedies and penalties are required.

Fourth, the documentation and manning provisions of the legislation require a judgment on the part of the administration as to when retaliatory actions will be taken as pertains to hiring foreigners. Oversight will be required to insure that congressional intent is complied with and that reciprocity is achieved.

Fifth, questions have arisen regarding whether certain foreign built production platforms are subject to import duties when they are brought into OCS waters and attached to the seabed.

Also, coastal States, their local governments have been given a direct and greatly expanded role in OCS policymaking and OCS activities. The committee must monitor these activities to insure that adequate coordination is effected, and that adequate Federal funding to these States is forthcoming to ameliorate coastal impacts from OCS activities.

Furthermore, provisions dealing with small and independent firms have been greatly expanded and rewritten. The purpose was to provide additional equity for small and independent firms. However, the Department of Energy states that over 50 percent of all purchase of royalty oil currently goes to small and independent firms. These provisions of the new act must be monitored in order to ascertain their effect on this level of activity, so the 20-percent set-aside mandated by the act does not inadvertently become a ceiling.

In addition, the OCS act demands close cooperation by the Department of the Interior with the Department of Energy, for example, to secure competition, to provide for the use of alternative bidding systems, to establish due diligence requirements, to set rates of production, and to dispose of royalty oil and gas. At our oversight hearings some witnesses suggested that such cooperation was wanting. Again, strong congressional oversight is necessary to insure interagency cooperation.

Finally, the OCS amendments left at least three important and controversial questions unanswered. First, the act simply retains the controversial language of the original 1953 act regarding Federal exploration. This effectively guarantees that the issue will be decided in the courts. Second, the provision authorizing on-structure drilling permits was deleted, again possibly putting this issue in the courts, as the Secretary of the Interior has decided to proceed with such a program. Finally, dual leasing was stricken from the bill, but a study on the matter was requested so that Congress can review it in the future, and the Select OCS Committee should follow this question closely in an oversight capacity.

The recent situation in Iran, vividly demonstrates the urgency of our national OCS effort. We have developed a balanced and credible OCS program, and we must now insure that the program will work harmoniously. The drafting and promulgation of rules and regulations could prove to be the most crucial phase of the total OCS reform process, as over 26 sets of new or revised regulations are required. The availability of the Select OCS Committee for consultation and oversight during this period is essential.

In summary, I must say that the subdivision of OCS responsibility among the numerous standing committees with OCS jurisdiction will delay and undermine our legislative accomplishments. The work of the committee will be seriously eroded if close congressional scrutiny is overlooked. Due to the complexity of the bill, there are many areas, a few of which I have outlined which will require the expertise of the committee to adequately monitor the implementation process. It would be foolish to fail to exploit the legislative and managerial successes of the past several years by hastily dissolving a committee of demonstrated competence.

The resolution I propose today will reestablish a small, modest staff which will guarantee that the 1978 OCS Act will not fall victim to inaction and inertia in the executive branch, and I urge my colleagues to support it.●

CONGRESSMAN VANDER JAGT LAUDS STUDENT ENTERPRISES

HON. GUY VANDER JAGT

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. VANDER JAGT. Mr. Speaker, I have often expressed my concern over the gradual erosion of one of the fundamental blessings that has made America great—the free enterprise system. Free enterprise has sparked economic accomplishments unparalleled on this Earth and will continue to reward Americans with economic growth if the productive incentive is not eliminated by encroaching government regulation and escalating taxes.

Mr. Speaker, despite my continuing concern that overwhelming bureaucratic interference might someday rob America of the dynamics of our free enterprise system, I am heartened by an endeavor by high school students at Fruitport, Mich., High School who have organized a corporate business enterprise. Dubbed the Student Corporation of Fruitport (SCOF), the organization recently gained approval of the Muskegon County Board of Education and will offer students a "real life" learning experience about the free enterprise system.

SCOF will operate as a miniature corporation which will produce items to be sold for profit. Students will manage the business and sell the products which they manufacture. Wages and salaries will be paid to executives and production workers alike in the form of stock incentives. All in all, SCOF will function as a small business venture with rewards for risk and efforts as in any enterprise.

I have also learned that other schools in the Mona Shores and Muskegon Catholic school districts area have initiated student business projects with the Muskegon school district seriously considering the program. If these projects succeed in exposing students to the essential elements of the free enterprise system, I would hope that student business programs would be even more widely initiated.

While there is no guarantee that the SCOF and other student projects will flourish as profitable investments, a risk shared by all business ventures, I believe that I can safely say that those students involved will be guaranteed a rewarding experience in operating an actual business. Mr. Speaker, from my position as the ranking minority member of the House Subcommittee on Public Assistance and Unemployment Compensation, House Committee on Ways and Means, I have heard a great deal about the development of a "welfare mentality" among our younger generations who have witnessed a growing dependence on Government assistance. I sincerely hope that the SCOF project and others like it will encourage a resurgence of a productive "work mentality" which has contributed so much to the success of this Nation.●

DR. MARTIN LUTHER KING DESERVES TO BE REMEMBERED WITH A NATIONAL HOLIDAY

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. BIAGGI. Mr. Speaker, the voice and vitality of Dr. Martin Luther King, Jr., was stilled almost 11 years ago by an assassin's bullet in Memphis, Tenn., yet the man's legacy endures and actually grows with the passage of time. January 15, all people of peace and justice in this Nation and world observed what should have been the 50th birthday of Dr. King, a man whose life was dedicated to achieving justice and equality for the black community.

Martin Luther King, Jr., shamed this Nation into seeing itself as a place where the most evil forms of discrimination were practiced against fellow Americans. His early crusades on behalf of civil rights were lonely and continually dangerous struggles. Yet gradually his work gained attention around the Nation and served to bring about improvements. In 1964 the most sweeping civil rights legislation ever in American history became law. One year later another landmark civil rights measure, the Voting Rights Act became law. When the history of these laws was written, the name Martin Luther King was featured prominently as the architect and inspiration for them.

Dr. Martin Luther King's accomplishments earned him not just national but international fame. His consummate achievement came in 1964 when he was awarded the Nobel Peace Prize, being only the third black, 12th American and youngest person ever to win the coveted honor.

Despite the hostility and personal violence which Dr. King was subjected to in his civil rights work, he himself never wavered from his pursuit of goals through legal nonviolent methods. In his final years, this policy caused his problems within elements of his own community but in the end it was Dr. King's methods which brought the freedoms which never existed—the opportunities which were always denied—the chance for black Americans to be accepted as Americans all over America.

Yet despite Dr. Martin Luther King being one of the most influential leaders in 20th century America, he has yet to really receive a proper memorial. In an effort to rectify this situation I have joined with a number of my colleagues to cosponsor a resolution designating January 15 as a national holiday. This is the very least this Nation can do to pay honor to the accomplishments of this great man. I am pleased that the President has lent his considerable support to this resolution and I hope for its early enactment by the Congress.

What Dr. Martin Luther King started has not been completed. Yet, he left us with the path to pursue. It is up to us to follow it. Unless we continue to take strides to improve the quality of life for all our citizens—simply designating Dr. King's birthday as a national holiday will be an empty event. Let the holiday signify progress, peace, hope and a better America for all.●

DEATH OF FORMER CONGRESSMAN GEORGE M. RHODES

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. YATRON. Mr. Speaker, I am saddened to speak today of the passing of my predecessor in the House of Representatives, the Honorable George M. Rhodes. Congressman Rhodes passed away on October 23, 1978.

George M. Rhodes was in the House when I began my public service career over 20 years ago. He was a good friend, an excellent teacher, and a great inspiration to me throughout my political career. I remember him as a humble and hard-working man—a great humanitarian. He was a man who never allowed political considerations to overshadow his concern for the people of the Sixth District of Pennsylvania and his desire for real improvement in their lives.

George M. Rhodes was born on February 24, 1898 in Reading, Pa. He was a distinguished veteran of World War I. Throughout his varied and distinguished career he worked as a printer, business manager, labor editor and representative and vice president of the Pennsylvania AFL–CIO, before being elected to the U.S. House of Representatives on November 2, 1948.

A Member of the House for 20 years, Congressman Rhodes served on the House Ways and Means Committee, the House Post Office and Civil Service Committee, the House Administration Committee and the House Interstate and Foreign Commerce Committee.

Because of his deep faith in the importance of aiding America's elderly and disabled, he was a staunch advocate of medicare and social security benefits, and his initiatives in these areas broadened the services and benefits enjoyed by millions of Americans today.

Congressman George M. Rhodes made a contribution to the Nation in a unique and special way. He never lost faith in the American system and the great opportunities it offered to those who were willing to participate fully in making it work. George Rhodes was willing to dedicate himself to make it work, and it is because of men like him that it does.

It is clearly evident that in each endeavor he followed only the highest precepts, and the strongest examples of moral and ethical endurances, and the results, much in evident today, are truly remarkable.

I wish to express my deepest sympathy to his widow, Margie, his son, Dr. George M. Rhodes, Jr., his wife and family, his brother, Mr. William Rhodes, his sister, Mrs. Anna Deem, and his grandson, Dr. Bruce Hershok, his wife and his young family.

Congressman George M. Rhodes dedicated his public life to preserving the rights of the people of the Sixth District of Pennsylvania and the American people he loved so dearly.

I deeply enjoyed my years working with him and learning from him, and I consider it a deep personal privilege to have known him.●

DEATH OF JAN PALACH

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. DERWINSKI. Mr. Speaker, I wish to bring the Members' attention to the 10th anniversary of the death of Jan Palach, a young Czechoslovakian university student, who burned himself to death in protest of the Soviet invasion of Czechoslovakia. He has since become a symbol of the silent opposition of the Czechoslovak people to the Communist regime in that country.

On January 16, 1969, to protest his country's loss of freedom, Jan Palach set his gasoline-soaked clothes aflame in Prague's historic Wenceslas Square. Three days later he died in that city's Legerova Hospital.

Lighted candles appeared in the windows of buildings all over Prague. Wreaths were piled on the spot where Palach had immolated himself. Feelings ran so high that the Communist regime did not dare to deny Palach a public funeral, although it did forbid all eulogies and banned his burial in Vysehrad Cemetery, where the heroes of Czechoslovakia lie.

When they buried Jan Palach in Olsany Cemetery, the Chechoslovak people marched in the tens of thousands, weeping silently and wearing black armbands knowing they were mourning not only the death of a young man but of their own freedom.

However, in August of 1974, it became clear that the Soviet regime had other plans in mind when a high wooden fence was erected around the grave of Palach. It was the fifth anniversary of the Soviet invasion and the eve of Czechoslovak Independence Day when Palach's body was secretly removed from its resting place at Olsany Cemetery, allegedly by the Czech Government which were reportedly embarrassed by the pilgrims who made the student grave a national shrine.

It is especially important to note that despite the 10 years of Soviet military presence in Czechoslovakia, the spirit of the people remains uncrushed. The memory of Jan Palach is instilled in the hearts of the brave men and women of

Czechoslovakia, known for their love of democratic principles. They continue to demand the restoration of their fundamental civil and political rights that remain arrested by the Communist oppressive rule.

It is of paramount importance for us to encourage the brave people of Czechoslovakia in their ongoing struggle for their fundamental rights. We must recognize that by its very nature, communism deprives people of their basic rights, and we must join to give support to the commitment of freedom for all those held captive.●

THE REAL ALASKA STORY

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. YOUNG of Alaska. Mr. Speaker, the 96th Congress will be called on to determine the fate of Alaska and the fortunes of its people via a legislative issue known innocently as "D-2." For those of you returning from last session, you may remember how long and bitter the "D-2" battle was. Those of you who are new may be surprised to discover the extent of public interest in this issue and exactly how complicated it is. I cannot reassure anyone that the issue is simple—it is not. It can be gruesomely difficult to understand and herein lies the fundamental problem facing Alaskans:

Certain special interest groups have presented this issue as a simple "save the land vs. destroy the land" controversy. Given such a choice, very few if any would not opt for the first alternative; however, in the well-intentioned zeal to protect vast portions of Alaska's wilds, the legitimate interests of the people of Alaska are being trampled.

Alaska is fully prepared to accept a set-aside of 80 to 90 million acres, but demands that boundaries be carefully drawn, management regimes be carefully crafted, and designations reflect on-the-ground facts to insure that our rights and values are not shattered. Alaskans will not stand idly by and watch their lifestyle, their statehood rights, and their economic livelihood unintentionally destroyed by well-intentioned but ill-informed interest groups.

The source of this controversy is a small provision added to the Alaska Native Claims Settlement Act (ANCSA) when it passed in 1971. Section 17(d)(2) specified that the Secretary of Interior could "withdraw up to but not to exceed 80 million acres" to be studied for possible inclusion in our national park, refuge, forest and wild and scenic rivers systems. Land was withdrawn and Congress was supposed to act by December 18, 1978, or the withdrawals would lapse.

Congress came excruciatingly close to passing a "D-2" bill but the effort failed on the session's final day because of the objection of one Senator—all other parties had reached agreement. The expected result of this failure was reversion of the "D-2 lands" to a different status and many were alarmed that "D-2 lands" would then be subject to development. However, such concerns were unfounded because a series of Executive orders issued in the early 1970's provided that D-2 lands would become "D-1 lands" after December 18, 1978. The "D-1" category is a "public interest" protection mechanism which permits the Secretary to withdraw, classify, or reclassify Federal lands in Alaska to protect the "public interest." Accordingly, the administration had the option of defining "public interest" to be synonymous with environmental protection and closing the "D-1 lands" to any and all development.

Unfortunately, the administration decided to "grandstand" and before the December 18 deadline imposed a land freeze (using non-D-1 authority) on 110 million acres in Alaska—an area much greater than the 80 million acres mentioned in section 17(d)(2)—to provide "protection". This freeze was followed by Presidential creation of 56 million acres of national monuments all within Alaska. Monuments are essentially national parks. A Presidential withdrawal of this magnitude is completely without precedent and is based on the existence of an "emergency" that few knowledgeable observers can perceive. Unfortunately, the impact of these withdrawals on Alaskans, Alaska's lifestyle, and Alaska's economy is devastating.

The freeze represents the latest contravention of the statehood act. Although it is more than 20 years since the act passed, Alaska has been unable to choose the 104 million acres of land to which statehood entitled it. It presently holds patent to only one-third of its entitlement and this latest freeze blocks remaining land selections.

The monument designation cripples sport hunting and trapping in Alaska—two important recreational and commercial activities. The Alaska Department of Fish and Game estimates that over 1,500 hunting guides, assistant guides, and trappers will have their lifestyles adversely affected or terminated by the President's monument designations. Over 50 percent of the sheep hunting, nearly 20 percent of the moose hunting, and 30 percent of the bear hunting in Alaska will be shut down by these designations. In addition, total revenue loss emanating from these withdrawals is estimated to exceed $6 million.

Resource development critical to Alaska's economic well-being is also thwarted by the arbitrary Executive creation of monuments. World class mineral discoveries of silver, lead, zinc, gold, and molybdenum are enclosed in monuments and effectively shut down. Alaska and the Nation can ill afford to foreclose major domestic sources of minerals which can be used at home or exported to offset our debilitating balance-of-trade deficit.

Alaska's existing timber industry is also devastated by the creation of monuments. Two are placed in the heart of southeast Alaska's prime timber lands and U.S. Forest Service data indicates that the these monuments will reduce the annual allowable cut in this area to 100 million board feet less than the present average harvest. Such a reduction in logging activity is likely to force the termination of 1,000 jobs in an area which already suffers 16 percent unemployment.

These are only a few of the more glaring consequences of the President's arbitrary creation of vast national monuments without regard to the legitimate needs and interests of Alaska. However, this situation can be corrected by appropriate congressional action. I have been pleased to hear Secretary Andrus state, on numerous occasions, that these Executive withdrawals are intended only to provide interim protection and that the administration still supports passage of an Alaska lands bill. I share the Secretary's desire to secure passage of an Alaska bill and hope that an equitable measure can be acted on quickly. It must be made clear, though, that legislation such as H.R. 39 is totally unacceptable and is in many respects more obnoxious than the present Executive withdrawals.

Despite the introduction of H.R. 39, I remain confident that the spirit of compromise which prevailed last October can be regenerated and a balanced bill acceptable to all parties can be quickly agreed to.●

ELIMINATION OF CONGRESSIONAL COST-OF-LIVING ADJUSTMENT

HON. TOM CORCORAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. CORCORAN. Mr. Speaker, today I am introducing legislation to repeal the provisions of law that provide for an automatic cost-of-living adjustment for Members of Congress.

I am introducing this bill because the American people have made it clear that they are very concerned about inflation and that they feel Congress has not been doing much to control inflation. And the people are right. In fiscal year 1978, Federal outlays were $47.9 billion greater than in fiscal year 1977, and the deficit increased $3.7 billion. Based on our Second Concurrent Budget Resolution of 1978, the Council of Economic Advisors estimates a $36.8 billion increase in Federal expenditures in fiscal 1979, and Government spending, especially deficit spending, is widely acknowledged to be a major cause of inflation.

I believe that eliminating our own automatic cost-of-living adjustment should be a first step toward actually reducing Federal spending, and it will put us in a much better position than is now the case to urge everybody else to tighten their belts, too. Members of

Congress should not be in the position of profiting from a problem they have caused.

I urge my colleagues to consider this legislation promptly and favorably.●

VERMONT SALUTES THE JAYCEES

HON. JAMES M. JEFFORDS

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. JEFFORDS. Mr. Speaker, it is with pride and extreme pleasure that I introduce the following joint resolution commending the U.S. Jaycees, the St. Albans, Vt., Jaycees, and Deere & Co. The week of February 19, 1979, Burlington, Vt., will be the setting for this year's outstanding young farmer recognition by the Jaycees.

Although America was born as an agricultural nation with an economy keyed to a good harvest, that period in our history is long past. As an industrial nation, America has many citizens who have never experienced the problems our Nation's farmers face in order to provide food for American families.

The farmer today, far from being a simple plowman, must be an agriculturist, conservationist, and businessman all rolled into one. Young farmers from 18 through 35 are the ones who will bear the responsibility of putting food on our tables tomorrow. By recognizing young farmers who make significant contributions, the U.S. Jaycees reward them for their dedication to this endeavor and show them our appreciation of their work.

The outstanding young farmer program began in the 1940's as the project of a single chapter. It originated in Shenandoah, Iowa, as an outgrowth of the outstanding young man of the year program and was carried to the State level in 1951 when Shenandoah president Dale Spears served as a State vice president. In 1954 the program was approved and conducted as a national project. Since that time, 700 men have won State OYF honors and the chance to compete for the national awards.

Each year now, approximately 2,000 Jaycee chapters around the country sponsor the outstanding young farmer program and host farmer appreciation nights. Newspaper supplements covering the program draw attention to the farmer and his contribution to our society while helping to foster a better understanding between rural and urban dwellers. By focusing on the problems of American farmers, the organization makes it possible for people who have never lived on a farm to achieve important knowledge of rural life.

This increase in understanding fostered by the Jaycee efforts has led to a heightened sensitivity to the problems faced daily by the farmer: High production costs, adverse weather conditions, low market prices. Recent polls show an upswing in support for farmers, a definite indication on the part of urban dwellers that they are more willing than ever before to cooperate with the farmer for a stronger economy.

The Jaycees, an organization long known for community service projects and for the leadership training opportunities they offer young men, put a force of 375,000 members behind this program to help accomplish their goal. Using the fine organizational skills which Jaycee activities help them to develop, these young men have brought the program to a position of national prominence. One example of the extraordinary dedication these young men have for the program is the St. Alban's, Vt., Jaycees, the chapter which will host the national OYF program this year. The chapter has devoted nearly 3 years of work for the opportunity of hosting the event.

For the past 3 years, Deere & Co. has cosponsored the Outstanding Young Farmer program with the Jaycees. The company's reward is simply in knowing that they have helped to create good will between rural and city dwellers and that this understanding may help us to attain a better way of life.

I encourage you to join with me in showing our support for this worthwhile project, and by doing so, to show your support for the American farmer as well as for the Jaycees and Deere & Co. who make the program possible.

The resolution follows:

Joint resolution to commend the United States Jaycees, the St. Albans Jaycees, and Deere and Company for their participation in the Outstanding Young Farmer Program

Whereas agriculture is the foundation of a strong America;

Whereas farming has become steadily more complex, requiring the farmer to be an agriculturalist, a conservationist, and a businessman;

Whereas the United States Jaycees have annually since 1954 undertaken great effort to better urban-rural relations through the Outstanding Young Farmer Program;

Whereas thousands of young farmers have gained recognition in the nation and in their communities and States through their selection by chapters of the United States Jaycees as Outstanding Young Farmers, bringing about greater attention, respect, and understanding for the entire agri-business community;

Whereas nearly 2,000 local chapters of the United States Jaycees across the country will participate in the search for the four Outstanding Young Farmers for 1978–1979; and

Whereas the St. Albans, Vermont Jaycees will host the Outstanding Young Farmers Awards Congress in Burlington, Vermont from February 23, 1979, through February 26, 1979; Now, therefore, be it

Resolved by the Senate and House of Represntatives of the United States of America in Congress assembled, That the President of the United States is authorized and requested to commend the United States Jaycees, the St. Albans Jaycees, and Deere and Company, the national sponsor of the Outstanding Young Farmers Program, for their part in recognizing the outstanding contributions of the young American farmer to the greatness of the United States through the Outstanding Young Farmer Program.●

WILL ISRAEL SUFFER TAIWAN'S FATE?

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

Mr. LENT. Mr. Speaker, President Carter's unsettling decision to abandon our staunch ally of 30 years—Taiwan—to get the People's Republic of China to agree to diplomatic relations with the United States raises a most disturbing question: Will Israel be abandoned just as casually?

A liberal columnist John Roche pointed out after the startling move:

> Dumping allies is habit-forming. Our friends in the world must be wondering who's next.

Especially is that true of Israel, which already has experienced some bitter disappointments and setbacks at the hands of President Carter and his advisers.

In fact, after the White House announced the abandonment of Taiwan, the Israeli Government declared publicly:

> Israel must give thorough consideration to the U.S. decision about Taiwan and reconsider Washington's ability to maintain its obligations under its agreements and treaties with other nations.

Those are grim words indeed.

But the Israeli's foreboding view of the effects of the Carter administration action can be appreciated by anyone reviewing the uncertain course of Israeli-United States relations in the past 2 years. Unfortunately the Carter policies in the Middle East have been so erratic and inconsistent that they have thwarted the brightest hopes for a workable peace agreement between Israel and the unfriendly Arab nations which surround her.

Beginning in 1977 with President Carter's unfortunate proclamation of his support for a Palestinian homeland, and continuing right up to this month, with the President's brother embracing representatives of the Libyan regime which has strongly backed Palestinian terrorists, Mr. Carter time and again has sabotaged his own best efforts to achieve peace. Furthermore, the President and his advisers have, in the past 2 years, abandoned the traditional American role of mediator in the Middle East—a policy supported by six Presidents—three Republican and three Democrat. Instead, under Carter guidance, the United States has leaned more and more toward open advocacy of Arab views at the expense of Israel, America's strongest, staunchest and most reliable friend in the Middle East. In recent weeks, the Carter Administration has increased its pro-Arab role in becoming a strong advocate for Egypt's new peace treaty demands, while upbraiding Israel for its refusal to accept drastic changes in a draft treaty already agreed to by Israel.

Now, the abandonment of Taiwan represents a harsh blow from a new direction for Israel. It is further cause for Israeli concern; a concern shared by many thoughtful persons in the United States. Among them is one of the foremost experts on the Peoples Republic of China, George Bush, former head of the U.S. Liaison Office in Peking, and former director of the Central Intelligence Agency. Says Bush:

> For the first time in history a peacetime American government has renounced a treaty with an ally without cause or benefit . . . We gave all and got nothing . . . we are simply diminishing U.S. credibility around the world.

Equally concerned is the chairman of the Senate Foreign Relations Subcommittee on Near Eastern and South Asian Affairs, Senator Richard Stone. He calls on the Congress:

> To repair the damage done to our credibility as an ally.

Yes, indeed, Mr. Speaker, we in the Congress must move—in a reasoned but determined manner—to take positive bipartisan action to assure Israel and our other allies throughout the world that they will not be sold down the river through some new Presidential move made in hope of improving the President's political image. I call upon my colleagues in the Congress to require that any Presidential decision to terminate mutual defense treaties be approved by the Congress before such a treaty cancellation can become effective. Without such reassuring action, Israel, and all of our friends in the world will continue to feel the chill winds of doubt and uncertainty.

HOUSE SUPPORT FOR THE SUNSET ACT OF 1979—H.R. 2

HON. JAMES J. BLANCHARD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. BLANCHARD. Mr Speaker, last Monday Representatives Mineta and Gephardt and I introduced H.R. 2, the Sunset Act of 1979, a bill to provide for a regular review and reconsideration of most all Federal spending programs and tax expenditures.

I would like to take time today to thank the many colleagues who have joined us in introducing and supporting sunset legislation. In the 95th Congress, the legislation had 180 sponsors. In this Congress—less than a week after its introduction—it has already received the support of 104 Members. This strong indication of support reflects clearly, I believe, the growing consensus in Congress about the need for greater budgetary control and sunset's ability to meet that need.

So that each of my colleagues may be aware of the support for sunset in the House, I would like to list the names of the Members who have cosponsored the Sunset Act thus far. The list follows:

List of Cosponsors

Mr. Akaka, Mr. Anderson of California, Mr. Applegate, Mr. Baldus, Mr. Bedell, Mr. Benjamin, Mr. Bennett, Mr. Bevill, Mr. Boland, Mr. Bonior.

Mrs. Bouquard, Mr. Brodhead, Mr. Buchanan, Mr. Campbell, Mr. Carr, Mr. Conte, Mr. Corrada, Mr. D'Amours, Mr. Daschle, Mr. Dellums.

Mr. Derwinski, Mr. Dicks, Mr. Dornan, Mr. Drinan, Mr. Duncan of Tennessee, Mr. Duncan of Oregon, Mr. Edwards of California, Mr. Emery, Mr. English, Mr. Ertel.

Mr. Evans of Georgia, Mr. Fascell, Mr. Fithian, Mr. Foley, Mr. Forsythe, Mr. Frenzel, Mr. Fuqua, Mr. Glickman, Mr. Goodling, Mr. Gore, Jr.

Mr. Grisham, Mr. Guyer, Mr. Hamilton, Mr. Harkin, Mr. Heftel, Mr. Hillis, Mr. Hollenbeck, Mrs. Holt, Mr. Howard, Mr. Hubbard, Jr.

Mr. Huckaby, Mr. Hughes, Mr. Ichord, Mr. Jenrette, Jr., Mr. Kildee, Mr. Kogovsek, Mr. Lagomarsino, Mr. Levitas, Mr. Lloyd, Mr. Luken.

Mr. Markey, Mr. Mazzoli, Mr. McCloskey, Jr., Mr. McHugh, Mr. McKay, Mr. Miller of California, Mr. Mitchell of New York, Mr. Montgomery, Mr. Mottl, Mr. Murphy of Pennsylvania.

Mr. Neal, Mr. Nedzi, Mr. Nowak, Mr. Oberstar, Mr. Ottinger, Mr. Panetta, Mr. Patterson, Mr. Pease, Mr. Pepper, Mr. Price.

Mr. Pritchard, Mr. Rahall, Mr. Rangel, Mr. Rinaldo, Mr. Russo, Mr. Santini, Mr. Scheuer, Mr. Stanton, Mr. Steed, Mr. Studds.

Mr. Traxler, Mr. Udall, Mr. Vento, Mr. Walker, Mr. Weaver, Mr. Whitehurst, Mr. Whitley, Mr. Wilson of California, Mr. Winn, Jr., Mr. Wirth, Mr. Wolff, Mr. Yatron, Mr. Zeferetti.●

LESSIE S. KABZENELL

HON. JAMES C. CORMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. CORMAN. Mr. Speaker, it is with great personal pleasure that I bring to the attention of my colleagues, the dedicated community service of Ms. Lessie S. Kabzenell.

Since coming to the San Fernando Valley with her husband and children in 1950, Lessie has become not only a highly respected and successful realtor and entrepeneur, but also an outstanding and active civil leader. She has served to broaden the experiences and learning opportunities for children through PTA membership and scouting leadership.

On February 9, Lessie Kabzenell will retire as president of the West Van Nuys Chamber of Commerce. Her association with the chamber is longstanding. In 1970, she had the ominous task of filling the shoes of another community leader as a director of the chamber. Lessie followed in the footsteps of Erwin Kabzenell, her husband, who held the post for nearly two decades

Lessie's talents, dedication, and skills have helped to build a strong community responsiveness to the needs of valley residents.

I am sure her retirement will not signal the end of her participation in valley civic affairs. It is almost an impossibility for someone as civic-minded as Lessie to totally terminate her lengthy and valuable community service. Her pride in the community is exemplified by her continuing efforts to improve the quality of life for all citizens.

Lessie Kabzenell is an individual who has made a tremendous impact on her community, and I extend to her our deep gratitude for her many contributions and selfless service.●

THE REAL SIZE OF GOVERNMENT

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. MICHEL. Mr. Speaker, United Press International, the wire service that distributes news stories and features to many newspapers, deserves congratulations for excellent investigatory reporting. I refer to a UPI article that appeared in the New York Times on December 24, 1978. This article showed in convincing detail that although the Federal Government civilian work force is placed officially at 2.9 million the number paid with Federal funds is at least 7 million.

This invisible army of tax-supported workers, not counted in official reports of Federal employment, includes the 4,975 attorneys employed by the Legal Services Corporation, the 20,000 employees of the National Rail Passenger Corporation and millions of people paid by the Department of Health, Education, and Welfare and the Department of Defense, but not counted as Federal workers.

This report is the kind of job that shows the American press at its very best. It is a truly outstanding job of investigative reporting, in this case investigating the kind of scandal—a coverup of true facts—usually not uncovered by the press.

At this point I wish to insert in the Record "U.S. Employee Roles Exclude Millions" from the New York Times, December 24, 1978:

[From the New York Times, Dec. 24, 1978]

U.S. Employee Roll Excludes Millions

Washington.—Although official statistics place the Federal Government's civilian work force at almost 2.9 million people, the number paid with Federal funds is probably at least 7 million.

Not only are the hundreds of thousands of workers for Government agencies and programs excluded from the Civil Service Commission's monthly statistics, but so are millions of "outside" workers, who labor full-time and part-time for the Government under a variety of contracts and grants.

"The pressure is to keep the number as low as possible," said one top commission official. Many Government workers, he said, "fall into a gray area" and are not counted.

A Senate Appropriations Committee staff member put it more bluntly: "The Government payroll really includes millions more than the Government says it does. It is not an honest figure."

NO ONE KNOWS REAL NUMBER

Indications are, no one in the Government actually knows the number of workers supported wholly or in part with Federal funds. If anything, the 7 million figure, compiled by surveying about a dozen agencies at random, is on the low side, when military personnel are added, the number approaches 10 million.

While outside consultants, university researchers, contractors and others are not legally Federal employees, many do in fact work full-time on Government jobs, sometimes even administering Government programs. Major consulting firms, such as the Urban Institute, earn the bulk of their income from Federal contracts.

The Department of Health, Education, and Welfare employs about 145,000 people in its agencies. But on the outside, the department's money pays the salaries of 980,000 other people in state and local governments, universities and research institutions and with private contractors.

The Defense Department, with a military force of 2.6 million, also provides work for another 2 million people through research and development and procurement and construction contracts.

"CORPORATION" EMPLOYEES NOT COUNTED

A multitude of quasi-official agencies and Government-created "corporations" employ hundreds of thousands of full-time workers who are not counted as Federal employees by the Civil Service Commission even though they are paid with Federal funds.

One example is the Legal Services Corporation, with 4,795 attorneys and 241 administrative backup personnel to provide free legal services to the poor. None of those employees are counted, even though all their salaries come from the United States Treasury. The reason officials say, is that the organization was created by Congress in the 1960's as an independent "corporation."

The 20,000 employees of the National Rail Passenger Corporation, which runs Amtrak, along with 6,500 workers on other rail lines, remain uncounted even though the United States pays the bulk of their salaries.

The Government-created Consolidated Rail Corporation, known as Conrail, which took over six bankrupt railroad lines, was created with the help of nearly $2 billion in Federal loans that help to pay the salaries of the corporation's 93,000 employees. Similarly, the 330 employees of the United States Railway Association, created to monitor Conrail and act as its banker, are not considered Government employees though paid by the Treasury.

"WE ARE OVER ONE MILLION"

According to Health, Education and Welfare Secretary Joseph Califano, the department employs "84,600 in state government, 572,700 in local government, 87,700 people in universities, 33,400 people in non-profit research institutions, 113,900 employees in private contractors, and 88,900 in other areas."

Califano presented his figures at a Senate Appropriations subcommittee hearing, and the surprised chairman, Warren Magnuson, Democrat of Washington, blurted out, "This is the best public service job program I have ever heard of!" Senator Ernest Hollings, Democrat of South Carolina, adding the department's 145,000 employees, exclaimed, "My God, we are over one million!"

The Labor Department officially lists 22,377 in its employ, but through the Comprehensive Employment and Training Act (CETA) the department is paying the salaries of 750,000 state and local government employees. In addition, the Labor Department finances paychecks for 77,000 state employees who work in employment service offices. "They come under the state government," said a Government expert, "but their paychecks are 100 percent paid for by Federal funds."

The National Science Foundation, whose annual budget is nearly $1 billion, estimates that between 65,000 and 70,000 people are employed full- or part-time under 19,230 foundation contracts, grants and awards.

WORK FORCE DESCRIBED AS STABLE

In recent years officials have responded to critics of big Government with the contention that the Federal work force has remained largely stable despite the rapid growth in the Federal budget. Government statistics show that the civilian work force rose from 2.1 million in 1950 to 2.8 million in 1978—an increase of less than one-third.

However, in this same period the number of state and local employees tripled to over 12 million, largely as a result of the growth in Federal programs. At the same time, officials of the Office of Management and Budget say, the Government's use of outside consultants and contractors has risen sharply—in large part because hiring ceilings imposed by the White House have kept the official Government work force down.

"If Congress won't give you the additional personnel to perform your mission, there is no other choice but to hire outside the agency," said one bureaucrat. "And that is what has been happening increasingly for several years now."●

FREEDOM FOR SOVIET JEWS—A VITAL ISSUE

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. UDALL. Mr. Speaker, in recent months there has been a significant increase in the number of Soviet Jews who have been permitted to leave the U.S.S.R. According to the National Conference on Soviet Jewry, the number of Jews allowed to emigrate last year exceeded 30,000; a significant increase from the 24,000 who emigrated from the U.S.S.R. in 1977. While I applaud this loosening of restrictions on the part of the Soviet authorities, I am concerned that it may be only a temporary phenomena, designed to improve the image of the Soviet Union with the American public in anticipation of a heated debate over the SALT agreements. We must not let the increase in the number of exit visas issued blind us to the fact that there are still anywhere from 180,000 to 200,000 Jews alone who wish to emigrate. It's a safe guess that there are many others whom we are not aware of, people who are afraid to come out and make their desires known for fear of reprisals.

Of those who we do know about, 2,000 are refusniks who have been denied exit visas for 5 years or more. Many of these people have lost their jobs because of their desire to emigrate. They are in constant danger of being arrested for crimes such as parasitism or anti-Soviet propaganda. Those Jews who do remain in the Soviet Union are subject to frequent harassment and discrimination in all aspects of society. As an example, the National Conference on Soviet Jewry reports that not a single Jew was admitted to any of the Moscow Universities last year.

Many of the refusniks have relatives in the United States and Israel. The Soviet Union's refusal to allow these people to be reunited with their families amounts to a direct violation of the Helsinki Accords which the U.S.S.R. signed in 1975. The agreement stipulates that persons who wish to be united with their families would be treated in a positive humanitarian spirit. It has become obvious to me that the U.S.S.R. has no intention of faithfully abiding by this part of the Accords. If their treatment of the refusniks is any indication, the Soviet Union does not take seriously the commitment it made when it signed the Accords to facilitate freer movement and contacts, individually and collectively, whether privately or officially, among persons, institutions and organizations of the participating states.

Recently one of my constituents, Mrs. Barbara Holtzman of Tucson, Ariz., called my attention to a particularly tragic case, that of Alexander and Polly Paritsky and their two daughters—19/2 Tankopia Street, Apartment No. 48, Kharkov, 310091. Mr. Paritsky was at one time a professor of oceanography at Kharkov University. He applied for an exist visa in September of 1976 in order to join his family in Israel. The Paritskys were denied permission to emigrate in March of 1977 for reasons of secrecy. Since then, Mr. Paritsky has been forced to take a job as a factory worker and he is in danger of losing even that job. On November 15 of this year he was pulled off a train while on his way to Moscow to meet with a group of American Senators, headed by the Hon. ABRAHAM RIBICOFF. Since then he has been under constant harassment by the KGB and has been accused of spreading lies about the U.S.S.R., and of other forms of anti-Soviet behavior. I fear that Mr. Paritsky is in real danger of arrest, simply because he desires to emigrate to Israel.

I have sent Ambassador Dobrynin a letter on behalf of the Paritskys which I hope will lead him to take some action to alleviate their plight. As Members of Congress, we each have the obligation to insure that the administration will continue to put pressure on the Soviet Union to observe basic human rights. We have to make it known to the Soviet Union that it must allow its citizens to emigrate, as they wish and as the Helsinki Accords require. We must use whatever weapons are available to us, including trade and technology sales, to force the Russian leadership to live up to its commitment. We must live up to our obligation to speak out whenever basic human rights are threatened.●

MULTILATERAL TRADE NEGOTIATIONS

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. FRENZEL. Mr. Speaker, the Minneapolis Tribune, in an editorial of January 3, 1979, addressed the question of mounting protectionism in the Congress by stating that we should take more stock in the concluding Multilateral Trade Negotiations Agreements in Geneva. Those negotiations have been addressing tariff and nontariff barriers to international trade for several years, yet the Congress has often failed to take those negotiations in mind when making decisions to protect U.S. industry. Now that the agreements are near, and generally they promise to ease some of our international trading problems, the Tribune article suggests that Congress should pay more attention to them.

The article goes on to point out that in some areas where imports have been increasing, U.S. exports to those countries have also risen, particularly in the developing countries. Often we in Congress fail to look at both sides of the picture.

The editorial praises the administration's export promotion policy but warns that any import restrictions we may impose would react negatively upon that program. The concluding paragraph of the article is a good one for all of us to keep in mind, and I invite your attention to its content, which are as follows:

> The agreement in the offing at Geneva promises to be a deterrent to protectionism, an incentive to trade expansion. It is nearing completion at a time when the world economy badly needs a boost. It will pose an important test for the new Congress, which should vote for freer trade, not further restraints.●

DENTAL SERVICES UNDER MEDICARE

HON. HAROLD E. FORD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. FORD of Tennessee. Mr. Speaker, over 10 years ago, Congress enacted medicare in an effort to provide a comprehensive program to meet the health care needs of our Nation's elderly.

Although beset with some problems, the program has, for the most part, provided the means for those persons 65 or older to seek and receive quality health care. One exception is the important, and frequently neglected area of primary care—dental care.

When medicare was enacted, the Congress did not include a dental component in the program. Instead, Congress voted to include adult dental care under the medicaid program—as a State option. Theoretically, then, the elderly poor would be able to obtain dental care—but only if they lived in a State which had a dental program under medicaid.

Unfortunately, only 34 of the 53 States and territories with medicaid programs provide adult dental benefits. And of these 34, 31 have imposed restrictions on benefits, such as no denture coverage, or coverage only in emergency conditions. In addition, because of the optional nature of adult dental services, they are among the first to be curtailed or eliminated when States find it necessary to cut back on medicaid services.

It is a well documented fact that dental disease and its related problems are pervasive among the elderly and, unfortunately, going untreated in many cases. According to the National Center for Health Statistics, of the 22.4 million Americans aged 65 and over in 1975, 11.4 million were edentulous (or without teeth). 6.2 percent of this group did not have dentures. In addition, evidence of periodontal disease was found in over 90 percent of elderly persons with their natural teeth.

Coupled with this high rate of need is the low utilization rate. In 1975, nearly 70 percent of the elderly population did not see a dentist. For those who did seek dental care, 93 percent of the cost of providing dental care was paid with private funds. The remaining 7 percent was paid with Government funds through medicaid, and totaled $38 million or $1.24 per capita. The $38 million expenditure equals only one-half of 1 percent of all dental care expenditures.

It is also well known that the majority of people over age 65 lives on limited, fixed incomes, often below the poverty level. Findings of a study conducted by the American Dental Association demonstrate that "the small amount of spendable income available to most elderly does not tend to support frequent utilization of dental services."

Clearly, the Government has an obligation to help these people secure quality dental care. Without attention to their oral health, their ability to socialize, to speak, or to obtain proper nurition is directly affected.

Today I am introducing a bill to assist the elderly in receiving this needed dental care.

This bill would amend medicare part B to include coverage for comprehensive dental care services, including dentures, provided by licensed dentists.

Although these title XVIII dental care improvements initially will result in higher program costs, the expenditures should decline as elderly persons receive the preventive and comprehensive dental care they so urgently need at present. According to survey research data released by the American Dental Association in July 1977, "the percentage of Americans wearing dentures is dropping dramatically. . . . Long-term efforts by the dental profession to eliminate needless loss of teeth are yielding results," with only 24.7 percent of the 30-and-older age group in 1975 wearing one or two complete dentures, compared to 35.2 percent in 1960.

In fact, as those individuals who have been exposed to fluoridated water over the past 30 years reach age 65, the number of people requiring extensive dental care will decline.

Mr. Speaker, my bill is cost effective and necessary. It would help meet one of the greatest needs in the total health care of our elderly. I urge my colleagues in the House of Representatives to join me in supporting it.

An explanation of this legislation follows:

Explanation of Proposed Dental Care Amendments to Part B of Medicare

1. Section 1 would delete the present statutory exclusions of dental prosthetic devices (dentures) and dental care services under Section 1861(s) (8) of Title XVIII.

2. Section 2 would provide a new subsection, Section 1861(s), which would provide a "dentist" as an eligible provider for newly mandated dental services under Part B of Medicare. Essentially this new definitional section would enable only qualified and licensed dentists to provide dental services which they are legally authorized to provide by the State in which they perform them.

3. Sections 3 and 4 of the bill would explicitly mandate comprehensive dental services, including dentures, for Medicare beneficiaries under Part B of Title XVIII, Social Security Act.

4. Section 5 would clarify existing authority for coverage of dental services rendered by a dentist, as defined in Section 1861(s), in an inpatient hospital setting.

5. Section 6 would make these amendments effective the first day of the month following the month in which this legislation is enacted.●

SHOULD PUBLIC OFFICE BE FOR SALE?

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. SIMON. Mr. Speaker, David S. Broder in his column "Rich Candidate, Poor Candidate" has touched on an issue that is fundamental that sooner or later has to be tackled.

That question is posed by the second paragraph in the column I am inserting in the Congressional Record written by David S. Broder, "Should a rich man be allowed to 'buy' public office by pouring millions of his own money into his campaign?"

During the weeks before the filing in Illinois for the Senate and House races, some of the Democratic leaders in Illinois, including our distinguished candidate for Governor, Michael Bakalis, urged me to get into the race for the U.S. Senate against Charles Percy.

Vice President Mondale was also among those encouraging me to make the race.

There were a number of reasons for the decision not to make the race, one of them my personal situation. I have two children who are now in high school and I did not want to spend 1 year of my life away from them. One of the considerations was also the U.S. Supreme Court decision that permits a candidate for office to spend anything he or she wants on a campaign.

I was in a situation where I would be facing a man of considerable wealth, Charles Percy. It does not detract from his distinguished record in the Senate to describe him in that way.

I would have been in a situation where, if the two of us got down to a close race within a few weeks of the general election and it was close, he could spend a considerable amount of his own money to win the election, and not being a man of wealth, I could not do the same.

The information that was provided to me through the polls were frankly somewhat encouraging and as late as 2 months before the election pollster Peter Hart told me that I had made a mistake in deciding not to go against Senator Percy.

The person nominated by my party for

the Senate in Illinois spent $750,000 of his own money in behalf of his own campaign.

I am not criticizing him for that because under the present court decisions and under the present laws under which campaigns operate that is perfectly proper. And it was his only chance.

But there is something wrong with our system which provides greater encouragement to the wealthy candidates than to the nonwealthy.

I am enjoying my service in the House so this statement is not made out of a sense of bitterness or frustration. But what is true of a Senate election is also true of a House election or any other election. Holding public office should not be the privilege solely of the millionaires in our society.

They should have every right to compete for public office. For many of them the fact that they are millionaires indicates that they have above-average ability in order to get there.

But there are many others who have chosen careers which do not lend themselves to accumulating wealth and they should not be prevented from holding major public office because they do not have great wealth.

I hope my colleagues will read the attached column by Dave Broder.

RICH CANDIDATE, POOR CANDIDATE

(By David S. Broder)

FORT WORTH.—Bill Clements has just become the first Republican governor in Texas' history after a campaign in which he lent his own organization upward of $3 million. His victory has not only altered the political landscape but also revived an issue that will be loudly debated over the next few years:

Should a rich man be allowed to "buy" public office by pouring millions of his own money into his campaign?

Let it be noted, quickly, that Clements is not unique, or even unusual, in employing his wealth for political self-aggrandizement. Outgoing Gov. Dolph Briscoe a shy rancher who often seemed ill at ease in politics, compensated for his handicap by his readiness to reach for his checkbook to pay for campaign bills.

In this year's Senate races, more than a dozen candidates made six-figure loans or gifts to their own campaigns, without which they would not have been viable contenders.

Not all of them bought victory. Briscoe was defeated for renomination, and the losers' list from the Senate primaries and general election included such other heavy self-investors as Bob Short of Minnesota, Alex Seith of Illinois, Jane Eskind of Tennessee, Luther H. Hodges Jr. of North Carolina, Phil Power of Michigan, and three Virginians, Clive DuVal, Carrington Williams and Rufus C. Phillips.

All of those losing Senate aspirants were Democrats, which may prove the Republican claim that Democrats really are careless with the dollar.

But there were also some notably successful self-subsidized candidates like Clements and new senators Bill Bradley (D) of New Jersey, John W. Warner (R) of Virginia, Alan K. Simpson (R) of Wyoming and Nancy Landon Kassebaum (R) of Kansas. They join a Senate that already includes more than 40 millionaires, one of whom, Pennsylvania Republican H. John Heinz III, loaned $2.6 million to his 1976 campaign—none of which has been repaid.

Such examples make many people angry, but it is not clear what can or should be done about it. Congress legislated limits on candidates' contributions to their own campaigns as part of the 1974 election law revision—$25,000 for a House race and $35,000 for the Senate. But the Supreme Court threw that provision out, saying, "The candidate . . . has a First Amendment right to engage in discussion of public issues and vigorously and tirelessly to advocate his own election."

That decision has been the subject of much criticism, but its logic is not that easy to reject. The rationale for limitations on campaign contributions is, generally, to avoid the corruption of a public official's judgment by those to whom he is financially obligated for his campaign treasury. But no one would argue that Clements or the other self-subsidized candidates comprised their own independence by contributing heavily to their own campaigns. Quite the contrary.

The case against people of wealth financing their own races for office rests, instead, on an egalitarian notion—that everything should be even-steven in politics, if not in the rest of life. But that is an unrealistic ideal. Candidates differ enormously in their fame, their looks, their charm, their intelligence, their eloquence, their experience, their reputations, and their political allies.

Money is one resource in a campaign—but only one—and it can be used to enhance the other advantages or compensate for other deficiencies. As the earlier examples show, it is no guarantee of victory.

While the court was wise to strike down the limits on self-subsidy of campaign expenses, it missed an important distinction between loans and outright contributions. Some candidates, like Heinz, never bothered to seek post-election contributions to pay themselves. But others, like Briscoe, have done so repeatedly.

And that raises a serious problem. The people or groups that give money after an election—when there is no risk—are almost always people who have a particular interest in ingratiating themselves with that officeholder. Giving a "campaign contribution" to the winner of the last election, who instantly uses the money to repay himself, is, as Fred Wertheimer of Common Cause has said, "coming awfully close to the bone" on the distinction between a campaign contribution and a personal payoff.

Rich folks who want to pay their own way in politics should be allowed to do so—but only by contributions, not loans. If they want the excitement of victory, let them take the risk of financial as well as political losses.

Rather than trying to legislate a ban on self-subsidized campaigns in the face of the Supreme Court decision, the next Congress could more usefully address itself to the changes in the campaign-finance law that really would make elections more competitive and fair.●

TRIBUTE TO C. STANLEY TROM

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. LAGOMARSINO. Mr. Speaker, today I would like to give recognition to Mr. C. Stanley Trom for his 14 years of dedicated and distinguished legal service in the office of the district attorney in Ventura, Calif. He will soon be retiring from the position of district attorney of Ventura, which he filled for over 5 years.

Stanley Trom graduated from Pacific Lutheran College in 1962. He continued his education by earning a law degree in 1965 at Hastings School of Law.

Not only did Stanley serve his community with his dedication to the cause of justice, he became a highly respected member of his community by giving his time in behalf of innumerable worthy causes. He served both as chairman of trustees on the Community Presbyterian Church and on the teen challenge board. Also, he volunteered his services as a Sunday school teacher for 4 years, and was a member of the Lions Club.

Stanley has obviously manifested a great amount of dedication to his community both in his position as district attorney, and through his community activities.

I want to wish Stanley, his wife Joan, and his two children, Sarah and Phillip, a bright, long, and happy future.●

TESTIMONY ON PROPOSED RULES TO IMPLEMENT AGE DISCRIMINATION ACT OF 1975 AS AMENDED

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. BIAGGI. Mr. Speaker, on Tuesday, January 16, I was the leadoff witness at the first Department of Health, Education, and Welfare hearing into its proposed rules to implement the Age Discrimination Act of 1975 as amended by my amendments of 1978.

I was especially pleased that Secretary Califano was there personally to hear my testimony and engage in constructive dialog about differences in our interpretations of the law.

My amendments which were contained in the Older Americans Act strengthened the Age Discrimination Act of 1975 by having it apply to ending all forms of age discrimination—not just that considered unreasonable and also provides aggrieved individuals with a private right of action.

Tuesday's was the first of some 10 public hearings HEW will hold around the Nation on this law. Final regulations should be issued later in the spring as the effective date of the law is July 1, 1979.

At this point in the RECORD I wish to insert my testimony and also at this point wish to pay tribute to the chairman of the House Select Committee on Aging, Mr. PEPPER, whose outstanding leadership on behalf of this issue was a tremendous asset.

The testimony follows:

STATEMENT OF HON. MARIO BIAGGI ON THE AGE DISCRIMINATION ACT

I am pleased to be the first witness at these public hearings to discuss the Department's proposed rules to implement the Age Discrimination Act of 1975, as amended by the Biaggi amendments of 1978. I wish to commend Secretary Califano and Mr. Libassi for your close consultation with the Congress and the public regarding the implementation of this most important law.

As I stated during testimony I delivered to the Civil Rights Commission in October of 1977, age discrimination, or ageism, is as vicious as any form of discrimination this country has known. While the Age Discrimination Act does apply to all ages, the fact is that the elderly are more often victimized by age discrimination than other groups. This is the reason that the Age Discrimination Act was made part of the Older American Act. The U.S. Civil Rights Commission in its landmark study of Age Discrimination charged "discrimination on the basis of age is widespread affecting persons within several age categories but persons over 65 are consistently adversely affected."

In its study the Commission reviewed the operations of 10 major federal programs with total annual expenditures in the billions of dollars. Their findings were shocking:

The Community Mental Health Centers Act—Only 4 percent of its caseload was made up of elderly clients despite the fact that the President's Commission on Mental Health identified 25 percent of persons over 65 as having significant mental health problems.

CETA—Whereas persons 55 and over make up 8.9 percent of the unemployed of this nation, they constitute only 2.7 percent of the Title I enrollees.

Adult Education Act—Those between 55 and 65 constitute 35 percent of those who could be served by the program yet they make up but 10 percent of program participants with those over 65 making up just 4 percent of the total.

The Commission also touched on two other programs which have operated to the disadvantage of the aged, the Legal Services Corporation and the Title XX Social Services Program.

Age discrimination does have a general impact on the elderly population but the problem is compounded for those aged of minority groups. They are victims of multiple jeopardy—having endured some form of discrimination due to their race or ethnicity only to endure it on the basis of age when they become elderly. This nation has a special obligation to eliminate age discrimination as it pertains to minority groups.

The inspiration for my 1978 amendments to the Age Discrimination Act emanated from the recommendations of the Civil Rights Commission Study. There are two main features to my amendment. The first of these is the elimination of the term "unreasonable" from the statement of purpose clause of the Act. This means that the Act is responsible for the termination of all age based discrimination not just that considered unreasonable. The other key feature is the provision allowing aggrieved individuals a private right of action when administrative remedies are exhausted.

To be frank I am less than convinced that the Department's proposed regulations of December 1, 1978, accurately reflect Congressional intent on the implementation of the Age Discrimination Act. I wish to direct my comments to several areas in the proposed regulations.

The Age Discrimination Act was intended to apply to any program or activity receiving federal financial assistance. General exceptions are provided for programs or activities established "under authority of any law". HEW has devised a far too intricate set of options for interpreting "any law". The intent of Congress was explicit on this point, only those age distinctions established by federal law were to be exempted. What disturbs me the most about the proposed regulations is not only HEW's attempt to expand this exemption into age distinctions provided for in state and local laws or ordinances, but also to include those distinctions promulgated in regulations by all levels of governments. Agencies are not law makers and should not have the powers of law makers to make distinctions on the basis of age. Therefore, I wish to express my full disagreement with the exception section of these regulations and instead wish to urge that the only exceptions be those provided in federal law.

Another concern I have with the proposed regulations deals with the Department's definition of what is age discrimination. The law permits a recipient of federal funds to take an action "otherwise prohibited under the Act" if the action takes into account age as a factor necessary to the normal operation of a program or the achievement of any statutory objective. First of all, I would like to stress that "normal operation" means "appropriate normal operation" and does not include any age bias practices which may have become constant and therefore normal over the years. Examples are the Community Mental Health Programs where the YAVIS syndrome of serving the young, attractive, verbal, intelligent and self starting population has become an administrative practice. Clearly, this may be normal, but not appropriately so. Stated another way, administrative convenience is not considered appropriate or normal as an exemption under the act. Also in this section the term statutory objective should mean the purpose expressly stated in the statute as compared to that inferred from its provisions or legislative history.

HEW has again proposed several options on what relationship must exist between the non age factor and the normal operation or statutory objective. The options are rational, direct, substantial and necessary. As the author of the amendment I can state that the intent of Congress is for that relationship to be direct and necessary.

The alternative which HEW favors is the rational relationship. I am most opposed to this choice. If the relationship must be only rational, which means reasonable, for the program to qualify as an exception, then does it not follow that only unreasonable relationships are covered under the prohibition against age discrimination? Did not the 95th Congress strike "unreasonable" age discrimination from the purpose of the act on the grounds that "unreasonable" permitted all but the most abusive forms of discrimination? To reinsert this meaning through regulations would be to set back the fight against age discrimination.

My final point of concern deals with the right of action provided to those individual or class action complainants. I have some reservations about the initial referral of a complaint to a mediator and more specifically to the Federal Mediation and Conciliation Service. Nowhere in my amendment is there a reference to such mediation as a method of complaint resolution. I would hope the Department would be able to elaborate further on how they would propose to train service mediators in this new area of the law. Absent this, I would be opposed to this new mechanism on the grounds that it could impede rather than expedite complaint resolutions. Further, even if this mediation process were to be implemented, I feel that a 30 month evaluation period is far too generous. The evaluation period should be no longer than 15 months.

For the sake of balance I do support the proposed regulations aimed at targeted data collection from state and local agencies to determine compliance with the Act. The last thing I want to see this Act do is unduly increase the paperwork burden on states and localities. An accurate targeting process should provide HEW with the necessary information to determine compliance.

A specially noteworthy portion of the proposed regulations is the requirement that federal agencies as part of their age discrimination regulations include all age distinctions currently in statutes and regulations which govern programs where federal funds are distributed. I suspect that this will be a shocking revelation for many in this nation but it is a step forward in the pursuit of honest and open government.

I agree with the Department that some further modifications are needed in the area of self evaluation. The proposed rule calls on each agency extending federal assistance to recipients employing 15 or more persons to require each recipient to complete a written self evaluation of its compliance within 18 months. Such a proposal, while fully reflecting the intent of Congress may need to be revised again to prevent unnecessary paperwork burdens. Perhaps the Department could increase the size of the individual programs or apply a targeted self evaluation mechanism.

I fully recognize that we are still very early into the process. You have yet to hear from those on the programmatic level who will be forced to implement this law. They will no doubt have other observations. I have given you my assessment of the positive and negative features of these proposed rules.

With the elderly as the fastest growing segment of our population, it is imperative that we exert all our energies to ending age discrimination. The federal government which tragically has been in the lead in terms of age based discrimination in its programs should now take the lead behind its elimination. The Age Discrimination Act presents us with this opportunity and we should seize it.

Has not this nation been disgraced before through its practices of discrimination against its fellow citizens? Just yesterday this nation commemorated the 50th birthday of a leader against discrimination, Dr. Martin Luther King. Dr. King shamed this nation into seeing how racial discrimination constituted the antithesis of our democratic principles. Age discrimination represents an even more universal fear for the simple reason that all of us could eventually be victimized. Today's hearings and the ones to follow will be a catalyst for what must be a national movement to end the unconscionable societal blight known as age discrimination. A society which has no respect for its elders has no respect for itself.●

EXEMPT STATE PRISON FARMS FROM MARKETING QUOTA PENALTIES

HON. E de la GARZA

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. DE LA GARZA. Mr. Speaker, today I am introducing legislation that will exempt State prison farms from paying of marketing quota penalties.

This bill would further amend section 273(d) of the Agricultural Adjustment Act of 1938. The act would exempt State prison farms effective with the 1978 crops, and no penalty would be collected with respect to the marketing of any agricultural commodity grown on State prison farms for consumption within such system.

Under existing law, marketing quota penalties can be invoked on producers of tobacco and peanuts who exceed Federal marketing quotas.

The bill was designed mainly to deal with the production of peanuts on Texas State prison farms for consumption by prison inmates.

It would be unfair to penalize the prison farms for using peanuts in excess of their quotas when the object of growing them is to save money for taxpayers.

I hope this legislation allows the prison systems more flexibility in producing commodities so we can continue to save taxpayer dollars.●

PUERTO RICO: THE 51ST STATE?

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. SIMON. Mr. Speaker, our colleague, Representative BALTASAR CORRADA, who has been doing an excellent, hardworking job representing Puerto Rico in the House, recently had an article in the Chicago Sun-Times on why Puerto Rico should become the 51st State.

I hope my colleagues will take the time to read it, both because of its content and because it is written by our esteemed colleague.

What he has to say makes sense to me and if the people of Puerto Rico should decide by referendum that they want to become a State, my vote will be with them.

This is probably also an appropriate time to note the hard work Representative CORRADA has done, particularly on the Education and Labor Committee, where his amendments have often been accepted and where he has shown substantial leadership.

The article follows:

PUERTO RICO SHOULD BECOME THE 51ST STATE

(By Baltasar Corrada)

Sometime in the early 1980s Puerto Rico will start down a path well worn by states such as Oklahoma and New Mexico, Alaska and Hawaii: It will knock on the door of the United States with a petition for statehood.

It may not always have been obvious, but Puerto Rico has been moving dramatically toward this route for many years. More recently, the pace of the steady step toward statehood has accelerated.

Why statehood? Why not?

Residents of Puerto Rico have been United States citizens for more than 60 years. But it has been an unequal, even inferior, citizenship—even though it has been characterized by loyalty and devotion to the United States in war and in peace.

In 1917, the same year that Puerto Ricans became citizens of the United States, thousands of them volunteered to fight alongside their fellow Americans in defense of U.S. ideals in the horrors of the trenches of World War I. That was only the beginning. On the battlefields of Europe and in the Pacific in World War II, in the frozen wastes of Korea in the 1950s, in the steaming jungles of Vietnam in the 1960s and 1970s, tens of thousands of Puerto Ricans fought for the Stars and Stripes. Many died. Four were awarded Congressional Medals—all posthumously.

Surely this should be enough of a price for Puerto Rico's admission to the Union as the 51st state. Or are its 3.3-million citizens doomed to second-class citizenship in political limbo indefinitely?

Must Puerto Ricans accept never being able to vote for President, nor having full voting representation in Congress? They should not accept it, and neither should the rest of the United States.

It has been said that there are certain economic advantages to Puerto Rico's status quo—a commonwealth of the United States—because it is exempt from federal taxes. But the price of exemption is high: limited participation in many federal programs and exclusion from the mainstream of the American political system. Equally high are the taxes our teachers, police, taxi drivers, farmers and workers have to pay the commonwealth government.

Ultimately, however the question of statehood for Puerto Rico is not one of dollars and cents. It is a moral question involving the human and political rights of a community of disenfranchised American citizens.

These same American citizens have been quietly moving toward an affirmation of their rights for the past 26 years in an area the rest of the United States can best understand—at the ballot box. In every Puerto Rican election since 1952, statehood candidates for public office have received increasingly greater shares of the vote, rising from 12 per cent to more than 48 per cent in 1976, while the vote for commonwealth parties has declined.

During those 26 years, support for independence, the only other political alternative for Puerto Rico, plummeted from 19 per cent to only 6 per cent.

When Puerto Rico knocks at the door of the nation in the early 1982s with its petition for statehood, it will have the support of its people, a support backed by the results of a political status referendum planned for 1981. Statehood is an ideal Puerto Rico hopes will not be postponed indefinitely as it almost was for Hawaii and Alaska, states that finally broke the barriers of non-contiguity and ethnic prejudice

As a state in the Caribbean, Puerto Rico would enhance U.S. prestige and security in the area much more than it does as a territory, which many call a "colony." As to ethnic and cultural considerations, there are more Hispanics on the U.S. mainland than in Puerto Rico. In fact, Hispanics will become the nation's largest minority by 1990. Admission to Puerto Rico as a state would recognize their many contributions to the nation.

Puerto Rico will become the 51st state by the will of the majority of its people in the exercise, as U.S. citizens, of their right to self-determination and, with the help of their fellow citizens in the 50 states, by an act of Congress.

Nothing else could more favorably reflect the United States' commitments to democracy, equality, justice and the development of fundamental human rights.●

OUR LOSS OF LITTLE BROTHER

HON. BARBER B. CONABLE, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. CONABLE. Mr. Speaker, the 96th Congress has convened without a loved and familiar face in the Doorkeeper's Office. Those of us who can look back a few years know how helpful and kindly Carl Sommers always was, and are distressed to learn he passed away in November without ever enjoying the retirement to which he was so richly entitled.

Known as "Little Brother", Carl was part of the Capitol scene for almost 30 years, and leaves behind an outstanding record of devoted service. Starting out as busboy in the House Restaurant, he quickly became a waiter, and then headwaiter. He knew the dietary inclinations of many a Member, and regaled us with stories of the special attention he was happy to give.

In 1959 he joined the Doorkeeper's staff, and there former Doorkeeper Fishbait Miller encouraged him in the performance of difficult tasks by saying, "You're my little brother—so get in there and do it."

"Little Brother" he remains in our memory, and with his passing we have lost a considerate and dedicated employee, who was so helpful to many of us in aiding our conduct of the Nation's business.●

MEAT IMPORT BILL

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. PICKLE. Mr. Speaker, today I am introducing a bill to help the Nation's ailing cattle industry, to stabilize the supply and price of beef products. The Meat Import Act of 1978 was passed overwhelmingly by both the House and the Senate, but was vetoed by the President.

I am proposing a bill in this Chamber, which my fellow Texans LLOYD BENTSEN has introduced in the Senate, to answer the President's main concern about last year's legislation.

The cattle industry is subjected to extreme rounds of boom-and-bust economy. However, the gyrations, usually result in a bust, or depressed condition. When domestic supplies are high, the current law only increases those supplies. The market is flooded and any gains are wiped out. Cattlemen do not know whether to rebuild their stocks or what price they will get. The resulting confusion hurts the whole supply and demand cycle. When our own supplies are low, current conditions do not allow increased imports.

The new Meat Import Act of 1979, like last year's measure, seeks to reverse the formula by introducing a countercyclical concept. Under this system, when beef supplies are adequate, imports are lessened because we do not need them.

Despite this veto, President Carter endorsed the countercyclical formula. However, the President felt his hands were tied, that he could not deviate from the formula when he thought price or supply pressures demanded it.

The President's current authority is sometimes used at the wrong time. When low prices have moved the cattle cycle into its liquidation phase, the resulting increased cow slaughter depressed prices even further. Presidential action to increase imports at this point can have a severe impact on prices, which in turn prolongs and deepens the liquidation. In turn, this causes the inevitable upturn to be even more violent, with more impact on consumer prices.

The countercyclical formula is designed to protect consumers by enabling the President to increase imports when domestic supplies are inadequate. Yet, the President wants to maintain his authority just in case. This new bill will provide that assurance. The President will retain his existing authority during the expansion phase, when domestic supplies are short, and the countercyclical formula is raising imports. In other words, if the formula does not work, the President can step in and assure adequate supplies.

However, at the opposite end of the cycle, the liquidation phase, the President could raise imports only during a national emergency or natural disaster. During this phase we have large domestic supplies and low prices, so there is no real need to suspend the quotas. Producers must have confidence in the market, to prevent disruption and the boom-and-bust cycle. We should suspend quotas during this period only under extreme circumstances.

Each point on the cycle is easy to distinguish. When the fraction is 1.0 or above, the formula is increasing imports and the President would have authority to further increase them. When the fraction falls below the 1.0 level, imports are being decreased in response to domestic oversupply and low prices, and the President would be able to expand imports only in an emergency or disaster. The only other change from last year's bill is a requirement for a 30-day comment period before any Presidential action to increase imports becomes effective. This period will lessen the shock of such actions and provide for public discussion on what have been closed-door decisions.

The 95th Congress saw the need for this legislation and passed it overwhelmingly. We told the President the cattle market needed protection from certain Presidential actions. In this bill we retain that protection but give the President authority to prevent shortages. The bill is reasonable and fair, both for the cattle industry and its market, the American consumer. I urge your careful consideration and support for this bill.●

ANNIVERSARY OF UKRAINIAN REPUBLIC

HON. JOHN J. RHODES

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. RHODES. Mr. Speaker, 61 years ago the Ukrainian Republic was formed. Today, it has been swallowed up by Russian communism. The people of the Ukraine have never relinquished their love of freedom, nor ceased to fight against the oppression of communism. It is estimated that half of the prisoners in the Gulag Archipelago are Ukrainians.

It is fitting that we in America, where freedom is our greatest blessing, observe this unfortunate reminder that communism and repression are inseparable and insatiable.

It is appropriate that we honor the brave people of the Ukraine for their resistance to tyranny and their hope for eventual restoration of freedom in their homeland. We also should resolve that the United States be kept strong so that we can help keep the free world from being whittled down by Communist aggression.

To those of Ukrainian descent, January 22 is a somber anniversary and a time of rededication to the goal of freedom. I join them in spirit and urge my colleagues to mark this observance as evidence for the need to be constantly alert to ward off the aims of global communism being pushed by those who swallowed up the Ukrainian Republic and have persecuted its people.●

TESTIMONY BEFORE DOE HEARINGS ON THE FUTURE OF THE WEST VALLEY, N.Y., NUCLEAR FUEL SERVICES SITE

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. KEMP. Mr. Speaker, last Saturday I submitted testimony in Buffalo, N.Y., before the last public hearing to be held by the Department of Energy on the disposition of the West Valley nuclear waste reprocessing plant site before DOE is to report to Congress with its recommendations.

As I have stated in my testimony, the preliminary report issued by DOE on this situation was not at all satisfactory, and failed to address a significant number of my questions and concerns for the welfare of the people of western New York.

I am submitting my testimony here for the RECORD, and I recommend it to the attention of everyone affected by the West Valley situation.

STATEMENT OF THE HONORABLE JACK KEMP ON THE FUTURE OF THE WEST VALLEY NUCLEAR FUEL SERVICES SITE

As we discuss the future of the West Valley Nuclear Fuel Services Site today, it is important to keep in mind the fact that the Federal Government provided the impetus that led to the creation of the nuclear waste reprocessing plant in West Valley, and that ultimately led to its demise.

In 1957, the Federal Government sought industrial and state participation in reprocessing and storing radioactive waste. In 1961, following this initiative, New York State acquired the West Valley site, and the following year Nuclear Fuel Services, Inc., was formed by W. R. Grace Company and AMF. Between 1962 and 1963 a lease and waste storage agreement was negotiated between Nuclear Fuel Services and the New York State Energy Research and Development Authority. A base load agreement was reached with the Federal Government's Energy Commission to provide an initial load for the plant, a load understood to be sufficient to insure the success of Nuclear Fuel Services as a commercial venture. The Atomic Energy Commission insisted that the State of New York take responsibility for the long term care and custody of the radioactive wastes. After those assurances were given by the State, utility contracts were negotiated, providing a limited initial commercial load with no responsibility for wastes.

The plant was constructed between 1963 and 1965, and between 1966 and 1972 that plant processed 600 tons of fuel, 75% of which was from Federal Government sources. In 1970 the Atomic Energy Commission changed its policy with respect to long-term storage of radioactive wastes, in essence insisting upon the Federal care and custody of such wastes a policy which was sustained by AEC's successor, the Nuclear Regulatory Commission. Under the new rules, wastes were required to be solidified and shipped to a Federal waste disposal area, rather than retaining the wastes in a liquid form, as had been contemplated in the construction of the NFS Center. That change in policy made further commercial reprocessing uneconomical for a private company.

As a result, NFS notified the public, Federal agencies, and the State of its decision not to renew its lease beyond 1980, a lease in which New York had agreed to take over the entire site and facilities, including the wastes, in such an event. Neither New York State nor Nuclear Fuel Services, however, had anticipated that it would be the Federal Government that would bring the once promising venture to a grinding halt.

WEST VALLEY PLANT

The 250 acres of developed land at the West Valley site contain a spent fuel receiving and storage facility, a reprocessing plant, a high-level liquid waste storage facility, an NRC-licensed waste burial ground, and New York State-licensed waste burial grounds. In a letter to me dated November 1, 1978, Dr. John M. Deutch, Director of Energy Research for DOE and head of the Federal Interagency Review Group (IRG), informed me that there are approximately 600,000 gallons of high-level liquid wastes presently being stored at West Valley. If these materials were vitrified, or converted into glass rods, then would then be reduced in volume to about 18,000 cubic feet. This would fill a cube 26.2 feet on each side. The containers, according to Dr. Deutch, holding this high-level waste will be good well into the 21st century.

DOE STUDY

With the publication of the Department of Energy's Final Report for Public Comment on the West Valley site, DOE had a golden opportunity to show the people of Western New York its concern for their welfare, their health, and the undesirability of locating hazardous nuclear wastes close to one of the major population centers of the Northeast United States. Unfortunately, the report as issued was very disturbing to Western New York residents, and did not at all address a significant number of my questions and concerns for the welfare of our community.

Specifically, the DOE study does not address the significant health hazard the continued use of the West Valley site would have on the surrounding area and its inhabitants. Yet, without this information, DOE has strongly favored future nuclear activity at West Valley over total decontamination and decommissioning of the NFS plant.

STUDY FAVORS NUCLEAR ACTIVITY

The DOE study, in its list of options for future use of the NFS plant has clearly favored continued nuclear activity at West Valley. Four areas particularly reflect this bias:

(1) Spent Fuel Storage Pool. On page 30 of the report, DOE details the possibilities of expanding the storage pool for spent fuel, or nuclear fuel that has been removed following exposure to radiation in a reactor, from its current capacity of 315 metric tons to a capacity of 1000 metric tons. As its justification, DOE cites government studies that indicate that "several thousand metric tons of additional spent fuel storage capability will be needed by the mid-1980's."

(2) New York State-Licensed Burial Ground. The DOE Study cites the fact that there are three commercial shallow land burial areas for low-level wastes currently in operation in the United States, only one of which, in Barnwell, South Carolina, is east of the Mississippi River. DOE states that reopening this burial ground would reduce transportation requirements for this waste, thereby significantly reducing wastes dis-

posal costs and risks to the general public." Nowhere in the report is stated the possibilities of environmental risks to the public from these wastes, buried in the ground without containers, much like the chemicals in the ground at Love Canal.

DOE goes on to say here that "the considerable quantity of information available about the adequacy of the site for radioactive waste storage and the experience gained to date in operating the burial grounds make its continued use attractive."

(3) Reprocessing Plant. The United States is currently evaluating alternatives to the reprocessing and recycling of plutonium produced in U.S. nuclear power programs. DOE's study states, "Consistent with this policy, the WNYNSC facilities could be used to conduct research on the viability of proliferation resistant fuel processing alternatives." A further reading of this section reveals that this Research and Development would mean the handling of highly radioactive materials which makes theft of fuel very hazardous. This is not the kind of activity the people of Western New York had in mind for West Valley.

100 PERCENT FEDERAL FUNDING

As I have stated before, I strongly believe that this whole situation would not have arisen were it not for a "change in the game plan" by the Federal Government which sent a $600 million bill to Nuclear Fuel Services in the way of new and unexpected federal regulations. It is therefore, in my opinion, the Federal Government's responsibility to pay for the total cost of decontamination and decommissioning of the site, regardless of the eventual disposition of the site by the State of New York.

$5 MILLION APPROPRIATION IN FISCAL YEAR 1980

For this reason, I will support legislation to provide a $5 million appropriation in the FY 1980 budget to proceed expeditiously with the necessary Research and Development, planning, design and implementation of the decontamination and decommissioning of the Nuclear Fuel Services nuclear waste reprocessing and storage site. This appropriation is supported by the Sierra Club, among others, and I would like to commend the members of the Sierra Club at this time for its diligence in monitoring the developments at West Valley.

I am opposed to any future nuclear use of the West Valley site, whether for reprocessing, research and development, or storage, and I believe the people of Western New York are on my side. This appropriation will provide initial funds for the Federal Government to proceed with the mandate of the residents of our area, to clean up the site once and for all.

COOPERATIVE FEDERALISM

At the same time, I propose that a system of "cooperative federalism" be established by which a strong partnership of state, local and federal government and private industry can work together to determine a feasible solution to the problem of future use of the West Valley site. This proposal is supported by the National Governors' Association, and would assure adequate state and local input into future plans for the area. Interim solutions should be sought by this coalition: we cannot waste time waiting for a "perfect" future use plan.

It is imperative that state and local interests be consulted before, not after, significant decisions are made or actions taken by the Federal Government, and we must all work together to see that the people's interests are safeguarded in this way.

HEALTH STUDY

The health and safety of the residents of the West Valley area, and, indeed, of all of Western New York, should be the primary concern of all of us involved in this most serious matter. If, after studying the full evidence presented by the Federal and State governments and private concerns, I find that adequate attention has not been paid to the effects of the location of the nuclear fuel waste reprocessing plant and storage area at West Valley on the people of Western New York, I will support a comprehensive health study of the area by the Federal Government. The people's interests must come first, and I will not let them be ignored.

CONCLUSION

I am glad to see that the Federal Government has finally acknowledged a responsibility to the resolution of the West Valley situation, although I caution the people of Western New York that diligence is needed to protect our local interests as this matter progresses. The Department of Energy has given inadequate attention to decommissioning and decontaminating the NFS facility. Previous inattention to West Valley's needs by the Federal Government created the problems we have today, and we cannot continue without a full commitment to the shutdown and cleanup of the contaminated site.

I pledge my full effort to work with the Federal Government, state and local concerns, and private industry, to remove the nuclear wastes from West Valley, and to rebuild that site into a safe, clean and healthy environment for our children to inherit.●

THE FAMILY FARM ANTITRUST ACT OF 1979

HON. ROBERT W. KASTENMEIER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. KASTENMEIER. Mr. Speaker, there is widespread concern that American agriculture will soon be dominated by large agribusiness conglomerates, and that the family farm will become a thing of the past. Indeed, the number of farms operating in the United States is rapidly decreasing. In the late 1930's, there were 6.8 million farms in this country. By 1945 there were only 5.9 million, and by 1977 that number had dropped to 2.7 million. Recent statistics from the Department of Agriculture indicate that the reduction in the number of farms may be accelerating. In my own State of Wisconsin, 1,000 farms went out of existence last year. Wisconsin now has fewer farms than any time since 1860.

This trend has serious implications, not only for farm families, but also for American consumers. We are well on our way toward sacrificing a diversified, competitive, and efficient food production system for one dominated by a relatively small number of giant corporations.

Why is this a problem? First of all, a farm system based on a large number of one-family farms has the greatest potential for meeting the Nation's nutritional requirements. Second, the increasing presence of large corporations in agriculture threatens to force farmers off of their land. Finally, a reliance on large agribusiness corporations will not result in more efficient food production, but instead will ultimately increase food prices for consumers.

To help reverse this trend, I am joining 14 of my colleagues today in introducing the Family Farm Antitrust Act. This legislation would prohibit persons or businesses with more than $3 million in nonfarm assets from engaging in agricultural production. Further, businesses with close ties to farming such as packinghouses, feed manufacturers, chemical and fertilizer manufacturers and farm machinery suppliers, having more than $1 million in assets, would be prohibited from engaging in agricultural production. Farm cooperatives would be exempted from the act, as would be charitable, educational, and nonprofit institutions.

There is no reason why the family farm should be viewed as an anachronism. Studies by the Economic Research Service of the USDA found that the fully mechanized one-man farm, producing maximum acreage, is large enough to capture economies of size related to unit costs of production. Once a farm has achieved this optimum size, additional expansion will not lower production costs per unit, but will serve only to increase the total income of the producer.

Therefore, we will not forego efficient agricultural production by preserving the family farm. On the contrary, a real threat is posed by the vertical integration of agriculture, which the Family Farm Antitrust Act would prohibit.

Vertical integration is a situation where two or more stages in the production process that were formerly handled by separate firms become merged into one firm. An example of vertical integration would be a livestock feeder who builds or buys a packaging plant to provide an outlet for his feed cattle.

We have every reason to believe that the vertical integration of agriculture will result in higher prices for the consumer, just as the vertical integration of other industries have encouraged higher prices for their products. A study by the University of Missouri concluded that retail food prices would rise if nothing is done to alter the trend toward vertical integration. Merchandising and market costs would increase as integrated firms advertise and stress product differences on basic agricultural commodities. Aggressive unionization of agricultural and agribusiness workers will increase labor costs that the family farm operator presently absorbs. Finally, lack of effective price competition would push up food prices.

Furthermore, the spread of agribusiness creates additional pressures on existing family farms. With their superior command on financial resources, large corporations are able to purchase the best farmland at premium prices. This helps increase prices for all farmland, making it more difficult for small farmers to expand their operations, or for young farmers to purchase their own land.

Farms owned by large corporations do have advantages over the independent family farm. But these advantages do not come from increased efficiency. Rather, they result from the ability of corporate farms to purchase production inputs from firms controlled by their parent companies at artificially low prices.

Unfortunately, there are currently few reliable statistics concerning the extent to which large corporations control farmland. The census data now available relate to farm operators, not owners. However, because of public concern over this issue, the Bureau of the Census will collect information concerning land ownership in the 1979 agricultural land census.

What information we do have is not encouraging. A General Accounting Office study released late last year reported that 17 percent of the American food supply is controlled by agribusiness. More disturbing is the extent to which large corporations control the production of specific commodities. The GAO report goes on to state:

> In 1970, 100 percent of sugar beets, 92 percent of broilers, 88 percent of processed vegetables, and 47 percent of citrus fruits were produced either on land owned by agribusiness corporations or under corporate contract. One corporation controls 70 percent of the date industry.

Clearly, we must act to stop the trend toward corporate control of American agriculture. Our efforts to lower the inflation rate will not be effective if we allow one of our most vital industries to be dominated by large conglomerates which are practically immune from price competition. The abundance of food which our country has historically enjoyed resulted from a reliance on the family farm. I urge my colleagues to support the Family Farm Antitrust Act of 1979.●

PLANT VARIETY PROTECTION ACT

HON. E de la GARZA

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. DE LA GARZA. I am introducing a bill to amend and clarify the Plant Variety Protection Act of 1970.

Twelve of the proposals clarify wording and make no substantive changes in the act. Four proposals provide for changes in present requirements, but would have no significant regulatory impact. Five of the proposals would alter or delete requirements in the act. Of the last group, section 144 of the act will be deleted thereby extending protection to okra, celery, peppers, tomatoes, carrots, and cucumbers which are not protectable under the present act.

The Plant Variety Protection Act authorized the establishment of a Plant Variety Protection Office in the Department of Agriculture. The purpose of this office was to issue certificates of plant protection to assure developers of novel plant varieties, the exclusive rights to sell, reproduce, import or export such varieties or use them in the production of hybrids for a period of 17 years.

I feel it is necessary that protection be afforded these six varieties of vegetables in order that an incentive to proceed with the breeding of new vegetables be provided to our researchers and encourage development of new breeds.●

REGULATORY REVIEW ACT

HON. THOMAS B. EVANS, JR.

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. EVANS of Delaware. Mr. Speaker, I am today introducing the Regulatory Review Act of 1979. This measure is designed to ease the crushing regulatory burden on our economy by requiring Federal agencies to file an "economic impact statement" on any proposed regulations, and, most importantly, allowing either House of Congress to veto unwise, unnecessary or nonsensical regulations before they go into effect.

In this fiscal year, the Federal Government will spend $4.8 billion to fund the 41 regulatory agencies. That figure represents a shocking 115 percent increase in the last 5 years.

But these administrative costs are "chicken feed" when compared to the estimated $98 billion dollar cost of compliance which American businesses and consumers will have to pay this year to meet the requirements of these regulations.

For instance, it has been estimated in a recent report prepared for the Congressional Joint Economic Committee that federally mandated safety and environmental features increase the price of the average passenger car by $666 in 1978. Compliance with these regulations therefore cost the consumers of this country $7 billion in the form of higher priced cars. In addition, the added weight of the cars is increasing fuel consumption by perhaps as much as $3 billion annually. Total cost to consumers: $10 billion.

Businessmen and businesswomen really take it on the chin when it comes to Federal regulation. There are over 4,400 different Federal forms which must be filled out by the private sector each year, requiring over 143-million manhours to complete. The Federal Paperwork Commission estimated that the total cost of Federal paperwork imposed on private industry ranges from $25 to $32 billion a year and that "a substantial portion of this cost is unnecessary." Small businesses, because they do not have the personnel or the finances to handle the reams of paper that flow out of Washington, carry a particularly heavy burden.

And since business costs are inevitably passed on in the form of higher prices, the consumer is hit hard by Federal regulation. It has been estimated that the aggregate cost of complying with Federal regulations came to $62.9 billion in 1976, or over $300 for each man, woman, and child in the United States.

The legislation I am introducing, the Regulatory Review Act of 1979, would attempt to curb this uncontrolled growth of regulatory power. The act would require that all proposed Federal regulations be submitted to the Congress 60 days prior to their implementation. During that time, either the House or Senate may adopt a resolution disapproving in whole or in part any such regulation, thus preventing that proposal from going into effect.

Further, the regulatory agency proposing the rule will be required to give the Congress an "economic impact statement," estimating the costs to be incurred by all levels of government and by the private sector, including businesses and consumers, should the proposed rule be implemented. Thus, for the first time, the Congress and the American public will know the costs, as well as the benefits, of regulatory actions before those actions take place, and can better judge the desirability of any proposed rule. By bringing the actions of regulators into account by elected officials, I am confident that we will not only have less regulation, but even more importantly, we will have better regulations.

This legislation would improve the regulatory process in several ways.

It would require, for the first time, that Federal rules and regulations be reviewed by a governmental body directly responsible to the voters.

Second, the Federal departments and agencies, knowing that their proposals are going to come under the scrutiny of those who drafted the legislation requiring the regulations, will be more likely to work with the Congress in drafting regulations and determining legislative intent before issuing those rules.

Third, redundant or contradictory regulations from different agencies will be more likely to be identified and eliminated through the congressional review process.

Fourth, this legislation will force Congress to take its oversight responsibilities seriously again, and continuously oversee the Federal bureaucracy.

Finally, this review of agency regulations and rules will give the Congress needed feedback in developing future legislation.

Mr. Speaker, this legislation will give our citizens the right of legislative appeal on burdensome regulations and I urge its prompt consideration.●

TRUTH IN LENDING ACT

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. PICKLE. Mr. Speaker, I am today introducing a bill that would amend the Truth in Lending Act to provide that a creditor may not be held civilly liable under the act if the creditor is in good faith in substantial compliance with the provisions of the act. This is an act that was passed with the best intentions in the world aimed at protecting the consumer from unscrupulous lenders who would hide from him the true costs of the loan. However, in actual practice rather than protecting the consumer, the law has become a bonanza for clever attorneys who use this act where the debtor could not make his payments, and find some technicality so that the creditor can be punished in the form of statutory penalties and attorney's fees, without substantive injury to the plaintiff.

This has meant that many small business men are being penalized. Attorneys in my district have advised me that it is virtually impossible to advise a creditor that his form is in compliance with Regulation Z. Substantial compliance to my mind would show the debtor the cost of credit and the simple interest rate that he would be charged, together with the total he would be expected to repay, and that he has in good faith acted in compliance with the law.●

THE 19TH ANNIVERSARY OF CASTRO TAKEOVER OF CUBA

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. PEPPER. Mr. Speaker, the beginning of the 96th Congress marks the 19th anniversary when Castro, with the aid of Soviet arms and personnel, established his illegitimate claim to the governorship of the island of Cuba, the jewel of the Caribbean. Since then, in its systematic and devious manner, the Soviet Union has consistently exploited Castro's dependence on their aid and guidance.

We are all familiar with the events of the Cuban missile crisis when the Russians attempted to place nuclear missiles at our doorstep, and were finally forced to remove them by President Kennedy. The reports and sightings of Soviet armaments, installations, subsidies, and advisors have been too numerous to list here.

At this very moment, Castro is reported to maintain about 40,000 of his troops on the African continent. To take a stand, in which I hope I will be joined by other Members of the House, I am reintroducing today a joint resolution expressing our determination to vigorously oppose Soviet penetration and use of Cuba to extend its military influence into Africa and the Americas, contrary to the Monroe Doctrine.

JOINT RESOLUTION

Expressing the determination of the United States with respect to the situation in Cuba.

Whereas the Soviet Union has deployed military personnel to Cuba for the purpose of piloting and maintaining Cuban Mig-22 fighter aircraft, to operate Cuban radar installations, and for other military purposes; and

Whereas this Soviet deployment of military personnel into this hemisphere has occurred in conjunction with the depletion of Cuban military forces through the intervention of tens of thousands of Cuban troops in Africa in support of various Communist-supported military actions on that continent; and

Whereas such deployment of Soviet military personnel to Cuba, and Soviet and Cuban military personnel, arms, and support to Communist forces in Africa, is in the interests only of Communists expansionism and not in the interests of world peace; and

Whereas such Soviet military presence and buildup in Cuba is in violation of the Monroe Doctrine of 1823, which termed any attempt on the part of European powers "to extend their system to any portion of this hemisphere as dangerous to our peace and safety," and of the Kennedy-Khrushchev agreements of 1962, which assured no deployment of Soviet forces or offensive arms in Cuba; and

Whereas in the Rio de Janeiro Treaty of 1947 the parties agreed that "an armed attack by any State against an American State shall be considered as an attack against all the American States, and, consequently, each one of the said contracting parties undertakes to assist in meeting the attack in the exercise of the inherent right of individual or collective self-defense recognized by article 51 of the Charter of the United Nations"; and

Whereas the Punte del Este Resolution II of the Organization of American States of January 1962 agreed "to urge the Member States to take those steps that they may consider appropriate for their individual and collective self-defense, and to cooperate, as may be necessary or desirable, to strengthen their capacity to counteract threats or acts of aggression, subversion, or other dangers to peace and security resulting from the continued intervention in this hemisphere of Sino-Soviet powers, in accordance with the obligations established in treaties and agreements such as the Charter of the Organization of American States and the Inter-American Treaty of Reciprocal Assistance": Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the United States is determined—

(a) to prevent the Communist regimes of the Soviet Union and Cuba, acting individually or collectively, from extending by force or threat of force their aggressive or subversive activities to any part of this hemisphere;

(b) to prevent in Cuba the creation or use of an externally supported military capability, or the deployment in Cuba of military forces from another nation, for the purpose of establishing a stronger base for Communist expansionism in this hemisphere, thus endangering the security of the United States and other non-Communist nations; and

(c) to work with the Organization of American States and with freedom-loving people of all nations to implement collective security agreements and to support the aspirations of all people in this hemisphere for freedom and self-determination; and be it further

Resolved, That the President of the United States take every possible action to carry out the intent of this resolution.●

TRIBUTE TO CARL "LITTLE BROTHER" SOMMERS

HON. JOHN J. RHODES

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. RHODES. Mr. Speaker, I know that those of my colleagues who knew him are saddened by the passing during the adjournment of Carl Sommers, who worked for the House for more than three decades.

Known as "Little Brother," Carl began his Capitol career as a busboy in the House restaurant. His cheerfulness and energy earned him the friendship and respect of fellow workers and those he served. He worked his way up to head waiter of the House restaurant, and later took a staff position in the Doorkeeper's Office.

Carl Sommers was one of the many dedicated but unsung employees that keep our Capitol services running smoothly. He arranged many luncheons and functions large and small.

I join my colleagues in expressing our appreciation for the fine job Carl Sommers did for us for nearly 40 years.

We will miss him.●

HOUSE BROADCASTING

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. ANDERSON of Illinois. Mr. Speaker, yesterday's Washington Post carried an excellent editorial entitled, "Your Congressman on Tape," in which it warned against the potential abuse of the new House broadcast system by Members who might be tempted to duplicate tapes of their floor speeches for distribution to their local media.

This is not a farfetched apprehension since the precedent was already established during the last session by permitting Members to tape and distribute the audio portions of their floor remarks. And, during the debate on the House rules resolution last Monday the majority leader seemed to give his blessing to this practice by equating it with the present right of Members to "reproduce copies of their speeches in the CONGRESSIONAL RECORD, to which the public at large has access, and to send them to members of their constituencies." To quote further from the majority leader's remarks, at page H13 of the RECORD:

> Certainly members of the public ought to have a right to know what it is that has been said on the floor of the House. I do not know any reason why that same right should not extend if it is the wisdom of the House that we should have these proceedings televised subject to restrictions as to political or commercial use and to further restrictions which may be announced by the Speaker.

Mr. Speaker, no one is questioning the right of the public to know what is said on the floor of the House. The press regularly reports on our proceedings and Members now keep their constituents amply informed through newsletters and radio and TV tapes made in the House recording studio. What is being questioned is using the new House broadcast system as but another extension of our self-promotional activities. And what is also being questioned is the impact this practice would have on our floor proceedings. Would such easy access to House broadcast tapes for media distribution by Members tend to distort and prolong our proceedings by encouraging more Members to talk more and for home consumption? I can imagine it would.

For these reasons, the Ad Hoc Subcommittee on Broadcasting on which I served in the 94th Congress recommended against permitting Members to distribute their own floor remarks to the media. We specifically wrote such a prohibition into our resolution. Unfortunately, that language was not retained in the House broadcast rule recommended by the Democratic Caucus and adopted as part of the House rules last Monday. It is my hope that the Speaker will either enforce such a prohibition through regulations, or that the Rules Committee will take early action on this necessary amendment to the broadcast rule. I have already written to the Speaker's Broadcast Advisory Committee's chairman, the gentleman from North Carolina (Mr. ROSE) expressing my concerns and hopes. At this point in the RECORD I include the Post editorial and the exchange of correspondence with the gentleman from North Carolina.

The editorial follows:

[From the Washington Post, Jan. 17, 1979]

YOUR CONGRESSMAN ON TAPE

Unless House Speaker Thomas P. O'Neill says no, the new official system for broadcasting House floor proceedings is going to give congressional incumbents yet another way to promote themselves back home—at the taxpayers' expense. Since last summer, the House has made the sound of floor debates available to broadcasters and the public. Nothing bars any representative from making or ordering a tape of his own remarks or any other snippets of debate, editing that tape as he chooses, and transmitting it as a news report to broadcast outlets back home. Apparently few members have caught on to the full publicity potential here. But once video coverage also becomes available, a month or so from now, it won't be long before every incumbent with any hustle is keeping his district's stations amply supplied with self-promoting tapes—labeled as "official House proceedings" and paid for by the taxpayers.

It's not as though members of Congress don't already have ample facilities for making radio and television tapes to ship back home at public expense. But those materials are more clearly self-produced and thus as suspect as any other press release. Cuts from the floor debates will have an institutional ring of objectivity and authenticity that may increase their chances of being used on the evening news. And that compounds the problem, because there will be no assurance that the tapes are really accurate at all. An incumbent could easily edit a tape of a floor speech to eliminate verbal gaffes, much as the Congressional Record is tidied up every day. Beyond that, tapes could be cut and spliced to distort the debate or put opposing viewpoints in an unflattering light.

The House resolution governing the broadcasting system does not prohibit any of that. It does bar "political" and "commercial" uses of the electronic record, but nobody has spelled out what those terms mean. By offering tapes as "official news," incumbents might even be able to get around equal-time rules—which don't apply to news events—and dominate the home-town airwaves during campaigns.

All this puts a great burden on the broadcasters involved. In principle, they have a professional obligation to check the accuracy of material they receive, to reject doctored reports, and to tell viewers the sources of the sounds and images they air. In practice, many stations—especially smaller ones—may lack the time and resources to do this whenever the congressman's office transmits a hot report. Of course, broadcasters who take too many liberties with the news are accountable at license-renewal time, just as incumbents are answerable at the polls. But those sanctions come, if at all, after the fact. To ward off a whole host of problems, the House should agree right now that members should not use the official sounds and pictures to publicize themselves.

HOUSE OF REPRESENTATIVES,
Washington, D.C., December 13, 1978.
Hon. CHARLES ROSE,
218 Cannon House Office Building,
Washington, D.C.

DEAR CHARLIE: As you know, I have had a longstanding interest in the broadcast coverage of House floor proceedings. I am therefore writing to you in your capacity as the principal designee of the Speaker to implement the new broadcast system to convey one of my remaining concerns. I think this concern can be handled by your committee and the Speaker through regulations interpreting the new broadcast rule recommended by the Democratic Caucus last week.

My concern is that no limitation on Member access to and distribution of floor tapes could both distort our floor proceedings and lay the House bare to the charge of providing itself with another incumbent protection device at taxpayers' expense. It is my understanding, from a call to the Speaker's office, that Members may already tape the audio portion of their floor speeches and then transmit these to their local broadcast stations. This is something which our Rules Subcommittee on Broadcasting in the 94th Congress was most opposed to and why we made it clear in H. Res. 875 that, "No reproduction, except for the viewing purposes prescribed under paragraph (a), and no edited version, of any such recording shall be made available to any person by the House or by the Library of Congress." Moreover, we made it clear that the listening devices to be provided for House offices "shall be used solely for the purpose of listening to the proceedings of the House."

I think it is apparent that if we permitted Members to order copies of their floor speeches from the Recording Studio or to tape their speeches from their office monitors for the purpose of distributing these to their local broadcast stations, Members would be more inclined to make speeches on the floor they otherwise would not make, solely for home consumption. This would not only prolong debates but might cause Members to be more uncompromising in their stands and votes on the floor.

In addition, permitting this kind of easy access and distribution of floor speeches would lead to charges that we were using the publicly financed broadcast system and the frank for self-promotion purposes. In effect we would be turning the House floor into an annex of the House Recording Studio as one more device for self-protection and promotion as incumbents.

It does seem to me that a narrow interpretation of the proposed new broadcast rule, spelled out in appropriate regulations, could make clear at the outset that such use of the broadcast system is prohibited. First, clause 9(a) of the proposed new rule states that the closed circuit system which the Speaker is to design and implement is for the purpose of the "closed circuit viewing of floor proceedings of the House of Representatives in the offices of all Members and committees. . . ." It should be clear from this that the feed to offices is for "viewing" purposes only, and not for recording for the purpose of distribution to the media.

Second, clause 9(b)(1) states that the Speaker "shall provide for the distribution of such broadcasts and recordings thereof to news media. . . ." In other words, the Speaker and only the Speaker shall be responsible for distribution of the broadcasts and recordings to the media, and Members have no authority for such distribution.

Third, clause 9(b)(2) provides that only broadcasters accredited to the Radio and Television Correspondents' Galleries "shall be provided access to the live coverage of the House of Representatives." While this does not prohibit access to recordings by nonaccredited media, this paragraph, combined with the preceding paragraph, should make it clear that only direct distribution to the media from the Speaker is permitted.

Finally, clause 9(b)(2) states that, "no coverage made available under this clause nor any recording thereof shall be used for any political purpose." This is much broader than some earlier language which prohibited the use of such coverage "as partisan political campaign material." I think the distribution of floor recordings by individual Members to their local stations has an obvious political purpose and therefore should be prohibited.

I hope you will agree with these interpretations in order to both maintain the integrity of the proceedings of the House and to protect us against the charges that we are simply handing ourselves another incumbent protection perquisite through the new broadcast system.

With warm personal regards, I am
Very truly yours,
JOHN B. ANDERSON,
Member of Congress.

HOUSE OF REPRESENTATIVES,
Washington, D.C., December 19, 1978.
Hon. JOHN ANDERSON,
1101 Longworth House Office Building,
Washington, D.C.

DEAR JOHN: I want to thank you for your letter on the new broadcasting of the Floor of the House of Representatives. I am very happy that you have taken an active interest in this field and am very much aware of your past efforts in promoting the televising of the House.

I would like to assure you that the Committee has taken every step to preserve the integrity of the Floor of the House. We do not want to change any of the legislative process or to interfere in any way the proceedings of the House. The Committee is working toward producing a quality television system which will be consistent with broadcast requirements. This service which Congress will be providing will give the American people for the first time a method of participating in the activities of its government in a way that has not existed before.

House Resolution 866 gives the Speaker the total authority to design and implement a broadcast system. And as you know, I have been appointed to chair his Advisory Committee on Broadcasting. I am sure that the Speaker and all of us on his Advisory Committee will be happy to give your interpretations all due consideration.

Wish best wishes, I remain
Sincerely,
CHARLIE ROSE.●

DERRIN LEE EGELSTON

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. SKELTON. Mr. Speaker, Derrin Lee Egelston, a fine young man from Missouri's Fourth Congressional District, lost his life during the summer of 1978.

I find this loss to be especially significant because of the contribution this young person would have made to his Nation and to his fellow man. He had a strong desire to serve as an officer in the United States Air Force. I believe he would have made a fine and dedicated military person. He will be missed by his family and friends. Also, I feel his potential contribution to our country will be missed.●

MARTIN LUTHER KING, JR., NATIONAL HOLIDAY BILL

SPEECH OF

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, January 15, 1979

● Mr. CONYERS. Mr. Speaker, today is the 50th anniversary of the birthdate of Martin Luther King, Jr. The passing of time ordinarily has a way of tarnishing or weakening the memory of even the greatest leaders, events, and institutions in public life. Such has not been the case with Dr. King. Indeed, in the history of our Nation he is one of a very few national leaders for whom affection, respect, and devotion have grown with the passing of time.

The affection and respect with which he is held owes to a great many qualities: His unshakable faith in human beings; his extraordinary steadiness of character, self-discipline, and self-denial; his dreams and vision of brotherhood and peace, justice and freedom. He was, of course, a deeply religious man, the son and grandson of two prominent ministers at whose church he too became a minister. He was a precocious student in the public schools of Atlanta, and was a lifelong student of theology at Atlanta's Morehous College, the Crozer Theological Seminary in Chester, Pa., at Harvard and the University of Pennsylvania, and at Boston University where he completed his work as a doctor of philosophy.

He was also, of course, an exceptional political leader in the Birmingham movement of 1963 to end legal segregation which culminated in the 1964 Civil Rights Act; the Selma movement, which resulted in the 1965 Voting Rights Act; numerous crusades of conscience in Montgomery and elsewhere to end segregation in public places, overcome discrimination in housing, and to win a better life for, and bring dignity to, the poor. Martin Luther King, Jr., was awarded the Nobel Peace Prize in 1964—only the third black person, 12th American, and the youngest person ever to win it. He was, needless to say, one of America's greatest orators, yet he always remained a man of the people.

The combination of these qualities in any one of us would, of course, entitle us to recognition and respect. Yet Dr. King's greatness was more than the sum total of his qualities of courage, eloquence, moral character, and even wisdom. I suspect that even greater than these qualities was his boundless hope in people, in America, and in the world. No obstacles could distract him from his sense of hope. In this he touched the sympathies of a whole people—and, indeed, the world—that for much of human history has lived tragically without much or any hope. "This is our hope. This is the faith that I go back to the South with," Dr. King declared 15 years ago on the steps of Lincoln's Memorial:

> With this faith we will be able to hew out of the mountain of despair a stone of hope. With this faith we will be able to transform the jangling discords of our nation into a beautiful symphony of brotherhood. With this faith we will be able to work together, to pray together, to struggle together, to go to jail together, to stand up for freedom together, knowing that we will be free one day.

This anniversary, then, is not merely the observance of a single man, however great the moral force of his character and however vast the imprint he left on the history of the world. It is, after all, a celebration of his vision, of his hope for us becoming better human beings and creating a better world, which we all share in, and aspire to, as human beings. This observance celebrates the extent to which he transformed a nation—and, indeed, the world—through action upon his ideals, and for this reason his example grows stronger with each passing year.

Nearly 11 years have passed since Dr. King's tragic assassination in Memphis. In this period of time hundreds of States, cities, and institutions across the Nation have made his birthdate a time of formal observance. What remains to be done is to make Dr. King's birthday a national holiday to permit the Nation as a whole to commemorate his life and to reflect upon, and rededicate itself to, the ideals that he lived and gave his life for.

It remains for us and future generations to complete his great work. It has become a matter of urgency to infuse once again this Nation, especially its young, with a sense of hope and the sense of responsibility to improve its life, at a time when so many individuals are filled with confusion, disbelief, indifference, and despair. For these and other reasons a national holiday on Dr. King's birthday would be the most appropriate way to restore hope and rededicate the Nation to his ideals.

Each year following his death I have introduced a bill to designate Dr. King's birthday a national holiday. In the 95th Congress, 104 Members from both parties cosponsored the Martin Luther King, Jr., national holiday bill. This year, in the 96th Congress the bill will be reintroduced in the House, and Senators EDWARD M. KENNEDY and BIRCH BAYH will introduce an identical bill in the Senate, which already has won considerable support. Speaking in Atlanta on Sunday, January 14, 1979, President Jimmy Carter strongly endorsed the legislation and voiced the hope that before year's end he would be able to sign it into law.

H.R.—

A bill to designate the birthday of Martin Luther King, Junior, a legal public holiday.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that subsection (a) of section 6103 of title 5, United States Code, is amended by inserting immediately below "January 1, New Year's Day." the following:

"January 15, the birthday of Martin Luther King, Junior.".●

U.S. ENERGY POLICY: DO WE HAVE ONE?

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. LAGOMARSINO. Mr. Speaker, I would like to call to the attention of my colleagues, the following article by William Randolph Hearst, Jr., regarding our national energy policy.

U.S. ENERGY POLICY: DO WE HAVE ONE?

(By William Randolph Hearst, Jr.)

SAN SIMEON.—With the fall of Iran and the cut-off of its oil, one begins to wonder how long this nation will tolerate a government that refuses to form a specific and definite energy policy.

Iran has supplied us with five percent or less of our imported oil. Yet, when that relatively tiny supply is cut off, even temporarily, Energy Chief James Schlesinger takes to the airwaves to warn us that we must cut back on our usage of oil and gas, else face rationing.

This comes five years after the Arab boycott. It is obvious that we have done, No. 1—damn little; No. 2—not enough; or No. 3—nothing in that period to alleviate our abject dependence on foreign oil. We continue to rely on foreigners, mostly Arab countries—who may or may not remain friendly—for the chief source of energy in a country that is the biggest energy consumer in the world.

Ration oil? What if you live on the West Coast of the United States where there is such a glut of Alaskan oil that companies are pleading for permission to sell it to Japan?

After the last drop of crude has been sucked up from the depths, will we still be talking, talking, talking about an elusive energy policy? It appears that way.

The energy policy that we now have seems to leave everyone equally dissatisfied. It certainly leaves us with diminishing resources.

The true story about oil eludes many of our leaders, including, apparently, Mr. Schlesinger as well as Mr. Carter.

Experts tell us that there is sufficient oil still in the ground in the United States to take care of our needs well into the next century, and that world-wide, there is probably enough to carry the planet through the twenty-first century.

But these experts come from the giant oil companies, outfits that operate on the profit motive, and this seems to horrify a large group of political leaders and opinion molders in our nation's capital and on the nation's campuses. They would rather shake their fists at the oil giants.

A case in point was committed by my good friend and highly respected and admired colleague, Jack Anderson, who a few days ago accused the big oil companies of engaging in a "multibillion dollar ripoff" of the American public which, he said, one Energy Department official called the "largest criminal conspiracy in U.S. history."

He said the "moguls" had evaded the government's price controls on oil by representing "old" oil at $5 per barrel as "new" oil which sold for $12 per barrel.

The oil actually never changed hands, Jack reported, but by passing it back and forth on paper, "American consumers were taken for a ride that cost them billions of dollars."

Well, we checked with the Energy Department and the big oil companies and this is the picture painted by them.

The Department of Energy is, indeed, investigating some oil companies suspected of this daisy chain subterfuge. The violators, however, are not the oil giants, but instead are small operators and refiners who frequently buy their oil from the big companies.

The giant companies are publicly owned and must account for just about every dollar appearing on their books. Not only does the Securities and Exchange Commission ride herd on them, but so do their own auditors—outsiders, who must certify the accuracy of their bookkeeping.

More than that, the big companies can afford to hire armies of lawyers to interpret the new laws governing price controls for oil and natural gas.

The small outfits can't afford such legal talent and interpret the laws as best they can, but lacking any precedent, no doubt come up with interpretations that are to their advantage.

Moreover, oil companies these days have a very cynical attitude about the whole thing. The legal eagles in the Department of Energy and Justice Department seem to have the same attitude about "bigness" as Jack Anderson does. Officials of the oil companies are quite certain that next year at this time the government's lawyers will be around, challenging the expensive interpretations that have been made by their lawyers. As of now, of course, there isn't even anything in the Federal Register to guide them.

They also wonder why they are the only industry in the country to have government price controls.

It is price controls that inhibit the further exploration for oil within our continental limits, even though the major companies have been willing to go ahead and drill dry holes in the Baltimore canyon on the Atlantic coastal shelf.

What the government wants is for domestic oil companies to search for, recover, refine and market oil in this country and sell it below world prices, while buying nearly 50 percent of our oil from foreign sources at the world price.

It just doesn't make sense. A kindergarten class would be expected to come up with a better oil policy.

Our government's immature attitude extends across our borders. Recent discoveries in Mexico lead experts to believe the world's largest oil reserves may be located there, perhaps 160 billion barrels or more.

That is enough to make Mexico the leading oil producer in the world, bigger even than Saudi Arabia. President Jose Lopez Portillo has announced that Mexico will not join the OPEC nations in their cartel, but will do its own shopping around for high bidders.

This horrifies administration officials who somehow feel that "good neighbor" Mexico should sell us oil and natural gas at a cut rate, just as domestic producers are forced to do.

That simply won't happen, of course, so here we are, left with a strong, firm policy about prices—but no oil.

For the sake of that "strong, firm policy on prices," President Carter just about ruined our chances for doing business with Mexico last year when he canceled a contract that six U.S. firms had negotiated to buy natural gas.

Carter thought the deal would undercut the energy legislation he was pushing through Congress—the legislation setting the price controls on oil.

HUMAN LIFE AMENDMENT TO CONSTITUTION

HON. FERNAND J. ST GERMAIN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. ST GERMAIN. Mr. Speaker, today I am introducing a human life amendment to the Constitution of the United States. It is my belief that passing such an amendment is the only way we can effectively guarantee the right to life to all persons in the United States born or unborn.

It is also my belief that this amendment reflects the will of the majority of the American people. The national pro-life demonstration making the 6th anniversary of the 1973 Supreme Court ruling denying the protection of life to the unborn will take place here in Washington on Monday, January 22, 1979. This will give us all an opportunity to experience first hand the intensity of public sentiment on this issue.

I urge my colleagues to take the feelings of the American people into consideration and to actively support my amendment to restore legal protection to the lives of our unborn children.●

THE BATTLE OF BEIRUT

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. DERWINSKI. Mr. Speaker, "The Back to God Hour" is a featured program broadcast internationally by the Christian Reformed Church, including coverage in the Arabic language.

Rev. Bassam Madany is Minister of Arabic Broadcasting for the Christian Reformed Church's "Back to God Hour." He and his wife were guest editorialists in the November 10, 1978, Christian Banner. I insert this very timely commentary for the attention of the Members:

[From the Christian Banner, Nov. 10, 1978]

THE BATTLE OF BEIRUT

We have been hearing a lot about "human rights" lately. Most of us have had some concern for the fate of those Soviet citizens who have dared to challenge their state. But somehow, even though we live in a free world we seem to be unwilling to take an active role in denouncing wholesale destruction of life in other lands. For example, taking a good look at this century we know now what happened to the Armenian population in Turkey, the Jews in Germany and in the immediate present, the population of Cambodia. One fervently hopes that genocides are not always inevitable and something you look back at with feelings of horror and guilt. Listen to the news and consider whether it isn't time for us to be more concerned about the rights of the Lebanese Christians.

In a review of "The Holocaust," presently being televised in Israel, Phillip Gillon writes in the Jerusalem Post: "At one stage in Wednesday night's episode, the Nazi Dorf learns a horrifying truth: after you have killed one, it is easier to kill ten; after you have killed ten, it is easier to kill a hundred; after you have killed a hundred, it is easier to kill a thousand. . . ."

One recognizes the difficulty of pleading for the well-being of any Christian group living in any Muslim country. Internal affairs are not considered to be the concern of other nations. As far as the Muslims are concerned the problem either does not, or soon will not, exist. On top of this there is the economic power which some Arab nations now yield because of their oil riches, leaving little room for "action" on the part of the Western world.

Will Lebanon be considered expendable as a free country? Christians everywhere ought to be concerned. Look at what happened to Cyprus. In July of 1974 that island was invaded by the Turkish Army using NATO supplied arms (paid for by the American taxpayer) and two hundred thousand Greek Cypriots were made homeless overnight! Recently the U.S. Senate, strongly urged by the President, voted to lift the arms embargo on Turkey! This, we are told, was necessary for the security of the Western world. Similarly, in August Congress voted to freeze the planned $90 million aid slated for Syria, as a mark of disapproval of her actions in Lebanon. But in the last week of September the administration twisted the arm of Congress to release the funds.

The destruction of Lebanon is not being swift and sudden. Rather the opposite. The relentless pounding of the Christian suburbs of Beirut and various Christian villages is being reported to us daily. Each morning when we listen to the news we hear that some of the "heaviest" fighting thus far has occurred that previous night. Thus we become the onlookers at an ongoing tragedy. The Syrian "peace-keeping" forces, have turned their heavy artillery on civilian targets. Not only that, they are participating in acts of brigandry which hark back to the 1800s. There is methodical looting to accompany the killing.

To understand the full pathos of these days one needs to have an appreciation of the recent history of Lebanon. The Lebanese who have survived the civil war of 1975–78 are the children and grandchildren of the Lebanese who barely survived the ravages of a famine in 1914. And in the memory of most Lebanese families, besides that famine there is a history, which seems to be repeating itself, of dreadful massacres in the 1850s. Is it any wonder then that they cling to their land when it has been bought so dearly. The Lebanese have a passionate love for their truly beautiful mountain—Lebanon is just that—a mountain range along the eastern shore of the equally beautiful Mediterranean. It is sad to hear that thousands are lining up for their immigration papers, for they cannot face this slow death which is pounding away at them every night. And it is even sadder to realize that those who are dying now had probably nowhere to go in the free world.

The Washington Post in a lead editorial September 10, 1978, entitled "Brutal Problems in Lebanon" said this:

"It is the very real prospect—or so many Christians fear—that the Christian community, which has flourished in the open and pluralistic Lebanese society for centuries, will be institutionally and even physically destroyed by Moslem Arab forces led by Syria. New reports say that Syrian 'peace-keeping' forces are currently killing Christian civilians by the hundreds north of Beirut. That Damascus can claim provocation does not alter the fact that, in upcountry Christian areas, the Syrian army is dominant and its victims are beyond the protection available to Christians near the Israeli frontier."

Charles Malek, the senior statesman of Lebanon, observed in a painfully moving way: "The Christians might be receiving greater international sympathy if they were a rare species in ecological danger."

Silence becomes a guilty weight. Public opinion still has some power. We have had such close ties with this small country. Ever since the 1800s America has been linked to Lebanon with a phenomenally large number of missionaries, a tremendous network of schools, orphanages, hospitals, and other institutions. The American University of Beirut and its hospital have made a name for themselves in the whole Middle East. As one of their staff remarked, it is still the only "sane" place in an insane environment.

Thanks to the presence of this core of Christians, Lebanon achieved a Western type democratic regime which for some years was a success. The power of the government was balanced between the Maronite Christians, the Sunni Muslim, and the Shiite Muslim. This arrangement worked well until it became obvious that the Muslim population was increasing at a much greater rate than the Christian. The Muslims wanted a bigger share in the government. The first explosion took place in 1958 and pointed toward the growing cleavage between the two communities in Lebanon. At that time the United States played a major role in bringing peace back to the country.

Then came the emergence of the strong Palestinian refugee population, predominantly Muslim and desirous of a voice in the foreign affairs of the country. Friction between Christians and Muslims erupted in the war which began April, 1975, and which to this date has not come to an end even though the protagonists have changed. The Christians in an exhausted state are on their second round.

The Christians of Lebanon, and especially the Maronites who form the majority of the Christian population knew that to give more power to the Muslims would be to lose their free democratic country. It would be a vote for the eventual dissolution of those structures within Lebanon which made it a haven for all the persecuted minorities and political dissidents of the entire Arab world, both Christian and Muslim. Their assessment of their situation is not made in the comfort of a Western academic institution, but from within a small land which is suffering terribly. Most of all, the refusal of the Christians to share more power and responsibility with the Muslims was due to the fact that almost every Arab country which achieved independence since the end of the second World War has succumbed to totalitarian regimes. The Christians of Lebanon were convinced, rightly or wrongly, that Lebanon's fate would be the same should the reins of government be handed over to the Muslims. It is difficult for an American to realize what it is like to exist as a second class citizen in your own land.

The full account of what has happened to Lebanon will never be known. What appears in our daily newspapers, and what we see on TV, and what is reported over the radio is hardly adequate to describe the horrible war which is being waged against a civilian population by a Soviet-equipped army. To bring it into a more personal perspective let this Lebanese refugee speak to you from his temporary refuge, a hotel room in Jiddah, Saudi Arabia:

"I have just heard from my brother who lives in Ain Rummana and he has given me the latest terrible news. The Syrian bombardment of our suburb of Beirut has been relentless. All my people are suffering. I have six brothers and they have all had to leave Lebanon and become refugees in the Middle East. One of them who lived in the suburban town of Hadath lost his home when it was demolished by shelling. Two of my young relatives have been hit: one is totally paralyzed and the other is dying from his wounds.

"As for myself, I used to own my own business prior to 1975. I worked hard and built myself a house and had my own car. But I have lost everything as a result of the war. It is hard for me to stay in this country—emotionally. I would like to start all over again in a free country."

Lebanon as a refuge has gone. Is there anything which can be done for this suffering nation? Public opinion still has power. Let's use it while we still have freedom.●

A CONGRESSIONAL VETO OF BUREAUCRATIC RULES IS NEEDED—WHO MAKES THE LAWS ANYWAY?

HON. ELLIOTT H. LEVITAS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. LEVITAS. Mr. Speaker, our Government belongs to the people of this country. It should not oppress them. It should serve them. It should be responsive to them. The people who make the laws and regulations that govern their lives should be accountable to the American people. In recent years, this Government has not always acted in this fashion.

In an effort to help our Government return to its proper role, I am introducing legislation which would begin to restore to the people a measure of control over executive and independent agency rulemaking, because the rules spewing forth from these unelected bureaucracies are a major cause of the problem.

It is a problem of rampant government. It is a problem of cynicism of Americans about government because of that type of unaccountable and unresponsive and unelected government.

Embodied in the principles of the Magna Carta, the Declaration of Independence, the Constitution, and its Bill of Rights is the basic tenet that government must be by the consent of the governed and that the process of law is fundamental and essential. Would any American citizen seriously argue that a person should be deprived of liberty or property under decrees which no elected official has participated in promulgating? Yet today the fact is that vastly more rules are made by the decree of the unelected bureaucracy than by the elected Members of Congress. In most instances a consequence of violating these administrative rules is imprisonment or fine or both.

If you ask the man on the street who makes the laws in this country, he would likely tell you that Congress does. But, he would be wrong, because more edicts regulating his life are promulgated by unelected bureaucrats than are passed by the elected Congress. An administrative rule is, in effect, a law. It has the same force and effect as a law. A person can go to jail, in many instances, for violating an administrative, bureaucratic rule just the same as if he had violated an act of Congress.

One has only to glance at the daily Federal Register to realize that executive and independent agencies have evolved into a fourth branch of Government with hosts of regulations which carry the force of law without legislative consideration. While it may be true that Congress has previously given—or abandoned—to the bureaucracy the power to enact these administrative laws, that does not justify continuing this practice.

There is definitely a need to have administrative rulemaking to fill the gaps between the broad principles embodied in acts of Congress, but this does not mean that Congress should leave it to civil servants or appointed officials to pass thousands upon thousands of far-reaching rules that can put citizens in jeopardy of losing liberty or property without having anyone elected by the people or answerable to them involved in the process.

The bill which I am introducing will give the public, through their elected representatives, an input into and a control over the rules which govern their lives by means of a legislative, or congressional, veto procedure for administrative rules and regulations. This bill will help cut down on bureaucratic redtape, reduce the regulatory outpouring from Federal agencies, and make the rules that are adopted more reasonable.

Congressional veto of administrative rules and regulations is not a new idea. The House of Representatives particularly has shown strong support for this concept. In the 94th Congress, the House Judiciary Committee reported a bill applying congressional veto of administrative rules and regulations across the board. This bill was debated on the floor under suspension of the rules near the end of the session. Unfortunately, it failed by two votes to receive the necessary two-thirds vote for passage. However, the strong vote in favor, 265 to 135, clearly demonstrates the support of the House. That support was bipartisan with 165 Democrats and 100 Republicans, including liberals, moderates, and conservatives, joining in voting for this bill.

In the 95th Congress, no comprehensive bill was reported for consideration by the House. However, 186 Members of the House cosponsored my bill providing for congressional veto of administrative rules and regulations, and significant votes were taken on the issue. On at least five separate occasions, congressional veto amendments patterned after the comprehensive bill were approved on the House floor to various agency or program authorizations such as HUD, FTC, and the FIFRA program. In addition, similar amendments were often offered during committee and subcommittee consideration of legislation, such as the Department of Education Organization Act and the Surface Transportation Assistance Act.

The most noteworthy votes on this issue were taken on the FTC conference report. Although the House passed an amendment providing for congressional veto of FTC regulations by a 2 to 1 vote, 272 to 139, the Senate refused to accept this provision in conference. On two separate occasions, the House voted to reject the FTC conference report because it did not contain a congressional veto of FTC regulations. The first vote was 146 to 255; the second vote was 175 to 214. That two-time rejection of the conference report constituted unprecedented action by the House and firmly established this body as the leader in the fight for regulatory reform.

I am reintroducing today comprehensive legislation to provide for congressional veto of administrative rules and regulations. This bill is identical to the one reported by the House Judiciary Committee in 1976. Congressional veto of administrative rules and regulations provides an ongoing procedure whereby Congress may review and reject agency actions—a mechanism that is necessary to insure that the principles upon which our country was founded are upheld.

The procedure set forth in this bill provides that whenever a rule or regulation is adopted under the Administrative Procedures Act, it will be referred to Congress for 60 days before it becomes effective. If during that 60-day period, either the House or the Senate adopts a resolution of disapproval, which is not rejected by the other body within 30 days, the rule in whole or part stands vetoed. While some critics have described this as a one-House veto, it is not. It is a modified one-House veto. Since both Houses of Congress could participate in the process, the principle of bicameralism is respected.

My proposal provides for an expedited procedure for bringing such resolutions to the floor of the House or Senate modeled after the procedures used for consideration of Presidential rescission and deferral messages. In addition, it contains a retroactive provision which will allow either House of Congress to review regulations previously adopted and, if necessary, refer them back to the administrative agency for reconsideration and repromulgation under the procedures of congressional veto.

Legislative review of executive actions is not a startling new proposal. There is ample precedent for such action in both Federal and State law. Since 1932, approximately 159 different acts of Congress with 214 separate provisions mandating some sort of congressional approval or disapproval of executive implementation of those laws, have been passed. Thirty-four States have on their books laws which provide for legislative review and/or veto of administrative rules and regulations. Even in the last Congress, President Carter signed into law 38 bills containing congressional approval or disapproval provisions or amendments to such provisions previously enacted. Section 1013 of Jefferson's Manual for the 95th Congress lists the many laws providing various procedures whereby Congress has reserved to itself the right to review, by approval or disapproval, certain actions of the executive branch or independent agencies and, in one case, the rules of evidence recommended by the Supreme Court.

Congress has not only repeatedly provided for congressional veto of administrative rules and regulations, but has exercised that power. For example, both the House and Senate have exercised one-House vetoes of regulations promulgated by the General Services Administration pursuant to the Presidential Recordings and Materials Preservation Act.

Congressional veto of administrative rules and regulations addresses a central and most serious question: Who makes the laws in this country? Is it the elected Congress or the unelected bureaucrats who rule by administrative fiat?

Time and time again, the administrative agencies have usurped the authority of Congress through their quasi-legislative process of rulemaking. We have seen our legislative efforts frustrated or distorted when the implementing rules and regulations are published. The administrative agencies have oftentimes promulgated rules which are oppressive, arbitrary or go clearly beyond the intent of Congress in passing the enabling act. Once that pithy little clause, "The Secretary shall have the power to promulgate regulations . . .", it is your guess and mine how far the administrative agency will go or, indeed, how lenient it will be.

What has resulted is a citizenry that is becoming increasingly cynical, frustrated and angry with their Government. If we look just at the sheer number of regulations promulgated within a year, we can understand the extent of their anger. In 1977, the Federal Register had 65,603 pages, up 8.5 percent from the previous year. In any one year, the bureaucracy adopts about 9,000 regulations. Congress, on the other hand, passes about 600 laws. It becomes clear who is running the lives and schools and local governments and businesses of the citizens of this country—unelected bureaucrats, not elected representatives.

The means of recourse presently available to our citizens are limited. Judicial review is a costly process prohibitive to the average citizen when a decision may be put off for years and particularly when the scope of judicial review is circumscribed. The nature of judicial review is not only limited and expensive, it is always ex post facto, and all presumptions favor the agency rule. A mere scintilla of supporting evidence can justify a rule in court even in face of overwhelming evidence to the contrary. This point is illustrated by a Supreme Court decision of a year or so ago in Union Electric Co. against EPA that held the economic and technological infeasibility of regulations cannot even be considered in judicial determinations.

While the administrative comment period theoretically does afford the citizen the opportunity to express his views on a proposed regulation, it does not require the agency to take serious note of the comments submitted. Moreover, unless the average citizen reads the Federal Register daily, which would not make him an average citizen, the comment period is likely to go by without his knowing about the rule until it becomes effective.

Remedying legislation can be, and oftentimes, is introduced, but we know too well that this is a cumbersome and time-consuming process which is not adequate to repeal or change administrative rules. Also, why should the full mechanism of enacting a law be required to reject mere agency rules? Greater oversight, stricter standards for the appointment of Cabinet members, agency chairmen and commissioners, and greater reliance on the authorization and appropriations process are additional tools available to Congress to control executive and independent agencies in general. But, these mechanisms are also not adequate to address the problem a particular regulation may present. They are not targeted, and their remedies are ex post facto—after the damage has been inflicted on the public. Congressional veto of administrative rules and regulations would prevent the damage.

Congressional veto of administrative rules and regulations would have a twofold effect. It would make the administrative agencies more responsive to the public and to congressional intent by establishing the unquestioned realization in each agency that they cannot promulgate regulations with impunity. They will know that Congress is paying attention to what they are doing, looking over their shoulders, and can take action if they go off on the wrong track. It is axiomatic that we will see more carefully drafted regulations, as well as more attention being paid to the views of citizens during the comment period. In short, the main benefit of the congressional veto is that it exists. Its very existence will sensitize the bureaucracy and make it more responsive.

It would also force Congress to draft legislation more carefully and to spell out its intent more clearly. Congress is far too lax in delegating authority broadly and without guidelines to administrative agencies. When hard decisions have to be made, we pass the buck with vaguely worded statutes. Who can or should vote against safe cars, clean air, or nondiscrimination? But when the implementing regulations are published loading cars up with expensive equipment of little benefit, or EPA imposes a parking ban on cities, or EEOC refuses to let a police department ask potential employees if they have a criminal record, the actual benefits of safe cars, clear air, or nondiscrimination is called into question. If we realize that we have the ultimate responsibility for the administrative rules that flow from these enabling acts, we will be more careful.

Moreover, the public will have a larger voice in the rulemaking process. Access to Congressmen and Senators is far easier than access to anonymous, faceless bureaucrats. Most Federal administrators are hardworking, dedicated, and talented people who do their job and serve the public faithfully and well. Some few, however, are zealots who in some elitist way think they—not the people or the elected Congress—run the country. The purpose of a congressional veto is to deal with this problem and to see that the public is given an input, through their elected representatives, in the promulgation of administrative rules. That is why so many organizations and individual citizens support this idea—because it gives them a say-so in the rules that run their lives. It provides a remedy to the citizens of this country for us, as their elected representatives, to say when the bureaucracy has gone too far, perverted the intent of Congress and promulgated arbitrary and oppressive regulations.

To say that Congress has neither the time nor the resources to review administrative rules and regulations is begging the question. These rules and regulations can be as far-reaching in effect as laws, and we cannot shirk our responsibility and let them go by without scrutiny simply because they are not called such. Some of the bills we consider are not as significant in effect as the regulations we ignore because they are called regulations. In the 95th Congress, approximately 18,000 bills were introduced for consideration. This amounted to almost twice the number of rules and regulations promulgated. Only those bills and resolutions which were important and necessary were considered in committee and eventually received attention by Congress. Such would be the case with congressional veto of administrative regulations.

In addition, committees already have a review and investigations subcommittee with the responsibility of monitoring a particular function of the bureaucracy. The staffs of these, and other legislative subcommittees review the activities of the Federal agencies every day, as well as review the regulations promulgated by the agencies. The problem is they cannot really do anything about the bad regulations. Congressional veto will be an asset to oversight activities in that it will help the committee staff to focus on problem areas without allowing the administrative excess or abuse to continue while long-range oversight activities get underway. It will not necessarily add to staff size, but it will make them function more effectively. If any minor additional costs are incurred, though it is unlikely, they will be well worth it. It will overwhelmingly save the public millions or even billions of dollars resulting from oppressive regulations.

It is interesting to note that one of the specific grievances enumerated against King George to justify American independence and revolution as penned in the Declaration of Independence was:

> He (King George) has erected a multitude of new Offices, and sent hither swarms of officers to harass our people, and eat out their substance.

Legislative veto of administrative rules and regulations is a way to make a start toward restoring to the people those rights for which the Declaration of Independence spoke over 200 years ago. It is our chance to restore to the people their right to govern themselves and to restore their confidence in their own Government. If we truly believe in a system of government by the people, our support of this principle is a way to make our words and beliefs match our votes and our deeds.

My bill cannot be termed liberal or conservative; it crosses ideological lines. Indeed, the nearly 200 Members of the House who joined me in cosponsoring my bill in both the 94th and 95th Congresses came from all across the political spectrum. I commend this bill to my colleagues in the 96th Congress and hope for a united front in reclaiming for ourselves and our citizens the right of rule by the people and not by bureaucracy.●

WORLD PRESS SENSES NEEDS IN U.S. POLICY

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. SIMON. Mr. Speaker, Atlas World Press Review of January 1979 has a survey it made of 20 of the world's leading editors from outside the United States. These are editors from Johannesburg, Calcutta, Buenos Aires, London, Paris, Hamburg, Milan, Sao Paulo, Montreal, Tokyo, Vienna, Rio de Janeiro, Melbourne, Toronto, Brussels, Hong Kong, Bombay, New Delhi, and Munich.

Three of the questions are particularly of interest.

When asked whether the energy legislation recently passed by Congress provided an adequate curb on oil imports, only 1 editor said yes and 19 said no.

On another question editors were asked about President Carter's economic policies and 17 described them as too weak or uncertain, 3 thought they had gone as far as the United States could be expected to go and none thought they had been stronger than expected.

On the question of whether increased aid to less developed countries from the industrialized nations is vital to stabilizing world economy, 13 editors said yes, 7 said no.

I am inserting the full survey in the RECORD at this point for the information of my colleagues:

WORLD EDITORS' VIEWS

(Following are the responses of twenty editors and economic writers from fourteen countries to a survey on the New Year Economic Outlook.)

Compared with the beginning of 1978, prospects for the world economy are—

a. More hopeful: No, 7; percentage, 35.
b. Less hopeful: No, 3; percentage, 15.
c. About the same: No, 10; percentage 50.

Do you foresee an international economic recession or depression in the next five years?

Yes, 8; percentage, 40.
No, 10; percentage, 50.
No opinion, 2; percentage 10.

The following are thought to be major negative influences on the world economy. Please rank them in the order of importance. (Composite scores follow.)

a. Inflation, 156.
b. Instability of the dollar, 148.
c. Decline of free trade in favor of "protectionism", 134.
d. Uncertainty about OPEC oil prices and supplies, 114.
e. Unemployment in the developed nations, 113.
f. The effect of OPEC's "unspendable surpluses", 66.
g. The international level of spending on armaments, 63.
h. Population growth, 58.
i. Other, 19.

Does energy legislation recently passed by the U.S. Congress promise enough of a curb on oil imports to gradually restore confidence in the dollar?

Yes, 1; percentage, 5.
No, 19; percentage, 95.

President Carter's economic policies have—

a. Been too weak or uncertain to promote economic stability: No, 17; percentage, 85.
b. Gone as far as the U.S. could be expected to go: No, 3; percentage, 15.
c. Been stronger than expected: No, 0; percentage, 0.

Should the U.S. dollar be replaced as the medium of international exchange by another unit or system of monetary value?

Yes, 5; percentage, 25.
No, 14; percentage, 70.
No opinion, 1; percentage, 5.

In 1979 employment in the U.S. and Western Europe can be expected to—

a. Increase to meet a demand for greater production: No, 3; percentage, 15.
b. Decrease because of the competition of products from other regions: No, 2; percentage, 10.
c. Decrease because of further technological advances: No, 3; percentage, 15.
d. Level off: No, 7; percentage, 35.
e. Change for other reasons: No, 2; percentage, 10.
f. No opinion: No, 3; percentage, 15.

Can "hardcore" unemployment be appreciably reduced in the industrialized nations?

Yes, 6; percentage, 30.
No, 14; percentage, 70.

Is increased aid to less-developed countries from the industrialized nations vital to stabilizing the world economy?

Yes, 13; percentage, 65.
No, 7; percentage, 35.

In 1977 the Soviet Union's growth rate and heavy industrial production lagged. How do you rate its economy in general?

a. Improving: No, 0; percentage, 0.
b. Holding its own: No, 11; percentage, 55.
c. Declining: No, 6; percentage, 30.
d. No opinion: No, 3; percentage, 15.

Do Marxist predictions that capitalism is doomed by its contradictions appear to be coming true?

Yes, 3; percentage, 15.
No, 15; percentage, 75.
No opinion, 2; percentage, 10.

Note: Composite scores are determined by weighting in proportion to the number of choices available: first place out of ten choice receives 10 points, second 9, etc.●

THE HUMANE METHODS OF RESEARCH ACT

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. DRINAN. Mr. Speaker, on January 15, 1979, I introduced H.R. 282, the Humane Methods of Research Act, for the purpose of promoting the development of methods of research, experimentation and testing that would minimize the use and suffering of animals.

Clearly, the time has come for a thorough examination by the Congress of our growing reliance upon federally funded and/or mandated toxicological and other research using millions of animals of many species each year.

I commend to my colleague a meticulously researched article on this issue in the New York Times magazine of December 31, 1978, "New Debate Over Experimenting With Animals," by journalist Patricia Curtis. An excerpt follows:

NEW DEBATE OVER EXPERIMENTING WITH ANIMALS

(By Patricia Curtis)

American researchers sacrifice approximately 64 million animals annually. Some

400,000 dogs, 200,000 cats, 33,000 apes and monkeys, thousands of horses, ponies, calves, sheep, goats and pigs, and millions of rabbits, hamsters, guinea pigs, birds, rats and mice are used every year in experiments that often involve intense suffering. The research establishment has generally insisted that live animals provide the only reliable tests for drugs, chemicals and cosmetics that will be used by people. Researchers also believe that animal experiments are necessary in the search for cures for human illnesses and defects. There is no question that many important medical discoveries, from polio vaccine to the physiology of the stress response, have indeed been made through the use of animals. Thus universities, medical and scientific institutions, pharmaceutical companies, cosmetics manufacturers and the military have always taken for granted their right to use animals in almost any way they see fit.

But increasing numbers of scientists are beginning to ask themselves some hard ethical questions and to re-evaluate their routine use of painful testing tools such as electric shock, stomach tubes, hot plates, restraining boxes and radiation devices. A new debate has arisen over whether all such experiments are worth the suffering they entail.

Strongly opposing curtailment of animal experimentation are groups such as the National Society for Medical Research, which insists that any such reduction would jeopardize public safety and scientific progress. The N.S.M.R. was formed to resist what it considers the threat of Government regulation of animal research and to refute the charges of humane societies. Many scientists, however, although they firmly believe that some animal research is necessary, no longer endorse such an absolutist approach to the issue.

"Some knowledge can be obtained at too high a price," writes British physiologist Dr. D. H. Smyth in his recent book "Alternatives to Animal Experiments."

"The lives and suffering of animals must surely count for something," says Jeremy J. Stone, director of the Washington-based Federation of American Scientists, which has devoted an entire newsletter to a discussion of the rights of animals.

According to physiologist Dr. F. Barbara Orlans of the National Institutes of Health, "Within the scientific community there's a growing concern for animals that has not yet had a forum." Dr. Orlans is president of the newly formed Scientists' Center for Animal Welfare, which hopes to raise the level of awareness on the part of fellow scientists and the public about avoidable suffering inflicted on lab animals, wildlife and animals raised for meat. "We will try to be a voice of reason. We can perhaps be a link between scientists and the humane organizations," Dr. Orlans explains. "We hope also to provide solid factual data on which animal-protection decisions can be based."

Another link between researchers and humane organizations is a new committee comprising more than 400 doctors and scientists that has been formed by Friends of Animals, a national animal-welfare group. Headed by eight M.D.'s, the committee is making a survey of Federally funded animal-research projects. Friends of Animals hopes that the study will expose not only needless atrocities performed on animals, but also boondoggles involving taxpayers' money.

One reason scientists are no longer so indifferent to the suffering they inflict on animals is the discoveries that science itself has made. We now know that many animals feel, think, reason, communicate, have sophisticated social systems and even, on occasion, behave altruistically toward each other. Communication by sign language with higher primates, demonstrations of the intelligence of dolphins and whales, observations of the complex societies of wolves and other animals, and many other investigations have narrowed the gap between ourselves and the rest of the animal kingdom, making it more difficult to rationalize inhumane experiments. Dr. Dallas Pratt, author of "Painful Experiments on Animals," points out that "among the rats and mice, the computers and oscilloscopes, there is Koko"—referring to the young gorilla whom a California primatologist has taught a working vocabulary of 375 words and concepts in sign language and who has even learned to take snapshots with a Polaroid camera. It's hard not to feel squeamish about subjecting animals to inhumane experiments when they possess almost human intelligence.

The thinking of researchers is also beginning to be affected by the growing movement for animal rights. The rising concern for the welfare of animals is seen by some people as a natural extension of contemporary movements promoting civil rights, women's rights, homosexual rights, human rights and children's rights. Public interest in preserving endangered species is based first on an increasing awareness of the complexity and fragility of ecosystems, and second on the notion, still much debated, that any species of plant or animal, from the lowly snail darter to the blue whale, has the right to continue to exist. From here it is only a short logical step to the belief that animals have the right to exist without suffering unnecessarily.

Animal-rights activities are not merely sentimental dogooders and pet-lovers. They have mounted a philosophical attack on the traditional Western attitude toward animals, branding it as "speciesist" (like racist or sexist), a term derived from the word "speciesim," coined by psychologist and author Dr. Richard Ryder. The Australian philosopher Peter Singer, in his influential 1975 book "Animal Liberation," argued that the "speciesist" rationalization, "Human beings come first," is usually used by people who do nothing for either human or nonhuman animals. And he pointed out the parallels between the oppression of blacks, women and animals: Such oppression is usually rationalized on the grounds that the oppressed group is inferior.

In 1977, when outraged antivivisectionists heard about some highly unpleasant electric-shock and burn experiments conducted on young pigs in Denmark, they wasted no time in pointing out the irony that the tests were being conducted by Amnesty International, the human-rights organization. Amnesty International was attempting to prove that human prisoners could be tortured without leaving any marks, and pigs were used because of the similarity of their skin to ours. (The tests were subsequently discontinued.)

Paradoxically, the public tends to be "speciesist" in its reaction to animal experimentation: For many people, a test is permissible when it inflicts pain on a "lower" animal like a hamster, but not when the victim is a dog. When it was discovered in the summer of 1976 that the American Museum of Natural History was damaging the brains of cats and running painful sex experiments on them, hundreds of people picketed in protest. The museum's Animal Behavior Department defended itself on the grounds that the research was intended to gain a better understanding of human sexual responses. Animal-rights groups scientists among them, were not convinced of the necessity of the tests, which came to an end only when the chief researcher retired. But the protesters made no stir about the pigeons, doves and rats that suffered in the same laboratory.

If United States Army researchers had used guinea pigs instead of beagles when they tried out a poison gas, they probably would not have provoked the public outcry that resulted in the curtailment of their funding in 1974. When a few Avon saleswomen quit their jobs last spring after reading about painful eyemakeup tests the company conducts on rabbits, they did not complain about the thousands of guinea pigs and rats Avon routinely puts to death in acute-toxicity tests.

It is not known whether any single vertebrate species is more or less immune to pain than another. A neat line cannot be drawn across the evolutionary scale dividing the sensitive from the insensitive. Yet the suffering of laboratory rats and mice is regarded as trivial by scientists and the public alike. These rodents have the dubious honor of being our No. 1 experimental animals, composing possibly 75 percent of America's total lab-animal population. As Russell Baker once wrote, "This is no time to be a mouse."

Rats and mice are specifically excluded from a Federal law designed to give some protection to laboratory animals. The Animal Welfare Act, passed in 1966 and amended in 1970, is administered by the Department of Agriculture and covers only about 4 percent of laboratory animals. Animal advocates worked hard for the bill, which sets some standards for the housing of animals in laboratories and at the dealers' facilities from which many of them are obtained. But the law places no restrictions on the kinds of experiments to which animals may be subjected. It does indicate that pain-relieving drugs should be used on the few types of animals it covers—but it includes a loophole so as not to inhibit researchers unduly. If a scientist claims that pain is a necessary part of an experiment, anesthetics or analgesics may be withheld.

One standard test conducted on rats by drug companies is called the "writhing test" because of the agonized way the animals react to irritants injected into their abdomens. Paradoxically, this test assesses the efficacy of pain-killers, which are administered only after the rats show signs of acute suffering.

Equally common are psychological experiments in "learned helplessness" that have been conducted on rats, dogs and other kinds of animals. In some of these tests, caged animals are given painful electric shocks until they learn certain maneuvers to obtain their food. As they become adept at avoiding the shocks, the researchers keep changing the rules so that the animals have to keep learning more and more ways to avoid shocks. Ultimately no way remains to escape, and the animals simply give up and lie on the floors of their cages, passively receiving shock after shock. Researchers have attempted to draw parallels between "learned helplessness" and depression in human beings, but some critics have difficulty perceiving their necessity. "What more are we going to learn about human depression by continuing to produce immobility in animals?" asks former animal experimenter Dr. Roger Ulrich, now a research professor of phychology at Western Michigan University.

Electric shock is widely used on many different kinds of animals in various types of research. In one experiment typical of a series that has been under way since 1966 at the Armed Forces Radiobiology Research Institute in Bethesda, Md., 10 rhesus monkeys were starved for 18 hours and then "encouraged" with electric prods to run rapidly on treadmills. This went on for several weeks before the monkeys were subjected to 4,600 rads of gamma-neutron radiation. Then they were retested on the treadmills for six hours, and subsequently for two hours each day until they died. Mean survival time for the vomiting, incapacitated monkeys was recorded in A.F.F.R.I.'s report as 37 hours. Dogs have been used in similar experiments, whose purpose is to get an idea of the effects of radiation on human endurance.

Now A.F.F.R.I. and other American research facilities are having to look for new sources of monkeys. In March 1978, the Government of India banned further export of rhesus monkeys to the United States. The native population was dwindling and Prime Minister Morarji R. Desai cited violations of a previous agreement that restricted the use of rhesus monkeys to medical research under humane conditions. "There is no difference between cruelty to animals and cruelty to human beings," the ascetic Prime Minister stated. The International Primate Protection League, a four-year-old watchdog group whose members include many scientists and especially primatologists (Jane Goodall, for one), had spread word in the Indian press that American scientists were using rhesus monkeys in grisly trauma experiments. According to the Primate Protection League, these tests included dipping monkeys in boiling water at the University of Kansas, shooting them in the face with high-powered rifles at the University of Chicago, and slamming them in the stomach with a cannon-impactor traveling at a speed of 70 miles per hour at the University of Michigan.

"I feel justified in stating that fully 80 percent of the experiments involving rhesus monkeys are either unnecessary, represent useless duplication of previous work, or could utilize nonanimal alternatives," wrote Illinois Wesleyan University biologist Dr. John E. McArdle, a specialist in primate functional anatomy, in a letter to Prime Minister Desai, who so far has held firm despite pressure from the American scientific community to rescind the ban. In the meantime, researchers are making do with non-Indian rhesus monkeys and a close relative, the crab-eating macaque.

One of the arguments in favor of animal tests is that under the controlled circumstances of the experimental laboratory they are likely to be objective and consistent. But the results of the same tests conducted on the same kinds of animals often differ from one laboratory to the next. When 25 cooperating companies, including Avon, Revlon and American Cyanamide, conducted a comprehensive study of eye- and skin-irritation tests using rabbits, the results varied widely. The study concluded that these tests "should not be recommended as standard procedures in any new regulations" because they yielded "unreliable results."

One of these tests, the Draize Ophthalmic Irritancy Test, is used to evaluate the effect upon the eyes of household and aerosol products, shampoos and eye makeup. Rabbits are used because their eyes do not have effective tear glands and thus cannot easily flush away or dissolve irritants. The animals are pinioned in stocks and their eyes are exposed to a substance until inflammation, ulceration or gross damage occurs.

Many investigators concede that the data provided by such experiments are often inconsistent and that the stresses caused by crowded cages, callous treatment, pain and fear can affect animals' metabolisms and thus confuse test results. "Since there is hardly a single organ or biochemical system in the body that is not affected by stress," says Dr. Harold Hillman, a British physiologist, "it is almost certainly the main reason for the wide variation reported among animals on whom painful experiments have been done."

Very often, different species respond differently to substances or situations. The rationale for many animal tests is that they predict human reactions, but thalidomide, for example, did not produce deformities in the fetuses of dogs, cats, monkeys and hamsters. On the other hand, insulin has been proved harmful to rabbits and mice although it saves human lives.

Researchers are becoming increasingly dubious about the efficacy of the LD/50, a test for acute toxicity that consists of force-feeding a group of animals a specific substance until half of them die, ostensibly providing a quantitative measure of how poisonous the substance is. In "Painful Experiments on Animals," Dr. Pratt asks what we learn from forcing hair dye or face powder into a dog or rat through a stomach tube until its internal organs rupture.

In this country, the search for adequate substitutes for laboratory animals was officially launched last summer when the year-old American Fund for Alternatives to Animal Research made its first grant—$12,500 to a biology professor at Whitman College in Walla Walla, Wash. The award to Dr. Earl William Fleck will help finance his development of a test substituting one-celled organisms called tetrahymena for animals in screening substances for teratogens, agents that can cause birth defects. It is expected that the test, if and when perfected, will be cheaper, quicker, more accurate and certainly more humane than putting thousands of pregnant animals to death.

According to veterinarian Thurman Grafton, executive director of the National Society for Medical Research, people who talk about alternatives to animals are creating false hopes. "These new technologies can only be adjuncts to the use of animals," he claims. "While they serve a purpose in furnishing clues as to what direction a type of research might take, you will always ultimately need an intact animal with all its living complications and interchanging biochemical functions to properly assay a drug."

"Not so," says Ethel Thurston, administrator of the American Fund for Alternatives. "Enough progress has already been made to indicate that certain techniques can completely replace animals."

Several of these techniques have been developed over the last five years in Great Britain, where the Lord Dowding Fund for Humane Research has given grants totaling more than $400,000 to dozens of scientists engaged in research aimed at finding experimental substitutes for animals. Dowding is currently financing several developmental studies of the Ames Test, a promising technique invented by a Berkeley biochemistry professor, Dr. Bruce Ames, that uses salmonella bacteria rather than animals to determine the carcinogenic properties of chemicals. (It was the Ames Test that recently revealed the possible carcinogenic dangers of certain hair dyes.) Another Dowding Fund recipient, research physician Dr. John C. Petricciani, now with the Food and Drug Administration, has devised a method of assessing how tumors grow by inoculating the tumor cells into skin from 9-day-old chicken embryos instead of into living animals.

Animal tests are frequently replaced by other methods discovered and developed by scientists like Dr. Ames who are not trying to avoid the use of animals per se but are simply searching for simpler and more cost-efficient ways to achieve their goals. Dr. Hans Stich, a Canadian cancer researcher, for example, has devised a new test for detecting carcinogenicity in chemicals; it uses human cells, takes one week and costs only about $260. The traditional method, using rats and mice, takes three years and costs aproximately $150,000.

In addition to egg embryos, bacteria and simple organisms, possible substitutes for animals include tissue cultures, human and other mammal cells grown in test tubes, and organ banks. Preserved human corneas, for instance, might be used to spare rabbits the agony of the Draize test. Computers could also play a role if researchers used them fully to analyze experimental data, predict the properties of new drugs, and test theoretical data. Computers can even be programmed to simulate living processes. Mechanical models and audio-visual aids can and do substitute for animals as teaching instruments. Simulated human models could provide valid information in car-crash tests.

Last winter, Representative Robert F. Drinan, Democrat of Massachusetts, introduced a bill authorizing the Department of Health, Education and Welfare to fund projects aimed at discovering research methods that would reduce both the numbers of animals used in laboratories and the suffering to which they are subjected.

Meanwhile, medical and military research and an unending stream of new pharmaceutical, cosmetic and household products are resulting in an ever-increasing use of animals in the laboratory.

The most recent and thorough exploration of alternatives is Dr. D. H. Smyth's book "Alternatives to Animal Experiments," which examines every option and weighs its pros and cons. He concludes that there is certainly reason to hope that the numbers of laboratory animals can be drastically reduced, but also warns that it is unlikely a complete phasing out of animal experimentation will happen soon. "By the time we can produce complete alternatives to living tissue," Dr. Smyth writes, "we will not need those alternatives because we will already understand how living tissues work."

Still, Dr. Smyth asks, "Does this mean we can perpetrate any cruelty on animals to satisfy scientific curiosity in the hope that it will one day be useful? To me it certainly does not. . . . Everyone has a right to decide that certain procedures are unacceptable."

Richard Ryder calls animal experimenters to task for trying to have it both ways: Researchers defend their work scientifically on the basis of the *similarities* between human beings and animals, but defend it morally on the basis of the *differences*.

And there's the rub: The differences aren't as reassuringly clear-cut as they once were. We now know that some animals have a more highly developed intelligence than some human beings—infants, for example, or the retarded and the senile, Dr. Ryder asks. "If we were to be discovered by some more intelligent creatures in the universe, would they be justified in experimenting on us?" ●

NO ONE CONTROLS THE BUREAUCRACY!

HON. ELLIOTT H. LEVITAS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. LEVITAS. Mr. Speaker, I have long said that the Congress of the United States, the elected legislators, should be the ones passing the laws, and I have long lamented the fact that in all too many cases, it is the independent agencies and executive branch departments who are promulgating regulation after regulation which becomes law—the bureaucrats in these agencies and departments are not elected by anyone.

In order to control this legislative power of unelected bureaucrats, I have sponsored legislation to allow Congress to veto regulations which are arbitrary, outside the intent of the law, silly or unnecessary. I have been successful in attracting many cosponsors to this legislation, even to the point of defeating the authorization for the Federal Trade Commission when the Senate refused to concede to the House-passed language requiring a legislative veto over FTC regulations.

Successive administrations have opposed such legislation based on the argument that it would detract from the President's ability to execute the laws. The President, we have been told, will take those actions necessary to protect us from silly, arbitrary, bureaucratic rules and regulations.

Well, it is just not so.

Now we are being told that the President cannot interfere with the regulations promulgated by those very departments which he heads. The argument is being made that the President is powerless to control his own bureaucracy.

I would suggest that the Members read the article from the January 17, 1979 issue of the New York Times in which these arguments are stated.

If the Congress is unable to step in and make sure that rules with the force of law are reasonable, and the President is unable to take action to insure the reasonableness of Government regulations, who is going to do it?

The article follows:

Battle Intensifies Over Authority of President To Control Agencies

(By Martin Tolchin)

Washington.—President Carter's fight to control inflation is intensifying a constitutional conflict between his authority to develop national policies and Congress's power to mandate the independence of Government regulators.

In a direct challenge to the President's authority several environmentalist groups have brought a Federal court action asking that White House economic advisers be prohibited from interfering with the Interior Department's formulation of strip-mining regulations. The enforcement of the regulations was delayed for six months last week after the economic advisers expressed fears that they might be inflationary.

In recent years, Congress, suspicious of past Presidential abuses, has given no fewer than 60 agencies in the executive branch the authority to issue regulations on specific and distinct areas without reference to broader concerns. The mandates include authority to clean up the air and water, protect consumers and improve workplace health and safety, all of which affect Presidential concerns such as inflation, the energy gap and economic growth.

THE WHITE HOUSE VIEW

The powers of such long-time regulatory agencies as the Interstate Commerce Commission and the Federal Communications Commission, whose independence from Presidential intervention is well established, are not in dispute.

But the White House does challenge the theory that executive branch agencies should perform their new regulatory functions without Presidential direction. It contends that the President's power to appoint and dismiss Cabinet officers carries an implicit authority to direct the agencies' actions.

Critics, mainly single-interest groups that have fought to get regulations through Congress, maintain that Congress intended that these Cabinet officers exercise their regulatory powers without Presidential interference and took steps to protect them.

One such step was a Congressional mandate that the agencies, in formulating regulations, keep the process open to public scrutiny by giving public notice of their actions, holding public hearings and maintaining a public record.

Thus, when President Carter created a Regulatory Council in October to reconcile conflicting regulations and assess their economic impact, critics viewed it as an unwarranted Presidential intrusion into the regulatory process. Another example, in the critics' view, is the President's relaxation of standards established by his Secretary of Labor for maximum levels of cotton dust in textile mills.

The Regulatory Council was the President's answer to the proliferation of single-mission legislation fostered by single-interest groups and entrusted to specific Cabinet officers.

Regulation has become so fragmented that Eckhardt C. Beck, the New York City regional directory of the Environmental Protection Agency, was able to override the objections of the Secretary of Transportation and a Cabinet-level decision and blocked the Westway highway project in Manhattan.

DEVELOPMENTS IN CONTROVERSY

Other developments in the controversy that occurred only last week include the following:

¶At a secret White House meeting that some environmentalists believe violated both the letter and the spirit of the law, Douglas Costle, administrator of the Environmental Protection Agency, discussed forthcoming air quality standards with Alfred E. Kahn, the President's chief inflation fighter, and Charles L. Schultze, chairman of the Council of Economic Advisers.

¶The chairman and ranking Republican member of the Senate Governmental Affairs Committee introduced legislation that would require regulatory agencies to publish the projected costs, benefits and other effects of proposed regulations before the new rules could be issued. The proposal has been endorsed by the President.

Senator Abraham Ribicoff, Democrat of Connecticut, who is chairman of the Governmental Affairs Committee and a former Cabinet officer, sees some merits in the arguments of both supporters and opponents of Presidential intervention.

"A member of the Cabinet is, in the final analysis, an arm and basic agent of the President," the Senator said. "But the President should not act behind closed doors."

The mention of closed doors referred to meetings such as that at the White House involving Mr. Costle, Mr. Kahn and Mr. Schutze.

"We have two rule-makings," said Robert Rauch, a staff lawyer with the private Environmental Defense Fund who is the author of a 40-page memorandum that is considered the definitive case against Presidential intervention. "One is a public rulemaking at which everyone gets his shot, and the other is a private rulemaking that goes on behind closed doors. We feel that's where the decisions are made, and that the courts have cast very serious doubt on the legality of that process.

However, John Harman, legal counsel to the Justice Department, the Administration's leading authority on the regulatory process, says, "Nobody complains about a Secretary consulting with his counsel and his aides or advisers, so why complain about his consulting with the President?"

'IT'S BAD GOVERNMENT'

Both sides argue as much on the basis of public policy as on the basis of law, which is admittedly vague. Similarly, both sides acknowledge the proliferation of single-interest legislation and of regulators charged with conflicting missions.

"It's bad government to give each of these missions to a different agency and tell each of these agencies, 'you go out and get your own mission accomplished and forget about all other missions,'" said Lloyd Cutler, an influenctial Washington lawyer who is an expert on the regulatory agencies. "That will just produce chaos. Let the one person around who is charged with all these missions—the President—balance them out."

Critics of Presidential intervention fear that what they won in the halls of Congress will be lost behind the closed doors of the White House.

"We have a Congress and we have the courts," said Alan Morrison, a visiting professor at Harvard Law School and former director of litigation for Ralph Nader's Public Citizens Litigation Group. "If laws are in conflict, that's where you go. Under my copy of the Constitution, the President is supposed to execute the laws."

"As an overall principle," he continued, "the President's running every department is neither good for him nor good for the country."

In the absence of a judicial precedent, both sides rely on their interpretations of numerous ambiguities of American history, statutes and court decisions.

Supporters of Presidential intervention note that the Constitution vests "the executive power" in the President. "It does not authorize the Congress to distribute some of that power to the President's subordinates free of Presidential control," says a draft report of a study entitled "Federal Regulation: Roads to Reform," by the American Bar Association's Commission on Law and the Economy.

Supporters also warn that if Cabinet officers were truly independent it would violate the constitutional concepts of three branches of government, separation of powers and checks and balances.

MERELY AN EXECUTIVE

Opponents of Presidential intervention note that, from the nation's earliest days, Presidents have recognized that they could not direct all the actions of their Cabinet officers.

Andrew Jackson, for example, was balked by the refusal of two Secretaries of the Treasury, in whom Congress had vested specific powers, to remove deposits from the Second Bank of the United States that Jackson wanted withdrawn.

"A Secretary, sir," said Jackson, "is merely an executive, an agent, a subordinate, and you may say so in self-defense."

To which William J. Duane, the second Secretary, who unlike Jackson had no faith in the State Bank, replied: "In this particular case, Congress confers a discretionary power and requires reasons if I exercise it. Surely this contemplates responsibility on my part."

Jackson removed Duane and announced that he would continue to hire and dismiss Secretaries of the Treasury until he got one who would do his bidding. Roger B. Taney succeeded Duane, and the deposits were removed.

The Jackson era also produced what opponents of Presidential intervention considered the landmark case, Kendall v. Stokes. Amos Kendall, then Postmaster General, had refused to pay Stokes, a postal contractor, for his services. Jackson and Kendall believed Stokes's claim to be fraudulent. Stokes sued Kendall, who argued that he was subject only to the direction and control of the President.

The Supreme Court rejected this argument and told Kendall that he was "asserting a principle which, if carried out in its results, to all cases falling within it, would be clothing the President with a power entirely to control the legislation of Congress, and paralyze the administration of justice."

Supporters of Presidential intervention contend that the Kendall and Duane cases are not applicable because they relate to quasi-judicial functions, which most experts consider protected from Presidential intervention.

A VERY THIN LINE

President Carter has not asserted, for example, his right to intervene in the functions of the independent regulatory agencies—such as the Interstate Commerce Commission or the Federal Communications Commission—on the ground that they are quasi-judicial. Most experts readily acknowledge, however, that there is often a very thin line between purely regulatory functions and those that are quasi-judicial.

Opponents of Presidential intervention note that President Nixon realized that he lacked the power to dismiss Archibald Cox, the Watergate special prosecutor, whose independence was guaranteed as a result of Congressional pressure. Supporters point out that this, too, was quasi judicial and eventually a judicial matter.

Last year, Congress recast the Federal Power Commission as the Federal Energy Regulatory Commission and placed it in the Energy Department.

"It is interesting to note that the bill, as adopted by the Senate, contained a provision which would have allowed the President to veto commission action in setting the wellhead price of natural gas," said a study by the Senate Committee on Governmental Affairs. "In conference, that provision was deleted."

POSSIBILITY OF A RULING

"In other words, Congress determined that in the important area of price setting, the Commission would act independent of White House review," the study said.

Supporters and opponents of Presidential intervention anticipate several Congressional hearings on the subject this year, and there is a possibility of a court ruling.

The general counsel to one of the agencies lamented, "I just wish this would get straightened out and clarified, so that we knew what to do." ●

THE POLITICS OF DESPAIR, AND WHY SLOW ECONOMIC GROWTH IS NO ANSWER TO INFLATION

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. KEMP. Mr. Speaker, the administration is telling the American people that recession is inevitable because it is the only real cure for inflation. This is absurd. Equally absurd is the notion that inflation is a cure for recession, as we have painfully learned in the past decade.

"The politics of despair" is how I characterize the economic policies of the administration and its political means to achieve them. I regret that the term is sometimes also applicable to proposed policies of some within my own political party.

The politics of despair are characterized by calls for "national austerity," for "tightening the belt" until it hurts, for slow economic growth. Who is asked to sustain these self-inflicted wounds? The American worker, who has already been in recession for about 10 years. The typical worker's spendable earnings declined 3.4 percent in the last year, and are now lower than 7 years ago. The national press is starting to run advice on "strategies for a slowdown." People are even being told they might learn to like recession. "In fact," editorializes Business Week magazine, "many will regard recession as a healthy thing if it checks the headlong rush of inflation."

How did we get into such a fix? Three days before we adjourned last October, things were actually looking up. We still had problems of unacceptable levels of inflation and unemployment, weak investment, and a shaky dollar. But the Congress had approved measures to help solve these by reducing the tax rate on capital gains and corporate profits to encourage growth and investment. Both Houses had approved a 25-percent reduction in tax rates on personal income, tied to Federal spending restraint. It looked as though we might produce our way out of this mess. Even the stock market was on the way up. What happened? Mr. Speaker, I believe there is a double answer. First, Congress failed in its last 3 days to enact growth-oriented economic policy. It failed in tax policy, it failed to reduce international trade barriers, and it adopted a downright destructive energy bill. Second, the administration has failed to understand what causes inflation and how to stop it. The administration is pursuing policies which range from the irrelevant to the counterproductive, and many believe the debate this year should center not on how to foster economic growth, but who should be hurt by the recession.

CONGRESS AND THE ADMINISTRATION PERMITTED MASSIVE INCREASES IN ECONOMIC DISINCENTIVES

Congress allowed most of the meaningful tax relief which it had approved to be eliminated from its final tax bill under the threat of a Presidential veto. A House-Senate conference committee deleted the Nunn amendment to enact significant reductions in personal income tax rates over 5 years. In fact, the administration and majority leadership announced their backing for enormous tax increases, by rejecting measures to index capital gains and income taxes against inflation-caused automatic tax increases. Also rejected was a delay in imposing massive scheduled increases in the social security payroll tax, which took effect January 1, 1979.

By the time the conference committee was finished, it had produced a bill it called a $12.7 billion tax cut for individuals—which was really a $13.7 billion increase for 1979 alone, because of $26.4 billion in tax increases due to inflation and social security.

Congress also failed to waive countervailing tariff duties which were automatically imposed on January 3, 1979, threatening the current round of tariff reduction talks in Geneva. The energy bill extended regulations in a sweeping manner to the natural gas industry, insuring a future of gas shortages and wasteful overregulation.

All of these amounted to massive increases in disincentives which block economic growth, and the financial world correctly recognized them as such. Beginning the day the conference committee began to demolish the tax bill, the stock market began a sickening decline. The value of the Nation's capital stock, as measured by the New York Stock Exchange, lost $110 billion in the space of 2 weeks.

The stock market acts on the oldest of economic principles: when you tax something, you get less of that thing. When you tax production, capital, work, savings, entrepreneurial activity and excellence, you get less of all of those. Such taxation can be increased explicitly, through legislation like the rise in social security payroll taxes. Or, with our steeply progressive system of tax rates, it can be increased through production, or inflation, or both.

Consider the baker, who, by way of example, is taxed 20 percent on the first loaf of bread he and his employee bake, 40 percent on the second loaf, 60 percent on the third, 80 percent on the fourth, and 100 percent on the fifth, and who, given the level of technology in his economy, is capable of producing only one loaf of bread per day. His objective is clearly to increase his output of bread loaves to increase his income. Under the tax system just described, however, his rewards from pushing forward on the frontiers of baking technology are reduced again and again for each additional loaf that he bakes. When he is at the level of four loaves, or at the margin, the 100-percent tax rate, all incentive to increase his baking productivity is ended. It is ended without any inflation because if the baker were to produce a fifth loaf of bread, it would be taxed entirely away.

Productivity combined with a progressive tax system means higher taxes, and so does inflation combined with a progressive tax system. Inflation, though, acts more swiftly than increased productivity in pushing people into higher tax brackets. Inflation speeds the process of crushing out incentive when the government levies its tax on the nominal value of the bread. If the baker sells one loaf for one paper dollar, and the Government taxes 20 percent of a dollar's income, then the incentive to increase efficiency is removed more quickly than as the Government reduces the value of a dollar.

The combined effect of inflation and progressive taxation has reduced productivity in the last decade, from 3.2 percent a year on the years 1947–67, to 1.6 percent since. These constant disincentives will continue to increase until our economy comes to a standstill, unless Congress restores incentives for work, saving and investment.

THE ADMINISTRATION FAILS TO UNDERSTAND INFLATION

Last October, the Consumer Price Index broke the 200 barrier, meaning that prices had doubled since 1967. The dollar is worth less than 50 cents compared to only 11 years ago. Not surprisingly, the dollar steepened its decline during the same month, both at home and abroad.

On October 24, the President announced an anti-inflation policy predicated on the belief that inflation is a psychological phenomenon—that is, inflation is spontaneously generated by workers and businessmen, and can only be stopped by persuading them to change their habits. "It's like a crowd standing at a football stadium," the President explained, "no one is willing to be the first to sit down." Unfortunately, the result of these measures may be to bring Americans to their knees.

Some of the aims are praiseworthy, such as reducing the Federal payroll by 20,000 through attrition, and reducing unnecessary and wasteful regulation. The President also pledges to hold the budget deficit for fiscal year 1980 to $30 billion as an example of belt-tightening for Americans. However, the President maintains that this target will require opposing all further tax reduction in the foreseeable future. In other words, the strategy for reducing inflation is for Americans to absorb more real cuts in their spendable incomes. "It's a myth that the Government itself can stop inflation," the President said. "Success or failure of this overall effort will largely be determined by the actions of the private economy."

The centerpiece of the anti-inflation strategy involves the imposition of guidelines permitting no more than 7 percent wage increases and 5.75 price increases. Moreover, the administration announced it would enforce these "voluntary" guidelines with the regulatory might of Federal agencies, with the club of the Federal Government's huge procurement budget, and even with a public enemies' list containing those who do not comply.

Some workers would be encouraged to comply with the wage guidelines through a tax-based incomes policy the administration called real wage insurance. Under the policy, those who absorb real cuts in pay by accepting raises of 7 percent or less would receive tax credits amounting to the differences between 7 percent and any higher inflation rate—up to 10 percent. However, this "insurance" would be taxable, and would apply only to those with incomes below a certain level.

Neither the stock market nor the dollar so much as paused in its accelerating plummet after the announcement of the anti-inflation plan, which was supposed to cure the dollar's weakness at home and abroad. Clearly, the psychological experiment did not work.

INFLATION IS A MONETARY PHENOMENON

What do we mean by inflation?

Treasury Secretary Michael Blumenthal tells us that "inflation is caused by a number of factors that act together and interact in strange and mysterious ways." President Carter, as we have seen, says it is caused by "attitudes and habits." Other officials of the Government use a circular definition to sell the idea of wage and price controls. Inflation, they say, is caused by rising prices and costs. In other words, inflation causes inflation. There is even the excuse that we are simply at the mercy of the gods. One economist from MIT was recently quoted as saying:

> To get a significant improvement in the inflation rate, the United States needs some good luck.

None of this is particularly helpful, or hopeful. There is nothing strange or mysterious about inflation. The cause of inflation remains the same as throughout history: a decline in the value of the currency produced by the Government. Inflation means there is too much money being created compared with the amount of goods being produced. If there are 100 goods in the economy, and $100, the average price of goods is $1. But when the Government increases the supply of money in a year to $110, without more production, the price of goods must rise to $1.10.

To reduce inflation, the Government must restrain the supply of money, and the economy must increase the supply of goods. Inflation is not caused by attitudes or habits, or by unions, or by businesses, or by OPEC oil prices. The Government and the Government alone has control of the value of the currency it produces.

This is why the administration's efforts to control inflation by "jawboning" failed, and why "voluntary" wage and price controls will fail, and why mandatory wage and price controls failed during the Nixon administration.

At best, the "real wage insurance" program will be a redistribution program, from those who increase their production enough to keep up with inflation, to those who do not. Production incentives for work, saving and investment for both types of people will be further reduced, without any favorable impact on the general price level. The problem will remain too much money and too few goods. Inflation could even increase as production falls, if the slowdown is severe enough.

A SUCCESSFUL MONETARY EXPERIMENT

On November 1, the administration launched another experiment which provided a dramatic illustration of the fact that only the Government can control inflation. The slide of the dollar by late October reached such proportions that the Government announced plans for "massive intervention" to support it, after 2 years of what had been called benign or even malign neglect.

The administration said it would support the dollar by raising the discount rate a full point, increase certain dollar reserve requirements, and gather a $30 billion fund of assets for sale to extinguish dollars.

It would be tempting but unfair to recall the opinion of one frustrated Federal Reserve Governor, "we always do the right thing after exhausting the other possibilities." In fact, the new policy was exactly right. The dollar rebounded dramatically and the Dow Jones industrial average leaped 35 points in a single day—an alltime record—on the seventh-largest trading volume in history. Economist Alan Greenspan explained why the markets responded as investors believed they did:

> There was final recognition that the U.S. authorities did not perceive the problem in the way the people outside the U.S. do. The people in Washington feel they have a wage-price problem, and not a money-supply-fiscal problem.

Unfortunately, subsequent events almost immediately threw into doubt whether the administration had in fact learned any such lesson. Treasury Secretary Blumenthal began talking about the dollar intervention as the "one decisive move" which was aimed at turning around the "psychology" of the financial markets But as Arthur Burns once pointed out, "Intervention in itself is not a policy."

It appears that our monetary authorities have been following two conflicting dollar policies at the same time—supporting the dollar abroad by extinguishing dollars, while depreciating the value of the dollar at home by shoveling reserves into the system "creating money." H. C. Wainwright & Co. gave this example of "recent conflicting actions by the Fed and Treasury":

> The decision to increase reserve requirements on large cetificates of deposit as part of the dollar defense program decreased the effective monetary base by $3.1 billion for the week ended November 22. But, during that week, the Fed offset most of this policy by purchasing net $2.2 billion of government securities in open market operations. In addition, the Treasury decreased its deposits at the Fed by $1.6 billion. Largely as a result, the monetary base expanded by $700 million—an incredible 30 percent annual rate of growth for the week.

Despite the ambiguity of Federal Reserve and Treasury policy in the past 2 months, the administration itself appeared by mid-December to have settled on a policy—accepting the old and long-discredited notion that there is a tradeoff between inflation and unemployment. And it was clear which way the administration was leaning.

The administration's opposition to economic growth soon brought it into conflict with black and urban leaders. After one particularly stormy session at the White House, Joseph Lowery of the Southern Christian Leadership Conference characterized the difference:

> We are insisting that the President make unemployment a twin priority with anti-inflation.

The administration responded by speaking of the "new realities" in America. These new realities, apparently, are that America is no longer the land of economic opportunity for all Americans.

The administration clearly intends to singlemindedly pursue economic slowdown as a policy, even if it should result in recession. "There will be no wavering or waffling," said Treasury Secretary Blumenthal, "We are fully committed. We will persist as long as is necessary to control inflation."

What are we to make of the administration's apparent determination—the logical extension of its belief that American workers and businessmen cause inflation by working and doing business—to punish Americans as part of an "anti-inflation" plan?

Is a tight money policy wrong? On the contrary: the November 1 rally in the financial markets is striking proof that a policy of monetary restraint is exactly what is needed to slow inflation and restore stability. In fact, as long as the supply of money grows faster than the increase in productivity, money is "too loose." Rising interest rates do not cause recession by themselves, as the administration believes. Most of the nominal interest rate a lender charges is a risk-of-inflation premium, based on the fact that a dollar will be worth much less when repaid than when lent. In fact, real interest rates are very low, as evidenced by the consumer boom now in progress. People are going into hock to buy homes and cars because an 11 percent interest rate is not very high when inflation is running at almost 10 percent.

The problem is rather the administration's opposition to increasing incentives for economic growth, and even to preventing further erosion of incentives due to automatic tax increases. The administration opposes attempts to roll back the social security tax increases and attempts to index tax rates to prevent automatic tax increases as inflation pushes workers into higher brackets. The administration even favors policies which will increase unemployment—such as the 9.4-percent increase in the minimum wage this month—even when they will exceed the administration's 7-percent inflation target.

In effect, the Government says that slowing the growth of money will slow economic growth and "wring out" inflation. But this is not true. Double-digit inflation is caused when the money supply increases from 100 to 112 while the amount of goods rises from 100 to 102. The administration suggests that the answer is to increase the supply of money only from 100 to 110, while the supply of goods remains at 100 or falls to 95. In either case, inflation will remain the same, or increase even in the midst of a recession.

The administration rejects the commonsense notion which is our only choice for avoiding either recession or inflation: restrain monetary growth with a tight money policy at the same time as incentives for economic growth are increased through reduction in tax rates. Only economic growth will increase the tax base and ultimately increase revenues.

Ironically, the argument to support this position is the administration's commitment to its symbolic $30 billion budget deficit. The Government's intent, we recall, is to serve as an example of self-restraint for Americans. As liberal Democrats are fond of pointing out to the administration in disputes over spending, the size of the deficit this year is a drop in the Government's ocean of debt and will have almost no impact on inflation. In fact, even if the deficit narrows by $10 billion this year as planned, Federal borrowing will increase slightly, to $75 billion, because of reduced Treasury balances and off-budget borrowing.

The $30 billion deficit target will be impossible to attain without significant reduction in tax rates. Otherwise, as taxes increase automatically because of inflation and social security tax increases, there will be ever greater barriers to investment, saving and production.

These mushrooming disincentives will further slow the economy and increase unemployment. The Government will have to spend more on social welfare programs, just when the economy is less able to pay for them. Holding the budget deficit to $30 billion, even if it were politically possible, would mean deep cuts in services when they are most needed. We are getting a foretaste of this strategy already in the administration's efforts to reduce social security benefits at the same time as the payroll taxes are being increased by as much as 31 percent.

Only deep and permanent lowering of tax rates will provide the incentives for economic growth which will be able to pay for the "safety net" of social services—while reducing the need for that net to be excessively large.

Mr. Chairman, I am not saying that we should abandon efforts to economize on Federal spending. This is clearly an important goal, and I will propose legislation this year to achieve it. But I do say that it is foolish for half the Congress to spend all year squabbling with the other half of Congress over the size of the deficit, when the issue is how to achieve economic growth.

I want to concentrate on why the structure of Government is discouraging the baker and his employees (capital and labor) from maximizing their production and incomes. Those who take issue with me insist I address myself first of all to what the Government is doing with the income it is taxing away from the baker and the employee. Over and over I am told that before we start encouraging the baker and his employees to expand production, we must reduce the amount of "bread" the Government is spending. This was the policy sold to Republican Presidents in the past, and is now the idea embraced by President Carter.

I am sorry if I disappoint those here who hold to this view, but I continue to reject this illogical approach to economic policy. It makes no sense to me. It is futile as well. The issue of Government spending, important as it is, nevertheless is separate from the question I say we must look at independently. And that question is: Which tax rates are the most efficient in terms of maximizing private production and Government revenues?

As Henry George observed a century ago:

> The mode of taxation is, in fact, quite as important as the amount. As a small burden badly placed may distress a horse that could carry with ease a much larger one properly adjusted, so a people may be impoverished and their power of producing wealth destroyed by taxation which, if levied in another way, could be borne with ease. A tax on date trees, imposed by Mohammed Ali (the original) caused the Egyptian Fellahs (landowners) to cut down their trees. But a tax of twice the amount imposed on the land produced no such result. The tax of 10 percent on all sales imposed by the Duke of Alva, in the Netherlands, would, had it been maintained, have all but stopped exchange, while yielding but little revenue.

As in the past, I will continue to oppose excessive and wasteful Government spending, because ultimately all Government spending must be covered by tax revenues. But I hope it occurs to the administration that the only desirable policy—the only way to avoid a recession and reduce inflation—is to promote real economic growth with tax rate reduction, spending restraint and tight money policy together. In the meantime, Congress must assume national economic leadership or there will be no leadership at all.

AN ANTI-INFLATIONARY ECONOMIC GROWTH AGENDA FOR THE 96TH CONGRESS

The first priority on the agenda for the 96th Congress is clearly an anti-inflationary policy for economic growth.

To offset our ever-increasing rate of inflation, I will again introduce a 30-percent across-the-board reduction in marginal tax rates, phased in over the next 4 years. The rate reduction is needed, now more than ever, both to offset the years of inflation we have experienced, and the years of inflation we can expect to experience under current monetary policy. To strengthen our tax-cutting efforts, the 30-percent reduction in tax rates will be followed by a proposal to index personal rate brackets in order to further protect workers from future inflation.

A new feature of this year's Kemp-Roth package will be a companion resolution to limit the growth of Federal spending and reduce the Federal share of gross national product. As lower rates expand productivity and the tax base, while the growth of spending is restrained, the economy will "grow out from under" the burden of Government spending. Under the spending measure, the Federal share of GNP would decline to 21 percent in fiscal year 1980, 20 percent in fiscal year 1981, 19 percent in fiscal year 1982, and 18 percent in fiscal year 1983.

I will also continue to support the efforts of those who are trying to put incentives back into our economy, efforts such as proposals to index capital gains. I am also in favor of proposals to establish a uniform system of replacement cost accounting in our tax code as a means of indexing our capital stock to protect against inflation. And as an overall objective, I will support efforts to cut personal income tax rates by the late 1980's to 25 or 30 percent at the high end of the bracket spectrum, and 5 percent on the low end of the spectrum.

In addition, I will propose tax incentive legislation aimed squarely at those hard-core unemployment areas of our inner cities where there is virtually no tax base at all. Tax rates make no sense at all where they produce no revenues. It seems reasonable to me to offer Federal tax incentives of tax abatements to enterprises that locate and hire in such hard-core unemployment areas with the result being the creation of jobs and a tax base. Individuals employed in such enterprises not only become taxpayers, they also get off the welfare rolls. To back up these tax incentives to employers, I would also propose a teenage minimum wage as a way of creating jobs for our Nation's black youth, who are suffering from 40 percent unemployment because they are being taxed out of the labor market. And—in the hard-core unemployment areas—provide for partial or complete elimination of payroll taxes, say on the first $5,000 of an individual's earnings.

It seems obvious to me that the American people would welcome this kind of effort. Instead of trying to solve the problems of the inner city as we have for the past 30 years—taxing resources out of the rest of the economy and throwing money at the problems of the inner cities—I am talking about removing barriers to economic growth, job opportunity, and commerce that are not producing any revenues to the Government anyway, and are destroying the American dream. I believe commonsense—our intuition—is sufficient to tell us that this method will more likely bring a real and sustained economic revival to the inner city than will continued massive injections of tax dollars.

Even this is not enough. It is not enough to simply adjust tax rates for the inflation and to adjust incentives to cure stagnation. There was a time when it would have been enough, if we knew what we were doing at the very beginning of this slide into stagnation. But in the process of trying to keep the economy going by pumping up demand, rather than by encouraging savings and supply, we have created a mountain of debt and an ocean of money. In contrast, by restoring incentives to savings and production, we can expand that economy without expanding Government debt.

But this does not mean tax policy can do it all. We have to bear in mind that the only way we can ever whip inflation is with correct domestic and international monetary policy, for it is ultimately monetary policy that determines the value of the dollar. We have to bear in mind that only when the Government is once again in a position to guarantee that value, by making the dollar convertible into something of value, can we be assured that inflation will be beaten.

Over thousands of years we have learned that when a government guarantees the value of its currency—by promising to redeem it at any time in the future with something of value in a fixed amount—there is no net inflation. Under such a guarantee the U.S. dollar was worth exactly the same the year George Washington died as in 1932, the year before the guarantee was first suspended.

Throughout the history of the United States, until 1933, there was no inflation except during brief periods of wartime when the promise was suspended. The dollar began its decline in value in 1933 when President Roosevelt reduced the amount of gold that the dollar could buy. That is, with the dollar having less value in terms of something of value in terms of something real and palpable, individuals were forced to demand more of them in exchange for their labor, and businessmen were forced to ask more of them in the prices of their goods.

We must return to the guarantee of a monetary standard. If the Government is committed to act on such guarantee, there can be no decline in the value of its currency, no inflaton. Why? Because a government committed to trade highly valued commodities for currency cannot issue excessive amounts of money. If it tries to do so, the price of the commodities would rise. The public would return the excess currency to the Treasury and demand goods at the official price. The Treasury would be forced to borrow the commodities and retire the excess currency until the price level returned to normal. This is really an automatic method to enforce the monetary authority to keep the creation of money in line with the real growth of the economy. Throughout history, nothing else has worked.

Monetary policy alone, though cannot get this economy moving. It cannot give us real, noninflationary growth, because there is little that it can do to restore incentives to the system. We look around now, with the President pushing tax policy off the national agenda, and that means ignoring the effects of tax rates upon the economy, and we see the difficulty of grappling with this economy using only monetary policy. It is even more difficult when the President and his team insist on using one monetary policy for the international dollar and another for the domestic dollar, when they are both in fact the same dollars. The administration, in effect, is trying to support the value of the international dollar while depreciating the value of the domestic dollar. And it hopes to halt domestic double-digit inflation with a so-called voluntary program of wage and price guidelines, a program that cannot succeed in holding back the inflationary tide caused by the monetary authorities. A dollar is a dollar, at home or abroad, and inflation can only be fought by defending its value at home and abroad.

THE UNITED STATES AND THE WORLD ECONOMY

The U.S. economy is still the biggest engine in the world economy, and when it sputters, the whole world economy drags, too. There is nothing better we can do for the world than revitalize our own economy.

And I mean this not only in the sense that we can pull the world economy on the strength of our own efficiency and production. I mean we have to show the rest of the world how to achieve real growth, without inflation, and the best way to do this is by example. For decades, much of the world, especially the third world, has been following our lead and advice, trying to expand through deficit finance and money creation. It has not worked for them any more than it has worked for us, but much of the world tries it because we are supposed to know what we are doing.

The time has come for us to be the example to the rest of the world, which still looks to America for leadership and hope. Instead of demonstrating once again the futility of wage and price controls, we should be restoring the U.S. dollar as the international monetary standard, defending its value at home and abroad. Instead of succumbing to trade protectionism—and here I must commend and praise the efforts of the administration and its Special Trade Representative in Geneva, Robert Strauss—we must move to freer trade. Instead of strangling commerce with costly and counterproductive regulations, we must cut out those that do not serve the public interest. Instead of demonstrating the failure of deficit finance and money creation as instruments of growth, we should be reviving the idea of incentives—an idea that we know works, because it is the idea that built this country.

Mr. Chairman, not only is this year's recession not inevitable, but we would be incredibly negligent in our responsibilities if we permitted it to take place.●

RADIOACTIVE WASTE MANAGEMENT ACT OF 1979

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. MOAKLEY. Mr. Speaker, today I am introducing legislation which seeks to provide States the right to prohibit Federal radioactive waste storage sites from being built within their boundaries.

We may never face a more pressing environmental problem than the storage of radioactive nuclear waste. It is my hope, through opening up the decisionmaking process by including States as full partners with the Federal Government, that a workable solution can be found.

This act, entitled "The Radioactive Waste Management Act of 1979," provides States with the option of vetoing any Federal radioactive waste storage site selection within their boundaries, either through the State legislature or by calling a statewide referendum within 120 days of the Secretary of Energy's announcement of site selection.

This act does not seek to prevent a waste repository from ever being built, but it does seek to insure that the States selected will have a full role in the decisionmaking process by mandating a legal obligation for State consultation.

Fourteen States across the country have passed legislation relating to high-level radioactive waste disposal and many more are considering similar measures. It is clear that the Congress must meet its responsibilities and begin to address the issue of these very toxic, long lasting wastes.

We must find a workable solution to this problem. Unlike other environmental pollutants, radioactive wastes remain hazardous for thousands of years, meaning they will have to be isolated for a time period longer than any manmade structure has survived.

The time to act is now. No site has been selected or licensed for a Federal waste repository and by passing this legislation in the 96th Congress, we can work to guarantee that all interested parties have a role.

The text follows:

H.R.—

A bill to require that the Secretary of Energy notify any State of any investigation of any site in such State for the construction of any radioactive waste storage facility and allow such State to prevent the construction of such facility on such site by an action of the State legislature or a statewide referendum

Be it enacted by the Senate and House of Representatives of the United States of

America in Congress assembled, That this Act may be cited as the "Radioactive Waste Management Act of 1978".

SEC. 2. Before investigating, or contracting for the investigation of, any site in any State for the construction of any facility for the storage of radioactive waste, the Secretary shall notify each chamber of the State legislature of such State of such investigation and shall publish notice of such investigation in the Federal Register prior to such investigation. If after the investigation of such site the Secretary decides to construct, or contract for the construction of, such facility on such site, the Secretary shall notify each chamber of the legislature of such State of such decision and, before constructing or contracting for the construction of, such facility on such site, allow such State one hundred and twenty days after the date on which such notice is received to disapprove of such construction by—

(1) a resolution adopted by, or law enacted by, the legislature of such State; or

(2) a statewide referendum.

If during such one hundred and twenty day period such State disapproves of such construction in such manner, the Secretary shall not construct, or contract for the construction of, such facility on such site.

SEC. 3. For purposes of this Act—

(1) the term "Secretary" means the Secretary of Energy;

(2) the term "State" means any of the several States of the United States, the District of Columbia, Puerto Rico, the Virgin Islands, American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, the Trust Territory of the Pacific Islands, and any other territory or possession of the United States; and

(3) the term "radioactive waste" means—

(A) Any radioactive materials generated within the United States in a facility for reprocessing spent reactor fuel elements and resulting from the operation of the first cycle solvent extraction system, and the concentrated material from subsequent extraction cycles, or equivalent cycles, of such facility.

(B) Any spent reactor fuel elements designated for permanent disposal in the United States.

(C) Any other radioactive material generated within the United States by any facility, excluding routine releases allowed under conditions of any facility license or, if no such license is required for a facility, wastes equivalent to routine release.●

NEW CASTRO HARANGUE CHILLS HOPES FOR ACCORD

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. DERWINSKI. Mr. Speaker, one of the many defects of the administration's foreign policy is the determination to add Castro's Cuban dictatorship to the list of countries to be appeased.

The Chicago Tribune's reporter Sean Toolan, on assignment in Cuba, comments on United States-Cuba relations in his column of January 13. I believe that this commentary is worth studying, and wish to insert it at this time:

NEW CASTRO HARANGUE CHILLS HOPES FOR ACCORD

(By Sean Toolan)

HAVANA.—The diplomats in the Karl Marx Theater settled down for what many thought would be a routine speech by Fidel Castro last week on the 20th anniversary of the Cuban revolution.

Reporters had been told by observers that if Castro concentrated on the historical context—the past mistakes of both the United States and Cuba—then it probably would be a sign he was ready to make some concessions and help Cuba-U.S. relations.

The bearded Cuban leader fooled them all in last week's speech. He devoted 15 minutes to reviewing the revolution and 53 minutes to a bitter attack on the U.S.

Lyle Lane, head of the U.S. Interest Section in Cuba, immediately walked out, followed by Chinese and Egyptian representatives, after their countries were linked with "U.S. imperialism."

In his speech, Castro made the following comments:

"We will not be intimidated by the U.S. blockade on Cuba."

"Neither in this hemisphere nor in Africa do we intend to yield."

"We will never exchange Guantanamo Bay naval base for one Cuban ideal, or for all the imperialists' gold."

He also condemned Red China's new ties with the U.S. "The Chinese government has sold out," said Castro, bringing the audience of nearly 3,000 to its feet with this observation. "A few years ago a Chinese youth was educated by sticking bayonets into dummies of Kennedy, Nixon, and Johnson."

He mentioned Egypt only in passing, but there was little doubt that he was referring to the Camp David accords on the Mideast when he said, "Cuba will not sell out. Cuba is not Egypt. Cuba is not China."

Foreign diplomats based in Cuba now see an end to any chance for improved U.S.-Cuba relations in the near future.

Castro's action is something of a mystery. As recently as Dec. 24, he was talking of letting thousands of political prisoners leave Cuba; his main criticism was that the U.S. was not working fast enough to grant entry visas.

The Cubans even had stopped referring to the Cuban exiles as "gusanos" [worms] with the wry explanation that "they have now turned into butterflies."

The U.S. office here and the State Department in Washington still are trying to put the pieces together and predict which way Castro will jump next.

There seems to be little doubt that much of the violent anti-U.S. attacks were prompted by the planned Cuba-Russia economic aid negotiations for later this year.

By U.S. estimates, the Russians pour $3 billion a year into Cuba. So this seemed to be a good time for the Soviets to get a little compensation of their own, at least in terms of a public relations maneuver.

All the rhetoric certainly was there. Castro, back to the old arm waving, condemned the U.S. as being "a country that exploits women for prostitution, a country that sexually abuses children, a country that discriminates against blacks and chicanos."

But the foreign diplomats are not as worried about present U.S.-Cuba relations as they are about how Castro sees Cuba's role in future world affairs.

The speech was heavily "internationalistic" in content. For the first time in recent years Castro linked Cuba with Latin America, hinting very strongly that his country would play a future role in events in those nations.

There was no official U.S. comment from here, but one observer close to U.S. foreign policy said, "We would like to think it was just rhetoric, but from the speech I fear [Castro] genuinely believes Cuba's future role is in influencing the events in other countries."

If that is the case, relations are at a complete standstill. The U.S. State Department has made it clear there can be no improvement unless Cuba gets its troops out of Africa.

Both the Cuban leader and his brother Raul Castro, the Cuban defense minister, have talked in the last few days of Cuban intervention in Africa as "victories."

And judging from the way both speeches were received, neither is in any frame of mind to let those "victories" become a thing of the past.●

ANATOLY SHCHARANSKY

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. DRINAN. Mr. Speaker, on Saturday, January 20, Anatoly Shcharansky, the courageous Soviet dissident who has been unjustly tried and convicted for spying, will "celebrate" his 31st birthday.

Today, Shcharansky is languishing in a Soviet prison and labor camp, in ill-health, and unable to receive visitors from his own family. I take this opportunity to remind Members and the American people of our continued need to speak out in defense of Mr. Shcharansky, and all individuals seeking to emigrate, as set forth in the Final Act of the Helsinki Accord.

Nearly 2 years ago, Anatoly Shcharansky, a young computer specialist who had been one of the leaders of the Soviet "refusnik" community, was arrested by the KGB and charged with spying for agents of the U.S. Government—a charge which President Carter himself denied in an unprecedented move early last year.

What had Shcharansky done to merit this extraordinarily severe charge? He had expressed his desire to emigrate to Israel and tried to help others exercise their fundamental right to do the same. As we all remember, last July, Mr. Shcharansky was tried and convicted on these charges, and sentenced to 13 years in prison and in a labor camp, at a trial that made a mockery of justice and violated Soviet constitutional requirements for a fair and just trial.

Over the years, Shcharanskys' fluency in English, his courage, and his dedication, made him one of the acknowledged leaders of the "refusnik" movement. He acted as a liaison to the Western press for Jews who wished to emigrate, and was a founding member of the group of Soviet citizens monitoring compliance with the Helsinki Final Act in the U.S.S.R.

During my visit to Moscow in 1975, Anatoly Shcharansky acted as my host, introducing me to other members of the Soviet Jewish community in Moscow. It became apparent to me then that this dedicated man could not have been guilty of the charges raised against him.

The trial in Moscow last summer was a debacle and a farce. The Soviet court refused to allow a substantial portion of a 40-page list of witnesses and documents requested by the defense. Insufficient time was allowed for the selection of a defense lawyer. To register its protest of these actions this body overwhelmingly passed Senate Concurrrent Resolution 95 on July 11 which expressed the sense of Congress that this matter is "* * * of deep concern to the American people; that these deplorable events inevitably affect the climate to our relations and impose obstacles to the building of confidence and cooperation between our two countries; that the Congress urges the U.S.S.R. Supreme Soviet and its leadership to seek a humanitarian resolution to these cases and to work toward improving the climate in United States-Soviet relations."

Over 6 months have passed since Shcharansky's conviction, and still the Soviets have not taken any positive action. In fact, they have increased their repressive measures—denying visits by members of his own family.

There will be ample place for the discussion of United States-Soviet relations during the 96th Congress. During all such discussions, it is imperative that we remember this Nation's commitment to the pursuit of fundamental human rights.

Today, Shcharansky is still in jail—sick, and unable to receive members of his own family. We must deplore these events, and commit ourselves to the strict observance of the provisions of the Helsinki Final Act.

I invite Members of Congress, and their staffs to join with me and the Union of Councils on Soviet Jewry across from the Soviet Embassy, 1125 16th Street NW., on Friday, January 19, at 12:30 p.m. for a short vigil to celebrate the birthday of a man who has been denied the right to emigrate to his spiritual homeland, Anatoly Shcharansky.●

TRIBUTE TO HARRINGTON WIMBERLY

HON. TOM STEED

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. STEED. Mr. Speaker, during the recent recess the State of Oklahoma lost one of its most distinguished publishers and citizens, Harrington Wimberly.

For many years publisher of the Duncan Banner, and earlier of the Altus Times-Democrat, he was an editor truly devoted to the betterment of his community.

In Washington, he served with distinction as a member of the Federal Power Commission.

Harrington Wimberly was the kind of man who has helped build our Nation. He can ill be spared.

The following editorial was published by the Altus Times-Democrat, a newspaper he owned until 1966:

HARRINGTON WIMBERLY WILL BE GREATLY MISSED

Harrington Wimberly, editor and publisher of The Duncan Banner, and former owner and publisher of The Altus Times-Democrat, will be greatly missed by his many friends in Altus and all across Oklahoma, but he will long be remembered for the many accomplishments he made for this community, state, and nation.

A native of Texas, he was a graduate of Oklahoma University School of Journalism, and was widely known and respected for the contributions made to his chosen field.

Beginning as advertising manager in 1924 at The Times-Democrat, he also served as editor and publisher of The Cordell Beacon, then returning to Altus in 1936 as owner and publisher.

He sold The Times-Democrat to present ownership in September 1966, after purchasing The Duncan Banner in 1963, but all during the years, it was always a privilege to see Harry Wimberly on one of his frequent visits to our city, which almost always included a tour of the newspaper plant to visit old friends and employes.

Wimberly served our country as a member of the Federal Power Commission, and he also served in such important posts as president of the Oklahoma Press Association, Oklahoma Crippled Children's Society, Oklahoma Frontier of Science, Black Beaver Boy Scout Council and the Beaver-Crow Creek Watershed Association.

Active in virtually every phase of civic and community life, Harrington Wimberly served as a member of the Board of Regents of Oklahoma University, and as a member of the board of directors of the Federal Home Loan Bank of Topeka, Kansas, Arkansas-Louisiana Gas Co. and the Security National Bank and Trust Co. of Duncan.

He was the recipient of numerous awards including the first Liberty Bell award given by the Stephens County Bar Association, and was installed as a member of the Oklahoma Hall of Fame.

Though Harrington Wimberly will be greatly missed all across our state, he will always be remembered for his deeds of kindness, his willingness to serve and the love of his fellow man.

Perhaps one of his former employes best summed up Harrington Wimberly when he said,, "He was not just my employer, he was always my friend."

We will miss our friend Harry Wimberly, but we will not forget the contribution he has made to The Times-Democrat, our city, state and nation. ●

J. CLAY SMITH APPOINTED TO EEOC

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. CLAY. I would like to take this opportunity to share with my colleagues an article which appeared in the October 16, 1978, Legal Times of Washington concerning the appointment of Mr. J. Clay Smith to the Equal Employment Opportunity Commission (EEOC). Mr. Smith is an outstanding black American who, before joining the EEOC, had the distinction of serving with the Federal Communications Commission where he was the only black American to hold a supergrade position. I am very pleased with Mr. Smith's appointment and optimistic about his future with the EEOC.

The article follows:

OPTIMISTIC NEW EEOC COMMISSIONER MAY FIND OPPOSING FACTIONS VIEW HIM AS ALLY

(By Diana Huffman)

As a new member of the Equal Employment Opportunity Commission (EEOC) J. Clay Smith, Jr. may find himself in the unusual position of being perceived by both employers and minorities as an ally because of his background.

The 36-year-old black attorney, who was confirmed by the Senate for a four-year term last week, has the usual qualifications to be a commissioner—a law degree, from Howard Law School, an advanced degree in labor relations, four years experience at another federal agency, a long-standing interest in civil rights legal projects.

But, he also spent three years at Arent, Fox, Kintner, Plotkin & Kahn representing corporate clients in antitrust and trade regulation matters. That exposure may lead corporate America to expect, or at least hope, that Smith will be sympathetic to equal employment problems from an employer's perspective.

WANTS NO BRANDS

Although Smith does not want to be branded as the corporate voice on the Commission he believes his understanding of corporate operations will be helpful.

"I have seen the particular problems employers face" Smith said. "Companies should be able to expect the Commission will listen to their views and that the Commission will be balanced."

Civil rights groups also will be trying to get Smith's ear. "I may be in almost the same position Ben Hooks (former FCC Commissioner and now head of the NAACP) was in," said Smith. "He became the one person at the FCC that minorities could identify with. Ben made some decisions that made everyone happy and some that made no one happy. I watched him here and I think I may face the same thing."

Smith knows that some outsiders fear that he and the Commission will focus primarily on blacks and minorities. However, he insisted that he is an independent who will not be a single-issue commissioner. "The statute doesn't allow me to be," he said. "I will only be allied with the purpose of the legislation."

Before Smith can be responsive to any groups, he must learn how the agency functions. Smith is prepared to give some deference to EEOC Chair Eleanor Holmes Norton in administrative matters. However, because he has served at the FCC at both the staff level (as deputy chief of the cable TV bureau) and as a policy advisor (as associate general counsel), he believes he can make useful administrative suggestions.

FIRST LESSON

"Lesson one, though, must be to understand if administration is the sole prerogative of the Chair. If it is not, I would want to have input," Smith said.

Smith wholeheartedly supports Norton's extensive reorganization effort, which is the agency's top priority now. He also welcomed Norton's effort in the face of strong pressure from Congress—to reduce the agency's backlog of individual charges. "Backlogs benefit no one," he said.

However, Smith knows that the agency's critics claim some individual cases are falling through the cracks as a result of the new rapid charge processing system. "We must not achieve backlog reduction at the expense of the public interest," he said.

"I have no discomfort that the reorganization is sharing management time with other important regulatory projects to eliminate discrimination," Smith said. "However I think we will be compelled to move forward on substantive issues which may mean the Commission will have to hold more meetings to get the work done."

Smith is trying to become more acquainted with the substance of EEOC's jurisdiction before he begins his four-year term. He has a graduate law degree in labor relations, but he sees civil rights law as a complicated and constantly developing field.

At this point he is unsure whether systemic investigations should be the focus of the Commission's efforts. "Over the long run it may produce substantial results," he said, "but I don't know yet whether the Office of Systemic Programs should be allocated more resources than other offices. When budget time comes around I should be in a better position to know."

ALLOCATION OF RESOURCES

Smith said the allocation of resources and the setting of priorities are the Commission's most important tasks. He is aware of criticisms that the Commission will not devote sufficient attention to the equal pay and age discrimination jurisdiction it inherits next year.

"Those areas received high priority at the Labor Department, and, given the staff and additional budget. I suspect they will continue to be treated as a high priority at EEOC," Smith said. "Unfortunately, it may not be humanly or bureaucratically possible to allocate time and resources to a crash course in age discrimination and wage-and-hour before the transfer actually occurs."

Smith conceded that EEOC's acquisition of new responsibilities would impact greatly on the Commission's resources. "We are caught between existing priorities and future ones," he said. "In the end the priorities will depend on budget and pressures from the public and Congress."

Smith relishes his new task, but admits the nomination raised a professional conflict.

"As a black American I am aware I was the first supergrade at the FCC in its forty year history," he said. "I know I am leaving at a time when minority ownership in communications is at its height. But I wouldn't be at the FCC but for civil rights legislation. I am a product of the civil rights movement. By going to EEOC I may help in the reduction of discrimination."

Smith said he is heading to EEOC full of great expectations. "I am going there at a very opportune time," he said. "Because of the reorganization, the agency is on the upbeat, imagewise. With the acquisition of more and diverse jurisdiction there will be a great possibility for an exciting experience, paralleled, of course, by great intellectual frustrations, I'm sure."

Nevertheless, Smith's optimism is tempered by realism. EEOC's past image has not escaped him. "I may be entering a quagmire," he admitted, "but I am entering with the highest stilts."●

U.S.-ISRAEL-EGYPT "AXIS" CAN KEEP AFRICA FROM RED RULE

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. DERWINSKI. Mr. Speaker, our former distinguished colleague, Roman Pucinski, is now serving as an alderman of the 41st ward in the Chicago City Council, where he is chairman of the council's committee on State and Federal relations. While serving in the House, Roman was a tremendously effective legislator, and now is exhibiting his great leadership qualities in the city council.

Alderman Pucinski authored an article which appeared in the December 14, 1978, Chicago Tribune, dealing with the problems caused by Soviet adventurism in Africa. If the President had Roman rather than Andy Young as director of African policy, the situation on that continent would be quite different. I wish to insert this article for the Members' special attention:

[From the Chicago Tribune, Dec. 14, 1978]

U.S.-ISRAEL-EGYPT "AXIS" CAN KEEP AFRICA FROM RED RULE

(By Roman Pucinski)

A new Jerusalem-Cairo-Washington axis will emerge when the peace treaty between Israel and Egypt finally is signed. It can reshuffle the world's balance of power and stop Russia's expansion into Africa and the Middle East.

With American prodding, there is no serious doubt that the treaty will be signed. For a variety of compelling reasons, Jerusalem, Cairo, and Washington each must do their best to form the new axis, for each has serious internal problems that only a peace treaty can help dispel.

Each of the three participants had to come out of Camp David with some success. Equally important, all three participants finally realized the long-range goals of the Soviets in the Middle East and Africa.

By inviting Israel and Egypt to Washington, President Carter made it clear that these two nations no longer can be treated in a parochial manner. Both have a global role in what happens to the rest of the world; they have a key role in helping block the Soviet Union's grand design to seize control of Africa, with its rich natural resources.

The Israelis have tried to warn the free world about Russia's expansion into Africa for the past decade. Only now are we beginning to listen. Washington now considers Israel and Egypt as two of its most important allies.

Africa supplies 96 per cent of the world's supply of chrominum, a metal vital to production of stainless steel; 65 per cent of its vanadium, 53 per cent of its manganese, and 70 per cent of its cobalt. An estimated 60 to 70 per cent of cobalt imported into the U.S. comes from Zaire, where the Soviets—with the help of the Cubans—are attempting penetration.

Mr. Carter is fully informed on Russia's efforts to move in on the power vacuum created in many parts of Africa during the decolonization process. And where the Russians can't succeed they try to use the Cubans.

The White House also knows that American industry can be brought to its knees without a shot being fired if the Soviets ever succeed in cutting off Africa's essential raw materials to the United States.

President Carter has given Israeli Prime Minister Menachem Begin and Egyptian President Anwar Sadat a full briefing on Russia's incursions into Africa and her long range design to pull as many newly-emerging African nations as possible into the Soviet orbit.

The President also has shown the two leaders Russia's policy of keeping the Middle East in turmoil. The more chaos the Soviets can create in the Middle East, the better are their chances for ultimate control. Once the Middle East falls to the Russians' influence, the road to Africa is wide open for them.

It is these high global stakes that President Carter is using to help bring Israel and Egypt together.

Sadat likewise needs a winner. The turmoil in Egypt could topple his government. Throwing invective at Begin doesn't put food on the Egyptian table. President Carter's mammoth offer of immediate economic assistance to Egypt, if some agreement can be worked out with Israel, gives Sadat his best chance for survival. Sadat cannot remain in limbo too long. He could afford to make concessions to Begin because Egypt's global role was more precisely defined at Camp David, and opportunities for economic growth in free world markets were spelled out by Mr. Carter.

Curiously, Begin was the only one who could return to Jerusalem without any progress at Camp David and still enjoy the full support of his people. They have been disappointed before and do not blame their leadership. Yet, like Carter and Sadat, Begin has his share of problems. His people who yearn for peace—but not at any price—have been forced to spend 86 cents of every dollar raised in taxes on national defense. And while they do it willingly for survival, three decades of unending struggle have taken their toll.

Begin is also feeling pressures from abroad, where huge financial assistance has been marshaled to help Israel develop her economy.

It can be safely predicted that a peace treaty will be signed, because all three participants need some success at this crucial period.

Russia's violent reaction to the Camp David accord should be sufficient proof to all three of the Soviet's long range designs on their respective countries.

If the spirit of Camp David evolves successfully, it will have a profound impact on the entire world. In a sea of skepticism, there is a significant island of hope.●

SENATE—*Friday, January 19, 1979*

(Legislative day of Monday, January 15, 1979)

The Senate met at 11 a.m., on the expiration of the recess, and was called to order by Hon. DENNIS DECONCINI, a Senator from the State of Arizona.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., January 19, 1979.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable DENNIS DECONCINI, a Senator from the State of Arizona, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. DECONCINI thereupon assumed the chair as Acting President pro tempore.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now stand in recess until 12 o'clock noon, Tuesday, January 23, 1979.

RECESS UNTIL TUESDAY, JANUARY 23, 1979

Thereupon, at 11:01 a.m., the Senate recessed until Tuesday, January 23, 1979, at 12 o'clock meridian.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

EXTENSIONS OF REMARKS

THE OTHER SIDE OF THE VALLEY

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. LAGOMARSINO. Mr. Speaker, I would like to call to the attention of my colleagues, the following article on the economy by George P. Shultz, which appeared in the fall/winter edition of the Stanford magazine.

(By George P. Shultz)

In the United States today we are experiencing an inflationary boom. This boom contains the dynamics that will almost surely take us into a valley—an economic slowdown the severity of which will be significantly affected by events now unfolding. The valley ahead is already in the cards. Given our situation, the really interesting question is, what will it be like on the other side? What kind of atmosphere, what kind of economic climate, are we going to have? The answer to this question can, I believe, affect the depth and width of the valley itself. Accordingly, I will undertake here to explain why I feel we will be entering this valley and what I think we can expect on the other side.

Recently someone asked me, having heard me say almost a year ago that I thought inflation was very much on the rise and that double-digit inflation was a distinct possibility, whether or not I still had the same forecast. I had to reply that today significantly higher inflation is no longer a forecast but an observation. It is with us. We have a roaring inflation on our hands, and there is no end to it in sight. So far this year, inflation has been running over 9 percent, and it seems very clear that inflation in 1979 is going to continue to be considerably higher than the 6 to 6.5 percent range experienced in 1976–77.

Why has this come to pass? Our current situation has emerged as the result of a long list of government actions that have promoted inflation. I don't mean to imply that the government as a matter of policy intended to promote inflation. But if you sat down as a government policymaker and tried to think of all the things you could do that would produce that result, you couldn't have done much better than has been done.

First, we have a continuing, rapid growth in the money supply. It is interesting that the Federal Reserve has been criticized for not providing a loose enough monetary policy, yet the levels of monetary growth that we have experienced over the past two years are comparable to, even greater than, the levels that helped give us double-digit inflation in 1974 and 1975. We have been repeating the same pattern. For being such a tightwad with the money supply, Arthur Burns was dropped as Federal Reserve chairman, and when William Miller, his successor, came thundering in, calling inflation to the administration's attention, he too was criticized. But, as the administration's man, he seems to have had a considerable impact on the administration. Nevertheless, since Miller took over, the money supply has continued to grow at a rapid rate exceeding 9 percent.

We also have experienced continuing deficits in our federal budget even as we have moved to higher and higher levels of activity in the economy. Personally, I believe that the economy is operating at a high level now and can't really go that much higher—capacity utilization is above 85 percent. Yet the deficit for the fiscal year that began October 1 is estimated to be almost $40 billion. Such deficits during a time of strong economic performance have usually led the Federal Reserve to finance them by increasing the money supply, thereby fueling inflation.

In the last year or so, mounting federal deficits have been counterbalanced somewhat by the large surpluses, totaling about $30 billion, that states and municipalities as a group have accumulated. These nonfederal surpluses are, however, being wiped out quickly because, among other things, taxpayers are getting fed up with the idea that the government is using their money to pile up these huge sums, and they are calling for tax cuts before state and local government spending rises to use the revenues available.

In addition to the inflationary effects of rapid growth in the money supply and continuing deficits at high employment levels, we also see in front of us a wide assortment of government actions that raise costs and prices, such as:

Increases in the Social Security tax. (Social Security taxes for maximum rate payers will rise 31 percent in January 1979.)

Increases in the minimum wage of 25 percent (a 9 percent increase effective in January 1979 follows a 15 percent increase a year earlier). Such increases not only hit hard at lower-wage industries, but also push up wage rates throughout the entire wage structure and raise welfare costs as the unskilled and unschooled (mostly youth) cannot qualify for jobs at the higher minimums.

Increases in the support prices of some farm products.

Import restrictions on a wide variety of consumer and producer products.

Regardless of whether you are for or against any particular one of these measures, you must agree that they tend to raise costs and prices.

We also have a gusher of government regulatory activity that carries enormous costs—costs borne by the American economy, by the American taxpayer, by the American consumer. The Chase Manhattan Bank Economics Group has estimated that in 1977 it costs us $103 billion to administer and comply with such regulations, which for point of comparison is more than we spent on national defense that year. That $103 billion in itself is a huge sum but, in my view, it is only part of the cost. Added to that, the uncertainties imposed by regulatory activities cause significant increases in the costs of goods and hold back vital new investment.

The imposition of new regulations and the unpredictability of their administration have laid on top of any proposed capital expenditure a new element of political risk—a wild card. Today you cannot proceed with the normal investment process—making an economic calculation of rates of return and risks—and assume some constancy in the regulatory rules of the game. Instead, you must behave almost as though you're considering an investment in a politically unstable developing country where you must ask, "Will the plant in essence be expropriated? Will the rules of operation be changed in some substantial way once our funds are committed?" In truth, the net effect of some of our regulatory decisions is to expropriate property. How would you feel if you were the owner of the embattled Seabrook Nuclear Power Plant, which has become such a symbol of controversy? You have about a billion dollars committed to the project and through a peculiar interplay of regulatory indecision, intervenor challenge, and outright physical coercion, the property has, so far anyway, virtually been expropriated. The construction permit has been granted and suspended three times over the past two years. Such delays, to date, have resulted in a three-year slippage in schedules. The cost of federal regulatory activity, already enormous in terms of costs that can be calculated, is even larger when the incalculable costs of uncertainty and delay are added.

Next on my list is the deteriorating rate of growth in productivity. In the past two years, output per man hour increased only about 1 percent per year, and productivity over the first three quarters of 1978 increased even more slowly. When balanced against rising rates of pay, which have not even kept pace with inflation in the past year, slow growth in productivity means substantial increases in labor costs. Over the past two years, unit labor costs have increased 16 percent. Sooner or later these increases will be passed through to the consumer in the form of higher prices. Although there are many causes of this deteriorating growth rate, the impact of federal and state regulations on the formation and use of capital is clearly an important one.

Finally, we have the declining dollar. It is no mystery why the dollar has been declining over the past year. While other countries seem to be getting a better and better grip on inflation, the United States has seemed to be losing its grip. The money markets, which are relentless judges, have made this assessment and have marked the dollar down accordingly. If we are to reverse that verdict, we have to present a picture that we are serious about inflation, that we are taking—and, more important, are willing to sustain—real measures to deal with inflation's fundamental causes.

For all the foregoing reasons, we find ourselves with a roaring inflation on our hands. Yet, at the same time, our economy is experiencing strong real growth. About four million new jobs were generated in the U.S. economy in 1977 and another two million in the first half of 1978. That is unprecedented. No other country in the world can match that figure in terms of job creation. I find it very significant that if you relate the number employed to the total working-age population of both sexes, employment is at an all-time high—59 percent. At the peak of the 1973–74 boom, employment had reached 57 percent. In a statistic like this, a 2 percent increase in such a short period of time represents a terrific movement, and I think it suggests how strong our labor market is.

Under these circumstances, the government is being forced to tackle inflation. The first step is for the rhetoric of the government to change, and it has changed. The real questions—What are you doing? Are you doing enough? Are you doing the right thing?—are being asked. And the reality of inflation fighting is now beginning to emerge. That is, basically and unavoidable, exercising discipline on the budget and on the rate of monetary growth, particularly the latter. The President's successful veto of the public works bill at the end of the last session of Congress is an encouraging sign that determined discipline on spending may become the order of the day. He says it will, and let us hope he means it.

There is also available to the administration a true "free lunch": deregulate where

● **This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.**

possible and everywhere make the procedures of regulation more sensible and definitive. By allowing the market mechanism to take a greater hand in the making of economic decisions, both productivity and efficiency will be enhanced.

Increasingly, international exchange markets force the Federal Reserve to address the problem of the dollar's decline and exert restraint on growth in the money supply. As the dollar deteriorates, the Federal Reserve must let interest rates rise in order to attract funds into the United States. If we ever hope to strengthen the dollar, this process of exercising more discipline on the rate of monetary growth and more discipline on the federal budget will have to continue.

After disciplined policies are implemented and after a period of time has elapsed for them to take effect, they will produce a valley—a significant slowdown in economic activity. The longer we try to postpone that day by feeding more and more money into the economy, the more serious the slowdown is going to be. But it is going to come.

The outlook for the next few years includes ongoing inflation, for once the inflationary momentum has built up, it will continue to expend its force even after the economy slows down, right into the valley of slow growth, perhaps no growth, perhaps some negative movement in the real GNP. And people will say, "Well, isn't this strange. The economy has been slowing down and yet inflation is staying up. All the rules of economics have been repealed." That's baloney. It takes time to bring down the inflation rate. You have to stick with the anti-inflationary measures and allow time for them to work. There is no substitute for *sustained* discipline.

But the political process is not known for its patience. The economist's lag is the politician's nightmare. Politicians experience tremendous pressures to treat the short-term symptoms with a quick fix rather than to hold to the same prescription that, though slow-acting, gets to the core of the problem and offers the only long-term cure. So, as we go into the valley, into a period of economic turmoil, we will see a lot of flailing around under the heading of "incomes policies" (wage and price guidelines or controls) as efforts are made in one way or another to twist your arm and my arm and everybody else's arm as people get into an increasingly "compulsory" frame of mind. The President's "anti-inflation program," announced in late October, was the most recent installment. Predictably, his wage-price guidelines captured all the publicity and diverted attention from the more fundamental and important components of inflation-fighting. Financial markets reflected this appraisal and virtually forced the President's November 1 actions, with their focus (which we can hope will continue) on measures to curtail monetary growth.

The administration is finding itself facing the same problem that we experienced in 1971. I feel, in fact, like I'm watching a rerun of an old movie. I didn't like incomes policies and wage and price controls then, when I was involved with them as chairman of the Cost of Living Council and Treasury Secretary, and I don't like them any better now. Controls don't work, they are difficult to get rid of, and they seduce government into easier and more inflationary fiscal and monetary policies (as illustrated by President Carter's statement, reported in the *Wall Street Journal* on September 28, that his then-to-be-announced wage-price guidelines "might influence the Federal Reserve not to raise interest rates further and eventually to reduce them"). Nonetheless, controls are tempting to adopt and sometimes are politically almost irresistible.

That is the profile ahead as I see it—a profile of serious inflation, politically unpopular at home and devastating in its consequences for the dollar in world markets, forcing our government finally to come to grips with the problem by reining in the money supply and budget, and producing a significant economic slowdown. We will enter a valley, and at some point we will emerge from it. As I have said, the interesting question is, what is it going to be like on the other side? That is what I would like to turn to now. I see a number of very significant "tidal" changes taking place.

First of all, we are, I believe, witnessing a massive reassessment on the part of the body politic of the relative competence of government (as compared with industry, the market, the private sector) to solve the social, economic, and technical problems that we face. We have passed through a period of several decades during which people felt that, if we had a problem of real significance, the thing to do was to bring in the government—that somehow, with enough government attention and enough money, the problem would be solved. But today the mood is different. People are questioning the ability of government to do all the things its sets out to do. This is not an ideological expression that private methods are better than public methods; it is largely the result of observations of how the government does things—observations of fraud and incompetence, particularly when the government is trying to be the manager of something, trying to make something happen.

California's Proposition 13 seems to be very high on everybody's list to prove any point that one might want to make. But, I do think Proposition 13—and, more importantly, the way this action has been picked up nationwide—has come to symbolize people's frustration and their ideas about what should be done differently. We saw the spectacle in Sacramento where for a while it seemed that every day another billion dollars was being discovered in the state treasury—and that was after the state government had assured us all that if taxes were cut by Proposition 13, they would be totally out of money. Absurd.

The energy debacle that we have observed over the past five or six years and the inability of the government to devise and implement a coherent energy policy provide another example of government ineptitude at problem solving. I don't blame the current administration for this; the President inherited a terrible mess. But his proposals have not improved the situation either. Congress balked at enacting his program because the proposals were bad ones. The "natural gas compromise" is graded even by its advocates as "no better than C−." We don't even have a respectable energy policy on the table. Virtually everyone agrees that we have a mess. Well, whose mess is it?

There is also a growing public concern about government regulations. It does seem to me that the tremendous surge of public confidence that regulations can do the job is about to crest, if it hasn't crested already. More and more people—in business, government agencies, and universities—are trying to estimate how much these regulations are costing. (The Business Roundtable is conducting a major inquiry into these costs; companies are making their own estimates of how much they spend churning out regulatory paperwork; academic studies are under way at many universities and research organizations.) We never used to pay any attention to these costs. The assumption was that they were negligible and that there were always compensating benefits. But today, at the same time that people are thinking about how much these regulations must be costing, they are also asking, "What are we getting out of this—are we really getting the benefits?" This is not an expression of some formal cost-benefit analysis; people are simply reflecting instinctively, "This must be costing us a lot; is it worth it?"

Look at the airline industry. For over a decade it has been debated whether or not the industry should have less regulation. The airlines opposed deregulation and the regulators opposed deregulation. Both groups argued, "If you deregulate, we'll have chaos; the airlines will be ruined." Well, the President appointed an economist from Cornell by the name of Alfred Kahn to head the Civil Aeronautics Board and, instead of just joining in the endless debate, he proceeded to act. The administration had proposed a bill and Congress was debating it, but in the meanwhile Kahn simply went ahead. He told the airlines, "If you want to change some prices, help yourself." It was a fresh breeze. And what has happened? Consumers love it because they can go places more cheaply. The airlines, to their astonishment, are running full airplanes, which is the name of the game in that business. Profits are rising rapidly. Instead of flying in the red, the airlines are in the black for a change. And now Congress has acted to give statutory support for extension of the airline deregulation process started by Professor Kahn. (Ironically, the President has appointed Kahn the deregulator to head the administration's latest wage-price program.) The success of airline deregulation is making people see the potential benefits of deregulation in other areas.

A shift in attitudes is also developing toward capital formation and productivity. We all want cleaner air, cleaner water, and other elements of a better environment, but all except environmental extremists can see that if you don't have improved productivity, you don't have the bigger pie to take a slice from and devote to a better quality of life. The proposal in the 1978 tax bill to make the 10 percent investment tax credit permanent was not even controversial. And, within a year's time we have seen a revolutionary turnaround in Congress' attitude toward capital gains. At the beginning of 1978 it looked like we were going to debate whether or not capital gains should be taxed more heavily (as the President proposed), but the only argument in the end was over how much to reduce the rate of taxation on capital gains. There is a growing appreciation that if you penalize capital gains too heavily, you dry up new investment; if you reward it more, you encourage capital formation and create out of those profits not only more jobs but more government revenues.

We also see the emergence of a stronger and stronger set of attitudes about the importance of dealing with inflation. Even when unemployment rates were considerably higher than they are today, it was impressive to see in the opinion polls that people rated inflation as a more serious problem than unemployment. That represents a major shift in attitudes. Even sophisticated concepts like "indexing" the tax system—pegging the tax rates to the rate of inflation so that inflation does not automatically vault people into higher tax brackets—have been getting more public attention. This increasing unpopularity of inflation may give politicians greater stamina in following policies favorable to more stable prices.

The experience of other countries has given us evidence that inflation is not an international disease. Even among tightly linked countries like those of the Common Market, rates of inflation vary tremendously (in 1977 the highest rate, in Italy, was four times the lowest, in West Germany). The message is that inflation is a problem that can be dealt with; it is not incurable. Germany has been willing to deal with it; Japan has, too. So, why hasn't the United States? As a matter of observation, we have dealt with it successfully before and it has been, and is being, dealt with successfully now in other countries. Classical economic measures—exercising fiscal and monetary restraint—have been used, and they have worked.

For a long while in economics we were preoccupied with the demand side of the supply-and-demand equation—with the managing of overall demand and with devising policies that would pump up that demand. But now we see a growing emphasis on, and increasing attention to, the supply side—to questions about how we can increase supply and how we can operate with greater efficiency. The efficiency issue is tremendously important in the energy area. Despite all the existing problems, and even though we have suppressed prices we can see that the market has taken a grip on the situation to encourage greater efficiency in energy use. Consumption of energy relative to GNP is down. In the United States from 1973 to 1977, real GNP rose about 8 percent while energy consumption generally rose about 1.5 percent. For decades prior to that time, there had been an almost one-to-one ratio (1 percent increase in energy consumption for every 1 percent increase in the GNP). The breaking of this pattern is, I believe, clearly in response to the much higher prices for energy.

Today we see a lot of activity in the area of oil and natural gas exploration and development in the U.S., and we could see still more activity if prices were deregulated. There are more drilling rigs at work in the United States today than in over 20 years. In the international area we see some softness in the price of crude oil as oil from the North Slope, from the North Sea, and from Mexico has come on stream and conservation in response to price has taken hold. I don't think most people realize what has happened to the real price of crude oil over the past few years. Here I am referring to the world market price, not the internal U.S. complication based in part on controls. In the three years since the beginning of October 1975, the real dollar price of crude oil has declined more than 11 percent (obtained by taking the world price of oil and deflating it by the Consumer Price Index). The price of crude oil in terms of real deutsche marks during that same period (remember that the price of crude oil is denominated in dollars) has gone down about 25 percent; in terms of real yen, it has declined over 40 percent. I am amazed that more people have not noticed this. There is very little written about it, but I can't help feel it is an explosive development. The international market for crude oil is soft, but not that soft. We cannot expect the price of oil in real terms to continue this pattern of deterioration.

What does all this add up to on the other side of the valley? I think we can look forward to a greater recognition of the importance of enterprise and markets and to a greater emphasis on capital formation. We have experienced a very unusual economic expansion: it has taken place without the big kicker it usually gets from major grass-roots capital formation, big capital spending on new facilities. Most of the capital formation in this boom has been from additions to existing structures, purchase of new machinery, things of that kind. We have not had big capital expenditures on new projects and new plants. As a result, we are left with a backlog of needs.

The changes in capital gains taxation and the questioning of regulations that we see today seem to augur that we may very well see the unusual event of capital formation leading the way out of the valley. To the extent that people feel the other side of the valley can be favorable, the width and depth of the valley will automatically be diminished. People will focus their planning on the long term, and they will see the merit of making long-term capital investments.

With the valley in sight, as we look toward the other side, we see the possibility of achieving a period of economic expansion that is both sounder and less inflationary than our current boom. The outlook for the economy could be better than anything we have experienced in the past five or ten years. This judgment about the future rests not so much on an assessment of the economics of the matter as on the mood of the body politic as channeled through the political process. When the political winds start to blow, my observation is that weathervanes abound. (One of the greatest weathervane acts of all time was the turnaround of Governor Jerry Brown after Proposition 13's overwhelming victory.)

We cannot predict today whether the U.S. will have a soft landing in economic growth or genuine recession with negative growth in 1979. Either way, in the economic turmoil that is to come, the government will be tempted to succumb to short-term pressures—emphasizing incomes policies, wage and price controls, or other compulsory measures—at the expense of sustained long-term solutions.

Economic policy and economic commentary are too often preoccupied with the immediate, where the impact of changes in our economic policy is severely limited, while the longer term, where the potential impact of economic policy is most significant, is typically neglected. This focus must be shifted.

Though the immediate future has already been dictated by actions taken in the past, the other side of the valley is still in our hands. What we need now is a real sense of direction, and the fortitude to stick to the path that will afford us the most stable, productive future on the other side of the valley. What we need, in short, is leadership not with a weathervane, but with a compass.●

THE TOBACCO SMOKESCREEN

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. DRINAN. Mr. Speaker, last week Secretary Califano and Surgeon General Richmond released the most comprehensive study ever prepared about the health effects of cigarette smoking. That report is a devastating document which should shatter once and for all the myths propagated by the tobacco industry. It clearly states the case for corrective congressional action.

I first introduced legislation to protect the rights of nonsmokers in November 1975 and I introduced several additional bills to limit the health hazards of cigarette smoking during the 95th Congress. Despite my efforts, and those of dozens of my colleagues, Congress has yet to even hold hearings on legislation that would further protect the American public from the hazards of cigarette smoking.

Last Monday, I reintroduced legislation which would protect the rights of nonsmokers, establish a health protection tax on cigarettes, strengthen the cigarette warning label, and grant the Food and Drug Administration authority to regulate cigarettes.

There is no question that congressional action to protect the American people from the dangers of smoking is long overdue. I intend to regularly bring this public health issue to the attention of my colleagues, and to actively solicit your support for my legislative initiatives. In the meantime, I commend the following editorial from the January 12, 1979 issue of the Christian Science Monitor. It is an excellent refutation of the misleading propaganda distributed by the tobacco industry:

THE TOBACCO SMOKE SCREEN

The US tobacco industry only casts more doubts on its credibility by the type of shoddy public relations the Tobacco Institute employed this week to try to undermine a new federal study on the health hazards of cigarette smoking. So anxious were the tobacco spokesmen to soften the impact of the serious warning from the Surgeon General that they held a press conference to attack the study a day before its findings were announced. What the study reported was that smoking-related illnesses cost Americans $5 billion to $8 billion and account for almost 350,000 mostly preventable deaths each year.

The industry officials' contention that the new study was only a rehash of previous findings and that it amounted to nothing more than a "publicity stunt" or "media event" has a hollow ring when the industry tries to get the jump by staging its own publicity stunt and media event. Such obvious evidence of placing self-interest ahead of the broader public interest cannot help but make one wonder about the seriousness of the industry's much ballyhooed interest in developing "safer" cigarettes.

As a matter of fact, the new federal study goes considerably beyond the Surgeon General's initial findings of 15 years ago on the health hazards of smoking. It declares flatly that its medical research indicates smoking is a direct cause of numerous diseases and that women who smoke may be harming their unborn children as well as themselves. The study found that the percentage of men who smoke has dropped from 53 to 38 percent since 1964, the percentage of women smokers stayed at 30 percent.

It is surprising that, despite such medical warnings, so many Americans continue to smoke. They clearly have become the victims of a mesmeric habit, abetted by slick promotion, which American society ought to resist as an insidious national problem.

The sad fact is that much of the $500 million the tobacco industry spent last year to advertise smoking as "glamorous and satisfying" was aimed at young people and teenagers in particular. HEW Secretary Califano says 75 percent of the adults who smoke acquire the habit before the age of 21; 100,000 children aged 13 and younger are regular cigarette smokers.

We have deplored many times the federal government's ambivalent attitude toward tobacco, reflected in the HEW campaign to reduce smoking while the Agriculture Department spends more than $65 million annually on price supports and other tobacco subsidies and the Food for Peace program regularly sends tobacco to needy countries. Far better would it be for the government and the industry to put the millions they spend in subsidies and on public relations into a joint effort to develop alternative crops for tobacco farmers that would benefit, rather than harm, the public.●

TIPS ON HOW TO AVOID OVERPAYMENT OF INCOME TAX BY OLDER AMERICANS

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. PEPPER. Mr. Speaker, in my position as chairman of the Select Committee on Aging, I am cognizant of the economic problems that older Americans are frequently faced with due to limited, often fixed, incomes. When one considers the vast number of older Americans who are overpaying their income taxes, because of a failure to take advantage of legal tax reduction mechanisms, one feels compelled to act to minimize this problem.

Several important tax relief measures became law in late 1978. It is impossible, however, for individuals of any age to take advantage of these provisions and obtain tax relief, unless they are aware of the changes. Without this knowledge, older Americans would be losing much needed additional income.

The Senate Select Committee on Aging has revised its annual checklist of itemized deductions. This summary can be of great value to the elderly, and also younger taxpayers, in completing their 1978 Federal income tax forms. I commend the Senate committee for its efforts and submit its summary here for the benefit of all who may read it:

PROTECTING OLDER AMERICANS AGAINST OVERPAYMENT OF INCOME TAXES

(A Revised Checklist of Itemized Deductions for Use in Taxable Year 1978)

CHECKLIST OF ITEMIZED DEDUCTIONS FOR SCHEDULE A (FORM 1040)

Medical and dental expenses

Medical and dental expenses (unreimbursed by insurance or otherwise) are deductible to the extent that they exceed 3% of your adjusted gross income (line 31, Form 1040).

Insurance premiums

One-half of medical, hospital or health insurance premiums are deductible (up to $150) without regard to the 3% limitation for other medical expenses. The remainder of these premiums can be deducted, but is subject to the 3% rule.

Drugs and medicines

Included in medical expenses (subject to 3% rule) but only to extent exceeding 1% of adjusted gross income (line 31, Form 1040).

Other medical expenses

Other allowable medical and dental expenses (subject to 3% limitation):

Abdominal supports (prescribed by a doctor).

Acupuncture services.

Ambulance hire.

Anesthetist.

Arch supports (prescribed by a doctor).

Artificial limbs and teeth.

Back supports (prescribed by a doctor).

Braces.

Capital expenditures for medical purposes (e.g., elevator for persons with a heart ailment)—deductible to the extent that the cost of the capital expenditure exceeds the increase in value to your home because of the capital expenditure. You should have an independent appraisal made to reflect clearly the increase in value.

Cardiographs.

Chiropodist.

Chiropractor.

Christian Science practitioner, authorized.

Convalescent home (for medical treatment only).

Crutches.

Dental services (e.g., cleaning, X-ray, filling teeth).

Dentures.

Dermatologist.

Eyeglasses.

Food or beverages specially prescribed by a physician (for treatment of illness, and in addition to, not as substitute for, regular diet; physician's statement needed).

Gynecologist.

Hearing aids and batteries.

Home health services.

Hospital expenses.

Insulin treatment.

Invalid chair.

Lab tests.

Lipreading lessons (designed to overcome a handicap).

Neurologist.

Nursing services (for medical care, including nurse's board paid by you).

Occupational therapist.

Ophthalmologist.

Optician.

Optometrist.

Oral surgery.

Osteopath, licensed.

Pediatrician.

Physical examinations.

Physical therapist.

Physician.

Podiatrist.

Psychiatrist.

Psychoanalyst.

Psychologist.

Psychotherapy.

Radium therapy.

Sacroiliac belt (prescribed by a doctor).

Seeing-eye dog and maintenance.

Speech therapist.

Splints.

Supplementary medical insurance (Part B) under Medicare.

Surgeon.

Telephone/teletype special communications equipment for the deaf.

Transportation expenses for medical purposes (7¢ per mile plus parking and tolls or actual fares for taxi, buses, etc.).

Vaccines.

Vitamins prescribed by a doctor (but not taken as a food supplement or to preserve general health).

Wheelchairs.

Whirlpool baths for medical purposes.

X-rays.

Expenses may be deducted only in the year you paid them. If you charge medical expenses on your bank credit card, the expenses are deducted in the year the charge is made regardless of when the bank is repaid.

Taxes

Real estate.

State and local gasoline.

General sales.

State and local income.

Personal property.

If sales tax tables are used in arriving at your deduction, ordinarily you may add to the amount shown in the tax tables the sales tax paid on the purchase of the following items: automobiles, trucks, motorcycles, airplanes, boats, mobile homes, and materials used to build a new home when you are your own contractor.

When using the sales tax tables, add to your adjusted gross income any nontaxable income (e.g., Social Security, Veterans' pensions or compensation payments, Railroad Retirement annuities, workmen's compensation, untaxed portion of long-term capital gains, dividends untaxed under the dividend exclusion, interest on municipal bonds, unemployment compensation and public assistance payments).

Contributions

In general, contributions may be deducted up to 50 percent of your adjusted gross income (line 31, Form 1040). However, contributions to certain private nonprofit foundations, veterans organizations, or fraternal societies are limited to 20% of adjusted gross income.

Cash contributions to qualified organizations for (1) religious, charitable, scientific, literary or educational purposes, (2) prevention of cruelty to children or animals, or (3) Federal, State or local governmental units (tuition for children attending parochial schools is not deductible).

Fair market value of property (e.g., clothing, books, equipment, furniture) for charitable purposes. (For gifts of appreciated property, special rules apply. Contact local IRS office.)

Travel expenses (actual or 7¢ per mile plus parking and tolls) for charitable purposes (may not deduct insurance or depreciation in either case).

Cost and upkeep of uniforms used in charitable activities (e.g., scoutmaster).

Purchase of goods or tickets from charitable organizations (excess of amount paid over the fair market value of the goods or services).

Out-of-pocket expenses (e.g., postage, stationery, phone calls) while rendering services for charitable organizations.

Care of unrelated student in your home under a written agreement with a qualifying organization (deduction is limited to $50 per month).

Interest

Home mortgage.

Auto loan.

Installment purchases (television, washer, dryer, etc.).

Bank credit card—can deduct the finance charge as interest if no part is for service charges, loan fees, credit investigation fees, or similar charges.

Other credit cards—you may deduct as interest the finance charges added to your monthly statement, expressed as an annual percentage rate, that are based on the unpaid monthly balance.

Points—deductible as interest by buyer where financing agreement provides that they are to be paid for use of lender's money and only if the charging of points is an established business practice in your area. Not deductible if points represent charges for services rendered by the lending institution (e.g., VA loan points are service charges and are not deductible as interest). Not deductible if paid by seller (are treated as selling expenses and represent a reduction of amount realized).

Penalty for prepayment of a mortgage—deductible as interest.

Revolving charge accounts—may deduct the separately stated "finance charge" expressed as an annual percentage rate.

Casualty or theft losses

Casualty (e.g., tornado, flood, storm, fire, or auto accident provided not caused by a willful act or willful negligence) or theft losses—the amount of your casualty loss deduction is generally the lesser of (1) the decrease in fair market value of the property as a result of the casualty, or (2) your adjusted basis in the property. This amount must be further reduced by any insurance or other recovery, and, in the case of property held for personal use, by the $100 limitation. Report your casualty or theft loss on Schedule A. If more than one item was involved in a single casualty or theft, or if you had more than one casualty or theft during the year, you may use Form 4684 for computing your personal casualty loss.

Miscellaneous

Appraisal fees to determine the amount of a casualty loss or to determine the fair market value of charitable contributions.

Union dues.

Cost of preparation of income tax return.

Cost of tools for employee (depreciated over the useful life of the tools).

Dues for Chamber of Commerce (if as a business expense).

Rental cost of a safe-deposit box used to store income-producing property.

Fees paid to investment counselors.

Subscriptions to business publications.

Telephone and postage in connection with investments.

Uniforms required for employment and not generally wearable off the job.

Maintenance of uniforms required for employment.

Special safety apparel (e.g., steel toe safety shoes or helmets worn by construction workers; special masks worn by welders).

Business entertainment expenses.

Business gift expenses not exceeding $25 per recipient.

Employment agency fees under certain circumstances.

Cost of a periodic physical examination if required by employer.

Cost of installation and maintenance of a telephone required by your employment (deduction based on business use).

Cost of bond if required for employment.

Expenses of an office in your home if used regularly and exclusively for certain business purposes.

Educational expenses that are: (1) required by your employer to maintain your position; or (2) for maintaining or sharpening your skills for your employment.

Political Campaign Contributions.—You may claim either a deduction (line 31, Schedule A, Form 1040) or a credit (line 38, Form 1040), for campaign contributions to an individual who is a candidate for nomination or election to any Federal, State, or local office in any primary, general, or special election. The deduction or credit is also applicable for any (1) committee supporting a candidate for Federal, State, or local elective public office, (2) national committee of a national political party, (3) State committee of a national political party, or (4) local committee of a national political party. The maximum deduction is $100 ($200 for couples filing jointly). The amount of the tax credit is one-half of the political contribution, with a $25 ceiling ($50 for couples filing jointly).

Presidential election campaign fund

Additionally, you may voluntarily earmark $1 of your taxes ($2 on joint returns) for the Presidential Election Campaign Fund.

Additional information

For any questions concerning any of these items, contact your local IRS office. You may also obtain helpful publications and additional forms by contacting your local IRS office.

Other tax relief measures

Filing status	*Required to file a tax return if gross income is at least—*
Single (under age 65)	$2,950
Single (age 65 or older)	3,700
Qualifying widow(er) under 65 with dependent child	3,950
Qualifying widow(er) 65 or older with dependent child	4,700
Married couple (both spouses under 65) filing jointly	4,700
Married couple (1 spouse 65 or older) filing jointly	5,450
Married couple (both spouses 65 or older) filing jointly	6,200
Married filing separately	750

Additional Exemption for Age.—Besides the regular $750 exemption, you are allowed an additional exemption of $750 if you are age 65 or older on the last day of the taxable year. If both a husband and wife are 65 or older on the last day of the taxable year, each is entitled to an additional exemption of $750 because of age. You are considered 65 on the day before your 65th birthday. Thus, if your 65th birthday is on January 1, 1979, you will be entitled to the additional $750 exemption because of age for your 1978 Federal income tax return.

"Zero Bracket Amount."—The "zero bracket amount" is a flat amount that depends on your filing status. It is not a separate deduction; instead, the equivalent amount is built into the tax tables and tax rate schedules. Since this amount is built into the tax tables and tax rate schedules, you will need to make an adjustment if you itemize deductions. However, itemizers will not experience any change in their tax liability and the tax computation will be simplified for many itemizers.

Tax Tables.—Tax tables have been developed to make it easier for you to find your tax if your income is under certain levels. Even if you itemize deductions, you may be able to use the tax tables to find your tax easier. In addition, you do not have to deduct $750 for each exemption or figure your general tax credit, because these amounts are also built into the tax table for you.

Multiple Support Agreements.—In general, a person may be claimed as a dependent of another taxpayer, provided five tests are met: (1) Support, (2) gross income, (3) member of household or relationship, (4) citizenship, and (5) separate return. But in some cases, two or more individuals provide support for an individual, and no one has contributed more than half the person's support. However, it still may be possible for one of the individuals to be entitled to a $750 dependency deduction if the following requirements are met for multiple support:

1. Two or more persons—any one of whom could claim the person as a dependent if it were not for the support test—together contribute more than half of the dependent's support.

2. Any one of those who individually contribute more than 10% of the mutual dependent's support, *but only one of them*, may claim the dependency deduction.

3. Each of the others must file a written statement that he will not claim the dependency deduction for that year. The statement must be filed with the income tax return of the person who claims the dependency deduction. Form 2120 (Multiple Support Declaration) may be used for this purpose.

Sale of Personal Residence.—You may exclude from your gross income some or all of your gain from the sale of your principal residence, if you meet certain age, ownership, and occupancy requirements at the time of the sale. These requirements, and the amount of gain that may be excluded, differ depending on whether you sold your home before July 27, 1978, or on or after that date. The exclusion is elective, and you may elect to exclude gain only once for sales before July 27, 1978, and only once for sales on or after that date.

If you sold your home before July 27, 1978, and you were age 65 or older before the date of sale, you may elect to exclude the gain attributable to $35,000 of the adjusted sales price if you owned and occupied the residence for 5 of the 8 years ending on the date of sale. If you sold the home after July 26, 1978, and you were age 55 or older before the date of sale, you may elect to exclude $100,000 of gain on the sale if you owned and occupied the residence for 3 of the 5 years ending on the date of sale (or 5 of 8 years under certain circumstances). Form 2119 (Sale or Exchange of Personal Residence) is helpful in determining what gain, if any, may be excluded.

Additionally, you may elect to defer reporting the gain on the sale of your personal residence if within 18 months before or 18 months after the sale you buy and occupy another residence, the cost of which equals or exceeds the adjusted sales price of the old residence. Additional time is allowed if (1) you construct the new residence; (2) you were on active duty in the U.S. Armed Forces; or (3) your tax home was abroad. Publication 523 (Tax Information on Selling or Purchasing Your Home) may also be helpful.

Credit for the Elderly.—You may be able to claim this credit and reduce taxes by as much as $375 (if single), or $562.50 (if married filing jointly), if you are:

(1) Age 65 or older, or

(2) Under age 65 and retired under a public retirement system.

For more information, see instructions for Schedules R and RP.

Credit for Child and Dependent Care Expenses. Certain payments made for child and dependent care may be claimed as a credit against tax.

If you maintained a household that included your dependent child under age 15 or a dependent or spouse incapable of self-care, you may be allowed a 20% credit for employment related expenses. These expenses must have been paid during the taxable year in order to enable you to work either full or part time.

For detailed information, see the instructions on Form 2441.

Earned Income Credit.—If you maintain a household for a child who is under age 19, or is a student, or is a disabled dependent, you may be entitled to a special payment or credit of up to $400. This is called the earned income credit. It may come as a refund check or be applied against any taxes owed. Generally, if you reported earned income and had adjusted gross income (line 31, Form 1040) of less than $8,000, you may be able to claim the credit.

Earned income means wages, salaries, tips, other employee compensation, and net earnings from self-employment (generally amount shown on Schedule SE (Form 1040) line 13). A married couple must file a joint return to be eligible for the credit. Certain married persons living apart with a dependent child may also be eligible to claim the credit.

For more information, see instructions for Form 1040 or 1040A.

Energy tax act

The Energy Tax Act of 1978 is directed at providing tax incentives for energy conservation measures and for conversion to renewable energy sources.

A credit of up to $300 may be claimed for expenditures for energy conservation property installed in or on your principal residence, whether you own or rent it. The residence must have been substantially completed by April 20, 1977. Items eligible for the credit are limited to the following: insulation (fiberglass, cellulose, etc.) for ceilings, walls, floors, roofs, water heaters, etc.; exterior storm (or thermal) windows or doors; caulking or weatherstripping for exterior windows or doors; a furnace replacement burner which reduces the amount of fuel used; a device to make flue openings (for a heating system) more efficient; an electrical or mechanical furnace ignition system which replaces a gas pilot light; an automatic energy-saving setbacks thermostat; and a meter which displays the cost of energy usage.

A maximum credit for renewable energy source property is $2,200. Equipment used in the production or distribution of heat or electricity from solar, geothermal, or wind energy sources for residential heating, cooling, or other purposes may qualify for this credit.

Energy credits may be claimed by completing Form 5695 and attaching it to your Form 1040. Credit for expenditures made after April 19, 1977, and before January 1, 1979, must be claimed on your 1978 tax return. Do not file an amended 1977 return to claim a credit for expenditure in 1977.

Examples of items which do not qualify for energy credit are the following: carpeting, drapes, wood paneling, exterior siding, heat pump, wood or peat fueled residential equipment, fluorescent replacement lighting system, hydrogen fueled residential equipment, equipment using wind energy for transportation, expenditures for a swimming pool used as an energy storage medium, and greenhouses.

For further information, consult the instructions for Form 5695 and IRS Publication 903, Energy Credits for Individuals.●

HOUSE OF REPRESENTATIVES—*Monday, January 22, 1979*

The House met at 12 o'clock noon.

Chaplain James David Ford, B.D., offered the following prayer:

Almighty God, we give You thanks for the blessings of days past, with their measure of success and failure. Yet, always, O Lord, we look ahead to new opportunities and new beginnings. Grant to this assembly, and to all Your people, strength of character and integrity of purpose; make us all sensitive to those who suffer, who are in peril or need, who feel forgotten and alone, and give us the spirit of grace and compassion as we face the cares of each new day.

This we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Chirdon, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed a joint resolution of the following title, in which the concurrence of the House is requested:

S.J. Res. 14. Joint resolution to correct an error made in the printing of Public Law 95–613.

The message also announced that the Senate had passed resolutions of the following titles:

S. Res. 16

Resolved, That the Senate has heard with profound sorrow the announcement of the death of the Honorable William A. Steiger, late a Representative from the State of Wisconsin.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit an enrolled copy thereof to the family of the deceased.

Resolved, That when the Senate recesses today, it recess as a further mark of respect to the memory of the deceased Representative.

S. Res. 17

Resolved, That the Senate has heard with profound sorrow the announcement of the death of the Honorable Leo J. Ryan, late a Representative from the State of California.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit an enrolled copy thereof to the family of the deceased.

Resolved, That when the Senate recesses today, it recess as a further mark of respect to the memory of the deceased Representative.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

Washington, D.C.,
January 18, 1979.

Hon. Thomas P. O'Neill, Jr.,
The Speaker, House of Representatives,
Washington, D.C.

Dear Mr. Speaker: Pursuant to the permission granted on January 18, 1979, the Clerk has received this date the following messages from the Secretary of the Senate:

That the Senate passed without amendment H.J. Res. 1, to extend the time for filing the Economic Report; and

That the Senate passed without amendment H. Con. Res. 1, providing for a joint session of Congress to receive a message from the President on the state of the Union.

With kind regards, I am,
Sincerely,
Edmund L. Henshaw, Jr.,
Clerk, House of Representatives.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair desires to announce that pursuant to the authority granted the Speaker on Thursday, January 18, 1979, the Speaker did on that day sign the following enrolled bill:

H.J. Res. 1. Joint resolution to extend the time for filing the economic report.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

Washington, D.C.,
January 19, 1979.

Hon. Thomas P. O'Neill, Jr.,
The Speaker, House of Representatives,
Washington, D.C.

Dear Mr. Speaker: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 2:42 p.m. on Friday, January 19, 1979, and said to contain a message from the President wherein he transmits his report on the White House Conference on Balanced National Growth and Economic Development.

With kind regards, I am,
Sincerely,
Edmund L. Henshaw, Jr.,
Clerk, House of Representatives.

REPORT ON THE WHITE HOUSE CONFERENCE ON BALANCED NATIONAL GROWTH AND ECONOMIC DEVELOPMENT—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. 96–37)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Public Works and Transportation and ordered to be printed.

To the Congress of the United States:

In fulfillment of a requirement of P.L. 94–487, October 12, 1976, I am transmitting my report on the White House Conference on Balanced National Growth and Economic Development. For many weeks preceding the final Conference, there were State and regional Conferences organized like town meetings, giving citizens and elected officials an opportunity to exchange views on the critical issues of growth and development. Held in Washington on January 29 through February 2, 1978, the Conference was attended by more than 700 individuals from all parts of the country.

An important outcome of the Conference was the general agreement among the delegates that no massive new Federal spending programs were needed. Instead, they called for more effective government, more balanced decisions, and a real partnership among levels of government and the private sector in meeting persistent social and economic problems. This theme has been an invaluable guide in helping shape the growth and development policies of my Administration.

We are indebted to those who participated in the Conference. It could have been so controversial or so sterile that no useful purpose was served. Instead, it provided many constructive insights to help shape future growth and development policy in this country.

Jimmy Carter.
The White House, *January 19, 1979.*

☐ This symbol represents the time of day during the House Proceedings, e.g., ☐ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

□ 1205

HAIL TO THE PITTSBURGH STEELERS, THE SUPERCHAMPS

(Mr. MOORHEAD of Pennsylvania asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, I rise to notify the House that yesterday the Pittsburgh Steelers became the football champions of the world by winning the Super Bowl over the Dallas Cowboys, 35–31.

This was an unprecedented third Super Bowl victory for the Steelers.

I speak for all the people of the Pittsburgh area and for all sports fans everywhere when I congratulate the Rooney family, Coach Noll, quarterback Bradshaw and his amazing receivers and the entire offensive and defensive teams.

Let me also congratulate the Cowboys who played excellent football and fought gamely to the very end.

Steelers, you have made us of the Pittsburgh area very proud.

Hail to the superchamps.

FISCAL YEAR 1980 BUDGET SHOWS TOTAL FEDERAL DEBT WILL CROSS TRILLION DOLLAR MARK

(Mr. VANIK asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. VANIK. Mr. Speaker, before we talk about super things such as the Super Bowl, I think it is time for us to talk about the super deficit of the United States.

Mr. Speaker, the fiscal year 1979 budget calls for budget receipts of $503 billion and outlays of $532 billion for a deficit of $29 billion. This $29 billion will, of course, be added to the public debt, which today is just slightly under the $800 billion mark. But not all of the debt for which the Federal Government—and thus the public—are liable is included in the debt "subject to limit" ceiling.

The following table from page 130 of the special analyses of the fiscal year 1980 budget reveals that by the end of fiscal year 1980, the debt of the Federal Government—that is, of the American people—will for the first time be over $1 trillion.

TABLE E-11.—NET BORROWING BY GOVERNMENT, GOVERNMENT-SPONSORED ENTERPRISES, AND GOVERNMENT GUARANTEED BORROWERS

[In billions of dollars]

Description	Borrowing or repayment (–) 1978 actual	Borrowing or repayment (–) 1979 estimate	Borrowing or repayment (–) 1980 estimate	Debt outstanding end 1980 estimate
Federal borrowing from the public [1]	59.1	40.0	39.0	689.9
Borrowing by Government-sponsored enterprises [2]	24.1	13.3	16.9	146.5
Less increase in holdings of Federal debt	–.2	.1	.1	.7
Less increase in Government-sponsored debt held by Federal agencies:				
Federal Financing Bank	.2	.6	.4	1.8
Net Government-sponsored borrowing	24.1	12.6	16.4	144.1
Government-guaranteed borrowing [3]	25.1	32.8	37.4	333.4
Less increase in guaranteed loans held by:				
Federal agencies:				
Federal Financing Bank	10.7	11.6	11.4	56.8
Government National Mortgage Corporation	.1	–.1	–.1	3.0
Government-sponsored enterprises:				
Student Loan Marketing Association	.2	.6	.4	1.7
Federal National Mortgage Association	2.8	.1	.4	31.5
Federal Home Loan Banks	(*)	(*)	–(*)	.1
Federal Home Loan Mortgage Corporation	–.2	–.2	–.1	1.0
Net Government-guaranteed borrowing	11.3	20.8	25.5	239.4
Total, Federal and federally assisted borrowing	94.5	73.4	80.9	1,073.4

It reveals that the public debt is not really the $800 to $900 billion generally known and discussed in congressional debates, but it is also an additional $200 billion in backdoor lending and guarantee activity which has escaped public notice and congressional debate.

While this table is a disturbing summary of the obligations facing the Federal Government, the special analyses provides, for the first time, a hope for bringing this undebated, backdoor lending activity under control. As the analyses notes on page 177:

> The Administration is proposing a system of control of the Federal Government's credit programs. Past and current review of individual credit programs has been limited and incomplete, so that the allocation of public resources has not benefited from comprehensive consideration of the possible tradeoffs.

Therefore, the administration is proposing an amendment to the Congressional Budget Act, which I first proposed before the House Rules Committee in 1974, to provide a credit and loan guarantee control program:

> The control system would adopt as its basic mechanism annual limitations on gross loan activity for both direct lending and loan guarantee programs. These limitations would be proposed in the budget, reflected in Congressional Budget Resolutions, and established in regular appropriation acts.

This administration effort to force Congress to control this backdoor budget gimmickry of loans, guarantees, and off-budget agencies is a welcome step.

The long-delayed acceptance of this idea may be one of the most important things this Congress can do to help control Federal spending and its impact on the credit markets.

Mr. Speaker, I think it is time for the Committee on the Budget of the Congress to make a real effort to hold down the nonbudget borrowing which is becoming an increasing burden on the American people. While we can be happy today about the results of the Super Bowl game yesterday, I think we ought to also pay considerable attention to the superdebt of the United States, which exceeds $1 trillion in 1980.

FEDERAL RESERVE LOSSES ON FOREIGN EXCHANGE OPERATIONS

(Mr. MITCHELL of Maryland asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MITCHELL of Maryland. Mr. Speaker, preliminary figures released a few days ago reveal that the Federal Reserve System lost $506 million dollars last year by speculating in the foreign exchange market. The loss increased our budget deficit dollar for dollar, and no enduring benefit resulted from this tremendous half billion dollar cost. The Federal Reserve Board's press release informs us that "The $506 million loss on foreign operations includes realized losses of $297 million and unrealized losses of $209 million resulting from the revaluation of foreign exchange holdings and outstanding commitments at current exchange rates. Of these amounts, $268 million and $150 million, respectively, reflect losses associated with Swiss franc commitments entered into before August 15, 1971."

What this means is that the ghosts of foreign exchange interventions past have caught up with us. I call this House's attention to this sad event because the Federal Reserve undertook massive new foreign exchange commitments in 1978, and continues to intervene in foreign exchange markets even now.

Let there be no mistake: What the Federal Reserve loses on foreign exchange operations the taxpayers wind up paying dollar for dollar. This is because all Federal Reserve income—after deducting housekeeping expenses, statutory membership dividends, additions to surplus, and losses on securities and foreign exchange operations—is remitted automatically to the Treasury as interest on Federal Reserve notes. Had the Federal Reserve not lost the $506 million last year, it would have been remitted to the Treasury, which could have used the money to cover budgetary expenses. Thus, as a result of the Federal Reserve's losses on foreign exchange operations, the U.S. budget deficit was half a billion dollars larger than it needed to be last year. I repeat, half a billion dollars larger than it needed to be.

Why does the Federal Reserve risk taxpayers' money on foreign exchange operations? Do these operations serve any useful social purpose? The usual defense is that these operations shore up the dollar. The Federal Reserve tries to keep the dollar from falling, so it borrows and sells foreign currencies in exchange for dollars. This can produce temporary benefits, because it temporarily increases the demand for dollars. In turn, this can temporarily shore up the price of the dollar when it is falling. However, it is far from certain that even these limited ephemeral benefits will accrue. Intervention may arouse unnecessary fears and impel counterproductive selling of the dollar. In any case, over the long run, I do not believe the effort possibly can be worthwhile.

The dollar was not saved by the Federal Reserve's intervention in foreign exchange markets last year. Although some might argue that the slide of the dollar between May and October last year was stopped by Federal Reserve and foreign central banks buying dollars after November 1, it is more likely that what stopped the slide of the dollar last fall was the promise of slower money growth backed up as it was by an unprecedented 1 percentage point rise in the discount rate. I believe that if the Federal Reserve had achieved its money supply growth targets all along, the dollar would not have needed defending to begin with.

Regardless, no one, not even the Federal Reserve System, thinks that borrowing and selling foreign currency for dollars can affect the fundamental price of the dollar. At best, these operations buy an increase in the dollar's price today for a decrease in its price tomorrow. Is that worth hundreds of millions of dollars a year? Was it worth half a billion dollars last year? This is money which could have been spent in many much more beneficial ways. With the budget tight, the rate of inflation soaring and a recession threatening, losing money by speculating in foreign exchange markets is an unwise practice. It should cease.

STATEMENT OF THE HONORABLE PETER PEYSER UPON THE INTRODUCTION OF THE SOFT DRINK INTERBRAND COMPETITION ACT

(Mr. PEYSER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

● Mr. PEYSER. Mr. Speaker, today I am introducing the Soft Drink Interbrand Competition Act to allow soft drink companies to continue the practice of designating exclusive territory to their bottling companies, a practice that prohibits the bottler from selling outside a specified geographical area.

The Federal Trade Commission has alleged under the guise of consumerism that this territorial restriction impairs competition.

The fact is that if the FTC gets its way the big bottlers will drive out the little bottlers and distribution to small stores and vending machines will be reduced because of the small profits these small sellers generate.

And what would be the impact of bottling plant closings?

In New York State, for instance, 116 bottling plants in 61 cities employ 5,737 persons with an aggregate payroll of $79 million. A majority of the plants are small, employing less than 50 persons. The industry bought products and services from other firms totaling $712.7 million in 1977 and paid an estimated $16.3 million in State and local taxes.

Nationwide, soft drink manufacturers' sales in the United States in 1977 were estimated at $11,526.8 million. The industry employed 114,347 persons with a payroll of $1,267.2 million. Of the 2,174 soft drink plants in the Nation, 1,500 are owned by small businesses employing less than 50 persons. Soft drink manufacturers purchased goods and services from other firms valued at $6,959 million and paid State and local taxes of $184.8 million in 1977.

The franchise system takes into account the enormous size of the United States and its unequally distributed populations. If big customers bought from big distributors, there would be little incentive to serve the retailer who sells a few cases a week.

As far as I am concerned, this is the last straw—the FTC has overextended its authority on this issue. In fact, the Commission overruled the findings of its own administrative law judge who ruled that not only is the franchise system lawful, but also possibly fosters competition. The judge made extensive findings to the effect that there is intensive interbrand competition in this industry in terms of price, product innovation and marketing technique.

The Soft Drink Interbrand Competition Act is intended to remedy fundamental defects in the conduct of the FTC proceedings by requiring that the lawfulness of soft drink bottler territories be tested with reference to the extent of competition between rival products and vendors. Specifically, the bill provides that exclusive territorial licenses to manufacture, distribute and sell trademarked soft drink products shall not be deemed unlawful as long as there is "substantial and effective competition" among different products. "Substantial and effective competition" is a flexible concept, but it would encompass such factors as: The number of brands, types, and flavors of competing products available in the licensee's territory; the number and strength of sellers of competing products; evidence of the intensity of price competition; persistence of excessive profit levels; the degree of service competition among vendors; ease of entry into the market; and failure to introduce more efficient methods of processes.

Territorial provisions have been utilized in the soft drink industry for more than 75 years with the understanding that they were legally permissible. The industry had abundant reason to believe in their legality since they were upheld by Federal courts as early as 1920 and on several recent occasions.

It is time for Congress to check this overzealous application of authority by the FTC. I urge swift enactment of the Soft Drink Interbrand Competition Act.●

WELCOME ABOARD REVEREND FORD

(Mr. GILMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GILMAN. Mr. Speaker, the opening of the 96th session of the Congress marked the first day on the job for a former constituent of mine, our new Chaplain, Rev. James D. Ford and today he rendered his first opening prayer.

Reverend Ford succeeds the Reverend Edward G. Latch, who admirably served as Chaplain of the U.S. House of Representatives for the past 12 years.

Our new dynamic man of the cloth comes to us from the U.S. Military Academy at West Point, N.Y., where he served as senior chaplain since 1965.

This 47-year-old native of South Dakota is no stranger to a challenge. We all had our own way of celebrating the Bicentennial in 1976 and Chaplain Ford decided to commemorate America's 200th birthday in an outstanding manner by sailing a 31 foot sailboat "Yankee Doodle" with two crewmen from Plymouth, England, to West Point. That Bicentennial adventure covered 5,900 miles and 51 days at sea. Our new Chaplain is also an avid skier, and has given exhibitions of trick skiing and ski jumping.

Reverend Ford came to the Military Academy in 1961 as an assistant chaplain. Four years later he was appointed by President Johnson as chaplain, and was reappointed three times. Prior to his almost 18 year stint at the Academy, Reverend Ford was pastor of the Lutheran Church in Ivanhoe, Minn., from 1958 through 1961.

Reverend Ford graduated from Gustavus Adolphus College in Minnesota, received his master of divinity from the Augustana Seminary and did further graduate work at the University of Minnesota and Heidelberg University, Germany.

Reverend Ford is married to his college sweetheart, the former Marcia Ruth Sodergren and they are the proud parents of five children ranging in age from 9 to 19.

I join with my colleagues in welcoming Reverend Ford to Washington and wishing him God's speed in all of his endeavors.

THE AGRICULTURAL PARITY EQUITY ACT OF 1979

(Mr. SEBELIUS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SEBELIUS. Mr. Speaker, today, I am introducing the Agricultural Parity Equity Act of 1979. The bill is very similar to the flexible parity bill I introduced last year.

A great deal has been said about improvement in the farm economy in the past year. There is no doubt that things have improved. Congress acted last year to greatly expand our farm credit programs, thereby helping many of our financially troubled farm families re-trench, refinance, and hold onto their farms for another year or two.

Congress also passed a bill authorizing the Secretary of Agriculture to increase the target price whenever a set-aside is in effect. This, too, helped. But I would remind my colleagues that this bill passed only after the House defeated the flexible parity bill. I contend that we erred in not passing the flexible parity bill.

Congress also passed the Agricultural Trade Act, a bill to help this Nation expand its agricultural product exports. This will help our farm economy further. The recent decision by the People's Republic of China to reenter the U.S. grain market is partially the result of provisions contained in that act. I am proud to have introduced legislation on which that bill was based. And, I am proud to have served as minority floor manager for that bill.

With all that the Congress did last year, why am I introducing new legislation to help the farmer? Mr. Speaker, it is because we have not finished the job we set out to do. If we are to save the family farm as the backbone of America, we must continue to work to strengthen our farm economy.

Anyone who thinks that we solved the farm problem last year need only look at the highways in our Midwestern States. There, tractors are steadily rolling toward Washington as hundreds of farmers make a last ditch effort to save their farms.

True, there has been improvement in prices and net incomes received by farmers in the past year. But we need only look back to 1974 to see how we have deceived ourselves into the comfortable complacence now evident with regard to farm problems.

In 1974, the index of prices farmers received was 191—1967 equals 100. By September 1978, that index had risen to 214. At the same time, the index of prices farmers paid increased from 164 in 1974 to 222 in September 1978. The farmer is still losing money.

If you look at the figures more closely, you see that the index of prices received by farmers in 1975, 1976, and 1977 was below the 1974 level. The index of prices paid increased consistently.

There are indications that net farm income in 1978 might total as much as $27 billion. In 1974, realized net farm income was $27.7 billion. Expressing 1978 income in 1974 dollars, we would need a 1978 net farm income of about $32 billion just to break even.

No, Mr. Speaker, the farm problem has not been solved. And that is why I must again introduce legislation to bring this problem back before this Congress for a solution. This measure will not only help the farmer. It will help our entire economy.

SIXTY-FIRST ANNIVERSARY OF FOUNDING OF UKRAINIAN NATIONAL REPUBLIC

(Mrs. FENWICK asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. FENWICK. Mr. Speaker, today marks the 61st anniversary of the founding of the Ukrainian National Republic. On January 22, 1918, a universal proclamation establishing a fully independent and sovereign Ukraine was issued in Kiev, and a republic was declared. Self-determination for Ukrainians was tragically short-lived, however, for Soviet armed forces invaded just 2 years later, forcing the Ukraine into the Union of Soviet Socialist Republics.

Sixty-one years later, the Ukrainian people have not given up the hope of regaining the freedom and independence that they once knew, however briefly. On this day we pay tribute to the 50 million proud people of this once sovereign nation, and send to them the promise of our continued efforts to help them to secure their basic human rights under the terms of the Final Act signed at Helsinki.

THE 96TH CONGRESS SHOULD REAFFIRM THE RIGHT TO LIFE

(Mr. BAUMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BAUMAN. Mr. Speaker, this is the sixth anniversary of the handing down of one of the most odious Supreme Court decisions that this Nation witnessed throughout its history, one that ruled in effect that the right to life was not to be guaranteed by the laws in this country. This decision was as distressing to many citizens as was, in a different time, the Dred Scott decision holding that human beings were nothing more than personal property.

On this occasion I would like to congratulate the many thousands of citizens from all over the United States who will be marching in Washington today. I hope that this new 96th Congress will reaffirm the right to life in even greater numbers than in the past. I predict we will do so, particularly in view of the fact that many of our former colleagues who refused to acknowledge the right to life are no longer with us.

☐ 1215

BUDGET FOR FISCAL YEAR 1980—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 96–40)

The SPEAKER pro tempore (Mr. BAILEY) laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Appropriations and ordered to be printed:

To the Congress of the United States:

This budget for fiscal year 1980 is lean and austere. It recommends a spending level well below that suggested by the recent momentum of Federal spending. It will disappoint those who seek expanded Federal efforts across the board. It meets my commitment to a deficit of $30 billion or less.

This policy of restraint is not a casual one. It is an imperative if we are to overcome the threat of accelerating inflation.

If that threat is realized it would severely disrupt our economy and the well-being of our society. Americans with low and fixed incomes would suffer the most. Restraint would eventually become an inescapable necessity. But the longer we wait, the most severe and costly the inevitable restraint will be. By contrast, the budget supports a balanced fiscal policy. It is sufficiently restrained to ease inflationary pressures, but it will permit continued economic growth.

The Federal Government cannot overcome inflation by itself. Success will require cooperation from business, from labor, from consumers, from State and local governments—in short, from everyone. I have called for that cooperation as part of my anti-inflation program. However, only through its leadership and its example can the Federal Government secure this cooperation. This budget provides that leadership. It restrains Government's demand on the economy. At the same time, it makes the Federal dollar work harder and better.

The key to effective Federal leadership against inflation, unemployment, and poverty lies in more effective allocation and management of available resources. We must reduce the growth of total Federal spending while protecting the security of our Nation and the well-being of the American people.

This budget provides the necessary discipline over Federal spending by:

- —eliminating programs that are unworkable;
- —improving programs to make them more effective;
- —focusing assistance on the disadvantaged and the poor; and
- —reorganizing and consolidating Federal activities to improve efficiency and avoid waste, abuse, or mismanagement.

I believe this discipline represents an opportunity to reassess and build strong foundations for future Government activity, an opportunity to change Government for the better. It is my firm intention to continue these policies in future years, to reduce the size of the deficit, and to achieve a balanced budget as soon as economic conditions permit.

BUDGET TOTALS

[In billions of dollars]

	1978 actual	1979 estimate	1980 estimate	1981 estimate	1982 estimate
Budget receipts	402	456	503	577	653
Budget outlays	451	493	532	578	615
Surplus or deficit (—)	—49	—37	—29	—1	38
Budget authority	502	560	616	651	696

My budget provides for total outlays in 1980 of $532 billion, an increase of $38 billion, or 7.7 percent, over 1979, and receipts of $503 billion. For 1981 and 1982, it provides for total outlays of $578 billion and $615 billion, respectively. Budget outlays will decrease as a share of the Nation's gross national product from 22.1 percent in 1978 to 21.2 percent in 1980 and 20.3 percent in 1982. This reduction in the share of our national product spent by the Federal Government is a fundamental goal of my policy, equally as important as reducing the deficit.

The expenditures I recommend are specifically focused on overcoming our Nation's crucial problems. Through rigorous zero-base analyses, priorities have been established to help us get the best Government possible for the resources we can afford. Careful attention to efficiency and productivity will enable Federal managers to achieve our most important priorities with less money and fewer people.

The spending restraint in this budget means that in some areas the Government will simply not be able to do as much as it has in the past. Inevitably, real sacrifices must be made if we are to overcome inflation. In formulating this budget, I have made every effort to spread that burden fairly and objectively. Restraint has not been applied arbitrarily.

However, there are areas where we cannot make major reductions. I have sought to reconcile the need for extraordinary restrictions on Government spending with the need to maintain a strong defense; to implement a national energy policy; to assist people in need; and to continue important public services and investments.

First, as President, it is my central responsibility to ensure that our defense forces are strong enough to deter aggression. This budget does that.

In May of 1977 I met with our NATO allies and urged that we work together to strengthen our common defense. They are meeting the goal that we agreed upon. We must and will do our share.

In total, the 1980 defense budget provides for growth in outlays in real terms of 3% above the current year's spending. Most of this increase will be for strengthening our NATO forces and maintaining the strategic balance. The budget continues my policy of steady modernization of our strategic forces, and improved combat readiness of our tactical forces. It also emphasizes research and development to meet future challenges to our security. At the same time, however, it restrains defense costs by introducing important economies in purchasing, supply management, and personnel costs and numbers.

Second, the 1980 budget recognizes the vital importance of energy to the Nation. Because of our dependence on foreign oil, we continue to be in danger of having supplies disrupted as they were 5 years ago. It is essential that we continue to move forward with an effective national energy program that will decrease our demand for foreign oil and protect against disruption of foreign oil supplies.

The 1980 budget provides for the continued buildup of the strategic petroleum reserve. It continues to assist in the development of technologies to tap our domestic energy resources more effectively. I have given special emphasis to developing advanced solar power technologies. The budget proposals give increased attention to more efficient use of uranium, to nuclear proliferation and environmental problems, and to effective measures to deal with nuclear waste.

Third, even when budget restraint is essential, we will continue as a compassionate society to meet our commitments to the disadvantaged. Therefore, I have ensured that my budget include adequate funds for programs that help those American most truly in need. To make these funds as effective as possible, the budget includes recommendations for adjustments in direct payment programs, better targeting of existing programs, and improved management so that funds are not wasted but go to the people for whom they were intended.

My administration is developing a national health plan. Consistent with the development of that plan, the budget emphasizes programs to address critical health needs. As early steps toward this plan, my proposals extend health services to 2 million more low-income children and pregnant women who cannot afford health care that they need, and bring new health care resources to people who live in medically-underserved areas. The budget includes new and expanded programs to reduce activities that cause ill health, such as drug and alcohol abuse, as well as to protect individuals and communities from pollution and other toxic substances; increased funding for mental health research; and expanded health-related services such as nutrition programs for low-income mothers and children.

I am again proposing legislation to contain the exorbitant nationwide rise in hospital costs. The 320 percent rise in these costs in the past 10 years has been a major inflationary force and an unacceptable drain on family incomes. The Congress *must* act on this problem.

Curbs on hospital costs will benefit State and local budgets—and those of private citizens—as well as the Federal budget. They will strike directly at inflation in a sector where price increases have been chronically high.

The budget recommends a number of changes in the social security system to streamline it and eliminate unnecessary benefit payments. They will reduce the future costs of this largest of all Federal programs—and, ultimately, hold down the taxes imposed on workers and employers. I will consider future social security tax reduction in conjunction with these savings.

In the past 2 years, total employment in the U.S. has increased by 7.4 million. This is an average rate of 4.1 percent per year, one of the most rapid expansions in our history. The proportion of our civilian population employed is higher, at almost 60 percent, than it has ever been before. But despite these gains, unemployment, particularly among the disadvantaged and minorities, remains too high.

Continued high structural unemployment in an inflationary economy requires a redirection of our efforts. Programs targeted to employ the truly disadvantaged are continued at their current high levels as established by this administration. More general employment programs, not directed specifically to those most in need, must be reduced to reflect improvements in the economy and our need to establish priorities. Our youth employment and CETA programs reflect my continued strong commitment to fight unemployment of the needy. The employment tax credit enacted last year is encouraging the private sector to provide increased employment opportunities for the disadvantaged, primarily youth. This incentive will be reinforced by a private sector employment initiative, for which I am requesting a $400 million supplemental appropriation for 1979.

This budget also provides strong support for economic development programs, and again proposes a National Development Bank to help fund these efforts. The budget provides for a 36 percent increase in assistance to minority business enterprises.

Finally, I believe that the Federal Government must lead the way in investing in the Nation's future. This budget, therefore, continues my policy of providing real growth in Federal support of basic research. This support amounts to a relatively small part of the total budget—$4.6 billion in 1980—but it is vital to the future of our Nation. The knowledge created through basic research holds the potential for breakthroughs to the solution of problems we face or may face in such critical areas as agriculture, health, environment, energy, defense, and the overall productivity of our economy. Higher productivity gains in the future, moreover, will make an important contribution to reducing inflation.

* * * * *

Meeting the essential needs of the Nation, while restraining growth in overall spending, makes efficient management not just desirable, but essential.

In 1977 I proposed—and the Congress approved—a Cabinet-level Department of Energy, a streamlined Executive Office of the President, and a consolidation of our international information activities.

In 1978 I proposed—and the Congress approved—reorganizations of the Federal civil service system, emergency preparedness and disaster relief programs, civil rights enforcement, and the pension plan insurance system in order to make them more responsive and effective.

In 1979 I will resubmit my proposal to establish a Department of Education and propose further reorganization and consolidation in economic development assistance, natural resources management, and surface transportation.

For the second year, my budget reflects detailed, Government-wide, zero-base budgeting. Agency programs were explicitly ranked by priority, and programs were ranked across agencies, in a new interagency, zero-base budgeting process.

For the first time, the budget reflects the 3-year budget planning system I have instituted to gain better control of the longer-range effects and direction of Government policies.

In this budget I am proposing a new system to control the growth of Federal credit activities, particularly federally-guaranteed credit.

Other important steps will be taken

to improve the way the Government operates and the way it affects the private sector. To increase the efficiency of the private sector, the administration will eliminate unnecessary regulation where possible, and will minimize the redtape involved in necessary environmental and safety regulation. Further efforts will be made to reduce excessive paper work. State and local governments, private institutions, and citizens will benefit from simplified conditons for receiving Federal assistance. In particular, a number of programs have been consolidated to simplify the grant system, and more will be proposed in the future. The Government's own management will be improved through more effective cash management, application of the Civil Service Reform Act and use of new offices of Inspectors General to identify waste and search our fraud and corruption.

* * * * *

Preparing this budget reminds me once more of the overwhelming demands upon the Federal budget and of the limits on our resources.

I believe that we must firmly limit what the Government taxes and spends. We must balance public and private needs. We must set priorities more carefully. We must change some old priorities and establish new ones. We must defer some of our demands if we are to meet adequately today's most critical needs.

These principles have guided my actions in shaping this budget and they will continue to do so in the future:

—the budget must be kept within the bounds of what is appropriate in today's economic circumstances;

—the Government has no resources of its own, its only resources are those it collects from the taxpayer;

—Government action must be limited to those areas where its intervention is more likely to solve problems than to compound them; and

—we have an obligation to manage with excellence and to maintain proper priorities within the $532 billion proposed in this budget.

I know that the Congress shares these beliefs. You, as well as the executive branch, are sensitive to the American people's concerns about the scope of Government, the burdens of taxes, the needs of our citizens, and the efficiency of public management. Indeed, the Congress in the last few years has taken important steps—in particular, through the establishment of the congressional budget process—to improve its own means of establishing priorities. I have worked closely with the Congress, and will continue in this spirit of cooperation.

I look forward to working with the Congress and its leadership on this budget.

The decisions I have made are difficult ones. They involve, not figures on a balance sheet, but the lives and future of the American people. I have chosen restraint in Government spending because inflation must be controlled. I have tried to be equitable in ordering priorities. Yet I have continued to support those programs that represent our most pressing needs. To do so I have terminated, reduced, or deferred other programs.

It is difficult to maintain a sense of strong national purpose when we do not face a clear and immediate crisis. But it is equally important. These are times when responsible leadership means anticipating those day-to-day actions that enable us to avoid crises and to build toward the future. This has been the fundamental purpose behind the decisions considered here, and that is the intent of this budget.

JIMMY CARTER.

JANUARY 22, 1979.

□ 1220

INCREASED DEFENSE SPENDING —A BAD WAY TO FIGHT INFLATION

(Mr. SEIBERLING asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. SEIBERLING. Mr. Speaker, I think we all share the goal that the President's budget message enunciates in terms of cutting out unnecessary expenditures and moving closer to a balanced budget. I certainly do.

However, at the same time I think we are entitled to serious misgivings about the President's proposal that the biggest items in the budget, namely, national defense spending, should be increased, not only in current dollars but in real terms.

I am going to put into the RECORD following these remarks an article that appeared in November in the Akron Beacon Journal, reprinted from the New York Times, which reflects a growing consensus among economists that military spending is not only highly inflationary, but that in the long run it also produces more unemployment because, dollar for dollar, it produces fewer jobs.

As stated in the New York Times article by Ann Crittenden—

> The consensus among economists is that although the shift toward military spending will benefit some communities and workers, the impact on the nation as a whole will add up to more inflation and fewer jobs in the coming years.

The article went on to point out that one economist, Roger Bezdek, who is now with the U.S. Department of Energy, found in a 1975 study that the Midwest, Great Lakes and North-Central regions, with more civilian oriented industry, would gain economically from defense cutbacks.

While I recognize that the President has to take into account many factors in determining budget priorities and that we must spend whatever is truly necessary to maintain a military balance of power, it is important to recognize that, unless some way is found to move toward general disarmament, the continuation of huge military budgets will in the end destroy our economy and, therefore, the base on which our military strength rests. It is, to say the least, ironic that in a proposed budget where almost everything else is being cut in terms of real outlays, the largest and most inflationary item—military spending—is being substantially increased.

DEFENSE—GOOD OR BAD FOR THE ECONOMY?

(By Ann Crittenden)

NEW YORK.—At the height of the Vietnam War, workers in some West Coast defense plants sported lapel buttons that read, "Don't Bite the War that Feeds You." Today, in Groton, Conn., a town dominated by the shipbuilding activities of a General Dynamics subsidiary, children wear T-shirts boasting: "My Dad Builds Tridents."

These grass roots fashions reflect the familiar view among Marxists and others that American prosperity is intimately linked to a high level of military spending. Pitted against this thesis is the argument that defense spending weakens the economy and may even be a basic ingredient in the stew of inflation and slow growth, or stagflation, in which the nation now finds itself.

The long-standing debate has recently taken on fresh urgency. Last week the President reiterated an earlier pledge to increase the military budget, by three percent a year above the rate of inflation. That would amount to $123.8 billion in outlays next year, or roughly 25 percent of all federal expenditures. At the same time, the administration has decreed a cut of about $15 billion in a broad range of social programs, including Social Security disability insurance, Medicare and Medicaid, the water and sewer programs of the Environmental Protection Agency and the Labor Department's public-service jobs program.

This clear shift in federal priorities cannot fail to have a significant impact on the national economy. The consensus among economists is that although the shift toward military spending will benefit some communities and workers, the impact on the nation as a whole will add up to more inflation and fewer jobs in the coming years.

To be sure, defense spending is not running riot in the sense of commanding an ever-increasing share of the national output. As a percentage of gross national product (GNP), military spending has actually been steadily declining since the early 1950s. From more than 13 percent of GNP at the peak of the Cold War in 1953, it declined to about 8.5 percent in the late 1960s, roughly six percent in the early 1970s, and an average of 4.8 percent for the first three quarters of this year. That level is not expected to change for the next few years.

Nevertheless, because of its sheer size and its concentration in certain key areas of the economy, the military budget has an overwhelming impact on the national economy. The greatest direct effect comes from the roughly 40 percent of the defense budget—or 10 percent of the total federal budget—that goes for procurement and for research and development. In fiscal 1977, Department of Defense contracts for weapons and research and development totaled more than $50 billion, a 20 percent increase over Pentagon contracts the previous year and a post-World War II record.

There is no question that that vast sum spread a lot of well-being around the country. At the moment it is estimated that anywhere from 900,000 to 1.5 million jobs in the private sector are directly dependent upon the defense industry.

And, as military spending increases, the trend toward job creation is up; some 120,000 new military-related jobs were created in each of the last two years, according to Gordon Adams, a professor of political science at Rutgers University and consultant to the Council on Economic Priorities, a New York-based research group.

This employment has become crucial to certain areas of the country, including such communities as Los Angeles, Seattle, Wichita, Kansas and Lynn, Mass., and such states as Texas, New York and Connecticut.

In general, however, weapons procurement is of greatest benefit to the Western states, according to a 1975 study of the economic impact of shifts in military spending.

Roger Bezdek, the economist who did the study, and who is now with the Energy Department, also found that states in the Mid-West and in the Great Lakes and North-Central regions, with more civilian-oriented industry, would gain from defense cutbacks.

The uneven distribution of the defense dollar was also demonstrated in a report by Adams on the B1 bomber program. It showed that California, the home of the primary contractor, Rockwell International, received more than 50 percent of the funding for research and development. Only six states—Ohio, California, Arizona, Oklahoma, Washington and Vermont—received more in contract revenue than their residents paid out in income taxes to fund the program before it was canceled.

Procurement dollars are concentrated not only geographically, but on a relatively small group of companies as well. According to a report on the top 100 defense contractors—who received more than two-thirds of all contracts—10 corporations received more than 30 percent of the $50 billion spent on procurement in 1977; and each of the companies, including General Dynamics, United Technologies, McDonnell Douglas, Boeing, Lockheed and Northrop, had more than $1 billion in contracts.

According to the report by the Council on Economic Priorities, the current emphasis on upgrading the forces of the North Atlantic Treaty Organization will mean a boom to manufacturers of missiles and battlefield weapons and munitions. This would include companies like Chrysler and the Lycoming Division of Avco, the two manufacturers of the M1 tank, and Martin Marietta, Raytheon and Hughes Aircraft, three key producers of tactical missiles and guided weapons.

Balanced against these visible and politically potent beneficiaries of the defense budget are more subtle and hidden costs to the economy as a whole.

Virtually all economists agree, for example, that military spending tends to be inflationary—it puts money into the hands of workers without expanding the supply of goods they can buy, the consumer market for missiles and the like being somewhat limited—thereby driving up the prices of goods like autos and refrigerators and machine tools.

Lloyd J. Dumas, a professor of industrial and management engineering at Columbia University, also argues that military contractors, generally operating on a cost-plus basis and therefore not compelled to control costs, tend to bid up the prices of resources and skilled labor. In this way they produce a cost-push effect that feeds inflationary pressure throughout the rest of the economy.

Less widely recognized is the fact that spending on weapons generally produces fewer jobs than many other kinds of government expenditure.

During the economic slowdown in the 1970s, politicians scrambled to lure defense contracts into their districts, despite evidence that a number of public spending alternatives, including many of the kinds of social programs the administration has decided to curb, would produce more work.

An analysis by Chase Econometrics Associates, examining the potential economic impact of the B1 bomber, found that both a tax cut and a housing program of equivalent amounts would create more national employment over a 10-year period than would production of the plane. Bezdek's study came to similar conclusions.

The advantages of cutting military spending would obviously only accrue if the cuts were offset in some way, either by tax cuts or by increased public spending on other programs. Otherwise, a reduction of the defense budget would result in a severe drop in national income and employment.

☐ 1225

BEARING DOWN ON BALANCING THE BUDGET

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. Goldwater) is recognized for 5 minutes.

● Mr. GOLDWATER. Mr. Speaker, never in the time that I have served in Congress have I seen so much attention drawn to the matter of balancing our Federal budget. Over the past year the American public has voiced its sentiment that deficit spending cannot go on much longer in Washington and at other levels of government. The administration and an increasingly large number of us in Congress are committed to putting our budget in balance as the centerpiece of a sound fiscal policy.

It has been 10 years since we have had a surplus in our Federal spending plan. Since that time we have been spending tax dollars without regard to the consequences of a policy which adds to our national debt. A number of efforts in the last Congress to hold down our budget outlays were unsuccessful, but the support these measures received reflects our genuine concern for putting some restraint on Government spending.

There are some sensitive issues around the budget which the President submitted today. For one, we are faced with making decisions on which programs are to receive less funding. The elimination of wasteful spending, doing away with costly duplication and inefficiency, and reducing our expenses in a number of "fringe" areas are an important responsibility of our Budget committees and the President's Office of Management and Budget. At the same time, it is critical that we watch the direction of our economy and assess the impact our spending decisions will have on the rate of inflation and prospects for a recession.

We have already seen the significant effect of rampant spending practices on our economy. Higher prices for the consumer, a steady rise in interest rates, and a misallocation of national resources has resulted. The real growth rate of our economy has suffered, and clearly demonstrated the need for putting our budget in balance.

Not long ago the National Opinion Research Center found that two-thirds of those polled believed the Government spends "too much" money on needless foreign aid, and 58 percent felt welfare programs were overfunded. A few months back a similar poll conducted by the New York Times and CBS News showed that 67 percent of the public hold the view that the Federal Government is the biggest waster of tax dollars. Recent Gallup polls indicate an overwhelming sentiment for a balanced budget. I think the time has come, Mr. Speaker, for Washington to deliver on this mandate by the people.

Last year my colleague from California, John Rousselot, wrote an article for the widely distributed book, "Can You Afford This House?" I urge all of us to review Mr. Rousselot's thoughts on the importance of fiscal conservatism. It is hypocritical for the White House to call on all Americans to slow down their spending, and for Washington to do the exact opposite. Putting the lid on how much of the taxpayer's money is thrown around is of the highest priority, and now is the time to bear down and finally do it.●

FOOD AND DRUG REFORM CRITICAL TO THE HEALTH OF AMERICANS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Idaho (Mr. Symms) is recognized for 5 minutes.

Mr. SYMMS. Mr. Speaker, on the first day of the 96th Congress, 13 of my colleagues and I introduced the Food and Drug Reform Act of 1979, H.R. 54. I would like to add the names of two additional cosponsors to the bill; Mr. John Ashbrook and Mr. Eldon Rudd.

As many of my colleagues are aware, I have been greatly concerned about the increased delays and the rapidly mounting costs which have been attendant to the introduction of new, potentially lifesaving pharmaceutical products in this country. The Food and Drug Reform Act addresses itself to the urgent need for reform at the Food and Drug Administration, especially as that agency relates to the introduction and regulation of pharmaceutical products.

There have been numerous studies conducted by some of the best health care professionals in the Nation which indicate a shocking lack of innovative new drug research, coupled with an increasingly dangerous drug lag. The fact that most of our health care research dollars are now being channeled overseas is reflective of an unhealthy climate for American drug research and would indicate that drastic measures are needed to cure what may well be a terminal case of bureaucratic obesity at the Food and Drug Administration.

Prior to 1962, a new drug could be marketed if the manufacturer provided sufficient proof that the drug was safe for human consumption and that it was reasonable to believe the drug did not produce overwhelming adverse side effects. In 1962, the Congress amended the Food, Drug, and Cosmetic Act so that drug manufacturers, in addition to the safety provisions of the act, must prove a new drug to be "effective." The Kefauver-Harris amendments, called the efficacy provisions, were enacted with a valid concern for the improvement of the health of Americans. Unfortunately, the Congress could not have known at that time what far-reaching ramifications those provisions would have.

One of the most serious side effects of the Kefauver-Harris amendments has been the extended length of time it takes to complete the drug approval process. Before the amendments it took approximately 1 or 2 years to market a new drug. It now takes an average of 7 years, and quite often it takes up to 20 years. It is easy to see why Americans continue to be denied access to safe and effective drugs which have been available to citizens of other countries for several years.

As we have all experienced, time is money. The drug approval process is so lengthy, and as a result so costly, that drug manufacturers can no longer expect to realize a fair return on their investment. This becomes especially burdensome to small drug manufacturers, who are some of the most innovative health care professionals of all.

The implications of the current drug approval process become especially critical when viewed from the perspective of a patient who is the victim of a rare and fatal disease who cannot afford to wait 10–15 years for a drug which is crucial to his immediate health and welfare. Pharmaceutical companies have not been devoting the time and money for rare disease research because the market for such products is relatively small, and the manufacturers cannot expect a fair return for the huge investment the current system mandates. Prior to the amendments it cost aproximately $2 million to market a new drug. It now can cost up to $20 million.

My bill would amend the Food, Drug, and Cosmetic Act to provide that drugs will be regulated under the act solely to assure their safety, and to promote the fair treatment of new drug applications. Repeal of the efficacy provisions will do much to alleviate what has become a misguided effort by the Congress and the Food and Drug Administration to add still another layer of Federal control to the health care of American citizens.

I would suggest that enactment of this reform legislation would go a long way toward resolving many of the problems within FDA which forced the President's Biomedical Research Panel to comment:

> There is a clear impasse arising between society's desire for new and better drugs and the barriers society is erecting to their development and introduction. These barriers, base on a valid desire to improve the standards of safety and efficacy and to assure ethical control in clinical evaluations, increase developmental costs. There is a real danger of bringing the developmental process and access to clinical resources to a halt. Many feel that the American public is being denied new drugs currently available abroad because of excessive FDA requirements. There is a different kind of hazard to public health posed by the prolonged delays which the FDA's own protective system have produced. In some respects, the agency has become a formidable roadblock.

REMARKS OF HON. JACK EDWARDS OF ALABAMA ON THE FISCAL YEAR 1980 FEDERAL BUDGET

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Alabama (Mr. EDWARDS) is recognized for 30 minutes.

Mr. EDWARDS of Alabama. Mr. Speaker, the fiscal year 1980 Federal budget was presented to the Congress today. In the next few days, we will be hearing much about it. I would like to speak for a moment of the Defense Department's portion of the budget.

FINANCIAL OVERVIEW

The Department of Defense budget request for fiscal year 1980 totals $135 billion in new appropriations. If approved in full and if pending and future supplementals were also approved, the new request would exceed last year's appropriations by $9.8 billion or about 8 percent. Of the proposed increase, $7.4 billion would be absorbed by inflation and the remainder—$2.4 billion or 1.8 percent—would constitute "real program" growth.

Expenditures, by comparison, are expected to rise by $10.8 billion or 9.6 percent from an estimated $111.9 billion in the current fiscal year to $122.7 billion in the new fiscal year. If allowances are made for inflation, however, expenditures would increase by only $3.6 billion or 3 percent. At the projected fiscal year 1980 level, defense expenditures would represent 23.1 percent of total Federal expenditures and 4.9 percent of the gross national product—about the same as last year.

DEFENSE APPROPRIATION BILL

The Defense Appropriations Subcommittee will be reviewing the largest single portion of the proposed budget—the $129.6 billion to be requested in the fiscal year 1980 Defense Appropriation bill, plus an additional $4.1 billion to be proposed in a fiscal year 1979 supplemental request.

The new request of $129.6 billion, to be considered by the Defense Subcommittee, exceeds the amount provided in last year's bill by $12.3 billion or 10.5 percent.

Within the Defense bill, the requested funds will be distributed among the major accounts as follows: Military Personnel, $28.9 billion, up $1.7 billion over the amount provided last year; Retired Military Personnel, $11.5 billion, up $1.3 billion; Operation and Maintenance, $40.2 billion, up $2.9 billion; Procurement, $35.4 billion, up $5.2 billion; and Research and Development, $13.5 billion, up $1.4 billion.

Although there are increases proposed in each account, the vast bulk of the increase is concentrated in procurement, R. & D. and operation and maintenance, with the largest increase in procurement—an increase of 15.0 percent—all of which reflects the continuing effort to improve force readiness and to enhance modernization.

The proposed $4.1 billion fiscal year 1980 supplemental, also to be considered by the Defense Subcommittee, contains $1.8 billion for pay increases and $2.3 billion in program growth. Increases for the major programs are as follows: $834.7 million for shipbuilding—$543 million for one DD–993 guided missile destroyer, $194 million for one FFG guided missile frigate, and $97.7 million for claims; $386.6 million for Air Force R. & D. for the MX strategic missile and cruise missile programs among others; and $259.5 million in the Air Force aircraft procurement account for a number of different projects.

BUDGET PRIORITIES

The new budget proposes to continue a major shift in military funding priorities that was initiated in the budget presented to the Congress 1 year ago. These newly established priorities place greater emphasis on increasing the combat capabilities of our conventional air and ground forces for the defense of NATO along with our strategic nuclear forces, while placing less emphasis on maintaining certain Navy missions. Thus, while the budget projects "real program" growth of about 3 percent for the Air Force and Army combined, if allowances are made for inflation, there is probably no growth whatsoever in the Navy budget.

I support the plan to strengthen our NATO defense and strategic nuclear postures, but at the same time, I believe that we cannot allow any further decline in our naval strength. We have reached a point where we must either provide more money for the Navy or face up to reduced Navy force levels and missions.

In my opinion this is the single most important issue in the budget. It is not a new one. It has been brewing for several years now. We on the Defense Subcommittee fought it out last year and will in all probability do it again this year. The conflict is over what the future mission of the Navy should be. In the absence of a clearly defined mission, the controversy has focused on the naval aircraft procurement and shipbuilding programs.

In reviewing the budget, I did not perceive any kind of understanding or resolution of the problem or a clear sense of direction. The indecision manifested in the budget is an open invitation to the Congress to reorder funding priorities again this year, even though I do not necessarily believe that priorities should be set by the Congress.

AREAS OF MAJOR CONCERN

A. AIRCRAFT PROCUREMENT

The fiscal year 1980 budget request for naval aircraft procurement includes funding for only 39 fighter-attack aircraft, 24 F–14's and 15 F–18's. That number would not go far toward meeting the Navy's annual requirement for 180 new fighter-attack aircraft, the number needed each year just to stay ahead of normal peacetime attrition. If this trend is not reversed through increased annual buys, it will not be possible to maintain 12 active carrier and 3 Marine airwings in the future.

Because of continuing budgetary constraints, the Navy is unable to buy aircraft in economical quantities. The result is wasteful expenditures. In the fiscal year 1980 Navy budget, for example, the average unit cost for the 39 fighter-attack aircraft requested is about $35 million, whereas the 379 fighter-attack aircraft in the Air Force budget carry an average unit cost of only $9 million. Thus, because of the additional funding available and the advantages of large-scale buys, the Air Force is able to buy roughly 10 times as many fighter-attack aircraft as the Navy for only 2.5 times as much money.

Here is a problem that cries out for some kind of solution.

B. SHIPBUILDING PROGRAM

We are a seapower. Our dependence on the sea has continued to grow as we have become more involved in the world economy. Yet as our dependence on the sea has increased, our ability to control the sealanes has come under increasing challenge by the Soviet Union.

Herein lies the problem. We are simply not building enough ships. Navy ships are costing too much.

Each year we buy fewer and fewer ships, and the fleet is shrinking in size, and all the information indicates that this trend will continue. For example, when President Ford left office, his 5-year shipbuilding program called for 157 ships to be built, 36 of which would have been funded in the fiscal year 1980 budget. President Carter this year reduced the 5-year program to 67 ships and only budgeted 15 in fiscal year 1980—the same number budgeted last year. Since two ships were deleted from last year's program, the proposed supplemental containing two additional ships would maintain a 15-ship program in fiscal year 1979.

Of the 15 ships in the new budget, only 10 are major combatants: 1 CVV attack aircraft carrier, $1.6 billion; 1 DDG-47 Aegis destroyer, $820 million; 6 FFG guided missile frigates for $1.3 billion; 1 Trident ballistic missile submarine, $1.4 billion; and 1 SSN-688 nuclear-powered attack submarine, $520 million.

I am greatly concerned about the trend in shipbuilding, and I intend to look into the whole matter this year to gain a better understanding of the types and the numbers of ships the Navy needs to carry out its principal mission of maintaining maritime supremacy.

BUDGET REVIEW

During our review of the new defense bill, I intend to focus my efforts on several specific issues: Navy requirements for fighter-attack aircraft; Navy force level objectives for ships; Navy and Air Force fighter engine programs; Navy and Air Force requirements for air-to-air missiles; and the Army tank program.

While I have already conducted some preliminary investigations on my own, I still have a number of unanswered questions. Further probing is needed, and toward that end, I plan to ask our new chairman to schedule special hearings along those lines.

SUMMARY

It is not possible at this time to determine what level of funding is needed to support our defense posture in fiscal year 1980, but as our review progresses, and after we have had an opportunity to hold some hearings, we should be in a better position to know what, if any, additions or deletions need to be made.

While all of us want to provide what is necessary for the defense of this Nation, the truth is only so much money is available. This being the case, we have to struggle with the problem of how best to spend the dollars available. In view of the continuing indecision and controversy over the future shape of the Navy, I think we have our work cut out for us.

ANTHONY PATERNO

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, I rise today to pay tribute to the late Anthony J. Paterno, the dedicated and humanitarian civic leader in our Chicago community who played a leading role in the formation and success of the Joint Civic Committee of Italian Americans, comprised of more than 40 Italo-American civic organizations in the Chicago area.

Anthony Paterno was a dear friend of mine for over 35 years, and his death was a tremendous loss personally for me and my family, and for the thousands of citizens of Chicago and the State of Illinois who knew him, and who respected him for his humanitarian achievements, for his personal charity and generosity, and for his admirable record of integrity.

Tony emigrated to America from his native Sicily at the age of 18, arriving in Chicago in 1923, and began working a menial series of jobs on railroads, in factories, and on construction projects. Truly an American success story, he proceeded to found a number of small businesses, and then acquired a wine import business, which eventually became one of the biggest Italian wine importers and distributors in the country.

Despite the demands of his life-long business career Anthony Paterno never forgot the value of example and he constantly extended his help and encouragement to the young emigrants who came to America after him to aid them in achieving their ambitions in the new land.

He gave unstinting and generous support in time and money to Villa Scalabrini, the Italian old people's home; to FRA NOI, Chicago's Italian community newspaper; to the Italian Chamber of Commerce; to the Vizzinese Society, and to many, many other civic and humanitarian activities in the Chicago area too numerous to mention.

A past chairman of the annual Chicago Columbus Day parade, he also served from 1967 to 1976 as the supreme president of the Italo-American National Union, the largest fraternal insurance organization among Italian-Americans in the Midwest. In 1948, he joined many other Italian-Americans in returning to Italy to campaign against the election of Communists to participation in the Government of Italy.

The long and productive life of Anthony J. Paterno is characterized by his love of people, and he never failed to give all of himself for the success of others. His generosity, his love of family, his courage, and his optimistic and good-humored wisdom and insight made his life a splendid and inspiring example and his record of accomplishment one that is most commendable.

My wife, Angie, joins me in extending our heartfelt sympathy to Tony's bereaved family, his beloved wife, Lena, and his two daughters, Josephine and Michelin, along with their families.

Mr. Speaker, a list of some of the awards he received for meritorious and laudable humanitarian service during his lifetime follows:

AWARDS MADE TO ANTHONY J. PATERNO

(No date): Medal of Cavaliere, Star of Solidarity, Republic of Italy.

1956: Medal of Commendatore, Star of Solidarity, Republic of Italy.

(No date): Medal of Cavaliere, Order of Merit, Republic of Italy.

1958: Medal of Cavaliere Ufficiale, Order of Merit, Republic of Italy.

1959: Vizzinese Society Testimonial Award.

1960: John Baptist Scalabrini Award.

1961: Medal of Commendatore, Order of Merit, Republic of Italy.

1961: Joint Civic Committee of Italian Americans Leadership Award.

1961: Amerital UNICO "Citizen of the Year."

1962: Joint Civic Committee of Italian Americans Leadership Award.

1963: Chicago Committee of 100 "Good American" Award.

1965: Amerital Unico Award.

1965: Knight Commander of the Sovereign Military Order of Malta.

1965: Joint Civic Committee of Italian Americans "Outstanding Leadership Award."

1966: Knight Commander of the Order of the Holy Sepulchre in Vatican City.

1967: Joint Civic Committee of Italian Americans "Outstanding Leadership Award."

1967: House of Aged Award, St. Vincent De Paul, Vizzini.

1968: American Committee on Italian Migration Humanitarian Award.

1970: Joint Civic Committee of Italian Americans "Man of the Year."

1970: Gregorian Award.

1972. Italian American Police Association "Man of the Year."

1972: Millenium Society Award, Claretknoll Foundation for Mentally Retarded.

1972: Italian Chamber of Commerce Award.

1973: Maroon Soccer Team Leadership Award.

1973: Medal of Grande Ufficiale, Star of Solidarity, Republic of Italy.

1974: Paterno Lodge "Man of the Century" and 1st Renaissance Award.

1975: Italo American National Union "Man of the Year."

1976: Leadership Award, Italian Invitational Golf Tournament for Charities.

1977: Charter Member, Council of 1000, Italian American Foundation of Washington, D.C.●

RETIRING TEACHER BLAZED TRAILS IN CITY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. COTTER) is recognized for 15 minutes.

● Mr. COTTER. Mr. Speaker, I would like to speak for a moment about Beatrice Wood, a distinguished Connecticut educator who has devoted her life to serving others on the job, in the community and at home. On January 31, 1979, Mrs. Wood will retire after more than 30 years of teaching and administering in the Hartford public school system.

Today, perhaps more than ever before, we are aware of the need for high-quality reading instruction in both elementary and secondary schools. The Hartford community can be proud of Mrs. Wood's pioneer work in developing a model program for intensive reading instruction which is recognized nationwide. In 1972, her reading program was cited as one of the top 10 in the United States and was subsequently duplicated in the New York, Indiana, and Oklahoma school systems.

Those of us who know Mrs. Wood personally are impressed not only with her intelligence and diligence but also with her courage. I am reminded of how 30 years ago she was first denied a teaching job in Hartford because she is black.

But nothing could hold Beatrice

Wood back—least of all blind prejudice. She challenged the school officials then as she has challenged every obstacle since then—with dignity and success.

In the political arena, Mrs. Wood has again showed outstanding dedication, both as a councilwoman and deputy mayor in the town of Bloomfield. Utilizing her many years of experience in city schools, she served her community as a strong liaison between the town council and the board of education. And every Bloomfield parent knows how crucial that work was in affecting his child's future.

Without further remarks, I would like to share with you a newspaper article on Beatrice Wood from today's Hartford Courant:

RETIRING TEACHER BLAZED TRAILS IN CITY

(By Bill Grava)

Thirty years ago, Beatrice Wood asked why she didn't get a teaching job in Hartford when other applicants, all of them white and most of them scoring below her on tests, did.

That question to the school administration got the soft-spoken black woman a job teaching at the Arsenal School.

Top school officials ordered her hiring as soon as she challenged them, she said.

Since then, she said, her experiences could be described as like an icebreaker heading toward the North Pole. She rose through the school system to become head of reading programs for all city schools.

She also pursued a political career that brought her to the deputy mayor post in Bloomfield before she stepped out of the political arena in 1975.

The problems she faced as a black overcoming the apparent prejudices in a large school system were recalled last week as she talked of her impending retirement Jan. 31.

Finally getting a teaching job, she later became the city's first black reading consultant

Originally trained as a high school math and physics teacher, she said she really had to prove herself to the teachers and principals of the five schools where she worked, which had mostly white students.

Then, in 1966, she began as assistant reading supervisor, again, the first black supervisor in the city. She was assistant supervisor nine years when she was named reading coordinator.

Under her direction, reading programs grew in the city. One became a national model and is still used as an example of how to teach children throughout the country to read.

Different superintendents would favor different programs, she said. Some of the programs were good, others less than good, and it was up to Mrs. Wood and her staff to keep the best aspects of each effort and discard what didn't work.

"The reading scores are going up now, thank goodness," she said, referring to recent test results that showed improvements at every grade level except among high school seniors.

"Reading is the hot seat of education," she said. "Like Harry Truman said, if you can't stand the heat, get out of the kitchen."

Most of Mrs. Wood's staff describe her as a rock, or a calm port in a storm, as to say she can indeed stand the heat in the kitchen.

Her political career in Bloomfield was less a hot seat than directing reading in Hartford, but "it was one of the most worthwhile experiences of my life." Mrs. Wood said.

Her husband Albert (who retired from the Hartford schools last year was a town councilman. When he left the Bloomfield council, Mrs. Wood won the same seat.

She served there as the liaison between the Town Council and Board of Education. When she left the council in 1975 she was deputy mayor.

Involvement in politics is, in itself, a great education, Mrs. Wood said. "It gives you a degree of control over your own life" and teaches the power of political decisions, she said.●

FOREIGN INCREASE SHARE OF FEDERAL DEBT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 5 minutes.

Mr. VANIK. Mr. Speaker, the President's budget documents contain some ominous information on the increasing share of the American public debt held by foreign interests. The implications of increasing foreign investment in the public debt and demands upon our interest payments are uncertain—but this is not a healthy trend.

Since it can be said that much of this foreign investment is the recycling of dollars that we spend overseas on oil, it is another warning that we must do more, immediately, to reduce our trade deficits and our level of oil imports.

The following table from the special analyses of the fiscal year 1980 budget (p. 113) reveals the growing foreign influence in our debt holdings and corresponding demands on our interest payments:

TABLE E-5.—FOREIGN HOLDINGS OF FEDERAL DEBT

[In billions of dollars]

Fiscal year	Debt held by the public		Borrowing from the public		Interest on debt held by public	
	Total	Foreign [1]	Total [2]	Foreign	Total	Foreign [3]
1965	261.6	12.3	4.1	0.3	9.8	0.5
1966	264.7	11.6	3.1	−.7	10.4	.5
1967	267.5	11.4	2.8	−.2	11.6	.6
1968	290.6	10.7	23.1	−.7	12.6	.7
1969	279.5	10.3	−1.0	−.4	14.1	.7
1970	284.9	14.0	3.8	3.8	15.6	.8
1971	304.3	31.8	19.4	17.9	16.3	1.3
1972	323.8	49.2	19.4	17.3	16.6	2.4
1973	343.0	59.4	19.3	10.3	18.5	3.2
1974	346.1	56.8	3.0	−2.6	22.4	4.1
1975	396.9	66.0	50.9	9.2	24.7	4.5
1976	480.3	69.8	82.9	3.8	28.7	4.4
Transition quarter	498.3	74.6	18.0	4.9	7.6	1.2
1977	551.8	95.5	53.5	20.9	33.0	5.0
1978	610.9	121.0	59.1	25.4	39.2	7.9

[1] Estimated by Treasury Department. These estimates exclude agency debt, the holdings of which are believed to be small.

[2] Borrowing from the public is defined as equal to the change in debt held by the public from the beginning of the year to the end, except to the extent that the amount of debt is changed by reclassification. Reclassifications during this period are identified in the footnotes to table E-3.

[3] Estimated by Bureau of Economic Analysis, Department of Commerce. These estimates include small amounts of interest on the debt of Goverment-sponsored enterprises, which are not part of the Federal Government.

In 1965, foreigners held approximately 4.78 percent of the total debt held by the public and received 5.1 percent of the interest paid on that debt. By 1978 they held 19.8 percent and will receive 20.1 percent of the interest paid out. In 1978, of the $59 billion borrowed from the public, 43 percent was borrowed from foreigners.

This is a dramatic growth in the level of foreign investment. While this investment has helped reduce the demands of the Federal Government on the domestic money markets, the interest we pay annually on this invesment can, if returned overseas to the foreign investors, increase dramatically our balance-of-payments deficit—thus putting further pressure on the dollar. In addition, this enormous foreign investment raises questions about the ability of these foreigners to create monetary and interest rate chaos if they suddenly decide to shift their investments.

The United States has incurred unconscionable trade deficits in recent years, largely to pay for oil imports. Foreign investment in our public debt has helped "recycle" the dollars we ship overseas for oil thus enabling us to continue to buy more oil. But recycling is simply another word for falling deeply into debt—and the figures in the above table show that we are already in deep trouble.

I believe we in the Congress must give more consideration to the developments revealed in this table and I hope to discuss these figures at length during the Ways and Means Committee consideration of the public debt ceiling legislation on February 6.

THE ISSUE OF PUERTO RICAN STATEHOOD

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. LEDERER) is recognized for 5 minutes.

● Mr. LEDERER. Mr. Speaker, as this Congress begins consideration of major issues facing the Nation, I want to bring to the attention of my colleagues one issue which we should all study—the issue of Puerto Rican statehood.

One of our colleagues, Hon. BALTASAR CORRADA, has expressed the issue very well in an article in my hometown newspaper. For the benefit of all of us, I here include it in the RECORD and ask that the House take note of the importance of this issue in the coming Congress.

[From the Philadelphia Inquirer, Dec. 20, 1978]

STATEHOOD: PUERTO RICO WANTS TO BE THE 51ST

(By BALTASAR CORRADA)

The time is nearing when the rest of the United States will be asked by Puerto Rico to join in a bold, new undertaking aimed at achieving full economic and political equality for 3.3 million disenfranchised American citizens: statehood for Puerto Rico.

Statehood is an old sentiment in Puerto Rico, dating back to the beginning of its 80-year-old relationship with the rest of the nation. Shortly after annexation by the U.S. in 1898, Puerto Ricans largely expected Puerto Rico to first become an incorporated territory, then a state of the Union.

Statehood sentiment persisted through the early 1900s. But, except for the granting American citizenship to Puerto Ricans in 1917, years of benign neglect by Washington took their toll. Independence sentiment naturally grew, peaking in the late 1930s. Still, independence was never favored by more than 20 percent of Puerto Rico's electorate, and since 1956 by only 6 percent.

Although Puerto Rico has been a commonwealth of the U.S. since 1952, this status was founded on temporary economic privileges such as federal tax exemption, obtained at the expense of giving up political equality. Vestiges of colonialism remain.

For example, Puerto Ricans have served the U.S. well in the Armed Forces for 61 years in war and peace. Yet, they have been denied the right to vote for President, lack full representation in the Congress, do not participate fully in all federal programs and have been excluded from the mainstream of the American political system.

That Puerto Rico is moving toward this goal to forever link it in full equality with the rest of the nation has been demonstrated over the past 22 years at the ballot box.

In 1976, the pro-statehood New Progressive Party was swept into office with more than 48 percent of the vote in a multiparty election. The pro-commonwealth Popular Party, despite the effort of a powerful, decades-old organization, which in the past received over 60 percent of the vote in elections, saw its share of the vote slip again to 45 percent.

I expect this trend to accelerate in the next few years, leading to a status plebiscite sometime after the 1980 elections.

The U.S. Constitution provides simply that "New States may be admitted by the Congress into this Union." It sets no conditions but the Congress has traditionally required that three standards be met for admission:

1. That residents of a proposed new state be imbued with the principles of democracy as exemplified by the American form of government.

Puerto Rico's love for the ideals of American democracy is historic. Its tradition, institutions, law and constitution have been patterned after those of the U.S. Its loyalty has been proved time and time again Puerto Ricans have helped defend the United States in all of this nation's wars in this century.

Only 22 states have more war veterans than Puerto Rico, it has suffered more war casualties than 14 states and the District of Columbia. Four Congressional Medals of Honor have been awarded to Puerto Ricans—all posthumously.

2. That a majority of a proposed new state's electorate desire statehood.

Voting trends of the past 22 years leave little doubt as to the drift of sentiment in Puerto Rico, despite 40 years of massive anti-statehood propaganda by one-time entrenched pro-commonwealth administrations. Polls indicated that if a plebiscite were held in Puerto Rico today, statehood would triumph over commonwealth by a comfortable margin and over independence by a landslide. Against independence alone, the only true status alternative, statehood would win by more than 5 to 1.

3. That population and resources be sufficient to support a new state government and pay a new state's share of costs to the federal government.

Puerto Rico's population of 3.3 million U.S. citizens generates an $8.9 billion gross annual product. The government's annual budget is approaching $2 billion. Wages have risen under federal law to the highest levels in Puerto Rico's history and more people are employed than ever before.

The time is coming when Puerto Rico will make its request for statehood official. At that time, the rest of the nation will find itself faced with a bold, new challenge: whether to grant the U.S. citizens of Puerto Rico their full and equal rights or to condemn them to an unequal and interior citizenship.●

INTRODUCTION OF RESOLUTION WITH RESPECT TO THE RIGHT TO LIFE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. MURPHY) is recognized for 5 minutes.

● Mr. MURPHY of New York. I am here today to introduce a resolution to amend the Constitution of the United States with respect to the right to life.

Not unlike many of my colleagues, I have been deeply troubled for some time by the decisions rendered by the Supreme Court on January 22, 1973 in Roe against Wade and Doe against Bolton. I have been concerned by the public reaction to the decisions, but more importantly, I have been deeply concerned by the profound issues which, purporting to solve, the Supreme Court has in fact raised.

In January of 1977, after an arduous personal examination of the abortion issue I submitted to this body the identical legislation which you see before you today. I was disappointed that lack of action on this extremely important legislation has necessitated its reintroduction.

The real tragedy is that in the space of these 2 years it has been estimated that 2 million young lives were lost to abortions. Indeed, as I speak to you now, approximately 3,000 abortions are in the process of being carried out.

There is no one among us, I am sure, who does not believe that the American people have a right to be heard on the question of the termination of fetal existence. This is an issue of immense moral proportions—an issue that will not drift away as long as a significant segment of our society believes that acts of unjustifiable homicide are occurring throughout the United States. As such, we cannot avoid addressing the question just because the process may be painful.

The essence of the matter, it seems to me, is: At what point in fetal development does human life commence?

Implicit in the Supreme Court decision is that life begins when the fetus can actually manage to survive outside the uterus, usually in the third trimester of pregnancy. At that point, the rights of the mother and child are coequal, and the law proscribes abortion. However, prior to that point of "viability," the mother is entitled to a reasonable expectation of privacy in the control of her own person.

If one accepts the court's answer to the fundamental question which I have posed above, the Wade and Bolton decisions appear to make sense. But consider, for a moment, another view.

Assume that life does begin at conception, and that conception is the moment at which "all men are created equal." If this is so, then one is compelled to conclude that we have embarked upon a national course of action which entails the termination of life for public policy reasons, a policy repugnant to my moral conscience, and to millions of Americans.

It is my belief that any attempt, by any person or branch of government, to fix a precise time at which human life commences, is totally arbitrary. For that reason, it is imperative that we acknowledge the perplexity of establishing life's starting point, and act to insure that life is protected from the earliest possible point of inception. This can be accomplished by protecting the fetus from the moment of conception onward.

Reasonable men differ on the issue of when life begins and ends. No one among us is infallible. But as Americans, we are committed to the primacy of human rights. Since we believe that there is intrinsic worth in every person, we cannot ignore the clamor for a full debate on the question of when those rights commence.

I cannot appear before you today, and omit mention of two related, but particularly troublesome, matters—the rights of women, and the charge that opposition to the Supreme Court's position alines one with a uniquely Roman Catholic position.

My record in Congress has been one of consistent support for the equal treatment of women under the law. I readily admit that the unique reproductive role of women makes it impossible for any male to fully perceive the total impact that pregnancy and childbirth have on women. But, because I deeply believe in human and sexual equality, I cannot accept the argument that the rights of any citizen are paramount to those of another. Believing, as I do, that life commences at conception, I cannot support the notion that maternal rights are superior to those of the fetus.

Nonetheless, there are difficult questions which must be answered. Perhaps the most problematic issue is whether abortion should be impermissible under all circumstances, or when there is a threat to the life or well-being of the mother. Who determines when such a threat is present? What will be the definition of "well-being" if the decisions are to be overturned? Are we forcing the poor, who have limited access to medical assistance, into an impossible situation?

The legislation which I submit today includes a provision recognizing that laws be permitted allowing for those medical procedures required to prevent the death of the mother. Yet this and other questions can only be answered once we have built a testimonial record on which we can rely in making a fully informed decision. These are issues about which we must consult a variety of expert opinions.

There are those who would characterize opposition to the Wade and Bolton decisions as a uniquely Catholic position. This is inaccurate. While Roman Catholics do disagree with the recent decisions in large numbers, the opposition is not monolithic.

Indeed, I submit to you that this is not a religious issue but a moral issue, and that is an important distinction. Questions of life and death are not reserved exclusively to those who embrace one religion or another. The Supreme Court told us during the Vietnam war that moral or conscientious objection to military service should not be restricted to those who articulate a specific religious belief. While I do not analogize between abortion and the recent war, I believe that past experience demonstrates that current moral issues are not within the exclusive province of the religious.

It is a disservice, and a diversion, to attack personally those on either side of the abortion debate, for any reason. Ad hominem attacks do not resolve policy issues. It is pointless to debase the exchange of ideas by unleashing propaganda campaigns that inflame, rather than inform. I deplore the scare tactics of those who seem to instinctively presume bad faith on the part of their intellectual adversaries.

This is an appropriate forum in which to consider this question. Our presence here today proves, once again, that this body can address an explosive national policy issue. My faith in the legislative process being complete, I am convinced that we can intelligently debate and ultimately resolve the wide range of issues which will be raised by this legislation.

I fully recognize that there are many reasonable Americans who embrace views different from that which I present to you today. They too must be heard. And it is for that reason that I say "Let the people speak." In the absence of a national referendum, a procedure for which our Constitution does not provide, a constitutional amendment is the best way to put this issue to the test.

Our Constitution belongs to the people, and the time has come when we should let the people decide whether it should be changed—not just for us now, but for millions of Americans yet to be born.●

RESTORING COMPETITION TO ENERGY

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. DRINAN) is recognized for 10 minutes.

● Mr. DRINAN. Mr. Speaker, too often, the 95th Congress displayed an attitude of negativism on energy policy. In the session just ended last October, we implied to the public that competition in the energy industry is not possible; that conservation has no major role to play in national energy policy; that energy supplies cannot be expanded without windfall profits; and that the benefits of "alternative" energy sources are both distant and speculative.

Instead, the Nation needs a constructive energy policy—one which reflects the economic benefits of efficient energy use and competitive energy marketing—and it needs such a policy now. Toward that end, I highly commend the following speech made by the senior Senator from Massachusetts (Mr. KENNEDY) to the New England Broadcasters Association on January 9. Through his efforts on behalf of industrial energy conservation, horizontal divestiture and energy grants for the poor and elderly, Senator KENNEDY has distinguished himself as a voice for millions of Americans whose interests might otherwise be unrepresented in the development of national energy policy.

The Senator's remarks follow:

ADDRESS BY SENATOR EDWARD M. KENNEDY

I am delighted to be with you today. As I am sure you know, I have spent a lifetime avoiding the public spotlight and the press. Today, however, I am delighted to be with you because I am comfortable speaking to representatives of the poor.

In case you think I showed up at the wrong meeting or have before me the wrong speech, let me tell you that the New England Broadcaster's Association serves and speaks for the poor—the poorest region in the United States.

Yesterday in Washington the National Center for Economic Alternatives showed that Maine is the poorest state in the union, Vermont 48th, Rhode Island 43rd, New Hampshire 39th and Massachusetts 37th. Only Connecticut, ranking seventh, appeared to be prosperous.

The Center arrived at this conclusion not by just looking at income, as is usually done, but by seeing what that income could buy in each state. The Center looked particularly at the cost of the four basic necessities; food, shelter, health and energy and on that basis, found our region to be the poorest in the nation, including the southern states of the old confederacy.

I want to talk to you today about one of the components of how we spend our money, one of the components that made us so poor by comparison. I want to talk to you about energy.

How much would you guess New England spends on energy each year—three, four, five billion dollars? Last year the bill was a staggering $10 billion dollars—eight billion for oil and two billion for all other fuels. Nearly all of this money we spent for energy left the region immediately and went to OPEC or the oil and gas companies in the Southwest. In one month alone, December, heating oil prices climbed ten percent.

And what about this year? The New England Congressional Caucus tells us our oil bill will go up another $312 to $350 million dollars. Not only will we get hit by OPEC's increase but we'll feel the pinch from ordinary inflation, from higher costs growing out of the shutdown in Iran and from domestic refiners pushing up the cost of heating oil to make up for money they claim to be losing on controlled prices of gasoline.

And what does all this mean in human terms, here in Massachusetts? I have received hundreds of letters from people telling me, in no uncertain terms, what it means to them. Here are a few examples. Florence Qualters from Bradford, Mass. states, "When the oil increases were announced my heart sank—do you have any idea of what hardship this causes in a family situation such as mine? My status is that of a single parent, trying to raise two teenage children, buying a home and trying desperately not to go into debt. I receive a salary of approximately $10,000 per year. People like me can't survive much longer, if prices are going to continue to skyrocket, I am eventually going to lose everything I have worked so hard for."

Mrs. Barbara Scaengo from Brighton sent me a Christmas card and this note, "Dear Senator, Please help me with my oil bill, please. I am a lonely widow. I live all alone in an old house. I have been here 37 years. It's old but the oil bill is so high. I just paid $95.00, half of my Social Security check. Please help us old widows Senator."

The leaders of Franklin County, Mass., told me the other day that the cost of paying the energy bill in that county every year is equivalent to the payrolls of the ten largest employers. By the year 2000, it will cost $5,300 to heat the average home and the total bill for the smallest county in our state will be $225 million!

For the poor and middle-income Americans throughout the country the situation has gotten worse, not better. Fourteen million Americans pay 25 percent of their budget for energy alone. In major Northern cities those at or under the poverty level last winter paid more than 45 percent of their income on energy, according to the National Center for Community Action. "Let them freeze in the dark" has become not just a clever cliche, but a cruel reality.

In this situation, three things seem clear to me, first, we must halt the soaring increases in the price of oil; second, we must be establishing inflation guidelines for energy, just like other items in the economy; and, third, we must find ways to protect those who are most vulnerable to the price increases that have already taken place.

It is hard to believe but in the face of the OPEC increase and the statistics I have just quoted there are still people who want to increase the price of domestic oil and start it on a rapid climb to world levels. I suggest to you that this is exactly the wrong course to pursue.

Do the oil companies need more money to produce more oil? The cashflow of 14 major companies increased 14 percent last year to $16.5 billion. They're reducing their debt and increasing their investment in exploration and production. Certainly they don't need even more money to do what they already ought to be doing.

And what about the gas companies? They will receive an estimated 20 percent increase in the price of natural gas at the well and anywhere from 12 to 19 percent at the place of consumption.

If you will recall the natural gas debate, we were told that higher prices were necessary because natural gas is a precious fuel, in limited supply and only higher prices would provide the incentive to produce. Yet, before the ink had dried on the Natural Gas Act, consumers were suddenly treated to the news that without any additional incentives the United States, and indeed the entire continent, was overflowing with gas! As the President was signing the Natural Gas Act, newspapers and magazines were reporting enormous new gas supplies. Here is a report from the Washington Post talking about a natural gas "glut" within the United States. Here is Newsweek talking about the gas bonanza. Here is a report about a meeting of the natural gas industry in Texas trying to explain what they called a "temporary overdeliverability." That is just a public relations cover-up for a condition where there is too much gas to justify these price increases!

As the same moment Mexico was announcing huge new oil and gas discoveries. If we had not rejected their offer a year earlier, Mexican gas would have been available in U.S. markets in 1979. Also, one report after another told of new gas supplies in Canada which could be delivered to the United States market in 1980. Today the Canadian government is concerned that it has so much gas that the price will be driven below one dollar per thousand cubic feet while in the United States, the new energy law will send the price over four dollars.

In the face of this experience, there is no reason to decontrol the price of crude oil in the United States. Decontrol would mean an increase in the average price of a barrel of domestic oil from about $8 to the world price of $16 by the end of 1979. In 1973, Congress gave the President a choice—we can decontrol oil beginning in June of this year. Or, he can extend extend controls until 1981 when the matter would be debated in Congress again.

I strongly believe in continuation of controls. I do not favor controls in a free market, but oil is not sold in a free market. It is sold in a market controlled by OPEC. I ask all the members of the New England Delegation to join me in opposing decontrols, which would bring a tidal wave of new price increases that would be nothing short of disastrous for our states.

That is my first recommendation for how to meet the immediate challenge we face in energy. My second recommendation is that the President's inflation fighter, Alfred Kahn, should give special priority to energy prices. The voluntary price guidelines should take account of the particular problems of tracking energy prices. The fact that the industry is dominated by giant integrated companies makes nonsense out of guidelines that apply only on a company-wide basis. The guidelines should apply to each of the major product categories—gasoline, home heating oil, residual oil, coal, and uranium. We ought to be doing as much to fight inflation in the price of energy as we are doing in any other major area of the economy. A guideline program that ignores the cost of energy is a program that has a hole beneath its water line.

My third recommendation is that the Congress should take immediate steps to protect the elderly citizens and the poor from the unfair impact of current energy prices. None of the last three Administrations has faced up to the harsh effect of the 1973 energy price increases on the poor and elderly. Each year Senator Muskie and I have gone to the Appropriations Committees to get emergency relief. Each year we squeeze out $200 million dollars, hoping that by next year we will have a permanent program. That process is unacceptable. A patchwork approach to a desperate situation cannot be tolerated. We now have a system in this country that subsidizes small, inefficient refineries to the tune of $2 billion. Surely we can devise a system of providing support for the millions of Americans who live through the winter on the edge of desperation. That should be a high priority for the 96th session of Congress.

The three short-term measures I have outlined will deal with the prices which face us in the next several years. But even if we were successful in all three measures, New England would still be 80 percent dependent on oil. Our industries would still be paying twice as much for energy as their competitors in other parts of the country. The nation would still be at the mercy of OPEC abroad and the oil monopoly at home.

What we need is better answers to our fundamental energy problems, which threaten the very quality of our life in New England. The right approach can be summarized in two words: *more competition.*

Today, there is no competition in the world market for oil. There is no competition in the domestic market for gas. There is no real competition at the highest levels of the American oil and gas industry. And the four basic fuels—gas, oil, coal and nuclear energy—compete only among themselves. I propose a five point program which will:

First, provide additional oil to compete with OPEC;

Second, provide additional gas to compete with the American gas industry;

Third, provide real competition in the United States oil and gas industry;

Fourth, provide tools by which New England can compete with other regions of the country on a more equitable basis; and

Fifth, develop new energy sources to compete with conventional fuels.

When I started down the road toward deregulation of the airlines a few years ago, I was told it couldn't be done, that the airlines needed the protection from competition which the government could provide. Today we know those skeptics were wrong. A fresh new wind of competition is blowing through the industry, and the result has been higher profits for the airlines and lower fares for consumers.

In energy, however, competition is on the defensive. We are faced with a powerful oil cartel abroad and an energy monopoly at home. Three successive Administrations have done nothing to challenge the power of OPEC. Instead, we have encouraged the belief that the world is running out of oil and thereby justified higher prices, playing into OPEC's hand.

I believe it is possible to introduce competition at all levels—international, national and local. It it possible to break away from the control of OPEC and the oil monopolies. That is the challenge—the challenge of competition.

To get competition in the international arena, there must be new sources of oil to challenge and dilute OPEC's power. The world is not running out of oil. There are dozens of major potential oil basins around the world that are not being developed. When President Ford went to Mexico in 1975, the proven reserves of Mexico were 2.5 billion barrels. When President Carter goes to Mexico next month, proven reserves will stand at 40 billion barrels, with the real total probably over 300 billion, perhaps much more.

Yet the United States government has failed to devise any coherent policy on Mexican oil and gas. Surely that is a major failure on our energy policy and our foreign policy.

We could speed the discovery of the Mexicos of the future by creating a world oil exploration fund. Such a fund was proposed by the World Bank and by the United Nations. It would cost the United States just $33 million per year—less than OPEC charges us in just a few hours—but it could add as many as four billion barrels of oil a year to the world supply of oil.

Incredibly, we have failed to use our funds, our technology and our diplomacy to increase oil exploration and development in Latin America and Africa. We are sitting on our hands when we should be searching for new oil sources to compete with OPEC. Instead of promoting pessimistic reports that turn out to be exaggerated, we should be working to make the optimistic potential a reality.

With regard to natural gas, our objective should be to introduce competition into the United States market with gas from Mexico and Canada. The United States market is not competitive today. But over the long run, with the enormous quantities of gas which will be flowing in Mexico and the potential for huge additional reserves in Canada, we will have a chance for free competition and lower consumer prices. Our goal should be the creation of a continent-wide natural gas market in which gas flows freely with minimum government interference.

Our energy policy must also confront the competitive structure of the energy industries. Competition among competing fuels must be restored. At a minimum, the major oil companies' drive to control coal and uranium must be checked. If the virtues of free enterprise—the rational allocation of capital, the efficient allocation of resources, the stimulation of imagination and creativity, the rewarding of risk-taking—if these have any merit at all, then we cannot leave the development of our energy industries in the hands of giant corporate energy bureaucracies.

We must also stimulate competition in the petroleum industry itself. Last week I asked the FTC to take control of oil pipelines away from the major oil companies. We have found that it is impossible to have competition in a market when the producers also control the basic means of transportation to the market. Major oil companies use pipelines as bottlenecks to restrict supplies to consumers and to raise prices unfairly. The best way to prevent this is to put pipelines in the hands of independent companies.

We must also protect and stimulate competition in the refining industry. The independent refiner has traditionally been a major source of price competition. We must ensure the access of these refiners to crude oil at competitive prices. To the extent we need new refining capacity, it should be built by independent companies, not by the integrated majors.

As a fourth measure, I believe we must take steps within New England to develop our indigenous sources of energy and promote conservation. In 1977, I sponsored legislation to establish an Energy Corporation of the Northeast, a public corporation which would invest in new energy supplies in New England and in conservation. I intend to sponsor that legislation again this year because I believe that the Northeast should have an instrument similar to the Bonneville Power Administration, which has aided the Northwest, or the Tennessee Valley Authority, which transformed the Appalachian states. The new corporation would provide capital for power sources which are small, close at hand and indigenous to our region. It would also seek out millions of opportunities for conservation in our homes, our businesses and our public buildings.

We could develop the wind power in our region. We could help establish plants to convert municipal waste into steam and electricity for consumers, through cogeneration. We could help provide additional funds for conservation in buildings and homes, improved design of all our dwellings and retrofitting our older houses' stock. In the process, we could— according to a recent study by the Massachusetts Energy Office—create 50 thousand jobs a year and capture for ourselves the money which is now flowing to OPEC and the major energy companies.

These investments will pay for themselves based on a rate of return which will ensure that the government and private investors are adequately compensated for their investment.

The second means of taking hold of our destiny can be found through an enlightened use of our utilities which are genuinely instruments of the public.

Elsewhere in this country, utilities are being used in a way which show that we in New England could do. In Oregon, utilities now pay to insulate the homes of the state absolutely without initial cost to the consumer. When the homeowner's house is sold the investment is recovered, with interest, by the utility.

A similar program of no interest loans has been in operation with the Tennessee Valley Authority for several years. The City of Seattle, after a vigorous public debate in which 14 thousand people were directly involved, adopted a plan to substitute conservation investments within that city rather than investment in a new nuclear plant.

In Oregon, Washington and Tennessee the utilities and their customers determined that conservation was their best investment. Private contractors, not the utilities, then did the work, using utility financing.

The public utilities of New England should be encouraged to do the same thing. They should also be required to receive and integrate into their distribution system the energy produced by cogeneration in industry and the burning of municipal waste.

Finally, to create competition among fuels, it is time to change the priorities in the domestic research budget. Energy research has for years been concentrated on oil, gas, coal and nuclear energy. Last year Congress forced the solar budget up to about $450 million but the coal budget was fifty percent higher and the nuclear budget was double the figure for solar. These priorities must be shifted. Solar energy—including wind, water and passive solar systems—plus conservation, must receive more funds while nuclear and coal receive less.

In the short run, we must look to government to protect consumers by retaining controls and utilizing voluntary price and wage guidelines to hold down the cost of energy. When we understand what life is like for Mrs. Scaenga in Brighton or Florence Qualters in Bradford or what lies ahead for the people of Franklin County we can ask no less.

Over the long run, however, government should not enter the market to protect the profits of privileged industries or to enforce controls. Government should insure justice and equity through genuine competition. Whether in the world, the nation or New England let us resolve to honor economic freedom and work for free and fair competition. That would, indeed, be a rational energy plan in which all of us could take pride.●

REMARKS OF REPRESENTATIVE CARL D. PERKINS ON STATEMENT OF SECRETARY OF LABOR RAY MARSHALL

(Mr. PERKINS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. PERKINS. Mr. Speaker, Secretary of Labor Ray Marshall recently issued a statement summarizing the efforts the administration has made in the past 2 years to solve the Nation's unemployment problem.

I believe this is a very useful report and am including it at this point in the RECORD for the information of my colleagues:

STATEMENT BY SECRETARY OF LABOR RAY MARSHALL

Two years ago we made a commitment to put our Nation back to work. Finding jobs for unemployed Americans was the first priority of the Carter Administration.

We felt everyone willing and able to work should have an opportunity to contribute their skills and energies through meaningful employment.

I think today all Americans can take pride in our progress toward this goal.

The yearend employment figures released today mark the end of the second year of strong employment growth.

When President Carter was elected in November 1976 the unemployment rate was 7.8%. There were 7.5 million Americans out of work, 3.5 million part-time workers who wanted full-time jobs, and almost a million workers who wanted jobs but were not even looking because they thought they couldn't find any. Over 30% of the unemployed had been without a job 15 weeks or longer.

(Further statistics worth mentioning include: Unemployment among black workers was 13.2 percent. Teenage unemployment was over 19 percent. Unemployment among blue collar workers was over 9 percent, and construction workers were suffering an unemployment rate of over 15 percent. Vietnam-era veterans had an employment rate of 7.8 percent and the youngest veterans (those 20–24 years old) were experiencing almost 16 percent unemployment).

Substantial progress has been made in our efforts to put Americans back to work.

The December unemployment rate of 5.9 percent which BLS announced today represents almost a 25 percent reduction since December 1976, the month before President Carter took office, and a 7 percent decline from a year ago.

In December there were 1.3 million fewer people unemployed than there were in December of 1976, and 160,000 fewer than a year ago. This occurred despite an increase of 5.9 million in the number of persons entering the job market over the two-year period.

Over 7.2 million more people have jobs than they did the month before the President took office. This increase exceeds the employment growth in any other two-year period since World War II. Three million of that increase took place in the past year. Today's release shows that total employment reached a new all-time high of 95.9 million.

During the past two years, young people, who had been disproportionately hurt by the recession have received special attention. Since December of 1976 employment growth for teenagers has outpaced overall employment growth, rising 11.0 percent while the latter increased 8.1 percent.

Employment of black teenagers, which actually declined between 1969 and 1976, has increased by over 19.6 percent since December 1976. Although unemployment among minority youth, and all teenagers, is still a terrible problem, much progress has been made where none had been made before.

Employment opportunities for women and minorities in general have also increased dramatically during the past two years. Adult female employment has increased by 3.5 million or 10.5%. Black employment has increased by 1.2 million persons or 12.0%. Unemployment rates for these groups have also declined, despite dramatic increases in the number of women and minority members seeking jobs. Adult female unemployment has declined from 7.3% to 5.8% since December 1976. Black unemployment has declined from 13.4% to 11.5%.

The growth in jobs and the reduction in unemployment have also been spread widely across industries and occupations. Over the past two years, the unemployment rate of blue collar workers has fallen from 9.4% to 6.8%. Unemployment in manufacturing fell by three percentage points to 5.0%.

I believe that the macroeconomic and employment policies pursued by this Administration have contributed importantly to these gains. The personal and corporate tax cuts, and the increases in public works contained in the President's 1977–78 stimulus package kept the private economy on a steady growth path, thereby increasing opportunities for private employment while the employment and training programs were expanded and redirected to assist those most in need of help.

During the past two years, funding for existing employment and training programs under the Comprehensive Employment and Training Act (CETA) was greatly expanded, and new titles were added to focus on the special, severe employment problems affecting our youth and to promote employment and training opportunities in the private sector. By the end of the third quarter of 1978, over 5.6 million Americans had participated in these employment and training programs since President Carter took office. During the past two years, titles II and VI of CETA, which provide public service employment to the unemployed, have more than doubled. When this Administration took office, there were 276,400 jobs under these titles. In the third quarter of 1978, the most recent statistics available, there were over 650,000 jobs, an increase of more than 375,000 since the inauguration.

What is perhaps more important than the sheer magnitude of these increases is that we were able to increase the targeting of these programs to assist many groups with long-standing difficulties in obtaining employment. The number of blacks served under titles II and VI was expanded from 66,700 in the last quarter of 1976 to about 175,000 in the third quarter of 1978. Service to other nonwhites nearly doubled. Public service employment jobs for teenagers (18 and under) grew from 11,500 to 29,400 during that time.

Many other teenagers received job assistance under our youth programs. In the first three quarters of 1978 alone, nearly 300,000 youth were served by these programs. Of these, 49.2% were male and 50.8% female. Blacks comprised 37.6%, whites 55.6%, native Americans 1.6% and Spanish Americans 12.9%. Our progress in expanding the employment opportunities for our youth has been on of the most satisfying efforts during my participation in this Administration. However, there are still millions of young people who want employment but are unable to find it. We must continue to strive to provide them and those already in the labor force with the training and employment opportunities necessary to assure them a decent start in life.

Under this Administration, the training programs have continued intact. Approximately 385,000–400,000 persons have been enrolled in Title I at any given time. Again, blacks, teenagers, and others who face extraordinary difficulties in obtaining employment are represented in disproportionately large numbers. In total, 5,627,500 persons have been served in both employment and training programs since the Administration took office.

The Jobs Service made a substantial contribution to these efforts. In FY 1978, 4.6 million individuals were placed in jobs. Over 2 million of these were youth (under age 22) 1.6 million were economically disadvantaged and 49,000 were disabled veterans.

Much has been done, but much remains to be done. In October 1978, President Carter signed into law the Humphrey-Hawkins Full Employment and Balanced Growth Act. In supporting and signing that Act, President Carter committed the Administration to achieving 4% unemployment and 3% inflation by 1983.

Recently, the Administration has signed a number of programs that will cushion our economy against an unexpected decline in economic activity. Included in this package are a countercyclical Public Service Employment program and countercyclical aid. In addition to this countercyclical element of our programs we have developed many other basic reforms in our employment and training system. We will be announcing these at the end of the month.

These are ambitious targets. The challenge during the next 5 years will be to keep the economy on a sustainable growth path, allowing inflation to unwind with the help of structural inflation policies. The challenge for employment policies will be to provide the training and job opportunities necessary to further reduce structural unemployment and place the 4% overall unemployment goal within the reach of noninflationary macroeconomic policy.

I believe the American people are committed to pursue policies that will assure employment and opportunity to all our citizens.●

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. KINDNESS) to revise and extend their remarks and include extraneous material:)

Mr. GOLDWATER, for 5 minutes, today.

Mr. SYMMS, for 5 minutes, today.

Mr. EDWARDS of Alabama, for 30 minutes today.

(The following Members (at the request of Mr. HUTTO) and to revise and extend their remarks and include extraneous matter:)

Mr. ANNUNZIO, for 5 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. COTTER, for 15 minutes, today.

Mr. UDALL, for 5 minutes, today.

Mr. CHARLES H. WILSON of California, for 5 minutes, today.

Mr. VANIK, for 5 minutes, today.

Mr. LEDERER, for 5 minutes, today.

Mr. MURPHY of New York, for 5 minutes, today.

Mr. DRINAN, for 5 minutes, today.

Mr. FLOOD, for 60 minutes, on January 24.

Mr. JOHNSON of California, for 60 minutes, on January 31 to pay tribute to the memory of the late Hon. Leo J. Ryan of California.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. KINDNESS) and to include extraneous matter:)

Mr. SHUSTER.

Mr. GILMAN in six instances.

Mr. BROWN of Ohio in two instances.

Mr. BAUMAN in 10 instances.

Mr. DERWINSKI in two instances.

Mr. MOORE.

Mr. CARTER in two instances.

Mr. GINGRICH.

Mr. MICHEL in two instances.

Mr. BROOMFIELD in two instances.

(The following Members (at the request of Mr. HUTTO) and to include extraneous matter:)

Mr. ANDERSON of California in three instances.

Mr. GONZALEZ in three instances.

Mr. BROWN of California in 10 instances.

Mr. ANNUNZIO in six instances.

Ms. HOLTZMAN in 10 instances.

Mr. GUDGER in five instances.

Mr. CHARLES H. WILSON of California.

Ms. MIKULSKI.

Mr. MOLLOHAN.

Mr. AUCOIN.

Mr. CORMAN.

Mr. DODD.

Mr. ADDABBO.

Mr. HAMILTON.

Mr. LAFALCE.

Mr. DANIELSON.

Mr. BIAGGI.

Mr. MAVROULES.

Mr. HEFTEL.

Mr. ZABLOCKI in two instances.

Mr. BENJAMIN.

Mr. PANETTA.

Mr. RODINO.

Mr. SIMON.

ENROLLED JOINT RESOLUTION SIGNED

Mr. THOMPSON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H.J. Res. 1. Joint resolution to extend the time for filing the Economic Report.

JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. THOMPSON, from the Committee on House Administration, reported that that committee, did on January 19, 1979, present to the President, for his approval, a joint resolution of the House of the following title:

H.J. Res. 1. Joint resolution to extend the time for filing the Economic Report.

ADJOURNMENT

Mr. HUTTO. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 33 minutes p.m.), under its previous order, the House adjourned until tomorrow, Tuesday, January 23, at 8 o'clock p.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

401. A letter from the Acting Assistant Secretary of the Army (Installations, Logistics and Financial Management), transmitting a report of the 10 architect-engineering firms receiving the largest dollar total of contracts in the categories of civil works and military construction for the period October 1, 1977–September 30, 1978, pursuant to section 604 of Public Law 95-82; to the Committee on Armed Services.

402. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2-254, "Fire and Casualty Act Amendments of 1978", pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

403. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2-259, "Closing of Eye Street NW., Between 23d and 24th Streets NW Act of 1978", pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

404. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2-260, "Condominium Conversion Act of 1978", pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

405. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2-261, "Closing and Dedication of a Public Alley in Square 163 Act of 1978," pursuant to section 602(c) of Public Law 93-198 to the Committee on the District of Columbia.

406. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2-262, "Closing and Dedication of a Public Alley in Square 100 Act of 1978," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

407. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2-263, "Employment Opportunities Act of 1978," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

408. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2-267, "Unemployment Compensation Act Amendments of 1978," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

409. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2-268, "District of Columbia Renters and Homeowners Tax Reduction Act of 1978," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

410. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2-269, "Air Quality Amendment Act No. II of 1978," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

411. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2-270, "School Transit Subsidy Act of 1978," pursuant to Section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

412. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2-278, "Library Reciprocal Borrowing Act of 1978," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

413. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2-279, "Act to amend the District of Columbia Public Postsecondary Education Reorganization Act," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

414. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2-280, "Air Quality Control Regulations Amendment No. 3 of 1978," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

415. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2-283, "District of Columbia Comprehensive Plan Goals and Policies Act of 1978," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

416. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2-291, "District of Columbia Housing Finance Agency Act" pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

417. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2-292, "District of Columbia Mental Health Information Act of 1978," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

418. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2-297, "Mentally Retarded Citizens Constitutional Rights and Dignity Act of 1978," pursuant to section 602 (c) of Public Law 83-198; to the Committee on the District of Columbia.

419. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2-299, "Real Property Tax Rate Act for Tax Year 1979," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

420. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2-300, "D.C. Government Comprehensive Merit Personnel Act of 1978," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

421. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2-301, "Interest Rate Extension and Modification Act of 1978," pursuant to section 602(c) of Public Law 93-98; to the Committee on the District of Columbia.

422. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2-310, "Closing

of a Public Alley in Square 121 Act of 1978," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

423. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2-312, "Confirmation Act of 1978," pursuant to section 692(c) of Public Law 93-198; to the Committee on the District of Columbia.

424. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2-313, "Law School Clinical Programs Funding Authorization Act of 1978," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

425. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2-318, "Historic Landmark and Historic District Protection Act of 1978," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

426. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2-319, "District of Columbia Documents Act," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

427. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2-320, "Prevention of the Administration of Lie Detection Procedures Act of 1978," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

428. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2-321, "Senior Citizens Residences Sales Tax on Meals Exemption Act," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

429. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2-322, "Expanded Public Defender Service Board of Trustees Membership Act of 1978," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

430. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2-323, "District of Columbia Resident Tax Credit Act of 1978," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

431. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2-324, "D.C. Charitable Organizations Conformity Act of 1978," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

432. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2-325, "Amendments to An Act To Provide for Voluntary Apprenticeship in the D.C. Act of 1978," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

433. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2-326, "Rental Vehicle Tax Reform Act of 1978," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

434. A letter from the Chairman, Council the District of Columbia, transmitting a copy of Council Act No. 2-327, "D.C. Redevelopment Land Agency Tax Exemption Act of 1978," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

435. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2-328, "Tax Return Confidentiality Act of 1978," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

436. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2-338, "Surveyor User Charges Act of 1978," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

437. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2-339, "Corporate and Unincorporated Business Tax Revision Act of 1978," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

438. A letter from the Administrator of General Services, transmitting notice of a proposed change in a records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

439. A letter from the FOIA Administrator, International Boundary and Water Commission, United States and Mexico, transmitting a report on the Commission's activities under the Freedom of Information Act during the 1978 calendar year, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

440. A letter from the Comptroller General of the United States, transmitting the audit of the Office of the Attending Physician of the Capitol Revolving Fund for fiscal year 1978, pursuant to title III of the Legislative Branch Appropriation Act of 1976 (89 Stat. 283) (GGD-79-23, January 15, 1979); to the Committee on Government Operations.

441. A letter from the Secretary of the Interior, transmitting notice of the proposed refund of $87,519 in rental payments to Chevron, U.S.A., Inc., pursuant to section 10(b) of the Outer Continental Shelf Lands Act; to the Committee on Interior and Insular Affairs.

442. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of the proposed issuance of a license for export of certain defense articles and services sold commercially to the Federal Republic of Germany (Transmittal No. MC-6-79), pursuant to section 36(c) of the Arms Export Control Act; to the Committee on International Relations.

443. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting reports concerning visa petitions approved according certain beneficiaries third and sixth preference classification, pursuant to section 204 (d) of the Immigration and Nationality Act, as amended (8 U.S.C. 1154(d)); to the Committee on the Judiciary.

444. A letter from the Natioanl Adjutant, Veterans of World War I of the U.S.A., Inc., transmitting the proceedings of the organization's national convention and its financial statement for the 9 months ending June 30, 1978, pursuant to law (H. Doc. No. 96-38); to the Committee on the Judiciary and ordered to be printed.

445. A letter from the Assistant Secretary of Agriculture for Administration, transmitting a report on scientific and professional positions established in the Department during 1978, pursuant to 5 U.S.C. 3104(c); to the Committee on Post Office and Civil Service.

446. A letter from the Secretary of Energy, transmitting the second annual report on implementation of the Electric and Hybrid Vehicle, Research, Development and Demonstration Act of 1976, pursuant to section 14 of the Act (Public Law 94-413); to the Committee on Science and Technology.

447. A letter from the Chairman of the Board of Directors and the Executive Director, Pension Benefit Guaranty Corporation, transmitting the third annual report of the Corporation, covering fiscal year 1977, pursuant to section 4008 of Public Law 93-406; jointly, to the Committees on Education and Labor, and Ways and Means.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANNUNZIO:

H.R. 1165. A bill to amend the Social Security Act and the Internal Revenue Code of 1954 to provide for Federal participation in the costs of the old-age, survivors, and disability insurance program and the medicare program, with appropriate reductions in social security taxes to reflect such participation, and with a substantial increase in the amount of an individual's annual earnings which may be counted for benefit and tax purposes; to the Committee on Ways and Means.

By Mr. ASHBROOK:

H.R. 1166. A bill to require foreign persons who acquire, transfer, or hold interests in agricultural land to report such transactions and holdings to the Secretary of Agriculture, and to direct the Secretary to analyze information contained in such reports and determine the effects such transactions and holdings have, particularly on family farms and rural communities, and for other purposes; to the Committee on Agriculture.

H.R. 1167. A bill to amend the National Labor Relations Act to protect the rights of employees, to strengthen the remedies under such act, and for other purposes; to the Committee on Education and Labor.

H.R. 1168. A bill to amend the National Labor Relations Act to provide for strike votes, direct court appeals in election cases, and to guarantee the right to challenge a union's majority status; to the Committee on Education and Labor.

H.R. 1169. A bill to provide for the regulation of State Presidential primary elections; to the Committee on House Administration.

H.R. 1170. A bill to prohibit Soviet energy investments; to the Committee on International Relations.

H.R. 1171. A bill to reduce payments to the United Nations and its affiliated agencies; to the Committee on International Relations.

H.R. 1172. A bill relating to the settlement of debts owed the United States by foreign countries; to the Committee on International Relations.

H.R. 1173. A bill to limit the jurisdiction of the Supreme Court of the United States and of the district courts to enter any judgment, decree, or order, denying or restricting, as unconstitutional, voluntary prayer in any public school; to the Committee on the Judiciary.

H.R. 1174. A bill to repeal the Gun Control Act of 1968; to the Committee on the Judiciary.

H.R. 1175. A bill to amend title 18, United States Code, relating to the production of false documents or papers of the United States, and the use of false information in obtaining official documents and papers of the United States, involving an element of identification; to the Committee on the Judiciary.

H.R. 1176. A bill to amend chapter 44 of title 18, United States Code, to exempt ammunition from Federal regulations under the Gun Control Act of 1968; to the Committee on the Judiciary.

H.R. 1177. A bill to make it a Federal crime to kill or assault a fireman or law enforcement officer engaged in the performance of his duties when the offender travels in interstate commerce or uses any facility of interstate committee for such purpose; to the Committee on the Judiciary.

H.R. 1178. A bill to amend the Internal Security Act of 1950 to control and penalize terrorists, and for other purposes; to the Committee on the Judiciary.

H.R. 1179. A bill to amend the Internal Security Act of 1950 to control and penalize terrorists, and for other purposes; to the Committee on the Judiciary.

H.R. 1180. A bill to extinguish Federal court jurisdiction to require attendance at a particular school of any student because of race, color, creed, or sex; to the Committee on the Judiciary.

H.R. 1181. A bill to provide additional penalties for the use of firearms or destructive devices in the commission of certain crimes of violence; to the Committee on the Judiciary.

H.R. 1182. A bill to amend section 4 of the Internal Security Act of 1950; to the Committee on the Judiciary.

H.R. 1183. A bill to remove certain criminal penalties imposed as a result of the failure of an individual to answer questions submitted in connection with a census or survey conducted under title 13, United States Code; to the Committee on Post Office and Civil Service.

H.R. 1184. A bill to guarantee that every employee of the Federal Government shall have the right to refrain from union activity; to the Committee on Post Office and Civil Service.

H.R. 1185. A bill to provide that certain criminal penalties imposed as a result of the failure of an individual to answer to questions submitted in connection with a census or survey conducted under title 13, United States Code, shall not be applicable to any census taken under section 142 of such title; to the Committee on Post Office and Civil Service.

H.R. 1186. A bill to amend title 38 of the United States Code to deny veterans' benefits to certain individuals whose discharges from service during the Vietnam era under less than honorable conditions are administratively upgraded under temporarily revised standards to discharge under honorable conditions; to the Committee on Veterans' Affairs.

H.R. 1187. A bill to amend the Internal Revenue Code of 1954 to provide a basic $5,000 exemption from income tax, in the case of an individual or a married couple, for amounts received as annuities, pensions, or other retirement benefits; to the Committee on Ways and Means.

H.R. 1188. A bill to amend the Internal Revenue Code of 1954 to allow a taxpayer to deduct, or to claim a credit for, amounts paid as tuition to provide an education for himself, for his spouse, or for his dependents; to the Committee on Ways and Means.

H.R. 1189. A bill to amend the Internal Revenue Code of 1954 to allow a taxpayer to deduct, or to claim a credit for, amounts paid as tuition to provide an education for himself, for his spouse, or for his dependents; to the Committee on Ways and Means.

H.R. 1190. A bill to provide direct aid to the States and territories for educational purposes only for the benefit of the taxpayers and local governments; to the Committee on Ways and Means.

H.R. 1191. A bill to amend the Internal Revenue Code of 1954 to allow an income tax credit for tuition expenses of the taxpayer or his spouse or a dependent at an institution of higher education, and an additional credit for gifts or contributions made to any institution of higher education; to the Committee on Ways and Means.

H.R. 1192. A bill to amend title II of the Social Security Act to increase to $5,000 the amount of outside earnings permitted each year without deduction from benefits thereunder; to the Committee on Ways and Means.

H.R. 1193. A bill to amend title XI of the Social Security Act to repeal the recently added provision for the establishment of Professional Standards Review Organizations to review services covered under the medicare and medicaid programs; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. ASHBROOK (for himself and Mr. MILLER of Ohio):

H.R. 1194. A bill to direct the Secretary of the Army to conduct an inspection of the Buckeye Lake Dam and levee, Buckeye Lake, Ohio, to determine its structural stability; to the Committee on Public Works and Transportation.

By Mr. BENNETT:

H.R. 1195. A bill to provide that any abandoned historic shipwreck located, in whole or in part, on the Outer Continental Shelf or on lands beneath navigable waters within the boundaries of a State shall be the property of the United States (subject to transfer to that State after adoption of an adequate State plan), and for other purposes; jointly, to the Committees on Interior and Insular Affairs, and Merchant Marine and Fisheries.

By Mr. BIAGGI:

H.R. 1196. A bill to revise and improve the laws relating to the documentation of vessels, and for other purposes; to the Committee on Merchant Marine and Fisheries.

H.R. 1197. A bill to simplify the tonnage measurement of certain vessels; to the Committee on Merchant Marine and Fisheries.

H.R. 1198. A bill to clarify the authority to establish lines of demarcation dividing the high seas and inland waters; to the Committee on Merchant Marine and Fisheries.

By Mr. BEVILL:

H.R. 1199. A bill to clarify the circumstances under which territorial provisions in licenses to manufacture, distribute, and sell trademarked soft drink products are lawful under the antitrust laws; to the Committee on the Judiciary.

By Mr. BEVILL (for himself, Mr. NICHOLS, and Mr. WOLFF):

H.R. 1200. A bill to amend section 9441 of title 10, United States Code, to provide for the budgeting by the Secretary of Defense, the authorization of appropriations, and the use of those appropriated funds by the Secretary of the Air Force for certain specified purposes to assist the Civil Air Patrol in providing services in connection with the noncombatant mission of the Air Force; to the Committee on Armed Services.

By Mr. BRINKLEY:

H.R. 1201. A bill to amend title 38, United States Code, to increase the rate of the Federal matching contribution to the Post-Vietnam Era Veterans' Education Account from $2 for each $1 contributed by the participant to $3 for each $1 contributed by the participant; to the Committee on Veterans' Affairs.

By Mr. BRINKLEY (for himself and Mr. NICHOLS):

H.R. 1202. A bill to provide for the establishment within the National Cemetery System of the Fort Mitchell Regional Veterans' Cemetery in Russell County, Ala., to the Committee on Veterans' Affairs.

By Mr. DUNCAN of Tennessee:

H.R. 1203. A bill to provide that social security benefit increases occurring after May 1979 shall not be considered as income or resources for the purposes of determining the eligibility for or amount of assistance which any individual or family is provided under certain Federal housing laws; to the Committee on Banking, Finance and Urban Affairs.

H.R. 1204. A bill to amend the Internal Revenue Code of 1954 to provide for cost-of-living adjustments in the individual tax rates and in the amount of personal exemptions; to the Committee on Ways and Means.

By Mr. EDWARDS of Alabama:

H.R. 1205. A bill to authorize recomputation at age 60 of the retired pay of members and former members of the uniformed services whose retired pay is computed on the basis of pay scales in effect prior to January 1, 1972, and for other purposes, to the Committee on Armed Services.

H.R. 1206. A bill to prohibit, except in cases of extreme emergency, assistance under the Agricultural Trade Development and Assistance Act of 1954 to any country which does not make reasonable and productive efforts, especially with regard to family planning, designed to alleviate the causes of the need for assistance provided under such act; to the Committee on International Relations.

H.R. 1207. A bill to make the use of a firearm to commit certain felonies a Federal crime where that use violates State law, and for other purposes; to the Committee on the Judiciary.

H.R. 1208. A bill to provide that the laws restricting trade between points in the United States to vessels of the United States shall not apply to inflatable boats used in river running; to the Committee on Merchant Marine and Fisheries.

H.R. 1209. A bill to amend the act of August 13, 1946, to increase the Federal contribution to 90 percent of the cost of shore restoration and protection projects; to the Committee on Public Works and Transportation.

H.R. 1210. A bill to amend title XVIII of the Social Security Act to authorize payment under the supplementary medical insurance program for optometric and medical vision care; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. EMERY:

H.R. 1211. A bill to amend the Tariff Schedules of the United States to provide for a lower rate of duty for certain fish netting and fish nets; to the Committee on Ways and Means.

By Mr. FUQUA:

H.R. 1212. A bill for the relief of the University of Florida, Gainesville, Fla.; to the Committee on Ways and Means.

By Mr. GRASSLEY:

H.R. 1213. A bill to amend the Agricultural Act of 1949 to require that the national program acreage for feed grains be announced not later than October 15; to the Committee on Agriculture.

H.R. 1214. A bill to amend the Internal Revenue Code of 1954 to exempt certain farm and soil and water conservation trucks from the highway use tax; to the Committee on Ways and Means.

By Mr. HALL of Texas:

H.R. 1215. A bill to require that imported meat and meat food products made in whole or in part of imported meat be subjected to certain tests and that such meat or products be identified as having been imported; to require that the cost of conducting such tests, inspection, and identification procedures on imported meat and meat food products be borne by the exporters of such articles, and for other purposes; to the Committee on Agriculture.

H.R. 1216. A bill to clarify the circumstances under which territorial provisions in licenses to manufacture, distribute, and sell trademarked soft drink products are lawful under the antitrust laws; to the Committee on the Judiciary.

By Mr. HALL of Texas (for himself, and Mr. ROBERTS):

H.R. 1217. A bill to authorize construction of the Little Cypress Lake and Reservoir, Texas; to the Committee on Public Works and Transportation.

By Mr. McDONALD:

H.R. 1218. A bill to amend the Food Stamp Act of 1964, to exclude from coverage under the act households which have members who are on strike, and for other purposes; to the Committee on Agriculture.

H.R. 1219. A bill to preserve and protect the free choice of individual employees to form, join, or assist labor organizations, or to refrain from such activities; to the Committee on Education and Labor.

By Mr. MATHIS:

H.R. 1220. A bill to provide for foreign exchange adjustments in regular military compensation available to personnel stationed overseas; to the Committee on Armed Services.

H.R. 1221. A bill to authorize and direct the General Accounting Office to audit the Federal Reserve Board, the Federal Advisory Council, the Federal Open Market Committee, and Federal Reserve banks and their branches; to the Committee on Banking, Finance and Urban Affairs.

H.R. 1222. A bill to require annual appropriations for all obligations and expenditures of the Federal Government; to the Committee on Government Operations.

H.R. 1223. A bill relating to the settlement of debts owed the United States by foreign countries; to the Committee on International Relations.

H.R. 1224. A bill to amend the Federal Trade Commission Act (15 U.S.C. 45) to provide that under certain circumstances exclusive territorial arrangements shall not be deemed unlawful; to the Committee on Interstate and Foreign Commerce.

H.R. 1225. A bill to amend chapter 44 of title 18 of the United States Code (respecting firearms) to penalize the use of firearms in the commission of any felony and to increase the penalties in certain related existing provisions; to the Committee on the Judiciary.

H.R. 1226. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 to require as a condition of assistance under such act that law enforcement agencies have in effect a binding law enforcement officers' bill of rights; to the Committee on the Judiciary.

H.R. 1227. A bill to establish a Council on Judicial Tenure in the judicial branch of the Government, to establish a procedure in addition to impeachment for the retirement of disabled Justices and judges of the United States, and the removal of Justices and judges whose conduct is or has been inconsistent with the good behavior required by article III, section 1, of the Constitution, and for other purposes; to the Committee on the Judiciary.

H.R. 1228. A bill to amend the Tariff Schedules of the United States by repealing item 807 of schedule 8, part 1, subpart B; to the Committee on Ways and Means.

H.R. 1229. A bill to amend title II of the Social Security Act to provide that renewal commissions. received by a retired insurance agent from life insurance policies which were sold by him before his retirement, shall not be taken into account in determining his net earnings from self-employment for purposes of the earnings test; to the Committee on Ways and Means.

H.R. 1230. A bill to repeal the earnings limitations of the Social Security Act; to the Committee on Ways and Means.

H.R. 1231. A bill to accelerate the formation of the investment capital required to expand both job opportunities and productivity in the private sector of the economy; to the Committee on Ways and Means.

H.R. 1232. A bill to prohibit the Secretary of Agriculture and the Secretary of Health, Education, and Welfare from prohibiting the use of nitrites as a food preservative on the basis of any carcinogenic effect nitrites may be represented to have until the development of a satisfactory alternative food preservative; jointly, to the Committees on Agriculture, and Interstate and Foreign Commerce.

H.R. 1233. A bill to provide for the elimination of inactive and overlapping Federal programs, to require authorizations of new budget authority for Government programs and activities at least every 4 years, to establish a procedure for zero-base review and evaluation of Government programs and activities every 4 years, and for other purposes; jointly, to the Committees on Government Operations and Rules.

H.R. 1234. A bill to amend title XVIII of the Social Security Act with respect to the payment for drugs and biologicals under part B of the medicare program; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 1235. A bill to effect certain reorganization of the Federal Government to strengthen Federal programs and policies for combating international and domestic terrorism; jointly, to the Committees on International Relations, the Judiciary, and Public Works and Transportation.

By Mr. PERKINS:

H.R. 1236. A bill to amend the Small Business Act to limit to 3 percent the rate of interest on disaster relief loans made under such act with respect to any disaster occurring on or after October 1, 1978; to the Committee on Small Business.

H.R. 1237. A bill to amend part B of title XVIII of the Social Security Act to limit to 20 percent the penalty for an individual's late enrollment under the supplementary medical insurance program for the aged and disabled; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. PEYSER:

H.R. 1238. A bill to clarify the circumstances under which territorial provisions in licenses to manufacture, distribute, and sell trademarked soft drink products are lawful under the antitrust laws; to the Committee on the Judiciary.

By Mr. PICKLE:

H.R. 1239. A bill to provide that the antitrust laws shall apply to any joint agreement by or among professional baseball club owners for the telecasting of professional baseball clubs' contests if such telecasting interferes with certain intercollegiate or interscholastic football contests; to the Committee on the Judiciary.

H.R. 1240. A bill to amend part B of title XI of the Social Security Act to assure appropriate participation by optometrists in the peer review and related activities authorized under such part; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

H.R. 1241. A bill to amend title XVIII of the Social Security Act to authorize payment under the supplementary medical insurance program for the cutting and removal of corns, warts, and calluses and the reduction of club nails; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. PRICE:

H.R. 1242. A bill to amend chapter 55 of title 10, United States Code, to include chiropractic care in the health care which may be provided members and certain former members of the uniformed services and their dependents in facilities of the uniformed services and under CHAMPUS, and for other purposes; to the Committee on Armed Services.

H.R. 1243. A bill to permit credit for civil service retirement purposes and in computing length of service for purposes of determining leave, health insurance. severance pay, tenure, and status in the case of certain individuals who performed National Guard technician service before January 1, 1969; to the Committee on Post Office and Civil Service.

H.R. 1244. A bill to amend the Internal Revenue Code of 1954 to permit an exemption of the first $5,000 of retirement income received by a taxpayer under a public retirement system or any other system if the taxpayer is at least 65 years of age; to the Committee on Ways and Means.

By Mr. ROBERTS (for himself and Mr. Hammerschmidt):

H.R. 1245. A bill to amend title 38, United States Code, to provide that the records of all active or potentially active claims for benefits under laws administered by the Veterans' Administration shall be maintained by the Administrator of Veterans' Affairs; to the Committee on Veterans' Affairs.

By Mr. RODINO (for himself, Mr. Horton, Mr. Addabbo, Mr. Anderson of California, Mr. Biaggi, Mr. Bingham, Mr. Bonior of Michigan, Mr. Brodhead, Mr. Brown of California, Mr. Carr, Mrs. Chisholm, Mrs. Collins of Illinois, Mr. Conyers, Mr. Danielson, Mr. Dellums, Mr. Diggs, Mr. Dixon, Mr. Donnelly, Mr. Drinan, Mr. Edgar, Mr. Edwards of California, Mr. Fauntroy, Ms. Ferraro, Mr. Flood, Mr. Florio, Mr. Ford of Michigan, Mr. Garcia, Mr. Gaydos, Mr. Green, Mr. Guarini, Mr. Hawkins, Mr. Hollenbeck, Mr. Howard, Mr. Hughes, Mr. Kastenmeier, Mr. Kildee, Mr. LaFalce, Mr. Lee, Mr. Lowry, Mr. Lundine, Mr. McHugh, Mr. Maguire, Mr. Markey, Ms. Mikulski, Mr. Mikva, Mr. Minish, Mr. Mitchell of Maryland, Mr. Moakley, Mr. Moffett, Mr. Murphy of Illinois, Mr. Murphy of Pennsylvania, Mr. Myers of Pennsylvania, Mr. Ottinger, Mr. Patten, Mr. Pepper, Mr. Perkins, Mr. Peyser, Mr. Price, Mr. Rahall, Mr. Rangel, Mr. Ratchford, Mr. Reuss, Mr. Richmond, Mr. Rinaldo, Mr. Roe, Mr. Rosenthal, Mr. Roybal, Mr. Scheuer, Mr. Shannon, Mr. Simon, Mr. Solarz, Mrs. Spellman, Mr. Stark, Mr. Stratton, Mr. Studds, Mr. Thompson, Mr. Traxler, Mr. Van Deerlin, Mr. Weiss, Mr. Williams of Ohio, Mr. Charles H. Wilson of California, Mr. Wolff, Mr. Yatron, and Mr. Zeferetti):

H.R. 1246. A bill to amend title II of the Public Works Employment Act of 1976 to extend the antirecession provisions of that act, and to establish a supplementary antirecession fiscal assistance program for local governments suffering severe unemployment; to the Committee on Government Operations.

By Mr. SEBELIUS (for himself Mr. Winn, Mr. Glickman, Mr. Jeffries, and Mr. Whittaker):

H.R. 1247. A bill to provide wheat and feed grain producers the opportunity to receive parity prices for the 1979 and 1980 crops, and to provide cotton producers the opportunity to receive parity prices for the 1979 crop; to the Committee on Agriculture.

• By Mr. SEIBERLING:

H.R. 1248. A bill to amend the Internal Revenue Code of 1954 to include surviving spouse without dependents within the definition of surviving spouse for purposes of determining the income tax imposed; to the Committee on Ways and Means.

By Mr. SLACK:

H.R. 1249. A bill to prohibit the transfer or other disposal of any military installation located in the Canal Zone without the specific authorization of Congress; to the Committee on Armed Services.

H.R. 1250. A bill to amend the Fair Labor Standards Act of 1938 to establish procedures to relieve domestic indusrties and workers injured by increased imports from low-wage areas; to the Committee on Education and Labor.

H.R. 1251. A bill designation of the Birch River for study; to the Committee on Interior and Insular Affairs.

H.R. 1252. A bill to protect the national security; protect the economic well-being of the American people including the Nation's present supplies and undeveloped sources of energy, fuel, food, and fiber from damage due to arbitrary and unsound regulations, order or decision issued by any executive department, agency, or commission, and for other purposes; to the Committee on the Judiciary.

H.R. 1253. A bill to provide additional penalties for the use of firearms in the commission of certain crimes of violence; to the Committee on the Judiciary.

H.R. 1254. A bill to clarify the circumstances under which territorial provisions in licenses to manufacture, distribute, and sell trademarked soft drink products are lawful under the antitrust laws; to the Committee on the Judiciary.

H.R. 1255. A bill to amend the Congressional Budget Act of 1974 to require a balanced budget within 3 years, in accordance with a schedule gradually reducing the maximum amount of the deficit which is permitted under the congressional budget process; to the Committee on Rules.

H.R. 1256. A bill to amend the Internal Revenue Code of 1954 to provide a tax credit or deduction to individuals who maintain within their homes a dependent aged 65 or older; to the Committee on Ways and Means.

H.R. 1257. A bill amending title 5 of the United States Code to improve agency rulemaking by expanding the opportunities for public participation, by creating procedures for congressional review of agency rules, and by expanding judicial review, and for other purposes; jointly, to the Committees on the Judiciary and Rules.

H.R. 1258. A bill to improve congressional oversight of Federal programs and activities by requiring greater specificity in setting program objectives, by requiring continuing information on the extent to which programs are achieving their stated objectives, by requiring periodic review of new authorizations of budget authority and tax expenditures, and for other purposes; jointly, to the Committees on Rules and Government Operations.

By Mr. SOLOMON:

H.R. 1259. A bill to amend the Internal Revenue Code of 1954 to allow the residential energy credit for certain wood or peat burning stoves; to the Committee on Ways and Means.

H.R. 1260. A bill to amend the Internal Revenue Code of 1954 to provide that winnings from State or local lotteries will be exempt from tax; to the Committee on Ways and Means.

By Mrs. SPELLMAN:

H.R. 1261. A bill to amend title 5, United States Code, to increase the contribution by the Federal Government to the costs of employees' health benefit insurance; to the Committee on Post Office and Civil Service.

H.R. 1262. A bill to amend title 5, United States Code, to provide that civilian air traffic controllers of the Department of Defense shall be treated the same as air traffic controllers of the Department of Transportation for purposes of retirement, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 1263. A bill to amend title 5, United States Code, to increase the uniform allowances available to Federal employees; to the Committee on Post Office and Civil Service.

By Mrs. SPELLMAN (for herself and Mr. WRIGHT):

H.R. 1264. A bill to amend title 5, United States Code, to provide survivor annuities to subsequent spouses of certain additional classes of deceased annuitants who died after making available survivor annuities for previous spouses at time of retirement, and for other purposes; to the Committee on Post Office and Civil Service.

By Mrs. SPELLMAN (for herself and Mr. MINETA):

H.R. 1265. A bill to amend chapter 87 of title 5, United States Code, to increase the amounts of regular and optional group life insurance available to Federal employees, provide optional life insurance on family members, increase the contribution by the Federal Government to the costs of employees' life insurance, and increase the value of employees' life insurance following retirement; to the Committee on Post Office and Civil Service.

By Mr. VOLKMER:

H.R. 1266. A bill to amend title XVIII of the Social Security Act to authorize payment under the medicare program for certain services performed by chiropractors; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. YOUNG of Florida:

H.R. 1267. A bill to amend the Food Stamp Act of 1964, to exclude from coverage under the act households which have members who are on strike, and for other purposes; to the Committee on Agriculture.

H.R. 1268. A bill to amend the Food Stamp Act of 1977 to provide that individuals who participate in psychiatric residential treatment programs shall be eligible to receive food stamps; to the Committee on Agriculture.

H.R. 1269. A bill to authorize recomputation at age 60 of the retired pay of members and former members of the uniformed services, whose retired pay is computed on the basis of pay scales in effect prior to January 1, 1972, and for other purposes; to the Committee on Armed Services.

H.R. 1270. A bill to preserve and protect the free choice of individual employees to form, join, or assist labor organizations, or to refrain from such activities; to the Committee on Education and Labor.

H.R. 1271. A bill to amend the Emergency Petroleum Allocation Act of 1973 to provide for the equalization of residual fuel oil prices, charged to public, private, and investor-owned utilities and other persons using such oil; to the Committee on Interstate and Foreign Commerce.

H.R. 1272. A bill to amend chapter 44 of title 18 of the United States Code (respecting firearms) to penalize the use of firearms in the commission of any felony and to increase the penalties in certain relating existing provisions; to the Committee on the Judiciary.

H.R. 1273. A bill to eliminate automatic cost-of-living pay adjustments for Members of Congress; to the Committee on Post Office and Civil Service.

H.R 1274. A bill to amend the Internal Revenue Code of 1954 to eliminate the adjusted gross income limitation on the credit for the elderly; to the Committee on Ways and Means.

H.R. 1275. A bill to amend title XVI of the Social Security Act to provide that certain aliens may not qualify for supplemental security income benefits unless they not only are permanent residents of the United States but have also continuously resided in the United States for a period of 5 years, and to provide that an alien may not be admitted to the United States unless a citizen of the United States agrees to provide support to such alien for a period of 5 years after admission, and for other purposes; jointly, to the Committees on Ways and Means, and the Judiciary.

By Mr. ASHBROOK:

H.J. Res. 125. Joint resolution proposing an amendment to the Constitution of the United States to provide a new procedure for the election of the President and Vice President; to the Committee on the Judiciary.

H.J. Res. 126. Joint resolution proposing an amendment to the Constitution of the United States to provide that total taxation by the Federal Government of the people of the United States shall not exceed 15 percent of the gross national product, and to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; to the Committee on the Judiciary.

H.J. Res. 127. Joint resolution proposing an amendment to the Constitution to permit the imposition and carrying out of the death penalty in certain cases; to the Committee on the Judiciary.

H.J. Res. 128. Joint resolution to establish a Joint Committee on Internal Security, and for other purposes; to the Committee on Rules

By Mr. ASHBROOK (for himself and Mr. ROUSSELOT):

H.J. Res. 129. Joint resolution proposing an amendment to the Constitution of the United States relative to freedom from forced assignment to schools or jobs because of race, creed, or color; to the Committee on the Judiciary.

By Mr. ASHBROOK (for himself and Mr. McDONALD):

H.J. Res. 130. Joint resolution proposing an amendment to the Constitution of the United States relative to force and effect of treaties; to the Committee on the Judiciary.

By Mr. EDWARDS of Alabama (for himself and Mr. ROBINSON):

H.J. Res. 131. Joint resolution proposing an amendment to the Constitution of the United States with respect to the offering of prayer in public buildings; to the Committee on the Judiciary.

By Mr. GRASSLEY:

H.J. Res. 132. Joint resolution proposing an amendment to the Constitution of the United States with respect to the right to life; to the Committee on the Judiciary.

By Mr. MATHIS:

H.J. Res. 133. Joint resolution proposing an amendment to the Constitution of the United States relative to the balancing of the budget; to the Committee on the Judiciary.

H.J. Res. 134. Joint resolution to designate the week commencing with the third Monday in February of each year as "National Patriotism Week"; to the Committee on Post Office and Civil Service.

By Mr. MAZZOLI:

H.J. Res. 135. Joint resolution proposing an amendment to the Constitution of the United States with respect to the right to life; to the Committee on the Judiciary.

By Mr. MITCHELL of New York:

H.J. Res. 136. Joint resolution to declare June 3 through 9, 1979, to be "National Neighborhood Week"; to the Committee on Post Office and Civil Service.

H.J. Res. 137. Joint resolution memorializing Doctor Mahlon Loomis; to the Committee on Post Office and Civil Service.

By Mr. MURPHY of New York:

H.J. Res. 138. Joint resolution proposing an amendment to the Constitution of the United States with respect to the right to life; to the Committee on the Judiciary.

By Mr. OBERSTAR (for himself, Mr. MAZZOLI, Mr. MADIGAN, Mr. HYDE, Mr. MOAKLEY, Mr. MITCHELL of New York, Mr. ERLENBORN, Mr. ANDREWS of North Dakota, Mr. HAGEDORN Mr. LUJAN, Mr. O'BRIEN, Mr. MOLLOHAN, Mr. NOLAN, Mr. STANGELAND, Mr. LEDERER, Mr. MYERS of Pennsylvania, Mr. BENJAMIN, Mr. BREAUX, Mr. KILDEE, Mr. VENTO, Mr. YOUNG of Missouri, Mr. PRICE, Mr. DORNAN, and Mr. ZABLOCKI):

H.J. Res. 139. Joint resolution proposing an amendment to the Constitution of the United States with respect to the right to life; to the Committee on the Judiciary.

By Mr. YOUNG of Florida:

H.J. Res. 140. Joint resolution proposing an amendment to the Constitution of the United States with respect to the attendance of Senators and Representatives at sessions of the Congress; to the Committee on the Judiciary.

H.J. Res. 141. Joint resolution proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. ASHBROOK:

H. Con. Res. 27. Concurrent resolution to reiterate that the Congress has not delegated to the Federal Trade Commission any authority to preempt the laws of the States and their political subdivisions; to the Committee on Interstate and Foreign Commerce.

H. Con. Res. 28. Concurrent resolution disapproving proposed regulations of the Department of the Treasury requiring centralized registration of firearms and other matters; jointly, to the Committees on Ways and Means, and the Judiciary.

By Mr. SLACK:

H. Con. Res. 29. Concurrent resolution expressing the sense of the Congress with regard to the disposition by the United States of any right to, title to, or interest in the property of Canal Zone agencies and any real property located in the Canal Zone; to the Committee on Merchant Marine and Fisheries.

By Mr. ASHBROOK:

H. Res. 55. Resolution providing for the impeachment of U.S. District Judge Frank J. Battisti; to the Committee on the Judiciary.

By Mr. ASHBROOK (for himself and Mr. Derwinski):

H. Res. 56. A resolution to amend the Rules of the House of Representatives to reestablish the Committee on Internal Security, and for other purposes; to the Committee on Rules.

By Mr. COLLINS of Texas:

H. Res. 57. Resolution to provide for a 50-percent reduction of the amount of funds available to, of the number of individuals employed as staff for, and of the amount of office space and number of telephone lines available for use by, any committee of the House of Representatives during the Ninety-Seventh Congress; to the Committee on House Administration.

By Mr. LaFALCE:

H. Res. 58. Resolution to establish a Select Committee on Insurance; to the Committee on Rules.

By Mr. MATHIS:

H. Res. 59. Resolution to establish a Select Committee on International Terrorism; to the Committee on Rules.

By Mr. PRICE:

H. Res. 60. Resolution to provide for the expenses of investigations, and studies to be conducted by the Committee on Armed Services; to the Committee on House Administration.

By Mr. REUSS:

H. Res. 61. Resolution to provide funds for the expenses of the investigations and studies to be conducted by the Committee on Banking, Finance and Urban Affairs; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. HUCKABY:

H.R. 1276. A bill for the relief of Arsenio F. Mesina, Jr.; to the Committee on the Judiciary.

By Mr. NOLAN:

H.R. 1277. A bill for the relief of Dr. Eleazar Briones; to the Committee on the Judiciary.

H.R. 1278. A bill for the relief of Antonio J. Marfori; to the Committee on the Judiciary.

By Mr. PRICE:

H.R. 1279. A bill for the relief of James C. Austin; to the Committee on the Judiciary.

H.R. 1280. A bill for the relief of Doctor Cosme R. Cagas, Mrs. Linda San Deigo Cagas, Elcee Cagas, Chess Cagas, Georgiana Cagas, and Chester Cagas; to the Committee on the Judiciary.

H.R. 1281. A bill for the relief of Marsten L. Shane; to the Committee on the Judiciary.

H.R. 1282. A bill for the relief of Phyllis A. Steiner; to the Committee on the Judiciary.

By Mr. PRITCHARD:

H.R. 1283. A bill for the relief of Pang Chong Ae; to the Committee on the Judiciary.

H.R. 1284. A bill for the relief of Jeannette Marie Poulin; to the Committee on the Judiciary.

H.R. 1285. A bill for the relief of Stewart John Sanders; to the Committee on the Judiciary.

H.R. 1286. A bill for the relief of Sun Cha Cho Walker; to the Committee on the Judiciary.

By Mr. VOLKMER:

H.R. 1287. A bill for the relief of the Jewish Employment Vocational Service, St. Louis, Mo.; to the Committee on the Judiciary.

H.R. 1288. A bill for the relief of Crisanto S. Gualberto (medical doctor), Thelma Castro Gualberto, Tina Gualberto, and Lala Gualberto; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 or rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 20: Mr. Pritchard, Mr. Biaggi, Mr. Ginn, Mr. Young of Alaska, Mr. Bauman, Mr. AuCoin, Mr. D'Amours, Mr. Lent, Mr. Hughes, Mr. Emery, Mr. Evans of Delaware, Mr. Akaka, Mr. Chappell, and Mr. Weaver.

H.R. 34: Mr. Archer, Mr. Bauman, Mr. Cleveland, Mr. Robert W. Daniel, Jr., Mr. Dornan, Mr. Dougherty, Mr. Edwards of Oklahoma, Mr. Erlenborn, Mr. Green, Mr. Goldwater, Mr. Harsha, Mrs. Holt, Mr. Lagomarsino, Mr. Lederer, Mr. Mazzoli, Mr. Roe, Mr. Shumway, Mr. Walker, and Mr. Yatron.

H.R. 35: Mr. Archer, Mr. Badham, Mr. Bauman, Mr. Campbell, Mr. Cleveland, Mr. Robert W. Daniel, Jr., Mr. Dornan, Mr. Dougherty, Mr. Edwards of Oklahoma, Mr. Erlenborn, Mr. Goldwater, Mr. Harsha, Mrs. Holt, Mr. Kramer, Mr. Lagomarsino, Mr. Lott, Mr. Mazzoli, Mr. Murphy of Pennsylvania, Mr. Roe, Mr. Shumway, Mr. Walker, and Mr. Yatron.

H.R. 365: Mr. Glickman, Mr. Mottl, Mr. Derwinski, Mr. Regula, Mr. Lagomarsino, Mr. Kramer, Mr. Lott, Mr. Barnard, Mr. Conte, Mr. Erdahl, Mrs. Bouquard, Mr. Davis of South Carolina, Mr. Hillis, Mr. Miller of California, Mr. Lee, Mr. Cleveland, Mr. Rudd, Mr. Sensenbrenner, Mr. Lewis, Mr. Sawyer, Mr. McDonald, Mr. Andrews of North Dakota, Mr. Collins of Texas, Mr. Goodling, Mr. Grisham, Mrs. Snowe, Mr. Clinger, Mr. Coughlin, Mr. Dannemeyer, Mr. Jeffries, Mr. Leach of Iowa, and Mr. Solomon.

H.R. 654: Mr. Mottl, Mr. Hughes, Mr. Forsythe, Mr. Price, Mrs. Bouquard, and Mr. Whitehurst.

H.R. 1076: Mr. Charles Wilson of Texas, Mr. Brooks, and Mr. Roberts.

EXTENSIONS OF REMARKS

THE INTELLIGENCE GAP

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 22, 1979

● Mr. DERWINSKI. Mr. Speaker, Allan C. Brownfeld, a syndicated columnist who is especially knowledgeable of the international scene, discusses in his column appearing in the Santa Ana Register of December 18, 1978, the concern over the intelligence gap our Nation faces. His analysis follows:

THE INTELLIGENCE GAP

(By Allan C. Brownfeld)

The United States suffered a serious intelligence gap by not recognizing that the riots in Iran were going to get out of hand. Even President Carter himself now admits that this is true. In fact, he has publicly expressed concern over the deteriorating quality of American intelligence reporting, not only in Iran but in other foreign political crises as well. What the president does not say, however, is that his own policies have led directly to this dangerous state of affairs.

First, consider the seriousness of the problem.

Members of Congress and of the Joint Chiefs of Staff report that they were far more alarmed as they watched the initial demonstrations in Iran than were the supposed "experts" in the State Department and the intelligence community. Intelligence officers themselves now admit that they did not underscore heavily enough the possible escalation of the initial rioting in Iran. They said that their "customers" in Washington—namely, the White House—never demanded in-depth assessments.

Now, the president has said that he has asked top aides to take steps to improve methods for collecting and analyzing information on sensitive developments abroad. He said that he was concerned that too much emphasis had been placed on gathering information by electronic means in recent years. This meant, he said, that the CIA

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

and other agencies had tended to neglect other information, some of it "publicly available." He said there was "still some progress to be made in this area."

Intelligence experts themselves argue persuasively that the sharp curtailment of U.S. covert activities as part of the post-Watergate reforms of the CIA has led to U.S. intelligence officials relying too heavily on foreign intelligence agencies, as with SAVAK, the Iranian intelligence group. One former CIA agent said it was standard practice before Watergate for U.S. intelligence officers to pose as students and interview Iranian student leaders all over the world.

Although this penetration of Iranian student groups angered both the shah and the State Department, this former official said, it was, and is, the best way to forecast what young Iranian dissidents are likely to do.

In mid-September, members of the Senate Foreign Relations Committee questioned two State Department officials—John C. Miklos and Henry Precht of the Bureau of Near Eastern and South Asian Affairs—in a closed session on conditions in Iran. According to those who heard it, the State Department testimony was so vague that angered committee members demanded that the CIA come to the Senate with hard information on Iranian developments.

Robert R. Bowie, director of the CIA's National Foreign Assessment, appeared before the committee in secret session and, according to those who heard him, gave an optimistic view of the situation in Iran.

The Defense Intelligence Agency, as well as the CIA, failed to predict that the demonstrations against the shah would get out of hand, officials said, even after the joint chiefs had expressed their concern to the CIA.

The mid-August intelligence assessment upon which the Carter administration based its policy held that the shah's opposition was no more than potentially "troublesome" and foresaw no important threat to the stability of his regime. This appraisal caused the Carter administration to advise the shah to attempt to disarm the opposition by accelerated measures of liberalization. How dangerous this advice was is yet to be fully determined.

Discussing the status of the CIA, The Washington Star lamented, "No intelligence agency can be the target of undiscriminating remark and hasty 'reform' for years running and expect to do its job properly."

Although President Carter now expresses dismay at the dismal intelligence he has been receiving, it is his own policies which have led to this state of affairs, beginning with his choice of Admiral Stansfield Turner—a man with virtually no experience in the intelligence field—to head the CIA. Of course, even before Mr. Carter assumed office the CIA was being seriously damaged and there is much legitimate question about the quality of its intelligence during the past decade, particularly its serious errors in estimating Soviet defense spending. Still, President Carter's policies rather than correcting previous problems have only made things worse.

In this connection, Rep. Samuel Stratton, D-N.Y. declared, "Some months ago, it will be recalled, Admiral Turner undertook a massive 'reorganization' of the CIA. He did it by throwing out several hundred top, seasoned, 'operational' types, whose CIA careers had been devoted chiefly to the personal collection of intelligence abroad, mostly by clandestine means. The reasons, we were told was that with all the highly sophisticated electronic and photographic intelligence-collection methods now available to us because of our superior American technology, there was no longer any need for the more messy and inexact procedures of personal collection. This proved—as many recognized at the time—to be a disastrous judgmental error on the part of a man with no significant experience in or understanding of intelligence."

Expressing a growing view in the Congress, Rep. Stratton concluded, "Spies in the sky can indeed perform wonders, and we should all be grateful for their unique capabilities. But there is no technological substitute for the man—or the woman—on the spot. Revolts, revolutions, and terrorist attacks are not customarily developed by machines. In deliberately cutting our intelligence system off from the bars, coffee houses, and other non-technical places where indications of intentions—as distinguished from capabilities—are most apt to be picked up, we have left ourselves, as in the case of Iran, wide open to being blindsided."

This is a situation which a great power endures only at great peril to itself and its friends.●

THE PRESIDENT'S FAILURE

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 22, 1979

● Mr. MICHEL. Mr. Speaker, it is becoming more and more obvious, painfully so for some, that the current administration simply is not up to the job. No amount of Rafshoonery can disguise the fact that President Carter, a personally decent, hard-working, and well-intentioned man simply has not shown the qualities of leadership necessary for our troubled times.

The inherent inability of the President to either appear to be a leader or to actually provide leadership was recently written about by Wall Street Journal writer Norman C. Miller in his "Perspective on Politics" column. I believe Mr. Miller has accurately portrayed the overwhelming failure of the administration to appeal to the imagination and the good sense of the American people.

At this point I wish to insert in the RECORD, "Carter's Failures" by Norman C. Miller, Wall Street Journal, January 18, 1979:

CARTER'S FAILURE

(By Norman C. Miller)

Perhaps the most serious problem of Jimmy Carter's presidency is that, after two years, he has made very little impression on the public.

He is neither loved nor hated. He doesn't inspire much hope or despair. He isn't greatly respected, though he probably has put to rest doubts about his competence as President.

Mr. Carter is just a bland, even boring presence, intelligent, no doubt, honest, unquestionably, hardworking and well-intentioned, surely.

Such qualities are admirable, of course, but they are not enough. To be successful, a President or any political leader must somehow inspire people to believe that his efforts and policies will make a tangible difference in their lives. President Carter, so far, has failed to do this.

One begins to suspect, moreover, that for all his earnest striving Mr. Carter lacks the intangible gift of leadership that inspires people to think that he can make a difference. Whether it is a lack of vision, a lack of charisma—whatever the cause—it is too easy to ignore or forget what Mr. Carter says or does. He has trouble persuading people to follow him—to trust his judgment on tough issues—because he does not command attention. To many people, one suspects, Mr. Carter is a remote irrelevancy.

If this is the case, it is in large part not President Carter's fault but a reflection of the malaise that afflicts the country. Watergate, Vietnam, the failure of many government programs and inflation have bred pervasive cynicism toward politics. It is an extraordinarily difficult ask for the President to diminish this cynicism and begin rebuilding faith and trust in government.

It is all the more difficult because the problems of the times do not lend themselves to either-or choices or to swift solutions by the President. On the crucial issue of inflation, for example, the President may be in a no-win position politically. Even if his policy of gradually winding down inflation to a tolerable level eventually works, Mr. Carter is going to suffer severe criticism during the long and painful process. If his anti-inflation policy doesn't work—or produces a serious recession—he will be in even worse shape politically.

In foreign affairs, the public is resentful and worried about the decline of American power. It is a hard climate in which to sell a Strategic Arms Limitation Treaty, which at best can be portrayed by the President as a means of maintaining nuclear arms equivalency with the Soviets. The counterargument that SALT is an opening for the Soviets to gain military superiority may add to public worry, even if the President finally persuades the Senate to ratify a treaty.

Across the board, President Carter is in the unenviable position of having to ask people to sacrifice things they want, such as hefty pay increases and cheap fuel. He can only promise a skeptical public that things will get better some time in the hazy future.

So, Mr. Carter is trying to lead in a particularly trying time. Yet when the difficulty of the problems is acknowledged, the nagging question remains whether this President possesses the leadership qualities to forge a new consensus and confidence among the people.

So far, the President has failed to communicate a coherent sense of purpose that the public can grasp. People still don't know what to expect of him, whether he will stick to his immediately proclaimed objectives or shift priorities with events.

Mr. Carter seems to think this is nothing more than a public relations problem. "The multiplicity of responsibilities that a President has (and) the same issues that our nation has to face, I think causes some lack of central focus quite often," he recently told Bill Moyers in a public television system interview. "So to bring some tightly drawn simplistic cohesion into this broadly diverse responsibility is almost impossible," he added.

In part, Mr. Carter's leadership difficulties are grounded in inept public relations, although the problem is more serious than the absence of a slick slogan as he suggests. The President is a soporific speaker on television, and his lack of skill at mass communications is a severe handicap.

But Mr. Carter's problem goes much deeper than style. A lack of flashiness isn't a great problem if a President has a message to convey that people can identify with, something that promises to improve their lives and move the country forward. People will listen, and many will respond, to a President whom they sense has a fundamental conception of where he wants to lead them.

But what is Mr. Carter's essential message? Yes, he has a policy for every major problem, but what does it all add up to? When you strip away the pieties and platitudes that often mark his speeches, it's hard to tell what the President firmly stands for and where he is trying to lead this society.

Mr. Carter may know but most people don't and the fault is not theirs but his.

In his dogged way, Mr. Carter may yet succeed in convincing people that he is a leader who can make a difference. But his record so far is more of a liability than an asset to his effort.●

THE 50TH BIRTHDAY OF REV. MARTIN LUTHER KING, JR.

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 22, 1979

● Mr. GILMAN. Mr. Speaker, Monday, January 15, would have been the 50th birthday of one of the great Americans of the 20th century, the Reverend Martin Luther King, Jr.

Martin Luther King never sought notoriety. But fame overtook this humble man who was "the right man in the right place at the right time." As a local pastor in Montgomery, Ala., he happened to be on hand in 1955 when the now-famous bus boycott spontaneously erupted. He proved to be a vital moral force, leading the way to protest for equal rights with dignity.

Dr. King possessed many noble virtues, which he demonstrated daily. Constantly tempering courage with charity, he stressed his belief that social change could come about from nonviolence. He translated his deep-seated opposition to bigotry, prejudice, and hatred into living lessons for all of us. While his crusade for human rights ended prematurely in 1968, when he was cut down by a sniper's bullet, his work goes on.

Although a glowing chapter in our Nation's civil rights movement ended as a result of that sniper's bullet in Memphis nearly 11 years ago, that book is not yet complete. The history of the civil rights movement will continue to be written until there truly is equality in the United States; a belief which Dr. King attempted to illustrate for all of us.

This martyred leader of the black community left us a legacy of his goodness. And as Roger Wilkins of the New York Times so eloquently stated in an article which appeared in early 1978:

> . . . Conversations with blacks of both high and low estate, with those that knew him and those who did not, indicated quite clearly that his principal legacy was the changes that his life, his force, his programs, and his courage wrought in their minds and spirits. There were other legacies, of course, but a broad spectrum of opinion holds that this, of all his gifts to black Americans, was the most precious.

My own memory of Dr. King brings to mind countless incidents where this courageous leader braved a hostile environment:

There was the 1965 bus boycott; the demonstrations opposing segregation in Birmingham in 1963; and the famous March on Washington that same year, when Dr. King told the world, "I have a dream."

Dr. Martin Luther King, Jr., truly one of the greatest Americans of all time, had the moral leadership and the foresight to lead the struggle for quality for all Americans.

On this, the 50th anniversary of his birth, let all Americans reflect on the teachings of this great man, and resolve that his goals of liberty and justice of all our citizens will be achieved.●

VICTIMS OF CRIME

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, January 22, 1979

● Mr. ZABLOCKI. Mr. Speaker, unfortunately, many times our judicial system overlooks those most affected by crime—the victims and witnesses.

Recently, columnist William Raspberry underscored discrepancies in our system when the well-being of victims or witnesses are forgotten or ignored as trials move forward. Mr. Raspberry points to the victim/witness service for the Milwaukee County District Attorney's office as a possible answer to this problem.

The Milwaukee County program which includes the 4th Congressional District of Wisconsin which I have the honor of representing, is geared toward keeping victims abreast of proceedings and helping them cope with trials. It seeks to eliminate wasted time and impersonal treatment of witnesses and victims.

Certainly, victims of crime deserve help in sifting through complex and often lengthy court proceedings. I commend Milwaukee County on its program, and call to the attention of my colleagues the following article:

[From the Washington Post, Jan. 1, 1979]

SERVING THE VICTIMS OF CRIME

(By William Raspberry)

The very way we title our court cases—Ohio v. Joe Doaks, New York v. Mary Doe, U.S. v. John Doe—provides a clue to two of the problems with the American criminal-justice system.

To begin with, it makes the legal battle seem unfair: the resources of a state or the entire nation arrayed against one individual defendant.

That aspect of the problem has long captured the attention of the reformers. Law-enforcement officials, the courts, the entire criminal-justice system, now are paying more attention to the rights of defendants.

But there is another aspect that is deserving of attention as well. The theory of the law—again implicit in the way we name cases—is that the government itself is the victim of crime. Maybe the crook broke into your home, stole your car and killed a member of your family. But it isn't your case. It's The State v. Crook. At best, you are no more than a witness in the state's case.

That may work very well in terms of convicting criminals, but it frequently leaves the true victim of crime in a legal no-man's-land, hardly aware of what is going on.

That, too, is starting to change.

"We're trying to look at the system from the lay person's point of view," says Jo Beaudry of Milwaukee. "Just to take one example, one of the things we used to hear all the time is: 'The thief had my television set for 15 minutes before you caught him; you've had it for two years waiting for him to be convicted.'"

Beaudry, who is coordinator of the Victim/Witness Service for the Milwaukee County District Attorney's office, was referring to the fact that recovered goods are frequently kept by the authorities until a case is over, just in case it is needed in court.

They no longer do that in Milwaukee. Instead, they photograph the stolen goods, including the owner in the picture. That photograph, properly identified, becomes the court's evidence, making it possible for the merchandise to be returned to its owner almost immediately.

"It's such a simple thing," says Beaudry. "In fact, most of what we do is simple. For instance, nearly every serious felony case here is set for jury trial, but the vast majority of them never go to trial. At some point along the way, the defendant will plead guilty and the case will be closed.

"Some time later, the victim will call the D.A. and ask what happened. 'Oh, he pleaded guilty two years ago and got probation,' they'll tell him. It's as though the victim had no role in the whole affair."

A major part of Beaudry's job is to keep victims abreast of proceedings, on the ground that the major suffering accrues to victims, not to some amorphous "state."

Nor are her services limited to the technical victims of crime. "We discovered, for example, that the family of a deceased is seldom the direct victim of a crime, in the technical sense, or even a witness to the crime," Beaudry said. "As a result, they were frequently ignored."

"I remember getting a call from the mother of a kid who had been killed. It bowled me over that nobody had kept her abreast of what was going on. As far as the system was concerned, she was irrelevant to the case. After that, we started treating surviving family members as interested parties, as though they were witnesses, giving them the same information and services."

Part of what Beaudry does in Milwaukee falls under the heading of common courtesy. Some of it has a direct bearing on the quality of justice.

"There is a very practical reason for taking good care of witnesses," she says. "If we don't, we are going to wind up like New York or Chicago, where some 60 percent of the witnesses don't show up when they are called. Without the witnesses, there's no case. Our no-show rate in Milwaukee is so small we don't even bother to count. It just isn't a problem."

The Milwaukee program is one of 466 victim/witness projects funded by the federal Law Enforcement Assistance Administration at an annual cost of nearly $40 million. Unlike many of the others, Milwaukee's program will continue virtually intact even after the federal funding runs out.

It's a matter of sound economics. Just the practice of keeping on top of court calendars so that witnesses don't have to show up until they are to be used results in major savings in lost productivity and lost wages, Beaudry says.

In fact, she said, the money saved in police overtime payments—by not having the officers make repeated, unnecessary trips to the courthouse—comes to more than the $100,000 annual cost of the Milwaukee program.●

GENERAL STONEWALL JACKSON

HON. ROBERT H. MOLLOHAN

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 22, 1979

● Mr. MOLLOHAN. Mr. Speaker, yesterday, January 21, marked the 155th anniversary of the birth of Gen. Thomas Jonathan "Stonewall" Jackson in Clarksburg, W. Va., which is part of my congressional district.

I would like to take this opportunity to call upon my colleagues to remember Stonewall Jackson for his many contributions to military tactics. In fact, his tactics are still being studied at the U.S. Military Academy at West Point, N.Y.; Virginia Military Institute in Lexington, Va.; Fort Knox in Kentucky; St. Cyr in France, and Sandhurst in England.

Let us pause for a moment to honor the memory of this great American who gave much to his country.●

UKRAINIAN INDEPENDENCE DAY

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 22, 1979

● Mr. GILMAN. Mr. Speaker, today marks the 61st anniversary of the short-lived Ukrainian independence prior to its occupation and subjugation by Soviet Armed Forces.

Today is, indeed, appropriate for a time of reflection in face of the many violations of human rights taking place daily in the Soviet Union and Eastern European countries. Until 1917 the Ukraine was known merely as a provincial "Little Russia." For two centuries the czarist regime tried unrelentlessly to "Russianize" all forms of Ukrainian life. Ukrainian heritage and culture was suppressed, Ukrainian free-thinkers were exiled to Siberia in great numbers, and a large population of Russians were moved to the major Ukrainian cities born out of the Industrial Revolution—1863–1875. Nevertheless, the Ukrainian people held on to their traditions and secretly formed their own political parties.

Following the eviction of the czar in 1917, these organizations proclaimed the establishment of the Ukrainian People's Republic, federated as an equal with Russia. Lenin, with the help of Russian troops, set up a rival government in Kharkov. The Ukrainian people responded on January 22, 1918, by proclaiming absolute independence. History has recorded the extensive trials and tribulations of those Ukrainians seeking freedom as expressed in that courageous proclamation. It was a period which fostered and nurtured the concept of both personal freedom and national sovereignty, regardless of its price.

Today, although the Ukrainians are still suffering under Russian domination, the spirit of their proclamation continues to prevail in the hearts and minds of all Ukrainians, with the singly cherished hope of having these ideals become reality.

Mr. Speaker, those Ukrainians who, through constant persecution, were forced to leave their homeland, have developed over the past 100 years of their existence here in the United States, a Ukrainian-American community that blends the best from their own rich ethnic heritage, with the new concepts and beliefs of American life. It is with pride and joy that I join the many American-Ukrainians in tribute to those still working toward the attainment of their just and rightful goals. May their struggle never fall short of success.●

THE CONGRESSIONAL BUDGET PROCESS

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 22, 1979

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report on the congressional budget process into the CONGRESSIONAL RECORD:

THE CONGRESSIONAL BUDGET PROCESS

The fourth year of the congressional budget process has been a good one. The process has strongly influenced congressional decisions on spending and taxation. It has made itself felt on the side of restraint and prudence, matching the mood of the people toward the government's management of its fiscal affairs. I have the impression that the process has worked better than most Americans expected.

In response to widespread criticism that legislators failed to take an overall look at government spending and revenue, Congress passed the Congressional Budget and Impoundment Control Act in 1974. Basically, the act set up a mechanism through which Congress could consider all money bills together. No longer would Congress pass all manner of spending and revenue bills, letting the President worry about how the bills added up.

The congressional budget process is fairly simple in outline. Early each year the legislative committees of Congress prepare estimates of how much spending they anticipate for the coming fiscal year. The House and Senate budget committees review these estimates and then draft a resolution establishing spending and revenue targets for each major area of government operation. The targets have to be approved by the entire Congress before May 15, and only then may appropriations bills be debated. The targets exert a powerful influence on all the appropriations and tax measures that are eventually enacted into law.

Once the initial targets are in place, the budget committees move on to the second phase of the process. By late summer they draft a second resolution which takes into account any changes in government policy or the economy that may have taken place since the beginning of the year. The entire Congress must approve the second resolution before October 1, the start of the new fiscal year. This resolution puts a cap on total spending and a floor under total revenue.

There is ample evidence that the process has made itself felt. Because of it a tuition tax credit bill was rewritten, impact aid to education was trimmed, and a farm bill was defeated. In addition, the President's urban policy was sidetracked and his welfare reform proposal was shelved. Also, spending for social programs was held down as a percentage of the budget. A few more bills will very likely feel the bite of the process before the year is out.

It is still too early for final judgments, but it seems to me that one positive result of the process will be modest growth in the budget. For fiscal year 1979 the President proposed outlays of $500.2 billion. Congress, however, will only allow outlays of $487.5 billion. A projected deficit of $60.6 billion will drop 36 percent to $38.8 billion, the lowest in five years. The significance of this slowdown in spending is difficult to gauge, but it could represent the end of government attempts to meet the demands of every special interest group.

There are other positive results, too. Money bills are moving through Congress faster, and spending and taxation are being programmed more rationally. The process has had a restraining effect on legislative committees, has made members of Congress more thrifty, and has forced everyone to think about the budget as a whole. The process has also made it easier to assess the budgetary consequences of bills. There is much less confusion about cost estimates, the wisdom of programs, and the legislative alternatives that are available.

In spite of all these positive results, it would be premature to pronounce the process an unqualified success. It has had the advantage of taking hold at a time when the antispending mood is strong in both the Congress and the country. Behind this mood is rising anxiety about inflation, but should inflation abate and a severe recession occur the Congress could reverse itself and return to a less conservative policy of economic stimulus. For the time being, however, such a reversal is not likely. Congress will continue to respond to the people's demand for austere budgets and lower taxes.

Whether times are good or bad there is a continuing danger that the process will be undermined by popular pressure for spending. This pressure is always great, and the process does little to lessen it. The fact that Congress now reviews the budget as a whole will not stop thousands of special interest groups from demanding the specific programs that suit their needs.

Tough fights lie ahead. There will undoubtedly be efforts to weaken or dismantle the congressional budget process. While it is no panacea for the ills of runaway government, the process is powerful medicine. Abandoning it now would be a serious mistake.●

IOLANI LUAHINE, THE LAST LINK TO THE ANCIENT HAWAIIAN HULA

HON. CECIL (CEC) HEFTEL

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Monday, January 22, 1979

● Mr. HEFTEL. Mr. Speaker, on December 11, 1978, the entire world suffered the loss of a great woman; Iolani Luahine of Hawaii. We are saddened by the death of this distinguished artist, the last of the Hawaiian people to dance the sacred hula as it was handed down from her ancestors who danced for the royalty of ancient Hawaii. For over 150 years an unbroken chain of knowledge of the authentic chants and hulas was passed down through this family of hula artists, who secretly kept the dance alive when it was almost lost under the strong influence of the missionaries. Miss Luahine was recognized by the world as a living treasure, transcending cultural barriers to bring the message of the hula to everyone.

I submit to my colleagues the following obituary that appeared in the New York Times:

IOLANI LUAHINE, AT 63; CALLED LAST EXPONENT OF SACRED HULA DANCE

(By Anna Kisselgoff)

Iolani Luahine, a dancer regarded as Hawaii's last great exponent of the sacred hula ceremony, died Monday on the Island of Hawaii. She was 63 years old.

The granddaughter of a dancer and chanter at the court of Kalakaua, Hawaii's last King, Miss Luahine was revered both in Hawaii, where she was awarded many honors, and in nationwide dance circles for her preservation of the hula as a sacred form that mixed poetry, music and dance.

Just before her last appearance on the mainland, at the American Dance Festival in July 1975, Miss Luahine stressed that the hula was not the nightclub version familiar to many Americans but a dance in praise of gods and rulers.

"According to Hawaiian customs and tradition, she was set apart by her birthright as a kapu, or sacred dancer. She was considered the supreme dancer," Kamaki Kanahele of the National Endowment for the Arts, said yesterday. Mr. Kanahele, a native of Hawaii who is the endowment's Education Program administrator, said the Federal agency had recently completed 18 reels of filming of Miss Luahine for its archives.

Known as Iolani, or "Heavenly Bird," the dancer was officially proclaimed "a living national treasure" by the State of Hawaii. In 1970, Gov. John A. Burns awarded her the first State of Hawaii Order of Distinction for Cultural Leadership.

Born in Kona on Hawaii, Iolani was sent as an infant to Honolulu to be instructed by her great-aunt, Keahi Luahine Sylvester, in the form, steps and mele—or chants—of the hula.●

TV BANNING OF BASEBALL GAMES ON FRIDAY NIGHTS

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 22, 1979

● Mr. PICKLE. Mr. Speaker, today I am reintroducing a bill to amend antitrust laws, concerning the televising of professional baseball games on certain nights.

Last year, you may recall when I introduced this bill, I pointed out that a recent extended baseball season led to the televising of a World Series game and major league playoff game on a Friday night.

The situation should come under the same antitrust laws which prevent broadcasts of professional football games on Friday night.

I am not out to squelch the enjoyment of avid baseball fans or to deny the professional teams and networks a revenue source. I simply think we should protect high school athletic programs across the country, which depend upon full stands on Friday night for monetary and team support.

This bill would amend present antitrust laws by simply including "any professional baseball game on any Friday after 6 o'clock postmeridian during the period" of the second Friday in September to the second Saturday in December. A television broadcast of these baseball games would therefore lead to a loss of a network's antitrust exemption.

There is no greater or more popular way of promoting good citizenship than interscholastic athletics, with their roots based on Friday night football games each fall. The financial aspects are quite awesome and we simply want to protect this revenue source by scheduling playoff baseball games around Friday nights, just as professional football games are now scheduled

Baseball Commissioner Bowie Kuhn is aware of this problem and he is sympathetic to high school athletic programs. He has not suggested a permanent solution. I believe this bill will provide our answer and I ask for your consideration and support of this measure.●

A TRIBUTE TO THE INDEPENDENCE OF THE UKRAINE

HON. BARBARA A. MIKULSKI

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, January 22, 1979

● Ms. MIKULSKI. Mr. Speaker, let us honor today the valiant people of the Ukraine, whether they are still in their mother land, in the United States, or elsewhere in the world, for today is the 61st anniversary of the Proclamation of the Independence of Ukraine and the 60th anniversary of the act of union, whereby all Ukrainian lands were united into one independent and sovereign state of a Ukrainian nation. Both the independence of the Ukraine and the act of union were proclaimed by a duly elected Ukrainian Parliament in Kiev, capitol of Ukraine, on January 22, 1918, and January 22, 1919, respectively.

France, England, and Russia were among the many nations which immediately recognized the sovereign Ukrainian state. Despite the fact that the Soviet Government had officially recognized Ukraine as an independent and sovereign state, Ukraine was attacked by military aggression and subversion from within.

Alone and without aid from Western nations, the Ukraine people waged a gallant struggle in defense of their country for 3½ years, but were ultimately overpowered by numerically stronger and better equipped armed forces of the Red Russian Bolsheviks. The Ukraine National Republic was destroyed and in its place a Communist puppet government, known as the Ukrainian Soviet Socialist Republic, was created. In 1924 the Republic was forcibly incorporated into the Union of Soviet Socialist Republics.

The entire history of a Soviet-dominated Ukraine is a ghastly record of inhumanity and outright persecution. Russification, and violations of human rights on a scale not known in the history of mankind. Under Stalin, Ukraine was marked for physical destruction and denationalization. Under the Khrushchev, Brezhnev, and Kosygin regimes, outright terror was replaced by the subtle process of destruction in terms of losing a Ukrainian consciousness and identity through Russification.

The Russian Communist enslavement of Ukraine has brought much suffering to the people. In spite of this oppression, the Ukrainians have never accepted a foreign domination and are continuing to struggle for human rights, freedom, and national independence. The spirit which brought to life the Ukrainian National Republic is more vibrantly alive among 50 million Ukrainian people today than it ever was in the centuries of old Ukrainian history.

It is in common spirit of liberty, faith, and justice for human rights that the American people join the Ukrainians all over the world in paying tribute to the Ukrainian people in their undaunted struggle for human rights, freedom, and national independence of Ukraine.●

LEO J. RYAN'S TRAGIC DEATH

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 22, 1979

● Mr. GILMAN. Mr. Speaker, on Saturday, November 18, 1978, we lost a gallant leader. Leo Ryan's absence is already painfully noticeable here in the halls of the Congress.

Congressman Ryan's death and the incidents surounding that fateful day in Jonestown, Guyana has not only shocked all of us who knew and respected this fine man, but has shocked the entire world. But, hopefully this tragic turn of events will serve to awaken our Nation and the world. It should give rise to our need to reexamine the extremism and radicalization of some of the cult organizations.

Leo Ryan was an outstanding member of the House International Relations Committee and came to Congress in 1973 as a member of the 93d congressional class. This gentleman from California and I went together on our first study mission to Latin America in 1973. I found his appetite for information and the truth to be insatiable. In the last 5 years I had the fortune of working with Leo on several important issues, and as recent as last January traveled with him on a Middle East study mission. As a matter of fact, I had been invited by Leo to accompany him on his last fateful mission.

I was attending a seminar in London when I heard of Congressman Ryan's bizarre death. It is incumbent now upon those of us in the Congress who knew of Leo's public service mission to thoroughly investigate the causes of the Jonestown tragedy, and to attempt to make certain that such tragic events will not occur in the future.

Besides his duties on the International Relations Committee, we also served together on the House Post Office and Civil Service Committee. He was a creative, devoted public servant who never shirked responsibility under fire.

Leo's skills as an investigator were sharpened during his 10 years in the California State Assembly. His first love was education, and prior to his political career he served as a school principal and school superintendent. During World War II, Leo served in the submarine service of the U.S. Navy.

America lost a dedicated public servant on November 18. So that his death not be in vain, let us thoroughly investigate those organizations which in the guise of offering salvation, provide only despair.●

DEPENDENCE ON DEFENSE SPENDING

HON. CHRISTOPHER J. DODD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, January 22, 1979

● Mr. DODD. Mr. Speaker, last Tuesday, the 16th of January, I was invited to address a session of the legislative conference of the United Auto Workers. The delegates to this session represented the New England region of the UAW.

I spoke on an issue of great importance to the New England region and of particular importance to the State of Connecticut. That issue is the economic dependence of many communities on defense spending. My own State of Connecticut is considered to be the most defense dependent State in the Union. While defense spending can often bring many economic benefits to a community, a heavy reliance on defense contracts also can leave a community particularly vulnerable to economic dislocations.

My colleagues from California, after their recent experience with the B–1 bomber cancellation, know the economic hardships which dependence on military spending can often bring.

My address before the UAW conference outlines some of the problems caused by a community's heavy reliance on military spending and discusses some of the ways in which such communities can reduce their economic reliance on defense contracts. I hope that my colleagues will take the time to review my address and ask themselves whether their districts are unusually dependent on defense spending.

ADDRESS OF CONGRESSMAN CHRISTOPHER J. DODD

I am pleased to have this opportunity to address the delegates from region 9A of the United Auto Workers at this session of the Legislative Conference. I would like to express my special appreciation to Don Ephlin for inviting me to speak to you, as Don was kind enough to accept my invitation last August to speak. very eloquently I might add, at a conference I convened in Hartford to discuss the problems of "defense dependency in New England."

I feel myself fortunate to have as fellow panelists Gene Casasaris and Sheldon Friedman who, as you know, were members of a 15 member economic dislocation study team which recently visited Sweden, Great Britain, and West Germany to see how these countries dealt with plant closing and other economic dislocations. I am looking forward to their remarks about what we might learn from those nations.

I have been asked to speak about economic conversion and plant closing legislation, but I would like to add to that list another measure which I believe must be considered when we discuss current efforts to reduce a community's or a plant's vulnerability to defense-related economic dislocations. That measure is economic diversification.

But before I address the current legislative initiatives in these areas, I would like to discuss the philosophy behind these initiatives.

When we talk about conversion and diversification legislation, I have to admit that the initial reaction of some people is to ask why the government should be involved with the economic problems of defense plants and their workers who, after all, operate in the private sector. But workers who are employed by private concerns which do the great bulk of their business with the government depend on the government for their job security. I believe that the government has a responsibility to the people it employs directly and indirectly. The emphasis of conversion and diversification legislation has been on the defense industry as it is the largest private industry which works pretty much exclusively for the government. Unfortunately, I believe that the federal government has shirked its responsibility to the workers it employs in the defense industry. And because it has, and because many communities are held economically hostage by the Defense Department, Public Officials, Union Leaders and Community Representatives usually have no other choice but to protest when a decision is made to terminate a defense contract. However, we must be able to base decisions concerning our national defense on what we need to defend ourselves rather than on economic concerns.

Many communities are dependent on military contracts. Defense spending does, of course, bring many benefits to particular communities. It can create large numbers of well paying jobs, establish a strong tax base, and give the community the satisfaction of knowing it is contributing to the national defense. Defense department employment, both military and civilian, accounts for one fifth of all public-sector jobs. Defense contractor employment in the private sector, about 2 million jobs, constitutes about 3% of private sector jobs.

Defense spending then can obviously have a profound economic effect in areas in which it is concentrated, especially when one considers the multiplier effect of approximately 1.5–1.9 civilians jobs which each civilian defense employee is estimated to create.

However, the economic effect of defense spending can produce severe dislocations as well as benefits. For example, over the past eight years an average of 1400 contracts with an average annual value of $222 million were terminated each year. One only has to look at the recent B–1 experience in California to understand how disastrous the economic effects of a single large contract termination can be.

We in Connecticut should be especially concerned about our own degree of economic vulnerability to such large contract terminations. Connecticut is considered to be the most heavily defense dependent state in the union. We have more defense contracts per capita than any other state. In fact, except for the past few years, the only time the unemployment rate in Connecticut has been below the national average has been during wartime when defense production surged. The men and women who work in our defense plants and our shipyards have a strong commitment to the Government and to the Nation, but the Government seems to have precious little commitment to them. These men and women work long and hard and often for many, many years, but when the Government cancels a contract, what happens? They are laid off; that's what happens. After 20 or 25 years of working at a plant, a decision is made in the Pentagon, or the White House or here in Congress, and the worker is given a week, if that, to clear out his desk or pack up his tools and leave the gate for the last time.

I have seen it happen in my district in Eastern Connecticut, and I know that you have seen it happen all over the country. When the Electric Boat Company laid off 3,000 people in October 1977 it wasn't because of a contract termination, they have more work than they can handle, it was simply because a new manager came in. Yet 3,000 workers walked through the gates because big businesses are only concerned about the welfare of their workers when it adds to their profit margins. Otherwise a worker with 25 years of seniority is treated like some obsolete piece of equipment—simply thrown away.

Is it too much to ask that Government and defense contractors treat the workers on whom our national security rests with some respect and compassion? No one is looking for a handout, they are just looking for a fair break. These defense contractors, after all, love working for the government. Many of them get a built-in profit margin in their contracts. I ask you, where else can a company in our private enterprise system get as sweet a deal as that? And its profit from the taxpayers pocket! But when we suggest that perhaps, just perhaps, some of that guaranteed profit go to protect the worker from the effects of a layoff and all of a sudden we're interfering with the free market economy.

If you are a soldier or a sailor, and you do your duty for just a couple of years, you get all the benefits of the GI bill. If you do just as much or even more to contribute to the national defense at a shipyard or a plant, there is no GI bill even after 20 or 25 years. The end of the line may be a pink slip and no hope of finding another comparable job. I have seen what the government assistance effort is like. After all the reports and studies are done and you look back to see what has been done for the individual worker, you realize the only thing done was to set up a few card tables and have a counselor help him write up his resume.

Something is inherently wrong about a system when a large corporation's profit margins are protected by the government, when the soldier who serves a couple of years can go to college free—at government expense, but when a defense worker whose put in 20 years can be callously discarded.

My goal is to see that government provides for the economic protection of the workers who maintain our national defense. The first smallest step that the Federal Government must take is give advance notification of any major contract termination or cutback. And industry must pay to plan for the future security of their workers by planning for the alternative use of their facilities in the event of a dislocation. After all, they should recognize that it is also their own future economic security which is at stake.

I fully recognize that the current mood of the country and of Congress is not likely to be overwhelmingly supportive of comprehensive advance notice, alternative use and worker assistance programs if they call for federal expenditures, but the first steps must be taken now to prepare the ground.

As I am sure many of you know, the Defense Economic Adjustment Act, the McGovern-Mathias bill, should be reintroduced in this new session of Congress. The purpose of the McGovern-Mathias bill is to facilitate the economic adjustment of communities, industries, and the workforce to civilian-oriented employment when defense industries or military installations have been seriously affected by contract terminations or reductions, and base closings. The bill's primary focus is on having alternative use plans drawn up to deal with the possibility of severe cutbacks in defense-related facilities. Advance notification of base closings and contract terminations is a integral part of the bill. The McGovern-Mathias proposal is the primary conversion bill before Congress. And it is a bill which I strongly support. Military dislocations are, after all a clear and immediate responsibility of the Federal Government. The Government has a responsibility to assist communities and workers who are adversely affected by Government decisions.

Rather than try to duplicate the efforts of Senators McGovern and Mathias whose bill addresses the problems of advance notification; adjustment benefits; and alternative use plans, I have concentrated my efforts on another area: economic diversification.

I will be introducing a bill in the near future to create an Office of Economic Diversification within the Economic Development Administration. My proposal focuses on the community dependence aspect of defense spending. I feel that if defense dependent communities can diversify their economies, their vulnerability to defense-related economic disruptions will be substantially reduced. Every major corporation knows the value of diversifying their operations in order to reduce their vulnerability to market fluctuations. Diversification, simply put, makes good economic sense—for a community as well as a corporation.

The Office of Economic Diversification I propose to establish would provide resources and technical expertise to local community groups in defense dependent areas to aid them in planning long-term strategies to diversify their economies. These groups would be composed of labor, business and community leaders. Aid would be allocated on a priority basis to the most heavily defense dependent communities.

I have placed such a emphasis on community diversification because I believe that the people in a defense-dependent community can readily see the benefits economic diversification would bring. And if we are to succeed in any of our efforts with conversion, plant closing, and diversification proposals, we must have political support—support which can come from the community level.

Diversification and conversion legislation go hand in hand. Conversion places the emphasis on the economic security of the plant or the base, while diversification puts the emphasis on aiding the total community. Diversification, I believe, is also better able to deal with small or partial layoffs by providing other employment opportunities in the community. In contrast, plant conversion usually can only work if the entire plant and the work force are idled. It has been my experience that partial layoffs are more common than complete plant shutdowns, and that is why I have placed my emphasis on diversification.

I am sure that Gene Casasaris and Sheldon Friedman will be able to give us the benefit of their experience in European countries, and I hope that they might comment on both the conversion and the diversification proposals which Congress will consider in the current session.

Thank you.●

DAN SEARLE—MONTEREY PENINSULA'S OUTSTANDING CITIZEN

HON. LEON E. PANETTA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 22, 1979

● Mr. PANETTA. Mr. Speaker, I would like to take this opportunity to extend my warmest congratulations to a good friend, and constituent, of mine, Dan Searle, Sr., who has been selected as the Monterey Peninsula's Outstanding Citizen of 1979 by the Monterey Chamber of Commerce.

Dan has been a man of great achievement in many fields throughout his life. In 1951, he was elected as mayor of Monterey, and he served four consecutive terms, the longest service of any mayor of that city. During his tenure, Monterey built its lovely marina, which wonderfully enhanced the scenic beauty of the Monterey Bay.

What Dan may be best known for, though, is his leading role in bringing the Bing Crosby Pro-Am Golf Tournament to the Monterey Peninsula. It was in 1946 that he and Ted Durein decided that the Monterey Peninsula should be the home of the Crosby Golf Tournament, and together, they persuaded Bing to move to the Peninsula, where Dan was president of the Monterey Peninsula Country Club. Since that time, the Crosby Tournament has provided millions of dollars for scholarships and other worthy causes. Dan has been president of the Crosby Youth Fund since 1947, when it was established, and over $4 million from this fund has gone to charity, youth-oriented projects, and many other community services.

While I am on the subject of golf, I might also mention that Dan, who learned to play at the Monterey Peninsula Country Club—using borrowed clubs—held a course record with Cam Puget at the Pasatiempo golf course, along with Marion Hollins and Babe Didrikson. In addition, Dan has been an avid boater and fisherman, and he has also done gliding and flying. In fact, he obtained his pilot's wings and attained the commission of lieutenant colonel during World War II.

Finally, I would like to add that Dan is a past exalted ruler of the Elks, a mason, and a member of Islam Temple Nobles of the Mystic Shrine and, amazingly enough, while garnering all of his other achievements, Dan has run a successful electrical business over the years.

Again, I am pleased to be able to bring to my colleague's attention the life of service and accomplishment that Dan Searle has led. Our community is, indeed, proud of Dan and his good work. He richly deserves the title of Outstanding Citizen.●

ANNIVERSARY OF UKRAINIAN DECLARATION OF INDEPENDENCE

HON. JOSEPH P. ADDABBO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 22, 1979

● Mr. ADDABBO. Mr. Speaker, today we commemorate the 61st anniversary of the Ukrainian Declaration of Independence and Self-Determination. More importantly, we celebrated the spirit of a people who have maintained their individual and collective identities in the face of oppression and subjugation.

A brave new beginning in 1918 was shattered when, after 3 years of intensive fighting, the Ukraine State was forcibly occupied and incorporated into the Soviet Union. To this date, Ukrainian cultural, historical, and intellectual traditions are suppressed under a thick veneer of Russification. Those who have persisted in proclaiming the "invincible spirit" of the Ukraine have paid with the loss of even the iota of freedom generally granted. Moroz, Rudenko, and Tykhy are joined by those who still find their way to the old churches, those who risk their lives in smuggling Ukrainian literature and artwork to the West, and those who simply refuse to speak Russian.

Our own unique and distinctly American character is the sum total of all that is inherent in each one of us. By denying individual freedoms of expression and action in the Ukraine and elsewhere in the world, national survival is severely threatened. This is what human rights is all about, and what we fought so hard to obtain, not only in 1776, but at Helsinki as well. By joining hands with others in their continuing struggle for self-determination, we insure for ourselves the right to be American. We must not give up this vigil.●

JAMES R. "REM" ANDERSON

HON. JAMES C. CORMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 22, 1979

● Mr. CORMAN. Mr. Speaker, it is a privilege and personal pleasure to bring to the attention of my colleagues, James R. "Rem" Anderson, one of the San Fernando Valley's outstanding citizens.

On February 16, Rem will step down as president of the Van Nuys Chamber of Commerce and be honored for his active participation in community affairs. This honor is fitting and proper because Rem has been one of the valley's true leaders during the 26 years he has established a highly successful accounting firm in the valley. Rem's involvement in the needs and problems of the community has been total. He has worked tirelessly to improve the valley and provide greater community responsiveness to its residents.

Rem Anderson has served a wide range of community interests representing business as a member of the San Fernando Valley Industrial Association, and responsible and dedicated parents as past chairman and boys leader of the Black Panther Gray Y Club of the El Camino YMCA. Additionally, as if being president of the Van Nuys Lions Club was not enough, Rem was honored as its Man of the Year.

Rem Anderson has devoted a large portion of his time to the need for quality health care not only as founder/contributor to the Valley Presbyterian Hospital, but also by continuing as an advisory member of the hospital's board of directors. His enthusiasm and perseverance is matched by few. The list of his interests and accomplishments is almost endless. I do not know how he keeps up the pace and manages to take on new responsibilities. If there is a tough job to handle, Rem is always there to lend his time, talents and skills.

Rem Anderson is an outstanding credit to the valley and we owe him a great deal of gratitude. I personally hope he fully understands our deep appreciation for all his devoted community service.●

VESSEL DOCUMENTATION

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 22, 1979

● Mr. BIAGGI. Mr. Speaker, I am introducing today a bill to revise and improve the laws relating to the documentation of vessels. This proposal is consistent with our desire for regulatory reform.

A system for the documentation of American-flag vessels had its inception in the first Congress in September of 1789. Significant changes were made by succeeding Congresses to meet changing conditions and the expanding needs of our waterborne commerce. The system has, through the years, been administered by a variety of Government agencies. In 1967, the responsibility for vessel documentation was transferred to the Coast Guard.

The numerous transfers of functions and reorganizations, and the changes brought about by various amendments, have resulted in a complex body of law that is confusing, difficult to administer, and that results in unnecessary paperwork. In May 1968, the Department of Transportation undertook a study of the existing statutes and regulations—looking toward the development of a simpler and more effective vessel documentation system.

In March of 1971, the Department submitted recommended legislative changes to the 92d Congress. On August 2, 1971, the House passed the "Vessel Documentation Act" (H.R. 760), which was not acted upon by the Senate.

During the 93d Congress, similar legislation was proposed; however, this time no action was taken by either House. In addition, the administration was reexamining the issues and was contemplating recommending a variety of other changes to the Congress.

During the 94th Congress, the Department of Transportation transmitted to the Congress a package of four proposed bills related to the modernization of laws—two of which dealt with the documentation of vessels:

One of the bills—introduced in the House as H.R. 11411—eliminated Federal documentation of pleasure vessels.

The other bill—introduced in the House as H.R. 11412—was essentially similar to H.R. 760 that was passed by the House 4 years earlier.

There was no opposition to revising and modernizing the laws pertaining to the documentation of vessels as proposed by H.R. 11412. There was, however, considerable criticism of the elimination of the option enjoyed by owners of pleasure vessels of 5 net tons or more to document their vessels under Federal law in lieu of numbering them under State law. The opposition was so vehement that the administration reconsidered its recommendations. The Congress took no action on the proposal.

At the commencement of the 95th Congress—on January 4, 1977—I introduced H.R. 187, a bill that was similar to prior submissions—except that it did not include the elimination of Federal documentation of pleasure vessels.

In June of 1978, the Secretary of Transportation submitted some clarifying proposals to insure the option of Federal documentation of pleasure vessels.

However, no action was taken by either House during that Congress. This was due primarily to the need to review existing legislation concerning the inspection and control of foreign tankers using our waters—which was precipitated by a rash of tanker accidents during the winter of 1976–77—the most famous being the *Argo Merchant* grounding off Cape Cod.

Since 1967, when the Coast Guard was given full responsibility for the vessel documentation program—they have examined their procedures for the documentation of vessels in an effort to make improvements and increase their efficiency. Many of the administrative changes they desire to make require modification of the archaic and accumulative governing laws.

The House responded to this need and—in 1971—passed a bill very similar to the one I am introducing today. Now, in 1979, I can only state that I intend to try to move this legislation through the House as quickly as possible. I am hopeful that our Senate colleagues will also give this matter their prompt attention.

Enactment of this proposal will not result in increased Government costs. It will, however, allow for the introduction of modern procedures and business techniques and will, in turn, lead to more effective use of the taxpayers' dollars. This proposal is consistent with the Congress and the administration's desire to simplify governmental procedures wherever possible—and is consistent with the regulatory reform we all desire.

I, therefore, am introducing this amendatory legislation for consideration by the Congress.●

THE AMERICAN PEOPLE'S STANDARDS

HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 22, 1979

● Mr. SHUSTER. Mr. Speaker, as I am sure we are all quite aware there is a myriad of issues in these difficult times which disturb the American people. I would like to share with my colleagues an editorial comment which appeared in the January 11, 1979, edition of the Carlisle, Pa. Evening Sentinel. It pointedly addresses one of those issues of concern.

THE DIGGS CASE: NO HANDSLAPPING

When Congress convenes next week, it will be looking at an agenda which seemingly has no end. And, as is custom, it will accomplish only a fraction of what it should.

The issues range from dealing with a new budget to inflation to defense to foreign policy to anything in between. Many decisions will be crucial.

There is one matter, however, that given the magnitude of this session, could easily be lost in the shuffle. Rep. Charles Diggs (D-Mich.) probably wouldn't mind that at all.

Diggs comes to Congress having been convicted on 29 felony counts of mail fraud and payroll padding. Despite his trial and subsequent three-year prison term, the voters of Detroit overwhelmingly sent him back to office last November. That electorate thus joins hands with those Pennsylvania constituents who reaffirmed their faith in the indicted Daniel Flood (D-Pa.) and with those voters of Philadelphia who once elected a dead man to office.

Congress could, of course, vote to expell Diggs after an investigation. But if you believe that will happen, you also believe in the tooth fairy. For the Congress, it is a distasteful matter and most members probably believe they have more important tasks at hand.

But if Diggs goes unpunished, then Congress will add to the evidence that in its hallowed halls, the principles of law and order do not apply—or if they do, certainly not to the "full extent of the law." A great deal of time and money was expended on the Koreagate investigation, for example, resulting in handslapping justice.

Many Americans remain convinced national public office is synonymous with "crooks and rascals." There have been far too many cases of late supporting that view. And the Congress is reluctant to accept guilt or kick the rascals out.

Diggs is appealing his case, but the fact remains he was convicted. Should he still be allowed to take his seat?

No.

Congress must put an end to the sense of special immunity that pervades its chambers. As long as it continues to lack the guts of taking decisive punitive action, Congress will remain a body where wrongdoing is a way of life.

That has been, and continues to be, unacceptable by America's standards.●

COMMENT ON PRESIDENT'S BUDGET

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, January 22, 1979

● Mrs. SCHROEDER. Mr. Speaker, the President today unveiled his fiscal year 1980 budget with a flurry of statements that are filled with the current lexicon of "fiscal responsibility." We are told that this budget is based on a "very austere, stringent, tough fiscal policy." But when one looks closer it is evident that the meat ax has dropped only on those parts of the budget which affect persons least able to speak up—children, the elderly, and the disadvantaged. It soon becomes clear that there is a double standard when it comes to spreading this austerity around. We are told to tighten our belts and turn down the spigot on Federal outlays. Yet, while across-the-board cuts in social programs are proposed, Congress is asked to expand the defense budget.

The needy are told that inflation is worse for them than for anyone else and that it is on their behalf that the battle against higher prices is being waged.

Yet in promoting frugality in the budget, it is the programs which will help the disadvantaged most which are the first to be cut. At the same time, the defense dollar is totally exempt from the kind of scrutiny the other programs are subject to.

In a reaction to the outcry of the middle-income taxpayer, we are asked to turn our backs on the compassion and fairness which so many of the social programs are based upon. In short, cut back funds for people programs, but don't touch the billions set aside for weapons. As Colman McCarthy says: "Make America strong but leave its people weak."

Congress must move to reduce the impact of inflation. But to do so by sacrificing the needs of those persons already suffering the most from its effects would be a tragic mistake.●

TONNAGE MEASUREMENT SIMPLIFICATION

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 22, 1979

● Mr. BIAGGI. Mr. Speaker, I am introducing today a bill which will authorize the use of a simplified system of tonnage measurement for certain small commercial vessels.

The bill will affect non-self-propelled vessels (barges) and self-propelled commercial vessels of less than 24 meters (79 feet) in length that do not engage in international voyages. The method of tonnage measurement authorized by this proposal is similar to that currently in use for measuring pleasure vessels.

The bill will permit the tonnage measurement of small commercial vessels in approximately one-eighth of the time it now takes. It will also permit the assigning of tonnage measurements to specified models or classes of vessels. The bill will not result in additional expenses to the Federal Government. In fact, some minor savings are anticipated from the reduction in personnel resources needed to measure the tonnage of these small vessels. The bill is also consistent with our desire to simplify bureaucratic procedures and to provide for regulatory reform.

Under this bill, the vessel owner has the option of electing the simplified measurement or the more detailed system of measurement. In those cases where it is expected that a barge or a small commercial vessel will not make an international voyage, the simplified measurement is adequate. For those vessels which engage in international voyages, the owner would need the more detailed system of measurement to ensure the continued acceptability by foreign governments of U.S.-issued measurement documents.

This bill is part of the continuing effort to simplify the existing maritime safety laws. Since it is my continuing desire to simplify procedures whenever it is practical to do so, I am introducing this amendatory legislation for consideration by the Congress.●

FREE ENTERPRISE WEEK

HON. W. HENSON MOORE

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 22, 1979

● Mr. MOORE. Mr. Speaker, each day we find individuals who tell us that the free enterprise system can no longer provide for the needs of our people. They say the system has failed; that the only answer to our Nation's problems is through more government regulation, more government intervention in our day-to-day lives, and more government management of our businesses.

They, and to a certain extent, the Federal Government itself, are largely working today under the assumption that competition is bad, profits are evil, and the producers of our society should be taxed and heavily regulated rather than rewarded. As a result, our productive economy is becoming a stagnant economy.

All economic wisdom does not reside behind government doors, but I find that many of our citizens simply do not understand the relationship between economic health, their own high standard of living and the free enterprise system which gives us both. I find people do not know how our free economic system functions and the opportunities available for each of us through it.

With this educational need in mind, I would like to inform the House that the week of January 22–27, 1979, will be observed as Free Enterprise Week in the Sixth District of Louisiana.

During Free Enterprise Week a variety of programs will be offered to inform and remind our neighbors of the advantages we all enjoy through our economic system. Seminars, civic club programs, essay contests in the schools, State government recognition, media advertising, a Free Enterpriser of the Year Award; are all part of this community involvement program.

All of the week's activities will culminate in an awards banquet being held on January 27 in Baton Rouge at which the nationally known economist Dr. Arthur Laffer will be the guest speaker.

This will be the second year we have celebrated Free Enterprise Week in my congressional district. Although the concept is still in its infancy, I am pleased to report that Free Enterprise Week has already attracted national attention.

Communities in other States, interested in duplicating the program in their part of the country, have asked us for information about the program. Also, the first Free Enterprise Week program was nominated for an award from Freedoms Foundation of Valley Forge.

With such an initial success, it is easy to see why we expect Free Enterprise Week to grow into a larger and even more ambitious effort in the future.

I am proud of my contribution to this program, but I am even prouder of the countless individuals and organizations throughout my district whose contributions and hard work have made Free Enterprise Week a reality. This is truly a grassroots, neighbor-to-neighbor program to make each of us aware that there is no true freedom without economic freedom and it is only through the free enteprise system that economic freedom exists.

I will report back to the House at the conclusion of Free Enterprise Week with a review of the activities during the week.●

TAKING A LONG LOOK AT THE CHINA QUESTION

HON. FLOYD J. FITHIAN

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 22, 1979

● Mr. FITHIAN. Mr. Speaker, the recent announcement by the Carter administration of the normalization of relations between our country and the People's Republic of China (PRC) is to be greeted by us with mixed feelings. On the one hand, the United States welcomes the opportunity to finally seal a pact of friendship with mainland China. The reduction of tensions between our two great nations will prove to be of benefit, not only to ourselves, but to the whole world as well. On the other hand, I am deeply concerned that this agreement not endanger our friends, the Taiwanese, nor our relations with them.

On one side, the administration's decision to extend de facto recognition to the PRC and establish diplomatic relations is the result of cumulative bipartisan efforts of American Presidents dating back to Eisenhower, which were intensified by Nixon's trip to Peking in 1972 and the signing of the Shanghai communique. These diplomatic efforts recognize that the existing Government in Peking is the Government of China, that China needs to be brought into a discussion of world affairs, and that any nation with almost a billion inhabitants or one-fourth of the world's population cannot continue to be ignored.

The establishment of Sino-American relations will allow each an opportunity to strengthen the cooperation between our two nations, and to enhance our consultative relations on matters of common international concern. It would thus contribute to the stability of Asia where the United States has important security and economic interests, and to the peace of the world.

China represents a substantial market for American manufactured goods as well as agricultural products. The recently declared four modernizations of the PRC—an effort to simultaneously develop industry, agriculture, science and technology, and defense—could prove economically advantageous to the United States. China's eagerness to develop its industry is presently hampered by its inadequate supply of foreign monetary reserves. But this deficiency can be fairly easily remedied by the exploitation of what is believed to be a vast supply of oil. The sale of petroleum products abroad should provide it with capital sufficient to purchase the sophisticated machinery necessary to develop its industry and infrastructure. This solution could reduce the present Western dependence upon Arabian oil.

While the present modest per capita income of the PRC does not immediately open a large consumer market for American goods and services, the potential for industrialization holds great promise. The Chinese economic experience may parallel the tempo and success of postwar Japan.

American agricultural products and advanced technology can also have an impact on China's modernization. The PRC is still faced with a problem going back to antiquity: that 40 percent of its land mass is inhospitable to cultivation or human habitation. Consequently, the fertile southeastern portion is densely populated, but its crop yield is much lower than the average in the United States or Europe. On a short-term basis, these conditions could be eased by the importation of American foodstuffs and agricultural machinery. And in the long run, the introduction of modern techniques—irrigation, pesticides and fertilization—might allow the vast reaches of desert to blossom the way the Mid-East has in recent years. Lastly, it should be remarked that 85 percent of the Chinese population is still rural. The adoption of sophisticated agricultural technology would free millions in manpower for industrial development.

The most troubling issue for years has been Taiwan. For the foreseeable future, mainland China has compelling reasons not to seek a settlement of the Taiwan issue by military force. The PRC faces a serious threat both to the North and South. China is fearful of a confrontation with the Soviet Union along its common 4,500 mile border, where the Russians have amassed 44 divisions plus air and other support units. Additionally, hundreds of missiles armed with nuclear warheads stand aimed at the heart of China. The PRC is also faced with an impressive array of might in the form of Taiwan. Its well-equipped, American-trained armed forces number nearly one-half million or one of the largest in the non-communist world. These are backed by the latest air defense systems. Peking does not have the amphibious offensive capability to launch an attack on Taiwan, nor are there any signs that the PRC is trying to develop one. China is attempting to modernize its country at a rapid rate, and therefore, is placing first priority on domestic development. Any armed conflict between the PRC and Taiwan would jeopardize the mainland's industrialization and retard modernization. China is attempting to build constructive relations with the United States, Japan, and other nations and has a major stake in avoiding actions that would put those relationships at grave risk, particularly during its modernization stage.

In a world of everchanging influences and dramatically shifting alliances, it is imperative that the United States face international realities. It is in our national interest that we establish a good working relationship with so vital a nation as China while it is still at an early stage of development.

On the other side, some disturbing problems have arisen because of the President's decisions. Many believe, and I concur, that the United States could have held tougher on the Taiwan question. The logic of the wording in the agreement contains an implicit acknowledgement that Peking is now governing Taiwan. Although this may now seem a harmless point in semantics—merely reversing our previous recognition that Taipei ruled the mainland—the PRC may exploit it. Indeed, their intransigence over the issue of future arms sales to Taiwan would seem to indicate that from the outset they wish to isolate Taiwan as much as possible.

By effectively demoting Taiwan to the status of a rebellious province, Peking now has a number of available options which, if used, could lead to the eventual economic strangulation of our former ally. It is not inconveivable that Peking would seek to enforce restrictive sanctions similar to those now levied against Rhodesia and South Africa, or even employ a naval blockade. Less direct pressure could be exerted in the form of trade agreements in which other nations would cease their exchange with Taiwan in favor of a more lucrative trade with Peking.

The ending of the Mutual Defense Treaty with Taiwan may create doubts about the reliability of the United States to defend its friends and allies around the world. The heart of the numerous defense treaties and alliances, like NATO, is the willingness of the United States to go to war, if necessary, to protect her allies. Some friends may now question the will and capability of the United States.

The possibility of nuclear proliferation is alarming. With such a large threat looming so close to its borders, Taiwan may feel it necessary to insure its safety by tapping its advanced technology to develop nuclear defense capabilities.

The United States received neither public nor private assurances that Peking would not use military force against Taiwan, even if this seems unlikely in the forseeable future. It is disappointing that additional Chinese concessions were not achieved during these negotiations. It is unfortunate that the negotiations for recognition did not include a resolution of the China claim issues—a settlement of claims of the U.S. citizens and companies against China for property that was expropriated or frozen by the present regime after Chinese assets in the United States were frozen in 1950.

I am disturbed at the method by which the President made this important decision. Despite the congressional consultation amendment to the International Security Assistance Act (Public Law 95-384), the President did not consult with the Congress except to inform some Members a few hours in advance of the public announcement. I understand consultation to mean an opportunity to influence policy. In the case of the recognition of the PRC, this consultation clearly did not take place.

Although the United States will continue to honor almost 60 economic and cultural treaties, and continue to supply Taiwan with sufficient defensive weapons, the decision to end our defensive treaty with Taiwan raises grave questions about its future. It is my personal hope that the normalization of relations with the PRC not jeopardize the well-being of the people of Taiwan. The United States should continue to have an interest in the peaceful resolution of the Taiwan issue and should expect that it will be settled peacefully by the Chinese themselves. The United States should continue to promote the economic development of Taiwan, to stimulate trade between our countries and to recognize that we as a nation have an important economic stake in the continued development of an independent Taiwan.

I will monitor closely the ensuing international events in China, Taiwan, and the rest of Asia. The opening of China cannot be allowed to result in tragedy for Taiwan. We as a nation must remain ever-vigilant that the Taiwan issue is resolved peacefully and that Taiwan has adequate supplies of weapons to defend itself against aggression.●

ADOLPH H. SCHREIBER ACADEMY

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 22, 1979

● Mr. GILMAN. Mr. Speaker, the Adolph H. Schreiber Hebrew Academy of Rockland County, formerly the Hebrew Institute of Rockland County, located in Monsey, N.Y., is celebrating its 25th anniversary this year.

The school is devoted to many of the ideals that our Nation so highly values, including instilling a sense of awareness and involvement in community affairs in its students and stressing equal opportunity to all, regardless of economic and educational background.

ASHAR has an excellent school program for Jewish youth and has been internationally commended for the bilingual abilities of its students. It was founded on the principle of combining intensive and comprehensive Torah training with general studies. The institute tries to cultivate and reenforce an appreciation of Jewish religious values so that the student may live according to the traditions of integrity, morality, and dignity.

The academy's general curriculum is organized under the New York State Education Department and the local school district. Students are introduced to their community before they reach kindergarten so that they can begin to learn to better appreciate and understand the world in which they will grow. The school seeks to instill in the student not only a dedication to his faith, but also to be a loyal American citizen.

ASHAR, which believes in creating close ties between school and home, encourages parents to take an active role in the academy's programs and they are involved in policymaking and educational activities.

Mr. Speaker, I bring the Adolph H. Schreiber Academy's 25th anniversary celebration to the attention of my colleagues so they can join with the community in commending its officers and faculty for the fine job they are doing in developing outstanding citizens.●

INCREASE MEMBERS' ACCOUNTABILITY IN RECEIVING PAY HIKES

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, January 22, 1979

● Mr. BROWN of Ohio. Mr. Speaker, on Thursday, January 18, 1979, I introduced two bills designed to increase the accountability of Members of Congress in voting themselves pay increases.

The first bill provides that any increase in the rate of pay for Members of Congress proposed during any Congress shall not take effect earlier than the beginning of the next Congress. This assures that each Member of this body will have to stand before their constituents for reelection before a scheduled salary increase can take effect and is similar to the law governing pay raises for the Ohio General Assembly (as well as 36 other State legislatures).

However, unlike Ohio law, this legislation uses the same definition for the start of a new Congress as the definition of election day. This prevents the possibility of Congress reconvening in a lame duck session to vote itself a pay raise in the next Congress.

Retired Congressman Charles Whalen along with 176 cosponsors introduced a measure very similar to this during the 95th Congress and that bill was reported by the Post Office and Civil Service Committee. However, as those of us who were Members of the House at that time will recall, the measure failed under Suspension of the Rules on November 1, 1977, amidst confusion over a provision added to the bill in committee. This provision barred in the future any amendments to House budget or appropriations bills which would directly or indirectly prevent the payment of increases in pay raises for Members of Congress. This was widely interpreted as a move to bar votes killing future automatic cost-of-living increases. It also presented procedural problems for the future because it put an unprecedented stipulation upon the appropriations process. My bill does not include this provision.

However, my second bill deals with this problem in that it amends the present procedure through which Congress receives its annual, Presidentially recommended cost-of-living increase.

At present, unless Congress introduces and approves a disapproval resolution of an annual cost-of-living raise, the increase automatically takes effect 60 days after the President presents his recommendations to Congress. My bill requires Congress to express its approval of the recommendation in order to receive it. This bill will bring the automatic cost-of-living increase out of the closet and put it before the scrutiny of the American public, where it belongs.

If the Democratic leadership refuses to let this legislation see the light of day, it will be a clear indication that their intention is to force the brunt of the burden of our spiralling inflation onto the American public, rather than share in the sacrifices their free-wheeling spending practices are now forcing upon all other Americans.

It is hardly fair for the President of the United States to ask the American wage-earner to hold his cost-of-living increase to 7 percent, when Congress continues in the tradition of special privilege. I will anxiously await the Democratic majority's reaction to and treatment of these bills.●

LINES OF DEMARCATION

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 22, 1979

● Mr. BIAGGI. Mr. Speaker, I am introducing today a bill to clarify the authority of the Coast Guard to establish lines of demarcation for the purposes of determining the applicability of special navigational rules in lieu of the International Regulations for Preventing Collisions at Sea and the applicability of certain marine safety statutes.

The need to clarify the Coast Guard's authority became apparent during the 95th Congress as a result of legislative hearings on the bill to implement "the Convention on the International Regulations for Preventing Collisions at Sea, 1972"—subsequently enacted as Public Law 95-75; and extensive oversight hearings on the Coast Guard's marine safety program.

It was pointed out—and the Coast Guard concurred—that numerous maritime safety problems had arisen with the grant of authority to the Coast Guard, in section 151 of title 33, U.S. code.

That section authorizes the Coast Guard to establish lines of demarcation for the purpose of dividing those waters on which the International Regulations for Preventing Collisions at Sea apply—from those on which the inland rules apply. Congress has also, over the years, used these lines of demarcation to define the applicability of certain marine safety statutes.

The Coast Guard had in the past placed many of these lines of demarcation beyond the traditional 3-mile territorial sea. In the gulfs of Maine and Mexico, for example, the lines extended as far as 30 miles from shore. The Coast Guard, recognizing that the location of these lines beyond the territorial sea presented a problem in international law, recently relocated them within the territorial sea, or as close thereto as practicable.

This action corrected the long-standing problem of applying the inland navigational rules to vessels operating well out on the high seas. The bill I am introducing today will insure that those lines are not again extended beyond the limits of the territorial sea.

A second purpose of the bill is to authorize the Coast Guard to draw lines of demarcation for the purpose of determining the applicability of certain specified marine safety statutes relating to vessel inspection, manning, and equipment.

When the various inspection and manning statutes were considered by Congress (in particular, the Officers' Competency Certificates Act (1939), 46 United States Code 224a), the line of demarcation authority in 33 United States Code 151 was used as a jurisdictional dividing line for applying different standards to vessels that operated only in protected waters from those operating on the high seas.

Congress was aware of the fact that these lines had remained stable for a number of years dating back to 1895, were well defined, and were located at the headlands or close offshore. Based on this prior record of stability, Congress enacted several marine safety laws, starting as early as 1915, using these lines as a basis for applicability.

As a result of extensive maritime safety problems in the mid-1930's, and an awakening international concern (in part precipitated bv the *Morro Castle* disaster), a number of marine safety laws were enacted. In addition to the 1939 Competency Act, Congress enacted:

The Coastwise Loadline Act (1935), 46 United States Code 88;

The Seagoing Motor Vessel Act (1936), 46 United States Code 367; and

Various merchant seamen provisions, codified at 46 United States Code 672; all of which used the line of demarcation as a basis for defining applicability.

This bill will correct the problems created by the previous placement of these lines beyond the territorial sea and the more recent movement of the lines back to the 3-mile limit for rules of the road purposes. The recent attempt by the Coast Guard to solve these problems administratively by establishing two lines of demarcation was without statutory authority and was an unsatisfactory solution.

The issue of a second line of demarcation was called to the Coast Guard's attention. They have concurred that, under the circumstances, clarifying legislation is indicated. This legislative initiative will—

Provide the Coast Guard with authority and sufficient flexibility to delineate various lines of demarcation to properly carry out the purposes of differing maritime safety statutes;

Provide that the line of demarcation for the purpose of navigational safety may not extend outside the territorial waters of the United States (3 miles); and

Permit the establishment of appropriate lines for the purpose of determining the applicability of certain specified marine safety statutes. These lines may or may not coincide with the lines drawn for rules of the road purposes. The bill, however, requires that these lines not be farther than 12 nautical miles from the base line.

I have been assured that both the offshore marine industry and the administration concur that the Coast Guard should have clear and flexible authority to establish these lines of demarcation. With this in mind, I am introducing this amendatory legislation for consideration by the Congress.●

NATIONAL AQUACULTURE PROGRAM

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Monday, January 22, 1979

● Mr. AuCOIN. Mr. Speaker, I am pleased to be a consponsor of a bill introduced today to create a national aquaculture program within the Department of Commerce.

I recall my disappointment and frustration when the President vetoed similar legislation last year, and I am hopeful this revised bill addresses administration concern sufficiently to gain its fullest support.

The bill differs from last year's legislation by giving the Department of Commerce lead agency authority, and by directing that the Secretary work in consultation with the Secretaries of Interior and Agriculture to develop, within 18 months, a national aquaculture development plan. Such a plan would fully identify all marine species that have a legitimate and major commercial food-producing capacity when raised in captivity. The bill also creates an aqualculture information center and authorizes $65 million over a 3-year period to carry out the provisions of the bill.

Since passage of the Fishery Conservation and Management Act of 1976, Congress, the administration, and the U.S. fishing industry have had to learn to work together, examining the economic problems of the domestic fishing industry and developing programs to enable the industry to utilize fully the resources which have finally been made available to it. The single most important achievement of the 1976 act was long overdue recognition that fish stocks in our 200-mile zone represent not only a strategic national resource, but a major global resource. For the first time, we began to look to the sea as perhaps one of the few practical sources of food for the future.

In passing the act, we acknowledged the importance of the vast protein resources available to us and made a commitment to restore, conserve, and manage them. The original findings of the act declared that—

> A national program for the development of fisheries . . . is necessary to assure that our citizens benefit from the employment, food supply, and revenue which would be generated thereby.

The United States and other developed countries historically have shouldered the burden of supplying food to the Third World, but there are indications that increases in agricultural production experienced in the late 1960's and 1970's are leveling off. In a relatively short period of time, we have moved from a condition of relative food abundance to one where experts now suggest the present global food system will prove inadequate to meet the demand within the next two or three decades. In some parts of the world, the demand outstripped the supply a long time ago. The Congressional Office of Technology Assessment quotes one expert opinion that in order for developing countries to keep pace with their future food requirements, they will have to increase their food production by at least 4 percent per year over the next quarter century. Present production increases are well below this.

Clearly, agriculture alone cannot continue to be the major source of global food surplus in the face of grim projections of increasing food demands. Even if global fisheries have the potential to become the major source of food protein in the future, global over-fishing and continued water pollution may erode even this vast natural fisheries base. It seems to me, we need a hedge against this possibility.

It is a common misconception that aquaculture is an experimental concept, that its potential as a major contributor to global food supplies has yet to be proved. But in hearings on last year's aquaculture legislation, testimony revealed that China supports the largest aquaculture enterprise in the world, producing some 1.2 million metric tons of water organisms annually. Japan is second on the list producing about 490 000 metric tons. India and the Soviet Union rank next, producing 480,000 and 190,000 metric tons, respectively.

Estimates of future international production from aquaculture have ranged from 20 to 60 million tons per year. The Soviet Union recently predicted that by 1980, 60 to 70 percent of the world's fish products will be artificially cultivated. The United States has the potential to provide a significant portion of this production, but not if the present growth rate of the industry is maintained. In the late 1960's we produced only 40,000 metric tons of fish products from aquaculture enterprises, losing out not only on nutritional benefits to the American diet, but also on the economic benefits of a fully developed national aquaculture industry. At the present time, only 3 percent of U.S. consumer fish products come from aquaculture enterprises.

Nowhere can the potential of aquaculture in this country be better demonstrated than in my own State of Oregon where pioneering work in this field has taken the industry far beyond any experimental stages. But we need to do more on a national level to support the development of this industry. The bill introduced today provides a solid foundation for that development, and I am proud to be among its most enthusiastic supporters.●

MEMBERS BUDGET INFORMATION SYSTEM

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 22, 1979

● Mr. SIMON. Mr. Speaker, the President has sent his 1980 budget to the Congress today proposing a deficit of $29 billion and large reductions in program spending in some areas.

In order to assist in answering the large number of questions which always arise, we have put a table 82 on our Members Budget Information System (MBIS) which contains many frequently asked questions and answers on the President's budget. This table is up and available to your office today through your HIS computer terminal.

This table will give you the President's proposed deficit, compare it with last year's Presidential and congressional deficits, as well as answer questions about specific program reductions, economic assumptions and long-range budget goals.

The Members Budget Information System itself was released to the House in May 1977 with a selection of tables containing information on the budget resolutions, House appropriations actions and the President's budget. Since that time, we have added a table of budgetary definitions and early warnings on spending bills scheduled before the House which have proven to be two of the most frequently used items on the system.

This new table was added in response to indications from a number of Members' offices that they need additional and more timely budget information to answer constituent questions as well as to provide resource material for speeches and background for votes on spending issues.

A complete listing of tables in MBIS is included for your information:

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INTRODUCTION OF COUNTERCYCLICAL ASSISTANCE BILL

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, January 22, 1979

● Mr. RODINO. Mr. Speaker, today I am introducing legislation to restore the countercyclical assistance program. I am proud that, so far, 83 of my colleagues have joined in sponsoring this bill which is designed to offset high unemployment and prevent widespread increases in local property taxes.

Mr. Speaker, there are many municipal and State governments which have not yet recovered from the effects of our national recession; and their problems are compounded by high unemployment. When this House failed to consider extending the countercyclical aid program last October, thousands of communities were forced into one of two unwelcome positions: Either eliminate local government jobs and reduce essential services, or raise property taxes in order to meet the costs of these services.

Mr. Speaker, neither of these two choices are constructive solutions to the problems confronting local communities. That is why countercyclical assistance was established over 2 years ago.

Since October, massive layoffs have occurred across the country. Not only are the lives of individual workers and their families disrupted by the sudden loss of income, but the economic lives of communities are seriously threatened. Many local governments already have reacted with plans to raise property taxes—putting the onus on the already overburdened taxpayer.

Mr. Speaker, the bill my colleagues and I are introducing today would do something to stop the threat of higher taxes.

As the list of the bill's cosponsors indicates, this issue cuts across regional and party lines. Democrats, at our midterm convention Memphis, adopted a resolution putting a high priority on restoring countercyclical aid. And it is a Republican Senator, JOHN DANFORTH of Missouri, who will be introducing the same bill in the other House tomorrow.

President Carter, who has clearly stressed the importance of fiscal austerity, has voiced his support for the program's continuation. I am very anxious to study the President's proposal as soon as it is completed and to work together for the best possible bill.

Mr. Speaker, I believe we in Congress are very mindful of our task to place limits on Government spending in order to halt inflation. Beating inflation is absolutely essential to a healthy economy.

I also know that there is a point at which we must come forward to stop the debilitating effects of massive unemployment. This bill recognizes our Government's commitment to be responsive to basic human needs and it does so in a way that will help our local economies.

The bill is cost effective, because it targets aid to those areas which are hardest hit by unemployment. If the economy improves, less countercyclical aid will be needed and less will be spent. However, if unemployment increases, cities, and States will receive the help necessary to prevent their economies from collapsing.

While the bill extends the program for the next 2 years, it reduces the program's cost from $1.3 billion in fiscal 1978 to $490 million in 1979 and $370 million in 1980.

The bill sets up a two-tier program for aid. The first phase, antirecession fiscal assistance, distributes $125 million quarterly to State and local governments with unemplovment rates of 6 percent or more when the national unemployment rate is 6 percent or more. An additional $30 million is provided quarterly for each one-tenth of 1 percent by which national unemployment exceeds 6 percent.

When national unemployment falls below 6 percent but remains 5 percent or above for two consecutive quarters the first part of the program is suspended and the second phase, supplementary fiscal assistance, begins. This phase distributes $85 million quarterly to local governments with unemploymetnt rates exceeding 6 percent. State governments receive no funds under this second-tier.

The program is terminated when the national unemployment rate falls below 5 percent.

Mr. Speaker, there is no justifiable reason for suddenly abandoning a program which has proven so vital to the economies of our local communities during this difficult period. My colleagues and I will work to restore countercyclical aid and put thousands of Americans back to work.●

TWIN BIRTHS CONTINUE

HON. ADAM BENJAMIN, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 22, 1979

● Mr. BENJAMIN. Mr. Speaker, I am delighted to report that the lineage of twin births in the Adam Benjamin, Sr., family has continued.

Marsha Benjamin, wife of my brother, Daniel, delivered Daniel Joseph Benjamin, Jr., and David Adam Benjamin on Sunday morning, January 21, at the Hobart Mercy Hospital.

The senior Daniel, also born on a Sunday morning, is the only nontwin of the five boys born to my parents Adam and Margaret Benjamin. The others, my twin brother, Myron Mitchell, and twin brothers, Samuel Adam and Samson Adam, along with two sisters. Lillia Margaret Arzumanian and Leona Purdy Kelaita, wish Daniel Jr., and David Adam a long, healthy and productive life and congratuate their surprised parents on the new arrivals who complement their family of four girls.●

PROTECTING COASTAL RESOURCES IN ALASKA

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, January 22, 1979

● Mr. BONKER. Mr. Speaker, a high priority on the list of business unfinished in the 95th Congress is the enactment of H.R. 39, the Alaska National Interest Lands Conservation Act. Supporters of this landmark legislation were deeply disappointed at the Senate's failure to complete action in 1978. But, thanks to vigorous and timely actions by President Carter and his Secertaries of the Interior and Agriculture—efforts which served to continue complete protection of Alaskan wildlands—congressional prerogatives have been preserved. Now, in the 96th Congress, we can resolve this matter.

As a member of the Merchant Marine and Fisheries Committee, I have a deep interest in our Nation's coastal resources and our National Wildlife Refuge System. In Alaska, with its thousands and thousands of miles of wilderness coastline and rich wildlife and fisheries, we have an unprecedented opportunity to use additions to our refuge and other conservation systems as a foundation essential to the protection and utilization of our coastal resources.

Mr. Speaker, what is proposed in H.R. 39 for the Alaska Peninsula in southwest Alaska provides a prime example. The fish and wildlife resources of this area are unquestionably among the most significant in the entire State—all 375 million acres of it. Brown bear and other large mammals, salmon and grayling, bald eagles, seabirds, and marine mammals—all are found in this region's diverse ecosystems which range from mountains to grasslands to saltwater lagoons. The scenery is absolutely spectacular, including active volcanoes, glaciers, steep mountains, rocky shores, and river deltas. The length of the Alaska Peninsula provides spawning grounds, estuarine habitats, and watershed for one of the world's richest commercial fisheries.

Recognizing the superlative values of the Alaska Peninsula, the House last year approved establishment of two key wildlife refuges: The Alaska Peninsula and Becharof units.

President Carter, in his recent executive action, designated a 1.2 million acre Becharof National Monument, incorporating the area that was in the House-passed bill. The values of this unit are summarized nicely in the Merchant Marine and Fisheries Committee report on H.R. 39 (Rept. No. 95-1045, part II):

The proposed Becharof National Wildlife

Refuge is located on the Upper Alaska Peninsula. The refuge is bounded on the north by the existing Katmai National Monument and on the south by Becharof Lake. The proposed refuge, encompassing 1.1 million acres, contains what may constitute the best brown bear habitat remaining in Alaska.

The grant free-roaming Alaska Peninsula brown bear utilizes the recources of the entire area. These magnificent animals enter mountain dens sometimes in November for their winter hibernation. During the spring they feed on invertebrates or grasses and sedges of intertidal and coastal marshes followed by summer feeding along salmon spawning streams within the proposed refuge.

The southeastern portion of Becharof Lake is one of the more unique wildlife areas in Alaska. Although the area is relatively small, a noted National Park Service biologist has indicated that it contains one of the densest brown bear populations in Alaska. A 1974 denning survey found 14 dens on the islands in Becharof Lake alone. This is extremely unusual as bears usually den above 1,500 feet, while in this area they are located only a few feet above the water level. It is estimated that approximately 300 to 400 bears use this one small portion of the proposed refuge. This small area provides critical denning habitat for approximately 10 percent of the 3,000 to 4,000 brown bears which range over the Alaska Peninsula between Katmai National Monument and Port Moller. The Becharof National Wildlife Refuge would protect a core area for this significant bear population.

Only the existing Kodiak National Wildlife Refuge and Admiralty Island can compare to the Alaska Peninsula in its density of brown bear denning areas. H.R. 39 proposes to protect Admiralty Island through a wilderness designation, but much of the best habitat on Kodiak Island has been selected by Native Corporations under the Alaska Native Claims Settlement Act. The Becharof area offers the best opportunity to protect what may be a declining brown bear habitat.

Although the Becharof area is most noted for its brown bear habitat, the area also contains other significant wildlife populations. The bears of the Becharof region are attracted primarily by the abundant salmon spawning streams draining the area. The smaller streams draining to the west provide chinook, pink, sockeye, coho and chum salmon for the Bristol Bay fishery and Becharof Lake is an important salmon spawning area. Arctic grayling, Dolly Varden, and rainbow trout are also found in this area.

The proposed refuge provides habitat for a portion of the 15,000-member Alaska Peninsula caribou herd and world-record-class moose have been taken in this area. Most of the estimated 9,000 moose on the Peninsula move down from the uplands of the Peninsula Range, following creek valleys, to winter in suitable lowlands habitats in State-selected areas from Katmai Monument to north of the proposed Aniakchak Caldera National Monument.

At least 6 species of marine mammals, 29 species of land mammals and over 137 species of birds have been observed in the Becharof area. Bald eagles which are found here are dependent on intertidal zones for feeding and on the tall trees of the rocky pinnacles for nesting.

The current version of the Alaska National Interest Lands Conservation Act would ratify the President's Executive action by designation of a Becharof National Wildlife Monument of 1.2 million areas, 0.7 million of which would be part of the National Wilderness Preservation System.

H.R. 39, as now introduced, would also establish an Alaska Peninsula National Wildlife Refuge of 1.57 million acres—the same acreage that was in the 1978 version passed by the House. About 0.6 million acres would be given the wilderness designation. Again, let me quote from the Merchant Marine and Fisheries Committee report on H.R. 39 concerning the values of this unit:

> Overall, the Alaska Peninsula is regarded as the most significant fish and wildlife area in the entire State. In addition, the Peninsula contains a variety of spectacular scenery including active volcanoes, glaciers, rocky coastlines and steep mountains.
>
> The major wildlife species on the Peninsula include brown bears, caribou, moose, salmon, grayling, trout, marine birds, waterfowl, and migratory shorebirds. Bald eagles, peregrine falcons, wolves, wolverines and marine mammals are also found along the length of the Peninsula and its adjacent bays, lagoons and coastal waters.
>
> The entire Peninsula has an extremely high density of brown bears. Caribou populations, which are currently estimated at about 15,000, have increased from a low of approximately 2,500 animals in the 1940's. The Alaska Peninsula caribou herd actually contains three separate herds with the largest herd located between King Salmon and Port Moller. Although the Peninsula's caribou population has rebounded, the moose population has declined in the past two decades due to the lack of adequate wintering habitat. Nevertheless, the largest moose in the State are consistently harvested in this area.
>
> Seven of the major lagoons and river deltas on the northern fringe of the Peninsula have spectacular spring and fall waterfowl concentrations. The world-famous eel grass beds of the Izembek lagoon within the existing National Wildlife Range attract the largest concentration of migratory birds. At times the entire world populations of several species such as black brant and emperor geese can be found in these areas. Due to State land selections along the northern shore of the Peninsula, most of this migratory bird habitat is not included as a part of the refuge.

Mr. Speaker, some have argued that because of a somewhat complicated land ownership pattern on the Alaska Peninsula, no refuges should be established at this time. I do not share that view. Establishment of these refuges now, on what are clearly Federal lands, is critical. Such action is a declaration that fish and wildlife values are of overriding importance on the peninsula, and accordingly, provides needed protection and management by the U.S. Fish and Wildlife Service. As future land uses develop on the peninsula, these Federal conservation lands will serve as core areas in which wildlife and fish—and most importantly, their habitats—receive maximum protection from incompatible activities.

Mr. Speaker, no single conservation unit on the Alaska Peninsula, or elsewhere, for that matter, is in and of itself the answer to the long-term problem of protecting our Nation's irreplaceable fish and wildlife resources. Each unit is, however, a foundation without which we surely will not succeed.

Thus, I am pleased to announce that I have joined Mr. Udall and many other colleagues as a cosponsor of H.R. 39, the Alaska National Interest Lands Conservation Act. It is truly a foundation for the future, and one our coastlines deserve.●

THE VANIK HOUSE RESOLUTION TO CREATE A "SELECT COMMITTEE ON INFLATION"

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, January 22, 1979

● Mr. BROWN of Ohio. Mr. Speaker, I am surprised to see the gentleman from Ohio, Mr. Vanik, propose the creation of a "Select Committee on Inflation." I cannot think of anything we need less; not that inflation is not a terribly serious problem—indeed, it is—but there are existing facilities and institutions doing just what his proposed "Select Committee on Inflation" would do.

The heart of Mr. Vanik's proposal seems to be his idea that the new committee perform what he calls "legislative jawboning." This is described in his recent "Dear Colleague" letter:

> The committee would be able to bring out the facts on particular price increases and focus public attention and criticism on those instances where there is no justifiable explanaation for the increase and commend those who make special efforts against inflation.

Mr. Speaker, that sounds exactly like the function of the Council on Wage and Price Stability. It is certainly the sort of function one would expect to find in the executive branch, not in the legislature. Either way, I can think of no possible justification for having that function performed by both.

At the present time the Council on Wage and Price Stability has a staff of 100, and will probably double that in the near future. A new select committee would need its own army of economists, accountants, and analysts to do the same job that the Council on Wage and Price Stability is already doing.

As the ranking republican on the Joint Economic Committee, I can tell you the duplication of effort does not end there. The rest of Mr. Vanik's description of his proposed committee sounds exactly like the Joint Economic Committee. His letter states:

> This would be a non-legislative, fact-finding committee empowered to examine the full range of the economy and the causes of and justification for wage and price increases occurring throughout the economy.

Perhaps the gentleman from Ohio has not seen the Joint Economic Committee's 10 to 12 publications each year—hearings and reports—relating specifically to the inflation issue. And occasionally the committee does some monumental works on this topic; for example, the 1975 "Studies in Price Stability and Economic Growth."

If Mr. Vanik has not seen the 911 studies and hearings on the economy that the Joint Economic Committee has published over its lifetime, I would be happy to truck them over to him.

And, of course, the suggestion that this select committee be "empowered to examine the full range of the economy" directly duplicates the charge given to the Joint Economic Committee, and to some extent, the work of the House and Senate Budget Committees, the Ways and Means and Finance Committees, and the House and Senate Banking Committees.

The Joint Economic Committee is the economic "think-tank" of the Congress. It is not a legislative committee, and thus it can make a dispassionate, objective review of the economy and the priorities of our society. It can be more daring than the legislative committees of Congress that must take into account political considerations when they act. Being "out of the legislative forest," the JEC can and does take a broad perspective on the economy, showing the interrelationship of economic issues in a congressional setting devoted to piece-meal, short-run solutions to problems. The JEC can and does handle the problems the proposed Vanik nonlegislative select committee would deal with, and I personally think the JEC does so in a responsible and effective manner.

I am sending Mr. VANIK a copy of the committee's October 1978 Review of the Economy as just one small example of the JEC's work on the inflation problem. There are 92 pages of report language dealing specifically with inflation. I particularly recommend the minority views. I would be happy to send a copy of the report to any Member who would wish to receive one.

It is evident that taxpayer dollars could be better spent than by creating another committee that would only duplicate the work of the JEC, other existing congressional committees, and the Council on Wage and Price Stability. The ultimate irony is that the new Select Committee on Inflation would be inflationary because it is needless duplication paid for by the taxpayer.●

UKRAINIAN INDEPENDENCE DAY

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, January 22, 1979

● Mr. FLORIO. Mr. Speaker, I would like my colleagues to join with me in commemorating January 22 as Ukrainian Independence Day. This day, celebrated annually by the people and descendents of the Ukrainian nation, marks the spirited determination of a proud nation to be once again free.

The determination of Ukrainians to be free is evidenced throughout their history. Repeated encroachments by foreign governments, devastation by war, and oppressive Soviet political domination, has not removed Ukrainian pride for his native culture, his faith, and his unending struggle for national independence.

Soviet dissident trials this past year brought to the world's attention the hypocrisy that exists under Soviet "justice." Sadly those who suffer most severely from this travesty are the national non-Russian dissidents, Ukrainians, Lithuanians, Georgians, and others. Their "crimes" of conscience are more quickly brought to review, and sentences more harshly handed out.

The barbarism of Soviet law was clearly brought to my attention during the last 6 months as I assisted a Ukrainian family to emmigrate to Israel. Alexander Silnitsky, his wife Tamare, and his grandmother Ilena Zilberman, citizens of the Ukrainian city of Kharkov, have tried since 1975 to join Alexander's parents in Israel.

Through the intervening years Alexander was expelled from school for renouncing his Soviet citizenship, and served 2 years in a Siberian prison camp for refusing to serve in the Russian Red army. Upon release from prison, emigration visas for Alexander and his family were approved to only be annulled again and again because of unbending "Catch 22" Soviet emmigration policies.

After 4 years of waiting, frustration, and government harrassment, Alexander, his wife, and grandmother joined his parents in Israel this past New Year's Day.

Today Alexander and his family are experiencing freedom and a fresh start in life in their new home. I am sure, however, that the Silnitsky family will not forget those they left behind and of their pride and love for their Ukrainian homeland.

Our efforts here today in dedicating the 61st anniversary of Ukrainian Independence Day must equal the spirit and determination shown by the Silnitsky's in the successful reunification of their family.

Sixty-one years ago a democratic Ukrainian Government and its people proclaimed their land a "free and sovereign" republic. While the Ukraine traditions of its people continues. We who have freedom also have the responsibility to assist those whose human, political, and national rights are oppressed. I would like to urge my colleagues to join me in this continuous effort.●

BLACK LOCUST ENERGY PLANTATIONS

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, January 22, 1979

● Mr. CARTER. Mr. Speaker, for nearly a decade the national debate has continued regarding how this country can and should meet its energy needs. The situation in Iran and its possible impact on our petroleum supplies only intensifies the concern over the United States' continuing reliance on foreign petroleum.

The solution to our energy problems remains that we must succeed in reducing our dependence on foreign oil supplies by means of prudent conservation and, especially, increased domestic production and accelerated development of new domestic energy sources.

The Congress over the years has appropriated billions of dollars toward realizing this solution. I have always voted for such spending, and in many areas that Federal investment is paying off.

In my own State, under a contract from the U.S. Department of Energy's fuels from biomass program, the University of Kentucky's Department of Forestry is studying production of black-locust biomass on surface-mined sites in Kentucky, Tennessee and West Virginia. One of the black-locust energy plantations which the University of Kentucky project will establish is in Bell County in the district I represent.

The January 1979 edition of Kentucky Farmer carries an article describing that project as well as the potential for these energy plantations supplying not only a renewable and potentially low-cost energy supply but also valuable new use for land which has been disturbed by the surface mining of coal.

Many years ago my own father demonstrated the superiority of black locust, which is a legume, for reforesting worked-out land. I commend this article on this black-locust project to my colleagues and include it for the RECORD:

RECLAIMING SURFACE MINES WITH BLACK LOCUST ENERGY PLANTATIONS

(By Stanley B. Carpenter, Donald H. Graves, and Robert A. Eigel)

The recent fuel shortage and oil embargo of 1973 focused attention on the basic resources essential to the energy needs of the United States.

To meet these shortages fossil fuels and other non-renewable resources have been studied and intensively evaluated; however, forested lands, a renewable and expandable resource, has received little attention in spite of its current importance to industry and its potential for the future. The nation's forests offer us a renewable, expandable and potentially, low-cost source of fuel, one that could reduce our dependence on foreign sources of energy fuel.

The U.S. Forest Service has reported that for the nation seven percent of the total energy needs could be supplied annually from forest waste and low-value tree species. This would leave us with our more valuable hardwoods and softwoods, and at the same time, improve both the aesthetics and productivity of our forests.

THE CONCEPT OF ENERGY PLANTATIONS

The conversion of solar energy by green plants into stored organic matter that can subsequently be converted into fuels of different kinds—gas, liquid, and solid state fuels—has recently led to the concept of establishing energy plantations. These plantations would consist of selected, rapidly growing tree species planted at close spacings. The crop would be harvested at appropriate intervals with succeeding crops reproducing by coppicing. Coppice regeneration refers to the ability of most hardwood trees to sprout profusely from young stumps. Since most conifers do not coppice, plantings would be primarily restricted to hardwood species. Coppicing would eliminate the need to plant after each harvest and shorten subsequent rotations, because sprouts from an established root system grow more rapidly than seedlings. Intensive crop management would be practiced, including fertilization, irrigation, and weed control. The method is similar to standard agricultural practices used for perennial forage crops, but trees used to produce biomass are less site restrictive and demanding of basic energy inputs such as cultivation and fertilization.

BLACK LOCUST ON SURFACE MINES—A LARGELY UNTAPPED RESOURCE

Major costs of the energy-plantation concept include land costs such as acquisition, clearing and preparation. If these costs could be eliminated or reduced, the energy plantation concept would become more economically feasible. We feel that surface-mined sites in the southern Appalachian Region offer a potential solution to this problem. Surface-mined sites are unique since they do not require expenditures of energy or other costs relating to land clearing and preparation for the establishment of energy plantations. These costs are included in the mining of fossil fuels and are directed by reclamation law.

Although the total acreage surface-mined in the southern Appalachian Region is unknown, the trends in Kentucky are probably applicable to the region. Surface mining disturbs over 50,000 acres of land each year in Kentucky. Presently, 90,000 acres of permitted land is in need of revegetation in addition to an area in excess of 100,000 acres of non-reclaimed orphan land. In view of current energy needs, it is reasonable to assume that acreage mined will continue to increase. The establishment of energy plantations on only a small fraction of this largely unused and unproductive acreage would substantially increase our energy resources.

The value of black locuse (Robinnia pseudoacacia) wood for firewood has long been recognized, and its ease of establishment on surface mines in the southern Appalachians makes it an ideal species for energy plantations. Studies by the U.S. Forest Service Forest Products Laboratory indicate that the potential heat content (Btu's) of black locust wood is the highest among the North American species tested. The total heat content per cord of black locust wood at 20 per cent moisture content was 29.2 million Btu's, compared with only 15.8 million for cottonwood. Black locust can be established on surface-mined sites by direct seeding or the planting of seedlings. It has shown rapid growth on a wide variety of surface-mined sites across the southern Appalachian region. Careful site selection, genetic selection and application of cultural practices, such as mulching, fertilization, spacing, and perhaps irrigation, should result in increased yields.

IS IT FEASIBLE TO GROW BLACK LOCUST ON SURFACE MINES AS AN ALTERNATIVE SOURCE OF FUEL?

In 1978 the Department of Forestry, University of Kentucky, initiated a project to study the production of black locust biomass on surface-mined sites in Kentucky, Tennessee, and West Virginia. The project is funded by the Fuels From Biomass Program of the U.S. Department of Energy. Our study involves two major phases. First, we are studying the growth of black locust in previously established plantings of this species on surface mines across the region. With the assistance of state reclamation agencies and coal companies, we have carefully selected young plantations which give a good representation of the diverse sites across the region. Second, we will establish energy plantations testing the most advanced cultural and reclamation techniques to increase yield.

During the past year we have sampled 72 plantings of black locust. These ranged in age from 2 to 10 years. Dry weight yields of black locust have ranged from 1 to 28 tons/acre. The average production of black locust on the sampled sites is about 1.2-tons per acre per year. About 75 percent of this is usable woody biomass. The remaining 25 percent is leaves that have the potential to be used if harvested during the growing season.

Next year, we will continue our sampling to determine what types of surface mine spoil attain the highest levels of production. We will also establish two energy plantations using good agricultural practices to increase yield. These will be established near Jackson, Kentucky in cooperation with Falcon Coal Company, and with Mt. Drive Coal Company at Middlesboro, Kentucky.

Perhaps through the growth of black locust, Kentucky's surface mines can continue to produce energy long after the coal is gone.●

THE TREATY STAKES

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 22, 1979

● Mr. McDONALD. Mr. Speaker, there may be those who feel the suit brought by Senator GOLDWATER, myself, and others to test President Carter's unilateral abrogation of our Mutual Defense Treaty with the Republic of China is a frivolous suit or one designed just to harass the President. It is not. It is designed to decide whether or not the people of this United States, via their elected representatives, still have any say in foreign affairs or whether we have crowned an emperor. Senator GOLDWATER's case rests mainly on Thomas Jefferson's pronouncement when he was in the Senate. If the courts uphold Senator GOLDWATER, myself and others party to the suit, it will be a victory for the people who have stated they wished to remain an ally of Taiwan. If the President is upheld, we are on the way to possible war in Asia and still further erosion of confidence in the United States among our few remaining allies. In this connection, I feel a recent editorial from the Richmond Times-Dispatch of January 17, 1979, set forth the issues very well. I include it at this point for the benefit of my colleagues:

THE TREATY STAKES

In the coming showdown in the federal courts between President Carter and Sen. Barry Goldwater on the legality of the president's unilateral abrogation of the Taiwan defense treaty, both sides marshal historical precedents and opinions of learned authorities in support of their positions. Neither can cite legal precedents, however, because no court has ever ruled on the question of a president's power to break a treaty without securing approval of the Senate or both houses of Congress.

All of which means the Taiwan case should prove to be intensely interesting, as well as highly significant.

The White House press office has distributed a "fact sheet" that lists several examples of presidential termination of treaties. The sheet also notes that Article 10 of the 1955 Taiwan treaty states that: "Either party may terminate it one year after notice has been given to the other party."

Contending that President Carter acted properly because he issued the one-year notice, the White House observed that: "The treaty makes no reference to the Senate or Congress, or the need for approval of the legislative branch in order for notice to be given of termination of the treaty."

In a study he prepared for the Heritage Foundation last spring, Mr. Goldwater noted, however, that neither does the treaty say the president is the sole "party" to act on behalf of this country. "Party" means the government involved, and in the U.S. the treaty power is a joint one shared by the president and Congress, wrote the Arizona Republican, his party's 1964 presidential nominee.

Furthermore, in examining nine instances of presidents serving termination notice without securing congressional approval, Mr. Goldwater argued that a closer examination of the record does not support the idea of untrammeled presidential ability to annul treaties. In two cases, notice of termination was withdrawn. Two treaties were scrapped because they were inconsistent with more recent laws passed by Congress and one was obviously superseded by obligations imposed by a later treaty. The remaining four, according to the Goldwater analysis, "appear to have been annulled or suspended after it became impossible to effectively carry them out."

Yet those cases were cited, without further explanation, by Mr. Carter's press agents as justification for the president breaking a treaty of his choosing. For example, the White House noted that in 1939, President Roosevelt gave notice of termination of a 1911 commerce and navigation treaty with Japan. But after examining that case more closely, Senator Goldwater pointed out that it was "persuasively argued in the Senate that the president was compelled to denounce the 1911 treaty with Japan because of our obligations under a later treaty, the Nine Power Agreement, committing the United States to respect the territorial integrity of China."

It must be conceded that the White House was able to muster an impressive display of quotes from various scholars to the effect that a president may break a treaty unilaterally.

Mr. Goldwater, however, was not without some lustrous support of his own. Thomas Jefferson, in compiling the first manual of rules of the Senate when he was vice president, wrote: "Treaties being declared equally with the laws of the United States, to be the Supreme Law of the Land, it is understood that an act of the legislature alone can declare them infringed or rescinded."

The president has overall authority to conduct this nation's affairs with other nations, of course, and that includes the right, undisputed by Mr. Goldwater, to establish or end diplomatic relations with others. The courts may well rule that Mr. Carter was within his constitutional prerogative in serving notice on Taiwan. What then?

Practically every major treaty to which the U.S. is a party has an abrogation clause similar to the Taiwan one. These include the North Atlantic Treaty Organization (NATO), and security treaties with Australia and New Zealand (ANZUS), South Korea, Japan, the Philippines, and non-communist Southeast Asian countries (SEATO). If the courts uphold a presidential right to break such treaties without the restraint of legislative concurrence, then the credibility of the United States as a stable, dependable ally will be thrown into greater doubt.

Then, too, some liberals who delight today in Mr. Carter's fast China shuffle could some day rue a future president having a free hand. Senator Goldwater said he feared no contradiction in predicting an uproar among his colleagues if, for example, a president, without giving the Senate or Congress opportunity for deliberation, unilaterally violated the Nonproliferation Treaty and transferred nuclear warheads to South Africa.●

THE ISSUE OF CONVICTED FELONS IN CONGRESS

HON. NEWTON LEROY GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 22, 1979

● Mr. GINGRICH. Mr. Speaker, the issue of convicted felons serving in the House of Representatives troubles this entire body.

Certainly our institution has been badly hurt by several scandals these past few years. The people are demanding we clean up our own House.

On a personal basis, I am sure each

of us would be upset if our vote on an important item of legislation was canceled by the vote of a convicted felon. And how could we explain to the people if a measure was decided by one vote—and that one vote came from a convicted felon?

On the other hand, many Members feel uncomfortable moving quickly to expel such Members. Only three Members have ever been expelled from this House. And all three of those were during the War Between the States.

But expulsion is not the only route. There is one precedent which closely matches the situation the House finds itself in. As we consider the issue of convicted felons serving in Congress, I think it is one precedent which clearly should apply.

Mr. John Langley, a Republican Member from Kentucky, was found guilty in U.S. district court of conspiracy. This was in May of 1924. He was sentenced to 2 years in prison.

He appealed his conviction, and while on appeal, was reelected. The House set up a special committee to consider the case.

The committee reported no immediate action was necessary, as Mr. Langley was not voting in the House. Since he was refraining from participating in the House and the case was on appeal, the committee delayed making a final judgment.

When his final appeal was denied in January of 1926, Mr. Langley promptly resigned. No expulsion motion was necessary.

But even in this case, the appeals process consumed 19 months. Under present conditions that time might be even more lengthy. But I think the Langley case still provides the best guide to follow in this case.

For the information of the Members, I am drawing your attention to the report on this case in volume VI, section 238 of "Cannon's Precedents."●

JAYCEE WEEK

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 22, 1979

● Mr. GILMAN. Mr. Speaker, next week, the U.S. Jaycees will be celebrating the 59th anniversary of the founding of this organization. For 51 weeks a year, the Jaycees, nationwide, dedicate themselves to community service and to making our Nation a better one in which to live. For this 1 week each January, however, the Jaycees "beat their own drums" and call to the attention of all of us the sterling words of the Jaycee creed:

We believe:

That faith in God gives meaning and purpose to human life;

That the brotherhood of man transcends the sovereignty of nations;

That economic justice can best be won by free men through free enterprise;

That government should be of laws rather than of men;

That the earth's great treasure lies in human personality;

And that service to humanity is the best work of life.

The Jaycees, whose membership is open to men between the ages of 18 and 35, provide special services depending upon the distinct needs of the locale. Jaycees in our 26th Congressional District of New York provide substantial assistance to the handicapped, to our senior citizens, and to our youth.

More importantly than the services provided to their communities the Jaycees provide leadership training to their members, both through the experiences of conducting their external projects, and through the self-improvement courses offered by the internal program of each chapter. The Jaycees pride themselves on producing future leaders, not only for other organizations, but for the worlds of business, politics, and community service.

My 26th Congressional District of New York boasts active Jaycee chapters in Chester, Cornwall, Florida-Pine Island, Highland, Middletown, Goshen, Monroe, Nanuet, New City, New Paltz, Newburgh, Pearl River, and Warwick, as well as institutional chapters at Letchworth Village and the Wallkill State Correctional Facility.

If there is a good community cause being undertaken, chances are that a Jaycee is involved.

Mr. Speaker, I urge my colleagues to join with me in wishing the unselfish, dedicated members of the Jaycees success in all their community endeavors as they begin their 60th year of service to humanity.●

CORRECTION OF REPORT ON SALT II: AN INTERIM ASSESSMENT

HON. CHARLES H. WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 22, 1979

● Mr. CHARLES H. WILSON of California. Mr. Speaker, as chairman of the House Armed Services Committee's panel on SALT and the CTBT, I forwarded a copy of a report recently released by the panel to my colleagues in the House and Senate. The report, entitled "SALT II: An Interim Assessment," included the dissenting views of one of the panel members, my good friend and colleague, the gentleman from Michigan, Mr. CARR.

Since this report was so widely distributed to Members of the Congress, I feel it imperative to clarify a discrepancy that was included in Mr. CARR's comments.

While I do not seek to discredit Mr. CARR or his views in any way, I think the attached letter from the distinguished chairman of the House Armed Services Committee, Mr. PRICE, corrects the error.

HOUSE OF REPRESENTATIVES,
Washington, D.C., January 12, 1979.

Hon. BOB CARR,
U.S. House of Representatives,
Washington, D.C.

DEAR BOB: It has come to my attention that in your dissenting views to the report on SALT II by the Panel on Strategic Arms Limitation Talks, you question the veracity of a statement of mine regarding Paul Warnke and what he had to say about the cancellation of the B-1.

Specifically, the majority of the panel in the main body of the report quoted from a prepared statement of mine as follows:

"It is rare indeed when any nation foregoes the deployment of the most advanced weapons it is capable of producing. It is wholly unique for a nation whose potential adversary is producing new weapons at an undiminished rate.

"I do not like to overstate the case and I would not agree with those who say we are practicing unilateral disarmament. But certainly it can be said that the United States is practicing unilateral arms restraint.

"Mr. Warnke, our senior arms negotiator, stated that our cancellation of the B-1 should be followed by a similar type of arms restraint by the Soviets. . . . If there has been any arms restraint by the Soviet Union, I am unaware of it."

In your dissenting views, you state the following:

"While I hesitate to dispute the distinguished chairman of the full committee, for whom I have the greatest respect, I am bewildered by his quoted statement that Paul Warnke has described the B-1 cancellation as an act of restraint the Soviets should reciprocate. Mr. Warnke tells me he cannot recall describing the B-1 cancellation in these terms, and that he emphatically does not regard it as an act of restraint."

I was surprised to read your comments and to hear that the accuracy of my statement was questioned since the statement was made in August 1977, at the beginning of a review of strategic issues in connection with the committee's work on H.R. 8390, the fiscal year 1978 supplemental authorization that was requested by the President in the wake of the cancellation of the B-1 bomber.

I would assume that if the attribution to Mr. Warnke was incorrect, someone would have brought it to my attention in the intervening year and a half.

I am equally surprised by Mr. Warnke's response to you that he cannot recall making such a statement and does not consider the cancellation of the B-1 as an act of restraint.

My statement was correct. It was based on a direct quote by Mr. Warnke.

I am enclosing a copy of a story that appeared in the Washington Star on July 8, 1977, based on an interview with Mr. Warnke in his office at the Arms Control and Disarmament Agency by a distinguished reporter, Mr. William Beecher of the Boston Globe. The headline states: "Soviets Invited to Follow B-1 Example—Warnke Seeks 'Matching Restraint'." The lead paragraph, as you will see, quotes Mr. Warnke as stating that the Soviets should react to the President's killing of the B-1 bomber by a "matching restraint on one of their weapons programs."

The second paragraph of the story records Mr. Warnke as explicitly referring to the killing of the B-1 as an act of restraint. "I think we have demonstrated a willingness to exercise restraint," he said. "And I would hope they would recognize it as such and respond appropriately."

Please notice that this is a direct quote from Mr. Warnke.

The story goes on to say that this is the first public statement by an Administration official of an expectation that the Soviet Union should give up something significant in response to the B-1 bomber.

Please notice also that this story, which appeared in the Washington newspaper at the time Mr. Warnke was ACDA Director, appeared approximately a month prior to the time of my statement. I know of no record of Mr. Warnke denying the quotation either during that period or subsequently.

Because your statement was made in a

publicly-released committee report, I am sending a copy of this letter to the other members of the committee and shall make it available to the press, as I do not wish the public record to contain an unanswerd allegation that I have improperly attributed statements to any individual.

Sincerely,

MELVIN PRICE.●

COMMEMORATION OF UKRAINIAN INDEPENDENCE DAY

HON. WILLIAM S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, January 22, 1979

● Mr. BROOMFIELD. Mr. Speaker, I want to join with the Ukrainian community of southeastern Michigan and with other Ukrainian Americans in commemorating Ukrainian Independence Day, January 22, 1979.

This important day marks the 61st anniversary of the Central Rada's proclamation of Ukrainian independence, an event which occurred in Kiev on January 22, 1918. Not only does this anniversary day celebrate the short-lived freedom of the Ukrainian people, but it also serves as a solemn reminder of Russian repression in that area of the world.

As my Ukrainian friends and my colleagues well know, the Soviets have repressed any opposition to "russification," the long-term goal of Soviet authorities to homogenize all minorities into one "Soviet nation." This has been especially true in the Ukraine, a region large and fertile, proud, and beautiful.

The Ukraine's struggle for freedom and independence actually began long before the period of the Cossack revolt and Russian domination. The struggle against neighbors seeking to conquer the rich Earth, the beautiful cities, and the proud people of the Ukraine. To this very day, the long struggle continues and yet, the faith that another day will bring the freedom and independence to which the Ukrainian people aspire has not been dampened.

At this particular time in history, the present and the future of the Ukrainian people rests not only upon that faith for freedom, but also upon a rich cultural heritage and a national sense of identity. A magnificent literature and language, as well as a tremendous sense of self, continue to provide hope to the people in the Ukraine. We have seen, for example, that after years of Russian hegemony over the Ukraine, a 19th century Ukrainian cultural revival gave the world not only a great poet, Tasas Shevchenko, but also the Ukrainian people a rekindled nationalism which expressed itself in a fight to be free. This struggle led to the proclamation of an independent Ukraine in 1918.

Although the Ukraine's freedom was short-lived, the memory and the spirit of it have survived. Today, despite the years of Russian repression and the strong desire of Moscow to destroy any vestiges of Ukrainian identity, the Ukrainian people, in a recent census, claim to be Ukrainian in nationality—not Russian or Soviet.

Further, another important Ukrainian poet, Mykola Rudenko, has attempted to continue the flight for freedom—freedom of ideas, freedom of religion, freedom of cultural and national expression—by better acquainting the Ukrainian public with the humanitarian provisions of the Helsinki Agreement. Rudenko, however, along with two other members of the Ukrainian Public Group to Promote the Implementation of the Helsinki Accords, were arrested by the Soviet secret police nearly 2 years ago. These arrests only serve as further examples of the constant Ukrainian struggle against repression and are indicative of the continued Soviet policy of humiliating harassment of Ukrainian people who wish to simply guarantee the dignity and the rights of individuals.

Despite the suppression and suffering, the Ukrainian people persevere. Surely, we as a Nation must also persevere and speak out in the Ukrainian struggle—to stand for freedom and dignity in the Ukraine and throughout the world. In commemorating this year's Ukrainian Independence Day, I want to communicate, in a spirit of compassion, determination, and encouragement, my hope for a renewed sense of Ukrainian identity and purpose—an identity and purpose which will guarantee the Ukrainian people their rightful inheritance of religious and cultural expression—of freedom and independence.●

A SELECT COMMITTEE ON INSURANCE

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 22, 1979

● Mr. LAFALCE. Mr. Speaker, we in Congress are becoming increasingly aware of insurance-related problems. During the 95th Congress, the Small Business Committee undertook an extensive investigation of product liability insurance problems: the Commerce Committee studied in depth the need for effective cost disclosure in life insurance purchases; the Judiciary Committee undertook a review of discrimination by insurance companies in the sale and pricing of their products. Various legislative initiatives were considered by the aforementioned committees, while other insurance legislation was referred to the Banking Committee, Education and Labor Committee, and Ways and Means Committee.

These congressional investigations and legislative initiatives are all treading on unfamiliar terrain, for the business of insurance is regulated solely by the individual States. As a result of the historic non-Federal role in insurance regulation, no executive agency nor congressional committee has developed sufficient expertise to properly evaluate whether the Federal policy of noninterference should be continued. In fact, the National Commission for Review of Antitrust Laws and Procedures has recommended "further study of economic regulation of insurance" including "the appropriate role, if any, of Federal legislation with respect to the business of insurance."

The difficulties that have been perceived—with product liability insurance, with discrimination in pricing and availability, with cost disclosure in life insurance, to name a few—are all indications of deficient State regulations. Presently, the McCarran-Ferguson Act, provides an exemption from Federal antitrust laws so long as the business of insurance is regulated by State law. In the more than 30 years since its enactment, the McCarren-Ferguson Act has shielded the insurance industry from Federal scrutiny, notwithstanding the fact that State regulation is often tantamount to nonexistent. In fact, there are a significant number of States that fail to employ so much as a single actuary. It is incomprehensible how these States can even pretend to regulate the business of insurance.

The sheer magnitude of the insurance industry is staggering: there is in excess of $2.5 trillion of life insurance in force in the United States—almost five times the size of the Federal Government's annual budget, and more than $10,000 for each man, woman, and child residing in this Nation. The life insurers and property-casualty insurers receive annual premiums in excess of $126.3 billion per year—almost as much as all individual income tax paid to our Treasury; together, their assets exceed $433 billion. Given an industry of this size, given the fact that virtually every citizen of this country owns or is covered by some type of insurance, and given the increasing incidence of insurance-related problems, it is imperative that Congress begin considering this problem in its totality, and not on an ad hoc basis as it has done in the past.

It is with these thoughts in mind that I have introduced today a House resolution calling for the creation of a Select Committee on Insurance. The committee would be authorized and directed to conduct a complete investigation and study all facets of the insurance business and report back to the House with its findings as soon as practicable.

I urge all my colleagues to give this matter their support. I stress that this proposal does not call for regulation of the insurance; it will merely provide a vehicle through which we may glean a greater understanding of the mechanics of the insurance industry which in turn will provide us with sufficient information to properly evaluate the insurance problems that we have experienced in the past, and enable us to avoid new ones in the future.

The complete text of this resolution follows:

H. RES. —

Resolved,

Whereas, the McCarran-Ferguson Act (15 U.S.C. 1011 et seq.) provides that the Sherman Act, the Clayton Act, and the Federal Trade Commission Act shall be applicable to the business of insurance to the extent that such business is not regulated by state law;

Whereas, the business of insurance is, as a practical matter, ostensibly regulated by the individual states;

Whereas, there has been minimal Federal

knowledge or concern regarding state regulation of insurance since the adoption of the McCarran-Ferguson Act;

Whereas, there is in excess of $2.5 trillion of life insurance in force in the United States;

Whereas, the premium receipts of United States life insurance companies exceed $72.3 billion per year;

Whereas, the assets of United States life insurance companies exceed $351 billion;

Whereas, the annual premiums written by United States property and liability insurance companies exceed $72.4 billion;

Whereas, the assets of United States property and liability insurance companies exceed $135 billion;

Whereas, the assets of life, property and liability insurance companies are invested in all phases of American industry, enterprise and real estate;

Whereas, virtually every citizen of this Nation carries or is covered by life insurance, health insurance, home owner's or renter's insurance, automobile liability insurance, or workers compensation;

Whereas, virtually every business in this Nation is covered by at least one of fire insurance, general liability insurance, professional liability insurance, or product liability insurance;

Whereas, this Nation has recently experienced a crisis in medical malpractice insurance, is presently experiencing great difficulties in product liability insurance, and is beginning to experience similar difficulties in municipal liability insurance and worker's compensation;

Whereas, as a result of the insurance industry's unwillingness to assume risks at reasonable rates, important national programs may be jeopardized, (e.g., the swine flu vaccine program);

Whereas, there are serious questions concerning the appropriateness of rate differentiation by sex, age, marital status, and geographic area;

Whereas, insurance is often unavailable as a result of discrimination on account of sex, age, marital status, and geographic area;

Whereas, consumers are generally unable to judge or compare quality of an insurance policy, and even its cost, at the time of purchase;

Whereas, as a result of the foregoing, there are serious questions as to the effectiveness of state regulation of the business of insurance;

Whereas, within the Federal government, there exists a significant dearth of expertise regarding the practices and procedures of the business of insurance.

Whereas, the National Commision for the Review of Antitrust Laws and Procedures in January of 1979, recommended "further study of economic regulation of insurance" including "the appropriate role, if any, of federal legislation with respect to the business of insurance";

Whereas, no single standing Committee has jurisdiction to fully and adequately consider the business of insurance;

Whereas, no standing Committee presently has a professional staff with substantial expertise concerning the business of insurance;

Whereas, the business of insurance affects commerce, and the health, safety, and well-being of every person within this Nation; now, therefore it is

Resolved, that there is hereby created a Select Committee on Insurance to be composed of 12 members of the House of Representatives to be appointed by the Speaker, one of whom he shall designate as Chairman. Any vacancy occurring in the membership of the committee shall be filled in the same manner as the original appointment.

The committee is authorized and directed to conduct a complete investigation and study of all facets of business of insurance (including but not limited to life insurance, medical and health insurance, property and casualty insurance, suretyship), rating and rate making and such related insurance issues as the committee shall determine.

For the purpose of carrying out this resolution the committee, or any subcommittee thereof authorized by the committee to hold hearings, is authorized to sit and act during the present Congress at such times and places within the United States, whether the House is in session, has recessed, or has adjourned, to hold such hearings, and to require, by subpoena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memorandums, papers, and documents as it deems necessary.

Subpoenas may be issued under the signature of the chairman of the committee or any member of the committee designated by him, and may be served by any person designated by such chairman or member.

A majority of the members of the committee shall constitute a quorum for the transaction of business, except that the committee may designate a lesser number as a quorum for the purpose of taking testimony.

The committee may employ and fix the compensation of such clerks, experts, consultants, technicians, attorneys, investigators, and clerical and stenographic assistants as it considers necessary to carry out this resolution.

The committee shall report to the House as soon as practicable during the present Congress the results of its investigation and study, together with such recommendations as it deems advisable. Any such report which is made when the House is not in session shall be filed with the Clerk of the House.●

CONGRESSMAN TIM LEE CARTER VOTED HONORARY MEMBERSHIP IN AMERICAN DENTAL ASSOCIATION

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 22, 1979

● Mr. MICHEL. Dr. TIM LEE CARTER, our colleague from Kentucky, was one of four persons voted honorary memberships in the American Dental Association during that group's annual house of delegates meeting.

Dr. CARTER was selected for that membership on the basis of his longstanding support for preventive dental care and for an innovative fluoride-rise program proposal he offered last year.

I offer for the RECORD the following article from the A.D.A. News of October 16 describing these honorary memberships.

[American Dental Association News, Oct. 16, 1978]

HOUSE TO CONSIDER FOUR AS HONORARY MEMBERS OF ADA

CHICAGO.—The Association Board of Trustees, at its August session, announced four nominations for election to honorary ADA membership by the House of Delegates at its meeting in Anaheim, Calif.

The nominees are Dr. Juan A. Arias Z. of Panama; Rep. Tim Lee Carter, MD (R-Ky); Alan J. Davis, York, Pa., of Dentsply International, Inc.; and Juanita M. Kreps, PhD, US Secretary of Commerce.

Dr. Arias Z was nominated for his efforts to foster good relations between the Panamanian and Canal Zone dental groups and the ADA.

A graduate of the University of Maryland School of Dentistry, Dr. Ariaz Z has held a number of offices with various dental and civic organizations. He is a past director of the Federacion Odontologica Centro America y Panama; past president and treasurer of the Panamanian dental association; a founder of the Panamanian Kiwanis Club; and a past president and treasurer of the board of directors of the Club Union.

Representative Carter received a medical degree from the University of Tennessee and practiced medicine in Kentucky for several years. He has been nominated for honorary membership for his efforts to promote legislation for preventive dental care programs and fluoridation.

The congressman was chairman of the board of education in Monroe County, Ky, and chairman of the county's Republican Party for 12 years before his election to the House of Representatives in 1964. He currently is serving his seventh term in Congress.

HOUSE ACTIVITIES

Representative Carter has served on the House Committee of Interstate and Foreign Commerce and was selected as the ranking minority member of its subcommittee on health and the environment in January 1975. He also is ranking minority member of the Committee on Small Business' subcommittee on energy, environment, safety and research.

Mr. Davis, who is vice president for public relations at Dentsply, studied graphic arts, journalism, advertising, and public relations, at New York University, Columbia University, and the New School for Social Research.

The several professional positions he has held with Dentsply include that of advertising manager and director of information services. In 1969 he was appointed to his current position. His responsibilities include direction of Dentsply's advertising, sales promotion, and public relations activities.

Mr. Davis has been nominated for honorary membership in the ADA for his creative contributions as liaison to the ADA Council on Annual Session's Student Dental Table Clinic Program.

DENTISTRY-RELATED ACTIVITIES

He also has been active in programs involving the American Dental Assistants Association, of which he is a consultant to the public relations committee of its board of trustees, and with the National Association of Dental Laboratories.

In addition, Mr. Davis has been active in the Alumni Association of Student Clinicians American Dental Association (SCADA), for which he conceived and prepared various materials.

Dr. Kreps became Secretary of Commerce in January 1977.

She was nominated for honorary membership to the ADA for her contributions to negotiations which led to the ADA Health Foundation's patent agreement with the Commerce Department's National Bureau of Standards.

A former vice president of Duke University, Dr. Kreps has 30 years of experience in the academic field as a teacher, writer, and administrator. She has served on numerous state and federal advisory committees, councils, and commissions. She also has written a number of books and articles in the field of economics.

Dr. Kreps received her PhD in economics from Duke University. She has been a lecturer at Queens College, and at Hofstra University. She also was a faculty member at Denison University and at Pomona College in California.

Her government experience includes consultant to the US Special Committee on Aging; member of a Social Security Advisory

Council; North Carolina delegate to the White House Conference on Aging; member of the Office of Economic Opportunity's Task Force on the Older Poor; member of the US Department of Labor's Committee on Research of the National Manpower Advisory Committee; and member of the Senate Commission on the Operation of the Senate.●

CETA IS WORKING IN MILWAUKEE

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, January 22, 1979

● Mr. ZABLOCKI. Mr. Speaker, recently Mr. Jonathan Wolman of the Associated Press cited Milwaukee County's CETA program as one which is working "quietly, without fanfare."

In an article which appeared in newspapers throughout the country, Mr. Wolman found that after 18 months Milwaukee's program cut local assistance costs from $10 million a year to $1.5 million. Milwaukee County's program was found to be training oriented and well organized, with a tightly controlled budget. Efforts are now underway to secure more private sector participation.

Mr. Speaker, in view of the many horror stories we have all heard associated with CETA abuse in many cities, it is important that we take heed of a program that is serving the intent of the law—training individuals for meaningful employment.

I am pleased to share with my colleagues the article "Milwaukee Shows Other Side of CETA Program":

MILWAUKEE SHOWS OTHER SIDE OF CETA PROGRAM

(By Jonathan Wolman)

MILWAUKEE.—Operating within a federal jobs and training system plagued by thievery, patronage and waste, Milwaukee has fashioned a CETA program that works. Quietly without fanfare.

In this work-conscious industrial center, the Comprehensive Employment and Training Act programs create thousands of jobs, teach new skills and help the unemployed find work, and perform needed community services.

There is innovation—a controversial 18-month-old "no-work, no-welfare" program that has cut local assistance costs from $10 million a year to $1.5 million. And there are side benefits; local companies are working with CETA to find the people they need—exactly the partnership the federal program seeks.

One example, Harnischfeger Corp., a manufacturer of heavy mining equipment, runs the largest on-the-job training program in the city. A panel of foundry managers set up another skill-training program: 11 persons, all considered hard-core unemployed, recently "graduated" as molder core makers and all had jobs waiting for them.

And, significantly, all this is done with little of the financial and political chicanery that torments the program nationally.

Labor Department officials point to Milwaukee County as one of the most effective CETA operations in the nation. Bob Jones, head of Labor's community employment programs, says, "Milwaukee is one of our best."

Department officials, threatened with broad cuts in the $9-billion CETA budget, say that programs like Milwaukee's prove that federal manpower efforts can be worth the taxpayers' money.

Milwaukee avoids widespread CETA abuse for two reasons: tight financial controls and anti-patronage traditions that fly in the face of the time-worn maxim of big-city democracy: "Jobs are the mother's milk of politics."

On the Department of Labor's recommendation, The Associated Press examined the Milwaukee program to see what the county is doing right, to test Jones' opinion that, "When CETA works, it is terrific."

CETA is a relatively new program (established in 1973), and its capacities were strained to the hilt by the big build-up in public jobs during the past four years. "If the system is allowed to mature, Milwaukee will be the rule not the exception," says Jones.

Other big cities won endorsements from various manpower experts. Among them, Atlanta, Baltimore; Boston; Columbus, Ohio; Fort Lauderdale, Fla.; Los Angeles; Long Beach, Calif., and San Francisco. Rural programs in Humboldt County, Calif., and Marathon County, Wis., also won praise, along with smaller programs in Allentown, Pa., Bangor, Maine and Hackensack, N.J.

But even some of these programs have been stung by charges of corruption, patronage or mismanagement. In Los Angeles, for example, city council members are under fire for hiring campaign aides as city CETA workers. In Atlanta, there have been fraud indictments.

"A clean program isn't necessarily a good one, and vice versa," says Jodie Allen, special assistant to Labor Secretary Ray Marshall.

"CETA is so big and so complicated that we're always afraid we might be blindsided by disaster," says Larry Jankowski, deputy director of the Milwaukee county's manpower office.

Milwaukee's control of CETA money has been so tight that two local scandals, including one that resulted in a fraud conviction last month, were uncovered during the county's routine annual audits.

Also, patronage—using government jobs to reward political allies—is not much of a factor in Milwaukee, which lacks the rich patronage tradition of, say, Chicago.

The county is "prime sponsor" (bureaucratese for administrator) of the $28 million local CETA program. City and suburban governments also hire CETA workers, as do non-profit groups. Professional manpower agencies, such as one organized by the Urban League and another run by the Jewish Vocational Service, provide training and jobs with money from CETA.

County officials say CETA helped more than 20,000 persons in the past year, including 6,000 youths who landed summer jobs, 4,000 CETA public service workers, and 10,000 people enrolled in training or job counseling programs.

Of the public service jobs, 505 went to the city government, 434 go the county, and 71 to suburban governments.

The remainder went to several hundred manpower or community groups that hire CETA workers to handle public service tasks. Among the community groups: The Childrens Outing Association, the Latin American Chamber of Commerce, and the 16th Street Community Health Center.

It is difficult to measure the success of any city's manpower effort because the programs are so varied and the yardsticks are so vague. But in Milwaukee, CETA offers a range of accomplishments.

CETA creates jobs, thousands of them. Over the past four years, CETA has created more than 10,000 jobs in Milwaukee County, with more than two-thirds going to residents of the city. An increasing percentage of the jobs is going into the inner city where black and youth unemployment is especially high.

Training programs provide skills for those who need them most.

Many prime sponsors, harrassed by the demands of filling so many public service positions, have allowed job training programs to suffer. In Milwaukee, "We like to remember the original purpose of CETA was to provide skills and job experience to the unemployed" says chief manpower planner Bob Knight.

Local CETA operations often fail to match job training to local employment needs, but Milwaukee officials work with factory managers to provide the unemployed with skills that are in short supply, for jobs that actually exist.

Harnischfeger's CETA program is a prime example.

CETA workers provide manpower for community groups.

CETA funds go to hire unemployed people who go to work for non-profit groups, ranging from the Salvation Army to the Coalition for Peaceful Schools.

Some $2.2 million in CETA money is earmarked to provide cultural jobs for museum archivists, jazz musicians and the like.

The Urban League has 50 CETA slots used to teach sex education to teenagers at central city community centers.

Using CETA workers, local governments provide services they otherwise couldn't afford without raising already high property taxes.

For example, this winter, CETA employees will shovel snow for elderly homeowners, and CETA-paid health aides are publicizing the services being offered by the under-utilized city health department.

CETA has boosted the ranks of minorities working in city hall.

The public service jobs program, planned by Congress to provide work for low-income persons, acts as a de facto affirmative action device for city government. Overall, 54 percent of the city's CETA workforce are non-white, compared to 17 percent of the total city workforce.

CETA training helps minorities land full-time city jobs: in a recent eight-month period, 55 CETA employees were transferred to the regular city payroll, a respectable 15 percent transition rate.

CETA has cut the county's welfare costs which had been climbing dramatically.

Milwaukee County has undertaken one of the nation's few local attempts at welfare reform. The Work Assistance Program provides 1,800 jobs or training poistions to recipients in lieu of public assistance. If you don't take the job, you get no welfare funds.

The program has increased the number of hard-to-hire people in the CETA program, a major objective of Labor Secretary Marshall, and has cut the county's welfare roles from 6,000 to 600 in just 18 months.

The program is run by the Jewish Vocational Service, which also has set up a CETA program for handicapped persons. Says the service's director Mike Galazin, "Our job is to find the work, develop it, and train the so-called hard-to-hire. There is nobody we won't hire."

The CETA system is so cumbersome that it may be impossible for big-city operations to avoid scandal completely. Certainly, Milwaukee has had its share, suffering acute embarrassment from political conniving and shutting down two programs because of thievery by CETA project officials.

In both cases, the thieves were tried and found guilty.

There has been one case of nepotism, and there are allegations that a state senator used CETA summer youth workers to aid in a primary campaign for lieutenant governor. Also, a tangle of questionable administrative expenses brought the resignation of John Zinos, a former state official who directed several CETA cultural projects.

Yet, only 200 of the nation's 475 CETA prime sponsors—are operating with records as clean as Milwaukee's, and many are smaller communities where employment problems are not so complicated.

"If you create a system that people can cheat, then you're probably going to pay the price. That's the story of the CETA program," says one local official. "What's amazing is that anyone does it right. I think we've got a lot to be proud of."●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings when scheduled, and any cancellations or changes in meetings as they occur.

As an interim procedure until the computerization of this information becomes operational the Office of the Senate Daily Digest will prepare this information for printing in the Extension of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, January 23, 1979, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

JANUARY 24

10:00 a.m.

Foreign Relations

To receive a briefing, in closed session, from Secretary of State Cyrus Vance on the status of negotiations for the SALT Treaty.

S-116, Capitol

2:30 p.m.

Foreign Relations

To hold an organization meeting to consider its budget and other administrative matters.

4221 Dirksen Building

JANUARY 25

9:30 a.m.

Judiciary

To hold hearings on the selection and confirmation of Federal judges.

2228 Dirksen Building

10:00 a.m.

Armed Services

To receive testimony on proposed authorizations for fiscal year 1980 for the Department of Defense from Harold Brown, Secretary of Defense, and General David Jones, Chairman, Joint Chiefs of Staff.

1114 Dirksen Building

Foreign Relations

To hold hearings on the nomination of George M. Seignious II, of South Carolina, to be Director of the U.S. Arms Control and Disarmament Agency.

4221 Dirksen Building

3:00 p.m.

Banking, Housing, and Urban Affairs

To hold an organizational meeting to consider its budget and other administrative matters.

5302 Dirksen Building

JANUARY 26

10:00 a.m.

Banking, Housing, and Urban Affairs

To hold oversight hearings on the budgets of the regulatory agencies that govern the U.S. banking system.

5302 Dirksen Building

Foreign Relations

To hold hearings to receive testimony on the nomination of George M. Seignious II, of South Carolina, to be Director of the U.S. Arms Control and Disarmament Agency.

4221 Dirksen Building

JANUARY 29

10:00 a.m.

Banking, Housing, and Urban Affairs

To hold hearings on the nominations of Irvine H. Sprague, of California, to be a Member of the Board of Directors of the Federal Deposit Insurance Corporation, and William B. Welsh, of Virginia, and Sterling Tucker, of the District of Columbia, each to be an Assistant Secretary of HUD.

5302 Dirksen Building

Finance

Social Security Subcommittee

To hold hearings on requirements for deposit by the States of the amounts due to the Social Security Trust Funds as contributions for employees who are covered under social security.

2221 Dirksen Building

JANUARY 31

9:00 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To resume hearings on proposed legislation to establish a national space policy which would enable the U.S. to maintain a lead in space science and technology.

235 Russell Building

9:30 a.m.

Human Resources

To hold hearings to explore the trends affecting the conditions of American women in the coming decade and on proposed human resources policies and programs.

4232 Dirksen Building

Veterans' Affairs

To hold an organization meeting to consider its budget and other administrative matters.

412 Russell Building

10:00 a.m.

Rules and Administration

To hold an organizational meeting to consider its budget and other administrative business, and to hold hearings on the nominations of John W. McGarry, of Massachusettes, and Max L. Friedersdorf, of Indiana, each to be a Member of the Federal Election Commission.

301 Russell Building

FEBRUARY 1

9:00 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To continue hearings on proposed legislation to establish a national space policy which would enable the U.S. to maintain a lead in space science and science and technology.

235 Russell Building

9:30 a.m.

Human Resources

To continue hearings to explore the trends affecting and conditions of American women in the coming decade and on proposed human resources policies and programs.

4232 Dirksen Building

FEBRUARY 2

10:00 a.m.

Banking, Housing, and Urban Affairs

To hold hearings on proposed legislation to simplify the truth-in-lending laws.

5302 Dirksen Building

FEBRUARY 5

10:00 a.m.

Banking, Housing, and Urban Affairs

To hold oversight hearings on U.S. export policies.

5302 Dirksen Building

Energy and Natural Resources

To hold hearings on proposed regulations to control surface mining operations.

3110 Dirksen Building

Foreign Relations

To hold hearings on proposed legislation to continue current trade and economic relations with Taiwan.

4221 Dirksen Building

FEBRUARY 6

9:30 a.m.

Agriculture, Nutrition, and Forestry

Environment, Soil Conservation, and Forestry Subcommittee

To hold hearings on the economic implications of the Department of Agriculture's RARE II wilderness proposals, and on the Nation's outlook for timber and lumber supplies.

332 Russell Building

Human Resources

Child and Human Development Subcommittee

To hold hearings on S. 4, proposed Child Care Act.

6226 Dirksen Building

10:00 a.m.

Banking, Housing, and Urban Affairs

To continue oversight hearings on U.S. export policies.

5302 Dirksen Building

Budget

To hold hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.

6202 Dirksen Building

Foreign Relations

To continue hearings on proposed legislation to continue current trade and economic relations with Taiwan.

4221 Dirksen Building

Governmental Affairs

Federal Spending Practices and Open Government Subcommittee

To hold hearings on GSA's methods of procuring contracts.

1114 Dirksen Building

10:30 a.m.

Human Resources

To hold hearings on proposed legislation to amend the Employee Retirement Income Security Act (ERISA), P.L. 93-406.

4232 Dirksen Building

FEBRUARY 7

9:30 a.m.

Human Resources

To continue hearings on proposed legislation to amend the Employee Retirement Income Security Act (ERISA), P.L. 93-406.

4232 Dirksen Building

Veterans' Affairs

To resume hearings on S. 7, proposed Veterans' Health Care Amendments.

412 Russell Building

10:00 a.m.

Banking, Housing, and Urban Affairs

To hold hearings to receive testimony from N.Y. State officials on the progress being made by N.Y. City towards balancing its budget and regaining access to the credit markets.

5302 Dirksen Building

Budget

To continue hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.

6202 Dirksen Building

Commerce, Science, and Transportation

Surface Transportation Subcommittee

To hold oversight hearings on the implementation by the ICC of provisions of the Railroad Revitalization and Regulatory Reform Act (P.L. 94-210).

235 Russell Building

Foreign Relations

To continue hearings on proposed legislation to continue current trade and economic relations with Taiwan.

4221 Dirksen Building

3:00 p.m.
Banking, Housing, and Urban Affairs
To continue hearings to receive testimony from N.Y. State officials on the progress being made by N.Y. City towards balancing its budget and regaining access to the credit markets.
5303 Dirksen Building

FEBRUARY 8

9:30 a.m.
Agriculture, Nutrition, and Forestry
Environment, Soil Conservation, and Forestry Subcommittee
To resume hearings on the economic implications of the Department of Agriculture's "RARE II" wilderness proposals, and on the Nation's outlook for timber and lumber supplies.
322 Russell Building

Human Resources
To continue hearings on proposed legislation to amend the Employee Retirement Income Security Act (ERISA), P.L. 93-406.
4232 Dirksen Building

Human Resources
Child and Human Development Subcommittee
To hold hearings on proposed authorizations for FY 1979 for ACTION.
6226 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings on proposed legislation to extend for two years, through 1981, the Council on Wage-Price Stability.
5302 Dirksen Building

Budget
To continue hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.
6202 Dirksen Building

Foreign Relations
To hold hearings on the nomination of Leonard Woodcock, of Michigan, to be Ambassador to the People's Republic of China.
4221 Dirksen Building

FEBRUARY 9

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue hearings on proposed legislation to extend for two years, through 1981, the Council on Wage-Price Stability.
5302 Dirksen Building

3:00 p.m.
Banking, Housing, and Urban Affairs
To continue hearings on proposed legislation to extend for two years, through 1981, the Council on Wage-Price Stability.
5302 Dirksen Building

FEBRUARY 20

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold oversight hearings on present U.S. monetary policies.
5302 Dirksen Building

11:00 a.m.
Veterans' Affairs
To hold hearings to receive legislative recommendations for fiscal year 1980 from Disabled American Veterans.
318 Russell Building

FEBRUARY 21

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on proposed FY 1980 authorizations for NASA.
235 Russell Building

9:30 a.m.
Human Resources
Child and Human Development Subcommittee
To resume hearings on S. 4, proposed Child Care Act.
4232 Dirksen Building

10:00 a.m.
Budget
To resume hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.
6202 Dirksen Building

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on proposals to improve the northeast railroad transportation facilities.
235 Russell Building

FEBRUARY 22

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To continue hearings on proposed FY 1980 authorizations for NASA.
5110 Dirksen Building

10:00 a.m.
Budget
To continue hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.
6202 Dirksen Building

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on proposed FY 1980 authorizations for the U.S. Railway Association and the Office of Rail Public Counsel.
235 Russell Building

FEBRUARY 23

10:00 a.m.
Banking, Housing, and Urban Affairs
To resume oversight hearings on present U.S. monetary policies.
5302 Dirksen Building

FEBRUARY 27

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold oversight hearings to assess Government and industrial potential needs for powered "lighter-than-air" vehicles used for surveillance and reconnaissance.
235 Russell Building

Human Resources
Child and Human Development Subcommittee
To mark up proposed authorizations for FY 1979 for ACTION.
4232 Dirksen Building

FEBRUARY 28

9:00 a.m.
Commerce, Science and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on proposed FY 1980 authorizations for NASA.
235 Russell Building

10:00 a.m.
Budget
To resume hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.
6202 Dirksen Building

MARCH 1

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume oversight hearings to assess Government and industrial potential needs for powered "lighter-than-air" vehicles used for surveillance and reconnaissance.
235 Russell Building

10:00 a.m.
Budget
To continue hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.
6202 Dirksen Building

MARCH 2

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on proposed FY 1980 authorizations for NASA.
235 Russell Building

MARCH 5

10:00 a.m.
Budget
To resume hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.
6202 Dirksen Building

MARCH 6

11:30 a.m.
Veterans' Affairs
To hold hearings to receive legislative recommendations for fiscal year 1980 from Veterans of Foreign Wars.
318 Russell Building

MARCH 7

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold oversight hearings on the implementation of P.L. 94-282, establishing the Office of Science and Technology Policy.
235 Russell Building

9:30 a.m.
Human Resources
Child and Human Development Subcommittee
To hold hearings on proposed legislation to coordinate programs designed to prevent domestic violence.
4232 Dirksen Building

10:00 a.m.
Budget
To resume hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.
6202 Dirksen Building

MARCH 8

9:30 a.m.
Veterans' Affairs
To consider recommendations which it will make to the Budget Committee in accordance with the Congressional Budget Act.
412 Russell Building

MARCH 12

10:00 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on proposed fiscal year 1980 authorizations for the National Rail Passenger Corporation (AMTRAK), and on proposed route restructuring of AMTRAK.
235 Russell Building

MARCH 14

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on proposed FY 1980 authorizations for NASA.
235 Russell Building

10:00 a.m.
Budget
To resume hearings in preparation for

reporting the first concurrent resolution on the fiscal year 1980 budget.
6202 Dirksen Building

MARCH 15

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To continue hearings on proposed FY 1980 authorizations for NASA.
235 Russell Building

10:00 a.m.
Budget
To continue hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.
6202 Dirksen Building

MARCH 16

10:00 a.m.
Budget
To continue hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.
6202 Dirksen Building

MARCH 20

9:30 a.m.
Human Resources
Child and Human Development Subcommittee
To mark up S. 4, proposed Child Care Act, and proposed legislation to coordinate programs designed to prevent domestic violence.
4232 Dirksen Building

MARCH 21

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume oversight hearing on the implementation of P.L. 94-282, establishing the Office of Science and Technology Policy.
235 Russell Building

MARCH 29

9:30 a.m.
Veterans' Affairs
To hold hearings to receive legislative recommendations for fiscal year 1980 from AMVETS, Paralyzed Veterans of America, Veterans of World War I, and blinded veterans.

HOUSE OF REPRESENTATIVES—*Tuesday, January 23, 1979*

□ 2000

The House met at 8 o'clock p.m.

Chaplain James David Ford, B.D., offered the following prayer:

O God, Creator and Sustainer of the world, we humbly pray Your blessing upon our Nation. Strengthen us as a people and guide us always toward the way of righteousness and honor. May we be sensitive to the needs of others, and may we ever learn to do justice, to love mercy, and to walk humbly with You. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Several changes in the rules of the House with respect to voting will necessitate a change in the legislative bell and light system. The Clerk has sent to each Member a detailed statement indicating changes in the bell system, and the Chair will insert the statement in the RECORD at this point:

One bell and light indicates a teller vote, taken in accordance with clause 5, Rule I (Members indicate their preference by walking up the center aisle to be counted by Members who are named as tellers by the Chair This is not a recorded vote).

Two bells and lights indicate an electronically recorded vote, either demanded under the Constitution by one-fifth of those present (in the House), by one-fifth of a quorum under cl. 5, Rule I (in the House), by 25 Members (in Committee of the Whole) under cl. 2(b), Rule XXIII, or pursuant to an "automatic vote by yeas and nays" where any Member in the House objects to a vote on the ground that a quorum is not present under cl. 4, Rule XV.

Two bells may also indicate a recorded vote under clause 5, Rule I under a back-up procedure whenever Members are to record their votes by depositing ballot cards in the "aye" or "no" boxes. The two bells will be repeated five minutes after the first ring to give Members a second notice of the vote in progress.

Two bells, a brief pause, followed by two bells and lights indicates a yea and nay or recorded vote taken under the provisions of clause 1, Rule XV by a call of the roll. The bells will be sounded again when the Clerk reaches the "R's" in the first call of the roll.

Two bells and lights, a brief pause, followed by five bells and lights, indicate the beginning of the first (15 minute) vote in a series of two or more votes where subsequent electronic votes immediately thereafter may be reduced to five minutes; under one of four different procedures as follows:

1. At beginning of first electronically recorded vote ordered on series of "clustered" votes on final passage or adoption of bills, resolutions, or conference reports (cl. 5(b), Rule I);
2. At beginning of electronically recorded vote ordered on recommittal to be immediately followed by possible five-minute record vote on final passage or adoption of bills, resolutions, or conference reports (cl. 5, Rule XV);
3. At beginning of first electronically recorded vote ordered on series of "clustered" votes on resolutions from Rules Committee (cl. 4(e), Rule XI); OR
4. At beginning of first electronically recorded vote ordered on series of "clustered" votes on motions to suspend the rules (cl. 3, Rule XXVII).

After the first five minutes on the first electronically recorded vote conducted under any of these procedures, two bells and lights will be repeated to give Members a second notice of the vote in progress. (As indicated below, five bells will be rung on all subsequent five-minute votes in each series on which the Speaker has reduced voting time.)

Three bells and lights indicate a regular quorum call either in the House or Committee of the Whole by electronic system or by clerks (cl. 2, 5, Rule XV, cl. 2(a), Rule XXIII). Three bells will be repeated five minutes after the first ring to give Members a second notice of the quorum call in progress.

Three bells and lights, a brief pause, followed by three bells and lights indicate a quorum call in House or in Committee of the Whole under cl. 1, Rule XV by a call of the roll, repeated when the Clerk reached the "Rs" in the first call of the roll.

One long bell, a brief pause, followed by three regular bells, indicate that the Chair has exercised his discretion under cl. 2, Rule XXIII and will vacate proceedings when quorum of the Committee of the Whole appears ("Notice" or "short" quorum call). One bell followed by three bells and lights will be repeated every five minutes unless (a) the call is vacated by ringing of one long bell and extinguishing of three lights, or (b) the Chair converts to a regular quorum call and three regular bells are rung as explained above.

Three bells, a brief pause, followed by five bells, indicate beginning of a regular quorum call in Committee of the Whole, which will possibly be immediately followed by five-minute recorded vote at discretion of Chair if recorded vote is ordered on pending question (cl. 2, Rule XXIII). Three bells will be repeated five minutes after the first ring to give Members a second notice of the quorum call in progress.

Four bells and lights indicate an adjournment of the House, followed by extinguishing of amber light on right.

Five bells and lights indicate the beginning of any five-minute electronically recorded vote. The bells are not rung again during a five minute vote.

Six bells and lights indicate a recess of the House.

Twelve bells, sounded at two-second intervals, with six lights illuminated, indicate Civil Defense Warning.

For further information regarding votes in progress, Members may call the Democratic Cloakroom at 57400 or the Republican Cloakroom at 57430.

The leadership will distribute a card with the legislative call system for the Ninety-sixth Congress as follows:

1 bell and light—Tellers (not a recorded vote).

1 long bell and light (pause, followed by 3 bells and lights)—signals the start or continuation of a notice quorum call.

1 long bell and light—termination of a notice quorum call.

2 bells and lights—Electronically Recorded Vote.

2 bells and lights (pause, followed by 2 bells and lights)—Manual Roll Call vote (the bells will be sounded again when the Clerk reaches the R's).

2 bells and lights (pause, followed by 5 bells)—first vote under Suspension of Rules or on clustered votes (2 bells will be rung 5 minutes later)—the first vote will take 15 minutes with successive votes at intervals of not less than 5 minutes. Each successive vote signaled by 5 bells.

3 bells and lights—Quorum call (either initially or after a notice quorum has been

converted to a regular quorum). The bells are repeated 5 minutes after the first bell.

3 bells and lights (pause, followed by 3 bells and lights)—Manual Quorum Call (the bells will be sounded again when the Clerk reaches the R's).

3 bells and lights (pause, followed by 5 bells)—Quorum call in Committee of the Whole, which may be followed by a 5 minute recorded vote.

4 bells and lights—Adjournment of the House.

5 bells and lights—five-minute electronically recorded vote.

6 bells and lights—Recess of House.

12 bells—Civil Defense Warning.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
January 23, 1979.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 11:52 a.m., Tuesday, January 23, 1979, and said to contain a message from the President wherein he transmits the fifth annual report on Coastal Zone Management for FY 1977.

With kind regards, I am,

Sincerely,
EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

THE 1977 COASTAL ZONE, MANAGEMENT ANNUAL REPORT—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Merchant Marine and Fisheries:

To the Congress of the United States:

I am pleased to transmit the 1977 Coastal Zone Management Annual Report as required by Public Law 92-583.

JIMMY CARTER.

THE WHITE HOUSE, *January 23, 1979.*

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
January 23, 1979.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 11:52 a.m., Tuesday, January 23, 1979, and said to contain a message from the President wherein he transmits the 15th quarterly report of the Council on Wage and Price Stability which describes the Council's activities during the 2nd quarter of 1978.

With kind regards, I am,

Sincerely,
EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

FIFTEENTH QUARTERLY REPORT ON ACTIVITIES OF THE COUNCIL ON WAGE AND PRICE STABILITY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Banking, Finance and Urban Affairs:

To the Congress of the United States:

I am pleased to transmit to you the 15th quarterly report on the activities of the Council on Wage and Price Stability. It contains a narrative record of the Council's operations during the three-month period April through June, 1978.

JIMMY CARTER.

THE WHITE HOUSE, *January 23, 1979.*

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
January 23, 1979.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 11:52 a.m., Tuesday, January 23, 1979, and said to contain a message from the President wherein he transmits the 12th annual report of the Operation of the Automotive Products Trade Act of 1965 covering CY 1977.

With kind regards, I am,

Sincerely,
EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

THE 12TH ANNUAL REPORT ON THE OPERATION OF THE AUTOMOTIVE PRODUCTS TRADE ACT OF 1965—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Ways and Means:

To the Congress of the United States:

I hereby submit the Twelfth Annual Report on the Operation of the Automotive Products Trade Act of 1965. This Report covers 1977, a year in which production and sales of North American motor vehicles reached record levels.

JIMMY CARTER.

THE WHITE HOUSE, *January 23, 1979.*

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COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
January 23, 1979.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 11:52 a.m., Tuesday, January 23, 1979, and said to contain a message from the President wherein he transmits the 1977 annual report (8th annual report of Health Activities under the FCMHS Act of 1969 as prepared by HEW.

With kind regards, I am,

Sincerely,
EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

THE 1977 ANNUAL REPORT OF HEALTH ACTIVITIES UNDER FEDERAL COAL MINE HEALTH AND SAFETY ACT OF 1969 AS PREPARED BY HEW—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Education and Labor:

To the Congress of the United States:

I transmit herewith the 1977 Annual Report of Health Activities under the Federal Coal Mine Health and Safety Act of 1969.

The Report, prepared by HEW's National Institute for Occupational Safety and Health, Center for Disease Control, Public Health Service, describes the coal mine health research conducted by the Institute, as well as the Institute's medical examination program for coal miners required by the Coal Mine Health and Safety Act of 1969, as amended in 1977.

I recommend that, in order to save HEW staff resources and time, the statutory reporting requirement for this report be changed from once every year to once every three years. All of the information contained in this Report is available to Congress during annual appropriations and oversight hearings, and HEW will inform Congress immediately of any scientific breakthroughs in the field.

JIMMY CARTER.

THE WHITE HOUSE, *January 23, 1979.*

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
January 23, 1979.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 11:52 a.m., Tuesday, January 23, 1979, and said to contain a message from the President wherein he transmits the 8th Annual Report on Hazardous Materials Control, as required by the Hazardous Materials Transportation Act, P.L. 93-633, covering CY 1977.

With kind regards, I am,

Sincerely,
EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

THE EIGHTH ANNUAL REPORT ON HAZARDOUS MATERIALS CONTROL—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committees on Interstate and Foreign Commerce, Merchant Marine and Fisheries, and Public Works and Transportation:

To the Congress of the United States:

I transmit herewith the Eighth Annual Report on Hazardous Materials Control, as required by the Hazardous Materials Transportation Act, Title I of Public Law 93-633. This report has been prepared in accordance with Section 109 of the Act and covers calendar year 1977.

JIMMY CARTER.

THE WHITE HOUSE, *January 23, 1979.*

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
January 23, 1979.

Hon. THOMAS P. O'NEILL, JR.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 11:52 a.m., Tuesday, January 23, 1979, and said to contain a message from the President wherein he transmits the 5th Annual Report of the Director of the National Heart, Lung, and Blood Institute in accordance with the requirements of section 413 of the Public Health Service Act, as amended by P.L. 94-278.

With kind regards, I am,

Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

THE FIFTH ANNUAL REPORT OF DIRECTOR OF THE NATIONAL HEART, LUNG, AND BLOOD INSTITUTE—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Interstate and Foreign Commerce:

To the Congress of the United States:

I transmit herewith the Fifth Report of the Director of the National Heart, Lung, and Blood Institute. The Report contains five-year projections of the Institute's needs which are solely those of the Institute and do not reflect either the HEW or Administration positions.

JIMMY CARTER.

THE WHITE HOUSE, *January 23, 1979.*

THE SMALL BUSINESS IMPACT STATEMENT ACT OF 1979

(Mr. SCHULZE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHULZE. Mr. Speaker, I applaud your emphasis on the oversight duties of the 96th Congress. We all are aware that this oversight must include a serious consideration of the regulatory authority of the Federal Government and its impact on the small business community.

It is an indictment of our system that cost of Federal regulation has become a phenomenon of such magnitude. The aggregate cost of Government regulation is approximately $102.7 billion for fiscal year 1979. America's 5 million small businesses spend between $15 and $20 billion annually just to do the paper work required by these regulations.

Congress has become increasingly aware of the threat Federal regulation presents to the continued viability of the small business community. From 150 days of hearings, the Select Committee on Small Business derived two important conclusions.

Small businesses are an essential part of the American economic system, which generates 43 percent of our GNP, provides for 55 percent of nonagricultural jobs, and is the wellspring from which we draw the greater part of our technological innovations and ideas.

The community of small and independent enterprises has declined due to the deterioration of the social and economic climate which presently prevails in our country. This deterioration is due in a large part to the proliferation of Federal regulations which pollute the environment in which small businesses must struggle to survive.

I am introducing the Small Business Impact Statement Act of 1979, which, I believe, will make Congress and the Federal Government sensitive to the impact rules have on the small business community, and enable us to determine which regulations will best serve the interests of the American people, and which will be detrimental to the economic health of our country. This bill would require that each Federal agency prepare an impact statement in connection with the rules affecting small businesses. The statement would contain a detailed analysis of the costs of the regulation to the small businesses, the effect on the market, the effect on competition, and proposed alternatives to the rule. The bill would also mandate agency review of those rules impacting on small businesses which have been promulgated since 1974. Armed with this information, either the House or the Senate would have the authority from this bill to reject those regulations which they determine to have an adverse effect on the small business community.

As a small businessman I am acutely aware of the rewards and the problems that accompany an independent enterprise. Nothing can give a person a feeling of greater accomplishment than to have built a viable business from their own sweat and determination. It is this attitude of independence and self-reliance which is the very foundation of our economic and political system. We have a sworn duty to preserve the traditional values of an open enterprise system, and prevent its destruction by the Government created to serve it.

REDUCE CONGRESS DAYS IN SESSION

(Mr. COLLINS of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. COLLINS of Texas. Mr. Speaker, as we start this session, I am submitting a bill to reduce the congressional meeting days. The more Congress meets the more bills we pass and the more Government we mandate for the American people. Down in Texas most people think we have too much Government with too much spending causing too much inflation. Folks are convinced taxes are too high and want less spending.

My neighbors wonder why we spend so much time in Washington.

We should spend more time working in our district and learning at the grassroots. Congressmen should spend only half their time making laws and the other half reviewing the results to improve.

There are three basic reasons why Congress stays in session so long. The first one is the fact that our salary now is up to $57,500 and many Congressmen believe that staying in session impresses people into believing we are working hard. The second pressure comes from the Washington correspondents of the press. When Congress is out of session they have very little to write about and their local editor prods them for more news. The third influence of staying in session comes from the Washington business, hotels, restaurants, taxes, and businessmen of the Capital City who want Congress in perpetual session as tourists are the No. 1 economic business in the city.

In 1960, Congress was spending $98.2 billion. Last year we topped $500 billion. Back in 1960 Congress did not meet so often. Maybe you had rather stay away from the constituents as it is hard to explain and justify the legislative program that Congress develops. But for the good of the country, let us meet less, and go back more to our districts. Here is the suggested schedule that I specified in my bill:

Resolved by the House of Representatives (the Senate concurring), That (a) except as provided in subsection (b), the House of Representatives may meet only on calendar days during the following periods of any calendar year:

(1) January 10 through January 20,
(2) February 1 through February 15,
(3) May 1 through May 15,
(4) June 1 through June 15,
(5) July 15 through August 15,
(6) September 1 through September 15, and
(7) November 10 through November 30.

(b)(1) Subsection (a) shall not be construed to require the House of Representatives to meet on—

(A) any Saturday or Sunday; or

(B) any legal public holiday under section 6103 of title 5, United States Code, or on any other day declared to be a holiday by Federal statute or Executive order.

(2) Notwithstanding subsection (a), the House of Representatives may meet on any calendar day if—

(A) pursuant to any provision of law or of the United States Constitution, the House of Representatives is required to meet on such day; or

(B) the Speaker of the House of Representatives determines that it is in the public interest for the House of Representatives to meet on such day.

A PROTEST AGAINST PRESIDENT CARTER'S BETRAYAL OF FREE CHINA

(Mr. ASHBROOK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ASHBROOK. Mr. Speaker, Congress has returned to find that the President of the United States, in our absence, has betrayed the trust of the people of the United States and of the rest of the free world, and has attempted to unilaterally abrogate our Mutual Defense Treaty with the Republic of China. As George Meany, the president of the AFL–CIO pointed out, this action is in direct contradiction to Carter's alleged concern for human rights. Red China, the regime that was accommodated by this act, is the greatest violator of human rights in the world. The horrors of Hitler's Germany, the Soviet Union, and Castro's Cuba are surpassed by the Red Chinese oppression of the people of China.

President Carter, by betraying an ally to benefit an enemy, proved that Red China was right in characterizing the United States as a "paper tiger."

The Communists take advantage of weaknesses, but retreat before strength. This was forcefully brought to my attention recently when I was rereading some Soviet and Red Chinese radio transcripts that were made some 20 years ago during the Taiwan straits crisis. You will remember that at that time Red China demanded the surrender of the offshore islands, Quemoy and Matsu. The "normal" shelling of the islands was increased as well as the air attacks. The Communists announced the invasion of the islands as imminent.

During the morning of October 4, 1958, the Soviet Radio broadcast a statement by a group of "prominent persons" in the United States urging the evacuation of the islands. These included former Senator Lehman, Brig. Gen. Hugh Hester, (retired), Clarence Pickett, et cetera. That afternoon, Moscow broadcast a list of Congressmen that had urged surrender of the islands. But, Moscow also made a broadcast protest, because President Eisenhower had provided the Republic of China with Sidewinder air-to-air missiles. The free Chinese were using them to clear the skies of the Migs that the Soviet Union had supplied Red China.

The next day, October 5, 1958, Peng Te-huai, the Red Chinese Minister of Defense, broadcast a statement to the Chinese people on Taiwan. He said:

> We all are Chinese. Of all choices, peace is the best. The fighting around Quemoy is of a punitive character. . . . Hence the firing of a few shells, just to call your attention.

The crisis was over. A resolute American President had provided a brave ally with the weapons needed for self-defense, and the Communists backed off. No more threats to invade or plunge the world into war. Now the Red Chinese even announced suspending the "normal" shelling of the islands for 7 days.

However, Marshal Peng, speaking for Red China warned the free Chinese:

> The day will certainly come when the Americans will abandon you.

That prophecy has now been fulfilled by President Carter. He has shamed all Americans by his act. A broad range of Republicans, Democrats, and independents have condemned this betrayal of a loyal ally. We in Congress should do everything we can to prevent implementation of this shameful policy.

☐ 2010

TRUTH IN LENDING SIMPLIFICATION BILL INTRODUCED

The SPEAKER. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, today I am introducing legislation to improve the Truth in Lending Act. In doing so I am fulfilling my promise made last year to proceed in this session of Congress to make a good faith effort to simplify the Truth in Lending Act. The bill will maintain the important consumer protections of this law, while removing from the law certain ambiguous disclosure requirements that have resulted in compliance burdens on creditors. The law will require the Federal Reserve Board to prescribe optional model disclosure forms and clauses in an easy to read format and in readily understood terms. Creditors who sincerely want to comply with the law should no longer have any difficulty in doing so.

The bill also provides important new consumer protections. To correct the problem of some creditors coercing consumers into purchasing credit life insurance, under the bill a consumer would be able to cancel the policy with a full refund within 30 days of the policy's purchase. There would also for the first time be civil liability for violation of the advertising disclosure provisions, if a consumer can prove actual damages.

Title II of the bill would put all of the provisions of the Electronic Fund Transfer Act (other than the two going into effect in February) into effect this June instead of in May 1980. Since electronic fund transfer services are being used now, the sooner uniform protections are in place the sooner uncertainty will end for consumers and financial institutions in dealing with EFT problems.

I have conferred with the Senate Banking Committee on this legislation. They will be holding truth in lending simplification hearings on February 2. I do not feel a useful purpose would be served by the House also holding hearings on simplification at the same time. Rather, I will go forward with my simplification bill as soon as the Senate passes its version. By taking this approach the House will have the opportunity to evaluate the Senate version at the same time my bill is being considered. I am hopeful that in this manner legislation can be approved by Congress and sent to the President for signature by late spring.

Ever since truth in lending simplification was first proposed I have been gravely concerned that "simplification" might be used as an opportunity to gut the Truth in Lending Act. This must not happen. We worked too long and hard to pass truth in lending and it provides too many vital consumer protections for us to let the law be "simplified" out of existence.

The legislation I have introduced reflects an effort to genuinely simplify this law for consumers who need to understand it, to better benefit from it and for creditors who need to understand it, to better comply with it. I encouraged consumers and creditors to come forward with positive constructive proposals.

However, I want everyone to be on notice that if the legislative process breaks down into an attack on truth in lending aimed at gutting the law, I will do everything humanly possible to block the simplification movement.

In this bill I have made a clear and straightforward attempt to simplify this law. It is my hope that in a similar way the legislative process will produce a clear and straightforward Truth in Lending Act.

The text of the truth in lending simplification bill follows:

H.R. 1289

A bill to amend the Truth in Lending Act to facilitate compliance with such Act, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Truth in Lending Act Amendments of 1979".

TITLE I—AMENDMENTS TO THE TRUTH IN LENDING ACT

DEFINITIONS

SEC. 101. Section 103 of the Truth in Lending Act (15 U.S.C. 1602) is amended—

(1) in subsection (g), by adding at the end thereof the following new sentences: "The term also includes any contract in the form of a bailment or lease if the bailee or lessee has the option to renew the contract by making the payments specified in the contract, the contract obligates the bailor or lessor to transfer ownership of the property to the bailee or lessee for no other or a nominal consideration upon full compliance by the bailee or lessee with his obligations under the contract, including any obligation incurred with respect to the exercise of an option by the bailee or lessee to renew the contract, and the payments contracted for by the bailee or lessee, including those payments pursuant to the exercise of an option by the bailee or lessee to renew the contract, are substantially equivalent to or in excess of the aggregate value of the property and services involved. With respect to a sale described in the previous sentence, the disclosures required under this title shall be calculated on the assumption that the bailee or lessee will exercise all of his options to renew the contract, make all payments specified in the contract, and become the owner of the property involved.";

(2) in subsection (h), by striking out "household, or agricultural" and inserting in lieu thereof "or household"; and

(3) by adding at the end thereof the following new subsections:

"(u) The term 'agricultural products' means agricultural, horticultural, viticultural, and dairy products, livestock, wildlife, poultry, bees, forest products, fish and shellfish, and any products thereof, including processed and manufactured products, products raised or produced on farms, and any processed or manufactured products thereof.

"(v) The term 'agricultural purposes' means the production, harvesting, exhibition, marketing, transportation, processing, or manufacture of agricultural products by an individual who cultivates, plants, propagates, or nurtures such agricultural products.".

EXEMPTED TRANSACTIONS

SEC. 102. Section 104 of the Truth in Lending Act (15 U.S.C. 1603) is amended—

(1) in paragraph (1), by striking out "or commercial purposes" and inserting in lieu thereof ", commercial, or agricultural purposes"; and

(2) by striking out paragraph (5).

REGULATIONS

SEC. 103. (a) Section 105 of the Truth in Lending Act (15 U.S.C. 1604) is amended by inserting "(a)" before "The Board" and by adding at the end thereof the following new subsections:

"(b)(1) The Board shall prescribe model disclosure forms and clauses for frequently occurring transactions to facilitate compliance with the disclosure requirements of this title. Such model disclosure forms and clauses shall be written in a format which is easy to read and in terms which are readily understandable. In prescribing such model disclosure forms and clauses, the Board shall consider the use by creditors of data processing equipment and other similar automated equipment.

"(2) The Board may not require any creditor to use any model disclosure form or clause prescribed under paragraph (1).

"(3) A creditor shall be deemed to be in compliance with the disclosure provisions of this title, except with respect to numerical disclosures, if such creditor uses an appropriate model disclosure form or clause prescribed under paragraph (1).

"(c) Model disclosure forms and clauses under subsection (b) shall be prescribed by the Board only after notice duly given in the Federal Register and an opportunity for public comment in accordance with section 553 of title 5, United States Code. Such model disclosure forms and clauses shall be prescribed by the Board not later than one year after the date of the enactment of the Truth in Lending Act Amendments of 1979.

"(d) Any regulation prescribed by the Board under subsection (a) after the date of the enactment of the Truth in Lending Act Amendments of 1979 shall be written in terms which are readily understandable.".

(b)(1) The section heading of section 105 of the Truth in Lending Act (15 U.S.C. 1604) is amended to read as follows:

"§ 105. Regulations; model disclosure forms and clauses.".

(2) The item relating to section 105 in the table of sections contained at the beginning of chapter 1 of the Truth in Lending Act is amended to read as follows:

"§ 105. Regulations; model disclosure forms and clauses.".

ANNUAL REPORTS

SEC. 104. (a) Section 114 of the Truth in Lending Act (15 U.S.C. 1613) is amended by striking out "January 3 of each year after 1969" and inserting in lieu thereof "June 3 of each year".

(b) Section 18(f)(5) of the Federal Trade Commission Act (15 U.S.C. 57a(f)(5)) is amended by striking out "March 15" and inserting in lieu thereof "June 3".

(c) Section 707 of the Equal Credit Opportunity Act (15 U.S.C. 1691f) is amended by striking out "February 1 of each year after 1976" and inserting in lieu thereof "June 3 of each year".

(d) The first sentence of section 918(a) of the Electronic Fund Transfer Act (92 Stat. 3740) is amended by striking out "twelve months after the effective date of this title and at one-year intervals thereafter," and inserting in lieu thereof "June 3 of each year after 1979,".

(e) The seventh undesignated paragraph of section 10 of the Federal Reserve Act (12 U.S.C. 247) is amended—

(1) by striking out "The" and inserting in lieu thereof "Not later than June 3 of each year, the"; and

(2) by striking out "annually".

OPEN END CONSUMER CREDIT PLANS

SEC. 105. Paragraphs (6) and (7) of section 127(a) of the Truth in Lending Act (15 U.S.C. 1637(a)) are amended to read as follows:

"(6) A description of other charges which may be imposed and the method by which such charges will be determined.

"(7) If the creditor holds or may retain or acquire any security interest in any property purchased under the plan or in any property not purchased under the plan, a statement to that effect and a description of such property.".

SALES NOT UNDER OPEN END CREDIT PLANS

SEC. 106. Section 128(a) of the Truth in Lending Act (15 U.S.C. 1638(a)) is amended by striking out paragraphs (9) and (10) and inserting in lieu thereof the following:

"(9) Any dollar charge or percentage amount which may be imposed by a creditor due to a delinquency. This paragraph shall not apply with respect to the disclosure of collection costs or default or acceleration charges.

"(10) If there is a security interest which is held or which may be retained or acquired by the creditor in connection with the extension of credit, a statement to that effect and a description of the property to which such security interest applies.".

CONSUMER LOANS NOT UNDER OPEN END CREDIT PLANS

SEC. 107. Section 129(a) of the Truth in Lending Act (15 U.S.C. 1639(a)) is amended by striking out paragraphs (7) and (8) and inserting in lieu thereof the following:

"(7) Any dollar charge or percentage amount which may be imposed by a creditor due to a delinquency. This paragraph shall not apply with respect to the disclosure of collection costs or default or acceleration charges.

"(8) If there is a security interest which is held or which may be retained or acquired by the creditor in connection with the extension of credit, a statement to that effect and a description of the property to which such security interest applies.".

CIVIL LIABILITY

SEC. 108. Section 130 of the Truth in Lending Act (15 U.S.C. 1640) is amended—

(1) in subsection (a)(2)(B), by striking out "in such action" and inserting in lieu thereof "under this subparagraph in any class action or series of class actions arising out of the same failure to comply by the same creditor";

(2) in subsection (b), by striking out "fifteen" and inserting in lieu thereof "thirty";

(3) by striking out subsection (f) and inserting in lieu thereof the following:

"(f) No provision of this section or section 112 imposing any liability shall apply to—

"(1) any act done or omitted in good faith in conformity with any rule, regulation, or interpretation thereof by the Board or in conformity with any interpretation or approval by an official or employee of the Federal Reserve System duly authorized by the Board to issue such interpretations or approvals under such procedures as the Board may prescribe therefore, or

"(2) except with respect to numerical disclosures, any failure to make disclosure in proper form if a financial institution utilized an appropriate model disclosure form or clause prescribed by the Board under section 105(b),

notwithstanding that after such act, omission, or failure has occurred, such rule, regulation, interpretation approval, or model disclosure form or clause is amended, rescinded, or determined by judicial or other authority to be invalid for any reason."; and

(4) by adding at the end thereof the following new subsection:

"(i) In any case in which there are multiple obligors in a consumer credit transaction or consumer lease, there shall not be more than one recovery of damages under subsection (a)(2)(A) with respect to any such consumer credit transaction or consumer lease.".

OPTIONAL CREDIT LIFE INSURANCE

SEC. 109. (a) Chapter 1 of the Truth in Lending Act is amended by adding at the end thereof the following new section:

"§ 136. Optional Credit Life Insurance

"In any case in which a creditor in a consumer credit transaction offers optional credit life insurance to an obligor, the obligor shall be given the right to cancel such insurance and receive a refund of all amounts paid for such insurance if, not later than 30 days after the date on which such insurance is purchased, the obligor gives written notice to the creditor of the obligor's desire to cancel such insurance. The creditor shall clearly and conspicuously disclose, in accordance with regulations of the Board, to any obligor in a consumer credit transaction the rights of the obligor under this section.".

(b) The table of sections contained at the beginning of chapter 2 of the Truth in Lending Act is amended by adding at the end thereof the following new item:

"136. Optional credit life insurance.".

ADVERTISEMENTS OF RESIDENTIAL REAL ESTATE

SEC. 110. Section 144 of the Truth in Lending Act (15 U.S.C. 1664) is amended—

(1) in subsection (b), by striking out "this section" and inserting in lieu thereof "subsection (d)"; and

(2) in subsection (c), by inserting "only" after "expressed".

MORE-THAN-FOUR-INSTALLMENT RULE

SEC. 111. Section 146 of the Truth in Lending Act (15 U.S.C. 1665a) is amended—

(1) by inserting ", either of the following statements, as applicable" after "Board";

(2) by inserting "or" after "Services' "; and

(3) by adding at the end thereof the following:

" 'The price quoted for the goods and services is the cash price.' ".

VIOLATIONS

SEC. 112. (a) Chapter 3 of the Truth in Lending Act is amended by adding at the end thereof the following:

"§ 147. Violations

"Any creditor who fails to comply with any requirement imposed under this chapter with respect to any person who suffers actual damage from such failure to comply is liable to such person as provided in section 130.".

(b) The table of sections contained at the beginning of chapter 3 of the Truth in Lending Act is amended by adding at the end thereof the following new item:

"147. Violations.".

PROHIBITION OF CREDIT CARD SURCHARGE

SEC. 113. Section 167 of the Truth in Lending Act (15 U.S.C. 1666f) is amended by adding at the end thereof the following new subsection:

"(c)(1) Any seller who fails to comply with any requirement imposed under subsection (a)(2) with respect to any person is liable to such person as provided in section 130 of this title.

"(2) For purposes of enforcing section 130 with respect to any seller under paragraph (1), the term 'creditor' in section 130, except sections 130(d) and 130(g), includes a seller under paragraph (1).".

OPTIONAL LESSEE CREDIT LIFE INSURANCE

SEC. 114. (a) Chapter 5 of the Truth in Lending Act is amended by adding at the end thereof the following new section:

"§ 187. Optional lessee credit life insurance

"In any case in which a lessor in a consumer lease offers optional lessee credit life insurance to a lessee, the lessee shall be given the right to cancel such insurance and receive a refund of all amounts paid for such insurance if, not later than 30 days after the date on which such insurance is purchased, the lessee gives written notice to the lessor of the lessee's desire to cancel such insurance. The lessor shall clearly and conspicuously disclose, in accordance with regulations of the Board, to any lessee in a consumer lease the rights of the lessee under this section.".

(b) The table of sections contained at the beginning of chapter 5 of the Truth in Lending Act is amended by adding at the end thereof the following new item:

"187. Optional lessee credit life insurance.".

(c) Section 185(a) of the Truth in Lending Act (15 U.S.C. 1667d(a)) is amended by striking out "or 183" and inserting in lieu thereof ", 183, or 187".

REPEAL OF EXISTING LAW; CONFORMING AMENDMENTS

SEC. 115. (a)(1) Section 127(a) of the Truth in Lending Act (15 U.S.C. 1637(a)) is amended by striking out paragraph (5) and by redesignating paragraph (6), (7), and (8) as paragraphs (5), (6), and (7), respectively.

(2) Section 127(b) of the Truth in Lending Act (15 U.S.C. 1637(b)) is amended by striking out paragraph (7) and by redesignating paragraphs (8), (9), (10), and (11) as paragraphs (7), (8), (9), and (10), respectively.

(3) Section 127 of the Truth in Lending Act (15 U.S.C. 1637) is amended by striking out subsection (c).

(4) Section 103(f) of the Truth in Lending Act (15 U.S.C. 1602(f)) is amended—

(A) by striking out "127(a)(6), 127(a)(7), 127(a)(8)" and inserting in lieu thereof "127(a)(5), 127(a)(6), 127(a)(7)"; and

(B) by striking out "127(b)(9), and 127(b)(11)" and inserting in lieu thereof "127(b)(8), and 127(b)(10)".

(5) Section 143 of the Truth in Lending Act (15 U.S.C. 1663) is amended by striking out "or the appropriate rate determined under section 127(a)(5).".

(6) Section 161(a) of the Truth in Lending Act (15 U.S.C. 1666(a)) is amended by striking out "section 127(b)(11)" and inserting in lieu thereof "section 127(b)(10)" and by striking out "section 127(a)(8)" and inserting in lieu thereof "section 127(a)(7)".

(b) Section 107 of the Truth in Lending Act (15 U.S.C. 1606) is amended by striking out subsection (f).

(c)(1) The Truth in Lending Act (15 U.S.C. 1601 et seq.) is amended by striking out section 126.

(2) The item relating to section 126 in the table of sections contained at the beginning of chapter 2 of the Truth in Lending Act is amended to read as follows: "126. [Repealed].".

(d) Section 133(a) of the Truth in Lending Act (15 U.S.C. 1643(a)) is amended—

(1) in the first sentence—

(A) by striking out "and" after "loss or theft of the credit card,"; and

(B) by striking out the period at the end thereof and inserting in lieu thereof a comma; and

(2) in the second sentence, by striking out "Notwithstanding" and all that follows through "and (2)" and inserting in lieu thereof "and".

TITLE II—EFFECTIVE DATE OF THE ELECTRONIC FUND TRANSFER ACT

SEC. 201. Section 921 of the Electronic Fund Transfer Act (92 Stat. 3740) is amended by striking out "upon the expiration of eighteen months from the date of its enactment and inserting in lieu thereof "on June 10, 1979".

TITLE III—GENERAL PROVISIONS

SEC. 301. Regulations necessary to carry out the amendments contained in title I of this Act shall be prescribed not later than one year after the date of the enactment of this Act.

SEC. 302. The amendments made by title I of this Act shall take effect two years after the date of the enactment of this Act, and the amendments made by title II of this Act shall take effect on the date of the enactment of this Act.●

BILL TO AMEND THE FOOD STAMP ACT OF 1977

The SPEAKER. Under a previous order of the House, the gentleman from Rhode Island (Mr. ST GERMAIN) is recognized for 5 minutes.

● Mr. ST GERMAIN. Mr. Speaker, I feel certain that there is no one in this country whose life has not been touched by the tragedy of cancer, either as it has afflicted the individual himself, or a friend or relative. We are all aware of the extreme emotional and financial stress which results, in addition to the physical illness itself. For those who are already in need, and participating in the food stamp program, an additional problem arises.

Frequently, patients receiving chemotherapy or radiation therapy are unable to benefit in a normal manner from nutrients in their food. Yet proper nourishment is necessary for a positive response to therapy. In such cases, food supplements are available, and are usually prescribed by the attending physician.

However, a problem exists for those who participate in the food stamp program and need these supplements. The food supplements are generally available only at pharmacies and most pharmacies up until now have been unable to be certified to accept food stamps.

The bill I am introducing today facilitates the certification of pharmacies to accept food stamps, in order that cancer patients for whom food supplements are prescribed will be able to obtain these supplements with food stamps.

The passage of this legislation will be a step to alleviate the suffering of those afflicted with cancer by removing an unnecessary impediment to their obtaining nourishment required for their successful treatment.

H.R. —

A bill to amend the Food Stamp Act of 1977 to provide for the acceptance by pharmacies of food stamps in exchange for food supplements prescribed for consumption by cancer patients

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Food Stamp Act of 1977 is amended—

(1) in section 3(g) by striking out "and" occurring immediately before "(6)" and inserting immediately before the period the following new clause: ", and (7) in the case of cancer patients, foods or food supplements necessary for the proper nutrition of such patients and prescribed for use by such patient by a physician or other person licensed by the State to practice in the healing arts";

(2) in section 3(k) by striking out "and" occurring immediately before "(4)" and inserting immediately before the period the following new clause: ", and (5) a store, including pharmacies, purveying items of food or food supplements described in subsection (g)(7) of this section".●

JOINT RESOLUTION TO ESTABLISH PRICE SUPPORTS FOR MILK, WHEAT, FEEDGRAINS, SOYBEANS, AND COTTON AT 90 PERCENT OF PARITY

The SPEAKER. Under a previous order of the House, the gentleman from Minnesota (Mr. NOLAN) is recognized for 5 minutes.

● Mr. NOLAN. Mr. Speaker, today I am reintroducing a joint resolution which establishes price supports for milk, wheat, feedgrains, soybeans and cotton at 90 percent of parity. The joint resolution, which I first introduced last year with the support of the American Agriculture Movement, the National Farmers Union and the National Farmers Organization, also adjusts the grain reserve's release and call-in levels to 100 and 110 percent of parity respectively.

While the prices of several farm commodities have risen somewhat during the past few months, the increases are neither stable nor adequate enough to cover production costs which continue to rise rapidly. Many people besides farmers, however, are plagued by inflation and they are finding it difficult to make ends meet.

Raising the prices of farm commodities, the newspaper headlines scream, will fuel food price inflation for consumers. Economically strapped consumers may sympathize with the farmers' plight, but they fear having to pay more for food as a result of raising the support levels for farm products. Despite the General Accounting Office's conclusion that 87 percent of the increase the consumer food expenditures since 1973 has been caused by higher marketing changes, consumers are still led to believe that farm commodity prices contribute heavily to inflationary pressures.

In the wake of proposition 13, the call for a balanced budget, and the Carter administration's intention to hold the line on Government spending (except military expenditures), introducing legislation to improve farm commodity prices may seem foolhardy or futile. But inflation will not be curbed nor the budget balanced until farm commodity prices are improved. Everybody, therefore, has a stake in working for a better farm program.

What is the connection? Inflation and deficit spending are the products of an economy out of balance because agricultural production has been financed extensively by borrowed money which must be paid back with interest. Since agriculture is the Nation's biggest industry, the implications ought to be clear.

When a large segment of the economy is underpaid for its production or labor, buying power is seriously reduced, which creates a demand for credit or debt-financing. If the agricultural sector (the Nation's largest industry) is underpaid, the lack of purchasing power affects the whole economy by causing debt-expansion in a number of sectors, thus tilting the economy out of balance.

Viewed in this light, the Carter administration's economic program is simply aggravating a bad situation. By pursuing a monetary program to rescue the dollar abroad, the Carter administration is undermining the U.S. economy. Pursuing a high-interest policy is bad in the best of times. But if interest rates are pushed to double-digit levels during a period when public and private debt has reached an alltime high, interest payments skyrocket by quantum leaps and fuel inflation to the point where it becomes a roaring menace.

Our high interest, debt-expansion economy has its roots in an underpaid agricultural sector. Similar circumstances in the 1920's, coupled with a farm depression, led to the crash of 1929 and the Great Depression. While Carter's monetary magicians may be able to stave off economic collapse a bit longer, they will do so by trying to protect the dollar with a high-interest policy which the citizens of the United States will pay for. Prolonging the agony is no solution, because it will lead to economic and social upheaval.

In order to reduce inflation significantly and to balance the budget, public debt must be reduced. This cannot be done with a high-interest policy. Public and private debt can be reduced by raising farm commodity prices which will restore purchasing power to agriculture through earned income rather than credit or debt-financing. Since agriculture plays a primary role in the Nation's economy, earned income in the hands of farmers will generate a ripple effect throughout all economic sectors and reduce the dependency on debt-financing. In addition, higher commodity prices will increase the value of our farm exports, thus reducing the serious balance-of-payments deficit.

Raising and stabilizing the prices of milk, wheat, feedgrains, soybeans, and cotton will have several other positive effects:

Livestock producers will benefit, because leveling out the wide swings in the price of feedgrains will restrain the equally wide swings in the cattle production and price cycle.

Raising the loan rates and adjusting the grain reserve's release and call-in levels will improve the administration's ability to rationalize production and promote orderly marketing, because more farmers will have an incentive to participate in the existing set-aside and reserve programs.

Raising the support levels will not increase Treasury costs because, as President Carter himself stated, commodity loans are a recoverable item for the Government.

Congress therefore should enact the joint resolution establishing 90 percent of parity farm commodity prices as soon as possible in order to provide farmers and consumers with price stability at levels fair to both, while generating the agricultural income necessary to stimulate the Nation's economy.

I urge my colleagues to join in support of the joint resolution.

The joint resolution follows:

H.J. RES. 144

Whereas Congress has given the Secretary of Agriculture the authority to raise the price support levels and target prices for agricultural commodities in order to provide farmers with realistic price protection; and

Whereas the Secretary of Agriculture already has the authority to raise the price support levels for milk, wheat, corn and soybeans to 90 per centum of the respective parity prices; and

Whereas the prices farmers receive for major agricultural commodities remain at levels which are below the cost of production: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That title I of the Agricultural Act of 1949, as amended, is amended by adding at the end thereof the following new section 113:

"Sec. 113 (a). Notwithstanding section 201 of this Act, the price of milk shall be supported at not less than 90 per centum of the parity price therefor.

(b) Notwithstanding section 107 of this Act, the Secretary shall make available to producers loans and purchases on each crop of wheat at not less than 90 per centum of the parity price therefor.

(c) Notwithstanding section 105 of this Act, the Secretary shall make available to producers loans and purchases on each crop of corn at not less than 90 per centum of the parity price therefor.

(d) Notwithstanding sections 201 and 301 of this Act, the Secretary shall make available to producers loans and purchases on each crop of soybeans at not less than 90 per centum of the parity price therefor.

(e) Notwithstanding section 103 of this Act, the Secretary shall make available to producers loans and purchases on each crop of upland cotton at not less than 90 per centum of the parity price therefor.

(f) Section 110 of this title is amended by deleting parts (5) and (6) and inserting in lieu thereof the following:

'(5) conditions designed to induce producers to redeem and market the wheat or feed grains securing such loans without regard to the maturity dates thereof whenever the Secretary determines that the market prices of wheat or feed grains have attained a specified level which is not less than 100 per centum of the respective parity price therefor and (6) conditions prescribed by the Secretary under which the Secretary may require producers to repay such loans, plus accrued interest thereon, and other charges as may be required by regulation, whenever the Secretary determines that the market prices of wheat or feed grains are not less than 110 per centum of the respective parity price therefor.' " ●

BENEFITS VS. COSTS OF ENVIRONMENTAL REGULATIONS

The SPEAKER. Under a previous order of the House, the gentleman from New York (Mr. OTTINGER) is recognized for 5 minutes.

● Mr. OTTINGER. Mr. Speaker, Sunday's Washington Post carried a superb rebuttal to those who make the fallacious assumption that environmental and occupational health regulations contribute to inflation. Not only are the costs of such regulations (without consideration of benefits) of minimal effect on our inflation rate—even by conservative estimates such as those of Chase Econometrics—but may well be helpful in controlling inflation by decreasing the need for—and the cost of—remedial actions.

In the next few days I will be seeking cosigners among my colleagues of a letter to President Carter urging him, in the strongest terms, not to continue to be gulled by his inflation fighters into a posture of heedlessness toward Americans, their health, and their environment.

I commend the Post article, "The Faked Case Against Regulation," to my colleagues with the hope that, upon reading it, they will agree to join in sending a clear signal to the President that we are deeply concerned for the health of Americans:

THE FAKED CASE AGAINST REGULATION

(By Mark Green)

I have this recurring nightmare. Jonas Salk has just announced his cure for polio. A bill is introduced in Congress to require mandatory inoculation of school children under HEW direction. Opposition then appears. Ronald Reagan urges "free choice by parents rather than compulsion by government." Mobil runs advertisements with the headline, "From gas tanks to bloodstreams. Where will government go next?" An associate professor of economics does a study for the American Enterprise Institute demonstrating that more lives may be lost by car accidents en route to doctors' offices than will be saved by the Salk vaccine. Abbott Labs argues that its product, "Polioaide," has been effective since thousands of doctors have been prescribing it for two decades. The bill then fails in the House Commerce Committee by one vote—after the wheelchair industry, citing job losses, gives $200,000 in campaign gifts to committee members.

Farfetched? Perhaps. But as one reads the flood of advertisements, speeches, articles and rhetoric denouncing "big government" and the "costs of regulation," reality and caricature seem to merge. Mobil decries a "national orgy of regulation." The Wall Street Journal attributes the decline of American industry to "beserk proceduralism." Time editorializes against "straitjacket rules imposed by a bulging bureaucracy [that] lift unemployment, slow technical progress, reduce U.S. competitiveness, hamper exports . . ."

To be sure, any government that has acted like a cartel in fixing trucking and airline rates or that mandates the height off the floor for fire extinguishers needs critics who can distinguish between rules that save lives and those that save face. Unfortunately, today's debate over health and safety regulation lacks this sense of discrimination. Instead, it burns incense to supposedly neutral "cost-benefit analysis" and manages to neglect the actual benefits of consumer and environmental regulation.

Given the current state of economic art, mathematical cost-benefit analyses are about as neutral as voter literacy tests in the Old South. They are often ideological documents designed to prove preconceived notions. Or, as a Library of Congress review has said of them, "they tend to support the vested interest of the sponsor of the estimate or to fit the hypothesis of the individual making the estimate."

A CHICKEN LITTLE SYNDROME

Consider environmental regulation. Who controls information about its costs? The regulated industry, of course. The result, not surprisingly, is that we end up with regulatory-cost estimates based on what might be called the Chicken Little School of Economic Analysis.

In the early 1970s, for example, chemical manufacturers announced that a proposed federal standard on vinyl chloride, a proven cause of cancer, could cost 2 million jobs and $65 billion to $90 billion. "The standard is simply beyond the compliance capability of the industry," their trade association declared. The standard was adopted and the industry has flourished—without any job losses and at a cost that is one-twentieth of the original industry estimate.

Similarly, in one of a growing number of regulatory battles within the Carter administration, Energy Secretary James Schlesinger recently suggested that Labor Secretary Ray Marshall block a proposed worker exposure standard for beryllium, another known carcinogen, because of its supposed $150 million cost. Energy officials later conceded that their estimate was derived from "a gross estimate based on rule of thumb"—provided by their beryllium manufacturers.

For one or more of numerous examples, the Securities and Exchange Commission has a curious case pending against U.S. Steel: The company allegedly has established two estimates for the cost of meeting certain pollution standards—a higher estimate issued publicly and a lower one sent to the SEC.

To believe that business-dominated cost-benefit studies should control regulatory decisions is about as sophisticated as arguing that one party to a lawsuit should also be the judge.

Inflated cost-benefit studies and the intensity of business propaganda against consumer and environmental regulation might lead a celestial visitor to wonder why we tolerate such stupidity. We seem to have suffered a kind of collective amnesia about exactly why we have these regulatory agencies.

A few years ago the Cuyahoga River in Ohio caught fire. One thousand Americans a day die of cancer, much of it environmentally caused. Auto crashes took 47,000 lives and caused over 3 million injuries in 1977. One out of every 11 workers in the private economy had a job-related injury or illness in 1976. Women around the Love Canal in upstate New York, one of 638 known sites of hazardous wastes, have experienced unusually high miscarriage and birth defect rates.

So, although the debate over regulation has somehow focused on how OSHA dictates the shape of toilet seats, there are clearly more fundamental issues at stake.

While the competitive marketplace can be an engine of efficiency, it was not designed to tell consumers which car might have a steering defect, which drug has dangerous side effects, what product unduly pollutes. In addition, what each of us buys affects others. My car pollutes your bedroom. The plane I travel in envelops you in jet noise. I am a voluntary consumer; without federal standards, in these instances, you would be an involuntary consumer.

Federal regulation can be viewed as a contract between consumers and business—with the government as mediator—in which consumers agree to a market economy if business avoids unnecessary injury and death. It establishes minimum conditions for humane capitalism. So, while the public may moan about regulation in general, as it moans about paying insurance premiums, both are viewed as necessary protection against possible harm.

Indeed, California voters approved $375 million for pollution controls on the same ballot that contained Proposition 13. Polls by even the business-oriented Opinion Research Corp. have indicated public support for regulation to protect worker health and safety (by 4 to 1), product safety (3 to 1) and the environment (2 to 1).

This popularity is well rooted in the measurable benefits of health and safety regulation. In many cases, regulation has stimulated innovation in often rigid, unimaginative industries.

Before the Food and Drug Administration banned spray cans using fluorocarbons, the industry said there was no alternative. The day after the ban went into effect, the country had a new pump spray that didn't use fluorocarbons and that was cheaper than aerosol cans. After Washington imposed strict safety standards for car bumpers, auto engineers developed bumpers that are far stronger and lighter—and that save consumers an average $100 in repair costs over the life of their car.

A 1975 study of five industries in five countries by MIT's Center for Policy Alternatives concluded that, in the area of health and safety regulation, "forcing firms to implement product or process changes oftentimes incidentally shocks them out of a rather inflexible production system and thereby provides the catalyst which is necessary for innovation to occur."

Regulation has also produced jobs. Although the Environmental Protection Agency estimates that 20,000 jobs have been lost in plants that could not meet environmental standards, the number of direct jobs created by pollution control expenditures is 600,000. The interior minister of West Germany, one of the world's most productive countries, told a U.S. audience this year: "The expenditures for pollution control contribute decisively to the growth of our economy and create or maintain hundreds of thousands of jobs each year."

Due to product safety standards, there has been a 40 percent drop in infant deaths from crib strangulation and swallowed poisons. An estimated 200,000 Americans alive today would be dead if Washington hadn't been regulating car and highway safety since the late 1960s. By 1985, federal fuel economy standards for cars will be saving 15 billion gallons of gasoline anually, or $640 per car over the life of the vehicle.

Although industrialists almost invariably oppose new government regulations, at times they also grudgingly concede that rules they once denounced make a profound difference. Fletcher Byrom, chairman of the Koppers Co., for example, recently told a business audience that "you and I know that the market system would not give us environmental protection, worker safety and health. These are not economic things . . . they add value, not wealth; the only way to improve the quality of life is through intervention."

IMMEASURABLE BENEFITS

This is to say nothing about the benefits of regulation that involve immeasurable or moral considerations. What is the price tag for lives saved by avoiding future diseases, since asbestos and other substances in our lives today cause cancer in 30 years? How much will you pay for a 6-year-old who is not disfigured from flammable sleepwear? How do we calculate the exact benefits of being able to see across the Grand Canyon, of avoiding needless destruction of recreational areas?

Some social scientists are indeed attempting to put a price on human life. One of their prominent techniques, for instance, tries to peg the value of a life merely by what a person would have earned in the future.

Even when one looks to mathematical pricers of human life, what one finds are wildly varying numbers. The National Highway Traffic Safety Administration prices a life at $270,000, a University of Rochester analysis at $350,000, a Cornell study at $1.5 million and an American Enterprise Institute report at $2.5 million.

Even if these numbers were more precise, regulation often involves noneconomic goals. Society might desire regulation where the calculable costs exceed the calculable benefits because of the standards' redistributive effect: say the costs are shifted from hard-pressed workers to relatively well-off stockholders.

Moreover, if the cost of, say, saving a worker's arm approximates the economic "benefit" to him, would any sane person doubt that the arm should be saved? Many, if not most, aspects of life can never be, and should never be, decided by the economists' yardstick. The abolition of slavery or child-labor laws certainly would never have passed a cost-benefit test.

THE JAUNDICED EYE

Nor do problems with cost-benefit studies stop with benefits that are ignored or that cannot be measured with numbers. Several prominent studies that try to document the wastefulness of federal regulation inadvertently demonstrate the adage that all looks yellow to the jaundiced eye.

An analysis by Chase Econometrics, for example, asserts that environmental regulation will account for an average 0.3 to 0.4 points of the annual increase in consumer prices in the 1970–1983 period. Unfortunately the study is based on *gross* cost, not *net* costs. As Sen. Gary Hart (D-Colo.) complained of the Chase study, it is "irresponsible to discuss costs of pollution control without comparing them to benefits."

In other words, sulphur oxide and particle emission standards from stationary sources may cost $9.5 billion this year, as Lester Lave and Eugene Seskin estimate in a recent book. But the standards will also save an estimated $16.1 billion just in health outlays, which have been playing a large role in fueling inflation. By their calculations, the antipollution standards are deflationary, not inflationary.

Even taking Chase's numbers at face value, a significant 20 percent reduction in regulatory costs would only lower the annual rate of increases in the cost of living index by one-tenth of a percentage point. Any reduction in inflation is not to be disparaged, but the contribution of regulation to the problem is relatively modest—probably less than the contribution of pricefixing, trade barriers, natural gas deregulation, the depreciation of the dollar or the latest OPEC price increase.

In another well-known study, Sam Peltzman, an economist at the University of Chicago, has declared that the 1962 drug safety amendments cost consumers $250 million to $350 million due to depressed innovation and delays in getting useful drugs on the market. "It sounds shocking to say that the net effect of having some thalidomides is a gain," Peltzman told a congressional hearing, "but that's unfortunately the way the world works."

Peltzman's case rests on his determination that new drug applications fell 60 percent after the 1962 act, a drop he attributes to the law. But new drug applications are hardly a measure of good drug therapy. Companies seek approval of new drugs that are minor variations of existing drugs in order to extend an old patent under a new name. Dr. Henry Simmons, director of the FDA's Bureau of Drugs, concluded in 1973 that "the rate of development and marketing of truly important, significant and unique therapeutic entities in this country has remained relatively stable over the last 22 years, numbering five to seven drugs per year."

Undaunted, Peltzman assumes that doctors kept informed of the value or danger of drugs before 1962 via what could be called "learning by experience." Perhaps he has in mind the 107 deaths in 1937 caused by the inadequately tested drug elixir sulfanidamide, after which alert doctors probably stopped prescribing the drug. "By your judgment, a drug is important because it is widely used and misused?" Sen. Gaylord Nelson asked in congressional hearings. Peltzman replied, "Senator, I think you've pointed out some of the problems with this sort of methodology.' Indeed.

For these and other reasons, the General Accounting Office, the Council on Environmental Quality, the Congressional Research Service, the Senate Governmental Affairs Committee and the House Oversight and Investigations Subcommittee have all disparaged the value of mathematical cost-benefit tests.

In the words of the House subcommittee, "the limitations on the usefulness of benefit-cost analysis in the context of health, safety and environmental regulatory decision are so severe that they militate against its use altogether." In a recent report the Senate committee concluded that "while agencies should be required to project and consider costs, benefits and alternatives, that analysis must not be considered a final determinant of whether an action should be taken. The difficulty of quantifying costs and benefits and the appropriateness of applying economic statistical analysis to health and safety areas must be recognized."

A CRITICAL CHOICE

Despite the obvious benefits of health and safety regulation and the problems of mathematical cost-benefit studies, the business war against regulation is beginning to have a public policy impact.

"People like Strauss, Blumenthal and Kreps go around the country to business groups who yell at them about regulation," said one White House aide. "Then they come back to meetings here and relate their selective experiences. It shapes all the discussions." A leading Carter regulator recently commented that "it's one thing to spend my time fighting with business or public interest groups, but now I also spend a lot of time fighting this administration."

The "fight" is a periodic one pitting the administration's regulators against such powers as chief economic adviser Charles Schultze, Treasury Secretary Michael Blumenthal, Commerce Secretary Juanita Kreps, trade negotiator Robert Strauss and wage-price watcher Barry Bosworth. The arena keeps shifting—from cotton dust standards, to strip-mining regulations, to carcinogen standards at OSHA—but the fundamental issue is the same: Should health and safety regulation be sacrificed to the anti-inflation campaign, based on the false specificity of existing cost-benefit analysis?

Obviously, before implementing any proposed legislation, officials should attempt to estimate or at least specify the desired benefits, to minimize the costs of compliance and to consider alternative routes to the same goal. This general "impact review" is the basis of a "regulatory reform" bill about to be introduced by the chairman and ranking Republican of the Senate Governmental Affairs Committee, Abraham Ribcoff and Charles Percy.

The legislation would require agencies to onduct and publish such a review when introducing and implementing any rule; it would speed up agency decision-making by eforming the Administrative Procedure Act; t would increase public participation as agencies make regulatory decisions; it would trengthen the subpoena power of regulators to understand better the community they are regulating. This approach emphasizes that health and safety regulation should be improved, not abolished.

The Carter administration too is now formulating its own regulatory reform bill. As the Office of Management and Budget drafts this version, it has two possible models in mind. It could be stampeded by the kind of business propaganda that is trying to make citizens hate their government, that objects not when regulation fails but when it works too well. Or it could heed the words of Jimmy Carter who, early in his presidency, announced that "the test of any government is now how popular it is with the powerful, but how honestly and fairly it deals with those who must depend on it."

The choice is between the president as a cost-benefit econometrician or as a tribune for the victims of marketplace abuse. And the next Salk vaccine may depend on the outcome.●

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Ratchford), to revise and extend their remarks and include extraneous material:)

Mr. Annunzio, for 5 minutes, today.

Mr. Gonzalez, for 5 minutes, today.

Mr. St Germain, for 5 minutes, today.

Mr. Nolan, for 5 minutes, today.

Mr. Ottinger, for 5 minutes, today.

Mr. McHugh, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. Schulze), and to include extraneous matter:)

Mr. Paul in 10 instances.

Mr. Derwinski.

Mr. Wydler.

Mr. Philip Crane in 10 instances.

Mr. Whitehurst.

Mr. Collins of Texas in three instances.

(The following Members (at the request of Mr. Ratchford), and to include extraneous matter:)

Mr. Udall.

Mr. Edwards of California in five instances.

Mr. Clay.

Mr. Anderson of California in three instances.

Mr. Gonzalez in three instances.

Mr. Vento.

Mr. Ottinger.

Mr. Rahall in two instances.

Mr. Dingell.

Mr. Hamilton.

Mr. Fascell.

Mr. McDonald.

RECESS

The SPEAKER. Pursuant to the order of the House of Monday, January 15, 1979, the Chair declares the House in recess until 8:45 p.m.

Accordingly (at 8 o'clock and 12 minutes p.m.), the House stood in recess until 8 o'clock and 45 minutes p.m.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 8 o'clock and 45 minutes p.m.

JOINT SESSION OF THE HOUSE AND SENATE HELD PURSUANT TO THE PROVISIONS OF HOUSE CONCURRENT RESOLUTION 1 TO HEAR AN ADDRESS BY THE PRESIDENT OF THE UNITED STATES

The Speaker of the House presided.

The Doorkeeper, the Honorable James T. Molloy, announced the Vice President and Members of the U.S. Senate, who entered the Hall of the House of Representatives, the Vice President taking the chair at the right of the Speaker, and Members of the Senate the seats reserved for them.

The SPEAKER. The Chair appoints as Members of the Committee on the part of the House to escort the President of the United States into the Chamber the gentleman from Texas (Mr. Wright); the gentleman from Indiana (Mr. Brademas); the gentleman from Washington (Mr. Foley); the gentleman from Illinois (Mr. Rostenkowski); the gentleman from Georgia (Mr. Brinkley); the gentleman from Georgia (Mr. Mathis); the gentleman from Georgia (Mr. Ginn); the gentleman from Georgia (Mr. Levitas); the gentleman from Georgia (Mr. McDonald); the gentleman from Georgia (Mr. Barnard); the gentleman from Georgia (Mr. Evans); the gentleman from Georgia (Mr. Jenkins); the gentleman from Georgia (Mr. Fowler); the gentleman from Arizona (Mr. Rhodes); the gentleman from Illinois (Mr. Michel); the gentleman from Illinois (Mr. Anderson); and the gentleman from Georgia (Mr. Gingrich).

The VICE PRESIDENT. On behalf of the Senate, pursuant to the order previously entered into, the Chair appoints the following Senators on the part of the Senate to escort the President of the United States into the House Chamber:

The Senator from Washington (Mr. Magnuson); the Senator from West Virginia (Mr. Byrd); the Senator from California (Mr. Cranston); the Senator from Hawaii (Mr. Inouye); the Senator from Alabama (Mr. Stewart); the Senator from Tennessee (Mr. Baker); the Senator from Alaska (Mr. Stevens); the Senator from Texas (Mr. Tower); the Senator from Oregon (Mr. Packwood); and the Senator from Utah (Mr. Garn).

The Doorkeeper announced the ambassadors, ministers, and chargés d'affaires of foreign governments.

The ambassadors, ministers, and chargés d'affaires of foreign governments entered the Hall of the House of Representatives and took the seats reserved for them.

The Doorkeeper announced the Chief Justice of the United States and the Associate Justices of the Supreme Court.

The Chief Justice of the United States and the Associate Justices of the Supreme Court entered the Hall of the House of Representatives and took the seats reserved for them in front of the Speaker's rostrum.

The Doorkeeper announced the Cabinet of the President of the United States.

The members of the Cabinet of the President of the United States entered the Hall of the House of Representatives and took the seats reserved for them in front of the Speaker's rostrum.

At 9 o'clock and 4 minutes p.m., the Doorkeeper announced the President of the United States.

The President of the United States, escorted by the committee of Senators and Representatives, entered the Hall of the House of Representatives, and stood at the Clerk's desk.

[Applause, the Members rising.]

The SPEAKER. Members of the Congress, I have the high privilege and the distinct honor of presenting to you the President of the United States.

[Applause, the Members rising.]

THE STATE OF THE UNION—ADDRESS BY THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 96-1)

The PRESIDENT. Mr. President, Mr. Speaker, Members of the 96th Congress, and my fellow citizens:

Tonight I want to examine in a broad sense the state of our American Union—how we are building a new foundation for a peaceful and a prosperous world.

Our children who will be born this year will come of age in the 21st Century. What kind of society, what kind of world are we building for them? Will we ourselves be at peace? Will our children enjoy a better quality of life? Will a strong and united America still be a force for freedom and prosperity around the world?

Tonight, there is every sign that the state of our Union is sound. [Applause.] Our economy offers greater prosperity for more of our people than ever before. Real per capita income and real business profits have risen substantially in the last two years. Farm exports are setting an all-time record each year and farm income last year—net farm income—was up more than 25 percent. Our liberties are secure. Our military defenses are strong and growing stronger and more importantly tonight, America, our beloved country, is at peace. [Applause.]

Our earliest national commitments modified and reshaped by succeeding generations have served us well. But the problems that we face today are different from those that confronted earlier generations of Americans. They are more subtle, more complex and more interrelated. At home, we are recognizing ever more clearly that government alone cannot solve these problems. And abroad, few of them can be solved by the United States alone.

But Americans as a united people—working with our allies and friends—have never been afraid to face problems and to solve problems either here or abroad.

The challenge to us is to build a new and firmer foundation for the future—for a sound economy, for a more effective government, for more political trust, and for a stable peace—so that the America our children inherit will be even stronger and even better than it is today.

We cannot resort to simplistic or extreme solutions which substitute myths for common sense.

In our economy it is a myth that we must choose endlessly between inflation and recession. Together, we build the foundation for a strong economy with lower inflation without contriving either a recession with its high unemployment, or unworkable mandatory government controls.

In our government it is a myth that we must choose between compassion and competence. Together, we build the foundation for a government that works—and works for people.

In our relations with our potential adversaries it is a myth that we must choose between confrontation and capitulation. Together we build the foundation for a stable world of both diversity and peace.

Together, we have already begun to build a foundation for confidence in our economic system. During the last two years, in bringing our economy out of the deepest recession since the 1930's, we have created 7,100,000 new jobs. The unemployment rate has gone down 25 percent. [Applause.] And now we must redouble our fight against the persistent inflation that has wracked our country for more than a decade. That is our most important domestic issue and we must do it together. [Applause.]

We know that inflation is a burden for all Americans, but it is a disaster for the poor, the sick and the old. No American family should be forced to choose among food, warmth, health care or decent housing because the cost of any of these basic necessities has climbed out of reach.

Three months ago, I outlined to the Nation a balanced anti-inflation program that couples responsible government restraint with responsible wage and price restraint. It is based upon my knowledge that there is a more powerful force than government compulsion—the force created by the cooperative efforts of millions of Americans working toward a common goal.

Business and labor have been increasingly supportive. It is imperative that we in government do our part. We must stop excessive government growth, and we must control government spending habits. [Applause.]

I have sent to this Congress a stringent, but a fair budget—one that, since I ran for President in 1976, will have cut the Federal deficit in half and as a percentage of our gross national product the deficit will have dropped by almost 75 percent.

This Congress had a good record last year, and I now ask the 96th Congress to continue this partnership in holding the line on excess Federal spending. It will not be easy. But we must be strong and we must be persistent. This budget is a clear message that with the help of you and the American people, I am determined as President to bring inflation under control. [Applause.]

The 1980 budget provides enough spending restraint to begin unwinding inflation, but enough support for our country to keep American workers productive and to encourage the investments that provide new jobs. We will continue to mobilize our Nation's resources to reduce our trade deficit substantially this year and to maintain the strength of the American dollar.

We have demonstrated in this restrained budget that we can build on the gains of the past two years to provide additional support to educate disadvantaged children, to care for the elderly, to provide nutrition and legal services for the poor, and to strengthen the economic base of our urban communities and also our rural areas. This year we will take our first steps to develop a national health plan.

We must never accept a permanent group of unemployed Americans, with no hope and no stake in building our society. For those left out of the economy because of discrimination, a lack of skills or poverty, we must maintain high levels of training, and we must continue to provide jobs.

A responsible budget is not our only weapon to control inflation.

We must act now to protect all Americans from health care costs that are rising $1 million per hour, 24 hours a day—doubling every five years. We must take control of the largest contributor to that inflation—skyrocketing hospital costs.

There will be no clearer test of the commitment of this Congress to the anti-inflation fight than the legislation I will submit again this year to hold down inflation in hospital care. [Applause.] Over the next five years my proposals will save Americans a total of $60 billion, of which $25 billion will be savings to the American taxpayer in the Federal budget itself. The American people have waited long enough. This year we must act on hospital cost containment.

We must also fight inflation by improvements and better enforcement of our antitrust laws, and by reducing Government obstacles to competition in the private sector.

We must begin to scrutinize the overall effect of regulation in our economy. Through deregulation of the airline industry we have increased profits, cut prices for all Americans, and begun for one of the few times in the history of our Nation to actually dismantle a major Federal bureaucracy. [Applause.] This year we must begin the effort to reform our regulatory processes for the railroad, bus and the trucking industries.

America has the greatest economic system in the world. Let's reduce government interference and give it a chance to work. [Applause.]

I call on Congress to take other anti-inflation action—to expand our exports, to protect American jobs threatened by unfair trade, to conserve energy, to increase production and to speed the development of solar power, and to reassert our Nation's technological superiority. American workers who enlist in the fight against inflation deserve not just our gratitude, but they deserve the protection of the real wage insurance proposal that I have already made to the Congress.

To be successful we must change our attitudes as well as our policies. We cannot afford to live beyond our means, we cannot afford to create programs that we can neither manage nor finance, or to waste our natural resources, and we cannot tolerate mismanagement and fraud. [Applause.] Above all, we must meet the challenges of inflation as a united people.

With the support of the American people, government in recent decades has helped to dismantle racial barriers, has provided assistance for the jobless and the retired, has fed the hungry, has protected the safety, health and bargaining rights of American workers, and has helped to preserve our natural heritage.

But it is not enough to have created a lot of government programs. Now we must make the good programs more effective, and improve or weed out those which are wasteful or unnecessary.

With the support of the Congress, we have begun to reorganize and get control of the bureaucracy. We are reforming the Civil Service system so that we can recognize and reward those who do a good job and correct or remove those who do not.

This year we must extend major reorganization efforts to education, to economic development and to the management of our natural resources. We need to enact a sunset law so that when government programs have outlived their value they will automatically be terminated. [Applause.]

There is no such thing as an effective and a noncontroversial reorganization reform, but we know that honest, effective government is essential to restore public faith in our public action.

None of us can be satisfied when two-thirds of the American citizens chose not to vote last year in the national election. Too many Americans feel powerless against the influence of private lobbying groups and the unbelievable flood of private campaign money which threatens our electoral process. This year we must regain the public's faith by requiring limited financial funds from public funds for congressional election campaigns. [Applause.]

House Bill 1 provides for this public financing of campaigns, and I look forward with a great deal of anticipation to signing it at an early date. [Applause.]

A strong economy and an effective government will restore confidence in America. But the path to the future must be charted in peace. We must continue to build a new and a firm foundation for a stable world community.

We are building that new foundation from a position of national strength—the strength of our own defenses, the strength of our friendships with other nations, and of our oldest American ideals. America's military power is a major force for security and stability in the world. We must maintain our strategic capability and continue the progress of the last two years with our NATO allies, with whom we have increased our readiness, modernized our equipment, and strengthened our defense forces in Europe. I urge you to support the strong Defense budget which I have proposed to the Congress. [Applause.]

But our national security in this complicated age requires more than just military might. In less than a lifetime, world population has more than doubled; colonial empires have disappeared; and a hundred new nations have been born. Mass communications, literacy, and migration to the world's cities have all awakened new yearnings for economic justice and human rights among people everywhere. This demand for justice and human rights is a wave of the future.

In such a world, the choice is not which superpower will dominate the world. None can and none will. The choice instead is between a world of anarchy and destruction, or a world of cooperation and peace.

In such a world, we seek not to stifle inevitable change, but to influence its course in helpful and constructive ways that enhance our values, our national interests, and the cause of peace.

Towering over this volatile changing world, like a thundercloud on a summer day, looms the awesome power of nuclear weapons.

We will continue to help shape the forces of change; to anticipate emerging problems of nuclear proliferation and conventional arms sales; and to use our great strength and influence to settle international conflicts in other parts of the world before they erupt and spread.

We have no desire to be the world's policeman. But America does want to be the world's peacemaker. [Applause.]

We are building the foundation for truly global cooperation—not only with Western industrialized nations, but with the developing countries as well. Our ties with Japan and our European allies are stronger than ever—and so are our friendly relations with the people of Latin America, Africa, and the Western Pacific and Asia.

We have won new respect in this hemisphere with the Panama Canal Treaties. We have gained new trust with the developing world through our opposition to racism, our commitment to human rights, and our support for majority rule in Africa.

The Multilateral Trade Negotiations are now reaching a successful conclusion, and Congressional approval is essential to the economic well-being of our own country and of the world. This will be one of our top priorities in 1979.

We are entering a hopeful era in our relations with one-fourth of the world's people who live in China. The presence of Vice Premier Deng Xiaoping next week will help to inaugurate that new era. And with prompt Congressional action on authorizing legislation, we will continue our commitment to a prosperous, peaceful, and secure life for the people of Taiwan. [Applause.]

I am grateful that in the past year—as in the year before—no American has died in combat anywhere in the world. [Applause.] And in Iran, Nicaragua, Cyprus, Namibia, and Rhodesia, our country is working for peaceful solutions to dangerous conflicts.

In the Middle East—under the most difficult circumstances—we sought to help ancient enemies lay aside deep-seated differences that have produced four bitter wars in our lifetime.

Our firm commitment to Israel's survival and security is rooted in our deepest convictions and in our knowledge of the strategic importance to our own Nation of a stable Middle East. To promote peace and reconciliation in the region, we must retain the trust and the confidence both of Israel and also of the Arab nations that are sincerely searching for peace.

I am determined as President to use the full beneficial influence of our country so that the precious opportunity for lasting peace between Israel and Egypt will not be lost. [Applause.]

The new foundation of international cooperation that we seek excludes no nation. Cooperation with the Soviet Union serves the cause of peace, for in this nuclear age, world peace must include peace between the superpowers—and it must mean the control of nuclear arms.

Ten years ago, the United States and the Soviet Union made the historic decision to open the Strategic Arms Limitations Talks, or SALT. The purpose of SALT, then as now, is not to gain a unilateral advantage for either nation, but to protect the security of both nations—to reverse the costly and dangerous momentum of the nuclear arms race—to preserve a stable balance of nuclear forces—and to demonstrate to a concerned world that we are determined to help preserve the peace.

The first SALT agreement was concluded in 1972. And since then, during six years of negotiations—by both Republican and Democratic leaders—nearly all issues of SALT II have been resolved. If the Soviet Union continues to negotiate in good faith, a responsible SALT agreement will be reached.

It is important that the American people understand the nature of the SALT process.

SALT II is not based on sentiment. It is based on self-interest—of the United States and of the Soviet Union. Both nations share a powerful common interest in reducing the threat of a nuclear war. I will sign no agreement which does not enhance our national security. [Applause.]

SALT II does not rely on trust. It will be verifiable. We have very sophisticated, proven means—including our satellites—to determine for ourselves whether or not the Soviet Union is meeting its treaty obligations. I will sign no agreement which cannot be verified.

The American nuclear deterrent will remain strong after SALT II. For example, just one of our relatively invulnerable Poseidon submarines—comprising less than two percent of our total nuclear force of submarines, aircraft, and land-based missiles—carries enough warheads to destroy every large and medium-sized city in the Soviet Union. Our deterrent is overwhelming—and I will sign no agreement unless our deterrent force will remain overwhelming. [Applause.]

A SALT agreement, of course, cannot substitute for wise diplomacy or a strong defense, nor will it end the danger of nuclear war. But it will certainly reduce that danger. It will strengthen our efforts to ban nuclear tests and to stop the spread of atomic weapons to other nations. And it can begin the process of negotiating new agreements which will further limit nuclear arms.

The path of arms control backed by a strong defense—the path our Nation and every President has walked for 30 years—can lead to a world of law and of international negotiation and consultation, in which all peoples might live in peace.

In this year, 1979, nothing is more important than that the Congress and the people of the United States resolve to continue with me on that path of nuclear arms control and world peace. This is paramount. [Applause.]

I have outlined some of the changes that have transformed the world and which are continuing as we meet here tonight. But we, in America, need not fear change. The values on which our Nation was founded—individual liberty, self-determination, the potential for human fulfillment in freedom—all of these endure. We find these democratic principles praised even in books smuggled out of totalitarian nations, and on wall posters in lands where we thought—which we thought were closed to our influence.

Our country has regained its special place of leadership in the world-wide struggle for human rights.

And that is a commitment that we must keep at home, as well as abroad. The Civil Rights revolution freed all Americans, black and white, but its full promise still remains unrealized. I will continue to work with all my strength for equal opportunity for all Americans and for affirmative action for those who carry the extra burden of past denials of equal opportunity. [Applause.] We remain committed to improving our labor laws to better protect the rights of American workers. And our Nation must make it clear that the legal rights of women as citizens are guaranteed under the laws of our land by ratifying the Equal Rights Amendment. [Applause.]

As long as I am President, at home and around the world, America's example and America's influence will be marshalled to advance the cause of human rights.

To establish those values, two centuries ago a bold generation of Americans risked their property, their position, and life itself.

We are their heirs. And they are sending us a message across the centuries. The words they made so vivid are now growing faintly indistinct, because they are not heard often enough. They are words like justice, equality, unity, truth, sacrifice, liberty, faith, and love.

These words remind us that the duty of our generation of Americans is to renew our Nation's faith—not focused just against foreign threats, but against the threat of selfishness, cynicism, and apathy.

The new foundation I have discussed tonight can help us build a nation and a world where every child is nurtured and can look to the future with hope—where the resources now wasted on war can be turned towards meeting human needs—where all people have enough to eat, a decent home, and protection against disease. It can help us build a nation and a world where all people are free to speak the truth and to add to human understanding, so that all of us may live our life in peace.

Tonight, I ask you, the Members of the Congress, to join me in building that new foundation—a better foundation—for our beloved country and our world.

Thank you very much.

[Applause, the Members rising.]

□ 2144

At 9 o'clock and 44 minutes p.m., the President of the United States, accompanied by the Committee of Escort, retired from the Hall of the House of Representatives.

The Doorkeeper escorted the invited guests from the Chamber in the following order: The members of the President's Cabinet.

The Chief Justice of the United States and the Associate Justices of the Supreme Court.

The ambassadors, ministers, and charges d'affaires of foreign governments.

JOINT SESSION DISSOLVED

The SPEAKER. The Chair declares the joint session of the two Houses now dissolved.

Accordingly, at 9 o'clock and 45 minutes p.m., the joint session of the two Houses was dissolved.

The Members of the Senate retired to their Chamber.

REFERENCE OF PRESIDENT'S MESSAGE

Mr. MURTHA. Mr. Speaker, I move that the message of the President together with the accompanying documents be referred to the Committee of the Whole House on the State of the Union and ordered printed.

The motion was agreed to.

ADJOURNMENT

Mr. MURTHA. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 9 o'clock and 46 minutes p.m.), the House adjourned until tomorrow, Wednesday, January 24, 1979, at 3 o'clock p.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

448. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting a report that the appropriation to the U.S. Coast Guard for "Accounts, Retired Pay," for fiscal year 1978 has been reapportioned on a basis which indicates the necessity for a supplemental estimate of appropriations, pursuant to section (e) (2) of the Revised Statutes, as amended; to the Committee on Appropriations.

449. A letter from the Assistant Secretary of the Army (Manpower and Reserve Affairs), transmitting a draft of proposed legislation to amend section 2107 of title 10, United States Code, to remove the limitation on the number of cadets or midshipmen who may be appointed from the 2-year Senior Reserve Officers' Training Corps course; to the Committee on Armed Services.

450. A letter from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting the annual report for fiscal year 1978 on design and construction supervision, inspection, and overhead fees charged by the construction agents for military construction projects of the Military Departments and Defense Agencies, pursuant to section 604 of Public Law 95–82; to the Committee on Armed Services.

451. A letter from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting a report on military construction project authorization increases and scope reductions for fiscal year 1978, pursuant to section 603(f) of Public Law 95–82; to the Committee on Armed Services.

452. A letter from the Assistant Secretary of the Army (Manpower and Reserve Affairs), transmitting a draft of proposed legislation to amend section 6(d) (1) of the Military Selective Service Act (50 U.S.C. App. 456(d) (1)) to provide greater training flexibility for Reserve officers ordered to active duty for training for not more than 6 months by deleting the requirement that they be ordered to active duty for not less than 3 months; to the Committee on Armed Services.

453. A letter from the Comptroller of the Currency, transmitting his annual report for 1977, pursuant to section 333 of the Revised Statutes; to the Committee on Banking, Finance and Urban Affairs.

454. A letter from the Deputy Assistant Secretary of Defense (Comptroller), transmitting a report on the Defense Department's disposal of foreign excess personal property during fiscal year 1978, pursuant to section 404(d) of the Federal Property and Administrative Services Act of 1949, as amended; to the Committee on Government Operations.

455. A letter from the Secretary of State, transmitting reports on assistance to bereaved U.S. families overseas, domestic travel restrictions on foreign citizens, employment opportunities abroad for families of members of the Foreign Service, review of Foreign Service personnel requirements, actions taken to secure a multilateral agreement governing the use of nuclear-powered satellites, actions taken to promote a U.S.-sponsored World Alternate Energy Conference, and actions taken to promote an end to atrocities in Cambodia and Uganda, pursuant to sections 121(b), 126(c), 401(c), 413 (c), 608(c), 609(c) and 610(c) of Public Law 95–426, respectively; to the Committee on International Relations.

456. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of proposed licenses for the export of major defense equipment sold

commercially (MC-3-79), pursuant to section 36(c) of the Arms Export Control Act; to the Committee on International Relations.

457. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of proposed licenses for the export of major defense equipment sold commercially (MC-8-79), pursuant to section 36(c) of the Arms Export Control Act; to the Committee on International Relations.

458. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of States, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to section 112 (b) of Public Law 92-403; to the Committee on International Relations.

459. A letter from the Secretary of Transportation, transmitting the third annual report on progress in formulating average automotive fuel economy standards, pursuant to section 502(a)(2) of the Motor Vehicle Information and Cost Savings Act, as amended (89 Stat. 902); to the Committee on Interstate and Foreign Commerce.

460. A letter from the Administrator, Energy Information Administration, Department of Energy, transmitting the monthly report on sales of refined petroleum products for October 1978, pursuant to section 4(c)(2)(A) of the Emergency Petroleum Allocation Act of 1973; to the Committee on Interstate and Foreign Commerce.

461. A letter from the Administrator, National Aeronautics and Space Administration, transmitting a draft of proposed legislation to authorize a supplemental appropriation to the National Aeronautics and Space Administration for Research and Development; to the Committee on Science and Technology.

462. A letter from the Comptroller General of the United States, transmitting a report on the readiness status and ability of Marine Corps amphibious forces (LCD-78-417, January 22, 1979); jointly to the Committee on Government Operations and Armed Services.

463. A letter from the Comptroller General of the United States, transmitting a report on the premature deterioration of concrete bridge decks in the Nation's Federal-aid highway systems (PSAD-79-10, January 19, 1979); jointly, to the Committees on Government Operations, and Public Works and Transportation.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANNUNZIO:

H.R. 1289. A bill to amend the Truth in Lending Act to facilitate compliance with such act and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. BENNETT:

H.R. 1290. A bill to amend title 28 and title 18 of the United States Code to prohibit and remedy the interstate restraint of children in violation of rights of custody and visitation, and for other purposes; jointly, to the Committees on the Judiciary, and Ways and Means.

By Mr. BRODHEAD:

H.R. 1291. A bill to amend title IV of the Social Security Act to provide for the payment of adoption subsidies under the AFDC program, and to make needed improvements in the child welfare services and foster care programs; to the Committee on Ways and Means.

H.R. 1292. A bill to amend the Internal Revenue Code of 1954 to permit certain simple trusts to be shareholders in subchapter S corporations; to the Committee on Ways and Means.

By Mr. PHILIP M. CRANE:

H.R. 1293. A bill to protect the freedom of the press under the first amendment to the Constitution; to the Committee on the Judiciary.

By Mr. DRINAN:

H.R. 1294. A bill to amend the Communications Act of 1934 in order to recognize and confirm the applicability of and to strengthen and further the objectives of the first amendment to radio and television broadcasting stations; to the Committee on Interstate and Foreign Commerce.

By Mr. GREEN:

H.R. 1295. A bill to amend the Internal Revenue Code of 1954 to extend to all unmarried individuals the full tax benefits of income splitting now enjoyed by married individuals filing joint returns, and to remove rate inequities for married persons where both are employed; to the Committee on Ways and Means.

H.R. 1296. A bill to provide increased benefits under the medicare program; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. LONG of Maryland:

H.R. 1297. A bill to discourage the use of leg-hold or steel jaw traps on animals in the United States; to the Committee on Interstate and Foreign Commerce.

By Mr. RAHALL:

H.R. 1298. A bill to designate the U.S. Post Office and Federal Building in Huntington, W. Va., as the "Sidney L. Christie Federal Building"; to the Committee on Public Works and Transportation.

By Mr. SAWYER:

H.R. 1299. A bill to amend the Federal Railroad Safety Act of 1970 to direct the Secretary of Transportation to issue regulations requiring that the locomotive and rear car of all passenger, freight, and commuter trains have bulletproof glass and equipment capable of providing controlled temperatures; to the Committee on Interstate and Foreign Commerce.

H.R. 1300. A bill to amend section 924(c) (relating to mandatory penalties for certain felonies committed with firearms) of title 18 of the United States Code to change the sentencing structure for offenses under such section, to eliminate parole for such offenses, and to make specific the exclusion of certain felonies from the groups of felonies to which such section applies; to the Committee on the Judiciary.

By Mr. SAWYER (for himself and Mr. FOWLER):

H.R. 1301. A bill to amend title 18 of the United States Code to allow the transportation or mailing to a foreign country of material concerning a lottery authorized by that foreign country, and for other purposes; to the Committee on the Judiciary.

By Mr. SAWYER:

H.R. 1302. A bill to amend title 18 of the United States Code to provide penalties for certain activities relating to the taking of children by parents from legal custodians; to the Committee on the Judiciary.

H.R. 1303. A bill to repeal the provisions of law allowing automatic cost-of-living adjustments in the salaries of Members of Congress; to the Committee on Post Office and Civil Service.

H.R. 1304. A bill to amend the Internal Revenue Code of 1954 to permit a taxpayer to claim a credit for amounts paid as tuition to provide education for himself, for his spouse, or for his dependents, and to provide that such credit is refundable; to the Committee on Ways and Means.

By Mr. SAWYER (for himself and Mr. McCLOSKEY):

H.R. 1305. A bill to amend title 18, United States Code, to restrict the issuance of search warrants with respect to certain property possessed by persons who are not suspects in a criminal investigation; to the Committee on the Judiciary.

By Mr. SCHULZE:

H.R. 1306. A bill to require the preparation of small business impact statements in connection with Federal agency rules; jointly, to the Committees on the Judiciary, and Small Business.

By Mr. WHITEHURST:

H.R. 1307. A bill to establish the North Country National Scenic Trail located in portions of New York, Pennsylvania, Ohio, Michigan, Wisconsin, Minnesota, and North Dakota, as a component of the National Trails System; to the Committee on Interior and Insular Affairs.

H.R. 1308. A bill to authorize the Small Business Administration to make grants to support the development and operations of small business development centers in order to provide small business with management development, technical information, product planning and development, and domestic and international market development, and for other purposes; to the Committee on Small Business.

H.R. 1309. A bill to provide that individuals who retired on disability before October 1, 1976, shall be entitled to the exclusion for disability payments under section 105(d) of the Internal Revenue Code of 1954 without regard to the income limitation in such section, and for other purposes; to the Committee on Ways and Means.

H.R. 1310. A bill to amend the Internal Revenue Code of 1954 to provide a basic $5,000 exemption from income tax, in the case of an individual or a married couple, for amounts received as annuities, pensions, or other retirement benefits; to the Committee on Ways and Means.

H.R. 1311. A bill to amend the Internal Revenue Code of 1954 to provide for individual supplemental retirement savings; to the Committee on Ways and Means.

H.R. 1312. A bill to reorganize the executive branch of the Federal Government to eliminate excessive, duplicative, inflationary, and anticompetitive regulation; jointly, to the Committees on Government Operations, and Rules.

By Mr. YATRON:

H.R. 1313. A bill to amend title II of the Social Security Act so as to liberalize the conditions governing eligibility of blind persons to receive disability insurance benefits thereunder; to the Committee on Ways and Means.

By Mr. ASHBROOK:

H.J. Res. 142. Joint resolution proposing an amendment to the Constitution of the United States guaranteeing the right to life to the unborn; to the Committee on the Judiciary.

By Mr. FOUNTAIN:

H.J. Res. 143. Joint resolution to amend the Constitution of the United States to provide for balanced Federal budgets and the elimination of the public debt of the United States; to the Committee on the Judiciary.

By Mr. NOLAN:

H.J. Res. 144. Joint resolution raising the price support levels for milk, wheat, corn, soybeans, and cotton to 90 percent of the respective parity prices therefor, and for other purposes; to the Committee on Agriculture.

By Mr. RAHALL:

H.J. Res. 145. Joint resolution to authorize National Shut-in Day; to the Committee on Post Office and Civil Service.

By Mr. SAWYER:

H.J. Res. 146. Joint resolution proposing an amendment to the Constitution to provide that except in time of war or economic emergency declared by the Congress, expenditures of the Government may not exceed the revenues of the Government during any fiscal year; to the Committee on the Judiciary.

H.J. Res. 147. Joint resolution proposing an amendment to the Constitution of the United States to give citizens of the United States the right to enact and repeal laws by voting on legislation in a national election; to the Committee on the Judiciary.

By Mr. SEBELIUS (for himself, Mr. English, Mr. Winn, Mr. Glickman, Mr. Whittaker, Mr. Abdnor, Mr. Jeffries, Mr. Marlenee, and Mr. Watkins):

H.J. Res. 148. Joint resolution raising the price support levels for milk, wheat, corn, soybeans, and cotton to 90 percent of the respective parity prices therefor, and for other purposes; to the Committee on Agriculture.

MEMORIALS

Under clause 4 of rule XXII,

17. The SPEAKER presented a memorial of the Legislature of the Commonwealth of the Northern Mariana Islands, relative to settlement of war damage claims under the Micronesian Claims Act of 1971; to the Committee on Interior and Insular Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ADDABBO:

H.R. 1314. A bill for the relief of Mauritz A. Sterner; to the Committee on the Judiciary.

By Mr. CORMAN:

H.R. 1315. A bill for the relief of Mrs. Rita Chelnek; to the Committee on the Judiciary.

H.R. 1316. A bill for the relief of Kuo-Yao-Cheng; to the Committee on the Judiciary.

H.R. 1317. A bill for the relief of Adolfo Lopez Sanabria; to the Committee on the Judiciary.

By Mr. MONTGOMERY:

H.R. 1318. A bill for the relief of Heung-Sang Chen (also known as Margaret Chun); to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 21: Mr. John L. Burton, Mr. Corrada, Mr. Richmond, Mr. Scheuer, and Mr. Stewart.

H.R. 39: Mr. Pepper, Mr. Findley, Mr. Roybal, Mr. Minish, Mr. Weiss, Mr. Sawyer, Mr. Baldus, Mr. Solarz, Ms. Holtzman, Mr. Perkins, Mr. Preyer, Mr. Sharp, Mr. Rinaldo, Mr. Ashley. Mr. Ginn, Mr. Whitehurst, Mr. Brown of California, Mr. Kogovsek, Mr. Miller of California, Mr. Won Pat, Mr. Stark, Mr. Rose, Mr. Coughlin, Mr. Nolan, Mr. Quillen, Mrs. Holt, Mr. Cavanaugh, Mr. Thompson, Mr. Alexander, Mr. Bedell, and Mr. Wolpe.

H.R. 628: Mr. Bonior of Michigan, Mr. Carr, Mr. Dornan, Mr. Forsythe, Mr. Grisham, Mr. Hollenbeck, Mr. Hughes, Mr. Long of Maryland, Mr. Roth, Mrs. Spellman, and Mr. Traxler.

H.J. Res. 124: Mr. Beard of Rhode Island.

PETITIONS, ETC.

Under clause 1 of rule XXII,

42. The SPEAKER presented a petition of the town of West Orange, N.J., relative to restoration of Federal antirecession funds; to the Committee on Government Operations.

SENATE—*Tuesday, January 23, 1979*

(Legislative day of Monday, January 15, 1979)

The Senate met at 12 o'clock meridian, on the expiration of the recess, and was called to order by the Honorable Wendell H. Ford, a Senator from the State of Kentucky.

PRAYER

The Reverend Donald Macleod, Th.D., D.D., professor, preaching and worship, Princeton Theological Seminary, Princeton, N.J., offered the following prayer:

O Thou who art our Creator and our God, who art the Lord of heaven and of all the Earth, in whose eternity our little times are held and in whose service there is perfect freedom, we come to Thee as people of privilege to bless Thee for what Thou art and for the means Thou hast given to make us who we are. We pray for our country: May truth, fair play, and sincere religion give heart to our public and private life. Be especially near our legislators who serve our Nation here day by day. Give true substance to their visions and may their dreams become concerns which answer our people's deepest needs. Thou hast given us this day as a clean, fresh page in the book of life. May we take care how we write upon it, for when the evening comes we cannot erase a single line. In Thy name we pray. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. Magnuson).

The legislative clerk read the following letter:

U.S. Senate,
President pro tempore,
Washington, D.C., January 23, 1979.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable Wendell H. Ford, a Senator from the State of Kentucky, to perform the duties of the Chair.

Warren G. Magnuson,
President pro tempore.

Mr. FORD thereupon assumed the chair as Acting President pro tempore.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, these are various unanimous-consent requests that have been cleared with the minority in advance.

PRIVILEGE OF THE FLOOR FOR HOUSE PARLIAMENTARIAN AND HIS THREE ASSISTANTS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Parliamentarian of the House of Representatives, and his three assistants, be given the privilege of the floor for the duration of the 96th Congress.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

PRIVILEGE OF THE FLOOR FOR SENATE STAFF

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, for the duration of the 96th Congress, Senators be allowed to leave at the desk with the Journal Clerk a list of no more than two staff members who will be granted the privilege of the floor during the consideration of the specific matter noted on the list, and that the Sergeant-at-Arms be instructed to rotate such staff members as space allows.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER CONCERNING PRINTING OF CONFERENCE REPORTS IN CERTAIN CIRCUMSTANCES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, notwithstanding the provisions of the Legislative Reorganization Act, conference reports and statements accompanying them not be printed as Senate reports when the House of Representatives acts first on such reports, or conference reports and statements have been printed as a House report, unless specific request is made in the Senate in each instance to have such a report printed.

I ask that this request obtain through the 96th Congress.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

AUTHORIZATION FOR COMMITTEE ON APPROPRIATIONS TO FILE REPORTS DURING ADJOURNMENTS OR RECESSES OF SENATE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Appropriations be authorized during the 96th Congress to file reports during adjournments or recesses of the Senate on appropriation bills, including joint resolutions, together with any accompanying notices of motions to suspend rule XVI, pursuant to rule XL, for the purpose of offering certain amendments to such bills or joint resolutions, which proposed amendments shall be printed.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. BAKER. Mr. President, reserving the right to object, that sort of exceeded my ability to digest. I wonder if the majority leader can withhold that for just a moment.

Mr. ROBERT C. BYRD. Yes.

Mr. President, I withhold that request.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(Later, the following occurred:)

Mr. ROBERT C. BYRD. Mr. President, I now repeat the request with respect to the authorization granted to the Committee on Appropriations to file reports.

Mr. BAKER. Mr. President, we have no objection.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR REMOVAL OF INJUNCTION OF SECRECY ON EIGHT TREATIES

Mr. ROBERT C. BYRD. Mr. President, as in executive session, I ask unanimous consent that the injunction of secrecy be removed from eight treaties transmitted to the Senate by the President of the United States on January 19, 1979.

These treaties are:

The Treaty on Extradition with the Federal Republic of Germany (Executive A, 96th Congress, first session);

The Agreement on the International Carriage of Perishable Foodstuffs and on the Special Equipment to be Used for Such Carriage (Executive B, 96th Congress, first session);

The Protocol of 1978 Relating to the International Convention for the Prevention of Pollution from Ships, with Annexes I and II, and Protocols I and II, 1973 (Executive C, 96th Congress, first session);

The Protocol of 1978 Relating to the International Convention for the Safety of Life at Sea, 1974 (Executive D, 96th Congress, first session);

The revised Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks (Executive E, 96th Congress, first session); and

Three treaties establishing maritime boundaries between the United States and Mexico, Venezuela and Cuba (Executives F, G and H, 96th Congress, first session).

I ask that the treaties be considered as having been read the first time, that they be referred to the Committee on Foreign Relations and ordered to be printed, and that the President's messages transmitting the treaties be printed in the RECORD.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The messages of the President are as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Treaty on Extradition Between the United States of America and the Federal Republic of Germany, signed at Bonn on June 20, 1978.

I transmit also, for the information of the Senate, the report of the Department of State with respect to the treaty.

The treaty is one of a series of modern extradition treaties being negotiated by the United States. It expands the list of extraditable offenses to include aircraft hijacking and narcotics offenses, as well as several other offenses not now covered by our existing Extradition Treaty with the Federal Republic of Germany. Upon entry into force, it will terminate and supersede the existing Extradition Treaty between the United States and the Federal Republic of Germany.

This treaty will make a significant contribution to international cooperation in law enforcement. I recommend that the Senate give early and favorable consideration to the treaty and give its advice and consent to ratification.

JIMMY CARTER.

THE WHITE HOUSE, *January 19, 1979.*

To the Senate of the United States:

I transmit herewith, for the advice and consent of the Senate to accession, the Agreement on the International Carriage of Perishable Foodstuffs and on the Special Equipment to be Used for Such Carriage (ATP), done at Geneva on September 1, 1970, under the auspices of the Economic Commission for Europe (ECE). For the information of the Senate, I also transmit the report of the Department of State on the Agreement.

The Agreement came into force on November 21, 1976 following ratification by France, the Federal Republic of Germany, Spain, the Union of Soviet Socialist Republics, and Yugoslavia. Since then, Denmark, Austria, Italy, Luxembourg, and Bulgaria have also ratified it.

The Agreement requires that insulated, refrigerated or heated transportation equipment used to move perishable foodstuffs into contracting states be tested, certified and marked to ensure that such equipment is properly insulated and capable of maintaining a prescribed temperature within the equipment.

Article 5 exempts equipment whose movement involves a deep sea voyage of 150 kilometers or more. Thus, traffic in foodstuffs between the United States and Europe is not subject to the ATP. In addition, and in accordance with an option available under Article 10, the United States will not apply the ATP to transport equipment operating within and moving into and out of the United States and its territories.

However, accession to the ATP will ensure that the United States has a voice in ECE deliberations and decisions pertaining to the administration of the ATP, a matter of concern to U.S. exporters of perishable foodstuffs and operators of refrigerated equipment. U.S. participation will be particularly important in relation to the Article 5 exemption of carriage involving a long sea voyage. As a contracting party, the U.S. will be able to preserve this exemption by exercising the power under Article 18 to veto any proposed changes in the ATP.

Moreover, accession will enable manufacturers, owners and operators of U.S. transport equipment to have their equipment tested and certified in the United States with the assurance that the U.S.-issued certificates will be recognized by all of the contracting parties. While parties to the ATP must, under the terms of Article 2, recognize the validity of certificates issued by other contracting parties, they need not recognize certificates issued by non-parties. If the United States does not become a party, U.S. transport equipment which does not qualify for the Article 5 exemption—that is, equipment moving between countries in Europe—will be placed at a competitive disadvantage with respect to equipment owned by nationals of parties to the ATP. Furthermore, the availability of testing and certification services in the United States will enable manufacturers, owners and operators of U.S. transport equipment which may become involved in inter-European transport to test and certify their equipment while it is still on the production line.

I recommend that the Senate give early and favorable consideration to the Agreement and give its advice and consent to accession, subject to the declaration pursuant to Article 10 that the Agreement does not apply to carriage in the United States or its territories.

JIMMY CARTER.

THE WHITE HOUSE, *January 19, 1979.*

To the Senate of the United States:

I transmit herewith, for the advice and consent of the Senate to ratification, a certified copy of the Protocol of 1978 Relating to the International Convention for the Prevention of Pollution from Ships, with its Annexes I and II, and Protocols I and II, 1973, done at London February 17, 1978 (the MARPOL Protocol). I send along with it, for the

Senate's consideration, the State Department's report.

The MARPOL Protocol results from proposals the United States made last year following a series of tanker incidents in or near United States waters. It aims to reduce accidental and operational pollution from tankers. The Protocol applies many new operating and construction standards to more tankers than are covered by the International Convention for the Prevention of Pollution from Ships, 1973 (the MARPOL Convention). The MARPOL Convention has not been ratified by the United States, and has not entered into force.

The MARPOL Protocol incorporates, with modifications, the MARPOL Convention transmitted to the Senate on March 22, 1977 for advice and consent to ratification. Ratification of the Protocol will, therefore, constitute acceptance of the provisions of the Convention, subject to the modifications and additions contained in the Protocol. Accordingly, I request that the Senate give advice and consent to the Protocol in place of the Convention. The MARPOL Convention contains three optional Annexes, Annexes III, IV and V, which deal with pollution from packaged harmful substances, sewage and garbage. I am not now seeking the Senate's advice and consent to these optional annexes.

The entry into force of the MARPOL Protocol will be an important step in controlling and preventing pollution from vessel discharges. I recommend that the Senate give early consideration to this Protocol and advise and consent to its ratification.

JIMMY CARTER.

THE WHITE HOUSE, *January 19, 1979.*

To the Senate of the United States:

I transmit herewith, for the advice and consent of the Senate to ratification, the Protocol of 1978 Relating to the International Convention for the Safety of Life at Sea, 1974, done at London, February 17, 1978. The report of the Department of State is enclosed for the information of the Senate.

The Safety of Life at Sea (SOLAS) Protocol is an international response to proposals which we made last year to improve the construction requirements for tankers, and the system for inspecting and certifying them. It deals with measures that, when they take effect, will reduce deficiencies in the physical condition of cargo ships, especially tankers, minimize steering gear failures, enhance the ability to detect collision situations and avoid collisions, and diminish the possibility of explosions.

The SOLAS Protocol, which is a separate treaty, modifies and adds to the 1974 SOLAS Convention, to which the Senate gave its advice and consent to ratification on July 12, 1978. The Protocol requires the deposit of an instrument of ratification distinct from that of the related Convention. The Conference, as advocated by the U.S. delegation, set a target date of June 1979 for the entry into force of the SOLAS Convention and as soon as possible thereafter for the SOLAS Protocol.

The United States has been in the forefront of the drive for the adoption of both the Convention and the Protocol and would like to encourage other countries to act expeditiously on this matter. I therefore recommend that the Senate give prompt consideration to the SOLAS Protocol.

JIMMY CARTER.

THE WHITE HOUSE, *January 19, 1979.*

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the revised Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks, done at Geneva on May 13, 1977. I also transmit, for the information of the Senate, the State Department report on the Agreement.

The revised Agreement provides that amendments to the classification system may be made by a four-fifths majority of the members present and voting, instead of a unanimous vote, as the present Agreement requires. The other important change is that the Agreement and the classification are to be published in an authentic English text, as well as a French text.

Ratification of the revised Agreement will enable the United States Patent and Trademark Office to do its work more efficiently, and will improve the international system for the protection of trademarks. The revised Agreement would, thereby, benefit American trademark owners and the administration of the United States trademark system. I therefore recommend that the Senate give early and favorable consideration to the revised Agreement and advise and consent to its ratification.

JIMMY CARTER.

THE WHITE HOUSE, *January 19, 1979.*

To the Senate of the United States:

I transmit herewith, for the advice and consent of the Senate to ratification, three treaties establishing maritime boundaries: the Treaty on Maritime Boundaries between the United States of America and the United Mexican States, signed at Mexico City on May 4, 1978; the Maritime Boundary Treaty between the United States of America and the Republic of Venezuela, signed at Caracas on March 28, 1978; and the Maritime Boundary Agreement between the United States of America and the Republic of Cuba, signed at Washington, December 16, 1977.

These treaties are necessary to delimit the continental shelf and overlapping claims of jurisdiction resulting from the establishing of a 200 nautical mile fishery conservation zone off the coasts of the United States in accordance with the Fishery Conservation and Management Act of 1976, and the establishment of 200 nautical mile zones by these neighboring countries.

The treaty with Mexico establishes the maritime boundary between the United States and Mexico for the area between twelve and two hundred nautical miles off the coasts of the two countries in the Pacific Ocean and Gulf of Mexico. In this regard, it supplements the Treaty to resolve Pending Boundary Differences and Maintain the Rio Grande and the Colorado River as the International Boundary between the United States of America and the United Mexican States, signed at Mexico November 23, 1970, which establishes maritime boundaries out to twelve nautical miles off the respective coasts. The treaty with Venezuela establishes the maritime boundary between the two countries in the Caribbean Sea, between Puerto Rico and the U.S. Virgin Islands and Venezuela where the 200 nautical mile zones overlap. The treaty with Cuba establishes the maritime boundary between the two countries in the Straits of Florida area and the eastern Gulf of Mexico where the 200 nautical mile zones overlap.

I believe that these treaties are in the United States interest. They are consistent with the United States interpretation of international law that maritime boundaries are to be established by agreement in accordance with equitable principles in the light of relevant geographic circumstances. They will facilitate law enforcement activities, and provide for certainty in resource development.

I also transmit for the information of the Senate the report of the Department of State with respect to each of these treaties.

I recommend that the Senate give early consideration to these treaties and advice and consent to their ratification.

JIMMY CARTER.

THE WHITE HOUSE, *January 19, 1979.*

UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon my yielding the floor, there be a period for the transaction of routine morning business, during which Senators may be permitted to speak for not to exceed 5 minutes each; also that that period not exceed 30 minutes; provided further that, following the closure of routine morning business, Senators may debate the motion I have offered in relation to Resolution No. 9, which would revise the Senate rules; but that no motions, no action which would, in any way, affect that resolution or the pending motion be in order; provided further that—well, I stop at that point.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. BAKER. Mr. President, reserving the right to object, I do not plan to object. The distinguished majority leader and I discussed this earlier today. To make sure that I fully understand the nature of his request and its effect, may I ask the majority leader to confirm or correct what I am about to say?

In respect to Senate Resolution 9, the proposed rules changes, the first-day status of that matter will be preserved by this request and extended to some future uncertain date to be further disposed of?

Mr. ROBERT C. BYRD. Let me rephrase the request, because I do not think I did a good job of it. The Senator's question makes that clear to me.

I ask unanimous consent, Mr. President, that following the morning business, Senators may debate the resolution and/or the motion, with the understanding that no Senator may have more than 30 minutes on such debate today—the request I am making is for today only; I think that should be made clear—that no motion or action which would in any way affect the resolution or the pending motions which I have offered be in order; and that when the Senate completes that debate, it stand in recess until the hour of 8 o'clock this evening, at which time it will reconvene for the purpose only of allowing Senators to assemble to proceed in a body to the Hall of the House of Representatives for a joint session to receive the President's state of the Union message; provided further that, upon the dissolution of that joint session this evening, the Senate will stand in recess until tomorrow at 12 o'clock noon.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. BAKER. Mr. President, reserving once again my right to object, I have no objection to that. I understand the nature of the request and I observe that as far as I can ascertain, the only distinction between this and the previous request made by the Senator in respect to the resolution and the motion is that it would provide a limited amount of time for debate on this afternoon before we proceed to the Hall of the House of Representatives to hear the President's message on the state of the Union.

I, of course, see no difficulty on this side and I have no objection to it.

The ACTING PRESIDENT pro tempore. Is there objection?

Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, both the minority leader and I have to be off the floor at times. I ask unanimous consent that no request be in order unless it has been cleared with both the minority leader and myself, or one or the other, and I fully trust my colleague, no request or unanimous consent to proceed to take up any business today be in order, and no motion to proceed to take up any business today be in order, without it having been cleared with either or both of us.

I would assume that the minority leader, under the circumstances that would obtain today, if he gets a request, will inform me, and I will do likewise if I get a request of that kind, I will inform him unless it is my intention to come in and automatically object. If he wants to come in and automatically object, that suits me, but I want each of us protecting the other in this situation today.

I do not want to move off the floor and find that someone called up a resolution of some kind and asked for its immediate consideration and nobody objected; then that resolution is up here and it could be debated for quite some time. I want to be fully protected that nothing is going to be brought up by motion or by unanimous consent. I want to be notified. I want to be on the floor before the motion or unanimous-consent request is made.

I certainly will accord the minority leader that same consideration.

Mr. BAKER. Will the Senator yield to me?

Mr. ROBERT C. BYRD. Yes.

Mr. BAKER. Before he propounds the request, I am perfectly agreeable to that and I represent to my friend, the majority leader, that those terms are acceptable to me and that I will be glad to cooperate.

The ACTING PRESIDENT pro tempore. Is there objection?

Without objection, it is so ordered.

Mr. ROBERT C. BYRD. This does not presume there will not be some unanimous-consent request, of course, and it does not affect the Senator who wishes to ask unanimous consent that his statement be put in the RECORD; anything of that sort. It deals only with motions to proceed or unanimous-consent requests to proceed.

The ACTING PRESIDENT pro tempore. Is it the majority leader's and minority leader's understanding that the Chair would be required to ask anyone who offers a unanimous-consent agreement throughout the remainder of the day if he has cleared it with both the majority leader and the minority leader with the one exception, the unanimous consent to have the remainder of a statement placed in the RECORD?

Mr. ROBERT C. BYRD. Yes, that would be agreeable.

The ACTING PRESIDENT pro tempore. I thank the majority leader.

Mr. ROBERT C. BYRD. That would certainly suffice to carry out the order entered into, as far as I am concerned.

I thank the Chair and I thank the minority leader.

Mr. ROBERT C. BYRD subsequently said. Mr. President, I want to clarify one thing.

The requests on which I have secured the consent of the Senate limit themselves to motions and unanimous-consent requests to proceed. They do not limit Senators from asking unanimous-consent requests to place statements in the RECORD, and they do not limit Senators from asking unanimous consent that the order for a quorum be suspended.

I am only dealing with motions and requests to proceed. I hope that I have made that fully clear.

ORDER TO CONVENE AT 8:30 P.M.

Mr. ROBERT C. BYRD. Mr. President, I modify my request as to the meeting time for the Senate this evening, to assemble before proceeding to the Hall of the House of Representatives, by substituting 8:30 p.m. for 8 o'clock p.m.

The ACTING PRESIDENT pro tempore. Is there objection?

Without objection, it is so ordered.

Mr. ROBERT C. BYRD. It would be well if all Senators were on the floor by 8:30 p.m., and then at about 20 minutes of 9 the Senate would proceed in a body to the Hall of the House of Representatives.

The ACTING PRESIDENT pro tempore. The Senator from Tennessee.

INAUGURATION OF GOVERNOR ALEXANDER IN NASHVILLE

Mr. BAKER. Mr. President, it was an extraordinary pleasure for me to attend the inauguration of Governor Alexander in Nashville on this past Saturday. His inaugural address, I thought, was not only appropriate to the circumstances, but outstanding as well.

Mr. President, I ask unanimous consent to have his inaugural address printed in the RECORD.

There being no objection, the inaugural address was ordered to be printed in the RECORD, as follows:

INAUGURAL ADDRESS

Mr. President Wilder, Mr. Speaker McWherter, Mr. Chief Justice, Distinguished Members of the 91st General Assembly, Senator Baker, Senator Sasser, Distinguished Members of Tennessee's Congressional Delegates, Governor Dunn, Governor Finch, Governor Holton, Tennesseans and other friends, each and all.

If Wednesday was a sad day for Tennessee, today is a happy one—for the people and their government are back together again.

The pain will stay with us for awhile. But today there's room for pride as well.

From that moment twenty-one years ago when Frank Clement swore me in as Governor of Tennessee Boy's State, I have hoped for this moment. This chance to serve has been my life-long ambition. This job has been my proud goal. It has been my impossible dream.

So now, 21 years later, I hope you'll forgive me this one sweet moment of personal pride. Pride and gratitude—to my family then and my family now—who have given me so much—and who have suffered my pursuit of a dream for so long.

And gratitude to each of you who said with your work and with your votes: "I trust you, Lamar." I pray to God that I won't let you down.

I think, perhaps, that you too may feel some pride today. For your road to this day has been as long and as hard as my own.

Your journey through the agony of lost trust and mine through the hills and homes of Tennessee have brought us here together. I have tried to walk in your shoes and am better for it. You have walked with me, and I am better for that, too.

But winning the job and serving in it are two different things. And the hard part has only just begun.

How can we make the promise of this day real? How can the people and their government stay together with trust and pride?

The power of government makes corruption so easy.

The size of government makes the people so distant.

The computers of government make indifference so likely.

The noise of government makes listening so rare.

No wonder government becomes the enemy. No wonder pride gives way to resentment or bitterness or fear. No wonder our young people turn away from the profession of public service in dismay and disgust.

I do not know how much of this we can change. But I know we must try. This won't be an administration of big, new programs. We won't be thinking up complicated new ways to frustrate your lives. We won't be seeking more ways to spend your taxes.

We're going to try to remember that the government's money belongs not to the politicians but to you. I'm going to try to remember that the power the Governor has come from you. To abuse it is to abuse you. So I'm asking your help in finding the ways the people and their government can stay together.

The Governor must lead. But he does not have exclusive wisdom or exclusive power. This General Assembly will demonstrate its wisdom; it shares the power to govern. Its leadership has shown this week that it can exercise that power with courage. The people expect, and I ask of the entire General Assembly, a mutual commitment to the people. Together we can lay party labels and party politics aside; together we can make this government work a little better; together we can go that extra mile to reach out for the people and hope their wisdom rubs off on each of us.

Of my cabinet and my staff, I ask a mutual commitment to the people. Together we can know their joys and feel their pain. Together and regularly we can leave our paperwork and our Nashville preoccupation and go out to feel the pulse of the people we serve. Together we can go that extra mile to reach out for the people and hope their decency rubs off on each of us.

And of the people, I ask a commitment, too. As we reach out to you, come meet us half-way. If government is to have new life and new purpose and new trust, it won't come from a new Governor . . . it will come from you. Together we can help those who need our help. Together we can get government off the back of those who don't. Together we can go that extra mile to give our children new reason to know that America and Tennessee are the finest places on this good Earth.

I want other young Tennesseans to dream ahead 28 years and want to be Governor or serve our state and its communities in some other way. I want them to be proud and persistent in those ambitious dreams.

And we can start to encourage those goals and dreams right here and now. Today there are 15,000 proud young people here today ready to march in a musical salute to Tennessee. They're going the extra mile to a parade down Charlotte Avenue past the reviewing stand. I'm asking each of you to go the symbolic extra mile too by walking with me down to the reviewing stand and staying there with me to salute Tennessee's future.

To those who say it's too cold (or too wet a day to walk. I say that after everything we've been through it looks like a great day to me.

Let's walk down Charlotte together. Let's go the extra mile to put the agony and the anger behind us. Let's let our pain give way to pride again.

And as I ask your help today, I'll need it tomorrow and the next day and every day I hold this job. Help me see my mistakes. Don't let me get too big for my britches. Don't let the power of this office change me. Support me. Hope with me, but don't expect miracles. I need your commonsense. I need your patience. I need your strength. I need your prayers.

Walk with me . . . every step of the way. I need you.

Mr. BAKER. Mr. President, Tennessee has embarked on a new day with the inauguration of Lamar Alexander. I genuinely believe that he has the potential to be the greatest Tennessee Governor in recent history. He has asked for the help, support, and good judgment of the people of Tennessee; and, if he receives it, I am confident that the State of Tennessee can take great strides forward in the next 4 years.

PRAVDA SAYS IRAN PROVES UNITED STATES CANNOT BE TRUSTED

Mr. BAKER. Mr. President, a brief but significant article that appeared in the Monday edition of the New York Times is indicative of the important service performed on our behalf by such official spokesmen of the Soviet state as Pravda. Lest we ever be inclined to forget, the Soviets periodically and effectively remind us that we are engaged in a competitive contest with a worthy adversary for extremely high stakes.

The article, a continuation of Soviet attempts to exploit the situation in Iran, indicates that the Soviets truly understand the nature of the competition between our two countries. I would feel somewhat more confident if I were convinced that we have a comparable understanding of the strategic game and how to play it.

So it is good, Mr. President, that Pravda periodically reminds us of their view of our relationship. I believe we should heed their reminders, and I invite the attention of my colleagues to the article which I ask be printed in the RECORD.

Mr. President, I ask unanimous consent that the article with the headline "Pravda Says Iran Proves U.S. Cannot Be Trusted" which appeared in the New York Times on Monday, January 22, 1979, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, Jan. 22, 1979]

PRAVDA SAYS IRAN PROVES U.S. CANNOT BE TRUSTED

MOSCOW, January 21.—Pravda said today that the fate of the Shah of Iran should be a warning to other countries that cooperate with the United States. The Communist Party newspaper said American assurances of support for the Shah had come to nothing.

"The Iranian crisis," Pravda said, "gives food for thought to those statesmen and regimes who neglect their national interests for the sake of a dirty and risky political game in which they can at any moment fall victim to the shortsighted recklessness of their own partners."

The paper scorned the Western view of the Shah as a modern ruler who had carried out reforms against conservative opposition and said that modernization had failed to end poverty in Iran.

Pravda gave broad approval to the Islamic opposition to the Shah, saying the religious leaders had a reputation as opponents of tyranny.

THE GENOCIDE TREATY

Mr. PROXMIRE. Mr. President, I have spoken many times about the Genocide Treaty, and I am going to talk about it again today briefly.

We have discussed the fact that every President has been for it, as has every Attorney General and the American Bar Association. There is no question that virtually every authority in the country favors the Genocide Treaty. The American Bar Association has indicated that they are convinced of its legality and constitutionality.

There is no question in my mind that it is overwhelmingly in the national interest that we join the 83 nations that have ratified the Genocide Treaty. After all, it was the American initiative that proposed it.

What I have not spoken about in connection with this Genocide Treaty, however, is the human justification for acting on it—at least, I have not spoken on that for a long, long time.

We have to recognize the absolute outrage that occurred in Nazi Germany before and during World War II, when 6 million Jews were killed, were murdered, were destroyed.

Mr. President, unfortunately, that was not the only time in history when a planned, premeditated destruction of a group or a major part of a group occurred, when genocide occurred. It has occurred numerous times in history. It is likely to occur again.

Just the other night, on CBS, a program disclosed the revival of Naziism in Western Germany—fortunately, a small revival at the present time—and that it is beginning to take hold to some extent. This reminds us that this great Nation should go on record against genocide and respond to the pleas of President Carter, President Ford, President Nixon, President Eisenhower, President Kennedy, and President Johnson.

Mr. President, genocide, after all, is the determination that a people is not fit to live—that a religious group, a racial group, a national group, an ethnic group, is not fit to live. Those who belong to that group are brought before a firing squad and exterminated. Children are deliberately killed, so that they will not be able to carry on as part of the group. As happened in Germany, people actually are burned to death deliberately. They are herded into a house, gasoline is spread about, the house is set on fire, and the people are literally burned. Gas chambers are erected for the specific purpose of destroying men, women, and little children. People are destroyed, as many of them were in Germany, through starvation.

I think all of us are haunted by the hideous pictures of the pitiful survivors of the German horror camps and of people being worked to death.

Mr. President, I have found an overwhelming reaction on the part of most Senators, on the part of staff people in the Senate, and on the part of aides who have been on the floor of the Senate when we have discussed the Genocide Treaty before. I do hope that this year, early this year, we will, at long last, be able to act on this treaty.

It is simply a matter for action by the United States Senate—not by the House, not by the President. We are called upon to act on it. We have a duty and an obligation to humanity, as well as to our own country, to recognize the necessity, at long last, after this matter has been pending before the Senate for 30 years, after four times being reported by the Committee on Foreign Relations. The U.S. Senate, at long last, should recognize its responsibility and ratify the Genocide Convention.

Mr. JAVITS. Mr. President, the Senator from Wisconsin (Mr. PROXMIRE) has been an indefatigable friend, supporter, and advocate of the Genocide Treaty. This is one of the most admirable and creditable performance I have seen on this floor. I thank him for it; and I thank him in the name of millions upon millions of people in the United States and in the world who feel as he does.

However, more to the point than either his advocacy or mine, I am going to do my utmost to ask the Committee on Foreign Relations, once again, to report the Genocide Treaty. All the fictions and illusions and dangerous tales about it have evaporated into thin air. It is now even endorsed by the American Bar Association, which was its constant opponent.

I am going to ask the majority leader to do for us in respect to this treaty what Mike Mansfield did for us. He said that whenever we could produce the neccessary votes for cloture, he would call it up.

I do not want him to answer now, and I am not asking him publicly. That would be most unfair. I will come and see him. But I am only stating to my friend and colleague who has been such a fiery and strong supporter what I have in mind to do. It is my hope that at long last the Senate will recognize we are simply laboring under the shadow of the past even as to the opposition, this can and should be done and in a moment of such disorder, such discord, such disregard for human life and human values it would be a breath of fresh clean air, and notwithstanding the years in which this has been pending the Senate has not forgotten and will ratify this treaty.

I hope very much that he and I may share the satisfaction and the pleasures. It is going to be, we all know, a gesture but a majestic gesture, and I hope very much we can come by it in this Congress.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. PROXMIRE. I thank the distinguished Senator from New York.

He really has been a champion of the Genocide Treaty, the one who fought for it where it counts, in the committee as well as on the floor. I think everything he said about the Genocide Treaty of course is correct.

I have talked with a number of Senators within the last 2 weeks and even more within the last 3 or 4 months.

I particularly tried to talk to those who have been opposed to the Genocide Treaty in the past. I wish to assure the leadership that there is no question that there is more support for the Genocide Treaty and less opposition than at any time.

I think we have an excellent chance of getting it passed. I have been told by a number of Senators that they hope it can be called up early this year for many reasons.

Obviously, it is the kind of thing that some Senator, or two or three Senators, might decide they want to talk about. If we delay, it is going to be much more difficult to get this adopted and with every day that passes, certainly with every week or month that passes it is going to be harder to get the Genocide Treaty up before the Senate and acted on.

I hope we can get it up early and have an opportunity to vote on it, vote it up or down, and I am convinced that we have a very strong support for that treaty. I think it is going to surprise the leadership.

Mr. JAVITS. May I say to the leadership that I will not come to the leadership until we can assure them in writing that there are votes for cloture and that they are signed on the dotted line.

I do not believe our problem is with them. I never have. Our problem is with the body of the Senate, and I believe it is now solved. I know the Senator will work closely with me and we are going to really make a great try this time.

Mr. PROXMIRE. I thank the Senator.

Mr. ROBERT C. BYRD. Mr. President, I listened to both Senators with interest and I appreciate the opportunity that they have given to me to hear what they had to say.

SENATE RESOLUTION 20—AUTHORIZING THE SECRETARY OF THE SENATE TO FURNISH DOCUMENTS TO THE GRAND JURY

Mr. ROBERT C. BYRD. Mr. President, the minority leader and I have conferred and agreed that unanimous consent will be requested to proceed immediately to the consideration of the resolution which I send to the desk.

The ACTING PRESIDENT pro tempore. The resolution will be stated by title.

The legislative clerk read as follows:

A resolution (S. Res. 20) authorizing J. Stanley Kimmitt, Secretary of the Senate, to furnish certain records and documents to the Grand Jury of the United States District Court for the District of Columbia.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of the resolution.

There being no objection, the resolution was considered and agreed to, as follows:

S. RES. 20

Whereas, J. Stanley Kimmitt, Secretary of the Senate, has been commanded by the United States District Court for the District of Columbia to attend before the Grand Jury of that Court and to bring with him certain records and documents relating to the office expenses of Senator Herman E. Talmadge, such records and documents being in the possession and under control of the Senate of the United States: Now, therefore, be it

Resolved, That by the privileges of the Senate of the United States no evidence under the control and in the possession of the Senate of the United States can, by the mandate of process of the ordinary courts of justice, be taken from such control or possession but by permission of the Senate.

SEC. 2. By the privileges of the Senate and by rule XXX of the Standing Rules of the Senate, no officer or employee of the Senate is authorized to produce documents, papers, or records of the Senate but by order of the Senate and information secured by officers and employees of the Senate pursuant to their official duties may not be revealed without the consent of the Senate.

SEC. 3. When it appears that testimony of an officer or employee of the Senate is needed for use in any court for the promotion of justice and, further, that such testimony may involve documents, papers, or records under the control of or in the posession of the Senate and communications, conversations, and matters related thereto, the Senate will take such order thereon as will promote the ends of justice consistently with the privileges and rights of the Senate.

SEC. 4. J. Stanley Kimmitt, Secretary of the Senate, is authorized to furnish to the Grand Jury of the United States District Court of the District of Columbia authenticated copies of those records and documents which have been commanded by that Court and which are in his possession or under his control in his capacity as Secretary of the Senate, namely, (1) monthly statements of office expense for the office of Senator Herman E. Talmadge for the years 1973 and 1974, and (2) records reflecting the date of submission to his office or receipt by his office of voucher #4926 for miscellaneous items which was paid by U.S. Treasury check #102090 dated March 26, 1974, in the amount of $2289.99 (but he shall not furnish any original Senate record or document), and he is also authorized, if required, to appear before the Grand Jury.

SEC. 5. The Secretary of the Senate shall transmit a copy of this resolution to the United States District Court for the District of Columbia.

AUTHORIZATION TO APPOINT COMMITTEE OF SENATORS TO ESCORT PRESIDENT INTO HOUSE CHAMBER

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Vice President be authorized to appoint a committee of Senators on the part of the Senate to join with a like committee on the part of the House of Representatives to escort the President of the United States into the House Chamber.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

S. 67, A BILL TO AMEND THE TRADE ACT OF 1974

Mr. HELMS. Mr. President, I am pleased to join in the cosponsorship of S.

67, a bill designed to include textile and apparel goods among those items not subject to the tariff-cutting talks currently taking place in Geneva.

Similar legislation was introduced in the last session, and I strongly supported it then. That legislation passed the Senate and the House. It was sent to the President for his signature, but he refused to sign it. Hence, we again come to this body to urge favorable consideration.

The question before us is, quite simply, whether our domestic textile industry will be able to continue to survive the ravages of a relentless tide of foreign imports from low-wage countries. Foreign textiles imported into the United States last year were valued at nearly $8 billion, up from less than $6 billion in 1977. Such imports account for nearly 20 percent of our balance-of-trade deficit.

The Department of Labor has reported that of some 2.3 million textile jobs in the United States, more than 325,000 textile workers are either out of work or on short time. Current unemployment rates in the United States are hovering at about 6 percent, yet the figure is 8 percent for the textile and apparel industries.

Every sixth textile job in America is held by a North Carolinian. We have so much at stake, and it is imperative that further imports not be encouraged by further decreasing the import tariffs. To illustrate the tremendously adverse impact that failure to enact this bill can have upon my State, I ask unanimous consent that a table detailing the number of textile and apparel employees in each of the 100 counties of North Carolina be printed in the RECORD at the conclusion of my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

County:	*Number of Textile and apparel employees*
Alamance	15, 176
Alexander (est.)	1, 183
Alleghany (est.)	750
Anson	2, 393
Ashe (est.)	750
Avery (est.)	550
Beaufort (est.)	1, 125
Bertie	293
Bladen	1, 159
Brunswick (est.)	175
Buncombe	5, 743
Burke	8, 879
Cabarrus	19, 242
Caldwell	2, 554
Camden	0
Carteret (est.)	750
Caswell (est.)	750
Catawba	10, 895
Chatham (est.)	2, 016
Cherokee (est.)	1, 019
Chowan	565
Clay (est.)	175
Cleveland	7, 596
Columbus	1, 705
Craven (est.)	1, 073
Cumberland	2, 846
Currituck	0
Dare	0
Davidson	5, 427
Davie (est.)	882
Duplin	2, 451
Durham (est.)	2, 125
Edgecombe (est.)	2, 421
Forsyth	6, 906
Franklin	1, 118
Gaston	23, 118
Gates	0
Graham	0
Granville	2, 124
Greene (est.)	175
Guilford	14, 706
Halifax (est.)	4, 922
Harnett (est.)	2, 811
Haywood	0
Henderson	2, 275
Hertford (est.)	750
Hoke (est.)	1, 750
Hyde	0
Iredell	8, 355
Jackson	881
Johnston	2, 745
Jones (est.)	175
Lee (est.)	1, 819
Lenoir	3, 305
Lincoln	3, 714
McDowell	4, 213
Macon (est.)	175
Madison	0
Martin (est.)	1, 230
Mecklenburg	4, 881
Mitchell (est.)	750
Montgomery	3, 773
Moore	1, 768
Nash	5, 016
New Hanover (est.)	2, 208
Northampton (est.)	375
Onslow	721
Orange (est.)	1, 234
Pamlico	0
Pasquotank (est.)	350
Pender (est.)	60
Perquimans	0
Person (est.)	1, 750
Pitt	2, 409
Polk	696
Randolph	9, 675
Richmond	3, 800
Robeson	4, 889
Rockingham	11, 510
Rowan	6, 519
Rutherford	7, 218
Sampson (est.)	1, 642
Scotland (est.)	3, 806
Stanly	6, 495
Stokes (est.)	375
Surry	9, 092
Swain (est.)	375
Transylvania (est.)	435
Tyrrell	0
Union	3, 129
Vance	2, 342
Wake	2, 619
Warren (est.)	550
Washington (est.)	375
Watauga (est.)	750
Wayne	2, 015
Wilkes	2, 205
Wilson (est.)	1, 918
Yadkin (est.)	750
Yancey (est.)	925

SIXTY-FIRST ANNIVERSARY OF UKRAINIAN INDEPENDENCE

Mr. DOLE. Mr. President, on January 22, 1918, the people of the Ukraine proclaimed their independence and sovereignty, marking the end of centuries of oppression and persecution by the czars of Russia. On this January 22, 1979, 61 years after their declaration of independence in Kiev, Ukrainians throughout the free world, including many Ukrainian-Americans in the United States, are celebrating the anniversary of that most important historic event.

UKRAINIAN INDEPENDENCE DESTROYED BY SOVIETS

Those in the Ukraine itself, however, cannot celebrate so openly and freely. Despite the fact that Soviet Russia, along with many other large nations, officially recognized their independence and sovereignty from the beginning, the leaders of Russia continued their attempts to prevent the people of the Ukraine from exercising their National right to self-determination. The Soviets did not honor their promise to respect the independence of the Ukraine and have since then tried through brutal military strength to break the spirit of the Ukrainian people. Even though the Ukraine has all the form and structure of a strong, independent nation, virtually all their domestic and foreign policy is dictated from Moscow.

ATTEMPTS TO SUPPRESS UKRAINIAN CULTURE AND RELIGION

Persecution and suppression of the Ukraine's national consciousness has taken place for hundreds of years and has peaked under Soviet domination. Under Stalin, millions of Ukrainians lost their lives, including an entire generation of Ukrainian intellectuals and creative talents. Now with less brutality, but more insidiously, the Russians have tried to erase the Ukraine culture and ethos, with the result that russification has become institutionalized. Ukrainian culture, tradition, and history are subverted. The language of the Ukrainian people has been suppressed as the Russians mutilate their orthography and require all lecture materials in institutes of higher learning to be in the Russian language.

In similar fashion, the religious beliefs of the Ukrainian people are constantly undermined. Religion is the most logical area for attack because it is the last storehouse of their folk customs and ethnic identity. Strict supervision of religious activities has led to the destruction of both the Ukrainian Orthodox and the Ukrainian Catholic Churches. Students are given Sunday sessions to prevent their attending church. Holy days, such as Easter and Christmas, are declared workdays. Churches are forced into disrepair and new priests are not allowed to replace old ones. Even more alarming is the growing number of arrests and persecutions of the churches' clergy and their faithful members.

DISSIDENTS CONTINUE STRUGGLE FOR HUMAN RIGHTS

Despite the suffering they have had to endure, and the attempts to smother the Ukrainian culture and national identity, the Ukrainian people have preserved and continued the struggle for human rights and national independence. National self-determination has been the cause and inspiration for many ho have joined the ranks of the Ukrainian dissent. Perhaps one reason why they have been so active and steadfast in their efforts for freedom is that this issue holds special significance for them. The goal for them is the preservation of their 1,000-year-old heritage and culture.

They have come to be some of the most outstanding advocates of human rights and have been among the most active and largest groups formed under the Helsinki accords to monitor the principles of human rights violations. They have, unfortunately, because of their degree of activity and outspokenness, also contributed the largest amount of martyrs into the "clutches of Soviet justice." Among the more well-known dissidents and political names are Vins, Moroz, Rudenko, Stus, Romaniuk, Matusevych, Marynovich, and Lukyanenko. Each of these names has become a symbol of this struggle for human rights. However, these are just a handful of the many Ukrainians fighting and suffering for their rights. They deserve the praise and high respect of everyone.

AMERICAN SUPPORT FOR UKRAINE AS A NATION

It is important that the United States recognize and support the efforts of these people. We must join them in their continuing struggle to make the signatory nations of the Helsinki accord account for their observance of human rights and adherence to the great principles of the Helsinki Final Act, and to show this support and concern through concrete diplomatic efforts toward realization of these goals. These goals and the struggles for human rights can be strengthened only by sustaining those same principles abroad. People in all parts of the world look to us for moral support. We must not let the people of Ukraine down and risk witnessing the destruction of a great nation's heritage and culture. If we do, we will be denying an essential part of our own heritage and moral strength.

I would like to bring your attention to the letter I received from Dr. Anthony Zukowsky, honorary president of the Ukrainian Congress Committee of America, further revealing the atrocities and horrors the people of the Ukraine must face.

Mr. President, I ask unanimous consent that the text of this letter be printed in the RECORD following my statement.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

As the 96th U.S. Congress begins its sessions, we would like to call your attention to the fact that in January Ukrainians all over the free world, including the United States, will celebrate the Proclamation of the Independence of Ukraine.

January 22, 1979 will mark the 61st Anniversary of the Proclamation of the Independence of Ukraine and the 60th Anniversary of the Act of Union, whereby all Ukrainian lands were united into one independent and sovereign nation. Both the Independence of Ukraine and the Act of Union were proclaimed by a duly elected parliament (Central Rada) in Kiev, capital of Ukraine on January 22, 1918, and on January 22, 1919.

This sovereign Ukrainian state was immediately recognized by a large number of nations including France and England. Diplomatic relations were established with them. Recognition was also granted by Soviet Russia. Despite the fact that the Soviet government had officially recognized Ukraine as an independent and sovereign state, Ukraine was attacked by it both by military aggression and subversion from within.

For three and one-half years the Ukrainian people waged a gallant struggle in the defense of their country, alone and without aid from western nations, but were ultimately overpowered by a numerically stronger and better equipped Russian Bolshevik aggressor. They destroyed the Ukrainian National Republic and created a Communist puppet government known as the Ukrainian Soviet Socialist Republic (Ukr.S.S.R.).

The entire history of Soviet-dominated Ukraine is a ghastly record of inhumanity, outright persecution, and genocide. Russification and violation of human rights on a scale not known in the history of mankind—has occurred.

In summary, the colonial rule of Soviet Communism in Ukraine can be characterized by the following:

A. During the sixty years of Moscow rule in Ukraine, literally millions of Ukrainians have been annihilated by man-made famines, deportations, and executions.

B. Both Ukrainian Orthodox and Ukrainian Catholic Churches have been ruthlessly destroyed and their clergy and faithful have been arrested and persecuted.

C. All aspects of Ukrainian life are rigidly controlled and directed by Moscow.

D. Permanent violations of Human Rights was instituted in Ukraine.

Arrests, trials, and convictions of thousands of Ukrainians have been charged to "anti-Soviet propaganda and agitation". Many have been submitted to torture, incarcerations and confinements to psychiatric asylums where drugs and chemicals are forcibly administered. Professor and historian Valentyn Moroz is symbolic of the aforementioned atrocities. Last summer Mykola Rudenko, Oleksa Tykhy, Mykola Matusewych, Myroslaw Marynowych and Lew Lukianenko were given 7 to 10 years sentences, and five years exile because they were members of the Ukrainian Public Group to Promote the Implementation of the Helsinki Accords.

Russian enslavement of Ukraine has brought much suffering to the people of Ukraine. In spite of this oppressive yoke, the Ukrainians have never accepted a foreign domination and are continuing to struggle for Human Rights, Freedom, and National Independence. The new breed of adamant fighters for Human and National Rights gives us hope that Ukraine will be free again.

The Ukrainian people in the free world are celebrating the memorable January 22nd as their greatest Holiday. Also for many years the 22nd of January has been proclaimed in our American cities and States from coast to coast as Ukrainian Independence Day.

Therefore, it is in a common spirit of liberty, faith, and justice that the American people and especially U.S. Congress join the Ukrainians all over the world in giving the moral support to the Ukrainian people in their struggle for Human Rights, Freedom, and National Independence of Ukraine.

We appreciate very much your support and concern for the welfare of the Ukrainian people.

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there any further business? If not, morning business is closed.

SENATE RESOLUTION 9—PROPOSED AMENDMENT OF STANDING RULES OF THE SENATE

The ACTING PRESIDENT pro tempore. The pending question now is on the motion of the Senator from West Virginia (Mr. ROBERT C. BYRD) to proceed to the consideration of Senate Resolution 9, with limitation by unanimous consent of 30 minutes for each statement.

The Senator from Virginia.

Mr. HARRY F. BYRD, JR. Mr. President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator will state his inquiry.

Mr. HARRY F. BYRD, JR. It is 30 minutes for each individual Senator or 30 minutes in total?

The ACTING PRESIDENT pro tempore. Thirty minutes for each Senator.

Mr. HARRY F. BYRD, JR. I thank the Senator, and I thank the Chair.

I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. THURMOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

OUR YOUTH—OUR FUTURE

Mr. THURMOND. Mr. President, no veterans organization in America supports a stronger program for our Nation's youth than the American Legion. The American Legion's Americanism and children and youth programs sponsor a variety of meaningful activities in communities across our Nation that emphasize responsible citizenship, good sportsmanship, civic pride, and patriotism among our youth.

Last year the National Commander of the American Legion, the Honorable Robert Charles Smith of Louisiana, wrote two interesting articles concerning youth and youth problems which were published in the March and June editions of the American Legion magazine.

Mr. President, I commend these articles to my colleagues and request unanimous consent that they be inserted in the RECORD at the conclusion of my remarks.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

OUR YOUTH—OUR FUTURE

Everyone has heard of the "generation gap" and many have become embroiled in debate over its effects on society. It is created by individuals on opposing sides who have lost contact with each other. Each faction believes the other is wrong and consequently, they should not be trusted. If this concept became the attitude of every American, we would indeed be in a sorry state. We are fortunate in this country that only a few have allowed their imagination to rule their thinking.

If we were to separate for a moment the "older" society from "younger" society and ask them identical questions, you might expect results to differ significantly. True? Not always.

During the summer of 1977, "Who's Who Among American High School Students" conducted a national survey of 50,000 members of the younger society. The following samples will give you their attitudes on certain subjects which may surprise you:

54 per cent indicated they wanted their tax dollars in the coming year to be spent for defense.

77 per cent felt the national budget for defense should be kept about the same or increased.

88 per cent have never used illegal drugs.

62 per cent believe marijuana should not be legalized.

79 per cent said they believed in the two-party system and would support it during their lifetime.

This indicates the youth of our Nation do want to believe in the United States. It is also proof our youth programs can and do instill a personal obligation to accept an active part in the duties and responsibilities of American citizenship.

In the wake of February, "Americanism Month," and with the advent of April, "Children and Youth Month," The American Legion can stand proud of its programs for youth. Through these efforts, we have stressed the importance and worth of our young people. Such associations have been helpful and are needed to dispel the generation gap myth. Adult care and leadership in our youth programs have also helped to shape attitudes concerning day-to-day living as a productive American citizen.

Through established Americanism and Children and Youth programs, we have been doing this for years. We must continue to do so, but it has now become necessary to expand our involvement and include total education within the community. We must re-unite the community in support of education goals that are compatible with our objectives; we need to work toward the restoration of family authority, with schools and government once again serving as back-up to the family; and youth must be given active participating roles in community responsibilities, with adults working with youth rather than for them.

As we move through this third century of freedom and democracy, we need only look at our history to note the many different attitudes which helped mold this country. Although there were differences, one attitude prevailed—the hope of greatness.

Each year thousands of you volunteer your time and energy to help serve our youngest generation. Through this annual contact, you have served many needs and have been recognized by the youth as one who understands and cares. This healthy situation is the answer to any separation of generations. In the many years to come, if we keep our priorities in order, we will remain a leader in shaping the American attitude.

PROTECT OUR YOUTH AGAINST DRUG ABUSE

Today's youth are beset with many interrelated problems. They come in many different forms and degrees of complexity. In this month's message, I want to briefly discuss two such areas which should deeply concern every American and do involve The American Legion through its Children & Youth Program. They are: child abuse and teenage drinking. Although these issues are often dealt with separately, a closer look will show an intertwining nature.

Consider this: Parent comes home drunk. Parent physically abuses other family members, especially the children. One of the children is 15 years old. To escape such an atmosphere, the child often stays away from home. Child befriends other youth who have similar problems. They gather together. At one such meeting, they try drinking to further escape reality and continue the practice. Years later, child becomes a parent. Current statistics show that based on childhood experiences, this new parent will probably have a drinking problem and will most likely physically abuse his children. This unfortunate situation presents a vicious cycle that continues to perpetuate itself.

Very briefly, let's look at each problem separately: Conservatively, the United States Children's Bureau places the annual incidence of child abuse at about 50,000 to 70,000 cases. During the next five to 10 years, such cases of maltreatment will probably top 1.5 million. There will be some 50,000 deaths. Most fatalities will be children three years old or younger.

Although all states have laws requiring medical practitioners to report suspected cases of child abuse, the appalling nature of this problem still demands increased national attention. This sickening blight on our society must be challenged by many if we can ever hope for a brighter future.

Part of the challenge can be met by learning the facts about child abuse, helping abuse victims and their parents with your time, resources and understanding and by supporting legal and social efforts to combat child abuse.

Concerning the issue of teenage drinking, it is disturbing to note that 70 percent of this age group drink beverage alcohol to some extent. Immediately, the question comes to mind—Why do teenagers drink?

Unfortunately, parental influence and example is the number one cause. Not realizing the effect of social drinking on their youngsters is a major blunder by many parents.

Peer pressure. Haven't we all felt this as adults? It is even greater during the teenage years when acceptance of any kind is important.

Rebellion against authority. Another major pressure point that parents can control.

Emotional disturbances. Such things as anxiety, insecurity, extreme self-consciousness and lack of self-confidence.

These reasons alone do not justify why nationwide, more teenagers (and even preteenagers) are drinking than ever before. What is more tragic is that a significant number of these young drinkers are misusing alcohol in ways that often disrupt their lives and threaten the health and safety of themselves and others. We adults should be jarred into action just by reading of the increase in drunk driving fatalities and arrests for alcohol-related offenses involving youth.

To prevent irresponsible drinking, our children must develop healthy attitudes starting in early childhood. These attitudes can be developed most effectively within our families if we, as parents, are prepared to react honestly and openly and through well-planned alcohol education programs in our schools—each supporting the other!

As adult citizens of this great Nation, we must join together in positive ways to combat the atrocity of child abuse and teenage drinking. The very stability of our future is at stake and what better insurance can we invest in than direct involvement with our youth.

We of The American Legion can be most helpful through our Children & Youth programs in needed preventive efforts. The avenues of service are open and always in need of your interest and support. One step beyond caring is ACTION! Motivate your concerns. Direct your efforts in the form of organized, constructive programs geared to help overcome these threats to our society.

AN UNDISTORTED PICTURE OF THE VIETNAM VETERAN

Mr. THURMOND. Mr. President, the December issue of the American Legion magazine featured an incisive article by Vincent A. Drosdik III on the status of Vietnam veterans.

Much has been written within the last year or two regarding the plight of Vietnam veterans and their enormous readjustment problems. Mr. Drosdik's article brings to light a new and contrasting perspective concerning these veterans as a whole. The article is quite interesting and deserves reading and serious consideration.

Mr. President, for the benefit of my colleagues, I request unanimous consent that Mr. Drosdik's article be inserted in the RECORD at the conclusion of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

AN UNDISTORTED PICTURE OF THE VIETNAM VETERAN

(By Vincent A. Drosdik III)

While in the Army in Berlin, I had no conception of the poor image the Vietnam and Vietnam-era veteran would have stateside in the mid 70's when I'd return. In the Divided City, except for a very small minority of Marxist university students, the population honored and respected us.

I remember one year during the Allied Forces Day parade, first the French, then the British passed by the crowded stands. Polite applause. Then the American troops. Oh, to their fellow soldiers watching, it was pitiful—the mistakes, the marching out of step. An embarrassing mess. There would be extra drill waiting for them the next day!

But wait! The Berliners cheered, clapped, applauded almost wildly on this typically gloomy, overcast day in central Germany, 1972. There wasn't a single American unaffected by that outpouring of thanks and appreciation the West Berliners gave them for keeping the Western sectors free from the regimented sterility of the Communist East. (One German leftist knocked a black American tourist's camera to the ground, only to be pounced upon by the natives until the *Polizei* showed up and subdued the protester with a few belts of a billy club.)

This contrasted with the situation I found in "the world" when I returned to civilian life a few years later. I got a very few welcome backs and fewer thanks for having served. It didn't bother me too much since I had had a rather cushy job as editor of *The Berlin Observer*. But I felt that the Vietnam veteran deserved more than the anonymity and invisibility he got.

Far worse, though, was the negative image nurtured by the mass media. Vietnam veteran Robert Brown pointed an accusing finger at television in *TV Guide* for July 19, 1975. In "TV's Newest Villain: The Vietnam Veteran," the ex-Marine told of more than 20 TV shows in less than a year's time portraying the Vietnam veteran in a negative way. "If I acted according to what I have seen on television, I should probably be harboring extreme psychopathic tendencies that prompt me to shoot up heroin with one hand while fashioning *plastique* with the other, as my war-and-drug-crazed mind flashes back to the rice paddy where I fragged my lieutenant," wrote Brown.

More recently, a Match 1978 series in *The Washington Star* featured these headlines: "Vietnam Vets: 'Sorry, That Job Is Already Taken'," "Education: An Elusive Goal for Vietnam Vets," "Vets Explain the Path from Vietnam to Prison," and "After Escapes in Vietnam, Mental Disability: 'Too Flipped Out or Tranquilized'."

To the newspaper reader who went through the individual stories, it probably (we hope) was apparent that the reporter was writing of nontypical vets. Yet most buyers of the *Star* probably glanced at the headlines only, getting the impression that Viet vets are chronically unemployed, uneducated, criminal, drugged and nuts. That unbeatable combination adds up to the so-called post-Vietnam syndrome (PVS).

Just as a baseball player finds it almost impossible to shake off labels ("bad attitude," "poor glove") earned in earlier playing days, the Vietnam veteran has not found it easy to rid himself of the PVS tag.

Why this image in the media? While not fair or accurate, the treatment given to Viet veterans isn't all that surprising. The vast majority of vets who made a successful transition from 'nam to the mainstream of American life aren't news to TV and the press. Nor are they the material which produces high Nielson ratings for such shows as Mannix and The Streets of San Francisco, or draws paying crowds to movie theaters. One can only hope that the media moguls will tire of their whipping boy and go back to giant insects attacking Kojak's Tootsie pop. In the meantime, here are the facts opposing the myth of the post-Vietnam syndrome:

Early Vietnam era veterans left the service in the late 1960's when the economy was strong and booming. Having established themselves, these vets didn't have the job problems of their younger brothers who were dumped in larger numbers onto a job market in the early and mid 1970's in a severe recession.

By 1978, however, the economy had rebounded, pulling the veterans up with it. Among male Vietnam-era veterans 20–34 years old last August, the unemployment rate was 6.3 percent compared with the total rate of 5.9 percent. Most of the summer of '78, the vets' rate was lower. This compares with a year earlier (August 1977) when veterans' unemployment stood at 7.7 percent and the overall rate at 7.0 percent.

It is the younger veterans, ages 20–24, who bear the brunt of unemployment among all vets, with 13.9 percent last August. And most of these are minority groups which had a general unemployment rate of 11.7 percent.

While these foggy government-supplied statistics may fluctuate radically from month to month and do not include those who have abandoned hope of government assistance, a critical factor remains clear; the lack of experience and/or education associated with young whites and with blacks who have in general grown up with less educational opportunities and in a less affluent environment has a distinct effect on their ability to compete for employment. By removing these young citizens from civilian job market competition for a period of two years or more and placing them in military career fields of no civilian significance, their already disadvantaged position in the marketplace becomes almost denaturalized.

So it appears that there is no direct correlation between being a Vietnam veteran and being unemployed, for the most part. The critical factors are lack of experience and/or education associated with young whites and with blacks who have in general grown up with less education and in a less affluent environment.

Severely disabled vets suffer massive unemployment, in line with most handicapped Americans. Much can yet be done to train and rehabilitate them and get other Americans, especially employers, to accept them for their abilities.

The solution to the problem of the chronically unemployed veteran has eluded government bureaucrats and "fine tuners" of the economy. Help through Industry Retraining and Employment (HIRE) has so far been an expensive flop, while the more grandiose CETA program has become the 1970's multi-billion dollar version of the WPA of the Depression. Characteristic of both programs was much federal spending on primarily non-productive, nontax producing public projects.

In fact, the operation of government programs has become such a serious concern of The American Legion that posts such as American Legion Post No. 21 in Spokane, Washington, secured prime sponsorship of employment programs to address their problems themselves. Even American Legion departments have begun to make decisive moves to address this problem. For example, during the past year The American Legion Department of Maine has run the Department of Labor's most successful disabled veterans outreach program. Maine's program is the only one not directly tied to a state government agency, yet funded by the D.O.L.

The only discernible trend has been that as the private sector recovers from recession and creates new jobs in manufacturing, transportation, house building, retailing, etc., so has unemployment declined. Based on this sound, free market premise, several politicians such as Sen. William Roth (R-DE) and Rep. Jack Kemp (R-NY) have proposed a 33 percent income tax cut over four years to stimulate true growth in the private sector. Others have called for slashing the capital gains tax, a measure designed to encourage investments critically needed to provide the working capital (land, buildings, tools, equipment, etc.) needed to create new jobs and meet demands of an increasing population.

While improving the entire economy's health will help everyone, the veteran included, more specific action has been taken to solve job problems of vets. From October 1976 through August 1978, a massive national multi-media blitz was conducted to overcome bias against veterans. "Bet on a Vet: You Both Win" was the theme of this campaign directed by Mike Lee, a veteran now working at WHYY in Philadelphia.

Lee saw that "negative feelings came out of the Vietnam conflict," with the media transmitting or creating much of that bad image. The green uniform was equated with the war and all associated with it: battle atrocities, Kent State, the fall of Southeast Asia. And it got worse after the war.

"So we used media to show the positive," Lee said. "Affirmative action hadn't helped the vets' image and we avoided the issue of vets if we could.

"We played up the positive, making a statement without shouting it," Lee continued. The Bet on a Vet drive associated veterans with America but as people, not vets or former military per se.

The TV, radio, newspaper and magazine ads had some effect, as veterans' unemployment went down continually for 12 months during this period. (Simultaneously, of course, the economy had spurted forward and overall unemployment rates dropped.)

Closely related to the unemployment myth is that of the ignorant ex-GI. The fact is simply that as educational levels for this generation are higher than any other's, likewise the modern veteran is better educated—or at least schooled—than his World War II or Korean War counterparts. Some six million Vietnam era veterans have taken advantage of the GI Bill for education.

How many have fully used it to get a degree or complete a training course is another question. With high tuition and cost of living in this inflationary age, the educational benefit is a nice base, but hardly enough for many students to live on and pay college costs.

The image of a drug-addicted Vietnam veteran makes for spectacular headlines and exciting TV drama, but comes nowhere close to reality.

While many vets tried the spectrum of drugs easily available in Southeast Asia under trying and lonely war conditions, the number actually using licit or illicit substances on a regular basis as civilians is dramatically lower, and is in line with their peer groups.

A scientific study, "The Vietnam Veteran in Mainstream America," by Charles R. Figley and William T. Southerly of Purdue University, proves this point. They say that half their sample use alcohol and almost a quarter used marijuana at least once a week, but that "most Vietnam veterans are not hooked on drugs."

This writer-veteran suggests that the public worry less about drug use among adult vets and more about it in the junior and senior high schools where drugs are as prevalent today as they were 10 years ago on college campuses.

There is no empirical evidence that Vietnam veterans are more criminally inclined than the rest of American society. The rising crime among Vietnam veterans coincides with the general rise in crime over the past decade. A review of the 11 percent of the prison population who are Vietnam veterans reveals that a large portion of them were recipients of other than honorable discharges. Many of these other than honorable discharges were issued during the Vietnam era by administrative action and without due process of law. Once released from the service, these veterans found themselves unable to secure employment or V.A. benefits and resorted to crime.

The American Legion, in recognition of this problem, has not only stepped up its long-standing Discharge Upgrade Assistance Program, but has even organized American Legion posts in several prisons throughout the nation. These programs have proven exceptionally successful in states such as Colorado and Tennessee, where they provide the veteran with rehabilitation assistance after everyone else has given up.

More scholarly sources have confirmed what veterans themselves have sensed to be true: the violent veteran is more myth than fact. *Psychology Today* in December 1976 reported a study on this, finding no definite link between military experience and crime. Nor could a significant difference be found between veterans and other civilians in police and disciplinary records. Instead, other factors sush as education and economic background loom more important.

Related to crime is the warped, confused mind the Vietnam veteran supposedly has. Again, there is no evidence that Viet vets have any more psychological problems than the public at large, even though they went through a war.

For example, John W. Caknipe recently earned his Ph.D. based on a study (summarized in the September 1978 *VFW Magazine*) of veterans in the Detroit area. He found that of those in VA hospitals for psychiatric care, the "Vietnam era veteran comprised less than 2.3 percent of those being treated." He further found that "Veterans who did not serve in Vietnam were more prone to drug and marijuana abuse."

Another research project, "Urban Males of the Vietnam Generation: A Mental Health Perspective," by the Center for Policy Research in New York, thoroughly interviewed a scientific sample of 440 young men on a 10-point mental health scale. "The first conclusion is that veterans in our sample do not differ significantly . . . from the nonveterans."

Along the same lines, the Figley-Southerly report of August 1977 conducted interviews with more than 900 Vietnam era veterans from the greater East St. Louis area and found: "Most veterans have achieved a relatively high degree of personal adjustment when viewed as a group." The only mental problem the researchers found was that of recurring dreams and nightmares among the combat veterans.

Veterans seem to be, if anything, stronger and better adjusted mentally than the entire population. That is, if we believe the figures on mentally ill Americans that First Lady Rosalynn Carter and her President's Commission on Mental Health issued to the public. *Parade* magazine quoted the commission's preliminary 1977 report: "One-fourth of the nation's population at any given time is under emotional stress which produces varying degrees of depression and anxiety."

What Mrs. Carter said—"Every single person has problems. Some people cope with them better than others."—applies to veterans also. They can't be lumped together.

CBS commentator Eric Sevareid put it well on October 24, 1977, when he complained of the political and journalistic sensationalism of the Vietnam veteran:

"They are written about as if they were all healthy, happy, young men who were dragged off to a war and came out psychological wrecks, lost and aliented at home because of their war experience . . .

"Even combat for those unfit and if not too prolonged is not psychologically damaging to the normal young man. For many it was emotionally fortifying, the male animal being what it is.

"War brutalizes some men; it ennobles others. But most come out of war essentially what they were when they went into it. It's an undocumented, but fairly safe conjecture to say that most of those now unstable were unstable before they ever saw war. So the painful problem for government and society is to differentiate. There are veterans, and there are veterans."

And most seem quite well adjusted, thank you.

OLDER AMERICANS AND NEIGHBORHOOD ISSUES

Mr. DeCONCINI. Mr. President, the Senate Special Committee on Aging has begun an inquiry into "Older Americans in the Nation's Neighborhoods." Two hearings which I have conducted, at the suggestion of Chairman Frank Church, have raised issues calling for close attention by the committee and by other Members of the Congress.

The hearings—one in Washington, D.C., and the other in Oakland, Calif.—focused on forces which are creating intense pressures on many older persons in urban and suburban centers. For example, redevelopment of downtown centers for business purposes often results in displacement of many renters, including disproportionate numbers of the elderly. Transportation is becoming an increasingly severe problem of the fringes of urban centers, where many older persons find it increasingly difficult to maintain automobile use in the face of constantly increasing costs and their own diminishing capacities. Condominium conversion and the resulting eviction of older tenants is a growing national problem at these hearings as well as at hearings conducted by Senator Lawton Chiles in Florida during November.

In order to better understand these new social and housing dynamics, the committee's field inquiries included neighborhood visits. In conjunction with the Oakland hearing, I met in San Francisco with seniors of the Bayview-Hunter's Point area—a community which lacks many essential services, houses large numbers of seniors displaced by downtown urban renewal and faces an uncertain future as a source of low-cost housing. A visit to San Francisco's Tenderloin—an area which houses more than 17,000 elderly, in run-down hotels amidst pornography, crime, and arson—demonstrated how skyrocketing housing costs can force seniors into dangerous environments. Given the right aid, as we saw, parts of the Tenderloin could be rehabilitated to offer decent and affordable quarters. Finally, a tour of San Francisco's Chinatown revealed that business expansion, speculation by foreign investors, and an inadequate response from Federal officials is creating a desperate situation for thousands of older persons who, despite substandard conditions, need the support of this special ethnic enclave.

Additional information on the scope and purposes of the neighborhood study is provided in excerpts from my opening remarks at each hearing. I shall therefore offer them for insertion in this Record, along with two press accounts which provide additional information about issues raised by highly informed witnesses in two very productive hearings.

Mr. President, I will not be serving on the Special Committee on Aging during the 96th Congress. My deep interest in the problems of the elderly and my commitment to their resolution, however, will not change. I intend to work as closely as possible with the committee, not only because of the importance of these issues to my State, but because the record of the committee in exploring and resolving problems is highly commendable. The neighborhood hearings will continue on February 16, which I will have the honor to chair in Phoenix. I would like to take this opportunity to express my appreciation to my colleagues and to the committee staff for their cooperation and invaluable assistance over the past 2 years.

I ask unanimous consent that my statements before the Special Committee on Aging of December 1, 1978, in Washington, D.C., and December 4, 1978, in Oakland, Calif., an article entitled "Panel Hears Woes of Elderly in City," published in the Washington Star of December 2, 1978, and an article entitled "State Housing Chief Attacks Rush to Condo Conversions," published in the San Francisco Chronicle of December 5, 1978, be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

OPENING STATEMENT BY HON. DENNIS DECONCINI

. . . Today the Senate Committee on Aging holds its opening inquiry into the subject of neighborhoods and the elderly. Our examination takes place in the firm belief that America's elderly, more than any other group in our society, have the greatest need for strong and stable neighborhoods—and may have the most to lose if they are forced to reside in blighted areas characterized by substandard housing, inadequate public services and commercial activity, and high levels of arson and street crime.

Older persons—so many of whom live on low, fixed incomes, have physical limitations, and develop strong psychological needs for secure and familiar environments—require the good housing; the ease of access to shopping, health care, and social services; and the informal support and assistance that can be summed up in the word "neighborliness."

It is clear that healthy neighborhoods are a prerequisite for healthy cities. And, at a time when renewed interest, and new capital, is conserving the physical resources of neighborhoods, equal attention must be paid to their human resources.

We are beginning these hearings at a moment marked by a clear shift in the dynamics of America's urban areas. The problems of the past have certainly not disappeared. Nor should it be mistakenly thought that the problems, assets, revitalization trends, and characteristics of all neighborhoods or all cities are alike. Nonetheless, a new stage appears to have been entered, for these reasons, among others:

One: The 1978 Housing and Community Development Amendments declare it to be Federal policy that, in carrying out shelter and revilalization policies, the utmost care should be taken to minimize the displacement of persons from their homes and neighborhoods. Further, the HUD Secretary is ordered to report to the Congress, by January 31st of next year, her recommendations on the formulation of a national policy to minimize displacement due to public and private redevelopment activities.

Two: Mr. Rolf Goetze, of the Boston Redevelopment Authority, speaks in his 1977 study, "Stabilizing Neighborhoods," of a "tidal wave" of new households which will inundate our urban areas and bring all their housing resources into play during the remainder of the century. He goes on:

"For policymakers, the implications should be clear. The last twenty years can be characterized as the period when problems of urban blight caused stress; and the coming twenty years as the period of rediscovery, speculation, and dislocation. . . . we must realize that coming events can bring with them a full measure of trauma, particularly for existing residents."

Yet these new trends offer cause for hope as well as concern for, as Dr. Goetze observes:

"Revitalizing neighborhoods offer an unprecedented opportunity to maintain diversity if appropriate public policies are pursued."

Three: An August 1978 study by the National Urban Coalition found that a group dubbed "the new urban nomads" was being created by reinvestment displacement in 44 American cities, of all sizes and in all regions. Of great concern to this Committee is the Coalition's finding that, "The elderly are most often displaced."

Four: The cover story in the December 1978 *Harper's* asserts:

"1978 . . . was the year the northern cities confounded the prophets of inner-city doom . . . from Boerum Hill in Brooklyn to Capitol Hill in Washington the fastest-growing social problem was not the departure of the white middle class; it was the displacement of the poor and nonwhite."

This same article goes on to report that domestic and foreign investment is pouring into America's urban centers; Federal programs have contributed to these events, in ways that few policymakers foresaw.

Clearly, the implications of these, and many other reports, are more than academic matters for older Americans.

More than half of America's elderly reside in urbanized areas; a full one-third reside in central cities.

For the seven out of ten older Americans who own their own home, will these changes bring enhanced equity, better municipal services, and lowered crime on the streets?

Or will it bring agonizing choices as speculation results in skyrocketing property taxes, or even in displacement as code enforcement is stiffened? For the 30 percent of the elderly who rent, will escalating prices or condominium conversions force them out of long-occupied dwellings and into more affordable, but less desirable, parts of the city?

In short, as many urban commentators have recently inquired—if America's cities are to be saved, who will they be saved for? How can we continue to maintain the diversity of age, economic status, and ethnic background that are drawing so many of the urban pioneers back into the hearts of our metropolitan areas?

This is the essential question of today's hearing, for if the elderly are forced to compete head-to-head with others for continued occupancy in good neighborhoods, they will surely be forced out from the communities they have helped create.

We will be looking for our panel today to help us answer many questions, among them:

How much is known about the extent of displacement in America's urban centers, and its specific impact on the elderly?

In what ways are older persons benefiting from the revitalization of our cities?

How have Federal programs affected neighborhoods? What are our national neighborhood policies now, and how do we address the future?

What innovative efforts are today helping older homeowners upgrade and keep their properties, are helping elderly renters to stay in place and even to become homeowners, and can be replicated and transplanted to other neighborhoods?

What positive role can the private sector play in helping to maintain healthy and diverse neighborhoods?

How can aging services be better targeted and utilized to become an integrated support system within a community?

In coming months, the Committee will conduct hearings and field trips in diverse American communities to continue our search for full answers to these inquiries . . .

OPENING STATEMENT BY HON. DENNIS DECONCINI, PRESIDING AT A HEARING ON "OLDER AMERICANS IN THE NATIONS NEIGHBORHOODS", COUNCIL CHAMBER, OAKLAND, CALIF., CITY HALL

Today the Senate Committee on Aging holds its first field hearing on the subject of neighborhoods and the elderly. It is most appropriate that our initial inquiry take place in California and in the Bay region, for several important reasons:

The Committee's interest in this topic came about directly through the 1977 investigation ordered by Chairman Frank Church, of the eviction of the residents of San Francisco Chinatown's International Hotel. That examination alerted us to the severe housing problems affecting the elderly residents of Chinatown, problems that are being aggravated by domestic and foreign speculation and which have received a woefully inadequate response from Federal housing officials. It alerted us to the sometimes destructive results of Federal urban renewal policies, and their local implementation, on many neighborhoods in years past. And it let us know of the desperate situation which many Bay area seniors face in finding decent and affordable housing, be it public or private.

These problems extend beyond the Bay area. The low vacancy rates and speculation are more the rule than exception in many urban and suburban areas of this State. There is no doubt that many of California's elderly pulled the "yes" level for Proposition Thirteen as a means of controlling one aspect of the inflationary pressures which threaten their major capital asset and the basis of their well-being, their home.

Finally, we have come to California to hear first-hand about this State's Urban Policy, and other innovative responses to these pressures which are taking shape in neighborhoods throughout the State.

While the shelter and service dilemmas confronting California seniors have their own unique shape and cast, they are but one part of a massive shift in urban dynamics which are occurring throughout the Nation. This past Friday, at our opening hearing in Washington, the Committee learned that new economic and demographic pressures are resulting in the displacement of low-income individuals from neighborhoods in both the blighted cities of the Northeast and the rapidly expanding urban centers of the Sunbelt; and that it is the elderly who are the most often displaced, who are in the leading ranks of the "new urban nomads." We heard that Federal programs and policies have often contributed to the decline of sound neighborhoods; and that the massive infusion of Federal dollars to urban areas, which currently exceeds $80 billion annually, is not always being utilized in an efficient manner consistent with changing urban dynamics. And we found that older Americans have the greatest need of any group within our society for the informal support of systems, the good housing, the ease of access to stores and health and social services, and the secure and familiar neighborliness which sound city communities provide.

The Committee also learned that there are constructive, cost-effective and non-bureaucratic programs, operating with the advice and assistance of government at all levels, enlisting the support of neighborhood and voluntary organizations and the private sector, which are capitalizing on the new urban dynamics and the unprecedented opportunity they offer to revitalize cities while maintaining economic, racial, and age group diversity.

The possibilities confronting policymakers are thus contradictory. If we fail to understand what is happening in our cities and to seize upon those changing circumstances, we face a future marked by stratification by age and income, and wholesale displacement of the elderly. There will be growing demand for massive new Federal housing and social programs for which the funds may never be adequate, and which can never replicate the quality of shelter and support which the elderly can find in diverse, healthy neighborhoods.

Or, in the alternative, we can examine old programs for inefficiency and relevance to today's problems. We can reallocate resources to innovative efforts which help older homeowners to rehabilitate and keep their properties. We can help renters to find decent and affordable apartments, and even to become homeowners. We can better utilize the resources of the "Aging network," which has been established under the Older Americans Act, to encourage and coordinate new shelter and service strategies at the local level and become a vital part of the neighborhood support system for older Americans.

* * * * *

I also know that I speak for the entire membership of the Committee in expressing our shock and regret at the tragic circumstances which so recently claimed the life of Representative Leo J. Ryan. His devotion to his constituency and his quest for the truth inspire us all, even in his absence. We will endeavor to conduct today's inquiry in the same spirit of sensitivity and response to the needs of all citizens which marked his career.

The Committee also extends its heartfelt condolences to the family of Mayor George Moscone, and to the people of the City of San Francisco. Mayor Moscone championed the cause of the elderly, and of all those who make up in need what they lack in power. His office lent invaluable assistance to us when we undertook to understand the eviction at the International Hotel, and as we engaged in preparations for today's hearing. I know that it was his goal as Mayor to shape a City which could offer decent lives, in thriving, vital neighborhoods, to all its citizens. Mayor Moscone's work has been cut short, terribly and without purpose, but his spirit is with us today as we seek the means to better the lives of the poor and the elderly who seek only the basic dignity that is due to every human being.

SENATORS TOLD OF "MAJOR SOCIAL PROBLEM": PANEL HEARS WOES OF ELDERLY IN CITY

The Senate Aging Committee was told yesterday that the elderly are being uprooted from city neighborhoods where they have lived for years as a result of both urban blight and urban rebirth.

A panel of witnesses said elderly dislocation from their lifelong city neighborhoods has become a major social problem, but there are no statistics to indicate exactly how many individuals or elderly families are involved.

Most studies of the elderly who are forced to move focus on relocation into long-term care facilities, but often other factors are at work, said Carl Holman, president of the National Urban Coalition.

Displacement can occur by public projects such as urban renewal or highway construction that threatened innercity communities in the 1950s and 1960s.

In addition, when public and private investment moves out of a city neighborhood and leaves it to decay, elderly residents eventually move out when they can no longer cope with high crime or other adverse conditions.

But mostly the witnesses said, the elderly who are experiencing the most serious problems are people on fixed incomes who either own or rent their homes, but become victims of private real estate speculation that shoots up rents and property taxes. A particular evil for elderly renters is the increasing trend of turning apartment complexes into condominiums.

The witnesses outlined a series of existing programs—most of which are on the local level—that are seeking to assist elderly residents who want to stay in their neighborhoods but said more help is needed.

William Whiteside, director of the Federal Home Loan Bank Board's urban reinvestment task force, said one alternative that may assist the elderly in keeping their homes is the so-called "reverse mortgage" program. This allows homeowners who have already paid off their mortgages to take out a second mortgage to get some of the money out of that home without selling it.

However, Whiteside said, the idea of mortgaging an already-paid-for home is "not easily accepted by working-class elderly people." The "sophisticated high-income people" have no qualms taking cash out of a home through refinancing or other tools, he said, but the elderly are harder to persuade.

"They have the feeling in their minds that they want to leave the home free and clear to their children," Whiteside said.

Ironically, he said, those children often would rather their parents have a safe, adequate home even if it means a small mortgage on inherited property.

STATE HOUSING CHIEF ATTACKS RUSH TO CONDO CONVERSIONS

(By Ralph Craib)

A post-Proposition 13 rush to convert apartments into condominiums is having a severe impact on elderly tenants living on fixed incomes, the state director of housing said yesterday.

The property tax reform spawned a number of rent control moves throughout California because tenants felt they received no benefit from lowered property taxes, said I. Donald Terner.

The threat of rent control, in turn, has prompted an increasing number of landlords to want to get out of the rental market by selling their properties to tenants, he said.

When buildings are converted, he said, 85 percent of the tenants are forced to move elsewhere because they can not afford the investment.

The impact falls most heavily on the elderly, he said, because they are on limited or fixed incomes and in the majority of instances, already pay a disproportionate share of their incomes toward shelter.

Terner was a principal witness at a one-day hearing of the U.S. Senate Committee on Aging held by a single committee member, Senator Dennis DeConcini, D-Ariz. in the Oakland City Council chambers. The hearings were held as a follow-up of the committee's investigation last year of the evictions at San Francisco's International Hotel near Chinatown.

Terner recounted the story of an 89-year-old retired Oakland schoolteacher. Living on a combined pension and Social Security benefit of $675 per month, she was forced to move three times when apartment buildings were converted to individually owned apartments.

"She moved with two other retired schoolteacher friends," Terner said. "The two friends, who were not as strong, died of the trauma."

He said that some means must be found to limit apartment conversions, perhaps through housing subsidies or other means to "give the elderly some assistance when their buildings are converted."

Glenn B. McKibbin, director of aging programs of the San Francisco Commission on the Aging, suggested the answer might be found in a West German law that makes it illegal to terminate the lease of elderly retired persons "for any reason."

Over the past two years, he said, evictions of the elderly have quadrupled, with an average of 40 per week now being carried out by the sheriff's department. A principal cause of these evictions, he said, was the conversion of buildings to condominiums.

The San Francisco rental market has become one of downward mobility, he said. Persons forced to leave expensive buildings because they are converted to condominiums displace persons at the next lower rental level who, in turn, displace others.

In his opening remarks, DeConcini said that he learned at a hearing last week in Washington "that the elderly are the most often displaced (because of fixed incomes) and they have become the leading ranks of the urban nomads."

He said he hopes that the committee hearings will find ways to change existing federal programs or design new ones to help the urban elderly.

Mr. DECONCINI. Mr. President, I regret leaving the committee myself, but I intend to commit myself to further assistance whenever possible to the elderly citizens. I commend the committee's past chairman, the Senator from Idaho (Mr. CHURCH) for his distinguished effort in leading this committee, and compliment the new chairman, who I anticipate will be the Senator from Florida (Mr. CHILES).

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. FORD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. STEWART). Without objection, it is so ordered.

Mr. FORD. Mr. President, I would like to recognize that the senior Senator from Alabama (Mr. STEWART) is now presiding over the Senate. This is the first time that he has had that privilege and honor, and I commend him on what he has been able to do since he has been in the Senate to represent the great State of Alabama, and compliment him on his poise in presiding over the Senate today. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. THURMOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATE OF THE U.S. NAVY

Mr. THURMOND. Mr. President, the Carter administration Navy budget has sent still another torpedo into Navy hopes for a reasonable modernization and growth program to meet the serious and evident needs of our dwindling fleet.

The fiscal year 1980 budget proposed by President Carter does nothing to meet the often repeated demands of Congress that Navy shipbuilding and modernization be organized and accelerated. This budget amounts to a repudiation of the concerns often expressed by both the Senate and House. Even worse, it charts a clear path toward a second-rate Navy for the United States.

FIVE-YEAR PLAN INADEQUATE

It is absolutely impossible for the Navy to modernize or arrest the decline in its numerical strength if we are to follow such a budget or the 5-year shipbuilding program proposed by the administration.

Last year, the Defense Department shocked the Nation with a proposed 5-year shipbuilding plan calling for only 71 vessels, less than one-half the 157 ships planned by President Ford over a similar period.

Now President Carter, in the fiscal year 1980 budget, is proposing only 15 ships, 5 of which will be civilian-manned surveillance vessels. Thus, the active Navy gets only 10 ships; 1 each of the Trident, SSN–688 nuclear submarine, aircraft carrier and DDG–47 air defense guided missile destroyer and 6 FFG's or guided missile frigates.

Already our Navy of about 450 ships lacks a badly needed 2-ocean capability, a glaring weakness in our national defense posture. While the size of the Navy may increase slightly in the next few years, it will do so based upon past shipbuilding budgets, not the Carter budget. The low rate of shipbuilding in the Carter 5-year plan will mean that in the mid and late 1980's after the ships approved today are delivered, the number of Navy vessels will be well below requirements.

While Navy and Defense Department leaders over the years have argued for a 600-ship Navy, and then a 500-ship Navy, the meager 5-year plan now before us will not even provide for a 450-ship Navy. Although some extra ships are provided in the fiscal year 1979 supplemental, this modest add-on does not attempt to address the real needs.

Just last year, Congress approved huge sums to settle many outstanding claim issues, and with this problem behind us, we expect a realistic, aggressive shift in construction of new combatant vessels.

As an example of the inadequacy of the Navy ship program, the proposed building rate of one nuclear attack submarine per year in the next 5 years will endanger our goal of maintaining a minimum force of about 90 boats. Further, it may well cause the closing of one of our two submarine yards, thus placing the Navy at the mercy of one contractor.

AIRCRAFT CARRIER

Another weakness in the Carter Navy program is the proposal to build an entirely new class of aircraft carrier to be known as the CVV. This would be a 60,000-ton oil-fired, conventional-type ship such as we have not built since the 1960's. Since the early 1970's, we have been building 90,000-ton nuclear aircraft carriers (CVN's) such as the one approved by Congress last year, but vetoed by the President.

Unable to get the CVN, the Navy favored a return to the *Kennedy* class oil-fired carrier, an 85,000-ton carrier which presently makes up some of the 12-carrier fleet. In fact, the Navy used every appeal it had to fight for this type carrier, but the White House insisted on the CVV.

The cost of the *Kennedy* class carrier is only about $100 million more than the CVV, and a known product. The CVV involves a new design and experience has shown that costs for new programs always rise. This proposal also makes little sense when the administration policy seems to favor even smaller carriers, thus raising the possibility this new vessel would be an interim ship and the Navy could end up with only one CVV in the fleet.

NAVY CANNOT SUPPORT ARMY

Mr. President, even the Army is alarmed at the condition of the Navy. The Army Association correctly reported recently that it would be incapable of its new responsibilities overseas if ships are not built to keep the sea lanes open, move troops and equipment, and land forces in threatened areas overseas.

Under the Carter administration's Navy policy, the future Navy cannot protect our sea lanes or land and support a large force which Defense Secretary Harold Brown says "should be ready to fight in the Persian Gulf area." The Army report concludes:

> Oddly, it may be the Navy's capabilities, or lack of them, that have the greatest impact on the Army's ability to do its job.

NAVY BUDGET DEFICIENT

While the Defense Department talks about the 3 percent real growth in this budget, the expected benefit of such growth is not apparent in the Navy shipbuilding program. In fact, President Carter's veto of the nuclear aircraft carrier last year left the Navy with a shipbuilding program of only $3.8 billion, the lowest in many years.

WEAK NAVY PROGRAM

The very modest fiscal year 1980 program of 15 ships, only 10 of which go to the active Navy, reflects the very weak 5-year shipbuilding plan of the Carter administration. Very few support ships are scheduled in this period and the deletion of the LSD amphibious ship program raises questions about the ability to lift a Marine division, not to speak of Army needs.

The need for a strong Navy is more evident today than ever. In the past we projected our Naval power to influence events which affected us. Now we see the spectacle of a former enemy, the Red Chinese, urging us to increase our Pacific Fleet. Further, the lack of sufficient Naval Forces in the Indian Ocean is weakening our hand in the Middle East.

Increasing budgets by 3 percent may look good in the newspapers, but if such increases are still inadequate to meet our defense needs, they are little more than a smoke screen for a Navy budget which offers no hope of meeting our future defense needs.

I suggest the absence of a quorum.

Mr. ROBERT C. BYRD. Will the Senator withhold that request?

Mr. THURMOND. I withhold that.

RECESS UNTIL 2:15 P.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess until the hour of 2:15 p.m. today.

There being no objection, the Senate, at 1:08 p.m., recessed until 2:15 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. PRYOR).

OUR NATION'S HISTORY AND GROWTH

Mr. ROBERT C. BYRD. Mr. President, scientific and technological advancement has been an important element in our Nation's history and growth. The Industrial Revolution which began in Great Britain came to fruition in the United States. For two centuries in America the combination of an innovative idea, hard work, and perseverance have been the ingredients for success and economic prosperity.

It is becoming more and more difficult to follow the path of this traditional American dream. New barriers of many kinds appear to block the way. Some restrictions are purely economic: The changing needs of businesses as they mature or the increasing caution of the marketplace as each of us struggles to hold what we have and prevent losses. Some limits on innovation are rooted in political decisions. Regulations conceived for the public good can end up stifling creativity in people.

We in this body must remember that our actions have an effect on creativity and innovation. We must take into account the strictures imposed on people by an ever-increasing load of regulatory requirements.

At the same time, we have an opportunity to attack the problem at its roots. The cycle of technological advances is sustained by basic, long-term research and development. The factors I mentioned as barriers to the innovative process almost inevitably have one result: They dry up money for the risky business of basic research. No sooner does this money disappear than the tradition of invention and innovation, lacking any reward, begins to diminish.

An article in Newsweek magazine by John W. Hanley, chairman of the board and president of the Monsanto Co., entitled "The Can-Do Spirit" contains insights on this topic which I believe might be of interest to my colleagues and to our constituents.

I ask unanimous consent that the article be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE CAN-DO SPIRIT

(By John W. Hanley)

I wonder where this country got the idea that scientific triumphs happen on command.

Perhaps the notion started with the Manhattan Project's remarkable success under pressure. Or maybe it was the live television broadcast of man's first step on the moon, as promised by an American President a few years earlier. From then on, the nation's attitude toward scientific progress was a matter of completing this statement: "Any society that can put a man on the moon can certainly . . ."

How do such striking successes occur? Obviously, it takes money, motivation and topnotch minds not easily discouraged and willing to work hard. But more than that, it takes a climate where scientific experimentation can flourish.

There's no doubt that innovation has an enormous impact on our life-style and standards. Edward Denison of the Brookings Institution has estimated that "advances in knowledge" were the biggest single source of national economic growth from 1929 to 1969. Data Resources, Inc., a respected economic consulting firm, has found that companies that invest heavily in research and development increase employee productivity 75 per cent faster than all manufacturers. They also create jobs 120 per cent faster while raising prices only one-fifth as fast. If innovation could be commanded, then, we would have a ready-made solution for all economic problems.

SHORT-TERM PROJECTS

In reality, industrial innovation in the U.S. has been moving in quite the opposite direction. Industry's technical resources are being moved away from long-term basic research—the kind most likely to produce innovative new knowledge—toward short-term projects to improve existing products.

This decline has allowed other nations to chip away at America's worldwide technological leadership. Technology has been a leading American export for several decades now; it helps offset imports of low-technology manufactured items, oil and other raw materials. Yet the nation's trade surplus in R&D-intensive goods has been eroding steadily for several years.

Where does all this evidence lead? To the conclusion that industrial managers are less willing today to take on the risks associated with the long-term research that brings about new products, new processes and economic strength.

Although we cannot command innovation, we can check on the prerequisites—money, motivation, minds and hard work. Above all, we should make sure the right climate is present—the right climate being one that encourages private risk-taking. Because, although the benefits of successful innovation accrue broadly to society, the risks of failure are borne privately by the innovator.

AN UNHEALTHY CLIMATE

Unfortunately, the climate for private risk-taking is not at all healthy today. The growing unwillingness to take the risks of innovation is only one indication of this. Business investment in productive new plants and equipment has been abnormally low during the past three years when compared to earlier economic recoveries. A philosophy that growth through acquisition is preferable to growth through innovation seems to prevail. Those corporations capable of generating cash tend to hold it, fearful of new investments. Small companies with innovative ideas find it difficult to find investors willing to risk their capital to bring these ideas to market.

The Federal regulatory process also chills the climate for private risk-taking. Compliance has become a staggering drain on the financial resources that might otherwise support innovation and productive investment. Economist Murray Weidenbaum, director of Washington University's Center for the Study of American Business, calculates that this compliance will cost the nation almost $100 billion in 1979 alone.

Of course, it costs money to attain our national goals of environmental, worker and consumer protection. We all know that, and we're willing to pay for purer water, cleaner air, safer products and jobs. But do the American people want to achieve 100 percent if it costs many times as much as achieving 99 percent? Unfortunately, the regulators too rarely ask that question.

Furthermore, regulation injects new uncertainties into the already risk business of innovation. Approvals can take so long that millions in sales and the competitive lead may be lost. The process can cost so much that a useful innovation meant to serve a small market can never be profitable. Worst of all, a product can be banned entirely on flimsy evidence, wiping out the fruits of innovation for both the innovator and the consumer.

Take the pharmaceutical industry. Almost everyone will agree that we must proceed with proper caution on new drugs. Yet approval in the U.S. lags so far behind other developed countries that American drug companies establish manufacturing units abroad so as not to lose out on foreign sales.

A similar situation exists in the agricultural-chemical industry. Monsanto's own Roundup herbicide was developed in 1970 after fifteen years of research. It was 1975 before the product received U.S. approval for use with any major grain crops. The company has waited three more years for approval for use with other crops. The irony is that regulation has slowed the introduction of a pesticide that is environmentally more attractive than many of those now on the market.

WHO NEEDS PESTICIDES?

Who needs agricultural chemicals anyway? Only those people around the world who would go hungry except for U.S. food exports. And those people in this country who would suffer if crops declined 30 percent and food prices went up 75 percent, which the U.S. Department of Agriculture says would happen if farmers quit using modern pesticides.

Nonetheless, it has become popular—at least within a vocal minority—to refuse to recognize the benefits that technology has bestowed on us. However, I cannot believe that the vast majority of Americans accept the notion that living safely within the means of this planet requires us to relinquish the fruits of our intelligence. We are better problem-solvers than that

Or at least we have been throughout our history as a nation. But if we're to remain the greatest problem-solving society ever, it's high time we set about restoring the kind of climate where innovation can flourish.

SENATE RESOLUTION 21—DESIGNATION OF NUMBER OF SENATORS ON CERTAIN STANDING COMMITTEES

Mr. ROBERT C. BYRD. Mr. President, I send to the desk a resolution which amends paragraphs 2 and 3 of rule XXV of the Standing Rules of the Senate. It has to do with the sizes of committees, standing committees of the Senate, and otherwise. Following that I shall then send to the desk the resolution making the majority party appointments to the committee. I ask that the clerk state that resolution.

The PRESIDING OFFICER. The resolution will be stated by title.

The legislative clerk proceeded to read the resolution.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that further reading of the resolution be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 21) was agreed to as follows:

S. Res. 21

Resolved, That paragraphs 2 and 3 of Rule XXV of the Standing Rules of the Senate are modified to read as follows:

"2. Except as otherwise provided by paragraph 6 of this rule, each of the following standing committees shall consist of the number of Senators set forth in the following table on the line on which the name of that committee appears:

Committee	Members
Agriculture, Nutrition, and Forestry	18
Appropriations	28
Armed Services	17
Banking, Housing and Urban Affairs	15
Commerce, Science, and Transportation	17
Energy and Natural Resources	18
Environment and Public Works	14
Finance	20
Foreign Relations	15
Governmental Affairs	17
Human Resources	15
Judiciary	17

3. (a) Except as otherwise provided by paragraph 6 of this rule, each of the following standing committees shall consist of the number of Senators set forth in the following table on the line on which the name of that committee appears:

Committee	Members
Budget	20
Rules and Administration	10
Veterans' Affairs	10

(b) Each of the following committees and joint committees shall consist of the number of Senators (for Senate members, in the case of a joint committee) set forth in the following table on the line on which the name of that committee appears:

Committee	Members
Aging	10
Intelligence	13
Small Business	17
Joint Economic Committee	10

(c) Each of the following committees and joint committees shall consist of the number of Senators (or Senate members, in the case of a joint committee) set forth in the following table on the line on which the name of that committee appears:

Committee	Members
Ethics	5
Indian Affairs	5
Joint Committee on Taxation	5."

SENATE RESOLUTION 22—DESIGNATION OF DEMOCRATIC COMMITTEE MEMBERSHIP AND CHAIRMEN

Mr. ROBERT C. BYRD. Mr. President, I send to the desk a resolution making majority party appointments to Senate committees for the 96th Congress and electing chairmen of such committees.

The PRESIDING OFFICER. The resolution will be stated by title.

The legislative clerk read as follows:

S. Res. 22

Resolved, That the following shall constitute the majority party's membership on the standing committees, the Select Committee on Small Business, and the Special Committee on Aging of the Senate for the Ninety-Sixth Congress:

Committee on Agriculture, Nutrition, and Forestry: Mr. Talmadge (Chairman), Mr. McGovern, Mr. Huddleston, Mr. Stone, Mr. Leahy, Mr. Zorinsky, Mr Melcher, Mr. Stewart, Mr. Pryor, Mr. Boren;

Committee on Appropriations: Mr. Magnuson (Chairman), Mr. Stennis, Mr. Byrd of West Virginia, Mr. Proxmire, Mr. Inouye, Mr. Hollings, Mr. Bayh Mr. Eagleton, Mr. Chiles, Mr. Johnston, Mr. Huddleston, Mr. Burdick, Mr. Leahy, Mr. Sasser, Mr. DeConcini, Mr. Bumpers, Mr. Durkin;

Committee on Armed Services: Mr. Stennis (Chairman), Mr. Jackson, Mr. Cannon, Mr. Byrd of Virginia, Mr. Nunn, Mr. Culver, Mr. Hart, Mr. Morgan, Mr. Exon, Mr. Levin;

Committee on Banking, Housing, and Urban Affairs: Mr. Proxmire (Chairman), Mr. Williams, Mr. Cranston, Mr. Stevenson, Mr. Morgan, Mr. Riegle, Mr. Sarbanes, Mr. Stewart, Mr. Tsongas;

Committee on Commerce, Science, and Transportation: Mr. Cannon (Chairman), Mr. Magnuson, Mr. Long, Mr. Hollings, Mr. Inouye, Mr. Stevenson, Mr. Ford, Mr. Riegle, Mr. Exon. Mr. Heflin:

Committee on Energy and Natural Resources: Mr. Jackson (Chairman), Mr. Church, Mr. Johnston, Mr. Bumpers, Mr. Ford, Mr. Durkin, Mr. Metzenbaum, Mr. Matsunaga, Mr. Melcher, Mr. Tsongas, Mr. Bradley;

Committee on Environment and Public Works: Mr. Randolph (Chairman), Mr. Muskie, Mr. Gravel, Mr. Bentsen, Mr. Burdick, Mr. Culver, Mr. Hart, Mr. Moynihan;

Committee on Finance: Mr. Long (Chairman), Mr. Talmadge, Mr. Ribicoff, Mr. Byrd of Virginia, Mr. Nelson, Mr. Gravel, Mr. Bentsen, Mr. Matsunaga, Mr. Moynihan, Mr. Baucus, Mr. Boren, Mr. Bradley;

Committee on Foreign Relations: Mr. Church (Chairman), Mr. Pell, Mr. McGovern, Mr. Biden, Mr. Glenn, Mr. Stone, Mr. Sarbanes, Mr. Muskie, Mr. Zorinsky;

Committee on Governmental Affairs: Mr. Ribicoff (Chairman), Mr. Jackson, Mr. Eagleton, Mr. Chiles, Mr. Nunn, Mr. Glenn, Mr. Sasser, Mr. Pryor, Mr. Levin;

Committee on Human Resources: Mr. Williams (Chairman), Mr. Randolph, Mr. Pell, Mr. Kennedy, Mr. Nelson, Mr. Eagleton, Mr. Cranston, Mr. Riegle, Mr. Metzenbaum;

Committee on the Judiciary: Mr. Kennedy (Chairman), Mr. Bayh, Mr. Byrd of West Virginia, Mr. Biden, Mr. Culver, Mr. Metzenbaum, Mr. DeConcini, Mr. Leahy, Mr. Baucus, Mr. Heflin;

Committee on Rules and Administration: Mr. Pell (Chairman), Mr. Cannon, Mr. Byrd of West Virginia, Mr. Williams, Mr. Ford, Mr. DeConcini;

Committee on the Budget: Mr. Muskie (Chairman), Mr. Magnuson, Mr. Hollings, Mr. Chiles, Mr. Biden, Mr. Johnston, Mr. Sasser, Mr. Hart, Mr. Metzenbaum, Mr. Riegle, Mr. Moynihan, Mr. Exon;

Committee on Veterans' Affairs: Mr. Cranston (Chairman), Mr. Talmadge, Mr. Randolph, Mr. Stone, Mr. Durkin, Mr. Matsunaga;

Select Committee on Small Business: Mr. Nelson (Chairman), Mr. Nunn, Mr. Culver, Mr. Huddleston, Mr. Bumpers, Mr. Morgan, Mr. Sasser, Mr. Stewart, Mr. Baucus, Mr. Levin;

Special Committee on Aging: Mr. Chiles (Chairman), Mr. Church, Mr. Glenn, Mr. Melcher, Mr. Pryor, Mr. Bradley.

The PRESIDING OFFICER. Without objection, the Senate will now proceed to the immediate consideration of the resolution.

Without objection, the resolution (S. Res. 22) is agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

SENATE RESOLUTION 23—DESIGNATION OF MINORITY MEMBERSHIP ON THE STANDING COMMITTEES AND THE SELECT COMMITTEE ON SMALL BUSINESS

Mr. BAKER. Mr. President, I send a resolution to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated.

The legislative clerk read as follows:

S. RES. 23

Resolved, That the following shall constitute the minority party's membership on the standing committees and the Select Committee on Small Business for the Ninety-sixth Congress:

ON AGRICULTURE, NUTRITION, AND FORESTRY

Messrs. Helms, Young, Dole, Hayakawa, Lugar, Cochran, Boschwitz, and Jepsen.

ON APPROPRIATIONS

Messrs. Young, Hatfield, Stevens, Mathias, Schweiker, Bellmon, Weicker, McClure, Laxalt, Garn, and Schmitt.

ON ARMED SERVICES

Messrs. Tower, Thurmond, Goldwater, Warner, Humphrey, Cohen, and Jepsen.

ON BANKING, HOUSING, AND URBAN AFFAIRS

Messrs. Garn, Tower, Heinz, Armstrong, Mrs. Kassebaum, and Mr. Lugar.

ON BUDGET

Messrs. Bellmon, Domenici, Packwood, Armstrong, Mrs. Kassebaum, Messrs. Boschwitz, Hatch, and Pressler.

ON COMMERCE, SCIENCE, AND TRANSPORTATION

Messrs. Packwood, Goldwater, Schmitt, Danforth, Mrs. Kassebaum, Messrs. Pressler, and Warner.

ON FINANCE

Messrs. Dole, Packwood, Roth, Danforth, Chafee, Heinz, Wallop, and Durenberger.

ON FOREIGN RELATIONS

Messrs. Javits, Percy, Baker, Helms, Hayakawa, and Lugar.

ON GOVERNMENTAL AFFAIRS

Messrs. Percy, Javits, Roth, Stevens, Mathias, Danforth, Cohen, and Durenberger.

ON ENERGY AND NATURAL RESOURCES

Messrs. Hatfield, McClure, Weicker, Domenici, Stevens, Bellmon, and Wallop.

ON THE JUDICIARY

Messrs. Thurmond, Mathias, Laxalt, Hatch, Dole, Cochran, and Simpson.

ON HUMAN RESOURCES

Messrs. Schweiker, Javits, Stafford, Hatch, Armstrong, and Humphrey.

ON ENVIRONMENT AND PUBLIC WORKS

Messrs. Stafford, Baker, Domenici, Chafee, Simpson, and Pressler.

ON RULES AND ADMINISTRATION

Messrs. Hatfield, Baker, Tower, and Schweiker.

ON VETERANS' AFFAIRS

Messrs. Stafford, Thurmond, Simpson, and Humphrey.

SELECT COMMITTEE ON SMALL BUSINESS

Messrs. Weicker, Packwood, Hatch, Hayakawa, Schmitt, Boschwitz, and Pressler.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the immediate consideration of the resolution.

Without objection, the resolution is agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

SENATE RESOLUTION 24—ELIGIBILITY TO SERVE ON CERTAIN COMMITTEES OF THE SENATE

Mr. ROBERT C. BYRD. Mr. President, I send to the desk a resolution.

The PRESIDING OFFICER. The resolution will be stated.

The legislative clerk proceeded to read the resolution.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that further reading of the resolution be dispensed with.

Mr. WALLOP. Mr. President, I do wish to register personal objections to it, though I shall not object.

Mr. ROBERT C. BYRD. The Senator does not want to object to dispensing with the reading, does he?

Mr. WALLOP. No.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the Senate will proceed to the immediate consideration of the resolution.

Mr. WALLOP. Mr. President, I will not seek a rollcall vote on this resolution, but I cannot let it pass without expressing my disappointment with the action the Senate is about to take in abandoning those tentative steps we took 2 years ago, at the beginning of the 95th Congress, when, after 2 years of study, we reorganized the Senate so that it could function a little more efficiently, and so that each Senator could be something more than just a rubber stamp or a signer of proxies in the whole spectrum of the consideration of legislation.

Much reason and work went into Senate Resolution 4. Eighty Members of the Senate who are sitting here right now as Members took part in the consideration of that resolution: Yes, we are about to abandon even those tentative steps, halting and feeble though they may have been, toward reform and toward giving the public something for its legislative dollar. Now, 2 years later, we are abandoning both the spirit and the purpose of Senate Resolution 4.

I should like to go briefly through the genesis of Senate Resolution 4, so that there is some understanding of what happened and why we did what we did. I would like to quote some of the people who made rather stirring speeches on behalf of reform and who now seem silent on this very issue, even though the resolution before us ignores much of our earlier work.

On March 11, 1975, Senator STEVENSON submitted Senate Resolution 109 which was adopted on March 31, 1976. Senate Resolution 109 established the temporary Select Committee To Study the Committee System.

Senate Resolution 4 embodied the recommendation of both that select committee and the Rules Committee. After 4 days of discussion on the floor of the Senate, Senate Resolution 4 was adopted on February 4, 1977.

Senate Resolution 4 effectively amended rule XXV of the Standing Rules of the Senate. Relevant to the resolution before us now are paragraphs 6(a) and (b) of rule XXV which are as follows:

> 6. (a) Except as otherwise provided by this paragraph—
>
> (1) each Senator shall serve on two and no more committees listed in paragraph 2; and
>
> (2) each Senator may serve on only one committee listed in paragraph 3(a) or (b).
>
> (b)(1) Each Senator may serve on not more than three subcommittees of each committee (other than the Committee on Appropriations) listed in paragraph 2 of which he is a member.

The rationale for these changes was interesting. Senator CANNON, at pages 2890–2891 of the CONGRESSIONAL RECORD of February 1, said the following:

> The reported resolution proposes to reduce the number of Senate committees from 31 to 19 . . . It is proposed to place a limitation

> on the number of committee and subcommittee assignments as follows: Each Senator is entitled to membership on two of the standing committees listed in paragraph 2 . . .
>
> This generally restricts the membership of each Senator on committees and subcommittees to 11, as compared to the present setup with some Senators having over 30 committee and subcommittee assignments. *This is a considerable reduction in the number of assignments given to each Senator, giving Senators more time to prepare themselves for the consideration of proposed legislation for which they are directly responsible.* (Emphasis added.)

Senator Stevenson, beginning at page 2892, et seq., of the Congressional Record of February 1, 1977, explained the basic goals of reform as follows:

> This resolution, as reported by the Rules Committee, addresses itself to the basic propositions propounded by the select committee in its original report to the Senate on S. Res. 4, filed on November 15, 1976. These goals were developed out of the experience of Senators, staff members, and others associated with the legislative process in the Senate. These goals are:
>
> First. The Senate should establish a committee system that is consistent with the Senate's unique constitutional responsibilities and characteristics while preserving those elements of its present committee structure that have served it well.
>
> *Second. The Senate should significantly reduce the wasteful demands on Members' time resulting from the large number of committee and subcommittee assignments now held by Senators.* (Emphasis added.)
>
> Not a day passes when we do not witness the consequences of proliferating committee and subcommittee assignments. Conflicts in scheduling meetings make it hard for many of these committees to conduct their business, and virtually impossible for them to command the full participation of their members. . . .
>
> No theme was more consistent or more strongly expressed during the select committee's hearings than that Senators simply cannot manage their time wisely because they are overburdened with committee and subcommittee assignments. Members from every region and philosophical persuasion appeared . . . and pleaded with us to do something to alleviate this problem.

And something was done to solve the problem, that something was Senate Resolution 4.

The late Senator Humphrey, at page 2905 in the Congressional Record of February 1, 1977, explained some of the prereform problems:

> An excessive workload means that a Senator must choose among conflicting responsibilities at the expense of individual committee performance.

Senator Randolph, at page 2908 in the Congressional Record of February 1, 1977, highlighted the heart of the reform:

> The most constructive parts of the proposal are the jurisdictional statements for committees and the reduction in the number of committee assignments for each Member. These proposals may not reduce the time required to bring a matter to resolution in the Senate but will allow Members to focus greater attention on important matters before various committees. . . . The more careful the consideration, the better the legislation.

And I think, Mr. President, that we would find it difficult to disagree with the conclusion drawn by Senator Randolph 2 years ago.

So let us summarize the rationale for the rule that is about to be amended so cavalierly here. It was to increase the effectiveness of every Member of the Senate.

Mr. President, I suggest that adopting the amendments to rule XXV proposed in this resolution without examining the consequences amounts to nothing more than rubberstamping a politically expedient solution to committee assignments in total disregard for the wisdom and efforts of the 95th Congress as embodied in rule XXV. These consequences will be felt by the public. Senators will get along, yet the public will never really know that our actions in adopting this seemingly innocuous resolution will cost them thousands, perhaps millions, of dollars more for a less effective Senate. The public will not know that.

This resolution will, effectively, increase the size of three standing committees and simultaneously increase the number of Senators who are assigned to three "paragraph 2" standing committees, both in derogation of rule XXV.

The committees that are expanded are, interestingly, appropriations increases from 25 to 28; budget grows from 16 to 20; and finance grows from 18 to 20. The majority party does not realize that it lost 3 seats in the last election; and if we are going to follow this same logic, by the time the ratio becomes 51 to 49 Senators, the Hart Building will have been filled to capacity before the walls are put on it.

With the adoption of these resolutions, four Democrats will have three paragraph 2 committees, one Democrat will have four paragraph 2 committees, and four Republicans will have three such committees. And these figures do not even include those Senators who have been assigned to the Budget Committee in addition to two other paragraph 2 committees since budget was given special treatment by Senate resolution last September. We are too quick to find a way out of the reforms that were enacted in Senate Resolution 4.

For the committees that have expanded in membership we can look forward to some of the following results:

Inevitably every member on most committees of the majority party will have a subcommittee concocted for him to sit on and a staff, in violation of what we were really trying to do with Senate Resolution 4, and by getting rid of old Senate Resolution 60 moneys. The chairman and the ranking member will appoint committee staff paid for by increased committee budgets. Practically speaking, these funds will be in addition to the allowances we are each allowed for our membership on these two major committees and one minor committee under Public Law 95-94. So the public will be paying for more staff which will continue to grow. As was mentioned when we had the discussion of the Hart Building, it is like gas. It will expand to fill any volume. The volume will grow and like gas, will burst, even before we have the walls on the new building, before there is anything even to confine it.

The plain fact is the staff is going to expand, the committees are going to expand, and one other thing is going to happen: Members are not going to be able to attend all their committee meetings. No matter how much a Senator likes to think he walks on water he cannot walk on three bodies of water at the same time. Committee chairmen are going to be operating with fists full of proxies, fists full of them. No matter how eloquent an argument that might be made by any Senator, Democrat or Republican, in front of a committee or a subcommittee, that committee chairman is going to be able to throw at him a fistful of proxies which cannot hear and cannot reason, and the public is the worst off for it.

So this so-called world's greatest debating society may be reduced to a handful of proxy-powered chairmen because we could not find it in our hearts to recognize: First, political reality and; second, the fact that we serve the public and not each other.

For those Senators who are assigned more than two major committee assignments it is safe to predict other unavoidable consequences. First, they cannot be at all the meetings of all their committees. They cannot serve their constituency in spite of the fact that their letterhead will carry their committee assignments and their public will think they are functioning on that level; but they cannot do it. There is no way, absolutely no way, to be in all these places at one time. Again, we will be forced to report to proxies with all the problems I spoke of earlier. There is no effective way to coordinate all these committees especially under our rule whereby we cannot meet after the Senate goes in session for 2 hours.

So the public loses. We all lose. I think we all should be losing in self-respect by going down this road. And my criticism is directed at both parties for following a course that destroys the steps we took 2 years ago toward reform and toward a more effective Senate, operating on behalf of the public.

Mr. President, these resolutions create exceptions to rule XXV that effectively swallow up that rule, and in so doing we undo the conscientious work the 94th and 95th Congresses undertook to try to reform the Senate structure for the sake of making its Members more effective and for the sake of serving the public which theoretically was why we were all sent here.

It seems to me, Mr. President, that we should try and look back and heed the valuable efforts of our predecessor Senate, rather than undercutting their effectiveness with these resolutions, especially since these resolutions will increase the cost of legislation and legislative activities to the public, both in real dollars and by reducing the effectiveness of each Senator on the legislation in front of him.

The public suffers both ways and yet knows but little of these events.

So, Mr. President, while I will not ask for a vote, I wish to be recorded in opposition to this resolution. I hope that somehow or another this Senate will take another look at reform instead of turning its back on it. As a body, we must face upward and recognize that we have a political responsibility to ourselves and the public and not just the old hogs at the trough.

I thank the chair.

Mr. STEVENS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the resolution.

The resolution (S. Res. 24) was agreed to as follows:

Resolved, That paragraph 6 of rule XXV of the Standing Rules of the Senate is amended by adding at the end thereof the following new subparagraph:

"(l) (1) A Senator who on the last day of the Ninety-fifth Congress was serving as a member of three committees listed in paragraph 2 (as this rule was in effect on such day) may, during the term he is serving on the first day of the Ninety-sixth Congress, continue to serve as a member of each of such committees so long as his service as a member of each such committee is continuous.

"(2) A Senator who on the last day of the Ninety-fifth Congress was serving as a member of the Committee on Energy and Natural Resources and the Committee on the Judiciary may, during the term which he is serving on the first day of the Ninety-sixth Congress, also serve as a member of the Committee on Human Resources so long as his service as a member of each of such committees is continuous, but in no event may he serve, by reason of this subparagraph, as a member of more than three committees listed in paragraph 2.

"(3) A Senator who on the last day of the Ninety-fifth Congress was serving as a member of the Committee on Agriculture, Nutrition, and Forestry and the Committee on Appropriations or the Committee on Finance may, during the term which he is serving on the first day of the Ninety-sixth Congress, also serve as a member of the Committee on the Judiciary so long as his service as a member of each of such committees is continuous, but in no event may he serve, by reason of this subparagraph, as a member of more than three committees listed in paragraph 2.

"(4) A Senator who on the last day of the Ninety-fifth Congress was serving as a member of the Committee on Agriculture, Nutrition, and Forestry and the Committee on Banking, Housing, and Urban Affairs may, during the term which he is serving on the first day of the Ninety-sixth Congress, also serve as a member of the Committee on Foreign Relations so long as his service as a member of each of such committees is continuous, but in no event may he serve, by reason of this subparagraph, as a member of more than three committees listed in paragraph 2.".

Sec. 2. Subparagraph (k) of paragraph 6 of rule XXV of the Standing Rules of the Senate is amended by inserting "(1)" after "(k)" and by adding at the end thereof the following:

"(2) Notwithstanding subparagraph (1), a Senator who is serving on the Committee on the Budget and two other committees listed in paragraph 2 may also serve on the Select Committee on Small Business or the Special Committee on Aging or, in the case of a Senator who was a member of the Select Committee on Intelligence on the last day of the Ninety-fifth Congress, may continue to serve on such select committee so long as his service on such select committee is continuous and he is eligible to serve on such select committee under the provisions of section 2(b) of Senate Resolution 400, Ninety-fourth Congress, as amended.

"(3) Beginning on that date occurring during the first session of the Ninety-sixth Congress upon which the appointment of the majority and minority members of the standing committees is initially completed, a Senator who is eligible under subparagraph (1) to serve on three committees listed in paragraph 2 may serve on the Committee on the Budget in addition to serving on such committees, but any Senator so serving may not serve on any committee listed in paragraph 3 (a) or (b).".

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BUMPERS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

APPOINTMENTS TO THE SELECT COMMITTEE ON INTELLIGENCE

The PRESIDING OFFICER. The Chair, on behalf of the President pro tempore, pursuant to Senate Resolution 400, 94th Congress, and Senate Resolution 4, 95th Congress, appoints the following Senators to the Select Committee on Intelligence: the Senator from Washington (Mr. Jackson), in lieu of the Senator from Colorado (Mr. Hart), from the Committee on Armed Services; and the Senator from Minnesota (Mr. Durenberger), in lieu of the Senator from Kansas (Mr. Pearson), to fill an at-large vacancy.

ANNOUNCEMENT OF MEMBERSHIP OF SELECT COMMITTEE ON INTELLIGENCE

The PRESIDING OFFICER. The Chair wishes also to take this opportunity to announce to the Senate the full membership of the Select Committee on Intelligence for the 96th Congress:

Birch Bayh (from the Committee on the Judiciary), chairman; Barry Goldwater (from the Committee on Armed Services), vice chairman; Adlai E. Stevenson (at large), Walter D. Huddleston (at large), Joseph R. Biden, Jr. (from the Committee on Foreign Relations), Daniel Patrick Moynihan (at large), Daniel K. Inouye (from the Committee on Appropriations), Henry M. Jackson (from the Committee on Armed Services), Jake Garn (from the Committee on Appropriations), John H. Chafee (at large), Richard G. Lugar (from the Committee on Foreign Relations), Malcolm Wallop (from the Committee on the Judiciary), and David Durenberger (at large).

APPOINTMENTS TO CERTAIN COMMITTEES

SELECT COMMITTEE ON INDIAN AFFAIRS

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, pursuant to Senate Resolution 4, 95th Congress, as amended, appoints the following Senators to the Select Committee on Indian Affairs: The Senator from Montana (Mr. Melcher), the Senator from Hawaii (Mr. Inouye), and the Senator from Arizona (Mr. DeConcini).

The Chair, on behalf of the Vice President, pursuant to Senate Resolution 4, 95th Congress, appoints the following Senators to the Select Committee on Indian Affairs for the 96th Congress: The Senator from Colorado (Mr. Armstrong), and the Senator from Oregon (Mr. Hatfield).

COMMISSION ON SECURITY AND COOPERATION IN EUROPE

The Chair, on behalf of the Vice President, pursuant to Public Law 94–304, appoints the Senator from New York (Mr. Javits) to the Commission on Security and Cooperation in Europe, in lieu of the Senator from New Jersey (Mr. Case), retired.

JOINT ECONOMIC COMMITTEE

The Chair, on behalf of the Vice President, pursuant to Public Law 79–304, appoints the following Senators as members of the Joint Economic Committee for the 96th Congress: The Senator from New York (Mr. Javits), the Senator from Delaware (Mr. Roth), the Senator from Idaho (Mr. McClure), and the Senator from Iowa (Mr. Jepsen).

SPECIAL COMMITTEE ON AGING

The Chair, on behalf of the Vice President, pursuant to Senate Resolution 33, 87th Congress, as amended and supplemented, appoints the Senator from Kansas (Mrs. Kassebaum) and the Senator from Maine (Mr. Cohen) to fill existing vacancies in the minority party membership on the Special Committee on Aging.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. Riegle). Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 8:30 P.M. TODAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, after Mr. Danforth is recognized and speaks for not to exceed 15 minutes, the Senate then stand in recess until the hour of 8:30 p.m. today, under the order previously entered.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS SUBJECT TO THE CALL OF THE CHAIR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess at the moment awaiting the call of the Chair.

There being no objection, the Senate, at 3:06 p.m., recessed subject to the call of the Chair.

The Senate reassembled at 3:07 p.m., when called to order by the Presiding Officer (Mr. RIEGLE).

MESSAGES FROM THE PRESIDENT RECEIVED DURING THE RECESS

Under authority of the order of the Senate of Thursday, January 18, 1979, the Secretary of the Senate on January 19, 1979, received messages from the President of the United States submitting sundry nominations, which were referred to the Committee on the Judiciary.

The Secretary of the Senate also on January 22, 1979, received messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

The Secretary of the Senate on January 23, 1979. received messages from the President of the United States submitting sundry nominations and a withdrawal, which were referred to the appropriate committees.

REPORT OF THE WHITE HOUSE CONFERENCE ON BALANCED NATIONAL GROWTH AND ECONOMIC DEVELOPMENT—MESSAGE FROM THE PRESIDENT—PM 9

Under authority of the order of the Senate of Thursday, January 18, 1979, the Secretary of the Senate on January 19, 1979, received the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Environment and Public Works:

To the Congress of the United States:

In fulfillment of a requirement of P.L. 94-487, October 12, 1976, I am transmitting my report on the White House Conference on Balanced National Growth and Economic Development. For many weeks preceding the final Conference, there were State and regional Conferences organized like town meetings, giving citizens and elected officials an opportunity to exchange views on the critical issues of growth and development. Held in Washington on January 29 through February 2, 1978, the Conference was attended by more than 700 individuals from all parts of the country.

An important outcome of the Conference was the general agreement among the delegates that no massive new Federal spending programs were needed. Instead, they called for more effective government, more balanced decisions, and a real partnership among levels of government and the private sector in meeting persistent social and economic problems. This theme has been an invaluable guide in helping shape the growth and development policies of my Administration.

We are indebted to those who participated in the Conference. It could have been so controversial or so sterile that no useful purpose was served. Instead, it provided many constructive insights to help shape future growth and development policy in this country.

JIMMY CARTER.

THE WHITE HOUSE, *January 19, 1979*.

REPORT OF THE COUNCIL ON WAGE AND PRICE STABILITY—MESSAGE FROM THE PRESIDENT—PM 10

Under authority of the order of the Senate of Thursday, January 18, 1979, the Secretary of the Senate on January 23, 1979, received the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Banking, Housing, and Urban Affairs:

To the Congress of the United States:

I am pleased to transmit to you the 15th quarterly report on the activities of the Council on Wage and Price Stability. It contains a narrative record of the Council's operations during the three-month period April through June, 1978.

JIMMY CARTER.

THE WHITE HOUSE, *January 23, 1979*.

REPORT ON HAZARDOUS MATERIALS CONTROL—MESSAGE FROM THE PRESIDENT—PM 11

Under authority of the order of the Senate of Thursday, January 18, 1979, the Secretary of the Senate on January 23, 1979, received the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Commerce, Science, and Transportation:

To the Congress of the United States:

I transmit herewith the Eighth Annual Report on Hazardous Materials Control, as required by the Hazardous Materials Transportation Act, Title I of Public Law 93-633. This report has been prepared in accordance with Section 109 of the Act and covers calendar year 1977.

JIMMY CARTER.

THE WHITE HOUSE, *January 23, 1979*.

REPORT ON COASTAL ZONE MANAGEMENT—MESSAGE FROM THE PRESIDENT—PM 12

Under authority of the order of the Senate of Thursday, January 18, 1979, the Secretary of the Senate on January 23, 1979, received the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Commerce, Science, and Transportation:

To the Congress of the United States:

I am pleased to transmit the 1977 Coastal Zone Management Annual Report as required by Public Law 92-583.

JIMMY CARTER.

THE WHITE HOUSE, *January 23, 1979*.

REPORT ON THE OPERATION OF THE AUTOMOTIVE PRODUCTS TRADE ACT—MESSAGE FROM THE PRESIDENT—PM 13

Under authority of the order of the Senate of Thursday, January 18, 1979, the Secretary of the Senate on January 23, 1979, received the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Finance:

To the Congress of the United States:

I hereby submit the Twelfth Annual Report on the Operation of the Automotive Products Trade Act of 1965. This Report covers 1977, a year in which production and sales of North American motor vehicles reached record levels.

JIMMY CARTER.

THE WHITE HOUSE, *January 23, 1979*.

REPORT OF HEALTH ACTIVITIES UNDER THE FEDERAL COAL MINE HEALTH AND SAFETY ACT—MESSAGE FROM THE PRESIDENT—PM 14

Under authority of the order of the Senate of Thursday, January 18, 1979, the Secretary of the Senate on January 23, 1979, received the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Human Resources:

To the Congress of the United States:

I transmit herewith the 1977 Annual Report of Health Activities under the Federal Coal Mine Health and Safety Act of 1969.

The Report, prepared by HEW's National Institute for Occupational Safety and Health, Center for Disease Control, Public Health Service, describes the coal mine health research conducted by the Institute, as well as the Institute's medical examination program for coal miners required by the Coal Mine Health and Safety Act of 1969, as amended in 1977.

I recommend that, in order to save HEW staff resources and time, the statutory reporting requirement for this report be changed from once every year to once every three years. All of the information contained in this Report is available to Congress during annual appropriations and oversight hearings, and HEW will inform Congress immediately of any scientific breakthrough in the field.

JIMMY CARTER.

THE WHITE HOUSE, *January 23, 1979*.

REPORT OF THE NATIONAL HEART, LUNG, AND BLOOD INSTITUTE—MESSAGE FROM THE PRESIDENT—PM 15

Under authority of the order of the Senate of Thursday, January 18, 1979, the Secretary of the Senate on January 23, 1979, received the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Human Resources:

To the Congress of the United States:

I transmit herewith the Fifth Report of the Director of the National Heart, Lung, and Blood Institute. The Report contains five-year projections of the Institute's needs which are solely those of the Institute and do not reflect either the HEW or Administration positions.

JIMMY CARTER.

THE WHITE HOUSE, *January 23, 1979.*

BUDGET FOR FISCAL YEAR 1980—MESSAGE FROM THE PRESIDENT—PM 16

Under authority of the order of the Senate of Thursday, January 18, 1979, the Secretary of the Senate on January 23, 1979, received the following message from the President of the United States, together with accompanying documents, which was referred to the Committee on Appropriations and the Committee on the Budget, jointly, by unanimous consent:

To the Congress of the United States:

This budget for fiscal year 1980 is lean and austere. It recommends a spending level well below that suggested by the recent momentum of Federal spending. It will disappoint those who seek expanded Federal efforts across the board. It meets my commitment to a deficit of $30 billion or less.

This policy of restraint is not a casual one. It is an imperative if we are to overcome the threat of accelerating inflation.

If that threat is realized, it would severely disrupt our economy and the well-being of our society. Americans with low and fixed incomes would suffer the most. Restraint would eventually become an inescapable necessity. But the longer we wait, the more severe and costly the inevitable restraint will be. By contrast, this budget supports a balanced fiscal policy. It is sufficiently restrained to ease inflationary pressures, but it will permit continued economic growth.

The Federal Government cannot overcome inflation by itself. Success will require cooperation from business, from labor, from consumers, from State and local governments—in short, from everyone. I have called for that cooperation as part of my anti-inflation program. However, only through its leadership and its example can the Federal Government secure this cooperation. This budget provides that leadership. It restrains Government's demand on the economy. At the same time, it makes the Federal dollar work harder and better.

The key to effective Federal leadership against inflation, unemployment, and poverty lies in more effective allocation and management of available resources. We must reduce the growth of total Federal spending while protecting the security of our Nation and the well-being of the American people.

This budget provides the necessary discipline over Federal spending by:

—eliminating programs that are unworkable;

—improving programs to make them more effective;

—focusing assistance on the disadvantaged and the poor; and

—reorganizing and consolidating Federal activities to improve efficiency and avoid waste, abuse, or mismanagement.

I believe this discipline represents an opportunity to reassess and build strong foundations for future Government activity, an opportunity to change Government for the better. It is my firm intention to continue these policies in future years, to reduce the size of the deficit, and to achieve a balanced budget as soon as economic conditions permit.

The budget totals

[In billions of dollars]

	1978 actual	1979 estimate	1980 estimate	1981 estimate	1982 estimate
Budget receipts	402	456	503	577	653
Budget outlays	451	493	532	578	615
Surplus or deficit (−)	−49	−37	−29	−1	38
Budget authority	502	560	616	651	696

My budget provides for total outlays in 1980 of $532 billion, an increase of $38 billion, or 7.7%, over 1979, and receipts of $503 billion. For 1981 and 1982, it provides for total outlays of $578 billion and $615 billion, respectively. Budget outlays will decrease as a share of the Nation's gross national product from 22.1% in 1978 to 21.2% in 1980 and 20.3% in 1982. This reduction in the share of our national product spent by the Federal Government is a fundamental goal of my policy, equally as important as reducing the deficit.

The expenditures I recommend are specifically focused on overcoming our Nation's crucial problems. Through rigorous zero-base analyses, priorities have been established to help us get the best Government possible for the resources we can afford. Careful attention to efficiency and productivity will enable Federal managers to achieve our most important priorities with less money and fewer people.

The spending restraint in this budget means that in some areas the Government will simply not be able to do as much as it has in the past. Inevitably, real sacrifices must be made if we are to overcome inflation. In formulating this budget, I have made every effort to spread that burden fairly and objectively. Restraint has not been applied arbitrarily.

However, there are areas where we cannot make major reductions. I have sought to reconcile the need for extraordinary restrictions on Government spending with the need to maintain a strong defense; to implement a national energy policy; to assist people in need; and to continue important public services and investments.

First, as President, it is my central responsibility to ensure that our defense forces are strong enough to deter aggression. This budget does that.

In May of 1977 I met with our NATO allies and urged that we work together to strengthen our common defense. They are meeting the goal that we agreed upon. We must and will do our share.

In total, the 1980 defense budget provides for growth in outlays in real terms of 3% above the current year's spending. Most of this increase will be for strengthening our NATO forces and maintaining the strategic balance. The budget continues my policy of steady modernization of our strategic forces, and improved combat readiness of our tactical forces. It also emphasizes research and development to meet future challenges to our security. At the same time, however, it restrains defense costs by introducing important economies in purchasing, supply management, and personnel costs and numbers.

Second, the 1980 budget recognizes the vital importance of energy to the Nation. Because of our dependence on foreign oil, we continue to be in danger of having supplies disrupted as they were 5 years ago. It is essential that we continue to move forward with an effective national energy program that will decrease our demand for foreign oil and protect against disruption of foreign oil supplies.

The 1980 budget provides for the continued buildup of the strategic petroleum reserve. It continues to assist in the development of technologies to tap our domestic energy resources more effectively. I have given special emphasis to developing advanced solar power technologies. The budget proposals give increased attention to more efficient use of uranium, to nuclear proliferation and environmental problems, and to effective measures to deal with nuclear waste.

Third, even when budget restraint is essential, we will continue as a compassionate society to meet our commitments to the disadvantaged. Therefore, I have ensured that my budget include adequate funds for programs that help those Americans most truly in need. To make these funds as effective as possible, the budget includes recommendations for adjustments in direct payment programs, better targeting of existing programs, and improved management so that funds are not wasted but go to the people for whom they were intended.

My administration is developing a national health plan. Consistent with the development of that plan, the budget emphasizes programs to address critical health needs. As early steps toward this plan, my proposals extend health services to 2 million more low-income children and pregnant women who cannot afford health care that they need, and bring new health care resources to people who live in medically-underserved areas. The budget includes new and expanded programs to reduce activities that cause ill health, such as drug and alcohol abuse, as well as to protect individuals and communities from pollution and other toxic substances; increased funding for mental health research; and expanded health-related services such as nutrition programs for low-income mothers and children.

I am again proposing legislation to contain the exorbitant nationwide rise in hospital costs. The 320% rise in these costs in the past 10 years has been a major inflationary force and an unacceptable drain on family incomes. The Congress must act on this problem.

Curbs on hospital costs will benefit State and local budgets—and those of private citizens—as well as the Federal budget. They will strike directly at inflation in a sector where price increases have been chronically high.

The budget recommends a number of changes in the social security system to streamline it and eliminate unnecessary benefit payments. They will reduce the future costs of this largest of all Federal programs—and, ultimately, hold down the taxes imposed on workers and employers. I will consider future social security tax reductions in conjunction with these savings.

In the past 2 years, total employment in the U.S. has increased by 7.4 million jobs. This is an average rate of 4.1% per year, one of the most rapid expansions in our history. The proportion of our civilian population employed is higher, at almost 60%, than it has ever been before. But despite these gains, unemployment, particularly among the disadvantaged and minorities, remains too high.

Continued high structural unemployment in an inflationary economy requires a redirection of our efforts. Programs targeted to employ the truly disadvantaged are continued at their current high levels as established by this administration. More general employment programs, not directed specifically to those most in need, must be reduced to reflect improvements in the economy and our need to establish priorities. Our youth employment and CETA programs reflect my continued strong commitment to fight unemployment of the needy. The employment tax credit enacted last year is encouraging the private sector to provide increased employment opportunities for the disadvantaged, primarily youth. This incentive will be reinforced by a private sector employment initiative, for which I am requesting a $400 million supplemental appropriation for 1979.

This budget also provides strong support for economic development programs, and again proposes a National Development Bank to help fund these efforts. The budget provides for a 36% increase in assistance to minority business enterprises.

Finally, I believe that the Federal Government must lead the way in investing in the Nation's future. This budget, therefore, continues my policy of providing real growth in Federal support of basic research. This support amounts to a relatively small part of the total budget—$4.6 billion in 1980—but it is vital to the future of our Nation. The knowledge created through basic research holds the potential for breakthroughs to the solution of problems we face or may face in such critical areas as agriculture, health, environment, energy, defense, and the overall productivity of our economy. Higher productivity gains in the future, moreover, will make an important contribution to reducing inflation.

* * * * *

Meeting the essential needs of the Nation, while restraining growth in overall spending, makes efficient management not just desirable, but essential.

In 1977 I proposed—and the Congress approved—a Cabinet-level Department of Energy, a streamlined Executive Office of the President, and a consolidation of our international information activities.

In 1978 I proposed—and the Congress approved—reorganizations of the Federal civil service system, emergency preparedness and disaster relief programs, civil rights enforcement, and the pension plan insurance system in order to make them more responsive and effective.

In 1979 I will resubmit my proposal to establish a Department of Education and propose further reorganization and consolidation in economic development assistance, natural resources management, and surface transportation.

For the second year, my budget reflects detailed, Government-wide, zero-base budgeting. Agency programs were explicitly ranked by priority, and programs were ranked across agencies, in a new interagency, zero-base budgeting process.

For the first time, the budget reflects the 3-year budget planning system I have instituted to gain better control of the longer-range effects and direction of Government policies.

In this budget I am proposing a new system to control the growth of Federal credit activities, particularly federally-guaranteed credit.

Other important steps will be taken to improve the way the Government operates and the way it affects the private sector. To increase the efficiency of the private sector, the administration will eliminate unnecessary regulation where possible, and will minimize the redtape involved in necessary environmental and safety regulation. Further efforts will be made to reduce excessive paper work. State and local governments, private institutions, and citizens will benefit from simplified conditions for receiving Federal assistance. In particular, a number of programs have been consolidated to simplify the grant system, and more will be proposed in the future. The Government's own management will be improved through more effective cash management, application of the Civil Service Reform Act, and use of new offices of Inspectors General to identify waste and search out fraud and corruption.

* * * * *

Preparing this budget reminds me once more of the overwhelming demands upon the Federal budget and of the limits on our resources.

I believe that we must firmly limit what the Government taxes and spends. We must balance public and private needs. We must set priorities more carefully. We must change some old priorities and establish new ones. We must defer some of our demands if we are to meet adequately today's most critical needs.

These principles have guided my actions in shaping this budget and they will continue to do so in the future:

- —the budget must be kept within the bounds of what is appropriate in today's economic circumstances;
- —the Government has no resources of its own, its only resources are those it collects from the taxpayer;
- —Government action must be limited to those areas where its intervention is more likely to solve problems than to compound them; and,
- —we have an obligation to manage with excellence and to maintain proper priorities within the $532 billion proposed in this budget.

I know that the Congress shares these beliefs. You, as well as the executive branch, are sensitive to the American people's concerns about the scope of Government, the burdens of taxes, the needs of our citizens, and the efficiency of public management. Indeed, the Congress in the last few years has taken important steps—in particular, through the establishment of the congressional budget process—to improve its own means of establishing priorities. I have worked closely with the Congress, and will continue in this spirit of cooperation.

I look forward to working with the Congress and its leadership on this budget.

The decisions I have made are difficult ones. They involve, not figures on a balance sheet, but the lives and future of the American people. I have chosen restraint in Government spending because inflation must be controlled. I have tried to be equitable in ordering priorities. Yet I have continued to support those programs that represent our most pressing needs. To do so I have terminated, reduced, or deferred other programs.

It is difficult to maintain a sense of strong national purpose when we do not face a clear and immediate crisis. But it is equally important. These are times when responsible leadership means anticipating those day-to-day actions that enable us to avoid crises and to build toward the future. This has been the fundamental purpose behind the decisions considered here, and that is the intent of this budget.

JIMMY CARTER.

THE WHITE HOUSE, *January 22, 1979.*

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a message from the President of the United States, proposing the budget of the United States for fiscal year 1980, be jointly referred to the Committees on Appropriations and Budget.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MESSAGE FROM THE HOUSE RECEIVED DURING THE RECESS

Under authority of the order of the Senate of Thursday, January 18, 1979, the Secretary of the Senate on January 18, 1979, received a message from the House of Representatives, reporting that the Speaker has signed House Joint Resolution 1, a joint resolution to extend the time for filing the Economic Report.

The joint resolution was subsequently signed by the President pro tempore (Mr. MAGNUSON).

MESSAGE FROM THE HOUSE

At 12:03 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that, pursuant to the provisions of 20 United States Code, 42 and 43, the Speaker has appointed Mr. THOMPSON, Mr. MINETA, and Mr. CONTE as members of the Board of Regents to the Smithsonian Institution on the part of the House.

COMMUNICATIONS

The ACTING PRESIDENT pro tempore laid before the Senate the following communications, together with accompanying reports, documents, and papers, which were referred as indicated:

EC-348. A communication from Comptroller General of the United States, reporting, pursuant to law, on the President's fourth special message for fiscal year 1979 that was transmitted to the Congress pursuant to the Impoundment Control Act of 1974; to the Committee on the Budget, the Committee on Appropriations, the Committee on Commerce, Science, and Transportation, the Committee on Energy and Natural Resources, and the Committee on Foreign Relations, jointly, pursuant to order of January 30, 1975.

EC-349. A communication from the President and Chairman, Export-Import Bank of the United States, reporting, pursuant to law, on loan, guarantee and insurance transactions supported by Eximbank during October and November 1978 to Communist countries (as defined in Section 620(f) of the Foreign Assistance Act of 1961, as amended); to the Committee on Banking, Housing, and Urban Affairs.

EC-350. A communication from the Chairman, Federal Trade Commission, transmitting, pursuant to law, a report concerning (a) the effectiveness of cigarette labeling, (b) current practices and methods of cigarette advertising and promotion, and (c) recommendations for legislation deemed appropriate; to the Committee on Commerce, Science, and Transportation.

EC-351. A communication from the Secretary of Energy, transmitting, pursuant to law, a report on the "Electrical Hybrid Vehicle Program"; to the Committee on Commerce, Science, and Transportation.

EC-352. A communication from the Administrator, Economic Regulatory Administration, Department of Energy, transmitting, pursuant to law, the 1978 Annual Report on Electric Utility Rate Design and Energy Management initiatives; to the Committee on Energy and Natural Resources.

EC-353. A communication from the Assistant Secretary of the Interior, transmitting, pursuant to law, financial statements of the Colorado River Basin Project for the year ended September 30, 1978; to the Committee on Energy and Natural Resources.

EC-354. A communication from the Secretary of the Interior, transmitting, pursuant to law, a report setting forth the Secretary's recommendations for a program to assure that individuals employed on the Outer Continental Shelf are properly trained to operate or supervise pollution-prevention equipment; to the Committee on Energy and Natural Resources.

EC-355. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Minority Firms on Local Public Works Projects—Mixed Results," January 16, 1979; to the Committee on Environment and Public Works.

EC-356. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Social Security Administration Should Improve its Recovery of Overpayments Made to Retirement, Survivors, and Disability Insurance Beneficiaries," January 17, 1979; to the Committee on Finance.

EC-357. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 2-280, "Air Quality Control Regulations Amendment No. 3 of 1978," and committee report, adopted on September 19, 1978; to the Committee on Governmental Affairs.

EC-358. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 2-318, "Historic Landmark and Historic District Protection Act of 1978," and committee report, adopted on November 28, 1978; to the Committee on Governmental Affairs.

EC-359. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 2-267, "D.C. Unemployment Compensation Act Amendments of 1978," and committee report, adopted on July 25, 1978; to the Committee on Governmental Affairs.

EC-360. A communication from the District of Columbia Auditor, transmitting, pursuant to law, a report entitled "Review of Current Policy for Retiring and Replacing General Purpose Motor Vehicles"; to the Committee on Governmental Affairs.

EC-361. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 2-339, "Corporate and Unincorporated Business Tax Revision Act of 1978," and committee report, adopted on December 12, 1978; to the Committee on Governmental Affairs.

EC-362. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 2-254, "Fire and Casualty Act Amendments of 1978," and committee report, adopted on July 11, 1978; to the Committee on Governmental Affairs.

EC-363. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 2-323, "District of Columbia Resident Tax Credit Act of 1978," and committee report, adopted on December 12, 1978; to the Committee on Governmental Affairs.

EC-364. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 2-263, "Employment Opportunities Act of 1978," and committee report, adopted on July 25, 1978; to the Committee on Governmental Affairs.

EC-365. A communication from the Acting Director, Office of Administrative Services, Department of Commerce, transmitting, pursuant to law, a report on disposal of foreign excess property for the fiscal year 1978; to the Committee on Governmental Affairs.

EC-366. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 2-268, "District of Columbia Renters and Homeowners Tax Reduction Act of 1978," and committee report, adopted on July 25 1978; to the Committee on Governmental Affairs.

EC-367. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 2-278, "Library Reciprocal Borrowing Act of 1978," and committee report, adopted on September 19, 1978; to the Committee on Governmental Affairs.

EC-368. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 2-338, "Surveyor User Charges Act of 1978," adopted on December 12, 1978; to the Committee on Governmental Affairs.

EC-369. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 2-324, "D.C. Charitable Organizations Conformity Act of 1978," and committee report, adopted on December 12, 1978; to the Committee on Governmental Affairs.

EC-370. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 2-310, "Closing of a Public Alley in Square 121 Act of 1978," and committee report, adopted on November 14, 1978; to the Committee on Governmental Affairs.

EC-371. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 2-279, "Act to amend the District of Columbia Public Postsecondary Education Reorganization Act," and committee report, adopted on September 19, 1978; to the Committee on Governmental Affairs.

EC-372. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 2-261, "Closing and Dedication of a Public Alley in Square 163 Act of 1978," and committee reported, adopted on July 25, 1978; to the Committee on Governmental Affairs.

EC-373. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 2-321, "Senior Citizen Residences Sales Tax on Meals Exemption Act," and committee report, adopted on December 12, 1978; to the Committee on Governmental Affairs.

EC-374. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 2-301, "Interest Rate Extension and Modification Act of 1978," and committee report, adopted on October 31, 1978; to the Committee on Governmental Affairs.

EC-375. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 2-327, "D.C. Redevelopment Land Agency Tax Exemption Act of 1978," and committee report, adopted on December 12, 1978; to the Committee on Governmental Affairs.

EC-376. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 2-292, "District of Columbia Mental Health Information Act of 1978," and committee report, adopted on October 3, 1978; to the Committee on Governmental Affairs.

EC-377. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 2-260, "Condominium Conversion Act of 1978," and committee report, adopted on July 25, 1978; to the Committee on Governmental Affairs.

EC-378. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 2-262, "Closing and Dedication of a Public Alley in Square 100 Act of 1978," and committee report, adopted on July 25, 1978; to the Committee on Governmental Affairs.

EC-379. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 2-312, "Confirmation Act of 1978," and committee report, adopted on October 31, 1978; to the Committee on Governmental Affairs.

EC-380. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 2-259, "Closing of Eye Street, N.W. between 23rd and 24th Streets, N.W. Act of 1978," and committee report, adopted on July 25, 1978; to the Committee on Governmental Affairs.

EC-381. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 2-299, "Real Property Tax Rate Act for Tax Year 1979," and committee report, adopted on October 17, 1978; to the Committee on Governmental Affairs.

EC-382. A communication from the Administrator, General Services Administration, transmitting, pursuant to law, a report of proposed alterations to a system of records; to the Committee on Governmental Affairs.

EC-383. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 2-326, "Rental Vehicle Tax Reform Act of 1978," and committee report, adopted on December 12, 1978; to the Committee on Governmental Affairs.

EC-384. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 2-325, "Amendments to An Act to Provide for Voluntary Apprenticeship in the D.C. Act of 1978," and committee report, adopted on December 12, 1978; to the Committee on Governmental Affairs.

EC-385. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 2-320, "Prevention of the Administration of Lie Detection Procedures Act of 1978," and committee report, adopted on December 12, 1978; to the Committee on Governmental Affairs.

EC-386. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 2-328, "Tax Return Confidentiality Act of 1978," and committee report, adopted on December 12, 1978; to the Committee on Governmental Affairs.

EC-387. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 2-269, "Air Quality Amendment Act No. II of 1978," and committee report, adopted on July 25, 1978; to the Committee on Governmental Affairs.

EC-388. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 2-319, "District of Columbia Documents Act," and committee report, adopted on December 12, 1978; to the Committee on Governmental Affairs.

EC-389. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 2-322, "Expanded Public Defender Service Board of Trustees Membership Act of 1978," and committee report, adopted on December 12, 1978; to the Committee on Governmental Affairs.

EC-390. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 2-270, "School Transit Subsidy Act of 1978," and committee report, adopted on July 25, 1978; to the Committee on Governmental Affairs.

EC-391. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 2-283, "District of Columbia comprehensive Plan Goals and Policies Act of 1978," and committee report, adopted on September 19, 1978; to the Committee on Governmental Affairs.

EC-392. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 2-297, "Mentally Retarded Citizens Constitutional Rights and Dignity Act of 1978," and committee report, adopted on October 3, 1978; to the Committee on Governmental Affairs.

EC-393. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 2-313, "Law School Clinical Programs Funding Authorization Act of 1978," and committee report, adopted on November 13, 1978; to the Committee on Governmental Affairs.

EC-394. A comunication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 2-291, "District of Columbia Housing Finance Agency Act," and committee report, adopted on September 19, 1978; to the Committee on Governmental Affairs.

EC-395. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 2-300, "D.C. Government Comprehensive Merit Personnel Act of 1978," and committee report, adopted on October 31, 1978; to the Committee on Governmental Affairs.

EC-396. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "What Assurance Does Office of Education's Eligibility Process Provide?" January 17, 1979; to the Committee on Governmental Affairs.

EC-397. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "The NAVSTAR Global Positioning System —A Program With Many Uncertainties," January 17, 1979; to the Committee on Governmental Affairs.

EC-398. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Considerations For Adjustment Assistance Under the 1974 Trade Act: A Summary of Techniques Used in Other Countries," January 18, 1979 to the Committee on Governmental Affairs.

EC-399. A communication from the Chairman, Federal Council on the Arts and the Humanities, transmitting, pursuant to law, its third annual report on the Arts and Artifacts Indemnity Program for Fiscal Year 1978; to the Committee on Human Resources.

EC-400. A communication from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting, pursuant to law, final administrative and technical regulations for the Basic Educational Opportunity Program (20 U.S.C. 1070a, Subpart I of Part A of Title IV of the Higher Education Act of 1965, as amended, P.L. 92-318, amended by P.L. 94-482, Education Amendments of 1976); to the Committee on Human Resources.

EC-401. A communication from the Chairman and members, United States Commission on Civil Rights, transmitting, pursuant to law, transmitting a report entitled "Window Dressing on the Set: An Update"; to the Committee on the Judiciary.

PETITIONS

The ACTING PRESIDENT pro tempore laid before the Senate the following petitions and memorials, which were referred as indicated:

POM-24. A resolution adopted by the Legislature of the Territory of Guam; to the Committee on Commerce, Science, and Transportation:

"RESOLUTION NO. 375

"Be it resolved by the Legislature of the Territory of Guam:

"Whereas, Guam continues to be an attractive destination for prospective Japanese tourists; and

"Whereas, the recent trend of scheduled air carriers is to reduce air flight frequencies between Japan and Guam for the carrier's convenience as well as fixing unattractive departure and arrival schedules; and

"Whereas, Japan to Guam air fare is comparatively high in relation to other destinations in the Far East; and

"Whereas, the disadvantages to Guam resulting from the above is to deter tourism and the economic growth of Guam contrary to President Carter's policy of advocating freedom of the skies and reduction of air fares; and

"Whereas, in addition to the scheduled flights which are limited to flights from Narita Airport, Osaka, and Okinawa to Guam for convenience primarily of business personnel, Inclusive Tour Charters (ITC) should be allowed for air carriers from Japan to enable Japanese residents to depart from other Japanese domestic air terminals such as Sapporo, Niigata and Kyushu, for Guam; now, therefore, be it

"Resolved, that in view of the serious repercussions to Guam, the Fourteenth Guam Legislature, on behalf of the people of Guam, requests the U.S. Congress and the Government of Japan to review carrier schedules to Guam with respect to the Japan-U.S. Civil Aviation Treaty to make Guam more easily accessible to all prospective Japanese tourists; and be it further

"Resolved, that since All Nippon Airway (ANA) with the requisite capabilities has expressed willingness to fly Inclusive Tour Charters (ITC) to Guam, Guam hereby extends an invitation to ANA to serve Guam from Japan by its said charters at its earliest possible convenience; and be it further

"Resolved, that the Speaker certify to and the Legislative Secretary attest the adoption hereof and that copies of the same be thereafter transmitted to the Chairman, Civil Aeronautics Board; to the Prime Minister of Japan; to the President of All Nippon Airway (ANA); to the Speaker of the House of Representatives, U.S. Congress; to Congressman A. B. Won Pat; to the President Pro Tem, U.S. Senate; to the Guam Visitors Bureau; to the Director, Department of Commerce, Government of Guam; to the Guam Airport Authority; and to the Governor of Guam."

POM-25. A petition from the Young Crusaders, First United Methodist Church, Lafayette, La., requesting a Presidential Proclamation; to the Committee on the Judiciary.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. WALLOP (for himself, Mr. THURMOND, Mr. KENNEDY, Mr. MCGOVERN, Mr. CRANSTON, Mr. SIMPSON, Mr. HAYAKAWA, Mr. RIEGLE, and Mr. DECONCINI):

S. 105. A bill to amend title 28 and title 18 of the United States Code to prohibit and remedy the interstate restraint of children in violation of rights of custody and visitation, and for other purposes; to the Committee on the Judiciary.

By Mr. HAYAKAWA:

S. 106. A bill to amend title XVI of the Social Security Act to provide for attribution of sponsor's income and resources to aliens; to the Committee on Finance.

By Mr. MORGAN:

S. 107. A bill to provide for the establishment of a National Agricultural Cost of Production Board; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. PROXMIRE (for himself and Mr. STEWART):

S. 108. A bill to amend the Truth in Lending Act to facilitate compliance by simplifying the requirements imposed under that act, to facilitate administrative enforcement of that act, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. HARRY F. BYRD, JR. (for himself and Mr. NUNN):

S. 109. A bill to require the reinstitution of procedures for the registration of certain persons under the Military Selective

Service Act, and for other purposes; to the Committee on Armed Services.

By Mr. NELSON (for himself, Mr. FORD, Mr. HUDDLESTON, Mr. PELL, Mr. SASSER, Mr. WEICKER, and Mr. STEWART):

S. 110. A bill to amend the Internal Revenue Code of 1954 to provide accelerated and simplification depreciation for small business; to the Committeee on Finance.

By Mr. BUMPERS:

S. 111. A bill to improve the administrative process by making Federal agencies more responsive to the will of the people as expressed by their elected representatives in Congress; to the Committee on the Judiciary.

By Mr. DOLE:

S. 112. A bill to repeal the carryover basis provisions added by the Tax Reform Act of 1976; to the Committeee on Finance.

By Mr. THURMOND:

S. 113. A bill for the relief of Henry C. Fleming, III; to the Committeee on Armed Services.

By Mr. DECONCINI (for himself and Mr. THURMOND):

S. 114. A bill to establish rational criteria for the imposition of the sentence of death, and for other purposes; to the Committee on the Judiciary.

By Mr. MATHIAS:

S. 115. A bill to establish procedures for the issuance and enforcement of search warrants and other legal processes, to provide a remedy for persons injured by a failure to comply with such procedures, and for other purposes; to the Committee on the Judiciary.

By Mr. LUGAR:

S. 116. A bill to terminate the authorizations for Lafayette Dam and Reservoir, Big Pine Dam and Reservoir, and Clifty Creek Dam and Reservoir in the State of Indiana; to the Committeee on Environment and Public Works.

By Mr. COCHRAN:

S. 117. A bill for the relief of Heung-Sang Chun (also known as Margaret Chun): to the Committee on the Judiciary.

By Mr. TSONGAS:

S. 118. A bill for the relief of Paul Spyropoulos, Barbara Spyropoulos, husband and wife, and Sotirios Spyropoulos, their son; to the Committeee on the Judiciary.

By Mr. BELLMON:

S. 119. A bill to reduce duplicative and redundant reporting requirements imposed on American businesses by Federal agencies; to the Committee on Governmental Affairs.

By Mr. CRANSTON:

S. 120. A bill for the relief of Marie Elena Foley and Caritina Ann Foley; to the Committee on the Judiciary.

S. 121. A bill for the relief of Felix Hernandez-Arana and his wife, Felicia Ogaldez-De Hernandez; to the Committee on the Judiciary.

S. 122. A bill for the relief of Clarita Valdez Aragones; to the Commitee on the Judiciary.

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S. 123. A bill to amend the Social Security Act to provide for the payment under medicare of services by psychologists; to the Committee on Finance.

By Mr. BURDICK:

S. 124. A bill for the relief of Monchito C. Entena; to the Committee on the Judiciary.

S. 125. A bill for the relief of Ardashir Mardirosian; to the Committee on the Judiciary.

S. 126. A bill for the relief of Gang-Fung Chen, Li-Li H. Chen, Pzung-Hwes Chen, and Pzung-Kai Chen; to the Committee on the Judiciary.

S. 127. A bill for the relief of Oscar Fadul, Fe G. Fadul, and Katherine G. Fadul; to the Committee on the Judiciary.

S. 128. A bill for the relief of Elwood Erickson; to the Committee on the Judiciary.

By Mr. CHURCH:

S. 129. A bill to designate September 17, 1987, as a legal public holiday; to the Committee on the Judiciary.

By Mr. YOUNG:

S. 130. A bill for the relief of Dr. Vidal O. Simpao, Jr., and his wife, Abigail Simpao; to the Committee on the Judiciary.

S. 131. A bill for the relief of Dr. Manuel Javier Mariano and his wife, Lilia Zapanta Mariano; to the Committee on the Judiciary.

By Mr. BAKER:

S. 132. A bill for the relief of Dirk Vierkant; to the Committee on the Judiciary.

By Mr. HELMS:

S. 133. A bill for the relief of Veronica Anthony; to the Committee on the Judiciary.

S. 134. A bill for the relief of Shyy Wen-Huei; to the Committee on the Judiciary.

S. 135. A bill for the relief of Vasudev B. Bhatt; to the Committee on the Judiciary.

S. 136. A bill for the relief of Antony C. Hui; to the Committee on the Judiciary.

S. 137. A bill for the relief of George Bolus Boutros and Pierre Philip Boutros; to the Committee on the Judiciary.

By Mr. FORD:

S. 138. A bill for the relief of Wilhelmina Octavo Lucila; to the Committee on the Judiciary.

S. 139. A bill for the relief of Dr. Samuel Blancaflor Gregorio, and his wife, Raquel Luga Gregorio; to the Committee on the Judiciary.

By Mr. YOUNG (for himself and Mr. BURDICK):

S. 140. A bill to authorize the Secretary of the Interior to defer repayment of municipal and industrial costs of the Dickinson Unit; to the Committee on Energy and Natural Resources.

By Mr. YOUNG:

S. 141. A bill to authorize the Secretary of the Interior to engage in a feasibility investigation of a potential water resource development; to the Committee on Energy and Natural Resources.

S. 142. A bill to authorize the Secretary of the Interior to enter into contracts or other agreements with appropriate law enforcement entities for the purpose of providing law enforcement services at Lake Tschida, N. Dak.; to the Committee on Energy and Natural Resources.

By Mr. INOUYE:

S. 143. A bill for the relief of Mr. and Mrs. Shinya Nozaki; to the Committee on the Judiciary.

S. 144. A bill for the relief of Mr. Angelo B. Cortes; to the Committee on the Judiciary.

S. 145. A bill for the relief of Sylvester Hiongue; to the Committee on the Judiciary.

S. 146. A bill for the relief of Ms. Marlene Sabina Lajola; to the Committee on the Judiciary.

S. 147. A bill for the relief of Lenora Antes and Rudolfo Mateo Antes; to the Committee on the Judiciary.

S. 148. A bill for the relief of Lucilo Mejia Bolaoen; to the Committee on the Judiciary.

S. 149. A bill for the relief of Miss Evelyn R. Rey; to the Committee on the Judiciary.

S. 150. A bill for the relief of Mr. and Mrs. Lemuel D. Navarrete; to the Committee on the Judiciary.

S. 151. A bill for the relief of Jerry W. Manandic and Ceferino W. Manandic; to the Committee on the Judiciary.

S. 152. A bill for the relief of Dr. Belinda A. Aquino; to the Committee on the Judiciary.

S. 153. A bill for the relief of Benjamin N. Mascarenas; to the Committee on the Judiciary.

S. 154. A bill for the relief of Arron P. K. Yung; to the Committee on the Judiciary.

S. 155. A bill for the relief of Andrew N. Respicio; to the Committee on the Judiciary.

S. 156. A bill for the relief of David Parkin; to the Committee on the Judiciary.

By Mr. BUMPERS (for himself and Mr. PRYOR):

S. 157. A bill for the relief of Anibal Hadad, his wife Alicia Hadad, and his son Daniel Hadad; to the Committee on the Judiciary.

By Mr. BUMPERS:

S. 158. A bill for the relief of Ahmad Shuja Khan McGuire; to the Committee on the Judiciary.

S. 159. A bill for the relief of Raul Arriaza, his wife, Maria Marquart Schubert Arriaza, and their children, Andres Arriaza and Daniel Alvouich Arriaza; to the Committee on the Judiciary.

S. 160. A bill for the relief of Kurt Perwolf, his wife Hilda Perwolf, and his son Christian Perwolf; to the Committee on the Judiciary.

By Mr. ZORINSKY:

S. 161. A bill for the relief of Dr. Dela Cruz; to the Committee on the Judiciary.

S. 162. A bill for the relief of T. Sgt. Herman F. Baca, U.S. Air Force; to the Committee on the Judiciary.

By Mr. MATSUNAGA:

S. 163. A bill for the relief of Jutta Renate Kruparz; to the Committee on the Judiciary.

S. 164. A bill for the relief of Wen Hwei Hsu; to the Committee on the Judiciary.

S. 165. A bill for the relief of Vivian Lim Ong; to the Committee on the Judiciary.

S. 166. A bill for the relief of Amadeo Sembrano Timbol, his wife Hannah Aola Sangkula Timbol, his son Abel Sangkula Timbol, and his daughter Schiraliz Sangkula Timbol; to the Committee on the Judiciary.

S. 167. A bill for the relief of Masami Yamada; to the Committee on the Judiciary.

S. 168. A bill for the relief of Benjamin Miguel Acob; to the Committee on the Judiciary.

S. 169. A bill for the relief of Kwok Hung Poon and his wife, Sandra Man Lai Poon; to the Committee on the Judiciary.

S. 170. A bill for the relief of Janet Abraham, also known as Janet Susan Abraham; to the Committee on the Judiciary.

S. 171. A bill for the relief of Feliciana Usita Barroga; to the Committee on the Judiciary.

S. 172. A bill for the relief of Zosima Batoon; to the Committee on the Judiciary.

S. 173. A bill for the relief of Duk Chan Byun, his wife Yun Ja Byun, and his children Hye Ja Byun, Hye Sun Byun, Hye Ryung Byun. and Yung Eun Byun; to the Committee on the Judiciary.

S. 174. A bill for the relief of Goldhorn Cheng, Cheng-Hwa Lee Cheng, Shih-Chuang Cheng, Shih-Huang Cheng, and Shih-Kang Cheng; to the Committee on the Judiciary.

By Mr. THURMOND:

S. 175. A bill for the relief of James Hugh Thomas; to the Committee on the Judiciary.

S. 176. A bill for the relief of Doctor Akbar Khan; to the Committee on the Judicary.

S. 177. A bill for the relief of Mohsen P. Roudsari; to the Committee on the Judiciary.

S. 178. A bill for the relief of Zacharia P. Varghese; to the Committee on the Judiciary.

S. 179. A bill for the relief of Reina Estela Olvera; to the Committee on the Judiciary.

S. 180. A bill for the relief of Chakrapani Sethumadhavan; to the Committee on the Judiciary.

S. 181. A bill for the relief of Catherine and Robert Fossez; to the Committee on the Judiciary.

S. 182. A bill for the relief of Frans Mustert; to the Committee on the Judiciary.

S. 183. A bill for the relief of Anup and Lauleen Mody; to the Committee on the Judiciary.

S. 184. A bill for the relief of Alan Hui; to the Committee on the Judiciary.

S. 185. A bill for the relief of Mustafa A.

Shamsedin; to the Committee on the Judiciary.

S. 186. A bill for the relief of Emi Ohta; to the Committee on the Judiciary.

By Mr. MELCHER:

S. 187. A bill for the relief of Constantine Oifie Ockiya and Elizur Olufunmilaya Ockiya, husband and wife; to the Committee on the Judiciary.

By Mr. STEVENSON (for himself, Mr. Percy, Mr. Lugar, and Mr. Bayh):

S. 188. A bill to amend the Disaster Relief Act of 1974; to the Committee on Environment and Public Works.

By Mr. INOUYE:

S. 189. A bill to amend the Merchant Marine Act, 1936, to direct the Secretary of Commerce to cooperate with the Secretary of the Navy and the maritime industry in establishing an adequate and well-balanced fleet; to the Committee on Commerce, Science, and Transportation.

By Mr. KENNEDY (for himself, Mr. Bayh, Mr. Biden, Mr. Cranston, Mr. DeConcini, Mr. Ford, Mr. Hatfield, Mr. Inouye, Mr. Leahy, Mr. Magnuson, Mr. Mathias, Mr. Matsunaga, Mr. McGovern, Mr. Metzenbaum, Mr. Ribicoff, Mr. Riegle, Mr. Tsongas, and Mr. Williams):

S. 190. A bill entitled the "Victims of Crime Act of 1979"; to the Committee on the Judiciary.

By Mr. BENTSEN:

S. 191. A bill to protect the confidentiality of the identities of certain employees of the Central Intelligence Agency; to the Committee on the Judiciary.

By Mr. BUMPERS:

S. 192. A bill to amend the Internal Revenue Code of 1954 to equalize the tax treatment of domestic and foreign investors; to the Committee on Finance.

By Mr. TOWER (for himself, Mr. Nunn, Mr. Schmitt, and Mr. Morgan):

S. 193. A bill to amend the Federal Trade Commission Act to provide for congressional review of each rule proposed by the Federal Trade Commission; to the Committee on Commerce, Science, and Transportation.

By Mr. McGOVERN:

S. 194. A bill to regulate and control the acquisition of U.S. agricultural land by foreign persons, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. BUMPERS:

S. 195. A bill to extend through October 1, 1979, provisions which expired on October 1, 1978, relating to payment under the Social Security Act for services of physicians rendered in a teaching hospital; to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. Stafford, Mr. Randolph, Mr. Stone, Mr. Durkin, Mr. Burdick, Mr. Goldwater, Mr. Gravel, Mr. Hollings, Mr. Melcher, and Mr. McGovern):

S. 196. A bill to provide chiropractic treatment when requested for veterans eligible for outpatient medical care; to the Committee on Veterans' Affairs.

By Mr. INOUYE:

S. 197. A bill to amend the definition of the term "qualified vessel" under a capital construction fund; to the Committee on Commerce, Science, and Transportation.

By Mr. SARBANES:

S. 198. A bill to permit the burial of Chief Tayac in Piscataway Park, Oxon Hill, Md.; to the Committee on Energy and Natural Resources.

By Mr. INOUYE:

S. 199. A bill to amend the Shipping Act, 1916, to strengthen the provisions prohibiting rebating practices in the U. S. foreign trades; to the Committee on Commerce, Science, and Transportation.

By Mr. DANFORTH (for himself, Mr. Williams, Mr. Moynihan, and Mr. Javits):

S. 200. A bill to amend title II of the Public Works Employment Act of 1976 to extend the antirecession provisions of that act, and to esablish a supplementary antirecession fiscal assistance program for local governments suffering severe unemployment; to the Committee on Environment and Public Works.

By Mr. BAYH (for himself, Mr. Williams, Mr. McGovern, Mr. Randolph, and Mr. Leahy):

S. 201. A bill to amend title XVIII of the Social Security Act to provide for coverage under part B of medicare for routine exfoliative cytology tests for the diagnosis of uterine cancer; to the Committee on Finance.

By Mr. WILLIAMS (for himself, Mr. Javits, Mr. Randolph, and Mr. Riegle):

S. 202. A bill to create a National Commission on Alcoholism and Other Alcohol-Related Problems; to the Committee on Human Resources.

By Mr. WILLIAMS:

S. 203. A bill to amend title 5 of the United States Code to allow a retired employee or Member who, upon remarriage, elects to have his spouse receive a survivor annuity to increase the amount of such annuity over the amount of the survivor annuity elected for his previous spouse; to the Committee on Governmental Affairs.

By Mr. STONE:

S. 204. A bill for the relief of Space Systems Laboratories, Inc., of Melbourne, Fla.; to the Committee on the Judiciary.

By Mr. MATSUNAGA (for himself and Mr Inouye):

S. 205. A bill directing the Administrator of General Services to convey certain property to the State of Hawaii; to the Committee on Governmental Affairs.

By Mr. STONE:

S. 206. A bill to amend the Internal Revenue Code of 1954 to provide for a credit of up to $200 against income tax liability for post-1978 increases in social security tax liability; to the Committee on Finance.

By Mr. WALLOP (for himself and Mr. Simpson):

S.J. Res. 19. A joint resolution to authorize the President to issue a proclamation designating March 1979, as "Youth Art Month"; to the Committee on the Judiciary.

By Mr. ZORINSKY (for himself, Mr. Exon, Mr. Burdick, Mr. Young, and Mr. Melcher):

S.J. Res. 20. A joint resolution to increase the price support for milk, wheat, corn, soybeans, and cotton to not less than 90 per centum of the respective parity prices thereof; and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. JAVITS (for himself, Mr. Durenberger, and Mr. Chiles):

S.J. Res. 21. A joint resolution to establish a Joint Committee on National Health Insurance; to the Committee on Governmental Affairs.

By Mr. GARN (for himself, Mr. Danforth, Mr. DeConcini, Mr. Hatch, Mr. Hatfield, Mr. Helms, Mr. Humphrey, Mr. Jepsen, Mr. Lugar, Mr. McClure, Mr. Pressler, Mr. Proxmire, Mr. Randolph, Mr. Young, and Mr. Zorinsky):

S.J. Res. 22. A joint resolution proposing an amendment to the Constitution of the United States for the protection of unborn children and other persons; to the Committee on the Judiciary.

By Mr. MATSUNAGA (for himself and Mr. Inouye):

S.J. Res. 23. A joint resolution relating to the publication of economic and social statistics for Americans of East Asian or Pacific Island origin or descent; to the Committee on Governmental Affairs.

By Mr. MATSUNAGA (for himself, Ms. Kassebaum, Mr. Leahy, Mr. Mathias, Mr. Moynihan, and Mr. Williams):

S.J. Res. 24. A joint resolution to require improvement and expansion of the collection, analysis and publication of statistical data relating to working women; to the Committee on Human Resources.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. WALLOP (for himself, Mr. Thurmond, Mr. Kennedy, Mr. McGovern, Mr. Cranston, Mr. Simpson, Mr. Hayakawa, Mr. Riegle, and Mr. DeConcini):

S. 105. A bill to amend title 28 and title 18 of the United States Code to prohibit and remedy the interstate restraint of children in violation of rights of custody and visitation, and for other purposes; to the Committee on the Judiciary.

PARENTAL KIDNAPPING PREVENTION ACT OF 1979

Mr. WALLOP. Mr. President, one great disappointment of the 95th Congress was its failure to enact legislation to deter and ultimately prevent "child snatching"—the abduction of a child by one parent from the other parent.

Last year, the Senate adopted a comprehensive anti-child-snatching amendment which Senators Thurmond, Kennedy and McGovern joined me in offering to S. 1437, the criminal code reform bill. This was incorporated into S. 1437 as it passed the Senate on January 25, 1978. Unfortunately, the amendment have remained determined to find a was not enacted because of inaction by the House on companion criminal code legislation. In the intervening months I legislative solution to the child-snatching problem. To this end, I am reintroducing the child-snatching amendment today as a separate bill with Senators Thurmond, Kennedy, McGovern, Cranston, Simpson, Hayakawa, and Riegle as cosponsors.

Congresman Bennett will introduce a nearly identical bill in the House. It is our hope that this legislation will promptly receive the serious attention it warrants.

Since last January there have been a number of noteworthy developments relative to the proposal. The House Subcommittee on Criminal Justice held hearings which produced overwhelmingly positive comment on the amendment. The American Bar Association issued a resolution last summer endorsing the child-snatching amendment in its entirety. The Justice Department, in a letter to the House Judiciary Committee of this past September, recommended that any bill concerning civil remedies for child snatching be patterned after the civil remedies provided in section 1738A of my amendment.

The Department declared its support for legislation imposing a duty upon States, under standards derived from the Uniform Child Custody Jurisdiction Act, to give full faith and credit to custody decrees of sister States. The President recently established a White House Conference on the Family which has identified child snatching as a problem they plan to address. On the international scene, the Hague Conference has formed an advisory committee which is currently studying the parental kidnaping problem. This year has also been dedicated to children throughout the world; 1979 is the "International Year of the Child." Last but not least, interest and support for this proposal continues to come from citizens, parent groups, and journalists all over the country.

The need for this legislation is even greater today than it was 1 year ago. This is because the number of snatchings has grown and will continue to grow until something is done to stop this reprehensible practice. The Library of Congress estimated that upwards of 25,000 snatchings occur annually, with the number of incidents proportional to the ever-increasing divorce rate. These statistics translate into thousands of emotionally upset children, something we cannot and must not ignore.

Why do snatchings occur? The Department of Justice has analyzed the problem and offered the following explanation in a September 18, 1978 letter from Patricia Wald, Assistant Attorney General for Legislative Affairs, to Mr. PETER RODINO, chairman of the House Judiciary Committee:

> The Full Faith and Credit Clause of the Constitution (Article IV, Section 1) provides that "Full Faith and Credit shall be given in each State to the public Acts, Records, and judicial Proceedings of every other State" and authorizes Congress "to prescribe the Manner in which such Acts, Records and Proceedings shall be proved, and the Effect thereof." A child custody order, however, is subject to modification where changed circumstances warrant a different custody arrangement. Consequently, since child custody orders are continually subject to modification, a court deciding a custody case is not, as a federal constitutional requirement under current judicial interpretation of the Full Faith and Credit Clause, bound by a decree entered by a court of another state in an action involving the same parties . . .
>
> As a result, individuals who are unsuccessful (or who expect to be unsuccessful) in an action in one state will attempt to evade that state's jurisdiction by taking the child to another state and relitigating the custody issue there. The second state will often switch custody to the parent within its jurisdiction, thereby encouraging "child snatching" by rewarding the *de facto* physical custodian notwithstanding the existence of an order or decree to the contrary . . .

Another reason child snatching is on the increase is that there is no effective deterrent in the criminal laws of either the Federal or State Governments. The present Federal kidnaping statute, commonly referred to as the "Lindbergh Law," specifically excludes a parent from prosecution. At the State level, there is no uniform approach to child snatching. It is exceedingly difficult and in most cases virtually impossible to enforce the laws beyond State borders once a parent leaves the State with his or her child. Knowing that prosecution is unlikely, a parent can freely snatch his or her child with no little or real threat of punishment.

Having identified the principal factors that prompt child snatching—a desire to get custody with no attendant fear of punishment—it is appropriate to ask whether this is a problem the Federal Government should address. I am convinced it is. In a general discussion of the matter included in the letter quoted earlier in my remarks, the Justice Department agrees, stating, "It is in the province of the Federal Government to resolve problems which are interstate in origin and which the States, acting independently, seem unable to resolve."

Mr. President, the bill I am introducing today is substantially similar to the amendment the Senate passed last year. Several stylistic, technical and substantive changes have been made to incorporate suggestions made by the Justice Department, House witnesses and other commentators. However, the thrust remains unchanged—to promote the interstate recognition of child custody decrees and simultaneously to deter child snatching.

The bill consists of three major interdependent sections.

The first section amends title 28 of the United States Code by adding a new section 1738A. The new provision requires State courts to give full faith and credit to custody decrees rendered by sister State courts consistently with the provisions of the bill. The provisions are modeled on the Uniform Child Custody Jurisdiction Act (UCCJA) which establishes standards for choosing the most appropriate State to determine child custody. The philosophy underlying the UCCJA is to protect and promote the best interest of the child in deciding matters of custody. To date, the UCCJA has been adopted by 28 States and is under consideration in many others.

By adding new subsection 1738A, the Federal Government is, in effect adopting key provisions of the UCCJA for the entire country for purposes of interstate custody cases. All States will be required to enforce and not modify, except under specified circumstances, custody determinations made by a sister State court which exercises its jurisdiction in accordance with the provisions of this bill. This will remove the incentive parents now have for snatching their children and taking them to States where they can easily obtain modifications of custody decrees. It will also reduce the number of conflicting custody determinations in numerous States which in turn will conserve precious judicial time.

The second section amends section 453 of the Social Security Act which established the Federal Parent Locator Service (FPLS). The FPLS was set up to find parents who default on their child support obligations. This amendment expands the existing responsibilities of the FPLS to include locating parents who take, restrain, or conceal their children.

The amendment will promote cooperation among the States and the Federal Government in locating parents who violate custody determinations which are entitled to full faith and credit under new section 1738A and those who are alleged to have violated the new "Parental Kidnaping" section of this legislation. It will also greatly assist parents in relocating their children who have been snatched in violation of custody orders which are entitled to full faith and credit under this bill.

The parent locating system has been established in all 50 States and 4 territories as well as in the Federal Government. It has proven to be very successful in locating parents in nonsupport cases and should prove to be equally effective in child custody and parental kidnaping cases.

The third section adds a new section 1203 to title 18 of the United States Code entitled "Parental Kidnaping" which makes it a Federal misdemeanor for any parent, relative, or other person specified in the statute to snatch and transport a child across State lines in violation of a custody determination entitled to full faith and credit under new section 1738A of title 28, United States Code. It creates two minor offenses, "restraining a child" and "concealing a child," punishable by up to 30 days imprisonment or $10,000, or both, and up to 6 months imprisonment or $10,000, or both, respectively.

In effect, this amendment closes the loophole in the existing Federal kidnaping law, section 1201(a) of title 18, United States Code, which exempts parents from prosecution. It does this by creating a less serious offense for the situation in which a person interferes with visitation or custodial rights of another person which are set forth in a custody determination entitled to full faith and credit under this bill.

This provision is intended to cover the typical child snatching case in which one parent takes his or her child in violation of a custody decree in favor of the other parent. It would also apply to the private detective, friend, or relative who helps the parent snatch the child in disregard of a custody determination entitled to full faith and credit recognition.

Under this amendment, Federal criminal courts will not become the arbiters of custody matters. Federal criminal jurisdiction would only come into play where a parent violates a custody determination enforceable under new section 1738A of title 28. In other words, parties to a custody dispute are obligated to seek a civil remedy by obtaining a custody determination under the civil laws of a State before a Federal prosecution could be brought under this section.

The criminal laws will serve as an added deterrent to the parent who might otherwise disregard a custody award by snatching and taking the child to another State. In addition, this provision authorizes the FBI to investigate interstate child snatchings which will greatly assist State, local and private efforts to locate children and parents who have snatched them.

This legislation is the product of many months of drafting, discussion and further refinement. Each of these steps is a reminder that there may still be room for improvement. Legal scholars, constitutional experts, family law practitioners, social scientists, parents and any other persons interested in this proposal are invited to carefully scrutinize and comment on it in an effort to shape the still-moist legislative clay into the best possible form.

Several recent writings may prove useful in the evaluation process: First, Child-Stealing Report, published by the Los Angeles County District Attorney's Office, John K. Van DeKamp, District Attorney, August 1977; second, The Snatched Child is Halfway Home in Congress, by Russell M. Coombs, Family Law Quarterly, volume XI, number 4, at page 408, Winter, 1978; and third, Child Snatching and Custodial Fights: Case for the Uniform Child Custody Jurisdiction Act, by Henry H. Foster and Doris Jones Freed, Hastings Law Journal, volume 289, at page 1011, March, 1977. In addition, numerous recent articles on the subject are reprinted for easy reference at the conclusion of my remarks.

Mr. President, our future as a Nation depends upon our children; enacting the "Parental Kidnapping Prevention Act of 1979" will protect our precious future.

I ask unanimous consent that the bill and material in connection with this subject be printed in the RECORD.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 105

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Parental Kidnapping Prevention Act of 1979".

FINDINGS AND PURPOSES

SEC. 2. (a) The Congress finds that—

(1) there is a large and growing number of cases annually involving disputes between persons claiming rights of custody and visitation of children under the laws, and in the courts, of different States, the District of Columbia, the Commonwealth of Puerto Rico, and the territories and possessions of the United States;

(2) the laws and practices by which the courts of those jurisdictions determine their jurisdiction to decide such disputes, and the effect to be given the decisions of such disputes by the courts of other jurisdictions, are often inconsistent and conflicting;

(3) those characteristics of the law and practice in such cases, along with the limits imposed by a Federal system on the authority of each such jurisdiction to conduct investigations and take other actions outside its own boundaries, contribute to a tendency of parties involved in such disputes to frequently resort to the seizure, restraint, concealment, and interstate transportation of children, the disregard of court orders, excessive re-litigation of cases, obtaining of conflicting orders by the courts of various jurisdictions, and interstate travel and communication that is so expensive and time-consuming as to disrupt their occupations and commercial activities; and

(4) among the results of those conditions and activities are the failure of the courts of such jurisdictions to give full faith and credit to the judicial proceedings of the other jurisdictions, the deprivation of rights of liberty and property without due process of law, burdens on commerce among such jurisdictions and with foreign nations, and harm to the welfare of children and their parents and other custodians.

(b) For those reasons it is necessary to establish a national system for locating parents and children who travel from one such jurisdiction to another and are concealed in connection with such disputes, and to establish national standards under which the courts of such jurisdictions will determine their jurisdiction to decide such disputes and the effect to be given by each such jurisdiction to such decisions by the courts of other such jurisdictions.

(c) The general purposes of the Act are to—

(1) promote cooperation between State courts to the end that a determination of custody and visitation is rendered in the State which can best decide the case in the interest of the child;

(2) promote and expand the exchange of information and other forms of mutual assistance between States which are concerned with the same child;

(3) facilitate the enforcement of custody and visitation decrees of sister States;

(4) discourage continuing interstate controversies over child custody in the interest of greater stability of home environment and of secure family relationships for the child;

(5) avoid jurisdictional competition and conflict between State courts in matters of child custody and visitation which have in the past resulted in the shifting of children from State to State with harmful effects on their well-being; and

(6) deter interstate abductions and other unilateral removals of children undertaken to obtain custody and visitation awards.

FULL FAITH AND CREDIT GIVEN TO CHILD CUSTODY DETERMINATION

SEC. 3 (a) Chapter 115 of title 28, United States Code, is amended by adding immediately after section 1738 the following new section:

"§ 1738A. Full faith and credit given to child custody determinations

"(a) The appropriate authorities of every State shall enforce according to its terms, and shall not modify except as provided in subsection (f) of this section, any child custody determination made consistently with the provisions of this section by a court of another State.

"(b) As used in this section, the term—

"(1) 'child' means a person under the age of eighteen;

"(2) 'contestant' means a person, including a parent, who claims a right to custody or visitation of a child;

"(3) 'custody determination' means a judgment, decree, or other order of a court providing for the custody or visitation of a child, and includes permanent and temporary orders, and initial orders and modifications;

"(4) 'home State' means the State in which, immediately preceding the time involved, the child lived with his parents, a parent, or a person acting as parent, for at least six consecutive months, and in the case of a child less than six months old, the State in which the child lived from birth with any of such persons. Periods of temporary absence of any of such persons are counted as part of the six-month or other period;

"(5) 'modification' and 'modify' refer to a custody determination which modifies, replaces, supersedes, or otherwise is made subsequent to, a prior custody determination concerning the same child, whether made by the same court or not;

"(6) 'person acting as a parent' means a person, other than a parent, who has physical custody of a child and who has either been awarded custody by a court or claims a right to custody;

"(7) 'physical custody' means actual possession and control of a child; and

"(8) 'State' means a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or a territory or possession of the United States.

"(c) A child custody determination made by a court of a State is consistent with the provisions of this section only if—

"(1) such court has jurisdiction under the law of such State; and

"(2) one of the following conditions is met:

"(A) such State (i) is the home State of the child on the date of the commencement of the proceeding, or (ii) had been the child's home State within six months before the date of the commencement of the proceeding and the child is absent from such State because of his removal or retention by a contestant or for other reasons, and a contestant continues to live in such State;

"(B) it is in the best interest of the child that a court of such State assume jurisdiction because (i) the child and his parents, or the child and at least one contestant, have a significant connection with such State other than mere physical presence in such State, and (ii) there is available in such State substantial evidence concerning the child's present or future care, protection, training, and personal relationships;

"(C) the child is physically present in such State and (i) the child has been abandoned, or (ii) it is necessary in an emergency to protect the child because he has been subjected to or threatened with mistreatment or abuse;

"(D)(i) it appears that no other State would have jurisdiction under subparagraphs (A), (B), (C), or (E), or another State has declined to exercise jurisdiction on the ground that the State whose jurisdiction is in issue is the more appropriate forum to determine the custody of the child, and (ii) it is in the best interest of the child that such court assume jurisdiction; or

"(E) the court has continuing jurisdiction pursuant to subsection (d) of this section.

"(d) The jurisdiction of a court of a State which has made a child custody determination consistently with the provisions of this section continues as long as the requirement of subsection (c)(1) of this section continues to be met and such State remains the residence of the child or of any contestant.

"(e) Before a child custody determination is made, reasonable notice and opportunity to be heard shall be given to the contestants, any parent whose parental rights have not been previously terminated, and any person who has physical custody of a child.

"(f) A court of a State may modify a determination of the custody of the same child made by a court of another State, if—

"(1) it has jurisdiction to make such a child custody determination; and

"(2) the court of the other State no longer has jurisdiction, or it has declined to exercise such jurisdiction to modify such determination.

"(g) A court of a State shall not exercise jurisdiction in any proceeding for a custody determination commenced during the pendency of a proceeding in a court of another State where such court of that other State is exercising jurisdiction consistently with the provisions of this section to make a custody determination.".

"(b) The table of sections at the beginning of chapter 115 of title 28, United States Code, is amended by inserting after the item relating to section 1738 the following new item:

"1738A. Full faith and credit given to child custody determinations.".

(c) In furtherance of the purposes of section 1738A of title 28, United States Code, as added by subsection (a) of this section, State courts are encouraged to—

(1) afford priority to proceedings for custody determinations; and

(2) award to the person entitled to custody or visitation pursuant to a custody determination which is consistent with the provisions of such section 1738A, necessary travel expenses, attorneys' fees, costs of private investigations, witness fees or expenses, and other expenses incurred in connection with such custody determination, in any case in which—

(A) a contestant has, without the consent of the person entitled to custody or visitation pursuant to a custody determination which is consistent with the provisions of such section 1738A, (i) wrongfully removed the child from the physical custody of such person, or (ii) wrongfully retained the child after a visit or other temporary relinquishment of physical custody; or

(B) the court determines it is appropriate.

PARENT LOCATOR SERVICE

SEC. 4. Section 453 of the Social Security Act (42 U.S.C. 653) is amended as follows:

(1) At the end of subsection (a), strike out the period and insert in lieu thereof a comma and "and information as to the whereabouts of any absent parent or child when such information is to be used to locate such parent or child for the purposes of enforcing section 1203 of title 18, United States Code, or making or enforcing a child custody determination, as defined in section 1738A of tile 28, United States Code, entitled under that section to be enforced by the appropriate authorities of other States.".

(2) Insert "or for the most recent address of any absent child" immediately after "parent" the first time it appears in subsection (b).

(3) At the end subsection (b), strike out the period and insert in lieu thereof ", (c)(4), (c)(5), (c)(6), or (c)(7).".

(4) At the end of paragraph (2) of subsection (c) strike out "and".

(5) At the end of subsection (c), strike out the period and insert in lieu thereof a semicolon.

(6) Add the following new paragraphs after paragraph (3) of subsection (c):

"(4) any agent or attorney of any State having in effect a plan approved under this part, who has the duty or authority under the law of such State to enforce a child custody determination, as defined in section 1738A of title 28, United States Code, entitled under that section to be enforced by the appropriate authorities of other States;

"(5) any court having jurisdiction to make or enforce such a child custody determination, or any agent of such court;

"(6) any parent, legal guardian, attorney, or agent of a child sought to be located pursuant to subsection (a) of this section; and

"(7) any agent or attorney of the United States who has the duty or authority to investigate, enforce, or bring a prosecution under section 1203 of title 18, United States Code.".

(7) In subsection (f), insert "or a child who is the subject of subsection (c)(4), (c)(5), (c)(6), or (c)(7)" after "(c)(3)".

PARENTAL KIDNAPING

SEC. 5. Chapter 55 of title 18, United States Code, is amended by adding immediately after section 1202 the following new section:

"§ 1203. Parental kidnapping

"(a) Subject to the jurisdictional requirements of subsection (c), whoever intentionally restrains a child in violation of any other person's right of custody or visitation arising from a custody determination entitled to enforcement under section 1738A of title 28, United States Code, and who has a relationship to that child as described in subsection (b), and—

"(1) conceals the child without good cause and holds him in a place where he is not likely to be found for more than seven days, shall be fined not more than $10,000, or imprisoned not more than six months, or both; or

"(2) restrains the child without good cause for more than thirty days, shall be fined not more than $10,000, or imprisoned not more than 30 days, or both.

"(b) Persons having the relationship required under subsection (a) are relatives by blood or marriage, guardians, foster parents, and agents of such persons.

"(c)(1) The provisions of subsection (a) shall apply only if—

"(A) the child is willfully transported in interstate or foreign commerce;

"(B) the exercise or enjoyment of the right of custody or visitation violated by this offense requires the crossing of a State or United States boundary by the child or the person entitled to the right violated by this offense;

"(C) any such act against the child is done within the special maritime and territorial jurisdiction of the United States;

"(D) any such act against the child is done within the special aircraft jurisdiction of the United States as defined in section 101 (32) of the Federal Aviation Act of 1958 (49 U.S.C. 1301 (32)); or

"(E) the child is a foreign official, an internationally protected person, or an official guest as those terms are defined in section 1116(b) of this title.

"(2) In the absence of facts indicating a lack of Federal jurisdiction, the failure to release the victim of an offense under this section within sixty days of the offense is a sufficient indication of the possibility that Federal jurisdiction exists, by virtue of the movement of the victim across a State or United States boundary, to justify the commencement of a Federal investigation subject to the provisions of subsection (g) of this section.

"(d) As used in this section, the term—

"(1) 'child' means a person of not more than fourteen years of age;

"(2) 'consent' includes, but is not limited to, willing assent, but does not include assent given by a person—

"(A) who is legally incompetent to authorize the conduct assented to;

"(B) who is, by reason of age, mental disease or defect, or intoxication, manifestly unable, or known by the person alleged to have violated this section to be unable, to make a reasonable judgment as to the nature or harmfulness of the conduct assented to; or

"(C) whose assent is induced by force, threat, intimidation, or deception; and

"(3) 'restrain' means to restrict the movement of the child without consent of the person whose right of custody or visitation is violated, so as to interfere with that child's liberty, by—

"(A) removing him from his place of residence or school; or

"(B) confining him in any place or moving him from one place to another, unless such confinement or movement is trivial.

"(e) It is a defense to a prosecution under this section that—

"(1) no person claiming entitlement to a right violated by this offense reported the offense to local law enforcement authorities within ninety days after the beginning of the restraint; or

"(2) the person alleged to have violated this section returns the child unharmed not later than 30 days after the issuance of a warrant for the arrest of that person.

"(f) Any sentencing guidelines promulgated for an offense described in this section shall include a reduction in the term of imprisonment, or penalty, or both, in any case in which the defendant returns the child unharmed.

"(g) (1) Any person claiming entitlement to a right violated by an offense under this section shall—

"(A) notify local law enforcement authorities; and

"(B) request assistance from the State parent locator service in locating the child and the person alleged to have violated this section.

"(2) The State parent locator service shall promptly seek the assistance of the Federal Parent Locator Service in locating the child and the person alleged to have violated this section.

"(3) The Federal Bureau of Investigation may not commence an investigation of an offense under this section unless sixty days have elapsed after both—

"(A) a report is filed with local law enforcement authorities in accordance with subsection (g)(1)(A) of this section; and

"(B) a request for assistance of the State parent locator service is made in accordance with subsection (g)(1)(B) of this section.".

(2) The table of sections at the beginning of chapter 55 of title 18, United States Code, is amended by inserting after the item relating to section 1202 the following new item:

"1203. Parental kidnapping.".

TWENTY-EIGHT STATES HAVE ADOPTED THE UNIFORM CHILD CUSTODY JURISDICTION ACT AS OF JANUARY 10, 1979

Alaska, Arizona, California, Colorado, Connecticut, Delaware, Florida, Georgia, Hawaii, Idaho, Indiana, Iowa, Kansas, Louisiana, Maryland, Michigan, Minnesota, Missouri, Montana, New York, North Dakota, Ohio, Oregon, Pennsylvania, Rhode Island, South Dakota, Wisconsin, Wyoming.

AMERICAN BAR ASSOCIATION,
Chicago, Ill., August 21, 1978.

Re Child Stealing.

Hon. PETER W. RODINO, JR.,
Chairman, Committee on the Judiciary,
U.S. House of Representatives,
Washington, D.C.

DEAR MR. CHAIRMAN: At the meeting of the House of Delegates of the American Bar Association held August 8–9, 1978 the attached resolution was adopted upon recommendation of the Section of Family Law.

This resolution is being transmitted for your information and whatever action you may deem appropriate. If hearings are scheduled on the subject of this resolution, we would appreciate your advising Herbert E. Hoffman, Director of the American Bar Association Governmental Relations Office, 1800 M Street, N.W., Washington, D.C. 20036, (202) 331-2210.

Please do not hesitate to let us know if you need any further information, have any questions or whether we can be of any assistance.

Sincerely yours,

HERBERT D. SLEDD.

RESOLUTION

I

Be It Resolved, That the American Bar Association encourages the legislatures of the various states which have not yet adopted the Uniform Child Custody Jurisdiction Act to do so at the earliest opportunity.

II

Be It Resolved, That the American Bar Association urges the Congress of the United States to enact legislation which would require the courts of the states to accord full faith and credit to the child custody and visitation decrees of each state, pursuant to Article IV, Section 1, of the United States Constitution.

III

Be It Resolved, That the American Bar Association supports the child snatching provisions set forth in S. 1437, the "Criminal

Code Reform Act of 1978," as passed by the U.S. Senate on January 30, 1978.

IV

Be It Resolved, That the American Bar Association recommends that upon occurrence of a snatching of a child, and a request for assistance and relief by the custodial parent from whom said child was removed, the Department of Health, Education and Welfare, the State Department, the Justice Department, and any other federal and/or state agencies who can provide immediate assistance, make their existing resources available to such parent, and provide such assistance as is available for the location and apprehension of the child.

V

Be It Resolved, That the American Bar Association urges the United States Congress, in treaties, and the State legislatures, in statutes, to take appropriate measures to provide in extradition treaties and statutes that the removal of a child from a custodial parent, in violation of an existing court decree, to another state or country, be construed as an extraditable act.

[From the Christian Science Monitor, Jan. 4, 1979]

WHEN PARENTS KIDNAP THEIR OWN CHILDREN

(By Lucia Mouat)

WASHINGTON.—Sandra Cordoba has not seen her five-year-old daughter Amanda in more than two years.

It was an October day in 1976. The child, arms filled with packages, was walking from a Casper, Wyoming, grocery store behind her grandparents. They were looking back periodically to check on her progress when they realized that she had suddenly disappeared.

Yet when Mrs. Cordoba, who was at work at the time, reported the incident to the police, she was told that there was nothing they could do about it.

The reason was that the kidnapper was Amanda's father and Mrs. Cordoba knew it. She soon learned that he had snatched the child with the help of seven detectives and a waiting Lear jet to take her back with him to his native Colombia.

Though Mrs. Cordoba had full custody in the eyes of Wyoming law, she says that she is powerless to do anything to change the present situation. Her calls and letters do not go through. "I live on hope," she says.

Hers is one of an estimated 100,000 such cases in the US in which one parent has tried to take the law into his own hands by snatching a child from the other parent.

CUSTODY OFTEN UNSETTLED

In most instances, the custody issue has not yet been settled. Often the kidnapping parent senses that the decision will not go his way. But gaining legal custody does not always prevent child-stealing.

One Maryland mother, for instance, who has won legal custody of her youngster in seven different states, has had her child snatched by her husband seven times.

Many of the abducting parents keep moving, sometimes keeping the child out of school altogether or changing his name. A detective trying to trace the whereabouts of one such child who needed regular medical attention, found that the youngster had been checked into several different clinics in one geographical region but had never returned to any for the requested follow-up visit.

Many of the child-snatchers become so adept at hiding and covering all traces that nationally only about 10 percent of all such children are found again, according to Arnold Miller. He is founder and president of Children's Rights, Inc., a Washington, D.C., clearinghouse on child-stealing cases which is pushing hard for state and national recognition of the problem as a crime.

'PUTTING THE CHILD FIRST'

Mr. Miller considers his own case proof that custody is not the real issue. Though his wife had custody and he had visiting rights, he has not seen his eight-year-old son Mason in more than four years. He says now that he spent half that time trying to rally help from police, lawyers, relatives, and detectives. Finally, just as he came upon a strong lead that his son was somewhere in Georgia, he decided to give up the search.

"I suddenly realized I'd been putting myself first all that time and my son second," he says. "I know my [former] wife well enough to know that he's getting food, clothing, and shelter, and that he's in school, and I have no doubt now that he and I will get together in the future, when he's older."

It is that focus on the child and his feelings which Mr. Miller says is missing in most parental efforts to snatch or recover a child. Some parents spend as much as $10,000 to $20,000 to trace and recover the missing child. Often the youngster becomes a pawn to spite the other parent. The youngster may be told that the other parent doesn't want him anymore or might hurt him—stories which could encourage a mistrust of adults in general.

"We feel that a child has the right to know and love both parents and that his welfare ought to be given top consideration," says Mr. Miller. "It's why we named our organization children's instead of parent's rights."

'A TRAUMATIC EXPERIENCE'

It is a key reason, too, why Mrs. Cordoba has virtually abandoned all efforts to get her daughter back. "I know it was a traumatic experience for her when she was taken, and I would absolutely never consider snatching her back," she says.

Regardless of how such parents feel about the wisdom of resnatching their children, however, most agree that child-stealing should be branded as a crime rather than brushed aside as a domestic issue in which the law should not become involved.

After her daughter was taken, for instance, Mrs. Cordoba worked with her attorney, Patrick Hacker, to draft a state law making it a felony for any parent to forcibly take and conceal a child from the other. The parent can be extradited from another state for the offense, and the Wyoming law has worked in at least two instances since it passed the legislation there two years ago.

A similar law in Iowa is credited by Roy Peters of Des Moines for the return of his 14-year-old daughter Joanne, who was taken to Saudi Arabia by her mother three years ago.

Though Mr. Peters had custody of his daughter, he was unable to do anything about it until his former wife and her new husband returned to this country last summer. Their names appeared on the U.S. Customs list for arrest, and, in exchange for free movement on bond until a jury trial got under way in early December, they agreed to turn over the daughter to her father when they re-entered the country.

"We couldn't do anything until they got ready to come back," says Mr. Peters. "We just sat here with the papers for three years."

FEDERAL ROLE PRESSED

But most of those who want to see an end to child-stealing talk not so much of the need for tougher state laws as for a strong federal law to end existing differences between states and for an international task force to discuss how to handle the problem on a global basis.

The best solution in sight, says Mr. Miller, is a comprehensive Capitol Hill bill offered by Sen. Malcolm Wallop (R) of Wyoming, which passed the Senate but not the House last year. It would make child-snatching a federal crime and force states to recognize custody decisions made in the child's home state. It would also require the Department of Health, Education, and Welfare's parent locator service, now used to track missing parents for child support purposes, to help search for lost children.

The Justice Department has been opposed to any move to use the FBI in such tracking, and the Wallop bill provides for a 60-day span between the time one parent files a missing person report and any FBI involvement. Mr. Miller, who regards child-snatching as a form of mental child abuse, suggests that the very branding of the act as a crime will act as a deterrent and lessen any need for FBI involvement.

Children's Rights, Inc., headquartered at 3443 17th Street N.W., Washington, DC 20010, has about 30 chapters and puts out a quarterly newsletter which members (joining costs $5) automatically receive.

[From Time Magazine, Feb. 27, 1978]

MOVING TO STOP CHILD SNATCHING

IS A FEDERAL LAW THE ANSWER?

Eighteen months ago, a California designer named Susan Downer received a chatty telephone call from her three children (ages eleven, six and four), who were visiting her divorced husband in Manhattan. It was the last time she ever head from them. When Mrs. Downer drove to the Los Angeles airport to pick them up, they were not aboard their designated flight. Ex-Husband Seth Gerchberg, it later developed, had remarried, liquidated his assets, obtained a passport and disappeared with the children. Since then Mrs. Downer and her second husband have spent $40,000 on a futile investigative legal odyssey that finally cost them their Pacific Palisades home and landed them on welfare. Increasingly disconsolate over having allowed the court-ordered Manhattan visit, Mrs. Downer now wonders: "Why was I so stupid as to obey the law?"

It is an understandable question. An estimated 25,000 to 100,000 child-snatching cases occur every year, and so the parent who observes court orders risks ending up the loser. In most states, kidnaping of children by one of their parents is not treated as a crime. Parents, even those denied custody in divorce arrangements, are exempted from the federal kidnap law. Lacking jurisdiction, the FBI almost never helps locate or return abducted offspring, even when state lines are crossed. Maybe, says Mrs. Downer, "I should tell them I've had three cars stolen, and their names are Josyln, Heather and Terry." Says another victimized parent: "If my former husband stole a neighbor's cow, the authorities would follow him to the end of the world. But they can't do a thing to help me find my girls."

The situation leads to disrespect for court orders and some spectacular snatches. After Pittsburgh Millionaire Steward Prosser Mellon and Wife Karen were divorced in 1974, a Pennsylvania court awarded custody of their two girls to Mellon. During a visit, however, their mother took the children to New York and later gained legal custody in a court there. Two years ago, three men employed by Mellon seized the two girls as they were on their way to a Brooklyn school, and the millionaire still has them.

Twenty states * have moved to stop nose thumbing at court orders by passing the Uniform Child Custody Jurisdiction Act, which generally promises respect for custody terms worked out in other states. That still leaves 30 states as potential havens for child snatchers, however, and the act does not provide a mechanism to track abductions across state lines. An obvious answer is federal standards, but lawmakers are reluctant to thrust Washington into family spats. Says U.S. Representative John Conyers of Michigan, whose House Judiciary subcommittee has buried several federal bills: "Whenever there is onerous conduct, everybody says there ought to be a law." Last week the influential American Bar Association House of Delegates solidly repudiated, 135 to 82, a resolution that would subject parental child snatchers to federal kidnap laws. Cried Washington, D.C., Attorney Lee Loevinger: "Do we really want to make loving parents into federal criminals?"

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* Alaska, California, Colorado, Delaware, Florida, Hawaii, Idaho, Indiana, Iowa, Maryland, Michigan, Minnesota, Montana, New York, North Dakota, Ohio, Oregon, Pennsylvania, Wisconsin, Wyoming.

That may happen anyway. Last month Wyoming Senator Malcolm Wallop successfully tacked an antisnatching amendment on S.1437 before that bill overhauling the federal criminal code was approved by the U.S. Senate. It would require states to give "full faith and credit" to legitimate custodial orders from other states, make parental child snatching a misdemeanor, and provide for FBI child hunts after 60 days. The entire bill is now being considered by a House subcommittee, and many anguished parents hope for speedy passage. Savs Pasadena, Calif., Psychologist Dr. Philip Weeks; "Child stealing is one of the most subtle and brutal forms of child abuse."

[From the Nation, May 7, 1977]

THE CHILD-STEALING EPIDEMIC

(By Bruce W. Most)

David Anderson doesn't sleep well at night. He says he sees strangers in cars prowling his Denver, Colo. neighborhood. "I'm worried that the kids will be stolen again," he confides. He has reason to worry. Two of his three children have been stolen back and forth between him and his wife half a dozen times in the past five years.

Anderson is not alone in his concern. Some authorities estimate that more than 100,000 children a year are abducted by one of their own parents. Child-stealing has become a national epidemic, and the nation's courts and legislatures are spreading the virus, a plague that one Colorado lawyer described as "positively medieval."

The National Conference of Commissioners on Uniform State Laws described what usually happens: parents who have lost custody battles grab the kids to "seek their luck in the court of a distant state, where they hope to find—and often do find—a more sympathetic ear for their plea for custody. The party deprived of the child may then resort to similar tactics to recover the child and this 'game' may continue for years, with the child thrown back and forth from state to state, never coming to rest in a single home and in one community."

The "game" often includes other players who assist the parents. In 1975, Anderson's wife, living in Virginia, hired a private detective to stake out and photograph the house in Denver where Anderson's children were staying. A few days later, she and the detectives snatched the children right out of the front yard. Last spring, three men posing as FBI agents snatched the two daughters of Pittsburgh financier Seward Prosser Mellon from their mother, who allegedly had taken them from him three months earlier.

Another potential player is the professional child stealer, or "custody vigilante," as they prefer to be called. These include men such as Bill Ralston, founder of United Parents of Absconded Children, whose former wife abducted his two children; and "Mean Gene" Austin, a flamboyant Missourian who has helped parents snatch more than 400 children. Both men, and particularly Austin, act out of conviction: the snatches provide opportunities to publicize their stated efforts to reform the country's mishmash of custody laws.

Whatever the effects, child-stealing is usually played by both sides with the best of intentions. Parents become abductors from genuine love of their children and because they are convinced the other parent is unfit to raise them—even though the court may have ruled otherwise. (This is not to rule out the parent who steals the kids out of hostility toward the spouse.) Otherwise respectable lawyers encourage their clients to skip with the children. Larry Stotter, a San Francisco attorney and head of the American Bar Association's Section on Family Law believes that "most attorneys won't actually *tell* their client to take the kids out of state. But they will say, 'It doesn't look good in this state; maybe you would do better in another state.'" The absconding parent then goes court-shopping in a "haven state"—Florida, Iowa and Nebraska are among the most notorious—which ignores the original decree and awards custody to the abducting parent.

Unfortunately, what all these well-intentioned people fail to realize is that the children are the losers in this game. One needn't have advanced degrees in psychology to recognize that shuttling kids back and forth between parents, keeping one step ahead of the pursuing parent, shatters the emotional and educational stability that children need. Mellon had received custody of his children from a Pennsylvania court in 1974; Mrs. Mellon then snatched them and gained custody in a New York court in 1976. She had moved the children fourteen times in three months before her former husband's agents caught up with her.

"The harm done to children by their experience can hardly be overestimated," said the Commissioners on Uniform State Laws. "[A child] ... may well be crippled for life, to his own lasting detriment and the detriment of society." Brigitte M. Bodenheimer, a University of California law professor and authority on childstealing, concludes that a "child has the right to *one* definite, secure and continuing home, and that can only be with one parent."

Increased mobility and a skyrocketing divorce rate have certainly fostered the plague of child abductors, but any virus needs a promising environment to breed in. "This unfortunate state of affairs has been aided and facilitated rather than discouraged by the law," the commissioners bluntly wrote. "There is no statutory law in this area and the judicial law is so unsettled that it seems to offer nothing but a 'quicksand foundation' to stand on. . . . A court of one state may have awarded custody to the mother while another state decreed simultaneously that the child must go to the father. . . . They may face punishment for contempt of court and perhaps criminal charges for child-stealing in one state when complying with the decree of another."

Professor Bodenheimer blames the "sense of power and competition that sometimes prevails" among judges of different states. Dave Anderson discovered this when he went to Virginia armed with a Colorado custody decree. The local judge tossed the decree aside and declared, "We're in Virginia now."

Little wonder that a parent feels compelled—or sufficiently disillusioned—to take off with the kids, despite the fact that once the final decree is handed down in a state it is against the law (often a felony) in that state to abduct the children. "The irony is that persons who are good, law-abiding citizens are often driven into these tactics against their inclinations," observed the commissioners.

Child-stealing has been around as long as marriage and divorce. But its current ambiguity in the United States can be traced to 1932, when the Lindbergh Act was taking shape in an attempt to counter a rash of kidnappings. In the early drafts of the Act, kidnapping was defined as occurring when a person was "held for ransom or reward, or held for any other unlawful purpose." It was the last clause that disturbed Missouri Rep. L. C. Dyer. "There is not anybody who would want to send a parent to the penitentiary for taking possession of his or her own child, even though the order of the court was violated and it was a technical kidnaping," proclaimed Dyer. The soul of understanding, Congress expunged the offending clause. In 1934, Congress reinstated a similar clause, but specifically excluded parental kidnaping.

The exclusion stands today; it is not a federal crime to steal your own children, even if your spouse holds legal custody. However, because child-stealing (if there is a final decree), is a crime in each state, and in some of them punishable by as many as twenty years' imprisonment, the FBI can intervene once the state issues a fugitive felon warrant. But the FBI has been reluctant to do so. It considers child-stealing a "domestic matter" best left to the states. Since most states ignore one another's custody decrees and refuse to extradite—assuming that the home state or custodial parent can locate the child in the first place—there is no effective way to stop child-stealing. Arnold Miller, whose former wife disappeared with their son, is the head of Children's Rights, Inc., of Washington, D.C. He says: "The vast, vast majority of families believe that a custody decree, once issued, can be enforced. The truth is it is not enforced; it cannot be enforced. As people become more and more aware of this situation, they're going to take advantage of it. That will continue to happen until corrective legislation can be passed."

So what is the best corrective legislation? Here the child-stealing quagmire deepens.

At the moment, the most popular approach to combatting child-stealing is the Uniform Child Custody Jurisdiction Act (UCCJA), proposed by the National Conference of Commissioners on Uniform State Laws and approved by the American Bar Association in 1968. A dozen states have implemented some version of the Act, California and Colorado among the first. In theory, it calls for the states to recognize and honor one another's custody decrees, with a few exceptions. Thus, if a father abducts his children from Colorado and petitions the courts in California for custody, California should refuse to hear the petition, and return the child and parent to the home state.

There are, however, some serious flaws in the Act. First, it applies only to cases involving final decrees. Until then, parents are assumed to have equal custody and no law is broken if one takes off with the children, even if the other has filed a custody petition. Arnold Miller claims that 60 percent of the snatchings occur before the final decree, thus nullifying the Act's effectiveness.

Another problem is that the Act does not provide for finding and returning the absconding parent and child. Again, Arnold Miller: "The UCCJA is based solely on the fact that you go into the court of the foreign state and apply for custody. It also implies that you're going to be very honest and tell the judge that there is an order in the first state—which is ridiculous." Miller adds that he knows of one parent who has obtained seven court decrees for his child in seven states.

The Act also assumes a great deal of "good faith" among the adopting states, since the refuge state retains the option to assume jurisdiction and hand down its own custody order. A California Department of Justice report stated that, although California adopted the Act in 1974, it "appears not to have been widely used." Colorado adopted the Act in 1973, but, Colorado Family Law Attorney Susan Wendall Whicher says that "most jurisdictions in the state are reading the law narrowly, as being limited to only valid Colorado custody orders." Out-of-state orders are being ignored.

Adoption of the Uniform Custody Act has been excruciatingly slow, which is why custody vigilantes such as Austin and Ralston, who support it, have sought as much publicity as possible for their snatches. There is general agreement that the Act is facing the same provincialism in the state courts and legislatures that encouraged so much child-stealing in the first place.

Congress has been reluctant to step into the muddle. The two bills before it concerning child-stealing have suffered as much from lack of interest as from resistance. The Moss bill, introduced by Reps. John E. Moss and Donald Edwards of California, would apply the U.S. Constitution's "full faith and credit" provision to custody orders. Criticized for being vague and unenforceable, as well as containing the major weaknesses of the UCCJA the bill has been lying in the Judiciary Commitee since late 1975, and seems likely to die there.

The other bill, offered by Rep. Charles E. Bennett of Florida, would strike the "parental exception" clause from the Lindbergh Act. Ever since hearings were held on it in 1974, Bennett's bill has been pigeonholed in the Judiciary Committee's Subcommittee on Crime. But Miller of Children's Rights believes that hearings will be resumed and that the bill now has a chance of passing. An early objection to Bennett's bill—at first, he simply removed the parental exception clause, thus leaving parents open to long imprisonment—has been met part way. Bennett tacked on a maximum sentence of one year in prison and/or a $1,000 fine. Many Congressmen still feel that even with the lighter sentence a jury would be reluctant to convict a parent. But the issue of child-stealing has become clamorous in the last two years and the demand for Congressional action is unavoidable.

Miller contends: "Any person who abducts and conceals a child is responsible for that act. Many people think that because the child is with the parent he's safe and O.K. That is a myth. We have too many stories of children who were taken at gunpoint, children who were wrapped in blankets to muffle their screams, thrown in trunks of cars until they're safely across the state line. I don't think a child should have to go through that kind of trauma."

In the analysis of Bennett's bill, the Library of Congress pointed out that, because custody decrees can be modified, there could occur the anomalous situation of a parent's being convicted of kidnapping though he had since gained legal custody. And if the bill is interpreted as applying to pre-litigation, abduction, then it flouts the long-held belief that "such things are neither kidnapping nor child-stealing."

When hearings were first held on the bill the FBI strenuously opposed it; and it is expected to do so again. Deputy Assistant U.S. Attorney John C. Kenney testified in 1974 that the bill would "require the FBI to become involved in a multitude of domestic, runaway and other personal situations which frequently involve no violation of law. Even where violations are involved they should more properly be handled by local authorities."

The argument makes Miller angry: "That implies that the parent doesn't have the right to see his child or the child doesn't have the right to share his love with the parent." He is sure that parents will be much more wary of a federal law backed by the FBI than they are of the currently unenforceable state laws.

Whichever side one takes, it has become evident that some form of federal legislation that includes pre-litigation child-stealing is urgently needed. The snatching of children is rampant, with results that are sometimes tragic. Last year a 4-year-old boy and his father were killed during a car chase after the father took the boy back from his former wife. That's a horror that thousands of parents want to be spared.

[From the New York Times, Oct. 17, 1977]

Child Snatching: the Extralegal Custody Battle After Divorce

(By Iver Peterson)

Stony Brook, L.I.—It happened to John Gill the way it happens to so many other single parents. It was his former wife's turn to take Alison, their 8-year-old daughter, for the weekend, her right under the Gills' divorce agreement.

But by Sunday night Alison had not been returned.

"Then you go through the terrible time, the waiting, and it's really terrible, horrible," Mr. Gill remembered.

"Finally you get the phone call," he added. "They say she's gone, you're not going to see her anymore, but she's all right."

In the language of divorced parents who have had their children seized by a former spouse, Alison had been "snatched."

It's not a kidnaping, since the kidnaping laws specifically exempt the taking of a child by one of his parents. But to the thousands of divorced parents who have won custody of their child or children only to see them snatched by a former wife or husband, it can be worse than kidnapping. No ransom will recover the child, and often the parent's only recourse is to attempt a reverse snatch, perhaps aided by some of the private "custodial vigilantes" who now specialize in that kind of work.

One of the more celebrated of these is Eugene (Mean Gene) Austin of Foley, Mo., who calls his work "vigilante recovery." Mr. Austin charges $300 and up for expenses to recover a child in a custody dispute, and is the author of "Child Snatching, Search and Recovery Techniques."

In this mimeographed volume, Mr. Austin advises those trying to recover a child to, among other things, "use violence if necessary, because you are going to be accused of it anyway."

The problem of child snatching by parents was highlighted in a famous episode last year, when the two daughters of Seward Prosser Mellon, heir to the Mellon family's fortunes, had three men seize his two daughters from his former wife, Karen Mellon, in Brooklyn and had them spirited off to Pennsylvania.

A group called Children's Rights Inc. was recently formed in Washington to help parents recover children seized in this manner, as well as to provide the solace and advice that a parent faced with the disappearance of a child often needs. Working with missing persons reports. Federal statistics and reports from its branches across the country, the group estimates that 100,000 such snatches occur each year. Few of them end happily.

John Gill is head of the New York chapter of Children's Rights and it was his experience with losing Alison that led him to form the group in this university town. Since its formation, the New York branch has seen its membership grow to about 50. The lack of turnover in its membership is one indication of how apparently insoluble the emotional and legal problems of recovering a snatched child can be.

The police tend to avoid involvement with custody disputes between parents, even when a child snatching is involved. At a recent meeting at Mr. Gill's home, Sgt. George Wallbauer of the Suffolk County Police Department's juvenile bureau was invited to explain one of the reasons for this:

"When we get a report that a kid is gone," he told the group, "it's initially taken as a missing person's report. But to tell the truth, when we find out it's a parent that's got the kid, then it becomes a child-custody dispute and we get right out of it."

Under the laws of New York and most other states, a parent who seizes his own child without having custody of it is guilty of custodial interference, a misdemeanor, and misdemeanors are not extraditable offenses.

The only exception is when the aggrieved parent can demonstrate that the child's life was endangered by the snatching, in which case the seizure may be ruled by the courts as a felony.

A parent who has seized a child and taken it to another state can frequently obtain custody in that state, in conflict with the original custody ruling. This sets up the kind of standoff that still marks the Mellon dispute.

"So the whole system is designed against you," Sergeant Wallbauer continued, "against whoever does not have the child. It's like possession being nine-tenths of the law."

Accordingly, Children's Rights is lobbying for a new Federal law that would include under its new kidnapping statutes parents without custody who take a child, although with lesser penalties than those imposed on outright kidnappers.

The group is also seeking to have more states ratify reciprocity laws, which would have the effect of enforcing custody rulings of one state in other participating states.

Twenty-one states have passed the Federal Uniform Child Custody Act under which they agree to uphold custody decisions made by courts in other reciprocating states. In New York State, the reciprocity agreement will take effect in September 1978.

But in the meantime, the victims of child snatching seem left with little recourse but to fight fire with fire.

Mr. Gill, for example, did a few things in tracking down Alison's whereabouts that he did not care to admit. "Phone bills and credit-card statements give you the best clues, if you can get hold of them," he said. Alison was returned after three months, Mr. Gill said, when his former wife and the child were finally located.

Another man who was at the meeting had a story that seemed typical.

"I figured she had taken my daughter to live with her brother in Illinois," he said, referring to his former wife. "So my brother and I flew out there—I didn't even tell my family—and we went to the local school." There Joe posed as the parent of a prospective second grader about to move into the district, and asked if he could take a look at the school.

"I finally found her just coming out of a gym class," he recalled. "I asked her if she wanted to come home with me. My intention was that if she didn't want to come I would have left her there," he said. "She was afraid of what the school would say if she left, but she came." His fight for custody of his daughter is still in the courts.

Mr. Gill was asked why his group's name stressed the rights of children when it appears that it is the parents who are most in need of help.

Mr. Gill said he believed that the experience of being seized by an estranged parent and taken to another state, to another school and a new life, has effects on children that adults can only guess at.

"When you get them back they say yes, they had a good time, they visited Disneyland, they enjoyed it for a while," he said. But as with Alison and with Joe's daughter and with the other children whose parents describe the ordeals, the trauma of a snatched child who has been recovered rarely fails to show itself.

"They become afraid of going to school," Mr. Gill said, "they start acting up, sometimes they're terribly shy, sometimes you have to get special counseling for them—you can see that it affects them terribly."

[From the State Legislatures, February-March 1977]

TUG-OF-WAR OVER CHILD CUSTODY

Rey Yount's daughter Stephanie was abducted two-and-a-half years ago. Ms. Yount knows who took the child. She even knows where her daughter is. But because of the way state laws are interpreted and enforced, officials have had their hands tied trying to get Stephanie away from her abductor—her natural father.

The Yount case isn't unique. There are an estimated 100,000 child snatchings a year. And, as the divorce rate soars, so does the number of mothers and fathers taking custody matters into their own hands.

For some parents, child snatching is a "self-help" technique to insure that they'll be awarded custody. "Judges usually give custody to the parent who has the kids at the time of the hearing, because they don't want to uproot the child from his current environment." explains John Davis, president of Fathers United for Equal Rights, a Maryland group fighting for divorce reform. "While we may think snatching is wrong, under the current system it's absolutely necessary. Because if you've got the kids, you've got the trump card."

In many instances, that self-help tactic is perfectly legal. The federal kidnapping statute specifically exempts parents from punishment for stealing their children. And, in most cases, since parents are considered to have "equal rights" to a child, it is legal to conceal the child if a custody order has not been issued.

The snatchings don't always stop when a custody decree is handed down. Even though custody has been determined in one state, courts in another may change the order, points out Henry Foster, chairman of the Family Law Section of the American Bar Association. "Since custody orders are susceptible to change, there is an inducement for parents to take children to other states to have custody re-litigated," he says.

That's what happened in the Yount case. Although a Colorado court gave custody of Stephanie to Ms. Yount, her ex-husband filed for custody in New Mexico. At the hearing, the New Mexico judge ruled that Colorado had jurisdiction in the matter, but meanwhile, the father was on his way out the courtroom door—with Stephanie in tow.

Using telephone company records, Ms. Yount next located her "ex" in Mississippi. By that time she had obtained felony charges against her husband and an extradition order from the governor of Colorado. Mississippi, however, failed to honor the extradition request, and a judge there subsequently gave custody to the father.

The Uniform Child Custody Jurisdiction Act was developed to discourage "forum shopping" in custody cases. It sets up guidelines for determining which state has custody jurisdiction and limits attempts to modify decrees in other, out-of-state courts. But because only a dozen states have adopted the act, a child snatcher can still seek a more favorable custody ruling in 38 other states.

Even if more states adopt the Uniform Act, all custody problems won't be solved. Many child snatchers make no attempt to have custody re-litigated; they simply snatch the child and are never heard from again. The Uniform Act makes no provision for finding those missing children or forcing their return.

Although California has adopted the Uniform Act, it recently passed additional legislation making it a crime for one parent to conceal a child from the other parent. In addition, the law allows HEW's parent-locator service—designed to find parents who have skipped out on support payments—to be used to find child snatchers as well.

"We felt that the tools weren't there to locate the child who has been concealed from the other parent in a domestic battle," according to Assemblyman Mike Antonovich, sponsor of the measure. But giving child snatchings felony status will spur law enforcement efforts to locate missing parents and children, he says.

On the federal level, Rep. Charles E. Bennett (D-Fla.) has proposed a bill that would remove the parental exemption in the federal kidnapping statute, involving the FBI in attempts to locate parents who go into hiding. The Department of Justice, however, has opposed the measure claiming it lacks the manpower to investigate custody nappings.

But whether action comes through state or federal intervention, additional protections are needed, according to Rae Cummel of Children's Rights Inc., a Washington, D.C., clearinghouse for victimized parents. "These parents aren't criminals. They aren't out to break the law. It's just that there's nothing to stop them. Child snatching is an easy, cheap way to get custody of the kids. Thousands are doing it and getting away with it all the time. But in the end, the children are the ones who really lose."—C.D.

[From the Des Moines Sunday Register, July 31, 1977]

WANTS KIDNAP LAW APPLIED TO THOSE WHO STEAL OWN KIDS

In reference to the July 17 editorial, "Kidnaping Your Own Kids," I feel I must respond to your comment that it would be unjust to punish parents under the kidnaping laws.

You mention that "some victimized parents" want to make child-snatching punishable under federal kidnaping statutes. You go on to say why you do not favor this. I feel you have failed to recognize the most horrible part of this child-snatching problem, which is now a nationwide epidemic.

The parent who has legal custody is bound by law to allow visitations by the other parent. Such is not the case with a kidnapped child. No kidnaping parent ever offers visitation to the parent who has fought the court battle, won custody, and had planned to raise his or her child.

"When one loses custody, love is a problem," the editorial said. Is not love a problem for the parent whose child is stolen? Is not love a problem when a mother does not know if she will see her missing child when he is two, 10, 15 or 25 years old? The law is right there to enforce the visitation rights, but where does a parent turn to have her rights to see that kidnaped child protected? Who can help that parent find that child? The way the law is now, no one helps . . .

Most of these kidnapings occur because the [child-snatchers] know they won't be bothered by law agencies, and if the custodial parent manages to find them through private investigators, they won't have to suffer for the anguish they have put that parent and many of the child's other relatives through. I feel within two years of changing the kidnaping law, snatching one's own child would no longer be a problem of any size.

I am a member of Children's Rights, Inc., a group that wants to make child snatching punishable under federal kidnaping statutes . . .

Last Dec. 27 I hugged my 22-month-old son, Mitchell Robert Miner, and tucked him into a rental car. He was off for a four-day court-ordered visitation with his natural father. It was to be the longest period for which we had ever been separated. That was nearly seven months ago. My son has had a second birthday, and I have not seen or heard from him since.

I am past the point where I go to bed each night praying someone will find my son and bring him back to me the next day. I know now what a long, painful, disappointing process the searching can be . . .

Love can be a problem.—Diane L. Weber, Box 82, Graettinger.

[From the Washington Post, Oct. 22, 1977]

THE NIGHTMARE OF CHILD-CUSTODY LAWS

(By Panthea Reid Broughton)

Joyce Carol Oates's novel "Do With Me What You Will" begins with a scene in which a very nervous man waits outside a school playground for the chance to kidnap his daughter. Actually, given the condition of family law in this country, he need not be apprehensive. Our legal system is almost impotent against a divorced parent dissatisfied with a custody decision. In fact, it virtually invites such a parent to "snatch" his or her child across state lines.

I mention my own personal situation not because I think it unique, but rather because I am afraid it is all too typical. My former husband has "snatched" our child, Reid, three times now. Twice he took him from Louisiana, where I have custody, to Virginia, where we three used to live together. He insisted arrogantly that Virginia law was his.

Two weeks ago Virginia law granted me custody of Reid. A few minutes after the decision, my former husband again grabbed Reid. He also assaulted my lawyer and threatened, as he has done before, to kill me, my second husband and my lawyer as well. On this day, though, he was content to get away with Reid. They have now vanished. I have not heard from Reid. I am very worried.

In these two weeks our law-enforcement agencies have done little or nothing. The Virginia authorities do not have the resources to track a man outside the state; nor can they count on the cooperation of authorities in other states. The federal kidnapping statute does not apply to parents, so no federal charge has been violated. The FBI has the resources to find the culprit and charge him with unlawful flight to avoid prosecution for "abduction" across state lines. The FBI could return him to the Virginia authorities. But the FBI refuses to get involved. Apparently, these snatchings are too commonplace.

And so, I do not know what is happening to Reid. Nor do I know when I will see him again.

I suspect that it makes no sense at all for us to conceive of family law as the province of each state. Clearly, discrepancies in marriage, divorce, custody and property laws between states constitute a legal nightmare in our society. But wholesale restructuring of family laws cannot be accomplished overnight. In the meantime, a law-abiding parent faced with a lawless and determined former spouse has two options: obtain separate custody rulings in all 50 states or face the possibility of losing his or her child. Neither of these alternatives is acceptable or even feasible.

An acceptable solution does exist in the form of two bills that would grant potency to current child-custody rulings. Each of these could be enacted now. The first, sponsored by Reps. Don Edwards (D-Calif.) and John Moss (D-Calif.) and Sen. George McGovern (D-S.D.), is a uniform child-custody bill that would make one state's custody decision binding on all other states. The second, sponsored by Rep. Charles E. Bennett (D-Fla.), would end the existing exemption under the federal kidnapping statute for parents who abduct minor children from a parent having legal custody.

It is time that Congress recognize that reinforcing family law is necessary. It is time that Congress acknowledge that protecting children against violent and lawless parents is a priority. It is time to bring these bills out of committee and to a vote.

[From Parade, Oct. 16, 1977]

DIVORCED PARENTS WHO KIDNAP THEIR OWN CHILDREN

(By Daniel D. Molinoff)

The story is now a familiar one. A mother is sitting on the porch watching her children play on the front lawn. She doesn't notice the nondescript sedan parked a few houses away, its engine idling, or the man entering the phone booth on the corner. Her phone rings and she goes inside.

Suddenly, two men rush into the yard, grab the children and carry them screaming to the waiting car. Moments later, the children are transferred to another car to confuse possible pursuers. The children have stopped crying by this time; they recognize one of the men as their father—whom their mother has not allowed them to see for more than a year. Within hours, father and children are in hiding in a neighboring state.

This is child-snatching, or, depending on which parent tells the story, child-retrieval. If one estranged parent loses custody or is denied visiting privileges or just feels vindictive toward the other, the children are whisked away, usually across state lines, and rarely heard from again.

Parental kidnapping, if it is regarded as a crime at all, is only a misdemeanor in most states and not an extraditable offense. So parents are snatching their kids without any fear of serious legal reprisal. Nor are these vigilante mothers and fathers—even those without legal custody—flouting federal law. There is none. And no federal agency is empowered to help locate the missing children.

As more and more parents ignore the courts, custody decrees have become virtually unenforceable. The name of the game is shuttlecock custody.

Recently these cases have been given a lot of attention by television and the press. Spectacular "rescues" by hired professionals have received extensive coverage, and proposed legislation now before Congress has frequently been cited as the cure-all needed to end the epidemic.

HYPE VERSUS REALITY

To a large extent this is pure media hype which has obscured much about the problem of parental kidnapping.

Most kidnappings of this sort do not involve stakeouts or dramatic, high-speed runs for the nearest border; probably less than 5 percent of the total actually do. But they are the stuff headlines are made of. Far more typical is what happened to the children of Arnold Miller of Washington, D.C., and Susan Downer of Pacific Palisades, Cal.—two parents who are presently lobbying hard for legal reforms.

Miller, a systems analyst, and his wife Toby had a separation agreement which gave her custody of their son Mason. Miller exercised visiting rights every other weekend. On arriving to pick up Mason one Saturday in June 1974, Miller found Toby's car in the driveway and her clothes and furnishings in the apartment. But she and Mason were gone. Miller has not seen them since.

In 1975 Miller founded Children's Rights, Inc., as a nationwide clearinghouse for information on parental kidnappings. It is his estimate of 100,000 child-snatchings a year that is often quoted by the media. However, skeptical law enforcement authorities put the figure closer to 25,000.

Designer Susan Downer was awarded custody of her three children by a New York court. Remarried and living in California, Downer sent the kids to spend last summer with their father, Manhattan optometrist Seth Gerchberg. On Aug. 25, 1976, she went to the Los Angeles airport to meet her children's plane, but they weren't on the flight. A letter from her ex-husband arrived 10 days later telling her he was not returning the kids and that he would attempt to keep her informed of their "beautiful growth." A three-count felony warrant has been issued by the State of California for Dr. Gerchberg's arrest, but he has disappeared without a trace. Downer has not seen her children for more than a year and has spent $35,000 trying to find them. In March 1977 she founded Parents Against Child Stealing.

Both Miller's and Downer's groups are actively supporting two bills before Congress that seek to halt child-snatching. High hopes have been pinned on these bills, but they have litle chance of enactment and are half-measures at best.

One bill under consideration, introduced by Rep. Charles E. Bennett (D., Fla.), would amend the "Lindbergh Act" to include parents as kidnappers, punishable by a fine of not more than $1000 and/or imprisonment for up to a year.

But the Bennett bill is a weak deterrent. For parents willing to uproot themselves and go into hiding with a child, a fine of $1000 is a laughable risk; as for imprisonment, the courts, as a matter of public policy, do not send loving parents to jail.

PENALTIES WOULD NOT DETER

Bennett admits that a fine of this size probably won't stop a determined parent. He believes the prospect of a federal conviction should be enough of a deterrent. "I'd be in favor of a higher penalty," he says, "but I don't think Congress would pass it."

Susan Downer is an ardent supporter of the bill but considers its penalties far too light. "Absconding parents should be fined a million dollars—and then shot," she says.

In addition, the bill would only apply when a court had already granted custody to either parent. Bennett does not see this as a loophole, even though it is estimated that half of all parental kidnappings occur before *custody* has been awarded.

Supporters back the Bennett bill because such a law would give the FBI authority to enter a case. "We must have a law that makes the federal government, not the victim-parent, responsible for locating abducted children," says Arnold Miller.

Both the Justice Department and the FBI have been opposed to Bennett's proposal since it was introduced in 1973. They maintain that the FBI should not get involved in domestic quarrels. As Richard L. Thornburgh, former spokesman for the Justice Department, put it: "The FBI is not going to get into the child-collection business."

In 1974 the House Subcommittee on Crime conducted hearings on the bill but made no recommendations. Rep. John Conyers, Jr. (D., Mich.), chairman of the subcommittee, disapproves of the bill and has no plans to hold a second hearing.

"How do I tell the Justice Department, with 9000 FBI agents, that we're going to make this an investigable offense?" asks Conyers. "Whenever there is onerous conduct, everybody says there ought to be a law—and the best law is a federal law!" But Conyers is not convinced that federal legislation is the solution.

Bennett says the federal government is morally obligated to pursue child-snatching parents. "If it means increased manpower, then more agents should be provided," he says. "The FBI is required now to chase car thieves and cattle thieves across state lines, matters that are of much less moral consequence than child-snatching."

Susan Downer says, "I should have told the FBI I had three cars stolen and that the names of the cars were Joslyn, Heather and Terence."

"FULL FAITH AND CREDIT"

The second bill now before Congress concerns Article IV Section 1 of the U.S. Constitution, which says in part that "full faith and credit shall be given in each state to the public acts, records and judicial proceedings of every other state." This simply means, for example, that a marriage legal in one state must be recognized as valid in another.

Custody awards, however, have never been given "full faith and credit." As a result, in many cases both parents end up with valid custody decrees. If a parent loses custody in the "home" state, he or she takes the child and seeks custody in another state. There, the court, treasuring its independence to decide such matters, awards custody to the kidnapping parent.

To remedy this double-custody problem, a bill has been introduced in the House, by John E. Moss (D., Cal.), and the Senate, by George McGovern (D., S. Dak.). Basically, the Moss-McGovern bill would eliminate these kidnapping havens or "refuge states" by requiring courts to honor other states' custody decrees.

The bill was introduced in the House in 1975. To date, there has been no hearing on it in either the House or Senate.

DOES NOT COVER ALL CASES

But this bill is also flawed, since it requires only that states honor established custody decrees of other states. Arnold Miller contends that 60 percent of the time a parent flees with a child before custody has been awarded. In such situations there is no decree to honor.

"Under these circumstances," admits Moss, "neither my bill nor Bennett's would be effective. No crime has been committed."

The Uniform Child Custody Jurisdiction Act (UCCJA) is another proposed solution. It is not a federal law but an identical proposal submitted to the legislatures of the individual states. The Act limits custody jurisdiction to the child's home state and calls for the subscribing states to recognize one another's custody decisions. As of August 1977, only 18 states had adopted some version of the UCCJA, leaving 32 possible refuge states for would-be child-snatchers.

Senator McGovern feels that nationwide implementation of the UCCJA may not take place in this century and that the Bennett bill "goes beyond what is a feasible approach." He believes his bill is the only practical answer to child-snatching now under consideration.

Desperately needed is a bold federal law that (1) defines child-snatching as "the concealing of a child by one parent from another parent whether or not custody has been awarded"; (2) makes a federal investigative agency responsible for locating missing children and arresting kidnapping parents; (3) provides a penalty for kidnapping one's own children of no less than a 10,000 fine and/or five years in jail; and (4) requires that a state honor the custody decrees of all other state courts.

Parents who kidnap their children today are protected by a crazy quilt of state laws. Only Congress can protect the children and make shuttlecock custody a thing of the past.

[From the Washington Star, July 2, 1978]

PARENTS OF STOLEN CHILDREN SEEK TOUGHER LAWS: CRI IS TRYING TO MAKE IT A CRIME

(By Sue Mullin)

Children's Rights Inc. (CRI) is called "Cry" by its founders, Arnold I. Miller, 34, a systems analyst with the Postal Service, and his wife, Rae Gummel, 30. It is a fitting acronym.

Its membership consists of fathers and

mothers whose children have been stolen by their spouses or ex-spouses. There are 50 CRI chapters across the country. Gummel and Miller say that CRI is the largest and one of only two or three such groups for "parent-victims" of child stealing in the country.

As directors of CRI's national organization, Miller and Gummel heard from 30,000 such people last year, Miller said. But they estimate that there are well over three times this number of children snatched annually. The D.C. chapter of CRI alone has 200 members, Miller said. Nationally, it has about 2,000 members.

Miller said he hopes that with the combined strength of all parents who have been victims of child snatching, laws can be changed to make child abduction by a parent a felony. Currently, it is a felony in only two states—California and Wyoming—if the parent from whom the child is taken has been awarded custody. In the other states, it is a misdemeanor. Child snatching is legal in all states if neither parent has been awarded custody.

The federal government has always left laws concerning family life up to the states. Under Anglo-Saxon law, children are "possessions" of their parents. And as Judge Victor F. Canuso of the Philadelphia Family Court says, "We can't cut him (the child) in half." The states have avoided the matter, mostly claiming the whole area is rife with unresoluable jurisdictional disputes. But with one out of three marriages ending up in divorce, many people like Miller and Gummel think it is high time "someone gives children some rights."

Miller's commitment to CRI stems from the loss of his son, Mason, who was snatched four years ago when the boy was 4.

The child, born during a previous marriage, was taken by his mother, a Maryland resident at the time, on June 9, 1974, Miller said. Neither has been heard from since he added.

At the time of their divorce, Miller's wife was awarded custody of the child and he was granted visitation rights. Therefore, he said, "her 'crime' was no crime" in the eyes of the law.

"That was the second time my ex-wife had taken Mason. The first time she disappeared for seven months. I have no idea where she is now although we have looked very thoroughly. We have turned to lawyers, detectives, state's attorneys, the governor's office—everybody," he said.

Miller had married Gummel by the time his son and first wife disappeared.

In November 1974, five months after Mason had been taken, Gummel showed Miller a magazine article about a bill introduced by Rep. Charles E. Bennett, D-Fla. The bill would have modified the 1934 kidnapping law, the Lindbergh Act, to include parents who kidnap their own children.

Bennett's bill, like many similar pieces of legislation over the past several years, was not passed.

After Miller read about the Bennett bill, he called the congressman's office and asked an administrative aide which children's rights groups were supporting the legislation. "There is no such group," Miller remembers being told.

So he and his wife created one. In the last 3 years they have transformed a back-room, grassroots movement into a vast network of support groups and hotlines.

CRI is not only a parents' rights group, Miller said. It is interested in children's rights, he said.

"We don't make a judgment on who should get custody. We believe simply that a child has a right to know and live with both parents. Anything else is a problem between the parents and should involve the child in no way."

CRI is strictly a volunteer effort, Miller added. "I support my family with my 9 a.m. to 5 p.m. Postal Service job. Our group depends entirely on donations from members and the general public. No one has ever received a CRI salary."

The couple operates their "national headquarters" from their home at 3443 17th St. NW.

They put together a monthly newsletter there. From their home, they have helped to organize new CRI groups and hotlines, called Lend-An-Ear, which now number about 50.

And their own phone gets quite a workout. The couple takes calls from distraught parents—12 to 15 every day—from all over the country. Gummel mans the phone during the day and Miller helps out at night.

Miller said, "It's not unusuall for us to get a call at 3 a.m. from the West Coast, the voice on the other end saying, 'Little Johnny went somewhere with my ex-wife or ex-husband today and he wasn't brought back.' It helps these parents to talk to someone who has been through this sort of thing."

But CRI does more than listen. Miller and Gummel also act as a clearing house of information. They try to help people sidestep problems that commonly result from child snatching.

One of the pitfalls CRI advises callers to be wary about, Miller said, is "hiring unscrupulous private detectives." Because most of the parents have no recourse to the law, he said, many pay "astronomical sums" to private investigators to locate their children.

Most child snatching cases, Miller said, involve children between the ages of 2 and 7. He called it the "out-of-diapers and yet not-old-enough-to-contact-the-other-parent stage."

In almost every case, he said, the parent who absconds with the child does so to spite the estranged spouse "But the one who suffers most is the child," he insisted, "who incurs devastating emotional scars, if not physical harm."

He said, for example, that many of these children are yanked away on what are supposed to be joyous occasions in a child's life—on a birthday, on Christmas Eve, on Mother's Day and Father's Day.

"Often they are instructed by the abducting parent that if they ever spot the other parent, they should scream and carry on," Miller said. His wife reiterated: "I've heard of cases where the child was told the wolves will get him if he took one look at the parent he had been taken away from."

Another service CRI provides its members, Gummel said, is keeping a watchful eye on legislation affecting child snatching. She said she and her husband testified in Congress last winter on the latest proposal: the criminal code revision bill which was subsequently passed by the Senate and is now in committee in the House.

A portion of the bill, introduced by Sen. Malcolm Wallop (R.-Wyo.), would make kidnapping by a parent in most cases a federal misdemeanor, allowing the use of federal warrants, Gummel explained.

The District, Gummel said, has neither a misdemeanor nor a felony provision. An abducting parent can be held in contempt of court, Gummel said, but the authorities really don't cross jurisdictional lines in trying to locate violators.

In Virginia, child snatching by a parent is a misdemeanor. But William S. Burroughs, commonwealth's attorney for Arlington County, pointed out that a parent who would "frustrate the court procedure" by not showing up for a custody hearing would be subject to a separate misdemeanor offense.

Last March the Maryland legislature followed the lead of most of the other states, making child snatching a misdemeanor.

[From the Washington Post, Mar. 26, 1976]

CHILD-SNATCHING

(By Ellen Goodman)

BOSTON.—Usually, the cases are less dramatic. They rarely involve a speeding car and a captured gun, or private planes waiting at a New York airport. Usually they don't make the evening news or page one of the morning papers.

Usually the cast of characters isn't as rich or renowned as Pittsburgh millionaire Seward Prosser Mellon and his ex-wife Karen Boyd Mellon.

Both aside from the notoriety that surrounded the grubby abduction of two frightened little girls in front of a two-family house in Brooklyn, the event was almost common.

It is a tactic used with appalling frequency in vicious custody battles all over the country. It's called: Take the Children and Run.

It's happened now twice to the Mellon children, ages 5 and 7. The first time it was their mother who snatched them while they were visiting and took them on a four-month journey through 14 hotels, under nine different pseudonyms. The second time it was their father or, rather, their father's hired men who posed as FBI agents and carried them back again.

But the "game" is played by others. As the number of divorces increases, so do the number of vigilante parents who are taking the custody laws into their own hands. And some groups estimate that 100,000 child-snatchings occurred last year alone.

The victimized parent—one who doesn't know where his or her child is—is almost helpless. According to a Washington-based group. Children's Rights, Inc., which handles dozens of these calls every month, the victimized parent gets little support from the police. "They consider it a domestic matter. They say, 'We don't want to get involved in family problems,'" says the group's Arnold Miller, who hasn't seen his own 6-year-old son in a year.

The FBI is no help either, although most of the children are taken across state lines. It's "out of their jurisdiction," because parents are specifically exempt from the federal kidnapping statutes. The parent who "steals" his child can't be accused of kidnapping.

On the other hand, the parent who abducts his or her children can often gain legal custody of them in another state. In the confusion of custody laws that change at the borders of states as if they were ancient principalities, a parent can comparison shop until he or she finds the best deal.

There are at least two ways to reduce the attractiveness of this self-help tactic. The first is to make parents legally liable for prosecution if they kidnap their own kids.

A bill sponsored by Rep. Charles E. Bennett (D-Fla.), which has been languishing in the House for three years, would remove the exemption of parents from the kidnapping statutes and would punish them with a $1,000 fine or a year in jail, or both.

It would make federal files—including Social Security Information, Internal Revenue returns and prison records—available to police searching for the abducting parent.

Another help would be the adoption of the Uniform Child Custody Act, which is currently used by seven states. This Act standardizes custody guidelines and insures jurisdiction rights. A parent who was unhappy with a decision would have to challenge it in the home state instead of simply trying another.

The point is the children, the shuttlecocks in the parents' game plan. The Mellon children are only two of tens of thousands. Child-snatching may be "a family matter," but parents don't own their children, their children's rights, lives or feelings.

We protect children from other kinds of parental abuse—battering, neglect, sexual mistreatment. This case has dramatized another need. We have an equal obligation to protect children from being rustled like cattle back and forth across the borders.

[From McCall's, August 1976]

PARENTS AS KIDNAPPERS

Usually the continuing tug-of-war in a child-custody battle does not make national headlines, as it did last winter when Seward Prosser Mellon, an heir to the $3 billion Mellon empire, abducted his two young daughters some months after a similar abduction by their mother. In the mishmash of state laws, *he* was awarded custody by a court in Pennsylvania in 1974; this year a New York court granted custody to *her*. Both believed they had the legal right to the children.

As the incidence of divorce in America mounts, there is scarcely a community left in the country without its own more modest, yet equally agonizing, versions of the same bizarre story. In Washington, D.C., an economist recently tried to steal back his two children from his former wife, who had run off with them to Florida. In Long Beach, California, a woman is searching for her eight-year-old son who has been "stolen" from her custody by his father for the second time in two years. From northern Virginia, a policeman fled with his children to Arizona upon learning from a fellow law-enforcement officer that he was going to lose them in an impending custody suit. In a suburb near Allentown, Pennsylvania, a Lehigh Valley mother laments, "My husband and daughter have vanished, and I don't know where to turn."

In all such cases (which have been estimated as high as 100,000 per year), euphemisms such as "child stealing" and "child snatching" abound. There is really no adequate legal term to describe kidnapping one's own child, because under federal statute it is not classified as a crime. No local state or federal agency exists to enforce the legal custody or visitation rights of mothers and fathers. "There's a strong feeling that these are mostly domestic squabbles," comments Paul G. Flynn, assistant U.S. attorney.

In these "domestic squabbles," patterns of child theft are overwhelmingly consistent. The absconding parent almost always crosses state lines, leaving no clues and rendering the victimized parent legally helpless. The latter must either become a one-person searching party or hire private detectives at great cost, often to no avail.

There is a loophole in the law directly responsible for this widespread confusion and family grief. In 1934, the so-called Lindberg Law (Title 18, United States Code) was enacted, its definition of kidnapping was amended before passage by these crucial words: ". . . except in the case of a minor by the parent thereof . . ." That phrase exempted from legal blame the parent who kidnapped his own child.

Arnold Miller of Washington, D.C., who has been seeking his runaway former wife and child for two years, became "enraged by the federal government's hands-off policy. It was harrowingly clear to me that, in the matter of custody, the judge's decision carries no weight. It's unenforceable. I knew something had to be done for all parents caught in this kind of bind." Accordingly, Miller organized Children's Rights, Inc., to act as a clearinghouse for information and guidance to worried parents, and to effect legislative reforms. Right now, CRI is lobbying for legislation designed to plug the Lindberg Law loophole.

H.R. 2965, "a bill currently collecting cobwebs in the House of Representatives," says Miller, would amend the federal kidnapping statute to include parents who abduct their children and then conceal them. "When a father or mother steals his own child from the other parent, it is really concealment, not a custody matter," Miller points out. "And concealment *is* a crime."

The bill to amend Title 18 provides that any parent who kidnaps his minor child "shall be punished by a fine of not more than $1,000, or by imprisonment for not more than one year, or by both." CRI also supports a proposal asking the FBI to take over on the investigation of cases in which the abducting parent and child have been listed as missing persons for at least 30 days.

The U.S. Passport Office is one federal agency that offers help, although unofficially, to parents victimized by child theft. They receive, they say, 30 to 40 inquiries each week relating to custodial disputes. They advise parents whose children have been stolen to write a letter stating that they do *not* give permission for their child to leave this country. The letter should be sent to William B. Wharton, Chief, Legal Division, U.S. Passport Office, 1425 K Street, N.W., Washington, D.C. 20415—along with vital statistics for both child and former spouse, a copy of the custody order if there is one, and home and business telephone numbers. Although the Passport Office assumes no legal responsibility, authorities there will try to help.

To support H.R. 2965, the amendment to the Lindbergh Law, write to John Conyers, Jr., Chairman, House Subcommittee on Crime, House of Representatives, Washington, D.C. 20515. (CRI would appreciate copies of such letters.)

Besides Children's Rights, Inc. (3443 17th Street, N.W., Washington, D.C. 20010), there are two other organizations in the United States to which parents can turn for advice and counsel: United Parents of Absconded Children, Mr. W. J. Ralston, Coordinator, Box 127A. Wolf Run Road, Cuba, N.Y. 14727; and Citizen's Committee to Amend Title 18, Mrs. Beth Kurrus, Coordinator, P.O. Box 936, Newhall, Calif. 91321.—Natalie Gittelson.

[From the Village Voice July 7, 1975]

CHILD-SNATCHING

(By Brian Van der Horst)

Over a year ago, Arnold I. Miller's wife disappeared with their son and has not been heard from since. Miller went to the police, the missing persons bureau, and even the FBI, but found that none of these agencies could help him because he was a victim of child-snatching.

Miller defines child-snatching as "an increasingly common situation in which a child is abducted by one of his own parents." While a kidnapper may face a term of life imprisonment, a child-snatcher is hardly ever prosecuted. There is not a single law against it. Even if the other parent, like Miller, has a court order for visitation rights, the most that can happen is that "the abducting parent could be found in contempt of court, but only if he or she can be located and served the appropriate legal documents."

As Miller searched, he found that, "Each year, thousands of American children undergo this traumatic experience." He also found that in most cases, the snatchers have been missing for two to three years.

A computer programmer living in Washington, Miller continued to explore the legal possibilities of his situation. Finally he came across Congressman Charles E. Bennett who had introduced H.R. 2965 as a bill to amend the federal kidnaping statute which presently states that any person is a kidnapper who "unlawfully seizes, confines, inveigles, decoys, kidnaps, abducts, or carries away and holds for ransom or reward or otherwise any person, *except in the case of a minor by the parent thereof*." Bennett wanted to delete that italicized portion and add punishment of not more than $1000 or a year in prison, or both, for child-snatchers. This, he argued, would be the first law on the books specifically against this phenomenon.

Miller asked Bennett what groups were supporting his bill. Bennett replied, "No one." It was at that moment that Children's Rights, Inc., was born. According to Miller, "CRI is a new lobby organization originally created to focus on H.R. 2965, but has since grown into a clearinghouse for parents across the country who have been victimized by the child-snatching syndrome. We are gathering cases, getting descriptions, and distributing photos." (For information write CRI at 3443 17th Street, NW., Washington, D.C. 20010 or call 202-462-7573.

Since beginning his activities three months ago, another bill on child-snatching has been brought before the legislature (H.R. 4486) which condemns the practice only on cases where actual court orders or visitation rights have been broken. So Miller feels that there may soon be at least one law on the books fairly soon, at which point he plans to expand CRI's activities to include the whole area of child abuse and constitutional rights for children. In the meantime, Arnold Miller is still looking for his wife and child.

[From the Woman's World, July/August 1977]

PARENTS AS KIDNAPPERS

(By Alan D. Hans)

In 1974 Seward Prosser Mellon, an heir to the $3 billion Mellon empire, was divorced from his wife Karen Leigh Boyd Mellon. A Pennsylvania court awarded custody of the couple's two children, Catherine, 7, and Constance, 5, to the father.

In 1975 the mother spirited the children away during a visit and persuaded a New York court to award custody to her.

In 1976 Seward Mellon re-abducted the two girls on their way to school. Both parents now believe that they have the legal right to the children. For the time being the youngsters remain with their father, but the legal battle will continue for a long time.

During the time that Karen Mellon had the children she used 9 different names and lived in 14 different hotels to elude her ex-husband's private detectives.

Both parents "kidnapped" the children in the face of legal custody by the other spouse, yet amazingly neither broke any laws, federal or state.

Nowhere in the U.S. is there a legal statute that makes it a crime to kidnap one's own children. No local, state or federal agency exists to enforce the legal custody or visitation rights of mothers and fathers. For divorced parents it is always "open season" on children. "There is a strong feeling in the judiciary that these are primarily domestic squabbles and should be looked upon as such," comments an assistant U.S. attorney.

The absconding parent almost always crosses state lines, frequently assumes a new identity, and renders the victimized parent legally without recourse since the courts are unwilling to intervene. The latter must either conduct a long search or hire private detectives at great cost, frequently to no avail. Tugged back and forth in a child-custody battle, such children frequently suffer serious psychic and emotional scars, victimized by the escalating bitterness of the parents. Clearly no one comes out ahead in such cases.

The Mellon tug-of-war is not unique. As the incidence of divorce in this country continues to mount, there is hardly a community left without a similar, agonizing story of child-snatching parents. In Washington, D.C., for instance, an economist recently tried to recapture his two children from his former wife who had run off with them to Florida.

In Long Beach, California, a woman is searching for her eight-year-old son who has been "stolen" from her custody for the second time in two years. In Virginia a policeman fled with his children to Arizona after learning from a fellow officer that he was going to lose them in an impending custody suit.

In Maryland, a woman whose daughter was abducted by her former husband and located six months later in a Houston orphanage said, "We still have to keep moving. My ex-husband is on the loose and we don't want him to find us."

Sometimes the results of these child abductions can be tragic. In Oklahoma a 24-year-old divorcee had been living on a ranch with her 4-year-old son. Her ex-husband and three other men drove to the ranch, grabbed the boy and took off in a car. The divorcee spotted the getaway and gave chase. The ex-husband's car tore off at great speed, went out of control, rolled over and smashed into a tree. The boy and his father were both killed.

Although there are no official figures on child retrieval, those familiar with the situation estimate that perhaps 100,000 youngsters each year are taken away from one parent by the other. In the absence of any penalties for such acts more and more parents are resorting to such behavior. The police, the FBI and the courts continue to adopt a hands-off attitude.

The tangle over child snatching has grown so rapidly of late that it has spawned an industry of its own. Private detectives will kidnap children for any parent who can pay the going rate—$1,000 to $10,000. One such professional, an ex-jockey who operates out of Las Vegas, claims to have "kidnapped" more than 1,000 kids in the past couple of years. Eugene Austin of Foley, Missouri, another prominent child retriever, admits candidly,' "I'm nothing more than a hired vigilante."

Any parent who sets out to recover his or her children and has no knowledge of the ex-spouse's whereabouts can expect to spend a small fortune in the search. A mother in California has in the past two years spent $12,000 tracing her two children, last reported to be in South America with their father. A Brooklyn, New York, woman has spent over $7,000 in a futile five-year cross-country pursuit. Even if a parent succeeds in having the children returned the problems are just beginning. He or she will have to drop out of sight, keeping a wary eye out for an ex-mate.

Most parents who seek to regain custody defend their behavior in one or more ways. They feel they are the better parent or that the ex-mate will not raise the children properly. Many fathers tend to feel that since they are required to support the youngsters they ought to have possession as well. But experts in family therapy say that the true motive in most cases is spite or revenge. A father or mother thinks, "Oh, no, you won't get away with that. I will get them (the children) back."

"The emotional feelings are directed at the other spouse even though they're expressed in terms of the offspring," explains Dr. Gary Grad, a family therapist at Downstate Medical Center in Brooklyn, New York. "The child has already gone through the trauma of divorce. Just when the youngster may be learning to trust adults again, the in-fighting is resumed and he or she is thrown into confusion a second time. Very few youngsters can avoid being permanently scarred by such an experience."

"It's an old, old story, parents making children the scapegoats in the aftermath of divorce," relates Dr. Grad, but it isn't happening any the less. Hell, it seems, hath no fury like a parent scorned. And hell it is, too, for children who feel that adults cannot be trusted. With one in every three marriages breaking up it is frightening to think of how many children are in this fix."

"I have seen instances where abducted children in a short time become unmanageable delinquents. One mother who abducted her son couldn't handle him and sent him back to the father. The father couldn't control the boy either and sent him back to the mother. Many youngsters become runaways at an early age. Children, of course, are quite sensitive," goes on Dr. Grad. "They know whether they are wanted or simply being used as a ploy or a pawn."

One father who is not trying to snatch his son back from his mother is Arnold Miller of Washington, D.C., an employee of the U.S. Postal Service with a degree in psychology from the University of Maryland. Miller, who has not seen his six-year-old son since 1974, spent $10,000 in a futile effort to locate the child. "I feel now I want to wait until he is older so he can understand better the reasons for all this time of separation."

Convinced that child abduction is wrong and that parents should not be required to live in fear, Miller organized Children's Rights Inc. to act as a clearinghouse for information and guidance to worried parents.

"The widespread confusion and family grief which exists today," notes Miller, "got its start in 1934 when the so-called Lindbergh Law (Title 18, United States Code) was enacted."

"The Lindbergh Law's definition of kidnapping was amended before passage by these words: 'except in the case of a minor by the parent thereof. . .' Ever since, that phrase has been used as a precedent to exempt from legal blame the parent who abducts his own child. We are presently lobbying for legislation to plug that loophole," asserts Miller.

H.R. 2965, "a bill currently collecting cobwebs in the House of Representatives," according to Miller, would amend the federal kidnapping statute to include parents who abduct their children and then conceal them. "When a father or mother steals his own child from the other parent, it is really concealment, not a custody matter," in Miller's view, "and concealment is a crime."

The bill to amend Title 18 provides that any parent who kidnaps his minor child "shall be punished by a fine of not more than $1,000 or by imprisonment for not more than one year, or by both."

The problem in getting such legislation enacted, Miller concedes, is that the U.S. Justice Department, the FBI and most local police forces are opposed to it. The feeling is that the FBI and the cops will be deluged with demands to sort out family wrangles, something they don't have the time or manpower to do. "We don't want to be punitive," counters Miller. "We just want something on the books that will discourage child abductors. We don't want to clap parents in jail, willy-nilly."

Some official measures are being taken to try to correct the situation that now exists. Ten states have already adopted the Uniform Child Custody Act under which they refuse to consider any case that has already been settled in another state. Those states are California, Colorado, Hawaii, Maryland, Massachusetts, Michigan, North Dakota, Oregon, Wisconsin and Wyoming. Of course, this procedure only prevents a parent from overturning custody and does little to discourage child snatching.

Recently California passed the toughest anti-child-snatching legislation yet, a law that makes it a felony (up to four years' imprisonment) to hold or hide a child in that state in violation of a custody order. It is possible that in time this law, if it proves workable, could become a model for other states to follow.

The U.S. Passport Office is willing to provide help, albeit unofficially, to prevent a child who has been "stolen" from leaving the country. A letter from the parents with vital statistics and a copy of the custody order (if there is one) will be honored.

All these measures however, are not expected to sharply curtail the present traffic in stolen children. Only federal or state laws with stiff penalties could bring about a real change, and this does not seem in the immediate offing despite official recognition that the situation is deplorable.

One of the most promising new developments in divorce procedures where couples recognize the folly of treating children like property or possessions is an arrangement calling for joint custody.

In this procedure, children live alternately with each parent from a few days to a few weeks or even alternating every six months. Obviously such an arrangement has problems in logistics. It works best where both parents live in the same community so that the kid's school life and friendships are not disturbed. Children should have their own space and own things in each home.

So far, joint custody is usually worked out between the divorcing parties rather than being set by a judge. The courts for the most part remain traditional and tend to award custody of the children to the mother. Some family therapists think that judicial prejudice in favor of the mother has been one of the direct causes of paternal anguish, leading to bickering and sometimes to child snatching. "If the father were seen as having due concern for his children instead of being just a check-writer, perhaps we could make headway in cutting down on the usual acrimony in divorce actions," cites one prominent divorce attorney.

The child care experts are divided on the merits of joint custody. Albert J. Solnit, pediatric psychiatrist and director of the Child Study Center at Yale, recommends single-parent custody as the "least detrimental available alternative."

However, Dr. Melvin Roman, professor of psychiatry at the Albert Einstein College of Medicine in New York, notes that "most parents I've seen who have joint custody arrangements seem to have good working relationships with one another and are able to put aside whatever conflicts they've had personally in the marriage."

It is too early to tell whether joint custody can work for many divorced people. However one fact seems clear. *Any* parent who *really* cares about the welfare of the children would seek to harmonize rather than exacerbate relations with an ex mate, whatever his or her disappointments over the failure of the marriage. The children should come first.

[From the Philadelphia Inquirer, July 10, 1977]

CUSTODY KIDNAPING—THE LAWS HELP

(By Linda S. Herskowitz)

On the afternoon of May 23, 5-year-old David Ray Lawson was playing outside his house in Norristown when a man grabbed him from behind, stuffed him into the back seat of a rented car and drove across the state line.

Once they were safely out of Pennsylvania, an accomplice in the abduction telephoned David's mother, Ella Faye Lawson, and told her that her son had not been kidnaped. He had been "recovered" by his father, Kenneth, who was taking him back to San Antonio, Tex.

Mrs. Lawson has not seen her son since. Her husband, who was granted custody of their son by a Texas judge when they were divorced last August, contends that his wife took David to Pennsylvania last Thanksgiving without his consent. In December, she was granted custody of David in Montgomery County Court.

Now Mrs. Lawson has no choice—aside from kidnaping David back—but to fight the next round in the Texas courts, which have jurisdiction now that David is there.

David is by no means an isolated case. Child-snatching in this country has become a common occurrence. By some estimates, 100,000 children a year are abducted by divorced or separated parents and taken to other states, where new custody orders can be sought.

Parental kidnapers are often successful, largely because judges vigilantly guard their jurisdictional prerogatives. Montgomery County District Court Judge A. Cirillo heard Mrs. Lawson's request for custody of David last December, he agreed to consider the case without regard to the Texas order granting custody to David's father.

"I don't care what happened down there (in Texas), really, because I have to determine what's in the best interest of the child. No other judge can usurp my findings" Judge Cirillo said in court.

For parents who have lost the first round in a custody battle—or who fear they will—there are several reasons why kidnaping the children makes sense.

Most state courts have no compunctions about modifying or overturning custody decrees handed down in other states. David Lawson is a classic example. He was awarded to his father by one state, and to his mother by another.

Federal law specifically exempts parents from the kidnaping statutes. And while all states have laws against violating custody orders by removing a child without the other parent's consent, enforcement depends entirely on the state to which the child has been taken. Parents often defy the law without fear of extradition or prosecution.

To discourage this practice, the Pennsylvania Legislature has passed and Gov. Milton J. Shapp on July 1 signed a bill that obligates judges here to honor custody decrees handed down in other states with similar laws.

The object of the so-called Uniform Child Custody Act is to eventually bring all 50 states in line so that custody shopping will no longer be feasible.

Despite its good intentions. experts say there are several problems with the model law, which has been adopted by 16 states, and especially with Pennsylvania's version.

Under the new statute. which takes effect Sept. 1, Pennsylvania's judges are required only to honor custody decrees granted in states that have also passed a Uniform Child Custody Act. Pennsylvania is apparently the only state yet to impose such a restriction, which the law's proponents say greatly reduces its effectiveness.

"That means that only a very limited number of out-of-state decrees will be enforceable in Pennsylvania courts," said John McCabe of the National Conference of Commissioners on Uniform State Laws, the group that formulated the model act.

Had the law been in effect when Mrs. Lawson asked Judge Cirillo for custody, it wouldn't have made any difference, since Texas has not adopted a similar law.

Kenneth Lawson would undoubtedly have received the same advice he got from lawyers here when he traveled to Pennsylvania early this year to seek enforcement of his Texas custody order. The only way he could get David back, he was told, was to submit to a full custody hearing in Montgomery County Court.

"He'd already spent in excess of $8,000 in legal fees," said Bill Ralston, the man Lawson ultimately turned to when he decided to kidnap his son. "If he's already been awarded custody in Texas, why should he go through a long, expensive custody battle in Pennsylvania, with no guarantee to win and no assurance that she wouldn't kidnap the child again?"

Another problem with the new Pennsylvania custody law is that a majority of parentally engineered kidnapings occur before custody is awarded at all.

That is according to statistics compiled by Children's Rights Inc. (CRI), a Washington based group founded by Arnold Miller, whose wife disappeared with their 2-year-old son three years ago.

"If you take the children before there's a court order, then you're not in contempt of court," said Miller's present wife, Rae Gummel, who is CRI's vice president. Most parents who flee across state lines with their children "don't even apply for custody, because it might alert the other parent to their whereabouts," she explained.

Miller, a computer analyst for the U.S. Post Office, said he had felt helpless and bewildered when his own child disappeared. His organization now counsels dozens of parents each month.

Parents who locate their children are increasingly turning to private detectives to get them back—detectives who will "retrieve" the children for fees ranging from $1,000 to $20,000.

The private detectives shun publicity. Two men who don't, and who have been most active in child abductions—Gene Austin and Bill Ralston—say they do it to publicize the chaotic tangle of custody laws.

Austin, nicknamed "Mean Gene," is to custody disputes what "deprogrammer" Ted Patrick is to religious cults. While he is not in the private detective business, Austin, who lives in Folcy, Mo., claims to have engineered more than 200 abductions in the past 15 years. His fees range from $100 to $1,000, plus expenses.

Bill Ralston, 36, is a relative newcomer compared to Austin, but is no less fervent. Ever since his wife disappeared with their two children in 1974, Ralston has searched for them in vain.

In 1975, he founded United Parents of Absconded Children, an organization he runs from his home in Cuba, N.Y. When Kenneth Lawson called him in April, Ralston says he investigated thoroughly before taking the case.

Ralston met Lawson, Lawson's second wife, Stella, and his brother-in-law, Sam Roberts, in a motel in Norristown on May 18. For five days, they "staked out the residence of (Ella) Faye very carefully, discreetly and patiently," Ralston said.

"We even had an elaborate surveillance system that involved walkietalkies and CB radios. We wanted their daily routine. On the 23d, at 4 p.m., we spotted David outside playing in the yard. I was driving. Ken was in the back seat. I pulled into the parking lot (of the townhouse complex) as close to him as I could. Kenny jumped out and David didn't even see him until he was almost on top of him. He scooped him up, put him in the car, and away we went.

The group switched to a "safe" car that couldn't be identified by any witnesses from the scene. Once over the state line, it was Ralston who called Mrs. Lawson to tell her David was safe. (She screamed and cried, "I want that baby back," he said.) Then he called the Norristown police and the FBI to tell them that it was David's father who had taken him.

The effect of the abductions on children is an issue that doesn't get discussed by parents as much as the question of which spouse has the right to the children, or who is the better parent.

One of the more extreme examples is the story of a 9-year-old boy, originally from Florida, who has been abducted at regular intervals since he was 3. His mother now has custody in four states, his father in four others.

"Each time his parents snatch him, they go to a new state to hide from the other parent," said Rae Gummel of Childrens' Rights Inc.

"We consider child-snatching to be a form of child abuse. We haven't met a child yet who really hasn't had a lot of confusion. And they're reluctant to form attachments for new kids."

Observers of the custody-law tangle have little hope that the Uniform Child Custody Act is the answer.

"The way our custody laws are, a parent really can't say they have legal custody of their children unless they have custody in all 50 states," Ralston said. And until all 50 states adopt uniform custody laws, there always will be somewhere a parent can run to with relative impunity, the doubters say.

One solution might be federal legislation introduced by Reps. John E. Foss, Donald Edwards, both California Democrats, that would require every state to honor custody orders issued in another state. It has little chance of passage, however; its opponents believe it infringes on state's rights.

Another possible federal remedy is a bill introduced by Rep. Charles E. Bennett (D., Fla.) that would amend the federal kidnaping statute—known as the Lindbergh Act—making parents criminally liable for the kidnaping of their children. The major obstacle to passage is opposition from the Justice Department and FBI. which fear they would be inundated with child custody cases.

Until an effective remedy is found, Austin, Ralston and others say, they will continue their work.

Ralston, who supports the Moss-Edwards bill, says the whole dilemma that underlies parental kidnaping has "gotten a lot more media attention in the last few years since we've used the recovery (kidnaping) technique to dramitize the problem.

"It shouldn't have to be that way. I despise it even though I do it," he said. "But until we can slam enough people in the eyes to enforce these custody orders—by saying that otherwise we'll snatch these children off the streets right under your nose—we'll keep doing it."

[From the Catholic Review, Mar. 18, 1977]

WOMAN FACES CRISIS OF KIDNAPPED CHILDREN

(By Kathleen Kujawa)

A woman who has not seen her two children for nearly two and a half years told about her experience in a workshop called "Kidnapping—the Newest Crisis in Divorce" during the archdiocesan conference on separations and divorce.

Virginia Burt, the mother of two daughters, now seven and three years old, described leaving her husband. The couple, who lived in Poughkeepsie, N.Y., were in the process of getting a divorce. Her husband had threatened her with physical violence if she did not agree to certain demands, Ms. Burt said. These included giving him the house and custody of the older girl.

Ms. Burt fled to Baltimore with the two children and stayed with her mother. One Sunday her husband, who by then had visitation rights with the children, took them out for the day. They never returned. She has seen neither him nor the children since.

Ms. Burt hired an investigator, but he was unable to locate the three. Although she was able to get custody of both children, the police and FBI were unable to help her because no crime had been committed.

Under federal law, the abduction of a minor by his parent is not a crime. The parent who has taken and concealed the children can be cited for contempt of court if the other parent has legal custody, but only if he can be located.

Ms. Burt said that a national organization has been established, Children's Rights, Inc. (CRI) to support federal legislation to protect children in such situations. The group is currently supporting HR 762, a bill in the House of Representatives, that would amend the federal kidnapping statute to include parents who conceal their children.

Another bill being supported would provide uniform custody agreements among states. At this point legal custody is only valid in the state in which it is granted and both parents could have custody of the same child in different states. The bill would require states to abide by custody arrangements made by other states.

Ms. Burt noted that the first state to make child-snatching by a parent a crime is California, where the law went into effect in January.

She urged individuals to write to their congressmen to support uniform custody and the amendment of the kidnapping law. CRI may be reached at 3443 17th St., N.W., Washington, D.C. 20010 or by calling (202) 462-7573.

[From the Ga., Chronicle-Herald, Augusta, Feb. 20, 1977]

CHILD-SNATCHERS BREAK HEARTS, NOT LAWS

(By Mary Duckworth)

Johnny's mommy and daddy have been separated several months. They're in the process of divorce. Last week his daddy came over with a gun and threatened to kill his mommy if she didn't let Johnny go off with him. She cried, but finally let Johnny leave with his father. They never came back.

In this fictitious case, Johnny was a victim of child-snatching.

Annually, there are 100,000 such cases reported nationwide, according to figures released by Children's Rights Inc., an organization designed to aid victims of child-snatching. Last year, two children were killed during child-snatching attempts.

In Richmond County, Superior Court Judge John Hardin sees approximately two child-snatching cases each month, sometimes more. He says these are usually cases where one parent "snatches" his or her child from another parent or relative who might be keeping the child. Seldom does he encounter cases where people snatch children who aren't related to them.

There are a number of reasons why parents want to steal their children, he said. One is finances. Before New York went bankrupt, he continued, several people there were receiving welfare benefits in the name of children who lived in Richmond County with a relative. When New York began investigating, the parents came to Augusta, "snatched" the children and took them to New York so they could continue receiving welfare benefits, he said.

Mrs. Rae Gummel Miller, vice president and secretary of Children's Rights Inc., said in a telephone interview from her Washington, D.C., office that the increased divorce rate is also a factor in child-snatchings.

"The divorce rate has gotten out of hand," she said. "There are more and more bitter divorces. There is no federal law saying that a parent can't take his own child, even if he doesn't have legal custody, so parents aren't breaking any laws when they take their children away.

"Sixty percent of the child-snatching cases occur before custody is awarded," she continued. "I think the parent who does the snatching is either afraid of losing custody, or else he or she doesn't want to hassle with lawyers. In the cases where custody has been awarded, it's usually the noncustodial parent who takes the child."

Most of the children who are snatched from their homes by a parent are between the ages of 3 and 7, Mrs. Miller said.

"This is a critical period in a child's life because they are learning social values at this time. Parents who do the snatching don't realize that they are only solving the immediate problem of not getting to see their children very often. In the long run, though, they are causing more problems—often deep-rooted emotional ones—for the child, themselves and the other parent.

"The child experiences trauma in being taken away from the familiar. Sometimes the parent who snatches a child will tell him all kinds of madcap, concocted stories about the other parent. We have had cases where the child was told that the other parent had died. When he later saw the allegedly dead parent, he imagined he was seeing a ghost. There's no reason children should be put in the middle of these squabbles."

Child-snatching can happen to anyone, Mrs. Miller said. "It happens to the rich and poor, and to people who would least expect it. We've gotten letters saying, 'I never would have guessed dear ol' George would do something like this.' "

The return rate of snatched children is very low, she continued. "The federal kidnaping clause omits parents, so federal agencies can't help in child-snatching cases since the parent hasn't broken any federal law. Now we're trying to get that changed so that child-snatching will be a felony, and federal authorities can get involved. But in the meantime, we have to live with the old law."

Current federal law states that any person is a kidnapper "who unlawfully seizes, confines, inveigles, kidnaps, abducts, or carries away and holds for ransom or reward or otherwise, any person, except in the case of a minor by the parent thereof."

Judge Hardin said in Georgia, each parent has equal rights to his or her child until a custody hearing is held and a court order granted determining who will receive permanent custody.

"If a parent snatches a child after there's been a court order granting him only visitation rights, then he's breaking the law. But the only way I can enforce it is with a contempt order, and you can't serve a contempt order across state lines. So, if the parent crosses the state line, it's out of my hands."

He added that lawyers sometimes aggravate the problem by encouraging parents to cross state lines with their kids.

In cases where the child-snatching parent is found to be in Georgia, Judge Hardin said another custody hearing is held to determine if the custodial parent has become unfit since the original hearing.

Should the victimized parent find the child-snatching parent in another state, it is up to him to take a copy of his custody order to that state where a similar hearing can be held.

The problem with this, Mrs. Miller said, is that most parents can't find the child snatchers. They disappear and are never seen again, in most cases. "Only the parents who have lots of money and stamina can find their children. Then all they can do is snatch the child back, because the other parent isn't going to be willing to go through another hearing. It's heartbreaking. And it's difficult to find anyone who can help.

"The victimized parents have to hire private investigators who sometimes do nothing but take their money. It can be a very emotional as well as a financial drain. The investigators often take advantage of the parents. When the parents have spent their last dime on the investigation, the investigators will bait them. They'll say, 'Oh, it's too bad you're giving up. I'm onto a good lead.' Then the parents will go out and borrow more money. Often this leads only to a dead end."

Mrs. Miller hopes that the kidnaping law will be amended so that a modified penalty will be given to parents who snatch their children. "Now all the parent gets when he is found is a slap on the wrist for contempt of court (for disobeying the custody order). I don't think that he should get life imprisonment. A maximum of one year in prison or a $1,000 fine is being proposed, and I think that's reasonable."

There are 52 chapters of Children's Rights Inc. in the United States. The purpose of the chapters is to inform victims of their rights and of the laws in their states, she said.

"We also encourage the victims to publicize their cases so that, hopefully, the public can become aware of the desperation of the situation and let Congress know they are upset about it. It is a serious problem."

SHE'S GRIEF-STRICKEN OVER LOSS OF CHILDREN

(By Mary Duckworth)

Five years ago, Gail, an Augustan, decided to leave her husband. He was "immature, weak, wouldn't work and stayed under his mother's thumb," she said.

After a year's separation, divorce proceedings began, followed by a nightmare of physical abuse and a long seige of mental anguish.

"My husband didn't want the divorce," Gail related, staring down into her coffee cup. "His mother kept telling me if I went through with it that I'd never get the kids. I didn't have any idea what she was talking about. If I had known what he was going to do, I would have never divorced him."

Not long before the divorce was final, her husband came over, beat her up and left with their two children, 3 and 18 months.

"I don't think he wanted the kids. I think he wanted to hurt me," she continued. "I haven't heard a word from him since. He hid his tracks well. His mother, who lives in town, is in on it, I think, but she swears she doesn't know a thing about it. The police know she knows, but they won't do anything.

"When the children were born, she wanted me to give them to her," she said. "She told me I could always have more, but that she was too old."

After the April night abduction in 1972, Gail stayed at home "for months" waiting for a phone call or a letter—not daring to leave the house lest she should miss some information about her children.

"I finally hired a private investigator in November 1972. The police hadn't been able to help me. The sheriff always took time to listen, but he finally told me that it was out of his hands. The investigator took my money, and I never heard a thing from him. He left the case without a word."

While she was married, Gail was a homemaker, staying home with the children. After the divorce, she moved in with her mother and went from one job to another, unable to cope with her depression to work for very long at a time.

"I took a few jobs, but I couldn't hold them. I just fold up under pressure. Now, at 26, I'm under psychiatric treatment. I realize I need to work and be out on my own, but I just get overcome with my depression every two or three months. I feel like I can't go on. Just last September, I attempted suicide. Sometimes it's just too much for me."

The frustration of knowing there is nothing she can do about the situation gets her down, she said. She feels that her husband is out of state, and that her hands are tied.

"I would like to know where my kids are so I can tell them I love them. I don't want to snatch them back because I know what that would do to them. But I want them to know where I am so that if they want to see me when they get older, they'll know they can come to me. I do hope they will try to find me when they get older."

Gail is worried that they won't try to find her, however, because she is adopted and has never looked for her real mother.

In attempting to find out more about the whereabouts of her children, Gail has contacted the Federal Bureau of Investigation, the Georgia Bureau of Investigation, written

Congressmen "and everybody else I can think of," and contacted state and local officials. Each time she has drawn a blank.

"Everybody tells me the same thing. 'There's nothing we can do. Go home and wait. The only thing you can do is find them and snatch them back.' There's a lot of red tape. And it's easier to disappear than you'd ever think."

She says she knows she will never get her children back, but she wants to do what she can to keep it from happening to others.

By writing letters to Congressmen and pushing for legislation making child-snatching by parents illegal, she hopes she is helping.

"This has affected my life in every aspect," she said. When her husband left, she was a size 10. Now she is overweight and looks older than her age. She has let herself go because of lack of motivation. "I'd like to get married again and start all over. The opportunity just hasn't come up. And right now I'm still very bitter."

She says she doesn't know why her ex-husband chose to torture her by snatching her children. She had granted him visitation rights during the separation. He never fought her for custody of the children. But his mother's warning was persistent.

"This was well-planned. I've searched far and near and I can't find a trace," she said.

[From The Alexandria, Va. Gazette, Jan. 28, 1977]

Child Snatching: Most Lawmakers Avoid This "Family" Problem

(By Jacqueline Lee)

Even though Gloria Yerkovich's daughter has been removed from her legal custody for more than two years, the natural father who took the child cannot be charged with kidnapping.

A clause in the federal kidnapping law passed in 1934 specifically exempts parents from charges of taking their own children.

Legislation to amend the law, House Resolution 762, is now sitting in the House Subcommittee on Crimes, after being introduced to the 94th Congress by Rep. Charles Bennett, D-Fla.

"And the chances for the bill getting out of committee do not look very good," says an Alexandria lawyer who is following the legislation. "Politicians don't like to get involved in this family problem type of lawmaking."

Rep. John Conyers Jr., D-Mich., is chairman of the subcommittee considering the child snatching amendment to the Lindbergh law.

"Legally, there is nothing a victimized parent can do about child snatching," says Jan Freeman, the new director of the Alexandria Legal Aid Society. She is currently handling a case similar to Gloria Yerkovich's.

"No court in the world is going to deny a natural parent his or her visiting rights," Freeman adds. "After that, it is a matter of moral consideration for the child's rights. The court simply presumes upon the good will of the parents involved that neither will keep a child from the other."

But emotions are volatile in separation and divorce cases, and some children are forcibly taken away, unable to be located by the remaining parent. Estimates are that as many as 100,000 are involved each year.

"Married parents are as vulnerable to this problem as unmarried," Ms. Freeman says. "The married don't have any more protection under the law."

"Hopefully, parents would be more sensitive than to take children away, but some are not," points out Ron Barrett, president of the Alexandria Legal Aid Society's Board of Trustees.

Gloria Yerkovich, who plans to write a book about the child-snatching of her daughter Joanna, says she would advise the parent with custody to get a passport for their child. She thinks Joanna's father took her out of the country.

"If I'd had her passport he couldn't have gotten one and taken her out," says Gloria. The State Department has refused to help hed locate Joanna, saying the case is a family matter and it cannot become involved. "They say they have lots of cases like mine," Gloria says.

Local police officials are also reluctant to even look into child snatching cases. Ms. Freeman, a graduate of the University of Virginia Law School, notes.

Mrs. Yerkovich has also asked the Federal Bureau of Investigation and Justice Department to assist her in locating Joanna, to no avail, she says.

"Lawyers are even afraid or don't want to handle cases like this," points out Arnold I. Miller, director of Child's Rights Incorporated (CRI), an organization concerned with child snatching which has headquarters in Washinington, D.C.

"Many lawyers just don't know what to do for their clients under the present law," Miller claims. He says many have begun writing to his 2-year-old organization which has collected data from victimized parents throughout the country.

"Because there is such a thin line between preserving the rights of the child and not infringing upon the rights of the parent many lawyers and other professionals shy away from the problem," Miller adds.

So far California is the only state to have passed a law making child snatching by parents a crime, Miller says. Other states have some sort of domestic law addressing the problem, but they are intermingled with domestic laws and are largely unenforceable, he said.

"California's law is the only one to finally define child snatching as a crime," the CRI director says. Under the California statute, it is a misdemeanor for a parent to conceal a child within the state, if the child is taken outside California borders the snatching becomes a felony.

"We are getting lots of inquiries from state government agencies and law schools about child snatching," says Miller. "Hopefully, more legislation will result."

When the 1934 Lindbergh kidnapping law was passed exempting parents, divorce and separation were far below the one in three rate prevalent today. Living together relationships were far less common.

Victimized parents like Gloria Yerkovich are hoping legislation will soon be passed to protect them and their children.

Child Is Often the One To Suffer

Children's rights—even more than child custody—are at stake when parents play the disruptive game of "child snatching."

So claims Arnold I. Miller, the director of Child's Rights Incorporated (CRI). He heads the Washington based volunteer organization which has 32 chapters throughout the country with 3,000 members, most of them persons whose own children have been taken away by an ex-spouse.

"Too many people, including the law, assume that the child is safe if it is with its parent," says Miller, who has not seen his own son for two years. "This is a myth we are trying to break."

Miller says his organization is a clearinghouse for information about children who have been concealed by one of their disgruntled parents.

The key word definitely is "concealment," Miller says, and his organization's files are full of cases where children have been forcibly taken and abused. If returned, they more than likely come back with severe emotional scars, Miller adds. "A high percentage have to undergo psychiatric care after the trauma of child snatching," Miller adds.

The concealment which Miller calls a key factor takes many forms. Identities have to be changed and children sooner or later have a real problem of knowing just who they are.

Parents' drivers' licenses are not renewed, names are changed, the children are usually introduced to vastly different life styles, and they have no roots or ties, not only to their other parents, but also to friends, grandparents and, perhaps, other siblings.

The child snatching parent must usually go through great pains to keep up the concealment, and the strain is sooner or later felt by the child, according to CRI's investigations of individual cases. The group estimates about 100,000 children are taken away from one parent by the other each year in this country.

Miller says that other than the practical logistics of concealment, a necessary part of a relationship between the parent and child is lying.

"The inevitable questions about the whereabouts of the other parent are a threat to the child snatcher. And the lies that result are detrimental to the emotional growth," says the volunteer CRI director. "We're also very concerned about the abuse that can't be measured by scars or bruises."

CRI's other functions in addition to fact finding about child snatching include legal and supportive counseling.

"We inform people about what they can and cannot expect from the law," says Miller. The group's "Lend an Ear" program helps victimized parents by putting them in touch with others for support and ideas.

Miller notes that lawyers, universities and state and local governments are beginning to be aroused by the problems of child snatching and have started writing his group for information.

He said the Health, Education, and Welfare Department recently indicated an interest, although it once refused CRI a grant and has no program to deal with the problem yet.

Miller says CRI has also hoped to educate the public about child snatching in order to arouse concern and eventually obtain legislation to curb it.

At first the group worried that news stories might incite more snatchings but decided an aware public and protective legislation would help more children in the long run.

"One of our real concerns is that children know and love both their parents," said Miller.

Information about the group can be obtained by writing Child's Rights Incorporated, 3443 17th St., N.W., Washington, D.C. 20010.

[From the (New Jersey) Star-Ledger, Jan. 26, 1977]

Justice Spurn Dad on "Child-Snatching"

(By David Smallen)

The U.S. Supreme Court refused yesterday to intervene in a Morris County "child-snatching" case, dashing the hopes of affected parents and many lawyers that the high court would close the legal loopholes allowing thousands of such incidents to occur annually.

The Supreme Court refused, without issuing an opinion, to hear the case in which five-year-old Gregory Borri was snatched from his aunt's Riverdale home by his mother and taken to Florida where a state court overruled the custody decision of a New Jersey court.

The Supreme Court, by refusing to hear the case, upheld the Florida court's 1974 custody award to the mother, Elaine Silverson of Jacksonville, Fla., just two weeks after Morris County Judge Kenneth C. MacKenzie gave custody to the father.

Two weeks prior to Judge MacKenzie's May 20, 1974 ruling, Mrs. Silverson took the child, then two, to Florida, where a judge ignored the Morris County decision and awarded her custody. The father, Bruce Borri of Riverdale, fought the case through the Florida appellate process, but the lower court decision was affirmed twice without opinion, as it was yesterday by the Supreme Court.

The court, in effect, refused to step into a situation in which state courts can ignore the custody decisions of courts in other states, a situation which one legal observer said "lends encouragement to kidnaping."

One parents' organization estimated that 100,000 child-snatchings occur every year.

The U.S. Constitution requires each state to give "full faith and credit" to the acts of sister states but the Supreme Court has never ruled on whether this provision applies to child custody orders.

In a 1947 case similar to the Borri case, Justice William O. Douglas said if a custody decree is modifiable in the state of origin, it may be freely changed by the courts of other states.

However, 31 states have held that the "full faith and credit" clause of the Constitution applies to child custody orders. Florida and New Jersey are among states which refuse to do so.

In addition, 11 states, including some which use the constitutional basis, have adopted a Uniformed Child Custody Jurisdictional Act, prepared by the National Conference of Commissioners of Uniform State Laws, giving jurisdiction to the state with the "best and most" information on the case.

Bruce Borri described himself as "pretty disappointed" with the Supreme Court decision. The 27-year-old installer for New Jersey Bell Telephone Co. said the decision "opens the door for mass kidnapings."

Borri, who sees his child three weeks a year, would not say whether he would consider snatching Gregory back from his former wife.

His attorney, William McCabe of Orlando, Fla., said he was "really disappointed" in the Supreme Court's decision. "The time was right for them to make a ruling," he said. "I personally know of this going on all the time and a stop has to be put to it.

"Apparently what they're saying is wherever the child is can determine custody. If what she did is legal, there is nothing to prevent Mr. Borri from doing the same thing," he added.

McCabe said he will ask the Supreme Court to reconsider its decision.

Gary Skoloff, a Newark attorney who formerly headed the New Jersey Bar Association's family law section, called yesterday's ruling "horrendous."

He said, "The end result is to encourage child-snatching throughout the country. From here on in, they'll be yanking them left and right. People with money will make a career out of it."

Skoloff described child-snatching as "such a serious problem that I'm really surprised the court didn't take the case."

He said the only solution left is passage of the uniform statute, but added, "Unfortunately too many states want to guard their own jurisdiction. The end result is child-snatching."

Morris County Prosecutor Donald G. Collester Jr., who at one point attempted to press kidnaping charges against Mrs. Siverson, called for federal legislation to solve the problem.

"We need some sort of federal law which will be respected by sister states. Otherwise, it comes down to who is fastest with a cab to the airport."

He called the Supreme Court ruling "unfortunate" and described the Florida decision by Judge John E. Santora Jr. of Duval County Court "a mockery of justice."

The Morris prosecutor rejected the idea of amending the federal kidnaping statute to eliminate the exemption for parents, a move proposed by some parents' groups, because he said child-snatching should not be handled by the criminal process.

He said, however, that if he had a child-snatching with the right type of circumstances in Morris County, he would present evidence to a grand jury for an obstruction of justice charge.

Rae Gummel, vice president of Children's Rights Inc., a Washington based group of 1,000 parents, said the kidnaping amendment is the best solution, because it would open federal files in pursuing fleeing parents.

She called the uniform statute "a good idea, but it's not going to stop child-snatching," which she estimated at 100,000 cases annually.

John McCabe, the legislative director for the Chicago-based National Conference of Commissioners on Uniform State Laws, said the Supreme Court decision means "there will not be interstate enforcement of custody decisions. Multiple decisions will be retained and it lends encouragement to kidnaping."

He called the incidence of child-snatching "very frequent. Everybody involved in divorce cases is worried about this problem."

[From the Baltimore Sun, Sept. 26, 1976]

THOUSANDS OF PARENTS FORCED TO RESORT TO CHILD SNATCHING

(By Kay Bartlett)

SHEFFIELD, ALA.—The three men kept changing rent-a-cars. One had dyed his hair so he wouldn't be so easily recognized. Their mission: snatch a 10-year-old boy and his 8-year-old brother and get them across the state line.

They prowled the area for four days last May, watching the Tewksbury (Mass.) home where the youngsters lived. Once, a police car gave pursuit but they outran it.

They were armed with tear gas, a club and two sets of handcuffs should someone give them trouble.

On the fifth day, they finally got a clear shot at the children. Their green car screeched to a halt and two of the men went after the brothers. The 10-year-old had a running start on his bicycle and had to be knocked off. The 8-year-old was snapped up easily. Both were tossed into the strange car.

The children were terrified—until they recognized the man with the dyed hair. That was their father, Arlie Wayne Haskins. He was committing one of the thousands of child snatchings carried out in the United States each year by divorced, separated or about-to-be-separated parents who believe they have no other way to get possession of their children.

Minutes later, Haskins, his two companions and the children switched to a "safe" car, as it is called in getaway parlance, and sped across the state line. There was the possibility that someone had seen the abduction and had alerted the police with a description of the kidnap car.

Wayne Haskins, as he is called, is neither a wild man nor a man without a right to the two children he adores, children from a marriage that went sour. A 37-year-old nuclear chemist, who is an inventor on the side, Haskins won custody of Eric and Shelly in Alabama. He had their mother declared unfit. But the mother, Oleeta Haskins, a 32-year-old rehabilitation counselor with Goodwill Industries, won custody in Massachusetts. She had warrants sworn out against the father.

Both parents want the children and, depending upon which side of what state line you stand on, in the eyes of the law, each is absolutely in the right.

The problem is that most state courts do not recognize custody decrees from other states, despite the "full faith and credit" clause in the Constitution. That is one reason why thousands of parents resort to child-snatching.

In addition, the divorce rate is soaring, and a growing number of fathers now want custody of their children. About 100,000 children are being snatched each year in the United States by a parent, according to Arnold Miller, the founder of Children's Rights, Inc., a Washington-based group whose members are involved in one way or another with the problem. Miller, whose wife disappeared with his son, bases his estimate on missing persons reports and other available records. He says that 60 per cent of the abductions are by parents who fear they won't win legal custody in a court.

THE MELLON CASE

Most child-snatchings don't make police blotters or the local press, partly because the federal kidnaping law doesn't include children seized by a parent, and state and local police often don't treat it as a crime. Unless, of course, the name is Seward Prosser Mellon. That multimillionaire name brought child-snatching very much before the public eye this year.

Mellon had custody in Pennsylvania, his ex-wife won it in New York state courts. Whereupon, he had three men snatch the children in Brooklyn last March and bring them back to Pennsylvania. That case is still before a grand jury. Among other things, the men are alleged to have told the armed guard protecting the two children that they were with the FBI and therefore he should hand over his gun quietly. Which he did.

Haskins had lived in Massachusetts with his wife, then moved back to his native Alabama, where he won custody of the children, but couldn't get it recognized in Massachusetts. He tried to fight in other courts, but federal Judge W. Arthur Garrity, Jr., in Boston refused to hear his case. So did the Supreme Court.

The easy explanation is that child custody is simply a domestic battle and should be settled in state courts. That sounds good, but in many cases state courts do not recognize custody decrees from other states. So child-snatching, for distressed parents, becomes in their eyes the only alternative.

One child has been killed in an attempted snatch, along with his father. Thousands of others have just disappeared along with the absconding parent. One man was reunited recently with his mother—32 years after his father disappeared with the 1-year-old infant.

Haskins was at wit's end when he was faced with the problem.

"I felt I was the only one in the world who had this problem," he says. "I didn't know what to do. At first I thought I could settle this through the courts. Thousands of dollars later, I realized the courts were not going to help me."

He then learned of the underground world of child-snatching. First he heard about Eugene Austin of Foley, Mo., and wrote to him. Austin, a 52-year-old study in flamboyance who bills himself as "Mean Gene, the meanest man in the world," has helped snatch over 400 children for their parents.

Austin wrote back with a letter right out of a Damon Runyon reject.

Sample phrases: "Figure two weeks time. No less. We need time to stalk them, so we get both of 'em. Otherwise, there's no seconds."

Or: "Biggest expense is rental autos. And without rentals, no way! We will be chased, no question about that, so be ready for it with razzle-dazzle cars. It's necessary."

Wayne Haskins suddenly found himself involved in a world light years away from studying the half life of uranium isotopes or painstakingly measuring for radiation leakage.

PRIVATE DETECTIVE'S FEES

Austin mentioned another man, Bill Ralston, in his letter and it was Ralston rather than Austin who subsequently helped him. The third man was Mike Ashe, an Alabama buddy of Haskins.

Haskins had contacted private detectives but could not afford their fees. (One private detective in California charged $12,000 to snatch a child.) Austin usually charges $300 a case, plus expenses.

Ralston works for free and hopes only for a contribution to the organization he founded, United Parents of Absconded Children, in Cuba, N.Y. Haskins donated $100 and paid the expenses. The total snatch cost him about $1,000.

Ralston, a 36-year-old bearded redhead who stands 6-foot-1 and weighs over 200 pounds, is involved in "self-help," as the proponents call it, because his wife, from whom he was separated, absconded with his own two children.

He quit his job, spent $16,000 in cold cash and millions in heartbreak but has not seen the two blue-eyed blond children in three years. The eldest of seven boys, Ralston has moved back in with his parents and spends all his time helping others while he continues the search for his wife, Susan Evelyn Ralston, and Marc, now 8 years old, and Shari, now 7.

CERTAIN PARENTS REJECTED

Ralston has helped about 15 parents recover their children. He says he has rejected 10 to 12 people who came to him for help. Both Ralston and Austin insist the parent have a legal custody decree before they'll help.

"Before I go with anybody I want to make sure I'm with the right parent, says Ralston. "I also insist the parent go with me to help calm the children down.

"Some people accuse me of being judge and jury in the situation. I guess I am to some degree."

So far, he feels he has not yet made a wrong decision in his vigilante tactics. But the thought of that has crossed his mind.

"I don't know what I would do. I just might contact the other parent and volunteer to help take the children back."

In fact, he says, his gravest doubts yet came when he helped Wayne Haskins snatch his two boys.

"They were so terrified, I wondered if I had done the right thing," says Ralston. "But when they started singing this song, you know, "going back to Alabama with a banjo on my knee,' then I knew I had done the right thing."

"HOW CAN HE PLAY GOD"

Mrs. Haskins wonders where Ralston gets the nerve to make such an assumption.

"How can he play God," she storms. "These people ought to be prosecuted. They're kidnapers. This is not a civil matter. It's a criminal act against the child."

Mrs. Haskins says she is also stalled before the courts. Her next move will be to go to Alabama and start the fight from the ground up.

"There doesn't seem to be any final court of appeals," she says, noting that her chances in Alabama are not very good.

"In my ex-husband's own state, the judges don't have to be lawyers and his family is not unknown."

Would she consider fighting fire with fire and re-snatching the children?

"I just couldn't consider that kind of violence. Nobody gives a darn what happens to the kids. I'd sooner they didn't live with either of us. It's a no-win situation. These kids don't really trust anybody now. It's a pretty unhappy business all around."

The children have been shuffled around. Their mother moved them out of their home and moved in with friends. Their father took them to Alabama and she came down and took them back. He says he tried twice before to snatch them from Massachusetts but was caught by the local police who told him his Alabama custody order was not worth the paper it was written on.

WORRIED ABOUT THE CHILDREN

The question of what this is doing to the little boys' psyches is one both parents worry about.

The children, besides being as cute as most any kid you see on a television commercial, are very bright and very aware. They are absolutely noncommittal as to which parent they would like to live with.

"I think they're afraid of being abandoned by both sides. They don't want to burn any bridges," says their father.

Shelly, a slightly skinny redhead with green eyes and a missing front tooth, and Eric, a stocky blond with enormous green eyes, seem happy with their father. But they seemed happy with their mother, too.

Mrs. Haskins thinks they always try to look happy for fear of abandonment.

"The last time I got them back, one had a bleeding ulcer and the other forgot how to talk, but, by God, there were smiles on their faces," she said. The father said he was unaware of such ailments.

Eric, who allows as how he is a pretty good shortstop, has become a pretty good detective as well. He spotted three of the prowling rent-a-cars outside his home in Massachusetts. He told his mother, who told the police, who did nothing.

He kept a file on suspicious activities hidden away in the upstairs closet. Only his brother Shelly was allowed to look at the license plate numbers Eric had jotted down.

THE "GAME" CONTINUES

The game, if you can call it that, continues.

At Haskins parents' home in Sheffield, where the father and the two boys are presently living. Eric came running back to a catch-all workshop and office behind the house

"Daddy, daddy, a strange car just pulled onto the yard," Eric reported. Haskins went running out. It turned out to be a relative the little detective had not yet met.

The pressures on the little ones are enormous. Their mother forgot Eric's tenth birthday and he was quick to remind her of that in a telephone call.

She replied that she had bought him a present—a color television. He asked if she was going to mail it. She told him it was for when he came back. She told him she wished she knew where he would like to live.

"I'm not going to tell you," he said simply.

His brother, Shelly, was clinging to his father as the conversation went on.

Later, Shelly was asked how he viewed the whole busines, whether it was scary or fun or what.

"How would you like to be a ping pong?" the 8-year-old replied.

PARENTS EXCLUDED FROM LAW

Kidnaping or child-snatching is not against any federal law if the snatcher is the parent. The federal kidnaping statute, the so-called Lindbergh law, specifically excludes parents.

Representative Charles Bennett (D., Fla.) introduced a bill 3 years ago to change that. His legislation would include parents but punish them with a $1,000 fine, a year in jail or both, and not the death penalty as specified in the Lindberg law.

Although there are 20 co-sponsors for the bill, it has been gathering dust. The FBI is strongly opposed. It claims that if passed the FBI would have time for nothing but chasing child-snatchers.

The FBI already has been drawn into a handful of child-snatchings, but mainly through the back door, as in cases in which stolen cars are taken across state lines or cases in which a child's life is in jeopardy.

Austin and Ralston, incidentally, call the FBI after they have made a snatch and quickly tell them that a parent has the child and everything is under control. They, of course, do this after they are across the state line.

ANOTHER POSSIBLE SOLUTION

Most states have some sort of kidnaping statute, but law enforcement agencies tend to be uninterested if a parent is the kidnaper. In New York, for instance, "custodial interference" is a misdemeanor.

Another possible solution is the Uniform Child Custody Act, which states that courts must recognize decrees from other states and consider them heavily in custody battles. It was drafted by the National Conference of Commissioners on Uniform State Laws in 1968, but in the intervening eight years, only 10 states have adopted it.

California has been the most progressive in implementing the law, followed by Colorado. Other states which have adopted the legislation are Delaware, Hawaii, Maryland, Michigan, North Dakota, Oregon, Wisconsin and Wyoming. Minnesota has a state law which closely parallels it.

Why is the recognition so slow?

"Partly it's the tradition of states rights, which is a very strong one, but mainly it's just plain sloth," says Mitchell Salem Fisher, a leading attorney in matrimonial and family law.

Two California congressmen, John Moss and Don Edwards, both Democrats, have introduced a bill that would do the same thing as the Uniform Child Custody Act.

PROBLEMS INVOLVING STATE RIGHTS

As yet, there have been no hearings on the bill and there are considerable problems involving state rights.

"It clearly invades states rights. It would depend upon the mood of the Congress," says Gary Fay, legislative assistant to Edwards.

California has just passed a bill, needing only the governor's signature, that would put teeth into the state kidnapping law, giving the absconding parent a hefty jail sentence.

There are thousands of cases Austin, Ralston or Miller can talk about. One of the most bizarre involved court shopping. A couple in Montana were divorced and the mother was granted custody. The father went to Kansas and asked that court for custody. Kansas said no. Then the mother moved to Texas and was granted custody. The father moved to Kentucky and, unbeknownst to the mother, applied for custody and won it.

When the son went to Kentucky to visit, the father simply didn't return him. He told his surprised wife that he had custody. The father then remarried and the boy—now 14 and retarded—was put into an institution. The mother came to Kentucky and tried to get him out of the institution. The court said no. She then called Ralston and he snatched the child from the institution. He's now back in Texas with his mother. Living at home.

Often grandparents are involved and in some cases, the U.S. government has been entangled. One woman fled from her husband with the children and then married a Mafia informant. The government had provided him with a new identity and *would not tell* the father how to find him.

The most tragic case was one in Oklahoma where the object of the tug-of-war, 4-year-old Cain Cody, was killed in a high speed auto chase in July. His father died the next day from injuries suffered when the car was forced off the road. The three men who tried to help the father regain the child were charged with second degree murder and kidnaping. The man who forced the car off the road, the wife's brother, was not charged.

Mean Gene says he staked out that case but aborted it.

"I made Steve [the father] promise me he would not try it alone. It was dangerous. That was an armed camp," said Austin.

He says his success rate is dropping. "It used to be 99 per cent. But people are getting smarter. They're guarding the kids closer. I abort more now. I will never move when there is a chance a child is going to get hurt."

Besides his routine with the rent-a-cars, Austin has a number of rules he follows, including getting within 6 feet of the child before making the snatch.

Although Austin once sprayed mace into the face of a protesting mother as he grabbed the child from her arms—for which he was charged with assault and spent time in a Miami jail—his snatches are usually quite clean.

Ralston also is batting a thousand, with no accidents as yet.

"I don't care if I get punched in the nose," says the burly Ralston, "but I make good and sure the child is not going to get hurt."

[From the Single Parent Magazine, September 1976]

THE SEIZE AND RUN GAME

(By Bob Westgate)

Child-snatching usually doesn't get much time on TV or space in the newspapers. It occurs when one parent takes his or her children and conceals them from the other—regardless of who has custody. Police usually don't consider it a crime; it's a family problem.

However, when the two small daughters of Pittsburgh banker Seward P. Mellon were abducted from his ex-wife's Brooklyn home last March, the act made headlines from coast to coast. The girls were seized by three men, allegedly hired by Mr. Mellon, who had been given custody by a Pennsylvania court in 1974. Last year Mrs. Mellon repotedly took the girls from North Carolina to New York, where another court awarded her custody in February. Mellon then took them back by force.

Once children have suffered through the upheaval of their parents' separation and divorce, their lives should be made stable and secure to assure their future mental and physical health. Child-snatching is not really a custodial vs. a noncustodial issue; it's a children's issue. Children have the right to see, love and be loved by both parents regardless of who has custody.

However, today in the United States custody laws have been reduced to the game of "Seize and Run." Every year thousands upon thousands of single parents—many of them PWP members—take the law into their own hands. They snatch their children and flee across state lines or overseas where they usually can't be touched. Few of the "kidnappings" get the publicity the Mellon case did. These parents are seldom arrested, prosecuted, or sentenced—even if they can be found—in spite of the suffering caused the other parent or the real victim, the children.

Why? Because:

Confusing and conflicting state laws give states jurisdiction in child custody disputes only within their own borders;

Most police departments don't want to get involved in family problems;

The FBI refuses to enter such cases—unless the safety of the children is threatened—as the Federal Kidnapping Statute specifically exempts parents;

There is no other federal legislation that would make child-snatching illegal.

Consequently, one or both of the parents is forced to exhaust his or her finances to pay for lawyers, private investigators and out-of-state court expenses to try and find the children, to see them, and eventually have them returned. The emotional strain is more than most people can stand. But it is the children who suffer the most.

Sometimes this "'self-help"—as attorneys like to call child-snatching—results in violence when professional "kidnappers" are hired, as in the Mellon Case. Eugene Austin, 53, a Foley, MO part-time heating-air conditioning worker, gained nationwide notoriety as a "custody vigilante"—even before his profile in the Wall Street Journal last March. (He was not involved with the Mellon case.) Austin has returned more than 200 children to fathers who were unable to get actual custody, after being awarded legal custody by a court. He's been successfully prosecuted only once—and then only after he flaunted his law-breaking in the Miami papers. He was convicted of aggravated assault for maceing a mother and is free on bail while appealing his sentence of 30 months in jail and 30 months' probation.

Rep. Charles E. Bennett (D., FL) told a PWP conference in Florida last year, "The real victim of child-snatching is often yanked from a stable environment and taken to another state in a sort of semi-criminal status, but without any real criminal penalty threatening the parent responsible for the abduction.

"Such a traumatic experience can cause irreparable damage to a child's emotional stability," he continued. "I know of one case in which the abducted child became such an unmanageable delinquent that the mother who abducted him sent him back to his father. The father could no longer handle the boy either and sent him back to the mother. Once a prize possession, the child became an unwanted burden. This type of situation is especially likely to develop when a child has been abducted more out of a desire to hurt the other parent than out of a desire to keep the child."

Of course, parental kidnappers believe they have good reasons and that it's not just revenge. Perhaps the custodial parent has refused visitation rights, or he or she is unfit or can't or won't care for the children. Sometimes, the loser in a custodial fight decides to contest the decision in another, more friendly state, so he or she simply ignores the decision, refuses to turn over the children, and vanishes. But in 60% of the child-snatching cases, the act occurs before the custody decision is even made. Until a court rules, both parents have equal rights to their children. So, the parent who thinks he or she might be the loser just "Seizes and Runs."

So, what's being done to end one of the most bitter battles in the separation-divorce war? Not very much.

Three years ago Congressman Bennett introduced a bill (now numbered HR 13134) to amend the Federal Kidnapping Statute and make child-snatching by parents illegal. Although he softened the existing life imprisonment penalty (to a $1,000 fine, a year in jail, or both for parental kidnappers only), the bill languishes in the House Judiciary Subcommittee on Crime. Why? The bill has many backers—mostly single parents with little clout who have experienced the pangs of child-snatching. Its opponents, such as the FBI, are more powerful. The Justice Department is worried about the load or "countless child custody cases" the FBI might get if it were forced to get involved, and the "untenable position it would be placed in, in implementing orders of local courts." To lessen Justice's objections, a 30–90 day proposal has been suggested. This guideline would give local authorities 30 days to determine if the children have been taken across state lines and concealed before the FBI could enter the case. The disappearance would have to be reported within 90 days or the FBI would not help.

The U.S. Supreme Court has failed to rule on state court jurisdiction cases involving child custody that would establish guidelines in this area.

Only 10 states have passed a proposed nationwide law—the Uniform Child Custody Jurisdiction Act—that its drafters believe would solve the problem. It would limit custody jurisdiction to the state where the child has his home, or where there are other strong contacts between the child and his family. It describes the circumstances in which a court may recognize—and enforce—out-of-state custody decrees. It provides a court with the means to deny jurisdiction to a petitioner who has indulged in child-snatching, or similar practices.

And most important—according to the National Conference of Commissioners on Uniform State Laws—it "opens up direct lines of communication between the courts of different states to prevent jurisdictional conflicts and to bring about interstate judicial assistance in custody cases."

However, the Act does not set up any investigatory body to find missing children and the jurisdictional court would have no way of knowing if some other court might have already awarded custody. It also would not help in cases where a parent runs away with the children and does not file for custody.

Congressman Bennett has asserted, "It would take anywhere from 10 to 50 years before all the states would adopt such a law; and my guess would be that this would never happen. Meanwhile child-snatchings would continue unabated with little legal recourse for the victimized parent." (The 10 states which have okayed the law are California, Colorado, Hawaii, Maryland, Massachusetts, Michigan, North Dakota, Oregon, Wyoming and Wisconsin. Three states—Delaware, Ohio, and Pennsylvania—are considering the Act .

Some attorneys believe the new Child Support Enforcement law may also encourage child-snatching. Non-custodial parents who know they can be traced through state and federal government records and made to pay court-ordered child support may decide they might as well take the kids, too.

There are no large, influential, special-interest organizations fighting for children's custodial rights. Several small groups—organized and staffed chiefly by single parents or other close relatives who have suffered through child-snatching—are trying to muster support for better legislation and are informing other single parents what they can do in such situations. But they lack professional guidance, money and congressional support.

For example, Arnold I. Miller, a government computer programmer, set up Children's Rights, Inc. (CRI) and runs it from his home at 3443 17th St., Washington, DC 20010. His wife disappeared with his only son two years ago. CRI has 13 chapters, publishes a quarterly, $2-a-year newsletter, "Resources," and has an active "Lend-An-Ear" program, in which new members can talk over their problems with "veterans."

And Mrs. Beth Jurras (Box 296, Newhall, CA 91321) started a drive to support Bennett's bill to amend the Lindbergh Law after her son-in-law walked off with her daughter's two children in 1972. They've been returned, but Mrs. Kurras—a French teacher—still maintains her crusade with the Citizens' Committee to Amend Title 18, Section 1201a of the U.S. Code. She presented lengthy testimony at the 1974 hearings on the bill before the 93rd Congress.

Until a new House-passed lobbying bill (HR 13500) is okayed by the Senate and the President, PWP members can still only support groups like this as private citizens. Even if a fellow PWP member is being subjected to child-snatching nightmares, PWP members and Chapters are discouraged from officially backing these lobbies, or from taking up collections in their behalf. This is because of possible violation of PWP's charitable, educational, tax-exempt status—due to the vague IRS regulations that still exist. Chapters can bring Bennett's bill to members' attention, but cannot suggest any action that might be taken by members.

However, PWP has supported Bennett's legislation on the international level. In addition, PWP's general counsel, Archibald Eccleston, III, of Baltimore, has frequently appeared on TV in favor of the bill and has been quoted nationwide in the media that "It is flat-out, plain damn silly for the government not to do something" to make child-snatching illegal.

[From the Detroit Free Press, Mar. 18, 1976]

When a Child Is Snatched by a Parent, It's Not an Unusual Situation

(By Geraldine Strozier)

Shortly before her second birthday, Tiffany Burton was abducted from a Pontiac neighbor's yard and carried off to Alabama.

That was two years ago and Barbara Burton is still without her daughter, although she knows where Tiffany is and who took her.

The Pontiac police also know, but they refuse to help. The reason: Tiffany's kidnapper is her father.

The Burton case is by no means unique.

No one knows just how many parents snatch their own children each year—the police do not count them—but some experts put the figure as high as 100,000 nationally and expect it to go even higher as the divorce rate soars.

Typical child snatchers are parents who have lost custody of their children. Then, because they cannot accept the separation, or because they see it as the ultimate and most punishing way to get even with their ex-spouses, because they are denied easy access to their children, or because they are afraid their children are not being well-treated, they take matters into their own hands and abduct the children.

But some child snatchers are parents who already have custody. They disappear with their children because they are afraid, they say, that their ex-spouses may harm the children or may never return them after a visit. Or they may take the children to punish their ex-spouses because of a bitter divorce.

Other parents—some experts say the majority—do not wait for a custody hearing before they take the child. Tiffany Burton's father took her before the case ever got to court at a time when he had as much legal right to her as Mrs. Burton.

But by taking the child out of the state and, therefore, out of the jurisdiction of the Oakland County court, he was, from Mrs. Burton's point of view, robbing her of access to her daughter and of her day in court to plead for custody.

THE SITUATIONS VARY

Not only are cases of child snatching increasing, but they seem to involve all kinds of situations:

In February, 1972, two California children were abducted by their father, who did not have custody, on a weekend visit. They were traced through Arizona and Oklahoma and then they disappeared.

In March, 1973, a Michigan mother with custody sent her 4-year-old son to spend the weekend with his father. The child never returned. A year and a half later, she found them both in Florida and started court proceedings there for the boy's return. But the husband took the child and disappeared again. She has never found them.

In June 1974, a Maryland mother of two sent her daughters to spend the summer with their father, a diplomat in Nigeria. He refused to send them back and there was no way she could force him—Nigerian law gives the father primary right.

In June 1974, a Maryland father went to pick up his 4-year-old son for the weekend and found the boy and his mother had disappeared. He has never found them.

MONITORED PHONE CALLS

For a year Diana McDowell of Pontiac did not know where her 7-year-old son Freddie was. Finally she located him in Virginia and telephoned. But the father insisted on monitoring the call, so Freddie wouldn't say anything, she said.

One night, Mrs. McDowell called when her ex-husband was out and Freddie broke down, sobbing for her to take him home. "It's going to kill me if I don't see my son soon," she said then.

Recently, the father's second marriage broke up and he brought Freddie back to Mrs. McDowell.

Arnold Miller of Washington, D.C., whose 6-year-old son has been missing for a year, grieves not only for himself but for his boy's sake. "My son is being deprived of his right to know his father and his grandparents," he said.

NO ONE WILLING TO HELP

But perhaps the greatest pain for many parents whose children have been snatched is the discovery that no one seems to care.

If a stranger takes a child, the police or FBI react at once. But when a parent snatches a child, no one seems able or willing to help. The federal kidnap statute specifically exempts parents, so the FBI will not intervene.

Police and prosecutors tend to ignore local laws against child snatching. And the same indifference seems to exist regardless of whether a parent carried the child across state lines or whether a custody order exists.

Time and again, parents report that police brush them off with remarks like: "That's just a family matter," or "So what, the child's father (mother) has a perfect right to take her (him)."

Local police admit they take this attitude. A Detroit police officer working for the youth bureau said, "These complaints come over the phone every day, we don't bother to take them. They're mostly just family arguments."

Another officer in the same youth bureau echoed him: "We have no authority. That's not a criminal matter."

But child snatching is a crime and the police do have authority. Most states, including Michigan, have statutes prohibiting anyone, including a parent, from enticing away a minor. And common law protects custodial parents in those states which do not have such a statute, according to Henry E. Foster of New York, chairman-elect of the family law section of the American Bar Association (ABA).

"RELUCTANT TO PROSECUTE"

In a few rare instances where police have agreed to take action, parents who took their own children have been successfully prosecuted under these laws.

In 1972, the Wayne County prosecutor's office won the conviction of Anthony Pitocco for enticing away his 3-year-old daughter Lisa from the legal custody of her mother.

But in spite of this success, the Wayne County prosecutor's office pursues very few child snatching cases. Dominick Carnovale, chief of criminal matters for the office, claims that very few exist and that the few that do occur are rarely forwarded to his office.

"I think quite often the police are reluctant to prosecute because these cases do not fall within their traditional realm," he said.

The police tell a different story. It is the prosecutors, they say, who won't follow through. The Wyandotte police lieutenant who handled the Lisa Pitocco case said the Wayne County prosecutor went after Lisa only because her mother made a fuss and got a lot of publicity.

A LACK OF CO-OPERATION

In some cases, where absconding parents have crossed state lines, local authorities have been willing to issue criminal warrants and request extradition, but the other state has refused to honor the request.

Last November, for example, authorities in Colorado asked Mississippi for the extradition of David Lee Garner on the criminal charges of violation of custody. Mississippi authorities allowed Garner to seek custody in that state's courts and then refused extradition, saying Garner was now the child's legitimate guardian.

Only California has the reputation among other states of consistent cooperation in child snatching cases, experts said.

Legal authorities are almost unanimous about the reason police and prosecutors do not like to get involved in child snatching cases: it is so hard to tell right from wrong.

A parent snatching his or her own child is not, in the eyes of most people, a criminal. Parents who snatch their children do so because they are convinced they are doing the right thing, said Foster of the ABA, and police and prosecutors as well as juries tend to see child snatching as an act of love, not malice.

One woman, for example, who lost custody of her daughter is thinking of abducting the child because she is worried that her daughter is not being properly cared for.

The child, living with an elderly grandmother, not her father, was badly burned just before Christmas when her nightgown caught fire. "That would never have happened with me. I watch my children like a hawk," the mother said.

The crux of the legal problem, according to Foster, is that states do not give full faith and credit to each other's custody decisions.

In fact, they tend to ignore them, permitting parents who have lost custody in one state to sue all over again in another. "The system rewards taking the law into your own hands and grabbing the child," he said.

NO ACTION EXPECTED

One suggestion is to amend the federal kidnap statute to include parents, a proposal endorsed by Arnold Miller and the Washington-based Children's Rights Inc.

This group offers counseling and practical advice for parents who have had their children snatched. It also lobbies actively for the change in law, although prospects for the bill's passage are not bright.

Rep. Charles E. Bennett, D-Fla., has already introduced this amendment several times unsuccessfully. Currently, the bill is in the judiciary subcommittee on crime, and no one seems to expect much action on it any time soon.

Tim Hart, counsel for the subcommittee, said the lack of interest is the result of "monstrous prejudice against criminal law getting involved in domestic matters."

Even if the amendment is successful some experts are doubtful that it would help the situation much. For one thing, the laws already on the books are not being enforced.

Secondly, many experts, including Henry Foster of the ABA, believe it would be difficult to convict anyone under such a law—juries would be unwilling to imprison a parent for taking her or his own child.

Foster suggests another solution, a federal law forbidding child snatching but with a fine instead of jail as a penalty. That way juries would feel less reluctance to convict, Foster says, and because a federal statute existed, the FBI could be called in to help find the missing child.

Another alternative, he says, would be to require custodial parents to post bond to insure the other parent's access to the child.

UNIFORM CHILD CUSTODY ACT

But perhaps the least controversial solution to the problem is the Uniform Child Custody Act, which is the law in seven states so far—North Dakota, Wyoming, Hawaii, California, Colorado, Oregon and Michigan.

Among other things, this law sets common standards for jurisdiction so parents are discouraged from taking the case from court to court until he or she gets a favorable judgment.

A state which adopted the act would refuse to hear a case which had already been settled in another state.

But because so few states have adopted the act, all a parent has to do is take the abducted child to a non-signing state.

Once that happens, says Hanley Gurwin, chairman of the Michigan bar family law section, all a parent can do is start legal proceedings in the child's new state, or try a little of what he euphemistically calls "self help"—snatching the child back.

And what does a parent do when, as in Arnold Miller's case, the child has disappeared. The child custody law makes no provision for finding a missing child or for forcing the child's return.

Until some kind of solution emerges, parents seeking the return of missing children have to muddle along as best they can. Parents' groups, such as Children's Rights Inc. and a Cuba, N.Y. group called United Parents of Absconded Children, will help to some extent.

Perhaps the saddest thing about this game of hit-and-run parenting is what happens to the children.

"The child is a pawn in the fight between the parents," says Henry Foster of the ABA, and often his "best interests are overlooked" by parents intent on hurting each other, by police and prosecutors unwilling to get involved and by states refusing to co-operate with each other.

[From Trial, the National Legal Newsmagazine, October 1977]

Child-Snatching

(By Mary Fisk)

With the skyrocketing crime statistics of recent years has come increasing public awareness and concern over the degree and extent of violence in America. Yet there has been insufficient alarm over an equally prolific advance in another phenomenon, which while not a crime, is a violent practice that a society dedicated to the protection of the innocent cannot easily tolerate.

The phenomenon is child-snatching. Not violent by any blood and gore meter, to be sure, but far more potent than the run of the mill sort of violence in its effect on America's young. Already the victims of a shattered home, these children are often about to be awarded like property to one parent by the court, about to begin to settle down to their new home situation, when they are effectively kidnapped by the other parent. They are bundled across state lines, many times cut off from the other parent, and expected to adjust to still another radical change in their home situation. Yet this is not a crime.

When the federal kidnapping statute was enacted in 1934, parents were exempted, partly because it was considered patently unfair to subject a parent to the death penalty for seeking to gain possession of his own child. Even when the threat of capital punishment was removed, the prevailing wisdom dictated that parents should not be callously lumped into the same category as those who steal children for ransom, and they remained free from prosecution.

But there is mounting evidence that incidences of child-snatching are rising with the divorce rate, which reached one million last year. Arnold I. Miller, President of Childrens' Rights, Inc., estimates that 100,000 children are snatched annually, based on analyses of FBI statistics on regular kidnappings, Census Bureau statistics, letters to his organization, and interviews with police missing persons departments.

There are no easy answers.

Involved are the rights of parents, as well as their emotional reactions to one another that often accompany divorce situations. At stake is the happiness of the child. The basic question is: is child-snatching merely a domestic matter, or is there a valid need for some form of government relief?

Many groups feel that action is essential. Miller, for one, states "The taking and concealment of a child is a crime against that child . . . such a person should be held accountable."

One dominant proposal comes in the form of the Uniform Child Custody Jurisdiction Act, a model statute adopted by 13 states to date. Drafted in 1968, the ABA-approved model requires, among other things, that the states recognize one another's court orders. The intent is to cut short the happy ending a parent can now expect if only he can snatch his child from one state and bring it to another.

CONGRESSIONAL PROPOSAL

US Representatives Charles Bennett (D-Fla.) and John Moss (D–Cal.) also agree that reform is in order. Rep. Bennett initially introduced legislation in 1973 that would close the loophole in the federal kidnapping statute. Under his proposal, parents are still not equated with kidnappers in that parents would be subject only to a relatively affordable fine and/or imprisonment. Rep. Bennett has re-introduced his legislation, HR 762, into the present Congress, and has gained 29 co-sponsors for it. However, it sits very much on the back burner of the Judiciary Committee's subcommittee chaired by John Conyers (D–Mich.).

Rep. Moss legislation takes a different tack. Working in tandem with the proponents of the Model Act mentioned above, Rep. Moss would require that the initial states' custody decree be granted full faith and credit by subsequent states which are called upon to decide the question of custody. In commenting on his legislation, Rep. Moss stressed that "once deference to the continuing jurisdiction of the prior court becomes generally accepted, the incidence of custody forum shopping should be considerably reduced."

This bill, HR 988, re-introduced in January of this year, is now before the Judiciary Committee's subcommittee on Administrative Law and Governmental Relations, chaired by George Danielson (D–Cal.). An identical measure has been introduced into the Senate by George McGovern (D–SD.). They are designed to complement rather than pre-empt the Model Act, according to a spokesman for Rep. Moss.

ACLU OPPOSES

Opposition to closing loopholes in the kidnapping law comes from the American Civil Liberties Union. Spokesman Martin Guggenheim states that the ACLU strongly disapproves of "the criminalization of child-snatching."

"It is important to distinguish contempt of a court order from a criminal act, Guggenheim argues. "Child-snatching is a complex problem. If it is not always justifiable, there are times when it is certainly understandable. There are occasions where one parent snatches the child, takes him to a community where that parent has influence, and has a friendly judge award custody. To give such court orders permanent respect is extremely difficult," Guggenheim maintains.

He prefers bolstering the full faith and credit to sister state court orders to the Bennett solution. This of course can be done by either the states or by the federal legislature. "The concern in such legislation is that custody will not be awarded by the state into which the child has been brought, but by the state in which the child has resided for a period of time, ideally by the state in which his parents were living at the time of the divorce," he said.

ANOTHER ALTERNATIVE

There is a fourth alternative, one propounded by the Children's Rights Inc. (3443 17th Street, NW, Washington, D.C. 20010). Miller criticizes the full faith and credit approach, whether the state or national model, because it still does not close enough loopholes to solve the problem.

Both forms of legislation, he argues, "imply the parent who stole the child has gone to a court in a sister state and asked for some judicial proceeding there, and informs the court that there is a previous court order in another state . . . the Uniform Act breaks down because we are dealing with a person who has made extensive plans to avoid previous court orders and to hide. Quite simply, he lies."

Given this expected deception, Miller continues, "the judge has no choice but to accept his statements. The Uniform Act implies that the court has the resources to check for the previous order." In fact, unfortunately, it is more often the case that the child-snatching parent is not going to go to court, or if he must to obtain, for example, a divorce, he is going to mislead the court on previous events.

Miller's group offers a "30/90 day proposal." The 30-day section is designed for the Justice Department and the FBI. If a parent discovers his child is missing, he would formally notify the Justice Department, which then has 30 days to respond.

The rationale for the 30-day pause is dictated by CRI's experience, which shows that parents often return the snatched child in a few weeks; if they have not done so at the end of 30 days, it is unlikely they will, and government assistance is needed. The waiting period also provides local authorities with the time needed to adequately check the allegations.

"By keeping the 30 day limit, we feel it would cut down on the heavy workload that would flow into the Justice Department," Miller states.

The 90-day provision is addressed to the victimized parent, who has this period in which to file his formal notification. If he fails to do so within this time frame, he risks losing assistance in locating his child.

Miller would like to see Rep. Bennett's bill that repeals the exemption from the federal kidnapping statute enacted into law. He maintains that the penalties called for are not sufficiently severe to effectively deter parental child-snatching, however.

Miller also approves of the basic thrust of the Uniform Child Act, whether in the federalized form of Rep. Moss' bill or in the model being considered by many states. He hopes that the respective shortcomings of these proposals will be eradicated by those of his own group, so that the combination of reforms will work together to solve this serious and growing problem.

Consistent respect by the states for one another's court decisions, coupled with federal prohibitions on child-snatching and processes for individuals to seek federal assistance in locating snatched children is certainly an approach that unites the flexibility of the judicial system with the uniformity of legislation and the effectiveness of the federal executive branch.

It is not a proud day for American jurisprudence when the various levels and branches of government must be called to action to protect children from parents. But given the situation described by Guggenheim, it is not a surprising response: ". . . child-snatching is a case of self-help . . . under present statutes child-snatching is not only impossible to prevent . . . it actually pays off."

[From the Deseret News, July 20, 1978]

CHILD HAS RIGHT TO KNOW BOTH PARENTS, GROUP REPLIES

The policy of Children's Rights Inc. is that every child has the right to know and love both parents, said the president of the national organization.

Arnold I. Miller said it's important that a distinction be made between custody battles over children in parental disputes, and child snatching.

Miller made the statement from his Washington, D.C., office in response to charges by a representative of the Utah Fathers Protective Association that CRI is interested only in protecting the interests of mothers.

Association President Ken Scott, Salt Lake City, said recently that Children's Rights has "self-serving interests" and should take a broader approach in child custody disputes.

Miller said custody battles can and should be settled in the courts. "Child snatching is a situation in which a crime has been committed upon the child. When a child is taken, he is usually not told where he is going, and finds out later that he is never again to see one of his parents," Miller said.

"This is the type of emotional trauma that CRI would like to eliminate. We fully believe that there should be equality in the courtroom between mothers and fathers on the custody of their children. But we feel that no person, including a parent, has the right to take a child and disappear," Miller said.

The organization executive said large numbers of women as well as men are stealing children.

● **Mr. KENNEDY.** Mr. President, I am very pleased to join my distinguished colleague from Wyoming as a cosponsor of the Child Custody and Abduction Prevention Act of 1979.

Senator WALLOP deserves great credit for offering this well-conceived bill to deal with the growing problem of interstate restraint of children by their parents during disputes over custody and visitation.

In the last Congress, a measure very similar to this bill was incorporated by Senator WALLOP into S. 1437, the Criminal Code Reform Act, with the support of Senators THURMOND, McGOVERN, and myself.

Public discussion and debate since that time have produced some very significant improvements in the measure. This legislation has broad professional and public support. I anticipate swift and favorable consideration.

There may well be room to improve the bill still further, following thorough hearings and markup. I look forward to working closely with Senator WALLOP as we process the legislation.

A coordinated effort has also been undertaken with distinguished Members of the House of Representatives. I understand that bills similar to Senator WALLOP's are likely to be offered in the House.

I am optimistic that what has been aptly called the desperate "plight of the interstate child" may soon be relieved. Genuine relief must be based on the title 28 amendments which constitute the heart of this bill. I am pleased to join with Senator WALLOP and pledge my support in an effort to process this legislation.●

● **Mr. McGOVERN.** Mr. President, I am pleased to be a cosponsor of the Parental Kidnaping Prevention Act of 1977," and commend Senator WALLOP for his commitment to this important issue, and for his hard work in producing a much-needed bill that closes the loopholes in laws that presently permit parents to kidnap their children.

There are many forces in our society today which cause, or contribute to, the serious problems suffered by many of our young people. The rise in juvenile crime, the increasing number of high school graduates who are illiterate, and the rising suicide rate, are too often the result of poor public policies for children. Children are obviously less powerful and influential than other members of our society. That is all the more reason for exercising extreme care in developing public policies which protect their persons.

Regarding child kidnaping, the devastating effects of our current policies are clear. We have just not developed sufficient legal sanctions to prevent a parent from seizing, restraining, or concealing a child from a parent who has legal custody. Very abruptly, a child can be forced to live in a different place, with a different person, and because the absconding parent does not want to be caught, is often forced to move from place to place with no sense of permanence. Many times a kidnaping parent tries to win affection and cooperation by making a child believe the other parent does not want custody. It is obvious that we are allowing the disruption of innocent children's lives, with the result too often being long-term physical and/or psychological damage.

The "Parental Kidnaping Prevention Act of 1979" contains three major provisions that will deter, and hopefully prevent, child snatching. First, it requires State courts to give full faith and credit to custody decrees rendered by sister State courts. This provision is based on the Uniform Child Custody Act which has been adopted by 28 States and establishes standards for choosing the most appropriate State to determine child custody. All States will be required to enforce, with very few modifications allowed, the custody decree of the State that has jurisdiction according to the provisions of the bill. At present, a parent can take a child, flee to another State, and begin court proceedings in that State to regain custody. For several reasons custody is usually granted: States treasure their independence to make such decisions, the other parent is not present to make a case, and the absconding parent may be surrounded by supporters willing to testify on his or her behalf. Under this bill, the kidnaping parent could not be granted custody of the children by any other State court. This provision should serve to deter a possible child kidnaper from taking the child across State lines, as there would be no hope of gaining custody of the child in another State.

The second major provision of the bill requires the Federal Parent Locator Service, whose present responsibility is to find parents who default on their child support payments, to search for parents who have restrained, seized, or concealed their children. The Federal Parent Locator Service would work with the States and the Federal Government, as well as with parents, in finding children who have been snatched in violation of custody decrees which are entitled to full faith and credit under the child custody bill. Many times the victimized parent spends thousands of dollars on traveling expenses, detective fees, and legal fees to find the whereabouts of their children. The Parent Locator Service would save the parent much of this expense, promote cooperation between the States and the Federal Government, and because of its success in locating parents, would discourage parents from kidnaping their own children.

Finally, the third provision makes it a Federal misdemeanor for anyone, including a parent or agent of a parent, to kidnap and transport a child across State lines in violation of a custody determination entitled to full faith and credit. It establishes two minor offenses, "restraining a child," punishable by up to 30 days imprisonment or $10,000 or both, and "concealing a child," punishable by up to 6 months imprisonment or $10,000 or both. The threat of this moderately tough penalty will serve to deter would-be child kidnapers. Under current law, a child kidnaper is often guilty of nothing more than contempt of court. With a $10,000 fine and a short-term jail sentence as a penalty, child kidnapers will think twice before snatching their children.

The bill should help protect our children from parents who wish to defy custody decrees by restraining or concealing their children. When parents know that no other State will grant them custody of their children, when they are aware that as soon as the children are missing, the Parent Locator Service, which has been highly successful in locating parents who default on child support payments, will soon be on their trail, and when they realize they could receive a short-term jail sentence and be fined up to $10,000, they should think twice before embarking on this destructive venture.

Our present laws make it too easy for parents to defy custody orders; the result is fear, heartache, and anger on the part of every member of the family. I feel this bill is a viable solution to the problems of child kidnaping. It requires State courts to give full faith and credit to custody decrees rendered by sister States, but leaves to the States the responsibility of deciding custody cases. It involves the Federal Government only after the Parent Locator Service has been operating for at least 60 days, and it invokes fair but strict penalties.

No one can doubt that children who are kidnaped suffer a great deal from the experience. The absence of a stable home environment is a difficult hurdle to overcome. In a home where children can feel a sense of security, permanence and love, they are better able to cope with the pressures of a complex society, knowing that if all else fails, home will be a refuge to fall back on. The absence of this stable environment forces children to embark on their own course, with no one to trust and no one to turn to except equally inexperienced peers who can lead them to trouble. The horrifying experience of being kidnaped rips the child of this sense of security and permanence.

The parent kidnaping bill makes it difficult for parents to kidnap their children, and could help spare a child from the confusion and despair it brings.

I look forward to working with Senator WALLOP and others in seeing that this much-needed bill becomes law.●

By Mr. HAYAKAWA:

S. 106. A bill to amend title XVI of the Social Security Act to provide for attribution of sponsor's income and resources to aliens; to the Committee on Finance.

Mr. HAYAKAWA. Mr. President, the bill I am introducing today is identical to one I introduced during the 95th Congress. It amends title XVI of the Social Security Act to provide for attributions of sponsor's income and resources to aliens for a period of 3 years, and in so doing, would protect the interests of the U.S. Treasury.

During the past 2 years, press reports in California have called attention to abuses of the Supplemental Security Income program (SSI). Apparently, a large number of elderly immigrants who come to this country under the sponsorship of friends or relatives, apply for, and receive, SSI benefits once they have resided here for 30 days. The annual cost of these public expenditures runs into tens of millions of dollars.

There are currently laws, in particular, two provisions of the Immigration and Nationality Act, which should preclude such practices. However, for one reason or another, they do not. These provisions state that an alien may not receive a visa if it is the opinion of the consular officer or Attorney General that the applicant is at any time likely to become a public charge. Also, upon the order of the Attorney General, if the alien has become a public charge from causes not shown to have arisen after entry, he or she may be deported.

In addition, any immigrant, in order to be admitted to the United States, must prove the availability of means of subsistence in the form of an affidavit executed by friends or relatives residing in the United States. However, a number of court decisions are preventing the collection of funds supposedly available on the basis of the affidavits. This is the result of court interpretations that dependency on public assistance does not constitute "being a public charge." As I see it, the question of what constitutes a "public charge" is the center of debate. So, we are faced with a procedure whereby the State Department accepts affidavits as a device to protect the U.S. Treasury knowing full well it is a "dull instrument" they are accepting. At the same time, citizens or residents of this country, for reasons of their own, are granting these affidavits at will, and thereby encouraging the resulting charges to the Treasury. The obvious conclusion is that this country is faced with cases of bad faith and that the tightening of the law is the only appropriate action.

The alien-SSI provision of H.R. 7200, as passed by the House of Representatives during the 95th Congress, contained the same language as that of my previous bill, S. 1719. In addition, H.R. 7200, as reported out of the Senate Finance Committee, contained a provision amending the Social Security Act by providing that "receipt of any type of public assistance would, in the future, constitute being a public charge for purposes of the Immigration and Nationality Act."

I respectfully urge my Senate colleagues to take a close look at this situation and join me in this remedial action.

By Mr. MORGAN:

S. 107. A bill to provide for the establishment of a National Agricultural Cost of Production Board; to the Committee on Agriculture, Nutrition, and Forestry.

NATIONAL AGRICULTURAL COST OF PRODUCTION BOARD

Mr. MORGAN. Mr. President, today I am introducing legislation that will establish a National Agricultural Cost of Production Board.

The Board that would be created by this legislation is designed to help restore the faith of America's farmers and ranchers in the U.S. Department of Agriculture.

Also, the Board will remedy a defect in the Food and Agriculture Act of 1977 (PL 95–113). The need for this legislation stems from the decision Congress wisely made in this legislation to combine land costs with other operating costs in calculating the cost of production that is the basis for our system of target prices and loan levels.

At the present time, cost of production formulas are devised by USDA economists with little or no input from America's farmers and ranchers. Needless to say, the producers of our farm commodities ought to have an opportunity to share their views on these calculations that are so critical to rural America's economic well-being.

The cost of production formulas and figures utilized by the USDA are criticized on several grounds. One important criticism concerns the very content of the formulas. A second criticism concerns the proper valuing for each part of the formula. A third criticism concerns the timeliness of the information used in the formula.

In the inflationary days that we are experiencing—inflation which has severely crippled American farmers—such information can affect price supports in a very significant manner.

These are three of the many criticisms that farmers and ranchers have shared with me. I have studied their figures with great care and the solution I offer today will, I believe, help alleviate this situation.

This legislation would create a 15-person board, including 13 farmers, a consumer, and a person who is knowledgeable concerning the cost of producing farm commodities.

The 13 farmers will be individuals who are engaged full time in the production of one or more of the food and fiber commodities produced in the United States. These commodities would include such crops as corn, soybeans, wheat, tobacco, peanuts, sugar cane and beets, or cotton.

My intention is to make this a board of producers—people who make most of their living off the land—rather than individuals who represent farmers. By assuring that these individuals are full-time producers, the USDA and the American people will then have the commonsense and practical experience that is so desirable in developing these vital economic calculations.

This statement should not be taken as a criticism of the farm organizations that have served the American farmer so well. In fact, I anticipate that these very important participants in farm policy will have the opportunity to contribute to the section process used in naming the board.

There was criticism of the forerunner of this bill which I introduced in the last Congress, S. 3248, because of the mandated inclusion of one consumer on the Board. There is what I believe to be a persuasive reason for including such an individual. It has become clear that the success of farm State legislators in convincing their urban counterparts to support farm programs will depend largely on our ability to convince these individuals that these programs warrant support. Hence, I believe that it is desirable to provide consumers exposure to the costs of producing America's food and fiber.

The final person on the Board would be neither an active farmer nor a member of the staff of the USDA. This individual would come from another part of the food chain or, perhaps, be on the staff of a land grant university.

One of the aspects of this bill that is important in a democratic sense is that it represents an opportunity for farm input into administration policymaking. While this Board will not have input, it will not be a spokesman for the Secretary. This is because of two unique features embodied in this legislation. The first concerns the fact that the chairman and vice chairman will serve with the advice and consent of the Senate. The second concerns an annual reporting requirement, a feature that warrants more in-depth review.

This bill mandates that the Board make recommendations to the Secretary concerning cost of production formulas and figures. The Secretary, in turn, is required to act on these recommendations, reporting back to the Board in writing. This feature provides the opportunity for dialog and feedback to the Board from the Secretary, a very unique feature for advisory bodies of any sort. Finally, the Board is required to report fully on its activities and recommendations—including the response by the Secretary to each recommendation—to the Senate Committee on Agriculture, Nutrition, and Forestry and to the House Committee on Agriculture.

This Board, then, will provide an opportunity for both the executive and legislative branches of Government to be systematically involved in examination of the cost of producing the Nation's food and fiber.

This Board cannot be viewed as the end-all solution of our farm problems, which continue to be very real and far-reaching. This proposal should be viewed as a complementary action to the Food and Agriculture Act of 1977, a device to make this act work. In fact, I have decided to make this Board run concurrently with that basic farm authority which assures that the Board can be terminated if that is the wish of Congress.

This legislation has the support of the National Grange, the National Farmers Organization, and the National Association of Farmer Elected Committeemen. I feel confident that other major farm organizations will come to support this bill very soon.

A companion to this bill introduced by Congressman DAN GLICKMAN in the House of Representatives. We worked together last year on a very similar bill one that received the cosponsorship of 16 Senators. Unfortunately, we introduced this legislation too late in the last Congress for it to receive adequate attention

In closing, I would like to stress that this bill has as its underlying premise the need for citizen input into crucial policymaking. It is through such involvement that the people of this great Nation come to fully support the importance of democracy and good government.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 106

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there is hereby established on advisory board to be known as the National Agricultural Cost of Production Board (hereinafter referred to as the "Board").

SEC. 2. (a) The Board shall be composed of fifteen members appointed by the Secretary of Agriculture (hereinafter referred to as the "Secretary").

(b)(1) The terms of the members first taking office shall expire (as designated by the Secretary at the time of appointment) as follows: six at the end of one year, three at the end of two years, three at the end of three years, and three at the end of four years. Thereafter the terms of all members shall be four years, except that (A) three of the appointments made for one year shall continue to be made for one year terms, and (B) the term of any person appointed to fill a vacancy on the Board shall be appointed only for the unexpired term of such person's predecessor.

(2) The Secretary shall appoint persons to the Board who are producers of one or more of the various major agricultural commodities produced in the United States and who rely on that activity for their principal source of income. The Secretary shall also appoint one person to the Board who, by virtue of education, experience, and training, has extensive knowledge of matters relating to the cost of producing agricultural commodities with adequate background in the fields of agricultural economics and accounting. The Secretary shall also appoint one person to represent the interests of consumers.

(3) No person may serve as a member of the Board for more than six years.

(4) The Secretary shall designate, by and with the advice and consent of the Senate, one member of the Board to serve as chairman and one member to serve as vice chairman and they shall serve in such positions at the pleasure of the Secretary.

SEC. 3. (a) It shall be the function of the Board to—

(1) review the adequacy and accuracy of the cost-of-production formulas and the implementation of those formulas in determining specific cost-of-production figures, including the information relied upon in arriving at such formulas, developed and utilized by the Department of Agriculture for the purpose of determining the cost of production of various agricultural commodities;

(2) advise the Secretary whether the cost-of-production formulas used by the Department of Agriculture in connection with the administration of its price support programs are fair and accurate and recommend to the Secretary how such formulas might be improved, including, when necessary, the submission of findings of actual costs of production; and

(3) advise the Secretary on such other matters relating to the cost of production of agricultural commodities and price support operations as the Secretary may request.

(b) The Secretary shall report promptly to the Board on the disposition of its recommendations including reasons for not accepting the recommendation or recommendations of the Board.

(c) The Board shall submit annually to the Committee on Agriculture, Nutrition, and Forestry of the Senate and the Committee on Agriculture of the House of Representatives a written report outlining the activities of the Board during the preceding year including any findings or recommendation made to the Secretary with respect to cost of production formulas and figure for any commodity. The Board shall include in each such report a list of the recommendations made to the Secretary and the disposition thereof.

(d) The Board shall meet at least twice annually, or more often, if such meetings are necessary to meet the purposes of this Act.

SEC. 4. The Secretary shall provide the Board with such office space, equipment, and staff as may be necessary for the Board to perform its functions under this Act.

SEC. 5. No member of the Board shall receive any compensation for such member's services as a Board member but may be paid travel expenses, including per diem in lieu of subsistence, as provided in regulations issued under section 7 of the Federal Advisory Committee Act.

SEC. 6. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

SEC. 7. The Secretary is authorized and directed to transfer to the Board any functions duplicating those provided for in this Act which are currently being carried out elsewhere in the Department.

SEC. 8. The authority provided in this Act shall be applicable for the 1979 through 1981 crop years.

By Mr. PROXMIRE (for himself and Mr. STEWART):

S. 108. A bill to amend the Truth in Lending Act to facilitate compliance by simplifying the requirements imposed under that act, to facilitate administrative enforcement of that act, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

TRUTH IN LENDING SIMPLIFICATION AND REFORM ACT

Mr. PROXMIRE. Mr. President, I am today introducing legislation to simplify the Truth in Lending Act, called the Truth in Lending Simplification and Reform Act.

This bill is identical to legislation overwhelmingly passed by the Senate last year, designated S. 2802.

I believe truth-in-lending simplification is necessary for several reasons. First, the regulations implementing the act have grown incredibly voluminous and complex. Small creditors in particular are having great difficulty in keeping track of new interpretations and rulings. Second, the disclosure statements given to consumers are far too lengthy and technical. We are requiring more information to be disclosed than the average consumer is willing or able to study. Finally, administrative enforcement by the various agencies has been far from vigorous, and this has been a major factor in the current high level of creditor noncompliance.

This bill would improve the act for creditors and consumers in several ways. First, it would make compliance easier for creditors by eliminating several ambiguities in the law and requiring the Federal Reserve Board to issue model forms and clauses which satisfy the act's requirements. Creditors who used the appropriate form would be assured of being in compliance. Second, the act's disclosures would be simplified and reduced in number. As a result, the consumer would receive a shorter, more readable form which will make credit shopping much easier. In addition, a creditor's civil liability for violating the act would be limited to only important disclosures. This will insure that civil penalties are not imposed for purely technical violations. Finally, the bill would substantially augment administrative enforcement of the act. The agencies charged with enforcement would be required to order restitution to consumers when they discover interest overcharges.

Last year, the chairman of the House Consumer Affairs Subcommittee pledged to introduce a truth-in-lending simplification bill early this year, so I am hopeful that both Houses of Congress will address this subject in the near future. The Banking Committee has scheduled hearings on this bill for Friday, February 2, at 10 a.m.

I ask unanimous consent that the text of the bill, together with the committee's section-by-section summary of S. 2802 from the 95th Congress, be printed in the RECORD.

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follows:

S. 108

Be it enacted by the Senate and House of Representatives of the United States of

America in Congress assembled, That this Act may be cited as the "Truth in Lending Simplification and Reform Act."

DEFINITIONS

SEC. 2. (a) Section 103(f) of the Truth in Lending Act is amended—

(1) by striking out the first sentence and inserting in lieu thereof of the following: "The term 'creditor' refers only to a person who both (1) regularly extends, whether in connection with loans, sales of property or services, or otherwise, consumer credit which is payable by agreement in more than four installments or for which the payment of a finance charge is or may be required; and (2) is the person to whom the debt arising from the consumer credit transaction is initially payable on the face of the evidence of indebtedness or, if there is no such evidence of indebtedness, by agreement. Notwithstanding the foregoing, a person who regularly arranges for the extension of consumer credit, which is payable in more than four installments or for which the payment of a finance charge is or may be required, from persons who are not creditors is a creditor, and in the case of an open end credit plan involving a credit card the card issuer and any person who honors the credit card and offers a discount which is a finance charge are creditors."; and

(2) by redesignating the references to sections 127(a)(6), 127(a)(7), 127(a)(8), 127(b)(9), and 127(b)(11) in the next succeeding sentence as references to sections 127(a)(5), 127(a)(6), 127(a)(7), 127(b)(8), and 127(b)(10), respectively.

(b) The first sentence of section 103(g) of the Truth in Lending Act is amended to read as follows: "The term 'credit sale' refers to any sale in which the seller is a creditor.".

EXEMPTED TRANSACTIONS

SEC. 3. (a) Section 103(h) of the Truth in Lending Act is amended by striking out "household, or agricultural" and inserting in lieu thereof "or household".

(b) Section 103 of the Truth in Lending Act is amended by redesignating subsection (s) as subsection (x), and by inserting a new subsection (s) as follows:

"(s) The term 'agricultural purposes' includes the production, harvest, exhibition, marketing, transportation, processing, or manufacture of agricultural products by a natural person who cultivates, plants, propagates, or nurtures those agricultural products, including but not limited to the acquisition of farmland, real property with a farm residence, and personal property and services used primarily in farming, and the term 'agricultural products' includes agricultural, horticultural, viticultural, and dairy products, livestock, wildlife, poultry, bees, forest products, fish and shellfish, and any products thereof, including processed and manufactured products, and any and all products raised or produced on farms and any processed or manufactured products thereof.".

(c) Section 104 of the Truth in Lending Act is amended—

(1) by amending paragraph (1) to read as follows:

"(1) Credit transactions involving extensions of credit primarily for business, commercial, or agricultural purposes, or to government or governmental agencies or instrumentalities, or to organizations.";

(2) by amending paragraph (3) to read as follows:

"(3) Credit transactions, other than those in which a security interest is or will be acquired in real property, or in personal property used or expected to be used as the principal dwelling of the consumer, in which the total amount financed exceeds $25,000."; and

(3) by striking out paragraph (5).

OPEN END CREDIT PLAN

SEC. 4. Section 103(i) of the Truth in Lending Act is amended to read as follows:

"(i) The term 'open end credit plan' means a plan under which the creditor reasonably contemplates repeated transactions, which prescribes the terms of such transactions, and which provides for a finance charge which may be computed from time to time on the outstanding unpaid balance. A credit plan which is an open end credit plan within the meaning of the preceding sentence is an open end credit plan even if credit information is verified from time to time.".

MODEL FORMS

SEC. 5. (a) Section 105 of the Truth in Lending Act is amended by inserting "(a)" before "The", and by adding at the end thereof the following:

"(b) The Board shall publish model disclosure forms and clauses for common transactions to facilitate compliance with the disclosure requirements of this title and to aid the borrower in understanding the transaction by utilizing readily understandable language to simplify the technical nature of the disclosures. In devising such forms, the Board shall consider the use by creditors of data processing or similar automated equipment. Nothing in this title may be construed to require a creditor to use any such model form or clause prescribed by the Board under this section. A creditor shall be deemed to be in compliance with the disclosure provisions of this title with respect to other than numerical disclosures if the creditor (1) uses any appropriate model form or clause as published by the Board, or (2) uses any such model form or clause and changes it by (A) deleting any information which is not required by this title, or (B) rearranging the format, if in making such deletion or rearranging the format, the creditor does not affect the substance, clarity, or meaningful sequence of the disclosure.

"(c) Model disclosure forms and clauses shall be adopted by the Board after notice duly given in the Federal Register and an opportunity for public comment in accordance with section 553 of title 5, United States Code.

"(d) Any recognition of the Board, or any amendment or interpretation thereof, requiring any disclosure different from that previously required by this chapter, chapter 4, or chapter 5, or regulation of the Board promulgated thereunder shall have an effective date of that October 1 which follows by at least 6 months the date of promulgation, except that the Board may at its discretion take interim action by regulation, amendment, or interpretation to lengthen the period of time permitted for creditors to adjust their forms to accommodate new requirements or shorten the length of time for creditors to make such adjustments when it makes a specific finding that such action is necessary to comply with the findings of a court or to prevent unfair or deceptive disclosure practices. Notwithstanding the foregoing, any creditor may comply with any such newly promulgated disclosure requirements prior to the effective date of the requirements.".

COMPONENTS OF FINANCE CHARGE

SEC. 6. (a) Section 106(a) of the Truth in Lending Act is amended by striking out ", incluuding any of the following types of charges which are applicable" and inserting in lieu thereof the following: ". The finance charge does not include charges of a type payable in a comparable cash transaction. Examples of charges which are included in the finance charge include any of the following types of charges which are applicable".

(b) Section 106(d) of the Truth in Lending Act is amended by striking out paragraphs (3) and (4).

ACCURACY OF ANNUAL PERCENTAGE RATE

SEC. 7. (a) Subsection (c) of section 107 of the Truth in Lending Act is amended to read as follows:

"(c) The disclosure of an annual percentage rate is accurate for the purpose of this title if the rate disclosed is within a tolerance not greater than one-eighth of 1 per centum more or less than the actual rate or rounded to the nearest one-fourth of 1 per centum. The Board may allow a greater tolerance to simplify compliance where irregular payments are involved.".

(b) Subsection (e) of section 107 of the Truth in Lending Act is amended by striking out "(c) or".

(c) Subsection (f) of section 107 of the Truth in Lending Act is repealed.

ADMINISTRATIVE ENFORCEMENT; RESTITUTION

SEC. 8. (a) Subsection (c) of section 108 of the Truth in Lending Act is amended to read as follows:

"(c) Except to the extent that enforcement of the requirements imposed under this title is specifically committed to some other Government agency under subsection (a), the Federal Trade Commission shall enforce such requirements. For the purpose of the exercise by the Federal Trade Commission of its functions and powers under the Federal Trade Commission Act, a violation of any requirement imposed under this title by a person subect to the jurisdiction of the Commission shall be deemed an unfair or deceptive act or practice in violation of section 5(a)(1) of the Federal Trade Commission Act. All of the functions and powers of the Federal Trade Commission under the Federal Trade Commissioh Act are available to the Commission to enforce compliance by any person subject to the jurisdiction of the Commission with the requirements imposed under this title, irrespective of whether that person is engaged in commerce or meets any other jurisdictional tests in the Federal Trade Commission Act, including the power to enforce compliance with the requirements imposed under this title in the same manner as if the violation had been a violation of a Federal Trade Commission trade regulation rule.".

(b) Section 108 of the Truth in Lending Act is amended by adding at the end thereof the following:

"(e)(1) In carrying out its enforcement activities under this section, each agency referred to in subsection (a) or (c), in cases where an annual percentage rate or finance charge was inaccurately disclosed, shall notify the creditor of such disclosure error and is authorized in accordance with the provisions of this subsection to require the creditor to make an adjustment to the account of the person to whom credit was extended, to assure that such person will not be required to pay a finance charge in excess of the finance charge actually disclosed or the dollar equivalent of the annual percentage rate actually disclosed, whichever is lower.

"(2) Each agency shall require such an adjustment when it determines that such disclosure error resulted from (A) a clear and consistent pattern or practice of violations, (B) gross negligence, or (C) a willful violation which was intended to mislead the person to whom the credit was extended. In the case of other such disclosure errors, each agency may require such an adjustment.

"(3) Notwithstanding the above paragraph (2), no adjustment shall be ordered (A) if it would have a significantly adverse impact upon the safety or soundness of the creditor, but in any such case, the agency may require a partial adjustment in an amount which does not have such an impact, (B) if the amount of the adjustment would be less than $1, except that if more than one year has elapsed since the date of the violation, the agency may require that such amount be paid into the Treasury of the United States, or (C) except where such disclosure error resulted from a willful violation which was intended to mislead the person to whom credit was extended, in the case of an open-end credit plan, more than two years after the violation, or in the case of any other extension of credit, after the later of (i) the expiration of the life of the credit extension, or (ii) two years after the agreement to extend credit was consummated.

"(4) (A) Notwithstanding any other provision of this section, an adjustment under this subsection may be required by an agency referred to in subsection (a) or (c) only by an order issued in accordance with cease and desist procedures provided by the provision of law referred to in such subsections.

"(B) In the case of an agency which is not authorized to conduct cease and desist proceedings, such an order may be issued after an agency hearing on the record conducted at least thirty but not more than sixty days after notice of the alleged violation is served on the creditor. Such a hearing shall be deemed to be a hearing which is subject to the provisions of section 8(h) of the Federal Deposit Insurance Act and shall be subject to judicial review as provided therein.

"(5) Except as otherwise specifically provided in this subsection and notwithstanding any provision of law referred to in subsection (a) or (c), no agency referred to in subsection (a) or (c) may require a creditor to make dollar adjustments for errors in any requirements under this title.

"(6) A creditor shall not be subject to an order to make an adjustment, if within sixty days after discovering a disclosure error, whether pursuant to a final written examination report or through the creditor's own procedures, the creditor notifies the person concerned of the error and adjusts the account so as to assure that such person will not be required to pay a finance charge in excess of the finance charge actually disclosed or the dollar equivalent of the annual percentage rate actually disclosed, whichever is lower.

"(7) The provisions of this subsection do not apply to any loan or extension of credit consummated prior to October 28, 1974.".

EFFECT ON OTHER LAWS

SEC. 9. Section 111(a) of the Truth in Lending Act is amended to read as follows:

"(a) (1) This title does not annul, alter, or affect the laws of any State relating to the disclosure of information in connection with credit transactions, except to the extent that those laws are inconsistent with the provisions of this title, and then only to the extent of the inconsistency. The Board shall, upon its own motion or upon the request of any creditor, State, or other interested party, submitted in accordance with procedures prescribed in regulations of the Board, determine whether such inconsistencies exist. If the Board determines that a State-required disclosure is inconsistent, creditors located in that State may not make disclosures using the inconsistent term or form, and shall incur no liability under the law of that State for a good faith failure to use such term or form, notwithstanding that such determination is subsequently amended, rescinded, or determined by judicial or other authority to be invalid for any reason.

"(2) The Board shall, upon its own motion or upon the request of any creditor, State, or other interested party, submitted in accordance with procedures prescribed in regulations of the Board, determine whether any disclosure required under the law of any State is substantially the same in meaning as a disclosure required under this title. If the Board determines that a State-required disclosure is substantially the same in meaning as a disclosure required by this title, then creditors located in that State may make such disclosure in compliance with such State law in lieu of the disclosure required by this title, except that the annual percentage rate and finance charge must always be disclosed as required by section 122.".

ANNUAL REPORTS

SEC. 10. (a) Section 114 of the Truth in Lending Act is amended by striking out "Not later than January 3 of each year after 1969" and inserting in lieu thereof "Each year".

(b) Section 18(f)(5) of the Federal Trade Commission Act (15 U.S.C. 58a(f)(5)) is amended by striking out "not later than March 15".

(c) Section 707 of the Equal Credit Opportunity Act is amended by striking out "Not later than February 1 of each year after 1976" and inserting in lieu thereof "Each year".

GENERAL DISCLOSURE REQUIREMENTS

SEC. 11. Sections 121 and 122 of the Truth in Lending Act are amended to read as follows:

"§ 121. General requirement of disclosure

"(a) Subject to subsection (b), a creditor or lessor shall disclose to the person who is obligated on a consumer lease or a consumer credit transaction the information required under this title. In a transaction involving more than one obligor, a creditor or lessor, except in a transaction under section 125, need not disclose to more than one of them if the one given disclosure is a primary obligor.

"(b) If a transaction involves one creditor as defined in section 103(f), or one lessor as defined in section 181(3), that creditor or lessor shall make the disclosures. If a transaction involves more than one creditor or lessor, only one creditor or lessor shall be required to make the disclosures. The Board shall by regulation specify which creditor or lessor must make the disclosures.

"(c) The Board may provide by regulation that any portion of the information required to be disclosed by this title may be given in the form of estimates where the provider of such information is not in a position to know exact information.

"(d) The Board shall determine whether tolerances for numerical disclosures other than the annual percentage rate are necessary to facilitate compliance with this title, and if it determines that such tolerances are necessary to facilitate compliance, it shall by regulation permit disclosures within such tolerances.

"§ 122. Form of disclosure; additional information

"(a) Information required by this title shall be disclosed clearly and conspicuously, in accordance with regulations of the Board. The terms 'annual percentage rate' and 'finance charge' shall be disclosed more conspicuously than other terms, data, or information provided in connection with a transaction, except information relating to the identity of the creditor. Regulations of the Board need not require that disclosures pursuant to this title be made in the order set forth in this title and, except as otherwise provided, may permit the use of terminology different from that employed in this title if it conveys substantially the same meaning.

"(b) Any creditor may supply additional information or explanation with any disclosures required under chapter 4 and, except as provided in section 128(b)(1), under this chapter.".

RESCISSION

SEC. 12. (a) (1) Subsection (a) of section 125 of the Truth in Lending Act is amended to read as follows:

"(a) Except as otherwise provided in this section, in the case of any consumer credit transaction (including opening or increasing the credit limit for an open end credit plan) in which a security interest, including any such interest arising by operation of law, is or will be retained or acquired in any property which is used as the principal dwelling of the person to whom credit is extended, the obligor shall have the right to rescind the transaction until midnight of the third business day following the consummation of the transaction or the delivery of the information and rescission forms required under this section together with a statement containing the material disclosures required under this title, whichever is later, by notifying the creditor, in accordance with regulations of the Board, of his intention to do so. The creditor shall clearly and conspicuously disclose, in accordance with regulations of the Board, to any obligor in a transaction subject to this section the rights of the obligor under this section. The creditor shall also provide, in accordance with regulations of the Board, appropriate forms for the obligor to exercise his right to rescind any transaction subject to this section.".

(2) Section 103 of such Act, as amended by section 3(b), is amended by adding at the end thereof the following:

"(v) The term 'material disclosures' means the disclosure, as required by this title, of the annual percentage rate, the method of determining the finance charge and the balance upon which a finance charge will be imposed, the amount of the finance charge, the amount to be financed, the total of payments, the number and amount of payments, and the due dates or periods of payments scheduled to repay the indebtedness.".

(3) Subsection (b) of section 125 of the Truth in Lending Act is amended by striking out "ten" in the second and final sentences thereof, and inserting in lieu thereof "20".

(4) Subsection (b) of section 125 of the Truth in Lending Act is amended by adding at the end thereof the following new sentence: "The procedures prescribed by this subsection shall apply except when otherwise ordered by a court.".

(5) Subsection (c) of section 125 of the Truth in Lending Act is amended by inserting "information, forms, and" after "whom".

(6) Section 125 of the Truth in Lending Act is amended by striking out subsections (e) and (f) and inserting in lieu thereof the following:

"(e) This section does not apply to (1) a residential mortgage transaction as defined in section 103(u); (2) a transaction which constitutes a refinancing or consolidation (with no new advances) of the principal balance then due and any accrued and unpaid finance charges of an existing extension of credit by the same creditor secured by an interest in the same property; (3) a transaction in which an agency of a State is the creditor; or (4) advances under a preexisting open end credit plan if a security interest has already been retained or acquired and such advances are in accordance with a previously established credit limit for that plan.

"(f) A obligor's right of rescission shall expire three years after the date of consummation of the transaction or upon the sale of the property, whichever occurs earlier, notwithstanding the fact that the information and forms required under this section or any other disclosures required under this chapter have not been delivered to the obligor, except that if (1) any agency empowered to enforce the provisions of this title institutes a proceeding to enforce the provisions of this section within three years after the date of consummation of the transaction, (2) such agency finds a violation of section 125, and (3) the obligor's right to rescind is based in whole or in part on any matter involved in such proceeding, then the obligor's right of rescission shall expire three years after the date of consummation of the transaction or upon the earlier sale of the property, or upon the expiration of one year following the conclusion of the proceeding, or any judicial review or period for judicial review thereof, whichever is later.

"(g) In any action in which it is determined that a creditor has violated this section, in addition to rescission the court may award relief under section 130 for violations of this title not relating to the right to rescind.".

(b) Section 103 of the Truth in Lending Act is amended—

(1) by redesignating subsection (t) as subsection (w); and

(2) by inserting after subsection (s) the following:

"(t) The term 'dwelling' means a residential structure or mobile home which contains one to four family housing units, or individual units of condominiums or cooperatives.

"(u) The term 'residential mortgage transaction' is one in which a mortgage, deed of trust, purchase money security interest arising under an installment sales contract, or equivalent consensual security interest is created or retained against the consumer's dwelling to finance the acquisition or initial construction of that dwelling.".

OPEN END DISCLOSURES

SEC. 13. (a) Section 127(a) of the Truth in Lending Act is amended—

(1) by adding at the end of paragraph (1) thereof the following new sentence: "If no such time period is provided, the creditor shall disclose that fact.";

(2) by striking out paragraphs (5), and redesignating paragraphs (6), (7), and (8) as paragraphs (5), (6), and (7), respectively; and

(3) by amending redesignated paragraphs (5) and (6) to read as follows:

"(5) Identification of other charges which may be imposed as part of the plan, and their method of computation, in accordance with regulations of the Board.

"(6) In cases where the credit is or will be secured, a statement that a security interest has been or will be taken in (A) the property purchased as part of the credit transaction, or (B) property not purchased as part of the credit transaction identified by item or type.".

(b) Section 127(b)(2) of such Act is amended to read as follows:

"(2) The amount and date of each extension of credit during the period, and a brief identification, on or accompanying the statement of each extension of credit in a form prescribed by the Board sufficient to enable the obligor either to identify the transaction or to relate it to copies of sales vouchers or similar instruments previously furnished, except that a creditor's failure to disclose such information in accordance with this paragraph shall not be deemed a failure to comply with this chapter or this title if (A) the creditor maintains procedures reasonably adapted to procure and provide such information, and (B) the creditor responds to and treats any inquiry for clarification or documentation as a billing error and an erroneously billed amount under section 161. In lieu of complying with the foregoing requirements, in the case of any transaction in which the creditor and seller are the same person, as defined by the Board, and that person's open end plan has fewer than 15,000 accounts, the creditor may elect to provide only the amount and date of each extension of credit during the period and the seller's name and location where the transaction took pace if (A) a brief identification of the transaction has been previously furnished, and (B) the creditor responds to and treats any inquiry for clarification or documentation as a billing error and an erroneously billed amount under section 161.".

(c) Section 127(b) of the Truth in Lending Act is amended by striking out paragraph (7) and by redesignating paragraphs (8), (9), (10), and (11) as paragraphs (7), (8), (9), and (10) respectively.

(d) Redesignated paragraph (7) of section 127(a) of the Truth in Lending Act is amended by striking out "each of two billing cycles per year at semiannual intervals" and inserting in lieu thereof "one billing cycle per calendar year, at intervals of not less than six months or more than eighteen months".

(e) Subsection (c) of section 127 of the Truth in Lending Act is repealed.

(f) Section 143 of the Truth in Lending Act is amended by striking out "or the appropriate rate determined under section 127 (a)(5)".

(g) Section 161(a) of the Truth in Lending Act is amended by redesignating the references to sections 127(b)(11) and 127(a)(8) as references to sections 127(b)(10) and 127(a)(7), respectively.

OTHER THAN OPEN END DISCLOSURES

SEC. 14. (a) Subsection (a) of section 128 of the Truth in Lending Act is amended to read as follows:

"(a) For each consumer credit transaction other than under an open end consumer credit plan, the creditor shall disclose each of the following items, to the extent applicable:

"(1) The identity of the creditor required to make disclosure.

"(2) The 'amount financed', using that term, which shall be the amount of credit of which the consumer has actual use. This amount shall be computed as follows, but the computations need not be disclosed and shall not be disclosed with the disclosures conspicuously segregated in accordance with subsection (b)(1):

"(A) take the principal amount of the loan or the cash price less downpayment and trade-in;

"(B) add any charges which are not part of the finance charge or of the principal amount of the loan and which are financed by the consumer, including the cost of any items excluded from the finance charge pursuant to section 106;

"(C) subtract any charges which are part of the finance charge but which will be paid by the consumer at the time of the consummation of the transaction, or have been withheld from the proceeds of the credit; and

"(D) subtract any required deposit balance, in accordance with regulations of the Board.

"(3) The 'finance charge', not itemized, using that term.

"(4) The finance charge expressed as an 'annual percentage rate', using that term. This shall not be required if the amount financed does not exceed $75 and the finance charge does not exceed $5, or if the amount financed exceeds $75 and the finance charge does not exceed $7.50.

"(5) The sum of the amount financed, any required deposit balance, and the finance charge, which shall be termed the 'total of payments'.

"(6) The number, amount, and due dates or period of payments scheduled to repay the total of payments.

"(7) In a sale of property or services in which the seller is the creditor required to disclose pursuant to section 121(b), the 'total sale price', using that term, which shall be the total of the cash price of the property or services, additional charges, and the finance charge.

"(8) Descriptive explanations of the terms 'amount financed', 'finance charge', 'annual percentage rate', 'total of payments', and 'total sale price' as specified by the Board. The descriptive explanation of 'total sale price' shall include reference to the amount of the downpayment.

"(9) Where the credit is secured, a statement that a security interest has been taken in (A) the property which is purchased as part of the credit transaction, or (B) property not purchased as part of the credit transaction identified by item or type.

"(10) Any dollar charge or percentage amount which may be imposed by a creditor solely on account of a late payment, other than a deferral or extension charge.

"(11) A statement indicating whether or not the consumer is entitled to a rebate or credit, or is subject to a penalty, if the obligation is refinanced or prepaid in full pursuant to acceleration or otherwise.

"(12) A statement that the consumer should refer to the appropriate contract document for any information it provides about nonpayment, default, the right to accelerate the maturity of the debt, and prepayment rebates and penalties.

"(13) In any residential mortgage transaction, a statement whether a subsequent purchaser or assignee of the consumer may assume the debt obligation on its original terms and conditions.".

(b) Section 128(b) of such Act is amended to read as follows:

"(b)(1) Except as otherwise provided in this chapter, the disclosures required under subsection (a) shall be made before the credit is extended. Except for the disclosures required by subsection (a)(1) of this section, all disclosures required under subsection (a) and any disclosure provided for in subsection (b), (c), or (d) of section 106 shall be conspicuously segregated from all other terms, data, or information provided in connection with a transaction, including any computations or itemization.

"(2) In the case of a residential mortgage transaction, as defined in section 103(u), which is also subject to the Real Estate Settlement Procedures Act, good faith estimates of the disclosures required under subsection (a) shall be made in accordance with regulations of the Board under section 121 (c) before the credit is extended, or shall be delivered or placed in the mail not later than three business days after the creditor receives the consumer's written application, whichever is earlier. If the disclosure statement furnished within three days of the written application contains an annual percentage rate which is subsequently rendered inaccurate within the meaning of section 107(c), the creditor shall furnish another statement at the time of settlement or consummation.".

(c) Section 128(c) of the Truth in Lending Act is amended—

(1) by inserting "(1)" after "(c)";

(2) by striking out "deferred payment price" and inserting in lieu thereof "total sale price"; and

(3) by adding at the end thereof the following new paragraph:

"(2) If a creditor receives a request for a loan by mail or telephone without personal solicitation and the terms of financing, including the annual percentage rate for representative amounts of credit, are set forth in the creditor's printed material distributed to the public, or in the contract of loan or other printed material delivered to the obligor, then the disclosures required under subsection (a) may be made at any time not later than the date the first payment is due.".

(d)(1) Section 129 of the Truth in Lending Act is repealed.

(2) The table of sections of chapter 2 of the Truth in Lending Act is amended by striking out item 129 and inserting in lieu thereof:

"129. [Repealed].".

(e) (1) Section 126 of the Truth in Lending Act is repealed.

(2) The table of sections of chapter 2 of the Truth in Lending Act is amended by striking out item 126 and inserting in lieu thereof:

"126. [Repealed].".

(f) (1) The table of sections of chapter 2 of the Truth in Lending Act is amended by striking out item 128 and inserting in lieu thereof:

"128. Consumer credit not under open end credit plans.".

(2) The caption of section 128 of such Act is amended by striking out "Sales" and inserting in lieu thereof "Consumer Credit".

CIVIL LIABILITY

SEC. 15. (a) Section 130 of the Truth in Lending Act is amended—

(1) by striking out "in such action" in subsection (a) (2) (B) and inserting in lieu thereof "under this subparagraph in any class action or series of class actions arising out of the same failure to comply by the same creditor";

(2) in subsection (a) (3), by inserting "or in any action in which a person is determined to have a right of rescission under section 125" after "liability";

(3) by amending subsections (b), (c), and (d) to read as follows:

"(b) A creditor or assignee has no liability under this section or section 108 or section 112 for any failure to comply with any requirement imposed under this chapter or chapter 5, if within sixty days after discovering an error, whether pursuant to a final written examination report or notice issued under section 108(e) (1) or through the creditor's or assignee's own procedures, and prior to the institution of an action under this section or the receipt of written notice of the error from the obligor, the creditor or assignee notifies the person concerned of the error and makes whatever adjustments in the appropriate account are necessary to assure that the person will not be required to pay an amount in excess of the charge actually disclosed, or the dollar equivalent of the annual percentage rate actually disclosed, whichever is lower.

"(c) A creditor or assignee may not be held liable in any action brought under this section or section 125 for a violation of this title if the creditor or assignee shows by a preponderance of evidence that the violation was not intentional and resulted from a bona fide error notwithstanding the maintenance of procedures reasonably adapted to avoid any such error. Examples of bona fide error include, but are not limited to, clerical, calculation, computer malfunction and programming, and printing errors, but an error of legal judgment with respect to a person's obligations under this title is not a bona fide error.

"(d) When there are multiple obligors in a consumer credit transaction or consumer lease, there shall be no more than one recovery of damages under subsection (a) (2) for a violation of this title.";

(4) by adding at the end of subsection (e) the following new sentence: "This subsection does not bar a person from asserting a violation of this title in an action to collect the debt which was brought more than one year from the date of the occurrence of the violation as a matter of defense by recoupment or set-off in such action, except as otherwise provided by State law.";

(5) by inserting ", section 108(b), section 108(c), section 108(e)," after "this section" in subsection (f);

(6) by adding the following new sentence at the end of subsection (g): "This subsection does not bar any remedy permitted by section 125."; and

(7) by amending subsection (h) to read as follows:

"(h) A person may not take any action to offset any amount for which a creditor or assignee is potentially liable to such person under subsection (a) (2) against any amount owing by such person, unless the amount of the creditor's or assignee's liability under this title has been determined by judgment of a court of competent jurisdiction in an action of which such person was a party. This subsection does not bar a consumer then in default on the obligation from asserting a violation of this title as an original action, or as a defense or counterclaim to an action to collect amounts owed by the consumer brought by a person liable under this title.".

(b) Section 130(a) of the Truth in Lending Act is amended—

(1) by inserting ", including any requirement under section 125," immediately after "this chapter"; and

(2) by adding at the end thereof the following: "In connection with the disclosures referred to in section 127, a creditor shall have a liability determined under paragraph (2) only for failing to comply with the requirements of section 125 or of section 127 (a) or of paragraph (4), (5), (6), (7), (8), (9), or (10) of section 127(b) or for failing to comply with disclosure requirements under State law for any term which the Board has determined to be substantially the same in meaning under section 111(a) (2) as any of the terms referred to in section 127(a) or any of those paragraphs of section 127(b). In connection with the disclosures referred to in section 128, a creditor shall have a liability determined under paragraph (2) only for failing to comply with the requirements of section 125 or of paragraph (2), (3), (4), (5), (6), or (9) of section 128(a), or for failing to comply with disclosure requirements under State law for any term which the Board has determined to be substantially the same in meaning under section 111(a) (2) as any of the terms referred to in any of those paragraphs of section 128(a). With respect to any failure to make disclosures required under this chapter or chapter 4 or 5 of this title, liability shall be imposed only upon the creditor required to make disclosure, except as provided in section 131.".

LIABILITY OF ASSIGNEES

SEC. 16. (a) Section 131 of the Truth in Lending Act is amended to read as follows:

"§131. Liability of assignees

"(a) Except as otherwise specifically provided in this title, any civil action for a violation of this title or proceeding under section 108 which may be brought against a creditor may be maintained against any assignee of that creditor only if the violation for which such action or proceeding is brought is apparent on the face of the disclosure statement, except where the assignment was involuntary. For the puropse of this section, violations apparent on the face of the disclosure statement include, but are not limited to (1) disclosure which can be determined to be incomplete or inaccurate from the face of the disclosure statement or other documents assigned, or (2) disclosures not made in the terminology required by this title.

"(b) Except as provided in section 125(c), in any action or proceeding by or against any subsequent assignee of the original creditor without knowledge to the contrary by the assignee when he acquires the obligation, written acknowledgement of receipt by a person to whom a statement is required to be given pursuant to this title shall be conclusive proof of the delivery thereof and, except as provided in subsection (a), of compliance with this chapter. This section does not effect the rights of the obligor in any action against the original creditor.

"(c) Any consumer who has the right to rescind a transaction under section 125 may rescind the transaction as against any assignee of the obligation, regardless of whether such assignee is a creditor under this title.".

(b) Section 115 of the Truth in Lending Act is repealed.

(c) (1) The table of sections of chapter 1 of the Truth in Lending Act is amended by striking out item 115 and inserting in lieu thereof:

"115. [Repealed].".

(2) The table of sections of chapter 2 of the Truth in Lending Act is amended by striking out item 131 and inserting in lieu thereof:

"131. Liability of assignees.".

LIABILITY OF CREDIT CARDHOLDER

SEC. 17. Section 133(a) of the Truth in Lending Act is amended to read as follows:

"(a) A cardholder shall be liable for the unauthorized use of a credit card only if the card is an accepted credit card, the liability is not in excess of $50, the card issuer gives adequate notice to the cardholder of the potential liability, the card issuer has provided the cardholder with a description of a means by which the card issuer may be notified of loss or theft of the card, which description may be provided on the face or reverse side of the statement required by section 127(b) or on a separate notice accompanying such statement, the unauthorized use occurs before the card issuer has been notified that an unauthorized use of the credit card has occurred or may occur as the result of loss, theft, or otherwise, and the card issuer has provided a method whereby the user of such card can be identified as the person authorized to use it. For the purpose of this section, a card issuer has been notified when such steps as may be reasonably required in the ordinary course of business to provide the card issuer with the pertinent information have been taken, whether or not any particular officer, employee, or agent of the card issuer does in fact receive such information.".

DISSEMINATION OF ANNUAL PERCENTAGE RATES

SEC. 18. (a) Chapter 2 of the Truth in Lending Act is amended by adding at the end thereof the following new section:

"§ 136. Dissemination of annual percentage rates

"(a) The Board shall collect, publish, and disseminate to the public, on a demonstration basis in a number of standard metropolitan statistical areas to be determined by the Board, the annual percentage rates charged for representative types of nonsale credit by creditors in such areas. For the purpose of this section, the Board is authorized to require creditors in such areas to furnish information necessary for the Board to collect, publish, and disseminate such information.

"(b) The Board is authorized to enter into contracts or other arrangements with appropriate persons, organizations, or State agencies to carry out its functions under subsection (a) and to furnish financial assistance in support thereof.".

(b) The analysis of such chapter is amended by adding at the end thereof the following new item:

"136. Dissemination of annual percentage rates.".

CREDIT ADVERTISING

SEC. 19. (a) Section 143 of the Truth in Lending Act is amended to read as follows:

"§ 143. Advertising of open end credit plans

"No advertisement to aid, promote, or assist directly or indirectly the extension of consumer credit under an open end credit plan may set forth any of the specific terms of that plan unless it also clearly and conspicuously sets forth all of the following items:

"(1) Any minimum or fixed amount which could be imposed.

"(2) Where periodic rates may be used to compute the finance charge, the periodic rates expressed as annual percentage rates.

"(3) Any other term that the Board may by regulation require to be disclosed.".

(b) Section 144 of the Truth in Lending Act is amended by striking out paragraphs (1) through (4) of subsection (d) thereof, and inserting in lieu thereof the following:

"(1) the downpayment, if any.

"(2) the terms of repayment.

"(3) the rate of the finance charge expressed as an annual percentage rate.".

CORRECTION OF BILLING ERRORS

SEC. 20. (a) Section 161(b) of the Truth in Lending Act is amended—

(1) by redesignating paragraph (6) as paragraph (7); and

(2) by inserting after paragraph (5) the following:

"(6) Failure to transmit the statement required under section 127(b) of this Act to the last address of the obligor which has been disclosed to the creditor, unless that address was furnished less than twenty days before the end of the billing cycle for which the statement is required.".

(b) Section 161(c) of such Act is amended by inserting after "account" the first time it is used a comma and the following: "which may include finance charges on amounts in dispute,".

CREDIT BALANCES

SEC. 21. (a) Section 165 of the Truth in Lending Act is amended to read as follows:

"§ 165. Treatment of credit balances

"Whenever a credit balance in excess of $1 is created in connection with a consumer credit transaction through (1) transmittal of funds to a creditor in excess of the total balance due on an account; (2) rebates of unearned finance charges or insurance premiums; or (3) amounts otherwise owed to or held for the benefit of an obligor, the creditor shall:

"(A) credit the amount of the credit balance to the consumer's account;

"(B) refund any part of the amount of the remaining credit balance, upon request of the consumer; and

"(C) make a good faith effort to refund to the consumer by cash, check, or money order any part of the amount of the credit balance remaining in the account for more than six months, but no further action is required in any case where the consumer's current location is not known by the creditor and cannot be traced through the consumer's last known address or telephone number".

(b) The table of sections of chapter 4 of the Truth in Lending Act is amended by striking out item 165 and inserting in lieu thereof:

"165. Treatment of credit balances.".

GOVERNMENT EXEMPTION

SEC. 22. (a) Section 113 of the Truth in Lending Act is amended to read as follows:

"§ 113. Effect on governmental agencies

"(a) Any department or agency of the United States which administers a credit program in which it extends, insures, or guarantees consumer credit and in which it provides instruments to a creditor which contain any disclosures required by this title shall, prior to the issuance or continued use of such instruments, consult with the Board to assure that such instruments comply with this title.

"(b) No civil or criminal penalty provided under this title for any violation thereof may be imposed upon the United States or any agency thereof, or upon any State or political subdivision thereof, or any agency of any State or political subdivision.

"(c) A creditor participating in a credit program administered, insured, or guaranteed by any department or agency of the United States shall not be held liable for a civil or criminal penalty under this title where the violation results from the use of an instrument required by any such department or agency.

"(d) A creditor participating in a credit program administered, insured, or guaranteed by any department or agency of the United States shall not be held liable for a civil or criminal penalty under the laws of any State (other than laws determined under section 111 to be inconsistent with this title) for any technical or procedural failure, such as a failure to use a specific form, to make information available at a specific place on an instrument, or to use a specific typeface, as required by State law, which is caused by the use of an instrument required to be used by such department or agency.".

(b) The table of sections of chapter 1 of the Truth in Lending Act is amended by striking out item 113 and inserting in lieu thereof:

"113. Effect on governmental agencies.".

ORAL DISCLOSURES

SEC. 23. (a) Section 146 of the Truth in Lending Act is amended to read as follows:

"§ 146. Use of annual percentage rate in oral disclosures

"In responding orally to any inquiry about the cost of credit, a creditor, regardless of the method used to compute finance charges, shall state rates only in terms of the annual percentage rate, except that in the case of an open end credit plan, the periodic rate also may be stated and, in the case of an other than open end credit plan where a major component of the finance charge consists of interest computed at a simple annual rate, the simple annual rate also may be stated. The Board, may, by regulation, modify the requirements of this section or provide an exception from this section for a transaction or class of transactions for which the creditor cannot determine in advance the applicable annual percentage rate.".

(b) The table of sections of chapter 3 of the Truth in Lending Act is amended by striking out item 146 and inserting in lieu thereof:

"146. Use of annual percentage rate in oral disclosures.".

EFFECTIVE DATE

SEC. 24. The amendments made by this Act shall take effect upon the expiration of two years after the date of enactment of this Act. All regulations, forms, and clauses required to be prescribed under the amendments made by this Act shall be promulgated at least one year prior to such effective date. Notwithstanding the foregoing, any creditor may comply with the amendments made by this Act, in accordance with the regulations, forms, and clauses prescribed by the Board, prior to such effective date.

SECTION-BY-SECTION ANALYSIS

Section 2. *Definitions.*—This section simplifies the definition of "creditor" by specifying that it applies to a person who regularly extends credit and is the person to whom a debt is initially payable on its face. This will eliminate confusion under the current act as to the responsibilities of assignees and "arrangers of credit." This revision was recommended by the Federal Reserve Board.

Section 3. *Exempted transactions.*—This section excludes agricultural credit from the act's coverage. Currently, agricultural credit involving less than $25,000 is subject to the act's requirements.

It is the committee's belief that because agricultural credit is essentially commercial in nature, the type of protections provided by the act are unnecessary and add needless complexity.

In addition, the bill excludes from the $25,000 cutoff purchases of mobile homes expected to be used as a principal dwelling. Thus, where mobile homes costing more than $25,000 are purchased to be used as a principal dwelling, the act's disclosure requirements would apply. This change, recommended by the Federal Reserve Board, extends the same protection to buyers of mobile homes as purchasers of traditional residential structures now enjoy.

Section 4. *Open end credit plan.*—This section amends the definition of "open end credit plan" in order to curb the use of spurious open end credit.

This abuse arises where a merchant styles what is likely to be a one-time credit extension in the form of a purchase on an open end (revolving charge) plan. The disclosures required when establishing an open end account are less demanding of the creditor, but the consumer is not given several essential cost disclosures such as the finance charge and the total of payments.

To curb this practice, the committee has added to the current definition of open end credit the requirement that the merchant must reasonably contemplate repeated transactions on an open end account which he opens. The committee intends this to require "closed end" disclosures where an initial transaction is the purchase of infrequently purchased items such as a home improvement or automobile. This requirement would also apply in other situations where the merchant could not reasonably conclude that future transactions were likely. For example, if a consumer encountered auto trouble in a distant town, and the merchant repairing the vehicle knew the location of the consumer's residence, the merchant could not reasonably contemplate repeated transactions and would be required to give closed-end disclosures. Also, where a merchant sells goods on a one-time door-to-door basis the amendment would prohibit open-end disclosures.

It is not the committee's intention to affect the normal day-to-day activities of retailers whereby open end accounts are established in response to a consumer's application. It is the committee's belief that where a consumer enters a store and wishes to make a purchase and establish an open end account, absent circumstances indicating otherwise, the merchant would reasonably contemplate repeated transactions.

In considering the problem of spurious open end accounts, the committee rejected applying a strictly objective standard which relied on the percent of a merchant's accounts which had repeated transactions. While the committee believes the subjective approach contained in this section is preferable, this is not intended to prohibit the Board or other enforcing agencies from considering such objective data in a borderline case.

In addition, this section provides that if a creditor's plan otherwise meets the definition of open end credit, the merchant may from time to time verify credit information. This is intended to permit merchants to verify items like income and employment status when a consumer wishes to make a major purchase beyond his established credit limit.

Section 5. *Model forms.*—This section requires the Board to promulgate model forms and clauses for common credit transactions. These forms and clauses must utilize readily understandable language. Any creditor who utilizes an appropriate model form or clause will be in compliance with the act. A creditor may delete unnecessary items from a form or rearrange the form's format so long as such changes do not affect the substance, clarity, or meaningful sequence of the disclosures.

The committee views the issuance of model forms as a highly desirable aid to small businesses which have not had ready access to legal advice in drafting forms and as an improved disclosure device for consumers.

In designing and drafting these forms, the committee expects the Board to consult with specialists in language simplification and graphic design. The Board should also examine the simplified disclosure forms developed by several financial institutions. The committee believes that these forms, which describe contractual terms in the form of "I agree" and "you will," are great improvements over the forms most commonly utilized today.

In addition to requiring model forms, the bill sets October 1 of each year as the effective date for any regulation or interpretation of the Board which would require new or different disclosures. If such an amendment is issued more than 6 months before October 1 of that year, that October 1 shall be the effective date of the amendment. If less than 6 months leadtime would result, the effective date would be October 1 of the next year. Should the Board specifically determine, however, that quicker implementation of an amendment is necessary, it may adopt an earlier effective date. A creditor may comply with a change in disclosure requirements prior to its effective date. The committee believes this will reduce costly forms changes for creditors and will induce the Board to issue such amendments on a more orderly basis.

The States and other Federal agencies acting under other statutes might wish to consider using an October 1 effective date when adopting statutes, rules, or regulations which will require changes in creditors' forms or procedures. Since consumer credit regulation is being implemented by a variety of State and Federal entities, uniformity in the effective date for new or changed requirements might result in reduced costs of compliance.

Section 6. *Components of finance charge.*—This section is designed to simplify the definition of finance charge. The bill will eliminate some current confusion by making clear that charges which would also be incurred in a similar transaction for cash, such as sales taxes, are not to be included in the finance charge.

Section 7. *Accuracy of annual percentage rate.*—This section establishes an acceptable tolerance of one-eighth of 1 percent for disclosure of the annual percentage rate. Under current law a creditor may round to the nearest one-fourth of 1 percent, but a creditor who chooses not to round must state an annual percentage rate with complete accuracy. This section will assure that those creditors who do not round an annual percentage rate disclosure are allowed a tolerance of one-eighth of 1 percent—the same degree of accuracy involved in rounding to the nearest one-fourth of 1 percent. This provision was recommended by the Federal Reserve Board. The Board is authorized to allow a greater tolerance where irregular payments are involved.

Section 8. *Administrative enforcement; restitution.*—This section strengthens administrative enforcement of the act in several respects.

First, the Federal Trade Commission's enforcement authority is modernized by permitting the Commission to respond to violations of the act as if they were violations of an FTC trade regulation rule. Under this provision the Commission could immediately seek a restraining order against violators in U.S. district court. Where there is a knowing violation of the act, the Commission could also seek civil penalties. This enhanced authority, which parallels the Commission's power under the Equal Credit Opportunity Act and the Fair Debt Collection Practices Act, contrasts with the Commission's current cease-and-desist power, which often takes years to complete and only applies to a creditor's future activities. The committee believes this is an important and necessary provision in light of the bill's reduction in the scope of civil liability for creditors.

This section also establishes guidelines for restitution by enforcement agencies when they discover understatement by a creditor of an annual percentage rate or finance charge. Where the violation resulted from a pattern or practice of violations, gross negligence, or a willful violation intended to mislead, an agency must, subject to restrictions discussed below, order restitution to the consumer designed to assure that the consumer pays no more than the lower of the finance charge or annual percentage rate actually disclosed. Because most violations result from faulty procedures or misunderstanding of the act's provisions and are therefore repetitive in nature, it is the committee's expectation that the "pattern or practice of violations" criterion will encompass the majority of understatements committed by creditors. In the case of violations not falling under any of the above criteria, each agency may in its discretion order restitution.

The bill places certain restrictions on restitution which the committee believes are appropriate. For example, restitution could not be ordered where it would have a significantly adverse impact on the safety or soundness of a creditor. While consumers directly benefit from restitution, the committee believes this advantage would be more than outweighed by the hardships which would be associated with a creditor's resulting bankruptcy. This restriction is not intended, however, to prevent an agency from requiring partial adjustments in order to compensate consumers in part and also preserve a creditor's solvency. In addition, because of the inordinate expense involved in numerous mailings, restitution could not be ordered for adjustments of less than $1, except that an agency may order the creditor to pay the sum into the U.S. Treasury. The committee believes this latter remedy would be appropriate where individual adjustments would be quite small but in the aggregate would be a substantial sum. The committee would expect an agency, before ordering payment to the Treasury, to await expiration of the 1-year statute of limitations to assure that the creditor will not in the future be held liable to affected consumers for the payment of such sums.

In order to establish some time limitation on this procedure, except where a violation was intended to mislead a consumer, restitution could be ordered only during the life of a credit extension or 2 years from its consummation, whichever is later. Finally, this procedure is made applicable only to extensions of credit consummated on or after October 28, 1974. This date is a compromise which corresponds to the effective date of earlier amendments to the act making creditors civilly liable for actual damages, the equivalent of restitution adjustments.

In order to assure that creditors are given ample notice of an agency's intention to order restitution and an opportunity to be heard, the bill requires that agencies follow their cease-and-desist order procedures prior to ordering restitution. The committee believes this will provide appropriate due process of law.

Finally, if a creditor is made aware of an understatement of a finance charge or annual percentage rate and voluntarily makes restitution, the creditor will not be made subject to a restitution order.

Some commentary on the method of effecting restitution is in order. While there are several formulas which could be used in computing the amount of refund to the consumer, the committee has not specified a particular formula in this bill. The committee believes that in view of the complexity of this subject, the administrative agencies should have latitude in fashioning this remedy. It is the committee's belief, however, that any meaningful formula for restitution should compensate the consumer for the time value of money.

Finally, the committee wishes to voice its concern regarding the complaints of State officials in exempt States that the Federal regulatory agencies which enforce the act as to federally chartered institutions in those States are not enforcing the act adequately. It is the committee's expectation that the Federal regulatory agencies involved will begin to enforce the act's provisions vigorously in those States exempted from the act's coverage.

Section 9. *Effect on other laws.*—This section is intended to eliminate the overlap of State disclosure laws with the act and to resolve any ambiguities as to which applies in a given transaction.

Under this section, the Board is required to examine the disclosure laws of each State. Where the Board determines that a State law disclosure provision is inconsistent with the act, that provision would be annulled and a creditor would be required to give only the disclosure required by the act, with no liability arising under State law for failure to give the State-required disclosure. If the Board determines that a State-required term is substantially the same in meaning as a disclosure under the act, then the creditor need not follow the act's provisions, with only the State-required term applicable.

This provision is a middle ground between preserving the act's current ambiguities in this area and complete pre-emption of all State disclosure laws. The committee believes this formula, which requires a line-by-line analysis of State law provisions, is a workable compromise which will greatly facilitate creditor compliance and still show deference to the laws of the States.

Section 10. *Annual reports.*—This section, recommended by the Federal Reserve Board, allows the Board to submit a single annual report to the Congress on its functions under the Truth in Lending Act, the Federal Trade Commission Act, and the Equal Credit Opportunity Act. The Board is currently required to submit three separate annual reports on different dates.

Section 11. *General disclosure requirements.*—This section is intended to simplify the act's general disclosure requirements by incorporating several provisions now contained in the Board's Regulation.

Where more than one borrower is involved in a transaction not involving the right of rescission, a creditor need make disclosures only to the primary borrower. If more than one creditor is involved, only one creditor need make the disclosures, as provided by the Board. If a creditor is not in a position to know exact information at the time disclosures are required, the Board is authorized to permit the giving of estimates. The Board is also authorized to determine whether additional tolerances (other than for the annual percentage rate) are necessary to facilitate compliance. Two areas in which the Board should examine the need or additional tolerances are in conventional mortgage transactions and in transactions which involve "odd days interest."

This section also incorporates Regulation Z's requirement that the terms "finance charge" and "annual percentage rate" be disclosed more conspicuously than any other disclosures required by the act, except for a creditor's identification.

Section 12. *Rescission.*—This section contains several amendments regarding the consumer's right of rescission. Under current law, when a transaction would result in a lien on a consumer's home, the consumer is entitled to rescind the transaction within 3 days after receiving notice of his right to do so. This provision was enacted to give the consumer the opportunity to reconsider any transaction which would have the serious consequence of encumbering the title to his home.

The act currently provides this right only where a lien would result on a traditional residential structure. The bill expands the scope of the provision so that persons whose principal residence is a mobile home or trailer also receive this important protection. The committee sees no reason for distinguishing between owners of traditional residential structures and owners of mobile homes.

In addition, the bill provides a definition of "material disclosure." The act gives the consumer the right to rescind within 3 days after receiving notice of the right of rescission and the "material disclosures" required by the act. By providing this definition, which lists the key disclosures, creditors will be in a better position to know whether a consumer may properly rescind a transaction.

This section also increases from 10 to 20 days the time in which the creditor must refund the consumer's money and take possession of property sold after a consumer exercises his right to rescind. This will give creditors a better opportunity to determine whether the right of rescission is available to the consumer and whether it was properly exercised.

The bill also contains an important provision designed to preserve the consumer's right of rescission where an enforcement agency is investigating whether a creditor has failed to inform the consumer of his right. If within 3 years of a transaction an enforcement agency institutes a proceeding and ultimately concludes that a consumer was not informed of his right to rescind, that consumer's right will extend to one year beyond the conclusion of the agency's proceeding. This will assure that the maximum 3 year period for rescinding a transaction does not expire before a consumer's rights are adjudicated by an enforcing agency.

Upon application by a consumer or creditor, a court may modify this section's procedures where appropriate.

Finally, the bill explicitly provides that a consumer who exercises his right to rescind may also bring suit under the act for other violations not relating to rescission. The act is currently ambiguous on this issue, and this section codifies the majority position of the courts.

Section 13. *Open end disclosures.*—This section simplifies the disclosures required for open end credit and makes compliance with the act's billing requirements easier for small creditors.

First, the general requirements are simplified by streamlining the security interest disclosure. The bill eliminates the requirement that the type of security interest taken be disclosed, as this is a highly technical disclosure which the committee believes is of little utility to consumers. In addition, the bill would specifically require that, where applicable, creditors disclose the fact that no "free-ride" period is provided during which the consumer may pay his outstanding balance and avoid the imposition of a finance charge.

The bill also relaxes the requirement that creditors fully identify all open end purchases by making an exception where small creditors are involved who do not have sufficiently automated billing equipment. Merchants with fewer than 15,000 open end accounts would not be required to identify the goods purchased on their monthly statements if an identification was previously furnished and the creditor treats any inquiry as an erroneously billed amount under the Fair Credit Billing Act. While this would result in somewhat less billing information to the consumer, the committee believes this is offset by the requirement that any billing inquiry be treated as an erroneously billed amount. Thus, during the period of any inquiry, the consumer would incur no finance charges for the purchase in question.

The bill would also reduce the flow of paperwork associated with the act's requirement that consumers be mailed a notice of their billing rights twice a year. The committee believes that consumers are now sufficiently familiar with these rights that mailings can be reduced to an annual basis.

Section 14. *Other than open end disclosures.*—This section contains amendments pertaining to "closed-end" (single transaction) credit, such as auto or home improvement loans, designed to simplify the disclosures given to consumers.

The bill would reduce the number of disclosures by eliminating itemization of the amount financed (the amount borrowed) and the finance charge. The security interest disclosure is also simplified to eliminate the technical disclosure of the type of security interest taken. In addition, the act would be amended to eliminate the need to describe the method of rebating unearned interest upon prepayment, substituting a simple statement of whether a rebate is required in such circumstances. The consumer would also be told to refer to the contract's provisions for more detail.

Eliminating itemization of the amount financed and finance charge, will result in less information communicated to the consumer. On the other hand, the disclosure statement will be less crowded and more likely to draw the consumer's attention. The committee agrees with the Federal Reserve Board that this tradeoff is beneficial in that "informational overload" is a problem with the number of disclosures presently required. It is also the committee's belief that the reduced number of disclosures will not diminish the act's usefulness as a shopping tool.

In order to assure that disclosures are presented in a clean format, the section requires that no other data be intermingled with this information. The committee believes this is an important facet of simplification in that truth in lending information will be highlighted by being set off from other data.

This section would also make disclosures more meaningful to the consumer in mortgage transactions in two respects. First, the creditor would be required to give truth in lending disclosures within 3 days after receiving a consumer's written application. This requirement dovetails with provisions of the Real Estate Settlement Procedures Act which require estimated closing costs to be provided in such a manner. Under current law, truth in lending disclosures are provided for the first time at the real estate closing, making them all but useless for credit shopping. Also, the bill adopts the Federal Reserve Board's recommendation that mortgage disclosures include the finance charge, total of payments, and a statement of whether the mortgage debt is assumable. Current law does not require disclosure of the finance charge and total of payments in mortgage transactions, on the assumption that these figures might appear so forbidding that consumers would refrain from purchasing homes. The committee believes this concern is dubious and is refuted by experience in Massachusetts and Maryland, where such disclosures are now required by State law.

In short, the committee believes full disclosure to the consumer to be a wiser course. The disclosure of whether a mortgage obligation is assumable is a new requirement recommended by the Federal Reserve Board which the committee believes would be useful in shopping for mortgage credit.

Section 15. *Civil liability.*—This section is intended to restrict the scope of creditor civil liability for statutory penalties to only those disclosures which are of material importance in credit shopping. The committee believes this will eliminate litigation based on purely technical violations of the act. Administrative liability and civil liability for actual damages would continue to attach to all the act's requirements.

In closed-end credit, a statutory penalty of $100 to $1,800 would attach only to rescission requirements and disclosure of the amount financed, finance charge, annual percentage rate, total of payments, number, amount, and due dates of payments, and the security interest statement. Thus, the creditor will not be subject to a statutory penalty for more technical requirements.

With regard to open end credit, statutory penalties would continue to attach to most current disclosures. The committee believes that this is appropriate because of the importance of this information and less creditor difficulty with compliance. The bill would, however, eliminate liability for disclosure on the monthly billing statement of the date and identity of a purchase on the ground that the Fair Credit Billing Act (chapter 4 of the act) provides an adequate consumer remedy. Should the amount of the purchase be incorrect, however, statutory penalties would attach, as the monthly closing balance would be inaccurate.

The committee is of the belief that the current $100 minimum statutory penalty in civil actions should remain in the Act for two reasons. First, the scope of civil liability for this penalty would be substantially reduced so that only those terms which are central to a credit transaction are covered. These disclosures are so important in credit shopping that a creditor who gives inaccurate information should face a definite penalty. In addition, without a fixed penalty, there will be many instances where actual damages alone will provide little or no effective remedy for the consumer who relied on inaccurate disclosures to his detriment.

This section would also eliminate ambiguity as to a creditor's maximum liability in multiple class actions. Where several class actions are instituted against a creditor as a result of the same disclosure violation, the bill makes clear that the creditor's maximum aggregate liability could not exceed $500,000 or 1 percent of net worth, whichever is less. The committee believes the federal judiciary will determine through its own procedures how multiple class actions should proceed.

The bill also makes explicit that a consumer may institute suit under section 130 to enforce the right of rescission and recover costs and attorney's fees in a successful action.

The defense to civil liability under section 130(b) has been amended to expand from 15 to 60 days the time in which the creditor may appropriately adjust the consumer's account after discovering an error in order to avoid civil liability. The committee believes the current 15-day limit does not provide adequate time where open-end accounts are involved.

The defense for bona fide errors in section 130(c) would also be amended to provide that a bona fide error may include calculation and clerical errors as well as computer errors and faulty programing. The committee intends this amendment to provide protection where errors are clerical or mechanical in nature. The committee does not intend this defense to apply to errors which result from erroneous legal judgments as to the act's requirements.

Finally, this section addresses defensive truth in lending claims by consumers in two respects. First, section 130(h) is amended to state explicitly that an action under the act by a consumer who is then in default of the underlying obligation is not, by itself, a prohibited offset. Also, a provision is added permitting actions in recoupment or offset beyond the one year statute of limitations, except where otherwise provided by State law or rules of civil procedure.

Section 16. *Liability of assignees.*—This section eliminates two uncertainties under present law as to an assignee's liability for an original creditor's violation of the act.

Under present law, an assignee is generally liable only where a violation is "apparent on the face" of the disclosure statement. What types of violations are covered is unclear. This section provides that violations are apparent on the face of a disclosure statement when disclosures are inaccurate or incomplete based on the statement or other documents involved, and where incorrect terminology is utilized.

In addition, this section eliminates ambiguity on the question of assignee liability for rescission by stating explicitly that a consumer's exercise of this right is effective against an assignee. Without such protection for the consumer, the right of rescission would provide little or no effective remedy.

Section 17. *Correction of billing errors.*—This section incorporates into the act two provisions contained in Regulation Z.

First, the definition of "billing error" for the purposes of the Fair Credit Billing Act is amended to provide that failure to send a periodic statement to the consumer's last known address is a billing error, unless the address was furnished less than 20 days before the end of the billing cycle. Regulation Z provides for 10 days of leadtime, but the committee believes 20 days is more compatible with the data processing changes necessary.

In addition, the bill provides that during the time a billing entry is in dispute, the creditor's statement may continue to show the amount in dispute and any finance charges which may be accruing. The committee believes that as a result of this provision, Regulation Z should be amended by the Board to require appropriate notice on such statements indicating that while finance charges are shown as accruing, if an erroneous billing has occurred, such charges will be expunged.

Section 18. *Liability of credit cardholder.*—This section eliminates the act's current requirement that creditors who issue credit cards provide the consumer with a postage-paid self-addressed envelope for use in notifying the creditor in the event the card is lost or stolen. Available data indicate that few consumers who lose a credit card notify the card issuer by mail because contact by telephone is more convenient and more likely to minimize the consumer's liability for unauthorized use. By deleting the requirement of a postage-paid envelope and requiring instead a notice of how to contact the creditor, an unnecessary creditor cost will be eliminated without increased risk to the consumer.

A technical change is also made with regard to consumer liability for unauthorized credit card uses. The act's present wording relieves a consumer from further liability after he notifies the card issuer of the loss of his card. This section would amend the wording to provide that the consumer's liability would be curtailed after the card issuer is made aware of the loss, regardless of who actually notifies the creditor.

Section 19. *Dissemination of annual percentage rates.*—This section requires the Federal Reserve Board to initiate a pilot project to determine the feasibility and value of "shopper's guides to credit." These publications would be issued in metropolitan areas periodically, preferably monthly, and would list the annual percentage rates charged by all creditors in that area for common types of loans. The Board is authorized to contract with qualified groups or State officials to carry out this responsibility.

The committee believes that shopper's guides to credit have the potential to be of great benefit, both as a shopping tool for consumers and as a stimulus for increased competition among lenders.

In carrying out this responsibility, the committee expects the Board to consult with the Massachusetts Banking Commissioner and other State officials or private groups with experience in this type of project. In addition, the committee believes that shopper's guides should have a brief explanation of what an annual percentage rate is, as well as other information which is likely to be helpful when wisely shopping for credit.

Upon completion of the project, the committee expects the Board of report in detail on the scope of its project, the content of its shopper's guides, the response by consumers and creditors, the project's effect on competition, and what other measures might be helpful in increasing rate dissemination to consumers and stimulating rate competition.

Section 20. *Credit advertising.*—This section is intended to loosen current restrictions on credit advertising in the hope of enhancing creditor competition.

With regard to open-end credit, the bill eliminates the requirement that all advertising contain certain disclosures, such as the method of determining the balance upon which a finance charge will be imposed, which are complex and lengthy. Instead, only two disclosures (any minimum or fixed fees and the annual percentage rate) would need to be disclosed, with the Board having authority to set additional requirements. The committee expects the Board to balance the benefits of eased advertising with the need to prevent deceptive solicitations.

In the closed-end area, the bill eliminates the requirement that all advertisements state the cash price or amount of loan involved and gives the Board authority to determine what terms of repayment need to be disclosed.

Section 21. *Credit balances.*—This section increases a creditor's responsibilities to a consumer when a credit balance is credited to a consumer's account. Under current law, the creditor is required to credit the consumer's account and refund the balance on request. The bill adds the requirement that the creditor make a good faith effort to refund the balance to the consumer if it remains in the account for more than 6 months.

The scope of this section has also been broadened so that it would apply to any type of credit account, not just open end accounts. In addition, its provisions would apply not only where a balance results from excess payments, but also from rebates of unearned finance charges or insurance premiums.

Section 22. *Government exemption.*—This section is designed to redress the problem of creditor liability for truth in lending violations contained in forms issued or approved by a Federal agency.

The bill would specifically relieve a creditor from any civil or criminal liability where a violation of the act or any State law resulted from the use of documents required by a Federal agency. By "required," the committee intends to cover forms issued or specifically mandated by an agency. It is not intended to cover forms which are required only in a general sense and which the creditor himself is free to draft.

In addition, those agencies which prepare or require certain forms would be required to consult with the Board to assure compliance with the Act. The committee believes this will promote the highly desirable objective of interdepartmental coordination in the area of consumer credit disclosure.

Section 23. *Oral disclosures.*—This section provides that in response to oral inquiries about the cost of credit, a creditor shall state rates only in terms of an annual percentage rate. Where a finance charge consists primarily of simple interest (such as in a mortgage transaction), the creditor may also state the simple interest rate. The Federal Reserve Board is authorized to provide an exception to these requirements for transactions where the creditor is unable to determine the annual percentage rate in advance.

This is a new provision designed to address the widespread failure of creditors to quote rates orally in terms of an annual percentage rate. This was a recommendation of the Federal Reserve Board and the National Commission on Consumer Finance.

Section 24. *Effective date.*—These amendments would take effect 2 years from enactment. All regulations and forms required of the Board would be promulgated 1 year after enactment. Any creditor would be free to comply with these amendments prior to their effective date.

By Mr. HARRY F. BYRD, JR. (for himself and Mr. Nunn):

S. 109. A bill to require the reinstitution of procedures for the registration of certain persons under the Military Selective Service Act, and for other purposes; to the Committee on Armed Services.

DRAFT REGISTRATION

Mr. HARRY F. BYRD, JR. Mr. President, I am introducing today, along with the Senator from Georgia (Mr. Nunn), a bill to require reinstitution of draft registration.

The bill would not reestablish a peacetime draft. The bill would, however, revitalize draft registration procedures and give assurance that the Selective Service System could meet the demands of mobilization in the event of need.

The evidence is overwhelming that Congress must act to reinstitute draft registration. Repeated studies by a variety of Government agencies have all pointed to the same conclusion. Draft registration and bringing the Selective Service machinery out of "deep standby" are steps which have become important to national security.

In November of last year, Gen. David Jones, Chairman of the Joint Chiefs of Staff, disclosed that the Joint Chiefs recommended revival of peacetime draft registration. General Jones pointed out that a major factor in the Joint Chiefs' recommendation had been the discovery of several severe problems in mobilization which were encountered during test mobilization exercises.

The Joint Chiefs found that mobilization of Reserve Forces and expansion of the peacetime, All-Volunteer Regular Forces could not be accomplished within sufficient time to guarantee required force levels in a crisis.

The basic conclusions of the Joint Chiefs have, since November, been reinforced by additional study.

On December 26, 1978, the General Accounting Office completed and released its very thorough review of the operations of the Selective Service System and of the System's present ability to meet Defense Department needs.

According to the GAO, if the United States had to mobilize for war, it would take 125 days to get only the first 100,000 inducted soldiers into training. The Department of Defense has stated the requirement for 100,000 inductees within 60 days of mobilization.

But the Selective Service System itself advised the GAO that, under current plans and budget, it would take at least an extra 65 days to provide that many new soldiers for training. A delay of that magnitude, in a crisis, could cause defeat.

Since by law minimum training before combat has been set at 12 weeks, the period between mobilization and induction is the primary variable in determining the time needed to reach the theater of operations.

During 1977, the Selective Service System reported that 110 days would be needed before the first inductee could be called to active duty and 150 days would elapse before the first 100,000 could be put into the training process.

Although the 125 days now reported shows slight improvement over the earlier figures, the basic problem is the same. If any of these figures are correct, almost 7 months could be needed before the first draftee reached the theater of operations.

Other estimates are less grim but still suggest the need for action. The Office of Management and Budget currently estimates 58 days needed before the first draftee could enter training. Similarly, the Congressional Budget Office estimates the first inductee in training at between 65 and 95 days after mobilization.

Now, Mr. President, all of these timelags are too long. Whichever estimate is correct, the times projected are all unacceptable. In each case, the major cause of the lag estimated is the time required to reestablish a Selective Service System structure and to complete the selection process prior to initiating induction.

Without effective prior registration and classification, according to the December GAO report on mobilization, in order to get the first 100,000 soldiers, the Selective Service System would be forced to issue without full prior review not 100,000, but 600,000 induction notices.

Of the 600,000 individuals notified, an estimated 400,000 would be unavailable, either because of deferments or postponements to which they would be entitled under law or, in the case of an estimated 70,000 of the 400,000, because of failure to report.

Another 100,000, making a total of 500,000 not used, would be rejected as unfit on physical, mental, or moral grounds.

Because of the application of the Privacy Act to the Selective Service System, the system cannot maintain lists of individuals which might be available in the files of other agencies. As a result, induction notices sent under present plans cannot be based on any form of premobilization screening unless normal peacetime registration is reinstituted.

Now, Mr. President, before going further and to understand these defects, we should consider the recent history of the Selective Service System.

At the conclusion of the Vietnam war some 5 years ago, the draft was ended. Terminating the draft at that time was not an unwise course of action.

However, since that time some 5 years ago, in addition to the termination of the draft, the Selective Service System itself has been virtually dismantled and reduced to a hollow shell.

Although section 3 of the Military Selective Service Act distinctly provides for draft registration whether or not there is a draft in effect, President Ford suspended registration by assuming authority to suspend under the provision of the act allowing the President by proclamation to declare the times and places for registration.

President Ford reportedly had in mind only a temporary suspension for the purpose of studying the system.

In any event, the Carter administration has continued the suspension imposed by President Ford, and through inaction, Congress, too, has acquiesced in the executive branch decision.

But recognition of an immediate need for action has become increasingly widespread.

On January 11, 1979, the Secretary of the Army, Clifford Alexander, Jr., in a speech in Phoenix, Ariz., went solidly on record favoring revival of peacetime draft registration. Secretary Alexander noted the need for this precautionary step because of serious weaknesses in the mobilization readiness of Reserve component forces.

The Secretary stated:

> I think we need a better system than the one we now have for making the transition from our peacetime volunteer force to a wartime force based on conscription.

He added that, "A useful step in that direction would be to provide for peacetime registration."

I am glad, Mr. President, that the Secretary of the Army has come forward with this frank statement of the present state of affairs. I approve of his judgment that, in light of the virtual nonexistence of the Selective Service System, we, in the Secretary's words,

> may find that we are unable to respond quickly enough because we have neglected to take some basic precautions.

The legislation proposed by Senator Nunn and myself would provide for these basic precautions. It would not reinstitute the draft, but it would insure that there is in operation a Selective Service System capable of meeting the basic mobilization requirements of our national defense plans.

I look forward to consideration of this bill and related legislation in the Committee on Armed Services. I am hopeful that, after a careful and full review, the committee will soon report back to the Senate this bill or a similar proposal.

A failure to reinstitute some form of draft registration during this Congress would be a mistake. It would be a mistake that in a future crisis might very seriously jeopardize the security of the United States.

Therefore, while I do not believe we should take this action in haste, I do urge that the issue be faced squarely and given our best response at the earliest opportunity.

Mr. President, I ask unanimous consent that the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 109

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3 of the Military Selective Service Act (50 App. U.S.C. 453) is amended by inserting "(a)" before "Except at the beginning of such section and by adding at the end of such section a new subsection as follows:

"(b) The President, within 120 days after the date of enactment of this subsection, shall institute procedures for the registration of citizens and other persons in accordance with the provisions of this title. After registration procedures have been instituted under this subsection, the President may thereafter suspend the registration of persons under this title only for the purpose of revising existing registration procedures or instituting new registration procedures, but in no event may the President suspend or otherwise discontinue the registration of persons required to be registered under this title for a period of more than 90 consecutive days, and in no event may the President suspend or otherwise discontinue registration under this title more than once in any one year period.".

By Mr. NELSON (for himself, Mr. Ford, Mr. Huddleston, Mr. Pell, Mr. Sasser, Mr. Weicker, and Mr. Stewart):

S. 110. A bill to amend the Internal Revenue Code of 1954 to provide accelerated and simplification depreciation for small business; to the Committee on Finance.

SMALL BUSINESS DEPRECIATION REFORM ACT OF 1979

Mr. NELSON. Mr. President, in behalf of myself, Mr. Ford, Mr. Huddleston, Mr. Pell, Mr. Sasser, and Mr. Weicker, I am introducing a bill to reform the depreciation system for small business.

I ask unanimous consent that the bill, technical analysis, and a chronology of the bill be reprinted following my remarks, together with a text of the bill. With the exception of certain technical matters, such as a later effective date, the bill is identical to amendment No. 4483 to H.R. 13511—the Revenue Act of 1978—which passed the Senate on October 10, 1978.

WHAT THE BILL WOULD DO

This bill would permit any business to recover more rapidly capital which it has invested in machinery and equipment. It would allow tax deductions for the full amount of the purchase—up to a limit of $25,000 per year—over a 3-year period, rather than the 10½ years which is the average under current law. The full investment credit would continue to apply. This simplified system would be optional and not mandatory. It could be applied to all or any part of the first $25,000 of equipment, but only if the business wished to use it. The analysis of the bill following my remarks explains the various technical aspects of this measure.

We have heard from many small businessmen, tax practitioners, and even the Internal Revenue System, that this system would make possible a massive simplification of one of the two most complicated areas of the law.

BACKGROUND

This proposal evolved over 4 years as a result of a series of over 20 public hearings on small business tax reform in the Senate Small Business Committee. It benefited from thorough preparation and thoughtful recommendations by several prestigious small business organizations extensive research and studies by tax, financial, and computer specialists inside and outside of the Congress. Further refinement took place during the legislative debate in 1978.

In the latter part of 1977, the committee recommended this concept to the administration and urged that 3-year accelerated depreciation for up to $100,000 to $200,000 worth of equipment annually became part of the administration's 1978 tax program. It was supported by 30 small business organizations.

Our own bill recommending the $100,000 was first introduced in March 1978 (S. 2742). It was refined and approved by the Senate on October 10, 1978, by a vote of 62 to 25.

This measure was, however, eliminated in the House-Senate conference. At the same time, the conference eliminated a House passed depreciation relief measure which would have expanded the deduction for a bonus first year depreciation available under section 179 from $2,000 to $5,000. This provision did not have the simplification features of the Senate measure but would have afforded some relief to small business. So, although both Chambers passed small business depreciation improvements, neither became part of the final legislation.

A more detailed chronology of these matters follows my remarks.

ACCELERATED DEPRECIATION WOULD RESULT IN MASSIVE SIMPLIFICATION

Some years ago, the Internal Revenue Service advised the committee that one of the most complex areas of the law was depreciation. Depreciation and inventory accounting are the two leading causes of errors on small business tax returns. As a result, knowledgeable IRS officials have informally favored simplification of the depreciation rules for smaller businesses. Simplification would make sense for the Government as well as for small business. Both sides must expend an inordinate amount of time, money, and patience in filling out and processing the millions of forms that are involved with these deductions. The Internal Revenue Service estimates that business and individual taxpayers spend about 613 million hours filling out tax forms. An inordinate amount of time is wasted by small business owners trying to understand and to calculate depreciation under a system which is most appropriately applied to large companies. They make large purchases of property and have large accounting staffs.

Statistics tell us that of all of the businesses which purchase equipment in any one year, about 80 percent are likely to spend less than $25,000. One of the intriguing questions in this area is what percentage of time IRS uses up in overseeing very small purchases of equipment. We are trying to obtain an answer to this question.

But, from the viewpoint of governmental efficiency, depreciation reform promises vast improvements, and, probably, significant savings in tax costs.

However, from the perspective of the small businessman who must comply with the law, wrestle with the regulations and fill out the forms, and then justify everything to the audit afterward, depreciation reform is really an urgent necessity.

There are over 100 pages of small print regulations governing how any particular piece of equipment will be classified and how long a useful life can be taken for depreciation purposes. The agonizing routine of determining the proper depreciation deduction is approximately as follows:

Selecting the correct useful life on the basis of these 100 pages;

Grappling with additional regulations on ADR to determine whether that life can be shortened by 20 percent;

Figuring out what salvage value to use;

Electing a depreciation method under section 167 from among straightline or sum of the digits or declining balance (which may be either 100 percent, 125 percent, 150 percent, or 200 percent depending upon whether the property is new or used and whether it is real estate or personal property);

Applying half month or half-year conventions;

Taking the 20-percent bonus depreciation under section 179.

Adjusting the resulting figure for the proportion of the year for which the property was in service; and

Repeating this process for every single piece of equipment on the premises.

Everyone who has ever gone through this knows that depreciation accounting is "cruel and unusual punishment."

And, after the tax return is filed, is the business entitled to some respite? No, because the Internal Revenue Service can, and often does, come along and challenge his choice of useful life or salvage value or depreciation method. Where this occurs, the time, expense, and aggravation mounts to levels which are clearly disproportionate to the amount of potential tax revenues involved.

As a result, depreciation is usually handled by accounting and tax specialists who are highly trained, highly patient, and highly compensated.

We are, therefore, telling the millions of new and small businesses of this country that they must themselves endure this painful process every year or pay dearly to have somebody do it for them before they recover their hard-earned capital to maintain their businesses.

Thus, every study—and there has been a series of them, in 1954, 1959, 1963, and 1971—show that smaller businesses which possess depreciable assets have always lagged far behind the larger firms utilizing the specialized capital recovery or depreciation provisions which became part of the law. At least half of the 14 million U.S. businesses take only the simplest kind of straight line depreciation because the effort required to take advantage of the sophisticated provisions is just not worth it to them.

A graphic example is the asset depreciation range (ADR) system which was enacted in 1971. In fiscal year 1979 ADR will result in about $2¾ billion in tax savings. A study by the U.S. Treasury Department (based on 1974 data) shows that only seven-tenths of 1 percent of all corporations, or 11,042 corporations out of a total of 1.6 million, elected to use this system which shortens the useful life of assets by up to 20 percent.

A table below reflects that 94 percent of the firms with over $1 billion worth of assets use ADR. But, for the 93.3 percent of the firms that have assets of less than ½ million, only 1 percent used ADR.

It might thus be said that big business already has its accelerated depreciation—reducing its 10½ year average to 8½ years. Although ADR is theoretically available to everybody, small business does not use it under present conditions and I doubt that many small businesses would use it under any conditions.

Use of ADR accelerated depreciation by size of business

Size of total assets	Total number of firms in population	Firms electing ADR — Number	Firms electing ADR — Percent
$1 to $500,000	1,493,000	5,482	1.0
$500,000 to $1M	56,000	1,064	2.0
$1M to $5M	42,000	1,788	5.0
$5M to $10M	5,000	665	13.0
$10M to $50M	4,000	991	38.0
$50M to $100M	625	304	49.0
$100M to $200M	396	242	61.0
$200M to $300M	156	107	69.0
$300M to $600M	203	167	82.0
$600M to $1B	88	80	91.0
Over $1 billion	166	152	94.0
Total	1,601,634	11,042	.7

* NOTE.—Only 0.7 percent of all corporations or 11,042 corporations out of 1,601,634 corporations surveyed elected to use ADR. Moreover, only one-half of one percent of all corporations with less than $5 million in total assets elected ADR.

Source: 1974 Statistics of Income, Department of Treasury.

Thus, the practicalities, the equities and commonsense cry out for a drastic simplification of the depreciation system for all businesses, but at least for the millions of business enterprises which are classified as small business and which can least afford the time, expense, and irritations of the present complex system.

WOULD ADJUST CAPITAL RECOVERY SYSTEM FOR INFLATION

The theory of the tax depreciation deduction is that a businessman should recover the money he invests over the useful life of an asset, so that the machine can be replaced and the business can modernize and survive.

Under the present law, the average waiting period for the full recovery of such capital investments is about 10½ years.

Now, what is happening to prices during this period of a decade?

Tabulated below are the overall inflation rates for each of the last 10 years.

Overall inflation rate—1968 through 1977

Year:	Percent increases
1968	4.6
1969	5.1
1970	5.3
1971	5.0
1972	4.2
1973	5.8
1974	9.7
1975	9.6
1976	5.2
1977	5.9

Source: Economic Report of the President (1976, Table B-3—implicit price deflators for gross national product . . . etc., page 175.) Updated by Senate Small Business Committee.

The economists tell us that the overall rate of inflation for that decade ending December 1977, was 79 percent. When 1978 figures become available, the 10-year average will probably look even worse.

So this is what a small business owner faces if he is required to wait 10 years to recover all of the money he or she has invested in equipment. The dollar received in the 10th year will be worth about 20 percent of what was invested. At the same time the cost of the equipment that must be purchased as a replacement probably costs at least 80 percent more.

This is a double squeeze on the scarce funds of small businesses.

It means that instead of recovering capital for renewal, modernization, or hopefully expansion, the tax system is forcing small business to consume the slim resources he has been able to accumulate in the past.

WOULD ASSIST WITH CAPITAL FORMATION NEEDS OF SMALL BUSINESS WHICH ARE MOST ACUTE

We have heard much in recent years the crisis in capital formation. The senior partner of Goldman-Sachs testified at our capital formation hearings in February 1978, that $300 billion a year in investment capital is needed if we are to keep the U.S. industrial system operating efficiently. (Testimony of John C. Whitehead, "Capital Formation, part I," February 8, 1978, pages 113–135 and 189–197.) That is about 15 percent of gross national product—almost 50 percent more than we have been accustomed to investing in recent years.

As serious as such capital shortages may be, overall they are most stringent for smaller and independent business.

In October, 1977, Business Week reported that—

> For some years now . . . capital market(s) have been pretty much open only to the nation's big companies . . . the top 1,000 or so largest corporations.

With inflation, the amount of capital needed to enter a business or remain in a business have grown dramatically. For example, in 1960, a young couple could purchase an average farm for $51,000, which was about five times the medium U.S. family income. By the late 1970's, the average farm costs $171,000, which is 12½ times the current medium-family income.

Studies of the tax foundation and the Conference Board have indicated the amount of capital needed to support a production worker in the average manufacturing job doubled in the decade between 1963 and 1973 to level of about $41,000.

So, while business capital needs have gone up astronomically, the channels for small business capital formation have practically closed down. In 1969, we have found that there were 698 newly registered stock issues by companies net worth of less than $5 million. For the 4 years between 1974 and 1977, there were a total of only about 61 such stock issues.

In the committee's initial hearings on capital formation on February 8, 1978, the American electronics industry testified that member companies formed in the 1970's could raise only half the initial capital of companies founded in the 1960's. One highly promising small U.S. technology company went to 80 sources of capital between 1970 and 1973 and came away empty-handed. As a result, the firm was forced to sell half the company to Japanese investors for $5 million to raise the needed money.

The AEA made an excellent case that the changes in the tax law in 1969 and 1976 changed the balance between risk and reward. In 1969, the earned income was taxed at 70 percent and capital gains at 25 percent. By 1976, the earned income rate had fallen to 50 percent and the maximum capital gain rate has increased to 49.125 percent. AEA experience demonstrated that investors would not accept the ever-increasing financial risk of new enterprises without more adequate differential between risk and reward than was provided by current tax policy.

As a result of the ensuing public debate and action in the House and Senate, the increase from 50 to 60 percent inclusion of capital gains which I originally offered in the Senate was enacted effective November 1, 1978, the maximum capital gains tax rate was reduced to 28 percent.

Hopefully, this will induce an increase industrial investment with some of this capital finding its way to new small and medium-size independent businesses. But, with external capital so scarce, tax policy should not impose burdens on recycling of the capital which a business has accumulated through its past efforts.

When a decision must be made to commit either externally or internally generated capital, the overriding consideration is the time over which it can be recovered. Now that waiting period is 10½ years and the inflation rate is nearly 8 percent a year. Thus, for new, small, and growing enterprises the present complex and prolonged depreciation system is yesterday's answer to the pressing problem of today.

DEPRECIATION REFORM SHOULD BE HIGH PRIORITY

Any analysis of the sources of investment capital in the United States spotlights the importance of tax depreciation. For the 6-year period 1973–78, net new equity stock issues totalled $7.8 billion per year. During that same period, business borrowing in credit markets added up to an average of $72.1 billion annually, nearly 10 times as much. But, the cash supplied by depreciation deductions in the same years averaged approximately $112 billion per year, 40 percent more than equities and borrowings combined. (Chapter on "Capital Formation," 29th Annual Report of the Select Committee on Small Business, U.S. Senate, forthcoming.)

So, the Senate must confront the question of what can be done with our depreciation system if we are serious about wanting to facilitate capital formation.

One business and financial authority has recently examined this question. In Senate testimony last year, Federal Reserve Chairman William Miller, gave accelerated depreciation the highest priority for any tax change. (Revenue Act of 1978, hearings before the Senate Finance Committee, September 6, 1978, part 5, page 1173 et seq.). His reasoning was as follows:

> Inflation is our most important economic concern today. . . .
>
> The only way I know that we are going to break the cycle of wages chasing prices and prices chasing wages is to begin to realize productivity gains so that prices do not have to go up in order to maintain profitability.
>
> Capital accumulation is a critical ingredient in the long-range growth of labor productivity and the raising of living standards.
>
> . . . Throughout the 1970's, the ratio of capital stock to labor has fallen ever shorter of its earlier growth trend line, and this, undoubtedly, has been a significant factor in the slower growth of productivity that we have experienced over this period. . . .
>
> *Accelerated depreciation is a very efficient way to encourage investment.* The tax benefits of faster depreciation accrue to a firm only after new plant and equipment has been put in place. In addition, enlarged depreciation allowances would redress the serious drag on real corporate profitability that has occurred in recent years as inflation has caused replacement costs to exceed depreciation deductions by a wide margin. (Emphasis added).

In my opinion, the chairman has made a convincing case.

WOULD MAKE THE UNITED STATES MORE INTERNATIONALITY COMPETITIVE

The U.S. dollar lost about 14½ percent of its value in the past year. A direct result was the decision of the OPEC nations to raise prices by that amount over the next year. Accordingly, our business and tax policies in this country must take into account what is happening in the international arena and what our competitors are doing.

Canada has inaugurated a 2-year depreciation system for most equipment purchases, large and small. In Britain, the capital recovery period is a single year. Most industrialized countries in Europe and elsewhere have recognized economic realities and departed from the "useful life" concept which is traditional in this country.

One manifestation of the tough competition is the series of recent purchases of small U.S. high technology firms which may be the keys to future billion dollar industries.

A list of such acquisitions is set forth below:

RECENT ACQUISITIONS IN U.S. HIGH TECHNOLOGY COMPANIES BY FOREIGN CAPITAL

U.S. Company	Product description	Interest purchased, price, etc.	Acquiring company (nationality)
Advanced Micro Devices (California).	Design, manufacture, and marketing of advanced integrated circuits, notably microprocessors.	17 pct (largest stockholder) $22.5 million, 86 pct premium, October 1977.	Siemens AG (West Germany).
Amdahl Computer Co. (California).	Large-scale computers, more powerful than top of IBM line.	36 pct (seed equity capital)	Fijitsu (Japan).
American Microsystems (California).	MOS large-scale integrated circuits for automotive industry, computer memories and peripherals and for telecommunications equipment.	25 pct $14.2 million, 92 pct premium, June 1977.	Robert Bosch GmbH (West Germany).
Dan Ray (Texas)	Sophisticated electronic telephone switching	100 pct	Northern Telecom (Canada).
Dana Laboratories (California).	Digital voltmeters and multimeters, digital weight indicators	$3.5 million, 100 pct, October 1977.	Racal (British).
Data 100 (Minnesota)	Remote batch terminal systems	$15 million, 21 pct, 69 pct premium, November 1977.	Northern Telecom Ltd. (Canada).
Entrex (Massachusetts)	Data entry subsystems (replacement of keypunching).	$22 million for 100 pct	Nixdorf (West Germany).
Interdesign, Inc. (California).	Design engineering, manufacture of customs integrated circuits.	$2 million, 100 pct, January 1978.	Ferranti Ltd. (British).
Intersil (California)	Large-scale integrated circuits for telecommunications equipment.	$2.4 million "equity buy-in"	Northern Telecom, Ltd. (Canada).
Litronix (California)	Advanced semiconductors	$7.5 million for "controlling interest".	Siemens AG (West Germany).
Milgo	Data communications equipment	$61 million, early 1977	Racal (British).
Rigid Vinyls Division of Union Carbide.	Sole supplier of the envelopes used for floppy discs.		U.S. subsidiary of Hoechst (Germany).
Siliconix (California)	Field effect transistors, large-scale integrated circuits, VMOS, specialty semiconductor components.	25 pct, $6.1 million, paid 30 pct premium, January 1978.	Lucas Industries, Inc. (British).
Solid State Scientific (Pennsylvania).	Producer of advanced C/MOS and other semiconductors.	25 pct	VDO Adolf Schindling AG (West Germany).
Sycor (Michigan)	Distributed data entry and processing systems	12 pct with option to buy up to 35 pct of firm, December 1977.	Northern Telecom, Ltd. (Canada).
System Industries (California).	Unique imaging technology to convert electronic signals to images on plain paper for copying, facsimile, and computer output.	$5 million for 50 pct (of subsidiary, Silonics, Inc.).	Konishiroka (Japan).

Sources: Electronic News, Oct. 10, 1977 and Jan. 2, 1978; San Jose Mercury, January 1978; The Engineer, Jan. 19, 1978 (a British publication).

The testimony before the Small Business Committee is that these companies would prefer to keep their technologies in this country, but they are unable to raise the capital here.

Our committee recently published a report (S. Rept. 95–1413; December 28, 1978) which established that new and small companies consistently account for about half of the industrial innovations, and they do it at a far smaller cost per scientist and engineer. Companies with less than 1,000 employees are 4 times more efficient than companies with between 1,000 and 10,000 employees, and 24 times more efficient than companies with over 10,000 employees in producing innovations.

So if we want to keep open the avenues for American resourcefulness and competitiveness, we must revise our tax structure to adjust for inflation with respect to investment in prime new and growth firms.

Beyond that it is also vitally important to keep our system open for the new firms which are not so glamorous, but serve to fulfill the needs for essential and desirable goods and services, and to keep the American dream of business ownership open for all of our citizens.

REVENUE CONSEQUENCES OF THIS MEASURE

We learned last year that the change to a 3-year, $25,000, full investment credit depreciation system, the revenue effects peak at about $2½ billion and then decline substantially in subsequent years to the neighborhood of $1½ billion. The full estimates are contained in the technical analysis of the bill, below. These are what are called first order revenue effects. They do not take into consideration the boost to the economy from the faster recovery of invested funds nor the purchase of additional machinery which the new system encourages.

Accelerated depreciation stimulates the economy in the most productive ways. The depreciation deduction would only be taken after industrial machinery or equipment is purchased. No tax deduction would be taken unless this machinery and equipment is actually producing things for the company that bought it. Further, the sale of those machines has already generated profits and employment for the companies that sold, transported, and installed them and taxes on those profits for several levels of government.

We hope to report to the Senate later this year on the econometric effects of accelerated depreciation. There is growing awareness that this kind of feedback information is necessary for any balanced consideration of tax proposals.

But even on the first order revenue basis accelerated depreciation for small business would cost considerably less than is involved with accelerated depreciation for large business under ADR at this time.

ALTERNATIVES ARE FAR LESS ATTRACTIVE

Under these circumstances, our Nation has several alternatives in the tax depreciation area.

We could continue the present system with all of its present disabilities for small business, but we need not do so.

If we stand pat, the demands for more sweeping measures to cope with inflation will continue to grow every year.

The two most talked about alternatives in the past have been "indexing basis" and "replacement costs accounting."

Indexing basis would mean that every year the asset values on the books for each piece of equipment and machinery would have to be increased by the "gross national product deflator," or some other statistical measure of inflation. Then all of the present depreciation calculations we have listed would be applied to the increased base.

Replacement costs accounting has been talked about for many decades. Unlike indexing, this does not rely on any published statistic. It would involve predictions ranging many years into the future as to the prices of machinery at the time of replacement. With gains in technology and changes in operating methods, predictions of this kind are very uncertain. Yet, the Securities and Exchange Commission has begun to require such projections from the 1,000 largest companies, because they feel that the present depreciation system may be misleading investors in today's inflationary environment.

It seems to be that to stack indexing of basis or replacement cost accounting on top of the complexity we already have would make the whole area of capital recovery mind-boggling complex. It would put small business further behind in its efforts to survive and remain profitable and competitive.

SUMMARY: COMPELLING CASE FOR ENACTMENT OF SMALL BUSINESS DEPRECIATION REFORM

Every tick of the inflation clock brings the country closer to the moment when we must choose how we will adjust our tax policy for the ravages of inflation. Every month's balance-of-payments report brings us nearer to the decision to make our tax and financial policies more internationally competitive.

Every day letters arrive in senatorial offices pleading for simplification of the tax laws. The business community is asking for some "peace of mind" so they can devote their energies to productive uses rather than struggling with complicated regulations and tax forms. It is a reasonable request.

In my opinion, this bill offers a sound and reasonable system that could eliminate one of the two worst sources of complexity for 80 percent of the businesses in this country. It responds to many of our highest priority national needs. A compelling case has been made for accelerated and simplified depreciation for small business. I believe it would be a landmark reform in the structure of U.S. business taxes. It is my hope that Congress will enact such a measure within the next 2 years.

Mr. President, I ask unanimous consent to have the bill printed in the Record, together with a section-by-section analysis of the bill and a chronology of the small business depreciation reform legislation.

There being no objection, the bill and material were ordered to be printed in the Record, as follows:

S. 110

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

Section 1. This Act may be cited as the "Small Business Depreciation Reform Act of 1979".

Sec. 2. Section 167 of the Internal Revenue Code of 1954 (relating to depreciation) is amended by adding at the end thereof the following new subsection:

"(q) Three-Year Useful Life, Straight-line Depreciation.—

"(a) General Rule.—In the case of a taxpayer who has made an election under this subsection for the taxable year, the term 'reasonable allowance' as used in susbection (a) means (with respect to property which has a useful life of 36 months or more) an allowance based on a useful life of 36 months computed under the straight-line method (within the meaning of subsection (b)(1)).

"(b) $25,000 Basis Limitation.—For purposes of this subsection, the basis (as determined under subsection (g)) of property placed in service during the taxable year shall, to the extent such basis exceeds $25,000 for the taxable year, not be taken into account.

"(c) Election.—An election under this subsection for any taxable year shall be made at such time, in such manner, and subject to such conditions as may be prescribed by the Secretary by regulations."

"(d) Limitation.—

(1) General rule.—Subject to the exception provided by subparagraph (2), the provisions of this section shall not apply to property to which an election under section 179 applies.

(2) Exception.—The provisions of subparagraph (1) shall not apply to that portion of the basis of property placed in service during the taxable year which exceeds $25,000 for the taxable year."

Sec. 3. Subsection (c) of section 46 is amended by adding at the end thereof the following new paragraph:

"(1) Applicable Percentage in the Case of Three-Year Useful Life, Straight-Line Depreciation.—Notwithstanding subsection (c)(2), in the case of property with respect to which an election under section 167(q) applies, the useful life of any such property for purposes of this subpart shall be the useful life determined without regard to section 167(q).".

EFFECTIVE DATE

Sec. 4. The amendment made by sections 2 and 3 of this Act shall apply in the case of property acquired after the date of enactment of this Act and placed in service in taxable years ending after the date of enactment of this Act.

Section-by-Section Analysis of the Small Business Depreciation Reform Act of 1979

OVERALL CONSIDERATIONS

This bill, the "Small Business Depreciation Reform Act of 1979", is structured as an amendment to Section 167 of the Internal Revenue Code which presently provides the conditions under which a taxpayer can take depreciation deductions as a "reasonable allowance for exhaustion, wear and tear (including a reasonable allowance for obsolescences)" of property used in business, trade, or held for the production of income.

The bill would permit such deductions covering the entire cost of purchase of any machinery and equipment up to $225,000 each year over a three-year period.

Both section 167 and this bill apply to all 14 million U.S. business enterprises, whether incorporated and unincorporated.

Except for title, numbering changes, and modification of effective date, the substance of the bill is identical to Amendment No. 4483, which passed the Senate on October 10, 1978 by a vote of 62–25 (Congressional Record pages 35214–35237).

SECTION-BY-SECTION ANALYSIS

Section 1. *Title*. The bill is identified as the "Small Business Depreciation Reform Act of 1979."

The term "reform" is used in connection with two aspects of the bill: (1) major simplification for 80 percent of business which purchases less than $25,000 worth of machinery annually; and (2) significantly more rapid recovery of capital for this small and medium-sized segment of the business community which accounts for 55% of private employment, 48% of business income, 43%of GNP, and half of all industrial innovations.

Section 2. *Statement of Proposal*. This section sets forth the substantive changes proposed in the law of depreciation, as follows:

Subsection (a) *General Rule*. Personal property, i.e., machinery and equipment, could be written off in a three-year (36 month) beginning at the date of purchase.

Existing conventions of tax accounting at the time would apply, so that for example, for an asset placed in service on July 1st, 1/6 could be written off on the first calendar or tax year, 1/3 in the second year; 1/3 in the third year, and the remaining 1/6 during the fourth year.

The *Simplification Mechanism*. For all property to which the above General Rule would apply, simplification would be achieved by way of a definition of the term "reasonable allowance" which limits depreciation methods to "straight-line"—the simplest technique. This would preclude use for electing small business of alternate methods set forth in Section 167(b) (such as "declining balance," which in turn, includes 125 percent declining balance, 150 percent declining balance, 200 percent declining balance) for various types of new or used real or personal property; sum of the digits; and other methods envisioned by a general subsection of 167(b).

Subsection (b) *Maximum Annual Amount*. The $25,000 basis limitation limits the amount of property which can be depreciated under this three-year straight-line simplified method to $25,000 of purchases each tax year.

The full $25,000 would be available in every subsequent year. So $25,000 of equipment purchases would be eligible under this section every year.

It would be permissible also for the businesses to elect to treat the first $25,000 under this simplified system, and the remainder of the property purchased under any other method consistent with existing law and regulations.

In other words, existence of this section would not take alternatives away from any business or individual taxpayer; it would simply provide this additional option.

Subsection (c). *Election of Simplified Method*. This optional nature is made clear in this subsection. The exact number of election would be in regulations to be prescribed by the Secretary of the Treasury.

Subsection (d). *Limitation of Bonus Depreciation under Section 179*. In order to assure thorough simplification, and also to avoid a double benefit, property which is depreciated under the three-year system would not receive additional bonus first-year depreciation under Section 179.

Section 179 would, however, remain in effect for property to which the three-year method was not elected. Subsection (d)(2) makes explicit the availability of Section 179 to those purchases which exceed $25,000 limitation for any year in question.

Section 3. *Availability of Full Investment Credit*. This section spells out the relationship between simplified depreciation and the Investment Credit. It assures that whether or not the simplified three-year depreciation is applied, the taxpayer will be entitled to a full investment credit as provided now or as modified at anytime in the future.

In other words, a business would not forego any part of the investment credit by electing this simplified system.

Section 4. *Effective Date*. This section provides that the bill would go into effect as to property purchased after the date of enactment of the bill and placed in service after the date of enactment of this bill.

REVENUE CONSIDERATIONS

"First order revenue effects," estimated by the Congressional Joint Tax Committee are as follows, assuming the first year after enactment would be 1980:

[Millions of dollars]

Calendar year:	
1980	200
1981	1,100
1982	2,300
1983	2,700
1984	2,400
1985	2,000
1986	1,700

These figures are a measure of both lessened tax collections and commensurate tax savings by business.

Some adjustment would be in order for a later date of enactment.

More significant is that the economic activity spurred by the more rapid recovery of capital would produce increased business and individual taxes which would serve as an offset to first order revenue figures. Such an econometric analysis is necessary for a balanced assessment of the fiscal consequences of this measure.

PAPERWORK CONSIDERATIONS

This bill would result in a massive reduction of paperwork, which would be felt both on the taxpayer and government levels.

CHRONOLOGY OF SMALL BUSINESS DEPRECIATION REFORM LEGISLATION

1. Summer 1975. Senate Small Business Committee opens hearings on "Tax Reform for Small Business," June 17–18–19, 1975, and begins work with business groups to explore improvements to depreciation/capital formation.

2. July 31, 1975. Senator Nelson summarizes first round of hearings in testimony to House Ways and Means Committee, as follows:

"*Capital Recovery.*—These provisions of the Code should be greatly simplified so they will be more equally useable by businesses of smaller sizes and resources. Complexity is as much a problem as inflation for new and smaller firms seeking to recover their capital for renewal of existing plant and equipment. The Committee hopes to delve more deeply into comparisons between the Canadian and American capital recovery systems, and the proposals for accelerated capital recovery costs versus inflation-indexed accounting."

3. Sept. 23, 1975. Second series of hearings on Small Business Tax Reform beginning September 23, 1975, featured the following: panel of witnesses on capital formation and capital recovery: Panel Members: Norman B. Ture, Economic Consultant, Washington, D.C.; Michael Sumichrast, Chief Economist, National Association of Home Builders; Roland M. Bixler, President, J. B. T. Instruments, Inc., and Chairman, Small Business Tax Policy Task Force, National Association of Manufacturers; David Barnes, CPA, Coopers and Lybrand, Chairman, Tax and Government Regulation Committee, Council of Smaller Enterprises, Cleveland, Ohio; Jerry T. Jones, President, Sonicraft Corp , Chairman, Board of Directors, National Association of Black Manufacturer; and Charles W. Rau, Director of Taxation, Allis Chalmers Corp., Chairman, Taxation Committee, Wisconsin State Chamber of Commerce, and also representing the Wisconsin Manufacturers Association and Metropolitan Milwaukee Association of Commerce.

The representatives of the Council of Smaller Enterprises presented a paper entitled "Present Tax Depreciation Rules are Yesterday's Answer to Today's Problem" which concluded: "Present tax depreciation rules and regulations need to be overhauled and replaced with progressive programs that provide small business concerns the flexibility to internally generate capital by employing a liberal, noncumbersome, rapid depreciation write-off method which will maximize depreciation charges in times when funds are needed for expansion."

Mr. Rau, representing several Wisconsin business groups, furnished detailed tables showing how much capital would be "lost to inflation" on purchases of equipment assuming either 5 percent or 10 percent inflation rates under the most favorable existing depreciation structures. On this basis, Mr. Rau advocated 5-year depreciation for industrial machinery and a 10-year period for plant and other real estate facilities.

4. 1975. H.R. 7543 introduced in the House of Representatives by Rep. Waggonner proposing 5-year depreciation for equipment and 10-year depreciation for real estate without limitation as to amount.

5. 1976. Preliminary revenue estimates on 2- 3- and 4-year depreciation obtained from Joint Tax Committee. Contract let by Senate Small Business Committee to Wharton Econometric Forecasting Associates to do econometric study of accelerated depreciation. Preliminary discussion of alternatives by Senator Nelson.

6. October 17, 1977. Senator Nelson presents memorandum to President Carter and Vice President Mondale on this date recommending three-year accelerated depreciation at $100,000 to $200,000 level with one-third of investment credit retained; in the following terms:

CAPITAL COST RECOVERY

Because most small businesses use straight-line depreciation, the Committee proposes an optional simple straight-line depreciation system, with a shorter useful life—perhaps three years—for investments in new or used equipment up to an appropriate level (perhaps $100,000 to $200,000). Where this system is elected, it would eliminate the complicated combination of bonus depreciation, ADR, and rapid depreciation and amortization methods, investment credit, salvage value, disputes about useful life, and recapture provisions for smaller businesses. It would relieve much of the pressure for "indexing" depreciation or substituting replacement cost accounting in the future. It is contemplated that this benefit would be available to businesses of all sizes, but that it would be simple and understandable and therefore attractive to, and most used by the great majority of small enterprises, for whom it would constitute a true reform in this important area.

7. December 1977. Informal memos with preliminary computer estimates of revenues and tax savings for 3-year accelerated depreciation at $50,000 and $100,000 levels sent to high Administration staff officials for consideration.

8. January 1978. Suggestion for 3-year accelerated depreciation at $100,000 to $200,000 levels placed before the Senate, "Shortage of Capital Causing Flight of U.S. Technology to Foreign Countries—Overhaul of Tax and Capital Formation Policies Urgently Needed for Small Business", Senate remarks by Senator Gaylord Nelson, *Congressional Record*, Jan. 4, 1978. ps. 19968.

9. March 1978. Introduction by Senator Nelson of $100,000 three-year accelerated depreciation bill at $100,000 of purchases with one-third of investment credit retained (S. 2742) "Small Business Depreciation Simplification and Reform Act", *Congressional Record*, March 14, 1978, page S3672–73.

10. September 1978. On basis of computer revenue estimates, the decision was made to increase to full investment credit and lower purchase limit to $25,000. This leads to introduction of S. 3493 on September 12, 1978.

10. October 1978. S. 3493 cast in Amendment form: No. 3690, No. 4483 and others for procedural reasons, "Accelerated and Simplified Depreciation for Small Business", *Congressional Record*, October 3, 1978,

11. Oct. 10, 1978. Amendment No. 4483—3-year $25,000 accelerated depreciation passes Senate on 62–25 rollcall vote, *Congressional Record*, October 10, 1978, page 17941.

12. Oct. 15, 1978. Senate accelerated depreciation provision eliminated in House-Senate conference because of out-year revenue costs.

13. January 1979. Reintroduction of 3-year accelerated depreciation bill at $25,000 with full investment credit, substantially identical to Amendment No. 4483 except for technical changes.

By Mr. BUMPERS:

S. 111. A bill to improve the administrative process by making Federal agencies more responsive to the will of the people as expressed by their elected representatives in Congress; to the Committee on the Judiciary.

TO MAKE FEDERAL AGENCIES MORE RESPONSIVE

● Mr. BUMPERS. Mr. President, in the past two sessions of Congress I introduced a bill to amend the Administrative Procedure Act to make Federal agencies more responsive to the will of the people as expressed by their elected representatives in Congress. I first introduced the bill (S. 2408) in the 94th Congress and the bill was referred to the Subcommittee on Administrative Practice and Procedure of the Committee on the Judiciary. The chairman of the subcommittee, the distinguished Senator from Massachusetts (Mr. KENNEDY), held hearings on S. 2408 on May 3, 1976, at which I testified.

Later, when S. 800, another administrative-law bill, passed the Senate, the Senator from Massachusetts and I discussed S. 2408 on the floor of the Senate. At that time Mr. KENNEDY agreed to solicit the views of the bench and bar on this proposal, and I announced my intention to reintroduce the bill promptly on the convening of the 95th Congress.

I introduced S. 86 on January 10, 1977. The bill was identical to S. 2408 of the 94th Congress. The Senate Judiciary Committee did not hold hearings on S. 86 during the 95th Congress.

I remain firmly convinced that legislation of this nature is sorely needed. Therefore, Mr. President, I introduce for appropriate reference S. 111, a bill identical to S. 2408 of the 94th Congress, and S. 86 of the 95th Congress.

The bill would accomplish two ends: It would direct the courts to decide for themselves, without deference to so-called administrative "expertise," all issues of law, and it would reverse the traditional presumption that agency regulations are valid. For convenient reference, I ask unanimous consent that the text of the bill be printed in full at this point in my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 111

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the portion of Public Law 89–554, (80 Stat. 393), now codified as Section 706 of Title 5, United States Code, is amended by striking out the first sentence thereof and substituting therefor the following:

"To the extent necessary to decision and when presented, the reviewing court shall decide de novo all relevant questions of law, interpret constitutional and statutory provisions, and determine the meaning or applicability of the terms of the agency action. There shall be no presumption that any rule or regulation of any agency is valid, and whenever the validity of any such rule or regulation is drawn in question in any court of the United States or of any State, the court shall not uphold the validity of such challenged rule or regulation unless such validity is clearly and convincingly shown: *Provided, however,* That if any rule or regulation is set up as a defense to any criminal prosecution or action for civil penalty, such rule or regulation shall be presumed valid until the party initiating the criminal prosecution or action for civil penalty shall have sustained the burden of proof normally applicable in such actions."

Mr. BUMPERS. Mr. President, present doctrines of administrative law insure that almost every rule or regulation adopted by a Federal agency is upheld in the courts. There is a presumption, it is said, that such rules or regulations are within the authority granted by Congress, or by Executive order, to the particular agency involved. It is my view that there should be no such presumption, and that administrative law has come to the point where the traditional doctrine should be reversed. The burden should be upon the Federal agency, which has at its command the resources of the sovereign, to establish the validity of its own action, instead of being placed upon the citizen to prove the reverse.

The bill I introduce today would do just that. First of all, it would restore the courts to their normal law-interpreting and law-applying role in our system of Government. It would insert the words "de novo" in the first sentence of 5 U.S.C. 706, the sentence that concerns decision by the courts of questions of law in actions to review Federal agencies. Courts could still defer to administrative "expertise," if there is in fact such a thing, when deciding issues of fact, and the traditional "substantial evidence" rule applied to such issues would be undisturbed.

In the realm of law, however, the supremacy of the courts, who are sworn to apply and enforce the statutes of Congress, would be restored. A decision by an agency on an issue of law would no longer be upheld simply upon a finding that there is "warrant in the record" for it. The court would actually use its own judgment on such issues. Furthermore, the presumption in favor of the validity of agency rules and regulations would be eliminated, and the burden of establishing this validity would be shifted to the agency, a party better able to bear it. Only if a court were clearly and convincingly persuaded, for example, that a given rule or regulation was within the power delegated by Congress, would the rule or regulation be upheld.

In this way, Congress would be confirmed as the true and only source of legislative power in our society. Only those agency rules and regulations clearly within the congressional mandate would remain intact. Finally, a proviso in the bill would make clear that the traditional heavy burden of proof borne by the prosecution in criminal cases and, to a lesser extent, by the United States when seeking to enforce a civil penalty, would not be altered. In these instances, if a defendant asserted an agency rule or regulation in bar of a criminal prosecution or action for civil penalties, the opposing party, usually the United States, would still have to sustain the burden of proof usually associated with these kinds of enforcement proceedings.

A number of persons and groups have been kind enough to review this proposal and offer their views. I am disappointed that some of these comments are unfavorable, but I nonetheless appreciate the time and effort they represent, because they do give me a chance to examine anew the justification for the bill, and to consider with care the objections that have been raised.

Two law professors are among those who have commented—Nathaniel L. Nathanson of Northwestern and Clark Byse of Harvard—in their capacity as members of the Committee on Judicial Review of the Section of Administrative Law of the American Bar Association. In general, their objections to the bill are twofold: First, that courts are not in fact so deferential to the agencies as I have claimed, and second, that in any event they are no more deferential than they should be. In order that the full record may be laid before the Congress and the public, I ask unanimous consent that Profesor Byse's letter of September 16, 1976, and Professor Nathanson's letter of September 8, 1976, be printed in full in the Record at this point in my remarks.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Harvard Law School,
Cambridge, Mass., September 16, 1976.
Francis M. Gregory, Jr., Esq.,
Washington, D.C.

Dear Mr. Gregory: The receipt of a copy of Nat Nathanson's September 8 letter to you emphasizes my failure to reply to your inquiry re S. 2408, and so, amends, herewith.

In general, I agree with Nat's observations. More specifically, there is reason to believe that the proponents of the measure are proceeding on the basis of mistaken perceptions.

1. See 121 Cong. Rec. S. 16578, 1st col. (Sept. 24, 1975), where the holding of NLRB v. Hearst is discussed. For the correct analysis of Hearst, see Nat's article in * * * and L. Rev. 470–473 (1950), reprinted in Gellhorn and Byse, Administrative Law Cases and Comments 450–451 (6th ed. 1974). See also enclosed reprint, pp. 564–567. It is conceivable that the proponents of S. 2408 want courts to exercise a de novo review concerning administrative decisions on matters which Congress has rather clearly delegated to the agencies for decision by them. If that is their objective, I must, with all deference, say I think that would be most unwise. As the Court said in United States v. Louisville and Nashville, R.R., 235 U.S. 314, 321 (1914), under such a view "the Commission would become but a mere instrument for the purpose of taking testimony to be submitted to the courts for their alternate action." The Court rejected that view in 1914. I do not believe that it should be resurrected in 1976.

2. I think that the government lawyers, who appear before the District of Columbia Circuit—would hardly agree that that court fails to discharge its judicial responsibility to determine the scope of discretion delegated to the agency by Congress. Judge Leventhal insists upon a "hard look" and a "reasoned decision"; Chief Judge Bazelon embraces the "new era." Although undoubtedly there are judges or panels of judges or courts which at times fail to discharge their reviewing responsibilities, I do not think this is a general weakness which needs the corrective action proposed by S. 2408. It seems to me that it is not accurate to state that courts are guily of "virtually rubber-stamping every agency action that comes before them for review"—see Congressional Record S. 11350, col. 3, 1st 2 lines (July 1, 1976). My judgment on the matter is stated in the last sentence of the enclosed reprint.

3. I am not as confident of the point I now address as perhaps I should be. However, my impression is that the courts have shifted, or are in the process of shifting, from the view that regulations are presumptively valid. See, e.g., *Chicago* v. *FPC*, 458 F. 2d 731 (D.C. Cir. 1971), cert. denied 405 U.S. 1074 (1972), discussed in Gellhorn and Byse, supra, pp. 736–737.

I conclude that although there may be a problem concerning presumptive validity of rules, as presently advised I rather doubt it. If there is such a problem, it should be demonstrated. The proponents have not made such a demonstration. Until there is such a demonstration, there is no need to consider a remedy. When and if such a problem is demonstrated, the remedy should be tailored to fit the problem. The present proposal is thus premature.

I conclude further that there is no need for a statutory change in the APA provisions governing review of so-called questions of law.

Sincerely,

Clark Byse

Northwestern University
School of Law,
Chicago, Ill., September 8, 1976
Francis M. Gregory, Jr., Esq.
Suite 800, 1666 K Street, N.W.
Washington, D.C.

Dear Frank: In further reference to your letter of July 21, 1976, and the enclosures, particularly S. 2408, I just want to say that I am not at all impressed with the desirability of such an amendment to the APA. I say this with some regret since Senator Bumpers is an alumnus of ours for whom I have considerable affection and regard.

In substance the bill seems to reopen an ancient controversy which, I believe, has been satisfactorily resolved in actual practice; namely, how much deference a reviewing court should pay to an administrative agency's determination of a question of law, particularly one involving an interpretation of the agency's authorizing statute or one of its own regulations. I doubt that any statutory formulation can improve upon the guidelines laid down in leading Supreme Court opinions, such as Cardozo's opinion in Norwegian Nitrogen Products v. United States, 288 U.S. 294 (1933), Jackson's opinion in Skidmore v. Swift Co., 323 U.S. 134 (1944), the Frankfurter opinion in Addison v. Holly Hill Fruit Products Co., 322 U.S. 607 (1944) and more recently the opinions in Mourning v. Family Public Service, Inc., 411 U.S. 356 (1973) and Morton v. Ruiz, 415 U.S. 199 (1974). I am particularly suspicious of a statutory provision that makes use of the cryptic phrase "de novo" with all its uncertain connotations.

So far as I am aware the federal courts have not been giving blind obeisance to administrative determinations of law in recent years. Consequently I am curious about the stimulus for this particular proposal. The Congressional Record excerpt, attached to your communication, suggests that there is concern over the rulemaking power of the F.T.C., and certain new enforcement powers of the F.T.C. regarding their own orders. With respect to the rulemaking power, the statute provides considerable procedural protection, and deserves at least a trial period; judicial review of the validity of the rules is assured and there is no reason to believe it will be only a formality. With respect to enforcement of orders against respondents who were not parties to the original proceeding, that particular provision should be debated on its own merits and not made the occasion for a sweeping change in fundamental principles of judicial review.

I trust that this is sufficient to start a meaningful committee dialogue on the subject.

Sincerely,

Nathaniel L. Nathanson.

Mr. BUMPERS. Mr. President, I am especially struck by Professor Nathanson's belief that "the Federal courts have not been giving blind obeisance to administrative determinations of law in recent years," and by Professor Byse's "impression * * * that the courts have shifted, or are in the process of shifting, from the view that regulations are presumptively valid." These opinions call in question the very predicate for my bill—that courts in most cases are deferring to agencies, even on questions of law—so it seems appropriate to begin the debate by examining the present state of the law at some length. The questions to be answered are, "Do courts defer to agencies on questions of law," and "Is an agency regulation presumed valid?"

A number of opinions of the Supreme Court are in accord with the rule of *NLRB* v. *Hearst Pubs., Inc.*, 322 U.S. (1944), that an agency's interpretation of its own governing statute is to be upheld if it is reasonable and has warrant in the record, regardless of whether the court would itself have reached the same conclusion as an original matter. In Hearst, the question was whether newsboys are "employees" within the meaning of section 2(3) of the National Labor Relations Act, 29 U.S.C. section 152(3), as opposed to independent contractors. In upholding the Board, the Supreme Court said:

> Undoubtedly questions of statutory interpretation, especially when arising in the first instance in judicial proceedings, are for the courts to resolve, giving appropriate weight to the judgment of those whose special duty is to administer the questioned statute . . . but where the question is one of specific application of a broad statutory term in a proceeding in which the agency administering the statute must determine it initially, the reviewing court's function is limited . . . the Board's determination that specified persons are "employees" under this Act is to be accepted if it has "warrant in the record" and a reasonable basis in law. (322 U.S. at 130–31.)

The key phrase "warrant in the record" appears to come from *Rochester Tel. Corp.* v. *United States*, 307 U.S. 125 (1939), in which the question was whether one company had "control" of another within the meaning of section 2(b) of the Communications Act of 1934, 47 U.S.C. 152(b). The Court held that the agency's decision on this issue must be upheld:

> So long as there is warrant in the record for the judgment of the expert body it must stand. (307 U.S. at 145–46.)

It should be observed, however, that the Court characterized the question of "control" as an issue of fact, so the Hearst court's use of this citation can be questioned.

The wide latitude given to the NLRB by Hearst is further illuminated by the dissenting opinion of Mr. Justice Roberts. Taking what might have been thought, at least at one time, the more orthodox view, he argued:

> Congress did not delegate to the NLRB the function of defining the relationship [of employment] so as to promote what the Board understood to be the underlying purpose of the statute. The question who is an employee, so as to make the statute applicable to him, is a question of the meaning of the Act and, therefore, is a judicial and not an administrative question. (322 U.S. stat 125–26.)

To the same effect is *Gray* v. *Powell*, 314 U.S. 402 (1941), involving the meaning of the term "producer" under the Bituminous Coal Act of 1937, 50 Stat. 72. The statute did not expressly define this term. On undisputed facts, the agency's interpretation and application of the statutory term were upheld. The Court spoke rather broadly of the range of power committed to the agency:

> In a matter left specifically by Congress to the determination of an administrative body, . . . the function of review placed upon the courts . . . is fully performed when they determine that there has been a fair hearing, with notice and an opportunity to present the circumstances and arguments to the decisive body, and an application of the statute in a just and reasoned manner. (314 U.S. at 411.)
>
> Where, as here, a determination has been left to an administrative body, this delegation will be respected and the administrative conclusion left untouched. Certainly, a finding on Congressional reference that an admittedly constitutional act is applicable to a particular situation does not require such further scrutiny. Although we have here no dispute as to the evidentiary facts, that does not permit a court to substitute its judgment for that of the Director . . . It is not the province of a court to absorb the administrative function to such an extent that the executive or legislative agencies become mere fact-finding bodies deprived of the advantages of prompt and definite action. (Id. at 412.)
>
> In short, the agency will be upheld unless its conclusion "is so unrelated to the tasks entrusted by Congress to the Commission as in effect to deny a sensible exercise of judgment. . . ." (Id. at 413.)

Another famous opinion often cited for a similar proposition is *Norwegian Nitrogen Prods. Co.* v. *United States*, 288 U.S. 294 (1933). The question there was whether the notice and hearings afforded by the U.S. Tariff Commission were "reasonable" within the meaning of section 315 of the Tariff Act of 1922, 42 Stat. 858, 941. In upholding the Commission, the Court, speaking through Mr. Justice Cardozo, said:

> True indeed it is that administrative practice does not avail to overcome a statute so plain in its commands as to leave nothing for construction. True it also is that administrative practice, consistent and generally unchallenged, will not be overturned except for very cogent reasons if the scope of a command is indefinite and doubtful. The practice has peculiar weight when it involves a contemporary construction of a statute by the men charged with the responsibility of setting its machinery in motion, of making the parts work efficiently and smoothly while they are yet untried and new. (288 U.S. at 315.)

The Supreme Court has continued to elaborate the doctrine in more recent cases. A good example is *Mourning* v. *Family Pubs., Inc.*, 411 U.S. 356 (1973). Section 121 of the Truth in Lending Act, 15 U.S.C. 1631, requires creditors to disclose certain information "to each person to whom consumer credit is extended and upon whom a finance charge is or may be imposed * * *" In addition, under section 105 of the act, 15 U.S.C. 1611, the Federal Reserve Board "shall prescribe regulations to carry out the purposes of (the Act). These regulations may contain such classifications, differentiations, or other provisions, and may provide for such adjustments and exceptions for any class of transactions, as in the judgment of the Board are necessary or proper to effecutuate the purposes of (the Act), to prevent circumvention or evasion thereof, or to facilitate compliance therewith." The Board thereupon issued regulation Z, requiring disclosure of the specified information whenever credit is offered to a consumer "for which a finance charge is or may be imposed or which pursuant to an agreement, is or may be payable in more than four installments." (12 C.F.R. 226.2(k) (1972)).

A rather clear issue was thus drawn as to the power of the Board to issue regulations going beyond the terms of the statute as strictly parsed. Under the statute, a person is entitled to certain information, including the annual rate of simple interest, if two requirements are met. First, consumer credit is extended to him; and second, a finance charge is or may be imposed on this credit. Regulation Z, by contrast, specifically requires disclosure even if a finance charge is not imposed, if the obligation is payable in more than four installments pursuant to an agreement. The Court upheld the rule, relying particularly on the broad command to the Board to prescribe regulations not only to effectuate the purposes of the act, but also to prevent circumvention or evasion thereof.

> We have consistently held that where reasonable minds may differ as to which of several remedial measures should be chosen, courts should defer to the informed experience and judgment of the agency to whom Congress delegated appropriate authority. (411 U.S. at 372.)

It may be conceded that the force of the general rules here quoted varies with the individual circumstances and situations to which they are applied. How broadly the statute is worded, whether it is newly enacted, the specific terms of the statute's command to issue regulations, the technical complexity of the subject matter, whether a regulation is "interpretative" or "legislative," all these factors are relevant to the latitude that the courts are willing to concede. On the whole, however, the law may be accurately summarized by the following quotation from *Udall* v. *Tallman*, 380 U.S. 1, 16 (1965):

> When faced with a problem of statutory construction, this court shows great deference to the interpretation given the statute by the officers or agency charged with its administration. "To sustain the commission's application of this statutory term, we need not find that its construction is the only reasonable one, or even that it is a result we would have reached had the question arisen in the first instance in judicial proceedings."

A multitude of cases in the lower courts can be cited to sustain the same general proposition. For present purposes, it suffices to mention a few examples. *Gulf Oil Corp.* v. *Hickel*, 435 F. 2d 440, 444–45 (DC Cir. 1970) ("Deference is properly accorded by a court to administrative interpretations of statutes and regulations, unless plainly erroneous or inconsistent with the law or regulation,"); *Housing Auth. of the*

City of St. Paul v. *United States*, 432 F. 2d 455, 458–59 (Ct. Cl. 1970) ("In a number of cases this court has also held that it can invalidate such a regulation only if it clearly contradicts the terms or purposes of the new statute."); *E. W. Coslett & Sons, Inc.* v. *Bauman*, 354 F. Supp. 330, 332–33 (E.D. Pa. 1973) (deferring to a Federal agency on an issue of State law!); *City of Burlington* v. *Turner*, 336 F. Supp. 594, 602 (S.D. Iowa 1972) (deferring to the agency even where there is a dearth of expertise and the statute in question has neither been continuously interpreted nor examined contemporaneously with its enactment).

In practice, this doctrine can cede to administrative agencies, a branch of Government hardly contemplated by the Constitution, a share of the judicial power. It is hornbook law that Congress may not actually delegate legislative power to any other person or agency. What the agencies are doing, therefore, must be the interpretation and executive of law made by Congress. In deciding whether their actions accord with the will of Congress, assuming that a factual finding on which a certain proposal may be predicated has been made, the agencies must, as a matter of logical necessity, be construing and interpreting law. This is a traditional and proper function of the judiciary, and, to the extent that the courts affirm construction of statutes that they would not themselves have adopted as an original matter, they are abdicating one of their most important duties.

On the second question, whether rules and regulations issued by Federal agencies are entitled to a presumption of validity, my differences with Professors Byse and Nathanson are, if anything, sharper. In particular, Professor Byse has the "impression * * * that the courts have shifted, or are in the process of shifting from the view that regulations are presumptively valid." In support of this opinion he cites *City of Chicago* v. *FPC*, 458 F. 2d 731 (D.C. Cir. 1971), cert. denied, 405 U.S. 1074 (1972). The Federal Power Commission had decided to set gas rates on an area-wide basis, using composite cost data from all of the producers in a given area, instead of setting rates for an individual producer, based upon that producer's own costs. The question arose whether the area-rate system should be applied to pipeline companies as well as to so-called independent producers of gas. The Commission decided to apply the area system to the pipeline companies, and the Court of Appeals affirmed this decision. Although Professor Byse's letter and casebook, Gellhorn & Byse, Administrative Law: Cases and Comments 736–37 (6th ed. 1974), both assert that the case is contrary to the traditional doctrine of presumptive validity, I must say that a thorough reading of the opinion fails to disclose any such tendency to me.

The casebook goes so far as to claim that city of Chicago repudiates the Supreme Court's opinion in *Pacific Box & Basket Co. v. White*, 296 U.S. 176 (1935). That was a unanimous opinion delivered by Mr. Justice Brandeis, in the course of which the Court said that there is "a rebuttable presumption of the existence of a state of facts to justify the exertion of the police power," 296 U.S. at 185. Referring to a regulation of a State administrative agency, the Court added:

> But where the regulation is within the scope of authority legally delegated, the presumption of the existence of facts justifying its specific exercise attaches alike to statutes, to municipal ordinances, and to orders of administrative bodies. (*Id.* at 186.)

As I have already noted, nothing in city of Chicago appears contrary to this rule. It would not make any difference in any event, because an opinion of a court of appeals, even a recent one, surely cannot have enough force to overrule one of the Supreme Court. In any case, recent opinions of the Supreme Court, as well as lower Federal courts, prove that the presumption of validity is still a vital doctrine of law. A few examples will suffice.

Probably the leading recent case on judicial review of agency action is *Citizens to Preserve Overton Park* v. *Volpe*, 401 U.S. 402 (1971). In the course of a wide-ranging opinion strictly limiting the area in which agency action is not reviewable at all, the court reaffirmed traditional dogma:

> Certainly, the Secretary's decision is entitled to a presumption of regularity. See, *e.g.*, *Pacific States Box & Basket Co.* v. *White*, 296 U.S. 176, 185 (1935); *United States* v. *Chemical Foundation*, 272 U.S. 1, 14–15 (1926).

The origin of the rule may be in a generalized presumption, long dear to courts, that any official act is regular and lawful. Chemical Foundation, cited by the Court in Overton Park, states:

> The presumption of regularity supports the official acts of public officers and, in the absence of clear evidence to the contrary, courts presume that they have properly discharged their official duties. (272 U.S. at 14–15.)

This presumption operates not only on the overall question of validity of agency action, but also with respect to certain subsidiary issues that may be raised in a suit to overturn an agency's determination. A common issue in such cases, for example, is whether an agency's ruling in a particular case is a departure from its own precedents. There is a presumption, the Court has said, that the policies of Congress will be carried out best if these administrative precedents are adhered to:

> There is, then, a presumption that . . . [the] policies [committed to an agency by Congress] will be carried out best if the settled rule is adhered to. From this presumption flows the agency's duty to explain its departure from prior norms.

Atchison, T. & S. F. Ry. v. *Wichita Bd. of Trade*, 412 U.S. 800, 808 (1973) (opinion of Marshall, J, joined by four Justices and announcing the judgment of the Court).

Cases in lower courts announcing the same rule are legion. Many such cases are in the District of Columbia, perhaps the most frequent forum for suits against Federal administrative agencies. A typical statement is contained in *Maryland-National Capital Park & Planning Comm'n.* v. *Lynn*, 514 F. 2d 829, 834 (D.C. Cir. 1975) (per curiam): "* * * there is a judicial presumption of the validity of administrative action and the burden was upon the [plaintiff] * * * to overcome that presumption." *Accord, e.g. Air Transport Ass'n of America* v. *Federal Energy Office*, 382 F. Supp. 437, 453 (D.D.C. 1974) ("Moreover, the party attacking the regulatory scheme carries the burden of persuasion."); *United Black Fund, Inc.* v. *Hampton*, 352 F. Supp. 898, 903, (D.D.C. 1972) ("It should be noted * * * that there is judicial presumption of the validity of administrative action, that the burden is on a plaintiff to overcome that presumption, and that the Court will uphold such action if it has a rational basis.")

Mr. President, it would unnecessarily lengthen this statement to add the citations of all the other cases that are to the same effect, but I have collected them in an appendix, including representative quotations, and I commend the appended list to the attention of my colleagues. All of the cases in the list are recent. As a matter of fact, I made an effort to single out all of the cases decided by the Federal courts in the last 5 years on this point, and they are remarkably uniform in their teaching. I feel sure that anyone reading these opinions with an open mind cannot fail to reach the conclusion that the presumption of administrative correctness is an untrenched doctrine of judge-made law, not likely to be changed or even substantially modified in the absence of an act of Congress.

One other specific objection to the bill should be addressed. Professor Nathanson dislikes "the cryptic phrase 'de novo' with all its uncertain connotations." I find this attitude surprising, in view of the fact that the Administrative Procedure Act itself, 5 U.S.C. section 706(2)(F), already requires reviewing courts to set aside agency action that is "unwarranted by the facts to the extent that the facts are subject to trial de novo by the reviewing court." The Freedom of Information Act, 5 U.S.C. section 552(a)(3), also uses the phrase. As a matter, this act provides, in language that is a strong legislative precedent for the proposal I am making today: "In such a case (where an agency has withheld documents) the court shall determine the matter de novo and the burden is on the agency to sustain its action." The committee reports on the FOIA contain strong supportive language that is also applicable to the present bill:

> That the proceeding must be de novo is essential in order that the ultimate decision as to the propriety of the agency's action is made by the court and to prevent it from becoming meaningless judicial sanctioning of agency discretion (S. Rep. No. 813, 89th Cong., 1st Sess. 8 (1965)). See also H.R. Rep. No. 1497, 89th Cong., 2d Sess. 9 (1966).

In any case, the meaning of the phrase "de novo" is plain and obvious. It means that the courts will decide issues of law anew, without deference to previous agency determinations. Some such phrase must be added to the statute if present judicial practice is to be changed. The Administrative Procedure Act, 5 U.S.C. 706, already provides that "the reviewing court shall decide all relevant questions of law * * * (and) interpret constitutional and statutory provisions. * * *". That language, though plain enough, has not sufficed to require courts actually to decide issues of law for themselves.

A word should also be said about the objection of the Judicial Conference of the United States. Its position is simple enough: it opposes the bill because it does not want any more work to do. Mr. President, I am a little taken aback by this attitude, which hardly becomes a public servant. The judges, like the rest of us, should accept the tasks they are assigned and do their duty. At any rate, the answer to this objection, if it is a fact that the courts' workload will increase, is not to junk a needed reform, but to give the courts the manpower they need to do the job.

The question remains, after all the legal argumentation over precedents and other technical points is done with, "Is there a need for a change in the law?" Put another way, have agencies become so powerful today that they should be checked? This is not a question of law, strictly speaking, at all, but a question of Government, or politics. If there is an issue of public policy on which there is a broader consensus in this country, I am unaware of it. A glance at only a small portion of the mail that comes into congressional offices each day will suffice. The theme of over-regulation recurs with at least as much frequency as any other. Nor does the voice of complaint come only from businessmen who, it might be thought, have an economic motive for their desire to shake the restraints of Government.

Citizens' groups of all kind, environmentalists, consumers, unions, and others, are unanimous in complaining that Government, most often manifested in regulations issued by executive or administrative agencies, has become too intrusive. For agencies to concern themselves with how close toilets should be to farmworkers, or with whether a school's "dress code" can allow girls to have longer hair than boys, is nothing but ridiculous.

What is to be done about it? Most opponents of my proposal suggest that Congress created the problem and should therefore be responsible for solving it. In pointing the finger of blame at the legislative branch, they are correct, and I would be the last to dispute it. Beginning at least as early as the creation of the Interstate Commerce Commission in 1887, and continuing with ever greater intensity since the coming of the New Deal, Congress has avoided many hard choices simply by delegating much of its work to independent or executive agencies. Most of this delegation has escaped constitutional censure because it was accompanied by some standards of action, however vague; but the fact remains that Congress, by giving the agencies such latitude, is responsible, at least vicariously, for much of the agencies' abuse of office.

Why then should Congress not correct its own errors? The answer is that it should, at least by the extent of being stingy about creating new agencies or delegating new powers to existing ones. Congress ought to rest from creation for a while, and I suspect such a respite would meet with universal public approval. As to those laws and agencies that already exist, the matter is not so simple. Congress could, in theory, review all the existing statutes and repass them, this time making more particular and specific the mandate of each agency.

The difficulty is that each of the broad legislative grants of power to agencies have already been particularized by the agencies themselves. These surrogates for Congress have spun out whole codes of regulations and interpretations, most of which have the force of law. Each of these specifications has acquired its own constituency of support, and it is not realistic to expect an elected Congress to tackle the massive task of reviewing the whole complex of administrative edicts now on the books.

One other possibility of congressional action for the future should be addressed. A number of bills were introduced in the last Congress to allow either House, by resolution, to prevent any rule or regulation of a Federal agency from going into effect. No doubt similar proposals will be before us this year. The idea has some appeal. It would interpose the Congress between the agencies and the people. The history of the device of one-House disapproval as a check on Executive action, however, is discouraging. There is reason to fear that in practice most regulations would go routinely into effect.

The sheer volume of material that would have to be reviewed each day would almost compel this result. In the end, agencies would be even more strongly insulated from judicial review than they are now. Suppose, for example, that you are a judge before whom a regulation's validity is being challenged. The regulation was transmitted to the appropriate committees of Congress and was not, within the time allotted by law, disapproved by either House. There is a strong inference, unlikely to escape even the most theoretical judge, that Congress has tacitly affirmed that the regulation is not contrary to its intent in enacting the agency's governing statute. The citizens contesting the regulation are probably worse off than they would have been had it never been submitted to Congress in the first place.

Some have suggested that the executive branch should put its own house in order, and that one way to help is to destroy the independence of the quasi-judicial agencies like the Securities and Exchange Commission and make them responsible to the President. The idea will appeal greatly to those who believe in symmetry as an end in itself, and certainly it would inescapably fix responsibility for all agency action in an elected officer answerable to the people. On the other hand, I can see no particular reason to believe that such a change would result in regulations more narrowly drafted, or more clearly within the intent of Congress. Agencies directly and immediately responsible to the President—HEW, FEA—have offended just as markedly as those that are in some sense independent.

The cure for the disease of administrative overreaching, Mr. President, is not exotic. It is not novel. It is simply a reliance on one of the three traditional branches of our Government—the courts. I can understand why those who initiated the great regulatory reforms of the New Deal in later years were fearful of broad judicial review. The judges, or most of them, had been appointed by previous Presidents, most of them of the opposite party, and they tended to be hostile to any change in the law. For much of the same reason that led Congress to enact the Norris-LaGuardia Act, removing the Federal courts' jurisdiction to issue injunctions in labor disputes, Congress wished also to protect the social measures of the 1930's from judicial pettifogging.

The courts, from the Supreme Court on down, were seen as a reactionary enemy to be restrained, rather than a coordinate instrument of Government. The agencies, by contrast, could be staffed with younger, friendlier men—James M. Landis, William O. Douglas—who, even while acquiring that mystic quality called "expertise," would not only accept, but advocate, the new social policies of the Nation.

As new judges were appointed and the national consensus for the new policies hardened, the courts themselves became willing partners in self-limitation, repeating with ever more force abstractions about expertise, the suitability of the administrative process to modern Government, and the reluctance of appointed judges to interfere with social policy. Never mind that no one had elected the administrators, either. In fact, to the extent that agency staff members were the real locus of power, no one had elected even the persons who chose them.

Now, in the late 1970's, it is wrong to accept uncritically concepts of the distribution of power called forth by the needs of 40 years ago. The Federal Government now is widely perceived to be too active, not too passive, and no part of the national establishment is by the popular mind more identified with this tendency than the "bureaucracy." To correct this trend of power, even to slow it, will be the work of not a few years. But a start can be made, and the so-called presumption of regularity, by which the citizen challenging his Government must always play with a deck legally stacked against him, is a good place to begin. One can easily see how the doctrine, along with its cousin sovereign immunity, took root in England, where the King—or the King in Parliament, at any rate—was sovereign, and citizens were called "subjects."

But why it should have flourished in America, where the people are sovereign and the agents of Government are servants, is a mystery. The proposition that the Government is presumed correct, that a tie, so to speak, always goes against the individual, is an alien tenet deserving of a quick death. Let the Government, with its vast resources and superior knowledge, bear the burden of proof. To be sure, the citizen should still have the burden of raising the issue of a regulation's validity, by pleading or in some less formal way. He can still be given the burden of going forward with the evidence. But on the ultimate issue of whether an agency is lawfully within power delegated by Congress—itself only a creature of the people's Constitution, it is wrong to give the servant an automatic edge in the guise of a "presumption."

The same may be said of the rule that an agency's construction of its own statute should be deferred to. One can understand why the Supreme Court in the 1940's was anxious to defend the Labor Board's authority against unsympathetic courts of appeals, and some such motive may explain the language in Hearst. But on reflection the rule there announced is reduced to no more than this: That within some fairly broad range of choice, an agency decides the limits of its own powers, is judge in its own cause. In a lawsuit between A, a citizen, and B, an agent of Government, B wins because he says so. This is a monstrous rule, and no amount of usage or precedent should prevent the Congress from overturning it.

The proper disposition of power in our Government has been described in the following clear-eyed dissent by Mr. Justice Jackson, joined by Mr. Justice Frankfurter, no foe of administration as a modern technique of governing:

> I suggest that administrative experience is of weight in judicial review only to this point—it is a persuasive reason for deference to the Commission in the exercise of its discretionary powers under and within the law. It cannot be invoked to support action outside the law. And what action is, and what is not, within the law must be determined by courts, when authorized to review, no matter how much deference is due to the agency's fact finding. Surely an administrative agency is not a law unto itself, but the Court does not really face up to the fact that this is the justification it is offering for sustaining the Commission's action. (*Securities & Exchange Commission* v. *Chenery*.)

It was, after all, Franklin D. Roosevelt himself who wrote:

> The practice of creating independent regulatory commissions, who perform administrative work in addition to judicial work, threatens to develop a "fourth branch" of the Government for which there is no sanction in the Constitution. (*See* Davis, *Administrative Law Treatise* section 1.04 at p. 28 (1958).)

It may be objected that this proposal will intrude the courts into policy areas where they have no business. Courts have made policy, of course, ever since the common law was conceived, but in a society increasingly governed by specific statutory pronouncements enacted by an elected legislature—to say nothing of a written Constitution, it must be conceded that the courts' law-making power is largely interstitial. As statutes become more numerous and more detailed each year, the function of the courts becomes, or should become, rather to enforce the policies of the Congress, than to create and enforce policies of their own. To hold that agency decisions in conflict with a policy of Congress should be overturned by the courts, however, is to aid the legislative process, not to hinder it, for legislation can never be specific enough to insure that in every instance the specific will of the legislators is carried out. A statute, once enacted, escapes the control of its writers, as it were, and becomes a living thing, with a life and growth of its own. Those chosen by the Congress to execute the statute may or may not do so faithfully. Political processes are not always sufficient to compel them to follow the spirit of the law. When they transgress it, a power of correction should reside somewhere and, under our system, that place is the courts.

Administrative agencies, after all, are no more law-making bodies than are courts. They are the creatures of Congress, possessing only those powers given them by legislation. It is not enough, for example, for an administrative official to argue that no law prohibits his action, and that therefore the courts should not intervene. As one court has properly observed: "this argument misses the point. The Secretary (of Transportation) is not so omnipotent that he must be presumed to possess the power to act as he chooses unless there is some law prohibiting him from so acting. He possesses only the power which Congress has given him, and the scope of that power is defined by Congress." *Named Individual Members of the San Antonio Conservation Society* v. *Texas Highway Department*, 446 F. 2d 1013, 1023, n. 18 (5th Cir. 1971).

Mr. President, I do not pretend to believe that the courts will ever wholly succeed in enforcing the will of Congress precisely as we would wish, in overruling those exercises of administrative power that truly go beyond the legislative mandate, and upholding those applications of statute that, while not perhaps to the judges' personal liking, are nevertheless within the range of choice left by Congress to the agency. The courts, that is, cannot do everything. I am convinced however, that they can do more than they have, if directed and encouraged by an amendment to the Administrative Procedure Act such as I am today proposing.

Judicial review, however imperfect, is at least a constant reminder to the administrative agencies that they are not all-powerful. Congress after all, paints with a broad brush. That is the nature of our legislative process. It is for the courts to see that the broad policies commanded by Congress are not distorted in individual situations by the agents of Congress. The courts cannot write the tune, but at least they can see that those who are playing it maintain the key chosen by its composer. As Archibald MacLeish has argued, the courts' labor is "the labor of order," *Apologia*, 85 *Harv. L. Rev.* 1505, 1508 (1972), to reduce the confusion, sometimes the chaos of that administrative process to order, so that that process will make sense for the individual citizen.

Mr. President, it is my hope that the bill I introduce today will be a step toward restoring order to the administrative process and, even more important, toward restoring our citizens' confidence in their own Government.

APPENDIX: ADDITIONAL RECENT CASES IN THE LOWER FEDERAL COURTS AFFIRMING THE RULE THAT AGENCY ACTION IS PRESUMED VALID

SECOND CIRCUIT

TNT Tariff Agents, Inc. v. *Interstate Commerce Comm'n*, 525 F. 2d 1088, 1093 (2d Cir. 1975): "At the outset, we note the presumption of validity accorded to administrative bodies acting within their sphere of expertise."

Board of Education v. *United States Department of Health, Education and Welfare*, 384 F. Supp. 816, 820 (S.D.N.Y. 1974): "Further, a plaintiff alleging improper government action is faced with the presumption that the administration's action is valid."

Chieppo Bus Co. v. *United States*, 383 F. Supp. 1192, 1197 (D. Conn. 1974): "Although we do not attach a presumption of correctness to the decisions of administrative agencies on questions of law, deference to the experience and expertise of such adjudicative bodies requires that the agency be given wide latitude in finding the facts and applying to them the appropriate legal standard."

FOURTH CIRCUIT

Campaign Clean Water, Inc. v. *Train*, 489 F. 2d 492, 501 (4th Cir. 1973): "After all, there is a presumption of legality that attaches ordinarily to an administrator's action and the burden of establishing impropriety rests on him who challenges."

FIFTH CIRCUIT

Gables by the Sea, Inc. v. *Lee*, 365 F. Supp. 826, 831 (S.D. Fla. 1973): "In order to upset the final agency decision, there must be a clear showing that such decision was improper. The burden of proving that the action was improper is on the party challenging the decision. It is well settled that there is a definite presumption of regularity in favor of the administrative decision."

Opelika Nursing Home, Inc. v. *Richardson*, 356 F. Supp. 1338, 1341–43 (M.D. Ala. 1973).

SIXTH CIRCUIT

Borg v. *Weinberger*, 381 F. Supp. 1212 (E.D. Mich. 1974): "There is a strong presumption that administrative exercise of discretion is proper, unless the action reflects such an abus of power as to be arbitrary and capricious."

Smith v. *City of Cookeville*, 381 F.Supp. 100, 109: "While, as always, the agency determination in this case is entitled to a presumption of regularity, . . . that presumption is not to shield . . . [the decision] from a thorough, probing, in-depth review.'"

EIGHTH CIRCUIT

First National Bank of Fayetteville v. *Smith*, 508 F.2d 1371, 1376 (8th Cir. 1974): "To have administrative action set aside as arbitrary and capricious, the party challenging the action must prove that it was willful and unreasoning action, without consideration and in disregard of the facts or circumstances of the case . . . 73 C.J.S. Public Admin. Bodies and Procedure § 209 at 569 (1951)."

NINTH CIRCUIT

Daly v. *Volpe*, 514 F.2d 1106, 1111 (9th Cir. 1975): ". . . the presumption of regularity that must be given to administrative decisions."

TEMPORARY EMERGENCY COURT OF APPEALS

Texaco, Inc. v. *Federal Energy Admin.*, 531 F.2d 1071, 1077 (T.E.C.A. 1976), *cert. denied*, –U.S.– (1976): "The burden is on the objectors to demonstrate the invalidity of the regulations."

Air Transport Ass'n of America v. *Federal Energy Office* 520 F.2d 1339, 1341 (T.E.C.A. 1975) (per curiam): "This court has repeatedly recognized the strong presumption in favor of administrative decisions by agencies charged with the administration of a new federal statute."

American Nursing Home Ass'n v. *Cost of Living Council*, 497 F.2d 909, 914 (T.E.C.A. 1974): "In general the burden is on the challenger of agency regulations to demonstrate that they are arbitrary and capricious."

COURT OF CLAIMS

Boege v. *United States*, 206 Ct. Cl. 560, 569 (1975): "The simple answer to plaintiff's argument is that the agency delegated authority for promulgating and interpreting the JTRs (Joint Travel Regulations) is presumed to have carried out such responsibilities properly."

Mountain States Tel. & Tel. Co. v. *United States*, 499 F.2d 611, 615 (Ct. Cl. 1974): "Further, there is a presumption of the regularity of administrative action. This presumption is not rebutted by the mere fact that an agency's particular course of action is unique as compared to either the private sector or to the remainder of Government." ●

By Mr. DOLE:

S. 112. A bill to repeal the carryover basis provisions added by the Tax Reform Act of 1976; to the Committee on Finance.

REPEAL OF THE CARRYOVER BASIS PROVISIONS

Mr. DOLE. Mr. President, this year Congress must decide the fate of the onerous and ill-conceived carryover basis provisions adopted as part of the Tax Reform Act of 1976. The legislation which I am introducing today will repeal carryover basis and restore the law to its former status.

PRIOR LAW

Mr. President, under the law prior to the Tax Reform Act of 1976, the basis of inherited property was generally stepped up or down to its value on the date of the decedent's death. Under the carryover basis rules, the beneficiaries of an estate take the basis in the property that was the same as the basis in the property held by the decedent. The carryover basis provisions unfortunately vitiated many of the other estate tax reforms passed during the Tax Reform Act of 1976. The carryover basis rules have severely complicated estate tax calculations and has in many cases caused an economic hardship.

Mr. President, I might say that I am introducing the bill today, and I know of many Members of this body who have a great interest in this problem, but I do not know of any who has demonstrated his interest more, his concern more, than has the distinguished senior Senator from Virginia, Senator HARRY F. BYRD, JR., and I certainly appreciate his efforts in trying to come to some solution with the Treasury Department to work out the many problems created by the carryover basis amendments of the 1976 Tax Reform Act.

THREE-YEAR DEFERRAL

Mr. President, the Senate in passing the estate tax reforms in the 1976 Tax Reform Act did not adequately consider the changes made by carryover basis. When the Senate voted for final passage on the tax legislation in August 1976, there were only a few estate tax modifications in the bill. The Senate conferees accepted, as a substitute for its version, sweeping changes initiated by the House Ways and Means Committee. Hence, when the Senate voted on the conference report, it voted for broad, far-reaching changes never considerd either in the Finance Committee nor on the floor of the Senate. This lack of consideration is apparent.

The Revenue Act of 1978, postpones the effective date of carryover basis provisions so that they will only apply to property acquired from decedents dying after December 31, 1979. Congress must still decide whether carryover basis is the proper policy to pursue.

REPEAL CARRYOVER

The Senator from Kansas believes that carryover basis is an unmitigated complicated and unwarranted provision. There is no question that the current law is riddled with complexities that defy even the most sophisticated tax technician. However, even if the inordinate complexities could be eliminated, there still remains many difficulties with carryover basis. First of all, it is often difficult to prove basis. The record-keeping requirements and fiduciary responsibility cannot be overlooked. Established tax law is very clear—the burden is on the taxpayer to prove his basis. If the taxpayer cannot, then he obtains no basis in the asset.

TAX BURDEN

Carryover basis also increases the relative tax burden. The impact of carryover basis must be examined from the standpoint of both death taxes and income taxes generated by the sale of assets to pay the estate tax. The cumulative effect of Federal estate tax, State death taxes, and Federal and State income taxes imposed upon an estate often will consume much of the assets. The harsh tax result that flows from selling assets to raise the money to pay death taxes is unwarranted.

Mr. President, the enactment of carryover basis was a mistake. Congress should take the appropriate action to eliminate this error. I would urge the Senate Finance Committee to move expeditiously on my proposal so that no injustice can be inflicted by the carryover basis rules.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator from Kansas yield?

Mr. DOLE. I yield.

Mr. HARRY F. BYRD, JR. I thank the Senator from Kansas for his comments, and I am anxious to know what the legislation is that he is introducing on the carryover basis.

Tomorrow I shall address the New York State Bar Association on this question, among other matters, and I will let the New York State Bar Association know of the legislation being introduced today by the Senator from Kansas. I think that group will find great interest in that.

I thank the Senator from Kansas.

Mr. DOLE. I thank the Senator.

By Mr. THURMOND:

S. 113. A bill for the relief of Henry C. Fleming III; to the Committee on Armed Services.

HENRY C. FLEMING III

Mr. THURMOND. Mr. President, Mr. Henry C. Fleming III, of Greenwood, S.C., enlisted in the Marine Corps Reserve on February 3, 1976. He was assigned to initial active duty for training on June 30, 1976.

It was subsequently discovered that although his enlistment documents indicated his status as married with one dependent, his true marital status was married with one child but legally separated from his wife with a court order for support of the child.

Mr. President, an investigation was conducted by the Marine Corps regarding the circumstances of Mr. Fleming's enlistment. It was revealed that Mr. Fleming informed the recruiter of his marital status and was improperly advised by the recruiter not to indicate the existence of the child in order to save time and paperwork. Mr. Fleming agreed but later requested that the recruiter correct his enlistment documents. The correction was not accomplished.

All of the circumstances in Mr. Fleming's case were carefully reviewed at headquarters, Marine Corps, and it was determined that, since his enlistment involved recruiter misfeasance, Mr. Fleming had never legally terminated his status as a civilian; that his enlistment was void from its inception; that the Marine Corps lacked jurisdiction over him; and that it was necessary to release him from military control as expeditiously as possible. On October 22, 1976, Marine Corps Headquarters directed the Commanding General, Marine Corps Recruit Depot, Parris Island, S.C., to void Mr. Fleming's enlistment and release him from military control immediately. Mr. Fleming was released from military control on October 27, 1976, after performing his boot camp training in an outstanding manner.

Mr. President, in order to be discharged from an enlistment contract, a Marine must first have a valid contract. Since Mr. Fleming's enlistment was void from its inception, it was impossible to discharge him. The period of time which he spent with the Marine Corps was not considered active service and is not creditable as such.

It is current policy of the Department of Defense to suspend immediately payment of Government funds to an individual whose enlistment is believed to be void. If it is determined through investigation that the individual is serving a valid enlistment, payment of Government funds is authorized and the individual is entitled to all pay held in abeyance. If it is determined that the individual's enlistment is void, no further pay is authorized and all pay held in abeyance pending final determination in his case is retained by the Government.

Mr. Fleming's case has been reviewed by the Marine Corps Headquarters. It has been determined that Mr. Fleming was not properly enlisted; that his contract was void from the beginning in accordance with the ruling of the Court of Military Appeals in *U.S.* v. *Russo*, 23 USCMA 511, 50 CMR 651 (1975). As a consequence, his status as a civilian was never terminated. He was properly released from military control, and all pay withheld from Mr. Fleming was properly withheld in consonance with applicable policies, procedures, and laws governing void contracts.

Mr. President, the Marine Corps is not authorized to pay Mr. Fleming for his last 27 days of recruit training, even though his enlistment was a Marine Corps error. Consequently, I am introducing a Private Relief bill to authorize the Government to pay Mr. Fleming $426.08 for his last 27 days of active duty with the Marine Corps.

Mr. President, I urge my distinguished colleagues to support this bill to correct an injustice. I ask unanimous consent that this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 113

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Navy is authorized and directed to pay, out of any funds available for the pay and allowances of Marine Corps personnel, to Henry C. Fleming III of Greenwood, South Carolina, the sum of $426.08 representing the amount that would have been paid to the said Henry C. Fleming III as pay and allowances for service as a member of the United States Marine Corps for the period beginning October 1, 1976, and ending October 27, 1976, had the enlistment of the said Henry C. Fleming III not been declared void by the Marine Corps as the result of misfeasance by recruiting personnel.

SEC. 2. No part of the amount appropriated by this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same is unlawful, any contract to the contrary notwithstanding. A violation of this section is a misdemeanor punishable by a fine in an amount not to exceed $10,000.

By Mr. DECONCINI (for himself and Mr. THURMOND):

S. 114. A bill to establish rational criteria for the imposition of the sentence of death, and for other purposes; to the Committee on the Judiciary.

CAPITAL PUNISHMENT ACT OF 1979

Mr. DECONCINI. Mr. President, I am introducing today, with the ranking minority member of the Judiciary Committee (Mr. THURMOND), a bill to amend title 18, United States Code, to establish a procedure which will meet the constitutional requirements for the imposition of capital punishment enunciated by the Supreme Court in Gregg against Georgia and companion cases, and in Furman against Georgia.

The bill is similar to S. 1382 of the 95th Congress which was introduced by Senator MCCLELLAN and 19 cosponsors on April 26, 1977, and is in some respects similar to S. 1401 of the 93d Congress which passed the Senate on March 13, 1974, by a vote of 54 to 33.

Beginning in 1976, the Supreme Court has decided a group of landmark death penalty cases—Gregg against Georgia, Proffitt against Florida, Jurek against Texas, Woodson against North Carolina, and Roberts against Louisiana—in which the death penalty was held constitutional when imposed under certain procedures which guarded against the unfettered discretion condemned in Furmann, but which retained the important flexibility to consider the aggravating and mitigating factors of each case. Mandatory death penalty statutes were struck down.

S. 114 is drafted to meet the constitutional requirements of guided discretion based on rational criteria. The bill would provide that, after a conviction for an offense for which a penalty of death is authorized, the court must hold a separate hearing on whether to impose the death penalty. The hearing would normally be before the same jury which sat for trial, or, if both parties agreed, before the judge. After both sides have an opportunity to present all relevant evidence, the jury would be asked to make special findings as to whether any of a list of mitigating or aggravating factors existed. The mitigating factors include such things as the youthfulness of the defendant, the extent of his involvement in the offense, any emotional problems or pressures, and the unforeseen nature of a resulting death. The aggravating factors would vary depending on whether the offense is one relating to treason or murder.

The jury would be required to determine by unanimous vote whether any of these factors existed. If no aggravating factors were found to exist, the court would impose a sentence of life imprisonment. If one or more aggravating factors were found to exist, the jury would then determine, in light of all the evidence, whether the aggravating factors found to exist sufficiently outweigh any mitigating factors found to exist, or in the absence of mitigating factors whether the aggravating factors were themselves sufficient, as to justify a sentence of death. If the jury finds that the death penalty is justified, the court is directed to impose a sentence of death.

The bill further provides that the defendant shall have a right to appeal the sentence and that such review shall have priority over all other cases. In order to affirm the sentence, the appellate court must determine that the sentence of death was not imposed under the influence of passion, prejudice, or other arbitrary factor; that the evidence supports the special findings; and that the sentence of death is not excessive considering both the crime and the defendant.

The record seems clear that the procedures imposed by this bill for the imposition of the death penalty successfully meet the constitutional requirements of the recent Supreme Court cases. None of the witnesses before the subcommittee hearings on S. 1382 could find any challenge to the constitutionality of the procedures set out in the bill for imposing the death penalty.

The main purpose of the bill is not to specify those Federal offenses for which the death penalty is to be authorized. Federal law already does this; and this bill would generally leave current law as it is, except to correct obvious inconsistencies or to avoid any potential constitutional difficulties.

There has already been extensive legislative consideration of the death penalty issue. The Subcommittee on Criminal Laws and Procedures of the Committee on the Judiciary held hearings in March and July of 1968 on a bill to abolish the death penalty for Federal offenses. Again in February 1972, and in April, June, and July 1973, it held hearings on bills to provide constitutional procedures for imposition of the death penalty. Through this extensive series of public hearings, the issue of whether we should have a Federal death penalty was examined in every respect. That broader question was ultimately resolved by the Committee on the Judiciary, and indeed, by the Senate, in favor of the death penalty. On March 13, 1974, the Senate passed S. 1401 by a vote of 54 to 33. Unfortunately, the bill was never acted upon by the House.

While opponents to the death penalty have asserted that it is ineffective as a deterrent and discriminatory against minorities, Dr. Ernest van den Haag, author of "Punishing Criminals," addressed these and other arguments. In reference to the deterrent effect of the death penalty, Dr. van den Haag stated:

> . . . the preponderance of the evidence seems to me quite clearly now to indicate that the death penalty is far more deterrent than any other alternative . . . in the period 1933 to 1960, which in one investigation, every execution reduced the number of homicides committed by about 6 to 8. In other words, every time an execution took place, 6 to 8 victims of murder who would otherwise have been killed were not killed.

In response to the argument by opponents that the death penalty is discriminatory against minorities, Dr. van den Haag has asserted that even if such a doubtful proposition were true—

> That should lead us not to exonerate the poor and black who have committed this crime but also to catch the rich and white who have also committed the crime. In other words, it is not justice to say that if two persons are guilty of the same crime and one has been punished and the other has not, that's a reason for not punishing the first . . .

Ultimately, the conclusion in favor of the retention of capital punishment has its basis in the belief that the primary responsibility of society is the protection of its members so that they might live out their lives in peace and safety. Where the safety of its citizenry can no longer be guaranteed, society's basic reason for being disappears. In providing its members protection, society must do what is necessary to deter those who would break its laws and punish those who do so in an appropriate manner.

As Dr. van den Haag has said:

> I think it is simply unjust that we guarantee murderers that what they have done to their victims will never be done to them, that the murderer is guaranteed a continuous life, the kind of life he took from his victim. That seems to me unjust, immoral, and repulsive . . .

Mr. President, it is my belief that S. 1382 had the support of the majority of the members of the Senate Judiciary Committee last session and that it would have been reported out of the committee, but for a filibuster. I ask my colleagues to give their unanimous support to this bill so that it may pass the Congress and be enacted into public law, and I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 114

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 227 of title 18 of the United States Code is amended by adding after section 3562 a new section 3562A, to read as follows:

"§ 3562A. Sentencing for capital offenses

"(a) A person shall be subjected to the penalty of death for any offense against the United States only if a hearing is held in accordance with this section.

"(b) When a defendant is found guilty of or pleads guilty to an offense for which one of the sentences provided is death, the judge who presided at the trial or before whom the guilty plea was entered, or any other judge if the judge who presided at the trial or before whom the guilty plea was entered is unavailable, shall conduct a separate sentencing hearing to determine the punishment to be imposed. The hearing shall be conducted—

"(1) before the jury which determined the defendant's guilt;

"(2) before a jury impaneled for the purpose of the hearing if—

"(A) the defendant was convicted upon a plea of guilty;

"(B) the defendant was convicted after a trial before the court sitting without a jury;

"(C) the jury which determined the defendant's guilt has been discharged for good cause; or

"(D) after initial imposition of a sentence under this section, redetermination of the sentence under this section is necessary; or

"(3) before the court alone, upon the motion of the defendant and with the approval of the Government.

A jury impaneled pursuant to paragraph (2) of this subsection shall consist of twelve members, but, at any time before the conclusion of the hearing, the parties may stipulate with the approval of the court that it shall consist of any number less than twelve.

"(c) Notwithstanding rule 32(c) of the Federal Rules of Criminal Procedure, when a defendant is found guilty of or pleads guilty to an offense for which one of the sentences provided is death, no presentence report shall be prepared. In the sentencing hearing, information may be presented as to any matter relevant to the sentence and shall include matters relating to any of the aggravating or mitigating factors set forth in subsections (f), (g), and (h). Information presented may include the trial transcript and exhibits if the hearing is held before a jury or judge not present during the trial. Any other information relevant to any mitigating or aggravating factors, including those set forth in subsections (f), (g), and (h), may be presented by either the Government or the defendant, regardless of its admissibility under the rules governing admission of evidence at criminal trials.

The Government and the defendant shall be permitted to rebut any information received at the hearing and shall be given fair opportunity to present argument as to the adequacy of the information to establish the existence of any of the aggravating or mitigating factors, and as to the appropriateness in that case of imposing a sentence of death. The Government shall open the argument. The defendant shall be permitted to reply. The Government shall then be permitted to reply in rebuttal. The burden of establishing the existence of any aggravating factor is on the Government, and is not satisfied unless established beyond a reasonable doubt. The burden of establishing the existence of any mitigating factor is on the defendant, and is not satisfied unless established by a preponderance of the information.

"(d) The jury, or if there is no jury, the court, shall consider all the information received during the hearing and the evidence received during the trial. It shall return special findings identifying any aggravating and mitigating factors, set forth in subsections (f), (g), and (h), found to exist. A finding of such a factor by a jury shall be made by majority vote. If no such aggravating factors set forth in (g) or (h) are found to exist the court shall impose a sentence, other than death, authorized by law. If one or more of such aggravating factors are found to exist, the jury, or if there is no jury, the court, shall then consider whether the aggravating factors found to exist sufficiently outweigh any mitigating factors found to exist, or in the absence of mitigating factors whether the aggravating factors are themselves sufficient, to justify a sentence of death. Based upon this consideration, the jury by unanimous vote, or if there is no jury, the court, shall return a finding as to whether a sentence of death is justified.

"(e) Upon a finding that a sentence of death is justified, the court shall sentence the defendant to death. Upon a contrary finding, the court shall impose a sentence, other than death, authorized by law.

"(f) In determining whether a sentence of death is to be imposed on a defendant, the following mitigating factors shall be considered:

"(1) the defendant was youthful at the time of the crime;

"(2) the defendant's capacity to appreciate the wrongfulness of his conduct or to conform his conduct to the requirements of law was significantly impaired, but not so impaired as to constitute a defense to the charge;

"(3) the defendant was under unusual and substantial duress, although not such duress as constitutes a defense;

"(4) the defendant is punishable as a principal, but his participation was relatively minor;

"(5) the defendant could not reasonably have foreseen that his conduct in the course of the commission of murder, or other offense resulting in death for which he was convicted, would cause, or would create a grave risk of causing, death to any person.

"(g) If the defendant is found guilty of or pleads guilty to an offense under section 794 or section 2381 of this title, the following aggravating factors shall be considered:

"(1) the defendant has been convicted of another offense involving espionage or treason for which either a sentence of life imprisonment or death was authorized by statute;

"(2) in the commission of the offense the defendant knowingly created a grave risk of substantial danger to the national security;

"(3) in the commission of the offense the defendant knowingly created a grave risk of death to another person.

"(h) If the defendant is found guilty of or pleads guilty to any other offense for which one of the sentences provided is death, the following aggravating factors shall be considered:

"(1) the death or injury resulting in death occurred during the commission or attempted commission of, or during the immediate flight from the commission or attempted commission of, an offense under section 751 (prisoners in custody of institution or officer), section 794 (gathering or delivering defense information to aid foreign government), section 844(d) (transportation of explosives in interstate commerce for certain purposes), section 844(f) (destruction of Government property by explosives), section 844(i) (destruction of property in interstate commerce by explosives), section 1201 (kidnaping), or section 2381 (treason) of this title, or section 902 (i) or (n) of the Federal Aviation Act of 1958, as amended (49 U.S.C. 1472 (i), (n)) (aircraft piracy);

"(2) the defendant has been convicted of another Federal offense, or a State offense resulting in the death of a person, for which a sentence of life imprisonment or a sentence of death was authorized by statute;

"(3) the defendant has previously been convicted of two or more State or Federal offenses punishable by a term of imprisonment of more than one year, committed on different occasions, involving the infliction of serious bodily injury upon another person;

"(4) in the commission of the offense the defendant knowingly created a grave risk of death to one or more persons;

"(5) the defendant committed the offense in an especially heinous, cruel, or depraved manner;

"(6) the defendant procured the commission of the offense by payment, or promise of payment, of anything of pecuniary value;

"(7) the defendant committed the offense as consideration for the receipt, or in the expectation of the receipt, of anything of pecuniary value;

"(8) the defendant committed the offense after substantial planning and premeditation to cause the death of a person or commit an act of terrorism;

"(9) the defendant committed the offense against—

"(A) the President of the United States, the President-elect, the Vice-President-elect, the Vice-President-designate, the officer next in order of succession to the office of the President of the United States, or any person who is acting as President under the Constitution and laws of the United States;

"(B) a chief of state, head of government, or the political equivalent, of a foreign nation;

"(C) a foreign official listed in section 1116(b)(3)(A) of this title, if he is in the United States because of his official duties; or

"(D) a Federal judge, a Federal law-enforcement officer, or an employee of a United States penal or correctional institution, while performing his official duties or because of his status as a public servant. For purposes of this subsection, a 'law-enforcement officer' is a public servant authorized by law or by a Government agency or Congress to conduct or engage in the prevention, investigation, or prosecution of an offense.".

SEC. 2. Section 34 of title 18 of the United States Code is amended by changing the comma after the words "imprisonment for life" to a period and deleting the remainder of the section.

SEC. 3. Section 794(a) of title 18 of the United States Code is amended by changing the period at the end of the section to a comma and by adding immediately thereafter the words "except that the sentence of death shall not be imposed unless the jury or, if there is no jury, the court, further finds that the offense directly concerned nuclear weaponry, military spacecraft or satellites, early warning systems, or other means of defense or retaliation against large-scale attack; war plans; communications intelligence or cryptographic information; or any other major weapons system or major element of defense strategy."

SEC. 4. Section 844(d) of title 18 of the United States Code is amended by striking the words "as provided in section 34 of this title".

SEC. 5. Section 844(f) of title 18 of the United States Code is amended by striking the words "as provided in section 34 of this title".

SEC. 6. Section 844(1) of title 18 of the United States Code is amended by striking the words "as provided in section 34 of this title".

SEC. 7. The second paragraph of section 1111(b) of title 18 of the United States Code is amended to read as follows:

"Whoever is guilty of murder in the first degree shall be punished by death or by imprisonment for life;".

SEC. 8. Section 1116(a) of title 18 of the United States Code is amended by striking the words "any such person who is found guilty of murder in the first degree shall be sentenced to imprisonment for life, and".

SEC. 9. Section 1201 of title 18 of the United States Code is amended by inserting after the words "or for life" in subsection (a) the words "and, if the death of any person results, shall be punished by death or life imprisonment".

SEC. 10. The last paragraph of section 1716 of title 18 of the United States Code is amended by changing the comma after the words "imprisonment for life" to a period and deleting the remainder of the paragraph.

SEC. 11. The second to the last paragraph of section 1992 of title 18 of the United States Code is amended by changing the comma after the words "imprisonment for life" to a period and deleting the remainder of the section.

SEC. 12. Section 2031 of title 18 of the United States Code is amended by deleting the words "death, or".

SEC. 13. Section 2113(e) of title 18 of the United States Code is amended by striking the words "or punished by death if the verdict of the jury shall so direct" and inserting in lieu thereof the words "or if death results shall be punished by death or life imprisonment".

SEC. 14. Section 903 of the Federal Aviation Act of 1958, as amended (49 U.S.C. 1473), is amended by striking subsection (c).

SEC. 15. The analysis of chapter 227 of title 18 of the United States Code is amended by inserting after item 3562 the following new item:

"3562A. Sentencing for capital offenses.".

SEC. 16. Section 3566 of title 18 of the United States Code is amended by adding a second paragraph as follows:

"In no event shall a sentence of death be carried out upon a pregnant woman".

SEC. 17. Chapter 235 of title 18 of the United States Code is amended by inserting immediately after section 3741 the following new section:

"§ 3742. Appeal from sentence of death

"In any case in which the sentence of death is imposed under section 3562A of this title, the sentence of death shall be subject to review by the court of appeals upon appeal upon appeal by the defendant. Notice of appeal must be filed within the time prescribed for appeal of judgment in section 2107 of title 28 of the United States Code. An appeal under this section may be consolidated with an appeal of the judgment of conviction. Such review shall have priority over all other cases.

"On review of the sentence, the court of appeals shall consider the record, the evidence submitted during the trial, the information submitted during the sentencing hearing, the procedures employed in the sentencing hearing, and the special findings returned under section 3562A(d) of this title.

"The court shall affirm the sentence if it determines that: (1) the sentence of death was not imposed under the influence of passion, prejudice, or any other arbitrary factor; (2) the information supports the special finding of the existence of any aggravating factor, or the failure to find any mitigating factors, set forth in section 3562A; and (3) the sentence of death is not excessive considering both the crime and the defendant. In all other cases the court shall remand the case for reconsideration under section 3562A of this title. The court of appeals shall state in writing the reasons for its disposition of the review of the sentence.".

SEC. 18. The analysis of chapter 235 of title 18 of the United States Code is amended by adding at the end thereof the following new item

"3742. Appeal from sentence of death.".

SEC. 19. The provisions of section 3562A and 3742 of title 18 of the United States Code, as added by this Act, shall not apply to prosecutions under the Uniform Code of Military Justice (10 U.S.C. 801).

Amend the title so as to read: "A bill to establish constitutional procedures for the imposition of the sentence of death, and for other purposes.".

Mr. THURMOND. Mr. President, today I am pleased to cosponsor and strongly support the bill introduced by the distinguished Senator from Arizona (Mr. DECONCINI) to establish rational criteria for the imposition of the sentence of death, and for other purposes.

This legislation was introduced in the 94th Congress as S. 1401, which passed the Senate on March 13, 1974, by a vote of 54 to 33. It was subsequently referred to the House Judiciary Committee, but no action was taken on the measure prior to the adjournment of the 94th Congress.

In the 95th Congress, similar legislation was introduced and considered by the Subcommittee on Criminal Laws and Procedures of the Senate Judiciary Committee. Although the legislation was reported to the full committee, it was opposed by a few Senators in committee and died at the close of the 95th Congress.

This action was taken in committee, even though commitments had been made to Senator SCOTT, Republican of Virginia, on the floor during debate on the criminal code reform bill to report the bill separately from committee. Unfortunately, for supporters of death penalty legislation those commitments were never honored.

Mr. President, in June of 1972, the Supreme Court handed down its decision in the case of Furman against Georgia. The Supreme Court decision in Furman did not hold that capital punishment per se is unconstitutional. Instead, the pivotal opinions of the Court found that "as presently applied and administered" capital punishment violated the eighth amendment. The system of discretionary sentencing in capital cases failed to produce evenhanded justice.

The bill introduced today would squarely meet the Supreme Court's objection and narrowly limit the offenses and circumstances in which the death penalty may be imposed, with full guarantees for judicial review.

Those crimes under current Federal law which can be broadly characterized as treason, espionage, or murder, would be offenses for which the death penalty would be an available sanction. Prosecution for such crimes would be a two-step procedure.

In the first instance, a jury would be impaneled or, if there is no jury, a judge would hear the question of guilt. In the event the defendant were found guilty of the offense, a second proceeding would be held to determine whether or not the death penalty should be imposed.

The death penalty should be restored, because of its value as a deterrent. I am convinced that the death penalty can be an effective deterrent against specific crimes. The potential kidnaper should know that if this intended victim dies, he may die. The potential hijacker should realize that if he kills a person during the course of a hijacking, he may forfeit his own life. The man who throws a firebomb to destroy Government property, the convict who assaults a prison guard, the person who attacks a law enforcement officer, all should know that if they take a life, they may pay with their own life.

Mr. President, the Honorable J. Edgar Hoover, the late Director of the Federal Bureau of Investigation, declared:

> (T) he professional law enforcement officer is convinced from the experience that the hardened criminal has been and is deterred from killing based on the prospect of the death penalty.

In addition, Mr. Arlen Specter, district attorney of Philadelphia, testifying before the Senate Subcommittee on Criminal Laws and Procedures, stated:

> I believe the death penalty is an effective deterrent against murder. I say that based upon more than seven years as district attorney of Philadelphia, and dealing with a great many cases in that capacity. We have the frequent occurrence in the criminal courts of Philadelphia where professional burglars have expressed themselves on the point of not carrying a weapon on a burglary because of their concern there may be scuffle, there may be a dispute, the weapon may be used and death may result, and prior to Furman, they may face the possibility of capital punishment.

Clearly a person will be slow to undertake an action that will result in the loss of something which he values highly. Since life itself is the most highly prized possession of any person, he will be hesitant to engage in conduct that would result in its forfeiture.

Mr. President, this bill represents a compromise measure which, in my opinion, does not go as far as I would like. But what the bill does do is reestablish once again the constitutional acceptability of the death penalty in certain cases where there are aggravated violent crimes and crimes which threaten the security of our Nation.

The death penalty must be restored if our criminal justice system is to effectively control the increasing number of violent crimes of terror. The confidence of the American people in our criminal justice system must also be reclaimed and the imposition of the death penalty can restore such confidence.

Mr. President, people who commit violent crimes have forfeited their own right to life. Justice demands that such inhuman action cannot be tolerated. This bill would permit the death penalty in certain instances and, I hope, provide protection for the innocent victims of violent crimes.

Mr. President, I strongly support this

bill and urge my colleagues in the Senate to once again approve it in prompt fashion.

Mr. President, I ask unanimous consent that an editorial aired on WSPA-TV, Greenville-Spartanburg, S.C., concerning the issue of capital punishment be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

CAPITAL PUNISHMENT

Gary Mark Gilmore, executed in Utah on January 17, 1977, was the only person to have been executed in this country since 1967. There are now 464 persons on death row in 24 of the 33 states that now have capital punishment laws on their books. Recent legal developments suggest that 1979 will see the beginnings of executions in some numbers. Especially important is the U.S. Supreme Court ruling that the death penalty, administered fairly, does not violate the constitutional ban against cruel and unusual punishment.

The trend is clearly toward a return to capital punishment as marked by Oregon's recent re-enactment of the death penalty by a 2–1 margin and California's broadening of its death penalty provisions. After more than a decade of misguided liberalism and legal confusion, we are returning to the historical method of detering serious crimes such as murder. It is this station's opinion that the fear of execution will deter and decrease capital crimes.

By Mr. MATHIAS:

S. 115. A bill to establish procedures for the issuance and enforcement of search warrants and other legal processes, to provide a remedy for persons injured by a failure to comply with such porcedures, and for other purposes; to the Committee on the Judiciary.

THIRD PARTY PRIVACY ACT OF 1979

Mr. MATHIAS. Mr. President, I now send to the desk the Third Party Privacy Act of 1979. This bill is designed to offset the effects of the U.S. Supreme Court's decision in *Zurcher* v. *Stanford Daily*, 436 U.S. 547.

In Zurcher the Court ruled that warrants may issue for the search of premised owned or occupied by a person not suspected of criminal activity. Under this decision, the police may obtain a warrant to search an individual's home or office if they have reason to believe that the search will uncover contraband, instrumentalities, fruits, or evidence of crime, even though the person is innocent of any wrongdoing and is unaware that the material is of interest to the authorities.

Understandably, Zurcher came as a shock. In the words of the New York Times it struck "a double blow at individual privacy and press freedom."

I think that the American people have every right to believe that barring extraordinary circumstances, warrants cannot be used to search the homes and offices of nonsuspects. They have a right to expect that surprise searches of nonsuspects are the exception, not the norm; and that ordinarily third parties would have an opportunity to press their objections to the Government's request in court.

But, the High Court saw things differently and disappointed the reasonable expectations of millions of Americans.

It is not hard to see where the Court went wrong. Two points warrant special mention in this regard.

First, conditioned by fourth amendment cases which pitted law enforcement interests against those of criminal suspects, the majority failed to consider properly whether the traditional fourth amendment test governing the issuance of a search warrant—whether sufficient cause existed to believe the material was in a given location—was equally applicable in nonsuspect cases. The Court failed to pay proper attention to the important privacy interests inherent in such situations when it merely stated:

> (The) Fourth Amendment itself struck the balance between privacy and public need, and there is no occasion or justification for a court to revise the Amendment and strike a new balance by denying a search warrant in the circumstances present here.

In my view, the majority would have done far better to predicate the Government's entitlement to a search warrant, in part, upon the culpability of the owner or possessor of the premises to be searched. By failing to do so, the majority jeopardized unnecessarily the privacy rights of innocent third parties.

Equally troubling was the majority's assumption that the ex parte warrant proceeding provides sufficient protection to the privacy interests of third parties. Since it is unlawful to resist a search warrant, the innocent party is faced with Hobson's choice. He can resist the warrant and violate the law; or, he can turn over the material without either personally sifting his files or having an adversarial hearing to provide an opportunity to challenge the appropriateness of the Government's request.

The ramifications of the Court's opinion are obvious. It is hard to find fault with Justice Stewart's contention that the Court's ruling opens up confidential sources to possible discovery and raises the specter of Government agents disrupting newsroom activities by unannounced press searches.

Just think back to Watergate. How likely is is that "Deep Throat," the Washington Post's anonymous informant, would have blown the whistle, if the police then had the authority to obtain a warrant to search the offices of the Washington Post? How likely is it that "Deep Throat" would have run the risk of having his identity disclosed to those in the White House who at the time were seriously proposing such things as firebombing the Brookings Institution? I do not think that "Deep Throat" would have let out a gurgle, if there had been a chance of them finding out who he was.

The ramifications of Zurcher do not stop with the press. It raises the specter of police entering a nonsuspect's home or office in search of evidence of a crime committed by someone else, and it also provides the means for Government agents to breach the confidential relationships between doctor and patient, lawyer and client, and priest and penitent.

One merely has to review two California incidents to realize that such a prospect is not as unthinkable as it sounds.

In 1973, the Santa Clara police were investigating a sex offense and wanted to examine the psychiatric records of the victim, who had sought help at the Stanford University Psychiatric Clinic after the offense had been committed. The police had no reason to believe that the psychiatrist would disregard a subpena or destroy evidence. Nonetheless, they obtained a warrant to search the files of the clinic. And, in the process of an unsuccessful effort to locate the records, they rifled all the patients' files of the clinic, seeing at least the names of each person who had sought help there.

The second incident was described to the Senate Judiciary Subcommittee on the Constitution by Jerome B. Falk, counsel for the Stanford Daily. According to Mr. Falk, recently a criminal defendant in San Diego sent an incriminating document to her social worker, who in turn delivered it to the defendant's lawyer. After learning of the letter, the prosecutor made a motion in court to produce the letter. The trial court ruled that the letter was privileged and did not have to be turned over. Rather than appeal the trial judge's ruling to an appellate court, the police secured an ex parte warrant and searched the entire office from top to bottom. They found the letter, but, in the process examined files pertaining to other clients and involving confidential and privileged information wholly irrelevant to the criminal investigation.

And, of course, in both these cases the actions of the police knocked the privileged relationships into a cocked hat. Moreover, the majority's opinion in Zurcher is disquieting in this regard. In his opinion for the Court, Justice White concluded that the

> (F)ifth Amendment and state shield law objections are largely irrelevant to determining the legality of a search warrant under the Fourth Amendment.

In addition, as Justice Stevens noted in his dissent, these ominous implications for personal privacy and press freedom can only be fully grasped when Zurcher is read together with a 1967 decision, *Warden* v. *Hayden*, 387 U.S. 297 (1967) which struck down the so-called mere evidence rule. Under that rule the Court drew a distinction between materials which could be searched and seized, such as contraband, and fruits or instrumentalities of crime, and materials which could not, such as one's private papers.

When the Court abandoned the mere evidence rule it faced a new and formidable task. It would have to devise new constraints on the scope of permissible search to insure personal privacy would not be swallowed up.

As Justice Stevens noted, Zurcher was—

> the first time that the Court had an opportunity to consider the kind of showing necessary to justify the vastly expanded de-

> gree of intrusion that is authorized by the opinion in *Warden* v. *Hayden*.

But the Court fell down on the job. Since Zurcher, not only can a warrant now issue for the search of the home or office of a law-abiding citizen, but any material that is considered relevant to a criminal investigation is fair game, even possibly a person's private papers.

Fortunately, Congress has not ignored the implications of Zurcher. In his opinion, Justice White noted that—

> The Fourth Amendment does not prevent or advise against legislative or executive efforts to establish nonconstitutional protection against possible abuses of the warrant procedure.

In response, over a dozen bills were introduced in the 95th Congress aimed at modifying or overcoming the effects of Zurcher. The Senate Judiciary Subcommittee on the Constitution, under the leadership of Senator BAYH held 4 days of hearings on the Zurcher legislation and will return to this issue shortly.

For my part, is the months since Zurcher was handed down, I have analyzed the decision and its potential ramifications, with an eye toward developing an effective legislative response to the Court's pronouncement. I have focused my review upon: The hearing record compiled by the Senate Judiciary Subcommittee on the Constitution; Congress constitutional authority to enact such a proposal; the legislative options available to Congress to achieve this important goal; the privacy and law enforcement interests implicated by such legislation, and the legislative recommendations of the Department of Justice.

This review has reinforced my conviction that Zurcher is primarily a privacy case involving far more than the obvious First Amendment considerations. I have concluded that Congress must enact legislation that responds fully to Zurcher by establishing procedures restricting searches of all nonsuspects by Federal, State and local officials. The bill I introduced today will do just that.

Only by adopting such an across-the-board approach can Congress respond to all of the privacy and press interests affected by Zurcher. Significantly, such a bill would insure that a person, who claims that requested material is covered by a privilege, would have an opportunity to raise that objection in court. Such an opportunity would be afforded a nonsuspect under section 2 of my bill.

In rejecting a "press-only" bill, I have not been unmindful both of the concern expressed that such an approach would frustrate legitimate law enforcement activities and of the innovative first amendment legislative recommendations made by the Department of Justice. I have reviewed these meticulously and I have taken great pains to draft a proposal which strikes an appropriate balance between law enforcement needs and privacy and press interests. I believe that the third party privacy bill achieves this balance. Specifically in this regard my bill would:

Allow Government agents to obtain warrants to search third parties where there is probable cause to believe that the individual may destroy or alter the matter or put it beyond the control or the jurisdiction of the court, or if the matter is contraband; and,

Would allow the party in possession or control of the matter sought to voluntarily waive his or her right to challenge the Government's request in a hearing before a judge. This provision would insure that the police could obtain the desired material promptly in those situations where the third party knowingly forgoes his right to a hearing.

A key factor in my decision to opt for the broader approach is my determination that Congress has the constitutional authority to restrict all third party searches by Federal, State, and local authorities.

There is no doubt that Congress can limit the activities of Federal agents; nor is there much dispute that Congress can use its commerce powers to cover press searches by State and local law enforcement agents. The more difficult question is whether Congress can go beyond the press and extend these protections to encompass all third party searches by State and local police. Specifically, may Congress enact legislation imposing upon the States special protections that the Court in Zurcher, found were not compelled by the 1st, 4th, and 14th amendments?

This is not an easy question to answer. The Supreme Court has yet to render a definitive decision in this complex area. I have studied the Court's pronouncements and consulted with noted constitutional scholars. As a result of this review, I have concluded that Congress can reach all third party searches by relying on its commerce powers, its authority under the spending powers to condition State receipt of Federal police-related funds on the adoption of special procedures governing the searches of all nonsuspects, and section 5 of the 14th amendment.

Mr. President, soon the Senate Judiciary Subcommittee on the Constitution will resume its task of reviewing legislative proposals to modify or overcome Zurcher. Despite the prodigious efforts of the subcommittee in the last Congress work remains to be done. I am confident that the subcommittee and the full Judiciary Committee will complete its job promptly and send an effective legislative response to Zurcher to the Senate floor in the 1st session of the 96th Congress. I believe that the Third Party Privacy Act is an appropriate vehicle for such a congressional response to Zurcher. I urge my colleagues to support it.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 115

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Third Party Privacy Act of 1979."

ISSUANCE OF WARRANT OR OTHER LEGAL PROCESS

SEC. 2. (a) Except as provided in Section 3, no warrant shall be issued to search for and seize any matter in the possession or control of a third party.

(b) Except as provided in Section 3, no court or magistrate shall issue any order or legal process which directs a third party to produce any matter in such party's possession or control unless:

(1) The law of the jurisdiction in which such order or legal process is issued permits the party to whom the order is directed to obtain an adversary hearing before a court prior to the enforcement of the order; and,

(2) At such adversary hearing, the order or legal process will be quashed unless the court determines (i) that the issuance and enforcement of such order or legal process is authorized by law; and (ii) that no privilege or legal grounds exist that justify the refusal to produce the matter.

(c) Nothing in this section shall prohibit the party in possession or control of such matter from voluntarily complying with an order or legal process pursuant to subsection (b) of Section 2 if such party is adequately informed by the language of the order or legal process or other written means at the time of the service of the order or legal process, of the party's right to notice and hearing under subsection (b) and such party knowingly and voluntarily waives any right to such notice and hearing.

GROUNDS FOR EX PARTE ISSUANCE

SEC. 3. The provisions of this Act do not prevent a judge or magistrate from issuing ex parte a warrant or other legal process to search for and seize or compel the production of any matter in the possession or control of a third party in any case in which the applicant for the warrant or other legal process shows:

(a) upon his personal knowledge or that of another present before the judge or magistrate that there is probable cause to believe that if an order or legal process is issued in accordance with subsection (b) of Section 2 such matter will be destroyed, altered, or put beyond the control or the jurisdiction of the court; or

(b) that there is probable cause to believe that the matter is contraband.

REMEDIES AND DEFENSES

SEC. 4. (a) Any unit of Federal, State, or local government which, and every person who, under color of any statute, ordinance, regulation, custom, or usage of the United States, any State or Territory, or of the District of Columbia, subjects or causes to be subjected, any person within the jurisdiction thereof the deprivation of any right under this Act shall be liable to such person in an action for legal or equitable relief, or other proper proceeding for redress.

(b) Each unit of Federal, State, or local government shall be jointly and severally liable with any officer, employee, agent of other person clothed with the authority of such unit for any violation of this Act.

(c) It shall not be a defense for such unit that the officer, employee, agent, or other person clothed with the authority of such unit is personally immune from liability under this Act by virtue of a common law or statutory immunity or defense attached to such officer, employee, agent, or other person clothed with the authority of such unit.

(d) In any action brought under this Act, the court shall award such special or general damages as may be appropriate, as well as punitive damages not to exceed $1,000 for each violation, and may award a reasonable attorney's fee and other actual and reasonable expenses incurred in connection with such action.

DEFINITIONS

SEC. 5. (a) For purposes of sections 2 and 3, a "third party" is a person whom there is no probable cause to believe has committed the crime to which the matter sought relates.

(b) For purposes of section 3, "contraband" means goods or merchandise the importation, exportation, or possession of which is prohibited under the laws of the State in which the warrant or order is issued or of the United States.

(c) For purposes of section 4—

(1) "person" means any natural person, or any partnership, corporation, association, or other legal entity organized under the laws of the United States, of any State, or of the District of Columbia;

(2) "unit of Federal, State, or local government" means the United States or any agency, department, or instrumentality thereof other than the Congress; any State or Territory; or any agency, department, or instrumentality thereof, other than the legislature; any municipality, county, parish, or other state, Territorial, or local governmental subdivision, or agency, department, or instrumentality thereof; or the District of Columbia or any agency, department, or instrumentality thereof.

By Mr. LUGAR:

S. 116. A bill to terminate the authorizations for Lafayette Dam and Reservoir, Big Pine Dam and Reservoir, and Clifty Creek Dam and Reservoir in the State of Indiana; to the Committee on Environment and Public Works.

● Mr. LUGAR. Mr. President, today I am introducing legislation to deauthorize three water projects in Indiana—Lafayette Lake Dam and Reservoir, Big Pine Dam and Reservoir, and Clifty Creek Dam and Reservoir.

I introduced similar legislation in the last Congress, and the Senate has already given its approval for deauthorization of Big Pine and Lafayette Lake. Regrettably, none of the deauthorizations passed the House of Representatives during the last Congress, but I am hopeful that both Houses will act favorably on this legislation early this year.

All three of these projects have met with widespread opposition from local citizenry and environmental groups in Indiana. Gov. Otis R. Bowen and the Indiana General Assembly responded to this opposition in a precedent-setting move by deauthorizing Big Pine and Lafayette Lake in 1977. The Governor has also recommended that the third project, Clifty Creek, be terminated and the General Assembly is likely to act on a bill to deauthorize that project this year.

The Army Corps of Engineers testified 2 years ago that neither Big Pine nor Lafayette Lake could be economically justified. And the corps has just notified the Indiana Department of Natural Resources that it plans no further action with respect to Clifty Creek. But, the Congress has yet to make a final determination on these projects. In this period of high inflation, I can see no justification for continuing indefinitely these ill-advised and costly water projects which Indiana citizens and their elected representatives clearly do not want. It seems responsible, therefore, for the Congress to follow the action taken by both Republicans and Democrats in Indiana and deauthorize these projects at the Federal level.

The debate over these projects has continued for years, leaving citizens in the affected areas concerned about the fate of their property, farmland, and the surrounding environment.

I am hopeful that the Congress will act favorably on this bill early this year to preserve the environment of the areas as well as the taxpayers' dollars.●

By Mr. BELLMON:

S. 119. A bill to reduce duplicative and redundant reporting requirements imposed on American businesses by Federal agencies; to the Committee on Governmental Affairs.

BUSINESS REPORTING REFORM ACT OF 1979

● Mr. BELLMON. Mr. President, this bill will eliminate duplicative and redundant reporting requirements which some experts estimate are costing private business $30 billion each year.

Very simply, my bill will provide that a business may furnish a release to any Federal agency to which it reports any information, stating that the information reported may be released to any other Federal agency.

It will further provide that, if a business furnishes such a release, it cannot be penalized for failure to report the same information to another Federal agency in the same year. The business would have only to advise any agency subsequently requesting already reported information of the other Federal agency to which the information has already been submitted.

The exceptions, to which these provisions would not apply, would be information requested by the Internal Revenue Service for tax purposes; information requested by Federal regulatory agencies necessary to carry out their enforcement functions; and information furnished by Federal contractors, as a matter of contract compliance.

This bill does not waive any existing reporting requirements. Neither does it change or infringe on anyone's right to privacy. It does permit individual businesses to authorize the release of information they provide and, thereby, avoid costly and time-consuming duplication.

I believe that this approach will provide a strong incentive to all Federal agencies to standardize their reporting requirements, and to the extent possible, to consolidate them. The existing system, which authorizes a plethora of agencies to penalize employers for failure to respond, includes no such incentives.

Finally, my bill includes a mandate for us in Congress to carefully consider the impact of our actions, before we mandate additional reporting requirements on the private business community.

I expect this legislation will get strong support, from my colleagues and from the business community. We must be particularly conscious of the costs of the regulatory burden we impose on the economy, if we are to succeed in our fight against inflation; and we must win that fight.●

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S. 123. A bill to amend the Social Security Act to provide for the payment under medicare of services by psychologists; to the Committee on Finance.

● Mr. INOUYE. Mr. President, today I am introducing legislation which would amend our Nation's medicare law in order to provide for the independent reimbursement of those mental health services that are rendered by professional psychologists. The thrust behind this bill is essentially the same as that which I first introduced in 1974, and I am pleased to note that, since that time, there has been increased recognition of the relevance and importance of psychologists' services. During the last Congress, over a third of my colleagues joined with me as a cosponsor of S. 123, and the Senate Finance Committee held hearings on the measure. Further, its intent was expressly endorsed in the final report of the President's Commission on Mental Health. Finally, the Department of Health, Education, and Welfare for several years now, has been conducting a statewide pilot program in Colorado to ascertain what it would cost, or perhaps even save, the Federal Government to independently reimburse members of the psychological profession. Accordingly, I am optimistic of successful action this session.

Psychology is a relatively new profession that began to emphasize its health care potential only during World War II. Members of the profession are now licensed or certified in all 50 States and the District of Columbia. The American Psychological Association which represents approximately 50,000 members has established the doctoral degree, plus an additional year's supervised experience, as the minimum acceptable standard for independent practice. The profession has also developed a number of formal mechanisms whereby the public may be assured that those psychologists who present themselves as health care providers are in fact highly qualified. For example, after 5 years of supervised experience, a clinician may seek diplomate recognition, or board certification, from the American Board of Professional Psychology. Or, upon an in-depth review by one's peers of his or her professional credentials, a psychologist may seek to be listed in the National Register of Health Service Providers with its current criteria of the doctoral degree in psychology, an internship, and a year postdoctoral supervised experience in health services. Some of my colleagues may not be aware that there are a number of recognized specialties within psychology, some of which do not include expertise in working with mental health problems. Accordingly, in my judgment, the formation of the National Register in 1974, in creating standards for these psychologists who do provide health services, was especially relevant to the mission of our Federal health initiatives.

There are two distinct reasons why I feel it is now appropriate to amend our medicare program to provide for the independent reimbursement of professional psychologists. The first follows from the underlying purpose of medicare—to provide needed health services to our Nation's elderly. The second relates to my personal view that we are coming ever closer to the enactment of a national health insurance program. All of the evidence that I have seen strongly indicates that there is a definite need for increased access to psychological services for our Nation's senior citizens. Approximately 57 percent of our Federal health care dollars now goes to the elderly. This high cost may be expected to go higher as it is estimated that by the year 2020, nearly one-fifth of our population will be over 65 (compared to 10 percent today). Studies have shown that 60 to 80 percent of the visits that individuals make to physicians are primarily for mental health related needs—and that effective utilization to psychological services can result in a substantial reduction in the use of much more costly medical services by 60 to 70 percent.

However, the elderly (at 10 percent of our population) receive only 3 percent of the total outpatient mental health services—although they occupy 29 percent of the mental hospital beds. The President's Commission on Mental Health reported that the incidence of mental health problems is higher among those over 65—for example a suicide rate twice that of younger persons. Moreover, from 20 to 30 percent of all people labeled as "senile" have conditions that are either preventable or reversible, if detected and treated early.

Thus, we have a situation developing where if we continue to place needless obstacles in the way of our Nation's senior citizens obtaining truly cost-effective psychological services, we should not be surprised to find our Federal health programs having even greater difficulty in maintaining the overall cost of health care within reasonable limits.

Finally, as I indicated earlier, I feel that we are coming ever closer to the enactment of a national health insurance program. Psychologists have historically been recognized as independent providers in virtually every other major Federal health program: The civilian health and medical program of the uniformed services (CHAMPUS), the civilian health and medical programs of the Veterans' Administration (CHAMPVA), the Federal Employees Health Benefits Act, medicaid, the health maintenance organization initiative, and our Workers' Compensation programs, not to mention the community mental health centers legislation. Further, 28 States representing nearly 80 percent of the Nation's population have enacted "freedom of choice" laws establishing the direct recognition of psychological services under their insurance codes. Yet, under the medicare laws as presently enacted, psychology services are considered "incidental to those of a physician. I personally feel that this restriction is inappropriate and should be modified now, so that it is not used against the profession during our forthcoming deliberations on national health insurance. The psychological profession is an honorable one, and their services are important. Accordingly, I feel that it is time for the Congress to accord them their due recognition.

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 123

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the first sentence of section 1861(r) of the Social Security Act is amended by inserting immediately before the period at the end thereof the following: ", or (6) a doctor of clinical psychology legally authorized to practice psychology by the State in which he performs such function".

(b)(1) Section 1814(a)(2)(A)(ii) of such Act is amended by inserting "or psychologically" immediately after "medically".

(2) Section 1814(a)(3) of such Act is amended by—

(A) striking out "medical treatment" and inserting in lieu thereof "treatment", and

(B) striking out "medically required" and inserting in lieu thereof "required".

(3) Section 1814(g) of such Act is amended by striking out "medical staff" and inserting in lieu thereof "medical and professional staff."

By Mr. CHURCH:

S. 129. A bill to designate September 17, 1987, as a legal public holiday; to the Committee on the Judiciary.

CONSTITUTION DAY

● Mr. CHURCH. Mr. President, a unique moment in our Nation's history, the signing of our Constitution, will soon have its bicentennial anniversary. Today, in preparation for that celebration, I am introducing legislation which would designate September 17, 1987, as a national holiday.

All Americans share fond remembrances of the commemoration of the bicentennial of our Declaration of Independence in 1976, and I believe that it would serve our Nation well to look forward to our upcoming constitutional celebration. This historic occasion has already generated considerable interest and anticipation. In my own State of Idaho, the Bonneville Tricentennial Commission, the first such commission in the United States, has resolved that this day be made a legal holiday. Here in Washington, Chief Justice Warren Burger has outlined his ideas on how this event should be observed.

While our Declaration of Independence stands as the birthstone of our Republic, it is our Constitution which has given us the framework of our freedom. The constitutional centennial in 1887 was a noteworthy event, but the constitutional bicentennial should be even more. Our recent history, Mr. President, has been a reaffirmation of our Constitution in the preservation of our free society. I sincerely hope that support will grow for its celebration in proportion to its importance, and I ask unanimous consent that the text of my bill for its observance, the Bonneville Tricentennial Commission's resolution in its support and an editorial from the Idaho Falls Post Register be printed at this point in the RECORD:

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 129

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That September 17, 1987, shall be designated Constitution Day and shall be held and considered to be a legal public holiday within the meaning of section 6103 of title 5, United States Code.

CONSTITUTION DAY

Whereas, We have just celebrated the biggest and best Bicentennial ever dedicated to the birth of freedom and human rights, and

Whereas, July 4th is observed as a National Holiday because it is directly and exclusively the birthday of the first of the two most important, inspired proclamations of religious and political principles, ever declared to be the foundation of a new nation, and

Whereas, the first—the Declaration of Independence—opened the way for the second—the Constitution of the United States, and

Whereas, the Constitution made the magnificent principles enunciated in the Declaration a living reality and became the great and far-reaching step in creating our nation—a Land of Liberty, choice above all lands, and

Whereas, September 17, 1987, will be the 200th anniversary of the adoption of that treasured document of freedom, the United States Constitution,

Now, therefore be it resolved, that the Bonneville Tricentennial Commission (first such commission in America) recommends herewith to the President and the Congress of the United States that commencing with the Bicentennial anniversary of the adoption of the Constitution that *"Constitution day"* be declared a legal holiday in America and be celebrated as such from that date forward each September 17th.

[From the Post-Register, Oct. 23, 1978]

ANOTHER BICENTENNIAL IN 1987?

Are we ready for another bicentennial?

Ready or not, another such is coming up and it is every bit as momentous as the 1976 event.

That one marked the 200th anniversary of the Declaration of Independence, while come 1987 we will begin celebrating two centuries of an epochally successful adventure in self-government under the Constitution of the United States of America.

In these latter days it is generally and perhaps understandably overlooked that what was begun in 1776 was not brought to a satisfactory conclusion until 1787. The first event had a monopoly on the color and drama—the ringing of bells and ringing defiance of George III.

In comparison, the drafting of the Constitution, a four-month proceeding which 10 of the appointed 65 delegates did not even bother to attend, was a dry affair, a tiresome process of occasionally spirited debate but more often self-serving trading and compromising. Even in those brave post-Revolutionary days, special interests called the plays in the political game.

The document it produced, however, still ranks as one of the political marvels of the age. Where the Declaration of Independence required the courage to rise to the challenge of the times, the Constitution called for vision to prepare for the challenges of a future that could be but dimly foreseen.

And that it did. Brief to the point of being terse, the original document is unique among most such basic laws of modern times in that it did not attempt to dot every i and cross every t in determining the structure and operation of the government it was establishing. Its strength through almost two centuries has been not in what it spelled out specifically, but in the latitude it has allowed for interpretation, for the application of basic principles to the changing needs of changing times.

Consider that it was designed for a government which in its three branches initially consisted of a few hundred individuals and today numbers its personnel in the millions. Yet it still functions—not to perfection, perhaps, but effectively.

Chief Justice Warren Burger, taking note of both the occasion and the enormous expansion of the governmental apparatus, is suggesting that the bicentennial observance take the form of a nationwide discussion of the present and future roles of the three branches of federal government.

He would extend the proceedings over a three-year period—appropriate, since the Constitution was submitted to the states in 1787 but ratification was not completed until 1789—with one year devoted to analysis in detail of each of the branches. The result, he envisions, might be a series of papers "comparable in utility if not in quality with the Federalist Papers of 200 years ago."

A possibility, perhaps, but likely to strike today's public as an even drier affair than the original constitutional convention was for the citizenry of that time.

A major observance, however, is certainly in order. And there is time to prepare since nothing that occurred between 1776 and 1787—the squabbling among the literally sovereign states, the realization that they were not hanging together and therefore were very likely to hang separately—is the stuff of national celebration.

Considering where it started and where we've come, it's the least we can do.●

By Mr. STEVENSON (for himself, Mr. PERCY, Mr. LUGAR, and Mr. BAYH):

S. 188. A bill to amend the Disaster Relief Act of 1974; to the Committee on Environment and Public Works.

DISASTER RELIEF ACT

● Mr. STEVENSON. Mr. President, last week, northern Illinois was crippled by a blizzard which dumped 16 inches of snow on top of 17 inches already on the ground. The storm started on Friday, January 12. The snow stopped falling on Sunday, January 14, and then resumed intermittently through the end of the week. Roads were impassible. Hundreds of businesses and schools were closed. Thousands were cut off from essential services. I am sure my colleagues saw television coverage of the desperate conditions in Chicago. In rural areas, farms were isolated and farmers were unable to reach and feed their livestock.

On Tuesday, January 16, President Carter declared a snow emergency in 22 counties in response to a request from Illinois' Governor filed on Monday night. Two additional counties have since been added. Federal aid is primarily in the form of two-thirds cost sharing for snow removal activities.

Under present policies of the Federal Disaster Assistance Administration, Federal aid begins at 12:01 a.m. on the day of the President's declaration. However, many communities in Illinois mobilized on Saturday to clear the snow and accomplished much of the work before the emergency declaration went into effect on Tuesday. By meeting the challenge with speed and efficiency, many of these communities removed enough snow to mitigate the threat to public health and safety but depleted their budgets and exhausted their capacity to conduct normal snow-related services for the remainder of the winter. These communities are not eligible for Federal reimbursement for the work completed prior to 12:01 a.m. Tuesday under FDAA regulations. Despite their efficiency, they are wrongly being denied assistance available to neighboring communiies which were not able to complete snow removal before 12:01 a.m. Tuesday.

This inequity stems from a decision of the Federal Disaster Assistance Administration, not from the law. The Disaster Assistance Act of 1974 does not defer Federal assistance to the day on which the President signs the proclamation. The Congress intended to provide assistance during an emergency and certainly did not intend to set up an artificial and arbitrary scheme for measuring the onset of the emergency.

The bill I am introducing today would correct this inequity. It would make clear the intent of Congress that emergency assistance is available for the duration of the emergency or major disaster, regardless of the day on which the President declares the existence of the emergency. The President's declaration is inevitably delayed until a State has been able to compile the necessary information from its local communities and to transmit its request. The more serious the emergency, the more likely the compilation of data will be delayed because officials must deal with immediate threats to life and property before red tape. Officials of FDAA must then examine a State's request for assistance before conveying it to the President. These procedures invite delay when local communities are making the most intense and expensive efforts. Congress did not intend that aid for citizens in distress would be conditioned on the timely completion of bureaucratic formalities. This bill clarifies the obvious intent of Congress—to aid those in distress. I hope the Carter administration will carry out the intent of Congress and obviate the need for this bill.●

FEDERAL SNOW ASSISTANCE SHOULD BE RETROACTIVE TO START OF CRISIS

● Mr. PERCY. Mr. President, I enthusiastically join with my colleague from Illinois, Senator STEVENSON, in introducing an amendment to the Disaster Relief Act of 1974 (P.L. 93-288). The amendment would correct an inequality in the act that penalizes local units of government that respond quickly to natural disasters such as blizzards and rewards those that fail to marshall their resources on a timely basis.

In my own State of Illinois, this inequality in the act has quite justifiably been brought to my attention by scores of local community leaders.

They pointed out that although the storm set in on Friday, January 12, 1979, President Carter did not declare a snow emergency until Tuesday, January 16, 1979. Under the terms of the snow emergency declaration, local units of government in the 22 (later made 24) affected counties in Northern Illinois would receive two-thirds Federal funding for snow removed to provide access on major highways and city streets on the day the President signed the order.

It has been pointed out to me that those communities that sent the plows out at the first signs of a blizzard and raced around-the-clock to clean up their major thoroughfares will receive little in Federal supplemental assistance, while those communities that worked slowly to remove the snow or were poorly organized will receive their full share of the Federal funds.

This inequality should be corrected with the timely passage of this amendment.

Mr. President, the people of northern Illinois should be lauded for their tireless efforts to cope with one of the worst blizzards that has hit the Midwest in recorded history.

Here is only one small example as reported by the Chicago Sun-Times:

> Morris Howe, 69, of 2653 W. Carmen, Chicago, who has an artery problem, was stricken on the way to a grocery store and fell into a snow bank. Charles R. Wiltgen, of 4949 N. Bell, Chicago, came to Howe's aid. He picked him up, and put him on his shoulder, and carried him two blocks to Swedish Covenant Hospital.

Elsewhere, snowmobiles were used in suburban Cicero by rescuers, while alert ambulance drivers in Rockford pulled a heart-attack victim to a nearby hospital part way in a canoe.

I believe we should all be very grateful to all of those who kept the loss of life to only 30. The toll could have been much worse.●

By Mr. INOUYE:

S. 189. A bill to amend the Merchant Marine Act, 1936, to direct the Secretary of Commerce to cooperate with the Secretary of the Navy and the maritime industry in establishing an adequate and well-balanced fleet; to the Committee on Commerce, Science, and Transportation.

● Mr. INOUYE. Mr. President, I am introducing a bill to amend section 210 of the Merchant Marine Act, 1936, by adding a provision to require quarterly meetings between Secretaries of the Navy and Commerce and representatives of the maritime industry. It also requires submission, by the Secretaries, of an annual report to Congress and the President regarding their reponsibilities under section 210.

The purpose of the bill is to formalize the cooperation between the Secretary of Commerce and Secretary of the Navy as required by section 210 of the Merchant Marine Act, 1936, and to insure regular input from maritime industry representatives in order to achieve an adequate and well-balanced merchant fleet as required by section 101 of that act.

An identical bill passed the 95th Congress, but was pocket vetoed by the President.●

By Mr. KENNEDY (for himself, Mr. Bayh, Mr. Biden, Mr. Cranston, Mr. DeConcini, Mr. Ford, Mr. Hatfield, Mr. Inouye, Mr. Leahy, Mr. Magnuson, Mr. Mathias, Mr. Matsunaga, Mr. McGovern, Mr. Metzenbaum, Mr. Ribicoff, Mr. Riegle, Mr. Tsongas, and Mr. Williams):

S. 190. A bill entitled the "Victims of Crime Act of 1979"; to the Committee on the Judiciary.

● Mr. KENNEDY. Mr. President, I am introducing today the Victims of Crime Act of 1979. This bill is being cosponsored by Senators Bayh, Biden, Cranston, DeConcini, Ford, Hatfield, Inouye, Leahy, Magnuson, Mathias, Matsunaga, McGovern, Metzenbaum, Ribicoff, Riegle, Tsongas, and Williams.

This legislation will encourage States to establish compensation programs for victims of crime, and will financially assist those States which operate such programs. At present, nearly half of the States do so, and their compassion reflects a concept as old as history itself.

Over 4,000 years ago, the Babylonian Code of Hammurabi provided that, if a man were robbed or murdered, the city and the governor should compensate the victim or his heirs for their losses. Since the 1960's, many other countries, such as New Zealand, Canada, and Great Britain, have established similar programs.

Beginning with the 92d Congress, the Senate has passed legislation benefiting victims of crime. During the last Congress, both the House and the Senate passed similar legislation, which was favorably reported out of conference. But in the final hours of the Congress the House failed to approve the conference report.

The Victims of Crime Act which we introduce today, will continue those efforts begun in earlier Congresses. It addresses a serious shortcoming in the comprehensive Federal effort to deal with the nationwide problem of crime, and to improve all levels of our Nation's criminal justice system. Every year, we spend hundreds of millions of dollars to improve police departments, to make court systems more efficient, to protect the rights of the accused, to develop innovative approaches to prosecuting serious and repeat offenders, and to insure humane treatment of those convicted and incarcerated. Yet all of these efforts—important as they are—ignore the most tangibly tragic aspect of crime—the plight of its victim.

The victim stands alone, virtually abandoned by the system responsible for insuring justice. Society expects much from such victims in the prosecution of crime. But it gives them nothing in return. It depends for its success upon the willing and patient cooperation of the victimized. It recognizes that the deterrence, detection, and punishment of crime depends upon such participation. It demands that victims endure the trauma and the inconvenience of that participation. But it leaves the victim to bear alone the cost and the trauma of the crime itself.

Victims must bear alone the physical, emotional, and psychological suffering, and the lasting scars. Victims must bear alone the loss of property, and the economic burdens of unreimbursed medical expenses and lost earnings. And while all of us recognize that crime is a social phenomenon which cuts at the very fabric of our society, we permit the economic consequences of crime to be borne disproportionately by those innocent citizens unfortunate enough to be in the wrong place at the wrong time.

That situation harms all victims of crime. But it harms especially the elderly victims. Surveys show conclusively that the elderly require more frequent hospitalization for injuries resulting from crime. Because of their physical frailty, the injuries are often protracted and complicated. Because of their fixed incomes, the economic impact can be devastating. We owe all of our citizens, and especially our elderly citizens, a sure means of alleviating the economic burdens of their victimization.

Many of those injured by crime are covered by some type of medical insurance program. But a recent study funded by LEAA indicated that over $22 million of unreimbursed medical expenses were borne by the victim. Though most victims incur uncompensated expenses of less than $100, 25 percent of those injured—nearly a million citizens—were forced to absorb 91 percent of the total amount of unreimbursed medical expenses—over $20 million. Even more disturbing is the fact that 2 percent of this victim group must absorb 49 percent of the unreimbursed medical costs. These figures demonstrate unequivocally, I think, the unequal price which citizens must pay for becoming an innocent victim of a crime.

Mr. President, as I mentioned before, a number of States have already begun addressing this problem and providing assistance to crime victims. Many of these programs have operated successfully for a number of years. My own State, Massachusetts, initiated a program 10 years ago. Last year, the program distributed nearly $1 million to victims of crime for unreimbursed medical expenses and lost earnings. Let me take just a few more minutes and tell you about some of the people helped by this program:

Bill D., a 23-year-old trucking company employee, earned $120 a week. He used $75 of his take-home pay to take care of his father, who had polio, his mother, who lost one of her hands, and his brother, who had cerebral palsy. On October 10, 1977, Bill was driving down a road and was stopped by a man who Bill thought wanted directions. The man grabbed Bill, pulled him out of the car, stabbed him to death, and stole what little money he had. Bill's family received the maximum award of $10,000 which helped them to begin a new life without Bill.

Fred W., owned and operated a small liquor store. On Christmas Eve of last year, he left the store to deposit the store's daily receipts, and then he planned to go home and celebrate the holidays with his elderly wife. As he got in his car, a man approached him, attempted to rob him, and shot him to death. Fred's widow received an award of $10,000 which helped her to pay burial expenses as well as provide her with a minimum of financial support.

Robert O., was a 29-year-old high school teacher. Early one morning a man pounded on the door of his house and identified himself as a police officer. Robert opened the door and two men rushed in, shot him in the head, and robbed him. As a result of this attack Robert is now paralyzed from the waist down, and has suffered permanent brain damage which caused him to lose his teaching job. He received $10,000 from the program which helped to defray medical expenses and to pay for intensive physical therapy.

Eleanor C., a 75-year-old resident of Boston, was walking down the street one day when she was assaulted and robbed. She suffered broken bones in her face, hand, and shoulder, and was knocked unconscious. After her hospitalization, she needed nursing assistance at home and transportation to and from the hospital where she went for therapy. None of these latter costs were covered by medicare, and the Massachusetts program awarded her $650 for these expenses.

Allieu M., a world-ranked marathoner, was assaulted one day while training by six people, merely because he was black. He suffered serious injury in addition to having his teeth kicked out. He did not have any medical insurance, and his $2,500 in medical expenses were covered under the program.

Paul K., a truckdriver for a Boston newspaper, was robbed, shot, and stabbed one day while working. He had $7,000 in medical expenses which were paid by insurance, but lost over $6,400 which was not covered by workmen's compensation. The program reimbursed him for his lost earnings.

These are just a few of the many examples which I could relate to you about the victims which our program has helped. I am sure that these examples could be multiplied by every Senator whose State has a similar program.

Mr. President, last fall my staff did a study of existing victim compensation programs throughout the country. It showed that nearly $17.5 million had been paid to victims for unreimbursed medical expenses and lost earnings or support. Under the formula in the Victims of Crime Act, the Federal share of these programs would have been approximately $4.4 million—far less than the amount authorized by the bill. The following table provides a detailed breakdown of each of the State programs which have existed for more than 1 fiscal year, the total program costs, the total amount of payments to victims, and the total administrative costs. I have also included a column indicating the ratio of administrative costs to the total program costs, which clearly shows that the States are operating their own programs very efficiently.

Budget year dates	State	Percent	Total administrative expenses	Total payments to victims	Total program costs
June 30, 1977 to July 1, 1978.	Maryland	11	139, 122. 00	1, 233, 183. 00	1, 272, 505. 00
July 1, 1977 to June 30, 1978.	Delaware	37	87, 941. 82	146, 872. 92	234, 814. 74
July 1, 1977 to June 30, 1978.	Virginia	23	31, 076. 10	103, 268. 83	134, 344. 93
Apr. 1, 1977 to March 31, 1978.	New York	15	739, 317. 00	4, 313, 078. 00	5, 052, 395. 00
July 1, 1977 to June 30, 1978.	New Jersey	15	167, 298. 00	919, 046. 11	1, 086, 354. 11
July 1, 1977 to June 30, 1978.	Ohio	20	316, 326. 54	1, 242, 753. 00	1, 559, 079. 54
July 1, 1977 to June 30, 1978.	Pennsylvania	24	237, 586. 00	746, 320. 00	983, 906. 00
Jan. 1, 1977 to Dec. 31, 1977.	Wisconsin	22	56, 201. 35	201, 912. 31	258, 113. 66
June 30, 1977 to July 1, 1978.	Kentucky	27	[1]24, 417. 15	66, 902. 16	91, 319. 31
July 1, 1976 to June 30, 1977.	Minnesota	15	40, 860. 00	224, 278. 34	265, 138. 34
July 1, 1976 to June 30, 1977.	North Dakota	39	16, 567. 24	26, 161. 22	42, 728. 46
July 1, 1977 to June 30, 1978.	Washington	14	155, 925. 00	983, 610. 00	1, 139, 535. 00
July 1, 1977 to June 30, 1978.	California	15	867, 306. 96	5, 025, 288. 84	5, 892, 595. 80
July 1, 1976 to June 30, 1977.	Alaska	20	74, 985. 31	120, 968. 07	195, 953. 38
July 1, 1977 to June 30, 1978.	Massachusetts.		[2] NA	915, 391. 78	NA
Jan. 1, 1977 to Dec. 31, 1977.	Hawaii	20	56, 944. 00	223, 863. 55	280, 807. 55
June 30, 1977 to July 1, 1978.	Illinois		[2] NA	1, 082, 214. 26	NA
Total payments to victims				17, 475, 312. 39	
25 percent Federal share				4, 368, 828. 10	

[1] Cost of claim investigators only. Total administrative cost combines victim compensation and Board of Claims—$248,665.98. Breakdown not available.

[2] Administrative costs combine Attorney General's Office, Court of Claims and victim compensation program. Breakdown not available.

Mr. President, the bill which I am introducing today is identical to that approved by the House and Senate conferees last fall, with one exception: it includes a provision prohibiting the use of a "financial means test," which was part of the bill which the Senate passed last year.

In States which utilize such a test, an innocent victim will not be compensated unless the crime imposes a financial hardship, variously defined, on that victim. But there is no reason why an innocent victim should have to prove that he cannot afford such dubious status. Every victim, regardless of his State or the place of his injury, should be equally eligible to be compensated for unreimbursed medical expenses or lost earnings. And in the process, our criminal justice system should maintain a uniform nationwide standard for the compensation of victims.

Nor need we fear that somehow such a standard would allow payment for the medical bills of the wealthy, or compensate them to some degree for lost earnings. We have found not one instance in which such payment was made in States which do not utilize a means test. That prospect is highly speculative, and remote at best, especially since the wealthy are precisely those in our society who enjoy the best medical insurance and the most liberal sick leave benefits, and this bill pays only those costs unreimbursed.

Moreover, the term "hardship," or "serious financial hardship," is not only difficult to define, but is by its very nature a subjective and arbitrary concept. Would a man, with a job at which he earned enough to pay his bills and to save a small amount each week for his children's college education, be able to meet a hardship criterion if he had $3,000 in his savings account, but only $1,500 in unreimbursed medical expenses? Would anyone claim that such a man can "afford" his injury? No one has answered that question to my satisfaction. No one has answered the claims of his children, whose college education is the real cost of such a standard. No one has answered the claims of those whose pride and dignity would deter them from ever seeking recompense. It is demeaning to have to prove that one is too poor to be a victim, especially for those who have worked hard all their lives and who have prided themselves on being self-sufficient.

Some have argued that States should be allowed to impose a means test as a fiscal measure, especially since the Federal share is so small and does not offset any of the State's administrative expenses. While all of us certainly approve of the State effort to maintain the fiscal integrity of their programs, we cannot ignore a more fundamental concern: That innocent victims of crimes should not have to bear the economic burdens of crime. The Federal share is provided in addition to what the States are presently expending, and should be used to offset payments to all crime victims rather than merely easing the State's cost. Many of those States with the highest administrative costs are those that impose a means test. This money might be better spent compensating victims, than conducting financial audits.

This provision, as well as others in the bill, will be the subject of hearings, and I expect that their merit will be fully analyzed and discussed.

The Victims of Crime Act of 1979 is a recognition of the importance of innocent victims in our criminal justice system, and of the unfairness that they be required to bear the total economic brunt of a crime which society failed to prevent. It is an affirmation of that system, of the dignity of every individual from whom it asks allegiance, and of the fundamental concept of fairness which defines our way of life.

Mr. President, I ask unanimous consent that the text of the Victims of Crime Act of 1979 as well as the section-by-section analysis of the bill be printed in the RECORD.

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follows:

S. 190

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Victims of Crime Act of 1979".

ADMINISTRATION

SEC. 2. (a) The Attorney General of the United States (hereinafter in this Act referred to as the "Attorney General") shall administer the provisions of this Act. The Attorney General shall not delegate primary responsibility for administering the provisions of this Act unless such delegation is made to an individual who is compensated at the rate provided for level II, III, IV, or V of the Executive Schedule under subchapter II of chapter 53 of title 5, United States Code.

(b) There is established an Advisory Committee on Victims of Crime (hereinafter in this Act referred to as the "Committee") which shall advise the Attorney General with respect to the administration of this Act and the compensation of victims of crime. The Committee shall consist of nine members, one of whom shall be designated the Chairman, all appointed by the Attorney General. Seven members of the Committee shall be officials of States with programs qualifying under section 4. The Committee shall meet at least two times each year and at such other times as the Attorney General may direct. The term of office for each member of the Committee shall be one year. The Committee shall not come into existence until on or after October 1, 1979 and shall remain in existence until September 30, 1982.

(c) While away from their homes or regular places of business in the performance of services for the Committee, members of the Committee shall be allowed travel and transportation expenses, including per diem allowance, in the same manner and to the same extent as persons employed intermittently in the Government service are allowed travel and transportation expenses under subchapter I of chapter 57 of title 5, United States Code.

POWERS OF THE ATTORNEY GENERAL

SEC. 3. (a) Subject to the availability of amounts appropriated, the Attorney General shall make an annual grant and may make supplemental grants for compensation of victims of crime to each State program that qualifies under section 4. Except as provided in section 5, the grants made to a qualifying State program under this Act with respect a Federal fiscal year shall equal—

(1) 100 percent of the then current cost, as determined by the Attorney General, of paying compensation for personal injury and compensation for death for such fiscal year for qualifying crimes that are described in section 7(8)(B); and

(2) 25 percent of the then current cost, as determined by the Attorney General, of paying compensation for personal injury and compensation for death for such fiscal year for qualifying crimes that are described in section 7(8)(A).

Grants under this section may be made in advance or by way of reimbursement. The Attorney General shall not have the power to modify the disposition of any individual claim that has been processed by any State program.

(b) For the purpose of carrying out the provisions of this Act, the Attorney General is authorized to—

(1) promulgate such rules, regulations, and procedures as are necessary to carry out the provisions of this Act, including rules and regulations regarding the data to be kept by State programs receiving funds under this Act and the manner in which these data shall be reported to the Attorney General; and

(2) approve in whole or in part, or deny, any application for an annual or supplemental grant under this Act.

QUALIFICATIONS OF STATE PROGRAMS

SEC. 4. (a) A State proposing to receive payments to carry out a State program under this Act shall submit an application to the Attorney General at such time and in such form as the Attorney General shall prescribe by regulation. A State program for the compensation of victims of crime qualifies for grants under this Act if the Attorney General finds that such program is in effect in such State on a statewide basis during any part of the Federal fiscal year with respect to which grants are to be made and that such program meets the following criteria:

(1) The program offers—

(A) compensation for personal injury to any individual who suffers personal injury that is the result of a qualifying crime; and

(B) compensation for death to any surviving dependent of any individual whose death is the result of a qualifying crime.

(2) The program offers the right to a hearing with administrative or judicial review to aggrieved claimants.

(3) The program requires as a condition for compensation good faith cooperation by a claimant with appropriate law enforcement authorities with respect to the qualifying crime for which compensation is sought.

(4) The program does not have a limitation based on the financial means of the victim or any surviving dependent.

(5) There is in effect in the State a law or rule that the State is subrogated to any claim the victim, or a dependent of the victim, has against the perpetrator of the qualifying crime for damages resulting from the qualifying crime, to the extent of any money paid to the victim or dependent by the program.

(6) The program does not require any claimant to seek or accept any benefit in the nature of welfare unless such claimant was receiving such benefit prior to the occurrence of the qualifying crime that gave rise to the claim.

(7) The program requires denial or reduction of a claim if the victim or claimant contributed to the infliction of the death or injury with respect to which the claim is made.

(8) There is in effect in the State a law or rule that, in addition to or in lieu of any other penalty, a perpetrator of a crime may be required to make restitution to any victim or victim's surviving dependent for that crime.

(9) The program does not require that any person be apprehended, prosecuted, or convicted of the qualifying crime that gave rise to the claim.

(b) If a State has a crime victim compensation program in effect on the effective date of this Act which does not otherwise qualify under subsection (a), such program shall be deemed qualified for grants under this Act until the day after the close of the first regular session of the State legislature that begins after the effective date of this Act. Thereafter, only those programs which comply with the requirements of subsection (a) shall be eligible for grants under this Act.

LIMITATIONS ON FEDERAL GRANTS

SEC. 5. In computing the annual cost of a qualifying State program for the purpose of establishing the amount of Federal grants under section 3, there shall be excluded from such cost any amount for administrative expenses incurred in carrying out the program, and any amount representing State compensation awards—

(1) for pain and suffering;

(2) for property loss;

(3) to the extent the amount of any award to a victim, or the aggregate amount of any awards to the surviving dependents of a victim with respect to such victim, exceeds $35,000;

(4) to any claimant who has received or who is entitled to receive compensation for personal injury or compensation for death from any source, other than from a compensation program assisted under this Act or from the perpetrator of the qualifying crime, up to the amount of that compensation;

(5) to any claimant, other than a claimant sixty-two years of age or older, whose award would be for an amount less than $100 or for lost earnings or loss of support computed on the basis of less than five work days;

(6) to the extent the amount of any award for loss of earnings to a victim, or the amount of any awards for loss of support to the surviving dependents of a victim with respect to such victim, exceeds $200 per week per individual;

(7) to any claimant who failed to file a claim under the State program within one year after the occurrence of the qualifying crime, unless good cause for such failure to file has been found by the appropriate State agency; and

(8) to any claimant who failed to report the qualifying crime to law enforcement authorities within seventy-two hours after the occurrence of that qualifying crime, unless good cause for such failure to report has been found by the appropriate State agency.

REPORT OF THE ATTORNEY GENERAL

SEC. 6. (a) Not later than one hundred and thirty-five days after the end of each Federal fiscal year in which grants were made to State programs under this Act, the Attorney General shall submit a report to the House and Senate Committees on the Judiciary. The report shall include—

(1) with regard to each qualifying State program—

(A) the number of persons compensated;

(B) a statistical presentation of—

(i) the kinds and corresponding amounts of loss compensated;

(ii) the range in monetary value of claims awarded;

(iii) the reasons for denial of claims; and

(iv) the types of crimes that resulted in claims;

(C) a description of the administrative mechanisms and procedures used in processing claims, including claims for emergency assistance if the program provides for such assistance;

(D) the time required to process claims, including claims for emergency assistance if the program provides for such assistance;

(E) efforts made to publicize the program;

(F) administrative expenses; and

(G) the number of qualifying crimes described in section 7(8) (B) that were compensated; and

(2) with regard to the activities of the Attorney General in carrying out the provisions of this Act—

(A) an itemized statement of grants and expenditures;

(B) copies of all rules made under section 3(b); and

(C) projected expenditures for the Federal fiscal year in which the report is required to be submitted.

(b) Not later than two years after the date of the enactment of this Act, the Attorney General shall survey the laws and practices of the States respecting the disposition of the profits made by criminal wrongdoers from publicity surrounding their wrongdoing and report to the Congress on the appropriateness of requiring as a condition of qualifying for grants under this Act the existence of a State law or practice preventing the crimnial wrongdoer from enjoying such profits.

DEFINITIONS

SEC. 7 as used in this Act—

(1) "claim" means a written request to a State compensation program for compensation for personal injury or compensation for death made by or on behalf of a victim, or any surviving dependent of a victim, or a qualifying crime;

(2) "dependent" means, with respect to any State compensation program, any dependent as defined by such State for purposes of such program;

(3) "personal injury" means, with respect to any State compensation program, personal injury occurring in such State as defined by that State for the purposes of such program;

(4) "State" means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Trust Territory of the Pacific Islands, or any other territory or possession of the United States;

(5) "compensation for personal injury" means compensation for loss that is the result of personal injury caused by a qualifying crime, including—

(A) all appropriate and reasonable expenses necessarily incurred for ambulance, hospital, surgical, nursing, dental, prosthetic, and other medical and related professional services and devices relating to physical or psychiatric care, including nonmedical care and treatment rendered in accordance with a method of healing recognized by the law of the State;

(B) all appropriate and reasonable expenses necessarily incurred for physical and occupational therapy and rehabilitation; and

(C) loss of past and anticipated future earnings;

(6) "property loss" does not include expenses incurred for medical, dental, surgical, or prosthetic services and devices;

(7) "compensation for death" means compensation for loss that is the result of death caused by a qualifying crime, including—

(A) all appropriate and reasonable expenses necessarily incurred for funeral and burial expenses; and

(B) loss of support to any dependent of a victim, not otherwise paid as compensation for personal injury, for such period as the dependency would have existed but for the death of the victim;

(8) "qualifying crime" means—

(A) any act or omission occurring in a State which is criminally punishable therein and which such State designates as appropriate for compensation under its program; or

(B) any act or omission that would be a qualifying crime under subparagraph (A) except for the fact that such act or omission is subject to exclusive Federal jurisdiction; and

(9) "administrative expenses" includes any fee awarded by the State agency administering a State compensation program to any claimant's attorney, if such fee is paid in addition to, and not out of, the amount of compensation awarded to such claimant.

AUTHORIZATION

SEC. 8. For the purpose of carrying out the provisions of this Act, there are authorized to be appropriated $30,000,000 for the fiscal year ending September 30, 1980; $40,000,000 for the fiscal year ending September 30, 1981; and $50,000,000 for the fiscal year ending September 30, 1982.

EFFECTIVE DATE

SEC. 9. Grants may be made under this Act with respect to the fiscal year which ends September 30, 1980, and succeeding fiscal years.

VICTIMS OF CRIME ACT OF 1979

Section-by-section analysis of the Legislation.

SECTION 1

Section 1 of the bill provides that the short title of the legislation is the "Victims of Crime Act of 1979".

SECTION 2

Section 2 of the bill vests responsibility for administering the provisions of the legislation in the Attorney General. The Attorney General may delegate primary responsibility for administration to any person in the Department of Justice who is compensated at the rate provided for level II, III, IV, or V of the Executive schedule.

Section 2 also establishes an Advisory Committee on Victims of Crime composed of nine members appointed by the Attorney General, seven of whom must be officials of States with programs that qualify for a grant under section 4 of the bill. The members will serve 1 year terms and will receive only transportation and travel expenses and a per diem allowance while away from their homes in the performance of their services for the committee. The purpose of the committee is to advise the Attorney General on matters relating to the administration of the legislation and to the compensation of crime victims. Since a majority of the committee will consist of officials from States that qualify for grants under section 4 of the bill, those directly affected by the manner in which the legislation is administered will have a direct and formal method of making their views known to the Attorney General.

SECTION 3

Section 3 of the bill sets forth the powers of the Attorney General. Section 3(a) gives the Attorney General the power to make annual and supplemental grants to qualifying State crime victim compensation programs. The grants may be made in advance or by way of reimbursement and are subject to the availability of appropriated money. The legislation, therefore, does not create an entitlement program. The grants are also subject to the limitations found in section 5 of the legislation.

The formula for determining the amount of a grant that a qualified State victim compensation program is eligible to receive is established by section 3(a). Under that formula, a qualified State victim compensation program may receive, during a Federal fiscal year, an amount equal to 25 percent of its cost of paying compensation to victims of most qualifying crimes (those that fall within State jurisdiction) and 100 percent of the cost of paying compensation to victims of those analogous Federal crimes described in section 7(8)(B) of the legislation (those crimes occurring within the State that fall within exclusive Federal jurisdiction).

Section 3(a) expressly precludes the Attorney General from modifying the disposition of any individual claim processed by any State agency administering the State's crime victim compensation program. The responsibility for administering each State program rests solely with the State involved.

Section 3(b) of the bill sets forth the powers of the Attorney General with respect to this legislation. This section does not authorize the Attorney General to involve himself in matters pertaining to the administration of a State program.

SECTION 4

Section 4(a) of the bill sets forth nine qualifications that a State crime victim compensation program must meet in order to be eligible for an annual or supplemental grant from the Attorney General. If a State victim compensation program meets all nine qualifications, it is eligible for such grants. Any State victim compensation program—whether presently in operation or established subsequent to the enactment of this legislation—is eligible for such grants if it meets all the qualifications set forth in section 4 of the bill.

Section 4(a)(1) requires that the State program offer "(A) compensation for personal injury to individuals who suffer personal injuries which were the result of qualifying crimes; and (B) compensation to the surviving dependent or dependents of individuals whose deaths were the result of qualifying crimes." These terms are defined in Section 7.

Section 4(a)(2) requires that the State crime victim compensation program offer to aggrieved claimants the right to a hearing with administrative or judicial review. No particular form of administrative or judicial review is required by the legislation.

Section 4(a)(3) provides that a State crime victim compensation program must require claimants to cooperate with law enforcement authorities in order for that program to qualify for a grant under the legislation. Cooperation with law enforcement authorities is an important part of a crime victim compensation program. It assists in law enforcement efforts to apprehend, prosecute and convict criminal offenders by encouraging greater citizen participation in the criminal justice system. Moreover, it helps guard against fraudulent and collusive claims. The cooperation required is reasonable cooperation and the victim should not be denied compensation because the victim failed to comply with an unreasonable request of a law enforcement official. Whenever an issue is raised regarding the victim's good faith cooperation, the State program will be vigilant in acertaining that the requests made by law enforcement authorities of the victim were reasonable.

Section 4(a)(4) provides that the State crime victim compensation program cannot base eligibility for compensation upon the financial impact of the offense on the claimant. This provision prohibits a State from utilizing what is commonly referred to as a "means test". Such a test denies compensation to a crime victim unless the crime imposes a financial hardship, variously defined, upon that victim. The intended purpose of this test is to hold down compensation costs, although the imposition of the test results in additional investigative costs.

The rationale for this prohibition in Section 4(a)(4) is the belief that no innocent victim of a crime should be required to bear the economic burden of the crime, that a uniform standard of eligibility should be used nationwide, that means tests are inherently arbitrary and demeaning, that such test may have the effect of discouraging claimants from applying for compensation, and that there has been no conclusive showing that such tests are cost effective.

Section 4(a)(5) requires that the State be subrogated to any claim that the claimant has against the perpetrator of the qualifying crime for damages resulting from that crime. The State is to be subrogated to the extent of any money paid to the claimant by the program. The right of subrogation is an important element of a State victim compensation program. It prevents double recovery by a victim. Moreover, since the State may be in a better position to pursue any claim against the wrongdoer, subrogation may result in the wrongdoer, rather than the State, paying at least a part of the victim's loss. However, subrogation is unlikely to result in significant revenues for the State because too few criminals are caught and convicted, and most of those who are caught and convicted are judgment proof.

Section 4(a)(6) provides that the State program may not "require claimants to seek or accept any benefits in the nature of welfare, unless such claimants were receiving such benefits prior to the occurrence of the qualifying crime which gave rise to the claim." Thus, a qualified State victim compensation program cannot require that a claimant seek or accept welfare benefits in lieu of, or in addition to, any award of compensation it makes, unless that claimant was receiving those welfare benefits prior to the crime that resulted in the claim.

Section 4(a)(7) requires that a State victim compensation program must deny or reduce a claim if the victim is found by the agency administering the State program to have contributed to the infliction of the death or injury that is the basis for the claim. Thus, for example, where the agency administering the State program finds contributory fault on the part of the victim, the victim's claim would have to be reduced or denied altogether.

Section 4(a)(8) requires that State law permit a restitution obligation to be imposed upon criminal wrongdoers. The provision is broadly drawn. A State may satisfy the restitution requirement by means of legislative enactment, either as a part of its crime victim compensation statute or elsewhere in the State's statutes, by means of administrative regulation, or by means of court decision, practice or procedure. The State may impose the restitution obligation at the time of sentencing, in addition to or in lieu of any fine or term of years imposed; the restitution obligation can also be imposed after sentencing, as a condition of parole, for example.

Restitution and crime victim compensation are complementary concepts. Because so few offenders are caught and convicted, and because so many of those who are caught and convicted are people of limited means, restitution will be of no help to most crime victims. Nonetheless, it is important that to the extent possible criminal wrongdoers ought to help pay for the losses sustained by their victims.

Section 4(a)(9) requires that the State program not require that any person be apprehended, prosecuted or convicted of the crime upon which a claim for compensation is made. A person is being compensated because that person has been the victim of a crime. A person's status as a crime victim does not change because the police were unable to catch the wrongdoer, or because the prosecutor decided to drop the charge against the wrongdoer as a part of a plea bargain, or because the case against the wrongdoer was dismissed on a technicality.

Section 4(b) gives the States that presently have crime victim compensation programs a grace period in which to meet all of the requirements of the legislation. It provides that such States have until the day after the close of the first regular session of the State legislature which begins after the effective date of the legislation in order to bring their programs into compliance with all of the requirements of the legislation. Until that date, such States will be eligible for grants under the legislation. One of the purposes of this legislation is to give financial assistance to States that operate crime victim compensation programs. Since the times when State legislatures meet varies greatly among the various States, a grace period for existing State Crime victim compensation programs is advisable.

SECTION 5

Section 5, entitled "Limitations on Federal Grants" provides that certain expenses are excluded from the cost of operating a State victim compensation program when calculating the cost of that program for the purpose of computing the Federal grant. It provides, for example, that administrative expenses are not included in calculating the cost of a State program.

Section 5(1) provides that any amount awarded by a qualified State program for "pain and suffering" shall be excluded from the cost of paying compensation when determining the amount of the grant. The term "pain and suffering" is used in its tort law sense and represents amounts awarded on the basis of subjective evaluation of the extent to which someone endured discomfort. A State program may make such awards without jeopardizing its status as a qualified program. However, the amount of any award designated as compensating the claimant for pain and suffering will not be included in the State program's cost of paying compensation when the amount of its grant is determined.

Section 5(2) provides that any amount awarded by a qualified State program for property loss shall be excluded from the cost of paying compensation when determining the amount of the grant. Thus, for example, a qualified State program that chooses to compensate victims for stolen cars or other personal property would not be able to include amounts for such awards in its cost of paying compensation.

Section 5(3) provides that any amount awarded by a qualified State program in excess of $35,000 shall not be included in the cost of paying compensation when determining the amount of the grant. Where the victim is deceased, the awards paid to the victim's dependents are aggregated. All aggregated amounts in excess of $35,000 are excluded from the cost of paying compensation when determining the amount of the grant.

Section 5(4) provides that any amount awarded by a qualified State program to a claimant "who has received or who is entitled to receive compensation from any source other than a compensation program assisted under this Act or the perpetrator of the qualifying crime, up to the amount of that compensation," shall be excluded from the cost of paying compensation when determining the amount of the grant. The purpose of this collateral source provision is to discourage the making of awards that would result in double recovery by a claimant. Thus, for example, a claimant may be entitled to be reimbursed by an insurance plan for all or a part of his medical expenses. That part of the State program's award which duplicates the reimbursement form the insurance plan will not be included in the cost of paying compensation when determining the amount of the grant.

Section 5(5) provides that awards for less than $100 and awards for lost earnings or loss of support computed on the basis of less than 5 work days, shall be excluded from the cost of paying compensation when determining the amount of the grant. Claimants who are sixty-two years of age or older are exempted from this provision however. This is a recognition of the special problems and needs of elderly crime victims. Many of our elderly citizens, because they must live on relatively low fixed incomes, live in or near relatively high-crime areas. The elderly are physically vulnerable to criminal acts, and the emotional, as well as the physical trauma caused by crime can be quite acute. The exemption is intended to encourage States to recognize the special problems and needs of the elderly crime victim.

Section 5(6) provides that any amount awarded by a qualified State program in excess of $200 per week for lost earnings or loss of support shall be excluded from the cost of paying compensation when determining the amount of the grant.

Section 5(7) provides that any amount awarded by a qualified State program to a claimant who filed a claim more than 1 year after the occurrence of the qualifying crime shall be excluded from the cost of paying compensation when determining the amount of the grant—unless the agency administering the State program has found "good cause" for the delay. A number of State programs have more stringent filing requirements. The legislation does not require those States to change their requirements.

Section 5(8) provides that any amount awarded by a qualified State program to a claimant who failed to report the qualifying crime to law enforcement authorities within 72 hours after the occurrence of that qualifying crime shall be excluded from the cost of paying compensation when determining the amount of grant—unless the agency administering the State program has found "good cause" for the failure to report within 72 hours. A number of State programs have more stringent requirements about reporting to the police. The legislation does not compel those States to change their requirements.

SECTION 6

Section 6(a) requires the Attorney General to report annually on the administration of the legislation. Sections 6(1)(C) and (D) require that the Attorney General gather and report upon data pertaining to emergency awards of compensation. Several State programs provide for an expedited award of compensation in situations where the innocent crime victim is in great need. The Maryland statute, for example, provides for an emergency award of up to $500 if it is determined that (a) the "claim is one with respect to which an award probably will be made and (b) undue hardship will result to the claimant if immediate payment is not made . . ." Annotated Code of Maryland Art. 26A, § 11.

It would appear that the elderly, many of whom live on relatively low fixed incomes which they receive in periodic payments, would particularly benefit from provisions permitting emergency awards of compensation. States with qualified programs that do not provide for emergency awards of compensation are encouraged to evaluate their programs to determine whether they are fully meeting the needs of the innocent victims of crime, particularly the elderly victims of crime.

Section 6(b) requires the Attorney General to study State laws concerning unjust enrichment of criminal wrongdoers and to recommend to Congress whether or not States should be required to have such provisions in effect in order to qualify for grants under this legislation. The Attorney General's study will encompass the policy questions, as well as the constitutional issues raised by unjust enrichment proposals.

SECTION 7

Section 7 of the bill defines certain terms used in the legislation.

Section 7(1) defines "claim" to mean "a written request for compensation made by or on behalf of a victim or any surviving dependent of a victim."

Section 7(2) provides that for the purpose of administering the legislation, the term "dependent" means what each State defines it to mean for purposes of its victim compensation program.

Section 7(3) provides that for the purpose of administering legislation, the term "personal injury" means what each State defines it to mean for purposes of its victim compensation program.

Section 7(4) defines "State" to include every State of the Union, the District of Columbia, the Commonwealth of Puerto Rico, the Trust Territory of the Pacific Islands, and any other territory or possession of the United States.

Section 7(5) defines the term "compensation for personal injury" to mean "compensation for loss which is the result of personal injury" and includes: (1) appropriate and reasonable expenses for hospital and medical services; (2) appropriate and reasonable expenses for physical and occupational therapy and rehabilitation; and (3) loss of past and anticipated future earnings.

The definition refers to "method of healing recognized by the law of the State." This phrase is intended to encompass payments for modes of nonmedical care and treatment which are rendered in accordance with a method of healing that is recognized as lawful in the State, such as that method practiced by Christian Scientists. The phrase "law of the State" is understood not to be limited to a State's victim compensation statute but to encompass the entire corpus of that State's law.

Section 7(6) provides that the term "property loss" does not include expenses incurred for medical, dental, surgical or prosthetic services and devices. This permits awards that compensate claimants for expenses connected with replacing or repairing such items as broken eyeglasses, dentures, artificial limbs, hearing aids, or wheelchairs to be included in the cost of paying compensation when determining the amount of the grant.

Section 7(7) defines the term "compensation for death" to mean compensation for loss which is the result of death caused by a qualifying crime, including all reasonable and appropriate funeral expenses and loss of support to any dependent of the victim.

Section 7(8) defines the term "qualifying crime" to mean (A) any act or omission occurring in the State which is criminally punishable and which the State designates that it will compensate the victims of, and (B) any act or omission that would qualify under (A) but for the fact that the act or omission occurred within the exclusive federal jurisdiction. Thus, while each State with a qualified program has complete freedom to specify those crimes whose victims will be eligible for compensation, it must make all victims of those crimes eligible, without regard to the victim's State or residency. A qualified State program will be eligible for a grant equal to 25 percent of the cost of paying compensation to the victims of such crimes.

Section 7(8) requires that States compensatee the victims of certain crimes that fall within exclusive Federal jurisdiction. The crimes involved are those that are "analogous" to the State crimes whose victims are eligible for compensation. However, in return for a State program assuming this burden, it will be eligible for a grant equal to 100 percent of the cost of paying compensation to the victims of "analogous" crimes.

Section 7(9) defines the term "administrative expenses" to include an award of an attorney's fee if the fee "is paid in addition to, and not out of the amount of compensation." Therefore, amounts representing awards of attorneys' fees paid in addition to the compensation are not included in the State program's cost of paying compensation when determining the amount of the grant.

SECTION 8

Section 8 authorizes the appropriation of funds to carry out the legislation. $30 million is appropriated the first year, $40 million the second, and $50 million the third. The three year authorization period covers fiscal years 1980, 1981, and 1982.

SECTION 9

Section 9 deals with the effective date of the legislation. Under this section, a qualified State program would be eligible to receive a grant covering compensation paid to crime victims on or after October 1, 1979.

● Mr. BAYH. Mr. President, I am pleased to cosponsor the Victims of Crime Act of 1979 introduced today by my colleague from Massachusetts, Senator KENNEDY. I believe the time has come for the Federal Government to reimburse in some measure the innocent citizen who has suffered personal injury and economic loss due to the criminal acts of others. It is indeed not only ironic but unjust that the Federal Government spends upward of $10,000 annually to feed, clothe, shelter, and rehabilitate persons convicted of crimes, yet provides the innocent victims nothing but sympathy to compensate them for the personal injury and lost earnings they have suffered. All too often the victim's needs are simply forgotten or ignored.

Mr. President, it is of particular importance to me that the Victims of Crime Act will provide needed assistance to our senior citizens. As we are all acutely aware the fixed incomes upon which the elderly must often rely forces them to live in relatively high crime areas. Moreover, their very age increases the likelihood that if they become the target of crime they will suffer injuries requiring extensive medical treatment. It is indeed a compounded tragedy to turn our backs on people who have been victimized not only by the criminal but also by the heavy burdens of the costs of medical treatment and rehabilitation.

Another positive feature of this legislation is that it will encourage victims to cooperate with law enforcement authorities in their efforts to apprehend, prosecute, and convict the criminal offender.

Mr. President, the concept that society should assist those who have been the victims of crimes is not a new one. We can trace it back almost 4,000 years to the ancient Babylonian Code of Hammurabi which provided such compensation to citizens. In recent years, this Chamber has passed similar legislation seven times. I urge my colleagues to again adopt this measure in hopes that we shall at last grant to the victims of crime the assistance they so desperately need.●

● Mr. METZENBAUM. Mr. President, I am pleased to join the chairman of the Judiciary Committee in introducing the Victims of Crime Act of 1979.

This legislation, which was originally introduced by the late Senator Hubert Humphrey with the cosponsorship of 20 Senators, provides grants to assist the States in operating programs designed to compensate the victims of violent crimes. The Senate has passed victim compensation legislation in four successive sessions, beginning in the 92d Congress.

Victim compensation is a concept that enjoys widespread support. Some form of Government compensation for crime victims exists in 23 States, including my own State of Ohio. Several States without programs are interested in implementing compensation laws, but are delaying final passage in anticipation that Federal assistance will be forthcoming. Therefore, passage of the Victims of Crime Act will prompt the States to complete the work which they have already begun.

By adopting this bill, we will improve the administration of criminal justice and also aid innocent people who have suffered the misfortune of a criminal attack.

Compensation programs encourage cooperation with law enforcement agencies. An individual is provided with incentive to endure the sometimes arduous task of identifying suspects, appearing in court, and staying with a case until it is finally resolved. The availability of compensation will go a long way toward reducing the bitterness and alienation that is so often a part of criminal victimization. The victim will see that the system recognizes his rights, and is sensitive to his needs.

Crime, particularly violent crime, disproportionately affects our poorer citizens and the elderly. Compensation could well be the most important function society provides to someone who incurs medical expenses, lost wages and other costs.

Mr. President, it is unfortunate that we have not suceeded in stemming the rising crime rate. But if we are willing to spend billions of dollars on law enforcement with no guarantee of a worthwhile return, we should be more than willing to make a modest expenditure to support victim compensation programs of proven effectiveness.●

By Mr. BENTSEN:

S. 191. A bill to protect the confidentiality of the identities of certain employees of the Central Intelligence Agency; to the Committee on the Judiciary.

PROTECT CONFIDENTIALITY OF INTELLIGENCE OFFICERS

● Mr. BENTSEN. Mr. President, today I reintroduce legislation to protect the identities of intelligence officers who perform dangerous and important work under difficult circumstances.

My legislation would make it a criminal offense for past or present employees of the Central Intelligence Agency to reveal the identity of intelligence officers who need protection. It will prohibit former employees from revealing the names, addresses, and telephone numbers of such officers. It will punish violations with up to 10 years in prison.

In recent years, a small band of disgruntled radicals have begun a crusade against our intelligence agencies. They have revealed the names of foreign officers who cannot function without protection. They have threatened public demonstrations against those they name, at American embassies and at their homes. They have threatened to go beyond peaceful protest.

In their incredible fanaticism, they threaten to do deadly harm: deadly to our intelligence officers and dangerous to our national security. They are attacking our very ability to conduct an effective intelligence service, and they are willing to go to any lengths to do so. By publicly naming our intelligence officers they establish an open season for any political opponent or any terrorist group.

Mr. President, it is hard to imagine that current laws do not make this a crime. It is possible they do. Yet, some of our bright legal minds tell us it is conceivable that exposure of our intelligence officers is not punishable as a criminal offense. The legislation I introduce today will lay these doubts to rest. It will prohibit, in clear and decisive terms, former CIA employees from revealing the names, addresses or telephone numbers of intelligence officers who would be placed in jeopardy.

For years, for decades, intelligence employees have accepted the responsibility of protecting the confidentiality of other employees. They have honored this fundamental commitment. They have understood that it is basic to the effective functioning of our intelligence service. Today we must restore this obligation for all current or former employees.

Mr. President, in the last several years there have been revelations of abuse by our intelligence service. There were mistakes. There was wrongdoing. There was illegality. This conduct must never be tolerated, and it has not been tolerated.

A congressional committee has investigated the abuses and proposed changes. Changes have been made. Strong congressional oversight has been established. There are avenues for those who want to expose wrongdoing to do so without jeopardizing the lives of our intelligence officers and without harming our national security.

Our society will not tolerate lawlessness by anyone, for any reason, in any way. But the recent conduct of Philip Agee and his group has been dangerous and irresponsible, and has gone far beyond revealing abuse. They have threatened the lives of our officers and their families. They have tried to destroy our ability to collect vital intelligence data. As recent events in Iran have indicated, it is essential that we have informed and current intelligence information.

In 1977 Mr. Agee publicly named eight officials affiliated with our Australian Embassy, as employees of the CIA. These people had done no wrong, committed no crime, violated no law. This was exposure for the sake of exposure, pure and simple. Last year, at an International Youth Festival in Havana, Mr. Agee promised more of the same, and worse.

Mr. President, in light of these recent activities the Congress must respond. We must not overlegislate. We must not advocate an Official Secrets Act. We must keep open legitimate and effective avenues for the exposure of wrongdoing. But we must recognize that there is absolutely no excuse for recklessly threatening the lives of our intelligence employees and our intelligence capability.

My legislation is narrow. It would punish former employees who reveal the identities of current ones. It expressly states that those who were not privileged to have the information in the first place cannot be prosecuted. Journalists would, therefore, be protected from prosecution, although they would face usual legal issues regarding their sources.

We live in a dangerous world, where there are real enemies who wish us ill. We must have a strong intelligence service to meet our responsibilities around the world, to insure the security of our Nation, to protect our Nation's allies and our national ideals.

We must not condone those who threaten our ability to perform this important task. They go far beyond the bounds of rational or tolerable behavior.

Regardless of their motives, they serve the cause of the Gulag with as much force as paid employees of a foreign power. Perhaps they should consider their fate if they had named employees of the KGB. I doubt they would read about themselves in the newspapers. Instead, they might very well face capital punishment, but without a jury, without a trial, without an appeal, without an attorney, and without due process of law.

Mr. President, I ask unanimous consent that the text of my legislation, and an article that appeared last year in the Washington Post, be printed in the Record.

I ask my colleagues to read this material, and to join me in sponsoring this legislation, which will provide a clear message that we will not sit idly by while our intelligence officers and our national security are threatened so recklessly.

I today urge that the chairmen of the Senate Judiciary and Intelligence Committees conduct early hearings on this bill, and that the Senate give it prompt and favorable consideration.

There being no objection, the bill and article were ordered to be printed in the Record, as follows:

S. 191

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) whoever, being or having been in authorized possession or control of any information which identifies or which can lead to the identification of any individual or entity as being or having been an employee or agent of, or having been associated with, the Central Intelligence Agency and such information has been specifically designated by an Executive Order of the President as requiring a specific degree of protection, willfully discloses such information to any person not authorized to receive such information shall be fined not more than $10,000 or imprisoned not more than ten years, or both.

(b) Prosecution under subsection (a) shall be barred if any information described in subsection (a) is communicated to—

(1) a regularly constituted committee or subcommittee of the Senate or the House of Representatives, or any joint committee of the Congress, which has oversight jurisdiction of intelligence activities of the United States,

(2) a judge of any United States district court pursuant to an order of such court issued upon a showing that production of such information is reasonably needed for any judicial proceeding, and

(3) any Federal law enforcement officer, if application is made by the Attorney General of the United States, or any Assistant Attorney General specifically designated by the Attorney General, to the judge of any United States district court and such judge (A) makes a finding that the disclosure of any information described in the first section is essential to the investigation of a possible crime, and (B) issues an order authorizing the disclosure of such information to such law enforcement officer.

Sec. 2. As used in this Act, the term "authorized" means the authority to have access to, to receive, to possess, or to control information as a result of the provisions of a Federal statute or an Executive Order of the President.

Sec. 3. A person not authorized to receive information described in the first section of this Act shall not be subject to prosecution as an accomplice within the meaning of section 2 or 3 of title 18, United States Code, or to prosecution for conspiracy to commit an offense described in the first section of this Act.

WORLDWIDE EFFORT BEING LAUNCHED TO "DESTABILIZE" CIA

(By George Lardner, Jr.)

Perched just below Dupont Circle is the apparently temporary headquarters of a new international campaign to "destabilize" the Central Intelligence Agency.

The anti-CIA announcements are being made in Havana, but the vehicle is a magazine being put together by former CIA officer Philip Agee, "the agency's No. 1 nemesis," and a number of colleagues bent on "exposing CIA personnel and operations whenever and wherever we find them."

The new publication, which is expected to appear roughly six times a year, is called the Covert Action Information Bulletin, and its tone is uncompromising. Urging a worldwide effort to print the name of anyone who works abroad for the CIA, Agee advises readers of the premier issue not to stop there. Once the names have been made public, he recommends:

"Then organize public demonstrations against those named—both at the American embassy and at their homes—and, where possible, bring pressure on the government to throw them out. Peaceful protest will do the job. And when it doesn't, those whom the CIA has most oppressed will find other ways of fighting back."

Agee concludes: "We can all aid this struggle, together with the struggle for socialism in the United States itself."

"This thing is incredible . . . unbelievable," exclaimed CIA spokesman Herbert Hetu. "The motivation of these people has got to be more than that they're just ticked off at the CIA.

"This goes beyond whistle-blowing." Hetu added of the magazine. "Whistle-blowing is supposed to be directed at wrongdoing. These people are operating under the overall pretext that everything we do is wrong."

Expelled from Britain and a succession of other Western European countries over the past two years, Agee is reportedly living in Rome, but the magazine is being published here by C. I. Publications Inc., a nonprofit corporation set up in the District on Dec. 22.

Its incorporators, directors and officers are William H. Schaap, a lawyer and editor in chief of a newsletter called the Military Law Reporter; Ellen Ray, a colleague of Schaap on various boards and projects; and Louis Wolf, coeditor with Agee of a new book entitled "Dirty Work: The CIA in Western Europe."

It is designed partly as a how-to-do-it book aimed at "breaking the 'cover' of thousands of CIA agents around the world."

The headquarters of C. I. Publications Inc. is given in the incorporation papers as a sixth-floor suite in the Dupont Circle Building at 1346 Connecticut Ave. NW, which houses the Public Law Education Institute.

The institute's president, Thomas P. Alder, told a reporter yesterday he had not been aware of Schaap's use of the address for his "sideshow" magazine and indicated he would put a stop to it. The institute publishes the Military Law Reporter Schaap edits.

The financing for the new undertaking was unclear. Alder said Schaap, Agee and all the others who could answer such questions were still in Havana, where they have been taking part in an anti-CIA tribunal that began last week as part of the International Youth Festival.

In announcing the plans there, Agee and Schaap have said they hope to establish a worldwide network of "researchers" who will keep CIA officers under close scrutiny and forward their names to the Covert Action Information Bulletin for publication. Others associated with Agee in the so-called "CIA Watch" are James and Eisie Wilcott, former CIA finance and support personnel who are also taking part in the Havana festival.

In a joint statement in the first (July 1978) issue of Covert Action entitled "Who Are We," Agee and the others describe the magazine as a successor to Counter-Spy, which went out of business a year and a half ago.

Counter-Spy folded after a welter of controversy over the 1975 assassination in Athens of CIA station chief Richard S. Welch. The magazine had earlier listed Welch's name as a CIA official stationed in Peru.

Unlike Counter-Spy, Agee and the others said in the first issue of Covert Action, "We are confident that there will be sufficient subscribers to make this publication a permanent weapon in the fight against the CIA, the FBI, military intelligence and all the other instruments of U.S. imperialist oppression throughout the world."

According to John H. Rees, editor of a conservative newsletter called Information Digest and Washington correspondent for the Review of the News magazine (originally put out by the John Birch Society), Schaap is a member of the National Lawyers Guild, and, with Ray, served on the Counter-Spy magazine advisory board. The two also participated together in the National Lawyers Guild's Southeast Asia Military Law Project and served as the guild's observers in February 1977 at the Baader-Meinhof trials in Stammhein. Rees reported in Information Digest's latest issue.

Several hundred copies of Covert Action were reportedly sent from Washington, and more were distributed free in Havana.●

By Mr. BUMPERS:

S. 192. A bill to amend the Internal Revenue Code of 1954 to equalize the tax treatment of domestic and foreign investors; to the Committee on Finance.

● Mr. BUMPERS. Mr. President, I have today introduced a bill to amend the Internal Revenue Code of 1954 to equalize the tax treatment of domestic and foreign investors in property located in the United States. The purpose is self-evident, to insure that American investors are not disadvantaged by the tax laws in making capital investments.

Currently, the code allows nonresident alien individuals to escape capital gains completely upon the sale of a capital asset merely by staying out of the country for over half the year, and if they fail in that, they are allowed to treat the gain from sales or exchanges of real estate as connected with U.S. business, which is taxed at normal rates for ordinary income, rather than the flat 30 percent otherwise imposed upon capital gains. Foreign corporations are taxed upon capital gains only to the extent they are connected with U.S. business or if they fall within certain narrow categories and are not connected with U.S. business. As with nonresident alien individuals, they are also permitted to treat the gains from sales or exchanges of real estate as connected with U.S. business.

In contrast, Americans are fully subject to the ordinary income and capital gains taxes. They cannot escape capital gains taxes simply by leaving the country. American corporations pay capital gains taxes regardless of whether the underlying transaction was connected with U.S. business. Consequently, Americans may be placed at a serious disadvantage when investing in property located in the United States. An American who sells a capital asset is taxed on the gain, unless he reinvests in a like-kind asset. Thus his proceeds are either reduced immediately or restricted and subject to future tax, which confines his ability to reinvest. By comparison, foreign reinvestment may not be at all confined, leaving the foreign investor at a distinct advantage.

This bill largely removes that advantage by making foreign investors fully subject to capital gains taxes. They will retain the option to treat their gains from real estate as connected with U.S. business, thus taxable according to section 11 or section 1201(a), or as not so connected, thus taxable at a flat 30 percent. This option affords virtually the same treatment as the capital gains provision, which, as an alternative tax, requires the taxpayer to take the lower of the capital gains rate or the ordinary income rate.

To offset the fact that the foreign investor's U.S.-related income will be limited in most instances to his capital gains, unlike Americans who have taxable ordinary income as well, the bill also retains the present provision which does not afford nonresident alien individuals the 50-percent deduction of capital gains provided by section 1202. Consequently, the gains of foreign investors will be taxed at a broader range of rates than similar gains of American investors. Tax planning by foreign investors, such as selling in installments, will allow them to avoid the more severe marginal rates from which the 50-percent deduction shields American investors.

The bill also specifically enumerates capital gains income as a category of income to be taxed along with the present categories of income not connected with U.S. business. It retains the option for corporations to choose the flat 30 percent rate for those categories or the progressive rates for income connected with U.S. business. This treatment, as I have explained, parallels the alternative nature of the capital gains provisions, especially because the capital gains rate for domestic corporations is 30 percent.

This equalization of the tax treatment of foreign and domestic investors in U.S. property is especially necessary now, because the depressed value of the dollar is attracting much greater foreign investment, although we do not yet know the full extent of it. There is no reason to include the further attraction of a tax break.

I hasten to add that this bill is not an attempt to curtail foreign investment, and it should not be construed as such. As I have said, we do not yet know the extent of foreign investment in the United States, so there is no way to know at this time whether any curtailment measures should be considered. It simply puts domestic and foreign investors on equal footing.

Mr. President, I ask unanimous consent that this bill amending the Internal Revenue Code be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 192

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 871(a)(2) is deleted and a new Section 871(a)(2) is added as follows:

"SEC. 871(a)(2). In the case of a nonresident alien individual, there is hereby imposed a tax as provided by section 1201(b) upon the amount by which his gains, derived from sources within the United States, from the sale or exchange of capital assets at any time during the taxable year, exceed his losses allocable to sources within the United States, from the sale or exchange at any time during such year of capital assets. Such gains and such losses shall be determined without regard to section 1202 (relating to deduction for capital gains) and such losses shall be determined without the benefits of the capital loss carryover provided in section 1212. Any gain or loss which is taken into account in determining the tax under paragraph (1) of this subsection or subsection (b) shall not be taken into account in determining the tax under this paragraph";

That section 881(a) is amended by deleting the word "and" at the end of subparagraph 3(c), by adding the word "and" at the end of paragraph (4) and by adding new paragraph (5) as follows:

"(5) gains described in section 1222(11),".

By Mr. TOWER (for himself, Mr. NUNN, Mr. SCHMITT, and Mr. MORGAN):

S. 193. A bill to amend the Federal Trade Commission Act to provide for congressional review of each rule proposed by the Federal Trade Commission; to the Committee on Commerce, Science, and Transportation.

FEDERAL TRADE COMMISSION REGULATORY REVIEW ACT

• Mr. TOWER. Mr. President, on behalf of Mr. NUNN, Mr. SCHMITT, Mr. MORGAN, and myself I am introducing today the Federal Trade Commission Regulatory Review Act to amend section 18 of the Federal Trade Commission Act to provide the opportunity for congressional review of each rule proposed by the Federal Trade Commission. This bill is identical to S. 3296 which we introduced on July 13, 1978 in the 95th Congress.

The purpose of this proposal is to provide the American citizens through their elected representatives an effective and democratic means of control over the regulations governing what they can buy and sell in the marketplace.

The consistent growth of the bureaucracy—particularly the independent regulatory agencies such as the Federal Trade Commission—is leading us down the road to uncontrollable regulation. During the past 50 years, legislatures have been delegating to commissions lawmaking power with little or no strings attached. But the commissioners and their staffs who churn out these edicts are elected by no one: they are answerable neither to the President nor the Congress.

When Congress delegates wholesale powers limited only by vague standards, it abdicates the traditional legislative function of democratically determining public policy. The legislative review procedure which would be established under our bill restores to Congress its right to exercise control over this delegated power.

It is imperative that Congress act promptly to stem the flow of Government regulation.

The multitude of Government regulations costs business unnecessary billions annually in compliance with redtape—and, of course, the buying public picks up the tab as these costs are passed through to consumers.

For example, one economist figures that the aggregate cost of complying with Federal regulation came to $62.0 billion in 1976, or over $300 for each man, woman, and child in the United States. Others estimate that regulation inflates the prices consumers pay for goods and services by untold billions of dollars.

Devastating, too, is the impact of Government regulation and redtape on small business. The individual proprietor simply cannot cope with the paperwork because he does not have expensive attorneys and accountants to assist in compliance. The Federal Paperwork Commission was told that most information requests in agency rules were designed with large businesses in mind, and that the data derived from the smaller concerns was not worth the relative burden involved in complying. To compound this, when faced with demands or compliance action by the agencies, the small businessman is usually unable to vindicate his rights and is forced to cave in because he cannot afford the expense of litigation.

THE FEDERAL TRADE COMMISSION

There is a special need for close legislative oversight over the rulemaking activities of the Federal Trade Commission. The Commission has very broad authority to prohibit conduct which is considered "unfair" or "deceptive." Under this overly broad language, the agency can regulate practically every aspect of our commercial life. These FTC rules are not merely narrow interpretations of tightly drawn statutes, but are broad policy pronouncements which have the effect of substantive law.

One by one, the Federal Trade Commission has been rolling proposals off its assembly parlors—you name it. Many of these, such as the creditors' rule, override actions taken by State legislatures as well as Congress.

Not satisfied with the mundane role of analyzing advertising statements that may be "unfair" or "deceptive" claims, the FTC bureaucrats now feel obliged to protect the public from "noncognitive pictorials" which they proclaim as deceptions.

Nor does this "new activism" on the part of some of the members of the Commission instill public confidence in the integrity of its rulemaking process. Recently, U.S. District Judge Gerhard A. Gesell ruled that the chairman of the Commission's public statements and correspondence of record sustained the charge that he had conclusively prejudged the factual issues which will be disputed in the rulemaking proceeding on children's advertising. Judge Gesell observed:

> The chairman has by his use of conclusory statements of fact, his emotional use of derogatory terms and characterizations, and his affirmative efforts to propagate his

settled views made his further participation improper.

The small business community, in particular, is disturbed over this regulation run amok and is imploring Congress to assume its rightful role of effective legislative scrutiny.

CONGRESSIONAL REGULATORY REVIEW

The legislative review as contained in our bill is one of the most effective ways for the people, through their elected representatives, to regain control over a bureaucracy which spews out this ukase. By giving the elected Congress the right to review a regulation before it becomes effective, we will be bringing closer to the citizens the control over these regulations and at the same time sensitizing the bureaucracy.

There should be no substantial question as to the constitutionality of legislative oversight through the "legislative veto" as contained in our bill.

There has been widespread use of the legislative veto both on the Federal and State levels. It covers virtually the whole range of executive and administrative actions. Of particular significance is the growing use of the procedure by recent Congresses. The truth of the matter is that the last decade, Congress has been moving toward reliance on the veto as a major instrument of oversight. In very few instances have there been court challenges of this device and none have been successful.

One recognized authority on constitutional and administrative law had this to say about the constitutionality of the legislative veto:

> The overriding need for legislative control of delegated powers and increasing attempts to meet that need, at both federal and state levels, through provisions for legislative review of executive and administrative action lend support to the validity of the legislative veto. Experience with the legislative veto under the Reorganization Acts demonstrates its substantial contribution to the effectiveness of legislative oversight. The contention of critics who argue that the provision violates the veto clause is unsupported by authority. Indeed, the recent decisions suggest that the weight of authority, as well as experience, validates the legislative veto. The logic of the claim of unconstitutionality rests upon a perverted construction of the separation-of-powers doctrine. Such a construction is neither desirable nor justified at this late date of our administrative law, when we recognize, in the words of Justice Cardozo, that the separation of powers is not a "doctrinaire concept to be made use of with pedantic rigor."
>
> Moreover, consistent application of the view that the legislature cannot be empowered to disapprove a rule because disapproval is the exercise of a power to make laws would destroy the rulemaking powers of executive and administrative agencies themselves. Executive and administrative agencies are clearly empowered to make law through their rules. Otherwise, how can the legislature be enacting a change in the law through its disapproval power? If that is true, under the rigid separation-of-powers approach, are not delegations of such "lawmaking" powers to the agencies equally invalid? To invoke the separation of powers doctrine against the legislative veto is to return to a time when the maxim against the delegation of powers was inexorably applied. There is no more reason today to invalidate delegation of the annulment power to the legislature on separation of powers grounds than to invalidate delegations of the rulemaking power to agencies on a similar basis.
>
> "If this particular regulation by an executive official or executive-appointed agency reflects delegation of what is in substance legislative power, the question arises why the legislature may not provide instead that when exercising legislative rulemaking power, the agency is "an agent of the Congress" and the delegation of legislative power is conditioned on at least modest concurrence of the executive-appointed initiator and of the legislative branch. The American Constitution accommodates hybrids that work."
>
> As Justice White and the Court of Claims have noted, legislative disapproval of an executive or administrative act is not to be equated with enacting a law. Legislative approval by failure to pass a resolution of disapproval is merely a condition specified in the enabling statute by which the agency exercise of rulemaking power is governed. It is now beyond dispute that the legislature, in delegating rulemaking authority, can specify contingencies which must occur before delegated power may be exercised. This approach is applicable to the legislative veto: "The failure of Congress to pass such a concurrent resolution is the contingency upon which the reorganizations take effect. Their taking effect is not because the President orders them. That the taking effect of action legislative in character may be made dependent upon conditions or contingencies is well recognized."
>
> It would be most unfortunate if specious construction of a constitutional doctrine should bar the use of one of the most promising methods of control of executive and administrative action. Congress is in a unique position to supervise administrative authority and the legislative veto is a valuable tool in this task.
>
> The legislature is the one organ of government both responsive to the electorate and independent of the administration. As the source of rulemaking power, it must be able to control the exercise of such power. Nor is it sufficient that improper rules and regulations can be dealt with by statute. As the court in *Atkins* noted, "Congress plainly felt the need for this veto device, instead of relying solely on the power to override presidential recommendations by a full-fledged statute."
>
> The great need in an era of expanding administrative authority is to establish effective safeguards outside the executive branch. Independent control can, in practice, be exercised only by the legislative and judicial branches. In this country, we have adequately developed control by the courts. Techniques for direct legislative supervision, however, have been neglected. The legislative veto enables American legislatures to assume their rightful place as effective supervisors of delegated powers.
>
> "In tne world of reality the mechanism, as we have underscored, was a fair substitute for full bicameral concurrence, did not materially invade the Executive's own sphere, and took due account of the limited presidential participation. It was a permissible accommodation of competing interests, reflecting both an appropriate check by Congress upon the Executive and some check by the Executive upon the action which could be taken by one House alone."
>
> (Schwartz, *The Legislative Veto and the Constitution—A Reexumination,* 46 Geo. Wash. L. Rev. 351, 374 (1978).)

THE FEDERAL TRADE COMMISSION REGULATORY REVIEW ACT

The FTC Regulatory Review Act provides the opportunity for congressional review and possible disapproval of each formal rule proposed by the Federal Trade Commission.

The Commission would be required to transmit a copy of substantive rules or regulations to both Houses of Congress. The rule would not become effective if within 90 days both Houses adopt a concurrent resolution disapproving the rule or if within 60 days one House adopts a concurrent resolution which is transmitted to the other House and within 30 days the other House does not disapprove the concurrent resolution.

The burden of review placed upon Congress under this procedure would be minimal. The procedure does not require Congress to take formal action on any proposed rule unless it desires to disapprove the rule. Furthermore, congressional experience with the numerous veto measures now on the books gives no indication that the procedure has been burdensome.

Mr. President, in the last session of Congress, the House of Representatives overwhelmingly voted to adopt an amendment to H.R. 8316, the Federal Trade Commission Amendments of 1978, offered by Congressmen BROYHILL and LEVITAS and providing a congressional review procedure identical to our bill. Unfortunately, the conference committee dropped the veto provision from H.R. 8316, leading to the defeat of the conference report by the House. The proposal will probably be adopted again by the House during the 96th Congress.

To provide the people of this country through their elected representatives in Congress a more effective control over the laws that govern them, we urge the Members of the Senate to join us in the enactment of the FTC Regulatory Review Act.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 193

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this act may be cited as the "Federal Trade Commission Regulatory Review Act".

SEC. 2. (a) Section 18(a)(1) of the Federal Trade Commission Act (15 U.S.C. 57a(a)(1)) is amended by striking out "The" and inserting in lieu thereof "Subject to the provisions of subsection (i), the".

(b) Section 18 of the Federal Trade Commission Act (15 U.S.C. 57a) is amended by adding at the end thereof the following new subsection:

"(i)(1) Notwithstanding any other provision of this Act, simultaneously with prescribing any rule under this Act, the Commission shall transmit a copy thereof to the Secretary of the Senate and the Clerk of the House of Representatives. Except as provided in paragraph (2), the rule shall not become effective, if—

"(A) within 90 calendar days of continuous session of Congress after the date the rule is prescribed, both Houses of Congress adopt a concurrent resolution, the matter after the resolving clause of which is as follows: 'That Congress disapproves the rule prescribed by the Federal Trade Commission dealing with the matter of , which rule was transmitted to Congress on .', the blank spaces therein being appropriately filled; or

"(B) within 60 calendar days of continuous session of Congress after the date the rule is prescribed, one House of Congress adopts such a concurrent resolution and transmits such resolution to the other House, and such resolution is not disapproved by such other House within 30 calendar days of continuous session of Congress after such transmittal.

"(2) If, at the end of 60 calendar days of continuous session of Congress after the date on which a rule is prescribed, no committee of either House of Congress has reported or been discharged from further consideration of a concurrent resolution disapproving the rule, and neither House has adopted such a resolution, the rule may go into effect immediately. If, within such 60 calendar days, such a committee has reported or been discharged from further consideration of such a resolution, or either House has adopted such a resolution, the rule may go into effect not sooner than 90 calendar days of continuous session of Congress after such rule is prescribed unless disapproved as provided in paragraph (1).

"(3) Congressional inaction on, or rejection of, a resolution of disapproval under this subsection shall not be deemed an expression of approval of the rule involved.

"For purposes of this subsection—

"(A) continuity of session is broken only by an adjournment of Congress sine die; and

"(B) the days on which either House is not in session because of an adjournment of more than 3 days to a day certain are excluded in the computation of 30, 60, and 90 calendar days of continuous session of Congress.".

(c) The amendments made by this Act shall apply to any rule of the Federal Trade Commission which has not become final on or before the date of enactment of this Act.●

● Mr. MORGAN. Mr. President, I am pleased to join with my colleague, the distinguished Senator from Texas, Mr. Tower, in introduction of the "The Federal Trade Commission Regulatory Review Act," which provides the Congress with an opportunity to review proposed rules of the Federal Trade Commission. I believe this opportunity for thoughtful review and possible rejection of FTC rules is sorely needed.

As the Senator from Texas rightly notes, our century has witnessed a steady growth in the size and scope of the Federal bureaucracy, and a similarly steady trend toward delegation of powers to that bureaucracy by the Congress. While Congress has in recent years reasserted its authority and policymaking role in both foreign and domestic affairs, the fact remains that much of the law we write is little more than vague statements of intent coupled with general guidelines. The real responsibility for determining public policy is often abdicated.

This abdication of policymaking responsibility is particularly acute vis-a-vis the independent agencies which have very broad mandates to regulate aspects of our national life. This is especially the case with the Federal Trade Commission, which can regulate in almost every aspect of American commercial life. To insure accountability and sensitivity, I believe a proviso allowing for potential congressional disapproval of FTC rules makes sense, and I hope the Federal Trade Commission Regulatory Review Act will receive the careful attention of this body, and stimulate meaningful debate on an important concept.●

By Mr. McGOVERN:

S. 194. A bill to regulate and control the acquisition of United States agricultural land by foreign persons, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

AGRICULTURAL FOREIGN INVESTMENT CONTROL ACT OF 1979

● Mr. McGOVERN. Mr. President, last year, under the able sponsorship of the chairman of the Senate Committee on Agriculture, Nutrition, and Forestry (Mr. Talmadge) the Congress passed Public Law 95–460, popularly known as "The Agricultural Foreign Investment Disclosure Act of 1978," providing principally for the registration of foreign investments in agricultural lands in the United States, with the Secretary of Agriculture, through the ASCS system. As a matter of record, Chairman Talmadge had requested statistical data from the General Accounting Office. The GAO responded with what information it had but indicated that complete data was unavailable without land transfer searches in the numerous county courthouses through the land where the original source data was kept. Thus, to monitor future transactions, the Talmadge bill is important because it provides for central data to be readily available in keeping track of this phenomenon of foreign investment that continues to be viewed with alarm throughout the agricultural community.

Only recently, the staff of the Agriculture Committee released a committee print entitled "Foreign Investment in United States Agricultural Land." The committee print is a thoroughly professional document containing the best statistics available from both the ASCS and the Extension Service concerning the trends in foreign ownership of U.S. farmland together with well conceived observations on the question by leading agricultural economists from the Library of Congress as well as authorities from major state universities. The existence of this document is the rationale for proceeding with the legislation which I propose today.

Chairman Talmadge has performed an admirable function in sponsoring the registry legislation that is today on our statute books. I suggest now that it is time to move on to the issue of regulation and control. This is a matter of serious public policy for our Nation and I feel that it is time for the dialog to begin. As Prof. Harold F. Briemyer of the University of Missouri states so well:

> The least to be said about the issue of permitting foreign ownership of U.S. farmland, unequivocally and undeniably, is that it is a legitimate issue for public debate and public decisions.

The question itself already exists in the public sector of the United States. Much has been written in the agricultural press as well as city newspapers casting wary eyes at "known" acquisitions and asking hard questions regarding acquisitions clothed by one corporate veil or another which are in fact "unknown." The national and respected CBS television program "Sixty Minutes" several months ago devoted a substantial portion of one of its editions to this question and concluded that there is probably as much that is "unknown" in terms of statistical data as that which is "known."

It is thus in the spirit of starting the dialog here in the Congress that I send to the desk for appropriate reference a bill entitled "The Agricultural Foreign Investment Control Act of 1979" which attempts to regulate the acquisition of interests in U.S. agricultural land by foreign persons. My bill would prohibit land being acquired by a foreign person—corporation, partnership, and so forth—larger than a family-sized farm. The foreign person could only hold a minority share of the ownership of the land and the person would be limited to an interest in only one farm.

Applications to the Secretary of Agriculture for purchase would be the initial entry mechanism to the process of ownership and the Secretary would be authorized to maintain control of all acquisitions in determining the best interests of the United States.

To those who might view these provisions as harsh or not in the spirit of free enterprise, let me say that I do not consider the provisions of the legislation to be cast in concrete. I do view them as a vehicle to get this national dialog going. I would hope for early hearings on the bill and I strongly suspect that it will cause a good deal of comment in both the agricultural and business communities.

Let me remind my colleagues that this is not an unprecedented world legislation initiative. The committee print to which I have referred contains a substantial section on restrictions on foreign ownership of land elsewhere. Nearly all the OPEC countries either outlaw foreign ownership or impose severe restrictions and constraints on those who are able to obtain permits. Japan imposes caveats which make my suggestions pale by comparison. West European nations almost universally impose varying regulations and overview. I think that it is safe to say that in one form or another nearly every country in the developed world maintains some mechanism of either prohibition, limitation or overview with respect to foreign ownership. It is also safe to say that under present conditions the United States is the easiest place to purchase either farmland or private land of any country in the developed world.

During the 18 months from January 1, 1977, to June 30, 1978, the ASCS reports that there were 560 land transactions by foreign investors amounting to about 826,000 acres of farm and ranch land of which 341,000 acres were cropland. Twenty States accounted for over 90 percent of land transfers. Oregon was the first in number followed by Texas, Georgia, Louisiana, and Arkansas. In a general way, it can be said that so-called "Sun Belt" States seemed to attract most foreign investors.

Professor Breimyer logically asks, "Why do foreigners want to buy?" They want to buy for the same reasons Americans want to buy. Investment in farmland has been profitable over the last 10 years and prospects look good for the future. There is ample evidence that foreign interests want to buy to take advantage of capital appreciation (as high as 20 percent per year in some States) and to take advantage of present IRS regulations which eliminate the capital gains tax on aliens who buy and later sell U.S. land at a profit.

Evidence is also ample that particularly Europeans buy because of political stability in this country and because our present rate of inflation, though unacceptable to us, is still less than rates in their own countries. Sophisticated investors are also buying our land with cheap dollars, resulting from the current energy shortage and alarming imbalance in trade deficits. Depreciation of the U.S. dollar against strong currencies such as the yen, mark, or guilder make it easier for foreign investors to outbid other potential buyers of U.S. farmland.

The argument thus emerges that foreign investments tend to drive the price of farmland upward and in many instances eliminate either the young farmer or the established farmer from the market.

Though agricultural land is the greatest of our renewable resources, it is also a finite quantity. As one of my South Dakota farmer constituents so well pointed out to me, "The good Lord only made so much of it." As population expands and as wealth continues to concentrate itself, it is only natural to assume that those with resources will eventually inherit the earth. One of our humorists defined the Golden Rule as "Those with the gold make the rules." With our outflow of capital and influx of foreign ownership, it seems to me well within the confines of acceptable logic that the time has come to start to examine our house, examine our natural interests, and perhaps become more productive of what we have. Though this whole question still remains in manageable limits, in my judgment the time to determine our policy is now.

Mr. President, I ask unanimous consent that a summary of the major provisions of the "Agricultural Foreign Investment Control Act of 1979," together with the text of the bill itself, be printed in the RECORD.

There being no objection, the bill and summary were ordered to be printed in the RECORD, as follows:

S. 194

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Agricultural Foreign Investment Control Act of 1979".

FINDINGS AND DECLARATION OF POLICY

SEC. 2. (a) Congress finds that—

(1) United States agricultural land is a critical national resource that provides needed food and fiber for the people of the United States and others throughout the world, and is the source of much of the Nation's wealth, providing a livelihood for many of our citizens;

(2) excessive ownership or control of United States agricultural land by foreign persons threatens the continued use of the land for the benefit of the people of the United States; and

(3) acquisitions of interests in United States agricultural land by foreign persons are transactions in foreign commerce and regulation of such acquisitions as provided in this Act is necessary to regulate effectively such commerce.

(b) It is declared to be the policy of Congress, for the purpose of preserving and maintaining United States agricultural land in the national public interest, preserving the family farm system, and assuring that the people of the United States continue to have an adequate supply of food and fiber, to regulate and control the acquisition of interests in United States agricultural land by foreign persons.

DEFINITIONS

SEC. 3. When used in this Act—

(1) "family farm business" means an agricultural or forestry business in which the operating family does most of the work and all of the managing and takes most of the risks;

(2) "family farm unit" means a unit of agricultural land large enough to enable a family farm business to operate economically but no larger, as determined (for each farming or forestry region of the United States and each agricultural or forestry commodity (including livestock and poultry)) by the Secretary;

(3) "foreign nation" means any nation other than the United States;

(4) "foreign person" means—

(A) an individual who is not a citizen or national of the United States and who has not been lawfully admitted to the United States for permanent residence under the Immigration and Nationality Act.

(B) a person, other than an individual or a government, that is created or organized under the laws of a foreign nation or that has its principal place of business in a foreign nation,

(C) a person, other than an individual or government, that is created or organized under the laws of a State and in which, as determined by the Secretary under regulations prescribed by the Secretary, a significant interest or substantial control is held, directly or indirectly, by—

(i) an individual referred to in subparagraph (A) of this paragraph,

(ii) a person referred to in subparagraph (B) of this paragraph,

(iii) a government of a foreign nation, or

(iv) any combination of such individuals, persons, or governments, or

(D) a government of a foreign nation;

(5) "interest in United States agricultural land" means a legal or beneficial interest in United States agricultural land, including contracts for sale and similar arrangements, and leaseholds and other arrangements that are of sufficient duration or that have other characteristics that, as determined by the Secretary under regulations prescribed by the Secretary, effectively convey an ownership interest in, or control of the use of, the land, but not including easements, security interests, or other leases;

(6) "person" includes any individual, corporation, company, association, firm, partnership, society, joint stock company, trust, estate, or other legal entity;

(7) "Secretary" means the Secretary of Agriculture;

(8) "State" and "United States" include each of the fifty States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands of the United States, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and the Trust Territory of the Pacific Islands; and

(9) "United States agricultural land" means land located in the United States that is generally used for agricultural purposes (including the raising of livestock or poultry) or for forestry or timber production purposes, as determined by the Secretary under regulations prescribed by the Secretary.

ACQUISITIONS OF INTERESTS IN UNITED STATES AGRICULTURAL LAND BY FOREIGN PERSONS: LIMITATIONS

SEC. 4. Notwithstanding any other provision of law—

(a) Except as otherwise provided in subsections (b) and (c) of this section and section 7 of this Act, no foreign person may acquire an interest in United States agricultural land.

(b) A foreign person may acquire an interest in United States agricultural land only after the Secretary determines that—

(1) the foreign person holds or controls other interest in United States agricultural land and (if the foreign person is not an individual or government) each person holding a significant interest in, or substantial control of, the foreign person holds or controls no other interest in United States agricultural land;

(2) the United States agricultural land with respect to which an interest is being acquired is no larger than a family farm unit of land;

(3) all foreign persons holding or controlling interests in the United States agricultural land with respect to which an interest is being acquired will, with the proposed acquisition, together hold or control less than a 50 percent share in the beneficial ownership and control of the land; and

(4) the acquisition will not increase the amount of foreign ownership or control of agricultural land in the county (or other similar political subdivision) to a level that is incompatible with the best interests of the people of that county:

Provided, That, if the Secretary determines that an acquisition is in the best interests of the people of the United States, the Secretary may waive the determinations required, under clauses (a), (b), (c) and (d) of this sentence and permit an acquisition of United States agricultural land by a foreign person that does not comply with these limitations. The Secretary shall determine whether proposed acquisitions involve larger than family farm units of land on a case-by-case basis.

(c) Each foreign person desiring to acquire an interest in United States agricultural land shall submit an application for a permit to the Secretary. Applications shall (1) be submitted in such form and in accordance with such procedures as the Secretary may require and (2) contain all information known by the applicant that is relevant to the criteria set out in subsection (b) of this section and such other information as the Secretary may require.

DUTIES AND AUTHORITY OF THE SECRETARY

SEC. 5 (a) Not later than 180 days after the date of enactment of this Act, the Secretary shall—

(1) develop and make available a standard application form for use by foreign persons under section 4 of this Act; and

(2) prescribe regulations to implement this Act that include detailed descriptions of the types of interests in land and the methods of acquiring land that will be regulated under this Act. The regulations shall assure to the greatest extent possible that—

(A) all direct and indirect interests in land and all direct and indirect methods of acquiring land, and

(B) all persons in which substantial control is held or acquired by foreign persons or in which foreign persons hold or acquire a significant interest,

are covered by the regulations issued under this Act.

(b) The Secretary shall seek the cooperation and assistance of States and county governments, make maximum effective use of Department of Agriculture field offices, and use such other means as may be necessary, to make wide distribution of the standard application forms and instructions, publicize the restrictions on acquisition by foreign persons of interests in the United States agricultural land under this Act, and collect the applications required under section 4(c) of this Act.

(c) The Secretary shall review applications for permits submitted by persons under section 4(c) of this Act promptly and shall, within 90 days after receipt of an application, either issue a permit for the acquisition of the interest in United States agricultural land by the applicant or notify the applicant of the Secretary's determination that the application is not approved and the reasons therefor. The Secretary shall approve an application and issue a permit if the Secretary, considering all available information that is relevant to the application, determines that the application meets the criteria set out in clauses (1), (2), (3), and (4) of section 4(b) of this Act unless the Secretary determines that such acquisition would be contrary to the best interests of the people of the United States.

PROHIBITED ACT

SEC. 6. No person shall sell to a foreign person an interest in United States agricultural land, unless the foregn person has obtained a permit from the Secretary under section 5(c) of this Act.

APPLICATION OF SECTIONS 4, 5, AND 6 OF THIS ACT

SEC. 7. The provisions of sections 4, 5, and 6 of this Act shall not apply to acquisitions of interests in United States agricultural land made prior to the one hundred and eighty-first day after the date of enactment of this Act.

CIVIL PENALTY

SEC. 8. (a) If the Secretary determines that a person has violated a provision of this Act, or a regulation issued thereunder, such person shall be subject to a civil penalty imposed by the Secretary. The civil penalty for any such violation shall be such amount as the Secretary determines to be appropriate to achieve the purposes of the Act, except that such amount shall not exceed 50 percent of the fair market value, on the date of the assessment of the penalty, of the interest in agricultural land with respect to which the violation occurred.

(b) The Attorney General of the United States shall recover the amount of any civil penalty imposed under subsection (a) of this section in a civil action in an appropriate district court of the United States unless the person pays the penalty to the Secretary.

EFFECT ON STATE LAW

SEC. 9. No provision of this Act shall—

(1) limit or negate any State law governing real estate transactions, the acquisition of agricultural land in the State, and related matters; or

(2) be construed as indicating an intent on the part of Congress to occupy the field in which such provision operates to the exclusion of the law of any State on the same subject matter,

unless there is a direct and positive conflict between such provision and the law of the State so that the two cannot be reconciled or consistently stand together.

AUTHORITIES OF THE SECRETARY

SEC. 10. (a) The Secretary may take such actions as the Secretary considers necessary to monitor compliance with the provisions of this Act.

(b) The Secretary may assess and collect fees from foreign persons applying for permission to acquire United States agricultural land to cover the costs incurred by the Secretary in processing such applications under this Act and in monitoring compliance with the provisions of this Act.

SUMMARY OF THE MAJOR PROVISIONS OF THE AGRICULTURAL FOREIGN INVESTMENT CONTROL ACT OF 1979

This bill would regulate and restrict acquisitions of interests in United States agricultural land by foreign persons. Specifically, it would—

(1) prohibit the acquisition of United States agricultural land by foreign persons except under certain circumstances as follows:

(A) the land being acquired by the foreign person could not be larger than a family farm,

(B) the foreign person could only hold a minority share in the ownership of the land,

(C) the foreign person could not have an interest in more than one farm, and

(D) the Secretary could forbid an acquisition if it would cause excessive foreign ownership of farmland in the county:

Provided that the Secretary of Agriculture could waive these criteria if he determined that the acquisition was in the best interests of the United States;

(2) require foreign persons desiring to acquire interests in United States agricultural land to submit applications to the Secretarv of Agriculture;

(3) require the Secretary to review applications promptly and either issue the permit or notify the applicant of disapproval within 90 days after receiving the application;

(4) require the Secretary to approve an application and issue a permit if the applicant meets the criteria under the bill unless the Secretary determines that the acquisition would be contrary to the best interests of the United States;

(5) prohibit persons from selling United States agricultural land to foreign persons who have no permit;

(6) authorize the Secretary to assess civil penalties against persons who violate the bill, or regulations issued under it, not to exceed an amount equal to 50 percent of the fair market value of the interest in agricultural land with respect to which the violation occurred;

(7) define the term "foreign person" to include domestic corporations (or other domestic entities) in which a significant interest or substantial control is held by a foreign individual, entity, or government;

(8) define the term "interest in United States agricultural land" to include all legal or beneficial interests in land (including contracts for sale and long-term leases), but excluding easements and security interests;

(9) require the Secretary to seek the cooperation and assistance of States and county governments and make use of Department of Agriculture field offices in implementing the bill;

(10) provide that no provision therein will limit or negate State laws or be construed to occupy the field to the exclusion of State laws, unless there is a direct and positive conflict between the provision and State law;

(11) authorize the Secretary to collect fees from applicants to cover the costs of processing applications under the bill; and

(12) become effective with respect to real estate acquisitions made after 180 days following the date of enactment of the bill.●

By Mr. BUMPERS:

S. 195. A bill to extend through October 1, 1979, provisions which expired on October 1, 1978, relating to payment under the Social Security Act for services of physicians rendered in a teaching hospital; to the Committee on Finance.

● Mr. BUMPERS. Mr. President, I am introducing a bill that will extend until October 1, 1979, the time for implementation of section 227 of Public Law 92–603 which changed the general rule for reimbursement of physicians' services in teaching hospitals.

The 1972 Social Security Amendments, Public Law 92–603, contained a provision, section 227, which specified that the services of a physician in a teaching hospital would be reimbursed on a reasonable cost basis rather than on a reasonable fee-for-service (or charge) basis as is the case with physicians generally.

The regulations that had been drafted last summer by HEW to implement section 227 would have gone far beyond this stated intent. The regulations, if adopted, would have had a disastrous effect on medical education in my State and in almost every State in this country.

This issue came to my attention late in the session during the 95th Congress. I was contacted by the dean of the University of Arkansas Medical Center and told that the Health Care Financing Administration was preparing regulations pursuant to section 227 that would be implemented on October 1, 1978. During the last few days of the 95th Congress, I introduced an amendment to H.R. 5285, the Medicare-Medicaid Reimbursement Reform Act, which passed the Senate and provided for a delay until October 1, 1979, in the implementation of the regulations under section 227.

There was almost unanimous support for the amendment in the Senate, and there was strong indication of support in the House. Congressman Paul Rogers introduced a bill providing for the same delay as the amendment that was adopted by the Senate. However, the Medicare-Medicaid Reimbursement Reform Act died in conference.

Following the adjournment of Congress, I joined with Senator RUSSELL LONG, chairman of the Senate Finance Committee, and Senator HERMAN TALMADGE, chairman of the Health Subcommittee of the Senate Finance Committee, and asked that the Department of HEW recognize that additional time would be made available as soon as Congress reconvenes with the passage of legislation similar to the amendment that I introduced to H.R. 5285.

I ask unanimous consent that my letter to Secretary Califano and his response to my letter be printed in the RECORD at this point in my remarks.

There being no objection, the letters were ordered to be printed in the Record, as follows:

U.S. SENATE,
Washington, D.C., October 23, 1978.

Hon. JOSEPH A. CALIFANO, Jr.,
Secretary, Department of Health, Education and Welfare, Washington, D.C.

DEAR JOE: It is our understanding that regulations are being considered by H.E.W. to implement Section 227 of P.L. 92–603 regarding Medicare reimbursement for physicians in teaching hospitals.

During the last few days of the 95th Congress, the Senate passed an amendment to H.R. 5285, the Medicare-Medicaid reimbursement Reform Act, providing for a one-year delay in the implementation of the regulations under Section 227. Under the amendment, which was co-sponsored by twenty-seven Senators, regulations would not have had to be implemented until October 1, 1979.

There was almost unanimous support for

the amendment in the Senate, and there was strong indication of support in the House. Congressman Paul Rogers introduced a bill providing for the same delay as the amendment that was adopted by the Senate.

It is anticipated that the one-year delay will be passed by Congress soon after the beginning of the 96th Congress.

We believe that, by providing this additional time, it will be possible for the Department to make necessary improvements in the implementing regulations.

Accordingly, we could urge that your current regulatory efforts in this area reflect the additional time which, in all probability, will be made available as well as the need to make necessary, but equitable, improvements in this area.

Thank you for your consideration of this recommendation.

Sincerely,

RUSSELL B. LONG,
Chairman.
HERMAN E. TALMADGE,
Chairman, Subcommittee on Health.
DALE BUMPERS.

THE SECRETARY OF HEALTH,
EDUCATION, AND WELFARE,
Washington, D.C., November 20, 1978.

HON. DALE BUMPERS,
U.S. Senate,
Washington, D.C.

DEAR DALE: Thank you for your letter regarding the Department's intentions to publish regulations implementing Section 227 of P.L. 92-603. This part of the law concerns Medicare reimbursement for teaching hospitals.

I have reviewed the proposed rule and have now decided to delay issuing final rules until the Department completes an indepth study of the implications of these regulations. In the course of this study, HEW will be analyzing the views we have received to date as well as contacting other interested parties. I appreciate the interest you have taken in this matter. I have responded separately to Senators Long and Talmadge. You may be assured that I will keep you fully informed of the Department's actions in this regard.

Sincerely,

JOSEPH A. CALIFANO, JR.

Mr. BUMPERS. Mr. President, the medicare program was enacted to provide aged Americans with resources to obtain necessary medical and hospital services in a manner comparable to other Americans. Thus, where physicians in teaching hospitals provide private patient services, private patient compensation levels should be provided by the medicare program. To do otherwise is to undermine the availability of private patient levels of service.

I remain concerned that the Department of Health, Education, and Welfare, despite repeated extensions of the implementation date and a $3½ million study by the Institute of Medicine commissioned by the Congress, has failed to develop and propose regulations which achieve the objectives of the medicare program.

Mr. President, the time provided in the legislation I am introducing today should be used by the Secretary of Health, Education, and Welfare to consult with the Congress and the public in order to determine if section 227 as drafted can be implemented without forcing teaching hospitals to choose between becoming either a hospital for indigents or hospitals for paying patients. The current highly desirable situation in which both classes of patients are served would have been impossible under draft regulations that have been proposed by HEW.

Most university-operated teaching hospitals, as well as closely affiliated hospitals, are either now providing a private-type patient care for the majority of patients regardless of the ability to pay or have moved considerably in that direction over the past decade. This has been done in an effort to remove a two-class system in American medicine and provide uniformly high-quality service to all patients regardless of the source of payment. The regulations that were proposed under section 227 clearly perpetrated a two-class system based on the patient's ability to pay or source of payment and are discriminatory against individual patients under the Medicare Act (as well as physicians) depending upon their site of care.

Section 227 changed the general rule for reimbursement of physicians' services furnished in teaching hospitals because of information that revealed some improprieties on the part of hospitals and physicians in the receiving of funds for services rendered by House staff. The law was written on a poor data base involving only a few hospitals. Section 227 was, hence, written to stop abuses noted at that time in a few large public hospitals, but was applied across the board to all teaching hospitals.

The Secretary of HEW was to have adopted regulations under section 227 by October 1, 1978. Because of congressional interest and serious doubts about the impact of the regulations that would have been proposed by HEW, the Secretary of HEW has not acted. It is essential that Congress act quickly and pass this legislation. I call on the distinguished Senator from Louisiana, Mr. LONG, the chairman of the Senate Finance Committee, to hold hearings as soon as possible in order that this legislation can be acted on at the earliest possible moment by the 96th Congress. This extra time can be used by the Secretary of HEW to determine if section 227 can be implemented in any form. If not, the current law should be changed. Before I introduced my amendment extending the time for implementation of section 227, I introduced an amendment that would have repealed section 227. I still consider that a viable alternative unless enough flexibility can be found in the law to prevent the extreme disruption of services that would have occurred if section 227 had been implemented as previously planned.

Mr. President, I ask unanimous consent that the text of my bill be printed in full at the conclusion of my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 195

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 15(d) of Public Law 93-233 (as amended by section 7(c) of Public Law 93-368, the first section of Public Law 94-368, and section 7 of Public Law 95-292) is amended by striking out "October 1, 1978" and inserting in lieu thereof "October 1, 1979".

SEC. 2. The amendment made by the first section of this Act shall be effective from October 1, 1978, except that nothing in this Act shall be deemed to render improper any determination of payment under title XVIII of the Social Security Act made prior to the date of the enactment of this Act for any service provided during a cost accounting period which began on or after October 1, 1978.

By Mr. THURMOND (for himself, Mr. STAFFORD, Mr. RANDOLPH, Mr. STONE, Mr. DURKIN, Mr. BURDICK, Mr. GOLDWATER, Mr. GRAVEL, Mr. HOLLINGS, Mr. MELCHER, and Mr. MCGOVERN):

S. 196. A bill to provide chiropractic treatment when requested for veterans eligible for outpatient medical care; to the Committee on Veterans' Affairs.

● Mr. THURMOND. Mr. President, I am introducing a bill which will amend title 38 of the United States Code to authorize eligible veterans, upon request, to receive chiropractic care on an outpatient basis, if needed, under the VA medical care program.

Mr. President, during the last Congress the administration opposed a bill similar to the one I am now introducing on the basis that the proposal granted the veteran the authority to prescribe his own type of medical care. This drafting deficiency has now been corrected by including a provision in the bill that requires a doctor of chiropractic to make a determination of need for chiropractic care on a case-by-case basis for each individual veteran who seeks such care. Therefore, under the bill as now drafted, only those veterans in need of chiropractic care would receive chiropractic treatment, and such determination would be made not by the veteran, but by a qualified and competent professional in the health care field. I am hopeful that this amendment will eliminate the objection of the Veterans' Administration to the bill as formerly drafted, and will win that agency's unqualified support for this worthy proposal.

The total current chiropractic patient population of the United States is estimated to be 21.5 million. It is not known how many of this number are among the Nation's 30 million veterans population. Nevertheless, the likelihood is overwhelming that a substantial number of veterans who receive medical care at VA facilities are either active or potential chiropractic patients. Under present VA policy, however, chiropractic services are provided to eligible veterans only in the event that such treatment is recommended, on a case-by-case basis, by a physician paid by the VA.

Chiropractic services have been recognized under a variety of State and Federal health care programs. In addition to the medicare program, reimbursement for chiropractic services is also currently provided for under the Federal Employees Compensation Act. Additionally, a number of States include chiropractic services under their medical assistance programs.

The lack of readily available chiropractic care within the VA health care system stands in sharp contrast to that under the medicare program, which is administered by HEW. Under the medicare program, it is typical for eligible persons in need of chiropractic care to seek and obtain the services of a doctor of chiropractic. That person is then reimbursed for the cost of such services.

At a time in the area of veterans' affairs when the importance of freedom of choice is being emphasized more than ever before, particularly in the areas of representation before the VA and of review of administrative determinations by the Administrator of Veterans' Affairs, I think it is important for veterans to have a modicum of freedom of choice regarding selection of health care providers within the VA health care system. Clearly, the disparate treatment of citizens in need of chiropractic care before two Federal administrative agencies, both of which spend billions annually in the provision of health care to the American public, cannot be justified and should not be allowed to continue.

The bill which I am introducing would simply allow an eligible veteran to receive chiropractic care if the veteran so desired and provided a doctor of chiropractic determines that chiropractic care is needed. Accordingly under this proposal a veteran would be entitled to the same choice within the VA health care system as eligible persons now enjoy under the medicare program.

Mr. President, I send the bill to the desk and ask unanimous consent that it be referred to the appropriate committee for prompt consideration and that it be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 196

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (1) chapter 17 of title 38, United States Code, is amended by adding a new section 629 at the end of subchapter III as follows:

"§ 629. Chiropractic care

"Any veteran eligible for medical services under the provisions of this chapter who requests chiropractic care shall be furnished chiropractic care provided a doctor of chiropractic determines that chiropractic care is needed and provided that the doctor of chiropractic holds a degree of doctor of chiropractic from a school or college approved by the Administrator and is licensed to practice chiropractic in any of the States or territories or in the District of Columbia and has practiced chiropractic for a period of at least two years."

(2) By adding after

"628. Reimbursement of certain medical expenses," in the table of sections at the head of the chapter the following:

"629. Chiropractic care.".●

By Mr. INOUYE:

S. 197. A bill to amend the definition of the term "qualified vessel" under a capital construction fund; to the Committee on Commerce, Science, and Transportation.

● Mr. INOUYE. Mr. President, the legislation I am introducing today would amend section 607 of the Merchant Marine Act of 1936, to extend capital construction fund privileges to inland waterway towboat and barge operators and domestic ocean vessel operators engaged in coastwise and intercoastal shipping.

Pursuant to a capital construction fund agreement with the Secretary of Commerce, any United States citizen owning or leasing one or more "eligible vessels", as defined, may establish a capital construction fund.

The purpose of such an agreement is to provide qualified replacement vessels, or additional vessels, constructed or reconstructed in the United States, and documented under United States laws, by offering a tax incentive to vessel owners and lessors. Under existing law, qualified vessels must operate "in the United States foreign, Great Lakes, or noncontiguous domestic trade or in the fisheries of the United States."

Most of the deposits to the fund are attributable to what would otherwise be taxable income for Federal income tax purposes from the operation of eligible or qualified vessels. This income is not subject to tax for the tax year during which it is deposited in the fund. Tax consequences are deferred until withdrawals from the fund have occurred. Usually, this is with respect to "qualified withdrawals" for the construction or reconstruction of a qualified vessel of payment of principal or related indebtedness. The tax consequences result from a required reduction in basis, providing less allowable depreciation expense for vessels constructed or reconstructed with fund proceeds.

My proposal would expand the scope of the capital construction fund so that it could be used for vessels operating between points in the 48 contiguous States.

Mr. President, recently the president of the Shipbuilders Council of America, Edwin M. Hood, said that enactment of legislation such as I am introducing today would have an important threefold effect.

He said, and I quote:

> First, a cumulative balance of approximately $650 million in currently approved capital construction funds could be used toward the U.S. construction of vessels to meet an expected expansion of demand for domestic waterborne service over the next two decades;
>
> Secondly, for domestic shipping operators, the present problem of attracting equity capital and retaining earnings for fleet expansion and vessel replacements would be substantially alleviated; and,
>
> Thirdly, with the full spectrum of U.S. shipbuilding facilities, large and small, facing a scarcity of new contracts, unemployment for a significant number of shipyard workers could be avoided.

Mr. President, all three of these effects would support and enhance the shipping policy of the United States to promote a strong and viable merchant marine consisting of ships built in the United States, and owned and manned by U.S. citizens.●

By Mr. SARBANES:

S. 198. A bill to permit the burial of Chief Tayac in Piscataway Park, Oxon Hill, Md.; to the Committee on Energy and Natural Resources.

● Mr. SARBANES. Mr. President, the bill I am introducing today would permit the burial of Chief Turkey Tayac of the Piscataway Indian Tribe in Piscataway National Park. Congresswoman GLADYS SPELLMAN and I have joined in introducing identical legislation in both Houses of Congress providing that the remains of Chief Turkey Tayac, who died this past December 8 at the age of 83, may be interred in the ancient burial ground as were his ancestors.

Chief Turkey Tayac made a significant contribution to his country by his service in the Armed Forces during World War I and his long devotion to Piscataway Park. Chief Tayac was proud that the land of the Piscataways was given to the Government for use as a national park. It is my understanding that he has provided unique and valuable assistance to the Park Service in its historical survey and administration of this beautiful territory. He served as a living link between the present park and the historic land of his tribe. During much of his life, Turkey Tayac lived in Piscataway Park; and his unsurpassed intimate knowledge of its environs proved most useful to the development of the park as a historical resource where over 200,000 cultural artifacts have been located.

In addition to his work at Piscataway, Chief Tayac has been involved in numerous other endeavors of importance. His expertise in the subject of Indian languages has been widely recognized, and he has shared his knowledge of his people's folklore with classes at the University of Maryland and other institutions of higher education. More than any of his other activities, however, Chief Turkey Tayac will be noted for his overriding devotion, care, and concern for the land which is now Piscataway Park.

I had the privilege of meeting Chief Turkey Tayac just shortly before he died. I found him to be a man of exceptional vigor and strength who possessed a vibrant spiritual faith. He has been recognized as a man who made a distinctive contribution to his community and his tribe. For some time before his death, Chief Turkey Tayac had expressed a deep and fervent wish that he might be laid to rest alongside his ancestors in their ancient burial ground. There could be no more fitting tribute to this extraordinary man than to allow him to be buried at Piscataway National Park.●

By Mr. INOUYE:

S. 199. A bill to amend the Shipping Act, 1916, to strengthen the provisions prohibiting rebating practices in the U.S. foreign trades; to the Committee on Commerce, Science, and Transportation.

SHIPPING ACT AMENDMENTS OF 1979

● Mr. INOUYE. Mr. President, unlike the laws in virtually all other countries of the trading world, our Shipping Act of 1916, as amended in 1961, requires that all common carriers in our waterborne foreign commerce publish a tariff of their freight charges, and makes it unlawful for any carrier to charge or collect freight at a rate different from that provided in the published freight tariff. These provisions outlaw the practice of carriers surreptitiously offering inducements and incentives to attract cargo to the detriment of their competitors.

Shortly after enactment of the 1961 amendments, our major trading partners enacted legislation precisely aimed at blocking the enforcement of this legislation of the United States so far as their own jurisdicitons were concerned. As at this time there are 14 such blocking statutes in force in other nations. Thus, while U.S. citizen companies are within reach of the current enforcement capabilities of the Federal Maritime Commission (and the Department of Justice), foreign-flag carriers are not insofar as detection and enforcement, are dependent on access to the carriers' documents and records located outside the United States.

In the 95th Congress, my Subcommittee on Merchant Marine held extensive hearings on the subject, and the testimony revealed that illegal rebating in the U.S. ocean liner trades has for many years been a widespread practice which now amounts to over $100 million annually, and threatens the viability of the liner segment of the U.S. merchant fleet. Existing laws have proven ineffective to correct the situation, and have been applied in a discriminatory fashion against U.S. carriers.

Moreover, existing mechanisms in the law which reduce the incentive for carriers to engage in illegal rebating have been rendered inoperative by administrative and judicial interpretation, and lack of a coherent, unified national shipping policy.

The House Merchant Marine Committee also held extensive hearings, and developed similar findings.

As a consequence, identical legislation passed the House 390 to 1, and the Senate unanimously. Among other things, that legislation would have:

Given the FMC additional authority to require all carriers in our liner trades, forwarders, shippers, et cetera, to attest to company policies and efforts to combat rebating, and to require other information necessary for the FMC to carry out the provisions of the act.

Given discretionary authority for the FMC to suspend tariffs up to 12 months for rebating, and increased the monetary penalties.

Authorized the FMC, after consultation with the Secretary of State, to suspend any and all tariffs of a carrier who fails to produce requested documents in a FMC adjudicatory investigation into rebating. The President, however, has a veto power over whether or not a carrier's tariffs will be suspended.

A prohibition against the use of the conspiracy statutes to make past, present, and future rebating a criminal offense. This was done to make the law consistent with what Congress did when it changed rebating from a criminal offense to a civil offense.

The President, however, pocket-vetoed the legislation.

In a memorandum of disapproval, the President said:

> The United States is currently engaged in important discussions with several European countries and Japan in an attempt to reach cooperative agreements involving a number of shipping problems, including rebating. Rather than taking immediate unilateral action undermining these efforts, I have directed the Secretary of State, in cooperation with the Federal Maritime Commission and other agencies to pursue these talks vigorously and to report to me on their progress.

The President also said he was asking the FMC "to step up its enforcement efforts against illegal rebating under the authority now provided in the Shipping Act of 1916."

The legislation which overwhelmingly passed the 95th Congress was good legislation which would have furthered the objectives of our national shipping policy by safeguarding against agreements and practices in the U.S. liner trades which would be detrimental to the commercial interests of the United States by helping assure that all carriers operating in the foreign commerce of the United States, whether U.S.-flag or foreign, whether subsidized or not, whether conference members of independents, compete openly and fairly with one another.

Many including myself believe that those who advised the President to pocket-veto the legislation did so unwisely.

It is difficult to understand, for example, how in his memorandum of disapproval, the President could urge the FMC to step up its enforcement efforts under existing law, when two successive FMC Chairmen and numerous other expert witnesses have testified before the House and Senate Committees that existing law is simply inadequate to enforce the prohibitions against illegal rebating.

The discussions with several European countries and Japan which the President in his memorandum said he feared might be undermined were resumed in London on November 4, 1978, after the legislation had been vetoed. From firsthand reports of the London meeting which I have received there is absolutely no basis for believing that the United States came away with any assurance that our efforts in rebating investigations to obtain documents located in these countries would be successful. This, of course, is the heart of the matter and one of the major impediments to the implementation of our antirebating laws. The vetoed legislation would, of course, have removed this impediment.

A more realistic estimate of our chances of successfully reaching evidence located in these countries can be made from the recent decision of the House of Lords in the Rio Tinto decision. In that case, our Department of Justice intervened on behalf of private litigants in an attempt to compel Rio Tinto, a British concern, to supply certain documents in connection with a uranium cartel. The House of Lords refused to let Rio Tinto supply such documents.

At this point I would also like to quote from a March 5, 1978, article entitled "U.S. Firms' Concern Grows Over EEC's Antitrust Laws." In part that article states:

> . . . You can sell anything in Europe's 250-million-strong Common Market, but you better be darned careful about how you do it, especially if you're big business.
>
> That is the increasingly clear message being bleeped to major U.S. companies who are finding business rules difficult to follow in a Europe where bigness just isn't best. Not unless you are politically protected.
>
> No surprise, then, that American firms, already operating in a high-cost, low-growth European economy, now are focusing growing concern on the Common Market's stiffening antitrust laws directed at big business. Sparked by the massive, $1 million fine slapped on United Brands by the EEC in mid-February, business tensions could increase in the coming weeks as Europe's trust busters prepare to tackle another U.S. giant.
>
> Top EEC officials predict that Eastman Kodak, will shortly be on the receiving end of a controversial Common Market decision involving an antimonopoly complaint.
>
> Yet while the Common Market is busy castigating unfair competitive practices by major U.S. corporations, European governments, with Britain in the forefront, are giving an irate thumbs down to attempts by the Antitrust Division of U.S. Attorney General Griffin Bell's Justice Department to pursue investigations in Europe in international cartels distorting American market conditions. A case in point is the alleged uranium price-fixing cartel, where the Justice Department's efforts to conduct a criminal inquiry in Europe constantly have been blocked by European governments invoking national sovereignty.
>
> But no such political protection exists for U.S. companies in their tussles with the EEC's antitrust authority, the Common Market's Executive Commission.
>
> Besides United Brands, the commission already has used antimonopoly rules to attack a series of American multinationals, including General Motors Corp., Commercial Solvents Corp., and Continental Group and is pursuing an extensive inquiry into International Business Machines' operations in Europe. Kodak is likely to be the EEC's next 'cause celebre.' "
>
> * * * * *
>
> "Without this due legal process afforded by the U.S. judiciary system and the political protection cloaking many European state-run competitors, American multinationals can find EEC antitrust rules a tough proposition.
>
> * * * * *
>
> . . . the EEC's attitude to international price-fixing cartels appears ambiguous.
>
> According to sources in this city [Brussels], it is vigorously investigating a cartel of paper pulp manufacturers, including seven U.S. companies. But this enthusiasm fades, rapidly fades when, as in the case of the uranium cartel, interests are involved which European governments wish to protect.
>
> The truth is that when the chips are down, the EEC antitrust authority must be responsive to political pressure to an extent unknown by its American counterpart at the Department of Justice. This is vividly illustrated by a letter just sent to John Shenefield, assistant attorney general for antitrust in Washington, by Willy Schlieder, the German director general of the European antitrust authority. In it, he warns that 'the problems which could arise from the application of American antitrust legislation to enterprises established within the Common Market concern the sovereignty of (EEC) member states.
>
> In other words, "Hands off, Uncle Sam."

Mr. President, I believe one additional point needs to be made about the claim the antirebating legislation intruded on the sovereignty of other nations by permitting the FMC to suspend tariffs of carriers which refuse to cooperate in rebating investigations. Under 14 U.S.C. 77(h) the Securities and Exchange Commission may suspend the effectiveness of the registration statement of a foreign (or domestic) corporation for failure to cooperate with that Commission in investigations relating to such statements. Thus the legislation was no novel intrusion on sovereignty.

Opponents of the antirebate legislation injected the false issue of inflationary impact of the bill. That legislation would not have had an inflationary impact, but would rather have had the effect of holding down inflation to the extent it is exacerbated by our inordinate balance of payments deficit.

The argument that the bill would be inflationary is premised upon the unproven and specious theory that the conference system is inflationary. The opponents of the legislation argue from this unsubstantiated posture that this measure, if enacted, would have strengthened the conference system, and therefore, have an inflationary impact. Both the underlying theory and the fabricated result are faulty.

The conference system, with its stability and regularity of service, provides a control mechanism on the marketplace. Absent that stability and regularity ocean shipping would be total chaos and subject to the economic dictates of foreign interests. In any event, that legislation would not have had the effect of strengthening the conference system. It would, however, have placed members of conferences, as well as independent operators, be they U.S. or foreign-flag, on an equal footing.

The concept of offering secret rebates and other inducements in cargo solicitation are not illegal under foreign law, merely under U.S. law. Since rebates are not constrained by foreign law, carriers which operate under foreign flags feel free to rebate, even in the U.S. trades. The relative weakness of the U.S. law which this legislation sought to remove was to grant the Federal Maritime Commission the investigatory and enforcement tools which are required realistically to deal with the present day circumstances under which foreign governments protect their flag carriers from investigation by the U.S. Government.

If the ability to freely rebate were removed from the operators of foreign-flag vessels, the net result would be deflationary, not inflationary. The dramatic decline in the percentage of our commerce carried on U.S.-flag vessels has added to our balance-of-payments deficit. If we can remove these "rebate incentives" which foreign carriers freely offer, and they were forced to fairly compete with the American operators, there would certainly be an increase in the carriage of cargo by the U.S. carriers, and a lessening of trade deficits.

Therefore, I believe the matter has been inaccurately characterized as inflationary. Both the premise that conferences are inflationary and that the bill, if enacted, would strengthen the conferences are false. The net result of enactment would be freer competition for cargo in the U.S. trades, and an inevitable decrease in the inflationary balance of trade deficit.

Finally, I believe the legislation would have reduced the cost of Government by permitting the FMC to assess substantially higher penalties for Shipping Act violations. In fiscal years 1977 and 1978, the FMC settled claims for $4.39 and $4.61 million, or 51 and 48 percent of the agency's respective budget for those years.

Mr. President, for all the foregoing reasons I believe the legislation which the Senate passed unanimously and the House by a vote of 390 to 1, at the close of the 95th Congress is essential if we are to maintain the integrity of our liner trades, and assure the growth and vitality of the U.S. merchant fleet.

Accordingly, I am again introducing that legislation with two minor modifications designed to give even more discretion and flexibility to the President where tariff suspensions are concerned.●

By Mr. DANFORTH (for himself, Mr. WILLIAMS, Mr. MOYNIHAN, and Mr. JAVITS):

S. 200. A bill to amend title II of the Public Works Employment Act of 1976 to extend the antirecession provisions of that act, and to establish a supplementary antirecession fiscal assistance program for local governments suffering severe unemployment; to the Committee on Environment and Public Works.

INTERGOVERNMENTAL ANTIRECESSION AND SUPPLEMENTARY FISCAL ASSISTANCE AMENDMENTS OF 1979

Mr. DANFORTH. Mr. President, on September 23 of last year, the Senate reauthorized the countercyclical revenue sharing program after passing a series of amendments which sharply curtailed the breadth of the program but continued assistance to local governments with genuine need. In particular, the bill established standby authority for assistance to State and local governments with unemployment in excess of 6 percent whenever national unemployment exceeded 6 percent. When national unemployment dropped below 6 percent—but still was in excess of 5 percent (the situation which currently prevails—aid would have been distributed to local governments—and local governments only—with unemployment of 6 percent or higher. For each of 2 years, as much as $340 million was authorized for the program, with standby authority of $500 million, (or more, depending on the national rate of unemployment). This represented a savings of $310 million over the administration's proposal, which had sought to spread assistance among as many as 18,000 State and local governments—any and all that met the questionable criterion of distress: 4.5 percent unemployment. Sadly, the Senate's bill was never considered by the House, and the program died.

Today, together—with Senators MOYNIHAN, WILLIAMS, and JAVITS I am reintroducing the Senate-passed bill, for what I hope will be early consideration and quick passage.

Let me explain why I am taking this action.

First. This bill is needed. Notwithstanding the current recovery which the Nation is enjoying as a whole, it is painfully evident that there remain cities and counties in this country in dire economic distress. These communities have seen their tax base eroded by downturns in their economies that have seriously hampered their ability to provide even basic services. We cannot ignore the needs of these communities. Failure to provide the assistance necessary for these governments to maintain a minimum level of services can only exacerbate their problems, as people who can afford to leave, leave in search of better schools and safer streets. There is no question in my mind that this bill is needed—and important.

Second. Countercyclical revenue sharing is a proven, effective method of providing assistance to distressed communities. A recent study by the Advisory Commission on Intergovernmental Relations concluded that "antirecession fiscal assistance distributes aid to State and local governments more rapidly than (CETA or local public works) and has the potential for closest coordination with swings in the national economy."

Third. Many cities with genuine need included countercyclical revenue sharing funds in their budget planning process. They had every reason to do so. The administration was supporting it; a coalition of interest groups and elected officials had worked out a compromise bill; and there was fairly broad support in the Congress for some kind of countercyclical program.

Local governments, like the Federal Government, must plan their budgets in advance. They must estimate their revenues as well as their expenses—and most of them must balance their budget. If Federal dollars are to be of any real benefit to local governments, amounts must be known far enough in advance to be incorporated into the local budget planning process.

This is not to say that Washington must spend money just because some people expect it to. But we recognize our responsibility to balance many conflicting interests in ways which create the least possible disruptions.

Fourth. The Senate should consider alternatives to the proposals reputedly being considered by the White House—proposals which are expected to recommend that assistance only go to communities with at least 7 percent unemployment. In my opinion, speaking as one who once considered similar ideas, such a dramatic change in the law would be a mistake.

First, the proposal fails to take into account the dislocation caused to communities which drop out of the program. It is one thing to exclude communities where unemployment is less than 6 percent. These communities, by and large, can take care of themselves. It is quite another to exclude communities with unemployment between 6 and 7 percent. These communities need help, and for the last 2 years they have been getting it from the Federal Government. Almost by definition, they are communities with a shortage of resources, and their ability to adjust to any loss of funds is questionable.

Second, by limiting assistance to communities with at least 7 percent unemployment, we deny assistance to those communities where Federal aid dollars may do the most good. Communities with 6 to 7 percent rates of unemployment—with modest help from the Federal Government—will probably be able to restore financial stability. The marginal benefit of the Federal aid dollar is not as high in a community with high unemployment because, plainly and simply stated, that community has farther to go. That is not to say that aid should not go to these governments. Their need is clear. But I believe we rob Peter to pay Paul when we assist only these governments at the expense of other governments in need. If we intend to arrest recessionary spirals, then we should intervene as soon as the need for assistance is clear. Recent studies indicate that a shortcoming of past antirecession efforts has been their failure to provide assistance when it could do the most good, before the country slipped into recession. By providing assistance to communities when unemployment reaches 6 percent, I believe we successfully identify a time when aid can be of most value. I do not think it is wise to require—as do proposals to limit assistance to communities with 7 percent unemployment—that conditions go from bad to worse before the Federal Government will provide help.

I look forward to early consideration of this measure.

Mr. President, I ask unanimous consent that the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 200

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Section 1. This Act may be cited as the "Intergovernmental Antirecession and Supplementary Fiscal Assistance Amendments of 1979.".

Sec. 2. Section 201 of the Public Works Employment Act of 1976 (42 U.S.C. 6721) is amended by striking out "and" at the end of paragraph (6), by striking out the period at the end of paragraph (7) and inserting in lieu thereof "; and", and by adding at the end thereof the following new paragraph:

"(8) that both an antirecession fiscal assistance program and a supplementary antirecession fiscal assistance program which aid governments requiring fiscal relief constitute essential elements of a sound Federal fiscal policy.".

Sec. 3. The Public Works Employment Act of 1976 (42 U.S.C. 6721 et seq.) is amended by inserting after section 201 the following:

"Subtitle A—Antirecession Fiscal Assistance".

Sec. 4. (a) Section 202(b) of the Public Works Employment Act of 1976 (42 U.S.C. 6722(b)) is amended—

(1) by striking out "subsections (c) and (d)" and inserting in lieu thereof "subsection (c)";

(2) by striking out "five" and inserting in lieu thereof "13";

(3) by inserting "the sum of" after "under this title";

(4) by striking out "plus" at the end of paragraph (1), and by striking out the period at the end of paragraph (2) and inserting in lieu thereof a comma and the word "and"; and

(5) by adding at the end thereof the following new paragraph:

"(3) such sums as may be necessary to carry out the provisions of section 206.".

(b) Section 202(c) of such Act (42 U.S.C. 6722(c)) is amended—

(1) by striking out "five" and inserting in lieu thereof "8"; and

(2) by striking out "July 1, 1977" and inserting in lieu thereof "October 1, 1978".

(c) Section 202(d) of such Act (42 U.S.C. 6722(d)) is amended to read as follows:

"(d) Suspension of Assistance.—

"(1) Suspension.—If the average rate of unemployment for the United States is less than 6 percent for each of 2 consecutive quarters, no amount may be paid under this subtitle for the fourth calendar quarter of the 4 calendar-quarter period which began with the first of such 2 calendar quarters, or for any subsequent calendar quarter.

"(2) Termination of suspension.—Notwithstanding paragraph (1) of this subsection, amounts may be paid under this subtitle for calendar quarters beginning after any calendar quarter for which the average rate of unemployment for the United States equals or exceeds 6 percent until such time as paragraph (1) may require another suspension of payments.".

Sec. 5. (a) Section 203(c) of the Public Works Employment Act of 1976 (42 U.S.C. 6723(e)(1)) is amended—

(1) by striking out "The Secretary" in paragraph (1) and inserting in lieu thereof the following: "Except as provided in section 206(b), the Secretary", and

(2) by redesignating paragraph (4) as (5) and inserting after paragraph (3) the following new paragraph:

"(4) Statistical methodology for unemployment rates.—Notwithstanding any provision of paragraph (3) to the contrary, in the case of a unit of local government which encompasses, or is within, a standard metropolitan statistical area or central city for which current population surveys were used to determine annual unemployment rates before January 1, 1978, the Secretary of Labor shall determine or assign the unemployment rates for such government calculated by the current population survey methodology used prior to January 1, 1978, if such rates are higher than rates determined or assigned by the Secretary of Labor for that government without applying the current population survey methodology.".

(b) Section 203 of such Act (42 U.S.C. 6723) is amended by adding at the end thereof the following new subsection:

"(d) Reallocation of Undistributed Reserved Amounts.—If, for any calendar quarter, the amount reserved under subsection (a)(1) for payments to State governments or under subsection (a)(2) for payments to local government exceeds the sum of the amounts payable to State or local governments because of the limitation contained in subsection (c)(5) or because of the suspension-of-payments requirement contained in section 210(b), then the Secretary shall reallocate the excess among State governments or local governments, as the case may be, receiving payments for the calendar quarter and pay to each such State or local government an amount which bears the same ratio to the amount of the excess as the amount of the payment made to such government for the calendar quarter without regard to this subsection bears to the sum of the payments made to all State or all local governments, as the case may be, for the calendar quarter without regard to this subsection."

Sec. 6. Section 205 of the Public Works Employment Act of 1976 (42 U.S.C. 6725) is amended by striking out paragraph (6) and by redesignating paragraphs (7) and (8) as (6) and (7). Title II of such Act is amended by striking out section 209 (42 U.S.C. 6729).

Sec. 7. Title II of the Public Works Employment Act of 1976 is amended by inserting after section 205 the following new section:

"ADJUSTMENTS FOR PAYMENTS

"Sec. 206. (a) In General.—Payments under this subtitle and subtitle B may be made with necessary adjustments on account of overpayments or underpayments.

"(b) Changes in Methodology.—

"(1) Supplemental allocations for reductions attributable to change in methodology.—For any quarterly payment allocated pursuant to section 202, 203, 231, or 232 in which a local government's allocation would be reduced as a result of the termination of the use of current population survey data on an annual average basis to calculate the local unemployment rate as determined or assigned by the Secretary of Labor, the Secretary shall adjust the allocation made pursuant to this subtitle and subtitle B sufficiently to assure that such allocations are not less than the amount that otherwise would have been allocated to such local government under the unemployment rates calculated by the current population survey methodology used before January 1, 1978.

"(2) Lump sum supplemental payments for previous underpayment.—For any previous quarterly payment allocated pursuant to sections 202 and 203 in which a local government's allocation has been reduced as a result of the termination of the use of current population survey data on an annual average basis to calculate the local unemployment rate as determined or assigned by the Secretary of Labor, the Secretary shall make a lump sum supplemental payment such that the total prior allocations made pursuant to this subtitle are not less than the amount that otherwise could have been allocated to such local government under the unemployment rates calculated by the current population survey methodology used before January 1, 1978.

"(3) Supplemental payments limited to units of government within standard metropolitan statistical areas and central cities.—No funds shall be made available under paragraph (1) or (2) to any unit of government which does not encompass, or is not within, a standard metropolitan statistical area or central city for which current population survey methodolgy was used to determine annual unemployment rates before January 1, 1978.".

Sec. 8. (a) Section 210 of the Public Works Employment Act of 1976 (42 U.S.C. 6730) is amended by striking out subsections (b) and (c), and by inserting in lieu thereof the following:

"(b) Suspension of Payments for Low Unemployment.—

"(1) Suspension.—No amount shall be paid to any State or local government under the provisions of this section for any calendar quarter if the average rate of unemployment within the jurisdiction of such State or local government during the second most recent calendar quarter which ended before the beginning of such calendar quarter did not exceed 6 percent.

"(2) Termination of suspension.—Amounts may be paid under this subtitle to any State or local government for which payments were suspended under paragraph (1) beginning with any calendar quarter following such suspension which follows a calendar quarter for which the average rate of unemployment within the jurisdiction of the State or local government exceeds 6 percent, until such time as paragraph (1) may require another suspension of payments.".

(b) Payments made under this title II of the Public Works Employment Act of 1976 for the calendar quarter beginning October 1, 1978, shall be made as soon as possible after January 1, 1979, but in no event later than March 31, 1979.

Sec. 9. Section 215 of the Public Works Employment Act of 1976 (42 U.S.C. 6735) is amended to read as follows:

"DATA PROVISION RESPONSIBILITIES

'Sec. 215. The Secretary of Labor shall provide information and other necesary data and shall determine and assign unemployment rates necessary for the administration of this title. Such information, data, and rates shall be provided for each State and local government, and shall be made available to the Secretary to assist him in carrying out the provisions of this title. The Secretary of Labor shall also advise the Secretary as to the availability and reliability of relevant information and data.".

Sec. 10. Section 216 of the Public Works Employment Act of 1976 (42 U.S.C. 6736) is amended—

(1) by striking out "five" in subsection (a) and inserting in lieu thereof "13",

(2) by striking out "amount" in subsection (a) and inserting in lieu thereof "amounts",

(3) by striking out "section 202(b)" in subsection (a) and inserting in lieu thereof "sections 202(b) and 231(c)", and

(4) by striking out "209," in subsection (b) (3) (c).

Sec. 11. Title II of the Public Works Employment Act of 1976 is amended by inserting after section 216 the following:

"Subtitle B—Supplementary Fiscal Assistance

"FINANCIAL ASSISTANCE AUTHORIZED

"Sec. 231. (a) In General.—Whenever the average rate of unemployment for the United States equals or exceeds 5 percent and payments under subtitle A of this title are suspended under section 202(d), the Secretary shall, in accordance with the provisions of this subtitle, make payments to local governments with unemployment rates above 6 percent.

"(b) Payments to Recipient Governments.—The Secretary shall pay, not later than 5 days after the beginning of each calendar quarter for which payments are authorized under subsection (a), to each local government which has filed a statement of assurances under section 205, an amount equal to the amount allocated to such government under section 232.

"(c) Authorization of Appropriations.—There are authorized to be appropriated for each of the first 8 calendar quarters beginning after September 30, 1978, $85,000,000, plus such additional amounts as may be necessary to carry out the provisions of section 206(b)(1), for the purpose of making payments to local governments under this subtitle.

"(d) Suspension of Assistance.—

"(1) Suspension.—If payments are being made under subtitle A or the average rate of unemployment for the United States is below 5 percent during a calendar quarter, no amount may be paid under this subtitle for the third calendar quarter of the 3 calendar-quarter period which begins with such calendar quarter, or for any subsequent calendar quarter.

"(2) Termination of suspension.—Amounts may be paid under this subtitle for any calendar quarter beginning after a calendar quarter for which payments are suspended under paragraph (1) and for which the average rate of unemployment for the United States equals or exceeds 5 percent but is less than 6 percent.

"ALLOCATION OF SUPPLEMENTARY AMOUNTS

"Sec. 232. (a) Allocations to Local Governments.—

"(1) In general.—The Secretary shall allocate amounts appropriated under the authorization contained in section 231(c), an amount for the purpose of making a payment to each local government, equal to the sum of—

"(A) the total amount appropriated for the calendar quarter multiplied by the applicable local government percentage, and

"(B) any supplemental allocation under section 206.

"(2) Applicable local government percentage.—For purposes of this subsection, the local government percentage is equal to the percentage resulting from the division of the product of—

"(A) the local excess unemployment percentage, multiplied by

"(B) the local revenue sharing amount,

by the sum of such products for all local governments.

"(3) Special limitation.—If the amount which would be allocated for a calendar quarter to any unit of local government under this subsection is less than $100, then no amount shall be allocated for such unit of local government under this subsection for such quarter.

"(4) Supplementary antirecession fiscal assistance payment not in excess of $10,000 to be combined with general revenue sharing payment.—If the amount of any payment to be made under this subtitle to a unit of local government is not more than $10,000 for a calendar quarter, the Secretary shall combine the amount of such payment with the amount of any payment to be made to such unit under the State and Local Fiscal Assistance Act of 1972 (31 U.S.C. 1221 et seq.), and shall make a single payment to such unit at the time payments are made under that Act. Whenever the Secretary makes a single, combined payment to a unit of local government under this paragraph, he shall notify the unit as to which portion of the payment is allocable to amounts payable under this subtitle and which portion is allocable to amounts payable under that Act.

"(b) Reallocation of Undistributed Amounts.—If, for any calendar quarter, the amount appropriated under section 231(c) for payments to local governments exceeds the sum of the amounts payable to local governments because of the limitation contained in subsection (c)(3) or because of the suspension-of-payments requirements contained in subsection (c), then the Secretary shall reallocate the excess among local governments receiving payments for the calendar quarter and pay to each such local government an amount which bears the same ratio to the amount of the excess as the amount of payment made to such government for the calendar quarter without regard to this subsection bears to the sum of the payments made to all local governments for the calendar quarter without regard to this subsection.

"(c) Suspension of Payments for Low Unemployment.—

"(1) Suspension.—No amount shall be paid to any unit of local government under the provisions of this section for any calendar quarter if the average rate of unemployment within the jurisdiction of such local government during the second most recent calendar quarter which ended before the beginning of such calendar quarter was equal to or less than 6 percent.

"(2) Termination of suspension.—Notwithstanding paragraph (1), amounts may be paid under this subtitle to any local government for which payments were suspended under paragraph (1) beginning with any calendar quarter following such suspension which follows a calendar quarter for which the average rate of unemployment within the jurisdiction of the local government exceeds 6 percent.

"(d) For purposes of this subtitle, each term used in this section which is defined or described in paragraph (3) of section 203 (c) shall have the meaning given to it in that paragraph.

"APPLICATION OF CERTAIN SUBTITLE A PROVISIONS TO THIS SUBTITLE

"Sec. 233. The provisions of sections 204, 205, 206, 207, 208, 211, 212, 213, 214, 215, and 216 shall apply to funds authorized under this subtitle.".

● Mr. WILLIAMS. Mr. President, one of the most important items on the agenda of the 95th Congress just past was the extension of the antirecession aid program, which has enabled States and communities with substantial unemployment and budgetary problems to maintain vital public services. The authority for this program expired on September 30, 1978. Although the Senate passed legislation to extend the program, and to target its assistance on communities in the most serious financial trouble, the legislation died in the final moments of the last Congress when the House failed to endorse the Senate's action. Suddenly, all across the Nation, communities already suffering economic hardship were plunged into a fiscal crisis that is growing steadily worse. In order to focus attention on the plight of these communities and to hasten the Federal Government's response to this plight, I am pleased to join with my distinguished colleague from Missouri (Mr. Danforth) in sponsoring an extension of the antirecession aid program identical to that which the Senate adopted last October. The distinguished Senator deserves to be commended for his outstanding work to develop and advance this legislation. Let me also mention that my esteemed New Jersey colleague, Congressman Peter Rodino, introduced this measure on the House side yesterday with substantial bipartisan support from every area of the country.

Mr. President, the fact is that despite the Nation's overall recovery from the 1975 recession, there are numerous communities, both large and small, rural and urban, for which the recession never ended. These cities and towns have unemployment rates that still hover above 6 percent, and often range up to double that rate or more. Large cities bear a particular unemployment burden. In a recent survey of the 48 largest American cities, the U.S. Treasury Department found that at the beginning of fiscal year 1979, 32 had unemployment rates that were higher than the national average, significantly so in some instances. Newark's unemployment rate was over twice the national average; Chicago's rate was 66 percent higher, and New York's rate was 56 percent higher. Typically, years of population out-migration, along with business or industrial closings and relocations have left the economies of many localities in a crumbling condition, unable to generate the revenues necessary to meet even basic community needs.

It is true that many cities are beginning to show promising signs of economic revival. Some are experiencing a discernible influx of upper- and middle-income people, even if only a trickle at present. In some places, exciting new business and commercial development is beginning to take place, such as Detroit's "Renaissance Center," Baltimore's "Old Town Mall," or Jersey City's "Gateway" project. Flashes of sunlight are indeed appearing on the horizon, but a new day for our distressed cities is still a long time away. To believe that these localities can pull themselves overnight from the economic morass that took years to develop is pure delusion. Municipal leaders struggle on a daily basis to fend off fiscal crisis with one hand, while with the other hand they labor to build, brick by brick, the kind of foundation that will mean long-term economic stability and self-sufficiency for their communities. Theirs is a balancing act that can often succeed only if outside assistance is not prematurely terminated. With the loss of antirecession funds, the crisis that city officials have managed to hold at bay over the last several years is suddenly upon them, creating public service chaos in the short run and threatening the progress of economic revitalization in the months ahead.

The city of Newark, for example, which has a double digit unemployment rate, has ordered layoffs for 450 of its employees, including 200 policemen. This means that 9 percent of the city government's work force will stand in unemployment lines as a result. In Pontiac, Mich., where unemployment has ranged as high as 17 percent in the last year, fire and police departments that are already under strength face an absolute hiring freeze, as do other city departments. In addition, two of the city's five fire stations may have to close, because of the termination of antirecession aid.

According to a recent article in the National Journal, it is reported that sizeable local property tax increases would be necessary to make up for lost antirecession assistance, assuming, of course, that such an option were available in light of the political climate and local budget cycles. Philadelphia, for example, would have to increase its tax rate by 67 cents per $100 of assessed value, while tax rates in Buffalo and St. Louis would have to increase by 50 cents, and 46 cents, respectively.

Beyond the immediate emergencies resulting from termination of the program, there are also serious implications for economic development efforts in distressed areas. The prospect of reduced public services, or higher local taxes in localities already suffering the consequences of high tax burdens, can only reinforce the reluctance of business and industry to invest in those communities.

The legislation introduced today is, I believe, a prudent and responsible means of extending the antirecession assistance program. It recognizes that some communities will continue to experience severe budgetary problems, even in time of general economic health, and it promotes the most effective allocation of scarce Federal resources by assuring assistance to the most seriously troubled communities. Equally important, it improves upon the original program's ability to expand or contract in tune with changes in the economy on the local as well as the national levels.

The administration has indicated interest in offering its own proposal to extend the antirecession aid program. I welcome the President's renewed support for the program, and look forward to working with the administration in restoring badly needed funds to high-unemployment areas.

Mr. President, it makes little sense to permit additional hardship for communities already in distress from a variety of economic ills. Extension of antirecession assistance must be a high priority for this Congress, and I am hopeful that it will receive the speedy consideration it deserves.●

● Mr. MOYNIHAN. Mr. President, I am pleased to join Senator DANFORTH in reintroducing the countercyclical revenue-sharing bill. This is the identical measure that passed the Senate last year and was described as the centerpiece of the President's urban program. But it did not reach the House floor and in the interim it has developed that the administration's commitment to aiding troubled cities is taking a back seat to its ardor for fiscal restraint. The 1980 budget just submitted would actually cut back a number of existing programs. The funds transferred to State and local governments may drop as much as $10 billion, of which cities could lose $4 to $5 billion. Indeed, as Richard P. Nathan of the Brookings Institution noted:

> The heyday of the urban policy may turn out to have been the period just before the announcement of the Carter urban program.

There can be no doubt about the need for the extension of some form of countercyclical aid. We are in the 16th quarter of economic recovery from the 1974–75 recession and the national unemployment rate is under 6 percent. Yet many of our cities still show recession level unemployment rates. A few striking but not atypical examples: Atlanta 7.6 percent; Buffalo 10.1 percent; Chicago 6.8 percent; Detroit 6.7 percent; El Paso 8.1 percent; Newark 10.4 percent; Norfolk 6.6 percent; Philadelphia 9.4 percent; Wilmington 9.1 percent.

Further, despite the general economic recovery, our cities—both the older cities of the Northeast and those in the Sunbelt—have shown increasing dependence on Federal programs. A recent study published in the New York Times showed that in 1978, over 50 percent of many cities' budgets came from Federal sources. Just 2 years earlier, 30 percent was a more typical figure.

The 20 most distressed urban areas contain 10 percent of our Nation's population. Our failure to enact this program or one like it could doom these vital centers to further deterioration and decay.

The bill we are introducing today is but the first of these proposals. The administration has promised to come forward with another. Doubtless other versions will also be submitted. I intend to support all such efforts to restore and maintain programs that are so badly needed and so important to the vitality of a modern, urban society.●

● Mr. JAVITS. Mr. President, I am pleased to join my colleagues in support of the Intergovernmental Antirecession and Supplementary Fiscal Assistance Amendments of 1979.

This bill, which passed the Senate in the closing days of the 95th Congress, is designed to renew the countercyclical revenue sharing program that has been in operation for the last several years. The intent of the countercyclical program has been to provide financial assistance directly to State and local governments that are faced with eroding tax bases due to economic recession. With the aid they receive under the program, these governmental units are able to maintain necessary services, such as education, which they otherwise would have to curtail.

The bill introduced today provides that Federal assistance to State and local governments becomes available when the national unemployment rate rises above 6 percent. Additionally, the bill establishes a new supplemental fiscal assistance program. Geared to chronically distressed areas, it operates when national unemployment is between 5 to 6 percent by providing aid directly to communities where local unemployment is above 6 percent.

Mr. President, I believe it would be a serious mistake to permit the countercyclical program to expire, which will happen unless we act favorably on this bill in the near future. Extension of countercyclical, it seems to me, is of critical importance for a number of reasons.

First, I believe countercyclical assistance is a valuable concept, and that it is important to keep it on the books, even during times of low national unemployment rates. The program permits an immediate Federal response to State and local needs when there is an economic downturn. Conversely, as the economy improves, countercyclical funds automatically wind down.

Second, countercyclical assistance has proven successful in meeting its goal of targeting funds where they are needed most, thus enabling State and local governments to avoid tax increases and job layoffs—two actions which serve to aggravate the economic situation in distressed areas.

The bill being introduced today also includes a new title not currently in the law. This title recognizes that linking assistance to the national unemployment rates may not be enough—that even in times of national prosperity, some localities will continue to suffer from high unemployment. This bill assures continued assistance to these economically distressed areas.

Finally, it is clear, however unfortunate, that the current state of the economy dictates a real need for continued Federal assistance to State and local governments.

It is for all of these reasons that I believe the countercyclical assistance program is necessary, and I hope that committee action will be forthcoming so that we may enact a timely bill.●

By Mr. BAYH (for himself, Mr. WILLIAMS, Mr. MCGOVERN, Mr. RANDOLPH, and Mr. LEAHY):

S. 201. A bill to amend title XVIII of the Social Security Act to provide for coverage under part B of medicare for routine exfoliative cytology tests for the diagnosis of uterine cancer; to the Committee on Finance.

● Mr. BAYH. Mr. President, I am introducing legislation today, along with Senators WILLIAMS, MCGOVERN, RANDOLPH, and LEAHY, which would provide coverage for pap smear tests for the diagnosis of uterine cancer under part B of medicare. This legislation is identical to legislation I have introduced in the past several Congresses and which passed the Senate during the 95th Congress.

It is estimated that nearly 55 million Americans now living will eventually have cancer. Over the years, cancer will strike in approximately 2 out of 3 families. Cancer is the leading cause of death for women between the age of 30 and 54. The statistics of the National Cancer Institute show that there were 48,000 new cases of uterine cancer in 1978. Uterine cancer still remains the fourth highest cause of cancer deaths in women. The most prevalent type of uterine cancer is cancer of the cervix. Deaths from cervical cancer last year were estimated to be 7,400. The incidence of this type of cancer is higher among many low income women and black women.

One of the truly great tragedies of uterine cancer is that is would rarely prove fatal if it were discovered early rather than later. When discovered at its earliest stage, cervical cancer is almost 100-percent curable. Increased use of the paps smear test in diagnosing this form of cancer has resulted in a death rate of less than one-third the rate 40 years ago.

Unlike other virulent types of cancer, cervical cancer which is treated and arrested at its nascent stage is highly unlikely to recur in later years. The American Cancer Society tells us that a woman who is discovered to have early cervical cancer is expected to live just about as long as women in her age group who have not had this type of cancer, provided they have undergone appropriate medical treatment. Survival rates are predominantly a reflection of the state at which uterine cancer is found. If the cancer is not recognized until it is at a more advanced state, the survival rates of women affected with it decrease each year, even after undergoing appropriate biomedical tests and treatments.

Given a disease that has such a good prognosis at its earliest stage and is so difficult to cure later, it seems that a full-scale effort would be in effect to discover a simple diagnostic test to uncover cervical cancer as early as possible and to get every adult woman in this country to take this test as often as the medical profession thinks is necessary. If this were the case, we could insure that every single case of cervical cancer discovered will be at the earliest state where it is more easily curable.

Well, Mr. President, it is no news to announce that we have made use of such a diagnostic test over the last several years. The test I refer to is the well-known pap smear, invented by late Dr. George N. Papanicolaou two decades ago. The test is simple, requires but a few moments of the patient's time, is painless, and inexpensive. Seventeen years ago, Dr. C. J. Lund, writing in the January 1961 issue of the Journal of the American Medical Association said:

> The epitaph for cervical cancer has been inscribed. The methods and techniques are available to destroy it. The date of death remains unwritten in the hands of the practicing physicians and their patients.

Yet, since that optimistic statement was written almost 17 years ago, approximately 182,000 women in this country have died of cervical cancer. Their dates of death were written before the date of death on cervical cancer because we have not made the decision to somehow get each and every woman in this country to take this test on a semiannual basis.

Despite efforts by the American Cancer Society and public health groups there are still substantial numbers of women who have never taken a pap test in their lives, to say nothing of taking one at the recommended interval of once a year for women under 35 and twice yearly for those over 35 or those who are presently ingesting birth control substances.

Medical researchers have identified specific groups of women who are less likely than others to have this test done. These groups are older women, undereducated women, and low-income women.

Although very little data is available on the incidence of uterine cancer by stage, according to age groupings, older women are a higher risk for all types of uterine cancer. At the same time, surveys have shown that only one-third of all women 50 years of age and older have been pap tested. Many of these older women grew up when the pap test was not commonly accepted and have not had regular check-ups since their childbearing years.

Mr. President, some Senators may feel that this amendment would provide services to people who are not in financial need and who could very well afford to pay for these tests themselves. Since the pap test is not an expensive one, at the same time not a prohibitive one for the medicare program to undertake, some may feel that it is also not prohibitive for individuals to pay for it themselves. This is not an unreasonable argument. Certainly it is a good bargain to be able to pay $17 twice a year for a test that could diagnose a cancer when it is just about 100 percent curable instead of skipping this test and taking the risk that one will not discover a cancer at that stage but that it might show up later when the chances of cure are much less. I think that would be a bargain and I am sure that the millions of women who take this test religiously once or twice a year also think it is a great bargain. The problem, Mr. President, is not only that many of our elderly women do not know about this test, or do not realize its importance.

Thus, they do not avail themselves of the opportunity of getting this tremendous bargain. As I mentioned before, every study that I have seen on the use of the pap test has shown that most tests are performed on young women and that elderly women are least likely to have this test done. All this in spite of the fact that deaths from invasive uterine cancer are highest among elderly women.

Thus, Mr. President, my concern is that we find a way to encourage the use of this test, hopefully among all women, but at the very least among our aged citizens who are least likely to know about it, and to whom we have made a national commitment through medicare, of assisting with their health problems.

What I would hope is that every time a medicare recipient goes to a doctor's office, a clinic, or a hospital, regardless of the reason she is there, the doctor who attends her, knowing that the pap smear is covered by medicare, will inquire whether she has had this test in the last 6 months, and if not, would encourage her to have one done. For every doctor that is successful in that regard, Mr. President, and causes us to spend a few dollars from the medicare program to pay for the test, we will be saving the Federal Government and the people of this country thousands of dollars in what they would eventually have to pay out for treatment of advanced cases of cervical cancer. This is true, Mr. President, because programs for early diagnosis and prevention of uterine cancer are among the most cost-effective programs in the cancer area.

Furthermore, knowing that the test is covered by medicare will encourage women to go to their doctor to get it, even if they are feeling fine and would not otherwise go. This has a secondary benefit, too, Mr. President, because many doctors have noted that going for routine pap tests is of tremendous importance in increasing discoveries of other diseases in their early stages because the patient then is likely to have a routine physical as long as she is there for the pap test. And I do not believe there is any illness or disease that cannot be helped to a somewhat greater extent than when it goes undetected until it is far advanced. Thus, encouragement to routine administration of the pap test would have three important advantages:

First, it would enable discovery of cervical and other uterine cancers at the earliest stage of the disease when they are much more easily curable, thus avoiding unnecessary deaths from this disease;

Second, it is a cost-effective program which would save the people of this country millions of dollars per year;

Third, it will encourage routine physical examinations during which other serious illnesses may be discovered in their early stages when cure or treatment is more effective, thus reducing deaths, incapacities, and financial costs due to those diseases.

Mr. President, in the interest of the health and welfare of every woman in this country, I hope the distinguished chairman of the committee will agree to accept my amendment.●

By Mr. WILLIAMS (for himself, Mr. JAVITS, Mr. RANDOLPH, and Mr. RIEGLE):

S. 202. A bill to create a National Commission on Alcoholism and Other Alcohol-Related Problems; to the Committee on Human Resources.

NATIONAL COMMISSION ON ALCOHOLISM AND OTHER ALCOHOL-RELATED PROBLEMS

● Mr. WILLIAMS. Mr. President, today I am introducing legislation to create a National Commission on Alcoholism and Other Alcohol-Related Problems.

This legislation is essentially the same as legislation which passed the Senate by voice vote last July as an amendment to the Health Planning Amendments of 1978, which the House did not have sufficient time to enact prior to adjournment.

Since last year the pressing need for this Commission has not diminished. Indeed, the third special report to Congress on alcohol and health, which was sent to Congress on October 17, 1978, gives evidence of the escalation of the problem.

In submitting the report to Congress, Secretary Califano declared that it "documents the reality that problem drinking is threatening or damaging or destroying the lives of literally tens of millions of Americans."

In a statement accompanying release of the report, the Secretary said:

> We know beyond a reasonable doubt that the misuse of alcohol is an immense health and social problem. These problems affect others—often tragically—in addition to the problem drinker: Family members and other relatives, friends, co-workers, schoolmates, employers, and innocent bystanders.

The Secretary's report to Congress included the following:

There are an estimated 9.3 to 10 million problem drinkers, including alcoholics, in the adult population—7 percent of the 145 million adults 18 years and over. In addition, there are an estimated 3.3 million problem drinkers among youth in the 14–17 age group—19 percent of the 17 million persons in this age bracket.

Per capita consumption since 1971 in the United States has been the highest since 1850, ranging from 2.63 to 2.69 gallons of absolute alcohol per person 14 years and older. However, in the 1970's there has been little change in per capita consumption.

Rate of cirrhosis deaths increased by 36.6 percent from 1960 to 1970, followed by a gradual leveling during the early 1970's and a decrease of 6.3 percent from 1974–75. But liver cirrhosis still ranked as the sixth most common cause of death in the United States in 1975 with up to 95 percent of the cases believed to be alcohol related.

Alcohol-related deaths were estimated to run as high as 205,000 per year, or 11 percent of the 1.9 million deaths in 1975.

Alcohol abuse and alcoholism cost the United States nearly $43 billion in 1975—including $19.64 billion in lost production, $12.74 billion in health and medical costs, $5.14 billion in motor vehicle accidents, $2.86 billion in violent crimes, $1.94 billion in social responses, and $0.43 billion in fire losses.

The President's Commission on Mental Health recommended in its April 28, 1978 report that a comprehensive national study be made of the problems, public policies, and programs related to alcoholism and alcohol abuse. The report states:

> In the case of alcohol-related problems, we believe it is urgent that we develop a national plan of action. As a first step, the Commission recommends the creation of a broadly representative national group to analyze existing public policies and programs and to make recommendations for the future.

The foundation for this recommendation was established in the report of the Commission's Liaison Task Panel on Alcohol-Related Problems. The panel described the need for, and the possible characteristics of, a National Commission on Alcoholism and Other Alcohol-Related Problems.

When Congress passed the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act in 1970, it was our hope that the National Institute on Alcohol Abuse and Alcoholism, created by that act, would develop a national strategy to attack these problems. The report of the Senate Committee on Labor and Public Welfare on that bill stated:

> The Committee believes that one of the Institute's most important responsibilities is the development of a comprehensive plan, to serve as a blueprint for a national attack on these problems.
>
> The plan must specify, among other things, how existing federal health, rehabilitation, and welfare legislation can and should be utilized in fostering prevention and treatment programs for alcohol abuse and alcoholism. It will show how all components of the federal government can contribute to a coordinated national approach.
>
> Substantial federal funds are already available under existing legislation dealing with medicare, medicaid, social security, veterans benefits, welfare benefits, vocational rehabilitation, and similar matters, to assist persons suffering from disabilities or disease. At present, few of these funds are being used to assist alcoholics. The Institute undoubtedly will determine exactly which federal funds are available for these purposes, and devise a practical system for channeling such funds directly into treatment for the individual who needs this kind of help, without depriving him or his family of essential support. The Committee believes that this can then be accomplished by administrative action through the cooperation of the federal departments and agencies that administer these laws, ...

Although the National Institute on Alcohol Abuse and Alcoholism has done a creditable, and at times outstanding, job of living up to its Congressional mandate, it has not had the funds, staff, or cooperation of the other Executive Departments to enable it to fully realize the Committee's expectation.

The Liaison Task Panel on Alcohol-Related Problems, working under the auspices of the President's Commission on Mental Health, recognized that the Institute has been hampered by inadequate funds and staff. The Panel noted:

> . . . The overwhelming demand, and need, for treatment services has been a consistent drain on a limited NIAAA budget, to the almost total exclusion of other efforts. Only recently, for instance, has research begun to assume a priority position, and its budget still remains substantially below other agencies functioning within related problem areas. . . . With NIAAA staffing limitations barring effective program evaluation, and faced with a token research budget, much of the federal effort centered in this agency has of necessity been promulgated more on faith than on known fact. . . . NIAAA has historically been considerably understaffed for its responsibilities and has often not been able to recruit staff of appropriate abilities.

The panel also noted that the Interagency Committee on Federal Activities for Alcohol Abuse and Alcoholism has not functioned effectively, in part because of insufficient interest and representation by other Federal agencies. Yet a wide variety of Federal agencies impinge on alcohol problems or are involved in treatment or prevention programs.

The Liaison Task Panel found it impossible for the Mental Health Commission to develop and present recommendations on the full range of alcohol problems policy issues. The Panel felt such an attempt would be inappropriate within the framework of the President's Commission on Mental Health. While many alcohol problems are mental health problems, there are many other important dimensions that warrant simultaneous attention. Hence, the Panel's first and foremost recommendation was for the creation of a national commission specifically addressed to alcohol problems.

Mr. President, the dimensions and complexity of alcohol-related problems have long been recognized. However, it appears that the last systematic Federal study was in conjunction with the National Commission on Law Observance and Enforcement in January 1931.

The second report of the National Commission on Marihuana and Drug Abuse, issued in March of 1973, stated that,

> Alcohol dependence is without question the most serious drug problem in this country today.

In a 1972 statement, the American Hospital Association estimated that up to 29 percent of all acute-care beds were occupied by people with alcohol-related problems.

Max Cleland, Veterans Administrator, in August 1977, said,

> For us (the VA) alcoholism is a major diagnosis in our system and a major challenge which we face.

It is clear that a coordinated, comprehensive Federal policy on alcohol dependence must be based upon a searching assessment of the scope and nature of the problem, along with a thorough analysis of what is presently being done and a complete set of recommendations for addressing unmet needs.

To meet this awesome challenge, I believe that a National Commission on Alcoholism and Other Alcohol-Related Problems, with adequate personnel and funds to discharge its mandate, should be created. The new Commission should have the time and resources to gather, weigh, and interpret information from a broad base of sources. It should involve representatives of State and local government, the voluntary sector, professionals working in the private sector, academicians, scientists, and organized labor.

The Department of Health, Education and Welfare, which has major responsibility for meeting this important health challenge, should have the major responsibility for coordinating the work of the Commission. But a number of executive departments should also be involved, as well as Members of Congress representing the appropriate congressional committees.

Secretary Califano has recognized the need for such a commission. In a letter to me dated July 12, 1978, the Secretary wrote the following:

> I am in strong agreement with you that the area of use and misuse of alcoholic beverages is one of great complexity that requires detailed examination by both the Executive and Legislative branches, with significant involvement of interested groups, organizations, and individuals from the private sector as well as representatives of state and local governments. As noted by the President's Commission on Mental Health, the pervasive nature of our many alcohol-related problems will require closest scrutiny by the best minds that can be brought to bear upon them. As you so clearly state, any effort to advance our effectiveness in ameliorating or eliminating these problems deserves the support of policy makers in both Congress and the Administration.
>
> You may rest assured that I will cooperate in any way you feel appropriate in the development of any such commission.

Dr. Gerald L. Klerman, Administrator of the Alcohol, Drug Abuse and Mental Health Administration, in delivering the fifth annual Arthur Patek Lecture on December 19, 1978, at the Veterans Administration Hospital in Boston, stated, in reference to this proposed legislation:

> We in the Department of Health, Education, and Welfare strongly support such a study and look forward to passage of legislation by the Congress, and inception of a National Commission. The problems of alcoholism, as were noted by the President's Commission on Mental Health, are extensive; they cannot be subsumed under the traditional rubric of mental health and require a national review at a Commission level in their own right.

Mr. President, this is an especially auspicious and crucial moment for a sustained reexamination of national policies on alcohol-related problems. With major cuts in the Federal health budget, it is imperative that we carefully reexamine these issues so that we can effectively prevent alcoholism and related problems, thereby reducing not only the economic drain of $42 billion annually, but the loss of human life and potential as well.

I am therefore introducing today a bill to establish the National Commission on Alcoholism and Other Alcohol-Related Problems. I ask unanimous consent that the text of the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 202

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 is amended by adding after Title VI the following new title:

"TITLE VII—NATIONAL COMMISSION ON ALCOHOLISM AND OTHER ALCOHOL-RELATED PROBLEMS

"ESTABLISHMENT OF A NATIONAL COMMISSION ON ALCOHOLISM AND OTHER ALCOHOL-RELATED PROBLEMS

"SEC. 701. (a) There is established a Commission to be known as the National Commission on Alcoholism and Other Alcohol-Related Problems (hereinafter in this title referred to as the "Commission"). The Commission shall be composed of—

"(1) four Members of the Senate appointed by the President of the Senate upon the recommendation of the Majority and Minority Leaders;

"(2) four Members of the House of Representatives appointed by the Speaker of the House of Representatives upon the recommendation of the Majority and Minority Leaders;

"(3) eleven Members appointed by the President upon recommendation of the Secretary of Health, Education, and Welfare; and

"(4) ex officio members from agencies of the Federal Government, appointed by the President, whose programs affect the prevention and treatment of alcoholism and the rehabilitation of alcoholics and alcohol abusers, and such ex officio members shall be individuals with knowledge of such programs.

At no time shall more than two of the members appointed under paragraph (1), more than two of the members appointed under paragraph (2), or more than six of the members appointed under paragraph (3) be members of the same political party.

"(b) (1) The President shall designate one of the members of the Commission as Chairperson, and one as Vice Chairperson. Ten members of the Commission shall constitute a quorum, but a lesser number may conduct hearings.

"(2) Members of the Commission who are Members of Congress or full-time officers or employees of the United States shall serve without additional compensation but shall be reimbursed for travel, subsistence, and other necessary expenses incurred in the performance of the duties vested in the Commission. Other members of the Commission shall each be entitled to receive the daily equivalent of the annual rate of the basic pay in effect for grade GS–18 of the General Schedule for each day (including traveltime) during which they are engaged in the actual performance of the duties of the Commission; and, while away from their homes or regular places of business in the performance of duties of the Commission, they shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703(b) of title 5 of the United States Code.

"(3) The Commission shall meet at the call of the Chairperson or at the call of the majority of the members thereof.

"(c) (1) The Commission may appoint and fix the pay of an executive secretary to assist the Commission in carrying out its functions. The executive secretary shall be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and the provisions of chapter 51 of subchapter III of chapter 53 of such title, relating to classification and General Schedule pay rates.

"(2) The Secretary shall provide the Commission with such additional professional and clerical staff, such information, and the services of such consultants as the Secretary determines necessary for the Commission to carry out effectively its functions. Such consultants shall receive compensation at a rate to be fixed by the Secretary, but at rates for individuals not to exceed the daily equivalent of the annual rate of basic pay in effect for grade GS–18 of the General Schedule. While away from his or her home or regular place of business in the performance of services for the Commission, any such person may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703(b) of title 5, United States Code, for persons in the Government service employed intermittently.

"(3) The Commission may secure directly from any department or agency of the United States information necessary to enable it to carry out its duties under this section. Upon request of the Chairperson of the Commission, the head of such department or agency shall furnish such information to the Commission consistent with applicable laws and regulations with respect to the privacy of medical records.

"STUDY AND REPORT

"SEC. 702. (a) The Commission shall conduct a study of alcoholism and alcohol-related problems including, but not limited to, the following areas:

"(1) an assessment of unmet treatment and rehabilitation needs of alcoholics and their families;

"(2) an assessment of personnel needs in the fields of research, treatment, rehabilitation, and prevention;

"(3) an assessment of the integration of alcoholism treatment and rehabilitation into ongoing health and social health care services within communities;

"(4) an assessment of the need for integration of alcoholism services into existing fiscal support systems and in national health insurance;

"(5) an evaluation of the accessibility of services and quality of care, including services in rural as well as urban areas;

"(6) the relationship of alcohol use to aggressive behavior and crime;

"(7) the relationship of alcohol use to family violence;

"(8) the relationship of alcoholism to the rates of illnesses, particularly those with a high stress component, among family members of alcoholics;

"(9) an evaluation of the effectiveness of prevention programs, including the relevance of alcohol control laws and regulations to alcoholism and alcohol-related problems;

"(10) a survey of the unmet research needs in the area of alcoholism and alcohol-related problems; and

"(11) an evaluation of the needs of special and underserved population groups, including Native Americans.

"(b) The Commission shall submit to the President and the Congress such interim reports as it deems advisable and shall within 2 years after the date on which funds first become available to carry out the provisions of this section submit to the President and the Congress a final report which shall contain a detailed statement of its findings and conclusions and also such recommendations for legislation and administrative actions as it deems appropriate. The Commission shall cease to exist 60 days after the final report is submitted under this subsection.

"COORDINATION AND AUTHORIZATION OF APPROPRIATIONS

"SEC. 703. (a) The Secretary of Health, Education, and Welfare shall be responsible for the coordination of the activities of the Commission.

"(b) There are authorized to be appropriated for the purposes of this section $2,000,000 to remain available until the expiration of the Commission.".●

By Mr. WILLIAMS:

S. 203. A bill to amend title 5 of the United States Code to allow a retired employee or member who, upon remarriage, elects to have his spouse receive a survivor annuity to increase the amount of such annuity over the amount of the survivor annuity elected for his previous spouse; to the Committee on Governmental Affairs.

CIVIL SERVICE ANNUITY ELECTIONS

● Mr. WILLIAMS. Mr. President, when the 95th Congress adopted H.R. 3447 (P.L. 95-317), it recognized that Federal retirement law should allow for the changed economic circumstances that can occur when civil service annuitants remarry. Specifically, the legislation granted annuitants the right to elect within 1 year of any remarriage whether or not to provide a survivor annuity for the new spouse. Under previous law, a retiree was allowed to elect a survivor annuity only at the time of retirement. If the annuitant chose to forgo such an election, but then remarried and found that the future financial security of the spouse depended upon a survivor annuity, the annuitant was bound by the earlier decision. The new law, in essence, gives retirees a second chance to provide for a survivor benefit.

This revision in the law was welcome and necessary, and results in a more responsive retirement system for Government workers. Unfortunately, the new law does not address the needs of retirees who chose to provide a survivor benefit when they retired, but after remarriage discover that the new spouse would need a larger survivor annuity. The legislation I am introducing would accommodate these individuals.

At present, to provide a spouse with a survivor benefit, a retiree must accept a reduction in his or her monthly annuity. The retiree determines how much of a reduction will occur, and the size of the reduction, in turn, determines the amount of the survivor annuity. Such decisions are based, at least in part, on the retiree's assessment of the spouse's future financial needs. A spouse with an independent source of income might require only a small survivor annuity necessitating only a small reduction in the retiree's monthly annuity. An annuitant who remarries, however, may find that the new spouse would need a larger annuity. Because of the restrictions of present law, such an increase would not be allowed.

Under my legislation, retirees could increase a survivor annuity within a year of their remarriage, in return for paying into the civil service retirement fund an amount equal to what they have saved by arranging for a lower survivor benefit when they retired. This provision would reduce the overall cost of legislation, which would be small in any case, and would insure that retirees do not provide for a higher survivor benefit at a reduced contribution. Current annuitants who have already remarried would be eligible to take advantage of my legislation provided that they make the necessary contributions to the civil service retirement fund, and move to take advantage of the legislation within a year of enactment.

Mr. President, I believe that our retired Federal workers deserve a retirement system that will allow them ample opportunity to assure adequate financial security for their survivors. The legislation I have introduced is designed to improve the current system so that this purpose can be more readily achieved. I ask unanimous consent that the text of my bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 203

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 8339(j) of title 5, United States Code, is amended—

(1) by inserting "(1)" before "The annuity" in the first sentence thereof, and

(2) by adding at the end thereof the following new paragraph:

"(2)(A) Except as provided in subparagraph (B), a retired employee or Member who, under paragraph (1) of this subsection—

"(i) elects, upon remarriage, a reduction in his annuity for the purpose of allowing an annuity for his spouse in the event such spouse survives him, and

"(ii) elected only to have a portion of his annuity reduced during the previous marriage,

may, at the time of the election described in clause (i), elect to increase that portion of the annuity which is to be reduced under paragraph (1) of this subsection as a result of such election and such reduction shall be computed on such larger portion in the manner provided under the first sentence of such paragraph (1).

"(B) An election shall not take effect under subparagraph (A) unless the retired employee or Member has, under regulations prescribed by the Office of Personnel Management, deposited to the credit of the Fund before the date the reduction takes effect under paragraph (1) of this subsection an amount equal to the excess of—

"(i) the amount the annuity would have been reduced during the previous marriage if the employee or Member had elected to have the same portion of his annuity reduced as the portion with respect to which he has made an election under subparagraph (A) of this paragraph.

"(ii) the amount the annuity was reduced during such previous marriage under paragraph (1) of this subsection.".

SEC. 2. (a) This Act shall take effect on the later of—

(1) the first day of the first month which begins on or after the date of the enactment of this Act, or

(2) October 1, 1978.

(b) Except as provided in subsection (c) of this section, the amendments made by the first section of this Act shall apply with respect to annuities which commence before, on, or after the effective date of this Act, but no monetary benefit by reason of such amendments shall accrue for any period before such effective date.

(c)(1) In the case of an annuitant who remarried before the effective date of this Act and whose annuity is reduced to provide an annuity for the spouse of that marriage, the amendments made by the first section of this Act shall not affect the amount of the reduction for a survivor annuity under section 8339(j) of title 5, United States Code, unless the annuitant notifies the Office of Personnel Management in a signed writing received in the Office within one year after the effective date of this Act that he desires to increase the portion of his annuity subject to the reduction. Except as provided in paragraph (2), such increase in reduction shall take effect on the first day of the first month beginning after the date which is one year after the effective date of this Act.

(2) An increase in the reduction of an annuity as a result of the notification under paragraph (1) shall not take effect unless the annuitant deposits to the credit of the Civil Service Retirement and Disability Fund before the date the increase in reduction takes effect under paragraph (1) an amount equal to the excess of—

(A) the amount the annuity would have been reduced during the previous marriage and during the remarriage if the annuitant had elected during the previous marriage to have the same portion of his annuity reduced as the portion he elects to have reduced under paragraph (1), over

(B) the amount his annuity was reduced during the previous marriage and the remarriage.●

By Mr. MATSUNAGA (for himself and Mr. INOUYE):

S. 205. A bill directing the Administrator of General Services to convey certain property to the State of Hawaii; to the Committee on Governmental Affairs.

● Mr. MATSUNAGA. Mr. President, I am introducing today, with Senator INOUYE as cosponsor, a bill designed to preserve 15½ miles of old railroad track which formerly belonged to the U.S. Navy. The tracks are located at the West Loch Branch of the Naval Ammunition Depot, Lualualei, Oahu, Hawaii, and at one time used to haul ammunition. Since the Navy started using trucks to transport its ammunition, the old railroad tracks were declared surplus and turned over to the General Services Administration for disposal.

The Hawaiian Railway Society, a nonprofit, volunteer organization dedicated to the preservation and restoration of old trains, has been trying for years to obtain this particular set of tracks. The society plans to use the tracks in the construction of an operating railroad museum on the Island of Oahu.

My bill provides that the tracks would be transferred to the State of Hawaii, which would bear the responsibility of removing them from Navy property and presenting them to the Hawaiian Railway Society. The cost to the Federal Government would be minimal, and the proposed transfer would permit the railway society to proceed with the construction of the operating railroad museum, a project which will eventually provide a great deal of pleasure for the children of Hawaii and railroad buffs throughout the Nation. If the proposed transfer does not take place, the tracks will most likely be sold for scrap iron.

The restoration of historic railroads is receiving increased attention and acclaim throughout the world. The old Orient Express, which runs between Istanbul and Paris and which was the setting of an Agatha Christie mystery novel, is perhaps the most famous example. The restoration of famous trains in our own country has also been proposed. Recently, for example, such a proposal was outlined in the Washington Star by a party interested in saving the Southern Crescent. While railroads in Hawaii never achieved the status of the Orient Express and the Southern Crescent, they nonetheless played an important role in the economy of the island State. They were used by private industry to haul sugarcane and supplies and, as mentioned before, they were used by the Armed Forces to haul ammunition and other items. These old trains have all but disappeared from Hawaii, just as their numbers have been severely reduced here on the mainland.

The proposed operating railroad museum has aroused great public interest in Hawaii and, for several years, has been a project of interest to the State government. Enactment of my bill would help make the railway society's popular plan a reality.

Mr. President, I ask unanimous consent to have the text of the bill printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 205

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Administrator of General Services shall convey, to the State of Hawaii, without consideration, all right, title, and interest of the United States in and to surplus property consisting of fifteen and one-half miles of railroad rails, crossties, and associated hardware, such property being more particularly described in section 4 of this Act.

SEC. 2. (a) The conveyance pursuant to the first section of this Act shall be made within thirty days following the date of the enactment of this Act and shall be made subject to the following conditions:

(1) A railroad park and museum shall be built in the State of Hawaii and opened to the public within three years following the date of the enactment of this Act; and

(2) Such property shall be used for the construction of such an operating railroad park and museum, for future extension of any such project, or for similar railroad museums to be constructed with State assistance elsewhere in the State of Hawaii.

(b) Notwithstanding the provisions of subsection (a) of this section, in the event that the Governor of the State of Hawaii determines, on or after the date of the conveyance pursuant to this Act, that such property or any part thereof is not needed for railroad museum construction and maintenance, the Governor is authorized to sell such property or part thereof at public auction, except that the proceeds from any such sale shall be designated and used for other railroad museum and park uses, including, but not limited to, construction, operation, and maintenance costs, or the acquisition of additional locomotives and railroad cars.

SEC. 3. Conveyance of property pursuant to this Act shall be on an "as is" and "where is" basis, and without warranty of any kind. Costs of removal and storage of this property shall be borne by the State of Hawaii. Costs of re-grading or other restoration of the railroad roadbed on U.S. Navy property, on which these rails crossties and associated hardware have been located, shall not be the responsibility of the State of Hawaii.

SEC. 4. The surplus real property donated pursuant to this Act comprises fifteen and one-half miles of railroad rails, wooden crossties, switches, frogs, tie-plates and spikes, now in place at the U.S. Naval Magazine Lualualei, West Loch Branch, Oahu, State of Hawaii, recently declared excess by the U.S. Navy and now in the process of property disposal by the General Services Administration, designated by Control No. 9–N–HAW–451–A (West Loch).●

By Mr. STONE:

S. 206. A bill to amend the Internal Revenue Code of 1954 to provide for a credit of up to $200 against income tax liability for post-1978 increases in social security tax liability; to the Committee on Finance.

● Mr. STONE. Mr. President, when this Nation's workers drew their first paychecks of 1979, social security deductions from their salaries were higher than ever before. Those increased worker payments to the social security fund, while necessary for the program, deprive workers of much-needed take-home pay at a time when prices for every basic necessity are increasing.

I am today introducing a bill which will provide some relief from this increased tax burden, imposed by Congress 2 years ago. This bill would grant a tax credit against the Federal income tax liability of up to $200 for the increased social security tax paid by workers, employers, and the self-employed.

Mr. President, I introduced and called up for consideration the same bill during consideration of the tax reduction bill of 1978. At the time I called my bill up, in the form of an amendment, the Senate had adopted a significant individual tax cut amendment offered by Senator KENNEDY which I supported. Had the Kennedy amendment been retained in conference and signed into law, the increased social security taxes and the impact of inflation in pushing taxpayers into even higher tax brackets would have been alleviated over the next several years.

Unfortunately the Kennedy amendment was compromised so significantly in conference, that the tax bill as passed by the Congress and signed by the President provided only individual tax relief and certainly not enough to protect taxpayers from increased tax burdens considering the scheduled social security tax increases and the impact of inflation on tax brackets. I indicated on the Senate floor that should this unfortunate result occur I would offer my amendment again, which I am doing today.

Although the social security tax rate has risen only slightly in the past decade—1.65 percent—the taxable wage under the social security laws has mushroomed 227 percent. The increases in the taxable wage base provided by our 1977 legislation will send that base up to $47,000 by 1988, an increase of 604 percent in the last 20 years. That wage base, even allowing for continued salary increases to meet inflation and cost of living increases, would then include the entire salary of most of the country's salaried workers.

The bill I am introducing today would grant the credit only over the next 3 years. By that time, I hope Congress will have been able to enact comprehensive legislation to maintain the solvency of the social security system without placing an oppressive burden on the American wage earner.

My measure is not a final answer to the problems of our social security system, but it is a measure which offers American workers some protection against reductions in their spendable income at a time when the prices of their basic needs spiral ever upward. It prevents most taxpayers from having to shoulder the burden of additional social security taxes necessary to continue the system without in any way endangering the financial integrity of social security.

Under my proposal, workers earning between $10,000 and $15,000 would receive a credit for the entire amount of their social security tax increases during the next 3 years—$60 for those earning $10,000 a year and $90 for the workers with an annual salary of $15,000. Those making $20,000 a year would be given a full income tax credit—reflected by reductions in their withholding taxes—for the scheduled increases this year and next, and they would be given credit for $200 of the scheduled $260 social security increase in 1981, the last year in which my proposal would be effective.

Those in higher income brackets making $25,000 or more would be given the maximum credit of $200 for each of the 3 years, partially offsetting the social security increases they are now required to bear.

Mr. President, there is no doubt adequate social security funding is necessary. The personal well-being of millions of our citizens depends upon social security payments, and continuing the system is an obligation of the Government no one can reasonably question. However, the Government is also obligated to see that while funding the social security system we do not place an intolerable tax burden on the American worker.

Again, I do not offer this bill as the only approach to tax relief we should take in the Senate, but the bill does address directly the problem of the social security tax increases the American workers have just now begun to pay. I hope the Senate Finance Committee will review this proposal carefully as it continues its consideration of tax reduction legislation this year.●

By Mr. WALLOP (for himself and Mr. SIMPSON):

S.J. Res. 19. A joint resolution to authorize the President to issue a proclamation designating March 1979, as "Youth Art Month"; to the Committee on the Judiciary.

YOUTH ART MONTH

Mr. WALLOP. Mr. President, I am introducing today a Senate joint resolution which designates March of 1979 as "Youth Art Month" and authorizes the President to issue a proclamation to highlight the importance of art programs in our school systems.

Youth Art Month originated in 1961 and has been recognized annually in many States. This observance, sponsored in 1961 by the Crayon, Watercolor and Craft Institute, is cosponsored by the national PTA, the National Endowment of the Arts and the General Federation of Women's Clubs. It is actively supported by the numerous service organizations listed below:

American Association of Museums.
American Library Association.
American National Red Cross.
American Occupational Therapy Association.
Associated Councils of the Arts.
Association for Childhood Education, International.
Association for Junior Leagues of America.
Big Brothers of America.
Camp Fire Girls.
Catholic Youth Organization.
Chamber of Commerce of the U.S.A.
Commission on Jewish Education.
General Federation of Women's Clubs.
Girl Scouts of the U.S.A.
Girls Clubs of America.
International Society for Education Through Art.
Kiwanis International.
Lions International.
National Art Education Association.
National Art Materials Trade Association.
National Committee on Art Education.
National Congress of Parents and Teachers.
National Council on the Arts in Education.
National Council of Catholic Women.
National Council of Churches of Christ.
National Endowment for the Arts.
National Foundation.
National Kindergarten Association.
National Recreation Association.
Rotary International.
The Salvation Army.
School Art League of New York City.

I am proud of the active interest of the Wyoming Federation of Women's Clubs in promoting Youth Art Month. In the past several years this group has encouraged Wyoming Representatives Roncalio, McGee, Hansen, and me to introduce this resolution and take an active role in its passage.

I ask my colleagues support in sponsoring this resolution for a Youth Art Month, giving a new emphasis to, and understanding of, the value in art education for all children.

I ask unanimous consent that the resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S. J. RES. 19

Whereas children are among our most priceless assets, and

Whereas childhood is the time to develop interests, skills, and aptitudes to last a lifetime; and

Whereas through meaningful school art activities children develop initiative, self-expression, creative ability, self-evaluation, discipline, and a heightened appreciation of beauty; and

Whereas the importance of art in education is recognized as being necessary for the full development of all children; and

Whereas participation in school art programs develops perceptive qualities and sensitivity, thereby producing a more enlightened citizenry; and

Whereas Youth Art Month has been observed nationally since 1960 and has gained wide acceptance: Now, therefore, be it

Resolved by the Senate and the House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to issue a proclamation designating the month of March 1979 as "Youth Art Month", and calling upon the people of the United States and interested groups and organizations to become involved in and give their support to quality school art programs for children and youth.

By Mr. ZORINSKY (for himself, Mr. EXON, Mr. BURDICK, Mr. YOUNG, and Mr. MELCHER):

S.J. Res. 20. A joint resolution to increase the price support for milk, wheat, corn, soybeans, and cotton to not less than 90 per centum of the respective parity prices thereof; and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

● Mr. ZORINSKY. Mr. President, late last summer I introduced a joint resolution to increase price supports of several major commodities to at least 90 percent of parity. I am joined today by my fellow Nebraskan, Senator EXON, as well as several other colleagues in reintroducing the resolution today.

The Secretary of Agriculture has long had authority to raise price support loan levels to 90 percent of parity for wheat, feed grains, soybeans, cotton, and milk. Under the Agricultural Act of 1949 as amended, he has the necessary authority to adjust Commodity Credit Corporation loan levels to keep pace with inflation and increasing costs of production. However, the administration has chosen not to use this authority. Instead the President and Secretary Bergland have elected to maintain inadequate and outdated price supports for these commodities.

Last year at this time, the members of Congress assembled here to convene the second session of the 95th Congress. We were greeted by thousands of our country's farmers. They were here to protest the administration's neglect of our agricultural communities' plight and to petition Congress to address the need for higher farm prices. The visiting farmers, led by those of the American agriculture movement, worked tirelessly to convince Congress and the American public that the survival of the family farm depends upon higher prices for their produce.

However, their diligent efforts produced only meager results. The Senate approved a plan to provide farmers with 100 percent of parity prices for their goods, but it never became law. The Congress gave the Secretary of Agriculture authority to raise target prices to 100 percent of parity, but only minor adjustments were made. Farm prices remain abysmally low. The administration remains unresponsive to the desperate need of America's agricultural communities.

Once again our country's farmers are assembling in the Nation's Capital. Once again they are asking Congress for help. At their request I am reintroducing today this joint resolution to require more realistic price supports.

American farmers want and need parity prices. They deserve them. The economic health of the Nation and one of our largest and most productive industries depends on more realistic price supports. I urge my colleagues to delay no further, but to take action swiftly to support our country's farmers.

Mr. EXON. Mr. President, I am pleased to join with my distinguished colleague from Nebraska, Senator ZORINSKY, in sponsoring a resolution increasing price supports for milk, wheat, corn, soybeans, and cotton to not less than 90 percent of parity.

Mr. President, there is no more important part of our economy than agriculture, yet the majority of the people of this Nation fail to recognize this and take our vital food and fiber producers for granted. American agriculture provides an abundance of food for the tables of the people of this great Nation, but those good farmers who are called upon to produce this food are now and have been in the past asked to produce and provide this food without any assurances of a fair profit for their efforts. I believe, Mr. President, it is now time for the Congress and the American people to show their support for the American farmer by guaranteeing him a fair and reasonable return on his investment by adopting this joint resolution introduced by my colleague today.

This measure provides the approach which I believe will set the basis for reestablishing the health of agriculture which has severely suffered during recent years and insure agriculture of a stable future in order to continue to supply this Nation and the world with its food. There is no question that, with this type of guaranteed return, our farmers, and I address in particular the small family farmers, will be assured the continued ability to operate in this ever increasingly complex and technical world, without fear of being forced to leave their farming livelihoods because they can no longer make a decent living on their land.

I believe, Mr. President, it is time for the Congress of the United States to come once again to the realization, as was the case in the early days of this great republic, that agriculture is our greatest resource. But this resource cannot continue to remain viable under present price constraints forced upon it by antiquated philosophies, market manipulations, and international politics. We must act and act now, lest we lose this resource because we lacked the foresight to recognize its importance to the future of this Nation. The arguments and figures are in, Mr. President, it is now time for all of us in this body to stand up and be counted in support of agriculture, the agriculture which has allowed this Nation to grow and prosper.

Mr. President, I believe this resolution addresses the needs of agriculture and strongly urge its expeditious adoption.●

By Mr. JAVITS (for himself, Mr. DURENBERGER, and Mr. CHILES):

S.J. Res. 21. A joint resolution to establish a Joint Committee on National Health Insurance; to the Committee on Governmental Affairs

Mr. JAVITS. Mr. President, as the 96th Congress begins this week, I believe that my colleagues should consider a possible solution to the continuing problem of the divided legislative jurisdiction in our consideration of national health insurance.

Since I first came to the Congress in 1947, I have participated in the fashioning of many health bills, helped to sponsor the development of the expanded Federal role in health care, and observed increasing fragmentation in congressional committee jurisdiction relating to health policy matters. Today there are at least two committees each in the House and Senate which have jurisdiction over health policy issues.

This fragmentation when it comes to national health insurance jurisdiction will lead to lack of coordination and delay due to the jurisdictional distinctions which exist between services, financing, and regulatory issues. Given the growing public debate concerning a national health insurance plan, I believe the Congress should act now to overcome the delays which will likely result with continued divided jurisdiction on the issue.

To that end, I introduce today a Senate joint resolution which would establish a 28-member Joint Committee (House-Senate) on National Health Insurance. This resolution would give the joint committee jurisdiction over all bills and resolution which relate to the establishment of a national health insurance plan. Sixteen of the members would be the chairmen and ranking minority members and their designees of the legislative committees and corresponding health subcommittees of the Senate committees on Human Resources and Finance and the House Committees on Interstate and Foreign Commerce and Ways and Means. The remaining 12 members of the committee would be apportioned equally between the House and Senate and would be appointed by the Speaker of the House of Representatives and the Vice President, respectively.

Mr. President, I believe that the joint committee could promote effective congressional leadership in the development of a national health insurance plan. I urge my colleagues to act favorably on this resolution.

By Mr. GARN (for himself, Mr. DANFORTH, Mr. DECONCINI, Mr. HATCH, Mr. HATFIELD, Mr. HELMS, Mr. HUMPHREY, Mr. JEPSEN, Mr. LUGAR, Mr. MCCLURE, Mr. PRESSLER, Mr. PROXMIRE, Mr. RANDOLPH, Mr. YOUNG, and Mr. ZORINSKY):

S.J. Res. 22. A joint resolution proposing an amendment to the Constitution of the United States for the protection of unborn children and other persons; to the Committee on the Judiciary.

● Mr. GARN. Mr. President, I am honored today to introduce again a proposed amendment to the Constitution of the United States which, when ratified, will reestablish a pre-eminent "Right-to-Life" under American law. Yesterday was the sixth anniversary of Roe v. Wade and Doe v. Bolton in which the Supreme Court effectively removed from the States the power to regulate abortion.

I believe the Court's decisions were terribly wrong for two principal reasons. First, the Court erred in its holding regarding the nature of preborn life and the protection which it ought to be afforded. Perhaps this can be called the substantive error. Second, the Court made what may be called a procedural error, in which it decided—one is tempted to say "legislated"—in an area in which the States have every valid purpose for legislating and in which the United States Constitution is absolutely silent.

One of the most effective criticisms of the Court's abortion decisions is John Hart Ely's article in the April, 1973 Yale Law Journal. Professor Ely, who supports the right to abortion, though with a "divided spirit," shows to what extent the Court went in enacting a constitutional right to abortion. Let me quote a few sentences from his article.

> . . . it has never been held or even asserted that the state interest needed to justify forcing a person to refrain from an activity, whether or not that activity is constitutionally protected, must implicate either the life or the constitutional rights of another person. Dogs are not "persons in the whole sense" nor have they constitutional rights, but that does not mean the state cannot prohibit killing them: It does not even mean the state cannot prohibit killing them in the exercise of the First Amendment right of political protest. Come to think of it, draft cards aren't persons either.

Professor Ely's remarks are extremely thought provoking. He points out quite rightly that even if a person is engaged in a constitutionally protected activity, he may still be prevented from harming or destroying not only some other person or animal but even some inanimate thing. Dogs may be protected, and may even be protected when someone is exercising a fundamental constitutional right. Draft cards can be protected even when the rights of expression are involved. But for some extraordinary reason, fetuses have no such protection.

Let me now quote a paragraph from Professor Ely's article that is more specifically directed at the procedural problems of the abortion cases.

> Of course a woman's freedom to choose an abortion is part of the "liberty" the Fourteenth Amendment says shall not be denied without due process of law, as indeed is anyone's freedom to do what he wants. But "due process" generally guarantees only that the inhibition be procedurally fair and that it have some "rational" connection—though plausible is probably a better word—with a permissable governmental goal. What is unusual about Roe is that the liberty involved is accorded a far more stringent protection, so strigent that a desire to preserve the fetus' existence is unable to overcome it—a protection more stringent, I think it is fair to say, than that the present court accords the freedom of the press explicitly guaranteed by the First Amendment. What is frightening about Roe is that this super-protected right is not inferable from the language of the constitution, the framers' thinking respecting the specific problem in issue, any general value derivable from the provisions they included, or the nation's governmental structure. Nor is it explainable in terms of the unusual political impotence of the group judicially protected vis a vis the interest that legislatively prevailed over it. And that, I believe . . . is a charge that can responsibly be leveled at no other decision of the past twenty years. At times the inferences the court has drawn from the values the constitution marks for special protection have been controversial, even shaky, but never before has its sense of an obligation to draw one been so obviously lacking.

I think it is fair to say that the abortion decisions are the most criticized decisions of the past several decades. This criticism is often leveled by those who, on balance, are proabortion but who recognize the necessity for judicial restraint and deference to the explicit language of the Constitution, the implications reasonably derived therefrom, the powers of the States within our federal system, and certainly the moral sensibilities of the people. The abortion decisions ought to be overturned by constitutional amendment primarily because of the human havoc they are spreading. But they ought also to be overturned because they are an affront to the excellence that ought to characterize our constitutional law. As Archibald Cox has said,

> The Justices read into the generalities of the Due Process Clause of the Fourteenth Amendment a new "fundamental right" not remotely suggested by the words. Because they found the right to be "fundamental", the Justices felt no duty to defer to the value judgments of the peoples' elected representatives, current as well as past.

Mr. President, let us not fool ourselves when we discuss the issue of abortion. It is clear that the issue is highly emotional but emotionalism does not justify the distortion of facts. And the facts are that when we talk about an abortion we are talking about the killing of a human being. If people wish to discuss when this new human being should receive constitutional protection as a "constitutional person" that is one thing, but for people to discuss the issue of abortion as if living human beings were not at stake is a grievous error. There should be no question that the object that is aborted is living, for as biologists know, life does not just start but is passed on from one living organism to another and the object of an abortion has received its life from its parents. Also, if the fetus were not living there would be no need for abortion, for an abortion is designed to stop the growth and remove the evidence of a living organism. Further, this object of abortion is human. It has human parents who have endowed it with human genes and it can be nothing else. It does not belong to the dog family or the cat family or any other animal family.

It belongs only to the human family. The scientific facts are clear, it is our moral sensibilities which are clouded and which are sometimes used to cloud points which would otherwise be very clear. "The very considerable semantic gymnastics which are used to rationalize abortion as anything but taking a human life would be ludicrous if they were not often put forward under socially impeccable auspices," says the medical journal California Medicine. "The result," the journal continues, "has been a curious avoidance of the scientific fact, which everyone really knows, that human life begins at conception and is continuous whether intra- or extra-uterine until death." Once we clear away some of the factual distortions and semantic exertions, we can concentrate on the essence of the abortion question which is moral, not factual. It is a values question posed in its most acute form: What value will we place on unborn human life, and perhaps by extension, what value will we place on life that is assuredly human yet "somehow different" from our own? For myself, for the cosponsors of this amendment, and for millions in this country, I say we will stand by the position which holds life in reverence and which grants the protection of the laws to the broadest class of living human beings.

In the words of Dr. Andre Hellegers:

> Are there to be live humans who are to be considered devoid of "value", "dignity", "soul", "meaningfulness", "protection under the constitution" or whatever phrase or word by which one wants to describe the inclusionary or exclusionary process? This is fundamentally why I am opposed to abortion. It is because it attaches no value to live biological human entities. . . .

Those of us in the "Right-to-Life" movement are often accused of being extremists and absolutists. Some may be extreme, some may be absolute in their convictions, but all of us have chosen to side with that "interest in maintaining that respect for the paramount sanctity of human life which has always been at the center of Western civilization, not merely by guarding 'life' itself, however defined, but by safeguarding the penumbra whether at the beginning through some overwhelming disability of mind or body, or at death." We have chosen to side with the protection of humans rather than their destruction, we have chosen to side with the highest traditions of Western civilization, we have chosen to side with the clear language of the 5th and 14th Amendments of the Constitution and the Declaration of Independence and the implications of those words, we have chosen to side with scientific knowledge.

We choose life. ●

By Mr. MATSUNAGA (for himself and Mr. INOUYE):

S.J. Res. 23. A joint resolution relating to the publication of economic and social statistics for Americans of East Asian or Pacific Island origin or descent; to the Committee on Governmental Affairs.

IMPROVEMENTS IN CENSUS DATA FOR ASIAN AND PACIFIC ISLAND AMERICANS

● Mr. MATSUNAGA. Mr. President, I am introducing today, with Senator INOUYE as cosponsor, legislation which would improve the enumeration and data collection procedures and the publication of census data with respect to Asian and Pacific Island Americans. The measure is identical to Senate Joint Resolution 47, which I introduced in the 95th Congress.

My proposal would require the Departments of Agriculture, Commerce, Labor, and Health, Education, and Welfare to gather and publish regularly reliable social and economic statistics on Asian and Pacific Island American ethnic groups for those States which contain significant populations of such ethnic groups. In addition, the resolution would require the Bureau of the Census to establish a permanent advisory committee for Asian and Pacific Island Americans. The proposed advisory committee would be similar to already existing committees for black and Spanish-speaking Americans.

In Hawaii, Alaska, California, New York, Illinois, and several other States, there is a real problem of identifying the population and detailed characteristics of Asian and Pacific Island American ethnic groups. In Hawaii, census data are tabulated on the basis of "white," "black," "Spanish-speaking," and "Others." According to the data, about 39 percent of the population is "white," less than 1 percent is "black,' and the remainder of the population is classified as "others," making the data meaningless for all but the most general planning purposes.

Although I understand that detailed census data on the major Asian American and Pacific Island American ethnic groups is collected during the decennial census, not a single volume of census data is published by the Census Bureau which shows accurate, detailed characteristics of these ethnic groups by local planning areas such as census tracts, counties, or places with a population of 2,500 to 10,000.

The 1970 decennial census tabulations indicated a population of 2.25 million Asian American and Pacific Island Americans in the United States. Because of dramatic increases in immigration from Korea, the Philippines, American Samoa, South Vietnam and Laos, it is anticipated that the population will have doubled by next year. Yet State and local planners lack the essential detailed data they need to determine the social and economic needs of these ethnic groups. If my proposal is enacted, it would insure the collection and publication of adequate statistical data relating to Asian and Pacific Island Americans.

I ask unanimous consent that the text of the resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 23

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

Whereas more than two and one-quarter million Americans identify themselves as being of East Asian or Pacific Island background and trace their origin or descent from the East Asian Continent or the Pacific Islands; and

Whereas these Americans of East Asian or Pacific Island origin or descent have made significant contributions to enrich American society and have served their Nation well in time of war and peace; and

Whereas a large number of Americans of East Asian or Pacific Island origin or descent suffer from racial, social, economic, and political discrimination and are denied the basic opportunities they deserve as American citizens and which would enable them to begin to lift themselves out of the poverty many of them now endure; and

Whereas improved evaluation of the economic and social status of Americans of East Asian or Pacific Island origin or descent will assist localities, States, the Federal Government and private organizations in the accurate determination of the urgent and special needst of Americans of East Asian or Pacific Island origin or descent; an

Whereas the provision and commitment of local, State, Federal and private resources can only occur when there is an accurate and precise assessment of need: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

That the Department of Labor, in cooperation with the Department of Commerce, shall develop methods for improving and expanding the collection, analysis, and publication of labor force characteristics relating to Americans of East Asian or Pacific Island origin or descent for those States with localities containing significant populations of East Asian or Pacific Island Americans.

SEC. 2. The Department of Commerce, the Department of Labor, the Department of Agriculture, and the Department of Health, Education, and Welfare shall each collect, and publish regularly, statistics which indicate the social, health, and economic conditions of Americans of East Asian or Pacific Island origin or descent for those States with localities containing significant populations of East Asian or Pacific Island Americans.

SEC. 3. The Director of the Office of Management and Budget, in cooperation with the Secretary of Commerce and with the heads of other data-gathering Federal agencies, shall develop a Government-wide program for the collection, analysis and publication of data with respect to Americans of East Asian or Pacific Island origin or descent for those States with localities containing significant populations of East Asian or Pacific Island Americans.

SEC. 4. The Department of Commerce, in cooperation with appropriate Federal, State, and local agencies and various population study groups and experts, shall immediately undertake a study to determine what steps would be necessary for developing creditable estimates of undercounts of Americans of East Asian or Pacific Island origin or descent for States with localities containing significant populations of East Asian or Pacific Island Americans.

SEC. 5. The Secretary of Commerce shall insure that, in the Bureau of the Census data-collection activities, the needs and concerns of the East Asian or Pacific Island origin population are given full recognition through the use of East Asian or Pacific Island language questionnaires, bilingual enumerators, and other such methods as deemed appropriate by the Secretary for States with localities containing significant populations of East Asian or Pacific Island Americans.

SEC. 6. The Department of Commerce shall implement an affirmative action program within the Bureau of the Census for the employment of personnel of East Asian or Pacific Island origin or descent and shall submit a report to Congress within one year of the enactment of this Act on the progress of such program.●

By Mr. MATSUNAGA (for himself, Mr. INOUYE, Ms. KASSEBAUM, Mr. LEAHY, Mr. MATHIAS, Mr. MOYNIHAN, and Mr. WILLIAMS):

S.J. Res. 24. A joint resolution to require improvement and expansion of the collection, analysis and publication of statistical data relating to working women; to the Committee on Human Resources.

OCCUPATIONAL STATISTICS RELATING TO WORKING WOMEN

● Mr. MATSUNAGA. Mr. President, I am introducing today, with Senators

Inouye, Kassebaum, Leahy, Mathias, Moynihan, and Williams as cosponsors, a joint resolution which would require the Federal Government to improve the collection, analysis, and publication of occupational statistics relating to working women.

The measure is similar to Senate Joint Resolution 99, which I introduced in the 95th Congress, but it has been revised to incorporate the recommendations of the National Women's Conference which was held in Houston in 1977.

The resolution calls on the Departments of Commerce, Labor, and Health, Education, and Welfare to develop better methods of collecting and publishing labor force characteristics relating to working women and would require the Bureau of the Census to publish a statistical breakdown of the data equal to that provided for working men. The three Federal departments are also urged to provide occupational data relating to women employed under Federal programs, with cross tabulations on the basis of race and sex.

Mr. President, the difficulties encountered by Government officials and planners on the State and local level as they attempt to use census data to develop new programs for working women and to enforce existing laws were first brought to my attention by the Hawaii State Commission on the Status of Women. It is significant, I believe, that the elected delegates to the First National Women's Conference, pointed to the same shortcomings.

In response to the recommendations of the National Women's Conference, a meeting was held at the Census Bureau in April 1978 to discuss the Federal statistical needs of women. Statisticians and social scientists at that meeting also called for improvements in the publication of occupational data relating to women, particularly at the local level. It is my understanding, however, that the Census Bureau has not yet published a report on that meeting or announced what, if any, changes it intends to make in the collection, analysis, and publication of occupational statistics relating to working women.

In Hawaii, we found that the lack of occupational data relating to women resulted in 70 percent of all professional, technical, and managerial women being classified as "other" with no further details. Planners believed, but had a hard time verifying, that these are often women in the so-called traditional fields—nurses, teachers, and social workers, for example. It is hard to determine how many in these fields have reached the higher rungs of administration and how many are still on the lower rungs of the career ladder because so little detail is provided.

This lack of data has made the working woman all but invisible, although her numbers have increased significantly in recent years. Fifty-six percent of all American women over the age of 16 are working women and they comprise 48 percent—close to one-half—of the total U.S. work force. More than one-half of the Nation's children have working mothers. While it is easier to see that more women are working today than ever before, it is difficult to forecast the impact on our society and the future needs of working women and their families without adequate statistical data. Passage of my resolution would benefit not only working women, but also State and local governments and the planners of private industry. I urge, therefore, that early consideration be given to this measure and I ask unanimous consent that the text of the resolution be printed in the Record.

There being no objection, the joint resolution was ordered to be printed in the Record, as follows:

S.J. Res. 24

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

Whereas 56 percent of adult women in America are presently engaged in gainful employment, as compared to only 20 percent in 1900, and working women constitute 48 percent of the total national workforce;

Whereas the increasing numbers of women seeking employment will have a profound impact on population planning, family-oriented policies of the Federal, State and local governments, national economic planning, and national employment policies;

Whereas the available evidence indicates that working women are victims of economic discrimination and earn only 58 cents for every dollar earned by working men, and women are still denied entry into the higher paying professional, technical and managerial positions; and

Whereas proper planning and improved administration and enforcement of existing equal employment opportunity and equal pay laws have been stymied by the lack of adequate statistical data relating to working women; Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Department of Commerce, in cooperation with the Department of Labor, and the Department of Health, Education, and Welfare, shall adopt methods for improving and expanding the collection, analysis and publication of labor force characteristics relating to women in all occupations with special attention paid to women in professional, technical and managerial positions.

Sec. 2. The Secretary of Commerce shall insure that the Bureau of the Census, in its data collection activities and in the publication of statistical tables relating to the employment of women in all occupations with special attention paid to women in professional, technical and managerial positions, provides a statistical breakdown of the data equal to that provided in the case of men employed in all occupations especially men in professional, technical and managerial positions with cross tabulations on the basis of race and sex.

Sec. 3. The Secretary of Labor, Secretary of Commerce, and the Secretary of Health, Education and Welfare shall insure that the Bureau of the Census, in its data collection activities and in the publication of statistical tables shall provide statistical breakdowns of data relating to the employment of women under federal government programs with cross tabulations on the basis of sex and race.

ADDITIONAL COSPONSORS

S. 8

At the request of Mr. Dole, the Senators from New Mexico (Mr. Schmitt and Mr. Domenici) were added as cosponsors of S. 8, to extend diplomatic privileges and immunities to any principal liaison office of the Republic of China that may be established in Washington, D.C., and to members thereof.

S. 10

At the request of Mr. Bayh, the Senator from Wisconsin (Mr. Nelson) was added as a cosponsor of S. 10, to protect the rights of institutionalized persons.

S. 25

At the request of Mr. Bayh, the Senator from Arkansas (Mr. Bumpers), the Senator from Missouri (Mr. Eagleton), the Senator from Alaska (Mr. Gravel), the Senator from South Carolina (Mr. Hollings), the Senator from Wisconsin (Mr. Nelson), the Senator from Maryland (Mr. Sarbanes), and the Senator from New York, (Mr. Moynihan) were added as cosponsors of S. 25, to designate the birthday of Dr. Martin Luther King, Jr. as a national holiday.

S. 46

At the request of Mr. Stone, the Senator from Mississippi (Mr. Cochran), the Senator from Utah (Mr. Garn), the Senator from California (Mr. Hayakawa), and the Senator from South Dakota (Mr. McGovern) were added as cosponsors of S. 46, a bill extending diplomatic privileges and immunities to all offices representing the Republic of China in the United States.

S. 55

At the request of Mr. Bentsen, the Senator from Nebraska (Mr. Exon), the Senator from North Dakota (Mr. Young), the Senator from Montana (Mr. Baucus), and the Senator from Florida (Mr. Stone) were added as cosponsors of S. 55, the Meat Import Act of 1979.

S. 76

At the request of Mr. Stone, the Senator from Idaho (Mr. Church), the Senator from North Dakota (Mr. Burdick), and the Senator from Arizona (Mr. DeConcini) were added as cosponsors of S. 76, a bill to amend title XVIII of the Social Security Act to authorize payment under medicare for certain services performed by chiropractors.

S. 93

At the request of Mr. Nelson, the Senator from Alabama (Mr. Stewart) was added as a cosponsor of S. 93, to require that Federal agencies publish certain statements during the rulemaking process, and for other purposes.

SENATE JOINT RESOLUTION 4

At the request of Mr. Lugar, the Senator from Oregon (Mr. Hatfield), the Senator from Wyoming (Mr. Simpson), the Senator from Arizona (Mr. Goldwater), the Senator from Wyoming (Mr. Wallop), and the Senator from North Carolina (Mr. Helms) were added as cosponsors of Senate Joint Resolution 4, proposing a constitutional amendment setting forth levels of total budget outlays and Federal revenues that must be agreed to by a two-thirds vote of both Houses of the Congress if the level of outlays exceeds the level of revenues.

SENATE JOINT RESOLUTION 18

At the request of Mr. THURMOND, the Senator from South Carolina (Mr. HOLLINGS) was added as a cosponsor of Senate Joint Resolution 18, proposing a constitutional amendment requiring a balanced budget.

SENATE RESOLUTION 13

At the request of Mr. DOLE, the Senator from New Mexico (Mr. SCHMITT) and the Senator from California (Mr. HAYAKAWA) were added as cosponsors of Senate Resolution 13, with respect to the continuing relationship of the United States and the Republic of China.

SENATE RESOLUTION 15

At the request of Mr. HARRY F. BYRD, JR., the Senator from Wisconsin (Mr. PROXMIRE) was added as a cosponsor of Senate Resolution 15, concerning mutual defense treaties.

NOTICES OF HEARINGS

COMMITTEE ON FOREIGN RELATIONS

Mr. CHURCH. Mr. President, I would like to announce that the Committee on Foreign Relations will hold hearings on Taiwan enabling legislation and resolutions relating to the security of Taiwan on February 5 and 6, 1979. Witnesses from the executive branch will be heard on February 5 and congressional and public witnesses will be heard on February 6. Markup of this legislation is tentatively scheduled for February 7.

I also wish to announce that a hearing on the nomination of Leonard Woodcock to be Ambassador to the People's Republic of China will be held on February 8.

Each of these meetings will take place in room 4221, Dirksen Senate Office Building.

Anyone interested in testifying at these hearings should contact Roy Werner of the Committee on Foreign Relations staff on 224-5381.

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. PROXMIRE. Mr. President, I wish to announce that the Committee on Banking, Housing and Urban Affairs will hold an oversight hearing on the calendar year 1979 budgets of the Federal Reserve Board and System, the Federal Deposit Insurance Corporation, and the Office of the Comptroller of the Currency. The hearing will begin at 10 a.m., room 5302, Dirksen Senate Office Building, on January 26, 1979.

Anyone wishing information about this hearing should contact Ms. Elinor B. Bachrach, professional staff member, room 5300, Dirksen Senate Office Building, 202-224-7391.

SELECT COMMITTEE ON SMALL BUSINESS

Mr. NELSON. Mr. President, the Select Small Business Committee will continue hearings in the series on "Competitive Problems in the Drug Industry." The 3 days to be held on January 31, February 1, and February 5, will address the issues of the safety, efficacy, and medical usefulness of propoxyphene (Darvon).

On January 31, the hearings will be in room 6226 of the Dirksen Senate Office Building and on February 1 and 5 the hearings will be in room 5110 of the Dirksen Senate Office Building at 10 a.m. each day.

Witnesses will be announced at a later date.

SUBCOMMITTEE ON CHILD AND HUMAN DEVELOPMENT

● Mr. CRANSTON. Mr. President, for the information of my colleagues and the public, I am pleased to announce the January through May hearing schedule of the Subcommittee on Child and Human Development which I am honored to chair on the Committee on Human Resources. Our schedule is a busy one and includes hearings on the reauthorization of legislation and hearings on new initiatives and oversight matters.

Mr. President, I ask unanimous consent that the subcommittee hearing schedule be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Date, subject, location, and time:

January 24, Institutional Abuse of Children, 4232 Dirksen, 9:30 a.m. to 1 p.m.

February 6, Child Care (S. 4), 6226 Dirksen, 9:30 a.m. to 1 p.m.

February 8, ACTION Agency Reauthorization (S. ——), 6226 Dirksen, 9:30 a.m. to 1 p.m.

February 21, Child Care (S. 4), 4232 Dirksen, 9:30 a.m. to 1 p.m.

March 7, Domestic Violence, (S. ——), 4232 Dirksen, 9:30 a.m. to 1 p.m.

May 1, ACTION Agency's Older American Volunteer Programs (oversight), 4232 Dirksen, 9:30 a.m. to 1 p.m.

Mr. President, individuals interested in presenting testimony or obtaining further information regarding these hearings should contact Mary Lopatto, Subcommittee on Child and Human Development, 224-9181.●

SUBCOMMITTEE ON CITIZENS AND SHAREHOLDERS RIGHTS AND REMEDIES

● Mr. METZENBAUM. Mr. President, the subcommittee on citizens and shareholders rights and remedies had scheduled hearings on the effect of pension fund investment policies on individual contributors for Wednesday, February 7, 1979, at 10 a.m. in room 155, Russell Senate Office Building.

That hearing has been changed to Monday, February 5, 1979, at 10 a.m. in room 2228, Dirksen Senate Office Building.●

COMMITTEE ON HUMAN RESOURCES

● Mr. WILLIAMS. Mr. President, I wish to announce that hearings will be conducted by the Committee on Human Resources on legislation I will introduce today, the ERISA Improvements Act of 1979. The hearings will be held on Tuesday, Wednesday, and Thursday, February 6, 7, and 8, 1979, commencing at 10:30 a.m. on February 6 and at 9:30 a.m. on February 7 and 8, in room 4232 of the Dirksen Senate Office Building. Requests for further information and requests to testify at the hearings or submit written statements should be directed to Steven J. Sacher, special counsel to the committee, 202-224-1097.●

SUBCOMMITTEE ON CHILD AND HUMAN DEVELOPMENT

● Mr. WILLIAMS. Mr. President, as Chairman of the Committee on Human Resources, I would like to announce that the Subcommittee on Child and Human Development, chaired by my colleague from California (Senator CRANSTON), will hold hearings on the institutional abuse of children on Wednesday, January 24, in room 4232, Dirksen Senate Office Building. The hearings will begin at 9:30 a.m. and continue until 1 p.m.

Individuals interested in further information regarding these hearings should contact Mary Lopatto, Subcommittee on Child and Human Development, 224-9181.●

SUBCOMMITTEE ON SCIENCE, TECHNOLOGY, AND SPACE

● Mr. STEVENSON. Mr. President, on January 25, 1979, the Subcommittee on Science, Technology, and Space of the Committee on Commerce, Science, and Transportation will begin hearings on U.S. civilian Space policy. Dr. Frank Press, the President's science adviser and Director of the Office of Science and Technology Policy, and Dr. Robert Frosch, Administrator of NASA, will testify. Additional hearings will be held on January 31 and February 1. The hearings will begin at 9 a.m. in room 235, Russell Senate Office Building.

Congress can postpone no longer development of a civilian Space policy for the United States. Within the next year the Space Shuttle will be launched for its first manned orbital flight. By 1981 the Shuttle should achieve full operational status. By the mid-1980's we can expect 30 to 50 Shuttle flights a year. This increasing pace will produce new opportunities for developing the Space environment to serve humanity.

In sum we stand on the threshold of a new era in Space. It is essential that the United States develop a reasonable and coherent strategy for realizing these new opportunities. To this end I introduced last year the Space Policy Act. A revised version of this bill will be reintroduced shortly. Senator HARRISON SCHMITT has also introduced a Space policy bill. Last fall President Carter announced certain broad principles to guide U.S. activity during the Space Shuttle era.

These issues will be examined in depth during the forthcoming hearings. My hope is that the Committee on Commerce, Science, and Transportation will report a Space policy bill prior to May 15 and that it can be passed by the Senate during this session. I welcome the interest and support of my colleagues in this endeavor.●

SUBCOMMITTEE ON NUTRITION

● Mr. McGOVERN. Mr. President, I wish to announce that the Subcommittee on Nutrition of the Senate Committee on Agriculture, Nutrition, and Forestry has scheduled a hearing on nutrition education in medical schools. The hearing will be held Tuesday, January 30 beginning at 9 a.m. in room 324.

The subcommittee has invited three

distinguished panels to testify. We will hear first from members of the Accreditation Board governing medical schools regarding standards. This will be followed by an HEW panel who will detail the results of special grant projects on nutrition education in medical schools. Finally, the hearing will conclude with a panel discussion of alternative training for physicians.

Anyone wishing further information should contact the committee staff at 224-2035.●

ADDITIONAL STATEMENTS

HERBERT HOOVER

● Mr. HATFIELD. Mr. President, as many of my colleagues are aware, one of the former Presidents who I admire most is Herbert Hoover. One of the great delights of my life is to read a new book or an old book just discovered about him. The Hoover Museum and Library in West Branch, Iowa, is a fitting memorial to his productive and admirable life. Certainly one gains a new perspective on Mr. Hoover's contributions to our Nation and the world community while browsing the Presidential Library.

On August 10, in West Branch, ceremonies were held commemorating the 104th anniversary of the birth of the 31st President of the United States. Our former colleague, the Honorable Roman Hruska, attended the occasion and sent to me a copy of Mr. Lowell Thomas' captivating remarks from his major address. I submit Mr. Thomas' speech in its entirety for the RECORD:

REMARKS OF LOWELL THOMAS

(West Branch, Iowa, Aug. 10, 1978)

Ladies and gentlemen, when you pass the 80th milestone—and I'm well beyond that—when you do pass it, a number of things happen. One is that every time you say something it reminds you of something else. About thirty years ago President Hoover, and I, were given honors at a university in the middle west. It was a hot summer day and a new chancellor was being installed—his name Arthur Flemming. Methodist Bishop Herbert Welch was delivering a long, impressive speech, but the day was a scorcher. I thought we were going to find similar heat here in Iowa today. Fortunately, it's cool. At any rate, I'm thinking of the day long years ago because President Hoover, the ex-chancellor of the university, and I, we were seated under a canopy with the heat so intense that all three of us fell asleep. Life magazine published an amusing picture of us. I was going to suggest that if it was hot here today, I would urge you to go ahead and sleep. I wouldn't mind.

Yesterday I much enjoyed going through the Hoover Library and Museum. I am sure most of you have visited it. If you haven't, by all means do so. It's an experience. In California, at Palo Alto, as you know, the Hoover Tower at Leland Stanford University houses a world-famous library where they've just dedicated a new addition. One of the speakers was President Ford who said:

"What prophet around a century or so ago would have predicted that a blacksmith's son from a small Iowa town, orphaned since he was nine years old, would quit his job as an office boy in Salem, Oregon, study nights to win admission to the exciting new university just opening in California, pursue his ambition to be a mining engineer, and become the number one mining engineer in the world? That is what Herbert Hoover did before he scaled the highest peaks of achievement in other fields and then was elected President of the United States by the largest landslide since George Washington."

As we know, Herbert Hoover faced overwhelming problems while he was president; and, we all know how he was vilified. On one occasion Lady Astor—I'm sure you all remember the girl from Virginia who became the first woman member of the Mother of Parliaments—Lady Astor called me on the overseas phone. She said she wanted me to fly to England and stop the publication of a book, a vicious attack on Lawrence of Arabia. I laughed and asked why she thought I, an American, had all that influence in England.

Then a few weeks later London's leading press baron arrived in New York. Lord Beaverbrook, a poor boy from New Brunswick, Canada, had become one of the most powerful men in the world. We were friends, and after chatting for a few minutes I told him when he got back to England I hoped he would get in touch with Lady Astor and help her. His reply will interest you. He said, "No really great man from the time of Hammurabi, five thousand years ago, and from the pharaohs of Egypt down to the present moment, no great man has ever escaped vicious attack." Then he added: "The man who will suffer most will be the man who made the attack." A wise remark, and it was also true in the case of Herbert Hoover.

In Idaho, 40 years ago, an editor of a small paper, *The Wallace Miner*, made a wise reply to a vicious anti-Hoover attack. He said he had received a New Deal piece of propaganda saying that Herbert Hoover had been a complete failure. To this the Idaho editor had this reply: "Yes, he did fail; he failed to draw out his salary of $75,000 a year while he was President.

"Yes, he failed to have his sons organize firms to write insurance on government enterprises.

"Nor did his sons go racing through the divorce courts to the disillusionment of the public.

"He did not go on fishing trips on government warships accompanied by a fleet of destroyers. Instead he built a Rapidan resort for fishing and recreation at his own expense and gave it to the government (and they are still using it as you know).

"He did not plow up every third row of cotton. He did not promise the American people one thing while at the same moment doing everything to accomplish directly the opposite result. Neither did he kill off all the farmers little pigs or encourage the importation of Argentine beef.

"In fact, there were a lot of foolish things he didn't do that some others did.

"He never bundled up a lot of government documents to sell as a book to the faithful at a huge profit (this was forty years ago) and he never sold himself into political slavery to a labor organization for a $500,000 campaign fund, as others did.

"He did not preach and promote class hatred. He did not try to pack the Supreme Court, and he did not leave the American people with a 45 million dollar debt."

And then referring to Mrs. Hoover:

"She never made speeches. She never raced hither and yon on unimportant matters. She never sold soap over the radio. Her only public appearance was in behalf of the Girl Scouts of America."

As for me I have only made one political speech in my life and it was an accident. Nearly fifty years ago, after being involved in the First World Flight, I decided that if airplanes could actually fly around the world—(two of them didn't make it. One crashed into a mountain in Alaska and one went down in the North Atlantic. But two did circle the globe); I decided the time had come when everyone should take up flying. I probably was a bit premature, but I felt indeed the time had come when you could take your grandmother on a flight. Having no grandmother to sacrifice on the altar of aviation, I took my wife. We went off to Europe and flew for some 26,000 miles, longer than anyone had done up to that time. We were taking a look at the embryo airlines in Europe. We had none in our country. We had left our two and a half year old son with three maiden ladies. This we should not have done. We did crash a couple of times.

When we got back we were much indebted to these maiden ladies, one of whom called me on the phone and said "Lowell, we're having a political gathering in Poughkeepsie." Poughkeepsie is our county seat. She said, "We want you to represent the Republican Party." I should have said no. Governor Dewey who was our neighbor for many years, said on one occasion that it was a good thing I wasn't a woman because I didn't know how to say no. Five minutes after her call I knew I'd made a mistake. I called her and told her I couldn't possibly do it, to which she retorted: "I have your promise, you must come."

It was to be a non-partisan event, in a great barn owned by the elder Morgenthau, father of the Henry Morgenthau Jr. you may remember as Secretary of the Treasury. There was a big crowd and I was there to speak for the Republicans. The elder Morgenthau introduced me first which I suspected was because he himself was a Democrat and figured if I spoke first, then the Democrat would be able to knock me off.

In my opening remarks I said perhaps I had been invited to represent the Republicans because I had only voted once in my life and that was for a Democrat. I had been out of the country for years and the only time was when I cast my vote for Woodrow Wilson. As a loyal Princetonian I had voted for him. The faces of the Republicans in the crowd looked a bit somber when I said this. Then I added that perhaps another reason I had been invited to speak on behalf of the Republicans party was because I was an admirer of Al Smith. As you will recall this was when Al Smith was running against Mr. Hoover. So now there were scowls on their faces. I went on for the next five minutes eulogizing Al Smith for whom I had a great admiration. As you may recall he and President Hoover became warm friend in later life.

After eulogizing Al Smith, who had indeed been a great governor of New York, I went on to say that I thought we were living in a new era when we needed someone at the White House who had had worldwide experience, a man with even a broader background then Governor Smith. Then I added how in my travels I had crossed the trail of an American who had opened up the gold fields of Australia. I had crossed his trail in China where he had been the mining expert for the Empress Dowager. In Burma, far up the Irrawaddy River, I had visited a mine that had flourished a thousand years ago, the richest silver mine in the world, and now this man had reopened it, one of the important mining feats of all time. I went on to tell how in later years I had encountered him in Europe during the war when he had done so much to help the Belgian nation survive; and then after the war had fed the starving millions in Europe.

I also went on to describe how in the course of my travels I had visited a theosophical colony in southern India, presided over by Annie Bessant an extraordinary Irish woman. At this colony I had found the people there all believed in reincarnation. One was sure he was Julius Caesar, another claimed to be Napoleon, and others who also thought they were the reincarnation of various important people of the past, in fact Mrs. Bessant, head of the colony, was said to be the reincarnation of a famous philosopher, Giordano Bruno. She also told me she was training a 16 year old lad named Krishnamurti, to play the role of Christ. I thought it all so fascinating I almost decided to stay and pose as Socrates or maybe Alexander the Great!

As for Krishnamurti, the 16 year old, she said she was having trouble with him. His only interest seemed to be in tennis. Years later Krishnamurti came to this country. By then he had indeed become famous as a writer, a brilliant speaker and a philosopher. One of the first things he did was to write and ask me for my autograph! And that should give you a laugh.

There in Southern India on the banks of the Adyar River, they all believed in reincarnation, and in my one and only political speech I said if I was given the privilege of coming back in the form of some other human being I would rather be reincarnated as the man who had saved more human lives than anyone who ever lived. And I added that they all knew I was thinking of Herbert Hoover.

After President Hoover left the White House my friend Sam Pryor, one of the heads of Pan American Airways, brought him to our home in the country and from then on he spent many weekends with us, occasionally with his charming wife. We found him a wise and humorous man, a great after-dinner companion with wonderful stories to tell. We'd sit at the table with Governor Dewey, Allan Dulles, Thomas Watson, Sr., and others listening to Mr. Hoover tell of his experiences all over the world. One of my regrets is that I didn't have a record of the wonderful things the ex-President told us over those years. I recall one of his remarks, that "all men are equal before fish." And we know, he was an ardent fisherman. I have a lake where he went fishing nearly every day.

Also I have a fireplace made up of rather large stones from all over the world, from the Pyramids, from the Taj Mahal, from St. Peter's in Rome, from the Parthenon, the Great Wall of China and so on and so on. Mr. Hoover on one occasion installed a stone he had picked up on our hill, a stone he said was a part of the original crust of the earth which he thought would be an appropriate cornerstone. Later, when Mr. Truman was at the White House, you'll recall he treated President Hoover with much deference, and sent him to Europe on an important mission. He and Ambassador Hugh Gibson visited Hitler's Reich chancellory. Mr. Hoover went down into the bunker where Hitler had assassinated his paramour and killed himself. When he came up he was holding up his coat in a sort of odd way and Ambassador Gibson said:

"Chief, what do you have?"

To which Mr. Hoover replied:

"A stone for Lowell's fireplace."

Whereupon Ambassador Gibson said, "I also have one, some of the porphyry from the top of Hitler's desk."

At Palo Alto the other day Senator Mark Hatfield said:

"He dreamed and established the Colorado River Reclamation. He was responsible for the Grand Coulee Dam and for the St. Lawrence Waterway. He also was a man who sensed the needs of the spirit when he said 'Liberty is a thing of the spirit; to be free. To be free to worship, to think, to hold opinions and to speak without fear. Liberty conceives the mind and spirit of men to be free only if the individual is free to choose his own calling, to develop his own talent, to keep a home sacred from intrusion and to rear children in ordered security'." And then the Oregon Senator added, "And might we not ask today who in this century could literally be credited with saving millions of lives of those who would otherwise have starved both during and after World War I? Even responding to the needs of the Soviet Union in their great famine period in the '20's."

Yes, if there was such a thing as reincarnation, it would be my dream to be reincarnated as Herbert Hoover.

Just before General MacArthur died, my wife and I had a Christmas dinner with President Hoover and the MacArthurs. This was shortly after Kennedy was elected President. As we sat there, the five of us, General MacArthur told how shortly before the election someone in Washington called him on the phone and urged him to tell a derogatory story about the torpedo boat incident in the Pacific. There apparently had been two versions—one of them reflecting discredit on President Kennedy. He wanted MacArthur to tell the disparaging story. General MacArthur replied: "I not only will not do what you have asked, I will do exactly the opposite." Whereupon he went on the air and did what he said he would do. When President Kennedy was elected, one of the first things he did was fly to New York to pay his respects to MacArthur, and also to President Hoover for whom he had tremendous admiration.

Herbert Hoover as you all know was a sports enthusiast. My wife and I, often accompanied him, and it was an experience to be with him at a game. After he could no longer go with us my son and I would visit him at the Waldorf. On one cold, November day when we were headed for a football game, as we stood in front of Mr. Hoover, he looked at Lowell Jr. who is the present Lieutenant Governor in Alaska, and said, "Lowell, your coat is much too light. I have one I want you to take." It turned out to be a big heavy one, and he told us how when President Truman sent him to Germany on an important food project he was met at the airport in Bonn by Chancellor Adenauer. It was a cold day and The Chief didn't have an overcoat. So Adenauer sent into Bonn for a coat, the one he proceeded to give to Lowell Jr. Later, at the stadium, in the inner pocket Lowell found a hundred dollars in bills. Of course they were taken back to The Chief, but my son still has the coat which I suppose should be in this museum.

But I want to tell you about another game we went to when he was still in good health. It was at West Point, between Army and Cornell. We sat on the sunny side opposite from the cadets. When the game was almost over, to avoid the crush we got up to go. As we did so everyone in the stadium stood. It was the first time this had happened in the years after President Hoover had left the White House. It was dramatic, and illustrated how public opinion had drastically changed.

Out in California you've probably heard of a most unusual place, The Bohemian Grove. In President Hoover's camp there hangs a large redwood board on which is carved a poem written by one of his friends Dr. Russell Lee. These are the lines:

"There stands a giant redwood tree
A living record of tough times gone by
A scroll on which is writ for one to see
Life's triumphs over tough adversity.
A record of the frost the seedling took,
Of gales that tried to lay the sapling low.
There is recorded too as in a book
The gentle rains and sunlights golden glow.
Recorded there the lightenings fearful blast.
The hungry raging passage of the fire
Consuming lesser trees while this one lasts
To raise its verdant head above the fire."

And then it concludes:

"Here stands a man serene, triumphant, grand
Who like the giant redwood has endured
Vicissitudes and triumphs in this land,
In history now his place for aye assured
Here stands a man."

THE SITUATION IN CAMBODIA

● Mr. **CHURCH.** Mr. President, Stanley Karnow's column, "Cambodia: Nixon's the One," in the January 12, 1979, issue of the Washington Post, traces one aspect of our tragic involvement in Southeast Asia: Our Cambodian policy. The article speaks for itself and I commend it to the attention of the Senate.

I submit the article for the RECORD.

The article follows:

CAMBODIA: NIXON'S THE ONE

(By Stanley Karnow)

Cambodia might have been spared its present martyrdom had it not been for Richard Nixon.

That is a harsh judgment, but it appears to be borne out by the evidence. For Nixon's invasion of Cambodia at the end of April 1970 turned that bucolic land into a battlefield, unleashing the forces that are still fighting there today—and that may go on fighting for years to come.

Vast numbers of Cambodians were killed during the war that followed the Nixon invasion, many of them as the result of nearly 4,000 bombing missions by B52s. Large numbers perished under the repressive communist regime that has just been defeated by Vietnam and its Cambodian surrogates. Many more will die if, as seems likely, a guerrilla conflict continues.

Nixon's action triggered this death and destruction. Thus, in my estimation, his role in Cambodia was far worse than the Watergate scandals, in which the casualties were political rather than human.

The tragic irony in all this is that the devastation of Cambodia, once the most peaceful and innocent country of Southeast Asia, could probably have been avoided. But opportunities to save Cambodia from its appalling fate were squandered—in some instances, deliberately.

The key was Prince Norodom Sihanouk, the former Cambodian chief of state, an eccentric and occasionally exasperating figure dedicated to the preservation of his small nation.

His greatest fear, which proved to be prescient, was that Cambodia would be swallowed up by the Vietnamese communists after they had defeated the United States and its inept Saigon proteges in the Vietnam war. In Sihanouk's eyes, the present-day Vietnamese were the heirs to the aggressors who had destroyed the Cambodian empire in the 15th century.

During the late 1960s, therefore, Sihanouk pursued a dual diplomatic policy.

On the one hand, knowing that China opposed an Indochina dominated by the Vietnamese, he appealed to Peking for protection. And he also began to edge closer to the United States, with whom he had earlier broken relations, in the hope that the Americans would remain in Southeast Asia even after their inevitable loss in Vietnam.

In an interview with me on Dec. 29, 1967, for example, Sihanouk said that he would authorize American troops in Vietnam to cross into Cambodia in pursuit of the Vietcong. In the same interview, he invited an official American group to Cambodia to discuss the resumption of ties with the United States. At the same time, he relaxed restrictions on travel to Cambodia by Americans, and he even entertained Jacqueline Kennedy.

A couple of years later, writing in a Japanese magazine, Sihanouk called for U.S. military and economic aid to Cambodia and the other countries of Southeast Asia to defend the region against Asian communism, which he described as the "new imperialism."

But on March 18, 1970, while in France for his annual cure, Sihanouk was overthrown by domestic adversaries nominally headed by Marshal Lon Nol, his defense minister. Sihanouk later blamed the Central Intelligence Agency for the coup, but the charge was flimsy. Instead, it seems, his internal foes ousted him in a straightforward bid for power.

In any case, it was at that point that an initial chance appeared that might have prevented the events that have unfolded since.

Perceiving that Sihanouk's downfall would disrupt Cambodia and possibly spark an expansion of the Vietnam War, the French foreign ministry's Asia department, then headed by Henri Fremont-Maurice, advanced a daring proposal. Since Cambodia's independence and neutrality had been guaranteed by the 1954 Geneva conference, Fremont-Maurice and his staff suggested that its affairs were a responsibility of the major powers. Therefore, they recommended that a new international meeting be convened to restore Sihanouk to office.

There was a precedent for the move. In 1964, when Prince Souvanna Phouma was ousted as prime minister of Laos by an army colonel, the United States, Britain, France and the Soviet Union acted jointly to restore him to his position.

The French proposal appeared to have Soviet support. But it went nowhere. For the Nixon administration was already planning a thrust into Cambodia designed to wipe out the Vietcong sanctuaries along the Vietnamese frontier.

It should be noted that there were senior State Department officials who foresaw the folly of this plan and warned against it. One of the most notable among them was Marshal Green, then assistant secretary of state for East Asian affairs, whose protests later hurt his career.

The invasion may have succeeded in eliminating the sanctuaries. But it drove the Vietcong into the heart of Cambodia to reinforce the Cambodian communists, thereby transforming the Vietnam conflict into a wider Indochina conflagration. Meanwhile, the United States tried to prosecute this new war in Cambodia through the decrepit Lon Nol, who had supplanted Sihanouk.

In the years that followed, Cambodia was shattered by war and economic deprivation as one-third of its population of six million poured into Phnom Penh, its capital. During that period, too, further attempts to negotiate a settlement were rejected by the Nixon administration.

During a talk in Peking in April 1973, Sihanouk told me that he had twice asked to see Henry Kissinger, then Nixon's foreign-affairs adviser, to propose that he return to Cambodia in an effort to end the war. But Kissinger rebuffed his requests.

According to French sources, Quai d'Orsay officials also tried to persuade Kissinger to consider a compromise solution that featured Sihanouk's return. They were rebuffed as well.

A turning point came in the summer of 1973, however, when Congress voted to cut off funds for the U.S. bombing of Cambodia. Now, realizing the military difficulties involved in pursuing the war, Kissinger sought to open negotiations. But it was too late.

Aware of their new advantage, the Cambodian communists adopted a tough stance. Among other things, they jettisoned Sihanouk as a possible mediator. He later went back to Cambodia, but under virtual house arrest.

Sihanouk has surfaced again, a forlorn spokesman for what looks like a lost cause. The Chinese, never entirely comfortable with the genocidal Cambodian communist regime that has just collapsed, could conceivably set up a Sihanouk government-in-exile in Peking.

But the Sihanouk who might have continued to shelter Cambodia from the storms of war is gone, destroyed in part by the Nixon administration, which refused to try to rescue him.

The current situation poses a dilemma for President Carter, who has denounced the atrocities of the former Cambodian regime yet is compelled to criticize Vietnamese aggression. The dilemma is complicated by his new relationship with China, whose prestige had been badly damaged.

Carter inherited his predicament from Richard Nixon. But the diplomatic complexities that confront him are trivial compared to the consequences of Nixon's so-called "incursion" into Cambodia, which set in motion one of the most horrendous chapters in modern history.

THE ROLE OF PRODUCTIVITY

● Mr. JAVITS. Mr. President, G. William Miller, the Chairman of the Board of Governors of the Federal Reserve System, recently addressed the Productivity Conference held in New York City and sponsored by the American Productivity Center. His remarks on the long-term problem of stagnant U.S. productivity growth and on the implications of that problem for the renewal of the wage-price-wage spiral in our country should be read by every American who is concerned about getting systemic inflation under control.

In my Senate speech of May 10, 1978 (pp. 13144–147) on the problem of productivity I drew essentially the same conclusions as those reached by Chairman Miller, to wit: that restraining inflation will require a significant increase in U.S. productivity growth and that a concerted effort will be required to develop appropriate national policies to encourage improved productivity. We will need to stimulate greater capital formation and encourage increased expenditures on research, development, and innovation. In addition, the problem of worker morale must be looked at, and we will have to consider seriously the various proposals that have been advanced to improve worker participation in business decisionmaking. Finally, we must also consider whether Federal regulatory activities may have the unwanted side effect of retarding the efficiency of production.

I hope my colleagues will study the remarks of Chairman Miller and I urge them to begin putting forward ideas that could be constructive in helping to ameliorate what I consider to be among the greatest threats to the economic health and vitality of our country—declining productivity.

Mr. President, I submit for the RECORD, a copy of Chairman Miller's speech of October 1978.

THE ROLE OF PRODUCTIVITY GAINS IN SOLVING NATIONAL ECONOMIC PROBLEMS

(Remarks by G. William Miller, Chairman, Board of Governors of the Federal Reserve System)

(NOTE.—Charts Nos. 1–5 are not printed in the RECORD.)

Inflation is a clear and present danger which affects all our lives and all our opportunities. As far as monetary policy is concerned, the emergence early this year of inflation as a more virulent threat to our system has placed enormous responsibilities on the Federal Reserve. Monetary policy must and will be used to restain inflation, but it needs support from other economic policies in order to avoid undesirable side effects. The task the central bank has set out for itself is to use prudent monetary policy to restrain the forces of inflation, by bringing down the rate of growth of the money supply, but to do so without triggering a recession that would work against the overall objective. It is reassuring to note that earlier this year, when it became apparent that the effort would not be left to monetary policy alone, positive initiatives were taken by the Administration and by the Congress. There have been substantial changes toward a more restrictive fiscal policy to help bring down the rate of inflation.

With this as background, I am particularly pleased to be here to participate in this conference on productivity. An initiative to achieve productivity gains is one that we can all endorse and aggressively support. A successful effort to improve economic efficiency will directly offset the upward cost pressures on prices. It will tend to make our output more competitive in international markets, and thus improve our balance of trade and help stem the deterioration of the dollar in the currency exchange markets. It will contribute to long-range increases in our economic capacity and in our standard of living. Unless the economy's productivity expands at a faster rate, we will be unable to reduce unemployment without igniting inflation. Increased productivity is the best prospect for breaking the vicious cycle of wages chasing prices and prices chasing wages.

Because it is imperative that we act now to achieve such benefits as we can from increased productivity, it is well worth our time today to look at some of the historical trends and to discuss some of the public policies that could accelerate such gains.

History shows that productivity gains have been a key factor in our economic growth and in our rising standard of living. Output per work hour in the private sector rose more than 125 percent over the past 30 years. The bulk of the improvement, however, occurred between 1947 and 1967. During that period, output per hour doubled. Since 1967, output per hour has risen less than one-fifth, only about half the average pace prior to 1967.

Chart 1 shows that output per hour is now well below its postwar trend. Even before the oil embargo and the recession of 1974–75, the rate of productivity growth had slowed down. Prior to 1967 the annual rate of growth was about 3⅓ percent; in the years 1967–72, it was only about 2 percent. Other things being equal, this added more than a full percentage point to the rise in unit labor costs. Such increases in costs are eventually reflected in final prices, and that was certainly the experience in the 1967–72 period. While we thought in those years that 2 percent was a weak performance, in the following five years things have gotten much worse. Coincident with the quintupling of oil prices and the deep recession of 1974–75, productivity fell into an unusually long and deep decline.

Chart 2 shows how output per hour has lagged during this recovery cycle. Its eventual upturn was so belated and so mild that by 1977, output per hour was up only 6½ percent from the 1972 level. That amounts to an average annual gain of only 1⅓ percent. Think about that for a moment: an average efficiency gain of only 1⅓ percent a year, little more than one-third the pace in the two decades ending in 1967. Even if wages and salaries had remained stable and, of course, they did not—the productivity slowdown would have added 2 percentage points to the rise of unit labor costs. The result is a commensurate impetus to inflation.

During the years of strong productivity gains, workers and their families became accustomed to generous increases in their real incomes. America's standard of living rose dramatically; average work schedules were shortened; leisure time was increased. Over time, we came to expect an annual improvement in our real incomes. In fact, an allowance of 3 percent or more in productivity gains was included in the wage-price guidelines set in the Kennedy Administration in the early 1960's. These expectations of regular and sizable increases in the average standard of living were subsequently frustrated.

As productivity growth slowed, real income gains began to fall below individual and collective expectations. This had serious consequences for inflationary pressures. In an effort to sustain past patterns of real income growth, wages were pushed up, setting in motion a cycle of intense upward pressure on costs and prices. This occurred despite high levels of unemployment and excess industrial capacity. Thus the slowing of productivity growth helped trigger a spiral of inflationary wage-price adjustments throughout the economy.

The lower rate of productivity growth and the higher rates of inflation at home have contributed to the imbalance of our trade with other nations. Growth of productivity in the United States has been slower than that of most of our major international trading partners, making us less competitive in the international arena. Slow growth of our exports has contributed to the decline in the exchange value of the dollar, which in turn has fueled domestic inflation both directly and indirectly. Higher dollar prices for imports raise consumer prices directly, while domestic producers of competitive goods can raise their prices with less fear of losing market shares. The resulting inflation further saps confidence in the dollar. It also contributes to a lower value of the dollar in a self-reinforcing phenomenon. It is critical that we break this spiral.

Perhaps it would be worthwhile to review the trends that sustained the productivity gains in the private sector from 1947 to 1967 and to compare them with the developments of the last decade.

The first two decades of the postwar era were marked by significant development and expansion of new technology and improved methods of operation accompanied by high rates of capital formation. Significant advances in the quality of the work force also occurred. There was a shift of resources from low- to higher-productivity sectors. Underlying some of these factors were substantial investments in research and development and in workers' educations. After 1967, however, the economic and demographic trends that supported substantial efficiency gains became much less favorable, and new trends emerged that tended to retard the growth of productivity.

A crucial factor in the slow rate of efficiency improvement has been a slackening in the introduction of new technology or, to put it more broadly, in the application of new ideas and improved ways of doing things. The effect of technology on productivity is usually associated with equipment and materials, such as an electronic device that vastly expands data processing capabilities or a new chemical that can help multiply crop harvests. But just as important are new management techniques that greatly improve the application and organization of resources, whether of labor, physical capital, or financial resources. But no matter what the form of advance in human knowledge, it frequently requires significant investment in new plant and equipment in order to exploit fully the opportunities presented.

Yet we have failed to maintain an adequate rate of capital accumulation and investment. Indeed the nation's stock of capital expanded at an annual rate of only 2.8 percent over the past five years, barely half the rate over the preceding decade. Chart 3 shows this progressive and disturbing decline.

Capital accumulation per member of the labor force has slowed even more dramatically. Compared to 1974–75, the amount of capital per person in the labor force has actually declined. This can be seen in Chart 4. At the same time, the share of capital investment devoted to environmenal compliance has increased, and the imposition of environmental standards may have caused practical obsolescence of some existing plant and equipment.

In a similar vein, the massive increase in the price of energy clearly has shortened the economic life of some of our capital stock. So, in many ways, the data on the accompanying charts understate the problem that we face.

Another reason for the slower pace of productivity growth was the huge flood of inexperienced workers into the labor force. The figures are staggering. Nearly 15 million more young people and women were in the labor force in 1977 than in 1967. They accounted for nearly four-fifths—almost 80 percent—of the overall expansion of the work force over the decade. Even though these new workers enjoyed the best health, the highest educational attainment, and the best working conditions in our history, they still had to learn skills and accumulate experience before they could achieve the same productivity as employees with long tenure in a particular trade.

Improving the efficiency of the economy under these circumstances demands a comprehensive, forward-looking program—a program that will restore a climate favorable to productivity growth. Its principal elements must include, first, a commitment to conquer inflation so that investment plans can be made in an environment of more certainty and, second, greater economic incentives for private investment.

The nation's tax policies have not offered adequate incentives for new capital investment. In particular, depreciation allowances are not adequate to provide cash flows sufficient to encourage increased fixed investments in today's conditions, nor to offset the substantial risk of obsolescence. Higher inflation has made it extremely difficult for firms to predict forward costs and prices and thus has shaken confidence in business forecasts of financial conditions and general economic activity. Facing a less reliable calculation of the real cost of capital and of expected revenues, prudent businessmen set high requirements for prospective returns on investment. Capital spending inevitably is retarded.

Because we have been neglecting capital accumulation, a larger share of GNP must now be devoted to capital investments. Raising the amount of capital per worker will have a favorable impact on productivity in its own right. Also, since new capital also generally embodies new technologies, there should be an extra increment to efficiency gains. Newer equipment and structures utilize energy more efficiently, and the resulting conservation and cost savings will contribute to achieving our overall goals.

However, it is not enough simply to reach the past peak levels of 10½ or 11 percent of GNP, reflected in Chart 5. The nation should set an ambitious objective for capital investment of, say, 12 percent of GNP for an extended period of time in order to enable us to make up for past deficiencies and to narrow the gap between our performance and that of our strong industrial competitors. The Japanese economy spends over 20 percent of GNP on capital investment; West Germany 15 percent. It certainly would be appropriate for us to seek a 12-percent level.

Another element in a long-term strategy aimed at a high-growth, low-inflation economy is extensive reform of Federal regulatory activities. We need to take a critical look at price-regulating Government programs. Price regulation in the marketplace tends to discourage or prevent full competition, which is, after all, a powerful incentive for the development and adoption of the most efficient techniques. In recent years there has been a major increase in well-intentioned laws and regulations aimed at protecting the environment and promoting health and safety. These regulations greatly influence when and where new productive capacity may be built and how firms may operate. Just hiring the personnel necessary to keep track of the rules, prepare the reports, and attend the hearings has swollen overall costs without any compensating increase in measured output.

In addition to requiring major expenditures, these regulations create uncertainties about the appropriate scale, location, and acceptability of major new additions to or modernization of our productive capacity. Protection of the environment and of public health and safety must be a major social goal. But the actual benefits of new forms of protection must be carefully weighed against the cost to our economy of achieving them.

Another aspect of a forward-looking growth policy is to assure that our work force continues to be ready to meet the challenge of developing new ideas and implementing new technologies. Government employment and training programs should be redesigned to provide effective skill training and work experience to disadvantaged workers. The emphasis on these programs should be on training individuals for careers in the private sector. Younger people are affected more severely than most other groups by high unemployment since early employment is essential for that on-the-job training which lays the foundation for a successful life career. With todays very high levels of unemployment among younger workers, it is possible that unless we act vigorously, a larger part of that generation will be denied the opportunities to develop the skills, attitudes, and motivation they need to become productive participants in the adult work force and to experience the self-satisfaction of personal accomplishment.

In addition to investing in human capital in the forms of direct skill upgrading, we should improve the links between the classroom and the world of work and expand apprenticeships and similar opportunities to assure that younger workers are prepared to meet the needs of their private-sector employers. Methods of raising workers' incentives to become more productive should also get more attention. Stockownership incentives, profit sharing, labor-management productivity councils are possibilities that certainly warrant closer examination and further experimentation.

We need all these government actions and incentives. But even more we need a change in attitude among managers and workers; among all citizens. America has always been a "can do" nation characterized by an innovative and competitive spirit. I am convinced that a substantial cooperative effort in the private sector, coupled with a reorientation in tax and regulatory policy, will stimulate productivity growth and will help ease inflationary pressures without curtailing growth. Such trends would be self-reinforcing, for reduced inflationary expectations would enhance confidence in our economic future. All this in turn would lessen the burden on monetary policy in the fight against inflation and improve the prospects for lower interest rates.

In the past few months we have learned a great deal about the limits of government, the importance of coordinating government economic policies, and the importance of a stronger partnership between government and the private sector. Much has been accomplished. Our fiscal program has been changed so that the prospective deficit for the year that began this week has been reduced by over $22 billion, a significant contribution to the fight against inflation. There has been cooperation with President Carter's deceleration program, although much more needs to be done and the President intends to announce other anti-inflation actions. Progress has been made in establishing elements of a national energy policy that will reduce our independence on imported energy. We have taken steps, both through short-term bridging actions and in addressing the longer-term fundamentals, to assure a sound and stable dollar, which is essential to our economic well-being.

But much more needs to be done. In the fight against inflation, and in the campaign to raise productivity gains once again to the level that will assure increases in real incomes and increases in our standard of living, we need to have the purpose, the determination, the constancy to implement effective long-range programs. We will need to maintain our efforts for five to seven years in order to achieve the economic goals of full employment, price stability, and a sound dollar. The reward will be enhanced prospects for peace and prosperity in the world.

TRIBUTE TO FORMER SENATOR DEWEY F. BARTLETT OF OKLAHOMA

● Mr. BOREN. Mr. President, I am honored to be serving in the U.S. Senate in the seat formerly held by a great Oklahoman, Dewey F. Bartlett.

While Senator Bartlett and I are from different political parties, this fact has not interfered with the admiration and respect which I, and all Oklahomans, feel for him. His courage and determination in the face of severe physical discomforts are an example to us all. And, his 91 percent voting record in the 6 years he served in the Senate, is a record which we could each do well to emulate.

A former U.S. Marine Corps dive bomber pilot in World War II, Senator Bartlett took an active role on the Senate Armed Services Committee. In May of 1978, he served as a congressional adviser to the United States-SALT delegation resulting in his report to the Armed Services Committee on the Comprehensive Test Ban Treaty. He also traveled on special missions to Vietnam, Africa, and NATO facilities, in each case reporting on the status of military capability in the areas.

He worked actively for the passage of the Indian Health Care Improvement Act and the Indian Self-Determination and Education Assistance Act. Congress enacted many of the measures which Senator Bartlett introduced on behalf of Indian tribes. A Bartlett amendment providing for a management study of the Bureau of Indian Affairs was adopted as part of the American Indian Policy Review Commission. The study produced recommendations for annual savings of $112.8 million and a one-time savings of $20 million.

Senator Bartlett initiated an amendment in 1973 to remove stripper oil production from price controls. The amendment was reenacted in 1976. He was an effective spokesman in the Senate for one of Oklahoma's major industries—energy—and is respected as a very knowledgeable expert in the area.

His career has been one of great public service to Oklahoma. As a member of the Oklahoma State Senate, as Governor of Oklahoma, and later as U.S. Senator, he has always been an outspoken advocate for Oklahoma in all areas.

He is a man of true integrity and honesty who is obviously well respected by all his former colleagues in this Chamber.

Mr. President, I commend the former Senator from Oklahoma, Dewey F. Bartlett, for his service to his State and to his Nation, and wish him and his family the best in their future endeavors.●

INTERNATIONAL TRADE AND GROWTH

● Mr. STEVENSON. Mr. President, I call to the attention of my colleagues a speech by Mr. Rawleigh Warner, Jr., the chairman of Mobil Corp., on the subject of "International Trade and Growth." Mr. Warner makes an irrefutable case for increasing U.S. exports in order to create jobs in this country and pay for essential imports. As he says:

> The only alternative to increased U.S. exports is a weaker dollar, wiping out its recent strengthening, further fueling inflation here, and raising serious questions around the world about our country's ability to govern itself and to play a leadership role in world affairs. A retreat to protectionism is no answer to the problem, because that could trigger a worldwide depression.

Mr. President, I ask that Mr. Warner's address be printed in the Record.

The address follows:

International Trade and Economic Growth

As you will recall, President Carter last month initiated a program to try to reduce the rate of inflation in the United States. All Americans have a stake in the success of that program.

Unfortunately, the President puts insufficient stress on reducing two of the major factors in our country's inflation—government spending and excessive regulation of business. As a result, the dollar weakened still further in international exchange markets. It later recovered somewhat, but only after strong action was taken to raise domestic interest rates and to support the dollar by intervention of central banks.

Another unfavorable factor in our rate of inflation and the value of the dollar is, of course, our position in international merchandise trade, which has been deteriorating for at least the past 10 years. The U.S. balance of merchandise trade in 1977 was in deficit by $31 billion, and for the first nine months of this year the deficit ran at an annual rate of $36 billion. This has played an important role in weakening the dollar, which has decreased the value of our exports and has increased the cost of imports, which fuels domestic inflation in a cycle that feeds on itself.

Traditionally, a weak currency has stimulated a country's exports by lowering their cost, which is precisely why devaluation has been such a temptation to trading nations. Unhappily, however, we are still to see any real increase in U.S. exports as a result of the weakness of our currency.

In this connection, I would like to put to rest the frequently stated view that oil imports are the immediate cause of the unfavorable U.S. balance of trade. The U.S. dollar took its sharpest fall in the first nine months of this year. Yet so far in 1978 oil imports have declined about 10% from last year, while imports of all other goods have increased 15%. In every year since 1970, oil imports as a percentage of gross national product have been smaller for the U.S. than for Germany and Japan, two countries whose currencies have greatly appreciated against the dollar.

To be able to pay even for what we are now importing, the United States is going to have to increase its exports of goods. These have grown at less than half the rate at which imports have grown between 1975 and 1978. The only alternative to increased U.S. exports is a weaker dollar, wiping out its recent strengthening, further fueling inflation here, and raising serious questions around the world about our country's ability to govern itself and to play a leadership role in world affairs. A retreat to protectionism is no answer to the problem, because that could trigger a worldwide depression.

We also need to increase our exports in order to create additional jobs for a still-growing work force and to pay for imports of essential raw materials and other goods we need to keep our economy growing and to control inflation.

U.S. exports of goods last year totaled $120 billion—6% of our gross national product. While these are respectable export figures, we obviously would like to see them higher. At the same time, however, it seems to me we can take some encouragement from the fact that only one percent of the companies in our country accounted for 85% of U.S. exports in 1977. This clearly leaves a good deal of room for improvement.

It also raises some questions. Why do so few American companies engage in export trade? And why are U.S. exports increasing so slowly?

It seems to me there are three main reasons.

First, relatively few American companies have ever sought aggressively to create foreign markets for their goods.

Second, some countries have raised barriers to imports from the United States.

Third—and, as I propose to show, the most important—the United States itself not only has put obstacles in the way of international trade, but also has had an inconsistent, stop-and-go policy that has inhibited the efforts of American companies engaged in such trade. There has been a lack of leadership and a failure of what little leadership we have had to understand the revolution that has taken place in international trade in the past 30 years.

I think it will be instructive to examine these three reasons in somewhat greater depth.

First, it is not hard to understand why there are not more American companies actively engaged in exporting. The continental United States is the largest market in the world—large enough in itself to provide economies of scale . . . served by excellent systems of transportation and communication . . . and free from the trade barriers between the states. Thus, as far as most American companies are concerned, there has been little or no incentive to export.

Second, it is altogether amazing that it should be so difficult to export American motor vehicles and farm products and other goods to some countries and so easy for those countries to export to the United States. At least two factors are involved here: (a) There is the failure of our government to communicate adequately with U.S. business concerning overseas markets. Our government probably has trade counselors in as many countries as, say, Japan does. But it's abundantly clear to me that they do not have as much interest in helping U.S. companies overseas as their Japanese counterparts have in helping Japanese companies. One gets the impression that our government has no really effective overall organization to promote the American interest in international trade. (b) Our government seems unable or unwilling to tackle the *non-tariff* barriers that keep so many American goods out of foreign markets. Japan, for instance, has low tariffs on most American goods—indeed, lower tariffs in many respects than the U.S. levies on Japanese goods. But Japan has very onerous *non-tariff* barriers, such as the requirements for inclusion of Japanese components in manufactured goods, and elaborate certification procedures that can make it virtually impossible to get an American automobile off the dock in Japan. The Common Market, for its part, has put difficult non-tariff barriers in the way of agricultural exports from the United States. Both the Common Market and Japan subsidize key industries in ways that distort both their domestic markets and world markets.

Third, what has our government done and failed to do in this sphere, and why? Where should it go from here? The answers to these questions are crucial, because the present situation in international trade is costing America untold thousands of jobs, is depressing economic activity here, and by contributing to inflation is making it difficult to improve living standards in our country.

I think we have to try to answer these questions within the framework of how radically international trade has changed in the past 30 years and of what other countries do to help their companies in such trade.

Cast your mind back to the Bretton Woods Agreement of the 1940s, which was designed to revive international trade in a world terribly scarred by World War II. The Bretton Woods hypothesis was that the only surviving undamaged, industrialized, high-productivity, high technology country was the United States. In effect, therefore, our country set up a system of international trade rules designed to benefit those countries we wanted to become economically strong, including both allies and former enemies. The Marshall Plan was part of the same broad strategy.

The economies of the countries we wanted to help, and their industrial plants, have been rebuilt over the past 30-odd years and, as a result, are more modern than ours in many instances—most notably, Japan and Germany. The sort of trading relationships that GATT sanctioned or at least condoned are no longer to the advantage of the United States, Japan and Germany, for example—and, if you like, Brazil, South Korea, and Taiwan—are fundamentally different countries today from what they were at the end of World War II. But our government has apparently been unwilling to recognize these changes.

The system of trade rules set up at Bretton Woods still survives under the General Agreement on Tariffs and Trade, better known as GATT. In my opinion, the United States should work to get a fairer shake from the GATT negotiations, which occur every few years. Our principal objective should be a reduction of non-tariff barriers.

An excellent example of our troubles can be seen in Saudi Arabia, one of the world's fastest-growing markets. That country has traditionally imported heavily from the United States, yet we are losing market position there despite Saudi Arabia's shift to imports oriented to high technology and heavy construction. You may recall that a consortium led by the Philips company, of the Netherlands, Ericsson, of Sweden; and Bell Canada managed to beat out Western Electric for the contract to install a telephone network in Saudi Arabia. That contract was for about $3.1 billion. I would doubt very much that it will be creating any jobs for Americans. Bell Canada, incidentally, has no present connection with A.T. & T.

If you visit Saudi Arabia today you will see, among other things, many Koreans working on large construction projects and using equipment made in Japan. The reasons for this are interesting and educational.

What often happens in such cases is that the Japanese line up a consortium of Japanese companies to bid on such large jobs as a new airport or even an entire new city. They go out and get the business with one package bid, then they manufacture and export the necessary equipment—often sophisticated, high-technology goods—and recruit construction firms with their own labor supply from Korea or elsewhere to operate it, keeping Japanese workers in their home country.

The governments of Japan and of other countries encourage this approach, and indeed those governments themselves frequently initiate such activities and play a leading role in them. It has proved quite effective.

What all this comes down to is a lack of leadership in our own government to induce and assist American companies in today's foreign markets.

Our government must comprehend that foreign trade is intensely competitive. In this area, we have to remember that we cannot compare General Electric with, say, Emerson Electric. Rather we must envision G.E. competing in world markets with such large firms as Philips and Ericsson, along with Siemens, of Germany, and Mitsubishi, of Japan, or a consortium of such companies.

Because foreign trade is so competitive, it often carries a high degree of risk even under the best of circumstances. A company intending to export a given product must invest in the necessary plant and equipment, often with long lead times between initial capital outlay and initial export. This requires constancy and consistency in government policy. Government must recognize that foreign trade cannot be turned on and off like a faucet without dire consequences. Customers quickly become disenchanted with unreliable suppliers. Short-term domestic political stratagems and expediencies must not be allowed to disrupt carefully cultivated trade relationships.

There is simply no way companies can adapt their operations to government policy that zigs and zags erratically as domestic politics is injected into what should be purely commercial relationships. The ground rules have to be easy to understand and not unduly onerous.

Yet, to put it in oversimplified form, U.S. government policies and actions sometimes seem almost to be designed to make life difficult for any American company attempting to engage in international trade. In my view, this stems not from any desire to choke off U.S. exports, but rather from positions taken by various politicians who have a particular axe to grind and who do not seem to care very much that their position happens to frustrate U.S. foreign trade.

Let's look at some recent instances of political intervention by our government in what should be solely commercial affairs.

As you may recall, a group of U.S. natural gas distributors made arrangements last year to import 2 billion cubic feet a day of natural gas from the Mexican state oil company. It appeared to be a very good arrangement for both parties. Mexico was producing more natural gas than it could use and was having to burn off the surplus. At the same time, it needed the revenues that exporting the gas could bring. And the gas distribution companies on this side of the border were eager to obtain additional supplies for the long term. The gas was to be priced at $2.60 a thousand cubic feet upon completion of the line, in late 1979—a price that corresponded, in heating value, to the price of home heating oil delivered in New York harbor.

The U.S. government, however, vetoed the proposal. The price of $2.60 per thousand was a good bit higher than the Administration was willing to see U.S. producers paid under the so-called energy bill then before the Congress.

What was the fall-out from the U.S. refusal to approve the contract with Mexico?

For one thing, General Electric, which was to supply the gas turbines to move the gas through the line, lost an estimated $75 million worth of business. American steel companies lost the order for 80,000 tons of pipe to build the 48-inch, 800-mile line. Orders of this magnitude mean not only profits for the American companies involved, but also thousands of jobs in our country.

This deal was badly mishandled by the Administration; was our government trying to obscure the real value of natural gas while the Congress was debating the gas bill? In any event, the Mexican government was unable to understand why the United States, with its Good Neighbor policy, refused to pay it the same price in Btu terms that we were paying OPEC countries for oil. Mexico has announced that the gas is no longer for sale; it is actively switching industrial boilers and steel mills to natural gas.

Unfortunately, this indefensible injection of domestic American politics into the arena of foreign trade is not an isolated case. Our government has dragged its heels for years on proposals by U.S. companies to import liquefied natural gas from Algeria and Indonesia—for so long, in fact, that Algeria appears to have written the whole thing off and is selling its gas elsewhere. Indonesia may follow suit if delays continue.

Another example of the intrusion of politics into the commercial sector is the so-called boycott law. Now, this legislation does not affect the principal business of oil companies in oil-exporting countries, because our government and international law recognize that every sovereign nation should be able to determine to what countries its exports can move.

But the boycott law clearly makes life more difficult for those U.S. companies trying to break into that vast Middle East market when they have to compete against companies of European and other foreign countries that do not have similar laws on their books.

This past summer, Dresser Industries had an experience that is a good example of what George Shultz, former U.S. Secretary of Labor and of the Treasury and now president of Bechtel Corporation, calls "light-switch" diplomacy—on, off, and flickering. When it became known that Dresser wanted to sell to the Soviet Union some sophisticated machinery for making oil drilling bits, President Carter said "No." Some three weeks later, the Commerce Department said "Yes." Two weeks after that, a blue-ribbon non-government panel appointed by the Defense Department said "No." A week later a group of the President's senior advisers, by a vote of 3 to 2, said "No." A week after that the President said "Yes" and the deal went ahead.

Admittedly, a good case can be made for the virtue of dissent, but vacillation is something else. What is needed is clear and easily understood ground rules, not arbitrary authority exercised on an *ad hoc* basis. And this prescription can apply even in areas where national security is involved.

If American companies are to be able to compete in international trade today, they must have support from our own government that is comparable with that given by governments of our major competitors to their companies.

Certain provisions of the U.S. tax laws provide at least some measure of support. Yet each of them is frequently under attack, either in the Administration or in the Congress. I refer to the foreign tax credit, the deferral of U.S. taxes on foreign-source income until it is remitted, and to the tax deferral associated with DISCs—an acronym for Domestic International Sales Corporations.

Many of you are familiar with the provision of the U.S. tax code known as the foreign tax credit, which is probably more widely misunderstood and misrepresented—sometimes, I think, out of sheer mischief—than almost any other facet of the tax laws. The foreign tax credit, which has been on the books since 1918, applies to all U.S. corporations and all U.S. individuals.

In its simplest form, it serves to prevent American companies from being taxed twice on the same foreign-source income, but has nothing to do with preventing U.S. taxation on income earned in the United States. Without the foreign tax credit or comparable protection against double taxation, U.S. companies could not compete abroad with foreign-owned companies that have such protection.

Suffice it to say that all major countries either have a foreign tax credit system, as a matter of equity, self-interest, and common sense, or else, in effect do not tax foreign-source income at all.

Even so, we see sporadic efforts to reduce or eliminate the foreign tax credit and, most recently, to deny the credit in some countries on the grounds that the foreign tax doesn't qualify for purposes of the credit. That is no way to go about furthering international trade and no way to help the United States.

As for deferral of U.S. taxes on income earned abroad by U.S.-controlled foreign companies until that income is brought home, I would just remind you that no major country in the world imposes a broad-based tax on unrepatriated income of foreign affiliates. To repeal U.S. tax deferral would simply be to make American companies less competitive in world markets. And the only rationale for doing it that I have ever heard from anyone in the Administration was that some felt all income should be taxed at the same time.

With respect to DISCs, the situation is roughly the same. Our government created DISCs primarily to stimulate exports and to improve the U.S. balance of payments. DISC provisions allow a manufacturer whose export sales are showing continuing growth to defer U.S. federal income tax on part of the profits from the manufacturer's export sales. DISC has been beneficial as a means of financing export-related accounts receivable and of providing funds that enable an American company to devote several years to developing new markets or enlarging old ones.

While DISC provisions are quite modest in terms of today's international trade, they are nevertheless beneficial, and it is hard to see how reducing or eliminating the benefits they bring could help the United States.

We also have seen dilly-dallying on the investment tax credit, which directly affects the cost of goods manufactured in the United States. It helps U.S. business to modernize its plant and equipment, to contain costs through increased productivity, and thus to compete more effectively everywhere. This provision of the tax code was enacted in 1962, at President Kennedy's urging, to stimulate capital investment in this country. Since then it has variously been suspended, reinstated, repealed, and then reinstated again.

One of the more important American instruments to facilitate riskier exports is the Export-Import Bank, which finances American companies' exports of capital goods, the leading item in our foreign trade. The Congress recently passed, and the President signed, a bill to extend the bank until 1983 and to increase its lending authority to $40 billion from $25 billion over the next five years, but this authorization was slow in coming and still does not fully solve the problem.

Perhaps the single most important thing about the Export-Import Bank, however, is that the assistance it can offer U.S. exporters is only the barest fraction of that offered by our major competitors to their exporting companies. And this, in a capsule, is the whole story of U.S. foreign trade.

I think we can take some encouragement from the proposals President Carter announced month before last to increase U.S. exports. If his proposals should actually take effect, they would remove many of the barriers I have sketched here this evening, which is rather more than one can realistically hope for. I think the Administration was quite forthright in saying that the problems have been building up for so long that it will probably take years to make much of a dent in them. Even so, the longest journey still begins with the first step, and the President seems willing to take that first step.

One can hope that in time it also will become clear to our government that many of the elements needed to increase exports are basically the same as those needed for optimum functioning of our domestic economy: profitability adequate to furnish capital for reinvestment and to support borrowing, to create additional jobs . . . sufficient predictability of government policy to permit orderly planning to expand and modernize plant and equipment . . . abandonment of punitive attitudes and policies toward private business . . . in short, a recognition of the private sector's essential contribution to American society.

I have tried to point out how necessary foreign trade is to our country. I have also tried to point out some of the many impediments that are placed in the way of the conduct of that trade. It seems to me that the time is long since past when we could afford to stand idly by, hoping our government will see the need to support American companies operating abroad—indeed, to encourage them to operate abroad.

If there is one message I have for you, it is this: that we should bend every effort to see that our elected representatives understand the need for clear, consistent, and competitive trade policies, and how counterproductive it is to inject domestic political issues into these policies. I submit that our country deserves something better than what George Shultz so aptly calls "light-switch" diplomacy.●

ALF LANDON: A STATESMAN FOR ALL SEASONS

● Mr. MATHIAS. Mr. President, Edmund Burke wrote that—

> The great difference between the real statesman and the pretender is that the one sees into the future, while the other regards only the present. . .

Certainly, Alfred M. Landon fits Burke's description of the statesman.

Governor Landon has a history of identifying nascent problems long before they assume their full dimension, and again and again, he has advocated policies far in advance of their time. It is gratifying now to see that this frequently underestimated elder statesman is being given some small measure of the public recognition that has long been his due.

On Friday, January 5, the Baltimore Sun hailed Alf Landon for stands he has taken over the years on hard issues. The editorial stated:

> The gentleman from Kansas has so frequently been described in gentle terms during most of the past four decades that his mark in history is in danger of being distorted.

It continued to describe views of Governor Landon which, to those unfamiliar with his great and questing intelligence, might seem surprising. For example, his early advocacy of the recognition of Communist China, his espousal of détente with the Soviet Union, his support of free trade and of union rights to organize.

Happily, the Sun also had the inspiration to let Governor Landon speak for himself on its opposite editorial page the same day. His article is a forceful distillation of wisdom gained from many years in public life and as a concerned observer of the American scene. So much that Alf Landon has warned us about for the past four decades has come to pass that we would all do well to pay attention to his advice for the future.

Governor Landon closes his article with an important appeal for bipartisan support for a program to curb inflation. I commend his views to the attention of my colleagues and submit his article and the Sun editorial entitled, "The Man From Kansas," for the RECORD.

The material follows:

ALF LANDON ON FDR

(By Alfred M. Landon)

TOPEKA, KANS.—In my lifetime I have seen monumental changes in the system of American government forced by the switchover from an agricultural to an industrial economy. There have also been worldwide changes in the traditional theories of government resulting from four great wars, as well as 40 years of unsound fiscal policies by Democrat and even occasionally Republican administrations—national, state and municipal.

Today we are seeing the domestic ramifications of these great and fundamental changes. The trends they represent are frightening. They go back to the Great Depression of the 1930s and President Franklin Roosevelt's New Deal policies, as I pointed out at the time.

President Franklin Roosevelt soon had more funds and personnel available—and the momentous power that gave him—greater than any previous peacetime president, as a result of the legislation that had been passed to deal with the Depression.

As chief executive and leader in that most trying and crucial time, he presented a compound of unlimited inflation and regulation by the federal government as his answer for the stress, suffering and anxiety of all Americans. Tragically, he did not foresee its dire consequences.

His basic New Deal policy—hailed as "liberal"—to end the domination of American economic life by big business was to establish rigid government regulations and controls in all phases of the economy. As I pointed out, Roosevelt's well-meant Social Security program was a fraud because it was unsoundly financed. Its bankruptcy has repeatedly been concealed by increasing our already burdensome taxes far above the 3-percent level Roosevelt predicted.

He used his powers to change the entire structure of our federal government—when he said, for instance, in 1935, that he was going to manage the economy of the country; that the anti-trust laws belonged to the horse-and-buggy days; and that a big national debt and accompanying inflation did not create any problem because we owed the money to ourselves.

I countered that by citing the time-honored sound principle of the need for a balanced budget and the danger to our Republic's democratic process by establishing and centering so much power in the federal government in Washington.

Franklin Roosevelt's so-called "liberal" policies, however well intentioned, have been followed to a greater or lesser extent by all his successors. As a result, an enormous federal bureaucracy has been created. It has grown to such a size that it unbalances the constitutional provisions for executive and legislative management of national affairs. The powerful bureaucracy has posed a threat as well to individual privacy and dignity, even among those citizens whom it is supposed to help.

An ever-increasing problem has been the many federal intrusions into areas of government which have been traditionally and constitutionally the responsibility of the states. The predominance of the executive branch, especially its bureaucracy, has sadly diminished the role of state governments in American politics. Each year there is an additional layer of federal regulation—usually derived from bureaucratic interpretation—imposed upon state governments. The faceless bureaucracy has, in effect, become an inexorable fourth branch of our government. Certainly this is a system never contemplated by the framers of the Constitution nor in many cases by the Congress and even by the presidents.

Among the most recent and significant examples of such federal intrusion can be found in the Carter administration's National Energy Act, which Energy Secretary James Schlesinger has described as representing "an historic turning point." In that Act, numerous standards and requirements are laid down for state utility regulatory agencies. Each state regulatory authority is required to consider the applicability for standards for the design of utility rates—all an unnecessary and undesirable intrusion into local governmental affairs.

President Franklin Roosevelt's established government by deficit financing soon became the Democrat party line down through the state and local governments. That appalling policy also has motivated local and state governments to plunge themselves into debt, leaving many municipalities bankrupt. Where it hasn't, our children and grandchildren are the ones who will have to pay in one way or another. Moreover, we have many hidden taxes—and inflation is the big one and the most unfair because it hits those who can afford it the least.

On inflationary deficit spending, labor ironically often shows the same kind of self-defeating intransigence that big business foolishly displayed 50 years ago toward the right of working men and women to bargain collectively and to improve living standards for themselves and their children.

After 40 years, we have substituted a more rigid and dominant expanding government by regulation and inflation running wild. These are only steps behind what we have seen operating in the economic, fiscal and political policies of Fascist states. Like their leaders, many American politicians have assumed that power is at the top. So it is, if it rests upon and encourages the fruitful use of the nation's resources. If, however, power is used—as so often has been true in America since Franklin Roosevelt—unwittingly to waste resources and to hamper their development, the bases for power weaken. Therefore, the use of that power can get to the point where few benefit and all pay.

President Carter appears to recognize what the continuation of Franklin Roosevelt's policies have done to our economy, indeed to all American life. In his campaigns to restrict the federal bureaucracy and especially to balance the budget, President Carter has not yet been forceful enough. However, he has had his hands full. Now he is starting to face the crucial domestic problem of reinvigorating the economy by aiming to reduce the deficit to $30 billion in 1980. And his civil service reform legislation may help to bring the bureaucracy under control. We have yet to see if he will be as firm in fighting to reverse the unfortunate trends of the past 45 years as he is in saying he will do so. The future of our great and beloved Republic rests considerably with President Carter's ability to act as well as to speak.

I support his sound concept that the present inflation is the greatest domestic threat facing the American people. He will need bipartisan support on any reasonable approach to this issue.

(Mr. Landon, the former governor of Kansas, was the Republican nominee for president in 1936 when Franklin Roosevelt won his second term in the White House.)

The Man From Kansas

Time mellows but need not produce marshmallows. In today's Opinion-Commentary page we find Alfred M. Landon harsh and uncompromising in his opposition to the "so-called liberalism" of Franklin D. Roosevelt, the man who defeated him in the 1936 presidential election. He blames FDR's New Deal for an "enormous" federal bureaucracy, "inflation running wild," "fraud" in Social Security financing and "rigid" government regulations and controls.

These were issues raised in the Landon campaign 43 years ago, and still, today, they remain at the center of domestic politics. The former Republican presidential candidate finds Roosevelt-initiated trends "frightening" in that they are producing a "dominant expanding government" that is "only steps behind what we have seen operating in the economic and fiscal and political policies of Fascist states." Tough words, these.

Could this really be "genial" Alf London ruminating on the political scene? The gentleman from Kansas has so frequently been described in gentle terms during most of the past four decades that his mark in history is in danger of being distorted. As long ago as 1948 he urged the recogniiton of Red China. Long before Watergate he said Richard Nixon "lacked the capacity to be a good President." He has been a steady free trader, a defender of union rights to organize and a champion of detente with the Soviet Union. These views have endeared him to a couple of generations of post-FDR Democrats and even a few fellow Republicans.

In personality, Mr. Landon is indeed an engaging fellow who is currently rejoicing in the election of his daughter, Nancy Landon Kassebaum, to the U.S. Senate. But we are glad to offer evidence in his op-ed page piece written especially for *The Sun*, that the man from Kansas retains his fiery aversion to intrusive government and excessive federal power. Not so long ago, a politician who expressed such views would have been considered an anachronism. Today, Mr. Landon's ideas are very much in fashion.

One does not have to agree with all of Alf Landon's views, or any of them, to admire the depth of his conviction. Seven presidents after FDR we find him eager to goad Democrat Jimmy Carter toward a more vigorous attack on old Landon bugaboos: inflation, deficit financing, oversized government. For Alf Landon, time has confirmed more than it has mellowed.●

ELIZABETH PEAVEY

● Mr. CHURCH. Mr. President, the Times-News in Twin Falls recently ran a feature on a good friend, one of my State's grand people, Mrs. Elizabeth Peavey, now 97.

One of Idaho's pioneers, Mrs. Peavey is a remarkable person. As the interviewer for the Times-News summed up:

> She has retained the ability to meet life's tragedies, of which she has had more than her share, with equanimity, never losing her innate graciousness.

This is a thoroughly enjoyable article, Mr. President, and I ask that it be printed in the Record.

The article follows:

Elizabeth Peavey: Most Gracious Pioneer—Maintains Own Home At Age 97

(By Lorayne O. Smith)

Twin Falls.—Most pioneer women charged construction workers 25 cents for their home cooked meals in 1906 around Twin Falls, but Elizabeth Peavey decided her meals were worth twice that much.

Married a little over a year, Mrs. Peavey had a baby and three-room shack to care for. She was not interested in feeding extra boarders, but one day when four engineers who were helping build the railroad tracks from Twin Falls to Buhl asked her husband if they could eat dinner at the Peavey home she agreed.

When the men came to the table, their "eyes nearly popped out of their heads," she said.

The Peaveys were too poor to buy "everyday things" so the young bride simply used her wedding presents.

Thus the dusty engineers were greeted with a table covered with damask cloth, gleaming with Haviland china and sterling silverware.

The men got another surprise when at the conclusion of the meal, they inquired the price and were told it was 50 cents.

"But they paid it. I guess they thought they couldn't complain considering the good dishes and silverware," Mrs. Peavey said. (The china had so much use the only pieces still in existence are a platter and one serving dish.)

Later the engineers became friends of her husband, the late A. J. Peavey, and ate frequently at the Peaveys' farm between Filer and Buhl without any charge.

Mrs. Peavey, one of Twin Falls' oldest longtime residents, is often referred to as one of the community's "grand old ladies," not just because at 97 she still maintains her own home on Eighth Avenue East, no mean accomplishment, hospitably offering tea to guests with enduring graciousness.

Throughout her many years in the community she not only has successfully raised a large family and contributed much community service ("I'm not an organizer, but a joiner").

But more importantly she has retained the ability to meet life's tragedies, of which she has had more than her share, with equanimity, never losing her innate graciousness.

But she does not want publicity because of her age.

"I resent being the object of attention because of my antiquity," she said tartly during our interview.

However, because of the historical aspects of much of her family history, she agreed to "hit some of the highlights."

Born June 8, 1881, in DePere, Wis., she went to Oshkosh Normal School, now the University of Wisconsin, for two years, then accompanied her parents to Moscow where she was graduated from the University of Idaho in 1903.

She met her future husband while teaching in Wallace. That mining community reportedly paid the highest wages in the state at the time. Mr. Peavey, whose father was among the California '49ers, was associated with the Oregon Short Line Railroad.

They were married June 9, 1905, in San Francisco the year before the great fire in that city which destroyed all such records.

Many of their friends in Wallace were coming to the Twin Falls tract so they joined in the historic pioneer pattern of buying and then "proving up" on 160 acres west of Twin Falls.

But their pioneer experience was a total disaster, down to the purchase of a "milk" cow which didn't give milk.

"We undoubtedly were the world's worst farmers," Mrs. Peavey said. They were so busy getting their shack built they didn't even get any crop planted until 1907.

Although nothing was easy (we ate dust for dessert, she quipped) Mrs. Peavey does not harbor any bitter memories. She had stayed in Pocatello until her baby was born and her husband could get their house built.

Her "homecoming," on their first wedding anniversary, was not encouraging. It was raining, the shack was not completed and she found her new cook range sitting outside in the rain.

"I just lay on the bed with the baby and cried most of the afternoon," she said.

But by evening the stove had been installed, unharmed by its bath, so she "got up and got supper."

The only way the couple had to get anywhere was to walk, but they never experienced the crushing loneliness which marked much pioneer existence, because all the adjoining land also was being "proved up."

Food was no problem. Fresh produce was brought by wagon from Hagerman several times a week. Communication was possible from Twin Falls through the stage which went to Buhl several times weekly.

Today, more than 70 years later, the Peavey railroad siding sign still marks part of their original land.

Within only weeks after Mrs. Peavey joined her husband the Peavey postoffice was established in their home to serve the railroad construction crews which were camped on their land.

She just designated a pantry shelf for the mail. Having the postoffice tied them down, but they had no way to travel anyway. The only way they could get to Buhl was to borrow a buggy.

But the young couple, both being from pioneer stock, took their original farming failure in stride, knowing they both had a good education and could obtain other jobs.

In 1908 they moved into Twin Falls which "seemed like a metropolis," compared to their rural existence. Mr. Peavey went to work for the late S. T. Hamilton in the Twin Falls Land and Water Co. Part of his job was showing the newly opened tract to potential buyers. He also served as bookkeeper.

The Peaveys first lived on Third Avenue East near Bickel school. In 1912 they moved to the house now occupied by the Bo Peep Nursery on Seventh Avenue North, later the home of Dr. and Mrs. Charles Beymer, former Twin Falls residents.

Mr. Peavey later went into the insurance business, constructing the Peavey-Taber insurance building in 1912 at the corner of Shoshone and Second Avenue East. It is one of the oldest business structures still standing. The longtime structure, which once featured a revolving door, now houses a stock brokerage firm.

Mrs. Peavey is a charter member of the local units of both the American Association of University Women and Panhellenic. She served as county chairman for the Red Cross, an activity which helped make her the first woman ever to receive the Jaycees' Outstanding Citizen of the Year award in the early 40s.

Laughing that she has "belonged to nearly everything in town." Mrs. Peavey is a former regent of the Daughters of the American Revolution and worked in the wartime bond drives.

In 1941, she moved to her present home which also is of historical interest, being built in 1904 by an early day Twin Falls resident named Nixon.

Unlike most grandmothers, she does not boast about the number of her grandchildren and great-grandchildren, although she obviously enjoys visits from them. Books, both new and old, are an important part of her life and during our visit, several titles were mentioned either as gifts to or from grandchildren.

"I'm embarrassed over the population explosion," she quipped.

Three of her eight children still living include Frank Peavey of Boise; Betty of Great Falls, Mont., and Alice of Boonton, N.J.

UKRAINIAN INDEPENDENCE DAY

● Mr. YOUNG. Mr. President, Dr. Anthony Zukowsky, honorary president of the Ukrainian Congress Committee of America, State branch of North Dakota, has long been in the forefront in the observance of Ukrainian Independence Day throughout the United States. He has a great interest in the rights and freedom of the people living in the Ukraine and I have worked closely with him.

January 22 marked the 61st anniversary of the Proclamation of the Independence of Ukraine and the 60th anniversary of the act of Union which declared all Ukrainian lands united into one independent and sovereign nation.

Yet, for nearly two-thirds of a century the Ukrainian Nationals have struggled for their independence from Soviet oppression. They are great people and are supported in their fight by people all over America.

Dr. Zukowsky very ably outlines the history of the struggle for freedom by the Ukrainian people in his letter to me of January 14. I ask that his letter be printed in the Record as a part of my remarks.

The letter follows:

Ukrainian Congress Committee
of America, Inc., State Branch
of North Dakota,

January 14, 1979.

Re: January 22—Ukrainian Independence Day

Hon. Milton R. Young,
U.S. Senator from North Dakota,
Washington, D.C.

Dear Senator Young: As the 96th U.S. Congress begins its session, we would like to call your attention to the fact that in January Ukrainians all over the free world, including the United States, will celebrate the Proclamation of the Independence of Ukraine.

January 22, 1979 will mark the 61st Anniversary of the Proclamation of the Independence of Ukraine and the 60th Anniversary of the Act of Union, whereby all Ukrainian lands were united into one independent and sovereign nation. Both the Independence of Ukraine and the Act of Union were proclaimed by a duly elected parliament (Central Rada) in Kiev, capital of Ukraine on January 22, 1918, and on January 22, 1919.

This sovereign Ukrainain state was immediately recognized by a large number of nations including France and England. Diplomatic relations were established with them. Recognition was also granted by Soviet Russia. Despite the fact that the Soviet government had officially recognized Ukraine as an independent and sovereign state, Ukraine was attacked by it both by military aggression and subversion from within.

For three and one-half years the Ukrainian people waged a gallant struggle in the defense of their country, alone and without aid from western nations, but were ultimately overpowered by a numerically stronger and better equipped Russian Bolshevik aggressor. They destroyed the Ukrainian National Republic and created a Communist puppet government known as the Ukrainian Soviet Socialist Republic (Ukr. S.S.R.).

The entire history of Soviet-dominated Ukraine is a ghastly record of inhumanity, outright persecution, and genocide. Russification and violation of human rights on a scale not known in the history of mankind—has occured.

In summary, the colonial rule of Soviet Communism in Ukraine can be characterized by the following:

A. During the sixty years of Moscow rule in Ukraine, literally millions of Ukrainians have been annihilated by man-made famines, deportations, and executions.

B. Both Ukrainian Orthodox and Ukrainian Catholic Churches have been ruthlessly destroyed and their clergy and faithful have been arrested and persecuted.

C. All aspects of Ukrainian life are rigidly controlled and directed by Moscow.

D. Permanent violation of Human Rights was instituted in Ukraine. Arrests, trials and convictions of thousands of Ukrainians have been charged to "anti-Soviet propaganda and agitation". Many have been submitted to torture, incarcerations and confinements to psychiatric asylums where drugs and chemicals are forcibly administered. Professor and historian Valentyn Moroz is symbolic of the aforementioned atrocities. Last summer Mykola Rudenko, Oleksa Tykhy, Mykola Matusewych, Myroslaw Marynowych and Lew Lukianenko were given 7 to 10 years sentences, and five years exile because they were members of the Ukrainian Public Group to Promote the Implementation of the Helsinki Accords.

Russian enslavement of Ukraine has brought much suffering to the people of Ukraine. In spite of this oppressive yoke, the Ukrainians have never accepted a foreign domination and are continuing to struggle for Human Rights, Freedom, and National Independence. The new breed of adamant fighters for Human and National Rights gives us hope that Ukraine will be free again.

The Ukrainian people in the free world are celebrating the memorable January 22nd as their greatest Holiday. Also for many years the 22nd of January has been proclaimed in our American cities and States from coast to coast as Ukrainian Independence Day.

Therefore, it is in a common spirit of liberty, faith, and justice that the American people and especially U.S. Congress join the Ukrainians all over the world in giving the moral support to the Ukrainian people in their struggle for Human Rights, Freedom, and National Independence of Ukraine.

We appreciate very much your support and concern for the welfare of the Ukrainian people.

I remain,
Sincerely,
Dr. Anthony Zukowsky. ●

SENATOR RANDOLPH REPORTS ON ACTIVITIES OF THE SENATE SUBCOMMITTEE ON THE HANDICAPPED DURING THE 95TH CONGRESS

● **Mr. RANDOLPH.** Mr. President, as we review the accomplishments of the 95th Congress, I bring to the attention of the Senate the activities of the Subcommittee on the Handicapped. Since its establishment the Subcommittee on the Handicapped has been most fortunate to have as members, Senators who are dedicated to enriching the lives of handicapped Americans. As chairman of this subcommittee during the 95th Congress, I express sincere appreciation to the members for their constructive efforts: Senators Harrison A. Williams of New Jersey; Thomas F. Eagleton of Missouri; Robert T. Stafford of Vermont; and Orrin G. Hatch of Utah. Senator Jacob Javits of New York, although not a member of the subcommittee, has also worked closely with our members and staff in his capacity as ranking minority member of the full Committee on Human Resources.

I submit for the Record a report of the activities of the Subcommittee of the Handicapped during the 95th Congress and a projection of the subcommittee's activities in 1979.

The material follows:

Activities of the Subcommittee on the Handicapped During the 95th Congress

The Subcommittee on the Handicapped is a standing subcommittee of the parent Committee on Human Resources. It was established in the final months of the 92d Congress. Its existence as a permanent subcommittee is an indication of the importance which the Congress has atached to legislation affecting handicapped individuals. It was established in order to have a focal point for and to coordinate such legislation. The subcommittee is charged not only with developing legislation, but also formulating National policy on such issues as education, vocational rehabilitation, employment, architectural, transportation and communications barriers, and adequate housing.

The subcommittee has specific jurisdiction over the Education of the Handicapped Act, including the Education for All Handicapped Children Act of 1975; the Rehabilitation Act of 1973, as amended; the Developmentally Disabled Assistance and Bill of Rights Act; the Randolph-Sheppard Act; and the Javits-Wagner-O'Day Act.

During the first session of the 95th Congress, the Subcommittee exercised its oversight responsibility and held extensive hearings on all legislation under its jurisdiction. These hearings provided valuable recommendations for legislative action in the areas of education for handicapped children, rehabilitation, and developmental disabilities. The Subcommittee reviewed the Education for All Handicapped Children Act of 1975 (Public Law 94–142); the Developmentally Disabled Assistance and Bill of Rights Act (Public Law 94–103); and the Rehabilitation Act of 1973 (Public Law 93–112), as amended by the Rehabilitation Act Amendments of 1974 (Public Law 93–516). In the first session, the subcommittee held 16 days of hearings: 9 of these were to review all programs for the handicapped; 1 was to specifically review the Developmentally Disabled Assistance and Bill of Rights Act: 4 days were for the purpose of receiving testimony on extension of the Rehabilitation Act of 1973, as amended, and related bills; 2 days were used to hear testimony on the various problems concerning the implementation of Public Law 94–142, the Education for All Handicapped Children Act; and 1 day of hearings was to receive testimony from the administration and other interested parties on the proposed reorganization of the Office of Human Development in the Department of Health, Education and Welfare.

EDUCATION

During the first session, S. 725, to extend certain programs under the Education of the Handicapped Act, was introduced on February 15, 1977. The purpose of this legislation is to extend for 5 years, through 1982, and authorize appropriations for certain discretionary programs authorized by the Education of the Handicapped Act, namely, the programs authorized under part C, Centers and Services to Meet Special Needs of the Handicapped; part D, Training Personnel for the Education of the Handicapped; part E, Research in the Education of the Handicapped; and part F, Instructional Media for the Handicapped.

The Subcommittee heard testimony on the need for this legislation and on March 23 approved the bill for action by the full committee. On May 6, the Committee on Human Resources reported the bill to the Senate, and on May 23, H.R. 6692, a companion bill, was passed by the Senate, with an amendment, in lieu of S. 725. On June 7, the House of Representatives concurred in the Senate amendment and on June 17, 1977 President Carter signed the bill into law (Public Law 95–49).

REHABILITATION, COMPREHENSIVE SERVICES AND DEVELOPMENT DISABILITIES

Also during the first session, on June 17, S. 1712, a bill to amend the Rehabilitation Act of 1973 to extend certain programs established in such act was introduced. During the hearings on June 20 and 21, 24 and 25, the Subcommittee heard testimony on S. 1712 and other related bills from 28 witnesses and received additional written testimony. S. 1712, which extended the Rehabilitation Act of 1973, was largely incorporated into S. 2600, which was introduced in the second session of the 95th Congress and which reflected many of the recommendations found in the hearing record.

During the second session, on February 28, 1978, S. 2600, a bill to amend the Rehabilitation Act of 1973 and to establish a comprehensive services program for the severely handicapped was introduced. Title I of S. 2600, as introduced, extended and amended the Rehabilitation Act of 1973, as amended; Title II of S. 2600 established a new program of comprehensive services for severely handicapped individuals. On March 10 and 14, 1978, the Subcommittee held hearings and received testimony from 24 witnesses about the legislative initiatives contained in S. 2600.

On April 12, 1978, S. 2903, a bill to amend the Rehabilitation Act of 1973 to establish programs for training interpreters and for providing interpreter services for the deaf, and S. 2904, a bill to expand and improve reading services for blind individuals were introduced.

The Subcommittee on the Handicapped met in Executive session on April 21, 1978 and ordered S. 2600 reported to the full Committee with amendments. As reported from Subcommittee, S. 2600 contained a new Title IV, which extended and amended the Developmental Disabilities Assistance and Bill of Rights Act. Also incorporated into the reported bill were amendments regarding the training of interpreters and provision of such services as well as an amendment to expand and improve reading services for the blind.

On May 10, the Committee on Human Resources considered S. 2600 and ordered it reported, with amendments, to the Senate. The report was filed on May 15, and on September 21, the Senate passed S. 2600. Since H.R. 12467, the Comprehensive Rehabilitation Services Amendments of 1978, had passed the House of Representatives on May 19, 1978, the Senate then amended H.R. 12467 in the nature of a substitute with the provisions of S. 2600 and requested a Committee of Conference.

In the House of Representatives, unlike in the Senate, jurisdiction over rehabilitation legislation and developmental disabilities legislation is divided between two Committees. Therefore, the conference committee included members of the Senate Committee on Human Resources and the House Committee on Education and Labor (which has jurisdiction over the Rehabilitation Act) and the House Interstate and Foreign Commerce Committee (which has jurisdiction over the Developmental Disabilities Assistance and Bill of Rights Act). Conferees met on October 3, 4 and 5 and on October 14, the conference report was agreed to by both the House and the Senate. The President signed the measure on November 6, 1978.

Highlights of the Rehabilitation, Comprehensive Services and Developmental Disabilities Amendments of 1978, Public Law 95–602, are:

First. Extension of the Rehabilitation Act of 1973, as amended, for four years through 1983;

Second. Modification of the basic State grant formula in Title I of the Rehabilitation Act;

Third. Establishment of a new program of American Indian Vocational Rehabilitation Services;

Fourth. Establishment of a National Institute of Handicapped Research;

Fifth. Creation of a National Council on the Handicapped;

Sixth. Clarification and expansion of the role of the Architectural and Transportation Barriers Compliance Board;

Seventh. Application of certain rights, remedies and procedures of the Civil Rights Act to Sections 501 and 504 of the Rehabilitation Act as well as inclusion of an attorney's fees provision with reference to Title V of the Rehabilitation Act;

Eighth. Clarification of the coverage of Section 504 as it pertains to active drug addicts and alcoholics with reference to employment;

Ninth. Establishment of Community Service Employment Pilot Programs for Handicapped Individuals;

Tenth. Establishment of a new program of Comprehensive Services for Independent Living for handicapped individuals whose disabilities are so severe that they do not presently have the potential for employment but may benefit from vocational rehabilitation services which will enable them to live and function independently;

Eleventh. Establishment of programs to train interpreters for the deaf, programs to improve reading services for the blind, programs for the rehabilitation of older blind individuals, and programs of interpreter referral services;

Twelfth. Establishment of systems to protect and advocate the rights of severely handicapped individuals;

Thirteenth. Extension of the Developmental Disabilities Assistance and Bill of Rights Act for three years through 1981;

Fourteenth. Modification of the definition of "developmentally disabled" so that eligibility now rests on meeting functional criteria;

Fifteenth. Repeal of the National Advisory Council on Services and Facilities of the Developmentally Disabled; and

Sixteenth. Establishment of certain services areas as "priority service areas" so that States will target their efforts in specific service areas.

LEGISLATION INVOLVING OTHER COMMITTEES

The Subcommittee has cooperated with the Subcommittee on Education, Arts and Humanities of the Committee on Human Resources to improve library services for handicapped individuals. Amendments to the Library Services and Construction Act included a requirement that States maintain their level of effort for library services to handicapped persons and institutionalized individuals as well as a provision to encourage the removal of architectural barriers in library structures. The Subcommittee has also worked with the Subcommittee on Aging in its effort to include handicapped persons in the Meals on Wheels legislation and with the Commerce Committee to provide reduced rate transportation on a space available basis to handicapped persons. In addition, the Subcommittee cooperated with the Judiciary Committee to help provide court interpreters for hearing impaired persons, and with the Environment and Public Works Committee to insure that construction funded through the Public Works Employment Act of 1977 be barrier free and with the Subcommittee on Child and Human Development of the Committee on Human Resources and the Committee on Finance on legislation to remove the social and jurisdictional barriers which so often prevent adoption of handicapped or otherwise special children.

WHITE HOUSE CONFERENCE ON HANDICAPPED INDIVIDUALS

The White House Conference on Handicapped Individuals, authorized by the Rehabilitation Act Amendments of 1974 (Public Law 93-516) was held in May of 1977. Delegates from every State and Territory met to develop recommendations and to stimulate a National assessment of problems and solutions to the problems facing handicapped individuals. It is well to note that P.L. 95-602 reflects many recommendations made at that conference. The independent living services, community service pilot projects, the National Council on the Handicapped, which serve as an ombudsman for the handicapped at the Federal level, and particularly the National Institute on Handicapped Research are the outgrowth of recommendations offered by handicapped individuals.

SECTION 504

In May of 1977, the Secretary of the Department of Health, Education and Welfare published final regulations to implement the far-reaching section 504 of the Rehabilitation Act of 1973. The Subcommittee has and will continue to exercise its oversight responsibility in this area.

PROJECTION OF SUBCOMMITTEE'S ACTIVITIES IN 1979

During the 96th Congress, the Subcommittee on the Handicapped plans to hold extensive hearings on the implementation of Public Law 94-142, the Education for All Handicapped Children Act of 1975. This law became effective on October 1, 1977, and States were mandated to provide a free, appropriate public education to all handicapped children between the ages of 3-18 by September 1, 1978. These hearings should provide information regarding the impact of this law on the educational needs of handicapped children and on the educational community charged with the implementation of the law as well as an opportunity to assess the progress made toward meeting the September 1, 1978 deadline, for full educational service to handicapped children aged 3-18. Should there be clear indications that the law is not fulfilling its intended purpose, the Subcommittee will act to improve the implementation of the law.

The Subcommittee on the Handicapped will also monitor very closely the development of regulations issued pursuant to Public Law 95-602, the Rehabilitation, Comprehensive Services and Developmental Disabilities Amendments of 1978, and their implementation. The Subcommittee feels that this landmark law with its new provisions can impact very positively on the needs of all handicapped persons, and particularly severely handicapped individuals; it is vitally important the regulations and implementation of the new law reflect Congressional intent concerning the needs of the handicapped individuals most affected by the mandates in this law.●

THE MEAT IMPORT ACT OF 1979

● Mr. CULVER. Mr. President, the Meat Import Act of 1979, which I am cosponsoring, is essentially the same bill passed last year by the 95th Congress and vetoed by the President. It would create a countercyclical formula for determing the level of meat imports allowed each year—raising the level when domestic production is short and lowering it when domestic production rises.

This legislation was needed last year. It is still needed this year. It is needed by farmers to help balance the wide price swings and instability that have recently disrupted livestock markets. It is needed by consumers to assure adequate supplies of beef and relatively stable prices.

The Meat Import Act of 1978 was vetoed by the President because it removed his administrative discretion to suspend quotas when he determined that short supplies of meat threatened high consumer prices. In fact, the countercyclical formula eliminates the need for this discretion because the bill will automatically increase imports when domestic production falls. The great value of such a formula is its ability to provide essential consumer protection while letting cattle producers know in advance what level of imports they will face.

Numerous Iowa cattlemen have told me that the most troublesome aspect of the current Meat Import Act is the uncertainty created because beef supplies and, consequently, beef prices can be appreciably altered overnight. One day the price maintains a certain level; the next day, the President suspends the quotas and the price plummets; that is, the prices beef producers receive plummet. I have yet to see retail beef prices go down 1 cent as a result of increased imports.

The Meat Import Act of 1979 attempts to strike an equitable balance between the President's insistence on administrative flexibility and the beef producers' need for market stability. It grants administrative flexibility during the expansion phase of the cattle cycle when prices are generally good but denies discretionary increases in imports during the contraction phase of the cattle cycle when prices are at their lowest. This limited discretionary authority should, in my view, satisfy the President's concerns about these proposed changes in the Meat Import Act.

I hope the 96th Congress will act early on this much-needed legislation. I know of no action by this Congress that could contribute more to American cattlemen's confidence in our Government than passage of the Meat Import Act of 1979.●

THE 1980 BUDGET

● Mr. KENNEDY. Mr. President, I support President Carter's effort to reduce the Federal budget deficit below $30 billion.

But the cuts necessary to reach the target should be made in a more equitable manner that reflects a fairer sense of priorities for important domestic programs.

The fact is that the administration's budget asks the poor, the black, the sick, the young, the cities, and the unemployed to bear a disproportionate share of the billions of dollars of reductions in Federal spending that are necessary if the target, which I support, of a budget deficit below $30 billion is to be reached.

I am especially concerned about the health budget and the unacceptable reductions the administration has proposed. The budget aims a staggering and unjustifiable blow at the Nation's medical and nursing schools. It shortsightedly cuts basic research into the causes and cures of illness, including such cripplers as cancer, heart disease, and stroke. Over 34 separate health programs receive absolute cuts. And over 24 additional programs are funded well below the so-called current policy level. The American people will pay for this budget in the long run with their health. A minimum of half a billion dollars in additional funding is essential if the Nation's basic priorities in health care are to be met in 1980.

I am also concerned about the budget cuts proposed in the areas of jobs, social security, education, and food and nutrition programs, which will have a heavy impact on the young, the jobless, the elderly, the cities, and the disabled. It is difficult to believe that a fair appraisal of spending priorities requires drastic reductions in public service jobs, summer jobs for needy youths, special aid for cities with high unemployment, social security benefits for orphans and the handicapped, and school breakfast and school lunch programs for poor and middle class children. These cuts alone, which total over $4 billion, are not acceptable, and Congress should oppose them.

Massachusetts and other older, urban States will also bear the brunt of this budget. Massachusetts cities and towns are faced with a cutback of some 23 percent in public service jobs, reductions in special assistance to areas with high unemployment, 25 percent fewer summer jobs for young persons, and reduced housing programs for the poor who are forced to rent.

As energy costs skyrocket in Massachusetts, the poor and the elderly are faced with even less aid to help pay their fuel bills. The elimination of funds for a regional oil storage facility is a serious setback to New England energy policy. Massachusetts businessmen, who must rely on rail service to ship their products, are faced with deep slashes in Federal rail assistance. And Massachusetts fishermen, who are struggling to develop a strong industry, are faced with an administration proposal to eliminate a promising fisheries development program.

At the same time, the budget contains wasteful increases in defense spending and no reductions in wasteful tax spending—two of the most obvious areas where alternative budget cuts could be made instead of the excessive reductions imposed on more important domestic programs.

In this budget, only defense receives a real increase—up 3.1 percent in outlays. Defense spending, which represents one quarter of the budget, deserves the same close scrutiny as we give to all other spending programs. I believe that we can make significant savings in our conventional and nuclear forces, while strengthening NATO and maintaining a strong strategic posture:

The administration wants a new aircraft carrier which will cost $1.6 billion, excluding cost over-runs, associated aircraft, supporting ships and operations and maintenance costs. Given its exorbitant cost, its questionable mission and its vulnerability to attack, we should ask if we need this carrier at all.

The administration wants nearly $1 billion for the MX missile system, an amount which will grow to tens of billions of dollars before the program is complete. This system raises serious questions about our nuclear strategy, about the development of weapons that increase the threat of nuclear war, and about the use of new weapons purchases to appease the opponents of SALT II.

Finally, we must seriously question the justification for 10 percent real growth in military purchases, and for a $2.2 billion supplemental for fiscal year 1979 in the absence of an emergency.

I believe that Congress and the American people have a right to satisfactory answers to these troubling questions about defense spending.

In the coming months, Congress will have the opportunity to set these basic priorities straight. I intend to do all I can to insure that the budget we enact reflects a wiser and more equitable approach to the Nation's goals than the budget we have received today.●

APSA CONGRESSIONAL FELLOWS PRAISE SENATOR METCALF

● Mr. STEVENSON. Mr. President, The Congressional Fellowship Program of the American Political Science Association (APSA) has afforded many journalists, political scientists, and Federal civil servants the opportunity to serve as Fellows, or interns, in House and Senate offices where they can see, at firsthand, how the Congress functions. Our late colleague from Montana, Lee Metcalf, is warmly remembered by many former Congressional Fellows as an enthusiastic supporter of this internship program. In a letter to the APSA, four former Fellows have made a personal statement of appreciation for Senator Metcalf's contributions to the program and of the affection and respect with which he is remembered. I ask that this testimonial to the memory of our late colleague be printed in the Record.

The material follows:

January 2, 1979.

Dr. Evron M. Kirkpatrick,
Executive Director, American Political Science Association, Washington, D.C.

Dear Dr. Kirkpatrick: As former Congressional Fellows, we wish to make a personal statement of appreciation for the contribution made to the fellowship program over the years by the late Senater Lee Metcalf of Montana. During Senator Metcalf's 17-year tenure, more than a score of Congressional Fellows had the good fortune to serve in his office, and the four of us—a journalist, a political scientist, a civil servant, and a former journalist and labor union representative now serving as an Assistant Secretary of Health, Education and Labor—were among them.

No member of Congress could have lent himself more wholeheartedly to making the Congressional Fellowship Program a success. Word passed from one group of Fellows to the next that there was no better office in which a Fellow could serve than Senator Metcalf's. He gave us exceptional opportunities for a closeup, insider's view of the Senate and the legislative process. We handled constituent "case work," helped prepare legislation, attended hearings and reported to the Senator on the progress of bills in which he was interested, and some of us were on occasion privileged to serve him in a staff capacity on the Senate floor. Sometimes there was even opportunity for a bit of political and constituent relations legwork in the field, as for instance when one of us, David Mayhew, flew to Great Falls to deliver a speech on veterans benefits and consort with Montana Democrats.

We have fond memories of the spontaneous bull sessions that frequently took place in the Metcalf office in the late afternoon after the rush of the day's activities was over. The conversation would range widely and eclectically, touching on such subjects as national politics, public lands policies, U.S.-Canadian relations, senatorial folkways and such miscellany as the proper way to build a compost heap. Lee's insights were keen, and his good humor and seriousness of purpose were always evident. It was clear to us, as it was to his colleagues and constituents, that Lee Metcalf was above all a decent man, given to judicial reflection about public affairs rather than wheeling and dealing. He worried a lot about what elective officials are supposed to do, and, by the middle of his second Senate term, was talking about leaving the Congress (where he had served since 1950) and returning to Montana. He was afraid that if he stayed in Washington too long he would forget how to be a Montanan and learn all too well how to be a Washingtonian.

He longed to go back to Helena, where he lived a citizen's life in a framehouse not any different from anybody else's. But a sense of duty kept him one more term in the Senate, then another. Great issues were coming along, and he wanted to have his say.

For all of us, the friendship with Lee Metcalf was no transient thing but something lasting. One of us, Luther Carter, a Washington journalist from the time he left the Metcalf office in 1961 to the present, enjoyed repeated and immensely beneficial personal and professional contacts with the senator, whose willingness to be of help was extraordinary for one so heavily burdened with legislative duties. Dick Warden, another one of us, who now serves as Assistant Secretary of HEW for Legislation sought and received wise counsel from Lee Metcalf at every step of his career in Washington.

Although Senator Metcalf was too modest to flaunt his legislative achievements, they were numerous and substantial. In this connection, it is well to quote Vic Reinemer, the senator's executive secretary for many years. "There are two kinds of public officials, the consensual—the many who wait for majority support before they move—and, to coin a word, the incensual, the few trailblazers who light the way for the herd behind," Vic has said. "Metcalf was one of those rare point men out front." This was true on issue after issue, such as coal mine safety, strip mining reclamation, wilderness preservation, coal research, development of a national power grid, and, in particular, federal "sunshine" legislation.

Lee Metcalf was a fine senator, and for those of us who knew him as Congressional Fellows, a wise counselor and loyal and generous friend. We shall always remember him with affection and respect.

Sincerely,

Luther J. Carter,
Science magazine.
David R. Mayhew,
Yale University.
Ned A. Ostenso,
National Oceanic and Atmospheric Administration.
Dick Warden,
Department of Health, Education, and Welfare.●

THE FUTURE OF AMERICAN RELATIONS WITH TAIWAN

● Mr. CHURCH. Mr. President, although I applaud the President's step to recognize the People's Republic of China, I regret that he was unable to obtain a firm commitment from the Peking government that China will not attempt to reunify Taiwan with the mainland by force of arms. China clearly does not now have the military capacity to invade and capture Taiwan. And it will not be able to do so for the foreseeable future. However, quite naturally, the citizens of Taiwan are concerned over their future security. Many Americans share their concern. Those fears must be taken into account in formulating the new American policy for dealing with Taiwan and the People's Republic

American support for the pace of normalization in our relations with China will depend on how China deals with the Taiwan question. Any attempt by China to bludgeon out a settlement of the

Taiwan issue will have the most adverse consequences in this country. This must be made clear to China at the outset.

Any attempt to use force in reuniting Taiwan with the mainland, or to pressure Taiwan by threats or coercion, will undoubtedly trigger retaliation by the Congress. The opening of formal diplomatic ties with Peking ended a major obstacle to progress in relations between our countries, but China must not try to exploit this sensitive situation at Taiwan's expense.

American attitudes toward Taiwan should be made clear to the Peking government. As our ties with mainland China expand, as our trade grows and joint undertakings take place, it should be understood that it is our expectation that there will be continued peace between the two parts of China, and that the final reconciliation between the Chinese on Taiwan and those on the mainland will not be accomplished by force of arms.

In the next few days, the President will send to Congress a draft bill to permit continuation of normal trade and cultural relations with Taiwan and to establish an organization to perform the routine functions normally carried out by our Embassy. Congress must use this bill to send the signal to the Peking government that our new national policy rests on the assumption that any resolution of the Taiwan question will be sought only by peaceful means. This expectation is the glue which holds the new policy together. Peking must be under no illusions.

This statement of policy must also reassure the people of Taiwan that their security remains a major concern of the United States. The Committee on Foreign Relations will begin hearings on Taiwan legislation in early February. I will do all that I can to bring about committee approval of a strong statement of national policy, having the force of law, that will both send a signal to Peking and reassure the people of Taiwan.●

A PILLAR OF THE COMMUNITY IS GONE

● Mr. MATHIAS. Mr. President, the term, "pillar of the community," once almost a cliche throughout America, is seldom heard today. One reason is that a quarter of the American people moves every year and roots do not go very deep in many communities. But in small towns in America the expression "pillar of the community" still stands for something. And in these communities, when such a pillar falls, the effect is long and deeply felt.

My native town of Frederick, Md., lost a pillar of its community when Lincoln D. Engelbrecht died. He will be sorely missed not only by those of us who were privileged to know him personally, but by all those who were inspired by the example he set as a citizen and as a human being.

Mr. Engelbrecht's great-great-grandfather came to Frederick during the Revolutionary War as a Hessian soldier-prisoner. A generation later, his son was mayor of Frederick. From their arrival in Frederick, members of the Engelbrecht family have exemplified the qualities of character and spirit that have made America great.

Abraham Lincoln, from whom "Linc" Engelbrecht derived his first name, wrote once of himself:

> Every man is said to have his peculiar ambition. Whether it be true or not, I can say, for one, that I have no other so great as that of being esteemed by my fellow man, by rendering myself worthy of their esteem.

I do not know if "Linc" Engelbrecht was aware of Abraham Lincoln's ambition in life. But, aware of it or not, he attained it in full measure. So that my colleagues may appreciate the dimension of the loss sustained by the townspeople of Frederick and the State of Maryland, I ask that the very eloquent lead editorial from the Frederick Post on Mr. Engelbrecht, published November 15, 1978, be printed in the RECORD.

The editorial follows:

LINCOLN ENGELBRECHT

Frederick has had few more consistently solid citizens and business leaders over the past half-century than Lincoln D. Engelbrecht.

Mr. Engelbrecht died Monday. He was 70, and had been ill for one month.

He leaves his loving wife, Effie; two daughters, Helen Louise Ownby and Mary Lynn Deckert; four grandchildren; one brother, John P. Engelbrecht; and several nieces and nephews.

Whether in business or in the church, in community work or fraternal obligations, Mr. Engelbrecht's leadership was productive and of good counsel. He was a good man and true, and the kind of player in life that made a team achieve its very best.

He came from good family stock, his lineage in America dating to the Hessians who came to Frederick County as soldier-prisoners in the Revolutionary War over 200 years ago.

Born Dec. 28, 1907, he was youngest of nine children of Abraham Lincoln and Jeannette Akers Engelbrecht.

His great-great-grandfather was Conrad Engelbrecht, a Hessian soldier, whose son, Jacob Engelbrecht became mayor of Frederick in 1865 but distinguished himself by his famous diary in which he recorded daily events in Frederick for more than a half-century. The diary provides a unique record of life in Frederick during the War Between the States.

His grandfather was Philip Melanthon Engelbrecht, a carpenter who became cashier of the Central National Bank of Frederick. His father, Abraham, was a plasterer and farmer who died less than three months after Lincoln Engelbrecht's birth.

Hard work, discipline, responsibility, thrift and seeing a job through to its end were virtues not strangers to Mr. Engelbrecht—nor were friendship, morality and brotherly love.

In business, his span of 46 years with the Mutual Insurance Co., one of the three oldest firms in the county, saw him rise from the newest associate in 1927 to the presidency in 1965, a position he filled until 1973.

He was known state-wide for his leadership in the insurance industry, serving as president of the Maryland Association of Mutual Insurance Companies, and as a director of the National Association. He had also served as a member of the Governor's Committee for State Supervision of Insurance in Maryland.

As a member of Grace United Church of Christ, he served in many capacities—elder, deacon, consistory vice president and finance chairman.

In civic work he distinguished himself during World War II as leader in the county's National War Fund, was active in the Community Chest (United Way), the Red Cross, Frederick Memorial Hospital and Hood College.

Fraternally, Mr. Engelbrecht was a past master of Columbia Lodge No. 58, AF&A Masons; a member of Jacques Demolay Commandery No. 4, Knights Templar; a Shriner; a Rotarian; and member of the Star & Crescent Club and the Catoctin Club.

Men like Lincoln Dittmar Engelbrecht, proud of their heritage, dedicated to their families and communities, help make and keep this country great.

Frederick will be forever fortunate in having had a citizen like "Linc" Engelbrecht.●

CITIZEN'S COMMISSION REPORT ON INDOCHINESE REFUGEES

● Mr. KENNEDY. Mr. President, the continuing plight of tens of thousands of Indochinese refugees—and the urgent need for greater concern and action in their behalf—was forcefully stated last week in a report prepared by the Citizen's Commission on Indochinese Refugees, formed last year under the auspices of the International Rescue Committee.

Members of the Commission recently returned from extensive travel in Southeast Asia, assessing firsthand the many problems confronting Indochinese refugees—especially the boat people strewn along the coasts of the region in squalid and overcrowded camps.

The Citizen's Commission report underscores once again the growing resettlement needs among Indochinese refugees, and the humanitarian obligations our country has in helping to meet those needs.

I strongly support the Commission's recommendation that—

> The United States should declare its readiness to extend its resettlement program for Indochinese beyond the present target date of April 30, 1979.

Mr. President, we are confronted today in Southeast Asia with an escalating crisis of people—perhaps the most critical refugee problem anywhere in the world. New efforts by the international community are clearly needed to deal with the mounting tide of boat people and refugees throughout the region, and the Citizen Commission's report reminds us that the United States must continue to support this effort.

I commend to the attention of the Senate the report of the Citizen's Commission on Indochinese Refugees, and ask that it be printed in the RECORD.

The report follows:

STATEMENT BY THE CITIZENS COMMISSION ON INDOCHINESE REFUGEES

1. The exodus from Indochina by land and sea continues unabated, and so do the attendant horrors and human tragedies. People killed while trying to cross the Mekong river from Laos and the Cambodian border. Vietnamese boat people pushed back into the open seas, drowning when boats capsize, sometimes close to land or to indifferent ships. Boats pillaged, women and young girls raped by pirates. Camps unfit for human existence. Women and children sleeping on beaches under torrential rains. Polluted drinking water and abhorrent sanitary con-

ditions, meager medical and food supplies, infectious diseases spreading rapidly. Major epidemics a constant threat.

While all this is happening, and even growing worse, the countries of first asylum have not been assured that the free nations of the world are ready to accept the fact that responsibility for the fate of the refugees does not rest with the countries adjacent to Indochina. Nor the fact that this is a worldwide human rights issue. Affluent nations argue endlesly about the problems of finding homes for the most ardent seekers of freedom.

2. The circumstances in which the refugees live—and die—compels priority action, including immediate steps by the United Nations High Commissioner for Refugees to meet at least the minimal needs of all refugees in countries of first asylum with speed, confidence and decisiveness. We must in particular point to the disaster of Palau Bidong, the island of Malaysia, where 26,000 boat people live on 85 inhabitable acres. In spite of valiant efforts by the refugees to help themselves, they live in subhuman conditions: shortages of food, water, medicines, and medical care, rampant sickness and disease, unimaginable sanitation facilities, with 16 toilets for 26,000 people. Yet there seems to be no bottom to this human disaster, as new refugees keep arriving.

3. The more than tenfold increase in the numbers fleeing Vietnam by boat during the last 11 months, and the more than doubling of those fleeing from Laos and Cambodia during the same interval, has placed an onerous burden on Asian countries of first asylum, particularly Malaysia, Thailand, and Hong Kong. It is clear that interim measures as well as permanent resettlement assurances on an international scale are vital if these countries are to keep their shores and borders open to refugees, thus averting the broader tragedy of tens of thousands forced back into the hands of governments from whose oppression they fled. There is no margin of uncertainty in this conclusion: the denial of first asylum rights—unless their countries and people were relieved of their burden—was made clear during full, frank discussions with the Prime Ministers and Foreign Ministers of Malaysia and Thailand.

4. The additional fact of the large numbers now fleeing, and those still to come, makes it obvious that resettlement efforts must be shared more generously by the few countries, including the United States, which have already provided the overwhelming number of resettlement opportunities. Of equal importance is the direct involvement of additional countries which have thus far not taken part in the final asylum process.

The Consultation held in Geneva on December 11 and 12 under the auspices of the United Nations High Commissioner for Refugees was intended as a step toward the internationalization of the issue. It brought the severity of the problem before the governments that had sent representatives to Geneva. The presentation of the U.S. delegation was forceful and constructive. The United States has increased its quota to about 50,000 through the end of April 1979. But except for France, none of Europe's democratic countries has thus for gone beyond a token reaction to the tragedy that has overtaken Souheast Asia. Japan, a country that has always encouraged its citizens to seek opportunities in other lands, has remained closed to the exiles from Indochina. And Latin America, where there is space and a tradition of openness, has remained unresponsive.

5. The figures have an eloquence of their own. There are now 145,000 "first asylum" refugees in the camps of Thailand; 45,000 on the islands, beaches, and inland camps of Malaysia; 6,000 in Hong Kong, Macau, and Taiwan; others in the Philippines, Indonesia, and Singapore. These exclude the 160,000 Sino-Vietnamese reported to be in the People's Republic of China, and 150,000 Cambodians in Vietnam.

While more than 3,000 Hmong, Laotian Cambodian refugees enter Thailand each month overland, in December alone almost 20,000 Vietnamese refugees made it across the South China Sea. At this moment, countless thousands are in boats, seeking asylum anywhere. There is no end in sight. At the same time, the total acceptance by countries of resettlement does not exceed 10,000 a month for both land and boat cases.

6. A frequent excuse offered by government that prefer to look the other way is that boat people who "bought" their way out of Vietnam, or left with the connivance and extortion of Vietnamese officials, are migrants who do not deserve the compassion of their fellow men. This position flies in the face of the accepted definition of a refugee, and is not consonant with historical precedents.

In the thirties, Jews were allowed to leave Nazi Germany with outrageously priced passports, exorbitant fees for ship passage and, of course, the seizure of all their possessions. It was indifference and lack of comprehension on the part of free countries that prevented more from leaving, and thus from being condemned to die in the Nazi concentration camps. More recently, Cuban refugees were permitted to leave Cuba if they bought their way out by surrendering all their belongs.

There are Indochinese refugees who flee in the dark of night, through mine-fields and closely guarded borders. Many are captured or shot. And there are Indochinese refugees whose escapes seem to be less dramatic even though their losses are no less severe. Yet all are refugees leaving homelands where they were persecuted for reasons of religion, nationality, ethnic origin, membership in a particular social or economic group. If returned to their countries, harsh punishment, even death, would be decreed. They are all, beyond question, refugees.

7. A particular refugee group among the many suffering in primitive camps is deserving of special attention—the hill people of Laos, the Hmongs. They are the survivors of the undeclared war against the Hmong community being waged by Laotian and Vietnamese troops who have been reported to use lethal chemicals and gases. The Hmongs' homes are being destroyed and their families decimated. These people were our allies during the years of the ambiguous conflict in Laos up to the very end in 1975. Hmongs from different areas of Laos told identical stories of efforts to destroy their ethnic identity, their culture, their livelihood and even their lives.

8. The Indochinese refugees are a resilient and resourceful group. Their presence provides us with a body of people who deeply value freedom, and a culture with an intense work ethic. The refugees make a positive economic contribution. It was the understanding of this reality, in addition to humanitarian concerns, that last March led to the endorsement of a wide resettlement program for Indochinese refugees by the Executive Council of the AFL–CIO and by over 100 of the nation's most distinguished black and hispanic leaders, and by a number of civic groups. No country has ever bled because it has been moved by the suffering of refugees; indeed, nations have benefited by not growing callouses on their hearts.

9. But resettlement and integration cannot be achieved at bargain rates. In the United States, resettlement is the responsibility of voluntary agencies. Several represent the major religious denominations, the others are nonsectarian, among them the International Rescue Committee which assisted in the organization of the Citizens' Commission. These organizations have for more than a generation cooperated in the resettlement of uprooted victims of tyranny and terror.

Inflation has greatly added to the cost of the operations, even as governmental assistance to their functioning has declined. Finding and assisting sponsors—or directly sponsoring refugees in the accelerated numbers now required—is a vast and costly undertaking. It is incumbent upon the federal government and the Congress to enable the agencies to perform so major a task.

10. The numbers of refugees involved necessitate an active campaign of conscience and concern to generate greater public awareness within and without the borders of the United States. The magnitude of the task justifies a call to action by the White House, supported by the leaders of the major faiths, business and labor, as well as an international initiative spearheaded by the United States, France and Australia. To an Administration that deserves credit for making human rights its continuing preoccupation, helping these victims who have been denied their basic rights must be a high priority and continuous job.

11. The Citizens Commission on Indochinese Refugees submits its recommendations sensitive to the fact that the United States is confronted with serious inflation, and consequent austerity and budget-cutting programs. The time is an awkward and difficult one. Nevertheless, this is a refugee crisis of such compelling humanitarian urgency, a matter of life-or-death for so many thousands of Indochinese, and a human rights issue of such overriding importance, that the Commission must urge the adoption of its recommendations. All the measures recommended are essential lest the dismal history of the 1930's repeat itself.

Recommendations of the Citizens Commission on Indochinese Refugees

(The Citizens Commission on Indochinese Refugees was formed in late 1977. It visited Southeast Asia in February 1978, and submitted its first series of recommendations upon the conclusion of its mission. It returned to Southeast Asia in December 1978. On January 10, 1979, it adopted the following recommendations. An amplifying statement of the Commission is attached.)

Recommendation 1. The United States should declare its readiness to extend its resettlement program for Indochinese refugees beyond the present target date of April 30, 1979. We must move toward a continuous program that will go on as long as refugees are being created by the policies of the governments of Vietnam, Cambodia and Laos. United States acceptance of refugees must be doubled to 100,000 for the year 1979 to assure countries of first asylum that they will be relieved of their burden. This resettlement program must be directed equally to the refugees escaping by land as well as by boat.

Recommendation 2. More countries will have to accept a fair share of the Indochinese refugee population, and those that have been generous will have to increase their participation. It will not do to expect the United Nations High Commissioner for Refugees to achieve these results. A governmental initiative at the highest level is called for, and the cause must be carried to the churches, civic bodies, trade unions, political parties, indeed the people of the Free World.

Recommendation 3. The funds provided to the United Nations High Commissioner for Refugees must be increased immediately to a level which will enable him to improve the living conditions in those refugee camps which lack a minimum of shelter and hygiene. At the same time the financial support to the Voluntary Agencies in the United States must be substantially augmented if they are to cope successfully with the resettlement of refugees coming to this country whose numbers have tripled.

Recommendation 4. While urging the nations of first asylum to remain open to both the boat people and land refugees—a necessity dramatized by the spectacle of disintegrating ships off Asian ports unable to discharge their human cargoes and by the appearance of a new wave of Cambodian refugees at the borders of Thailand—we must implement measures to assure them that they will not be penalized for their humanitarian actions.

Recommendation 5. Toward this end we recommend consideration of a U.S. transit center or centers at appropriate locations to permit the rapid movement from countries of first asylum of refugees approved for resettlement in the United States.

Recommendation 6. We further propose that the United States establish, in consultation and cooperation with other governments, an international holding center or centers, reasonably close to the areas of refugee flow. We are persuaded that no other step or combination of steps will do to avert tragedy, sustain the patience of the countries of first asylum, and provide the time required for the international community to mount a resettlement effort adequate to the exodus which now exists and which may grow even larger.

Recommendation 7. Beyond these interim measures, the Commission endorses the concept of territories which, with massive international financial support, could be converted into permanent homes for all those for whom resettlement in industrialized countries is neither feasible nor desirable.

Recommendation 8. Continuing non-compliance of vessels of many registries with the "law of the seas" requiring captains to come to the rescue of disabled vessels, commands an effort by governments and trade unions to impose compliance by persuasion and, if necessary, sanctions.

Recommendation 9. We recommend that the United States request the Human Rights Commission of the United Nations to conduct an investigation into actions directed against the Mhong hilltribe minority of Laos. There is substantial evidence of attempts to obliterate the hill people by Laotian and Vietnamese ground and air forces. Interviews with recent arrivals lend credence to these charges with such consistency as to make it impossible for the Commission to disregard them.

Recommendation 10. We urge the President of the United States to take the lead in a nationwide effort to increase public awareness of the plight of the Indochinese refugees, and the need to respond quickly and generously to this fundamental human rights emergency.●

INTERDEPENDENCE: THE CHALLENGES OF A NEW GLOBAL ECONOMIC ORDER

● Mr. HEINZ. Mr. President, I want to bring to the attention of my colleagues the text of a speech given by Hugh Cullman, group executive vice president of Philip Morris, Inc., to the World Affairs Council of Philadelphia on December 7, 1978. In this speech, titled "Interdependence: A Challenge to World Business," Mr. Cullman describes the emergence of a new global economic order, interdependence, a direct result of expanding trade and investment in the contemporary international system. In order to effectively cope with the challenges brought about by this new situation, Mr. Cullman emphasizes the need for a widespread awareness by members of the international system of the effects and consequences of interdependence.

The prosperity of the United States and other industrialized nations depends to an increasing degree on trade and economic growth in less developed countries or LDC's. To insure progress in LDC's, international cooperation on economic-related issues is essential. Threats to such cooperation are posed by regional and national protectionism expressed by both LDC's and industrialized nations. To combat protectionism, Mr. Cullman suggests that business take an active role in support of Government action to stimulate exports and to increase understanding on behalf of labor and the general public that protectionism, in the long-run, will be harmful to the U.S. economy.

A form of protectionism threatening progress is the attitude shared by many LDC's toward multinational corporations. LDC's tend to fear incompatibility between the interests of foreign investors and their own social and economic objectives. Even though most LDC's recognize the importance of foreign investment in their economic development, nationalism inhibits the ability of multinationals to continue making positive contributions. To remedy this situation, Mr. Cullman suggests the need for the company to communicate its plans and operating policies to the host government and to make known its positive contributions. It might also be helpful for companies to adjust their operations to the objectives of the developing countries.

Another controversial issue in the area of foreign investment explored by Mr. Cullman is the transfer of technology. LDC's exhibit the desire and need for technology and private enterprise in industrial nations is the largest source. Mr. Cullman offers examples from his own experience with Philip Morris, Inc., which has transferred a broad range of technology and management skills to LDC's.

In conclusion, Mr. Cullman indicates the need for high level coordination of trade and foreign investment policies to strengthen the U.S. economy while enabling the United States to cope with the economic challenges resulting from interdependence. U.S. multinationals must assume a leading role to insure adequate compensation and safeguards when transferring technology in order to continue making positive contributions to economic progress in the international arena.

Mr. President, this is a thoughtful, incisive article. I ask that it be printed in the RECORD.

The article follows:

INTERDEPENDENCE: A CHALLENGE TO WORLD BUSINESS

(Remarks by Hugh Cullman)

It is a pleasure to be in Philadelphia and a privilege to be the guest of both the World Affairs Council and the International Business Forum.

When the subject is world business, Philadelphia is part of what we are talking about. With 50 miles of waterfront, Philadelphia is the largest freshwater port in the world and is directly linked to other world centers.

Philadelphia's recognition of its place in the world is clearly evident. The World Affairs Council has to its credit an impressive speaker's program for citizen education on foreign affairs. The International Business Forum keeps Philadelphia in touch with day-to-day developments in the world economy. These programs have made an enduring contribution. You have the Foreign Policy Research Institute, you have established the Global Interdependence Center, and you have launched an International Cities Project which, I'm told, even taxi drivers talk about.

Philadelphia banks are prominent in international finance, and the great international companies of the Philadelphia area are distinguished by their diversity, including petroleum, food, paper, scientific equipment and pharmaceuticals.

I was last here in 1976 for the memorable visit of President Giscard d'Estaing who, like other world leaders, came to Philadelphia during our Bicentennial year. I am glad to be here again and to share with you some observations on business and the world economy.

Philip Morris has been in world business over the past quarter of a century, and I have enjoyed being involved for the past twelve years in what economists call the "internationalization of production." Like other multinational companies, Philip Morris has made a contribution to, and has benefited from, the expansion of world trade and investment during the postwar movement to a more open world economy.

Peter Drucker has described this movement as the greatest achievement of the postwar period. You will recall that it replaced a pre-war period of protectionism which, the Nobel laureate Paul Samuelson said, does not provide protection but succeeds only in "making the world less productive."

The expansion of trade and investment has brought us to an area of inescapable interdependence among nations, which had been in the making for decades. The oil embargo and subsequent world recession jolted us into an awareness that nations—including our own—are dependent upon each other to a much greater degree than we had realized.

This awareness is still not as widespread as it should be, as it must be, if we are to cope with the challenges of interdependence.

It is regrettable that many who should be well versed in the consequences of interdependence, often pay only lip service to its existence.

I am thinking of those members of government, labor, academia and even business in the United States, who believe that domestic concerns can be divorced from international developments. Politicians sometimes tell their constituents what the constituents want to hear, rather than what they need to know, and ignore the concern their statements cause overseas. Trade union leaders seek protection from imports. So do some businessmen. And professors still make models of the American economy as if it existed in a vacuum. These influential citizens often ignore the fact that our suppliers are also our customers.

The business community is not necessarily more enlightened. It is estimated that about 5% of U.S. manufacturing companies engage in export trade and only about 1% have direct foreign investments. The vast majority of American companies are concerned with the U.S. market, and tend to overlook the relationship between the international economy and prosperity in their home market.

Executives in U.S. multinational companies should actively support efforts to meet the challenges of interdependence. However, since earnings from overseas operations in most international companies account for less than half of total corporate earnings, some executives are reluctant to attribute enough importance to international affairs. Members of management who are not directly involved in international business often lack an adequate appreciation of the corporation's dependence on economic and political stability in overseas markets. They find it easier to focus attention on more easily understood domestic concerns.

Finally, polls show that the public at large and the many interest groups it comprises have little understanding of interdependence and its impact on their lives. It took a number of years for the majority of Americans to recognize our dependence on foreign oil.

In addition to energy supplies, one of the most dramatic and challenging examples of interdependence involves North-South relations. Ties between industrialized countries, and East-West concerns also merit significant attention. But I believe you will agree that the stability of the world community in the rest of this century and beyond will be determined to a great degree by the ability of the developing countries to make meaningful progress in economic and social development.

Furthermore, prosperity in industrialized nations will depend in even greater measure on economic growth in the less developed countries or LDC's.

The Commonwealth Secretary-General, Shridath Ramphal, said in a recent speech: "The truth is, of course, that the rich cannot expect to prosper if they leave the poor poor."

It may be useful to remind ourselves of some facts and figures that support this relationship, for almost every vital U.S. interest is linked to conditions in the less developed countries.

In our own hemisphere, burgeoning populations throughout Latin America have a direct effect on U.S. employment. There are an estimated six to eight million undocumented immigrants from Latin America in the United States who have sought jobs they couldn't find at home and place a burden on the U.S. job market.

An indirect effect of this LDC population growth can be seen in the pressure it has placed on world food supplies.

The developing countries face such agricultural problems as skyrocketing costs of fertilizer, water shortages, inadequate storage and distribution facilities, underutilized labor, and insufficient farm technology. These problems contribute to periodic food shortages which affect the prices we pay for food in the U.S. and they also provide a common challenge to governments and agribusiness in both developing and industrialized nations. Although Philip Morris' main agricultural concern is the availability of high quality tobacco for our products, our affiliate agronomists provide technical assistance in developing countries that also helps improve food crops.

Trade is perhaps the most easily understood tie between U.S. self-interest and the developing countries. For example, when the world recession struck the economies of developing countries between 1975 and 1977, their reduced imports seriously damaged the U.S. trade balance.

But the trends are clear. The relative importance of our trade with developing countries is steadily increasing. U.S. exports to non-OPEC LDC's in 1977 totaled $28 billion. This amount is higher than the value of U.S. sales to the European Community, and is nearly three times the value of our exports to Japan. Furthermore, our exports to non-OPEC developing countries equalled our imports from them.

The importance of LDC's to the U.S. economy extends to key commodities. Most Americans don't realize how dependent we are on dozens of strategic natural resources of developing countries, including almost half of our petroleum requirements, 56 percent of the bauxite we use, 82 percent of the tin, 45 percent of the cobalt and 100 percent of the natural rubber. Low-cost manufactured products from developing countries present problems to a few U.S. industries, but they are a boon to U.S. consumers who benefit from the lower prices for these goods.

The debt burden of developing countries to banks in industrialized nations is also a source of concern. The future ability of LDC's to service this debt will depend very directly on their continued economic growth. They will need more help from the U.S. and other industrialized countries to expand their industrial development and to increase their exports, so that they can earn needed foreign exchange to repay their debt.

Investments in LDC's by U.S. companies is an important tie with these nations that benefits our economy as well as theirs. At the end of 1977, cumulative U.S. direct investment in developing nations amounted to $34 billion, or 23% of all U.S. direct foreign investment. The same investments generated earnings of $7.8 billion or 37% of total U.S. earnings from direct overseas investments.

These investments not only contribute to the U.S. balance of payments; they also cause a significant flow of U.S. exports to overseas affiliates.

The economic and social problems in developing countries present a strong challenge to policy-makers in LDC's, and to industrialized nations as well. The challenge extends to world business, particularly in the area of economic development.

There are encouraging signs. The LDC's have been making impressive progress while coping with the economic crises of the past few years.

The World Bank's first Development Report issued in September showed that developing countries as a group have made real gains in a number of areas, including per capita income growth, expansion of industrial development, and increased exports of manufactured goods. Life expectancy is also rising and education is spreading.

Another encouraging development underlined in the World Bank report is the emergence of middle income nations, or advanced developing countries.

Countries such as Brazil, Mexico, South Korea, Taiwan and the OPEC group have made remarkable strides in economic growth and are now being called on to contribute to international efforts to help the low income countries.

However, there is still a great need in many LDC's to restrain population growth, to achieve better income distribution, to stimulate domestic savings and capital formation, and to expand economic collaboration among developing countries.

International cooperation on economic issues is essential to progress in developing countries. But, regional and national protectionism pose serious threats to maintaining effective patterns of cooperation. This protectionism is evident in both industrialized nations and LDC's.

In industrialized countries unemployment and declining competitiveness of certain traditional industries have tempered their willingness to liberalize trade through the GATT negotiations.

The United States historically has embraced the principle of vigorous competition within our borders. Our status as the strongest national economy in the world has proven the validity of these principles. We should not practice a double standard. The principle of competition in domestic commerce is as valid in international trade. However, other industrialized nations should also be encouraged to accept LDC competition.

If the U.S. economy is to absorb more imports from developing countries without damage to our trade balance, we will have to increase U.S. exports. A greater commitment from the U.S. Government to promote exports seems to be coming. President Carter's export expansion program provides for certain initial positive steps.

Subsequent measures are needed to stimulate capital investment in this country which should increase the ability of U.S. exports to compete in world markets. The U.S. Government should also minimize restraints it places on exports for public policy reasons.

Business must do its share to support U.S. Government action to encourage exports and to help create a better understanding by labor and the public at large that over the long term protectionism will be harmful to the U.S. economy and will cost U.S. jobs.

Of most immediate concern is the current trade liberalization package now being negotiated through the GATT. There is also need for broader and more effective U.S. programs of adjustment assistant for workers and industries that are adversely affected by competition from imports, including manufactured goods from developing countries.

Increasing LDC imports so that they are able to take more of our exports is only part of the total picture. Another form of protectionism that threatens progress in developing countries is their attitude toward multinational corporations.

It is an accepted fact that multinational corporations contribute to economic and social development in the Third World. The Secretary General of the United Nations, Kurt Waldheim said in a recent article: "Most developing countries recognize the important role that foreign investment can play in their development."

In spite of this recognition, nationalism in the LDC's threatens the ability of multinationals to continue making their positive contributions.

Uncertainty is a major deterrent to investment in LDC's. Business will take risks, but it expects rewards at a level commensurate with the risks. If the expected return on investment does not offset the uncertainties, the incentive to invest vanishes.

Foreign investors often experience sudden and unexpected negative shifts in host country policies on foreign investment. The unpredictable investment climate that exists in many LDC's is reflected in the statistics I mentioned earlier which show that the percentage of U.S. earnings from subsidiaries in LDC's is higher than the percentage of U.S. investment in those countries.

On the other hand, host countries are apprehensive that the benefits from foreign investment may be offset by an incompatibility between the interests of the foreign investor and the country's economic and social objectives. There is convincing evidence that on the whole this apprehension is unfounded.

Companies would, therefore, do well to communicate their plans and operating policies to host governments and to make known their positive contributions to host countries. Each company has a record, and it can't leave the job of reporting that record to those who would distort or misinterpret the facts. Philip Morris recently published the results of a survey covering the economic and social contributions of our affiliates in Latin America, Asia and Africa.

Many companies have learned to adapt their operations to objectives of developing countries, such as national investor participation in ownership, and training and promotion of nationals to management positions.

At Philip Morris, we have sought and established joint ventures with national investors in 10 developing countries, and developing country nationals occupy the vast majority of management positions in our affiliates.

Today one of the more controversial issues in the area of foreign investment is the transfer of technology.

Developing countries want and need technology. Private enterprise in industrialized nations is the largest source of this technology. Technology includes not only patents and trademarks, and the related R&D and production processes; it also includes a wide range of managerial skills and business know-how.

Business must obtain adequate compensation and safeguards when transferring technology. Technology is a thing of value and should be treated as such.

Philip Morris has transferred a broad range of technologies and management know-how to our affiliates based on their needs and on mutually acceptable terms of payment. This flow of new ideas, products and technology not only helps ensure our affiliates' ability to grow and prosper, it also contributes to progress in those sectors which supply raw and manufactured materials to our affiliates and it leads to improved products to meet changing consumer preferences.

Companies and governments of developing countries can take a first step towards reducing uncertainty in the investment climate through better communication on transfer of technology and foreign investment issues.

It is time to turn away from rhetoric and to recognize realities. There have no doubt been some instances when multinationals have not adhered to good standards of business conduct. On the other hand, host governments have not always been fair and have created their share of problems in dealing with multinationals.

The point is that while learning from experience, we must not dwell on the past. In addition to better communication, there is a need to find the methods and mechanisms to ensure that multinational corporations continue to contribute to economic development through investment and technology transfers, while earning a reasonable profit.

International codes of conduct can help. The OECD Declaration on International Investment and Multinational Enterprises was an important step towards promoting mutual trust on the part of government and business in industrialized nations. Philip Morris has stated its support of the Declaration, and I personally asked our managers around the world to give due consideration to the OECD guidelines for multinationals during the conduct of their business.

Efforts to promote mutual trust can be extended. When the advanced developing countries join the ranks of industrialized nations, they could be encouraged to align their policies with recommendations to governments in the OECD Declaration. A commitment from companies to support the OECD business guidelines in those countries would likely follow.

Discussions on various codes of conduct at the United Nations are also worthwhile. But these codes will not create the mutual confidence that fosters investment and technology transfer until they acknowledge that both investors and governments have rights and responsibilities and that unreasonable restrictions on business run counter to the interests of host countries.

There are indications that this recognition is developing, that communications are improving between developing and industrialized nations and that some differences of opinion are being reconciled.

There have been proposals for an international institution, similar to the GATT, that would establish reasonable rules on foreign investment for both business and government. I believe this idea has merit and should be pursued, but it will be many years before countries will find enough common interests to make such an institution workable.

In the meantime, U.S. multinationals must also continue to present their views on trade and investment issues at home. They must do so to shareholders and employees, to plant communities, as well as to the U.S. Congress, federal agencies and the Administration.

The executive branch of the U.S. Government has contributed its share of uncertainty through a policy of "neutrality" toward foreign direct investment. While acknowledging that such investment contributes to economic development in the poorer countries, the Administration has been reluctant to provide business with all possible support to promote the creation of a stable climate for international investment, even though there is valid evidence that U.S. foreign direct investment also contributes to economic growth at home. There are numerous reports that document the net positive effects of U.S. foreign investment on U.S. jobs, the U.S. trade balance and our balance of payments. I am happy to say that Philip Morris is one of the many companies that have made these significant contributions.

Two important features of our tax system that help U.S. companies compete abroad with multinationals of other nations are the so-called foreign tax credit and the foreign tax deferral system. Both have been under attack, and this year the Administration proposed phasing out deferral. Fortunately, the Congress studied both sides of the issue and voted heavily against any changes.

The U.S. international business community was active in presenting its views on this issue. It must be equally active in gaining U.S. Government support for a stable investment climate abroad.

Bilateral investment treaties between the U.S. Government and individual developing countries also merits consideration. Several European nations already have signed such treaties. They define the treatment host governments will accord foreign investment, and include such guarantees as equitable treatment and protection consistent with international law, fair compensation and recourse to arbitration in the event of expropriation, and free transferability of capital.

My final recommendation is that U.S. business become involved in efforts to find an effective way to establish and coordinate U.S. Government policies on international economic issues.

One proposal that deserves consideration is the creation of a Department of International Trade and Investment as recommended by Senators Roth and Ribicoff. Given the proper mandate, a cabinet-level department of this kind could formulate and implement coherent and constructive policies on trade and foreign investment like those in Germany and Japan. Alternative might be a White House coordinator for domestic and foreign economic policy on a level with the Assistant to the President for National Security.

High level coordination of trade and foreign investment policies would help strengthen our domestic economy and would enable the U.S. to deal more effectively with many of the economic challenges that result from interdependence.

The message from other countries is loud and clear. They expect the United States to continue its leadership in international development. As an important factor in the global economy, U.S. multinational corporations must also play a leadership role to ensure that they maintain adequate profitability that will enable them to continue their contribution to economic progress in the world community.●

ENCIRCLEMENT IN THE MIDDLE EAST

● Mr. **JACKSON**. Mr. President, I wish to bring to the attention of my colleagues an important address by Secretary Schlesinger on the "Long Term Strategic Implications of Energy," delivered before the Pilgrims at Goldsmith Hall, London, November 29, 1978.

Of particular significance is Secretary Schlesinger's discerning discussion of the strategic importance of the Middle East as the pre-eminent oil producing region, and the recent pattern of events threatening the Gulf States with Soviet encirclement.

Secretary Schlesinger puts it this way:

> The events of this past year have hardly been reassuring: a coup in Afghanistan that is reducing that country to the status of a Soviet satellite, the murders of two chiefs of state in both North and South Yemen, and the further strengthening of Soviet influence in the latter country, the developments in the Horn of Africa with the arrival of Cuban forces and Soviet military leaders, and the subsequently treaty of cooperation. Perhaps the most dramatic of all has been the severe unrest in Iran that has shaken the entire area. The political implications of these disruptions undoubtedly exceed in importance the direct impact on prospective oil supplies.
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> What our Soviet friends refer to as the "correlation of forces" has scarcely been moving in a satisfactory manner from our standpoint. The stability of what earlier was referred to as the Northern Tier has been badly shaken. Whatever the intent, the pattern of events has created the perception in the Gulf States of the prospect of encirclement.
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> These are developments that we shall have to ponder.
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> In the quarter century after World War II an unprecedented degree of political stability—providing, as a by-product, security for international trade—was attained through the preponderance of American power. In more recent years political stability has depended upon the maintenance of a global balance. On that global balance rests the security of the industrial democracies. And that global balance must rest on something more than a generalized and overall assessment of the indices of power worldwide. It must continue to be one that effectively provides for stability in critical regions of the world.

I submit the full text of Secretary Schlesinger's address for the RECORD.

The address follows:

LONG TERM STRATEGIC IMPLICATIONS OF ENERGY

It is an honor to address the Pilgrims of Great Britain—and to report on conditions on the other side of the Atlantic and their implications for international cooperation, the very subjects in which this society has maintained an abiding interest throughout the last three-quarters of a century. I appreciate the warmth of your reception. It so well affirms the belief to which many of us cling amidst the changing manners of our time: Courtesy is not dead, it simply has taken refuge in Great Britain.

It is perhaps a happy coincidence that this occasion to speak with you comes at the close of the Thanksgiving season. While the association of your society with the Pilgrim fathers is largely adventitious, those early historic events reflected in the Thanksgiving celebration lead one inevitably to reflect on certain historic parallels. Those early Pilgrims, reflecting the passion for liberty which had its early and fullest flowering in the English-speaking world, were willing to strike out across unchartered seas and to accept the adventures—and the risks—of an unknown land. Rejecting the heretical notion that the possession and enjoyment of material goods should be the paramount objective of man, the Pilgrims well understood that survival—what we more disarmingly might refer to as the maintenance of living standards—is dependent upon an attentiveness to the means of production under conditions radically different from those that had been encountered before. Unquestionably those attributes—of courage and of vision—should provide certain guideposts for us in our own times.

Some three and a half centuries later, how stands the Fair Land? It has come through the tribulations, the divisions of the War in Southeast Asia and of Watergate—and is healing. There exists a new skepticism regarding public purposes which unquestionably has a beneficial side, yet clearly limits the ability readily to establish and achieve national goals domestically or internationally.

Given my present responsibilities it should come as no surprise that I shall relate these broader concepts to the steadily emerging problems of energy—the motive power behind our industrial civilization. In the United States we have just completed a lengthy struggle resulting in the enactment of a major part of President Carter's energy program. In the course of those national deliberations some of us came better to understand some small portion of what Winston Churchill meant by "blood, sweat and tears." The Sinologists among us referred to that harrowing experience as "The Long March." How well did we do? Perhaps as well as might have been expected, but certainly less well than might have been hoped. In terms of prior governmental performance the results were quite good, in relation to long term national requirements they visibly fall short.

Nonetheless the passage of the National Energy Act, the most massive package of energy legislation to be enacted, represents an historical watershed. It represents initial acceptance that material resources are not limitless—and that less than five percent of the world's population cannot expect in the long run to consume almost forty percent of the world's oil production, given resource limitations, balance of payments considerations, and the long term strategic implications. To this point the American people have enjoyed boundless expansion and seemingly limitless resources. There has been no need to face up to the concept of finiteness in resources—as the oil supply/demand balance now requires us to do. Passage of the National Energy Act represents a watershed in that it starts the adjustment of our demands to the means available. It implies recognition that even in the United States our wellbeing, perhaps our survival, depends upon careful attention to our productive resources.

The long road traveled does suggest that the response was less close to William James's moral equivalent of war than to the political equivalent of the Chinese water torture. In it one encountered the warring of interest groups, the reluctance of energy users—both consumers and business firms—to face up to the inevitability of higher prices, the continuing and disquieting clash of regional antagonisms, which at its worst represents a tendency towards Balkanization. All this perhaps was inevitable—without a visible crisis and in the absence of a public sense of urgency. Nonetheless, the Act represents a major legislative achievement, not only for the roughly three million barrels of oil per day savings, but because it represents an historic turn in the road.

That turn in the road is forced upon us—all of us—by the limits, physical and political, on prospective oil supplies. Those limits imply conditions dramatically different from those that we have encountered in the last half-century—a period in which oil has increasingly become the dominant energy source for economic expansion—and has gradually altered the Western world's reliance on the more abundant but less convenient coal on which previously it had overwhelmingly depended.

The enormous expansion of economic activity and of international trade, which the industrial world has so spectacularly enjoyed since the close of World War II, took place through the increased usage of oil—and notably cheap oil. (It should also be noted that that expansion of international trade and investment took place within a framework of unparalleled international security, provided in large part by the power of the United States—a subject that deserves further examination.)

But oil is no longer cheap. And within a few years its availability, at least from conventional sources, will no longer increase. That implies that we must be attentive to the motive power of our industrial civilization and must adjust our ways, if over the long haul we are to preserve the economic viability and political stability of our several nations. Adjustments must come—either wisely through adoption of intelligent policy or haphazardly through the appearance of energy shortages with which we would find it difficult to cope.

The implications are obvious. We must take advantage of the time available to make the inevitably time-consuming adjustments of our stock of capital equipment—while there is time—so that we can move smoothly through this difficult transition. Alternatively, in the absence of a smooth transition, we will face serious economic difficulties and political unsettlement. The choice seems clear. It implies that for the decades immediately ahead the energy problem must be placed continuously and prominently on our political agenda. Despite the unavoidable frictions and despite the chore of painstaking attention devoted to an activity seemingly mundane because in the past we could always take it for granted, we have no serious alternative if our free societies are to remain vigorous.

In the past year our estimate of oil availability in the middle 80's has undergone downward revision, reflecting in particular a reduction in prospective OPEC supplies. Oil production worldwide, now running in excess of 60 million barrels a day, should not be counted on to increase by more than 20 percent before reaching its practicable limits.

If oil consumption were to increase at 4 percent per annum, as in recent years, we would have reached capacity limits before the middle 1980s. Even if the growth rate were to be reduced to 2 percent per annum—a substantial accomplishment given where we now stand—we would still reach the crunch point by the early 1990s, a period in which we expect conventional oil production perforce to peak. So the task of adjustment through greater fuel efficiency and the shift to more abundant energy sources is upon us now—and we must effectively exploit the time available.

Too much time has probably been devoted to attempting to determine the precise year in which the ex ante demand will likely overtake prospective supply, whether it be 1985 or later. It has led unduly to millenarian pondering regarding the Day of Reckoning. But that is a variable date depending on how well we do regarding fuel efficiency and alternative sources of supply—and how badly we do in maintaining economic growth. The former are, of course, the instruments of intelligent policy.

Policy can make an effective contribution. The three million barrels a day savings resulting from the provisions of the National Energy Act could defer the period of worldwide oil supply difficulties by as much as two years. In a recent speech Sir David Steel indicated that British Petroleum now projects that as a result of improved governmental policies, better conservation practices, and slower economic growth that we shall get by the middle 1980s and not be in difficulty until around 1990. But it imposes upon us the responsibility for adaptation during the course of the next decade.

In this connection one should note that there is surprising and undue satisfaction taken in slower economic growth as a partial solution to our energy problems. To be sure slow economic growth both defers and provides time for resolution of some critical difficulties regarding energy supply, but it is hardly an acceptable solution. We must not come to regard economic stagnation as a form of deliverance. Soon enough shall we come to recognize anew the serious problems that unsatisfactory economic growth inevitably entails.

There is, however, a further and serious concern. These longer term difficulties of transition—for which we must adopt longer term measures—will constitute our principal problem, only if we are lucky. There is also a nagging worry regarding the possibility of short term interruptions. The principal source of oil supply, on which the health of the international economy depends, lies in the Middle East, a region historically volatile and with a potential for political instability. More than 40 percent of the world's oil passes down from the Persian Gulf through the Straits of Hormuz. The embargo of 1973–74 dramatized the growth in our dependence and vulnerability. The Abquaiq fire of 1977 and, more recently and dramatically, the disruptions in Iran's oil fields are vivid reminders of the fragility of the production and logistical system on which the health of the industrial world depends.

Such vivid reminders, unpleasant as they are, are perhaps necessary. As the industrial world's dependence and vulnerability have risen, its attentiveness has tended to diminish. We have become more vulnerable, not only in the physical and economic sense, but in a geopolitical sense as well.

The texture of strategic relationships in the preeminent oil producing region is in the process of change—and we must be alert to those changes.

You in these Islands—to start with your historic example—were long concerned with the "Lifeline to the East." Increasingly in this century protection of the oil routes first equalled and then superseded communications with the Empire as the central purpose embodied in the concept of the Lifeline. Yet, it was not the only lifeline. Until the 1960s, there was shut-in capacity in Texas and other producing states. So long as you could count on American support, as you did in World War II, energy supplies would be forthcoming. The lifeline was as much a convenience as a necessity. It may have been a lifeline for Anglo-Iranian but it as not a lifeline for Britain itself.

In today's conditions, however, despite the relative immunity provided to Britain by North Sea oil, the oil routes have indeed become a lifeline for Western Europe—and for Japan as well. The United States may have a lesser and perhaps tolerable degree of dependency, but for the industrial democracies taken as a whole, bound together as they are by affection, by interests, and by treaty obligations, there is no evading the fact that the Lifeline concept is now both compelling and collective.

In 1968 Britain made the decision to withdraw east of Suez, a process that was completed in 1971. The Shah was persuaded that there should be no external replacement of the British presence, and unilaterally decided to take on the responsibility of Guardian of the Gulf. If the Shah's self-designated mission appears to have been too ambitious in light of Iran's underlying strength and perhaps the sensibilities of Iran's neighbors, it was nonetheless soundly based on the strategic vision of the importance of the Gulf and a need to avoid a vacuum of power. There has been nothing in recent developments that suggest that the underlying strategic issue has been satisfactorily resolved.

The event of this past year have hardly been reassuring: a coup in Afghanistan that is reducing that country to the status of a Soviet satellite, the murders of two chiefs of state in both North and South Yemen, and the further strengthening of Soviet influence in the latter country, the developments in the Horn of Africa with the arrival of Cuban forces and Soviet military leaders, and the subsequent treaty of cooperation. Perhaps the most dramatic of all has been the severe unrest in Iran that has shaken the entire area. The political implications of these disruptions undoubtedly exceed in importance the direct impact on prospective oil supplies.

What our Soviet friends refer to as the "correlation of forces" has scarcely been moving in a satisfactory manner from our standpoint. The stability of what earlier was referred to as the Northern Tier has been badly shaken. Whatever the intent, the pattern of events has created the perception in the Gulf States of the prospect of encirclement.

These are developments that we shall have to ponder.

In the quarter century after World War II an unprecedented degree of political stability—providing, as a by-product, security for international trade—was attained through the preponderance of American power. In more recent years political stability has depended uon the maintenance of a global balance. On that global balance rests the security of the industrial democracies. And that global balance must rest on something more than a generalized and overall assessment of the indices of power worldwide. It must continue to be one that effectively provides for stability in critical regions of the world.

The intimate connection between energy and security is increasingly accepted, just as is the more obvious connection between economic performance and energy cost and availability. These are not new problems, but they are old problems that have now acquired a new significance. Change means adaptation—or more precisely, makes intelligent adaptation necessary. Like your namesakes, the Pilgrims of 1620, we are entering into an unknown land. Like them also, we must do so with undaunted spirit.

In the long sweep of human history there have been numerous challenges. In recent centuries no nations have more effectively surmounted such challenges than have our own—based as they are on free institutions. The challenges are still there. We should welcome them. For the nations—and the social orders—that The Pilgrims cherish will, we can be confident, effectively respond to such challenges—with courage and with vision.●

SOVIET VIOLATIONS OF UKRAINIAN HUMAN RIGHTS

● Mr. HEINZ. Mr. President, on January 22 the Ukrainian community throughout the United States celebrated the 60th anniversary of Ukraine's short-lived independence prior to its occupation and subjugation by Soviet Russian armies.

The commemoration of Ukrainian Independence Day is appropriate at this time when the Government and the people of the United States have forcefully declared a commitment to the promotion of human rights throughout the world.

Since the 1920 Soviet occupation of the Ukraine, the largest non-Russian state in Eastern Europe, the Soviets have continued to abridge the rights of Ukrainians. Geographically contained within the Soviet Union proper, the Ukraine has been confronted by a campaign of cultural genocide undertaken by the Soviet Government. Consistent with the traditions and principles of a free and independent nation, we in the United States salute the aspirations and efforts of the Ukrainian people for basic human freedoms.

Several examples will serve to illustrate the nature and degree of Soviet repression:

Mykola Rudenko, born in 1920 in a village in the Voroshylovhrad region of Ukraine, was drafted and served in the Red Army in 1939, was wounded, and spent an entire year in various hospitals. Rudenko received numerous medals for his service during the war.

After the war, Rudenko began writing. He also served as the party committee secretary of the Ukrainian Writer's Union. Concerned about human rights, Rudenko joined the Soviet branch of Amnesty International. In 1975 he was arrested. A few days following his arrest, Rudenko was released but found himself expelled from the Ukrainian Writer's Union.

In late 1976, Rudenko helped in the formation of the Kiev Public Group to promote the implementation of the Helsinki accords. He became chairman of the group which pointed out violations of the Helsinki accords signed by the Soviet Union.

On February 5, 1977, Rudenko was again arrested and charged with allegedly possessing $36 in American currency. According to dissident sources in Ukraine, this charge was intended to disassociate Rudenko from human rights considerations under the Helsinki agreement. There have been indications that his life may be in danger due to injuries sustained during the war and tortures and interrogations by the KGB, Rudenko has not yet been tried on the charges against him.

Another case concerns Valentyn Moroz, a history instructor born in 1936 in the village of Kholoniv in the Ukrainian S.S.R. At a point in his life, Moroz began to realize that he and his fellow Ukrainians were being robbed of dignity and freedom as human beings, and of culture and traditions as Ukrainians. He began to protest in his writings. His advocacy of individual, cultural, and national freedoms, guaranteed by the Soviet Constitution, was interpreted by the Soviet Government as "anti-Soviet propaganda and agitation." The Ukrainian historian, for crimes of thought and expression, has been incarcerated within the penal system of the Soviet Union for all but 9 months since August 1965. He is not scheduled for release until 1984.

In the recent past, I have written to General Secretary Brezhnev on behalf of three other Ukrainian defenders of civil rights, Mykola Matusevych, Myroslav Marynovych, and Petro Vins, in an attempt to bring to his attention the plight of these Soviet citizens.

The goals that men like Rudenko, Moroz, and others seek, and for which they are punished is the realization and promotion of fundamental human rights and basic freedoms, long recognized by the United States as having valid universal significance. In accordance with the basic principles supporting human rights, self-determination, and national independence, we of the United States of America salute the oppressed peoples of Ukraine and join in their commemoration of Ukrainian Independence Day.●

THE UNIQUE POSITION OF JEWS AS A CULTURAL MINORITY

● Mr. STEVENSON. Mr. President, Nahum Goldmann, a former president of the World Jewish Congress, describes, in an article in the New York Times, the unique position of the Jews as a cultural minority and points out the political hazards that can stem from failing to distinguish between those actively seeking to leave Russia and the bulk of the Jewish community. His article contributes to our understanding of complex issues, and I ask that it be printed in the RECORD.

The article follows:

THE HAMMER-AND-SICKLE, AND STAR OF DAVID

(By Nahum Goldmann)

The situation of the Russian Jews is very ambiguous, because they constitute the only minority in the Soviet Union to have no territory of its own. But if they are classified as "Jew" on their domestic passports it is because after the Revolution of 1917 the Jews themselves requested it, in order to have the benefit of cultural autonomy.

The presence of millions of Jews in the U.S.S.R. as well as in the other Communist countries is a decisive factor for world Jewry. There is a grave danger of losing them not by deportation or extermination, but by complete assimilation.

Nearly all the agitation raised around the Russian Jews is focused on the problem of emigration, which concerns only a minority of Russian Jewry. It is totally unrealistic to think that several hundred thousand Jews will go to Israel, in the near future at any rate. That could only happen if true anti-Semitism manifested itself in Russia. That is certainly imaginable, but judgment must be made only on the existing conditions. As long as Israel knows no peace and its economic situation is in danger, the country is incapable of absorbing hundreds of thousands of emigrants—even supposing they wanted to be absorbed.

A lot of Jewish extremists advance a theory according to which there is no chance of obtaining facilities for those Jews who remain in Russia, from which they draw the conclusion that all hope of preserving that community should be abandoned in favor of concentrating every effort on the emigrants. I strongly object to this analysis. A Jewish way of life is possible even under a Communist regime.

In the U.S.S.R. there are more than a hundred minorities, each with the right to its own language, literature, theater, press and schools. So even within such a highly centralized system, the U.S.S.R. recognizes the principle of minorities. The difficulty derives from the Jewish peoples yet again posing a problem *sui generis*. We are a scattered people which wants its own country, and in the U.S.S.R. we are a scattered people which wants the same rights as other nationalities, although these have a territorial base.

The principle of the right to take part in the life of the nation, an accepted right of the Russian minorities, is built on territoriality. A minority of 300,000 people (which is one-tenth of the Russian Jewish population) can receive administrative autonomy as soon as it is concentrated in a given territory. If that minority is more developed, it can accede to the status of an autonomous territory and eventually even of a state within the framework of the Soviet Union. But the Jews are spread all over Russia, and every move to bring them together has failed.

If the U.S.S.R. is accused, and often with good reason, of preventing emigration and making life difficult for its Jews, yet it should also be remembered that the Soviet Government saved hundreds of thousands by enabling them to escape from Nazism, and that without Russia the state of Israel would not exist today. Besides, Jews make a big mistake by treating the U.S.S.R. as if it were some minor country. This does not improve anything, and confirms the Russians in their attitude of distrust and even of hostility.

What makes caution all the more necessary is that we are dealing with a state that is on the way to liberalizing itself. The Government is less brutal than it was in Stalins day, but if it feels threatened it does not hesitate to assert its power, as in Hungary and Czechoslovakia. So what would happen if the Russians got riled enough to deport a million Jews to Siberia? Would America go to war to protect them? No, world Jewry decidedly has no right to endanger the future of three million Jews especially when these have not given their consent.

Russian Jewry is not a tool for mobilizing the young Jews of the United States. That is immoral and dangerous. I do not even think that a rallying cry of that kind remains effective for very long, and you will be seeing America's young Jews running away from it more and more.

A number of liberal Russians, who are not themselves Jewish, also include equal rights for Jews and their freedom to emigrate among their demands. I admire these dissidents and I am fully in favor of developing our relations with them. However, I do not overestimate their importance. Men like Solzhenitsyn, Sakharov and Amalrik are heroes, but their influence is very limited. I believe that the Russian people are quite satisfied with their Government and that they approve of the economic and scientific progress being made. Certainly they would like to see an improved standard of living and more individual liberty. But don't let us inflate the internal audience of the dissidents, who in any case are too few to make a revolution. Having said that, I am happy that these liberals exist and that they support the Jewish claims.

There are only a few tens of thousands of Soviet Jews who actually declare themselves as Jewish and want to leave for Israel. Even at the point when emigration reached its peak, that is when 40,000 to 50,000 Jews were leaving the Soviet Union every year, the birth rate stayed high enough for there to be little diminution in the total number of Russian Jews. Anyway it is absurd to believe that the problems of the Jews of Russia can be settled only through emigration to Israel.

In order to improve their lives I have always thought it necessary to use two methods at once: public political pressure on the one hand, diplomatic contacts on the other. But these political pressures must never be misused. It is impossible to force the Russians to do something, and the most that can be done is to persuade them.

The accusations of anti-Semitism made against the U.S.S.R. have been very much exaggerated, but it is true that there has not been a complete break with the sinister old anti-Semitic tradition of Russia. A hostile anti-Jewish potential has been building up there, and some Russians believe that their country's enemy is not so much capitalism as world Jewry. Fortunately that is not the ruling opinion in Government circles, but one might tremble for the fate of the Russian Jews if another cold war set in.●

UKRAINIAN INDEPENDENCE

● Mr. LEVIN. Mr. President, January 22 marks the 61st anniversary of the Declaration of Independence of the Ukrainian people. Independence came after the Russian czarist monarchy collapsed in 1917 and the Ukrainians organized committees to obtain selfgovernment. Those who had been under Russian rule proclaimed their independence on January 22, 1918. The later weakening of the Austrian Empire provided an opportunity for the people of the western Ukraine to achieve their freedom. They proclaimed their independence on November 1, 1918. On January 19, 1919 the two Ukrainian republics united and formed the Ukrainian National Republic.

However, in 1920 the Ukrainian National Republic ceased to exist and was partitioned. Western Ukraine was taken by Poland, Czechoslovakia and Romania. Eastern Ukraine was taken by Soviet Russia and incorporated into the Soviet Union as the Ukrainian Soviet Socialist Republic in 1923.

The dreams of the Ukrainian people for their independence and freedom has been kept alive despite systematic efforts to suppress Ukrainian ideals and aspirations. Forty-five years ago, Stalin and the Soviet apparatus, including the Red Army and the Soviet secret police organized an artificial famine to crush Ukrainian resistance to Russian rule. Mass starvation began. No one knows how many people died during the great famine of 1932–33, but Alexandr Solzhenitsyn states that approximately 6 million Ukrainians died as a result of the artificial famine. In his memoirs, Sir Winston Churchill said that Stalin told him in 1942 that there were 10 million casualties during the great famine.

The oppression of the Ukrainian people, as a people, continues today.

The Soviet Government's policy of Russiafication is aimed at obliterating all other cultural identities and stamping out all other languages. This policy threatens to suppress and obliterate a proud and ancient cultural heritage.

We in the United States are proud of our Nation's unity, but we are also proud of the individual cultural identities of the people who make up our Nation. It is in this spirit that I join all Americans of Ukrainian heritage in commemorating January 22 as Ukrainian Independence Day. Even though Ukrainian independence was soon surrendered, the just aspirations of the Ukrainian people will never be lost.

It is with pride that I join the southeastern Michigan branch of the Ukrainian Congress Committee of America, and all Ukrainian Americans, in celebrating their culture and reaffirming their hopes and aspirations. Theirs is the heritage of a proud and independent people from whom we can all learn and to whom we can all offer our support and prayers.●

ONE MAN'S STRUGGLE FOR INDOCHINESE REFUGEES

● Mr. KENNEDY. Mr. President, when humanitarian crises seem to overwhelm the ability of some to respond—when the plight of desperate people are ignored by governments—it is sometimes the single individual who can make the difference, whose action not only helps people in need, but belies the excuses of governments and others for their failure to act.

Among Indochinese refugees, such an individual is Lionel Rosenblatt. As a young foreign service officer he has, since 1975, dedicated his service to helping tens of thousands of refugees from Indochina. His important work came to my attention through the reports of Study Missions I have sent to the field in recent years, and who have reported this person's crucial contributions to our Nation's program for Indochinese refugees.

For those who doubt that one person can make a difference, I commend to them the story of Lionel Rosenblatt and his distinguished record in responding to the urgent needs of Indochinese refugees. I ask that the text of a recent Washington Post article on his work be printed in the RECORD.

The article follows:

[From the Washington Post, Jan. 21, 1979]

INSIDE INDOCHINA, HELPING OUT

(By Marie Ridder)

BANGKOK.—The man and the problem first met surreptitiously for four days while his State Department superiors thought he was on his sick bed at his home in Chevy Chase. Lionel Rosenblatt had actually slipped half across the world to take on, personally and secretly, a problem his government seemed to be ignoring. He went to South Vietnam and helped 200 Vietnamese, who had worked with the Americans, escape before the fall of Saigon.

On April 20, nine days before Saigon fell in 1975, Rosenblatt and another young foreign service officer, Larry Craig Johnstone, fed up with what they felt was an immovable bureaucracy, took personal leave, and without telling anyone, flew at their own expense to Saigon. Both spoke Vietnamese and had many Vietnamese friends so they were able to set up their own underground without much difficulty. Working out of a Vietnamese apartment, they arranged meetings on street corners or on the veranda of the old Hotel Continental where they filled out the necessary forms before smuggling the Vietnamese to Ton Son Nhut airport and through various police checkpoints to where they were finally loaded onto empty U.S. military planes returning home.

The American Embassy in Saigon was instructed to look for the two young men, but harassed by the problems of dismantling the huge U.S. complex they were either too busy or simply reluctant to stop the two Americans from running their own secret escape route.

When on April 25 they boarded a plane crammed with refugees for the return trip home, they were sure they had lost their jobs.

Within hours of their arrival in Washington they were summoned to appear before the Secretary of State. A stern Henry Kissinger warned them never to do such a thing again, using words like "irresponsible" or "over-dramatic," and then the Kissinger smile appeared. He embraced the two saying that he hoped he might have had the courage to do the same if he had been in their positions. Both were subsequently given Foreign Service Association Awards.

Johnstone continued his regular foreign service career, but from then on, Lionel Alexander Rosenblatt has devoted his life to Indochinese refugees. Now, three and a half years later, he heads the American effort to speed the flow of refugees from Thailand to the United States. Now the whole grim business has escalated—as mass migrations from Laos and Cambodia, overland, and by boat from Vietnam, daily swell the numbers looking for homes. More than a half million Indochinese have become refugees in the last four years. Some 150,000 are currently in camps in Thailand.

The enormity of the problem and the paucity of available alternatives for these unfortunates would discourage many, but Rosenblatt and a small staff, many of them former Peace Corps volunteers, attack the daily task of selecting that tiny number who will make it to the United States. Approximately 35,000 will be rescued from the hopeless no man's land of a refugee camp in a country that can provide neither farm land nor jobs for newcomers, a land already overpopulated and underfed.

"I get up each morning," says Rosenblatt, "wondering who I can fit into the criteria of eligibility today. Who will I have to turn down? Someone whose case I know and care about? So many of these application forms become real people to me and certainly to their case workers. We get pretty involved."

Rosenblatt worries that the United States isn't taking more refugees. He and his staff feel that we have a moral obligation towards the hundreds of thousands whose lives have been so disrupted by the war in Vietnam. The fact that the Thais currently feel inundated and unable to cope with the hordes makes it imperative to find other alternatives.

"We are," says Rosenblatt, "dealing with mass migrations. The whole of the Mhong tribal nation is being eliminated or forced out of Laos. We are speaking of hundreds of thousands of people."

The enormity of the problem must be reduced to the technicalities of doing what is possible. So Rosenblatt and all his staff go to work in their small, paper-strewn office across the street from the spacious U.S. embassy, seven days a week, 14 to 16 hours a day.

Former Ambassador to Thailand Charles Whitehouse remembers Rosenblatt's dedication with a smile. "When I saw Lionel coming down the hall I would duck into an office or behind a door. I knew he would be coming along with a request I couldn't possibly fill. Lionel pushed me—and the department—long before I had any feeling that Thailand was going to be swamped by a human invasion. I venture to say Lionel knew many more would come. He felt we were in for a dramatic time. He was right."

Lionel Rosenblatt, 35, is tall and dark. Sitting in his shirt sleeves surrounded by the clutter of his work and continually interrupted by the flow of Indochinese coming to see him about their lives, he seems relaxed. Louis Wiesner of the International Rescue Committee, who has worked with Rosenblatt for years, says: "Lionel is very disorganized but somehow it doesn't matter. In the end he is extraordinarily effective."

Lionel Rosenblatt was brought up in Bellport, Long Island, where his father, a nuclear physicist, was the director of the U.S. government's Frankfort Arsenal at Brookhaven.

Bellport High was divided between the "lab" children and the town ones. Lionel, a lab child, became president of his class. He went on to Harvard and then, after a year at Stanford Law School, joined the foreign service.

"It was a natural choice," says his cousin, Ambassador Peter Rosenblatt, who is the president's personal representative for the negotiations in Micronesia. "We have all been brought up traveling. Our grandfather was an early Zionist so we spent many of our vacations in Israel."

Rosenblatt's younger brother, Josiah, is also a foreign service officer, currently serving as a speical aide to Ambassador Samuel Lewis in Israel. His youngest brother, Nathaniel, has just been accepted by the diplomatic corps but is delaying a final decision until he finishes law school.

Rosenblatt was well on his way to a successful conventional foreign service career before his brief visit to Saigon. Says his ambassador cousin "Lionel has been given many chances to go to other jobs, ones that lead up the career ladder, but he believes we owe these people an attempt to help them, that this is truly a part of our original commitment to Vietnam."

Rosenblatt's name was not on the September promotion list.

His wife—they met when they were both on assignment in Columbo, Ceylon—has become a nurse and currently works for the medical unit of the International Rescue Committee in Nong Khai, the largest of the refugee camps. During the week Anne Rosenblatt lives an austere life. She sleeps in a dorm and eats in the mess set up for the personnel of the various voluntary agencies, working in the camp. The medical problems she cares for run the gamut from open and often infected wounds of those shot while escaping, to the ever-present, universal maladies caused by parasites (malaria, amoebic dysentery). On Friday night she takes the overnight train to Bangkok to see her husband.

The U.S. refugee office in Bangkok has only one job, the selection and transportation of those Indochinese going to the United States. The Thai government has the primary responsibility of receiving and housing the refugees. Except for a brief period in 1977 the Thais have allowed the inundation. The Thais are constantly concerned that communist troublemakers will come in under the guise of being refugees. They are worried because many refugees leave the 15 established camps and disappear into the Thai economy taking either land or jobs from needy Thais. Though the United Nations High Commission for Refugees assumes many of the costs of establishing and maintaining the camps—and voluntary agencies from all over the world have supplemented the food, clothing and medical care—the Thais find themselves absorbing many costs, like extra border guards. Additional police are needed to keep the peace in areas where the local population is actively reluctant to accept the refugees. The Thais are becoming increasingly concerned that they will be left to provide for most of the refugees.

Life as a refugee varies from camp to camp. Some camps are large enough so that the refugees, many of whom have been in camp for two or three years, have built their own huts and started vegetable gardens. Others are overcrowded, totally dependent on the meager rations provided by the camp kitchen. But what they all have in common are thousands of people yearning to come to the United States.

In practical terms this means that the U.S. Office for Refugees must—in order to be fair—interview every Indochinese who thinks he should be included in one of the categories of criteria required for eligibility in the Inochinese Parole Program.

The basic selection process in Thailand is done, under a contract with the Department of State, by the staff of the International Rescue Committee. These young people are mostly former Peace Corps volunteers. They all speak Thai, several speak Khmer or a tribal dialect. Their experience in the Peace Corps has given them some preparation for the extremes of Thai climate and the hardships that living in a refugee camp entail. It did not prepare them to rescue drowning mothers and babies from the Mekong River at flood tide as exhausted members of the Mhong tribe tried to escape a pursuing Lao militia. It did not prepare them to console decimated families. Nor did it teach them how to deal with the problem of selecting a few from so many. It is a heartbreaking job with few simple answers.

The Mhong, for example, are Moslems. Many have several wives. The U.S. Immigration Service is prepared for only one per family. Some must be left behind.

Even those who have acquired a precious visa cause problems for case workers. Frequently when one realizes he is really leaving camp, that he will once more be able to care for a family, he recrosses the perilous Mekong to find that family. His immigration visa was made out only for him as prior to acceptance he had never mentioned a family, so the weary staffer has to begin all over again and include a family in the new application.

There are five separate programs under which a refugee can apply for a U.S. visa, making the process something of a bureaucratic dice game.

The Mhong tribesmen are the cause of greatest concern in Thailand currently. They are being gassed and napalm-bombed by Lao military using old American planes. Their crops are being systematically destroyed, their water supplies poisoned.

Rosenblatt, in Bangkok, worries that the boat refugees are getting all the attention. People floating hopeless around at sea present a more photogenic story than the starving Mhong coming down their mountain paths. He hopes there will be places for both groups.

Possibly Lionel Rosenblatt can, for just one day, sit at his desk, and reflect with contentment that, after all, 165,000 Indochinese have already made it to the United States.

"Lionel worries about his people even after they are here," says his father. "He is always writing me to look up so-and-so to find out how they are doing."

"I think," he says, "my son must be guided by the Talmudic teaching: 'He who saves a human life is as if he saved the whole world.' "●

WHY NOT THE BEST—NUCLEAR ENERGY

● Mr. CHURCH. Mr. President, on December 18, Senator Jackson had the opportunity to make a few remarks before the Tri-City Nuclear Industrial Council in Richland, Wash., honoring the 35 years of service by the men and women at the Hanford Reservation and their role in the growth of peaceful nuclear energy programs. I want to join with Senator Jackson in expressing my congratulations to the dedicated employees at Hanford for their fine work in this area of vital importance to our country.

As Senator Jackson made clear in his comments, the United States has only two viable options for increasing our base-load electrical generating capacity until well after the year 2000: coal-fired and nuclear power plants. Yet, these options have been so beset by problems that the utilities are currently making no commitments to new electrical generating capacity. I congratulate my distinguished colleague for his remarks before the Tri-City Council, and join with him in calling for a renewed commitment to a strong nuclear energy development program within the United States.

So that the full Senate may have the opportunity to review his persuasive arguments, I ask that the text of Senator Jackson's prepared remarks "Why Not the Best—Nuclear Energy," delivered on December 18, 1978, be printed in the Record.

The text follows:

[Excerpts from remarks of Senator Henry M. Jackson]

Why Not the Best—Nuclear Energy

For thirty-five years now, the men and women at Hanford have played a major role in our country's nuclear programs. For the first twenty years, we had major growth in the activities at Hanford in the nuclear weapons programs. Since the mid-1960's, the growth has stemmed from Hanford's increasing role in the peaceful nuclear energy programs.

The success story at the Hanford Laboratories and here in the Tri-Cities area is due principally to the technical excellence of the people involved and the hard work of the business community through the Tri-Cities

Nuclear Industrial Council. You can take great pride in your contribution, not only to our nuclear weapons effort, but also to the development of nuclear energy.

As I look at the robust level of activity in the nuclear energy field here in the Tri-Cities area, I am struck by the contrast with the nuclear energy industry as a whole. A pall has settled over an industry which just three or four years ago was robust and optimistic. The nuclear energy industry is faced with major uncertainties in a number of key areas. Many of these uncertainties have their root causes in Federal Government actions and policies, and some have been magnified in the last two years as a result of the Administration's non-proliferation policy.

We cannot afford the luxury of uncertainty in our nuclear program. The fact is that we must rely upon nuclear energy to play an increasing role in our national energy supply. Until some time after the year 2000, we only have two options for base-load electrical generating capacity—coal-fired and nuclear power plants. There will be instances, such as in coal-rich areas, where it may be better to build a coal-fired power plant. But coal alone is not the answer. We are only beginning to to deal with the difficult social, economic and environmental issues involved in increased coal production. On the other hand, our nuclear power plants have been extremely successful since their inception about twenty years ago. This record justifies a greater commitment to nuclear energy.

The Federal Government can take direct action to eliminate or minimize major obstacles facing the nuclear industry. Probably the most discouraging factor affecting the nuclear energy option is the twelve-year period from the decision to build a new nuclear power plant until operation begins. This twelve-year lead time, in fact, exceeds the ten-year planning horizon of most electric reliability councils.

Another major obstacle is the lack of a clear policy on what the utilities are to do with the spent fuel from the reactors. The policy of the Administration is to prohibit reprocessing of spent fuel for an indefinite period to support its nuclear non-proliferation objectives. This policy has thrown the back-end of the fuel cycle into complete disarray. The problem is further complicated by the lack of available storage for spent fuel rods, and inaction by the Federal Government which controls any decision in this area. Additional factors are the rising public concerns about the transportation and disposal of nuclear waste.

The utilities also are concerned about the front-end of the fuel cycle with regard to the reliability of fuel supply. This concern is caused by uncertainties in the available uranium resources; loss of the use of recycled uranium and plutonium without reprocessing; and controversy over the future of the breeder reactor, which was expected to greatly expand the nuclear fuel supply. There is also a growing concern over the availability of domestic enrichment capacity to meet our domestic and foreign contract commitments and future needs. These are legitimate concerns which must be resolved by federal action.

As a first step, we must re-affirm the national commitment to use nuclear energy to supply a major portion of new electrical generating capacity for the remainder of this century. Nuclear energy has to be more than a last resort. I think that Congress has demonstrated its strong support for nuclear energy by the nearly two-to-one votes in the last two years in favor of continuation of the Clinch River Breeder Reactor Project—the next generation of nuclear technology. Unfortunately, there has been a mixed signal given by officials in the Executive Branch as to the degree of support that this Administration is willing to give even to conventional light water reactors. I think the utilities need a clear signal from the Administration before they will commit to nuclear power plants beyond those currently planned.

The lack of consensus within the Administration over nuclear power plants was demonstrated by the lengthy interagency battle over the content of the proposed nuclear siting legislation submitted to the Congress late last Spring. I understand that the Administration is currently considering revisions to the proposed legislation for submittal to the next Congress. The basic objective of the bill is to reduce the period of time from the initial decision of the need for a power plant until the time that the power plant is in operation. Without careful consideration of the approach, however, there may be no shortening of the licensing and construction period. In fact, an even longer period for completion of power plants may result if the legislation is poorly constructed.

There are several things that this legislation should be designed to do. The lack of standardization of the design of the nuclear steam system of power plants is a major contributor to the stretch-out in completion of the plants. We need to encourage the standardization of design by providing a general approval of a given design for a several-year period, without the imposition of new requirements during construction or after completion of the power plant unless significant new safety problems are discovered. Another element of the legislation should be the requirement that the Nuclear Regulatory Commission adopt streamlined procedures for reviewing licensing applications. These procedures should require the responsible employees to make their judgments within specific time periods or to submit a written statement as to why they have not completed their review procedure on time.

Another question which must be addressed is the whole role of intervenors in the licensing procedures. Currently, intervenors are able, through several avenues, to impede action and reinitiate old challenges, ensuring a lengthy licensing process. We need to revamp the procedures for public participation in the licensing process so that the process is not repetitive and endless. Judicial filibusters do not build power plants. Once public hearings have been completed and a licensing decision taken, there should be an opportunity for one-step judicial review at the U.S. Court of Appeals level to ensure fair treatment of both sides in the licensing process. One-stop licensing and one judicial appeal would do much to restore the vigor of the nuclear industry.

The primary area of remaining, widespread concern to the American public with regard to nuclear energy is how we will dispose of nuclear waste. An Inter-Agency Review Group on Nuclear Waste Management recently completed a draft report which raises the spectre for continued postponement of any firm program and timetable for achieving results in our nuclear waste program. We must end the ambivalent start-and-stop motion which has characterized our nuclear waste program for the past twenty years, and come to grips with a specific plan of action. Every aspect of the nuclear waste management program must be aimed toward a technically and environmentally sound solution to the disposition of the various forms of nuclear wastes. Only then will the public's concerns be put to rest.

The focus of the Inter-Agency Review Group Draft Report on Nuclear Waste Management seems to be on the problems associated with the location, development, and licensing of geological depositories for ultimate waste storage. Further delays are proposed for additional research into this option.

It may, in fact, be necessary to stretch out the previous schedule for geological storage. Nevertheless, I believe that we should begin a program now to condition existing radioactive waste so that we have a fully operational process in hand for preparing transuranic and high level waste for ultimate disposal. Such a program is now underway at the Maroucule Research Center in southern France, where the French have established a remotely operated and maintained process for producing stainless steel cans (about the size of milk cans) full of glass containing high level waste from reprocessing. To date, they have filled seventy stainless steel cans with glass encapsulated waste, and stored them in concrete tubes beneath the floor of a building.

We manufactured similar glass canisters of high level waste here at the Hanford Laboratories as far back as 1965, but then abandoned the program. Having revived the program in recent years, the Department of Energy is now planning to terminate its activities to develop a system similar to the French design. We simply cannot afford to turn off and on our technical programs associated with finding acceptable ways to encapsulate high level waste. We must continue this work to develop an integrated waste vitrification system.

There are other things that we can do to reduce the waste management concerns of the public and the utilities. In the last Congress, it became clear that we needed to begin the construction of an away-from-reactor, spent fuel storage facility to cope with the hiatus caused by the decision to postpone reprocessing of commercial spent fuel. An away-from-reactor storage project was included in the DOE authorization bill and in the Public Works appropriation bill to ensure that a facility for the storage of 5,000 metric tons of spent fuel will be completed by late 1982 or early 1983.

In the next Congress, we will be faced with specific legislative proposals by the President on nuclear waste policy involving new authorities for the Department of Energy, the Nuclear Regulatory Commission, and perhaps, the Environmental Protection Agency. We may also be considering legislation, proposed either by the Administration or Members of Congress, dealing with transportation of nuclear materials and wastes. I intend to take an active role in these legislative activities. Any such legislation should be drafted to provide clear goals and timetables for resolving the questions of nuclear waste and materials management and transportation. We must not let even more uncertainty evolve from new regulatory requirements.

There will continue to be controversy regarding the breeder reactor program and the Clinch River Breeder Reactor Project in the 96th Congress. Through the leadership of Senator Church, the Congress succeeded in keeping the Clinch River Breeder Reactor (CRBR) Project alive during Fiscal Year 1978. Last Spring, as we entered into the Committee mark-ups to determine the funding level for Fiscal Year 1979, it was quite apparent that the Administration continued its active opposition to the CRBR Project. Even if Congress continued to authorize funds for the construction of the project, there was no evidence that the President would permit his officials to pursue the licensing activities necessary for the project's construction and operation. As a consequence, Senator Church and I met with Secretary Schlesinger to seek some accommodation with the Administration. Of particular concern to me was the continued erosion of the breeder base program which was occurring in the President's budget. This erosion reflected no support on the part of the Administration for an on-going program to maintain technical expertise and know-how to build a breeder demonstration project in the future.

As a result of that meeting last May with Secretary Schlesinger, a compromise was offered by Senator Church, which I supported. The essence of the compromise was that if the Clinch River Breeder Reactor was not going to be completed, then there must be a commitment to the design, construction, and operation of a new demonstration project, and there must be a strong breeder base program to provide the necessary knowledge of the fuels, the safety, and the hardware to ensure that the next demonstration project can be succesfully built and licensed.

Because of concern about amendments to the authorization bill for the Department of Energy affecting the prospects for enactment of the National Energy Act, the authorization bill was not enacted before the last Congress adjourned. Funds for a strong breeder program, such as that contemplated in the compromise, were appropriated, however. Currently, $172 million of those funds are being allocated to continue the CRBR Project. In the next Congress, we will be faced again with the controversy over the CRBR Project and the future of breeder technologies in the United States.

With or without the CRBR Project, we must ensure that the breeder program has definite goals and direction. We cannot afford to walk out on a major new energy technology before its future in the world is decided. In a letter to Senator Church last September, Secretary Schlesinger agreed that the funding for the liquid metal fast breeder reactor program should be $504 million in Fiscal Year 1980 and $520 million in Fiscal Year 1981. If we are going to keep a strong breeder program, this level of commitment is essential.

I want to assure you that I believe the new facility combining the High Performance Fuel Laboratory and the Fuels and Materials Examination Facility is necessary whether we proceed with the CRBR Project or with some other demonstration plant. The work done in conjunction with the Fast Flux Test Facility will also be crucial to our breeder program. I am pleased that this unique facility is proceeding on schedule and is expected to achieve criticality next August.

Currently, the utilities in the United States are so beset by uncertainties that they are making essentially no commitments to new electrical generating capacity. Moreover, there are nearly as many problems associated with a decision to build a coal-fired power plant today as there are associated with building a nuclear plant. It is essential that the Federal Government do what it can to reduce or remove the uncertainties facing the utilities in making their decisions on new capacity, be it nuclear or coal-fired power plants. I have outlined here today the actions that I think are most important in order to reduce the uncertainties associated with nuclear energy, and these are the things that I intend to work toward in the next Congress.●

THE CHALLENGE TO U.S. INDUSTRY FROM FOREIGN COMPETITION

● Mr. STEVENSON. Mr. President, the challenge to U.S. industry from foreign competition is growing, and in industries which are not making headlines with protectionist demands as well as those which are. Nowhere is the decline of U.S. export competitiveness more apparent than in the heavy construction industry—an industry which the United States was dominant around the world until recently. The United States has slipped from first to fourth place, trailing West Germany, Italy, and Japan, and losing ground rapidly to Korea and Britain as well.

The problem faced by the construction industry in world markets is neither wages nor technology, at least not yet. As Paul Gibson states in a recent Fortune magazine article:

> The real problem defeating U.S. construction firms is simply that while foreign firms are being treated almost as policy arms of their respective governments, the U.S. government is letting its nationals fend for themselves.
>
> . . . Foreign governments stand foursquare behind their construction firms in getting export business. The U.S. government, where it doesn't actually hinder, does little to help.

Foreign governments support their construction companies overseas with tax breaks, guarantees on fixed-sum contracts, soft loans to purchase country governments, and insurance for performance bonds and letters of credit. The U.S. Government provides instead antitrust, antibribery, antiboycott restrictions, and U.S.-flag shipping requirements, and threatens to increase taxes on U.S. workers abroad.

The United States is losing not only the construction exports but the follow-on orders for equipment and supplies to foreign competition. As one expert commented:

> If you're a Korean contractor laying a pipeline you sure as hell are not going to order pipe from Pittsburgh.

The problems may soon come home to roost. Already foreigners are purchasing U.S. construction and engineering firms. Industries which cannot compete in foreign markets are soon in trouble in their domestic market as well. We have seen it happen in steel, autos, consumer electronics, and other industries.

I will introduce legislation in this Congress to strengthen the competitive position of U.S. industry and agriculture in world markets. I know many of my colleagues are considering similar initiatives. I hope the Congress will act promptly on such measures. Time is running short.

Mr. President, I ask that the article by Mr. Gibson, entitled "Another Domino Is Falling," which appeared in the December 25, 1978, issue of Fortune, be printed in the RECORD.

The article follows:

ANOTHER DOMINO IS FALLING

(By Paul Gibson)

While everybody is worrying about U.S. imports of steel, electronics and textiles, another major U.S. industry is fast losing out to foreign competition: heavy construction, a job-creating $70 billion industry that is losing ground under heavy attack by Europeans on one side and Asians on the other.

For years the U.S. was the undisputed world leader in heavy construction. U.S. firms abroad handle probably $10 billion worth of construction work overseas annually and possibly far more. Closely linked with this are the sales of U.S. construction equipment, bulldozers, cranes and electrical equipment. These sales (including spare parts) rank second only to defense equipment exports, contributing another $4 billion or so annually to the U.S. trade balance. Overall, the business probably creates upward of half a million jobs in the U.S.

In the past two years, however, the U.S. has slipped from first to fourth place in world construction according to the National Constructors Association, a Washington-based trade body, more than half of whose members work overseas. U.S. construction firms now rank behind West Germany, Italy and Japan, and are being seriously challenged by Britain and South Korea.

According to a study by New York consultants William Reinhardt and Nancy Hall, of $85 billion in construction awards let by 14 middle eastern countries between June 1975 and April 1978, fully 51% went to West European firms. Asian contractors collected 27% in these three years. The U.S. got a puny 10%.

Laments Morrison-Knudsen Co., Inc. President William H. McMurren: "It's been so long since we won an important contract under competitive bidding that I honestly cannot recall when we last did." (The last was the military city project which was directly negotiated between the Saudi and U.S. governments.) Adds Santa Fe International Corp. Director Frank E. Reynolds, "The South Koreans are putting us out of business in the Middle East. We can no longer compete there."

Interestingly enough, high U.S. wage rates are not the biggest problem. U.S. firms, by and large, tend to subcontract their labor-intensive work, typically to local Saudi or Asian firms. In cases where they do need hordes of carpenters or road builders they try to remain competitive by hiring low-cost Yemeni, Turkish, Egyptian and Pakistani laborers.

Nor is the problem particularly technology, where the U.S. remains a leader. Says J. Robert Fluor, chairman of Irvine, Calif.-based Fluor Corp.: "We have a unique access to a large population of engineers and technical personnel. European and Asian companies haven't been able to undertake the very large and technologically oriented programs we address." True enough, but as President William P. Orr or Lummus Group, Inc., the building subsidiary of Combustion Engineering, Inc., points out, the developing nations are not necessarily concerned with having the most advanced refineries or gas-gathering systems. They worry more about prices and payments.

The real problem defeating U.S. construction firms is simply that while foreign firms are being treated almost as policy arms of their respective governments, the U.S. government is letting its nationals fend for themselves. Washington's apparent indifference results from the traditional church-state separation that has always existed between the U.S. government and U.S. industry. Foreign governments stand foursquare behind their construction firms in getting export business. The U.S. government, where it doesn't actually hinder, does little to help. When questioned by Forbes, U.S. Department of Commerce officials first accused our companies of being indifferent about getting overseas business, then denied the U.S. was losing ground and finally admitted that, though regular reports about building awards were filed by our embassies, no one in Washington had bothered to collate the figures for middle eastern contracts since 1976. "So you see," said one official blandly, "nobody can tell definitely if we're ahead or behind."

Thus, while this particular Rome burns, the U.S. fiddles merrily. Congress' anti-Arab boycott legislation hinders U.S. firms seeking work in the Middle East. So, without a doubt, does the preoccupation of the American press and government with antibribery rules. The U.S. Army Corps of Engineers' insistence that U.S. firms ship construction and engineering supplies in expensive American-flag shipping is a further hindrance. (Even where they can use foreign vessels, U.S. firms must pass the savings back to the U.S. Army Corps, in effect giving up any chance of widening their already slim profit margins.)

But the biggest threat is the willingness of foreign nations to subsidize the work of their construction firms while U.S. construction firms must operate under free-enterprise rules. Here's what happened.

In the first wave of building from 1974 to 1976 most contracts were largely cost plus a management fee. Now the majority are lump sum. The Saudis got clobbered under the old system by rampant inflation, by some judicious overpadding of the accounts by contractors and by their own desperate eagerness to jump, in barely a decade, from the 18th into the 20th century. Now with the inflow of petrodollars slowing, practically all the middle eastern governments are stretching out their development project timetables and insisting that general contractors complete projects for a prearranged sum or pay any cost overruns. Most U.S. firms flatly refuse to quote fixed-price contracts abroad; many of them were badly burned that way. In sharp contrast, foreign firms are willing to work on fixed-price contracts because their governments, in one way or another, protect them against losses. Italy and Korea are among the worst offenders in this respect. This protection ranges from generous tax breaks and outright tax holidays to what U.S. executives claim, but cannot prove, are government guarantees against any corporate losses on fixed-sum contracts. For U.S. firms no such aid on breaks are available. Says Brown & Root General Sales Manager C. Bert Williams with a sigh, "If only we had the luxury of a government behind us."

When it comes to financing, most construction deals involve support by a government's overseas financing arm—the Export-Import Bank in the U.S., Hermes in West Germany, COFACE in France. Under international agreement they are all supposed to make loans at the same rate, currently around 9%. What often happens in practice is that governments eager for the work will set about circumventing that agreement. The easiest way is to announce a grant-in-aid for, say, $250 million at a 4% interest rate, to the country letting the construction award. The U.S. rarely allows such grants for industrial projects.

Then there are the performance guarantees and letters of credit that the successful bidder must post before he gets the award. Such bonds can amount to over 30% of the contract value. That can mean several hundred million dollars on some deals. Yet under U.S. banking laws our banks can lend a company only up to 10% of its net worth, and few construction firms have the capital to support such financing. Typically these guarantees carry an interest rate of only half of 1%. (as a carrying charge until the money is called down), far below what the bank could charge the same company on a regular commercial loan if it were expanding its operation inside the U.S. Yet a syndicate of New York banks didn't mind in the least arranging a $300 million performance guarantee for Hyundai Construction Co., Ltd. this summer for middle eastern work. That loan was fully guaranteed by an arm of the South Korean government.

The South Koreans and other Asians began by picking up subcontracts to American firms for labor-intensive parts of projects. In the Middle East, U.S. construction executives say the South Koreans often undercut them by up to 30% and sometimes by 50%. "In one case their total contract price was no more than we had budgeted for materials," recalls one chagrined U.S. bidder.

On many contracts the South Koreans are losing money, but that's the price they are clearly prepared to pay to get hard currency for their own oil bills and to keep almost 75,000 Korean workers fully employed in the Middle East. On a trip this fall to the Middle East a U.S. engineer told Forbes he counted 45 Korean firms working in Saudi Arabia, but less than a handful from the U.S. "We've stopped bidding there," says President Robert W. Page of The Rust Engineering Co., Inc., the construction arm of Wheelabrator-Frye, Inc., one of several firms to throw in the towel in the Middle East.

This fall at least three U.S. construction and engineering firms are being acquired by foreigners—J. A. Jones Construction Co. by the Germans, Arthur G. McKee Co. by the British and J. F. Pritchard & Co., Inc. by the South Koreans. Even industry giants like Foster Wheeler Corp. now find it expedient to enter into joint ventures with Koreans and other Asian companies.

The Koreans didn't land their first significant order in the Middle East until mid-1976, yet of the last 19 jobs let by the U.S. Corps of Engineers in Saudi Arabia, the Koreans took 11, the U.S. only 4. For every $1 of work awarded to U.S. firms, the Koreans garnered $3.

A rough rule of thumb is that $1 of construction work abroad generates roughly 20 cents of work in the U.S. for equipment supplies and services. Given a choice, a construction engineer orders from his own country. He knows the products and trusts the suppliers. And too clearly the figures bear this out.

Again, the export sales of construction and mining equipment for U.S. manufacturers fared well initially, quintupling between 1967 and 1975. For the last three years, however, U.S. sales, not including parts, have stalled around $2.5 billion, and may even have fallen a notch. "If you're a Korean contractor laying a pipeline you sure as hell are not going to order pipe from Pittsburgh," says Chase Manhattan Vice President Albert Lalonde, a widely respected authority on overseas construction deals. He's right. Since 1970, South Korean exports of similar equipment have soared from barely $275 million to $2 billion. In fact, when it comes to exporting, the U.S. has shown the least annual growth among the industrialized nations. Even Japan, while penalized by the yen's upward valuation, has fared better. The declining dollar, says Chase's Lalonde, as been offset by declining U.S. productivity, leaving our equipment still too highly priced.

"For the first time we're running into a lot of competition from the Japanese and Koreans," says Sales Vice President Brian Moore of Chicago Bridge & Iron, whose massive-type cranes have long been a familiar sight in the Middle East. "Our market share is definitely decreasing there."

In the last recession, U.S. construction firms fared remarkably well. Since the mid-1970s their earnings have climbed steadily, with Morrison-Knudsen, Fluor and C. F. Braun showing 30% or more average per-share gains over the past five years. U.S. construction companies have exported their problems, making up for a shortage of domestic orders with their overseas work.

Now another recession appears virtually inevitable in the U.S. With money again tight, the much-heralded boom in capital spending which had been expected to start in 1979 will now likely be delayed until 1980 or even longer. Already the backlog of domestic orders for firms like Santa Fe and Morrison-Knudsen is shrinking. But this time they will have a tougher time offsetting declines at home with orders from abroad. For the first time since 1970 Raymond International, Inc., an engineering and construction company, was actually reporting declines in quarterly earnings with its nine-month figures to Sept. 30 off 14%.

Construction men fear that a chain reaction may be taking place around the world in construction. Eventually they hint darkly, our companies will become so weak they will be unable to resist a foreign invasion of the U.S. domestic market. "I truly fear this is the pattern of events that could lie ahead," says Morrison-Knudsen's McMurren.

Yesterday, cars, steel and TV. Tomorrow, heavy construction?

The U.S. construction industry did get a couple of breaks recently. Congress reluctantly dropped plans to increase taxes on expatriates even though the U.S. is one of the few countries that taxes its workers abroad. And the Export-Import Bank agreed to become more aggressive by guaranteeing contractors against losses incurred in wars or insurrections, and by aiding them in converting local currencies into dollars.

But those were relatively small victories. Trying to convince Washington that there's a direct and meaningful link between what happens to our construction firms abroad and our ability to pay for oil, lessen our deficit and keep jobs at home is going to be a far tougher task.

Chances are Washington will eventually get around to studying the matter, and belatedly no doubt some congressmen will suggest subsidies for construction and equipment firms.

Countries like Japan and South Korea and West Germany—in theory far more vulnerable than the U.S. to the high prices of oil—have come through the petrocrisis with their balances of payments in far better shape than the U.S. Now, in construction, which is one of the quickest and most direct ways of getting back some of the petrodollars, the U.S. has almost absentmindedly allowed a major advance to atrophy. Is it any wonder foreigners lack confidence in the future of the U.S. dollar?●

FLORA LEWIS ON AFRICAN ISSUES

● Mr. McGOVERN. Mr. President, I submit for the Record a series of articles written by Flora Lewis of the New York Times dealing with southern Africa. Ms. Lewis accompanied me and other members of my party on a recent tour of southern Africa. I believe the following articles provide some extraordinary insights into the issues that plague the region.

[From the New York Times, Dec. 13, 1978]

ANGOLA SAID TO AIM FOR LINK WITH WEST—EUROPEANS BELIEVE NEW DOMESTIC PRIORITY AND THE RECEPTION OF McGOVERN ARE INDICATIVE

(By Flora Lewis)

Luanda, Angola, December 12.—Signs of movement by Angola's Marxist regime in its search for openings to the West are accumulating, gradually and unevenly but with a fairly clear direction, European diplomats here said today. The latest was a welcome for Senator George McGovern, who arrived late last night and was to be received tomorrow by President Agostinho Neto.

Mr. McGovern's visit, the first by a member of Congress in more than two years, came in the midst of Government changes that Dr. Neto explained over the weekend were aimed at correcting "mistakes and failings," bringing administration closer to the people and reinforcing his country's independence.

Prime Minister Lopo do Nascimento was removed from the Government and the Politburo of the ruling Communist Party, as were two other Cabinet members. Whatever was going on behind the scenes remained opaque, but both the emphasis of Dr. Neto's speech, on domestic problems, and the fact that a United States Senator and a group of reporters were admitted for the first time in several years appeared to signal a shifting of policy.

NO MENTION OF CUBANS

There are estimated to be about 20,000 Cubans in the country, some of them technicians, but many soldiers on whom the regime relies for support. There was no mention of their presence or that of Russians and other East Europeans in Dr. Neto's speech. However, he spoke repeatedly of the need for independence for Angola's Communist Party.

Even a brief look at the capital of this huge and troubled country shows how serious its internal economic and social problems have become. Food is scarce. Long lines of people in front of shops wait for distribution of potatoes and grain.

The port is clogged and functions only sporadically. Shops and offices abandoned by the Portuguese at the time of independence in 1975 remain closed and partly destroyed. Urban transportation is difficult, with people piling on the few rickety buses running, while numbers of vehicles stand in parks, apparently immobilized.

Diplomats said that the food shortage was partly due to the collapse of the distribution system when the Portuguese left, partly to a state takeover of marketing and partly to the fact that the main food-producing area in the south remains largely under the control of the forces of Jonas M. Savimbi, whose National Union for the Total Independence of Angola continues to oppose President Neto's regime.

WILL ALLOW SOME BUSINESSES

The President said that from now on, small private enterprises would be allowed. He mentioned the use of cars and trucks, Presumably to bring in supplies. And he said that artisans such as carpenters and shoemakers would no longer be discriminated against in favor of Government employees.

"The most important thing is to solve the problems of the people," Dr. Neto stressed. That does not mean, he said, that the aim of establishing a Communist state had been abandoned, adding that he looked forward to the day when every Angolan would stand up and say proudly, "I am a Communist."

Things would be different, he went on, "in 10, or 20, or 30 years, and the urgent need now was just to get the society working smoothly." He did not repeat his party's slogan, making Angola "the springboard for revolution in Africa."

However, at an appearance marking the 22d anniversary of his guerrilla organization, the Popular Movement for the Liberation of Angola, he brought to the platform the rebel leader of South-West Africa, Sam Nujoma, and also Joshua Nkomo of Rhodesia. Mr. Nujoma, who saw Senator McGovern today, told reporters later that while he stood by the agreement for United Nations-supervised elections in South-West Africa, he felt "betrayed by the Western powers" after the elections conducted in the country under South African auspices last week.

COMMUNISTS CAN'T RESCUE ECONOMY

Angola's economy, often described as one of the richest in the world with oil, diamonds and minerals, has deteriorated since the war for independence, despite the presence of large numbers of technicians from Communist countries.

That, plus the burden of supporting the Cuban troops, is believed to be the underlying motive for the current effort to improve relations with Western Europe and the United States.

The Cubans are much in evidence here, but there are rumors that their troops are restive. There are reports, impossible to confirm, not only of heavy casualties but of ugly attacks on their soldiers. Outside the Luanda cemetery this afternoon, a squad of Cuban soldiers was lining up on the way to a military funeral. Passers-by said that it was a common sight.

There is little activity in this steamy tropical city. What bustle there is comes from uniformed officials, smilingly telling "comrade driver" and "comrade protocol officer" where they are needed.

The walls, as in Lisbon after the 1974 revolution there, are covered with layer on layer of scrawled slogans. In a main square, a battle-damaged small tank is poised atop a high concrete pedestal, the monument to what Angolans calls "the victory in the second war of liberation"—against South Africa.

Informed Europeans said there was a greater sense of stability here now, but that the fight against Mr. Savimbi's forces, who have received South African arms, is obviously continuing. They said that it was risky to drive south, toward South-West Africa, in a car and much too dangerous in a truck.

[From the New York Times, Dec. 14, 1978]

McGOVERN SEES ANGOLAN LEADER AND DISCUSSES PULLOUT OF CUBANS

(By Flora Lewis)

LUANDA, ANGOLA, December 13.—President Agostinho Neto of Angola told Senator George McGovern today that he would have no further need for Cuban troops if incursions and threats from South Africa were ended.

At a joint news conference, and then in a session with American reporters by himself, Mr. McGovern said he had told Dr. Neto that the presence of the Cubans was the main obstacle to formal relations with the United States, which Mr. Neto indicated he was eager to establish.

Senator McGovern, a South Dakota Democrat who is on a three-week tour of southern Africa, was permitted to see three American prisoners in São Paulo jail before his talk with the President. He had asked for the right to visit the prisoners before coming here, and it was arranged today.

Most of the conversation, the Senator said, was about American-Angolan relations. He quoted Dr. Neto as having said that he could not understand why the United States refused recognition, since Angola had good relations with American allies in Western Europe.

DISAGREEMENT OVER THE CUBANS

At their joint news conference, which took place in a large meeting room in Dr. Neto's suburban compound, Mr. McGovern explained the United States' objection to the presence of Cuban troops as the block to relations.

Dr. Neto replied, "It's mainly a problem of South Africa," adding that South African troops were concentrated on Angola's border with South-West Africa and had made frequent land and air attacks on his country.

He dismissed the forces of Jonas M. Savimbi, the Angolan insurgent leader of the National Union for the Total Independence of Angola, which is fighting in the area as "stooges" of South Africa and implied that he did not consider Mr. Savimbi's forces the kind of threat that would require the maintaining of Cuban troops here if South African aid were cut off.

He did not explicitly say that he would ask the Cubans to withdraw if South African forces were removed from the border area after South-West Africa becomes independent as Namibia, but later Mr. McGovern indicated that he had gotten that impression.

VEILED SUGGESTIONS OF EASTERN TIE

Speaking of the internal upheaval in which a number of ministers had been ousted in the last few days, Dr. Neto said there had been a "danger of the leadership not following our orientation, but of being affected by influence from elsewhere." He refused to be more precise.

There are some 20,000 Cubans in the country, including officials and technicians as well as troops. They are generally credited with having saved Dr. Neto's regime after an attempted coup last year that was reportedly Soviet-inspired. There are also a number of East Germans involved in the administration and many Russians.

The Angolan President repeated his stress on his country's determination to be independent. He said that relations with neighboring Zaire were now normal and that relations have been established with France, which had been supporting a rebel movement in the oil-producing Angolan area of Cabinda.

Dr. Neto avoided a question about whether the French had agreed to end that support in Cabinda, where the American-owned Gulf Oil Company is cooperating with Angolan officials. But he said that diplomatic relations implied a solution of "outstanding problems," that "the past is the past" and "we are starting a new era in our relations" with the French.

Later, Mr. McGovern said the President told him he would welcome other American companies here.

M'GOVERN STATES GOAL FOR NAMIBIA

Senator McGovern said that the United States was trying to win acceptance of the United Nations plan for elections and independence in South-West Africa, which would end South Africa's military role in the area, "opening the way for withdrawal of Cuban forces and therefore making it much easier for the U.S. to recognize Angola."

That is evidently a major goal for Dr. Neto now. As a prime supporter of the South-West Africa People's Organization, the guerrilla force in the territory, Dr. Neto played an important role in getting the rebels to agree to the United Nations plan. The Angolan President has proclaimed himself a Communist, but he now stresses "good relations with all countries," and is clearly interested in Western help for his disaster-stricken economy, as well as to balance the "danger of influence from elsewhere," which he refused to define.

Two of the prisoners whom Senator McGovern visited today had been captured and sentenced as mercenaries at the same time in 1976 when another American, Daniel Gearhart, was executed. A third, George Gause, 50 years old, of Tarpon Springs, Fla., who had lived here as a farmer since 1968, was accused of unauthorized possession of arms but was never charged or tried. He told Senator McGovern that while he had been given no commitments, he thought that he might be released in the near future. Mr. McGovern's visit was the first that Mr. Gause had been allowed.

The two other prisoners were Gary Acker, 24, a Vietnam veteran from Sacramento, Calif., and Gustavo Grillo, 32, an ex-Marine who is Argentine born, but whose U.S.-naturalized parents now live in Toms River, N.J. Mr. Acker was sentenced to 15 years and Mr. Grillo to 30 years.

Senator McGovern saw them one by one, for about 20 minutes each, in the prison's visiting room, and said that all appeared to be in good health. They said they had been kept in a ward with 25 to 30 others, including British, Portuguese and other Europeans, that the food was what might be expected in prison and that they had been allowed to exercise.

[From the New York Times, Dec. 15, 1978]

IN RHODESIA, BOTH SIDES NEED HELP OF THE UNITED STATES

(By Flora Lewis)

SALISBURY, RHODESIA.—One of the few things on which each group in Rhodesia's spreading guerrilla war agrees is that the United States could and should bring a quick settlement—by helping its side win.

The Government, led by Prime Minister Ian D. Smith and three internally based black leaders, wants sanctions removed so it can strengthen its forces, and it wants measures—seldom defined—to counter or undermine support that the insurgents get from a group of neighboring black nations with help from the Soviet Union and Cuba or from China.

The insurgents want direct American support and harsher measures against the Smith regime. Tanzania's President, Julius K. Nyerere, chairman of what is called the "front-line" group of neighboring black states, wants the United States to persuade the British to intervene militarily to oust the Smith Government.

And impartial observers, outsiders as well as some thoughtful Rhodesians, are increasingly of the belief that it is probably too late for anybody to stop the war and that the fighting is likely to get worse regardless of what the United States does.

The nature of the war has gradually changed in the last year or two, and the long-term, overall stakes for the United States in the conflict are increasing.

TWO VIEWS OF THE ISSUES

As the issues are phrased in the passionate, heated arguments of the two sides—the Patriotic Front guerrilla movement and the biracial transitional Government led by Mr. Smith—they come down to race and the Soviet Union.

In the view of Mr. Smith and his black colleagues, it is essentially a matter of whether or not the United States is going to stand by and let Communist-backed guerrillas take over the country and establish a militant regime, "aiding them by default."

In the view of the Patriotic Front and its African backers, it is essentially a matter of whether or not the United States is going to stand by and let a white supremacist regime perpetuate itself through tricks and manipulated elections that only appear to concede majority rule, "aiding it by default."

But there is a far more complex tangle of interests and rivalries that are specifically African and Rhodesian, which impinge on the United States' longer-term political and strategic concerns.

Inside Rhodesia, race has become much less the central issue now that Mr. Smith's regime has promised at least a form of majority rule. The power struggle is no longer simply black versus white, but is being played out more fiercely among blacks with ideological, tribal and personal conflicts.

There is little doubt that there would have been no serious civil war had the whites—who constitute no more than 4 percent of the population—offered a few years ago to share power on the terms now envisioned and had Mr. Smith suggested, as he now does, that he planned to step down after one-man, one-vote elections.

But the momentum toward war has been building. Even the prospect of victory, and there can be no victory of whites, is bitter. There will probably be vengeance and, worse, a decline of production capacity in the second most developed country after South Africa on a continent that is struggling to emerge from the desperation of hunger, disease and utter poverty.

One figure puts the relationship starkly. The 42 million acres of land now reserved for white farmers in Rhodesia produce more food than Kenya, Tanzania, Zambia and Mozambique combined. And in Rhodesia, white farmers get five to six times the yield from their land that blacks do, to some extent a difference of soil quality but mostly a matter of advanced techniques.

That is a reason that not all black Rhodesians want to drive out the whites, who would take their competence with them, leaving decades, perhaps generations of effort to restore existing levels of development.

Outside Rhodesia, however, race remains crucial, and particularly relations between the United States and black Africa. The United States had little historic involvement in Africa, was not a colonial power there and was, in many instances evolving, fairly comfortable relations with black African nations until the Angolan civil war.

That produced a turnaround when black Africa saw the United States encourage intervention by South Africa. The South Africans assert that President Ford and Secretary of State Henry A. Kissinger requested their intervention and promised full cooperation short of American troops, backing down later on the ground that Congress would not go along. This contention has not been proved, but many black African leaders tend to believe it and are suspicious of American intentions.

The calamity dreaded by United States officials is a panic by white Rhodesians that might require a frenzied evacuation, perhaps on the scale of that in Saigon's collapse.

Even if that can be averted, with its inevitable consequences on politics and race relations in the United States and on America's international position, the war is radicalizing black Rhodesians and their neighbors.

This comes when the aftermath of liberation and enormous development needs were moving important African states in the opposite direction, toward reducing their dependence on Communist countries, where that exists, and expanding cooperative relations with the United States.

[From the New York Times, Dec. 18, 1978]

REPORTER'S NOTEBOOK: SOUTHERN AFRICA'S FEAR FOR FUTURE

(By Flora Lewis)

PARIS, December 17.—Visas for Rhodesia have to be obtained on arrival at Salisbury airport. There are no consulates abroad since Rhodesia is not recognized by any other nation. The forms are distributed on the plane. In addition to the usual questions, there is one that asks one's race.

Senator George McGovern, on a just-completed tour of southern Africa, wrote in the blank provided for the answer, "Human."

Both the question and the answer sum up the core of what seem to be the hopeless problems of the area. The issues of race and humanity have been infinitely complicated over the long, stubborn years by new power struggles—among blacks, between partisans of East and West and among economic interests.

"We are not asking for the manacles which bind our arms and legs to be made more comfortable—we want them removed," said an elderly black leader of Soweto, his voice suddenly quavering with emotion.

Soweto, or Southwest Township, is Johannesburg's twin black city, probably holding more people in its vast spread of cottages than Johannesburg itself with its skyscrapers, bright shopping malls, handsome glass buildings and well-tended suburbs. It is not the usual slum on the edge of a metropolis, the kind that exists almost everywhere. There is even money there, for to have the legal right to reside in Soweto, black people must have a job, and some have held fairly good ones for many years.

But there are no supermarkets, as there are in Johannesburg, no department stores, no buildings higher than two stories, no town center with large halls and meeting places and interesting restaurants and pretty window displays, apparently not even any movies.

There are only some dinky groceries and service shops. The residents of Soweto, who are not allowed to own property and can be evicted if they lose their jobs or the head of the family dies, must go some 15 miles to the white city to spend their money.

Some 60 percent of the American companies doing business in South Africa have agreed to abide by a code that pledges equal pay, better training, more opportunity for blacks. Those white Afrikaners who consider themselves "verligte," or enlightened, give qualified approval to his code and argue that tremendous advances have been made and that they are doing a great deal to improve the situation.

"You don't understand how much resistance there is, how hard it is to persuade people to change their attitudes," said an earnest white preacher who felt that American criticism of the failure to spread such modestly fair practices were unjustified.

He and his friends were appreciative when Senator McGovern acknowledged that the United States "still has a long way to go" in race relations and had known much trouble in moving as far as it has. But they professed not to understand why outsiders had not applauded them for expressing better intentions now.

"Look at Idi Amin, your hero," one of them said sarcastically of the Ugandan leader. "Look at the African military dictatorships, how people live in those countries. You have double standards." He beamed with satisfaction at his own logic.

The Parliament in Johannesburg is a miniature, early 20th-century Westminster. The speaker and his assistants wear black robes, the golden mace lies on the table during sessions, members bow solemnly as they cross the bar on entering or leaving, just as in London.

In the room next door, removed from the chamber when South Africa left the Commonwealth, there are still the portraits of British monarchs—Edward VII, George V and Queen Mary, George VI and Queen Elizabeth, with a gilded mold of Britain's royal seal above.

All the faces in the building are white. The debates are mostly in the Afrikans language, and the Afrikaner Nationalist Party has such an overwhelming majority that its deputies also occupy more than half the opposition's benches.

There are all the trappings of democracy and nothing to show that it does not apply to the millions of people of other races and languages who cohabit the country.

How is it that the same Calvinist religion, the same convictions of righteousness and God-given duty espoused by the Afrikaners, have led people in the Netherlands to an advanced social democracy and an ardent generosity toward those who are different?

"This is Africa," comes the firm reply. "There is simply no base for comparison."

The cities of South Africa and the rich farms of Rhodesia do not meet the new visitor's expectations of what it will feel like to be in Africa. They are modern, the climate is temperate, the vegetation is reminiscent of California or Virginia. People live and dress as Europeans do. There is little that jumps to the eye proclaiming that this is another continent with another history.

The cities of other countries in the region have European avenues and European buildings too, but they are clearly African. Dar es Salaam, Maputo, Lusaka, Luanda are steamy. Women wrapped in brightly printed cloth walk barefoot on the roads leading to the residential areas, balancing great bundles on their heads.

There is a rundown, tatty air. Either the air-conditioning in the best hotel does not work or there is no hot water. The streets are encumbered, often seedy. People move about stoically, without the look of purpose.

In Luanda, the Angolan capital, children with the swollen bellies of advanced malnutrition play on what once were fashionable beaches, under the palm shacks of what must have been a fashionable nightclub. A score of pleasure boats ride undisturbed at anchor before the abandoned, now dirty yacht club. Half-constructed buildings, started long ago, loom menacingly, as though they were angry at being left unable to stand up or fall down.

Zambia, desperate as the rains approached and the lack of fertilizer threatened failure of the new crop, opened its borders to trade across Rhodesia, sending out copper and bringing in fertilizer. Mozambique does business with South Africa and sends laborers to work in its mines. The economies need each other and suffer from having been severed, though the black countries suffer much more.

There were rumors that President Kenneth D. Kaunda of Zambia had negotiated a substantial credit in South Africa for a quick flow of consumer goods to line the empty shelves before last Sunday's elections. True or untrue, the goods have not come. The railroad is not that reliable, so it is hard to tell whether the deal went through.

Of course, these black-ruled countries were never so developed as South Africa and Rhodesia. The economics were never so firmly based. The long colonial wars drained Angola and Mozambique even before the Portuguese settlers fled with their skills and the transport that brought goods to market.

But nonetheless, there is an appalling sense that this delapidation, this neglect, this reclamation of the land and the people by the furies of African nature, its diseases, its dangers, its isolation, represents the future.

It is what lies in store for the brisk white cities to the south. The gift of foresight is a plague here. No one suggests that such a future can be avoided, relegated to the past on which the comforts of the present had been built. The question people discuss is whether the shift will come gradually or in a bloody cataclysm.

South Africans, watching their control over South-West Africa go at last and knowing that Rhodesia is heading toward that future, are digging in. They speak of "walls" to "protect our civilization." Black militants in other countries say openly that Namibia and Zimbabwe, their names for South-West Africa and Rhodesia, must be the base for the final assault on South Africa.

[From the New York Times, Dec. 24, 1978]

Africa's Many Troubles Defy Strategists of East and West

(By Flora Lewis)

Paris.—France and Guinea kissed and made up last week, another move in the gradual evolution of Western relations with black Africa. It was one more example of decolonized countries finding that Communist military support, however crucial at the moment of liberation, cannot take the place of Western economic development.

The East-West conflict still swirls around and through Africa, but the continent's tenacious inner troubles are coming to the fore and changing perspectives. There are the emotional issues of race, the tangible issues of power and, as in Guinea's case, the overwhelming need for development.

Those engaged in the race struggle, whether in the white-run states of South Africa and Rhodesia or the so-called front-line group of black states on their borders, seek help where they can get it. The white-ruled nations, not surprisingly, stress the danger of growing Soviet influence in their appeal to Western industrial nations not to support the black nationalists who oppose them.

The front-line group has turned largely to the Communist powers committed to fighting colonialism. But there are rivalries among black leaders and conflicting interests among black countries, and the sharp race division is interwoven with mutual accomodations.

President Julius Nyerere of Tanzania is peeved, for example, with Zambia's Kenneth Kaunda for having reopened his border with Rhodesia and for having attempted a reconciliation between Rhodesia's Prime Minister, Ian Smith, and the rebel leader, Joshua Nkomo, to the apparent exclusion of the Mozambique-based rebel, Robert Mugabe. Mr. Kaunda is hurt that Mr. Nyerere showed little understanding on the desperate economic situation which forced him to breach the boycott, and that he apparently blocked any chance for a deal with Mr. Smith before it could be extended to Mr. Mugabe. So Tanzania is trying to persuade the Russians, who had been lined up by the non-Marxist Nkomo, to involve themselves with the committed Marxist Mugabe, who has found his backing in Peking.

The lines of attachment often reflect happenstance rather than firm conviction, and thus are not necessarily as taut as habitually vehement rhetoric can make them seem.

The Russians have moved warily in Africa, making long-term if inexpensive investments in all kinds of people since it is so hard to predict the likely winners. There was a protracted period of indecision in Moscow as the Somalia-Ethiopia war developed last year. The Russians had established themselves in Somalia to the point of operating a missile base at the port of Berbera, and they were at least indirectly helping Eritrean rebels against Addis Ababa. For a time, they tried for the best of both worlds, sending Fidel Castro in a futile mediation attempt that would have permitted them to stay in Somalia while winning a new client in Ethiopia. It did not work. So Moscow opted for the bigger game, formerly pro-American Ethiopia, a shrewd move for the moment but of questionable stability.

In Angola, there were years of low-level intervention by the United States and France on one side and Moscow on the other until the Russians hit on the ingenious idea of a decisive Cuban force. But that move, too, may come unstuck if a black government emerges across the border in South-West Africa and eases Agnostinho Neto's insecurity about South African forays and support for rebels in the south of his country. The Angolan leader says, at least, that he would send the Cubans home in that case and he is eager for American investments and diplomatic relations.

The notion of a Soviet strategy for Africa has not been borne out by developments. Moscow has seemed as perplexed by the continent's travails as the United States, aware that the stakes are high but wavering and often frustrated in reaching out for them.

After a long period of near neglect, leaving the issues of Africa to the former European imperial states, the United States made fitful efforts to swing the balance that seemed to be moving East. President Kennedy's intervention in the Congo was an example of the habit of emergency operations without a policy. It wasn't until the Ford Administration's last year that Secretary of State Henry Kissinger came to realize the dangerous implications of the conflict in southern Africa and began efforts for a settlement in Rhodesia.

The Carter Administration is probably the first to aspire to a coherent African policy. It can be summed up as recognizing that Africa matters to the United States, both in its own terms and in terms of its echoes on race relations in the United States, as well as in terms of global strategy. Washington offers a modicum of support for moderate regimes, a possibility of improved relations with the Marxists, providing they edge away from Moscow, and an active attempt to bring reconciliation in the south.

But the policy isn't getting very far. Washington undoubtedly raised expectations beyond its capacity to deliver. Moreover, the conservative trend in the Congress has shifted emphasis back to simplistic cold war assessments. There is concern among the minority of American legislators interested in Africa itself that the policy may be sacrificed as a part of the effort to get hardliners to swallow a new strategic arms treaty with the Russians.

Above all, the worst of the African conflicts—the race issue in the south—appears insoluble without cataclysm. As one black nationalist leader after another told Senator George McGovern during his recent fact-finding tour of the area, "What we need is arms and you won't, you can't, give them to us. So we'll get them from Moscow. But then we'll need help from you in putting the countries back together."

There has been serious deterioration of the economies which Europeans left behind almost everywhere in Africa. It is one of the most awesomely depressing sights in the world to go from the tatty, hungry black-run states to bright, modern Rhodesia and South Africa, and to realize that it is a step from the future to the past, not the other way around.

The only comfort in prospect for Washington now is that even if it cannot prevent the worst, as it probably can't, at least it will have been seen to have tried to understand.

[From the New York Times, Dec. 21, 1978]

Trustees of State U. to Reassess Its Investments in South Africa

Albany, December 20—The board of trustees for the State University of New York has decided to reassess its investment policy for endowment funds, particularly those linked to South Africa.

The investment portfolio, valued at $52 million, includes about $9 million invested with companies that do business in the racially segregated country.

[From the Washington Star, Dec. 14, 1978]

Rhodesia Blaze a Major Setback

Salisbury, Rhodesia.—Prime Minister Ian Smith has described damage at a key bulk fuel depot from a raging fire as "one of our biggest setbacks since the terrorist war began."

Nationalist guerrillas fired rockets and tracer bullets into the tanks Monday night. Officials said 22 of 28 giant storage tanks were destroyed, wiping out an estimated 17 million gallons of scarce diesel oil, aviation fuel, and gasoline.

Four other tanks still were blazing and likely to explode, officials said.

U.S.-Designed Copters Found in Rhodesia

The United States is trying to find out how Rhodesia acquired 11 U.S.-designed helicopters in violation of United Nations trade sanctions against the African country.

The State Department said yesterday the helicopters are Bell 205s, a version of the UH1 Huey Iroquois choppers used by American troops during the Vietnam War.

"We are investigating all possible routes by which Rhodesia might have obtained these helicopters. We do not yet know how these helicopters might have reached Rhodesia," said State Department spokeswoman Sue Pittman.

"The State and Commerce departments are reviewing records of all recent commercial transactions to determine who might have been responsible for the delivery," she said.

She said the helicopters are manufactured in the United States and several other countries under U.S. license and their unauthorized sale or transfer to Rhodesia is "in clear violation of U.S. regulations issued pursuant to United Nations sanctions against Rhodesia." ●

THE IMPORTANCE OF EXPORTS

● Mr. STEVENSON. Mr. President, I submit for the Record two items. The first, authored by Ann M. Reilly and entitled "More Trade, Less Politics," appeared in the January, 1979, issue of Dun's Review. The second item includes an editorial entitled "The Export Fog" and an article entitled "The Rise of the Export Imperative," both authored by Robert S. England and appearing in the December, 1978, issue of Compressed Air magazine.

These articles chronicle the slow awakening of the United States to the importance of exports. U.S. policy toward exports is still characterized more by restrictions than by incentives, but there are a few bright spots on the horizon. Americans are beginning to learn that attempts to use trade as a foreign policy weapon almost always end up hurting us more than them; we shoot ourselves in the foot, much to the amusement of our foreign competitors.

The strength of the dollar and the prosperity of our economy are closely linked to our export performance. Unfortunately, the export side of our trade balance will not take care of itself. We have learned the hard way that driving down the value of the dollar does not solve our trade deficit. We need both a stronger dollar and stronger export performance.

I urge my colleagues to consider measures to support our exporting industries and improve our trade balance, without resorting to destructive protectionist measures. I will introduce several legislative measures this session to stimulate exports. I know that many of my colleagues also have proposals to strengthen U.S. export performance.

We should keep in mind that increased exports will reduce our trade deficit and, thereby, the justification for a Federal budget deficit. A dollar generated in exports stimulates the economy as much as a dollar in Federal spending, and in many ways the export dollar is better spent.

The articles follow:

MORE TRADE, LESS POLITICS

The use of trade as a political weapon is hardly a new phenomenon in the history of nations. Napoleon used it against Britain, the League of Nations tried it against Mussolini's Italy and the United States engaged in similar action towards Communist China. But whether the trade weapon is used for reason of political strategy or moral condemnation of a regime, it is rarely effective. Too many nations are willing to trade with the pariah either openly or sub rosa, and boycotts frequently make a nation even stronger by forcing it to produce essentials it would normally import.

Ignoring these lessons of history, the Carter Administration from its inception has taken a high moral tone against regimes it—and probably most Americans—dislike, and has attempted to moderate their conduct through the trade weapon. Governments as diverse as those of the Soviet Union, Rhodesia, Uganda and Chile (*map*) have been subject to various types of trade restrictions—with little visible impact on their repressive policies. At the same time, U.S. corporations heeding the government's pleas to step up exports have found these restrictions confusing and frustrating.

CARTER RESTRICTIONS

Since the Carter Administration took office, the Commerce Department has blocked about $100 million in exports and the Export-Import Bank has denied or delayed more than $515 million in export financing on foreign policy grounds. In addition, estimates Commerce Assistant Secretary Frank Weil, "a couple of billion dollars" in exports may be lost annually due to uncertainty cause by trade curbs.

But now the White House is rapidly shifting gears. Determined to reverse the decline of the dollar and to pare the balance-of-trade deficit, which is still running at an annual rate of $25 billion, the Administration is now paying heed to those who argue that controls on trade for political objectives are generally ineffective and economically costly. The policy shift was highlighted in December when Treasury Secretary W. Michael Blumenthal and Commerce Secretary Juanita Kreps met in the Kremlin with Soviet President Leonid I. Brezhnev to inform him of the new U.S. attitude. Specifically, the Soviet leader was told that the Administration would approve 22 oil-technology export licenses that had been held up since August.

In the same vein, the President announced a new export promotion policy last September, directing the agencies to take the trade consequences of proposed foreign policy actions "fully into account." He specifically ordered that "weight be given to whether the goods in question are also available from countries other than the United States."

The use of trade as a foreign policy weapon has not been discarded entirely, but tempered with a strong dose of political and economic good sense. The new policy is expressed by Deputy Secretary of State Warren Christopher: "The basic foreign policy purpose that exports serve is to improve the trade balance, strengthen the dollar and build closer relations with our trading partners. Any restrictions on exports for other foreign policy purposes bear a heavy burden of proof."

The State Department promises a more rigorous analysis of the costs and benefits, both political and economic, of proposed trade limits. And the Commerce Department and the Export-Import Bank are attempting to streamline licensing and financing procedures to enhance the United States' image as a reliable supplier. Moreover, the White House is considering eliminating export controls on many high-technology items and may ask Congress to repeal the Jackson-Vanik Amendment, which ties export financing and "most favored nation" status for Soviet bloc nations to the liberalization of their emigration policies.

CONGRESSIONAL SHIFT

Efforts are already underway on Capitol Hill to limit Administration authority to use trade as a political lever. "Congress is moving towards liberalizing export controls because of a growing awareness of the need for a strong export policy to solve the trade deficit and the dollar problem," says Illinois Democrat Adlai Stevenson, Chairman of the Senate Subcommittee on International Finance.

When the Export Administration Act comes up for reauthorization next year, attempts will be made in both Houses to specify when licensing controls are justified, to establish a formal interagency review process and to set time limits on that procedure. Moreover, if SALT and the multilateral trade agreements are approved, and if Soviet emigration continues to rise, Stevenson says, Congress will be ready to ease, if not repeal, Jackson-Vanik. But Ohio Democrat Charles A. Vanik insists that the emigration requirements will remain "in concrete."

This new emphasis on trade, both in Congress and the Administration, marks a dramatic departure. Although most industrialized nations use export controls to protect their national security, only the United States restricts nonstrategic trade to exert pressure on the internal affairs of other countries. Moreover, the Carter Administration and Congress have extended foreign policy controls further than ever before to such areas as human rights, terrorism, environmental protection and nuclear power. Other industrialized nations are privately scornful of the U.S. stance and have turned it to their advantage. As one U.S. businessman observes: "Our competitors are laughing all the way to the bank."

The most publicized Administration action in this area was the President's denial of a $6.8 million computer sale by Sperry Rand Corp. to the Soviet news agency Tass to protest Soviet treatment of dissidents. But in addition, the Administration has unilaterally:

Prohibited direct or indirect sales to the military or police in South Africa or Namibia because of apartheid policies.

Denied Export-Import Bank credit to Chile, Uruguay and Brazil and delayed it to Argentina for rights violations.

Blocked $100 million in sales to Libya because of its support of terrorists and hostility towards Egypt.

Similarly, the 95th Congress, through a variety of measures, extended the Administration's statutory authority to use trade as a foreign policy tool. Sharing the President's concern about human rights, Congress mandated the Export-Import Bank, the Overseas Private Investment Corporation and the Commodity Credit Corporation to weigh a nation's civil liberties performance before granting export financing. Similarly, over Administration objections, the legislators added Uganda to a list of embargoed countries that includes Cuba, Vietnam, North Korea and Cambodia. As for the Communist countries, efforts to repeal Jackson-Vanik were consistently rebuffed.

Congress and the Administration have now retreated from this sweeping moralism because they realize that the curbs harm U.S. exports, which are so vital to the value of the dollar. Moreover, the curbs often backfire. Many repressive regimes tend to get even tougher to demonstrate that they can't be pushed around by the United States. In addition, from a broad foreign policy perspective, the inconsistent application of the trade weapon lays the U.S. open to charges of pursuing a double standard. Trade sanctions are applied freely to some countries such as Argentina, South Africa and the U.S.S.R. But to others, such as Iran, South Korea, Zaire and the Philippines, where the U.S. has strategic or economic concerns, human rights violations merit reprimands, but not sanctions.

On the other hand, were controls applied across the board to countries whose policies the U.S. disapproves, it would find itself drifting into self-imposed economic isolationism. Of the 158 nations in the world, says Freedom House, a New York-based anti-totalitarian group, 56 are "not free" and 54 are "partly free." Only 48 nations are classified as free.

UNWORKABLE WEAPON

In any case, the trade weapon rarely works. Former Under Secretary of State George Ball, now Senior Managing Director of Lehman Brothers Kuhn Loeb, recalls the Kennedy Administration decision to block the sale of wide-diameter pipe by the West Germans to the Soviet Union. The purpose was to slow down the construction of a pipeline, which the U.S. feared would make Europe too dependent on Soviet oil. But the effect, according to Ball, was considerable resentment in Germany—and the development of new manufacturing capability in the Soviet Union. Ball recounts: "A year or so later, a high Soviet official said to me: 'We're grateful to your government for keeping us from getting that German wide-diameter pipe. As a result, we're now producing such pipe and are no longer dependent on the West.' "

Ball argues that the U.S. ability to influence the internal affairs of a major nation like the Soviet Union through trade sanctions is highly doubtful. "Indeed, if we signal to the world that we are blocking or threatening to block such transfers to press a powerful nation to alter its pattern of conduct, we may only strengthen the hands of its most aggressive leaders," says Ball. "A significant factor in foreign policy is national pride, and no leader of a major country can ever admit he is taking orders from the U.S."

Recent history supports Ball's thesis, not only for large countries but also for smaller ones like South Africa and Argentina. Assistant Secretary of State Julius L. Katz concedes that even boycotts, the most intense of all economic sanctions, have "limited" political and economic effect. The U.S. boycott against Cuba dealt a temporary blow to that island nation, and the Rhodesian chrome embargo, supported by many countries, helped damage that nation's already war-torn economy. But both countries have survived with their political leadership intact. Moreover, Cuba has moved closer to the Soviet Union and Rhodesia has developed indigenous industries it would otherwise have neglected. Similarly, Katz says, the U.S. boycotts in Vietnam, North Korea, and Cambodia have had minimal if any political or economic impact.

More limited trade sanctions, such as denials of export licenses or financing, have been even less effective. The Jackson-Vanik Amendment to the Export-Import Bank Act is perhaps the most revealing example. Although Soviet emigration was rising before its passage, the number of citizens permitted to leave the country in the first year after its enactment dropped more than one-third to a mere 13,459. Similarly, ongoing negotiations for a U.S.–U.S.S.R. trade pack were abruptly curtailed by the Soviets, and between 1976 and 1977 U.S.-manufactured exports to the Soviet Union were cut 28.4 percent, largely due to roadblocks put up by irate Soviet officials. Although emigration figures are presently improving, observers attribute that to the Soviet desire for a SALT agreement rather than the success of Jackson-Vanik.

The denial of export financing has been equally ineffective in influencing a regime's policies. In Argentina, for instance, government officials already had a joint European financing offer when the U.S. government denied a "letter of credit" to Allis-Chalmers Corp. for the construction of a major hydroelectric plant. Although the letter was finally approved when Argentina made some slight improvements in its human rights policies, denial would have caused that country no great hardship. This is generally the case, since most products and financing are available from the Europeans and Japanese, who vigorously promote exports rather than impose foreign policy limits on them.

BLOCKING SPERRY RAND

Like financing, the denial of an export license has many more economic minuses than political pluses. In the case of Sperry Rand a $6.8 million computer sale was blocked even though the Germans and Japanese could provide the same equipment, and the American company had already installed a similar computer to solve Aeroflot's reservation problems. The gesture did not measurably affect the trial of Soviet dissident Anatoly Shcharansky, but it did result in the curtailment of Sperry Rand's marketing efforts in the Soviet Union.

Similarly, the mere imposition of a licensing requirement can have adverse commercial effects. Although no sales have been blocked under the new licensing requirements for oil and gas technology exports to the Soviet Union, senior vice president Edward R. Luter of Dresser Industries, Inc. says that "the new procedure for obtaining licenses will create more uncertainty among our customers and make it more likely that our competitors will get the deal." Moreover, Senator Stevenson and others are questioning whether the control of such technology is really in the national interest. "It ought to be our objective to increase world supplies of oil and gas," he maintains. "Since the Soviet Union is the world's greatest producer already, it would be damaged less by inadequate supplies than the U.S."

In South Africa, the imposition of controls on U.S. sales to the military and police have had no positive political effect. Indeed, Ball and others argue that they may help to conssolidate reactionary opinion, increase black unemployment and sharpen the lines of racial discrimination. Warns Ball: "Such actions might impede the very changes that we are hoping to bring about."

Those hit hardest by foreign policy controls are the nation's high-technology industries—computers, electronics, nuclear power, oil and gas equipment and machine tools. Since their most promising markets are in the Soviet bloc, the People's Republic of China and the dictatorial regimes of South America and Africa, foreign policy controls raise a major impediment to their growth. Moreover since these are ticket items, restricting their exportation on foreign policy grounds adds to the trade deficit at a time when promoting exports is an important national goal.

To point up the fact that trade considerations now have top priority, the Administration is:

Initiating a fast-track system for technology licensing.

Considering decontrolling certain products while maintaining conrtols on the technology.

Simplifying the interagency consultative process.

Clarifying antitrust, environmental and antibribery requirements.

Reducing overall delays in financing and licensing.

"We're not taking our foreign policy concerns off the table," says Frank Weil. "We're adding to the table our concerns about jobs and the dollar." As the architect of Carter's export promotion program, Weil warns that it would be "wishful thinking" to assume that foreign policy controls will be eliminated. "Now that we have the [export] policy, it will be hand-to-hand combat" with the foreign policy establishment. But given the President's export directive, and the growing public concern about the economy, there is no question that trade advocates have the high ground—at least for now.

THE EXPORT FOG

The United States was blessed with so much territory and natural resources that its original and primary thrust was development at home. In this century, however, we have cast off the cloak of isolationism and our role in the world has been twice magnified as a result of our role in two world wars. After World War II we emerged as the dominant economic force in the world and our dollar became and has remained the primary currency of international trade.

We arrived at this position as the result of actions we did not plan nor intend to take. Much of our enormous postwar wealth has rested on benefits gained as a result of our world position. That position, like all things, cannot and has not remained static. Yet our perceptions of the world seem to ignore some basic and permanent alterations that have reshaped the world economic order. Unless more of us realize the changes and our government takes an active role in directing a new future, we shall slip from our present economic preeminence and, eventually, find ourselves a second-rate power.

The oil embargo earlier this decade was a rude awakening to our sense of invulnerability. Yet we did not then fully perceive the nature of the changing international economic order. Continuing domestic problems of inflation, the decline of the dollar against world currencies, and our growing trade deficit are symptoms of the change. Yet our economic policies have been directed inward toward controlling the forces we thought shaped our economic destiny. Some controlling forces, however, are outside. The phenomenal increase in world trade, coupled with increased American dependence on foreign resources, and rapidly growing competition from industrialized nations, are among these forces. It is ironic that we Americans, the most important advocates and practitioners of free trade, have become victims of our own inability to understand its various manifestations.

Other industrialized nations long ago learned that it was necessary to export in order to grow. Since few, if any, other nations were as close to self-sufficiency as the United States, exports were a simple necessity to pay for vital imports. Now the United States must learn to rely more on export prowess.

The stakes are high. Since we cannot tolerate the present rate of our trade deficit, unsuccessful efforts to remove growing barriers to our goods in other nations may require that we further tighten up access to our domestic market. A careful effort now to control and dismantle some of the proliferating non-tariff barriers, combined with new incentives to export, can boost the health of our domestic economy, the stability of international trade, and the strength of the dollar.

THE RISE OF THE EXPORT IMPERATIVE

A new reality has reshaped the basic economic patterns of American commerce in this decade. The United States must export greater quantities of goods to earn the money necessary to pay for the greater volume and cost of imports. It seems so simple a truth that, once stated, it is surprising it has taken the nation so long to understand what changes have transpired.

Yet, apparently the United States remains largely unaware of the significance of the change. One Treasury Department source confided, "Our perceptions of the world have not adjusted to change in the world's economy."

There is more to this indictment of American judgment than meets the eye. The President, the Treasury Department, the Commerce Department, the Export-Import Bank, Congress, influential economists, and American industry have all begun to see the nation's trade deficit as a problem requiring greater emphasis on exporting. What is missing, perhaps, is an understanding of what is at stake. The undervalued dollar and trade deficit are villians at work in the perplexing domestic inflation problem. Additionally, the weak dollar, the currency of international trade, is blamed for instability in world commerce. And, the gradual drift of the world away from growth-producing free trade to new, more evasive non-tariff trade restrictions could, if left unchecked, lead to a major world recession or protracted trade wars. In view of the potential economic perils, a more thorough investigation of the complex issue of trade is required, along with the development of an American export policy that serves the needs of the United States and is compatible with the well-being of other world economies.

The most important unrecognized change has been the spread of advanced technology to other nations which now compete more effectively with U.S. industry for both domestic American and world markets. Long absorbed with the notion that America's world economic influence was decisive, many Americans have not yet perceived that the world has moved in directions beyond the control of U.S. policy. The National Association Of Manufacturers (NAM) published an analysis of the changing world scene earlier this year that indicates a new willingness by industrial leaders to come to grips with the changing reality. The study, entitled *U.S. Trade Performance Since 1970*, was conducted by NAM's vice president and international trade specialist Lawrence A. Fox. It concludes that American businesses have lost market shares in the world economy in spite of the fact the United States by a narrow margin is still the largest single exporter. Notably, the study traces the dynamic growth of Japan and West Germany, along with other Western European nations. Additionally, some important less developed countries (LDC's) are fast growing into industrial powers; in particular, Brazil, Hong Kong, Mexico, Singapore, South Korea, and Taiwan. In short, the United States is losing out in both high and low technology to keen competition from around the world.

ENERGY SUPPLY CONCERN

The United States, however, has largely ignored its loss of markets in favor of another trade concern—oil imports. Since the oil embargo of 1973, Americans have become absorbed in the various ramifications of an energy crisis. Thus, it was easy to address trade problems as primarily based in the nation's growing reliance on foreign oil suppliers. The concern is not misplaced. The record-breaking 1977 trade deficit was led by 2.5 billion barrels of imported oil, purchased at a cost of $41.5 billion. In 1970, by comparison, the nation imported one-fifth this quantity of oil but at a cost of only $2.8 billion. NAM's Fox points out in his study that the energy crisis has partially camouflaged a more fundamental problem of trade. In the first 6 months of 1978 the underlying weakness in the U.S. trade position became clearer. During that period imports of machinery and transportation equipment replaced oil as the chief contributor to the trade deficit. Manufactured goods moved into second place, pushing oil back to third.

In particular, the NAM report challenges the common argument that current trade deficits are the result of strengths in the U.S. economy which are increasing demand for imports while the economies of our trading partners are growing slowly, thus reducing demand for American goods abroad. The fundamental difference in economic policy in the United States and such countries as West Germany and Japan in the reliance here on domestic demand and the reliance there on export incentives for stimulating growth.

Our meager export showing, charges NAM, is due to a decline in our competitive position and not to an overall decline in world demand. The "slow growth" economy of West Germany, for example, expanded its exports of manufactured goods to the world outside the United States by 14.6 percent in 1976 and 8.5 percent in 1977.

The United States, by comparison, increased its exports in 1976 by only 8.9 percent and in 1977 by only 6.2 percent. Thus, West Germany, which outstripped the United States as long ago as 1970 as the leading world exporter of manufactured goods, continued to expand its advantage.

The European Economic Community also increased its exports at a faster rate than the United States. In fact, EEC's overall rate for 1977 (17.2 percent) was higher than West Germany's. Japan's growth rate was even higher, 17 percent in 1976 and 23.8 percent in 1977.

A drop in demand, however, is responsible for lower agricultural exports in the last 2 years. Improved wheat harvests abroad, sometimes aided by the export of American agricultural technology, have reduced the demand for American wheat surpluses. A poor crop in China this year, however, may reverse the trend for the present and help improve our trade balance for the last half of the year.

The decline in America's competitive position did not begin in this decade. American exports began to encounter trouble in the 1960's and policymakers blamed the fixed-rate of the dollar to gold for the nation's predicament. It was believed that if the overvalued dollar were devalued and eventually floated with other major currencies, the discrepancies between prices of American goods and its competitors would disappear.

The currencies of West Germany and Japan were so undervalued against the dollar that American exporters could not compete in those markets, analysts claimed. The first few years after devaluation (which came effectively in 1971), U.S. exports rose sharply, fed additionally by strong growth in demand by the expanding economies in Europe and Japan. Some thought a trade solution had been reached.

The energy crisis tipped analysis of the U.S. trade balance away from the issues of trade barriers and competition. By the time President Carter came to office, the United States and many industrialized nations had arrived at a common conclusion—a comprehensive energy plan in the United States would reduce dependence on oil imports and balance the American trade ledger, leading to a stable dollar.

TRADE HYPOCRISY

Far from the headlines, however, an international elite knew better; namely, that rising non-tariff barriers were beginning to undermine free trade. The General Agreement on Tariffs and Trade (GATT), to which 83 nations are signatories, was established to promote the growth of world trade through the elimination of trade barriers. Trade barriers were the norm rather than the exception in the early years following World War II. A world consensus to reduce such barriers fostered the creation of GATT and steadily whittled the barriers away, reaching a low point in the early 1960's. Since then, however, they have risen, leading eventually to the 1974 declaration that the Multilateral Trade Negotiations (MTN) should proceed through a new round to dismantle the proliferating varieties of non-tariff trade barriers that were undermining free trade. It is still hoped that an agreement can be concluded in 1978. Whether such an agreement will be effective in significantly reducing trade barriers remains to be seen.

NAM's trade analyst Fox has criticized the industrial nations for allowing their governments to be lulled into a false sense of security, by naively believing that trade negotiations would proceed at a fast enough pace so that the world economy would muddle through. Fox points out the hypocrisy behind some nation's criticisms of those who block trade while at the same time erecting import restrictions and designing export subsidies. The United States, in fact, will be compelled to join the ranks of other nations if barriers aren't reduced, thus inviting trade wars.

Most Americans believe the peace and prosperity of the free world rest on free trade. Thus, it is with regret that many have been compelled to predict that the U.S. may follow other nations in their drift toward protectionism. Foreign economies are not fashioned after U.S. models and it is here that some of the trade problems begin. Practices Americans consider unfair or unethical operate openly and freely in some nations. Many developing nations have pursued industrial programs that were designed more to enhance their prestige than to meet the economic realities of world demand for goods. This has fueled some of the predatory trade practices, as nations sought to maintain full employment at home at the expense of nations that left their trade access undefended.

As goods subsidized by foreign governments began to undermine American industries on their own turf, Congress became alarmed and established mechanisms to deal with the growing cases of dumping—the practice of selling goods in a foreign nation at prices below the cost of production in the country of origin. The Trade Act of 1974 established the methods by which the United States could establish its own protection, under GATT rules, without endangering the fundamental fabric of free trade.

The Treasury Department, however, at first dragged its feet in enforcing dumping and countervailing levies, according to critics in American industry. The wave of domestic reaction to dumping led to the development of interagency task forces in 1977, as the nation's steel industry fell victim to steel imports that flooded the United States when Japan and the European Economic Community bilaterally agreed to keep excess Japanese steel out of Europe.

A trigger price mechanism, developed by the Treasury Department earlier this year, has helped the U.S. steel industry get back on its feet and gear up to compete more effectively with foreign steel producers.

NON-TARIFF BARRIERS

Even the Treasury Department's Gary Hufbauer in the international trade division is now compelled to agree with industry critics. "Either we beat the growth of non-tariff barriers or we join them," he admits.

This does not mean, however, that the United States is abandoning its commitment to free trade, notes Hufbauer. Negotiating to remove non-tariff barriers is "a better way to respond to foreign competition, by seeking to control foreign subsidies and other government interventions rather than to institute our own subsidies and comparable incentives here."

Fox at NAM identifies the major non-tariff barriers as follows—government procurement requirements, indirect and direct subsidies, and industrial and product specification standards. These unilateral measures were condemned by the OECD last summer, as the member nations pledged to "abstain from destructive competition."

The United States is not without blame in the free trade area. Critics have claimed that the initial reluctance of the Carter Administration to shore up the sliding dollar was a conscious protectionist policy. And various states within the nation often pursue their own vigorous incentives to growth that sometimes violate the spirit and letter of GATT.

President Carter chose to wage a campaign against one domestic incentive that has also raised criticism by GATT—the Domestic International Sales Corporation (DISC). These corporations allow American companies to defer a portion of taxes on income invested in export sales and services. Carter's tax recommendations for 1978 included the Abolition of DISCs, even though the Treasury Department's own study supported the claim that they stimulate export growth and added to tax revenues. The United States should retain DISCs as a bargaining chip in trade negotiations until foreign competitors concede the "equivalency of access" that makes free trade work, according to NAM statements.

American companies rallied behind trade spokesman David C. Garfield, Vice Chairman of Ingersoll-Rand Company and head of the Special Committee for U.S. Exports representing 1200 companies. The Committee's testimony favoring retention of DISCs was generally well received on Capitol Hill and both the House and Senate tax committees refused to include the elimination of DISCs in the new tax act.

EXIMBANK CREDIT

American business leaders, increasingly alarmed about the trade policy of the United States, feel that Americans are not pursuing vigorously all the options available to them under the rules adopted by GATT. In particular, the Export-Import Bank has failed to operate on a level that would sufficiently encourage increased exports. Its credit policies have wavered over the years, but many believe they have largely favored the profitability of the Bank over the competition of American goods with foreign goods.

The Eximbank has been labeled by the Chamber of Commerce of the United States "the single most effective government instrument to boost exports." It can seal borderline deals, when companies cannot obtain credit for their client-purchasers elsewhere. Better credit terms are needed to compete with allegedly trade-destroying credit guaranteed by foreign governments.

The Chamber has criticized the Eximbank since 1975 for its noncompetitive credit policies, and its recently appointed head, John L. Moore, has begun to turn around the bank's policies, making them more aggressive in the pursuit of export support. Moore has recently spoken out against the violation by other nations of the new International Arrangement On Exporter Credits signed by the OECD's Export Credit Group.

Concern in Congress about improving the trade balance of the United States has recently fostered a more supportive attitude toward American exporters. New legislation expands the limits of Eximbank funding (all raised on the private market with government guarantees). It will give the Eximbank greater leeway in determining who can be granted credit. Long derided as the Eximbank's "loan committee of 535," Congress seems willing to reduce some but not all of its lending restrictions, such as those prohibiting loans to Communist nations, supporters of the Arab boycott, and nations that violate certain human rights. President Carter recently helped the Eximbank hold off a serious new threat to its ability to function by requesting that environmental impact statements not be required for projects outside the jurisdiction of the United States.

Many major barriers persist, in spite of the recent favorable export actions taken by Congress. These barriers make American exporting companies the unintended victims of government policies created to achieve political objectives. Two particularly troublesome laws among the many that impede exports are those directed at neutralizing the Arab boycott of Israel and the Foreign Corrupt Practices Act. The former does not effectively counter the Arab boycott and the latter certainly does not alter the business practices of other nations. The only visible impact is that American exporters lose customers to competitors in Europe, Japan, and elsewhere.

Industry leaders are gearing up a campaign to alter or eliminate some of the domestic barriers to exporting, including antitrust laws that prohibit U.S. companies bidding jointly on foreign projects, a restriction that has made it nearly impossible for American businesses to compete with others in lucrative construction projects. President Carter, in his new export policy statement, has urged the Justice Department to reexamine this restriction and give American business more joint-action options in seeking business abroad.

MARKET ASYMMETRIES

Foreign and domestic government intervention is, by no means, the only culprit in the U.S. trade deficit. Critics in the United States point to both economic and marketing factors that are having an important, although secondary, effect on the export prowess of American companies. The size and wealth of the United States are a natural lure to any nation. American companies, on the other hand, have no single market abroad that compares to their own. In addition, the domestic market is so large that it alone offers economies of scale to Americans, thus eliminating the requirement to export. Foreign companies have domestic markets that are too small to give them comparable economies of scale. They, thus, must export to other markets to obtain the volume necessary for low cost production. These natural asymmetries weigh against exporting in the United States and in favor of exporting to the United States in other nations.

While U.S. business has been vocal in its criticism of the American government, some in government have quietly been pointing a finger back at business.

"The cost of entering a foreign market for U.S. firms can be high," admits one Treasury source, "but the potential for profit is clear for many companies that are not exporting."

American companies may be victims of their too frequent reliance on short-term marketing, criticizes another Treasury source. Thus, they do not invest the time and money needed for major innovations. Instead, they rely on minor modifications of products. The Japanese and Europeans, on the other hand, see dramatic new product advances as the key to market penetration in the United States and elsewhere. U.S. companies seem, by comparison, "too risk shy for their own potential good," concludes a Commerce Department source.

EXPORT ADVICE

Under the leadership of Commerce Secretary Juanita Kreps, the U.S. government has been developing programs to close the marketing and information gap that keeps potential exporters from taking advantage of foreign markets, particularly the smaller companies that don't have the resources to launch an export effort without some outside help.

Commerce Under Secretary Sydney Harmon led one such project to save import-damaged shoe manufacturers to turn around their fortunes and become competitive exporters. Through Harmon's Footwear Industry Teams (FITs), developed last year, shoe manufacturers have solved some of their own marketing problems and have found new markets abroad among Europeans who want to buy American-made shoes to go with the ever-popular American jeans.

The Chamber Of Commerce has supported government funding in research and development that could help American companies meet foreign product standards that have been keeping some exporters at home.

President Carter, in another response to the export dilemma, is seeking to reestablish the Export Council, an organization launched by President Ford but which fell into disuse after Carter came into office. No doubt the President will reply more on Assistant Commerce Secretary Frank A. Weil, who headed the interagency task force that drew up policy recommendations for the President before he issued his new export policy in late September.

The revived Export Council could fill the void that many in industry see as a barrier to closer government-business cooperation to meet the challenge of foreign trade competition.

It could be that a more determined effort on the part of the United States to pursue vigorously a new export initiative can be the catalyst that will bring a recommitment from world governments to the pursuit of free trade. In the long run, a U.S. market with its doors shut to foreign goods will do more damage to other nations than to the United States. The past refusal of some in U.S. government to help domestic industry compete may have given some foreign governments reason to believe that the present trade barrier inequities could continue indefinitely. For the good of all, however, it is hoped that the Tokyo Round of negotiations will lead to a relaxation in trade barriers and a new stability in international commerce.

AMERICAN EXPORTERS CAUTIOUSLY OPTIMISTIC

By most industry measures President Carter's new export policy program, announced last September, was too weak to effect any real turnaround in the nation's trade account. Within the Administration and within Congress, however, industry and business leaders feel they have struck a responsive chord.

The message to American exporters is clear. Now is the time to make a major effort to promote a new, comprehensive trade policy.

One observer feels that the events of the last year are similar to those which produced the Trade Act of 1974, one that addressed the import side of America's trade. The corollary export side of the trade equation was largely ignored then, and some key Congressmen seem to realize that this neglect requires future action.

The extensive hearings during the past year of Senator Adlai Stevenson, III, Chairman of the Senate Commerce Committee, has helped lay the groundwork for new legislative initiatives in the Senate. In late September, Congressman William Alexander of Arkansas organized a House Export Task Force. The ad hoc caucus contains key members of five House Committees that address trade concerns—Agriculture, International Relations, Banking, Appropriations, and Ways and Means.

Martin James, spokesman for Congressman Alexander's office, reports that he envisions new export legislation in the new Congress.

James sees legislation aimed at reducing domestic barriers and increasing export incentives, although he declined to predict the form of any potential bill. The Export Task Force will not meet again until two weeks after the new Congress convenes next month. Already, however, James sees a possible study of the problems of trade, under the direction of the Library Of Congress, reporting back to the caucus. The initial goal of the caucus has been and will remain one of education on the trade issue, he stated.

Industry observers hope minimally for some action to reduce self-imposed restrictions on trade, such as those in the Arab boycott legislation and the Foreign Corrupt Practices Act. Current antitrust provisions that make it difficult for U.S. companies to bid jointly on foreign projects will also gain some Congressional audience, industry analysts believe. While there are those in industry who would like to see new export incentives, no clear consensus has emerged on the specifics of any new incentives. While the possibility of legislation appears less promising here, it is not being ruled out.●

FORMULATION OF PUBLIC POLICY

● Mr. CULVER. Mr. President, I have long been interested in encouraging and developing effective foresight capabilities in the formulation of public policy. Far too often we make decisions, based only on current knowledge and historical precedents, with little thought to their potential far-reaching consequences. Advances in science and technology result in major changes in both our society and our environment, and we do not make the effort to anticipate those changes as we should.

Russell W. Peterson, Director of the Office of Technology Assessment, recently discussed in an essay in the January 17, 1979, issue of the New York Times our growing awareness of man's interdependence with nature and the need to assess both the costs and benefits of a technological proposal. In particular, Mr. Peterson argues that we must have a more broadly based approach to our decisionmaking because the "cumulative impact of desirable and tolerable single actions can, in the aggregate, become intolerable."

I believe this article succinctly explains the critical role which anticipation of future events ought to play in our decisionmaking, and I ask that it be printed in the RECORD.

The article follows:

SEEING THINGS WHOLE

(By Russell W. Petersen)

WASHINGTON.—What the American Indian and some other ancient cultures have known all along is now generally recognized—that a change anywhere affects everything else. The more science advances us, the more we come to realize the "seamless web" that is man and nature.

Furthermore, it is now appreciated that a decision made today may well have a delayed impact 20, 30 or 40 years from now. And it's increasingly clear that the success of each individual depends on what other individuals all over the world are doing. And finally, whether we like it or not, we have come to understand that man must live in harmony with nature.

As science and technology advance and as we unravel more of nature's secrets, we ask whether science can solve our major problems. The experience of recent decades suggests that often too much has been expected of our scientific and technological knowhow. Consider these recent expectations: Antibiotics would wipe out disease; the atom would provide a boundless source of energy; the Green Revolution would conquer world hunger. The failure of technology to meet our expectations is, in part, a reflection of the simple truth that each new advance not only meets old needs but also creates new ones almost simultaneously.

The atom has provided a new and important source of energy but at the possible cost of saddling future generations with the surveillance and guarding of radioactive wastes. Antibiotics have curbed many infectious diseases, but as they have helped make inroads on the historic scourges of mankind's health, other diseases—cancer, heart disease, diabetes—have moved to the forefront.

It is not too much to say that science and technology by themselves are often inadequate to ensure enhanced social welfare. We are now more cautious and realistic in our assessment of technology. We now demand critical analyses of what an advance can and cannot be expected to do, in what time period, and with what social and cultural costs and benefits. That is why the Congress decided, several years ago, to form the Office of Technology Assessment.

We are seriously trying to anticipate the costs as well as benefits of technology and assess its distant effects. Is the technology wise? Will it inhibit progress more than it helps? Is it in the public interest—and in the interest of posterity?

It is easy to bemoan the problems that have resulted from some applications of science and technology and to advocate a return to simpler styles of life and a society less dependent upon technology. But those simpler times were possible primarily because there were fewer people with more limited aspirations. Today we have no choice but to go forward. We can no longer simply muddle through, concentrating only on the problem immediately before us. We must broaden our perception to include a holistic perspective. Otherwise, the really important is not always obvious—and we risk missing the main point.

While I have become more and more convinced of the importance of making decisions from a holistic perspective, I have, at the same time, become increasingly appreciative of the great strengths of a pluralistic society. These seemingly contradictory convictions stem from common considerations: each action affects everything else; the impact of today's actions may be delayed for decades; the cumulative impact of desirable and tolerable single actions can, in the aggregate, become intolerable; there is a limit to harmony with nature; we are ill-equipped to measure progress.

These considerations certainly call for a comprehensive understanding of our global environment and the ability to bring such understanding to bear on our decision-making. They justify a substantially increased effort to train more generalists for leadership in all of our institutions.●

ISSUES CONCERNING AMERICAN CITIZENS LIVING ABROAD

● Mr. McGOVERN. Mr. President, last year I proposed, and Congress enacted, an amendment to the Foreign Relations Authorization Act calling upon the administration to analyze and report to Congress on the subject of Americans living abroad. The purpose of the amendment was to cause the executive branch to focus on the myriad of issues which arise in fairly determining the rights and obligations of our citizens who, for one reason or another, live in foreign countries. By January 20, as stipulated in the amendment, the President will submit the required report for congressional consideration. As supplemental material on this complex subject, I submit for the Record an analytic compendium of issues prepared by a group called American Citizens Abroad. It would, of course, be improper for me to endorse this report without further study, but I believe it provides useful information on a broad range of questions which will require careful study and deliberation during the 96th Congress.

The compendium follows:

American Laws and Regulations That Discriminate Against American Citizens Living Abroad: A Compendium of Issues Prepared by American Citizens Abroad

American Citizens Abroad,
Geneva, Switzerland, December 18, 1978.

Mr. Jimmy Carter,
President of the United States,
The White House, Washington, D.C.

Dear Mr. President: The 1979 Foreign Relations Authorization Act, which you signed on October 7, 1978, contains a special section (611) which asks you to submit a report to the Congress by January 20, 1979, concerning American laws and regulations that discriminate against Americans who live abroad.

American Citizens Abroad (ACA) is a group of American citizens living around the world who feel that improving the way those living abroad are treated is in the best interest of all Americans, especially those living in the United States.

We have been working for the past several months to collect information to assist you and the members of your staff and Administration in the preparation of this report that you must submit to the Congress. We have been aided in our work by a multitude of ideas and suggestions that we have received from Americans around the world including those living on all of the major continents and those living behind the Iron Curtain.

We are proud to present these ideas and suggestions to you in the form of the book that is being sent under separate cover. We would very much like to be able to help you in any other way that you might find appropriate. Should members of your staff find it useful, we would be prepared to arrange for meetings with groups of Americans Abroad in different countries to provide a fuller development of the issues that we have presented.

Your concern for the human rights of mankind is greatly appreciated by those of use who live abroad, and it certainly makes us proud to be able to claim that this is what America is really all about. We would only hope that this concern would be also translated into new policies which would extend the same guarantees of human rights to American citizens who happen to live abroad. Sadly enough such guarantees are not at present in existence.

Our kindest regards to you and your family and our hopes that you will have a joyful holiday season.

Most sincerely,
Francis Pribula, Andrew P. Sundberg, Steven M. Kraft, Don V. W. Person, John Iglehart, Eugene Epstein, Robert W. Sheets.
Directors.

INTRODUCTION

America is a land of immigrants. Most of her citizens left their home countries to seek a new life in what was believed to be a promised land, specially endowed and especially favored in the eyes of deity.

America was built by immigrants, and by the gifts of individuals who were willing to come, some for only a limited time, to create this new entity out of a nearly virgin wilderness.

One cannot understand the history of America without stumbling over countless instances of special people who came from abroad to participate in the fight for independence and in the creation of a new form of government. Count Pulaski came from Poland, Baron von Steuben came from Hesse, Lafayette came from France, Albert Galatin from Switzerland, and so on.

But, many of those who came also returned to their home countries, or to other lands. Lafayette went back to participate in the French Revolution, John Paul Jones who is called the "Father of the American Navy" went to Russia and became an Admiral in Katherine the Great's Navy. Yet these were undeniably vital people in the building of America.

Other individuals who we cannot conceive of as other than "Americans" spent many years abroad in the service of the United States. Benjamin Franklin and Thomas Jefferson created ties of affection between the fledgling new Union and France. John Adams was in Holland, others built ties to the other powers in Europe.

And, finally, throughout our short history many Americans have continually gone abroad to build the links of commerce and social affection which have brought the United States into a full sense of harmony and participation with the other nations of the world.

Yet, throughout all of this period America has been principally busy building inside, rather than looking outside. It has been growing and absorbing new waves of immigrants arriving to meet the continuing need for more labor. And, each new wave of immigrants has felt a keen need to prove quickly that they are as much the incarnation of patriotism and dedication to the ideals of the United States as those who preceded them.

America remains a land of immigrants. Most of its commercial activity is internal rather than external. And the basic traits of the American character still remain dominated by a patriotic machismo which attributes praise to those who come to play our game.

It is not surprising, therefore, that even today the role of expatriates, those who have gone abroad from America is still little understood, and even less accepted with equanimity. For if immigrants are to be praised, what are we to think of emigrants, even those who are abroad for only a short period of time?

Thus it is that unlike almost every other country of the world, America has not affection for its expatriates, but rather hostility and mistrust. For isn't there something fundamentally wrong with those who might choose to live in any other country?

Today there are over 1.5 million American citizens living outside of the United States as private citizens. If those working for the U.S. Government, the Armed Forces and their dependents are added the total would approach nearly three million.

The population of civilian expatriates, without any contractual ties to the Government exceeds the population of 14 different States in the United States, and in fact is larger than the combined population of the three smallest political units added together.

Yet, for all intents and purposes the American expatriate community and its problems are almost totally unknown to the average American citizen, and the indifference if not subliminal hostility that would be manifested if the question of expatriates were to be raised is rather well represented in the attitudes and opinions of many of the individuals who are chosen to conduct the legislative business of the United States.

Americans living abroad have generally been a forgotten constituency. And, for many who are abroad this was a situation that did not have too many inconveniences, although certain severe problems inevitably occurred for individuals who came into confrontation with specific laws applying to expatriates.

However, in 1976 the roof fell in on those living abroad. The Congress, impelled by a tax reforming zeal, decided that it was time to start applying much more severe pressure on the taxation of those living abroad. A plan was proposed for essentially doing away with any exclusion of income earned abroad for U.S. tax purposes, and coincidental with this Congressional action the U.S. Tax Courts ruled that any allowances or services paid to Americans working abroad had to be declared as income at the full value of the facilities or services provided, not at whatever nominal cost an employer might charge.

The result was an enormous extra tax burden. The Treasury Department did a great misservice to those abroad by grossly underestimating what impact the 1976 law would have. Treasury's initial estimate was extra revenue of about $50 million, which implied extra tax of a few hundred dollars per expatriate taxpayer. But the uproar from the expatriate community following enactment of this bill was stunning. Under pressure from Congress which began to receive voluminous complaints from those abroad and from their employers, the Treasury made a new estimate of the revenue to be earned from changes in taxation of those abroad and this time, based upon different data, the estimate came close to $400 million. The Congress had required the typical overseas taxpayer abroad to pay an extra several thousand dollars, not the much smaller sum they had originally believed.

The stage was obviously set for a new form of relief from this mistake. But much hyperbolic rhetoric had been expended at the expense of those living abroad, and this could not be retracted. There was no way to go back toward the old practice of excluding part of the income earned abroad from U.S. tax, so a new form of special deductions was chosen. Alas, for those in many countries this is not an improvement at all.

The Congress had also been considering whether those living abroad, and being taxed, should not be granted a better opportunity to exercise the right to vote in the United States. A new law was enacted to guarantee all expatriates the right to vote in Federal Elections and this took effect in 1976. However, there was no rush to the polls from abroad, because expatriates were becoming very wary of gifts from Washington. One obvious trap was the fact that registering in a State in the USA could lead to the State using this as a justification for wanting income tax to be paid at the State level. Those abroad, already badly bruised with Federal tax had little interest in an even greater tax burden. It was finally recognized in 1978 that the law, to be meaningful, had to be amended to forbid States to use the voting registration as any claim by the State to be able to tax the overseas voter. But, of course, many of those who live abroad are not willing to take any chances any more with income, or estate tax liability from voting, and many will probably never use this new franchise.

The situation today concerning expatriates is still very confused. The United States has a peculiar philosophy of insisting that obligations of citizenship are ubiquitous but that many rights and benefits of citizenship must stop at the water's edge.

The expatriate community, on the other hand, has finally been awakened from its political torpor by the recent rape of the pocketbook. And now awake, the community is taking a much closer look at other problems which face those living abroad.

AMERICAN CITIZENS ABROAD (ACA)

During the last few years, a group of American citizens living in Geneva, Switzerland, has been concerned with a number of problems that afflict expatriates.

During the summer of 1977, members of the group decided to seek help for those living abroad by appealing directly to the White House for assistance. A special request was sent to the President asking him to establish some sort of Commission to look at problems facing those living outside of the United States. Members of the group met with some of the members of the President's staff and found some initial encouragement from the personal views of these staff members. But, eventually, when asked for a final verdict on what could be expected, the reply was given that the President does not like Commissions and there would be no special help from the White House for expatriates.

Indeed, in early 1978, the Administration's new position on how the tax laws should be amended concerning those living abroad proved to be so unfair that all hope of help from the Administration was quickly dissipated.

Fortunately, there are a number of Members of Congress in both Houses, who have been more sympathetic with the plight of those living away from home. Americans in Geneva had the opportunity to meet with Senator George McGovern in 1977, and he and his staff were particularly concerned that there seemed to be no overall policy in the United States toward expatriates and this was continually giving rise to all sorts of new problems which not only had an impact on individuals abroad, but which also could be much more profoundly important to the future of the United States.

Senator McGovern forwarded the request that had been sent to the President for a Commission on Expatriates to the State Department for its comments. The reply was that while such a Commission or study of expatriate problems could be useful, it should not be confined to State since the problems that would be raised would reach many other departments of the Government.

Having found that the White House was not going to do anything voluntarily for expatriates, and that State did not feel fully competent to deal with the need for analysis of expatriate policy, Senator McGovern decided to help Americans abroad by convincing other members of the Congress to accept an amendment to the 1979 Foreign Relations Authorization Act which required the President to report to the Congress on expatriate problems.

The text of Senator McGovern's amendment is as follows:

EQUITABLE TREATMENT OF UNITED STATES CITIZENS LIVING ABROAD

Section 611(a) The Congress finds that—

(1) United States citizens living abroad should be provided fair and equitable treatment by the United States Government with regard to taxation, citizenship of progeny, veterans' benefits, voting rights, Social Security benefits, and other obligations, rights, and benefits; and

(2) such fair and equitable treatment would be facilitated by a periodic review of the statutes and regulations affecting Americans living abroad.

(b) Not later than January 20, 1979, the President shall transmit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a report which—

(1) identifies all United States statutes and regulations which discriminate against United States citizens living abroad;

(2) evaluates each such discriminatory practice; and

(3) recommends legislation and any other remedial action the President finds appropriate to eliminate unfair or inequitable treatment of Americans living abroad.

This amendment was accepted by Members of the House of Representatives and Members of the Senate and it became law with the full bill on October 7th, 1978 when signed by the President.

To insure that there would be proper attention paid to this study, and to the identification of all of the issues that were felt to be particularly unfair by those living abroad, it was decided to create a new organization which would work to bring as many Americans living overseas as possible into the arena for this project.

In July 1978, after the amendment had been accepted by the Senate, American Citizens Abroad, was founded in Geneva, Switzerland, by a number of private American citizens. The organization is a non-profit association of Americans who are striving to create a better understanding in the United States of the value of the expatriate community, and of the need for the United States to take a more concerted effort to insure that expatriates were being fairly and equitably treated while they were living abroad.

ACA publicised the fact that the Study on Expatriate Discrimination was to take place, and invited Americans from all over the world to send in information and suggestions of issues to be covered. Replies to this request were received from hundreds of individuals including residents in all of the continents of the world, from those behind the Iron Curtain, and from those in North America especially in Canada and Mexico. But, of equal interest was the volume of replies from those abroad working for the U.S. Government who also felt that there were laws and regulations that discriminated against Government employees abroad.

ACA has volunteered to help the White House in the preparation of its study, and remains at the disposal of the President for whatever additional contributions might be found to be appropriate.

THE PRESENT REPORT

The present report is a compilation of issues that have been identified by American citizens living abroad which are felt to be discriminatory against expatriates.

Each issue has been individually addressed in a form which will hopefully assist those responsible for the preparation of the President's study. Each issue has a short title, a background discussion, a presentation of the problem of discrimination, and some suggestions as to how a solution could be reached for each problem.

This report is by no means complete in its identification, and should not be taken to suggest that any issues not herein contained need not be addressed. It is rather the first effort at a preliminary catalog of vital issues as seen from those living abroad.

A NOTE ON DISCRIMINATION

There are really two different aspects to discrimination that are important to consider when analyzing laws and policies that affect expatriates. The first is in terms of equity between citizens living in the United States and those living abroad. The second concerns the extent to which laws enacted for expatriates create a situation abroad in which American citizens face problems which are not the same as those facing other nationalities abroad. In this second case it could well be that discriminatory American laws and regulations are not only hurting individual Americans, but they also may be hurting those who hire Americans, and ultimately they may be doing major harm to all of the citizens of the United States, particularly those living at home.

ACKNOWLEDGEMENTS

ACA would like to thank the many generous members of the overseas American community who have contributed their time and thoughts to help make this present submission as full and complete as possible.

We would also like to particularly thank the many individuals in Washington who have given sympathetic support to our cause and who have given invaluable suggestions as to how to better promote the interests of Americans abroad and thereby of all Americans.

And, of course, a special thanks is due to the most kind generosity of Senator McGovern and the members of his staff without whom this report would not have been necessary, or possible.

ISSUE NO. 1

SHORT TITLE

Constitutional Right Denied to Children Born Outside of the United States.

BACKGROUND

In 1971, the Supreme Court by a five-to-four majority decided that there are two classes of citizens of the United States, those with full Constitutional rights, and those who are to be denied some of these rights. The distinction is made strictly on the basis of where the individual is born.

At issue in this case, Rogers vs. Bellei, was whether a law was Constitutional which required American children born abroad (if only one parent was an American citizen and the other was an alien) to return to the United States and live for a certain period of time or face involuntary loss of American citizenship.

In an earlier decision of the Court in Afroyim vs. Rusk, it was stated that the Congress has no "power, expressed or implied, to take away an American citizen's citizenship without his assent." This ruling was based upon an individual's Constitutional rights as expressed in the first sentence of the 14th Amendment.

The Court, in Rogers vs. Bellei, had a different composition than when the earlier case had been decided. The new Court was at pains to uphold the right of Congress to set special burdens upon those born abroad, but did not want to overrule the import of the earlier case. Resort was therefore made to a most extraordinary interpretation of the 14th Amendment's first sentence:

"All persons born or naturalized in the United States and subject to the jurisdiction thereof, are citizens of the United States and of the State wherein they reside."

According to the Court, this definition excludes those born abroad. Said the Court, "The central fact, in our weighing of the plaintiff's claim to continuing and therefore current United States citizenship, is that he was born abroad. He was not born in the United States. He was not naturalized in the United States. And he has not been subject to the jurisdiction of the United States. All this being so, it seems indisputable that the first sentence of the Fourteenth Amendment has no application to plaintiff Bellei. He simply is not a Fourteenth-Amendment-first-sentence citizen." By this judgment, not only Mr. Bellei, but every other American child born abroad will spend the rest of his life deprived of some of his Constitutional rights.

It is interesting to recall the dissenting opinion of Justices Black, Douglas and Marshall in this case. Said Justice Black on behalf of himself and the others, "I cannot accept the Court's conclusion that the Fourteenth Amendment protects the citizenship of some Americans and not others. Indeed, the concept of a hierarchy of citizenship, suggested by the majority opinion, was flatly rejected in Schneider vs. Rusk, 377 U.S. 163 (1964): "We start from the premise that the rights of citizenship of the native born and of the naturalized person are of the same dignity and are coextensive."

Justice Black further commented, "Under the view adopted by the majority today, all children born to Americans while abroad would be excluded from the protections of the Citizenship Clause and would instead be relegated to the permanent status of second-class citizenship, subject to revocation at the will of Congress. The Court rejected such narrow, restrictive, and super-technical interpretations of the Citizenship Clause when it held in Afroyim that that Clause "was designed to, and does, protect every citizen of this nation."

THE PROBLEM

The problem with the present status of children born abroad is obviously one of having to spend the rest of one's life with less Constitutional protection against involuntary loss of citizenship than all other citizens of the United States. The practical import of this second-class status was that up until October 10th, 1978, some children born abroad had to fulfill subsequent residence requirements in the United States or face involuntary and automatic loss of American citizenship. This provision has now been stricken from the law. But there is no protection for children born abroad from some future decision on the part of Congress to impose a similar burden, or one of another form. The Congress would not be able to impose any such burden on any other citizen, born in or naturalized in the United States, however, because these individuals have greater Constitutional rights than those born abroad.

The inequity of this situation is apparent when it is recalled that many children born abroad are in alien latitudes and longtitudes at birth precisely because their parents have been sent there by the U.S. Government or by their American employers. And, at the same time these children are born into second-class citizenship status, children born in the United States to casual tourists acquire full U.S. citizenship rights which those born abroad will never enjoy.

This is an example of a discrimination based solely on the latitude and longtitude of an individual's place of birth.

THE SOLUTION

There is no simple solution which is evident for this discrimination short of an amendment to the Constitution which would guarantee that there shall be no second-class category of American citizens, and that all citizens shall be equal regardless of race, religion, color, creed or place of birth.

ISSUE NO. 2

SHORT TITLE

Eligibility of an American child born abroad with American citizenship at birth to run for the office of President of the United States.

BACKGROUND

Article II, Section 1, clause 5 of the United States Constitution states:

"No Person except a *natural-born* Citizen, or a Citizen of the United States, at the time of the Adoption of this Constitution, shall be eligible to the Office of President; neither shall any Person be eligible to that Office who shall not have attained the age of thirty-five years, and been fourteen years a resident within the United States."

THE PROBLEM

The problem facing children who are born abroad with American citizenship acquired automatically at birth is that there is no legal Constitutional definition of "natural-born Citizen".

In recent years there have been several potential Presidential candidates who were not born in the United States and whose candidature would have been in doubt due to this definitional lacuna. Among these potential candidates were: George Romney (born in Mexico), Governor Christian Herter of Massachusetts (born in France) and Franklin D. Roosevelt, Jr. (born in Canada).

There has been much legal debate on whether those born abroad were intended by the Founding Fathers to be eligible for this office. There is no recorded discussion of the Fathers' opinions. However, during the First U.S. Congress, just after the Constitution was adopted, the first citizenship bill concerning those born abroad was passed. This bill stated that:

"And the children of citizens of the United States, that may be born beyond the sea, or out of the limits of the United States, shall be considered as natural-born citizens: PROVIDED, That the right of citizenship shall not descend to persons whose fathers have never been a resident in the United States." [1]

Equally significant in this bill and its use of the term "natural born citizen" is the fact that twenty members of the First Congress had been delegates to the Constitutional Convention, and that among these twenty were eight members of the Committee of Eleven at the Constitutional Convention which drafted the presidential qualification clause.

THE SOLUTION

Congress should act to remove the ambiguity that presently persists concerning the eligibility of children born abroad with American citizenship acquired at birth to hold the office of President of the United States.

One form of redress would be for Congress to enact legislation which repeats the use of the term "natural-born citizen" in the Immigration and Nationality Act. One appropriate place for this term to be used would be in the first sentence of Section 301 of the present Immigration and Nationality Act. In its amended form this first sentence would read:

"SEC. 301. (a) The following shall be nationals and *natural born citizens* of the United States at birth:—" (new wording italic).

Discussion of the intent of this change in the Congressional Record would establish that it was for the purpose of clarifying the issue of Presidential eligibility.

The weakness of this solution is that as an Act of Congress it could just as easily be changed by a future Congress.

A better solution would be in a clarification of the definition of citizenship in the Fourteenth Amendment to the Constitution. Rewording of this section could be as follows:

"Section 1. All persons born or naturalized in the United States, and subject to the jurisdiction thereof, are citizens of the United States and of the State wherein they reside. *All United States citizens who acquire their United States citizenship at birth are natural-born citizens.—*" (new wording italic).

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[1] Act of March 26, 1790, ch. 3, 1 Stat. 103, 104.

American citizens born abroad should not have to spend their whole lives in doubt about this basic right of citizenship in the United States.

ISSUE No. 3

SHORT TITLE

Congressional Representation for Americans Living Abroad.

BACKGROUND

There are over 1.5 million American citizens living outside of the United States. This number exceeds the population of 14 different States of the United States, and actually exceeds the combined population of the three smallest political units.

Americans living abroad have many common problems that are directly due to their being away from the United States, but at present these expatriates have no unique representation in the Congress.

Recent changes in American voting laws have enfranchised all of those living abroad for all Federal elections. And, this, of course, means that there is access to Members of the House of Representatives and to Senators, but most will concede that those living abroad form only tiny marginal percentages of their total constituencies, and those living at home must come first.

It is not to be suggested that the Congress has ignored the American expatriate community. Quite the contrary is the case, but it is very apparent that despite the good will and concern of many members of both Houses of the Congress there are still significant problems that have not been addressed and there are still many myths about the expatriate community which have not been successfully destroyed. Indeed, it is quite significant that there is no Committee, or even sub-Committee in either house of the Congress which addresses itself to questions of policy or practice toward those living abroad. Thus, at present, there is no established mechanism whereby expatriates have any possible continuing attention in the Federal legislature.

THE PROBLEM

The problem with the present situation is that despite the goodwill and intentions of many Members of the Congress, the problems of Americans living abroad are not being fully appreciated. Individual members who might be sympathetic to one particular problem or another often have to consecrate valuable staff time and resources to issues that are only of marginal interest to their basic constituencies. And, often such resources are being diverted in parallel with those of other Members of the Congress when a greater amount of coordination could be more efficient and productive.

THE SOLUTION

One useful solution would be for the Congress to consider granting Americans living abroad at least one non-voting delegate in the House of Representatives. This individual would act like those of the same title who now represent Americans living in Guam, the Virgin Islands and Washington, D.C.

The utility of this delegate for those living abroad would be the fact that there would be henceforth one central reference point for contact with the legislature for transmitting comments to Washington, and for feedback to those living abroad.

But the utility would also be great for the other Members of Congress who today do not have such a resource for acquiring broad information about expatriate problems, nor for obtaining proposed solutions to such problems that would be fair and effective for all Americans living abroad. Thus, this would be an asset of major importance to those abroad and to the Members of Congress.

The right to have such a delegate would not need to impair the right to participate in regular Federal elections either, for those living abroad would not really be doubly represented. The delegate has no *vote*, hence those who vote for Congressmen and Senators in their home districts vote once only in terms of real representation in the Congress, but have a delegate to help focus on problems affecting 1.5 million citizens in unusual circumstances who can initiate legislation and serve on Congressional Committees to the benefit of everyone.

ISSUE No. 4

SHORT TITLE

Discrimination Against Certain American Citizens in the Ability to Transmit Citizenship to Children Born Abroad.

BACKGROUND

Children born abroad to an American citizen parent are not automatically American citizens at birth in all circumstances. The right to transmit citizenship to a child born abroad depends upon an individual's marital status, and upon the nationality of the spouse. In this respect, American law differs from that of almost every other major country of the world.

The law has not always been this way. From 1790 until 1940, an American father could always transmit American citizenship to a child born abroad provided only that the father had ever resided in the United States. In 1934, this same right was given also to American women under the same conditions.

In 1940, however, the law was abruptly changed. Henceforth, if only one parent was American, the child born abroad could not have American citizenship unless the American parent had lived for ten years in the United States, five of which must have been after the age of sixteen. In 1951, when the most recent overhaul of the citizenship laws took place, the ten year qualification period was retained but five needed to have been only after the age of fourteen (vs. sixteen).

The present law also sets different qualifications for transmission of citizenship to children if a mother is not married, if the birth takes place in an outlying possession of the USA, if one parent is a citizen and the other is an American national but not a citizen, etc. The different standards of qualification are shown below in a summary table.

QUALIFICATIONS FOR TRANSMITTING AMERICAN CITIZENSHIP TO CHILDREN ABROAD

Abroad: Both American; One must have had a residence in the U.S.A. prior to the birth of the child.

Abroad: One American citizen and one American national who is not a citizen; The American citizen must have had a residence in the United States or an outlying possession for *one continuous year* before the child's birth.

Abroad: One American citizen and one alien; American citizen parent must have been physically present in the United States or an American possession for *ten years*, five of which after the age of fourteen years before the child's birth.*

Abroad: An unmarried American mother; The mother must have been physically present in the United States or in an American possession for *one continuous year* prior to the birth of the child.

In an outlying possession of the United States: One American citizen and one alien; The American citizen must have been physically present for *one continuous year* in the United States or an outlying possession prior to the birth of the child.

The Problem: The problem with this law is that it sets up a number of different categories of eligibility for one of the most basic of all human rights, that of transmitting citizenship to one's child. By failing to meet the necessary qualifications many American citizens face the dilemma of having children who are born stateless.

The inequity of this law becomes even more starkly apparent when it is recalled that any child born in the United States, no matter what the nationality of the parents might be, is automatically an American citizen at birth with all of the same rights and privileges of this citizenship. Thus while an American may be living abroad, working for the United States Government, or serving in the Armed Forces, he could still have a stateless child.

The law also makes it impossible for any American citizen who is under nineteen years of age to transmit citizenship to a child born abroad if the spouse is an alien. However, if the American is a woman, and not married, she might well be able to transmit citizenship to her illegitimate child even if she is under age nineteen, but she would not have the same facility if she were married and the child was legitimate. As an unmarried mother she need only have previously lived in the United States for one year, not ten which is required of a married woman.

Statelessness is widely recognized to be a major human rights tragedy. The United Nations over thirty years ago adopted a "Universal Declaration of Human Rights" in which Article 15 states, "Everyone has the right to a nationality". Going further in declaring the importance of the family and what States should do on their behalf, Article 16(3) of the same Declaration states, "The family is the natural and fundamental group unit of society and is entitled to protection by society and the State." The United States has not yet ratified this Universal Declaration and is still one of the major offenders in the area of permitting statelessness to occur for children of its citizens.

There was a further effort made by the United Nations specifically addressed to the question of statelessness and what member countries should do to insure that no one is ever cast into such a situation. The United States has not ratified this Convention either nor has it amended American laws to remove the remaining areas that still generate involuntary statelessness.

THE SOLUTION

The United States should give the same human rights to its citizens abroad that it gives to any casual visitor or tourist at home. Every American citizen living abroad should be allowed to transmit American citizenship to his/her children born abroad. Discrimination based upon latitude and longitude should be ended.

ISSUE No. 5

SHORT TITLE

Discriminatory Preference Shown Toward Certain Individuals Living Abroad in Qualifying to Transmit Citizenship to Children Born Abroad.

BACKGROUND

The basic question of when an American living abroad should be able to transmit citizenship to his child born abroad has already been raised in Issue No. 4. This present discussion concerns a subordinate issue of discrimination that is present in the law as it now stands. Should the solution proposed in Issue No. 4 be adopted, this present issue would also be met. Should the solution of Issue No. 4 not be adopted, this issue remains for redress.

Section 301(g) of the Immigration and Nationality Act of 1952 sets the conditions under which an American citizen married to an alien can transmit American citizenship to a child born abroad. The requirement is that the American citizen must have previously lived in the United States for a period of ten years, five of which after the age of fourteen years.

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*Certain Americans living abroad are allowed to count their years abroad toward this qualification period. See further details of this and the discrimination involved in this practice in Issue No. 5.

However, certain individuals living abroad can meet this residence requirement even while actually being outside of the United States. Such individuals are:

Those serving honorably in the Armed Forces of the United States,

Those working abroad for the United States government,

Those working abroad for an international organization, or

Those living abroad as dependent unmarried sons or daughters of the above.

THE PROBLEM

The discrimination manifested in this provision is obvious. Some individuals working abroad have more basic human rights than others, namely a greater chance to insure that their children will not be born stateless.

THE SOLUTION

The preferable form of solution to this problem would be to accept the proposal suggested as the solution of Issue No. 4. This would do away with the prior residence requirement for American citizens married to aliens to qualify to transmit American citizenship to children born abroad.

Failing this preferred solution, the law should be modified so that anyone working or living abroad can be given credit for the years required for transmission of citizenship to children no matter what his profession abroad, and no matter who his employer might be.

SHORT TITLE

Retroactivity of the Elimination of Subsequent Residence Requirements of Certain American Children Born Abroad.

BACKGROUND

In 1978, through the enactment of Public Law 95-432, a major discrimination against American children born abroad was eliminated from American law. This concerned children born abroad to only one American citizen parent. Such children, prior to the 1978 law, were required to return to the United States for a period of continuous residence between the ages of fourteen and twenty-eight years, or else their American citizenship would be automatically and involuntarily stripped away.

Such a requirement for subsequent residence in the United States to protect citizenship which was acquired at birth abroad was not a part of American law for most of the history of the Republic. In was an innovation of the law which was passed in 1934, which at the same time granted the right to American mothers to transmit citizenship to children born abroad when the father was an alien. The 1934 law set a requirement for children born to only one American parent abroad to spend the five year period from age thirteen to eighteen in the United States, or else citizenship would be lost. This requirement never really took effect, however, because the law was changed in 1940 to allow for five years of residence in the aggregate between ages thirteen and twenty-one. The effect of this law reached back to those born after 1934. Thus, it was not until 1950 that children started losing their American citizenship for failure to comply with such residence requirements.

Shortly thereafter, however, the law was once again changed. In June 1952, a new requirement was instituted, again reaching back to those born after 1934, this time calling for five years of continuous physical presence in the United States between the ages of fourteen and twenty-eight years. The effect of this new requirement did not begin to be felt until 1957 (those born in 1934 did not reach age 23 until 1957). Then the harshness of a five year continuous residence without any allowable break became apparent. The Congress relaxed this requirement in 1957 by allowing up to twelve months of absence from the United States during the five year period without loss of continuity. However, as the length of the time period, and the qualifying ages during which residency had to occur did not change, 1957 started the period from which involuntary loss of American citizenship for children began.

According to the State Department, approximately two thousand children have been stripped of their American citizenship for failing to come to live in the United States for the prescribed period of time. The fact that they might have been ill, or had any other reasonable cause for such failure did not bring any relief.

When the Congress decided to eliminate this subsequent residency in 1978, there was discussion of possible problems from making the effect of this change retroactive to pick up those who had previously lost citizenship due to this requirement. Several members of Congress felt that great complications would possibly result from such retroactivity of the eliminated requirement, and convinced the other members of Congress to deny this retroactivity.

It is most significant, however, that in the denial of retroactivity, the Congress was acting contrary to the practice that had been followed when the 1952 residency requirements proved to be more generous than those of the 1940 act. In an important case finally decided by the Supreme Court, the more generous provisions of the 1952 Act were made retroactive to those who had not complied with the provisions of the 1940 Act, hence closing the hole which had occurred from 1950 to 1952. Subsequent to this decision, those who had lost their citizenship in 1950–1952 could still retain their American citizenship by complying with the 1952 requirements. The case in question was *Fee* v. *Dulles*, 236 F. 2nd 855 (C.A. 7, 1956). In lower Federal Courts, the decision went against those who had lost their citizenship because the court upheld the original administrative position that a person who had not complied with the conditions prescribed by previous statutes had lost his citizenship and derived no benefit from the more generous retention provisions of the 1952 Act.

However, upon consideration of this issue when it reached the Supreme Court the Solicitor General confessed error, taking the position that a person who could comply with the terms of section 301(b) and (c) would retain his American citizenship, even though he had not fulfilled similar provisions of the earlier statutes. The Supreme Court reversed the lower court, and thus adopted the view projected in the Solicitor General's confession of error. (Refer to 355 U.S. 61)

THE PROBLEM

The problem caused by these circumstances is the fact that those born abroad before October 10th, 1952 (date of the effective remission of the subsequent residency requirement from the law signed Oct. 10th 1978) do not have the same rights as those born after this date. Further, while the benefits of an easier compliance situation were conferred administratively for the 1952 changes (although it took court cases to establish this right) is a retro-active fashion allowing those who had lost their citizenship under the 1940 law to get it back to comply with the 1952 act, this same retroactive possibility was not granted in 1978.

The problem is not a large one in that the total number of persons who would be affected directly or derivatively would probably not exceed three thousand. The State Department does not feel that the granting of this return to American citizenship of those deprived for failure to comply with earlier requirements of residency would create a major difficulty. Indeed, the State Department recommended that this be made retroactive as did the Justice Department.

THE SOLUTION

The effect of the 1978 changes in the citizenship laws which eliminated loss of citizenship for those who failed to live in the United States after birth abroad to one American parent and to one alien parent should be made retroactive to 1934, the date at which the first such requirements were set.

This solution would give back citizenship to those who have lost it since 1957, covering a total which would probably not exceed two thousand individuals. (Perhaps three thousand if their children were also considered).

Issue No. 7

SHORT TITE

Loss of Citizenship by Children Because of Actions of Their Parents Abroad.

BACKGROUND

Section 349 (a) (1) of the Immigration and Nationality Act of 1952, states that anyone who is an American national by birth or naturalization shall lose his nationality by obtaining naturalization in a foreign state upon his own application, upon an application filed in his behalf by a parent, guardian or duly authorized agent, or through the naturalization of a parent having legal custody of such person.

There is some control on this loss by a child, however, in that the law further states that he can remain American if he returns to the United States before age twenty-five to establish a permanent residence.

THE PROBLEM

There are several problems associated with this section of the law. The first has to do with the notion of involuntary expatriation. The second has to do with the suitability of the protection that is offered.

There is some question as to whether the involuntary expatriation called for in Section 349 (a) (1) is really Constitutional. Some recent Supreme Court cases have established that an individual cannot lose his citizenship unless he voluntarily desires to renounce it. This is obviously not the case for someone who is less than age eighteen (the actual age of majority for voting now in the USA) who has no control over whether his parent or guardian takes out another citizenship for him, and it is doubtful if an individual under the age of twenty-one has much effective control either. Thus, it may well be that this automatic loss of citizenship is not Constitutional.

It is also valid to question whether the requirement to make such individuals who have acquired a second nationality return to commence permanent residence in the United States before age twenty-five is really an appropriate form of relief. In many overseas countries one could well be still completing one's education at age twenty-five, thus the requirement would mean rupturing this education. It could also be the case that the individual is just beginning his work career and has not yet acquired a skill that could be easily transferred to the United States. Finally, it would not necessarily be easy for such an individual to come to the United States and find suitable employment before age twenty-five.

THE SOLUTION

What seems to be the obvious intent of the present law is the requirement of a child who has acquired a second nationality to prove a valid nexus to the United States.

Such a nexus could be easily proved by a requirement for such an individual to take an oath of allegiance to the United States when he first applies for an American passport after attaining the age of twenty-one years.

Issue No. 8

SHORT TITLE

Loss of nationality for a naturalized citizen who goes abroad within five years of naturalization.

BACKGROUND

Section 340 (d) of the Immigration and Nationality Act of 1952 provides that any person who is a naturalized citizen and who takes up a permanent residence abroad in any foreign country within five years of naturalization in the United States shall be considered to have demonstrated prima facia evidence of a lack of intention to reside permanently in the United States at the time of filing his petition for naturalization. In the absence of countervailing evidence, it shall be sufficient in the proper proceeding to authorize the revocation and setting aside of the order admitting such person to citizenship and the cancellation of the certificate of naturalization as having been obtained by concealment of a material fact or by willful misrepresentation.

THE PROBLEM

Naturalized citizens do not have the same right to live abroad as other citizens until they have lived an additional five years in the United States. The effective period of residence to obtain such citizenship with full rights is therefore not five years, but ten years.

THE SOLUTION

Naturalized citizens should be treated with the same standards and conditions as any other citizen. This automatic assumption of fraud or misrepresentation on the part of a naturalized citizen who moves abroad within five years or naturalization should be stricken from the law.

Issue No. 9

SHORT TITLE

Immediate naturalization of an alien spouse permitted only to certain American citizens living abroad.

BACKGROUND

Section 319(b) of the Immigration and Nationality Act of 1952 allows an alien spouse of an American citizen to be naturalized as an American citizen without any of the usual prior residence requirement in the United States if the American citizen is working abroad:

In the employment of the Government of the United States,

In the employment of an American institution of research recognized as such by the Attorney General,

In the employment of an American firm or corporation engaged in whole or in part in the development of foreign trade and commerce of the United States, or a subsidiary thereof,

In the employment of a public international organization in which the United States participates by treaty or statute,

As one authorized to perform the ministerial or priestly functions of a religious denomination having a bona fide organization within the United States,

As a missionary of a religious denomination, or of an interdenominational mission organization having a bona fide organization within the United States.

All such individuals can bring their spouses to the United States and have them immediately naturalized as United States citizens. All others must have their spouses reside in the United States for three years to qualify for this same naturalization.

THE PROBLEM

The problem is self-evident. Wives or husbands of some American citizens have rights that are denied to those of other citizens solely on the basis of the employment status of the American citizen. Bureaucrats and employees of corporations have rights that individuals in a liberal profession such as doctors, lawyers, consultants and poets are denied.

THE SOLUTION

The discrimination against those working abroad in certain professions or for certain employers that this provision of the law incorporates is arbitrary and unfair.

All American citizens living abroad should have the same rights to have their spouses immediately naturalized in the United States.

Issue No. 10

SHORT TITLE

No Provision for Education of American Children Residing Abroad.

BACKGROUND

While a certain amount of Federal Revenue is expended to assist in the provision of adequate elementary and secondary education to children living in the United States, no such expenditure is made on behalf of children living abroad. The United States does not provide any funds to provide schooling for American children abroad unless these children are dependents of government employees.

American practice in this regard is much at variance with many other foreign countries.

For example, France has a publicly stated policy of wanting to provide at least as much annual expenditure per child abroad for education as for the child living in France. Indeed, the Government of France recently agreed to spend even more per capita for children abroad because of extra costs concerned with education abroad.

The Government of West Germany annually spends more than $100 million for elementary and secondary education for the children of expatriates.

The Government of Japan spends considerable amounts of money also for this purpose.

THE PROBLEM

The problem caused by this differential policy of various governments, is that Americans living abroad have much higher costs for educating their children in home country type schools than do expatriates of other nationalities.

This makes it more difficult for Americans to compete economically with those from these other countries.

Indeed, it was only in 1978 that the Congress finally agreed to stop *taxing* Americans living abroad on the education allowances being paid by employers. In all previous years, while other nationality expatriates were being given subsidized educational benefits for their children, and not being taxed, the United States was giving nothing at all to expatriate children, and taxing the allocations that employers were giving to help with this education!

THE SOLUTION

The United States should consider whether there should not be some sort of contribution made to help with the education of children of expatriates. This would not only be of benefit to the children, but could help equilibrate the competitive balance between American expatriates and those of a number of other countries who all compete in the international employment markets.

Issue No. 11

SHORT TITLE

Revocation of APO Privileges for Certain American Schools Abroad.

BACKGROUND

During recent years, the United States has been willing to allow certain American schools which have been set up abroad by American citizens for use by children of Americans who are working abroad to use the APO (an official overseas postal system whereby letters and packages which are destined for abroad are sent to special post boxes in New York, or San Francisco and the subsequent postal costs for further transmission abroad are borne by the U.S. Government).

THE PROBLEM

Recently, the United States has started taking these privileges away from these schools and refusing them to new schools being set up abroad. This has not only added materially to the cost of operating these overseas schools, but in some cases insures that the supply of materials will be very difficult in the future due to the unreliability of the local mail services.

THE SOLUTION

This policy should be reviewed to determine whether revocation and refusal to grant APO privileges is really in the best interest of the United States.

Issue No. 12

SHORT TITLE

Eligibility of American Embassy and Consulate personnel stationed in select cities throughout the world to send their children to the school of their choice and still be entitled to an allowance to cover tuition and charges.

BACKGROUND

American Embassy and Consulate personnel in various cities in the world are being forced by the United States Government to send their children to Department of Defense schools. In many of these cities alternative schooling is available in non U.S. Government schools. The Government enforces this by refusing to pay heavy tuition and other charges if the parent decides to send their child to a non Government school. In effect, the parents are being denied the right to select an appropriate school for their child relative to educational philosophy, proximity, school facilities and academic program. The position of the Department of State is that they are enforcing a "Congressional law".

THE PROBLEM

American Embassy and Consulate personnel are not entitled to both an appropriate educational allowance and the freedom of choice of where to send their children to school.

THE SOLUTION

Congress should review the law referred to above to determine in what way it denies parents who are American Embassy and Consulate personnel the freedom of choice of the most desired schooling for their children. If it is found that the law directly or indirectly infringes on the parents' right of choice of the most desirable schooling for their children, the law should be repealed or amended to ensure rather than inhibit the eligibility referred to above.

Issue No. 13

SHORT TITLE

Eligibility of American students attending foreign higher education institutions for Federal student aid programs.

BACKGROUND

American students attending colleges and universities in the United States are Eligible for a Variety of Federal student aid programs including Basic Educational Opportunity Grants (BEOG), Supplemental Educational Opportunity Grants (SEOG), College Work-Study (CWS), State Student Incentive Grants (SSIG), National Direct Student Loan (NDSL) and the Guaranteed Student Loan Program (GSLP). These programs were originally established under Title IV of the Higher Education Act of 1965.

THE PROBLEM

American students attending foreign higher education institutions are ineligible for all but the Guaranteed Student Loan Program (GSLP). The General Provisions (Title VIII) of the Higher Education Act of 1965 states that to be eligible, an institution of higher education must be located "in any State", with the term "State" referring to, in addition to the several States of the Union, the Commonwealth of Puerto Rico, the District of Columbia, Guam, American Samoa, and the Virgin Islands.

Thus far the eligibility status of foreign institutions with American Students has been discussed with the Accreditation and Institutional Eligibility Staff of the U.S.O.E., the House Subcommittee on Postsecondary Education, and the Senate Subcommittee on Education, Arts and Humanities. These efforts have been to no avail.

At the present time, the eligibility of American students for Federal Student aid programs is based entirely on the location of the institution they are attending. This automatically denies the eligibility for Federal student aid programs to American students living outside the U.S. The problem was stated most succinctly by Senator Claiborne Pell: "It does not make sense to me that students in foreign institutions which are accredited by American accrediting associations should be denied student aid benefits which they would otherwise be eligible to receive if they attended college in the United States."

Sadly enough, each year there are thousands of American students around the world who are discriminated against by the existing Federal higher education legislation. This dilemma takes on increasingly greater proportions when one considers the recent College Board Report stating that 70% of the American students enrolled in institutions of higher education in the United States received some form of financial aid during the 1977–78 school year.

THE SOLUTION

Amend the wording of that part of the Higher Education Act of 1965 which defines the eligibility of institutions who can administer Federal Student aid programs. Besides, or instead of, a geographical definition, general criteria would be listed under which an institution's eligibility would be established. The primary criterion should be that the institution is accredited by an American accrediting association.

The above solution would not solve the problem but it would be a first step to rectification. It would expand the eligibility of American students for Federal student aid programs but it would not be granting the eligibility to all. There would still be American students attending non-accredited foreign higher education institutions who would not be eligible. This is a more difficult problem because eligibility for Federal student aid programs, as now defined, depends on both the nature of the student receiving the aid and the nature of the institution administering the aid program. Ultimately, the legal foundation for Federal student aid programs should apply to all American students wherever they are living and going to school. Only by eligibility being based on nationality alone will all discriminatory acts be eliminated.

Issue No. 14

SHORT TITLE

Expiration of CHAMPUS for Military Retirees Living Abroad at Age 65 Leaves Them Without any Health Benefits.

BACKGROUND

One of the major benefits given to those who retire from military service is a range of medical and hospitalization options for which the government pays all or part of the cost. Military retirees can obtain medical care almost without cost at military installations, and they can also obtain care from civilian doctors and hospitals with the government paying much of the cost.

The civilian part of this medical benefit is covered under a program called: CIVILIAN HEALTH AND MEDICAL PROGRAM OF THE UNIFORMED SERVICES (CHAMPUS).

CHAMPUS benefits are available to retirees who live in the United States, and also to those who live abroad. However, these benefits stop when the retiree reaches age 65, because the individual would then be eligible for Medicare benefits which are similar.

THE PROBLEM

The problem for military retirees living abroad is that there is no Medicare for anyone outside of the United States. Hence military retirees lose CHAMPUS at age 65 and have nothing to replace it abroad. At an age when they are more likely to have need for medical and health services, they lose much of their coverage and could only regain this by moving back to the United States.

THE SOLUTION

The United States should not abandon military retirees living abroad who grow older and more in need of care. As there is no Medicare to replace CHAMPUS abroad, the CHAMPUS program should be extended to cover all retirees living abroad no matter what their age.

Issue No. 15

SHORT TITLE

Denial of VHA Benefits to Veterans Living Abroad.

BACKGROUND

One of the important veteran's benefits is the VHA program whereby the Government guarantees part of a home purchase loan which enable a veteran to buy a home with a lower downpayment and at a lower rate of interest.

THE PROBLEM

The problem is that VHA does not apply to veterans living abroad.

THE SOLUTION

While there are a number of problems which could occur with extending VHA to overseas locations, a satisfactory method for extending this benefit to veterans abroad could possibly be found.

One such possibility would be to consider using overseas branches of American banks as loan vehicles for the VHA with master agreements with the banks' headquarters in the USA as to how the overseas loans could be worked out.

Issue No. 16

SHORT TITLE

Denial of Vocational Rehabilitation Benefits to Veterans Living Abroad.

BACKGROUND

American veterans who retire with a disability are eligible for vocational rehabilitation benefits which are designed to prepare these veterans to assume a new career in civilian life. Among the possible forms of such benefits are subsidized education at the graduate level for advanced university degrees.

THE PROBLEM

The problem is that Vocational Rehabilitation Benefits are not available to veterans who live abroad. While education for a future career might be equivalent to that available in the USA, or might be uniquely available abroad these benefits cannot be used abroad.

THE SOLUTION

It should be possible to conceive of at least some vocational rehabilitation benefits which could be offered to veterans living abroad. For example, education at the university and post-graduate level at American type institutions abroad could be eligible for VA support.

Issue No. 17

SHORT TITLE

Discriminatory Hiring Practices Against American Citizens in U.S. Military Status of Forces Agreements With Foreign Countries.

BACKGROUND

The United States has negotiated a number of special agreements with foreign governments concerning the stationing of American Armed Forces in these foreign countries. Most of these agreements were made many years ago when the United States was a rich country and the overseas locations were relatively much poorer.

These agreements often called for preferential hiring of local nationals for many jobs to be performed for the American Forces. In cases where local nationals were not found to be qualified, nationals from other countries of Europe were to be given the next preference.

THE PROBLEM

The problem is that today there are many American citizens living in overseas countries where American Forces are located who cannot be hired by the American Forces because the local nationals and nationals of all other foreign countries in the area have preference.

What may have been prudent political policy in the former era of dollar supremacy is today an unfortunate tragedy for many Americans who live on dollar retirement salaries.

THE SOLUTION

The United States should reconsider the wisdom of continuing to discriminate against American citizens in hiring for many jobs associated with overseas forces of the United States.

It would seem basic justice to get the United States back into the role of an "Equal Opportunity Employer" abroad, and to stop the unfortunate policy of discriminating against Americans for employment abroad.

Issue No. 18

SHORT TITLE

DOD Regulations That Deprive Americans Living Abroad of Some Work Opportunities.

BACKGROUND

The Department of Defense has issued a number of regulations that control the amount and type of work that individuals can engage in abroad.

Two such rules have been called unjust by Americans living abroad. These concern restrictions on outside jobs for individuals working for quasi-governmental organizations, and restrictions on individuals selling life insurance.

The first problem involves regulations that prohibit individuals who work for the Armed Forces for activities that are paid for from Non-Appropriated Funds (NAF), from also working for civilian firms dealing with U.S. military personnel.

The second problem is a DOD rule that individuals cannot sell life insurance to U.S. Military Personnel unless the seller has worked in the United States in this profession for at least one year.

THE PROBLEM

The problem with these two regulations is that they impede the opportunities that Americans have to earn additional income while living abroad. In the first case those working for NAF organizations often make a bare living wage since salary levels are in dollars, not in the local cost of living currency levels. The diminished moonlighting opportunities means that such individuals are precluded from the jobs where they could most easily earn additional income.

The problem in the second case concerns those who retire, are married to local nationals, and who would like to (or have to for economic survival reasons) take on a second job as a life insurance salesman. The DOD regulations would force them to spend a year in the USA to qualify to sell life insurance abroad, and this is often economically impossible to accomplish.

THE SOLUTION

The Department of Defense should reconsider whether the prohibitions on outside employment that are involved in these and possibly other regulations are really necessary and absolutely necessary in their present form today.

In the case of the first problem there is a probable issue of potential conflict of interest. Could not some other form of resolving such potential problems be found short of an absolute ban?

In the case of the second problem, could not some form of approved training program be found which would permit individuals who retire abroad to become qualified for the selling of life insurance to members of the Armed Forces without the individual having to work for a year in the USA?

Issue No. 19

SHORT TITLE

Eligibility of United States citizens abroad to participate in U.S. social security programs if working for an American corporations foreign subsidiary or for a foreign corporation.

BACKGROUND

The United States Code of Federal Regulations under title 20, Chapter III, Part 401 et seq. specifically provides that work by a U.S. citizen outside the U.S. for a foreign subsidiary of a domestic corporation is covered by social security if:

a) The domestic corporation arranges for coverage by entering into an agreement with the I.R.S.; *and*,

b) The agreement applies to all U.S. citizens employed outside the U.S. by the foreign subsidiary and all citizens subsequently employed by the subsidiary if their work would be covered if performed in the U.S.

If a domestic corporation does not arrange for coverage for its subsidiary, the U.S. citizens working for that subsidiary are denied the opportunity to participate in the U.S. social security program if they should so wish. This delegates the decision as to the right to participate in the program to the domestic corporation rather than to the U.S. government or to the individual U.S. citizen resident abroad.

If the American citizen works for a foreign corporation abroad, he is not permitted in any circumstances to voluntarily participate in U.S. social security programs.

THE PROBLEM

If the U.S. citizen resident abroad is not permitted to participate in the social security program and he has not yet accumulated the 40 quarters of coverage required under the program to be "fully insured for life, he would not be eligible for social security benefits.

This situation could create discriminatory and tragic problems for these American citizens, for example:

a) If disabled while working abroad neither he or his family would be eligible to receive social security benefits in the United States even if he had accumulated up to 39 quarters before leaving the US. He and his family might, however, be eligible to receive benefits from the country where he was working and likely paying social security taxes. He and his family might be obliged, therefore, to remain outside of the US in order to avoid destitution. In those cases in which no such benefits from another country were available, the family may be simply left destitute.

b) If he should die while overseas, his family would not receive social security benefits from the United States. If not eligible for benefits from another country his family would be in a difficult and tragic situation.

THE SOLUTION

Any American citizen resident abroad should be permitted to *voluntarily* participate in the US social security system, at least until he has accumulated the 40 quarters necessary for "fully insured for life" status.

Issue No. 20

SHORT TITLE

Eligibility of American citizens working outside of the United States for a foreign government or international organisation to participate in United States social security programs.

BACKGROUND

The United States Code of Federal Regulations under title 20, Chapter III, Part 401 et seq. specifically excludes from coverage by social security work carried on outside of the U.S. as an employee of a foreign government or of an international organisation. If work for these entities was carried out within the United States, however, the income would be included as earnings from self-employment.*

THE PROBLEM

If the U.S. citizen resident abroad is not permitted to participate in the social security program and he has not yet accumulated the 40 quarters of coverage required under the program to be "fully insured for life", he would not be eligible for social security benefits.

THE SOLUTION

Any American citizen resident abroad should be permitted to *voluntarily* participate in the U.S. social security system, at least until he has accumulated the 40 quarters necessary for "fully insured for life" status.

Issue No. 21

SHORT TITLE

Problems of compulsory social security coverage of self-employed American citizens resident abroad.

BACKGROUND

The Social Security Handbook states in paragraph 1246 that the "income of a U.S. citizen from a trade or business carried on in a foreign country or in a possession of the U.S. is includable in his net earnings from self-employment except to the extent that such income is excludable from gross income under sections 911 or 931 of the Internal Revenue Code of 1954 for Federal income tax purposes". Section 911 previously permitted the exclusion of up to $20,000 of earned income for the taxable year ($25,000 after 3 years).

THE PROBLEM

The revision of section 911 in 1978, however, has eliminated this foreign earned income exclusion (except in very special cases). The exclusion in the past had permitted many self-employed Americans abroad, especially those with modest incomes, to avoid or at least decrease the amount of double social security taxation; i.e., the payment of social security taxes to the U.S. *and* to the country of residence. Now *all* self-employed Americans resident abroad will be compelled to pay social security taxes in the United States without any exclusion of foreign earned income. This will result in many more cases of double social security taxation and could damage the competitive position of many of these Americans overseas. As many of these Americans have a direct and substantial influence on the development of export opportunities for American goods and services, consideration should be given to eliminating this and other examples of double taxation of self-employed Americans resident abroad.

THE SOLUTION

Self-employed Americans resident abroad should *not* be compelled to pay U.S. social security taxes on foreign earned income. They should be permitted, however, to voluntarily participate in the U.S. social security program.

Issue No. 22

SHORT TITLE

Discriminatory regulations concerning the "7-Day Foreign Worktest".

BACKGROUND

The United States Code of Federal Regulations under title 20, chapter III, Part 401 et seq. specifies that inside the United States a beneficiary may not have earnings in excess of a yearly exempt amount which is adjusted annually on the basis of the cost of living. If a beneficiary is outside the United States, however, and his work is not covered by the social security program, he must pass the socalled "7-day foreign work test".

The Social Security Handbook describes this test in paragraph 1828 as follows:

"Under this test, a monthly benefit payment is withheld for each calendar month in which a beneficiary, under age 72, works:

A. On any part of 7 or more days;

B. In "noncovered remunerative activity";

C. Outside the U.S.

This test is based solely on the number of days on which the beneficiary was employed or self-employed, and not on the amount of his earnings. . . .

If benefits are not payable under this test because of a retirement insurance beneficiary's work, no benefits are payable to such individual's spouse or children, if they are entitled on his social security earnings record".

THE PROBLEM

Such disparate "tests" for excess earnings of US resident and non-resident beneficiaries is clearly discriminatory. For example, should a beneficiary resident abroad wish to work part-time for 2 hours a day, 7 days a month, he and his family would lose their total social security benefits for that month. If resident in the United States, however, he would:

a) be permitted a specified level of dollar earnings (adjusted annually for the cost of living), and

b) be permitted to average that income over an entire year rather than observe a monthly limit.

A specific example of the effect of such discriminatory provisions was reported by Miss B. J. Swayze, the Director of the American School of Languages and Art in Istanbul, Turkey. This school was originally started by the YWCA and has remained in Turkey under the present name since 1924 when the nation was secularized. The school provides secretarial training to Turkish women and girls. To provide a high level of training they required a qualified secretarial teacher from the United States. Mrs. D. Gehring of North Carolina offered to go to Turkey to teach in order to help the school in return for their paying her enough Turkish liras to cover her room and board. She had retired early and had reached the age of 62 in July 1978 and began receiving social security payments. In addition, she received social security support for a 30-year-old handicapped son. It was a great shock for Mrs. Gehring to be informed by her social security adviser that if she worked more than 7 days a month she would not only lose *her* social security benefits, but also the amount designated for her son.

Mrs. Gehring has decided to borrow money in the U.S. to support her son and other obligations in order to remain at the school for

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*Reference paragraphs 948 + 9 of *Social Security Handbook, 1973.*

eight months. The Director of the School would have liked Mrs. Gehring to stay for the two years she originally had offered. In the circumstances, however, that will not be financially possible. If Mrs. Gehring was in the United States she would be permitted to work and earn up to $3,240 per year, but in Turkey she is penalized by losing her social security benefits and her son's because she is earning her room and board (well below $3,240).

Letters from retired Americans living abroad cite example after example of the difficulties they face with the devaluation of the dollar, the lack of Medicare benefits overseas, and unfair restrictions on foreign work.

THE SOLUTION

Americans living abroad should be allowed to choose whether they want to have their Social Security pension linked to fixed dollar earning ceilings, or whether they desire the 7-day work test to apply.

ISSUE No. 23

SHORT TITLE

Payment of Medicare benefits for services provided outside of the United States.

BACKGROUND

The United States Code of Federal Regulations under title 20, chapter III, Part 405, Regulations No. 5, Federal Insurance for the Aged and Disabled, provides for two primary types of health services; hospital insurance benefits and medical insurance benefits. The *Social Security Handbook* indicates in paragraph 2201 that:

"Hospital insurance benefits may ordinarily be paid only for services furnished in the United States".

Paragraph 2401 states that:

"Medical insurance benefits are not paid for services outside the United States under any other conditions than . . .".

The text goes on to cite an exemption similar to one provided for hospital insurance benefits which permits payment for services in a Canadian hospital if traveling between Alaska and the United States or if a Canadian or Mexican hospital is "closer or substantially more accessible to his residence" than the nearest participating US hospital.

THE PROBLEM

Any American outside of the United States, even if for a brief trip, sacrifices his Medicare coverage. An American resident abroad is not permitted to enroll in the Medicare program and therefore does not pay for those services. An American resident in the United States who travels outside of the United States, even if enrolled and paying his dues, however, still has *no* Medicare coverage.

The harmful effects of these regulations upon overseas Americans are frequently encountered in today's world of rapid and inexpensive travel.

An emergency illness abroad without any medical insurance whatsoever can quickly destroy the financial independence of a pensioner. The purchase of comparable private medical insurance coverage before traveling abroad is often ignored because citizens are insufficiently aware of the residency requirements.

For American citizens resident abroad the resulting extra medical insurance expenses, added on to the problems arising from exchange rate fluctuations and the 7-day work restrictions, explains the difficult plight of many United States retired citizens living abroad.

THE SOLUTION

First of all, action should be taken to ensure that Medicare participants are fully aware of the implications for their Medicare coverage if they travel outside of the United States. In the future, however, provision should be made either through national, bilateral or multilateral agreements to at least protect American residents who are participants in the Medicare program while traveling temporarily abroad. This protection could take the form of permitting such residents to submit claims to be repaid on the basis of a "basic minimum rate" which they would have received if these services had been provided within the United States.

United States citizens resident abroad who would be eligible for Medicare if resident in the United States might be permitted, on a reciprocal basis, to enroll in the comparable medical program of the country in which they are resident (if available) without fulfilling the necessary rules for eligibility. This would, of course, require a series of bilateral or multilateral agreements.

A temporary measure to assist United States citizens resident abroad may be to allow them to submit claims for a "basic minimum rate" repayment as suggested for US residents temporarily abroad. If this were not possible, consideration could perhaps be given to allowing an additional monetary exemption to the permissible earned excess income to compensate for the additional medical insurance costs required for United States pensioners resident abroad.

ISSUE No. 24

SHORT TITLE

Eligibility of United States citizens resident abroad for unemployment insurance.

BACKGROUND

The unemployment insurance program provides partial income replacement for a limited period to persons who become unemployed. It is a State-administered program with federal participation. Each state is required to specify in its laws:

A. Who may receive unemployment benefits;

B. How each worker can qualify for benefits;

C. The amount of the weekly unemployment benefit;

D. The maximum number of weeks for which unemployment benefits may be paid.*

A key criterion in all State programs is either past work history in that State or other States. In fact procedures are available for the local office to forward a claim to another State for payment. Federal workers and ex-servicemen may also be covered by local States with the cost of the benefit paid from a federal appropriation from general revenue.

United States citizens resident abroad, however, have no access to unemployment insurance within the United States.

THE PROBLEM

In the present economic environment, some Americans resident abroad are being forced to return to the United States as a result of the new tax regulations, exchange rate fluctuations or other economic conditions. In some cases it is very difficult to find new employment within the United States while still resident abroad. When a citizen returns to the United States, however, he does not receive unemployment benefits to assist him and his family as he searches for new employment.

THE SOLUTION

United States citizens resident abroad should have the option to participate in a federal unemployment insurance scheme. Such a scheme could permit him to make the required payments into the federal general revenue fund and have States disburse unemployment benefits in a manner similar to the procedure used for federal workers and ex-servicemen.

ISSUE No. 25

SHORT TITLE

Loss of Social Security Benefits Due to Dollar Limits on Outside Income, Problems From Floating Exchange Rates.

BACKGROUND

Retired individuals who are eligible to receive pensions from U.S. Social Security face limits on the amount of outside income they can earn without loss of these benefits.

The limits for these outside sources of income are expressed in dollars, and refer to levels of aggregate earnings (pension plus other earned income) which are relevant to the cost of living in the United States. For every dollar of outside earned income above these limits, one half-dollar of benefits are lost.

American Social Security Retirees living abroad are in some cases subjected to these same dollar ceilings on outside income (in some other cases the 7-day work test applies, See Issue No. 22).

However, in many overseas countries there are some severe problems that have to be faced due to higher cost of living than in the United States, and due also to the fluctuations of exchange rates.

THE PROBLEM

The first problem (the higher cost of living abroad) is treated separately in Issue No. 26.

The problems that arise from floating exchange rates are different. Suppose an individual needs to earn outside income because the size of the pension is too small. Suppose also that a job is found that will provide sufficient extra income, but will also fall within the dollar ceiling. Everything will be in order until the foreign currency starts to fluctuate. If as occurs in many overseas countries the dollar starts to weaken, the foreign currency earnings begin to grow larger and larger when translated into dollars. Thus, while the amount of foreign currency that can be purchased by the Social Security pension declines due to the devaluation of the dollar, the constant value of the foreign earnings start to grow larger when translated into dollars. The pensioner is being hit twice, losing from a diminished pension and losing part of this smaller pension (in foreign currency terms) because the outside earnings appear larger.

THE SOLUTION

Some method should be found to protect American pensioners abroad from loss of their Social Security pensions due to phantom increases in the value of their outside earnings due to exchange rate fluctuations. Perhaps these outside earnings should be allowed to float with reference to some acceptable neutral standard rather than being fixed in dollar terms that can vary the apparent value from day to day.

ISSUE No. 26

SHORT TITLE

Irrelevance of Dollar Limits on Outside Income for Social Security Pensioners Abroad in High Cost of Living Countries.

BACKGROUND

Retired individuals who are eligible to receive pensions from U.S. Social Security face limits on the amount of outside income they can earn without loss of these benefits.

The limits for these outside sources of income are expressed in dollars, and refer to levels of aggregate earnings (pension plus other earned income) which are relevant to the cost of living in the United States. For every dollar of outside earned income above these limits, one-half dollar of benefits are lost.

American Social Security Retirees living abroad are often subjected to these same dollar ceilings on outside income (in some cases the 7-day work test applies, See Issue No. 22).

THE PROBLEM

The problem facing those living abroad is that in many countries, the local cost of living is much higher than in the United States. The dollar limits on outside earned income that permit a minimum standard of living in the USA are too low to permit

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*Cited in *Social Security Handbook*; 1973.

the same minimum standard of living for those abroad.

As more extra income must be earned abroad in such high cost countries to attain a comparable level in the USA, the limits are surpassed and the retiree loses benefits, which, of course, means that he must earn even more to catch up and this leads to even more loss!

THE SOLUTION

The U.S. Government recognizes that there are cost of living differences facing its employees abroad. It has prepared cost of living compensation tables and pays extra allowances to those abroad to protect them from the impact of these cost differences.

How much more important it would seem to be to protect those who are retired with much lower benefit incomes from the same cost-of-living differences.

The dollar limits on outside earned income for those abroad should be indexed to the State Department's cost-of-living tables so that those who are retired abroad will be able to live at the same standard as those who retire in the USA.

ISSUE NO. 27

SHORT TITLE

World-Wide Nature of U.S. Tax System Which Taxes on Basis of Citizenship Rather Than Residency.

BACKGROUND AND PROBLEM

The United States is the only major industrialised nation which taxes its citizens on a world-wide basis and not just on the basis of residency. This was not always the case, however. Between 1926 and 1962, the United States did not tax at all the foreign earned income of its citizens living and working overseas. It was not until 1963 that the amount of foreign earned income excluded from taxable income became limited in amount. First, a $35,000 exclusion limit was set for two years which was then reduced to $20,000 or $25,000, depending upon length of residence abroad. Recent tax legislation has generally eliminated the foreign earned income exclusion substituting limited deductions for certain excess living costs. The anticipated effect of this new law is a substantially higher tax bill for American taxpayers abroad and where they are reimbursed for the excessive tax cost, their employers.

Our competitors are not faced with this additional cost of reimbursing their employees for the home country excess taxes incurred relating to an overseas assignment. As a result of this competitive disadvantage, companies must consider replacing their American employees overseas with foreign nationals who would understandably not be as sympathetic to purchasing and promoting U.S. goods and services. Some 50% of total U.S. exports are sold to or through U.S. companies abroad. In addition, many U.S. firms are losing contracts in foreign countries where American expertise is imperative and a foreign national would be inadequate.

It is also estimated that 40,000 jobs in the U.S. depend on every billion dollars in U.S. exports. Also, Americans, if forced to return to the U.S. from abroad, are competing for U.S. jobs.

It would seem, therefore, that there could be a significant adverse impact on the U.S. economy as a result of continual taxation of U.S. citizens on a world-wide basis. This form of discrimination against Americans overseas actually discriminates against the United States and citizens living within its borders as well, as a result of the above. In addition, the costs of administering a world-wide and increasingly complex taxation system for American taxpayers residing abroad seem certainly excessive and should be considered in the light of the revenue generated.

SUGGESTED SOLUTION

Taxation of Americans on the basis of residency only rather than on a world-wide basis by virtue of citizenship.

ISSUE NO. 28

SHORT TITLE

Inadequate Credit Given For Taxes Paid By American Citizens Living Abroad

BACKGROUND

While the United States insists on making American citizens continue to pay United States income taxes while they live and work abroad, there is no willingness on the part of the United States to recognize that these same citizens are paying many different forms of taxes to overseas countries on this same income, and in effect are being taxed twice.

The present tax philosophy of the United States is to allow credit only for income tax that is paid abroad, but not for any other form of tax paid abroad.

THE PROBLEM

The problem with this practice is that no other country of the world has exactly the same form of revenue generation as the United States. Each country chooses a mix of direct and indirect taxation which is the result of history, tradition, and different belief of how the common economic burdens should be shared. But, since the United States will only recognize one form of tax paid abroad as equivalent to tax owed to the United States, the American living abroad is protected against double taxation only to the extent that the overseas country relies on income tax and not on tax of any other form.

The following table shows how the revenue generation mix of eight countries varies in terms of what proportion of total national tax revenue comes from personal income tax, personal social security contributions, general sales taxes (or value added taxes) and specific goods taxes, and taxes paid by individuals on property.

COMPARATIVE TAXATION OF INDIVIDUALS IN 8 MAJOR WESTERN COUNTRIES

Country	Per capita tax in 1975 (1)	Personal income tax (2)	Social security payment (3)	VAT/sales taxes (4)	Specific goods taxes (5)	IND. property taxes (6)	Regressivity indexes (percent) 4 / 2+3	5 / 2+3	4+5 / 2+3
U.S. dollars:									
United States	$2,044	[1] $644	$202	[1] $137	[1] $192	$154	16	23	39
United Kingdom	1,495	565	113	117	218	73	19	32	56
France	2,348	[1] 291	201	548	215	23	111	44	151
West Germany	2,420	728	363	356	253	16	33	23	55
Italy	997	[1] 150	90	136	134		57	56	113
Switzerland	2,494	[1] 870	347	194	[1] 266	14	16	22	38
Sweden	3,890	[1] 1,783		464	442		26	25	51
Japan	919	[1] 230	85		[1] 145			46	46
Percentages:									
United States	100	31.5	9.9	6.7	9.4	7.5			
United Kingdom	100	37.8	7.6	8.7	14.6	4.9			
France	100	12.4	8.6	23.4	9.2	1.0			
West Germany	100	30.1	15.0	14.7	10.5	.7			
Italy	100	15.1	9.0	13.7	13.5				
Switzerland	100	34.9	13.9	7.8	10.7	.6			
Sweden	100	45.9		11.9	11.4				
Japan	100	25.0	9.2		15.8				

[1] Including State and local taxes.

NOTES

The per capita tax is the total tax revenue of the country divided by the population. The other items are their respective contributions to total tax revenue on a per capita basis. The regressivity indexes show the extent to which total per capita tax revenue comes from indirect taxes felt by individuals (VAT or sales taxes and other indirect taxes of specific goods and services, excise taxes, etc.).

Despite the fact that the United States allows resident citizens to deduct State sales taxes from their gross taxable income, it denies this same possibility to those American citizens living abroad. Thus, those living abroad in highly regressive tax countries are faced with tax credit (or deduction) losses that can exceed what they pay in direct income tax. (See France above.)

Source: OECD Revenue Statistics of OECD Member Countries 1965–75, OECD 1977.

The table is based upon data from 1975, and was compiled by the OECD on a per capita basis.

The upper part of the table shows the amount of taxes collected from individuals (as opposed to corporations) through the various different types of taxation. The amounts that were collected per capita from corporations are not shown on this table, but are included in the first column of total revenue collected per capita during 1975.

It is quite apparent that the eight countries place very different emphasis on raising revenue from income tax and other forms of taxation than the United States. This difference of emphasis is more clearly shown in the lower part of the table where each tax's contribution to total revenue is shown in percentage terms.

To show an overall comparison of revenue from income tax and social security contributions as opposed to indirect forms of taxation of individuals, a simple regressivity index has been prepared (shown at the right of the table). The first column of the index shows the ratio of general sales tax (or value added tax) to tax revenue from income tax and social security contributions. While such general sales taxes (including tax at the State level in the USA) contributes only 16%

of the amount from income tax and social security contributions in the USA, it contributes an equal amount (in Switzerland) or greater amount (in every other country except Japan) elsewhere. And in the case of countries such as France more per capita tax is raised each year from this single form of general sales tax than from income tax and social security tax combined. Curiously, those American citizens living in the United States are allowed a deduction from taxable income from sales taxes (which only amount to 16% of tax on income and social security) but for those Americans living in France, there is neither a credit nor even a deduction for taxes which exceed on a per capita basis the amount paid to France on income and for social security.

If one looks at the second column of the index, the ratio here is revenue from specific goods taxes (on gasoline, liquor, cigarettes, etc.) to revenue from income tax and social security. Here again this form of tax is low in the United States (and Switzerland) but twice as big in countries such as Japan and Italy. Again the American citizen living in countries where much more tax is collected from these sources than in the United States is again deprived of any recognition that tax has been paid abroad.

Finally, column three of the index shows the combined revenue from general sales taxes and specific goods taxes as a ratio of revenue per capita generated from income tax and social security contributions. Again the United States and Switzerland are comparable, but countries such as France and Italy appear all the more strikingly different in their tax policy. France collected one and a half times as much revenue per capita from general and specific sales taxes as from income tax and social security contributions. Yet, as far as the United States is concerned, American citizens who have paid this amount of tax have not thereby earned any right to a credit for this tax or even a deduction.

The problem is thus rather evident. United States citizens paying taxes abroad are not recognized as having paid taxes, unless the tax they pay abroad is an income tax. Yet, most overseas countries rely less heavily on income taxes for total revenue than does the United States. Americans living abroad face effective double taxation to the direct extent that their overseas country of residence does not have a tax mix that is exactly congruent with that of the United States.

To take an extreme example, let us suppose that one of these countries, say France, were to decide to get rid of income tax entirely, and to generate all government revenue from several different forms of indirect tax on individuals and from taxes on corporations. And, for sake of further example let us assume that the tax on individuals would be such that its effective rate would be 30 percent of total income. The American taxpayer in this country would be told by the United States that he had not paid any tax overseas that is either creditable, or even deductible for U.S. tax purposes. The overseas income would thus be fully taxable by the United States as well.

THE SOLUTION

The ideal solution, of course, would be to recognize that each overseas country is sovereign in its tax policy, and to also recognize that American citizens living in each overseas country are effectively being taxed by all of the individual forms of tax each such country chooses to impose. Thus, if the United States still wants to insist on the American expatriate paying U.S. income tax the full value of overseas tax paid should be recognized.

One obvious objection to this practice would be that it would be nearly impossible to ever calculate how much tax had really been paid abroad, for which credit or some form of deduction should be given. The present response to this problem is to simply ignore that any tax other than income tax has been paid. Another alternative, which is followed by every other civilized country of the world, is to recognize the inherent inequity in requiring overseas citizens to pay tax twice on portions of the same income and to simply stop taxing Americans living abroad.

Lest this radical solution seem ridiculous, it should be recalled that this is precisely what the United States did from 1926 until 1962.

Issue No. 29

SHORT TITLE

American Tax Laws Impede the Purchase of American Goods by Americans Living Abroad.

BACKGROUND

There are over 1.5 million American citizens living outside of the United States. This total aggregate population exceeds the population of fourteen different States in the United States, and constitutes a very large potential market for American goods.

Present American tax laws require Americans living abroad to pay American income tax on all foreign income, earned and unearned. At the same time the United States will not give either a tax credit, or even a deduction for much of the tax that is paid to overseas countries.

Included in the category of tax for which no credit is given are tariffs, sales taxes and other goods related taxes that must be paid by an American living abroad if he wants to purchase American made products.

THE PROBLEM

The problem created by this American tax policy is that in many instances there is a heavy tax penalty to be paid if the American expatriate wants to purchase an American made product rather than a product of local origin.

Let us take the example of the purchase of an automobile. And, let us assume that there is some marginal ability on the part of the American in question to work a little harder to earn whatever extra money would be required to buy either a local car, or a car made in the United States. For simplicity, let us also assume that the individual is earning enough money to be paying U.S. tax at the marginal rate of 50%, assume that the overseas country has no income tax, has an import duty of 100% of the cost of the car, and a local sales tax of 30%. The CIF cost of the American car is equal to the ex-factory cost of the local car.

To buy the American car, the American must be willing to pay the cost of the car, plus 100% (for import duty) plus 30% of this duty paid amount for sales tax, or a total of 260% of the CIF car value. To buy the local car the cost is only 130%, or just half of the American car price.

But, since the American is going to have to work an additional amount of time to earn this extra money he will also have to pay to the United States Treasury extra income tax.

Here is where the U.S. tax policy penalizes him for buying American. If he earns enough to buy the foreign car, he will have to pay the United States half of this amount in extra tax (50% of the cost of the car plus the overseas sales tax) or 65% of the CIF cost of the American car.

If the American wants to buy an American car, however, he will have a much greater amount of tax to pay to the U.S. Treasury. For the cost of the American car is double that of foreign car after duty and sales tax, and the U.S. will make him pay twice as much U.S. tax if he buys the American car, then he would have to pay to buy the foreign car.

THE SOLUTION

There is an enormous potential in the overseas American community for selling much greater amounts of American made goods. Not only is the expatriate market a large one, but it is also an invaluable demonstration market for showing American products to others.

The Congress should seriously consider whether it would not be in the best interest of the United States to stop penal taxation of those who earn more to buy American products.

One possible solution would be to grant tax credits for overseas tariffs and sales taxes paid to purchase American origin goods.

If one considers that the result of the present system is to make the American pay the U.S. Treasury more than the value of the American car (in the example above), this is effectively a U.S. excise tax which the expatriate has to pay, which he would not have to pay on this same car if he was living in the USA. And, for this reason the present situation is quite wrong.

Issue No. 30

SHORT TITLE

Taxation of "Phantom" Income Resulting from Fluctuating Exchange Rates.

BACKGROUND AND PROBLEMS

An individual living in a foreign country should not be penalized solely due to the fluctuation in value of local currency in terms of U.S. dollars. However, Americans residing in, say Switzerland have seen their income for U.S. tax purposes inflated by approximately 160% since 1971 for a given unchanged nominal income expressed in Swiss francs, the country in which their normal living expenses are incurred. An earned income of SFr. 100,000 was equal to $22,300 in 1971 but at today's exchange rate (December 1978) is worth about $60,000. While the individual's purchasing power in Swiss francs has actually decreased since 1971 due to inflation, his income for U.S. tax return purposes has artificially increased by $37,000 which amount is included in his taxable income. In addition, his other income has been pushed up into a higher tax bracket due to the graduated tax rate system.

SUGGESTED SOLUTION

This is a problem for which there seems to be no practicable solution short of changing the system to taxing on the basis of residency only.

Issue No. 31

SHORT TITLE

Taxation of "Phantom" Capital Gains Resulting from Fluctuating Exchange Rates.

BACKGROUND AND PROBLEM

When an American residing overseas sells a capital asset, such as his home, translation must be made into U.S. dollars at the exchange rate in effect at date of purchase and sale to determine purchase price and sales price in dollars for purposes of calculating gain or loss on sale. Assuming the taxpayer resided in Switzerland and he received the same amount of Swiss Francs on sale in December 1978 as he paid upon purchase in December 1970, or SFr. 500,000, he would, nonetheless, have a capital gain to report on his U.S. tax return of $178,000 (the difference between translation of SFr. 500,000 at SFr. 1.70=$1 exchange rate at date of sale and SFr. 500,000 at SFr. 4.32=$1 exchange rate at date of purchase $294,000−$116,000=$178,000). Assuming no deferral of the gain through the appropriate repurchase of a new principal residence, the full $178,000 would have to be currently included as capital gain with the appropriate tax paid regardless of the fact that in Swiss Francs, the currency of the taxpayer's country of residence, there was no appreciation in value.

In addition, assuming the property had been mortgaged, two other inequities might exist. First, as is possible in Switzerland, there may have been no repayments on the principal of the mortgage. In that situation, little or no money may have been exchanged on the sale with the mortgage being assumed by the purchaser. Even though little or no cash might be received by the seller, he would still have to report the $178,000 of capital gain. Second, assuming the seller had made mortgage repayments over the years at increasing amounts in terms of dollars, translating at the exchange rate in effect at time of repayment would result in dollar repayments being greater than the original dollar liability, or a currency loss on mortgage repayments. The resulting currency loss would not be deductible from the $178,000 capital gain on sale since the house sold was a personal (rather than business or investment) asset.

SUGGESTED SOLUTION

Short of changing the system to taxing on the basis of residency, Americans residing overseas should not be taxable on capital gains resulting from exchange fluctuations relating to the sale of personal assets.

Issue No. 32

SHORT TITLE

Taxation.—Preferential Treatment Given to Government Employees.

BACKGROUND AND PROBLEM

While non-government employees are taxed on all income and allowances regardless of source, U.S. government employees are not taxed on all allowances and benefits received for additional costs incurred while residing overseas. This situation is highly inequitable. The average non-government employee residing overseas is considered himself to be an unofficial ambassador. He comes into contact with foreign nationals on a daily basis and is looked to as being representative of Americans in the United States. In this day and age of importance of international communications we cannot afford to take an isolationist attitude by substantially reducing the size of our American Communities abroad through inequitable treatment of government and nongovernment employees overseas.

SUGGESTED SOLUTION

Short of changing the system to taxing on the basis of residency, government and nongovernment employees overseas should be treated equally.

Issue No. 33

SHORT TITLE

Taxation.—Exchange Controls.

BACKGROUND AND PROBLEM

Currency restrictions imposed by foreign governments may "block" the conversion of foreign currency earned abroad into U.S. dollars. The Treasury gives taxpayers a special election to defer reporting blocked foreign income until the foreign currency can be readily converted into U.S. dollars. A taxpayer makes the election by filing a separate income tax return covering the deferred income and related deductions. Whenever the income can be changed into dollars, or into a foreign currency or property that can be converted into U.S. dollars. A taxpayer makes the election by filing a separate income tax return covering the deferred income and related deductions. Whenever the income can be changed into dollars, or into a foreign currency or property that can be converted into dollars, the taxpayer becomes liable for income tax on all the income on which no tax had previously been paid. The problem, however, is that the tax liability is computed as though the taxpayer had earned that income in the year in which his income became convertible or unblocked. Several years income can therefore become taxable all in one year, resulting in considerably higher marginal tax rates than had the income been taxed in the year actually earned.

SUGGESTED SOLUTION

Short of changing the system to taxing on the basis of residency, when earned income becomes unblocked, the tax on that income should be determined in accordance with the other income, deductions and tax rates applicable to the earlier year in which actually earned.

Issue No. 34

SHORT TITLE

Taxation.—Maximum Tax Treatment With Non-Resident Alien Spouse.

BACKGROUND AND PROBLEM

A married individual is not entitled to benefit from the maximum tax on earned income rates unless he files a joint tax return. A U.S. citizen taxpayer married to a nonresident alien prior to the Tax Refrom Act of 1976 was not entitled to file a joint return and therefore not eligible for that tax benefit. While the Tax Refrom Act of 1976 enabled taxpayers to file jointly with their non-resident alien spouse and therefore enabling benefit from maximum tax rates, it also causes, by electing such treatment, the nonresident alien spouse to be treated as a resident alien for tax purposes and therefore to be taxed on a world-wide basis. Thus forcing income which would be otherwise not taxable by the U.S. to be taxable, just for the purpose of the U.S. citizen spouse benefitting from maximum tax rates on earned income.

SUGGESTED SOLUTION

Short of changing the system to taxing on the basis of residency, U.S. citizens married to non-resident aliens should be allowed to benefit from the maximum tax rates on earned income without having to make an election to have their spouse taxed as a resident alien.

Issue No. 35

SHORT TITLE

Taxation.—Joint Filing Status With Non-Resident Alien Spouse.

BACKGROUND AND PROBLEM

A U.S. Citizen residing overseas does not have the right to make an annual election to file a joint return as a domestic taxpayer has, if he is married to a non-resident alien. Under the Tax Reform Act of 1976, he has the right to make an election to treat his nonresident alien spouse as a resident alien for tax purposes, making the spouse taxable on a world-wide basis. However, once the election is made, if it is broken it can no longer be made again in the future, whereas the taxpayer in the U.S. can annually choose whether or not to file a joint return with his spouse.

SUGGESTED SOLUTION

Short of changing the system to taxing on the basis of residency, a U.S. citizen married to a non-resident should be allowed to make an annual election to file a joint U.S. tax return.

Issue No. 36

SHORT TITLE

Taxation—Married to Non-Resident Alien Spouse—Treatment as Married Filing Separately.

BACKGROUND AND PROBLEM

A U.S. citizen overseas married to a nonresident alien spouse who does not choose to elect to treat her as a resident alien and causing her otherwise non-U.S. source income to become taxable in the U.S., must use the filing status married filing separately (unless he qualifies as an unmarried head of household, i.e. dependent child living in household). Having to file as married filing separately is a distinct disadvantage due to higher tax rates and certain deductions which are limited to only one half the normal amount (i.e. deduction for capital loss against ordinary income limited to $1,500 instead of $3,000).

SUGGESTED SOLUTION

Short of changing the system to taxing on the basis of residency, a U.S. citizen married to a non-resident alien who does not elect to have the spouse treated as a resident alien should be allowed to file (if not qualifying for unmarried head of household status) as a single person and not lose one half of certain deductions as if filing as married filing separately.

Issue No. 37

SHORT TITLE

Taxation—Foreign Conventions.

BACKGROUND AND PROBLEM

An individual is allowed a deduction for expenses limited to attendance at two foreign conventions per year. A taxpayer residing overseas might attend several such conventions in the foreign country in which he resides and yet he would still be limited to a deduction for two conventions per year since what to him is his home country of residence is for purposes of the related tax deduction considered to be a foreign country.

SUGGESTED SOLUTION

Short of changing the system to taxing on the basis of residency, taxpayers residing overseas should have no deduction limitation for the reasonable cost of "foreign" conventions attended.

Issue No. 38

SHORT TITLE

Taxation—Nondeductibility of Foreign Charitable Contributions.

BACKGROUND AND PROBLEM

No deduction is allowed for contributions made to charities in foreign countries even though the ultimate beneficiaries and objectives may be the same as those charities for which tax deductions are allowed in the U.S. (such as churches, the Red Cross, etc.).

SUGGESTED SOLUTION

Short of changing the system to taxing on the basis of residency, it is suggested that a deduction be allowed for contributions to foreign charities which would be considered to qualify for tax-exempt status in the U.S.

Issue No. 39

SHORT TITLE

Taxation—Non-Recognition of Foreign Postmark.

BACKGROUND AND PROBLEM

Unlike domestic taxpayers, the local postmark is not accepted as date of filing for tax returns submitted by Americans overseas. Only a U.S. postmark is evidence of timely filing. As a result, overseas taxpayers never know with certainty exactly when their tax returns are considered filed since there can be significant delays incurred in some foreign country postal systems. Such delays can cause significant penalties as well as interest charges to be imposed for late filing, even though the taxpayer may have mailed the return well before the due date.

SUGGESTED SOLUTION

Short of changing the system to taxing on the basis of residency, foreign postmarks should be accepted as evidence of timely filing.

Issue No. 40

SHORT TITLE

Taxation—Lack of Sufficient Time To Pay Tax.

BACKGROUND AND PROBLEM

While taxpayers overseas are entitled to an automatic extension to June 15 in which to file their returns, they must pay interest on the balance of tax due from April 15. Since the later filing date is necessitated by the additional time needed to accumulate tax information and supporting documents while overseas and also by the IRS due to the delay in overseas taxpayers receiving tax forms, it is inequitable not to extend the date for payment of the tax as well. The overseas taxpayer may indeed be prevented from filing due to unavailability of tax forms, or as we experienced for 1977 tax returns, an uncertainty as to what would be the applicable law.

SUGGESTED SOLUTION

Short of changing the system to taxing on the basis of residency, an automatic extension of time for payment of the tax due should be granted to coincide with the automatic extension of time for filing the returns.

ISSUE No. 41

SHORT TITLE

Taxation—Lack of Sufficient Time for Filing Estimated Tax Return.

BACKGROUND AND PROBLEM

Although overseas Americans are granted an automatic two-month extension of time to file their tax return for the previous year, there is no similar extension of time beyond April 15 for filing an estimated tax declaration and for paying the estimated tax for the current year. Congress has suggested the desirability of computing the tax liability for the previous year before estimating income tax for the current year by adopting Section 1012 of the 1976 Tax Reform Act in order to make the filing date for the declaration of estimated tax by a non-resident alien coincide with the June 15 filing date for the non-resident alien tax return. Non-resident citizens can reasonably expect to be treated equitably with non-resident aliens.

SUGGESTED SOLUTION

Short of changing the system to taxing on the basis of residency, the due date for declaring and making the first payment of estimated tax should be June 15 instead of April 15.

ISSUE No. 42

SHORT TITLE

Taxation—Effective Loss of January 31 Filing Benefit.

BACKGROUND AND PROBLEM

Certain penalties for underpayment of estimated tax are eliminated for taxpayers who file their tax return and pay all tax due on or before January 31 of year following the tax return year. Since tax returns typically are not delivered either to overseas taxpayers or U.S. embassies at best until the very end of January or beginning of February, the potential tax benefit is, for practical purposes, unavailable to overseas Americans, even for those who are aware of it.

SUGGESTED SOLUTION

Short of changing the system to taxing on the basis of residency, the date for qualifying for this benefit for Americans overseas should be extended to March 15 from January 31.

ISSUE No. 43

SHORT TITLE

Taxation—Lack of Relevant Information Guides.

BACKGROUND AND PROBLEM

While the IRS publishes a large number of pamphlets to guide domestic taxpayers, most of these are of little use to Americans overseas because they do not address themselves to the problems encountered by taxpayers in foreign countries. There are a few pamphlets designed specifically for overseas taxpayers but it is fair to say that the information is neither the equivalent of that provided for domestic taxpayers nor nearly adequate to explain to the average overseas taxpayer how his return should be properly prepared, given the additional complexities of foreign tax credits and treatment of foreign-earned income.

SUGGESTED SOLUTION

Short of changing the system to taxing on the basis of residency, the IRS should review and revise its existing information guides with the objective of providing as informative pamphlets for overseas taxpayers as for domestic taxpayers. To be more meaningful, pamphlets should be prepared on a country-by-country basis.

ISSUE No. 44

SHORT TITLE

Taxation—Difficulty in Obtaining Tax Forms

BACKGROUND AND PROBLEM

While the IRS sends a supplementary package of tax forms to taxpayers who have filed from overseas the previous year, they are usually inadequate. For instance, the form for reporting foreign bank accounts is not included even though nearly every taxpayer residing overseas has a foreign bank account and is therefore required to file such form. In addition, the package of forms does not include Form 2210, required to be completed in cases of underpayment of estimated tax, or the form for computing maximum tax on earned income (to be used when earned taxable income exceeds 50% tax bracket) which income level is frequently exceeded if for no other reason due to fluctuating exchange rates resulting in a devalued dollar.

Taxpayers overseas must request such form from the local consulate or embassy. When not locally available, they must be requested from the Office of International Operations. This involves considerable delays, particularly where forms are sent by sea mail and where it causes filing beyond April 15 interest must be paid.

SUGGESTED SOLUTION

Short of changing the system to taxing on the basis of residency, the tax form package for overseas filers should be revised and made more complete.

ISSUE No. 45

SHORT TITLE

Taxation—IRS Deficiency in Adapting to Overseas Taxpayer Situation.

BACKGROUND AND PROBLEM

The IRS often sends tax assessment notices and other communications by seamail, requiring four or more weeks for receipt by the taxpayer overseas. The notice itself normally requires payment within ten days of the date of the notice or a date well prior to receipt by the taxpayer. Not complying with the IRS request results in penalties and interest occurring.

SUGGESTED SOLUTION

Short of changing the system to taxing on the basis of residency, it is suggested that the IRS be required to send notices to overseas taxpayers by airmail, allowing a reasonable period of time from date of receipt in which to reply.

ISSUE No. 46

SHORT TITLE

Taxation—Lock of, and Cost of Obtaining Assistance in Preparation of Tax Returns.

BACKGROUND AND PROBLEM

While an extensive advisory service is provided for domestic taxpayers, including the use of toll-free telephone answers for federal tax questions, overseas a limited amount of IRS tax advice is available. It is generally limited to a few embassies on a continent. It is certainly not available in every country except for a few days around tax filing time and then not adequate to be of much specific help for a taxpayer's particular situation.

As a result, the overseas taxpayer who is obviously faced with a much more complex tax preparation situation than he had in the U.S. must seek outside professional assistance. This is certainly not available on every street corner as it is in the U.S. As a matter of fact, for the most part, this professional assistance is only available from international accounting firms. The individual who would never think of using, or require, the services of such a firm when living inside the U.S. is left little alternative, if his return is to be done properly, but to go to such firms, with the resultant cost of preparation being ten times or more than what he might have to pay in the U.S.

SUGGESTED SOLUTION

Short of changing the system to taxing on the basis of residency, it should be incumbent upon the IRS to ensure that adequate assistance in preparing tax returns is available. If the IRS itself cannot provide adequate assistance for overseas taxpayers, there should then be allowed a credit rather than a deduction for the excess cost of such assistance. Toll-free telephone answers should be available as is the case for domestic taxpayers.

ISSUE No. 47

SHORT TITLE

Taxation—Source of Income—Partnership.

BACKGROUND AND PROBLEM

Due to U.S. rules determining source of income and the related effect on the foreign tax credit limitation inequitable situations can arise. For example, a taxpayer living in a foreign country who does not enter the U.S. at all in a particular year, and who is a partner in a U.S. Partnership has his earnings treated as U.S. source income to the extent of the partnership U.S. source earnings even though he was physically present in the foreign country while performing his services. This "U.S. source" income even though it is taxed by the foreign country may not benefit from relief from double taxation by virtue of the foreign tax credit.

SUGGESTED SOLUTION

Short of changing the system to taxing on the basis of residency, source of income rules should be changed to allow treatment by a partner in a partnership to have the source of his income determined with regard to his physical location when performing his partnership duties.

ISSUE No. 48

SHORT TITLE

Double Taxation on Income Earned Relating to Days Worked in U.S.

BACKGROUND AND PROBLEM

Under U.S. tax law, the source of earned income is determined by where the individual is physically located when the services are performed. An American living and working overseas who spends some time on business in the U.S. must treat his earned income relating to those business days as U.S. and not foreign source income. This is the case even though no payments were made to him specifically with regard to his time in the U.S. Due to the foreign tax limitation, the U.S. tax on income generated from U.S. working days cannot be reduced by the foreign tax credit. This is the case even though the foreign country in which the taxpayer resides may tax that earned income, which the U.S. considers to be U.S. source income, by virtue of his residency there. As a result of the foreign country taxing that income for which the U.S. does not allow a foreign tax credit, double taxation of income occurs.

SUGGESTED SOLUTION

Short of changing the system to taxing on the basis of residency, a foreign tax credit should be allowed for all income taxed by a foreign country for which no relief is provided from double taxation by treaty.

ISSUE No. 49

SHORT TITLE

Estate Taxation.

BACKGROUND AND PROBLEM

Depending on individual foreign countries and related if any treaties with the U.S. taxpayers residing overseas risk double estate taxation or even annulment of seemingly valid wills.

SUGGESTED SOLUTION

Further study must be made of this complex situation to determine areas where inequity exists and recommendations made for appropriate relief.

ISSUE No. 50

SHORT TITLE

Failure of the U.S. Tax Laws to Recognize Special Residents' Taxes Paid by Some Americans Living Abroad.

BACKGROUND AND PROBLEM

American citizens living in England whether they live in rented quarters or in their own home, are required to pay a tax on the residence they occupy. This tax is called "Rates".

In the United States, real estate taxes are deductible from taxable income for Federal Income tax purposes. However, the IRS has ruled that "Rates" cannot be considered a real estate tax because U.K. tax practice is that the resident rather than the owner bears this tax burden.

THE SOLUTION

Short of changing American tax laws to taxation on the basis of residence rather than citizenship, a deduction should be allowed for those living in countries such as England that have residents' taxes such as "Rates". The nit-picking of the IRS on many small issues such as this is what eventually aggregates into grossly unfair overall tax treatment of those living abroad.

REMINDER NOTICE OF FILING REQUIREMENTS UNDER THE FOREIGN GIFTS AND DECORATIONS ACT

● Mr. STEVENSON. Mr. President, in a letter dated December 12, 1978, Members were notified by the Senate Select Committee on Ethics that the Foreign Gifts and Decorations Act, 5 United State Code section 7342, requires the Committee to provide the Secretary of State with a list of certain gifts received from foreign governments by Members, officers, and employees of the Senate and their spouses and dependents who are not Federal employees.

The Ethics Committee reminds any of the above described individuals who have not done so already that they must report to the Ethics Committee, in writing, if they, or their spouses or dependents, have accepted from a foreign government during calendar year 1978 the following:

(a) Tangible gifts of a value in excess of $100; or

(b) Gifts in excess of $100 of travel, or expenses for travel, taking place entirely outside the United States.

For the purposes of these requirements, a foreign government includes any unit of foreign governmental authority, any international or multinational organization whose membership is composed of any unit of foreign government, and any agent or representative of any such unit or organization, while acting as such.

For each reportable tangible gift the following information must be provided to the Ethics Committee:

(a) The name and position of the employee;

(b) A brief description of the gift and the circumstances justifying acceptance;

(c) The identity, if known, of the foreign government and the name and position of the individual who presented the gift;

(d) The date of acceptance of the gift;

(e) The estimated value in the United States of the gift at the time of acceptance; and

(f) Disposition or current location of the gift.

For each reportable gift of travel or travel expenses the following information must be provided to the Ethics Committee:

(a) The name and position of the employee;

(b) A brief description of the gift and the circumstances justifying acceptance; and

(c) The identity, if known, of the foreign government and the name and position of the individual who presented the gift.

Grants and other forms of assistance received under the Mutual Educational and Cultural Exchange Act need not be reported to the Ethics Committee under the Foreign Gifts and Decorations Act.●

NOTICE OF DETERMINATION BY THE SELECT COMMITTEE ON ETHICS UNDER RULE 43, PARAGRAPH 4 PERMITTING ACCEPTANCE OF A GIFT OF EDUCATIONAL TRAVEL FROM A FOREIGN ORGANIZATION

● Mr. STEVENSON. Mr. President, it is required by paragraph 4 of rule 43 that I place in the CONGRESSIONAL RECORD this notice of a Senator and Senate employees who propose to participate in a program, the principal objective of which is educational, sponsored by a foreign government or a foreign educational or charitable organization involving travel to a foreign country paid for by that foreign government or organization.

The Select Committee on Ethics has received a request for a determination under rule 43 which would permit Senator S. I. HAYAKAWA, Ms. Elvira Orly, legislative assistant to Senator HAYAKAWA, Mr. Philip L. Fraas and Mr. Nelson C. Denlinger of Senator TALMADGE's staff, and Ms. Nancy P. Foster of Senator STONE's staff, to participate in a program sponsored by a foreign educational organization, the Japan-United States Interlegislative Council of Tokyo, Japan, November 12–19, 1978.

It has been determined that participation of these individuals in the program in Japan at the expense of the council to discuss defense, industrial, and agricultural issues is in the interest of the Senate and the United States.●

NOTICE OF DETERMINATION BY THE SELECT COMMITTEE ON ETHICS UNDER RULE 43, PARAGRAPH 4 PERMITTING ACCEPTANCE OF EDUCATIONAL TRAVEL FROM A FOREIGN COUNTRY

● Mr. STEVENSON. Mr. President, it is required by paragraph 4 of rule 43 that I place in the CONGRESSIONAL RECORD this notice of a Senate employee who proposes to participate in a program, the principal objective of which is educational, sponsored by a foreign government or a foreign educational or charitable organization involving travel to a foreign country paid for by this foreign government or organization.

The Select Committee on Ethics has received a request for a determination under rule 43 which would permit Mr. David Hansell, member of the staff of Senator DONALD W. RIEGLE, JR., to participate in a program sponsored by a foreign educational organization, the Van Leer Foundation of Jerusalem, Israel, November 12–23, 1978.

It has been determined that participation by the above-named individual in the program in Israel, at the expense of the foundation to discuss issues in the education field is in the interest of the Senate and the United States.●

THE PRESSING URGENCY OF THE HUMAN RIGHTS AMENDMENT

● Mr. STONE. Mr. President, as most of us are well aware, today marks the sixth anniversary of the Supreme Court's decision striking down restrictive State abortion laws around the country. Today, legalized abortions continue at the rate of approximately 4,000 per day. Since I was a member of the Florida State Senate, I have opposed abortion on demand. This continues to be my position, as my voting record here in Washington has consistently reflected. I am well aware of the complex legal and moral issues associated with abortion, and of the strong convictions many Americans have about it. I would like to commend to my colleagues some recent thoughts by nationally known journalist George F. Will on the pressing urgency of a human life amendment. Mr. President, I ask to have the article printed at this point in the RECORD.

The article follows:

ABORTION: "SETTLING" THE ISSUE

(By George F. Will)

Justice Harry Blackmun may be remembered in connection with abortion the way Chief Justice Roger Taney is remembered in connection with slavery.

In the Dred Scott decision, Taney tried to use judicial power to "settle" the slavery issue by removing it from legislative arenas. Indeed, he hastened civil war. Blackmun seems to want to "settle" the abortion issue similarly, but his injudicious opinions may provoke an anti-abortion amendment to the Constitution.

Blackmun wrote the 1973 abortion decision, which was a scythe mowing down state restrictions on abortion. Now Blackmun has written the opinion in a 6-to-3 ruling striking down a 1974 Pennsylvania law requiring doctors to use whatever abortion method is most likely to spare the life of any fetus that "may be viable." Blackmun finds that phrase unenforceably "vague."

Blackmun also faults Pennsylvania law because "it is uncertain whether the statute permits the physician to consider his duty to the patient to be paramount to his duty to the fetus." This suggests, obliquely, the real incompatibility of Pennsylvania's law and the 1973 ruling, an incompatibility that has nothing to do with the concept of "viability."

The court's labored analysis of "viability" obscures, in 1979 as in 1973, what the court is doing. It is concocting an expansive right to abortion, a right not significantly limited by considerations of fetal viability.

Justice Byron White, dissenting, says the latest ruling "withdraws from the states a substantial measure of the power to protect fetal life that was reserved to them" in the 1973 decision. But in fact the latest ruling only makes clear that the 1973 ruling virtually stripped the states of such power.

The logic of the 1973 ruling is this. A woman who wants an abortion has a virtually unlimitable constitutional right to purchase a procedure that will result in a dead fetus.

The 1973 decision held that at no point in pregnancy are fetuses "persons" in the whole sense. The court said that states may not forbid an abortion that a doctor determines is "necessary to preserve the life or health of the mother."

The court established, in effect, a right to abortion on demand when it said that doctors may make that determination "in the light of all attendant circumstances—psychological and emotional as well as physical—that might be relevant to the well-being of the patient." Doctors can be found who will construe "health" broadly enough to include, for example, the absence of "distress."

Pennsylvania's law was odd. To require abortionists to use the method safest for fetuses is to require abortionists to risk failing at their vocation, which is killing fetuses. But given today's moral and legal climate, it is unclear what must be done when fetuses do survive abortion procedures. There are bound to be many such cases in a nation with a million abortions a year.

True, some states require that babies born after abortion procedures must be given life-sustaining treatment appropriate for premature births. And many hospitals have neonatal intensive-care units that can prolong, if not always preserve, the lives of infants that survive abortion procedures. But an abortionist might be sued for malpractice if he failed to kill his patient's fetus.

For centuries many societies considered abortion permissible before "quickening" (when a woman feels fetal movement) because they did not think the fetus was alive until then. Strict abortion laws developed as the science of embryology developed in the 19th century.

Today there is no doubt that pregnancy is a continuous process. What begins at conception will, if it escapes natural misfortune or deliberate attack, becomes a child. And what abortion kills is an organic system distinct from the woman's system. Abortionists do not deny that a fetus is alive and biologically human (meaning that it belongs to that category of life). They argue that an unwanted fetus has no value. . . .

In "The Ambivalence of Abortion," Linda Bird Franke reports that many women who have had abortions say: "I felt like I'd killed something." Of course. The feeling is reasonable. In every abortion, something living is killed. That is an indisputable biological fact, not a moral judgment. The moral argument today concerns whether Blackmun and his colleagues shall be allowed to define as nothing the status of that "something."●

ROSA PONSELLE—AN EXTRAORDINARY ARTIST

● Mr. MATHIAS. Mr. President, Saturday, January 27, has been designated "Rosa Ponselle Day" in Baltimore in honor of the very great artist who has enriched our lives by choosing to live among us for many years and by sharing her talents and her time so generously with the people of Maryland.

But, although Marylanders are justly proud of their unique relationship with one of the greatest singers of all time, we would not dare to claim her as our own. Rosa Ponselle belongs to the entire world—a world she conquered when she made her debut at the Metropolitan Opera in November 1918—a world where lovers of music still respond to the magic of her voice, even when it comes to them from the very imperfect recordings of her early performances.

The noted composer-conductor Leonard Bernstein reports that "Rosa Ponselle's was the first operatic voice I ever heard, at age 8, on an old 78, singing the 'Suicidio' from La Gioconda." Even through all the scratchiness and surface noise, he says, "that voice rang through in such glory that it made me a music lover forever. I thank her every day of my life."

And so too do all of us who were fortunate enough to have heard Rosa Ponselle sing. Those not so fortunate may still learn something of the dimension of this great performer when the Metropolitan Opera Company pays formal tribute to Rosa Ponselle during its PBS telecast on Saturday and devotes its intermission feature to her life and career.

That same evening the Peabody Institute will honor Rosa Ponselle not only for her genius as a performer but also for the tremendous contribution she has made to the cultural life of Maryland as the artistic director of the Baltimore Civic Opera Company.

Martin Luther described music as "one of the fairest and most glorious gifts of God." Rosa Ponselle's voice was fairest of the fair.

I now ask that a brief sketch of her career and the text of Baltimore Mayor William Donald Schaefer's proclamation of Rosa Ponselle Day be printed in the RECORD at this point.

Words are a pale substitute for music, but they at least suggest the glories that once were.

The proclamation follows:

BY MAYOR WILLIAM DONALD SCHAEFER, DESIGNATING JANUARY 27, 1979 AS "ROSA PONSELLE DAY" IN BALTIMORE

Whereas, Rosa Ponselle has, through the practice of her art, brought cultural notice to the City of Baltimore on an international scale; and

Whereas, a consummate artist and a brilliant performer, Rosa Ponselle's career is a landmark to all Americans whose talents and ambitions direct them to a life of operatic performance and study; and

Whereas, considered by many to have the most perfect operatic voice available on phonograph recordings, Rosa Ponselle's many and diverse characterizations include many definitive performances and, in the case of Spontini's "Norma", a tour de Force; and

Whereas, Rosa Ponselle celebrates during the month of January both her 82nd birthday and the 60th anniversary of her first performance with the Metropolitan Opera.

Now, therefore, I, William Donald Schaefer, Mayor of the City of Baltimore do hereby proclaim January 27, 1979, as "Rosa Ponselle Day" in Baltimore and do urge all citizens who value talent, dedication, and expertise to take inspiration from the unparalleled accomplishments of this gifted and important woman.

ROSA PONSELLE

(Notes by James A. Drake)

Rosa Ponselle, *nee* Ponzillo, was born in Neriden, Connecticut on January 22, 1897, the youngest of three children of immigrant Italian (Neapolitan) parents. Her father, Benardino Ponzillo, was a baker and storekeeper who, with his wife (Maddalena Conti Ponzillo), had arrived in the U.S. in the late 1880's. All three Ponzillo children eventually had singing careers—the eldest, Carmela, in vaudeville and eventually at the Metropolitan Opera in the mid-1920's, and the middle child, Antonio, in vaudeville shortly after World War One.

Rosa Ponselle progressed from a silent-movie pianist and cabaret singer, to "headliner" status with her sister in Keith Circuit vaudeville bills, to a singular career in grand opera, between the ages of 13 and 21. At her Metropolitan Opera debut in November 1918—opposite the legendary tenor Caruso, in Verdi's opera La Forza Del Destino—Ponselle became the first American-born, American-trained singer ever to achieve international fame at the Met by making her debut there without any prior operatic experience—and, most remarkably, without a single vocal or dramatic lesson in her life. Her overnight success and subsequent Metropolitan career (1918–1937) paved the way for a long line of American singers including, in recent years, Beverly Sills, Marilyn Horne, James Morris and Sherrill Milnes, all of whom have coached under her in her long tenure as Artistic Director of the Baltimore Opera Company.

Ponselle's operatic career eventually embraced two continents, and in such diverse roles as Santuzza in Mascagni's Cavalleria Rusticana, Rezia in Weber's Oberon, Rachel in Halevy's La Juive, Elvira in Verdi's Ernani, Mathilde in Rossini's difficult William Tell, Selika in Meyerbeer's L'Africaine, Fiora in L'Amore Dei Tre Re, Leonora in Verdi's Il Trovatore, Maddalena in Giordano's Andrea Chenier, Elisabeth in Verdi's Don Carlo, and the title roles in Verdi's Aida, Ponchielli's La Gioconda, Bellini's Norma, Spontini's La Vestale, Verdi's La Traviata, and Bizet's Carmen.

Historians of opera generally agree that among Ponselle's many and diverse characterizations, her portrayals of the classical heroines of Spontini's La Vestale and Bellini's Norma have yet to be equalled in modern opera singing. Her Norma, both on recordings and in the opera house, remains the standard by which all subsequent Normas have been judged.

Retiring from the Metropolitan in 1937 after her marriage to Carle A. Jackson of Baltimore, Maryland—son of the city's then-mayor, Howard W. Jackson—Ponselle moved to the Green Spring Valley in 1939 building there a Mediterranean estate, "Villa Pace." She emerged from retirement in 1950-1951, when the Baltimore Civic Opera Company, under the aegis of its then-director, Leigh Martine invited her to become a consultant. She accepted and, liking the involvement, soon became the Company's Artistic Director, a position which she still holds. Under her guidance the Company has become a well-funded, nationally-acclaimed opera organization.

Ponselle's stature in the history of opera performing is more secure than any other Italian singer's, save her mentor, Caruso. Many contemporary critics (Harold C. Schonberg, of the New York Times, among them) consider hers the most perfect operatic voice available on phonograph recordings. Other comments attesting to her uniqueness are evident in these quotations:

Luciano Pavarotti, internationally-acclaimed tenor: "Rosa Ponselle, like Caruso, possessed a perfect voice, a voice of pure gold. She is still the most modern of singers on recordings, even though her career ended forty years ago. She is the Queen of Queens in singing, without question the greatest living singer in the world."

Marilyn Horne, internationally-acclaimed mezzo-soprano: "Rosa Ponselle's singing has been the foundation of my career and my singing technique. My colleagues and I at the Metropolitan recognize her, as does the entire musical fraternity, as the peerless soprano of the Golden Age."

Ponselle has been awarded as many national and international honors as any opera singer in recent history, including among them the coveted Order of the Commendatore from the government of Italy, as well as entrance into the U.S. Hall of Fame. The Peabody Institute awarded her an honorary doctor's degree in the 1960's, the only such honorary degree she ever agreed to accept, despite many nominations from American conservatories and universities. Summarizing her life and career on the occasion of her 80th birthday in 1977, then-Vice President Nelson Rockefeller wrote, "On marvelous occasions like this, we judge others not only by how long they have lived but how well they have lived. By both measures, you have had a full and inspiring life."

The Metropolitan Opera Company will pay tribute formally to Rosa Ponselle when, during its PBS telecast of January 20, 1979, it will devote a lengthy intermission feature to her life and career. Narrated by Francis Robinson, the tribute will be given in connection with the evening's opera performance—of Verdi's Luisa Miller—in which Ponselle created the title-role in the opera's first Met production in the mid-1920's.

In December 1978, Ponselle gave her approval to the only authorized biography written about her. Completed in the autumn of 1978 and written by James A. Drake, with Foreword by tenor Luciano Pavarotti, the biography is now being circulated among publishers in New York.

On Saturday evening, January 27, 1979, the Peabody Institute will pay tribute to the singer on the occasion of the 60th anniversary of her Metropolitan debut (the event also being marked by the Met's PBS tribute), and will play host to contemporary Metropolitan singers as well as several of Ponselle's former colleagues, including sopranos Bidu Sayao, Lucia Albanese, and Stella Roman. The Peabody tribute will conclude a week-long series of activities related to Rosa Ponselle's life and career.●

UKRAINIAN INDEPENDENCE DAY

● Mr. WILLIAMS. Mr. President, I am pleased to join in today's commemoration of the 61st anniversary of Ukrainian Independence Day. On January 22, 1918, the brave people of the Ukraine liberated themselves from two centuries of foreign domination and proclaimed a free and independent nation dedicated to democratic principles. Although a spectrum of nations hailed this noble effort toward self-government, the Soviets did not. They refused to withdraw their troops from that territory, and by 1920 the Ukraine was once more a captive nation, subject to the tyranny of Soviet domination.

Since that year, continual religious persecution, economic exploitation, and the denial of fundamental human rights has characterized the daily lives of the Ukrainian people. My deep concern for the flagrant abuse of a most cherished right, the freedom of religion, prompted my sponsorship of a Senate concurrent resolution which calls for the resurrection of the Ukrainian Orthodox, the Catholic Church, and other religions in the Ukraine.

Last summer the trials of Soviet dissidents focused the world's attention upon the existence of certain grave, inhumane conditions in that society. Human beings were flagrantly denied fundamental human rights; they could not function as free individuals, but were restricted in expressing their values, choices, and goals by their government's arbitrary authority. Let us remember that for these celebrated examples of political oppression, there are countless others which have not been brought to public attention.

This year's Ukrainian Independence Day gives us a welcome opportunity for deep reflection. It is a time to remember those who have struggled so heroically for historically denied rights. It is also a time to renew and reaffirm our commitment to the American principles of social justice and human freedom, as well as to declare our sympathy and support for the 50 million captive Ukrainians for whom freedom is not yet a reality, but still a compelling aspiration.●

PUTTING INNOVATION BACK TO WORK

● Mr. BAYH. Mr. President, late last session our distinguished colleague, Bob Dole of Kansas and I introduced the University and Small Business Patent Procedures Act, which would free the hundreds of valuable medical, energy, and other technological discoveries presently sitting unused under Government control. All too often the Government sponsors research that leads to socially useful discoveries, yet refuses to relinquish patent rights that could convert the discoveries into marketable products.

The bill proposed a limited patent protection for those universities, non-profit organizations, and small businesses willing to develop and market advances uncovered during their Government-supported research.

We will be reintroducing the University and Small Business Patent Procedures Act in early February. I have been very pleased by the bipartisan support that this legislation received in the last Congress and I urge all Senators who have not officially announced their support to give this bill close scrutiny at a time when America is falling behind its international competition in technological innovation. While this bill would not by itself reverse this trend, it would be an important first step towards rejuvenating and utilizing the tremendous scientific resources in this country.

I would add that the concept of this bill was unanimously endorsed by the Subcommittee on Patent and Information Policy of President Carter's Advisory Committee on Industrial Innovation.

The legislation protects the Government's rights to enjoy the fruits of the research it funds while encouraging the private sector to develop and market these new inventions. This problem has been especially serious in the field of medical research where life-saving discoveries have been needlessly squelched by bureaucratic redtape.

For example, to determine the proper chemotherapy treatment, patients are now given drugs on a painful trial and error basis. Two researchers at the University of Arizona recently developed a process to determine the proper chemotherapy treatment from the patient's blood sample. This important discovery was delayed for nearly a year while the Department of Health, Education, and Welfare, which had helped fund the research, pondered over whether to grant the university patent rights. I am happy to say that after strong appeals from the bill's sponsors, the agency finally waived its patent rights.

It is appalling that these types of discoveries are left to waste on agency shelves because private industry can not afford to spend the millions of dollars to develop and market them without patent protection.

Senator Dole and I have worked very closely during the recess with a number of patent experts, organizations, and businessmen to improve the bill. I would like to express my appreciation to them for their hard work and valuable suggestions which have been incorporated into the new bill.

I ask to print in the Record a copy of a letter which I wrote to the editors of Science magazine and which appeared in this issue, explaining the need for this legislation.

The letter follows:

Technological Innovation

I was extremely interested in William D. Carey's editorial "Science in the political economy" (17 Nov. 1978, p. 703). I agree with the assessment that the budget retraints we are facing make it critical that the money spent by the federal government for research and development bring the greatest possible return. Not only should we be selective in our research funding, but we must also create the best climate for bringing the fruits of federal research to the people in the form of new products and technology. Unfortunately, the present policy of federal government retention of patent rights on inventions arising out of federally supported research has resulted in many promising inventions being left to gather dust on the shelves of government agencies. Less than 4 percent of the patents held by the government are ever successfully licensed. This is not a very good return for the billions of dollars we spend on R & D.

There is another trend that has been commented upon in the past in *Science* and is succinctly expressed by this headline, which appeared in the Washington *Post* on 24 November 1978: "U.S. Seen Losing Technological Edge in Some Industries." Because the government provides such a large percentage of all the R & D expenditures in the United States, an inefficient policy which stifles inventiveness hurts our companies who need new technological ideas to compete successfully with increasingly tough foreign businesses.

In the last Congress, I joined a bipartisan group of senators in introducing a bill we feel will answer at least part of these problems. This legislation, the University and Small Business Patent Procedures Act, will allow universities, small businesses, and nonprofit institutions in most cases to retain patent rights for those inventions and processes if they are willing to spend the necessary private funds to develop and market a final product. At the same time, the bill will protect the legitimate rights of the government to enjoy the fruits of the research it helped to fund.

There are now 20 statutes and regulations in effect that give contradictory instructions to the agencies about their ability to grant patent petitions. Sometimes, even within the same agency, there can be different policies among various divisions. The result has been that researchers face a costly maze of confusing rules, many of which require the agency that helped fund the research to also retain the patent rights for any inventions arising from it.

Early in the next Congress, Senator Robert Dole (R-Kan.) and I again will lead the bipartisan effort to pass this legislation. Realize that getting the most out of our R & D money and the problem of our slumping rate of technological innovation are extremely complex areas. This bill would be an important first step in turning this situation around.●

CLINICAL LABORATORY IMPROVEMENT ACT

● Mr. JAVITS. Mr. President, early in the 96th Congress I will again introduce a Clinical Laboratory Improvement Act. The major objective of CLIA is to improve the quality and reliability of clinical laboratory services by means of Federal licensing authority to enforce higher and more uniform standards. Only laboratories directly in interstate commerce—6 percent of the total number of labs—are regulated under the existing clinical laboratory law, enacted in 1967, which I authored. Two previous CLIA reform bills passed the Senate in 1976 and 1977 but were not voted upon in the House of Representatives due to scheduling delays.

Clinical laboratories play a key role in the detection and diagnosis of a patient's condition. Physicians depend upon laboratory work for information fundamental to the treatment of a patient, and the accuracy of laboratory tests are central to the quality of care available to the health care consumer. Yet according to HEW estimates, there is an error rate of 8 to 25 percent nationwide for clinical laboratory performance, depending upon the specialty tested. That means that over 2 million—out of 12 million—laboratory results are in error every day, resulting in a higher rate of unnecessary hospitalization, unneeded surgery, inappropriate treatment, undiscovered disease, injury, and even death.

Further, a 1976 HEW survey of 200 medicare clinical laboratories revealed serious deficiencies in 74 percent of the labs inspected. The consequences of these deficiencies in terms of human suffering can be severe—when a patient dies because of a faulty blood type report, a child develops severe retardation from treatment based on an incorrect bilirubin test, or when cancer in a patient goes unnoticed—all because a laboratory test was incompletely conducted or read.

I believe that the American health consumer deserves a higher level of performance, and could easily be assured of significantly better performance under the licensure and improvement program that would apply under my bill to almost all clinical laboratories involved in health care delivery.

These problems in clinical laboratory performance have been compounded by the bureaucratic problems attendant on Federal responsibility for assuring the quality of laboratory activities. There are three different agencies responsible for administering the clinical laboratory program, and the record demonstrates that one agency often does not know what the other is doing.

Attempts to define and coordinate these responsibilities through a series of proposed interagency agreements have never been effective. In the face of evidence of ineffective enforcement of clinical laboratory standards under the medicare program, the Department of HEW has seen compiled a sad record of years of bureaucratic backbiting and infighting, of indecisiveness and inaction. I have little faith that an effective, coordinated program can be established absent the clear statutory mandate embodied in CLIA.

This lack of administrative commitment and direction has hampered the effort to improve laboratory performance in the field. Proficiency tests conducted by the Center for Disease Control through 1977 have revealed no improvements in the accuracy of laboratory results in areas such as bacteriology, parasitology, and virology over the past 10 years, and only marginal improvements in other areas. Most alarming is the continuing failure of some laboratories to identify correctly any of the five test samples that make up the complete proficiency test administered by CDC.

Insufficient progress has also characterized the effort to combat fraud and abuse under the medicare and medicaid programs in the lucrative clinical lab business. I have instructed my staff to coordinate the antifraud provisions of the bill with broader proposals to be considered in the Senate Finance Committee.

I am concerned that the practice of a relatively few hospital-affiliated pathologists in requiring percentage compensation arrangements with the hospital for laboratory services under their direction be ended, since such arrangements unnecessarily inflate the cost of medical care and have no direct relationship to the services actually performed by the pathologist.

The need for this legislation is great. Medical laboratory testing occupies an increasingly vital place in both diagnostic and preventive medicine. Nearly 5 billion tests are done annually at a cost of over $12 billion, or about 10 percent of our annual expenditures for medical care. I believe that every person is entitled to protection from inaccurate and unreliable results because of a failure of laboratories to observe basic quality standards and procedures.

As a vital measure that has already twice passed the Senate, I hope for early consideration of a revised CLIA in the 96th Congress.

I am pleased to note the formation of a broad-based Coalition to Support CLIA which will provide an active and unified constituency for the bill's passage. I invite all Americans interested in the quality and reliability of our clinical laboratories to join me in supporting this bill.●

ELIMINATION OF MEDICARE AND MEDICAID PAYMENTS FOR CHIROPRACTIC SERVICES

● Mr. STONE. Mr. President, in the President's budget for fiscal year 1980, it was recommended by HEW that medicare and medicaid payments for chiropractic services be eliminated.

At issue here is freedom of choice of type of health care service. Medicare beneficiaries are not expecting a handout. They have paid hard-earned dollars to medicare through social security. Now, when they can reclaim their investment, they are going to be told that they cannot be reimbursed for the services of a licensed health care provider.

HEW estimates it will save $35 million if this recommendation is adopted by Congress. Quite to the contrary, I feel this recommendation will increase costs. If an individual cannot go to a chiropractor, he will utilize other, usually more expensive health care treatments. Therefore, inclusion of chiropractic services would actually save money.

I have reintroduced legislation in this Congress, S. 76, to make it easier and more equitable for medicare beneficiaries to receive reimbursement for the services of a doctor of chiropractic. I sincerely hope that it is passed and the administration's proposal is rejected.●

RECESS UNTIL 8:30 P.M. TODAY

The PRESIDING OFFICER. Under the previous order, the Senate will now stand in recess until 8:30 p.m., this evening.

Whereupon, at 3:09 p.m., the Senate recessed until 8:30 p.m.

The Senate reassembled when called to order by the Presiding Officer (Mr. SARBANES).

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

JOINT SESSION OF THE TWO HOUSES—MESSAGE OF THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 96–1)

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the Hall of the House of Representatives.

Thereupon, at 8:40 p.m., the Senate, preceded by the Vice President and the Sergeant at Arms, Frank Nordy Hoffmann, proceeded to the Hall of the House of Representatives to hear the address by the President of the United States.

The address by the President of the United States, this day delivered by him to the joint session of the two Houses of Congress, appears in the proceedings of the House of Representatives in today's RECORD.

RECESS UNTIL 12 NOON TOMORROW

At the conclusion of the joint session of the two Houses, and in accordance with the order previously entered, at 9:45 p.m. the Senate recessed until tomorrow, Wednesday, January 24, 1979, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate, January 19, 1979, under authority of the order of the Senate of January 18, 1979:

THE JUDICIARY

Phyllis A. Kravitch, of Georgia, to be U.S. circuit judge for the Fifth Circuit, vice Lewis R. Morgan, retired.

John G. Penn, of Maryland, to be U.S. district judge for the District of Columbia, vice Joseph C. Waddy, retired.

Abraham D. Sofaer, of New York, to be U.S. district judge for the southern district of New York, vice Marvin E. Frankel, resigned.

DEPARTMENT OF JUSTICE

Carlon M. O'Malley, Jr., of Pennsylvania, to be U.S. attorney for the middle district of Pennsylvania for the term of 4 years, vice S. John Cottone.

Executive nominations received by the Senate, January 22, 1979, under authority of the order of the Senate of January 18, 1979:

DEPARTMENT OF STATE

Robert H. Pelletreau, Jr., of Connecticut, a Foreign Service officer of class 3, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the State of Bahrain.

Stephen Warren Bosworth, of Michigan, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Tunisia.

IN THE PUBLIC HEALTH SERVICE

The following candidates for personnel action in the Regular Corps of the Public Health Service subject to qualifications therefore as provided by law and regulations:

1. For permanent promotion:

To be medical director

N. Burton Attico
Richard R. Bates
Edward F. Blasser
Allen W. Cheever
Harold T. Conrad
Anthony N. Damato
William R. Decesare
Frederick V. C. Featherstone
Roger A. Feldman
J. Kenneth Fleshman
Donald D. Funk
George W. Gaffney
Robert J. Griep
Joseph S. Handler
Roger W. Haskell
Alfonso H. Holguin
Robert R. Jacobson
William H. James
James W. Justice
David C. Kay
Harry R. Keiser
Carl M. Leventhal
Ephraim Y. Levin
Robert N. Ligo
Clayton H. McCracken, Jr.
George D. Monda
Charles H. Neilson
James K. Penry
Rolfe W. Salin
Dean F. Tirador
George S. Walter

To be senior surgeon

John V. Bennett
David L. Child
Won Suk Cho
Ronald E. Gillilan
Charles W. Gorodetzky
David H. Groth
Robert C. Hastings
Charles A. Herron
Paul V. Holland
Vilis E. Kilpe
Carl R. Merril
William G. Prescott
George A. Reich
Thomas L. Robertson, Jr.
Calvin D. Sanders
Charles R. Westley
Robert E. Wills

To be surgeon

James R. Allen
Alfred L. Brassel, Jr.
James R. Cooper
Richard E. Dixon
Wayne C. Farmer
Jeffrey R. Fisher
Curtis C. Harris
Elaine S. Jaffe
Randall H. Lortscher
John J. Mulvihill
Howard W. Ory
William A. Paton
Frederick R. Pintz
Thomas K. Welty
John A. Wolfe

To be dental director

Lawrence I. Carnes
Sherman L. Cox
Charles O. Cranford
Ronald Dubner
Glen D. Elliott
T. Edwin Evans, Jr.
John F. Goggins
Donald W. Johnson
Merlyn B. Johnson
Thomas L. Louden
Leo N. McKenzie
Robert E. Mecklenburg
Lowell W. Smith
George B. Spruce, Jr.
Robert O. Wolf

To be senior dental surgeon

Tullio F. Albertini
William S. Driscoll
John L. Elliott
John Folio
William R. Hall
John S. Huling, Jr.
Wayne A. Jenkins
Bruce E. Johnson
James P. Johnson
Edward Kuzma
Sheppard M. Levine
Rudolph E. Micik
Regis M. Nairn
Joseph R. O'Neil, Jr.

To be dental surgeon

Robert S. Andrews
Henry E. Jones, Jr.
Michael D. Lund
Neil H. Nilsson
Charles R. Wanner

To be nurse director

Norma J. Baxter
Rita Chow
Josephine J. Hedrick
Mary B. Twiner
Lawrence J. Welding
Irene C. Zyniewicz

To be senior nurse officer

Barbara J. Bowman
Tanya T. Crow
Paul V. Donnelly
George F. Hedquist
Christine H. Johnson
Pattie A. Kwon
Helen M. Mangan
Evelyn L. Maxwell
Rose M. Truax

To be nurse officer

Robert L. Oshins
Frederick C. Raje
Morris J. Smith

To be senior assistance nurse officer

Judy D. Burt
Linda M. Zwiaska

To be sanitary engineer director

Robert G. Bostrom
Jules B. Cohen
Donald P. Dubois
John A. Eckart
John A. Eure
George C. Kent
Richard E. Reavis
John E. Regnier
Edgar F. Seagle
S. David Shearer, Jr.
Jay S. Silhanek
Albert V. Soukup
Lyle D. Thomas
John C. Villforth
Gerald G. Vurek

To be senior sanitary engineer

Donald A. Anderson
Malcolm C. Bruce
Ralph W. Buelow
Richard L. Douglas
Dewayne E. Durst
Jack R. Farmer
Henry L. Fisher, Jr.
R. Frank Grossman
Richard S. Kramkowski
F. Donald Maddox
Robert G. Raymond
Paul B. Smith
Daniel A. Stock
Donald T. Wruble

To be sanitary engineer

J. Douglas Ashbrook
Steven M. Bromberg
Gunther F. Craun
Dennis A. Degner
Marius J. Gedgaudas
Jerome J. Healy
Jack W. Hoffbuhr
Thomas R. Horton
Peter R. Johnson
Thomas J. Logan
Gary K. Radtke
Ronald A. Robinson
Gene W. Smith
James H. Southerland
Ronald R. Speedy
Ray L. Walchle
Richard F. White
Linden E. Witherell
Kenneth R. Woodard

To be senior assistant sanitary engineer

James J. Cherniack.
Wayne E. Wruble.

To be scientist director

David Abraham
Sotiros D. Chaparas
Carleton M. Clifford, Jr.
Robert H. Depue, Jr.
Robert L. Elder
Burton R. Evans
Arthur D. Flynn
Martin I. Goldenberg
J. Richard Gorham
Leon J. Greenbaum, Jr.
Joseph Greenberg
Vincent J. Sodd
Robert T. Taylor

To be senior scientist

Elmer W. Akin
Gregory J. Barone
John J. Bartko
Laurence T. Carroll
Robert F. Clarke
Arnold K. Fowler
Donald E. Gardner
Alfred Hellman
Douglas H. Keefer
Frank S. Lisella
Jon R. May
Michael A. Oxman
Norman L. Richards
William H. Spillane
Harold F. Stewart

To be scientist

Stephen P. Bernardinelli.
Richard P. Chiachierini.
Harry A. Milman.

To be sanitarian director

Robert E. Adams
Willard N. Adams
John H. Brandt
Gerald J. Karches
Robert L. Sanders
Thomas C. Sell
William F. Sundin
Jack Womack

To be senior sanitarian

George A. Adams
Vernon R. T. Bergman
Ralph J. Bicknell
Eduardo G. Campos
Victor L. Casper
Kurt L. Feldmann
Donald L. Lambdin
H. Harold Lehman
Matthew C. Lynch
Robert A. Marsland
James R. Reed
Safety E. Reynolds
Johnny R. Sanders
Phillip H. Shoultz
Dale J. Vandonsel
Thomas S. Willett

To be sanitarian

Selden C. Hall, Jr.
Floyd L. Lashly, Jr.

To be veterinary officer director

Don C. Gibson
John E. Holman, Jr.
Charles W. McPherson
John H. Richardson
Robert W. Thomassen

To be senior veterinary officer

Ezra Berman
Charles G. Liddle
James L. Murray
James A. Peters
Stephen Potkay

To be pharmacist director

Francis P. Barletta
Paul O. Fehnel, Jr.
Wesley R. Gladhart, Jr.
James R. Grigdesby
Robert E. McKay
Lawrence D. Smith

To be senior pharmacist

Ray D. Crossley, 2d
Jean P. Davignon
Lawrence E. Gustafson
Jerome A. Halperin
Donald E. Hill
Edmund F. Kropidlowski
John J. Lucas
John J. Miescier
Arthur C. Willman
Gary J. Wold

To be pharmacist

Roger L. Dinwiddie
Arthur H. Holmes, Jr.
Gordon H. Jensen
Johnny B. Peebles
James G. Tauer
Theodore A. Westley

To be senior assistant pharmacist

Robert C. Adams
Steven C. Bowman
Paul A. Bucceri, Jr.
Gary P. Copeland
Raymond W. Hammond
Gary L. Henderson
Neumon D. Johnson, Jr.
Alexander P. Jones
James F. Neighbors
Roger D. Nicolaus
Michael A. Rempfer
Glenn H. Rex
Kenneth L. Spear
Dorothy S. Vershure
William B. Welch

To be therapist director

Peter D. Cline.
Lamont B Smith.

To be senior therapist

William W. Murray.

To be therapist

Harry T. Bergtholdt
Roger R. Berry
Gene A. Diullo
William A. Fromherz

To be senior assistant therapist

James A. Akers
James C. Pryce

To be dietitian director

Lois R. Seidler

To be senior dietitian

Catherine G. Waters

To be health services officer director

Robert W. Carrick
Charles L. Cox
Kenneth F. Hunt
Lavert C. Seabron
Walker C. Williams

To be senior health services officer

Wayne G. Brown
Robert S. Callis
George F. Creswell
Earl W. Robinson
Wilbert Shimoda
Roger W. Turenne
Charles T. Wilson

To be health services officer

Joseph S. Arcarese
Bascom W. Carlton, Jr.
Winston J. Dean
John H. Peterson
Ellery D. Savage
Melvin E. Segal
Mark O. Semler
Dennis R. Shipman
Joseph G. Sirmons
Charles P. Warr, Jr.
Theodore J. Weinberg
Samuel T. Windham, Jr.

To be senior assistant health services officer

Elmon S. Crumpler
George S. Komada
Llewellyn H. Mason, Jr.
Peter P. Mazzella
Emmett E. Noll
Tim L. Pay
James J. Vucich

In the Public Health Service

The following candidates for personnel action in the Regular Corps of the Public Health Service subject to qualifications therefore as provided by law and regulations:

1. For appointment:

To be senior surgeon

Francis Caprio
Frank Clarke
Philip A. Corfman
Uel D. Crosby, Jr.
Dorynne J. Czechowicz
Fe R. Dela Paz
William H. Foege
Michael B. Gregg
David M. Iszard
Florence Kavaler
Stephen H. King
Jacqueline Whang Peng
Alice R. Ring

To be surgeon

Barbara A. Beasley
Paula M. Botstein
Franklin Chu
Elliot L. Cohen
James W. Curran
David S. Gordon
Hsien W. Ju
Peter H. Lee
Dominick A. Minotti
Lawrence R. Morales
Mercedita T. Timtiman
Harold M. Ginzburg
Barry F. Bader
Berl E. Nussbaum
Roger J. Porter
Francisca M. Ward

To be senior assistant surgeon

Jerome I. Block
Michael A. Howard
Morton H. Levitt
Robert B. Merrick
Eugene V. Moffett
Philip D. Noguchi
Richard D. Olson
Burley J. Packwood
Trenton K. Ruebush, 2d
Vincent J. Vivona
David H. Young
Kenneth P. Benusis
Lynn J. Brown
Gerald F. Kaplan
Galen B. Warren
Sam E. Wilcox

To be senior assistant dental surgeon

Eric B. Broderick
Joseph M. Checchio, Jr.
Peter R. Christensen
Martin R. Cirulis
Dee J. Danner
Michael T. Finnern
Gary S. Gritzbaugh
Charles G. Hay
George R. McCarthy
John D. Morgan
Larry D. Prater
Clark W. Rogers
Donald A. Schneider
Daniel L. Speth
Gordon H. Tong
Mary E. Tope
Tonie M. Waller
Michael R. Walker
William D. Wood

To be senior sanitary engineer

Weldon C. Fill
Philip C. Schwindt, Jr.

To be sanitary engineer

Walter A. Collins
David L. Larson
Melvin L. Meyers
Jerry H. Nunogawa
Charles E. Rodes

To be senior assistant sanitary engineer

William F. Barnard
Christopher L. Christman
Dennis W. Groce
Gregory Q. Haase
Wayne D. Heiden
Stephen C. James
Douglas C. Jensen
George R. Laws
Michael E. Peterson
Harvey W. Rogers
Cecil P. Roper, Jr.
Frederick W. Weller
Mark A. Werre

To be senior veterinary officer

Dennis O. Johnson
Robert A. Whitney

To be veterinary officer

David K. Johnson

To be senior assistant veterinary officer

Martin L. Morin

To be scientist

James M. Barbaree
David G. Brown
John P. Burke
Jerry L. Chandler
Wilbur H. Cyr
Stanley E. Edinger
Philip E. Hamrick
Richard C. Henneberry
Frederick A. Hodge
John N. Krzemien
Judd C. Posner
Harvey Rudolph

To be senior assistant scientist

William D. Brown
Michael J. Colligan
Howard W. Kroll
Alfred N. Milbert
Jacqueline M. Muller
Marco Montoya
Stephen A. Olenchock
John H. Sammons
Annette W. Zimmern

To be nurse officer

Rosalyn T. Curtis
Vivian M. Demarest
Eileen P. Gunter
Cecelia U. Reid
Jeanette M. Scheppan
Lillie A. Siebodnick
Lois E. Solari
Beverly G. Weiberg
Mildred H. Williams

To be senior assistant nurse officer

Kathleen L. Berry
Donald M. Judd, II
Elizabeth B. Knutti
Lorraine A. Maciag
Dione S. Mahoney
Cynthia K. Mooney
Billy J. Moore
Thomas E. Tidmore
Kathleen M. Trail
Diane K. Wysowski

To be assistant nurse officer

Robert E. Adams
Jewel L. Boykin
Theodore W. Currier, 3rd
John R. Morrow

To be pharmacist

Benjamin P. Lewis, Jr.
Ronald J. Pytel

To be senior assistant pharmacist

Barton W. Baker
Donald Beiergrohslein
Larry D. Croll
Norman A. Hadd
Steven K. Halstead
Thomas H. Hassall
Richard E. Davis
Joy Leon Dearman
Michael R. Gecewich
Francis J. Hussion
Jay D. McGath
Melvin P. McRae

To be assistant pharmacist

Dennis M. Alder
Paul F. Jarosinski
Robert D. Schenkman
George R. Schmidt
Larry C. Steward
Richard A. Stowe
Peter L. Vaccari
David C. Wilcox
James L. Zimmerly

To be senior assistant sanitarian

Darryl B. Barnett
George E. Byrns
Cynthia I. Howarth
Robert J. Kapolka

To be assistant sanitarian

Richard H. Glover

To be dietitian

Carolyn Przekurat

To be senior assistant dietitian

Marie L. Goulet
Emma L. Howard
Alice A. Jones
Donald M. Patin
Mark S. Siegel
Laura M. Vizas

To be assistant dietitian

Eloise Beechinor

To be therapist

James D. Ebner
Barbara H. Ferguson
Valerie A. Olszewski

To be senior assistant therapist

Beverly J. Bell
Ronald S. Brocato
Thomas G. Mcpoil, Jr.
B. Thomas Scheib
Keith E. Varvel
Selden D. Wasson

To be assistant therapist

Randall L. Fletcher
Kay E. Ginader
Marc M. Gordon
Allan W. Grose
Bruce P. Klein
Penny G. Kroll
Milton T. Levesque
Donna M. Pizzo
Paul R. Rockar, Jr.
David B. Wilkins

To be health services officer

John F. Bopp
Libby E. Ely
Jack C. Hall
Matthew L. Henk
Barry J. Solomon

To be senior assistant health services officer

Evan R. Arrindell
Martin J. Bree
Frederick L. Buchta
Dan F. Carter
Larry S. Chapman
Richard Darlington
John D. Dupre
Larry D. Edmonds
Lucio Flores, Jr.
Joseph Garcia, Jr.
Jay D. Gile
John R. Hammond
Stephen J. Henske
Daniel A. Hoffman
John E. Hubbard
Paul T. Kirkham
Robert P. Kuhlthau
Patricia D. Mail
John T. Miller, Jr.
Gary R. Pabalis
Marlene L. Ruckert
Norman C. Schauer
Gordon R. Seidenberg
Idelle P. Smith
Donald W. Stanek
Jacob E. Tenenbaum
George H. Walter
John D. Wells
Billy G. White
Sherman H. Wooding

To be assistant health services officer

Priscilla F. Butler
Raymond L. Clark
Alfred G. Fahlstedt
Terence M. Grady
Nancy A. Hazleton
Jean L. Hochheimer
Klaus D. Kracht
William M. Krushat
Dorothea Musgrave
Robert P. Nugent
Janet M. Ruck
Richard G. Schulman
Constance F. Sullivan
Edward H. Taylor
Herbert L. Venable
Francis P. Wagner, Jr.

In the Coast Guard

The following officers of the U.S. Coast Guard for promotion to the grade of rear admiral:

Sidney B. Vaughn, Jr.
John D. Costello
Donald C. Thompson

In the Coast Guard

The following-named commanders of the Coast Guard Reserve to be permanent commissioned officers in the Coast Guard Reserve in the grade of captain:

Glen N. Armitage
Allan K. Brier
Henri L. Bignault
Fenwick (n) Taylor
David B. Michel
James P. Barnett
Carl A. Zellner
Robert K. Liput
Walter J. Symons
Stuart A. Yoffe
James B. Lowe
William A. Parker
Harry A. Gard
Herbert C. Gould

Roger J. Davis
Ronald J. Vito
Wilfrid W. Csaplar
Roger J. Erickson
Stephen M. Aug
Thomas P. Marian
Richard L. Powell
Frank J. Ropiak
Thomas J. Travers

In the Coast Guard

The following regular officers of the U.S. Coast Guard for promotion to the grade of commander:

James M. Seabrooke
Robert C. McFarland
Joseph Marotta
Allan B. Pell
Carl R. Mockler
George J. Buffleben, Jr.
John E. Lindak
Hugh A. Dayton
Robert Bates
William E. Remley
Larry A. Murdock
Timothy V. Johnson
David Zawadzki
Robert J. Heid
Thomas Rutter
George A. Bachtell
Paul T. Potter
Frank R. Long
Richard C. Waterman
Burton F. Folce, Jr.
Jerry C. Bacon
Martin L. Lindahl
Charles W. Murray
Richard V. Butchka
Donald G. Campbell
Walter R. Bodner, Jr.
Gary C. Nelson
Ronald J. Davies
Larry R. Hyde
Leo J. Black, Jr.
Thomas Nunes
Stephen H. Davis
Andrew F. Hobson
Delbert L. Hemphill
Thomas L. Osborne
Gerald J. Pounds
Robert L. Zeller
Gary A. Rogers
Lawrence R. Rodgers
William H. Rollins, Jr.
Jimmie H. Hobaugh
William J. Loefstedt
Thomas J. McKerr
Donald A. Anderson
William R. Arnet, Jr.
James H. Donahue
Richard W. Werner
Eldon L. Beavers
David H. Amos III
Lindon A. Onstad
Roger T. Rufe, Jr.
Marcel J. Bujarski
Donald F. Potter
Grant W. Risinger
James T. Fenner
Rene N. Roussel
James R. Norman
Roland W. Breault, Jr.
Johnnie L. Hair
Joseph E. Tamalonis
Francis N. Harrell
Brent Malcolm
Stanley E. Bork
James V. O'Neill
Robert F. Doughty
Frank M. Chliszczyk, Jr.
Alvin W. Sumner
William N. Rohrer
John M. Lewis
John F. Overath
George E. Ellis
Preston H. McMillan
Thomas L. Young
William E. Ricks
Douglas R. Herlihy
Richard E. Bruce
Laurence J. Murphy, Jr.
Donald C. Hibbard
Cassius Lisk
Theodore M. Nutting
Jean A. Snyder
Edward A. Harmes III
Alton E. Turner
Leon K. Thomas, Jr.
Clarence C. Martin, Jr.
Michael J. Dewitt
Kenneth J. Morris
Charles S. Park III
Roland H. Buster
Garran C. Grow
Theodore J. Polgar
Wayne W. Becker
William M. Simpson, Jr.
John D. Spade
Thomas E. Yentsch
Robert T. Luckritz
John A. Pierson, Jr.
Cecil W. Allison
Robert W. Mason
Arcangelo V. Arecchi
Michael E. Koloski
Edward A. Chazal, Jr.
William H. Norris
Frederick M. Hamilton
Samuel J. Dennis
James A. White
Douglas Teeson II
Robert M. Stephan, Jr.
Carl Josephson
Stephen L. Brundage
Laurence H. Somers
Peter T. Poulos
Jerry M. Payne
Glenn E. Serotsky
Richard D. Manning
Paul M. Blayney
Donald S. Jensen
Carl H. Helman III
Joseph R. Offutt, Jr.
Howard A. Newhoff
James A. Sanial, Jr.
Ralph E. Anderson
Randall D. Peterson
Walter S. Viglienzone
Gerald J. Zanolli
Richard W. Walton
Thomas E. Omri
James D. Morgan
John E. Schwartz
Richard B. Chapman
Delgene O. Phillips
James B. Ellis II

The following Reserve officer of the United States Coast Guard for promotion to the grade of commander:

Ross Bell

The following retired officer recalled to active duty for promotion to the grade of commander:

Paul G. Patrinos

The following Regular officers of the United States Coast Guard for promotion to the grade of lieutenant commander:

James B. Wallace
Kermit Johnson
Richard G. McLean
Larry G. Bickmore
Roger A. Garlow
Paul D. Mankovich
Frank J. Scaraglino
Mark J. Costello
Thomas D. Brennan
Francis T. Marcotte
Calvin F. Perkins, Jr.
James D. Stiles
John J. Harris
Robert A. Breunig
Michael E. Moore
Charles W. Wadey
David B. Anderson
Darryle M. Waldron
Peter A. Lenes
Mark D. Present
Pablo M. Rodriguez
Theodore G. White III
Mark L. Lavache
Timothy W. Josiah
Robert C. Gravino
Thomas R. Hamblin
Wenceslaus D. Kinal
John K. Miner
Charles H. Hill
George Bond II
Frederick R. Adamchak
Barry P. Kane
Russell A. Askey
David H. Blomberg
Roderick A. Schultz
Richard L. Hilliker
Donald R. Grosse
George N. Naccara
Chester M. Sprague
James D. Burk
Robert W. Thorne
David C. Dubois
Gary L. Pavlik
Fred W. Pryor
Gerald H. Kemp
Robert T. Glynn
Douglas B. Brown
Eugene A. Miklaucic
Kyle E. Jones III
Gary J. Turvill
Rick A. Sistek
Gerald L. Ranes
Michael L. Duvall
Lee S. Rumley
James A. Moon
David A. Desiderio
John H. Nicholson
Robert L. Council
Rodger R. Logan
James P. Wysocki
Charles D. Phillips III
Michael D. Slovek
Jon W. Hall
Stanley E. Breedlove
Eckhard E. Magsig
Harold F. Wagner
Charles L. Fenning
Willard R. Cox
Lewis C. Dunn
Richard G. Seagrave
Bryan M. Genez
John A. Doty
Johnnie L. Johnson
Roy G. Cook
Fred A. Dickey
Roger D. Chevalier
Edward A. Altemos
Robert J. Weaver
James G. Montgomery
Steven A. McCall
Ronald W. Tanner
Charles F. Guldenschuh
Gerald W. Abrams
Michael J. Goodwin
William M. Randall
Newton L. Bennett
James C. Perry
Frank E. Lange
James A. Murphy
Salvador Romo, Jr.
Zacarias S. Chavez
Leo T. Weyenberg
Guy Taylor, Jr.
John Perez
Carl E. Wolcott
Daniel E. Norman
Earl H. Potter III
Michael F. Flessner
Harold W. Henderson
David J. Reichl
James Q. Neas, Jr.
Thomas E. Bernard
Robert E. Pearce
Terence M. Bills
Richard E. Ford, Jr.
Edward D. Walsh, Jr.
Jeffrey J. Cotter
Raymond M. Paetzold
Carl D. Main
Paul J. Bibeau
Kenneth A. Rock
Robert S. Varanko
Leigh R. Taylor
David L. Crede
Robert E. Maloney
Gary R. McGuffin
Michael D. Allen
David R. Moore
Charles R. Weir
Joel A. Thuma
John K. Kirkpatrick
David S. Belz
Thomas L. Davis
Richard D. Crane
James B. Friderici
Michael D. Gentile
Rodney L. Cook
James R. Beach
Timothy L. Terriberry
William B. Thomas
James G. Marthaler
Gerald A. Gallion
Robert D. Sirois
Harold G. Ketchen
Paul C. Jackson
James S. Carmichael
Kevin L. Ray
Joseph L. Bryson
Michael D. Cooley
Gregory S. Voyik
William E. Kozak
Roy J. Casto
Alan F. Walker
Terrance M. Edwards
Mark A. O'Hara
Gale W. Fisk
Ronald A. Marcolini
Robert J. Williamson, Jr.
Thomas J. Zieziulewicz
Peter Q. Pichini
William H. Anderson
Lawson W. Brigham
Ernest J. Blanchard IV
Larry F. Lanier
Terry M. Cross
Dennis R. McLean
Horton W. Johnson
Ralph D. Utley
Thomas B. Taylor
Roger C. Cook
Henry J. Rohrs, Jr.
Anthony S. Tangeman
Richard W. Brandes
John R. Mitchell
Frederic N. Squires, III
Douglas D. Stevenson
Stephen R. Rottier
Paul L. Hagstrom
Philip E. Sherer
Edward J. Dennehy
George F. Johnson
Alan E. Spackman
Steven A. Macey, Jr.
John A. Gaughan
Charles R. Brown
William A. McDonough, Jr.
Kenneth C. Kreutter
David T. Jones
Bruce B. Stubbs
Richard S. Muller
Allen K. Boetig
Myron F. Tethal
John H. Fearnow
John E. Quill
Melvin W. Garver
Terrance P. Hart
James B. Brown
Jonathan M. Vaughn
Dennis M. Pittman
Edmund F. Labuda, Jr.
Marc F. Pettingill
John M. Murphy
David J. Maloney, Jr.
Frederick H. Sellers, Jr.
Guy T. Goodwin
James C. Olson
Samuel J. Apple
Robert L. Pray
Donald G. Bandzak
Thomas B. Rodino
Chester J. Walter
Donald B. Parsons, Jr.
William W. Pickrum
Richard M. Cool
Christoper T. Desmond
Thomas X. Worley
George R. Speight, Jr.
James J. Rao, Jr.
Warren E. Dutton, Jr.
Jack D. Asbury
Donald T. McNulty
William F. Meininger
Ronald T. Via
Wayne T. Shipman
Kelly S. Callison
James A. Kinghorn
Charles K. Bell
David H. Donaldson
George B. Brinson
Michael J. Donohoe
John S. Merrill

In the Coast Guard

The following officers of the U.S. Coast Guard for promotion to the grade of lieutenant:

Gary S. Johnson
Bradford W. Black
David W. Courtois
Christopher E. Dewhirst
David G. Dickman
Rex A. Auker
Robert R. Porterfield
Ronald W. Stover
Gregory S. Fitzpatrick
James W. Shafovaloff
Roger M. Dent
Timothy M. Henenway
Michael L. Hunt
Steven J. Brantner
Hugh S. Edwards
Allan L. Shell
Gordon P. Lau
Thomas A. Murphy
Robert D. Olsen
James R. Watson
Kenneth M. Hay
John E. Williams
James C. Montgomery
Douglas L. Hickcox
John H. Williams, Jr.
Robert T. Douville
Lawrence A. Eppler
Richard C. Pohland
Philip A. Thibault
Jon S. Dilloway
David W. Hoover
Kevin J. MacNaughton
Gary T. Blore
Martin B. Potkalesky
Gregory D. Ahlstrom
Lawrence A. Hall
James J. Hanks
Dennis J. Inhat
William A. Kosty
Gregory M. Bowley
Jeffery H. Sunday
James D. Weselcouch
Richard D. Kassler
Roger W. Bogue
Carl A. Lindberg
William T. Bailey
John E. Crowley, Jr.
Robert E. Fellrath
William E. Goodwin
Thomas J. McDaniel
Harlan Henderson
Roger W. Browne, III
Charles T. Lancaster
William M. Parker, Jr.
Walter S. Miller
Lutz G. Buesing
Glenn L. Snyder
Mark L. Scire
Michael F. Holmes
Thomas H. Micklas
Clyde K. Watanbe
Mark E. Blumfelder
Douglas P. Rudolph
William H. Southwood
Matthew G. Williams
David W. Broughton
Patrick K. Lesesne
John F. Pillsbury
Harold D. Lee
Herbert H. Sharpe III
Richard P. Prince
Richard W. Goodchild
Raymond T. Brooks
Erik N. Funk
Arthur J. Volkle, Jr.
Timothy S. Sullivan
Gordon D. Garrett
Walter E. Veselka III
John L. Grenier
John R. Williams
William L. Johnson
David M. French
David W. Ryan
Richard L. Roseberry
Michael E. Thompson
Frank J. Williams
Mark G. Vanhaverbeke
Jeffrey A. Florin
Bernard P. Silkowski
John J. Albertine
Douglas H. Alsip
Robert A. Stromsted
Arthur L. Sala
Benjamin A. Herrick
Charles T. Bennett III
Harvey E. Johnson, Jr.
Scott V. Laburn
Fred M. Rosa, Jr.
Mark R. Warburton
Craig L. Schnappinger
William S. Vlcek
Dave L. Brannon
Wayne C. Raabe
Michael L. Dobravec
Michael Bray
Dale G. Gabel
Richard M. Sebek
Randall R. Fiebrandt
Joseph T. McFaul
Steven M. Conway
William C. Bennett
Patrick J. Ryan
George R. Turner, Jr.
David W. Jones
David P. Baird
Douglas E. Martin
James J. Lober, Jr.
John E. Crowley, Jr.
Eugene L. McDermott
Richard A. Rooth
Ty G. Waterman
John E. Comeau

Jon T. Byrd
William C. Kessenich
Dennis J. Hardacker
George R. Matthews, Jr.
Wayne D. Gusman
Lawrence M. Brooks
Stephen T. Ciccalone
Walter J. Romanosky, Jr.
Stephen P. Healow
Joel C. Hendrix
George A. Capacci
Richard W. Sandford
Michael J. Devine
David J. Radachy
Jonathan T. Gunvalson
Robert J. Papp, Jr.
Michael S. Canavan
Stephen D. Omar
Phillip A. Fallis
James Sabo
Franz M. Wilcenski
John L. Byczek
John C. Simpson
Paul C. Ellner
Frank J. Gross
Marvin J. Pontiff
Craig R. Berry
Michael J. Smith
Robert M. Latas
John R. Barrett
Frederick T. Nichols
Daniel M. Brown
Steven A. Newell
Barry A. Harner
Joseph G. Gianfalla, Jr.
Christopher R. Marple
Mark R. Anderson
Thomas J. Baird
Arthur E. Cubbon, Jr.
Dwight G. Hutchinson II
Joel R. Whitehead
Thomas A. Watkins
Timothy E. Tilghman
Robert A. Opkins
John J. Davin
Dennis C. Thorseth
Gregory J. Robinson
Dana V. O'Hara
Richard R. Houck
Paul R. Vonprotz
Brenton S. Whitener
Robert H. Segovis
Donald R. Opedal
Roland R. Isnor
David M. Mogan
Larry J. Lockwood
Wallace R. Ridley
Herbert H. Adams
Peter F. Deboer
John P. Delong
R. D. Williamson
Stephen D. Heath
Brent A. Bosin
Robert D. Lassiter
Melville B. Guttormsen

The following-named temporary officers of the Coast Guard to be permanent commissioned officers:

Gary S. Johnson
Timothy M. Hemenway
Hugh S. Edwards
Allan L. Shell
Gordon P. Lau
Thomas A. Murphy
Robert D. Olsen
James R. Watson
Kenneth M. Hay
John E. Williams
James C. Montgomery
Douglas L. Hickcox
John H. Williams, Jr.
Robert T. Douville
Paul R. Vonprotz
Brenton S. Whitener
Robert H. Segovis
Donald R. Opedal
Roland R. Isnor
David M. Mogan
Larry J. Lockwood
Wallace R. Ridley
Herbert H. Adams
Peter F. Deboer
John P. Delong
R. D. Williamson
Stephen D. Heath
Brent A. Bosin
Robert D. Lassiter
Melville B. Guttormsen

The following officers of the United States Coast Guard for promotion to the grade of lieutenant (junior grade):

Erik J. Fiske
Michael J. Cronin
William T. Carraher
Daniel B. Lloyd
Hooper R. Brock
John A. Shott, Jr.
Gary F. Greene
Stephen L. Wilhelm
John R. Lynch
George E. Howe
Thomas W. Sparks
Garry B. Rolsma
Thomas A. Wenzel, Sr.
Gregory T. Jones
Richard J. Hartnett
Jerry K. Thorusen
Thomas P. Leveille
Joseph W. St. Martin
Frank N. McCarthey
Ronald W. Kaye
Jay D. Mahaffey
Steven P. Carpenter
Lawrence C. Vose
Wade A. Mitchell
Joseph E. Wiggins
Kenneth S. Prime
Blaine D. Horrocks
Albert E. Simmons, Jr.
Michael N. Powers
Peter L. Seidler II
Arthur M. Bonneau
Alan L. Peek
Michael L. Vanhouten
Louis Nash
Kim L. Krzywicki
Phillip J. Heyl
Michael V. Franchini
John C. Nelson
Vincent J. Dicecco III
Andrew T. Moynahan
John P. Lanigan, Jr.
William A. Mathus
David A. Dupont
Robin K. Kutz
Dennis J. Houghton
Glenn R. Herrmann
Marc A. Blanchard
William L. Fry
Philip E. Coletti
Wayne A. Fisher
Donald B. Trone, Jr
Edmundo Marmol
Rober D. Gibson
James S. Angert
David T. Levesque
Michael L. Butler
Richard F. Beseler
Stephen H. Goetchius
Paul C. Potvin, Jr.
David T. Glenn
Guy R. Nolan
Stephen A. Fiedler
Brian S. White
Richard W. Habib

Tony J. Barrett
John E. Harrington
Mark A. Grossetti
Joseph L. Nimmich
Henry C. Deens III
Charles J. Bennardini, Jr.
Raymond E. Seebald
Kevin E. Shumacher
Donald E. Wilt II
Gregory A. Lachance
James M. Hass IV
Robert J. Morrispn, Jr.
Jeffrey S. Smith
Donald A. Ross
Guy R. Gerard
Max M. Woodcock
Albert L. Barco IV
Gerald R. Wheatley
Edward D. Selle, Jr.
John A. Stout
David P. Pekoske
Robert M. Elsener
Victor J. Mihal
Robert J. Quirk
Michael W. Carr
Richard A. Rita, Jr.
Paul F. Zukunft
Justin H. Randall III
Scott R. Settimo
Arthur L. Halverson
Richard P. Yatto
Jeffrey Q. Gamble
Jerome A. Iltis
Michael R. Moore
David J. Rimer
Alan L. Brown
Thomas G. Gomes
Daniel R. Brown
Mark D. Layne
Michael D. Farrell
Robert S. Branham
Kenneth M. Bradford
Zachary A. Frangos
Harald B. Creech
Michael A. Kraman
Roger K. Butturini
James B. Brewster
Edward S. Carroll
Ronald B. Hoffman
Dale E. Walker
Mark R. Beskeen
Wayne E. Justice
Randall J. Sharshan
Mark W. Byrum, Jr.
Keith G. Johnson
Kenneth Shalik
Robert J. Onorato, Jr.
David L. Hiltibrand, Jr.
Remer G. Boothe
Craig E. Bone
Gary I. Kahn
Robert L. McLaughlin
Robert A. Goetz
Michael D. Hazel
Scott E. Hartley
Martin J. Rajk
Wayne M. Lundy
Randolph O. Dodge
Timothy M. McDonald
William R. Webster
Steven R. Swanson
William L. Siegel, Jr.
Robert L. Lachowsky
Kenneth Armstrong
Barrow M. Hudiburgh
George H. Teuton III
William T. Davis II
Robert C. Jones
Richard A. Walleshauser, Jr.
William G. Shultz
Kevin P. Jarvis
Gregory G. Warth
Thomas R. Rice
Dennis J. Hughey
Mark J. Campbell
William M. Boochino
Peter J. Ganser
Jeffrey P. Watry
John N. Leonard
Mark E. Jones
John S. Bowers
Ernest W. Fox
Timothy R. Quinton
Robert I. Bernstein
Richard S. Burns
John C. Miko
Ronald R. Falkey
Robert J. Watson
Burton S. Russell
Michael P. Selavka
Steven E. Fabian
Mark R. Trump
David A. Davidson
Craig M. Veley
Michael S. Kushla
Paul A. Richardson
Alvin Crickard, Jr.
Jeffrey V. Poston
William R. Cairns
George W. Wood III
Michael D. Riley
Richard P. Fornaseri
John B. Young III
Kevin C. Olds
John J. Allen
William M. Addington
Joseph H. Schuck
Curtis B. Odom
Earl A. Burns, Jr.
Douglas D. Whitmer
Paul J. Prince
Frederick E. Bartlett
Ramiro Gonzales
Keith D. Cameron
Darrell E. Nelson
Michael L. Williams
Theodore P. Montgomery
Robert J. Palko, Jr.
Mark P. Thomas
James L. Law
William K. Farrell
Bruce R. Voorheis
Randal K. Meinis
Joseph B. Kolb, Jr.
Anthony Buancore
Pierre S. Krouse
William B. Baker
Daniel C. Slyker
Louis R. Skorupa
Richard M. Piccioni
Phillip W. Waldron
Frederick F. Garland III
Martin L. Phillips
Arthur E. Pilot
Joseph D. Klimas
Lee Reneau
John J. O'Brien, Jr.
Wesley E. Laughrey
Dennis J. Haise
William R. Wheeler
Jack E. Geck
Ronald E. Johnson, Sr.

IN THE AIR FORCE

The following officers for temporary appointment in the U.S. Air Force under the provisions of chapter 839, title 10 of the United States Code:

To be major general

Brig. Gen. William P. Acker, [redacted] FR, Regular Air Force.

Brig. Gen. Christopher S. Adams, Jr., [redacted] FR, Regular Air Force.

Brig. Gen. James I. Baginski, [redacted] FR, Regular Air Force.

Brig. Gen. Emil N. Block, Jr., [redacted] FR, Regular Air Force.

Brig. Gen. Bill V. Brown, [redacted] FR, Regular Air Force.

Brig. Gen. Norma E. Brown, [redacted] FR, Regular Air Force.

Brig. Gen. William E. Brown, Jr., [redacted] FR, Regular Air Force.

Brig. Gen. George M. Browning, Jr., [redacted] FR, Regular Air Force.

Brig. Gen. Carl H. Cathey, Jr., [redacted] FR, Regular Air Force.

Brig. Gen. Murphy A. Chesney, [redacted] FR, Regular Air Force, Medical.

Brig. Gen. Philip J. Conley, Jr., [redacted] FR, Regular Air Force.

Brig. Gen. David B. Easson, [redacted] FR, Regular Air Force.

Brig. Gen. Jay T. Edwards, III, [redacted] FR, Regular Air Force.

Brig. Gen. Herbert L. Emanuel, [redacted] FR, Regular Air Force.

Brig. Gen. James C. Enney, [redacted] FR, Regular Air Force.

Brig. Gen. Billy B. Forsman, [redacted] FR, Regular Air Force.

Brig. Gen. Irwin P. Graham, [redacted] FR, Regular Air Force.

Brig. Gen. Patrick J. Halloran, [redacted] FR, Regular Air Force.

Brig. Gen. William W. Hoover, [redacted] FR, Regular Air Force.

Brig. Gen. Charles C. Irions, [redacted] FR, Regular Air Force.

Brig. Gen. Robert E. Kelly, [redacted] FR, Regular Air Force.

Brig. Gen. James H. Marshall, [redacted] FR, Regular Air Force.

Brig. Gen. Earl T. O'Loughlin, [redacted] FR, Regular Air Force.

Brig. Gen. Leighton R. Palmerton, [redacted] FR, Regular Air Force.

Brig. Gen. Don H. Payne, [redacted] FR, Regular Air Force.

Brig. Gen. Herman O. Thomson, [redacted] FR, Regular Air Force.

Brig. Gen. William R. Usher, [redacted] FR, Regular Air Force.

Brig. Gen. Jack W. Waters, [redacted] FR, Regular Air Force.

Brig. Gen. Larry D. Welch, [redacted] FR, Regular Air Force.

Brig. Gen. William R. Yost, [redacted] FR, Regular Air Force.

The following officers for appointment in the Regular Air Force to the grades indicated, under the provisions of Chapter 835, Title 10 of the United States Code:

To be major general

Lt. Gen. John G. Albert, [redacted] FR, (brigadier general, Regular Air Force) U.S. Air Force.

Maj. Gen. Rufus L. Billups, [redacted] FR, (brigadier general, Regular Air Force) U.S. Air Force.

Maj. Gen. Richard C. Bowman, [redacted] FR (brigadier general, Regular Air Force) U.S. Air Force.

Maj. Gen. Edgar A. Chavarrie, [redacted] FR, (brigadier general, Regular Air Force) U.S. Air Force.

Maj. Gen. Lynwood E. Clark, [redacted] FR, (brigadier general, Regular Air Force) U.S. Air Force.

Maj. Gen. Robert W. Clement, [redacted] FR, (brigadier general, Regular Air Force) U.S. Air Force.

Maj. Gen. Charles G. Cleveland, [redacted] FR, (brigadier general, Regular Air Force) U.S. Air Force.

Maj. Gen. Thomas E. Clifford, [redacted] FR, (brigadier general, Regular Air Force) U.S. Air Force.

Lt. Gen. Bennie L. Davis, [redacted] FR, (brigadier general, Regular Air Force) U.S. Air Force.

Lt. Gen. Charles A. Gabriel, [redacted] FR, (brigadier general, Regular Air Force) U.S. Air Force.

Maj. Gen. John W. Hepfer, [redacted]FR, (brigadier general, Regular Air Force) U.S. Air Force.

Lt. Gen. Lloyd R. Leavitt, Jr., [redacted]FR, (brigadier general, Regular Air Force) U.S. Air Force.

Maj. Gen. Richard E. Merkling, [redacted]FR, (brigadier general, Regular Air Force) U.S. Air Force.

Maj. Gen. Earl G. Peck, [redacted]FR, (brigadier general, Regular Air Force) U.S. Air Force.

Maj. Gen. Andrew Pringle, Jr., [redacted]FR, (brigadier general, Regular Air Force) U.S. Air Force.

Lt. Gen. Thomas M. Ryan, Jr., [redacted]FR, (brigadier general, Regular Air Force) U.S. Air Force.

Lt. Gen. Winfield W. Scott, Jr., [redacted]FR, (brigadier general, Regular Air Force) U.S. Air Force.

Maj. Gen. James W. Stansberry, [redacted]FR, (brigadier general, Regular Air Force) U.S. Air Force.

Maj. Gen. LeRoy W. Svendsen, Jr., [redacted]FR, (brigadier general, Regular Air Force) U.S. Air Force.

Brig. Gen. Jack W. Waters, [redacted]FR, (brigadier general, Regular Air Force) U.S. Air Force.

To be brigadier general

Brig. Gen. William P. Acker, [redacted]FR, (colonel, Regular Air Force) U.S. Air Force.

Brig. Gen. Christopher S. Adams, Jr., [redacted]FR, (colonel, Regular Air Force) U.S. Air Force.

Maj. Gen. Charles C. Blanton, [redacted] FR, (colonel, Regular Air Force) U.S. Air Force.

Maj. Gen. Robert M. Bond, [redacted]FR, (colonel, Regular Air Force) U.S. Air Force.

Maj. Gen. James R. Brickel, [redacted] FR, (colonel, Regular Air Force) U.S. Air Force.

Maj. Gen. Bruce K. Brown, [redacted]FR, (colonel, Regular Air Force) U.S. Air Force.

Brig. Gen. George M. Browning, Jr., [redacted]FR, (colonel, Regular Air Force) U.S. Air Force.

Maj. Gen. Gerald J. Carey, Jr., [redacted] FR, (colonel, Regular Air Force) U.S. Air Force.

Maj. Gen. Robert F. Coverdale, [redacted] FR, (colonel, Regular Air Force) U.S. Air Force.

Maj. Gen. Charles L. Donnelly, Jr., [redacted]FR, (colonel, Regular Air Force) U.S. Air Force.

Maj. Gen. George A. Edwards, Jr., [redacted]FR, (colonel, Regular Air Force) U.S. Air Force.

Brig. Gen. Herbert L. Emanuel, [redacted]FR, (colonel, Regular Air Force) U.S. Air Force.

Brig. Gen. Billy B. Forsman, [redacted]FR, (colonel, Regular Air Force) U.S. Air Force.

Maj. Gen. Martin C. Fulcher, [redacted]FR, (colonel, Regular Air Force) U.S. Air Force.

Brig. Gen. James L. Gardner, Jr., [redacted]FR, (colonel, Regular Air Force) U.S. Air Force.

Maj. Gen. Philip C. Gast, [redacted]FR, (colonel, Regular Air Force) U.S. Air Force.

Brig. Gen. Allison G. Glover, [redacted]FR, (colonel, Regular Air Force) U.S. Air Force.

Maj. Gen. James R. Hildreth, [redacted]FR, (colonel, Regular Air Force) U.S. Air Force.

Maj. Gen. Dewey K. K. Lowe, [redacted]FR, (colonel Regular Air Force) U.S. Air Force.

Brig. Gen. James H. Marshall, [redacted]FR, (colonel, Regular Air Force) U.S. Air Force.

Maj. Gen. William B. Maxson, [redacted]FR, (colonel, Regular Air Force) U.S. Air Force.

Maj. Gen. James E. McInerney, Jr., [redacted]FR, (colonel, Regular Air Force) U.S. Air Force.

Brig. Gen. Waymond C. Nutt, [redacted]FR, (colonel, Regular Air Force) U.S. Air Force.

Brig. Gen. Earl T. O'Loughlin, [redacted]FR (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Leighton R. Palmerton, [redacted]FR (colonel, Regular Air Force), U.S. Air Force.

Maj. Gen. John E. Ralph, [redacted]FR (colonel, Regular Air Force), U.S. Air Force.

Maj. Gen. Len C. Russell, [redacted]FR (colonel, Regular Air Force), U.S. Air Force.

Maj. Gen. Lawrence A. Skantze, [redacted]FR (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. Click D. Smith, Jr., [redacted]FR (colonel, Regular Air Force), U.S. Air Force.

Lt. Gen. Thomas P. Stafford, [redacted]FR (colonel, Regular Air Force), U.S. Air Force.

Maj. Gen. Jasper A. Welch, Jr., [redacted]FR (colonel, Regular Air Force), U.S. Air Force.

Brig. Gen. William R. Yost, [redacted]FR (colonel, Regular Air Force), U.S. Air Force.

IN THE AIR FORCE

The following officers for temporary appointment in the U.S. Air Force to the grades indicated, under the provisions of chapter 839, title 10 of the United States Code:

To be major general

Brig. Gen. Joseph B. Dodds, [redacted]FR, Regular Air Force.

To be brigadier general

Col. Clarence R. Autery, [redacted]FR, (lieutenant colonel, Regular Air Force) U.S. Air Force.

Col. Leon W. Babcock, Jr., [redacted] FR, Regular Air Force.

Col. Robert D. Beckel, [redacted]FR, (major, Regular Air Force) U.S. Air Force.

Col. Kenneth H. Bell, [redacted]FR, Regular Air Force.

Col. Harry H. Bendorf, [redacted]FR, Regular Air Force.

Col. Charles E. Bishop, [redacted]FR, Regular Air Force.

Col. John A. Brashear, [redacted]FR, Regular Air Force.

Col. Donald D. Brown, [redacted]FR, Regular Air Force.

Col. Stanford E. Brown, [redacted]FR, Regular Air Force.

Col. Lyman E. Buzard, [redacted]FR, Regular Air Force.

Col. John E. Catlin, Jr., [redacted]FR, Regular Air Force.

Col. Robert D. Caudrey, [redacted]FR, Regular Air Force.

Col. William M. Charles, Jr., [redacted] FR, Regular Air Force.

Col. Neil L. Eddins, [redacted]FR, Regular Air Force.

Col. James D. Gormley, [redacted]FR, Regular Air Force.

Col. James I. Granger, [redacted]FR, Regular Air Force.

Col. Jack I. Gregory, [redacted]FR, Regular Air Force.

Col. John J. Halki, [redacted]FR, Regular Air Force, Medical.

Col. Monroe W. Hatch, Jr., [redacted]FR, Regular Air Force.

Col. Delbert H. Jacobs, [redacted]FR, Regular Air Force.

Col. Ralph H. Jacobson, [redacted]FR, (lieutenant colonel, Regular Air Force) U.S. Air Force.

Col. Albert J. Kaehn, Jr., [redacted]FR, Regular Air Force.

Col. William L. Kirk, [redacted]FR, Regular Air Force.

Col. Stanley C. Kolodny, [redacted]FR, Regular Air Force, Medical.

Col. Donald P. Litke, [redacted]FR, (lieutenant colonel, Regular Air Force) U.S. Air Force.

Col. Rano E. Lueker, [redacted]FR, Regular Air Force.

Col. William J. Mall, Jr., [redacted]FR, Regular Air Force.

Col. Charles McCausland, [redacted]FR, (lieutenant colonel, Regular Air Force) U.S. Air Force.

Col. Horace W. Miller, [redacted]FR, Regular Air Force.

Col. Joseph D. Moore, [redacted]FR, (lieutenant colonel, Regular Air Force) U.S. Air Force.

Col. Richard D. Murray, [redacted]FR, Regular Air Force.

Col. Robert C. Oaks, [redacted]FR, (major, Regular Air Force) U.S. Air Force.

Col. Peter W. Odgers, [redacted]FR, Regular Air Force.

Col. Norris W. Overton, [redacted]FR, Regular Air Force.

Col. David L. Patton, [redacted]FR, Regular Air Force.

Col. Attilio Pedroli, [redacted]FR, Regular Air Force.

Col. John L. Pickitt, [redacted]FR, Regular Air Force.

Col. Eugene M. Poe, Jr., [redacted]FR, Regular Air Force.

Col. Gerald L. Prather, [redacted]FR (lieutenant colonel, Regular Air Force) U.S. Air Force.

Col. Raymond C. Preston, Jr., [redacted] FR, (lieutenant colonel, Regular Air Force) U.S. Air Force.

Col. Richard W. Pryor, [redacted]FR, Regular Air Force.

Col. Robert H. Reed, [redacted]FR, Regular Air Force.

Col. Albert G. Rogers, [redacted]FR, Regular Air Force.

Col. Carl R. Smith, [redacted]FR, Regular Air Force.

Col. Perry M. Smith, [redacted]FR (lieutenant colonel, Regular Air Force) U.S. Air Force.

Col. James P. Smothermon, [redacted]FR (lieutenant colonel, Regular Air Force) U.S. Air Force.

Col. John H. Storrie, [redacted]FR, Regular Air Force.

Col. Thomas S. Swalm, [redacted]FR, Regular Air Force.

Col. Chester D. Taylor, Jr., [redacted]FR, Regular Air Force.

Col. Donald A. Vogt, [redacted]FR, Regular Air Force.

Col. Rudolph F. Wacker, [redacted]FR, Regular Air Force.

Col. Sarah P. Wells, [redacted]FR, Regular Air Force, Medical.

Col. Harold J. M. William, [redacted]FR (lieutenant colonel, Regular Air Force) U.S. Air Force.

IN THE AIR FORCE

The following officers for appointment in the Reserve of the Air Force to the grade indicated, under the provisions of Chapters 35, 831, and 837, Title 10, United States Code:

To be major general

Brig. Gen. John B. Conley, [redacted]FG, Air National Guard of the United States.

Brig. Gen. Lloyd W. Lamb, [redacted]FG, Air National Guard of the United States.

Brig. Gen. Orlando Llenza, [redacted]FG, Air National Guard of the United States.

Brig. Gen. Stanley F. H. Newman, [redacted]FG, Air National Guard of the United States.

Brig. Gen. Hal C. Tyree, Jr., [redacted]FG, Air National Guard of the United States.

Brig. Gen. Emory M. Wright, Jr., [redacted]FG, Air National Guard of the United States.

To be brigadier general

Col. William F. Casey, [redacted]FG, Air National Guard of the United States.

Col. Robert J. Collins, [redacted]FG, Air National Guard of the United States.

Col. James E. Cuddihee, [redacted]FG, Air National Guard of the United States.

Col. William A. Free, [redacted]FG, Air National Guard of the United States.

Col. Roy A. Jacobson, [redacted]FG, Air National Guard of United States.

Col. Lloyd L. Johnson, [redacted]FG, Air National Guard of the United States.

Col. Monroe G. Mathias, [redacted]FG, Air National Guard of the United States.

Col. Charles B. Ocksrider, [redacted]FG, Air National Guard of the United States.

Col. William E. Riggs, [redacted]FG, Air National Guard of the United States.

Col. Frank H. Smoker, Jr., [redacted]FG, Air National Guard of the United States.

Col. Emmett J. Whalen, [redacted]FG, Air National Guard of the United States.

Col. Charles J. Young, Jr., [redacted]FG, Air National Guard of the United States.

IN THE AIR FORCE

The following officers for appointment in the Reserve of the Air Force to the grade indicated, under the provisions of chapter 837, title 10, United States Code:

To be major general

Brig. Gen. Bruce M. Davidson, [redacted]FV, Air Force Reserve.

Brig. Gen. Walter R. Longanecker, Jr., [redacted]FV, Air Force Reserve.

Brig. Gen. George W. Miller, III, [redacted]FV, Air Force Reserve.

Brig. Gen. Dalton S. Oliver, [redacted] FV, Air Force Reserve.

Brig. Gen. John E. Taylor, Jr., [redacted]FV, Air Force Reserve.

To be brigadier general

Col. Ronald R. Bialack, [redacted]FV, Air Force Reserve.

Col. William L. Copeland, [redacted]FV, Air Force Reserve.

Col. Charles M. Duke, Jr., [redacted]FV, Air Force Reserve.

Col. Wayne E. Garrett, [redacted]FV, Air Force Reserve.

Col. Arthur Gerwin, [redacted]FV, Air Force Reserve.

Col. Vincent P. Luchsinger, Jr., [redacted]FV, Air Force Reserve.

Col. Milton Matter, Jr., [redacted]FV, Air Force Reserve.

Col. John A. Paterson, [redacted]FV, Air Force Reserve.

Col. John D. Roper, [redacted]FV, Air Force Reserve.

Col. Alan G. Sharp, [redacted]FV, Air Force Reserve.

Col. Jerome N. Waldor, [redacted]FV, Air Force Reserve.

Col. Charles T. Yarington, Jr., [redacted] FV, Air Force Reserve.

IN THE ARMY

The following-named officers for appointment in the Regular Army of the United States to the grade indicated under the provisions of title 10, United States Code, sections 3284, 3306 and 3307:

To be major general

Lt. Gen. Sidney B. Berry, [redacted], Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Homer S. Long, Jr. [redacted], Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Clay T. Buckingham, [redacted], Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Charles I. McGinnis, [redacted], Army of the United States (brigadier general, U.S. Army).

Maj. Gen. James L. Kelly, [redacted], Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Thomas U. Greer, [redacted], Army of the United States (brigadier general, U.S. Army).

Lt. Gen. Robert G. Gard, Jr., [redacted], Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Paul F. Gorman, [redacted], Army of the United States (brigadier general, U.S. Army).

Maj. Gen. John C. Faith, [redacted], Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Emil L. Konopnicki, [redacted], Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Paul M. Timmerberg, [redacted], Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Charles K. Heiden, [redacted], Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Hillman Dickinson, [redacted], Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Sinclair L. Melner, [redacted], Army of the United States (brigadier general, U.S. Army).

Lt. Gen. Marvin D. Fuller, [redacted], Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Phillip Kaplan, [redacted], Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Lucien E. Bolduc, Jr., [redacted], Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Louis W. Prentiss, Jr., [redacted] Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Jack V. Mackmull, [redacted], Army of the United States (brigadier general, U.S. Army).

Maj. Gen. James H. Merryman, [redacted], Army of the United States (brigadier general, U.S. Army).

Maj. Gen. William E. Eicher, [redacted], Army of the United States (brigadier general, U.S. Army).

Maj. Gen. James G. Boatner, [redacted], Army of the United States (brigadier general, U.S. Army).

Lt. Gen. Edward C. Meyer, [redacted], Army of the United States (brigadier general, U.S. Army).

Maj. Gen. William R. Richardson, [redacted], Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Edward A. Partain, [redacted], Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Ernest D. Peixotto, [redacted] Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Benjamin L. Harrison, [redacted], Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Richard E. Cavazos, [redacted] Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Oscar C. Decker, Jr., [redacted] Army of the United States (brigadier general, U.S. Army).

Maj. Gen. John K. Stoner, Jr., [redacted] Army of the United States (brigadier general, U.S. Army).

To be brigadier general

Maj. Gen. John D. Bruen, [redacted] Army of the United States (colonel, U.S. Army).

Maj. Gen. Jack N. Merritt, [redacted] Army of the United States (colonel, U.S. Army).

Brig. Gen. Elvin R. Heiberg, III, [redacted], Army of the United States (colonel, U.S. Army).

Maj. Gen. Glenn K. Otis, [redacted], Army of the United States (colonel, U.S. Army).

Maj. Gen. John W. Seigle, [redacted] Army of the United States (colonel, U.S. Army).

Brig. Gen. Richard D. Boyle, [redacted] Army of the United States (colonel, U.S. Army).

Brig. Gen. Richard D. Lawrence, [redacted], Army of the United States (colonel, U.S. Army).

Maj. Gen. Tom H. Brain, [redacted], Army of the United States (colonel, U.S. Army).

Maj. Gen. Guy S. Meloy III, [redacted], Army of the United States (colonel, U.S. Army).

Maj. Gen. Maxwell R. Thurman, [redacted], Army of the United States (colonel, U.S. Army).

Maj. Gen. Jerry R. Curry, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. James J. Lindsay, [redacted] Army of the United States (colonel, U.S. Army).

IN THE ARMY

The following-named Army Medical Department officer for appointment as a major general, Dental Corps, Regular Army and as a major general, Dental Corps, in the Army of the United States, under the provisions of title 10, United States Code, sections 30036, 3040, 3442, and 3447.

To be major general, Dental Corps

Brig. Gen. George Kuttas, [redacted] Dental Corps, U.S. Army.

The following-named Army Medical Department officer for appointment to the grade indicated under the provisions of title 10, United States Code, sections 3442 and 3447.

To be brigadier general, Dental Corps

Col. Hubert T. Chandler, [redacted], Dental Corps, U.S. Army.

IN THE ARMY

The following-named officers for temporary appointment in the Army of the United States to the grade indicated, under the provisions of title 10, United States Code, sections 3442 and 3447:

To be brigadier general

Col. Arthur Holmes, Jr., [redacted], U.S. Army.

Col. Johnny J. Johnston, [redacted], U.S. Army.

Col. Joe S. Owens, [redacted], U.S. Army.

Col. Maurice O. Edmonds, [redacted], U.S. Army.

Col. Arthur E. Brown, Jr., [redacted], U.S. Army.

Col. Claude M. Kicklighter, [redacted] Army of the United States (lieutenant colonel, U.S. Army).

Col. Wendell H. Gilbert, [redacted], U.S. Army.

Col. Andrew L. Cooley, Jr., [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Ronald L. Wats, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Nathan C. Vail, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Scott B. Smith, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Joseph P. Franklin, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Edwin C. Keiser, [redacted], U.S. Army.

Col. Henery J. Hatch, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. William E. Klein, [redacted], U.S. Army.

Col. Zeb B. Bradford, Jr., [redacted] Army of the United States (lieutenant colonel, U.S. Army).

Col. Jack A. Apperson, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Josiah Blasingame, Jr., [redacted], United States Army.

Col. Bobby B. Porter, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. David W. Stallings, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Eugene L. Stillions, Jr., [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Thomas W. Kelly, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. James E. Thompson, Jr., [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. John F. Wall, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Dave R. Palmer, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Michael J. Conrad, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Victor J. Hugo, Jr., [redacted], United States Army.

Col. Joseph C. Lutz, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Robert D. Hammond, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Kenneth C. Leuer, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Johnie Forte, Jr., [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. John H. Mitchell, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Anthony F. Albright, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Leonard P. Wishart III, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Edward Honor, [redacted], U.S. Army.

Col. Jerry M. Bunyard, [redacted], U.S. Army.

Col. Colin L. Powell, [redacted], Army of the United States (major, U.S. Army).

Col. Jack O. Bradshaw, [redacted], Army of the United States (major, U.S. Army).

Col. Thomas E. Carpenter III, [redacted], Army of the United States (major, U.S. Army).

Col. George R. Stotser, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Robert D. Wiegand, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. James E. Drummond, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Homer Johnstone, Jr., [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Richard D. Kenyon, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Crosbie E. Saint, [redacted], Army of the United States (major, U.S. Army).

Col. Gerald T. Bartlett, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Robert J. Donahue, [redacted], U.S. Army.

Col. James E. Moore, Jr., [redacted], U.S. Army.

Col. William G. O'Leksy, [redacted], U.S. Army.

Col. Joseph J. Skaff, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. James R. Demoss, [redacted], U.S. Army.

Col. Gerald E. Monteith, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. William G. T. Tuttle, Jr., [redacted], Army of the United States (major, U.S. Army).

Col. John M. Brown, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Thomas J. Flynn, [redacted], U.S. Army.

Col. Gerald G. Watson, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Wayne E. Alley, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Hugh R. Overholt, [redacted], U.S. Army.

Col. Richard J. Bednar, [redacted], U.S. Army.

IN THE ARMY

The U.S. Army Reserve officers named herein for appointment as Reserve commissioned officers of the Army, under the provisions of title 10, United States Code, sections 593(a), 3371 and 3384:

To be major general

Brig. Gen. Robert Dewey Bay, [redacted].
Brig. Gen. Russell Ivan Berry, [redacted].
Brig. Gen. Alden Earl Stilson, Jr., [redacted].

To be brigadier general

Col. Jimmy Franklin Bates, [redacted].
Col. George Harrison Cate, Jr., [redacted].
Col. John Paris Henderson, Jr., [redacted].
Col. Norman Wright Martell, [redacted].
Col. Thomas Milton Moore, [redacted].
Col. Mack Jay Morgan, Jr., [redacted].
Col. Gilbert Gerald Parker, [redacted].
Col. James Louis Pelton, [redacted].
Col. Alfred Winston Porter, Jr., [redacted].
Col. Garnet Ray Reynolds, [redacted].
Col. John Ricottilli, Jr., [redacted].
Col. Ronald Doyle Worcester, [redacted].

The Army National Guard of the United States officers named herein for appointment as Reserve Commissioned Officers of the Army, under the provision of title 10, United States Code, sections 593(a) and 3385:

To be major general

Brig. Gen. John B. (IO) Garrett, [redacted].
Brig. Gen. Joseph Andrew Healy, [redacted].
Brig. Gen. Robert Woodson Teater, [redacted].
Brig. Gen. Robert George Walker, [redacted].

To be brigadier general

Col. James Alexander Baber III, [redacted].
Col. Joaquin Balaguer-Rivera, [redacted].
Col. Dan Bullard III, [redacted].
Col. Bernard Thomas Chupka, [redacted].
Col. William Eugene Doris, [redacted].
Col. Charles Phillip Doyle, [redacted].
Col. James Glynn Fanning, [redacted].
Col. Robert Samuel Ford, [redacted].
Col. Richard George Geith, [redacted].
Col. Joseph Guadalupe Iniguez, Jr., [redacted].
Col. Bruce Jacobs, [redacted].
Col. Hubert Monroe Leonard, [redacted].
Col. Jay Meredith Lotz, [redacted].
Col. Jerome Joseph Mathieu, Jr., [redacted].
Col. Dana Carleton Ramsay, [redacted].
Col. Lawrence Felix Roy, [redacted].
Col. Paul Eugene Staples, [redacted].

The Army National Guard of the United States officers named herein for appointment as Reserve Commissioned Officers of the Army, under the provisions of title 10, United States Code, sections 593(a) and 3392:

To be major general

Brig. Gen. Robert Lee Childers, [redacted].
Brig. Gen. Francis Alphonse Ianni, [redacted].

To be brigadier general

Col. Lawrence Pierce Flynn, [redacted].
Col. Luis Ernesto Gonzalez-Valez, [redacted].
Col. William Henry Henderson, [redacted].
Col. Leonard Robert Herbst, [redacted].
Col. Stuart Joel Shoob, [redacted].
Col. Dayle Eugene Williamson, [redacted].
Col. Hershel Cleveland Yeargan, [redacted].

IN THE AIR FORCE

The following-named officers for promotion in the U.S. Air Force, under the appropriate provisions of chapter 839, title 10, United States Code, as amended:

LINE OF THE AIR FORCE

Lieutenant colonel to colonel

Abbott, Wilfred K., [redacted].
Aiello, Charles F., [redacted].
Akerlund, Edward T., [redacted].
Allee, Richard K., [redacted].
Allen, Emmett E., Jr., [redacted].
Allen, John R., Jr., [redacted].
Alley, Clinton D., [redacted].
Andrews, John F., [redacted].
Angell, David R., [redacted].
Anzalone, Samuel L., [redacted].
Astorino, Loring R., [redacted].
Babbidge, Michael J., [redacted].
Babos, Sandor, [redacted].
Baca, Cres C., [redacted].
Bach, Shirley J., [redacted].
Bachmann, Richard E., [redacted].
Bacs, John, [redacted].
Baggiano, Anthony L., [redacted].
Baker, Ronald C., [redacted].
Baldwin, Virgil L., [redacted].
Bannach, Robert J., [redacted].
Barnes, Thomas B., [redacted].
Barrineau, William E., Jr., [redacted].
Bass, Jesse J., Jr., [redacted].
Batten, Virgil F., [redacted].
Beard, John R., [redacted].
Beers, Larry D., [redacted].
Belt, Charles D., [redacted].
Bender, Walter W., [redacted].
Bennett, William T., Jr., [redacted].
Benoit, George L., [redacted].
Benshoof, William B., [redacted].
Berg, Robert M., [redacted].
Berganini, David F., [redacted].
Biggs, James L., [redacted].
Biliunas, Roman, [redacted].
Bishop, Roger H., [redacted].
Bittroliff, Eugene E., [redacted].
Bjornson, Donald P., [redacted].
Blaisdell, Michael P., [redacted].
Bland, William J., [redacted].
Blinn, Donald E., [redacted].
Boe, Harold T., [redacted].
Bohart, Donald O., [redacted].
Bohinc, Stanley A., [redacted].
Bolen, Clyde T., Jr., [redacted].
Boles, Billy J., [redacted].
Bollert, Dale W., [redacted].
Boone, Roy H., [redacted].
Bopp, Delwin K., [redacted].
Borden, Andrew G., Jr., [redacted].
Borkowski, William R., [redacted].
Borling, John L., [redacted].
Bowen, Phillip K., [redacted].
Bowen, Thomas G., [redacted].
Boyd, Charles G., [redacted].
Boyett, Joseph E., Jr., [redacted].
Bradley, Frederic W., Jr., [redacted].
Bradley, Olin H., [redacted].
Branch, Christopher, I., [redacted].
Brenholdt, James P., [redacted].
Bright, John E., [redacted].
Britt, John R., [redacted].
Brodak, John W., [redacted].

Brodeur, Richard H., [redacted]
Brollier, Grant E., [redacted]
Bronnenberg, Gerald E., [redacted]
Brown, Eldon P., [redacted]
Brown, Lester P., Jr., [redacted]
Brown, Lloyd W., Jr. [redacted]
Brown, Ralph L., [redacted]
Browne, Everett W., [redacted]
Brubaker, Howard J., [redacted]
Brune, Peter L., [redacted]
Bryan, Hayes R., [redacted]
Bryant, Jackie D. [redacted]
Buck, Irving L., [redacted]
Bujalski, Jack P., [redacted]
Bulin, George V., Jr., [redacted]
Burchard, Donald C., [redacted]
Burgess, Danny N., [redacted]
Burt, John W., [redacted]
Bushey, James W., [redacted]
Byrd, Herman L., [redacted]
Cadieux, Ronald A., [redacted]
Callicotte, Edward L., [redacted]
Cantwell, Nicholas D., [redacted]
Capone, Frank, [redacted]
Cardile, Frank, [redacted]
Cariveau, Howard T., [redacted]
Carlberg, Ronald L., [redacted]
Carling, Joseph C., [redacted]
Carnahan, Kenneth M., [redacted]
Carnes, Frederick E. [redacted]
Carpenter, Charles C., [redacted]
Carson, Caroll G., Jr., [redacted]
Carty, Donald L., [redacted]
Cassady, William E., [redacted]
Chapman, Lewis M., [redacted]
Cherry, Edward D., [redacted]
Chevalier, John R., [redacted]
Christensen, Ronald E., [redacted]
Clapper, James R., Jr., [redacted]
Clark, Clifton C., Jr., [redacted]
Clark, George C. [redacted]
Clark, Paul W., [redacted]
Clark, Robert R. [redacted]
Clarke, Herbert F., [redacted]
Clarke, Michael A., [redacted]
Claxton, Richards W., [redacted]
Clifford, James E. [redacted]
Coates, Joseph L. [redacted]
Coffinger, Maralin K., [redacted]
Cole, David C., [redacted]
Collins, Charles V., [redacted]
Colosimo, John C. [redacted]
Cook, Thomas A., [redacted]
Cooper, James T., Jr., [redacted]
Coryell, Kendrick S., [redacted]
Couture, Marcel A., [redacted]
Cowan, James W., [redacted]
Crabtree, William H., [redacted]
Croker, Stephen B. [redacted]
Cronquist, Richard G., [redacted]
Crook, Richardson H., [redacted]
Croston, Donald S., [redacted]
Crow, Graham P., [redacted]
Crowley, Francis B., III, [redacted]
Cudd, George S., [redacted]
Cummings, Harold, [redacted]
Cunningham, Clair M., Jr., [redacted]
Curtis, Alan M., [redacted]
Custer, Gomer C., [redacted]
Daab, Ford G. [redacted]
Dalelio, Denny F., [redacted]
Daniel, Gerald T., [redacted]
Darenberg, Richard G., [redacted]
Davis, Edgar F., [redacted]
Dawson, Frank H., Jr., [redacted]
Dayton, Thomas E., [redacted]
Deas, Robert S., [redacted]
Defrank, Dale A., [redacted]
Degavre, Timothy T., [redacted]
Delaney, Mark A., [redacted]
Denend, Leslie G., [redacted]
Denham, John H., [redacted]
Dennison Irene G., [redacted]
Diehl, James M., [redacted]
Diesing, William E., Jr., [redacted]
Dillman, Pierre A., [redacted]
Dome, Martin, [redacted]
Domingues, Thomas, Jr., [redacted]
Doty, Robert E., Jr., [redacted]
Doucette, Arvid S., [redacted]
Dowell, Michael T., [redacted]
Dreibelbis, Harold N., Jr., [redacted]
Driggers, William B., Jr., [redacted]
Dunn, Alden D., [redacted]
Dunn, Peter M., [redacted]
Durkee, Gary G., [redacted]
Dush, Richard W., [redacted]
Dwyer, Jerome F., Jr., [redacted]
Dwyer, William G., [redacted]
Eastman, Lawrence R., [redacted]
Eckert, Theodore J., [redacted]
Eddlemon, John A., [redacted]
Edenfield, Billy G., [redacted]
Edmonds, Albert J., [redacted]
Edmonds, Walter E., [redacted]
Edwards, Donald R., [redacted]
Eibach, William J., [redacted]
Eiler, James M., [redacted]
Elliot, Robert M., [redacted]
Endicott, John E., [redacted]
Engle, Donald S., [redacted]
Epps, Lewis B., [redacted]
Essmeier, Charles T., [redacted]
Evangelist, Frank H., Jr., [redacted]
Evans, Arthur C., [redacted]
Fairfield, John S., [redacted]
Fanelli, William B., [redacted]
Fay, Robert H., Jr., [redacted]
Feldstein, Kenneth B., [redacted]
Ferguson, Louis N., [redacted]
Fisher, Kenneth, [redacted]
Fisher, Rolland R., [redacted]
Fitzgerald, Byron S., [redacted]
Fogleman, Ronald R., [redacted]
Foley, Lawrence W., [redacted]
Foley, Peter K., [redacted]
Forrester, John, [redacted]
Franklin, Maury A., [redacted]
Fredricks, Gary W., [redacted]
Freeman, David E., [redacted]
Freidhoff, Frank H., II, [redacted]
Frishett, John C., [redacted]
Frost, Douglas A., [redacted]
Fulford, Cecil B., [redacted]
Gardner, Richard A., [redacted]
Garland, Robert A., [redacted]
Gatlin, John D., [redacted]
Gerchman, Carl F., [redacted]
Gibson, Lester R., [redacted]
Giessler, Frederick W., [redacted]
Gifford, Robert R. [redacted]
Gilbert, Donald E., [redacted]
Glendenning, William H., [redacted]
Goodell, Frank S., [redacted]
Goodnight, James L., [redacted]
Gosnell, Wayne L., [redacted]
Gough, Nelson J., [redacted]
Goven, Richard C., [redacted]
Graff, Peter M., [redacted]
Granskog, John, [redacted]
Gray, William R., [redacted]
Green, Herbert L., [redacted]
Griffin, Chester W., Jr., [redacted]
Griffin, Richard L., [redacted]
Griffin, Robert L., [redacted]
Gunkel, Richard A., [redacted]
Gunnersen, Stanley S., [redacted]
Haas, William C., [redacted]
Hagans, George D., Jr., [redacted]
Hahn, Arthur P., [redacted]
Haines, Milton L. [redacted]
Haley, Curtis W. [redacted]
Hallager, Donald J. [redacted]
Hallin, William P., [redacted]
Hamilla, Gerald J., [redacted]
Hamilton, Raymond E., [redacted]
Hamilton, Richard E., [redacted]
Handley, Philip W., [redacted]
Haneklau, John H., [redacted]
Hanley, Philip D., [redacted]
Hansult, Charles C., [redacted]
Hargreaves, John J., [redacted]
Harris, Frederic J., [redacted]
Harris, Thomas L., [redacted]
Harrison, George B., [redacted]
Hartney, John C., [redacted]
Harvey, Paul A., [redacted]
Hayworth, Hubert R., [redacted]
Hazlett, Charles C., [redacted]
Hearn, Max L., [redacted]
Heeter, Owen A. [redacted]
Heffernan, John P., [redacted]
Heiliger, Donald L., [redacted]
Heimach, Charles E., [redacted]
Heller, Mark J., [redacted]
Helton, Charles C., [redacted]
Helton, Charles T., [redacted]
Henry, James P., [redacted]
Hermes, Harald G., [redacted]
Herndon, Floyd D., Jr. [redacted]
Hersman, Walter C., [redacted]
Hertenstein, George R., [redacted]
Heston, Earl T., [redacted]
Hetland, Joel S., [redacted]
Hicks, Donald E., [redacted]
Hilbing, Francis J., Jr., [redacted]
Hildner, Robert E., [redacted]
Hilkemeier, Donald, [redacted]
Hinderliter, Stephen B., [redacted]
Holcomb, John L., [redacted]
Hollis, Richard L., [redacted]
Holt, Guy H., [redacted]
Holzknecht, William J., [redacted]
Hooppaw, James D., [redacted]
Hopkins, William W., Jr., [redacted]
Hopp, James W., [redacted]
Howard, George L., III, [redacted]
Hubbard, James, [redacted]
Hudgins, Richard E., [redacted]
Huey, Robert B., Jr., [redacted]
Huggins, Lawrence E., [redacted]
Hullender, John R., [redacted]
Hunter, Hugh L., [redacted]
Hurst, Harry H., [redacted]
Husbands, Herman H., [redacted]
Hutchison, William E., [redacted]
Hyde, Robert C., [redacted]
Jackson, Robert A., [redacted]
Jacobsen, Eric P. S., [redacted]
Jaquish, John E., [redacted]
Jarboe, Joseph K. [redacted]
Jeglum, Paul M., [redacted]
Jenkins, Charles W., [redacted]
Johnson, Arthur E., [redacted]
Johnson, Daniel L., [redacted]
Johnson, Gary A., [redacted]
Johnson, John A., [redacted]
Johnson, Vardaman F., [redacted]
Joiner, Edward S., Jr., [redacted]
Jones, Donald L., [redacted]
Jones, Nicholas, [redacted]
Jones, Robert D. [redacted]
Jones, Robert V. [redacted]
Jones, Robert W., [redacted]
Jordahl, Donald C., [redacted]
Kaiser, Guenther W., [redacted]
Kaminski, Paul G., [redacted]
Keating, James S., [redacted]
Kelley, Gilbert F., [redacted]
Kelley, Jay W. [redacted]
Kelley, Thomas R., [redacted]
Kellogg, Robert J., [redacted]
Kelly, Frank, J., Jr., [redacted]
Kendall, Robert N., Jr., [redacted]
Kennedy, Stanley O., Sr., [redacted]
Kerr, Ned J., [redacted]
Ketchum, Lowell D., [redacted]
Kidd, James W., Jr., [redacted]
King, Byron W., Jr., [redacted]
Kingcaid, Milton D., [redacted]
Kingsbury, William C., Jr., [redacted]
Kirk, Richard C., Jr., [redacted]
Klingensmith, Jed H., [redacted]
Kluck, William G., [redacted]
Knight, Gary L., [redacted]
Knight, James B., [redacted]
Koch, William G., [redacted]
Koehne, Robert R., [redacted]
Kondra, Vernon J., [redacted]
Konopka, Robert C., [redacted]
Kosovac, Don E., [redacted]
Kubiak, John M., [redacted]
Ladd, Edward T., [redacted]
Lally, Richard H., [redacted]
Langholtz, Morton A., [redacted]
Langlois, Ronald J., [redacted]
Lanman, Ronald T., [redacted]
Lanphear, Wayne A., [redacted]
Larson, Eugene L. [redacted]
Larson, Roland E., [redacted]

Lasco, Gerald B., [redacted].
Lasley, John A., Jr., [redacted].
Lauenstein, Karl F., [redacted].
Lawell, John T., [redacted].
Lawson, Donald G., [redacted].
Lazarus, Allan R., [redacted].
Leach, Ray D., [redacted].
Lee, Clarence W., [redacted].
Lehr, Wayne R., [redacted].
Lemaster, David E., [redacted].
Lerandeau, Robert P., [redacted].
Leuck, Frank P., [redacted].
Lewis, Charles D., [redacted].
Lilac, Robert H., [redacted].
Linihan, John W., [redacted].
Lippold, Gerald A., [redacted].
Lofgren, William W., Jr., [redacted].
Loftus, John T., [redacted].
Logan, Thomas L., [redacted].
Loignon, Philip G., [redacted].
Lowe, James K., [redacted].
Lucas, Jon I., [redacted].
Luck, George E., [redacted].
Ludwig, Karl T., [redacted].
Lund, William W., [redacted].
Luther, William A., [redacted].
Lyall, Donald B., [redacted].
Lynch, Paul D., [redacted].
Macmillan, David T., [redacted].
Mage, John M., [redacted].
Magill, Clyde R., Jr., [redacted].
Majors, Donald M., [redacted].
Malkiewicz, Walter A., [redacted].
Manns, Robert A., [redacted].
Marciniak, John J., [redacted].
Marcum, Lawrence F., [redacted].
Martin, James H., [redacted].
Martin, James R., [redacted].
Martinson, David J., [redacted].
Massingale, John T., Jr., [redacted].
Mathews, Royce L., [redacted].
Maxwell, Richard A., [redacted].
Mayer, Laurel A., [redacted].
Mays, Glenn E., [redacted].
McAndrews, Charles P., [redacted].
McClesky, James L., [redacted].
McCormick, Thomas H., [redacted].
McEachern, Paul T., [redacted].
McElhaney, James W., [redacted].
McKean, Kenneth R., [redacted].
McLaughlin, Howard J., [redacted].
McLellan, Paul C., Jr., [redacted].
McLendon, Larry F., [redacted].
McRaney, Michael P., [redacted].
Menees, James S., Jr., [redacted].
Mentzer, Edward L., [redacted].
Mercer, Marvern M., [redacted].
Merritt, Norman L., [redacted].
Meyer, Ross L., [redacted].
Miller, Burton T., Jr., [redacted].
Miller, Walter L., [redacted].
Mishou, Edward C., Jr., [redacted].
Mitchell, Fred C., [redacted].
Moeller, Theodore G., [redacted].
Moir, Lloyd L., Jr., [redacted].
Montecino, Allen J. Jr., [redacted].
Montgomery, Edwin J., Jr., [redacted].
Montgomery, Joe L., [redacted].
Moody, Douglas E., [redacted].
Moore, Eugene A., [redacted].
Morhous, Dudley M., Jr., [redacted].
Moran, Michael A., [redacted].
Morgan, Sam P., Jr., [redacted].
Moulton, Philip R., [redacted].
Mueller, Ernest L., [redacted].
Murphy, Phillip L., [redacted].
Mushalko, George, [redacted].
Myers, William A., [redacted].
Nading, Elvin K., [redacted].
Nagel, John F., [redacted].
Nance, Francis L., [redacted].
Neal, James W., [redacted].
Nelson, Darwin F., [redacted].
Nichols, Joseph P., [redacted].
Nielson, Merrill G., [redacted].
Nimmo, Kenneth R., [redacted].
Nixon, Howard W., [redacted].
Noack, Bobby R., [redacted].
Noakes, Richard C., [redacted].
Noren, Clinton L., [redacted].
Norman, Russell, [redacted].
Norrell, Eddie C., [redacted].
Norris, Thomas E., [redacted].
Norton, Philip F., [redacted].
Novak, Benard M., [redacted].
Nymo, Rolf E., [redacted].
O'Brian, Thomas M., [redacted].
O'Brien, Dennis J., [redacted].
Ojalehto, George D., [redacted].
O'Keefe, Timothy F., Jr., [redacted].
Oldnettle, Eldon F., [redacted].
Oliva, Robert J., [redacted].
O'Neill, John P., [redacted].
Ordes, Diane E., [redacted].
O'Rear, Earl N., [redacted].
O'Rourke, William R., Jr., [redacted].
O'Shaugnessy, Gary W., [redacted].
Ostovich, Theodore, [redacted].
Ozgo, Thomas W., [redacted].
Page, Aaron, [redacted].
Palmer, John A., [redacted].
Paskin, Harvey M., [redacted].
Pavich, Michael D., [redacted].
Pawlak, Harry J., Jr., [redacted].
Peacock, George H., [redacted].
Peck, David W., [redacted].
Pelham, William J., [redacted].
Pence, Lawrence E., [redacted].
Penniman, David S., [redacted].
Phillips, Glenn K., [redacted].
Philp Allan S., [redacted].
Pierce, James S., [redacted].
Pittman, Wayne C., Jr., [redacted].
Pons, Gabriel A., [redacted].
Poole, James C., Jr., [redacted].
Porciello, Charles B., [redacted].
Porter, Rogers A., [redacted].
Post, Donald, [redacted].
Povilus, William R., [redacted].
Powell, David H., [redacted].
Powers, Stanley, W., [redacted].
Prater, Ronald F., [redacted].
Pratz, James A., [redacted].
Pribus, Glenn F., [redacted].
Price, John C., [redacted].
Profilet, Charles W., [redacted].
Rawlings, Peter E., [redacted].
Ray, Neil C., [redacted].
Record, James F., [redacted].
Redd, Frank J., [redacted].
Reed, Charles W., [redacted].
Reed, David E., [redacted].
Reed, Harold W., [redacted].
Reiff, Kenneth R., [redacted].
Reither, Winslow E., [redacted].
Reynolds, Edward E., Jr., [redacted].
Reynolds, Phillip L., [redacted].
Richards, Raymond G., [redacted].
Riebe, Harry J., Jr., [redacted].
Riebesehl, Edward H., [redacted].
Riley, Mitchell B., [redacted].
Ringley, Thomas L., [redacted].
Riopel, Francis D., [redacted].
Roberson, Charles E., [redacted].
Robert, Edmund L., [redacted].
Roberts, Franklin D., [redacted].
Roddahl, Vern A., [redacted].
Rodriguez, Victor B., [redacted].
Roe, David H., [redacted].
Roehm, Richard R., Jr., [redacted].
Roescher, Frank A., [redacted].
Roff, Thomas D., [redacted].
Rogers, Harry K., Jr., [redacted].
Roose, Eugene J., [redacted].
Ross, Ronald D., [redacted].
Rothstein, Ralph S., [redacted].
Rountree, William W., III, [redacted].
Ruble, George L., [redacted].
Rudolph Gerald T., [redacted].
Rung, Richard A., [redacted].
Rutter, Joseph G., [redacted].
Ruud, Paul G., [redacted].
Ryan, Arthur R., [redacted].
Ryan, James M., [redacted].
Sample, Robert W., Jr., [redacted].
Samulski, Paul E., [redacted].
Sanchez, Joseph R., [redacted].
Sand, Robert B., [redacted].
Sanford, William W., [redacted].
Saravo, James V., [redacted].
Scanlon, Thomas D., [redacted].
Scarpino, Carmen T., [redacted].
Schehr, Richard R., [redacted].
Schira, John A., Jr., [redacted].
Schmidt, Thomas B., [redacted].
Schmucker, Franz, [redacted].
Schoeppner, John P., Jr., [redacted].
Schwieren, Richard D., [redacted].
Scott, David W., [redacted].
Seegmiller, David W., [redacted].
Sercer, Peter E., [redacted].
Shanahan, Joseph F., [redacted].
Shane, Douglas F., [redacted].
Shaw, Christopher C., Jr., [redacted].
Sheets, Gary D., [redacted].
Shellenberger, Robert T., Jr., [redacted].
Shiffert, John B., [redacted].
Shillcutt, Ronald L., [redacted].
Shults, John N., [redacted].
Shumway, Elwyn D., [redacted].
Siau, Francis L., III, [redacted].
Simons, Charles B., [redacted].
Sinclair, Jerry L., [redacted].
Skovgaard, Richard A., [redacted].
Sloan, Charles P., Jr., [redacted].
Smith, Donald E., [redacted].
Smith, Eric E., [redacted].
Smith, Frank M., [redacted].
Smith, Larry L., [redacted].
Smith, Merlyn D., [redacted].
Smith, Quentin C., [redacted].
Smith, Richard D., [redacted].
Smith, Richard W., [redacted].
Smith, Roger J., [redacted].
Smith, Ronald C., [redacted].
Smith, Weston T., [redacted].
Smulczenski, Lawrence A., [redacted].
Snead, Jonathan H., [redacted].
Sneary, Richard L., [redacted].
Sneeder, William H., [redacted].
Snide, James A., [redacted].
Snipes, Conway G., [redacted].
Soesbe, Donald K., [redacted].
Solomon, Edward C., [redacted].
Soper, W. J., [redacted].
Spivery, Lonnie R., [redacted].
Sprague, Nelson J., [redacted].
Spurlin, Harold O., [redacted].
Stanford, Edwin L., [redacted].
Stapleton, Joseph K., [redacted].
Steadman, Milton A., [redacted].
Stell, John R., [redacted] [redacted].
Stephenson, Gorham B., [redacted].
Stevens, Merlin F., [redacted].
Stewart, Glenn L., [redacted].
Stewart, Harold M., [redacted].
Stiles, Roger E., [redacted].
Stockett, Joe T., [redacted].
Stoner, Richard L., [redacted].
Strom, Brock T., [redacted].
Stroud, Raleigh E., [redacted].
Stuntz, Jose E., [redacted].
Summerhill, Edward W., [redacted].
Surico, Joseph C., [redacted].
Svoboda, Robert J., [redacted].
Swain, Whitmel B., [redacted].
Sweeney, James P., [redacted].
Tabor, Dale C., [redacted].
Tannen, Peter D., [redacted].
Taylor, Daniel A., Jr., [redacted].
Taylor, Eric P., [redacted].
Tharp, Roland L., Jr., [redacted].
Thorpe, Edwin H., Jr., [redacted].
Thursby, Donald E., [redacted].
Tokash, Frederick E., [redacted].
Topp, Wayne R., [redacted].
Torbet, Donald N., [redacted].
Torraca, Louis A., Jr., [redacted].
Trimpert, Michael J., [redacted].
Turner, Frank W., Jr., [redacted].
Turner, Jack A., [redacted].
Tygett, Herbert C., [redacted].
Ullrich, Dale R., [redacted].
Underwood, Cecil E., [redacted].
Uno, Peter K., [redacted].
Usui, Edwin S., [redacted].
Utt, Ross J., [redacted].
Vergamini, Michael G., [redacted].
Vineyard, John R., [redacted].
Vinson, Billy J., [redacted].
Volz, David E., [redacted].
Vonbargen, Gerald C., [redacted].

Wagner, David L., [redacted]
Wagner, Robert K., [redacted]
Waldman, Henry W., [redacted]
Waldron, Kirk T., [redacted]
Walsh, Denis L., [redacted]
Walters, James W., [redacted]
Ware, Frederick B., [redacted]
Waters, Albert L., [redacted]
Weathers, George T., Jr., [redacted]
Weeks, Calvin G., [redacted]
Weihe, David A., [redacted]
Westback, Eugene O., [redacted]
Wheeler, Maurice J., Jr., [redacted]
Whisner, Richard L., [redacted]
Whiteside, Don M., [redacted]
Whittenberg, Jean R., [redacted]
Wilhelm, Charles F., [redacted]
Wilkinson, Thomas J., [redacted]
Williams, Bruce, [redacted]
Williams, George W., [redacted]
Williams, James L., Jr., [redacted]
Williams, Joe A., [redacted]
Williamson, James R., [redacted]
Willingham, Larry D., [redacted]
Wilshire, Robert M., [redacted]
Wilson, James L., [redacted]
Wilson, Thomas E., [redacted]
Wingert, Charles J., [redacted]
Winters, Charles P., [redacted]
Wohlfeil, Gordon L., [redacted]
Wolfe, Lynn R., [redacted]
Woner, James M., [redacted]
Wood, Marinda, J. C., [redacted]
Woolard, Henry H., Jr., [redacted]
Wright, Thomas T., [redacted]
Yancey, William S., [redacted]
York, Guy P., [redacted]
Yorks, Robert A., [redacted]
Yoshinaka, Jimmy, [redacted]
Young, Glenn W., [redacted]
Young, Joe H., [redacted]
Yowell, Robert J., [redacted]
Zehrer, Frederick A., III, [redacted]

CHAPLAIN CORPS

Acerra, Angelo T., [redacted]
Bulce, Willie F., [redacted]
Hardin, Newton R. N., [redacted]
Jones, Douglas O., [redacted]
McManus, Robert T., [redacted]
Millian, Ronald A., [redacted]
Rice, Jerry L., [redacted]
Schuelein, Virgil L., [redacted]
Sullivan, Joseph T., [redacted]
Truitt, John G., Jr., [redacted]

JUDGE ADVOCATE

Acker, William L., Jr., [redacted]
Blanks, Clifton D., [redacted]
Bloss, Stephen R., [redacted]
Casari, Guido J., Jr., [redacted]
Ciucci, John A., [redacted]
Copperman, Seymour, [redacted]
Dickman, Verlin D., [redacted]
Flatten, Franklin P., [redacted]
Fuller, Joseph L., [redacted]
Knutson, Milford H., [redacted]
Lawrence, James E., [redacted]
Lewis, David M., Jr., [redacted]
McDade, James D., [redacted]
Michalski, Jan K., [redacted]
Miller, Grant, [redacted]
Nakano, George M., [redacted]
Pierson, Samuel M., III, [redacted]
Porter, James P., [redacted]
Roan, James C., Jr., [redacted]
Ruddock, Donn M., [redacted]
Semeta, Ramutis R., [redacted]
Springob, Thomas J., [redacted]
Stephens, Larry G., [redacted]
Strickland, Donald B., [redacted]

NURSE CORPS

Boyd, Mary R., [redacted]
Brinkmann, Joanne M., [redacted]
Connolly, Janet M., [redacted]
Goodwin, Barbara A., [redacted]
Hamberger, Ann M., [redacted]
Merrill, Sylvia A., [redacted]
Modrak, Donna M., [redacted]
Mumper, Monna L., [redacted]
Perry, Allan J., [redacted]

MEDICAL SERVICE CORPS

Good, Donald S., [redacted]
King, James M., [redacted]
Middleton, Richard V., [redacted]
Smith, Robert D., [redacted]
Wassmund, James A., [redacted]
Wilhelm, Bruce D., [redacted]
Young, Robert M., [redacted]

VETERINARY CORPS

Butts, Donald W., [redacted]
Erickson, Howard H., [redacted]
Jones, Sidney R., [redacted]
Kupper, James L., [redacted]

BIOMEDICAL SCIENCES CORPS

Bailey, Ronald B., [redacted]
Barrett, Quentin T., [redacted]
Bayer, Johan E., [redacted]
Dubose, William P., III, [redacted]
Fallon, Paul F., [redacted]
Foley, Thomas J., Jr., [redacted]
Maio, Domenic A., [redacted]
Margolis, Hannah S., [redacted]
Smead, Phillip E., [redacted]

The following officer for appointment in the Regular Air Force, in the grade indicated, under the provisions of section 8284, Title 10, United States Code, with a view to designation under the provisions of section 8067, Title 10, United States Code, to perform the duty indicated, and with date of rank to be determined by the Secretary of the Air Force:

BIOMEDICAL SCIENCES CORPS

To be major

Dubose, William P., III, [redacted]

IN THE AIR FORCE

The following-named officers for promotion in the Regular Air Force, under the appropriate provisions of chapter 835, title 10, United States Code, as amended. All officers are subject to physical examination required by law:

LINE OF THE AIR FORCE

Major to lieutenant colonel

Abel, David R., [redacted]
Adams, Charles D., [redacted]
Adams, John R., [redacted]
Adams, Richard R., [redacted]
Aday, John B., Jr., [redacted]
Affholder, David J., [redacted]
Aho, Wallace E., [redacted]
Akers, Brian L., [redacted]
Albright, Ray E., [redacted]
Aldrich, Duaine E., [redacted]
Aldrich, Fred E., [redacted]
Alfieri, Guiseppe, M. C., [redacted]
All, William D., [redacted]
Allen, Don K., [redacted]
Allen, Emmett E., Jr., [redacted]
Allen, John R., Jr., [redacted]
Alley, James R., [redacted]
Ames, George B., Jr., [redacted]
Amos, Robert C., [redacted]
Amrhein, Robert L., [redacted]
Anania, Frank J., [redacted]
Anderson, David D., [redacted]
Anderson, Donald W., [redacted]
Anderson, Frank E., [redacted]
Anderson, Frederick C., [redacted]
Anderson, James A., [redacted]
Anderson, Larry L., [redacted]
Anderson, Lee A., [redacted]
Anderson, Thomas I., [redacted]
Andres, Howard J., [redacted]
Anthony, George T., [redacted]
Apple, Burton J., [redacted]
Archer, Curtis F., Jr., [redacted]
Archino, David T., [redacted]
Arcieri, Joseph D., [redacted]
Armenakis, Demetrios A., [redacted]
Armentrout, Robert E., [redacted]
Armistead, Samuel E., Jr., [redacted]
Armstrong, Raymond H., [redacted]
Ashman, Charles T., [redacted]
Askew, Glenn W., Jr., [redacted]
Atkinson, John C., Jr., [redacted]
Avery, Charles F., [redacted]
Ayars, Richard W., [redacted]
Ayres, Donald L., [redacted]
Babineaux, Thayer L., [redacted]
Baca, Jose A., [redacted]
Bach, Shirley J., [redacted]
Backus, Richard B., [redacted]
Bailey, Billy T., [redacted]
Bailey, James E., [redacted]
Baker, Gary S., [redacted]
Baker, Ronald C., [redacted]
Baker, Woody R. Jr., [redacted]
Baldwin, Edwin L., [redacted]
Balentine, Doyle E., [redacted]
Ballantine, George A., [redacted]
Ballard, Jack D., [redacted]
Ballard, Willie C., [redacted]
Ballentine, John W., [redacted]
Balog, George, [redacted]
Banks, Edgar L., [redacted]
Barden, Paul A., [redacted]
Barnett, John A., Jr., [redacted]
Barr, Charles R., [redacted]
Barrett, Thomas A., Jr., [redacted]
Battreall, Raymond J., [redacted]
Bauer, Paul R., [redacted]
Baulch, William N., [redacted]
Baxter, Jerome R., [redacted]
Beaird, Kenneth B., [redacted]
Bean, Wesley W., Jr., [redacted]
Beaty, Randall E., [redacted]
Beaumaster, James F., [redacted]
Beauvais Maurice F., Jr., [redacted]
Beavers, Michael L., [redacted]
Beck, Charles R., [redacted]
Beck, David H., [redacted]
Beck, Douglass D., [redacted]
Beckel, Robert D., [redacted]
Beesley, Jack R., [redacted]
Begansky, Paul R., [redacted]
Belanger, Norbert C., [redacted]
Belew, Glen E., [redacted]
Belisle, Charles P., [redacted]
Bell, Carl E., [redacted]
Bell, John H., [redacted]
Bellia, Paul G., [redacted]
Belmonte, Nicholas C., [redacted]
Benbough, Robert B., [redacted]
Benjamin, Juan H., [redacted]
Benjamin, Marc L., Jr., [redacted]
Benner, John D., [redacted]
Bennett, Thomas S., [redacted]
Bennington, Raymond O., [redacted]
Bentley, Ronald D., [redacted]
Berg, John O., [redacted]
Berganini, David F., [redacted]
Bergeron, Joseph L., [redacted]
Bergholz, Richard J., [redacted]
Bergold, Fredrik M., [redacted]
Bergstad, Joe G., [redacted]
Bernd, Ronald E., [redacted]
Berry, George D., [redacted]
Bessette, John F., [redacted]
Bester, Joseph D., [redacted]
Bielsik, Frank J., [redacted]
Bielstein, Lawrence E., [redacted]
Bigelow, Richard M., [redacted]
Bigrigg, Robert C., [redacted]
Biles, Graham C., [redacted]
Biron, Edward J., [redacted]
Bisgrove, Donald G., [redacted]
Bittle, Darrell G., [redacted]
Bivens, Robert A., [redacted]
Bixler, Glen R., [redacted]
Black, Jon D., [redacted]
Blackwell, James R., [redacted]
Blackwell, Walter R., [redacted]
Blake, Robert E., [redacted]
Blanchard, Maxwell F., [redacted]
Blankenship, Hershal E., [redacted]
Blanton, Tommy L., [redacted]
Blazine, Fred V., [redacted]
Bledsoe, Jack H., [redacted]
Blocker, Norman K., [redacted]
Bobko, Karol, J., [redacted]
Bock, Larry W., [redacted]
Boese, Robert A., [redacted]
Bogard, Clarence R., [redacted]
Bogert, George A., [redacted]
Bohan, Thomas M., [redacted]
Bohn, James N., [redacted]
Bollwerk, John J., Jr., [redacted]

Bond, Ronald M., [redacted].
Borg, Brewster E., [redacted].
Borkowski, William R., [redacted].
Botticelli, Allan P., [redacted].
Bouckhout, Richard J., [redacted].
Bousman, Richard L., [redacted].
Bowen, Thomas G., [redacted].
Bowers, Richard L., [redacted].
Bowes, Stevenson E., [redacted].
Boyd, Darwin D., [redacted].
Bracken, Edward R., [redacted].
Braden, John R., [redacted].
Bragdon, Paul B., [redacted].
Braman, Marvin L., [redacted].
Brand, Thomas E., [redacted].
Bridges, James R., Jr., [redacted].
Briggs, Patrick A., [redacted].
Broach, William R., [redacted].
Broeren, Quentin R., [redacted].
Bronson, Richard A., [redacted].
Brooks, Don L., [redacted].
Brooks, J. W., [redacted].
Brooks, Michael C., [redacted].
Brooks, Richard L., [redacted].
Broussard, Harvey C., [redacted].
Broussard, Whitney J., [redacted].
Brown, Albert D., [redacted].
Brown, Bruce A., [redacted].
Brown, Denis M., [redacted].
Brown, Donald R., [redacted].
Brown, Dwight, Jr., [redacted].
Brown, James W., III, [redacted].
Brown, Jerry D., [redacted].
Brown, Lloyd A., [redacted].
Brown, Marvin R., [redacted].
Brown, Walter T., Jr., [redacted].
Browne, Everett W., [redacted].
Bryan, Jack B., [redacted].
Bryan, Otis F., Jr., [redacted].
Bryan, William W., [redacted].
Bryant, Lynwood C., [redacted].
Bryden, William D., Jr., [redacted].
Bryson, Robert R., [redacted].
Buckenmaier, Chester C., Jr., [redacted].
Buckey, Robert G., [redacted].
Buesinger, Richard L., [redacted].
Bunce, Donald C., [redacted].
Buntin, William W., [redacted].
Burbey, Gene P., [redacted].
Burchfield, Hartsill R., [redacted].
Burger, Philip R., Jr., [redacted].
Burghardt, Stanley K., [redacted].
Burk, Delmar D., [redacted].
Burnett, James R., [redacted].
Burnside, Belvin R., Jr., [redacted].
Burridge, Charles W., [redacted].
Burton, James G., [redacted].
Busby, Arthur E., III, [redacted].
Bush, Roger G., [redacted].
Bushman, William J., [redacted].
Butaud, Louis C., Jr., [redacted].
Butts, Lawrence E., Jr., [redacted].
Byrd, James H., [redacted].
Byrd, Joe L., [redacted].
Byrnes, Eugene B., Jr., [redacted].
Cade, David J., [redacted].
Caldwell, James A., [redacted].
Callaghan, James T., [redacted].
Callaghan, William S., Jr., [redacted].
Campbell, Dennis F., [redacted].
Campbell, Duncan W., [redacted].
Canfield, Kenneth W., [redacted].
Canterbury, Henry D., [redacted].
Caponecchi, August J., [redacted].
Capps, Julian M., [redacted].
Caputo, Robert P., [redacted].
Carlin, Jerry L., [redacted].
Carlson, Loren D., [redacted].
Carnahan, Kenneth M., [redacted].
Carns, Michael P. C., [redacted].
Carpenter, James T., [redacted].
Carr, Benny M., [redacted].
Carr, Earl E., [redacted].
Carr, Richard E., [redacted].
Carroll, David R., [redacted].
Carteaux, Thomas L., [redacted].
Carter, Clayton T., [redacted].
Carter, Robert G., [redacted].
Casey, Patrick J., [redacted].
Cassidy, Charles P., [redacted].
Cassity, James S., Jr., [redacted].
Catiller, John B., [redacted].
Caton, Philip E., [redacted].
Cebulski, Robert J., [redacted].
Chadd, Billy R., [redacted].
Chaffer, Wayne R., [redacted].
Chambers, James E., [redacted].
Chambers, John E., [redacted].
Chapman, George E., [redacted].
Chapman, Robert L., [redacted].
Chappel, George G., [redacted].
Chartrand, Edward H., [redacted].
Chepolis, Robert J., [redacted].
Chichester, Warren F., [redacted].
Chomicz, Donald J., [redacted].
Christensen, Robert E., [redacted].
Christianer, Doyle C., [redacted].
Christison, Wayne L., [redacted].
Christoplis, Peter C., [redacted].
Chynoweth, William M., [redacted].
Clamme, Ronald L., [redacted].
Clark, George C., [redacted].
Clark, James W., [redacted].
Clark, Lawrence D., [redacted].
Clark, Leonard E., Jr., [redacted].
Clark, Perry G., [redacted].
Clausen, Lee R., [redacted].
Clem, Harold A., [redacted].
Clement, Richard B., [redacted].
Clifford, James E., [redacted].
Cline, James A., [redacted].
Cloyd, John L., [redacted].
Coblentz, Thomas H., Jr., [redacted].
Cohen, Daniel D., [redacted].
Cohick, Mikel W., [redacted].
Colburn, Gerry R., [redacted].
Cole, David C., [redacted].
Coleman, Archie B., [redacted].
Colliflower, Lawrence H., [redacted].
Collins, Thomas E., III, [redacted].
Colton, George M., [redacted].
Colwell, Gary A., [redacted].
Comalli, John M., [redacted].
Combs, Ronald G., [redacted].
Conant, Roger G., [redacted].
Connally, James W., [redacted].
Connolly, Allen B., II, [redacted].
Conover, John A., [redacted].
Cook, Curtis G., [redacted].
Cooper, Harold T., [redacted].
Coote, Donald R., [redacted].
Corbett, John G., [redacted].
Cornell, David M., [redacted].
Corroum, William F., [redacted].
Cotton, Waldon R., [redacted].
Coughlin, Francis J., [redacted].
Coughran, Joe F., [redacted].
Counts, Roger L., [redacted].
Courtney, Nyles B., [redacted].
Coury, Nicholas J., [redacted].
Covert, Ronny C., [redacted].
Cowan, Kenneth W., [redacted].
Cowles, Stephen H., [redacted].
Cox, Gary E., [redacted].
Cox, Richard E., [redacted].
Cox, Rodney V., Jr., [redacted].
Craig, Harold D., [redacted].
Craig, Harry G., [redacted].
Craig, Thomas L., [redacted].
Craig, Walker R., [redacted].
Crane, Benjamin D., [redacted].
Craveiro, Richard C., [redacted].
Crawford, Robert G., [redacted].
Crawford, Todd W., [redacted].
Crews, Barton P., [redacted].
Crews, Charles P., [redacted].
Crews, Gordon W., [redacted].
Cromer, Donald L., [redacted].
Cronican, John G., Jr., [redacted].
Cross, Richard W., [redacted].
Crown, Jerry E., [redacted].
Cucullu, Alan C., [redacted].
Cudlipp, Richard R., [redacted].
Culton, Robert E., [redacted].
Cunningham, Ralph L., [redacted].
Current, Frederick D., [redacted].
Currie, Brian H., [redacted].
Cutter, Scott C., Jr., [redacted].
Cvik, James E., [redacted].
Cwikowski, Raymond T., [redacted].
Cyr, Peter P., [redacted].
Czelusniak, Donald R., [redacted].
Dahl, Gilmore M., [redacted].
Dahlemelsaether, Ole I., [redacted].
Dailey, Daniel G., [redacted].
Dakes, Michael G., [redacted].
Dale, Curtis D., [redacted].
Damon, Karl K., [redacted].
Daniel, Carey W., Jr., [redacted].
Daniels, Frederick J., [redacted].
Dankenbring, Terry L., [redacted].
Davenport, Ernest J., [redacted].
Davey, John M., [redacted].
Davis, Clark T., [redacted].
Davis, Richard C., [redacted].
Davis, Richard G., [redacted].
Davis, Roger L., [redacted].
Davis, William N., [redacted].
Davison, Robert E., [redacted].
Dawley, Donald L., [redacted].
Dayton, Allen D., [redacted].
Decavalcante, Noel B., [redacted].
DeJong, Fred H., [redacted].
Lejong, John E., [redacted].
Delaney, Denis P., [redacted].
Delaney, Donald R., [redacted].
Delaney, Robert S., [redacted].
Delligatti, Robert S., [redacted].
Demijohn, Ronald S., [redacted].
Deming, William J., [redacted].
Denison, Robert G., [redacted].
Denny, Edwin B., [redacted].
Dentino, Robert L., [redacted].
Denton, Donald L., [redacted].
Derbyshire, Frank B., [redacted].
Deritis, Don J., [redacted].
Derrickson, Thomas G., II, [redacted].
Desjardins, Philip D., [redacted].
Desroches, James E., [redacted].
Dewey, William T., [redacted].
Dicamillo, Richard A., [redacted].
Dickover, Richard D., Jr., [redacted].
Dickson, David S., [redacted].
Dietrich, George T. M., Jr., [redacted].
Dill, Donald W., [redacted].
Dillon, Daniel R., [redacted].
Doane, Gaylen B., [redacted].
Dobias, Otto C., [redacted].
Dodds, Charles L., Jr., [redacted].
Donohoe, Richard J., [redacted].
Donovan, William G., [redacted].
Doran, Donald A., [redacted].
Dorwaldt, Richard H., [redacted].
Downing, Darrell A., [redacted].
Doyle, David F., [redacted].
Driesslein, William G., [redacted].
Driggers, William B., Jr., [redacted].
Drohan, John A., [redacted].
Drummond, Daniel D., [redacted].
Dubose, Regal D., Jr., [redacted].
Dudley, Paul F., [redacted].
Duenas, Vernon, [redacted].
Duey, Kent B., [redacted].
Duke, William G., [redacted].
Dull, Rex L., [redacted].
Dumont, Douglas G., [redacted].
Dunlap, James A., [redacted].
Durham, Esmer L., Jr., [redacted].
Dush, Richard W., [redacted].
Dutton, Robert C., [redacted].
Dwelis, Alexander C., [redacted].
Dwyer, William G., [redacted].
Dye, Forrest N., [redacted].
Dykes, Conley H., [redacted].
Eash, Joseph J., III, [redacted].
Eastburn, Loren D., [redacted].
Eastes, Raymond E., [redacted].
Eatman, Robert W., [redacted].
Eaves, Richard H., [redacted].
Ebeltoft, Allen M., [redacted].
Eckhart, John D., [redacted].
Edberg, Helmer F., [redacted].
Edenfield, Billy G., [redacted].
Edens, Robert H., [redacted].
Edgington, William A., [redacted].
Edney, Robert A., [redacted].
Edwards, Herbert H., [redacted].
Edwards, Ronald K., [redacted].
Edwards, Tommy M., [redacted].
Eigel, Robert L., [redacted].
Ek, John K., [redacted].
Elam, Edward T., [redacted].
Elefritz, Joseph F., [redacted].

Eliason, Vernet W., [redacted].
Eller, John N., Jr., [redacted].
Ellermets, Heiki, [redacted].
Elliot, Craig D., [redacted].
Ellis, Roland D., [redacted].
Ellis, Ronald R., [redacted].
Elser, Arthur G., [redacted].
Engel, Richard F., [redacted].
England, Lawrence E., [redacted].
Epler, Elmer D., [redacted].
Epps, Lewis B., [redacted].
Erickson, James P., [redacted].
Erler, William F., [redacted].
Esser, Albert R., [redacted].
Ettinger, Robert C., [redacted].
Evans, Arthur C., [redacted].
Evans, Charles D., [redacted].
Evans, Claire J., [redacted].
Evers, Harry O., Jr., [redacted].
Falk, Harold C., [redacted].
Fanta, John, [redacted].
Farland, Robert W., [redacted].
Farrell, Joseph M., [redacted].
Farrell, Ronald, [redacted].
Farren, Michael F., [redacted].
Farrington, John R., [redacted].
Farwell, David C., [redacted].
Fathera, Lowell G., [redacted].
Patheree, Thomas H., Jr., [redacted].
Fawcett, Harman E., III, [redacted].
Fawcett, Robert C., [redacted].
Fay, Robert H., Jr., [redacted].
Fedor, William P., [redacted].
Feist, John F., [redacted].
Fekete, Frederick, [redacted].
Feldman, Irwin J., [redacted].
Fero, Richard G., [redacted].
Ferrari, Charles J., [redacted].
Ferrillo, John A., [redacted].
Filkins, Lloyd R., [redacted].
Finch, Charles E., [redacted].
Findlay, Gary W., [redacted].
Fischer, August V., [redacted].
Fischer, Hansjoachim E., [redacted].
Fisher, Kenneth, [redacted].
Fisher, Paul T., [redacted].
Fitzgibbon, James J., [redacted].
Fitzsimmons, Fredric S., [redacted].
Fitzwater, Alan L., [redacted].
Flood, Jerry D., [redacted].
Ford, David W., [redacted].
Ford, Richard J., [redacted].
Ford, William L., [redacted].
Forrester, John, [redacted].
Forsythe, Conrad O., [redacted].
Forsythe, William D., [redacted].
Fortna, Roger A., [redacted].
Fortner, Larry D., [redacted].
Fox, Thomas P., [redacted].
Frady, William D., [redacted].
Fraime, Charles R., [redacted].
Franklin, Butler T., [redacted].
Frazier, Robert L., [redacted].
Frease, Edward D., [redacted].
Frederick, David L., [redacted].
Freytag, James E., [redacted].
Friant, Charles W., [redacted].
Gaddie, William R., [redacted].
Gagliardi, Albert A., Jr., [redacted].
Gagnon, Roger A., [redacted].
Gainer, Thomas R., [redacted].
Gallihugh, Robert H., [redacted].
Gallo, Jon A., [redacted].
Galloway, John C., [redacted].
Gantt, Myron L., [redacted].
Garber, Gares Jr., [redacted].
Gardner, Robert E., [redacted].
Garrison, Larry L., [redacted].
Garver, Edwin H., [redacted].
Gaston, James S., [redacted].
Gates, Thomas R., [redacted].
Gaunt, John J., Jr., [redacted].
Gay, Francis S., [redacted].
Gaydon, William E., [redacted].
Gazzerro, William J., [redacted].
Gazzola, Robert A., [redacted].
Gealta, Thomas S., [redacted].
Gebara, James T., [redacted].
Gee, Ralph K., [redacted].
Gentle, Milton W., [redacted].
Gerken, Thomas L., [redacted].
Gersh, Frederick S., [redacted].
Gibbons, John R., Jr., [redacted].
Gibson, Gary D., [redacted].
Gibson, Melvin R., [redacted].
Gibson, Thomas N., III, [redacted].
Giddings, Glenn G., Jr., [redacted].
Gifford, George E., [redacted].
Gilbert, Charles B., [redacted].
Gilbert, Floyd D., [redacted].
Gilbert, Shirley L., [redacted].
Gilbertson, Malcolm K., [redacted].
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Grabman, Edward G., [redacted].
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Graham, Bobby G., [redacted].
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Lam, Carroll F., [redacted].
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Littlefield, David R., [redacted].
Livengood, John J., [redacted].
Lobue, Jackino P., [redacted].
Lockhart, Jimmie D., [redacted].
Logan, James C., [redacted].
Logan James E., [redacted].
Louderback, Johnnie I., [redacted].
Lough, Roland K., [redacted].
Love, Robert P., [redacted].
Loving, Errol K., [redacted].
Lovrien, Clark E., Jr., [redacted].
Lowe, Teddy R., [redacted].
Lowery, Gordon H., [redacted].
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Luciano, Ferdinand J., Jr., [redacted].
Lueckert, William E., [redacted].
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Luke, David C., [redacted].
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Macy, Owen Y., [redacted].
Madden, Jack L., [redacted].
Madden, Thomas F., [redacted].
Madonna, Donald E., [redacted].
Mahaffey, Kenneth E., [redacted].
Maloney, Thomas A., [redacted].
Mansfield, Don L., [redacted].
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Reinke, Earl R., Jr., [redacted].
Reneau, Robert D., [redacted].
Reynolds, Jon A., [redacted].
Rhodes, James M., Jr., [redacted].
Rice, Norman L., [redacted].
Rich, Donald W., [redacted].
Rickard, David T., [redacted].
Riddle, George M., [redacted].
Riebesehl, Edward H., [redacted].
Rindahl, Milton D., [redacted].
Riopel, Francis D., [redacted].
Riotte, Wyndham, [redacted].
Ritter, Keith K., [redacted].
Rivera, Danny, [redacted].
Rivers, James W., Jr., [redacted].
Roach, Dwight E., [redacted].
Roach, James H., [redacted].
Robenolt, Gary L., [redacted].
Roberts, John E., Jr., [redacted].
Roberts, Matt A., III, [redacted].
Robertson, William R., [redacted].
Robison, Charles H., [redacted].
Roell, Joseph C., [redacted].
Roescher, Frank A., [redacted].
Rogers, Brown B., Jr., [redacted].
Rogers, Edward C., [redacted].
Rogers, James H., [redacted].
Rogers, Robert J., [redacted].
Roland, Jay R., [redacted].
Rollins, Robert G., [redacted].
Romlein, David R., [redacted].
Roose, Eugene J., [redacted].
Rosa, John N., [redacted].
Rosane, Edwin L., [redacted].
Rose, Carl E., [redacted].
Rose, William A., [redacted].
Ross, Eugene E., [redacted].
Ross, James D., [redacted].
Ross, John R., [redacted].
Ross, John W., Jr., [redacted].
Rossel, Eugene D., [redacted].
Rostkowski, Alexander E., [redacted].
Roth, William J., Jr., [redacted].
Rouse, John P., [redacted].
Rousseau, Ernest W., [redacted].
Roussell, Mervin E., Jr., [redacted].
Rowe, John J., [redacted].
Ruble, John H., [redacted].
Rupley, Richard M., [redacted].
Ruth, Francis D., [redacted].
Rutten, Thomas W., [redacted].
Ryder, Scott M., [redacted].
Rygg, Lowell K., [redacted].
Salmon, Haston E., Jr., [redacted].
Salyer, Phillip N., [redacted].
Sandercock, Richard A., [redacted].
Sanders, Raymond W., [redacted].
Sanderson, Bruce J., [redacted].
Sandoval, Joe O., [redacted].
Satterwhite, Thomas H., [redacted].
Saunders, David C., [redacted].
Saunders, Paul A., Jr., [redacted].
Schaefer, Fred R., [redacted].
Schaefer, Joseph D., [redacted].
Schaefer, Joseph L., [redacted].
Schaum, Craig O., [redacted].
Scheatzle, David G., [redacted].
Scheel, Randolph J., [redacted].
Scheeren, Frederick A., [redacted].
Scheidel, Paul N., [redacted].
Scheltens, Ronald K., [redacted].
Schemenaur, Roger E., [redacted].
Schick, Donald L., [redacted].

Schmidt, George L., [redacted].
Schmidt, Karl W., [redacted].
Schmidt, Thomas B., [redacted].
Schmoll, Ross V., [redacted].
Schneider, Edward C., [redacted].
Schnell, Tom C., [redacted].
Schremp, Charles F., [redacted].
Schritter, Robert W., [redacted].
Schultz, Robert F., [redacted].
Schumacher, Frederick W., [redacted].
Schwalb, Gerald P., [redacted].
Schweigerdt, David H., [redacted].
Scott, David W., [redacted].
Scott, Taylor G., [redacted].
Scott, Thomas W., [redacted].
See, Dennis R., [redacted].
Seely, John C., [redacted].
Seizys, Anthony W., [redacted].
Selberg, Ronald L., [redacted].
Sellers, Kenneth H., [redacted].
Sellers, Lester H., [redacted].
Selph, James, [redacted].
Semanco William F., [redacted].
Senko, James F., [redacted].
Serur, John, [redacted].
Shackleford, Bernard E., [redacted].
Shaffer, Lewis F., [redacted].
Shahan, Larry E., [redacted].
Shall, Paul J., Jr., [redacted].
Shatzer, Kenneth R., [redacted].
Shaw, Christopher C., Jr., [redacted].
Shaw, Craig D., [redacted].
Shea, David J., [redacted].
Shea, William P., [redacted].
Shearin, David R., [redacted].
Sheehan, Brian T., [redacted].
Shehi, Louis W., [redacted].
Sherman, Ronald L., [redacted].
Sherouse, Lewis E., [redacted].
Shillcutt, Ronald L., [redacted].
Shoemaker, Alan M., [redacted].
Show, Donald L., [redacted].
Shropshire, Richard A., [redacted].
Shuler, Ellie G., Jr., [redacted].
Shumate, Arthur K., [redacted].
Shupp, Thomas L., [redacted].
Shute, Richard M., [redacted].
Sievertson, John F., [redacted].
Siferd, Raymond E., [redacted].
Signet, Paul A., [redacted].
Simmons, Sherwin B., [redacted].
Simmons Warren L., [redacted].
Simon, Charles E., [redacted].
Simpson, Charles G., [redacted].
Singer, Ronald M., [redacted].
Sirmans, John C., [redacted].
Sitterly, Lewis F., [redacted].
Skoneki, Ronald J., [redacted].
Skwerski, Peter R., Jr., [redacted].
Sloan, Charles P., Jr., [redacted].
Sloan, Peter L., [redacted].
Slocum, John M., [redacted].
Slowey, Richard J., [redacted].
Smalls, Robert F., [redacted].
Smiley, James A., [redacted].
Smith, Allan T., [redacted].
Smith, Donald C., [redacted].
Smith, George A., [redacted].
Smith, Gerald J., [redacted].
Smith, James L., [redacted].
Smith, Jerry B., [redacted].
Smith, Jerry J., [redacted].
Smith, John S., III, [redacted].
Smith, Josh M., Jr., [redacted].
Smith, Kenneth R., [redacted].
Smith, Merlyn D., [redacted].
Smith, Peter B., [redacted].
Smith, Robert G., [redacted].
Smith, Roger C., [redacted].
Smith, Thomas J., [redacted].
Smith, Wayne O., Jr., [redacted].
Smith, Willis E., [redacted].
Snide, James A., [redacted].
Snyder, James M., [redacted].
Sodoma, Wilford C., [redacted].
Soltis, William J., [redacted].
Sorokas, Thomas P., [redacted].
Sorrick, William G., [redacted].
Sparks, Gordon L., [redacted].
Speed, Thomas J., III, [redacted].
Spiers, Joseph K., [redacted].
Spolidoro, Anthony F., [redacted].
Spoone, John P., Jr., [redacted].
Sprague, William T., Jr., [redacted].
Spring, Richard C., [redacted].
Springston, Wendell L., [redacted].
Suruill, Crosby L., [redacted].
Stack, Thomas P., [redacted].
Stallings, Donald F., [redacted].
Stallworth, Willett R., [redacted].
Stanley, Oliver H., [redacted].
Stanley, Roy M., II, [redacted].
Stansell, George A., [redacted].
Staples, Robert M., [redacted].
Stark, Terry M., [redacted].
Starnes, Arthur J., [redacted].
Staud, John J., Jr., [redacted].
Steczkowski, Arthur F., [redacted].
Steinmetz, Lyle R., [redacted].
Stellmach, Arthur T., [redacted].
Stenger, Manfred, [redacted].
Steorts, Robert A., [redacted].
Stephens, Seth H., Jr., [redacted].
Stephens, Wade T., Jr., [redacted].
Stevens, Dana, Jr., [redacted].
Stevens, Gary E., [redacted].
Stevens, Michael C., [redacted].
Stiles, Roger E., [redacted].
Stlouis, Ronald L., [redacted].
Stockett, Joe T., [redacted].
Stoddard, David D., [redacted].
Stoddard, James P., III, [redacted].
Stone, Kenneth D., [redacted].
Straight, Thomas E., [redacted].
Strickland, James N., [redacted].
Strickland, Kenneth F., Jr., [redacted].
Strom, Brock T., [redacted].
Stroud, Donald E., [redacted].
Stroud, John P., [redacted].
Stroud, Raleigh E., [redacted].
Stuck, Monte L., [redacted].
Studinka, Richard J., [redacted].
Sudbrink, William H., [redacted].
Sullivan, Edward F., [redacted].
Sullivan, Edwin N., [redacted].
Sullivan, James V., [redacted].
Sullivan, Robert D., [redacted].
Summers, Robert R., [redacted].
Suter, Richard M., [redacted].
Sutter, Franklin G., Jr., [redacted].
Swank, Leonard L., [redacted].
Swann, John K., [redacted].
Swanson, Alan C., [redacted].
Sweet, Leonard M., Jr., [redacted].
Takara, Stanley K., [redacted].
Talbot, Richard J., [redacted].
Tarsoly, John B., [redacted].
Tate, Orlia A., Jr., [redacted].
Taylor, Anton M., [redacted].
Taylor, David B., [redacted].
Taylor, Donald C., [redacted].
Taylor, Eric P., [redacted].
Taylor, James W., [redacted].
Taylor, John T., [redacted].
Taylor, Richard F., [redacted].
Taylor, Richard I., [redacted].
Taylor, William R., [redacted].
Tedrick, Robert L., [redacted].
Teeman, William R., [redacted].
Telford, William D., [redacted].
Templeton, Ronald H., [redacted].
Tenhoor, Frederick G., [redacted].
Terry, Decker L., [redacted].
Terry, James D., [redacted].
Terry, James R., [redacted].
Terry, William F., Jr., [redacted].
Tetmeyer, Donald C., [redacted].
Thacker, William A., [redacted].
Thieman, Gayle F., [redacted].
Thomas, Harry A., Jr., [redacted].
Thomas, Michael D., [redacted].
Thomas, William B., [redacted].
Thompson, Barry G., [redacted].
Thompson, Kenneth R., [redacted].
Thompson, Merlin H., [redacted].
Thompson, Paul Y., [redacted].
Thompson, Richard L., [redacted].
Thompson, Victor M., [redacted].
Thomson, Laurence J., [redacted].
Tietjen, John H. H., [redacted].
Timm, Gerald E., [redacted].
Timmermans, Philip W., [redacted].
Todd, Harold W., [redacted].
Tole, George E., [redacted].
Tomtan, Thomas O., [redacted].
Toye, Richard G., [redacted].
Tracey, Richard E., [redacted].
Trail, Richard L., [redacted].
Trombley, Donald J., [redacted].
Tronzo, Louis C., [redacted].
Troyer, Richard H., [redacted].
Trzaskoma, Richard J., [redacted].
Tuck, Frank K., [redacted].
Tucker, Robert J., [redacted].
Tufo, Stanley, [redacted].
Turain, Robert L., [redacted].
Turner, Jerry W., [redacted].
Turrin, Armand L., [redacted].
Tuzo, George L., [redacted].
Ulbricht, Gilmer D., [redacted].
Ulmer, John W., Jr., [redacted].
Underwood, Joseph W., [redacted].
Underwood, Keith T., [redacted].
Unruh, Daniel D., [redacted].
Unterman, Carl M., [redacted].
Utley, Roger R., [redacted].
Vajda, Frank S., [redacted].
Vanagas, Anthony A., [redacted].
Vance, Jon C., [redacted].
Vancleave, Danny R., II, [redacted].
Vankesteren, John A., [redacted].
Vannest, David F., [redacted].
Vanputte, Ronald E., [redacted].
Vansickle, Larry P., [redacted].
Varley, Donald J., [redacted].
Varner, Gerald J., [redacted].
Vaughan, John C., III, [redacted].
Vaughn, Jerry B., [redacted].
Veigel, Richard T., [redacted].
Venen, Leonard N., Jr., [redacted].
Venturini, Ronald A., [redacted].
Vickery, Charles A., [redacted].
Vosika Eugene L., [redacted].
Wachsmuth, Carl W., [redacted].
Wagner, Richard A., [redacted].
Wainwright, Ronald G., [redacted].
Waldron, Charles S., [redacted].
Waldron, Larry D., [redacted].
Walker, Bert N., [redacted].
Walker, Charles W., [redacted].
Wallace, Donald M., [redacted].
Wallace, James T., [redacted].
Wallace, Ray M., [redacted].
Walls, W. L., [redacted].
Walsh, John M., [redacted].
Walter, Charles R., Jr., [redacted].
Waltermire, Jacob B., Jr., [redacted].
Walters, Donald R., [redacted].
Walters, Edward M., [redacted].
Walter, George H., [redacted].
Ware, Donald M., [redacted].
Waresh, John C., [redacted].
Warner, Norris E., [redacted].
Warren, James M., [redacted].
Waterman Quintin L., [redacted].
Waters, Albert L., [redacted].
Watlington, Bernard E., [redacted].
Watring, John A., [redacted].
Watson, Richard E., [redacted].
Watts Holbrook M., [redacted].
Waynik, Michael, Jr., [redacted].
Weaver, Floyd W., [redacted].
Weekley, Robert A., [redacted].
Weeks, George M., III, [redacted].
Weeks, Michael W., [redacted].
Wehman, Ben P., [redacted].
Weisman, Alan D., [redacted].
Welch, James C., [redacted].
Wendell John H., Jr., [redacted].
Wenker, David J., [redacted].
Wertz, Donald L., [redacted].
West, John E., [redacted].
West, John W., Jr., [redacted].
West, Joseph P., Jr., [redacted].
West, Philip W., [redacted].
Westback, Eugene O., [redacted].
Westwood, Edward P., [redacted].
Whitaker, Gary L., [redacted].
Whitaker, Patrick W., [redacted].
White, Clarence L., [redacted].
White, James E., [redacted].
White, Richard W., [redacted].

White, Thomas W., Jr., [redacted].
Whitsitt, Elwyn D., [redacted].
Whittenberg, Jean R., [redacted].
Wicker, Paul J., [redacted].
Wickman, John F., [redacted].
Wiener, Robert D., [redacted].
Wilcox, Bruce E., [redacted].
Wilda, Robert W., [redacted].
Wilkes, Quenten L., [redacted].
Wilkins, Jackie, [redacted].
Williams, David B., [redacted].
Williams, George W., [redacted].
Williams, Haven A., [redacted].
Williams, John D., Jr., [redacted].
Williams, Richard M., [redacted].
Williams, Thomas O., III, [redacted].
Williamson, George E., Jr., [redacted].
Williamson, James R., [redacted].
Willigrod, William E., [redacted].
Willingham, Larry D., [redacted].
Wilson, Roger D., [redacted].
Wilson, William L., [redacted].
Wiltrout, Roger E., [redacted].
Wince, James P., [redacted].
Wingert, Charles J., [redacted].
Winkelmann, Edgar W., [redacted].
Winn, Wendell W., [redacted].
Winters, Charles P., [redacted].
Wissing, Norman H., [redacted].
Wissinger, Kenneth L., [redacted].
Woelfel, Edward A., Jr., [redacted].
Wolfe, Dale E., [redacted].
Wolfe, John M., Jr., [redacted].
Wolpert, Donald G., [redacted].
Wood, Charles T., [redacted].
Wood, Gary L., [redacted].
Wood, James H., [redacted].
Wood, Lawrence M., [redacted].
Woodring, Marvin J., [redacted].
Woods, Harold D., [redacted].
Woods, Jackie V., [redacted].
Work, James B., [redacted].
Worley, George H., [redacted].
Wright, Richard J., [redacted].
Wylie, Jimmy W., [redacted].
Wynn, Frederick B., [redacted].
Wynne, Thomas O., [redacted].
Wyrick, Andrew G., Jr., [redacted].
Yager, Walter S., [redacted].
Yantis, Albert L., Jr., [redacted].
Yeatts, Fredrick S., [redacted].
Yorks, Robert A., [redacted].
Yoshinaga, Gene N., [redacted].
Young, Martin L., [redacted].
Young, William M., [redacted].
Youngson, James, Jr., [redacted].
Zahniser, Frank R., [redacted].
Zannini, Robert H., [redacted].
Zara, Philip E., [redacted].
Zimmerlee, Joseph R., [redacted].
Zint, William L., Jr., [redacted].
Zucker, Robert, [redacted].

CHAPLAIN CORPS

Bretscher, Forrest F., [redacted].
Browning, Robert L., [redacted].
Carleton, Rhon V., [redacted].
Doughtie, Robert J., [redacted].
Guikema, Henry, [redacted].
Hensley, Billy D., [redacted].
Kircus, Ernest E., [redacted].
Mallory, Jerry J., [redacted].
Merrell, Robert E., [redacted].
Monti, Robert M., [redacted].
Plummer, James R., [redacted].
Stork, Wayne L., [redacted].
Thompson, Kenneth R., [redacted].

DENTAL CORPS

Aberth, George H., Jr., [redacted].
Ausich, Joseph E., [redacted].
Brunsvold, Michael A., [redacted].
Camamo, Joseph A., [redacted].
Chalfin, Charles W., [redacted].
Depew, Theodore E., Jr., [redacted].
Dohaney, Martin J., Jr., [redacted].
Drake, Philip L., Jr., [redacted].
Dukart, Rodney C., [redacted].
Forgach, John J., [redacted].
Gilliland, Robert F., [redacted].
Gullatt, Theodore Jr., [redacted].
Haroz, Carl T., [redacted].
Holgate, Robert S., [redacted].
Hope, Gary B., [redacted].
Killingsworth, Charles R., [redacted].
Kutz, Paul L., [redacted].
Lepore, Marion, [redacted].
Maust, Jay R., [redacted].
Mead, John H., [redacted].
Moore, John N., Jr., [redacted].
Osburn, Richard C., [redacted].
Salzmann, Jacob A., [redacted].
Scholes, Edwin, Jr., [redacted].
Senia, Ennio S. A., [redacted].
Smith, Howard E., [redacted].
Stamps, John T., [redacted].
Tepper, Maurice J., [redacted].
Usseglio, Robert J., [redacted].
Wilkinson, Raymond F., [redacted].
Willsey, Dean B., [redacted].

JUDGE ADVOCATE

Angelides, Nicholas J., [redacted].
Ciucci, John A., [redacted].
Dieterich, John L., [redacted].
Douglass, Robert G., [redacted].
Flatten, Franklin P., [redacted].
Green, Henry G., [redacted].
Hubert, Douglass E., [redacted].
Kuhnell, Ludolf R., III, [redacted].
Lauricella, Joseph V., [redacted].
Miller, Grant, [redacted].
Mills, Philip C., [redacted].
Mitchell, James A., [redacted].
O'Connor, William E., [redacted].
Roan, James C. Jr., [redacted].
Roberts, M. Cullie, Jr., [redacted].
Russi, Roy A., Jr., [redacted].
Sansing, William A., [redacted].
Sims, Fred M., [redacted].
St. Martin, Norman R., [redacted].

MEDICAL CORPS

Andruczk, Robert C., [redacted].
Barry, William E., [redacted].
Berry, Frank W., Jr., [redacted].
Bishop, John E., [redacted].
Cook, Marshall S., [redacted].
Demski, Robert S., [redacted].
Dorey, Lee R., [redacted].
Haydon, John R., Jr., [redacted].
Horne, Edwin G., Jr., [redacted].
Hutton, Robert D., [redacted].
Johnson, Joseph M., [redacted].
Kaminski, Paul F., [redacted].
Kelly, Paul A., [redacted].
Lochridge, Gordon K., [redacted].
Logan, Neal J., [redacted].
Neimanis, Andris, [redacted].
Noga, Gerald W., [redacted].
Pala, Stanley J., [redacted].
Patton, John P., Jr., [redacted].
Paull, Robert M., [redacted].
Payne, James E., Jr., [redacted].
Puma, Samuel C., [redacted].
Ramey, Ralph, Jr., [redacted].
Sarnacki, Clifford T., [redacted].
Schwark, Thomas E., [redacted].
Shapiro, Allen, [redacted].
Suckow, Lowell C., [redacted].
Torrance, Philip M., II, [redacted].
Versteeg, Harold J., Jr., [redacted].
Watson, Alfred B., Jr., [redacted].
Zimmerman, Raymond E. P., [redacted].

NURSE CORPS

Baker, Olive M., [redacted].
Craft, Kathryn L., [redacted].
Demeaux, Jeanne R., [redacted].
Deogburn, Charlotte M., [redacted].
Dodd, Darlene M., [redacted].
Edwards, Eleanor C., [redacted].
Fox, Marjorie R., [redacted].
Halley, Norma D., [redacted].
Locke, Christine, [redacted].
Lomax, Johnnie O., [redacted].
Luuru, Helen A., [redacted].
McDowell, Nina E., [redacted].
Moore, Lyda A., [redacted].
Munto, Peter L., [redacted].
Murphy, Barbara E., [redacted].
Murray, Maejane, [redacted].
Pavlich, Mary L., [redacted].
Plott, Clarideth J., [redacted].
Potter, Joanne R., [redacted].
Soeder, Darla J., [redacted].
Thompson, Mary E., [redacted].
Vak, Elaine J., [redacted].
Wolbert, June, [redacted].

MEDICAL SERVICE CORPS

Crunkilton, Allen L., [redacted].
Good, Donald S., [redacted].
Hendley, James W., [redacted].
Morton, James I., [redacted].
Nadell, Avrom P., [redacted].
O'Donnell, Daniel J., [redacted].
Park, Clinton R., [redacted].
Riley, John F., [redacted].
Seese, Vernon L., [redacted].
Treat, Thomas F., [redacted].
Ussery, Wendell O., [redacted].
Vanherpen, John, [redacted].
White, Joe B., [redacted].
Woodward, Robert L., [redacted].
Young, Robert M., [redacted].

VETERINARY CORPS

Armstrong, Robert E., [redacted].
Avadikian, Richard G., [redacted].
Banknieder, August R., [redacted].
Bonney, Charles H., [redacted].
Butler, Thomas M., [redacted].
Peguesse, James E., [redacted].
Russell, Robert J., [redacted].
Satalowich, F. Thomas, [redacted].
Schilling, Paul W., [redacted].
Schmidt, Robert E., [redacted].
Taylor, Gale D., [redacted].

BIOMEDICAL SCIENCES CORPS

Beatty, David C., [redacted].
Caldwell, Arthur P., [redacted].
Collins, Raymond J., [redacted].
Fox, James E., Sr., [redacted].
Houston, Robert G., [redacted].
Knight, John F., [redacted].
Kopp, David T., [redacted].
Krutz, Robert W., Jr., [redacted].
Laney, Sherrill G., [redacted].
Mabson, William E., [redacted].
McKissick, Jace E., [redacted].
Moll, Marlene J., [redacted].
Moyer, William B., [redacted].
Roberts, Paul F., [redacted].
Rogers, Donald J., [redacted].
Rothman, Torsten, [redacted].
Schmitt, Richard G., [redacted].
Varkonyi, Nicholas T., [redacted].
Witzgall, Fred L., [redacted].

The following-named officer for promotion in the U.S. Air Force, under the appropriate provisions of chapter 839, title 10, United States Code, as amended:

LINE OF THE AIR FORCE

Major to lieutenant colonel

Kessell, Donald E., [redacted].

IN THE AIR FORCE

The following-named officers for promotion in the U.S. Air Force, under the appropriate provisions of chapter 839, title 10, United States Code, as amended.

LINE OF THE AIR FORCE

Major to lieutenant colonel

Abbott, Robert A., [redacted].
Abney, Floyd J., [redacted].
Abrahamson, Raymond L., [redacted].
Achin, Raymond R., [redacted].
Adams, Alfred P., [redacted].
Alexandrakos, Peter, [redacted].
Alfaro, Engene A., [redacted].
Alfonso, Louis A., [redacted].
Allbee, Thomas D., [redacted].
Allburn, James N., [redacted].
Allen, George W., [redacted].
Allen, Harry R., Jr., [redacted].
Allen, Jerrold P., [redacted].
Allen, Lytle E., III, [redacted].
Allen, Verne K., [redacted].
Allen, William B., [redacted].
Allocca, Thomas R., [redacted].
Almy, David B., [redacted].
Altemose, James L., [redacted].

Alton, Stuart L., [redacted].
Ammering, Theodore E., [redacted]
Anderberg, Michael R., [redacted]
Anderson, James R., [redacted].
Anderson, James T., [redacted].
Anderson, Jerris C., [redacted].
Anderson, Kenneth R., [redacted].
Anderson, Terry D., [redacted].
Anderson, Woodrow A., [redacted]
Andress, Robert S., [redacted].
Andrews, George R. [redacted].
Andrews, Victor C., [redacted].
Applegate, Edward T., [redacted].
April, Paul K., [redacted].
Arena, Joseph A., [redacted].
Armour, Leon, [redacted].
Armour, Paul J. [redacted].
Armourlightner, Rosetta A., [redacted]
Armstrong, Dexter A., [redacted].
Armstrong, Edwin L., [redacted].
Armstrong, Gordon S., [redacted]
Armstrong, John E., [redacted].
Armstrong, John J., [redacted].
Arnold, Charles P., Jr., [redacted]
Arnold, Lloyd H. [redacted].
Asmus, Hans J., [redacted].
Asmus, John J., Jr., [redacted].
Aston, Gary M., [redacted].
Atkins, Gary C., [redacted].
Atkins, Jerome A., [redacted].
Austin, Donald O., [redacted].
Ayer, Frederick L., [redacted].
Ayers, William C., [redacted].
Baas, Melvin T., [redacted].
Babbitt, George T., Jr., [redacted]
Bachman, Laurence D., [redacted]
Bacue, Ralph H. [redacted].
Badgwell, Don H. [redacted].
Bafundo, George R., [redacted].
Baird, James, [redacted].
Baker, John J., III, [redacted].
Baker, Kenneth E., [redacted].
Baker, Phillip J., [redacted].
Ball, William J., [redacted].
Ballee, William J., [redacted].
Bangs, Stephen J., [redacted].
Barber, Russell E., [redacted].
Barclay, Ralph D., [redacted].
Barkhurst, Paul D., [redacted].
Baron, Bruce, [redacted].
Barr, George M., [redacted].
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Barre, Edward L., [redacted].
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Barron, Barney F., [redacted].
Barry, William A., [redacted].
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Bates, Daniel G., [redacted].
Battle, Bobby E., [redacted].
Bauer, Darrol L., [redacted].
Bauer, Frederick C., [redacted].
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Baumgartner, Richard C., [redacted]
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Beaudry, Richard G., [redacted].
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Beers, L. N. [redacted].
Beesley, Jack R., [redacted].
Belina, John L., [redacted].
Bell, Oral L., [redacted].
Bellem, Raymond D. P., [redacted]
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Berg, Phillip M. [redacted].
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Bernstein, Peter D., [redacted]

Bernth, Terry J. [redacted].
Berrean, John D., [redacted].
Berry, Keith, [redacted].
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Bigham, Eugene F., [redacted].
Birkhead, Roy P., [redacted].
Birkner, John H., [redacted].
Birmingham, James E., [redacted].
Birnbaum, Melvin, [redacted]
Black, Clarence, [redacted].
Blackburn, Thomas R., [redacted].
Blackledge, Michael A., [redacted].
Blackstock, Jimmy D., [redacted].
Blair, Richard S., [redacted].
Blake, Ronald W., [redacted].
Blansett, Bennie B., Jr., [redacted].
Blasingame, Doyle D., [redacted]
Blocker, Larry J., [redacted].
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Bloss, James F., [redacted].
Boardman, Edward C., [redacted].
Bobb, Carroll C., [redacted].
Bochnik, Walter J., [redacted].
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Drane, Melvin E., III, [redacted].
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Dulong, Ronald D., [redacted].
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Dupree, Hugh J., [redacted].
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Durst, Robert B., [redacted].
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Eastcott, Merrill E., Jr., [redacted].

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Edelblute, Malcolm C., [redacted].
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Edwards, Robert F., [redacted].
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Edwards, Wilson R., Jr., [redacted].
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Ervin, Marvin S., [redacted].
Estes, Albert W., Jr., [redacted].
Evans, Charles W., [redacted].
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Ewers, Michael H., [redacted].
Ewing, Charles A., [redacted].
Exley, Loren E., [redacted].
Fahrlender, Theodore T., [redacted].
Fain, James A., Jr., [redacted].
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Fannin, Armand A., Jr., [redacted].
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Farias, Matias, [redacted].
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Fay, Andrew F [redacted].
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Ferguson, Michael L., [redacted].
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Lagerwall, Harry R., [redacted].
Lahti, Richard E., [redacted].
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Laird, Norman S., [redacted].
Lambert, Robert G., [redacted].
Lammers, Kenton E., [redacted].
Lampley, Hinton, Jr., [redacted].
Lang, James D., [redacted].
Lanier. Sidney L., Jr. [redacted].
Lanning, Russell M., [redacted].
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Leithiser, Christopher, [redacted].
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Lenox, Hamilton T., [redacted].,
Leonard, Michael G., [redacted].
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Linsea, Jack, [redacted]
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Livingston, Lee H., [redacted].
Livingstone, Roger A., [redacted].
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Lockwood, Timothy J., [redacted]
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Logan, William P., [redacted].
Lombard, Herman F., [redacted].
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Peterson, Stephen H., [redacted].
Peterson, William R., [redacted].
Petersson, Rolland W., [redacted].
Pethigal, James C., [redacted].
Pfeffer, Gene J., [redacted].
Pfeifer, Norman L., [redacted].
Pfeiffer, Edward H., Jr., [redacted].
Phenicie, Paul Q., [redacted].
Philliber, Neil P., [redacted].
Phillips, David D., [redacted].
Phillips, David H., [redacted].
Phillips, James B., [redacted].
Phillips, John F., [redacted].
Phillips, Walton S., [redacted].
Pianalto, Albert G., [redacted].
Pickell, Charles B., [redacted].
Pickens, Richard H., [redacted].
Pickering, Willis O., Jr., [redacted].
Pierce, Edward L., [redacted].
Pilkington, David L., [redacted].
Pilot, Carl E., [redacted].
Pilsch, Thomas D., [redacted].
Pina, David J., [redacted].
Pinckard, Noel P., [redacted].
Pinizzotto, Robert T., [redacted].
Piper, William F., III., [redacted].
Pirtle, Paul E., [redacted].
Pitman, Edward S., [redacted].
Pittman, Robert, [redacted].
Pitts, Julius T., [redacted].
Pizzorno, James J., [redacted].
Plasse, Roger H., [redacted].

Plescha, Frank, [redacted].
Plunkett, Wilfred H., [redacted].
Poehler, Lloyd C. [redacted].
Politi, John J., [redacted].
Polumbo, Dennis J., [redacted].
Polzin, David J., [redacted].
Pond, John R., [redacted].
Poplawski, Robert, [redacted].
Poret, Yves A., [redacted].
Porter, Carlos A. [redacted].
Porter, Francis C., [redacted].
Porter, Harl M., [redacted].
Porter, Milton B., Jr., [redacted].
Porter, Samuel E., [redacted].
Pospeschil, Frederick W., [redacted].
Potter, Joseph V., [redacted].
Powers, Franklin E., [redacted].
Praeger, Ralph B., [redacted].
Prater, Gladstone J., Jr., [redacted].
Pratt, Bruce S., [redacted].
Pratt, Everett H., Jr. [redacted].
Prescott, Dennis G., [redacted].
Preston, Curtis A., [redacted].
Primoli, Dennis L., [redacted].
Prince, Samuel M. O., [redacted].
Pritchard, Gary K., [redacted].
Probst, Robert E., [redacted].
Proctor, Cortez A. [redacted].
Prudhomme, Clarence J., [redacted].
Purdy, Frank K., Jr., [redacted].
Purser, Tom V., [redacted].
Puscher, Edward A., [redacted].
Putnam, Jerald L., [redacted].
Puusti, Richard H., [redacted].
Pyle, Richard A., [redacted].
Quane, David D., [redacted].
Raboin, Edward J., [redacted].
Rackley, Hubert J., [redacted].
Rader, Richard F., [redacted].
Rader, William K., [redacted].
Radko, Anatole, [redacted].
Ragland, Cordell F., [redacted].
Ramos, Rafael, [redacted].
Ramsey, Stephen F., [redacted].
Randow, Charles L., III., [redacted].
Raper, Richard O., [redacted].
Rathburn, Robert L., [redacted].
Rawlins, Addison C., III, [redacted].
Rawls, Robert E., [redacted].
Ray, Darel M., [redacted].
Ray, James E., [redacted].
Raymond, Donald M., [redacted].
Reaves, Glenn B., [redacted].
Rebollo, Claudio, [redacted].
Reddel, Carl W., [redacted].
Redding, Dennis R., [redacted].
Redding, Robert G., [redacted].
Reed, Charles H., [redacted].
Reed, David, Jr., [redacted].
Reed, Grady H., III, [redacted].
Reed, James E., [redacted].
Reed, Robert E., Jr., [redacted].
Reedick, Ronald J., [redacted].
Reeves, Eric R. [redacted].
Reifel, Gareld L. [redacted].
Rendleman, Jackson E., [redacted].
Rentz, Levy M., Jr., [redacted].
Reutershan, Roger C., [redacted].
Rewis, John J. [redacted].
Reyes, Rogelio Jr., [redacted].
Reynolds, Donald L., [redacted].
Reynolds, Jon F. [redacted].
Rhoades, Roger S., [redacted].
Rhoads, Dean I., [redacted].
Rhoden, Harold H., [redacted].
Rhodes, Kenneth E., [redacted].
Rhude, John P., [redacted].
Rice, Johnny R., [redacted].
Richard, Stephen P., [redacted].
Richards, Paul A., [redacted].
Richardson, Michael E., [redacted].
Richardson, Robert C., [redacted].
Ricks, William R., [redacted].
Riddick, Richard R., [redacted].
Ridgway, Robert S. [redacted].
Ridings, Virgil P., Jr., [redacted].
Riemer, Frederick J., [redacted].
Rimes, Billy S., [redacted].
Ringler, Daniel L., [redacted].
Risik, Daniel W., [redacted].
Riske, Robert M., [redacted].
Rissell, Robert A., [redacted].
Rizek, James E. [redacted].
Roberts, Jimmy P. [redacted].
Roberts, Philip A. [redacted].
Robertson, Harold W. [redacted].
Roberston, Orville G., [redacted].
Robinson, Fredrick M., [redacted].
Robinson, Ronald J., [redacted].
Robinson, William T., Jr., [redacted].
Roderick, Norman F., [redacted].
Roeder, Charles R., [redacted].
Roehling, Edwin A., Jr., [redacted].
Rogers, Alvah L. [redacted].
Rogers, Glenn D. [redacted].
Rogers, Jack C. [redacted].
Rogers, Jasper H., Jr., [redacted].
Rogers, John S. [redacted].
Rogers, John S. [redacted].
Rogers, Willie C. [redacted].
Romeo, Pasquale R. F., Jr., [redacted].
Rondholz, Frederick W. [redacted].
Root, James P. [redacted].
Rosa, Albert J. [redacted].
Rose, Carl E. [redacted].
Rose, Galen J. [redacted].
Ross, Dennis D. [redacted].
Rossing, Dennis E. [redacted].
Rost, Paul F. [redacted].
Rothrock, John E., Jr., [redacted].
Rotz, David H. [redacted].
Rouse, George D. [redacted].
Ruddick, Robert E. [redacted].
Rundle, Michael F. [redacted].
Runyan, Kenneth R. [redacted].
Rupert, Louis C. [redacted].
Rush, Charles W. [redacted].
Rushmore, Robert L., [redacted].
Rust, Nancy L. [redacted].
Rutledge, Robert J. [redacted].
Ryser, Gary C. [redacted].
Saarela, William A. [redacted].
Sabean, William E. [redacted].
Sabsevitz, Alan D., [redacted].
Saddler, James L. [redacted].
Sagmeister, Edward F., [redacted].
Salewski, Robert J. [redacted].
Sanchez, David, [redacted].
Sanders, Bruce A. [redacted].
Sands, James E., Jr., [redacted].
Sanfilippo, Frank P. [redacted].
Sanford, Nancy C. [redacted].
Sanpei, Francis T. [redacted].
Sansone, Joseph S., [redacted].
Sapere, Joseph R. [redacted].
Sarff, Sanford S. [redacted].
Saur, James A. [redacted].
Sawyer, William E. [redacted].
Scanlon, William A. [redacted].
Scarborough, Dennis G., [redacted].
Schaebethal, Kenneth P. [redacted].
Schaerer, George J., [redacted].
Schafer, Timothy G., [redacted].
Schamberger, Randall L., [redacted].
Schammel, Thomas F., [redacted].
Schardong, Charles N., [redacted].
Scheitle, Joseph K., Jr [redacted].
Scherer, James A., Jr., [redacted].
Schibler, Mark C. [redacted].
Schillen, Nicholas A., Jr., [redacted].
Schleicher, Donald W., [redacted].
Schmidt, Allan E. [redacted].
Schmidt, Joseph F. [redacted].
Schneider, Earl M. [redacted].
Schneider, Marion F. [redacted].
Schnicker, Donald L., [redacted].
Schofield, Jeffrey E. [redacted].
Scholl, David M. [redacted].
Schoof, Richard J. [redacted].
Schooler, William L. [redacted].
Schriber, Floyd A., [redacted].
Schriever, Brett A., [redacted].
Schulze, Harry D. [redacted].
Schuman, Jimmie D., [redacted].
Schutz, Van W. [redacted].
Schwalber, Richard L., [redacted].
Schwam, Stephen R., [redacted].
Schwartz, Daniel O., [redacted].
Scott, John D. [redacted].
Scott, Norman A. [redacted].
Scott, Robert J. [redacted].
Scott, Thomas, [redacted].
Scredon, Richard M., [redacted].
Seagrave, Roger N., [redacted].
Seaux, Junior G. [redacted].
Sebolka, James B. T., [redacted].
Seibert, Ruebin R., [redacted].
Sellers, Archie H., Jr., [redacted].
Sellers, Joe L., Jr., [redacted].
Senter, James E., [redacted].
Serrett, Robert Q., [redacted].
Severo, Orlando C., Jr., [redacted].
Sewell, Milton H., [redacted].
Shady, Norman D., [redacted].
Shaffer, Carl G., Jr., [redacted].
Serrett, Robert O., [redacted].
Shamblin, Ronald G., [redacted].
Shea, William J., [redacted].
Shearer, Alexander W., [redacted].
Shepard, Gary D., [redacted].
Shera, James H., [redacted].
Sherrill, Gerald H., [redacted].
Sherwin, Alson F., [redacted].
Shillcutt, Donald D., [redacted].
Shiner, John F., [redacted].
Shinol, Jan R., [redacted].
Shinpaugh, Robert L., [redacted].
Shipman, Marcus B. [redacted].
Shipp, George F. [redacted].
Shively, Jon W., [redacted].
Shmoldas, John D., [redacted].
Shoutta, Jon T., [redacted].
Shurtliff, John D., [redacted].
Shy, William H., [redacted].
Sickles, Herbert D. [redacted].
Sieger, Bruce J., [redacted].
Sieminski, Thomas M., [redacted].
Silva, Claude A., [redacted].
Silva, Lloyd F., [redacted].
Simmons, Donald R., [redacted].
Simmons, James A., [redacted].
Simon, Ross J., [redacted].
Simon, William E., Jr., [redacted].
Simoncini, Richard C., [redacted].
Simpson, Carlton S., [redacted].
Simpson, James C., [redacted].
Sims, Robert L., [redacted].
Siner, Richard E., [redacted].
Sisk, Jerome M., [redacted].
Sisson, Robert L., [redacted].
Sistrunk, Glynn D., [redacted].
Sjordal, Paul E., [redacted].
Skilling, David A., [redacted].
Skinner, Thomas R. W., Jr., [redacted].
Sloan, James M., [redacted].
Slowik, Richard A., [redacted].
Smith, Clayton N. [redacted].
Smith, David L., [redacted].
Smith, Dewey C., [redacted].
Smith, Donald, [redacted].
Smith, Garwin B., [redacted].
Smith, George L., [redacted].
Smith, Gordon C., [redacted].
Smith, Guy A., [redacted].
Smith, James R., [redacted].
Smith, John K., [redacted].
Smith, Joseph S., [redacted].
Smith, Leslie E., [redacted].
Smith, Lloyd R., Jr., [redacted].
Smith, Robert B. [redacted].
Smith, Roger D., [redacted].
Smith, Rolf C., Jr., [redacted].
Smith, William T., [redacted].
Smitley, Rodger A., [redacted].
Sneed, Charles L., [redacted].
Snodgrass, Thomas E., [redacted].
Snyder, Robert E., Jr., [redacted].
Soares, Daniel C., [redacted].
Sokolowski, Lawrence F., [redacted].
Solander, Eric M., [redacted].
Sotman, John B., [redacted].
Southerland, Grover R., [redacted].
Sowden, Sterling J., [redacted].
Sparks, John H., [redacted].
Spellacy, Edward P., [redacted].
Springs, Larry D., [redacted].
Squazzo, Emil M., [redacted].
Stach, Bruce A., [redacted].
Stack, Thomas P., [redacted].
Stadheim, Terrance F., [redacted].
Stafira, John P., [redacted].
Standifer, William C., III., [redacted].
Stanford, Weldon K., [redacted].

Stanley, Jack C., [redacted].
Stans, Leonard, [redacted].
Starnes, Robert P., [redacted].
Stathis, Gus J., [redacted].
St. Clair, Robert G. [redacted].
Steele, John F., [redacted].
Steffens, John H., [redacted].
Stegenga, Peter, Jr., [redacted].
Stein, Bernard M., [redacted].
Steinhart, Robert J., [redacted].
Stepetic, Thomas J., Jr., [redacted].
Sterk, James R., [redacted].
Sterud, James A.., [redacted].
Stevens, Harvey B., [redacted].
Stevenson, Walter H., [redacted].
Stewart, Robert C., [redacted].
Stewart, Thomas S., [redacted].
Stice, William H., [redacted].
Stickell, Rutherford D., Jr., [redacted].
Stickelmaier, William G., [redacted].
Stine, Robert C., [redacted].
Stinson, William F., [redacted].
Stoddard, Scott G., [redacted].
Stokes, George B., [redacted].
Stoll, Donald H., [redacted].
Stone, Lawrence A., [redacted].
Street, George M., Jr., [redacted].
Stricklen, Herman L., [redacted].
Sturm, Robert P. [redacted].
Stutz, Leroy W., [redacted].
Suder, Richard J. [redacted].
Sula, Richard L., [redacted].
Sullivan, Thomas W., [redacted].
Summers, George P., [redacted].
Summers, William H., [redacted].
Sutcliffe, John H., [redacted].
Sutherland, Lewis R., [redacted].
Sutherlen, Jerald L. [redacted].
Swanda, Antone M., [redacted].
Swanson, George P., [redacted].
Swarts, Barry G., [redacted].
Swartz, J. A., [redacted].
Sweet, Dwight A. [redacted].
Swope, Richard T., [redacted].
Syptak, Michael R., [redacted].
Szymczak, Edward J., [redacted].
Tarnowski, Joseph J., Jr., [redacted].
Tash, Neal E., [redacted].
Tate, James P., [redacted].
Tatman, David I. [redacted].
Tatom, John K., [redacted].
Taylor, Benny D., [redacted].
Taylor, Dalton, [redacted].
Taylor, Daniel J., [redacted].
Taylor, David O., [redacted].
Taylor, Reede L., Jr., [redacted].
Taylor, Woodrow M., [redacted].
Tenoso, Edwin E., [redacted].
Terapak, Robert M., [redacted].
Terry, Jay W. [redacted].
Tessier, Richard J. [redacted].
Tewell, Dennis P., [redacted].
Thayer, John M., Jr [redacted].
Thies, Jerome C. [redacted].
Thomas, Jack A., [redacted].
Thomas, Jimmy R., [redacted].
Thomas, John C. [redacted].
Thomas, Lowell V., [redacted].
Thompson, David N., [redacted].
Thompson, Gary J., [redacted].
Thompson, Howard C., [redacted].
Thompson, James D., [redacted].
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Thompson, Richard G., Jr., [redacted].
Thompson, Tommie N., [redacted].
Thompson, William L., [redacted].
Thomson, Thomas M., [redacted].
Thorne, David L. [redacted].
Thrash, James A., [redacted].
Threet, James C. [redacted].
Tidwell, Robert L., [redacted].
Tilford, Philip B., [redacted].
Tindell, Bobby P. [redacted].
Tippett, William E., [redacted].
Tobie, Neil M., [redacted].
Tock, Donalld G. [redacted].
Todd, Franklin D., [redacted].
Todd, Thomas M. [redacted].
Toliver, Richard, [redacted].
Tollefsen, Albert E., [redacted].
Tomlinson, William V., Jr., [redacted].
Tomme, Howard M., [redacted].
Tomola, James A., [redacted].
Tompkins, Bruce C., [redacted].
Tompkins, Tommy B., [redacted].
Toohey, John A., [redacted].
Torkelson, Loren H., [redacted].
Toth, Miron W., [redacted].
Tracy, John L., [redacted].
Travis, Robert L., [redacted].
Tribbett, James V., [redacted].
Trimmer, Ray A., [redacted].
Tripp, Leslie G. H., Jr., [redacted].
Troy, Richard O., [redacted].
Truitt, Rolland D., [redacted].
Trytten, Chris T., [redacted].
Tsuhara, Freddie M., [redacted].
Tucker, John E., [redacted].
Tufts, Robert J., [redacted].
Tukey, Darold E., [redacted].
Tullis, Frank L., [redacted].
Turner, Dion W., [redacted].
Turner, Jerry W., [redacted].
Twaddell, Jerry W., [redacted].
Tyler, Elee W., [redacted].
Ulmer, Charles H., [redacted].
Umberger, James S., [redacted].
Valentine, John J., Jr., [redacted].
Vanderslik, Richard J., [redacted].
Vanduyn, John E., Jr., [redacted].
Vanleuven, Don R., [redacted].
Vantilborg, Dale W., [redacted].
Vaughan, Louis M., [redacted].
Vaught, Johnnie L., [redacted].
Venable, Grady P., [redacted].
Venanzi, Gerald S., [redacted].
Venkus, Robert E., [redacted].
Verdier, Paul R., Jr., [redacted].
Vergis, Johnny M. [redacted].
Verkest, William A., [redacted].
Vervisch, Charles D., [redacted].
Veth, John J., [redacted].
Via, Ronald D., [redacted].
Vick, David R., [redacted].
Vick, James L., [redacted].
Vick, John R., [redacted].
Vickery, John M., [redacted].
Vida, Joseph T., [redacted].
Vierno, George P., [redacted].
Villaire, Nathaniel E., [redacted].
Vines, Thomas L., [redacted].
Vion, Jerry E., [redacted].
Vitamvas, Albert T., Jr., [redacted].
Voit, Louis W., [redacted].
Wade, Charles G., [redacted].
Wade, William E., [redacted].
Wagy, Lawrence E., [redacted].
Waldron, Charles S., [redacted].
Walker, David D., [redacted].
Walker, Elbert S., Jr., [redacted].
Walker, Gary T., [redacted].
Walker, Wilfred J., Jr., [redacted].
Wallace, Gary E., [redacted].
Wallace, James T., [redacted].
Walling, Thomas O., [redacted].
Wallisch, William J., Jr., [redacted].
Walrath, Barry A., [redacted].
Walston, Gail D., [redacted].
Wanless, Loren E., [redacted].
Warddrip, Robert L. [redacted].
Warren, David J., [redacted].
Washburn, Donald C., [redacted].
Waterman, Charles R., [redacted].
Watson, William M., [redacted].
Watts, James G. [redacted].
Watts, Peter M., [redacted].
Weaver, James S., Jr., [redacted].
Weaver, Lonnie E., [redacted].
Weaver, Parke R., Jr., [redacted].
Webb, Danny A., [redacted].
Webb, Stuart A., [redacted].
Weber, Lynn R., [redacted].
Webster, Thomas L., [redacted].
Weigl, Herbert, Jr., [redacted].
Weikel, John D., [redacted].
Weis, Dan J., [redacted].
Weis, Erhard G., Jr., [redacted].
Weiss, Theodore J., [redacted].
Welch, William E., [redacted].
Welles, John E. [redacted].
Wells, Donald A. [redacted].
Wells, Julian B., Jr., [redacted].
Wentworth, Dennis G., [redacted].
Weppner, Michael J., [redacted].
Wessel, James R., [redacted].
West, Gerald V., [redacted].
West, Joseph P., Jr [redacted].
West, Thomas H., [redacted].
Wheaton, Eric E., [redacted].
Wheeler, Michael O., [redacted].
Wheeler, William L., [redacted].
Whelan, Charles K., [redacted].
White, Benjamin T., [redacted].
White, Kenneth O., [redacted].
White, Neil W., [redacted].
White, Richard E., [redacted].
White, Robert T., [redacted].
White, William C. [redacted].
Whitehorn, Michael A., [redacted].
Whitis, Kenneth G., [redacted].
Whitlock, David C., [redacted].
Whitman, Donald R., [redacted].
Whitten, John L., [redacted].
Wickman, Robert W., [redacted].
Widdifield, Noel F., [redacted].
Wideman, Hampton E., [redacted].
Wiegand, Albert A., [redacted].
Wieland, Michael H. [redacted].
Wilder, Phillip D., [redacted].
Wilder, William M., III, [redacted].
Wilke, Paul L., [redacted].
Wilkinson, Peter R., [redacted].
Williams, Carl E. [redacted].
Williams, Clarence R., [redacted].
Williams, David H., [redacted].
Williams, David O., [redacted].
Williams, Gerald O., [redacted].
Williams, Jonathan D., [redacted].
Williamson, Charles A., [redacted].
Williamson, Fred H., Jr., [redacted].
Willman, Gary L., [redacted].
Wills, Victor D., [redacted].
Wilson, Charles R., [redacted].
Wilson, James F., [redacted].
Wilson, John H., [redacted].
Wilson, Kennedy B., [redacted].
Wilson, Larry D [redacted].
Wilson, Larry D., [redacted].
Wilson, Marion G., [redacted].
Wiltrout, Boyce W., [redacted].
Windham, Clifton T., [redacted].
Wineteer, Stephen A., [redacted].
Wing, Gary R., [redacted].
Wingo, Jon L., [redacted].
Winland, Gene E., [redacted].
Winston, John T., [redacted].
Winzell, James R., [redacted].
Wiseman, Omar R., [redacted].
Witt, Lawrence V., Jr., [redacted].
Wodstrchill, Daniel L., [redacted].
Wolf, Richard A., [redacted].
Wolfe, Thad A., [redacted].
Wollam, Daniel L., [redacted].
Wood, Daryl P., [redacted].
Wood, John D., [redacted].
Woodard, Darrell D., [redacted].
Woodard, Robert L., Jr., [redacted].
Woodland, Kenneth E., [redacted].
Woodruff, John D. [redacted].
Woodward, William V., [redacted].
Woody, James P., [redacted].
Woody, James R., [redacted].
Wright, Bobby R., [redacted].
Wright, David K., [redacted].
Writer, Lawrence D., [redacted].
Wrobel, John E., Jr., [redacted].
Wunderle, Robert W., [redacted].
Wusk, Larry L., [redacted].
Yarnall, Carol A., [redacted].
Yeckley, John K., [redacted].
Yelvington, William M., [redacted].
Young, Eugene, J., II, [redacted].
Young, George C., Jr., [redacted].
Young, James A., [redacted].
Young, Jerry D., [redacted].
Young, Jimmie D., [redacted].
Younger, Jey E., III, [redacted].
Yuss, Frederick L., [redacted].

Zadra, Jon A., [redacted].
Zak, Joseph A., [redacted].
Zelinka, Joseph J., [redacted].
Zenkus, Joseph A., [redacted].
Zent, Llewellyn, II, [redacted].
Zern, Richard A., [redacted].
Zimmer, Donald E., [redacted].
Zimmerman, Larry L., [redacted].
Zimmerman, Richard L., [redacted].
Zimmerman, Robert K., [redacted].
Zimmermann, Frank S., [redacted].
Zmuda, Joseph F., Jr., [redacted].
Zoes, Frederick E., [redacted].
Zuberbuhler, Rudolph U., [redacted].

CHAPLAIN CORPS

Barr, Russell W., [redacted].
Bienvenu, Kenneth A., [redacted].
Boyles, Lemuel M., [redacted].
Doughtie, Robert J., [redacted].
Feely, Patrick F., [redacted].
Gallagher, John G., [redacted].
Halstead, Philip E., [redacted].
Heather, Thomas V., [redacted].
Hellstern, John R., [redacted].
Kennedy, Clayton M., [redacted].
Kenney, John B., [redacted].
Lewis, Leo T., [redacted].
Millsaps, James W., [redacted].
North, James J., Jr., [redacted].
Pearson, John R., [redacted].
Richart, Paul F., [redacted].
Solano, John O., [redacted].

JUDGE ADVOCATE

Adams, Andrew J., Jr., [redacted].
Angle, Swanson W., [redacted].
Barrow, James R., [redacted].
Churchill, James M., [redacted].
Dakin, Timothy J., [redacted].
Grebeldinger, Nicholas, Jr., [redacted].
Hawley, Bryan G., [redacted].
Howell, John E., [redacted].
Hume, Edward C., [redacted].
Jahnke, Lawrence E., [redacted].
Joyce, Kenneth G. B., [redacted].
Kuhn, Fredolin W., [redacted].
Lacy, Mell J., Jr., [redacted].
Larson, Robert V., [redacted].
Raichle, Mildred L., [redacted].
Rubin, Alan J., [redacted].
Sklute, Nolan, [redacted].
Stevenson, Charles E., Jr., [redacted].
Stewart, Robert B., [redacted].
Stine, Alan C., [redacted].
Waitman, Lemuel R., [redacted].
Weir, Donald E., [redacted].
Wright, Franklin E., [redacted].

NURSE CORPS

Alloway, Virginia A., [redacted].
Baumgartner, Julie A., [redacted].
Beers, Nelda J., [redacted].
Beil, Mary J., [redacted].
Blaubach, Mary A., [redacted].
Breasure, Margaret E., [redacted].
Brillhart, Rita A., [redacted].
Butz, Lois M., [redacted].
Caldwell, Nancy L., [redacted].
Christensen, Beverly J., [redacted].
Clark, Jeanne A., [redacted].
Colley, Helen L., [redacted].
Crowl, Kathleen T., [redacted].
Cunningham, Donna J., [redacted].
Dashner, Linda L., [redacted].
Fisher, Ann L., [redacted].
Friel, Lois A., [redacted].
Garlotte, Kathleen, [redacted].
Garrett, Leone M., [redacted].
Gorman, Bernice C., [redacted].
Herman, William C., [redacted].
Howell, Janice I., [redacted].
Lorzing, Katheryn A., [redacted].
McDowell, Fred S., Jr., [redacted].
Meyers, Aurelia A., [redacted].
Notter, Charlotte L., [redacted].
Oheir, Owen C., [redacted].
Orock, Mary J., [redacted].
Priddy, Billy G., [redacted].
Sampsell, Dorothy I., [redacted].
Satterley, Daniel B., [redacted].
Savoy, Grace L., [redacted].
Steadman, Barbara J., [redacted].
Treisch, Mary E., [redacted].
Vernon, Jane R., [redacted].
Warren, Judith N., [redacted].
Wyman, Craig A., [redacted].

MEDICAL SERVICE CORPS

Begin, Joseph L., [redacted].
Brown, Charles W., III, [redacted].
Cadenhead, Charles C., [redacted].
Elikan, Ralph, [redacted].
Fox, David M., [redacted].
Giovale, Joseph J., [redacted].
Hamako, Herbert M., [redacted].
Harsanyi, Charles A., [redacted].
Kimball, Ronald M., [redacted].
Manderfield, Nicholas W., [redacted].
McClain, Harry C., Jr., [redacted].
Milstone, Seymour, [redacted].
O'Connor, Daniel W., [redacted].
Rasco, William D., [redacted].
Rountree, Lester J., [redacted].
Slepicka, James H., [redacted].
Terry, Charles R., [redacted].
Upton, Charles R., [redacted].
Wilson, John G., [redacted].

VETERINARY CORPS

Cardin, David E., [redacted].
David, Tony D., [redacted].
Irving, George W., III, [redacted].
May, James O., [redacted].
Schaad, Lawrence E., [redacted].

BIOMEDICAL SCIENCES CORPS

Bryan, Ralph J., [redacted].
Buchenauer, Robert L., [redacted].
Cooper, Thomas H., [redacted].
Crowley, Peter A., [redacted].
Garver, Richard B., [redacted].
Logsdon, Donald F., Jr., [redacted].
McGhee, Wyatt L., [redacted].
O'Brien, Patrick J., [redacted].
Pletcher, Eugene V., [redacted].
Schleifer, Fred S., [redacted].
Schneider, Robert F., [redacted].
Sheffield, Paul J., [redacted].
Thomas, Jerry F., [redacted].
Tremblay, James W., [redacted].
Trusty, Donald D., [redacted].
Wooten, Alvin J., [redacted].

The following officers for appointment in the Regular Air Force, in the grades indicated, under the provisions of section 8284, title 10, United States Code, with dates of rank to be determined by the Secretary of the Air Force:

To be major

Deminico, Joseph J., Jr., [redacted].
Gangloff, Charles F., [redacted].
Hart, Clinton E., [redacted].
Hird, Arthur G., [redacted].
Koza, James, [redacted].
Krueger, Walter A., Jr., [redacted].
Mittelman, Gerald, [redacted].
Murphy, George T., [redacted].
Perry, Cyril A., Jr., [redacted].
Rogers, Glenn D., [redacted].
Rush, Charles W., [redacted].
Yarnall, Carol A., [redacted].

The following officers for appointment in the Regular Air Force, in the grades indicated, under the provisions of section 8284, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duties indicated, and with dates of rank to be determined by the Secretary of the Air Force:

CHAPLAIN CORPS

To be major

Lewis, Leo T., [redacted].

NURSE CORPS

To be captain

Caldwell, Nancy L., [redacted].

MEDICAL SERVICE CORPS

To be major

Slepicka, James H., [redacted].

IN THE AIR FORCE

The following-named officers for promotion in the U.S. Air Force, under the appropriate provisions of chapter 839, title 10, United States Code, as amended.

DENTAL CORPS

Lieutenant colonel to colonel

Aberth, George H., Jr., [redacted].
Amy, Donald H., [redacted].
Ausich, Joseph E., [redacted].
Baily, Ronald W., [redacted].
Benkel, Bernard H., [redacted].
Bigalke, James F., [redacted].
Birdman, Murray J., [redacted].
Blasetti, Angelo P., [redacted].
Block, Philip L., [redacted].
Blumenfeld, Walter L., [redacted].
Browning, James D., [redacted].
Brunsvold, Michael A., [redacted].
Bryk, Clarence C., [redacted].
Camamo, Joseph A., [redacted].
Carroll, Daniel F., [redacted].
Clement, Robert J., [redacted].
Cooper, Harvey E., [redacted].
Corrigan, William J., [redacted].
Deyampert, Porter L., [redacted].
Dukart, Rodney C., [redacted].
Edwards, Jack, [redacted].
Farnie, John E., [redacted].
Forrest, William R., [redacted].
Franciose, Angelo, [redacted].
Freestone, James T., [redacted].
Gardner, Jerry D., [redacted].
Gault, Clovis G., [redacted].
Gilliland, Robert F., [redacted].
Grayson, Frank W., [redacted].
Green, Larry E., [redacted].
Haroz, Carl T., [redacted].
Hellier, Charles E., [redacted].
Hendon, Gene E., [redacted].
Heupel, Edwin M., [redacted].
Hoerath, John C., [redacted].
Ingari, John S., [redacted].
Jerman, Albert C., [redacted].
Joffrey, Roch R., [redacted].
Keuper, Jack B., [redacted].
Kizzie, Anderson, [redacted].
Legan, Joseph J., [redacted].
Leichtman, William S., [redacted].
Lepore, Marion, [redacted].
Matranga, Luke F., Jr., [redacted].
Mauthe, Donald J., [redacted].
McKinney, James F., [redacted].
Morgan, John P., [redacted].
Morlang, William M., II, [redacted].
Nemchick, Harold E., Jr., [redacted].
Parttridg, John C., [redacted].
Perez, Richard S., [redacted].
Plotzke, Anthony E., [redacted].
Polte, Hanswalter W., [redacted].
Powell, Jcseph M., [redacted].
Rosen, Ronald, [redacted].
Sandoval, Elivinio, [redacted].
Scott, Andrew S., [redacted].
Sellers, William R., [redacted].
Senia, Ennio S. A., [redacted].
Shaver, Bruce E., [redacted].
Smith, Howard F., [redacted].
Spencer, Leonard J., [redacted].
Stepler, Ronald G., [redacted].
Sudinsky, Theodore R., [redacted].
Thompson, Michael W., [redacted].
Townsend, Herbert K., Jr., [redacted].
Vanvooren, Claude P. G., [redacted].
Wilson, Aaron H., Jr., [redacted].

MEDICAL CORPS

Bamel, Solomon, [redacted].
Barbour, Neil G., [redacted].
Bargatze, Fred O., [redacted].
Beck, Roger A., [redacted].
Bode, Frederick R., [redacted].
Boisen, Elliott G., [redacted].
Bonfili, Hubert F., [redacted].
Borden, Lester L., [redacted].
Boydstun, James A., [redacted].
Briccetti, Albert B., [redacted].
Brichta, Edgar S., [redacted].
Bristow, John W., [redacted].
Brown, Frederic M., [redacted].

Budding, Jacobus, [redacted].
Campbell, Jene D., [redacted].
Carpenter, Warren L., [redacted].
Cock, Thomas C., [redacted].
Cook, Marshall S., [redacted].
Coolbaugh, Carl C., [redacted].
Corcoran, James F., [redacted].
Cruzjimenez, Pedro R., [redacted].
Cubberley, David A., [redacted].
Dennis, James M., Jr., [redacted].
Dichsen, Donald V., [redacted].
Edinger, Albert G., Jr., [redacted].
England, Robert L., [redacted].
Ferre, George A., [redacted].
Forbes, Peter R., [redacted].
Gretchen, Edward A., [redacted].
Harsa, Richard J., [redacted].
Hemming, Val G., [redacted].
Henges, David F., [redacted].
Hiatt, Wood C., [redacted].
Hinzman, Gary W., [redacted].
Hoche, Georges A., [redacted].
Horne, Edwin G., Jr., [redacted].
Hoyer, Thomas V., [redacted].
Huey, James R., Jr., [redacted].
Johnson, Don E., [redacted].
Johnson, Wayne A., [redacted].
Kaminski, Paul F., [redacted].
Kaufmann, Robert J., [redacted].
Kelly, Paul A., [redacted].
Kildow, John O., [redacted].
Kleinsmith, Robert A., [redacted].
Leclerc, Jeanyves, [redacted].
Ledbetter, Rene B., Jr., [redacted].
Levy, Richard A., [redacted].
Logan, Neal J., [redacted].
Lowery, Guy A., [redacted].
Lowry, George E., [redacted].
Lundblad, Wilfred M., [redacted].
Mathews, Thomas P., [redacted].
McClure, James E., [redacted].
Murdock, Kenneth A., [redacted].
Neimanis, Andris, [redacted].
Noga, Gerald W., [redacted].
Pantoja, Enrique, [redacted].
Parker, Edward H., Jr., [redacted].
Pavlik, Kenneth K., [redacted].
Payne, James E., Jr., [redacted].
Pickering, Lloyd G., [redacted].
Ransmeier, Robert E., [redacted].
Rennebohm, John A., [redacted].
Richter, Jaroslav K., [redacted].
Schultz, Herbert W., [redacted].
Sherman, Howard H., [redacted].
Siegel, Daniel K., [redacted].
Signorino, Charles E., [redacted].
Simerville, James J., [redacted].
Sindell, Harlan W., [redacted].
Smith, Dwight D., [redacted].
Solomon, James W., [redacted].
Speckhard, Mark E., [redacted].
Sproch, Richard M., [redacted].
Stiles, Willard F., Sr., [redacted].
Thomas, Hollis A., Jr., [redacted].
Touhey, John E., [redacted].
Uhrman, Richard A., [redacted].
Voskovitch, James W., [redacted].
Wakefield, Charles T., [redacted].
Wiese, Lowell M., [redacted].
Winter, Oliver S., [redacted].
Woolbright, Jimmie L., [redacted].
Zeller, Robert W., [redacted].

DENTAL CORPS

Major to lieutenant colonel

Abdelnour, Joe W., [redacted].
Abrahamsen, Thomas C., [redacted].
Albright, Bruce W., [redacted].
Blazer, Richard R., [redacted].
Bowman, Dewayne C., [redacted].
Buikema, Donald J., [redacted].
Domine, Patrick L., [redacted].
Dufort, Charles R., [redacted].
Dufrane, Michael H., [redacted].
Engelmeier, Robert L., [redacted].
Eshelman, Enos G., Jr., [redacted].
Farhood, Vincent W., [redacted].
Finelli, Jerry L., [redacted].
Finkbeiner, Richard L., [redacted].
France, Richard A., [redacted].
Gieser, Dennis P., [redacted].
Giles, Joseph E., [redacted].
Gound, Tom G., [redacted].
Gross, Stephen, [redacted].
Hanson, Robert W., [redacted].
Haveman, Carl W., [redacted].
Hess, David S., [redacted].
Igo, Robert M., [redacted].
Knowles, James W., Jr., [redacted].
Lagree, Jay D., [redacted].
Langston, John R., [redacted].
Lee, Spencer, Jr., [redacted].
Lewis, Jeffrey D., [redacted].
Loden, Claude D., [redacted].
Mayhew, Robert B., [redacted].
Millar, Leslie C., [redacted].
Nemcic, Steven D., [redacted].
Neudigate, William C., [redacted].
Oesterle, Larry J., [redacted].
Otto, Paul W., Jr., [redacted].
Read, Gill, [redacted].
Resch, Gary K., [redacted].
Rome, William J., [redacted].
Rudisill, John W., III, [redacted].
Schrader, James A., [redacted].
Scott, James R., [redacted].
Sherrill, Yowell M., [redacted].
Snell, Gerald M., [redacted].
Staley, Jon E., [redacted].
Stringer, Dale E., [redacted].
Swan, Richard H., [redacted].
Thurmond, John W., [redacted].
Wells, Thomas J., [redacted].
Yolin, Neal A., [redacted].

MEDICAL CORPS

Ahlschier, Allan D., [redacted].
Andrassy, Richard J., [redacted].
Andre, Donald A., [redacted].
Ankov, Donald H., [redacted].
Anothayanontha, Opas, [redacted].
Archer, Stanley B., [redacted].
Banas, William R., [redacted].
Barrs, David M., [redacted].
Bartenhagen, Nicholas H., III, [redacted].
Beatty, Douglas C., [redacted].
Beaty, Clisto D., [redacted].
Belihar, Robert P., [redacted].
Berezoski, Robert N., [redacted].
Bishop, John A., [redacted].
Bloodworth, Leon P., [redacted].
Boddie, Arthur W., Jr., [redacted].
Bouda, David W., [redacted].
Brant, William E., [redacted].
Brown, Cary D., [redacted].
Burkett, Dennis B., [redacted].
Burton, Harold G., [redacted].
Campbell, William W., Jr., [redacted].
Carhart, Leroy H., Jr., [redacted].
Carleton, Thomas B., [redacted].
Charlat, Richard A., [redacted].
Claflin, James R., [redacted].
Clark, Kenneth H., [redacted].
Clark, Max A., [redacted].
Cohen, Edward L., [redacted].
Collins, Terry L., [redacted].
Confer, David J., [redacted].
Coudon, Wilson L., [redacted].
Coutts, Glenn L., [redacted].
Cramer, Frederick S., [redacted].
Culver, William G., [redacted].
Daley, Alexander F., Jr., [redacted].
Danney, Mark M., [redacted].
David, Corazon C., [redacted].
Denton, Stephen L., [redacted].
Dickson, Richard C., [redacted].
Dillon, William L., [redacted].
Divers, Walter A., Jr., [redacted].
Donovan, William N., Jr., [redacted].
Douglas, William G., [redacted].
Driggers, David A., [redacted].
Erickson, Gerald I., [redacted].
Evans, Richard M., [redacted].
Everett, Warren D., [redacted].
Exner, John H., [redacted].
Farrell, Paul W., II, [redacted].
Farrow, James G., [redacted].
Feldtman, Robert W., [redacted].
Ferguson, Earl W., [redacted].
Fohlmeister, Uwe W., [redacted].
Fossum, Basil D., [redacted].
Foster, Delbert R., [redacted].
Foster, John L., Jr., [redacted].
Fry, Michael B., [redacted].
Gabatin, Angelita R., [redacted].
Gage, Thomas P., [redacted].
Gallardo, Salvador A., [redacted].
Gelsey, Jon E., [redacted].
Gertsch, Ronald L., [redacted].
Gibney, Matthew J., III, [redacted].
Gillham, Robert A. Jr., [redacted].
Gittleman, Mark A., [redacted].
Grande, Donald J., [redacted].
Grant, Lee B. Jr., [redacted].
Green, Rufus, Jr., [redacted].
Gremillion, David H., [redacted].
Gumbelevicius, John P., [redacted].
Guzman, Maria A., [redacted].
Harrison, John T., III, [redacted].
Hart, Robert R., [redacted].
Harvey, William T., [redacted].
Hatsell, Charles P., [redacted].
Hayes, Vernon J., [redacted].
Helms, Clyde A., [redacted].
Hensley, Michael F., [redacted].
Hilliard, George D., [redacted].
Hilsman, Thomas A., [redacted].
Hinkle, Stuart T., [redacted].
Hoekstra, Dale V., [redacted].
Hoffman, Peter F., [redacted].
Holt, Gilbert A., Jr., [redacted].
Holt, Richard L., [redacted].
Howatt, James W., [redacted].
Hudson, Hal C., [redacted].
Johns, Ralph H., Jr., [redacted].
Johnson, Frank L., [redacted].
Johnson, Randle C., [redacted].
Justice, Ledro R., [redacted].
Kabo, Robert D., [redacted].
Kaltenbaugh, Orie E., [redacted].
Kavanagh, Gerald J., [redacted].
King, Edwin M., [redacted].
Koppes, Gerald M., [redacted].
Lainof, Kerry W., [redacted].
Lasalle, Andre J., [redacted].
Magill, Hubert L., [redacted].
Mahady, Ivan B., [redacted].
Makarewycz, Bohdan A., [redacted].
Maresh, James E., [redacted].
Martinez, Geronimo B., [redacted].
Maso, Eugene C., [redacted].
Mead, Philip J., [redacted].
Mikos, John J., [redacted].
Miller, Charles H., [redacted].
Miller, Harold M., [redacted].
Mitchell, Louis A., [redacted].
Montgomery, Walter R., [redacted].
Moreland, John L., Jr., [redacted].
Morrow, Robert L., Jr., [redacted].
Moulton, John P., [redacted].
Moysaenko, Valeriy, [redacted].
Mueller, Gary L., [redacted].
Murray, James M., [redacted].
Nagia, Ali H., [redacted].
Newman, Richard K., [redacted].
Ngo, Santa C., [redacted].
Oberg, Lance G., [redacted].
O'Connor, Patrick S., [redacted].
Olson, John M., [redacted].
Oppenheimer, Robert G., [redacted].
Orille, Oscar P., [redacted].
Osorio, Raul A., [redacted].
Owens, Louis F., Jr., [redacted].
Oyer, Frederick R., [redacted].
Pagsishan, Francisco M., [redacted].
Paras, Irish C., [redacted].
Patel, Manubhai D., [redacted].
Payen, Hermilando P., [redacted].
Perez, Rafael A., [redacted].
Philipp, Joseph T., [redacted].
Puras Baez, Antonio, [redacted].
Quebral Merle G., [redacted].
Raddin, James H., Jr., [redacted].
Raines, Milton R., [redacted].
Ramsay, John D., [redacted].
Rasor, Ronald O., [redacted].
Reeves, Jerry D., [redacted].
Richards, James F., [redacted].
Ritter, Howard L., Jr., [redacted].
Roberts, Bertram W., Jr., [redacted].
Roca, German, [redacted].
Ryan, Michael N., [redacted].
Sabater, Gilberto M., [redacted].
Sago, Alvin L., [redacted].

Sanda, Venugopala R., [redacted].
Sanderson, Marvin B., [redacted].
Sandru, John M., [redacted].
Sanidad, Leonard G., [redacted].
Santana, Jorge A., [redacted].
Satir, Ahmet S., [redacted].
Sau, Kadan C., [redacted].
Sau, Purnima S., [redacted].
Schmidt, Philip M., [redacted].
Selinkoff, Paul M., [redacted].
Sepiol, James L., [redacted].
Sharp, John R., [redacted].
Shepler, Thomas R., [redacted].
Shield, Charles F., III, [redacted].
Sievers, Ralph E., [redacted].
Sivapragasam, Subramaniam, [redacted].
Smith, Gary L., [redacted].
Smith, Joseph A., [redacted].
Smith, Karl H. S., [redacted].
Smith, Michael T., [redacted].
Spoon, Donald R., [redacted].
Steele, Norman P., Jr., [redacted].
Strohmeyer, Gerald L., [redacted].
Stronach, Neil, [redacted].
Sullivan, Richard J., [redacted].
Taubkin, Steven P., [redacted].
Tolley, Douglas G., Jr., [redacted].
Toon, Richard S., [redacted].
Torner, James S., [redacted].
Vanbuskirk, Ronald, [redacted].
Jajima, Takeshi, [redacted].
Waterman, John R., [redacted].
Weiss, Edward A., [redacted].
Werner, Wolfgang K., [redacted].
Wesbrook, Wilson C., [redacted].
Wilder, Norman J., [redacted].
Willis, William F., [redacted].
Witherspoon, John D., [redacted].
Wolf, Mark J., [redacted].
Wright, Fred G., Jr., [redacted].
Yockey, Charles C., [redacted].
Young, Frank R., [redacted].

The following officers for appointment in the Regular Air Force, in the grade indicated, under the provisions of Section 8284, Title 10, United States Code, with a view to designation under the provisions of Section 8067, Title 10, United States Code, to perform the duties indicated, and with dates of rank to be determined by the Secretary of the Air Force.

MEDICAL CORPS

To be captain

Exner, John H., [redacted].
Feldtman, Robert W., [redacted].
Fohlmeister, Uwe W., [redacted].
Howatt, James W., [redacted].
Johns, Ralph H., Jr., [redacted].
Johnson, Randle C., [redacted].
Nagia, Ali H., [redacted].
Sanderson, Marvin B., [redacted].
Smith, Gary L., [redacted].
Waterman, John R., [redacted].
Wright, Fred G., Jr., [redacted].
Young, Frank R., [redacted].

IN THE AIR FORCE

The following-named officers for promotion as a Reserve of the Air Force, under the appropriate provisions of chapters 35 and 837, title 10, United States Code:

LINE OF THE AIR FORCE

Lieutenant colonel to colonel

Almour, Richard B., [redacted].
Belyea, Edward A., [redacted].
Bertrand, Richard E., [redacted].
Brendel, Wayne R., [redacted].
Briner, Joseph R., [redacted].
Bunting, Alfred P., [redacted].
Butterworth, Carl T., [redacted].
Campbell, John D., [redacted].
Cole, Robert L., [redacted].
Cyr, Henry B., [redacted].
Dobler, Jack D., [redacted].
Durfey, Miles C., [redacted].
Eckes, Harry R., [redacted].
Eslinger, Richard M., [redacted].
Galvin, William F., [redacted].
Garrett, Marion D., [redacted].
Gebhardt, Charles J., [redacted].
Haggard, Thomas G., [redacted].
Hanlon, James J., [redacted].
Henderson, Jesse J., [redacted].
Hood, Kenneth B., [redacted].
Hurley, William J., Jr., [redacted].
Kerr, Donald J., [redacted].
Kirk, Robert A., [redacted].
Kye, Hoyal B., [redacted].
Lynd, Donald E., [redacted].
McFrye, Robert D., [redacted].
McGinley, Donald T., [redacted].
McGrath, William J., [redacted].
McLaughlin, David A., [redacted].
Mercer, James R., [redacted].
Moss, Richard E., [redacted].
O'Connor, John H., [redacted].
Owens, Donald L., [redacted].
Pittman, Biffle O., [redacted].
Ponder, Harold H., [redacted].
Quinlan, David L., [redacted].
Raetzman, James R., [redacted].
Ranzenbach, Robert F., [redacted].
Rich, Lyle M., [redacted].
Sams, James H., [redacted].
Sanders, Richard M., [redacted].
Schaumann, Robert W., [redacted].
Smith, Otha R., Jr., [redacted].
Taylor, Charles W., Jr., [redacted].
Vaughan, Howard R., [redacted].
Wood, Stanley C., [redacted].

MEDICAL CORPS

Jackson, Daniel B., [redacted].
Miller, Percy L., [redacted].
Panettiere, Frank, [redacted].
Torphy, Daniel E., [redacted].
Wallis, Donald E., [redacted].
Wells, Ivyl W., [redacted].
Wick, Henry O., Jr., [redacted].

CHAPLAIN CORPS

Maloney, Samuel D., [redacted].
McFadden, Leo E., [redacted].

IN THE AIR FORCE

The following-named officers for promotion as a Reserve of the Air Force, under the appropriate provisions of chapter 35 and 837, title 10, United States Code.

LINE OF THE AIR FORCE

Lieutenant colonel to colonel

Allen, Jon S., [redacted].
Arkin, Harry L., [redacted].
Armony, Richard H., [redacted].
Autio, Clyde F., [redacted].
Baldwin, Oliver H. P., [redacted].
Bandy, Larry L., [redacted].
Bassa, Reginald L., [redacted].
Bastian, Delmar, [redacted].
Bennett, Max M., [redacted].
Bergad, Joseph R., [redacted].
Bevilacqua, Joseph P., [redacted].
Black, Geoffrey S., [redacted].
Brooks, Robert A., [redacted].
Burns, Melvyn J., [redacted].
Carter, Paul A., [redacted].
Chewning, Jack, [redacted].
Christian, Frank M., [redacted].
Colbert, Donald J., [redacted].
Collins, Charles K., [redacted].
Craig, Dorothy A., [redacted].
Darling, Robert E., [redacted].
Davidson, Steve E., [redacted].
Davis, Larry M., [redacted].
Deckard, Clyde C., Jr., [redacted].
Delaney, John P., [redacted].
Desjardine, John J., [redacted].
Desoto, Ernest L., [redacted].
Doennebrink, Frederick A., [redacted].
Drake, Herrick M., [redacted].
Dubbert, James W., [redacted].
Dunn, Philip G., [redacted].
Durek, Thomas A., [redacted].
Eggert, George D., [redacted].
Enis, Bernard A., Jr., [redacted].
Ennis, Ralph E., Jr., [redacted].
Fleming, Harvey C., [redacted].
Flournoy, Vernon D., [redacted].
Fonda, Harold R., [redacted].
Fredette, Armand J., [redacted].
Freeland, John R., [redacted].
Gagliano, Charles J., [redacted].
Gilmore, John C., [redacted].
Glyman, Emanuel J., [redacted].
Gordhammer, Eddie E., Jr., [redacted].
Gotthardt, Manfred R., [redacted].
Grier, Jack W., [redacted].
Hadford, Wendell D., [redacted].
Haig, Douglas W., [redacted].
Hall, James A., [redacted].
Hauer, Edward W., [redacted].
Head, Robert Q., [redacted].
Hellege, John A., [redacted].
Holds, John M., [redacted].
Hultsman, St. Clair L., [redacted].
Hutton, Arthur H., [redacted].
Isabelle, Leonard W., [redacted].
January, Daniel E., [redacted].
Jelinek, Jay P., [redacted].
Jerawski, Edward A., [redacted].
Johnson, Charles A., [redacted].
Johnson, William S., [redacted].
Keck, James S., [redacted].
King, Rufus M., [redacted].
Klaveness, Gerd, [redacted].
Kosikowski, Robert E., [redacted].
Levant, Michel, [redacted].
Lewis, James W., [redacted].
Lucke, Werner, [redacted].
Mangin, Howard E., [redacted].
Manning, William S., [redacted].
Marley, Paul C., [redacted].
Mason, Kenneth R., [redacted].
McDonald, Robert W., Jr., [redacted].
McIntyre, Donald C., [redacted].
McLean, Bernard B., [redacted].
Merrow, Wescott M., [redacted].
Mills, Byron E., Jr., [redacted].
Morgan, James S., [redacted].
Mouwdy, George R., [redacted].
Myers, James R., [redacted].
Natale, Angelo C., [redacted].
Neelley, Charles E., [redacted].
Neil, William J., [redacted].
Nordstrom, Richard G., [redacted].
Northrup, Richard A., [redacted].
Olsen, Eugene A., [redacted].
Orman, Patrick W., Jr., [redacted].
Orozco, Everett G., [redacted].
Pascoe, William W., Jr., [redacted].
Pignatiello, Joseph L., [redacted].
Raab, Eugene L., [redacted].
Rader, George S., [redacted].
Rader, Sanford, [redacted].
Raines, Charles D., [redacted].
Rapp, William C., [redacted].
Resh, George A., [redacted].
Robinson, James F., [redacted].
Rosenberg, Robert, [redacted].
Rosenkrantz, Donald I., [redacted].
Rutherford, Charles R., [redacted].
Schatz, Graham R., [redacted].
Schmidt, Herbert A., [redacted].
Schoenberg, Morton R., [redacted].
Shelton, Charles E., [redacted].
Sims, William B., [redacted].
Small, Francis M., Jr., [redacted].
Snellings, Clifton C., [redacted].
Sprague, Chester W., [redacted].
Stenger, Wilbur J., Jr., [redacted].
Stewart, Raymond B., Jr., [redacted].
Stine, James M., [redacted].
Sullivan, Edward D., [redacted].
Swisher, Robert L., [redacted].
Swissler, Philip J., Jr., [redacted].
Tatlock, Marion L., [redacted].
Thomas, James P., [redacted].
Thompson, William J., [redacted].
Tyrrell, Gordon W., [redacted].
Valko, William G., [redacted].
Vartan, Walter G., [redacted].
Vila, Jose M., [redacted].
Vivian, Robert L., [redacted].
Vogler, Edward W., [redacted].
Wackford, Reginald A., [redacted].
Way, Clifford D., Jr., [redacted].
White, Hugh G., III, [redacted].
Williams, Charles U., II, [redacted].
Williams, Herbert E., III, [redacted].
Wilson, John H., [redacted].
Wolfer, Frederic F., Jr., [redacted].

Wood, Richard D., [redacted].
Worthington, William L., [redacted].
Wrede, Harvey R., Jr., [redacted].
Yarchever, Jerome, [redacted].
Young, John W., [redacted].
Zamarra, Louis, [redacted].
Zettel, William W., [redacted].

CHAPLAIN CORPS

Carlsen, Niels C., [redacted].
Gaylor, Henry W., Jr. [redacted].
Gerdes, Everett E., [redacted].
Goedert, Robert V., [redacted].
Harrell, Douglas A., [redacted].
Johnston, John R., [redacted].
Jones, Billy J., [redacted].
Marshall, Gerald W., [redacted].
Rinnert, Willard C., [redacted].
Schreiter, Daniel A., [redacted].
Wisse, Donald P., [redacted].

DENTAL CORPS

Bryan, Edward P., [redacted].
McIlwain, James E., Jr., [redacted].
Molnar, Georg, [redacted].

MEDICAL CORPS

Bargatze, Fred O., [redacted].
Boisen, Elliott G., [redacted].
Coolbaugh, Carl C., [redacted].
Cubberley, David A., [redacted].
Dennis, James M., Jr., [redacted].
Dillenkoffer, Robert L., [redacted].
Forbes, Peter R., [redacted].
Fromhagen, Carl, Jr., [redacted].
Fry, Delos H., [redacted].
Harsa, Richard J., [redacted].
Hessert, Edmund C., Jr., [redacted].
Hoche, Georges A., [redacted].
Kaufmann, Robert J., [redacted].
Kleinsmith, Robert A., [redacted].
Leclerc, Jeanyves, [redacted].
Lefton, Theodore E., [redacted].
Legowik, John T., [redacted].
Levy, Richard A., [redacted].
Lowry, George E., [redacted].
McDonnel, Gerald M., [redacted].
Pantoja, Enrique, [redacted].
Pickering, Lloyd G., [redacted].
Rennebohm, John A., [redacted].
Siegel, Daniel K., [redacted].
Speckhard, Mark E., [redacted].
Stiles, Willard F., Sr., [redacted].
Wentworth, Earle T., Jr., [redacted].
Wiegreffe, James W., [redacted].
Woolbright, Jimmie L., [redacted].
Zeller, Robert W., [redacted].

NURSE CORPS

Bishop, Mary E., [redacted].
Bullard, Sarah B., [redacted].
Faust, Ingrid V., [redacted].
Glenn, Ellen M., [redacted].
Haga, Phyllis A., [redacted].
Hart, Alta, [redacted].
Harth, Dorothea R., [redacted].
Hilquist, Clara A., [redacted].
Nelson, Margaret P. C., [redacted].
Oliver, Jane, [redacted].
Rheaume, Therese J., [redacted].
Stransky, Arlene M., [redacted].
Stuart, Mary T., [redacted].
Villano, Mary R., [redacted].
Wolf, Josephine L., [redacted].

MEDICAL SERVICE CORPS

Dellorto, John A., [redacted].
Ganis, Frank M., [redacted].
Smith, Elisabeth E., [redacted].

VETERINARY CORPS

Fetter, Arthur W., [redacted].
Hutchinson, Lea R., [redacted].
Stunkard, Jim A., [redacted].

BIOMEDICAL SCIENCE

Bleything, Willard B., [redacted].
Ellsworth, Robert W., [redacted].
Floyd, Virginia L. [redacted].

IN THE ARMY

The following-named officers for promotion in the Regular Army of the United States, under the provisions of title 10, United States Code, section 3305:

ARMY PROMOTION LIST

To be colonel

Abraham, Albert, [redacted].
Abramowitz, Benjamin, [redacted].
Adamkewicz, Edward, [redacted].
Adams, Robert B., [redacted].
Addison, Richard L., [redacted].
Adsit, Charles C., [redacted].
Allen, James B., [redacted].
Alley, Wayne F., [redacted].
Andre, Peter C., [redacted].
Andrews, Donald A., [redacted].
Andrews, Thomas T., [redacted].
Andrews, William G., [redacted].
Ashby, Mason K., [redacted].
Ayotte, Ronald J., [redacted].
Bass, Robert L., [redacted].
Batts, John H., [redacted].
Bauchspies, Robert, [redacted].
Bazilwich, Paul, [redacted].
Bearden, Winston H., [redacted].
Bell, Leroy C., [redacted].
Bell, Walter C., [redacted].
Benacquista, John J., [redacted].
Benoit, William R., [redacted].
Bergen, James P., [redacted].
Bettinger, Francis, [redacted].
Bills, Arthur D., [redacted].
Bishop, Ted E., [redacted].
Bittl, Frederick E., [redacted].
Blackburn, Paul L., [redacted].
Blahuta, Norman G., [redacted].
Bligh, Thomas F., [redacted].
Boden, William C., [redacted].
Bowman, Ronald N., [redacted].
Boyd, William P., [redacted].
Boyle, Dennis M., [redacted].
Bradshaw, Harold D., [redacted].
Bright, Fred, [redacted].
Brofer, Duane R., [redacted].
Brooks, Herman L., [redacted].
Brown, George A., [redacted].
Brown, James E., [redacted].
Brown, John M., [redacted].
Brown, Raymond V., [redacted].
Brumback, Robert M., [redacted].
Bryant, Lloyd D., [redacted].
Bryant, Richard L., [redacted].
Buchwald, Donald M., [redacted].
Burbules, John G., [redacted].
Burkard, Danny, J., [redacted].
Burkett, Seth W., [redacted].
Burnett, Sheldon, [redacted].
Burns, Charles W., [redacted].
Bush, Charles E., [redacted].
Bush, Robert C., [redacted].
Bussey, Charles D., [redacted].
Butler, Douthard R., [redacted].
Byrnes, Graham F., [redacted].
Campbell, Jack P., [redacted].
Cardillo, Richard G., [redacted].
Carpenter, Robert D., [redacted].
Carver, Charley A., [redacted].
Casipit, Felix L., [redacted].
Cathcart, James E., [redacted].
Chamberlain, William, [redacted].
Chapman, Charles W., [redacted].
Chapman, Joseph M., [redacted].
Chapman, Robert B., [redacted].
Chikalla, Gerald G., [redacted].
Child, Paul W., [redacted].
Chillcott, Dewey A., [redacted].
Chisolm, Patrick D., [redacted].
Chomko, Gene N., [redacted].
Clements, Philip J., [redacted].
Coleman, Alton H., [redacted].
Coleman, Willie A., [redacted].
Collison, John M. [redacted].
Conley, Samuel G., [redacted].
Cook, John H., [redacted].
Cook, John J., [redacted].
Cook, Kenneth E., [redacted].
Cooksey, David O., [redacted].
Cooley, Andrew L., [redacted].
Cosby, Lloyd N. [redacted].
Couvillion, Herbert, [redacted].
Cowan, Donnely G., [redacted].
Coyne, Robert A., [redacted].
Crain, Leonard B., [redacted].
Crampton, Theodore, [redacted].
Crancer, John W., [redacted].
Crawford, Theodore, [redacted].
Crawford, William R., [redacted].
Crawley, Paul K., [redacted].
Crum, Luther G., [redacted].
Cuthbertson, Robert, [redacted].
Dandridge, James T. [redacted].
Darrah, James T., [redacted].
Daub, Alfred V., [redacted].
Davis, Roger K., [redacted].
Day, Edward H., [redacted].
Defatta, Vincent P., [redacted].
Delisle, Frederick, [redacted].
Demick, Harold B., [redacted].
Denman, Jerry L., [redacted].
Deprospero, Albert, [redacted].
Deverill, Arthur P., [redacted].
Dill, Bobby M., [redacted].
Dister, Arthur C., [redacted].
Dixon, Bryan D., [redacted].
Dixon, Herbert M., [redacted].
Dobbs, Herbert H., [redacted].
Donohue, John E., [redacted].
Drummond, James E., [redacted].
Dubois, Ronald W., [redacted].
Duggan, Daniel E., [redacted].
Dunaway, Roy S., [redacted].
Durkin, Michael J., [redacted].
Eddins, Watha J., [redacted].
Edmiston, Charles H., [redacted].
Edmondson, James P., [redacted].
Einseln, Aleksander, [redacted].
Elder, Perry B., [redacted].
Elliott, Bernard V., [redacted].
Ellis, Donald R., [redacted].
Farris, Robert I., [redacted].
Ferguson, Charles H., [redacted].
Finkbiner, Glenn G., [redacted].
Fitzgerald, Thomas, [redacted].
Fleming, Norwood W., [redacted].
Fletcher, Edward N., [redacted].
Folta, Russell J., [redacted].
Foradori, Harry L., [redacted].
Forrell, William J., [redacted].
Franklin, Joseph P., [redacted].
Freeman, Clinton A., [redacted].
Gage, Walter G., [redacted].
Gange, William B., [redacted].
Gardner, Morris L., [redacted].
Garner, James G., [redacted].
Gay, Forrest T., [redacted].
Gibson, Mack L., [redacted].
Glasgow, Robert E., [redacted].
Goodman, Roland A., [redacted].
Goodwin, Willard C., [redacted].
Gourley, William H., [redacted].
Graham, Todd P., [redacted].
Gransback, Donald H., [redacted].
Grant, James R., [redacted].
Grant, John C., [redacted].
Green, Gilbert R., [redacted].
Griffith, Gerald S., [redacted].
Grossheim, Paul W., [redacted].
Guffey, Connie S., [redacted].
Gunderson, Raymond, [redacted].
Gunter, Gurnie C., [redacted].
Guthrie, Edward R., [redacted].
Hadley, William M., [redacted].
Hannon, James D., [redacted].
Harper, Henry H., [redacted].
Harris, Loston, [redacted].
Hatchett, Monte J., [redacted].
Hayes, Moody E., [redacted].
Heikkinen, Kenneth, [redacted].
Henne, Carl, [redacted].
Henry, Robert B., [redacted].
Hergenroeder, Leo A., [redacted].
Herlik, Querin E., [redacted].
Hesson, James M., [redacted].
Hightower, Loyal G., [redacted].
Hilbert, Donald C., [redacted].
Hill, James R., [redacted].
Hissong, Fred, [redacted].
Hodgson, William F., [redacted].
Hoge, Philip R., [redacted].
Hoglan, Curtis F., [redacted].
Holbrook, Willard A., [redacted].
Hornish, William E., [redacted].
Hosemer, Calvin, [redacted].
Hufnagel, David A., [redacted].

Hunter, Joseph L., [redacted].
Jarrett, Richard S., [redacted].
Jensen, Kenneth G., [redacted].
Jerrett, Lyle E., [redacted].
Jeter, John R., [redacted].
Jhung, Bryson, [redacted].
Johnson, Charles R., [redacted].
Johnson, David S., [redacted].
Johnson, Robert P., [redacted].
Johnson, William V., [redacted].
Jolemore, Kenneth A., [redacted].
Jones, Herbert L., [redacted].
Jones, Isaac R., [redacted].
Joseph, Robert E., [redacted].
Joyce, Robert M., [redacted].
Kanamine, Theodore, [redacted].
Kark, John S., [redacted].
Katenbrink, Irving G., [redacted].
Kattar, Richard J., [redacted].
Keener, Eugene F., [redacted].
Kelley, Philip G., [redacted].
Kellogg, Kenneth E., [redacted].
Kelly, Thomas L., [redacted].
Kennedy, Ralph P., [redacted].
Kenyon, Peter B. [redacted].
Kershner, Clark V., [redacted].
Kicklighter, Claude, [redacted].
Kilgore, James A., [redacted].
Kistler, John S., [redacted].
Koehler, Joseph R., [redacted].
Koziatek, Norbert W., [redacted].
Kraak, Charles F., [redacted].
Kramer, Leslie J., [redacted].
Kuehn, Frederick G., [redacted].
Lacy, David W., [redacted].
Lafrenz, Robert L., [redacted].
Lally, Michael J., [redacted].
Lamons, Robert E., [redacted].
Lander, Robert B., [redacted].
Lawson, Warren G., [redacted].
Leslie, George W., [redacted].
Lewis, Kenneth E., [redacted].
Liesman, John S., [redacted].
Lilje, Donald H., [redacted].
Lindquist, Gary E., [redacted].
Lloyd, Joseph W., [redacted].
Logan, James M., [redacted].
Logerquist, Benjamin, [redacted].
Looney, Robert C., [redacted].
Ludwig, Daniel D., [redacted].
Lutz, Joseph C., [redacted].
Lynn, Robert G., [redacted].
Maccini, Francis L., [redacted].
MacDonald, Alexander, [redacted].
MacDonnell, Thomas, [redacted].
Macedonia, Raymond, [redacted].
Mahaffey, Fred K., [redacted].
Maher, Kevin L., [redacted].
Mahlberg, Donald S., [redacted].
Malone, Daniel K., [redacted].
Malooley, Rudolph S., [redacted].
Manhan, Robert D., [redacted].
Manzo, John M., [redacted].
Marden, Jack M., [redacted].
Marks, Malcolm L., [redacted].
Martin, Richard C., [redacted].
Mason, Phillip H., [redacted].
Mason, Sidney E., [redacted].
Maupin, Joe S., [redacted].
Maurer, David F., [redacted].
Maynes, George E., [redacted].
McCann, John R., [redacted].
McCurdy, Neal B., [redacted].
McDonald, Vincent P., [redacted].
McElrath, William T., [redacted].
McGee, Lester E., [redacted].
McIlroy, Wilmer L., [redacted].
McKalip, Homer D., [redacted].
McKinney, Leon E., [redacted].
McNair, Carl H., [redacted].
McNider, Henry B., [redacted].
Mears, Charles D., [redacted].
Medina, Efrain, [redacted].
Miller, Duane D., [redacted].
Miller, James R., [redacted].
Miller, Thomas A., [redacted].
Minich, Cecil M., [redacted].
Missildine, William, [redacted].
Mitchell, Glenn W., [redacted].
Mixan, Edgar J., [redacted].
Monteith, Gerald E., [redacted].
Morgan, Robert D., [redacted].
Moses, Dan, [redacted].
Mueller, Frederick, [redacted].
Mundt, James A., [redacted].
Murdock, Thoma E., [redacted].
Murphy, John J., [redacted].
Murray, Gary B., [redacted].
Nelson, Thomas C., [redacted].
Newton, Robert W., [redacted].
Nourse, Robert H., [redacted].
Obryan, William P., [redacted].
O'Connell, Marvin G., [redacted].
Oliver, Mahatha M., [redacted].
Olson, Gloria A., [redacted].
O'Neil, Henry R., [redacted].
Ono, Allen K., [redacted].
Oram, Charles J., [redacted].
Otsuka, Yukio, [redacted].
Painter, Brookman E., [redacted].
Parker, Franklin S., [redacted].
Parker, Julius, [redacted].
Parks, Paul F., [redacted].
Parrish, Glenwood N., [redacted].
Parsons, Robert A., [redacted].
Parsons, Russell L., [redacted].
Pattakos, Arion N., [redacted].
Patten, John L., [redacted].
Pawlik, Stephen R., [redacted].
Pede, August R., [redacted].
Pemberton, David L., [redacted].
Pergerson, Benard S., [redacted].
Perkins, Rex V. [redacted].
Perry, Earl E., [redacted].
Peters, William G., [redacted].
Petersen, Darwin A., [redacted].
Philbrook, Wilbur W., [redacted].
Pitts, George E., [redacted].
Plant, Robert A., [redacted].
Poorman, Donald C., [redacted].
Powell, Frank M., [redacted].
Powell, Ralph J., [redacted].
Poydasheff, Robert, [redacted].
Priore, Fortunato R., [redacted].
Puckette, Cecil L., [redacted].
Pulliam, Nathan M., [redacted].
Putnam, Earl L., [redacted].
Putorek, William P., [redacted].
Quinlan, James A., [redacted].
Quinn, Hugh J., [redacted].
Redmond, Robert S., [redacted].
Rhyan, Earnest W., [redacted].
Rice, Richard C., [redacted].
Rider, Archie A., [redacted].
Rider, James D., [redacted].
Riese, Paul E., [redacted].
Rife, Byard W., [redacted].
Riley, Leonard J., [redacted].
Roberts, Rodney K., [redacted].
Robertson, Frank J., [redacted].
Robinson, Richard T. [redacted].
Roddy, Patrick M., [redacted].
Rodriguez, Joseph C., [redacted].
Rogers, John E., [redacted].
Rogers, Roland B., [redacted].
Ropp, Richard F., [redacted].
Rosenberg, Theodore, [redacted].
Roth, Bernard J., [redacted].
Ryan, Joseph D., [redacted].
Sanders, Bobby L., [redacted].
Sanders, Burnett R., [redacted].
Sanders, Mac D., [redacted].
Schepps, Madison C., [redacted].
Schmidt, Carl F., [redacted].
Schneider, William, [redacted].
Schuh, Charles A., [redacted].
Schulz, Otto R., [redacted].
Scribner, Edwin G., [redacted].
Settle, Thomas A., [redacted].
Shalz, Roger M., [redacted].
Shannon, John W., [redacted].
Shaughnessy, Thomas, [redacted].
Shaylor, Thomas C., [redacted].
Shipp, Grantland V., [redacted].
Shockley, Henry A., [redacted].
Shore, Edward R., [redacted].
Shufelt, James W., [redacted].
Siebert, Frederick, [redacted].
Simmons, Bobby B., [redacted].
Simpson, John A., [redacted].
Sisk, Isaac R., [redacted].
Skaff, Joseph J. [redacted].
Slater, Burt E., [redacted].
Smalls, Moses D. [redacted].
Smart, Ernest A. [redacted].
Smith, Edward P., [redacted].
Smith, Glenn N., [redacted].
Smith, Isaac D., [redacted].
Smith, James A., [redacted].
Smith, James L., [redacted].
Smith, Norman M. [redacted].
Sparks, Donald E., [redacted].
Spence, John D., [redacted].
Stallings, David W., [redacted].
Stapleton, Homer L., [redacted].
Steckly, Kenneth D., [redacted].
Steel, Patrick A. [redacted].
Stone, Howard F. [redacted].
Strati, Robert A., [redacted].
Stratton, Jerry R., [redacted].
Streett, William B., [redacted].
Strom, Roy M., [redacted].
Strudeman, Richard, [redacted].
Sutton, James L. [redacted].
Sweet, William E., [redacted].
Talbot, Bailey M., [redacted].
Taylor, Joseph W., [redacted].
Taylor, William J., [redacted].
Teague, Gwynn A., [redacted].
Thayer, Henry J., [redacted].
Thompson, Robert S., [redacted].
Thorne, Phillip D., [redacted].
Tocher, Patrick A., [redacted].
Tolfa, Edward, [redacted].
Tomberg, Ralph T., [redacted].
Torsani, Joseph A., [redacted].
Town, James I., [redacted].
Trail, Sebert L., [redacted].
Travis, Robert L., [redacted].
Trobaugh, Edward L., [redacted].
Turner, Gary L., [redacted].
Tutwiler, James D., [redacted].
Twilley, Leroy G., [redacted].
Vail, Nathan C., [redacted].
Valz, Donald J., [redacted].
Vandenbosch, Jon C., [redacted].
Vanhorn, Jonathan S., [redacted].
Vanhouten, William, [redacted].
Vanpool, Jack L., [redacted].
Vanwert, John F., [redacted].
Vassy, Thomas M., [redacted].
Vaughan, Charles U., [redacted].
Ventrella, Rocco F., [redacted].
Vincent, Joseph F., [redacted].
Vines, Ronald C., [redacted].
Vogentanz, Peter G., [redacted].
Vydra, Anthony L., [redacted].
Waible, Leo C., [redacted].
Waite, Hugh G., [redacted].
Walker, Travis L., [redacted].
Walker, Wiley W., [redacted].
Wall, Kary D., [redacted].
Wallace, James W., [redacted].
Walsh, Gordon P., [redacted].
Walther, Harry J., [redacted].
Walton, Frank G., [redacted].
Ward, Stanley D., [redacted].
Watson, Dwane C., [redacted].
Watson, Henry G., [redacted].
Weathers, Edgar W., [redacted].
Weathers, John T., [redacted].
Wegley, Frederick L., [redacted].
Wells, Norman S., [redacted].
Werner, Gary L., [redacted].
Wheeler, David E., [redacted].
White, Leroy, [redacted].
White, Ulysses X., [redacted].
Whitley, George R., [redacted].
Whittaker, Howard C., [redacted].
Wiegand, Robert D., [redacted].
Wiggs, Jimmy D., [redacted].
Wilkins, Aaron E., [redacted].
Williamson, Rayburn, [redacted].
Wilson, William E., [redacted].
Wingate, Charles S., [redacted].
Wingfield, Damon D., [redacted].
Wintz, Edward K., [redacted].
Witter, Robert A., [redacted].
Wix, William M., [redacted].
Woerner, Frederick, [redacted].
Wohlman, Melvin, [redacted].

Woliver, Clarence H., [redacted].
Wong, Donald R., [redacted].
Woodall, James R., [redacted].
Wratislaw, Roy E., [redacted].
Wright, Lewis W., [redacted].
Wright, William J., [redacted].
Wyatt, David L., [redacted].
Yawberg, Harold D., [redacted].
Yore, Joseph A., [redacted].
Ziek, Thomas G., [redacted].

CHAPLAINS

To be colonel

Aiken, Clyde M., [redacted].
Forsythe, Walter D., [redacted].
Hosutt, Charles H., [redacted].
Magalee, John E., [redacted].
Moss, Ira G., [redacted].
Murphy, James J., [redacted].
O'Shea, Edward L., [redacted].
Ouzts, Paul D., [redacted].
Weathers, Clifford, [redacted].

DENTAL CORPS

To be colonel

Berube, Joseph D. [redacted].
Betts, Alan F., [redacted].
Dunley, Robert E., [redacted].
Frantz, Wayne R., [redacted].
Hann, John R., [redacted].
Nelson, Donald R., [redacted].
Storie, David Q., [redacted].
Sweeney, Thomas P., [redacted].
Whitsett, Bernard D., [redacted].

MEDICAL CORPS

To be colonel

Ansbacher, Rudi, [redacted].
Arneson, Leslie A., [redacted].
Benincaso, Frank V., [redacted].
Bezreh, Anthony A., [redacted].
Broskey, Richard D., [redacted].
Brott, Walter H., [redacted].
Bzik, Karl D., [redacted].
Chamlian, Dikran L., [redacted].
Corby, Donald G., [redacted].
Dangerfield, Harry, [redacted].
Dinapoli, Raphael J. [redacted].
Feagin, John A. [redacted].
Fearnow, Ronald G., [redacted].
Giddens, Warren W., [redacted].
Granger, James A., [redacted].
Haas, John M., [redacted].
Hartvigsen, Robert, [redacted].
Hazlett, David R., [redacted].
Heydorn, William H., [redacted].
Hill, Paul S., [redacted].
Holtzapple, Kenneth, [redacted].
Huott, Archer D., [redacted].
Kopp, Albert A., [redacted].
Larsen, Lowell D., [redacted].
Ledford, Frank F., [redacted].
Lennox, Kenneth W., [redacted].
McCarty, Richard J., [redacted].
McDowell, Milton K., [redacted].
Park, Richard, [redacted].
Sakakini, Joseph, [redacted].
Sample, Donald W., [redacted].
Shira, James E., [redacted].
Stojic, Borislav, [redacted].
Valpey, Jack M., [redacted].
Ward, Chester L., [redacted].
Wood, Laurence W., [redacted].
Zbylski, Joseph R. [redacted].

MEDICAL SERVICE CORPS

To be colonel

Beach, Douglas J., [redacted].
Beltran, Gilbert, [redacted].
Chapin, George E., [redacted].
Dettor, Charles M., [redacted].
Durr, Walter L., [redacted].
Erickson, Duane G., [redacted].
Heinz, Robert F., [redacted].
Herman, David E., [redacted].
Huff, James C., [redacted].
Jentsch, David P., [redacted].
Maillet, Edward L., [redacted].
Miller, Vandy L., [redacted].
Radke, Myron G., [redacted].
Tweito, Robert B., [redacted].
Vigneault, Marcel L. [redacted].
Walker, James F., [redacted].
Williams, Vern M., [redacted].
Yim, Herbert K., [redacted].

ARMY MEDICAL SPECIALISTS CORPS

To be colonel

Davis, Barbara A., [redacted].
Graziano, Joan M., [redacted].
Thompson, Beatrice, [redacted].

VETERINARY CORPS

To be colonel

Anthony, Theodore G., [redacted].
Keel, James E., [redacted].
Schlinke, Orville C. [redacted].
Stolz, Hal F., [redacted].
Wyckoff, George H. [redacted].

ARMY NURSE CORPS

To be colonel

Atchison, Juanita M., [redacted].
Bosch, Lila J., [redacted].
Foley, Mary A., [redacted].
Gately, Miriam A., [redacted].
Grace, Mary C., [redacted].
Greene, Patricia A., [redacted].
Jagiello, Helen D., [redacted].
Lillard, Callista J., [redacted].
Mackey, Helen J. [redacted].
Sowa, Helen B., [redacted].

The following-named officers for promotion in the Army of the United States, under the provisions of Title 10, United States Code, sections 3442 and 3447:

ARMY PROMOTION LIST

To be colonel

Nolan, John W., [redacted].
Treadway, James D., [redacted].
Ziek, Thomas G., [redacted].

The following-named officers for promotion in the Regular Army of the United States, under the provisions of title 10, United States Code, sections 3284 and 3299:

ARMY PROMOTION LIST

To be lieutenant colonel

Clark, Joseph E., [redacted].
Curran, Jan D., [redacted].
Eldredge, Richard B., [redacted].
Fennell, George R., [redacted].
Marr, Francis W., [redacted].
Parr, Ivan W., [redacted].
Tilton, Robert C., [redacted].

The following-named officers for promotion in the Army of the United States, under the provisions of title 10, United States Code, sections 3442 and 3447:

DENTAL CORPS

To be lieutenant colonel

Allen, Mark V., [redacted].
Backenstose, William, [redacted].
Baker, Kim J., [redacted].
Bersano, Raymond B., [redacted].
Billingsley, Michael, [redacted].
Chamberlin, John H., [redacted].
Cook, Phillip A., [redacted].
Cressler, John W., [redacted].
Daniels, Patrick E., [redacted].
Denucci, Donald J., [redacted].
Dismukes, Julian M., [redacted].
Duckworth, James H., [redacted].
Dunn, Larry M., [redacted].
Ferguson, Richard L., [redacted].
Goerig, Albert C., [redacted].
Grady, Paul F. [redacted].
Hardy, Leslie B., [redacted].
Hurt, Duane F., [redacted].
Hutchins, Harry S., [redacted].
Johnson, David S., [redacted].
Jones, Griffith B., [redacted].
Kessler, Joel R., [redacted].
Koudelka, Brent M., [redacted].
Maerki, Henry S. [redacted].
Marcoot, Ralph M., [redacted].
Mooney, Darrel L., [redacted].
Newton, William G., [redacted].
Nishimura, Roger S., [redacted].
O'Neal, Robert B., [redacted].
Osborne, William H., [redacted].
Priddy, William L., [redacted].
Pulskamp, Frank E., [redacted].
Rampton, Jon B., [redacted].
Rathofer, Stephen A., [redacted].
Ruggles, James E., [redacted].
Schedt, Michael J., [redacted].
Sevier, Noble H., [redacted].
Shulman, Jay D., [redacted].
Sigala, Joseph L., [redacted].
Stanley, Philip J., [redacted].
Turner, George W., [redacted].
Utschig, Leonard D., [redacted].
Vaught, Richard D., [redacted].
Vermilyea, Stanley, [redacted].
Vire, Donald E., [redacted].
Webb, Joseph G., [redacted].
Whang, Raymond S., [redacted].
Woolsey, Gerald D., [redacted].
Yamamoto, James R., [redacted].

The following-named officers for promotion in the Regular Army of the United States, under the provisions of title 10, United States Code, sections 3284 and 3299:

ARMY PROMOTION LIST

To be captain

Adams, Stephen F., [redacted].
Blanchard, William J., [redacted].
Brown, Chris E., [redacted].
Buggert, Donn J., [redacted].
Clarke, Willie M., [redacted].
Cork, Timothy R., [redacted].
Costigan, Daniel J., [redacted].
Decker, Dale E., [redacted].
Eazor, Charles R., [redacted].
Flye, Patricia A., [redacted].
Goulette, James P. [redacted].
Hunt, Kenneth I., [redacted].
Kirkpatrick, Charles E., [redacted].
James, Martha G., [redacted].
Matthews, James W., [redacted].
McMenis, James E., [redacted].
McNicholas, James E., [redacted].
Miller, David, [redacted].
Ohlinger, Brian J., [redacted].
Peters, John E., [redacted].
Pohler, Michael S., [redacted].
Rodgers, Robert E., [redacted].
Van Exel, John F., [redacted].
Williams, Lee E., [redacted].
Young, James D., [redacted].

DENTAL CORPS

To be captain

Waddell, Henry T., [redacted].

MEDICAL CORPS

To be captain

Ortiz Nieves, Julio E., [redacted].

MEDICAL SERVICE CORPS

To be captain

Harig, Paul T., [redacted].

VETERINARY CORPS

To be captain

Turnier, John C., [redacted].

ARMY NURSE CORPS

To be captain

Jessup, James W., [redacted].
Krom, Frances A., [redacted].
Large, Patricia C., [redacted].

The following-named officers for promotion in the Regular Army of the United States, under the provisions of title 10, United States Code, sections 3284 and 3298:

ARMY PROMOTION LIST

To be first lieutenant

Harrison, Douglas D., [redacted].
Hoy, Dobert, [redacted].
Loya, James M., [redacted].
Nelms, Russell F., [redacted].
Saltas, Joseph, [redacted].

IN THE ARMY

The following-named officers for promotion in the Army of the United States, under the provisions of title 10, United States Code, sections 3442 and 3447:

MEDICAL CORPS

To be colonel

Alexander, Byron B., [redacted].
Arthur, James D., [redacted].
Baddour, George A., [redacted].
Bancroft, William H., [redacted].
Barry, Michael J., [redacted].
Beard, Graham E., [redacted].
Beatrice, Edwin S., [redacted].
Begtrup, Robert O., [redacted].
Bobitt, John R., [redacted].
Bronshvag, Michael, [redacted].
Buckingham, Frank M., [redacted].
Butler, Melvin L., [redacted].
Cameron, Richard D., [redacted].
Chandrasekaran, Ankia, [redacted].
Chase, N. Bruce, [redacted].
Chipman, Martin, [redacted].
Clarke, David A., [redacted].
Cottingham, Andrew, [redacted].
Cuetter, Albert C., [redacted].
Cutting, John W., [redacted].
Daubek, Joseph L., [redacted].
Dunn, Bruce E., [redacted].
Freihofer, Erick J., [redacted].
Gehle, Don E., [redacted].
George, Eugene D., [redacted].
Gahed, Nasser, [redacted].
Gilbert, Robert F., [redacted].
Goette, Detlef K., [redacted].
Golosow, Nikolas, [redacted].
Gooding, Ronald S., [redacted].
Grabhorn, Larry L., [redacted].
Griffith, Jesse S., [redacted].
Hammond, James B., [redacted].
Handte, Robert E., [redacted].
Hect, Manfred H., [redacted].
Hill, John C., [redacted].
Hinckley, Marshall, [redacted].
Howard, Freeman I., [redacted].
Hull, Jan K., [redacted].
Johnson, Edward M., [redacted].
Kissack, Alfred S., [redacted].
Lawless, Oliver J., [redacted].
McCormick, Wilbur S., [redacted].
Owens, Bennett G., [redacted].
Powell, George K., [redacted].
Price, Herman L., [redacted].
Randall, James R., [redacted].
Ross, Robert F., [redacted].
Ruark, Sylvan R., [redacted].
Rumbaugh, James H., [redacted].
Scotti, Michael J., [redacted].
Servis, Hubert T., [redacted].
Slaughter, William, [redacted].
Smith, William A., [redacted].
Sokol, Robert J., [redacted].
Spence, Crumpton R., [redacted].
Sullivan, Dennis J., [redacted].
Thiessen, Jacob W., [redacted].
Treanor, John J., [redacted].
Vansant, Thomas E., [redacted].
Wartofsky, Leonard, [redacted].
Wheeling, James R., [redacted].
Williams, Troy H., [redacted].

MEDICAL CORPS

To be lieutenant colonel

Albers, David G., [redacted].
Alexander, Robert L., [redacted].
Allen, Roger K., [redacted].
Anderson, Arthur O., [redacted].
Anderson, Harry J., [redacted].
Andronaco, Joseph T., [redacted].
Arner, Mark C., [redacted].
Babcock, Terence L., [redacted].
Babcock, William H., [redacted].
Bales, James D., [redacted].
Barber, Frank A., [redacted].
Barron, Joseph B., [redacted].
Belville, William D., [redacted].
Benjamin, James R., [redacted].
Besanceney, Charles, [redacted].
Bikle, Daniel D., [redacted].
Bode, Robert F., [redacted].
Brearley, Charles B., [redacted].
Brodie, Donald E., [redacted].
Brown, Tommy J., [redacted].
Buntley, David W., [redacted].
Burgos, Victor L., [redacted].
Burman, Kenneth D., [redacted].
Byers, Norman T., [redacted].
Cabaud, Henry E., [redacted].
Carter, Jimmy M., [redacted].
Chulay, Jeffrey D., [redacted].
Clements, Thomas I., [redacted].
Cohen, Elliot S., [redacted].
Coleridge, Samuel T., [redacted].
Compton, Alan B., [redacted].
Courtney, Anthony W., [redacted].
Craner, Gregory E., [redacted].
Crim, David W., [redacted].
Cross, Alan S., [redacted].
Cruz, Pedro J., [redacted].
Curl, Walton W., [redacted].
Curley, William J., [redacted].
Curtis, David J., [redacted].
Dale, John A., [redacted].
Davis, Richard C., [redacted].
Davis, Robert A., [redacted].
Dean, Joe A., [redacted].
Deboer, John L., [redacted].
Dewitt, Ralph O., [redacted].
Dimler, Michael, [redacted].
Dixon, Kenneth E., [redacted].
Dodson, Jerry W., [redacted].
Done, Stephen L., [redacted].
Doty, Richard D., [redacted].
Duff, Arthur D., [redacted].
Duff, William P., [redacted].
Duke, Dean W., [redacted].
Dunagin, Percy E., [redacted].
Erdtmann, Frederick, [redacted].
Ersay, Ronald E., [redacted].
Evans, Gerald D., [redacted].
Fairchild, William, [redacted].
Fischer, Barton B., [redacted].
Fischer, Gerald W., [redacted].
Foley, John D., [redacted].
Freeley, Douglas A., [redacted].
Garcia, Victor F., [redacted].
Gluck, Franklin B., [redacted].
Goode, Jack A., [redacted].
Greenberg, David I., [redacted].
Gremillion, Daniel, [redacted].
Griffin, Robert F., [redacted].
Haburchak, David R., [redacted].
Hackett, Robert D., [redacted].
Harben, Douglas J., [redacted].
Hawkes, Thomas A., [redacted].
Haym, Jerome L., [redacted].
Heller, Paul B., [redacted].
Hill, Robert B., [redacted].
Hoefner, Victor C., [redacted].
Hopkins, Charles D., [redacted].
Huffaker, Ardath K., [redacted].
Hughes, Alan D., [redacted].
Jackson, Joseph L., [redacted].
Jackson, Joseph P., [redacted].
Johnson, John P., [redacted].
Jolley, John J., [redacted].
Kale, Milton P., [redacted].
Kaminski, Robert J., [redacted].
Kelley, William A., [redacted].
Kennell, Charles B., [redacted].
Kirchdoerfer, Richard, [redacted].
Knight, Christopher, [redacted].
Knight, Wade L., [redacted].
Knoll, Edward J., [redacted].
Knowles, Clarence R., [redacted].
Koontz, Clyde H., [redacted].
Kowalski, Michael K., [redacted].
Krober, Marvin S., [redacted].
Lambrecht, Robert W., [redacted].
Land, Garry A., [redacted].
Lasiewski, Richard, [redacted].
Lee, Howard M., [redacted].
Lee, Robert E., [redacted].
Lepore, Michael L., [redacted].
Lockett, Richard B., [redacted].
Logsdon, John R., [redacted].
Lubensky, Jack D., [redacted].
Madauss, William C., [redacted].
Markey, Keith L., [redacted].
Marsh, Wallace W., [redacted].
Maw, Gilbert M., [redacted].
McAuley, Robert A., [redacted].
McCowen, Karl D., [redacted].
McCurdy, John A., [redacted].
McDonald, William B., [redacted].
McKie, Virgil C., [redacted].
McMillen, Shannon M., [redacted].
McPhail, John F., [redacted].
Merves, Edward, [redacted].
Michalak, John C., [redacted].
Mihalko, Michael, [redacted].
Miller, Charles F., [redacted].
Moon, Michael R., [redacted].
Mortimer, Evan E., [redacted].
Musetti, Robert W., [redacted].
Nasim, Ali, [redacted].
Neal, Thomas F., [redacted].
Nessan, Vernon J., [redacted].
Nichols, Buddy R., [redacted].
Norris, Michael, [redacted].
Northington, James, [redacted].
Oetgen, William J., [redacted].
Ozer, Kerry J., [redacted].
Page, Myron E., [redacted].
Parker, John S., [redacted].
Pearl, William R., [redacted].
Peters, Clarence J., [redacted].
Pettett, Philip G., [redacted].
Peura, David A., [redacted].
Phillips, George L., [redacted].
Piacente, David A., [redacted].
Pittman, William B., [redacted].
Popejoy, Lou A., [redacted].
Prescott, Clinton E., [redacted].
Price, John C., [redacted].
Redmond, John III, [redacted].
Richardson, Stephen, [redacted].
Roberts, David W., [redacted].
Roberts, Donald L., [redacted].
Rogers, Jack A., [redacted].
Romash, Michael M., [redacted].
Rothouse, Lloyd S., [redacted].
Satava, Richard M., [redacted].
Saunders, John R., [redacted].
Sausker, William F., [redacted].
Savory, Carlton G., [redacted].
Schiff, Steven A., [redacted].
Sheridan, John L., [redacted].
Slay, Larry E., [redacted].
Slay, Robert D., [redacted].
Smallridge, Robert, [redacted].
Smith, Charles E., [redacted].
Smith, Drew H., [redacted].
Smith, Franklin R., [redacted].
Smith, James D., [redacted].
Smith, Steven R., [redacted].
Snare, Robert W., [redacted].
Solomon, Howard D., [redacted].
Soule, Thomas I., [redacted].
Stevens, Dennis L., [redacted].
Stransky, Alan J., [redacted].
Stromeyer, Frederick, [redacted].
Sutherland, William, [redacted].
Suttle, David E., [redacted].
Sutton, Ernest L., [redacted].
Sweet, Ross B., [redacted].
Thompson, Kerry J., [redacted].
Thrush, Lawrence B., [redacted].
Toews, Warren H., [redacted].
Traylor, John A., [redacted].
Treece, Gary L., [redacted].
Tri, Terry B., [redacted].
Tuer, William F., [redacted].
Turella, Giorgio S., [redacted].
Vanek, David V., [redacted].
Vonk, Harold, [redacted].
Washburn, Michael E., [redacted].
Whitley, John C., [redacted].
Wilson, Lynnford S., [redacted].
Wilson, Torrence M., [redacted].
Wittich, Arthur C., [redacted].
Woods, Monty, [redacted].
Yoon, Katherine C., [redacted].
Youngblood, Lloyd A., [redacted].

IN THE ARMY

The following-named officer for promotion in the Regular Army of the United States, under the provisions of title 10, United States Code, section 4336:

ARMY PROMOTION LIST

To be colonel

Prince, Howard T. II, [redacted].

The following-named officers for promotion in the Army of the United States, under the provisions of title 10, United States Code, sections 3442 and 3447:

ARMY PROMOTION LIST

To be colonel

Ady, Samuel J. [redacted].
Akin, Havis D [redacted].
Allen, David J. [redacted].
Ambrosino, Richard, [redacted].
Antross, Richard C., [redacted].
Arnold, Bruce D., [redacted].
Aschliman, Edward L., [redacted].
Bachmann, Robert R., [redacted].
Bagdanov, James L., [redacted].
Baker, David G [redacted].
Baldwin, Richard B., [redacted].
Barkley, William A., [redacted].
Barnebey, Hoyt W., [redacted].
Barnes, Jimmie E., [redacted].
Barrett, Robert C., [redacted].
Bartlett, William E., [redacted].
Bauchspies, Richard, [redacted].
Becker, Ronald C., [redacted].
Beckman, Charles H., [redacted].
Bedsole, William K., [redacted].
Bell, William E., [redacted].
Bergson, Richard W., [redacted].
Betters, Richard B. [redacted].
Beyer, Eugene A. [redacted].
Bisch, Frederick R., [redacted].
Bivings, Donald E., [redacted].
Black, Calvin D. [redacted].
Blume, Geoffrey E. [redacted].
Boddie, Raymond B., [redacted].
Bohn, Raymond J., [redacted].
Bosway, Stephen G., [redacted].
Boyd, Thomas G., [redacted].
Boyle, Ernest W., [redacted].
Brock, Donald E., [redacted].
Brown Joseph E., [redacted].
Brown, Roy E., [redacted].
Budge, Larry D., [redacted].
Buff, Max L., [redacted].
Bunting, Roger C., [redacted].
Burleson, Willard M., [redacted].
Burrow, George D., [redacted].
Bushyhead, Edward R., [redacted].
Butler, Robert W., [redacted].
Butts, Orville N., [redacted].
Bynam, Holland E., [redacted].
Callahan, Donald J., [redacted].
Campbell, Donald M., [redacted].
Carlisle, Alan R., [redacted].
Chandler, Fitzhugh, [redacted].
Chick, Edward E., [redacted].
Chunn, Don C., Jr., [redacted].
Clark, Bernard J., [redacted].
Clarke, Edward F., [redacted].
Clement, L. W., Jr., [redacted].
Clewell, Robert M., [redacted].
Coats, John I., [redacted].
Collins, Samuel P., [redacted].
Conlon, John F. [redacted].
Cook, Billy G., [redacted].
Cooper, Robert A., [redacted].
Craddock, Nicholas, [redacted].
Craven, Ronald E., [redacted].
Crawford, Clydie J., [redacted].
Crofford, Clifford, [redacted].
Crossley, Ross W., [redacted].
Crum, Raymond H., [redacted].
Crump, Roger L., [redacted].
Culbertson, Jerome, [redacted].
Cummins, William, Jr., [redacted].
Curbow, Gerald D., [redacted].
Davis, Paris D., [redacted].
Davis, Robert E., [redacted].
Davis, Wayne B., [redacted].
Deshler, Robert C., [redacted].
Devens, John W., [redacted].
Devereaux, Alfred B., [redacted].
Distefano, Herbert, [redacted].
Doyle, Verne L., [redacted].
Dramis, George J., [redacted].
Duker, Robert P., [redacted].
Duncan, Wayne M., [redacted].
Durant, John J., [redacted].
Eads, Hugh F., [redacted].
Elliott, Artice W., [redacted].
Everett, James W., [redacted].
Feeney, Gerald F. [redacted].
Fields, Harold T., [redacted].
Fields, Harvey R., [redacted].
Fiely, Linus H. [redacted].
Fitzgerald, William, [redacted].
Flynn, William S., [redacted].
Fraker, William W., [redacted].
Frazier, Robert J., [redacted].
French, Uri S., III, [redacted].
Frick, James A., [redacted].
Friend, Bernard D., [redacted].
Friend, Stephen G., [redacted].
Fry, James R., [redacted].
Furney, Robert M., [redacted].
Ganey, William G., [redacted].
Gardner, William H., [redacted].
Giallourakis, Bill, [redacted].
Gibson, Gwen, [redacted].
Gillem, Richard D., [redacted].
Goetzke, George R., [redacted].
Goncz, Joseph P. [redacted].
Goodenough, Fred W., [redacted].
Gordy, Terry L., [redacted].
Gorman, Thomas P., [redacted].
Gracey, Hugh W., [redacted].
Graf, William S., [redacted].
Graves, Howard D., [redacted].
Green, Thomas E., [redacted].
Greenfield, Bennett, [redacted].
Griffiths, Richard, [redacted].
Griggs, Carlvin J., [redacted].
Groves, John E., [redacted].
Guldner, Francis J., [redacted].
Haan, Philip J., [redacted].
Hackley, Frank W., [redacted].
Haddock, Raymond E., [redacted].
Hagan, Craig A., [redacted].
Halleran, Kenneth E., [redacted].
Haltiner, Robert G., [redacted].
Hammond, Leroy D., [redacted].
Harrington, Wayne C., [redacted].
Harris, Henry L., [redacted].
Harrison, Henry L., [redacted].
Hartman, Donald F., [redacted].
Hayton, Samuel L., [redacted].
Hefford, Robert A., [redacted].
Hehemann, George J., [redacted].
Heinlein, Joseph J., [redacted].
Heizmann, William A., [redacted].
Heneman, Allen S., [redacted].
Hennigan, William J., [redacted].
Herren, John D., [redacted].
Higgins, Paul J., [redacted].
Hightower, Louis V., [redacted].
Hipps, Gary W., [redacted].
Hoffman, Lawrence W., [redacted].
Holbrook, Jack H., [redacted].
Holland, Gerald R., [redacted].
Holmberg, Bruce P., [redacted].
Holmes, Frederick S., [redacted].
Holroyd, Donald E., [redacted].
Horn, Robert C., [redacted].
Horton, Edward J., [redacted].
Hruby, Dale E., [redacted].
Hudak, Robert J., [redacted].
Hudson, Dewitt H., [redacted].
Hughes, Robert K., [redacted].
Hull, Robert L., [redacted].
Hunt, Gordon M., [redacted].
Huton, Cuthbert P., [redacted].
Hyman, Stanley H., [redacted].
Iori, Richard A., [redacted].
Irish, Kenneth M., [redacted].
Irwin, Carl H., [redacted].
Isacco, Michael D., [redacted].
Ivey, Herman V., [redacted].
Jackson, Walter W., [redacted].
Jaco, Neal T., [redacted].
Jarock, Norman E., [redacted].
Jaschen, Daryl G., [redacted].
Johnson, Chester F. [redacted].
Johnson, Edward M., [redacted].
Johnson, Gaylon L., [redacted].
Johnson, James H., [redacted].
Jones, Otis D., [redacted].
Kammer, Herman C., [redacted].
Kanarowski, Stanley, [redacted].
Kaufman, Raymond, Jr., [redacted].
Kavanaugh, Paul F., [redacted].
Kensler, Jesse W., [redacted].
Kilpatrick, Thomas, [redacted].
Kimura, Kay S., [redacted].
King, Edwin C., [redacted].
King, James H., Jr., [redacted].
Kirk, Louis D., [redacted].
Koreski, Rolland A., [redacted].
Kraus, John H. [redacted].
Kromer, William S., [redacted].
Kusek, Leonard J., [redacted].
Laabs, Robert G. [redacted].
Ladd, Eddie B., [redacted].
Lambo, Jerry D., [redacted].
Ledford, Jerry G., [redacted].
Leland, Edwin S., [redacted].
Lillie, Warren T., [redacted].
Little, Carl, [redacted].
Little, Milton L., [redacted].
Llewellyn, Marvin D., [redacted].
Lorimier, Joseph M., [redacted].
Loudermilk, Roy L., [redacted].
Lunde, Henrik O., [redacted].
Lundgren, Duwayne C., [redacted].
Maddox, David M., [redacted].
Marecek, George, [redacted].
Marsh, Nelson L., [redacted].
Martin, Bruce A., [redacted].
Mayes, Floyd B., [redacted].
McAdams, Michael C., [redacted].
McConnell, Gerald B., [redacted].
McDonald, Francis W. [redacted].
McMahon, James E., [redacted].
McManus, James T., [redacted].
McMillan, Druery C., [redacted].
McVeigh, Andrew J., [redacted].
Megna, Joseph J., [redacted].
Menefee, William P., [redacted].
Miller, Andrew J., [redacted].
Miller, Billy F., [redacted].
Mize, Ola L., [redacted].
Mondok, Robert R., [redacted].
Moore, Bobby L., [redacted].
Moore, James W., [redacted].
Moraski, Leon K., [redacted].
Morin, Raymond J., [redacted].
Morris, Alva J., [redacted].
Morris, David L., [redacted].
Moss, Robert E., [redacted].
Mullen, William J., [redacted].
Naber, Elmer W., [redacted].
Nadal, Ramon A., [redacted].
Nakajo, Mas M., [redacted].
Newell, Edward W., [redacted].
Nix, Crispus C., [redacted].
Norris, Kenneth S., [redacted].
Oelberg, Kermit N., [redacted].
Offringa, Peter J., [redacted].
Olson, Frederick N., [redacted].
Olson, Gloria A., [redacted].
Otstott, Charles P., [redacted].
Paddock, Alfred H., [redacted].
Palmer, Arthur N. [redacted].
Parker, David M., [redacted].
Peate, Laurence R. [redacted].
Phillips, Don, [redacted].
Pistone, Ronald A., [redacted].
Polo, Richard J., [redacted].
Potamos, Christ F., [redacted].
Poteat, James D., [redacted].
Pressley, Ancil R., [redacted].
Prewitt, Herbert F., [redacted].
Price, Roy C., [redacted].
Pryor, Philip A., [redacted].
Rafferty, Joseph V., [redacted].
Rambo, James E., [redacted].
Reese, Thomas D., [redacted].
Reimer, Dennise J., [redacted].
Renzi, Eugene C., [redacted].
Revels, James W., [redacted].
Reynard, Richard L., [redacted].
Reynolds, Robert M., [redacted].
Richardson, Charles, [redacted].
Roberts, Birchard R., [redacted].
Rodriguez, Joseph C., [redacted].
Rosendahl, Richard, [redacted].
Rundle, Ralph T., [redacted].
Russell, Richard R., [redacted].
Rutherford, Frank E., [redacted].
Saling, Neil E., [redacted].
Salmonsen, Peter C., [redacted].
Satterthwaite, George, [redacted].
Saunders, Richard G., [redacted].
Savage, Leslie H., [redacted].
Schrader, Frederick, [redacted].
Sedgwick, Clyde N., [redacted].
Serpico, Frank L., [redacted].

Shrader, Cecil L., [redacted].
Simmons, James L., [redacted].
Sisak, James C., [redacted].
Slater, Paul A., [redacted].
Slofer, Bernard P., [redacted].
Smart, Donald L., [redacted].
Smith, Duane N., [redacted].
Smith, Walter M., [redacted].
Smits, Robert G., [redacted].
Somerville, Paul F., [redacted].
Soriano, Feliciano, [redacted].
Speairs, Phillip M., [redacted].
Stanford, John H., [redacted].
Steger, George F., [redacted].
Stockhausen, William, [redacted].
Strickler, William, [redacted].
Stromberg, Peter L., [redacted].
Stubbs, Frederic H., [redacted].
Summers, Harry G., [redacted].
Swann, Roscoe A., [redacted].
Tademy, Dudley L., [redacted].
Tait, Thomas H., [redacted].
Teague, Charles A., [redacted].
Tear, Harry R., [redacted].
Tedesco, John J., [redacted].
Telfer, Jon R., [redacted].
Tengan, James T., [redacted].
Thiede, Alfred J., [redacted].
Thomas, Edward J., [redacted].
Thomas, Richard J., [redacted].
Thompson, David E., [redacted].
Thompson, George H., [redacted].
Trumbull, Hugh H., [redacted].
Tucker, Everette L., [redacted].
Tyanich, Peter, [redacted].
Vockery, William L., [redacted].
Wagg, Robert A., [redacted].
Walker, Costelle B., [redacted].
Walton, Warren J., [redacted].
Ward, William A., [redacted].
Weckel, Edward C., [redacted].
Wesley, Clemon H., [redacted].
Wilkins, Jesse B., [redacted].
Wilson, Gordon E., [redacted].
Wilson, William D., [redacted].
Winzurk, William F., [redacted].
Wood, Nelson V., [redacted].
Wunder, William H., [redacted].
Yaun, William W., [redacted].
Zirkle, Michael N., [redacted].

CHAPLAIN CORPS

To be colonel

Beaver, Reinard W., [redacted].
Bell, Arthur F., [redacted].
Brandt, Richard A., [redacted].
Courtney, Ocie I., [redacted].
Darcy, Richard L., [redacted].
Dryer, Richard E., [redacted].
Jernigan, Duie R., [redacted].
Meier, Max E., [redacted].
Moore, Jesse W., [redacted].
Nosser, Joseph C., [redacted].
Nunemaker, Harold E., [redacted].
Peacock, William L., [redacted].
Reswick, George V., [redacted].
Speitel, Edmond J., [redacted].
Tolbert, Carl E., [redacted].

JUDGE ADVOCATE CORPS

To be colonel

Adams, Allen D., [redacted].
Andrews, Thomas T., [redacted].
Fugh, John L., [redacted].
Henson, Hugh E., Jr., [redacted].
Lasseter, Earle F., [redacted].
Loftus, Martin R., [redacted].
Mooneyham, John A., [redacted].
Mowry, Richard E., [redacted].
Oroark, Dulaney L., [redacted].
Raby, Kenneth A., [redacted].
Ryker, George C., [redacted].
Scheff, Richard P., [redacted].
Suter, William K., [redacted].
Thornock, John R., [redacted].
Tichenor, Carroll J., [redacted].
Tracy, Curtis L., [redacted].
Wasinger, Edwin P., [redacted].
Witt, Jerry V., [redacted].
Wold, Pedar C., [redacted].

MEDICAL SERVICE CORPS

To be colonel

Adcock, Bobby R., [redacted].
Edwards, Lewis M., [redacted].
Erickson, Duane G., [redacted].
Fields, Robert E., [redacted].
Hatfield, Earl P., [redacted].
Hawkins, Sanders F., [redacted].
Herndon, Joseph E., [redacted].
Jung, Paul T., [redacted].
Kleber, Robert E., [redacted].
Koch, Joseph L., [redacted].
McDermott, Frank E., [redacted].
McMahon, Robert P., [redacted].
Moore, Douglas E., [redacted].
Naylor, Donald L., [redacted].
Ohaver, Donald R., [redacted].
Pitchford, Thomas L., [redacted].
Sperandio, John R., [redacted].
Turner, James G., [redacted].
Vann, Lawrence K., [redacted].

ARMY MEDICAL SPECIALIST CORPS

To be colonel

Graziano, Joan M., [redacted].
Hall, Mary S., [redacted].
Johnson, James E., [redacted].
Landen, Betty R., [redacted].
Layne, Dorothea F., [redacted].
Lofton, William Jr., [redacted].
Mack, Margaret M., [redacted].
Ozburn, Mary S., [redacted].

VETERINARY CORPS

To be colonel

Davidson, David E., [redacted].
Farris, Richard D., [redacted].
Hagberg, Mylo M., [redacted].
Vanzytveld, William, [redacted].

ARMY NURSE CORPS

To be colonel

Adams, Clara L., [redacted].
Dougherty, Thomas J., [redacted].
Gorman, Carole A., [redacted].
Horan, Mary T., [redacted].
Murray, John L., [redacted].
Nurse, Joyce J., [redacted].

ARMY PROMOTION LIST

To be lieutenant colonel

Consolo, Joseph L., [redacted].
Deryck, John L., [redacted].
Flanigan, Desmond W., [redacted].
George, Robert C., [redacted].
Goff, Robert C., [redacted].
Henderson, Thyrone L., [redacted].
Houle, John L., [redacted].
Jeffrey, Jerry R., [redacted].
Kroll, Gerald, [redacted].
Mark, Michale E., [redacted].
Wandke, Richard D., [redacted].
Williams, James E., [redacted].

MEDICAL SERVICE CORPS

To be lieutenant colonel

Hawkins, Joseph W., [redacted].

The following-named officers for promotion in the Regular Army of the United States, under the provisions of title 10, United States Code, sections 3284 and 3299:

ARMY PROMOTION LIST

To be captain

Aurentz, Forrest W., [redacted].
Beard, Casey F., [redacted].
Compton, William M., [redacted].
Crader, John W., [redacted].
Dierker, Charles J., [redacted].
Doerr, Gunther E., [redacted].
Edwards, John E., [redacted].
Gant, Charles L., Jr., [redacted].
Gayle, Timothy J., [redacted].
Goodrich, John H., [redacted].
Ihara, Sheldon K., [redacted].
Izzo, Leonard A., [redacted].
Madden, James E., [redacted].
Maher, Edward R., [redacted].
Mandro, Theodore J., III, [redacted].
Perry, William B., [redacted].
Pugh, William H., Jr., [redacted].
Sommerfeld, Paul R., [redacted].
Speicher, Lana K., [redacted].

JUDGE ADVOCATE CORPS

To be captain

Butt, William J., II, [redacted].
Martin, Robert W., [redacted].
St. Amand, Gerald A., [redacted].

IN THE ARMY

The following-named officers for promotion in the Reserve of the Army of the United States, under the provisions of title 10, United States Code, sections 3370 and 3383:

ARMY PROMOTION LIST

To be colonel

Ackerman, Carl W., [redacted].
Adams, Don T., [redacted].
Adams, Donald L., [redacted].
Adams, Edmund I., [redacted].
Adams, James E., [redacted].
Adreon, Merton I., [redacted].
Agan, Eugene F., Jr., [redacted].
Aguiar, Antone S., [redacted].
Aiken, William R., Jr., [redacted].
Allen, Edward R., [redacted].
Allen, Kenneth P., [redacted].
Allen, Robert L., [redacted].
Allgood, Reginald F., [redacted].
Allred, Warren D., [redacted].
Althouse, Howard W., [redacted].
Amador, Julian W., [redacted].
Andersh, Laverne, [redacted].
Anderson, Delonne, [redacted].
Anderson, Douglas F., [redacted].
Anderson, Harold K., [redacted].
Anderson, Henry A., [redacted].
Anderson, Howard D., [redacted].
Anderson, Johnny D., [redacted].
Anderson, Kenneth B., [redacted].
Anderson, Matthew R., [redacted].
Anderson, Richard A., [redacted].
Anderson, William D., [redacted].
Andrews, Jessie M., [redacted].
Andrews, William E., [redacted].
Annette, William H., [redacted].
Anthony, James G., [redacted].
Arakawa, Shojiro, [redacted].
Arcuri, Rosario V., [redacted].
Arlook, Martin M., [redacted].
Armstrong, Richard, [redacted].
Arnold, Norman T., [redacted].
Artz, Dale E., [redacted].
Atkinson, Dean M., [redacted].
Atkinson, John C., [redacted].
Aviles, Dionel E., [redacted].
Axe, Norman, [redacted].
Babb, Philip E., [redacted].
Badders, Richard G., [redacted].
Badger, Daniel D., [redacted].
Baggett, Jimmy D., [redacted].
Bailey, David E., [redacted].
Bailey, Douglas A., [redacted].
Bajer, John M., [redacted].
Balch, Bruce L., [redacted].
Baltimore, Sol P., [redacted].
Banks, Robert C., [redacted].
Banta, George C., [redacted].
Barker, Joseph H., [redacted].
Barker, William J., [redacted].
Barlow, Anthony H., [redacted].
Barnes, Carl A., [redacted].
Barnett, Walter L., [redacted].
Barrett, Billy G., [redacted].
Barrett, Ronald E., [redacted].
Barringer, John L., [redacted].
Barton, William C., [redacted].
Bass, David A., [redacted].
Bateman, Glendon H., [redacted].
Bates, Harold G., [redacted].
Baugh, Edward L., [redacted].
Baumgartner, Edward, [redacted].
Beall, Michael H., [redacted].
Beariault, Douglas G., [redacted].
Beaulieu, Gerard J., [redacted].
Beaumont, Richard J., [redacted].
Bedard, Norman L., [redacted].
Beers, Ray, Jr., [redacted].
Behnke, Ervin F., [redacted].
Belken, Donald C., [redacted].

Bell, James D., [redacted].
Bell, Raymond L., [redacted].
Bell Richard, [redacted].
Bella, Daniel E., [redacted].
Bellman, Lawrence M., [redacted].
Bengston, Donald W., [redacted].
Berestecky, B., [redacted].
Bergamini, Frank C., [redacted].
Bergey, Hans T., [redacted].
Bernard Richard T., [redacted].
Bernick, Herbert J., [redacted].
Berry, David A. [redacted].
Berryman, William C., [redacted].
Bertsch, Leroy L., [redacted].
Beumer, Joseph H., [redacted].
Bibiloni-Homar, J., [redacted].
Biediger, Paul N., Jr., [redacted].
Bilbrey, Thurman H., [redacted].
Biller, Lester C., [redacted].
Bishop, Lawrence H., [redacted].
Bishop, Ronald E., [redacted].
Blanchfield Thomas, [redacted].
Bland, Lester, [redacted].
Blau, Ronald A., [redacted].
Bobo, William S., Jr., [redacted].
Bockelman, Alfred J., [redacted].
Bodron, Margaret M. [redacted].
Bond, Jay R., [redacted].
Bonnis, Charles J., [redacted].
Bookout, John G. [redacted].
Borum, Charles J., [redacted].
Bostick, Allen L., [redacted].
Bostwick, Maurice G., [redacted].
Bourne, Darden J., [redacted].
Bowen, George W., [redacted].
Bowman, Peter W., [redacted].
Bowman, Thomas M., [redacted].
Boyd, Frank E., [redacted].
Boyle, James S., [redacted].
Brackeen, Charles D., [redacted].
Bradley, Orren P., [redacted].
Bradley, William G., [redacted].
Brady, Joseph T., [redacted].
Braund, Richard I., [redacted].
Brauner, Clarence J. [redacted].
Brause, Paul R., [redacted].
Breazzano, James, [redacted].
Breneman Robert W., [redacted].
Brett, Charles E., [redacted].
Brewster, A. J., III, [redacted].
Bridges, William E., [redacted].
Brinkley, Carson M. [redacted].
Britt, Dudley H., [redacted].
Brock, Leroy C., Jr. [redacted].
Bronocco, Dick, [redacted].
Bronson, George A., [redacted].
Brooks, Joseph H., [redacted].
Brooks, William D. [redacted].
Brough, Charles W., [redacted].
Broughton, Herbert, [redacted].
Brown, Benny J., [redacted].
Brown, Frederick C., [redacted].
Brown, George L., [redacted].
Brown Gordon G., [redacted].
Brown, Harold S., Jr., [redacted].
Brown, Jack C., [redacted].
Brown, Richard B., [redacted].
Brown, Stephen M., [redacted].
Brown, Thomas E., [redacted].
Brusino, Francis B., [redacted].
Bryan, Ronald M., [redacted].
Bryant, Arthur R., Jr., [redacted].
Bryson, Thomas J., [redacted].
Buchan, James D., [redacted].
Buck, Robert H., [redacted].
Buell, Donald E., [redacted].
Buffone, Frank H., [redacted].
Buggy, James R., [redacted].
Burcham, Thomas H., [redacted].
Burchill, Kenneth Q., [redacted].
Burke, John L., [redacted].
Burkett, William E., [redacted].
Burnette, Luther, [redacted].
Buskey, Ulysses, [redacted].
Buteau, Robert T., [redacted].
Calhoun, Evans C., [redacted].
Cameron, Booker T., [redacted].
Camp, Leon R., [redacted].
Campbell, Glenden D., [redacted].
Capellen, Earle M. V., [redacted].
Cappelluti, Maurice, [redacted].
Carew, William L., [redacted].
Carlisle, Harold W., [redacted].
Carlson, Edwin S., [redacted].
Carnes, Charles N., [redacted].
Carpenter, Eugene H., [redacted].
Carr, Francis F., Jr., [redacted].
Carr, John W., [redacted].
Carrouth, Stewart J., [redacted].
Cartafalsa, John B., [redacted].
Carter, John P., [redacted].
Carville, Linwood L., [redacted].
Casey, Patrick A., [redacted].
Caso, Adolph, [redacted].
Cawley, William O., [redacted].
Chamberlain, Robert, [redacted].
Champion, Jasper K., [redacted].
Chandler, Carl E., [redacted].
Chandler, James G. J., [redacted].
Chapman, David J., [redacted].
Charles, Russell D., [redacted].
Chastain, Richard L., [redacted].
Cheney, Melvin J., [redacted].
Cherberg, Clyde R., [redacted].
Chesnutt, John L., [redacted].
Chin, Thomas, [redacted].
Church, Clifton F., [redacted].
Cioffi, Frederick T., [redacted].
Clark, Francis M., [redacted].
Clark, James R., [redacted].
Clark, John P. [redacted].
Clarke, Ellsworth S., [redacted].
Clay, Brent A., [redacted].
Claybrook, Linden D. [redacted].
Clayton, Lawrence G. [redacted].
Clemens, Gerald O., [redacted].
Clement, Daniel G., [redacted].
Clement, Ralph H., [redacted].
Clysdale, Edward G., [redacted].
Coates, Allan R., Jr., [redacted].
Coates, George M., Jr. [redacted].
Cockett, Irwin K., Jr. [redacted].
Cofsky, Frank J. [redacted].
Cohen, Victor L., [redacted].
Coker, Larry G., [redacted].
Colafrancesco, R., [redacted].
Coleman, Vance, [redacted].
Collins, James R. [redacted].
Collins, Paul G. [redacted].
Collins, Thomas E. [redacted].
Comparato, Frank E., [redacted].
Comte, A. J., Jr., [redacted].
Condon, Frank E., [redacted].
Conlon, Kenneth F., [redacted].
Conn, Charles G., [redacted].
Conneely, Joseph J., [redacted].
Cope, Ross N. [redacted].
Corbell, Charles D., [redacted].
Corbitt, Herman H., [redacted].
Cornaire, Lee P., [redacted].
Corral, John T., [redacted].
Corrigan, Robert J., [redacted].
Costa, Louis E., [redacted].
Cotter, Chester F., [redacted].
Cotton, Fred A., [redacted].
Courtney, Garvin, [redacted].
Cowan, Donald, [redacted].
Cox, Edwin, [redacted].
Cozzens, Charles R., [redacted].
Craig, Joe W., [redacted].
Craig, Leon D. [redacted].
Crair, Morton L., [redacted].
Cramer, John J., [redacted].
Crawford, John P., [redacted].
Crockett, Wendell R., [redacted].
Crofoot, Warren R., [redacted].
Cross, Howard P. [redacted].
Cross, Julian F., [redacted].
Culbertson, James G., [redacted].
Cullum, William D., [redacted].
Cumbee, Carroll F., [redacted].
Cuthbert, Peter W., [redacted].
Dalche, Richard J., [redacted].
Dale, Clifford H., [redacted].
Dale, William S., [redacted].
Daniel, Don O., [redacted].
Daniel, James R., [redacted].
Danko, John G., Jr., [redacted].
Dansby, Billy D., [redacted].
Dapena, Ramon, Jr., [redacted].
Darling, Ivan R., [redacted].
Davis, Charles D., [redacted].
Davis, Ollie, Jr., [redacted].
Dawson, Robert W., [redacted].
Deal, Clifford M., [redacted].
Dean, Wilson P., [redacted].
Deane, Howard D., [redacted].
Dearing, James H., [redacted].
Dechert, Robert C., [redacted].
Dechter, Brian H., [redacted].
Decker, Gilbert F., [redacted].
Delgianni, James L., [redacted].
Derbis, Albin B., [redacted].
Dethorne, Richard F., [redacted].
Detjen, James E., [redacted].
Diggins, John J., [redacted].
Dilts, Robert L., [redacted].
Dimke, Robert L., [redacted].
Dimmick, Paul V., Jr., [redacted].
Din, Jack H., [redacted].
Diss, William T., Jr., [redacted].
Dodd, Robert E. [redacted].
Dodge, Galen W. [redacted].
Donaldson, Walter, [redacted].
Donnelly, William L., [redacted].
Donohue, Donald J. J., [redacted].
Doody, Lee A., Jr., [redacted].
Dorsey, Kenneth E., [redacted].
Douglas, George W., [redacted].
Douglas, James R., [redacted].
Douglass, Harry S., [redacted].
Douthit, Floyd, [redacted].
Doyel, Henry A., [redacted].
Doyle, Verne L., [redacted].
Drennon, Charles C., [redacted].
Drews, Frederick R. [redacted].
Dunn, Wesley A., [redacted].
Dupont, Leland L., [redacted].
Durham, Courtney B., [redacted].
Eads, Ray A., [redacted].
Eanes, Moir E., [redacted].
Eckhardt, Walter, [redacted].
Edgett, William T [redacted].
Edwards, Mary E., [redacted].
Ehrlich, Addison C. [redacted].
Eickhoff, Leo E., Jr., [redacted].
Eldridge, Jack A., [redacted].
Engel, Frederick W. [redacted].
Engelage, R. W., Jr., [redacted].
Engle, Robert B., [redacted].
Ernst, Jerome W., [redacted].
Esslinger, Albert R., [redacted].
Estermyer, Charles, [redacted].
Evans, Charles G., [redacted].
Evans, Richard, [redacted].
Ewald, James C., [redacted].
Ewing, Jack E., [redacted].
Fabi, Mario, [redacted].
Faiola, John A., [redacted].
Farmer, Robert P., [redacted].
Farmer, Thomas D., [redacted].
Fasolino, Rosario P., [redacted].
Fastabend, Robert E., [redacted].
Faust, Donald J., [redacted].
Ferroli, Robert J., [redacted].
Ficken, Harry A., Jr., [redacted].
Finch, Charles H., [redacted].
Fischer, Alden J. [redacted].
Fischer, John G., [redacted].
Fischer, Robert T., [redacted].
Fitzmaurice, John J., [redacted].
Fleming, Samuel E. J., [redacted].
Flippen, Robert J., [redacted].
Follett, Don H., Jr., [redacted].
Fong, Albert C., [redacted].
Fontanilla, James E., [redacted].
Ford, John J., [redacted].
Foster, Herman, [redacted].
Fouts, Daniel W., [redacted].
Franklin, Chester A., [redacted].
Fraser, Olen G., [redacted].
Freeman, Darold R., [redacted].
Freeman, Dirk B., [redacted].
Freytag, Elizabeth, [redacted].
Frye, William V., [redacted].
Fullerton, Ralph O., [redacted].
Gabriel, Anthony J., [redacted].
Gahres, Frederick L., [redacted].
Galloway, Joseph E., [redacted].
Galvin, John L., [redacted].
Gambrell, Samuel C., [redacted].
Gates, Philip W., [redacted].
Geiglein, John E., [redacted].

Genovese, Peter E., [redacted].
Gibbs, Rollyn C. [redacted].
Gilbert, Robert S., [redacted].
Gill, David M., [redacted].
Gillham, Coral E., Jr., [redacted].
Glaser, Robert E., [redacted].
Glasscock, Loren T., [redacted].
Godbold, Edward L. [redacted].
Godman, Robert C., [redacted].
Goebel, Werner W., [redacted].
Goodson, Ralph L., [redacted].
Gordon, Johnnie W., [redacted].
Gorski, Chester E., [redacted].
Grass, Lucian J., [redacted].
Gray, Joseph, [redacted].
Grayson, Webster D., [redacted].
Greco, Gerard F., [redacted].
Griffin, Hal C., [redacted].
Griffiths, Doyle B., [redacted].
Grimes, Walter H., [redacted].
Guard, Bruce C., [redacted].
Gucker, Richard A., [redacted].
Gulley, Harvey G., [redacted].
Gutzwiller, Clyde E., [redacted].
Haley, Richard H., [redacted].
Hall, Harry H., [redacted]
Hammond, Rudolph E., [redacted]
Hansen, Harry S., Jr., [redacted]
Hapgood, Kenneth D., [redacted]
Hardesty, Lee W., [redacted].
Hardy, Morris S. [redacted].
Harrell, Benjamin C., [redacted].
Harrington, Peter T., [redacted].
Hartsook, Richard M., [redacted].
Hawkins, Averill E., [redacted].
Hawley, William C., [redacted].
Haygood, J. R., [redacted].
Hehrer, Richard L., [redacted].
Heintz, Robert B., [redacted]
Henderson, Lee A. [redacted].
Henderson, Raymond, [redacted]
Hennessy, Richard F., [redacted]
Hensley, Arvel S., [redacted].
Herndon, Jesse L., [redacted].
Heseman, Virginia L., [redacted]
Heuer, David A., [redacted]
Hickman, Ralph E., [redacted].
Higgins, Bryan B., [redacted].
Hill, Ray J., [redacted].
Hill, Robert L., [redacted].
Hirst, Herbert L., [redacted].
Hoar, Joseph V., [redacted].
Hobberlin, John W., [redacted].
Hobbs, John A., [redacted].
Hodgson, Joseph M., [redacted].
Holder, Bill G., [redacted]
Holland, Henry M., [redacted].
Holland, John K., [redacted].
Holm, Jerry L., [redacted].
Hoover, Darrell V., [redacted].
Hopkins, James B., [redacted].
Hopkins, Robert F., [redacted].
Howe, David W., [redacted].
Hubbard, William S., [redacted].
Huber, James J., [redacted].
Hughes, Francis A., [redacted]
Hughes, Harry S., [redacted].
Hunt, Carroll E., [redacted].
Huntington, Robert, [redacted].
Hurlebaus, John F., [redacted].
Hurt, Verner G., [redacted].
Hutchison, Thomas E., [redacted]
Huxster, William T., [redacted].
Hyams, Harry T., [redacted].
Iverson, Clark M., [redacted].
Jackson, John R., [redacted].
Jackson, Merwyn L., [redacted].
Jackson, Ray L., [redacted].
Jacobson, Reginald C., [redacted].
Jamieson, W. M., [redacted].
Jensen, Ronald S., [redacted].
Johnson, Arthur J., [redacted].
Johnson, Raymond T., [redacted].
Johnsonclayton, B., [redacted].
Johnston, Alan A., [redacted].
Johnston, Frederick, [redacted].
Jones, Raymond L., [redacted].
Jones, Stanley C., [redacted].
Jones, Thomas R., Jr., [redacted].
Josten, Jerry J., [redacted]
Kauma, Eric E., [redacted].

Kennard, Russell L., [redacted].
Kimura, Shigeo, [redacted].
King, Dwight E., [redacted].
Kinnison, Jimmie G., [redacted]
Kirchner, Harry F. [redacted].
Kirkpatrick, Joseph, [redacted].
Kitts, John S. [redacted].
Kloppenburg, Gary C., [redacted].
Knapp, John W., [redacted].
Kohlkoff, Karl F. [redacted].
Kotulan, Adolph F. [redacted]
Kreegar, William E., [redacted].
Kruger, Donald G. [redacted].
Kuchnia, John E., [redacted].
Kuhnel, Edward E., [redacted].
Kurz, Ralph E. [redacted].
La Ha, Troy D. [redacted]
Lamphere, Howard W., [redacted]
Land, James R. [redacted].
Lander, James A., [redacted].
Lander, Richard J., [redacted].
Landis, William B. [redacted].
Lane, Marion A. [redacted].
Lanier, Jack D. [redacted].
Lantz, James W. [redacted].
Larsen, Arthur M., [redacted].
Laufe, David M., [redacted].
Leacy, John J. [redacted].
Lee, Haydn C. [redacted]
Leishman, Homer M., [redacted]
Leister, Harold D., [redacted].
Leonardi, Thomas J., [redacted].
Leone, Peter A. [redacted].
Liberty, Charles P., [redacted].
Liebert, Richard W., [redacted].
Lilly, Thomas A., [redacted].
Liprie, Sam F., [redacted]
Loewus, Franklin A., [redacted].
Loftus, Thomas D., [redacted].
Lohr, Atwell C., [redacted].
Losekamp, Bernard F., [redacted]
Lovett, James C. [redacted].
Ludwig, Arthur A. [redacted].
Lundgren, John A., [redacted].
MacPherson, George, [redacted].
Madigan, Edward F., [redacted].
Magerovsky, Eugene, [redacted].
Malcolm, John B., Jr., [redacted]
Mangskau, Dale N., [redacted].
Mannel, William M., [redacted].
Manza, August G., [redacted].
Markovitz, Albert, [redacted].
Marshall, Alvin A., [redacted].
Marshall, Harry P., [redacted].
Marshall, Richard W., [redacted]
Martin, Emmor G., [redacted].
Martin, Joseph G., [redacted].
Mattison, Franklin, [redacted].
McArthur, Alvin D., [redacted].
McCall, Thomas S., Jr., [redacted]
McCarty, John E., [redacted].
McCloskey, John C., [redacted].
McCluer, Leon J., [redacted].
McDonald, John E., Jr., [redacted]
McFee, Alfred F. [redacted].
McGillen, William D., [redacted]
McGowan, Joseph A., [redacted]
McLeod, Claude H., [redacted].
McManus, W. R., Jr., [redacted].
McMillan, David V., [redacted].
McMullen, Michael, [redacted].
McPherron, Thomas E., [redacted]
Medeiros, Horace, Jr., [redacted]
Meeks, Cecil H. [redacted]
Meldrem, James D., [redacted].
Merion, Richard D., [redacted].
Michaud, Ted C., [redacted].
Migneault, Joseph W. [redacted]
Miller, Russell C., [redacted].
Milton, Clifton F. [redacted].
Minchin, Gerald R., [redacted].
Mitchell, Ennis L., [redacted].
Mitchell, James L., [redacted].
Moesser, John D., [redacted].
Monaco, Joseph J., [redacted].
Monihan, Joseph R., [redacted].
Moody, Joseph D., [redacted].
Moore, James R. [redacted]
Moore, Jere N. [redacted].
Morisaki, John T., [redacted].
Morrison, J. H., Jr., [redacted].

Morrow, David E., [redacted]
Mortensen, Kenneth, [redacted].
Morton, Sanford B., [redacted].
Moss, Gerald W., [redacted].
Moten, John E., [redacted].
Muchow, Ray H., [redacted].
Muehlberger, R. M., [redacted].
Mulakyatzkivsky, A., [redacted].
Munizramos, Edwin, [redacted].
Mura, Ronald A., [redacted].
Musselman, Alan A., [redacted]
Myers, Harry G. [redacted].
Myers, Robert L., [redacted].
Naumann, Otto R., [redacted].
Negus, Sidney S., [redacted].
Nelson, Jack E., [redacted].
Nettles, Albert A., [redacted].
Nicholson, H. H., [redacted].
Nickerson, Thomas B., [redacted].
Nielsen, Franklin E., [redacted].
Nix, James E., [redacted].
Nixon, Robert E. [redacted].
Obert, Karl A., [redacted].
Obregon, Conrad J., [redacted].
O'Kelley, James T., [redacted].
Ollivier, Arthur J., [redacted].
Omland, Gerald M., [redacted].
Ottley, John K., Jr., [redacted].
Ouellette, Roger B., [redacted].
Ownby, Don W., [redacted].
Pace, Daun A., [redacted].
Parkhill, Roland L., [redacted].
Parks, James E., [redacted].
Parris, James A., [redacted].
Patsis, Nicholas, [redacted].
Patterson, Thomas H., [redacted].
Pavlin, Ivan C., [redacted].
Pearson, Wayne F., [redacted].
Peavy, Freddie H. [redacted].
Pengra, Vale C., [redacted].
Pennock, Chester C., [redacted].
Perry, Charles R., [redacted].
Pethtel, William R., [redacted].
Pevey, Edgar R., [redacted].
Pfaff, David H., [redacted].
Phillips, Weldon H., [redacted].
Pickus, Ross G. [redacted].
Pigg, Charles A., [redacted].
Pincock, Don S., [redacted]
Planche, Joseph B., [redacted].
Plechner, Richard, [redacted].
Ploetz, Raymond C., [redacted].
Popovich, Walter M., [redacted].
Poshusta, Allyn D., [redacted].
Presley, Ross C., [redacted].
Prickett, Grover C., [redacted].
Prior, Joseph M., [redacted].
Proctor, Orval D., [redacted].
Prothro, Carleton H., [redacted].
Przedpelski, Z., [redacted].
Puckett, Harold W. [redacted].
Purtle, Herbert G., [redacted].
Gua, George F., II, [redacted].
Queally, Justin M., [redacted].
Quigley, Maurice, [redacted].
Quinlan, Daniel J., [redacted].
Raimondo, Henry G., [redacted].
Read, Herman M. [redacted].
Record, Walder J., [redacted].
Reeves, Edward A., Jr., [redacted].
Reeves, Jack H., [redacted].
Reid, Robert L., [redacted].
Reinartz, David F. [redacted].
Rensel, George, Jr., [redacted].
Reynolds, George R., [redacted].
Rial, Albert D., [redacted].
Rice, Robert N., Jr., [redacted].
Richardson, George, [redacted].
Richburg, Lonnie C., [redacted].
Rickett, William F., [redacted].
Riggle, Jerry A., [redacted]
Ritchey, Benjamin E., [redacted].
Ritter, Lewis W., [redacted].
Robinson, James B. J., [redacted].
Robnett, Anthony C., [redacted].
Rogers, Noel G. [redacted].
Rosenthal, Charles, [redacted].
Rost, James W., [redacted].
Roubert, Modesto A., [redacted].
Rousseau, Wilfred J., [redacted].
Russell, Christopher, [redacted].

Russo, Thomas F., [redacted].
Ryan, James A., [redacted].
Sabo, Peter J., [redacted].
Sample, Eugene A., [redacted].
Sanford, Barbara J., [redacted].
Saunier, Robert M., [redacted].
Schaedlich, Otto A., [redacted].
Schnitzer, James J., [redacted].
Schmid, Leo A., [redacted].
Schultz, Joseph W., [redacted].
Schultz, Paul H., [redacted].
Schwartz, Richard, [redacted].
Schweikert, James F., [redacted].
Scott, Harold T., [redacted].
Scott, Robert T. [redacted].
Scraba, Stanley A. [redacted].
Sellers, Nicholas, [redacted].
Sergesketter, Marti, [redacted].
Setzer, Benjamin R., [redacted].
Shafer, Donald R., [redacted].
Sharette, Roland J., [redacted].
Sharp, Thomas A., [redacted].
Sherrill, William M. [redacted].
Shields, Allan L., [redacted].
Shields, Claude W., [redacted].
Silence, William L., [redacted].
Sills, Donal J., [redacted].
Sineath, Fred J., [redacted].
Skelton, Thomas E., [redacted].
Smaczniak, Anthony, [redacted].
Smith, David H., [redacted].
Smith, Donald L., [redacted].
Smith, William M., [redacted].
Snow, James A., [redacted].
Sobieski, Thaddeus, [redacted].
Sommers, Harold D., [redacted].
Spangler, David A., [redacted].
Spear, Richard F., [redacted].
Stallings, Leah W., [redacted].
Starr, Luther J., [redacted].
Stephens, Herschel, [redacted].
Stickney, James H., [redacted].
Stockwell, Frances, [redacted].
Stone, Charles M., [redacted].
Storer, Duane L., [redacted].
Stout, Joseph K., [redacted].
Strong, Warren R., [redacted].
Stuartcollazo, W., [redacted].
Sullivan, John F., [redacted].
Summerlin, Russell, [redacted].
Sundin, Gene L., [redacted].
Sutton, William H., [redacted].
Sykes, Harry E., [redacted].
Taylor, Burrell C., [redacted].
Taylor, John M. [redacted].
Taylor, William A. J., [redacted].
Teske, Herbert W., [redacted].
Thames, Lee D., [redacted].
Thompson, Earl N., [redacted].
Thompson, Glen D., [redacted].
Thompson, Ralph A., [redacted].
Tierney, Charles W., [redacted].
Timmons, K. E., Jr., [redacted].
Tingler, William N., [redacted].
Todd, Clarence E., [redacted].
Tracy, Richard T., [redacted].
Trail, James H., Jr., [redacted].
Trofimoff, George, [redacted].
Tuttle, Allen H., [redacted].
Utsey, Bert G., Jr. [redacted].
Van Kirk, Marvin L., [redacted].
Vaughn, Clifford E., [redacted].
Veytia, Joe F., [redacted].
Viner, Myron P., [redacted].
Walden, Oliver W., [redacted].
Wallace, Marsh, [redacted].
Walters, Thomas J., [redacted].
Watkins, Byron C., [redacted].
Weagly, Charles A., [redacted].
Weaver, Byron E., [redacted].
Welch, Daniel A., [redacted].
Wenzlaff, William F., [redacted].
Werner, Charles P., [redacted].
West, Barry J., [redacted].
White, Raymond E., [redacted].
White, Wayne L., [redacted].
Whitman, Robert L., [redacted].
Whitney, Conrad D. [redacted].
Widener, Larry E., [redacted].
Wiebke, Eugene F., [redacted].
Wilbur, Donald V., [redacted].
Wilfong, Vernon E., [redacted].
Wilkes, Earl C. [redacted].
Wilkie, Richard L., [redacted].
Williams, James L., [redacted].
Williams, Laverne W. [redacted].
Williams, Lewis N., [redacted].
Williams, O. H., Jr., [redacted].
Wilson, William D., [redacted].
Wire, Donald C., [redacted].
Wise, Phillip R., [redacted].
Wiskemann, Kenneth, [redacted].
Witye, Chester, [redacted].
Woehr, William S., [redacted].
Wojtas, Jerome R., [redacted].
Wood, Charles R., [redacted].
Wood, Richard A., [redacted].
Woods, Walter A., [redacted].
Wright, Gerald L., [redacted].
Wright, Harvey A., [redacted].
Yaccino, Girard H., [redacted].
Yonno, Eugene J., [redacted].
Young, Howard L., [redacted].

CHAPLAIN

To be colonel

Bentley, Hubert B., [redacted].
Fields, George D., Jr., [redacted].
Hansen, Paul R., [redacted].
Hodge, Ray K., [redacted].
Martinka, Stanley V., [redacted].
McGuire, Charles L., [redacted].
Meux, Joe C., [redacted].
Morris, Harlan D., [redacted].
O'Brien, Bernard P., [redacted].
Robinson, Thomas E., [redacted].
Sauer, Walter K., [redacted].
Singleton, James C., [redacted].
Smith, Ralph L., Jr., [redacted].
Speitel, Edmond J., [redacted].
Thompson, Tommy L., [redacted].
Verseput, Theodore, [redacted].
Yanney, William S., [redacted].

ARMY NURSE CORPS

To be colonel

Akin, Elizabeth A., [redacted].
Brennan, Lauretta M., [redacted].
Duval, Elinor M., [redacted].
Flynn, Rosemary A., [redacted].
Fuchs, Rose M., [redacted].
Green, Vendetta M., [redacted].
Hickman, Joan J., [redacted].
Hoppe, Jeanne, [redacted].
Hovey, Thomas C., [redacted].
Jones, Janet, [redacted].
Koch, Dorothy J., [redacted].
Koonz, Frances P., [redacted].
Lassett, Josephine, [redacted].
Miller, Arlean V., [redacted].
Modigh, Amie, [redacted].
Nunley, Gloria J., [redacted].
Sloan, Barbara J., [redacted].
Sosnicki, Marie T., [redacted].
Spivack, Marie D., [redacted].
Veazie, Ylene, [redacted].
Wilkins, Mary J., [redacted].

DENTAL CORPS

To be colonel

Blanch, Garth M. [redacted].
Bradford, Thomas G., [redacted].
Bridenhager, Charles, [redacted].
Brown, Paul R., Jr., [redacted].
Bunch, James P., [redacted].
Darling, Roy G., [redacted].
Deegan, Alan E. [redacted].
Douglas, John H., [redacted].
Ducklow, Robert G., [redacted].
Goldsby, Joel W., III, [redacted].
Gruber, Adrian J., [redacted].
Johnson, Robert D., [redacted].
Jones, Melvin T., [redacted].
Maxwell, Charles W., [redacted].
McKinney, Ralph V. [redacted].
Moseley, Durwood L., [redacted].
Nelson, Roy, Jr., [redacted].
Robinson, Daniel J., [redacted].
Rose, Junius H., Jr., [redacted].
Signorella, Arthur, [redacted].
Singer, Eugene I., [redacted].
Volatile, Michael T., [redacted].
Wise, Donald G., [redacted].

MEDICAL CORPS

To be colonel

Bacon, William L., [redacted].
Beitia, Jose, [redacted].
Carter, James H., [redacted].
Cohen, Harvey M., [redacted].
Colom, Sebastian A., [redacted].
Davis, George B., Jr., [redacted].
Dossett, B. E., Jr., [redacted].
Ellis, Richard E., [redacted].
Fuqua, William B., [redacted].
Gutierrez, Jorge R., [redacted].
Hammel, Donald A., [redacted].
Hennessy, William J., [redacted].
Hyder, Nat E., Jr., [redacted].
Jackman, Frederick, [redacted].
Kichler, Jack, [redacted].
Littell, Delvin E., [redacted].
Littleton, Leonidas, [redacted].
Litwin, Martin S., [redacted].
McCarville, John E., [redacted].
Mosley, Everett C., [redacted].
Pfoertner, George B., [redacted].
Pitkethly, David T., [redacted].
Richardson, Don A., [redacted].
Shane, Frederick I., [redacted].
Smith, Joseph A., [redacted].
Stark, Donald B., [redacted].
Sternhagen, Charles, [redacted].
St. Louis, Joseph A., [redacted].
Suckow, George R., [redacted].
Swan, Kenneth G., [redacted].
Thomas, Gordon G., [redacted].

MEDICAL SERVICE CORPS

To be colonel

Araneo, Vincent M., [redacted].
Bertke, Eldridge, [redacted].
Blomquist, Calvin B., [redacted].
Clardy, James D., [redacted].
Cox, Russell K., [redacted].
Dicenzo, Edward F., [redacted].
Donlan, David A., [redacted].
Ervasti, Marlyn K., [redacted].
Finley, James E. [redacted].
Fodero, Severio D. [redacted].
Hanson, Philip J., [redacted].
Hemecker, Ralph C., [redacted].
Holmes, Roy J., [redacted].
Josehart, Harold E., [redacted].
Leitch, Richard L., [redacted].
Machlan, Edward F., [redacted].
Moussa, Moufield A., [redacted].
Muirhead, James A., [redacted].
O'Brien, Leo J., [redacted].
Pappas, Louis P., [redacted].
Prough, James K., [redacted].
Roisum, Robert C., [redacted].
Roseman, Arnold S., [redacted].
Ryder, Douglas A., [redacted].
Stillings, Richard, [redacted].
Strannigan, Dale L., [redacted].
Walter, Robert A. [redacted].
Ward, William S., [redacted].
Welch, Clyde E., [redacted].
Woodruff, John I., [redacted].
Ziegler, H. E., Jr., [redacted].

ARMY MEDICAL SPECIALIST CORPS

To be colonel

Abbot, William Y., [redacted].
Daniel, Alfred N., [redacted].
Haag, Charles M., [redacted].
Hartman, Charles W. [redacted].
Miller, Clara L., [redacted].

VETERINARY CORPS

To be colonel

Lyons, Richard D., [redacted].
Mock, James F., [redacted].
Sawyer, John C., [redacted].

The following-named officers for promotion in the Reserve of the Army of the United States, under the provisions of title 10, United States Code, sections 3366, 3367, and 3383:

ARMY PROMOTION LIST

To be lieutenant colonel

Abel, Kenneth R., [redacted].
Abell, Robert B., [redacted].
Ackerman, Duane V., [redacted].

Ackerman, Kenneth G., [redacted].
Adams, Henry W., [redacted].
Adams, William D., [redacted].
Adkison, Donald L., [redacted].
Agrafiotis, Chrys C., [redacted].
Ahrendt, Allen A., [redacted].
Alexander, Dean W., [redacted].
Alpers, Norman E., [redacted].
Amador, Donald L., [redacted].
Amendolare, Joseph, [redacted].
Amerson, Jimmy E., [redacted].
Anaya, Gabriel, [redacted].
Anderson, Guy W., [redacted].
Anderson, Laird B., [redacted].
Anderson, Richard K., [redacted].
Anderson, Walter M., [redacted].
April, Norman G., [redacted].
Arledge, William L., [redacted].
Armstrong, Henry A., [redacted].
Armstrong, Robert R., [redacted].
Arnold, Jack E., [redacted].
Arroyo, Wilmer A., [redacted].
Atkins, Sumner W., [redacted].
Atkinson, John K., [redacted].
Axionoff, Yury J., [redacted].
Babb, Franklin R., [redacted].
Babin, Donald L., [redacted].
Bach, Albert P. [redacted].
Bachmann, Robert T. [redacted].
Baer, Julian E., [redacted].
Bailey, Paul W., [redacted].
Baker, Darrel P. [redacted].
Baker, John H., [redacted].
Baker, John R., [redacted].
Baker, Maylon C., [redacted].
Baker, William A., [redacted].
Ballard, Norman D., [redacted].
Ballin, Arthur F., [redacted].
Barber, Ronald J., [redacted].
Barbieri, Ferderand, [redacted].
Barbosa, Cupeles J., [redacted].
Barnes, Theron B., [redacted].
Barrow, Benny B., [redacted].
Bartlett, Richard L., [redacted].
Baschon, Paul J., Jr [redacted].
Bates, Chester E., [redacted].
Bates, Phillip H., [redacted].
Beck, Lois M., [redacted].
Beggs, Stanley K., [redacted].
Begick, Paul, Jr., [redacted].
Beisel, Charles C., [redacted].
Belanger, Clarence, [redacted].
Bell, Byron H., [redacted].
Belvin, Stanley R., [redacted].
Benham, Paul K., [redacted].
Bennett, Ralph S., [redacted].
Benson, Charles D., [redacted].
Benson, James L., [redacted].
Berg, David C. [redacted].
Bergeron, Lawrence, [redacted].
Berner, Robert A. [redacted].
Besade, James H., [redacted].
Bevan, Charles K. [redacted].
Biggs, William A., [redacted].
Billingsley, William, [redacted].
Birch, Gerald F. [redacted].
Birdsong, Robert G., [redacted].
Bishop, Bobby J., [redacted].
Bishop, Donald M., [redacted].
Bisset, Stephen C., [redacted].
Bjerke, Reuben E., [redacted].
Blalock, James C., Jr., [redacted].
Blanton, Lane C., [redacted].
Blaylock, Arthur D., [redacted].
Bludworth, David H., [redacted].
Boghosian, Edward M., [redacted].
Bolla, James R., [redacted].
Bolton, Ernest W., [redacted].
Bonar, James S., [redacted].
Bonner, Stanley G., [redacted].
Borgen, Irvino, Jr., [redacted].
Bottom, Gerald W., [redacted].
Bowman, William L., [redacted].
Boyer, Kenneth S., [redacted].
Boyle, Robert O., [redacted].
Boyle, William A., [redacted].
Brackett, John M. [redacted].
Braddy, George A., [redacted].
Brady, Edward J., [redacted].
Branden, James F., [redacted].
Brandt, Dwaine C., [redacted].
Brewster, James E., [redacted].
Brickley, John F., [redacted].
Brock, Robert J., [redacted].
Brookhart, Charles, [redacted].
Brooks, Percy E., III, [redacted].
Brooks, William R., [redacted].
Brothers, Charles E., [redacted].
Brown, Carlton E. [redacted].
Brown, Carter N., [redacted].
Brown, Henry P., [redacted].
Brown, Isaiah, [redacted].
Brown, Pope T., [redacted].
Brown, Raymond A., [redacted].
Brown, Rufus W., [redacted].
Browning, Richard R., [redacted].
Bruh, Brian M., [redacted].
Brune, Basel H., [redacted].
Brunson, Charles W., [redacted].
Brutscher, Baldwin, [redacted].
Buck, George R., [redacted].
Buckman, Donald K., [redacted].
Burgess, Frederick, [redacted].
Burnette, George W., [redacted].
Burnham, Eugene S., [redacted].
Burnside, Nile V., [redacted].
Burse, Richard L., [redacted].
Burton, Kenneth L., [redacted].
Bushee, James W., [redacted].
Butler, Ronald L., [redacted].
Byrd, Bobby J., [redacted].
Calain, Harry S., [redacted].
Callaway, Charles P., [redacted].
Calt, Eugene F., [redacted].
Camachogomez, M., [redacted].
Campbell, Jerry K., [redacted].
Cann, Edward H., Jr., [redacted].
Carey, Robert C., [redacted].
Carlton, Patrick W. [redacted].
Carmack, Douglas W., [redacted].
Carmickle, Marion A., [redacted].
Carmichael, Robert, [redacted].
Carr, Linwood L., [redacted].
Carroll, Gerald D., [redacted].
Casellasjovet, R., [redacted].
Casey, Fred H. [redacted].
Castellon, Roberto, [redacted].
Castle, Eugene H., Jr. [redacted].
Cate, Charles C. [redacted].
Cave, Lawrence H., Jr., [redacted].
Chafitz, Harvey I., [redacted].
Chain, Bela J., Jr., [redacted].
Champ, Joe R., [redacted].
Chandler, Martin E., [redacted].
Channon, William H., [redacted].
Chapman, Richard G., [redacted].
Chapton, Gerald M., [redacted].
Charlson, John M., [redacted].
Cheeks, Albert J., [redacted].
Chiaveta, Donald J., [redacted].
Chilton, Charles B., [redacted].
Chopay, Richard A., [redacted].
Christensen, Neil C., [redacted].
Chun, Howard H., [redacted].
Chung, David S. D. [redacted].
Clark, Donald M., [redacted].
Clark, Dudley M., [redacted].
Clegg, Thomas J., [redacted].
Cobb, Arthur J., [redacted].
Cobb, Howard D., [redacted].
Cocchiola, Philip A., [redacted].
Cock, Charles M., [redacted].
Colburn, Wiliam B., [redacted].
Coleman, Bestor W. I., [redacted].
Collier, Wynsol R., [redacted].
Collins, Thomas J., [redacted].
Colontorres, Nicome, [redacted].
Coltart, Richard J., [redacted].
Colton, John P., [redacted].
Compton, Donald R., [redacted].
Confer, Ernest J. [redacted].
Conley, Arthur A., [redacted].
Cook, Ronald L., [redacted].
Cooper, Alan S. [redacted].
Cooper, Franklin D., [redacted].
Cooper, John E., [redacted].
Copeland, George M., [redacted].
Copeland, James B., [redacted].
Copp, Willard E., Jr., [redacted].
Corey, Ronald T., [redacted].
Corriere, Paul L., Jr., [redacted].
Coton, Donald E., [redacted].
Couch, James C., Jr. [redacted].
Coughlin, James L., [redacted].
Cowdrey, Sherman A., [redacted].
Cox, Thomas F., [redacted].
Crawford, Joseph B., [redacted].
Crawford, Walter K., [redacted].
Creamer, Billy H. [redacted].
Crittenden, Robert, [redacted].
Crouch, Hobert L., [redacted].
Crowe, John T. [redacted].
Crowe, Sterling D., [redacted].
Crowley, Edward M., [redacted].
Crox, John F., [redacted].
Crutcher, Ronald R., [redacted].
Cruz, Felix A., [redacted].
Culbreth, Thomas A., [redacted].
Cummings, Langdon S., [redacted].
Cummins, David C., [redacted].
Curran, Daniel R., [redacted].
Curry, Truman A., [redacted].
Dachowski, Theodore, [redacted].
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Dale, George, [redacted].
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Daniel, Joe H., [redacted].
Daniels, Glen E., [redacted].
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Davis, Edward, Jr., [redacted].
Davis, Hal W., [redacted].
Davis, James A., [redacted].
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Dees, Edward F., Sr., [redacted].
Delius, Robert D., II, [redacted].
Delk, Joe E., [redacted].
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Delong, Alvin R., Jr., [redacted].
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Dickens, Waverly J., [redacted].
Dilillo, Leonard M., [redacted].
Dillow, Tommy R., [redacted].
Diminno, Frank S., [redacted].
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Dobbs, Dan B., [redacted].
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Dorsey, Vinton D. [redacted].
Doss, Ersel A. [redacted].
Drennan, Gerald M. [redacted].
Duddy, William J., [redacted].
Duffin, Gail L., [redacted].
Dulaski, Benedict J., II, [redacted].
Dunaway, James L., [redacted].
Dunlap, Victor W., [redacted].
Durham, J. R., [redacted].
Dusenberry, Johnny, [redacted].
Dworsak, William F., [redacted].
Early, Joseph D., [redacted].
Eckles, Melvin H., [redacted].
Eden, Charles K., [redacted].
Edmanson, John F., [redacted].
Edwards, Don R., [redacted].
Egan, Francis C. [redacted].
Egerman, Virgil C. [redacted].
Ehrlich, Arlin G., [redacted].
Einselen, Peter C., [redacted].
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Engel, Carl R., [redacted].
Ernst, Conrad D. [redacted].
Ernst, Herbert, Jr., [redacted].
Estes, Stokes R., [redacted].
Evans, Richard W., [redacted].
Everett, William S., [redacted].
Fairbanks, Edward J., [redacted].
Falcon, Glenn D., [redacted].
Fanatico, N. W., [redacted].
Fancher, Roderick, [redacted].
Fanelli, Nicholas A. [redacted].
Fannin, Rufus W., [redacted].
Fanning, John J., [redacted].
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Farmer, Arthur J., [redacted].
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Farris, Thomas H., [redacted].
Faulkner, Robert S., [redacted].
Fields, Finnell L., [redacted].
Filean, Arthur S., [redacted].
Filek, Robert L., [redacted].
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Galavi, Felipe, [redacted].
Gallagher, Joseph V., [redacted].
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Garcia, Amador, [redacted].
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Geilear, Edward A., [redacted].
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Hipp, Curtis W., [redacted].
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Ingram, Joseph H., [redacted].
Irby, Thomas M., Jr., [redacted].
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Jones, Roy H. [redacted].
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Jordan, Walter S., [redacted].
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Kaminski, Robert L., [redacted].
Karemaa, Aadu, [redacted].
Kay, John D., [redacted].
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Kinsey, Everett W., [redacted].
Kirby, Joseph L. [redacted].
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Kline, Robert W., [redacted].
Klopfenstein, R., [redacted].
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Lariccia, Urban J. [redacted].
Larkin, Edward S., [redacted].
Lasiter, Harold W., [redacted].
Lassart, James A., [redacted].
Laurson, Toivo, [redacted].
Layton, Stanford J., [redacted].
Leach, Charles D., [redacted].
Ledesma, Jose M., Jr., [redacted].
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Levchenko, Andrew J. [redacted].
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Lewison, Donald R., [redacted].
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Lindsay, Thomas J., [redacted].
Linney, Jerry R., [redacted].
Linsky, Martin J., [redacted].
Livingston, James L., [redacted].
Lockhart, George A., [redacted].

Long, Anthony, [redacted].
Long, John R., [redacted].
Loughlin, Thomas A., [redacted].
Lovejoy, Paul D., [redacted].
Lowe, Ronald L., [redacted].
Lower, Terry C., [redacted].
Lowes, Guy A., [redacted].
Lowry, Mark, II, [redacted].
Lum, Tom, [redacted].
Lund, James R., [redacted].
Lustig, Jerome, [redacted].
Lyle, Robert V., [redacted].
Lynch, James J., [redacted].
MacDonald, Gary E., [redacted].
Mace, Robert G., [redacted].
Maddox, Richard O., [redacted].
Magee, David A., [redacted].
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Makstenieks, Atis, [redacted].
Mallory, Carlton A., [redacted].
Maloof, Robert D., [redacted].
Manning, Norman G., [redacted].
Mardock, Hubert M., [redacted].
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Marshall, Lee C., Jr., [redacted].
Mayfield, John M., [redacted].
McAden, Henry J., Jr., [redacted].
McAlister, James H., [redacted].
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McCune, Wendell W., [redacted].
McCutcheon, Melvin, [redacted].
McGraw, Kenneth R., [redacted].
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McQuillen, James F., [redacted].
Meadows, Wilson L., [redacted].
Meidt, Gerhard O. T., [redacted].
Meier, Joseph F., [redacted].
Melby, Donn L., [redacted].
Melton, Norman J., [redacted].
Menist, Robert L., [redacted].
Messenger, Richard A., [redacted].
Meunier, Alfred L., [redacted].
Meyer, Charles E., [redacted].
Meyer, Frederick A., [redacted].
Miller, Charles M., II, [redacted].
Miller, John W., [redacted].
Miller, Lewis C., [redacted].
Milrod, Martin O., [redacted].
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Moe, Ronald E., [redacted].
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Moore, Philip K., [redacted].
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Mordica, James J., [redacted].
Moreland, Joseph A., [redacted].
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Mote, Emmette V., [redacted].
Mueller, Richard F., [redacted].
Muff, William F., [redacted].
Munn, Jack E., [redacted].
Murphy, William E., [redacted].
Murray, Marion L., [redacted].
Myers, Roger A., [redacted].
Nankervis, Howard E., [redacted].
Neal, Jerry L., [redacted].
Neisler, Hugh L., [redacted].
Nelson, John W., [redacted].
Nelson, Lyle D., [redacted].
Newberry, Thomas W., [redacted].
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Nielsen, Norman C., [redacted].
Nino, Rodrigo V., [redacted].
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Noedel, Julian, [redacted].
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Norcross, Robert A., [redacted].
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Norton, John E., [redacted].
Nunez, George E., [redacted].
O'Donnell, James J., [redacted].
Oelke, Karl E., [redacted].
Ogburn, Calvin H., [redacted].
Ogden, Richard E., [redacted].
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Olive, Donald E., [redacted].
Olsen, Harold N., [redacted].
O'Neal, Harold G., [redacted].
O'Neill, Daniel J., [redacted].
Osborne, Donald H., [redacted].
Osburn, James D., [redacted].
Ozmun, Grover C., III, [redacted].
Paige, William D., [redacted].
Palmer, David W., II, [redacted].
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Pickard, William, [redacted].
Pierce, Ellis E., Jr., [redacted].
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Poole, Rufus C., [redacted].
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Price, Charles F., [redacted].
Priess, Jarrell J., [redacted].
Prosser, Bruce R., [redacted].
Provost, Rene C., [redacted].
Pruder, Gerald D., [redacted].
Pyka, Herbert L., [redacted].
Quertermous, Dennis, [redacted].
Quinones, Ruben D., [redacted].
Rains, William G., [redacted].
Rand, Albert L., [redacted].
Raper, James M., [redacted].
Ratliff, Herbert E., [redacted].
Rau, Robert L., [redacted].
Reams, George A., Jr., [redacted].
Redmond, James L., [redacted].
Reeves, Fred L., [redacted].
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Riedel, Gary L., [redacted].
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Ross, Arthur J., [redacted].
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Rotch, William L., Jr., [redacted].
Royer, Lawrence B., [redacted].
Rubald, Quintin T. J., [redacted].
Ruhmann, Frank H., [redacted].
Russell, Charles R., [redacted].
Sandbach, Henry A., [redacted].
Sanders, Stanton S., [redacted].
Sandlin, Thomas E., [redacted].
Santiagonegron, J., [redacted].
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Sellar, James F., [redacted].
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Thompson, William A., [redacted].
Thornton, Melvin C., [redacted].
Thurnau, Carl J., [redacted].
Tieszen, Rodney E., [redacted].
Titus, Paul F. [redacted].
Tomlinson, Marklee, [redacted].
Toothaker, Raymond, [redacted].
Torbush, John P., [redacted].
Tosh, Gene H., [redacted].
Townsend, Samuel E., [redacted].
Tracy, John A., [redacted].
Travis, Kenneth V., [redacted].
Troxell, William C., [redacted].
Trueblood, Henry A. [redacted].
Turk, Sam C., [redacted].
Turner, Harold L., [redacted].
Turner, Paul M. [redacted].
Twomey, Thomas F., [redacted].
Undeberg, Oscar M., [redacted].
Underwood, Harry W., [redacted].
Upchurch, James F., [redacted].
Valden, Herbert W. J., [redacted].
Van Cleve, John H., [redacted].
Vanevenhoven, Paul V., [redacted].
Vargas, Francisco M., [redacted].
Vaughn, Richard S., [redacted].
Veleztoro, Jose G. [redacted].
Vennum, Ralph E., Jr. [redacted].
Vest, John M. [redacted].
Vetter, August K., [redacted].
Vetter, James E. [redacted].
Viehman, William A., [redacted].
Vienneau, Lloyd R., [redacted].
Villa, Rosendo J., [redacted].
Vincik, Joseph R., [redacted].
Waddell, Joseph M., [redacted].
Wade, Edward L., [redacted].
Wakser, Sidney R., [redacted].
Waldon, William H., [redacted].
Waldron, Johnie J., [redacted].
Walker, Edward H., [redacted].
Wallin, Richard J., [redacted].
Walsh, James P., [redacted].
Walsh, Thomas M., [redacted].
Wambsganss, Richard, [redacted].
Wangenstein, Edward, [redacted].
Ward, Clark H., [redacted].
Ward, Thomas A., [redacted].
Ward, Windsor E., [redacted].
Warren, James A., [redacted].
Warren, John R., [redacted].
Webster, Charles V., [redacted].
Weinz, Richard W., [redacted].
Weis, Louis T., [redacted].
Wells, Floyd L., [redacted].
West, Hoyal B., [redacted].
Wheeler, Leonard M., [redacted].
Whipkey, William D., [redacted].
White, Robert H., [redacted].
Whitehead, Joseph D., [redacted].
Wiggins, Edward L., [redacted].
Wilbur, Kenneth E., [redacted].
Williams, Arthur A., [redacted].
Williams, Bill D., [redacted].
Williams, Walter L., [redacted].
Williford, Robert W. [redacted].
Wilson, Donald J., [redacted].
Wilson, Gerald W., Jr., [redacted].
Wilson, Harold D. [redacted].
Wilson, John A., [redacted].
Wilson, John C., [redacted].
Wilson, Oscar, Jr., [redacted].
Wilson, William H., [redacted].
Wilton, Michael R., [redacted].
Winter, Ronald D., [redacted].
Wise, Kenneth L., [redacted].
Witsell, Edward L., [redacted].
Witte, Oliver R. L., [redacted].
Wolf, Chester M., [redacted].
Wolford, Robert J., [redacted].
Wood, Harrell, [redacted].
Wood, Rex G. [redacted].
Wood, Thomas, III, [redacted].
Woodall, Bobby A., [redacted].
Wooldridge, Gerald, [redacted].
Woolfolk, Colbert, [redacted].
Worman, Roger A. [redacted].
Wren, Thomas E., [redacted].
Wright, Thomas E., [redacted].
Yates, Skeetz O., [redacted].
Yawn, Robert B., [redacted].
Yellen, Richard D., [redacted].
Yoho, Earl R., [redacted].
York, Jimmie D., [redacted].
Young, David C., II, [redacted].
Youngblood, Arthur, [redacted].
Zannis, John M., [redacted].
Zeigler, James F., [redacted].
Zipperer, James A., [redacted].

CHAPLAIN

To be lieutenant colonel

Alston, Francis O., [redacted].
Anderson, Stanley D., [redacted].
Barnes, Lyndel C., [redacted].
Bateman, William F., [redacted].
Bean, James C. J., [redacted].
Benner, Claude J., Jr., [redacted].
Boerger, Robert T., [redacted].
Bouldin, John R., [redacted].
Brock, William K., [redacted].
Cline, John E., [redacted].
Coulter, David C., [redacted].
Currey, Cecil B., [redacted].
Daniell, Robert D., [redacted].
Dufour, Rene P., [redacted].
Elster, Sheldon E., [redacted].
Freese, Charles D., [redacted].
Gummelt, Walter G., [redacted].
Hairston, Andrew J., [redacted].
Hamilton, Glenn A., [redacted].
Hepner, Theodore W., [redacted].
Hoyal, James A., [redacted].
Hull, Gilbert W., [redacted].
Kaukus, Edwin J., [redacted].
Kurtz, Ivan G., [redacted].
McPartlin, Richard, [redacted].
Miller, Ronald E., [redacted].
Minnick, Jack A., [redacted].
Muraview, Fred, [redacted].
Nelson, Elbert L., [redacted].
Pedersen, Lyman C. J., [redacted].
Rapp, Phillip J., [redacted].
Reaves, Frank B., [redacted].
Roberts, James E., [redacted].
Rogers, Robert H., [redacted].
Saunders, Albert C., [redacted].
Schaertel, John C., [redacted].
Silverstein, Philip, [redacted].
Townsend, David K., [redacted].
Westfield, Arnold D., [redacted].
White, Harry C., [redacted].
Wiseman, Clark A., [redacted].

ARMY NURSE CORPS

To be lieutenant colonel

Barker, Shirley S., [redacted].
Borden, Jean S., [redacted].
Brua, Nancy J. [redacted].
Burke, Rosetta Y., [redacted].
Charney, Robert A., [redacted].
Cherasaro, Samuel T., [redacted].
Collier, Gene E., [redacted].
Colonmelendez, M., [redacted].
Davis, Dale A., [redacted].
Davis, Marilyn L., [redacted].
Davis, Marion L., [redacted].
Edgington, Carol L., [redacted].
Farris, Toby E., [redacted].
Ford, Nancy I. [redacted].
Green, Dolores, [redacted].
Haag, George P., [redacted].
Hart, Sylvia K., [redacted].
Haven, Meta S., [redacted].
Hendershot, Russell, [redacted].
Hinson, Norwood, [redacted].
Holland, Maureen, [redacted].
Hollingsworth, A., [redacted].
Jones, Marsha M., [redacted].
Klapinski, B. A., [redacted].
Kultoljinda, T., [redacted].
Lavarn, Emery A., [redacted].
Martin, Norma L., [redacted].
McDaniel, Ethel M., [redacted].
Mennega, Wubbina A., [redacted].
Miller, Evelyn S., [redacted].
Musacchio, M. J., [redacted].
Norwood, Zona M., [redacted].
Peterson, Dolores P., [redacted].
Policare, Rocco J., [redacted].
Rank, Michael, [redacted].
Reneau, Jaunita F., [redacted].
Resko, Carolyn B., [redacted].
Ripple, Helen B. [redacted].
Rosadootero, Adolfo, [redacted].
Scanlon, Sally D., [redacted].
Staubin, Robina S., [redacted].
Stephens, Claire E. [redacted].
Stevenson, Judith N. [redacted].
Stofer, Patricia R., [redacted].
Story, Mary F., [redacted].
Szczecinski, S., [redacted].
Vess, Bernarda L. [redacted].
Wall, Phyllis Z., [redacted].
Wieczorek, Chester, [redacted].
Wiggin, Carol J., [redacted].
Wrench, William R., [redacted].
Young, David, [redacted].

DENTAL CORPS

To be lieutenant colonel

Alexander, K. V., [redacted].
Allmon, Harry B., [redacted].
Jones, John C., [redacted].
King, William P., [redacted].
Ayers, George W [redacted].
Baumgarten, Richard, [redacted].
Bell, William A., [redacted].
Bentley, Billy C. [redacted].
Birkholz, Howard, [redacted].
Daigle, Albert R., Jr., [redacted].
Davis, Lavanda L. [redacted].
Desjardins, Ronald, [redacted].
Edwards, Theodore P., [redacted].
Engsberg, David A. [redacted].
Fritz, Andrew J., [redacted].
Gage, Raymond W., [redacted].
Garrett, James S., [redacted].
Gaskill, Billy W. [redacted].
Grantham, Gregory P., [redacted].
Guilberteau, James J. [redacted].
Hastings, John G., [redacted].
Johnson, David G. [redacted].
Kinsey, Richard S., [redacted].
Lainson, Phillip A., [redacted].
Lesmeister, Warren, [redacted].
Nardini, Michael J., [redacted].
Natiella, Joseph R., [redacted].
Olechowski, G. W., [redacted].
Perry, Leland R., [redacted].
Rafferty, Robert G., [redacted].
Riggie, Brian M., [redacted].
St. Germain, Andre E., [redacted].
Tuggle, Dewey H., [redacted].
Varn, Miles H. [redacted].
Walgren, William J., [redacted].
Weigt, Frederick C., [redacted].
Whiteside, Erwin R., [redacted].
Wolfgang, Lawrence, [redacted].
Zagami, Angelo M., [redacted].

MEDICAL CORPS

To be lieutenant colonel

Alanis, Fidencio, [redacted].
Babcoke, Gary A., [redacted].
Baker, Charles J., [redacted].
Baumann, John A., [redacted].
Beard, Jeriel A. [redacted].

Beck, Theodore M. [redacted].
Bendana, Roberto J., [redacted].
Board, John P., Jr. [redacted].
Brown, Joseph D., III, [redacted].
Coil, James A., Jr., [redacted].
Delvalle, Francisco, [redacted].
Dsouza, John P., [redacted].
Dugan, William M. [redacted].
Dupourque, Daniel, [redacted].
Ferrell, Donald P., [redacted].
Forrest, Peter E., [redacted].
Forsythe, James W. [redacted].
Garry, Vincent F., Jr. [redacted].
Grossman, Joshua B., [redacted].
Hall, Ronald R., [redacted].
Hardy, Ronald G., [redacted].
Henderson, John P., [redacted].
Kistler, Henry E., Jr., [redacted].
Livingston, Billy B., [redacted].
Musetti, Robert W., [redacted].
Negroncuevas, F., [redacted].
Neshat, Amir A., [redacted].
Nessman, Lawrence, [redacted].
Norfleet, Robert G. [redacted].
Paa, David F. [redacted].
Patel, Upendra H., [redacted].
Pope, Howard A., [redacted].
Quesada, Manuel F., [redacted].
Raia, Theodore J., [redacted].
Rudd, George H., [redacted].
Soroosh, Farhang, [redacted].
Vargas, Jose D. C., [redacted].
Willis, Isaac, [redacted].

MEDICAL SERVICE CORPS

To be lieutenant colonel

Adams, John Q., [redacted].
Amato, Carmen F., [redacted].
Armstrong, Julian W., [redacted].
Baldwin, Robert E., [redacted].
Bean, Donald J., [redacted].
Bertrand, Robert E., [redacted].
Bills, Harry E., [redacted].
Bird, George C., [redacted].
Bivens, Rolland N., [redacted].
Boswell, Carl L., [redacted].
Boyles, Derwood R., [redacted].
Bratland, Gary L., [redacted].
Breland, Nathan N., [redacted].
Britton, Bill G., [redacted].
Brown, Stephen W., [redacted].
Budd, Ivan B., [redacted].
Burdette, Richard E., [redacted].
Burkett, Samuel L., [redacted].
Butke, William J., [redacted].
Bynum, James A., [redacted].
Cohen, Leonard L., [redacted].
Czachowski, Robert, [redacted].
Day, John D., [redacted].
Declue, R. L., Jr., [redacted].
Diazdones, Bolivar, [redacted].
Dingman, Dennis A., [redacted].
Docekal, Edward G., [redacted].
Donohue, Hubert V., [redacted].
Elmore, Joseph L., [redacted].
Ewing, William T., [redacted].
Foster, Catherine, [redacted].
Freiheit, Gene A., [redacted].
Fujimoto, Richard I., [redacted].
Fulfer, Jesse K., [redacted].
Goudchaux, Leopold, [redacted].
Greenwald, Max B., [redacted].
Harp, Anthony R., [redacted].
Holmes, Jasper F., [redacted].
Holmes, William B. I., [redacted].
Johnson, Donald G., [redacted].
Johnston, Frederick, [redacted].
Kacir, Charles J., [redacted].
Kittrell, Herbert O., [redacted].
Klein, Gary S., [redacted].
Kraucunas, Wyette C., [redacted].
Lasalvia, Anthony J., [redacted].
Lauricella, Salvato, [redacted].
Lawrence, William C., [redacted].
Leet, Charles E., [redacted].
Lindahl, James H., [redacted].
Loetell, Joseph W., [redacted].
Long, Robert B., [redacted].
Lyons, Gerard A., [redacted].
MacDowell, Edward R., [redacted].
Magee, Michael C., [redacted].
Mark, Gunter, [redacted].
Mason, Wilbert W., [redacted].
Mathes, Jon V., [redacted].
Matushoneck, T. J., [redacted].
McKee, Terry L., [redacted].
McNabb, Michael T., [redacted].
McNeil, Daniel J., [redacted].
Mengenhauser, James, [redacted].
Metcalf, William R., [redacted].
Mori, Nobuo, [redacted].
Murdock, Bobby J., [redacted].
Nelson, Jerald O. [redacted].
Nissen, Thomas R., [redacted].
Overall, Robert L., [redacted].
Patterson, Larry G., [redacted].
Pennington, Vernon, [redacted].
Perka, Chester E., [redacted].
Perrino, Carl A., [redacted].
Piette, Harvey J., Jr., [redacted].
Prescott, Paul W. [redacted].
Pridemore, Alvin D., [redacted].
Priest, Frank, Jr., [redacted].
Regrut, Andrew J., [redacted].
Russell, Gerald E., [redacted].
Sedinger, James D., [redacted].
Seiler, Walter C., [redacted].
Shafer, Thayer C., [redacted].
Shain, Walter E., [redacted].
Shearer, William E., [redacted].
Simmons, David E., [redacted].
Slayton, Ronald M., [redacted].
Smith, Jimmy L., [redacted].
Snow, Clair E., [redacted].
Stewart, Michael O., [redacted].
Stirling, Richard D., [redacted].
St. Pierre, Wayne A., [redacted].
Strnad, George J., [redacted].
Tosatti, George S., [redacted].
Tulp, Orien L., [redacted].
Vertino, Michael P., [redacted].
Vig, Byron O., [redacted].
Watts, Robert K., [redacted].
Wells, Floyd L., [redacted].
White, Jerry D., [redacted].
Wislosky, William, [redacted].

ARMY MEDICAL SPECIALIST CORPS

To be lieutenant colonel

Clemons, Billy V., [redacted].
Dabill, Fern A., [redacted].
Graves, James P., [redacted].
Guest, Wendell L., [redacted].
Hart, James C., Jr., [redacted].
Hewitt, Marjorie A., [redacted].
Marshall, Sandra J., [redacted].
Sinha, Awadhesh K., [redacted].
Whittington R., [redacted].

VETERINARY CORPS

To be lieutenant colonel

Sautter, James F., [redacted].
Small, Travis H., Jr., [redacted].

The following-named officers for appointment in the Reserve of the Army of the United States, under the provisions of title 10, United States Code, sections 591, 593, and 594:

MEDICAL CORPS

To be colonel

Holtz, Alans S., [redacted].

ARMY PROMOTION LIST

To be lieutenant colonel

Jackson, Gordon R., [redacted].

DENTAL CORPS

To be lieutenant colonel

Cesaro, Paul, [redacted].
Duberstein, Alvin, [redacted].
Edmonds, Peter P., [redacted].
Morrison, Alvin S., [redacted].
Rodenburg, Carl E., [redacted].
Rodriguez, Lino E., [redacted].
Schmitt, Clement K., [redacted].
Tabor, Herbert A. [redacted].

MEDICAL CORPS

To be lieutenant colonel

Addams, Horace W., [redacted].
Allen, Lawrence L., [redacted].
Anderson, Jay H. [redacted].
Arjona, Manuel Q., [redacted].
Bolter, Delano W., [redacted].
Bonado, Pompeyo Q., [redacted].
Boulware, John M., [redacted].
Breitenstein, Bryce D., [redacted].
Brown, Luther E., [redacted].
Caughron, John R., [redacted].
Chaffee, Bruce A. [redacted].
Chestnut, Graham H., [redacted].
Claude, John L., [redacted].
Cramer, Earl H., [redacted].
Davis, Franklin N., [redacted].
Dodson, Albertus F., [redacted].
Dos, Serge J., [redacted].
Ellis, Donald S., [redacted].
Fairfax, Walter A., [redacted].
Faith, Glenn C., [redacted].
Gerber, Robert A., [redacted].
Glenchur, Harry, [redacted].
Goodloe, Samuel, Jr., [redacted].
Grossling, Sergio F., [redacted].
Gulbrandsen, Jon A. [redacted].
Gutierrez, Oscar F., [redacted].
Hall, Roger V., [redacted].
Harris, John A., [redacted].
Herbert, Emmett L., [redacted].
Hood, Charles H., [redacted].
Hook, Robert H., [redacted].
Jacklin, Alexander J., [redacted].
Jeffress, Jessie E., [redacted].
Jereb, John A [redacted].
Kahn, Patricia J., [redacted].
Khatami, Morteza, [redacted].
King, Merrill J., Jr., [redacted].
Lehotzky, Helen, [redacted].
Leslie, James, [redacted].
Lipo, Robert F., [redacted].
Lithgow, William C., [redacted].
Loken, Kenneth [redacted].
Lopez, Ulpiano F., [redacted].
Lowry, Barbara S., [redacted].
Lyster, Sturgis, [redacted].
Mara, Francis J., [redacted].
Marquez, Ramon L., [redacted].
Martinez, Dionisio F., [redacted].
Mendez, Ruben A., [redacted].
Mendez-Abraham, Ruben A., [redacted].
Mitchell, Michael, [redacted].
Myers, William D., [redacted].
O'Loughlin, John M., [redacted].
Orapallo, Anthony J., [redacted].
Packard, Artenas, [redacted].
Peal, James A., [redacted].
Pierron, George J., [redacted].
Plymate, Stephen R., [redacted].
Pories, Walter J., [redacted].
Reesal, Michael R., [redacted].
Rubenstein, Harry, [redacted].
Samame, Peter E., [redacted].
Scott, Ralph, [redacted].
Simpson, Marion G., [redacted].
Strang, Mary S., [redacted].
Thielen, Arthur, [redacted].
Vasquez-Castro, Oscar, [redacted].
Weaver, Clyde M., [redacted].
Widrow, Sidney H., [redacted].
Wilemon, William K., [redacted].
Zahony, Ivan, [redacted].

The following-named officers for appointment in the Army of the United States, under the provisions of Title 10, United States Code, section 3494:

MEDICAL CORPS

To be lieutenant colonel

Connor, William S., [redacted].

The following-named Army National Guard officers for appointment in the Reserve of the Army of the United States, under the provisions of title 10, United States Code, section 3385:

ARMY PROMOTION LIST

To be colonel

Acosa-Rosario, R. B., [redacted].
Alberson, Billy F., [redacted].
Allen, Leslie E. [redacted].
Baugh, Edward L., [redacted].

Buchman, Vernon E., [redacted].
Byington, Dallas M., [redacted].
Carr, Hale D., [redacted].
Crumrine, Lawrence, [redacted].
D'Alessandro, Joseph, [redacted].
Dixon, Henry S., [redacted].
Ellis, Carl T., Jr., [redacted].
Ford, Leland D., [redacted].
Frakes, Paul D., [redacted].
Hamilton, John F., [redacted].
Hansen, Richard B., [redacted].
Hapner, James D., [redacted].
Harman, Stanley L., [redacted].
Hengel, Milton J., [redacted].
Holt, Wayne H., [redacted].
Ianni, Robert C., [redacted].
Jones, James W., [redacted].
Kauma, Eric E., [redacted].
Lennan, Richard G., [redacted].
Lind, Martin E., Jr., [redacted].
Liston, William M., [redacted].
Machina, Francis A., [redacted].
Mann, Robert T., [redacted].
McCullough, Joseph P., [redacted].
McCurry, Asben A., Jr., [redacted].
Merkel, Arthur R., [redacted].
Merkle, Norris V., [redacted].
Oelrich, Frederick C., [redacted].
Potter, Donald A., [redacted].
Reeves, Stanley G., [redacted].
Ruhl, Joseph C., [redacted].
Shields, Paul K., [redacted].
Stone, Thomas G., [redacted].
Wasson, James J., [redacted].

CHAPLAIN

To be colonel

Lorber, Albert B., [redacted].

MEDICAL CORPS

To be colonel

Burks, Willard G., [redacted].
Warren, Aaron K., [redacted].

ARMY PROMOTION LIST

To be lieutenant colonel

Ade, Walter, [redacted].
Alexander, Richard G., [redacted].
Ambrose, William P., [redacted].
Anderson, Harold J., [redacted].
Bassford, Gerald L., [redacted].
Beltrand, Adrian W., [redacted].
Beretta, Ronald J., [redacted].
Borst, George M., [redacted].
Bortolin, Richard J., [redacted].
Calhoun, Clarence A., [redacted].
Carpenter, Robert C., [redacted].
Carter, Richard O., [redacted].
Cresswell, Douglas R., [redacted].
Darley, Fred W., Jr., [redacted].
Davila-Rodriguez, J., [redacted].
Davis, Ronald C., [redacted].
Evans, Blythe H., Jr., [redacted].
Ferling, Robert W., [redacted].
Flint, Fred R., [redacted].
Fox, William I., Jr., [redacted].
Frank, Karl M., [redacted].
Fulton, William L., [redacted].
Gaffney, John R., [redacted].
Galioto, Joseph, [redacted].
Garrison, Carl E., Jr., [redacted].
Gilley, Talmadge B., [redacted].
Gwin, Charles T., Jr., [redacted].
Hagan, Robert A., [redacted].
Hagglund, Donald E., [redacted].
Halliday, James P., [redacted].
Haney, James O., [redacted].
Hannaman, James A., [redacted].
Harrison, David G., [redacted].
Herrmann, Howard P., [redacted].
Higgins, James W., [redacted].
Hoeke, John J., [redacted].
Kienholz, James L., [redacted].
King, William O., [redacted].
Litchfield, Willard B., [redacted].
Macey, William D., [redacted].
Marino, Wayne A., [redacted].
Martin, James A., [redacted].
Martin, James G., [redacted].
McCann, Thomas M., [redacted].
McQue, Robert R., Sr., [redacted].
Merrell, John W., [redacted].
Moen, Ross, [redacted].
Montgomery, Jefferson R., [redacted].
Moore, Billie F., [redacted].
Muller, Frank W., Jr., [redacted].
Newton, Billy C., [redacted].
Openshaw, Fred H. C., [redacted].
Ortiz, Alejandro, [redacted].
Paden, John M., [redacted].
Peck, Ernest G., [redacted].
Porter, Gerald W., [redacted].
Sanchez, Reynaldo, [redacted].
Schulz, Robert E., [redacted].
Steele, Gilbert R., Jr., [redacted].
Suggs, Clarence E., III, [redacted].
Tech, Larry L., [redacted].
Turner, Elbert F., Jr., [redacted].
Uhlmann, Jerry B., [redacted].
Walters, Robert A., [redacted].
Webb, Rodney S., [redacted].
Whitt, Robert D., [redacted].
Wilbur, Ralph O., [redacted].
Wilz, Charles F., [redacted].
Woodward, Ripley E., Jr., [redacted].
Wurtele, Ronald M., [redacted].

ARMY NURSE CORPS

To be lieutenant colonel

Colench, James H., [redacted].
Hammer, Karol A., [redacted].

DENTAL CORPS

To be lieutenant colonel

Carbone, John W., [redacted].
Carpenter, Richard A., [redacted].

MEDICAL CORPS

To be lieutenant colonel

Amicucci, Vincent A., [redacted].
Campbell, Mike C., Jr., [redacted].
Cardinale, Robert, [redacted].
Cash, Ted D., [redacted].
Johnson, Robert R., [redacted].
Lentz, Ronald J., [redacted].
Lickfield, William M., [redacted].
Miech, Michael J., [redacted].
Morasco, Edward R., [redacted].
Ortiz, Miguel A., [redacted].
Ortiz, Tulio L., [redacted].
Pate, Samuel R., [redacted].
Rosado-Ortiz, Juan F., [redacted].
Rosati, Robert A., [redacted].
Spear, Merritt F., [redacted].
Stetz, Joseph J., Jr., [redacted].
Viorio, Hector F., [redacted].
Vinueza, Tirso L., [redacted].
Voight, Gustav C., [redacted].
Widrow, Sidney H., [redacted].

MEDICAL SERVICE CORPS

To be lieutenant colonel

Ivanoff, Michael V., [redacted].
Regrut, Andrew J., [redacted].
Sullivan, Paul J., [redacted].

IN THE NAVY

The following-named lieutenants (junior grade) of the U.S. Navy for temporary promotion to the grade of lieutenant in the line and staff corps, as indicated, pursuant to title 10, United States Code, sections 5769 (line officers) 5773 (staff corps officers) and 5791, subject to qualification therefor as provided by law:

LINE

Kendall, Herbert J., II
Stiles, Glenn S.
Martin, Larry J.

MEDICAL SERVICE CORPS

Candelaria, Thomas

The following-named ensigns of the U.S. Navy for temporary promotion to the grade of lieutenant (junior grade) in the line and staff corps, as indicated pursuant to title 10, United States Code, sections 5784 (line and staff corps officers) and 5791, subject to qualification therefor as provided by law:

LINE

Ashmore, Richard W.
Bratcher, Stephen W.
Burdon, Coningsby E., Jr.
Cook, Thomas P.
Criner, Timothy J.
Davis, Eddie L.
Dean, William M.
Denny, Richard A.
Gilbert, Larry A.
Harris, James B.
Hartung, Gregory H.
Hascup, Richard
Horgen, Douglas A.
Huetteman, Richard J.
Johnson, Mitchell B.
Lambert, Vincent E.
Lloyd, William V., III
Moffatt, Larry W.
Moore, Michael A.
Moran, David B.
Morford, Jay R.
Olsen, Robert H.
Vanthof, Richard R.
Wilkinson, John M.
Yee, James B.

SUPPLY CORPS

Kapsch, Michael R.

CIVIL ENGINEER CORPS

Klem, Brian R.

The following-named lieutenants of the line, of the U.S. Navy for appointment in the various staff corps, as indicated, as permanent lieutenants (junior grade) and temporary lieutenants, pursuant to title 10, United States Code, sections 5582(b) and 5791, subject to qualification therefor as provided by law:

SUPPLY CORPS

Browning, Eugene R.
Jackson, Robert H., III
Frey, Charles W.

CIVIL ENGINEER CORPS

Berriman, John W.
Neal, Benjamin D.
Vidal, Dean A.
Navin, Charles J.
Tornatore, William P.

The following-named lieutenants (junior grade) of the line, of the U.S. Navy for appointment in the various staff corps, as indicated, as permanent ensigns and temporary lieutenants (junior grade), pursuant to title 10, United States Code, sections 5582(b) and 5791, subject to qualification therefor as provided by law:

SUPPLY CORPS

Bedard, Stephen A.
Kalkstein, Jeffrey W.
Bedard, Stephen A.

The following-named lieutenants (junior grade) of the line, of the U.S. Navy for appointment in the various staff corps, as indicated, as permanent lieutenants (junior grade), pursuant to title 10, United States Code, section 5582(b) and 5791, subject to qualification therefor as provided by law:

SUPPLY CORPS

Nicol, William J.

CIVIL ENGINEER CORPS

Lofaso, Joseph M.

The following-named ensigns of the line, of the U.S. Navy for appointment in the Civil Engineer Corps, as permanent ensigns, pursuant to title 10, United States Code, sections 5582(b) and 5791, subject to qualification therefor as provided by law:

Hertwig, Ronald W.
Hunt, Daniel T.

Lieutenant Jeffrey L. Roddahl, Supply Corps, U.S. Navy for appointment in the line of the U.S. Navy as a permanent lieutenant (junior grade) and a temporary lieutenant, pursuant to title 10, United States Code, sections 5582(a) and 5791, subject to qualification therefor as provided by law.

IN THE NAVY

The following-named chief warrant officers, W-1 of the U.S. Navy for temporary promotion to the grade of chief warrant officer, W-2, pursuant to title 10, United States Code, sections 5787c and 5791, subject to qualification therefor as provided by law:

Baker, Larry E.
Bridges, James O.
Dicanio, James V., Jr.
Fitch, John A.
Giroux, David L.
Rogers, Glenn T.
Teegarden, Dennis D.
Woodruff, Ronald R.
Barcus, William A., Jr.
Corliss, Albert L., Jr.

Fisher, Brenda S.
George, Robert T.
Kelly, Sean T.
Sewing, Jeffrey L.
Wilson, Ted L.

The following-named ensigns of the U.S. Navy for temporary promotion to the grade of lieutenant (junior grade) in the line and staff corps, as indicated, pursuant to title 10, United States Code, sections 5784 and 5791, subject to qualification therefor as provided by law:

LINE

Baker, Terrance L.
Caddell, Richard A.
Gallagher, Christopher J.
Harrison, Samuel F., Jr.
Hunt, David L.
Jepson, Ben B., Jr.
Marcinkowski, Eugene
McMeekin, Robert W., Jr.
Morris, Allan D.
Patrick, James H.
Pornaras, Robert A.
Spears, Harold E., Jr.
Stark, William R.
Syvertsen, Michael R.
Tilley, Glen F.
Willner, Lawrence L., I
Beckman, Jeffrey A.
Fettes, Michael D.
Graves, Ronald M.
Hudacek, David J.
Hynes, Alan P.
Mackin, James S.
Mason, William A., Jr.
Moren, Christopher A.
Panabaker, William H. III
Pittman, David L.
Riley, Eddie R.
Spilios, George F.
Stayton, Dennis D.
Taylor, Thomas
Valenzuela, Joseph D.

SUPPLY CORPS

Boyd, David O.
Klose, Keith D.

CIVIL ENGINEER CORPS

Davis, Robert E.
Wheeler, Gerald E.
Reams, Hugh E.

The following named woman ensign of the U.S. Navy for temporary promotion to the grade of lieutenant (junior grade), pursuant to title 10, United States Code, sections 5787b and 5791, subject to qualification therefor as provided by law:

Rhymer, Pamela J.

IN THE NAVY

The following-named (Naval Reserve Officers Training Corps candidates) to be permanent ensigns in the line or staff corps of the U.S. Navy, subject to the qualifications therefor as provided by law:

John W. Dreon, Jr.
Michael J. Haungs
Steven E. Heldreth
William F. McCarthy

The following-named (U.S. Navy officer (ret.)) to be reappointed from the temporary disability retired list as a permanent lieutenant in the line of the U.S. Navy, subject to the qualifications therefor as provided by law:

Lt. Hollis D. Arnold, USN (Ret.)

The following-named (U.S. Navy officers) to be appointed permanent commanders in the Medical Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law:

Duane G. Amundsen
Edsel J. Aucoin
Grady G. Barnwell
Thomas A. Clark
Diane L. Colgan
Earl F. Evans, Jr.
Theodore L. Folkerth
David F. Harder
David G. Harper
Richard E. Hopper
Raymond Iglecia-Fernandez
Robert S. Knapp
Ernest E. Kundert
James M. Mathers
James A. Mittag
Ralph A. Nelson
Lawrence W. Raymond
Frank G. Satko
George E. Siegfried
Steven M. Steinberg
John D. Wallin

The following-named (U.S. Navy officer) to be appointed permanent commanders in the Dental Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law:

Gerald L. Hartman
Thomas C. Licking

The following-named (U.S. Navy officers) to be appointed a temporary captain in the Medical Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law:

John D. Wallin

The following-named (U.S. Navy officers) to be appointed temporary commanders in the Medical Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law:

Arthur C. Burns
John B. Castelli, Jr.
Richard G. Daly
Robert G. Hartmann
Alan C. Jones
Joseph A. Kaufman
Raza A. Khan
Phillip F. Mac
Douglas A. Palenschat
Lawrence A. Rathbun
Michael J. Rensink
David E. Smith
John H. Tinker
David M. Treiman
Thurlow R. Underhill
Frederick E. Youngblood III

The following-named (U.S. Navy officers) to be appointed temporary commanders in the Dental Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law:

Ernest G. Glass
Richard H. Harper
Robert M. Rohen

The following-named (U.S. Navy officers) to be appointed temporary commanders in the restricted/unrestricted line in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law:

Edward M. Barrow
Ronald M. Goodman
William B. Humphrey

IN THE MARINE CORPS

The following-named U.S. Air Force Academy graduates for permanent appointment to the grade of second lieutenant in the Marine Corps, pursuant to title 10, United States Code, section 5585 and 541, subject to the qualifications therefor as provided by law:

Horton, Ronald G.
Moore, Harrell M., II
Ryan, Richard S.

The following-named Naval Reserve Officers Training Corps graduates for permanent appointment to the grade of second lieutenant in the Marine Corps, pursuant to title 10, United States Code, section 2107, subject to the qualifications therefor as provided by law:

Jackson, Henry C., II
McGowan, Bernard W., Jr.

The following-named Marine enlisted commissioning education program graduates for permanent appointment to the grade of second lieutenant in the Marine Corps, pursuant to title 10, United States Code, section 5583, subject to the qualifications therefor as provided by law:

Adams, Kelvin P.
Albertson, Kimberly D.
Allen, Michael S.
Cruver, Milton L.
Huaute, Tawish
James, Glenn H.
Klicker, Karl D.
Larrimer, Guy
McCann, Robert E.
Myers, Charles L.
Rouse, Charles T.
Samson, Cecil R.

The following-named Navy enlisted scientific education program graduates for permanent appointment to the grade of second lieutenant in the Marine Corps, pursuant to title 10, United States Code, section 5583, subject to the qualifications therefor as provided by law:

Allpress, Douglas R.
Bambrough, George N.
Barr, John E.
Derrick, Ronald H.
Ehrenberg, Craig D.
Handgraaf, Darrel L.
Hunter, Jessie L.
Jackson, Edward N.
Koby, Kevin F.
McGrath, Michael J.
Rockey, Randall R.
Smith, Robert W.

IN THE MARINE CORPS

The following-named Naval Reserve Officer Training Corps graduates for permanent appointment to the grade of second lieutenant in the Marine Corps, pursuant to title 10, U. S. Code, section 2107, subject to the qualifications therefor as provided by law:

Anderson, Ronald E.
Arnett, James R., II
Auman, Rickey L.
Ball, William R.
Ballantyne, Steven E.
Behm, Larry R.
Bergeron, Lorine E.
Biely, Debra M.
Bissell, Stephen T.
Blundell, Malcolm J.
Boland, Robert I., III
Bonsignore, Joseph Jr.
Bradford, Kent M.
Bright, Raymond T.
Brown, Ronald F.
Broyles, Mark K.
Brunet, Gregory L.
Burkholder, Kerry L.
Cameron, Bryce K.
Cantrell, Bradley E.
Carpenter, Daniel K.
Carter, John K.
Chenoweth, Richard M.
Clark, Leo J.
Clark, Michael K.
Coolbaugh, Stephen D.
Clinch, James P.
Corbett, Deane A.
Cowdin, Daniel B.
Cyr, Mark J.
Daugherty, George L., Jr.
Davin, Thomas E.
Davis, Carl E.
Defebaugh, Kent A.
Dehart, John P.
Den Herder, Jeffrey L.
DeSalva, Peter N.
Doerr, Douglas R.
Dowdy, Joe D.
Elliot, Larry W.
Escholz, Theodore S.
Fagan, Lawrence M., Jr.
Fasciano, James A.
Ferris, Mark S.
Ferrucci, David D.
Fierro, Acension D.
Fiser, William L.
Fisher, Craig S.
Fowler, Gregory A.
Gabrielli, Gail V.
Galoni, Steven A.
Gay, Michael, A.
Geary, Mark E.
Gifford, Charles S.
Gin, Richard M.
Glass, Stuart D.
Goins, Volker E.
Gorman, Robert G.
Gotay, Angel, R.
Hallahan, Michael J.
Hambidge, Timothy J.
Harrison, Anthony D.
Heim, Bruce R.
Hinkle, James S.
Hobson, Thomas D.
Holder, Kenneth T.
Hoover, David W.
Hopper, Paul K.
Howcroft, James R.
Humphrey, Kevin A.
Hurt, Charles W.
Jenkins, Joseph E., Jr.
Jones, Steven M.
Kailey, John A., III
Kane, Christopher J.
Keller, Russell A.
Kelley, Richard H.
Kennedy, Bruce C.
Kibbey, Keith A.
King, Lawrence M., Jr.
King, Raymond E., III
Kmiec, Richard V.
Kolshak, Joseph C.
Kovach, Thomas R., Jr.
Kuenzle, John J.
Kuhlman, Ronald R.
Lariviere, James M.
Learn, Timothy G.
Lewis, Timothy
Litaker, Eric T.
Losinski, Paul V.
Lueder, David J.
Manley, Thomas F., II
Marker, Jennifer L.
Martin, Dana K.
Mercado, Leo A., Jr.
McCaffrey, Mary P.
McKenzie, Kenneth F., Jr.
McMillian, Timothy C.
McQuiston, Brian
Meed, Michael V.
Megan, Gregory F.
Miller, Walter L.
Montgomery, Edward C.
Moran, Robert D., Jr.
Morgan, Bruce A.
Murphy, Anthony A.
Murphy, Shaun M.
Newkirk, Dennis C.
Nitkowski, Paul A.
Oakes, Herbert A.
O'Connor, Christopher E.
Ogden, Michael S.
O'Keefe, Dennis J.
Owens, Charles E.
Pais, Anthony B.
Parker, Kenneth W.
Parrott, Michael L.
Parsons, William W.
Quillian, Stone W.
Poole, Robyn R.
Poteat, Jerry L.
Price, Richard C.
Purvis, Michael J.
Rall, Robert W.
Reardon, John F.
Reinecke, Richard C.
Rendon, Ricardo J.
Rhoades, Bryan M.
Richardson, Adrian K.
Riley, Michael K.
Riley, William E.
Rivera, Jose E.
Rizzio, William E.
Robertson, James S.
Robinson, Ronald J.
Rodeck, Brian D.
Sands, Benjamin F.
Santa Ana, Stephen
Schad, Steven J.
Schollmann, Richard A.
Seay, Michael, II
Sholler, David W.
Siegel, Rolf A.
Singer, David L.
Smith, Blake H.
Smith, Douglas
Spillman, Ricky C.
Spurrier, Duane T.
Sullivan, William J.
Thomas, Bradley A.
Thornley, Donald J.
Tilton, Christopher M.
Tilton, Mark E.
Underwood, Peter T.
Victorine, James M.
Walter, David L.
Walters, Glenn M.
Ward, Robert G.
Wassink, David J.
Welsh, James L.

Whitacre, Jeffrey B.
White, Peter C.
Whited, Mark E.
Whiting, Joseph A.
Whittle, Sam E.
Wickel, John W.
Wilkerson, Paul S.
Williams, Morris E.
Wilson, Herbert M.
Wilson, Kenneth D.
Wood, David E.
Yee, Derwin G.
Young, Thomas B.
Zackary, Thomas A.
Zeller, Gary R.

Executive nominations received by the Senate, January 23, 1979, before the convening of the Senate, under authority of the order of the Senate of January 18, 1979:

OFFICE OF PERSONNEL MANAGEMENT

Alan Keith Campbell, of Texas, to be Director of the Office of Personnel Management for a term of 4 years, to which office he was appointed during the last recess of the Senate.

IN THE AIR FORCE

The following-named officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. Charles Curtis Pattillo, [redacted]FR, U.S. Air Force.

The following-named officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. Lawrence Albert Skantze, [redacted]FR, U.S. Air Force.

Lt. Gen. John J. Burns, U.S. Air Force, (age 54), for appointment to the grade of lieutenant general on the retired list pursuant to the provisions of title 10, United States Code, section 8962.

Lt. Gen. James A. Knight, Jr., U.S. Air Force (age 55), for appointment to the grade of lieutenant general on the retired list pursuant to the provisions of title 10, United States Code, section 8962.

WITHDRAWAL

Executive nomination withdrawn from the Senate January 23, 1979:

Alan Keith Campbell, of Texas, to be Director of the Office of Personnel Management, to which office he was appointed during the last recess of the Senate, which was submitted to the Senate on January 18, 1979.

EXTENSIONS OF REMARKS

A PRESCRIPTION FOR CONSUMERS

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 23, 1979

● Mr. ROSENTHAL. Mr. Speaker, each year American consumers may be paying as much as $2 billion in unnecessary prescription costs as a result of anticompetitive practices that include prohibitions on retail drug price advertising, overprotective patent laws, exorbitant promotional expenditures, antisubstitution laws, and unreasonable markups. It is estimated that consumers paid $9 billion in 1978 for prescription drugs.

Pharmacy for too long has acted as though consumers have no business knowing the cost of a prescription until they are presented with the bill. This is absurd. In addition, pricing is grossly inconsistent, even among stores of the same chain for the same prescription. It is almost impossible to compare prices. This causes hardships, especially for the elderly and others on low and fixed incomes. The pharmaceutical industry has shown distressingly little regard for the financial plight of its customers.

Prescription drugs are the major consumer product on the market today for which there is no retail price competition. The lack of adequate price information often forces consumers to spend more than necessary for prescription drugs. This should not be allowed to continue. One of the most effective means of providing that information and promoting competition in our free enterprise system is retail price advertising, something seriously lacking in pharmacy. Peer pressure and professional restrictions for years have combined to bar advertising and as a result competition has been minimal. Although the Supreme Court has ruled such prohibitions are unconstitutional, their effect remains. To help clear up the confusion and make the laws clear, I have introduced legislation specifically outlawing any prohibitions on retail prescription drug advertising. And to help provide an information base for such advertising and for consumers to use in comparing prescription costs with or without advertising, the bill also requires drug price posting.

Over the years consumers have been conditioned to believe that money is no object where health is concerned; but in reality prescription drug prices bear little or no relationship to quality. American consumers most certainly have the right to find the best buy available and to receive as much information as they can on the lower cost generic drugs. This is a liberty that should be given to all consumers.

Drug industry profits are nearly double the rate of other U.S. manufacturing corporations. High prices are just one reason for high profits. Another is advertising—something de riguer at the wholesale level but an anathema at retail. The manufacturers spend hundreds of millions of dollars each year on advertising and promotion but only a small fraction on basic research and development.

The drug industry also spends enormous amounts of time and money to prevent consumers from comparing the retail prices of prescription drugs. Excessive prices and monopolistic practices go hand in hand with the desire of many pharmacists to avoid retail price competition. The result is an increased burden on the consumer who is forced to pay these inflated prices.

The drug industry in the United States occupies a uniquely secure position in the economy. Demand continues to grow as new scientific discoveries are made and as the cures for more diseases are unearthed. Herein lies the decided disadvantage that the consumer must deal with. He has no choice but to buy these prescriptions no matter what the cost, because of strong and effective anticompetitive industry practices and overprotective patent laws.

The patent structure has helped to keep the prices of certain drugs at a high level. This protection stifles competition by giving the manufacturer a virtual monopoly on production and distribution for the 17-year patent period.

The drug industry contends that without the incentive of patent protection, many of the new drugs developed in recent years would not have been discovered. There is a need for a degree of patent protection but the 17-year monopoly seems excessive. The answer, in my judgment, lies in compulsory licensing of prescription drug patents.

I feel it is time for the consumer to be given a viable alternative to the high prices for prescription drugs. I have introduced four pieces of legislation in order to deal with these abuses:

The Prescription Drug Price Information Act (H.R. 43), which removes all legal restrictions on retail prescription drug price advertising and requires the posting of prices for the 100 most commonly prescribed drugs as determined by the Food and Drug Administration. The list should be arranged alphabetically by generic name and should contain the lowest price charged for each generic and brand-name drug in its most commonly dispensed dosage form and quantity. This measure would encourage consumers to be more price-conscious as well as increase sorely needed competition among pharmacies.

The Prescription Drug Labeling Act (H.R. 44), which requires the labeling and advertising of prescription drugs by their generic name and an end to the laws prohibiting generic substitution by pharmacies. The use of generic drugs can be achieved without any sacrifice in the quality of safety of drugs. It would give the consumer and pharmacists the option of filling the prescription with the generic equivalent. Where such a substitution occurs, it must not be done to sell a higher-priced product but to save money for the consumer. The doctor would retain the option, if desired, of prohibiting substitution on a specific prescription.

The Prescription Drug Freshness Act (H.R. 45), which requires that all perishable drugs show clearly on their label the date beyond which the potency is diminished or the chemical composition altered by age. This is already done at the wholesale level and should be done for the retail consumer as well.

The Prescription Drug Patent Licensing Act (H.R. 46), which would make the licensing of new prescription drugs compulsory during the 17-year patent period. This would enhance competition in the industry as well as lower the prices that consumers would have to pay.●

MIDEAST FALLOUT

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 23, 1979

● Mr. DERWINSKI. Mr. Speaker, it is obvious that complications in Iran have further tied the administration's hands in dealing with OPEC as well as adding new obstacles to the signing of the proposed Egyptian-Israeli peace treaty.

The Wall Street Journal of December 19, 1978, addresses the Middle East complications in an editorial entitled, "Mideast Fallout." The editorial follows:

[From the Wall Street Journal, Dec. 19, 1978]

MIDEAST FALLOUT

Among all the weekend news about China policy and OPEC price hikes, we passed the December 17 deadline that President Carter established three months ago for the signing of an Egyptian-Israeli peace treaty. We don't yet have that treaty, of course. But more than that, the Carter administration's erratic behavior in the Mideast negotiations has considerably hurt this country's ability to mediate a peace.

Back in the fall of 1977, you'll remember, the administration and the State Department had brought the Mideast situation to stalemate by pushing a comprehensive, all-at-once settlement of the outstanding issues and even letting the Soviets in as a party to the negotiations. Egypt's President Sadat broke the logjam by going to Jerusalem to begin talks on his own. In the months that followed, our diplomats complicated things again by throwing other issues and objections back into the pot. This time President Carter saved the situation by convening Camp David, and again putting some distance between the Israel-Egypt issues and the Middle East's other vexing problems.

After the Camp David signing on September 17, the predictable pressures began to mount—on Mr. Sadat from his Arab allies, on Mr. Begin from his political comrades. And these pressures centered on the predictable questions: the extent to which the Egyptian-Israeli peace would be linked to the establishment of a Palestinian state. Once again our diplomatic apparatus swung into action, on the side of a close linkage and a comprehensive plan. As Mr. Sadat kept upping the ante on this issue, U.S. negotiators kept following him along and providing him with U.S. support.

At the beginning of November, what was on the table was a U.S.-approved draft treaty that dealt with the West Bank problem in its preamble. The Israelis, after initial balking, accepted this text.

But in the meantime, Mr. Sadat was presenting new demands. First he said he wanted a fixed date for Palestinian elections, to come at the same time as Israeli withdrawals from the Sinai and before Egypt would have to live up to its side of the bargain. Then he wanted a change in the treaty so that Egypt could still go to war with Israel under the terms of various Egyptian-Arab mutual defense pacts. Then he wanted another change saying that full diplomatic relations, with the actual exchange of ambassadors, wouldn't have to be established until Palestinian self-governance was in place.

Each time the U.S. came up with a "compromise" between our original position and the new one that Mr. Sadat was laying out. We suggested that Mr. Sadat's timetable be called a "target date" and moved back by three months. We suggested that the part about honoring the Arab mutual defense pacts be put in an annex to the treaty rather than the text proper. We said that Mr. Sadat was reasonable in withholding "only" his ambassador from Israel until his new conditions were met. And when the Israelis refused to cooperate in this little game, our President and his Secretary of State publicly denounced them in a striking show of petty vindictiveness. Worst of all, the State Department denizens who've been shoving the linkage issue into everyone's face all these months are now saying that they saw this mess coming from the first. They should know, of course, since they played no small part in creating it.

Making this particular peace was never going to be easy. It was always clear that the U.S. was going to have to put pressure on Israel in the process, and to give Mr. Sadat enough to show for his efforts. But it's equally clear that President Carter and his negotiators have gone too far. In their search for another public victory they've begun asking Israel not just for cosmetic concessions but for new substantive ones, and they're piqued when Israel shows that it knows the difference.

They're also trying to put Israel in a position increasingly dependent on American good will and resolve. But after their behavior in these negotiations, not to mention the example they've just given the world in the case of Taiwan, the Israelis would have to be slightly daft to give up territory on the basis of the administration's interpretations and assurances. Unless there's some sign soon of a change in the U.S. attitude, maybe Egypt and Israel should pick up the ball once more and hold a new Camp David without us.○

TO AUTHORIZE NATIONAL SHUT-IN DAY

HON. NICK JOE RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 23, 1979

● Mr. RAHALL. Mr. Speaker, I am introducing legislation today to designate the first Sunday in June of each year as National Shut-In Day. This measure would recognize and call public attention to a great number of our citizens who constitute an often neglected segment of our society.

These persons have contributed in the past to the happiness and well-being of others by being parents, children, hard workers and concerned citizens. Although in most instances they are older or physically impaired, they are valuable for the qualities they possess as individuals with a rich past which can be shared with those who have not enjoyed their experiences.

The shut-in people of our country have a great deal of warmth and friendship to offer, and those who observe National Shut-In Day will gain richly by the experience.

Shut-In Day would be observed to remind the general public of these their fellow citizens, who cannot take any active part in the religious, business, and social affairs of the community.

With the growing concerns for shut-ins, a national organization was formed to bring attention and care to those who are forced to exist indoors, never experiencing the beauties of nature and the association and communication with other people. The object of the association is to encourage remembrance of the sick and disabled civilian and war veteran by the public on Shut-Ins Day and throughout this year. It is a nonsectarian, nonpolitical, nonracial and nonprofit organization.

Your sincere consideration and cooperation in the passage of this resolution will be sincerely appreciated and will be gratifying to thousands of those who are less fortunate than we who are able to enjoy the associations with each other.●

COMMENDATION AWARDS FOR TWO CITIZENS

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 23, 1979

● Mr. EDWARDS of California. Mr. Speaker, for over 60 years the Anti-Defamation League has been one of the leading human relations organizations in the struggle for better understanding and for bonds of cooperation and friendship between Christian and Jew, black and white, and among all community groups.

At the recent 16th annual awards civic leaders were honored with the ADL banquet in San Jose, two outstanding Council's Community Service Award.

Leo Ruth, Jr., and Jack Going, Jr., both have long and distinguished records of public service in Santa Clara County.

In addition, I am pleased to say that both are valued personal friends of mine and of our distinguished colleague who also represents the city of San Jose, NORMAN MINETA.

Mr. Ruth is president of Ruth, Going and Curtis, Inc., architects, engineers, and planners. Born and raised in San Jose, Mr. Ruth has long been an active participant in community affairs. He is a member of the advisory board, National Jewish Hospital. With his partner, Jack Going, he received the Spirit of Life Award from the City of Hope Hospital in 1973. He was chairman of the San Jose Chamber of Commerce in 1977. He has served on the city of San Jose Citizens Charter Revision Committee, County Flood Control Bonds Committee, city of San Jose Advisory Board of Health, city of San Jose Redevelopment Agency, Volunteers of America, West Valley Open Doors, Cancer Society Crusade, Serra Medical Hospital, and many others. He and his wife, Dorothy, have 8 children and 15 grandchildren.

Mr. Going has a distinguished record of public service. He is a member of the advisory board of the National Conference of Christians and Jews and is vice chairman of the O'Connor Hospital Foundation. He serves on both the board of regents and board of fellows of the University of Santa Clara. He is a director of the Santa Clara Youth Village and chairman of the board of regents of Bellarmine College Preparatory. He has worked for United Fund, Hope for Retarded Children and Adults, and Comprehensive Mental Health Planning Committee. He and his wife, Audrey, have three children. Mr. Going is executive vice president-treasurer of Ruth, Going and Curtis, Inc.

Mr. Speaker, I am grateful for this opportunity to share commendation for these two fine citizens with my colleagues here in the House of Representatives.●

PUBLIC BROADCASTING SCORED; FAILS TO MEET MINORITY NEEDS

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 23, 1979

● Mr. CLAY. Mr. Speaker, as we begin our work in the 96th Congress, I feel it is important to take this opportunity to bring to the attention of my colleagues a report which was recently issued by the Task Force on Minorities in Public Broadcasting. Below is an article which appeared in the St. Louis Argus on November 23, 1978, regarding the Task Force report: "A Formula for Change.":

PUBLIC BROADCASTING SCORED; FAILS TO MEET MINORITY NEEDS

WASHINGTON, D.C.—A lengthy report of the Task Force on Minorities in Public Broadcasting last week scored public broadcasting in the United States for what was described as a failure to meet the informational and educational needs and interests of Blacks, Asians, Latinos and Native American citizens.

The 496-page report, entitled A Formula for Change, was issued by the Task Force, created in January 1977 and funded by the Corporation for Public Broadcasting (CPB) to assist the Corporation's Board in developing policies to "maximize the involvement of minorities in the growth, development, employment and participation of minorities in all aspects of public broadcasting."

"The informational, cultural and educational benefits and opportunities which should flow from the taxpayer-supported public broadcasting system are so slight as to be insignificant insofar as minorities are concerned," the Task Force concludes.

After 18 months of deliberation and exploration of a wide range of subject areas, the Task Force made public its final report. It focuses on policy, employment, job training, programming, audience research and minority control of public broadcasting facilities.

The report represents "the first time a diversity of minority Americans have come to a consensus about the barriers to their full participation in public broadcasting and have attempted collectively to identify ways by which to overcome them," Dr. Gloria L. Anderson, chairman of the Task Force, noted in her preface to the report.

The report declared that national minority programming—programming that is by and about minorities—"is seriously deficient." According to the report, this scarcity of minority programming is directly linked to "the insufficient number of minorities employed in public broadcasting, particularly in decision-making positions."

Adding to this lack of minority participation, the Task Force said, is the fact that there are few minority-controlled public broadcast stations in the United States. Only 18 of the 471 stations—195 radio and 276 television—are controlled by minorities, and 11 of those are located outside the continental U.S. in Alaska, Guam, Hawaii, Puerto Rico and the Virgin Islands.

The report noted that only six of the 10 minority-controlled public radio stations and only one of the eight minority controlled television stations (WETV-TV, Atlanta) are located within the continental U.S.

The Task Force also pointed out that minority licensees encounter numerous difficulties in obtaining funds from the traditional sources of broadcast station support.

As cochairman of the Congressional Black Caucus' (CBC) Communications Subcommittee, I have worked with concerned representatives from the broadcast industry through the CBC communications brain trust. The communications brain trust has devoted considerable time and energy to examining the problems and identifying the needs of minority Americans in relation to the broadcast and communications industries. The study recently released by the Task Force on Minorities in Public Broadcasting depicts the severity of some of the problems experienced by black and minority Americans at the expense of a Public Broadcasting System which caters to the needs and interests of the affluent majority. The CBC communications brain trust has dedicated its efforts over the last 2 years to developing effective solutions to the unique problems of minority Americans.

It is time for Congress to recognize this movement and respond to the crying need for change. While the impact of television and radio on our daily lives can scarcely be underestimated, the benefits which the Public Broadcasting System brings to minority Americans are too slight to even be measured.

The airwaves belong to the public. But, it is only a joke to pretend that the broadcast industry operates in the public interest. Since its inception, black and minority Americans have had to support the Public Broadcasting System through their tax dollars, yet they have been consistently excluded from participating in its benefits. How much longer can Congress sit back and permit this intolerable situation to persist? I believe that there will not be any significant change in this ugly situation until Congress does its job and until we have a significant number of black and minority Americans employed in the public broadcast industry in decisionmaking positions. The time is drastically overdue for Congress to take charge and abolish these injustices.●

CONGRESS CANNOT BE TRUSTED

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 23, 1979

● Mr. DORNAN. Mr. Speaker, Congress is an institution that cannot be trusted.

That is an opinion we saw portrayed over and over again in 14 different polls taken during the 95th Congress. It was a tragic impression of the American people taken down by organizations with which we are all familiar: The Harris survey, Chicago Tribune, CBS News, the Gallup poll, Iowa's Des Moines Register, California's Field Research Corp., NBC News, and Associated Press.

Even the much touted "tough" code of ethics passed by the House in the 95th Congress received a thumbs down rating by the majority of the citizens we serve. Our so-called reform was viewed in the same vein as a barkless watchdog. I, of course, realize that polls are not infallible, but look at the results for yourself.

First, Congress was rated last of 15 institutions in a November 1977 Harris survey of 1,498 adults nationwide in response to the following question:

As far as people in charge of running (read list) are concerned, do you feel they really know what most people they represent or serve really think and want, or do you feel they are mostly out of touch with the people they are supposed to lead or help?

[In percent]

	Really know what people want	Mostly out of touch	Not sure
Congress:			
1977	31	58	11
1975	34	54	12

Second. In a congressional job performance rating conducted by a July 1978 Harris-ABC poll of 1,238 adults nationwide, Congress was rated as follows for enacting the ethics code:

Putting into effect a tough new code of ethics: Positive, 29 percent; negative, 56 percent; not sure, 15 percent.

Third. A CBS News campaign '78 telephone poll taken in September 1978 of a nationwide sampling of 1,451 persons, asked a number of questions relating to trust in politicians. Three relevant questions were answered as follows regarding lack of trust in politicians:

		Party I.D.		
	Total	Republican	Independent	Democrat
(a) It is mostly because people today just don't believe in politics and politicians?				
Yes	75	76	75	75
No	18	19	19	17
No opinion	7	5	6	8
(b) It is mostly because politicians are less trustworthy than they used to be?				
Yes	62	56	59	66
No	31	38	34	27
No opinion	7	6	7	7
(c) Is it because people see and hear more about their elected officials now than they used to?				
Yes	80	82	79	80
No	15	15	15	15
No opinion	5	3	6	5

Fourth. A September 1978, Harris-ABC News survey of 1,915 voters in 104 swing congressional districts was quite revealing. Some of the key findings were:

By a massive 84–10 percent, voters are convinced that at the present time we do not have a Federal Government "which is almost wholly free of corruption and payoffs."

By 69–18 percent, a majority believes that the best people are not now attracted to serve in the public life.

By 61–26 percent, a majority denies that we now have a Federal Government in which "the good of the country is placed above special interests."

By 51–36 percent, voters do not feel that "most public officials are dedicated to helping the country rather than being out for themselves."

Fifth. A November 1977 nationwide Harris survey of 1,498 adults reported that "—By 65–27 percent, a majority believes that 'most elected officials are in politics for all they personally can get out of it for themselves.' "

Sixth. An October 1978 NBC-Associated Press poll of 1,600 adult Americans gave Congress the following job rating:

[In percent]

Excellent	1
Good	20
Only fair	50
Poor	25

Seventh. A January 1978 Gallup sampling of honesty and ethical standards placed Congressmen 13th out of 20 occupations and professions. The nationwide 1,500-person poll gave the following breakdown:

[In percent]

Congressmen:	
Very high	4
High	12
Average	47
Low	25
Very low	10
No opinion	2

Eighth. A March 1977 California face-to-face poll of 962 adults gave Congress this rating:

[In percent]

Congress:	
Lot of confidence	13
Some confidence	50
Not much confidence	23

Congress placed 12th out of 13 categories.

Ninth. A November 1978 NBC poll of 1,600 adults nationwide gave Congress the following job rating:

[In percent]

Excellent	1
Good	19
Only fair	50
Poor	25
Not sure	5

Tenth. A face-to-face poll conducted by the Des Moines Register of 591 adult Iowans rated 39 governmental, business, religious, and social institutions. The Congress ranked 32d in trust. The poll was conducted in December 1978.

Eleventh. A Gallup face-to-face poll of 1,500 adults in 300 selected localities during April 1978 rated Congress last in public confidence, out of 9 key American institutions.

Twelfth. An August 1978 survey of 1,499 adults last out of 16 institutions in the category of public confidence. Only 10 percent of those surveyed had "high confidence" in Congress—an all time low.

Thirteenth. An October 1977 CBS-New York Times poll of 1,603 adults produced the following results:

[In percent]

	Total sample	Democrat	Independent	Republican
And Congress—how much of the time can you trust the Congress to do what's right—just about always, most of the time, or only some of the time?				
All of the time	5	7	4	3
Most of the time	32	35	30	28
Some of the time	59	55	61	66
Never	1	2	1	1
No opinion	3	1	4	2

We, in Congress, Mr. Speaker, have no one to blame but ourselves. In plain terms, we must put our own House in order before we merit the respect which should attach to the office of public trust that we each hold. Each Member, although he or she directly represents their constituents, votes on laws that touch every American.

This situation cannot long endure if representative government is to survive. I believe we can change this deplorable situation by upholding and enforcing a code for Members which is the same for the public-at-large. I urge each Member to reread the above polls and then reflect on the Republican House rules changes that the minority party tried so hard to adopt today.●

DOE AND NATURAL GAS SUPPLIES

HON. JOHN W. WYDLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 23, 1979

● Mr. WYDLER. Mr. Speaker, our former colleague, Gary A. Myers, of Pennsylvania, wrote to the Department of Energy at the time of the passage of the National Gas Policy Act portion of the National Energy Act urging that the deparment form a task force or establish a a formal mechanism to insure proper implementation. Mr. Myers felt that in implementing this complex legislation the Department of Energy should place its emphasis on actions that will make the greatest possible quantity of new natural gas supplies available. I am inserting in the RECORD, the department's response to this letter. I believe that the Secretary's answer misses the point that the Congress is most interested in deriving some benefits from this Byzantine piece of legislation by having a focus of responsibility within the department. The Secretary's oblique reply is a sad commentary on the extent of the department's burden in implementing poorly crafted legislation.

DEPARTMENT OF ENERGY,
Washington, D.C., December 11, 1978.

Hon. GARY A. MYERS,
House of Representatives,
Washington, D.C.

DEAR MR. MYERS: Thank you for your letter to the Secretary of Energy of November 15, 1978. He has asked me to reply to you regarding the formation of a task force to "identify actions with the largest potential for making new natural gas supplies available."

The Department of Energy (DOE) is keenly interested in avoiding unnecessary delays in the implementation of the National Gas Policy Act (NGPA), especially with regard to those provisions that will enhance the prospect for increased production of natural gas. A clear indication of this effort is demonstrated by the initiatives taken by the Federal Energy Regulatory Commission (FERC) to publish and implement as quickly as possible appropriate regulations to implement provisions of the NGPA, which is a responsibility of FERC.

Relative to your suggestion of a task force, we assure you that all interested parties within DOE that have a responsibility in implementing the legislation are cooperating and coordinating their efforts to insure that the intent and purpose of the legislation are carried out.

In lieu of a task force, you may be interested in the implementation of a new program within DOE whose objective is somewhat similar to your reason for having a task force. For the past 5 months, DOE has been formulating a commercialization strategy which prioritizes specific actions and activities to increase the supply of natural gas from unconventional sources. The Unconventional Gas Recovery Commercialization Task Force concluded in its report that certain unconventional gas sources, namely, the technology associated with the recovery of certain tight gas sands, Devanian Shale, coal bed methane, and geopressured methane, have reached the point that it was ready for commercial application on a limited basis. The principal focus of the plan is on the near-term actions of four major organizations within DOE:

Resource Applications—established as the DOE organization to lead the commercialization efforts.

Energy Technology—charged with developing cost-effective technologies for exploiting the resources to their fullest.

Environment—assigned to assure environmental protection and occupational safety.

FERC—responsible for implementing gas pricing legislation, approving gas pipelines, and regulating the markets for natural gas.

In addition to accelerate the movement to full commercialization, the position of a Resource Manager has been estabilshed within DOE. The Resource Manager provides a DOE-wide point-of-focus for the integration of all activities required to achieve the earliest possible date for commercialization of these four gas resources.

Although there may be disagreements among experts on the exact magnitude of our unconventional gas resources, we are convinced that these resources are substantial and the development and production from them can make a significant contribution in meeting our Nation's future gas requirements.

Sincerely,

GEORGE S. MCISAAC,
Assistant Secretary, Resource Applications.●

TUG VALLEY FLOOD PROTECTION ACT

HON. NICK JOE RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 23, 1979

● Mr. RAHALL. Mr. Speaker, today I have introduced on behalf of myself and Mr. PERKINS the Tug Valley Flood Protection Act of 1979. This legislation is designed to provide $100 million for the construction of flood walls and levees along the largest coal producing region of our Nation.

Last year marked a monumental battle for the residents of this region. It was culminated by a "Pilgrimage to Washington" by the residents of Williamson, W. Va., who left with us their plea for help and protection. This was followed by both Senate and House hearings which were culminated by a section of the Public Works Appropriations Act of 1978 including $10 million for snagging and dredging of the Tug and Levisa Forks of the Big Sandy River. Now we find that what was first thought to be immediate relief was nothing more than a dream as this money cannot be utilized by the

Corps of Engineers for no authorizing legislation has been enacted.

A recent analysis by members of my staff has shown that since 1954, southern West Virginia and eastern Kentucky have been flooded 17 times, an average of one flood every 1.3 years and that the frequency rate is growing larger. These floods have resulted in millions of dollars being spent in recovery efforts. During this period of 25 years, the Small Business Administration has approved loans totaling over $47 million, the Federal Disaster Assistance Administration's obligations now total over $10 million and claims paid by the Federal Insurance Administration now total over $7 million. This amounts to expenditures exceeding $64 million with estimates for flooding during December 1978 not determined yet. Put another way, this averages to an expenditure of almost $3 million every 1.3 years.

In the past weeks, we have seen what effect not reducing our dependence on foreign sources of energy will have on our economy. The decision by the Organization of Petroleum Exporting Countries to raise oil prices by 14 percent will have a decisive affect on our economy. The Tug Valley holds one of the keys to reducing our dependence, but without adequate flood protection this region will become nothing more than a sodden wasteland.

It is my hope, Mr. Speaker, that my fellow colleagues as well as the President will understand the urgency of this problem and will lend their full support to providing relief to this disaster ridden region. For as we enter this new year, named the "Year of the Child" by the UNICEF Foundation, I hope the children of the Tug Valley have the opportunity to grow, flourish and develop without the constant fear of recurrent floods every spring.●

STATEMENT ON UKRAINIAN INDEPENDENCE

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 23, 1979

● Mr. OTTINGER. Mr. Speaker, January 22, 1979, marks the 61st anniversary of the Proclamation of the Independence of Ukraine as the Ukrainian National Republic, which took place on January 22, 1918, in Kiev, the capital of Ukraine. This is a most appropriate occasion to denounce the Soviet Union's unwillingness to abide by the provisions of the Helsinki Accords, the United Nations charter and the inherent right of self-determination of the peoples of the Ukraine.

The Ukrainian National Republic was established after a revolution, not unlike our own, during which the Ukrainians aspired and achieved complete independence. This sovereign Ukrainian State was immediately recognized by a large number of nations including France, England, and Soviet Russia. Despite the fact that the Soviet Government had officially recognized Ukraine as an independent and sovereign state, Ukraine was attacked both by military aggression and internal subversion. In 1924, this nation was forcibly incorporated into the Union of Soviet Socialist Republics.

The entire history of a Soviet-dominated Ukraine is a ghastly record of inhumanity, outright persecution, genocide, and violations of human rights on a grand scale. Under Stalin, Ukraine was marked for physical destruction and denationalization. Under the Khrushchev, Brezhnev, and Kosygin regimes outright terror was replaced by the subtle process of destruction in terms of losing a Ukrainian consciousness and identity through Russification, a persecution of Ukrainian nationalism and the propogagation of a fusion of all non-Russian nations into an all-Soviet people.

The people of Ukraine, as well as other peoples of Eastern Europe have a right to self-determination, a principle which the Soviet Union itself has recognized but flouted. On March 22, 1978, only a few weeks after the conclusion of the Conference on Security and Cooperation in Europe, the Kremlin hierarchy brought to trial in Vasylkiw, Ukraine, Myroslaw Marynovych and Mykola Matusevych, two members of the Kiev Public Group To Promote the Implementation of the Helsinki Accords. By March 30, they were each sentenced to 7 years imprisonment and 5 years internal exile, after being found guilty of "anti-Soviet activity." The highhandedness of this act is amplified by the fact that in the last year in Ukraine alone, the Soviet judiciary has meted out a total of 30 years imprisonment and exile to five Ukrainian human and national rights' advocates. Such has been the fate of those who have attempted to monitor Soviet compliance with international accords.

On this occasion, the anniversary of the Ukrainian independence, we express the concern of Congress for the renewal of the rights of self-determination, independence and sovereignty for a nation illegally deprived of these basic rights. The Russian Communist enslavement of Ukraine has brought much suffering to the people. In spite of this oppressive yoke, the Ukrainians have never accepted a foreign domination and are continuing to struggle for human rights, freedom, and national independence. In the interest of Ukraine's freedom as well as the peace, stability and prosperity of Europe, we call for an intense campaign for human and national rights for the Ukrainian people to be inaugurated by the U.S. Congress.●

EXECUTIVE ORDER FOR ENVIRONMENTAL EFFECTS ABROAD OF MAJOR FEDERAL ACTIONS

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 23, 1979

● Mr. DINGELL. Mr. Speaker, on January 9, 1979, the President issued Executive Order No. 12114 establishing a framework for the review of environmental effects abroad of major Federal actions. The President is to be commended for his action in officially recognizing the vital need to safeguard the global environment.

As one of the principal authors of the National Environmental Policy Act of 1969 (NEPA), I support the President's action in extending the applicability of this statute beyond the borders of the United States, fulfilling the original intent of the act.

To facilitate a more concise understanding of the implications of the President's Executive order, I am inserting two documents originated by the Council on Environmental Quality which I feel will help accomplish that goal:

EXECUTIVE ORDER FOR ENVIRONMENTAL EFFECTS ABROAD OF MAJOR FEDERAL ACTIONS

The Executive Order signed by President Carter contains the first governmentwide program to further the purpose of the National Environmental Policy Act for agency activities outside the United States. Up to now, there has been no attempt to adopt and implement environmental review procedures throughout the government for U.S. actions with effects outside the United States. The Order addresses the enormously difficult task of reconciling the competing but legitimate goals of environmental protection with those of foreign export policy.

1. In the global commons areas (such as oceans and Antarctica), the Executive Order provides that Environmental Impact Statements (EISs) must be prepared when major Federal actions have significant environmental effects.

2. In foreign countries, where their environments are significantly affected by U.S. actions, the Order requires preparation of concise reviews of the environmental impacts and other issues in certain critical situations.

a. where the foreign nation affected is not participating with the United States in the project (innocent bystander nation, such as a U.S. financed dam in one foreign country that cuts off water for another);

b. where the Federal action involves a facility which is strictly regulated or prohibited in the United States in order to protect against radioactive hazards (such as export of nuclear reactors);

c. where the Federal action involves a product, or a facility whose principal products or whose emissions or effluents, are prohibited or strictly regulated by Federal law because their toxic effects on the environment create a serious public health risk; and

d. where the Federal action affects natural or ecological resources of global importance that may in the future be designated by the President or, in the case of resources protected by international agreement, the Secretary of State (such as tropical forest ecosystems or an endangered species).

3. The Order specifies certain exemptions and modifications of these procedures where necessary for national security and foreign policy reasons.

4. All agencies are to adopt and implement procedures within 8 months to carry out the Order. Agencies must consult with the Council on Environmental Quality and the State Department.

5. Preparation of Environmental Impact Statements (EISs) is an option available to any agency. Agencies may use their own initiatives to go beyond the governmentwide requirements in their implementation of NEPA's purpose.

QUESTIONS AND ANSWERS ON INTERNATIONAL ENVIRONMENTAL EXECUTIVE ORDER

Q. What kind of federal actions will be included under the Executive Order?

A. (1) All major federal actions which significantly affect the environment of the global commons (oceans, Antarctica, atmosphere). Federal agencies will be required to prepare EISs in these cases.

(2) Major federal action affecting foreign nations not participating in a US-sponsored project, such as a US-financed dam in one foreign country that cuts off water for another;

(3) Major federal actions involving a facility which is strictly regulated or prohibited in the United States in order to protect against radioactive hazards (such as export of nuclear reactors);

(4) Major federal actions involving a product or a facility whose principal products or whose emissions or effluents are prohibited or strictly regulated by federal law because their toxic effects on the environment create a serious public health risk (e.g., products such as pesticides, facilities which manufacture pesticides, or facilities whose emissions or effluents contain heavy metals such as cadmium); and

(5) Major federal actions affecting natural or ecological resources of global importance that may in the future be designated by the President or, in the case of resources protected by international agreement, the Secretary of State (such as tropical forest ecosystems or an endangered species).

Q. What will agencies be required to do under the Executive Order?

A. They will be required to adopt and implement environmental review procedures for the federal agency actions covered by the Order that have effects outside the U.S. The Executive Order also establishes a program for exchange of environmental information with other countries. The program will help U.S. agencies review the effects of major actions abroad and also will help to promote environmental cooperation with other countries.

Q. What kinds of documents will be required?

A. Environmental Impact Statements (EISs) will be required when major federal actions have significant environmental effects in the global commons areas (such as the oceans, atmosphere, and Antarctica). For the federal actions affecting the environment of foreign countries which are covered by the Executive Order agency implementing procedures must provide for either (1) concise reviews of the environmental issues involved ("environmental assessments") or (2) bilateral environmental studies done by the U.S. and the country or countries affected.

Q. How soon will agencies have to comply with the Executive Order?

A. Within eight months agencies are to have implementing procedures in effect. Agencies are to consult with the Department of State and the Council on Environmental Quality on such procedures before putting them into effect.

Q. What is exempted under the Executive Order?

A. (1) Actions not having a significant effect on the environment outside the United States;

(2) Actions taken by the President;

(3) Disaster and emergency relief action;

(4) Intelligence activities and arms transfers;

(5) Votes and other actions in international conferences and organizations;

(6) Actions involving national security sensitivity or actions occurring in the course of armed conflicts;

(7) Export licensing, permitting and approval actions except those involving the export of nuclear facilities.

Q. How will the new Executive Order affect the "average" U.S. taxpayer?

A. Most private export business will not be affected by the Executive Order because most exports do not require specific federal agency permits or licenses. Of the relatively few that do, most are exempted from mandatory environmental review by the Executive Order. Among the exemptions are the Department of Commerce's validated licenses for exports on the Commodity Control list.

There are a number of other exemptions, including: Treasury Department licenses for exports of gold or U.S. coins containing silver; certain export approvals by the Justice Department; and the export of nuclear fuel. Export of nuclear reactors is included, however. A small percentage of other exports financed by Eximbank—probably less than 5 percent of the total dollar volume—may require environmental reviews under the Order.

Q. How will foreign countries be involved?

A. Responsible agencies will include in their procedures appropriate means to determine when an affected nation will be informed that environmental documents are available. The Department of State will coordinate all communications by agencies with foreign governments concerning information and documents. We believe that both U.S. agencies and foreign countries will benefit by being informed of the environmental effects of U.S. actions.

Q. Does environmental analysis of U.S. government activities abroad violate the sovereignty of foreign countries?

A. No. It represents a respect for foreign sovereignty. Other countries have a right to know whether U.S. activities in their countries might get them into serious health, safety, and environmental problems. Furthermore, if an agency determines that the preparation of an environmental review will violate a foreign country's sovereignty in fact or appearance, the agency may modify its compliance with the environmental review and notification requirements in order to avoid diplomatic problems.

Q. When a U.S. agency conducts an environmental review on a proposed activity in a foreign country, are we imposing our own environmental standards and values on that country?

A. No. The agency is first informing itself of potential environmental consequences of its own actions. Secondly, the foreign country can use the environmental analysis as it sees fit. Both the U.S. agency and the country can decide to proceed with environmentally damaging activities if they see good reason for doing so.

Q. How can a federal agency conduct an environmental review if adequate information on which to base a decision is not available?

A. The Executive Order provides for appropriate modifications in the timing, content and availability of documents to affected agencies and nations where information is unavailable. The information exchange program established by the Order will add to the information available for decisionmakers and facilitate environmental reviews.

Q. Will the Order force the disclosure of confidential information, or affect our national security, or hamper our efforts to increase exports?

A. The Order reflects the need for governmental and commercial confidentiality. It protects national security and is carefully designed to minimize interference with the competitive position of U.S. firms in international trade and increased exports.

Q. Will the Order cause wasted effort and repetitive paperwork?

A. No. To avoid duplication of effort, agencies will provide in their procedures for appropriate use of the resources of other federal agencies with relevant environmental jurisdiction or expertise.

Q. What real difference will the Order mean in the way federal agencies do business?

A. Many agencies will be doing a lot more analysis. For the first time *all* federal agencies will be analyzing the most significant of the environmental effects of their actions abroad.

Q. What is the significance of the Order at this time?

A. The issue of whether and how to analyze the effects of federal actions abroad has divided agencies since passage of the National Environmental Policy Act in 1969. Agencies concerned with the environment traditionally maintained that NEPA applied to federal actions abroad. Agencies concerned with foreign, defense, and export policy traditionally maintained that it did not. After seven years of discord the Carter Administration resolved to settle the issue in a way sensitive to both environmental and foreign policy—export policy concerns. With the Council on Environmental Quality negotiating for environmental agencies and with State Department negotiating for foreign-export policy agencies, over the course of a year the new Executive Order was developed. All affected agencies believe it represents a policy at once sensitive to environmental and to foreign policy and export policy concerns.●

"WILMINGTON 10": A NEW STEP

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 23, 1979

● Mr. EDWARDS of California. Mr. Speaker, January 22 was the birthday of the Reverend Benjamin F. Chavis, Jr. As my colleagues know, Reverend Chavis is the only member of the Wilmington 10 to still be incarcerated. Many of my colleagues have been active in efforts to have the convictions of the Wilmington 10 defendants overturned. We have studied the case; we have reviewed the evidence; and this review has indicated that justice was not served in the conviction of the Wilmington 10.

Key witnesses have recanted their testimony. They have admitted that their damaging testimony was made as a result of threats and bribes by State and Federal officials. Other witnesses have come forward to testify that the defendants were with them at the time to the crime for which the Wilmington 10 were convicted. These witnesses were too intimidated to come forth at the time of the trial. Numerous irregularities in the trial record have been uncovered.

In short, an excellent case can be made that the defendants in the Wilmington 10 case should never have been convicted. Despite this, Reverend Chavis remains in prison. The nine other defendants, who have been released on parole, have still not been given the pardons of innocence they deserve.

Like many of you, I was greatly encouraged by the Justice Department's decision to file an amicus curiae brief in behalf of the Wilmington 10. I applauded the Department's decision and thought it would be of immeasurable help in speeding a just resolution of this troubling case. Shortly after the Department's decision was announced, the Christian Science Monitor published an excellent editorial lauding the Department's decision. Since the Congress was not in session at that time, I am taking the liberty of sharing the editorial with my colleagues at this time.

Although the filing of the Justice Department brief was an important boost to the effort to free Reverend Chavis and pardon the Wilmington 10, the battle is not yet won. The Federal judge in the Raleigh district court has not yet set a hearing date to hear the defendant's request for a writ of habeas corpus; a request made some 3 years ago. I plan to write the judge to urge him to move expeditiously in this matter. I would urge my colleagues who share my interest and concern in the case to do likewise. Our continued work in behalf of the Wilmington 10 would be a fitting birthday gift to the Reverend Chavis.

The article from the Christian Science Monitor follows:

"WILMINGTON 10": A NEW STEP

The Justice Department has taken a welcome unusual step in keeping with demands that the Carter administration should display no less concern for human rights at home than abroad. The case of the Wilmington 10, adopted as "prisoners of conscience" by Amnesty International, has become the most conspicuous example of its kind. It has given the Soviet Union an excuse to peer from its abyss of trampled rights and self-righteously accuse the US of violating the Helsinki declaration. It has caused America's own Assistant Secretary of State for Human Rights to speak of a "great miscarriage of justice." Now the Justice Department has weighed in with a brief urging a federal judge in North Carolina to consider, in effect, overturning the convictions of the Wilmington 10 because of "serious questions" about the constitutionality of their trial on charges of firebombing during civil rights turbulence in 1971.

All but one of the group have been released on parole. But Governor Hunt of North Carolina, while reducing their sentences, refused to give them the "pardons of innocence" that were sought. And they were denied a new trial despite disclosures that appeared to taint the previous one. They are pleading for a writ of habeas corpus from the federal judge to whom the Justice Department has submitted its brief. It would have the effect of negating their convictions.

The judge is not legally required to consider the Justice Department's views. But we hope he does so in the interests of finally clearing the air. Then the department's extraordinary decision in support of the Wilmington 10—entering a friend-of-the-court brief in a criminal case—will not be only symbolic assurance that the Carter administration does care.

As was said in a statement from the United Church of Christ, long-time fighters for the Wilmington 10, the brief recognizes the true function of the Justice Department is not just to seek convictions but to see that justice is done in all criminal proceedings.●

OLDER AMERICANS: SOME TRENDS AND QUESTIONS

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 23, 1979

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report of October 25, 1978, into the RECORD:

OLDER AMERICANS: SOME TRENDS AND QUESTIONS

The past four decades have seen steady growth in the number of older persons in the American population. The demographic trends are truly striking:

Life expectancy, which has increased almost ten years since 1940, is now 69 years for men and 77 years for women. Three out of four Americans reach the age of 65.

The postwar "baby boom" will turn into a 21st century "senior boom." Today 11 percent of the population is over age 65, but in 2030 the figure will be nearly 20 percent.

While people are living longer, they are also retiring sooner. Three decades ago almost one out of two men aged 65 or more remained at work, but today the ratio is one man in five.

The ratio of active workers to retired citizens will change dramatically in the future. It may drop from six-to-one today to a low of three-to-one by 2030.

Given these trends, it should come as no surprise that programs for older persons are claiming an increasing share of federal resources. Total spending for social security benefits, medicare, black lung benefits, various retirement programs and other initiatives for the elderly added up to $112 billion last year, about 24 percent of the federal budget. Real spending under these programs this year will be four times what it was just two decades ago, and as a percentage of the federal budget it has nearly doubled in that time. Large as they are, these federal expenditures are expected to grow even more in the years ahead.

The budgetary changes necessitated by an aging America raise many questions for policy-makers. Among the more important questions are these:

When is a person old? In 1900 a 65-year-old person was indeed old. The passage of years took a heavier toll in the absence of modern work-saving devices and advanced medical science. Today, however, the 65th birthday may imply very little about a person's health, vitality or outlook. It may no longer be a reliable bench mark of old age.

What is retirement? The traditional view is that retirement is a form of support for persons who reach old age and cannot work. This view has been widely held during much of our history. A more recent view is that retirement is a form of reward for a period of service. For example, a pension is available to military personnel after 20 years in the armed forces. The newer view breaks the connection between retirement and old age and makes pension plans much more expensive. It raises the doubt that retirement based solely on service is something we can afford in the long run. Clearly, our retirement policies need to be rethought, with more consideration for incentives not to retire early, new kinds of work arrangements to keep older persons in the work force, and more flexible career patterns.

Is enough being done to achieve income security for older persons? Federal, state and private retirement plans pay out more than $50 billion each year. Tax breaks for older persons amount to $20 billion annually. Private savings provide an estimated $20 billion in yearly income for retirees. These substantial funds mean that the costs of retirement are high, but even so many older persons have inadequate income. We must ask whether we have found the most rational way to meet the basic needs of the elderly.

Are health care services for older persons delivered with compassion and efficiency? In spite of its obvious advantages, the present health care system is too costly. It is also deficient in some respects. For example, we have not developed viable programs of community health care, nor have we made the right kinds of medical service accessible to all older persons. Many options must be explored before costs can be lowered and deficiencies corrected.

What role should families play in caring for older persons? Most families go to the limit in support of elderly relatives. For example, 70% to 80% of all home health care for persons aged 55 or more is still funded from the family budget. This percentage is quite remarkable in these inflationary times. Whenever our policy choices, we must not fail to tap the latent strength of the family. No government program can ever give the elderly the kind of personal care that the family gives.

Our society has a way of solving its most pressing problems. We often take up challenges with vigor and foresight. We have done it before, and we must do it again with the many challenges faced by older Americans today.

(This newsletter is adapted from 1978 congressional testimony given by Joseph Califano, Secretary of the Department of Health, Education, and Welfare.) ●

THE CHALLENGE OF ALASKA

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 23, 1979

● Mr. VENTO. Mr. Speaker, the 95th Congress marked the passage of many important pieces of environmental legislation. The passage of legislation such as the Boundary Waters Canoe Area Wilderness Act, the National Parks and Recreation Act of 1978, the Endangered American Wilderness Act, and the Redwoods National Park extension reaffirmed our Nation's commitment to the protection of our few remaining acres of wilderness for the enjoyment and use of present and future generations of Americans. Unfortunately, the substantial environmental achievements of the 95th Congress are clouded by the failure to complete action on legislation designed to protect the vast wilds of Alaska.

The failure to act was not the result of a lack of careful study on this issue. As a member of the House Interior Subcommittee on General Oversight and Alaska Lands, I can attest to the thorough deliberation that was expended in consideration of H.R. 39. The bill that eventually came before the full House was the result of hundreds of hours of debate and study and the testimony of over 2,000 witnesses. It was a bill that balanced our concern for protecting the unique characteristics of Alaska with the future development of that State's considerable natural resources. The balanced approach of H.R. 39 was confirmed by the overwhelming vote of support that the bill reached during full House consideration and passage.

Unfortunately, the Senate was unable to act on this most important piece of conservation legislation and at the close of the 95th Congress, a final solution to the Alaska lands issue had not been reached.

This lack of action benefited no one: The transfer of lands to Native corporations and to the State has been delayed; the development of the vast Alaskan storehouse of natural resources has been sidetracked; and the beauties of the Alaskan wilderness have been threatened. Only the bold, farsighted actions of President Carter and Secretaries Andrus and Bergland have prevented an irreversible degradation of the land from occurring. I congratulate and thank the President and his administration for their brave actions.

We must not, however, consider the recent Executive actions as a final solution to the Alaskan lands issues. Many issues on Alaska, affecting all Americans, still exist and can only be resolved by congressional action. We must build upon the solid foundation laid by the President and must resolve the uncertainties that surround the future use of Alaskan lands. Today's introduction of H.R. 39 is an important first step in the resolution of these issues. Based on the bill that passed the House last May by a vote of 277 to 31, the new H.R. 39 complements the recent Executive actions. It is a balanced approach, establishing Federal policies that will provide for the economic development of the State, the wise development of the natural resources, and the protection of the most significant areas of Alaska. H.R. 39 is worthy of the support of all Members and I am pleased that so many of my colleagues have joined with me in sponsoring this bill. I urge those colleagues who have not yet voiced their support for H.R. 39 to do so as soon as possible.

Mr. Speaker, the challenge of enacting legislation dealing with Alaska stands before the 96th Congress. We cannot allow this issue to remain unresolved and must pass sound, comprehensive, and balanced legislation. We can meet this challenge by passing the bill that satisfies those demands, H.R. 39.

At this time, Mr. Speaker, I would like to call my colleagues' attention to several recent articles dealing with the challenge facing the 96th Congress: Two editorials from the St. Paul Pioneer Press and the Minneapolis Tribune praising the President's actions and urging further congressional action and a recent poll showing the overwhelming support of Minnesotans for further congressional action:

[From the St. Paul (Minn.) Pioneer Press, Dec. 5, 1978]

CARTER SAVES ALASKA LANDS

In a move that missed the headlines and TV coverage it deserved, President Carter last Friday more than doubled the size of this nation's national parks system. It was by all odds the greatest single act of conservation in the country's history.

What the President did was set aside 56 million acres of Alaska in new national monuments, under authority of the Antiquities Act of 1906, passed when Theodore Roosevelt, long considered the foremost conservationist ever to sit in the White House, was President. Until Friday, the National Park system had contained about 33 million acres; the oldest and largest single park, Yellowstone, contains 2,200,000.

It was no overstatement, then, when the head of the Alaska Coalition, a private conservation group which has been fighting for the preservation of the Alaskan wilderness, said, "President Carter has now replaced Teddy Roosevelt as the greatest conservation President of all time."

There was "poetic justice" in Mr. Carter's turning to the 1906 law. It had been passed to save Indian art in the Southwest from vandals and exploiters, but the powers it gave the President were later used when Congress failed to act on preserving priceless natural wonders. The Grand Canyon, for example, was first set aside under the Antiquities Act. In the last session of Congress, Alaska's senators had succeeded in blocking passage of the Alaska Lands bill, which would have set aside nearly 100 million acres in parks, wildlife preserves and national monuments. An emergency authority invoked by the Secretary of the Interior protected these lands from developers and the state of Alaska until the President acted under the Antiquities law. That emergency protection will continue, at least until the next congressional session for the remaining nearly 44 million acres.

Alaska's politicians are upset, of course. Its three-man congressional delegation is furious, and even Gov. Jay Hammond, considered something of a moderate—as Alaskans in general go—on conservation issues, is upset. Hammond is especially concerned because the President's order bans sport hunting on 40 million acres. Sport hunting furnishes a livelihood for numbers of Alaskans who act as guides and pilots for well-heeled hunters from the "Lower 48." Hammond has promised to fight the presidential order in the courts, but over the years courts have uniformly sustained the President's powers under the Antiquities Act.

The next move is up to Congress, which is left with narrowed alternatives. It can now go ahead and encompass the original 100 million acres in a comprehensive lands bill, designating some of the new "monuments" as national parks, others as wildlife reserves, and so on, as the original bill provided. It can balk and refuse to go beyond the President's order of last week. What it apparently *cannot* do, however, is cancel what the President already has done.

Congress' failure to act this year was a bitter blow to conservationists and environmentalists all over this country, for Alaska truly is the last frontier and offers the nation a magnificent opportunity to avoid a calamitous reptition of the "rape and ruin" exploitation that has characterized so much of our history. In this critical time, President Carter, acting on his often-repeated pledge to save the Alaskan lands reached back to a law passed more than three-quarters of a century ago. "Sweet are the uses of adversity."

[From the Minneapolis Tribune, Dec. 11, 1978]

NEW ACTIONS ON ALASKA CHALLENGE CONGRESS

President Carter and Secretary of the Interior Cecil Andrus are making the right moves to protect Alaska from unacceptable environmental risks. By executive authority under a 1906 law Carter has designated national monuments covering 58 million acres of Alaskan federal lands. At the same time, he is directing Andrus to hold hearings on permanent protection for 39 million acres as wildlife refuges. And Andrus has agreed with Secretary of Agriculture Bob Bergland on special safeguards for 11 million acres in two national forests for the next two years.

These are strong and welcome measures. They more than double the size of America's national park system. They erect a barrier against premature development of public lands for mining, logging and drilling for oil. They insulate large areas from immediate acquisition by the state. They express a policy of long-range trusteeship over economic resources and scenic treasures that belong to everyone. Carter deserves the praise he is getting as "one of the greatest conservation-minded presidents."

But much as we commend them, executive actions are not enough. The administration's moves are necessary now because Congress failed last session to enact legislative policy for federal lands in Alaska. That failure—largely brought about by the delaying tactics of Alaska's Sens. Stevens and Gravel—threw the status of the millions of acres into question. Carter is rightly trying to clarify the question by protective policies of his own. But some of his orders can be challenged in court, and others must be temporary under existing law. Only Congress can satisfactorily lay the matter to rest.

The federal lands in Alaska deserve national attention and national legislation. The House and Senate should act strongly this winter to confirm the trusteeship that the president has expressed.

[From the Minneapolis Tribune, Dec. 24, 1978]

MOST SAY UNITED STATES IS DOING GOOD JOB OF PRESERVING WILD AREAS

A majority of Minnesotans think the United States is doing a good job in preserving wilderness areas.

In a statewide opinion survey, the Minneapolis Tribune's Minnesota Poll found 62 percent of those interviewed believe the United States is doing a good job in preserving wilderness areas, while 36 percent consider the government's efforts not so good.

Indicative of Minnesotans support of government preservation of wilderness was their strong feeling in mid-November that Congress should approve a bill to set aside 100 million acres in Alaska for parks, wildlife refuges, wilderness zones and national forests.

President Carter dramatically changed the dynamics of the Alaskan wilderness controversy on Dec. 1 when he:

Created 17 new national monuments in Alaska by proclamation, totaling 56 million acres. (A national monument generally is operated under the same restrictions on use as national parks, which includes a ban on motorized boats and snowmobiles. A national monument can be created by the president under the Antiquities Act of 1906.)

Withdraw 11 million acres in southeast Alaska from possible mining.

Proposed that 39 million acres be designated as wildlife refuge areas.

The administration acted because Dec. 17 was the deadline for the federal government to turn over land stipulated in the statehood grant. Alaska has filed a suit against the administration actions.

The House passed legislation last May to put 100 million acres of federal land in Alaska into national parks, refuges and wilderness. But the bill failed to pass the Senate, partly because of opposition by Sen. Mike Gravel, D–Alaska. Although much of the land is protected by Carter's orders, the administration hopes next year's Congress may act on some items in the legislation.

A balanced sampling of 621 Minnesotans were asked about that bill in this way:

"Next year Congress will consider a bill concerning wilderness areas in Alaska. The bill would put about 100 million acres—more than a fourth of the state's area—into protected areas, like parks, wildlife refuges, wilderness zones and national forests. Would you like Congress to approve or disapprove of this proposal?"

Minnesotans from different walks of life reacted favorably to the setting aside of vast acreages:

Want Congress to Approve?

[In percent]

	Yes	No	Don't know
All adults	69	26	5
Men	70	25	5
Women	67	26	7
18–24 years	86	13	1
65 years & over	56	35	9
Attended college	74	18	8
H.S. grads	69	27	4
Less education	57	37	6
Liberals	72	19	9
Moderates	71	23	6
Conservatives	65	32	3
Region of state:			
South	63	32	5
Twin Cities area	74	19	7
North	62	35	3

The next question was:

"In general, do you think the United States is doing a good job or not so good in preserving wilderness areas?"

The replies:

	Percent
U.S. doing a generally good job	62
Not so good	36
Don't know	2
	100

Among Minnesotans who are critical of the government's performance in wilderness preservation, the desire to have Congress pass legislation setting aside 100 million acres of Alaska for wilderness areas is slightly stronger than it is among those who approve.

This Minnesota Poll involved interviews with 621 men and women 18 and over from Nov. 17 to 19 throughout Minnesota. As a scientifically based opinion survey, it provides an approximation of the response that could be expected if all adult Minnesotans had been interviewed.

The editors of the Tribune developed the questionnaire used in the survey. Research Information Center, Inc., of Phoenix, Ariz., obtained the interviews and tabulated the answers.

Results of such surveys are subject to sampling error. For a random sampling of this size and type, it is possible to say that the sampling error almost never will exceed four percentage points either way. This sample was taken only from households with telephones.

For a subsample of the population—for example, the 148 residents of northern Minnesota—the error could be larger.●

TRIBUTE TO BROOKS METTS

HON. ED JONES

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 23, 1979

● Mr. JONES of Tennessee. Mr. Speaker, I recently had the opportunity to take part in a special tribute to a man in my congressional district who has contributed greatly to the medical capabilities of the community hospital in Jackson, Tenn., and to the educational curriculum needed to support that hospital. His name is Mr. Brooks Metts, technical director of the radiology department at the Jackson-Madison County Hospital.

Mr. Metts came to the hospital in 1952 and has been promoted steadily to his present position. In conjunction with that, he continued his own education, achieving an associates degree in radiologic technology in 1976. The ironic part of this story is that Brooks Metts was instrumental in establishing this degree program at Jackson State Community College from which he graduated.

His efforts on behalf of radiologic technology and the education of students to perform this important function are tremendous. The people of Jackson and western Tennessee owe him a great debt. I would like to take this opportunity to insert into the RECORD a brief description of Mr. Metts' career and achievements:

CURRICULUM VITAE: BROOKS C. METTS, R.T.

Brooks Conrad Metts was born October 25, 1915 in Oxford, Mississippi, the son of a rural Baptist minister. His mother must have envisioned his future career in X-Ray. His middle name is Conrad, the same as Conrad Roentgen, who discovered X-Ray in 1895.

He graduated from the Radiologic Technology program at the University of Tennessee Medical Units in 1952. He has been employed by Jackson-Madison County General Hospital for the past 26 years and has been the Chief Technologist since 1959. He was promoted a few years ago to Technical Director of the Radiology Department.

The Jackson-Madison County Hospital has experienced a phenomenal growth since 1952 when Brooks was first hired. The 120 bed hospital had one X-Ray machine and 2 technologists.

Today the hospital has almost 600 beds. The Radiology Department has 45 full-time employees and 10 part-time employees and there are 18 x-ray machines in addition to the most sophisticated computerized tomography unit, Ultra Sound, Cobalt, and a comprehensive Nuclear Medicine Department.

On the State level, Mr. Metts served the Tennessee Society of Radiologic Technologists in numerous offices. He was Vice-President in 1962 and was elected President in 1963. He has also served on the Board of Directors and various committee appointments. Recently he was awarded Life Membership in the Tennessee Society of Radiologic Technologists, the 4th member so honored in the 40 year history of the organization. Many friends and community leaders recently attended an awards program and reception in his honor. Mr. Metts is given much of the credit for organizing District V Society. He was a charter member, the first president and has served on every committee at one time or another.

Mr. Metts was also instrumental in starting the associate degree Radiologic Technology program offered by Jackson State Community College in cooperation with the Jackson Hospital. This was the first college x-ray program in the state and the fifth AMA approved program in the country. The program has expanded from 5 students, since 1969, to a maximum enrollment of 44 students with clinical affiliates at Paris and Union City as well as the Jackson Hospital.

It took him 8 years but he attained his dream. In June 1976, at the age of 61, he received an Associate of Science Degree with academic honors. Jackson State President, Dr. Walter Nelms, conferred the degree upon Mr. Metts during a department head meeting at the hospital.

He has instilled in all of his children a respect for education. His son, Dr. Brooks Metts, Jr., has a doctorate in Pharmacy from U.T., and his daughter-in-law, June, has a Ph.D. in Education. They have a 3-month old daughter.

His daughter, Lynn, graduated from Union, and his son-in-law, Randall, has a Master's Degree in Mathematics and is a girl's basketball coach at North Side Junior High School. They have 2 children—1 year old Allison and 6 year old Cynthia.

His daughter, Mary Ann New, attended Union and is the mother of 9 year old David, who was the first grandchild, and 4 year old Beth.

His wife, Clara Lynn, is a registered nurse in the obstetrics department at the Jackson Hospital.

Brooks is a Mason, currently serving on the Board of Directors of the West Tennessee Health Improvement Association and is an active member of West Jackson Baptist Church, where he is a deacon and has previously served on the church's finance committee.

Brooks C. Metts, R.T., has made a significant contribution to the medical community in the West Tennessee area and is recognized as a leader in the Radiology Profession on the state as well as the national level.●

NATIONAL HEALTH INSURANCE

HON. RONALD E. PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 23, 1979

● Mr. PAUL. Mr. Speaker, on January 11, 1979, just before coming to Washington for the 96th Congress, I had the pleasure of hearing our distinguished colleague, Congressman PHILIP CRANE, address the Harris County Medical Society of Texas. He spoke about national health insurance, certainly a topic of much discussion today. Yet, the speech by the gentleman from Illinois stands out for two reasons: First, he was one of the first to caution our Nation's leaders against turning to the Federal Government for a solution to medical problems, and second, he serves as a member of the Ways and Means Subcommittee on Health and his thoughts reflect this opportunity and experience.

He has long articulated the thoughts of those of us who oppose the extension of Uncle Sam's reach into our lives, especially in so important an area as the health and well-being of our loved ones. In this spirit, I commend this speech to you and my good colleagues:

SPEECH OF CONGRESSMAN PHILIP CRANE BEFORE THE HARRIS COUNTY MEDICAL SOCIETY, JANUARY 11, 1979

Today, I address you from the unique position of having decided to discuss something that, as of this morning, does not exist. This does not mean, though, that the ensuing speech is a mere fantasy of mind, and you can lean back and catch forty winks while I stand here and tell stories. No, my concern over the current state of our nation's medical system is very real, and we all sense the potential for radical and essentially undesirable change in our health services, if we sit back and let it happen. We know who will be the key characters in this saga; the news media has kept us well-informed regarding who is meeting with whom to discuss what. Yet, as of now, the two pieces of definitive legislation that will provide the parameters of the polyphony we'll hear from those supporting a great expansion of Uncle Sam's role in our medical system do not exist. Oh, we have been offered "principles" and treated to hearings, from which "a legislative proposal will be developed." Promises, promises. And, like the teenager who has heard from irate parents, "I promise you'll wish you had never done that", these are promises I hope the makers will not keep. However, rather than risk being caught swimming while they make off with our clothes, I'll take this opportunity to share my thoughts on what we can expect and how we individually and collectively can work to ensure the best medical care for all citizens of the United States.

From one source, we can expect a program which will provide for everyone in the country to be covered for comprehensive benefits, including preventive health care services and catastrophic illnesses. Indeed, this plan is more generous than anything one would expect short of three granted wishes from a fairy godmother. As described by the proponent, here we have—

"Full coverage for in-patient services, physicians' services in and out of the hospital, home health services, x-rays, and lab tests. Costs of catastrophic illness will be fully covered since there will be no arbitrary nonmedical limits on the number of hospital days or physician visits. Preventive care for all members of the population will be actively encouraged and fully covered.

"Specified mental health benefits will be included. Future benefits to be phased in will include prescription drugs—to be covered at the outset for the elderly—and other professional services."

And a partridge in a pear tree.

All of these treats will be administered through a bi-partisan Federal Public Authority which will contract with each state and territory to establish State authorities. You will also be glad to know that already existing bodies such as state rate review agencies, health systems agencies, and professional standards review organizations will be used to the fullest. Private health insurance companies will have to meet federally established criteria to participate. Fully enacted, such a plan has the potential to be a disaster. I regret to say that all recent reports cause me to expect this proposal in the very near future.

The other major proposal we should anticipate, just when I cannot guess will not feature Uncle Sam in as large a starring role, though we foresee a potentially universal (at its full implementation) and comprehensive (as yet undefined) plan. This proposal has been handed down in the body of ten principles, no more, no less, and still remains amorphous. In the one directive offering the ten principles, both the defects and the strengths of the system (as perceived by the author) of the current system were discussed. Besides providing the basic "have your cake and eat it too" outline, little of substance was addressed.

However, proponents of these principles have articulated a recognition of many of the strengths of the American health system as it stands now. Trusting that they won't throw out the baby with the bathwater, I expect this plan to some extent, will reflect this belief.

Also, I find this approach slightly more palatable because it includes a realization of the economic impact inherent in any national health plan, as well as a verbal commitment not to introduce an inflationary plan. I find this reassuring because if no inflationary plan will be offered, we are likely to get no plan. However, I am not counting on this verbal commitment and a little bit of luck to save us from another health insurance proposal.

Though we can anticipate many plans to be articulated by various interest groups and Congressman, we see these two major proposals in the field. Yet, even these two proponents are questioning the feasibility of each other's proposal. I personally have serious questions as to whether national health insurance is the best way to ensure what we all agree is desirable—access for all Americans to health care—by the methods they choose and without financial calamity. I have long been reluctant to involve Uncle Sam in any aspect of our lives and I certainly fear any plan that offers this amorphous "comprehensive" care.

Let me assure you that I understand what these individuals are trying to do. We all agree that it is desirable for no man, woman, or child to go without health care. Escaping from the dollars and cents with which some try to quantify medical service, it is important to realize that we are talking about human beings, an individual life, and, perhaps, a loved one. It is easy to cite fiscal year 1977 per capita health expenditures of $737 for every man, woman and child in the country and complain about the excessive cost of health care without considering that our nation's expanding and innovative health system produced the doctors and the equipment in recent years that has saved countless lives. Human suffering costs cannot be translated into dollars and cents. We must not fall into this trap of citing statistics only when discussing unquantifiables like the value of a human life.

Therefore, let me show you where these well-intentioned folks are running in the wrong direction very fast.

The Library of Congress has recently estimated that 12% of the American population does not have health insurance protection. This figure varies from source to source; however, no one should underestimate the importance of this situation. We must stress this fact that under our current system, the overwhelming majority of our citizens, either through public or private sources, have health insurance. To do away in full with the system we have now and turn complete responsibility over to Uncle Sam will not answer our problem. We risk doing away with what we know to be successful for the possibility of an unworkable national system. "Comprehensive," defined by one proponent, undefined to another, is a term I hear with grave misgivings. I suggest dealing with this group which is uncovered, not overhauling the whole system.

Charges that those in government have ignored human health needs are essentially unfounded. Federal health outlays have increased more sharply than other health spending—from $4.7 billion in 1965 to over $39 billion in 1976 (730% increase). State and local spending increased from $5 billion to $18.9 billion (278% increase) in the same period. This can be put into perspective by considering that in the same period the CPI increased on 80%.

Traditionally, expenditures for health in the United States have been financed from private sources. However, beginning in fiscal year 1967 with the advent of the Medicare and Medicaid programs, the trend has been toward increased public financing of health care. As a result, the Government (Federal, State and local) share of the nation's health bill is now 42%; in 1966, it was about 25%.

Just as a broad, indiscriminate sweep is not the answer to our health concerns, neither is overregulation of the system as we enjoy it now. One of our two key proposals specifically suggests participation by the private insurance companies, a move I applaud, but only after no less than twenty considerations are addressed. Twenty! The good Lord handed down Ten Commandments. How one would still be able to define an industry that has had to cope with twenty federally-mandated regulations as "private" is beyond the comprehension of those of us who have had access to either an English class or Webster's dictionary. However, the implications of such overzealous regulating extends well beyond my concern for the future of the English language. Government rules and regulations, when taken too far, have been repeatedly shown to be inefficient and wasteful. Regulators tend to be created to regulate the regulators—the cycle is never ending.

A recent study by the Hospital Association of New York shows regulatory efforts cost $1 billion per year as a consequence of that state's 164 regulatory agencies. Even after considering that New York is a large state, the implications of national health insurance and accompanying regulation at the federal level are awe inspiring.

The Washington Post, on January 2, 1979, reported that 34 Maryland hospitals, all members of the Maryland Hospital Association, filed a court challenge to the latest requirement handed down by hospital regulatory agencies in the state. It is a new Medicaid form the proponents claim will check fraud and abuse in the system. Steve Summer, vice president of the association, estimates the annual cost of compliance with this new regulation alone at $1.3 million. Moreover, he says that the information provided by this form duplicates that of another one with which the hospital already have to deal.

This court challenge comes just two weeks after the Maryland association issued a report criticizing the confusion and waste caused by the 108 state, federal and local agencies that affect Maryland hospitals. The report cited overlapping jurisdictions of agencies as a major source of the morass of conflicting, redundant, and unclear regulations.

Twelve separate bodies oversee waste disposal. One, the Maryland Water Resources Administration, requires hospitals to put waste matter through a special steaming process to purify it. A second state agency, the Division of Licensure and Certification, prohibits use of this process and requires something different, according to the association. Maryland's Health Services Cost Review Commission, which is conducting a similar study, cited an expenditure of $19 million annually by the state's hospitals to comply with all the regulations issued.

Pretty bleak, if you ask me. I fear these horror stories from Maryland and New York are just the tip of a national iceberg.

We look around for models to emulate and come up empty-handed. Britain has now become passe as the key example; proponents point to our neighbor to the North, Canada. The consistently found problem in health care plans around the world is exactly that which proponents of national health insurance in this country find so egregious in our current system: escalating costs. Yet, we find no relief in the Canadian system. The Chicago Tribune recently cited a study made by the University of California at Los Angeles which found that national health insurance is not the answer to all our problems, based on the Canadian experience. The Trib noted that health care spending has grown even faster in Canada than in the United States. Between 1960 and 1975, hospital costs increased 424% in Canada while only 328% in the United States; in the same period, doctors' bills jumped 71% in Canada and only 65% here. An article in the Washington Star, (December 4, 1978) focusing on the recent Senate Human Resources subcommittee hearings on national health insurance, quoted a neurologist from Canada who offered a warning during the hearings against making the "mistake of destroying what you have and giving the whole thing to the state and the government."

We hear from the vocal proponents of national health insurance that our current system is not answering the needs of each and every citizen of the United States. We sadly have to agree. Yet, we look around and see, in the words of one of these men, that—

"American health care professionals and hospitals are among the finest in the world and deliver dedicated, high quality medical care.

"A growing number of Americans have private health insurance. American business increasingly is paying for health coverage for its employees.

"Various government programs have provided an opportunity for millions of elderly, poor and geographically isolated Americans to obtain quality health care (.)"

And must conclude that we have the best service in the world.

I am not a medical man, but someday I may be lying on the operating table, and I want to be assured of the best care possible. I am not qualified to outline the methods of delivering this service, our elected officials cannot specify what is needed in such an instance, and I surely don't want Joe Califano in charge at such a time.

At such a time, the choice is clear. The man in charge must be a fully educated and trained physician. The same must be true when the question of the development of new machinery and allocation of resources is at hand. From such expertise, we all stand to benefit. Should we discount such knowledge, we all lose.●

FREEDOM OF THE PRESS BILL OF 1979

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 23, 1979

● Mr. PHILIP M. CRANE. Mr. Speaker, today, I introduce the freedom of the press bill of 1979. This legislation, introduced at the end of the last session, reflects the pure, straightforward, and absolute terms found in the first amendment. No journalist must respond to a search warrant or subpena regarding the production of journalistic property. Essentially, this bill insures him the absolute confidentiality of sources, the unqualified freedom to gather news, and the uncircumscribed ability to distribute this information. This bill insures us that our Republic will not lose its vitality as we embark on our 3d century.

On Monday, November 27, 1978, the Supreme Court denied the petition for review of the case of the New York Times Company and Myron Farber against Mario E. Jascalevich. This decision left standing the 5–2 ruling of the New Jersey supreme court upholding the convictions of the Times and Farber for civil and criminal contempt of court, because of which Farber spent 39 days in jail and the Times paid fines totaling $285,000.

Yet, beyond the review of these immediate damages suffered by those parties petitioning, there are more fundamental questions which have been unanswered. Even since the 1972 case of Branzburg against Hayes, confusion has surrounded the concept of confidentiality of journalistic sources. Twenty-six States boast shield laws, all subject to judicial review but never confirmed or rejected. Another source of debate is the composition of journalistic materials; what items deserve protection from search or subpenas? Essentially, we, as Americans, must realize the importance of the press to our system of government, and then take steps to insure that its vitality is not threatened.

In an article in the New York Times magazine of November 26, 1978, Theodore H. White made this telling comment during a discussion of what is included in those materials a court is likely to consider documents subject to subpena:

> But these notes can scarcely be called documents. A large part of what goes into our notes is nonsense—or worse, misinformation. People use us to plant lies, float allegations, bring others into suspicion or contempt. The most vivid of our notes are often records of indiscretion, indignation, hysteria or malice—in no legal sense "evidence". And I should hate to see men condemned, exonerated or betrayed by the jumble of notes I have piled up in 40 years of reporting.

Clearly, the Court has shirked its responsibility to resolve this timely question. The vitality of the press, and, with it, our constitutional Republic is threatened by recent Court action, or lack of action.

Therefore, we must turn to our legislature, the elected representatives of the people, to fill the need. We must act to preserve the most essential ingredient of self-government—an informed electorate—by protecting our most efficient means of informing the electorate. We must, before it is too late, reaffirm the freedom of the press that our forefathers established.

As Jefferson observed:

> Were it left to me to decide whether we should have a government without newspapers or newspapers without a government, I should not hesitate for a moment to prefer the latter.●

AMERICANS FLY BETTER

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 23, 1979

● Mr. COLLINS of Texas. Mr. Speaker, as Americans go by plane so often, I wondered how the United States compares to other countries. Do we fly better?

During the recent holidays, my wife and I bought tickets to travel through Egypt, Israel, and Middle Europe.

I want to tell you about an experience we had with Portugal's TAP. They jokingly refer to this nationalized airline as "Take Another Plane."

We were in Geneva waiting for a TAP plane to Lisbon. The plane was to leave at 4:45 in the afternoon. It had engine trouble and needed a part to repair the oil leak.

Now we see the difference between the government-operated airline of TAP as it would have been handled by an American plane.

Our Lisbon plane had every seat filled. This was December 24 and many children were restless to get home for Christmas. Many young people were getting back to their families. We were the only Americans on the plane.

Lisbon headquarters knew about the plane troubles in the middle of the afternoon. There were no other airline planes to Lisbon to transfer passengers to as Lisbon had limited competition.

When everyone asked when the plane would leave, we got no definite answer. They took us to a Geneva hotel. We anticipated there were TAP planes in Lisbon—and actually I counted seven TAP jets parked empty on the runway when we finally got to Lisbon. The full crew was ready to fly—but no plane.

The problem was they could not get volunteers to bring a plane over for the 3-hour trip. They needed two junior pilots to ferry a relief plane or bring a part to move the planeload of 125 home for Christmas.

The pilots have one of the best paid jobs in Portugal. They work less than half the days of the month. But they work for a government-operated business and they do not have competition.

So they fly when they choose. Finally, someone agreed to make the trip. It is nonstop from Geneva to Lisbon. We arrived 25 hours and 10 minutes late.

It is no joke for me—TAP will always mean "Take Another Plane."

Keep the Government out of operating any business in America. I like the American planes who fly efficiently, give friendly service, and appreciate your flying their airline.●

FOREIGN POLICY: END OF AN ERA

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 23, 1979

● Mr. WHITEHURST. Mr. Speaker, Irving Kristol has been a frequent contributor to the Wall Street Journal, and his columns are always incisive and thoughtful. On Thursday, January 18, however, the Journal printed what I believe is his finest contribution to date.

I ask that this article be printed in the RECORD so that in the event my colleagues did not have a chance to read his comments when they first appeared they might ponder them now. Anyone who believes that we can continue to view the world through rose-colored glasses should heed Professor Kristol's words.

FOREIGN POLICY: END OF AN ERA

(By Irving Kristol)

The crisis represented by the turmoil in Iran might well mark the end of an era for American foreign policy. It seems highly improbable, as of this writing, that out of this turmoil there could emerge a stable government friendly to American interests. More likely is a Communist regime in the not too distant future, or a national-socialist-Islamic regime (on the Libyan model), or some peculiar amalgam of the two—from the American point of view it hardly matters. What is decisive is the fact that the existence of any such regime, taken together with a Communist Ethiopia, a Communist Afghanistan, and a disintegrating Turkey, means the effective expulsion of American power from the entire Middle East.

The economic, political and military consequences of such an event are almost impossible to exaggerate. We can manage, if uncomfortably, without Iranian oil, but we—and Europe and Japan—cannot manage without Saudi Arabian oil. Yet it is fairly certain that a friendly (or at least not hostile) Saudi regime cannot survive in the kind of isolation that now looms ahead for it. A new Saudi regime—or an old regime with new policies—will doubtless continue to sell its oil abroad, but it surely will also attach all sorts of political-diplomatic strings to such sales. Our NATO partners, if their behavior during the 1973 embargo is any precedent will obligingly repackage their own foreign policies with those strings.

The Camp David agreement inevitably will become a dead letter, as Egypt falls into line with the new Middle Eastern realities. Jordan, Iraq and Syria, too, will forsake whatever "moderation" they have, in recent years, acquired. Under those circumstances, a new Arab war against Israel—the one nation in that part of the world that is still a friend to us—would seem certain. The United States would "deplore" such a war, of course—but what would it do? What could it do?

Our reaction to this crisis has been revealing. The White House, we are informed, has solemnly told the Russians not to "intervene" in Iran. In return, the Russians have given us an exact duplicate of this warning. One hardly knows whether to laugh or cry at these demarches. The Russians have neither the need nor the intention of actually sending troops across the border. They may not even desire a Communist Iran; any species of anti-American Iran should suffice for their purposes. As a result of spending tens of millions of dollars, over many years, to build up clandestine organizations and operations in Iran, they are well situated to emerge with satisfactory results from the current chaos. Our own CIA, of course, has been rendered impotent for any countervailing action. Nor does our government have the means or the will to engage in direct military intervention. Instead, it seems to be fully preoccupied with intense self-analysis.

Should we have supported the Shah? The consensus in Washington at the moment seems to be that, in retrospect, this was unwise and probably immoral, since it turns out that he was never really all that popular. Should we have intervened in a clandestine way to overthrow the Shah? That same consensus regards any such action, anywhere, as unwise and definitely immoral. Should we actually and openly intervene with military force to establish a new and more stable government? The consensus regards such an action as unwise and immoral in the extreme. Should we support a military coup that would inaugurate a friendly military dictatorship? That is clearly so unwise and immoral as to be unthinkable. After all, we are now busy disentangling ourselves from "embarrassing" alliances with other friendly military dictatorships, and are not about to create a brand new one.

BANKRUPT FOREIGN POLICY

So where does that leave us? It leaves us with nothing—with a patently bankrupt foreign policy. Oh, yes, we'd like very much to see a liberal-constitutional regime emerge in Iran. But the chances of that happening are practically nil. The kinds of political traditions and ideological passions that prevail today throughout most of the so-called Third World are incompatible with any such outcome. The world is just not now of a mind to give birth to new liberal-constitutional regimes.

Moreover, our policy is not only bankrupt in the sense of our being unable to act, but bankrupt in the sense that we have obviously lost the ability even to think coherently about foreign policy. Every thought gives rise merely to a new paradox, a new dilemma. It is the end of the road—a road down which we began to travel some 60 years ago, when Woodrow Wilson first devised the intellectual framework within which American foreign policy has since been trapped.

Wilsonian liberalism marked a radical departure from the previous styles of American foreign policy, which had centered quite specifically on the idea of "national interest." Our isolation from European affairs prior to 1912, was defended in those terms; so were our nationalist-expansionist policies in the Western hemisphere. True, we preached to the world the blessings of self-government, and held ourselves up as a shining example—but we did little else to the world, as the world did little else to us.

It was Woodrow Wilson who first gave American foreign policy its distinctive character—a compound of evangelical idealism and strict legalism. The notion that, since we were now a world power, it was our destiny to convert the world to instant democracy was born then, as was the idea that the sovereignty of international law, under the aegis of a League of Nations, would establish a benign and enduring world order.

Traces of this Wilsonianism are still much in evidence in the way we conduct our foreign affairs. What else explains our stubborn attachment to the United Nations despite the indignities and humiliations it incessantly exposes us to? And what else can explain theautomatic passion with which our State Department reacts to any transgression of existing boundaries, regardless of provocation or circumstance, regardless of whether it is committed by friend against foe (Suez in 1956), foe against friend, or foe against foe (Vietnam and Cambodia)? The man in the street certainly sees a difference; the State Department cannot.

The utopianism of Wilsonian liberalism is now generally recognized and discounted. Still, in all fairness to it one must say that it had a vitality and self-confidence that our later foreign policies lacked. It tended to make us overly arrogant and self-righteous, but not incredibly feeble and self-deprecating. In our own day, Senator Moynihan has tried to revive a kind of Wilsonian vigor and self-confidence, but with only minimal success. The world is simply no longer a place where the Wilsonian vision of liberal democracy universally triumphant can be taken seriously. In truth, it never really was such a place.

With the end of World War II and the onset of the Cold War, our foreign policy was redefined as a kind of defensive Wilsonianism. We would no longer make the world safe for democracy but we would see to it that the world would not be made safe for totalitarianism, either. In effect, our policy of "containment" meant the maintenance of the international status quo, while waiting for the Soviet Union and other nations to evolve "naturally" into pacific, liberal societies, as they experienced the pleasures of economic growth. But such an evolution seems not to be written into history's genetic code after all, and we found ourselves coping with one critical situation after another, as our complex network of defensive treaties unravelled in one place after another. Sooner or later we were bound to come up against a "leak" which we could neither contain nor repair. That happened in Vietnam, where the limits of a purely defensive and reactive strategy—in which we fight endless "limited wars" while our opponents seek the most favorable opportunities for unlimited success—were exposed, and the strategy itself discredited.

Since Vietnam, our foreign policy has collapsed into what can only be called a decadent Wilsonianism, retaining shreds and tatters of the traditional evangelical moralism and self-hypnotic legalism, but also displaying two new pathological features.

The first is a profound sense of guilt. To be a liberal American today is to be infused with instant guilt at all the disagreeable features of the universe—and most especially toward poor and distant nations to whom we have never done any harm. It is because of such guilt feelings that, whenever such nations are involved in a dispute with us—over the expropriation of American property, for instance—the instinctive reaction of our State Department is not to defend our interests but rather to act as a benevolent mediator.

THE THERAPEUTIC ETHIC

The second new feature is the prominence of what Professor Philip Rieff has called "the therapeutic ethic"—the conviction that the only decent and effective way to cope with people who cause trouble is through the exercise of compassion, patience and the provision of social services. The assumption is that if they are behaving nastly and aggressively, it can only be because some form of "deprivation" has made them unreasonably suspicious and resentful of their fellow creatures. It is this assumption and this ethic that guides our behavior toward the Third World, in the United Nations, and—unbelievably—toward the Soviet Union itself.

On December 12th, President Carter said with reference to the SALT talks: "If the Soviets are adequately forthcoming, we will have an agreement. . . . If they are not forthcoming, then we will continue to negotiate." Why? Why won't we just pack up and go home? Well, the reason is that this administration, like its predecessors, perceives the SALT negotiations as, above all, a means of "involving the Russians in a dialogue" that would eventually lead to "greater mutual understanding"—in short, as a form of therapy that will convert a sullen and delinquent Soviet Union into a "mature" good neighbor. Unfortunately for us, the Russians have no idea that their mental health is poor—though they must surely be wondering if we are well.

The self-defeating posture has much genuine moral passion behind it, but in the end it will—as is already beginning to happen in our domestic policies—have to come to terms with the world's realities. Our first and overriding obligation, clearly, is to defend the interests of those existing liberal democracies that are our natural allies. To achieve this, however, we must be ready to defend our own strategic and economic interests as a world power, willing and able to use the necessary force to do so.

This earth will be a place where American *ideals* are respected only if the world also respects our *interests*—which it is not likely to do if we show no respect for our own interests.

WORLD ADMIRES WINNERS

It is this vital connection between ideals and interests that has been missing for so long in our thinking about foreign policy. The nations of this world admire winners, not losers—not even "nice" losers. When democratic nations are strong and willing to act decisively, the rest of the world may take the ideology of liberal democracy seriously. When a democratic nation, however, and most especially the leading democratic nation, engages interminably in Hamlet-like soliloquies on the moral dilemmas of action, the world will seek its political models elsewhere.

We have for too long lived with the illusion that the prime purpose of our foreign policy should be to restrict and eventually eliminate the use (and abuse) of power in international affairs. The moral intention is splendid—but utopian, since much of the world does not share it. We know that power may indeed corrupt. We are now learning that, in the world of nations as it exists, powerlessness can be even more corrupting and demoralizing.●

REDUCE CAPITOL HILL OFFICE STAFF

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 23, 1979

● Mr. COLLINS of Texas. Mr. Speaker, one of the best analyses of the need to reduce Capitol Hill office staff was made by James Reston of the New York Times. Writing out of Washington, he wrote a splendid article which was published in our Dallas Morning News on January 17.

Here is a specific section that graphically shows the growth of the Capitol Hill personnel.

> "Austerity" is the popular political word of the day, but not in the offices on Capitol Hill. Ten years ago, there were 4,489 personal and committee staff members in congress, and although the number of senators and representatives has remained the same during the past decade, the staff total in the last congress was 13,276 and still rising.
>
> The staff budget for the senate in 1968 was $31,000,000 and in 1978 $101,000,000. The house staff budget in 1968 was $44,700,000 and in 1978 $167,700,000. By law, a representative is limited to 18 personal staff members, with top salaries of $47,500 a year.

The way to reduce excessive government is to reduce the staff that manufactures all the bills. I introduced legislation on the opening day of this session to cut all committee staffs by 50 percent. I hope my colleagues will cosponsor with me.●

TRIBUTE TO JOE HATCHER

HON. ED JONES

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 23, 1979

● Mr. JONES of Tennessee. Mr. Speaker, the great State of Tennessee has recently lost one of its great political writers and journalists, Mr. Joe Hatcher. Joe covered politics and government for the Nashville Tennessean for over half a century dating back to 1926 when Austin Peay was Governor of Tennessee.

He was known for many years as an astute political observer and a man of high principles. Among those political battles he personally engaged in were the fight against the political machine of Ed Crump of Memphis and for the removal of the poll tax as a requisite for voting in Tennessee. He was also active in the achievement of many progressive steps in government in Tennessee.

Joe Hatcher was well respected both among his colleagues of the news media and those government officials who knew him well. His insight as a reporter will be greatly missed. Those of us who also knew him as a witty and warm friend will also miss him greatly.

I would like to take this opportunity to insert into the Record an editorial which ran in the Nashville Tennessean on the occasion of Mr. Hatcher's death:

[From the Nashville Tennessean, Jan. 13, 1979]

Mr. Joe Hatcher, reporter, editor and columnist for The Tennessean for more than half a century, is dead at the age of 80.

Mr. Hatcher had been closely acquainted with more governors and other high-ranking political figures—state and national—than perhaps any other newspaperman in Tennessee history.

From his initiation into political reporting, he followed a simple philosophy: Never let political differences overcome personal friendship. As a result, Mr. Hatcher became one of the state's most trusted and respected political columnists—a writer whose attention and advice were sought by those of all shades of political thought.

Although he was primarily a political reporter, he had served in numerous editorial capacities at The Tennessean: city editor, managing editor and sports editor of the former Evening Tennessean.

He attended Vanderbilt University, where he became the first student to edit both the Hustler and the Commodore, the weekly and the annual respectively.

He settled permanently at The Tennessean in 1921 and became a political writer in 1926 when Austin Peay was governor. From that time on he was a close-up observer of—and sometimes participant in—some of the most boisterous political battles in the state's history. Not many active politicians of that period would want to go through a day without reading what Joe Hatcher had to say in "Politics," in The Tennessean.

Perhaps the high point of his career was this newspaper's long fight against the E. H. Crump machine in Memphis in the 1940s, culminating in the defeat of Mr. Crump's candidates in 1948 by the late Gov. Gordon Browning and the late U.S. Sen. Estes Kefauver. He also played a large part in removal of the poll tax as a requisite for voting in Tennessee, in the enactment of the home-rule amendment to the state Constitution and in the achievement of many progressive steps in government.

Mr. Hatcher retired as a full-time staff member of The Tennessean in 1970, but continued to write a weekly column in the Perspective section of the newspaper.

This column, devoted mainly to his reminiscences of old political battles, was a treasure of historical data.

He continued to take an active part in the newspaper's editorial conferences and maintained a keen interest in current affairs as well as Tennessee's political history.

The image of Mr. Hatcher with his pulled-down felt hat and cigar in mouth is a familiar one to friends and readers all across the state. They will miss him.

The loss will be keenly felt by his associates at The Tennessean who have enjoyed his friendly manner and ready wit for so many years. Scarcely a day passed that some reporter or editorial writer, looking for a lost political fact to fill out a piece of writing, was not advised to "Go ask Joe." Almost invariably the writer was rewarded with the information he sought plus a wry comment to fit the occasion.

Mr. Hatcher almost always brightened somebody's day. He was a kind, gentle and genial man.

He will be remembered for these warm human qualities as much as for his political influence. In both he made the state a better place to be.●

THE RELATIONSHIP BETWEEN AN ECONOMY AND ITS MONEY

HON. RONALD E. PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 23, 1979

● Mr. PAUL. Mr. Speaker, today our dollar, once redeemable in gold, has no backing whatsoever. Could this be the reason we have seen our money depreciate at so drastic a rate, abroad and at home?

Dr. Donald Kemmerer, president of the Committee for Monetary Research and Education of Greenwich, Conn., has long been one of our most eloquent spokesmen for hard money. Because I feel that a sound dollar is of overriding importance for the future of our country, I would like to call to my colleagues' attention the following article:

THE RELATIONSHIP BETWEEN AN ECONOMY AND ITS MONEY

(By Donald L. Kemmerer)

The growing number who talk of the proven virtues of a gold redeemable currency to put an end to our chronic price inflation, are sometimes airily dismissed with the pronouncement: "Americans don't need gold to back their dollar; it is backed by the industrial might of the American economy."

This quote shows no understanding of the relationship between an economy and its money—and the reason for having a gold standard.

The quote is also meaningless doubletalk. Can anyone who is skeptical of the dollar's future buying power say: "Just redeem my paper dollar in a unit of that 'industrial might' that I can spend freely without difficulty or can lay away for a while as a more reliable store of value than Federal Reserve notes."? There is no machinery for that kind of redemption of paper dollars and never can be.

Under the gold coin standard, the money unit is a fixed weight of gold in terms of which prices, wages and debts are all stated and into which bank notes and bank deposits are readily convertible into gold coins on demand.

Why do people sometimes want to convert their bank notes into gold coins? There are many reasons, but the most important one is that the redeemers are, for whatever causes, skeptical of the reliability of their paper dollars which, after all, are just promises to pay in gold. They prefer the gold coins which also have value as a precious metal. The people can thus protect themselves when they see financial foolishness taking place. Their demanding gold reduces bank reserves and warns the central bank and the government to slow down. The public's action is like a fuse burning out to warn of an electrical current overload.

Actually, a sound money can do much to bolster an ailing economy. Two illustrations will suffice. A gold or silver convertible dollar (instead of irredeemable paper bills) did so in this country following the adoption of the Constitution in 1789. Likewise, the stabilization of the mark at a trillion to one and the adoption of the gold standard did it in Germany in the 1920's. Both nations had been in a depression while a price inflation prevailed. With restoration of sound money both countries entered a period of prosperity.

Contrawise, a weak money can seriously undermine a strong economy as our recent history demonstrates. If our government continues to let the dollar depreciate—the dollar has lost half of its buying power since 1967 and nearly three fourths of it since about 1945—this will damage the economy in many ways. Manufacturers find it increasingly difficult to replace worn out capital because their depreciation allowances are inadequate. The long-time patterns of foreign trade are disrupted—notice how American steel and auto exports have fallen off. With out antiquated equipment we cannot compete with the Germans, Japanese and others as we formerly did.

The buying power of millions of citizens declines and that, in turn, lessens their desire to save. Today, America's rate of savings is one of the lowest among major nations. America's per capita income has sunk to fourth place in the world and soon may rank even lower.

"Industrial might" we still have, but a badly managed, sick dollar has seriously weakened it. Fewer people want to invest in an "industrial might" that rewards them in ever feebler dollars. In short, a strong dollar must come before a revived economy.

How can we reverse the present downward trend of the dollar? Do as we did in 1789 and as Germany did in 1924—Return to a Gold Standard. Give the people a visible reason for again having confidence in the dollar and for accumulating savings and investments repayable in dollars that keep their buying power.●

THIRTEENTH ANNIVERSARY OF THE SIGNING OF THE CUBAN EXILES' DECLARATION OF FREEDOM

HON. DANTE B. FASCELL

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 23, 1979

● Mr. FASCELL. Mr. Speaker, on January 23, 1966, the Declaration of Freedom of the Cuban exiles in the United States was signed at Key West, Fla.

As we witness a renewed flow of freedom-loving Cubans from the tyranny of Castro's regime, it is obvious that Communist oppression still reigns in once-free Cuba. Thus, the meaning and significance of this historic declaration still hold as true as ever.

The statement signed 13 years ago set forth the total commitment of the Cuban refugees "to free Cuba from communism." This cause is as just today as it was then.

In the declaration, these brave Cubans reaffirmed their devotion to the fundamental principles of liberty. I urge our colleagues' careful consideration of the exiles' commitment to the democratic ideals which have meant so much to our Nation, and call attention to the full text of the Declaration of Freedom:

DECLARATION OF FREEDOM

In the City of Key West, Monroe County, State of Florida, United States of America, we the Cuban exiles in the United States, in the name of God Almighty, and speaking both for ourselves and the oppressed people in Cuba, the Martyr Island, do say:

That on January 1st, 1959, the slavery yoke that came from Europe and was extinguished in Cuba at the end of the 19th century, was resumed.

That those responsible for this high treason to our Fatherland and to our People are just a score of traitors who, usurpating the Government of the Country have been acting as mercenary agents for the Sino-Soviet imperialism, and have surrendered to that imperialism our Freedom and our Dignity, also betraying the American Hemisphere.

That as a consequence of this high treason, those who are usurpating the Power in Cuba (as they were never elected by the People), are imposing a regime of bloodshed, terror and hate without any respect or consideration to the dignity of the human being or the most elementary human rights.

That in their hunger for power, these traitors, following the pattern of totalitarian regimes, are trying, within Cuba, to separate the Family, which is the cornerstone of actual society, and at the same time, are poisoning the minds of the Cuban children and youth, in their hopes of extending the length of time for this abominable system.

That the rule of the Law has been wiped out in Cuba, and it has been replaced by the evil will of this score of traitors, who are acting under orders from their masters, the Sino-Soviet imperialists.

In view of the aforegoing, we declare.

First: That the actual Cuban regime is guilty of high treason to our Fatherland and to the ideas of the Freedom Revolution which was started on October 10th, 1868.

Second: That this score of traitors who have committed treason against our Fatherland, in case they survive the downfall of their regime, will have to respond, even with their lives before the Ordinary Courts of Justice of Cuba.

Third: That as the Noble Cuban People will not ever surrender, because that Nation was not born to be slave, we, the Cuban People, hereby make the present declaration of freedom.

We hereby swear before God Almighty to fight constantly, until death comes to us, to free Cuba from Communism.

The fundamentals of this Revolution for Freedom are.

First: God Almighty, above all things, in Whom we believe as the essence of Life.

Second: The Fatherland, with all of its laws, traditions, customs and history as a spiritual value, only surpassed by the concept of God.

Third: The Family, as the cornerstone of the Human Society.

Fourth: Human Rights, for each and every citizen, regardless of race or creed.

Fifth: The Law, as the foundation for the proper development of the Human Society.

Sixth: Democratic Government, with its three independent branches: Legislative, Executive and Judicial.

Seventh: Representative Democracy, through the exercise of Universal Suffrage, Periodically, Free and Secretive, as the expression of Popular Sovereignty.

Eighth: Freedom of Worship, Freedom of Teaching, Freedom of the Press and Free Enterprise.

Ninth: Private Property and Ownership, as the basic expression of Liberty.

Tenth: The improvement of living conditions for both rural and city working masses, with the just and necessary measures, keeping in mind the legitimate interests of both Labor and Capital.

Eleventh: The derogation and eradication of anything which is opposed to the political and religious fundamentals aforementioned and specifically, the abolition of Communism and any other form of totalitarian manifestation.

Signed and sealed in Key West, Florida, on the 23d day of January, 1966.●

GOVERNMENT PUBLICATIONS FOR SALE

Additional copies of Government publications are offered for sale to the public by the Superintendent of Documents, Government Printing Office, Washington, D.C. 20402, at cost thereof as determined by the Public Printer plus 50 percent: *Provided*, That a discount of not to exceed 25 percent may be allowed to authorized bookdealers and quantity purchasers, but such printing shall not interfere with the prompt execution of work for the Government. The Superintendent of Documents shall prescribe the terms and conditions under which he may authorize the resale of Government publications by bookdealers, and he may designate any Government officer his agent for the sale of Government publications under such regulations as shall be agreed upon by the Superintendent of Documents and the head of the respective department or establishment of the Government (U.S. Code, title 44, sec. 1708).

SENATE—*Wednesday, January 24, 1979*

(Legislative day of Monday, January 15, 1979)

The Senate met at 12 o'clock meridian, on the expiration of the recess, and was called to order by Hon. PAUL S. SARBANES, a Senator from the State of Maryland.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Hear the words of the 100th Psalm.

Serve the Lord with gladness: . . .

Enter into His gates with thanksgiving, and into His courts with praise: be thankful unto Him, and bless His name.

For the Lord is good; His mercy is everlasting; and His truth endureth to all generations.—Psalms 100: 2, 4, 5

Let us pray.

Almighty God, Ruler of all men and all nations, our times are in Thy hands. We commit our lives to Thee—our souls, our minds, and our bodies for service in Thy higher kingdom. Make us wiser and better than we have been.

Guide us when we know what we are doing. Watch over us when we know not what we are doing. Rescue us when we wander in foolish ways. Redeem us, lift us up and sustain us all our days.

In Thy holy name we pray. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., January 24, 1979.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable PAUL S. SARBANES, a Senator from the State of Maryland, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. SARBANES thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. The Senator from West Virginia, the majority leader.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 12 noon tomorrow.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT—SENATE RESOLUTION 9

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when I yield the floor, no motion may be in order, no action may be in order, that would in any way affect the status of resolution Senate Resolution 9, which is the resolution that I have of-

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

fered and/or the motion which I have made in relation to that resolution, during the remainder of this day.

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

ORDER FOR TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, when I yield the floor, there may be a period for the transaction of routine morning business with Senators permitted to speak up to 15 minutes therein, and that bills and joint resolutions, simple resolutions and concurrent resolutions, memorials and petitions may be offered, with the understanding that statements may be offered by Senators up until 5 p.m. today in the event the Senate recesses earlier than that hour, but that no motion or unanimous-consent request to proceed to take up any matter be in order unless it be first cleared with me, and I, of course, will see that the distinguished Republican leader or acting leader is so informed.

I am doing all of this to protect Senate Resolution 9 and my motion that is presently pending thereto.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. It is obvious, of course, that this does not affect calling off of quorums.

May I ask the Chair, am I correct? Someone thought on yesterday I had precluded the calling off of quorums. I do not see it that way.

The ACTING PRESIDENT pro tempore. The Senator is correct.

SENATE RESOLUTION 9—PROPOSED AMENDMENT OF STANDING RULES OF THE SENATE

Mr. ROBERT C. BYRD. Mr. President, I would suggest to my friend, the assistant Republican leader, the acting Republican leader, that we ask our respective cloakrooms if any Senators wish to come over this afternoon and speak on the subject of Senate Resolution 9, or my motion in relation thereto, for not to exceed up to 30 minutes, in which case I will ask unanimous consent that they be allowed to do so, if we could find out from our respective cloakrooms, because I would like to stay in as long as Senators wish to debate Senate Resolution 9 today under the order I will get allowing debate on that resolution, but I do not want to stay in for several hours when Senators are not debating that subject. If they are just coming over to make a speech on other matters, they can do that during transaction of routine morning business under the order entered.

Mr. STEVENS. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. STEVENS. We will be happy to join with the majority leader in sending out such a notice to Members on our side.

I might state to the majority leader that he knows that the Senator from Wisconsin and I have had some discussions and we have ongoing discussions now with our two committees, task force, whatever we want to call them, working on the subject. We are still very hopeful we will be able to define some parameters as far as a mutual approach to the subjects contained in Senate Resolution 9 so the matters can be disposed of very expeditiously.

Mr. ROBERT C. BYRD. I appreciate what the distinguished Republican whip says. I know his sincerity, his objectivity, his diligence, and his industry.

I would hope that those ad hoc committees would be able to join, as soon as possible, the problems and, hopefully, come up with some suggestions if they want to.

As far as I am concerned, I think I have offered the resolution that, based on my experience here in the Senate over a long period of time, provides the answers to the problems.

I think it is airtight, watertight, and easy to understand. It is the simple way. Of course, what I am afraid of is, that if we are not careful, we will come up with a good many complex proposals to revise a straightforward and simple proposal which I have already offered.

So, having said that, I compliment the distinguished acting Republican leader. I know he is diligently trying to work with us.

I am interested in a time agreement, also. I think every Senator in this body has a right to have some input into this matter—not just our ad hoc committees, not just the majority leader and the minority leader.

So, it would seem to me we ought to have a time agreement that would allow for a certain number of hours or days for debate on this resolution, Senate Resolution 9; let every Senator in the body offer his amendment; let him make any suggestions he wishes as to changing my resolution. He may knock out any of my verbiage, any of my sections, that the Senate by majority vote wishes to delete; or add any the Senate wishes to add. This is something every Senator ought to have an opportunity to participate in.

I would like to have a time agreement so that we can debate this thoroughly, air it thoroughly, let the public know what we are talking about and why the need for the proposed changes I have suggested, and they are very, very simple, they are feasible, and they are workable.

I assure every Senator that they are workable and feasible and there is no point in taking days and days trying to figure out complicated, complex changes that might be made in an otherwise very, very simple approach to this problem.

I want a time agreement so that we can resolve this matter· let everybody talk up to a reasonable length of time; and have a time to vote, a judgment made, a time for the Senate to vote up or down on my resolution, which I commend highly to the attention, the considered judgment, and the consideration of every Senator.

I think it is a simple solution that is easily understood. It is a simple remedy for a very obvious ailment that afflicts this body. I hope that not too many doctors get in with their patent medicines and begin to foul up the brew and really complicate what otherwise is not complicated at all.

Mr. STEVENS. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I know that my friend is doing everything he can. He is one in whom I place the utmost confidence. May I say that I would wade any river, I would climb any mountain, I would walk in the darkest night to come to the assistance of my friend. I know that he would do just the same for me.

Mr. STEVENS. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. STEVENS. I thank the Senator for his comments.

I am sure he will not take umbrage at my statement when I say that I have the highest ambition to succeed the Senator from West Virginia as majority leader some day. [Laughter.]

Mr. ROBERT C. BYRD. One's reach should exceed his grasp. [Laughter.]

Mr. STEVENS. It is my hope that should the present majority leader ever see the day that he is in the minority, he could look at me and say, "You protected my rights."

We are approaching this matter with balance and with the full thought that we, too, may be in the majority someday. But we are in the minority right now, and we are trying to protect the rights of Senators. I think if we do it that way, we will soon see the matter resolved.

Mr. ROBERT C. BYRD. Sufficient unto the day is the evil thereof.

I must say that that thought has fleeted across my imagination once in a while: that someday in the 21st century it may be conceivable that this side of the aisle might be in the minority. For that reason, I do not ever want to see the day when the minority is subjected to majority cloture on a cloture petition.

So I do see through the glass darkly and perceive that it is conceivable, and theoretically and hypothetically possible that this side of the aisle some day could be in the minority, in which case I think my resolution fully protects that contingency.

However, I thank my friend for being the guardian of the interests of the minority, and I shake hands with him and join him in that.

UNANIMOUS-CONSENT AGREEMENT

Mr. President, I ask unanimous consent that Senators may debate the proposed rules change, Senate Resolution 9, today, for a period not to exceed 30 minutes each, or that they may debate the pending motion under the same time limit; but that no later than 2 p.m. today, the Senate stand in recess in accordance with the order previously entered, unless a Senator or Senators wish to continue the debate on Senate Resolution 9 and/or the motion that is now pending, in which case the Senate not stand i nrecess at 2 o'clock; that it stay in longer, to allow for that debate, with the 30-minute limitaton to conntinue on such speeches.

However, if the debate is not germane under the Pastore rule, Mr. President, after the close of the morning business, I ask that the Pastore rule be adhered to. I ask the Chair to state the question pending.

The ACTING PRESIDENT pro tempore. The pending question is a motion by the Senator from West Virginia (Mr. Robert C. Byrd) to proceed to the consideration of Senate Resolution 9.

Mr. STEVENS. Mr. President, reserving the right to object, if the Senator will permit me, it is my understanding that the previous order does permit morning business until 2 o'clock, with speeches not to exceed 15 minutes each.

Mr. ROBERT C. BYRD. I would like to place a limitation on morning business of not to exceed 1 hour.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

Mr. ROBERT C. BYRD. So that if I understand the orders which have been entered, there will be routine morning business of not to exceed 1 hour, with statements therein limited to 15 minutes each.

After morning business is closed, the Senate, by unanimous consent, may proceed then, acting within the context of the Pastore rule, keeping speeches germane to the resolution and/or the motion that is pending. Each Senator may speak up to 30 minutes under the order. If no Senators wish to be recognized at 2 p.m. to speak on that matter, or if we know of no Senators by then who wish to speak longer, the Senate would go out at 2 o'clock and go over until tomorrow, in recess.

If Senators wish to speak on the subject and follow the Pastore rule for 3 hours, and speak on the subject that is before the Senate, or will be before the Senate as soon as morning business is concluded, then we will stay in longer.

Mr. METZENBAUM. Would the leader object if I had a special order that I might speak at 1:45, for not to exceed 15 minutes, on the pending matter?

Mr. ROBERT C. BYRD. I have no objection to that at all.

On the matter then pending.

Mr. METZENBAUM. The matter then pending, it being the matter of the rules change.

Mr. STEVENS. There are two Senators on the floor who are awaiting recognition in morning business. We already have put out the notice that there would be morning business for 1 hour, as I understand it. That would expire at 1 o'clock.

Mr. METZENBAUM. I am asking if I may speak at 1:45.

Mr. STEVENS. Oh; I beg the Senator's pardon.

The PRESIDING OFFICER. Is there objection? Without objection, the unanimous-consent request of the majority leader is agreed to.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there morning business?

The Senator from Kansas is recognized.

Mrs. KASSEBAUM. Mr. President, I wish I could orchestrate my oration as masterfully as the distinguished majority leader. It is a pleasure always to hear him negotiate in such an intricate way.

Mr. ROBERT C. BYRD. I thank the Senator for that compliment. I am very grateful.

SENATE JOINT RESOLUTION 25—LIMITING CONGRESSIONAL TENURE

Mrs. KASSEBAUM. Mr. President, I am pleased to join today in introducing a joint resolution, which calls for a constitutional amendment limiting the terms of office of Members of the U.S. Congress. I welcome the opportunity to join Senator Danforth and my other distinguished colleagues in beginning an effort to fulfill my commitment to this electoral reform.

Amending the Constitution is not to be undertaken lightly. I come by my decision to seek this change after carefully studying the proposal and weighing its consequences. Moreover, I look forward to the upcoming scrutiny during committee and floor debate that I hope will be engendered by the amendment's introduction today.

This proposal represents a fundamental change in the political process in this Nation, but not, I would submit, a fundamental departure from the intention of the framers of the Constitution. Indeed, I see this amendment as a return to a concept—that of citizen politician—that was instrumental in providing America with such exemplary leadership during the founding of our Nation.

The first Congresses were composed of local citizens who went to Washington to do the Nation's business for relatively short periods of time. Not only was it the generally observed tradition—in the House, at least—to serve two terms and then retire, but congressional sessions were much shorter as well.

This custom, by giving legislators more time at home and by unburdening them of the continuous drive to be reelected, gave rise to a Congress that was responsive to its constituencies yet mindful of its broad responsibility to the overall welfare of the Nation. By comparison, our current system strips the Congress of its capability to make individual decisions based on broad national interests. The professional politician, with his eye on the next election quite naturally seeks to temporize or completely avoid potentially controversial issues. He finds it desirable to ignore the complexity of our times and the interdependence of issues. A legislator is encouraged by circumstance to concentrate on single issue special interest legislation, which will be of more importance when he must again face the voters. The professional politician then becomes less a leader and more a conduit for expressing the needs and desires of vocal constituents with little regard for the more broadly defined effects such actions will have on national policy. The result is often the subjugation of the Nation's common welfare.

Mr. President, I do not believe this was the role intended for the Senate by the framers of the Constitution. A representative democracy such as ours is founded on the concept that the Federal legislature will be more than a clearinghouse for the views of American electors. Congress should be a source of leadership, and each Member should be impressed with the fact that when he or she casts a vote, it has implications for all Americans, not just those in a particular interest or from a particular district.

A limitation on the terms of Congressmen, I believe, will do much to open up Congress to new ideas—fresh approaches to the complex problems that face our country. I think it will encourage more Americans to participate in our democratic process. Members of Congress will be looked upon as local citizens on temporary leave from their responsibilities at home, not as permanent fixtures in the Washington scene.

There can be no doubt, Mr. President, that many of those who have served long careers in Congress have distinguished themselves by their service. And there are those who would argue that the passage of this amendment will deny the country the leadership of persons such as these. While the argument may have some merit, it ignores the fact that the current system discourages the infusion of new leadership and fresh approaches into the legislative process. That argument is based upon an unbecoming presumption of indispensability or upon an unsupported assumption that the country is better served by leadership noted more for longevity than independence.

Limitations of the tenure of public servants are not without precedent. As you know, the 17th and 22d amendments limit presidential terms. As President Eisenhower observed:

> What is good for the President may well be good for the Congress.

Nor is this a new concept. At various times in the past 20 years many distinguished Members of the Senate and the House have joined in proposing limitations on the terms of Members of Congress. Also, it is a commitment many others support. Our constituents have expressed their growing approval for a limitation on tenure in Congress. Public opinion polls reveal that 60 percent of the populace favors a limitation on Senate terms. That is not merely an expression of popularity but verges upon a call for responsible reform.

Mr. President, I believe that a constitutional amendment limiting the tenure of Members of Congress will renew public participation in the electoral process at the grassroots. It will assure a continous flow to Washington of talented citizen politicians in close contact with their home districts. This change will infuse new vitality into the political process in a way intended and practiced by the founders of our Nation.

I urge the passage of the joint resolution.

Mr. STEVENS. Mr. President, I wish to say to the Senator from Kansas that the distinguished majority leader asked me to extend to her his regret that he could not remain to hear the first statement of the new Senator from Kansas. He had an important meeting in his office. And I do so at his request.

I also think that it would be remiss if we did not state that it is very nice to hear a woman's voice from this side of the aisle again, as the Senator from

Kansas had distinguished predecessors, and the very fact that she has taken this initiative at her first attempt in the Senate, and I might say it is a very large task she is taking on, indicates that we have a strong new voice on our side of the aisle that we are going to be proud of, and I thank her very much for permitting us to have her wisdom on this this early.

Mr. PROXMIRE. Mr. President, will the Senator from Kansas yield?

Mrs. KASSEBAUM. I yield.

Mr. PROXMIRE. I thank the distinguished Senator from Kansas for that excellent speech, and I wish to tell her how privileged and honored I was having an opportunity to be in the Chamber when she gave her maiden speech.

I am inclined to disagree with Senator KASSEBAUM's proposal. I think it is a proposal that does have some merit, though. I think the strongest argument for it are people like her who come to the Senate obviously with ability and with a fresh viewpoint and can infuse into this body the kind of new ideas and the kind of reactions that those of us who have been here for a long, long time probably cannot do quite as well.

I think, however, that when we look at what has happened to the Senate this year, with 20 fine new Members, including the Senator from Kansas, we are getting that infusion now. As the Senator knows we have changed the rules of the Senate very substantially over the last few years, as far as committee assignments, subcommittee assignments, chairmanships of subcommittees, and ranking positions on various subcommittees are concerned, so that a large proportion, close to a majority of Senators and many new Members are given positions of authority and very quickly move into positions of leadership.

Frankly, as one who has been here 21 years I am a little biased, and I do think, however, that there are also great complications and difficulties in the legislative operations. I do think the Senator from Kansas will learn more and become somewhat more effective in many ways if she is here for a while.

I hate to think that people like Hubert Humphrey and BARRY GOLDWATER and others who served here for many years would have been cut off after 12 years. Some of the most brilliant people who served in the Senate over the years contributed so much mostly, in very many cases, in their older years.

So I think there is that side to consider, also, although I think the Senator from Kansas has made a very powerful case for the position that she and Senator DANFORTH have taken. I thank the Senator.

Mrs. KASSEBAUM. I thank Senator PROXMIRE and I appreciate his yielding to me so that I could speak first.

YOUTH AND MINORITY UNEMPLOYMENT

Mr. PROXMIRE. Mr. President, one of the most difficult problems we have in this country, of course, is the enormous high rate of unemployment among minorities and particularly minority youths, particularly in our big cities.

This is something that has not yielded to and will not yield to aggregate economic policy, whether it is fiscal policy of spending more money and taxing less, or whether it is a monetary policy of easing credit so that the economy can expand.

Last year was an excellent example of that. In the last year we had the greatest increase in jobs in this country of any year in our history, to the best of my knowledge. I tried to check with the Bureau of Labor Statistics and they think that is correct. There were 3 million additional jobs. In spite of the fact there are 3 million additional jobs we still have that stubbornly high rate of unemployment among minority youth. It is at a level of 30 or 40 percent, even higher in many of our cities.

And I think we recognize that in spite of the colossal increase in money that the Federal Government has poured into the cities—and that is the biggest increase by far in the budget over the last 15 years; it is an increase that I think will appall anyone who looks at it; it is an increase not of twofold, fourfold, tenfold; it is an increase of about fortyfold—in spite of that the situation is worse.

That stubborn unemployment does not seem to yield to that kind of expenditure even though we tried very hard to do it.

Mr. President, I think one of the reasons we failed is we have not recognized how important it is for the local communities themselves to take responsibility for doing a job.

I am proud and happy to say that in the biggest city in my State, Milwaukee, a distinguished businessman named Elmer Winter, who has been head of Manpower, Inc., a national organization for providing people to work all over the country on small notice and work for brief periods of time, a man who probably had more experience in this area, practical experience in the private sector than almost anyone in the country, has written an article in the Milwaukee Journal about how they are trying to provide more jobs for minority youth in Milwaukee. It is very impressive, and I shall quote from part of it.

It is called Operation 4,000. The purpose of it is to help change minority youth unemployment, and here is what it does. It is a voluntary program to turn around unemployment of minority youth:

> For those who are not ready, we will work with existing agencies to improve their vocational skills, job attitudes, reading, writing, and math. We will try to develop improved motivation and acceptance of the principle that an employer is entitled to a good day's work for a good day's pay.

I might say this is catching on in Milwaukee, it is succeeding, and it is reducing sharply and measurably the percentage and the number of unemployed minority youths.

As Mr. Winter says:

> We have many companies of varying sizes working with us by providing job openings for minority youth. Our pre-Christmas employment program in just a few weeks generated hundreds of job openings from Milwaukee companies.

In addition, he said:

> We are considering the installation of an Employer Job Readiness Advisory Group to assist community agencies in determining, from an employer's point of view, whether individuals are job ready after their training is completed.

He said that was a refinement that would make the program even more effective.

Mr. President, I worked a full day in the employment service in Milwaukee about a year or so ago to try to find out how the employment service operates, and I found again and again and again that employers would come to the employment service saying they wanted employees, but they wanted employees who would work, who would be there on time, who would be able to do a job, and this is one of the reasons why it is very hard for those whose education has not been adequate, who have not had an opportunity to work before, who have not had a chance to develop good work habits, have a very difficult time getting work, even in a city where unemployment is low.

So here is what this Readiness Advisory Group is doing. They are saying that they are trying to approach it from an employer's point of view and determine whether individuals will be job-ready after their training is completed. In other words, they screen these young minority youth people and try to find out if they have the skill, if they have the attitude, if they have the motivation, if they are likely to succeed. If not, they continue to work with them and do not give up. They have had, as I say, a great deal of success in doing this.

Furthermore, they call attention to a section of the tax law that Congress has provided that I think too many businessmen in this country do not understand or do not recognize. Mr. Winter says:

> We urge employers to take advantage of the new Federal income tax credit, effective January 1, 1979, which allows an employer to deduct up to 50% of wages paid to minority youth from disadvantaged families, and other groups as well, with a maximum credit of $3,000 per year. We will ask employers to consider using part of that tax credit to install specialized training programs on their own.

In other words, they are not only saying "Take advantage of this great tax break you have got, you can hire people at a far lower cost to you—your actual cost per hour of work is going to be much less if you hire minority youth from disadvantaged families," and they are asking them to make this money go even farther by using the savings to set up a training program that will enable the young people to do a better job.

Mr. President, I think it is very important that employers all over the country get some understanding of what Mr. Winter, the former head of Manpower, is doing in Milwaukee, and what the Milwaukee operation means, and the success it can have elsewhere, because if we are going to really provide for jobs for the disadvantaged in this country, the minority youth that have been discriminated against, have not had the chance, have great disadvantages, it seems to me this is the kind of effort that should be made and will be successful.

Actually, it does not cost the Federal Government anything; it costs it nothing, zero. It is not a matter of spending more money here; it is a matter of providing the training, the motivation, the opportunity, the concern on the part of private employers that will do the job.

Mr. President, I ask unanimous consent that the article by Mr. Winter in the Milwaukee Journal be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

OPERATION 4,000 CAN HELP CHANGE MINORITY YOUTH UNEMPLOYMENT IF EVERYBODY PITCHES IN

Operation 4,000, a voluntary program to turn around unemployment of minority youth, is pleased to report that our parade is gathering momentum, support and increased following among the Milwaukee community. Each day more Milwaukee companies are getting on our bandwagon by providing employment opportunities for minority youth, 18–24.

Operation 4,000's goals are clear and concise. For those minority youths in the 18–24 category who are job ready, our goal is to get them jobs now. For those who are not ready, we will work with existing agencies to improve their vocational skills, job attitudes, reading, writing and math. We will try to develop improved motivation and acceptance of the principle that an employer is entitled to a good day's work for a good day's pay.

Next, we want to prevent those currently in high school from automatically becoming future candidates for unemployment. We need to ease the transition from education to work. We need stronger relations between industry and our educational program. We are working closely with Milwaukee School Supt. Lee McMurrin to explore the following areas in our high school system; a doubling of the work study program; development of a four year goal with a curriculum designed toward specific work goals, and late afternoon and evening remedial and work skill programs.

In addition, there will be a stepping up of the current partners in industry program. An effort will be made to sell career programs and to offer more concentrated short term specialty programs tailored to industry needs. Motivation programs will be designed for high school students to improve attitudes toward work and the worth ethic. Local legislators and schools staffs must all work together on implementing these various programs to alleviate the problem.

We have many companies of varying sizes working with us by providing job openings for minority youth. Our pre-Christmas employment program in just a few weeks generated hundreds of job openings from Milwaukee companies. This proves that Milwaukee employers are willing to hire young people and give them a chance to succeed on the job.

Four out of five jobs in Milwaukee are in the private sector, and this is where most opportunities must be developed. We need to bring small firms into our programs. We will provide a clearing house for job training success stories. We will be working with industry supervisors to get their cooperation.

Ron San Felippo, director of Milwaukee Area Job Service and a member of our team, has added nine members to his staff to work on filling job orders for minority youth. His group is engaged in a serious effort to do the best possible matching of the applicant to the job.

We are considering the installation of an Employer Job Readiness Advisory Group to assist community agencies in determining, from an employer's point of view, whether individuals are job ready after their training is completed. We believe this screening will benefit employers and applicants as well.

We urge employers to take advantage of the new federal income tax credit, effective January 1, 1979, which allows an employer to deduct up to 50% of wages paid to minority youth from disadvantaged families, and other groups as well, with a maximum credit of $3,000 per year. We will ask employers to consider using part of that tax credit to install specialized training programs on their own.

What about the attitudes of young people toward taking jobs? We cannot generalize. We do know that many are willing to take entry jobs to get started. We are trying to get employers to offer jobs paying more than the minimum wage requirements when possible, and provide jobs with upward mobility.

Governor Dreyfus has received my letter asking his support for a massive expansion of high work-study and remedial education programs. I encourage him to recommend legislation calling for tax credits for employers who hire the disadvantaged.

We need to step up all training programs in the private sector. I am confident that County Executive William O'Donnell, who has responsibility for CETA, will move toward providing more government funds for training in the private sector.

We urge employers to get on our bandwagon. A call to Job Services special number, 224–4050, will bring carefully screened applicants who match an employer's needs. We would also welcome hearing from those who have time to give on a volunteer basis.

Through a massive, total community effort, I believe we can make a difference.

RATIFICATION OF THE GENOCIDE CONVENTION: A HUMAN RIGHTS AGENDA FOR THE 96TH CONGRESS

Mr. PROXMIRE. Mr. President, briefly on another subject, on December 6 of last year, a little more than a month ago, was the 30th anniversary of the United Nations' adoption of the Universal Declaration of Human Rights.

President Carter took that opportunity to reaffirm his administration's strong commitment to human rights both here and abroad. Speaking to a White House gathering of civil rights and religious leaders, human rights activists and Members of Congress, the President pledged that "human rights will continue to be the 'soul' of our foreign policy," because human rights are "a beacon, a guide, to a future of personal security, political freedom, and social justice."

Mr. President, it is obvious that President Carter has given human rights a new priority—their proper priority—in the foreign policy of our Nation. His remarks stressed that this administration's foreign assistance programs would reflect these human rights principles—a commitment that is long overdue.

Mr. President, this is the third time that President Carter has called on the Senate to ratify the Genocide Convention. Why? Because President Carter recognizes—as has every President since Truman—the importance of doing everything possible to prevent another holocaust. The treaty seeks very simply to outlaw mass murder and guarantee the right of survival for all ethnic, racial, religious, and national groups.

It is designed to prevent the kind of terrible, hideous tragedy that took place in Germany before and during World War II with the extermination of 6 million Jews.

As President Carter noted, ratification of this treaty would be "part of a broad effort to use our great power and tremendous influence in the service of creating a better world, a world in which human beings can live in peace, in freedom, and with their basic needs adequately met."

The words of President Carter ring loud and clear. And they deserve a loud and clear response from the Senate.

Mr. President, this is an action that only the Senate can take, not the House of Representatives. The President is calling upon us to act. We have had the treaty before us for 30 years. Every President has called on us to act on it, Republican and Democrat; every Secretary of State, every Attorney General, the Bar Association, every religious group have pleaded with us to ratify the Genocide Convention. The people of this country, I think, have been deeply moved by the dramatization of the genocide in Germany through the holocaust television program which, incidentally, is now being shown in Germany and which, according to reports in the New York Times this morning, is deeply moving the West Germans who, incidentally, have ratified the Genocide Convention, which we have not.

As Jerome Shestack, president of the International League for Human Rights, noted:

> Before this Administration, human rights was a stepchild. Now Mr. Carter says it's the soul of his policy. That's a light-year leap from stepchild to soul.

Mr. President, can the Senate do any less? The time for action is now.

Mr. President, I ask unanimous consent that the text of President Carter's remarks be reprinted in full in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

UNIVERSAL DECLARATION OF HUMAN RIGHTS

What I have to say today is fundamentally very simple. It's something I've said many times, including my acceptance speech when I was nominated as President and my inaugural speech when I became President. But it cannot be said too often or too firmly nor too strongly.

As long as I am President, the Government of the United States will continue throughout the world to enhance human rights. No force on Earth can separate us from that commitment.

This week we commemorate the 30th anniversary of the Universal Declaration of Human Rights. We rededicate ourselves—in the words of Eleanor Roosevelt, who was the chairperson of the Human Rights Commission—to the Universal Declaration as, and I quote from her, "a common standard of achievement for all peoples of all nations."

The Universal Declaration and the human rights conventions that derive from it do not of light on a dark horizon of deprivation describe the world as it is. But these documents are very important, nonetheless. They are a beacon, a guide to a future of personal security, political freedom, and social justice.

For millions of people around the globe that beacon is still quite distant, a glimmer and repression. The reports of Amnesty International, the International Commission of Jurists, the International League for Human Rights, and many other nongovernmental human rights organizations amply document the practices and conditions that destroy the lives and the spirit of countless human beings.

Political killings, tortures, arbitrary and prolonged detention without trial or without a charge, these are the cruelest and the ugliest of human rights violations. Of all human rights, the most basic is to be free of arbitrary violence, whether that violence comes from government, from terrorists, from criminals, or from self-appointed messiahs operating under the cover of politics or religion.

But governments—because of their power, which is so much greater than that of an individual—have a special responsibility. The first duty of a government is to protect its own citizens, and when government itself becomes the perpetrator of arbitrary violence against its citizens, it undermines its own legitimacy.

There are other violations of the body and the spirit which are especially destructive of human life. Hunger, disease, poverty, are enemies of human potential which are as relentless as any repressive government.

The American people want the actions of their government, our government, both to reduce human suffering and to increase human freedom. That's why—with the help and encouragement of many of you in this room—I have sought to rekindle the beacon of human rights in American foreign policy. Over the last 2 years we've tried to express these human concerns as our diplomats practice their craft and as our Nation fulfills its own international obligations.

We will speak out when individual rights are violated in other lands. The Universal Declaration means that no nation can draw the cloak of sovereignty over torture, disappearances, officially sanctioned bigotry, or the destruction of freedom within its own borders. The message that is being delivered by all our representatives abroad—whether they are from the Department of State or Commerce or Agriculture or Defense or whatever—is that the policies regarding human rights count very much in the character of our own relations with other individual countries.

In distributing the scarce resources of our foreign assistance programs, we will demonstrate that our deepest affinities are with nations which commit themselves to a democratic path to development. Toward regimes which persist in wholesale violations of human rights, we will not hesitate to convey our outrage, nor will we pretend that our relations are unaffected.

In the coming year, I hope that Congress will take a step that has been long overdue for a generation, the ratification of the Convention on the Prevention and Punishment of the Crime of Genocide. As you know, the genocide convention was also adopted by the United Nations General Assembly 30 years ago this week, 1 day before the adoption of the Universal Declaration. It was the world's affirmation that the lesson of the Holocaust would never be forgotten, but unhappily, genocide is not peculiar to any one historical era.

Eighty-three other nations have ratified the genocide convention. The United States, despite the support of every President since 1948, has not. In international meetings at the United Nations and elsewhere, when I meet with foreign leaders, we are often asked why. We do not have an acceptable answer.

I urge the United States Senate to observe this anniversary in the only appropriate way, by ratifying the genocide convention at the earliest possible date.

This action must be the first step toward the ratification of other human rights instruments, including those I signed a year ago. Many of the religious and human rights groups represented here have undertaken a campaign of public education on behalf of these covenants. I commend and appreciate your efforts.

Refugees are the living, homeless casualties of one very important failure on the part of the world to live by the principles of peace and human rights. To help these refugees is a simple human duty. As Americans, as a people made up largely of the descendants of refugees, we feel that duty with special keenness.

Our country will do its utmost to ease the plight of stranded refugees from Indochina and from Lebanon and of released political prisoners from Cuba and from elsewhere. I hope that we will always stand ready to welcome more than our fair share of those who flee their homelands because of racial, religious, or political oppression.

The effectiveness of our human rights policy is now an established fact. It has contributed to an atmosphere of change—sometimes disturbing—but which has encouraged progress in many ways and in many places. In some countries, political prisoners have been released by the hundreds, even thousands. In others, the brutality of repression has been lessened. In still others there's a movement toward democratic institutions or the rule of law when these movements were not previously detectable.

To those who doubt the wisdom of our dedication, I say this: Ask the victims. Ask the exiles. Ask the governments which continue to practice repression. Whether in Cambodia or Chile, in Uganda or South Africa, in Nicaragua or Ethiopia or the Soviet Union, governments know that we in the United States care. And not a single one of those who is actually taking risks or suffering for human rights has ever asked me to desist in our support of basic human rights. From the prisons, from the camps, from the enforced exiles, we receive one message: Speak up, persevere, let the voice of freedom be heard.

I'm very proud that our Nation stands for more than military might or political might. It stands for ideals that have their reflection in the aspirations of peasants in Latin America, workers in Eastern Europe, students in Africa, and farmers in Asia.

We do live in a difficult and complicated world, a world in which peace is literally a matter of survival. Our foreign policy must take this into account. Often, a choice that moves us toward one goal tends to move us further away from another goal. Seldom do circumstances permit me or you to take actions that are wholly satisfactory to everyone.

But I want to stress again that human rights are not peripheral to the foreign policy of the United States. Our human rights policy is not a decoration. It is not something we've adopted to polish up our image abroad or to put a fresh coat of moral paint on the discredited policies of the past.

Our pursuit of human rights is part of a broad effort to use our great power and our tremendous influence in the service of creating a better world, a world in which human beings can live in peace, in freedom, and with their basic needs adequately met.

Human rights is the soul of our foreign policy. And I say this with assurance, because human rights is the soul of our sense of nationhood.

For the most part, other nations are held together by common racial or ethnic ancestry, or by a common creed or religion, or by ancient attachments to the land that go back for centuries of time. Some nations are held together by the forces, implied forces of a tyrannical government. We are different from all of those, and I believe that we in our country are more fortunate.

As a people we come from every country and every corner of the Earth. We are of many religions and many creeds. We are of every race, every color, every ethnic and cultural background. We are right to be proud of these things and of the richness that lend to the texture of our national life. But they are not the things which unite us as a single people.

What unites us—what makes us Americans—is a common belief in peace, in a free society, and a common devotion to the liberties enshrined in our Constitution. That belief and that devotion are the sources of our sense of national community. Uniquely, ours is a nation founded on an idea of human rights. From our own history we know how powerful that idea can be.

Next week marks another human rights anniversary—Bill of Rights Day. Our Nation was "conceived in liberty," in Lincoln's words, but it has taken nearly two centuries for that liberty to approach maturity.

For most of the first half of our history, black Americans were denied even the most basic human rights. For most of the first two-thirds of our history, women were excluded from the political process. Their rights and those of Native Americans are still not constitutionally guaranteed and enforced. Even freedom of speech has been threatened periodically throughout our history. Only in the last 10 to 12 years have we achieved what Father Hesburgh has called "the legal abandonment of more than three centuries of apartheid." And the struggle for full human rights for all Americans—black, brown, and white; male and female; rich and poor—is far from over.

To me, as to many of you, these are not abstract matters or ideas. In the rural Georgia country where I grew up, the majority of my own fellow citizens were denied many basic rights—the right to vote, the right to speak freely without fear, the right to equal treatment under the law. I saw at first hand the effects of a system of deprivation of rights. I saw the courage of those who resisted that system. And finally, I saw the cleansing energies that were released when my own region of this country walked out of darkness and into what Hubert Humphrey, in the year of the adoption of the Universal Declaration, called "the bright sunshine of human rights."

The American Bill of Rights is 187 years old, and the struggle to make it a reality has occupied every one of those 187 years. The Universal Declaration of Human Rights is only 30 years old. In the perspective of history, the idea of human rights has only just been broached.

I do not draw this comparison because I want to counsel patience. I draw it because I want to emphasize, in spite of difficulties, steadfastness and commitment.

A hundred and eighty-seven years ago, as far as most American were concerned, the Bill of Rights was a bill of promises. There was no guarantee that those promises would ever be fulfilled. We did not realize those promises by waiting for history to take its inevitable course. We realized them because we struggled. We realized them because many sacrificed. We realized them because we persevered.

For millions of people around the world today the Universal Declaration of Human Rights is still only a declaration of hope. Like all of you, I want that hope to be fulfilled. The struggle to fulfill it will last longer than the lifetimes of any of us. Indeed, it will last as long as the lifetime of humanity itself. But we must persevere.

And we must persevere by ensuring that this country of ours, leader in the world, which we love so much, is always in the forefront of those who are struggling for that great hope, the great dream of universal human rights.

Thank you very much.

Mr. STEVENS. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. Zorinsky). Without objection, it is so ordered.

EXTENSION OF ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the period for the transaction of routine morning business be extended, with Senators permitted to speak therein for 15 minutes, up until 1:45 p.m. today.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 1:30 P.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess until 1:30 p.m. today.

There being no objection, the Senate, at 1:01 p.m., recessed until 1:30 p.m., whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. Zorinsky).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. DANFORTH:

S. 207. A bill for the relief of Dr. Herman Sardjono and his wife, Erlanda Sardjono; to the Committee on the Judiciary.

By Mr. WALLOP (for himself, Mr. Baker, Mr. Baucus, Mr. Bayh, Mr. Bellmon, Mr. Burdick, Mr. Cannon, Mr. Church, Mr. Cochran, Mr. Cranston, Mr. Culver, Mr. Danforth, Mr. DeConcini, Mr. Domenici, Mr. Exon, Mr. Goldwater, Mr. Hart, Mr. Hatch, Mr. Hayakawa, Mr. Heinz, Mr. Hollings, Mr. Jepsen, Ms. Kassebaum, Mr. Lugar, Mr. McClure, Mr. McGovern, Mr. Melcher, Mr. Morgan, Mr. Nelson, Mr. Sasser, Mr. Schmitt, Mr. Stevens, Mr. Stone, Mr. Tower, Mr. Young, Mr. Zorinsky, and Mr. Thurmond):

S. 208. A bill to amend Internal Revenue Code of 1954 to subject foreign investors to the capital gains tax on gain from the sale of real property situated in the United States; to the Committee on Finance.

By Mr. WILLIAMS (for himself and Mr. Javits):

S. 209. A bill to amend the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1954 for the purposes of simplifying, clarifying, and improving Federal law relating to the regulation of employee benefit plans, to foster the establishment and maintenance of plans, and for other purposes; to the Committee on Finance, and the Committee on Human Resources, jointly, by unanimous consent.

By Mr. RIBICOFF (for himself, Mr. Magnuson, Mr. Pell, Mr. Nunn, Mr. Williams, Mr. Percy, Mr. Robert C. Byrd, Mr. Baker, Mr. Domenici, Mr. Jackson, Mr. Chiles, Mr. Glenn, Mr. Sasser, Mr. Roth, Mr. Mathias, Mr. Danforth, Mr. Heinz, Mr. Pryor, Mr. Levin, Mr. Durenberger, Mr. Cranston, Mr. Randolph, Mr. McGovern, Mr. Stafford, Mr. Boschwitz, Mr. Burdick, Mr. Church, Mr. Culver, Mr. DeConcini, Mr. Ford, Mr. Gravel, Mr. Hollings, Mr. Huddleston, Mr. Leahy, Mr. Matsunaga, Mr. Melcher, Mr. Metzenbaum, Mr. Nelson, Mr. Packwood, Mr. Riegle, Mr. Talmadge, Mr. Thurmond, Mr. Tsongas, and Mr. Weicker):

S. 210. A bill to establish a Department of Education; to the Committee on Governmental Affairs.

By Mr. HART:

S. 211. A bill to amend the Internal Revenue Code of 1954 to provide for the indexation of individual income tax brackets, and for other purposes; to the Committee on Finance.

By Mr. SCHMITT (for himself, Mr. Goldwater, Mr. Dole, Mr. Randolph, Mr. Domenici, Mr. Heinz, Mr. Hayakawa, Mr. Thurmond, Mr. Wallop, and Mr. Lugar):

S. 212. A bill entitled the "National Space and Aeronautics Policy Act of 1979"; to the Committee on Commerce, Science, and Transportation.

By Mr. DANFORTH (for himself, Mr. DeConcini, Mr. Wallop, Mr. Hayakawa, Mr. Garn, Mr. Goldwater, Mr. Exon, Mrs. Kassebaum, Mr. Humphrey, Mr. Simpson, and Mr. Durenberger):

S.J. Res. 25. A joint resolution proposing an amendment to the Constitution of the United States with respect to the number of terms of office of Members of the Senate and of the House of Representatives; to the Committee on the Judiciary.

By Mr. HELMS:

S.J. Res. 26. A joint resolution to authorize the President to issue a proclamation designating July 4 of each year as Independence Day; to the Committee on the Judiciary.

By Mr. DeCONCINI (for himself, Mr. Danforth, Mr. Goldwater, and Mr. Zorinsky):

S.J. Res. 27. A joint resolution proposing an amendment to the Constitution of the United States with respect to the number of terms of office which Members of the Senate and the House of Representatives may serve; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. WALLOP (for himself, Mr. Baker, Mr. Baucus, Mr. Bayh, Mr. Bellmon, Mr. Burdick, Mr. Cannon, Mr. Church, Mr. Cochran, Mr. Cranston, Mr. Culver, Mr. Danforth, Mr. DeConcini, Mr. Domenici, Mr. Exon, Mr. Goldwater, Mr. Hart, Mr. Hatch, Mr. Hayakawa, Mr. Heinz, Mr. Hollings, Mr. Jepsen, Mrs. Kassebaum, Mr. Lugar, Mr. McClure, Mr. McGovern, Mr. Melcher, Mr. Morgan, Mr. Nelson, Mr. Sasser, Mr. Schmitt, Mr. Stevens, Mr. Stone, Mr. Tower, Mr. Young, Mr. Zorinsky, and Mr. Thurmond):

S. 208. A bill to amend Internal Revenue Code of 1954 to subject foreign investors to the capital gains tax on gain from the sale of real property situated in the United States; to the Committee on Finance.

Mr. WALLOP. Mr. President, once again I am introducing legislation to change the capital gains tax treatment of agricultural lands owned by nonresident aliens. This legislation would add gains from the sale or exchange of agricultural or timber lands to the list of items on whch a nonresident alien must pay capital gains. At present, nonresident aliens use the Tax Code and tax treaties to avoid paying capital gains tax on the sale or exchange of agricultural property.

The question of foreign investment in U.S. agriculture is of serious concern to American farmers troubled by the effect these investments will have on escalating land prices. Increased foreign ownership of our food-producing lands forces us to ponder how the management and productivity of our Nation's farmlands might change. At the same time consumer organizations question if increased foreign ownership of our agricultural lands could one day affect food prices for all Americans.

And many farsighted environmental leaders have reason to ask whether foreign investors have a real interest in preserving the basic qualities of the land. It is doubtful whether a Saudi or French investor has as strong an interest in reducing soil erosion or runoff as the family farmer who works the land.

Mr. President, I raise these points only to indicate that the effects of foreign investment in agriculture are unclear. It is not my claim that all foreign investments in U.S. agriculture either benefit or harm farmers, consumers, or the national economy. I argue, however, that there is no reason to provide foreign investors with a tax incentive denied our own people. I maintain that the present favored capital gains treatment for foreign investors is not needed, and that Congress must take steps to change this situation as soon as possible.

Mr. President, I would point out that the Senate is already familiar with this legislation. Last October I offered an amendment to the Revenue Act of 1978 with the same goal as the legislation I introduce today. At that time, 52 Senators cosponsored the amendment, and it was accepted by Senator LONG, the distinguished chairman of the Senate Finance Committee. Unfortunately, the amendment was lost during the final hours of House-Senate conference over the tax bill. Now the Senate has an opportunity to renew its commitment to remove this loophole from the tax laws.

I would like to point out that the Department of the Treasury is equally concerned over the tax treatment received by nonresident aliens who invest in real property. At the request of Congress the Treasury Department is conducting a study on this issue, which should be completed in a few months. I look forward to working with the Department of the Treasury to resolve this troublesome tax issue.

The Senate Agriculture Committee has done a great service with the publication of a committee print entitled "Foreign Investment in United States Agricultural Land." The distinguished chairman of the Senate Agriculture Committee, Senator TALMADGE, is to be commended for this excellent review of foreign investment in U.S. farmlands. This valuable study provides new information on foreign investment in agriculture, and sheds additional light on the tax loophole which is addressed in this legislation.

We are cautioned by tax experts to avoid using the term loophole because it is charged with emotion and unclear in its meaning. I use the term loophole to describe this oversight in the tax laws because it discriminates against Americans and is undesirable in its effects.

Questions of equity and confidence in our tax laws must be high on the list of considerations when Congress examines this bill. How can we logically explain to our citizens that it is in the national interest to give a tax break on the purchase of Iowa or Oregon or Wyoming farmland by a German investor and deny that same incentive to an American? How can we encourage faith in the Government and in the laws of this Nation when the laws are written to the benefit of nonresident aliens over Americans? Aside from these questions of equity, there are strong economic arguments against providing a tax incentive to foreign investors. The absence of the capital gains tax produces economic effects which I find troublesome. In the first place, it gives a foreign investor an upfront investment advantage over American farmers. Mr. President, I ask unanimous consent to have printed in the RECORD a small chart which indicates just how important this tax advantage can be. This table comes from an excellent report on foreign investment done by the USDA entitled "Federal Taxation and Incentives for Foreign Investment in U.S. Real Estate."

There being no objection, the chart was ordered to be printed in the RECORD, as follows:

Present worth of the capital gains tax per $100 invested in farmland, discounted at 18 percent[1]

Years land is held	Average annual rate of appreciation in land values		
	6 percent	8 percent	10 percent
10	$2.7–$8.1	$4.1–$12.2	$5.6–$16.9
15	3.1– 9.2	4.8– 14.5	7.1– 21.3
20	3.0– 9.1	5.1– 15.3	8.0– 24.0

[1] The low figure in each cell assumes an effective rate of taxation of capital gain of 10 percent. The high figure assumes a 30 percent rate.

Mr. WALLOP. As indicated in this graph, if farmland appreciates at 8 percent a year, a foreign investor would be able to pay up to 15 percent more for farmland property because of the capital gains tax exemption. If land appreciates at 10 percent, a foreign investor could pay up to 24 percent more than a domestic farmer. No doubt a nonresident alien investor would be willing to pay an even more sizable premium on U.S. farmland when the average appreciation reaches 16 percent as it did in 1977. In that same year, Iowa crop land appreciated by 34 percent, and farmland in the rich San Joaquin Valley of California appreciated by 13 percent. While rising farmland prices work against family farmers trying to buy land, farmland appreciation works in favor of the foreign investor; the higher the annual rate of appreciation, the more valuable is the capital gains tax advantage.

Each day I receive letters from constituents troubled by the excessive appreciation of farmland. A look at the yearly rate of farmland appreciation shows why young Americans find it impossible to purchase land. The following figures illustrate how farmland prices have been increasing across the country over the past 4 years:

[In percent]

	1975	1976	1977	1978
U.S. farmland[1]	13	13	16	9
Iowa cropland	21	26	35	4
California, San Joaquin Valley	14	4	13	14
Florida cropland	13	6	7	8
Texas cropland	−2	8	7	10
Wyoming rangeland	15	20	6	2

[1] Library of Congress.

I am not claiming that foreign investment is the single cause of farmland appreciation, but speculation in farmland is a contributing factor, and this advantage exempts the speculator at every level. There are those who are properly concerned about the maintenance of capital flows from OPEC and other balance-of-payments surplus countries. Investments made by other countries in the United States are useful to our economy and the balance-of-payments position of the United States. If we alter the capital gains tax treatment of all foreign investments, we would jeopardize a source of financing that has become increasingly important over the past few years.

To those concerned with this issue, let me point out that this bill affects the capital gains treatment of agricultural land sales alone; it has no effect on the tax treatment of nonagricultural securities or industrial facilities. As such, the balance-of-payments effects of this kind of legislation are minimal, especially when we consider the underlying economic forces that will still encourage foreign investments in U.S. farmlands.

This legislation deals with only one incentive for foreign investment in U.S. agriculture. There are other incentives created by underlying economic forces, which are completely out of our control. For example, the U.S. trade imbalance with OPEC counties and our industrialized trading partners has put billions of dollars in the hands of Japanese, Arab, and German investors who wish to avoid political and economic instability. At the same time, the U.S. trade deficit has weakened the dollar, bringing it to historic lows in relation to other currencies. I ask unanimous consent to have printed in the RECORD a table which demonstrates how poorly the dollar has fared against other currencies over the past 8 years.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Value of the U.S. dollar in relation to selected major currencies[1]
Index of dollar value per currency unit

(1970=100.0)

Year	DM	Pound	SFr	FFr	Yen
1970	100.0	100.0	100.0	100.0	100.0
1971	95.5	98.0	95.5	99.7	97.2
1972	87.4	95.8	88.6	91.2	84.6
1973	73.3	97.7	73.5	80.6	75.7
1974	71.1	102.4	69.1	87.0	81.4
1975	67.5	107.8	59.9	77.5	82.9
1976	69.0	132.6	58.0	86.4	82.8
1977	63.7	137.3	55.8	88.9	75.0
Oct. 1978	50.6	119.4	35.7	76.4	51.4

[1] Library of Congress.

Mr. WALLOP. As indicated in the graph, a German buying dollars finds that his marks are worth nearly twice as much in 1978 as in 1970. The same is true for the Japanese, and Swiss investors have an even more favorable conversion rate to dollars. A devalued dollar permits foreign investors to buy U.S. products, securities, and farmland at a discount. Another way of viewing the situation is that there has never been a time in our Nation's history in which farmlands could be purchased by foreign investors at such bargain rates as they are today.

And what better place is there to invest money than in U.S. food producing lands? Since 1970, the average annual rate of appreciation of farmland has been 12.2 percent, while the Dow Jones Industrial Average has increased by 1.1 percent, and 3-year Treasury bills by only 7 percent. In a world of expanding food demands, we can be certain that agricultural land investments will remain a good hedge for any investor. This is particularly true in the United States where each year thousands of acres are taken out of agriculture for commercial and residential uses. Agricultural land is a diminishing national resource, which can only increase in value.

Mr. President, I make these points to demonstrate that there is already a sufficiently great incentive to invest in U.S. agricultural lands without providing a capital gains advantage to foreign investors. The capital gains tax treatment of foreign investments in agriculture can only attract the worst kind of speculative investment in our land markets. Americans are a generous people, but we do not have to give away our most valuable natural resource to prove it to the world. By giving a tax break to foreign investors who wish to purchase American farmland we are being more than generous. We are being foolish.

This bill will close a capital gains tax loophole only available to foreign investors and help to restore a balance between U.S. farmers and nonresident aliens. I urge the Senate to act quickly to change this unfair and harmful section of the Tax Code.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 208

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. TAXATION OF NONRESIDENT ALIENS, ESTATES, TRUSTS, PARTNERSHIPS, AND FOREIGN CORPORATIONS ON GAINS FROM THE SALE OF FARMLAND AND OTHER RURAL LAND IN THE UNITED STATES.

(a) GAIN FROM SALE OF FARMLAND TREATED AS EFFECTIVELY CONNECTED INCOME.—Paragraph (2) of section 871(b) of the Internal Revenue Code of 1954 (relating to determination of gross income of nonresident alien individuals which is connected with United States business) and paragraph (2) of section 882(a) of such Code (relating to determination of taxable income of foreign corporations which is connected with United States business) are each amended to read as follows:

"(2) DETERMINATION OF TAXABLE INCOME.—In determining taxable income for purposes of paragraph (1)—

"(A) gross income includes only gross income which is effectively connected with the conduct of the trade or business within the United States, and

"(B) there shall be treated as gross income which is effectively connected with the conduct of a trade or business within the United States—

"(i) gain from the sale or exchange of real property located in the United States which is—

"(I) land used in farming (as defined in section 180(b)),

"(II) land suitable for use in farming (as defined in section 182(c)(2)), or

"(III) land in a rural area (within the meaning of paragraph (7) of section 306(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(7)), and

"(ii) that portion, in excess of $3,000 for the taxable year, of the gain from the sale or exchange of stock in a corporation, or interest in a partnership, trust, or estate determined by the secretary to be properly attributable to—

"(I) the net unrealized appreciation in land described in clause (i) which is held by such corporation, partnership, trust, or estate, and

"(II) in the case of the sale or exchange of stock in a corporation, an amount equal to the gain, if any, realized by such corporation on the sale of property described in this paragraph which was not recognized by that corporation under section 337.".

(b) WITHHOLDING OF TAX.—

(1) NONRESIDENT ALIEN INDIVIDUALS.—The first sentence of section 1441(b) of such Code (relating to withholding of tax on nonresident aliens) is amended by inserting "gains subject to tax under section 871(b)(2)(B)" after "section 871(a)(1)(D),".

(2) FOREIGN CORPORATIONS, PARTNERSHIPS, ESTATES, AND TRUSTS.—Subsection (a) of section 1442 of such Code (relating to withholding of tax on foreign corporations) is amended—

(A) by striking out "and" immediately after "881(a)(4),", and

(B) by inserting "and the reference in section 1441(b) to section 871(b)(2)(B) shall be treated as referring to section 881(a)(2)(B)," after "sections 881(a) (3) and (4)".

SEC. 2. REPORTS BY FOREIGN CORPORATIONS HOLDING UNITED STATES FARM AND OTHER RURAL PROPERTY.

(a) IN GENERAL.—Subpart A of part III of subchapter A of chapter 61 of the Internal Revenue Code of 1954 (relating to information concerning persons subject to special provisions) is amended by inserting after section 6039B the following new section:

"SEC. 6039C. INFORMATION CONCERNING CERTAIN HOLDINGS OF UNITED STATES PROPERTY BY FOREIGN CORPORATIONS.

"Every corporation, 20 percent or more of the value of the assets of which at any time during the taxable year is attributable to land described in section 882(a)(2)(B)(i), shall make a return for the taxable year setting forth such information, as the Secretary may by regulation prescribe for the purpose of enforcing sections 871 and 882. Any return filed pursuant to this section shall, for purposes of chapter 66 (relating to limitations), be treated as a return filed by the corporation under section 6012.".

(b) CLERICAL AMENDMENT.—The table of sections for such subpart is amended by inserting after the item relating to section 6039B the following item:

"Sec. 6039C. Information concerning certain holdings of United States property by foreign corporations.".

SEC. 4. EFFECTIVE DATE.

The amendments made by this Act shall apply with respect to sales and exchanges occurring after February 28, 1978.

COSPONSORS

Baker, Baucus, Bayh, Bellmon, Burdick, Cannon, Church, Cochran, Cranston, Culver, Danforth, DeConcini, Domenici, Exon, Goldwater, Hart, Hatch, and Hayakawa.

Heinz, Hollings, Jepsen, Kassebaum, Lugar, McClure, McGovern, Melcher, Morgan, Nelson, Sasser, Schmitt, Stevens, Stone, Tower, Young, Zorinsky, and Thurmond.

● Mr. BAYH. Mr. President, it is with great pleasure that I join again this year with Senator WALLOP in sponsoring legislation which would eliminate the exemption enjoyed by foreigners from taxation on capital gains derived from the sale of farmland. It would be folly, Mr. President, for this country to continue to subsidize foreign speculation in agricultural lands.

This amendment is quite simple and equitable. It would merely amend the Internal Revenue Code to impose the same taxes on foreigners who profit from the sale of farmland as it imposes on Americans. Presently, foreign holders of American farmland escape all taxation on the gains they receive when that property is sold or exchanged.

It is no secret, Mr. President, that speculation has driven prices for American farmland far too high in proportion to the income the land returns from farming. This phenomenon has made it increasingly difficult for American farmers to expand their operations and for young Americans who wish to pursue a career in agriculture to purchase even small farms for themselves.

One of the major reasons for speculation in farmlands has been the increase in foreign investment over the last several years. While it is very difficult to obtain reliable data on foreign investment in the United States, the Multi-State Tax Commission estimates that of the $2.4 billion invested by foreigners in this country in 1977, one-third or $800 million went into the purchase of farmland. And it is no wonder.

With no taxation on profits derived from speculation and the devaluation of the dollar, American farmland has to be one of the most attractive investments in the world.

The exemption from capital gains taxes amounts to a subsidy in the purchase of the land and enables foreigners to bid up prices to a point that American farmers cannot compete. The size of the subsidy depends upon the average rate of appreciation and the amount of time the land is held. If farmland appreciates at 8 percent per year, for example, a foreign investor would be willing to pay 4 to 15 percent more for property because of his exemption from capital gains. If the foreigner believes the land will appreciate at 10 percent a year, he can pay 5.6 to 24 percent more than an American farmer. I should note that these are conservative examples. In 1977, prime farmland in Iowa was increasing in value at a rate of 30 percent per year.

Mr. President, I think most of my colleagues will agree that this situation is outrageous. Our Government should not be in the business of providing incentives and subsidies for foreign speculators to the detriment of the American farmer, and it must be stopped. The difficulties confronting those who live and work on our family farms have been great, and with this legislation we have an opportunity to ease those burdens. I hope the bill we introduce today receives prompt and favorable action.●

By Mr. WILLIAMS (for himself and Mr. JAVITS):

S. 209. A bill to amend the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1954 for the purposes of simplifying, clarifying, and improving Federal law relating to the regulation of employee benefit plans, to foster the establishment and maintenance of plans, and for other purposes; to the Committee on Finance and the Committee on Human Resources, jointly, by unanimous consent.

ERISA IMPROVEMENTS ACT OF 1979

● Mr. WILLIAMS. Mr. President, today I am introducing legislation to amend the Federal laws under which private sector pension and welfare plans are regulated.

The bill is the ERISA Improvements Act of 1979, a refinement of legislation I introduced last year and on which hearings were held in August of 1978. The new bill contains changes which reflect the helpful comments we received during those hearings.

The aims of last year's bill—to simplify, clarify and improve ERISA's provisions, to stimulate the creation of more private sector retirement plans covering more employees, to consolidate the administration and enforcement of the Employee Retirement Income Security Act of 1974 and corresponding parts of the Internal Revenue code under one agency, and to make certain adjustments in the other laws which apply to employee benefit plans—are carried over into this bill. However, as a result of administrative and judicial developments, certain provisions contained in last year's bill appear to be no longer necessary, and, in a few instances, wholly new provisions have been added.

As regards reporting and disclosure issues, I continue to believe that most of the changes I proposed last May are desirable and should be made.

I have reviewed the revised Labor Department regulations on summary annual reports and continue to believe that the duplication and distribution costs of the document, even as it would be revised under the Department's regulations, far outweigh its usefulness. Accordingly, my bill proposes its elimination. During his testimony in our August hearings, the Under Secretary of Labor indicated a departmental willingness to consider substituting a posting requirement in lieu of the "furnishing" requirement now applicable to the summary annual report.

If there is to be an annual posting, I believe that plan participants would benefit most by a posting not of a summary of the annual report, but of a statement that the annual report has been filed and that copies are available from the plan administrator and the Labor Department. Such a statement also should include reference to other available documents pertaining to the plan and might also contain other information that participants should be reminded of more frequently than is brought to their attention through updatings of the summary plan description every 5 or 10 years. The department's authority to require such a statement, posted or otherwise made known to participants on an annual basis, presently exists in the law and would be enhanced by my bill.

This legislation contains amendments to ERISA's minimum standards, funding, and fiduciary provisions that are generally identical or very similar to last year's bill.

The survivors' rights provision has been changed to deal with certain technical problems that were brought to my attention during the August hearings, but the concept remains the same. I, for one, cannot accept the view that the spouse of a long-service pension plan participant should be deprived of benefits earned by the participant merely because of death occurring before the earliest retirement age permitted under the plan.

While I fully understand the differences between life insurance and retirement income, I also believe that we must not lose sight of the fact that benefits provided by pension plan sponsors are a form of compensation. While Federal law recognizes the permissibility of conditioning the right to a pension on completion of a length of service, as embodied in the minimum vesting standards, Federal law also must recognize the need for, and manifest desirability of, retirement income for the spouse of a deceased participant.

True, there are cases in which the spouse's retirement income can be supplied through other means.

In some cases, social security survivor's benefits may be deemed adequate. In other cases, the surviving spouse may be covered by a different private or public sector retirement arrangement. In still other cases, individual savings and investment income may be available. My bill contains provisions permitting the participant to choose not to take the joint and survivor form of annuity, and also to elect back in if circumstances change.

The revised survivor's rights provision also permits a plan which provides a normal form of benefit other than an annuity to make an immediate distribution to the surviving spouse, and the same treatment is permissible in a plan having an annuity as the normal form, if the value of the annuity at the time of the participant's death is small.

Moreover, the proposal makes it clear that a plan may provide a normal form of benefit which is not an annuity. Of course, the annuity option that might be offered by such a plan would have to be the joint and survivor form specified in my bill.

Like last year's legislation, the ERISA Improvements Act of 1979 prohibits the offsetting of disability benefits due to increases in social security benefits under all plans, whether pension or welfare. It also prohibits the reduction or suspension of pension benefits due to an award or settlement under a worker's compensation law.

A new provision makes it clear that the ERISA and code provisions which prohibit assignment and alienation of pensions are not to be applied to defeat court orders requiring alimony or child support payments, but also makes it clear that this exception to the general antiassignment rule is to be applied only where it does not interfere with the plan rules respecting the time at which benefits are payable, or their form or duration.

The funding and fiduciary amendments are much the same as in last year's bill. The language of the provision on insurance company general accounts has been revised to codify exactly the interpretation that was placed on ERISA by the Labor Department and the Internal Revenue Service, insofar as it relates to insurance company general accounts, in interpretive bulletin 75–2 of February 6, 1975.

Similarly, the provision dealing with refunds of mistaken contributions has been revised to permit plans to refund contributions which contravene the requirements of section 302 of the Taft-Hartley Act.

The section requiring employers to make agreed-upon periodic contributions to collectively bargained plans has been moved from part 4 to part 5, to avoid the complications caused by treating failures to make such contributions as fiduciary breaches.

Several provisions have been added to insure that ERISA's promise of protection to employees covered by plans is a secure one. A provision which prospectively prohibits misrepresentation to employees about the terms and conditions of a plan, the financial condition of the plan, or an employee's status under the plan has been added, along with a conforming enforcement provision. These provisions would be applicable to employee benefit plans covered by title I of ERISA, and the bill makes it clear that the antifraud rules of the Federal securities laws, and the State laws regulating securities, shall not be applicable prospectively to the interest that an employee may have in such a plan.

As regards the new misrepresentation provisions, several points are noteworthy:

First, I am of the view that ERISA in its present form adequately protects plan participants and beneficiaries from many types of knowing misrepresentations. Certainly this is true where the person making the misrepresentation is a fiduciary, as will be the case respecting any disclosure in documents required by ERISA, and where the person to whom the misrepresentation is made is a participant or beneficiary. Indeed, ERISA's substantive standards and its remedial relief provisions were thought to be, at the time of their enactment, exceedingly comprehensive and broad, permitting courts to fashion virtually any type of civil relief necessary to redress violations of the statute.

Testimony and other comments received in connection with last year's hearings, however, showed that certain types of misrepresentations might not be adequately addressed by ERISA's present provisions, and that an ambit of protection that is limited to persons who have attained participant status under a plan may not be broad enough to protect employees who may make significant employment decisions based on representations about benefit plans. It has also been suggested that ERISA's remedy provisions could be interpreted to preclude forms of relief designed to make whole an employee who has relied to his or her detriment on a misrepresentation. I believe that such an interpretation would be wrong in the case of a participant or beneficiary, and inconsistent with Congress' intent when it enacted ERISA.

Testimony also confirmed my view that the securities laws' antifraud rule, developed to protect investors in securities, is not an appropriate mechanism for application to the employment relationship. So I have proposed a rule which is better suited to, and can be administratively and judicially developed bearing in mind the labor relations aspects of, employee benefit plans.

Second, I have included two specific exceptions to the general rule. The first is designed to leave undisturbed the present reporting and disclosure rules in ERISA. These rules, as implemented through regulations of the Secretaries of Labor and the Treasury, contain their own safeguards against inaccuracy and misrepresentation. Furthermore, overlaying the disclosure requirements with an independent misrepresentation rule could undermine the "summary" and "layman's language" concepts that play so prominent a role in disclosure under title I.

Finally, the exception is also included to prevent a significant departure from ERISA's scope of reporting and disclosure rules regarding subject matter required to be disclosed or reported. Congress carefully determined that scope, subject only to adjustments that may be made by the Secretary of Labor by regulation. Without the exception it might be argued that a summary plan description or benefit status report which fails to include the statistical probability of actual receipt of a pension is misleading and constitutes a misrepresentation. The exception is intended, among other things, to preclude such an interpretation.

The other exception provides that the plan itself shall not be liable in a suit for damages due to a misrepresentation. This exclusion from damage liability would not, however, prevent the plan from being subjected to other available ERISA remedies, such as injunctive relief.

Third, the provision is deliberately drafted in a spare and lean fashion. It is intended that the Secretary of Labor's general regulation authority contained in section 505 of ERISA would be applicable to flesh out the detailed meaning of this provision, just as it is applicable to the other provisions of title I. In developing these regulations, I would expect that the Secretary would interpret the term "knowing misrepresentation" to include not only a representation which is known to be inaccurate or false or is intended to be misleading, but also one which is made with willful or reckless disregard for its veracity.

The three subjects covered by the rule—the terms and conditions of the plan, its financial condition, and the status of an employee under the plan, should be interpreted relatively broadly, subject of course to the constraints imposed by the exception regarding disclosures and reporting required under ERISA and the Internal Revenue Code.

"Terms and Conditions of the Plan" thus would include the plan rules in their entirety and provisions of applicable law. "Financial Condition of the Plan" would mean plan assets and liabilities, transactions engaged in by or on behalf of the plan, and expectations or predictions regarding future assets, liabilities or transactions; and "Status Under the Plan" would mean the facts, plan rules, and law relating to an individual's satisfaction of the plan's participation, vesting, accrual, break-in service, and similar rules.

Another new provision directs the Secretary of Labor to develop standards for disclosures about, and advertising of, bank trusts and insurance company separate accounts which hold exclusively ERISA plan assets. Under the securities laws, such a trust or account which contains only assets of corporate plans presently is exempted from the registration requirements, while a trust or account containing assets of Keogh plans is not exempted. This distinction found its way into the law in 1970, well before ERISA's enactment. ERISA's general fiduciary rules, however, make no distinction between corporate and Keogh plans. A plan sponsor, investment committee, or other plan fiduciary with responsibility to decide how the plan is to be funded is subject to the same standard of conduct whether the employer maintaining the plan is doing business in corporate form or as a partnership or sole proprietorship.

In light of this uniformity of treatment under ERISA's vigorous fiduciary standards, substantial questions are raised in my mind as to the type and level of additional regulation that is needed respecting dealings between plans and bank trusts or insurance company separate accounts, epecially since the bank or insurance company holding plan assets is also a fiduciary.

Of equal importance, I believe that the nature and extent of the standards on disclosure of facts to plan sponsors by banks and insurance companies respecting their trusts and separate accounts holding exclusively ERISA plan assets, and their advertising respecting such trusts and accounts, including whether or not a distinction based on type of plan or size of plan sponsor is warranted, is a subject which can be best addressed by the Secretary of Labor under the authority I have proposed, in the context of the protections already in ERISA, and the standards already applicable to banks and insurers under ERISA, Federal banking laws, and State banking and insurance laws.

Under his new authority, the Secretary shall establish the standards for disclosure and advertising and may establish additional rules to protect participants and beneficiaries of plans funded in whole or in part through bank trusts or insurance company separate accounts, and to assist plan fiduciaries in choosing among various funding vehicles.

With this new authority in place, administered and enforced by the Secretary of Labor in the context of his expertise regarding both protections for plan participants and the importance of a vigorous private pension and welfare plan system, the present authority of the SEC to require registration of such trusts and accounts or to treat them as investment companies would be superseded.

Other new provisions in this bill relate to the preemption of State laws. First, my bill makes it clear that a State insurance law which requires that a particular benefit be provided by an insurer selling policies to employee benefit plans covered by ERISA is preempted and is not saved from preemption by the exception for State laws which regulate the insurance industry. Second, there is a conforming provision that saves from preemption State domestic relations court decrees and other court orders which require payment of alimony or child support, to the extent permitted by the exception I have proposed to ERISA's antiassignment rule.

Finally, the prepaid health care law of the State of Hawaii and substantially identical laws of other States are excluded from the preemption rules insofar as they do not relate to matters thoroughly regulated under ERISA, for example, reporting and disclosure, fiduciary responsibility.

In addition to amendments to the Tax Code corresponding to the changes I have proposed in ERISA, the ERISA Improvements Act of 1979 includes the same changes regarding tax treatment of lump-sum distributions as were proposed in my previous bill. The concept of a limited deduction for employee contributions to tax-qualified plans or individual retirement accounts is included, and has been revised significantly in light of developments that occurred in the Congress after introduction of my 1978 bill. My proposal this year is both more flexible and less restrictive, and is conceptually compatible with other proposals designed to accomplish the same end.

I believe the Tax Code must permit employees already covered by tax-qualified plans to augment the pension benefits provided by those plans and to enjoy preferential tax treatment, within reasonable limitations, for their contributions. I view this proposal, along with the credit I have proposed for newly established small employer plans and my special master plan proposal, as key legislative changes necessary to bring about broader private sector retirement arrangements and greater assurances of actual receipt of retirement income by individuals relying on these arrangements.

The tax credit for small employers who initiate tax-qualified plans has been modified slightly to target the credit more precisely, and the special master plan provisions have been changed to permit use of defined benefit plans and to ease acceptance and facilitate implementation.

I continue to strongly favor the consolidation in a single agency of Department of Labor, Internal Revenue Service and Pension Benefit Guaranty Corporation functions related to employee benefit plans. The furnishing of retirement income and health and welfare benefits by the private sector and the responsible and humane administration of applicable Federal law is too important a matter to be left to the splintered efforts of three separate agencies. Favorable tax treatment for plans meeting certain requirements is a means to an end, not an end in itself, and the object of Federal regulation in this area—the supplying of pension, health and welfare benefits through a dynamic private sector system—cannot be sacrificed on the altar of bureaucratic provincialism and vested interest special pleading.

Therefore, the bill includes my proposal to consolidate agency responsibilities, modified only slightly from last year's version. This inclusion does not modify my previous position regarding Reorganization Plan No. 4, under which the interpretative responsibilities of the Labor Department and IRS were shifted slightly in an attempt to reduce duplication and the need for extensive coordination. I look forward to the agencies' progress under the reorganization and to the evaluation that will be submitted by the President to the Congress early in 1980.

But the reorganization's object and the object of the consolidation I have proposed are very different. The reorganization is an attempt, well intentioned and commendable but necessarily limited, to revise an existing framework. The consolidation concept begins with the premise that the framework itself is irredeemably flawed—that the fragmentation of responsibility inherent in the framework and the supervening and often conflicting goals, outlooks, and traditions of the agencies involved simply cannot produce a regulatory system that will perform adequately.

Even assuming that the reorganization succeeds on its own terms, I will continue to receive mail from my constituents voicing problems and frustrations that are directly traceable, at least in part, to multiple agency jurisdiction. Likewise, I will continue to hear from plan administrators, fiduciaries, service providers, and attorneys who are justifiably frustrated by delays, crossed signals, and inconsistencies traceable to multiple jurisdiction, especially as regards enforcement matters, which are not affected by the reorganization.

It is noteworthy, Mr. President, that my bill does not propose any changes in ERISA's general fiduciary rules respecting the current debate over the use of ERISA plan assets to serve "social purposes" or to attain "socially desirable" objectives. The debate is a matter of substantial concern to me and, as one who played a leading role in the development of ERISA's fiduciary rules, I believe I have an obligation to state my position.

Discussions over this issue have touched on not only whether social or other noninvestment return factors may be considered by the ERISA fiduciary charged with investment responsibility, but also whether voting rights of stock held in plan portfolios may be exercised in a manner that fosters the social concerns of plan participants and beneficiaries or may be passed through to be exercised in the interest of the plan participants and beneficiaries.

As regards the first question, my understanding of ERISA's fiduciary provisions and the intent of the Congress that enacted ERISA leads me to conclude that there is no need to amend ERISA's rules to permit fiduciaries having investment responsibility to consider the social desirability of investments—the present rules permit such consideration—and that no good purpose and quite possibly substantial harm would be done if ERISA were amended to require fiduciaries to do so.

I would emphasize, Mr. President, that the debate over this question seems to have obscured a basic point: There is an extremely important social purpose that is intended to be fostered by ERISA's fiduciary and other rules. It is the supplying of retirement or deferred income and health and welfare benefits to employees covered under the plans, and it is the duty of every plan sponsor and any fiduciary investing plan assets to adopt economically sound objectives and methods—policies, procedures, and particular investment decisions—designed to achieve that goal. However, the framework of ERISA's present fiduciary responsibility rules, requiring that plan fiduciaries act "solely in the interest" of plan participants and beneficiaries, "for the exclusive purpose" of providing plan benefits and defraying administrative costs, and in a prudent fashion, permits taking noneconomic issues into consideration when investment decisions are being made.

For instance, in order to implement a noneconomic policy that is in the interest of the plan participants, a pension plan fiduciary might exclude investments of a certain type, or in a particular company or country, while not adversely affecting in any measurable way the plan's actual investment alternatives and available investment returns. But it is also possible that noneconomic considerations could become so restrictive (such as directing that all plan investments be made in one city or one industry) that they do measurably impair the ability to obtain diversification, liquidity, or investment return. In the former case, nothing in ERISA is violated by the fiduciary's having considered and acted upon noneconomic factors, because there has been no impairment of the plan's ability to achieve its basic goals of investment return and asset security. In the latter case, the fiduciary has permitted noneconomic considerations to adversely affect the plan's ability to achieve otherwise available investment returns and has violated or seriously risked violating the fundamental obligation to protect the retirement income security of plan participants.

Similarly, situations may arise where the interests of active employees may be at odds with the retirement income security interests of those same employees or present retirees. In such cases, a pension plan fiduciary with investment responsibility must choose the course which is consistent with the primary duty of loyalty to the retirement income needs of plan participants. Certainly, there will be many times when economically equivalent investment alternatives are available so that the nonretirement needs of plan participants can be considered and acted upon. But when equivalent investment alternatives are not available, the plan fiduciary must pursue the course which protects plan assets and provides the more favorable investment return.

In light of the ability to take these concerns into account under ERISA's present fiduciary responsibility provisions, I do not believe that any modifications or special exceptions to ERISA are necessary or appropriate. To the extent a plan sponsor (whether that be a joint labor-management board of trustees or a corporate sponsor of a single employer plan) chooses to consider noneconomic factors which do not impair a plan's ability to achieve otherwise available investment returns, the sponsor may reserve the right to do so, or may instruct the plan trustee or investment manager to do so. But in no case should economically sound plan investment objectives be sacrificed to achieve the sponsor's, trustee's, or investment manager's notions of socially desirable activity.

As regards the second question—the exercise of voting rights in a manner that fosters social concerns of plan participants and beneficiaries—the same general principles apply. Here, however, the instances in which voting rights exercised in such a manner can possibly interfere with a fiduciary's obligations under ERISA will be few indeed. Stressing once again that the ERISA fiduciary rules are designed to achieve a goal of great social importance, the supplying of retirement or deferred income and health and welfare benefits, there is no question in my mind that those rules permit the exercise of stock voting rights in a way that is consistent with other social concerns of the plan's participants and beneficiaries except in the rare case where such action would measurably impair the security of plan assets or adversely affect the plan's economically sound investment objectives.

The extent to which plan portfolio stock is voted to achieve social purposes, and the arrangements under which the voting rights are exercised, are matters that must be determined by the plan sponsor and the fiduciary, bearing in mind the type of plan, its economically sound investment objectives, and applicable law and regulations regarding the exercise of voting rights.

In summary, Mr. President, let me say that other mechanisms, such as tax or other incentives, may be appropriate mechanisms for fostering desired capital investment and social goals. Indeed, recent legislation has addressed many such objectives. However, it seems particularly inappropriate to accomplish these goals by compromising our basic commitment to achieving the fundamental objectives of private employee benefit plans. The interests of plan participants and beneficiaries and the country's interest in a sound private sector employee benefit plan system is best served by insuring that the assets necessary to provide promised plan benefits are available for that purpose.

ERISA's general fiduciary rules are rooted in the common law of trust, reflected in court decisions and statutes, and embodying centuries of observations and wisdom about the conduct of those who have responsibility for the property of others. Congress codified that body of law in ERISA, making appropriate adjustments to reflect the special nature and purpose of employee benefit plans. Thus, ERISA's fiduciary rules were deliberately made flexible enough to accommodate the almost infinite variety of types and sizes of plans, and offer ample opportunities, as I have explained, to accommodate social purpose objectives of participants and beneficiaries. But amending these rules, as has been suggested by some, would inevitably produce a shifting of focus away from, and a watering down of, their basic goal—the guidance of fiduciary conduct in achieving the fundamental objectives of employee benefit plans.

Mr. President, I ask unanimous consent that the text of the ERISA Improvements Act of 1979 be included in the CONGRESSIONAL RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 209

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "ERISA Improvements Act of 1979".

(b) Table of Contents.—

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Sec. 202. Lump sum distributions; separation from the service.
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Sec. 401. Employee Benefits Commission.
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Sec. 403. Termination of Treasury Department's jurisdiction.
Sec. 404. Agency cooperation.
Sec. 405. Effective date and repeal.

SEC. 2. TECHNICAL AND CONFORMING CHANGES.

The Secretary of the Treasury and the Secretary of Labor shall, as soon as practicable but in any event not later than 90 days after the date of the enactment of this Act, submit to the Congress a draft of any technical and conforming changes in the Internal Revenue Code of 1954, and the Employee Retirement Income Security Act of 1974, respectively, which are necessary to reflect throughout such Code and Act the changes in the substantive provisions of law made by this Act.

SEC. 3. FINDINGS AND DECLARATION OF POLICY.

(a) The Congress finds that the paperwork burdens and compliance costs resulting from the implementation of the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1954 affecting employee benefit plans and persons sponsoring such plans can be reduced in certain respects without jeopardizing the interests of employees in such plans and in the integrity of the assets of such plans; that the free flow of commerce and the implementation of such Act and Code have been restricted and hampered by assertions of applicability of Federal and State securities and other laws to certain employee benefit plans and certain collective funding vehicles for plans; and that present and future needs for retirement income can best be met by strengthening and improving private employee pension benefit plans and that it is in the national interest to do so.

(b) The Congress further finds that the free flow of commerce and the implementation of the provisions of the Employee Retirement Income Security Act of 1974 and of the Internal Revenue Code of 1954 have been restricted and hampered by administrative difficulties encountered by the Labor Department, the Internal Revenue Service, and the Pension Benefit Guaranty Corporation; that duplications and overlapping of agency responsibility have resulted in costly delays, confusion, and excessive paperwork, and that the interests of participants in and beneficiaries under private sector employee benefit plans have been adversely affected thereby.

(c) It is hereby declared to be the policy of this Act to foster the establishment and maintenance of private employee pension benefit plans; to further improve such plans by clarifying, simplifying, and otherwise improving such Act and the provisions of such Code; to clarify prospectively the extent to which Federal and State securities and other laws may affect employee benefit plans and collective funding vehicles for plans which are subject to such Act; and to consolidate in a single agency the administration of the Employee Retirement Income Security Act of 1974 and certain provisions of the Internal Revenue Code of 1954 relating to employee benefit plans.

TITLE I—AMENDMENTS TO THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974

SUBTITLE A—DECLARATION OF POLICY; DEFINITIONS

SEC. 101. DECLARATION OF POLICY.

Section 2 of the Employment Retirement Income Security Act of 1974 is amended by adding at the end thereof the following new subsection:

"(d) It is hereby further declared to be the policy of this Act to foster the establishment and maintenance of employee benefit plans sponsored by employers, employee organizations, or both.".

SEC. 102. DEFINITIONS.

Section 3 of the Employee Retirement Income Security Act of 1974 is amended by—

(1) striking out subparagraphs (A), (B), (C), (D), (H) and (I) of paragraph (14) and inserting in lieu thereof, respectively, the following subparagraphs:

"(A) any fiduciary, counsel, or employee of such plan;

"(B) a person providing professional services to such plan, or a person providing nonprofessional services on a continuous basis to such plan;

"(C) an employer any of whose employees are covered by such plan, if the employees of such employer constitute five percent or more of all employees covered by the plan;

"(D) an employee organization any of whose members are covered by such plan, if the members of such employee organization constitute five percent or more of all employees covered by the plan;

"(H) an officer, director (or an individual having powers or responsibilities similar to those of officers or directors), a 10 percent or more shareholder, or a highly compensated employee (earning 10 percent or more of the yearly wages of an employer) or a person described in subparagraph (B), (C), (D), (E), or (G); or

"(I) a 10 percent or more (in capital or profits) partner, or joint venturer in, a person described in subparagraph (B), (C), (D), (E), or (G).";

(2) inserting in paragraph (15) "brother, sister," immediately before "spouse," the first time it appears;

(3) striking out "The" in paragraph (20) and inserting in lieu thereof "Except as otherwise provided in sections 502(1) and 514(d) (2) and (3), the";

(4)(A) striking out clauses (i), (ii), and (iii) of subparagraph (A) of paragraph (37) and inserting in lieu thereof the following:

"(i) which is maintained pursuant to one or more collective bargaining agreements between an employee organization and more than one employer,

"(ii) to which ten or more employers contribute, or to which more than one and fewer than ten employers contribute if the Secretary finds that treating such a plan as a multiemployer plan would be consistent with the purposes of this Act, and";

(B) redesignating clauses (iv) and (v) of paragraph (37)(A) as clauses (iii) and (iv), respectively, and

(C) striking out subparagraph (B) of paragraph (37) and inserting in lieu thereof the following new subparagraph:

"(B) For purposes of this paragraph, all corporations which are members of a controlled group of corporations (within the meaning of section 1563 (a) of the Internal Revenue Code of 1954, determined without regard to section 1563 (e) (3) (C) of such Code) shall be deemed to be one employer.".

Subtitle B—Simplifying and Clarifying Amendments

Part 1—Reporting and Disclosure

Sec. 111. Disclosure of Status Under Pension Plans.

Section 105 of the Employee Retirement Income Security Act of 1974 is amended to read as follows:

"DISCLOSURE OF STATUS UNDER PENSION PLANS

"Sec. 105. (a)(1) Each administrator of an employee pension benefit plan shall furnish to any plan participant or beneficiary who requests in writing a statement indicating, on the basis of the latest available information—

"(A) for defined benefits plans, the total benefits accrued, or

"(B) for individual account plans, the balance in the account, and

"(C) for all plans, the proportion of accrued benefits or account balance which is nonforfeitable or the earliest date, assuming continued participation in the plan without a break in service, on which some or all benefits will become nonforfeitable.

"(2) In no case shall a participant or beneficiary be entitled under this subsection to receive more than one report described in paragraph (1) during any one twelve-month period.

"(3) If the members of any class of participants or beneficiaries are annually furnished with a statement which contains the information required by this subsection, the requirements of this subsection shall be satisfied respecting the members of such class.

"(4) This subsection shall apply to a plan to which more than one unaffiliated employer is required to contribute only to the extent provided by regulations prescribed by the Secretary.

"(b)(1) Each administrator of an employee pension benefit plan shall report, in such manner and at such time as may be provided in regulations prescribed by the Secretary, to each plan participant who during a plan year—

"(A)(i) terminates his service with the employer, or

"(ii) has a 1-year break in service, and

"(B) is entitled to a deferred vested benefit under the plan as of the end of such plan year, and

"(C) with respect to whom retirement benefits are not paid under the plan during such plan year.

The report required under this subsection shall inform the participant of the nature, amount, and form of the deferred vested benefit to which he is entitled, and shall contain such other information as the Secretary may require.

"(2) Not more than one report shall be required under paragraph (A)(ii) with respect to consecutive one-year breaks in service.

"(c)(1) Except as provided in paragraph (2) of this subsection, each employer shall, in accordance with regulations prescribed by the Secretary, maintain records with respect to each of his employees sufficient to determine the benefits due or which may become due to such employees. The employer shall furnish the plan administrator information necessary for the administrator to make the reports required by subsections (a) and (b).

"(2) If more than one employer adopts a plan, each such employer shall, in accordance with regulations prescribed by the Secretary, furnish to the plan administrator information necessary for the administrator to maintain the records and make the reports required by subsections (a) and (b). Such administrator shall maintain the records and, to the extent provided under regulations prescribed by the Secretary, make the reports, required by subsections (a) and (b).

"(3) If any person who is required under this section (other than under subsection (a) (1)) to furnish information or to maintain records fails to comply with such requirements, he shall pay to the plan a penalty of $10 for each employee with respect to whom such failure occurs, unless it is shown that such failure is due to reasonable cause.".

Sec. 112. Exemptions and Modifications

(a) In general.—Section 110 of such Act is amended to read as follows:

"EXEMPTIONS AND MODIFICATIONS

"Sec. 110. The Secretary may by regulation conditionally or unconditionally exempt any employee benefit plan or person, or any class of employee benefits plans or persons, from any requirement of this part or may modify any such requirement if he determines that such exemption or modification is—

"(1) appropriate and necessary in the public interest, and

"(2) consistent with the purposes of this title.".

(b) Conforming Changes.—(1) Section 104 (a) of such Act is amended—

(A) by striking out paragraphs (2) and (3), and by redesignating paragraphs (4) and (5) as (2) and (3), respectively; and

(B) by striking out "paragraph (4)" in paragraph (3) (as redesignated) and inserting in lieu thereof "paragraph (2)".

(2) Section 107 of such Act is amended by striking out "104 (a) (2) or (3)" in both places where it appears and inserting in lieu thereof "110".

(3) The last sentence of section 103 (a) (3) (A) of such Act is amended by striking out "104 (a) (2)" and inserting in lieu thereof "110".

(4) The second sentence of section 103 (a) (4) (A) of such Act is amended by striking out "104 (a) (2)" and inserting in lieu thereof "110".

(5) Section 101(a)(2) of such Act is amended by striking out "(c)" immediately preceding the period and inserting in lieu thereof "(b)".

Sec. 113. Elimination of Summary Annual Report.

(a) In general.—Section 104 (b) of such Act is amended—

(1) by striking out paragraph (3) and redesignating paragraph (4) as (3), and

(2) by inserting before the period at the end of the last sentence of such redesignated paragraph the following: ", but the charge for furnishing a copy of the latest annual report may not exceed $10".

(b) Conforming Change.—The third sentence of section 103 (a) (3) (A) is amended by striking out "and the summary material required under section 104 (b) (3)".

Sec. 114. Improvement of Reporting Requirements.

In order to avoid the reporting of unnecessary information, the Secretary and the Secretary of the Treasury shall develop reporting forms and requirements for employee benefit plans described in section 4(a) and not exempt under section 4(b) which, to the maximum extent feasible and consistent with the purposes of this Act and the Employee Retirement Income Security Act of 1974, take into account the different types and sizes of employee benefit plans. Not later than 12 months after the date of enactment of this Act, the Secretaries shall report to the Congress on the actions taken and proposed to be taken to implement this directive. Not later than 24 months after the enactment of this section, the Secretaries shall submit to the Congress their final written report on the implementation of this section.

Sec. 115. Opinions of Actuaries and Accountants.

Section 103 (a) of such Act is amended—

(1) by inserting "except to the extent required by subparagraph (B)," in paragraph (3)(A) after "Such examination shall be conducted in accordance with generally accepted auditing standards.".

(2) by striking out "may" in paragraph (3) (B) and inserting in lieu thereof "shall",

(3) by striking out ", if he so states his reliance" in such paragraph,

(4) by striking out "may" in paragraph (4)(D) and inserting in lieu thereof "shall", and

(5) by striking out ", if he so states his reliance" in such paragraph.

Sec. 116. Scope of Accountant's Opinion.

Section 103 (a)(3)(C) of such Act is amended by striking out "need"and inserting in lieu thereof "shall".

Sec. 117. Effective Dates.

The amendments made by sections 111 and 112 shall be effective on, and the amendments made by sections 113, 115, and 116 shall apply with respect to plan years beginning on and after, the date of enactment of this Act.

Part 2—Minimum Standards

Sec. 121. Reciprocal Agreements.

Section 209 of the Employee Retirement Income Security Act of 1974 is amended in its entirety to read as follows:

"RECIPROCAL AGREEMENTS

"Sec. 209. Notwithstanding any other provision of this title, the contributions made with respect to the employment of an employee pursuant to a collective-bargaining agreement and payable to a pension or welfare plan maintained pursuant to that agreement (hereinafter in this section referred to as the 'away plan') may be transferred to a similar pension or welfare plan established pursuant to another collective-bargaining agreement under which the employee had previously become a participant (hereinafter referred to in this section as the 'home plan') if such transfer is pursuant to a written agreement between the administrator of the away plan and the administrator of the home plan. In any case where contributions received with respect to the employment of an employee are transferred from an away plan to a home plan in accordance with this section, such employment shall be considered as employment under the jurisdiction of the home plan for purposes of computing the accrued benefit and vesting of such employee, but the employer who contributed to the away plan on behalf of such employee shall not be deemed to be an employer maintaining the home plan solely because of such transferred contributions. The Secretary may by regulation establish additional conditions, and such variances and exemptions as are consistent with the purposes of this Act, in order to facilitate such transfer arrangements in the interest of portability and to protect the pension and welfare benefits of employees who become employed under two or more collective bargaining agreements associated with different pension or welfare plans.".

SEC. 122. TECHNICAL CORRECTION.

Section 204(b)(3)(E) of such Act is amended by striking out "a year of participation" and inserting in lieu thereof the following: "1,000 hours of employment".

SEC. 123. DETERMINING PARTICIPATION ON A PLAN YEAR BASIS.

The second sentence of section 202(a)(3)(A) of such Act is amended by inserting "(i)" after "first day of a plan year" and by inserting after "date his employment commenced" the following: "or (ii) in the case of a plan where rights and benefits under this part are determined on the basis of all of an employee's service without regard to the date on which the employee's participation in the plan commenced".

SEC. 124. SUMMATION OF DIFFERENT BENEFIT ACCRUAL RATES.

Section 210(a) of such Act is amended by adding at the end thereof the following new paragraph:

"(4) a multiemployer plan may provide that the accrued benefit to which a participant is entitled upon his separation from the service is—

"(A)(i) the sum of different rates of benefit accrual for different periods of participation as defined by one or more fixed calendar dates, or

"(ii) the sum of different rates of benefit accrual for different periods of participation, as defined by employment in different bargaining units, and

"(B) determined, for purposes of subparagraphs (A) and (C) of subsection 204(b)(1), by projecting the normal retirement benefit to which a participant would be entitled if he continued to accrue benefits at the average of the rates applicable to his period of actual participation.".

SEC. 125. SUSPENSION OF BENEFITS BECAUSE OF REEMPLOYMENT.

Section 203(a)(3)(B) of such Act is amended—

(1) by striking out "in the same trade" in clause (ii) and inserting in lieu thereof ", trade,"; and

(2) by striking out "'employed'." in the last sentence and inserting in lieu thereof the following: "which may, with respect to clause (ii), include self-employment. The permissible period of benefit suspension shall include a period determined pursuant to regulations promulgated by the Secretary in addition to the months in which the employment occurs to the extent necessary to prevent the periodic payment and suspension of pension benefits to workers who have not retired but who continue to work on an irregular basis. The imposition of a financial penalty on a pensioner who fails to report his employment as required by the rules of a plan shall not be deemed a violation of the vesting requirements of this section. The amount of the financial penalty permitted by the preceding sentence shall be determined pursuant to regulations promulgated by the Secretary but in no event shall the penalty exceed an amount equal to one year's benefit.".

SEC. 126. REDUCTIONS IN RETIREMENT OR DISABILITY BENEFITS

(a) Section 206 (b) of such Act is amended—

(1) by inserting after "plan" in paragraph (1) the following: "or is receiving disability benefits under a welfare plan";

(2) by inserting immediately after "this Act" the following: "(or, in the case of a participant or beneficiary who is receiving disability benefits under a welfare plan, the date of enactment of the ERISA Improvements Act of 1979)"; and

(3) by adding at the end thereof the following new sentence: "A pension plan may not reduce or suspend pension benefits being received by a participant or beneficiary or pension benefits in which a participant who is separated from the service has a nonforfeitable right by reason of any payment made to the participant or beneficiary by the employer maintaining the plan as the result of an award or settlement made under or pursuant to a workers' compensation law.".

(b) Section 201 (1) of such Act is amended by inserting after "plan" the following: ", except as provided in section 206 (b)".

SEC. 127. SURVIVOR PROTECTION.

(a) Section 205 of such Act is amended—

(1) by deleting subsection (a) and inserting in lieu thereof the following:

"(a) A pension plan may provide that the normal form of benefit is a form other than an annuity. If a pension plan provides for the payment of benefits in the form of an annuity (whether as the normal form or as an option), such plan shall provide for the payment of the annuity benefits in a form having the effect of a qualified joint and survivor annuity.";

(2) by deleting subsection (b) and inserting in lieu thereof the following:

"(b)(1) A plan which provides that the normal form of benefit is an annuity shall, with respect to any participant who under the plan is credited with at least 10 years of service for vesting purposes under section 203 and who dies before the annuity starting date, provide a survivor's annuity for the participant's spouse—

"(A) which begins on the annuity starting date (determined as if the participant had lived until the earliest retirement age under the plan, or the participant's actual date of death if later, and had retired on such date prior to death), if the spouse is living on such date, and

"(B) except as provided in paragraph (2), the payments under which are not less the payments which would have been made under the survivor's annuity to which such spouse would have been entitled if the participant had terminated employment on his date of death, had survived and retired on such annuity starting date, and had died on the day following such date.

"(2) If on the date of the participant's death, the actuarial equivalent of the survivor's annuity does not exceed $2,000, a plan described in paragraph (1) may distribute the survivor's benefit in the form of a lump sum, or in the form of installments commencing, not later than the annuity starting date specified in paragraph (1)(A).";

(3) by deleting subsection (c) and inserting in lieu thereof the following:

"(C) A plan which provides that the normal form of benefit is a form other than an annuity shall, with respect to any participant who under the plan has at least 10 years of service for vesting purposes under section 203 and who dies before receiving the percentage of his benefit which is nonforfeitable, provide (1) that the participant's benefit is distributed to the surviving spouse in the form of a lump sum, or in installments commencing, not later than 60 days after the end of the plan year in which the participant died, or (2) that the participant's benefit is distributed to the surviving spouse at such other time and in such manner as the plan and the surviving spouse may agree in writing.";

(4) by striking out "(whether or not an election has been made under subsection (c))" in subsection (d);

(5) by striking out subsection (e) and inserting in lieu thereof the following:

"(e)(1) Participants in plans subject to this section shall have the right to elect not to take joint and survivor annuities and the right to revoke such elections and to reelect, subject to the following terms and conditions:

"(A) A document explaining the terms and conditions of the joint and survivor annuity, and the rights and effects of, and procedures pertaining to, election, revocation, and reelection, shall be furnished to each participant a reasonable time before the date on which the participant completes 10 years of service for vesting purposes under section 203.

"(B) Any election, revocation or reelection shall be in writing. The right to elect, revoke, or reelect shall not extend beyond the date of a participant's death or retirement under the terms of the plan, whichever occurs earlier.

"(C) Respecting any participant, the document described in subparagraph (A) need not be furnished more than once if—

"(i) the plan's summary plan description includes an explanation, similar to the explanation described in subparagraph (A), which is generally applicable to all participants and which satisfies the requirements of section 102(a)(1); and

"(ii) the document described in subparagraph (A) makes prominent reference to the fact that the explanation contained therein may be of continuing importance to the participant and should be retained with the summary plan description.

"(2) The Secretary of the Treasury shall prescribe regulations to implement this subsection. Such regulations shall take cognizance of the difficulties certain multiemployer plans may have in furnishing the document described in paragraph (1)(A).";

(6) by striking out "subsection (c)" in subsection (f); and

(7) by striking out "joint and survivor annuity benefits under an election made under subsection (c)" in subsection (h) and inserting in lieu thereof "the survivors" benefits required under this section, to the extent such increased costs are attributable to the availability of such benefits prior to the normal retirement age under the plan".

(b) Not later than one year after the enactment of the ERISA Improvements Act of 1979, the Secretary of the Treasury shall develop versions of model language which can be adopted by various types of plans as amendments which comply with the requirements of this section. The Secretary shall facilitate to the maximum extent possible the administrative processing of determination letter applications resulting from this section.

(c) The amendments made by this section shall apply with respect to plan years beginning on or after the date which is 12 months after the date of enactment of this Act.

SEC. 128. ALIMONY AND SUPPORT PAYMENTS

Section 206(d) of such Act is amended by adding at the end thereof the following new paragraph:

"(3) Paragraph (1) shall not apply in the case of a judgment, decree or order (including an approval of a property settlement agreement), pursuant to a State domestic relations law (whether of the common law or community property type), which—

(A) affects the marital property rights of any person in any benefit payable under a pension plan or the legal obligation of any person to provide child support or make alimony payments, and

(B) does not require a pension plan to alter the effective date, timing, form, duration or amount of any benefit payments under the plan or to honor any election which is not provided for under the plan or which is made by a person other than a participant or beneficiary.".

Part 3—Funding

Sec. 131. Funding To Take Account of Future Amendments.

Section 302(c)(1) of the Employee Retirement Income Security Act of 1974 is amended by adding at the end thereof the following: "The funding method may take account, and for any plan year beginning after December 31, 1980, shall take account, of all provisions of the plan, including provisions which have not yet affected any participant as to entitlement to, or accrual of, benefits. In the event any such provision is not implemented at the time specified when the provision was adopted, the funding standard account shall be appropriately adjusted in accordance with regulations perscribed by the Secretary. A provision adopted but contingent on a future event shall be deemed not to be in effect as a provision of the plan prior to the occurrence of that event.".

Part 4—Fiduciary Responsibility

Sec. 141. General Asset Account.

Section 401(b) of the Employee Retirement Income Security Act of 1974 is amended by striking out paragraph (2) and inserting in lieu thereof the following:

"(2) In the case of a plan which is funded in whole or in part by a contract or policy of insurance issued by an insurer, the assets of the plan shall include the contract or policy under which the benefits are insured but shall not, solely by reason of the issuance of such contract or policy, include the assets of the insurer issuing the contract or policy except to the extent that such assets are maintained by the insurer in one or more separate accounts and do not constitute surplus in any such account. For purposes of this paragraph, the term 'insurer' means an insurance company, insurance service, or insurance organization, qualified to conduct business in a State.".

Sec. 142. Refund of Mistaken Contributions.

(a) Section 403(c)(2)(A) of such Act is amended by inserting before the period at the end thereof the following: "or, in the case of a collectively bargained plan maintained by more than one employer, within six months after the plan administrator knows that the contribution was made by a mistake of fact or knows that holding a contribution would contravene the provisions of section 302 of the Labor-Management Relations Act, 1947.".

(b) The amendment made by subsection (a) shall be effective as of January 1, 1975, but as regards contributions received by a collectively bargained plan maintained by more than one employer before the date of enactment of the ERISA Improvements Act of 1979, if knowledge by the plan administrator that a contribution was made by mistake or in contravention of section 302 of the Labor-Management Relations Act, 1947, occurred before such date of enactment, such knowledge shall be deemed to have occurred on such date of enactment.

Sec. 143. Cofiduciary Responsibility.

Section 405 of such Act is amended by adding at the end thereof the following new subsection:

"(e) In the case of a fiduciary other than an individual, the term 'knowledge' in subsection (a)(3) shall mean knowledge actually communicated, or knowledge which, in the normal course of business, should have been communicated, to the fiduciary's officer or employee who is authorized to carry out the fiduciary's responsibilities, obligations, or duties or who in fact carries out such responsibilities, obligations, or duties, regarding the matter to which the knowledge relates.".

Sec. 144. Exemption for Reciprocity Arrangements.

Section 408(b) of such Act is amended by adding at the end thereof the following new paragraph:

"(10) Any transfer of contributions between plans pursuant to section 209, if a plan to which the contributions are transferred pays not more than a reasonable charge for any administrative expenses reasonably incurred by a plan transferring such contributions.".

Part 5—Administration, Enforcement and Adjustments in Applicable Law

Sec. 151. Advisory Council.

Paragraph (3) of section 512 (a) of the Employee Retirement Income Security Act of 1974 is amended by striking out "(at least one of whom shall be representative of employers maintaining or contributing to multiemployer plans)" and inserting in lieu thereof the following: "(one of whom shall be representative of employers maintaining or contributing to multiemployer plans and one of whom shall be representative of employers maintaining small plans)".

Sec. 152. Impact of Inflation on Retirement Benefits

Section 513 of such Act is amended by adding at the end thereof the following new subsection:

"(d) The Secretary shall conduct a study of the feasibility and ramifications of requiring employee pension benefit plans to provide cost-of-living adjustments to benefits payable under such plans. The Secretary shall compile data and analyze the effect inflation is having and may be expected to have on retirement benefits provided by private pension plans. The Secretary shall submit the study required by this subsection to the Congress no later than 24 months after the date of enactment of the ERISA Improvements Act of 1979.".

Sec. 153. Remedies.

Section 502 of such Act is amended by—

(1) deleting "105 (c)" in subsection (a) (4) and inserting in lieu thereof "105";

(2) by adding at the end of subsection (a) a new paragraph to read as follows:

"(7) by any employee, participant or beneficiary for damages due to reliance on a misrepresentation described in section 515.";

(3) redesignating subsection (b) as paragraph (1) of such subsection and adding a new paragraph (2), to read as follows:

"(2) The Secretary shall not initiate an action to enforce section 517.";

(4) deleting subsection (g) and inserting in lieu thereof the following:

"(g)(1) Except as provided in paragraph (2), in any action under this title by an employee, participant, beneficiary, or fiduciary, the court in its discretion may allow a reasonable attorney's fee and costs of the action to either party.

"(2) In any action under this title by a fiduciary on behalf of a plan to enforce the provisions of section 517 and in which a judgment in favor of the plan is awarded, the court shall allow a reasonable attorney's fee and costs of the action, to be paid by the defendant.";

(5) deleting "a participant" in subsection (h) and inserting in lieu thereof "an employee, participant", and inserting in subsection (k) "employee," before "participant";

(6) deleting "part 4" in subsection (h) and inserting in lieu thereof "parts 4 and 5"; and

(7) inserting immediately after subsection (k) a new subsection (1), to read as follows:

"(1) Except as provided by paragraph (3)—

"(1) no person or employee benefit plan shall be subject to liability or punishment, civil or criminal, or be required to reimburse or pay money or any other thing of value, as the direct or indirect result of a cause of action explicitly or implicitly alleging that the interest of an employee in an employee benefit plan is, or ought to be characterized as or deemed to be, a security for purposes of section 17(a) of the Securities Act of 1933 or section 10(b) of the Securities Exchange Act of 1934, or within the meaning of any State law which regulates securities;

"(2) no court of the United States shall have jurisdiction of an action or proceeding at law or in equity, to the extent such action or proceeding involves a cause of action explicitly or implicitly alleging that the interest of an employee in an employee benefit plan is, or ought to be characterized as or deemed to be, a security for purposes of section 17(a) of the Securities Act of 1933 or section 10(b) of the Securities Exchange Act of 1934, or within the meaning of any State which regulates securities; and

"(3) paragraphs (1) and (2) shall not apply respecting a cause of action based upon any act or omission which occurred before the date of enactment of the ERISA Improvements Act of 1979.".

Sec. 154. Adjustments in Applicable Law.

(a) Part 5 of subtitle B of title I of such Act is amended by—

(1) deleting "subparagraph (B)," in section 514(b)(2)(A) and inserting in lieu thereof "subparagraph (B) and subsections (d) (2) and (3),";

(2) deleting "nothing" where it appears in section 514(d) and inserting in lieu thereof "(1) Except as provided in paragraphs (2) and (3), nothing"; and

(3) adding at the end of section 514(d) the following new paragraphs:

"(2) Notwithstanding any provision of law to the contrary, the interest of an employee in an employee benefit plan is not, and shall not be characterized as or deemed to be, a security for purposes of section 17(a) of the Securities Act of 1933 and section 10(b) of the Securities and Exchange Act of 1934, or within the meaning of any State law which regulates securities.

"(3) Notwithstanding any provision of law to the contrary, an interest or participation—

"(A) in a single or collective trust maintained by a bank or in a separate account maintained by an insurer, and

"(B) issued exclusively to one or more employee benefit plans.

is not, and shall not be characterized as or deemed to be, a security for purposes of section 5 of the Securities Act of 1933 and section 12 of the Securities Exchange Act of 1934, or within the meaning of any State law which regulates securities, and such a trust or account holding exclusively assets of one or more such plans is not, and shall not be characterized as or deemed to be, an investment company within the meaning of the Investment Company Act of 1940 or any State law which regulates investment companies.

(b) Such part is further amended by adding immediately after section 514 the following new subsections, to read as follows:

"MISREPRESENTATION

"Sec. 515. (a) It shall be unlawful for any person to knowingly misrepresent the terms and conditions of an employee benefit plan, the financial condition of a plan, or the status under the plan of any employee, participant or beneficiary.

"(b) No person shall be liable under subsection (a) respecting a document which is required to be disclosed to participants or beneficiaries or to be filed with the Secretary of Labor, the Pension Benefit Guaranty Corporation or the Secretary of the Treasury under this Act or the Internal Revenue Code of 1954, *provided* That, such document satisfies the requirements of such Act or Code and duly promulgated regulations thereunder.

"(c) An employee benefit plan shall not be liable for damages resulting from a misrepresentation described in subsection (a).

"(d) Subsection (a) shall not apply as to any act or omission occurring before the date of enactment of the ERISA Improvements Act of 1979.

"CERTAIN FUNDING VEHICLES

"SEC. 516. (a) Not later than 12 months after enactment of the ERISA Improvements Act of 1979, the Secretary shall prescribe regulations to protect participants and beneficiaries of employee benefit plans which are or may be funded wholly or partially by a single or collective trust maintained by a bank or by a separate account maintained by an insurer, if such trustor account holds or is established to hold exclusively plan assets.

"(b) The regulations required by subsection (a) shall include—

"(1) standards to ensure full and fair disclosure of all material facts respecting such trust or account prior to and during the plan's participation in such trust or account,

"(2) standards for accuracy in the advertising and publicizing of such trust or account, and

"(3) such other standards as the Secretary may specify to protect plan participants and beneficiaries and to assist plan fiduciaries to make appropriate choices from among available funding vehicles.

"(c) In carrying out his responsibilities under this section, the Secretary shall consult with Federal banking authorities, the Securities and Exchange Commission, and State authorities who regulate insurance.

"(d) Duly promulgated regulations of the Secretary pursuant to subsection (a) or other provisions of this title shall be enforceable as provisions of this title under sections 502 (a) (3) and (5).

"(e) For purposes of this section—

"(1) the term 'bank' shall have the same meaning as in section 3(38) (B) (ii), and

"(2) the term 'insurer' shall have the same meaning as in section 401(b) (2).

"OBLIGATION OF EMPLOYER TO PAY CONTRIBUTIONS

"Sec. 517. Every employer who is obligated under the terms of a collectively bargained plan (or under the terms of a collective bargaining agreement related to such plan) to make periodic contributions to the plan shall, to the extent not inconsistent with law, make such contributions in accordance with the terms and conditions of such plan or such agreement.".

SEC. 155. PREEMPTION.

Section 514 of such Act is amended by—

(1) adding at the end of subsection (b) (2) (B) the following:

"A State insurance law which provides that a specific benefit or benefits must be provided or made available by a contract or policy of insurance issued to an employee benefit plan is a law which relates to an employee benefit plan within the meaning of subsection (a) and is not a law which regulates insurance within the meaning of subparagraph (A). A provision of State law which requires that a contract or policy of insurance issued to an employee benefit plan must permit a participant to convert or continue protection after it ceases to be provided under the employee benefit plan is a provision of a law described in subparagraph (A) and not a provision of law described in subsection (a).";

"(5) (A) Except as provided in subparagraph (B), subsection (a) shall not apply to the Hawaii Prepaid Health Care Law, Haw. Rev. Stat. §§ 393-1 through 51, as in effect on January 1, 1979, and to any other State law which is determined by the Secretary to—

"(i) be substantially identical to such Hawaii law on such date, and

"(ii) require benefits which are substantially identical in type and amount to those required or permitted under such Hawaii law on such date.

"(B) Subparagraph (A) shall not apply to any provision of a State law which the Secretary determines to be similar to any provision of parts 1, 4 and 5 of this subtitle.";

(2) adding a new subsection (b)(6) to read as follows:

"(6) Subsection (a) shall not apply respecting any judgment, decree, or order pursuant to a State domestic relations law (whether of the common law or community property type), if such judgment, decree or order is described in section 206 (d) (3).''; and

(3) adding a new subsection (e) to read as follows:

"(e) For purposes of subsections (d) (2) and (3) and sections 515, 516, and 517, the term 'employee benefit plan' shall include any employee benefit plan—

"(1) defined in section 3 (3), irrespective of whether the only participants in the plan are owner-employees as defined in section 401(c) (3) of the Internal Revenue Code of 1954, and

"(2) which is described in section 4(a) and not exempt under section 4(b).".

EFFECTIVE DATES

SEC. 156 (a). Except as otherwise provided by this Act, the provisions of this Act and the amendments made by this Act to the Employee Retirement Income Security Act of 1974 and to the Internal Revenue Code of 1954 shall be effective on the date of enactment of this Act.

(b) Section 514(d) (3), as amended, shall be effective 12 months after the enactment of this Act.

TITLE II—AMENDMENTS TO THE INTERNAL REVENUE CODE OF 1954

SEC. 201. LUMP SUM DISTRIBUTIONS; PLANS TREATED AS A SINGLE PLAN.

(a) GENERAL RULE.—Section 402(e) (4) (C) of the Internal Revenue Code of 1954 (relating to aggregation of certain trusts and plans) is amended to read as follows:

"(C) Aggregation of certain trusts and plans.—For purposes of determining the balance to the credit of an employee under subparagraph (A)—

"(i) all trusts which are part of a plan shall be treated as a single trust,

"(ii) in the case of a multiemployer plan (as defined in section 3 (37) of the Employee Retirement Income Security Act of 1974), all defined benefit plans maintained by an employer shall be treated as a single plan and all defined contribution plans maintained by an employer shall be treated as a single plan,

"(iii) in the case of any plan not described in clause (ii), all pension plans maintained by an employer shall be treated as a single plan, all profit-sharing plans maintained by an employer shall be treated as a single plan, and all stock bonus plans maintained by an employer shall be treated as a single plan, and

"(iv) trusts which are not qualified trusts under section 401(a) and annuity contracts which do not satisfy the requirements of section 404(a) (2) shall not be taken into account.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after the date of enactment of this Act.

SEC. 202. LUMP SUM DISTRIBUTIONS; SEPARATION FROM THE SERVICE.

(a) GENERAL RULE.—Section 402(a) (4) of the Internal Revenue Code of 1954 (relating to definitions and special rules) is amended by adding at the end thereof the following new subparagraph:

"(M) SEPARATION FROM THE SERVICE.—For purposes of subparagraph (A), in the case of any multiemployer plan (as defined in section 3(37) of the Employee Retirement Income Security Act of 1974), a separation from the service shall be deemed to have occurred in the case of any employee if such employee has not worked in service covered by the plan for a period of 6 consecutive months after severing his employment relationship with any employer maintaining the plan.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply with respect to plan years beginning after the date of enactment of this Act.

SEC. 203. DEDUCTION FOR CERTAIN EMPLOYEE RETIREMENT SAVINGS AND CONTRIBUTIONS

(a) IN GENERAL.—

(1) DEDUCTION ALLOWED.—Part VII of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to additional itemized deductions for individuals) is amended by redesignating section 221 as 222 and by inserting after section 220 the following new section:

"SEC. 221. DEDUCTION FOR CERTAIN EMPLOYEE RETIREMENT SAVINGS CONTRIBUTIONS.

"(a) DEDUCTION ALLOWED.—In the case of an eligible employee, described in subsection (c), there is allowed as a deduction amounts paid in cash for a taxable year by such individual for the benefit of himself—

"(1) to a plan described in section 401(a) which includes a trust exempt from tax under section 501(a),

"(2) to an annuity plan described in section 403(a).

"(3) to a qualified bond purchase plan described in section 405(a),

"(4) to an individual retirement account described in section 408(a), individual retirement annuity described in section 408 (b), or for a retirement bond described in section 409, or

"(5) to a group retirement trust maintained by a labor organization described in section 501(c) (5) which is financed exclusively by assessments of individuals who are members of such labor organization, which was established prior to January 1, 1974, and in which the assessments paid to the trust by any participant are 100 percent nonforfeitable.

"(b) LIMITATION AND RESTRICTION.—

"(1) MAXIMUM DEDUCTION.—The amount allowable as a deduction under subsection (a) to an eligible employee for any taxable year may not exceed an amount equal to 10 percent of the compensation includible in his gross income for such taxable year, or $1,000, whichever is less.

"(2) ADDITIONAL LIMITATION.—No deduction is allowed for any amount paid to an account, annuity, or for a bond described in paragraph (4) of subsection (a) except to the extent of the excess of the amount determined under paragraph (1) over any amount paid by the eligible employee to a plan or trust described in paragraph (1), (2), (3) or (5) of subsection (a).

"(3) ALTERNATIVE DEDUCTION.—No deduction is allowed under subsection (a) for the taxable year if the individual claims the deduction allowed by section 219 or 220 for the taxable year.

"(4) EXCEPTION WHERE PLAN IS DISCRIMINATORY.—No deduction is allowed under subsection (a) for a highly compensated participant (as defined in subsection (c) (7)) unless the employer certifies in accordance with regulations prescribed by the Secretary that the plan satisfies the discrimination standards in subsection (c) (6).

"(5) EXCEPTION RESPECTING CERTAIN PLANS.—No deduction is allowed under subsection (a) for any amount paid by a participant to a plan described in paragraph (1), (2) or

(3) of subsection (a) which was not in existence on January 1, 1978 (or to a successor to such a plan) if, under the terms of such plan (or successor plan), employee contributions are mandatory or employer contributions are not made unless contributions are made by employees.

"(c) Definitions and Special Rules.—

"(1) Eligible employee.—For purposes of this section, the term 'eligible employee' shall mean an individual who is an employee without regard to section 401(c)(1) or is a member of a labor organization referred to in subparagraph (D) and who is an active participant for any part of the taxable year in—

"(A) a plan described in section 401(a) which includes a trust exempt from tax under section 501 (a),

"(B) an annuity plan described in section 403 (a),

"(C) a qualified bond purchase plan described in section 405 (a), or

"(D) a group retirement trust maintained by a labor organization described in section 501(c)(5) which is financed exclusively by assessments of individuals who are members of such labor organization, which was established prior to January 1, 1974, and in which the assessments paid to the trust by any participant are 100 percent nonforfeitable.

but not if such plan is established or maintained by the United States, by a State or political subdivision thereof, or by an agency or instrumentality of any of the foregoing.

"(2) Reports.—The Secretary shall promulgate regulations which prescribe the time and manner in which reports shall be filed by an employer receiving contributions deductible under this section and by any eligible employee making any such deductible contribution.

"(3) Recontributed amounts.—No deduction shall be allowed under this section with respect to a rollover contribution described in section 402(a)(5), 402(a)(6), 402(a)(7), 403(a)(4), 403(a)(5), 403(b)(8), 408(d)(3), or 409(b)(3)(C).

"(4) Amounts contributed under endowment contract.—In the case of an endowment contract described in section 408 (b), no deduction shall be allowed under this section for that portion of the amounts paid under the contract for the taxable year which are properly allocable, under regulations prescribed by the Secretary, to the cost of life insurance.

"(5) Married individuals.—In the case of an individual who is married (as determined under section 143), the maximum deduction under subsection (b) shall be computed separately for each individual, and this section shall be applied without regard to any community property laws.

"(6) Discriminations standards.—

"(A) A plan satisfies the discrimination standards if the actual deferral percentage for highly compensated participants (as defined in paragraph (7)) for a plan year bears a relationship to the actual deferral percentage for all other participants for such plan year which meets either of the following tests:

"(i) The actual deferral percentage for the group of highly compensated participants is not more than the actual deferral percentage of all other participants multiplied by 1.5.

"(ii) The excess of the actual deferral percentage for the group of highly compensated participants over that of all other participants is not more than 3 percentage points, and the actual deferral percentage for the group of highly compensated participants is not more than the actual deferral percentage of all other participants multiplied by 2.5.

"(B) For purposes of subparagraph (A), the actual deferral percentage for a specified group of participants for a plan year shall be the average of the ratios (calculated separately for each participant in such group) of—

"(i) the amount deducted on behalf of each participant for such plan year, to

"(ii) the participant's total compensation for such plan year.

For purposes of the preceding sentence, the amount deducted on behalf of a highly compensated participant shall be determined without regard to the exception in subsection (b)(4).

"(7) Highly compensated participant.—For purposes of this section, the term 'highly compensated participant' means any participant who is more highly compensated than two-thirds of all participants but only if such participant's compensation for a plan year equals or exceeds the salary of an employee of the United States who is compensated at a rate equal to the annual rate paid for step 1 of grade GS-12. No individual who participates during a plan year only in a group retirement trust described in subsection (a)(5) shall be considered a highly compensated participant for such year.".

(2) Deduction allowed in arriving at adjusted gross income.—Section 62 of such Code (defining adjusted gross income) is amended by inserting after paragraph (14) the following new paragraph:

"(15) Deduction for certain contributions.—The deduction allowed by section 221 (relating to certain employee retirement savings contributions).".

(b) Tax Treatment of Certain Deductible Employee Contributions.—Subpart A of part I of subchapter D of chapter 1 of such Code (relating to retirement plans) is amended by inserting after subsection (1) of section 414 the following new subsection:

"(m) Deductible Employee Contributions.—For purpose of this title, other than for purposes of sections 401(a) (4) and (5), 404, 410(b), 411, and 412, any amount which an employer is required to report pursuant to regulations promulgated under subsection (c)(2) of section 221, with respect to an amount paid by an eligible employee, as defined in subsection (c)(1) of section 221, as an employee retirement savings contribution, shall be treated as an employer contribution.".

(c) Conforming Amendments.—

(1) So much of section 72(f) of such Code as precedes paragraph (1) thereof is amended to read as follows:

"(f) Special Rules for Computing Employee's Contributions.—In computing, for purposes of subsection (c)(1)(A), the aggregate amount of premiums or other consideration paid for the contract, for purposes of subsection (d)(1), the consideration for the contract contributed by the employee, and for purposes of subsection (e)(1)(B), the aggregate premiums or other consideration paid, amounts which an employer is required to report, pursuant to regulations promulgated under subsection (c)(2) of section 221, with respect to an amount paid by an eligible employee, as defined in subsection (c)(1) of section 221, as a retirement savings employee contribution shall be excluded, and amounts contributed by the employer shall be included, but only to the extent that—".

(2) Section 414(h) of such Code (Tax treatment of certain contributions) is amended by inserting after "any amount contributed" the following: "other than an amount described in subsection (m)".

(3) So much of section 4973(b) of such Code as follows paragraph (1)(A) thereof is amended to read as follows:

"(B) the amount allowable as a deduction under section 219, 220, or 221 for such contributions, and

"(2) the amount determined under this subsection for the preceding taxable year, reduced by the sum of—the account for the taxable year which were included in the gross income of the payee under section 408(d)(1),

(B) the distributions out of the account for the taxable year to which section 408(d)(5) applies, and

(C) the excess (if any) of the maximum amount allowable as a deduction under section 219, 220, or 221 for the taxable year over the amount contributed (determined without regard to sections 219(c)(5) and 220(c)(6)) to the accounts or for the annuities or bonds for the taxable year.

For purposes of this subsection, any contribution which is distributed from the individual retirement account, individual retirement annuity, or bond in a distribution to which section 408(d)(4) applies shall be treated as an amount not contributed.

(d) Effective Date.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

Sec. 204. Credit for the Establishment of Qualified Plans by Small Employers.

(a) In General.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits allowed) is amended by inserting immediately before section 45 the following new section:

"Sec. 44D. Establishment of New Small Business Employer Retirement Plans.

"(a) General Rule.—In the case of a small business employer who maintains or makes contributions to or under a qualified employer retirement plan, there is allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to a percentage (determined under subsection (b)) of the amount allowable for the taxable year to such employer as a deduction under section 404.

"(b) Determination of Percentage.—The percentage applicable under subsection (a) for a taxable year is—

"(1) 5 percent for the first taxable year for which a deduction under section 404 is allowable to the taxpayer,

"(2) 3 percent for each of the succeeding 2 taxable years, and

"(3) 1 percent for each of the 2 taxable years succeeding the 2 taxable years referred to in paragraph (2).

"(c) Definitions; Special Rules.—For purposes of this section—

"(1) Qualified employer retirement plan.—The term 'qualified employer retirement plan' means—

"(A) a plan described in section 401 (a) which includes a trust exempt from tax under section 501 (a);

"(B) an annuity plan described in section 403 (a); and

"(C) a qualified bond purchase plan described in section 405 (a).

"(2) Small business employer.—The term 'small business employer' means an employer (within the meaning of section 404) which—

"(A) during the taxable year immediately preceding the taxable year in which the credit allowable under subsection (a) is first claimed, had a monthly average of fewer than 100 employees, and

"(B)(i) if a corporation, had earnings and profits for the taxable year immediately preceding the taxable year in which the credit allowable under subsection (a) is first claimed equal to no more than $50,000, or

"(ii) if an unincorporated trade or business or a partnership, had net profits for the taxable year immediately preceding the taxable year in which the credit allowable under subsection (a) is first claimed equal to no greater than $50,000.

"(3) Disregard for amounts attributable

TO EMPLOYER SECURITIES.—In determining the amount of the credit allowable under subsection (a) for any taxable year, any portion of the deduction allowed for such year which is attributable to the transfer to or under the plan of employer securities (as defined in section 407 (d) (1) of the Employee Retirement Income Security Act of 1974) shall be disregarded.

"(d) Application With Other Sections.—The amount of the deduction allowable under section 404 for any taxable year shall not be reduced because of the allowance of a credit under this section for the taxable year.

"(e) Terminations.—No credit is allowable under subsection (a) for any taxable year to an employer (or successor to such an employer) who terminates a qualified employer retirement plan during the taxable year.".

(b) Clerical Amendment.—The table of sections for such subpart is amended by inserting immediately before the item relating to section 45 the following new item:

"Sec. 44D. Establishment of New Small Business Employer Retirement Plans.".

(c) Effective Date.—The amendments made by this section shall apply with respect to taxable years beginning after the date of enactment of this Act.

"Sec. 205. Conforming Amendments for ERISA Changes in Title I.

(a) Conforming Amendments for Section 102.—

(1) Paragraph (2) of section 4975 (e) of such Code (relating to definition of disqualified person) is amended—

(A) by striking out subparagraphs (A) through (D) and inserting in lieu thereof the following:

"(A) any fiduciary, counsel, or employee of such plan;

"(B) a person providing professional services to such plan, or a person providing nonprofessional services on a continuous basis to such plan;

"(C) an employer any of whose employees are covered by such plan, if the employees of such employer constitute 5 percent or more of all employees covered by the plan;

"(D) an employee organization any of whose members are covered by such plan, if the members of such employee organization constitute 5 percent or more of all employees covered by the plan;",

(B) by striking out subparagraph (I) and inserting in lieu thereof the following:

"(I) a 10 percent or more (in capital or profits) partner, or joint venturer in, a person described in subparagraph (B), (C), (D), (E), or (G).";

(C) by inserting "brother, sister," immediately before "spouse," the first time it appears in paragraph (6);

(2) Subsection (f) of section 414 of such Code (relating to definition of multi-employer plan) is amended by—

(A) striking out subparagraphs (A), (B), and (C) of paragraph (1) of such subsection and inserting in lieu thereof the following:

"(A) which is maintained pursuant to one or more collective bargaining agreements between an employee organization and more than one employer,

"(B) to which ten or more employers contribute, or to which more than one and fewer than ten employers contribute if the Secretary of Labor finds that treating such a plan as a multiemployer plan would be consistent with the purposes of this Act, and";

(B) redesignating subparagraphs (D) and (E) of paragraph (1) of such subsection as subparagraphs (C) and (D), respectively, and

(C) striking out paragraph (2) of such subsection and inserting in lieu therof the following new paragraph:

"(2) For purposes of this subsection, all corporations which are members of a controlled group of corporations (within the meaning of section 1563(a) determined without regard to section 1563(e) (3) (C) shall be deemed to be one employer.".

(b) Confirming Amendment for Section 111.—Subparagraph (C) of section 6057(a) (2) of such Code (relating to annual registration) is amended by redesignating clauses (ii) and (iii) and (iii) and (iv), and by inserting after (i) the following new clause:

"(ii) who has a one-year break in service,".

(C) Conforming Amendment for Section 121.—Subsection (1) of section 414 of such Code (relating to mergers and consolidations of plan or transfers of plan assets) is amended by striking out "A trust" and inserting in lieu thereof "except in the case of a reciprocal agreement described in section 209 of the Employee Retirement Income Security Act of 1974, a trust".

(d) Conforming Amendment for Section 122.—Subparagraph (E) of section 411(b) (3) of such Code (relating to maritime industries) is amended by striking out "a year of participation" and inserting in lieu thereof "1,000 hours of employment".

(e) Conforming Amendment for Section 123.—Subparagraph (A) of section 410(a) (3) of such Code (relating to definition of year of service) is amended by striking out "by reference to" and all that follows and inserting in lieu thereof the following: "by reference to—

"(i) in the case of an employee who does not complete 1,000 hours of service during the twelve-month period beginning on the date his employment commenced, the first day of a plan year, and

"(ii) in the case of a plan where rights and benefits are determined on the basis of all of an employee's service, without regard to the date on which the employee's participation in the plan commenced.".

(f) Conforming Amendment for Section 124.—Subsection (c) of section 413 of such Code (relating to plans maintained by more than one employer) is amended by inserting after paragraph (4) the following new paragraph:

"(4A) Summation of different benefit accrual rates.—The accrued benefit to which a participant is entitled upon a separation from the service is—

"(A) (i) the sum of different rates of benefit accrual for different periods of participation as defined by one or more fixed calendar dates, or

"(ii) the sum of different rates of benefit accrual for different periods of participation, as defined by employment and different bargaining units, and

"(B) determined, for purposes of subparagraphs (A) and (C) of section 411(b) (1), by projecting the normal retirement benefit to which a participant would be entitled if he continued to accrue benefits at the average of the rates applicable to his period of actual participation.".

(g) Conforming Amendment for Section 125.—Subparagraph (B) of section 411(a) (3) of such Code (relating to certain permitted forfeitures, suspensions, etc.) is amended—

(1) by striking out "the same trade" and inserting in lieu thereof "trade,", and

(2) by striking out " 'employed' " in the last sentence of subparagraph (B) and inserting in lieu thereof the following: " 'employed', which may, with respect to clause (ii), include self employment. The permissible period of benefit suspension shall include a period, determined pursuant to regulations promulgated by the Secretary of Labor, in addition to the months in which the employment occurs to the extent necessary to prevent the periodic payment and suspension of pension benefits to workers who have not retired but who continue to work on an irregular basis. The imposition of a financial penalty on a pensioner who fails to report his employment as required by the rules of a plan shall not be treated as a violation of the requirements of this section. The amount of the financial penalty permitted by the preceding sentence shall be determined pursuant to regulations promulgated by the Secretary of Labor, but in no event shall the penalty exceed an amount equal to one year's benefit.".

(h) Conforming Amendment for Section 126.—Paragraph (15) of section 401(a) of such Code (relating to prohibited decreases in benefit levels) is amended by adding at the end thereof the following: "A trust shall not constitute a qualified trust under this section unless under the plan of which such trust is a part, the plan may not refuse pension benefits being received by a participant or beneficiary, or pension benefits in which a participant who is separated from the service has a nonforfeitable right by reason of any payment made to the participant or beneficiary by the employer maintaining the plan, as a result of an award or settlement made under or pursuant to a workers' compensation law.".

(i) Conforming Amendment for Section 127.—Paragraph (11) of section 401(a) of such Code (relating to joint and survivor annuities) is amended—

(1) by inserting "(whether as the normal form or as an option)" after "annuity" the first time it appears in subparagraph (A);

(2) by striking out subparagraph (B) and inserting in lieu thereof the following:

"(B) A plan which provides that the normal form of benefit is an annuity does not meet the requirements of subparagraph (A) unless, with respect to any participant who, under the plan, is credited with at least ten years of service (for purposes of section 411) and who dies before the annuity starting date, the plan provides a survivor's annuity for the participant's spouse—

"(i) which begins on the annuity starting date (determined as if the participant had lived until the earliest retirement age under the plan, or the participant's actual date of death if later, and had retired on such date prior to death), if the spouse is living on such date, and

"(ii) except as otherwise provided in this subparagraph, the payments under which are not less than the payments which would have been made under the survivor's annuity to which such spouse would have been entitled if the participant had terminated employment on his date of death, had survived and retired on such annuity starting date, and had died on the day following such date.

If, on the date of the participant's death, the actuarial equivalent of the survivor's annuity does not exceed $2,000, a plan described in this subparagraph will not be considered not to meet the requirements of subparagraph (A) if it distributes the survivor's benefit in the form of a lump sum, or in the form of installments commencing not later than the annuity starting date specified in clause (i).";

(3) by striking out subparagraph (C) and inserting in lieu thereof the following:

"(C) A plan which provides that the normal form of benefit is a form other than an annuity shall not be treated as satisfying the requirements of this paragraph unless, with respect to any participant who under the plan has at least ten years of service for purposes of section 411 and who dies before receiving the percentage of his benefit which is nonforfeitable, the plan provides that the participant's benefit will be distributed to the surviving spouse in the form of a lump sum, or in installments commencing, not later than 60 days after the end of the plan year in which the participant died.";

(4) by striking out "whether or not an election described in subparagraph (C) has

been made under subparagraph (C)" in subparagraph (D);

(5) by striking out subparagraph (E) and inserting in lieu thereof the following:

"(E) A plan shall not be treated as satisfying the requirements of this paragraph unless participants in the plan have the right to elect not to take point survivor annuities, and the right to revoke such elections and to re-elect, under the following circumstances:

"(i) A document explaining the terms and conditions of the joint survivor annuity, the effect of an election, and the rights of, and procedures pertaining to, election and revocation, is furnished to each participant a reasonable time before the date on which the participant completes 10 years of service for the purposes of section 411.

"(ii) Any election, revocation, or reelection is in writing, and the right to elect, revoke, or re-elect does not extend beyond the date of a participant's death or retirement under the terms of the plan, whichever first occurs.

"(iii) With respect to any participant, the document described in clause (i) need not be furnished more than once if—

"(I) the plan's summary plan description includes an explanation, similar to the explanation described in clause (i), which is generally applicable to all participants, and

"(II) the document described in clause (i) makes prominent reference to the fact that the explanation contained therein may be of continuing importance to the participant and should be retained with the summary plan description.";

(6) by striking out "(C) or" in subparagraph (F);

(7) by inserting after "joint and survivor annuity benefits" in subparagraph (G) the following: "as of the date on which a participant completes 10 years of service for purposes of section 411"; and

(8) by striking out "joint and survivor annuity benefits." in the last sentence of such paragraph and inserting in lieu thereof the following: "the survivors' benefits required under this paragraph, to the extent such increased costs are attributable to the availability of such benefits prior to the normal retirement age under the plan. Regulations of the Secretary under this paragraph shall take cognizance of the difficulty certain multiemployer plans may have in furnishing the document described in subparagraph (E)(i)."

(j) Conforming Amendment for Section 125.—Paragraph (13) of section 401 (a) of such Code (relating to assignment or alienation of benefits) is amended by adding at the end thereof the following new section: "For purposes of the first sentence of this paragraph, there shall not be taken into account any assignment or alienation of benefits under the plan required by a judgment, decree or order (including an approval of a property settlement agreement), pursuant to a State domestic relations law (whether of the common law or community property type), which—

(A) affects the marital property rights of any person in any benefit payable under the plan or the legal obligation of any person to provide child support or make alimony payments, and

(B) does not require the plan to alter the effective date, timing, form, duration or amount of any benefit payments under the plan or to honor any election which is not provided for under the plan or which is made by a person other than a participant or beneficiary.".

(k) Conforming Amendment for Section 131.—Subparagraph (A) of section 412(c)(2) of such Code (relating to valuation of assets) is amended by adding at the end thereof the following new sentence: "The funding method may take account, and for any plan year beginning after December 31, 1980, shall take account, of all provisions of the plan, including provisions which have not yet affected any participant as to entitlement to, or accrual of, benefits. In the event any such provision is not implemented at the time specified when the provision was adopted, the funding standard account shall be appropriately adjusted in accordance with the regulations prescribed by the Secretary. A provision adopted but contingent upon a future event shall be deemed not to be in effect as a provision of the plan prior to the occurrence of that event.".

(l) Conforming Amendment for Section 142.—Paragraph (2) of section 401(a) of such Code (relating to exclusive benefit of employees and beneficiaries) is amended by inserting before the semicolon at the end thereof the following: "(but this paragraph shall not be construed, in the case of a collectively bargained plan maintained by more than one employer, to prohibit the return of a contribution within 6 months after the plan administrator knows that the contribution was made by a mistake of fact or knows that holding the contribution would contravene the provisions of section 302 of the Labor-Management Relations Act, 1947)".

(m) Conforming Amendment for Section 144.—Subsection (d) of section 4975 of such Code (relating to exemptions from prohibited transaction rules) is amended—

(1) by striking out "or" at the end of paragraph (12),

(2) by striking out the period at the end of paragraph (13) and inserting in lieu thereof a semicolon and "or", and

(3) by inserting after paragraph (13) the following new paragraph:

"(14) any transfer of contributions between plans under section 209 of the Employee Retirement Income Security Act of 1974, if the plan to which the contributions are transferred pays not more than a reasonable charge for any administrative expenses reasonably incurred by the plan transferring the contributions.".

TITLE III—SPECIAL MASTER AND PROTOTYPE PLANS

Sec. 301. Special Master and Prototype Plans.

(a) In General.—Subtitle B of title I of the Employee Retirement Income Security Act of 1974 is amended by adding at the end thereof the following new part:

"Part 6—Special Master and Prototype Plans

"special master and prototype plans

"Sec. 601. (a) For Purposes of this Section—

"(1) 'special master plan' means a master or prototype employee pension benefit plan which has been approved by the Secretary of Labor in accordance with subsection (d), all of the assets of which are controlled by one or more master sponsors.

"(2) 'master sponsor' means any person who is the sponsor of a special master plan and who—

"(A) has the power to manage, acquire, or dispose of any asset of an adopting employer's plan, and

"(B) is (i) registered as an investment advisor under the Investment Advisor's Act of 1940; (ii) is a bank, as defined in that Act; or (iii) is an insurance company qualified to perform services described in subparagraph (A) under the laws of more than one State.

"(3) 'adopting employer' means an employer any of whose employees are covered under a special master plan, or an association of such employers.

"(b) Notwithstanding any other provisions of this Act or the Internal Revenue Code of 1954 to the contrary, in the case of a special master plan—

"(1) except as provided in subsection (e), the responsibilities, duties, and obligations of an adopting employer under parts 1, 2, 3, and 4 of this subtitle shall be limited to making such timely contributions and payments, and furnishing such timely, complete, and accurate information, as may be required under the terms of the plan; and

"(2) the requirements of the Internal Revenue Code of 1954 which are applicable to the design of the plan of the adopting employer shall be deemed to be initially satisfied as of the date the adopting employer and master sponsor execute the special master plan joinder agreement.

"(c) Notwithstanding any other provisions of this Act or the Internal Revenue Code of 1954 to the contrary, in the case of a special master plan—

"(1) except as provided in subsection (e), the master sponsor shall be the administrator of and a fiduciary respecting each adopting employer's plan for the purposes of this Act of such Code;

"(2) the requirements of section 102(b), if otherwise satisfied, will not be violated if—

"(A) the plan description of an adopting employer's plan includes plan provisions common to the plans of all employer adopting the special master plan, together with a description of each type of variation from such common provisions that is permitted under the terms of the approval provided for in subsection (d), and an identification, by name of adopting employer, employer identification number, name of plan, and plan identification number of the employers who have adopted, and the plans containing, each such variation, and

"(B) the summary plan description of each adopting employer's plan describes provisions common to the plans of all employers adopting the special master plan, together with a description of any provisions of such adopting employer's plan which vary from such common provisions, with appropriate cross-references;

"(3) the requirements of section 103 of this Act and of section 6058 of the Internal Revenue Code of 1954, if otherwise satisfied, will not be violated merely because data in the annual report reflect the aggregate assets of the special master plan, if the annual report also includes an identification, by name of adopting employer, employer identification number, name of plan, and plan identification number, of the percentage of total special master plan assets attributable to each adopting employer's plan;

"(4)(A) the exemption described in section 408(b)(2) of this Act and in section 4975(d)(2) of the Internal Revenue Code of 1954 shall be applied as if any master sponsor of a special master plan or a party in interest respecting such plan for a reason other than by virtue of such person's being a fiduciary, and

"(B) the term 'bank or similar financial institution' in section 408(b)(6) of this Act and in section 4975(d)(6) of the Internal Revenue Code of 1954 shall be deemed to mean any master sponsor, and the term 'sound banking and financial practice' in such sections shall, in the case of a master sponsor other than a bank, be deemed to mean 'sound fiduciary practice'; and

"(5) no master sponsor shall have a responsibility, obligation, or duty under this Act or the Internal Revenue Code of 1954—

"(A) to ascertain whether information required to be furnished to the master sponsor by an adopting employer pursuant to the terms of a special master plan is accurate or complete,

"(B) due to the failure of an adopting employer to satisfy the requirements of subsection (b)(1), or

"(C) respecting the decision of an employer to adopt the master sponsor's plan, except as regards the advertising or publicizing of and disclosures concerning trusts and accounts described in section 516 of this Act.

"(d)(1) The Secretary of Labor and the Secretary of the Treasury shall prescribe such regulations, and furnish such rulings, opinions, forms, and other types of guidance as are necessary to implement this section. To the greatest extent consistent with the purposes of this Act and the Internal Revenue Code of 1954, such regulations and other types of guidance shall be designed to facilitate the development of special master plans and their adoption by employers. Initial regulations and forms, sufficient to enable perspective master sponsors to submit special master plans for approval, shall be issued on or before the effective date specified in section 301(c) of the ERISA Improvements Act of 1979.

"(2)(A) The Secretary shall approve a special master plan only if he determines that the plan of an adopting employer, in design and in operation, will satisfy the requirements of this section, and of other applicable requirements of this Act and of the Internal Revenue Code of 1954 (to the extent that such Act and Code are not inconsistent with this section).

"(B) The Secretary shall not approve any special master plan unless he has first submitted the plan to the Secretary of the Treasury for review, together with such information as the Secretary of the Treasury may request. The review of the Secretary of the Treasury shall be limited to the applicability of, and compliance with, the provisions of the Internal Revenue Code of 1954. The Secretary of the Treasury shall either concur in the approval or refuse to concur. If the Secretary of the Treasury refuses to concur, he shall specify the changes that must be made in the plan to obtain his concurrence. In the case of a refusal, the Secretary shall not approve the plan unless the specified changes are made. If the Secretary of the Treasury fails to concur or refuse to concur within 270 days after such submittal, the failure shall be deemed to be a failure described in section 7476(a)(2)(A) of such Code, and—

"(i) the master sponsor shall be deemed to be a 'plan administrator' for the purposes of subsection (b)(1) of such section,

"(ii) subsections (b)(2) through (b)(5) of such section shall not be applicable, and

"(iii) the special master plan shall be deemed to be a 'retirement plan' within the meaning of subsection (d) of such section.

"(3) Approval of special master plans and amendments to such plans shall be accomplished by a process carried out in the national office of the Secretary, until such time as he may establish procedures for field office approval under which uniformity of treatment by field offices is assured.

"(4) Upon approval of a special master plan, or of any amendment to such a plan for which approval is required, a special master plan certificate shall be issued to the master sponsor by the Secretary. Except as provided in paragraph (5), for a period of 60 months from the date of adoption of the plan by an employer or from the effective date of an amendment for which approval is required, such certificate or duly notarized copy thereof shall be prima facie evidence in any administrative or judicial proceeding that the terms and conditions of the plan meet the applicable requirements of this Act and of part I of subchapter D of chapter 1 of the Internal Revenue Code of 1954.

"(5) The Secretary, after notice and hearing, and after consultation with the Secretary of the Treasury respecting the applicability of or compliance with the Internal Revenue Code of 1954, shall revoke the certificate described in paragraph (4)—

"(A) respecting the plan of any adopting employer, if he finds that there has been a failure on the part of the employer to observe the terms and conditions of the plan and that such failure has been detrimental to the rights of plan participants or beneficiaries under the terms and conditions of the plan, this Act, or such Code; and

"(B) respecting the special master plan, if he finds that there has been a failure to observe the terms and conditions of the plan or the provisions of this section on the part of the master sponsor and that such failure has been detrimental to the rights of plan participants under the terms and conditions of the plan, this Act, or such Code.

"(6) The certificate issued by the Secretary upon the approval of a special master plan, or upon the approval of an amendment to such a plan for which approval is required, shall specify the types of amendments, if any, for which approval need not be obtained.

"(7) Nothing in this section shall limit the power of the Secretary of the Treasury, after audit, to determine that the plan of any adopting employer, in operation, has failed to meet the applicable requirements of part 1 of subchapter D of chapter 1 of the Internal Revenue Code of 1954, but no such plan shall be treated as not having met such requirements for any plan year preceding the year in which the Secretary of the Treasury makes such determination unless the determination includes a finding that the failure to meet such requirements in any such preceding year was a result of intentional failure or willful neglect on the part of the adopting employer.

"(e)(1) Any adopting employer who fails to make such timely contributions and payments or who fails to furnish such timely, complete and accurate information as may be required, under the terms of a special master plan shall, in accordance with the terms of such plan, be deemed to be the administrator of the plan (only to the extent the plan covers the employees of such adopting employer), as of the time specified in such plan, and as of such specified time the master sponsor shall cease to be the administrator and a fiduciary of such adopting employer's plan.".

"(2) To the extent that an adopting employer, under the terms of a special master plan, assumes responsibility for furnishing the summary plan description or other documents required to be furnished or otherwise made available to participants, beneficiaries, or employees under the provisions of part 1 of this subtitle, section 3001 of this Act or section 6057 of the Internal Revenue Code of 1954, such adopting employer shall be deemed to be the administrator of the plan (only to the extent the plan covers the employees of such employer), and the master sponsor shall not be the administrator regarding the responsibilities undertaken by such adopting employer.".

(b) The table of contents for the Employee Retirement Income Security Act of 1974 is amended by inserting immediately after the item relating to section 517 the following:

"Part 6—Special Master and Prototype Plans

"Sec. 601. Special master and prototype plans.".

(c) The amendments made by this section shall take effect 12 months after the date of enactment of this Act.

TITLE IV—EMPLOYEE BENEFITS COMMISSION

Sec. 401. Employee Benefits Commission.

(a) Establishment.—There is established, as an independent agency within the executive branch of the government, the Employee Benefits Commission. The Commission is composed of—

(1) a chairman, who shall be the special liaison officer for the Secretary of Labor appointed under paragraph (1) of subsection (b).

(2) a vice-chairman, who shall be the special liaison officer for the Secretary of the Treasury appointed under paragraph (2) of subsection (b), and

(3) three additional members appointed by the President, by and with the advice and consent of the Senate, selected from a list of nominees submitted jointly by the Secretary of Labor and the Secretary of the Treasury.

(b) Labor and Treasury Department Liaison Officers.—

(1) There is established within the office of the Secretary of Labor, the position of special liaison officer to the Employee Benefits Commission. The special liaison officer shall be appointed by the President, by and with the advice and consent of the Senate, from a list of nominees submitted to the President by the Secretary of Labor and shall serve for a term of years in accordance with the provisions of subsection (c). The special liaison officer shall report regularly to the Secretary of Labor on the activities of the Commission.

(2) There is established within the office of the Secretary of the Treaasury the position of special liaison officer to the Employee Benefits Commission. The special liaison officer shall be appointed by the President, by and with the advice and consent of the Senate, from a list of nominees submitted to the President by the Secretary of the Treasury and shall serve for a term of years in accordance with the provisions of subsection (c). The special liaison officer for the Treasury shall report regularly to the Secretary of the Treasury on the activities of the Commission.

(c) Terms of Office.—

(1) Number of years.—Members of the Commission shall serve for terms of 6 years, except—

(A) the special liaison officer for the Secretary of the Treasury first appointed after the date of enactment of this Act shall serve for a term of 3 years, and

(B) of the 3 members of the Commission initially appointed under paragraph (3) of subsection (a), one shall serve for a term of 2 years, one shall serve for a term of 4 years, and one shall serve for a term of 6 years.

(2) Service beyond expiration date.—A member of the Commission may serve as a member of the Commission after the expiration of his term until a successor has taken office aas a member of the Commission.

(3) Vacancy appointments.—An individual appointed to fill a vacancy occurring other than by the expiration of a term of office shall be appointed only for the unexpired term of the member such individual succeeds.

(4) Political affiliation.—Not more than 3 members of the Commission may be affiliated with the same political party.

(d) Compensation.—Members of the Commission shall receive compensation equivalent to the compensation paid at level III of the Executive Schedule.

(e) Functions.—The Commission shall—

(1) formulate policy respecting Federal laws which now or may hereafter relate to employee benefit plans,

(2) administer and enforce titles I and IV of such Act, and

(3) administer and obtain compliance with—

(A) sections 401, 410, 411, 412, 413, 414, 6057, and 6058 of the Internal Revenue Code of 1954, and

(B) such other provisions of such Code as are designated under subsection (f),

insofar as such sections and provisions relate to employee benefit plans defined in section 3 (3) of the Employee Retirement Income Security Act of 1974 (irrespective of whether the only participants in such plans are owner-employees, as defined in section 401(c)(3) of such Code) which are described in section 4(a) of such Act and not exempt under section 4 (b) of such Act, including, to the extent provided by Presidential order under subsection (f), individual retirement acounts, annuities, and bonds described in sections 408 and 409 of such Code.

(f) Designated Sections.—Not later than 9 months after the enactment of this Act, the President shall by order designate such sections (or provisions of sections) of the Internal Revenue Code of 1954, in addition to the sections described in subsection (e)(3)(A), under which functions, duties, powers, or responsibilities presently exercised by the Secretary of the Treasury shall be exercised by the Commission. Such additional sections or provisions shall include those as may be necessary to effectuate the maximum feasible consolidation in the Commission of all functions of the Departments of Labor and of the Treasury respecting employee benefit plans and to otherwise carry out the purposes of this Act. For purposes of this subsection, the term "employee benefit plans" shall include any plan defined in section 3(3) of the Employee Retirement Income Security Act of 1974 (whether or not the only participants in such plan are owner-employees, as defined in section 401(c)(3) of the Internal Revenue Code of 1954) which is described in section 4(a) of such Act and not exempt under section 4(b) of such Act, and shall also include an individual retirement account, annuity, or bond described in sections 408 or 409 of such Code.

(g) Rules, Etc.—The Commission shall prepare written rules for the conduct of its activities, shall have an official seal which shall be judicially noticed, and shall have its principal office in or near the District of Columbia (but it may meet or exercise any of its powers anywhere in the United States).

(h) Administrative Authority.—

(1) Staff director; general counsel.—The Commission shall have a staff director and a general counsel who shall be appointed by the Chairman. The staff director and the general counsel shall be paid at a rate not in excess of the rate in effect for level IV of the Executive Schedule. With the approval of the Chairman, the staff director may—

(A) appoint and fix the compensation of such additional personnel as he considers necessary, and

(B) procure temporary and intermittent services to the same extent as authorized by section 3109(b) of title 5, United States Code.

(2) Use of other agencies' resources.—In carrying out its responsibilities, the Commission may avail itself of the assistance, including personnel and facilities, of other agencies and departments of the United States Government. The heads of such other agencies and departments may make available to the Commission such personnel, facilities, and other assistance, with or without reimbursement, as the Commission may request.

Sec. 402. Powers of Commission.

(a) In General.—The Commission has the powers expressly granted to the Secretary of Labor and the Pension Benefit Guaranty Corporation under the Employee Retirement Income Security Act of 1974 and, in addition, has the power—

(1) to require, by special or general orders, any person to submit in writing such reports and answers to questions as the Commission may prescribe, and such submission shall be made within such reasonable period of time and under oath or otherwise as the Commission may require;

(2) to administer oaths or affirmations;

(3) to require by subpoena, signed by the chairman or the vice-chairman, the attendance and testimony of witnesses and the production of all documentary evidence relating to the execution of its duties;

(4) in any proceeding or investigation, to order testimony to be taken by deposition before any person who is designated by the Commission and has the power to administer oaths and, in such instances, to compel testimony and the production of evidence in the same manner as authorized under paragraph (3);

(5) to pay witnesses the same fees and mileage as are paid in like circumstances in the courts of the United States;

(6) to initiate (through civil actions for injunctive, declaratory, or other appropriate relief), defend, or appeal from a decision in, any civil action in the name of the Commission for the purposes of enforcing the provisions of this Act, and titles I and IV of the Employee Retirement Income Security Act of 1974, or for the purpose of obtaining compliance with the sections or provisions of the Internal Revenue Code of 1954 described in section 401(e)(3) of this Act, through its general counsel;

(7) to develop such prescribed forms, to make, amend, and repeal such rules, pursuant to the provisions of chapter 5 of title 5, United States Code, and to issue such interpretations, opinions, and other forms of guidance as are necessary to carry out the provisions of this Act and titles I and IV of the Employee Retirement Income Security Act of 1974, and as are necessary to administer the sections or provisions of the Internal Revenue Code of 1954 described in section 401(e)(3) of this Act;

(8) to conduct investigations and hearings, to encourage voluntary compliance, and to report apparent criminal law violations to the appropriate law enforcement authorities; and

(9) to certify to the Secretary of the Treasury that an employee benefit plan described in section 401(e)(3) of this Act—

(A) satisfies or does not satisfy (or has or has not satisfied) the requirements of in any of the sections or provisions of the Internal Revenue Code of 1954 described in section 401(e)(3) of this Act, or

(B) satisfies or does not satisfy (or has or has not satisfied) the requirements of section 44C of the Internal Revenue Code of 1954.

(b) Enforcement of Orders of the Commission.—Any United States district court within the jurisdiction of which any inquiry is carried on may, upon petition by the Commission in case of refusal to obey a subpoena or order of the Commission issued under subsection (a), issue an order requiring compliance therewith. Any failure to obey the order of the court may be punished by the court as contempt.

(c) Transfer of Functions.—All functions and duties of the Secretary of Labor and the Pension Benefit Guaranty Corporation under the Employee Retirement Income Security Act of 1974 are transferred to, and shall be carried out by, the Commission, and all functions and duties of the Secretary of the Treasury under the sections and provisions of the Internal Revenue Code of 1954, described in section 401(e)(3) of this Act, insofar as such sections relate to employee benefit plans described in such section, are transferred to, and shall be carried out by, the Commission.

(d) Transfer Provisions.—

(1) Personnel, etc.—All personnel, liabilities, contracts, property, and records determined by the Director of the Office of Management and Budget to be employed, held, or used primarily in connection with the functions of the Secretary of Labor and the Pension Benefit Guaranty Corporation under the Employee Retirement Income Security Act of 1974, and of the Secretary of the Treasury under the sections and provisions of the Internal Revenue Code of 1954, described in section 401(e)(3) of this Act, insofar as such sections relate to employee benefit plans described in such section, are transferred to the Commission.

(2) Transfer of personnel.—

(A) Except as provided in subparagraph (B), personnel engaged in functions transferred under paragraph (1) shall be transferred in accordance with applicable laws and regulations relating to the transfer of functions.

(B) The transfer of personnel pursuant to paragraph (1) shall be made without reduction in classification or compensation for one year after such transfer.

(3) Procedural effects of transfer.—

(A) All laws and regulations relating to the functions and duties transferred under this Act shall, insofar as such laws and regulations are applicable and not amended by this Act, remain in full force and effect. All orders, determinations, rules, and opinions made, issued, or granted under such laws by the Secretary of Labor, the Pension Benefit Guaranty Corporation, or by the Secretary of the Treasury, which are in effect at the time of the transfer provided by paragraph (1), and which are consistent with the amendments made by this Act, shall continue in effect to the same extent as if such transfer had not occurred.

(B) The provisions of this Act shall not affect any proceeding pending before the Secretary of Labor, the Pension Benefit Guaranty Corporation, or the Secretary of the Treasury on the date of enactment of this Act.

(C) No suit, action, or other proceeding commenced by or against the Secretary of Labor, the Pension Benefit Guaranty Corporation, or the Secretary of the Treasury shall abate merely by reason of the transfer made under paragraph (1).

Sec. 403. Termination of Treasury Department's Jurisdiction.

(a) Termination of Treasury Jurisdiction.—Except as provided in subsection (b), the Secretary of the Treasury shall not administer, seek to obtain compliance with, or otherwise exercise responsibility or power respecting the sections or provisions of the Internal Revenue Code of 1954 described in section 401(e)(3) of this Act, insofar as such sections relate to employee benefit plans described in such section.

(b) Certifications by Commission.—Certifications made by the Employee Benefits Commission to the Secretary of the Treasury pursuant to section 402(a)(9) of this Act shall be treated by the Secretary as if he had made such certifications himself.

Sec. 404. Agency Cooperation.

Pursuant to procedures they shall jointly formulate and establish, the Employee Benefits Commission, the Secretary of Labor, and the Secretary of the Treasury shall make arrangements for—

(1) Notification by the respective Secretaries to the Commission regarding information which concerns the Commission's functions under section 401(e), and

(2) notification by the Commission to the Secretaries regarding information which concerns their respective functions under laws relating to employee benefit plans.

Sec. 405. Effective Date and Repeal.

This title shall take effect 24 months after the date of enactment of this Act. Subtitle A of title III of the Employee Retirement Income Security Act of 1974 is repealed on such effective date.

● Mr. JAVITS. Mr. President, the bill I am introducing today with Senator Williams is one of the first measures I am proposing in the 96th Congress. Our quick start on this bill, the ERISA Improvements Act of 1979, is compelling evidence of the importance of continuing the task of pension reform which was started in 1967 and which first reached fruition in 1974 with the passage of the Employee Retirement Income Security Act of 1974 (ERISA).

The proposed amendments build upon the firm foundation of the 1974 pension reform law. ERISA was a giant step toward the improvement of the private pension system. It has done more to contribute to the retirement income security of older Amercans than any law since the Social Security Act of 1935. ERISA stands for the proposition that promises made to working men and women about their pensions will be kept. The national shame of broken pension promises has been greatly reduced by ERISA, and the once common fear of losing hard-earned pensions "due to the fine print" is rapidly being dissipated.

ERISA, to be sure, is landmark legislation. But despite its positive impact, experience with the statute since 1974 has shown certain shortcomings which have caused undesirable side-effects. In order to remedy these shortcomings, Senator WILLIAMS and I on May 1 of last year introduced S. 3017, the ERISA Improvements Act of 1978. S. 3017 proposed changes in ERISA with respect to reporting and disclosure, minimum standards, funding, fiduciary responsibility and enforcement, including overruling the Daniel decision. The general purpose of these amendments was to make life under ERISA easier for those who run employee benefit plans without sacrificing essential participant protections.

To further ease the impact of ERISA on the responsibilities of plan and asset managers, S. 3017 would eliminate the tripartite administration of ERISA by establishing a new regulatory agency. This new entity, the Employee Benefits Commission, would take over all of the present ERISA-related responsibilities of the Labor Department and the Pension Benefit Guaranty Corporation and most of such duties of the Internal Revenue Service. Establishment of this new Commission would solve the dual jurisdiction problem and would result in better policy coordination and enforcement. Most importantly, it would become, over the long run, the key administrative mechanism for the development and implementation of a national retirement income policy.

In addition to encouraging the maintenance and establishment of new plans by streamlining ERISA, S. 3017 contained additional incentives for expanding the number of workers covered by private pension plans, which in 1975 totaled less than 50 percent of all wage and salary workers. S. 3017 permitted financial institutions to establish special master plans under which most ERISA responsibilities would be borne by the bank, insurance company, or investment company rather than the small employer joining the plan. The bill granted a declining, 5-year tax credit for small employers who established new qualified plans.

S. 3017 also contained provisions to increase the benefits and protections of those employees covered by employee benefit plans. A tax deduction for employee contributions to qualified plans would be permitted, as would a 5 percent tax credit for employers who established improved plans with faster than minimum participation and vesting rules. S. 3017 proposed expansion of the joint and survivor annuity protection, study of cost of living adjustments to pensions, and protection against abuses associated with uninsured multiple employer trusts. It also contained provisions prohibiting reductions in welfare plan disability benefits because of social security increases and proscribing reductions in pension benefits because of workers' compensation awards.

These and other provisions of S. 3017 have served as the basic elements out of which the ERISA Improvements Act of 1979 has been molded. Many of the 1979 bill's provisions are similar to its predecessor's, particularly as to agency administration, paperwork reduction, minimum standards, funding, fiduciary responsibility, and the special master plan. Some of the earlier proposals have been substantially modified in light of comments received at the Senate Labor Subcommittee hearings of August 1978, including the deduction for employee contributions, the small employer-new plan credit, the expansion of the joint and survivor annuity, protection, the overruling of Daniel, and the facilitated use of collective funding vehicles by plans.

Other earlier proposals have been dropped, including the consolidation of the EBS–1 form and the form 5300 series, the elimination of the 5-year update of the summary plan description, the MET-related provisions, the denial of IRA benefits to owner-employees, and the improved plan credit. One major new provision has been added to the 1979 bill dealing with the difficult question of ERISA's preemption of state laws which relate to employee benefit plans.

Mr. President, before turning in greater detail to the provisions of the ERISA Improvements Act of 1979, I want to make it clear that even this bill is not the last word on pension reform. In addition to perfecting certain provisions of this bill during the legislative process, further study still needs to be done of such issues as plan termination insurance for multiemployer plans, prohibited transactions, portability, fiduciary liability insurance, employee stock ownership, Federal regulation of public pension plans and the types of investment of pension assets.

This latter issue is particularly crucial when one considers the magnitude of pension assets and the importance of this pool of capital to the American economy. Private pension assets today total $280 billion; State and local governmental plans hold $130 billion more; and Federal retirement programs outside of social security have another $55 billion. By 1985, these assets are expected to aggregate $1 trillion, and within the foreseeable future will provide nearly one-half of all the external capital raised by U.S. enterprises. Because of the essential role pension assets play in fueling the U.S. economic machine, I recommend that we proceed very carefully and deliberately when discussing pension plan investments and the possible scrapping of advanced-funded pension plans, as some have suggested.

The areas I have cited for further attention are but the tip of the iceberg of retirement issues which should be studied. The President's Commission on Pension Policy will appropriately embark upon this analytical endeavor and hopefully will provide useful suggestions for policymakers. It has been suggested that no retirement legislation should be passed until the Commission has completed its work. Senator WILLIAMS and I believe that the Congress should enact the ERISA Improvements Act of 1979 whether or not the Commission has completed its work. There is a real need now to do all we can on pension reform and to deal with those ERISA-oriented matters which will assure the efficiency, integrity, and productivity of private pension plans until we decide as a Nation that there is to be any basic retirement policy change. Presidential study groups have occasionally been used in the past to delay meaningful change, and we must see that this does not happen in this instance.

NEW AGENCY

From a long-term perspective, one of the most important aspects of my bill is the creation of a new, centralized agency to administer ERISA. This new agency, the Employee Benefits Commission (EBC), will exercise all of the ERISA-related powers of the Department of Labor and the Pension Benefit Guaranty Corporation and most of such powers of the Department of the Treasury. The EBC will start its operations 24 months after enactment of this legislation.

I have long advocated the centralized administration of ERISA. The current splintering of jurisdictions between three agencies was the unfortunate result of political compromise. I thought it was a mistake when ERISA was passed in 1974, and after over 4 years of experience, I am more firmly convinced than ever that it was a mistake. I believe that we in the Congress must put aside secondary concerns of committee jurisdiction and have the courage to do what is best for the Nation. And there is little doubt in my mind that a centralized and rationalized administration of ERISA will be in the best interest of this country.

The consolidation of ERISA functions will solve the dual jurisdiction problem. It will also result in better ERISA policy development which will transcend the limited institutional interests of the existing agencies. And of course, from the point of view of plan participants and sponsors, one-stop shopping will reduce confusion and costs.

But, Mr. President, there is an even more important reason for the establishment of a centralized pension agency. Starting in about the year 2000, this country will probably be facing an unprecedented demand for retirement income. Based upon present demographic trends including low fertility rates, low mortality rates and the aging of the post war baby boom, there will probably be early in the next century an unusually large number of older people and comparatively few younger workers. If we do not make sure that adequate resources are built up now to provide retirement income in the future, we may not be able to provide adequately for all of our older citizens. Younger workers will resist shouldering greater tax burdens to provide for their more numerous elders, and intergenerational conflict will result, similar to but more severe than the turmoil over increased social security taxes.

A centralized pension agency will be an essential tool for developing a national retirement income policy which will deal with the slowly ticking, retirement income time bomb. The agency which I have proposed in this bill deals only with private employee benefit plans and does not have jurisdiction over other elements of the retirement income continuum like Federal, State, and local pension systems or the social security system. As more attention is focused on these matters, it may be appropriate to propose such expanded jurisdiction in the future. For the present, however, I believe the extablishment of the Employee Benefits Commission is a necessary first step in developing an administrative mechanism which will aid in formulating a national policy on retirement income and the related matters of capital formation and employee stock ownership.

The Commission which I am proposing will have five full-time members, two of whom will have ties with existing executive departments. The Chairman of the Commission will also be a special liaison officer to the Secretary of Labor and will be nominated by the President from a list of nominees prepared by the Secretary of Labor. The Chairman, like the four other members of the Commission, will be subject to Senate confirmation. The Commission's executive director and general counsel will be appointed by the Chairman.

The Vice Chairman of the Commission will be a special liaison officer to the Secretary of the Treasury and will be nominated by the President from a list prepared by the Treasury Secretary.

The other three Commissioner members will be nominated by the President from a list prepared by both the Secretaries of Labor and Treasury. The purpose for creating ties between the Commission and the two existing agencies is to assure that in carrying out its development of policy on employee benefits, the Commission will give due consideration to pertinent labor law and tax law considerations. I also believe that the maintenance of ties to the existing agencies is necessary for political reasons.

The Commission will administer ERISA title I—reporting and disclosure, minimum standards, funding, fiduciary responsibility, and enforcement—and title IV—plan termination insurance. It will also administer Internal Revenue Code sections 401, tax qualification; 410, participation; 411, vesting and accruals; 412, funding; 413, collectively bargained plans; 414, definitions and special rules; 6057, annual registration, and 6058, annual returns, insofar as these sections relate to plans covered by ERISA.

In addition, the Commission will administer such other code sections as the President designates which relate to ERISA-covered employee benefit plans, including "Mom and Pop" Keogh plans and individual retirement accounts, annuities and bonds. The President will have 9 months after enactment of this bill in order to make his designations. Pursuant to this bill, the Commission will have the power to certify to the Treasury Secretary that an ERISA-covered plan satisfies code section 401's conditions for tax qualification.

Mr. President, I am well aware that last session we in the Congress approved the administration's ERISA Reorganization Plan No. 4 which attempts to lessen the severity of the dual jurisdiction problem. But the reorganization plan, in my view, is a small, first step toward better administration of ERISA. As the plan sponsors admit, it is only an interim measure which will be followed on or befort January 31, 1980, by the administration's long-term proposal. Our inclusion of the new agency proposal in the 1979 bill is intended not to preclude the work of the administration in this regard but rather to keep before the public the approach we think this Nation should take to administering ERISA as well as implementing a coherent retirement income policy.

REPORTING AND DISCLOSURE

Our bill's most far-reaching change in ERISA's reporting and disclosure sections is to grant the Secretary authority to exempt any employee benefit plan from any of the existing paperwork requirements or to modify any of these requirements. In order to grant an exemption or waiver, the Secretary must find that the change is appropriate and necessary in the public interest and consistent with the purposes of title I of ERISA.

This new authority will give the Secretary needed flexibility in tailoring reporting and disclosure requirements to particular situations. The Secretary will be able to exercise his discretion to reduce unnecessary paperwork which adds to the cost of plan administration and may not be essential to protecting the interests of participants and beneficiaries. It should be added, however, that this section is not intended to permit the wholesale abrogation of ERISA's requirements. The existing rules were imposed with specific purposes in mind and should not be waived or modified without good reason.

Consonant with the policy of tailoring paperwork requirements to particular situations, our bill requires the development of reporting forms and requirements which to the maximum extent feasible take into account the different types and sizes of plans. What may be appropriate for a collectively bargained multiemployer plan to report may be unnecessary with respect to a mandatory contribution single employer plan.

Our bill also eliminates a number of requirements which appear not to be cost-justified. The summary annual report, which must be distributed to participants each year and which must disclose, among other things, the plan's assets and liabilities as well as its annual receipts and disbursements, is eliminated because it is too costly in light of the information it provides. Participants who are interested in the fiscal condition of their plans can request a copy of the full annual report which must be provided by the administrator. To assure that this right is practically available, the bill provides that an administrator can charge no more than $10 for a copy of the full annual report.

If an employee is interested in the amount of his own accrued benefit or account balance, he can request such information from the administrator who, under newly combined ERISA sections 105 and 209, must provide such information. An administrator who fails to do so shall be liable to the requesting participant for up to $100 per day from the date of such failure.

Upon the separation from service or incurrence of a 1-year break in service by an employee, a plan administrator will be required to automatically disclose to the former participant his accrued benefit only if the benefit is vested. There is little point in requiring an administrator to bear the cost of notifying a former employee that he has no vested accrued benefit. It is intended, however, that such an employee will have the right to request information on his accrued benefit, whether vested or not, before the occurrence of a 1-year break in service.

Our bill also attempts to cut down on unnecessary fees paid by plans to accountants and actuaries who may be, in some instances, doing duplicative work in preparing parts of a plan's annual report. The bill requires accountants to rely on the correctness of any actuarial matter certified to by an enrolled actuary and requires enrolled actuaries to rely on the correctness of any accounting matter as to which a qualified public accountant has expressed an opinion.

The bill also cuts down on apparently unnecessary auditing by accountants of the assets and liabilities of common or collective trusts, separate accounts or separate trusts of financial institutions such as banks or insurance companies which are regulated and subject to periodic examination by State or Federal agencies. Participants, of course, receive greater protection from a full audit which covers assets in such pooled trusts or accounts, but the cost of doing such an audit may not be justified where the institution is already subject to periodic examination by a governmental agency.

Two paperwork provisions of S. 3017 which have not been included in the new bill are the elimination of the rule that an updated summary plan description (SPD) be furnished every 5 years if amendments have been made, and the consolidation of the plan description (EBS–1) and the determination letter application form (forms 5300, 5301, and 5303). The SPD proposal was dropped because the SPD is generally viewed as the most important ERISA document for participants, and it was felt upon review that the cost of updating and furnishing the SPD every 5 years did not outweigh the need by participants for this information. The plan description—form 5300 consolidation proposal was dropped because the Labor Department announced just prior to our August hearings that it will eliminate the requirements that newly established plans file the form EBS-1 and that existing plans file renewals.

MINIMUM STANDARDS AND FUNDING

Our amendments to parts 2 and 3 of ERISA's title I attempt both to overcome some of the difficulties which plans have experienced with the minimum standards and funding rules and to expand certain participant protections.

In order to facilitate portability and reciprocity among collectively bargained plans, the bill prevents ERISA's title I rules from thwarting the transfer of contributions from a pension or welfare plan—away plan—to a similar plan in which the employee had previously become a participant—home plan. The transfer must be pursuant to a written agreement between the plans, and the Secretary may establish conditions, variances, and exemptions to encourage such transfer arrangements. An appropriate prohibited transaction exemption is granted to avoid uncertainty regarding such transfers of contributions.

Our bill also provides that rather than using the employment commencement date for measuring a year of service for purposes of eligibility, a plan may use the first day of the plan year for such purposes as long as rights and benefits under ERISA's part 2 are determined on the basis of all of an employee's service regardless of the date on which the employee commenced participation in the plan. The intent of this provision is to relieve plans of the extra recordkeeping and reporting and disclosure burdens which arise when service must be measured from a different date for each employee. The new rule will permit a plan to distribute a summary plan description, for example, within 90 days after the end of the plan year—assuming completion of a year of service—rather than 90 days after each participant completes an eligibility year of service. The tradeoff for permitting plans to use the plan year for this purpose is that vesting and benefit accruals, for example, will be determined on the basis of all an employee's service before as well as after his commencement of participation in the plan.

Under the bill, a multiemployer plan will be able to provide that a participant's accrued benefit upon his separation from the service is the sum of different rates of benefit accrual for different periods of participation as defined by one or more fixed calendar dates or by employment in different bargaining units. For purposes of the 3 percent accrual method or the fractional method, the accrued benefit may be determined by projecting the normal retirement benefit to which a participant would be entitled if he continued to accrue benefits at the average of the rates applicable to this period of actual participation.

The intent of this section is to tie a participant's benefit accruals for a given year of service to the maximum retirement benefit in effect during that year. If in year 1980 the maximum monthly benefit for 20 years of service is $200 per month and that benefit is increased to $300 per month for year 1981, under the proposed rule a participant in a 3-percent accrual plan will be entitled to an accrual of $6 in 1980 and $9 in 1981. If the employer separated from the service in 1982, his accrued benefit would be determined by adding the different rates of benefit accrual for the different periods of participation.

The bill also amends the multiemployer suspension of benefit rules upon reemployment. Multiemployer plans will be permitted to suspend the payment of benefits while an employee is reemployed in the same industry, trade or craft, and the same geographic area covered by the plan, as when such benefits commenced. The rule eliminates "industry" as an element separate from "trade or craft" to avoid problems which have arisen in the application of the existing rule.

Under the proposed rule, if a carpenter who worked in covered employment in a furniture factory retired and later returned to covered employment in housing construction in the same area, the plan could suspend benefit payments while the worker was reemployed. Under the existing rule, the plan may not be able to do so because the carpenter arguably was not reemployed in the same industry. The bill also permits the plan, within limits, to impose a financial penalty on pensioners who fail to report their reemployment as required by a plan and also to prevent the periodic payment and suspension benefits to employees who have not retired but who continue to work on an irregular basis.

Under the bill, the funding method may take account, and for plan years beginning after December 31, 1980, shall take account of all plan provisions, including provisions which have not yet affected participants as to entitlement to, or accrual of, benefits. If such a provision is not implemented as of the time specified when the provision was adopted, the funding standard account shall be appropriately adjusted in accordance with Commission regulations. The intent of this provision is to permit a plan which is having a funding shortfall to make a future benefit reduction but to take account of that reduction for present funding purposes. The Secretary's regulations with respect to the failure to implement such a provision are expected to deal with any possible funding abuses in this regard.

Two sections of this minimum standards package will expand the protections of plan participants and beneficiaries. The first of these expands the present joint and survivor annuity protection. With respect to a participant who is credited with at least 10 vesting years of service and who dies before the annuity starting date, a plan which provides an annuity as the normal form of benefit will be required to provide a survivor's annuity for the participant's spouse which begins on the annuity starting date. Such a plan could distribute the actuarial equivalent of the survivor's annuity in the form of a lump sum or installments sooner than the annuity starting date but only if the actuarial equivalency does not exceed $2,000. A pension plan which does not provide an annuity as the normal form of benefit would be required with respect to a participant just described to distribute the benefit in a lump sum or installments to the participant's surviving spouse not later than 60 days after the end of the plan year in which the participant dies or to distribute the benefit in some other manner agreed upon by the spouse and the plan.

As provided by present law with respect to an election by a participant of early survivor's protection, the plan could take account in any equitable fashion any increased cost from the expanded survivor protection including a reduction in the working spouse's normal retirement benefit. The plan participant would have the right to elect "out" from expanded survivor's coverage and subsequently to revoke this election and also to reelect "out" again if circumstances in his or her life changed. The expanded survivor's protection would become effective for plan years beginning on or after the date which is 1 year after the enactment of this bill, and the Treasury Department would be required to develop versions of pertinent model language which could be easily adopted by plans at minimal cost.

In order to encourage defined contribution plans not to drop optional annuity forms of benefit, the bill makes it clear that a plan may provide that the normal form of benefit is a form other than annuity. Presently, many plans have dropped optional annuity forms of benefit because the IRS has taken the position that the annuity benefit must not only be in the form of a joint and survivor annuity but must also be the normal form of benefit.

The second minimum standards section in our bill which will help participants prohibits any decrease of disability benefits paid under a welfare plan because of an increase in the social security benefit level or wage base. A pension plan is also prohibited from reducing benefits being paid to a vested participant who has separated from service because of any employer payment as a result of a worker's compensation award or settlement.

Other minimum standards amendments include clarifying that 125 days of service in any maritime industry shall be the equivalent of 1,000 hours of service, and explicitly permitting the use of the elapsed time method for measuring service.

The definition of "multiemployer plan" is amended to mean a plan which is collectively bargained and which has 10 or more contributing employers. A plan having more than 1 but fewer than 10 contributory employers will also be a multiemployer plan if the Secretary of Labor determines that it is consistent with ERISA to so treat the plan.

FIDUCIARY RESPONSIBILITY

Our bill provides retroactive to January 1, 1975, that collectively bargained plans maintained by more than one employer may return an employer contribution within 6 months after the plan administrator knows that the contribution was made mistake of fact or that holding the contribution would contravene section 302 of the Labor-Management Relations Act. The present rule requires the return of the mistaken contribution within 1 year after the payment of such contribution.

The scope of the party-in-interest definition is narrowed so that the breadth of ERISA's prohibited transaction provisions will be somewhat reduced. The service provider, employer employee organization, and employee-officer-director elements of the definition are narrowed. Clarifying changes are made with respect to the fiduciary, relative, and joint venturer parts of the party in interest definition.

A modification is made in the cofiduciary liability rule which holds one fiduciary responsible for a breach of a duty by a second fiduciary if the first fiduciary knows of the breach and does not make reasonable efforts to remedy it. In large financial institutions, for example, it is very difficult to assure that such knowledge by one employee is communicated to the appropriate employee of that institution who could take appropriate action. Consequently, the amendment provides that with respect to a fiduciary who is not a natural person, "knowledge" means knowledge actually communicated—or knowledge which, in the normal course of business, should have been communicated—to the fiduciary's employee who is authorized to carry out the fiduciary's responsibilities regarding the matter to which the knowledge relates.

In order to make more types of insurance available to plans, the bill provides with respect to plans which are funded by a contract or policy of insurance including, but not limited to guaranteed benefit policies, that such plan's assets shall include such policies, but not the insurer's general account assets. The revised version of this provision is intended to reflect ERISA I.B. 75-2, 29 CFR § 2509.75-2.

ADMINISTRATION AND ENFORCEMENT

On January 16, the Supreme Court unanimously reversed—8 to 0—the Seventh Circuit's decision in *Daniel* v. *International Brotherhood of Teamsters*, 561 F. 2d 1123 (7th Circuit, 1977). The Court held that the Securities Act of 1933 and the Securities Exchange Act of 1934 do not apply to noncontributory, compulsory pension plans. The Court found that the deceased Mr. Daniel's interest in his plan was not an investment contract and therefore was not a security under the Federal securities laws.

I welcome the Court's clarification that the Federal securities laws never applied to pension plans such as Mr. Daniel's. If Mr. Daniel's arguments had succeeded there would have been the potential for the imposition of large unforeseen liabilities, the termination of certain pension plans, the imposition of disclosure requirements which duplicate those of ERISA, and the addition of another body of law and another regulatory agency to an already crowded legal landscape.

The measure we are proposing seeks to build upon the Supreme Court's Daniel decision and to clarify prospectively the inapplicability of the securities laws' antifraud provisions not only to the ERISA-covered plans within the scope of the Supreme Court holding but also to the plans which are not covered by the decision. First, the bill provides prospectively that no person shall be subject to liability as the result of an action alleging that an employee's interest in an employee benefit plan is a security for purposes of the antifraud provisions of Federal securities laws or within the meaning of State securities laws. Second, it removes jurisdiction from the Federal courts to decide any action instituted on or after the date of enactment in which it is alleged that an employee's interest in such a plan is a security for Federal antifraud securities purposes or under State securities laws. Third, it provides prospectively that an employees interest in an employee benefit plan shall not be a security for Federal antifraud securities purposes or under State securities laws and that ERISA supersedes such statutes in this regard.

These changes would leave untouched the Daniel rule that the antifraud and registration requirements of the Federal securities laws do not apply to noncontributory, compulsory pension plans. The amendments, however, would make clear prospectively that the Federal securities antifraud provisions as well as State securities laws do not apply to plans not covered by Daniel, such as contributory, voluntary, defined contribution plans. Any securities laws rights of a participant in such a plan prior to the bill's enactment would remain unaffected.

In order to fill in gaps in ERISA's protections against misrepresentations regarding plans and to have a uniform antifraud rule for ERISA-covered plans, the bill would prospectively make it unlawful for any person to knowingly misrepresent the terms and conditions of an employee benefit plan, the financial condition of a plan or the status under the plan of any employee, participant or beneficiary. A civil action may be brought by any employee, participant or beneficiary for damages due to reliance on such misrepresentation. No plan shall be liable for such misrepresentation, and no person shall be liable respecting a plan document which is required under ERISA or the Internal Revenue Code of 1954 to the extent such document satisfies the requirements of these statutes. The bill's antifraud provision is not retroactive and I am of the view that further study and discussion is needed of the proposal to enable Federal courts to hear State common law fraud action even when there is no diversity jurisdiction, thereby facilitating the availability of the Federal class action rules.

The proposed ERISA antifraud rule is necessary to supplement ERISA's existing protections, particularly with respect to representations made to employees who are not plan participants. ERISA's protections apply only to participants and beneficiaries. ERISA's protections also do not apply to representations by a nonfiduciary, even if made to a participant or beneficiary. The proposed ERISA antifraud rule is also necessary if securities antifraud protections regarding plans not covered by Daniel are removed.

Although not involving the Daniel issue whether an employee's interest in a plan is a security, another section of the bill addresses the application of the securities laws to a plan's interest in a pooled investment fund. This section provides that an interest in a bank's single or collective trust or an insurer's separate account which is issued exclusively to an ERISA-covered plan is not a security for purposes of the registration requirements of the Federal securities laws or within the meaning of any State securities law and that such trust holding exclusively plan assets is not an investment company under Federal or State statutes. For purposes of this section, the term "plan" includes "mom and pop" Keogh plans which do not cover common-law employees, but the term does not include individual retirement accounts (IRA).

The purpose of this provision is to facilitate the interstate marketing of special master and other plans by banks and insurance companies by permitting such institutions to pool the assets from such plans without registering under the Federal securities laws. The provision does not interfere with the continued applicability to such pooled funds of the antifraud provisions of Federal securities laws. In order to assure that plan participants and beneficiaries are protected and that sufficient information is furnished to plans which participate in such pooled investment funds, the Secretary of Labor is directed to promulgate regulations with respect to such pooled funds. These regulations must insure full and fair disclosure of all material facts respecting such pooled funds prior to and during the plan's participation in such fund must establish standards for accuracy in the advertising and publicizing of such pooled funds.

This provision is narrower in certain respects than the overly broad proposal in S. 3017 and is an attempt to balance the interest in increasing the marketing of special master plans with the interest in preserving necessary protections for participants and their plans which purchase participation interests in collective investment media. I should add that even though I have agreed to include this provision in the bill, I will listen carefully to the arguments in opposition to the proposal and further evaluate my position.

My bill also requires employers who are obligated to contribute under the terms of a collectively bargained plan to make such contributions in accordance with the terms of the plan. The Secretary will not be permitted to bring an action to enforce such employer duty, but a fiduciary who brings a successful action under this new section on behalf of a plan shall be entitled to recover from the defendant reasonable attorney's fees and costs of the action. The imposition of this new statutory duty will particularly help multiemployer plans collect delinquent employer contributions.

A Federal study is mandated by our bill of the feasibility of requiring pension plans to provide cost-of-living adjustments to benefits payable under such plans. I favor some form of required cost-of-living adjustment to protect retirees' benefits from erosion by inflation. The high cost of such provisions, however, has convinced me that an in-depth study is required on how this objective can be achieved without imposing unacceptable economic burdens on pension plans and their sponsors.

Our bill also designates one of the existing employer seats on the Labor Department Advisory Council as a small employer position. I believe this is necessary to assure that the problems of small employers receive adequate attention.

One important area in which I have not previously made legislative recommendations since ERISA's passage and which is addressed in this bill is ERISA's preemption of all State laws, with certain exceptions, which relate to ERISA-covered employee benefit plans. When the broad preemption language of the ERISA conference report was enacted, I realized that further attention to this area would be necessary as experience revealed the outer contours of the preemption doctrine. ERISA, in fact, required the Joint Pension Task Force to study the effects and desirability of Federal preemption of State employee benefit laws, but unfortunately this review was never done.

My staff and I have extensively studied the preemption question and I am convinced both: First, that broad Federal preemption should be affirmed, and second that certain additional exceptions to preemption should be enacted. I believe that the Congress should review the relevant judicial decisions and clarify the boundaries of Federal preemption as problem areas come into focus.

Our bill proposes two new exceptions from Federal preemption. The first deals with State health care-related statutes and is intended to address issues raised in such cases as *Standard Oil Co. of California* v. *Agsalud*, 442 F. Supp. 695 (N.D. Cal. 1977), *Hewlitt-Packard Co.* v. *Barnes*, 425 F. Supp. 1294 (N.D. Cal. 1977), aff'd, 571 F. 2d 502 (9th Cir. 1978), *Wadsworth* v. *Whaland*, No. 76-266 (D. N.H. 1977), aff'd, 562 F. 2d 70 (1st Cir. 1977), and *Insurers' Action Council, Inc.* v. *Heaton*, 423 F. Supp. 921 (D. Minn. 1976). The second exception deals with State domestic relations statutes and is intended to address questions raised in such cases as *Stone* v. *Stone*, No. C-77-1124-CBR (N.D. Cal. Apr. 18, 1978), *Francis* v. *United Technologies*, C.A. No. C 77-1504-CBP (N.D. Cal. Mar. 2, 1978), *General Motors* v. *Townsend*, Slip. op., No. 6-72159 (E.D. Mich. 1976), and *Cartledge* v. *Miller*, 47 U.S. L.W. 2178 (Sept. 19, 1978).

Our bill does not address State sex discrimination laws and such cases as *Goodyear Tire & Rubber Co.*, v. *Dep't of Indus., Labor & Human Relations*, 16 E P D 8163 (Wisc. Cir. Ct. 1978) and *Montana State Telephone & Telegraph Co.* v. *Comm'n. of Labor and Ind.*, No. 41908 (1st Jud. Dist. of Mont., Aug. 14, 1978) because passage of the pregnancy sex discrimination amendments, Public Law 95-955, appears to have mooted the issue of preemption of State laws requiring disability plans to cover pregnancy-related leave. Our bill also does not deal with possible questions involving age discrimination and prepaid legal service plans because these matters appear not to be ripe for legislation. With respect to *Azzaro* v. *Harnett*, 414 F. Supp. 473 (S.D. N.Y. 1976), *aff'd*, 553 F. 2d 93 (2d Cir. 1977), which involved State efforts to regulate pension plans and *National Carriers' Conference Committee* v. *Heffenen*, 440 F. Supp. 1280 (D. Conn. 1977), in which a State taxed benefits paid by a self-funded dental plan, I propose that committee report language affirm these two decisions which upheld ERISA preemption of State law.

The proposed prepaid health care exception would save from ERISA preemption Hawaii's prepaid health care law and the health benefits required under it as in effect on January 1, 1979. The bill would also save any other State law which is determined by the Secretary of Labor to be substantially identical to such Hawaii law and to require benefits which are substantially identical in type and amount to those required or permitted by Hawaii on such date. The bill would not save provisions of any such State law which the Secretary determines to be similar to ERISA's reporting and disclosure, fiduciary, and enforcement provisions. One purpose of this proposal is to save Hawaii's program of mandatory employee health insurance which may be the most progressive and enlightened State program of its kind in the Nation. As a supporter of a National Health Insurance Plan, I like Hawaii's groundbreaking efforts and believe that a humanitarian law like ERISA should not be the pretext for depriving citizens of that State the benefits provided under its law. Another policy behind this provision is to balance the desirability of such mandatory health insurance with the Federal interest in uniformity of regulation of interstate employee benefit plans. Consequently, the bill saves only those State statutes which are substantially identical to Hawaii's. Giving the Secretary authority to determine which statutes are identical to Hawaii's will permit consistent decisionmaking and avoid conflicting court decisions.

The bill contains a second health-care related section which provides that a State insurance law which requires that a specific benefit be provided or made available by a contract or policy of insurance issued to an employee benefit plan is preempted and is not saved under the existing insurance exception—which is limited by the so-called deemer clause. The proposal is intended to overrule the decision in Wadsworth against Whaland in which the first circuit held that ERISA did not preempt a State insurance statute requiring insurers to provide coverage in group health insurance policies for treatment of mental illnesses and emotional disorders. Wadsworth permits indirect State regulation of employee benefit plans and would encourage plans to avoid such regulation through self-insurance. The bill, however, saves from preemption any provision of State law which requires that a contract or policy of insurance issued to a plan must permit a participant to convert or continue protection after it closes to be provided by the plan.

The second exception to broad Federal preemption provided in our bill involves State common law or community property domestic relations laws. The bill provides that Federal preemption does not reach a judgment, decree or order, including an approval of a property settlement, pursuant to a State common law or community property domestic relations law which: First, affects the marital property rights of any person in any benefit payable under a pension plan or the legal obligations of any person to provide child support or make alimony payments, and second, does not require a pension plan to alter the effective date, timing, form, duration or amount of any payments under the plan or to honor any election provided under the plan which is made by a person other than a participant or beneficiary.

The bill also provides that ERISA's antiassignment and alienation of benefits rule does not apply to such judgment, decree or order. The purpose of these provisions is to reserve for the States their traditional control over marital and family matters, and to assist plan administrators who are faced with the conflicting duties of obeying State court decrees to pay benefits to plan participants' former spouses and also complying with the Federal antialienation rule under penalty of plan disqualification.

TAX CODE CHANGES

As I previously mentioned in discussing the new Commission, this Nation is facing a potentially tremendous future demand for retirement income because of a progressively aging population. One important way to meet this coming demand is to foster the establishment of more private pension plans. In 1975 only 46.2 percent of all wage and salary workers were covered by retirement plans, so there is much room for improvement in pension plan coverage.

Our bill seeks to encourage greater growth in coverage by granting tax credits for 5 years to certain small employers who establish new qualified pension plans—new plan credit. A credit equal to 5 percent of the employer's deduction will be permitted for the first taxable year during which such plan is maintained. The credit will phase down to 3 percent for the second and third years of plan maintenance, to 1 percent for the fourth and fifth years, and will terminate in the sixth year. The credit will be available only to those employers who during the taxable year immediately preceding the year in which the credit is first claimed had a monthly average of fewer than 100 employees.

In addition the employer during the period just mentioned had to have profits no greater than $50,000. The policy behind restricting the availability of the credit to the foregoing employers is to target the benefit to those small employers who apparently need the tax subsidy in order to afford the start-up costs for a plan. The credit is not available to employers who terminated their plans at any time after January 1, 1978.

Our bill also proposes a tax incentive to bring about greater benefits for the employees covered by qualified plans. To assist workers who are in low-benefit pension plans or who change jobs frequently and therefore never vest, a tax deduction would be provided for employee contributions to such plans or to individual retirement accounts. The amount allowable as a deduction would not exceed the lesser of 10 percent of compensation includible in gross income or $1,000. No deduction would be allowed for a highly compensated participant unless the employer certifies that the plan satisfies the extensive discrimination standards set forth in the section.

In addition, no deduction would be allowed for any amount paid to a plan not in existence on January 1, 1978, if employee contributions to such plan are mandatory or employer contributions are not made unless contributions are made by employees. The purpose of this latter provision is to discourage new plans from having mandatory or matching contribution requirements which could be used to reduce participation in the plan by low-income employees. This proposal differs from the employee deduction concept in S. 3017 in the following ways: it does not require plans to accept employee contributions and place them in separate accounts; it permits employee contributions to IRA's; it uses a different discrimination test; and it does not apply to Government employees. The new proposal is very similar to the bill which Senator Dole is supporting except that it contains the antimandatory contribution rule and also defines more broadly the highly compensated group which cannot be discriminated in favor of.

I view the proposal of an employee deduction for contributions to qualified pension plans or IRA's as an important step toward the development of a consistent tax policy for employee contributions to fring benefit plans and tax favored deferred compensation arrangements. The tax treatment of employee contributions to qualified plans should be made consistent with the tax treatment of "cafeteria" plans, cash or deferred profit-sharing plans, nonqualified deferred compensation arrangements, and 403(b) annuities.

Our bill also makes two changes in code section 402(e) dealing with lump sum distributions. These amendments are intended to solve problems which multiemployer plans have had with the administration of this section.

SPECIAL MASTER PLAN

To encourage further the growth of pension plan sponsorship, our bill makes possible the establishment of "special master plans." Under such plans, employers, particularly small employers, will be able to join plans sponsored by financial institutions such as banks, insurance companies, and investment companies and have a minimal number of responsibilities with respect to such plans. The financial institutions, for a fee, will be responsible for meeting most of the obligations imposed by ERISA on plan administrators.

The employer who adopts a special master plan will be responsible to transmit to the financial institution timely contribution and work force data as may be required by the terms of the plan. The employer's plan, which is established by his signing of the special master plan joinder agreement, will automatically be tax qualified upon the signing of the joinder agreement if the special master plan has been approved by the Government.

Other responsibilities imposed by ERISA and the tax code will be placed on the financial institution sponsoring the special master plan. The institution will be the plan administrator and a fiduciary for each employer's plan. The institution will handle reporting and disclosure matters, communication with the Federal agencies, claims by participants, and asset management. However, to the extent the adopting employer assumes the duty of furnishing ERISA required documents to participants, the master sponsor will not be responsible in this regard. It is expected that the efficiencies of scale will permit the institutions to perform their functions much more cheaply and efficiently than a small employer.

My bill will enhance these efficiencies of scale by permitting the financial institution to file one annual report reflecting the assets of the special master plan as long as the report makes clear the proportion of special plan assets attributable to each adopting employer's plan. My bill also permits the institution to prepare one plan description and one summary plan description for the special plan as long as a description of the variations from the common provisions are included.

Certain changes to ERISA's prohibited transaction provisions are made to facilitate the adopting of such special plans and the providing of services to such plans by master sponsors. In addition, appropriate limits are placed on the responsibilities of the sponsoring institutions so that, for example, an institution will not be required to ascertain whether information required to be furnished by the employer is accurate or complete.

If an employer fails to meet his obligations under the special master plan by, for example, failing to make timely contributions, he shall in accordance with the terms of the plan, be deemed the plan administrator and shall consequently be responsible for performing functions previously handled by the financial institution.

In contrast to S. 3017's proposal, this bill permits both defined benefit and defined contribution special master plans. I favor the establishment of defined benefit plans and am pleased that the insurance industry supports expansion of the special master plan concept to include defined benefit plans. In addition, this bill provides that retroactive disqualification may be imposed only when the failure of the adopting employer's plan to meet code section 401's standards is the result of intentional failure or willful neglect.

Mr. President, the special master plan concept contained in this bill is a variant of an idea I put forward in my ERISA speech of August 1977. In that floor statement, I stated that it may be advisable to establish federally sponsored master plans so that small employers will be encouraged to provide retirement benefits for their employees. The proposal in this bill is an attempt to accomplish through the private sector what I envisioned the Federal Government doing. I am optimistic that the financial institutions will be interested in developing the new special master plans and that greater pension plan coverage among small employers can be achieved, particularly when the new tax credit for establishing plans is added to the equation.

If, for some reason, the special plan concept is not successful, a federally sponsored plan may be one of the few means left to encourage greater plan coverage.

CONCLUSION

Mr. President, the bill that is being introduced today will benefit plan participants and beneficiaries and will make ERISA more congenial for those who run employee benefit plans. It will expand pension plan coverage and will start the development of the administrative tools this Nation needs to formulate a coordinated, national retirement income policy.

The basic policy of the bill is to strengthen the private pension system. Contrary to suggestions that private pensions be scrapped in favor of an expanded social security system, I firmly believe in the private pension system. Private pensions have become an inherent element of our free enterprise system and serve the great economic and social purposes of that system.

I expect that the ERISA Improvements Act of 1979 will be enacted into law in the 96th Congress. The preparatory work was done in the last Congress, and it is time to move farther on pension reform legislation. Besides this bill, the Congress will be faced with the administration's proposals on the multiemployer plan termination insurance program and with proposals to regulate State and local governmental retirement plans, to name just two retirement income matters of concern. It is high time to face the difficult problems before us and to make the decisive policy determinations the American people so rightly expect of us in the Congress and so justly deserve.●

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a bill introduced today by the Senator from New Jersey (Mr. Williams), for himself and the Senator from New York (Mr. Javits), to amend the Employee Retirement Income Security Act of 1974, be jointly referred to the Committees on Finance and Human Resources. This has been cleared with the minority leader and is consistent with the original referral of the act and all subsequent amendments thereto.

The PRESIDING OFFICER. Without objection, it is so ordered.

By Mr. RIBICOFF (for himself, Mr. Magnuson, Mr. Pell, Mr. Nunn, Mr. Williams, Mr. Percy, Mr. Robert C. Byrd, Mr. Baker, Mr. Domenici, Mr. Jackson, Mr. Chiles, Mr. Glenn, Mr. Sasser, Mr. Roth, Mr. Mathias, Mr. Danforth, Mr. Heinz, Mr. Pryor, Mr. Levin, Mr. Durenberger, Mr. Cranston, Mr. Randolph, Mr. McGovern, Mr. Stafford, Mr. Boschwitz, Mr. Burdick, Mr. Church, Mr. Culver, Mr. DeConcini, Mr. Ford, Mr. Gravel, Mr. Hollings, Mr. Huddleston, Mr. Leahy, Mr. Matsunaga, Mr. Melcher, Mr. Metzenbaum, Mr. Nelson, Mr. Pack-

WOOD, Mr. RIEGLE, Mr. TALMADGE, Mr. THURMOND, Mr. TSONGAS, and Mr. WEICKER):

S. 210. A bill to establish a Department of Education; to the Committee on Governmental Affairs.

DEPARTMENT OF EDUCATION ORGANIZATION ACT OF 1979

● Mr. RIBICOFF. Mr. President, I am pleased to introduce along with Senators MAGNUSON, PELL, NUNN, WILLIAMS, PERCY, and 37 of my distinguished colleagues, a bill to establish a separate Cabinet Department of Education.

This bill is similar to the bill passed overwhelmingly by the Senate by a vote of 72 to 11 last year.

The bill has been considered for over 2 years by the Governmental Affairs Committee. Last year, the committee held 10 days of hearings on the bill and heard from over 100 witnesses. Last year the committee unanimously reported legislation to create a Department of Education. I am grateful for the support given by committee members for the bill, and particularly for the good cooperation and support of the committee's ranking minority member, Senator PERCY. I am looking forward to working with the committee again this year to establish the Department of Education.

It has wide support. Liberals, conservatives, Republicans, and Democrats recognize the importance of the need for the Department of Education. Nearly 100 organizations support the creation of a Department of Education. It is supported by a large number of organizations representing parents, teachers, students and the handicapped. In addition, this is the first time in history the American Society for Public Administration has supported creation of a new Cabinet Department. Mr. President, I ask unanimous consent that the list of organizations supporting the department be included in the RECORD at the conclusion of my statement.

In his state of the Union address yesterday, the President reaffirmed the administration's strong support for the creation of a Department of Education. President Carter said the new department "will enable the Federal Government to be a more responsive and reliable partner with States, localities, and private institutions that have primary responsibility for education." He speaks from experience. His first public office was chairman of a local school board.

The idea of a Cabinet Department of Education has been discussed for more than half a century. I first introduced a bill calling for such a cabinet department in the 89th Congress. Since that time my belief in the need for a separate education department has been many times reinforced. We need a Department of Education now more than ever.

American education is the foundation of our society. Today, more than 60 million people in the United States are directly involved in education. Total education spending in our country exceeds $180 billion.

Alvin Toffler, in discussing his book, "Learning for Tomorrow," stated:

> Young people in our schools today are going to live in a world radically different from the one we know—and a world that will be undergoing continual, and in all likelihood, accelerating change.

The need to provide equal access to education for all Americans, advancing technologies, declining school enrollments, failing confidence in public education, high drop-out rates, increasing numbers of older citizens interested in lifelong careers, displaced homemakers, and a myriad of other factors present new challenges to our educational institutions.

How can we best meet our present and future education needs? The challenge we face today at the Federal level is how can we best manage our existing Federal education programs? How can we best supplement and complement the efforts of States and local governments in their education efforts? Are we able to do this efficiently and effectively? A Department of Education will provide us the best opportunity to meet these challenges.

Let us look at the existing situation for education now in our Government. The largest single concentration of education programs is located in the education division of HEW. HEW's responsibilities are already too immense. Its budget is the third largest of all Government structures in the world—exceeded only by the total budgets of the U.S. Government and the Soviet Union. The HEW secretary is concerned with health insurance, hospital cost containment, welfare reform, social security, medicare, medical research, food and drug regulation, and education. Last year the HEW Inspector General found over $7 billion of waste, inefficiency, fraud and abuse in that Department. This amount alone is larger than the budgets of five other existing departments.

A separate department can actually reduce administrative costs and waste by streamlining the bureaucracy and consolidating scattered programs. The Senate bill folds into the Department 170 scattered Federal education programs. Placing these under one umbrella will reduce paperwork, and conflicting rules and regulations. The Senate bill also contains a provision mandating a stiff ceiling on the number of personnel employed by the new Department. Taking the "E" out of HEW is a serious attempt to break HEW down to manageable proportions, allowing the HEW secretary to devote more time, attention, and scrutiny to massive health and welfare programs. Good management cuts waste and costs. Creation of a Department of Education will represent better management of education programs, and better management of health and welfare programs.

HEW's Education Division's budget this year is expected to be approximately $11 billion. This amount alone is larger than the existing budgets of six other Cabinet departments, and yet it is buried layers deep within the massive $185 billion Department of Health, Education and Welfare. There is no accountability for education in the present Federal education structure. There is no one to insure that education programs are administered effectively, no one to speak up for education in the President's Cabinet, no one for States and localities, citizens, parents, teachers, and students to look to in the Federal Government for educational assistance.

I am amazed at the high turnover of Education Commissioners in HEW. There is no opportunity for an education commissioner to grasp the serious challenges of the Office of Education. We have had 13 U.S. Commissioners of Education in the past 12 years. Our 14th Commissioner, Ernest Boyer, has announced he will resign his post later this year. During our hearings last year, I asked six former Commissioners about this shocking statistic. They told me it is impossible for the Commissioner to have any meaningful impact given the low-level place of education in the large HEW bureaucracy.

We might ask—why a new Department? Cannot our objectives be achieved by elevating education within HEW? Cannot we eliminate the dual conflict between the Commissioner of Education and the Assistant Secretary of Education and elevate one position to a sub-Cabinet level? This alternative has been considered by the administration and by the committee. It was found unacceptable. A Department of Defense model or sub-Cabinet structure would merely serve to increase the power of a super-Secretary. In HEW now the size of the Office of the Secretary is twice that of the Education Division. Policymaking and planning would still be in the Secretary's office. Elevating education into a sub-Cabinet would only increase the layers of bureaucracy that now exist above education. Thus, the present situation cannot be improved by a mere "elevation" of education within HEW—the Department is just too big. The missions are too diverse.

Some argue for the sub-Cabinet model because they feel education needs to be coordinated with health and welfare. Rufus Miles, who served as Assistant Secretary for Administration in HEW for 12 years, responded to this argument before the committee. He stated—

> In all my years at HEW, I never saw any significant coordination of programs and functions between the Office of Education and the other components of HEW. . . . Actually the important coordination that needs to be undertaken is not so much between the Office of Education programs and the health and welfare programs within HEW, but between education and as it exists within the Education Division of HEW, and the education programs of the rest of the government. . . . This coordination within HEW is simply a figment of imagination.

Coordination can be improved by a separate department. For example, some education programs have linkages with agriculture, labor and energy. Education is fundamental to most Government programs. The elevation of the Federal Interagency Committee on Education to the secretarial level will provide an important mechanism for improved interagency coordination of education-related programs. A Secretary of Education will be in a better position to coordinate health-related programs with the Secretary of Health and Human Services. A Secretary of Education could better coordinate labor-related programs with a Secretary of Labor, and so forth.

Most importantly, a Secretary of Education must begin the challenge of coordinating the myriad of education programs already existing within the education division. The American Society of Public Administration's resolution supporting the Department states:

> The addition of another Cabinet Department would not unduly stretch the President's span of major organization of control. On the other hand, coordination of education programs to minimize unnecessary administrative burdens and expense for educational institutions and to rationalize inconsistent educational policies would be facilitated if a Cabinet official were given this as a major assignment.

Does the creation of a separate Department of Education mean there will be Federal control of education? The answer is simply "no." From the beginning of the United States responsibility for public education has rested in the hands of State and local governments. It is part of our way of life. The diversity and individualism that comes with State and local control is what makes the American educational system one of the greatest the world has ever known. At least 38 percent of the budgets of State and local governments is spent for education. Education policymaking has resided, and will always reside, with State and local boards of education and citizens. This concern was discussed in depth during floor consideration of the bill last year.

The Governmental Affairs Committee carefully considered the question of whether a department means Federal interference in or dominance of State and local policymaking. States and their political subdivisions have the constitutional right to determine their own education needs and policies. The bill reinforces this principle. The bill states the intent of Congress in the establishment of the Department of Education is "to protect the rights of State, local and tribal governments and public and nonpublic educational institutions in the areas of educational policies, administration of programs, competency testing and selection of curricula and program content." It is our intent to also "strengthen the direction of such governments and institutions over their education programs and policies."

Amendments introduced last year by Senators Roth and Danforth addressed this concern. These amendments are contained in the present bill and have been further refined. The bill recognizes the primary responsibility for education resides with the State, local and tribal governments, public and nonpublic education institutions, communities and families. The bill clarifies that in our Federal system of Government, the primary public responsibility for education is reserved, respectively, to the States and to their diverse instrumentalities.

The creation of a Department of Education is supported by State and local groups who say they fear more Federal intrusion will be caused by the existing fragmented, uncoordinated, unaccountable, and low-level bureaucracy. In testimony before the Senate committee, the National PTA said:

> Far from being an obstacle to the local control of education, the National PTA feels that the establishment of a Department of Education would produce successful cooperation among Federal, state, and local education agencies in their appropriate roles. The establishment of a Department of Education would make clear the lines of Federal responsibility and authority in the educational effort. It would make it more possible for parents, educators, and other citizens . . . to make (education programs) more fully responsive to their needs.

The bill underlines the unique relationship of the Federal Government with States and localities in the area of education. It provides for an assistant Secretary to perform intergovernmental functions and also creates an Intergovernmental Advisory Council on Education. The Council would act as a continual check on the Department of Education for the impact of its programs on States and localities.

One area of Federal neglect has been in the area of citizen involvement. Underlying the strength of the American educational system has been the traditionally heavy involvement of citizens and parents in the State and local educational processes. Parent, citizen and student involvement will be an important function of the Department and will rebuild lost confidence in education. The Department will be designed to encourage parent, public and student participation in the development and implementation of departmental programs.

Structurally, the bill creating the new Department goes to great lengths to balance all educational interests and give adequate recognition to each. For example, the bill specifically provides for a principal elementary/secondary officer on an equal footing with the principal postsecondary officer. The Education Department will be concerned with all aspects of the broad process of education, from nutrition, to museums, elementary/secondary education, postsecondary education, occupational training, educational research, equal educational opportunity, training of the handicapped, and more. No one interest will dominate another.

Other features of the bill include:

Elementary and secondary education. An Office of Elementary and Secondary Education will administer approximately $6 billion for elementary and secondary education programs participated in by more than 48 million students. The Office of Elementary and Secondary Education will contain a new Office of Nonpublic Education.

Postsecondary education. The Assistant Secretary for Postsecondary Education will have program spending authority of approximately $3.6 billion. He or she will help coordinate programs designed to improve postsecondary educational opportunities.

Research and improvement. An Office of Educational Research and Improvement, containing the National Institute of Education, the Fund for the Improvement of Postsecondary Education, the National Center for Educational Statistics, and certain science education programs, will assist in the development of new knowledge about the educational process.

Occupational, adult, and community education. This office will provide needed visibility for education assistance to States and localities in delivering effective education and training and adult community services.

Handicapped. An Office of Special Education and Rehabilitative Services will combine the functions of the Bureau of Education for the Handicapped and the Office of Human Development Service's Rehabilitation Services Administration into a comprehensive program of education and rehabilitative services for the handicapped.

Civil rights. An Office for Civil Rights—independent of the Department's programs headed by an executive level IV, who reports directly to the Secretary—will continue and improve the Federal commitment to insuring access by every individual to equal educational opportunities. The bill elevates the status of the civil rights director by creating a level IV position—subject to Senate confirmation. The Director will have the authority to issue an independent report directly to the President, to Congress and the Secretary on the status of civil rights enforcement and issue recommendations for its improvement.

Mr. President, I believe the bill introduced today is greatly needed.

It will significantly improve the design and management of Federal education programs.

It directs the new department to involve parents, students, and the public more directly in developing and implementing education programs.

It recognizes the importance of equal education opportunity and the need to effectively enforce the respective laws of the land.

It stresses the importance of maintaining good intergovernmental relations, and closer cooperation with State, local and tribal governments, and public and nonpublic educational institutions.

It balances educational interests by placing them on an equal footing with each other.

It works toward strengthening interagency coordination of Federal education programs.

It gives proper recognition to and increased status for the Department's many and varied components.

I hope the Congress will act expeditiously this year on the legislation. The Committeee on Governmental Affairs will hold hearings on the bill February 6, 7, and 8.

Mr. President, I ask unanimous consent that the text of the bill be printed in the Record.

Mr. President, I recently received a letter from former U.S. Commissioner of Education Terrel Bell, in which he succinctly states the need for the Department of Education. I ask unanimous consent that the letter be printed in the Record at the conclusion of my statement.

I urge my colleagues to join with me this year to support a Cabinet Department of Education. We need a Department of Education.

There being no objection, the bill and material were ordered to be printed in the Record, as follows:

S. 210

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Department of Education Organization Act of 1978".

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TITLE I—GENERAL PROVISIONS

STATEMENT OF FINDINGS

SEC. 101. The Congress finds and declares that—

(1) education is fundamental to the growth and achievement of the Nation;

(2) there is a continual need to provide equal access to education for all Americans;

(3) the primary responsibility for education has in the past, and must continue in the future, to reside with State, local, and tribal governments, public and nonpublic educational institutions, communities and families;

(4) in our Federal system, the primary responsibility for education is reserved respectively to the States and to their diverse instrumentalities;

(5) the dispersion of education programs across a large number of Federal agencies has led to fragmented, duplicative, and often inconsistent Federal policies relating to education;

(6) there is a lack of coordination of Federal resources for State, local, and tribal governments and public and nonpublic educational institutions;

(7) Presidential and public consideration of issues relating to education is hindered by the present organizational position of education programs in the executive branch of the Government;

(8) the importance of education is increasing as new technologies and alternative approaches to traditional education are considered, as society becomes more complex, and as equal opportunities in education and employment are promoted; and

(9) therefore, it is in the public interest and general welfare of the United States to establish a Department of Education.

PURPOSES

SEC. 102. It is the purpose of this Act to establish a Department of Education in order to—

(1) enable education to receive the appropriate emphasis at the Federal level;

(2) continue and strengthen the Federal commitment to ensuring access by every individual to equal educational opportunities;

(3) supplement and complement the efforts of State, local, and tribal governments, the private sector, public and nonpublic educational institutions, public or private nonprofit educational research institutions, community-based organizations, parents, and students to improve the quality of education, while acknowledging the right of State, local, and tribal governments and public and nonpublic educational institutions to formulate policies, choose curricula, decide administrative questions, and choose program content with respect to their educational programs;

(4) encourage the increased involvement of parents, students, and the community in the decisionmaking process relating to education, including the development and improvement of education programs and services;

(5) enable the Federal Government to coordinate education activities and programs more effectively through interagency cooperation, technical assistance, and evaluation of program effectiveness;

(6)(A) provide assistance in the support of basic and applied educational research; (B) collect and analyze information on the progress and condition of education in the United States; and (C) work with State, local, and tribal officials, public and nonpublic educational institutions, community organizations, parents, and students to implement the findings of such research at the local level; and

(7) supplement and complement the efforts of State, local, tribal, and nonpublic agencies by providing support to the articulated educational needs of such agencies, especially with respect to the simplification of the process, procedures, and administrative structures for the dispersal of Federal funds, as well as the reduction of unnecessary and duplicative burdens and constraints, including unnecessary paperwork, on the recipients of Federal funds.

STATE AND LOCAL RESPONSIBILITIES FOR EDUCATION

SEC. 103. It is the intention of the Congress in the creation of the Department of Education to protect the rights of State, local, and tribal governments and public and nonpublic educational institutions in the areas of educational policies, administration of programs, competency testing, and selection of curricula and program content, and to strengthen and improve the direction of such governments and institutions over their educational programs and policies.

DEFINITIONS

SEC. 104. As used in this Act—

(1) the term "Department" means the Department of Education or any component thereof;

(2) the term "Secretary" means the Secretary of Education;

(3) the term "Under Secretary" means the Under Secretary of Education;

(4) the term "Assistant Secretary" means an Assistant Secretary of Education;

(5) the term "Director" means the Director of the Office for Civil Rights;

(6) the term "Administrator" means the Administrator of the Office of Education for Overseas Dependents;

(7) the term "Council" means the Intergovernmental Advisory Council on Education;

(8) the term "Committee" means the Federal Interagency Committee on Education; and

(9) the term "function" includes any duty, obligation, power, authority, responsibility, right, privilege, and activity.

TITLE II—ESTABLISHMENT OF DEPARTMENT

DEPARTMENT OF EDUCATION

SEC. 201. There is established as an executive department of the Government, the Department of Education.

PRINCIPAL OFFICERS

SEC. 202. (a) The Department shall be administered by a Secretary of Education who shall be appointed by the President, by and with the advice and consent of the Senate. The Secretary shall be compensated at the rate provided for level I of the Executive Schedule contained in section 5312 of title 5, United States Code.

(b)(1) There shall be in the Department an Under Secretary of Education who shall be appointed by the President, by and with the advice and consent of the Senate. The Under Secretary shall perform such duties and exercise such powers as the Secretary shall prescribe. During the absence or disability of the Secretary, or in the event of a vacancy in the office of the Secretary, the Under Secretary shall act as Secretary. The Under Secretary shall be compensated at the rate provided for level III of the Executive Schedule contained in section 5314, United States Code.

(2) The Secretary shall designate the order in which other officials of the Department shall act for and perform the functions of the Secretary during the absence or disability of both the Secretary and Under Secretary or in the event of vacancies in both of those offices.

(c)(1) There shall be in the Department—

(A) an Assistant Secretary for Special Education and Rehabilitative Services;

(B) an Assistant Secretary for Elementary and Secondary Education;

(C) an Assistant Secretary for Postsecondary Education;

(D) an Assistant Secretary for Occupational, Adult, and Community Education;

(E) an Assistant Secretary for Educational Research and Improvement;

(F) a Director of the Office for Civil Rights;

(G) two additional Assistant Secretaries;

(H) a General Counsel; and

(I) an Inspector General.

(2) Each of the Assistant Secretaries, the Director of the Office for Civil Rights, the General Counsel, and the Inspector General shall be appointed by the President, by and with the advice and consent of the Senate. Each Assistant Secretary, the Director of the Office for Civil Rights, the General Counsel, and the Inspector General shall perform such duties and exercise such powers as the Secretary shall prescribe. Each Assistant Secretary, the Director of the Office for Civil Rights, the General Counsel, and the Inspector General shall report directly to the Secretary and shall be compensated at the rate provided for level IV of the Executive Schedule contained in section 5315 of title 5, United States Code.

(d) One of the Assistant Secretaries appointed pursuant to subsection (c)(1)(G) shall administer the functions of the Department under section 203(7) and shall perform such additional duties and exercise such additional powers as the Secretary may prescribe. One of the Assistant Secretaries appointed pursuant to subsection (c)(1)(G) shall administer the functions of the Department under section 203(11) and shall perform such additional duties and exercise such additional powers as the Secretary may prescribe.

(e) There shall be in the Department an Administrator of Education for Overseas Dependents. The Administrator shall perform such duties and exercise such powers as the Secretary may prescribe. The Administrator shall be compensated at the rate provided for level V of the Executive Schedule contained in section 5316 of title 5, United States Code.

(f) There shall be in the Department one additional officer who shall perform such duties and exercise such powers as the Secretary may prescribe. Such officer shall be compensated at the rate provided for level V of the Executive Schedule contained in section 5316 of title 5, United States Code.

(g) Whenever the President submits the name of an individual to the Senate for confirmation as an officer of the Department under subsections (c) and (d) the President shall state the particular functions of the Department such individual will exercise upon taking office.

FUNCTIONS OF THE DEPARTMENT

SEC. 203. The functions of the Department shall be to promote the cause and advancement of education throughout the United States and shall include—

(1) administration of programs pertaining to elementary and secondary education;

(2) administration of programs pertaining to postsecondary education;

(3) administration of programs pertaining to occupational, adult, and community education;

(4) administration of education grants and other programs for which the Department has responsibility under law;

(5) administration of programs relating to special education and rehabilitative services;

(6) enforcement of the civil rights laws relating to education;

(7) intergovernmental policies and relations, including responsibility for assuring that Federal education policies and procedures supplement and complement the efforts of State, local, and tribal governments, the private sector, public and nonpublic educational institutions, public or private nonprofit educational institutions, public or private nonprofit educational research institutions, community-based organizations, and parents to improve their educational programs;

(8) administration of schools for the overseas dependents of personnel of the Department of Defense;

(9) research, dissemination of improved educational practices, and the coordinated collection and dissemination of statistics;

(10) public information;

(11) planning and evaluation of the programs of the Department, and development of policies to promote the efficient and coordinated administration of the Department and the programs of the Department and to encourage improvement in education;

(12) congressional relations, including responsibility for providing a continuing liaison between the Department and the Congress;

(13) administration and management of the Department, including responsibility for legal assistance, accounting, personnel, payroll, budgeting, and other administrative functions; and

(14) monitoring parental and public participation in programs where such participation is required by law, and encouraging the involvement of parents, students, and the public in the development and implementation of departmental programs.

OFFICE FOR CIVIL RIGHTS

SEC. 204. (a) There is established in the Department an Office of Civil Rights to be administered by the Director of the Office for Civil Rights appointed under section 202(c). The Secretary shall delegate to the Director of the Office for Civil Rights all functions of the Office for Civil Rights of the Department of Health, Education, and Welfare relating to education transferred under section 301 (b)(2)(C) (other than administrative and support functions). The Director shall perform such additional duties and exercise such additional powers as the Secretary may prescribe.

(b) Each year, the Director shall prepare and transmit a report directly to the President, the Secretary, and the Congress concerning the status of compliance with the civil rights laws relating to education. The report shall include a statement concerning the plans and recommendations of the Director to insure improved enforcement of and continued compliance with the civil rights laws relating to education.

OFFICE OF ELEMENTARY AND SECONDARY EDUCATION

SEC. 205. There is established in the Department an Office of Elementary and Secondary Education, to be administered by the Assistant Secretary for Elementary and Secondary Education appointed under section 202(c). The Assistant Secretary for Elementary and Secondary Education shall perform such duties and exercise such powers as the Secretary may prescribe.

OFFICE OF POSTSECONDARY EDUCATION

SEC. 206. There is established in the Department an Office of Postsecondary Education, to be administered by the Assistant Secretary for Postsecondary Education appointed under section 202(c). The Assistant Secretary for Postsecondary Education shall perform such duties and exercise such powers as the Secretary may prescribe.

OFFICE OF OCCUPATIONAL, ADULT, AND EDUCATION

SEC. 207. There is established in the Department an Office of Occupational, Adult, and Community Education, to be administered by the Assistant Secretary for Occupational, Adult, and Community Education appointed under section 202(c). The Secretary shall delegate to the Assistant Secretary for Occupational, Adult, and Community Education the functions of the Bureau of Occupational and Adult Education transferred under section 301(b)(1)(A) (other than administrative and support functions). The Assistant Secretary for Occupational, Adult, and Community Education shall perform such additional duties and exercise such additional powers as the Secretary may prescribe.

OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES

SEC. 208. (a) There shall be in the Department an Office of Special Education and Rehabilitative Services, to be administered by the Assistant Secretary of Education for Special Education and Rehabilitative Services appointed under section 202 (c). The Secretary shall delegate to the Assistant Secretary for Special Education and Rehabilitative Services all functions transferred to the Secretary under sections 301(b)(2)(A)(x) (including the functions of the Bureau for the education and training of the handicapped), 301 (b) (2) (G), and 301 (b) (3), relating to the Education of the Handicapped Act, the Rehabilitation Act of 1973, and the Randolph-Sheppard Act (other than administrative and support functions). The Assistant Secretary for Special Education and Rehabilitative Services shall perform such additional duties and exercise such additional powers as the Secretary may prescribe.

(b) Nothing in this section shall be construed to require any particular organizational programs at the State level.

OFFICE OF EDUCATION FOR OVERSEAS DEPENDENTS

SEC. 209. There is established in the Department an Office of Education for Overseas Dependents, to be administered by the Administrator appointed under section 202 (e). The Secretary shall delegate to the Administrator all functions transferred from the Department of Defense under section 302, relating to the Office of Dependents Schools of the Department of Defense (and after June 30, 1979, relating to the Office of Dependents' Education of the Department of Defense) and to the operation of overseas schools for dependent children of members of the Armed Forces (other than administrative and support functions). The Administrator shall perform such additional duties and exercise such additional powers as the Secretary may prescribe.

OFFICE OF EDUCATIONAL RESEARCH AND IMPROVEMENT

SEC. 210. (a) There is established in the Department an Office of Educational Research and Improvement, to be administered by the Assistant Secretary for Educational Research and Improvement appointed under section 202 (c). The Secretary shall delegate to the

Assistant Secretary for Educational Research and Improvement—

(1) all functions transferred from the Secretary of Health, Education, and Welfare—

(A) under section 301 (b) (2) (A) (i), relating to the Fund for the Improvement of Postsecondary Education; and

(B) under section 301 (b) (2) (E), relating to Federal grants for telecommunications demonstrations and

(2) all programs transferred from the National Science Foundation or the Director of the National Science Foundation under section 303.

(b) The Assistant Secretary for Educational Research and Improvement shall perform such additional duties and exercise such additional duties and exercise such additional powers as the Secretary may prescribe.

OFFICE OF GENERAL COUNSEL

SEC. 211. There is established in the Department an Office of General Counsel, to be administered by the General Counsel appointed under section 202(c). The General Counsel shall perform such duties and exercise such powers as the Secretary may prescribe, and shall provide legal assistance to the Secretary concerning the programs and policies of the Department.

OFFICE OF INSPECTOR GENERAL

SEC. 212. (a) There is established in the Department an Inspector General, to be appointed in accordance with the provisions of the Inspector General Act of 1978.

(b) The Inspector General Act of 1978 is amended—

(1) by inserting in section 2(1) "the Department of Education," immediately after "Commerce,";

(2) in section 9(a) (1)—

(A) by redesignating subparagraphs (C) through (L) as (D) through (M), respectively; and

(B) by inserting immediately after subparagraph (B) the following new subparagraph:

"(C) of the Department of Education, all functions of the Inspector General of Health, Education, and Welfare or of the Office of Inspector General of Health, Education, and Welfare relating to functions transferred by section 301 of the Department of Education Organization Act;";

(3) by inserting in section 11(1) "Education," immediately after "Commerce,"; and

(4) by inserting in section 11(2) "Education," immediately after "Commerce,".

(c) The title of the Inspector General Act of 1978 is amended to read as follows: "An Act to reorganize the executive branch of the Government and increase its economy and efficiency by establishing Offices of Inspector General within the Departments of Agriculture, Commerce, Education, Housing and Urban Development, the Interior, Labor, and Transportation, and within the Community Services Administration, the Environmental Protection Agency, the General Services Administration, the National Aeronautics and Space Administration, the Small Business Administration, and the Veterans' Administration, and for other purposes.".

INTERGOVERNMENTAL ADVISORY COUNCIL ON EDUCATION

SEC. 213. (a) There is established within the Department an advisory committee to be known as the Intergovernmental Advisory Council on Education. The Council shall provide assistance and make recommendations to the Secretary and the President concerning intergovernmental policies and relations relating to education.

(b) (1) In carrying out its functions under subsection (a), the Council shall—

(A) provide a forum for the development of intergovernmental policies and relations relating to education;

(B) make recommendations for the improvement of the administration and operation of Federal education programs and education-related programs;

(C) promote better intergovernmental relations;

(D) assess Federal policies and make recommendations to insure effective direction over educational policymaking and program implementation by State, local, and tribal governments and public and nonpublic educational institutions;

(E) submit a report biannually to the Congress, to the President, and the Secretary which—

(i) reviews the impact of Federal education policies upon State, local, and tribal governments, and public and nonpublic educational institutions; and

(ii) assesses the achievement of Federal objectives in education as well as any adverse consequences of Federal actions upon State, local, and tribal governments, and public and nonpublic educational institutions; and

(F) assist the Secretary in conducting conferences and similar activities to assess the contribution of each level of government to the delivery of equitable, high quality, and effective education.

(2) In carrying out its functions under subsection (a), the Council may review existing and proposed rules or regulations of the Department concerning Federal education programs in order to determine the impact or potential impact of such rules or regulations on State, local, and tribal governments and public and nonpublic educational institutions.

(c) (1) The Council shall be composed of twenty-two members. The President shall appoint—

(A) eight members from among State governors, legislators, boards of education, and chief education officials (both elementary and secondary and postsecondary);

(B) eight members from among local or regional elected general government officials, local boards of education, public and nonpublic school administrators, and tribal governments;

(C) two members from among governing boards of public and nonpublic postsecondary institutions; and

(D) four members from among the public, including parents, teachers, students, and public interest groups.

(2) In making appointments under this subsection, the President shall consult with various organizations representative of the groups specified in subparagraphs (A) through (D) of paragraph (1), including the National Governors' Association, the National Conference of State Legislatures, the National Association of Counties, the National League of Cities, and the United States Conference of Mayors.

(3) Not more than eleven of the members of the Council may be members of the same political party.

(d) (1) Members of the Council shall be appointed for a term of four years, except that the term of office of the members first appointed shall expire, as designated by the President at the time of appointment, five at the end of one year, five at the end of two years, six at the end of three years, and six at the end of four years.

(2) Any member of the Council who is appointed pursuant to subsection (c) (1) may serve on the Council beyond the period that such member holds the elective office which served as the basis of the appointment of such member.

(e) The President shall designate one of the members of the Council as the Chair of the Council.

(f) Twelve members of the Council shall constitute a quorum, but a lesser number may hold hearings. Any vacancy in the Council shall not affect its power to function.

(g) (1) In carrying out the provisions of subsection (b) (2), the Council may provide parties to be affected by existing or proposed rules or regulations an opportunity to comment on such rules or regulations, and shall consider any comments received in reviewing such rules or regulations.

(2) The Council may submit to the Secretary a report containing the results of its review of any existing or proposed rules or regulations. Within thirty days of the receipt of such report, the Secretary shall submit to the Council a written response which addresses the recommendations made by the Council concerning any rules or regulations reviewed. If a report by the Council concerns proposed rules or regulations, it shall be submitted to the Secretary within the time established for public comment on the proposed rules or regulations, and shall be placed, with the written response of the Secretary to the report, on the record of the proceeding concerning the proposed rules or regulations.

(h) Each member of the Council who is not otherwise employed by the United States Government shall receive compensation at a rate equal to the daily rate prescribed for GS-18 under the General Schedule under section 5332 of title 5, United States Code, including travel time, for each day such member is engaged in the actual performance of duties as a member of the Council. A member of the Council who is an officer or employee of the United States Government shall serve without additional compensation. All members of the Council shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of their duties.

(i) In order to carry out the provisions of this section, the Council is authorized to—

(1) hold such hearings and sit and act at such times and places, either as a whole or by subcommittee, and request the attendance and testimony of such witnesses and the production of such books, records, correspondence, memoranda, papers, and documents as the Council or such subcommittee may deem advisable; and

(2) request the cooperation and assistance of Federal departments, agencies, and instrumentalities in carrying out the provisions of this section, and such departments, agencies, and instrumentalities are authorized to provide such cooperation and assistance.

(j) The Secretary shall appoint an executive director for the Council. The executive director shall be compensated at the rate provided for GS-17 of the General Schedule under section 5332, title 5, United States Code. The Secretary shall provide the Council with such other staff, support, facilities, and assistance as may be necessary to enable the Council to carry out its duties under this section.

FEDERAL INTERAGENCY COMMITTEE ON EDUCATION

SEC. 214. (a) There is established a Federal Interagency Committee on Education. The Committee shall assist the Secretary in providing a mechanism to assure that the procedures and actions of the Department and other Federal departments and agencies are fully coordinated.

(b) The Committee shall cooperate with the Secretary in the conduct of studies and shall make recommendations in order to assure the effective coordination of Federal programs affecting education, including—

(1) the consistent administration of policies and practices by Federal agencies in the conduct of similar programs;

(2) full and effective communication among Federal agencies to avoid unnecessary duplication of activities;

(3) adequate procedures to assure the availability of information requested by the Secretary;

(4) the improvement, development, and oversight of a comprehensive Federal policy for education; and

(5) the improvement of the administration and coordination of federally funded vocational education and training programs for the purpose of aiding students and adults in preparing for and achieving success in their work life.

(c)(1) The Committee shall be composed of at least seventeen members. One member shall be the Secretary, who shall be the Chair of the committee.

(2)(A) Sixteen members of the Committee shall be representatives of the departments and agencies listed in subparagraph (B), to be appointed by the head of each department and agency from among the senior policy making officials of that department or agency.

(B) The departments and agencies to be represented on the Committee pursuant to subparagraph (A) are:

(i) Department of Agriculture;
(ii) Department of Commerce;
(iii) Department of Defense;
(iv) Department of Energy;
(v) Department of Justice;
(vi) Department of Health and Human Services;
(vii) Department of the Interior;
(viii) Department of Labor;
(ix) Department of State;
(x) National Aeronautics and Space Administration;
(xi) National Endowment for the Arts;
(xii) National Endowment for the Humanities;
(xiii) National Science Foundation;
(xiv) Veterans' Administration;
(xv) Commission on Civil Rights; and
(xvi) Environmental Protection Agency.

(3) The Director of the Office of Management and Budget, the Chairman of the Council of Economic Advisers, and the Executive Director of the Domestic Policy Staff may each designate a member of the staff of such agencies to attend meetings of the Committee as observers.

(4) The Secretary may invite the heads of Federal agencies other than the agencies represented on the Committee under the provisions of paragraph (2) to designate representatives to serve as members of the Committee or to participate in meetings of the Committee concerning matters of substantial interest to such agencies.

(d) In carrying out its functions under subsection (b)(5), the Committee shall conduct a study concerning the need for improved coordination between all federally funded vocational education and training programs. The Committee shall report the findings of such study to the Secretary and the Congress within two years of the date of enactment of this Act.

(e) The Committee shall meet at least twice each year.

(f) The Secretary and the head of each Federal agency represented on the Committee under subsection (c)(2) shall furnish such assistance, support, facilities and staff to the Committee as may be necessary to enable the Committee to carry out its functions under this section.

TITLE III—TRANSFERS OF AGENCIES AND FUNCTIONS

TRANSFERS OF AGENCIES AND FUNCTIONS FROM THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

SEC. 301. (a) All officers, employees, assets, liabilities, contracts, grants, property, and records as are determined by the Director of the Office of Management and Budget to be employed, held, or used primarily in connection with any function of the following agencies, offices or parts of agencies or offices, are transferred to the Department and vested in the Secretary:

(1) the Education Division of the Department of Health, Education, and Welfare, including the National Institute of Education;

(2) the Office of the Assistant Secretary for Education, including the National Center for Education Statistics;

(3) the Institute of Museum Services of the Department of Health, Education, and Welfare;

(4) any advisory committee in the Department of Health, Education, and Welfare giving advice and making recommendations principally concerning education;

(5) the Office of Information and Resources for Handicapped Individuals of the Department of Health, Education, and Welfare;

(6) the Rehabilitation Services Administration of the Department of Health, Education, and Welfare, except that portion of such Administration responsible for the administration of the Developmental Disabilities Assistance and Bill of Rights Act;

(7) the National Institute of Handicapped Research of the Department of Health, Education, and Welfare;

(8) the Interagency Committee on Handicapped Research;

(9) the Helen Keller National Center for Deaf-Blind Youth and Adults; and

(10) the National Council on the Handicapped.

(b)(1) There are transferred to the Secretary all functions of the Secretary of Health, Education, and Welfare, the Assistant Secretary for Education, or the Commissioner of Education of the Department of Health, Education, and Welfare, as the case may be, with respect to—

(A) the Education Division of the Department of Health, Education, and Welfare;

(B) the Office of the Assistant Secretary for Education, including the National Center for Education Statistics; and

(C) any advisory committee in the Department of Health, Education, and Welfare giving advice and making recommendations principally concerning education.

(2) There are transferred to the Secretary all functions of the Secretary of Health, Education, and Welfare or the Department of Health, Education, and Welfare—

(A) principally involving education including functions—

(i) under the General Education Provisions Act, including the provisions of section 404 of such Act relating to the Fund for the Improvement of Postsecondary Education;

(ii) under the Emergency School Aid Act (and after September 30, 1979, under title VI of the Elementary and Secondary Education Act of 1965);

(iii) under the Higher Education Act of 1965;

(iv) under the Emergency Insured Student Loan Act of 1969;

(v) under the Act of August 30, 1890 (26 Stat. 417);

(vi) under title II of the Elementary and Secondary Education Act of 1965:

(vii) under the Alcohol and Drug Abuse Education Act, except functions under section 5 of such Act;

(viii) under the International Education Act of 1966;

(ix) under the National Defense Education Act of 1958;

(x) under the Education of the Handicapped Act;

(xi) under the National Commission on Libraries and Information Science Act;

(xii) under the Vocational Education Act of 1963; and

(xiii) under the Career Education Incentive Act;

(B) with respect to the administration of part B of title V of the Economic Opportunity Act of 1964;

(C) with respect to or being administered by the Secretary of Health, Education, and Welfare through the Office for Civil Rights for the enforcement of the provisions of the civil rights laws and educational orders relating to the functions transferred by other subsections of this section and the other sections of this title;

(D) with respect to all laws dealing with the relationship between (i) Gallaudet College (including the Model Secondary School for the Deaf), Howard University, the American Printing House for the Blind, and the National Technical Institute for the Deaf, and (ii) the Department of Health, Education, and Welfare;

(E) under subpart A of part IV of title III of the Communications Act of 1934, relating to Federal grants for telecommunications demonstrations;

(F) under subparts II and III of part B of title VIII of the Public Health Service Act, relating to the establishment of student loan funds and scholarship grant programs for schools of nursing and under subparts I and II of part C of title VII of such Act, relating to the establishment of student loan insurance and student loan funds for schools of medicine, osteopathy, dentistry, pharmacy, podiatry, optometry, or veterinary medicine; and

(G)(i) under the Rehabilitation Act of 1973, except that the provisions of this subdivision shall not be construed to transfer to the Secretary the functions of the Secretary of Health, Education, and Welfare under sections 222 and 1615 of the Social Security Act, relating to rehabilitation services for disabled individuals and rehabilitation services for blind and disabled individuals respectively; and

(ii) with respect to or being administered by the Secretary of Health, Education, and Welfare through the Commissioner of Rehabilitation Services under the Act entitled "An Act to authorize the operation of stands in Federal buildings by blind persons, to enlarge the economic opportunities of the blind, and for other purposes", approved June 20, 1936 (commonly referred to as the Randolph-Sheppard Act) (20 U.S.C. 107–107f.)

(3) There are transferred to the Secretary all functions of the Commissioner of Rehabilitation of the Department of Health, Education, and Welfare, and the Director of the National Institute of Handicapped Research of the Department of Health, Education, and Welfare under the Rehabilitation Act of 1973.

(4) There are transferred to the Secretary all functions of the National Institute of Education of the Department of Health, Education, and Welfare.

(5) There are transferred to the Secretary all functions of the Director of the Institute of Museum Services of the Department of Health, Education, and Welfare.

(6) Nothing in the provisions of this section or in the provisions of this Act shall authorize the transfer of functions under part A of title V of the Economic Opportunity Act of 1964, relating to Project Head Start, from the Secretary of Health, Education, and Welfare to the Secretary.

TRANSFERS OF AGENCIES AND FUNCTIONS FROM THE DEPARTMENT OF DEFENSE

SEC. 302. (a)(1) There are transferred to the Department all officers, employees, assets, liabilities, contracts, property, and records as are determined by the Director of the Office of Management and Budget to be employed, held, or used primarily in connection with any function of the Office of Dependents Schools of the Department of Defense (and, after June 30, 1979, of the Office of Dependents Education of the Department of Defense).

(2) There are transferred to the Secretary all functions of the Secretary of Defense

relating to the operation of overseas schools for dependents of personnel of the Department of Defense (and, after June 30, 1979, all functions of the Secretary of Defense and the Director of Dependents' Education under the Defense Dependents' Education Act of 1978).

(b) In addition to any other authority available to the Secretary under this or any other Act, the authority of the Secretary of Defense and the Secretaries of the military departments under the Defense Department Overseas Teachers Pay and Personnel Practices Act shall be available to the Secretary with respect to the program transferred under subsection (a).

(c) Notwithstanding the provisions of section 601, the transfer of functions under subsection (a) shall be effective at such time or times and in such manner as the President shall prescribe, but in no case later than three years after the effective date of this Act. Not later than one year after the effective date of this Act, the Secretary shall transmit to the Congress a plan for effecting the transfers of functions under subsection (a). Such plan shall contain recommendations for increasing the participation of parents, teachers, students, school administrators, and members of the Armed Forces in the administration and operation of the schools transferred under this section.

TRANSFERS OF FUNCTIONS FROM THE NATIONAL SCIENCE FOUNDATION

SEC. 303. (a) There are transferred to the Secretary all programs relating to science education of the National Science Foundation or the Director of the National Science Foundation under section 3(a)(1) of the National Science Foundation Act of 1950 established on the day before the effective date of this Act, except the functions and programs, as determined by the Director of the Office of Management and Budget, which relate to (1) fellowships and traineeships integral to the support of scientific research and development, (2) ethical, value, and science policy issues, or (3) communicating science information to nonscientists.

(b) The Secretary is authorized to conduct the programs transferred by subsection (a). In conducting such programs, the Secretary shall consult, as appropriate, with the Director of the National Science Foundation.

(c) Nothing in this section is intended to repeal or limit the authority of the National Science Foundation or the Director of the National Science Foundation to initiate and conduct programs not established prior to the effective date of this Act under section 3 (a)(1) of the National Science Foundation Act of 1950.

TRANSFERS OF PROGRAMS FROM THE DEPARTMENT OF JUSTICE

SEC. 304. There are transferred to the Secretary all functions of the Attorney General and the Law Enforcement Assistance Administration relating to the student loan and grant programs known as the Law Enforcement and Education Program and the Law Enforcement Intern Program authorized under section 406 (b), (c), and (f) of the Omnibus Crime Control and Safe Streets Act of 1968.

TRANSFERS OF FUNCTIONS FROM THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

SEC. 305. There are transferred to the Secretary all functions of the Secretary of Housing and Urban Development under title IV of the Housing Act of 1950 relating to college housing loans.

TRANSFER OF THE ADVISORY COUNCIL ON EDUCATION STATISTICS

SEC. 306. There are transferred to the Department all officers, employees, assets, liabilities, contracts, property, and records as are determined by the Director of the Office of Management and Budget to be employed, held, or used primarily in connection with any function of the Advisory Council on Education Statistics.

EFFECT OF TRANSFERS

SEC. 307. The transfer of a function or program from an officer or agency to the Secretary shall include the transfer of any aspect of such function or program vested in a subordinate of such officer or in a component of such agency.

TITLE IV—ADMINISTRATIVE PROVISIONS

PART A—PERSONNEL PROVISIONS

OFFICERS AND EMPLOYEES

SEC. 401. (a) The Secretary is authorized to appoint and fix the compensation of such officers and employees, including attorneys, as may be necessary to carry out the functions of the Secretary and the Department. Except as otherwise provided by law, such officers and employees shall be appointed in accordance with the provisions of title 5, United States Code, governing appointments in the competitive service, and compensated in accordance with the provisions of chapter 51 and subchapter III of chapter 53 of such title.

(b)(1) Subject to the provisions of chapter 51 of title 5, United States Code, but notwithstanding the last two sentences of section 5108(a) of such title, the Secretary may place in grades GS–16, GS–17, and GS–18 all positions in such grades assigned and employed on February 1, 1979, in connection with functions transferred under this Act, subject to the limitation of the first sentence of section 5108(a) of such title.

(2) Appointments under this subsection may be made without regard to the provisions of section 3324 of title 5, United States Code, relating to the approval by the Office of Personnel Management of appointments in grades GS–16, GS–17, and GS–18, if the individual placed in such position is transferred to the Department in connection with a transfer of functions under this Act and, immediately before the effective date of this Act, held a position involving duties comparable to those of such position.

(3) The authority of the Secretary under this subsection to appoint personnel without regard to sections 3324 and 5108 (a) of title 5, United States Code, shall cease with respect to any position when the person first appointed to fill such position no longer holds such position.

(c)(1) In addition to the number of positions which may be placed at the GS–16, GS–17, and GS–18 levels under section 5108 of title 5, United States Code, under existing law, or under this Act, the Secretary may appoint—

(A) for the Office of Educational Research and Improvement, professional and technical employees, in a number not to exceed one-third of the total number of employees of such office; and

(B) not more than 15 transitional employees;

without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may fix the compensation of such personnel without regard to the provisions of chapter 51 and subchapter 53 of such title, except the Secretary may not compensate any such personnel in excess of the maximum rate prescribed for GS–18 of the General Schedule under section 5332 of title 5, United States Code.

(2) The authority of the Secretary to appoint and compensate personnel under paragraph (1)(B) shall expire three years after the effective date of this Act.

(d)(1) There are authorized for the Department seventy-one additional positions in the competitive service at levels GS–16, G–17, and GS–18. Such positions shall be for the exclusive use of the Department and shall be in addition to the number of such positions placed in the appropriate grades under section 5108 of title 5, United States Code, or under other provisions of law.

(2) The Secretary is authorized to assign twenty-one of the positions authorized under this subsection to replace, at their former General Schedule levels, the twenty-one positions previously established by law in the Education Division of the Department of Health, Education, and Welfare, except that the Secretary may from time to time evaluate the propriety of the General Schedule level of each such position and make any necessary reductions in such grade level.

(3) For purposes of determining the maximum aggregate number of positions which may be placed at grade levels GS–16, GS–17, or GS–18 under section 5108(a) of title 5, United States Code, of the positions established under this subsection, other than those used to replace positions previously established by law in the Education Division, 63 percent shall be deemed GS–16 positions, 25 percent shall be deemed GS–17 positions, and 12 percent shall be deemed GS–18 positions.

(e) Nothing in this Act shall be construed to prevent the application of any Indian preference law in effect on the day before the date of enactment of this Act to any function transferred by this Act and subject to any such law on the day before the date of enactment of this Act. Any function transferred by this Act and subject to any such law shall continue to be subject to any such law

(f)(1)(A) The Secretary is authorized to accept voluntary and uncompensated services without regard to the provisions of section 3679(b) of the Revised Statutes (31 U.S.C. 665(b)) provided that such services will not be used to displace Federal employees employed on a full-time, part-time, or seasonal basis.

(B) The Secretary is authorized to accept volunteer service in accordance with the provisions of section 3111 of title 5, United States Code.

(2) The Secretary is authorized to provide for incidental expenses, including but not limited to transportation, lodging, and subsistence for such volunteers.

(3) An individual who provides voluntary services under paragraph (1)(A) of this subsection shall not be considered a Federal employee for any purpose other than for purposes of chapter 81 of title 5, United States Code, relating to compensation for work injuries, and of chapter 171 of title 28, United States Code, relating to tort claims.

EXPERTS AND CONSULTANTS

SEC. 402. The Secretary may obtain the services of experts and consultants in accordance with the provisions of section 3109 of title 5, United States Code, and may compensate such experts and consultants at rates not to exceed the daily rate prescribed for GS–18 of the General Schedule under section 5332 of such title.

ANNUAL AUTHORIZATION OF PERSONNEL

SEC. 403. (a) Notwithstanding any other provision of this Act—

(1) Congress shall authorize the end strength as of the end of each fiscal year for personnel for the Department. Except as provided in subsection (b)(1) for the fiscal year beginning October 1, 1979, and ending September 30, 1980, Congress shall authorize the end strength for any fiscal year by prescribing the maximum number of personnel that may be employed by the Department on the last day of such fiscal year. No funds may be appropriated for any fiscal year to or for the use of personnel of the Department unless the end strength for personnel of the Department for that fiscal year has been authorized by law.

(2) The end strength for personnel authorized by law for the Department for any fiscal year shall be apportioned among the offices and agencies of the Department in such numbers as the Secretary shall prescribe. Except as provided in subsection (b)(2), the Secretary shall, within one hundred and twenty days after the enactment of legislation authorizing the end strength for personnel of the Department for any fiscal year, prepare and transmit to the Congress a report showing the allocation of such personnel among the offices and agencies of the Department. Such report shall include explanations and justifications for the allocations of personnel made by the Secretary among the offices and agencies of the Department.

(3) In computing the authorized end strength for personnel of the Department for any fiscal year, there shall be included all direct-hire and indirect-hire personnel employed to perform functions of the Department whether employed on a full-time, part-time, or intermittent basis, but excluding special employment categories for students and disadvantaged youth, including temporary summer employment.

(4) Whenever any function, power, duty, or activity is transferred or assigned in any fiscal year after the effective date of this Act to the Department from a department or agency outside of the Department, the end strength for personnel authorized for the Department for such fiscal year shall be adjusted to reflect any increases or decreases in personnel required as a result of such transfer or assignment.

(b)(1) For the fiscal year beginning October 1, 1979, and ending September 30, 1980, the Department is authorized an end strength for personnel equal to the sum of (A) the number of personnel to be employed by the Department under the authorizations provided by other sections of this Act, and (B) the number of personnel transferred, under authority of this Act, to the Department from other departments and agencies of the Government during such fiscal year, as determined by the Director of the Office of Management and Budget. If the Secretary determines such action is necessary for the effective administration of the Department, the Secretary may employ additional personnel during such fiscal year in excess of the number authorized under the preceding sentence, but the number of such additional personnel may not exceed 1 per centum of the number authorized under the preceding sentence.

(2) For the fiscal year beginning October 1, 1978, and ending September 30, 1979, the Secretary shall prepare and transmit the report required by subsection (a)(2) within one hundred and twenty days after the effective date of this Act.

PART B—GENERAL PROVISIONS

AUTHORITY OF THE SECRETARY

SEC. 411. In the exercise of the functions transferred under this Act, the Secretary shall have the same authority as the functions of the agency or office, or any part thereof, exercising such functions immediately preceding their transfer, and the actions of the Secretary in exercising such functions shall have the same force and effect as when exercised by such agency or office, or part thereof.

DELEGATION

SEC. 412 Except as otherwise provided in this Act, the Secretary may delegate any function to such officers and employees of the Department as the secretary may designate, and may authorize such successive redelegations of such functions within the Department as may be necessary or appropriate. No delegation of functions by the Secretary under this section or under any other provision of this Act shall not relieve the Secretary of responsibility for the administration of such functions.

REORGANIZATION

SEC. 413. (a) Subject to the provisions of section 202(g) of this Act and subsections (b) and (c) of this section, the Secretary is authorized to allocate or reallocate functions among the officers of the Department, and to establish, consolidate, alter, or discontinue such organizational entities within the Department as may be necessary or appropriate. The authority of the Secretary under this subsection does not extend to—

(1) any office, bureau, unit, or other entity within the Department established by statute or any function vested by statute in such an entity or officer of such an entity;

(2) the abolition of organizational entities established by this Act; or

(3) the alteration of the delegation of functions under this Act to any specific organizational entity.

(b)(1) Except as provided in paragraph (2) of this subsection, the Secretary may not consolidate, alter, or discontinue any of the following statutory entities, or reallocate any functions vested by statute in the following statutory entities:

(A) Office of Bilingual Education;

(B) Teacher Corps;

(C) Community College Unit;

(D) National Center for Education Statistics;

(E) National Institute of Education;

(F) Office of Environmental Education;

(G) Office of Consumers' Education;

(H) Office of Libraries and Learning Resources;

(I) Office of Indian Education;

(J) Office of Non-Public Education;

(K) Institute of Museum Services; and

(L) Administrative units for guidance and counseling programs, the veterans' cost of instruction program, and the program for the gifted and talented children.

(2) The Secretary may not alter, consolidate, or discontinue any organizational entity continued within the Department and described in paragraph (1) of this subsection or reallocate any function vested by statute in such an entity, unless a period of ninety days has passed after the receipt by the Committee on Human Resources of the Senate and the Committee on Education and Labor of the House of Representatives of notice given by the Secretary containing a full and complete statement of the action proposed to be taken pursuant to this subsection and the facts and circumstances relied upon in support of such proposed action.

(c) On the effective date of this Act, the following entities shall lapse:

(1) the Education Division of the Department of Health, Education, and Welfare, including the Office of Education;

(2) the Office of the Assistant Secretary for Education of the Department of Health, Education, and Welfare;

(3) the Bureau for the Education and Training for the Handicapped of the Department of Health, Education, and Welfare;

(4) the Bureau of Occupational and Adult Education of the Department of Health, Education, and Welfare; and

(5) the Office of Dependents' Education of the Department of Defense.

REPORTING RELATIONSHIPS

SEC. 414. (a) Consistent with the provisions of section 413, and notwithstanding the provisions of the General Education Provisions Act or of any other Act, any officer or employee of the Department whose functions were transferred by this Act and who was required prior to the effective date of this Act to report to the Commissioner of Education or the Assistant Secretary for Education of the Department of Health Education, and Welfare shall report to the Secretary.

(b) The Secretary is authorized to delegate the reporting requirements established by subsection (a) to any other officer or employee of the Department.

RULES

SEC. 415. The Secretary is authorized to prescribe, in accordance with the provisions of chapter 5 of title 5, United States Code, such rules and regulations as may be necessary or appropriate to carry out the functions of the Secretary or the Department.

CONTRACTS

SEC. 416. (a) The Secretary is authorized to enter into and perform such contracts, grants, leases, cooperative agreements, or other similar transactions with the Federal departments and agencies, public agencies, State, local, and tribal governments, private organizations, and individuals, and to make such payments, by way of advance or reimbursement, as the Secretary may deem necessary or appropriate to carry out his functions in administering the Department.

(b) Notwithstanding any other provision of this title, no authority to enter into contracts or to make payments under this title shall be effective except to such extent or in such amounts as are provided in advance under appropriation Acts. This subsection shall not apply with respect to the authority granted under section 423.

TECHNICAL ADVICE

SEC. 417. The Secretary is authorized to provide advice, counsel, and technical assistance to applicants, potential applicants, and other interested persons with respect to any program or function of the Secretary or the Department. The Secretary shall, upon request, provide technical assistance to any State desiring to develop comprehensive plans applicable to two or more programs administered by the Department.

REGIONAL AND FIELD OFFICES

SEC. 418. The Secretary is authorized to establish, maintain, alter, or discontinue such regional or other field offices as may be necessary or appropriate to perform the functions of the Secretary or the Department.

ACQUISITION AND MAINTENANCE OF PROPERTY

SEC. 419. (a) The Secretary is authorized to—

(1) acquire (by purchase, lease, condemnation, or otherwise), construct, improve, repair, operate, and maintain schools and related facilities, laboratories, research and testing sites and facilities, quarters and related accommodations for employees and dependents of employees of the Department, personal property (including patents), or any interest therein, as may be necessary; and

(2) provide by contract or otherwise for the establishment of eating facilities and other necessary facilities for the health and welfare of employees of the Department at its installations, and purchase and maintain equipment therefor.

(b) The authority available to the Secretary of Health, Education, and Welfare under section 524 of the Education Amendments of 1976 shall also be available to the Secretary.

(c) The authority granted by subsection (a) of this section shall be available only with respect to facilities of a special purpose nature that cannot readily be reassigned for similar Federal activities and are not otherwise available for assignment to the Department by the Administrator of General Services.

FACILITIES AT REMOTE LOCATIONS

SEC. 420. (a) The Secretary is authorized to provide, construct, or maintain for employees and their dependents stationed at remote locations as necessary and when not otherwise available at such remote locations—

(1) emergency medical services and supplies;

(2) food and other subsistence supplies;

(3) dining facilities;

(4) audiovisual equipment, accessories, and supplies for recreation and training;

(5) reimbursement for food, clothing, medicine, and other supplies furnished by such employees in emergencies for the temporary relief of distressed persons;

(6) living and working quarters and facilities; and

(7) transportation for dependents of employees of the Department to the nearest appropriate educational facilities.

(b) The furnishing of medical treatment under paragraph (1) of subsection (a) and the furnishing of services and supplies under paragraphs (2) and (3) of subsection (a) shall be at prices reflecting reasonable value as determined by the Secretary.

(c) Proceeds from reimbursements under this section may be credited to the appropriation of funds that bear or will bear all or part of the cost of such work or services or to refund excess sums when necessary.

USE OF FACILITIES

SEC. 421. (a) (1) To carry out the functions of the Secretary, the Secretary may use the research, equipment, services, and facilities of any agency or instrumentality of the United States or of any State, or of any political subdivision thereof, or of any Indian tribe or tribal organization, or of any foreign government, with the consent of and with or without reimbursement to such agency, instrumentality, State, political subdivision, Indian tribe or tribal organization, or foreign government.

(2) Notwithstanding the transfer of functions from the Secretary of Defense to the Secretary under section 304, all personnel performing such functions shall be treated, for the purpose of access to services and facilities provided by the Department of Defense, as employees of the Department of Defense.

(b) The Secretary is authorized to permit public and private agencies, corporations, associations, Indian tribes or tribal organizations, other organizations, or individuals to use any real property, or any facilities, structures, or other improvement thereon, under the custody and control of the Secretary for Department purposes. The Secretary shall permit the use of such property, facilities, structures, or improvements under such terms and rates and for such period as may be in the public interest, except that the periods of such uses may not exceed five years. The Secretary may require permittees under this section to recondition and maintain, at their own expense, the real property, facilities, structures, and improvements used by such permittees to a standard satisfactory to the Secretary. This subsection shall not apply to excess property as defined in section 3(e) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 472 (a)).

(c) Proceeds from reimbursements under this section may be credited to the appropriation of funds that bear or will bear all or part of such cost of the equipment or facilities provided or to refund excess sums when necessary.

COPYRIGHTS AND PATENTS

SEC. 422. The Secretary is authorized to acquire any of the following described rights if the property acquired thereby is for use by or for, or useful to, the Department:

(1) copyrights, patents, and applications for patents, designs, processes, and manufacturing data;

(2) licenses under copyrights, patents, and applications for patents; and

(3) releases, before suit is brought, for past infringement of patents or copyrights.

GIFTS AND BEQUESTS

SEC. 423. The Secretary is authorized to accept, hold, administer, and utilize gifts, bequests and devises of property, both real and personal, for the purpose of aiding or facilitating the work of the Department. Gifts, bequests, and devises of money and proceeds from sales of other property received as gifts, bequests, or devises shall be deposited in the Treasury in a separate fund and shall be disbursed upon the order of the Secretary. Property accepted pursuant to this section, and the proceeds thereof, shall be used as nearly as possible in accordance with the terms of the gift, bequest, or devise donating such property. For the purposes of Federal income, estate, and gift taxes, property accepted under this section shall be considered as a gift, bequest, or devise to the United States.

WORKING CAPITAL FUND

SEC. 424. The Secretary is authorized to establish a working capital fund, to be available without fiscal year limitation, for expenses necessary for the maintenance and operation of such common administrative services as the Secretary shall find to be desirable in the interests of economy and efficiency, including such services as a central supply service for stationery and other supplies and equipment for which adequate stocks may be maintained to meet in whole or in part the requirements of the Department and its components; central messenger, mail, telephone, and other communications services; office space, central services for document reproduction, and for graphics and visual aids; and a central library service. The capital of the fund shall consist of any appropriations made for the purpose of providing capital (which appropriations are authorized) and the fair and reasonable value of such stocks of supplies, equipment, and other assets and inventories on order as the Secretary may transfer to the fund, less the related liabilities and unpaid obligations. Such funds shall be reimbursed in advance from available funds of components of the Department, or from other sources, for supplies and services at rates which will approximate the expense of operation, including the accrual of annual leave and the depreciation of equipment. The fund shall also be credited with receipts from sale or exchange of property and receipts in payments for loss or damage to property owned by the fund. There shall be covered into the United States Treasury as miscellaneous receipts any surplus found in the fund (all assets, liabilities, and prior losses considered) above the amounts transferred or appropriated to establish and maintain such fund. There shall be transferred to the fund the stocks of supplies, equipment, other assets, liabilities, and unpaid obligations relating to the services which the Secretary determines will be performed through the fund.

FUNDS TRANSFER

SEC. 425. The Secretary may, when authorized in an appropriation Act in any fiscal year, transfer funds from one appropriation to another within the Department, except that no appropriation for any fiscal year shall be either increased or decreased pursuant to this section by more than 5 per centum and no such transfer shall result in increasing any such appropriation above the amount authorized to be appropriated therefor.

SEAL OF THE DEPARTMENT

SEC. 426. The Secretary shall cause a seal of office to be made for the Department of such design as the Secretary shall approve. Judicial notice shall be taken of such seal.

ANNUAL REPORT

SEC. 427. (a) The Secretary shall, as soon as practicable after the end of each fiscal year, prepare and transmit a report to the President for transmission to the Congress concerning the activities of the Department during that fiscal year. Such report shall—

(1) include a statement of the goals, priorities, and plans for the Department which are consistent with the purposes of the Department as specified in section 102 and the findings of this Act as specified in section 101;

(2) contain an assessment of the progress made during that fiscal year and anticipated future progress toward the attainment of—

(A) the goals, priorities, and plans for the Department specified pursuant to paragraph (1);

(B) the effective and efficient management of the Department; and

(C) the coordination of the functions of the Department;

(3) contain and analyze objective data concerning—

(A) changing trends in education, as measured by indicators such as enrollments, expenditures, and numbers of teachers and other categories of professional and related personnel; and

(B) areas of critical concern such as education of the disadvantaged and education in rural and urban areas.

(4) include budget projections for the five fiscal years succeeding the fiscal year for which the report is made which are based on actual or anticipated appropriations for the fiscal year for which the report is made; and

(5) contain a separate section on the recommendations made by the Federal Interagency Committee on Education regarding the improvement of the coordination and development of Federal education programs.

(b)(1) In preparing and developing the report required by subsection (a), the Secretary shall, to the maximum extent practicable, consult with members of the public, including representatives of parents, students, educators, Indian tribes, State and local governments, and other organizations and individuals. Within ninety days after the transmission of such report to the Congress, the Secretary shall hold public hearings in the District of Columbia and in such other locations as the Secretary deems appropriate to maximize public participation.

(2) The Secretary may reimburse any person for expenses reasonably incurred in the course of consultation or hearings under paragraph (1) if such person—

(A) has made or is likely to make a material contribution to the work of the Department; and

(B) could not otherwise participate fully and effectively in such consultation.

(3) For purposes of this section, the term "person" shall have the same meaning as in section 551(2) of title 5, United States Code.

STUDY OF THE ADMINISTRATION OF FEDERAL INDIAN EDUCATION PROGRAMS

SEC. 428. (a) The Secretary of Health and Human Services, the Secretary of the Interior, and the Director of the Office of Management and Budget shall jointly conduct a comprehensive study on the administration of Indian education programs by the Federal Government. In conducting the study, the Secretaries and the Director of the Office of Management and Budget shall consult with Indians, Alaskan Natives, Aleuts, affected Indian tribes, and Indian organizations.

(b) The study required by this section shall contain—

(1) an analysis of the problems in the Federal administration of Indian education programs;

(2) recommendations for administrative and programmatic improvements in such programs; and

(3) recommendations concerning the proper organizational structure for Indian education programs within the Federal Government, including an analysis concerning

the consolidation of Indian education programs and the transfer of such programs to the Department of Education.

(c) The study required by this section shall be transmitted to the Congress and the President not later than six months after the date of enactment of this Act.

RELATIONSHIP TO GENERAL EDUCATION PROVISIONS ACT

SEC. 429. Except where inconsistent with the provisions of this Act, the General Education Provisions Act shall apply to functions transferred by this Act to the extent applicable immediately prior to the effective date of this Act.

AUTHORIZATION OF APPROPRIATIONS

SEC. 430. Subject to any limitation on appropriations applicable with respect to any function transferred to the Secretary, there are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act and to enable the Secretary to administer and manage the Department. Funds appropriated in accordance with this section shall remain available until expended.

TITLE V—TRANSITIONAL, SAVINGS, AND CONFORMING PROVISIONS

TRANSFER AND ALLOCATIONS OF APPROPRIATIONS AND PERSONNEL

SEC. 501. (a) Except as otherwise provided in this Act, the personnel employed in connection with, and the assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds employed, held, used, arising from, available to or to be made available in connection with the functions transferred by this Act, subject to section 202 of the Budget and Accounting Procedures Act of 1950, are transferred to the Secretary for appropriate allocation. Unexpended funds transferred pursuant to this subsection shall be used only for the purposes for which the funds were originally authorized and appropriated.

(b) Positions expressly specified by statute or reorganization plan to carry out functions transferred by this Act, personnel occupying those positions on the effective date of this Act, and personnel authorized to receive compensation in such positions at the rate prescribed for offices and positions at level I, II, III, IV, or V of the Executive Schedule contained in sections 5312 through 5316 of title 5, United States Code, on the effective date of this Act, shall be subject to the provisions of section 503.

EFFECT ON PERSONNEL

SEC. 502. (a) Except as otherwise provided in this Act, the transfer pursuant to this title of full-time personnel (except special Government employees) and part-time personnel holding permanent positions shall not cause any such employee to be separated or reduced in grade or compensation for one year after such transfer or after the effective date of this Act, whichever is later.

(b) Any person who, on the date before the effective date of this Act, held a position compensated in accordance with the Executive Schedule prescribed in chapter 53 of title 5, United States Code, and who, without a break in service, is appointed in the Department to a position having duties comparable to the duties performed immediately preceding such appointment shall continue to be compensated in such new position at not less than the rate provided for such previous position for the duration of the service of such person in such new position.

AGENCY TERMINATIONS

SEC. 503. Except as otherwise provided in this Act, whenever all of the functions of any agency, commission, or other body, or any component thereof, have been terminated or transferred by this Act from that agency, commission, or other body, or component thereof, such agency, commission, or other body, or component, shall terminate. If an agency, commission, or other body, or any component thereof, terminates pursuant to the provisions of the preceding sentence, each position and office therein which was expressly authorized by law, or the incumbent of which was authorized to receive compensation at the rates prescribed for an office or position at level II, III, IV, or V of the Executive Schedule contained in sections 5313 through 5316 of title 5, United States Code, shall terminate.

INCIDENTAL TRANSFERS

SEC. 504. The Director of the Office of Management and Budget, at such time or times as such Director shall provide, is authorized and directed to make such determinations as may be necessary with regard to the transfer of functions which relate to or are utilized by an officer, agency, commission or other body, or component thereof, affected by this Act, and to make such additional incidental dispositions of personnel, assets, liabilities, grants, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds held, used, arising from, available to, or to be made available in connection with the functions transferred by this Act, as may be necessary to carry out the provisions of this Act. The Director of the Office of Management and Budget shall provide for the termination of the affairs of all agencies, commissions, offices, and other bodies terminated by this Act and for such further measures and dispositions as may be necessary to effectuate the purposes of this Act.

SAVINGS PROVISIONS

SEC. 505. (a) All orders, determinations, rules, regulations, permits, grants, contracts, certificates, licenses, and privileges—

(1) which have been issued, made, granted, or allowed to become effective by the President, any Federal department or agency or official thereof, or by a court of competent jurisdiction, in the performance of functions which are transferred under this Act to the Department or the Secretary, and

(2) which are in effect at the time this Act takes effect,

shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked in accordance with the law by the President, the Secretary, or other authorized official, a court of competent jurisdiction, or by operation of law.

(b) (1) The provisions of this Act shall not affect any proceedings, including notices of proposed rulemaking, or any application for any license, permit, certificate, or financial assistance pending on the effective date of this Act before any department, agency, commission, or component thereof, functions of which are transferred by this Act; but such proceedings and applications, to the extent that they relate to functions so transferred, shall be continued. Orders shall be issued in such proceedings, appeals shall be taken therefrom, and payments shall be made pursuant to such orders, as if this Act had not been enacted; and orders issued in any such proceedings shall continue in effect until modified, terminated, superseded, or revoked by the Secretary, by a court of competent jurisdiction, or by operation of law. Nothing in this subsection shall be deemed to prohibit the discontinuance or modification of any such proceedings under the same terms and conditions and to the same extent that such proceeding could have been discontinued or modified if this Act had not been enacted.

(2) The Secretary is authorized to promulgate regulations providing for the orderly transfer of proceedings continued under paragraph (1) to the Department.

(c) Except as provided in subsection (e)—

(1) the provisions of this Act shall not affect suits commenced prior to the effective date of this Act, and

(2) in all such suits, proceedings shall be had, appeals taken, and judgments rendered in the same manner and effect as if this Act had not been enacted.

(d) No suit, action, or other proceeding commenced by or against any officer in the official capacity of such individual as an officer or any department or agency, functions of which are transferred by this Act, shall abate by reason of the enactment of this Act. No cause of action by or against any department or agency, functions of which are transferred by this Act, or by or against any officer thereof in the official capacity of such officer shall abate by reason of the enactment of this Act.

(e) If, before the date on which this Act takes effect, any department or agency, or officer thereof in the official capacity of such officer, is a party to a suit, and under this Act any function of such department, agency, or officer is transferred to the Secretary or any other official of the Department, then such suit shall be continued with the Secretary or other appropriate official of the Department substituted or added as a party.

(f) Orders and actions of the Secretary in the exercise of functions transferred under this Act shall be subject to judicial review to the same extent and in the same manner as if such orders and actions had been by the agency or office, or part thereof, exercising such functions, immediately preceding their transfer. Any statutory requirements relating to notice, hearings, action upon the record, or administrative review that apply to any function transferred by this Act shall apply to the exercise of such function by the Secretary.

SEPARABILITY

SEC. 506. If any provision of this Act or the application thereof to any person or circumstance is held invalid, neither the remainder of this Act nor the application of such provision to other persons or circumstances shall be affected thereby.

REFERENCE

SEC. 507. With respect to any functions transferred by this Act and exercised after the effective date of this Act, reference in any other Federal law to any department, commission, or agency or to any officer or office the functions of which are so transferred shall be deemed to refer to the Secretary or Department.

TECHNICAL AND CONFORMING AMENDMENTS

SEC. 508. (a) Section 19(d)(1) of title 3, United States Code, is amended by inserting immediately before the period a comma and the following: "Secretary of Education".

(b) Section 101 of title 5, United States Code, is amended by adding at the end thereof the following: "The Department of Education.".

(c) Section 5312 of title 5, United States Code, is amended by adding at the end thereof the following:

"(15) Secretary of Education.".

(d) Section 5314 of title 5, United States Code, is amended by adding at the end thereof the following:

"(70) Under Secretary of Education.".

(e) Section 5315 of title 5, United States Code, is amended by adding at the end thereof the following:

"(128) Assistant Secretaries of Education (7).

"(129) Director of the Office for Civil Rights of the Department of Education.

"(130) General Counsel of the Department of Education.

"(131) Inspector General of the Department of Education.".

(f) Section 5316 of title 5, United States Code, is amended by adding at the end thereof the following:

"(152) Administrator of Education for Overseas Dependents of the Department of Education.

"(153) Additional Officer, Department of Education.".

(g) Section 5 of the Alcohol and Drug Abuse Education Act is amended—

(1) by inserting "of Health and Welfare, the Secretary of Education," after "Secretary"; and

(2) by striking out "the Department of Health, Education, and Welfare" and inserting in lieu thereof "the Department of Health and Human Services, the Department of Education,".

(h)(1) Section 203 of the Rehabilitation Act of 1973 is amended by striking out "Commissioner, the Commissioner" and inserting "Secretary".

(2) Section 507 of such Act is amended by striking out "Health, Education, and Welfare," and inserting "Education, the Secretary of Health and Human Services,".

AMENDMENT TO THE COMPREHENSIVE EMPLOYMENT AND TRAINING ACT

SEC. 509. Section 306 of the Comprehensive Employment and Training Act of 1973 is amended to read as follows:

"CONSULTATION WITH THE SECRETARIES OF EDUCATION AND OF HEALTH AND HUMAN SERVICES

"SEC. 306. The Secretary of Labor shall consult with the Secretary of Health and Human Services with respect to arrangements for services of a health or human services character under this Act. The Secretary of Labor shall consult with the Secretary of Education with respect to arrangements for services of an educational nature under this Act, and the Secretary of Education shall solicit the advice and comments of State educational agencies with respect to education services. Such education services include but are not limited to basic or general education; educational programs conducted for offenders; institutional training; health care, child care, and other supportive services; and new careers and job restructuring in the health, education, and welfare professions. When the Secretary of Labor arranges for the provision of basic education and vocational training directly, pursuant to the provisions of this title, the Secretary of Labor shall obtain the approval of the Secretary of Education for such arrangements.".

AMENDMENT TO THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965

SEC. 510. Section 103(c)(2)(B) of the Elementary and Secondary Education Act of 1965 is amended by adding at the end thereof the following new sentence: "The Secretary of Health and Human Services shall transmit the information required by this subparagraph to the Secretary of Education not later than February 1 of each year.".

REDESIGNATION

SEC. 511. (a) The Department of Health, Education, and Welfare is redesignated the Department of Health and Human Services, and the Secretary of Health, Education, and Welfare is redesignated the Secretary of Health and Human Services, upon the date of enactment of this Act.

(b) Any reference to the Department of Health, Education, and Welfare, the Secretary of Health, Education, and Welfare, or any other official of the Department of Health, Education, and Welfare in any law, rule, regulation, certificate, directive, instruction, or other official paper in force on the effective date of this Act shall be deemed to refer and apply to the Department of Health and Human Services, the Secretary of Health and Human Services, or the appropriate official of the Department of Health and Human Services, respectively, except to the extent such reference is to a function transferred to the Secretary under this Act.

TRANSITION

SEC. 512. With the consent of the appropriate department or agency head concerned, the Secretary is authorized to utilize the services of such officers, employees, and other personnel of the departments and agencies of the executive branch for such period of time as may reasonably be needed to facilitate the orderly transfer of functions under this Act.

TITLE VI—EFFECTIVE DATE AND INTERIM APPOINTMENTS

EFFECTIVE DATE

SEC. 601. (a) The provisions of this Act shall take effect one hundred eighty days after the Secretary first takes office, or on such earlier date as the President may prescribe and publish in the Federal Register, except that at any time after the date of enactment of this Act—

(1) any of the officers provided for in title II of this Act may be nominated and appointed as provided in such title, and

(2) the Secretary may promulgate regulations pursuant to section 505 (b) (2) of this Act.

(b) Funds available to any department or agency (or any official or component thereof), the functions of which are transferred to the Secretary by this Act, may, with the approval of the Director of the Office of Management and Budget, be used to pay the compensation and expenses of any officer appointed pursuant to this Act until such time as funds for that purpose are otherwise available.

INTERIM APPOINTMENTS

SEC. 602. (a) In the event that one or more officers required by this Act to be appointed by and with the advice and consent of the Senate shall not have entered upon office on the effective date of this Act and notwithstanding any other provisions of law, the President may designate an officer in the executive branch to act in such office for one hundred twenty days or until the office is filled as provided in this Act, whichever occurs first.

(b) Any officer acting in an office in the Department pursuant to the provisions of subsection (a) shall receive compensation at the rate prescribed for such office under this Act.

ORGANIZATIONS SUPPORTING DEPARTMENT OF EDUCATION

Alliance of Associations for the Advancement of Education.

American Alliance for Health, Physical Education, and Recreation.

American Association of Colleges of Teacher Education.

American Association of Community and Junior Colleges.

American Association of School Administrators.

American Association of University Professors.

American Association of Workers for the Blind.

American Choral Directors Association.

American Coalition of Citizens with Disabilities.

American Dance Guild.

American Dietetic Association.

American Educational Research Association.

American Federation of Government Employees (AFL–CIO).

American Federation of State, County, and Municipal Employees (AFL–CIO).

American Library Association.

American Personnel and Guidance Association.

American School Food Service Association.

American Society for Public Administration.

American Theatre Association.

American Vocational Association.

Americans for Democratic Action.

Americans for Indian Opportunity.

Association of Childhood International.

Association for Supervision and Curriculum Development.

Children's Foundation.

Citizens Committee for a Cabinet Department of Education.

Coalition of American Public Employees.

Coalition of Independent College and University Students.

College Art Association of America.

College Band Directors National Association.

College Music Society.

Committee on Research in Dance.

Council for the Advancement and Support of Education.

Council for Educational Development and Research.

Council for Exceptional Children.

Council of Chief State School Officers.

Council of State Administrators of Vocational Rehabilitation (Executive Committee).

Education Commission of the States.

El Congresso.

Home Economics Education Association.

International Council of Fine Arts Deans.

International Reading Association.

Music Educators National Conference.

Music Teachers National Association.

National Art Education Association.

National Academy of Education.

National Association for the Deaf.

National Association of Administrators of State and Federal Education Programs.

National Association of College Wind and Percussion Instructors.

National Association of Elementary School Principals.

National Association of Mexican-American Women.

National Association of Secondary School Principals.

National Association of Schools of Art.

National Association of Schools of Music.

National Association of State Boards of Education.

National Association of State Directors of Migrant Education.

National Association of State Directors of Special Education.

National Audio-Visual Association.

National Committee for Citizens in Education.

National Congress of Parents and Teachers.

National Council of La Raza.

National Council of State Agencies for the Blind.

National Council of Teachers of Math.

National Dance Association.

National Education Association.

National Federation of the Blind.

National Governors Association.

National Guild of Community Schools of the Arts.

National Rehabilitation Association.

National School Boards Association.

National School Public Relations Association.

National Student Education Fund.

National University Extension Association.

National Urban League.

Overseas Education Association.

People United To Save Humanity (Operation PUSH).

Speech Communication Association.

State Higher Education Executive Officers Association.

Student National Education Association.

U.S. Student Association.

Young Audiences, Inc.

SALT LAKE CITY, UTAH,
January 5, 1979.

Hon. ABE RIBICOFF,
U.S. Senate,
Washington, D.C.

DEAR SENATOR RIBICOFF: In response to your letter, I am pleased to express my continued support for legislation that you have been sponsoring to establish a separate U.S. Department of Education. I want to respond specifically to the allegations that have been made in previous testimony that the creation of a separate Department of Education will lead to more Federal control and dominance. Then, I would also like to respond to the argument that a Department of Education will merely add to an increased bureaucracy without improving management effectiveness and coordination in education.

In my view, a separate Department of Education will be more responsive to the needs of schools and colleges in the United States. It is difficult for the education community to have access to the Secretary of HEW. The Department is so large and the problems are so complex that the Secretary simply does not have time to meet with education leaders, hear their problems, and be responsive to them. Moreover, a separate Department of Education would be able to devote more time on the Cabinet level to top White House staff members, to the Office of Management and Budget, and to the President. This simply is not the case now because of the enormous size and complexity of HEW. With three out of ten Americans in the United States involved in education on a fulltime basis, either as students or as employees, a separate Department of Education is justified and necessary. Such a department can be more responsive and more sensitively aware of the problems and concerns of American education. This should lead to more enlightened legislation and administrative regulation. It should lead to more concern for the problems of education and for the realities of local and state control. With a Cabinet-level official in charge of education and responsible for the administration of Federal policy, there should be much more awareness of the traditions of local autonomy and grass roots control and governance of education. And all of this should lead to less control and less Federal dominance than we have at the present time.

More effective management and coordination of education should result from a separate Department of Education. Anyone who has worked in the HEW bureaucracy knows of the cumbersome decision-making structure that exists there. I don't express this as a criticism but merely express it as a normal result of the unreasonable size and complexity of that department. It is simply too large and unwieldy. During the time that I served in Washington as Deputy Commissioner and as U.S. Commissioner of Education, I worked under Secretaries Finch, Richardson, Weinburger, and Matthews. All of these men were simply overpowered and overwhelmed with the enormity of the task of trying to manage HEW. Decisions that the Secretary must make are so numerous that they have to be delegated to subordinates. It was extremely difficult to get time on the Secretary's calendar to discuss serious problems in the U.S. Office of Education. Indeed, I found it even difficult to get in to see the Under Secretary at times. So far as education is concerned, these management and coordination difficulties would be greatly simplified if we had a separate Department of Education. I constantly received complaints from school and college leaders and from their organizations and association groups that they simply could not get an audience with the Secretary. Despite the dedication of the conscientious individuals who served as Secretaries of HEW, the task is so enormous and the span of control is so vast that it is impossible to have effective management and proper deliberation and hearing before decision making takes place. Thus, the bureaucratic tangle that exists in HEW would be greatly simplified if education became a separate department. The health and welfare programs would benefit as well as would the education programs through the creation of a separate U.S. Department of Education.

It is natural for leaders both inside and outside of government to want to have some of their major problems heard by the person who sits at the head of the organization. This is simply another good argument for a separate department. There is no time for the Secretary of HEW to fill many of these needs, because of the pressures on his time.

I hope that you will be successful in getting your legislation passed. American education will benefit if you are successful, and we all owe you a debt of gratitude for the leadership that you are displaying in this matter.

Sincerely,

T. H. BELL,
Commissioner of Higher Education.●

● Mr. WILLIAMS. Mr. President, I am pleased to support as an original cosponsor this legislation to create a Cabinet Department of Education. I supported this measure in the 95th Congress and I do so at the outset of the 96th Congress with the conviction that this legislation is more important than ever to our national interest.

The bill introduced today is essentially the same measure which passed the Senate by a wide margin in the last days of the 95th Congress. The principles underpinning it have been tested repeatedly in hearings, in debate before the Committee on Governmental Affairs, in consultative assistance from the Committee on Human Resources, and before the Senate. The concept of a Department of Education is well founded and the need for a department to concentrate on the Federal role in this essential policy area escalated as school enrollments decline, as educational technology goes unused, and as local ability to finance education is questioned by tax-saving and tax-limitation measures across the Nation.

The measure which I join in introducing today maintains a proper perspective of a Federal role in education—to assist effectively the States and localities to carry out primary responsibility for the formulation and delivery of educational services. By combining from diverse and frequently competing locations in the Federal Government the many programs affecting our young people, a new Department of Education would facilitate Federal administration of education policies and programs. Such a department is the only way that we can reduce the paperwork burden and excessive Federal regulation and at the same time provide those programs which local government is unable to afford.

The passage of this matter is a high priority for the Congress and for the administration. It is my hope that my colleagues in the Senate will consider this measure favorably and that the leadership of the Senate will clear the way for its earliest possible consideration.●

● Mr. NUNN. Mr. President, it is with great pleasure that I again join Senators RIBICOFF, MAGNUSON, and PELL in introducing the Department of Education Organization Act.

Since we last introduced this measure in early 1976, great strides have been made toward the actual establishment of this much-needed department. When the Governmental Affairs Commitee reported this bill for full Senate consideration last August, S. 991 had over 50 bipartisan cosponsors, had been the subject of 10 days of hearings with more than 100 witnesses, and had been extensively reviewed and thoroughly discussed by the committee staff, the administration, and interested citizens from throughout the Nation. And, it received a substantial vote of confidence from the Senate when it passed on September 28, 1978, by a vote of 72 yeas to 11 nays. Unfortunately, it was impossible to bring this important measure to the floor of the House of Representatives for its consideration during the last few days of the session, and S. 991 did not receive full congressional approval prior to adjournment.

I do believe, however, that we still have the momentum to get expeditious approval of the Department of Education Organization Act early in this Congress, because I think that most of my colleagues still share my view that our Government has no national educational policy and no coordinated system of providing educational services to the State and local educational agencies, our colleges and universities, and most importantly, our Nation's youth. It is our hope that a separate Department of Education will help alleviate this problem and bring some guidance to our fragmented educational programs.

Without going into the actual details of the bill, I would like to share several reasons why I feel a separate department will actually improve education in our Nation today.

I believe that the Federal involvement in education, with its primary goal of equalizing opportunities for all citizens, is a commendable one. These programs have made a great difference in the education of many socially, physically, and economically handicapped children.

But the price for these benefits has often been confusion, fragmentation, duplication, delay, and general frustration with the paperwork and painstaking slowness of Federal bureaucratic processes.

Federal regulations require days, even weeks, of administrative time, often at great expense to school systems. But the mandates do not stop at the administrative levels. Teachers also must spend hours of their time in complying with Federal requirements and completing nebulous and often inane forms when time and effort could be better expended in fulfilling the educational needs of the students.

And all of this time and effort is expended at a price. Only 8 percent of the cost of public education is assumed by the Federal Government.

There is a reason for the burdensome paperwork, for the regulations and for the guidelines. It may not be a good reason, but it is a simple one. The paperwork, the regulations and the guidelines fill the vacuum created by the unconscionable absence of a Federal education policy.

This is not the fault of the executive branch, alone. In a very real sense, Congress must share the blame, because Capitol Hill is responsible for the extraordinary fragmentation in education programs that is now so severe that only a reorganization of Government can respond to the problem.

For example, in addition to the Education Division of the Department of Health, Education, and Welfare, 37 other departments and agencies run 130 education programs of their own. We have also played musical chairs with our Commissioners of Education—there have been 13 individuals holding this position in the past 13 years. With continuity of leadership like that, there is little wonder that bureaucrats write regulations, guidelines, and prepare new forms to their hearts content.

And, although the Secretary of Health, Education, and Welfare is ultimately responsible, it is difficult for even the most competent and concerned HEW Secretary to be a real spokesman for education when the massive health and welfare needs, with their concurrent extraordinary expenditures, demand all his time and energies.

But not only is the Commissioner of Education's responsibilities fragmented, his voice and opinion have little authority and receive little attention. In hearings on the Department of Education which I chaired in the Governmental Affairs Committee, former Commissioner of Education Terrel Bell, testified that—

> The Commissioner is an executive level 5 in the government structure, and in HEW that is one of the lowest forms of human life, . . .

He also stated that during his 2 years service as Commissioner of Education, he had the opportunity to meet directly with President Nixon on only one occasion and that was when he was appointed.

This is just one sad example of the frustration of being U.S. Commissioner of Education, and is perhaps one reason why this job changes hands so much. The Commissioner of Education has almost no opportunity for policy input. His decisions and recommendations on education budgets are usually overruled. He is buried within the HEW bureaucracy with very little access to the Secretary of Health, Education, ad Welfare, much less anyone higher.

All the aforementioned problems describe a generally deplorable situation, yet, such is the state of education at the Federal level. It is incumbent on us now to take steps to remedy this problem.

I believe that the first step we must take is to establish a Cabinet-level Department of Education. I am not going to pretend that I believe that a separate Department of Education will solve all our educational problems or guarantee that the quality of these endeavors will be improved. But I do strongly believe that an identifiable, Cabinet-level department which consolidates existing programs, streamlines administration and establishes direct lines of authority can go a long way toward the improvement of education. But even more importantly, Congress and the American people need a visible, responsible, high-level Federal official who can be held accountable for the successes of failures of educational programs and policies at the Federal level. Education also needs a strong advocate in the executive branch to delineate its priorities and to assist in solving its problems. A Department of Education can go a long way toward meeting these needs.

But I feel I must take a moment to emphasis that the effective management which will accompany a Department of Education should not mean more control. In the report on S. 991 in the 95th Congress, the Senate Committee on Governmental Affairs, with my strong concurrence, stated emphatically that the responsibility for education policy and curriculum will remain at the State, local, and private levels. However, a Secretary of Education can mean improved accountability, coordination, and advocacy, all of which are important if the Federal Government is going to make its involvement in education meaningful.

Education is an investment of no small measure in our Nation. In 1977, the American people spent $140 billion on education—this is 8 percent of our gross national porduct and more than we spend on national defense. Today, nearly 3 out of every 10 Americans—63.7 million citizens—are directly involved in education. And, education is by far the largest expenditure of State and local governments, accounting for more than one-third of their budgets.

The bill which we are introducing today reflects the goals and concerns of citizens throughout our Nation who are interested in improving educational opportunities and wisely spending our educational dollars. It also encompasses the long months of dedicated and diligent work during the 95th Congress which I believe will effectively reorganize our Federal educational effort, reduce fragmentation, give priority attention to these urgent needs and provide more responsive educational services to the youth of our Nation.

Mr. President, I know the Committee on Governmental Affairs intends to move expeditiously on this measure. I urge the Senate to act accordingly so that a Department of Education can become a reality in 1979.●

● Mr. ROBERT C. BYRD. Mr. President, last year the Senate passed legislation to create a Federal Department of Education. However, in the closing days of the 95th Congress, the House was unable to complete its action on the bill. I hope that this year the bill will become law, and I am pleased to add my name to the list of cosponsors.

Senator RIBICOFF, chairman of the Committee on Governmental Affairs, which has jurisdiction over creation of Federal executive departments and agencies, has introduced this legislation today. And I cannot think of anyone more qualified than a former Secretary of Health. Education, and Welfare to be its principal sponsor. He has introduced legislation to create a separate Department of Education in every Congress since the 89th, and he should receive credit for his skillful and successful efforts in guiding the bill through the Senate last year. Credit must also be given, of course, to the distinguished Senator from Illinois, Mr. PERCY, for the role that he played in bringing this bill to passage last year.

The legislation Mr. RIBICOFF is introducing today, S. 210, to create a Cabinet-level Department of Education reflects his longstanding interest in and concern with the whole range of education issues and problems. This bill is the product of many years of hard work—hundreds of hours spent in committee addressing the issues, improving the bill's language and refining its findings and purposes. It is my sincere hope that this year, his efforts and those of so many others will be realized in the creation of a separate Department of Education.

For too long education programs have been smothered in the massive bureaucracy of health and welfare programs administered by the Department of Health, Education, and Welfare. They are scattered throughout at least 40 Federal departments, agencies, and bureaus. Over the years, they have received less and less of the attention and priority they deserve.

At the same time, the budget for the Education Division at HEW already exceeds that of the Departments of the Interior, Commerce, Justice, and State. It is easily large enough to constitute and justify a separate department.

Creation of a new Department of Education will result in increased efficiency in the management and coordination of education programs administered by the Federal Government. It will result in greater responsiveness at the Federal level to the education needs of this country by consolidating education-related programs under one Federal department.

I know that in West Virginia, school boards have run into problems when dealing with the Education Division at HEW. I can cite numerous examples of delay, time-consuming paperwork, duplication, and confusion which the local school boards have encountered. In fact, one of the main reasons I feel so strongly about this legislation is that I believe that creation of a Cabinet-level Department of Education will result in a substantial reduction in redtape, paperwork, and delays. This department should be much more responsive to local needs by bringing the Federal Government into closer contact with State and local education agencies. One Federal Department to administer this Nation's education programs should provide better leadership and management. Education will receive the increased status and visibility it deserves. And our commitment to providing this country with the best possible education opportunities will be strengthened.●

● Mr. SASSER. Mr. President, I am proud to be a cosponsor of the legislation to create a separate Department of Education. As an original cosponsor of the similar bill which passed the Senate during the 95th Congress, I am pleased to sign my name to the measure which is introduced today.

One of the hallmarks of our 96th Congress will be the emphasis placed on our responsibilities for oversight of the Federal agencies and their programs. In the field of education, our ability to carry out this mission will be considerably enhanced by the creation of a single department to administer programs for education which are now scattered among several Federal agencies.

Current Federal expenditures for education can be more effectively monitored by Congress if they are administered by a single department. We can also hold a Secretary for Education who sits in the President's Cabinet fully accountable for efficiently running the agency.

Roughly $9.5 billion was spent by the Education Division of HEW in 1978. This amount is larger than the budgets for the Departments of Commerce, Interior, Justice, and State. Yet the agency responsible for administering the funds for education is buried within the bureaucracy of a large department which must run other important programs.

Congress is committed to meeting its mandate to see that existing Federal programs are administered wisely and without undue restrictions. The creation of a Department of Education to more effectively and efficiently administer Federal programs for education can help Congress to meet its oversight responsibilities. It is my hope that the Department of Education will become a reality in 1979.

Mr. President, I understand that the Congressional Budget Office is preparing its cost estimate of the Department of Education bill. Until we have that estimate, we will not know if the department as envisioned in this bill will cost the taxpayers any additional money.

I want to state my strong feeling that my support for this bill is based on its potential to give higher priority and better management to Federal education programs. I do not support a new bureaucracy which would require additional funding for administrative and bureaucratic costs at the expense of our Nation's educational needs and at the expense of our commitment to fiscal restraint.

I will pursue these potential costs and benefits when the Committee on Governmental Affairs begins hearings on this legislation next week.●

● Mr. McGOVERN. Mr. President, I am pleased to be an original cosponsor of the Department of Education bill. It is unfortunate that this bill must again make its way through the legislative process, as a version of this bill should have been passed in the 95th session of Congress. Instead, the Department of Education bill was once again pushed aside—perhaps the most blatant evidence of all that education in its present structure exerts little influence.

This bill would transfer to the new Education Department the Education Division of Health, Education, and Welfare, vocational rehabilitation programs of HEW, parts of the HEW Office of Civil Rights relating to education, schools for overseas military dependents run by the Defense Department, and some science education programs of the National Science Foundation.

Education officials have done their best to meet the educational needs of many Americans. However, without a Cabinet secretary reporting directly to the President on our critical educational needs and the status of education programs, there will never be a coordinated national policy to meet our basic needs. With the demands made on one Cabinet secretary who has responsibility for three major agencies, Health, Education, and Welfare, it is no wonder the focus on education has weakened. Our Nation cannot afford this. There are many problems which require the attention of a Secretary whose sole responsibility is education and who has the authority to make major policies and see to it that these policies are implemented. There is much evidence that we need strong direction: Approximately one-fourth of our children in grade school will not earn a high school diploma; an estimated 30 million teenagers and adults in this country are functionally illiterate; hundreds and perhaps thousands of young children are exposed to cancer-causing asbestos materials in their classrooms, and many students refuse to repay the student loan they borrowed from the Federal Government—resulting in the loss of millions of taxpayer dollars. These are just a few of our many problems. Furthermore, the complicated regulations, and endless paperwork required are the result of education programs being scattered throughout 40 different agencies. Placing these programs under one roof would save the policymaker time, and the taxpayer money.

It should be stated that it is not the purpose of a separate Department of Education to supersede State and local control of education. However, coordination between State and local educational agencies and the Federal Government is needed if Federal education programs are to be effective. The required redtape and regulations as well as the lack of organization and communication have alienated the State and local agencies and have resulted in inadequate education programs for children.

All of these problems will not be solved simply by moving various education divisions to one building. Sincere efforts must be made on the part of the President of the United States, the Secretary of Education, Federal, State, and local officials, and concerned citizens, to see that better educational policies are established, implemented, and consistently evaluated. By creating a Department of Education, this much-needed framework is set—the rest is up to us.●

By Mr. HART:

S. 211. A bill to amend the Internal Revenue Code of 1954 to provide for the indexation of individual income tax brackets, and for other purposes; to the Committee on Finance.

● Mr. HART. Mr. President, during the Senate's consideration of the Revenue Act of 1978 in the last days of the 95th Congress, I joined with several of my colleagues in introducing an amendment to insulate taxpayers from the tax impact of inflation by automatically adjusting tax rates to reflect increases in the cost of living. Although not adopted, our amendment received more support than any previous indexing measure to come before the full Senate. Today, I am introducing a very similar indexing proposal which I hope will receive early and thoughtful consideration in the 96th Congress.

Inflation continues to push people into higher and higher tax brackets even though they have no increase in their real income. Their average tax rate rises, that is, their tax burden grows faster than the rate of inflation. The result is that they have less to spend, and even worse, less to save and invest. The most effective way to remedy this situation is to adjust the tax code for inflation. Inflation adjustments, or indexing as this procedure is sometimes called, automatically correct the income tax system to prevent inflation from pushing taxpayers into higher and higher tax brackets.

Ironically, the big winner from high inflation is the Government. The Government has a vested interest in maintaining inflation since the current system permits the Government a windfall tax profit of about $6 billion a year. Indexing would end Washington's inflation bonus.

More importantly, it would encourage fiscal responsibility since an indexed tax system would require Congress to reduce and control spending or take the necessary action to acquire additional funds. What we have now is taxation without legislation. The question, quite simply, is one of accountability. The question is whether Congress should continue to use the unlegislated tax of inflation to subsidize new legislative initiatives. It is fundamentally wrong for the U.S. Treasury to be reaping a windfall in increased revenues each year, without the Congress ever having to enact a tax bill the President must sign. The Federal Government will continue to take advantage of this destructive economic phenomenon unless the 96th Congress acts on this important issue.

The legislation I am introducing today will index the income tax brackets and the standard deduction, in proportion to the rate of inflation. It is designed to halt the bracket creep which occurs as cost-of-living raises—which are meant to maintain a workers purchasing power in the face of inflation—push him into a higher tax bracket. The result of this proposal will be a tax system that is more fair and equitable due to the elimination of the tax increases now caused by rising price levels. This proposal constitutes a fair and meaningful tax adjustment for every American.

Mr. President, I offer my proposal as a sound beginning toward the principle that our tax system should tax real, not nominal income. This proposal will apply to taxable years 1980–1982.

It is, in a sense, an experimental program, one that will offer both Congress and the American people an opportunity to evaluate the merits of the indexing concept. The legislation also directs the Council on Wage and Price Stability to conduct a study of the impact of the proposal and to report to the President and to Congress not later than July 1, 1982, the results of such study together with its recommendations concerning the continuation on indexing the individual income tax brackets.

Indexing personal income taxes is not intended to be a correction for all the inequities of the current income tax law, nor need it be the final determining factor about the size of income tax revenues. Adoption of tax indexing does not preclude any other changes the President wishes to propose or the Congress wishes to enact. With indexation, the Congress could, of course, still change the degree of income tax progression or the amount of income tax collections. Income tax indexation simply guarantees that taxpayers will not be subject to nonlegislated tax increases.

Indexing the tax brackets may only be the first step toward eliminating the hidden tax burden caused by inflation. Surely, it is a fair and rational place to begin. Once we have established the principle that taxpayers should not be subject to nonlegislated tax increases that are caused by inflation, we may find merit in indexing other relevant provisions of our tax laws. My proposal will allow us an opportunity to examine and explore the benefits of an indexed tax code. At the same time it will provide a well-deserved break to the American taxpayer who has been the victim of rapidly increasing inflation in recent years.

Mr. President, I would like to discuss a few of the important questions that have been asked about indexing the tax code.

First, what is the relationship between inflation, personal income, and income tax rates?

As inflation increases the cost of living, an individual's income must also increase if that individual is to continue to buy the same goods and services. As the income level rises, however, the taxpayer must pay a higher tax despite the fact that the increased income was due to a cost-of-living adjustment to compensate for the rate of inflation, rather than a real increase in personal income.

Second, how will indexing mitigate the effect of inflation on personal income?

The proposal automatically corrects the income tax system to prevent inflation from pushing taxpayers into higher and higher tax brackets. It establishes a procedure that widens all tax brackets by a proportion equal to the rate of inflation. This holds the real value of the tax brackets constant and prevents taxpayers from moving from one bracket into another unless their real incomes have changed.

Indexing does not promise to end or even diminish inflation, although it might help. It does promise, however, that no increased tax burden will be placed upon the American taxpayer without legislation enacted by Congress.

Third, how does the proposal work?

Immediately following September 30 and prior to December 1 of each year, the Secretary of Labor will report to the Secretary of Treasury the average rate of increases in prices which occurred during the previous four quarters ending on September 30. Each dollar amount in the tax brackets shall be increased by this percentage increase in the price level and this rate structure will apply for the following calendar year. Such a procedure will keep effective tax rates on real taxable income relatively constant. Because the standard deduction is included as a zero-bracket amount in the tax rate schedules, this change will automatically index the standard deduction as well.

Fourth, is indexing inflationary?

Past experience in other countries has shown that indexing is neither the cause nor the cure of inflation. However, without indexing, the worker whose wage increase just makes up for the annual rate of inflation is pushed up into a higher tax bracket. Just to keep him even his wages must rise faster than the cost of living. The inflation penalty inherent in the present tax structure is one of the basic causes for inflationary wage demands, since workers must receive inflationary wage increases in excess of the cost-of-living increase, simply to maintain the actual value of their take-home pay.

Fifth, has indexing been tried anywhere else?

Yes, a number of other countries have already adopted some form of indexing their individual income tax rates. These countries include Canada, France, Luxembourg, Denmark, Israel, Brazil, the Netherlands, and most recently, Australia. Under the Canadian approach, which took effect in 1974, the personal exemptions and the tax brackets are adjusted upward annually by the rate of change in the Consumer Price Index for the year ending in the previous September. As a result, the Canadians have adjusted these two features by 6.6 percent for 1974, 10.1 percent for 1975, and 11.3 percent for 1976.

Sixth, why not index other relevant provisions of the Tax Code?

Although the idea of indexing is not a new one, it has never been tried in this country. It has been successfully employed in other nations; but the dynamics of every country's economy are different. It seems logical, therefore, that we begin by establishing a simple, modest approach which will offer both Congress and the American people an opportunity to evaluate indexing on its merits. For this reason, my proposal indexes the personal income tax brackets only.

Mr. President, I ask unanimous consent that the text of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 211

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 1 of the Internal Revenue Code of 1954 (relating to tax imposed) is amended by adding at the end thereof the following new subsection:

"(f) Cost-of-living adjustment.—

"(1) In general.—Immediately following September 30 and prior to December 1 of each year, the Secretary of Labor shall report to the Secretary of the Treasury the ratio which the price index for the 4 consecutive calendar quarters ending September 30 of that year bears to the price index for the base period. Each dollar amount in the tables under subsections (a), (b), (c), and (d) under the heading 'If the taxable income is' shall be increased by an amount equal to such dollar amount multiplied by such ratio and, as so increased, shall be the amount in effect for taxable years beginning in the calendar year following the calendar year in which such report is made.

"(2) Amount of tax.—The Secretary shall adjust each dollar amount in the tables under subsections (a), (b), (c), and (d) under the heading 'The tax is' to reflect the changes made under paragraph (1).

"(3) Definitions.—For purposes of paragraph (1)—

"(A) the term 'price index' means the average of the relevant 4 consecutive calendar quarters of the Consumer Price Index (all items—United States city average) published monthly by the Bureau of Labor Statistics; and

"(B) the term 'base period' means the 4 consecutive calendar quarters ending September 30 of the calendar year preceding the Secretary of Labor's report.".

(b) (1) Section 63 of such Code (relating to the definition of taxable income) is amended by adding at the end thereof the following new subsection:

"(i) Adjustment for Changes in Bracket Amounts.—Prior to the beginning of each calendar year, the Secretary shall, after adjusting each dollar amount listed in the tables under subsections (a), (b), (c), and (d) of section 1, as provided in section 1(f), adjust each dollar amount in subsection (d) to reflect the adjustments made under section 1(f) which are to be in effect for taxable years beginning in such calendar year.".

(2) Subparagraph (B) of section 3402(m) (1) of such Code (relating to withholding allowances based on itemized deductions) is amended—

(A) by striking out "$3,400" and inserting in lieu thereof "the dollar amount in effect under section 63(d) (1)"; and

(B) by striking out "$2,300" and inserting in lieu thereof "the dollar amount in effect under section 63(d) (2)".

(3) Subparagraph (C) of section 402(e) (1) of such Code (relating to imposition of a separate tax on lump-sum distributions) is amended by striking out "$2,300" and inserting in lieu thereof "the dollar amount in effect under section 63(d) (2)".

(4) Section 6012(a) (1) of such Code (relating to persons required to make returns of income) is amended by adding at the end thereof the following new subparagraph:

"(D) Each time an adjustment is made under section 63(i) with respect to any dollar amount under section 63(d), the Secretary shall adjust each dollar amount under subparagraph (A) to correspond to such adjustments and such amount, as adjusted and rounded to the nearest $1, shall be the amount in effect under such subparagraph for taxable years beginning in any calendar year with respect to which such adjustment is in effect under section 63.".

Sec. 2. Section 3402(a) of the Internal Revenue Code of 1954 (relating to tax withheld) is amended by adding before the last sentence thereof the following new sentence: "The tables prescribed under this section shall be adjusted in accordance with section 1(f) with respect to the wages paid in the year following the Secretary of Labor's report under such section.".

Sec. 3. The Council on Wage and Price Stability shall conduct a study of the impact of the amendments made by the first section of this Act and shall report to the President and the Congress, not later than July 1, 1982, the results of such study together with its recommedations including recommendations for continuing the indexation of individual income tax brackets.

Sec. 4. The amendments made by the first section of this Act shall apply with respect to taxable years beginning after December 31, 1979, and before January 1, 1982, except that the first report required to be made under section 1(f) of the Internal Revenue Code of 1954 shall be made in calendar year 1979. The amendment made by section 2 shall apply with respect to wages paid after December 31, 1979 and before January 1, 1982.●

By Mr. SCHMITT (for himself, Mr. Goldwater, Mr. Dole, Mr. Randolph, Mr. Domenici, Mr. Heinz, Mr. Hayakawa, Mr. Thurmond, Mr. Wallop, and Mr. Lugar):

S. 212. A bill entitled the "National Space and Aeronautics Policy Act of 1979"; to the Committee on Commerce, Science, and Transportation.

NATIONAL SPACE AND AERONAUTICS POLICY ACT

● Mr. SCHMITT. Mr. President, today I am introducing for myself and Senators Goldwater, Dole, Randolph, Heinz, Domenici, Hayakawa, Thurmond, Wallop, and Lugar the National Space and Aeronautics Policy Act of 1979, a bill that would establish guidelines for a long-term approach to a national space and aeronautics policy. The bill defines broad policy goals for the Nation and establishes specific scientific and technological program objectives critical to the timely achievement of these goals.

This bill is a revised version of S. 3599, a bill I introduced on October 13, 1978. Subsequent to the introduction of S. 3599, I circulated it for comment to leaders in industry, labor, academia, government, and other vital sectors in our national economy. Responses have been most encouraging and helpful. The revised bill I and my distinguished cosponsors are introducing today reflects the thoughtful views and suggestions received from the many individuals who responded to my requests for comments.

The President has recently announced the administration's position on the Nation's future space policy. Many in this country, including young Americans, feel the administration's space policy is devoid of the leadership necessary at this critical juncture in our history. Rather than generating the excitement that the American people and the world expect, the President has continued, and with his fiscal year 1980 budget proposal he appears on the verge of accelerating the policies of retrenchment begun in the early 1970's. Specifically, he refused to make a commitment to the efforts necessary to place necessary extensions of our civilization in space, or to continue to explore the solar system.

As the Soviets steadily move their civilization into space, we merely talk of gradually building worldwide satellite systems in communications, weather forecasting and Earth resource sensing. These are fine but limited objectives which are already in our grasp.

As the rest of the industrialized world runs technological and marketing circles around us, and the dollar steadily weakens, we further close our principal modern faucet of innovation in technology and productivity; namely, new activity in space.

As the extreme danger of our dependence on external sources of fossil fuels increases, we stagnate in the development of alternative conservation, production and conversion energy technologies, most of which have their roots in aerospace research and development.

As the decline in our productivity and markets fuel inflation, we forget that well-conceived expenditures on new technology are inherently deflationary in their creation of new techniques, products and services.

This country and its people need to flex their muscles and their motivation against all the frontiers of human endeavor. They must face the risks and grasp the benefits of those frontiers.

A SPACE POLICY FOR AMERICA

If we were to imagine a space policy that would continue to carry this country and elements of our civilization into space and into the 21st century, upon what factors should such a policy rest?

Let me suggest the following essential criteria:

First, the policy must present a sense of direction and continuity for all present and future generations which must implement the policy.

Second, the policy must have flexibility that can take advantage of new science and technology as well as adapt to rapidly changing goals which events may dictate.

Third, the policy must have clearly identifiable significance to the direct or indirect solutions of the major terrestrial problems of hunger, disease, unemployment, and ignorance.

The policy must integrate budgetary requirements between the various elements of the policy, and between the governmental and private sectors, so that the demands on the taxpayer are both reasonable and consistent from year to year.

Finally, space policy must match the real world of science and engineering with the perspective of the younger generations which will give it life.

WORLD INFORMATION

The decade of the 1980's, a world information decade, should have programs aimed at permanent, eventually self-financing, services for worldwide communications, weather and ocean forecasting, Earth resources discovery or monitoring, education and public assistance, and prediction of natural events of disastrous human consequences or broad scale economic impact.

The collection and distribution of information on a worldwide basis via satellite has provided a distinct change in the course of human history. The most graphic demonstration of this change came when on Christmas Eve, 1968, hundreds of millions of human beings throughout the world simultaneously had a new thought about a familiar object in the night sky—the Moon. The men of Apollo 8 were there, and the Moon would never be the same for anyone. Now, we realize that the world will never be the same; that there are solutions to the age-old problems of the human condition on Earth—hunger, disease, poverty and ignorance.

A world information decade is much more aggressive and far-reaching than the rumblings from the Carter administration about their space policy for the 1980's. Of particular interest is the capability such a decade will provide in our assistance to those developing countries of the world that wish to move with us, as free nations, into the technological 21st century. The benefits of the high technology of space will be available to them without the need to invest alone in its creation.

ORBITAL ENTERPRISE

The decade of the 1990's, an orbital enterprise decade, should emphasize the progressive creation of permanent facilities in near-Earth space. Such facilities will utilize and augment this unique research, service and manufacturing environment. The weightlessness, the vacuum, the unique view of Earth, Sun and stars provide unparalleled opportunities for research, education, space power production, manufacturing, health care, Earth power production and for direct public participation.

Permanent facilities in orbit will provide capabilities that relate directly to current and growing problems facing this Nation. For example, creating new export commodities and inexhaustible energy supplies are needs that cannot be ignored by this generation, nor denied to future generations. In addition, the now-real possibility of research, education, health care, and recreation in space has caught the imagination of millions of young Americans. Let us not disappoint them, nor the future.

As with a World Information System, the management of the development of an Orbital Enterprise System should be rapidly assumed by largely nongovernmental groups. In most cases, the facilities will be economically self-sustaining, except for continual Federal involvement in high-risk improvements in technology.

SOLAR SYSTEM EXPLORATION

In the first decade of the 21st century, a space policy for our civilization should reach a major culmination of excitement with the initiation of a second solar system exploration decade. This is the decade about which most of the very young have their dreams—bases and settlements on the Moon and missions of exploration to Mars and Venus.

A research and test base on the Moon would provide the opportunity to develop and test the systems necessary to sustain a permanent mining, agricultural and research capability. Equipment required for long duration mobile exploration of Mars also can be developed and tested in this environment. It may be that the

Mars and Venus missions themselves would be most economically staged from the Moon.

Whatever may turn out to be appropriate, now is the time to create the options so that the next generation may proceed when they are ready.

SUSTAINING SCIENCES AND TECHNOLOGY

In order to sustain the technological and scientific requirements for these 3 decades of space activity, a significant level of basic research must be maintained, and development programs must be phased in to support the major programmatic efforts.

Of particular significance is the continued development of basic transportation systems, units and structures for space facilities, heavy capacity boosters, deep space boosters and new power and communication systems; particularly those utilizing laser and other advanced technologies.

The Space Shuttle concept, for economical and convenient access to the near-Earth environment and its resources, must be continued through additional phases and maximized to the fullest extent practicable. The chances are that both the development of an orbital enterprise system and the extended exploration of the solar system will demonstrate the need for expanded shuttle concepts. Also, a Moon shuttle capability will obviously be required in the 1990's to establish a Moon base and then conduct 2-way physical transport between Moon and Earth.

New power and booster concepts must be developed to accomplish the civilization and exploration goals economically. New engineering concepts for space construction, and maintenance of large weightless planetary structures, also must mature in parallel with the mission demands.

These efforts in space, science, and technology will be the well from which will come new products and technologies for direct terrestrial applications. The systems, components, and materials developed, as well as the ideas, will, as always, produce unanticipated benefits of value far beyond their costs. This will continue to be true in space as it has always been for basic research and exploration on Earth.

ECONOMIC IMPACT

The estimated annual costs of the development, research, and mission programs, when properly phased, suggest that a sustained level at about one-half of 1 percent of our GNP would eventually be required to establish the basis for Earth-supported space facilities. The buildup to this level would be from about $5 billion in 1980, to about $10 billion in 1990, to about $15 billion in 1995. These figures represent a projected GNP of about $2 trillion in 1990 based on a GNP growth rate of approximately 2 to 3 percent in constant 1972 dollars. This final level would include an estimated Federal work force of about 75,000 and a directly supported industrial force of about 10 times that figure.

The economic and employment impact on commercial and other nongovernmental activities during this period has not yet been estimated. However, a major design philosophy behind this policy is to undertake largely those activities in the world information and orbital enterprise decades which would eventually sustain themselves without Federal support. It is also assumed that the long-term activities on the Moon will be in part, if not largely, supported by commercial interests and will be self-sufficient after a decade or less.

Mr. President, the changes made in this bill over that introduced last year, while not major, more clearly define our thinking as to the most appropriate national space and aeronautics policy.

Perhaps one of the more significant changes appears in the section 302 requirement for a national 30-year space and aeronautics policy goals statement. As presently drafted, this section would require the Administrator of NASA, together with the Director of OSTP and other appropriate Federal agencies, to prepare a series of three separate but integrated reports. No later than 1 year after the enactment of the act, there must be submitted to the Congress first, a firm 5-year program, with annual funding requirements and a detailed R. & D. schedule, second, a 10-year plan, and third, a 30-year policy goals statement. I believe this is a realistic approach to the development of the planning process and recognizes the inherent difficulty in formulating R. & D. mission requirements that span a decade or more. Nevertheless, it is essential that such planning be vigorously pursued.

In addition, the aeronautical section has been expanded and the bill revised to more clearly reflect our thinking on the need to insure the coordinated linkage between scientific and technological research and the realization of long-term space and aeronautical policy objectives.

Mr. President, the Senate Science, Technology, and Space Subcommittee, under the leadership of my distinguished colleague Senator STEVENSON, has scheduled hearings on space policy legislation later this month. I am hopeful that this process will produce a critically needed new vision of our national commitment to U.S. leadership in space and aeronautics.

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 212

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—DECLARATION OF POLICY

FINDINGS

SEC. 101. The Congress finds and declares that:

(1) The activities of the United States related to the explorations and utilization of the space environment have vastly increased our knowledge of the Earth, its history, its resources, and their future limitations.

(2) The scientific and technical advancements resulting from the activities of the United States in space and aeronautics are contributing in ever-increasing ways to the improvement of life on Earth, particularly in the areas of health, education, food production, environment, protective resource utilization, defense, energy production and conservation, communications, transportation, and protection form natural hazards.

(3) The retrenchment of United States space and aeronautical activities since the early 1970's has resulted in a serious threat to our economic progress, our national defense, and to our leadership role in the establishment of the facilities of our civilization in space.

(4) The gradual acceleration of well-managed space and aeronautics activities by the United States, state and local governments, public and private institutions, and industry will further benefit the Nation far exceeding the cost of such activities.

(5) The future potential of automated satellites which will collect and distribute many kinds of information around the Earth, include major improvements in telecommunications, weather and ocean forecasting and monitoring, natural hazard predictions, Earth resources sensing, and communications services.

(6) The activities of the United States in the space environment have demonstrated the great potential for the beneficial application of weightlessness, infinite volumes of vacuum, and the orbital view of the Earth, Sun, and stars.

(7) The future potential of permanent manned and automated facilities in orbit around the Earth include those aspects of our civilization that provide for research, education, power production, manufacturing, and health care.

(8) The continued exploration and utilization of the solar system, including the Moon and Mars, is important to present and future generations of Americans and should be a long-term goal of the United States space program.

(9) The future space and aeronautical activities of the United States must be sustained by a variety of interrelated research, development, and demonstration programs which create the knowledge and capability necessary to maintain leadership in such activities.

(10) The future space and aeronautical activities of the United States must encourage the cooperative participation of commercial, institutional, and international interests in all appropriate undertakings.

(11) It is in the national interest to establish a United States space and aeronautics policy directed toward the creation of—

(A) a world information system during the 1980's that could consist of permanent, generally self-financing services in telecommunications, weather and ocean forecasting, Earth resources sensing, communications services and natural hazard predictions;

(B) orbital facilities during the 1990's that could consist of permanent, generally self-financing facilities for research, education, power production, manufacturing, and health care;

(C) a solar systems exploration capability during the first decade of the twenty-first century which provides the options for Moon bases, manned missions to Mars, a Moon settlement, manned missions to Venus, and a Mars settlement;

(D) space technology development necessary to support the world information systems, orbital facilities and solar system exploration as set forth in (A), (B), and (C);

(E) space research and applications on a sustaining basis in planetary sciences, basic space sciences, astronomy, solar sciences, and engineering; and

(f) aeronautical technology development necessary to support general and commercial aviation, lighter-than-air and supersonic aviation, hydrogen fuel, aircraft propulsion, and appropriate new flight concepts.

PURPOSE

SEC. 102. It is the purpose of this Act to establish a comprehensive national civilian space and aeronautics policy that will provide the framework for a world information system, Earth orbital facilities, exploration of the solar system and the development of other space and aeronautical activities in order to preserve and expand the leadership of the United States in space and aeronautics.

TITLE II—NATIONAL SPACE AND AERONAUTICS POLICY

NATIONAL SPACE AND AERONAUTICS POLICY

SEC. 201. The Congress declares that the United States is committed to the expansion of the peaceful use of space and atmospheric environments for the benefit of the Nation and of all mankind and pursuant thereto establishes the following national space and aeronautics principles:

(1) The United States is committed to the peaceful expansion of the benefits of free institutions and enterprises based on free institutions into space.

(2) The United States is committed to the peaceful use of the environments of space and the atmosphere.

(3) The United States is committed to the allocations of an appropriate and consistent fraction of its gross national product, but no less than one-half of one per centum, to the development of space and aeronautical capabilities and to the support of appropriate sustained activities in space and the atmosphere.

(4) The United States is committed to the establishment of direction and continuity in space and aeronautical policy for present and future generations, while maintaining the necessary flexibility to insure that new scientific developments can appropriately influence this policy.

(5) The United States is committed to a space and aeronautics policy that is directed toward the alleviation of the major human adversities of hunger, disease, poverty, and ignorance.

(6) The United States is committed to a space and aeronautics policy that integrates budgetary requirements between all elements of the policy and between governmental, private, and international participants in related activities.

(7) The United States is committed to the encouragement and continued establishment to the maximum extent practicable, of self-financing, non-Federal, academic or commercial enterprises in space and aeronautics.

(8) The United States is committed to the expansion of scientific knowledge and wisdom through the utilization of space and aeronautical resources and capabilities.

(9) The United States is committed to the widest transfer of space and aeronautical technologies on a national and international basis.

(10) The United States is committed to the maintenance and expansion of its world leadership in space and aeronautical technology as a principal means of insuring the free world economic and political strength.

(11) The United States rejects any a priori claim of national appropriation over outer space, including the Moon and other celestial bodies, or any position thereof, and any limitation on the fundamental right to freely acquire and distribute data from space.

(12) The United States recognizes that the facilities, bases or settlements of any nation or international organization are the property of such nation or international organization and have the right of passage through and operations in space without interference, and that purposeful interference with such systems shall be viewed as an infringement on sovereign rights.

(13) The United States is committed to conducting cooperative international space activities that provide economic, scientific, technological, political, and other benefits to the United States and mankind.

(14) The United States is committed to conducting national and international activities in space with the maximum possible attention given to the safety of participants in that activity, the safety of people and facilities on Earth, the efficient use of the common heritage resources of space and the atmosphere, and the protection of the terrestrial, atmospheric, and space environment.

TITLE III—PROGRAM

SEC. 301. To assure the timely achievement of the policy and purpose of this Act, the National Aeronautics and Space Administration, in cooperation with appropriate private, governmental, and international groups, shall pursue aggressive research, systems development and demonstration in space and aeronautics science and technology. Such activities could include, but not be limited to, the following integrated programs:

(1) The creation of an operational world information system by the year 1990 that would include, but not be limited to, the following elements—

(A) an expanded telecommunications network that makes maximum efficient use of the frequency and orbital position resources in near Earth space;

(B) an expanded weather and oceans forecasting and monitoring network that provides all peoples with short-term assistance in preparing for weather and ocean phenomena and protection from natural hazards;

(C) an operational Earth resources monitoring system that collects and makes available data necessary for maximum efficient and environmentally sound utilization of natural and agricultural resources on Earth; and

(D) an expanded communications service systems that maximizes benefits available from Earth orbiting satellites.

(2) The development of the basic facilities and scientific and technological capabilities by the year 2000 necessary to create space facilities supportive of our terrestrial civilization which could include, but not be limited to the following elements—

(A) research in basic science and engineering that makes use of the unique characteristics of the space environment;

(B) education in disciplines that can benefit from instruction and research in the space environment and with the space perspective;

(C) space power availability sufficient to support the in-orbit requirements of other facilities;

(D) manufacturing that makes use of the unique characteristics of the space environment;

(E) health care that makes use of the unique physiological and psychological characteristics of human beings in the space environment;

(F) an environmentally acceptable space to Earth power capability that is economically competitive with power generation on Earth; and

(G) space participation opportunities for as broad a spectrum of human beings as possible.

(3) The development of scientific and technological capabilities by the year 2010 to undertake further solar system exploration by mankind.

(4) The coordinated development of economical and reliable scientific and technological capabilities necessary to carry out the programs defined by paragraphs 301 (1), (2), and (3) which would include, but not be limited to, the following elements:

(A) Earth to near-Earth space transportation systems;

(B) modern habitation and work units necessary to construct orbital facilities;

(C) high power production and transmission systems for use in orbit and from orbit;

(D) large space structures;

(E) large multi-purpose platforms in low Earth orbit;

(F) large capacity Earth to orbit booster systems;

(G) utility booster system for orbit-to-orbit transfer;

(H) Earth to Moon and return transportation system;

(I) deep space booster system for manned solar system exploration; and

(J) planetary surface structures for habitation and work.

(5) The establishment and maintenance of research and application programs that would include, but not be limited to, activities in the following areas—

(A) planetary sciences;

(B) basic space sciences, including physics, chemistry, and biology;

(C) astronomy and astrophysics;

(D) solar sciences; and

(E) engineering.

(6) The establishment and maintenance of aeronautical technology programs essential to maintain United States preeminence in the design, operation, and manufacture of aircraft. Such programs should include, but not be limited to systems design; basic and applied research in aerodynamics, materials, structures, propulsion, and manufacturing techniques; the study and simulation of operational concepts; and the design, procurement and operation of experimental aircraft in the fields of—

(A) general aviation;

(B) commercial aviation;

(C) lighter-than-air transportation

(D) hydrogen fuel propulsion;

(E) supersonic transportation; and

(F) new flight concepts at the frontiers of aviation technology.

THIRTY-YEAR—POLICY GOALS

SEC. 302. The Administrator of the National Aeronautics and Space Administration, together with the Director of the Office of Science and Technology Policy, and after consultation with appropriate Federal agencies, shall develop and submit to the Congress for review and comment no later than one hundred and eighty days after enactment of this Act, a preliminary five-year program including proposed annual funding requirements and a detailed research and development schedule. No later than one year after the date of enactment of the Act, the Administrator shall submit a final five-year program, a ten-year plan, and a thirty year policy goals. Status reports and revisions to the program, plan, and policy goals shall be submitted to the Congress on an annual basis in conjunction with the submission of budget request beginning with the third fiscal year after enactment of this Act.

AUTHORIZATION FOR APPROPRIATIONS

SEC. 303. Beginning with the third fiscal year after its enactment, the provisions of this Act shall be the general basis for authorizations of funds for the National Aeronautics and Space Administration consistent with the provisions of the National Aeronautics and Space Act of 1958, as amended.●

By Mr. DANFORTH (for himself, Mr. DECONCINI, Mr. WALLOP, Mr. HAYAKAWA, Mr. GARN, Mr. GOLDWATER, Mr. EXON, Mrs. KASSEBAUM, Mr. HUMPHREY, Mr. SIMPSON, and Mr. DURENBERGER):

S.J. Res. 25. A joint resolution proposing an amendment to the Constitution of the United States with respect to the number of terms of office of Members of the Senate and of the House of Representatives; to the Committee on the Judiciary.

LIMITING CONGRESSIONAL TENURE

● Mr. DANFORTH. Mr. President, today I am once again proposing a constitutional amendment which would limit the tenure of Members of Congress. I am joined in that effort by Senator DECONCINI, Senator WALLOP, Senator HAYAKAWA, Senator GARN, Senator GOLDWATER, Senator EXON, Senator KASSEBAUM, Senator HUMPHREY, Senator SIMPSON, and Senator DURENBERGER.

The mechanics of our proposal may be stated simply. No person elected to the Senate two times would be eligible for election or appointment to the Senate. No person elected to the House of Representatives six times would be eligible for election to the House of Representatives. For purposes of determining eligibility for election, only elections occurring by reason of the expiration of the term of office of a Member would be taken into account.

In order to prevent the ratification process from becoming embroiled in disputes centering on the personalities of incumbent Congressmen, the proposed amendment would include a limited grandfathering provision — providing that no election which took place prior to ratification would be taken into account in determining a person's eligibility to stand for election. Thus, no matter how many times an incumbent Senator had been elected to the Senate prior to ratification of the proposed amendment, he or she would be eligible to stand for election to the Senate two more times. No matter how many times a Member of the House of Representatives had been elected to the House prior to ratification of the proposed amendment, he or she would be eligible to stand for election six more times.

This proposal is not directed at any Member of Congress, neither does it represent an invective directed at any party or faction. Rather, it represents an attempt at reforming the political system itself. The purpose of this proposal is to make certain that the legislator who comes to Washington understands that his tenure here is limited—that, however adept a politician he may be, and however skillful he may be in pleasing special interest groups, he will not be here forever.

Back in 1947, during the debate over the 22d amendment—the amendment which limits the President to no more than two terms in office—Senator Wilbert O'Daniel of Texas proposed a substitute which would have limited the President and Vice President to a single 6-year term, and which would have prevented any person from serving in Congress, whether as a Representative or Senator, for more than 6 years. His proposal received only one vote—his own. That, to my knowledge, is the only time that either the House or the Senate has put to a vote any proposal—and there have been many—to limit the tenure of Members of Congress.

Much of what Senator O'Daniel said during the course of that debate 32 years ago deserves repeating today—because it is still true. He observed, for example, that much of the power of the Federal Government—power obtained at the expense of the States—could be traced to the amount of time Senators and Representatives spend in Washington. By forcing turnover, he surmised, we would likely see a decentralization of Government. In addition, O'Daniel noted, the power of special interest groups would be lessened, since fewer Congressmen would be beholden to them for reelection. But the key argument advanced by the Senator from Texas, in my opinion, was an argument that I have made the hallmark of my campaign to limit the tenure of Members of Congress—namely, that the laws which Congress passes would be markedly better, markedly more realistic, markedly more equitable, if the men and women who wrote them were faced with the certain knowledge that they would someday have to live with them. As O'Daniel put it:

> Every man who votes for a law should later be required to go back into private life and endeavor to make a living under the laws which he has helped to enact. When that time comes I believe that we will have much more thoughtful consideration of the effect that the application of such laws will have than is the case at present. If a man knows that the law which he helps enact will affect him personally the law will become a personal thing, instead of the highly impersonal thing which is to alter the lives and ways of earning a living of someone else.

Today, here in Congress, the climate for passing a constitutional amendment to put a cap on congressional service is not much better than it was 32 years ago, Still, were Senator O'Daniel with us today he could take some solace in the growing popular support for a limit to congressional tenure. In December of 1977, Dr. George Gallup reported that 60 percent of the American people support a 12-year limit for Representatives and Senators. Shortly thereafter, Nation's Business magazine asked its readers whether they would support a 12-year limit on congressional tenure. Eighty-seven percent of those who responded said they would.

The proposal has received the favorable attention of the press as well. Columnist Tom Braden observed:

> Without the hope of holding onto a lifetime job, Senators and Representatives might vote their convictions. In fact, some of them might develop convictions, so that they would come to Washington, do what they think they ought to do and go home again—for good.

Of course, there have been notable dissenters as well—not all of them sitting Members of Congress. Journalists, editorial writers, political scientists have inveighed against the proposal. But, in many ways, the debate over congressional tenure may be as important as the idea itself. To the extent that this issue is kept alive, to the extent that it is kept before the Congress and the public, to the extent that we continue to question the role of Congress, and the relationship between Congress and the people, we will succeed in achieving much of what we propose to do through this amendment, namely, to change the course of thinking of elected officials who come to Washington, to remind elected officials that they are citizens on leave to their Government.

One final comment. Recently there have been published assumptions in the press that my support for a limit on congressional tenure means I will retire from Congress at the end of my second term. I do not know right now if I will run for a second term, much less a third. And I certainly have no idea whether the people of Missouri will reelect me if I do run. I do not intend to hang around here forever, whatever happens. And I do not intend to be carried out of the Senate feet first. But as a matter of simple equity any limit to congressional tenure ought to be applied to everyone in Congress—it must not just voluntarily be assumed by the few who support the idea. I was careful to make this point when I offered the idea in 1976. If I place a voluntary limit on my time in the Senate that is shared by no other Member of the Senate, I put the people of my State at a disadvantage with other States whose Senators do not share my views. If nothing else, seniority counts for a whale of a lot when decisions are made about dividing up the power in this place.

There are many good reasons, of course, why a person might choose not to stand for reelection to Congress. But, in my opinion, there is little to be gained—either for this proposal or for the people of my State—if I retire simply for the sake of retiring. So—at least for the time being—I am not ready to deal myself out.

I look forward to new hearings on this proposal in the 96th Congress, and I look forward to a continuing vigorous debate.

I ask unanimous consent that the text of the joint resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 25

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution if ratified by the legislatures of three-fourths of the several States within seven years after its submission to the States for ratification:

"ARTICLE —

"SECTION 1. No person who has been elected to the Senate two times shall be eligible for election or appointment to the Senate. No person who has been elected to the House of Representatives six times shall be eligible for election to the House of Representatives.

"SEC. 2. For purposes of determining eligibility for election under section 1 of this article, only elections occurring by reason of the expiration of the term of office of a Member shall be taken into account, and no election occurring before the date this article is ratified shall be taken into account.".●

By Mr. HELMS:

S.J. Res. 26. A joint resolution to authorize the President to issue a proclamation designating July 4 of each year

as Independence Day; to the Committee on the Judiciary.

NORTH CAROLINA EXCHANGE CLUBS SPONSOR DRIVE FOR FORMAL DESIGNATION OF INDEPENDENCE DAY

● Mr. HELMS. Mr. President, I find it interesting, and just a little bit ironic, that July 4, perhaps the most significant anniversary date in our Nation's history, has never been proclaimed on a continuing basis as Independence Day.

Numerous other anniversary dates, many of which are of far less significance, have been appropriately designated by proclamation by the President at the request of Congress.

In the light of this, I am today introducing, for appropriate reference, a joint resolution authorizing and requesting the President of the United States to issue a proclamation designating July 4 of each year as Independence Day, and calling upon the people of the United States to hold appropriate ceremonies observing the day.

Mr. President, I have done a good bit of research on this matter just as a matter of personal interest, and this research has disclosed that a somewhat similar proclamation was issued in 1950 by President Harry S. Truman, again in 1952 by President Truman, and in 1953 by President Dwight D. Eisenhower. However, each of those proclamations was limited to the particular year in question. The joint resolution that I am today introducing calls upon the President to issue a proclamation of a continuing nature which refers to July Fourth of each succeeding year.

It is identical to the joint resolution which I introduced in 1975 and which passed the Senate in 1976. I am pleased that my colleague from North Carolina, Representative IKE ANDREWS, is introducing this joint resolution in the House.

Mr. President, I suggest now that the President proclaim July Fourth to be a day of national observance not for 1976 alone but for all future years. Now to be sure, July Fourth has been made a Federal holiday, and it is generally observed as a holiday by private citizens; but, in my view, it should be more, much more than simply a day of rest—it should be a day of national observance and national consciousness. The first step in achieving that can, and should, be by a Presidential proclamation pursuant to a joint resolution duly adopted by the Congress.

This resolution was suggested by the North Carolina District Exchange Club, and I am very happy to be associated with its introduction. The National Exchange Club, together with its many affiliates across the Nation, have done an outstanding job preserving and stimulating appreciation of our national heritage.

As many Senators will recall, on September 17, 1947, acting upon the direction of the Congress, President Truman dispatched the Freedom Train containing the historic documents which form much of the foundation of our American heritage to cities and towns all across the country. Reacting to the continuing interest shown by the millions of citizens who visited the train, the National Exchange Club established the Freedom Shrine, comprised of 28 American documents. Among others, it includes a copy of the Declaration of Independence. These shrines are to be found throughout the Nation, in schools, courthouses, and many other public places. In all, more than 5,000 shrines have been presented.

The Freedom Shrine is an exclusive project of the exchange clubs and a very important American citizenship program. It was conceived to be, and it is, a living symbol of the rich heritage of Americans. Now that we approach our Bicentennial year, the North Carolina Exchange Club believes that the Freedom Shrine concept will become even more meaningful.

To the Tar Heels of North Carolina, the history of our State during the Revolutionary period is very important. North Carolina, for example, was the first colony to adopt a resolution to break its ties with Great Britain—The Halifax Resolves of April 12, 1776. Upon the adoption of that resolution to declare independence from Great Britain, messengers were dispatched to Philadelphia, and the Declaration of Independence of the Thirteen Colonies was proclaimed, of course, on July 4 of that year. Of course, the Mecklenburg Declaration of May 20, 1775, is also well known. The dedicated patriots of what is now the city of Charlotte, N.C., were pressing fervently for freedom. Both of these historic dates appear on the flag of the State of North Carolina as a perpetual reminder of the strong sentiment for freedom and independence in North Carolina.

Indeed, the events in North Carolina leading up to April 12 and July 4, 1776, are demonstrable of the spirit of freedom that our citizens hold so dear. The First Provincial Congress in America was held in New Bern, N.C., on August 25 through 27, 1774. It was called in open defiance of the British Parliament and the Royal Governor, Josiah Martin. Historians rank it as an example "of intercolonial cooperation, of enormous significance"—Lefler and Powell, "Colonial North Carolina—A History," page 262.

At the Edenton Tea Party on October 25, 1774, 51 ladies from Edenton, N.C., and surrounding counties signed an agreement to do all in their power to carry out the wishes of the First Provincial Congress and to support the American cause for independence. It represented the "earliest known instance of political activity on the part of women in the American Colonies"—Lefler and Powell, "Colonial North Carolina—A History," page 259.

The Battle of Moore's Creek Bridge, near Wilmington, N.C., on February 27, 1776, was the earliest victory won by the Americans in the South—

> Unquestionably, the victory at Moore's Creek Bridge saved North Carolina from conquest, and it probably postponed the defeat of South Carolina and Georgia for three years. (Lefler and Powell, *Colonial North Carolina—A History*, pages 278, 280).

And July 4 itself has been a very special day in North Carolina. Indeed, the first official observance of July 4 as Independence Day was in the town of Salem, now Winston-Salem, N.C. It was pursuant to a resolution of the general assembly of the State and a resulting proclamation of the Governor. The text of that resolution, which was adopted on May 16, 1783, is as follows:

> Resolved, that the fourth Day of July be and is hereby appointed a day of General Thanksgiving and praise to Almighty God for the gracious Interposition of Divine Providence in behalf of this nation; that it hath pleased Him to deliver us from the calamities of War; and crown our wishes with the blessings of Peace; and that his Excellency the Governor notify the same by Proclamation. (The State Records of North Carolina, Collected and Edited by the Honorable Walter Clark, Chief Justice of North Carolina, Vol. XIX, page 358 (1901)).

The resulting proclamation of the Governor of North Carolina reads as follows:

> [State of North Carolina]
>
> A PROCLAMATION
>
> (By his Excellency Alexander Martin, Esquire, Captain General and Commander in Chief of the State aforesaid)
>
> Whereas the honorable the General Assembly have by a Resolution of both Houses recommended to me to appoint Friday the Fourth of July next being the anniversary of the declaration of the American Independence, as a Day of Solemn Thanksgiving to Almighty God, for the many most gracious interpositions of his providence manifested in a great and signal manner in behalf of these United States, during their conflict with one of the first powers of Europe:
>
> For rescuing them in the Day of Distress from Tyranny and oppression, and supporting them with the aid of great and powerful allies;
>
> For conducting them gloriously and triumphantly through a just and necessary War, and putting an end to the calamities thereof by the restoration of Peace, after humbling the pride of our enemies and compelling them to acknowledge the Sovereignty and Independence of the American Empire, and relinquish all right and claim to the same;
>
> For raising up a distressed and Injured People to rank among independent Nations and the sovereign powers of the world. And for all other Divine favors bestowed on the Inhabitants of the United States and this in particular.
>
> In conformity to the pious intentions of the Legislature I have thought proper to issue this my Proclamation directing that the said 4th Day of July next be observed as above, hereby strictly commanding and enjoining all Good Citizens of this State to set apart the said Day from bodily labour, and employ the same in devout and religious exercises. And I do require all Ministers of the Gospel of every Denomination to convene their congregations at the same time, and deliver them Discourses suitable to the important Occasion, recommending in general the Practice of Virtue and true Religion, as the great foundation of private Blessings as well as National happiness and prosperity.
>
> Given under my Hand and the great Seal of the State at Danbury the 18th Day of June in the Year 1783 and seventh Year of the Independence of the said State.
>
> ALEX: MARTIN.
>
> By his Excellencys Commande: God save the State.
>
> P. HENDERSON, *Pro. Sec.*
>
> ("Records of the Moravians in North Carolina," Edited by Adelaid L. Fries, M.A.,

> Archivist of The Moravian Church in America, Southern Province, Vol. IV, page 1919 (1930).)

As one might expect, historical records of that July 4, 1783, are scant. Indeed, there is no record of an observance of that Independence Day anywhere in the State except at the town of Salem. Surely other observances probably did occur without a chronicler present to preserve the day for posterity, and with equal certainty we may assume that due to the inadequate communications of the period, many of the citizens of the State never learned of the resolution of the General Assembly or the Governor's proclamation.

But the Moravians at Salem did hear of it, and with characteristic devotion and piety, they observed July 4, 1783, as a Day of Thanksgiving. An account of the events of the day written in a diary kept by a member of the congregation survives. It is as follows:

> July 4. According to the order of the government of this State we celebrated a day of thanksgiving for the restoration of peace. The congregation was awakened by the trombonists. At the beginning of the preaching service the Te Deum was sung, with trombone accompaniment. The Watch-Word for January 20th, the day on which the Peace Preliminaries were signed, was: The God of Jacob is our refuge, taken from the 46th Psalm, which gave opportunity to use this Psalm as the text for the sermon, which was preached by Br. Benzien. The service closed with the singing of: Glory to God in the highest. At two o'clock there was a happy lovefeast, during which a Psalm of Joy was sung with thankful hearts. In the evening at eight o'clock the congregation again assembled in the Saal, and the choir sang: Praise be to Thee, Who sittest above the cherubim. Then the congregation formed a circle in front of the Gemein Haus, and from there passed in procession through the main street of the town, with music and the antiphonal song of two choirs. The street was illuminated. Returning to the Gemein Haus the congregation again formed a circle, and with the blessing of the Lord was dismissed to rest. Hearts were filled with the peace of God, evident during the entire day and especially during the procession, and all around there was silence, even the wind being still. (Records of the Moravians in North Carolina, Edited by Adelaid L. Fries, M.A., Archivist Of The Moravian Church In America, Southern Province, page 1841 (Vol. IV 1930).)

In the words of Patrick Henry—

> No free government, or the blessings of liberty, can be preserved to any people without a frequent recurrence to fundamental principles.

I applaud the action of the National Exchange Club and the North Carolina District Exchange Clubs in establishing numerous freedom shrines which serve as a reminder of the fundamental principles of government and liberty that inspired our forefathers to unite in the struggle that gave birth to the United States of America. I urge my colleagues in the Senate to join with me in supporting the resolution that I am today introducing to give added meaning and significance to Independence Day.

Mr. President, I ask unanimous consent that the joint resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 26

Whereas on July 4, 1776, the Declaration of Independence was signed, officially proclaiming the intention of certain colonies in North America to become independent states free of British control: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to issue a proclamation designating July 4 of each year as Independence Day and calling upon Government officials to display the United States flag on all Government buildings and the people of the United States to hold appropriate ceremonies on that day.●

By Mr. DECONCINI (for himself, Mr. DANFORTH, Mr. GOLDWATER, and Mr. ZORINSKY):

S.J. Res. 27. A joint resolution proposing an amendment to the Constitution of the United States with respect to the number of terms of office which Members of the Senate and the House of Representatives may serve; to the Committee on the Judiciary.

TO LIMIT CONGRESSIONAL TERMS

● Mr. DECONCINI. Mr. President, today I introduce Senate Joint Resolution 27, a constitutional amendment to limit congressional terms, on behalf of myself and my distinguished colleagues, Senators DANFORTH, GOLDWATER, SCHMITT, and ZORINSKY.

The question of whether to limit congressional terms is one predating the Constitution. It was debated by the Continental Congress over 200 years ago, and resolved in that body by the adoption of a limit of 3 years service in any 6-year period. The question of limitation and length of terms has arisen in each U.S. Congress.

Mr. President, in the 95th Congress the Constitution Subcommittee, chaired by Senator BAYH, held hearings on Senate Joint Resolution 27 and Senate Joint Resolution 28. I believe an unbiased reading of those hearings makes a strong case for enactment of a constitutional amendment limiting congressional terms.

Our constitutional structure with its delicate checks and balances rests on the prudent assumption that men are corruptible and that power may be misused. This is a healthy skepticism; one that keeps us constantly aware of how fragile freedom really is. We have placed the power of the Congress as a check against the power of the Executive, with the Federal courts occupying the third point on the triad. In diffusing power among different groups and persons, we have tried to insure that no individual will dominate the Government and destroy our liberty.

To be true to our commitment that shared power is responsible power, we need to address ourselves to the subtler dimensions of the problem. The 22d amendment to the Constitution removes an inherent contradiction in our system by limiting the terms a President can serve. The same contradiction persists in the unlimited terms for legislators. True, the potential for damage is less; the principle, however, is nonetheless valid.

Adoption of the amendment I propose should be viewed from two different perspectives. First, it would eliminate present disparities between Senators and Representatives based upon length of tenure. It would place each State, each district, each citizen on a more nearly equal footing, simultaneously, it would add an additional safeguard against possible abuse of power.

The second perspective is the one I would emphasize. It is the positive side of the amendment. By limiting the length of service in the legislature, we will be embracing the idea that new people should be brought constantly and consciously into the system. By opening the doors of the legislature to people from every walk of life and every age group, we will be providing far more opportunities for everyone to participate. I am especially committed to the youth of today as the hope of tomorrow. That youth should be encouraged to serve the Nation; it is our responsibility to insure that as few barriers as possible stand in the way.

Mr. President, the support congressional term limitations has received from our national leaders outside the legislative branch speaks well of the soundness of the idea.

In 1951, President Harry Truman announced his support for a 12-year limit on years of service for Senators and Representatives. Later, President Dwight Eisenhower also supported limiting Senators to two 6-year terms and Representatives to three 4-year terms. In his book, "Waging Peace," Eisenhower wrote that each person serving under term limitation—

> would tend to think of his Congressional career as an important and exciting interlude in his life, a period dedicated to the entire public rather than as a way of making a living or making a career of exercising continuous political power. . . . more rapid turnover of the membership in both Houses with its constant infusion of new blood would largely eliminate the "career" politician in Congress, but I can see little damage that would result from such a change except possibly to the personal ambitions of particular individuals."

Eisenhower went on to say that—

> Experience may produce greater skill in political maneuvering in the legislative process, but [it] does not necessarily produce better statesmen.

When asked to comment upon Eisenhower's support for service limitation, President John Kennedy replied:

> It's the sort of proposal I might advance in a post-presidential period, but not right now.

Dr. Milton Eisenhower, brother of the President, scholar and author, wrote not long ago that—

> Service in the national Congress, instead of being a career, should be a contribution an individual makes to his country. Re-election should not be paramount and defeat at the polls should not be cause for personal frustration. Service in Congress should be an interruption to one's normal career, whether he or she be a lawyer, educator, manufacturer, finance expert, housewife, or social

> or cultural leader. . . . With reelection made less important and with the transcendant problems of keeping the nation at peace, prosperous, and constantly altering social programs and policies to meet changing economic, social, and cultural conditions, it seems inevitable that a more co-operative spirit would be evident in Washington [between the President and Congress].

Of course, in making any change in the Constitution that has served us well for these two centuries, reason counsels on the side of caution. I urge every Member of this Chamber to read the hearing record and weigh the arguments against limitation with those for it. I believe my colleagues will find, as do I, that this proposed amendment will bring the congressional structure more in line with the ideals of representative democracy and balanced power. The advantages the Nation would sacrifice by this change are those of concentration of power, unequal representation, and an insulated legislature.

Mr. President, I would like to conclude these remarks with a most appropriate quotation from America's first great statesman, Benjamin Franklin, who, in speaking of returning legislators to the private realm, stated:

> In free governments the rulers are the servants, and the people are their superiors and sovereigns. For the former therefore to return among the latter was not to degrade them but to promote them.

I ask unanimous consent that the text of the amendment be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 27

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution if ratified by the legislatures of three-fourths of the several States within seven years after its submission to the States for ratification:

"ARTICLE—

"SECTION 1. No person shall be elected to the Senate for more than two full terms. No person shall be elected to the House of Representatives for more than seven full terms.

"SEC. 2. Notwithstanding the provisions of section 1 of this article, any person may serve not more than fourteen years as a Senator or not more than fifteen years as a Representative.

"SEC. 3. For purposes of determining eligibility for election under section 1 of this article, no election occurring before the date this article is ratified shall be taken into account. For purposes of determining years of service under section 2 of this article, no service of any part of a term of office by a Senator or a Representative elected to such term before the date this article is ratified shall be taken into account.".●

ADDITIONAL COSPONSORS

S. 25

At the request of Mr. BAYH, the Senator from Connecticut (Mr. RIBICOFF) was added as a cosponsor of S. 25, to designate the birthday of Martin Luther King, Jr., as a national holiday.

S. 46

At the request of Mr. STONE, the Senator from Delaware (Mr. ROTH) was added as a cosponsor of S. 46, a bill extending diplomatic privileges and immunities to all offices representing the Republic of China in the United States.

SENATE JOINT RESOLUTION 6

At the request of Mr. STENNIS, the Senator from North Dakota (Mr. YOUNG), the Senator from Arizona (Mr. GOLDWATER), the Senator from South Carolina (Mr. HOLLINGS), and the Senator from Nebraska (Mr. ZORINSKY) were added as cosponsors of Senate Joint Resolution 6, to require the Federal Government to end deficit financing.

SENATE JOINT RESOLUTION 12

At the request of Mr. HELMS, the Senator from Nebraska (Mr. ZORINSKY) was added as a cosponsor of Senate Joint Resolution 12, proposing an amendment to the Constitution guaranteeing the right to life.

ADDITIONAL STATEMENTS

INAUGURAL ADDRESS BY GOV. RICHARD W. RILEY OF SOUTH CAROLINA

● Mr. HOLLINGS. Mr. President, on January 10, the State of South Carolina installed a new Governor, the Honorable Richard W. Riley. His inaugural address was one of the finest speeches I have ever had the pleasure of hearing.

Governor Riley spoke so eloquently of a "partnership of duty" between the people of South Carolina and their government, a partnership that should also prevail in Washington.

Better, not bigger, government was the prevalent tone of the address and the message was well received by the thousands in attendance. There was an excitement, a spark of electricity, that let all South Carolinians know that the State will be in for a challenge during the Riley administration.

I think my colleagues would take particular interest in what Governor Riley had to say, and I ask that his inaugural address be printed in the RECORD.

The address follows:

INAUGURAL ADDRESS

Governor Edwards, distinguished platform guests, fellow South Carolinians; it is with a feeling of gratitude and deep appreciation that I accept the responsibility entrusted to me today. To the people of South Carolina who have given me their faith and confidence, I thank you, and I pledge my full efforts and energies to live up to your trust. To my family and to those special friends who have given me their encouragement and support all along the way, I say, thank you, and I will try to live up to your expectations. And to those leaving office today—Governor and Mrs. Edwards and Lt. Governor and Mrs. Harvey—I thank you for your distinguished service to our state.

We gather today on the South steps of this historic State House, and we begin this administration looking South. Nothing could be more symbolic of our future, because we live in times when an entire nation is looking South—looking South for new spirit, looking South for new energy, looking South for new leadership.

It is a role which we accept with enthusiasm in South Carolina, and not simply for the economic or material gains which may come our way. We look forward to a reawakening of human and spiritual values, and we welcome a government built more truly upon basic trust and confidence in the people themselves.

This inaugural, after all, doesn't belong to me—it belongs to the people of South Carolina. It belongs to young people impatient for change and reform; it belongs to older citizens looking for human dignity and financial security. It belongs to newcomers who have come here for career opportunities; and it belongs to South Carolinians whose roots stretch back through a history of hard times and hard-earned victories.

This very State House—scarred by war and made sturdy by years of human labor—symbolizes the character of our people. The years have tested the spirit of this state, and have built strong wills and moral toughness. Out of it all, South Carolinians have forged a deep sense of duty—duty to themselves, duty to their families and to their neighbors, duty to their churches, duty to their state, and to their nation.

It is to these people—and to their sense of duty—that I address myself today. It is you—through your words, your deeds and your votes—who have spoken out so clearly for change, for a new way of doing things, for a new day when government not only belongs to the people, but is the people themselves.

For that reason, I am not here to present a long shopping list of promises and pledges. That would be misleading and unrealistic. Instead, I am here to discuss with you what we can expect of each other in terms of hard work, good faith—and mainly in terms of the duty we have to each other.

For my part—as your new Governor—I see a duty to provide not a bigger government, but a better government; not an all-powerful government which has all the answers, but one which is reasonable, sensible and fair; not a government which is a problem-maker, but one which is a problem-solver. In these complex and demanding days, we need a government modern and capable of keeping pace with the times, and adapting to the changing needs of the people.

For you, I see a duty not simply to accept things as they are, a duty not simply to complain when things go wrong, but a duty to work in partnership with your government to face the challenges of the day. Let's talk specifically today about several of them—the public school system, the economic needs of the state, our energy probems, the quality of human relations in this state, the burden of government expense, the issue of public confidence in government itself.

First, public schools. In all candor, and for all our efforts of the last few years, we still have a long way to go. Obviously, there are not going to be any overnight miracles. But we can attack the problems where they count the most—at the early ages. We can establish as our highest priority the needs of children between the ages of three and seven, when their young minds are in their most formative stages. We can have mandatory kindergartens and a much stronger system of early childhood development, and we can strengthen the primary grades. At the end of four years—if we cannot say that South Carolina ranks first in the nation in education—hopefully, we will be able to say that we are first where it counts the most—in the first grade.

That's not so much a promise, however, as it is an invitation to you, the people. It's up to you to roll up your sleeves as involved parents, as caring teachers and administrators, and as concerned citizens to go to work with me. Together, we can build a strong public school system. But to do it, we must put the public back in the public schools. Excellence in public education is our first duty to each other.

Secondly, let's look at economic growth. There should be no question that we will continue to promote the economic growth of South Carolina. As long as there are unemployed or underemployed people, as long as there are towns and countries suffering economic stagnation, as long as there are businesses deprived of their full opportunity for success, we will strive to enhance South Carolina as a good place to work, and a good place to do business. While we will not seek growth simply for the sake of growth, we will develop a sensible and balanced growth plan, which meets the needs of our people, which complements our existing businesses, and which respects the environment of our state. It is not unreasonable to envision a South Carolina of great natural beauty—and great economic strength—at the same time. We will pursue that goal, and we will attain it, and that is a duty for which you can hold me accountable.

Third, let's look at this frustrating problem of energy. To put it plainly, the only way we can solve it is by working together. Whatever may be our energy supplies in the years ahead, we can begin tomorrow to use our resources more wisely. For my part, I will pursue an all-out policy of energy conservation, and I will advance a comprehensive plan to deal with all phases of the energy problem. But all of that is meaningless unless you—the people—get serious about making it work. It's up to you to realize that energy "conservation" is just as important as energy "generation" when it comes to meeting the needs of the future. The time has come for all of us to accept our duty, and to realize that ours is a world which is rapidly running out of time and patience for those who would waste energy.

Fourth, there is another tragic waste we must address forthrightly. I am talking about people—people whose human energy and abilities every day are cut short of their God-given potential. We have passed laws, adopted policies, created agencies and built programs to abolish the evils of prejudice and discrimination. But it is the duty of all of us now—as individual citizens in this great democracy of ours to translate those documents of public will into real progress—economic progress, educational progress, human progress. For black South Carolinians, for women, for the elderly, for the handicapped, for the disabled and the disadvantaged, this is not the time to make more promises. This is the time to make good on promises long overdue. This is a longstanding duty which we all share.

Fifth, we must understand the unmistakable voice of concern over the growth of government in recent years. The size of government has tripled in this state in the last ten years, and so has the cost. While we cannot—and will not—sacrifice the essential needs and service of the people, we must find ways to control government's appetite for expansion. If that means tight-fisted budgets, if that means bureaucratic austerity, if that means even major governmental reform, then so be it. The time has long passed when government could spend money as if it had a charge account with the taxpayers; it cannot continue to run up bills which add to the burden of today's taxpayers, and which may bankrupt later generations. As tough as the fight may be, we can win it by sharing this common and difficult duty.

My sixth and final point deals with public confidence in government today. Government can function effectively only when it has the trust of the people. If it is to regain that trust in South Carolina today, I believe more strongly than ever that members of the Public Service Commission should be chosen by merit; and not by politics. It is a matter of more than common sense and fairness; it is something I view as an absolute article of faith I have with the people of this state. As far as I am concerned, the people have spoken on this issue, and I will respond with all my strength and energy, and with all the resources of the Office of Governor. You can be sure that I will not turn back until this fight is won, whether it is next month, or next year—or however long it takes to produce this victory for the people of South Carolina. There should be no question that this is a duty to you which I gladly undertake.

I approach the Office of Governor believing that your problems are my problems, your concerns are my concerns, your dreams are my dreams. In fulfilling our duties to each other, however, I will not delude myself—or the people of this state—into believing that our fights will be easy ones. The important fights never have been easy and I wasn't elected to seek out easy fights. But by the same token, there is no greater personal joy than working hard, fighting hard, and making this world a little better place to live. The Indian poet, Tagore, had that in mind when he wrote:

I slept, and dreamt that life was joy;
I awoke, and found that life was duty;
I acted, and behold, duty was joy.

As the nation looks South in the years ahead, it will find here more than a warm climate and a chance for economic gain. It will find a people with a special perception of this nation's needs in the 1980's. It will find a people who recognize that our resources are not unlimited. As America looks South, it will find a people who accept the new realities of limited natural resources, limited energy and limited money to do the jobs ahead. At the same time, it will find a people not limited in their commitment to get on with the job of human progress and human service.

Instead of promising to solve problems with more money and bigger government, we pledge to address those problems with a partnership of duty shared by people and their government. As the nation looks South, let it find here in South Carolina a people still striving for greatness. But let it also find a place where people are building not just a great state, but a good state, not just a bigger state, but a better state, not just a richer state, but a happier state.

Today, as I embark on four years of leadership to this state, I accept my duty to you, the people, with every ounce of energy and ability within me. In the words of the poem by Bennie Lee Sinclair of Greenville, as read earlier by Representative Woods:

What shapes our dreams will take
We now decide; government that cares, laws
That can be strong, and yet equate, a system
Pledged to educate both mind and heart
In achieving the potential of our state.

I begin my administration today with the deep gratitude of one who loves South Caroline, and one who loves each one of you.

Thank you, and God Bless You.●

UKRAINIAN INDEPENDENCE DAY

● Mr. BURDICK. Mr. President, we in the State of North Dakota take pride in our communities. Throughout the United States in recent years there has been an increasing appreciation of the great gifts brought to our land through its history by our many ethnic groups. North Dakota has always kept that appreciation and in towns and in rural areas throughout the State, these national traditions thrive yet today. One in particular I would bring to your attention at this time. This week of January 22, Ukrainian people throughout the United States celebrate their national independence. It is a time for calling to mind their strong spirit and the contribution they have made to North Dakota and to the whole country. In the past, many of them endured great suffering in the Ukraine, and today that struggle for full human freedom continues. Their courage and determination, be it in settling the rugged prairie here or working for independence in the Ukraine, provide us with examples to emulate, examples of America's greatest asset, its people.●

CLEAN AIR HEALTH STANDARDS

● Mr. MUSKIE. Mr. President, the Administrator of the Environmental Protection Agency, Douglas Costle, is likely to make a decision this week that will bear directly on the health of millions of Americans.

He will decide whether or not to relax one of the most important health standards established by the Clean Air Act. That standard is the level of oxidant—the key ingredient of most smog—that is to be allowed in the United States.

The Clean Air Act requires the Administrator to establish public health standards for air pollutants. These standards are to be based solely upon medical evidence of the health effects of pollutants and must include an adequate margin of safety. Yet, the Administrator has been urged by industry and some economists to base his decision on economics rather than health.

These standards, by themselves, do not generate the costs of pollution control. States are required to adopt various measures to reduce pollution to achieve this standard. These steps, included in a State's clean-up program, impose the specific costs on industry.

In order to provide a more reasonable schedule and to stretch out the costs of implementing the law, Congress decided in 1977 to extend the deadlines for meeting clean air health standards. The new deadline is 1982, and is especially dirty areas, the deadline is 1987. The previous deadline had been 1975. The congressional action has provided great flexibility. It would be indefensible if economics were to be the determining factor of a public health standard which is to be based solely on public health considerations. This is not the proper stage where economic factors should be considered.

On Sunday, January 21, two articles appeared in the Washington Post which relate to this issue. The first, by Margot Hornblower, discusses speculation about the decision Mr. Costle will make regarding revision of the oxidant standard under the Clean Air Act. The disturbing implication of this article is that Mr. Costle, under pressure from the economic voices in the administration, has decided to relax the standard by more than 50 percent.

The second article is by Mark Green,

and expresses the viewpoint that the attack on environmental health and safety regulations by industry is ill-conceived, founded on poor analysis, and would harm the public. I shall ask that both articles be printed in the RECORD at the end of my comments.

Any relaxation of the oxidant standards will subject to very searching questioning.

First, why has the standard been changed from an oxidant standard, which covered many pollutants, to an ozone standard, which selects only one principle pollutant? What will happen to the other pollutants in the oxidant family?

Second, what is the legal effect of shifting the standard to an ozone standard? Will it create litigation charging that this is really the creation of a new standard, and that all work relating to the previous oxidant standard is null and void?

Third, a panel of health scientists earlier recommended to Mr. Costle that the standard not be changed. A separate review of the standard in 1974 by the National Academy of Sciences stated that the standard should not be changed. What justification can there be for revising this key standard in the face of such recommendations?

Fourth, if the standard is relaxed, what happens to the "margin of safety" required by the Clean Air Act?—This is important in view of the fact that the safety margins adopted in the national ambient air quality standards—public health standards—have always had a smaller margin of safety than standards set in many other areas, such as radio activity.

If new evidence conclusively shows that a public health standard should either be tightened or loosened, then that action should be taken. But if the basis for changing the standard is economic pressure from industry or from officials with narrow professional orientations favoring quantifiable dollar costs over less specific public health benefits and clear congressional statutes, then the impetus for such changes must be rejected.

The decision by Mr. Costle will be watched carefully, and a full explanation will be required if any change is made in the existing public health standards established pursuant to the Clean Air Act.

The articles follow:

EPA SET TO EASE SMOG STANDARDS FOR URBAN AREAS

(By Margot Hornblower)

The Environmental Protection Agency, under pressure from White House inflation fighters and the nation's largest oil, chemical and auto companies, is preparing to relax its standard for urban smog.

The action, which would significantly increase the amount of smog cities may allow in their air, comes after nearly a decade of bitter political struggle and little measurable improvement in smog levels.

Of the country's 105 urban areas, only two—Honolulu and Spokane, Wash., meet the health standard for smog set in 1971. Many cities have such dirty air that they may never comply with the law, short of drastically limiting automobile traffic and closing down industry.

Faced with a head-on collision between economic interests and environmental health, EPA Administrator Douglas Costle is expected this week to raise the allowable level of smog by 50 percent—from .08 to .12 micrograms per cubic meter of air—a down-the-middle compromise between business executives who want a .16 level or higher and environmentalists who prefer to tighten the current rule.

Such numbers are meaningless to the average worker caught in a smoggy traffic jam, but they translate into billions of dollars in cleanup equipment, especially for oil, chemical and auto companies—costs which business leaders say they will pass on to consumers.

The relaxation of the standard means that 20 cities, rather than two, would be judged to have clean enough air, as far as smog goes. More than 80 cities, however, including Washington, New York, Los Angeles, Houston and Denver, would still be forced to adopt stringent limits on automobile and industrial pollution.

In those cities, faced with a choice between clear air and new industry, even the new, relaxed smog standard could have a profound effect on local economies, and could force a change in the transportation habits of millions of Americans.

In the 1977 Clean Air Act amendments, Congress gave EPA the power to cut off federal sewer and highway funds and stop industrial growth in cities that don't clean up their smog. Previously, EPA had been unable to enforce rigid smog standards.

The latest battle in the long war over smog comes at a time when environmental regulations are under strong attack as too costly. The expected relaxation could be interpreted as partial victory for White House inflation fighters Alfred Kahn and Charles Schultze, who intervened personally with Costle to change the standard.

However, that intervention has become an issue. Environmentalists, who recently sued Schultze and Interior Secretary Cecil D. Andrus over White House "interference" in strip-mine regulations, are ready to go to court claiming that President Carter's advisers illegally influenced the smog standard.

Underlying the political and economic issues is a tangle of conflicting evidence on the health effects of smog. This has divided the scientific community. The American Petroleum Institute, which has led the fight against a strict standard, has sued EPA for allegedly suppressing a study attributing 80 percent of the nation's smog to natural vegetation.

Neither industry nor environmental groups would be satisfied by the relaxed standard. The oil industry has rallied against the current standard as a possible "permanent bar to new energy development." A .12 level, says an API spokesman, means "extensive social and economic disruption" and "does not provide any substantial relaxation of impossible controls in many areas of the country."

Fred W. Bowditch of General Motors warned of employe layoffs and widespread inflation if a strict standard is adopted. He said even a .10 level "would cost the nation up to $19 billion in one year, with the prevention of only annoying or discomforting health effects to an extremely small, sensitive segment of the population."

However, Robert Rauch, an Environmental Defense Fund attorney, predicts "regulatory chaos" if the smog standard is relaxed. "Industry will say, 'Why should we comply with any regulations when we can get them changed?' Auto companies, for instance, will try to get emission standards weakened. Costle is opening a Pandora's Box.' "

Rauch says a .12 standard "would have virtually no margin of safety" for people who might suffer from respiratory problems, and that a higher susceptibility to infection would be a result of breathing smoggy air. It would not protect against the combined effects of smog and other pollutants, and would exempt about 20 smoggy cities from requiring citizens to keep their cars' pollution equipment working, he added.

In the nine years since Congress passed the Clean Air Act, smog has proved to be the most intractable of the five air pollutants for which the government set health standards. EPA regularly issues news releases boasting of reductions in sulfur dioxide, carbon monoxide and particulates (smoke and dust). But smog, first measured as photochemical oxidants and now as ozone, its main component, is a painful subject.

Originally, states had until 1975 to meet health standards for all five pollutants. But EPA soon realized it wasn't enough to put catalytic converters on new cars. It began to file lawsuits against cities like New York and Washington to force them to limit automobile use severely through parking bans, bridge tolls and other means.

Cities and states, joined by auto companies and other industries, rebelled. In 1977, Congress amended the act, setting new deadlines. States would have until January 1979 to give EPA firm plans for meeting the standards by 1983. The dirtiest cities could take until 1987 to meet standards if they immediately adopted unpopular programs like car inspection and maintenance, forcing consumers to repair inefficient catalytic converters.

But since about half of the smog in the air can be traced to non-automobile sources, it isn't enough for states to require inspection and maintenance, special bus lanes, staggered work hours, van pools and other transportation controls. They've got to crack down on industry, EPA said, and that, Costle observed recently, is "the crunch."

Chemical plants, dry-cleaning shops, auto-painting operations, and virtually every part of the oil industry, from drilling and refining to gas stations, would have to purchase expensive equipment and alter traditional practices to contain the hydrocarbons which react with sunlight to produce smog.

Already worried about urban deterioration, states are chafing under such orders. Costle last June proposed a .10 standard—a 25 percent relaxation—and the further relaxation to .12 is expected to be equally controversial.

The smog issue has caused unprecedented controversy within EPA. The agency's official science advisory board three times rejected the criteria document on which the standard is based, calling the health risk assessments "largely speculative."

But another panel of scientists, experts in smog, found no reason to relax the standard at all, citing breathing problems and increased chances of infections for asthmatics and other sensitive people at levels ranging from .07 to .38.

Industry maintains that sensitive people should just stay indoors during smog episodes, because it costs too much to base a standard on their problems.

Costs are a major issue in the smog controversy, although Congress indicated that health effects were to be the sole criterion for setting standards. EPA estimated the cost of meeting a .10 standard to be $6.9 billion to $9.5 billion a year—including industry equipment, consumer expenses and government programs.

However, the White House regulatory analysis review group, under Schultze's direction, projected a $14.3 billion to $18.8 billion-a-year cost—a doubling of EPA's estimate, making smog the most expensive regulation the government could adopt this year. (American Petroleum Institute estimates range up to $33 billion a year.)

THE FAKED CASE AGAINST REGULATION

(By Mark Green)

I have this recurring nightmare, Jonas Salk has just announced his cure for polio. A bill is introduced in Congress to require mandatory inoculation of school children under HEW direction. Opposition then appears. Ronald Reagan urges, "free choice by parents rather than compulsory by government." Mobil runs advertisements with the headline, "From gas tanks to bloodstreams. Where will government go next?" An associate professor of economics does a study for the American Enterprise Institute demonstrating that more lives may be lost by car accidents en route to doctors' offices than will be saved by the Salk vaccine. Abbott Labs argues that its product, "Polioaide," has been effective since thousands of doctors have been prescribing it for two decades. The bill then fails in the House Commerce Committee by one vote—after the wheelchair industry, citing job losses, gives $200,000 in campaign gifts to committee members.

Farfetched? Perhaps. But as one reads the flood of advertisements, speeches, articles and rhetoric denouncing "big government" and the "costs of regulation," reality and caricature seem to merge. Mobil decries a "national orgy of regulation." The Wall Street Journal attributes the decline of American industry to "berserk proceduralism." Time editorializes against "straitjacket rules imposed by a bulging bureaucracy [that] lift unemployment, slow technical progress, reduce U.S. competitiveness, hamper exports . . ."

To be sure, any government that has acted like a cartel in fixing trucking and airline rates or that mandates the height off the floor for fire extinguishers needs critics who can distinguish between rules that save lives and those that save face. Unfortunately, today's debate over health and safety regulation lacks this sense of discrimination. Instead, it burns incense to supposedly neutral "cost-benefit analysis and manages to neglect the actual benefits of consumer and environmental regulation.

Given the current state of economic art, mathematical cost-benefit analyses are about as neutral as voter literacy tests in the Old South. They are often ideological documents designed to prove preconceived notions. Or, as a Library of Congress review has said of them, "they tend to support the vested interest of the sponsor of the estimate or to fit the hypothesis of the individual making the estimate."

A CHICKEN LITTLE SYNDROME

Consider environmental regulation. Who controls information about its costs? The regulated industry, of course. The result, not surprisingly, is that we end up with regulatory-cost estimates based on what might be called the Chicken Little School of Economic Analysis.

In the early 1970s, for example, chemical manufacturers announced that a proposed federal standard on vinyl chloride, a proven cause of cancer, could cost 2 million jobs and $65 billion to $90 billion. "The standard is simply beyond the compliance capability of the industry," their trade association declared. The standard was adopted and the industry has flourished—without any job losses and at a cost that is one-twentieth of the original industry estimate.

Similarly, in one of a growing number of regulatory battles within the Carter administration, Energy Secretary James Schlesinger recently suggested that Labor Secretary Ray Marshall block a proposed worker exposure standard for beryllium, another known carcinogen, because of its supposed $150 million cost. Energy officials later conceded that their estimate was derived from "a gross estimate based on rule of thumb"—provided by other than beryllium manufacturers.

For one more of numerous examples, the Securities and Exchange Commission has a curious case pending against U.S. Steel: The company allegedly has established two estimates for the cost of meeting certain pollution standards—a higher estimate issued publicly and a lower one sent to the SEC.

To believe that business-dominated cost-benefit studies should control regulatory decisions is about as sophisticated as arguing that one party to a lawsuit should also be the judge.

Inflated cost-benefit studies and the intensity of business propaganda against consumer and environmental regulation might lead a celestial visitor to wonder why we tolerate such stupidity. We seem to have suffered a kind of collective amnesia about exactly why we have these regulatory agencies.

A few years ago the Cuyahoga River in Ohio caught fire. One thousand Americans a day die of cancer, much of it environmentally caused. Auto crashes took 47,000 lives and caused over 3 million injuries in 1977. One out of every 11 workers in the private economy had a job-related injury or illness in 1976. Women around the Love Canal in upstate New York, one of 638 known sites of hazardous wastes, have experienced unusually high miscarriage and birth defect rates.

So, although the debate over regulation has somehow focused on how OSHA dictates the shape of toilet seats, there are clearly more fundamental issues at stake.

While the competitive marketplace can be an engine of efficiency, it was not designed to tell consumers which car might have a steering defect, which drug has dangerous side effects, what product unduly pollutes. In addition, what each of us buys affects others. My car pollutes your bedroom. The plane I travel in envelops you in jet noise. I am a voluntary consumer; without federal standards, in these instances, you would be an involuntary consumer.

Federal regulation can be viewed as a contract between consumers and business—with the government as mediator—in which consumers agree to a market economy if business avoids unnecessary injury and death. It establishes minimum conditions for humane capitalism. So, while the public may moan about regulation in general, as it moans about paying insurance premiums, both are viewed as necessary protection against possible harm.

Indeed, California voters approved $375 million for pollution controls on the same ballot that contained Proposition 13. Polls by even the business-oriented Opinion Research Corp. have indicated public support for regulation to protect worker health and safety (by 4 to 1), product safety (3 to 1) and the environment (2 to 1).

This popularity is well rooted in the measurable benefits of health and safety regulation. In many cases, regulation has stimulated innovation in often rigid, unimaginative industries.

Before the Food and Drug Administration banned spray cans using fluorocarbons, the industry said there was no alternative. The day after the ban went into effect, the country had a new pump spray that didn't use fluorocarbons and that was *cheaper* than aerosol cans. After Washington imposed strict safety standards for car bumpers, auto engineers developed bumpers that are far stronger and lighter—and that save consumers an average $100 in repair costs over the life of their car.

A 1975 study of five industries in five countries by MIT's Center for Policy Alternatives concluded that, in the area of health and safety regulation, "forcing firms to implement product or process changes oftentimes incidentally shocks them out of a rather inflexible production system and thereby provides the catalyst which is necessary for innovation to occur."

Regulation has also produced jobs. Although the Environmental Protection Agency estimates that 20,000 jobs have been lost in plants that could not meet environmental standards, the number of direct jobs created by pollution control expenditures is 600,000. The interior minister of West Germany, one of the world's most productive countries, told a U.S. audience this year: "The expenditures for pollution control contribute decisively to the growth of our economy and create or maintain hundreds of thousands of jobs each year."

Due to product safety standards, there has been a 40 percent drop in infant deaths from crib strangulation and swallowed poisons. An estimated 200,000 Americans alive today would be dead if Washington hadn't been regulating car and highway safety since the late 1960s. By 1985, federal fuel economy standards for cars will be saving 15 billion gallons of gasoline annually, or $640 per car over the life of the vehicle.

Although industrialists almost invariably oppose new government regulations, at times they also grudgingly concede that rules they once denounced make a profound difference. Fletcher Byrom, chairman of the Koppers Co., for example, recently told a business audience that "you and I know that the market system would not give us environmental protection, worker safety and health. These are not economic things . . . they add value, not wealth; the only way to improve the quality of life is through intervention."

IMMEASURABLE BENEFITS

This is to say nothing about the benefits of regulation that involve immeasurable or moral considerations. What is the price tag for lives saved by avoiding future diseases, since asbestos and other substances in our lives today cause cancer in 30 years? How much will you pay for a 6-year-old who is not disfigured from flammable sleepwear? How do we calculate the exact benefits of being able to see across the Grand Canyon, of avoiding needless destruction of recreational areas?

Some social scientists are indeed attempting to put a price on human life. One of their prominent techniques, for instance, tries to peg the value of a life merely by what a person would have earned in the future.

Even when one looks to mathematical pricers of human life, what one finds are wildly varying numbers. The National Highway Traffic Safety Administration prices a life at $270,000, a University of Rochester analysis at $350,000, a Cornell study at $1.5 million and an American Enterprise Institute report at $2.5 million.

Even if these numbers were more precise, regulation often involves noneconomic goals. Society might desire regulation where the calculable costs exceed the calculable benefits because of the standards' redistributive effect: say the costs are shifted from hardpressed workers to relatively well-off stockholders.

Moreover, if the cost of, say, saving a worker's arm approximates the economic "benefit" to him, would any sane person doubt that the arm should be saved? Many, if not most, aspects of life can never be, and should never be, decided by the economists' yardstick. The abolition of slavery or child-labor laws certainly would never have passed a cost-benefit test.

THE JAUNDICED EYE

Nor do problems with cost-benefit studies stop with benefits that are ignored or that cannot be measured with numbers. Several prominent studies that try to document the wastefulness of federal regualtion inadvertently demonstrate the adage that all looks yellow to the jaundiced eye.

An analysis by Chase Econometrics, for example, asserts that environmental regulation will account for an average 0.3 to 0.4 points of the annual increase in consumer prices in the 1970–1983 period. Unfortunately, the study is based on *gross* cost, not *net* costs. As Sen. Gary Hart (D-Colo.) complained of the Chase study, it is "irresponsible to discuss costs of pollution control without comparing them to benefits."

In other words sulphur oxide and particle emission standards from stationary sources may cost $9.5 billion this year, as Lester Lave and Eugene Seskin estimate in a recent book. But the standards will also save an estimated $16.1 billion just in health outlays, which have been playing a large role in fueling inflation. By their calculations, the anti-pollution standards are *deflationary*, not inflationary.

Even taking Chase's numbers at face value, a significant 20 percent reduction in regulatory costs would only lower the annual rate of increase in the cost of living index by one-tenth of a percentage point. Any reduction in inflation is not to be disparaged, but the contribution of regulation to the problem is relatively modest—probably less than the contribution of price-fixing, trade barriers, natural gas deregulation, the depreciation of the dollar or the latest OPEC price increase.

In another well-known study, Sam Peltzman, an economist at the University of Chicago, has declared that the 1962 drug safety amendments cost consumers $250 million to $350 million due to depressed innovation and delays in getting useful drugs on the market. "It sounds shocking to say that the net effect of having some thalidomides is a gain," Peltzman told a congressional committee, "that's the way the world works."

Peltzman's case rests on his determination that new drug applications fell 60 percent after the 1962 act, a drop he attributes to the law. But new drug applications are hardly a measure of good drug therapy. Companies seek approval of new drugs that are minor variations of existing drugs in order to extend an old patent under a new name. Dr. Henry Simmons, director of the FDA's Bureau of Drugs, concluded in 1973 that "the rate of development and marketing of truly important, significant and unique therapeutic entities in this country has remained relatively stable over the last 22 years, numbering five to seven drugs per year."

Undaunted, Peltzman assumes that doctors kept informed of the value or danger of drugs before 1962 via what could be called "learning by experience." Perhaps he has in mind the 107 deaths in 1937 caused by the inadequately tested drug elixir sulfanidamide, after which alert doctors probably stopped prescribing the drug. "By your judgment, a drug is important because it is widely used and misused?" Sen. Gaylord Nelson asked in congressional hearings. Peltzman replied, "Senator, I think you've pointed out some of the problems with this sort of methodology." Indeed.

For these and other reasons, the General Accounting Office, the Council on Environmental Quality, the Congressional Research Service, the Senate Governmental Affairs Committee and the House Oversight and Investigations subcommittee have all disparaged the value of mathematical cost-benefit tests.

In the words of the House subcommittee, "the limitations on the usefulness of benefit-cost analysis in the context of health, safety and environmental regulatory decision are so severe that they militate against its use altogether." In a recent report the Senate committee concluded that "while agencies should be required to project and consider costs, benefits and alternatives, that analysis must not be considered a final determinant of whether an action should be taken. The difficulty of quantifying costs and benefits and the appropriateness of applying economic statistical analysis to health and safety areas much be recognized."

A CRITICAL CHOICE

Despite the obvious benefits of health and safety regulation and the problems of mathematical cost-benefit studies, the business war against regulation is beginning to have a public policy impact.

"People like Strauss, Blumenthal and Kreps go around the country to business groups who yell at them about regulation," said one White House aide. "Then they come back to meetings here and relate their selective experiences. It shapes all the discussions." A leading Carter regulator recently commented that "it's one thing to spend my time fighting with business or public interest groups, but now I also spend a lot of time fighting this administration."

The "fight" is a periodic one pitting the administration's regulators against such powers as chief economic adviser Charles Schultze, Treasury Secretary Michael Blumenthal, Commerce Secretary Juanita Kreps, trade negotiator Robert Strauss and wage-price watcher Barry Bosworth. The arena keeps shifting—from cotton dust standards, to strip-mining regulations, to carcinogen standards at OSHA—but the fundamental issue is the same: Should health and safety regulation be sacrificed to the anti-inflation campaign, based on the false specificity of existing cost-benefit analysis?

Obviously, before implementing any proposed legislation, officials should attempt to estimate or at least specify the desired benefits, to minimize the costs of compliance and to consider alternative routes to the same goal. This general "impact review" is the basis of a "regulatory reform" bill about to be introduced by the chairman and ranking Republican of the Senate Governmental Affairs Committee, Abraham Ribicoff and Charles Percy.

The legislation would require agencies to conduct and publish such a review when introducing and implementing any rule; it would speed up agency decision-making by reforming the Administrative Procedure Act; it would increase public participation as agencies make regulatory decisions; it would strengthen the subpoena power of regulators to understand better the community they are regulating. This approach emphasizes that health and safety regulation should be improved, not abolished.

The Carter administration too is now formulating its own regulatory reform bill. As the Office of Management and Budget drafts this version, it has two possible models in mind. It could be stampeded by the kind of business propaganda that is trying to make citizens hate their government, that objects not when regulation fails but when it works too well. Or it could heed the words of Jimmy Carter who, early in his presidency, announced that "the test of any government is not how popular it is with the powerful, but how honestly and fairly it deals with those who must depend on it."

The choice is between the president as a cost-benefit econometrician or as a tribune for the victims of market-place abuse. And the next Salk vaccine may depend on the outcome.●

CONCLUSION OF MORNING BUSINESS

The **PRESIDING OFFICER**. Is there any further morning business? If not, morning business is closed.

SENATE RESOLUTION 9—PROPOSED AMENDMENT OF STANDING RULES OF THE SENATE

Mr. **METZENBAUM**. Mr. President, I ask unanimous consent to proceed at this time. Under the original order I had 15 minutes at 1:45 p.m. Instead I wish to proceed at this time.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

Mr. **METZENBAUM**. Mr. President, in the last session of Congress, Senator Jim Abourezk and I had some very strong feelings with respect to the issues pertaining to gas deregulation. By reason of that fact, we addressed ourselves to the issue. We spoke in opposition to it, and there came a point where the Senate in its wisdom invoked cloture.

Thereafter, he and I concluded that we might very effectively continue the debate and raise the level of public attention on the issue by filing a very long list of amendments which were permitted under the rules.

It is a fact that over a period of time he and I had an opportunity to speak to that subject, to offer amendments, and had there not been certain parliamentary procedures invoked, it is entirely possible that the post cloture amendment procedure might have carried on for 1 week, 2 weeks, or possibly even a month longer than it did.

I have no apologies to make for utilizing the rules of the Senate and the procedures that are permitted under those rules to file a long, long list of amendments after cloture had been invoked.

Senator Abourezk and I did so because we felt that was the most effective way we could utilize to indicate our opposition to that measure.

Having said that, I rise today to indicate my strong support for the rules change that has been proposed by the leader of the Senate so that when cloture has been invoked there will be a limit of 100 hours of debate thereafter, including all quorum calls and any other procedural motions that might be made.

I find no fault in any Member of the Senate studying the rules of the Senate, utilizing those rules and attempting to make his or her point in connection with that subject.

But I join the leader in recognizing that once cloture has been invoked it is only fair and right that the debate close at a time certain. As a matter of fact, it is my own personal view that the 100 hours after cloture has been invoked is truly more than need be available.

Cloture is invoked when the Senate has indicated by three-fifths majority that it wishes to terminate the debate. If there is a procedure available under the Senate rules, as there obviously is at the present time that that debate may be continued on for days, weeks, and possibly months, then it is appropriate that the leadership attempt to have the Senate continue to proceed in an appropriate manner.

The only way that can come about is by changing the rules of the Senate, and that is what the leadership of the Senate has proposed to do.

I think that it is right that that be the fact.

I stand here and I am frank to say that if the rules of the Senate were not changed I would not hesitate tomorrow again, were the issue as keenly felt by me as was the issue in connection with deregulation, to use those same rules for the purpose of offering amendments after cloture is invoked.

But I say that neither I nor any other Member of the Senate should be permitted under the rules to do that.

I think this body owes it to the American people to proceed in an orderly manner, and I think that if for some reason our rules in the past have not been sufficiently broad in order to preclude this kind of eventuality from occurring then it is only right this Senate, recognizing its responsibility not alone to itself but to the American people, see fit to change those rules.

Therefore, I stand here today not to make a lengthy speech but as one who has utilized the procedure to indicate as I had indicated to the leadership actually during the period of the filibuster by amendment that I did not think the rules were right, that I was prepared to support a change, and I do support a change and absent there being a change I am certain that there will be other Members of the Senate who will see fit, just as was indicated in the last session, to utilize this procedure of filibuster by amendment.

I think the procedure should be changed, I think it is right that it be changed, and I think it is in the best interests of the U.S. Senate. But far more important than that, it is in the best interests of the people of this country, and I hope that the leadership will be able to prevail and see to it that a change does come about in connection with this subject.

I have previously stated that I think, if the limit were less than 100 hours, it would be appropriate. I have conveyed to the leadership that there is a provision in the change that provides that after cloture has been invoked there is a limitation of the time which might be less than 100 hours; if by rule of the body, by a particular percentage of votes, then there is a question as to who controls the time, I pointed out to the leader that I think that might work out to be equitable if the time at that point were controlled by the minority and the majority leaders because, as was evident in the last instance, that would not have been workable then.

I do not feel this is a major point. I think it is a very minor point. I merely raise it to bring it to the attention of the leadership because I think he wants this matter to be resolved in a manner that is fair to all Members in the Senate, protecting the rights of the minority as well as the majority.

I do hope that the Senate will resolve this issue promptly, expeditiously, and in the manner indicated by the leader of the Senate or if not that in some similar manner that will help us go about our business.

Mr. ROBERT C. BYRD. Mr. President, will the distinguished Senator yield?

Mr. METZENBAUM. I yield.

Mr. ROBERT C. BYRD. Mr. President, I thank the Senator for his very statesmanlike statement.

He has told me privately what he has just said publicly, that he favors the change in the rules of the Senate so as to put an end to this filibuster by amendment, this postcloture filibuster approach that has been so divisive in the Senate, and at the same time he has said quite frankly, "As long as the rules are not changed, I as a Senator feel I have a right to resort to them and I am going to," and that is just what he has said here today. As long as the rules are not changed he will feel free to use them. He certainly has the right to use them, and I admire him for his courage in taking the position that he has today, to wit, that if they are not changed he may engage in that type of filibuster again, but he does not approve of that approach. He thinks the Senate rules should be changed and he thinks they should be changed in a way that will be fair to the minority and at the same time will allow the majority of the Senate to work its will on a measure.

He has said that it is in the best interests of the Nation. I applaud him, I thank him, and I say again that I think he has taken a very statesmanlike posture.

Mr. METZENBAUM. I thank the majority leader.

Mr. HELMS. Mr. President, will the Senator yield to me?

Mr. METZENBAUM. I yield.

Mr. HELMS. I listened with great interest to the able Senator's remarks, and I gather that his greatest concern is postcloture; is that correct?

Mr. METZENBAUM. That is correct.

Mr. HELMS. I agree with the Senator's sentiments in a general sort of way. I wonder if the Senator will agree that in the event the 1 hour per 100 Senators, or 100 hours for 100 Senators if claimed, if that is reduced it should be made fungible, that is, transferable?

Mr. METZENBAUM. I think that there might very well be some merit to that. I think that it is a matter I would want to give some further consideration to, but I can well understand that postcloture as to the debate and amendment process, it might only be fair that where one or two Members are particularly involved they be permitted and allowed to have more than 1 hour, and I think we could work out some procedures along that line. Whether or not one Member should be able to hold the floor for 100 hours and tie up the floor under those circumstances I am not quite certain. I think there is certainly a reason to try to provide for some fungibility.

Mr. HELMS. I thank the Senator.

Mr. President, may I have the floor under my own right?

The PRESIDING OFFICER. Does the Senator from Ohio yield the floor?

Mr. METZENBAUM. I yield the floor.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. I thank the Chair.

PROPOSED FTC REGULATION A "LEMON"

Mr. HELMS. Mr. President, used car dealers nationwide think the Federal Government is about to sell the American consumer a billion-dollar "lemon" that will substantially add to the inflationary spiral, and jeopardize the existence of over 70,000 small businesses.

The "lemon" is a proposed Federal Trade Commission regulation that would require any individual or business that sells five or more used vehicles in 1 year (up to 4,500 pounds, excepting motorcycles) to inspect each vehicle prior to sale, and to state on a window sticker which of 60 automotive functions are "OK" or "Not OK."

The sticker would have the legal force of a warranty.

Dealers and their representatives, such as the National Independent Automobile Dealers Association (NIADA) headquartered in Raleigh, N.C., have until February 13, 1979, to respond to 43,000 pages of documents compiled by the FTC staff, after which the regulation can be approved or denied by FTC Commissioners.

The FTC staff claims that its intent is to create better-informed consumers and safer used cars, and to drive into court the used car salesperson who uses fraud and deceit.

Upon first blush this might sound like a worthy objective in a noble cause. But underneath the hood of this slick-looking proposal, says NIADA, is a bag full of clinkers and pitfalls that will take the public for one of its most costly rides in decades.

For openers, the FTC staff blithely estimates the average cost of the required car inspection will be $15, which could be passed along to the car buyer.

No way, says Dan Ray, NIADA executive director. The actual inspection cost will be in the $100 to $300 range, depending on such factors as dealer location, access to inspection facilities and qualified mechanics, and age of car. Ray says:

> With 14 million used cars sold each year the FTC's regulation will require the public to spend an additional one and a half BILLION to over four BILLION dollars a year. Not only would this be a serious drain on the public's purchasing power, but it will accelerate inflation, doubly damaging the economy.

Ray says his figures are based on realistic data from within the industry, and that the FTC staff "has yet to inspect a single car according to the terms of the regulation. This is not a simple 10-minute State safety inspection we are talking about. Some cars, we are certain, will have to be practically dismantled to be properly inspected."

Ray emphasized that neither set of inspection estimates includes the cost of enforcing the regulation, or the increased burden in the courts to handle the predicted increase in litigation. He continued:

> Unless the regulation is strictly enforced, it will only be the honest dealers who are likely to comply with it. States are not equipped with the manpower to handle that strict enforcement, and someone will start talking about creating a new Federal agency. We feel like we are watching the birth of a new bureaucracy.
>
> Car dealers aren't qualified to inspect a car, a certified mechanic will have to tell the dealer whether a car system is okay or not, but it's the dealer who signs his name to the sticker, and the dealer who'll have to pay for any repair work if the mechanic missed something.
>
> No matter how conscientious the inspection, any of the 15,000 moving parts in a car can fail ten seconds after the car is sold,

and the buyer could take the dealer into court to have it fixed. The local court system will be swamped.

Ray said the majority of the estimated 70,000 used car businesses in the country—NIADA represents 8,000—are too small to have the facilities and personnel necessary to perform inspections economically, and many will simply have to go out of business. Ray claims:

> It will destroy the small businessman in the market as we know it today. That means less selection for the buyer, and a decrease in the competitive forces.

Current estimates indicate dealers make 40 percent of used car sales annually, with 60 percent handled privately. A history of similar government regulations in West Germany has had a prophetic impact on its dealer market: Virtually all used car sales there occur individual to individual.

To survive, American dealers will have to pass along the extra costs to their customers, which will severely discriminate against the poor.

Add $100 to the cost of a $2,000 used car, and you have a 5-percent markup. But $100 added to an $800 car is a 12-percent increase. The people shopping for a car under $1,000 depend on the used car market for a cheap means of transportation to get to work. According to Ray:

> The FTC staff has proposed in one sticker all the worst elements of government regulation, the regulation is inflationary and discriminatory; it penalizes the honest businessman and won't eliminate the dishonest; the regulation exceeds their authority; it will curb, not stimulate, competition; and it will affect corporations and businesses, large and small, that have company cars in the same way it will affect used car dealers.
>
> It does appear," Ray concluded, "that the FTC staff is determined to sell the American public a lemon, and they won't even let us kick the tires.

Mr. President, I share the concern of many of my colleagues over the adverse impact of these regulations. There are 70,000 used car dealers in the United States, and this proposal could possibly put half of them out of business. The across-the-board fixed cost imposed on all dealers as a result of this regulation will impact most heavily on small businesses, which we often call the "moms and pops" ventures. And for those dealers who manage to survive, expenses will be higher, increasing the cost to the consumer and thus fueling the fires of inflation.

In his anti-inflation speech, President Carter stated that unnecessary and overly heavy Government regulations are a prime contributor to inflation and an unfair burden, especially on small businessmen. It is of grave concern to me that the Federal Government's regulators are ignoring their own President and the will of Congress and are intruding into an area that simply ought to be left to the dealers, buyers, State legislatures, and the forces of the marketplace.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL TOMORROW

Mr. ROBERT C. BYRD. Mr. President, in compliance with the order that has been previously entered, I move the Senate stand in recess until tomorrow at 12 o clock noon.

The motion was agreed to; and at 1:46 p.m., the Senate recessed until Thursday, January 25, 1979, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES—*Wednesday, January 24, 1979*

The House met at 3 p.m.

The Right Reverend Monsignor Walter Paska, J.C.D., St. Peter and Paul Church, Baltimore, Md., offered the following prayer:

Almighty God, bless our esteemed President and august Congress, sharers in the responsibility of government, that their efforts culminate in worldwide peace and stability.

As we pray for the United States, we also petition for the welfare of the Ukrainian nation whose Proclamation of Liberty 61 years ago commemorated the effort of a freedom-loving Christian people to share in the blessings of democracy. Respect for individual liberty and acknowledgment of Your divine existence remain integrally united with the aspirations of Ukraine.

We pray for this realization, through Your omnipotence in bestowing and Your infinite charity for humanity.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

NECESSITY FOR A REVIVED CIVIL DEFENSE IN OUR COUNTRY

(Mr. SKELTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SKELTON. Mr. Speaker, civil defense's proposed budget for fiscal year 1980 is $110 million. When inflation is taken into account, we see civil defense gets no increase in funds.

Although I disagree with President Carter's decision not to raise our civil defense budget, I feel it is too late this year to campaign for substantial additional money. However, we must look at the future.

President Carter has set the tone and the theme for his administration. It is called "New Foundations." This motif also should apply to civil defense. It is time to dispose of our old and negative approaches to civil defense and start rethinking of civil defense in fresh and realistic terms. Civil defense too must have "New Foundations."

This year, civil defense is not part of that theme. However, we immediately have to begin the groundwork for a revived civil defense in our country.

□ 1505

ADMINISTRATION OF OATH OF OFFICE TO THE HONORABLE STEWART B. McKINNEY

(Mr. GIAIMO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GIAIMO. Mr. Speaker, in accordance with your designation of me, pursuant to House Resolution 8, 96th Congress, adopted by the House of Representatives, to administer the oath of office to Representative STEWART B. McKINNEY, of the Fourth District of Connecticut, I have the honor to report that on the 22d day of January 1979, at 4480 Congress Street, Fairfield, Conn., I administered the oath of office to Mr. McKINNEY, in the form prescribed by section 1757 of the Revised Statutes of the United States, being the form of oath administered to Members of the House of Representatives, to which Mr. McKINNEY subscribed.

The SPEAKER. The Chair extends thanks to the gentleman from Connecticut (Mr. GIAIMO) for performing the duty he described.

INTRODUCTION OF CITIZEN PROTECTION ACT TO OVERTURN SUPREME COURT'S STANFORD DAILY DECISION

(Mr. QUAYLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. QUAYLE. Mr. Speaker, I am today introducing the Citizen Protection Act to overturn the Supreme Court's Stanford Daily decision which authorizes officials to conduct surprise searches of newsrooms, homes, and offices although no one present is suspected of a crime.

Recently I was pleased to learn that President Carter had instructed the Justice Department to develop a proposal to protect a reporter's "work product." But the Carter proposal is only half a loaf—it protects only the media.

My bill, the Citizen Protection Act, affords protection not only for the media, but for all citizens.

□ This symbol represents the time of day during the House Proceedings, e.g., □ 1407 is 2:07 p.m.
● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

This act mandates any law official to use the "subpena first rule" in cases where "the person in possession of the information has a reasonable expectation of privacy."

Under the provisions of the bill, a search warrant could be issued only in cases in which: First, there is "probable cause to believe the person or persons in possession of the evidence may be involved in the crime"; or second, there is "probable cause to believe the person in possession of the evidence has a reasonable expectation of privacy."

These standards would apply across the board to Federal, State, and local officials under the provisions of this bill.

Although the Stanford Daily case involves a newspaper, the effect of the decision goes far beyond the newsroom. In effect, every business, home or office would be subject to a forcible entry and search even though the person or organization entered was not suspected of criminal activity.

No one will argue that prosecutors and law enforcement officers should have the authority to gather evidence. However, the guidelines established by the Court do not set a good example of how justice should be administered.

Supreme Court Justice John P. Stevens explained the magnitude of the decision in his dissent:

> Just as the witnesses who participated in an investigation or a trial far outnumber the defendants, the persons who possess evidence that may help to identify an offender or explain an aspect of a criminal transaction, far outnumber those who have custody of weapons or plunder. Countless law-abiding citizens—doctors, lawyers, merchants, customers, bystanders—may have documents in their possession that relate to an ongoing criminal investigation. The consequences of subjecting this large category of persons to unannounced police searches are extremely dangerous.

Although our cherished first amendment applies to all citizens, there are special problems when it comes to operating a newspaper or any news-gathering organization.

The unannounced search of a newspaper or broadcast studio could jeopardize the confidential sources that journalists have gathered. As search warrant, unlike a subpena, would allow a police officer to go through all the newspaper's files. But through the subpena process, the newspaper would be required to produce only the specific documents ordered.

The majority opinion in Stanford Daily stated that Congress could provide nonconstitutional protections against possible abuses of the search warrant procedure.

Thus the Court refused to set up a constitutional standard for seizure of materials held by persons not suspected of criminal acts. So it is up to us as the Congress to insure the privacy of all Americans, to protect our first amendment rights and further delineate the fourth amendment.

It is our duty to legislate the "subpena first rule," rather than continuing to allow forced searches of innocent third parties whether they be the media or ordinary citizens.

PRESIDENT CARTER'S FISCAL YEAR 1980 BUDGET

(Mr. BONER of Tennessee asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BONER of Tennessee. Mr. Speaker, on January 23, 1979, my colleagues and I received President Carter's state of the Union address to the 96th Congress and his budget recommendations for the U.S. Government for the fiscal year 1980. I should like to take this opportunity to applaud the President in his efforts to reduce the Federal deficit to $29 billion in 1980 down $8.4 billion or 22.4 percent from the 1979 deficit of $37.4 billion which was estimated to be $11.5 billion or 23.5 percent below 1978. In addition, the President is trying to curtail Federal spending and in his message to the Congress provide the necessary "discipline over Federal spending by eliminating programs that are unworkable and improving programs to make them more effective, and forcusing on a system and reorganizing and consolidating Federal activities to improve the efficiency and avoid waste, abuse, or mismanagement."

All of these efforts, Mr. Speaker, are geared toward controlling the No. 1 problem that faces the American public, that is inflation, and the possibility of recision and depression.

While I applaud our executive branch in its efforts to come to grips with Federal spending, I want to reemphasize my belief that the Congress of the United States must give direction and policy guidelines to the Federal budget and determine itself and not through the Office of Management and Budget which areas need to be increased or decreased depending on their merits and their needs. I refer specifically, Mr. Speaker, to many of the areas that have been decreased as proposed in the President's and the OMB-directed budget.

Specifically, some of the areas that concern the Fifth District of my State of Tennessee and the United States in general relates to cutbacks in many of the areas of social welfare and agriculture. I understand from reports that new authority to build new or subsidized existing housing units would drop from 323,660 to 300,000 units and a $45 million cut has been proposed in the highly popular program that provides low interest loans for the rehabilitation of older houses, a cutback in the level of summer jobs for youth from 1 million next summer to 750,000 in 1980 by eliminating 14 year olds from eligibility. The budget proposes slashing programs under the Comprehensive Employment and Training Act by $729 million below their 1979 level reducing the number of public service jobs 625,000 to 467,000 by the end of 1980.

The Labor Department officials have indicated that these jobs will be provided by private employers who hire people eligible for CETA jobs. Cutbacks in the Department of Justice in law enforcement, slashing $111.5 million and reducing by 1,000 positions in the Department of Justice in addition to 281 special agents and Border Patrol personnel. This is also in addition to a law enforcement reduction of $122 million in State and local assistance programs. I am especially concerned, Mr. Speaker, in the proposed cuts in alcohol and drug rehabilitation programs. The budget is replete with reductions relating to this key program.

In addition, the largest cuts have been initiated in the area of agriculture and community development. Major cuts in agriculture spending included $326 million reduction in rural development projects and cuts in grant and loan for rural housing by more than $400 million. In addition the agriculture budget calls for $110 million spending cut by eliminating the Federal substantive for milk at schools or milk as provided as part of other food programs.

Mr. Speaker, at the same time that I have detailed several of the major areas of concern to me that reflect decreases in the fiscal year 1980 budget, I want to also highlight some of the budget increases that merit a second reflection by the Congress during our authorization and appropriations process. Two of the areas which received large increases were international affairs, up 12 percent since last year and military defense budget areas, up 10 percent since last year. I understand that the Agency for International Development operates development assistance programs designed principally to help meet basic needs of the poor in developing countries through promotion of economic growth.

These programs are expected to rise from $1.2 billion in 1979 to $1.3 billion in 1980. In addition, outlays for foreign economic and financial assistance are to increase by $220 million to $5.5 billion in 1980 and outlays for multilateral development banks are estimated to rise from $0.9 billion in 1979 to $1.0 billion in 1980. While I understand the need for foreign assistance and international cooperation, especially with financial institutions overseas, I think the Congress should take a long second look, Mr. Speaker, in cutting programs at home while increasing programs for the poor around the world. I shall look forward to studying the authorization hearings relating to international affairs and to consider further the President's recommendations in this area.

In addition, I am a strong believer in a national defense structure that is second to none. I understand the President's thrust in beefing up our military strength, both at home and especially with our NATO allies abroad. However, there must be some reflection on the part of the Congress to specific weapon systems and purchases in our overall strategic weapon systems and purchases in our overall strategic doctrine as well as our commitment to our NATO allies toward fulfilling their role in defense expenditures.

Mr. Speaker, I will personally review each and every area that affects the interest and the well-being of my constituents in the Fifth District of Tennessee. I shall fight for programs whose reduction effects directly the lives and well-being of the people of Tennessee, ever mindful, however, of the need to control Federal spending and reduce our deficit. It is easy, Mr. Speaker, to attack the President and to call for budget cuts in an ever-constricting Federal budget, however, in my short review of the over 1,180 pages that contain the Federal budget. I have found that the President has tried to grapple with the problem of increased Federal spending and fulfill many of his campaign promises to reduce inflation and prevent recision and depression in this Nation. I shall, where possible, support the President in these efforts keeping in mind the authority of the Congress to authorize and to appropriate the funds for the Federal Government.

REINTRODUCTION OF LEGISLATION TO SUSPEND DUTY ON NITROCELLULOSE

(Mr. PREYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PREYER. Mr. Speaker, I am today reintroducing legislation on behalf of myself, Mr. Gudger, Mr. Holland, Mr. Jacobs, and Mr. Vander Jagt, to suspend until June 30, 1980, the duty imposed on nitrocellulose imported into the United States.

Nitrocellulose is the basis for a large number of fast drying, durable lacquer coatings and is used for automotive refinishing, for primers, and other fast drying coatings for metal and plastics. It is also used for nonfurniture wood finishes, paper coatings, and many novelty coatings. However, one of the principal uses for nitrocellulose, and one for which there is no substitute, is in the manufacture of finishes for wood furniture. This is vital to the furniture manufacturers in the State of North Carolina and in the Nation.

Legislation to lift the tariff passed the House and Senate last fall, but died on the floor of the Senate during the hectic, last hours of the 95th Congress, when a controversial tax amendment was added to the bill.

The need to lift the tariff was prompted by one of only two domestic suppliers of nitrocellulose, E. I. du Pont de Nemours & Co., deciding to halt production of the material.

During 1978 the available supply of nitrocellulose fell short of demand by 20 percent and the shortage is expected to be even more critical during 1979.

The remaining domestic supplier, Hercules, Inc., has committed itself to meeting the demand, but needs time to bolster its production capacity.

In the meantime, American coating manufacturers, who have been forced to import nitrocellulose, must pay a 9.7-cents a pound tariff. The result is a minimum 10-percent increase over existing domestic prices and a handicap in the marketplace.

Manufacturers absorbed most of the cost during 1978, but supply problems disrupted the production lines of smaller companies worried about stockpiling the flammable nitrocellulose.

Suspension of the tariff would give Hercules, Inc., the time it needs to expand its nitrocellulose production and give other potential domestic suppliers a chance to enter the market. Hercules has no objections to a temporary suspension of the duty and endorses our proposal.

I urge the Trade Subcommittee and the full House Ways and Means Committee to give this matter early consideration.

DESIGNATING MEMBERSHIP ON CERTAIN STANDING COMMITTEES OF THE HOUSE

Mr. FOLEY. Mr. Speaker, as chairman of the Democratic Caucus and by direction of the Democratic Caucus, I send to the desk a privileged resolution (H. Res. 62), and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 62

Resolution designating membership on certain standing committees of the House

Resolved, That the following-named Members, Delegates, and Resident Commissioner be, and they are hereby, elected to the following standing committees of the House of Representatives:

Committee on Agriculture: Thomas S. Foley (chairman), Washington; E de la Garza, Texas; Walter B. Jones, North Carolina; Ed Jones, Tennessee; Dawson Mathis, Georgia; George E. Brown, Jr., California; David R. Bowen, Mississippi; Charles Rose, North Carolina; Frederick W. Richmond, New York; Richard Nolan, Minnesota; James Weaver, Oregon; Alvin Baldus, Wisconsin; Tom Harkin, Iowa; Berkley Bedell, Iowa; Glenn English, Oklahoma; Floyd J. Fithian, Indiana; Leon E. Panetta, California; Ike Skelton, Missouri; Jerry Huckaby, Louisiana; Dan Glickman, Kansas; Daniel K. Akaka, Hawaii; Charles Whitley, North Carolina; Tony Coelho, California; Thomas A. Daschle, South Dakota; Kent Hance, Texas; Beryl Anthony, Jr., Arkansas; Charles W. Stenholm, Texas.

Committee on Appropriations: Jamie L. Whitten (chairman), Mississippi; Edward P. Boland, Massachusetts; William H. Natcher, Kentucky; Daniel J. Flood, Pennsylvania; Tom Steed, Oklahoma; John M. Slack, West Virginia; Neal Smith, Iowa; Robert N. Giaimo, Connecticut; Joseph P. Addabbo, New York; Edward J. Patten, New Jersey; Clarence D. Long, Maryland; Sidney R. Yates, Illinois; David R. Obey, Wisconsin; Edward J. Roybal, California; Louis Stokes, Ohio; Gunn McKay, Utah; Tom Bevill, Alabama; Bill Chappell, Jr., Florida; Bill D. Burlison, Missouri; Bill Alexander, Arkansas; John P. Murtha, Pennsylvania; Bob Traxler, Michigan; Robert Duncan, Oregon; Joseph D. Early, Massachusetts; Charles Wilson, Texas; Lindy (Mrs. Hale) Boggs, Louisiana; Adam Benjamin, Jr., Indiana; Norman D. Dicks, Washington; Matthew F. McHugh, New York; Bo Ginn, Georgia; William Lehman, Florida; Jack Hightower, Texas; John W. Jenrette, Jr., South Carolina; Martin Olav Sabo, Minnesota; Julian C. Dixon, California; Bennett M. Stewart, Illinois.

Committee on Armed Services: Melvin Price (chairman), Illinois; Charles E. Bennett, Florida; Samuel S. Stratton, New York; Richard H. Ichord, Missouri; Lucien N. Nedzi, Michigan; Charles H. Wilson, California; Richard C. White, Texas; Bill Nichols, Alabama; Jack Brinkley, Georgia; Robert H. Mollohan, West Virginia; Dan Daniel, Virginia; G. V. (Sonny) Montgomery, Mississippi; Harold Runnels, New Mexico; Les Aspin, Wisconsin; Ronald V. Dellums, California; Mendel J. Davis, South Carolina; Patricia Schroeder, Colorado; Abraham Kazen, Jr., Texas; Antonio Borja Won Pat, Guam; Bob Carr, Michigan; Jim Lloyd, California; Larry McDonald, Georgia; Bob Stump, Arizona; Vic Fazio, California; Claude (Buddy) Leach, Louisiana; Beverly B. Byron, Maryland; Nicholas Mavroules, Massachusetts; Joe Wyatt, Jr., Texas; Don Bailey, Pennsylvania.

Committee on Banking, Finance and Urban Affairs: Henry S. Reuss (chairman), Wisconsin; Thomas L. Ashley, Ohio; William S. Moorhead, Pennsylvania; Fernand J. St Germain, Rhode Island; Henry B. Gonzalez, Texas; Joseph G. Minish, New Jersey; Frank Annunzio, Illinois; James M. Hanley, New York; Parren J. Mitchell, Maryland; Walter E. Fauntroy, District of Columbia; Stephen L. Neal, North Carolina; Jerry M. Patterson, California; James J. Blanchard, Michigan; Carroll Hubbard, Jr., Kentucky, John J. LaFalce, New York; Gladys Noon Spellman, Maryland; Les AuCoin, Oregon; David W. Evans, Indiana; Norman E. D'Amours, New Hampshire; Stanley N. Lundine, New York; John J. Cavanaugh, Nebraska; Mary Rose Oakar, Ohio; Jim Mattox, Texas; Bruce F. Vento, Minnesota; Doug Barnard, Georgia; Wes Watkins, Oklahoma; Robert Garcia, New York; Michael E. Lowry, Washington.

Committee on Budget: Robert N. Giaimo (chairman), Connecticut; Jim Wright, Texas; Thomas L. Ashley, Ohio; Louis Stokes, Ohio; Elizabeth Holtzman, New York; David R. Obey, Wisconsin; Paul Simon, Illinois; Norman Y. Mineta, California; Jim Mattox, Texas; James R. Jones, Oklahoma; Stephen J. Solarz, New York; William M. Brodhead, Michigan; Timothy E. Wirth, Colorado; Leon E. Panetta, California; Richard A. Gephardt, Missouri; Bill Nelson, Florida; William H. Gray III, Pennsylvania.

Committee on the District of Columbia: Ronald V. Dellums (chairman), California; Charles C. Diggs, Jr., Michigan; Walter E. Fauntroy, District of Columbia; Romano L. Mazzoli, Kentucky; Herbert E. Harris II, Virginia; Dan Daniel, Virginia.

Committee on Education and Labor: Carl D. Perkins (chairman), Kentucky; Frank Thompson, Jr., New Jersey; John Brademas, Indiana; Augustus F. Hawkins, California; William D. Ford, Michigan; Phillip Burton, California; Joseph M. Gaydos, Pennsylvania; William (Bill) Clay, Missouri; Mario Biaggi, New York; Ike F. Andrews, North Carolina; Paul Simon, Illinois; Edward P. Beard, Rhode Island; George Miller, California; Michael O. Myers, Pennsylvania; Austin J. Murphy, Pennsylvania; Ted Weiss, New York; Baltasar Corrada, Puerto Rico; Dale E. Kildee, Michigan; Peter A. Peyser, New York; Edward J. Stack, Florida; Pat Williams, Montana; William R. Ratchford, Connecticut; Ray Kogovsek, Colorado.

Committee on Government Operations: Jack Brooks (chairman), Texas; L. H. Fountain, North Carolina; Dante B. Fascell, Florida; William S. Moorhead, Pennsylvania; Benjamin S. Rosenthal, New York; Fernand J. St Germain, Rhode Island; Don Fuqua, Florida; John Conyers, Jr., Michigan; Cardiss Collins, Illinois; John L. Burton, California; Richardson Preyer, North Carolina; Robert F. Drinan, Massachusetts; Glenn English, Oklahoma; Elliott H. Levitas, Georgia; David W. Evans, Indiana; Anthony Toby Moffett, Connecticut; Andrew Maguire, New Jersey; Les Aspin, Wisconsin; Henry A. Waxman, California; Floyd J. Fithian, Indiana; Peter H. Kostmayer, Pennsylvania; Ted Weiss, New York; Mike Lynn Synar, Oklahoma; Robert T. Matsui, California; Eugene V. Atkinson, Pennsylvania.

Committee on House Administration: Frank Thompson, Jr. (chairman), New Jersey; Lucien N. Nedzi, Michigan; John Brademas, Indiana; Augustus F. Hawkins, California; Frank Annunzio, Illinois; Joseph M. Gaydos, Pennsylvania; Ed Jones, Tennessee; Robert H. Mollohan, West Virginia; Lionel Van Deerlin, California; Joseph G. Minish, New Jersey; Mendel J. Davis, South Carolina; Charles Rose, North Carolina; John L. Burton, California; Peter A. Peyser, New York; William R. Ratchford, Connecticut; Vic Fazio, California.

Committee on Interior and Insular Affairs: Morris K. Udall (chairman), Arizona; Phillip Burton, California; Robert W. Kastenmeier, Wisconsin; Abraham Kazen, Jr., Texas; Jonathan B. Bingham, New York; John F. Seiberling, Ohio; Harold Runnels, New Mexico; Antonio Borja Won Pat, Guam; Bob Eckhardt, Texas; Jim Santini, Nevada; James Weaver, Oregon; Bob Carr, Michigan; George Miller, California; James J. Florio, New Jersey; Dawson Mathis, Georgia; Philip R. Sharp, Indiana; Edward J. Markey, Massachusetts; Peter H. Kostmayer, Pennsylvania; Baltasar Corrada, Puerto Rico; Austin J. Murphy, Pennsylvania; Nick Joe Rahall II, West Virginia; Bruce F. Vento, Minnesota; Jerry Huckaby, Louisiana; Lamar Gudger, North Carolina; James J. Howard, New Jersey; Jerry M. Patterson, California; Ray Kogovsek, Colorado; Pat Williams, Montana.

Committee on International Relations: Clement J. Zablocki (chairman), Wisconsin; L. H. Fountain, North Carolina; Dante B. Fascell, Florida; Charles C. Diggs, Jr., Michigan; Benjamin S. Rosenthal, New York; Lee H. Hamilton, Indiana; Lester L. Wolff, New York; Jonathan B. Bingham, New York; Gus Yatron, Pennsylvania; Cardiss Collins, Illinois; Stephen J. Solarz, New York; Don Bonker, Washington; Gerry E. Studds, Massachusetts; Andy Ireland, Florida; Donald J. Pease, Ohio; Dan Mica, Florida; Michael D. Barnes, Maryland; William H. Gray III, Pennsylvania; Tony P. Hall, Ohio; Howard Wolpe, Michigan.

Committee on Interstate and Foreign Commerce: Harley O. Staggers (chairman), West Virginia; John D. Dingell, Michigan; Lionel Van Deerlin, California; John M. Murphy, New York; David E. Satterfield III, Virginia; Bob Eckhardt, Texas; Richardson Preyer, North Carolina; James H. Scheuer, New York; Richard L. Ottinger, New York; Henry A. Waxman, California; Timothy E. Wirth, Colorado; Philip R. Sharp, Indiana; James J. Florio, New Jersey; Anthony Toby Moffett, Connecticut; Jim Santini, Nevada; Andrew Maguire, New Jersey; Marty Russo, Illinois; Edward J. Markey, Massachusetts; Thomas A. Luken, Ohio; Doug Walgren, Pennsylvania; Albert Gore, Jr., Tennessee; Barbara A. Mikulski, Maryland; Ronald M. Mottl, Ohio; Phil Gramm, Texas; Allan Byron Swift, Washington; George Thomas (Mickey) Leland, Texas; Richard C. Shelby, Alabama.

Committee on the Judiciary: Peter W. Rodino, Jr. (chairman), New Jersey; Jack Brooks, Texas; Robert W. Kastenmeier, Wisconsin; Don Edwards, California; John Conyers, Jr., Michigan; John F. Seiberling, Ohio; George E. Danielson, California; Robert F. Drinan, Massachusetts; Elizabeth Holtzman, New York; Romano L. Mazzoli, Kentucky; William J. Hughes, New Jersey; Sam B. Hall Jr., Texas; Lamar Gudger, North Carolina; Harold L. Volkmer, Missouri; Herbert E. Harris II, Virginia; Mike Lynn Synar, Oklahoma; Robert T. Matsui, California.

Committee on Merchant Marine and Fisheries: John M. Murphy (chairman), New York; Thomas L. Ashley, Ohio; John D. Dingell, Michigan; Walter B. Jones, North Carolina; Mario Biaggi, New York; Glenn M. Anderson, California; E de la Garza, Texas; John B. Breaux, Louisiana; Gerry E. Studds, Massachusetts; David R. Bowen, Mississippi; Carroll Hubbard, Jr., Kentucky; Don Bonker, Washington; Les AuCoin, Oregon; Norman E. D'Amours, New Hampshire; James L. Oberstar, Minnesota; William J. Hughes, New Jersey; Barbara A. Mikulski, Maryland; David E. Bonior, Michigan; Daniel K. Akaka, Hawaii; Michael O. Myers, Pennsylvania; Joe Wyatt, Jr., Texas; Michael E. Lowry, Washington; Earl Dewitt Hutto, Florida; Edward J. Stack, Florida; Brian J. Donnelly, Massachusetts.

Committee on Post Office and Civil Service: James M. Hanley (chairman), New York; Morris K. Udall, Arizona; Charles H. Wilson, California; William D. Ford, Michigan; William (Bill) Clay, Missouri; Patricia Schroeder, Colorado; Gladys Noon Spellman, Maryland; Herbert E. Harris II, Virginia; Robert Garcia, New York; George Thomas (Mickey) Leland, Texas; Geraldine A. Ferraro, New York; Charles W. Stenholm, Texas.

Committee on Public Works and Transportation: Harold T. Johnson (chairman), California; Ray Roberts, Texas; James J. Howard, New Jersey; Glenn M. Anderson, California; Robert A. Roe, New Jersey; Mike McCormack, Washington; John B. Breaux, Louisiana; Norman Y. Mineta, California; Elliott H. Levitas, Georgia; James L. Oberstar, Minnesota; Jerome A. Ambro, New York; Henry J. Nowak, New York; Robert W. Edgar, Pennsylvania; Marilyn Lloyd Bouquard, Tennessee; John G. Fary, Illinois; W. G. (Bill) Hefner, North Carolina; Robert A. Young, Missouri; David E. Bonior, Michigan; Allen E. Ertel, Pennsylvania; Billy Lee Evans, Georgia; Ronnie G. Flippo, Alabama; Nick Joe Rahall II, West Virginia; Douglas Applegate, Ohio; Geraldine A. Ferraro, New York; Brian J. Donnelly, Massachusetts; Earl Dewitt Hutto, Florida; Eugene V. Atkinson, Pennsylvania; Donald Joseph Albosta, Michigan; Marvin Leath, Texas; William Hill Boner, Tennessee.

Committee on Rules: Richard Bolling (chairman), Missouri; Claude Pepper, Florida; Morgan F. Murphy, Illinois; Gillis W. Long, Louisiana; Joe Moakley, Massachusetts; Shirley Chisholm, New York; Christopher J. Dodd, Connecticut; Leo C. Zeferetti, New York; Butler Derrick, South Carolina; Anthony C. Beilenson, California; Martin Frost, Texas.

Committee on Science and Technology: Don Fuqua (chairman), Florida; Robert A. Roe, New Jersey; Mike McCormack, Washington; George E. Brown, Jr., California; James H. Scheuer, New York; Richard L. Ottinger, New York; Tom Harkin, Iowa; Jim Lloyd, California; Jerome A. Ambro, New York; Marilyn Lloyd Bouquard, Tennessee; James J. Blanchard, Michigan; Stephen L. Neal, North Carolina; Doug Walgren, Pennsylvania; Ronnie G. Flippo, Alabama; Dan Glickman, Kansas; Albert Gore, Jr., Tennessee; Wes Watkins, Oklahoma; Robert A. Young, Missouri; Richard C. White, Texas; Harold L. Volkmer, Missouri; Donald J. Pease, Ohio; Howard Wolpe, Michigan; Nicholas Mavroules, Massachusetts; Bill Nelson, Florida; Beryl Anthony, Jr., Arkansas.

Committee on Small Business: Neal Smith (chairman), Iowa; Tom Steed, Oklahoma; John D. Dingell, Michigan; James C. Corman, California; Joseph P. Addabbo, New York; Fernand J. St Germain, Rhode Island; Parren J. Mitchell, Maryland; Henry B. Gonzalez, Texas; James M. Hanley, New York; John J. LaFalce, New York; Berkley Bedell, Iowa; Frederick W. Richmond, New York; Marty Russo, Illinois; Alvin Baldus, Wisconsin; Richard Nolan, Minnesota; Richard H. Ichord, Missouri; Henry J. Nowak, New York; Thomas A. Luken, Ohio; Andy Ireland, Florida; Dale E. Kildee, Michigan; Ike Skelton, Missouri; Billy Lee Evans, Georgia; Doug Barnard, Georgia; Claude Leach, Louisiana.

Committee on Veterans' Affairs: Ray Roberts (chairman), Texas; David E. Satterfield III, Virginia; Don Edwards, California; G. V. (Sonny) Montgomery, Mississippi; George E. Danielson, California; Lester L. Wolff, New York; Jack Brinkley, Georgia; Ronald M. Mottl, Ohio; W. G. (Bill) Hefner, North Carolina; Edward P. Beard, Rhode Island; Robert W. Edgar, Pennsylvania; Sam B. Hall, Jr., Texas; Douglas Applegate, Ohio; Marvin Leath, Texas; William Hill Boner, Tennessee; Phil Gramm, Texas; Richard C. Shelby, Alabama; Tony P. Hall, Ohio; Dan Mica, Florida; Thomas A. Daschle, South Dakota; Tony Coelho, California.

Committee on Ways and Means: Al Ullman (chairman), Oregon; Dan Rostenkowski, Illinois; Charles A. Vanik, Ohio; James C. Corman, California; Sam Gibbons, Florida; J. J. Pickle, Texas; Charles B. Rangel, New York; William R. Cotter, Connecticut; Fortney H. (Pete) Stark, California; James R. Jones, Oklahoma; Andrew Jacobs, Jr., Indiana; Abner J. Mikva, Illinois; Joseph L. Fisher, Virginia; Harold E. Ford, Tennessee; Ken Holland, South Carolina; William M. Brodhead, Michigan; Ed Jenkins, Georgia; Richard A. Gephardt, Missouri; Raymond F. Lederer, Pennsylvania; Thomas J. Downey, New York; Cecil (Cec) Heftel, Hawaii; Wyche Fowler, Jr., Georgia; Frank J. Guarini, New Jersey; James M. Shannon, Massachusetts.

Mr. FOLEY (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the Record.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

ELECTION OF CERTAIN MEMBERS TO STANDING COMMITTEES OF THE HOUSE

Mr. RHODES. Mr. Speaker, I send to the desk a privileged resolution (H. Res. 63) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 63

Resolved, That the following-named Members be, and they are hereby, elected to the following Standing Committees of the House of Representatives:

COMMITTEE ON AGRICULTURE

William C. Wampler, Virginia; Keith G. Sebelius, Kansas; Paul Findley, Illinois; Steven D. Symms, Idaho; James P. Johnson, Colorado; Edward R. Madigan, Illinois; Margaret M. Heckler, Massachusetts; James M. Jeffords, Vermont; Richard Kelly, Florida; Charles E. Grassley, Iowa; Tom Hagedorn, Minnesota; E. Thomas Coleman, Missouri; Ron Marlenee, Montana; Larry Hopkins, Kentucky; and Bill Thomas, California.

COMMITTEE ON APPROPRIATIONS

Silvio O. Conte, Massachusetts; Robert H. Michel, Illinois; Joseph M. McDade, Pennsylvania; Mark Andrews, North Dakota; Jack Edwards, Alabama; Robert C. McEwen, New York; John T. Myers, Pennsylvania; J. Kenneth Robinson, Virginia; Clarence E. Miller, Ohio; Lawrence Coughlin, Pennsylvania; C. W. Bill Young, Florida; Jack F.

Kemp, New York; Ralph S. Regula, Ohio; Clair W. Burgener, California; George M. O'Brien, Illinois; Virginia Smith, Nebraska; Eldon Rudd, Arizona; and Carl D. Pursell, Michigan.

COMMITTEE ON ARMED SERVICES

Bob Wilson, California; William L. Dickinson, Alabama; G. William Whitehurst, Virginia; Floyd Spence, South Carolina; David C. Treen, Louisiana; Robin L. Beard, Tennessee; Donald J. Mitchell, New York; Marjorie S. Holt, Maryland; Robert W. Daniel, Jr., Virginia; Elwood Hillis, Indiana; David F. Emery, Maine; Paul S. Trible, Jr., Virginia; Robert E. Badham, California; Charles Dougherty, Pennsylvania; Jim Courter, New Jersey; and Melvin Evans,* Virgin Islands.

COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS

J. William Stanton, Ohio; Chalmers P. Wylie, Ohio; Stewart B. McKinney, Connecticut; George Hansen, Idaho; Henry J. Hyde, Illinois; Richard Kelly, Florida; James A. S. Leach, Iowa; Thomas B. Evans, Jr., Delaware; S. William Green, New York; Ron Paul, Texas; Ed Bethune, Arkansas; Norm Shumway, California; Carroll Campbell, South Carolina; Don Ritter, Pennsylvania; and Jon Hinson, Mississippi.

COMMITTEE ON THE BUDGET

Delbert L. Latta, Ohio; James T. Broyhill, North Carolina; Barber B. Conable, New York; Marjorie S. Holt, Maryland; John J. Duncan, Tennessee; Clair W. Burgener, California; Ralph S. Regula, Ohio; and Bud Shuster, Pennsylvania.

COMMITTEE ON THE DISTRICT OF COLUMBIA

Stewart B. McKinney, Connecticut; Robert W. Daniel, Jr., Virginia; Marc L. Marks, Pennsylvania; Millicent Fenwick, New Jersey; and Jim Jeffries, Kansas.

COMMITTEE ON EDUCATION AND LABOR

John M. Ashbrook, Ohio; John N. Erlenborn, Illinois; John Buchanan, Alabama; James M. Jeffords, Vermont; William F. Goodling, Pennsylvania; Mickey Edwards, Oklahoma; E. Thomas Coleman, Missouri; Ken Kramer, Colorado; Arlen Erdahl, Minnesota; Tom Tauke, Iowa; Dan Crane, Illinois; and Jon Hinson, Mississippi.

COMMITTEE ON GOVERNMENT OPERATIONS

Frank Horton, New York; John N. Erlenborn, Illinois; John W. Wydler, New York; Clarence J. Brown, Ohio; Paul N. McCloskey, California; Thomas N. Kindness, Ohio; Robert Walker, Pennsylvania; Arlan Stangeland, Minnesota; Caldwell Butler, Virginia; Lyle Williams, Ohio; Jim Jeffries, Kansas; Olympia Snowe, Maine; Wayne Grisham, California; and Joel Deckard, Indiana.

COMMITTEE ON HOUSE ADMINISTRATION

William L. Dickinson, Alabama; Samuel L. Devine, Ohio; James C. Cleveland, New Hampshire; Bill Frenzel, Minnesota; Dave Stockman, Michigan; Robert E. Badham, California; Newt Gingrich, Georgia; Jerry Lewis, California; and Carroll Campbell, South Carolina.

COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

Don H. Clausen, California; Manuel Lujan, New Mexico; Keith G. Sebelius, Kansas; Don Young, Alaska; Steve Symms, Idaho; James P. Johnson, Colorado; Robert J. Lagomarsino, California; Dan Marriott, Utah; Ron Marlenee, Montana; Mickey Edwards, Oklahoma; Dick Cheney, Wyoming; Chip Pashayan, California; Robert Whittaker, Kansas; Doug Bereuter, Nebraska; and Melvin Evans*, Virgin Islands.

COMMITTEE ON INTERNATIONAL RELATIONS

William S. Broomfield, Michigan; Edward J. Derwinski, Illinois; Paul Findley, Illinois; John Buchanan, Alabama; Larry Winn, Kansas; Benjamin A. Gilman, New York; Tennyson Guyer, Ohio; Robert J. Lagomarsino, California; William F. Goodling, Pennsylvania; Joel Pritchard, Washington; Millicent Fenwick, New Jersey; and Dan Quayle, Indiana.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Samuel L. Devine, Ohio; James T. Broyhill, North Carolina; Tim Lee Carter, Kentucky; Clarence J. Brown, Ohio; James M. Collins, Texas; Norman F. Lent, New York; Edward R. Madigan, Illinois; Carlos J. Moorhead, California; Matthew J. Rinaldo, New Jersey; Dave Stockman, Michigan; Marc L. Marks, Pennsylvania; Tom Corcoran, Illinois; Gary Lee, New York; Tom Loeffler, Texas; and Bill Dannemeyer, California.

COMMITTEE ON THE JUDICIARY

Robert McClory, Illinois; Tom Railsback, Illinois; Hamilton Fish, New York; M. Caldwell Butler, Virginia; Carlos J. Moorhead, California; John M. Ashbrook, Ohio; Henry J. Hyde, Illinois; Thomas N. Kindness, Ohio; Harold S. Sawyer, Michigan; Dan Lungren, California; and James Sensenbrenner, Wisconsin.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

Paul N. McCloskey, California; Gene Snyder, Kentucky; Edwin B. Forsythe, New Jersey; David C. Treen, Louisiana; Joel Pritchard, Washington; Don Young, Alaska; Robert E. Bauman, Maryland; Norman F. Lent, New York; David F. Emery, Maine; Robert K. Dornan, California; Thomas B. Evans, Jr., Delaware; Paul S. Trible, Virginia; Robert Davis, Michigan; William Carney, New York; and Melvin Evans,* Virgin Islands.

COMMITTEE ON POST OFFICE AND CIVIL SERVICE

Edward J. Derwinski, Illinois; Gene Taylor, Missouri; Benjamin A. Gilman, New York; Jim Leach, Iowa; Tom Corcoran, Illinois; Jim Courter, New Jersey; Charles Pashayan, California; William Dannemeyer, California; and Daniel Crane, Illinois.

COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

William H. Harsha, Ohio; James C. Cleveland, New Hampshire; Don H. Clausen, California; Gene Snyder, Kentucky; John Paul Hammerschmidt, Arkansas; Bud Shuster, Pennsylvania; James Abdnor, South Dakota; Gene Taylor, Missouri; Barry M. Goldwater, Jr., California; Tom Hagedorn, Minnesota; Arlan Stangeland, Minnesota; Bob Livingston, Louisiana; Newt Gingrich, Georgia; William F. Clinger, Jr., Pennsylvania; Gerald Solomon, New York; and Jerry Lewis, California.

COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT

Floyd Spence, South Carolina; Harold Hollenbeck, New Jersey; Bob Livingston, Louisiana; William M. Thomas, California; and James Sensenbrenner, Jr., Wisconsin.

COMMITTEE ON VETERANS' AFFAIRS

John Paul Hammerschmidt, Arkansas; Margaret M. Heckler, Massachusetts; Chalmers P. Wylie, Ohio; Elwood Hillis, Indiana; James Abdnor, South Dakota; Tennyson Guyer, Ohio; George Hansen, Idaho; Harold S. Sawyer, Michigan; Wayne Grisham, California; Joel Deckard, Indiana; and Gary Lee, New York.

COMMITTEE ON WAYS AND MEANS

Barber B. Conable, New York; John J. Duncan, Tennessee; Bill Archer, Texas; Guy Vander Jagt, Michigan; Philip M. Crane, Illinois; Bill Frenzel, Minnesota; James G. Martin, North Carolina; Skip Bafalis, Florida; Richard T. Schulze, Pennsylvania; Willis D. Gradison, Jr., Ohio; John H. Rousselot, California; and W. Henson Moore, Louisiana.

COMMITTEE ON RULES

James H. Quillen, Tennessee; John B. Anderson, Illinois; Delbert L. Latta, Ohio; Trent Lott, Mississippi; and Robert E. Bauman, Maryland.

COMMITTEE ON SCIENCE AND TECHNOLOGY

John W. Wydler, New York; Larry Winn, Kansas; Barry M. Goldwater, California; Hamilton Fish, New York; Manuel Lujan, New Mexico; Harold C. Hollenbeck, New Jersey; Robert K. Dornan, California; Robert S. Walker, Pennsylvania; Edwin B. Forsythe, New Jersey; Ken Kramer, Colorado; Bill Carney, New York; Robert Davis, Michigan; Toby Roth, Wisconsin; and Don Ritter, Pennsylvania.

COMMITTEE ON SMALL BUSINESS

Joseph M. McDade, Pennsylvania; Silvio O. Conte, Massachusetts; J. William Stanton, Ohio; William S. Broomfield, Michigan; Tim Lee Carter, Kentucky; Dan Quayle, Indiana; Dan Marriott, Utah; Toby Roth, Wisconsin; Lyle Williams, Ohio; Olympia Snowe, Maine; Doug Bereuter, Nebraska; Ed Bethune, Arkansas; Arlen Erdahl, Minnesota; and Tom Tauke, Iowa.

Mr. RHODES (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the Record.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PRESIDENT CARTER'S FISCAL YEAR 1980 BUDGET FOR EDUCATION

(Mr. FORD of Michigan asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FORD of Michigan. Mr. Speaker, President Carter worked with the 95th Congress to produce great improvements in Federal aid to education at all levels. In fiscal year 1979, appropriations for student assistance increased 21 percent and total education appropriations rose to $12.7 billion.

I am disappointed now that, under obvious pressure from the Office of Management and Budget, the President is proposing substantial cuts in Federal education funds as part of his attempt to curb Federal spending.

The President's fiscal year 1980 Budget recommendation to the Congress for the education programs administered by the education division of the Department of Health, Education, and Welfare proposes a cut of $382 million below the fiscal year 1979 appropriations. Included are reductions of $156 million in the basic educational opportunity grant program, $94 million in the National Direct Student Loan program, and $288 million in assistance to schools in federally affected areas. Programs for school libraries, public libraries and college libraries are slated for cuts totaling $32.6 million. There is no increase in funding for vocational education and only modest increases in support for education of the handicapped and bilingual education.

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*Nonvoting Delegate.

*Nonvoting Delegate.

In my view, reducing the Federal commitment to education is a shortsighted approach to fighting inflation. Investing in the human capital of America's citizens is the most cost-effective way to increase our national productivity and our ability to compete as a nation in the international marketplace. Vocational training, language skills for those of limited English-speaking ability, assistance to the handicapped to enable them to become productive citizens and opening access to postsecondary education for those who would not otherwise afford it will produce far more economic benefits to the Nation than the temporary savings achieved by reducing our commitment to these programs.

This budget recommendation also breaks a long series of commitments by the administration:

On November 1, 1978, the President signed into law the Middle Income Student Assistance Act expressing his high praise and no reservations. The President's budget proposes only $340 million for the supplemental educational opportunity grant program contrary to a provision in the Middle Income Student Assistance Act which requires that $370 million be provided for this program in fiscal year 1980.

On November 1, 1978, the President also signed into law the Education Amendments of 1978 reauthorizing the Elementary and Secondary Education Act. One of the centerpieces of this act was a new program of special incentive grants to those States having compensatory education programs. These special incentive grants were an administration proposal, but the fiscal year 1980 budget recommendation contains no funds for this program.

The Education Amendments of 1978 also contained changes in the program of assistance to schools in federally affected areas (impact aid). These changes were the result of arduous negotiations with the administration. The President signed the bill and praised the savings achieved by these provisions. The fiscal year 1980 budget recommendation proposes violating these recently enacted provisions.

Following a controversy over the level of funding for the national direct student loan program in the consideration of the fiscal year 1978 budget, administration spokesmen promised that reductions in the program would not be proposed until the status of the campus-based revolving funds and the access of low-income students to loans had been thoroughly assessed and a report made to the Congress. This commitment was kept with respect to the fiscal year 1979 budget. However, the fiscal year 1980 budget recommends a major reduction in the program without any such report having been made available to the Congress.

During the formulation of the administration's middle-income student assistance initiative in late 1977 and early 1978, administration spokesmen promised that they would propose an additional $800 million in student aid funds for the second year of the administration's initiative. Rather than an $800 million increase, the administration's fiscal year 1980 budget proposes a $250 million decrease in student aid.

The Middle Income Student Assistance Act liberalized the eligibility of independent students to receive basic educational opportunity grants. The fiscal year 1979 Labor-HEW appropriations bill contained legislative language deferring the funding for this liberalization for 1 year. HEW officials promised that basic grant funds available to be carried over from fiscal year 1978 (and thus not subject to the limitation contained in the fiscal year 1979 appropriation bill) would be used to fund the independent student changes. The fiscal year 1980 budget recommendation proposes reneging on this commitment, using the excess fiscal year 1978 funds in 1980 rather than 1979 and consequently not implementing the independent student changes in the 1979–80 school year.

I hope that the spirit of cooperation that prevailed during most of the 95th Congress on education issues can be reborn. Supporting and reshaping the vital education programs, which will determine our Nation's future, must be done through a constructive partnership between the Congress and the administration.

SIXTY-FIRST ANNIVERSARY OF UKRAINE'S INDEPENDENCE

The SPEAKER. Under a previous order of the House, the gentleman from Pennsylvania (Mr. FLOOD) is recognized for 60 minutes.

● Mr. FLOOD. Mr. Speaker, 61 years ago Ukraine, the largest non-Russian country in Eastern Europe, declared its independence from the Russian Empire. On January 22, 1918, a new democratic republic was established in a tradition set by our Founding Fathers when they divorced themselves from an empire. Though the Ukrainian nation enjoyed independence before it was subjugated under the Russian Czars, unfortunate circumstances and the power of Trotsky's Soviet Russian Army subjected this valiant people to further enslavement under Soviet Russian imperialism. In the 1918-23 period our Western World was virtually deaf to the pleas for help on the part of the diplomatic representatives of the Ukrainian National Republic.

The glaring fact, Mr. Speaker, is that Ukraine was one of the first victims of Soviet Russian imperio-colonialism. Ironically enough, what too many of our analysts and opinionmakers did not comprehend is that the origin of what they call "the Soviet threat" to our national security today was this first conquest of Ukraine and other non-Russian nations less than 60 years ago by Moscow. Sixty years or so are only a flick in historical time, and yet in this historical instant Moscow's Empire has expanded so rapidly that many analysts are just awakening to the force of Soviet Russian imperialism.

Let me emphasize, the importance of this annual observance lies in the fact that the first international war waged by Moscow was against Ukraine. Without this colony and its exploited resources, Moscow today would be no match for us or some other industrialized nations of the West. The base of its power for imperialist adventurism in Asia, the Mideast, Africa, and Latin America was forged 60 years ago in its armed conquest of Ukraine and other non-Russian nations which fought for their independence from an empire. No one knows this better than the totalitarian elite in the Kremlin today.

One of our conspicuous defects in policy toward the U.S.S.R. since World War II has been our inability to focus on Ukraine and the other captive non-Russian nations in this primary empire called the Soviet Union. After all, over half of the U.S.S.R. population is non-Russian and detests the presence of Soviet Russian domination. Numerous avenues for such concentration have been proposed over the years, without inciting a war or precipitating an international crisis. Imaginative thinking has been lacking in this respect largely because of both a sensitive lack of knowledgeability of the subject and a consequent fear of meeting it. Just reflect, if—and this is possible—we were drawn into a war with Moscow, the 1,000-percent guarantee is that Ukraine and the other non-Russian nations in the U.S.S.R. would be our No. 1 priority for alliance and victory. Commonsense would dictate that we build the relationship now to prevent a war and to work assiduously for freedom and our own security.

This, Mr. Speaker, is in part the real message of this 61st anniversary of Ukraine's independence. Its additional import is conveyed by elaborations which I commend to the scrutiny of my colleagues: First, a letter we all received from Dr. Lev E. Dobriansky of Georgetown University and president of the Ukrainian Congress Committee of America, second, an address at the Third World Ukrainian Congress, and, third, an invitational letter and press release by UCCA on the occasion:

UKRAINIAN CONGRESS COMMITTEE
OF AMERICA, INC.,
January 15, 1979.

The kangaroo trials of dissidents in the USSR last summer shocked countless of our fellow Americans, and many eyes were opened to the barbarities of Soviet Russian "justice." However, one salient side of these and preceding trials was not adequately grasped by some of us, though many Members of Congress did see it and spoke out on it extensively. And that is, beyond Scharansky and Ginzburg, the more severe sentences meted out to the national non-Russian dissidents in the USSR, like the Lithuanian Petkus, the Ukrainian Lukianenko and others in Georgia and elsewhere. Why?

The 61st Anniversary of Ukraine's Independence this January 22 provides us with an excellent occasion to explore the "why" of this sordid situation. The answer rests, of course, in Soviet Russian domination over Ukraine and the other captive non-Russian nations in the USSR, as well as in Moscow's fear that the natural drives which led to Ukraine's Independence on January 22, 1918, may crystallize to threaten the present Soviet Russian empire.

I warmly invite you to join with us in this commemoration and let the 50 million captive Ukrainians know that they are not forgotten by us who enjoy the fruits of freedom. Last month the President defined his human rights advocacy as "the soul" of our foreign policy, but nowhere in his speech will you find any reference to national rights. the broadcast category of human rights. Ukrainians and other captive nations are interested not only in personal and civil rights but also, indeed more so, in national rights. The President's calculated omission here equals that of any public mention of human rights before the sudden recognition of Peiping at the expense of a trusted and firm ally in the cause of freedom. In addition to your support of these national rights, we earnestly hope you will support also the resolution calling for the resurrection of the Ukrainian Orthodox and Catholic Churches in Ukraine—the two most outstanding cases of Stalin religious genocide.

Your support on this "61st" will be greatly appreciated. In the House the bipartisan efforts of Representatives Daniel J. Flood and Edward J. Derwinski will lead the commemoration on Wednesday, January 24. In the Senate, as always, we look forward to strong statements per the procedures of the body.

With much gratitude and best wishes for your leadership.

Sincerely,

LEV E. DOBRIANSKY,
Georgetown University.

TOGETHER WE MUST MOVE

Fellow Ukrainians, near and from far away, I most warmly greet you on behalf of the Ukrainian Congress Committee of America. Once again, as it was 11 years ago, we are proud to host this Third World Ukrainian Congress and are certain that with your full cooperation and participation it, too, will be a glorious success. For what lies ahead, both globally and regionally, it is imperative that together we must move.

From the strategic vantage point of our own country, these United States of America, let me just cite five necessary guidelines for this Congress and its operating agencies beyond. These guidelines constitute a part of the current policy and programmatic action of UCCA and, hopefully, in the spirit of Ukrainian togetherness you will seriously consider them for support and implementation in your respective countries:

First, on the ideological plane, the theme of human rights—all three generic categories: personal, civil and national—is an old one for us, but it is permanently dear to our hearts. We have strongly supported President Carter's policy of human rights, but with equal intensity we have urged its definitional fulfillment and application in the broadest category of these rights. Specifically the category of national rights, which means national independence and freedom, especially for the largest non-Russian nation in Eastern Europe and all other captive nations in that last remaining, major empire called the USSR. This direction was not sufficiently pursued in Belgrade. Looking to Madrid in 1980, on this, both philosophically and activistically together we must move.

The second guideline for WCFU is a more intensified concentration on the United Nations. When in that body a committee praises this empire/state for "progress in human rights," such travesty of truth, has reached the pinnacle of political prostitution. One of the most flagrant ironies of our day is to witness representatives of former colonies of Western empires cavort with and support Soviet Russian agents of this last remaining, major empire to the detriment of over half of the USSR population residing in the non-Russian colonies of imperialist Moscow. There's much work to be done here and, on this, together we must move.

Third, a vitally important guideline is the movement to seek the resurrection of the Ukrainian Orthodox and Catholic Churches in Ukraine. How can one talk about human rights and ignore these most outstanding cases of Stalinist religious genocide? We shall penetrate this stony silence in the Free World by pressing for U.S. Congressional leadership to arouse even world religious bodies on this blatant violation of human religious rights.

The providential meaning of a newly-elected Pope from a Moscow-dominated country, the formation recently of the organization Freedom of Faith—A Christian Community for Religious Rights and many other events are providing a bright climate of opportunity for the success of this task. But to take advantage of this new climate; again, together we must move.

The fourth guideline proposed is organizational action with other world congresses which have in common the plight of the captive nations. What this calls for is contact and projects for mutual and thus stronger action. The Lithuanians, Latvians, Estonians, Slovaks and others have their world congresses. Initiative along this line can produce multiple dividends. Cooperative action, for example, focused on non-Russian athletes in the USSR teams during the '80 Olympics in Moscow is just one of many imaginative tasks for coordinated action. But this, too, demands that together we must move.

Finally, the Captive Nations Week movement, not only in the United States but also in other areas of the world, sets the fifth guideline for this Congress. As many of you know, this movement has concerned Moscow—from Khrushchev down to Brezhnev and his spokesman Arbatov—more than any other in these past 20 years. We have even had a running battle with our own Presidents in this country. No wonder. Let me remind you, each and everyone, that nowhere in the legal statutes or sovereign governments in the Free World can you find a law calling for the independence and freedom of Ukraine, as well as other captive nations, other than in Public Law 86-90 of our own Government. Think about this striking fact. If the free Chinese, voicing the freedom cries of the largest nation in Asia, can superbly observe and advance the annual Captive Nations Week, why can't free Ukrainians, voicing the freedom cries of the largest non-Russian nation in Eastern Europe, assume similar leadership in all the countries represented here? Next year will be the 20th anniversary of Captive Nations Week. This will be another opportunity for all represented here to assume this leadership. And, believe me, on this, together we must move.

In realizing these guidelines for thought and action, rest assured the UCCA will do its maximum part. We earnestly hope that through this Third Congress, together, we shall do our respective parts for the trend of events points in only one direction—together we must move for the liberation of Ukraine and all of the captive nations. Slavaa Ukraini!

UKRAINIAN CONGRESS COMMITTEE
OF AMERICA, INC.,
January 1979.

DEAR SIR (MADAM): On January 22nd this year, Ukrainians in the United States and in all other countries of the free world will commemorate the 61st anniversary of Ukrainian Independence. On January 22, 1918, in Kiev, the capital of Ukraine, Ukrainians proclaimed their independence from all foreign powers and established the Ukrainian National Republic, as a true democratic state of the Ukrainian nation, created by the Ukrainian people through their political, social and cultural-economic organizations which swiftly came into being after the fall of Russian Czardom in March 1917.

Although the independent Ukrainian state lasted only three years—from 1918 to 1920—its importance has been underscored ever since by several objective moves and developments.

Despite the loss of genuine independence, the Ukrainian people have never lost their hope and desire for regaining their freedom and national statehood. Communist Russia, even though it had conquered Ukraine, did not dare to destroy the framework of Ukrainian statehood: it established the "Ukrainian Soviet Socialist Republic," a nominally sovereign republic and a constituent member of the "Union of Soviet Socialist Republics" (USSR). Its importance is obliquely reflected in the fact that in 1945 Ukraine became a charter member of the United Nations. The U.S. Congress also recognized the importance of Ukraine by listing Ukraine, along with 21 other countries, in the "Captive Nations Week Resolution" of July 17, 1959 (Public Law 86-90), as a captive country aspiring to freedom and independence.

The vitality of the Ukrainian liberation movement is attested to by the mass arrests and trials of Ukrainian intellectuals in Ukraine during the past several years and by the fact, confirmed by a number of world Sovietologists, that the majority of political prisoners in the USSR consists of Ukrainians

We sincerely hope that on the 61st anniversary of Ukrainian Independence you will see fit to comment on the importance of Ukraine in your distinguished publication. A brief historical sketch is enclosed.

Sincerely yours,

LEV E. DOBRIANSKY,
President.

UKRAINIAN CONGRESS COMMITTEE
OF AMERICA, INC.,
January 2, 1979.

On January 22, 1979, Ukrainians in the United States—some 2 million strong—will observe the 61st anniversary of the proclamation of the independence of Ukraine, their country of origin.

This act of self-determination and expression of the will of the Ukrainian people in a democratic way will also be commemorated by Ukrainians and their descendants in some 20 other countries of the free world.

The date of January 22nd is one of the most important dates in the modern history of Ukraine: that of the rebirth of the modern Ukrainian state.

With the fall of the Russian and Austro-Hungarian empires, both of which controlled Ukrainian territory at the time, the Ukrainians, who for over two centuries had been resisting foreign domination of their country, took a decisive step, culminating in the proclamation of full-fledged independence.

The Ukrainian Revolution at once took an essentially national character. A Central Council (Rada) was established in Kiev and became the center of the Ukrainian liberation movement. It organized the Ukrainian national army, established Ukrainian schools, introduced Ukrainian administrative and judicial systems, and convoked a Ukrainian Constituent Assembly. On January 22, 1918, the full independence of Ukraine was proclaimed, which was at once recognized by the newly-established Bolshevik regime in Petrograd, by the Central Powers and, de facto, by France and Great Britain. For almost three years the Ukrainian National Republic waged a defensive war on two fronts. But by the fall of 1920 Ukraine was conquered by the Russian Communist forces.

Today Ukraine is a colony of Communist Russia, despite its membership in the U.N. and its nominally independent status within the USSR.

Ukraine embraces 232,000 square miles, making it the largest country in Europe; in population it ranks fifth, and its natural resources make Ukraine one of the richest European countries. Its capital, Kiev, was the center of East European trade and culture long before Moscow ever existed. Yet despite its size and wealth, Ukraine is little known—to most people it is "just a part of Russia." This gross misconception stems greatly from the common practice of using the terms "Russia" and "Soviet Union" synonymously. This is incorrect because Russia is only one of the 15 constituent republics of the USSR. However, for all practical purposes, Russia rules Ukraine, and every other republic of the USSR, as a colonian dependency.

At the present time, Ukraine is suffering political and cultural repression, economic exploitation and all-encompassing Russification.

Millions of Ukrainians perished from starvation is the man-made famine in 1932-1933; other millions were dispersed into the reaches of Central Asia and into slave labor camps in Siberia and the Arctic. Both the Ukrainian Orthodox and Ukrainian Catholic Churches were out-lawed and "liquidated." Ukrainian intellectuals, for voicing their opposition to repressive policies of the Kremlin, are arrested, secretly tried and sentenced to severe terms in prisons, concentration camps and insane asylums.

While most of the former colonial peoples of Africa and Asia have been given the opportunity to establish their own national states, Communist Russia denies this right to the 50-million Ukrainian nation and to 70 million other non-Russian peoples in the USSR.

In conclusion, we may ask: How long will the totalitarian Soviet Russian regime continue to befuddle the Western world by parroting about its "most humane system," while denying fundamental freedoms and independence to some 120 million non-Russian peoples in the USSR?

The plight of the Ukrainians should not go unheeded by the Western world, if the West itself wishes to survive, with all its values and democratic freedoms.●

● Mr. DERWINSKI. Mr. Speaker, an annual commemoration for us to undertake here in the House is the special observance of the anniversary of the declaration of Ukrainian independence. To this day, the 22d of January symbolizes for the Ukrainian people the date on which human dignity, national freedom, and self-determination were gained.

This year will mark the 61st anniversary of this declaration of Ukrainian freedom and national independence. When the czarist regime of Russia toppled in 1917, the Ukraine was able to break away and declare their freedom as a nation. On January 22, 1918, the proclamation of independence of the Ukrainian National Republic was issued in the city of Kiev, which became the capital city of the Ukraine.

However, after 2 years of this nation's existence, Russian control was once again restored by the forced incorporation of the Ukraine into the Soviet Socialist Republic.

The Ukraine is the largest of the non-Russian nationality groups within the U.S.S.R. The Ukraine is also one of the richest in resources of the captive nations, possessing tremendous agricultural and industrial assets. Not only rich in natural resources, the country's people have a strong culture, a distinct language, literature, traditions, and an indomitable human spirit.

During the six decades since the time of the Russian Communist takeover, the Ukrainian people have not given up hope of once more regaining the freedom which they knew only briefly. Their constant efforts are proof of the inability of the Kremlin rulers to break the noble Ukrainian nationalistic spirit. The tenacity of their dissident nationalist movement has never died, and on this occasion we all honor and salute it. Despite the extreme pressure tactics employed by the Soviet Union on the Ukrainian people, dissenters continue to speak out against the cruel Soviet tyranny, and the determination of its people to retain their culture and intellectual freedom still grows.

At a time when a strong commitment for the ideals of human rights and individual freedoms has heightened significantly in the Congress, the executive branch, and the country as a whole, we must reassure the people of the Ukraine and others under Communist rule of our deep commitment to champion the rights of national, individual, cultural, and religious freedoms for all peoples held captive by Communist oppressive policies.

One of the truly dramatic and encouraging factors in the ongoing struggle between freedom and tyranny is the continuing growth of the nationalistic spirit among the non-Russian peoples within the U.S.S.R. This is especially significant when we keep in mind the fact that the Ukrainians are the largest group of non-Russian peoples within the Soviet Union. The Communist dictatorship in the Kremlin has failed in their efforts to eradicate the nationalism of the Ukrainian people.

On this day, we must not forget the struggle of the oppressed nations held captive by Soviet rule, and continue to offer hope and support in their aspirations for freedom and selfdetermination.

Mr. Speaker, in conclusion to my remarks, I wish to insert the following articles and editorials. The first two commentaries appeared in the January 18 edition of the America, a Ukrainian newspaper published in Philadelphia, and the concluding articles pertaining to Ukrainian Independence Day celebrations, were printed in the January 21 Ukrainian Weekly:

[From the America, Jan. 18, 1979]

JANUARY 22

Every year on January 22 the Ukrainian community in the United States and in all other countries of the free world commemorates the anniversary of the proclamation of Ukraine's independence.

Each nation has its specific national holiday which marks some important event in that nation's history.

On January 22, 1918 the Ukrainians proclaimed the full and unqualified independence of Ukraine after several months of revolutionary upheavals in Ukraine. This was brought about after several months of feverish activities by various Ukrainian organizations, societies and political parties, especially after long, protracted and futile negotiations with the Russian Provisional Government, under Alexander F. Kerensky, which tried to preserve the old Russian Czarist empire, despite its lip service to the principles of national self-determination and democracy.

The independence of Ukraine was promptly recognized by the newly established Soviet Russian government in Petrograd, by the Central Powers—Germany, Austria-Hungary, Turkey and Bulgaria—which also concluded a peace treaty with Ukraine on February 9, 1918 in Brest-Litovsk. Recognition de facto was also extended to Ukraine by France and Great Britain, the principle enemies of the Central Powers.

Yet, despite this international recognition, Ukraine could not sustain itself as an independent state. The Bolshevik government broke its pledge by sending Communist troops against Ukraine; the Central Powers capitulated in November, 1918, and could not help Ukraine, even though initially they provided troops to help the Ukrainian National Republic expel the Bolsheviks from Ukraine.

Even though the Ukrainian people lost their genuine independence, they have never lost their hope and desire for regaining their freedom and national statehood. For this determination they paid heavily—millions of them were starved to death in the man-made famine in 1932–1933 in Ukraine; other millions were dispersed in the vastness of Central Asia and in countless slave labor camps in Siberia and the Arctic.

Despite all this, the Ukrainian people continue to struggle for their freedom, as they demonstrated during World War II by organizing the Ukrainian Insurgent Army (UPA), which fought both the Nazis and Soviet forces at the same time, alone and unaided.

The critical importance of Ukraine has also been reflected, though in an oblique way, by the Kremlin which dared not to destroy the framework of Ukrainian statehood, but imposed its own creation, the "Ukrainian Soviet Socialist Republic," which along with the U.S.S.R., became a charter member of the United Nations in 1945.

Today, hundred and thousands of finest Ukrainian men and women are languishing in Soviet concentration camps and prisons for resisting the oppressive Soviet Russian domination of Ukraine, and for propagating the genuine freedom and independence of Ukraine.

For many years the Ukrainian American community has been observing the anniversary date of Ukraine's Independence, as a great historical date of modern Ukrainian history.

This January, in observing the 61st anniversary of Ukraine's Independence, let us be articulate and effective. Let us tell our fellow American citizens, the American press, TV and radio stations—and above—let us tell American Senators and Congressmen—that the plight of Ukraine is and should be their concern as well. For the liberation of Ukraine and other non-Russian nations in the U.S.S.R. would neutralize the Soviet Russian pressure and be a blessing for the world at large.

[From the America, Jan. 18, 1979]

UKRAINIAN HELSINKI GROUP CITES SOVIET RUSSIA TERRORISM IN UKRAINE

UCIS. The second issue of the Ukrainian underground publication, the Information Bulletin, dated March-June 1978, reached the Free World. The original publication consists of 74 typewritten pages in Ukrainian. It was published by the Ukrainian Public Group to Promote the Implementation of the Helsinki Accords.

The Information Bulletin provides a great deal of information on numerous excesses by the Soviet Russian authorities in Ukraine, terrorism, suppression of human rights, persecution of the Ukrainian language and culture.

FREEDOM TO LEVKO LUKIANENKO

UCIS. This appeal of the Ukrainian Public Group to Promote the Implementation of the Helsinki Accords on behalf of Levko Lukianenko presents the tragic and moving picture of his life. In particular, it records the rejection of Marxism by Lukianenko and his embracing faith in God. The appeal concludes with the request to the "international public, lawyers and those who believe in God to come forward in defense of Levko Lukianenko".

Levko Lukianenko has been sentenced recently, to ten years of forced labor and five years of exile for "anti-Soviet propaganda and agitation". The trial was held in Horodnia, near Chernyhiv (Ukraine).

On December 1, 1977, Levko Lukianenko, the member founder of the Ukrainian Public Group (to Promote the Implementation of the Helsinki Accords), the outstanding leader of the movement to defend the law*, the publicist and lawyer, was arrested. He is 50 years old. This is his second arrest.

Released on January 21, 1976, after 15 years of imprisonment, Lukianenko remained free for less than two years, under strict supervision of the militia and the KGB.

Let us look at the course of his life. In 1944, during the World War II, when Levko Lukianenko was 16 years old, he was drafted to the Soviet army, in which he served for 8 years. He studied at the same time and completed secondary studies with distinction. He joined the Communist Party of the Soviet Union while serving in the army. After demobilization in 1953, he became a student at the law faculty of the University of Moscow, from which he graduated in 1958.

He worked as a legal consultant in the organizational department of the Vinnytsya provincial Executive Committee, and afterwards in the Hlynianskyi county of the Lviv province at the County Committee (raikom). There he met the lawyer Ivan Kandyba and other lawyers and employees of the party and governmental institutions; together they discussed various social problems. There were a great many such problems after the terrible, ruinous war. The consequences of the war had been felt especially in Ukraine which had been in the first line of attack by the Fascists and by Stalinist terror.

L. Lukianenko observed the social system of the European states; he compared the life of the nations of Europe with the life of the nations of the USSR, and of Ukraine in particular. Lukianenko had gained knowledge at university in the areas of law, political economy and systems of government of various societies. Access to the holdings of university of libraries give him a chance to become acquainted with the platforms of the prerevolutionary parties of Russia and Ukraine (which had a colonial state within the Russian Empire).

Thus, there arose the idea of the re-organization of the socio-political system of the Ukrainian SSR, which developed into a draft program of a party "Workers' and Peasants' Union." The tenet of the draft program is socialism with state ownership of the means of production; however, private enterprise was to be permissible in small manufacturing, trade and service industry. The draft also foresaw a radical restructuring of the agrarian economy with a truly voluntary cooperative system. State power was to be founded on democratic principles and free elections. The state language of Ukraine was to be Ukrainian. The matter of Ukraine's leaving the Union of Soviet Socialist Republics was to be decided by means of a referendum.

This draft project was discussed in November 1960 in Lviv (at 17 Dekabrists' Street) by seven like-minded individuals. Present was also a student of the Higher Party School, Vashchenko, who turned out to be an informer. On January 20, 1961, all members of the group were arrested and were later tried at an in-camera court, held in the building of the KGB in Lviv. L. Lukianenko was sentenced to death for what was essentially theoretical treatise, for the idea of building Socialism with a human face, pre-dating similar attempts by A. Dubcek in the Czecho-Slovak SR, and also the contemporary ideas of Eurocommunism.

The revenge was terrifying: 67 days in chains on death row. The Supreme Court amended the death penalty to 15 years of strict regime camps. The mills grinding down the spiritual backbone of man turned out to be more horrible still. He was imprisoned at the Vladimir prison for four and a half years and in the KGB prison in Kiev, Lviv and Chernyhiv for almost two years. He was subjected to a psychiatric examination in a special hospital at Rybinsk and was held in the psychiatric camp prison (PKT). He was tormented by heavy labor and hunger.

Several times they proposed to him that he write declarations of repentance.

In the camps, after much contemplation, having experienced the effects of Socialist legality in his own case, L. Lukianenko rejected Marxist theory, as having no basis and being inhuman. His belief in higher justice led him to God. He became a deeply religious man, defending the principles of democracy and rights of man from Christian positions.

Thus it was not an accident that living under constant strict supervision, L. Lukianenko found himself among the founders of the Ukrainian Group; in fact, he became the soul of this group.

In his own name and in the name of the group he comes to the defense of his unfortunate companions languishing in the camps and prisons merely for their convictions.

He wrote an article in defense of the artist Petro Ruban, entitled "Stop the Miscarriage of Justice" and sent it to the editorial board of the Ukrainian journal "Folk Art and Ethnography"; he came to the defense of the Bandera supporter Bohdan Chuiko (who was being defended by the Kievan lawyer Marchenko, as a member of the collegium of lawyers). He defended an agricultural specialist, the teacher Kuzma Matviuk, who was being oppressed, insulted and persecuted even after the completion of his sentence, and others.

Fearlessly he corresponded with the oppressed and the persecuted people who had become like family to him through the torments suffered together. And so, after 15 years of suffering, the KGB arrested Lukianenko again.

Seven months have passed since the time of the arrest by now. He is isolated from his family and the people close to him; his fate is unknown. Interrogations and searches in the case of Lukianenko are being conducted literally all over the Soviet Union, in the Magadan oblast, in the Khabarosk region, in the Krasnodar region, in the Komi ASSR, in Ukhta and also in the cities and oblasts of Ukraine. The young and the old are being intimidated by searches and interrogations.

Neither the family nor friends know to this time* whether Lukianenko had been presented the accusation yet, or what he is accused of. It has become known that the investigation attempts to cast doubt on the mental state of L. Lukianenko (prison psychiatry is being used to that end.) They are terrorizing by interrogating L. Lukianenko's wife, who all her life has been his unbending and devoted friend.

The tragic and noble life of Lukianenko must become the focus of general attention.

The Ukrainian Public, Group "Helsinki" turns with an appeal to the international public, lawyers and those who believe in God to come forward in defense of Levko Lukianenko even now, without waiting for the sentence 15 years' forced labor anew. That evil against which Levko Lukianenko is rising so bravely, with no thought for himself, may reach anyone, if its path is not blocked.

[From the Ukrainian Weekly, Jan. 21, 1979]

Independence Day Celebrations

BISHOP LOSTEN CALLS FOR SPECIAL PRAYERS MARKING JANUARY 22 DATES

STAMFORD, CONN.—Bishop Basil Losten, head of the Stamford Ukrainian Catholic Eparchy, issued a call to the clergy in the diocese to hold special services and prayers on January 22, the 60th anniversary of the Act of Union and the 61st anniversary of Ukrainian statehood.

"I ask you, very reverend fathers and dear faithful, first of all, to pray for a better future for our nation, to request blessings from heaven and for the spirit of good will, unity and intelligence in this, our holy struggle for freedom of our Church and people," said Bishop Losten in his statement.

Saying that the "fate of our brothers and sisters in Ukraine must never be foreign to us," Bishop Losten wrote: "In marking the anniversaries of independence and unity of Ukraine, we in the free world must make all efforts possible to hasten the day when our people will become free and independent again."

Bishop Losten also requested the Ukrainian Catholic clergy to participate in state and municipal observances of Ukrainian independence, and he made a special appeal to youth "not only to participate in the observances, but to study the history of Ukraine and the Ukrainian language, so that they can become conscious ambassadors of the Ukrainian cause when the time arises."

Maplewood Mayor Signs Independence Day Proclamation

MAPLEWOOD, N.J.—"Ya Ye Ukrayinets," said Mayor Robert H. Grasmere of Maplewood as he greeted a large delegation of Ukrainians at the regular Maplewood Township Committee meeting at Town Hall on Tuesday, January 16, at 9 p.m. He was enthusiastically acknowledged with loud applause that set the mood for the evening.

Mayor Grasmere stated that he looks forward each year to this commemorative occasion because he has observed for many years with deep affection the boundless energy and vitality of the Ukrainian people in Maplewood in the preservation of their heritage. He then remarked that he was fully cognizant that Ukraine continues to suffer political and cultural repression, economic exploitation and all-encompassing Russification. All Ukrainian Catholic and Ukrainian Orthodox Churches have been outlawed and liquidated; Ukrainian intellectuals are arrested, secretly tried and sentenced to severe terms in prisons and concentration camps for voicing their opposition to repressive policies against national, religious and cultural freedoms, he said. He commended all Ukrainians for continuing their struggle for a free Ukraine.

At that point, Mayor Grasmere signed the proclamation designating January 22nd as Ukrainian Independence Day in honor of Ukraine's independence anniversary and read the following:

"Whereas, on January 22, 1979, Americans of Ukrainian descent in Maplewood and throughout the free world, will observe the 61st anniversary of the proclamation of independence of Ukraine, which took place on January 22, 1918, from St. Sophia Square, in Kiev, the ancient capital of Ukraine; and

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* UCIS. The Ukrainian term "pravozakhysnyi", used here, does not lend itself easily to translation. It implies the defence of human, civil and national rights, with a special relation to the Helsinki Accords and the legal rights and guarantees proclaimed in Soviet constitutional documents.

*/UCIS/Access to such materials as indicated in the appeal is ordinarily severely restricted in the Soviet Union.

/UCIS/Levko Lukianenko has been sentenced recently to ten years of forced labor and five years of exile for "anti-Soviet propaganda and agitation."

"Whereas, this nation, dedicated to belief in God and desirous of living in peace and harmony with neighboring peoples, had succeeded, prior to this date, in organizing their own independent government and a democratic parliament, the Ukrainian Central Rada, which was the political expression of all Ukrainian political parties, social and cultural organizations; and

"Whereas, after a defensive war lasting four years, the Ukrainian state was destroyed in 1920 by superior numerical forces of Communist Russia and a puppet regime of the Ukrainian Soviet Socialist Republic was installed and 40 million Ukrainian people lost their national independence; and

"Whereas, despite this loss, the people of Ukraine have withstood successive liquidations by their Communist overlords; millions of Ukrainians were systematically starved to death in Russian-planned famines of 1932 and 1933; millions more were deported to Russian slave labor camps in Siberia; the Ukrainian Catholic and Orthodox Churches were physically annihilated by Moscow and its religious leaders imprisoned and worked to death in Siberian camps and mines; its educational system has been stripped of the Ukrainian language; and

"Whereas, the people of Ukraine live in the hope that their nation can be liberated from its Communistic oppression and rightfully restored to them; and

"Whereas, it is well known universally that the resistance of these brave Ukrainian people against Communist totalitarianism has never waned; and

"Whereas, the United States Congress and the President of the United States of America have recognized the legitimate right of the Ukrainian people to freedom and national independence by respectively enacting and signing the Captive Nations Week Resolution in July, 1959, which enumerated Ukraine as one of the captive nations enslaved and dominated by Communist Russia; and

"Whereas, in order that encouragement shall be given to these courageous people by all Americans, and that Ukrainians and Americans of Ukrainian descent be afforded the opportunity of formally commemorating the significance of this memorable day.

"Now, therefore, I, Robert H. Grasmere, mayor of the Township of Maplewood, do urge our citizens to demonstrate their sympathy with and understanding of the aspirations of the Ukrainian people, and do hereby proclaim January 22, 1979, as 'Ukrainian Independence Day' and direct that the Ukrainian flag be raised at the Town Hall on Monday, January 22, 1979."

BUFFALO UKRAINIANS PREPARE FOR UKRAINIAN INDEPENDENCE DAY

BUFFALO, N.Y.—The Ukrainian American community here, acting upon the initiative of the Ukrainian Congress Committee of America, Buffalo branch, will commemorate the 61st anniversary of the declaration of Ukrainian independence.

On Monday, January 22, at 10 a.m. at Buffalo's City Hall, Mayor Griffin and County Executive Rutkowski will issue a joint proclamation declaring January 22, 1979, Ukrainian Independence Day and declaring the universality of national freedoms and human rights. The ceremony will be witnessed by representatives of local organizations. The flag of free Ukraine will fly at City Hall and County Hall.

On Sunday, January 21, Divine Liturgies will be celebrated in all Ukrainian churches, invoking the Lord's blessing on the quest for Ukrainian freedom and independence, and the independence of all nations enslaved by Russian Communist imperialism.

On Saturday, January 27, at 7 p.m., a commemorative banquet will be held at the Golden Ballroom of the Statler-Hilton Hotel.

The keynote address will be delivered by Dr. Lev Dobriansky of Georgetown University, president of the UCCA, chairman of the National Captive Nations Committee, director of the Institute for Comparative Political and Economic Systems at Georgetown University, and president of the American Council for World Freedom.

Also performing during the program will be the following: the "Burlaky" Ukrainian choir directed by Prof. Jurij Lawriwsky; the Ukrainian girl's quartet directed by Christina Moroz; piano soloist David Bilous; ballerina Laryssa Sharvan; the Ukrainian students' folk dance group, Zina Dmytrijuk, choreographer, and the Ukrainian orchestra directed by Michael Teluk.

Introductory remarks will be made by Wasyl Sharvan, president, UCCA Buffalo chapter. Master of ceremonies will be Dr. Bohdan Harasvm.

● Mr. FISH. Mr. Speaker, today marks the 61st anniversary of Ukrainian independence. It is one of great significance to freedom-loving people everywhere, and especially Ukrainians living under Soviet domination and oppression. This day also we in the United States can push for strict adherence to the human rights provisions of the Helsinki agreements.

We are all familiar with the events that led to the fall of the Ukrainian Republic in 1920, when the Red Army led by Trotsky finally defeated the gallant defenders of the republic. The Russian tactics of subversion and blatant aggression became the tools for Soviet domination of Eastern Europe. Today, we see the same approach being used by the Soviet Union to gain control over other parts of the world; namely, Africa, the Middle East, and Asia.

Mr. Speaker, the Congress and the President of the United States are keenly aware of the importance of human rights in the Ukraine and all parts of the world. In the past few years, the Congress has taken the initiative by enacting legislation designed to promote Soviet compliance with the Helsinki human rights provision.

While over 2 million Americans are proud of their independent Ukrainian heritage and live under our free institutions, over 47 million live under continuing oppression in their homeland without guarantees of civil rights, without self-government, still fiercely proud of a cultural heritage that predates the establishment of the United States by 800 years.

I join all of my colleagues today in their hope that some day freedom will return to the Ukraine and other nations living under the dark cloud of Soviet rule.●

● Mr. BLANCHARD. Mr. Speaker, last Monday, January 22, marked the 61st anniversary of Ukrainian independence. Today is the first opportunity that the 96th Congress has to reaffirm our strong support for the cause of freedom in those countries of the world like the Ukraine where citizens are being denied their most basic human rights.

The plight of nations like the Ukraine, which are non-Russian yet nevertheless are Soviet controlled, does not often receive a great deal of attention in the public outcry for human rights. For example, last summer, although they received less publicity, Lithuanian Victors Pektus and Ukrainian Lev Lukyanenko were among those who were unjustly tried and harshly sentenced by Soviet authorities. These men and so many other brave individuals like them have been persecuted simply because they seek what we could call "national rights," or the right to live as independent and free countrymen.

This is an area of human rights that we in the Congress must not neglect. We must speak out and support the cause of national rights for people like those in the Ukraine who courageously seek to recapture their independence and, in turn, their own human rights. We cannot forget those who strive to reestablish their independent homeland and their basic freedoms of expressions and religion as those rights existed prior to the forceful takeover by the Soviet Union. We must continue with renewed efforts to support this noble cause.

As we commemorate the 61st anniversary of Ukrainian independence, I hope that all of my colleagues, old and new, will join with the brave men and women of the Ukraine, and with all Ukrainian Americans in their fight for national and human rights in the Ukraine.

I also want to bring to my colleagues' attention the following letter which I received from Dr. Anthony Zukowsky, president of the Ukrainian Congress Committee of America, Metropolitan Detroit Branch. Dr. Zukowsky further emphasizes the need for Congress to support the struggle for freedom and independence for Ukraine. The letter follows:

UKRAINIAN CONGRESS
COMMITTEE OF AMERICA,
Warren, Mich., January 17, 1979.

Re January 22, Ukrainian Independence Day.

Hon. JAMES J. BLANCHARD,
U.S. Congressman, Cannon House Office Building, Washington, D.C.

DEAR CONGRESSMAN: As the 96th U.S. Congress begins its sessions, we would like to call your attention to the fact that, in January, Ukrainians all over the free world, including the United States, will celebrate the Proclamation of the Independence of Urkaine.

January 22, 1979 will mark the 61st Aniversary of the Proclamation of Independence of Ukraine and the 60th Anniversary of the Act of Union, whereby all Ukrainian lands were united into one independent and sovereign nation. Both the Independence of Ukraine and the Act of Union were proclaimed by a duly elected parliament (Central Rada) in Kiev, capital of Ukraine on January 22, 1918 and in January, 1919.

This sovereign Ukrainian state was immediately recognized by a large number of nations, including France and England. Diplomatic relations were established with them. Recognition was also granted by Soviet Russia. But, despite the fact that the Soviet government had officially recognized Ukraine as an independent and sovereign state, Ukraine was attacked both by military aggression and subversion from within.

For three and one-half years the Ukrainian people waged a gallant struggle in defense of their country, alone and without aid from western nations but ultimately were overpowered by the numerically stronger and better equipped Red Russian Bolsheviks. They destroyed the Ukrainian National Republic and created a Communist, puppet government known as the Ukrainian Soviet Socialist Republic, USSR.

The entire history of the Soviet-dominated Ukraine is a ghastly record of inhumanity, outright persecution and genocide, Russification and violation of human rights on a scale not known in the history of mankind.

In summing up, the colonial rule of Soviet Communism, in Ukraine, can be characterized by the following:

A. During the sixty years of Moscow rule in Ukraine, literally millions of Ukrainians have been annihilated by man-made famines, deportations and executions.

B. Both the Ukrainian Orthodox Church and the Ukrainian Catholic Church were ruthlessly destroyed and their clergy, along with hundreds of thousands of members were arrested and persecuted.

C. All aspects of Ukrainian life are rigidly controlled and directed from Moscow.

D. Permanent violation of human rights was instituted in Ukraine. Thousands of Ukrainians have been charged with "anti-Soviet propaganda and agitation", arrested, tried, and convicted. Many have been tortured, incarcerated and confined to psychiatric asylums where drugs and chemicals are forcefully administered. Professor and historian, Valentyn Moroz is symbolic of the aforementioned atrocities. Last summer Mykola Rudenko, Oleksa Tykhy, Mykola Matusewych, Myroslaw Marynowych and Lew Lukianenko were given 7 to 10 year sentences and five years in exile because they were members of a Ukrainian public group to promote the Implementation of the Helsinki Accords.

The Russian Communist enslavement of Ukraine has brought much suffering to the people of Ukraine. In spite of this oppressive yoke, Ukrainians have never accepted foreign domination and are continuing to struggle for human rights, freedom and national independence. The new breed of young, adamant fighters for human and national rights gives us hope that Ukraine will be free again.

The Ukrainian people in the free world are celebrating the memorable January 22nd as their greatest holiday. Also, for many years, the 22nd of January has been proclaimed, in our American cities and states, from coast to coast, Ukrainian Independence Day.

Therefore, it is in the common spirit of liberty, faith and justice that the American people, and especially the U.S. Congress, join Ukrainians all over the world in giving moral support to the Ukrainian people in their struggle for Human Rights, Freedom and National Independence for UKRAINE.

Sincerely,
ANTHONY ZUKOWSKY,
President, UCCA,
Metropolitan Detroit Branch. ●

● Mr. LENT. Mr. Speaker, January 22, 1979, marks the 61st anniversary of the proclamation of the free Ukrainian Republic. It was a day of great joy for the people of the Ukraine for it united all Ukrainian ethnographic lands into one independent and sovereign state of the Ukrainian nation. Even the then new Soviet Russian Government officially recognized this new nation, as did the Central Powers and a number of states of the Entente, including France and Great Britain.

Yet, by 1920, the brave new nation had succumbed to communist aggression and a puppet government known as the "Ukrainian Soviet Socialist Republic" was incorporated forcibly into the U.S.S.R.

The nations of the free world are indeed fortunate to have such impressive groups as the Ukrainian Congress Committee of America, Inc., help focus attention on the plight of their brethren who remain behind in the Soviet Union. I am proud to participate in this public forum and speak out in support of the Ukrainian people who are forced to continue the fight for the right to exercise their basic human rights—cornerstones of which are the rights of self determination and the right of religious freedom.

Despite the Soviet Union's continued attempts to perpetuate the myth that the U.S.S.R. is a model multinational state in which all member republics are "sovereign" and in which the "nationality problem" has been "solved" and in which relations between the various nations are based on the "principles of true equality and friendship," the people of Ukraine seek to one day again achieve the "nationality recognition" to which all mankind aspires.

Along with a plea for national rights, I call for reinstitutions of religious freedom and the resurrection of the Ukrainian Orthodox and Catholic Churches—the two most outstanding cases of religious genocide conducted by Stalin. During the years of Soviet rule, the people of Ukraine have endured not only man-made famines, deportations and outright executions, but they have stood by their religious beliefs in the face of ruthless destruction of their churches and despite efforts to incorporate the faithful into the Kremlin-controlled Russian Orthodox Church.

The sweet taste of independence and freedom was short lived and long ago for the people of Ukraine, and so it is all the more important to demonstrate to the people of that brave nation that they and their struggle for human rights are always in the minds of the people of the free world. The Ukrainian spirit remains unconquered and all mankind knows it. Scores of Ukrainian intellectuals, born and reared entirely under communism, now are questioning why they are not allowed the freedom to express themselves as they see fit. We in this Nation, moreover, know well that slavery cannot survive. And we know that the Soviets sow the seeds of their own destruction because the will for freedom flourishes under oppression like a fire fanned by the thoughts and prayers of those in the free world who continue to stand by a proud people in their quest for liberty.●

● Mr. ST GERMAIN. Mr. Speaker, with unrest in the Middle East and Southeast Asia and the recent developments in our policy toward China claiming attention in the area of international relations, it is easy to become complacent regarding oppression in parts of the world where the denial of human rights has been a fact of life for generations.

Such a condition has existed in Ukraine. Dominated for centuries by Russia, Ukraine has never been able to develop into the strong nation it potentially is, with its vast human and natural resources. Those who would lead the Ukrainian people to independence from Soviet domination are quietly, but severely, punished. The Ukrainian Orthodox and Catholic churches, which could be relied on for leadership, were wiped out by Stalin and have never been allowed to return. The Ukrainian Orthodox and Catholic churches have been expunged, yet undoubtedly there are thousands who continue to worship in the sanctuary of their hearts.

Those of us of Ukrainian descent cannot forget, and it is our duty to keep before all our freedom-loving countrymen, the plight of Ukraine. Each year we come before our colleagues in the House of Representatives to remember those who have fallen under Soviet domination. Most of those now living in Ukraine have never had the privilege, which so many of us take for granted, of living in a nation free of foreign domination. Yet there still lives in the brave people of Ukraine a sense of national pride which can never be snuffed.

It is with pride in my Ukrainian heritage that today I urge my colleagues to take up the cause of human rights and remember not only those who gain the attention of the press, but also those, like the Ukrainians, who, because of historical circumstances, suffer quietly, but no less tragically.●

● Mr. BENJAMIN. Mr. Speaker, For each of the 2 years that I have been a Member of this great deliberative body, I have risen to pay tribute to the Ukrainian people in honor of the aniversary of the Ukrainian Proclamation of Independence on January 22.

In my remarks last year, I expressed the hope that when we celebrated this—the 61st such anniversary—we would have seen the end of brutal domination and suppression in the Ukraine.

Unfortunately, this simple hope has not been realized and the harassment and subjugation of Ukrainian intellectuals and dissidents continues as before.

The signing of the Ukrainian Proclamation of Independence in Kiev on January 22, 1918, marked what was hoped to be a long and durable period of peace and prosperity for the new republic. However, history played a cruel game with this fledging republic and events with which we are all to familiar led to its demise.

It is sadly ironic that a country with such a rich and powerful history—marked by fierce independence—is the focus of suppression and exploitation at a time when human rights has become a powerful and even global issue.

The Ukrainian people are to be continually praised and saluted for their indomitable spirit. As I have stated before, special tribute is to be paid to the citizens of Ukrainian descent in my district who have made such valuable contributions to the progress of their country of heritage.

Once again, I join all Ukrainians in a prayer that human freedom—in all its varied forms — will be realized for all people and countries where denial of even the most basic human rights continues.●

● Mr. HORTON. Mr. Speaker, it is an honor and a privilege for me to, once again, join my colleagues in the House in commemorating the anniversary of the independence of the Ukraine, 61 years ago. Although that independence was short-lived, it continues to be an important focal point in the Ukraine's history. For many Ukrainians, that brief period of freedom has been the one sustaining part in their lives under Soviet domination.

Our observance of Ukrainian independence 61 years ago takes on particular appropriateness given our Nation's international policy on human rights. However, our strong advocacy for basic human rights must not be accepted out of hand since the United States has failed to call attention to human rights violations in several countries around the World. For example, the State Department does not recognize Romania's persecution of its Hungarian minority within the context of the Helsinki accord. By the same token, the State Department and the administration do not consider the Ukraine's national rights within the broader category of human rights.

Even more troubling was the President's recent address to the Nation announcing that we had abrogated our treaty with the Republic of Taiwan in favor of the recognition of the People's Republic of China. This new foreign policy initiative when tied with the President's decision which led to the return of the Holy Crown of St. Stephen, his intention to remove all U.S. troops from South Korea, the ongoing SALT II negotiations and his failure to fully support Israel in the peace talks leads me to question his direction of American foreign policy. These actions also raise serious questions about his statement that "Human rights is the soul of our foreign policy." This might be an accurate statement in certain instances, such as the condemnation of the Pol Pot regime only recently overthrown by the Vietnamese, however, it does not seem to be true generally.

It is vitally important therefore that those of us in the Congress concerned about continued Soviet human rights violations maintain our support and call for freedom in the Ukraine, and other captive nations.●

● Mr. PATTEN. Mr. Speaker, the sad fete of the Ukrainians brings little reason for celebration in their native land, while scores of Ukrainians living outside the Ukraine observed the all-national holiday on January 22. For these 5 million people, there is a strong sense of nationalism and courage which we Americans admire and respect. Ukrainian-Americans are united in the fight to see that their fellow Ukrainians gain freedom.

The United States has a tremendous regard for the determination of these people, and we should strive to urge all freedom-loving people to be sympathetic and supportive of this cause. I hope that the Ukrainian people's effort to gain independence will soon be realized.

The Ukrainians are a strong, industrious group who do much to add to our American spirit. As we observe this 61st anniversary of Ukrainian independence, we join in support and admiration for their perseverance and dedication to the cause of freedom which we in America enjoy.●

● Mr. YOUNG of Florida. Mr. Speaker, January 22 marked the 61st anniversary of the shortlived independence of the Ukraine prior to its occupation and subjugation by the Soviet Union. It is important that Americans take time to memorialize the plight of the Ukrainian people who have been overcome by the ruthless tyranny of the Soviet Union.

Our Nation carries a great burden and responsibility as the leader of the free world and the champion of oppressed people everywhere. We take for granted many of the rights that citizens of captive nations, like the Ukraine, are systematically denied. Our leaders have made human rights a major consideration of our foreign policy, but the basic human right of freedom of the individual is still denied to many millions. We must not take this obligation lightly. Our Nation was founded on the principles of liberty and democracy which are spelled out in our Constitution and Declaration of Independence. The human right of freedom knows no political or geographical boundaries and we who lived under a free government for all of our lives must be concerned with the plight of the freedom-loving Ukrainians.

Soviet repression has been consistent and harsh. This ongoing repression makes it even more incumbent upon us to uphold our heritage of a free and open society and we must champion the cause of self-determination for the Ukrainian people. The United States must continue to support the aspirations for freedom, independence, and national self-determination of all peoples. We cannot accept foreign domination by any nation over another nation To this end we remain committed and we must not waiver from our responsibility.●

● Mr. MOAKLEY. Mr. Speaker, this week marks the 61st anniversary of the proclamation of an Independent Ukrainian National Republic.

I am proud to pay tribute to those who still recoginze the sovereignty of the Ukraine. For even though Soviet domination of the Ukrainian people has gone unhalted for 57 years, the spirit of the overwhelming majority of Ukrainians living in the Soviet Union and abroad yearns to be free again.

At a time when human rights is a cornerstone of our foreign policy, I believe we must have the courage and conviction to work against the repression of Ukrainians at the hands of the Soviet government. We must speak out against the suppression of Ukrainian culture and history, and help preserve the Ukraine's national identity.

Despite years of suffering under Communist rule, the spirit of the proud Ukrainian people has not dampened their will to be free. On this important occasion we must make it clear that America stands by her tradition of freedom and strongly supports the Ukraine and other nations who still must fight for theirs.●

● Mr. FORSYTHE. Mr. Speaker, For the 2 million members of the Ukranian-American community, who represent every State of the Union, the date January 22 is of great significance. On that date in 1918, the newly formed Ukrainian Central Rada under the presidency of Prof. Michael Hrushivsky, the Ukraine's foremost historian, issued a universal proclamation declaring the sovereignty of the Ukraine.

For Americans of Ukrainian descent, this day recalls the moment in 1918 when in the capital of the Ukrainian people, Kiev, a group of Ukrainian patriots proclaimed their independence from their native land. Now the Ukrainian people, as in the past, are determined to guide their own destiny and to be free in their sovereign state.

Sixty-one years is but a short time in the long span of history. But the drive, the fight, the struggle of this major Eastern European nation for its genuine independence continues to this day. Since 1918, every decade is full of historic expressions and movements for the recovered independence of the Ukrainian people. In this decade thousands of Ukrainian nationalists make up the dissident roll of the Ukraine and are now incarcerated in Russian labor camps and psychiatric hospitals.

Anyone who is familiar with the contemporary history of the Ukraine, knows that in all six decades resistance, sacrifice, and armed opposition to Moscow's imperialist rule have more than amply demonstrated the Ukrainian spirit and fight for independence. It is this spirit of determination for independence that will carry the Ukrainian people onward through the coming decades until they achieve their final goal of a sovereign Ukrainian state.●

● Mr. McHUGH. Mr. Speaker, I regard it as a privilege to participate in commemorating the 61st anniversary of the Ukraine's Declaration of Independence.

In the aftermath of World War I, many European peoples were able to reap the blessings of free and independent national life. Among them were the brave Ukrainians, whose day of freedom finally came after many years of sacrifice and struggle for liberty. Many participants in that struggle devoted their lives wholeheartedly to the cause of freedom for their country. Their efforts emerged successful from the crucible of a great war whose outcome affirmed the principle of self-determination for small nations as well as large. Liberty for the Ukraine was dearly bought, as it has always been throughout human history.

Since those happy, productive days when the Ukraine was blessed with freedom, many years have passed during which millions more people have died in a tragic test of the ability of humans to coexist peacefully on this planet. Because much time has passed since the Soviet Union first subjugated the Ukrainian people and usurped their sovereignty, there are some voices that would urge us to forget the sorry chronicle of Soviet oppression and genocide, citing the passage of time and suggesting that things can never change once years have taken their toll. Such voices would prefer to believe that the human spirit is limited and domitable, that human aspirations can neither withstand time nor be shared with any intensity by succeeding generations.

In response to such doubters, various events behind the Iron Curtain continually testify to the contrary: A dissident press (both underground and in the open), many public demonstrations throughout the captive European nations, and perhaps most remarkably, the fervent character of resistance to Sovietization shown by the students—not only in the Ukraine but throughout the countries forcibly absorbed so long ago into the U.S.S.R.

On a personal note, Mr. Speaker, a succinct and eloquent example of the Ukrainian people's determination to be free again is contained in a letter I received from Eugene Kurylo, a constituent of mine who is president of the Binghamton, N.Y., branch of the Organization for Defense of the Four Freedoms of Ukraine. He says the following:

> We fought and shall continue to struggle for our human and national rights for a free and independent Ukraine sovereign state, in every section of Ukraine and throughout the free world, wherever the beat of freedom throbs in Ukrainian hearts. May the good Lord help us in our endeavor.

Mr. Speaker, the overwhelming dedication of Mr. Kurylo to his country's freedom reminded me of the passionate eloquence with which a great American writer, William Faulkner, described what makes man great. In accepting the Nobel Prize for literature, he gave a memorable address about the human spirit and what is eternal in man, such as honor and pride and spiritual values. His ringing conclusion was that, "Man will not merely endure; he will prevail." It is that same kind of vision that enables us to see beyond supposed political realities to the abiding, invincible love of homeland and dignity in freedom that characterizes humanity at its best. That vision is splendidly evident in the will of the Ukrainian people to be free again. I salute them all—"wherever the beat of freedom throbs in Ukrainian hearts"—and join with all lovers of freedom in the prayer that their cause will indeed prevail.●

● Mr. GOLDWATER. Mr. Speaker, when the Russian czar was overthrown by revolutionary forces in 1917, the Ukrainian people, seeing a chance for freedom, elected a National Rada. The Ukrainian Congress proclaimed on January 22, 1918, a free and sovereign state called the Ukrainian National Republic, ending 2½ centuries of oppression. This past Monday marked the 61st anniversary of Ukraine's independence.

This day presents an excellent opportunity to reflect on the Ukrainian quest for freedom, and the reasons for its lack of success. The answer lies in Soviet dominance over the Ukraine and in Russia's fear that this movement of 61 years ago may re-ignite a threat to the expanding Russian empire.

Ukrainian sovereignty was recognized by nearly 35 foreign powers including Soviet Russia; however, as history has shown, the Soviets rarely honor an agreement and for over 3 years waged unprovoked war on an unprepared Ukraine. The Ukrainians were severely outnumbered and upon defeat were forcibly incorporated into the Soviet Union.

In the 61 years since the Ukrainians' original thrust for freedom, they have led several more uprisings against Communist enslavement. These actions have been punished by deportation, imprisonment, and death. It should be noted that the Ukrainians have stood up to the Soviets for the principles of freedom despite the persecutions and hardships they have suffered. In 1932, Stalin ordered the Ukrainians to change to a collective farming system. When the farmers protested, Stalin proceeded to confiscate nearly all the grain, causing famine and the loss of 7 million Ukrainian lives. Despite world outcry the past year, the Soviet Union has continued its practice of censuring non-Russian Communist dissenters. In July, a Ukrainian member of a human rights watchdog group, was sentenced to 10 years hard labor and 5 years of Siberian exile for spreading anti-Soviet propaganda. Earlier, three Americans were deported by Yugoslavian officials for trying to hold a news conference complaining of the Ukrainians' treatment in the U.S.S.R.

It is apparent that the Soviets are using these harsh sentencing tactics as a deterrent to dissent by the 41 million Ukrainians in the Soviet Union. However, these tactics have backfired. The persecutions and oppressions have stimulated this brave people's drive for national independence. It is fitting that we in the Congress pay tribute to the Ukrainian struggle for their fellow man and the national rights of their country. I sincerely wish these brave people continued strength and patience as they strive for their ultimate goal of independent self-government.●

THE ELF SUBMARINE COMMUNICATIONS SYSTEM

The SPEAKER. Under a previous order of the House, the gentleman from Michigan (Mr. DAVIS) is recognized for 5 minutes.

(Mr. DAVIS of Michigan asked and was given permission to revise and extend his remarks.)

Mr. DAVIS of Michigan. Mr. Speaker, I know that we cannot realistically hope to eliminate the ravages of inflation unless the Federal budget is brought into closer balance. To do that, we will all have to narrow our definition of what is a necessary expenditure.

Nevertheless, we cannot afford to weaken our national defense posture in view of the threats to the peace in Africa, Central Europe, the Middle East, and Southeast Asia.

It is with that in mind that I must bring to the attention of my colleagues an item which is quite small in relation to the total expenditures contemplated in the budget proposed by the President. But, inclusion of this item raises serious questions about the President's sincerity and credibility in seeking necessary increases in defense spending while at the same time calling for an austere Federal budget.

The item to which I refer is the President's request for $13 million for further development of the extremely low frequency submarine communications system.

For well over a decade, the Navy has spent many millions of dollars on this project. The system would consist of cables buried underground which would act as an antenna through which to send messages to our submarines under the sea. The name of the project has been changed from Sanguine to Seafarer and from Seafarer to ELF. At one point, the system the Navy was proposing would have consisted of 2,400 miles of cable buried in the Upper Peninsula of Michigan. Last year, the Navy's director of command, control, and communications programs, Admiral Kaufman, called that proposal dumb.

Instead, DOD proposed a system consisting of an existing test site at Clam Lake, Wis., and 130 miles of underground cable located in Michigan's Upper Peninsula. The two sites would be tied together by a leased telephone line.

DOD asked for $40.5 million last year to develop this system. This House has not been convinced of either the need for such a system or the capability of the various proposals to accomplish the mission. Accordingly, funding for further development was deleted. Unfortunately, $20 million was finally provided in the conference report for further testing, limited to the existing test facility at Clam Lake.

By again seeking funding for this system, the President has further damaged his credibility on another front. The President is well aware that the residents of the Upper Peninsula have consistently and overwhelmingly voiced their disapproval of this underground network. During his campaign for the Presidency, Mr. Carter said:

> The Navy's proposed ELF submarine communication system should not be built in Michigan's Upper Peninsula against the wishes of the people who live there . . . If I am elected, Project Seafarer will not be built in the Upper Peninsula against the wishes of the citizens.

Now, Mr. Speaker, I do not intend to oppose this project funding request on purely parochial grounds. I do not need to. In the same speech, Mr. Carter also said:

> The Navy has yet to satisfactorily demonstrate the military necessity for Project Seafarer.

This House found those words to be true last year when it deleted the Navy's request for $40.5 million. Now it appears that even if the Navy could demonstrate need for the communications mission which they purport, it is likely that ELF would be obsolete by the time it was deployed. Just last week, our colleague Les Aspin, pointed to newer, "spread-spectrum" communications technology which could render the ELF underground antenna system obsolete. Furthermore, it would in no way damage the environment as would the installation of the ELF's underground antenna. More importantly, it would provide secure, two-way communication with our submarines, something which ELF is not capable of providing, and at less cost.

Therefore, I call upon my colleagues to support deletion of the request for funding of the ELF system. I also urge the Navy to redirect its efforts toward developing more promising technology to fulfill the Navy's long-term communications needs.

JIMMY CARTER MAKES ME FEEL GOOD

The SPEAKER. Under a previous order of the House, the gentleman from California (Mr. Goldwater) is recognized for 5 minutes.

● Mr. GOLDWATER. Mr. Speaker, I cannot tell you how assured I feel after listening to President Carter deliver his state of the Union message last night. I breathed a sigh of relief when he told the American people, "there is every sign the state of our Union is sound."

With this new sense of confidence I will return to my congressional district this weekend and tell my constituents how "our economy offers greater prosperity," and how their income and business profits have "risen substantially." When I talk to the farmers in my district—the very farmers who have been desperately trying to find a market for their crops in Japan and elsewhere abroad—I will tell them not to worry, that our President has informed us that "farm exports are setting all-time records." I will tell my farmers not to be overly concerned; the President says "farm income last year was up more than 25 percent."

What made me feel good about the President's address was that I could have written part of it myself. Since I have served in Congress I have firmly believed that Government is limited in what it can do to solve our problems at home and in exerting its influence around the world. I have felt all along that the root cause of our rising rate of inflation has been an ever-growing bureaucracy. The Jimmy Carter we heard last night senses the mood of the people, and this makes me feel good.

During the President's speech I looked over at a number of my colleagues on the other side of the aisle and saw them squirming uncomfortably in their seats. They are not accustomed to a Democratic President calling for sunset legislation to review the usefulness of Government programs. They seldom hear a President of their party signal the need for regulatory reform and the elimination of obstacles in the way of free enterprise. It is significant that this President wants to build a new foundation, one which relies on conservative principles, one which rejects the disastrous thinking which has guided our administration of government for so long. I am sure a number of those in the President's party felt somewhat deserted last night. It was as if they were players on a football team watching their quarterback walk off the field into the locker room right in the middle of the game.

Nevertheless, I call on the Democratic majority in Congress to follow the President's advice in building this new foundation. If the President sticks to his word, if the President is really committed to what he said last night, then the White House and Capitol Hill will get along just fine, and the people who elected us to represent them will be a little better off.●

AUTOMATIC TRANSFER SERVICES

The SPEAKER. Under a previous order of the House, the gentleman from Illinois (Mr. Annunzio) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, the time has come for banks to look to their customers to decide what financial services to offer, not to the rival bank across the street. Unfortunately, for many institutions, competition still means doing what other banks do, rather than offering customers the best service at the lowest cost. The recent experience with automatic transfer services (ATS) is an example of this type of thinking: financial institutions jumped on a bandwagon, just to find it was going nowhere.

As of November 1, 1978, banks have been permitted to link savings and checking accounts so that a customer's funds can earn interest until he draws upon them with checks, at which time the money is automatically transferred from the savings to the checking account. Banks quickly discovered the enormous costs of offering such an intricate service, and consequently decided to place huge service charges on small accounts which did not pay their keep. Some banks are imposing charges which could total well over $50 per year. For many customers, such charges can quickly eat up any interest earned under the plan. Despite this fact, many banks chose to herald the service as a benefit to all in their quest to attract new customers and keep their old ones.

Customers may have been confused by the complexity of ATS, but their heads cleared quickly when made aware of the program's costs. As of mid-December, there were just over 400,000 automatic transfer accounts nationwide, and the low response rate continues. Many banks, recognizing the unpopularity of the service, have even stopped their heavy advertising campaigns. Other banks which planned to initiate ATS programs are now reconsidering. The National Bank of Commerce and the Union Planters National Bank in Tennessee have both tabled plans to offer ATS programs until more enthusiasm is shown by customers.

Preliminary studies indicated that ATS would not be received well, but many banks chose to ignore this, fearful that if they did not offer the system, they would lose customers. As one banker from Second National Bank of Tennessee stated,

> The feeling was that we had to offer a program to protect the bank. But I don't think customers are eager to begin this type of program now.

As a result, the customers this service was intended to serve are now footing the bill for a failure which benefits only a small number of individuals.

In the past, banks have complained that low balance customers whose accounts did not pay for themselves were being subsidized. Now, automatic transfers have neatly turned the tables, and these low- and middle-income account holders are subsidizing large ATS accounts receiving the service free and earning high amounts of interest. Banks may be justified in charging for services which truly benefit their customers, but it is inexcusable to make customers pay for more than they get. Unfortunately, this is precisely the fate of unsuspecting bank customers who responded to the alluring advertisements of the banks. The woman who stormed into her bank in West Virginia and cut up her checkbook exemplifies the frustration of customers who have been hit by the high costs of ATS. For most people, ATS is little more than giving with one hand, and taking with the other.

If banks want to maintain the trust of their depositors, they must earn it by fully disclosing the cost of this and other services, and gearing their advertising to the segments of the populace which such programs benefit. Those banks which ignore the needs and wants of the customers, their source of funds, will be the first to leave the marketplace.●

RESPONSE TO PRESIDENT'S BUDGET

The SPEAKER. Under a previous order of the House, the gentleman from Arkansas (Mr. Alexander) is recognized for 30 minutes.

Mr. ALEXANDER. Mr. Speaker, like our President, I am convinced that inflation is our Nation's No. 1 political problem. Inflation erodes the foundation of government. Its stresses and strains threaten not only our economic stability, but the unity of purpose that has traditionally bound our people together in seeking justice, equality, and liberty through faith, cooperation, trust and, when necessary, sacrifice.

Inflation strikes its cruelest blows at people like the majority of my constituents who are farmers, who are poor, who are elderly, or who live on fixed incomes.

Deficit spending is a contributor to our inflation problems. Thus, I frankly do not understand the logic of those who argue that we, as a Federal Government, ought to indulge in bigger deficits to help the poor. Such arguments smack more of politics than of principle.

As a Democrat, I am willing to help in every equitable way to meet the national emergency, the national challenge, our inflation troubles present.

I believe that everyone should be willing to face up to this national problem. However, I believe the burden should be borne equally and not just by certain regions of our Nation or segments of our people. Those who seek equity must do equitably.

In a meeting with the President to which I was invited, at the White House on Monday I suggested to the President that his budget, as presently constituted, favors the big cities over the countryside. My friend and colleague from New York (Mr. RANGEL) replied, "You gotta be kidding," and laughed.

It is no laughing matter to those of us who represent persons living in the countryside, the 66 percent of the Nation's population whose homes are in places of populations of less than 50,000.

Being poor, elderly, or living on a fixed income and watching inflation erode away your opportunities for decent housing, good food, and employment is no less demoralizing for those living in Arkansas' First Congressional District than it is for residents of New York City.

And, for those of us who represent countryside areas, the situation becomes even more grim when we consider the budget proposals in connection with reports concerning proposals for reorganizing Federal economic and community development programs.

The reorganization proposals would put programs responsive to needs of small cities, towns, and communities into a department dominated by programs favoring our biggest cities and singularly unresponsive to needs of other places.

The last 2 years have taught us some especially bitter lessons where tinkering with such programs is concerned. This is particularly true when favoritism of some regions of the Nation is an evident dominant criterion, or even unintended result.

Let us deal first with just a few of the budget issues that prompted my comment to the President on Monday.

The President has proposed in his budget for the coming year increases for the Department of Housing and Urban Development's principal community development program. For the Community Development Block Grant (CDBG) program it is an increase of $150 million.

And, I quote from the documents accompanying the budget, a reference to the CDBG program:

> This increase will go primarily to metropolitan cities and urban countries.

While the budget does not so state, the past practices of HUD with regard to UDAG leave us in no doubt that the same is true with this program.

In addition, the President is proposing $40 million new dollars for the HUD Livable Cities and Neighborhood Self-Help and Development programs, both of which can be expected to primarily benefit our bigger cities. Half of this he wants to be provided for this current year.

So, we have a request for an increase of $190 million in new HUD grant money, basically to help the cities.

My emphasis on the term "grant" is no accident. This money the recipients are not expected to repay with interest, as is the case with loans. This is another aspect in the difference in the approach to aiding the cities as opposed to countryside areas where the largest blocks of funding for community and economic assistance is in the form of loans.

Now, let us turn to what the President's budget proposes as the fate in fiscal year 1980 for the rural development and business assistance programs. The proposal for the water, sewer, and community facilities loan program is slashed by $200 million. That alone, covers the increases in the CDBG, livable cities and neighborhood self-help and development programs.

But, it is not the end of the proposed cuts. There is the $100 million reduction requested for the industrial development loan program. And, the $18 million bite from the water and sewer grant program. And, the $8.5 million wipeout of the rural comprehensive planning and fire protection programs.

A total of $326.5 million proposed for cutting from the rural development and business assistance programs. And $300 million of this is from repayable loan programs.

There are a number of other areas where the same kind of differences present themselves in the budget before us.

In recreation, $100 million is cut from those activities primarily carried on in countryside areas but benefiting both countryside and city residents. But, $150 million for a 5-year park rehabilitation program for the cities is proposed.

There is the wipeout of the safer off-system roads program which can benefit places of all sizes, and which, even at its past modest level, has had significant impacts on countryside transportation problems. Contrast that with the $46.5 million increase in urban formula grant money for mass transportation operations that primarily benefits our biggest cities.

These budget examples, I have discussed, alone are ample proof that the President's "lean and austere" budget is far more lean and far more austere for our countryside citizens than for our city dwellers.

In recent years there has been a disturbing rise in tension between big cities and small cities, towns and countryside areas and between regions of the Nation. There are lots of names for it, "Sunbelt versus Snowbelt," is one. Whatever you call it, it is destructive of national unity and harmful to the national interest. It is an attitude I have been fighting for years. Thus I find it particularly frustrating to be presented by the President with a Federal budget proposal that is unquestionably going to add to that tension. That is bad enough, but it comes on the heels of reports on economic development reorganization proposals that had already added heat to the regionalism-favoritism debate.

The President and I are in agreement in principle on the need for Federal spending restraint; our disagreement lies in who we believe should practice restraint.

☐ 1515

REMARKS OF THE HONORABLE FRANK THOMPSON, JR., CONCERNING THE RESOLUTION OFFERED BY MS. HOLTZMAN

The SPEAKER. Under a previous order of the House, the gentleman from Illinois (Mr. ROSTENKOWSKI) is recognized for 10 minutes.

● Mr. ROSTENKOWSKI. Mr. Speaker, this morning in the House Democratic Caucus our distinguished colleague from New Jersey, Mr. FRANK THOMPSON, Jr., offered a resolution that considers our responsibilities as Members of Congress toward charges of misconduct against Members of Congress. I believe his remarks in this regard are exemplary. The Honorable "THOMPY" made similarly eloquent and perceptive remarks on this same issue during the December caucus. The essence of his discussion is that the presumption of innocence until proven guilty is at the core of the Democratic process. Additionally, his comments are not mere rhetoric: In both statements Mr. THOMPSON marshals various case precedents that provide an outstanding legal treatment of this subject. Mr. THOMPSON's remarks are replete with worthy quotes, both literary and legal. For me, these quotes and the Congressman's argument brought to mind Alexander Hamilton's own "Here, sir, the people govern." Clearly, Mr. THOMPSON's remarks tell us this statement is as true for our country now as it was in the past. I include these comments to be made part of the RECORD for the benefit of our colleagues.

REMARKS OF THE HONORABLE FRANK THOMPSON, JR., CONCERNING THE RESOLUTION OFFERED BY MS. HOLTZMAN

Mr. Chairman, Ladies and Gentlemen, Members of the House Democratic Caucus. We meet again today to renew our efforts at a delicate and painful but necessary task—the exercise of our constitutional prerogative and responsibility under Article I, Sec. 5, Clause 3, to sanction our members for conduct offensive to this body. The specific question raised by Ms. Holtzman's resolution is what action, if any, ought we take when the chairman of one of our committees or subcommittees has been indicted on a felony charge. The problem is compounded when the member has been re-elected to Congress after his or her indictment. The broader questions posed concern our constitutional prerogative and responsibility to discipline our members while preserving the representative rights of the people.

Those of you who know me are aware that I am not one to indulge in apocalyptic fantasies. However since our last meeting on this subject, when we wisely turned back efforts to nullify completely the presumption of innocence by automatic removal of an indicted chairman, I have been haunted by the words of one of the great Irish poets, William

Butler Yeats, who was himself not unfamiliar with political struggle.

". . . Things fall apart; the centre cannot hold; mere anarchy is loosed upon the world, the blood dimmed tide is loosed, and everywhere the ceremony of innocence is drowned . . ."

Strong words, but I think not too strong, if we are to realize the potential dangers of constitutional dimension which inhere in the proposal before you. Let me hasten to add that I believe Ms. Holtzman has put forward her resolution with the best of intentions. But that said, we cannot be permitted to ignore the pernicious effect which the action it mandates will surely have upon a member's right to a fair tribunal both within and without this body, upon our legislative independence and integrity, and upon the representative rights of the people. Nor can we ignore the failure to deal with abuses by members generally, not just our chairmen.

The Constitution protects the integrity of the legislative process by shielding us from intimidation by the Executive and the Judiciary. At the same time it gives up the authority and responsibility to discipline any offending member. Although in the exercise of that authority we may come squarely up against the representative rights of the people, the difficulty of the task cannot permit us to shirk our duty.

I, therefore offer a substitute resolution to Ms. Holtzman's, dealing with our constitutional responsibilities with respect to our members generally and the specific problem of committee chairmen. In doing so I take my text from Justice White, dissenting in *United States* v. *Brewster*, 408 U.S. 501, (1972) who said:

"I would insist that (the) Houses (of Congress) develop their own institutions and procedures for dealing with those in their midst who would prostitute the legislative process." 408 U.S. at 563.

Resolved: That the caucus rules be amended to create a new section M II G Subparagraphs (1) and (2) to read as follows:

(G) (1) If a member of the House of Representatives who is chairman of a permanent, select, special or joint committee of the Congress, or subcommittee thereof, is convicted of a felony for which a sentence of two or more years imprisonment may be imposed, the full Democratic Caucus shall at its next regular meeting vote on whether that member shall continue to exercise the powers of chairman, taking into account the nature of the offense, the grounds of appeal which the member may have, and any other circumstances which this body determines appropriate to consider. If subsequently during the Congress, the conviction is reversed and all appeals have been exhausted, then the member shall automatically regain all his powers as chairman.

(2) The Caucus shall forthwith appoint a committee of representative members to study the entire range of problems related to our constitutional authority to sanction offending members and to report back at the earliest possible date with recommendations, including appropriate procedures to implement our authority.

Permit me now to share with you my specific concerns about the Holtzman resolution and the reasons for my substitute resolution.

The Holtzman Resolution provides that if a chairman of a committee or a subcommittee is indicted for a felony which involves an abuse of the powers of his office and for which a sentence or two or more years may be imposed, the full caucus shall at the next regular monthly meeting vote on whether that member shall continue to exercise the powers of a chairman, taking into account whether the prosecution may be frivolous or politically motivated. The resolution calls for us to rush to judgment upon an accusation emanating from the executive branch that one of our members has abused our powers and processes.

When last we met we voted down a resolution calling for automatic removal of an indicted chairman, which I oppose primarily because it nullified the presumption of innocence in this body.

The resolution before us today, because it commits to our discretion the removal of an indicted chairman, does utter violence to the presumption of innocence at the subsequent criminal trial of the defendant-chairman. How could we in good conscience vote for removal when such a vote would certainly occur prior to the selection of a jury, so that any stigma could not even be cured by jury sequestration. A vote for removal would so impinge upon the possibility of a fair trial, that it might render impossible any trial at all.

There are some who will say that a chairmanship is a privilege of this body to bestow or take away as we please. But the Supreme Court long ago did away with any specious distinction between privilege and right in testing against due process standards governmental action depriving an individual of a substantial interest in person or property.

Recently, in a case arising out of investigations and prosecutions begun under Maurice Nadjari, the former special prosecutor for corruption from Ms. Holtzman's own State, the Supreme Court noted the constitutional status of Pat Cunningham's interest in the power and prestige of the county democratic chairmanship, in striking down as unconstitutional a New York law that automatically stripped political party officers of their party jobs if they refused to waive immunity. But the issue need not be left to analogy; for as justice White noted in his dissent in *Brewster*, we are not free to adjust as we wish our members rights to due process . . . 408 U.S. 544. The decision of the court in *Powell* v. *McCormack* makes it amply clear that the power of the House and Senate to discipline the conduct of members is not exempt from "the restraints imposed by or found in the implications of the Constitution". 395 U.S. 486, 519, N. 40 (1969) the presumption of innocence is a basic component of a fair trial, which can only be preserved by careful attention to the fairness of the fact finding procedure.

Because of the implications for the subsequent criminal trial of an indicted chairman, the Holtzman resolution cannot provide for a full consideration of the merits of the charges, which is essential if we are to preserve the presumption of innocence in this body. Under the Holtzman resolution, the indicted chairman must give up the powers of the chair, or defend before a body that is unbridled in its discretion and without specific articulable standards upon which to base its judgment. The vote may follow close on the heels of a well publicized indictment when passions are high and reason is lost in public clamor. Two hundred or more of us will participate; some will be absent, some late, some pre-occupied with other matters, some uninformed, few able to get to the floor for discussion.

And what will we discuss. What will be the bases for a determination that a prosecution is frivolous? Is an indictment based solely on political rumor circulating through the halls of Congress frivolous. Hearsay, you say. But the Supreme Court ruled over 10 years ago in *Costello* v. *U.S.*, 350 U.S. 359 (1956) that an indictment is valid even though the sole evidence before the grand jury be hearsay. Will our determination that the prosecution is frivolous or politically motivated be based on the same political rumor that has been the basis for the indictment. Frankly I am reminded of the Roman arena, where Nero turned to the audience for guidance: The life of the gladiator was spared if the audience turned "thumbs up" and death followed when the audience turned "thumbs down".

When is a prosecution politically motivated? The standard is so vague as to be impossible of implementation. I cite you to the decision of the 5th circuit in *U.S.* v. *Cox* 342 F2 167 (5th cir 1965) in which that court noted that the discretionary power of the United States Attorney to determine whether a prosecution shall be commenced or maintained may well depend upon matters of policy wholly apart from any question of probable cause. The court specifically recognized that he is an executive official of the government, and it is as an officer of the executive department that he exercises a discretion as to whether or not there shall be a prosecution in a particular case. 342 F2 at 171.

Just a month ago we were reminded of how easily a skillful prosecutor can manipulate a grand jury into returning an indictment against a public official. On December 21 of last year the New York Court of Appeals unanimously cleared Justice Andrew Tyler of the New York State Supreme Court of perjury charges, which arose out of an indictment procured by special prosecutor Nadjari by trapping the judge into giving false testimony to a grand jury.

I was moved by the Tyler reversal to look back at the history of the office of the New York Special Prosecutor. I am sure that I do not need to remind the Gentlelady from New York that of the 12 judges indicted by grand juries under the supervision of that officer, nine had the charges against them dismissed long before the trial stage, two were acquitted at trial and the only conviction was Tyler's. We should heed the works of Justice Leonard Sandler of the New York State Supreme Court in dismissing another Nadjari indictment, that the methods used by the special prosecutor to obtain the indictment were "indecent" and "astonishing" but not limited to the Nadjari office or the specific case. Rather they represented a tendency among prosecutors to "translate moral condemnation into criminal charges" (New York Times, Dec. 2, 1976, 1, 34)

So much for my immediate concerns about the implications of the Holtzman resolution for the rights of the indicted chairman to due process both within and without the walls of this House.

But I have some special concerns because the Holtzman resolution is triggered by an indictment for offenses involving abuse of the powers of the office of the member. Such an indictment may well involve an act by the defendant chairman which is protected under the speech and debate clause. Thus the Holtzman resolution may well be viewed as an abdication of our power to call our offending members to account and a waiver of a member's immunity under the speech and debate clause. The majority of the court in *U.S.* v. *Brewster* did not have to address the question of our right to so waive the privilege and defer to the Executive the punishment of our errant members, but dissenting Justice Brennan joined by Justices Douglas and White specifically addressed the question in the following words:

"The framers' judgment was that the American people could have a Congress of independence and integrity only if alleged misbehavior in the performance of legislative functions was accountable solely to a members' own House and never to the Executive or Judiciary." 408 U.S. at 550 (J. Brennan, dissenting) . . .

Let us assume that an indicted chairman intends to move or has moved to quash his indictment on the grounds that it violates the speech and debate clause. Pursuant to the Holtzman resolution, this body may well have acted precipitously on the basis of an unconstitutional indictment to deprive the member of his chairmanship, while abdicating our responsibility to develop fair procedures and institutions of our own to judge the Member's conduct. Permit me to paraphrase the words of Justice White in *Brewster*:

"I fail to understand how a majority of (this body) can bind an objecting congressman to a course so clearly at odds with the constitutional command that legislative conduct shall be subject to question in no other place than the Senate or the House of Representatives. The speech and debate clause is an allocation of power. It authorizes Congress to call offending members to account in their appropriate houses. A (rule) that represents an abdication of that power is in my view impermissable." 408 U.S. at 563.

The scope of the protection the Constitution provides our members under the speech and debate clause is presently uncertain. However, on December 11, the court agreed to again consider the question of reviewing the rulings of the 3d circuit on former representative Helstoski's challenge to his indictment as unconstitutional under the clause. However, the history and purpose of the clause as clearly and succintly set forth by Justice Harlan in his opinion in *U.S.* v. *Johnson* makes clear that:

"The instigation of criminal charges against critical or disfavored legislators by the executive in a judicial forum was the chief reason prompting the long struggle for parliamentary privilege in England and, in the context of the American system of separation of powers, is the predominate thrust of the speech and debate clause."

Let us suppose that certain "special interest" groups who have contributed heavily to the campaign of a member are opposed to certain administration-sponsored legislation. The member is chairman of the committee to which the legislation is referred. A White House aide calls the chairman to inform him that allegations have been made that he is being paid by these groups to oppose the legislation, the President hopes that the charges are not true, and he is confident that the bill will be reported out of the committee and supported by the chairman. As Mr. Justice White noted in detailing a similar hypothetical situation:

"The pressure on the congressman, corrupt or not is undeniable. He will clearly fare better in any future criminal prosecution if he answers the charge of corruption with evidence that he voted contrary to the alleged bargain. Even more compelling is the likelihood that he will not be prosecuted at all if he follows the Administrations suggestions and supports the bill. The speech and debate clause was designed to prevent just such an exercise of power . . ." 408 U.S. 553 (J. White dissenting).

Let us further suppose however, that the Holtzman resolution has passed, the hypothetical chairman has opposed the administration, he is indicted and subsequently stripped of his chairmanship by this body. Two years later, after expiration of the current congress, the Supreme Court determines that the indictment was in violation of the speech and debate clause.

I refer you again to Mr. Justice White's dissenting opinion in brewster in which he clearly recognizes that the present day realities of special interest group financing of costly political campaigns, make it all the more necessary for us to guard against any encroachment upon the speech and debate clause. Equally valid however, is the charge by Mr. Justice Burger, writing for the majority, that we have shown little inclination to exercise our responsibilities in this area.

Preservation of the speech and debate clause is essential to preservation of the integrity of the legislative process; at the same time we must develop our own institutions and procedures for dealing with those among us who would prostitute that process.

For all of these reasons I ask your support for the substitute resolution.

Mr. Chairman, let me thank you for the courtesy of the floor; and let me thank Ms. Holtzman for her resolution which has provoked our long overdue consideration of these matters.

In recent days I have seen a number of different proposals which would attempt to deal with the problem of Members of the House who have been indicted for or convicted of a crime for which a sentence of two or more years imprisonment may be imposed.

It is apparent that some of the authors of these suggestions have not given careful attention to either the House rules, the law, or to the history of our judicial system.

The rule with respect to convictions seems to me to be very clear and it is contained in rule XLIII of the Rules of the House of Representatives, paragraph 10 on Page 674 of the "Jefferson's Manual". The Rule follows:

"A Member of the House of Representatives who has been convicted by a court of record for the commission of a crime for which a sentence of two or more years' imprisonment may be imposed should refrain from participation in the business of each committee of which he is a member and should refrain from voting on any question at a meeting of the House, or of the Committee of the Whole House, unless or until judicial or executive proceedings result in reinstatement of the presumption of his innocence or until he is reelected to the House after the date of such conviction."

Since the Rule speaks for itself, the emphasis of these thoughts relates to indictments. It is the "quick fix" to a public relations problem, the "easy answer" that will come back to haunt us in ways we can not ever imagine.

Mr. Justice Brandeis once warned in a "wire tap" case that "Our Government is the potent, the omnipresent, teacher . . . . it teaches the whole people by its example. If the government becomes a law-breaker, it breeds contempt for law; it invites every man to become a man unto himself; it invites anarchy". *Olmstead* v. *United States*, 277 U.S. 438 at 49485 (1928).

I say that what we do in this Congress will set an example for others to follow, now and in the future, and that we should be cautious not to be overrun by our own good intentions. Returning again to Mr. Justice Brandeis in the wire-tap decision· "Experience should teach us to be most on our guard to protect liberty when the government's purposes are beneficient," for "the greatest dangers to liberty lurk in insidious encroachments by men of zeal, well-meaning, but without understanding".

This language may seem too strong for this situation, but what is at stake here is the fundamental value determination that it is far worse to convict an innocent man than to let a guilty man go free.

This belief, unique to our heritage, rests upon a presumption of innocence. It is the proud boast of our jurisprudence that every man and every woman is presumed to be innocent until the state proves to the contrary, and only by clear, unequivocal and convincing evidence beyond a reasonable doubt. Indeed, just a few years ago, the Supreme Court extended this presumption of innocence to children at juvenile proceedings when a determination is made concerning "delinquency" status. It required the state to produce proof beyond a reasonable doubt to overcome the presumption of innocence. *In re Winship*, 397 U.S. 358 (1970).

More recently, Mr. Chief Justice Burger held that "the presumption of innocence although not articulated in the Constitution, is a basic component of a fair trial". *Estelle* v. *Williams*, 425 U.S. 501 (1976). He quoted from the holding of the past century that this "is the undoubted law, axiomatic and elementary". *Coffin* v. *United States*, 156 U.S. 432 (1895).

The principle of fair play for the accused goes back much further than 1895. It goes back to the year 1215 when King John granted the *Magna Charta* to the barons outside London. What Lord Coke called the "palladium of English liberties" is found in Articles 39 and 40 of that cherished document.

Article 39 provides that "No freeman shall be taken or imprisoned or disseised or exiled or in any way destroyed, nor will we go upon him nor send upon him, except by the lawful judgment of his peers or by the law of the land". The commentators agree that this Article means at least three things: (1) that no person is to be punished prior to trial, (2) that the trial is to be by "peers", and (3) that the trial itself be fair, according to the "law of the land".

Article 40 provides "To no one will we sell, to no one will we *refuse* or delay right or justice". This article, according to Coke, was "worthy to be written in letters of gold".

Do we tarnish these words with any of the proposals? Do we "refuse the justice" guaranteed by Article 40 when we punish prior to the trial guaranteed by Article 39? I think the answer is plain. I think the proposed suggestions violate the heritage won for us so many centuries ago on the fields of Runnymead.

The "presumption of innocence is a basic component of a fair trial", as Chief Justice Burger noted; and it is also a basic element of Due Process whenever the government seeks to deprive a person of his life, his liberty, his property or even his job with a public institution. See, e.g. *Keyishian* v. *Board of Regents of New York*, 385 U.S. 589 (1967) wherein the Court, once and for all, repudiated the notion that "public employment may be conditioned upon the surrender of constitutional rights which could not be abridged by direct government action", 385 U.S. at p. 605.

The Supreme Court has required the Due Process right to a hearing before a non-tenured professor is denied his property interests in his job, or before his good name and reputation will be tarnished by the non-renewal of a one year contract. *Perry* v. *Sindermann*, 408 U.S. 593 (1972); *Board of Regents* v. *Roth*, 408 U.S. 564 (1972).

Many lower federal courts have held that a teacher may not be "suspended" from his/her job prior to a Due Process hearing where he/she will be given notice and an opportunity to defend against the charges. See, e.g. *Lafferty* v. *Carter*, 310 F. Supp. 465 (W.D. Wis. 1970); *Johnson* v. *Netterville*, 355 F. Supp. 921 (M.D. Louisiana, 1973); *Dougherty* v. *Walker*, 349 F. Supp. 629 (W.D. Missouri, 1972); *Wood* v. *Goodman*, 381 F. Supp. 413 (D. Mas. 1974); compare *Coe* v. *Bogart*, 377 F. Supp. 310 (E.D. Tenn. 1974). In *Strickling* v. *Regents*, 397 F. Supp. 416 (W.D. Wisc. 1969) the Court held that even a student may not be temporarily suspended from a state university pending a "full hearing" except for reasons relating to the physical well-being of the student himself or the safety and well-being of other persons or university property; and even when such reasons are present he must, prior to suspension, be given a "preliminary hearing" in which he is provided a minimal opportunity to hear the charge against him and to make some response thereto.

If Due Process applies when a non-tenured professor is denied or suspended from his job; and when a student is suspended from the campus; it follows *a fortiorari* that a legislator is entitled to Constitutional protection when the privileges of his offices are sought to be taken from him. And so the Supreme Court has held.

In *Bond* v. *Floyd*, 385 U.S. 1116 (1966) the Georgia House of Representatives sought to exclude Julian Bond from membership because of anti-war remarks he had made. A legislative committee reported that these statements had given "aid and comfort" to the enemy, and were totally inconsistent with the mandatory oath prescribed by the Constitution of Georgia for a Member of the House of Representatives. Bond was denied his seat. On appeal, the State of Georgia argued that the First Amendment would have protected Bond had he been a private citizen, but that the state could apply a stricter standard to its legislators. The Supreme Court did not agree that "a State is constitutionally justified in exacting a higher standard of loyalty from its legislators than from its citizens", and ordered that Bond be given his seat.

Similarly, in *Powell* v. *McCormack*, 395 U.S. 486 (1969) Adam Clayton Powell was denied his seat on a finding that he had wrongfully diverted House funds for the use of himself; and that he had made false reports on expenditures of foreign currency to the Committee on House Administration. The Supreme Court held that the Constitution permitted exclusion from Congress only for reasons of age, residency and citizenship; and issued a declaratory judgment that Powell's exclusion for other reasons was in violation of the Constitution.

These two cases are factually distinct from the issue raised by the suggestions which have been made, but they demonstrate that the Constitution controls our actions when it comes to how we treat our fellow members. In *Bond*, the First Amendment restricted the right of the Georgia Legislature to deny Julian Bond a seat. In *Powell* it was Article 1, section 2 of the Constitution. Here it is the presumption of innocence enshrined by case law in the Due Process Clause of the Constitution. In this sense, all three cases are the same.

Let me return for a moment to what these proposals are all about. They would require the unseating of a Chairman upon indictment for a serious crime. An indictment, when all is said and done, is nothing more than an accusation; emanating from a grand jury, it is true, but even grand juries occasionally run amuck; and they have been known to be used for partisan political purposes.

It might be recalled that the *Speech and Debate Clause* had its taproots in Parlimentary struggles of the Sixteenth and Seventeenth Centuries to achieve freedom and independence from the Crown. In this country, the Clause was thought necessary "to prevent intimidation by the executive and accountability before a possibly hostile judiciary". *United States* v. *Johnson*, 383 U.S. 169 (1966). Is this farfetched? Let me recall that just two years ago *The Washington Post* carried banner front page stories that the Department of Justice was investigating the "travel allowances" of some of our most venerable and honored members. Most of the sums were trivial, and the accounting mistakes were honest ones. Attorney General Levy, fortunately did not seek indictments. But had he done so, the grand jury probably would have complied with his request. Had the proposed Rule then been in effect, we would have witnessed the automatic removal of senior Chairmen, disgraced by their colleagues in advance of trial after a lifetime of honorable service.

But, you may say, the proposed Rule has a savings clause: a majority of the Caucus may affirmatively vote to lift the sanction. Indeed, it might; for some but not for others; depending upon political, social and other ties. This rudderless possibility of reprieve can no more save the Rule from its patent unconstitutionality than can the possibility of Gubernatorial pardon save a capital punishment law which on its face is cruel and unusual.

To repeat, I agree that it is a time for action; but for action within the bounds of the Constitution we have all sworn to uphold and defend. I think the proposed Rule exceeds the Constitutional boundaries. It destroys the cherished presumption of innocence with its proposal to deny office rights upon indictment and in advance of trial. I oppose it for that reason.

Article I, section 5 of the Constitution gives us the power, and the responsibility, to punish our "Members for disorderly behaviour, and with the concurrence of two-thirds, expel a Member". I suggest an in-house reevaluation of our present in-house procedures. I think this is what the Constitution contemplates; I think this is enough for the time being.

I appreciate your courtesy in permitting me to share my thoughts with you, but they have been with me for some time and I offer them for your thoughtful consideration.●

FEDERAL DISASTER RELIEF SHOULD BE AVAILABLE DURING ENTIRE TIME OF AN EMERGENCY

The SPEAKER. Under a previous order of the House, the gentleman from Indiana (Mr. BENJAMIN) is recognized for 5 minutes.

● Mr. BENJAMIN. Mr. Speaker, the hazards posed by severe storms in the midwestern sections of our country have been amply documented in the past 2 weeks. The threat to public health and safety in the event of emergency situations imposed by these storms is immediate. Unfortunately, the Federal, and sometimes State, reaction to such emergencies is anything but immediate.

Not only does bureaucratic redtape slow responsiveness to the emergency, the law governing this problem penalizes local units of government that respond quickly to natural disasters such as blizzards and rewards those that fail to marshall their resources on a timely basis.

To correct this inequity, I am today introducing a bill to amend the Disaster Relief Act of 1974 (Public Law 93–288). A similar bill was introduced yesterday in the other body by Senator ADLAI STEVENSON and others.

Under present policies of the Federal Disaster Assistance Administration (FDAA), Federal aid begins at 12:01 a.m. on the day of the President's declaration of an emergency. However, many communities who react quickly and efficiently in emergency situations receive little, if any, Federal supplemental assistance funds since they have completed much of their clean-up operations by the time a Presidential declaration is forthcoming—a process which may consume 3 to 4 days after an emergency situation becomes apparent. By meeting the challenge with speed and efficiency, many of these communities removed enough snow to mitigate the threat to public health and safety but depleted their budgets and exhausted their capacity to conduct normal snow-related services for the remainder of the winter. These communities are not eligible for Federal reimbursement for the work completed prior to the President's declaration. Therefore, despite their efficiency, they are wrongly being denied assistance available to neighboring communities which were not able to complete snow removal before the emergency became "official."

This inequity stems from a decision of the FDAA, not from the law. The Disaster Assistance Act of 1974 does not defer Federal assistance to the day on which the President signs the proclamation. The Congress intended to provide assistance during an emergency and did not intend to set up a artificial and arbitrary scheme for measuring the onset of the emergency.

The bill I am introducing would make clear the intent of Congress that emergency assistance is available for the duration of the emergency or major disaster, regardless of the day on which the President declares the existence of the emergency. The President's declaration is inevitably delayed until a State has been able to compile the necessary information from its local communities and to transmit its request. The more serious the emergency, the more likely the compilation of data will be delayed because officials must deal with immediate threats to life and property before redtape. Officials of FDAA must then examine a State's request for assistance before conveying it to the President. Congress did not intend that aid for citizens be predicated on the completion of bureaucratic formalities and my bill is intended to correct this inconsistency.

In addition to introduction of this legislation, I have requested the General Accounting Office to investigate the procedures by which an emergency is declared. This request was prompted when President Carter rejected an application for emergency assistance for northwestern Indiana despite the fact that he had declared the directly adjacent area of northeastern Illinois an emergency area. More specifically, I have requested the GAO to determine:

First, the procedure utilized by Illinois to ultimately receive an emergency declaration.

Second, the procedure utilized by Indiana in its efforts to receive a similar designation.

Third, the difference and effectiveness, or lack thereof, of each procedure.

Fourth, whether Indiana has a workable procedure to expeditiously convey an acceptable request for national emergency or disaster assistance from a local area.

Fifth, whether FDAA regulations specify a workable system to expeditiously convey a request from a local government.

Sixth, whether the law should be amended to specify a network through which a request may be processed and approved regardless of weekends, holidays or the absence or nonaccessibility of any of the officials in the network.

Seventh, the method used by the FDAA in its efforts to reach its decisions and whether the factors employed are realistic and reliable.

Eighth, the types of reimbursement available to communities when designated in an emergency situation.

Ninth, the cost benefit of the expenditures to emergency-designated areas in this and other situations.

Tenth, (a) a general assessment of the methodology used for communities to receive the most beneficial assistance in this and other emergency situations.

Tenth, (b) whether the law presently penalizes communities initiating recovery actions without Presidential Declaration of Emergency and should be amended to establish provision for Federal assistance from the date of initial emergency rather than the date of declaration.

Although I am introducing this bill today, further legislation may be forthcoming depending on the conclusions and recommendations of the General Accounting Office's study and my own analysis of their determinations.●

H.R. 39: A BALANCE OF THE NATIONAL INTEREST AND THE STATE INTEREST IN ALASKA LANDS

The SPEAKER. Under a previous order of the House, the gentleman from Arizona (Mr. UDALL) is recognized for 5 minutes.

● Mr. UDALL. Mr. Speaker, I am pleased today to request that 31 additional Members of the House be added as cosponsors of H.R. 39, the Alaska National Interest Lands Conservation Act of 1979.

This brings to 122 the total number of cosponsors of this bipartisan, refined version of the bill the House so overwhelmingly passed in the 95th Congress. For the record, I wish to list all those who are cosponsors of the bill as of today:

COSPONSORS OF H.R. 39

Udall, Seiberling, Alexander, Andrews (N.C.), Ashley, Aspin, Baldus, Barnes, Bedell, Beilenson, Bingham, Blanchard, Boland, Bonior, Bonker, Brademas, Brinkley, Brodhead, Brown (Calif.), J. Burton, P. Burton, Byron, Carr, Cavanaugh, Conte, Conyers, Corman, Corrada, Coughlin, Danielson, Davis (S.C.), Dellums, Derrick, Downey, Drinan, Duncan (Tenn.), Edgar, Edwards (Calif.), Fascell, Fenwick, Findley.

Fish, Fisher, Florio, Fowler, Garcia, Gephardt, Ginn, Glickman, Gradison, Green, Gudger, Hall (Ohio), Harkin, Harris, Hawkins, Hollenbeck, Holt, Holtzman, Howard, Hughes, Jeffords, Jenrette, Kastenmeier, Kildee, Kogovsek, Kostmayer, Lehman, Long (Md.), Maguire, Markey, Mikva, Miller (Calif.), Mineta, Minish, Mitchell (Md.), Moakley, Moorhead (Pa.), Mottl, Nolan.

Ottinger, Panetta, Patten, Patterson, Pease, Pepper, Perkins, Preyer (N.C.), Quillen, Rangel, Reuss, Richmond, Rinaldo, Rodino, Roe, Rose, Rosenthal, Roybal, Sabo, Sawyer, Scheuer, Schroeder, Sharp, Simon, Solarz, Spellman, Stark, Studds, Thompson, Traxler, Van Deerlin, Vanik, Vento, Walgren, Waxman, Weaver, Weiss, Whitehurst, Wirth, Wolff, Wolpe, Won Pat.

Mr. Speaker, this growing support for our strong Alaska Federal lands protection bill is not only evident within the House of Representatives, but also out across this country. In my experience, there has been no other bill in the conservation field which has attracted so much public awareness and such broad public support.

As a tangible example of the support for conservation of these Federal lands in Alaska, more than 1,500 community groups—conservation groups, civic associations, business groups, and sportsmen's clubs—joined in November in urging President Carter to take executive action to assure protection for the lands under consideration by Congress. The President did, of course, take action in December, and thus earned himself a place at the very top of the list of great conservation Presidents in our history—just as the House had distinguished itself by its historic votes on the Alaska lands bill last May.

A BALANCE OF LAND ALLOCATIONS FOR ALL

Finally, Mr. Speaker, today I want to comment on the balance we have already achieved and continue to work to achieve in the overall resolution of the broader land allocation issue across Alaska.

To read the most extreme statements of some Alaskan opponents of H.R. 39, you would think we were out to tie up all of Alaska and to deprive Alaskans of the use of all the lands they seek for their economic development. For example, I have recently seen a broadside distributed by the Standard Oil Co. of California, which asserts that "If a bill similar to Udall's is enacted, Alaskans will be barred from having more than a third of their public lands available for oil and gas development." Aside from the fact that this statement is inaccurate, it also baldly suggests that the lands covered in my bill are "their" lands—the lands of the State and people of Alaska.

Well, this must come as a surprise to at least the more senior Members of this body, who will recall that we gave the State of Alaska the most generous land gift ever given a new State—104 million acres. The lands covered by my bill are Federal lands, owned by all Americans.

This kind of simplistic and highly misleading rhetoric is clearly intended to confuse the issue. In fact, H.R. 39 is just one part of a more complex series of processes by which every interest is obtaining lands in Alaska—dividing up the 375 million acre "pie" of Alaska, all of which belonged to all the American people a relatively short time ago.

Other interests have already obtained a great deal of the land they seek—and will soon gain much more—while we have only begun to redress the evident imbalance now favoring development, by gaining protection for "national interest lands". These are the potential national parks, national wildlife refuges, and wilderness areas on our federally owned domain, which we have a clear obligation to protect and conserve for the long-term interest of all Americans.

Since 1959 the State of Alaska has made considerable progress in securing its selected lands under the gift we gave them at statehood. Not only was that statehood grant the most generous ever in terms of size, but also in the fact that we gave the State the opportunity to select the best and most valuable development lands. Thus, for example, the State and oil companies have already received some very tangible lands and resources, including such areas as Prudhoe Bay and the right-of-way for the Trans-Alaska pipeline.

Similarly, steady progress is being made in conveying the lands which Alaska's Native people were given in settlement of their land claims pursuant to the 1971 Alaska Native Claims Settlement Act. These, of course, are the real and original Alaskans.

The process for actually identifying, selecting and conveying lands to the State under the Statehood Act involves numerous complex steps. Despite the conveyances of full title which have occurred, there have also been difficult delays. The Committee on Interior and Insular Affairs has conducted oversight hearings into these problems, and worked with the State and the Secretary of the Interior in seeking solutions. In the case of the State's selections, the delays have resulted in part because of withdrawals which were intended to allow fulfillment of the Native land claims, but delays have also resulted from the atmosphere of controversy raised by some of the more extreme, die-hard opponents of H.R. 39 and our national interest lands effort. In the atmosphere of contention, controversy and litigation that these more strident, unreasonable voices have aroused, friendly negotiation and completion of work on land conveyances have obviously suffered.

SPEEDING UP LAND CONVEYANCES

In H.R. 39 as it passed the House of Representatives last year, we included legislative conveyances and other related provisions for both the entitlements of the State of Alaska under the Statehood Act and the lands due to Alaska Natives under the Native Claims Settlement Act. This year, we have not included those provisions in the bill, because the Secretary of the Interior has announced a greatly accelerated process for completing these conveyances under the terms of existing law. It is now estimated that all of the conveyances to the State of Alaska, for example, will have been processed and conveyed in 5 to 7 years, at a rate of some 10 million acres per year—which is a dramatic speed-up.

The Secretary of the Interior has announced three important steps on this subject. First, he is lifting the so-called "d–1" withdrawals and some other land withdrawals which have impeded conveyances to the State. These are being lifted whenever there is no conflict with the lands under consideration by Congress in H.R. 39 or related legislative proposals. Second, he has significantly revised and streamlined the internal procedures of the Bureau of Land Management and the Department, so that the processing of State selections will move more rapidly and more smoothly. And finally, the Secretary has reallocated funds from the Bureau of Land Management's Lands and Realty program, so that considerably more staff can be reassigned and put to work fulltime to complete this effort.

In announcing these new steps, Secretary Andrus said—

Alaska's entitlement will be processed and conveyed more quickly as a result of my decisions to increase the staff processing land applications and to remove most legal impediments to some selections.

This is another in the series of decisions that I've made aimed at ending the confusion and uncertainty over the status of land in Alaska. These decisions are designed to get to the heart of the issue by making land which is worth having available [to the State] and making sure that applications for such are processed in a timely fashion.

There may be areas of conflict that will have to be resolved by Congress. So it remains in everyone's interest to complete legislation on Alaska National Interest Lands, but I want non-conflicting areas to be processed and conveyed as quickly as possible.

UNPRECEDENTED GENEROSITY FOR ALASKA

In his press announcement of these steps, Secretary Andrus made a special point of the fact, so often overlooked by those in Alaska making the loudest anti-H.R. 39 cries, that the ultimate conveyance of lands to this State will comprise the largest land grant awarded to any State on entrance to the Union—

It should be kept in mind during this process that my home state of Idaho received only seven percent of its land area upon admission to the Union, Secretary Andrus said, "while Alaska will receive 28 percent of its area. Andrus pointed out that an area more than *twice* the size of California will be open for development in Alaska as a result of the generous statehood grant, lands conveyed to Alaska's Natives, and Federal lands remaining under BLM's multiple-use management.

During the long debate over Alaska lands and throughout our efforts to clarify land status in Alaska, I think it is vitally important for all Americans to recognize not only our efforts to protect Alaska's crown jewels, but also our efforts to see that Alaska receives its entitlement for economic development and a prosperous future.

It is equally important that all Americans recognize the massive land areas which will be *opened* for development, instead of focusing just on our set-aside for conservation. Simply put, while an area the size of California is being protected, an area 2½ times California's size is being opened for development.

Mr. Speaker, I include the full text of the Secretary's press announcement at this point in the RECORD:

DEPARTMENT OF THE INTERIOR

ALASKA STATE LAND SELECTION TO BE SPEEDED, ANDRUS SAYS

Secretary of the Interior Cecil D. Andrus today announced an expedited conveyance of most of the land due to the State of Alaska under the 1959 Statehood Act.

"We will issue land orders shortly lifting the original d–1 protection from many of the lands outside the composite boundaries, which are not now available, thereby making them available for conveyance," Secretary Andrus said.

The expedited process is one part of the Interior Department's effort to resolve outstanding Alaska land issues including Native Claims lands and conservation lands.

"Alaska's entitlement will be processed and conveyed more quickly as a result of my decisions to increase the staff processing land applications and to remove most legal impediments to some selections," Secretary Andrus said.

"This is another in the series of decisions that I've made aimed at ending the confusion and uncertainty over the status of land in Alaska," Andrus said. "These decisions are designed to get to the heart of the issue by making land which is worth having available and making sure that applications for such are processed in a timely fashion," the Secretary said.

The state selection actions taken by the Secretary focus on areas that do not conflict with conservation proposals. They are designed to carry out Department obligations under the Statehood Act.

"There may be areas of conflict that will have to be resolved by Congress," Secretary Andrus said. "So it remains in everyone's interest to complete legislation on Alaska National Interest Lands, but I want non-conflicting areas to be processed and conveyed as quickly as possible."

This effort to expedite land conveyances to the State of Alaska is estimated to cost approximately $200,000 for the balance of fiscal year 1979. These funds will be made available from the $33.7 million appropriated to the Bureau of Land Management for its Lands and Realty program. The estimated full year cost for fiscal year 1980 is approximately $700,000 and will be made available from the same source. This high priority effort will require 23 additional permanent employees. These additional berths will be supplied from within the 54,973 permanent positions currently allotted to the Department as these new employees become available for recruitment.

The additional staff in the Alaska BLM office would be assigned to review State lands selections to make sure they do not conflict with existing Federal withdrawals such as homesteads or military reservations and to make sure they do not conflict with valid Native withdrawals.

Following such examination the land could be tentatively approved for patent and turned over to State control. Currently patents are not issued until a survey has been completed.

Following an initial review of availability now being completed, as much as half the 41 million acres selected by the State last November could be available for selection. Currently about 9 million of those acres are available. As many as 15 million additional acres may become available following the review. The balance of that land selected by the State falls within conservation boundaries, military reservations, the Alaska Pipeline corridor or other conflict areas.

The twin decisions will increase the amount of land available for State selection and increase to about 10 million acres per year the staff capability to process land.

Secretary Andrus noted that these decisions expediting land conveyance will speed Alaska's possession of the largest land grant awarded to any State on entrance to the Union. "It should be kept in mind during this process that my home State of Idaho received only 7 percent of its land area upon admission to the Union," Secretary Andrus said, "while Alaska will receive 28 percent of its area." Andrus pointed out that an area more than twice the size of California will be open for development in Alaska as a result of the generous statehood grant, lands conveyed to Alaska's Natives, and Federal lands remaining under BLM's multiple-use management.

"During the long debate over Alaska lands and throughout our efforts to clarify land status in Alaska, I think it is vitally important for all Americans to recognize not only our efforts to protect Alaska's crown jewels, but also our efforts to see that Alaska receives its entitlement for economic development and a prosperous future," Andrus continued.

"It is equally important," he added, "that all Americans recognize the massive land areas which will be opened for development, instead of focusing just on our set-aside for conservation. Simply put, while an area the size of California is being protected, an area 2½ times California's size is being opened for development."

Secretary Andrus complimented Assistant Secretary Guy Martin for his energy in overseeing and designing work aimed at carrying out these decisions. "Without Guy's understanding of the Statehood Act and his years of experience in Alaska this process would have gone much slower," Secretary Andrus said.

It should be noted that the State of Alaska has responded in a constructive way to this special effort by Secretary Andrus to meet their requests for expedited conveyances. I include here, for the information of my colleagues, excerpts from two press reports which appeared in the Fairbanks Daily News-Miner on January 5, 1979, and which reflect the State's reaction.

[From the Fairbanks (Alaska) Daily News-Miner, Jan. 5, 1979]

HAMMOND, HAPPY WITH LAND TRANSFER, PLANS TV ADDRESS

(By Charlie Spencer)

JUNEAU.—An announced speed up of conveyance of the lands promised Alaska under the statehood act is "very satisfying," says Gov. Jay Hammond. * * *

Thursday's announcement by Interior Secretary Cecil Andrus that an additional 50 million acres will be conveyed to the state within the next five to seven years follows an Andrus promise to Hammond earlier this year that the transfer would be speeded up.

"This is a very satisfying result of those efforts" to get Andrus to hurry up, the governor said today. Hammond press secretary Scott Foster added that the announced schedule is acceptable.

"I think it's keeping that promise," he said.

The state now holds 36 million acres of the 104 million promised under the Statehood Act. It has selected more, and indications are the federal government will try to turn over about 10 million acres a year until the total tops 90 million. * * *

[From the Fairbanks Daily News-Miner, Jan. 5, 1979]

CONVEYANCE TIMETABLE: 7 YEARS

(By Jon Matthews)

ANCHORAGE.—Alaska should have virtually all its statehood land entitlement within five to seven years, say federal officials in Anchorage.

And the bulk of federal land owed under the Alaska Native Claims Settlement Act also should be turned over within that time, officials said.

Interior Secretary Cecil Andrus Thursday announced steps to speed up statehood land conveyance. The action includes new land orders opening up 15 million more acres for state selection, according to Alaska Interior Department representative Jerry Gilliland.

In addition, the Bureau of Land Management will beef up its permanent staff to further speed the conveyance process, Gilliland said.

The Interior officials, however, said their actions focus only on land that does not conflict with conservation proposals. Those disputes, they said, could end up being settled by Congress or in the courts.

Alaska is due 104 million acres of land under terms of the Statehood Act, but only part of that land has been patented to the state or tentatively approved for state ownership.

"The state will receive its land within the next five to seven years," Gilliland said.

> "There may be areas of conflict that will have to be resolved by Congress," Said Andrus in a prepared statement released in Anchorage. "So it remains in everyone's interest to complete legislation on Alaska national interest lands. But I want non-conflicting areas to be processed and conveyed as quickly as possible."
>
> Officials said the bulk of land due Alaskan Natives under the settlement act will be conveyed within five years. Some land tentatively selected by the state also has been selected by Native corporations. The state will have to look elsewhere for other selections if the land eventually is conveyed to the Natives. * * * ●

WATERWAY IMPROVEMENTS NEEDED

The SPEAKER. Under a previous order of the House, the gentleman from Iowa (Mr. BEDELL) is recognized for 5 minutes.

● Mr. BEDELL. Mr. Speaker, in October of last year, the 95th Congress established for the first time a mechanism for recouping public funds expended to maintain and develop the inland waterways of the United States. That legislation imposed a Federal excise tax on fuel consumed by barges, which comprise the bulk of commercial traffic using the waterways. The tax will begin at the rate of 4 cents per gallon and will rise to 10 cents by 1985, and receipts from the tax will accumulate in a trust fund for waterway construction and maintenance. The bill also directed the Secretaries of Transportation and Commerce to conduct a comprehensive study with respect to a system of waterway user charges.

In my view, the partial recoupment program established by the 95th Congress, while a step in the right direction, remains deficient in two important respects. First, it does not go far enough in establishing a fee schedule that will make Federal treatment of competing forms of transportation more equitable; and, second, it fails to create any incentive for the commercial users of the inland waterways to join the effort to hold down the cost of maintaining and developing the system. For these reasons I am introducing legislation today to require that a system of limited charges, which facilitate the objectives of the study mandated by the 1978 act and which would insure a more equitable sharing of the cost of operating our Nation's inland waterways, be levied on waterway users.

The Federal Government currently builds, maintains, and operates a network of inland waterways that are used by barge operators to carry about 11 percent of our domestic freight. Providing inland waterways free of user charges dates back to the early days of the Republic when it was the intent of the Government to create a viable water transportation system by protecting canal operators against other forms of competition.

This policy has proven quite successful. Today, the Government maintains more than 15,000 miles of inland waterways deep enough to accommodate commercial traffic. In many cases, these waterways are navigable only because the Government has invested billions of dollars over the years in locks and dams and dredging operations.

In 1977, the Congressional Budget Office reported that—

> Federal subsidies are equal to about 42% of all barge revenues, compared with 3% for railroads, 1% for trucking companies, and no subsidy at all for pipelines.

Under present law enacted by the 95th Congress, this subsidy for commercial users of our inland waterways will be reduced to about 36 percent in 1986. Under my proposal, however, Federal subsidies could be reduced even further, to approximately 31 percent of barge revenues. As can be seen, barge subsidies would still be 10 times greater than those for railroads, the next most heavily subsidized carrier.

Even more significant is the cost control factor that is built into a requirement that waterway users pay a percentage of the costs associated with the operation of the system. If users must pay a certain percentage of the cost of Government services, they will have a tremendous incentive to act as "watchdogs" to prevent waste, since they will be forced to pay for a percentage of that waste. The percentage requirement thus promotes efficiency by enlisting the support of users, in whose interest it is to identify and eliminate unnecessary expenditures.

I believe that the principle of operator-supported waterways should be extended to provide that at least 25 percent of the cost of maintaining and developing the Nation's waterway system is borne by private enterprise, which benefits from its use. My bill would require the establishment of a schedule of user charges that will generate revenue sufficient to recoup 25 percent of the cost of waterway operation, maintenance, construction, and rehabilitation. This schedule would be designed to supplement the Federal excise tax on barge fuel levied by the Inland Waterways Revenue Act of 1978, and would be phased in over the same 5-year period. The amount of Federal tax paid by users would be credited against the user fee mandated for that year. In other words, the revenue to be collected under the fee schedule would be the difference between the amount of fuel tax paid and the annual percentage requirement established by the schedule.

The underlying purpose of this proposal is to bestow a reasonable and more equitable financial responsibility for the condition of our Nation's waterways on those who receive the most direct benefit. A well-conceived user fee program will lower the cost of construction and maintenance to the taxpayer, and will provide users with a direct incentive to advocate and carry out cost-effective proposals for waterway improvements.

I urge my colleagues to join me in support of this important legislation.●

UKRAINIAN INDEPENDENCE DAY

The SPEAKER. Under a previous order of the House, the gentleman from New York (Mr. STRATTON) is recognized for 5 minutes.

Mr. STRATTON. Mr. Speaker, I am proud to join once again this year in our annual observance of Ukrainian Independence Day. This year marks the 61st anniversary of the original Proclamation of the Independence of the Ukraine and the continuing struggle of the Ukrainian people against assimilation by their Russian masters.

It was on January 22, 1918, after 2½ centuries of Polish and Russian domination, that the people of the Ukraine finally threw off the shackles of oppression and finally declared themselves a free and independent nation. That date marked the fulfillment of the dreams of ten generations of Ukrainians who had never once relinquished their desire for freedom and independence.

But then, as we all know, after less than three years of this new independence, during which the people of the Ukraine put up a valiant struggle for the protection of their homeland, the new Communist Government of the Soviet Union overran the Ukraine by military force and established their particular brand of totalitarian rule over the Ukraine.

Today the Ukrainian people are still denied any recognition of national identity or the exercise of the rights of an independent people. Instead, they are persistently subjected to a deliberate policy of national absorption and attempted cultural extinction by the Soviet Union which wields this political repression in the name of ideological unity.

However, on this anniversary I want to pay tribute in a very special and personal way to the people of the Ukraine who live under this Soviet rule yet still keep alive in their hearts the memory of freedom and the hope of the eventual return of that freedom. I had the pleasure last Easter, along with other members of the committee, of visiting Kiev, the capital of the Ukraine, as part of a trip to the U.S.S.R. We also visited Leningrad and Moscow. But every member of our group agreed that the high point of our Soviet visit was Kiev. The weather was warmer, and the people were more friendly, more outgoing, and obviously this was the manifestation of their inward spirit of freedom and independence, reflected in a warm regard for the United States and for the American people.

So we saw with our own eyes that the tender flame of freedom still does burn in the hearts of the people of the Ukraine.

And, finally, Mr. Speaker, let me extend my tributes to those Americans of Ukrainian descent who have kept alive their Ukrainian heritage here in America and who have made such a valuable contribution to our American cultural development. Because of their interest, their zeal, and their fervor I am sure that the day is closer now than it was a year—or even 61 years—ago when the Ukraine and its people will once again walk in freedom and independence.

FINDINGS AND RECOMMENDATIONS

(Mr. STOKES asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. STOKES. Mr. Speaker, the Select Committee on Assassinations concluded its work on the assassinations of President John F. Kennedy and Dr. Martin Luther King, Jr., on January 3, 1979. At that time the committee submitted to the Clerk a summary of the findings and recommendations of the committee. I ask unanimous consent that the text of those findings and recommendations be inserted in the RECORD at the conclusion of my remarks, in order that my colleagues and others interested in our work can have general access to them.

It is expected that the final report, our hearings, and other documents will be edited in a fashion suitable for declassification and publication in the coming weeks under the auspices of the Clerk of the House. My understanding is that these documents should be ready for publication by the end of March.

The material follows:

SUMMARY OF FINDINGS AND RECOMMENDATIONS

(Final report of the Select Committee on Assassinations, U.S. House of Representatives, 95th Congress, 2d session, December 29, 1978)

SELECT COMMITTEE ON ASSASSINATIONS,
Washington, D.C., December 29, 1978.

Hon. EDMOND L. HENSHAW, Jr.,
Clerk of the House,
U.S. Capitol,
Washington, D.C.

DEAR MR. HENSHAW: On behalf of the Select Commitee on Assassinations, and pursuant to the mandate of House Resolutions 222 and 433, I am filing for presentation to the House of Representatives the encolsed Summary of Findings and Recommendations of the Select Committee on Assassinations.

As has been agreed upon with the Speaker of the House, the Committee is filing this Summary of Findings and Recommendations while the preparation of the complete volumes of its Final Report continues under your auspices. The complete Final Report will include Volume I, the Findings and Recommendations of the Select Committee with an analysis of the evidence concerning each finding and recommendation; and Volumes II and sequential volumes, which will contain the Committee's hearings, scientific reports, and other materials pertinent to the Committee's investigation. These volumes will be presented to the House as soon as they can be suitably prepared for publication, including, where appropriate, the declassification of classified information. It is anticipated that the entire Final Report will be published by March 30, 1979.

Sincerely,

LOUIS STOKES, *Chairman.*

I. FINDINGS OF THE SELECT COMMITTEE ON ASSASSINATIONS IN THE ASSASSINATION OF PRESIDENT JOHN F. KENNEDY IN DALLAS, TEX., NOVEMBER 22, 1963

A. Lee Harvey Oswald fired three shots at President John F. Kennedy. The second and third shots he fired struck the President. The third shot he fired killed the President.

1. President Kennedy was struck by two rifle shots fired from behind him.

2. The shots that struck President Kennedy from behind him were fired from the sixth floor window of the southeast corner of the Texas School Book Depository building.

3. Lee Harvey Oswald owned the rifle that was used to fire the shots from the sixth floor window of the southeast corner of the Texas School Book Depository building.

4. Lee Harvey Oswald, shortly before the assassination, had access to and was present on the sixth floor of the Texas School Book Depository building.

5. Lee Harvey Oswald's other actions tend to support the conclusion that he assassinated President Kennedy.

B. Scientific acoustical evidence establishes a high probability that two gunmen fired at President John F. Kennedy. Other scientific evidence does not preclude the possibility of two gunmen firing at the President. Scientific evidence negates some specific conspiracy allegations.

C. The Committee believes, on the basis of the evidence available to it, that President John F. Kennedy was probably assassinated as a result of a conspiracy. The Committee is unable to identify the other gunman or the extent of the conspiracy.

1. The Committee believes, on the basis of the evidence available to it, that the Soviet Government was not involved in the assassination of President Kennedy.

2. The Committee believes, on the basis of the evidence available to it, that the Cuban Government was not involved in the assassination of President Kennedy.

3. The Committee believes, on the basis of the evidence available to it, that anti-Castro Cuban groups, as groups, were not involved in the assassination of President Kennedy, but that the available evidence does not preclude the possibility that individual members may have been involved.

4. The Committee believes, on the basis of the evidence available to it, that the national syndicate of organized crime, as a group, was not involved in the assassination of President Kennedy, but that the available evidence does not preclude the possibility that individual members may have been involved.

5. The Secret Service, Federal Bureau of Investigation and Central Intelligence Agency were not involved in the assassination of President Kennedy.

D. Agencies and departments of the United States Government performed with varying degrees of competency in the fulfillment of their duties. President John F. Kennedy did not receive adequate protection. A thorough and reliable investigation into the responsibility of Lee Harvey Oswald for the assassination of President John F. Kennedy was conducted. The investigation into the possibility of conspiracy in the assassination was inadequate. The conclusions of the investigations were arrived at in good faith, but presented in a fashion that was too definitive.

1. The Secret Service was deficient in the performance of its duties.

(a) The Secret Service possessed information that was not properly analyzed, investigated or used by the Secret Service in connection with the President's trip to Dallas; in addition, Secret Service agents in the motorcade were inadequately prepared to protect the President from a sniper.

(b) The responsibility of the Secret Service to investigate the assassination was terminated when the Federal Bureau of Investigation assumed primary investigative responsibility.

2. The Department of Justic failed to exercise initiative in supervising and directing the investigation by the Federal Bureau of Investigation of the assassination.

3. The Federal Bureau of Investigation performed with varying degrees of competency in the fulfillment of its duties.

(a) The Federal Bureau of Investigation adequately investigated Lee Harvey Oswald prior to the assassination and properly evaluated the evidence it possessed to assess his potential to endanger the public safety in a national emergency.

(b) The Federal Bureau of Investigation conducted a thorough and professional investigation into the responsibility of Lee Harvey Oswald for the assassination.

(c) The Federal Bureau of Investigation failed to investigate adequately the possibility of a conspiracy to assassinate the President.

(d) The Federal Bureau of Investigation was deficient in its sharing of information with other agencies and departments.

4. The Central Intelligence Agency was deficient in its collection and sharing of information both prior to and subsequent to the assassination.

5. The Warren Commission performed with varying degrees of competency in the fulfillment of its duties.

(a) The Warren Commission conducted a thorough and professional investigation into the responsibility of Lee Harvey Oswald for the assassination.

(b) The Warren Commission failed to investigate adequately the possibility of a conspiracy to assassinate the President. This deficiency was attributable in part to the failure of the Commission to receive all the relevant information that was in the possession of other agencies and departments of the government.

(c) The Warren Commission arrived at its conclusions, based on the evidence available to it, in good faith.

(d) The Warren Commission presented the conclusions in its report in a fashion that was too definitive.

II. Findings of The Select Committee on Assassinations in the Assassination of Dr. Martin Luther King, Jr. in Memphis, Tenn., April 4, 1968.

A. James Earl Ray fired one shot at Dr. Martin Luther King, Jr. The shot killed Dr. King.

1. Dr. King was killed by one rifle shot fired from in front of him.

2. The shot that killed Dr. King was fired from the bathroom window at the rear of a rooming house at 422½ South Main Street, Memphis, Tenn.

3. James Earl Ray purchased the rifle that was used to shoot Dr. King and transported it from Birmingham, Ala. to Memphis Tenn., where he rented a room at 422½ South Main Street, and moments after the assassination, he dropped it near 424 South Main Street.

4. It is highly probable that James Earl Ray stalked Dr. King for a period immediately preceding the assassination.

5. James Earl Ray fled the scene of the crime immediately after the assassination.

6. James Earl Ray's alibi for the time of the assassination, his story of "Raoul", and other allegedly exculpatory evidence are not worthy of belief.

7. James Earl Ray knowingly, intelligently, and voluntarily pleaded guilty to the first degree murder of Dr. King.

B. The Committee believes, on the basis of the circumstantial evidence available to it, that there is a likelihood that James Earl Ray assassinated Dr. Martin Luther King as a result of a conspiracy.

C. The Committee believes, on the basis of the evidence available to it, that no private organizations or individuals, other than those discussed under Section B, were involved in the assassination of Dr. King.

D. No federal, state or local government agency was involved in the assassination of Dr. King.

E. The Department of Justice and the Federal Bureau of Investigation performed with varying degrees of competency and legality in the fulfillment of their duties.

1. The Department of Justice failed to supervise adequately the Domestic Intelligence Division of the Federal Bureau of Investigation. In addition, the Federal Bureau of Investigation, in the Domestic Intelligence Division's COINTELPRO campaign against Dr. King, grossly abused and exceeded its legal authority and failed to consider the possibility that actions threatening bodily harm to Dr. King might be encouraged by the program.

2. The Department of Justice and Federal Bureau of Investigation performed a thorough investigation into the responsibility of

James Earl Ray for the assassination of Dr. King and conducted a thorough fugitive investigation, but failed to investigate adequately the possibility of conspiracy in the assassination. The Federal Bureau of Investigation manifested a lack of concern for constitutional rights in the manner in which it conducted parts of the investigation.

III. RECOMMENDATIONS OF THE SELECT COMMITTEE ON ASSASSINATIONS

I. Legislative recommendations on issues involving the prohibition, prevention and prosecution of assassinations and Federally cognizable homicides

A. Prohibition and Prevention:

1. The Judiciary Committee should process for early consideration by the House legislation that would make the assassination of a Chief of State of any country, or his political equivalent, a federal offense, if the offender is an American citizen or acts on behalf of an American citizen, or if the offender can be located in the United States.

2. The Judiciary Committee should process for early consideration by the House comprehensive legislation that would codify, revise and reform the federal law of homicide, paying special attention to assassinations. The Judiciary Committee should give appropriate attention to the related offenses of conspiracy, attempt, assault and kidnapping in the context of assassinations. Such legislation should be processed independently of the general proposals for the codification, revision or reform of the Federal criminal law. The Committee should address the following issues in considering the legation:

(a) Distinguishing between those persons who should receive the protection of federal law because of the official positions they occupy and those persons who should receive protection of federal law only in the performance of their official duties,

(b) Extending the protection of federal law to persons who occupy high judicial and executive positions, including Justices of the Supreme Court and Cabinet officers,

(c) The applicability of these laws to private individuals in the exercise of constitutional rights,

(d) The penalty to be provided for homicide and the related offenses, including the applicability and the constitutionality of the death penalty,

(e) The basis for the exercise of federal jurisdiction, including domestic and extraterritorial reach,

(f) The pre-emption of state jurisdiction without the necessity of any action on the part of the Attorney General where the President is assassinated,

(g) The circumstances under which federal jurisdiction should preempt state jurisdiction in other cases,

(h) The power of federal investigative agencies to require autopsies to be performed,

(i) The ability of federal investigative agencies to secure the assistance of other federal or state agencies, including the military, other laws notwithstanding,

(j) The authority to offer rewards to apprehend the perpetrators of the crime,

(k) A requirement of forfeiture of the instrumentalities of the crime,

(l) The condemnation of personal or other effects of historical interest,

(m) The advisability of providing, consistent with the first amendment, legal trust devices to hold for the benefit of victims, their families, or the general treasury, the profits realized from books, movie rights, or public appearances by the perpetrator of the crime, and

(n) The applicability of threat and physical zone of protection legislation to persons under the physical protection of federal investigative or law enforcement agencies.

3. The appropriate Committees of the House should process for early consideration by the House charter legislation for the Central Intelligence Agency and Federal Bureau of Investigation. The Committees should address the following issues in considering the charter legislation:

(a) The proper foreign and domestic intelligence functions of the intelligence and investigative agencies of the United States,

(b) The relationship between the domestic intelligence functions and the interference with the exercise of individual constitutional rights,

(c) The delineation of proper law enforcement functions and techniques including:

(i) the use of informants and electronic surveillance,

(ii) guidelines to circumscribe the use of informants or electronic surveillance to gather intelligence on, or investigate, groups that may be exercising first amendment freedoms, and

(iii) the proper response of intelligence or investigative agencies where information is developed that an informant has committed a crime.

(d) Guidelines to consider the circumstances, if any, when an investigative agency or a component of that agency should be disqualified from taking an active role in an investigation because of an appearance of impropriety growing out of a particular intelligence or investigative action,

(e) Definitions of the legislative scope and extent of "sources and methods" and the "informant privilege" as a rationale for the executive branch withholding information in response to Congressional or judicial process or other demand for information,

(f) Institutionalizing efforts to coordinate the gathering, sharing, and analysis of intelligence information,

(g) Insuring those agencies that primarily gather intelligence perform their function so as to serve the needs of other agencies that primarily engage in physical protection, and

(h) Implementing mechanisms that would permit interagency tasking of particular functions.

B. Prosecution:

1. The Judiciary Committee should consider the impact of the provisions of law dealing with third-party records, bail and speedy trial as it applies to both the investigation and prosecution of federally cognizable homicides.

2. The Judiciary Committee should examine recently passed special prosecutor legislation to determine if its provisions should be modified to extend them to presidential assassinations and the circumstances, if any, under which they should be applicable to other federally cognizable homicides.

II. Administrative recommendations to the Executive

The Department of Justice should reexamine its contingency plans for the handling of assassinations and federally cognizable homicides in light of the record and findings of the Committee. Such an examination should consider the following issues:

A. Insuring that its response takes full advantage of inter and intraagency task forces and the strike force approach to investigations and prosecutions.

B. Insuring that its response takes full advantage of the advances of science and technology, and determining when it should secure independent panels of scientists to review or perform necessary scientific tasks, or secure qualified independent forensic pathologists to perform a forensic autopsy.

C. Insuring that its fair trial/free press guidelines, consistent with an alleged offender's right to a fair trial, allow information about the facts and circumstances surrounding an assassination promptly be made public, and promptly be corrected when erroneous information is mistakenly released, and

D. Entering at the current time into negotiations with representatives of the media to secure voluntary agreements providing that photographs, audio tapes, television tapes and related matters, made in and around the site of assassinations, be made available to the government by consent immediately following an assassination.

III. General recommendations for congressional investigations

A. The appropriate Committees of the House should consider amending the Rules of the House to provide for a right to appointive counsel in investigative hearings where a witness is unable to provide counsel from private funds.

B. The appropriate Committees of the House should examine the Rules of the House governing the conduct of counsel in legislative and investigative hearings and consider delineating guidelines for professional conduct and ethics, including guidelines to deal with conflicts of interest in the representation of multiple witnesses before a Committee.

C. The Judiciary Committee should examine the adequacy of federal law as it provides for the production of federal and state prisoners before legislative or investigative committees under a writ of habeas corpus ad testificandum.

D. The appropriate Committees of the House should examine and clarify the applicability to Congressional subpoenas of recently enacted legislative restrictions on access to records and other documents.

E. The appropriate Committees of the House should consider legislation that would authorize the establishment of a legislative counsel to conduct litigation on behalf of committees of the House incident to the investigative or legislative activities and confer jurisdiction on the United States District Court for the District of Columbia to hear such lawsuits.

F. The appropriate committees of the House should consider if Rule 11 of the House should be amended, so as to restrict the current access by all Members of the House to the classified information in the possession of any committee.

IV. Recommendations for further investigation

A. The Department of Justice should contract for the examination of a film taken by Charles L. Bronson to determine its significance, if any, to the assassination of President Kennedy.

B. The National Institute of Law Enforcement and Criminal Justice of the Department of Justice and the National Science Foundation should make a study of the theory and application of the principles of acoustics to forensic questions, using the materials available in the assassination of President John F. Kennedy as a case study.

C. The Department of Justice should review the Committee's findings and report in the assassinations of President John F. Kennedy and Dr. Martin Luther King, Jr., and after completion of the recommended investigation enumerated in Sections A and B, analyze whether further official investigation is warranted in either case. The Department of Justice should report its analysis to the Judiciary Committee.

□ 1510

GENERAL LEAVE

Mr. ANTHONY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include therein extraneous material on the subject of the special orders today by the gentleman from Arkansas (Mr. ALEXANDER) and the gentleman from Pennsylvania (Mr. FLOOD).

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. GILMAN) to revise and extend their remarks and include extraneous material:)

Mr. DAVIS of Michigan, for 5 minutes, today.

Mr. GOLDWATER, for 5 minutes, today.

(The following Members (at the request of Mr. ANTHONY) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. ALEXANDER, for 30 minutes, today.

Mr. ROSTENKOWSKI, for 10 minutes, today.

Mr. BENJAMIN, for 5 minutes, today.

Mr. UDALL, for 5 minutes, today.

Mr. BEDELL, for 5 minutes, today.

Mr. WOLFF, for 30 minutes, on January 25.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks were granted to:

(The following Members (at the request of Mr. GILMAN) and to include extraneous material:)

Mr. LENT.

Mr. LOTT.

Mr. DERWINSKI.

Mr. YOUNG of Florida, in five instances.

Mr. YOUNG of Alaska.

Mr. GILMAN in five instances.

Mr. FORSYTHE.

Mr. MICHEL.

Mr. DORNAN.

(The following Members (at the request of Mr. ANTHONY) and to include extraneous matter:)

Mr. ROBERTS.

Mr. GUDGER.

Mr. GORE in two instances.

Mr. ANDERSON of California in three instances.

Mr. GONZALEZ in three instances.

Mr. JONES of Tennessee in 10 instances.

Mr. BONER of Tennessee in 10 instances.

Mr. BONIOR of Michigan.

Mr. FISHER.

Mr. RAHALL.

Mr. HAMILTON.

Mrs. SPELLMAN.

Mr. BENJAMIN.

Mr. JOHN L. BURTON.

ADJOURNMENT

Mr. ANTHONY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 16 minutes p.m.), the House adjourned until Thursday, January 25, 1979, at 11 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

464. A communication from the President of the United States, transmitting a draft of proposed legislation to implement the Panama Canal Treaty of 1977 and related agreements, and for other purposes (H. Doc. No. 96–39); jointly, to the Committees on Merchant Marine and Fisheries, International Relations, the Judiciary, and Post Office and Civil Service and ordered to be printed.

465. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Army's proposed sale of military equipment to the Netherlands (transmittal No. 79–5), pursuant to section 813 of Public Law 94–106, as amended; to the Committee on Armed Services.

466. A letter from the Director, National Legislative Commission, The American Legion, transmitting the proceedings of their 1978 National Convention, a report of the activities for the year preceding the convention, and a financial statement and independent audit of the organization, pursuant to section 9 of the act of September 19, 1919, and section 3 of Public Law 88–504 (H. Doc. No. 96–42); to the Committee on Veterans' Affairs and ordered to be printed.

467. A letter from the National Adjutant, Disabled American Veterans, transmitting the proceedings of their 1978 National Convention and an independent audit report as of December 31, 1977, pursuant to section 9(a) of the act of June 17, 1932, and section 3 of Public Law 88–504 (H. Doc. No. 96–43); to the Committee on Veterans' Affairs and ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. AKAKA (for himself and Mr. HEFTEL):

H.R. 1319. A bill to extend the period for duty-free entry of a 3.60 meter telescope and associated articles for the use of the Canada-France-Hawaii Telescope Project at Mauna Kea, Hawaii; to the Committee on Ways and Means.

By Mr. BENJAMIN:

H.R. 1320. A bill to amend the Disaster Relief Act of 1974; to the Committee on Public Works and Transportation.

By Mr. BROOMFIELD:

H.R. 1321. A bill to amend the Immigration and Nationality Act to provide for the deportation of any alien who receives welfare benefits as a result of causes not affirmatively shown to have arisen after entry, to the Committee on the Judiciary.

H.R. 1322. A bill to provide property tax relief to low-income elderly homeowners through direct reimbursements; to the Committee on Ways and Means.

H.R. 1323. A bill to amend the Internal Revenue Code of 1954 to provide a refundable credit against tax for post-secondary education expenses for tuition and fees paid by the taxpayer attributable to the attendance of a student at an institution of post-secondary education, and for other purposes; to the Committee on Ways and Means.

By Mr. JOHN L. BURTON:

H.R. 1324. A bill to amend title IV of the Higher Education Act of 1965 to establish a system of student tuition advances to be repaid as an income tax imposed by the Internal Revenue Code of 1954, and for other purposes; jointly, to the Committees on Education and Labor, and Ways and Means.

By Mr. CONTE:

H.R. 1325. A bill to authorize the disposal of silver from the national stockpile; to the Committee on Armed Services.

H.R. 1326. A bill to prohibit discriminatory employment practices with respect to physically handicapped persons; to the Committee on Education and Labor.

H.R. 1327. A bill to amend the National Labor Relations Act to provide that a labor organization is not required to provide legal representation to an employee in an arbitration proceeding if such employee is not a member of such labor organization; to the Committee on Education and Labor.

H.R. 1328. A bill to amend the National Commission on Libraries and Information Science Act to require the National Commission on Libraries and Information Science to conduct studies of the library and information needs of children; to the Committee on Education and Labor.

H.R. 1329. A bill to amend the Buy American Act to increase the incentives for the purchase of domestic articles, materials, and supplies with regard to Federal and federally funded procurements; to the Committee on Government Operations.

H.R. 1330. A bill to prohibit travel at Government expense outside the United States by Members of Congress who have been defeated, or who have resigned, or retired; to the Committee on House Administration.

H.R. 1331. A bill to amend the National Trails System Act to authorize a feasibility study for the establishment of certain bicycle trails; to the Committee on Interior and Insular Affairs.

H.R. 1332. A bill to amend the Wild and Scenic Rivers Act to designate a certain portion of the St. John River in Maine as a potential addition to the National Wild and Scenic Rivers System; to the Committee on Interior and Insular Affairs.

H.R. 1333. A bill to establish a National Commission on Regulatory Reform; to the Committee on Interstate and Foreign Commerce.

H.R. 1334. A bill to improve existing tertiary eye centers, to examine the delivery of eye care to the general public, and to study the feasibility of implementing a system of tertiary eye care centers throughout the United States; to the Committee on Interstate and Foreign Commerce.

H.R. 1335. A bill to amend subtitle IV of title 49, United States Code, to provide assistance in rebuilding the Nation's railroad rights-of-way, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 1336. A bill to enact the National School-Age Mother and Child Health Act of 1979; to the Committee on Interstate and Foreign Commerce.

H.R. 1337. A bill to amend title VIII of the Public Health Service Act to extend for 2 fiscal years the program of assistance for nurse training; to the Committee on Interstate and Foreign Commerce.

H.R. 1338. A bill to prohibit any increase in the price of certain consumer commodities by any retailer once a price is placed on any such commodity by such retailer, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 1339. A bill to amend the Communications Act of 1934 to establish orderly procedures for the consideration of applications for renewal of broadcast licenses; to the Committee on Interstate and Foreign Commerce.

H.R. 1340. A bill to amend section 1951, title 18, United States Code, Act of July 3, 1946; to the Committee on the Judiciary.

H.R. 1341. A bill to amend part J of title I of the Omnibus Crime Control and Safe Streets Act of 1968 to provide to Federal public safety officers the same benefits accorded under such part to State and local public safety officers; to the committee on the Judiciary.

H.R. 1342. A bill authorizing the Secretary of the Interior to issue certain obligations and to utilize the revenues therefrom to acquire additional wetlands; to the Committee on Merchant Marine and Fisheries.

H.R. 1343. A bill to provide that any increase in the rate of pay for Members of Congress proposed during any Congress shall not take effect earlier than the beginning of the next Congress; to the Committee on Post Office and Civil Service.

H.R. 1344. A bill to designate the birthday of "Susan B. Anthony" as a legal public holiday; to the Committee on Post Office and Civil Service.

H.R. 1345. A bill to require that new forms and reports, and revisions of existing forms, resulting from legislation be contained in reports of committees reporting the legislation; to the Committee on Rules.

H.R. 1346. A bill to amend title 38 of the United States Code to provide for the payment of supplemental tuition allowances for certain veterans pursuing educational programs; to the Committee on Veterans' Affairs.

H.R. 1347. A bill to amend title II of the Social Security Act to provide that any individual may qualify for disability insurance benefits, and the disability freeze if he has 20 quarters of coverage (and meets the other conditions of eligibility therefor), regardless of which such quarters were earned; to the Committee on Ways and Means.

H.R. 1348. A bill to amend title II of the Social Security Act so as to liberalize the conditions governing eligibility of blind persons to receive disability insurance benefits thereunder; to the Committee on Ways and Means.

H.R. 1349. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

H.R. 1350.—A bill to amend title XVIII of the Social Security Act to provide that the periodic adjustments made in the inpatient hospital deductible shall hereafter reflect increases in social security cash benefits rather than increases in the cost of inpatient hospital services; to the Committee on Ways and Means.

H.R. 1351.—A bill to amend the Internal Revenue Code of 1954 to require the establishment of formal procedures and criteria for the selection of individual income tax returns for audit, to inform individuals of the reasons why their returns were selected for audit, and for other purposes; to the Committee on Ways and Means.

H.R. 1352. A bill to amend the Internal Revenue Code of 1954 to allow a deduction to individuals who rent their principal residences for a portion of the real property taxes paid or accrued by their landlords; to the Committee on Ways and Means.

H.R. 1353. A bill to amend section 167 of the Internal Revenue Code of 1954 to encourage landlords to meet minimal housing standards by disallowing the depreciation deduction to a landlord who has been convicted of violating a housing code; to the Committee on Ways and Means.

H.R. 1354. A bill to amend the Internal Revenue Code of 1954 to provide income tax incentives for the modification of certain facilities and vehicles so as to remove architectural and transportational barriers to the handicapped and elderly; to the Committee on Ways and Means.

H.R. 1355. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income the first $5,000 of interest received on certain savings deposits in the case of individuals over 65 years of age; to the Committee on Ways and Means.

H.R. 1356. A bill to amend the Internal Revenue Code of 1954 to provide a tax credit with respect to housing senior citizens in the principal residence of the taxpayer; to the Committee on Ways and Means.

H.R. 1357. A bill to amend the Internal Revenue Code of 1954 to remove certain age restrictions applicable to individual retirement accounts and retirement plans for the self-employed; to the Committee on Ways and Means.

H.R. 1358. A bill to amend the Social Security Act to provide for inclusion of the services of licensed (registered) nurses under medicare and medicaid; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 1359. A bill to amend the Social Security Act to direct the Secretary of Health, Education, and Welfare to develop standards relating to the rights of patients in certain medical facilities; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 1360. A bill to amend titles II and XVIII of the Social Security Act to include qualified drugs, requiring a physician's prescription or certification and approved by a Formulary Committee, among the items and services covered under the hospital insurance program; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. COTTER:

H.R. 1361. A bill to amend the Internal Revenue Code of 1954 to permit a taxpayer to claim a credit for amounts paid as tuition to provide education for himself, for his spouse, or his dependents, and to provide that such credit is refundable; to the Committee on Ways and Means.

By Mr. EDWARDS of Alabama:

H.R. 1362. A bill to amend the Elementary and Secondary Education Act of 1965 to provide for drug abuse therapy programs in schools; to the Committee on Education and Labor.

H.R. 1363. A bill to amend the Federal Trade Commission Act to prohibit the Federal Trade Commission from requiring any person, partnership, or corporation to file line of business reports; to the Committee on Interstate and Foreign Commerce.

H.R. 1364. A bill to amend the Civil Rights Act of 1964 to provide a limitation of 2 years on civil actions brought to prevent unlawful employment practices; to the Committee on the Judiciary.

H.R. 1365. A bill to provide that in civil actions where the United States is a plaintiff, a prevailing defendant may recover a reasonable attorney's fee and other reasonable litigation costs; to the Committee on the Judiciary.

H.R. 1366. A bill to impose quantitive limitations on the importation of shrimp into the United States during calendar years 1979 and 1980, and to impose a duty on imported shrimp; to the Committee on Ways and Means.

By Mr. GAYDOS:

H.R. 1367. A bill to require authorizations of new budget authority for Government programs at least every 5 years, to provide for review of Government programs every 5 years, and for other purposes; jointly, to the Committees on Government Operations and Rules.

H.R. 1368. A bill to require authorizations of new budget authority for Government programs at least every 5 years, to establish a procedure for zero-based review of Government programs every 5 years, and for other purposes; jointly, to the Committees on Rules and Government Operations.

By Mr. GILMAN:

H.R. 1369. A bill to amend the Public Health Service Act to authorize financial assistance for projects and programs to train physicians and other health personnel to identify and deal with the special medical problems related to the mentally retarded and to improve the ability of such personnel to provide health care to the mentally retarded; to the Committee on Interstate and Foreign Commerce.

H.R. 1370. A bill to amend title 38, United States Code, in order to entitle veterans to 54 months of educational assistance for all educational programs under chapter 34 of such title, to eliminate the time limitation within which educational assistance must be used, and to restore on behalf of certain veterans educational assistance benefits previously terminated; to the Committee on Veterans' Affairs.

H.R. 1371. A bill to establish a task force to study and evaluate the taxation of real property by State and local governments, the effects of such taxation on certain taxpayers, and the feasibility of Federal taxation and other policies designed to reduce the dependence of State and local governments on such taxation; jointly, to the Committees on Ways and Means and Government Operations.

By Mr. GRASSLEY:

H.R. 1372. A bill to amend the Internal Revenue Code of 1954 to subject investors to the capital gains tax on gain from the sale of real property situated in the United States; to the Committee on Ways and Means.

By Mr. GUDGER (for himself, Mr. PREYER, Mr. ANDREWS of North Carolina, Mr. NEAL, Mr. WHITLEY, Mr. HEFNER, Mr. EVANS of Georgia, Mr. HALL of Texas, and Ms. HOLTZMAN):

H.R. 1373. A bill to amend the Federal Rules of Criminal Procedure to limit Federal searches and seizures of property in the possession of innocent third parties; to the Committee on the Judiciary.

By Mr. HAMMERSCHMIDT:

H.R. 1374. A bill to amend the Food Stamp Act of 1964, to exclude from coverage under the act households which have members who are on strike, and for other purposes; to the Committee on Agriculture.

H.R. 1375. A bill to require that imported meat and meat food products made in whole or in part of imported meat be subjected to certain tests and that such meat or products be identified as having been imported; to require the inspection of imported dairy products, and that such products comply with certain minimum standards of sanitation; to require that the cost of conducting such tests, inspections, and identification procedures on imported meat and meat food products and on dairy products, as the case may be, be borne by the exporters of such articles, and for other purposes; to the Committee on Agriculture.

H.R. 1376. A bill to repeal the Occupational Safety and Health Act of 1970; to the Committee on Education and Labor.

H.R. 1377. A bill to amend the Occupational Safety and Health Act of 1970 to provide that such Act shall not apply to employers, including farming operations, having 25 or fewer employees; to the Committee on Education and Labor.

H.R. 1378. A bill to amend the Occupational Safety and Health Act of 1970 to provide that any employer who successfully contests a citation or penalty shall be awarded a reasonable attorney's fee and other reasonable litigation costs; to the Committee on Education and Labor.

H.R. 1379. A bill to amend the Occupational Safety and Health Act of 1970 to provide that the Administrator of the Small Business Administration may render onsite consultation and advice to certain small business employers to assist such employers in providing safe and healthful working conditions for their employees; to the Committee on Education and Labor.

H.R. 1380. A bill to amend the Community Services Act of 1974 to permit the Director of the Community Services Administration to furnish assistance for the installation of security devices in the residences of elderly persons; to the Committee on Education and Labor.

H.R. 1381. A bill to permit the review of regulatory rules and regulations by the Congress; to the Committee on Government Operations.

H.R. 1382. A bill to amend the Communications Act of 1934 in order to prohibit the television broadcasting of programs portraying nudity, obscenity, or explicit sexual activity which is offensive to the public taste and morals; to the Committee on Interstate and Foreign Commerce.

H.R. 1383. A bill to expand the medical freedom of choice of consumers by amending the Federal Food, Drug, and Cosmetic Act to provide that drugs will be regulated under that act solely to assure their safety; to the Committee on Interstate and Foreign Commerce.

H.R. 1384. A bill to provide that in civil actions where the United States is a plaintiff, a prevailing defendant may recover a reasonable attorney's fee and other reasonable litigation costs; to the Committee on the Judiciary.

H.R. 1385. A bill to amend the Administrative Procedure Act to require the performance and publication of economic impact analyses in the Federal Register for all proposed and final rules which are subject to the provisions of that act; to the Committee on the Judiciary.

H.R. 1386. A bill to amend chapter 44 of title 18 of the United States Code (respecting firearms) to penalize the use of firearms in the commission of any felony and to increase the penalties in certain relating existing provisions; to the Committee on the Judiciary.

H.R. 1387. A bill to amend the Congressional Budget Act fo 1974 to require the Congressional Budget Office to prepare economic impact statements in connection with legislation reported by congressional committees and in connection with rules and regulations proposed by Federal agencies; to the Committee on Rules.

H.R. 1388. A bill to amend section 110 of title 38, United States Code, to liberalize the standard for preservation of disability evaluations for compensation purposes; to the Committee on Veterans' Affairs.

H.R. 1389. A bill to amend section 3104 of title 38, United States Code, to permit certain service-connected disabled veterans who are retired members of the uniformed services to receive compensation concurrently with retired pay, without deduction from either; to the Committee on Veterans' Affairs

H.R. 1390. A bill to extend to all unmarried individuals the full tax benefits of income splitting now enjoyed by married individuals filing joint returns; and to remove rate inequities for married persons where both are employed; to the Committee on Ways and Means.:

H.R. 1391. A bill to amend the Internal Revenue Code of 1954 to allow a credit against income tax to individuals for certain expenses incurred in higher education; to the Committee on Ways and Means.

H.R. 1392. A bill to amend the Internal Revenue Code of 1954 to encourage higher education, and particularly the private funding thereof, by authorizing a deduction from gross income of reasonable amounts contributed to a qualified higher education fund established by the taxpayer for the purpose of funding the higher education of his dependents; to the Committee on Ways and Means.

H.R. 1393. A bill to amend the Internal Revenue Code of 1954 to allow an individual to exclude from gross income the gain from the sale or exchange of the individual's principal residence; to the Committee on Ways and Means.

H.R. 1394. A bill to amend the Internal Revenue Code of 1954 to exempt nonprofit volunteer firefighting or rescue organizations from the Federal excise taxes on gasoline, diesel fuel, and certain other articles and services; to the Committee on Ways and Means.

H.R. 1395. A bill to amend the Internal Revenue Code of 1954 to encourage the employment of handicapped individuals by providing a tax credit for a certain portion of the wages paid to such individuals; to the Committee on Ways and Means.

H.R. 1396. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for the purchase and installation of certain teletypewriters for use by individuals whose sight, hearing, or speech is impaired; to the Committee on Ways and Means.

H.R. 1397. A bill to provide an opportunity to individuals to make financial contributions, in connection with the payment of their Federal income tax, for the advancement of the arts and the humanities; to the Committee on Ways and Means.

H.R. 1398. A bill to repeal the earnings limitations of the Social Security Act; to the Committee on Ways and Means.

H.R. 1399. A bill to amend title XVI of the Social Security Act to provide that an alien is not qualified for supplemental security income benefits unless he has a parmanent resident status in the United States and has continuously resided in the United States for at least 6 years, and to provide for the establishment of procedures which will more effectively prevent the payment of such benefits to individuals who become ineligible because of their departure from the United States; to the Committee on Ways and Means.

H.R. 1400. A bill to amend title XX of the Social Security Act to include among the services eligible for Federal assistance under such title the installation of devices to promote the security of the elderly in their homes; to the Committee on Ways and Means.

H.R. 1401. A bill to establish a method whereby the Congress (acting in accordance with specified procedures) may prevent the adoption by the executive branch of rules or regulations which are contrary to law or inconsistent with congressional intent or which go beyond the mandate of the legislation which they are designed to implement; jointly, to the Committees on the Judiciary and Rules.

H.R. 1402. A bill to amend title 5 of the United States Code to establish a uniform procedure for congressional review of agency rules which may be contrary to law or inconsistent with congressional intent, to expand opportunities for public participation in agency rulemaking, and for other purposes; jointly, to the Committees on the Judiciary and Rules.

H.R. 1403. A bill to provide for quality assurance and utilization control in home health care under the medicare, medicaid, and social services programs in accordance with a plan to be developed by a commission specifically established for that purpose; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 1404. A bill to amend title XVIII of the Social Security Act to remove all limits on the number of home health visits for which payment may be made under both part A and part B (eliminating the requirement of prior hospitalization in the case of home health care under part A), to include additional types of services as home health care, and for other purposes; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 1405. A bill to amend title XVIII of the Social Security Act to authorize payment under the supplementary medical insurance program for optometric and medical vision care; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 1406. A bill to amend title XVIII of the Social Security Act to include dental care, eye care, hearing aids, physical checkups, and foot care among the items and services for which payment may be made under the supplementary medical insurance program, and to provide safeguards against consumer abuse in the provision of these items and services; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 1407. A bill to amend title XVIII of the Social Security Act to authorize payment under the medicare program for certain services performed by chiropractors; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 1408. A bill to amend title XVIII of the Social Security Act to provide for coverage under part B of medicare for routine Papanicolaou tests for the diagnosis of uterine cancer; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 1409. A bill to provide for congressional review of all regulations relating to costs and expenditures for health care, reimbursements to individuals or providers of health care, and for other purposes; jointly, to the Committees on Interstate and Foreign Commerce, Ways and Means, and Rules.

H.R. 1410. A bill to protect the public from traffickers in heroin and other opiates, and for other purposes; jointely to the Committees on Interstate and Foreign Commerce, the Judiciary, Banking, Finance and Urban Affairs, and Ways and Means.

By Mr. HUGHES:

H.R. 1411. A bill to amend the Tariff Schedules of the United States by repealing item 807 of schedule 8, part 1, subpart B; to the Committee on Armed Services.

By Mr. HUTTO:

H.R. 1412. A bill to amend chapter 55 of title 10, United States Code, to authorize the provision of medical and dental care to surviving spouses of members and certain former members of the uniformed services who are not remarried; to the Committee on Armed Services.

H.R. 1413. A bill to amend title 38, United States Code, to provide that a member of the Armed Forces who dies while on active duty shall be considered to be a veteran for purposes of the entitlement of such member's survivors to medical care under the civilian health and medical program of the Veterans' Administration; to the Committee on Veterans' Affairs.

By Mr. BIAGGI:

H.R. 1414. A bill to amend the Ports and Waterways Safety Act of 1972 to regulate the safety and siting of liquefied bulk gas facilities, to establish a comprehensive liability and compensation funds for such facilities, to provide for the licensing of such facilities beyond the limits of the territorial sea subject to the jurisdiction of the United States, and for other purposes; jointly to the Committees on Interstate and Foreign Commerce, Merchant Marine and Fisheries, and Public Works and Transportation.

By Mr. ICHORD:

H.R. 1415. A bill relating to the settlement of debts owed the United States by foreign countries; to the Committee on International Relations.

H.R. 1416. A bill to require a refund value for certain beverage containers, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 1417. A bill to terminate the authorization of the Union Lake flood control project, Missouri; to the Committee on Public Works and Transportation.

H.R. 1418. A bill to require that specific alien and citizenship status information be provided prior to the issuance of a social security card, to require that social security cards which cannot be duplicated be issued, to require that these cards be presented to employers by prospective employees before obtaining employment, to provide penalties against employers for violating the provisions of this act, and for other purposes; to the Committee on Ways and Means.

By Mr. KASTENMEIER:

H.R. 1419. A bill to amend the Consolidated Farm and Rural Development Act, to provide an alternate method of making loans for acquisition and improvements of the farm, needed by farm families, including young farmers, and to provide the borrower family with adequate standards of living and the consumer with reasonable prices for dairy and other agricultural products, as well as to maintain and improve national health, and for other purposes; to the Committee on Agriculture.

By Mr. LENT:

H.R. 1420. A bill to amend section 9441 of title 10, United States Code, to provide for the budgeting by the Secretary of Defense, the authorization of appropriations, and the use of those appropriated funds by the Secretary of the Air Force, for certain specified purposes to assist the Civil Air Patrol in providing services in connection with the noncombatant mission of the Air Force; to the Committee on Armed Services.

By Mr. LENT (for himself, Mr. Coughlin, Mr. Downey, Mr. Duncan of Tennessee, Mr. Edgar, Mr. Flood, Mr. Gephardt, Mr. Hawkins, Mr. Howard, Mr. Kildee, Mr. Lagomarsino, Mr. Moakley, Mr. Mottl, Mr. Murphy of New York, Mr. Ottinger, Mr. Pease, Mr. Pursell, Mr. Rodino, Mr. St Germain, Mrs. Schroeder, Mrs. Spellman, Mr. Wolff, and Mr. Yatron):

H.R. 1421. A bill to authorize the Secretary of Housing and Urban Development to make grants to local agencies for converting closed school buildings to efficient, alternate uses, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. MINISH:

H.R. 1422. A bill to provide for the regular review of certain Federal agencies and for the abolition of such agencies after such review unless Congress specifically provides for their continued existence; to the Committee on Government Operations.

H.R. 1423. A bill to discourage the use of painful devices in the trapping of animals and birds; to the Committee on Merchant Marine and Fisheries.

H.R. 1424. A bill to increase alternatives to institutionalization for senior citizens; jointly to the Committees on Interstate and Foreign Commerce, and Ways and Means.

By Mr. MONTGOMERY (for himself and Mrs. Holt):

H.R. 1425. A bill to amend sections 3686 and 8686 of title 10, United States Code, to credit certain full-time training duty of members of the National Guard; to the Committee on Armed Services.

H.R. 1426. A bill to amend subsection (f) of section 2024 of title 38, United States Code, to credit certain National Guard full-time training or duty as active duty for training; to the Committee on Veterans' Affairs.

H.R. 1427. A bill to amend section 1333 of title 10, United States Code, relating to retirees point credit for non-Regular service; to the Committee on Armed Services.

H.R. 1428. A bill to amend titles 10 and 32, United States Code, to authorize additional medical and dental care and other related benefits for reservists and members of the National Guard, under certain conditions, and for other purposes; to the Committee on Armed Services.

By Mr. MOORE:

H.R. 1429. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income $100 of interest in the case of an individual taxpayer; to the Committee on Ways and Means.

By Mr. NICHOLS:

H.R. 1430. A bill to amend title 10 of the United States Code in order to provide that no veteran may be denied care or treatment under the CHAMPUS program for any service-connected disability solely because care or treatment for such disability is available at Veterans' Administration medical facilities; to the Committee on Armed Services.

H.R. 1431. A bill to amend section 1124(c) of title 10, United States Code, to remove the restriction that a member of the armed forces must be on active duty to be eligible for the payment of a cash award for a suggestion, invention, or scientific achievement; to the Committee on Armed Services.

H.R. 1432. A bill to amend section 709 of title 32, United States Code, to allow civilian National Guard technicians to hold their positions and to be promoted without regard to their military grade in the National Guard; to the Committee on Armed Services.

H.R. 1433. A bill to amend Public Law 874, 81st Congress, to provide that children of parents employed on Federal property who attend school in a State contiguous to the State in which such property is situated may be counted for purposes of determining the aid entitlement of the local educational agency having jurisdiction over such school, and for other purposes; to the Committee on Education and Labor.

H.R. 1434. A bill to amend title II of the Social Security Act to provide that an individual may qualify for disability insurance benefits and the disability freeze if he has 40 quarters of coverage, regardless of when such quarters were earned; to the Committee on Ways and Means.

By Mr. PERKINS:

H.R. 1435. A bill to establish a program for the inspection of schools for the presence of asbestos materials, to provide funds for the testing and evaluation of potential hazards, to create a loan program to assist in the containment or removal of imminent hazards to health and safety, and for other purposes; to the Committee on Education and Labor.

By Mr. PREYER (for himself, Mr. Gudger, Mr. Holland, Mr. Jacobs, and Mr. Vander Jagt):

H.R. 1436. A bill to suspend until the close of June 30, 1980, the duty on certain nitrocellulose; to the Committee on Ways and Means.

By Mr. QUAYLE (for himself, Mr. Abdnor, Mr. Anderson of Illinois, Mr. Badham, Mr. Bafalis, Mr. Cavanaugh, Mr. Conte, Mr. Dannemeyer, Mr. Duncan of Tennessee, Mr. Forsythe, Mr. Gephardt, Mr. Goldwater, Mr. Grisham, Mr. Guyer, Mr. Hansen, Mr. Hollenbeck, Mr. Jenrette, Mr. Kildee, Mr. Lagomarsino, Mr. Leach of Iowa, Mr. Lowry, Mr. McCloskey, Mr. Nolan, Mr. O'Brien, Mr. Panetta, Mr. Price, Mr. Scheuer, Mr. Thompson, Mr. Walgren, Mr. Walker, and Mr. Weiss):

H.R. 1437. A bill to secure and protect the rights of citizens and protect the freedom of the press; to the Committee on the Judiciary.

By Mr. QUILLEN:

H.R. 1438. A bill to amend title II of the Social Security Act so as to liberalize the conditions governing eligibility of blind persons to receive disability insurance benefits thereunder, to the Committee on Ways and Means.

By Mr. RAHALL:

H.R. 1439. A bill to extend the period for SBA disaster low interest loans from October 1, 1978 to October 1, 1979; to the Committee on Small Business.

By Mr. RANGEL:

H.R. 1440. A bill to amend title 10 of the United States Code in order to count, for purposes of nonregular retirement pay, service before World War II in certain State militia units which were racially segregated; to the Committee on Armed Services.

H.R. 1441. A bill to amend the United States Housing Act of 1937 to provide that a tenant in a low-rent public housing project may not be evicted therefrom without a public hearing; to the Committee on Banking, Finance and Urban Affairs.

H.R. 1442. A bill to amend title I of the Housing Act of 1949 to provide more adequate relocation payments for individuals, families, and business concerns displaced from urban renewal areas; to the Committee on Banking, Finance and Urban Affairs.

H.R. 1443. A bill to amend the U.S. Housing Act of 1937 for the purpose of making improvements in the program authorized by section 8 of such act; to the Committee on Banking, Finance and Urban Affairs.

H.R. 1444. A bill to establish a program of reduced tuition rates to encourage older Americans to attend institutions of higher education, and to establish a program to gather data relating to employment opportunities for older Americans; to the Committee on Education and Labor.

H.R. 1445. A bill to establish a National Rebuilding and Development Bank, to provide for a long-range program to assist in assuring decent neighborhoods for all citizens, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

H.R. 1446. A bill to authorize grants to States for the establishment of vision screening programs for public school students; to the Committee on Education and Labor.

H.R. 1447. A bill to provide for increased international control of the production of, and traffic in, opium, and for other purposes; to the Committee on International Relations.

H.R. 1448. A bill to amend the Foreign Assistance Act of 1961 to prohibit the assignment of international security assistance management teams, defense attachés, or other U.S. Armed Forces personnel to the Republic of South Africa; to the Committee on International Relations.

H.R. 1449. A bill to prohibit exports to the Republic of South Africa under the Arms Export Control Act of defense articles or services, to prohibit exports to the Republic of South Africa under the Export Administration Act of 1969 of items which might be used for military, law enforcement, or internal security purposes, and to prohibit exports to the Republic of South Africa under the Atomic Energy Act of 1954 of nuclear materials, facilities, and technology; to the Committee on International Relations.

H.R. 1450. A bill to provide the Secretary of Health, Education and Welfare with the authority to make grants to States and local communities to pay for the costs of eye examination programs to detect glaucoma for the elderly, to the Committee on Interstate and Foreign Commerce.

H.R. 1451. A bill to amend the Public Health Service Act to provide for the establishment of a National Sickle Cell Anemia Institute; to the Committee on Interstate and Foreign Commerce.

H.R. 1452. A bill to direct the Attorney General to establish Special Drug Forces for the purpose of providing temporary emergency law enforcement assistance to States and local government; to the Committee on the Judiciary.

H.R. 1453. A bill to provide for judicial reform in criminal cases; to the Committee on the Judiciary.

H.R. 1454. A bill to grant a Federal charter to the 369th Veterans' Association; to the Committee on the Judiciary.

H.R. 1455. A bill to repeal the provisions of the Postal Reorganization Act and to reenact the former provisions of title 39, United States Code; to the Committee on Post Office and Civil Service.

H.R. 1456. A bill to amend title 13, United States Code, to require the Secretary of Commerce to conduct surveys to determine the number of individuals not counted by each census, to require Federal agencies using census data for Federal assistance formulas to take into account data from such surveys, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 1457. A bill to amend the Tariff Schedules of the United States to prohibit the importation of coal and of certain articles of uranium, if the product of the Union of South Africa; to the Committee on Ways and Means.

H.R. 1458. A bill to provide for greater independence for Federal independent regulatory agencies by prohibiting an individual paid under the Executive Schedule from serving within the same year with both a Federal independent regulatory agency and an Executive agency other than an independent regulatory agency, and for other purposes; jointly, to the Committees on the Judiciary and Post Office and Civil Service.

By Mr. RICHMOND (for himself, Mr. Addabbo, Mr. AuCoin, Mr. Boner of Tennessee, Mr. Buchanan, Mr. Coelho, Mr. Conyers, Mr. Edgar, Mr. Ford of Tennessee, Mr. Gephardt, Mr. Hollenbeck, Mr. Hughes, Mr. Lee, Mr. Lowry, Mr. Maguire, Mr. Mineta, Mr. Mitchell of New York, Mr. Murphy of Pennsylvania, Mr. Pepper, Mr. Rahall, Mr. Rosenthal, Mr. Scheuer, Mr. Sensenbrenner, Mr. Solarz, and Mrs. Spellman):

H.R. 1459. A bill to provide an opportunity for taxpayers to make financial contributions, in connection with the payment of their Federal income tax, for the advancement of the arts and the humanities; jointly, to the Committees on Ways and Means, and Education and Labor.

By Mr. ST GERMAIN:

H.R. 1460. A bill to amend the Food Stamp Act of 1977 to provide for the acceptance by pharmacies of food stamps in exchange for food supplements prescribed for consumption by cancer patients; to the Committee on Agriculture.

By Mr. YOUNG of Alaska:

H.R. 1461. A bill to amend the Trade Act of 1974; to the Committee on Ways and Means.

By Mr. YOUNG of Florida:

H.R. 1462. A bill to amend title 10 of the United States Code in order to provide that no veteran may be denied care or treatment under the CHAMPUS program for any service-connected disability solely because care or treatment for such disability is available at Veterans' Administration medical facilities; to the Committee on Armed Services.

H.R. 1463. A bill to terminate age discrimination in employment; to the Committee on Education and Labor.

H.R. 1464. A bill to require that the U.S. Government prepare and make public annual consolidated financial statements utilizing the accrual method of accounting, and for other purposes; to the Committee on Government Operations.

H.R. 1465. A bill to require public disclosure by certain recipients of Federal funds of information required to be kept by such recipients as a condition of receiving such funds; to the Committee on Government Operations.

H.R. 1466. A bill to require candidates for Federal elective office to resign any elective public office the term of which ends after the beginning of the term of such Federal office before filing in the general election for such Federal office; to the Committee on House Administration.

H.R. 1467. A bill to encourage the use of alcohol in motor vehicle fuels by requiring certain retailers to make alcohol-blended fuels available for sale, by allowing the rapid amortization of facilities producing alcohol for use in motor vehicle fuels, and by exempting alcohol-blended fuels from certain requirements of the Clean Air Act; jointly, to the Committees on Interstate and Foreign Commerce, and Ways and Means.

H.R. 1468. A bill to amend title 5 and title 44, United States Code, to lengthen the time period between the publication of a Federal rule and the effective date of such rule, and the time period between the publication of notice of a hearing and the beginning of such hearing; to the Committee on the Judiciary.

H.R. 1469. A bill to amend section 1951, title 18, United States Code, act of July 3, 1946; to the Committee on the Judiciary.

H.R. 1470. A bill to authorize the Secretary of the Treasury to reimburse State and local law enforcement agencies for assistance provided at the request of the U.S. Secret Service; to the Committee on the Judiciary.

H.R. 1471. A bill to amend the Marine Mammal Protection Act of 1972 in order to prohibit the issuance of general permits thereunder which authorize the taking of marine mammals in connection with commercial fishing operations, and for other purposes; to the Committee on Merchant Marine and Fisheries.

H.R. 1472. A bill to make Flag Day a legal public holiday; to the Committee on Post Office and Civil Service.

H.R. 1473. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income $500 of interest on savings in the case of an individual taxpayer; to the Committee on Ways and Means.

H.R. 1474. A bill to amend the Internal Revenue Code of 1954 to provide that the first $5,000 of an individual's civil service retirement annuity (or other Federal retirement annuity) shall be exempt from income tax; to the Committee on Ways and Means.

H.R. 1475. A bill to provide that individuals who retired on disability before October 1, 1976, shall be entitled to the exclusion for disability payments under section 105(d) of the Internal Revenue Code of 1954 without regard to the income limitation in such section, and for other purposes; to the Committee on Ways and Means.

H.R. 1476. A bill to amend title 5 of the United States Code to establish a uniform procedure for congressional review of agency rules which may be contrary to law or inconsistent with congressional intent, to expand opportunities for public participation in agency rulemaking, and for other purposes; jointly, to the Committees on the Judiciary, and Rules.

H.R. 1477. A bill to require the Secretary of Transportation to prescribe regulations requiring certain modes of public transportation in interstate commerce to reserve some seating capacity for passengers who do not smoke; jointly, to the Committees on Public Works and Transportation, and Interstate and Foreign Commerce.

H.R. 1478. A bill to amend titles II and XVIII of the Social Security Act to include qualified drugs, requiring a physician's prescription of certification and approved by a formulary committee, among the items and services covered under the hospital insurance program; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 1479. A bill to amend title XVIII of the Social Security Act to provide coverage of enterostomal therapy services on the same basis as physical therapy services under medicare; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 1480. A bill to amend title XVIII of the Social Security Act to authorize payment under the medicare program for certain services performed by chiropractors; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. BEDELL:

H.R. 1481. A bill to require the Secretary of the Army to establish a schedule of user charges to be paid by the owner or operator of any shallow-draft cargo vessel using any inland waterway of the United States, and for other purposes; jointly, to the Committees on Public Works and Transportation, and Ways and Means.

By Mr. CONTE:

H.J. Res. 149. Joint resolution calling for an immediate moratorium on the killing of the eastern timber wolf; to the Committee on International Relations.

H.J. Res. 150. Joint resolution proposing an amendment to the Constitution to provide for the direct popular election of the President and Vice President of the United States; to the Committee on the Judiciary.

H.J. Res. 151. Joint resolution proposing an amendment to the Constitution of the United States to vest the Congress with the power to disapprove reprieves and pardons granted by the President; to the Committee on the Judiciary.

H.J. Res. 152. Joint resolution designating "Anne Sullivan Week"; to the Committee on Post Office and Civil Service.

H.J. Res. 153. Joint resolution asking the President of the United States to declare the fourth Saturday of each September National Hunting and Fishing Day; to the Committee on Post Office and Civil Service.

H.J. Res. 154. Joint resolution to authorize the President of the United States to designate "National Ski Week"; to the Committee on Post Office and Civil Service.

By Mr. EDWARDS of Alabama:

H.J. Res. 155. Joint resolution authorizing the President to proclaim the week of October 7 through October 13, 1979, as "National Stamp Collecting Week"; to the Committee on Post Office and Civil Service.

By Mr. HAMMERSCHMIDT:

H.J. Res. 156. Joint resolution proposing an amendment to the Constitution of the United States with respect to the offering of prayer in public buildings; to the Committee on the Judiciary.

H.J. Res. 157. Joint resolution to designate the week commencing with the third Monday in February of each year as "National Patriotism Week"; to the Committee on Post Office and Civil Service.

By Mr. ICHORD:

H.J. Res. 158. Joint resolution proposing an amendment to the Constitution of the United States relating to the term of Office of President and Vice President of the United States; to the Committee on the Judiciary.

By Mr. MINISH:

H.J. Res. 159. Joint resolution to authorize the President to proclaim the last Friday of April each year as National Arbor Day; to the Committee on Post Office and Civil Service.

By Mr. QUAYLE:

H.J. Res. 160. Joint resolution proposing an amendment to the Constitution of the United States to change the terms of office for the President, the Vice President, and Members of Congress, and to establish a 10-year term of office for Federal judges; to the Committee on the Judiciary.

By Mr. RANGEL:

H.J. Res. 161. Joint resolution designating the second Sunday in June of each year as "Children's Day"; to the Committee on Post Office and Civil Service.

By Mr. EDWARDS of Alabama:

H. Con. Res. 30. Concurrent resolution relating to the authority of the Federal Trade Commission to prescribe rules preempting State and local laws; to the Committee on Interstate and Foreign Commerce.

By Mr. SIMON:

H. Con. Res. 31. Concurrent resolution expressing the sense of the Congress with respect to establishing diplomatic relations with the People's Republic of China and continuing the ties of friendship between the United States and Taiwan; to the Committee on International Relations.

By Mr. YOUNG of Florida:

H. Con. Res. 32. Concurrent resolution expressing the sense of Congress that each Federal agency should periodically review and revise all its lists of persons to whom printed materials are mailed by such agency for the purpose of insuring that such lists contain only the names of persons who are still interested in receiving such materials; to the Committee on Government Operations.

H. Con. Res. 33. Concurrent resolution calling for full freedom and independence for the Baltic States; to the Committee on International Relations.

By Mr. CONTE:

H. Res. 64. Resolution to amend rule XI of the Rules of the House of Representatives to eliminate proxy voting in committees; to the Committee on Rules.

By Mr. EDWARDS of Alabama:

H. Res. 65. Resolution providing for the establishment of a Select Committee on Narcotics Abuse and Control; to the Committee on Rules.

By Mr. HAMMERSCHMIDT:

H. Res. 66. Resolution to amend the Rules of the House of Representatives to establish the Committee on Internal Security, and for other purposes; to the Committee on Rules.

By Mr. SOLARZ (for himself and Mr. WAXMAN):

H. Res. 67. Resolution in recognition of the services of Haym Salomon; to the Committee on Post Office and Civil Service.

By Mr. YOUNG of Florida:

H. Res. 68. Resolution to amend the Rules of the House of Representatives to establish the Committee on Internal Security, and for

H. Res. 69. Resolution to create a select committee to audit accounts of committees, Members, and officers of the House of Representatives; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CONTE:

H.R. 1482. A bill for the relief of Nicolae A. Popovici; to the Committee on the Judiciary.

H.R. 1483. A bill for the relief of Febe Antolin Rumingan; to the Committee on the Judiciary.

H.R. 1484. A bill for the relief of Guillermo O. Rumingam; to the Committee on the Judiciary.

By Mr. HAMMERSCHMIDT:

H.R. 1485. A bill for the relief of John H. Parker; to the Committee on the Judiciary.

By Mr. HUTTO:

H.R. 1486. A bill for the relief of Lamom Petersen and Dang Petersen; to the Committee on the Judiciary.

By Mr. ICHORD:

H.R. 1487. A bill for the relief of Luis Acosta, doctor of medicine, Nereida Acosta, Julie Acosta, and Juan Carlos Acosta; to the Committee on the Judiciary.

By Mr. MOORHEAD of California:

H.R. 1488. A bill for the relief of Vista Unlimited, Incorporated; to the Committee on Ways and Means.

By Mr. PEASE:

H.R. 1489. A bill for the relief of In Sun Pineiro; to the Committee on the Judiciary.

By Mr. RANGEL:

H.R. 1490. A bill for the relief of Antoinette Slovik; to the Committee on the Judiciary.

By Mr. UDALL:

H.R. 1491. A bill for the relief of Josephine Graff; to the Committee on the Judiciary.

H.R. 1492. A bill for the relief of Roy A. Timpson; to the Committee on the Judiciary.

By Mr. YOUNG of Florida:

H.R. 1493. A bill to authorize the President to appoint Capt. John E. Tsavaris, U.S. Navy Reserves retired, to the grade of rear admiral on the Reserves retired list; to the Committee on Armed Services.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 30: Mr. RUDD.

H.R. 154: Mr. DANIELSON and Mr. LEWIS.

H.R. 596: Mr. ANDREWS of North Dakota, Mr. APPLEGATE, Mrs. BOUQUARD, Mr. CLINGER, Mr. COLLINS of Texas, Mr. DELLUMS, Mr. DUNCAN of Tennessee, Mr. EVANS of Georgia, Mr. FORSYTHE, Mr. GUDGER, Mr. GUYER, Mr. HILLIS, Mrs. HOLT, Mr. HOWARD, Mr. HUBBARD, Mr. HYDE, Mr. ICHORD, Mr. JOHNSON of California, Mr. KINDNESS, Mr. LAFALCE, Mr. LUNDINE, Mr. MADIGAN, Mr. MATHIS, Mr. MCCORMACK, Mr. MILLER of Ohio, Mr. MINETA, Mr. NEDZI, Mr. NOWAK, Mr. PATTEN, Mr. ROBINSON, Mr. SIMON, Mr. SKELTON, Mrs. SPELLMAN, Mr. STANGELAND, Mr. STEED, Mr. STOCKMAN, Mr. STUDDS, Mr. TAYLOR, Mr. VAN DEERLIN, Mr. WHITEHURST, Mr. WHITLEY, Mr. CHARLES WILSON of Texas, Mr. WYATT, Mr. YATRON, Mr. DAVIS of South Carolina, Mr. PERKINS, and Mr. EDGAR.

H.R. 829: Mr. ADDABBO, Mr. BEVILL, Mr. HOLLAND, Mr. WHITEHURST, Mr. MURPHY of Pennsylvania, Mr. WON PAT, Mr. WINN, Mr. HOLLENBECK, Mr. PRICE, and Mr. LONG of Maryland.

EXTENSIONS OF REMARKS

THE WHY AND HOW OF OUR INFLATION

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 23, 1979

● Mr. McDONALD. Mr. Speaker, prompted by the budget message of the President that we received this week, I would commend to the attention of my colleagues a thoughtful and discerning article entitled "The Why and How of Our Inflation," by Percy L. Greaves, Jr. that appeared in the nationally distributed news magazine, the Review of the News on December 20, 1978.

Percy Greaves, a former financial editor of the U.S. News and respected member of the staffs of numerous congressional committees, is the author of "Understanding the Dollar Crisis" and the foremost expert on the monetary analysis of the great conservative economist, Prof. Ludwig von Mises.

In this article on our present financial crisis, Professor Greaves succinctly defines inflation, identifies the cause, and tells how to stop it. If Professor Greaves is correct, and I believe him to be, this Congress can by following his recommendations put an end to inflation, and do it now. The article follows:

THE WHY AND HOW OF OUR INFLATION

'Tis human for all people to want more than they have. We may want more for ourselves—for our better health, convenience, pleasure, or even to survive in our old age. We may also want more for our loved ones, for the more unfortunate, or even for a group or cause we should like to assist.

In fact, our every action is an attempt to improve the future from our personal point of view. Our entire life is an effort to select and carry out those actions which will, in our judgment and within our limited abilities, best provide the kind of tomorrows we prefer. If we cannot produce the things we want most, we strive to contribute to the marketplace those goods and services for which others will voluntarily pay us a good price.

This is the way of a free society. Barring force, fraud, or human error, everyone increases his or her satisfaction (i. e., profits) by every voluntary transaction. If we did not expect to gain from a transaction, we would not participate in it. We thus divide the labors of production and then trade the results of our specialized contributions with the help of a medium of exchange called money.

If we were all perfect we would all operate in the marketplace in accordance with the Golden Rule. The more we contributed to our fellow men, through market processes, the more we would receive in return. The results would be easier, happier, and longer lives for all of us.

In real life, none of us is perfect. We all make mistakes. Many are innocent. Most of these are due to lack of knowledge or understanding of the consequences of our actions. Other mistakes are not so innocent. These are the occasions when people resort to force or fraud in their dealings with others. Such human deviations from moral behavior often lead to violence, with resulting injuries and even death for thousands, if not millions, of innocent people.

Mutually profitable transactions can only take place in a peaceful atmosphere in which everyone feels that both their person and property are safe from anti-social actions. Unfortunately, there are some who will resort to force and fraud. Consequently, we need some means to eliminate or minimize all human threats to our lives, limbs, and private property. Free men assign this duty to government.

In a free society, protection is the primary, if not the sole, function of government. Because we are not all perfect, governments are necessary for the maintenance of peace and the suppression of crimes against persons and property. It is only in such an atmosphere that markets can function in accordance with the Golden Rule, whereby all participants tend to be rewarded in accordance with highest values that others place on their contributions.

For the manning of government, we must select human beings who are no more perfect than the rest of us. Their contributions are very necessary for our welfare. However, their services cannot be controlled by competition or valued by the processes of the marketplace, whereby employers compete for employees by offering wages and salaries they hope to get back from the voluntary purchases of their customers. We certainly cannot pay policemen by the number they arrest, legislators by the length of the laws they pass, or judges by the number of criminals who voluntarily seek and accept their decisions. Accordingly, we must resort to the political selection of "public servants" and limit their salaries by budget figures and their actions by bureaucratic rules.

Politicians and bureaucrats, being human like the rest of us, also want more. However, they cannot seek their higher rewards in the marketplace. They must seek their "more" at the ballot box. When government is limited to equal justice for all and privileges for none, then all voters have an equal interest in the protection of their lives and property. Under those conditions, elections by majority vote can be very satisfactory.

However, when the functions of government are extended to helping some at the expense of others, the door is opened wide to favoritism and corruption. The politicians soon learn there is an easy way to attract majority votes. All they need do is to provide "handouts" and other political privileges to more and more groups, while reducing the direct or observable taxes on the majority. For a while they can "soak" the corporations and the minority rich. But this has its limits. Soon government expenditures exceed government revenues. The result is unbalanced budgets and increased government debts with ever-higher interest charges. Few politicians who vote to increase taxes or reduce political privileges or "transfer payments" are returned to office.

So each new Congress votes higher and higher expenditures and further complicates the tax structure so as to claim a tax reduction for new millions of voters. The debts and deficits mount. If government securities were sold only to private investors, interest rates would soar.

What to do?

Why, leave it to the Treasury and the Federal Reserve System to provide the dollars needed to pay for the expenditures over and above tax collections. In order to create an appearance of prosperity, the Federal Reserve is also authorized to manufacture more dollars which its member banks can and do lend to preferred borrowers, particularly those whose repayment is guaranteed by the government.

As a result of such policies, the Federal Reserve System has been increasing the quantity of dollars in ever-larger numbers for more than half a century. This is inflation. Most of these dollars are allocated in a manner which those in political power believe will best keep them in office. Every new dollar that is created competes in the marketplace with, and reduces the purchasing power of, every earned or previously saved dollar. These newly created dollars (this inflation) not only raise prices and the "cost of living" but they also discombobulate our private production system.

Producers of goods and services cannot tell the politically created dollars from those that people have earned or saved from previous earnings. One dollar is as good as another. Sellers seek sales and they do not ask their customers the source of the dollars they spend. So, as more and more unearned dollars are spent, more of our productive forces are directed toward satisfying the wants of the spenders of the newly created dollars and less toward satisfying those who are spending dollars received for their contributions to the marketplace.

Thus, when our government expanded its basic powers beyond the protection of the lives, limbs, and property of our inhabitants into playing Santa Claus for large segments of the electorate, it paved the way for ever-larger government debts and deficits. These could only be met by the political creation of more dollars—hence inflation. The creation of these dollars might well be called an open secret. Few people know about it, yet the process has been made perfectly legal. The methods used are a matter of public record, as are the amounts created. Yet probably fewer than one-tenth of one percent of our voters know how it is done. And probably less than one percent of this small number has any realistic understanding of the damage it does to our economy and our civilization. We can safely say the process and the degree of harm it does are pretty much of a secret.

The little-understood processes are actually very simple. There are three basic methods the Federal Reserve System uses to create this inflation. They are: 1. Reduction In Reserve Requirements. 2. Loans To Banks. 3. Open Market Operations.

1. Reduction In Reserve Requirements. Our Federal Reserve banking system operates on a fractional reserve basis. Our banks keep in their reserves only a fraction of the amounts their depositors are entitled to withdraw. The Federal Reserve Board, within the limits fixed by Congress, sets the minimum fraction that must be kept in reserves. By reducing the "required reserve" fraction, the quantity of spendable dollars is increased.

This is how it works. Suppose the "required reserve" is 20 percent. Then, for every $1,000 a bank had in its reserves, it could have $5,000 of deposits on its books. So, if new deposits of $1,000 were added to its reserves, it could create, by loans to depositors, up to $4,000 in new deposits. If the "required reserves" were then reduced from 20 percent to 10 percent, a member bank, for that same $1,000 in reserves, could further increase its deposits to $10,000 by lending another $5,000. This total of $10,000 of deposits would be backed by the original deposit of $1,000 in cash and I.OU.s for the $9,000 lent to borrowers by crediting their accounts with the bank.

Most borrowers draw on these accounts by writing checks. Such checks do not reduce the number of dollars in the economy. They merely shift the dollars from one bank account to another within the banking system. So every reduction in the "required reserves" increases the number of dollars available for spending in the marketplace. That is, it inflates the money supply.

In the beginning, some of the reserves had to be in gold. This requirement was first reduced during World War II and later elminated. That made it easier for banks to increase their reserves and thereby their loans and deposits.

The legal "required reserves" were highest in 1937. They ranged at that time from 26 percent of checking accounts (demand deposits) in member banks in our largest cities to 14 percent for checking accounts (demand deposits) in small country banks, and only 6 percent for all savings accounts (time deposits) in commercial banks. Over the years the percentages required have fluctuated somewhat, but the trend has been steadily and definitely downward. Currently the "required reserves" for checking accounts are:

A Bank's Deposits (in millions)	*Required Reserves for Checking Accounts (Demand Deposits)*
First $2	7.0%
$2 to $10	10.5%
$10 to $100	11.75%
$100 to $400	12.75%
Over $400	16.25%

For savings accounts (time deposits), which are actually withdrawable on demand, the "required reserves" are now only 3 percent. This great reduction in the "required reserves" has been one of the methods whereby the quantity of spendable dollars, largely in the form of bank checks, has been greatly expanded (inflated) over the last 40 years.

2. Loans To Banks. The Federal Reserve System, we are told, was created primarily to prevent money panics and depressions. It was thought that if banks were provided a means for turning their sound loans into instant cash, this would end frantic runs on banks by depositors, who were worried about the safety or availability of their deposits when they needed them. So the 1913 Federal Reserve Act provided that member banks in need of cash could discount their sound loans for Federal Reserve Notes at their Federal Reserve Banks. As this was meant as a safety measure to be available only in time of emergencies, the original discount rates were penalty rates, set higher than the interest rates the member banks received on their loans to depositors. The banks that discounted their loans thus lost money on the transaction.

Then, to help finance World War I, the discount rates were reduced below the prevailing market interest rates. Member banks could then profit by lending money, largely to buyers of Liberty Bonds, at higher interest rates than they could borrow funds from their Federal Reserve Banks. This method of encouraging bank loans was an important factor in the creation of dollars (inflation) to finance World War I. It also played a role in the Federal Reserve policies that led to the 1929 depression. However, this process of creating dollars has been discouraged in recent years. Federal Reserve Bank loans to their member banks were less than a billion dollars as of August 31, 1978.

3. Open Market Operations.—This has been the prime method of dollar creation (inflation) for financing World War II and the government deficits since then. It nas also been the base for the great expansion of bank loans to private borrowers, particularly those for which the federal government has guaranteed repayment should the borrower default.

The process is really very simple. The Federal Reserve Banks just issue checks to buy United States Treasury obligations on the open market. When these checks are deposited in a member bank, the amount of the check is added to that bank's reserves. Then, in accordance with the fractional reserve principle, that bank can expand its loans to depositors until the amount of the Federal Reserve Bank's check represents only the "required reserve." This could mean a six-fold or more expansion of the number of dollars Federal Reserve Banks create to buy Treasury obligations. In the case of member banks' savings accounts (time deposits, actually payable on demand), the increase could be 33 times the amount of the Federal Reserve Bank's check.

On occasion, the Federal Reserve Banks also sell Treasury securities. When they do, it has the opposite effect. The member bank, whose depositor buys the security with a check, has its reserves reduced. It must then immediately contract its outstanding loans and deposits. However, over the years the trend has been for the Federal Reserve Banks to buy more and more Treasury securities. This is a process of turning the federal government's expanding debt securities into money or, as it is often phrased, monetizing the debt. It is inflation.

Open market operations provide a ready market for the government's ever-expanding debt securities and permit the banks to lend newly created dollars not only to the federal government, but also to private borrowers. All of these newly created dollars (inflation) compete in the marketplace for available goods and services. The result is higher prices and fewer goods and services for those who participated in the creation of those goods and services.

The table on the next page tells the story of this inflation.

Now you know the why and how of our inflation. You also know what must be done to stop inflation. We must simply end the legal authority which permits the Federal Reserve System to manufacture dollars against the debts and deficits of the federal government. Of course, this would necessitate a return to a sound economy and a severe restriction of costly political privileges and unearned "transfer payments." It would also mean a federal government largely limited to protecting the lives and property of the peaceful participants in the marketplace.

How the quantity of our money has grown

[All figures in billions]

Date	Gross Federal debt	Ownership of Federal debt by Federal Reserve banks	Quantity of money (M2) *
December:			
1940	$50.9	$2.2	$58.0
1945	278.7	24.3	132.5
1950	255.5	20.8	155.6
1955	279.1	24.8	188.2
1960	287.7	27.4	220.0
1965	317.2	40.8	305.4
1970	388.3	62.1	428.1
1971	423.3	70.2	476.4
1972	448.5	69.9	530.3
1973	469.1	78.5	576.5
December—Continued			
1974	$492.7	$80.5	$617.5
1975	576.6	84.7	670.0
1976	653.5	94.4	745.8
1977	718.9	102.5	814.9
June 1978	749.0	110.1	842.0
Increase during latest 12 months available			
Nov. 22, 1978	$780.1		$870.2
Year earlier	702.4		806.1
Increase	77.2		64.1

* M2 includes currency (bills and coins outside of banks) plus checking accounts (demand deposits) and savings accounts (time deposits) of commercial banks, except for large ($100,000 or more) negotiable Certificates of Deposit (C.D.s).●

FOREIGN POLICY FOR SOUTHERN AND AMERICAN AGRICULTURE

HON. ED JONES

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 23, 1979

● Mr. JONES of Tennessee. Mr. Speaker, on November 14, 1978, Mr. C. G. Scruggs, vice president and editor of Progressive Farmer, addressed the Yale Club on the topic of a "Foreign Policy for Southern and American Agriculture."

He explains the importance of agriculture to the American economy and especially emphasis on the role of agricultural exports. Finally, he offers 10 suggestions which would result in a healthy domestic economy and a more realistic approach to foreign trade.

I urge each of my colleagues to read and consider Mr. Scruggs' remarks and keep them in mind as we accept the challenges which will face us in the 96th Congress.

A FOREIGN POLICY FOR SOUTHERN AND AMERICAN AGRICULTURE

American agriculture is still the major economic force in U.S. and the world economy.

Decisions made for and by American farmers will be a major force in the future stability or instability of the world.

Consider this:

Agriculture is the largest single industry in the U.S.—employing some 17-20 million American workers both directly and indirectly.

Agricultural production and the direct agri-support industries accounted for one quarter of the country's gross national product in 1976.

U.S. agricultural assets total approximately 700 billion dollars—equal to 75 percent of the capital assets of all manufacturing corporations in America and ten times that of the U.S. auto industry, for example.

U.S. Agricultural sales exceed 100 billion dollars. Remember that agricultural products are renewable and basic. As this 100 billion moves through the economy its multiplier effects is estimated at 6 to 1—thus we have economic activity in the magnitude of 600 billions—approximately the size of the annual Federal budget.

Exports of American agriculture commodities—in 1978—will bring to this country some $27 billion dollars. Only 10 years ago exports amounted to only 6 billion.

Without these gigantic foreign exchange earnings the U.S. dollar may have already completely collapsed—instead of the present serious sag.

Exports of U.S. farm products account for the production of one out of every three U.S. cropland acres.

One-half of all wheat U.S. farmers grow must be shipped overseas—1 billion bushels.

Two billion bushels of corn must be exported—⅓ of total U.S. production.

700–800 million bushels of soybeans sail from U.S. harbors out of 1.8 billion annual U.S. production.

All the foregoing suggests this:

The continued productivity—and profitability of U.S. agriculture will greatly affect the health of the American economy.

The profitability of U.S. agriculture depends on exports! Thus suddenly you must conclude that what happens overseas is equally as important to U.S. farmers as what occurs in the U.S.

Even in face of an inevitable flow of farm products overseas—U.S. farm prices are barely at a break even point.

Thus, if most of our export markets for U.S. farm products were to collapse or be closed off; American agriculture as we know it today would fall into utter chaos and would threaten seriously the economic and political stability of the U.S.

Thus, as goes U.S. agricultural exports; so goes American agriculture.

Yet, American economic and agricultural leaders focus almost entirely on domestic agricultural policy.

It's therefore apparent that there must be forged a foreign policy for American agriculture and that every American farmer and agribusinessman must become vitally concerned and involved as an international trade observer.

What happens in the Kremlin or Peking or Tokyo is perhaps more important to an individual Southern farmer's price than what happens at the local elevator or auction sale!

What are some of the basic elements of a U.S. foreign policy for America agriculture?

First. The understanding in all levels in U.S. that the keystone of the recent U.S. American agriculture is exports.

Without exports; one-half of the American farm production system would have to be shut down. Economic Chaos would follow.

Second. U.S. agriculture and agricultural authorities should have a preeminent role in the U.S. Department of State and American food and fiber production abundance should be the central feature of all U.S. foreign policy.

Today, U.S. agriculture is given little or no consideration in the evolution of U.S. foreign policy. American agri-power is more potent than petro-power—if wisely conceived, understood and used. However, it's important to point out that food power cannot and should not be used in an OPEC way.

Third. American food productivity is the major strategic force in the world power struggles. Remember, no potential aggressor moves without ample food supplies—or conversely they must move in desperation to acquire food supplies.

Fourth. American agricultural exports policy should begin to concentrate on shipping processed products—using American technology and know how and resulting economic activity—instead of generally exporting only rough grains.

For example, we should ship beef instead of corn; food products in place of rough soybeans. See Progressive Farmer editorial suggesting this in 1977.

Raw agricultural products will begin to find their way back to U.S. as ham, processed meats, ala Polish ham, dairy products, cotton goods from Hong Kong—unless we plan ahead to prevent such.

Fifth. Stability of supply is the solid base on which export markets must be built. Domestic agricultural policy also demands this.

Sixth. Conversely the export market is also extremely volatile—subject to highly erratic swings in price and volume. Trade agreements tend to reduce extremes.

Seventh. Developing nations of world offer great possibilities for export markets.

For example, to just supply Red China with a pound of meat per capita—annually—would take several million head of cattle.

Eighth. Export study and activities of all U.S. farm and commodity groups should be doubled. The success of record soybean exports is mainly a result of aggressive action by the American Soybean Association

Ninth. More and more U.S. farmers should travel overseas and trace their products from dock to consumer.

Tenth. Trade barriers to U.S. farm products must be surmounted through negotiation.●

UKRAINIAN INDEPENDENCE DAY

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 24, 1979

● Mr. FLORIO. Mr. Speaker, I would urge my colleagues to join with me in commemorating January 22 as Ukrainian Independence Day. This day, celebrated annually by the peoples and descendents of the Ukrainian nation, marks the spirited determination of a proud nation to be once again free.

The determination of Ukrainians to be free is evidenced throughout their history. Repeated encroachments by foreign governments, devastation by war, and oppressive Soviet political domination has not removed Ukrainian pride for his native culture, his faith, and his unending struggle for national independence.

Soviet dissident trials this past year brought to the world's attention the hypocrisy that exists under Soviet "justice." Sadly those who suffer most severely from this travesty are the national non-Russian dissidents; Ukrainians, Lithuanians, Georgians, and others. Their "crimes" of conscience are more quickly brought to review and sentences more harshly handed out.

The barbarism of Soviet law was clearly brought to my attention during the last 6 months as I assisted a Ukrainian family to emigrate to Israel. Alexander Silnitsky, his wife Tamare, and his grandmother, Ilena Zilberman, citizens of the Ukrainian city of Kharkov, have tried since 1975 to join Alexander's parents in Israel.

Through these intervening years Alexander was expelled from school for renouncing his Soviet citizenship, and served 2 years in a Siberian prison camp for refusing to serve in the Russian Red Army. Upon release from prison, emigration visas for Alexander and his family were approved to only be annulled again and again because of unbending "Catch 22" Soviet emigration policies.

After 4 years of waiting frustration and government harassment, Alexander, his wife and grandmother joined his parents in Israel this past New Year's Day.

Today Alexander and his family are experiencing freedom and a fresh start in life in their new home. I am sure, however, that the Silnitsky family will not forget those they left behind and of their pride and love for their Ukrainian homeland.

Our efforts here today in dedicating the 61st anniversary of Ukrainian Independence Day must equal the spirit and determination shown by the Silnitskys in the successful reunification of their family.

Sixty-one years ago a democratic Ukrainian government and its people proclaimed their land a "free and soveign" republic. While the Ukraine does not exist today as a politically sovereign nation, the freedom-loving traditions of its people continues. We who have freedom also have the responsibility to assist those whose human. political, and national rights are oppressed. I would like to urge my colleagues to join with me in this continuous effort.●

RETIREMENT OF WILLIAM E. TOWELL AS EXECUTIVE VICE PRESIDENT OF THE AMERICAN FORESTRY ASSOCIATION

HON. JOSEPH L. FISHER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 24, 1979

● Mr. FISHER. Mr. Speaker, at the close of the last year Mr. William E. Towell, one of this country's foremost professional resource conservationists, retired from active service. He was executive vice president of the American Forestry Association.

Mr. Towell has an outstanding record of achievement in natural resource conservation. For 28 years he was with the Missouri Department of Conservation where he rose from district forester to director of that department. Twelve years ago he moved to the American Forestry Association as its executive vice president.

In those 12 years the American Forestry Association has been more active and has done more for natural resource conservation than in any like period of its 103-year history. This impressive record has been achieved despite a slim purse and a small staff. I wish to call attention to some of Mr. Towell's accomplishments which in one way or another have benefited all our citizens.

Mr. Towell's major efforts have been devoted toward achieving balanced use of America's forest resources which, as we know, comprise a third of the total area of the 50 States. In seeking that goal, Towell helped to strengthen all Federal and State conservation programs such as forest fire prevention, reforestation of denuded forest lands, wildlife management, forest management, recreation and other aspects of resource conservation.

Prominent among Mr. Towell's achievements is his widely known concept of "areas of agreement" on controversial issues. Meeting with representatives of forest industry, government agencies and citizen conservation organizations, Towell's patience, persistence and tact have been chiefly responsible for the remarkable success of this activity.

Mr. Towell has established a reputation with congressional committees and with individual Members of the Congress as a reliable source of practical, impartial views on proposed legislation.

He has made a name for American forestry in international forestry and has wide knowledge of accomplishments of foresters in other countries.

Under Towell's chairmanship the Natural Resources Council of America, a 30-year old federation of 47 national conservation societies, has gained stature and progress in working toward national conservation objectives.

Under Mr. Towell's leadership the American Forestry Association's board of directors was converted from a group narrowly representative of resource conservation to one with a wide range of interests, experience and skills to include water, wildlife, recreation and other aspects of resource conservation.

The Trail Riders of the Wilderness program has been substantially furthered by Towell who suggested such improvements as the addition of canoe trips and backpack treks.

Mr. Towell's intimate knowledge of possible candidates for awards for distinguished service, fire heroism and other awards has been invaluable not only to the board of directors of AFA but to other conservation organizations as well.

When the American Forestry Association quarters became too crowded for expanded activities it was Towell who hunted up favorable offers to sell the old building at a profit, found new quarters and planned and supervised renovation of the new building.

Towell has persistently sought opportunities to advance the cause of natural resource conservation through writing and speaking.

In recognition of his professional achievements Mr. Towell has received many awards, the most recent one being the infrequently given Sir William Schlich Memorial Award of the Society of American Foresters, the highest honor to which American foresters may aspire.

Still a relatively young man, Mr. Towell has agreed to serve the American Forestry Association and other resource conservation organizations on special assignments. I am glad to report that we can look forward to benefiting from Mr. Towell's exceptions abilities.●

CANADA-FRANCE-HAWAII TELESCOPE PROJECT

HON. DANIEL K. AKAKA

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 24, 1979

Mr. AKAKA. Mr. Speaker, in 1974, expansion of astronomical facilities at

Mauna Kea, Hawaii's highest mountain, began. The Canada-France-Hawaii Telescope project has since been involved in the construction of a new 150-inch telescope designed to be used for general astronomical observation. Legislation providing duty-free entry for those parts necessary for the completion of this project was approved by the Congress in 1974. Today, I have introduced legislation that would extend the duty-free period from June 30, 1980 to June 30, 1982.

This bill is akin in legislative spirit to Public Law 89–651, which implemented the so-called Florence agreement, providing for the duty-free exchange of cultural, scientific, and educational material. However, due to the extended nature of this project, the petitioning procedures outlined under Public Law 89–61 would be most difficult without separate legislation.

The New York Times has called this project "one of the world's most important observation sites." Mr. Speaker, I urge the adoption of this legislation, which will greatly facilitate the completion of this important observatory.●

EXTENSIONS OF SBA LOW-INTEREST LOANS

HON. NICK JOE RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 24, 1979

● Mr. RAHALL. Mr. Speaker, today I am introducing legislation to extend the period for SBA disaster low interest loans from October 1, 1978 to October 1, 1979.

During the 95th Congress, I introduced legislation which reduced the interest rates for SBA disaster loans to 3 percent or less. Public Law 95–89 included provisions to do just this, however, it was only applicable to loans for disasters occurring after July 1, 1976 and prior to October 1, 1978. This change which I propose will extend the termination date on these low-interest loans to October 1, 1979.

In December of 1978, southern West Virginia and eastern Kentucky were once again severely flooded. The residents of this area were once again faced with the task of rebuilding their homes and surroundings, however, because of the termination date of October 1, 1978, low-interest loans were not available. As April approaches the residents of the Tug Valley face the threat of more flooding, while long-term flood relief remains as a victim of the cost/benefit ratio.

This legislation will merely extend the termination date on these low-interest loans and show these individuals that the Federal Government is willing to help them rebuild. It is important to recognize that these funds are not grants, but rather low-interest loans which are to be repaid along with any other loans which were outstanding when the disaster struck. This measure insures equity for disaster victims by insuring that low-interest loans will be available to help them get back on their feet living a productive life.●

ALLEVIATING THE REAL PROPERTY TAX BURDEN: THE NEED FOR A PROPERTY TAX TASK FORCE

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 24, 1979

● Mr. GILMAN. Mr. Speaker, in both the 94th and 95th Congresses, I introduced legislation proposing the creation of a task force on the taxation of real property by State and local governments, to study and evaluate ways to help State and local governments reduce their dependence on real property taxation and to find alternative revenues to support schools, social service programs, public works projects, fire and police protection, and other costly governmental programs required by the public. Indeed, in the 95th Congress approximately 70 of my colleagues joined me in cosponsoring this measure. Because high property taxes still plague us, this measure remains as timely as ever. Thus, I am reintroducing this legislation and urge my colleagues to support action to secure its passage during this session of Congress.

Mr. Speaker, the message is clear and urgent. Our Nation's taxpayers have reached the limits of their ability to absorb astronomical real estate taxes, runaway welfare expenditures, the costs of escalating social service programs, soaring utility bills, growing Federal and State income taxes, and substantial State and municipal sales taxes. They are being crushed by the high costs of living in an economy already strained by the high rate of inflation and unemployment.

The proposition 13 fever which swept our Nation last year sent this message to public officials at all levels of government. Coupled with the momentum this movement has generated should be the well-reasoned forward-looking recommendations that a panel of individuals, expert in the area of real property tax, could produce.

New York State has consistently ranked near the top in property tax burdens. Indeed, figures released by the Census Bureau last year reveal that, among various cities and counties across the Nation, property taxes in Rockland County, in my congressional district, experienced one of the largest increases—49.1 percent between 1970–71 and 1975–76. Other regions have experienced property tax increases which, too, cause concern as our economy weathers an alarmingly troubled period.

Under my proposal, a 24-member task force appointed by the President and the congressional leadership, composed of Federal, State, and local governmental officials, members of the academic community and groups concerned with real property taxation would study and evaluate, but not be limited to, the following critical areas:

Waiver of the Federal Government's immunity to State and local taxation;

Federal grant-in-aid and loan programs to State and local governments;

Utilization of alternative forms of revenues;

Redistribution of State and local government taxation;

Consolidation of political subdivisions and other taxing districts in order to more equitably distribute the tax burdens;

The tax burdens of persons and organizations with regard to the income produced by their real property; and

Reduction of real property taxes through Federal tax relief, real property tax exemptions, and the taxation of property owned by tax-exempt persons and organizations.

The Real Property Task Force would be required to submit its report, findings, and recommendations within 1 year after appointment to the President and to the Congress.

Accordingly, I urge my colleagues to support this measure reducing the onerous tax burden on our homeowners and minimizing the dependence of State and local governments on real property taxation. I request that the full text of this measure be inserted at this point in the RECORD:

H.R.—

A bill to establish a task force to study and evaluate the taxation of real property by State and local governments, the effects of such taxation on certain taxpayers, and the feasibility of Federal taxation and other policies designed to reduce the dependence of State and local governments on such taxation

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TASK FORCE ON THE TAXATION OF REAL PROPERTY BY STATE AND LOCAL GOVERNMENTS

SECTION 1. (a) There is established a Task Force on the Taxation of Real Property by State and Local Governments (hereinafter in this Act referred to as the "Task Force") which shall consist of twenty-four members who shall be appointed in accordance with this section.

(b)(1) The President shall appoint as members of the Task Force four individuals who are officials of the executive branch of the Federal Government.

(2) The majority leader of the Senate, after consultation with the minority leader of the Senate, shall appoint four Senators as members of the Task Force. No more than two of such four Senators shall be affiliated with the same political party.

(3) The Speaker of the House of Representatives, after consultation with the minority leader of the House of Representatives, shall appoint four Representatives as members of the Task Force. No more than two of such four Representatives shall be affiliated with the same political party.

(c)(1) The President, the majority leader of the Senate, and the Speaker of the House of Representatives, after consultation among themselves, shall each appoint as members of the Task Force four individuals not officers or employees of the United States who, because of their knowledge, expertise, diversity of experience, and distinguished service in their professions, are particularly qualified for service on the Task Force.

(2) In making appointments under this subsection, the President, majority leader of the Senate, and the Speaker of the House of Representatives shall take care that the following interested parties are adequately represented by the members so appointed:

(A) State and local governments.

(B) Members of the academic community concerned with the taxation of real property.

(C) Citizens groups and associations concerned with the taxation of real property.

(3) Appointments shall be made pursuant to this subsection without regard to political affiliation.

(d) The members of the Task Force—

(1) shall be appointed within ninety days after the date of enactment of this Act; and

(2) shall be appointed for the life of the Task Force.

(e) One of the individuals appointed to the Task Force by the President shall be designated by the President as Chairperson of the Task Force. Such individual shall serve as Chairperson for the life of the Task Force.

(f) A vacancy on the Task Force shall be filled in the manner in which the original appointment was made.

(g) Thirteen members of the Task Force shall constitute a quorum, but a lesser number may hold hearings.

(h) The Task Force shall meet at the call of the Chairperson or whenever thirteen members present a petition to the Chairperson asking for a meeting of the Task Force.

DUTIES OF THE TASK FORCE

SEC. 2. (a) The Task Force shall study and evaluate—

(1) the taxation of real property by State and local governments;

(2) the effects of such taxation on middle income and fixed income taxpayers; and

(3) the feasibility of Federal taxation and other policies designed to reduce the dependence of State and local governments on such taxation.

(b) The study and evaluation described in subsection (a) shall include, but not be limited to, the following:

(1) An examination of means which would allow State and local governments to reduce real property taxes—

(A) through the waiver by the United States of the immunity of Federal instrumentalities to such taxes;

(B) through Federal grants-in-aid and loans to State and local governments to assist such governments in providing services which otherwise would be supported by real property taxes;

(C) through the utilization of other forms of taxation in place of real property taxation;

(D) through an analysis by State and local governments of their overall taxation policies and of ways to redistribute tax burdens; and

(E) through the consolidation of local political subdivisions and other taxing districts so that tax burdens may be equitably distributed.

(2) An analysis of the tax burdens of persons and organizations with respect to income produced by the real property owned by any such person or organization.

(3) An examination of means to reduce the real property taxes of fixed and middle income taxpayers and other individuals subject to heavy real property tax burdens—

(A) through the granting of Federal tax relief to such taxpayers;

(B) through the granting of exemptions from real property taxes to such taxpayers; and

(C) through the taxation of real property owned by persons and organizations presently exempt from such taxation, including State and local governments and charitable, nonprofit, educational, religious, humanitarian, and philanthropic organizations.

POWERS OF THE TASK FORCE

SEC. 3. (a) The Task Force, or, on the authorization of the Task Force, any subcommittee or members thereof, may, for the purpose of carrying out the provisions of this Act, issue such subpenas requiring the attendance and testimony of witnesses, hold such hearings, take such testimony, receive such evidence, take such oaths, and sit and act at such times and places as the Task Force may deem appropriate and may administer oaths or affirmations to witnesses appearing before the Task Force or any subcommittee or members thereof.

(b) Subject to such rules and regulations as may be adopted by the Task Force, the Chairperson shall have the power to—

(1) appoint and fix the compensation of an executive director, and such additional personnel as he deems advisable, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, except that the executive director may not receive pay in excess of the maximum annual rate of basic pay in effect for grade GS–18 of the General Schedule under section 5332 of such title and any additional personnel may not receive pay in excess of the maximum annual rate of basic pay in effect for grade GS–15 of such General Schedule, and

(2) obtain temporary and intermittent services of experts and consultants in accordance with the provisions of section 3109 of title 5, United States Code.

(c) The Task Force is authorized to negotiate and enter into contracts with organizations, institutions, and individuals to carry out such studies, surveys, or research and prepare such reports as the Task Force determines are necessary in order to carry out its duties.

COOPERATION OF OTHER FEDERAL AGENCIES

SEC. 4. (a) Each department, agency, and instrumentality of the Federal Government is authorized and directed to furnish to the Task Force, upon request made by the Chairperson, and to the extent permitted by law, such data, reports, and other information as the Task Force deems necessary to carry out its functions under this Act. All such requests shall be made by the Chairperson of the Task Force.

(b) The head of each department or agency of the Federal Government is authorized to provide to the Task Force such services as the Task Force requests on such basis, reimbursable and otherwise, as may be agreed between the department or agency and the Chairperson of the Task Force.

(c) The Task Force may accept, use, and dispose of any gift or donation of services or property.

(d) The Task Force may use the United States mails in the same manner and upon the same conditions as any other Federal agency.

(e) The Administrator of General Services shall provide to the Task Force on a reimbursable basis such administrative support services as the Task Force may request.

PAY AND TRAVEL EXPENSES

SEC. 5. (a) Except as provided in subsection (b), members of the Task Force shall serve without pay.

(b) While away from their homes or regular places of business in the performance of services for the Task Force, members of the Task Force shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under subchapter I of chapter 57 of title 5, United States Code.

FINAL REPORT

SEC. 6. The Task Force shall transmit to the President and the Congress not later than the date one year after the first day on which all members of the Task Force have been appointed, a final report containing a detailed statement of the findings and conclusions of the Task Force, together with such recommendations as it deems advisable (including recommendations for legislation).

TERMINATION

SEC. 7. On the ninetieth day after the date of submission of its final report to the President, the Task Force shall cease to exist.●

INFLATION: QUESTIONS AND ANSWERS

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 24, 1979

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington report for January 24, 1979, into the CONGRESSIONAL RECORD:

INFLATION: QUESTIONS AND ANSWERS

These are some questions that Ninth District residents are asking about inflation:

What causes the inflation we are having today? There are several causes. Some of the present-day inflation can be traced to the 1960s when we failed to tax ourselves sufficiently to finance both the Vietnam War and the Great Society. Our "guns and butter" policy pushed unemployment down and set off a chain reaction of wage and price increases which we have never successfully controlled. Also important are the external economic shocks of the early 1970s. Steep rises in the price of foreign oil, heavy demand for raw materials in the industrialized nations, and poor crops in many regions of the world served to destabilize our economy even further. A more recent cause of inflation is the depreciation of the dollar, a direct effect of our huge trade deficit. Cheap dollars are inflationary because it takes more of them to purchase goods from abroad. Other factors behind inflation are government tax and regulatory policies which burden workers and businesses alike. An increase in the social security tax has held down the pay of workers while a minimum wage hike, large budget deficits, and many environmental regulations have added to the cost of doing business. Yet another recent contributor to inflation is the tight market for skilled labor. Wages are rising as firms bid for workers who have special abilities. Finally, the widespread assumption that inflation will continue is a self-fulfilling prophecy. Faced with the prospect of shrinking pay and profits, workers and businesses try to protect themselves with big wage demands and price increases. The result is more inflation.

Who is to blame for inflation? Most of us are persuaded that someone else is to blame for inflation. We tend to believe that inflation would disappear if others would exercise restraint. Businessmen say that inflation is due to labor and government; labor leaders think that the culprits are government and business; government officials criticize the actions of business and labor. In fact, each is about two-thirds right. The real villians are all of us and the nature of the society we live in. We want full employment with real increases in our incomes each year and a constantly improving standard of living. Inevitably, total demand for goods and services adds up to more than productivity and growth in the economy can provide. Inflation has become embedded in the tissue of the economy as a consequence of too many demands by too many people on too limited an amount of national wealth.

Why doesn't the old law of supply and demand curb inflation? The problem is that the economy no longer functions as we think it ought to. Neither wages nor prices fall when demand for goods and services slackens. The fear of unemployment does not seem to hold down wages, and the fear of lost sales appears to have little effect on prices. Wages are for the most part no longer determined by the pressures of supply and demand, but rather by bargaining between powerful interest groups. Prices, too, especially in the highly regulated industries, exhibit little sensitivity to the pressures of supply and demand. Moreover, wage increases are justified by price increases, and vice versa. Insistence on higher wages and prices is understandable, even reasonable. Everyone is playing the "catch-up" game.

Can't we make the fight against inflation completely fair? Probably not, though we must try. A worker once said to me, "I support the fight against inflation, but only if it is fair to all." His position was sound, but in a complex and competitive economy it may be next to impossible to devise an anti-inflation program with no inequities whatever. That same worker asked me why he was expected to show restraint without any assurance that others would follow his example. The logic of his argument is hard to refute, but if no one is willing to take the first step then inflation will go on unabated. We cannot sit idly by until someone comes up with a perfectly fair anti-inflation program.

How important is the fight against inflation? The control of inflation has become the overriding imperative of government today. It is not just a worthy initiative designed to aid one group or another. Our country will suffer severely if we do not cut inflation down. The unchecked upward spiral of wages and prices threatens to destroy nearly everything we seek: a higher standard of living, more opportunities for ourselves and our families, and a more just society for all. In 1978 the voter sent every candidate a message: "Control inflation." This message must not be ignored. Because the political and economic penalties of inflation grow more intolerable every day, power will flow to those leaders who are successful in the fight against inflation.

How long will it take to wring inflation out of the economy? Inflation was long in coming, so several years may be required to get rid of it. Careful fiscal and monetary policies, combined with unceasing efforts to reduce government inefficiency and encourage competition in the private sector, are absolutely indispensable. There is no "quick-fix" solution to the problem of inflation, and we should not hope for any dramatic improvement. However, small gains each year will add up over time.●

A BILL TO ENCOURAGE MEDICAL SCHOOLS TO TEACH SPECIALIZED TREATMENT OF THE RETARDED

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 24, 1979

● Mr. GILMAN. Mr. Speaker, I am introducing today legislation to amend the Health Manpower Act to include in the list of existing grants offered, a grant program to encourage medical schools to train personnel in the care of the mentally retarded. This is a specialty which is sorely lacking in our medical institutions and which, if developed, would allow the medical profession the freedom and capacity to treat the retarded and provide quality health care for the standard 6 million retarded citizens of our Nation.

Medical training institutions are producing a high caliber medical professional and there are substantial efforts to encourage our medical personnel to view medicine as a humanitarian venture, and to expose doctors to an interdisciplinary approach to treatment. The Health Manpower Act lists several fields which are important and timely, and in which medical schools should and can invest time and effort to insure that doctors are receiving a "well-rounded" approach to medical education. Several populations have been pointed out as needing special attention, and the list of available grants includes grants for the study of geriatric medicine, of medicine pertaining to women and minority groups. The addition of specialty training for the treatment of the retarded will enable physicians and other health personnel to become more sensitive to the needs and problems of the retarded of this Nation, the only disabilities group that cannot speak for themselves.

The President's committee on Mental Retardation, a standing committee created by Executive order 12 years ago, stated on several occasions that the retarded are underserved by the medical community, and recommendations have been made by that committee to encourage improved health care for the retarded. In its annual report entitled "MR 76: Mental Retardation Past and Present," the President's committee stated:

> Persons with mental retardation must be served in all health care systems, both medical and dental, available to the general public. To reach all persons in need, a more equitable distribution of health manpower and resources must be developed. Medical, communication and transportation technologies must be more broadly exploited.

In another recommendation pertaining to education opportunities open to individuals working with the retarded, the President's committee states:

> Education for health-related careers should include training in the following areas:
>
> Consumer participation and social problems;
>
> Interdisciplinary team collaboration in patient care;
>
> Administration of multi-disciplinary service programs;
>
> Preventive and public health aspects of all health specialties in relation to problems of mental retardation and developmental disabilities.

The retarded have the right to quality medical care and it is a sad commentary on the state of this Nation's medical care when the retarded are glanced over and are not afforded adequate care. Parents of the retarded have informed me that doctors willing to treat their children are few and far between; that doctors oftentimes cannot communicate with the patients seeking help and that many times quality medical care is available only in private schools and institutions which are too expensive for most parents to afford. With the emphasis on deinstitutionalization, too, the retarded are being gradually "mainstreamed" into our society. Their rights are equal to those of others who are living in, and contributing to society.

The Congress has been receptive to the needs of our handicapped population, but there are still many avenues which should and must be explored. I believe that if we provided incentives to medical schools, in the form of grants, many of them would meet the challenge that the retarded present and the quality of health care available to our retarded would increase.

Under this grant program, medical schools have the option of adjusting their curriculums to reflect the movement toward equalization among the retarded and other populations. Grants will allow the medical schools to directly include the treatment of the retarded in their medical course, or it will encourage the interdisciplinary approach to this field, by enabling medical schools to call in experts in the field of retardation midcourse, or modify their curriculums in such a way as to allow for greater communication between departments and disciplines. Many medical schools do not have the personnel or time to devote to the treatment of retardation. For those schools, grants will provide an incentive to pull together many of the diverse resources presently available.

Curriculums can be modified to include in the course of study information for the physician relating to the special problems of the retarded and developmentally disabled. For instance, in a course of basic biochemistry, health personnel could give special attention to hereditary chemical metabolic imbalances which directly relate to retardation and developmental disabilities, and during the study of neurological disorders, the problems of cerebral palsy might be emphasized. Dental students could learn how to treat the retarded patient who cannot communicate pain and who might not be able to care for his own dental needs. Ethical and legal approaches to the question of retardation and disability could be stressed during the course of study, and the management of developmental disabilities and retardation could be seen as an ongoing process which ties in many of the basic skills learned in medical schools. More emphasis must be placed on the community's role in serving the disabled, and through a medical course on community participation and medicine, students might learn how to deal productively with resources that exist within a given community which would improve the well-being of the disabled individual.

Attitudinal aspects of retardation and disability must be taught from the beginning of a student's career, and an emphasis should be placed on restructuring attitudes to reflect deep concern with the unique needs of the handicapped. Psychosocial aspects of retardation and disability may be taught in psychology courses, and through exposure to the retarded will certainly enhance any physician's approach to humanistic medicine.

Presently, many medical schools have the privilege of access to UAF's—University Affiliated Facilities. UAF's provide teamwork training on a practical level, and were created by Public Law 88-164 when the legislation called for the establishment of:

> Clinical facilities providing clinical training of physicians and other specialized personnel," and "a full range of inpatient and outpatient services for the mentally retarded" which would "aid in demonstrating provision of a specialized service for the diagnosis and treatment, education, training or care of the mentally retarded."

These UAF's encourage multidisciplinary approaches to health personnel in that they provide coordination between universities and the communities in which the UAF exists. This working relationship allows for an exchange of ideas through the inclusion of several aspects of the health field: Social work, clinical psychology, and field work. Yet, I have learned that not all of these 39 UAF's now in existence have any input into the medical school curricula, and that slightly more than half of the UAFs contribute resources in the teaching of developmental disabilities in the universities. Clearly more must be done.

Medical schools have come a long way since the past two decades during which educational facilities viewed retardation with disdain and hopelessness. The President's committee report points out that:

> Textbooks in psychology dismissed it (retardation) with a few paragraphs under "Abnormal Psychology" describing the general gradations and the hopelessness of the condition. Pediatricians, in their training, learned that the defective are condemned to helplessness and that the kindest treatment was to urge parents to place their child in institutional care, dismiss it from their lives, and turn to the future production of healthy children.

Last year, the Washington Post carried an article on the horrible situation in some New York State hospitals. Retarded patients have been overtranquilized, resulting in several deaths specifically linked to tranquilizers. The medical examiner from Rockland County, N.Y., stated that this tranquilization of the retarded has "contributed to countless deaths by deadening nervous reactions that would otherwise serve as a warning," and that "discussions with colleagues indicated that such deaths occur nationwide." This is shocking news; and yet, if the medical profession is allowed to remain in the dark about the treatment of the retarded and developmentally disabled, these instances will continue to occur.

Researchers are attempting to determine the causes of mental retardation, and are examining preventative measures in this regard. But there are many unanswered questions which require careful studies and which may take years to answer. Retardation, at present, is a fact of life, and it is wise to accept the fact that many of our citizens are retarded and that they require special attention. We cannot afford to ignore their needs. The legislation that I am introducing today addresses an issue which will improve the quality of life for all of our retarded.

Accordingly, I urge my colleagues to join with me in seeking to improve the medical care for our retarded.

Mr. Speaker, I am submitting at this point in the RECORD, for my colleagues' review, a copy of this legislation:

H.R. —

A bill to amend the Public Health Service Act to authorize financial assistance for projects and programs to train physicians and other health personnel to identify and deal with the special medical problems related to the mentally retarded and to improve the ability of such personnel to provide health care to the mentally retarded

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subsection (d) of section 788 of the Public Health Service Act is amended (1) by striking out "and" at the end of paragraph (20), (2) by striking out the period at the end of paragraph (21) and inserting in lieu thereof "; and", and (3) by adding after paragraph (21) the following:

"(22) projects and programs to train physicians and other health personnel to identify and deal with the special medical problems related to the mentally retarded and to improve the ability of such personnel to provide health care to the mentally retarded.".

(b) Subsection (e)(1) of such section is amended by adding at the end the following: "For the fiscal year ending September 30, 1980, there are authorized to be appropriated such sums as may be necessary for grants and contracts under subsection (d) for projects and programs described in paragraph (22) of such subsection.".●

ATLANTIC COUNTY MIDDLE MANAGEMENT SEMINARS FOR EDUCATORS

HON. WILLIAM J. HUGHES

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 24, 1979

● Mr. HUGHES. Mr. Speaker, the educational community of Atlantic County, N.J., has undertaken an innovative program of great benefit to the public schools of New Jersey. I feel that this program merits wide attention.

Vincent P. Cantillion, the Atlantic County superintendent of schools, with the assistance of his dedicated staff and the guidance of an advisory committee, initiated the first middle management leadership seminar for public schools. Representatives from 87 schools in 25 school districts have already attended or will attend the seminars which began in September 1978 and will continue through May 1979.

The development of the management team concept is exeplored in an in-depth fashion through discussions of human relations, communications, management, finance, personnel administration, and the role of the high school principal in the school setting and the community at large.

The seminars are held at Stockton State College and have received wide support from educators in the tristate area.

Many individuals played important roles in developing the basic format of the seminar series but it could not have been successfully arranged without the help of Dr. Robert G. Scanlon, executive director of research for Better Schools, Inc., and his associate, Dr. James I. Mason, the director of educational services. I would also like to bring to my colleagues' attention the names of the following individuals who served on the program's project advisory committee. They are:

Vincent P. Cantillion, Judith A. Davis, Clark Donlin, Marjorie H. Jones, DeEdwin Hursey, Joseph P. Conroy, Jack Eisenstein, Arthur Rainear, James I. Mason, Hurley Hanley.

Joseph Cudemo, James A. Moran, Henry Miller, Emory Kless, Harold Bills, John Reed, James Field, Johnson Harmon, Ronald Lukas, David Lloyd.

Donald Marrandino, Sheila Perugini, Gerald Toscano, Louis Della Barca, Burton Newman, Ralph Schlavo, Ronald Bonner, Joseph Pino.

The organizers of the seminar series believe that changes are imperative in school procedures and their thoughts are shared by the New Jersey commissioner of education, Dr. Fred Burke, who has decided to repeat the seminars across the State.

In this era of growing complexity in all our public institutions, it is heartening that the middle management leadership seminars have been established to help New Jersey's educators keep up with changing times. In the end, both educators and students will benefit and I believe that this experiment will serve as a guide to educators across the country as they learn new ways of providing our youngsters with more meaningful learning experiences.●

TRIBUTE TO JOHN McLEOD

HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 24, 1979

● Mr. BONIOR of Michigan. Mr. Speaker, I would like to take this opportunity to pay tribute to a man who has served his community, educating young people, for almost three decades.

John McLeod, principal of Carl Brablec High School in Roseville, Mich., will be retiring at the end of the month. He has served as principal at Brablec for the last 10 years and served in the Roseville community school system for a total of 29 years.

A community can place no greater faith in an individual than to entrust him with their children. John has upheld that faith, not only educating but caring for thousands of Roseville students over the years.

John's career in education has been one of notable achievement. Beginning in 1950 as an English and social studies teacher, he advanced to become an elementary school principal, superintendent, assistant principal and ultimately, principal at Brablec.

As a teacher and educator, John also knew what it was like to be a student. A graduate of Eastland High School in Roseville, John went on to complete a B.A. and M.A. and is still pursuing his education, working on an advanced degree.

Along the way, John served in the Army, worked in an automobile factory, tool and die shop, and operated a small business.

A family man with a wife and five daughters, John approached his community life with the same zeal that he brought to his educational responsibilities. As a member of the Roseville Rotary, Roseville Goodfellows, South Macomb YMCA Board, and the Erin Presbyterian Church, John McLeod left a mark on his community that will not be soon forgotten.

Mr. Speaker, the 12th Congressional District of Michigan has been fortunate in having John McLeod as one of its community leaders over the past three decades. Therefore, on behalf of my colleagues, I want to formally recognize the contribution of John McLeod, a man of character, ability, and dedication and wish him a pleasant and fulfilling retirement.●

ROY M. DOPP, JR.—A GUIDING GENIUS OF MANAGEMENT

HON. GLADYS NOON SPELLMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 24, 1979

● Mrs. SPELLMAN. Mr. Speaker, the distinguished Canadian statesman, W. L. MacKenzie King, once commented that:

> Labor can do nothing without capital, capital nothing without labor and neither labor nor capital can do anything without the guiding genius of management.

I take the floor today, Mr. Speaker, to draw my colleagues' attention to one whose own guiding genius of management has been an indispensable ingredient—indeed an inspiration—to my district's business community for more than two decades.

I speak of Mr. Roy M. Dopp, Jr., a resident of Laurel, Md., whom I have known and worked closely with in several capacities down through the years. On Friday, January 26, 1979, I will be present when Roy presides over his last official meeting as chairman of the board of the Laurel Area Chamber of Commerce.

I will be honored to be there, Mr. Speaker, because I know of the many fine things the Laurel chamber has done, the way it has grown and the progress it has made under Roy's guiding influence. I will be honored because I know that the Laurel chamber has become in recent years one of the most influential organizations in the Washington-Baltimore corridor. I will be honored because I know how the Laurel chamber has been recognized as one of the most involved organizations in the area of landlord-tenant affairs. I will be honored because I know how much of this might not have happened had it not been for Roy Dopp.

Of course, Roy's considerable talents have not been applied just to the Laurel chamber, although he has been an officer of that organization for more than half a dozen years.

A native of Des Moines, Iowa, Roy has been a gifted manager for New York Life and several real estate investment and development firms since being graduated from Grandview College in his hometown in 1949. He came to the Washington area in 1958 and currently is a senior property manager for Dreyfuss Bros., Corp. overseeing several large properties while also handling other key assignments.

Roy also served with the 2d Armored Division in Germany in the 1950s, is active in the Lion's and Rotary Clubs and serves in many other business, civic and church organizations in suburban Maryland.

Mr. Speaker, I know my colleagues will want to join me in recognizing the many fine achievements of this most capable and respected member of my community. I know, too, they will want to join me in wishing him well in all his future endeavors. And most of all, Mr. Speaker, I know they will want to join me in offering my heartfelt thanks to Roy M. Dopp, Jr. for allowing so many others to benefit from his greatest gift, his guiding genius of management.●

EXPOSING OF MALEFACTIONS IN OFFICE

HON. RAY ROBERTS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 24, 1979

● Mr. ROBERTS. Mr. Speaker, there has been a great deal of newspaper ink devoted to the so-called bloated bureaucracy and malfeasance in office. I applaud the press for exposing malefactions by public officials. I also commend it for keeping the matter in perspective by praising those to whom praise is due.

One of the finest group of employees our Government can boast works in the Veterans Administration Regional Office in Waco, Tex. They are led by a man whose acumen and leadership qualities have been recognized again and again—Jack Coker.

That Mr. Coker was singled out for praise by the Waco Tribune-Herald honors all the VA employees and the newspaper itself. I request that the article be printed in the RECORD.

The article follows:

VETERANS AND THEIR SERVANTS HONORED

Most Americans, we believe, approve the restoration of Nov. 11 as Veterans Day for official national recognition to the men and women who served in all the wars of this century. This anniversary of the ending of World War I in 1918, it seems to us, carries a penetrating message across the years: even total armed victory is no assurance of permanent safety. This message was underscored in World War II and again and again since then. Only vigilance and self-sacrifice can preserve a nation against outside enemies. All honor to the men and women who gave of themselves in the name of freedom on the high seas and on the far-flung battlefields starting in 1916 and continuing ever since.

While we honor the service of those men and women, we in Waco may salute as well those who serve their postwar needs, the men and women who staff the Veterans Administration regional office and hospital here. Accountable to a veterans population of 910,000 ex-service personnel in 164 Texas counties, the VA regional office has earned so many repeated honors for excellence that their work is nationally famous.

Starting with Regional VA Director Jack Coker, the list of awards in 1978 to VA regional office workers would fill a book. Coker was accorded by VA Administrator Max Cleland the Administrators Award for Executive Leadership, one of six persons nationwide so recognized this year. All the service organizations have added to the official commendations to this office here in Waco for the help given by its workers to veterans across Texas from Texarkana to El Paso and from Amarillo to Austin. While the regional office is ninth largest in the nation, it ranks as No. 1 in economy and efficiency, the only one of the 54 nationwide to take top honors in all categories of evaluation.

Nor do the VA regional staff members confine their service solely to veterans. Through United Way, through the blood center, through U.S. savings bond promotions, they continue to stand at the top of extra achievement on behalf of this community.

Theirs is a record of unselfishness that stands as an example to all of us in private and public life and Veterans Day is an appropriate time to say so.●

EXTENDING EDUCATIONAL BENEFITS TO OUR DESERVING VETERANS

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 24, 1979

● Mr. GILMAN. Mr. Speaker, today I am introducing legislation designed to extend the educational benefits presently available to our Nation's veterans. The bill would extend educational assistance beyond the 10-year period now designated by Public Law 93-337.

The package I am proposing includes the following provisions:

First. Entitling a veteran who has served 18 months or more of active duty to 54 months of educational assistance;

Second. Eliminating the time limitation for completing a particular program of studies; and

Third. Extending the eligibility for these benefits to the veterans' of World War II, the Korean and Vietnam conflicts whose benefits have terminated before the enactment of this legislation.

Mr. Speaker, the imposition of these arbitrary deadlines for utilizing educational benefits is in direct opposition to what our veterans' policy should be. These brave individuals who have contributed so much to our Nation ought to have the chance to complete their educations without the additional burdens of time. Many of our veterans have delayed the continuation of their educations for various reasons: to raise a family, to earn extra money—which we know is necessary now with the ever-spiralling inflation rate—or for unforeseen reasons over which the veteran has had no control.

Adoption of this measure would allow our veterans to meet their educational expectations without the fear of forfeiting benefits due to a change in circumstance, and would allow the veterans to enjoy their rightful status as first-class citizens, a status which, unfortunately has been lacking in the last several years.

Mr. Speaker, it is not too late to grant our veterans the benefits which are deserved and oftentimes expected. We cannot afford to lose the valuable potential and loyalty which our Nation's soldiers have so willingly given.

I urge my colleagues to support this measure, and ask that the full text of the legislation be inserted at this point in the RECORD.

H.R. —

A bill to amend title 38, United States Code, in order to entitle veterans to fifty-four months of educational assistance for all educational programs under chapter 34 of such title, to eliminate the time limitation within which educational assistance must be used, and to restore on behalf of certain veterans educational assistance benefits previously terminated

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 34 of title 38, United States Code, is amended—

(1) by amending the second sentence of section 1661(a) to read as follows: "If an eligible veteran has served a period of 18 months or more on active duty after January 31, 1955, and has been released from such service under conditions that would satisfy his active duty obligation, he shall be entitled to educational assistance under this chapter for a period of 54 months (or the equivalent thereof in part-time educational assistance).":

(2) by amending section 1661(c) to read as follows:

"(c) Except as provided in subsection (b) and in subchapters V and VI of this chapter, no eligible veteran shall receive educational assistance under this chapter in excess of 54 months.";

(3) by amending section 1662 to read as follows:

"§ 1662. Entitlement available until used

"Any entitlement to educational assistance under this chapter shall remain available to the veteran until such time as it is used."; and

(4) by amending the table of sections thereof by striking out

"1664. Time limitations for completing a program of education."

and inserting in lieu thereof

"1664. Entitlement available until used.".

SEC. 2. Section 1795 of title 38, United States Code, is amended by striking out "forty-eight months" and inserting "54 months".

SEC. 3. Notwithstanding any provisions of title 38, United States Code, or any other law, eligibility for educational assistance under chapter 34 of such title is hereby granted to any veteran of World War II, the Korean conflict, or the Vietnam era who—

(1) was entitled to educational assistance under any law administered by the Veterans' Administration as a result of active service during such war, conflict, or era; and

(2) whose entitlement thereto terminated before the date of the enactment of this Act without the veteran concerned availing himself, to or only in part using, any such assistance.

(b) The number of months of entitlement to educational assistance which is granted to any veteran under subsection (a) of this section, which number shall be determined by the Administrator of Veterans' Affairs, shall be as nearly as possible equivalent to the entitlement to education assistance to which such veteran was entitled at the time such previous entitlement terminated.

(c) The Administrator of Veterans' Affairs shall prescribe such regulations as are necessary and appropriate to carry out this section.●

REDUCING THE HEAT

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 24, 1979

● Mr. YOUNG of Florida. Mr. Speaker, yesterday's edition of my hometown newspaper the St. Petersburg Times carried an editorial which makes the point that the real issue behind this year's budget is inflation. Although the Times editorial board and I disagree at times over issues before the Congress, we could not agree more that the American people expect this Congress to act in a fiscally responsible manner in an effort to cool the fires of inflation. The Sixth District of Florida which I am privileged to represent is particularly hard hit by inflation, because of its wealth of older Americans and it is gratifying to see the newspaper which serves that area to join in the fight to curb the Federal budget. I respectfully submit the Times editorial for the RECORD:

REDUCING THE HEAT

President Carter's new budget has been "cut" by $16 billion. Yet it is "up" by $39 billion. And that extradiction points up as well as anything why Carter had to do what he did.

It's mostly a matter of inflation. If government programs were to be continued unchanged in the new fiscal year, outlays would climb to $548 billion. As modestly pared by President Carter, these programs will cost $532 billion.

But that spending figure, trimmed or not, compares with total outlays this year of only $493 billion. Did we say "only"? Well, it's all relative. Each year's budget is the biggest one yet. And the lesson is that government spending, even when cut, continues to rise.

That is what Carter is worried about.

And if he has read the public temper correctly, as we think he has, that is what the average American also is worried about: inflation, the fact that less costs steadily more, and with no end to the spiral in sight.

As Carter points out, deficit spending by the federal government is one big factor in this continued decline of the dollar. Every year except one for the past couple of decades the U.S. government has spent billions of dollars more than it collected in taxes.

The rest was borrowed, and the national debt has continued to soar. And Carter said that despite his economy efforts, that debt will climb from $789-billion (last week) to $889-billion next year.

Interest payments alone by then will be running $57-billion a year. Taxpayers except for those holding some of those government bonds, notes and bills, get nothing for this except more inflation.

Just three years ago the government ran in the red by $66-billion. So when Carter proposes to hold deficit spending next year to a mere $29-billion, with the aim of cutting it further the following year and eventually starting to make payments on the national debt, you might think everybody would cheer.

Of course that isn't the way it works. Even before Congress had read it, Carter's spending plan for the new year was under attack. Liberals said he had cut dangerously deep. Conservatives said he hadn't touched most of the fat.

Obviously judgments will differ about some of his specific proposals. It is a fact he has trimmed (or reduced projected increases in) spending for most purely domestic programs. At the same time, he has increased funds for defense to offset inflation and finance a small actual increase in arms spending.

That disparity will be hard to swallow for many members of Congress. It is for us too. If there is waste and heedless spending in the government's nonmilitary programs, few would deny there is even more of it in the armed forces.

Carter's contention is that he has taken that into account, and is imposing the same belt-tightening rules on the Pentagon as on other government agencies. The extra money, he says, is for expensive hardware, like a new missile that can be moved around—whether by land, sea or air is not yet determined—from one launching site to another.

He includes in his budget $935-million to get started developing this mobile missile, estimated to cost $30-billion or more in the end. Our hope is that Congress will consider delaying that start, at least until the military has made up its mind how the system will work.

As for the President's proposed cuts in domestic programs, each of those of course also should be examined closely by Congress. Certainly Carter will be found to have made some misjudgments, which Congress will want to correct.

On the other hand, it shouldn't rush into that.

Right or wrong on some of the details, Carter is dead right on the issue. The issue, as he says, is burning inflation. Obviously the government can't shut off the stove and abandon the kitchen. But the smart thing to do is to turn down the heat.●

CLARA LOUISE OSTOICH—1979 SAN PEDRO CITIZEN OF THE YEAR

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 24, 1979

● Mr. ANDERSON of California. Mr. Speaker, on January 25, 1979, the San Pedro Lion's Club will honor one of the most respected and admired residents of my home district in the California South Bay area. On that day, the Community Recognition Award will be added to the numerous awards that Clara Louise Ostoich has received for her contributions to the betterment of our community.

It is indeed remarkable to consider how greatly involved this woman has been in community affairs. Her constant concern for the well-being of San Pedro and its citizens is expressed well by the long list of organizations which have received the benefit of her work. This model of citizenship is something I would like to share with you today.

Mrs. Ostoich has been very active on the Salvation Army Advisory Committee, a body which she has chaired for the last 2 years. With the group, she founded the Salvation Army's annual beef dinner, a popular and profitable affair for the organization. She is currently organizing a local Salvation Army Women's Auxiliary, a club she will lead as its chapter president.

The San Pedro Peninsula Hospital Citizens Committee has also benefited from her activism. Just recently, she helped conduct a very successful fundraiser for the committee's kidney dialysis program.

As a long time owner of her flower shop on Weymouth Avenue, Ostoich mixed philanthropy with business. It is well-known throughout the community that her shop, Clara's for Flowers, could be depended on when civic and charitable organizations were in need of floral arrangements, plants or other decorations for special events.

She belongs to the San Pedro Woman's Club, the San Pedro Garden Club, and the San Pedro Concert Association. The San Pedro Chamber of Commerce Women's Division grew under her leadership while she was its first vice president. She is an active supporter of the Toberman Settlement House.

Throughout the entire year, she shows her devotion to community service. At Christmas time, she helps the San Pedro Chamber of Commerce and Community Development prepare and serve dinners to underprivileged children.

Her selflessness dedication to others has won her wide recognition. Last year, she was nominated as the woman of the year by the California Women in Chambers of Commerce. An outstanding citizen award was given to her in 1970 by the San Pedro High School Parents and Teachers Association.

She has also won the San Pedro Boy's Club Golden Boy Award and the Woman of Achievement honor from the San Pedro Business and Professional Women's Club. In 1974 she was given the Fidelity Award for outstanding community service by the Fidelity Federal Savings and Loan Association.

I am very proud of the great spirit of involvement that exists throughout my home district. I am especially proud to give recognition to one person who symbolizes this special trait.

My wife, Lee, joins me in congratulating Clara Ostoich as she receives this citizen of the year honor. We are fortunate to share a fond friendship that goes back to the years when her late husband, Anthony, established a reputation as an outstanding community worker. All her past accomplishments will be long remembered and will serve as pleasant reminders that the San Pedro community can expect the Ostoich tradition of service to continue for many more years.●

PROTECTION AGAINST UNWARRANTED SEARCHES

HON. LAMAR GUDGER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 24, 1979

● Mr. GUDGER. Mr. Speaker, today we are introducing a bill entitled the "Third Party Search Protection Act of 1979"; this bill is identical to a bill bearing a similar name introduced by us on August 2, 1978 shortly after the Supreme Court rendered its decision in Zurcher against Stanford University Daily but not in time to be acted upon by the 95th Congress. This bill is cosponsored again by Representatives Preyer, Andrews of North Carolina, Neal, Whitley Hefner, Evans of Georgia, Hall of Texas, and Holtzman. This bill is distinguishable from others, introductions prompted by the Zurcher case, in that it is designed to protect the private citizen as well as members of the press from arbitrary search and seizure of documents or other objects when the search victim is not accused of crime or complicity in any criminal activity.

The background leading to the need for legislation of this nature, in brief, is this:

In 1971, the Stanford University campus newspaper published photographs of a demonstration and clash between student protestors and police in which several police officers were allegedly assaulted.

The next day, the county district attorney secured a warrant for an immediate search of the newspaper offices and files which was carried out by four policemen. No qualifying evidence was found in the broadside sifting out of the accumulated photographs, films, negatives, and office files located in the offices of the Stanford University Daily.

The newspaper (and its staff) went to court and won a ruling that the 4th and 14th amendments forbid the issuance of a search warrant when persons in possession of the object or objects sought are not suspected of having committed a crime, unless there is probable cause to believe that a subpena would be impracticable. The court also ruled that, when the object of the search is a newspaper, the first amendment limits governmental power to search to only those cases where there is a clear showing that important materials would be destroyed or where a restraining order would be futile.

In the appeal to the Supreme Court, the lower court was reversed. The May 31, 1978 decision stated that search warrants are aimed not at people, but at things believed to be in certain places, thus making it irrelevant whether any third party involved was suspected of having committed a crime. Any first amendment rights that might be at issue would be protected by applying the reasonableness requirements of the fourth amendment with "scrupulous exactitude."

The majority opinion pointed out that Congress has the power to alter the effects of the decision through its legislative process.

Justice White wrote:

> The Fourth Amendment does not prevent or advise against legislative or executive efforts to establish nonconstitutional protections against possible abuses of the search warrant procedures. . . .

Our friends in the press feel strongly that legislative action is necessary. I agree. The impact of the Supreme Court's decision is not limited to newspapers or radio or television stations.

The Court's view of when and under what circumstances a search may be conducted means that any could be the object of search whenever a judge can be convinced—whether rightly or wrongly—that a search is necessary. This means doctors, lawyers, accountants, anybody.

It takes little imagination to see that, had the Zurcher case ruling been handed down a few years earlier, a friendly judge at that time could have issued a warrant which would have allowed the rifling of Daniel Ellsberg's files in a psychiatrist's office without resorting to burglary. Even the Democratic National Committee at Watergate could have been thoroughly searched under a similar process involving a cooperative judge and an aggressive police officer.

To guard against such happenings, we are proposing in the bill, being introduced today, to restrict the issuance of search warrants without prior use of subpena, including notice of hearing in cases involving property in the possession of third parties.

The only time such warrants could be issued would be when "there is probable cause to believe that the individual whose person or property is to be searched for or seized has committed or is committing a criminal offense" or, if an innocent holder, that he will destroy the records if the search warrant is not used.

This, I think, will protect the first amendment rights of the press and the fourth amendment rights of all persons, while addressing the points raised by the Supreme Court.●

LET THEM DRINK COKE

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 24, 1979

● Mr. McDONALD. Mr. Speaker, in spite of the administration euphoria painted about the benefits to flow to the United States from its recognition of Red China, a realistic note was injected the other day when 100 angry Chinese peasants showed up in Peking to demand food and human rights. They said they wanted human rights for the rural areas of China. Unfortunately, the photo showing the grim, gaunt faces and the ragged clothing cannot be shown in the Congressional Record. These people did not even have the price of their next meal. This is the face of China our American visitors seldom see. Communism has kept China poor, miserable, and backward. Nigel Wade reported from Peking the next day that there are about 1,000 open dissidents in Red China at present, but as anyone familiar with Communist regimes knows, these can be silenced overnight. In the meantime, perhaps they can all drink Coke while waiting for conditions to improve. I commend the story from the Daily Telegraph of London for January 15, 1979 to the attention of my colleagues.

Peasants' Peking Plea for Food

(By Nigel Wade)

About 100 angry Chinese peasants shouting for food and human rights demonstrated yesterday outside the Peking compound where Chinese leaders live.

Men and women in threadbare padded clothes shook grimy fists in the air and chanted: "We want democracy, we want human rights."

They tried to present a petition urging that human rights guarantees be written into China's constitution but soldiers guarding the compound apparently refused to accept it.

A ragged man carrying a crippled woman on his back led the peasants on a two-hour march through the centre of Peking before arriving at the compound gate.

Many of the demonstrators carried bundles of possessions tied up in cloth and said they had no money or place to sleep. They had come to the capital to protest about conditions in their rural areas and were determined to make the nation's leaders listen.

BITTERLY COLD

They called repeatedly for Vice-Premier Teng Hsiao-ping as they stood outside the elaborate, red-columned entrance to the Chungnanhai leadership compound. After four hours standing in the bitterly cold evening air many were still waiting for their demands to be heard.

Teng has said that the masses should be allowed to express their anger and voice opinions freely, even if they are not always correct.

One 62-year-old man, who said he had walked and hitch-hiked 600 miles from coastal Kiangsu Province, unbottoned five layers of clothing to show foreign journalists the worn-out cotton garments he was wearing.

The innermost layer was completely in shreds and he tore off a strip to show how rotten it was.

The man said he was a factory worker in a city until the widespread famine of 1962 when he was sent back to his ancestral village where he had been a farm worker ever since.

The food ration in the village was one lb of rice or steamed bread per person per day with very few vegetables and rarely any meat.

He wept as he opened his wallet to show that he had no money but said he would stay in Peking as long as he could to make further protests.

The peasants drew a following of several hundred onlookers as they marched across the Square of Heavenly Peace towards Chungnanhai.●

ZEALOUSNESS OR IDIOCY?

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 24, 1979

● Mr. YOUNG of Alaska. Mr. Speaker, for the past 2 years, Congress has been grappling with the Alaska lands issue. Many of our colleagues have taken the floor to ask that we "save" Alaska, and have warned us of the "bulldozers waiting on the border" of my State. Unfortunately, this has left many people with the idea that the Alaska lands issue is simply one of parks versus development. and they have, therefore, ignored a much more crucial issue: The promise made to the State of Alaska by the Congress of the United States.

In 1959, when Alaska became a State. we were promised 105 million acres of land as an economic base. We were told that we could select that land almost anywhere we wanted. In order to meet this obligation, the people of Alaska took a long and careful look at the land available and tried to make their decisions on the best available knowledge. Even when the Alaska Native Claims Settlement Act was passed in 1971, granting first preference to the original inhabitants of Alaska and their descendants, the State was careful that selections were made wisely, in the best interests of the people of Alaska. Now however, we are being prevented from choosing what was given to us by a mandate of Congress. By using the Antiquities Act and the Federal Land Policy and Management Act, the administration has put land off limits. Further, our colleague from Arizona (Mr. UDALL) has introduced legislation that would once and for all prevent the people of Alaska from obtaining what was given to them. As I said during the debate on H.R. 39 last year, Congress is saying "Alaska, we did not really mean it."

It might be said that, because I was not a Member of this distinguished body when the Alaska Statehood Act was passed, I have no right to claim that a promise was in fact made. I, therefore, would like to bring to your attention the enclosed letter from our former colleague, the Honorable Leo O'Brien, whose name appeared on that act. He asks a very simple question:

> Can it be they regard Alaska as so remote from the political concern of their constituents that it can be treated as a toy and its Statehood Act as a scrap of paper?

We will have an opportunity in this Congress to pass a bill which meets both this promise and the national interest. I favor passage of such a bill. However, I will not, and cannot support ill-conceived legislation that breaks a solemn promise made to the people of Alaska by this body.

I am enclosing the letter in the RECORD in its entirety:

READER'S VIEWS: ZEALOUSNESS OR IDIOCY?

To the Editor: As author and floor manager of the bill which made Alaska the 49th state 20 years ago next January 3, may I congratulate you on your recent fine editorial titled "Throwing Alaska to the Wolves."

It took courage and insight to challenge the claim that opponents of the 100-million acre Alaskan land grab are motivated by greed and a callous disregard for the beauty of unspoiled nature.

When a good cause, such as proper environmental control, is taken over by extremists, zealousness sometimes skids into idiocy.

Since leaving Congress a dozen years ago, I have refrained carefully from Monday morning quarter-backing, but, because the Alaska statehood bill does bear my name, and because I fought very hard for its enactment, I am compelled to note that there are some in Washington who seek to treat Alaska, even after two decades, as a possession rather than as a sovereign state. Can it be they regard Alaska as so remote from the political concern of their constituents that it can be treated as a toy and its statehood act as a scrap of paper?

The statehood bill gave Alaska the right to select 104 million acres of federal lands, with certain areas distinctly marked off-limits. The new state was allowed 20 years to make its selections but it has been balked repeatedly by federal bureaucratic delays. Now the bureaucrats seek to break faith further by placing an additional 100 million acres off-limits.

The bill on statehood reported from the Committee on Territorial and Insular Affairs would have authorized the 49th state to choose 200 million acres of federal land. I agreed to an amendment on the House floor slashing that total by 96 million acres because I felt we had to make some concessions to win a handful of votes sorely needed for passage.

The do-gooders and the bureaucrats will say that the statehood bill was only a bill and that any bill can be amended in later years. Nonsense! The statehood bill was a solemn pledge by Congress to the new state. Some may have forgotten that we wrote into the statehood bill a provision that it would not take effect unless approved by a majority of the Alaskan voters. They did approve, overwhelmingly, and that means the current shenanigans in Washington not only would break a congressional pledge, but shatter a pact with the people of Alaska.

It is significant that the main spokesman for the forever wild forces in Washington 20 years ago testified before my committee that he was opposed to statehood. He said that leaders of Alaska were too immature. What he really meant was that he and his followers would have more trouble pushing around a sovereign state than a territory ruled by the Department of the Interior. How right he was!

Let us not forget that some of the extremists now seeking the rape of Alaska delayed for years the flow of vitally needed oil from the Great Land.

What about the stake of the American public in this controversy? How much benefit will accrue to the average famiy in New York, Pennsyvania, Ohio, or any of the 50 states if 100 million acres in Alaska are transformed into a wilderness? I suggest that not one in 10,000 Americans will ever trudge through those trailless lands. I suggest that we will be setting aside an area as large as California and as rugged as Siberia for an American squirearchy.

It would be nice if the John Denvers et al could count on a million acres apiece to get away from sordid money-making now and then. But do they need an area 35 times larger than the Adirondack Forest Preserve?

The Congress and the President, plus the Department of the Interior and those who place the need of man behind the howls of wolves, may feel no compunction about faith-breaking with Alaska. But as one who had a role in the pledge of two decades ago, I want no part of it.

LEO W. O'BRIEN.

ALBANY.●

THE IRS AND PRIVATE SCHOOLS

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 24, 1979

● Mr. MICHEL. Mr. Speaker, there has been much comment about the Internal Revenue Service's proposed revenue procedure on private tax-exempt schools. I have received mail from constituents protesting what they are convinced is an unwarranted intrusion of the Federal Government into religious education. I share with them the belief that this IRS proposal is yet another example of the kind of bureaucratic insensitivity, ignorance, and arrogance that has led to the tax rebellion of recent years.

One of the most cogent and compelling criticisms of the IRS proposals I have yet read is a statement submitted by the National Legal Center for the Public Interest to the Internal Revenue Service concerning this proposal.

At this point I insert this statement in the RECORD:

STATEMENT BY THE NATIONAL LEGAL CENTER FOR THE PUBLIC INTEREST ON THE PROPOSED REVENUE PROCEDURE ON PRIVATE TAX-EXEMPT SCHOOLS

The National Legal Center for the Public Interest is a nonprofit public interest law firm with supporters and contributors in all walks of life throughout the United States. On behalf of the public interest we present the following comments on the "Proposed Revenue Procedure on Private Tax-Exempt Schools", published by the Internal Revenue Service in the Federal Register for August 22, 1978.

(1) We interpose no objection to the proposed treatment of "adjudicated" schools. Any school which, after opportunity to be heard in its own defense, is found to be racially discriminatory by a final judgment of a court or agency of competent jurisdiction should not be entitled to tax-exemption under Section 501 (c) (3) of the Internal Revenue Code. Our comments rather, are directed against the treatment of the newly created category of "reviewable" schools which we find to be both highly arbitrary as a matter of policy and extremely dubious as a matter of law.

(2) Before turning to a detailed discussion of the legal implications of the proposed procedure, we think a few general comments are in order. Quite apart from debate on the merits, it seems to be generally agreed that the proposed procedure constitutes a significant expansion of the powers exercised by the I.R.S. in its oversight of tax-exempt schools. Yet nowhere to our knowledge has the Service undertaken to explain why so significant a departure from present practice is deemed necessary. It has explained neither why existing revenue procedures and rulings are specifically deficient, nor how the proposed procedure would remedy those deficiencies. Indeed, one searches in vain, either among statements issued by I.R.S. officials or in the proposed procedure itself, for any detailed information defining the nature and scope of the problem to which the proposed procedure is addressed. Does the Service believe that the nation has already witnessed, or is about to witness, a substantial increase in racial discrimination on the part of private schools? If so, on what information does the Service rely in forming that belief? If not, why is it necessary to alter the anti-discrimination provisions set forth in existing revenue procedures and rulings? How many tax-exempt private schools are now thought to indulge racially discriminatory practices? What percentage of the private school universe do they constitute? Is the number of such schools greater in locales where public school desegregation has taken place than it is elsewhere? Has the Service undertaken to compare the racial population of private schools in communities recently desegregated with that of private schools elsewhere? If the Service knows, or has reason to know, which schools may be engaged in racial discrimination, has it taken the necessary steps under existing law to revoke their exemptions?

These questions, which are only a small portion of the many that could, indeed should, be asked, have to our knowledge been wholly unaddressed by the I.R.S., at least in public. Yet it is difficult to square the proposal, given its depth and breadth, with any other belief than that a large number of private schools are now engaged in unlawful discrimination. That there are *some* private schools so engaged, we have no doubt; that there are *many* such schools, we simply do not know. Surely, the Service is conspicuously qualified to provide the relevant information. Existing Revenue Procedure 75-50, among other things imposes detailed record-keeping requirements upon tax-exempt private schools, by which they are required to submit data on the racial composition of their student bodies, faculties, and administrative staffs, as well as other pertinent information. With this storehouse of information at its disposal, the I.R.S. ought to be able to inform the public on the nature and scope of possible private school discrimination. Yet it has thus far failed to disclose that information, even while it is seeking a substantial expansion of its powers to police private schools. This failure is at once unfair and short-sighted: unfair, because without such information the public is not in a position to evaluate the wisdom of the proposed procedure; and short-sighted, because the long-run success of this or any other procedure will ultimately depend on public recognition that it is necessary.

(3) The proposed procedure assumes, contrary to law, that a finding of unlawful discrimination may be inferred from the fact that a private school does not contain a fixed percentage of certain minority students. Quite apart from the dubious constitutionality of any fixed quota, especially in the educational area, *Bakke* v. *Board of Regents*, 97 S.Ct. 2733 (1978), the Service chooses to ignore the rather clear implications of recent Supreme Court rulings which place limits on the inferences to be drawn from statistical information. In *Washington* v. *Davis*, 426 U.S. 229 (1976) and again in *Village of Arlington Heights* v. *Metropolitan Housing Development Corp.*, 97 S.Ct. 555 (1977), the Court ruled that proof of a racially discriminatory purpose was necessary to sustain a charge of racial discrimination and that mere statistics, without more, were insufficient to carry that burden. It is sometimes possible to infer the requisite invidious intent from certain statistical data, but the Service is legally mistaken in assuming that it can be done in the manner suggested by the proposed procedure. The validity of any such inference from mere statistics depends decisively on the particular circumstances presented by particular cases. It is a long-standing rule of equity, many times embraced by the Supreme Court, that "the scope of the remedy is determined by the nature and extent of the Constitutional violation." *Milliken* v. *Bradley*, 418 U.S. 717, 744 (1974). Yet the proposed procedure seems less interested in fashioning a remedy to fit a particular offense than it is in weaving a catch-all legislative net capable of ensnaring the innocent as well as the guilty in its webbing. It first imputes a racially discriminatory intent to an entire class of private schools by automatic operation of an arbitrary statistical formula; a school to whom the invidious intent has thus been imputed is then required to prove its innocence; finally, the school can demonstrate its innocence only by complying with the same arbitrary statistical formula which ensnared it to begin with. In short, schools which manage to escape the net will be able to do so only by an act of administrative grace on the part of the Service. The proposed procedure is in effect a bill of attainder foisted upon a significant portion of American private schools. They are judged guilty as a class of racial discrimination by statistical inference, without reference to their purpose or intent. They are then compelled, at the risk of losing their tax-exemption, not only to prove their innocence, but to do so only in the precise manner prescribed by the I.R.S. To make matters worse, even if a school is able to show substantial and good faith progress in meeting the arbitrary criteria imposed by the proposed procedure, it can obtain a grace period in the revocation process only by agreeing to waive its rights to seek judicial relief under Section 7428 of the Internal Revenue Code. Such a procedure may be administratively beneficial to the Service, but it is a far cry from the sort of fairness traditionally associated with the principle of due process. The government has been forbidden to condition the receipt of a benefit—even one deemed to be a mere "privilege"—upon the non-assertion of a constitutional right. *Sherbert* v. *Verner*, 374 U.S. 398 (1967). Section 7428 was designed precisely to insulate against administrative arbitrariness. To require the waiver of the rights it grants as a condition of receiving a grace period not only defeats the purpose for which it was created, but imposes what is in our view an "unconstitutional condition." See *Frost Trucking Co.* v. *Railroad Commission*, 271 U.S. 583, at 593–94 (1926).

(4) The same arbitrariness which afflicts the proposed procedure as a matter of law may also be observed in the statistical criteria it employs. Section 3.06 defines "community" as the public school district in which the private school is located, together with any other public school district from which the school enrolls 5 percent or more of its students. The Service has not revealed why this particular data base was selected, a failure that applies as well to the selection of 20 percent as the desired level of minority enrollment. Not the least of the difficulties arising from the employment of this formula is that it ignores the principal *raison d'etre* of most private schools. Private schools exist in virtue of the fact that there are a sufficient number of parents who want something different for their children than the local public school system offers. In most cases that difference has to do with the inculcation of religious values. The fact that 90 percent or more of the nation's private schools are religious in nature, and the fact that religious preferences are not evenly distributed among racial groups, suggest the gross impropriety of the statistical base relied upon by the Service. How is the racial mix of the public school population relevant to the establishment or expansion of religiously oriented private schools? The short and simple answer is that it is not relevant. As much may be said for many non-religious private schools, which dedicate themselves to the pursuit of academic excellence. Absent some particular showing of a racially discriminatory policy on the part of a school, the statistical formula contained in the proposal is, at best, a whimsical contrivance and, at worst, a ratcheting device by which private schools can be forced to serve purposes which are deemed socially desirable by the I.R.S. But today's socially desirable purposes are not necessarily tomorrow's. If a 20 percent racial quota can be imposed now, why not a 25 percent quota later? And if school district population is held without reason to be a sufficient base this year, why not some other statistical base, such as state or nation, if it suits I.R.S. convenience next year? Perhaps some criterion other than race, as for example, sex, will be the mandated social desideratum of the future. However one feels about the desirability of achieving such goals, this much seems clear: arbitrary statistical formulations operating automatically should not be permitted to do the work of reasoned deliberation. Nor should I.R.S. be permitted to achieve by regulatory indirection and fiat a policy which, if desirable at all, ought to be imposed only by Congress.

(5) The proposed procedure places great reliance upon *Norwood v. Harrison*, 382 F. Supp. 921 (N.D. Miss. 1974), on remand from the Supreme Court, 413 U.S. 455 (1973), and upon *Green v. Connally*, 330 F. Supp. 1150 (D.D.C. 1971), *aff'd sub nom. Coit v. Green*, 404 U.S. 997 (1971). The reliance in both cases is misplaced.

NORWOOD V. HARRISON

(a) It is necessary at the outset to distinguish the factual conditions which obtained in *Norwood* from those which the I.R.S. seeks to reach in its proposed procedure. In *Norwood*, the legal issues arose in the context of state textbook aid to a number of so-called private "segregation academies". In the proposed procedure, by contrast, we are speaking not of a particular set of schools in the State of Mississippi as to which specific allegations of racial discrimination were brought, but of a significant number of private schools throughout the entire United States, concerning whom (so far as we know) no specific allegations of racial discrimination have been made. Nor are we speaking of state action under the

Fourteenth Amendment, but rather of the quite different issues presented by federal tax exemption.

(b) It is important to bear in mind the specific factual and geographical setting of *Norwood* because the test there set down—specifically, the establishment of a *"prima facie"* case on the basis of statistics and the consequent reversal of the burden of proof—is inextricably intertwined with that setting. The District Court on remand pointed out that a *prima facie* case of racial discrimination "arises from proof (a) that the school existence began close upon the heels of the massive desegregation of public schools within its locale, and (b) that no blacks are or have been in attendance as students and none is or has ever been employed as a teacher or administrator at the private school." 382 F. Supp. at 924–25. Those two facts having been established as to each school, but only after an exhaustive examination of the special circumstances affecting each school, the burden shifted to the schools to demonstrate that the absence of blacks was not caused by racially restrictive policies. In commenting on the quality of the rebuttal evidence required to be offered by a school, the Court was at pains to point out that "the ultimate issue . . . is not whether black students are actually enrolled at the school, but whether their absence is because the school has restrictively denied their access; simply, does the school have a racially discriminatory admissions policy?" 382 F. Supp. at 926. Contrary to the position adopted by the Service in the proposed procedure, there is nothing in the *Norwood* case, either at the District Court or the Supreme Court level, to suggest that a school must embrace an affirmative action admissions policy in order to rebut a *prima facie* case. And there is nothing which even remotely suggests that the failure to meet an arbitrarily imposed racial quota may be used as a trigger for establishing a *prima facie* case in the first place. In contrast to *Norwood*, the proposed procedure rests not on an independent evaluation of particular schools, but rather on unarticulated assumptions concerning an entire class of schools whose principal defining characteristic is that its members have less than a fixed percentage of minority students. The proposed procedure does precisely what the Supreme Court itself refused to do in its opinion in *Norwood*, namely issue a "blanket condemnation" of predominantly white private schools. 413 U.S. 455, at 471.

(c) It is worth noting that of the seven schools involved in the remand in *Norwood*, two were held by the District Court to be in compliance with the law, even though neither had *any* black students, teachers, or administrators whatsoever. It is surely a measure of the extent to which the proposed procedure distorts the law of the case in *Norwood* that neither school would be able to pass muster under the proposed I.R.S. procedure.

(d) Finally, it is also worthy of note that *Washington* v. *Davis*, *supra*, in which the Supreme Court felt it necessary to remind us that there was a limit, after all, to the intent that could be inferred from mere statistical disparities, was handed down two years after the District Court's decision in *Norwood*. The distortion of the ruling in *Norwood* presented in the proposed procedure is made all the more apparent by the Service's failure to take into account the subsequent ruling in *Davis*.

GREEN V. CONNALLY

Green v. *Connally* holds that racially discriminatory schools are not charitable or educational institutions within the meaning of the Internal Revenue Code. That proposition we consider to be settled law, concerning which there is now no dispute. But the very question in issue is what constitutes racial discrimination. As in *Norwood*, there is nothing in *Green* to suggest that a *prima facie* case of racial discrimination may be inferred from the failure to enroll a certain percentage of minority students. And again, as in *Norwood*, there is nothing in *Green* to suggest that adherence to a racial quota may be imposed as a condition for retaining a tax exemption. While the proposed procedure claims to be only an administrative application of settled legal principles, in fact it redefines the substantive law of racial discrimination, and, in so doing, goes far beyond anything contemplated by the Courts which passed judgment in *Norwood* and *Green*. The principal effect of the proposed procedure, taken whole, is to relieve the I.R.S. of the burden of having to prove the existence of unlawful discrimination. Thus, a *"prima facie* case" of unlawful discriminattion is first "established" by the failure to achieve a rigid racial quota. The *prima facie* case is then automatically converted into a *finding* of unlawful discrimination unless the school agrees to take certain affirmative actions—actions which the federal judiciary has imposed in analogous cases only *after* a finding of racial discrimination has been made. This process is made doubly mischievous because the statistical tests employed by the Service to establish the *prima facie* case are themselves highly arbitrary.

(6) One would have thought that the Supreme Court's ruling in *Bakke* v. *Board of Regents*, *supra*, put an end to the use of rigid racial quotas in school admissions. But if we take the proposed procedure as our guide, the Service apparently believes that it may impose upon private schools a policy which the Supreme Court has said may not be embraced by publicly supported schools. A publicly supported institution, for example, which chose to follow voluntarily the policies laid down in the proposed procedure, including the adoption of a fixed percentage quota of minority enrollment as a gesture of its good faith opposition to racial discrimination, would be unlikely to survive scrutiny under the test laid down by the Court in *Bakke*. Yet the proposed procedure would impose just such a quota. It will perhaps be said that the proposed procedure does not establish a quota contrary to *Bakke*, but merely suggests that failure to meet a minimal percentage level of minority enrollment may be used as *evidence* of a possible discriminatory intent. But, as we pointed out above, the fixed percentage test in the proposed procedure in fact does a very great deal more than that. It serves as a triggering mechanism for determining whether a private school is presumptively discriminatory in its practice, a presumption which, having been thus established, operates so as to reverse the burden of proof. That burden, in turn, can be sustained only if the school thereafter reaches the quota level, or if it agrees to an affirmative action admissions and hiring program. In short, the proposal makes use of a constitutionally dubious quota test as a procedural device in order to impose that same quota as a matter of substantive policy. No amount of verbal legerdemain ought to obscure the reality of what the Service is attempting to do: the use of a fixed racial quota is an integral part of the proposed procedure; indeed, it is its alpha and omega. But the use of a quota in this way, where a school has not been determined to be racially discriminatory as a matter of law, goes far beyond what the Supreme Court would find tolerable under its ruling in *Bakke*.

Bakke is relevant to the discussion at hand, not merely because of the doubt it casts upon the use of all racial quotas, but because of its repeated insistence that constitutional rights are personal and individual in nature. Quite apart from its specific holding, the *Bakke* ruling stands as a forceful reminder of the mischief that ensues when rights or privileges are claimed or recognized on the basis of membership in a racial or ethnic group. In his opinion for the Court, Mr. Justice Powell was at pains to point out that the idea of ethnic or racial group rights was especially noxious in an academic setting, where the individual student's personal characteristics and skills ought to be dominant factors in the admissions decision. It is only in that highly individuated setting that the matter of a student's race or ethnicity may be taken into account, and even then, a school must not embrace the idea of a group quota. In this context, the proposed procedure should perhaps also be reexamined in respect of its definition of "minority". Section 3.05 of the proposal defines minority in accordance with the guidelines of the Office of Management and Budget and the General Accounting Office established in 1976, which limits the category to Blacks, Hispanics, Asians or Pacific Islanders, and American Indians or Alaskan Natives. In the wake of *Bakke*, it is at least doubtful whether any such rigid classification can continue to pass constitutional muster, for what it does, in effect, is establish a limited group of what might be called "Preferred Minorities", that is, racial groups who are set aside for some special treatment on the part of the government. Such classifications have in the past been justified on the grounds that the government's policy toward these groups is benevolent rather than punitive in nature, and because these groups are said to have been the object of particular discrimination in the past. The *Bakke* case casts considerable doubt on whether either supposition is now as tenable as it once may have been. Consider, for example, the plight of a student who is not a member of one of the Preferred Minorities recognized by the proposed procedure and who is denied admission to one of the "reviewable" schools contemplated by the I.R.S. because of a racial quota. Does that student not have rights equal to those enjoyed by students who are the nominal beneficiaries of the quota? And if he chooses to go to court—one could hardly fault him for doing so—in order to vindicate his equal rights, what then will be the position of the Internal Revenue Service? Will the Service then argue that the rights of one student must necessarily be sacrificed in order to secure the rights of another? It is important to bear in mind that we are here speaking not of a school that has been found to have been racially discriminatory after a final hearing and review by courts and agencies of competent jurisdiction, but rather of a school whose only "sin" is that it has run afoul of the arbitrary statistical formulations imposed by the proposed procedure. The *Bakke* case, we believe, leaves no doubt as to the outcome in this hypothetical lawsuit.

(7) The proposed procedure also raises substantial First Amendment questions in respect of its application to religious schools. There is no denying that religious schools stand on the same footing as secular private schools in the requirement that their policies be nondiscriminatory, and we do not object to that general principle as set forth in Revenue Ruling 75–31. But we cannot emphasize often enough that, in this proposed procedure, the Service is attempting to change the legal definition of what constitutes racial discrimination. It is in consequence of that attempt that First Amendment difficulties may arise which were not presented by prior I.R.S. rulings or procedures dealing with religious schools.

It should be unnecessary to have to point it out, but private schools have no control over the racial composition of the communities in which they reside; neither do they have any say over the nature and extent of school desegregation which may take place in their locale; and, more to the point, few private schools have any effective control over who applies for admission. Many private schools admit students on a first-come, first-served basis; some are able to impose moderate admissions requirements; still others—a very few—are able to be highly selective in their admissions, making use of interviews, aptitude tests, and the like. But by far the greatest number of private schools—perhaps as many as nine out of ten—are religiously oriented, and it is by virtue of that orientation that a religious preference dominates their admissions policy. But—barring proof or racial discrimination—if a private school employs a religious preference in its admissions, it makes no sense whatsoever to hold that school in any way accountable for failing to reflect a racial mix thought socially desirable by the I.R.S.

The attempt to impose upon religious schools a racial quota as a good faith test of their nondiscriminatory admission policy, without a demonstration of racially discriminatory intent on the part of such schools, will surely run afoul of a longstanding policy of religious freedom embodied in the First Amendment and cases decided under its aegis. See, *e.g., Pierce* v. *Society of Sisters*, 268 U.S. 510 (1925); *Wisconsin* v. *Yoder*, 406 U.S. 205 (1972). It is well settled that the government's right to impose educational conformity in its schools must yield to the prior parental right to educate children in accordance with sincere religious beliefs. The proposed procedure assumes that a mere statistical disparity can suffice to transform the exercise of a religious preference into an act of racial discrimination. That is a bold and dangerous assumption which, if pursued to its fullest extent, would make all religion a creature of the state. Indeed, even if the proposed standard were not otherwise objectionable, the very effort on the part of the I.R.S. to enforce it would conflict with the Supreme Court's holding in *Lemon* v. *Kurtzman* 403 U.S. 602 (1971), which struck down governmental procedures creating, in the Court's words, "excessive entanglement" between the government and religious institutions. It would be impossible, in our view, for the Service to implement the proposed procedure, with its detailed regulations, without entangling itself in almost every aspect of the day-to-day operations of religious schools. That is precisely the sort of involvement the Supreme Court has repeatedly sought to preclude.

(8) One final major comment seems in order. Although the proposed procedure nowhere says so explicitly, it embraces implicitly the argument that tax exemption is to be equated with direct government aid. Indeed, the legal claims implied by the proposed procedure are difficult to justify on any other ground. We do not disagree, indeed, we endorse, the principle that a charitable or educational institution should lose its 501(c)(3) exemption if it operates illegally or contrary to public policy. But, as we have repeatedly emphasized, the very question in issue here is the definition of what constitutes illegality or contravention of public policy; and our central argument has been that the I.R.S., under the guise of administrative regulation, has in effect altered the substantive law of racial discrimination. Even if we did not object to the substantive changes wrought by the proposed procedure, we would still feel compelled to point out that the power of the I.R.S. to regulate the behavior of tax-exempt institutions nonetheless falls short of the power of government agencies to condition their assistance upon a showing of affirmative action on the part of the recipient. Despite a superficial similarity, the difference between these two kinds of power is, we believe, significant; and their difference is a critical measure of the difference between the ends sought to be accomplished by direct government aid and the ends sought to be accomplished in allowing certain organizations to be tax-exempt. The government can by means of grants, financial assistance, and other policies, rightfully attempt to move the body politic in directions thought to be socially desirable, as long as the conditions it imposes upon the recipient are otherwise constitutional. In short, the only real limits on the goverment in this regard are the Constitution, as interpreted chiefly by the courts, and public opinion, as expressed through elected officials. The power of the I.R.S. in regulating tax-exempt institutions must accede not only to these two limitations but, in our view, to yet another: that which derives from an understanding of the philosophy which informs and ultimately justifies the creation of tax exemtions for private charitable and educational organizations. That philosophy was eloquently summarized by Judge Henry Friendly nearly a decade ago:

"Philanthropy is a delicate plant whose fruits are often better than its roots; desire to benefit one's own kind may not be the noblest of motives but it is not ignoble. *It is the very possibility of doing something different than the government can do, of creating an institution free to make choices government cannot—even seemingly arbitrary ones—without having to provide a justification that will be examined in a court of law, which stimulates much private giving and interest.* (Friendly, "The Dartmouth College Case and the Public-Private Penumbra," 12 *Texas* Q. 141, 171 (1969)).

There is much loose talk these days about every tax exemption or deduction being a "loophole", a "preference", a "subsidy", and—in some cases—even an "indirect appropriation". In our view, such talk turns the tax system on its head and makes of the government an all-powerful Leviathan under whose aegis all distinctions between what is public and what is private are eradicated. If the proposed procedure now before us were to be enacted, however noble or well-intentioned its motives, the Service will have taken us a long step down the road at the end of which there will be no possibility of doing something different than the government wants us to do.

In conclusion, we respectfully request that the proposed procedure be withdrawn in the light of the foregoing arguments. We submit that, absent a showing on the part of the I.R.S. of the need for new and expanded powers in this area, extant rulings and procedures are sufficient to enforce the prohibitions against racial discrimination. If the Service believes that it requires new enforcement authority, we further submit that the proper body to make that determination ought not to be the Service itself, but Congress.●

KEEPING WASHINGTON IN TOUCH

HON. JOHN L. BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 24, 1979

● Mr. JOHN L .BURTON. Mr. Speaker, in keeping with my profound policy of keeping Washington from keeping out of touch with the rest of our country, I insert the following:

It Says So There in Section 4

[From the Topeka Capital-Journal, Nov. 12, 1978]

(By Bob Sands)

Section 4, Page 7, Paragraph 6 of Tom Tendergrass tips of politicking: Get a whole bunch of cars and take them to a parking lot of the voting place in a predominantly Republican neighborhood. Gentlemen on their way to their stock brokers will say: "It'll be too crowded inside, and I just don't have the time." Also, older people will look at the cars and give up because they don't want to stand in a long line. That way fewer Republicans will vote and we'll have a wider victory margin.

Fiction, friends, pure fiction. But the way things are going in politics, it might be a handy tip.

Glib tongues, funny business and backsliding seemed to be in order for the recently-completed campaign.

Governor-elect John Carlin said he never promised lower utility rates. Well, friends, the implication was there. I sure as heck inferred he planned to do that. Many were victims of not paying very, very close attention to what was being said.

It was a case of political glibness getting the job done.

Defeated Governor Robert F. Bennett made the mistake of not paying attention. He called the utility issue as espoused by Carlin: "Tripe and garbage."

With people out there picking Laverne and Shirley, Dear Abby, Family Circus and Ann Landers as their favorites, Bennett should not have been surprised by the superficiality of their interests. When one-issue platforms, like unionism, abortion, ERA, and gun control, take hold, a politician must beware the downfall.

Plus the fact, there was a negative element out there that wanted a piece of Bennett. Although Bennett knows the workings of government as well as anyone, putting on a Stetson did not make him a god ol' boy. It's kinda like Dan Devine at Notre Dame—no matter how well you do your job, you must identify with the people.

Attorney General-elect Bob Stephan, who seemed very much in the spirit of things in his victory speech, said he wanted to thank "the Lord Jesus Christ." He also might want to thank a broken promise. He began his campaign by saying he wouldn't indulge in personal attacks, and then proceeded to run some ads that were heavy in personal attacks.

Representative-elect Jim Jeffries had a neat trick, too. A batch of brochures were printed on a Sunday how well Jeffries did in the lone television debate. That was interesting because the debate wasn't until Monday.

The list of little games is long. Some may answer: "You got to expect that. It's politics."

Those who answer that way also must explain why many people chose not to go to the polls and why they are "up to here" with politics.

Bob McClure, in writing a letter to the editor in support of his candidate wife, eloquently put it: "At one point in my life I was active in politics. However, I grew cynical about the whole business—people bartering their principles for votes and compromising their proclaimed ideals."

Many seem to be at the "one point in life."

A Manhattan Mercury editorial said: ". . . Not only are spurious issues raised in order to attain office—or to remain in one—but even worse is the apparently increasing inclination to get into personalities when all other avenues of campaigning seem to no avail.

"Blame for much of this is without doubt properly laid at the feet of the candidates themselves, but it seems fair to suggest that perhaps those seeking office and engaging in deplorable tactics may actually be responding . . . to a segment of the citizenry which expects and enjoys this type of low-level campaign conduct . . ."

When people win by using such tactics, it no doubt spurs others. Of course, you would never vote for anyone using such underhanded tactics. Wonder who those folks were?

[From the Topeka Daily Capital, Nov. 10, 1978]

PUTTING PIECES TOGETHER ON CONGRESSIONAL BATTLE COULD SIZE UP WINNER

(By Bob Sands)

Jim Jeffries, after "working like the dickens, yes, working like the dickens," will take over as the state's 2nd District representative.

The Atchison Republican defeated incumbent Democrat Martha Keys in Tuesday's elections.

Jeffries . . . how do you feel about him winning?

Let's go back over the events of his successful campaign against Keys. Interesting, putting all the little pieces together.

A Sept. 2 story reported that Glyndon Hanson, Jeffries' press secretary, had to apologize for a young Jeffries' worker who spied on a Keys news conference. The youth first denied he was a member of the Jeffries' staff.

Then came the announcements of Democrat defections to the Jeffries' camp. However, again corrections had to be made from earlier denials.

One of the defectors, Dick Senecal, said Hanson was wrong when he brushed off possible business connections between Senecal, an attorney, and a firm operated by Jeffries' father-in-law.

The Jeffries camp first sloughed that allegation off.

Martha interjected and said Senecal's law firm had represented the Midwest Solvents Co. many years and that Jeffries' wife is a member of the Cray family which owns the big alcohol manufacturing facility. "You don't bite the hand that feeds you," Keys said.

Which brings up another point. Midwest Solvents includes McCormick Distilling Co. of Weston, Mo., and, according to reports on file with the Secretary of State's office, the Cray family and officers of Midwest Solvents had contributed $10,000 to the Jefferies campaign, up to Sept. 11.

You can label this a cheap shot if you want, but with the Jefferies' campaign spending time attacking the abortion issue, "where were they when it came to attacking "demon rum?" Why not take in all the issues of morality?

An analysis report said: "One of his (Jeffries') trouble spots in the campaign has been question-and-answer sessions. At a recent meeting with Kansas State University students, for instance, he was asked how he feels about the Equal Rights Amendment. His reply was that the amendment has to be ratified by the courts or states or something like that".

The courts do not ratify. Oh well.

Then there was the case of the television news film that showed a grim-faced Jeffries taking Marti Johnson, a reporter for KTSB-TV covering the Ronald Reagan trip to Topeka, by the upper arms and physically pushing her to one side while he passed by.

Hanson said, "We just are not going to make a statement on it at this point." Has anyone since heard of a statement? (Does this action remind you of another person now out of politics?)

How about the deal with the "new right?" Martha asked Jeffries to explain it.

"I don't know really what it is she's referring to," he said. "I would like her to explain it to me and the voters what in the world is a 'new right.'"

John Bottenberg, 2nd District Democratic chairman, said Jeffries should know about the "new right" because he went to a campaign school sponsored by the Committee for the Survival of a Free Congress, described as an ultra-conservative radical right group supporting Jeffries' candidacy.

Bottenberg said Jeffries boasted at Kansas State University that he had attended the CSFC school to learn how to campaign. Bottenberg said he would be happy to explain the "new right" to Jeffries:

"The radical right is a small group of extreme right-wing radicals who have set up a series of inter-related front organizations and political committees to further their ultraconservative causes. The radical right's candidates are hand-picked, well-financed and coached from the outside. Their campaigns are run by dozens of the radical right committees and groups which work closely with each other.

"Jeffries' campaign has received thousands of dollars from these groups, along with a great deal of staff support. One group, in particular, the CSFC, runs the Jeffries' campaign lock, stock and barrel. Two CSFC staff members, Paul Ogle and Russ Costans, have spent a great deal of time in Kansas structuring Jeffries' campaign organization and conducting planning sessions.

"Mr. Jeffries may play innocent about the kind of support he is getting, but ABC news had no questions. In a nationally broadcast television news story, just before the primary election, ABC called the 2nd District of Kansas the 'latest battleground of the new right' and said Jim Jeffries is the 'new right's disciple.' According to ABC news, every detail of the Jeffries' campaign strategy was imported from Washington, D.C."

If he were an alert politician, Jeffries should know what new elements are surfacing.

Bottenberg also called Jeffries a "phantom candidate" because he wouldn't debate. Jeffries' camp countered that by saying he went to the people. However, after claiming victory, Hanson talked about every move being plotted. If the group were so well organized, why was there such hemming and hawing about where their candidate was going to be on a certain date?

According to reporters who have tried to cover Jeffries, he sidesteps many questions. His answer usually is by rote. For instance: "Taxes, inflation and encroachment of government . . ."

He seldom if ever had solutions in the issues, mainly: "Taxes, inflation and encroachment of government . . ."

His ads were something else. The one using the New York fellow was a twisting, turning one-hander. The innuendo, the play on sentiment. For instance, the Royals had just lost to the Yankees and the ad told that your (as if all were Royal fans) tax money was used to renovate Yankee Stadium. In fact, it was only a loan guarantee for New York and Republicans Bob Dole and James Pearson also backed it.

Jeffries glowed over the ad campaigns. He said the ads "have Martha screaming like a stuck pig." A nice, pleasant simile.

Jeffries will have it made in the House if things don't go right—no play on words, heh, heh—he can always claim: "What do you expect from all the liberals back here in Washington. We need more conservatives elected to help me out."

Do fragmented items put together mean a lot? Whatever.

Jim Jeffries is the 2nd District representative.

Is all right with the world?●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings when scheduled, and any cancellations or changes in meetings as they occur.

As an interim procedure until the computerization of this information becomes operational the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, January 25, 1979, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

JANUARY 26

10:00 a.m.

Banking, Housing, and Urban Affairs

To hold oversight hearings on the fiscal year 1979 budgets of the Federal Reserve Board and System, the F.D.I.C., and the Office of the Comptroller of the Currency.

5302 Dirksen Building

Foreign Relations

To hold hearings to receive testimony on the nomination of George M. Seignious II, of South Carolina, to be Director of the U.S. Arms Control and Disarmament Agency.

4221 Dirksen Building

*Human Resources

Health and Scienctific Research Subcommittee

To hold hearings on the implications of the President's health proposals as contained in the proposed fiscal year 1980 Budget.

4232 Dirksen Building

JANUARY 29

10:00 a.m.

Banking, Housing, and Urban Affairs

To hold hearings on the nominations of Irvine H. Sprague, of California, to be a Member of the Board of Directors of the Federal Deposit Insurance Corporation, and William B. Welsh, of Virginia, and Sterling Tucker, of the District of Columbia, each to be an Assistant Secretary of HUD.

5302 Dirksen Building

Finance

Social Security Subcommittee

To hold hearings on requirements for deposit by the States of the amounts due to the Social Security Trust Funds as contributions for employees who are covered under social security.

2221 Dirksen Building

Joint Economic

To receive testimony from Chairman of the Council of Economic Advisors Shultze on the state of the U.S. economy.

1202 Dirksen Building

JANUARY 30

9:00 a.m.

Agriculture, Nutrition, and Forestry Nutrition subcommittee

To hold hearings on nutrition education in medical schools.

322 Russell Building

9:30 a.m.

Judiciary

To hold an organization meeting on committee rules and subcommittee assignments.

2228 Dirksen Building

10:00 a.m.

Finance

To hold an organizational meeting to consider committee budget and other administrative matters.

2221 Dirksen Building

Joint Economic

To receive testimony from Chairman of the Federal Reserve Board Miller on the state of the U.S. economy.

1202 Dirksen Building

JANUARY 31

9:00 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To resume hearings on proposed legislation to establish a national space policy which would enable the U.S. to maintain a lead in space science and technology.

235 Russell Building

9:30 a.m.

Human Resources

To hold hearings to explore the trends affecting the conditions of American women in the coming decade and on proposed human resources policies and programs.

4232 Dirksen Building

Veterans' Affairs

To hold an organization meeting to consider its budget and other administrative matters.

412 Russell Building

10:00 a.m.

Rules and Administration

To hold an organizational meeting to consider its budget and other administrative business, and to hold hearings on the nominations of John W. McGarry, of Massachusetts, and Max L. Friedersdorf, of Indiana, each to be a member of the Federal Election Commission.

301 Russell Building

Joint Economic

To receive testimony from Secretary of the Treasury Blumenthal on the state of the U.S. economy.

1202 Dirksen Building

Select Small Business

To hold hearings on the issues of the safety, effects, and medical use of Darvon.

6226 Dirksen Building

FEBRUARY 1

9:00 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To continue hearings on proposed legislation to establish a national space policy which would enable the U.S. to maintain a lead in space science and technology.

235 Russell Building

9:30 a.m.

Human Resources

To continue hearings to explore the trends affecting the conditions of American women in the coming decade and on proposed human resources policies and programs.

4232 Dirksen Building

10:00 a.m.

Joint Economic

To receive testimony from Advisor to the President on Inflation Kahn on the state of the U.S. economy.

1202 Dirksen Building

Select Small Business

To continue hearings on the issues of the safety, effects, and medical use of Darvon.

5110 Dirksen Building

FEBRUARY 2

10:00 a.m.

Banking, Housing, and Urban Affairs

To hold hearings on S. 108, to simplify the truth-in-lending laws.

5302 Dirksen Building

FEBRUARY 5

10:00 a.m.

Banking, Housing, and Urban Affairs

To hold oversight hearings on U.S. export policies.

5302 Dirksen Building

Energy and Natural Resources

To hold hearings on proposed regulations to control surface mining operations.

3110 Dirksen Building

Foreign Relations

To hold hearings on proposed legislation to continue current trade and economic relations with Taiwan.

4221 Dirksen Building

Judiciary

Citizens and Shareholders Rights and Remedies Subcommittee

To hold oversight hearings on the effect of pension fund investment policies on individual contributors.

2228 Dirksen Building

Joint Economic

To receive testimony from Director of the Office of Management and Budget McIntyre on the state of the U.S. economy.

1202 Dirksen Building

Select Small Business

To resume hearings on the issues of the safety, effects, and medical use of Darvon.

5110 Dirksen Building

FEBRUARY 6

9:30 a.m.

Agriculture, Nutrition, and Forestry

Environment, Soil Conservation, and Forestry Subcommittee

To hold hearings on the economic implications of the Department of Agriculture's RARE II wilderness proposals, and on the Nation's outlook for timber and lumber supplies.

322 Russell Building

Human Resources

Child and Human Development Subcommittee

To hold hearings on S. 4, proposed Child Care Act.

6226 Dirksen Building

10:00 a.m.

Banking, Housing, and Urban Affairs

To continue oversight hearings on U.S. export policies.

5302 Dirksen Building

Budget

To hold hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget

6202 Dirksen Building

Foreign Relations

To continue hearings on proposed legislation to continue current trade and economic relations with Taiwan.

4221 Dirksen Building

10:30 a.m.

Human Resources

To hold hearings on proposed legislation to amend the Employee Retirement Income Security Act (ERISA), P.L. 93-406.

4232 Dirksen Building

FEBRUARY 7

9:30 a.m.

Human Resources

To continue hearings on proposed legislation to amend the Employee Retirement Income Security Act (ERISA), P.L. 93-406.

4232 Dirksen Building

Veterans' Affairs

To resume hearings on S. 7, proposed Veterans' Health Care Amendments.

412 Russell Building

10:00 a.m.

Banking, Housing, and Urban Affairs

To hold hearings to receive testimony from N.Y. State officials on the progress being made by N.Y. City toward balancing its budget and regaining access to the credit markets.

5302 Dirksen Building

Budget

To continue hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.

6202 Dirksen Building

Commerce, Science, and Transportation

Surface Transportation Subcommittee

To hold oversight hearings on the implementation by the ICC of provisions of the Railroad Revitalization and Regulatory Reform Act (P.L. 94-210).

235 Russell Building

Foreign Relations

To mark up proposed legislation to continue current trade and economic relations with Taiwan.

4221 Dirksen Building

3:00 p.m.

Banking, Housing, and Urban Affairs

To continue hearings to receive testimony from N.Y. State officials on the progress being made by N.Y. City toward balancing its budget and regaining access to the credit markets.

5303 Dirksen Building

FEBRUARY 8

9:30 a.m.

Agriculture, Nutrition, and Forestry

Environment, Soil Conservation, and Forestry Subcommittee

To resume hearings on the economic implications of the Department of Agriculture's "RARE II" wilderness proposals, and on the Nation's outlook for timber and lumber supplies.

322 Russell Building

Human Resources

To hold hearings on proposed authorilation to amend the Employee Retirement Income Security Act (ERISA), P.L. 93-406.

4232 Dirksen Building

Human Resources

Child and Human Development Subcommittee

To hold hearings on proposed authorizations for FY 1979 for ACTION.

6226 Dirksen Building

10:00 a.m.

Banking, Housing, and Urban Affairs

To hold hearings on proposed legislation to extend for two years, through 1981, the Council on Wage and Price Stability.

5302 Dirksen Building

Budget

To continue hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.

6202 Dirksen Building

Foreign Relations

To hold hearings on the nomination of Leonard Woodcock, of Michigan, to be Ambassador to the People's Republic of China.

4221 Dirksen Building

FEBRUARY 9

10:00 a.m.

Banking, Housing, and Urban Affairs

To continue hearings on proposed legislation to extend for two years, through 1981, the Council on Wage and Price Stability.

5302 Dirksen Building

*Governmental Affairs

Federal Spending Practices and Open Government Subcommittee

To hold hearings on GSA's methods of procuring contracts.

1114 Dirksen Building

3:00 p.m.

Banking, Housing, and Urban Affairs

To continue hearings on proposed legislation to extend for two years, through 1981, the Council on Wage and Price Stability.

5302 Dirksen Building

FEBRUARY 20

10:00 a.m.

Banking, Housing, and Urban Affairs

To hold oversight hearings on present U.S. monetary policies.

5302 Dirksen Building

11:00 a.m.

Veterans' Affairs

To hold hearings to receive legislative recommendations for fiscal year 1980 from Disabled American Veterans.

318 Russell Building

FEBRUARY 21

9:00 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee.

To hold hearings on proposed FY 1980 authorizations for NASA.

5110 Dirksen Building

9:30 a.m.

Human Resources

Child and Human Development Subcommittee

To resume hearings on S. 4, proposed Child Care Act.

4232 Dirksen Building

10:00 a.m.

Budget

To resume hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.

6202 Dirksen Building

Commerce, Science, and Transportation

Surface Transportation Subcommittee

To hold hearings on proposals to improve the northeast railroad transportation facilities.

235 Russell Building

FEBRUARY 22

9:00 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To continue hearings on proposed FY 1980 authorizations for NASA.

5110 Dirksen Building

10:00 a.m.

Budget

To continue hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.

6202 Dirksen Building

Commerce, Science, and Transportation

Surface Transportation Subcommittee

To hold hearings on proposed FY 1980 authorizations for the U.S. Railway Association and the Office of Rail Public Counsel.

235 Russell Building

FEBRUARY 23

10:00 a.m.

Banking, Housing, and Urban Affairs

To resume oversight hearings on present U.S. monetary policies.

5302 Dirksen Building

FEBRUARY 26

10:00 a.m.

Banking, Housing, and Urban Affairs

To hold hearings on S. 85, proposed Monetary Policy Improvement Act.

5302 Dirksen Building

FEBRUARY 27

9:30 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To hold oversight hearings to assess Government and industrial potential needs for powered "lighter-than-air" vehicles used for surveillance and reconnaissance.

235 Russell Building

Human Resources

Child and Human Development Subcommittee

To resume hearings in preparation for FY 1979 for ACTION.

4232 Dirksen Building

10:00 a.m.

Banking, Housing, and Urban Affairs

To mark up S. 108, proposing simplification of the truth-in-lending laws, and on proposed legislation to extend for two years, through 1981, the Council on Wage-Price Stability.

5302 Dirksen Building

FEBRUARY 28

9:00 a.m.

Commerce, Science and Transportation

Science, Technology, and Space Subcommittee

To resume hearings on proposed FY 1980 authorizations for NASA.

235 Russell Building

10:00 a.m.

Budget

To resume hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.

6202 Dirksen Building

MARCH 1

9:30 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To resume oversight hearings to assess Government and industrial potential needs for powered "lighter-than-air" vehicles used for surveillance and reconnaissance.

235 Russell Building

10:00 a.m.

Budget

To continue hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.

6202 Dirksen Building

MARCH 2

9:00 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To resume hearings on proposed FY 1980 authorizations for NASA.

235 Russell Building

MARCH 5

10:00 a.m.

Budget

To resume hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.

6202 Dirksen Building

MARCH 6

11:30 a.m.

Veterans' Affairs

To hold hearings to receive legislative recommendations for fiscal year 1980 from Veterans of Foreign Wars.

318 Russell Building

MARCH 7

9:00 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To hold oversight hearings on the implementation of P.L. 94-282, establishing the Office of Science and Technology Policy.

235 Russell Building

9:30 a.m.

Human Resources

Child and Human Development Subcommittee

To hold hearings on proposed legislation to coordinate programs designed to prevent domestic violence.

4232 Dirksen Building

10:00 a.m.

Budget

To resume hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.

6202 Dirksen Building

MARCH 8

9:30 a.m.

Veterans' Affairs

To consider recommendations which it will make to the Budget Committee in accordance with the Congressional Budget Act.

412 Russell Building

MARCH 12

10:00 a.m.

Commerce, Science, and Transportation

Surface Transportation Subcommittee

To hold hearings on proposed fiscal year 1980 authorizations for the National Rail Passenger Corporation (AMTRAK), and on proposed route restructuring of AMTRAK.

235 Russell Building

MARCH 14

9:00 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To resume hearings on proposed FY 1980 authorizations for NASA.

235 Russell Building

10:00 a.m.

Budget

To resume hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.

6202 Dirksen Building

MARCH 15

9:00 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To continue hearings on proposed FY 1980 authorizations for NASA.

235 Russell Building

10:00 a.m.

Budget

To continue hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.

6202 Dirksen Building

MARCH 16

10:00 a.m.

Budget

To continue hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.

6202 Dirksen Building

MARCH 20

9:30 a.m.

Human Resources

Child and Human Development Subcommittee

To mark up S. 4, proposed Child Care Act, and proposed legislation to coordinate programs designed to prevent domestic violence.

4232 Dirksen Building

MARCH 21

9:00 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To resume oversight hearing on the implementation of P.L. 94-282, establishing the Office of Science and Technology Policy.

235 Russell Building

MARCH 29

9:00 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To hold hearings on proposed legislation to establish an Earth Data and Information Service which would supply data on the earth's resources and environment.

235 Russell Building

9:30 a.m.

Veterans' Affairs

To hold hearings to receive legislative recommendations for fiscal year 1980 from AMVETS, Paralyzed Veterans of America, Veterans of World War I, and blinded veterans.

6226 Dirksen Building

MARCH 30

9:00 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To continue hearings on proposed legislation to establish an Earth Data and Information Service which would supply data on the earth's resources and environment.

235 Russell Building

MAY 1

9:30 a.m.

Human Resources

Child and Human Development Subcommittee

To hold oversight hearings on the implementation of the Older American Volunteer Programs Act (P.L. 93-113).

4232 Dirksen Building

HOUSE OF REPRESENTATIVES—*Thursday, January 25, 1979*

☐ 1100

The House met at 11 a.m.

The Reverend William C. Ellis, Peoples Church of God, Decatur, Ill., offered the following prayer:

Be strong and of good courage; be not frightened, neither be dismayed; for the Lord your God is with you wherever you go.—Joshua 1:9.

Our Father, we thank You for this word of promise, for this day with its privileges and responsibilities, and for life itself.

We ask for Your blessings to be upon each Member of the House of Representatives, their families, associates in government, and especially those whom they represent.

May all our effort be given to those things that are true, honest, just, pure, and of good report. Give us the mental and moral courage to do what is right.

And now, may the peace of God which passes all understanding, keep your hearts and minds through Jesus Christ. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Chirdon, one of his secretaries.

THE REVEREND WILLIAM C. ELLIS

(Mr. MADIGAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MADIGAN. Mr. Speaker, it is a special privilege to have a highly respected minister from my district deliver the opening prayer in the House this morning.

The Reverend William C. Ellis, pastor of the Peoples Church of God in Decatur, Ill., has been an ordained minister for 28 years and is well known for his weekly radio and television broadcasts. As chairman-elect of the general assembly of the Church of God in Illinois, he serves on many of its committees.

He has been president of the National Alumni Association for Anderson College, in Indiana, and his interests extend from having served on the boards for both Decatur Baseball, Inc., and Continental Singers, Inc., to being recipient of the 4-H Alumni Award from Macon County.

Bill Ellis is clearly a gifted man who has given vigorous and aggressive leadership to his church and his community. We are grateful for and honored by his presence here today.

☐ 1105

WELCOME NEWS ON FREEDOM OF EMIGRATION AND POSSIBLE TRADE WITH THE U.S.S.R. AND PEOPLE'S REPUBLIC OF CHINA

(Mr. VANIK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VANIK. Mr. Speaker, this morning's news reports commented on a major shift in emigration policy by the People's Republic of China, indicating that in the last several months, the level of emigration has increased dramatically. It is reported that in January as many as 2,000 Chinese will apply to leave the People's Republic of China, whereas a year ago, the monthly level of permissible emigration was only 25 or 30 a month. The liberalization of emigration permits seems to be a major move by the Peking government to provide the humane and orderly reunification of Chinese families.

This is, indeed, a welcome development.

It should also be noted that the U.S.S.R. has been quietly but dramatically increasing the amount of emigration it allows. By the end of 1978, emigration from the Soviet Union was running at the rate of 3,000 a month, and it is estimated that in all of 1978, more than 31,000 emigrated from the Soviet Union to rejoin families or establish new homes elsewhere. This represents a 25-percent increase over the 1977 level.

This, too, is a very welcome development.

The normalization of U.S. trade with these two giant nations depends on the development of an awareness and respect for the human right of emigration. It appears that this awareness has developed and, if it continues, will enable 1979 to be a year of major improvements in trade between our nations.

SACCHARIN STUDY AND LABELING ACT

(Mr. GLICKMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GLICKMAN. Mr. Speaker, in May, the 8-month period allowed in the Saccharin Study and Labeling Act for reviewing the continued use of saccharin will expire, meaning the ban proposed by the FDA which prompted that legislation could go into effect unless we take further action.

Certainly, none of us want to keep the Food and Drug Administration from taking off the market foods with additives which pose a real cancer hazard. However, questions still exist as to the potential hazard posed by saccharin use and to date there is no reasonable alternative.

Today I am introducing legislation which would extend the moratorium imposed in 1977 until January 3, 1981, or until legislation has been enacted substantively modifying the Delaney clause. As you know, that clause requires the Food and Drug Administration to ban all food additives which can be shown to produce cancer regardless of other factors. My proposal would not tie the FDA's hands. Like last year's legislation, it would merely block a ban based on tests made before the enactment of that earlier measure. Should information derived from tests conducted since that time prove the carcinogenic nature of sac-

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☐ This symbol represents the time of day during the House Proceedings, e.g., ☐ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

charin, the Secretary would still be able to pull the product off the market.

We need to look beyond the saccharin question to the more general problem, there seems to be widespread agreement that some changes in the Delaney language are needed to reflect some real problems which have developed in its application. Rather than settle only the application of the Delaney clause to saccharin, leaving other questions to be addressed in a piecemeal fashion, I feel that we should make the necessary revisions in the generally applicable language so it will be workable and can be consistently applied.

By extending the present moratorium, we will give ourselves adequate time to address the question of revisions in the Delaney clause in a reasonable manner rather than setting a precedent for case-by-case congressional action on food additive questions.

REMARKS OF HON. PAUL FINDLEY ON RESOLUTION BEING INTRODUCED TODAY BY HON. LESTER J. WOLFF

(Mr. FINDLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FINDLEY. Mr. Speaker, I take this time to voice my concern over what I think is a very well-intentioned resolution being introduced today by the gentleman from New York (Mr. Wolff).

In my view, it would revive the Formosa resolution which Congress wisely repealed 4 years ago. By our action in repealing the Formosa resolution we took a step in the right direction. The Wolff resolution would retreat from that position. I advise very carefully reading of the dangerously ambiguous operative section of the resolution.

WHAT IS NEW, MR. PRESIDENT?

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, on December 12, 1974, in announcing his candidacy for the Presidency, Jimmy Carter called for "new leadership" and "new ideas."

In his platform proposals to the Democratic Convention, June 16, 1976, he called for a "new beginning."

In his acceptance speech, July 15, 1976, he called for a "new look" at government.

In his inaugural address as President, he called for a "new beginning," a "new dedication," and a "new spirit."

In his first state of the Union message, January 19, 1978, he called again for a "new spirit."

In his recent state of the Union address he has come down to calling for "a new foundation."

Mr. Speaker, I have only one question to ask the President: So what is new today, Jimmy?

THE LATE HONORABLE JAMES I. DOLLIVER

(Mr. GRASSLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GRASSLEY. Mr. Speaker, I would like to call the attention of my colleagues to the death, on December 8, of former Congressman James I. Dolliver. He served for six terms in Iowa's old Sixth District.

Mr. Dolliver's distinguished public career did not begin with his election to the House in 1945. After moving to Fort Dodge in 1922, Mr. Dolliver served as Webster County's prosecutor for 5 years. In 1938, he was elected to the Fort Dodge school board and served for 7 years. And from 1938 to 1939, he also was the Iowa commander of the American Legion.

His service to the public sector continued after his six terms in Congress. In 1957, he became the regional legal counsel for the International Cooperation Administration in the Middle East.

James Dolliver's 12 years in Congress were marked by his deep concern for the people of Iowa. I extend my sympathies today to his wife, Rachel, and three sons.

□ 1110

WHAT THE STATE OF THE UNION MESSAGE DID NOT SAY

(Mr. DEVINE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DEVINE. Mr. Speaker, I was glad to see the gentleman from Illinois (Mr. Michel) address the fact that the President did give a state of the Union message the other night. Not a word has been said about it here on the floor. Yesterday, all the speech time went by and nothing was mentioned by either side.

The gentleman from Illinois suggested it was "Rafshoonized" with such buzzwords as the "new foundation," which I guess is what he hoped would catch on. But, I think the President's speech was remarkable in what it did not say. It did not mention a word about energy, one of the key matters facing this Congress; there was not a word about social security; it did not mention the cities; it did not mention the delicate foreign policy matters having to do with Iran and the Middle East.

I think the New Foundation is unfortunately on quicksand.

THE PRESIDENT DELIVERED HIS STATE OF THE UNION ADDRESS

(Mr. MYERS of Indiana asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MYERS of Indiana. Mr. Speaker, I came to this Chamber yesterday expecting to hear praise and, of course, as often happens as a matter of course, some criticism of the state of the Union message. It was strangely silent yesterday on the other side of the aisle, as we normally expect the praise of what a great speech had been given. There was none on this side. In fact, it was as though it did not happen.

Today a few have spoken up, remembering that the President was here Tuesday evening.

But, I think this is a little unfair. The President has a constitutional responsibility to address the Nation and give the state of the Union, and he did that.

THE STATE OF THE UNION MESSAGE

(Mr. DANIELSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANIELSON. Mr. Speaker, I was most pleased and amused to hear the comments of our good friends, Bob Michel of Illinois, and John Myers, and Sam Devine. First of all because I never cease to be amazed at the amount of money the Republican Party must have available to computerize every word in our dear President's speeches so that they can go back 4 years and tell us how many times he has used the word "new."

I wish we had one-tenth that amount of money to help bring more good candidates into the Congress, but I am glad that we are not squandering money on such useless efforts. Beyond that, I wish to remind my friends from the other side of the aisle that the Constitution requires the President to give a state of the Union speech, which our President did.

We do not have to praise it; it speaks for itself. The minority leaders cannot criticize it, because it is beyond criticism. The President gave us the state of the Union clearly, succinctly, and right on the head, and we are grateful to him.

AMENDING CLAUSE 1(a) OF RULE XLVIII OF RULES OF THE HOUSE

Mr. BOLAND. Mr. Speaker, I offer a resolution (H. Res. 70) to amend rule XLVIII of the Rules of the House of Representatives to increase the size of the Permanent Select Committee on Intelligence, and ask unanimous consent for its immediate consideration.

The Clerk read the resolution as follows:

H. Res. 70

Resolved, That clause 1(a) of Rule XLVIII of the Rules of the House of Representatives is amended by striking out "thirteen" and inserting "fourteen" in lieu thereof.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

APPOINTMENT AS MEMBERS OF PERMANENT SELECT COMMITTEE ON INTELLIGENCE

The SPEAKER. Pursuant to clause 6(e), rule X and clause 1(a), rule XLVIII, the chair appoints as members of the permanent Select Committee on Intelligance the following members of the House:

Mr. Boland, Massachusetts, chairman.

Mr. Zablocki, Wisconsin.

Mr. Burlison, Missouri.

Mr. Murphy, Illinois.
Mr. Aspin, Wisconsin.
Mr. Rose, North Carolina.
Mr. Mazzoli, Kentucky.
Mr. Mineta, California.
Mr. Fowler, Georgia.
Mr. Robinson, Virginia.
Mr. Ashbrook, Ohio.
Mr. McClory, Illinois.
Mr. Whitehurst, Virginia.

APPOINTMENT AS MEMBERS OF SELECT COMMITTEE ON AGING

The SPEAKER. Pursuant to clauses 6 (e) and (g), of rule X, the Chair appoints as members of the Select Committee on Aging the following Members of the House:

Mr. Pepper, Florida, chairman.
Mr. Roybal, California.
Mr. Biaggi, New York.
Mr. Andrews, North Carolina.
Mr. John Burton, California.
Mr. Beard, Rhode Island.
Mr. Bonker, Washington.
Mr. Downey, New York.
Mr. Florio, New Jersey.
Mr. Ford, Tennessee.
Mr. Hughes, New Jersey.
Mrs. Bouquard, Tennessee.
Mr. Santini, Nevada.
Mr. Drinan, Massachusetts.
Mr. Evans, Indiana.
Mr. Russo, Illinois.
Mr. Lundine, New York.
Ms. Oakar, Ohio.
Ms. Holtzman, New York.
Mr. Lloyd, California.
Mr. Luken, Ohio.
Mr. Watkins, Oklahoma.
Mr. Gudger, North Carolina.
Ms. Ferraro, New York.
Mrs. Byron, Maryland.
Mr. Ratchford, Connecticut.
Mr. Mica, Florida.
Mr. Stack, Florida.
Mr. Grassley, Iowa.
Mr. Wampler, Virginia.
Mr. Hammerschmidt, Arkansas.
Mr. Abdnor, South Dakota.
Mr. Rinaldo, New Jersey.
Mr. Regula, Ohio.
Mr. Dornan, California.
Mr. Hollenbeck, New Jersey.
Mr. Green, New York.
Mr. Hopkins, Kentucky.
Mr. Lungren, California.
Mr. Shumway, California.
Mrs. Snowe, Maine.
Mr. Whittaker, Kansas.

ADJOURNMENT TO MONDAY, JANUARY 29, 1979, AND TO WEDNESDAY, JANUARY 31, 1979

Mr. OBEY. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at noon on Monday next, January 29, 1979, and that when the House adjourns on Monday it adjourn to meet at 3 p.m. on Wednesday, January 31, 1979.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. OBEY. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next week.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

ECONOMIC REPORT OF THE PRESIDENT—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 96-50)

The SPEAKER laid before the House the following message from the President of the United States; which was read, and together with the accompanying papers, referred to the Joint Economic Committee and ordered to be printed:

To the Congress of the United States:

Two years ago when I took office our economy was still struggling to recover from the deep recession of 1974-75. Unemployment was widespread, and a substantial part of our industrial capacity stood idle.

Today 7 million more Americans are at work, and factories across the country have regained high levels of output. Family incomes, after adjustment for inflation, have risen handsomely and so have business profits.

The task now confronting us is to manage an economy operating at close to its capacity—to sustain prosperity and extend its benefits more widely among our citizens.

Under the best circumstances, designing economic policies to carry out that task calls for restraint and careful choices. Developing such policies has been made more complex by the acceleration of inflation last year and the declining growth of productivity that was partly responsible for it.

My economic and budgetary program deals forthrightly with the economic realities we face today. It is based on four principles.

First, reducing inflation must be our top economic priority. Inflation endangers the gains in employment and income that we have made during the past 2 years. We must act forcefully and effectively to combat inflation, and we must persist until the battle is won.

Second, government must do its job better. Reducing inflation will require budgetary austerity and moderation of economic growth. With productivity growth at a low ebb, living standards will not rise as fast as they have in the past 2 years. In such a climate, waste, inefficiency, or misplaced priorities are particularly intolerable. It is now more essential than ever that our government, in both its budgetary and regulatory programs, make the best use of the resources at its disposal and seek better, less costly means to achieve our national objectives.

Third, we will not reduce inflation at the expense of the most vulnerable members of our society—the poor, the elderly, and those who have difficulty finding jobs even in a high-employment economy. Ours is a compassionate Nation, dedicated to a sense of fairness. We will not lose sight of those who most need our help.

Fourth, our policies must reflect the fact that the United States is a very important part of a closely related world economy. We will continue to pursue domestic policies and undertake other actions as necessary and appropriate to foster a strong and stable dollar, and we will join with other countries to promote an open and growing world economy.

In the months ahead, I will work closely with the Congress to ensure that the policies adopted by this government are consistent with these four precepts. The budget for 1980 must be very tight, and I intend to make sure that a fiscal policy of firm and measured restraint is maintained. But the budget must continue and strengthen our most essential programs, and I have supported such programs strongly. In order to further the fight against inflation, I will seek prompt adoption of my real wage insurance program and my proposals for hospital cost containment and regulatory reform.

I will continue to seek the cooperation and support of the American people in the fight against inflation. Last October, I proposed to the Nation a program of price and pay standards designed to brake the price-wage spiral that has beset our economy for more than a decade. This program has received substantial support from the American people, and I will make every effort to enlist the broadest possible cooperation with it in the year to come.

The pay and price standards ask every American to exercise restraint. Every American should therefore expect the government to ensure that its own actions wil contribute to, not undermine, the voluntary effort to reduce inflation. Steadfast pursuit of fiscal and monetary discipline and limits on the inflationary impacts of other government actions are crucial to the success of the anti-inflation program. Together, the actions of government and the private sector can lay a new foundation for a durable prosperity.

PROGRESS AND PROBLEMS IN 1978

Among my first actions in office were steps to strengthen economic growth and speed the return to a high-employment economy. Those actions paid generous dividends. In 1977 our rate of economic growth increased by nearly a full percentage point over the prior year, and in 1978 the Nation's output of goods and services advanced by a healthy 4¼ percent. Today our Nation is using its industrial capacity more fully than a year ago.

Last year 3 million new jobs were created. A larger proportion of our people is at work now than at any other time in our history. Gains in employment during the past 2 years have been especially strong among women and members of minority groups.

Unemployment declined to less than 6 percent of the labor force during 1978. Nearly 1½-million fewer Americans were unemployed in December 1978 than 2 years earlier. Unemployment among minority groups has also begun to decline from the very high levels that persisted earlier in the recovery, but these groups still bear a disproportionate share of the burden of unemployment.

Gains in employment and output produced strongly rising incomes for most Americans during 1978. Disposable personal income, adjusted for inflation, rose by more than 3 percent over the 4 quarters of last year. The income of our country's farmers, which was severely depressed in 1976 and 1977, showed a marked recovery.

Business profits rose more than 10 percent in 1978, thereby promoting conditions for the continued growth in investment needed for productivity improvement and healthy economic expansion. Business investment in new plant and equipment also strengthened in 1978, raising the proportion of our national output devoted to capital formation to the highest level in 4 years.

On most counts, the prosperity of our Nation rests on a solid base. Our economy at the end of last year was still growing strongly. The momentum of expansion will be sustained early this year by the reductions in taxes on individual incomes and corporate profits that were provided in the Revenue Act of 1978. Last year, as in the earlier years of the recovery, the process of economic expansion remained relatively well balanced. Business inventories are lean. Industrial firms and financial institutions are in good financial condition. Shortages and speculative buying generally are absent. But inflation does pose a serious threat to the Nation's continued economic health. If we make progress in reducing inflation, the prospects are good for a successful transition from a period of economic recovery to a period of moderate but sustained growth.

For more than 10 years, our country, like many other nations, has faced stubborn inflation. During the course of 1978 our inflation problem worsened. Consumer prices rose by about 9 percent, a large acceleration from the 6¾ percent rate of inflation in 1977. Increases in wages also were larger and, since productivity gains declined sharply, costs of production moved up much more strongly.

The anti-inflation effort was given top priority in 1978. In May, I recommended that the Congress reduce by $5 billion and delay 3 months the tax cut that had been proposed earlier. In October, I set forth a strong and comprehensive program to combat inflation. Shortly thereafter, in cooperation with other countries, the Nation undertook a series of measures to strengthen the dollar abroad and further contribute to a reduction of inflation at home.

INFLATION IN 1978

Rising inflation last year stemmed from several sources. Cold winter weather affected food supplies and prices. Depreciation of the dollar in foreign exchange markets added to prices of imports and to prices of goods produced by U.S. firms that compete with imported products. Costs of land and building materials were driven up by exuberant demands for new homes, and the rise of mortgage interest rates added to the costs of buying a home. At the same time, the cumulative effects of government legislation and regulation over recent years gave further impetus to cost pressures.

A large part of the worsening of inflation last year, however, stemmed from poor productivity. Over the past decade or more, the rate of growth in our productivity has been slowing. In late 1977 and throughout 1978, the slowdown in productivity growth reached serious proportions. Last year the productivity of our economy increased by less than 1 percent.

The reasons for the weakening of productivity growth in our country, especially its poor performance last year, are complex and are not fully understood. But the consequences are well known. With slower productivity growth, our living standards individually and as a Nation cannot rise as fast. Slower productivity growth means that the resources available for carrying out governmental programs become scarcer. It means that large increases in wages and other incomes put greater upward pressure on costs and prices. If we ignore the realities of slower productivity growth—if governments continue to press forward with unabated claims on resources, and private citizens continue to demand large gains in money incomes—our inflationary problem will worsen.

DEALING WITH INFLATION

Inflation injures every person in our country. It means that paychecks do not go as far as they once did. It means that savings accumulated for retirement or for a child's education become inadequate. Many poor and elderly persons see prices they pay for food, shelter, and heat rise rapidly while their incomes rise slowly or not at all. These problems are so acute that they demand an all-out effort to reduce inflation. Yet rising prices and costs have additional and very serious effects on our economy as a whole.

Inflation drives up interest rates. It undermines the competitiveness of our industries and the value of our dollar abroad. Confidence of businesses in the future is reduced and investment plans are upset. Consumer's confidence in their own future is sapped. Sooner or later, these effects of inflation will undermine the basis for economic expansion and make sustained prosperity impossible.

Finally, the corrosive effects of inflation eat away at the ties that bind us together as a people. One of the major tasks of a democratic government is to maintain conditions in which its citizens have a sense of command over their own destiny. During an inflation individuals watch in frustration as the value of last week's pay increase or last month's larger social security check is steadily eroded over the remainder of the year by a process that is beyond their individual control. All of us have to plan for the future when we lend or borrow, save for a child's education, change a job, buy a home, or choose a career. The future is uncertain enough in any event and the outcome of our plans is never fully within our own control. When the value of the measuring rod with which we do our planning—the purchasing power of the dollar—is subject to large and unpredictable shrinkage, one more element of command over our own future slips away. It is small wonder that trust in government and in social institutions is simultaneously eroded.

It is for all of these reasons that reducing inflation must now be the primary concern of economic policy.

POLICIES TO CONTROL INFLATION

Firm, sustained and carefully applied fiscal and monetary restraint must be the first element in our effort to reduce inflation. We have entered a period in which the high rate of economic growth that we experienced when the margin of unused resources was larger no longer is appropriate. We will apply the needed restraint and stick with it.

We will not try to wring inflation out of our economic system by pursuing policies designed to bring about a recession. That course of action would be unfair. It would put the heaviest burden of fighting inflation on those who can least afford to bear it. It also would be ineffective. Twice in the past decade inflation has accelerated and a recession has followed, but each recession brought only limited relief from inflation. The underlying pressures behind rising prices and costs continued to be strong, and inflation eventually accelerated again when recovery began. Stop-and-go policies do not work. A successful anti-inflation program must be durable to deal with a long-run inflation problem. Our program meets that test.

When I announced my anti-inflation initiatives last October, I pledged to pursue a restrained budgetary policy in fiscal year 1980. I have kept that pledge. The central element of my fiscal program is tight control over Federal spending:

—Growth in Federal spending will be curtailed. As in 1979, Federal outlays in the next fiscal year will increase in real terms by significantly less than 1 percent.

—The share of the Nation's output accounted for by Federal spending will be reduced to about 21 percent in fiscal 1980, a full year ahead of the schedule that I had earlier announced.

Restricted growth in Federal spending, combined with the revenues yielded by a moderately growing economy, will reduce the budget deficit to $29 billion in fiscal 1980, less than half its size in the year before I took office. This course of fiscal policy will exert the measured restraint that is needed. Excessive demands upon the Nation's resources will be avoided. Growth in economic activity will slow to a little below the rise in the Nation's economic potential.

These measures of fiscal policy are being complemented by firm and careful monetary restraint on the part of the Federal Reserve Board. In this way, monetary and fiscal policy are supporting each other to combat inflationary pressures and foster a healthy and stable economy.

OTHER GOVERNMENTAL ACTIONS

I am taking other steps to reduce the inflationary effects of government actions. I have directed the agencies of the executive branch to pay special attention to ensuring that the regulations they issue do not impose unnecessary burdens on the public, and I shall continue the efforts that got under way in 1978 to improve the regulatory process.

Last year the deregulation of the airline industry brought American consumers the benefits of substantially lower prices and better service. This year I intend to seek congressional approval of legislation to increase the role of competitive forces in the trucking and railroad industries. I will submit to the Congress legislation to reform the process by which regulations are developed by Federal agencies, and to increase the emphasis on a careful balancing of costs and benefits. And I am taking steps to reduce the burden of paperwork imposed by the government on the private sector.

Government must set a clear example in the fight against inflation. For that reason, I ordered last year that the rate of pay increase for Federal workers be held to 5.5 percent and that sharp limitations be imposed on new Federal hiring.

Although these actions by government will not, by themselves, bring inflation to an end, they are indispensable. They can create an environment that encourages voluntary cooperation with the pay and price standards. Without restraint by government, the pressures of an overheated economy easily could render meaningless the best efforts of businesses and workers to reduce price and wage increases. However, it will take broad cooperation from the private sector if the voluntary effort is to succeed in reducing inflation.

VOLUNTARY WAGE AND PRICE STANDARDS

The voluntary wage and price standards call for an average rate of pay increase of 7 percent or less this year. I also have asked businesses to hold their average rate of price increase to at least one-half percentage point below the average rate of increase in 1976–77. Where such price deceleration is not possible, the standards provide for limitations on profit margins.

To meet these standards, both workers and businesses must exercise restraint. But they are fair and flexible standards. If they are widely observed, as I believe they will be, we can reverse the momentum of the price-wage cycle and gradually bring down the rate of inflation.

I recognize that cooperation with this program entails uncertainties for workers who comply with the wage standards. They may lose if others do not comply, or if forces beyond anyone's control cause prices to rise unexpectedly. In order to provide them some assurance that those who cooperate will not suffer as a result, and thus to motivate wider observance of the standards, I have proposed to the Congress a program of real wage insurance. Under this program, if inflation increases by more than 7 percent this year, groups of workers that meet the 7 percent pay standard will receive a tax credit at a rate equal to the difference between the actual inflation rate and 7 percent. This credit will insure workers' real wages over a range of inflation as high as 10 percent this year, far higher than is expected to occur.

The elements of my anti-inflation program are mutually supportive and designed to mount a sustainable attack on our long-run inflation problem. Voluntary cooperation with the pay and price standards is essential to reversing the momentum of inflation. Government needs to take strong action to avoid contributing to inflationary pressures in order to ensure that the benefits of voluntary restraint are fully realized. Together, these policies offer our best opportunity to win the fight against inflation.

OUTLOOK FOR 1979

My anti-inflation program will support the health of our economy in 1979 in two respects. First, the rate of inflation should slow this year—to about 7½ percent over the year as a whole, and to somewhat below 7 percent by the end of the year. Second, moderation of inflation will help us avoid a recession and improve the prospects for sustained economic growth in 1980 and beyond.

Over the 4 quarters of 1979, the Nation's output should rise by about 2¼ percent, somewhat less than the economy's potential growth. This should create an economic climate in which the wage and price standards have good prospects for success. The labor force will continue to expand strongly and most new workers will find jobs.

Further progress in reducing inflation can be expected in 1980 as the effects of the anti-inflation program begin to cumulate. Moderate growth in the year ahead, combined with substantial progress against inflation, will lay the basis for an enduring prosperity.

In the years beyond 1980, as we are successful in containing the growth in Federal spending and bringing down the rate of inflation, we can look toward reductions in Federal taxes. Rising real income and inflation, even at a reduced pace, push taxpayers into higher tax brackets and thereby raise the average effective tax rate. Both to sustain economic growth and to relieve citizens from unwarranted tax burdens, tax reductions will, from time to time, be highly desirable.

It would be unwise—and, indeed, very dangerous—to commit ourselves now to any mechanical formula for future reductions. No such formula will pass the test of budgetary responsibility. Our knowledge of future economic conditions and developments affecting the rate of inflation is too limited to make such decisions at this time. There is simply no substitute for the difficult process of matching our overall budgetary policies year by year to the economic requirements of the Nation.

POLICIES TO MEET THE NATION'S NEEDS

In a period when the overall growth of budgetary resources must be tightly restrained, budget decisions take on special importance. Some real growth in our defense budget is essential to meet our national security needs and keep our international commitments in the face of the growing military strength of our potential adversaries.

Within the domestic budget I have given special priority to the needs of the poor and the disadvantaged. I have recommended substantial funding for programs that address their needs for assistance in health care, education, employment and training, and basic subsistence. The 1980 budget directs the resources of those programs more carefully toward those most in need. Similarly I have sought to maintain and, in some cases, expand the assistance provided to our financially troubled cities and counties. I have paid particular attention to the need to move ahead with the development of alternative energy sources, including solar energy, and to spur basic research and development, which has been lagging in our country.

We cannot be satisfied with the condition of our economy while many of our disadvantaged citizens, especially among minorities, are unable to find work even in periods of prosperity. In 1978, the Congress enacted with my support the Full Employment and Balanced Growth Act. That act restates and amplifies the responsibilities of economic policy that have faced our Nation in recent decades. The act challenges us to provide the fullest possible opportunities for useful employment, to rely on the private sector as the principal provider of jobs, and to create an environment of price stability that will make it possible to sustain prosperity. These are very ambitious goals that challenge us as a Nation to set our sights high. The act also establishes important new procedures for moving toward the realization of full employment and price stability.

Neither can we rest while large numbers of Americans still live in poverty. This Nation has made a concerted effort to provide for those in our society who are in need. We have assisted the poor to acquire the basic necessities of life. We have taken steps to assure adequate incomes and medical care for the elderly. And we helped to assure better health care, nutrition, and education for the young. My budget for 1980 continues to respond to the challenge that poverty sets before our Nation.

Each of these challenges calls for action by the government. In a period of inflation, however, our ability to act is limited. We cannot do everything, but we must do what we can and do it well. That is the framework within which I have constructed my budgetary program for 1979 and 1980. This budget provides a carefully balanced spending plan which will ensure that the activities of the Federal Government are well administered and effective, and that we continue to respond to the important needs of the country.

My 1980 budget provides important building blocks for the future in many areas:

—*Health programs,* which I have expanded substantially during my first 2 years in office, will be maintained at those levels and in some cases increased. In addition, consistent with the development of a National Health Plan, new resources have been provided for the Child Health Assessment Program, which will extend Medicaid benefits to over 2 million low-income children. Funds have also been provided for extending Medicaid coverage to 100,000 low-income pregnant women not now eligible.

—*Authority for new spending for education* is maintained at the level that I provided in my budget last year. This program will support spending nearly 20 percent greater, in real terms, than 2 years ago.

—*Publicly assisted housing* will be provided through subsidies for 325,000 new units for families with low or moderate incomes.

—*Job-related programs* will include funds that will support an average of 546,000 public service jobs, phasing down to 467,000 jobs by the end of 1980. These jobs have been targeted more tightly to serve the structurally unemployed. Another 424,000 training opportunities also will be provided for the structurally unemployed. Programs to provide employment and training opportunities for youths remain a high priority. More private sector job opportunities will be made available through the new private sector initiative and the targeted employment tax credit.

—*A welfare reform program,* to take effect in 1982, will expand aid to families with dependent children, increase the earned income tax credit for low-wage workers, substantially improve employment opportunities for the Nation's neediest citizens, and provide fiscal relief to State and local governments with severe welfare burdens. Important reforms in the administration of the program will make America's welfare system easier to operate.

—*Aid to our cities and counties* will continue to be provided through revenue sharing, community development block grants, urban mass transit assistance, and urban development action grants. My budget provides new resources for the National Development Bank and requests funding in fiscal 1979 and 1980 for a new program of special fiscal assistance to cities and counties with severe unemployment problems.

This spending program provides for our Nation's vital needs, while remaining within the constraints required by today's inflationary economy.

THE INTERNATIONAL ECONOMY

Developments last year reminded us once again of the interdependence of our economy and those of other nations around the world. Our trading partners are looking at our ability to deal with our economic problems at home as an indicator of the strength and leadership they can expect from the United States. We will not disappoint them.

Nineteen hundred and seventy-eight was a year of significant progress in the world economy. Real output began to pick up in industrial countries other than the United States. Important initiatives in the international arena occurred in trade policy, in balance of payments adjustment, and in financial markets—all influenced by the cooperation shown at the Bonn Summit.

Late 1978 and early 1979 will mark the culmination of the Tokyo round of multilateral trade negotiations. These historic negotiations—which began in 1975 and were intensified in 1977—should lead to the first comprehensive overhaul of the rules of international trade since the 1960s.

The need for a revamping of the trading system is clear. Our large foreign trade deficit stems in part from a loss of American vitality in world markets. But it has also resulted from the tariff and nontariff barriers of our trading partners. Over the coming years, under a final multilateral trade agreement, barriers at home and abroad will be reciprocally dismantled.

During 1979 I will be working closely with the Congress to adopt the final multilateral trade agreement, along with implementing legislation, that will foster robust export growth and free and fair competition in world trade under rules that are both equitable and economically sensible. These measures will provide a framework for trade that will enhance our living standards in the decade to come.

In recent years, the United States has had a serious balance of payments deficit. Our imports surged as we grew rapidly and drew heavily on imported oil. Our exports lagged because of slow economic growth abroad. These factors contributed to a trade deficit rising from about $10 billion in 1976 to an annual rate of almost $45 billion in early 1978. As a result of the sharp increase in our external deficit and the acceleration of inflation in the United States, the value of the dollar in foreign exchange markets fell substantially last year.

We have taken important steps to correct the deficit:

—In late 1978, Congress enacted the National Energy Act, the first comprehensive legislation for dealing with our energy problems. The effect will be to reduce our oil imports in 1985 by 2.5 million barrels per day.

—In 1978, I announced the first phase of a National Export Policy. By setting up a framework to increase support for exports and reduce disincentives to export, we can begin to increase our share of world commerce. Fundamental improvements in our trade position is critical to a healthy dollar.

—A strong and effective anti-inflation program has been put into place. An integral part of that program consists of monetary and fiscal policies that will moderate the rate of economic expansion. These actions will help reduce our large foreign trade deficit.

These policies were beginning to bear fruit by the end of 1978. Exports today are growing more rapidly than the domestic economy. The merchandise trade deficit declined from a $38-billion annual rate in the first half of last year to about $32 billion in the latter half of the year. Narrowing of the deficit should continue and we foresee a marked improvement in the more comprehensive current account measure.

Nineteen hundred and seventy-eight was also a year of unusual instability in international financial markets. In the fall, movements in the exchange value of the dollar became very disorderly, and its decline became clearly excessive.

On November 1, I announced a series of steps to restore order to the foreign exchange markets and to correct the excessive decline of the dollar. Up to $30 billion in foreign exchange resources were assembled by the United States, to be used in coordination with other countries utilizing their own resources, to protect the dollar's value in currency markets. Domestic interest rates were raised significantly to help reduce inflation and strengthen the dollar in exchange markets. And the United States underlined its commitment to deal with its inflation problem and strengthen its underlying economic position.

These actions have improved the tone of the exchange markets and contributed to a rise in the value of the dollar. More importantly for the longer term, they are helping to create more stable conditions in the exchange markets, in which the value of the dollar can better reflect the fundamental strength of the U.S. economy.

Progress also was made in 1978 in achieving closer economic cooperation among the leading industrial nations. I met in Bonn with the leaders of the six major industrial countries to discuss major economic problems facing us. Out of this came a concerted action program to restore greater balance and confidence in the international economy and in world financial markets. Together, we took the necessary steps to achieve those ends—the United States committed itself to combat inflation and reduce oil imports, Germany and Japan to increase growth and reduce trade surpluses, others to take measures on trade or inflation. Only through continued economic cooperation and sound policies can we attain the goal of full employment and price stability that is our ultimate objective.

BUILDING FOR THE FUTURE

During this coming year, we as a Nation have an opportunity to strengthen our economy and lay the basis for continuing prosperity. The gains of the last 2 years have been notable. We have made great progress at home in recovering from the recession, and we have strengthened the stature of the United States in the world economy. In the year ahead, we can secure and extend those gains by working together to moderate inflation. I am confident that we will rise to the challenge.

JIMMY CARTER.

JANUARY 25, 1979.

□ 1120

NINTH ANNUAL REPORT OF COUNCIL ON ENVIRONMENTAL QUALITY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Merchant Marine and Fisheries:

To the Congress of the United States:

I am pleased to transmit to the Congress the Ninth Annual Report of the Council on Environmental Quality.

The Report contains abundant evidence of progress in meeting our national commitment to protecting our environment. The dimensions of the task still before us also emerge from the Report. For example, the Report cites encouraging evidence that the quality of our streams and lakes is improving in many places. Yet few areas of the country are entirely free of even those water quality problems which we understand best and control most effectively. And we are only on the threshold of comprehending and controlling newer problems of toxic pollution in water supplies.

Our efforts to enhance the quality of urban environments offer another example. We have gained many insights in the past few years into how tax, water, sewer, transportation, and a host of other Federal programs affect the shape of cities and the use of land. Those insights are reflected in my Urban Policy Message of last March and in many new laws and Executive Branch policies. Yet as we find ourselves better able to cope with the problems of urban sprawl, new and unfamiliar problems have emerged with the unprecedented migration from cities to small towns and rural counties in the 1970's. The lesson is that even as we learn more and do better in protecting our environment, new challenges will continue to appear.

We can be proud of our achievements so far. In my 1977 Environmental Message, I promised energetic enforcement of the environmental programs already on the books and asked your collaboration in developing certain new ones.

As a result of our partnership, we can point to:

—The first law setting Federal standards for the stripmining of coal;

—a renewal of the Clean Air and Clean Water Acts, with strict but enforceable standards;

—amendment of the 25-year-old Outer Continental Shelf Lands Act to provide orderly development of offshore oil and gas resources with high standards of environmental protection;

—a nuclear non-proliferation law;

—our selection of the environmentally preferable route for shipping Alaskan natural gas to the lower 48 States;

—the permanent protection of nearly 95 million acres of unspoiled lands in Alaska in our park and refuge systems;

—a major expansion of the Nation's park and wilderness systems, including the addition of large acreage to Redwood National Park; and

—effective regulation of fishing in the U.S. 200-mile fishery conservation zone, with a 50 percent reduction of foreign fishing and a total ban on commercial whaling within that zone.

Building on the foundation already laid by Congress and using authority already granted me, I asked agencies of the Executive Branch to undertake a number of broad policy reforms in environmental matters, including:

—a comprehensive new water resource policy that stresses conservation, environmental protection, Federal-State cooperation, cost sharing, and rational economic evaluation;

—an Administration policy that would reduce the risks of plutonium and nuclear weapons proliferation;

—vigorous support for the development of solar energy, continuation of selected solar projects, and a national policy review;

—improved protection of health and safety in the workplace, emphasizing serious health hazards while eliminating trivial regulations;

—a concerted drive by all Federal agencies to design a uniform approach toward the control of cancer-causing, life-altering toxic substances;

—a thoroughgoing reform by EPA of its regulations to minimize costs and delay, welcome outside ideas and participants, and test flexible new approaches, while insuring adequate protection of health and the environment.

Finally, I directed the Council on Environmental Quality to issue regulations under the National Environmental Policy Act which will help all Federal agencies make well-informed, environmentally sound decisions, with a minimum of paperwork and delay. I asked for new regulations which would improve the government's ability to assess the effects of its actions and encourage the preparation of concise, analytic environmental impact statements. After public hearings and a thorough review by other Federal agencies, the Council drafted regulations to achieve these goals.

I am pleased that the United States has pioneered laws to protect our air, water and land. I believe our leadership has proved its worth. Since the National Environmental Protection Act (NEPA) was passed at least 25 States have adopted "little NEPAs" patterned after the Federal model, 16 other nations have adopted some form of environmental impact review of governmental activities, and more than 80 nations have incorporated into their governments a ministry with environmental responsibility.

In the years ahead, let us continue our fruitful collaboration and our leadership in environmental protection.

JIMMY CARTER.

THE WHITE HOUSE, *January 25, 1979.*

□ 1125

TRIBUTE TO HON. WILLIAM A. STEIGER

The SPEAKER pro tempore (Ms. FERRARO). Under a previous order of the House, the gentleman from Wisconsin (Mr. ZABLOCKI) is recognized for 60 minutes.

GENERAL LEAVE

Mr. ZABLOCKI. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the life, character, and public service of the late Honorable WILLIAM A. STEIGER.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. ZABLOCKI. Madam Speaker, 8 weeks ago the House of Representatives lost one of its most outstanding, dedicated, and competent Members, Representative BILL STEIGER of Wisconsin.

The sense of dismay I personally felt upon hearing that my colleague and good friend, BILL STEIGER, had passed away made me question how a young man, only 40 years of age, so worthy of life, could be taken from us. As human beings, it is difficult for us to understand why good men die young. One consolation, however, is that their goodness, principles, and accomplishments live on.

Professionaly, I admired BILL STEIGER for many reasons: First and foremost, he lived according to a strict moral and ethical code. When he compromised on an issue, it was done with shrewdness and political astuteness, but never with a loss of the guiding moral principles that fashioned his high standards. BILL also possessed the unique quality of being able to disagree without being disagreeable. BILL STEIGER was a producer in the true sense of the word. More than that, he was a leader who made things happen, and a statesman with a keen sense of national priorities. Among the many legislative accomplishments in which he played a major role are OSHA, the all-volunteer Army, and capital gains tax relief, to name but a few.

Madam Speaker, BILL STEIGER unquestionably made many significant legislative contributions during his all too brief tenure in the House. Certainly his future efforts would have been even more important. That his legacy was curtailed by his untimely death is the Nation's loss. But the loss I still feel is a personal one, the loss of a good friend, a warm, thoughtful, and loving human being, who touched my life and left me a better person.

The English poet, Robert Southey, perhaps expressed this feeling best when he wrote:

> The loss of a friend is like that of a limb, time may heal the anguish of the wound, but the loss cannot be repaired.

Madam Speaker, BILL STEIGER died at an early age, but his spirit will live on. Those of us who had the privilege of knowing him and working with him will continue to draw strength from his example of honor, courage, and an inspiration to follow our consciences and our

God, and will aspire to serve our fellow man with similar dedication.

I am deeply saddened by the passing of Bill Steiger and extend my personal and sincere condolences in friendship to his devoted wife, Janet, his son, Bill, Jr., his father, family, and friends.

Madam Speaker, press accounts of Bill Steiger's passing have been voluminous, repeatedly expressing highest praise, respect, and admiration for him. I would like to share with my colleagues at least a few editorials and articles, many of which appeared in newspapers throughout Wisconsin and the Nation; specifically I call attention to the article "Politics—As Steiger Practiced It" by George F. Will, a highly respected columnist, which appeared in the Washington Post on December 7, 1978:

[From the Madison Capitol Times, Dec. 4, 1978]

Shocked Political Leaders Praise Representative Steiger

Congressmen and political leaders from both sides of the aisle, shocked by the untimely death of U.S. Rep William Steiger, R–Oshkosh, today praised their deceased colleague for his bright mind, friendliness, honesty, energy and potential for party and national leadership.

"Bill Steiger," said Wisconsin Sen. William Proxmire, D, "will be sorely missed for his first-rate mind, his strength of character and his marvelous personality."

His death, said Proxmire, "takes from us a man of intelligence, ability and marvelous sensitivity to the needs of all the people in his district—working men and women, farmers, professional people and small businessmen."

House Minority Leader John Rhodes, R–Arizona, said Steiger, 40, who died this morning in his sleep at his Washington, D.C., townhouse, "exemplified all that was good in our public officials. His energy, dedication and ability to understand the issues made him one of the most valuable members of the Ways and Means Committee.

"He had a great capacity for friendship," Rhodes said. "He was one of the best-liked members—popular on both sides of the middle aisle. The country is the poorer for his untimely death. I am sure that all of his colleagues join me in mourning his loss."

U.S. Rep. Robert Kasten, R-Thiensville, who for several years served with Steiger as the only two Republican members of the state's Washington delegation, said Steiger's death is a personal loss for him. "The tragic, untimely death of my good friend and colleague Bill Steiger is a great loss to the people of his district, the State of Wisconsin and the nation. I personally feel a great sense of loss. Bill was a friendly person I always confided in," Kasten said.

"Bill was truly one of the bright young leaders of Congress," he continued. "His leadership since coming to Washington in 1967 and his work on the Ways and Means Committee reflected intellectual prowess, political astuteness and a deep concern for the direction of America. He has left an indelible mark."

Acting Gov. Martin Schreiber, who served in the State Senate at the same time Steiger was serving in the Assembly, said he was saddened by Steiger's death, adding, "We who have served with him and those who have been served by him were strengthened by his dedication and his example as a public official with superior integrity."

Eugene (Tip) O'Neill, the speaker of the House, said, "Bill Steiger had one of the brightest minds and was one of the most personable members in the House of Representatives. His contributions will be remembered for a long time."

Sen. Gaylord Nelson, D-Wisconsin, called Steiger a "valued friend" and said his death is "shocking and sad. Bill was in his prime. He was a young, vigorous legislator. He worked hard for his party, but he also labored unstintingly on a non-partisan basis in the best tradition of Wisconsin progressive politics."

Fellow Representative Robert Kastenmeier, D-Sun Prairie, said Steiger was "one of the most highly regarded and well-liked members of Congress and was rapidly becoming a national figure because of his work on taxation and other issues . . . A great deal was expected of him in the 96th Congress, since he was just starting to emerge as a Congressional leader and a spokesman for his party.

"I served with Bill for 12 years," Kastenmeier said, "and knew no one who worked harder for the interest of Wisconsin. He was trustworthy, reliable, a man of utmost integrity and a superb public servant."

"He will be greatly missed by the people of Wisconsin and by all of us who knew him and worked for him," Kastenmeier said.

"Oh Lord, we lose a star," said former state GOP Chairman George Parker. "There's no question about that—a star who had national standing. It's a blow. He's going to be very, very difficult to replace—if it's possible to replace him."

An assessment in 1972 by consumer activist Ralph Nader's Congress Watch said of him, "Steiger's near-adolescent appearance and Eagle Scout demeanor hide a legislative toughness and a dozen years of political experience . . . He is very craftsmanlike and meticulous and a helluva lot tougher than you would imagine from his appearance."

Former Republican Gov. Warren P. Knowles said he was shocked to learn of Steiger's death. "He's given a lifetime of service in the political area. His loss will be greatly felt," said Knowles, who said he knew of Steiger's diabetes.

[From the Milwaukee Journal, Dec. 4, 1978]

State, National Figures Lament Death of Steiger

Friends and constituents were shocked Monday to learn of the death of U.S. Rep. William Steiger, congressman from Wisconsin's sixth district.

"Bill Steiger was one of the brightest minds and the most personable members of the House," said House Speaker Thomas P. (Tip) O'Neill. "His contributions here will be remembered for a long time."

Rep. Clement J. Zablocki, of Milwaukee, the senior member of the Wisconsin Congressional Delegation, said he was shocked and deeply saddened at Steiger's death.

"It was a privilege to know and work with Bill Steiger," Zablocki said. "The untimely death of Rep. Steiger deprives his constituents of a fine, dedicated representative and it deprives the Republican Party, the state and the nation of an outstanding leader."

Rep. Henry S. Reuss, of Milwaukee, chairman of the House Banking Committee, said he was shocked and saddened.

"Bill Steiger was a fine man and a splendid public servant," Reuss said. "The people of his congressional district have lost a dedicated leader, the causes he espoused have lost a staunch champion and I've lost a good friend."

J. Michael Borden, state Republican chairman, said he knew Steiger well.

"It's a great personal loss for me, for Wisconsin and the nation as well," Borden said. He said Steiger was one of the top men in Congress.

"I had no idea he had a health problem. I knew he had diabetes, but I thought he had it under control," Borden said. Steiger was found dead in his bed Monday morning.

Borden said Steiger was "incredibly honest" and "was the kind of man you hoped would go into politics."

PRAISED FOR CONCERN

He said some people who go to Washington "get Potomac fever and the party never sees them again. That wasn't the case with Bill Steiger."

Former Republican Gov. Warren Knowles said he was shocked.

"Bill has certainly been an outstanding member of the congressional delegation and has dedicated his life to politics in Wisconsin," Knowles said.

"With his death, I am at a loss even to speculate on who might succeed him and do the kind of job representing Wisconsin that he has done. He is virtually irreplaceable in his district."

POLITICALLY TOUGH

An assessment in 1972 by consumer activist Ralph Nader's Congress Watch said of him:

"Steiger's near adolescent appearance and Eagle Scout demeanor hide a legislative toughness and a dozen years of political experience. . . . He is very craftsmanlike and meticulous and a helluva lot tougher than you would imagine from his appearance."

[From the Milwaukee Journal, Dec. 5, 1978]

Sky Was Limit for Steiger, Friends Agree

(By Frank A. Aukofer)

Washington, D.C.—Bill Steiger could have been anything, even president.

That statement is no reflection of present political reality, for the Republican congressman from Oshkosh was not a nationally known figure, although he was on his way to becoming one.

Rather, it is a consensus of those who worked with him and knew him well, and is an assessment of his abilities and his potential.

"I think he was one of the most respected legislators in Congress," said George Bush, the former United Nations ambassador, Republican Party chairman and CIA head. "With his brilliance and his retentive memory, I think the sky was the limit for Bill Steiger."

Over and over, that theme emerged in the aftermath of Steiger's death Monday from a heart attack and hardening of the arteries. Steiger's diabetes contributed to the artery condition.

"There was almost no limit to what Bill could have accomplished," said Bill Brock, the Republican national chairman and a close friend. "He was thoughtful and creative, and he was loved and respected by people across the board, not only in our party but in both parties. And he was developing an ability in the House to truly lead."

President Carter said Steiger had earned the respect of his colleagues.

At 40, with 12 years in the House behind him, the boyish looking Wisconsin representative had earned a reputation for intelligence, diligence, hard work and that most sought after but seldom achieved political asset, timing.

Last spring, Steiger introduced his proposal to reduce capital gains taxes as a way to boost the economy and fight inflation, and it started an avalanche that saw the tax reduced from a top rate of 49 percent to 28 percent—only three percentage points above what Steiger originally wanted.

Even Steiger was surprised at the way his proposal snowballed, and he was delighted with his role as the point man, laughing gleefully when Carter himself was forced to attack the Steiger amendment.

It brought national recognition, and in recent months Steiger had been giving as many as two and three speeches a day. His last was in Boca Raton, Fla., last week before a group of securities industry representatives, who gave him a standing ovation.

But Steiger was in demand for much more than his knowledge of taxes. He was a leader in legislation that created the all-volunteer military services, that set up the Legal Services Corp. for the poor and that established the Occupational Safety and Health Administration.

CLOSE FRIEND

Bush, a close friend and godfather to Steiger's son, Billy, recalled a meeting of top national economists at Bush's home in Kennebunkport, Maine, last summer. Among those at the gathering were Paul McCracken and Arthur F. Burns, the former chairman of the Federal Reserve Board.

"You could just see how those people respected him," Bush said. "He was younger than all of them but he had their respect."

Bush said he thought that some day Steiger might have run for the Senate.

"I don't know whether he had any presidential ambitions," Bush said, "but he certainly would have had the intellectual capacity to handle that. But he was a modest fellow. He didn't promote himself. . . ."

Members of Steiger's staff said the congressman loved his work. He was "desperately happy," one said, and probably would have continued to carve out a leadership role for himself in the House. Some saw him as a cabinet member—secretary of the treasury or of health, education and welfare—in a future Republican administration.

JOB OFFER

A few years ago, Steiger considered leaving the House when he was offered a position as head of the National Safety Council in Chicago, according to a close friend and colleague, Rep. Barber B. Conable Jr. (R-N.Y.).

The job would have provided financial security for Steiger's family and would have enabled him to live closer to Wisconsin. But Conable said he talked Steiger out of it.

"I said, 'If people like you get out of government what's going to happen to the country?' " Conable recalled.

"I saw him as a national asset, one who would grow in importance and stature and understanding every year, which he did. People expected Bill Steiger to be in the middle of everything, and he never disappointed them."

ON HIS WAY

Conable said Steiger clearly was on his way to becoming a dominant figure on the crucial matter of tax legislation. But he also had started becoming an expert on international trade and was increasingly important to the Republican Party, which he served with the same sort of hard work and diligence he brought to the House.

"He was becoming one of the most effective and articulate spokesmen for the party," said GOP Chairman Brock. "But more so for legislation that had a human component. . . .

"His range of talents made him precisely the kind of person we should be looking for in elective office—from the president to any other office."

[From the Milwaukee Journal, Dec. 5, 1978]

BILL STEIGER'S ENDURING MARK

Rep. William Steiger was the kind of officeholder who gives politics a good name.

He was earnest and diligent about his work, and unusually effective, but he refused to take himself too seriously. He had a clear political philosophy—it was moderately conservative—but he never let himself get ensnared in petty dogma. As a Republican, he was always in the minority in Congress, but he had a talent for finding bipartisan consensus.

Steiger was a professional, mastering the complexity of tax laws or the intricacy of legislative maneuver as thoroughly as a pianist masters an etude. After 12 years in Congress, he was coming into his own as a legislative power.

When death ended his career Monday, Steiger was only 40, but he had left a durable mark. He will be remembered not just for the historic job safety legislation (OSHA) that bears his name, or for his pioneering support of the all-volunteer army, or for the tax policies he helped shape or the sensible influence that he exerted on party politics.

No. Bill Steiger will be remembered also for his quick smile, friendly manner and sharp wit—the human qualities that helped make him an admirable person and a first rate public official.

[From the Milwaukee Sentinel, Dec. 5, 1978]

STEIGER HELD IN HIGH REGARD

(By Richard Bradee)

WASHINGTON, D.C.—The death of Rep. William A Steiger (R–Wis), at the age of 40, ended a political career that was remarkable in this town for trustworthines and personal good humor.

That point was made best by Rep. David R. Obey (D–Wis.), who has debated partisan issues with Steiger for 20 years Obey choked back tears as he talked about their years together.

"We trusted each other so much; he was just personally kind and thoughtful," Obey said.

In a written statement, Obey called Steiger "truly a profesional in the finest and most positive sense of the word. I never saw him do a destructive thing. I never saw him take a cheap shot."

Steiger, who looked not much older at 40 than he did when he was a Young Republican at the University of Wisconsin—Madison 20 years ago, spent most of his years in national politics as a member of a liberal minority in the minority Republican Party.

In recent weeks, he quietly laid the groundwork for another Republican long shot, former Texas Rep. George Bush, the choice of some moderates for the 1980 Republican presidential nomination.

At Republican national conventions in 1968, 1972 and 1976, Steiger fought to open his party to blacks and other minorities. Battles over party rules often droned on into the night, and it was not until 1978 that the causes Steiger fought for proved to have some national impact.

Many of the Republicans who won in 1978 courted the black vote that their party virtually wrote off in the last three presidential elections.

In Congress, Republicans are outnumbered 2 to 1 and often assume the role of simple reacting to Democratic proposals.

When Democrats took both the White House and Congress in 1976, Steiger sometimes talked of the overwhelming odds against Republicans having any influence on national policy.

As a member of the House Ways and Means Committee, Steiger used sheer energy and intellect to become a leader of an influential middle group of Democrats and Republicans.

To the surprise of many politicians, Steiger's bill to cut capital gains taxes formed the basis of the major congressional tax bill last year, despite the opposition of President Carter and Democratic leaders in Congress.

His work on trade, Social Security, health care and inflation were beginning to bear fruit.

In the next Congress he had been expected to play a leading role in developing national policy on both foreign trade and inflation.

"He was the only Republican to vote with me, procedurally, on the first ethics package three years ago," Obey recalled.

The vote cost Steiger an appointment that he had sought to the commission that rewrote the rules of the House of Representatives.

"He was a tremendous bridge between the parties. We don't have anyone who can do that now," Obey said.

[From the Madison Press Connection, Dec. 5, 1978]

DREYFUS, SCHREIBER PRAISE REPRESENTATIVE STEIGER

(By Ed Bark)

The late Rep. William Steiger (R-Wis.) was paid tribute Monday by Wisconsin's two ranking elected officials.

Democratic Gov. Martin Schreiber and Republican Gov.-Elect Lee Dreyfus offered unstinting praise for their political colleague, who died in his sleep Monday at the age of 40. A Republican from Oshkosh, Steiger had represented the state's sixth congressional district since 1967.

Schreiber first met Steiger in 1956 at a Badger Boys State convention. Steiger had been elected "governor" of the Badger Boys State the year before and returned as was customary to address the 1956 group of honored high school juniors.

"He (Steiger) was a person that you warmed to almost immediately," Schreiber recalled. "Although we had a brief discussion and nothing more, it was a heartening experience." Steiger and Schreiber subsequently served in the State Legislature together from 1962–66. "I knew him to be a top notch person," Schreiber said. "He responded to the party line, but always with dignity. He was a person of his word and you never had to be concerned with cuteness and game playing."

In a telephone interview from Stevens Point, Dreyfus described Steiger as a "rising star" who was "moving up in the Republican ranks and then chopped off."

"It's just hard to comprehend," Dreyfus said.

During the gubernatorial campaign, Dreyfus said his wife, Joyce, was apprehensive about campaigning at plant gates until Steiger offered to accompany her.

"I'd gotten to know Bill pretty doggone well this past year," Dreyfus said. "If Steiger had been the candidate (for governor), I would not have seen the kind of need to run that I saw when I first came into the party."

State Sen. Scott McCallum (R-Fond du Lac) was an administrative assistant to Steiger from 1973–74. "It was a personal loss to me," McCallum said of Steiger's death. "It was a loss to everyone in the district, the state and really the nation, as Bill Steiger was emerging as a national leader."

The Senate Minority Leader Clifford Krueger (R-Merrill) described Steiger as "an outstanding congressman . . . recognized throughout the nation for his innovative ideas on taxation."

[From the Wisconsin State Journal, Dec. 5, 1978]

WILLIAM A. STEIGER

Rep. William A. Steiger achieved, and contributed, far beyond his years.

But those years numbered only 40 before he died in his sleep early Monday. The premature death came without warning, adding to the shock.

It was less than a month ago that Bill Steiger, the Oshkosh Republican, had been elected to his seventh term in Congress by an overwhelming 70 percent of the votes. It was his largest victory margin and is why his seat in Congress had been called "the safest one held by the Republican Party."

The congressman, who always looked younger than his years, seemed poised for even more productive work as a lawmaker. That estimate had a solid basis in past accomplishments.

Winning was his political way of life.

He died unbeaten.

It began in 1960 when he was elected to the Wisconsin Legislature at age 22, becoming the second youngest member at the time. He served until 1966 when he won the Sixth District seat in Congress.

He was then the youngest member of Congress at age 28.

But Bill Steiger had a cool maturity beyond his physical and political years. He swiftly became an effective lawmaker and influential member of his party.

Even as a minority-party member in Congress, he got things done. To illustrate, he was prominent in formation of the volunteer armed forces; he helped enact laws to relieve unfair and inequitable burdens on individuals, taking a particular lead in calling for laws to protect the health and safety of workers, and, most recently, was the foremost exponent of capital-gains tax relief that was adopted in part by the Carter administration in its tax bill.

Bill Steiger had the ability not to lose sight of important objectives. He would not sacrifice principle for compromise, but he would compromise if it meant moving toward a desired goal.

Perhaps his most lasting contribution was in helping open the Republican National Convention and the party itself to a more broadly representative membership.

He had a strong commitment to his party, but never feared being critical of his party if he felt it should be improved.

He rarely showed his emotions, remaining in control of himself and the situation, but he felt deeply young and old, to women as well as men, to minority and heritage groups as well as to the predominant whites.

This was convincingly on display at the 1972 Republican National Convention where he led the fight to broaden selection of delegates. He and his colleagues lost that battle but not the war.

The Wisconsin congressman had presented the case so skillfully he was named chairman of the party's Rule 29 Committee, charged with reviewing rules and relationships affecting the total GOP structure.

The committee's work, under Steiger, led to a more open Republican Party as he kept hammering at one theme: " . . . we want to make sure we don't exclude people from our party."

Above all, Bill Steiger was an open, fair, good man.

He won accolades in life (Time magazine named him in 1974 as one of 200 men and women it said seemed destined to provide the United States with a new generation of leadership), and genuine tributes in death from political friends and foes alike.

Speaker of the House Thomas O'Neill, the Massachusetts Democrat, called him "one of the brightest minds and most personable members of the House."

Not many leave such a constructive legacy in so few years. We morn his death; we are grateful for his lifetime's work that enhanced the image of the political leader at a time when it is sorely needed.

[From the Washington Post, Dec. 7, 1978]

POLITICS—AS STEIGER PRACTICED IT

(By George F. Will)

Journalism, it has been said, often involves reporting "Mr. Smith is dead" to people who never knew that Mr. Smith was alive. But that often is important. The end of exemplary lives should not go unremarked.

Many Americans do not even know the name of their own congressman, and few Americans knew of the congressman from Wisconsin's Sixth District. But there are more than a few Republicans who, if asked why they are Republicans, would reply, briefly but sufficiently, "Bill Steiger." They especially, but not they alone, know what the Republican Party, and the republic, lost when William Steiger died in his sleep at age 40.

When Steiger came to Congress 12 years ago, he was the youngest member. When he died, he was the youngest looking member. But any tendency to think of him as "boyish" did not survive the bracing experience of matching wits and wills with him.

When, early this year, Steiger submitted his amendment to lower taxation on capital gains, the Carter administration was ardently, not to say hysterically, opposed. But what Steiger began resulted, after compromises, in rate reduction. It was an example of what one exceptional man, aroused and patient and right, can do.

I first met Steiger early in this decade when the senator for whom I worked (Gordon Allott of Colorado) became interested in passing the military-pay proposals that were a prerequisite for the transition from conscription to all-volunteer armed forces. Steiger had been at work on the problem for several years, and no one in Washington was more ready for battle.

The issues of conscription and capital gains, one early and one late in his career, do not tell the full story of his career, but they summarize the theme of his Republicanism. He was concerned with liberating the nation's productive energies, including energy in the form of capital and, where possible, supplanting coercion with incentives.

Politics when done wrong, and when done right, can be a consuming profession. It is consuming for those whose eyes are always on higher office—who are consumed by ambition as by fire. More admirably, and more rarely, politics is consuming for those, like Steiger, who do justice to their great work of making laws for a free people.

Congress has its share of members who coast, content to derive their satisfactions from the perquisites of office. But the minority side of the House Ways and Means Committee has recently been to Congress what Sugar Ray Robinson was to boxing: pound-for-pound, the best fighting force. And Steiger, an initiating spirit, was among its best members.

It would be doing less than justice to Steiger to say only that he was a superb legislative craftsman. He also resembled another bundle of useful energy from the upper Midwest. It may seem like a contradiction in terms to speak of anyone as a "Republican Hubert Humphrey," but Steiger exemplified what Humphrey called "the politics of joy." Plainly put, he loved his profession, and it showed.

What Burke said of a nation is true, too, of a profession: To be loved it must be lovely. Politics as Steiger practiced it—intelligent, passionate and amused—was lovely. People who remember him as a paperboy in Oshkosh remember that he always aimed to be a congressman.

A few years ago he was offered a job in the private sector at a substantial increase in salary, and he was tempted to take it for his family's sake. His nine-year-old son frequently went up to Capitol Hill, quietly drawing pictures and watching his father work. Politics is a profession that often exacts a terrible price from families, but as a colleague said of Steiger: "We all admired the father in him."

The capriciousness of fate moved Yeats to write:

Some think it a matter of course that chance
should starve good men and bad advance.

It was not chance that advanced Steiger to the front rank of his party and his profession. But chance has done what only chance could do: It has prevented him from completing what would have been one of the most distinguished careers Congress has known.

[From the Milwaukee Journal, Dec. 11, 1978]

STEIGER EMBODIED "WISCONSIN IDEA"

WASHINGTON, D.C.—In the grief and regret that followed the death of Rep. William A. Steiger last week, Sen. Gaylord Nelson probably came closest to describing the political essence of the young congressman from Oshkosh.

He spoke of Steiger, 40, as the epitome of the progressive tradition in Wisconsin government and politics, a tradition that has brought the state a high degree of competence and a reputation for quality and integrity in public life.

For the most part, Wisconsin voters do not like demagogs, curmudgeons and wheeler-dealers. As one writer once said, Wisonsinites care little about the length of a man's hair but a great deal about whether he tells the truth.

THE WISCONSIN IDEA

The progressive tradition had its start around the turn of the century with Wisconsin's famed governor and senator, Robert M. LaFollette Sr. Like Steiger, LaFollette was a Republican, but both Republicans and Democrats in the state have embraced progressivism, or the Wisconsin Idea, as it is sometimes called.

As defined by H. Russell Austin in "The Wisconsin Story," that idea is "the theory that the state should be served by its best minds, its best trained experts in the planning of legislation and its administration."

Though that definition mostly encompassed the employment of private citizens to bolster the work of elected officials, the idea obviously applies to them as well.

Progressivism can be equated somewhat with innovation, and it has been practiced by public officials of varying shades in Wisconsin. Nelson and Steiger represented different political parties, and often disagreed on issues, but Nelson could speak of Steiger with respect and admiration.

"He came out of a tradition of having an open mind, of not having any ideological hangups that would cause him to be against something or for something because he was a Republican," Nelson said.

A classic example, he said, was Steiger's leading role in the creation, and recently the defense, of the much maligned Occupational Safety and Health Administration (OSHA).

Steiger decided that the concept of guaranteed safety to workers was correct, and that it should be part of the cost of doing business. He also saw that some businessmen went to the extra expense of providing safety, but were forced to compete with those who did not.

"It was a posture for a Republican that would not be expected," Nelson said. "The knee jerk reaction is that if you're for free enterprise, you should keep your nose out of such things.

"He was open minded. He concluded that obviously the marketplace would not settle it. . . . And he had the guts because it surely was against the most conservative wing of his party."

Steiger, of course, was not responsible for the many nonsensical rules that the federal government established to carry out the law. He criticized those while defending the law itself, and he did so with typical good humor. Hanging on his office wall were cartoons that ridiculed OSHA, one with the caption saying, "If you think OSHA is a town in Wisconsin, you're in trouble."

Steiger always was open to ideas, and he allowed his staff a great deal of freedom to work on issues in which they had an interest. Some years ago, a staffer approached him to express concern about Vietnamese orphans and the need to do something to help.

That simple expression was enough. Steiger freed the staffer to work on the problem and took a personal interest in it himself. It led to passage of legislation to help the orphans through voluntary agencies. Steiger visited Vietnam twice to see how the programs were working.

It was typical. Steiger surrounded himself with self-starters and gave them free rein. An indication of what his people thought of him shows in the fact that five of his six original staffers 12 years ago were still with him when he died.

If one is serious about it, the job of a congressman is extremely difficult and tiring, but no one ever heard Steiger complain about the long hours or the drugery. Last October, in those marathon closing days of the 95th Congress, he stayed up all night with Senate-House conferees working on the tax bill, even though he was not a member of the conference committee and had no vote.

He encouraged his constituents to write letters to him and personally read the more than 150 letters that arrived daily in his office. Once he told his constituents in a newsletter not to let poor handwriting prevent them from writing to him.

In a tribute last week, columnist George F. Will compared Steiger to the late Sen. Hubert H. Humphrey of Minnesota. Though they differed politically, Will pointed out that they both practiced the "politics of joy."

During the last Congress, more than one knowledgeable observer of the Senate and House expressed the opinion that Wisconsin—with its progressive tradition of honesty, service and integrity in politics—had the best congressional delegation of any of the 50 states.

There is no way to prove that, of course, but it unquestionably was a quality delegation, regardless of political persuasion. And the young man, from Oshkosh was a vital ingredient in the blend.

With the departure of Bill Steiger, it may be many years before Wisconsin can again be said to have the best.

[From the Washington Post, Dec. 10, 1978]

"STUPENDOUS STEIGER"

(By David S. Broder)

It is a cliché in the political-reporting business that every one of us carries around in his head a list of stories he would have given his eye teeth to have written. Some are scoops on which you were beaten. Some are exposés for which you wish you could claim credit.

But the most uncomfortably remembered stories are those in which you might have said—but did not—that somebody was doing a helluva job in public office.

Bill Steiger had done that kind of job ever since he came to the House of Representatives in 1966 as a 28-year-old freshman Republican from Oshkosh, Wis. He died last week, after a heart attack, at the wasteful age of 40. The sense of personal loss I share with his other friends and admirers is compounded by the regret that this column was not written earlier.

Not for Bill Steiger's sake, but for the greater credibility it might have had with the young people for whom he had a very special concern. They are awfully cynical about politics and politicians these days. On the college campuses I have visited in the past few weeks, the students are very familiar with the real names and cases of Congressman Kickback and Senator Shakedown, and they ask, in world-weary voices, why the voters re-elect such men and why the Congress seats them.

They don't ask about the Bill Steigers of this world—and for a good reason. We haven't told them nearly as much about them. And we should have.

Bill Steiger was a kid of 13 when he learned he had diabetes. He survived as long as he did by administering two shots of insulin a day. Despite the handicap, he was unstinting in the energy he poured into politics and public office. By the time he was an undergraduate at the University of Wisconsin, his friend and classmate, John Bibby, recalls, "Bill had done so much in campus politics and state and national Young Republican politics, that our professors discussed things with him as they would with a political pro."

He graduated in June of 1960 and the following November was elected to the State Assembly. There, he became a leading proponent of a state open-housing law that was finally passed in his third term. It was a strange issue for a man from a district that then included 189 non-whites, but Steiger was never a parochial politician.

In 1966, he ran against an incumbent Democratic congressman who had opposed federal open-housing laws and tried to make them an issue against Steiger. The voters were wiser than the opponent thought and gave Steiger the first of his seven House victories.

During his House service, Republicans were always in a minority. In that situation, it is tempting to vote against every program that is not desired by the dominant interests in your district.

Steiger did not do that. He took the far harder course of searching out ways to shape basic legislation and push national policy in directions he thought it should go. In doing so, he became, as his Wisconsin Democratic colleague, Rep. David R. Obey (a legislator of comparable quality), said, "the Republican who was the most effective bridge between the parties in Congress."

Working with Sen. Harrison A. (Pete) Williams Jr. (D–N.J.), he devised the compromise that permitted passage of the Occupational Safety and Health Act (OSHA) in 1970. Working with Sen. Spark Matsunaga (D–Hawaii), he succeeded in 1971 in legislating the end of the draft and the start of the volunteer Army. Working with then Sen. Walter Mondale, he was instrumental in gaining passage of the program providing legal services to the poor.

Steiger was a reformer who understood the importance of knowing the rules. He was an "institutional man," devoted to both the House and to the Republican Party, and he was willing to work for long hours against great odds to improve their functioning.

In the early 1970s, he took on the thankless assignment of chairing the party rules committee mandated to open the doors of the GOP to greater participation by minorities, women and youths—an effort that only now is beginning to bear fruit. In the mid-1970s he fought, unavailingly, for an overhaul of the House's antiquated committee structure.

This year, after eight years of prodding and pushing, he finally got the Congress to provide a more honest account of its own proceedings, by identifying in the Congressional Record those prepared speeches that were not actually delivered by the members.

As his reputation inside Congress grew, so did the opportunities to cash in by accepting lucrative outside job offers. Another friend, Rep. Barber M. Conable Jr. (R-N.Y.), recalls that Steiger turned down one industrial foundation post that would have doubled his congressional salary and provided financial security for his wife and young son.

Instead, he stayed at his work. In leading the successful fight this year for reduction in capital-gains taxes, over the opposition of President Carter and the Democratic congressional leadership, he won acclaim from financial circles that had managed to overlook his earlier constructive works in the social policy area.

"Stupendous Steiger," The Wall Street Journal called him, and he accepted the joshing of his conservative colleagues about his new fame with the same smiling equanimity with which he had endured their earlier jibes about being the author of the business-hated OSHA legislation. Methodically, as always, Steiger used his new role as a sought-after speaker on the national GOP fund-raising circuit as a way to mobilize support for his next major goal: the nomination and election of his friend George Bush to the presidency.

Steiger was a man of exceptional talent, drive and integrity. Said his grieving friend Obey: "In the 20 years since we started debating on the steps of the Wisconsin Student Union, I never knew [him] to take a cheap shot."

But there are more than a few Bill Steigers in politics. It would honor his memory if we occasionally wrote about them—before they died.

[From the Washington Star, Dec. 8, 1978]

STEIGER KNEW THE REPUBLICAN PARTY'S PROBLEM

(By James Reston)

The sudden death of Rep. William Steiger of Wisconsin at the age of 40 has been marked here by an exceptional outpouring of respect and affection for one of the most promising young men in the Congress of the United States.

Mainly this was a reaction to the magic of his personality, the gifts of his energy and intelligence, and the shock of his premature death, but there was something beyond that.

It was not merely that Bill Steiger arrived here 12 years ago as the youngest member of Congress or that he advanced by diligence to a leading position on the Ways and Means Committee. It is, in a way, that he was a symbol of the problems of youth in a Republican Party dominated by old men.

The point should not be misunderstood. Steiger was effective in the House of Representatives, not because like Jack Kennedy at his own age he had presidential ambitions, but because he didn't. He thought he had plenty to learn and plenty of time. He studied and learned the cards in the congressional deck, and the mystifying techniques of the legislative process. And he worked tirelessly on the substance of taxes and the military security of the nation, and the internal struggles of his party.

I cannot pretend to be wholly objective about this modest and engaging young man and his lovely wife, Janet Dempsey Steiger. My eldest son, Richard, was his roommate at the University of Wisconsin, and best man at their wedding, but some times you have to be personal to be understood.

Nobody can say that the Republican Party held him back. His qualities of mind and character were recognized. He was able to take the lead in the battle to reduce the capital gains tax this year and he played an important role in the struggle between Gerald Ford and Ronald Reagan at the 1976 Republican presidential nominating convention, but there are limits on the ambitions of youth in the Republican Party that do not exist to the same extent in the Democratic Party.

In congressional politics, the Republicans have been in the minority in both the House and Senate for 41 out of the last 45 years. Only in the 80th Congress from 1947–49 and the 83rd from 1953–55 have they been in control. Getting to the top for a young Republican on Capitol Hill can easily be a lifetime career, even the discouraging career of a very long lifetime, which Steiger didn't have.

In presidential politics, the outlook for young Republicans these days is more bleak, and even for middle-aged Republicans like Howard Baker of Tennessee, the Republican leader of the Senate, or Mac Mathias of Maryland or George Bush of Texas, former head of the CIA and ambassador to the United Nations and Peking, the prospects are not very good.

Even now the Republicans are still looking primarily, not to the rising generation in their 40s or their 50s but to the familiar figures of the past, Ronald Reagan, Gerald Ford and John Connally, now all in their middle 60s.

It was clear to Bill Steiger and some of the other young hopefuls of the GOP that another divisive battle between the elders of the party for the presidential nomination of 1980 could only hurt the Republican chances of recapturing the White House.

There was even some vague talk about trying to organize a midterm convention to test the strength, not of the Steigers or the men of his generation, but to rally behind Baker or Bush or one of the middle-aged Republican moderates, but nothing came of this and Steiger had given up the idea before he died.

For it was clear to him as it still is to most other Republican leaders that the decisive instruments of power in the Republican Party still lie with the dominant figures of the last Republican convention, particularly with Reagan, and that the only hope of younger challengers lies in the primary elections.

It never occurred to Steiger to be one of the challengers, but the thought of change, of debating the issue within the party before staggering into another battle with the same candidates who divided the GOP and lost the last election, was at least a fleeting notion that he didn't live to pursue.

At least, he believed the generation of Republican leaders should be heard before the party loitered down into another election with the same cast of characters, and it's still a pretty good idea.

☐ 1135

Mr. CONABLE. Madam Speaker, I thank the gentleman for yielding.

Madam Speaker, we have all been not only saddened, but surprised that one who is so young and so full of life was taken from us so abruptly. Bill Steiger has as many friends as anyone in this House. He had a tremendous impact on this institution and on the lives of everyone with whom he came in contact. We try to find comfort in the thoughts of great writers. I have been looking at Shakespeare, whom Bill loved and whom his wife loved, and I found a few appropriate comments, such as from Julius Caesar:

> His life was gentle and the elements so mixed in him that Nature might stand up and say to all the world, this was a man.

Or from Hamlet:

> He was a man. Take him for all in all, I shall not look upon his like again.

Remembering Bill as one of my closest friends, and how we used to argue about issues of importance to us, because he never compromised his views or pretended to think other than what he thought, I find in Hamlet also the quotation:

> Rightly to be great is not to stir without great argument.

Indeed, Bill participated in all the great arguments of this body. It reflected the greatness of his industry, his spirit and of his intellect.

There was nothing that passed on the floor of this House of which he did not have understanding and very few important events occurred here without his participation, but of course, the things that made Bill special to us all were his human qualities, not his remarkable intellect, not the quickness of his comprehension, not the prodigious industry with which he approached everything, but the fact that he had a human relationship with everyone with whom he came in contact.

I used to have a problem with him as ranking member of the Committee on Ways and Means, because frequently when some earnest discussion was going on his cheerful laugh would disrupt the proceedings. He found joy in everything. Joy was part of his life. It was one of the vital qualities that made him such a special human being to all of us. That capacity for joy was reflected in his dealings not only with us, but with everyone and with his family. We know his family. They were part of his life. Many a time young Billy has come up here and been on this floor; Billy, his son, who is so bright and shows so much promise. Many a time he came to our committee with a decorum unusual for one his age. He used to observe the passing scene there in the committee and draw his artistic impressions.

I am sure that we are well aware that as busy as Bill Steiger was (in fact, he had six projects going at any given time), he must have had to spend a comparatively modest portion of his time with his family in order to accomplish all his public obligations. Yet the quality of that relationship with his family was an inspiration to us all. That is a human being. That is a man who keeps first things first. This was a man whose intellectual qualities did not obscure the remarkable character and understanding of a first-class person.

Well, I wish I had prepared remarks so that I could do him more eloquent justice, and yet Bill never had prepared remarks on anything. He never needed them.

I regret that many people who cannot be here today are going to have to be bulleted in this Record.

☐ 1140

They are going to have to be recorded as paying him tribute in absentia, although I am sure their absence—and I have a tremendous number of statements here that I wish to put in the Record—does not reflect any lack of respect but the condition of this early Congress and the pressures that take them elsewhere when this is the only order of the day. It is a little ironic that so many of them must be bulleted as a result of Bill's work here. His absolute insistence on honesty means that the record is going to show they were not present.

Madam Speaker, this is just a passing remark about the sort of work he did here. How typical of him to have made a significant contribution in insuring that the record of this House would reflect honestly what transpired here. He believed in openness. His life was as open as it was full. He did not compromise.

He believed in maximum participation, and he was a participator in everything that came along.

He believed in his fellow man, and that was reflected in the human relationships he had with everyone around him, whether they were political friend or foe, whether they agreed with him or whether they disagreed with him. He could be, as has already been said by the distinguished dean of the Wisconsin delegation, a man who disagreed without being disagreeable.

The Nation has lost a major asset. We are all aware of that. We have lost a friend. That frequently, in our own minds, obscures the sad and tragic loss to the Nation, and many of us have been feeling so sorry for our personal loss that we have forgotten to weep for the Nation. But let us be glad he was among us. Let us be glad that he had the chance to do the things he did. Let us be grateful that his life touched ours.

Madam Speaker, I thank the distinguished gentleman from Wisconsin (Mr. Zablocki) for yielding.

Mr. ZABLOCKI. Madam Speaker, I yield to the gentleman from Wisconsin (Mr. Obey).

Mr. OBEY. Madam Speaker, I thank the gentleman for yielding.

Madam Speaker, I think I knew Bill Steiger longer than anyone else in this Chamber. I knew him for more than 20 years.

Bill and I went to college together. We argued all the way through college. We debated and worked with each other for 4 years in the Wisconsin State Legislature, and we debated and worked with each other here in the House for many years.

A lot has been written about Bill Steiger. Most of what has been written has been about the issues with which he was associated, for example, the capital gains issue of last session. But my best memories of him are personal.

Lest this session become too morose, which is something that Bill certainly would not have wanted, I would like to tell just a couple stories about Bill. One is about the first time I ever saw him.

Bill came to the University of Wisconsin 2 years before I did. He came as a freshman; I came as a transfer student as a junior. On the first day of classes in constitutional law, I saw Bill Steiger for the first time. It was a scene right out of "Paper Chase," if any of the Members have ever seen that television series.

We had a professor by the name of David Fellman, who is a distinguished professor of constitutional law. Bill was at that time already a "big man on campus." His father had been president of the board of regents of the university, and Professor Fellman was a dry wit.

The first day of classes, Bill walked into that constitutional law class about 3 minutes late, and Professor Fellman looked over at him—and said, "Mr. Steiger, ordinarily we would have an usher escort you to your seat. Unfortunately, our carnations have not yet arrived."

Bill cringed, looked up at Professor Fellman and said, "Sir, I get the message" and proceeded to his seat.

That was the first time I met Bill Steiger.

□ 1145

We would debate on the steps of the Student Union, Bill representing the Young Republicans, and I a member of the Democrats. In 1958, the then State Senator Gaylord Nelson was running for Governor. Bill was taking the position that the incumbent Governor, Vernon Thomson, who we all knew later as a Member of this House, should be retained as Governor. But Bill kept having a slip of the tongue and he kept referring to then State Senator Nelson as "Governor" Nelson. He did it three times during the debate, much to his chagrin. Afterwards, when Gaylord Nelson had in fact been elected Governor, he remarked to us that that slip of the tongue should have told him that God was telling him something that he did not want to hear.

I also recall, as does the gentleman from New York, the tremendous loyalty that Bill had to his family. I know of no one in this House who showed a greater appreciation for his own family than did Bill Steiger. His love for his wife, Janet, and his son Bill was obvious to anyone who watched him.

I must say that I have a tremendous sense of personal loss at Bill's death, because our careers did parallel so much. And we compared views and votes often. He was elected to the State legislature in 1960. I followed him 2 years later. I have a picture hanging on my wall of Governor Knowles signing bill 797A, which organized and streamlined higher education in the State of Wisconsin. Bill and I coauthored that bill. That bill would not have become law were it not for Bill Steiger, and the State is better off because it did become law. Wisconsin today has the finest system of vocational and technical education in the country. One of the reasons for that is because Bill Steiger worked so hard to establish that system. He was one of the prime movers in the legislature in the creation of that system. In 1963, the State Assembly turned down the fair housing bill by a one vote margin. In 1965 we passed it, in no small measure due to the efforts of Bill Steiger. I think we can safely say that, without the efforts of Bill Steiger, that legislation would never have been passed in the State assembly, it never would have passed the State Senate, and it would not have become law.

Bill left the Wisconsin State Legislature 2 years before I did and came here. When I followed 2 years later, I received a note of greeting from him which welcomed me aboard, and he said, "Dave, you will learn one thing here: This ain't Madison!" He was certainly right, and I am sure Wisconsin's two newest Members of the congressional delegation will learn that, as I did.

We all know the record mentioned by the gentleman from New York and the gentleman from Wisconsin, the legislative record, of Bill Steiger. There would have been no change in the capital gains taxation without Bill Steiger's driving effort. There probably would have been no change in the draft laws if it had not been for Bill Steiger. I think Bill's most important legislative accomplishment was the recognition that the workers were not sufficiently protected on the job against both dangerous machinery and dangerous chemicals. That is why he coauthored the legislation creating the Occupational Safety and Health Administration, which, with all of its faults, is a civilizing influence on the American workplace today. And Bill did not just fight to have that legislation become law. He fought to make certain that that agency would perform in a sensible, responsible manner after it was created, and he has had much to do, I think, with the gradual evolution of OSHA into a sensible rather than a nitpicking organization.

□ 1150

But, those things do not define his importance either to this body, to Wisconsin, or to the country. It seems to be that Bill Steiger's main importance is that he was an institutional man. He understood that institutions—management institutions, labor unions, political parties, churches, family—he understood that those institutions and many others contribute to the strength and security of this society and this country, and he did everything he could to try to hold important institutions in our society together.

He did everything he could to make this institution function more efficiently, with his work on the Bolling committee, for instance. I will remain forever grateful for the fact that he was one of only three minority supporters of the original ethics reform package which I brought to the floor in 1976. He understood that the proper role of the minority party was not to savage the majority, but to look for constructive alternatives and to define better alternatives. Much to our chagrin, he did that often, and the Nation was better off for it. So was the minority party and so, I submit, was the majority party.

His importance to Wisconsin was that he was able to serve as a bridge between the two political parties. We understood that Bill Steiger was fair, that he would keep his word, and that he would be constructive, so—in plain language—we simply trusted Bill Steiger as virtually everyone here in this House did whoever dealt with him.

For the last week I have been ill. And over this last weekend as I lay in my bed I tried to think of what Bill would want said about him. I think what he would want said about him more than anything else is something which Dave Broder said about him in that magnificent article he wrote about Bill after his death. What Broder said and what I think Bill would want said was that Bill, in a sense, was not unique. There is no question about it—he was good, he was able, and we all loved him. But part of the reason I still like this job and part of the reason I still like this institution is because there are a lot of people in it who are like Bill Steiger, who do work very hard for their own vision of what ought to happen in this country, and who do their job here with integrity, with passion, and with decency.

I think that is what Bill Steiger would prefer that we say about him, that he shared so many goals which so many of us here in this place have. The main quality he brought to this place was decency and his lack of cynicism about politics and the political system that makes this country run. He did not much care for the "cheap shot artists" we all run across in politics from time to time, who try to oversimplify issues and try to tell the American people that the issues are much more easy to solve than in fact they are.

I think he would have agreed with President Carter in his State of the Union message when he said 2 days ago that:

> The problems we face today are different in character from those that confronted earlier generations of Americans. They are more subtle, more complex and more interrelated.

I think the story of Bill Steiger's political life is that he tried to communicate that to the people of this country and to the people of his State at every opportunity. I think most of all, he would want to be remembered for the faith he had in the political system of this country. I think that the greatest loss that we have is that with his death we have lost an individual who brought a positive rather than a negative vision to politics.

And, much as I miss him as a friend and as a colleague, I will miss him for that reason also, Mr. Speaker.

I thank the gentleman for yielding me the time.

Mr. CONABLE. Mr. Speaker, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from New York.

Mr. CONABLE. Mr. Speaker, I would like personally to thank the gentleman from Wisconsin. Many of us were so dazzled by Bill Steiger's personal qualities that we would find it difficult to do as much justice to his legislative achievements as they did, and I appreciate it. I think this reflected very well the many things that were important to the country from Bill's services here.

Will the gentleman from Wisconsin yield for the purpose of my yielding to a Member?

Mr. ZABLOCKI. I yield to the gentleman from New York.

Mr. CONABLE. Mr. Speaker, I yield to the distinguished Republican whip, the gentleman from Illinois (Mr. Michel).

Mr. MICHEL. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, the sudden death of Bill Steiger last December 3, sent shock waves through this House and brought forth an outpouring of tributes, fond reminiscences and well-deserved praise for our good friend and beloved colleague. Those of us fortunate enough to have known and worked with him and members of the media who had long observed his superb leadership wrote and spoke of him in terms that were at once sorrowful and laudatory.

I just want to add a few comments to all that has been said and written about Bill.

Bill Steiger was truly a "man of the House." His energy and idealism were directed toward reforms of the House as well as to substantive legislation.

The Wall Street Journal once referred to him as "Stupendous Steiger." He took a lot of good natured ribbing about this, but he knew that the friendly kidding was based on genuine respect for and love of a man we all know was truly "stupendous" in his ability, his dedication and his love of this country. The "Steiger Amendment" was not merely another economic bill—it was a symbol of hope, a brilliantly perceptive piece of legislation that recognized that Americans have always wanted to fight their way out of economic difficulties rather than give into them. His understanding of the way our system works was reflected in that amendment.

His congressional district included Ripon, the birthplace of the Republican Party. I find it fitting that a man who represented all that is best in his party should represent the place of its birth.

We respected, Bill. We admired him. We praise him for his intelligence, his ability and his energy. But most of all, we genuinely loved him dearly.

His wife Janet and his son Billy have suffered an irreparable loss, as has the Nation.

Mr. ZABLOCKI. I thank the gentleman from Illinois.

Mr. Speaker, I yield to the chairman of the Rules Committee, the gentleman from Missouri (Mr. Bolling).

Mr. BOLLING. Mr. Speaker, I thank the gentleman from Wisconsin for yielding.

I had the very great privilege of working very closely with Bill Steiger for 2 years in 1973 and 1974. I had hardly known him before that, and when I had the opportunity to chair a select committee dealing with the organization of the committee structure of the House, he was one of the Members selected. I soon came to understand that I was rarely fortunate as the Democrat chairman of a bipartisan committee to have such a man on the committee. Later on in the process I selected him to work with the gentleman from Maryland, Mr. Paul Sarbanes, as the drafter of that effort which, as most of the Members know, failed at least very substantially but succeeded in part. But Bill Steiger was one of the ones who insisted that we try to do something important rather than something that was patchwork. He felt so strongly about the institution that he wanted to come as close as was reasonably possible to doing a really first-rate job.

He had, I think, the qualities of the perfect public servant, and I have not had the privilege of being around very many like that.

I would like to associate myself with the extraordinary fine remarks that have been made by others before in saying that in my mind his loss in early December was a tragic loss not only for his district, for his State, and for his country, but also for the world because he was a small "d" democratic Republican who understood government from all points of view. He had one of the finest minds I have ever seen. I had the privilege of watching him with his then quite little boy come into our committee, and, as the gentleman from New York said, with extraordinary decorum for one so young, the little boy and he would visit together as the young man discovered the peculiarities of the committee system of the House of Representatives.

☐ 1200

It was amazing to me that somebody could do what Bill Steiger did, having the range of a very gentle, sweet individual human being and the force of a giant in debate and the parliamentary process. I think he is one of the finest people who ever served in this institution. I will miss him personally and I will miss him professionally. To his lovely wife and wonderful son I can only give my heartfelt sympathy and best wishes.

I thank the gentleman from Wisconsin (Mr. Zablocki) for yielding me this time.

Mr. ZABLOCKI. I thank our colleague, the gentleman from Missouri (Mr. Bolling) for the comments he has made.

Mr. CONABLE. Would the gentleman yield me such time as may be necessary so that I may in turn yield to the distinguished gentleman from Arkansas (Mr. Hammerschmidt) who came to the House of Representatives in the same class as did Bill Steiger?

Mr. ZABLOCKI. I am pleased to yield to the gentleman from New York so that he may yield to the gentleman from Arkansas.

Mr. HAMMERSCHMIDT. I thank the gentleman for yielding me this time.

Mr. Speaker—

> It is an old belief
> That on some solemn shore,
> Beyond the sphere of grief,
> Dear friends shall meet once more.
> —J. G. Lockhart

Mr. Speaker, the death of one of the most promising young men in Congress, William A. Steiger, came as a great shock. It is with profound sorrow that I stand here and relate that his passing represents a severe blow to the Republican Party and a great loss to this House and to our Nation.

I can vividly recall when the two of us came to Congress in 1967, and how he was often mistaken for a page because of his "boyish looks." Actually, this slim blond looked more like a boy just elected to his college freshman class than a man just elected to be the Republican Representative from Wisconsin's Sixth District.

The fact is that even as a boy his goal was to be a U.S. Congressman. As I recollect, he had been interested in politics for as long as he could remember, and actually began getting involved in politics delivering literature as a page at Oshkosh Republican Headquarters. These early political activities were performed despite his personal battle with a severe childhood illness, diabetes.

In high school, he held a number of school offices. Young Steiger was Wisconsin's representative tc Boy's Nation and a national officer in the Young Republicans. It was still in high school that he was awarded the Young American Medal for Service, an honor bestowed on him by President Eisenhower during White House ceremonies in 1957.

He graduated from the University of Wisconsin with a degree in economics, and the same year ran successfully for the State assembly from his home town of Oshkosh, followed by two more successful tenures. During this period, Bill labored long and hard to pass a State open housing law which was finally passed during his third term in office. Participating with older lawmakers became routine for him since when he was just 22 he was the second youngest committee chairman in history of that State legislature.

Recognized as an eloquent speaker, hard worker, and skilled draftsman of legislation, in 1966 he was able to run for the Congressional seat against the incumbent Democrat in Wisconsin's Sixth District, which gave him his first of seven victories. It would be impossible in the time alloted to enumerate all of the significant legislative enactments that bear his name or on which he left his mark, however, let me stress that he worked tirelessly on the issues of taxes, military security and the unification of the party he loved so well. He was renowned for seeking out innovative solutions to old problems, cutting deep at their cause. Bill Steiger will go down in history for his successful fight for reduction in capital gains taxes over the opposition of the present administration and the House leadership. Although he fought hard for his tax plan to stimulate capital formation, he supported the final compromise since he unselfishly always put the national interest above his own.

Through his career his dedication and good sense of humor served him well and he employed his recently found notoriety fund-raising for his party. But during this exposure he always managed to remain level-headed and soundly rejected any proposal to seek higher office.

Even those who disagreed with his methods of doing things were fascinated by his continued persistence. He worked long hours and sacrificed valued times with his wife, Janet, and son, Bill, Junior, in the service of his country. Those who ever had the chance to watch Bill with his son will fondly recall that these were precious moments to him.

On a personal note, I can recall many luncheon engagements with Bill and our good friend George Bush, a fellow freshman in the 90th Congress. It was at these meetings that I learned just how much he enjoyed being a Congressman. He had a deep appreciation and love for his country and great insight into the work that needed to be accomplished in order to maintain our present national stature in the world. He enjoyed his chosen vocation in life, that was obvious, and cherished it because he knew that no other career would offer him the chance to help people as much as this one.

Lastly, I would like to extend my heartfelt sympathy to Janet Steiger and to Bill Junior. Through my acquaintance with Bill's brother, Don, and his lovely family, who reside within the borders of my own congressional district in Arkansas, I am aware of how deeply he will be missed.

Mr. ZABLOCKI. Madam Speaker, I

now yield such time as he may consume to the distinguished gentleman from Oklahoma, Mr. JAMES JONES, who has given so much time and effort in helping arrange this particular special order today for this eulogy to our dear friend and colleague, BILL STEIGER.

Mr. JONES of Oklahoma. Madam Speaker, I thank the gentleman for yielding me this time.

Madam Speaker, this special order is a very difficult one for me because it is about a man who was a close personal friend of mine, as well as someone for whom I had the highest personal regard, respect and admiration for his professional accomplishments.

I had written some remarks for BILL STEIGER but I prefer not to give those because in reading them over they are simply a lot of words and they do not really capture the vibrancy and the vitality and the warmth and honesty that those of us who kenw BILL STEIGER knew really represented him.

BILL STEIGER was a man who was really driven by excellence in virtually everything he did professionally, personally, and in every other way. He made a very significant impact on the House of Representatives and I think on the Nation as a whole.

□ 1205

He was a man who could not be neatly compartmentalized in some philosophical or partisan cubicle. He was a man who diligently and exhaustively searched out the truth as best he could find it, who sought the facts from all different sources of the political and philosophical spectrum.

Madam Speaker, I think BILL STEIGER is remembered for two legislative accomplishments. One was very early in his career, about in 1970 or so, in his second or third term. He was one of the principal architects of the Occupational Safety and Health Administration Act. This was considered by most to be a liberal accomplishment. In the last Congress I had the pleasure of working very closely with BILL in helping to fashion the tax legislation to get this country moving in the direction of putting more capital into private investments and equity securities, providing more capital formation, and specifically to get into law BILL STEIGER'S reduction in the capital gains tax, which he believed very deeply was necessary to get this country strengthened economically. I guess that was considered a conservative accomplishment.

How could BILL STEIGER be noted for both a liberal and a conservative accomplishment? I think it goes back to what I said earlier. He was not straitjacketed by philosophical perceptions. He really sought out the truth in the best way he could.

I imagine the full measure of BILL STEIGER cannot really be summed up in his legislative accomplishments or in his professional career. One really had to know him as a man to appreciate his enormous capacity for accomplishment.

I came onto the Committee on Ways and Means at the same time that BILL STEIGER did, 4 years ago. He had talked about the need for openness, the need to involve more of the American people in the process of Government, particularly the legislative process.

The two of us took hearings out on the road, first in Oklahoma and then in Wisconsin. We held tax hearings. As I understand it, that was the first time that field hearings were held among members of the Committee on Ways and Means. BILL STEIGER went into that endeavor with all of the vitality, enthusiasm, and energy at his command.

I know of one person in Oklahoma City who was present when we had hearings there. He was a businessman whom I had never met. He had never been active in politics. He just came down and he stood in the back of the room. He was captivated by the process and captivated by BILL STEIGER. As a result, he stayed there all afternoon, never said anything, but listened to all the hearings. From then on, he became very active in local government, sharing his advice and comments at the national level and getting more people involved in the political process. He became enthused because of the contagious enthusiasm which BILL STEIGER displayed that day in Oklahoma City.

I have many fond memories and recollections of BILL STEIGER. A lot of them deal with his family because we were neighbors on Capitol Hill. His son Billy is a year older than our older son. I can see BILL STEIGER and Billy coming down the alley at the height of things, when all the pressure was on to pass the tax bill, and most people were scurrying around getting votes and preparing speeches and what have you.

At that time BILL STEIGER went home to take Billy to the local drugstore to get an ice cream cone and to play with Billy before he came back and did his homework here that night. He always made time for his family. That was of prime importance to him.

At one time the kids in the neighborhood, the little 6-, 7-, 8-, and 9-year-old kids, decided they wanted to have a football team. They started lobbying different fathers in the neighborhood, and it was BILL STEIGER who came up with the T-shirts, and the "Steiger Tigers" became the football team of Capitol Hill. The kids looked to BILL STEIGER for that kind of support.

Again, there are many fond memories I have of BILL STEIGER and of Janet, who was his full partner in all he did. I know that he was so dedicated to politics and to public service. A few years ago he was offered a tremendous job at a tremendous salary, many times more than what he could receive here in the House of Representatives; and he turned it down at a time when he could have provided much better for his family, much more security and a much better life for his family; but that was not his motivation.

□ 1210

His motivation was to work within this institution, as has already been said, to work within the established institutions of this country in a way to improve society as a whole and not BILL STEIGER as an individual. He contributed so much to this country, he will be missed very deeply. But those of us who knew him, while we are saddened by his loss—and I know that his family will miss him so much in so many ways—it is also a time of happiness for us because he touched our lives in a very personal way and made us better for having known him.

I thank the gentleman for yielding.

Mr. ZABLOCKI. I thank the gentleman from Oklahoma for his comments.

Mr. CONABLE. Madame Speaker, will the gentleman yield to me?

Mr. ZABLOCKI. I yield to the gentleman from New York.

Mr. CONABLE. I thank the gentleman for yielding.

Madam Speaker, I would like to yield such time as he may consume now to another neighbor of the Steigers on Capitol Hill, the gentleman from Illinois (Mr. MCCLORY).

Mr. McCLORY. I thank the gentleman for yielding.

As the gentleman from Oklahoma (Mr. JONES) indicated, who likewise is a neighbor of the Steigers on Capitol Hill, BILL STEIGER, Jan Steiger, and Billy are our next-door neighbors, so we came to know them personally in a very intimate way, and to love and respect them. We have so many personal accounts that I think my remarks, as brief as they will be here today, would be of a personal nature of the individual and the person of BILL STEIGER.

Madam Speaker, the passing of Congressman WILLIAM STEIGER of Wisconsin on Monday, December 4, the House of Representatives and the entire Nation experienced a great and unexpected loss. From a purely personal standpoint, I should add that my wife, Doris, and I have lost a close personal friend, who was our next-door neighbor on Constitution Avenue.

Congressman BILL STEIGER and his wife, Janet, and their small son, Billy, represent a closely knit family where each reflects the love and devotion which contribute to a perfect household. We have great affection for our neighbors and have watched 9-year-old Billy Steiger develop. At the same time we have observed Jan and BILL STEIGER as they have molded their family ties and developed their individual and joint interests while establishing a permanent and substantial home in Washington—where Congressman BILL STEIGER continued to represent the Sixth Congressional District of Wisconsin.

In my view, Congressman BILL STEIGER has been one of the most resourceful, articulate and useful Members of the U.S. House of Representatives. His thoughtful analyses of the problems and needs of our Nation were translated into logical and attainable legislative solutions. He was eloquent and persuasive in debate and his following on the House Ways and Means Committee and in the House of Representatives was substantial.

The "Steiger amendment" to reduce capital gains taxes for all Americans and to help provide incentives for capital formations for new plants and equipment, and for more jobs for more Americans, produced the framework for the tax reform legislation of 1978, which has benefited virtually every taxpayer in the Nation—and has contributed to improving the American economy.

My wife, Doris, and I were privileged a few months ago to attend BILL STEIGER'S 40th birthday party where joy was coupled with expectations of hope for a future life of public service and family relationships—which had dominated the experiences of this 40-year-old youth during most of his adult years.

Madam Speaker, it can be appropriately observed, that the longest human lives are not always the most productive or rewarding. In the case of BILL STEIGER, his earthly years were relatively short but the importance of his life and the great meaning that it has had for all of us who have come to know him is a priceless and treasured gift for which we are eternally grateful.

Doris and I have a great respect and love for BILL STEIGER, Janet Steiger, and young Billy. We sense that love deeply at this hour as we reflect upon Congressman BILL STEIGER and his life, and as we extend to his wonderful dad, Carl Steiger, and to all members of his family our affection and deepest sympathy.

Mr. ZABLOCKI. Madam Speaker, I yield such time as he may consume to the gentleman from New Jersey (Mr. MAGUIRE).

Mr. MAGUIRE. I thank my distinguished colleague for yielding. I want to express my appreciation to both the gentleman from Wisconsin (Mr. ZABLOCKI) and the gentleman from New York (Mr. CONABLE) for the time that they have taken to honor BILL STEIGER in the House today.

Madam Speaker, there are occasions when prose is inadequate and only poetry really can serve. Some of the eloquent statements we have heard in the past few minutes approach that. The great life events—marriage, the birth of a child, death—are times when the edges of a larger reality break through the complacent routine of our daily assumptions and overshadow the descriptions and legislative arguments normally spoken here. But I am not a poet and my halting language in memory and honor of BILL STEIGER will have to serve.

Though our specific objectives were sometimes opposed, BILL STEIGER and I shared common interests and goals, including a commitment to young people through our work over the years with the Young Men's Christian Association. He came here 8 years before my own arrival, but we were the same age, shaped by many of the same circumstances—the country's emergence from McCarthyism; the battle for civil rights and equality of opportunity at home; the struggle to define a new concept of America's role in peace abroad, the growing belief that citizens and their government are not opponents, but have a mutual stake in this Nation's future and must act for each other, not just for themselves.

Nearly two decades ago, when BILL STEIGER and I had barely begun our majority, President Kennedy electrified the country and initiated a new enthusiasm for public service by declaring that we should "Ask not what your country can do for you: Ask what you can do for your country." BILL STEIGER exemplified that kind of public service. As the Washington Post noted in its most generous editorial after his death, he was all the more effective because his eye remained genuinely fixed on sound policy and the general good rather than his own advancement.

And I think it is fair to say that despite occasional policy differences, we shared a core of common beliefs based on that focus: A belief, among others, that workers should not be exposed to accidental death, dismemberment, or deadly illness simply because they must work in order to eat; a belief that effective employment training and placement should be made available to preserve the American tradition of upward mobility for the growing ranks of poor; a belief that the tax system can be made both more just and more responsive; a belief that all students, whether they come from middle- or lower-income families, should be assured financing for the best college education for which they qualify; a belief that regulation, like all government, can be made more effective as well as less burdensome and intrusive if market competition and accountability are promoted and the many ways to achieve social goals are more carefully weighed.

□ 1215

Last session these beliefs converged when I had the privilege of coauthoring a measure with BILL STEIGER which we both worked on a great many months. I witnessed then at first hand the energy, the knowledge, the personal, and political sensitivity, and the care and seriousness with which he approached the task of legislation. Our successive Steiger-Maguire education bills were designed to improve fair access to higher education by revising the guaranteed student loan program to remove designed-in barriers to efficient financing of significant portions of college costs by private capital. I am continuing to refine those bills for reintroduction, since I regard them as my own special Steiger legacy.

Madam Speaker, at the time of his funeral one of the Wisconsin papers began its lead story by stating that BILL STEIGER "always looked too young in life and was certainly too young for death." That youthful appearance masked unusual integrity, as well as unusual powers of analysis, persuasion and personal charm.

BILL STEIGER was a bridge builder, credible to many factions, ready to talk with all of them, always able to transcend partisan viewpoints in pursuit of his view of the public interest. Though he went to the State legislature before he had time to begin law school, he was a better lawyer than most lawyers. He was a better Congressman than most of us, and he was a better person than most people I know. We can ask no more than that someday the same might be said of any of us.

Time may heal all wounds, but wounds like this heal slowly. BILL STEIGER'S loss was a loss for all of us—Republicans, Democrats, all Americans. But especially to Janet and Billy Steiger: May you somehow find strength at this time of grief and enormous loss. I wish you all speed in the healing process that has now begun.

Mr. ZABLOCKI. Madam Speaker, I thank the gentleman for his contribution.

Mr. CONABLE. Madam Speaker, if the distinguished gentleman from Wisconsin (Mr. ZABLOCKI) will yield to me, I would like in turn to yield to the gentleman from Minnesota (Mr. FRENZEL), who was associated with Mr. STEIGER in many things and who was a close ally and a very close friend.

Mr. ZABLOCKI. Madam Speaker, I am happy to yield to the gentleman.

Mr. FRENZEL. Madam Speaker, I thank the gentleman for yielding.

Madam Speaker, there is no adequate or satisfying way to participate in a memorial to BILL STEIGER. Even though BILL had packed a couple of lifetimes worth of achievement into a 40-year span, his passing, by any standard, was premature, and a crushing blow to all of us here.

In this body, we were proud to call him colleague. A few of us who had the priviledge to work with him on committees, or on the legislative procedures in which he was so interested, enjoyed the special pleasure of seeing a legislator's legislator at work.

In fact, to serve with BILL was to begin to be dependent on him. His capacity for work was nearly boundless. His research was painstaking. His logic was clean and consistent. Many of you must have felt the same irresistable urge that I always had to "let BILL STEIGER do it", because, whatever it was, he always did it so well.

BILL also had a rare ability either to insult or inspire his colleagues to do a little better. With wide-eyed innocence, he would say, "You know better than that"; or "You, of all people, should understand this point." Usually I did not, but I worked a lot harder to know his point better, or to understand it, sometimes because he shamed me into it, and sometimes simply because I thought he expected it of me. And I certainly did not want to fail to live up to his expectations.

BILL was infrequently wrong but even less frequently in doubt. He took strong positions because he had strong beliefs. Capital formation was important to him. So was an honest CONGRESSIONAL RECORD. So was the "volunteer" military. So were a myriad of other issues. But despite his strong feelings he knew when to compromise and how to keep his bills going.

He never preferred to have an issue rather than a bill.

The Sixth District of Wisconsin got more than its money's worth from Bill Steiger. I have watched him perform here and at home. He gave the constituency its full measure and then some. And he told it like it was. He was as patient with his constituents as he was with us, but when he felt strongly he never backed down to them, either. Few of us ever took as much heat at home over anything as Bill did over OSHA. He admitted to the failings of the agency and he worked hard to improve it, but he never let his constituency or us, forget his consistent devotion to safety in the workplaces of the Nation.

I remember Bill as a prodigious worker, but also as a man of great good humor. He took his work seriously, but never himself.

The death of any colleague is like a personal family loss here. We mourn, and then we close ranks and keep on marching, but life is never quite the same. There will be a fine, new Representative elected to his seat, but no one can replace Bill Steiger. Our best consolation is that we were so lucky to know him and love him.

Ruth's and my deepest sympathy goes to his wife Jan and his son, Billy, and the rest of his family of which he was so proud. We will remember them in our prayers and in our hearts.

Madam Speaker, this country has lost one of its finest public servants. This House has lost one of its finest Members. And we have lost one of our finest friends. We will best honor his memory by never doing less than our best, because that was the standard which Bill Steiger set for himself, and left as a challenge to all of us who follow.

□ 1225

Mr. ZABLOCKI. Madam Speaker, I yield such time as he may consume to the gentleman from Indiana (Mr. Jacobs).

Mr. JACOBS. I thank the gentleman for yielding.

Madam Speaker, when I die, who will cry? In the case of our dearly beloved and departed colleague, Bill Steiger, I think the answer to that question is: Everybody who ever knew him.

Even those who opposed Bill Steiger, even his opponents through the years, I cannot imagine that his untimely passing would not have touched them in a very personal and sorrowful way, as it has touched all of us here. When I think of the untimely death of Bill Steiger, I inevitably associate it with the untimely death of President Kennedy.

Adlai Stevenson said, in a eulogy to John F. Kennedy, that he was so "contemporary a man, so intense a participant in the great events of our day, that he seemed the very essence of the vitality which is life itself."

I do not think that Billy Steiger was ever bored. And there is something to be said for the relationship of being bored and being boring. It did not make any difference how intense the debate, if a flash of wit crossed Billy Steiger's mind—and the word "if" is improperly used there, because inevitably it would—he would give vent to it. Even if it were a split second, his face would light up and he would acknowledge the joke, especially if it were a joke upon himself. You could shoot a zinger to Billy during the debate, and if you got him, no one in the room would laugh so uproariously as Billy Steiger. And in an instant he was right back on the serious track of profound debate.

When President Kennedy had died, Mrs. Kennedy was quoted as saying that the thing which occurred to her most in association was the quotation from the musical "Camelot"—"Don't let it be forgot. . . ."

As my wife, former Congresswoman Martha Keys, and I learned of the death of our dear friend Billy Steiger, we remarked to each other that the song that would not go away was the American ballad "We Shall Miss Your Bright Eyes and Sweet Smile. . . ."

Mr. ZABLOCKI. Madam Speaker, I thank the gentleman from Indiana for his remarks.

TRIBUTE TO WILLIAM A. STEIGER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. Conable) is recognized for 60 minutes.

Mr. CONABLE. Madam Speaker, I would like to invite my distinguished friend, the gentleman from Wisconsin (Mr. Zablocki) to stay here and share the time with me as he has shared his time with me.

Madam Speaker, I yield such time as he may consume to the gentleman from California (Mr. Clausen).

Mr. CLAUSEN. Madam Speaker, I wish to pay tribute to the late Representative from the Sixth District of Wisconsin, Hon. William A. Steiger. It is with great sorrow that I mourn the death of this outstanding and extraordinary colleague.

We will always remember Bill Steiger as a brilliant man who had one of the most incisive minds in the Congress. He was dedicated to using his seat on the Ways and Means Committee to make the tax code a contributor to creative capitalism. He took the lead, and everyone in the country knew he was the champion of capital gains improvements that caused the committees, the Congress, and the President to take note of his sincerity and commitment to provide incentives for capital investment in our free enterprise system.

Having been raised on a dairy farm in California, I have always been sympathetic to the special requirements of our dairymen. Coming from Wisconsin—America's Dairyland—Bill Steiger was their staunch protector and defender, and will be long remembered for his concern and activity on their behalf.

Had Bill Steiger left us only the legacy of his outstanding professional contribution, we would certainly regret the loss of a fine colleague. But he also left with those who knew him a lasting memory of his enthusiasm and instilled in us a deep appreciation of his character. As George Will aptly described him in the Washington Post, he was a man who "plainly loved his profession."

If ever there was a man qualified to be President of the United States, it was Bill Steiger. I told him I wanted to be his running mate if he ever chose to run. We would kid each other about this combination, but I, for one, was not kidding. I would have given my all to elect him President.

His quality of sincere and unselfish interest in the needs of this country will be deeply missed and cannot be replaced. To know him was to truly love him. I believe my colleagues in both parties will attest that the caliber of his leadership and his integrity enhanced and dignified the efforts of this body. To Janet Steiger and their son, Bill, Jr., I extend my deepest sympathy.

□ 1230

Mr. CONABLE. Madam Speaker, I yield to the gentleman from Wisconsin (Mr. Zablocki).

Mr. ZABLOCKI. Madam Speaker, I yield to the gentleman from Pennsylvania (Mr. Lederer) such time as he may require.

Mr. LEDERER. Madam Speaker, we pause today in the business of the House to honor and remember one of our most dedicated colleagues—Bill Steiger of Wisconsin.

I had the enjoyable privilege of serving with Bill on the Ways and Means Committee. I do not think that there has even been a Member of Congress who enjoyed his job more. He never tired of the legislative process; he was always ready and willing to work with you to find solutions to problems of our great Nation.

I will remember Bill Steiger as a man with a healthy sense of humor about himself, the Congress and the rest of the Washington whirl. And yet, this self-depreciating humor was finely balanced by a constructive and dedicated commitment to our tasks here on the Hill. His job as a Congressman was his passion; his life.

His passing is a loss both to the Congress, and to his party, and the Nation. But, above all, I have lost a good and dear friend. Bill Steiger was a super guy, and I will miss him.

I thank his wife, Janet, and his son, Billy, and the people of the Sixth District of Wisconsin for sharing this great man with us.

Mr. CONABLE. Madam Chairman, I yield to the eloquent gentleman from Maryland (Mr. Bauman).

Mr. BAUMAN. Madam Chairman, I thank the gentleman from New York for his kind characterization and I thank both of the gentlemen in the well for taking the time to pay these well-deserved tributes to a colleague we all miss.

It is hard to describe the horror I felt when I entered the Republican Caucus on December 4 and was told by one of our assistants, Ron Lash, that in the hours of the night before Bill Steiger had passed away. This was a personal shock, and the fact that Bill was, as has been described here, such an active and vibrant person, made it hard to understand how death could overtake someone so young and so important to this House of Representatives.

I have to go back a long way to recall when I first met Bill Steiger. He was a student at the University of Wisconsin and I was a student at Georgetown University School of Foreign Service. I had been appointed by the Young Republican national chairman to serve on the executive committee of the Young Republican National Federation. I recall my wife Carol, who is and remains in her own right a political activist of some note, was also very active in college Young Republicans at Dumbarton College of the Holy Cross here in Washington. Carol was in line to be National College cochairman as an acknowledged conservative, as is the gentleman from Maryland. We conservatives had hoped to elect both the college cochairman—in those days as they were known, not cochairpersons—but we also knew we had a problem because in the dim rememberance of two decades I still remember Bill Steiger was a candidate for that other position. With his usual thoroughness and perceptiveness he had lined up the votes.

□ 1235

It became clear before the Young Republican convention in Denver that the two to be elected were Bill Steiger and Carol Dawson, and they were, and they served together until my wife went onto the staff of the Vice President who was then striving for a higher office and obtained it. But we formed a friendship then with this intelligent young gentleman, a friendship that has endured all these years.

Bill preceded me to the House by many years, as the record shows, but when I was elected to the Maryland State Senate he took the time to write a note and acknowledged that accomplishment. This was typical of a man who was very busy, but he found the time to do the little things.

I do not think there was ever a time when legislation even on a minor matter escaped his attention. I remember on the Ways and Means Committee there was a minor bill I had a hard time moving, and he came to me and said, "I will take care of it," and in a few weeks he did. When I sought a place on the Rules Committee last fall, he assisted me greatly.

Perhaps it is not generally known but it was common practice for the gentleman from Maryland and the gentleman from Wisconsin to check with each other on procedural rollcall votes. If he came in before the vote ended, and found I had voted "no" and 420 others had voted for a rule, he would come to me and ask why I voted as I had. I would say, "I voted 'no' because it was a procedural matter or a parliamentary principle involved," and he would reply "That sounds reasonable to me. I believe you are right."

Quite often on those rollcalls the gentleman from Wisconsin and the gentleman from Maryland and one or two others voted "no" because of our love for this institution which manifested itself in a respect for parliamentary procedure. Bill had a brilliance that few could ever match. He took time to serve actively in a capacity on our minority side on the committee on personal matters. There are people who serve on our minority staff here on the floor who got the job not because they knew someone but because they needed the job and had the ability. Bill Steiger took a personal interest in them when they applied for the job. This concern for people was typical.

I am not sure how many know that on any given day when we stayed late in session if one looked around for Bill Steiger around 5:30 or 6 o'clock he was not here. He was always close enough to come back for rollcalls because he always made arrangements to be called back for them. He was dining at home with Billy and Jan because he wanted to spend that time with his family.

No one can know what great achievements might have come in the years ahead had he been permitted to live, but we can guess from the record he established while he was with us that his accomplishments would have been even greater.

But I prefer to think of what Lincoln once, when he was asked to subscribe for a marble monument for a former colleague in the Congress, wrote back and said he would do so and sent in his check. But he added though he was pleased to contribute for this cause the more important monument to his late colleague was the love and respect that would live in the hearts of those who knew him. Bill Steiger will always have that love and respect from us all.

My wife, Carol, and I extend our deepest sympathy to Jan, Billy, and their family.

Mr. CONABLE. I yield to the gentleman from Wisconsin (Mr. Zablocki).

Mr. ZABLOCKI. Mr. Speaker, I yield to the gentleman from Hawaii (Mr. Heftel).

Mr. HEFTEL. Mr. Speaker, I thank both the gentlemen.

I came to know Billy Steiger when I was a newcomer to this body, and there was a tremendous respect that one immediately gained for the man because of his willingness to help, and to listen, and because he cared. He cared enough to take the time to find out what the issues were and to find out what the individual problems were and to try to assist in reaching a compromise solution. If there is anything that this body represents, it is democracy in action, and Billy Steiger was this body when he spoke and when he moved and when he thought. His great testimony will be in the way that we can carry on thinking of how Billy Steiger served and in trying to serve in his image.

□ 1240

It was a wondrous image and one which all of us can follow in rendering better service, knowing that this body, as a whole, possesses men of his dedication and talent. I am very thankful that I had the opportunity, if only briefly, to know and work with our late colleague, the gentleman from Wisconsin, Bill Steiger.

Mr. CONABLE. Madam Speaker, I now yield such time as he may consume to the gentleman from Wisconsin (Mr. Roth).

Mr. ROTH. Madam Speaker, I thank the gentleman from New York (Mr. Conable) and the gentlemen from Wisconsin (Mr. Zablocki) for yielding me part of their time.

Madam Speaker, I first met Bill Steiger, on a cold January night in Oshkosh, Wis. As a student, I was hearing much about this new Wisconsin Assemblyman—he was then only 21. After his brief but pointed remarks, everyone in our group immediately recognized that this was an exceptional person who would leave his mark.

Later as a page for the Wisconsin Legislature. I had the opportunity to observe Bill Steiger. He was always dedicated, conscientious, astute, optimistic, prepared and above all, willing to go the extra mile. He had those qualities and virtues that are admired by all civil people.

The people of the Sixth Congressional District of Wisconsin have suffered a great loss as all of us have in the passing of Bill Steiger. But, in a large sense Bill Steiger was the Sixth District's contribution to the Nation. They demanded excellent representation and they received it.

As the historian Allan Nevins stated in his introduction to John Kennedy's "Profiles in Courage"—

> That is, democracy—sound democracy is not a cause but an effect. Our national character will determine whether our legislators will be courageous or cowardly, and our politics good or bad.

The people of the Sixth District of Wisconsin demanded the best and they received the best in Bill Steiger.

He was an institution man. Our last meeting on the campaign trail came in Kewaunee County, Wis. At a time when many people in Congress fell to the temptation to run against Congress, he spoke up for Congress and spoke up for you who served in this House.

He defended Congress against the slings and arrows of public indignation. Because he believed in the system and this wonderful institution.

He was a model for the words of William Shakespeare, "to thine own self be true and thou can be false to no man."

We will all miss Bill Steiger. But in his brief span of service he did set a standard for us to follow. A standard of courage, judgment, integrity, and dedication. May his example serve us in Congress and all who aspire to a public career.

Mr. ZABLOCKI. Madam Speaker, I now yield such time as he may consume to the distinguished gentleman from South Carolina, Mr. Ken Kolland.

Mr. HOLLAND. Madam Speaker, I thank the gentleman for yielding me this time.

Madam Speaker, it seems our flags have been constantly at half-mast in recent times. So many of our Members have left us in circumstances almost as varied as the circumstances that beset all the people of uor land. That is as it should be, for this House is representative in life and in death, in good times and in bad.

Bill Steiger would never have considered the flag half-lowered. He would have said it is half-raised. That was his kind, his way and his nature. He was big enough to always understand those who opposed him but never too big to pause and share his humor with us all.

His passing told us once more what his being among us was constantly saying: That this place and these times and our people are good enough to justify whatever sacrifices are necessary to preserve them. Though his departure leaves those of us who worked closely with him saddened, his memory leaves us an inspiration to return our flag again to full mast and to carry on.

□ 1245

Mr. CONABLE. Madam Speaker, I yield such time as he may consume to the gentleman from Vermont (Mr. Jeffords).

Mr. JEFFORDS. Madam Speaker, I have not been here that long. Like many of the newcomers, however, I immediately recognized that Bill Steiger was one who did command instantaneous respect. He was one of those who, as the commercial says, "When he spoke, people listened," a situation not many of us enjoy when we speak on this floor.

Madam Speaker, I am here today because I think there is one area in which Bill Steiger really had so much influence and yet perhaps has not received as much notice recently, as other areas. I am referring to his impact on American agriculture.

My position as ranking member on the Dairy and Poultry Subcommittee, brought me in immediate contact with Bill Steiger. His State of Wisconsin, as does my State of Vermont, has a great deal of interest in what happened to the dairy industry. It was to Bill Steiger that I went whenever I had a question on what to do in the dairy area. He had great impact on the 1973 and 1977 farm bills in the areas of milk price supports, dairy marketing orders, base plan pricing, and other areas. His work has left its imprint on the laws of American agriculture forever.

However, to me the area in which he left the greatest impact in agriculture had to do with preservation of the family farm. He recognized that without some changes in our estate tax laws and other areas, the family farm might not long endure. It was through his hard work and his leadership that we modified, just a short while ago, the estate tax laws. These charges recognize that the farmers' wives of America, the women of America, should gain and should have the recognition of being copartners in the area of the farm. These changes will do much to create equality in the treatment of women. They will also do much to help preserve the family farm.

Also, unless we are very short memoried, we would remember the sugar bill of this last year. It was the Steiger floor amendment which was able to gain a consensus out of the House at a time when there had been considerable lack thereof. It was the failure of the conference committee to adopt the Steiger amendment which led to the killing of the sugar bill.

We, as proponents of agriculture, also remember Bill Steiger by virtue of his position as ranking member on the Subcommittee on Trade, and his knowledge of the multinational trade negotiations.

He was a leader in that area, and all of us who wanted to know what to do or where to go went to him for his leadership. His recommendations, as always, were well reasoned and balanced.

I also worked with him in an area looking to the future of this country and what we can do to preserve farming by preserving prime agricultural lands of the Nation. He was one of the original cosponsors of my bill in that area which passed.

As to the future he was deeply concerned about young farmers. His bill, Young Farmer Homestead Act, deserves reintroduction and support. It would amend the Consolidated Farm and Rural Development Act to make financing more accessible to young farmers.

Madam Speaker, for this and for many other reasons previously outlined, Bill Steiger will be missed. He has left his imprint on many areas. These imprints are deep in the field of agriculture.

Also, I know his passing was commemorated by many of our national media. He was also noted in our small, local papers.

Madam Speaker, I would like to include in the Record an editorial which was furnished to me by my good friend, Mr. John McClaughry, and I will ask to have it spread in the Record at this point.

The editorial referred to follows:

[From the St. Johnsbury (Vt.) Caledonian Record, Dec. 7, 1978]

William Steiger

The sudden and unexpected death last Monday evening of Wisconsin Republican Congressman William Steiger has deprived the nation of one of its bright future leaders.

Congressman Steiger came to Washington in 1967, at the age of 29, having already served six years in his state legislature. He was shortly thereafter voted one of the Ten Outstanding Young Men of America, and rose rapidly in the Congress and in the councils of his party.

Most recently, Congressman Steiger was nationally known for his two main concerns, increasing the rate of formation of productive capital in the economy, and heading off plans currently afoot in Washington to impose compulsory national service on the young people of this country. The "Steiger Amendment" lowering the tax rate on capital gains gained so much support last year in Congress that a modified version was grudgingly accepted by President Carter and the Democratic leadership, and became an important part of the 1978 tax bill.

Congressman Steiger's long campaign against the reimposition of the military draft, particularly in the guise of "national service" conscription, won him the gratitude of many who see universal conscription as an utterly totalitarian proposition.

We can but hope that others will come forward to carry on the fight for the market economy and the freedom of the citizen from the all-powerful state. Bill Steiger, dead of a heart attack at 40, has left large shoes to fill.

Mr. CONABLE. Madam Speaker, I yield to the gentleman from Wisconsin (Mr. Zablocki).

Mr. ZABLOCKI. Madam Speaker, I yield such time as he may consume to the gentleman from Missouri (Mr. Gephardt).

BILL STEIGER WAS A JOY

Mr. GEPHARDT. Madam Speaker, there are no adequate words in our language to express our sense of loss and sorrow about the death of our colleague and friend, Bill Steiger. It is incomprehensible that such a dedicated, gifted, and valuable Member of this body should be taken at a time when his contribution to the House of Representatives and our Government was so significant.

I knew Bill Steiger from my association with him on the Ways and Means Committee. I was a freshman—he was an experienced hand. We were of different political parties—we often agreed and disagreed on issues. We argued and discussed and debated and traded ideas. Bill Steiger was a joy.

Bill Steiger was a joy because he was an immensely talented legislator. He was effective because he worked hard, he cared about people, he possessed a joyous sense of humor, he was intelligent, he loved ideas, he had a completely open mind, he was constantly curious, he was meticulous about boring detail, he cherished debate and exchange of ideas, he respected experience, he understood the need for compromise, he understood the necessity of firm convictions, he never forgot who he was or why he was here. I could talk on for a day and a night and not adequately explain my deep feeling of respect for Bill Steiger.

Some months ago in this chamber our colleague Mo Udall made tribute to Hubert Humphrey by saying:

> Will Rogers said he never met a man he didn't like—I say I've never met a man who didn't like Hubert Humphrey.

We can say today that we have never met a man who did not like and respect Bill Steiger.

This people's House, this Government is less because of his loss. It is difficult if not impossible to find some meaning in the taking of such a young and valuable life. I do not pretend to know the meaning—we must ask God for that understanding. But I do know that Bill Steiger's life and his work stand as a shining beacon to those of us who attempt to learn from his example. Bill

Steiger's life was the definition of public service. America is better because he was here.

□ 1250

Mr. ZABLOCKI. Madam Speaker, will the gentleman yield?

Mr. CONABLE. I yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. Madam Speaker, I yield so much time as he may require to the gentleman from New Jersey (Mr. Hughes).

Mr. HUGHES. Madam Speaker, during the past several months, we have lost several of our distinguished colleagues in the House of Representatives.

But the death of Bill Steiger was a particular shock to all of us.

Bill was a hard-driving and conscientious legislator who took his congressional duties seriously.

He was a thoughtful man who examined each issue closely. Because he defined easy stereotyping, the labels of conservative and liberal could not be easily applied to Bill.

Bill passionately fought for the important issues he held dear.

Before he was appointed to the Ways and Means Committeee, Bill Steiger served on the Education and Labor Committeee. He was in the front lines of civil rights and the driving force behind the legislation that ultimately led to the creation of the Occupational Safety and Health Administration. He fought diligently for the revision of our capital gains tax treatment. He supported the idea of an all-volunteer military.

His legislative accomplishments are legion and will serve as a fitting monument to a man who gave so much of himself during his tenure in the House of Representatives.

I will miss his smiling face, warmth and love of life as well as his fair and independent approach to the issues. His voice of reason and his sense of fairplay will be sadly missed. I am thankful, however, that he touched our lives.

I would also like to extend to his family, my most sincere condolences.

□ 1255

Mr. CONABLE. Madam Speaker, I yield to the gentleman from Illinois (Mr. Findley).

Mr. FINDLEY. Madam Speaker, whenever the name Bill Steiger comes up I always think of one word, "courage."

I will never forget the day he went into the lion's den, so to speak, defending the controversial legislation, OSHA, which he cosponsored before a large audience of outraged business people.

He did not win them with his argument but they saluted him with applause for courage when he finished.

Mr. CONABLE. Madam Speaker, I yield to the gentleman from Ohio (Mr. Miller).

Mr. MILLER of Ohio. Madam Speaker, when one looks back over life's associations, it is that unique individual or event that stands apart. When I look back over my 12 years of service in the Congress, Bill Steiger was one such individual that stands apart.

I think back to the 90th Congress, when we both first came to Washington. Right from the start Bill stood out. Perhaps in part because of his youthful good looks, but more so for the energetic and enthusiastic manner in which he approached his congressional responsibilities. It was apparent from day one that Bill Steiger was going to be a very positive influence in the Congress of the United States.

Admired and respected by all who knew him, he was the type of individual people looked to for leadership. When he talked people listened.

The sudden passing that took Bill from us took one of this body's most able legislators, one of our most trusted friends, one of the nicest people I have ever had the pleasure of knowing and working with.

The House will never be the same without him. I just hope that those who have reaped the rewards of his efforts will come to realize the rich legacy he left behind. He was a dedicated individual; a man of the highest purpose, who lived by the highest standards. May we all heed the inspiring example he set.

To his lovely wife Jan and son Billy, to his parents, relatives and friends, my wife Helen, and I express our deepest condolences. I realize the void he has left can never be filled; but because of him, because of the qualities he embodied, this Chamber, this country, will be forever richer. He crammed a lot into his short life, and he will long be remembered for it.

Mr. ZABLOCKI. Madam Speaker, will the gentleman yield?

Mr CONABLE. I yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. Madam Speaker, I yield to the gentleman from Massachusetts, the Honorable Speaker, Tip O'Neill, such time as he may require.

Mr. O'NEILL. Madam Speaker, I join my colleagues in paying tribute to Bill Steiger, whose untimely death has saddened all of us.

A very interesting thing happened to me the other day. My secretary said:

> You know, there has been a box on your desk for about six weeks, probably for two months, looks like a tie box. You haven't opened it.

So I opened it up. It was a tie with the seal of the Commonwealth of Massachusetts, a Christmas gift sent to me by Bill Steiger. You can imagine the shock I received when I learned that Bill died early in December and after the session had ended, somewhere or somehow had obtained a tie with the seal of the State of Massachusetts. So I sat down and dropped a personal note to Janet telling her how the gift had been there on the desk. When I opened it, the tie brought back joyous memories of the trip we had taken overseas with Janet and Bill.

What a learned and respected fellow he was and what a force he had, not only with this Congress, but in the political life of America. He was truly loved by all his colleagues.

What else can you say at a time like this about a fellow for whom we all had so much respect. Bill was just truly a beautiful individual, and no matter how or by what means or manner you measure the man, Bill was really tops.

No other Member on either side of the aisle, Republican or Democrat, was harder working than Bill Steiger; no other Member was more conscientious and diligent than Bill Steiger; no other Member was more energetic and enthusiastic about the tasks and responsibilities of being a Representative than Bill Steiger.

Those who served with Bill Steiger on the Ways and Means Committee will miss his talents, his wit, and his pleasant personality. His Republican colleagues will greatly miss the energy, enthusiasm, and competence that he brought to his diverse duties. As Speaker, I will remember Bill Steiger for his unique interest in the rules of the House and the fairness with which he always interpreted them.

All of us who served with him will miss the presence of a truly outstanding Member of the House and a distinguished American, for Bill Steiger was a man of great integrity, personal honor, and sincere compassion and dedication.

□ 1300

Millie and all of the O'Neills join me, as I said in my letter to Janet the other day, in expressing our sympathy and in expressing our affection to the beautiful person we knew so well. Our prayers are with Janet and young Bill in this time of sadness and misery.

Mr. CONABLE. I thank the Speaker.

Mr. Speaker, I now yield to the distinguished gentleman from Wisconsin (Mr. Sensenbrenner).

Mr. SENSENBRENNER. Mr. Speaker, Members of the House of Representatives, we are pausing here to pay tribute to a unique individual who gave his life to the service of his State and to the service of his Nation.

William Steiger was born and raised in Oshkosh, Wis., and graduated from the local high school there. He earned a bachelor's degree in economics at the University of Wisconsin in Madison. He was very active in Young Republican politics during his time at the university, rising to the position of national chairman of the College of Young Republicans.

Almost immediately following his graduation from the University of Wisconsin, he ran for and was elected to the Wisconsin State Assembly in 1960. At the time he was elected he was the youngest person ever elected to the Wisconsin Legislature. He was reelected to two subsequent terms.

Right from the very first day he was sworn into the State legislature, Bill Steiger became a take-charge guy, actively participating in many controversial and critical issues. I remember distinctly that the young assemblyman from Winnebago County's first district spent hours and hours putting together a legislative reapportionment plan in his very first session of the legislature which was passed almost without amendment.

In 1966 Bill Steiger left the State legislature to run for this House and was elected, unseating an incumbent Democrat. He served with distinction on the Committee on Education and Labor of the House during his first several Congresses and took an active role in such issues as the Occupational Safety and Health Act, as well as manpower acts, during his tenure on the Committee on Education and Labor.

In the 94th and 95th Congresses he served on the Committee on Ways and Means, eventually becoming the ranking minority member of the Subcommittee on Trade of that committee.

Bill Steiger was one who never shirked controversy. He was well prepared. He was articulate, and he always spoke with sincerity.

I miss Bill Steiger personally because I relied on him for advice and counsel that I needed as a freshman Member of this body, and his void for me personally will be as difficult to fill as it will be for the Members of this House that he touched so greatly.

We will all miss this truly fine public servant—we, his colleagues, who profited from his presence, his party which learned from him, and his constituents who were served well.

In Wisconsin we use our political tradition and call it the "Wisconsin Ideal."

Bill Steiger truly fit the Wisconsin Ideal in the finest traditions of public service.

Mr. Speaker, the best tribute we can pay to Bill Steiger is to serve in the same manner he did.

Mr. CONABLE. Mr. Speaker, I yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. Mr. Speaker, I yield such time as he may require to the gentleman from Georgia (Mr. Jenkins).

Mr. JENKINS. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I rise to express my personal sorrow and loss on the death of our friend and colleague William A. Steiger. It was my privilege and pleasure to serve with Bill Steiger for 2 years, and I learned to respect him quickly.

Having worked with Bill Steiger on the Ways and Means Committee and on the Trade Subcommittee where he sat as the ranking Republican member, I know that his loss will be deeply felt by his party and the entire House of Representatives. Bill Steiger was effective. He possessed that uncanny blend of idealistic and pragmatic instincts. His accomplishments came not through intimidation but from hard work, preparation, and persuasion based on a factual presentation.

The persistence of Bill Steiger in obtaining his legislative goals should inspire each Member of this House. I can only say to each new Member of the 96th Congress that he was a Member to whom his Republican and Democratic colleagues listened when he spoke. We listened because he was very often right and we listened because he was well prepared and his remarks showed thoughtfulness and reason.

It has been one of my most rewarding experiences to sponsor with Bill Steiger in the last Congress the Investment Incentive Act of 1978. When we began that effort to amend the capital gains tax rates to realistic levels to induce business expansion and investment, we faced a difficult and uncertain road. Against unimaginable odds and obstacles Bill Steiger's intellectual effort would prevail.

Capital gains tax rates were effectively reduced in the 95th Congress. The effort was led by Bill Steiger. The national benefits which we achieve from this effort which can be an historic cornerstone for American business development of the future will serve as a memorial to his energy and commitment.

To Janet and Billy I share in your sorrow and I share in your great pride in Bill. He accomplished so much. We mourn his death and commit ourselves anew to the virtues which his life has taught us.

☐ 1305

Mr. CONABLE. Mr. Speaker, I yield such time as he may consume to the gentleman from Iowa (Mr. Leach).

Mr. LEACH. Mr. Speaker, at a time when our country so desperately needs men and women of vision, Bill Steiger's death was a loss not only to his family and to the people of Wisconsin's Sixth District but to our entire Nation.

Throughout his six terms in Congress, Bill represented the very best in politics.

He truly loved what he was doing—for his State and for the country. Ernest Hemingway once wrote: "The world is a fine place and worth fighting for." Bill Steiger's life and career reflected that commitment to stand and be counted.

He believed in the American way of life and in government limited in scope but compassionate in intent. His remarkable record of political involvement is a testimony to his ideals.

I first met Bill Steiger in 1969 while I was serving as an aide to his close friend, former Secretary of Defense Don Rumsfeld. When I announced for Congress 5 years later, Bill was the first public official to campaign on my behalf, and when I was elected in 1976, he took personal responsibility for showing me the ropes and pointing out the pitfalls of Congress and the legislative process. "Be straight and let the chips fall where they may," was his guidance and his example.

Bill Steiger's extraordinary skill as a legislator stemmed from his ability to command the respect of Members of all philosophical persuasions. His legislative craftsmanship was never in better evidence than this past year when singlehandedly he made the punitive capital gains tax a national issue. With careful argumentation and brilliant persuasion he pushed through a reduction in capital gains taxes which will free up the creativity of American enterprise. This uncanny talent for translating the abstractness of modern economics into a manageable legislative framework was his hallmark.

Bill Steiger was the leader of the intellectual reform wing of the Republican Party. Serving as chairman of the now famous Rule 29 Committee of the 1976 Republican National Convention he trumpeted the need for the Republican Party to open its doors to blacks and women and minorities of all faiths and countenances. A party that did not represent all the people, he argued, could never achieve a mandate to govern.

But when Bill Steiger is remembered it will be for more than just a series of accomplishments found on the pages of the Congressional Record or reflected in the doctrine of his chosen political party. He will be remembered for the sincerity, the honesty, and the principle that he brought to the political process—characteristics too frequently eclipsed with modern interest group politics.

In a world of impersonal government, he represented family values. In an age of cynicism, he was an enthusiast. In a decade that has witnessed the most tragic abuses of power in American history, Bill Steiger quietly stood for integrity.

With the passing of Bill Steiger the Congress of the United States has lost more than a fine legislator. It has lost something of its soul.

Mr. CONABLE. Mr. Speaker, I yield to the gentleman from Wisconsin (Mr. Zablocki).

Mr. ZABLOCKI. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. Anderson).

Mr. ANDERSON of California. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, early last December, this body once again was struck by a terrible loss. It was with a sense of great shock and sadness that I, and each of our colleagues, learned of Bill Steiger's death—a death that was unexpected and unwelcomed.

The sense of injustice and loss is only increased when we consider that Bill's remarkable ascension, both within his party and the House itself, was cut so desperately short. Although he and I served on opposite sides of the aisle and often professed different philosophies, Bill's oratorical ability, his dedication to Wisconsin and to the Nation, and his diligent efforts to be the very best that he could, transcended mere political alliances. He was a man admired and respected by all of those with whom he came into contact.

Those of us who remain to serve here will feel deeply the loss of our dear colleague. My wife, Lee, and I would like to offer our condolences to Bill's lovely wife, Janet and his son, William.

It is my most sincere hope that we, his colleagues, as well as his family and his close friends will remember not the tragedy of his death, but the excellence of his life.

□ 1310

Mr. CONABLE. Mr. Speaker, I yield to the gentleman from Minnesota (Mr. STANGELAND).

Mr. STANGELAND. Mr. Speaker, I join my colleagues in expressing our great sadness over the untimely death of WILLIAM A. STEIGER.

The Nation has lost the services of an enormously thoughtful and industrious man. Respected by all, BILL STEIGER will be remembered for his astute political sense and his exemplary work on taxes as a member of the House Ways and Means Committee. He was not only admired as one of the finest legislators in the Congress, but also well liked for his good humor and easy-going manner. BILL STEIGER at 40 had many more years of exceptional service to give to his country. We have been enriched by our association with him and the ideals of public service he epitomized.

BILL STEIGER's loss will be felt keenly among his friends and colleagues in the House, and by the people of Wisconsin. I extend my deepest sympathies to his wife, Janet, and their son, William Raymond.

Mr. CONABLE. Mr. Speaker, I yield to the gentleman from Wisconsin (Mr. ZABLOCKI).

Mr. ZABLOCKI. Mr. Speaker, I yield to the gentleman from California (Mr. PANETTA).

Mr. PANETTA. Mr. Speaker, I would like to take this opportunity to join my colleagues and express my deepest sorrow at the death of our friend, BILL STEIGER.

This is a particularly sad occasion, because BILL STEIGER was a young man whose greatest achievements were still ahead of him. He made it a point to be in the forefront of efforts on many important and groundbreaking pieces of legislation, and he had accumulated the kind of experience and insight that would have led to further and greater accomplishments in Congress. To have his life so abruptly ended at a time when his potential was just being realized is tragic for his family and for the Nation.

But BILL provided an inspiration to the new Members of the Congress like myself. His example was that no matter how young you were, no matter how new, no matter what your belief—stand up and say what you believe in and what you think is right. That inspiration—that example—will live within this and future Congresses as a lasting memorial to BILL STEIGER.

At this time, I want to extend my condolences to BILL's family and to his close friends, both in Congress and out. His presence will be sorely missed by all of us who knew and loved and respected him as a Member, a colleague, a friend.

Mr. CONABLE. Mr. Speaker, I now yield such time as he may consume to the gentleman from Alabama (Mr. BUCHANAN).

Mr. BUCHANAN. Mr. Speaker, all the Members of this body suffered a great loss with the death December 4 of BILL STEIGER. He had many friends and admirers on both sides of the aisle, and was known for his high ability, his energy, and his great promise as a public servant of unusual stature.

His work in the Congress was of the highest caliber. You could rely on him to have the facts at hand. He was a true legislative craftsman.

Those of us who served with BILL STEIGER since he came to Congress in 1967 knew him as a family man devoted to his wife Janet and his 9-year-old son, William R. Steiger.

Mr. Speaker, we have all lost much by the passing of BILL STEIGER. But so has the Nation. He rose to prominence at an early age, being elected to the Wisconsin State Assembly the same year he was graduated from the University of Wisconsin. After three terms in the statehouse, he won election to the Congress in 1966. The U.S. Jaycees named him one of the Ten Outstanding Young Men in America in 1968, and he served as a delegate to three Republican National Conventions.

During his six terms in Congress, he had many accomplishments. He will be best remembered by many who did not know him personally for his work to reduce taxes on capital gains in the last Congress—"The Steiger Amendment".

His performance on this issue won him well-deserved national attention, and political pundits saw a bright future for our colleague from Wisconsin.

Mr. Speaker, the Congress will miss BILL STEIGER. The Nation will miss BILL STEIGER, and I will miss BILL STEIGER.

Let us honor his memory by upholding the principles and ideals to which he devoted his life, and by following his high example of public service.

Mr. CONABLE. Mr. Speaker, I yield to the gentleman from Wisconsin (Mr. ZABLOCKI).

Mr. ZABLOCKI. Mr. Speaker, I yield to the gentleman from Wisconsin (Mr. BALDUS).

□ 1315

Mr. BALDUS. Mr. Speaker, it is no easy matter to observe the sudden passing of a close friend and admired colleague. It is even less easy to put into meaningful words what BILL STEIGER meant to me and what he meant to this legislative body. I believe it is fair to say that he was an inspiration to all of us, on both sides of the aisle. Now that he is gone, I know that the memory of his presence here will continue to have that same effect.

In an institution whose mood often reflects the somber weight of the issues that must be decided here, BILL STEIGER brought a special, youthful enthusiasm, a brightness and energy, that gave a glow to all he touched. His fine intelligence and finer dedication set an example not easy to follow, but always encouraging to see.

As a fellow member of the Wisconsin delegation, BILL STEIGER was a coworker whose contributions to his State gained him the respect and appreciation of both the people back home and of all of us here who were privileged to work with him. His influence on the Ways and Means Committee was not always cheered by his political rivals, but was always a boon to the constituency he served so well.

Commentators and journalists have already remarked upon his youth and the personal tragedy of his early death. But the weight of this tragedy will be borne by the living, who must now continue without the benefit of his special presence. As was written long ago on a similar occasion:

> He went down
> As when a lordly cedar, green with boughs,
> Goes down with a shout upon the hill,
> And leaves a lonesome place against the sky.

Mr. CONABLE. Mr. Speaker, I yield to the gentlewoman from Massachusetts (Mrs. HECKLER).

Mrs. HECKLER. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, if I were to forecast the judgment of future analysts of the role of the Congress in the 1970's, their verdict about the performance of the Congress, and the selection they will make as to who the towering figures of Congress were—the latter list would certainly include the name "WILLIAM STEIGER." But if those in the gallery today had seen him on the floor during his service in this House, they would have had difficulty distinguishing that slight figure and crop of blond hair from some of the attractive young pages who serve us so well. He was reticent. Shy.

BILL was a man of enormous commitment, of enormous concern and conscientiousness. He was a man of great courage who dedicated himself to the pursuit of truth. His search for truth involved scholarship, countless hours of research and dedication. He came, I well remember, on one occasion, to a congressional forum in my district, where he spent many hours. BILL listened, carefully, to views on trade which he had never heard, firsthand, before. He came to understand that point of view better. We did not convert him. But he was an understanding adversary.

BILL was one who quietly spoke his always effective piece, spoke for his country and for his party. He believed that good government is the best politics.

BILL was a catalyst among us. He knew how to listen. He never stopped learning. He could talk to everyone because he liked everyone. He brought the boil of conflict to the simmer of reasonable discussion. And to solutions. Answers.

BILL loved this House. Its give and take. Its feeling for and grasp of the public's pulse. Above all he loved us. His colleagues. And what his colleagues stood for and represented.

We knew him as a public man. But there was also a private special world he shared fully with his wife Janet and his son Billy. They suffer and bear the greatest loss.

I speak as a friend and colleague who—already—feels BILL's absence on this Hill and in this Chamber. I will miss him. So, Mr. Speaker, will this House and our country.

Mr. CONABLE. Mr. Speaker, I thank the gentlewoman.

I yield to the gentleman from Indiana (Mr. QUAYLE).

Mr. QUAYLE. Mr. Speaker, I thank the gentleman from New York.

Mr. Speaker, I did not know BILL STEIGER until I was elected to this House in 1976, but I was one of those among many that quickly grew to respect BILL STEIGER and to love him dearly.

Since we began this special order, I had the opportunity to make a speech to the Close Up Workshop and to return to this floor and find this special order still going on. I think that in and of itself is a tribute to BILL STEIGER.

To those young people I spoke in my opening remarks about the inspiration that BILL STEIGER was to the Members of the House and the inspiration that BILL STEIGER should be to many young people that want to get involved in public service. He was first elected to this House at the age of 28 and had served 4 years in the Wisconsin State Assembly prior to that. BILL STEIGER was a person that everyone respected, and I think if we had to pick a word, whether it is courage, conviction, discipline, or love, respect is the one word that is the most fitting for him and probably the most important characterization an individual can have.

□ 1320

I can remember many times during discussions on the floor, whether it was formal or informal, BILL STEIGER was always in the middle. He always had a definite idea and led a lot of the Members in his direction.

There has been a tremendous outpouring of respect and sympathy from Members of the Congress, friends, relatives, and members of the press regarding our late colleague, WILLIAM STEIGER. I wish his son Billy, and wife Janet the best.

● Mr. RHODES. Mr. Speaker, I know that my colleagues shared the feeling of loss at the untimely passing of one of our most active, and respected Members, BILL STEIGER.

In a Washington Post column, writer George F. Will has caught the spirit of BILL STEIGER's service to his home State of Wisconsin and this body, and his enthusiasm as a participant in our unique American political process.

I urge my colleagues to take the time to read this article, which pays deserved tribute to an outstanding young man. The House certainly is the poorer with his passing.

Text of the article is as follows:

POLITICS—AS STEIGER PRACTICED IT

(By George F. Will)

Journalism, it has been said, often involves reporting "Mr. Smith is dead" to people who never knew that Mr. Smith was alive. But that often is important. The end of exemplary lives should not go unremarked.

Many Americans do not even know the name of their own congressman, and few Americans knew of the congressman from Wisconsin's Sixth District. But there are more than a few Republicans who, if asked why they are Republicans, would reply, briefly but sufficiently, "Bill Steiger." They especially, but not they alone, know what the Republican Party, and the republic, lost when William Steiger died in his sleep at age 40.

When Steiger came to Congress 12 years ago, he was the youngest member. When he died, he was the youngest looking member. But any tendency to think of him as "boyish" did not survive the bracing experience of matching wits and wills with him.

When, early this year, Steiger submitted his amendment to lower taxation on capital gains, the Carter administration was ardently, not to say hysterically, opposed. But what Steiger began resulted, after compromises, in rate reduction. It was an example of what one exceptional man, aroused and patient and right, can do.

I first met Steiger early in this decade when the senator for whom I worked (Gordon Allott of Colorado) became interested in passing the military-pay proposals that were a prerequisite for the transition from conscription to all-volunteer armed forces. Steiger had been at work on the problem for several years, and no one in Washington was more ready for battle.

The issues of conscription and capital gains, one early and one late in his career, do not tell the full story of his career, but they summarize the theme of his Republicanism. He was concerned with liberating the nation's productive energies, including energy in the form of capital and, where possible, supplanting coercion with incentives.

Politics when done wrong, and when done right, can be a consuming profession. It is consuming for those whose eyes are always on higher office—who are consumed by ambition as by fire. More admirably, and more rarely, politics is consuming for those, like Steiger, who do justice to their great work of making laws for a free people.

Congress has its share of members who coast, content to derive their satisfactions from the perquisites of office. But the minority side of the House Ways and Means Committee has recently been to Congress what Sugar Ray Robinson was to boxing: pound-for-pound, the best fighting force. And Steiger, an initiating spirit, was among its best members.

It would be doing less than justice to Steiger to say only that he was a superb legislative craftsman. He also resembled another bundle of useful energy from the upper Midwest. It may seem like a contradiction in terms to speak of anyone as a "Republican Hubert Humphrey," but Steiger exemplified what Humphrey called "the politics of joy." Plainly put, he loved his profession, and it showed.

What Burke said of a nation is true, too, of a profession: To be loved it must be lovely. Politics as Steiger practiced it—intelligent, passionate and amused—was lovely. People who remember him as a paperboy in Oshkosh remember that he always aimed to be a congressman.

A few years ago he was offered a job in the private sector at a substantial increase in salary, and he was tempted to take it for his family's sake. His nine-year-old son frequently went up to Capitol Hill, quietly drawing pictures and watching his father work. Politics is a profession that often exacts a terrible price from families, but as a colleague said of Steiger: "We all admired the father in him."

The capriciousness of fate moved Yeats to write:

Some think it a matter of course that chance
Should starve good men and bad advance.

It was not chance that advanced Steiger to the front rank of his party and his profession. But chance has done what only chance could do: It has prevented him from completing what would have been one of the most distinguished careers Congress has known.●

● Mrs. HOLT. Mr. Speaker, no Member of this House had more friends than BILL STEIGER. He had the great talent of not arousing animosities when he was fighting hard to win a point in this arena and in the Ways and Means Committee. His adversaries were his friends.

I believe BILL STEIGER never harbored the resentments that afflict many of us during and afer a tough legislative contest. He was a man of grace and charity. He was a gentleman in every sense of that term.

Mr. Speaker, all of us are aware of his contributions to the work of the House Ways and Means Committee. He pursued the intricate questions of tax law and the economic effects of tax changes with great diligence and intelligence.

We all admired in his magnificent legislative victory, the enactment of significant reductions in the capital gains tax. The achievement was all the more remarkable, because he was a Republican in a legislative body overwhelmingly dominated by the other party.

That victory was a tribute to his fine mind and his talent at persuasion. He persuaded a majority of the Ways and Means Committee and this House that a substantial cut in the capital gains tax would bring more capital formation and investment to an ailing economy.

Many of us were pleased to support him in that struggle, and those who did not were impressed with the facts and economic projections he presented to the House with clarity and eloquence.

Mr. Speaker, we shall miss BILL STEIGER's warmth and charm, but we will also miss his immense skill as a legislator.●

● Mr. ULLMAN. Mr. Speaker, the Steiger amendment got more headlines than any other issue considered by the Ways and Means Committee last year. All at once BILL STEIGER became the champion of investors and homeowners across the country. Before that, not many people knew BILL beyond Oshkosh and Washington. But to those of us who worked with and admired him, BILL STEIGER was hardly a single issue Representative.

His committee work on trade and social security was distinguished not only for its depth but for a rare determination to reach the highest common ground—no matter how divided the issue. He was one of those remarkable men whose personal philosophy transcended partisan lines. And his stature on "both sides of the aisle" proved it.

BILL STEIGER ranged well beyond the demanding issues of the committee. His campaigns for tougher occupational safety laws and his defense of legal services for the poor are monuments to his social commitment. His understanding and compassion for this Nation's youth took shape in a volunteer Army and tax credits to hire the poor and untrained.

BILL STEIGER belonged to many causes. His pluck and humor steadied many debates. His intellect and the pursuit of the common good recognized no political borders.

We all share his loss.●

● Mr. VANDER JAGT. Mr. Speaker, the startling loss of our dear colleague, BILL STEIGER, is far more than a personal one for me. It is a tragic one for the Congress, the Republican Party, and the Nation.

I served closely with BILL since he first came to Congress 12 years ago. Both of us came to Washington from the Midwest at virtually the same time and later found ourselves serving together on the Ways and Means Committee.

BILL's energy and intelligence made him a tremendously effective legislator which belied his youthful appearance. I think I can easily say that no Member of Congress overcame the inherent disadvantages of being a junior member of the minority party as effectively as BILL STEIGER. There are few of us who can honestly claim to have had, as an individual, as substantial an impact on the laws and policy of this Nation. But, although he was not likely to boast about his accomplishments, BILL surely could claim his mark on the direction of important policy.

Mr. Speaker, although there have been many, many pieces of legislation which BILL STEIGER helped shape, few have been as noteworthy as his amendment to the Tax Reform Act which was passed last year. BILL recognized the vital need to stimulate capital investment in this Nation and authored an excellent proposal to encourage investment to expand our economic production capacity. He worked in a consistent, logical, and completely above-board manner to convince his colleagues that a change in policy was needed. He overcame stiff resistance, illogical rhetoric from the highest sources, and finally managed to win approval of a well-crafted compromise which now stands as the policy of this Nation.

While his legislation successes can serve well as testimonials to his career, it is tragic that they will have to. I have no doubt that BILL STEIGER's career would have been tremendously successful. His effectiveness could only increase and his accomplishments would only multiply.

As an effective young politician, BILL's untimely death robs the Republican Party of one of its most promising individuals. As a brilliant legislator with an uncommon grasp of economics, BILL will be sorely missed by a Nation sadly short of level-headed and forward-thinking leaders. As an extremely energetic and personable individual, BILL will be sincerely missed by all of us who knew him.●

● Mr. SHUSTER. Mr. Speaker, I rise to add my thoughts on the passing of our distinguished colleague, BILL STEIGER. The tragedy of BILL's death at such an early age is softened somewhat by the realization of how much he had accomplished by the time he was 40.

Service in the Wisconsin Legislature begun when he was 22, followed by election to the Congress at 28, heralded a bright and successful career in Washington. At the time of his death, BILL STEIGER was one of the most respected Members of this House. The Steiger amendment that occupied so much of BILL's time during the last session became one of the focal points for the national debate on a return to fiscal conservatism, a debate in which BILL was an articulate and effective spokesman. Those who shared his views on this subject, and I am certainly one of them, will greatly miss his leadership.

I have lost a friend, but I know that many of us will be inspired by the example he set. His tireless devotion to his country will not be forgotten.●

● Mr. ICHORD. Mr. Speaker, we pay tribute today to our colleague BILL STEIGER whose untimely passing brought saddness to those of us honored to have served with him and to his many friends and constituents in Wisconsin. I join with the Nation in extending my personal condolences to BILL's family. We will all be less without him.

BILL was the youngest Member of Congress when the voters of Wisconsin's Sixth District sent him to Washington in 1966. His youthful appearance belied the strong leadership, wisdom, and understanding which all of us soon came to identify with him.

BILL never shirked from difficult decisions. He never forgot his constituents and never failed to serve them. He moved steadily ahead with what he felt had to be done for the Nation and was respected by all.

Elizabeth Barrett Browning once wrote:

> Happy are all free people,
>   Too strong to be dispossessed.
> But blessed are they among nations,
>   Who dare to be strong for the rest.

Such a man was BILL STEIGER and we will miss him.●

● Mr. MAZZOLI. Mr. Speaker, I was deeply shocked and saddened over the news of BILL STEIGER's untimely death.

I served with BILL on the Education and Labor Committee for 4 years. His intelligence, deep grasp of the issues, and his perseverance impressed me greatly. And, when BILL's star rose nationally in 1978, it came as no surprise to me.

BILL was dedicated to improving the quality of life of the citizens of the Sixth District—of the citizens of the entire Nation.

He will be sorely missed by his constituents, and his friends and colleagues in the House.

I extend my deepest sympathies and condolences to Janet and the rest of BILL's family over their tremendous loss.●

● Mr. SEBELIUS. Mr. Speaker, I want to join with my colleagues in paying tribute to one of the truly bright young men of American politics, WILLIAM STEIGER, of Wisconsin.

I feel fortunate to have known BILL during my 10 years in Congress. He was a man whose enthusiasm and vitality rubbed off on almost everyone who had the opportunity to work with him. He brought a fresh insight into politics as only the young people can and gave us new perspectives. But along with his youthful insight BILL had a maturity far beyond his years, an invaluable asset to the State of Wisconsin and our Nation. BILL will be missed by his colleagues on both sides of the aisle. He did his homework well and became a highly respected Member of Congress.

BILL STEIGER was an inspiration to young people who have dreams of entering political life, as well as his family and friends.

I know I speak for all his friends and colleagues when I say that his family and his country have suffered a great loss with the death of our friend, WILLIAM STEIGER.●

● Mr. ABDNOR. Mr. Speaker, seldom can lauds for "outstanding service and lasting achievements spanning more than two decades" be paid a 40-year-old.

Such praise, however, was richly earned by BILL STEIGER.

My association with BILL dates back to his stellar role in region VIII of the Young Republican National Federation when he was a teenager. His activities brought him to South Dakota as well as to other States in the Upper Midwest and across the Nation.

Even in those early days of his career BILL's unique talent for careful crafting of his ideas, pursuit of his ideals, and commitment to bettering this Nation were very evident.

That he had achieved so much at an age when many are only beginning to think seriously about their ultimate goals is testimony to his ability to persuade those of divergent opinions to work together.

In a day and age when "politics" has become a dirty word in the eyes of many, BILL's vision, his character, his diligence, his integrity stand out as a shining example of what is good in politics. He believed the governing of our Nation could be an honorable profession and he set about showing all of us how it could and should be done.

Politics has a better connotation, because of truly honorable people like BILL STEIGER. We all are better for having had the opportunity to know and to work with BILL STEIGER.

BILL's legislative achievements are only part of his rich legacy. Even richer is his legacy of good will and friendship which enabled him to accomplish so much in such a short lifetime.●

● Mr. MOORE. Mr. Speaker, qualities of principle, insight, tireless attention to fine points of tax law while others grew weary, and care for equality in his aggressive and early pursuit of open housing laws reveal the diverse attributes BILL STEIGER shared with us in his public service in Congress. He was a leader in the Republican ranks and his sudden and early death at age 40 leaves us absent a friend and a scholar we miss.

During the 95th Congress, I had the opportunity to work closely with BILL STEIGER on legislation dealing with beef imports and sugar price stabilization. His wisdom and insight proved invaluable in my understanding of reaction by members of the Ways and Means Committee to both issues and it served as a framework for my action on this legislation within the House Agriculture Committee.

His leadership and legislative strategy again proved invaluable to all of us during his pursuit of capital gains tax cuts others chose not to handle due to the complex nature of the subject matter. His consistent and reasoned pursuit of capital gains tax cuts are now largely written into the Revenue Act of 1978, now Public Law 95-600. He was a leader and his capital gains tax cuts will be a lasting tribute to him.

I have been chosen by my colleagues to occupy the position on the House Ways and Means Committee caused by Bill Steiger's untimely death. I succeed him on the committee, but neither I nor anyone else there will take his place. His work was exemplary and instructive. It will serve as a benchmark by which I shall judge my own activities and learn from his observations.●

● Mr. COUGHLIN. Mr. Speaker, I find the words difficult to choose in paying tribute to our late friend and colleague, Bill Steiger, whose unexpected death so shocked us.

To make him bigger than life would be a disservice. For he was a man whose unique ability to put things in their proper perspective, whose detached amusement at the pretentious and pompous, and whose genuine appreciation of the human pysche revealed him at once as a warm, compassionate and intuitive human being.

Bill Steiger, in fact, was an extraordinary human being.

Much has been said of his outstanding legislative abilities. He was a craftsman of the first order, a man of the House, and a legislator who lived and loved his job.

Bill Steiger, although he carried no official Republican House leadership title, always was a part of the Republican leadership. His views were sought and respected. His imagination and enthusiasm were invaluable.

Since he came to the Congress as a young man, Bill Steiger grew with the job. But he never grew too big for the job. He was helpful and encouraging to new Members. He recognized what needed to be done and did it.

Bill Steiger took his job seriously, but he never took himself too seriously.

There are many things I remember—and always will remember—about Bill Steiger. In the midst of forceful arguments, when the fate of the Republic may have seemed in doubt to the individuals involved, it was Bill Steiger who brought us back to reality.

With that detached amusement signaled by the twinkle in his eyes, he would the debate back to Earth. His pinpricks of humor permitted the hot air to dissipate so that realism—or lack of it—quickly became apparent.

That Bill Steiger will be missed by his colleagues is beyond doubt. Indeed, he was of such caliber that the Nation has suffered a loss in his death.

Perhaps, he would have said that was a bit too much. But, as a realist, he might he might acknowledge more than a little truth in it.

One of the brighest lights of the House of Representatives is gone.

I am sure his attributes as a human being will be remembered as much—and most likely more—than the many legislative accomplishments of his public career.

To his wife, Janet, and his son, go the condolences of Betsey and me. We hope the wonderful memories soon overcome the grief.●

● Mr. GIBBONS. Mr. Speaker, Mrs. Gibbons and I wish to join in this special tribute to Bill Steiger. We have always felt that he and Jan were our good friends, and we wish to pay tribute to both of them.

Bill's services to his country and to his congressional district have been applauded by many, and I want to add my endorsement.

Bill was a special kind of person—very intelligent, very industrious, and very highly principled. He understood the art of legislating and with his outstanding characteristics, he became one of our most able legislators.

Bill is in a sense irreplaceable, and we shall miss him for that, but we shall also miss him for his very warm, friendly, humane characteristics.

Our thoughts, prayers, and good wishes go forth to Jan and their family.●

● Mr. SCHULZE. Mr. Speaker, our Nation suffered a great loss on December 4 with the untimely passing of our colleague, and my friend, Bill Steiger. The residents of Wisconsin's Sixth District have lost an able, competent, and articulate Representative. The State of Wisconsin has lost a forceful and sound voice in Washington but most of all the American people have lost a leader.

Bill Steiger was one of the shining lights of the Republican Party and of our country. I had the good fortune to serve with Bill on the Ways and Means Committee and personally feel a tremendous loss. Bill was a leader who might best be remembered for his concise arguments, his compassion, and his guidance.

He was dedicated to a solid responsible government for the American people, and more, he felt that we must move toward wise and fair tax policies. Bill's push for reduction of the tax on capital gains this past session was an example of his understanding of the economic needs of our Nation but more importantly of the needs of our people.

The Republican Party lost a future star. Bill Steiger was one of the most articulate and persuasive leaders of our party and he will be sorely missed.

But the private Bill Steiger will be missed most of all. I was talking with a colleague soon after learning of Bill's death, and he said to me, and I quote:

> The thing I think I'll remember most about Bill Steiger is how much he loved his family. He had his little boy on the floor of the House more times than I can remember, and he always introduced him to his friends with such pride. He told me that he believed that his son should know what his dad did for a living, but more, that he should understand how our Government worked. I always admired the way he included his family in all aspects of his life, and I know that his family has suffered a great loss.

Bill Steiger will be missed by his wife Janet, and his son Billy, but he will also be missed by his friends in the Congress. His family can be proud of his service to his country as I am proud to have served with Bill Steiger.●

● Mr. CORMAN. Mr. Speaker, Bill Steiger joined the Ways and Means Committee in 1975 and quickly became one of its brightest and most articulate members. He was always prepared to deal with any issue and his keen insight and probing questions were a help to us all. He tackled every problem with energy, enthusiasm, and unfailing patience.

As the ranking minority member of the Ways and Means Subcommittee on Unemployment Compensation, Bill played a major role in the development and passage of the Unemployment Insurance Amendments of 1976. This landmark legislation which added almost 10 million workers to the system was the most important action taken in this area since the unemployment insurance program was enacted in 1935. Bill Steiger's cooperation and leadership were crucial to its success.

When we were in agreement, he was an invaluable ally, and when we differed, a formidable opponent. Last year, we faced each other on "Meet the Press" in a debate over the much discussed capital gains issue. Our differences in this area could not have been greater, but Bill was warm and friendly and made everyone involved feel more comfortable. Needless to say, his arguments were incisive and persuasive, as usual.

We on the Ways and Means Committee will feel the loss of Bill Steiger greatly. No issue was too technical or complex for him to delve into and digest thoroughly. His integrity was unquestioned and his sense of fairness unmatched. He took a joy in his work that was an inspiration to us all and we shall not forget him.●

● Mr. LENT. Mr. Speaker, this 96th Congress has lost one of its ablest, most effective legislators with the untimely death of Bill Steiger. I know we all share a great sense of shock and personal loss in the passing of our colleague, for Bill Steiger's warm personality, penetrating intelligence and his quiet good humor were such that it was impossible not to like and respect him.

Our sense of shock and personal loss is deepened by the knowledge that death took Bill at the very time when his legislative efforts were achieving national influence and recognition, ending his brilliant career before its full promise could be realized.

Those of us who have been privileged to have served in the Congress with Bill long recognized and admired his intelligent grasp of the complex issues which involved his legislative work on the House Ways and Means Committee and his outstanding ability to persuasively articulate his views to his colleagues. These qualities, coupled with Bill's careful attention to detail and his tireless dedication to the legislative tasks insured that Bill played a significant role in shaping the tax laws of our Nation.

We in the House shall miss the intelligent guidance Bill Steiger gave us in our legislative efforts. The Sixth Congressional District in Wisconsin, whose interests and needs he met so well, shall miss the services of this truly outstanding public servant, as will the entire Nation.

But, most of all, those of us who knew him will miss the warmth of his friendship and the stimulation of his company.

I know all of us join in offering our deepest condolences to Bill's lovely wife Janet and their fine son, whose grief I share.●

● Mr. NATCHER. Mr. Speaker, today Members on both sides of the aisle, irrespective of party affiliation, are paying tribute to an outstanding Member of the House of Representatives—our highly respected late colleague William A. Steiger.

We are today honoring him in death, but he did not have to wait for the many honors and the respect his colleagues and Americans everywhere accorded him during his life. These sometimes took the form of the silent admiration of the Members even when they were constrained to differ with his position on a particular matter. Bill Steiger will be greatly missed by his colleagues and by the American people. His kind of honesty, courage, and steadfastness are not easily come by. His concept of public trust was without parallel and never did he hesitate to speak out against any proposal which he felt was not sound and not in the best interest of our people. Words are not adequate to fairly appraise Bill Steiger's tremendous capacity for loyalty and love of his country. In every position he held, either in private or public, he achieved distinction. His service in all of his assignments was marked by a high sense of conscience and duty. His character, his achievements, and his faithful service will be an inspiration to generations yet to come.

May God let the light of his countenance shine upon him and give him peace.

To his lovely wife and family I extend my deepest sympathy in their bereavement.●

● Mr. YOUNG of Florida. Mr. Speaker, as I rise to join in this tribute to Bill Steiger, it is with a special feeling of sadness. I am saddened that a career so brilliantly started, should have been so tragically cut short, leaving undone many of those things Bill wished to accomplish.

Bill Steiger devoted his entire adult life to public service. Elected to the Wisconsin State Assembly shortly after his graduation from the University of Wisconsin in 1960, he remained at his State post until his election to the U.S. Congress in 1966. Bill's exceptional legislative abilities were quickly recognized by his colleagues and his dedication to duty, hard work and resourcefulness won him many friends on both sides of the aisle. Perhaps many of us will remember him best for his service on the Committee on Ways and Means, where his qualities of leadership and powers of persuasion enabled him to have such a profound impact on the legislation which came before that important committee for consideration.

Bill Steiger served his State and Nation with an honor and distinction that reflected his love of Country and consideration for the rights of people. We may lament that this great source of intellect and talent has been removed from us, before the full potential could be realized, like a valuable resource which has been only partially tapped. But we may be thankful that for even this one short decade this rare and talented man served in the Congress and his accomplishments have left an indelible mark on this body.

I shall miss my good friend and colleague, Bill Steiger, but I will be forever grateful that I had the privilege of knowing and serving with him.●

● Mr. CONTE. Mr. Speaker, Bill Steiger's life was short—being only 40 years old when he died—but not so short that he did not have time to make improvements in the world he lived and moved in, in this House and in the Republican Party. He served in Congress for 12 years and for 12 years, we were enlightened by his intellect, amused by his wit, and enjoyed his warmth. And we feel that we are better off for having known him.

He has been described as a rising star of the Republican Party and he most assuredly was. Though Bill himself never seemed very concerned with seeking higher office, anyone could see from his career in the House that he was a man of exceptional ability who had a dynamic future.

In the Education and Labor and Ways and Means Committees, he was an innovator. In his fights for tax reform, better legal aid for the poor and a Volunteer Army, he was relentlessly involved and deeply interested. We are especially indebted to him for his involvement in skirmishes of the Republican Party over party structure and rules. He was totally dedicated to his profession and it seems that no problem was too unpleasant for him to meet, head on.

Bill Steiger was fortunate in that he recognized time's essence, and the true seriousness and implications of time served in Congress. Hence—the enthusiasm and the extreme dedication and if he seemed to have a sense of urgency, we can now be grateful for it. He was, on all counts, an achiever.

We will note his absence for a long time to come because he was a rare person and very gifted, as a thinker, as a legislator, and as a friend.●

● Mr. WYLIE. Mr. Speaker, I can recall as if it were only yesterday when I met the new freshman Congressman from Oshkosh, Wis. We came to Congress together in 1967 in the second largest Republican class in history. On that day, observing Bill Steiger, I thought to myself, "Boy, is he young." He looked even younger than his 28 years.

I was impressed that he had been elected to the hallowed Halls of Congress at such an early age. At the same time, I was somewhat curious as to the kind of a contribution he might make. Bill Steiger's performance in the House quickly dispelled any doubts as to his effectiveness. He proved to be intelligent, extremely articulate, and very hardworking—a combination enabling a person to offer a vital contribution in whatever endeavor he may pursue. He was indeed one of our best Members.

Bill Steiger's death represents a great loss to the Republican party, which sorely needs young people of ability, integrity, and appeal to rally to its cause. More than that, his fairness, innovation, and open-mindedness will be missed by the American people.

The 96th Congress has already felt his absence because Bill Steiger always injected himself into the deliberations of the full House, committees and Republican conference. By this time, he would have already proposed several innovative ideas to solve our pressing national problems. The void left by the loss of Bill Steiger's imagination and his sincere desire to benefit others will not easily be filled.

Marjorie and I wish to extend our deepest sympathy to Bill's wife, Jan, and to his son, Bill.●

● Mr. GRADISON. Mr. Speaker, before I ever met Bill Steiger, I knew of him through his relatives in Cincinnati. I was told he was young, able, hard working, and that since childhood he had wanted to be a Congressman. Four years ago, when I was elected to the House, I came to know how accurate were those comments about him—and also how they failed adequately to describe a truly remarkable man. Bill Steiger had the rare ability to understand a problem thoroughly, to go to the heart of an issue with probing questions, to see fresh and imaginative solutions to old concerns, to articulate his views with unusual clarity, and to bring colleagues together in support of his initiatives. This he did with wit, at times with eloquence, always with tolerance for the views of those who disagreed.

All of us are poorer with his sudden and untimely death, just as all of us are richer by having known him. Through his example we are challenged to carry on, to make each day count, to follow his lead. By doing so, Bill Steiger will continue to live through the work of those who cherish his memory, keep alive his ideals, strive for his high standards.

Somewhere if a roll is kept of Congressmen's Congressmen, Bill Steiger's name is surely inscribed. For the brief moment he was in our midst, he showed each of us that one person can make a difference in shaping wise public policy.●

● Mr. DRINAN. Mr. Speaker, it was always a pleasure to work with the late Congressman Bill Steiger. He had a sense of legislation that made it easy to work with him.

I worked with Bill on several issues related to the draft. I worked with him also on his successful attempts to improve the readability of the Congressional Record.

I share the shock and sadness of all of his colleagues at his passing. Although we lament his death at such a very early age, we are nonetheless grateful for the very significant contributions which he made during his years as a Member of Congress.

We send to his widow, Janet, and to his son our prayerful compassion and sincere sympathy. They and we can at least take consolation in the fact that Bill Steiger contributed in very creative and lasting ways to the Congress and to the country.●

● Mr. GREEN. Mr. Speaker, rising stars are full of promise. Their light shines more brightly as time goes on. Shooting stars are full of brilliance. Their all-too-brief passage leaves the sky markedly dimmer. In life and in death Bill Steiger was both a rising and a shooting star.

Bill Steiger started his rise in the birthplace of the Republican Party in Wisconsin nearly 20 years ago. Beginning in 1960 he served three terms in the Wisconsin Legislature before his election to Congress in 1966. His achievements early in his congressional career, such as his work on the Occupational Safety and Health Act, establishment of the Volunteer Army, and programs to provide legal services to the poor led Time magazine to single him out as 1 of 200 rising leaders in the United States in 1974.

His dogged efforts on the Ways and Means Committee on behalf of the Steiger amendment earned him the respect and admiration of all of his colleagues.

As national chairman of the College Young Republicans, Chairman of the Republican National Rules Study Committee from 1973–75, and a national spokesman for Republican policy, Bill Steiger was certainly a credit to his party. But as the popular representative from a district including cities as diverse as Ripon and Sheboygan, he was also an outstanding Congressman. We miss the brightness of his star, for, like that of the shooting star, it shined all to briefly.●

● Mr. MURPHY of Illinois. Mr. Speaker, I want to join my colleagues today in mourning the loss of Hon. William A. Steiger of Wisconsin.

Bill was one of the House's most conscientious and effective legislators, and deservedly earned the reputation of a Congressman who did his homework. Last Congress, Bill captured national attention by successfully pushing through a proposal to cut capital gains taxes. Not content to live off his laurels, Bill announced just prior to his death that he planned to introduce a bill allowing taxpayers to establish special capital gains "investment accounts" on which no taxes would be paid. To our loss, we will not have the opportunity of hearing Bill argue his views on this legislation in the 96th Congress.

Nevertheless, the memory of Bill Steiger will endure. In particular, Bill will be remembered for the interest he showed in his work, his vitality and sense of fair play, and his openness to new ideas and fresh approaches. Those qualities will serve as a continuing inspiration to us all.●

● Mr. GILMAN. Mr. Speaker, I join with my distinguished colleagues in today's special order to pay tribute to a fine man, an outstanding legislator, who no longer is with us, William Steiger.

During the recent recess we were all shocked to learn of the untimely death of our good colleague, the gentleman from Wisconsin, who was taken in the prime of his life.

Bill Seiger had already served six terms in the House of Representatives and three terms in the Wisconsin State Assembly. At the age of 40 he had amply demonstrated a record of hard work, leadership and dedication to the people of Wisconsin.

Congressman Steiger garnered a national reputation for his devotion to reforming our Federal tax structure.

I have many warm memories of my first days in office, and Bill is a part of those memories. As fledgling Congressmen, the magnitude of our new jobs seemed overpowering. But there was Bill Steiger offering to help—already a seasoned veteran in 1973. This Wisconsin gentleman helped lead many of us through the labyrinths of the Federal bureaucracy.

Bill Steiger did more in his short lifetime than many do in twice that span. I join my colleagues in offering deepest sympathy to his widow, Janet, and to his son, William Raymond.

Bill Steiger's leadership and expertise will be sorely missed not only by all of his friends in the Congress, but by his nation.

● Mr. KASTENMEIER. Mr. Speaker, I was shocked and saddened to learn of the sudden death of our colleague and my friend from Wisconsin, Bill Steiger.

Bill had all the attributes we generally associate with success in the field of public service. When he came to the House in 1967, as the youngest member of the Congress, Bill already had earned an outstanding reputation as a member of the Wisconsin State Assembly in which he served for 6 years. In a relatively short time in the House, Bill emerged as an articulate and effective spokesman for the causes he championed.

Today, we have set aside this time to recall our association and experiences with our late colleague and our respect for his intellectual and personal character. We had the opportunity to watch him grow and develop during the major part of his career. Bill constantly used his powers along the lines of excellence, and he became an influential member of the House. Bill was a man of good will, a man of ideas, and he was respected and trusted by all.

Although Bill and I knew that we would not always agree on national issues, we each shared a desire to see service in our military forces remain voluntary. We both opposed the military draft and the inequities associated with it. We enjoyed a close working relationship on common problems shared by our neighboring constituencies.

Mr. Speaker, the high court of history sits in judgment on each one of us recording whether, in our brief span of service, we fulfilled our responsibilities. Our success or failure will be measured by the answers to the following questions—were we truly persons of judgment, were we truly persons of integrity, were we truly persons of dedication? Those of us who knew Bill can be sure that the final judgment of history on him will, indeed, be high.

Mr. Speaker, I want to extend my heartfelt sympathy to Bill's widow, Janet, his son, Bill, and the Steiger family.●

● Mr. DERWINSKI. Mr. Speaker, the Congress has lost one of its great legislators in the passing of our distinguished colleague, Bill Steiger. For the House as a whole, it will be his quiet leadership that will be missed.

As a member of the Ways and Means Committee, Bill demonstrated his dedication to solving our economic problems. Bill was an especially hard-working Member whose skilled expertise helped to lead this country toward more responsible fiscal policies and more effective tax legislation.

His outstanding record of faithful service and his strength of character earned him an honored place in the hearts of all those who had the privilege to know him. He was tirelessly dedicated, conscientious, and always constructive.

A man of great personal warmth, Bill was respected by everyone who came into contact with him. He will be remembered not only for his legislative skill but also for his warm character. The country has lost a man of great stature, we have lost a good friend.

My wife, Pat and I would like to express our sincere condolences to Janet and their son, Bill, on their loss. We all share that loss to some extent.●

● Mr. MONTGOMERY. Mr. Speaker, it is with a great deal of sadness that I rise this afternoon to join my colleagues in paying tribute to the distinguished career of the late Bill Steiger. While we cannot fully understand why the Almighty in his infinite wisdom chose to call Bill from our presence, we can rejoice in having had the privilege to serve with him for 12 years.

Bill Steiger and I came to the Congress at the same time in January of 1967. It was quite apparent from the very beginning of his public service that he was destined to be a leader in this body and to be one of the hardest working Members we had.

He thrived on the legislative process and the good he always attempted to accomplish for his constituents and his fellow Americans. Bill set an example of dedication and hard work which was the envy of us all. And I might add that his efforts bore fruit in terms of new legislative—proposals which had the Steiger imprint.

Mr. Speaker, in addition to losing a brilliant legislator with the untimely passing of Bill Steiger, many of us, and I include myself in that number, have lost a warm and personal friend. To know Bill Steiger was to like him and appreciate his humility and sincerity.

I join with my colleagues in expressing sympathy to the Steiger family and wish it were possible to lessen the burden of grief of his wife and son. We thank you for sharing Bill with us and know that we are better lawmakers for having known and served with him.●

● Mr. BRINKLEY. Mr. Speaker, it is my wish to pay tribute to Bill Steiger, whose deeds testify to the fact that his life really counted for something.

We came as members of the 90th Club together, and the twinkle in his eye quickly telegraphed his good humor and quick wit. His service for the ensuing 12 meaningful years was in the superlative category. He wore the mantle of responsibility well and never lost the sparkle that marked him for the uncommon man that he was.

He was a special friend and I miss his presence; yet his example is here, and I am glad.●

● Mr. ROSTENKOWSKI. Mr. Speaker, it is with a sense of great loss and sorrow that I today join my colleagues to address this body in marking the passing of our close friend, Bill Steiger. He served the Congress of the United States with distinction for nearly 12 years and we will be the poorer for the loss of his leadership.

In the early 1960's the residents of Oshkosh recognized his unique talents and dynamic energy by choosing him to represent them in the Wisconsin State Assembly. First elected at the youthful age of 22, Bill quickly established himself by carrying on the fine tradition of Wisconsin progressivism.

During his all too brief stay in Washington, Bill served from 1967–74 on the Education and Labor Committee. His service on that committee was characteristic of his entire career—constant work and mastery of technical issues.

Bill was elected to the Committee on Ways and Means in 1975, and his impact was immediately felt on our deliberations. He first became nationally known during the last Congress for his effective work in the area of capital gains taxation, those of us on the committee knew long before the national media that Billy Steiger was a force to be reckoned with. His style of questioning—his constant desire to understand "just exactly what we are attempting to do here"—exposed the folly of many an ill-conceived proposition.

Bill was neither a partisan nor parochial politician. He often took stands that transgressed party lines and superseded traditional regional concerns. As a legislator who has always prided himself on his ability to count heads on crucial issues. I knew the unique value of this man. Having Bill Steiger's head—and his heart—on your side was, to me, always worth far more than just his single vote.

It is too easy to say how much individuals will be missed after they are gone. Superlatives are utilized in such quantity at these times that their true worth often becomes devalued. But my colleagues Mr. Conable of New York, Mr. Jones of Oklahoma, and all others on the Committee on Ways and Means know only too well that it can be fairly said that Billy Steiger sincerely will be missed by us all. We will remember him not only for what he gave us in the past, but for the future and the challenges we must struggle to meet without his many talents. His positive attitude, his constant desire to accomplish the impossible and his indefatigable drive were traits that will not be easily replaced.

On a personal level, Bill Steiger was a friend whose courtesy, humor, patience and openness were endearing qualities. That we have been deprived of him so early in life is especially painful. But to have known him as a friend, however briefly, was our common good fortune.

Although Bill's loss to this institution has been great, it cannot be compared to what has been suffered by his wife, Janet, and their child. To them and the rest of his family—particularly his father, Carl, who was justly proud of his son and his many accomplishments—I offer my sincere sympathy.●

● Mr. WYDLER. Mr. Speaker, there are some Members of Congress who are very special people. Bill Steiger was one of those. Dedicated to his position in Government, he served his district and country very well indeed. He and I used to joke that we formed the backbone of the smallest caucus in the House of Representatives, the Swiss Caucus, for we both had a background and family roots from that country.

Bill was smart, and devoted to his position, but he was different from most Congressmen because of the deep sincerity he brought to his job and the conviction with which he carried out his duties. We will all miss him.●

● Mr. HANLEY. Mr. Speaker, much has been said and written about our dear friend Bill Steiger since his untimely death. I would like to take just a moment to add my voice to those paying tribute to this truly exceptional man.

Few people knew the personal handicap Bill Steiger worked with, the necessity of two insulin injections daily since the age of 13. Few people knew about it, because Bill never once let it interfere with his work in this body. His energy, industriousness and dedication to his life's work of representing the people never once faltered.

Bill Steiger was not a partisan politician in this House. His judgments were based solely on the good for all the people. Even as a member of the minority party, he played a great role in the shaping of policy and legislation passed by the Congress. He never sought to be a divisive force, but always was one who would help bridge the gap between differing factions.

Bill Steiger was a man of great compassion and of great integrity. His votes were based on principle and never on expediency. His legislative actions were careful and reasoned, never flippant or obstructive.

In his 12 years in the House, Bill Steiger's accomplishments were indeed impressive. His work contributed greatly to the compromises which brought about the 1970 Occupational Safety and Health Act, the end of the draft and start of the volunteer army, a program providing legal services for the poor. As we all know so well, in the 95th Congress he led the fight for reduction of capital gains taxes.

It is up to us now to continue to work in the spirit of Bill Steiger, to dedicate ourselves to task for doing the people's business as best we can without feeling the necessity of grabbing headlines for our efforts. That is the type of man Bill Steiger was, and we shall miss him.●

● Mr. ROYBAL. Mr. Speaker, as the House pauses today to honor the memory of a most distinguished colleague, I would like to express the sense of deep loss shared by all those who had the privilege to know and work with Bill Steiger. In addition to serving with Bill in the House for the past 12 years, I had the good fortune to have Bill and his family as neighbors here in Washington.

Bill exemplified the hard-working congressman who initiated legislation and then used his political prowess to ensure passage. Clearly, Bill loved his work which he was so good at, and clearly, he will be sorely missed in the Halls of Congress. He will be missed not only for his outstanding contributions to the legislative process, but also for his good humor and personable ways. And while he and I might not have always found ourselves on the same side of an issue, I always knew he had a brilliant career in store for him as a leading force in the Republican Party.

It was a true pleasure to know Bill as a colleague and neighbor, and I place great value on the friendship which developed over the years. His untimely passing is a source of personal sorrow to his many friends in the House of Representatives and our sincerest sympathy is extended to his widow Janet and to his entire family.●

● Mr. RUSSO. Mr. Speaker, he was both a fine human being and legislator and so our loss of Bill Steiger is an especially great one. I am pleased to have had the opportunity to work with a man of his skill, energy, and lively sense of humor while sharing his friendship.

From early on, as the youngest Member of Congress in 1966 until his death, Bill's diligence and oratorical ability always captured my admiration. He was impressive. And he has indeed left us a legacy of legislative achievements—work with OSHA, the Volunteer Army, rules, taxation. He also opened the door for women and minority groups to participate in the Republican Party.

We all learned the meaning of thoughtfulness and decency from Bill, and these lessons will remain with us.●

● Mr. RANGEL. Mr. Speaker, it was with great shock and dismay that I learned of the death of Bill Steiger.

I had the honor and pleasure of serving with Bill on the Ways and Means Committee. During that time, I came to appreciate both his wit and insights into the legislation which came before us.

During the consideration of the Revenue Act of 1978, I was extremely pleased to have the opportunity to work with Congressman Steiger on my jobs credit proposal. It was due to his concern about vocational education and the resultant opportunity for youth to secure employment that a vocational jobs credit was included in the tax package.

The loss of Bill Steiger is indeed a personal one as well as one for the Congress and Nation as a whole. Bill Steiger was one Member of Congress who worked extremely hard and took his responsibilities very seriously.

We, in the Congress, would have all benefited from his leadership and will indeed miss his presence.●

● Mr. VAN DEERLIN. Mr. Speaker, Bill Steiger, whose untimely death last month was widely lamented, was among our most productive legislators whose work while a Member of this body is his own best monument.

The sad part is that Mr. Steiger's accomplishments did not attract the national recognition they merited until after he was gone. His record was outstanding. While still in his early 30's, he was instrumental in winning enactment of the bill to end the military draft and inaugurate the all-volunteer Army. He also worked with telling effect for passage of the Occupational Health and Safety Act, provision of legal services to the poor and—most recently—reductions of the capital gains tax.

His success in helping to shape major laws was all the more remarkable considering he was always a member of the political minority during his 12 years of House service. But he knew the art of compromise, and he was well respected on both sides of the House aisle.

As columnist Dave Broder has written, "STEIGER was a man of exceptional talent, integrity, and drive." Of him it can truly be said that he will be missed, and that we need more like him.●

● Mr. GOLDWATER. Mr. Speaker, the sudden loss of BILL STEIGER has been a jolt. He was a rare human being, a man of exemplary character, a tireless worker, an intelligent, bright, and capable public servant, a man true to his convictions, and a devoted husband and father. I will miss him, the Republican Party will miss him, this House will miss him.

Those of us who knew BILL were impressed with his many contributions to this body, especially at so early an age. The story is told that when BILL, at the age of 28, arrived in Washington to take his seat in the House, he was mistaken for a page. Actually, BILL had already established a reputation for himself as an accomplished legislator in the Wisconsin State Assembly. Certainly, BILL's success was no surprise to the folks in Oshkosh who he so diligently served as a paperboy. They knew this was one young fellow with a promising future in politics.

BILL STEIGER has left an indelible impression in the annals of the House. He was in the prime of his career when his life was cut short and there is no telling what even greater things awaited him had he lived. The respect he earned as an influential member of the Ways and Means Committee was evidenced by his leadership on the measure to cut taxes on capital gains. He was also an important figure in the debate on the National Energy Act.

It was not uncommon for me to look to BILL for his wisdom in making decisions as a Member of Congress. He was a statesman in the truest sense of the word. He is not here now, but in carrying out my responsibilities in the House I will often ask myself, "How would BILL have done it?"

To BILL's lovely wife, Janet, and their fine son, William Raymond, BILL STEIGER has a place in our hearts.●

● Mr. REUSS. Mr. Speaker, the death of BILL STEIGER hit close to home in every sense of the word.

BILL's district was only 35 miles from mine, but I was aware of this remarkable young public servant long before he was elected to Congress in 1966, and even before his election to the Wisconsin State Assembly in 1960.

The scion of one of Wisconsin's most distinguished families, BILL made his mark as a political activist while he was still in college. His election to the State assembly at 22 and his emergence as a leader in that body were timely and natural developments in a distinguished career.

By the time he took his seat in this House in 1967, those of us who knew BILL knew that we could expect from him intelligence, dedication to principle, and—even in so young a man and so new a Member—leadership.

His career amply fulfilled that early promise. He was a man of absolute integrity. He understood the needs of the people he represented, and their interests were always foremost in his mind His voting record evidences a well-developed political philosophy combined with a knowledge of how to convert that philosophy into effective legislation.

BILL STEIGER elevated the level of discourse and debate of every issue with which he concerned himself. His sponsorship last year of capital gains tax revision demonstrated his ability to rally popular support for his position without doing violence to the issues at stake. As a result he commanded an influence unusual for a relatively junior minority Member.

The House will miss BILL STEIGER as a legislator. It will also miss him as a friend. His unfailing good humor and genuine modesty made him as popular among his colleagues as he was respected.

We extend our sympathy to Mrs. Janet Steiger, his son Billy, and the Steiger family of Oshkosh. BILL relied heavily upon his lovely wife's judgment and advice. Her wisdom and insight entitles her to an important role in public affairs in her own right.●

● Mr. PREYER. Mr. Speaker, a number of our colleagues have quoted tributes to BILL from the press. In fact, few Members of Congress have ever received the kind of tributes from editorial writers and columnists that have come BILL's way. Such expressions are normally reserved for a Speaker of the House.

They are especially significant because BILL didn't court the press, or seek publicity. He just did his job very well and conscientiously. The press recognized those qualities which we have long admired in BILL in the House—that he was a gentleman, a legislative craftsman, an enthusiastic believer in the House of Representatives.

He worked hard and fought hard. But he always cut square corners.

He was an inspiration to our young people. His presence was living proof that the stereotype of the Congressman as an old fogie was a lie. He assured young people that there was a place in Congress for one who was young, idealistic, able, and enthusiastic. He was living proof that Congress was a place that could meet their highest aspirations.

All of us extend our sincerest sympathy to his family and hope they will take some comfort in the respect and esteem in which BILL was held by his colleagues and by our Nation.●

● Mr. ADDABBO. Mr. Speaker, I join with my colleagues in expressing my deep sorrow at the untimely passing of our colleague, BILL STEIGER of Wisconsin, and I offer my condolences to his family for this great loss.

It is always sad when the young die needlessly, but in this case—with the excellent record already achieved by BILL and with the years of potential service still facing him—the loss is doubly sad, not only for his family and his friends but for the Nation he served.

There are men who are naturally born to public life and BILL STEIGER was one of those. An activist from his campus days onward, BILL gravitated naturally into political life and as anyone who has followed his career knows, he flourished in this environment.

In his work on the House Ways and Means Committee, BILL quickly established a reputation for quiet and dignified hard work. His was not the way of the florid press release and the attention getting statement. Rather, he specialized in the hard analysis that resulted in key legislation. As a new member on the minority side of the Ways and Means Committee he nevertheless played a major role in shaping tax legislation; this was totally a result of his hard work and dedication. BILL, in everything he did, worked harder than almost anyone else and he tried, perhaps more successfully than most of us, to resolve dilemmas through the use of logic.

Personally, BILL STEIGER was as enjoyable a man to know and to be with as any who have ever served in this distinguished House. I think it is possible to say that at his death, BILL did not leave one single enemy in this great body. Instead, on both sides of the aisle, he left friends who were impressed by his decency, his humor, and his basic good will toward everyone he came in touch with.

His death is a distinct blow to this Nation and to the people he represented in Wisconsin. But as I said in the beginning, he played a role far larger than that of a Midwestern representative. Because he worked so hard and because he cared so much for the people of this Nation, his work received national attention, and had he lived we could have expected great things from him.●

● Mr. CARTER. Mr. Speaker, it was with the greatest regret that I had learned of the untimely death of our colleague WILLIAM A. STEIGER.

BILL was an exceptional young man. For six terms he provided superb representation of the views and needs of the people of his district. Yet he succeeded at the same time in accomplishing much toward the betterment of the rest of the country as well. His leadership most recently toward a reduction of the capital-gains tax was marked by the diligence and intelligence with which he always approached his work in Congress.

BILL was first elected 2 years after I had been, and it was an honor to serve with him these past 12 years on this side of the aisle. His presence and wisdom will be missed.

Kathleen and I offer our condolences to his wife and son and other members of his family; we share their sorrow at BILL's passing.●

● Mr. MYERS of Indiana. Mr. Speaker,

it is with a heart full of sorrow that we take this time today to pay a fond remembrance of a fine gentleman, BILL STEIGER. It is with joy that we feel when we think about the personal experience we have had to have been able to serve here and work with such a fine man as he was.

I first met BILL in 1966 when we were both candidates for House seats. We were both first elected that year and joined this body as first termers in the 90th Congress. He was the youngest Member of our class and the youngest in the Congress. His youth never prevented him from very early becoming one of the outstanding Members.

His district, his State, and our Nation have lost a great public servant. We all will miss him very much.

Our prayers are with his wife, Janet, and his family.●

● Mr. BROOMFIELD. Mr. Speaker, I wish to join my colleagues in expressing the great sorrow felt at the loss of our friend, the Honorable WILLIAM A. STEIGER of Wisconsin.

Many in this Nation hold Congress and politicians in low esteem. Yet BILL STEIGER, through his life and work, showed that those attitudes must be reconsidered for he lent dignity and honor to this body and to those who serve in it.

When BILL STEIGER came to the House of Representatives 12 years ago, he came as its youngest Member. Although he was afflicted with diabetes, he gave his all to politics and public office. His hard work, sound mind, and dedication quickly increased his stature and influence among his colleagues.

Because of his devotion to this institution and to public service, BILL worked unstintingly to improve the work of the House of Representatives. Even though he often received job offers that would have given far greater financial security to his family, BILL always turned them down to do the work he believed in and loved.

During the last Congress, BILL's name began to gain national prominence as he led the successful fight to reduce the capital gains tax. In this effort, he effectively took on the President and the majority party leadership because he firmly believed that this tax cut was truly in the public interest.

Although BILL's name is best known for the capital gains tax fight, he was also instrumental in shaping other pieces of major legislation. Among these are the program providing legal services for the poor, the ending of the draft and the institution of the Volunteer Army.

When BILL STEIGER passed away, the people, the Nation, and the Congress lost a truly great public servant. As we watched BILL work, we saw great things in his future. Now that future has been cut short and we mourn the passing of a friend. We will truly miss him.

Mr. Speaker, I wish to express my heartfelt sympathies to the Steiger family and to all his friends who share in his loss.●

● Mr. ANNUNZIO. Mr. Speaker, I rise to join my distinguished colleague, Hon. CLEMENT J. ZABLOCKI, of the Fourth District of Wisconsin, in paying tribute to the Honorable WILLIAM A. STEIGER, who represented the people of the Sixth District of Wisconsin during the 90th through the 95th Congress: The death of my outstanding colleague at the age of 40 has left a void in this House, for he served his Wisconsin constituents and the American people with devotion and dedication.

BILL STEIGER began his career of leadership in Wisconsin as a member of the Wisconsin State Assembly from 1960 through 1966, when he was elected to the U.S. House of Representatives. In the years 1968, 1972, and 1976, he was designated one of the 10 Outstanding Young Men in America by the Jaycees.

During his distinguished service in the House before he was cut down in the prime of his career, Congressman STEIGER served on the House Ways and Means Committee, and was also instrumental in the congressional passage of legislation establishing the All-Volunteer Army. His record of excellence and creative accomplishment was most commendable.

WILLIAM A. STEIGER was a man of deep conviction, independent in thought and action, and was willing to challenge any person or institution in the pursuit of his high ideals and what he thought was right for his people, and he will certainly be missed here in Congress.

Mrs. Annunzio and I extend our deepest sympathy to his wife, Janet, and to his son, William Raymond.●

○ Mr. ERLENBORN. Mr. Speaker, the sudden, shocking loss of BILL STEIGER came at a point in his life at which he was finally beginning to receive the type of public recognition he has so long deserved.

In any organization, there are those who receive a good deal of publicity but do little to deserve it. There are others who receive little publicity, but work long and hard behind the scenes. BILL was one of the latter group.

He was among those who were most surprised when the Steiger amendment began to catch fire and media attention. He was among those who were most deserving of that attention.

Mr. Speaker, sometimes we use a word so often that it begins to lose its meaning. In this Chamber we preface many of our remarks to a colleague by calling him or her "my good friend," when indeed we may not be friends at all. BILL STEIGER was my good friend. He was a good friend to many of us, because that was his nature.

There are too few BILL STEIGERS in this world. We could ill afford to lose the one we had.●

● Mr. JOHNSON of California. Mr. Speaker, BILL STEIGER was one of the finest men to have served in the House of Representatives. It was indeed most unfortunate that he did not have the opportunity to fully develop his career in public life.

BILL came to the House of Representatives at an early age and soon showed that he had the intelligence and the commonsense to handle the job and be an effective voice not only for his district in Wisconsin, but also for the people of the Nation.

Much has been written about his important contributions, and they have been many, particularly when one considers the amount of time in which they were achieved. I cannot add to those fine renditions, but simply want to add my personal testament to his fine work.

BILL STEIGER served on the Education and Labor Committee and the Ways and Means Committee during his service in the House of Representatives. Through his committee assignments he worked continuously for reform and improvement of our Government and its services to the people.

He also worked for improved operation of the House of Representatives within the processes of his party and through bipartisan efforts to review and modernize House procedures.

BILL was an active legislator making many significant proposals and working to seek legislative compromises to assure passage of important legislation.

Although I never had the privilege of serving as a committee colleague of his, I knew BILL as a friend and colleague in the House. He was, without a doubt, one of the brightest and most congenial persons to serve among us. It is particularly sad that he has left us because he was only beginning to realize his tremendous potential as a leader and legislator.

To his wife and family, my wife Albra and I extend our deepest sympathy. We hope that the knowledge of his fine accomplishments and great respect in the House will give them comfort in these difficult days.●

● Mr. UDALL. Mr. Speaker, BILL STEIGER was a special and gentle kind of man. We do not see enough like him in politics—able and willing to listen to both sides of a question, able and willing to compromise, a man who treated his opposition as good friends.

BILL was always the gentleman. He had civility and intelligence—and wit—in superabundance. Certainly, he left his mark in these Halls. The memory is a good and a decent one, for BILL was a good and decent man.

I never knew anyone with more friends. If BILL STEIGER had an enemy or detractor on Capitol Hill, I never saw him. Perhaps, in the long run, that is enough to remember a man by—the way he treated his fellow human beings.

I am glad I knew BILL STEIGER. I am proud that we were friends.●

● Mr. WINN. Mr. Speaker, I, too, want to join my friends and colleagues on both sides of the aisle as they pay tribute to the memory of our friend, the late WILLIAM STEIGER, of Wisconsin.

It was my pleasure to know BILL STEIGER since we both came here in the 90th Congress.

BILL STEIGER tried to hold down Government spending, show concern about the American taxpayer, and just in general keep the Ways and Means Committee responsive to the people.

His statements and challenges to the statements of others on the floor prove that BILL STEIGER was the type of Congressman who was definitely concerned about the American taxpayer and all American citizens.

He served his district, his State, and his Nation with distinction. BILL STEIGER was the kind of man who was destined for national leadership, and his untimely death was a loss to the Nation.

I read George Will's eulogy of BILL STEIGER, and I felt it was the kind of tribute which this bright and energetic young man truly deserved.

He was kind, thoughtful, hard working, untiring, and respected by all those who knew him. I feel that it was an honor to have known and worked with a man of BILL STEIGER's caliber. He will be missed by all of those who knew him.

Joan and I offer our deepest sympathy to Janet, their son Bill, and his parents.●

● Mr. QUILLEN. Mr. Speaker, I would like to join my colleagues in paying tribute to the memory of the Honorable WILLIAM A. STEIGER. We have all lost a good friend, and the House has lost a Congressman who represented his constituents with tremendous integrity and ability.

He will long be remembered as a man of the highest ideals, and it is a great tragedy that his career was cut off before he had the opportunity to accomplish all of the things he was capable of doing and wanted to do.

As a public servant, BILL always did his very best to truly serve the people, both in the Wisconsin Legislature and in the U.S. Congress. His contributions in the Ways and Means Committee were immeasurable, and his loss will be deeply felt.

The outstanding work BILL did in carving out new pathways for freedom and the free enterprise system is a shining example for others to follow, and his record in the Congress shows his dedication and determination.

We will all miss him, and Mrs. Quillen joins me in extending our deepest sympathy to his family for their great loss.●

● Mr. BROYHILL. Mr. Speaker, I am deeply saddened that, as the 96th Congress gets underway, our friend and colleague, BILL STEIGER, won't be here with us to share his innovative and imaginative ideas. BILL was a hard-working, independent-minded man who will be sorely missed by all of us on Capitol Hill and by his numerous friends throughout Wisconsin. He served his district with excellence and his dedication to the betterment of our country was always foremost in his thoughts and actions. BILL was not afraid to try new ideas and his accomplishments were many and great in his young life.

His loss will affect each of us and I am deeply saddened by his passing. Mrs. Broyhill and I extend our heartfelt condolences to his family and friends but, at the same time, we feel very thankful at having had the opportunity to know and work with this fine individual.●

● Mr. LONG of Louisiana. Mr. Speaker, if any one quality comes to mind when I reflect on Representative BILL STEIGER's outstanding career in the House, it is his remarkable ability to strike a compromise, to find a solution acceptable to all parties involved. We watched him work effectively in the Ways and Means Committee, and we benefited from his efforts on the floor. Energetic, dedicated, and creative, BILL STEIGER had a real love for this body as an institution, and certainly demonstrated this on a daily basis. He strove with a great sense of commitment to formulate workable solutions to the many controversial issues facing the Congress and found support on both sides of the aisle. In times where a myriad of divergent interests are fragmenting this legislative body, BILL STEIGER's gift of compromise was indeed rare and precious. As my good friend and distinguished colleague DAVE OBEY has pointed out, BILL STEIGER was "the Republican who was the most effective bridge between the parties in Congress." I am very proud to have served alongside Representative BILL STEIGER. He was certainly an encouragement to all of us here—an outstanding Member and a fine person.●

● Mr. COLLINS of Texas. Mr. Speaker, I want to thank the gentleman from New York (Mr. CONABLE) for yielding and giving me an opportunity to add my respects to BILL STEIGER. Everyone that knew BILL loved him. And everyone that worked with him in Congress respected him very highly. I was the last one to join him in the great class of the 90th Congress.

BILL was well liked because he was always cordial and he had a cheerful smile that was an uplift to all of us.

Of all of the legislation that BILL worked on, it seems that every session he concentrated on a stronger and more powerful area.

We lost BILL STEIGER after he had successfully led the way this past session for tax reduction. Congress had postponed action. But BILL brought up basic ideas on tax reduction that were absolutely essential to our economy.

In America we are not creating enough new capital, and we are not encouraging the reinvestment of capital. He spoke, he wrote, and he pounded the table in behalf of a lower capital gains tax that would encourage people in their capital transactions.

Under BILL STEIGER's leadership we went a long way toward reducing the capital gains tax. We lost BILL, but I felt like in 1979 he would have led Congress all the way for a complete tax reduction.

BILL was named as one of the outstanding young men in America, and the young man spirit stayed with him always. His vitality and enthusiasm were stimulating. He had a spring in his step and a vibrance in his speech. We will always remember BILL with the progressive spirit, as he was always moving forward.

Dee and I extend our sincerest sympathy to his wife, Janet, and his young son, William. Wisconsin has lost one of the greatest Representatives that ever served in Congress when we lost the great son of Wisconsin, BILL STEIGER.●

● Mr. KEMP. Mr. Speaker, the House and the Nation were stunned during the adjournment period by the untimely death of our colleague, BILL STEIGER. BILL, was only 40 years of age, but he had just been reelected to his seventh term, having been first elected in 1966 at the age of 28.

BILL was a persistent worker. He knew how to work with his colleagues, one by one and from both parties, and he knew how to work within the committee system to win approval of legislation whose enactment he was seeking. That he was successful in this approach is evidenced by the fact that he won almost everything he sought in the way of capital gains tax rate reductions in the 95th Congress. That was his primary target. He had other items on his agenda, but that was the big one, and he died with the satisfaction of having seen it come to pass.

BILL was a man of commitment, of conviction. He was willing to address old, unresolved questions, and he was often able to devise new answers for old questions. He had a vision of Government and political parties responsive to the needs of the people, a vision where Government would remove the impediments to meeting those needs, rather than worsening tions, a vision brought forth from a vibrant two-party system.

BILL was a man of knowledge. He educated a great number of important peo- on the relationship between taxes and revenue, between taxes and economic growth. More people in positions to shape public policy are now aware that higher taxes do not mean higher revenues if a point has been reached where those tax rates impede incentive. Capital gains tax rates were an example of that. BILL knew the relationship between taxes and economic growth, and he knew that high taxes stunt the growth essential to helpthem through misdirected good intenple—his colleagues, the media, even economists and administration officials—ing those at the bottom of our economic ladder, and he never tired of making that point. He had a deep sense of commitment to those who did not enjoy the full bounty of our system.

BILL created for us a sense of purpose behind critically important issues, and even in death he does that again, creating a community of those who knew him, who may not have known each other but do know a bond of common sorrow and shared memory. He died as we should remember him; young and productive. He, his enthusiasm, and his commitment will be sorely missed.

I am reminded of Lord Byron's words, "Those whom God loves, die young." The sooner to be with Him.

My sympathy, that of my wife, Joanne, and our family are extended to his widow, Janet, and their young son.

I wish to include a moving tribute to BILL, one written by our mutual friend, George Will:

POLITICS—AS STEIGER PRACTICED IT

(By George F. Will)

Journalism, it has been said, often involves reporting "Mr. Smith is dead" to people who never knew that Mr. Smith was alive. But that often is important. The end of exemplary lives should not go unremarked.

Many Americans do not even know the name of their own congressman, and few Americans knew of the congressman from Wisconsin's Sixth District. But there are more than a few Republicans who, if asked why they are Republicans, would reply, briefly but sufficiently, "Bill Steiger." They especially, but not they alone, know what the Republican Party, and the republic, lost when William Steiger died in his sleep at age 40.

When Steiger came to Congress 12 years ago, he was the youngest member. When he died, he was the youngest looking member. But any tendency to think of him as "boyish" did not survive the bracing experience of matching wits and wills with him.

When, early this year, Steiger submitted his amendment to lower taxation on capital gains, the Carter administration was ardently, not to say hysterically, opposed. But what Steiger began resulted, after compromises, in rate reduction. It was an example of what one exceptional man, aroused and patient and right, can do.

I first met Steiger early in this decade when the senator for whom I worked (Gordon Allott of Colorado) became interested in passing the military-pay proposals that were a prerequisite for the transition from conscription to all-volunteer armed forces. Steiger had been at work on the problem for several years, and no one in Washington was more ready for battle.

The issues of conscription and capital gains, one early and one late in his career, do not tell the full story of his career, but they summarize the theme of his Republicanism. He was concerned with liberating the nation's productive energies, including energy in the form of capital and, where possible, supplanting coercion with incentives.

Politics when done wrong, and when done right, can be a consuming profession. It is consuming for those whose eyes are always on higher office—who are consumed by ambition as by fire. More admirably, and more rarely, politics is consuming for those, like Steiger, who do justice to their great work of making laws for a free people.

Congress has its share of members who coast, content to derive their satisfactions from the perquisites of office. But the minority side of the House Ways and Means Committee has recently been to Congress what Sugar Ray Robinson was to boxing: pound-for-pound, the best fighting force. And Steiger, an initiating spirit, was among its best members.

It would be doing less than justice to Steiger to say only that he was a superb legislative craftsman. He also resembled another bundle of useful energy from the upper Midwest. It may seem like a contradiction in terms to speak of anyone as a "Republican Hubert Humphrey," but Steiger exemplified what Humphrey called "the politics of joy." Plainly put, he loved his profession, and it showed.

What Burke said of a nation is true, too, of a profession: To be loved it must be lovely. Politics as Steiger practiced it—intelligent, passionate and amused—was lovely. People who remember him as a paperboy in Oshkosh remember that he always aimed to be a congressman.

A few years ago he was offered a job in the private sector at a substantial increase in salary, and he was tempted to take it for his family's sake. His nine-year-old son frequently went up to Capitol Hill, quietly drawing pictures and watching his father work. Politics is a profession that often exacts a terrible price from families, but as a colleague said of Steiger: "We all admired the father in him."

The capriciousness of fate moved Yeats to write:

Some think it a matter of course that chance
Should starve good men and bad advance.

It was not chance that advanced Steiger to the front rank of his party and his profession. But chance has done what only chance could do: It has prevented him from completing what would have been one of the most distinguished careers Congress has known.●

● Mr. FORSYTHE. Mr. Speaker, upon my arrival in Washington 9 years ago as a new Member of Congress, one Member in particular impressed me with his thoughtful and intelligent examination of the problems on which the Congress was working. That man was Bill Steiger.

Over the next 8 years I found that my first observations of him were proven accurate. He was a fine example of what a Member of Congress should be. Bill never failed to bring fair, compassionate judgment to his work and his sense of humor often served to lighten a mood or ease the tension after long hours of meetings, votes on the House floor and committee hearings.

His ability to coalesce support for a piece of legislation and his willingness to work unswervingly to see it enacted was never better demonstrated than last year. He went to battle against a democratic administration and a majority of Democrats in the House to reduce the capital gains tax and he won.

Bill never worked for personal glory or name recognition in the media, but his ability was widely recognized. His potential as a national leader was great. His death was untimely. As Members of Congress we will miss him personally, but the Nation will also suffer from the lack of his leadership and that is the greatest loss.●

● Mr. DUNCAN of Tennessee. Mr. Speaker, the untimely death of Bill Steiger deeply saddens me, and this feeling has been especially acute this past week as the members of the Ways and Means Committee have met to consider its business. Bill was an honored colleague and a good friend, and I know his passing is a loss not only to the State of Wisconsin, but to the Congress and to the country. In a time when many feel that there is not enough leadership in our political process, we can ill afford the loss. The famous Steiger amendment is testimony to the leadership qualities that he possessed.

Some men learn to lead during the course of their life, but it is obvious that with Bill this trait came naturally. Those of us who have served in this House long enough to remember know that when Bill was elected to the 90th Congress he was the youngest Member among us. The Jaycees certainly recognized this talent in 1968, when they designated Bill Steiger as 1 of the 10 Outstanding Young Men in America. We should all thank the citizens of the Sixth Congressional District of Wisconsin for choosing Bill Steiger to serve here with us, and giving us the opportunity to know him. Theirs was a wise decision, and one that we have all benefited from. Thank you.●

● Mr. VANIK. Mr. Speaker, during the past 12 years it has been my special privilege to serve with Bill Steiger, but during the last 2 years, I had a special opportunity to come to know this distinguished American. During the 95th Congress, we served as chairman and ranking minority member on the Ways and Means Trade Subcommittee. During those brief 2 years, Bill and I had the opportunity to work together in a wonderful spirit of close cooperation. His energy, his brightness, intelligence, and wit were a constant source of encouragement and creativity for all of us on the Trade Subcommittee and in the full Ways and Means Committee. Much of the legislation we passed or advanced in the last Congress is strictly due to his genius and love of creativity.

During the congressional adjournment, in the week of his death, we were planning a hearing on one of his ideas—ways to encourage increased U.S. exports. This was typical of his constant energy and desire to do more to improve the quality of government and to serve the national interest. He saw the inadequacies of the present programs as a springboard from which new and better programs could be built. He was anxious to use his time to pursue the public good, even during periods of recess when committees seldom meet. For Bill Steiger, there was no recess in his efforts for public service.

This is my 25th year in the House, and I have said all too many goodbyes and eulogies to friends. But thinking of what to say this morning, I found this the hardest goodbye of all, for most who have left here leave by choice or after a full and rounded life. But Bill's life was just beginning. We all assumed he was destined to a long and ever-greater career of contribution to the Nation. His outstanding intellect was a bright and stable star among us—we did not dream he would be taken from us at so early an age—that he was like a shooting star, burning up in a blaze of excellence, showing us a path of creativity and genius.

Lincoln is attributed with the phrase:

> If we could first know where we were and whither we were tending, we could better judge what to do and how to do it.

This has been quoted over the years, because it expresses in beautifully constructed English a very commonsense but deliberate, thoughtful approach to solving human problems. Bill Steiger was a genius for asking—and then answering—these fundamental questions. He could isolate and define a problem, state a goal, and suggest ways "to go together" to a solution better than any other I have known.

"Congress" comes from the Latin, "to go together"—to find ways to compromise for the common good. Understanding and tolerance for others' views usually comes only with age, and from this understanding comes the gift of finding creative compromise.

Bill had this gift. Yet Bill was not old in age—only old in wisdom and in understanding. He achieved more principled compromises and solutions in his brief time with us than many deans of the House obtained in half a century of service.

He taught us how to be better legislators and how to listen better to each other.

The editorials which have appeared

throughout the Nation on BILL STEIGER have described better than I can the gift of enthusiasm that he gave to so many for public service. This too is one of his most lasting contributions. He touched the lives of thousands and made them zealous in public spirit. This inspiration that he gave to so many will be felt through generations of renewed service to the public and the Nation.

This legacy will help us and this institution—but I also hope that it will one day bring "Billy" Steiger to this Chamber to complete his father's work.●

● Mr. PERKINS. Mr. Speaker, it is always sad to learn of the passing of a colleague with whom we have served in the House. But it was especially sad when word came of the untimely death last month of WILLIAM A. STEIGER.

He was so able, so decent, so wise—and so young.

BILL was hardly more than a boy when he came to us a dozen years ago, but already he had made a distinguished name for himself in his home State of Wisconsin.

We have all seen cases in which honors, achieved at an early age, seem to engender arrogance and pompousness. But not so with BILL STEIGER.

He seemed to sense that pitfall, and went far out of his way to exercise patience, tolerance, understanding, and especially kindness. His health was precarious from childhood, and it may be that this gave him special insight into human frailty in others.

As a new Member in 1967, he was assigned to the Committee on Education and Labor the same month I became chairman. He was ever helpful, ever cooperative. And even on those occasions when we disagreed on a matter of legislation before us, BILL STEIGER would never, never stoop to cheap obstructionism.

He was wise enough to recognize that in a representative assembly such as ours, men and women must compromise their differences for the benefit of all.

A hard worker, a genuine seeker after the facts, BILL approached a legislative problem analytically and reasonably. He ably and articulately presented his views on matters, and was never personally offended with those who expressed different views.

I was sorry indeed when he went off our committee and onto the Committee on Ways and Means. That did not prevent frequent contacts with him, and we worked together on many related matters with the same ease as before.

BILL's little boy is not yet 10 years old, but somehow, I hope he understands that his father was a unique figure in the Congress and a great man in his country. I hope that the knowledge that BILL was so universally esteemed by his colleagues offers some degree of consolation to his family.

Mr. Speaker, I recognize that custom and usage erode the meaning of phrases frequently used in congressional procedures—phrases such as the distinguished gentleman or the gentleman or my friend.

But I mean it from the heart when I say that I regret the passing of my friend, and that I shall miss the gentleman from Wisconsin.●

Mr. LAGOMARSINO. I thank the gentleman for yielding.

Mr. Speaker, I want to commend the gentleman from New York (Mr. CONABLE) and the gentleman from Wisconsin (Mr. ZABLOCKI) for taking this special order to permit us to express our respect for and our sadness at the passing of BILL STEIGER. There have been and there are many Members of this House who demand great respect for their legislative skill and ability; and there are and there have been many Members of this House who are very popular with their colleagues here in the House. But I think very seldom have we had a combination of those two traits to the extent that we had in BILL STEIGER. As the gentleman who just spoke commented, I certainly do not know of anyone who did not like BILL STEIGER, and all of those prticipating in this special order today make that very clear and very apparent.

Certainly there are very few Members of this House who are as effective as BILL was. Even though sometimes we did not all agree with him, I think that there were many times when we knew that what he was saying was right even though we perhaps, for one reason or another, did not vote the same way he was voting or did not take the same action that he was proposing.

As I was sitting here thinking of what I might say about BILL STEIGER, one thing occurred to me very quickly, and that was I do not think I ever saw BILL STEIGER without a smile on his face—never, and yet—apparently I did not know this; maybe the rest of the Members did—I did not know that he had the illness that finally claimed his life, and one certainly would never know that from watching him or listening to him or being around him. Certainly if there is any lesson to this at all—and sometimes we wonder if there is—I guess it is that BILL STEIGER epitomized a lot of things that many of us would do well to remember and to try to emulate.

I would like his wife, Janet, his son, Billy, and his father, Carl, to know that my wife and I are thinking of them and our prayers are with them.

● Mr. HORTON. Mr. Speaker, it was with a sense of deep sadness that we learned of BILL STEIGER's death on December 4, 1978, at the age of 40. Since 1966, when he was first elected to the House of Representatives, BILL represented Wisconsin's Sixth Congressional District with distinction and dedication.

Although BILL and I did not serve on the same full committee, I did have the privilege of working with him on the Ad Hoc Committee on Energy and the conference committees that followed during the 95th Congress. For more than a year, the conferees labored long and hard over the many controversial provisions of the National Energy Act. I know my colleagues in that effort recall, as I do, the determination with which BILL sought to shape the final sections of the act.

BILL STEIGER may best be remembered for his controversial proposal to reduce substantially the tax on capital gains. Despite opposition from a number of sources, the final 1978 tax bill approved by Congress contained a capital gains tax based largely on BILL's proposal.

I know his colleagues on the Ways and Means Committee will sorely miss the activist role BILL played on the committee. By the same token, the 96th Congress will be without one of its most able legislators.●

● Mr. CHARLES H. WILSON of California. Mr. Speaker, I would like to add my own tribute to the many others made on behalf of our former colleague, BILL STEIGER. His untimely death will be felt not only in Wisconsin's Sixth District but in the Halls of Congress as well.

BILL skyrocketed into the national limelight last Congress during our deliberations on the tax bill. To those of us who worked with him, that attention came as no surprise. Whether you agreed with his position or not, no one could dispute the fact that BILL STEIGER was one of the hardest working Members of the House. Any debate is only as good as its participants. Judging from the reaction to his capital gains tax proposal, BILL was an extremely worthy opponent.

While the rest of the country may remember the Steiger Amendment, his friends, colleagues and associates knew his scope and interest went far beyond tax issues. He brought the same kind of dedication and hard work that distinguished his involvement in the tax bill to every issue.

His understanding and knowledge of a bill and his understanding of those working with him, enabled him to go beyond partisan lines and work well on both sides of the aisle.

He contributed a great deal in the area of occupational safety, help for our youth, and for the poor and under privileged. His sincerity and belief in the people of this country is unquestioned and will remain a model for all of us.

Last, BILL STEIGER was a legislator's legislator—he truly loved his job. Watching him work in Committee, on the floor, or with constituents, his enthusiasm for the process and the job he held was obvious.

He was a rare kind of politician who did not get bogged down in partisan politics but worked for the common good of everyone. His presence will be sorely missed.●

● Mr. ANDERSON of Illinois. Mr. Speaker, I was deeply shocked and saddened by the sudden death of my good friend BILL STEIGER. The news of his death at the early age of 40 struck me as if life itself had been snuffed out for he epitomized life in its fullest and most intense sense; he had a real joy for living and working and that joy was contagious to all those who knew him. BILL was one of the brightest stars of our party and that star was still on the rise at the time of his tragic death.

BILL came to this House in 1967, but he landed here squarely on his feet and was off and running immediately. His presence was immediately felt for he threw himself fully into every project he undertook and made a lasting impression and contribution by his industry, his intellect, and his intensity. He loved this House and learned its ways quickly. He was always in the forefront of efforts to improve this institution—a truly progressive reformer in the best sense of the Wisconsin political tradition from which he sprung. He was one of the most active Members of that group of Republican reformers in the House known as Rumsfeld's Raiders who finally forced consideration of what was to become the Legislative Reorganization Act of 1970. He later served with equal enthusiasm and dedication on the next major reform attempt, the Bolling-Martin Select Committee on Committees. His successful efforts in making the Congressional Record a more accurate account of our proceedings are also well known. He was equally zealous in his efforts to reform the Republican Party and devoted countless hours to that cause .

But beyond being an expert on procedural matters, Bill Steiger was a consummate legislator as he so frequently demonstrated on the Education and Labor Committee, and later on the Ways and Means and Ad Hoc Energy Committees. He was a man of substance and a true technician and politician when it came to dealing with the substantive aspects of legislation. Whether it was the All Volunteer Army, the Occupational Safety and Health Act, or the capital gains tax revision, he left his personal imprint on all the major bills he worked on.

My heartfelt sympathies go out to his wife, Janet, his son Billy, his father and family. We share in their grief and loss of a truly great man who represented everything that was good as a husband, a father, a son and a Member of this body. He was the type of person whom A. E. Housman had in mind when he wrote of, "the lads that will die in their glory and never be old." Bill Steiger will forever be young in our hearts and his glory will live in eternity.●

● Mr. MARTIN. Mr. Speaker, it is tradition and custom that bring us to the floor to eulogize departed colleagues. It is a good tradition and a fine custom because every life and every death can be instructive. We can learn much from every case. This is particularly true in the case of Bill Steiger.

The grief felt on this Hill and elsewhere in this country on the passing of Bill Steiger was profound and sincere. Bill thrived on controversy and that meant opponents aplenty; but he had no enemy.

By age 35, Bill had major legislation under his belt, the enacted substitute Occupational Safety and Health Act, legislation considerably better in its drafting than in its enforcement. A suitable memorial would be to bring the latter up to the standards of the former. That "Steiger Substitute" gave Bill a national constituency. In 1978, by age 40, Bill Steiger authored legislation that led directly to the capital gains tax reforms of the Revenue Act of 1978, and the name of Bill Steiger was a household word among homeowners.

In spite of all that, Bill Steiger was not dashing off to New Hampshire's primary. Not only did he like his work here, or love it, but he knew the need to avoid vaulting ambition. Were Bill to have lived, I believe he would some day have been the President of this country. He had the brains for the job, the capacity to get the job, and it would have come to him in spite of his lack of craving for adulation.

What is instructive in the House career of Bill Steiger is how he came to enjoy it. The more common comment about service here is that it is no longer fun. You never heard that moan from Bill; he relished it. Those who spend time bemoaning the absence of fun in Congress should take note of two facts. First, some can make any activity a crashing bore; it is fairly easy to do if preceded by the loss of one's zest for life and sense of humor. Second, conversely, if you follow Bill's pattern and create challenges and do not make a holy crusade out of every semicolon you write, the chances are pretty good this job can be fun and you will succeed.

There is another factor in Bill Steiger's life that he dealt with as forthrightly, openly, and publicly as with any other subject. Had he not, I would not dream of mentioning it. But he did, so I do. Bill Steiger was a diabetic. So are millions of other Americans. So what? So, it is less of a bar to achievement than it is to others' perception of one's ability to achieve. Bill is a good case to remember in dealing with the economic bias against hiring a diabetic because it would raise the group health insurance rate. Perhaps the publicity given Bill's inability to get insurance may be just what we need to start insurance regulators moving on applying the assigned risk pool concept to health and life insurance, so that those now uninsurable because of a chronic illness can be covered. It borders on blasphemy that such a concept is applied to pleasure cars and not to human health.

Bill Steiger is gone and we mourn his passing. There is meaning for us in his life and in his death if we will but learn from it.●

● Mr. PICKLE. Mr. Speaker, I remember Bill Steiger with respect and admiration. He was one of America's top Congressmen without any doubt.

It was my privilege to not only know Bill Steiger on the floor, but to work closely with him in two subcommittees on Ways and Means.

Bill Steiger was dynamic. He was a fine speaker. His distinguished, yet all too brief career, demonstrates his natural leadership capabilities.

They say that when Bill Steiger first came to the House in 1966 at the ripe age of 28, some people mistook him for a page. Yet, he was actually a seasoned officeholder, having served 6 years in the Wisconsin Legislature. Before that, he was a leader in the National College Young Republicans. And he was an up-and-coming young businessman.

We sat on opposite sides of the aisles in this Chamber. He was of the minority party and I, the majority party. But Bill Steiger involved himself tirelessly in service to his constituents. Everyone, regardless of party or political orientation, got to respect and love Bill Steiger. He was a high-type fellow.

In this age when many citizens look with disdain on officeholders, the example of Bill Steiger comes to mind as an instant rejoinder to anyone who questions the capacity for decency and honesty in politics.

The Sixth District of Wisconsin gave us this great man. His family's loss and the district's loss is truly our loss. Bill Steiger entered this Chamber as an already-experienced politician. He quickly proved himself to be a natural-born leader. And, he left us far too soon as a statesman.

If Bill Steiger had been living in our early American history days, he would have been one of the Alexander Hamiltons or Thomas Jeffersons of that day. His sharp and inquisitive mind, his refusal to accept simple statements without examining it in his own mind, and his active, hardworking discipline made him a natural leader. What a tragedy it is that our country lost him so early. Our committee will not be the same, the Congress will not be the same, and our country will not be the same without Bill Steiger. I doubt this Congress even yet realizes how badly we have been hurt. But, we also have been helped by the life of this good man and we should all thank the Lord that—every now and then—a man or woman comes to Congress who can make a difference. Bill Steiger made such a difference, and our country is better for it.

We mourn the loss of this great man, but also feel lucky that we had a chance to know and work with him. May the memory of Bill Steiger have an uplifting, cleansing effect on the work we do in the Congress.●

● Mr. SENSENBRENNER. Mr. Speaker, I know that many of my colleagues were saddened by the passing of the late Congressman William A. Steiger. His following was not limited to the Congress of the United States. In December 1978 a special session of the Wisconsin Legislature paid tribute to Congressman Steiger by passing Joint Resolution 47.

I am pleased to make this joint resolution a part of the Congressional Record:

Wisconsin's Own Tribute to William Steiger—1977 Enrolled Joint Resolution 47

Relating to the life and public service of William A. Steiger

The legislature and the people of Wisconsin are deeply grieved by the passing on December 4, 1978, of William A. Steiger, member of the U.S. House of Representatives from the 6th Congressional district since 1966.

William Steiger was born on May 15, 1938, in Oshkosh. He graduated from Oshkosh High School and received a bachelor's degree in economics from the university of Wisconsin-Madison in 1960. He was awarded honorary doctorate degrees from Ripon College in 1974 and Lakeland College in 1975.

Mr. Steiger was an active republican during his college years, becoming national chairman of the College Young Republicans in 1959, a post he held until 1961. He had also served on the governor of Wisconsin's Youth Advisory Board to the Commission on Human Rights.

The people of the first district of Winnebago County elected Mr. Steiger to the assembly in 1960. He was 22 years old, one of the youngest legislators in the state's history. A state representative for 3 terms, he concentrated chiefly on 2 issues, education and taxation. He also played a major role in the 1965 law which reorganized and modernized legislative staff services.

In 1966, at the age of 28, Mr. Steiger was elected to the House of Representatives. He was the youngest Republican to serve in the 90th Congress. Reelected 6 times, Representative Steiger became known for his independent voting record, thus defying attempts at pigeonholing by political observers. In 1971 he was part of the move to end the military draft and establish a volunteer army. He sponsored the Vocational Educational Act of 1968, the Occupational Safety and Health Act of 1970, the Manpower Training Act and the Clean Lakes Act of 1970. He was also at the forefront of reform attempts in the House, calling for televising House proceedings, streamlining the committee system and revising the Congressional Record into a verbatim transcript of representatives' remarks.

Representative Steiger was named by Time Magazine in 1974 as one of 200 rising leaders in the U.S. He was a man of rare courage and integrity and a dedicated public servant. His passing constitutes a great loss to the people of his community, his state, and the nation.

In recognition of his record of public service and exemplary life, be it

Resolved by the assembly, the Senate concurring, That the members of the Wisconsin legislature express their sorrow at the death of William A. Steiger, and extend their most sincere sympathy to his family, which includes his wife, Janet, his son, William Raymond, his parents, his 3 sisters, and his brother; and be it further

Resolved, That duly attested copies of this resolution be transmitted to Mrs. Janet Steiger, his wife, and to Mr. and Mrs. Carl E. Steiger, his parents.●

● Mr. RITTER. Mr. Speaker, a large number of my colleagues have, over the past few days, joined in praising the character and dedication of the late BILL STEIGER, who represented his constituents in the Sixth District of Wisconsin so well for 13 years. I would like to associate myself with my colleagues' remarks, and to add my own personal tribute to BILL STEIGER.

BILL was one of those very special Members of Congress who was much more than simply a politician. He was a legislator in the very best sense of the word. And at the same time he was a man who considered his work on Capitol Hill as more than just a job—he threw all his energy and enthusiasm into his work, and the respect he gained from Members of all political persuasions tells his story better than any written tribute can.

Although I never had the honor of serving in Congress with BILL STEIGER, I know from personal experience what kind of man he was. Still, I deeply regret that I will not have the benefit of his friendship and his talents as a colleague in the 96th Congress. In that sense, his passing was a special, personal loss to all of us in Congress.

We will not, unfortunately, have BILL as a colleague any longer. But those of us who saw the way he approached his responsibilities with zest and integrity have an example of the very best kind. We will remember BILL STEIGER's example for a long time to come.●

● Mr. PATTEN. Mr. Speaker, in his editorial of December 7, 1978, George F. Will said,

> The end of exemplary lives should not go unremarked.

This is especially true of the man of whom we address ourselves today.

BILL STEIGER was a man I was proud to serve with in this distinguished body. When he first came to Congress, he was often mistaken for a page or a student; but not for long. He quickly became known for his drive, his intelligence, his friendliness, and his ability.

The work he did as a Member of this House has benefited all of us. In my heart, I know that the Good Lord had a reason for taking BILL; but the Nation has been left poorer with his passing. And we, here in Congress, who had the opportunity to know and work with him have no doubts as to what this loss means to us.●

● Mr. REGULA. Mr. Speaker, we have been saddened by the loss of our own BILL STEIGER. It is always, so especially when one is so young, so talented, and so dedicated to the service of others.

The Bible (Psalm 112, v. 5) tells us "a good man showeth favor and lendeth; he will guide his affairs with discretion." BILL STEIGER was just such a man. He not only guided his own affairs with discretion but used his considerable abilities and wisdom effectively to help shape the destiny of this Nation.

We will miss our friend and colleague. Let us, however, thank God for BILL's outstanding devotion, dedication, and service to this body and to people throughout the Nation.

On a personal note, having been a colleague of BILL STEIGER is a privilege I will long cherish and respect.●

● Mr. PASHAYAN. Mr. Speaker, there are those of us in the 96th Congress who did not have the great privilege to serve with BILL STEIGER. Yet, his tireless dedication to his country and to the free enterprise system was an example to all of us.

Too often the Federal Government becomes entrapped by its own bureaucracy and quickly loses sight that it exists for the good and at the will of the people. At all times BILL STEIGER reminded us of this basic principle of democratic government.

In addition, BILL's perspective on taxation and the American economy had the precision of a fine jeweler. Most recently his fight for a capital gains tax revision caught the imagination of businessmen, economists, and government bureaucrats everywhere. He truly laid out the blueprint for a stronger and more vibrant economy.

To BILL STEIGER's family may I extend my sincere condolences and the appreciation of a grateful Nation.●

● Mr. BOB WILSON. Mr. Speaker, it is always sad to mark the passing of a colleague, but it is doubly so when we lose one so young, with such a potential for future accomplishments, as BILL STEIGER.

BILL was a man of high principles, who never lost sight of who he was and what he had to do. During his all-too-brief time among us, he made many significant contributions. BILL was indeed one of the "best and brightest," and he set an outstanding example that we would all do well to emulate.

We will never know to what heights BILL STEIGER would have risen, but that he would have gone on to higher positions of responsibility was a foregone conclusion, as BILL was an achiever. He did his homework, took his job seriously, and gained our respect as he worked with us toward our common goals in this House.

BILL was a warm, humorous and intelligent man who in his short time among us left his mark. I feel a great personal loss and I will miss him greatly as a colleague and as a friend.●

● Ms. MIKULSKI. Mr. Speaker, I would like to take this opportunity to share some words of tribute to the late Representative WILLIAM STEIGER.

BILL STEIGER was an exemplary Congressman. He joined the Congress in 1966 and his ability was notable throughout his 12 years of service.

BILL and I shared common positions in chairing our respective committees on party rule during the critical period between the 1972–76 elections. As a result we had many lively and positive exchanges on party differences. I shall miss our friendly debates, and always shall remember him as a dedicated and effective representative.●

● Mr. CLEVELAND. Mr. Speaker, the recent loss of our colleague, Congressman BILL STEIGER of Wisconsin, requires much more than an expression of regret or the extension of sympathy, however deeply we may feel those sentiments.

BILL STEIGER was an unusually gifted person whose qualities and characteristics gave to his career in the Congress a significance far beyond his years and his official position. He was, in every respect, a model Congressman. In the fineness of his mind, the generosity of his spirit, and the decency of his instincts, he represented the very best that is in the American people. His presence here elevated the substance and tone of this body to such an extent that his impact on the House deserves to be understood as widely as possible.

Perhaps what best distinguishes BILL STEIGER's contributions to the House lies in his wholehearted and thoroughgoing dedication to his work—to every aspect of his work. To him, being a Member of Congress was not just a title, or a welcome honor, or a routine job. It was a full-time occupation to which he brought all his talents and experience. He allowed it to demand his best and he reponded with his best. And this, in turn, enabled him to grow in effectiveness and to earn the remarkable respect which his colleagues accorded him.

BILL STEIGER earned that respect not just because of his intelligence or his energy, his integrity or his openness, his political sophistication or his parliamentary skill. He possessed all these qualities and talents—and more—and developed them to a high degree of excellence. Rather, it was the way in which he integrated those qualities, the way in which he made each serve and support the others. For he was a whole person, and that made him better than the sum of his parts. To every effort, every project, every responsibility, he brought the full complement of professional competence and personal humaneness.

Gifted people are not always the easiest to live with. Bill Steiger—among the most gifted—was an exception. He did not allow his intelligence to cross the line to arrogance. Persistence, with Bill Steiger, never became stubbornness. His endless supply of energy was always under control; he was not a compulsive person. Although he was a convinced and committed Republican, one who understood the importance of political parties, he never allowed blind partisanship to outweigh reasoned judgment. Party loyalty was a means to the end of good government; it did not become for him an end in itself. Always friendly and interested and warm and generous, these qualities in Bill Steiger were not the superficial trappings of the "hail fellow well met," but the deeply genuine responses of a caring person. His integrity never descended to priggishness.

One of the things Bill Steiger cared for most was the institution of the House of Representatives. The House was not a stage on which he felt compelled to perform. He did not feel obliged to contribute to the sound and fury of the Chamber. His was a voice of reason and high purpose, appropriate to his view of the House as a forum in which public policy should be determined rationally and thoughtfully. And so much of his attention was devoted to ways of strengthening and improving the House, to make its rules and procedures better serve the needs of representative government. He worked for, as well as in this institution.

On many occasions, Bill Steiger and I shared such efforts. As members of the Republican Task Force on Reform and Rules Change, for example, we spent many hours together seeking to accomplish purposes designed to make the House and its procedures more open and accountable, more effective, efficient, and fair. We fought for better oversight, more equitable committee staffing, a more truthful Congressional Record, and greater access for the people to the institutions of Government. We opposed proxy abuses, short-cutting procedural protections, anything that would abridge the rights and prerogatives of all our Members.

And we had a fair amount of success, for which so much of the credit is due Bill Steiger. He knew what was important and why. He understood the need to master floor procedure, both to protect rights and to advance policies. He combined the highest motives with the finest tactical skills. And everyone here knew that he would persevere—with conviction, good humor, and infinite patience.

Though I did not serve with him on his legislative committees—Education and Labor, Ways and Means, and the Select Committee on Committees, for example—he brought those same qualities and talents to the great questions of public education, labor relations, and trade and tax policy. To those who followed such legislation closely, there was never any doubt where Bill Steiger stood, never any question of the continuous impact of his probing mind and his analytical skill.

Mr. Speaker, in its highest form, politics can be the noblest of the professions. Its purposes and its functions—no less than the government of the people, in their name and with their authority—require of the men and women who practice it sufficient selflessness to place the welfare of the community ahead of their own.

Too rarely do we reach that ideal. Bill Steiger, however—in the way he lived his life and practiced his profession—showed us all that the ideal is not entirely out of reach. In doing so, he may well have left us that most elusive of legacies: an increased measure of respect for the worth of what we are seeking to accomplish here.●

Mr. CONABLE. Mr. Speaker, I want to thank everyone who has participated in this special order in sharing with me, with the gentleman from Wisconsin (Mr. Zablocki) and the gentleman from Oklahoma (Mr. Jones) who was one of the other organizers of this special order, the sense of personal, institutional, and national loss that we have felt through the passing of this fine man. It is a time for all of us to rededicate ourselves to the high national purposes that Bill Steiger served so well.

FURTHER MESSAGE FROM THE PRESIDENT

A further message in writing from the President of the United States was communicated to the House by Mr. Chirdon, one of his secretaries.

AMBIGUOUS TAIWAN RESOLUTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. Findley) is recognized for 30 minutes.

● Mr. FINDLEY. Mr. Speaker, my colleague, Mr. Wolff, is seeking cosponsors to a resolution relating to Taiwan. I urge my colleagues to reflect very carefully on the operative language. It is ambiguous, dangerously so.

The fundamental question posed by the resolution is this:

Should the United States, by statute, establish a policy of defending the territory of Taiwan from armed attack and/or from guerrilla action?

I say "no." Perhaps you say "yes." I support the sale of military equipment and armor, as well as nonmilitary items.

The United States should by diplomatic means support the interests of the people on Taiwan. But the resolution goes far beyond those questions.

Here is the text of the resolution as circulated:

H.J. Res. —

Joint resolution regarding the peace, prosperity, and welfare of the people on Taiwan, and the Pescadores, and for other purposes

Whereas the governments of the United States and the People's Republic of China on January 1, 1979, recognized each other and established diplomatic relations;

Whereas the President on January 1, 1979, terminated diplomatic relations with the Republic of China and gave notice that on December 31, 1979, the United States will terminate the Mutual Defense Treaty between the United States of America and the Republic of China, pursuant to Article X thereof;

Whereas the American people have had and desire to continue to have extensive, close and friendly relations with the people on Taiwan and the Pescadores (hereinafter "Taiwan");

Whereas the United States has a continuing interest in the peaceful resolution of the Taiwan issue and expects that the Taiwan issue will be settled peacefully by the Chinese themselves;

Whereas in pursuance of its interests in the stability and peace of the area, the United States will continue to provide Taiwan with arms of a defensive character;

Whereas the United States recognizes that an armed attack directed against Taiwan would represent a danger to the stability and peace of the area;

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

Section 1. The President is directed to inform the Congress promptly of any danger to the interests, concerns, and expectations of the United States in the peace, prosperity, and welfare of Taiwan.

Sec. 2. The Congress finds and declares that it is the policy of the United States to act in accordance with constitutional processes and procedures established by law to meet any danger described under section 1, and otherwise to safeguard the interests, concerns and expectations of the United States.

I suggest careful reading of section 2.

ARE THERE ANY SAFEGUARDS?

Section 2 of the resolution requires any action taken by the United States to be "in accordance with constitutional processes and procedures established by law." Do not be misled into believing that this requires the President to come to Congress for prior approval before sending U.S. military forces to deal with a guerrilla operation or to repel an invasion of Taiwan.

The War Powers Resolution of 1973—Public Law, 93-148—recognizes the reserve powers of the President and clearly authorizes a President to send U.S. military forces anywhere in the world he perceives a threat to the United States for 90 days without the prior approval of Congress.

Section 5 of that resolution, which the sponsor of today's resolution supported, provides for the President to employ U.S. forces in hostile action for 60 days, and specifically authorizes him to extend that commitment at his own discretion for an additional 30 days—a total of 90 days. If a President brings our forces under hostile enemy fire in Taiwan, it is very unlikely that Congress will see fit to demand a retreat of our men when the guns are blazing and our national honor is on the line. If there is to be a rational judgment made, now is the time to make it, not at a later date when emotion is more likely to rule the day.

The Tonkin Gulf resolution—which sounded all too much like today's resolution—should be vivid in our memory. It was often cited by President Johnson as a legislative sanction for the introduction into Vietnam of extensive U.S. military forces. On several occasions President Johnson challenged Congress to repeal the resolution if it wanted military operations there stopped. Eventually, Congress did repeal the resolution but found from bitter experience that it is sometimes a lot easier to enact a resolution than to repeal it, and still more difficult for Congress to force a troop withdrawal.

The Tonkin Gulf resolution did not receive thoughtful consideration. It swept through with little discussion either in committee or on the floor.

Fortunately the atmosphere today is more conducive to careful consideration.

It must be noted, too, that the Tonkin Gulf resolution did mention the military measures, whereas the Kennedy-Wolff resolution does not. No one, however, should take comfort from its silence on this point. This resolution certainly does not rule out the use of military measures.

Ambiguity may have its place, but surely not in the realm of war powers. If this resolution is adopted it should either spell out or rule out the use of military force.

WHAT IT REALLY MEANS

As presently drafted, this resolution could be cited by any future President as authorizing him to send U.S. military forces to fight a guerrilla war in Taiwan or to repel an invasion from outside. The resolution states: "It is the policy of the United States to act . . . to meet any danger . . . to . . . the peace, prosperity, and welfare of Taiwan." The word "act" certainly includes the use of U.S. military forces unless Congress defines it more narrowly.

If using U.S. military combat troops is intended to be one of the possibilities contemplated by this resolution, why should that fact not be made more explicit? To clarify meaning, the phrase "including the use of armed force," could be inserted after the word "law" in section 2 so that it would read:

> The Congress finds and declares that it is the policy of the United States to act in accordance with constitutional processes and procedures established by law, including the use of armed force, to meet any danger described under section 1, and otherwise to safeguard the interests, concerns and expectations of the United States.

Even if this language is not added the use of U.S. military forces is clearly one of the possibilities contemplated by the resolution.

WHY REVIVE THE FORMOSA RESOLUTION?

Just over 4 years ago, on October 26, 1974, Congress passed and the President signed into law legislation repealing the old, antiquated Formosa resolution (Public Law 84-4). Like the resolution being introduced today, the old Formosa resolution stated that "the primary purpose of the United States . . . is to develop and sustain a just and enduring peace for all" and that "armed attack if continued would gravely endanger the peace and security of the West Pacific Area." Despite the fact that the old Formosa resolution was meant for a different era following close on the heels of the Korean war, it sounds little different than this retreaded resolution that is being submitted today.

When Congress repealed the old Formosa resolution it did so because, in the words of the committee report, "the resolution has long since become obsolete and ought to be repealed." The committee felt it important to "remove from the law a special grant of authority and support for the President made under circumstances which no longer existed."

Certainly, no one can say that the circumstances that spawned the Korean war and its aftermath have returned to cloud our relations with the People's Republic of China. Why then this retread of the Formosa resolution?

The committee had one additional reason for repealing the old Formosa resolution. As the report stated:

> In the Committee's view, recent Congressional action in enacting war powers legislation renders the case for repeal of the Formosa resolution even more cogent. . . .

The committee and the 93d Congress knew that under the war powers resolution there is ample opportunity for the President to use U.S. combat troops abroad without the added incentive and authorization contained in a resolution like the one being submitted today.

No one has said that a serious threat exists today to the security of Taiwan. Indeed, because of normalization, for the first time in years the People's Republic of China has stopped shelling the offshore islands claimed by Taiwan.

If trouble begins to brew between China and Taiwan, there will be ample time for a future President to take whatever steps are required—either by requesting specific authority from Congress or pursuant to the war powers resolution. There is no reason for the 96th Congress to give some future President a blank check to meet circumstances that cannot even be darkly guessed today.

WHAT THE AMERICAN PEOPLE WANT

Last year, just 8 months ago, I asked my constituents the following question in my annual survey of district opinion:

> The United States currently has a defense treaty with Taiwan (the Republic of China). If Taiwan is attacked militarily by communists from the mainland (the People's Republic of China), what should the U.S. do?

Of the more than 16,000 who responded to that question, only 3,489—just 16 percent—felt that the United States should honor its defense treaty by sending U.S. air, sea, or ground forces to Taiwan. In fact, more people—4,826 or 21 percent—responded that we should do "nothing." The vast majority of my constituents—63 percent—replied that the United States should restrict itself to sending economic and military supplies. The vast majority rejected the suggestion that we send our armed forces, despite the requirements of the treaty and even in the event of overt aggression. Had there been no treaty, had I suggested that a guerrilla uprising and not an invasion might be the cause of our troops being sent to Taiwan, who can doubt that almost no one would have favored that course of action?

I cannot believe that the people of my congressional district are any different than Americans everywhere.●

FORMER REPRESENTATIVE JOHN R. PILLION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 15 minutes.

● Mr. KEMP. Mr. Speaker, I was saddened to learn during the adjournment period of the death of a distinguished former Member of the House, John Pillion of New York.

John represented the congressional district in western New York which I now have the honor to serve. He represented it very well during his 12 years in the House, from 1953 to 1965.

John was highly respected and well liked by both his constituents and his colleagues. His constituents knew of his diligence in serving their and the national interests. His colleagues knew and appreciated his commitment to freedom—he was an implacable foe of communism, calling it our mortal enemy, constitutional principles of government and law, and his struggle to maintain the integrity of the dollar. John sponsored the resolution which added "Under God" to our pledge of allegiance.

He came to Congress well prepared. He had studied engineering at Cornell. He was an attorney and had practiced in the depths of the Great Depression. He was a fruit and vegetable farmer and the president and treasurer of a major warehousing corporation. He had served in local government, that closest to the people, first as a city court judge, then as the city of Lackawanna's corporation counsel and tax attorney. He had served as a State assemblyman for 12 years. He had an accurate perception of the broad issues directly effecting all the people, therefore—blue collar, farmers, professionals, State and local government officials.

John resumed the practice of law in 1965, and although he was in declining health in later years, he was a source of valuable counsel to me as I entered Congress in 1970. His advice was sought not only by me, serving in what had once been his congressional seat, but also by other public officials, many of them national. I remember then-Vice President Gerald Ford making a special trip to see John when he was in the area.

My sympathy and that of my family is extended to John's daughter, Mrs. Thomas F. Kelly, and to his grandson.

I wish to enter for the RECORD both an obituary from one of the newspapers in his former congressional district, as well as his official biography from the "Biographical Directory of the American Congress, 1774-1971":

RITES HELD FOR FORMER CONGRESSMAN

Services were held this morning in the Magya Presbyterian Church, Lackawanna, following prayers in Colonial Memorial Chapel for former U.S. Rep. John R. Pillion, who represented the old 39th Congressional District here from 1952 until 1964. Mr. Pillion, 74, died last Sunday following a prolonged illness.

A lawyer, state assemblyman, and businessman, Mr. Pillion was a force in area Republican politics for over three decades. He was an implacable foe of communism in all its guises, terming it "our mortal enemy."

Mr. Pillion entered public life in 1932 as a Lackawanna City Court Judge. He served in the State Assembly from 1940 to 1952 when he was elected to Congress.

A native of Conneaut, Ohio, he moved to Lackawanna as a boy and remained there as corporation counsel after his graduation from Cornell University Law School.

His anti-communism was matched only by his religious zeal. As a Congressman, he cosponsored legislation that added the words "under God" to the Pledge of Allegiance.

Mr. Pillion's wife, the former Charlotte J. Reese, died on May 26, 1970.

He is survived by a daughter, Mrs. Thomas F. Kelly and one grandson.

BIOGRAPHY

John Raymond Pillion a Representative from New York; born in Conneaut, Ashtabula County, Ohio, August 10, 1904; moved to Lackawanna, N.Y., in 1907; attended the public schools of Lackawanna, South Park High School at Buffalo, and Cornell School of Engineering; graduated from Cornell University, LL. B., 1927; was admitted to the bar in 1928 and commenced practice of law in Lackawanna, N.Y., in 1929; served as city court judge 1932–36; corporation counsel and tax attorney, city of Lackawanna, 1936–41; president and treasurer of Bison Storage & Warehouse Corp., Buffalo, N.Y., 1945–1953; operator of a fruit and vegetable farm in Niagara County since 1935; member of the State assembly 1941–1950; elected as a Republican to the Eighty-third and to the five succeeding Congresses (January 3, 1953–January 3, 1965); unsuccessful candidate for reelection in 1964 to the Eighty-ninth Congress; resumed the practice of law; is a resident of Lake View, N.Y.

A former Member who served with John has communicated with me in paying tribute to him and to his service, and I now wish to make that a matter of the permanent record of this institution to which he gave so very much of his life.

STATEMENT OF HON. HOWARD W. ROBISON, FORMER MEMBER OF CONGRESS, NEW YORK

I regret receiving word of the death of John Pillion—with whom it was my pleasure to serve in the House from 1958 to 1964.

In an era when the pattern is one of an unusually rapid turnover in House membership, few of those presently serving in the House of Representatives will remember John Pillion. But those of us who were privileged to know, and to work with, this burly but gentle man, who was at once as affable as he could be blunt, remember him with fondness and lasting respect.

John Raymond Pillion was born in Ohio, moved to Lackawanna, New York, as a youth, attended public schools there and then matriculated to Cornell University from which he obtained his law degree in 1927. Thereafter, he practiced law in Lackawanna, and also operated a fruit and vegetable farm in Niagara County and, after several terms in the New York State Assembly, was elected to the 83rd Congress.

As a member of the House, John was as straight-forward a colleague as one could ask for; a staunch conservative whose reputation for fiscal responsibility soon earned him a seat on the House Appropriations Committee, where he became as hard and devoted a worker as that Committee has ever enjoyed. But John, nevertheless, always had time for his younger colleagues, such as myself, encouraging them to understand and appreciate the nature of their responsibilities, and setting a high standard of service for them to attempt to follow.

Regrettably, he failed of reelection—as did so many Republicans—in 1964, an event he took with good grace and, as chance would have it, it became my lot to succeed him on the Appropriations Committee and on the same two subcommittees thereof on which he had served. I like to think that this pleased John and if, thereafter, my own standards for service to that Committee were acceptable, in large part that would have been because of the example he had set for me.

As I have said, I am sorry to hear of his death. He was a good man, a solid man, a true patriot, and an outstanding Congressman. Those of us who were privileged to call him "friend", will miss him and mourn his passing.

Mrs. Robison joins me in extending our sympathy to his surviving relatives, even as we are grateful to the Hon. Jack Kemp for making it possible to join in this tribute to the memory of John Pillion.●

● Mr. CONABLE. Mr. Speaker, I wish to join with my colleagues today in noting the passing last month of a former Member of the House from western New York, John R. Pillion of Lackawanna, at the age of 74. Congressman Pillion was first elected to the House in 1952 and served here for 12 years. He held strongly conservative views of the role of government and was particularly vigorous in opposing infiltration and expansionism by Communist organizations and governments. In 1960 he was honored by the United Anti-Communist Action Committee of Western New York for his strong anti-Communist activities.

A graduate of Cornell Law School, Congressman Pillion brought to his position the invaluable perspectives developed from wide experience in farming, business, and all levels of government. He operated a fruit and vegetable farm, a warehouse business, and began public life as a Lackawanna City Court Judge in 1932. Mr. Pillion served for another 12 years in the New York State Assembly before his election to Congress.

Representative John Pillion was a strong spokesman for the people of his district and represented their interests commendably in the Nation's legislature. His passing was mourned by those he served.●

Mr. KEMP. Mr. Speaker, I ask unanimous consent that Members may have 5 legislative days in which to include their remarks in the RECORD under this special order.

CHICAGO'S LOW-INTEREST MORTGAGE PROGRAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, the United States has come a long way from the age when businesses reigned freely over this land with the consent of the Government and with little regard for the well-being of many Americans. In recent years, however, an antagonistic relationship between the Government and the private sector has developed as lawmakers and bureaucrats have expanded their regulation of business practices. Signs are now pointing to a new, cooperative relationship between these two sectors, and one major beneficiary may be America's cities.

One of the foremost problems confronting cities today is the rapid erosion of their tax base as middle-income families escape to the suburbs. Since local taxes are the lifeblood of the cities, reduced revenues spells disaster for the Nation's urban areas. At least one city has decided that it will not wait for the Federal Government to bail it out, and has stepped ahead to begin a program which in some small measure may improve its condition and serve as a model for others in this country.

In Chicago, the city government, in a joint effort with local banks, has initiated a mortgage financing plan which is designed to attract people to the city, and entice those already there to remain. The program, begun last year, has already provided over 2,000 low interest mortgages, mostly to middle-income families. The city's mayor, Michael Bilandic, recently announced a similar program for the coming year. Financing will come jointly from the sale of $150 million in tax exempt bonds, and funds provided by Chicago's participating financial institutions. The city has invited over 400 lenders to join the program. Each participating institution will be required to provide 10 percent of the mortgage money. This shared funding system will increase the number of loans which the city can offer to local citizens.

Under the plan, mortgages will be offered both to suburbanites moving into the city, and to current inhabitants moving within the city or remodeling their present homes. These loans are offered at interest rates 1 to 2 percent below current market rates for mortgages. In order to insure that these low-cost loans go to those most in need of them, the city will require that 85 percent of the approved mortgages must be reserved for families with incomes falling below $30,000 annually. The rest will be available to families with incomes of up to $40,000 per year.

Although only a small step toward arresting the decline of America's cities, the Chicago plan is an important one. It shows that, by shedding antagonism and working together, local businesses and Government can bring our cities back to life—without the aid or supervision of the Washington bureaucracy.●

CIGARETTE ADVERTISING SHOULD NOT BE A TAX DEDUCTIBLE BUSINESS EXPENSE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. KASTENMEIER) is recognized for 5 minutes.

● Mr. KASTENMEIER. Mr. Speaker, the recent report to the Congress on smoking and health, issued by the U.S. Surgeon General, once more served to remind us of the overwhelming evidence linking cigarette smoking with cancer, heart disease, bronchial diseases, and a host of other illnesses.

Several years ago, in 1971, Congress took steps to limit the powerful appeal of cigarette smoking. Cigarette packs now carry a health warning label, and cigarette advertisements are banned from radio and television. These efforts to curtail smoking, however, have not succeeded as well as many of us originally had hoped.

The $15 billion tobacco industry has successfully weathered and neutralized the restraints placed upon it, and it continues to prosper. The industry has engaged in an expensive and extensive propaganda campaign emphasizing, particularly to young people, what it considers to be the virtues of smoking. In 1977, about $404 million was spent on advertising cigarettes through newspapers, magazines, billboards, point-of-sales promotions and the promotion of various sporting events. We have witnessed multimillion-dollar media blitzes on the launching of new brand names. In 1977, Philip Morris spent an estimated $40 million to introduce Merit. R. J. Reynolds undertook what was said to be the biggest marketing campaign in the history of consumer packaged goods when it announced its new brand, Real. About $40 million was earmarked for a 6-month Real campaign in 1977. As described in a New York Times article—

> The money is buying 130 boxcar loads of display materials, more than 25 million free sample packages, the biggest billboard overlooking Times Square, the summer-long services of more than 2,000 salesmen, who will be calling on the nation's 360,000 retail stores that sell tobacco, and advertisements, according to the agency running the campaign, on everything but painted rocks.

The industry has been successful in its promotional efforts. Last year, Americans smoked more than 620 billion cigarettes.

It has long been recognized that America's advertisers have the reputation of being able to package and sell any product. However, I do not believe that the cigarette industry should be left entirely free to sell ill health and early death to the American people. While the advertising dollar tax exemption is extended to all businesses, the harmful and deadly effects of cigarettes should disqualify the tobacco industry from enjoying this tax privilege.

Mr. Speaker, the time has come for our society and Government to place a higher priority on protecting the health of the public rather than on promoting the profits of the cigarette industry. In order to minimize the promotion of hazards to the health of the American people, particularly young people, I am introducing legislation today to amend the Internal Revenue Code of 1954 by removing cigarette advertising as a deductible business expense.●

DEPARTMENT OF STATE: CONSOLIDATION OF WESTERN HEMISPHERIC AFFAIRS FROM ARCTIC TO ANTARCTIC STRESSED BY DIPLOMATIC FAILURE AT PANAMA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. FLOOD) is recognized for 5 minutes.

● Mr. FLOOD. Mr. Speaker, over a period of many years one of my major interests in the Congress has been the fostering of better relations between the United States and other nations of the Western Hemisphere, especially those of Latin America.

The 1977 Congressional Directory, in addition to the Secretary of State, lists a Deputy Secretary, three Under Secretaries, and twelve Assistance Secretaries of State.

The jurisdiction of the Assistant Secretary of State for Inter-American Affairs has cognizance over all of South America, a large part of North America south of the Rio Grande, and the Caribbean. It does not include Canada, which great country comes under the Assistant Secretary for European Affairs, even though Canada is not a part of Europe and, since the 1931 Statute of Westminster, has been an independent nation.

In view of the rapidly evolving world situation and the growing importance of the entire Western Hemisphere for the security of the United States and the defense of Western civilization, the time is long overdue for a demonstration of leadership by the United States in the Western Hemisphere from the Arctic to the Antarctic. This vast area will include Canada, the Caribbean-Gulf of Mexico Basin countries and those of the Central American Isthmus.

As an important major step in this direction and as part of the current reorganization planning for the U.S. Government, I would urge the statutory increase by the Congress of the rank of the Assistant Secretary for Inter-American Affairs to that of Deputy Secretary for the Americas reporting directly to the Secretary of State. The rising criticism by the people of our country of the projected ill-advised 1977–78 treaties for the Panama Canal and Canal Zone to a Soviet puppet stresses the need for such strengthening of the Department of State to prevent new diplomatic blunders.

Mr. Speaker, to implement the indicated proposal, I have introduced the following measure:

H.R. 339

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "American Foreign Affairs Western Hemispheric Act".

It is the policy of Congress that, to foster and develop a consistent and comprehensive foreign policy, the foreign affairs agencies should recognize the uniqueness of relations which bind the United States of America to other countries and territories located geographically with it in the Western Hemisphere of the world. Known collectively as the Americas, these countries and territories extend from the Arctic to the Antarctic and are bound uniquely to one another.

Taking into account this situation, it is the sense of Congress that there should be located in the Department of State a Deputy Secretary for the Americas, responsible directly only to the Secretary of State.

SEC. 2. (a) For the reasons given in section 1 of this Act, the first section of the Act of May 26, 1949, as amended (22 U.S.C. 2652), is amended to read as follows: "That there shall be in the Department of State, in addition to the Secretary of State, a Deputy Secretary of State, a Deputy Secretary of State for the Americas, an Under Secretary of State for Political Affairs, an Under Secretary of State for Economic Affairs, an Under Secretary of State for Security Assistance, a Deputy Under Secretary of State for Management, and eleven Assistant Secretaries of State.

(b) The Deputy Secretary of State for the Americas shall answer directly to the Secretary of State, and to the Deputy Secretary of State only when the latter is acting as Acting Secretary of State; in the absence of the Secretary of State and the Deputy Secretary of State, the Deputy Secretary of State for the Americas shall act as Acting Secretary of State."

(c) This Act shall come into force immediately upon enactment.●

UNIVERSAL COVERAGE FOR SOCIAL SECURITY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. LEVITAS) is recognized for 5 minutes.

● Mr. LEVITAS. Mr. Speaker, I plan to reintroduce legislation that would require Members of Congress and employees of the legislative and executive branches of the Federal Government to participate in the social security program.

Not all citizens outside of the Federal Government realize that most Federal employees do not participate at all in social security, and when they do become aware of this fact, their first question, logically enough, is: If the social security system is such a wonderful program, why do not Federal employees and those in Congress—which, after all, was the originator of the system and is now responsible for making desirable changes in it—participate in social security and come under its coverage? Is their own retirement system better and more beneficial?

It seems rather strange that the social security system, which supposedly is good enough to cover 100 million working Americans at the present time, is apparently not good enough for Congress or even for the Commissioner of Social Security himself.

The confidence of the American public in the future viability of the social security system is already rapidly evaporating, as evidenced by the fact that more than 200 local and State governments in the country have relinquished their membership, which is voluntary, in the system, and well over 200 others are now in the 2-year process of doing so.

We cannot let the commitment of the 95th Congress to improve social security falter or fail, because of a lack of concern or inaction on the part of the President and this Congress. And I can think of no better way for those of us who serve in Congress to demonstrate that we fully recognize this commitment and that we are totally resolved to carry it out than by placing ourselves under mandatory participation in the social security system, and thereby tying our own personal finances into the future of a program which already directly affects two-thirds of the country's population—100 million—because they are paying into the system, and 32 million, because they are receiving monthly benefits from it. It is our responsibility to take decisive action, because the wheels of change have already been set in motion in the Social Security Amendments of 1977. The legislation calls for an extensive study on universal coverage which is due by December 1979. Certainly, we must be prepared to respond.

I believe required participation in the system by Members of Congress and other Federal employees would go a long way toward sensitizing the Congress and the executive branch as to what must be done.

After all, if the present system is so good, why should not we all pay for it and benefit from it? On that basis alone, I would confidently anticipate speedy and overwhelming passage of this legislation so that U.S. Representatives and Senators would be able to avail themselves of the social security system's present advantages and opportunities, providing, of course, that Members of Congress really do think that the program as it now exists is a good investment to make for one's future.

On the other hand, if enthusiastic congressional support for this legislation does not materialize after all, we should in all fairness explain to our constituents just why what is good enough for them is not good enough for us. We can certainly be quite confident that such an explanation will be requested, if not demanded, by our constituents. And if it is sought by enough people, the only justifiable and defensible response we can give will be to enact either this bill or the necessary remedial legislation.

In sum, I believe that all of us in the Congress will have more incentive promptly to improve the social security system if we ourselves become part of it.●

TRADE ADJUSTMENT ASSISTANCE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 5 minutes.

● Mr. VANIK. Mr. Speaker, I am introducing a bill today to improve the operation and effectiveness of trade adjustment assistance programs for workers and firms under the Trade Act of 1974. Except for technical changes, the bill is the same as H.R. 11711 passed by the House last session. That bill also passed the Senate with some amendments, but nongermane amendments were not reconciled in the closing hours before Congress adjourned.

Congress first established a trade adjustment assistance program under the Trade Expansion Act of 1962 for workers and firm dislocated by Federal policies to encourage increased foreign trade. The Trade Act of 1974 made substantial improvements in these programs.

However, during hearings and oversight activity last Congress, the Subcommittee on Trade of the Committee on Ways and Means became aware of many legislative and administrative inadequacies in the programs and proposals for improvement brought to its attention by labor unions, industry associations, individual workers and firms, and Members of Congress.

The bill I am introducing today addresses the most common of these complaints. It extends adjustment assistance coverage to certain workers and firms which supply component parts on other articles or services essential to the production, transport, or storage of import-impacted articles, to workers laid off from import-impacted firms in situations involving exercise of labor union seniority rights, and to workers employed a minimum of 40 of the 104 weeks immediately preceding their layoff with one or more import-impacted firms. Benefits would become available retroactively to workers laid off prior to November 1977 who were unaware of the 1-year time limit under the Trade Act program for filing petitions following layoff.

The bill extends benefit periods an additional 26 weeks, up to a maximum of 104 weeks, to enable workers to complete training and until older workers age 60 or over reach social security age. Job search and relocation allowances for workers are increased and the application period for these benefits extended. Demonstration projects would be established in trade-impacted areas to test vouchers as an alternative method to encourage worker retraining as an economic adjustment measure.

The bill expands substantially technical and financial assistance benefits to import-impacted firms. It provides precertification technical assistance to help firms prepare their petitions, requires provision of technical assistance to firms unable to prepare their economic adjustment plans without outside help, and raises the ceiling on the Government share of the cost of technical assistance from 75 to 90 percent. On financial assistance, the bill lowers the interest rate on direct loans, raises the present ceiling on direct loans from $1 to $3 million, and the limit on loan guarantees from $3 to $5 million, and authorizes interest rate subsidies to reduce interest paid by borrowers on guaranteed loans to rates comparable with direct loans.

The bill also contains provisions to accelerate the certification process and benefit delivery by improving procedures and coordination among the administering agencies.

The bill reflects the concern that adjustment assistance programs provide an effective response to the economic dislocations that increased imports can bring to certain segments of our society and a more viable alternative to increased import restrictions.

Congress has previously determined that trade adjustment assistance is a vital part of a balanced trade policy. Now the Congress and the executive branch have an obligation to make this program effective, based on our experience since passage of the Trade Act of 1974. This purpose is all the more important as the multilateral trade negotiations in Geneva draw to a close and Congress considers legislation this year to implement their results. The bill strikes a balance of addressing some of the most serious criticisms of the program, while recognizing that all of the problems of economic adjustment cannot be solved within reasonable budgetary limits.

I strongly urge the Members of the House to join me in support of this important piece of legislation.●

THE SUPPLEMENTAL STATE OF THE UNION — MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 96-44)

The SPEAKER pro tempore (Mr. ANDREWS of North Carolina) laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee of the Whole House on the State of the Union, and ordered to be printed:

To the Congress of the United States:

My State of the Union Address was devoted to what I believe are the highest priorities facing our Nation in 1979 as we seek to build a new foundation at home and abroad.

However, my Administration's time and effort this year will also be focused on a significant number of other important initiatives and goals. I am sending this State of the Union Message so that the Members of the 96th Congress are presented with a full picture of my basic legislative program in domestic and foreign affairs for the year.

Over the past two years, my Administration has developed a very cooperative relationship with the Congress. That relationship not only resulted in the extraordinarily productive record of the 95th Congress, but will provide the foundation for a renewed sense of trust and confidence by the American people in their government.

We have an enviable record to match. But with your help, the 96th Congress can meet this challenge. My Administration and I are eager to help in the effort.

Our basic goals will be to continue working with you to build solid foundations for the next century—a solid economic foundation of stable prices and continued growth—a solid foundation for a more efficient, less intrusive Federal government—a solid foundation for world peace and American security.

FOUNDATION FOR PROGRESS

When I took office two years ago, the country faced serious domestic problems:

- —the economy had not recovered from a recession;
- —unemployment was intolerably high at 7.8%, with 7¾ million Americans out of work;
- —the Nation had no sound energy policy and oil imports were rising rapidly;
- —the Federal government was operating inefficiently in numerous vital areas;
- —trust in the openness and integrity of the government was low;
- —major social problems were being ignored or inadequately addressed by the Federal government.

In the ensuing two years, we have tackled these problems head-on. While problems cannot be solved overnight, real progress has been made:

- —the economy has strengthened—real Gross National Product has increased 10% and real disposable personal income has increased 8.9%;
- —the unemployment rate has decreased by 25% since my election,

from nearly 8% to 5.9%; 7.3 million new jobs have been created; total employment has reached a record of 95.9 million;

—a comprehensive national energy policy has been enacted and a Department of Energy created to help implement it;

—the first major reform of Civil Service System in nearly a century was enacted; 6 reorganization plans have been approved and implemented; the Federal paperwork burden has been reduced by 10%; inspectors general are being placed in departments and agencies to help root out fraud and abuse; zero-based budgeting practices have been instituted throughout the government; several hundred million dollars have been saved through sound cash management reforms; regulations are being written in simple English, and a Regulatory Council has been established to develop the Nation's first regulatory calendar and agenda;

—a renewed sense of confidence and faith in the government is gradually being restored;

—long-ignored domestic problems have been attacked aggressively: the Nation's first urban policy was developed and its implementation begun; the Social Security System was refinanced to assure its long run solvency; the Humphrey-Hawkins Full Employment Act was passed; aid to education has been expanded by 50%; and a welfare reform program was developed and debated in Congress and will serve as a foundation for our efforts this year to overhaul the welfare system;

—cumbersome regulatory apparatus which deters competition in our economy was dismantled by the deregulation of the airline industry.

DOMESTIC POLICY PRIORITIES

Over the next year, our domestic program will concentrate on further developing a new foundation for progress in each of several areas:

—restraining inflation, while continuing to pursue our employment and other economic and budgetary goals;

—making government more efficient and effective;

—enhancing basic human and social needs;

—protecting and enhancing our rights and liberties; and

—preserving and developing our natural resources.

INFLATION

My Administration's major domestic priority is to reduce the rate of inflation, while maintaining economic growth. That is clearly the major domestic concern of the American people, and it is the problem they are looking to us to help solve. Inflation places a cruel burden on the poor and on those on fixed incomes. It serves as a disincentive to investment. It threatens our continued economic growth and job creation. This is more than an economic challenge. Inflation is the persistent, historic enemy of a free society. It saps our confidence and faith in the future. It undermines our trust.

I am determined to meet the challenge now before us. Last October I announced an anti-inflation program which can aid significantly in the effort to reduce inflation. It is a tough and responsible voluntary program.

Throughout this year, we will be working to implement our anti-inflation program. Part of the program requires new legislation, and we intend to work closely with you in developing and enacting that legislation.

The effort to reduce inflation will be one of the most difficult battles our government has undertaken in many years. But it is not a battle we can afford to lose. Government cannot solve the problem of inflation alone. But we can and must lead the way. With your cooperation, we can and will win.

THE 1980 BUDGET

In announcing my anti-inflation program last year, I made a commitment to the American people to reduce the budget deficit for fiscal year 1980 to $30 billion or less. The budget I submitted to the Congress honors that commitment. The FY '80 budget projects a deficit of $29 billion, which is less than half the deficit the Nation had when I ran for office and represents the smallest budget deficit in the last six fiscal years.

The FY '80 budget has $531.6 billion in projected budget outlays, which is an increase of only 7.7% above the previous year. That is the smallest annual increase in Federal spending in the last seven years.

The $531.6 billion spending total also means that we will be meeting my goal of reducing Federal spending to about 21% of Gross National Product one year ahead of schedule.

The decisions I had to make in restraining spending were difficult. But if we are to succeed in breaking the back of inflation, Federal spending must be restrained to set an example for the private sector. If there were easier solutions, they would have been taken by now.

Finally, I want to emphasize that my FY '80 budget does *not* neglect the basic needs of the disadvantaged, the poor, and the unemployed. For instance, the budget will provide $4.5 billion in increased assistance to the poor. It also will provide a total of $11.2 billion for adult and youth employment and training programs, which will be especially targeted to the disadvantaged and long-term unemployed. Moreover there are significant increases for education programs for the disadvantaged and a new fiscal assistance program for our Nation's cities.

In short, this budget *is* austere, but it also maintains our commitment to help those in our country who most need it.

HOSPITAL COST CONTAINMENT

One of my highest legislative priorities for this year is hospital cost containment. It will be one of the clearest tests of the seriousness of the Congress in dealing with the problem of inflation. Clearly the most inflationary part of health care costs in recent years has been in the hospital industry. Last year, hospital charges grew at the rate of about 13 percent. Experience in several States has shown that through programs such as the one I will propose, hospitals can save money and reduce costs through sound cost containment practices. I expect to shortly propose hospital cost containment legislation which will build on the proposal passed last year by the Senate.

REAL WAGE INSURANCE

I have proposed to the Congress a real wage insurance program to protect employee groups that comply with the 7% voluntary wage standard against losses in purchasing power if inflation exceeds 7%. If inflation exceeds 7%, these employees will receive a tax refund equal to their 1979 income up to $20,000 times the difference between the actual inflation rate (up to 10%) and 7%. This program will give workers a strong economic incentive to cooperate with the voluntary pay standards I have established, thereby helping to break the wage/price spiral that is at the root of the current persistent inflation.

This is a novel approach to the inflation problem. The persistence of high inflation for the past ten years makes it clear that now solutions are needed. Innovative approaches must be added to the arsenal if we are to break the back of inflation. Real wage insurance represents the type of innovative approach which is required: it will provide a significant tax benefit for those working people who participate in helping to reduce the inflationary cycle, but without raising taxes for anyone else.

My administration intends to work very closely with Congress in developing and enacting a real wage insurance law.

VOLUNTARY PAY AND PRICE STANDARDS

It is vital that our program of voluntary pay-price standards succeed. At stake is the reduced rate of inflation that all Americans demand and deserve. The cooperation of business and labor is obviously essential, and we have already had clear evidence of their willingness to join in this effort. I have already received assurance from over 200 of the Nation's largest corporations that they will comply with the standards. And just recently the Oil, Chemical, and Atomic Workers Union reached agreement on a contract with the major refineries that met the pay standards.

Throughout this year the pay and price standards will continually be tested. Your cooperation in encouraging voluntary compliance can help ensure the standards' success. The administration will keep the Congress fully informed and involved as we work to implement this program.

STATE AND LOCAL GOVERNMENTS

If we are to succeed in our anti-inflation efforts, the cooperation and active participation of State and local governments is essential. We will soon announce, a program which actively involves the Governors, Mayors, County Executives, and other local officials in a comprehensive approach to restrain inflationary pressures within their control.

THE NECESSITIES

In recent years, the greatest inflationary burden on the working men and women has involved necessities of life—food, energy, housing, and medical care. An effective anti-inflation program must involve a series of concerted attacks on the sources of rising prices in these vital sectors.

In each of these areas, the Administration has established task forces to identify existing government policies that unreasonably inflate prices, and to suggest actions that can be taken, at both national and local levels, to combat inflation. In these efforts we will work directly with Congress, State and local governments, and consumer groups.

MULTILATERAL TRADE NEGOTIATIONS (MTN)

I have already notified the Congress that we expect to sign and submit for Congressional approval a set of trade agreements which we will reach in the Tokyo Round of the Multilateral Trade Negotiations. With these agreements, we expect to achieve major reductions in tariff and nontariff barriers to international trade. These agreements will:

—lead to increased opportunities for U.S. exports;

—ensure that import competition is fair; and

—result in lower prices, increased competition, and greater prosperity for the American people.

Passage of the MTN will be one of my highest legislative priorities this year. It is critical to the health of our domestic and of the world economy.

COUNTERVAILING DUTIES

I have recently sent to the Congress a message urging prompt passage of legislation permitting the waiver of the imposition of countervailing duties on certain imported products. Passage is essential to the successful completion of the Multilateral Trade Negotiations, and, therefore, should be one of Congress' highest priorities at the beginning of this session.

EXPORTS

The United States has entered a period where export growth is essential to improve our balance of payments, strengthen the dollar, and thereby help reduce inflationary pressures. To do this, both the private sector and the Federal government must place a higher priority on exports.

With the National Export Policy I announced last year, we are moving to meet this need. First, we are working to reduce domestic barriers to exports so that exporters are not stifled by excessive governmental regulation. Second, we are providing further incentives in the form of better export financing and better government export development programs. Third, we are working with our trading partners in the Multilateral Trade Negotiations to reduce foreign barriers to our exports and to secure a fairer international trading system for all exporters.

These actions should expand our exports in 1979 and help us move toward a reduced trade deficit, although they will not cure our serious balance of trade difficulties overnight. They are the first steps in an essential, long-term effort to strengthen the U.S. position in world trade, while reaffirming the Nation's commitment to maintain an open world trading system and to resist protectionism.

COUNCIL ON WAGE AND PRICE STABILITY

The Council on Wage and Price Stability is playing a vital role in our anti-inflation efforts. The Council and its staff have the lead responsibility within the Executive Branch for implementing the voluntary wage and price standards that I have announced. Without the Council's continuing role, the anti-inflation effort would have a very slim chance of succeeding.

I therefore believe it is essential that the Council, along with its staff operation, be reauthorized early this year with the additional staff I will request to handle the enormous volume of work under my anti-inflation program. The reauthorization should not contain amendments that interrupt or restrain the necessary work of the Council or its staff.

EMPLOYMENT

The Administration, working closely with Congress, has made significant progress over the last two years in reducing unemployment and creating new jobs:

—the December unemployment rate of 5.9% represents almost a 25% reduction from the December, 1976 rate.

—7.3 million more people have jobs than they did before the beginning of the Administration. This increase exceeds the employment growth in any other two-year period since World War II.

—Total employment has reached an all-time high of 95.9 million.

—Over the past two years black employment is up by 12%, and black teenage employment is up by 19.7%; adult female employment has increased by 10.5%; teenage employment overall has increased by 11%. Although progress has been made, unemployment remains unacceptably high for these groups. And in inner-city areas unemployment remains much too high for all workers.

Last year, which ended with the lowest unemployment rate in 3 years, a framework for continued progress into the next decade was established:

—the Comprehensive Employment and Training Act (CETA) was reauthorized at high levels for four more years;

—the Humphrey-Hawkins Full Employment Act became law after many years of effort;

—the Administration's demonstration youth programs were extended for two more years;

—a new partnership between the government and the private sector to assist the unemployed was approved by Congress with the passage of a new Title 7 of CETA—the Private Sector Initiatives Program; the targeted jobs tax credit, to encourage private employees to hire our poor young people and others who are hard to employ; and an expanded tax credit for mothers on welfare.

In 1979 this framework will help us continue to improve the employment prospects for America's workers. We especially want to improve the targeting of job creation programs to those who most need these opportunities and to improve the quality of the training and employment assistance for the poor, blacks, Hispanics, youth and women.

We expect to achieve these goals through a number of actions:

First, we will continue working toward achievement of the Humphrey-Hawkins Full Employment Act goals. We will provide an average of 546,000 CETA public jobs, and shift many of them to the long-term or "structurally" unemployed. We will continue to search for the most promising ways to reduce the structural unemployment that denies many the opportunity for full participation in American life.

Second, we will begin implementing the new Private Sector programs, including establishment of Private Industry Councils in communities throughout the country, to encourage business to hire the hard-core unemployed. I am proposing to Congress that this effort be supported at a level of $400 million this year.

Third, we will continue our special efforts to provide jobs and training programs for young workers in cooperation with community-based organizations and the private sector. We must meet our responsibility to provide opportunities for young Americans to learn to work.

Fourth, we will take steps to improve the management and delivery of employment and training services. I will seek a reform of the Wagner-Peyser Act, which authorizes the U.S. Employment Service, to integrate that program more effectively into our employment and training system. My Administration will also implement the CETA amendments, which establish practices and procedures to improve the quality of programs, provide better management and prevent fraud and abuse.

MAKING GOVERNMENT MORE EFFICIENT AND EFFECTIVE

The American people are demanding a Federal government which is effective and efficient. For the past two years, I have worked toward that goal by reorganizing and reforming the government's operation and by uncovering and removing fraud, waste and abuse. Real progress has been made. But the government is still not operating as competently as I want or the American people deserve. In 1979, we must build on the base of the last two years to provide our people with the type of government they deserve. Your help in this effort is essential. We have already begun to build a new foundation of government efficiency and we will do more in the year ahead.

REORGANIZATION

We have begun to reorganize the government through the creation of a Cabinet-level Department of Energy and the changes resulting from the six reorganization plans approved by Congress over the past two years. Those plans helped to reshape and improve the operation of the Executive Office of the President, the international cultural and communications agencies, emergency preparedness agencies, the equal employment opportunity enforcement agencies, the Civil Service Commission, and the administration of the Employee Retirement Income Security Act.

I will again propose to the Congress that a Cabinet-level Department of Education be created. This will be a very high priority of this Administration. Education issues deserve far more attention and more accountable management than they can receive in a department as large and complex as HEW. The department would provide a Cabinet-level official devoting full-time attention to education and reporting directly to me. It will also enable the Federal government to be a more responsive and reliable partner with States, localities, and private institutions which have primary responsibility for education.

I will also be proposing to Congress reorganization plans involving economic development and the management of our natural resources development, and will intensively study possible reorganizations in the areas of surface transportation, the Selective Service system and the Alaska natural gas pipeline. The natural resources and economic development reorganizations involve areas where overlap, duplication and unclear authority have hamstrung our efforts. Reorganization here can save money and people. We will be consulting closely with Congress over the next several weeks before submitting these reorganization plans.

REGULATORY REFORM

Last year we took major steps toward reform of the Federal regulatory system, ranging from improved regulation writing to saving hundreds of millions of dollars through improved cash management techniques. The dramatic reductions in airline prices that occurred when Congress joined with us to lift the heavy hand of Federal regulation illustrate the advantages of letting the competitive market, rather than government, control industry performance. The public will benefit similarly through improved service, increased competition, and lower Federal expenditures, if we reform Federal regulation of surface transportation. I will send to Congress shortly a Surface Transportation Reform Message dealing with the rail, inter-city bus, and trucking industries.

In 1978 I used my authority as Chief Executive to improve the management of the Federal regulatory process. I issued Executive Order 12044, setting standards to ensure that each Executive Branch regulatory agency facilitates public participation and avoids needless costs. A regulatory analysis program was established under an inter-agency Regulatory Analysis Review Group to help ensure that major new regulations are as cost-effective as possible. The Executive Order also established procedures for all Executive Branch agencies to conduct sunset reviews to reevaluate outdated regulations and remove them from the books wherever warranted. Finally, I created a Regulatory Council composed of the Executive Branch regulatory agencies, with voluntary participation by independent agencies, to develop a calendar of all major Federal regulations to be issued or proposed in 1979. The Nation's first Regulatory Calendar will be published next month and will be used to eliminate duplication, overlap, and inconsistent practices.

This year I will propose to Congress a number of legislative actions that can be taken to improve the regulatory process. They will include improvements in specific regulatory programs, as well as a Regulatory Reform Act so that no regulation can be issued unless it is genuinely required, and unless it gets the job done with maximum efficiency and minimum paperwork, costs, and other burdens.

The quality of regulations can also be improved by providing opportunities for all interested parties to participate in regulatory proceedings. Public involvement should be enhanced by providing financial assistance to those whose participation is limited by their economic circumstances. While many agencies have inherent authority to fund participation, we will seek legislation to specifically authorize these programs.

While I will propose a wide-ranging legislative program, I will continue to oppose the legislative veto. This approach is unconstitutional; it increases uncertainty and delay; and it deflects attention from the real solutions.

None of our actions in this area will be taken at the expense of my deep personal commitment to protect health and safety in the environment, the workplace, the highway, and consumer products; and to prevent deception and unfairness to consumers. My regulatory reform program will help make needed programs work better, cost less, and gain support among all sectors of our society.

CIVIL SERVICE AND PAY REFORM

Enactment of the Civil Service Reform Act of 1978 by the 95th Congress represented one of the finest examples of cooperation between the Legislative and Executive Branches in recent times. That effort showed a determination to respond to the clear public desire to improve the management of the Federal bureaucracy. Implementation of the Reform Act is well under way. The Office of Personnel Management, the Merit System Protection Board, and the Federal Labor Relations Authority authorized by the Act have been established. In addition, the heads of the Federal departments and agencies have moved promptly to implement the new personnel procedures that will permit a better motivated and more effective civil service.

However, other improvements in management of the government's work force are needed. Our white collar, blue collar, and military systems must be reformed in order to make certain that we neither overpay nor underpay Federal employees. Therefore, I will propose Federal pay reform legislation covering each of these systems to the Congress that is equitable to Federal employees and the public. These pay reforms are an important follow-on to our civil service reform.

PUBLIC FINANCING

The time is long overdue for reforming the way Congressional elections are financed. The current flood of money threatens to pervert our electoral process. We can no longer permit our elections to be open to the highest bidder. The recent elections have clearly demonstrated the kinds of problems caused by uncontrolled campaign spending. It is time to adopt public financing for Congressional elections—before it is too late. Public financing operated successfully in the last Presidential election, and it can do the same in Congressional races. My Administration will work with Congress for passage of a sound Congressional public financing law.

SUNSET

My Administration will again work with the Congress to enact a sound sunset bill. Under such a bill, each Federal program would have to be carefully reexamined on a periodic basis to determine whether its continued existence is justified. Through such a procedure, the American people can be assured that unnecessary government programs and agencies will be ended, rather than continued through the force of inertia; and other programs and agencies will be improved.

There are few more important building-stones to the new foundation of government efficiency we seek than passage of sunset legislation. It goes to the heart of making government work.

LOBBY REFORM

The American people have a right to know what significant influences affect their national legislature. The proliferation of well financed, organizational lobbying activities during recent years has demonstrated the clear need for reform of the outdated and ineffective lobby disclosure law now in effect. This year my Administration will continue to work with Congress to pass a sound lobby law reform bill—one that respects the First Amendment right of all Americans and minimizes paperwork burdens, yet allows meaningful disclosures.

WASTE, FRAUD, AND INEFFICIENCY

Although the vast majority of Federal employees are able, honest and hardworking, we need to continue to be vigilant to ensure that the taxpayers' dollars are not wasted through fraud or abuse. The implementation of civil service reform will lead to improvements in agency management practices and program efficiency. In addition, I am committed to continuing to cut excess paperwork, simplify grants requirements, and evaluate our programs better and more frequently. We have already significantly reduced the paperwork burden and implemented many of the recommendations of the Federal Paperwork Commission. We will continue to do more in 1979.

Early this year I will nominate highly qualified Inspectors General armed with tough new powers to prevent waste and corruption. The Justice Department will increase its already intensive effort to prosecute those few employees and contractors who abuse the public trust. In addition, a new Office of Ethics in the Office of Personnel Management and a Special Counsel in the Merit System Protection Board will help ensure the integrity of the Federal workforce and protect its members from political abuse.

STATE AND LOCAL GOVERNMENT RELATIONS

As the first President in more than 30 years to be elected immediately after service as a Governor, I have made relations with State and local government a high priority of my Administration. During my first two years in office, we have strengthened the Federal system significantly. We have involved the Federal Regional Directors in the management of the government and have reinvigorated the Federal Regional Councils. As a result, the Federal government is now able to respond better and more quickly to State and local needs. In addition, we have involved State and local officials in the development of our policies to a greater degree than any previous Administration.

Since 1977, Federal grants-in-aid to State and local governments have increased to more than $80 billion per year, 25-percent above the level of aid when I first took office. Progress has also been made towards my goal of giving Governors, Mayors, and county officials more flexibility in managing Federal programs. The Federal government is now taking seriously, for the first time, the burdens and costs we impose on State and local governments and all taxpayers when we legislate and regulate from the Federal level.

In this time of limited budget resources we must achieve more cost-effective management of Federal resources and place greater reliance on the experience, knowledge, and ability of State and local governments.

In the future, we must attempt to limit the imposition of new costs on State and local governments, and to avoid where possible prescribing every detail of how they administer Federal programs. We must work together to identify specific ways in which more flexibility can be given to State, city, and county officials in the administration of Federal programs without compromising the national purposes that each program is designed to serve.

TRANSPORTATION

In 1979 we shall continue the effort begun in the 95th Congress to reduce the regulatory burden on the Nation's transportation industry. Our proposals for surface transportation deregulation will build upon the principles of increased competition that have proven successful for the airline industry.

Shortly, I will propose broad legislation which begins to deregulate the railroad industry. Regulatory reform is a crucial first step toward revitalizing this important transportation mode.

In addition, I will also be proposing significant reductions in the regulation of inter-city bus transportation and certain regulatory changes in the trucking area.

We are also committed to improving the level of safety for our transportation industry. As part of this effort, we intend vigorously to pursue legislation improving equipment and conditions affecting truck drivers, and giving stronger enforcement authority to Federal agencies.

My forthcoming Surface Transportation Regulatory Reform Message will provide the details of these proposals.

Finally, I will propose overdue changes in the Nation's maritime policies. We must improve the ability of our Merchant Marine to win a fair share of our cargo.

NO-FAULT

The Administration will continue to support legislation to establish Federal minimum standards for state no-fault automobile compensation systems. No-fault systems have proven to be far more efficient in delivering benefits to the victims of automobile accidents than the current tort system, and they also provide greater opportunities to coordinate and reduce overall insurance costs. Too great a percentage of the premiums paid by policy-holders goes for the administration of the current wasteful tort liability system. No-fault would save money and court-time. It deserves Congressional support.

CONSUMER REPRESENTATION

My Administration has developed new procedures that will set standards and assess performance for effective public representation within government agencies. These procedures are designed not only to improve the delivery of government services to our citizens, but also to enhance the awareness of government to the health, safety, and economic concerns of all consumers. In 1979, we will direct adequate resources to these procedures, which include complaint handling, training and technical assistance for consumer organizations, advocacy, consumer education and information, and citizen participation.

LEAA

Last year I proposed legislation which would institute significant and long-overdue changes in the structure and programs of the Law Enforcement Assistance Administration. The LEAA has the potential to improve and strengthen State and local law criminal justice programs, but in its present form it has fallen far short of its potential. My Administration will work with the Congress again this year to reform this framework, which includes a National Institute of Justice to enable us to obtain better information and research about crime problems. Once the legislation is enacted, we will make certain that the new agency is efficiently carrying out its mission of providing meaningful Federal law enforcement assistance.

JUDGESHIPS

Last year my Administration worked closely with the Congress to enact legislation creating the additional Federal judgeships needed to reduce our court's backlogs and delays. As a result, I will soon be nominating 152 new Federal judges—the largest addition to the Federal judiciary in our history. Some of these judges will still be serving in the next century.

I am determined to nominate judges of the highest quality; our Federal judiciary must be selected on the basis of merit. I am also determined to increase the low representation on the Federal bench of women, blacks, Hispanics, and other minorities. These goals are within our reach, if we work together cooperatively and recognize the importance our country places in the selection of these new judges.

JUDICIAL REFORM

Because our Federal courts do not function as well as we have the right to expect, my Administration has made judicial reform one of its goals. During 1978, Congress took major steps toward alleviating the problem by increasing substantially the number of Federal judges and by adopting numerous substantive and procedural reforms in the handling of bankruptcy matters.

Other judicial reforms remain to be made. Some, such as expanding the authority of magistrates and curtailing diversity jurisdiction, were proposed to the last Congress. I will shortly send a message to the Congress urging prompt action on these and several additional proposals designed to improve the responsiveness and efficiency of our system of justice. They merit the attention and approval of the Congress.

In addition, as was indicated in my Consumer Message to Congress, the Administration will continue to support reform of class action procedures. Reform legislation should seek to ease unnecessary burdens and costs of class actions, while at the same time preventing them from being used in a harassing manner.

ANTITRUST ENFORCEMENT AND COMPETITION

Free enterprise and competition, protected by the antitrust laws, are the central organizing principles of our economic system. Competition produces powerful incentives for innovation and efficiency, fights inflation, and enhances consumer welfare. Strict enforcement of our antitrust laws are critical to the health of competition and the Nation's economy.

Several important strides were made last year in improving antitrust enforcement. In 1978, the courts imposed over $11 million in corporate fines for antitrust violations and imprisoned 29 individuals for antitrust violations. These fines and sentences are significantly larger than in past years, and are consistent with my strong commitment to vigorous antitrust enforcement.

Last year I appointed the National Commission for the Review of Antitrust Laws and Procedures to suggest ways of expediting antitrust cases and making relief more effective. Its members have recently reported to me, and we will work closely with the Congress and the Judicial Conference to implement many of its recommendations.

Similar progress in improving the effectiveness of antitrust enforcement can be made in the 96th Congress.

I continue to support legislation to allow those who are injured by antitrust violations to recover damages from the antitrust violator, whether the injured person is a direct or indirect purchaser. Under the Supreme Court's decision in the *Illinois Brick Case* only direct purchasers may recover, even though they may have passed on the injury to consumers, who are prevented from suing. This decision undercuts state and private enforcement of the antitrust laws, reduces their deterrent effect, may contribute to higher prices, and often allows the violator to keep his gain at the expense of the injured consumer. This needed legislation would overturn that decision.

BANKING

I anticipate receiving shortly the recommendations of the Administration's Task Force studying Regulation Q and the system of deposit interest rate controls, and I expect to make recommendations based upon the Task Force's findings.

My Administration remains supportive of Congressional action to deal with the need to halt the continuing attrition in the percentage of bank deposits subject to the reserve requirements of the Federal Reserve System.

CARRYOVER BASIS

Carryover basis was one of the most important reforms passed by Congress in the Tax Reform Act of 1976. This reform would add substantial equity to our tax laws and greater efficiency to our capital markets.

The carryover basis reform has the effect of ending a situation in which many of our wealthiest taxpayers could *permanently* escape paying income tax on their gains from inherited property. Unfortunately, the effective date has been delayed until the end of 1979.

My Administration will strongly oppose any efforts to repeal this reform or further delay its implementation.

ENHANCING BASIC HUMAN AND SOCIAL NEEDS

In the years immediately preceding my Administration, too many of our Nation's basic human and social needs were being ignored or handled insensitively by the Federal government. Over the past two years, we have significantly increased funding for many of the vital programs in these areas; developed new programs where needs were unaddressed; targeted Federal support to those individuals and areas most in need of our assistance; and removed barriers that unnecessarily kept many disadvantaged citizens from obtaining aid for their most basic needs.

The progress over the past two years *has* noticeably moved us forward toward building a new foundation to solve some of the country's fundamental human and social problems. My Administration has vastly expanded assistance in the last twenty-four months in areas of employment, education, housing, community and economic development and health care, which represent an improvement for the American people.

The record of the past two years demonstrates that government can meet our citizens' basic human and social needs in a compassionate way. No longer can there be any doubt that the government is able to treat Americans' problems with sensitivity.

In the coming fiscal year, budget restraints make it more difficult to expand funding significantly for many major domestic programs, though some programs *will* be increased. We will continue to make existing social programs work more effectively; to reduce the waste and fraud and excess bureaucracy which drains tax dollars intended to meet basic human needs. In a period of austerity, efficiency is itself an act of compassion because it unlocks resources needed for health care, education, housing, economic development and other urgent social priorities.

HEALTH PROGRAM

One of the highest goals of the 96th Congress should be taking action to provide all Americans with the opportunity to lead a more healthy life. This opportunity has been denied to many in our country because of health care services which are unaffordable, inaccessible and inefficient. In addition, our current system of health care is focused on the treatment of disease, with too little attention being directed toward its prevention. We need a national health strategy which corrects these inadequacies in the existing system. Some of the elements of this strategy are already in place and need only be strengthened. Others will require new legislation from the 96th Congress.

NATIONAL HEALTH PLAN AND OTHER IMPROVEMENTS

Last year I outlined the principles upon which the National Health Plan I intend to propose will be based. Based on those principles, the Administration has been working to develop a National Health Plan that will enable the country to reach the goal of comprehensive, universal health care coverage. I remain committed to that goal.

The need for improved health care coverage is clear:

- —About 19 million Americans have no health insurance.
- —Another 65 million Americans face potential bankruptcy because they lack insurance protecting them against catastrophic medical expenses.
- —The health care system is highly inflationary. Spending in the entire health care industry—has been rising at an annual rate of 12% These expenditures cannot be successfully contained under current health delivery and financing methods, which produce unnecessary hospitalization, over-reliance on expensive technology and inadequate preventive care.
- —Health resources are unevenly distributed across the country, resulting in significant gaps in vital medical services for many residents of rural and inner city areas.

Over the next several weeks, we will be consulting closely with Congress and interested outside groups on the scope and nature of the plan I will propose. I expect to submit a plan later in the year shortly after those consultations have been completed, and I look forward to working with the Congress toward a prompt enactment of that plan.

An essential companion to any plan must be hospital cost containment legislation. As I have indicated earlier in this Message, I will make passage of that legislation one of my highest priorities this year.

Our effort to control health care costs would be further strengthened by the early passage of the Health Planning Act.

We must also continue to promote competition in the health care sector of the economy. Accordingly, the FY '80 budget expands Federal support for Health Maintenance Organizations, which have demonstrated a significant potential for cost saving. I will also continue to press for reforms making it easier for HMO's to obtain equitable reimbursement under Medicare and Medicaid.

PREVENTION AND ACCESSIBLE HEALTH SERVICES

More health care services alone, however, will not necessarily improve the health status of our Nation—even if these services are affordable, accessible, and efficient. Our national health strategy must direct more attention to health promotion and disease prevention if we are to achieve our goal of improved health status. The Surgeon General will present this year a major report outlining our needs in this area. I will be asking for your help in carrying out many of its recommendations.

We have made great strides in expanding the availability of health care services to rural and low-income urban areas in recent years through the creation of the National Health Service Corps and the establishment of a system of Community Health Centers. If health care is to be accessible to all Americans, these programs must be expanded, and the FY '80 budget provides for such an expansion.

CHILD HEALTH ASSESSMENT

I believe that our health strategy must place high priority on the health of our children. Accordingly, I will submit a revised Child Health Assessment Program to improve the early and preventive screening, diagnosis, and treatment program for lower-income children under Medicaid. This program would cover over 2,000,000 low-income children who are not receiving Medicaid services. An additional 100,000 low-income pregnant women would become eligible for medical services prior to delivery, improving the health of both the mothers and infants. This should be part of a national health plan.

MENTAL HEALTH

Based upon last year's recommendations of the President's Commission on Mental Health, I will be proposing comprehensive mental health legislation this year along with a Mental Health Message. A new Community Mental Health System will make new efforts to link mental health, health, and social services for the chronically mentally ill to enable them to live successfully in the community and will provide new community mental health services. We will emphasize efforts to provide improved recognition and treatment of mental health problems in the general health care system. In addition, we will increase support for mental health research to restore our mental health research capacity, which the Commission found had seriously eroded over the past decade.

The First Lady has helped spearhead the Administration's efforts to sensitize the Nation to the problems in the mental health area. She will continue to work directly with me to implement the pertinent recommendations of the Commission.

DRUG ABUSE

In continuing our efforts to combat drug abuse, my Administration will rely on those programs and initiatives which have proven to be successful in the past year and which serve as building blocks for future programs. Today, in the United States, there are 110,000 fewer heroin addicts than there were in 1975; 1,000 fewer Americans died of heroin overdoses in the 12-month period ending June 30, 1978 than in the previous 12 months. Seizures of illegal drugs are at their highest level ever. Improved coordination and cooperation among Federal agencies have resulted in a more effective drug program without major budget increases. But much remains to be done and the situation remains serious.

In 1979 we will look more to the behavior of the individual who turns to drugs, will stress financial investigations as a means of prosecuting those individuals responsible for the drug traffic, and will rely heavily on enlisting foreign cooperation in the overall drug program. These efforts should further our success in controlling drug abuse both in the United States and abroad.

DRUG REGULATION REFORM

My Administration will continue to work with the Congress to overhaul our current drug regulation laws in order to assure that consumers have prompt access to safe and effective drugs.

FOOD AND NUTRITION

Last year, we worked with the Congress to enact the Child Nutrition Amendments, which revamped many of our food programs and greatly expanded the Supplemental Food Program for Women, Infants and Children. This year I will propose further legislation to strengthen these and other food programs by: improving the targeting of school meal programs for the needy; instituting an error sanction scheme to encourage States to reduce costly Food Stamp errors; and eliminating the cap on food stamp expenditures. These reforms will insure that additional nutrition resources are targeted to those truly in need.

WORKER HEALTH AND SAFETY

We will continue to fully enforce laws protecting worker health and safety in a sensible and efficient manner. There will be further efforts to eliminate frivolous and unneeded rules while concentrating greater enforcement efforts on the most dangerous and particularly the most unhealthy occupational environments. More efficient management of this program will serve the interest that both labor and management have in better working conditions.

HOUSING

We are committed to holding down housing construction costs and eliminating unnecessary regulatory burdens, so that the American consumer will have an affordable choice in the housing marketplace. Our efforts will be accelerated this year. We have also supported introduction of the new money market certificates, which have helped the housing industry by maintaining a steady supply of mortgage credit.

The Administration has supported the provision of Federal housing assistance to low-and-moderate income people, including the elderly and the handicapped.

During the period of 1978 through 1980, the Administration will have committed resources for over one million additional units of assisted housing for low-and-moderate income renters and homeowners. This is evidence of our commitment to the goal of a decent home for every American. In 1980, I am recommending 325,000 units of housing for low-and-moderate income persons.

The problems of providing adequate housing in rural areas is especially acute. Lack of available land, high site development costs, widespread substandard, overcrowded housing, and limited credit opportunities continue to plague rural areas. Government attempts to help are often hampered by inappropriate, burdensome regulations and paperwork. This year the Administration will take steps to assure that Federal regulations accommodate locally acceptable housing codes and that the endless paperwork, inspections, and processing requirements currently mandated by the three major housing agencies, HUD, FHA, and VA, are consolidated and streamlined.

COMMUNITY DEVELOPMENT

My Administration remains committed to a partnership involving Federal, State, county, and local governments, the private sector, and community organizations. The Community Development Block Grant program is a cornerstone of that partnership, and I am proposing in my FY '80 budget that it be funded at the full authorization level. This will be an increase of $150 million in FY '80 above the FY '79 level.

In 1977, we developed the Urban Development Action Grant program and it has already succeeded in leveraging $2.9 billion in private investment and creating or saving 125,000 jobs. I am proposing a continuation of the Action Grant program next year, at the $400 million authorization level.

NEIGHBORHOODS

My Administration has been devoted to the preservation of neighborhoods and the development of sound neighborhood self-help projects. This goal has been evident in the emphasis on neighborhoods in my urban policy as well as in the operation of the Department of Housing and Urban Development and other agencies. Last year, as part of our urban policy, we proposed and Congress passed the Livable Cities and Neighborhood Self-Help Development programs to enable neighborhood groups and organizations to rebuild their neighborhoods. In addition, Congressional passage of the National Consumer Cooperative Bank makes available new sources of financing and technical assistance to groups who are engaged in building cooperative enterprises to reduce costs in key consumer goods and services.

This year, my Administration and Congress will receive the final report of the National Commission on Neighborhoods. We look forward to working with the Congress on many of the Commission's recommendations. With your help, we can make the Federal government increasingly more responsive to the needs of neighborhood people who are working together to meet basic needs in housing and community development, health care, nutrition, and energy conservation.

URBAN POLICY

Last year, I proposed the Nation's first comprehensive urban policy. That policy involved more than one hundred improvements in existing Federal programs, four new Executive Orders and nineteen pieces of urban-oriented legislation. With Congress' cooperation, thirteen of these bills passed last year.

I will again propose to the Congress several important parts of the urban policy not adopted last year. The two principal proposals are: an urban fiscal assistance program, and the National Development Bank.

My fiscal assistance proposal will include two principal components. The first, a standby countercyclical fiscal assistance program, will protect State and local governments against unexpected changes in the national economy. It would trigger into place if the national unemployment rate rises above 6.5 percent and would provide fiscal aid to many needy governments. The second component is a transitional, highly targeted fiscal assistance program that provides fiscal aid to only the most fiscally-distressed local governments. Relatively few cities and counties will be eligible for this highly targeted program; but those eligible will be truly in need. I will seek a $250 million supplemental in FY '79 and $150 million in FY '80 for this targeted fiscal assistance program.

I also will propose a National Development Bank to provide financing for local economic development projects which will aid the revitalization of our Nation's communities. As part of the Bank, I will propose a significant increase in economic development funding—$550 million in new economic development capital grants to business and $2.65 billion in new loan guarantee authority for FY '80.

This Bank will be the central engine for the economic development in the government. We will propose the consolidation of many economic development loan programs into the Bank as part of the economic development reorganization. This will add over $1 billion in additional loan authority.

SOCIAL SECURITY CHANGES

In 1977 the Congress worked with the Administration to take the difficult but necessary action to make the Social Security system financially sound for the next fifty years. In so doing, we helped protect the benefits of current recipients and of those now working. However, the Social Security system from time to time needs adaptation to changing conditions, so the Administration this year will make proposals which will reduce somewhat the cost of the program by trimming the costs of certain benefits. These proposals will be sent to the Social Security Advisory Council, which is representative of the contributing employers, employees and the public, and to the National Commission on Social Security, appointed in part by the Congress and in part by me, so they can have an ample opportunity to review these proposals prior to the submission of the changes to the Congress and the Administration and the Congress can have their recommendations, if any.

If the Administration's proposals for Social Security outlay reductions and hospital cost containment legislation are enacted, it would be possible to consider a reduction in Social Security taxes beginning in 1981. However, such a reduction would have to be considered in light of alternative uses of such savings, including reduction of any budget deficit and funding of high-priority programs.

Beyond the immediate reforms I have proposed, the Administration is committed to review the entire pension system that has developed in our country. I have established a Pension Commission to provide the type of long-range analysis this vital area needs.

DISABILITY INSURANCE REFORMS

I will propose to Congress an integrated package of reforms for the Disability Insurance system, separate from the Social Security changes I have just discussed. These measures will improve incentives for rehabilitation of the disabled, ensure that benefits do not exceed pre-disability disposable income, and make administration of the system simpler and more consistent. We must make certain that those who should receive benefits are not excluded, but that those who are not truly disabled or can otherwise return to work, do so.

WELFARE REFORM

The Nation's welfare system is inequitable, inefficient and long overdue for serious reform.

I will recommend to the Congress a package consisting of reforms in cash assistance, expansion of the earned income tax credit, an expansion of private and public job opportunities for welfare recipients, and fiscal relief for State and local governments. This package will enable us to develop a welfare system that is more simple, narrows the great differences in the way States help the very poor, that encourages people to work, and that helps eliminate the fraud and abuse currently plaguing parts of our welfare system.

My Administration has already begun to work closely with this Congress to enact welfare reform this year. We must expeditiously move forward with welfare reform this year.

FAMILIES

Our major social initiatives and goals for this year will be undertaken with vigor and with a commitment to the security and enhancement of the American family structure. Our government must never impede nor work against the American family, but rather we must design programs and policies that support families and ensure that future generations of American families will thrive and prosper. The White House Conference on the Family will continue and expedite its planning this year with that goal firmly in mind.

CHILD WELFARE REFORM

The Nation's present system of overlapping, inadequate child placement programs does a great disservice to parents, foster parents, and children in need of homes. There is too little emphasis on reunification of families and permanent placement of children; the special problems of hard-to-place children often go unattended. I will therefore again propose to Congress major reforms in our foster care and adoption services, and urge prompt Congressional approval. This problem must not be left unattended any longer.

OLDER AMERICANS

Early in the Administration we moved to correct one of the major concerns of older Americans: the possible bankruptcy of the Social Security Trust Funds. The legislation that was enacted ensures the financial solvency of the funds through the beginning of the next century.

The Administration has also acted to help remove discrimination against senior citizens by supporting the legislation which removed the forced retirement requirement in the Federal civil service and postponed mandatory retirement in the private sector from age 65 to 70. In addition, the Administration worked with the Congress to amend the Older Americans Act in a way that will improve the administration of the Act's social and housing programs, employment provisions, food delivery, and establishment of centers for the elderly.

This year the Administration will continue its efforts to ensure that seniors remain in the mainstream of American life, free from age discrimination and able to receive the assistance and other benefits they have earned.

VETERANS

Our Nation has no obligation more basic than providing for those men and women who served us as members of our armed forces.

There are still many veterans who need medical care, employment assistance, and assistance in adjusting to disabilities that resulted from their service.

During the last two years we have made significant improvements in programs to help meet all these needs.

In 1979 my Administration will seek legislation to increase compensation rates for disabled veterans, improve education programs for the disadvantaged under the G.I. Bill, provide special readjustment counseling assistance for those Vietnam Era Veterans who need them, and modernize the VA vocational rehabilitation program. These efforts will help veterans help themselves. In addition, we will continue to provide quality medical care in our VA hospital system by making it more efficient and thus more responsive to the needs of a changing veteran population.

EDUCATION

Improving skills and educational opportunities has been one of my Administration's major goals. To aid in this improvement, I have increased the Federal Office of Education budget authority alone by 50 percent since taking office—from $8 billion in FY '77 to $12.2 billion in the proposed FY '80 budget.

The increased education funding will continue to be targeted at programs which emphasize equal education opportunity, support for local schools, student assistance, basic skills, and the linkages between school and work.

School districts with high concentrations of low income children have extra costs in meeting their commitment to equal educational opportunity. Last year I proposed concentration grants which would give supplemental payments for compensatory education programs in high poverty school districts. This year I am requesting $400 million to fully fund this proposal.

As is stated elsewhere in this Message, I will continue to work with the Congress to create a Cabinet-level Department of Education. Through such a Department, we can make certain that education receives the attention at the Federal level that it deserves.

HIGHER EDUCATION

Last year, I signed into law the Middle Income Student Assistance Act, which extends Federal student aid to middle income families facing rising college tuition costs. I propose to fully fund the Basic Grants program and to continue funding for the other college student aid programs. This year I will propose reauthorization of our omnibus higher education legislation—the Higher Education Act and the National Defense Education Act. Through renewal of these acts, we can help enormously to ensure the continuation of strong higher education institutions and equal educational opportunities for all students.

Our Nation owes a debt of gratitude to the historically black colleges, which in the past were the only source of college education for talented blacks, and which today retain a critical importance to the production of college-educated black citizens. One-half of all college-educated blacks earned their degrees at black colleges. I have vowed that I would enhance the role of black colleges during my term in office. I recently directed all Federal agencies to utilize more fully the resources at black colleges. And, in my fiscal year 1980 budget I have increased funding for Howard University, and asked for $120 million to fully fund the Developing Institutions Program, which strengthens colleges with high concentrations of minority students.

SCIENCE AND TECHNOLOGY

When I came into office, I found Federal efforts to promote basic research and development lagging. I was determined to change this situation and develop a sounder scientific and technological foundation for the future. Basic scientific research and development is an investment in the Nation's future, essential for all fields, from health, agriculture, and environment to energy, space, and defense. We are enhancing the search for the causes of disease; we are undertaking research to anticipate and prevent significant environmental hazards; we are increasing research in astronomy; we will maintain our leadership in space science; and we are pushing back the frontiers in basic research for energy, defense and other critical national needs. Despite the severe budgetary constraints this year, we will continue to increase Federal support for basic research with a request for a 13% increase in outlays for fiscal year 1980.

Even though Federal funding for basic research is being increased, I believe that the government's role in demonstration and commercialization pilot projects should be more selective, with greater reliance upon private sector financing. We are enhancing our high technology approach to defense to counter the growth of Soviet forces. We have a broad energy research program that emphasizes long-term applications of solar, coal, geothermal, biomass and alternate nuclear technologies. But we will rely on industry to do its full part in the demonstration of new technologies in energy and in other fields.

Rather than government funding of

their research and development, companies need more favorable investment climates, better economic growth, better trade prospects, and sound policies about patents, antitrust, procurement, and environmental regulation. Under the direction of the Department of Commerce, we are also engaged in a major Cabinet-level review of these aspects of technological innovation, with participation of numerous individuals from various industrial sectors.

Science and technology are playing an important part in our international relationships as well. Many countries, especially developing countries, look to America for our expertise and problem-solving abilities. I have proposed the establishment of a Foundation for International Technological Cooperation (FITC) to foster collaborative efforts with people and institutions in developing countries. These efforts will be directed to basic human needs in agriculture, nutrition, health, small-scale energy systems, and rural development.

Science and technology also have played a critical part in the dramatic advances of our relationship with the People's Republic of China. These scientific and technological relationships that will be built with China will be parallel to many such relationships we have established and enhanced over the years with other nations and groups of nations.

SPACE

Last year marked the 20th Anniversary of the National Aeronautics and Space Administration. The 21st year started with the incredible success of the Pioneer missions to Venus. This year we hope to open a new era in space with the first launch of the Space Shuttle.

Under the national civil space policy I announced last fall, we will remain dedicated to ensuring U.S. scientific and technological leadership in space. To further that policy, my budget request for FY '80 includes funding to maintain the Shuttle development and production schedule to continue space science and exploration; to initiate efforts on selected areas of advanced satellite communications techniques; and to enhance remote sensing activities that will bring benefits in areas such as earth resources, climate, weather, pollution and agriculture.

COMMUNICATIONS

Last year we worked with Congress to reorganize communications policy-making in the Executive Branch and enact legislation to strengthen public broadcasting. In 1979 our priorities will include:

—continued work with Congress on the important effort to revise the Communications Act to take account of technological changes;

—vigorous pursuit of the program already underway to increase minority ownership of broadcast stations through regulatory actions, government loan guarantees, and private loan and training programs;

—a program to use new communications technologies to improve rural life by delivering education, agricultural, and medical services and by increasing the diversity of radio and TV;

—elimination of unnecessary regulations and paperwork requirements in cooperation with the Federal Communications Commission;

—proposals on the role of the Postal Service in providing electronic mail services; and

—participation in the World Administrative Radio Conference to ensure that increasing demands for radio frequencies are balanced in a reasonable and flexible manner.

SMALL BUSINESS

As a former businessman, I am especially sensitive to the importance of small business in our economy and to the vital role the Federal government can play in assisting small business.

Through a number of actions over the past two years, my Administration has worked to help small business flourish and remain competitive. Under the leadership of the Small Business Administration, we have increased tax incentives significantly for small business; expanded small business loan opportunities; worked to increase small business exports; expanded opportunities for minority-owned small businesses; and initiated programs to increase small business opportunities for women. In addition, we have begun preparations for a White House Conference on Small Business in January of 1980 which will include local and regional conferences throughout the country.

This year, while continuing efforts to prepare for the White House Conference, the Administration will work closely with the Congress to develop legislation to improve the operation and effectiveness of the Small Business Administration.

CULTURAL AFFAIRS

Over the last decade, the National Endowments for the Arts and the Humanities have made enormous progress in developing projects and materials to enhance our Nation's cultural life. This year, the Endowments will continue their distinguished record of achievement. I am hopeful Congress will provide adequate funds for White House Conferences on the Arts and Humanities. This year we will also strengthen the programs of the International Communications Agency, which present the diversity of American culture to the world and deepen our appreciation of other cultures.

PROTECTING BASIC RIGHTS AND LIBERTIES

Since taking office, I have worked to protect and enhance the basic rights and liberties provided to Americans under the Constitution and our other laws. With the cooperation of the Congress, we have made important progress in this area. Over the next year, though, a great deal remains to be done if our goal of ensuring equality and basic freedoms for all Americans is to be realized. The dream of equal opportunity remains unfulfilled. I will do everything in my power to bring that dream closer to realization.

CIVIL RIGHTS

CIVIL RIGHTS AND EQUAL OPPORTUNITY

I take no obligation of my office more seriously then that of striving to secure full civil rights and equal opportunity for all Americans. In the quarter century since the Supreme Court's historic desegregation decision, our Nation's progress in these vital areas of human rights had been significant, but we have more to do. I am determined to use all of my authority to resist any efforts to weaken enforcement of any of our civil rights and equal opportunity laws. Recent actions by some in Congress to impair my Administration's efforts to enforce the law of the land will be forcefully opposed. These laws have made our society more open to equality of opportunity than virtually any on earth, and attempts to weaken them cannot be tolerated or allowed to succeed.

My Administration has taken important steps to make civil rights enforcement more effective. The Justice Department has been diligent in its prosecution of civil rights violations. The Office of Federal Contract Compliance Programs (OFCCP) and the Equal Employment Opportunity Commission (EEOC) has been reorganized and granted increased authority. The OFCCP will vigorously enforce the guidelines of Executive Order 11246, which prohibits employment discrimination by Federal contractors and requires affirmative action by these contractors. In addition the EEOC will continue this year to provide an effective central mechanism to enforce compliance with our equal opportunity laws.

As we have done in recent cases before the Supreme Court, my Administration will continue to strongly support affirmative action programs to help bring minorities into the mainstream of American life, while opposing rigid and inflexible quotas which have no place in our laws.

Beyond existing laws, however, as I state elsewhere in this Message, we need to ratify two Amendments to the Constitution which will significantly clarify and enhance the liberties and rights of Americans: The Equal Rights Amendment and the District of Columbia Voting Rights Amendment.

The Equal Rights Amendment will provide women with equal legal status in our country. We cannot effectively champion human rights throughout the world until we have given to women the full rights they are entitled to as citizens.

We must also work to ratify the amendment that will finally give the citizens of the District of Columbia the rights other Americans have to elect voting representation in Congress.

In addition, we need to correct a weakness in an existing civil rights law. Title VIII of the Civil Rights Act of 1968, which prohibits discrimination in housing, remains largely an empty promise because of the lack of an adequate enforcement mechanism.

I will soon propose to the Congress that this problem be alleviated by providing the Department of Housing and Urban Development with cease and desist powers. That Department, which now investigates and makes findings upon individual complaints, would then be able to enjoin further discriminatory acts and to direct an appropriate remedy. My Administration will work with the Congress to see that this proposal is given prompt and favorable consideration.

WOMEN

One of the overriding concerns of my Administration is ensuring equal opportunity for women. Last year we worked closely with the Congress to extend the deadline for ratification of the Equal Rights Amendment until June 30, 1982. That extension will provide a greater opportunity to ensure ratification of this long-overdue Amendment. I will continue to dedicate myself, as well as the full resources of my Administration, to the ratification effort.

This is not a battle that we can afford to lose. I am determined to win. The opposition to the Amendment cannot be solidly based on an understanding of its legal effect. The Amendment will do nothing more—nor less—than provide equality to more than one-half of America's population. I am confident that with the active support of the members of Congress from States which have *not* yet ratified, we can achieve ratification of ERA. I urge you to join the effort to provide women, at long last, with equal rights under the law.

My Administration has championed, and will continue to champion, the right of women to choose their roles in society. To protect those who have chosen the role of full-time homemaker:

—We have succeeded in enacting legislation that provides assistance for displaced homemakers and we supported the legislation that has now reduced from 20 to 10 years the marriage requirement for a former wife to claim against her husband's social security entitlement.

We are facilitating the choice of many women to combine family and work responsibilities. To accomplish this goal:

—we supported the legislation passed to increase part-time and flexible-hour employment opportunities; and

—we supported the Pregnancy Disability Act that outlaws employment discrimination based upon pregnancy, childbirth, or related conditions.

We are striving to improve women's professional opportunities within the Federal government. To this end:

—women have been appointed in senior positions in the Administration, including two Cabinet officers. About 20 percent of my senior appointees have been women, and many of them are in areas in which no previous women had served; and

—we have strengthened and increased our equal employment opportunity enforcement.

This year, in addition to continuing our efforts to ratify the Equal Rights Amendment, we will work closely with the Congress to enhance the economic standing of women—particularly the poor, minority, and elderly—by improving their access to housing, health care, and child care for those who choose to work. We will expand additional opportunities this year for women business owners and will create a permanent interagency group to review and help improve the position of women business owners. I will make every effort to select as many women as possible to fill the 152 new Federal judgeships. Their under-representation in the courts cannot be continued. Our country needs and deserves the full participation of women in our society, and I am committed to taking the steps needed to ensure this partnership.

DISTRICT OF COLUMBIA

My Administration worked with the 95th Congress to pass a proposed amendment to the Constitution granting full voting representation to the citizens of our Nation's Capital. The ratification process for this proposed amendment has begun and I urge the state legislatures which have not ratified the resolution to join with the States of New Jersey, Ohio and Michigan by promptly ratifying the amendment. My Administration will work this year in the effort to ratify this amendment.

My Administration will also work closely with the Congress and the new District Government under Mayor Marion Barry to expand home rule for the District. This includes streamlining the procedures for Congressional review of locally enacted legislation, removal of the Federal government from the District budgetary process by 1982, developing a rational formula for determining the Federal payment to the District, and an equitable Federal sharing of financial responsibility for funding of the District's pension plan for police, firemen, teachers and judges.

I will work with Mayor Barry to make our Nation's Capital city a model for the rest of the Nation to emulate.

NATIVE AMERICANS

The Federal government has a special responsibility to native Americans, and I intend to continue to exercise this responsibility fairly and sensitively. My Administration will continue to seek negotiated settlements to difficult conflicts over land, water, and other resources and will ensure that the trust relationship and self-determination principles continue to guide Indian policy. There are difficult conflicts which occasionally divide Indian and non-Indian citizens in this country. We will seek to exercise leadership to resolve these problems equitably and compassionately.

HANDICAPPED

For Americans with physical disabilities, this year will result in continued improvements in their accessibility to many opportunities those of us who are not disabled take for granted—education opportunities, employment opportunities, and greater access to public facilities and services. We will make further progress in removing obstacles that impede and discriminate against our disabled community. If our Nation is to remove the barriers of discrimination in our society, the Federal Government must serve as a model in the successful removal of physical and psychological barriers thrown in the way of our Nation's disabled. The Section 504 Regulations issued by the Department of Health, Education, and Welfare provide a basis for the Federal Government to lead the way in insuring the rights of the handicapped.

UNDOCUMENTED ALIENS

One of the most difficult and sensitive domestic issues facing the country concerns the Federal Government's policy toward undocumented aliens.

I continue to believe that effective but humane measures need to be devised which will help relieve the causes and effects of the presence of large numbers of undocumented aliens in this country. I will pursue this issue in my consultations with the Government of Mexico during my visit there next month and will make no final decisions until after those consultations.

MARTIN LUTHER KING, JR.

Dr. Martin Luther King, Jr. led this Nation's effort to provide all its citizens with civil rights and equal opportunities. His commitment to human rights, peace and nonviolence stands as a monument to his humanity and courage. As one of our Nation's most outstanding leaders, it is appropriate that his birthday be commemorated as a national holiday, and I will strongly support legislation to achieve this.

MINORITY BUSINESS

This year we will move vigorously to implement the strong minority business legislation enacted by Congress in 1978; meet my goal of tripling Federal procurement from minority businesses (to a total of $3 billion); faithfully implementing the minority set-aside programs of the Government and improve the operation of the several programs designed to achieve equal entrepreneurial opportunity and vital minority economic development. We are currently evaluating the adequacy and organization of current minority business development programs, with the commitment to taking whatever action, legislative or administrative, is needed to ensure that their operation is efficient and effective.

CIVIL LIBERTIES

PRIVACY

Government and private institutions collect increasingly large amounts of personal data and use them to make many crucial decisions about individuals. Much of this information is needed to enforce laws, deliver benefits, provide credit, and conduct similar, important services. However, these interests must be balanced against the individual's right to privacy and against the harm that unfair uses of information can cause. Individuals should be able to know what information organizations collect and maintain about them; they should be able to correct inaccurate records; and their should be limits on the disclosure of particularly sensitive personal information.

My Administration is developing a comprehensive privacy policy to address these concerns. Last year, legislation was enacted which established restrictions on wiretapping for intelligence purposes and on government access to financial records. Early in 1979, I will propose privacy legislation to cover medical, financial, and other sensitive personal records. I will also take administrative actions to strengthen privacy controls for Federal agencies' records. These measures will go far toward giving all American citizens the privacy protections they need in a modern society.

I recently announced my intention to submit legislation to Congress protecting the rights of the press, and others preparing materials for publication, from searches and seizures undertaken without judicial approval. Under the legislation I will propose, Federal, State and local law enforcement officials will generally be required to obtain a subpoena before conducting a search or seizure against those preparing materials for publication. Such legislation, which would deal with the problems created by the Supreme Court's decision in the *Stanford Daily* case, should serve as a solid protection of the rights of the news media and others under the Fourth Amendment.

LABOR LAW REFORM

The Nation's labor laws are vital to ensuring that a sound labor-management relationship exists in collective bargaining. Efforts to abuse those labor laws, especially by unduly slowing or blocking their implementation, have increased in recent years. As a result, a reform of our labor laws is required in order to guarantee that their intended spirit is fully observed and enforced.

I am again prepared to work with the Congress to develop legislation which improves the fairness and effectiveness of our labor laws. Efforts to defeat this legislation last year were based on emotion and a lack of information about its actual effect. If the will of the majority in Congress is allowed to prevail, we *can* enact sound labor law legislation.

EXPORT ADMINISTRATION/ANTI-FOREIGN BOYCOTT

My Administration will work with the Congress to reauthorize the Export Administration Act, which plays a vital role in ensuring that American trade serves our national interest. We will make particular efforts to reauthorize that part of the Act which prohibits American compliance with the foreign economic boycott of Israel. The anti-boycott amendments passed by the Congress were fair and equitable and must continue to be strenuously enforced.

INTELLIGENCE CHARTERS

I will be working closely with the Congress to develop and enact statutory charters for the intelligence community. The charters, for the first time, will define in law the duties and responsibilities of our intelligence agencies and will set forth the authority of those agencies to fulfill those responsibilities. The disclosures of abuses in recent years make clear the need for charters, and my Administration is strongly committed to developing and passing charter legislation that protects our citizens' rights, while permitting our intelligence agencies to perform effectively their essential duties.

CRIMINAL CODE

The Federal criminal laws are often archaic, frequently contradictory and imprecise, and clearly in need of revision and codification. My Administration will continue to work with the Congress to develop a Federal criminal code which simplifies and clarifies our criminal laws—as well as protects our basic civil liberties. The criminal code which passed the Senate in the last session can serve as a basis for progress this year.

HATCH ACT REFORM

We will continue to support efforts to reform the Hatch Act so that Federal employees in non-sensitive positions will have the right to participate in off-the-job political activities while preventing any on-the-job political abuse.

HUNGER

We share a growing concern with other Nations and their people over the serious problem of world hunger. While our government and the governments of other Nations and international organizations are working to assure the basic right to food, the problems of hunger and malnutrition are a daily fact of life for millions of people throughout the world. In order to make our own programs more effective and to examine additional efforts that might be undertaken, I have established the Presidential Commission on World Hunger, under the leadership of Ambassador Sol Linowitz, to recommend realistic solutions which we and other Nations might undertake in a prompt and efficient manner. The Commission will report to me this year and will then be involved in the implementation of its recommendations. The Administration will be working closely with Congress on the Commission's recommendation.

HOLOCAUST COMMISSION

Last year I established a Holocaust Commission to recommend to me how our government might officially recognize, for the first time, the tragedy of the Holocaust. The Commission's work is well underway, and I will receive its report this year. I expect to work together with Congress in developing a suitable memorial to the millions who died in the Holocaust.

PRESERVING AND DEVELOPING NATURAL RESOURCES

My highest legislation priority during the 95th Congress was enactment of our first national energy plan. The dedication of many members of Congress made that goal a reality. My Administration is committed to using that legislation as the foundation for further efforts to reduce our dependence on foreign oil; to increase our ability to develop domestic energy sources; and to conserve wasted energy.

Our energy and other development goals can and will be reconciled with the Administration's resolve to clean the Nation's air and water and to preserve our most precious natural resources. We will continue to further the protection of our environment.

We will continue to develop our fertile agricultural land. The Administration is committed to helping our Nation's farmers continue to achieve record yields and exports.

ENERGY

The Administration remains committed to meeting our future energy needs. Building upon the framework of the National Energy Act, signed last November, we will be addressing key issues such as further developing and commercializing solar and renewable energy resources, making better use of our coal reserves and other abundant energy resources, continuing our emphasis on using energy more efficiently, and improving the manner in which we produce and use conventional sources of energy such as oil, natural gas, and uranium. To minimize the impacts of potential supply disruptions, we will continue the storage of oil in the Strategic Petroleum Reserve, and will be submitting for Congressional approval overall energy contingency plans.

While much remains to be done in the energy area, past investments in improving our energy supplies and our energy use are beginning to pay off: the rate of growth of our idustrial energy use has dropped while industrial production has increased. From 1975 to 1977 the growth in domestic energy consumption has been 70 percent of the growth in GNP. Previously, the two growth rates had been roughly equal. With significant improvements in automobile efficiency, gasoline consumption is an estimated 5 percent lower than it otherwise would have been. Use of heating oil, electricity, and other home energy sources has become much more efficient. Oil consumption grew last year at a rate of only 1.5 percent.

On the supply side, the new natural gas legislation, whose provisions have just begun to take effect, will insure new domestic production of this premium fuel and help expedite the delivery of natural gas to the interstate market. Furthermore, due to the addition of Alaska North Slope oil, our domestic production of oil has held steady over the last year, and foreign imports were down in 1978.

In 1979 and the FY '80 budget we are continuing strong investments in energy research and development. The FY 1980 budget provides outlays of $3.7 billion for a wide range of programs to develop energy technologies for the future. Particular emphasis will be given to long-term solar energy research and development, to improvements in the mining and burning of coal, fission and fusion research, to improvements in existing technologies for conservation, oil and gas recovery, and uranium efficiency, and to energy-related basic research. These commitments to technologies for the future, both long and shorter term, are critical to a sound and comprehensive energy policy.

SOLAR ENERGY

Within the next few weeks, I will send to the Congress a message on solar energy based on an interagency study under the Domestic Policy Review System. The transition to wide-spread use of solar and renewable resources can and must begin now. Solar, wind energy, and use of biomass resources can contribute significantly in both the short and long run to meeting our Nation's energy needs. Some of these technologies, such as solar heat and hot water, use of biomass for generation of electricity, and wind energy, are available now and are competing with other conventional energy sources. The tax credits in the National Energy Act, along with other commercialization incentives, will help accelerate the use of solar and other renewable technologies in the residential and industrial sectors of our economy.

The FY 1980 Budget increases our government-wide solar research and development programs by 40% over FY 1979. Total expenditures for solar energy will exceed $800 million, including tax credits and important initiatives undertaken by the Department of Energy, the Agency for International Development, the Tennessee Valley Authority, the Department of Agriculture and the Small Business Administration. Application of solar technologies in federally-owned buildings will also increase, thereby providing new markets for our existing solar industry.

In our research and development program, strong emphasis will be given to photovoltaics through which electricity can be produced directly from solar energy. Conversion of organic materials to useable energy forms will also receive increased funding. Funds for the new Solar Energy Research Institute at Golden, Colorado, will also be increased.

The proposals I will later announce, coupled with the FY '80 budget, will chart a firm and ambitious course for accelerating the use of solar and other renewable energy sources both now and in the future. The time for solar energy has come.

OTHER ENERGY RESEARCH, DEVELOPMENT, AND DEMONSTRATION

In the coming year, significant investments will be made in the demonstration of technologies which can convert coal to more useable and environmentally acceptable energy forms, continued strong research and development in fusion, development of geothermal energy sources, such as hot underground brines and hot rock resources, and efforts to resolve a range of environmental issues which these and other technologies raise.

NUCLEAR ENERGY

A wide range of Administrative initiatives, both legislative and administrative, will be proposed to ensure that this country can further use light water reactors for the generation of electricity, safely and efficiently. Of central importance will be the development and implementation of a strong, responsible program to manage and dispose of nuclear wastes. As a result of the work of the Interagency Review Group on Waste Management, I will be making a series of legislative and administrative recommendations to ensure that the necessary schedules, coordination, and legislative authorities are firmly in place. Public discussion and participation in the nuclear waste management area, along with the close cooperation of State and local elected officials, will receive continued high priority. Legislation will also be proposed to provide interim storage for spent fuel from existing reactors until a permanent waste repository is established.

Enactment of nuclear licensing and siting legislation to shorten the leadtimes required to plan, locate, construct and license nuclear power reactors will again be sought. Design and construction activities for the new centrifuge enrichment plant at Portsmouth, Ohio, will continue to ensure that the U.S. is able to meet the nuclear fuel needs of our domestic industry, as well as our international customers who share our nonproliferation objectives. These activities, coupled with the Administration's waste management program will help ensure that our country can continue to rely on current nuclear technologies to meet power needs.

Looking toward the future, we will seek to improve the efficiency of our existing power reactors by reducing their uranium feed requirements. For the longer run, the Administration will maintain and strengthen the strong research and development program we now have for more advanced nuclear fission technologies such as the fast breeder reactor. We continue to believe that the Clinch River Breeder reactor project is premature, technically inadequate, and should not go forward, but the Administration is committed to keeping the breeder option open for the future.

DOMESTIC CRUDE OIL PRICING

Provision of adequate incentives for both domestic production of crude oil and for conservation must be carefully weighed in light of our efforts to control inflation. In consultation with the Congress, I will be making my decisions and recommendations on domestic crude oil pricing and related issues later this year.

ENERGY IMPACT ASSISTANCE

As new domestic energy resources are developed, particularly in rural or isolated areas of the country, provision must be made for the needs of rapidly developing communities. The Administration will again seek enactment of legislation establishing an Inland Energy Assistance program, with funding of $150 million per year, to aid those states and local areas which are experiencing a rapid growth in population as a result of new energy supply development. These communities often cannot plan for or meet increased need for new public facilities or services, since the population increases occur before the new energy supply activities are fully developed and producing local revenues. This legislation is essential to ensure that the burdens associated with solving our energy problems are borne equitably by all citizens and regions of the country.

MANAGEMENT OF FEDERAL ENERGY RESOURCES

The last two Congresses passed landmark legislation to reform the management of federally-owned coal, oil and gas resources. These new laws include Federal strip mine controls; and amendments to the Outer Continental Shelf Lands Act and the Mineral Leasing Act. With this new framework, the Administration is proceeding to implement swiftly new programs which will permit increased leasing and development activities while protecting our environment.

WATER POLICY LEGISLATION

Water is a basic human necessity and its proper management is essential to economic activity, particularly in the arid West. The policies of my Administration are designed to emphasize the more efficient use of water as well as the need to provide adequate water supplies. We are particularly sensitive to the interests of the West and other areas in the development of additional water resources, to the importance of water conservation, and to the concerns of many Eastern urban areas about their water systems.

Last year I announced a comprehensive water policy which included many reforms now being implemented administratively. In addition, I will propose legislation to increase the role of the States in water policy, through increased water planning grants and through new grants for state water conservation programs. I will also propose legislation which would provide for states to share in the costs of Federal water projects. This cost sharing proposal will result in direct participation by states in setting water project priorities and will help insure that Federal programs are responsive to the most pressing water-related needs.

Congressional action is also needed on Administration Amendments to modernize the 1902 Reclamation Act to ensure that acreage limitations in federally-funded irrigation projects are equitable and fair.

ENVIRONMENT

My Administration is committed to balancing the needs for development, conservation and preservation of our natural resources. Our Nation has been blessed with an outstanding natural heritage which, if properly cared for, can meet our needs for food and fiber, mineral, energy, recreation, and solitude in a way that is environmentally sound. The Congress and the Administration have worked together over the past 2 years to achieve this goal. We have enacted the first Federal standards for strip-mining coal; we have improved and extended the Clean Air and Clean Water Acts; we have created a substantial number of new National Parks and other protected areas. During 1979, protection of Alaskan lands, implementation of water policy, resolution of wilderness and nonwilderness designations in the National Forest System and reformed management of Federal energy resources will be major environmental initiatives of my Administration. Efforts to enforce and implement environmental statutes firmly and fairly, to streamline environmental review requirements, to protect public health and to preserve wildlife resources will continue to be pursued vigorously and as cost-effectively as possible.

ALASKA

As in the last Congress, passage of legislation designating National Parks, Wildlife Refuges, Wilderness Areas, National Forests and Wild and Scenic Rivers in Alaska is the highest environmental priority of my Administration.

To protect these magnificent Alaskan wild lands, I took several actions after the adjournment of the 95th Congress, including the creation of 17 National Monuments covering 56 million acres. These areas, as well as other outstanding parts of Alaska covered in Administration proposals, should be protected promptly by legislation in order to assure that the great national treasures of wildlife, scenery, history and untouched ecosystems can be saved for our children and grandchildren, while permitting appropriate commercial use of certain of the areas.

ROADLESS AREAS DESIGNATIONS (RARE II)

The Agriculture Department has released tentative recommendations and nearly completed work on a study which will lead to proposals to resolve the status of most of the remaining roadless areas in the National Forest System. The Administration proposal will involve additional wilderness designations in many States and the release of remaining lands for nonwilderness activities. This initiative will also eliminate uncertainty over land uses in most parts of the National Forest System and will ensure that development uses will be adequately supported, while preserving critical parts of our natural heritage in an unspoiled condition.

ENVIRONMENTAL PROTECTION

In recent years, the quality of our environment has improved, but much remains to be done to clean up our air and water, and to control contamination by toxic materials. The Environmental Protection Agency is focussing its efforts on the protection of public health by assessing the effects of substances before they are introduced into the environment, and by ensuring that hazardous wastes are disposed of safely.

At the same time, EPA, and the other health and safety agencies are exercising new care when implementing environmental regulations to avoid imposing unnecessary costs or red tape. A healthy, safe environment need not be incompatible with a healthy economy. We are committed to both.

The Nation's investment in environment cleanup must have the incentives and the flexibility to allow our most important environmental goals to be achieved at the lowest cost. Unnecessary requirements which cause delays and increase costs will be removed. EPA will simplify and consolidate its permit programs to reduce paperwork, red tape and delays.

The Agency is beginning to introduce innovations which allow firms the flexibility to find the lowest cost methods of controlling pollution. I will submit legislation to consolidate Federal funds for environmental programs at the State level, thus giving the States more flexibility to use these funds to deal with their most pressing environmental problems.

These and other changes we are making will assure the American public that the money we spend on environmental controls is the best investment we can make in our future and our children's future.

THE STATE OF FOOD AND AGRICULTURE

World food security has been substantially improved in 1978. For the third consecutive year, good-to-record crops were harvested in most parts of the world, pushing supplies to record quantities and creating the opportunity for people all over the world to improve their diets.

For the United States, 1978 was also a year of records. Large food and record feed grain crops were harvested by U.S. producers, re-emphasizing the U.S. farm sector's capability to lead the world in productivity. But despite the record crops which placed downward pressure on prices here and abroad, our farm economy became stronger in 1978 and our agricultural trade reached record levels.

The value of U.S. agricultural exports reached $27.3 billion in fiscal 1978—14 percent above 1977's record. The volume of our farm exports was a record 125 million metric tons—up 18 percent from 1977. Agricultural trade made another record contribution to our balance of payments—$13.4 billion in fiscal 1978. Exports also accounted for one out of every four dollars the U.S. farmer earned.

Net farm income, which was $20.6 billion in 1977, is estimated at over $28 billion for 1978—second highest on record. In constant dollars, this was the best year since 1975. This was achieved while we met our domestic needs, fulfilled our commitments to our overseas customers and built reserves for future stability protection. This recovery in agriculture has been shared by crop and livestock producers alike. Indeed, American livestock producers can now look forward to several years of good returns to help them recover from the last four years which were marked by poor prices and forced liquidation of herds.

Part of the recovery in the farm sector can be attributed to the programs and policies adopted by my Administration and the Congress—which farmers have used to improve their incomes and stabilize prices.

I am personally proud of the recovery our farmers have made.

INTERNATIONAL AGRICULTURAL TRADE

Over the past 2 years, this Administration has worked to reduce barriers to international trade and to develop new markets and encourage increased exports of agricultural products. The Agricultural Trade Act of 1978, for example, provides important new authorities for intermediate credit and the establishment of trade offices in major markets. We have moved to establish new and stronger trade ties with several nations, including Japan and the People's Republic of China. Partly as a result of these efforts, exports of U.S. farm produced goods are expected to reach a record $29 billion in fiscal 1979—21 percent higher than 2 years ago—and contribute $15 billion to our balance of payments.

Unlike previous Multilateral Trade Negotiations, in the current MTN we have placed heavy emphasis on the lessening of restrictions on trade in agricultural products. Our efforts here should have a major impact on U.S. agriculture in the future, by broadening our access to important existing and new international markets.

CROP INSURANCE

The Federal government now operates several programs to protect farmers from economic losses associated with crop failure. The experience of recent years with these programs has demonstrated their many serious shortcomings—in the breadth of coverage, the equity of program benefits, and the efficiency of program administration.

We will propose again a comprehensive, nationwide all-risk insurance reform bill to the 96th Congress aimed at providing fairer and more effective protection for farmers, and at no additional cost to the taxpayer. Under this proposal, several existing disaster assistance programs would be consolidated into one comprehensive, share-the-cost program to ensure against economic losses resulting from natural disaster and other uncontrollable risks.

INTERNATIONAL EMERGENCY WHEAT RESERVES

The cornerstone of our domestic food and agricultural policy is the farmer-owned grain reserve. In little more than a year, we have built this into a 1.3 billion bushel grain reserve—the equivalent of more than a third of our carry-over stocks from the past year. These stocks remain under the ownership of those farmers who produced them rather than in the hands of government or international grain traders. This reserve provides a critical cushion against shocks in the market caused by production shortfalls either here or abroad.

We now need to establish the same sort of protection for our international food aid programs. Accordingly, the Administration will reintroduce legislation to authorize the establishment and management of an international emergency wheat reserve. This reserve will provide developing countries assurance that we will be able to fulfill our food aid commitments. At the same time, it will protect the domestic economy from further inflationary pressures during periods of grain shortages.

SUGAR

In the absence of Congressional passage of a domestic sugar program in the last session, the Administration has taken several further steps to assure domestic producers of a fair return and consumers an assured supply at stable prices. To underscore Administration commitment to achieving ratification of the International Sugar Agreement, I directed that sugar imports from countries not party to the agreement be strictly limited to the levels permitted under the agreement for 1979. We have also asked for and received an extension of the deadline for ratifying the ISA to June 30, 1979. In addition, at the end of last year, I issued a proclamation that provides for a new, more flexible system of sugar import fees protecting a domestic raw sugar price of 15 cents per pound.

To help stabilize world sugar prices, to satisfy our international commitments, and to protect our domestic sugar producers, my Administration is committed to working with the Congress to develop an effective, non-inflationary domestic sugar program early in this session, and to achieve ratification of the International Sugar Agreement.

RURAL DEVELOPMENT

Throughout 1978 my Administration took steps to make existing Federal rural development programs work better. For many rural areas, and for most rural residents, the 1970's have been a period of rapid growth and development. Income levels have risen and large numbers of better jobs have been created in rural communities across the Nation. Rates of population and employment growth for rural areas have been substantially greater than for urban areas—causing problems of unplanned rapid growth in some areas but also reversing decades of rural out-migration and economic stagnation. Nevertheless, rural Americans still experience a disproportionate concentration of pressing human problems:

—two-thirds of all homes lacking complete plumbing are in rural areas;

—rural infant mortality rates are 10 percent higher than urban ones;

—70 percent of the rural poor and half of the rural elderly have no automobile, causing great hardship because of the distances to travel to get access to basic health care, jobs, and other social services;

—while only a quarter of all Americans live in rural areas, 40 percent of the Nation's poor live there.

For too long the small town mayor, the rural county official and the individual rural American have been frustrated by a maze of Federal grant applications, requirements, eligibility standards, audits and deadlines which have made it virtually impossible to address these rural problems effectively.

For too many years, money and time has been wasted. We are moving to address this chronic problem. In the last year, White House Rural Development initiatives have resulted in:

—a commitment to build 300 rural primary health clinics to serve 1.3 million Americans who lacked access to care;

—major streamlining of the rural water and sewer grant process through which five agencies distribute $2.5 billion in Federal funds each year. The new process permits a single application, single audit, single funding source and single point of Federal contact—at a savings to local government of several hundred million dollars each year along with a reduction in processing time of as much as 15 months; and

—specially targeted rural job training programs for rural disadvantaged in the water and sewer and health support fields.

This effort to address rural problems will continue and be expanded in 1979, addressing the problems of rural transportation, housing, and economic development among others. In addition, during the year I plan to articulate a set of overall rural development principles and goals which will guide the actions of my Administration. These principles will provide focus, direction and priority to the myriad of now separate Federal actions and policies, so that we can more effectively work to:

—overcome the problems of rural isolation;

—promote economic development;

—meet basic human needs;

—protect the quality of rural life;

—assure equity in the administration of Federal programs for which rural Americans are eligible; and

—build a more effective partership among Federal, State and local governments and the private sector in meeting locally defined rural development priorities.

Furthermore, several other Administration initiatives will have an impact on the conditions in rural America. We will make certain that the rural perspective is considered as initiatives are developed in such areas as welfare reform and a national health plan.

FOREIGN POLICY PRIORITIES

THE CONTINUING CHALLENGES OF CHANGE

When I took office two years ago this month, I was convinced that America had to pursue a changed course in a world which was itself undergoing vast change.

In the midst of this accelerating change, America's choice lies between facing chaos or building with others a new foundation for a true world community. Our foreign policy accepts the latter responsibility both because of our basic belief, and because of America's critical role in the world.

To this end, we must have four broad objectives:

—to buttress American power on which global security and stability depend;

—to strengthen our relations with other nations throughout the world in order to widen the spirit of international cooperation;

—to deal constructively with pressing world problems which otherwise will disrupt and even destroy the world community we seek;

—to assert our traditional commitment to human rights, rejoining a rising tide of belief in the dignity of the individual.

Progress towards these goals depends first on our ability as a Nation to work together in the common interest. During the coming year, the Congress, the Executive, and the public will be addressing an unusually wide range of international issues. The action taken will have an impact on our Nation's position in the world for many years to come—in establishing a secure nuclear balance, in developing closer relations with the world's most populous Nation; in achieving an historic step towards peace in the Middle East; or in setting the pattern of trade relations during the next decade and beyond.

This report elaborates on my address to the Congress and, in particular, concentrates on the issues in which the role of the Congress will be most important to building a new foundation for peace. In each case, the challenge is clear: to exercise strong American leadership with others to shape change rather than permit change to shape us.

AMERICA'S MILITARY STRENGTH

Elsewhere in this report I have described the domestic programs and policies required for a just, united and productive America. The maintenance of American military strength is an essential foundation for a successful foreign policy that safeguards our freedom, our accomplishments and our friendships. In a world of accelerating change, fraught with potential danger and uncertainty, and marked by a continuing Soviet military buildup, we must have, together with our allies, unsurpassed military capability to deter attack or attempts at political coercion. Moreover, we must have the military force to mount an effective defense at any level of hostilities where our vital interests are jeopardized.

The defense budget which I have presented to the Congress funds a program of prudent investments that will ensure the effectiveness of our strategic and conventional military posture. It will:

—begin full-scale development of a new, more survivable ballistic missile system to enhance the ICBM component of our strategic triad;

—maintain the Trident submarine and missile programs, increasing the security, striking power and the range of our submarine force;

—extend the effectiveness of our bomber force with the addition of air-launched cruise missiles;

—pursue a vigorous program of research and development in cruise missiles, aircraft and other systems to ensure the continued technological superiority of America's nuclear deterrent.

In addition, the defense budget I have submitted this week will strengthen our conventional capabilities to fulfill our commitments to our major allies and friends and retain a credible military presence in both the Atlantic and Pacific. We will continue to add armor and firepower to our infantry and build a more modern, smaller aircraft carrier which, together with more frigates and destroyers, will improve the effectiveness and flexibility of our surface fleet.

In NATO, we have already achieved important progress toward making the Alliance more effective in the changing security environment.

—We helped launch the Alliance's Long-Term Defense Program to offset growing Soviet modernization of its deployment in Europe. The LTDP will increase NATO military capabilities through better coordination of defense efforts, increased investment, and more modern equipment.

—We removed, with the support of Congress, a serious obstacle to strengthening Turkey's defensive capabilities and made further progress toward the reintegration of Greek armed forces into NATO's military structure; both these efforts helped repair a serious deficiency on NATO's southern flank.

—We neared final agreement with the Portuguese on the renewal of our base rights in the Azores.

The provision of adequate military as well as economic assistance to Turkey, Portugal and other allies and friends in need will be a matter of high priority during the coming year.

NATO's strength is growing. In 1979,

we can further that encouraging process by standardizing more of the Alliance's equipment and improving Allied readiness. The proposal I will soon put before the 96th Congress calls for the authorization of intergovernmental agreements to simplify logistical problems both in peacetime and during any period of hostilities. Such agreements will permit the U.S. to reinforce NATO more rapidly and provide more effective defense at lower cost.

We also intend to maintain a vigorous American military presence in the Pacific. Successful completion of a revised military base agreement in the Philippines, following ten years of negotiations, provides an essential underpinning for our military capability in Asia.

Congressional authorization for the transfer of military equipment to the Republic of Korea was another contribution to assuring the security of Korea and Japan. Both actions unmistakably signal not only our desire to promote East Asian stability but our intention to remain a concerned, involved and responsible power in the Pacific.

The essential task of improving our military posture must also be accompanied by increased efficiency. I take this opportunity to thank the Congress for its support last year of our actions to reduce waste and needless duplication in our defense budget. Vigorous cost-saving efforts will continue this year in order to assure that the United States will possess strong military forces at the lowest possible cost.

BUILDING THE COMMUNITY OF NATIONS

Military strength is essential to peace but cannot alone guarantee it. The system of cooperation we have with the rest of the world is part of the foundation for our own security. Our best hope for a safer America and a peaceful world resides in the building of closer ties with as many nations as possible.

THE MAJOR ALLIES

Throughout 1978, the North Atlantic Alliance and the growing partnership which links us with both Western Europe and Japan remained at the heart of our foreign policy. The cooperation we share with those whose purposes and traditions are closest to our own is strong and growing stronger.

Through our summit meetings, and through an unprecedented pattern of consultations at other levels of our governments, we are working together on virtually all of today's most critical issues:

—together we are seeking to reduce the risk of nuclear confrontation;

—we are working on ways to strengthen the common defense;

—we are attempting to promote a peaceful transition in southern Africa;

—we are striving to resolve conflicts in the Eastern Mediterranean to support a just and lasting peace in the Middle East and to maintain stability in the Persian Gulf;

—we are contributing to a sounder international economy;

—we are consulting on the issues that confront all our societies: the problems of youth and age, family and community, growth and conservation—in short, advancing our democratic ideals at home in a time of change in each of our countries.

America's role as host for the NATO summit meeting in Washington last spring, and our attendance at the seven-nation economic summit in Bonn last summer, symbolized American commitment to the strength of relations with Europe and Japan. I look forward to meeting these and other allied leaders at the Tokyo summit next June, where we will continue the essential effort to deepen further the cooperation between us.

A WIDER COMMUNITY

The changing realities of political and economic interdependence require that we strengthen our ties throughout the developing world and seek to improve relations with Communist nations as well.

My trips to Nigeria, India, Saudi Arabia, Iran, Brazil, and Venezuela underlined American sympathy and support for the international roles these countries are playing in the process of world change. Strengthened consultations with the ASEAN nations serve the same end.

My trip to Mexico early next month will be a part of this process; Mexico is important to us not only because it is a neighbor but also because it is one of the most vigorous democracies in this Hemisphere and a leader in the developing world. As neighbors, we share an agenda of common concerns—trade, migration, economic growth and social development—that provides an opportunity to establish a uniquely productive, cooperative relationship.

My trip to Poland and the visits of Secretary Vance and Secretary Blumenthal to Hungary and Romania underscore the importance we attach to better relations with the nations of Eastern Europe. The support of the Congress for our policy toward Eastern Europe has provided a strong foundation for building a stronger economic, cultural and political relationship—a process that will continue to go forward in the coming year.

CHINA

The arrival next week of the first leader of the People's Republic of China to officially visit Washington will give us an early and welcome opportunity in the new year not only to cement the ties of friendship and hospitality between us but to emphasize our expectation that our relationship with China will be a constructive one. It will contribute to diversity in the world and to peace and stability in Asia. It is not directed against the interests of any other country.

To fulfill the promise of this new era in Sino-American relations, we will require legislation and support from the Congress. Such legislation is particularly important to facilitate continued trade and other relations with the people of Taiwan through non-governmental instrumentalities and to assure continued peace and prosperity there. This has very high priority in our legislative program for 1979.

USSR

We seek better relations with both the Soviet Union and the People's Republic of China. Doing so is profoundly in the interests of our Nation and of global security.

I therefore would like also to welcome President Brezhnev to our country in the near future. At that time we would hope to conclude an agreement curbing the strategic arms race. There are other areas where our two nations can work constructively together. These include a comprehensive nuclear test ban treaty; limits on Indian Ocean deployments, and on the transfer of conventional arms; and restraint in areas of turbulence and tension. Such cooperative effort would do much to make the world a safer place for all.

We will never ignore Soviet actions which challenge our interests. We both have a responsibility to our peoples and the world to maintain a pattern of detente which is genuinely reciprocal and broadly defined.

DEALING WITH WORLD PROBLEMS

A true world community cannot be fashioned or endure so long as the weapons of war multiply and spread, so long as ancient disputes fester and the demands for justice are unmet, so long as much of mankind remains impoverished and without hope.

As I emphasized in my State of the Union address, the need to curb the strategic arms race has never been more urgent. It increases the risk of nuclear war. It is a needless competition that draws away scarce resources we need to invest in other areas of our Nation's strength. It undermines America's security.

The conclusion and ratification of a satisfactory SALT II Treaty with the Soviet Union is therefore among our top priorities. It will make a major contribution to enhancing our long-term security, while keeping open our options to carry out needed modernization of our strategic forces and preserve our deterrence.

We will take whatever time is necessary to negotiate a sound, verifiable agreement. I am convinced that once the American people and Congress have had a chance to examine the terms and benefits of this Treaty—and consider the shape of our future without it—they will conclude it serves our vital security interests.

We will continue to consult the Congress as we proceed this year with other important arms control negotiations; on a comprehensive nuclear test ban; the prevention of anti-satellite warfare; mutual and balanced force reductions in Europe; and limits on the rising tide of conventional arms transfers.

The risks inherent in the proliferation of nuclear technology figure prominently among the dangers to the world community. Although we and the rest of the world still have far to go in dealing responsibly with such risks, the United States took an important step last March with the adoption of the Nuclear Non-Proliferation Act. For the first time in our history we established comprehensive legislation covering international cooperation in the nuclear field and the export of nuclear-related materials. To build on that promising beginning throughout 1979, we need progress in the following areas, both nuclear and non-nuclear:

—The International Nuclear Fuel Cycle Evaluation (INFCE), a 53-nation effort, can help us develop a new international nuclear fuel consensus that will adequately balance energy needs with non-proliferation concerns. We continue to believe that better alternatives exist to the commercialization of dangerous breeder reactors and we will cooperate as fully as possible with other countries in exploring those alternatives.

—We will seek more substantial progress in the problem of managing nuclear waste and in attracting greater international support for the acceptance of nuclear safeguards. I ask the Senate to ratify the treaty on the IAEA Voluntary Safeguards Offer which will provide concrete proof of our belief that international safeguards do not interfere with the successful development and operation of commercial nuclear power.

—I will call for early Senate ratification of Protocol I of the Treaty of Tlatelolco, which will contribute to the lessening of nuclear dangers for our Latin American neighbors; the U.S. and Cuba are now the only countries in our Hemisphere which have not yet ratified that Treaty.

REGIONAL CONFLICT AND TENSION

Curbing the means of war cannot in itself remove the threat of war. For that, we must seek to resolve conflicts, ease tension and build trust. The urgency of this task and its importance to the United States and the world is nowhere more clear than in the Middle East. Though there has been great progress, the goal of a just and lasting settlement in that troubled part of the world still eludes us. No one who has looked at Middle East history can harbor any illusion about the difficulties ahead. Yet we have made great strides toward a final peace agreement between the two principal adversaries in the Middle East. The differences which they have overcome far outweigh the issues which still divide them. Israeli and Egyptian commitment to peace will provide an indispensable step toward peace between Israel and all its neighbors and foster the stability and orderly change we favor for the entire Middle East region. Peace will permit us to strengthen our ties with the Arab states in the region and enhance our relationship with Israel, a relationship which will always be special to us.

In 1979 I will count on the continued collaboration of the 96th Congress on behalf of our efforts to gain and maintain peace throughout the region. The support of the Congress and the American people for a purposeful role in that region is particularly important in light of the tumultuous events taking place in Iran. Since the end of the Second World War, the United States has maintained a close relationship with Iran and it has a vital interest in Iran's independence and integrity. The people of Iran should shape their own future without foreign interference. That is the policy of the Government of the United States and we expect it to be the policy of all of Iran's neighbors.

AFRICA

Congressional support for peace, stability, and orderly change are essential in other tense regions, as well.

In Southern Africa we are trying to help bring about a peaceful transformation to majority rule which will avoid growing bloodshed between white and black and deeper intervention by the Soviet Union and Cuba.

Together with our European allies, Canada, and African states directly concerned, we are making progress toward the independence and majority rule of Namibia—a step that would have a positive impact on the evolution of events in Rhodesia and elsewhere in Southern Africa. We are heartened by the support of the African leaders who have worked with us in efforts to resolve the Namibian and Rhodesian issues.

Congressional repeal of the Byrd amendment was essential in enhancing our credibility in the effort to avoid a gathering war and further Soviet and Cuban gains in Southern Africa. We will consult closely with the Congress during the coming months, as we seek the most constructive role we can play. It will be increasingly important to maintain our position of impartiality among the parties so we can help them resolve their differences should they choose the path of peace.

LATIN AMERICA

In our own Hemisphere, we can point with pride to the cooperative spirit which enabled us to change, in mutually beneficial ways, the basis of our relations with Panama. Senate approval of the two Panama Canal treaties last year has improved the quality of our historic relationship not only with Panama itself but with our friends in every part of Latin America. By that act, our country helped demonstrate its ability both to protect major security interests and to deal with smaller nations with dignity and mutual respect. Congressional action to pass the necessary implementing legislation for these treaties before the October 1 deadline will ensure that the Canal is efficiently operated during the transition to a new partnership with Panama.

The treaties and implementing legislation, like our efforts to help the people of Nicaragua find an enduring democratic solution to the current crisis there, are important to the future stability of Central America as a whole and the strengthening of our new and mature relationship with the nations of all Latin America.

THE INTERNATIONAL ECONOMY

In our daily lives, we are constantly reminded of the importance of a healthy world economy to the strength of our own. We see this in the wages of our workers who produce goods for export, in the choice of goods for our consumers, in the price of energy.

We must work closely with other countries to ensure that the world economy can steadily develop through non-inflationary growth, while together we manage the use of its resources and protect our environment.

The focus for much of this effort during the past year was the Bonn Economic Summit. We worked out a strategy of cooperation with our partners to improve the world economic situation: within the framework of those Summit decisions, West Germany and Japan have taken measures to stimulate their economies while we are giving top priority to fighting inflation. Our actions, along with those taken by other Summit participants, are leading to a convergence of economic policies that will strengthen the global economy.

We have strengthened the dollar by working out arrangements with other countries to counter speculative disorder in currency markets. Since I announced my dollar stabilization measures last November, we stopped the dollar's decline in value against other currencies and have actually increased the dollar's value by around 10 percent against several major currencies. Moreover, we have announced a multi-faceted program to increase U.S. exports, which will benefit American farmers and workers, while further strengthening the position of the dollar.

We are now close to new agreements with our trading partners to establish a fairer, better operating and more open framework for world trade.

The American people have a vital stake in Congressional approval of these agreements. Ten million American jobs depend on our exports. Every third acre of our farmland produces for sales abroad. Two-thirds of our imports are essential raw materials or goods we cannot readily produce.

At a time of difficult strains in our own economy, there is always an impulse to abandon our commitment to an open world trading system. But the costs of such a course to the American people would be enormous. Each American family would pay more for what it buys and would have less choice in the goods available. Inflation would be fueled. Jobs would be jeopardized, for protectionism against our trading partners breeds protectionism by them against us.

I am convinced that our economy can adapt to changing patterns of world trade in ways that protect the future of our workers. We can compete effectively in the world economy. The new trade agreements give us the opportunity to do so.

Our programs of economic development assistance abroad are also an investment in our own future as well as the future of other nations. Our most rapidly growing markets lie in the developing world. By helping the people of these countries, we not only help extend their opportunities for a better life, we help ourselves. By demonstrating to their governments that we are concerned for the well-being of their people, we encourage their increasing cooperation with the West on a broad range of issues.

I therefore urge Congressional approval of the funding we propose for our bilateral assistance programs and our participation in the work of the multilateral development banks and UN agencies.

My proposal to establish a Foundation of International Technological Cooperation reflects our recognition that scientists in many developing nations are ready to work in collaboration with our technological institutions to solve the great problems of health, nutrition, productivity and other aspects of economic development.

Key commodity agreements can also help us deal with the legitimate needs and interests of the developing countries. Senate ratification of the International Sugar Agreement, which we signed last year, along with price support legislation will stabilize prices for that important commodity. We have pledged a contribution to the International Tin Agreement, and we will conduct negotiations on a rubber accord.

Efforts to build a stronger international economy are directed not simply at managing economic relationships among nations, but at improving the lives of individual people around the world. For it is the lives of individuals which define the success or failure of our foreign policies.

REASSERTING AMERICA'S VALUES

America's future is best secured in a world founded on decency, justice and compassion.

The effort to make human rights a central component of our foreign policy comes from our deepest sense of ourselves as a humane and freedom-loving people. We do not make our standards the precondition for every relationship we have with other countries; yet human rights can never be far from the focus of our thinking or we violate our own best values.

In the year just passed, some have quarrelled with the timing or the tactics of our emphasis on human rights abroad. Others have pointed to our own imperfect record on human rights at home. Yet few can dispute an important fact of this experience: our concern for human rights has met with great resonance in the world at large. The very term has entered the language and become imbued with an everyday familiarity that was simply unknown little more than two years ago.

We believe our efforts have contributed to a global awakening:

—thousands of political prisoners have been freed;

—in several countries, torture of prisoners has been significantly reduced or eliminated and trials are more often open to the public;

—open advocacy of human rights has occurred in nations where the concept was heretofore forbidden;

—international organizations such as the UN and the OAS now have vigorous human rights commissions for the investigation and airing of human rights violations and the Commission on Security and Cooperation in Europe has helped to make human rights an institutionalized part of the international agenda on both sides of the Atlantic;

—in a number of key nations around the world, democratic institutions are being strengthened as democratic values are reasserted.

Americans can be proud of the leading role their Government has played in advancing this process. I now ask the Congress to take action in 1979 which will further strengthen our human rights record. I have signed four important human rights treaties, including the Convention on Racial Discrimination, the International UN Covenants on Economic and Social Rights, and on Political and Civil Rights, and the Inter-American Convention on Human Rights. Senate ratification of these treaties will firmly align our Nation with the growing forces for rule of law and human dignity in this world. Similarly, I call upon the Senate finally to ratify the Genocide Convention. The United States is one of the very few countries which have not yet ratified this convention; this anomaly should be corrected at the earliest possible moment in this Congress.

I am also proud of the efforts we have undertaken this past year to alleviate the plight of refugees from the far corners of the world, particularly those fleeing the troubled Indochinese peninsula. We have done a great deal to reduce suffering among these desperate people and to many of them with a possibility of a new home and a new start.

We will continue to do our part and to encourage others to increase their financial assistance opportunities for resettlement. I hope to cooperate closely with this Congress in the passage of new legislation which will allow us to focus U.S. assistance more efficiently in working toward the solution of this global, human problem.

Our challenges reflect a single fact: the pressure of accelerating change in our century. We need not fear this phenomenon; indeed, we should welcome it. Change has not been merely a challenge in American history; to a very real degree, it has been our Nation's charter. We have not prospered and grown for more than two hundred years by worshipping the status quo. In building our Nation and confronting the many tasks which history has assigned us, we have found change to be our natural element.

We should approach the task of building a new Foundation for a world of change with the confidence of a Nation whose strengths are unmatched. Our military forces are strong and growing stronger. Our technological and industrial capacities are unsurpassed. Our allies are strong and reliable. Our way of life, and what we stand for as a Nation, continue to have magnetic international appeal.

I do not pretend that change comes without cost. I do not pretend that it comes without pain. Neither the visionary men of the 18th Century who founded our Republic, nor the citizens of conscience who opposed slavery in the 19th, nor the men and women of the 20th who led us successfully through two world wars looked upon change as easy. They did, however, look upon it as inevitable.

So it was in the beginning of our country, so it has been through all the stages of our history. The future has always brought Americans to a higher level of national achievement as long as we were willing to invest the time and the energy and the imagination toward shaping that future ourselves.

As we begin a new year, I repledge my Administration to time, energy, and imagination essential to build a new Foundation for a world of peace, prosperity and human justice. Together, America's Congress, its people, and its President cannot only master the many challenges of change, but make them a part of our Nation's purpose in the world. In so doing, we can bring America closer to that "more perfect union" of Jefferson's dream in a wider and more secure global community congenial to our values, interests and ideals.

JIMMY CARTER.

THE WHITE HOUSE, *January 25, 1979.*

☐ 1325

THE PRESIDENT'S FISCAL YEAR 1980 SHIPBUILDING BUDGET IS ANOTHER BROKEN PROMISE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Virginia (Mr. TRIBLE) is recognized for 15 minutes.

● Mr. TRIBLE. Mr. Speaker, President Carter's proposed fiscal year 1980 shipbuilding budget is another broken promise. Less than 2 years ago, he presented to the Congress a 5-year shipbuilding program in which he proposed to spend $11.1 billion in fiscal year 1980 to buy 38 new ships and modernize 7 existing ships.

During the brief span of time since then, the President has committed massive—and perhaps, terminal—surgery on the shipbuilding budget. He has slashed in half the projected $11.1 billion shipbuilding plan for next year and cut nearly two-thirds of the ships out of the budget. It is easy to see where the President went wrong.

When President Carter came to office he promised to bring economy to Government and said he was going to cut the "fat" out of the Defense budget. However, in the 2 years since he took the oath of office, the President has done just the opposite—he has cut out the "muscle" in our Navy shipbuilding program.

If the President's shipbuilding budget for fiscal year 1980 is any indication of what we can expect from the President's 5-year shipbuilding plan, I believe we can label it in advance as the "no Navy" shipbuilding plan. Let us take a closer look at what the President has cut from the budget.

In May of 1977, President Carter told us we needed to build three new destroyers and modernize six existing destroyers next year to give our Navy antiair protection. But now the President has proposed that we build only one of the new destroyers next year and that we convert only one of the existing destroyers.

In testimony before the Seapower Subcommittee, Navy officials have consistently testified that Soviet aircraft and missiles pose an increasingly grave threat to our surface fleet. However, it is equally clear that the threat of air attack at sea can be countered effectively. The solution lies with a two-pronged program. First, we need to modernize the air defense capabilities of our existing fleet of DDG-2 guided missile destroyers. Second, we need to authorize construction of new surface ships which can be equipped with the sophisticated Aegis system, which can defeat the most advanced Soviet missiles and aircraft.

The President also appears to have dramatically changed course in his plans for antisubmarine warfare. Since May of 1977, President Carter has cut in half his announced plan for building frigates and attack submarines in fiscal year 1980. Instead of authorizing 12 FFG-7's and 2 SSN-688's, the President now recommends we build 6 frigates and 1 sub. I am at a loss to comprehend how such a savage cut would do anything other than imperil national security. Combined with the deep cut which he made in the destroyer program, President Carter has effectively denied the fleet of the future of its capability to defend itself against submerged attack. In this sense, President Carter is telling Congress that he believes the era of the surface fleet is coming to a rapid end.

I most strenuously disagree. I believe we need a strong and vigorous Navy capable of defending itself against opposition above, below, and on the surface of the water. America cannot afford to do without a surface Navy. Unlike the Soviet Union, the United States is an "island" power—we must cross oceans to reach any potential war zone and must import vast quantities of materials from abroad in order to satisfy our strategic requirements. Our airlift capability is too small and our supply needs too great to plan for major warfare without placing major reliance on sealift. However, we will be unable to move any significant quantity of equipment or supplies by sea unless we have a surface Navy capable of protecting our cargo ships against attack from the enemy.

I realize the President has emphasized in his defense planning the threat which we face in Europe. I agree that we must strengthen our NATO land-based forces, but I disagree with the President when he recommends—as he has in this budget—that we strengthen these forces at the expense of shipbuilding.

If our funds are so limited that we cannot afford bullets for NATO as well as ships for the fleet, I believe we must forego purchase of the bullets in favor of the ships. Bullets and the assorted other small armaments which the President requests for NATO can be produced much more rapidly than ships can. However, if we wait until the outbreak of armed hostilities to begin building ships, the war will be over before we can finish our first warship and any ships which we send out laden with bullets over the seas will be sunk long before they reach their appointed destinations. In short, I believe we cannot have bullets without ships.

In proposing his shipbuilding budget, I believe the President has broken faith with the Congress and the American public. In his August message to Congress vetoing the fiscal year 1979 defense authorization bill, the President wrote:

> We need a fleet that includes more vessels that can perform our Navy's mission but that are not, as this one (the nuclear powered carrier) would be, so designed as to be prohibitively expensive to build.

However, instead of proposing to build more ships of lesser capability for the same amount of money, the President has proposed that we buy about the same number of ships but with reduced capabilities. From this pattern, the only conclusion I can reach is that President Carter believes we can no longer afford to have a first-rate Navy.

I do not share the President's view on this matter. I believe we can have a first-rate Navy and we can have bullets for NATO. But we can only have both if the President and the Congress are willing to make the difficult decisions necessary to keep the budget in line and our national security in mind.

CHANGES IN THE CARTER SHIPBUILDING BUDGET FOR FISCAL YEAR—1980

Type of ship	Number of ships in— Carter 5-yr. shipbuilding program as announced May 1977	Carter budget as proposed January 1979	Difference
Trident missile submarine (SSBN)	2	1	−1
Attack submarine (SSN)	2	1	−1
Aircraft carrier overhaul (CV SLEP)*	1	[a] 0	−1
Conventionally powered aircraft carrier (CVV)	0	[b] 1	+1
Nuclear powered guided missile cruiser (CGN-42)	1	0	−1
Guided missile destroyer equipped with Aegis air defense system (DDG-47)	3	1	−2
Guided missile destroyer modernization (DDG-2 CONV)*	6	1	−5
Guided missile frigate (FFG-7)	12	6	−6
Mine counter measures ship (MCM)	6	0	−6
Fleet oiler (AO)	2	0	−2
Combination ammunition and fleet oiler ship (AOE)	1	0	−1
Destroyer tender (AD)	1	0	−1
Towed surveillance sonar ship (TAGOS)	5	5	0
Cable laying ship (TARC)	1	0	−1
Total new ships	38	15	−23
Total conversion/SLEP*	7	1	−6
Grand total	45	16	−29

*This is a conversion or service life extension program. Money for this work is appropriated out of the new ship construction account because the overhaul work is so extensive. For the carrier program, this overhaul will extend the useful lives of the ships by fifteen years. For the destroyer program, the modernization will involve removing present air defense systems and replacing them with new equipment.

[a] Absence of a carrier SLEP in FY-80 Budget is a reflection of a modified schedule for this program. Instead of commencing in FY-80, it is now scheduled to begin in FY-81.

[b] Addition of one aircraft carrier in the FY-80 Budget is misleading. President Carter's Five Year Shipbuilding Plan of May 1977 planned for authorization of this ship in FY-79. Request for funding for it in FY-80 represents program slippage.●

FOREIGN PURCHASERS OF U.S. FARMLAND SHOULD BE SUBJECT TO SAME CAPITAL GAINS TAXES AS AMERICAN INVESTORS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. ALEXANDER) is recognized for 30 minutes.

● Mr. ALEXANDER. Mr. Speaker, today I am introducing legislation that will change the capital gains treatment of agricultural lands owned by non-U.S. citizens.

Under current tax law, nonresident aliens who invest in U.S. agricultural lands are not subject to the same capital gains tax resulting from sale of such land as are American investors in farmland. This situation gives the foreign investor a built-in advantage over the American farmer. It allows for land speculation on the part of foreign investors that is not healthy to American agriculture.

Until 1936, when Congress made the distinction between nonresident aliens, including foreign corporations, doing business in the United States and those not doing business in the United States, nonresident aliens were taxed on their capital gains. However, the Revenue Act of 1936 changed the law to provide that those nonresident aliens who did not engage in a trade or business and who did not maintain an office in the United States were taxed only on interest, dividends, rent, wages, salaries, annuities, and periodical gains, profits and income at a special rate of 10 percent. Hence foreign individuals and corporations who hold U.S. farmland for investment can sell it without having to pay tax on the gains.

Our huge balance-of-payments deficit puts billions of dollars' worth of purchasing power in the hands of foreigners. The surplus of dollars in the international money market has resulted in the dollar's devaluation, thus reducing, in real terms, the price of American farmland for foreign investors.

Given the lucrative nature of foreign investment in American agricultural land and the likelihood that such investments will remain safe for the foreseeable future, I believe it is in the best interest of the American agricultural sector that this loophole in present tax law be closed.●

DEPLORABLE EVENTS IN EL SALVADOR

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. DRINAN) is recognized for 10 minutes.

● Mr. DRINAN. Mr. Speaker, I am compelled by a sense of moral outrage to bring to the attention of this body the deplorable events that are now taking place in the Central American country of El Salvador. In a series of regrettable actions, the Government of El Salvador has systematically persecuted its political opponents, in particular the Roman Catholic Church. At least four priests have been murdered in unresolved crimes over the past 2 years, and recent events have confirmed a continuation of the disappearances, arbitrary arrests, murders, and torture that has racked El Salvador.

The political situation in El Salvador, an overcrowded nation of about 5 million people, has deteriorated to the point where the United States can no longer stand idly by. We must let the Government of El Salvador know that we cannot condone these acts of violence and oppression.

The leader in the movement for human justice and civil liberty, Archbishop Oscar Romero, has been brought under increasing political pressure to cease his outspoken defense of freedom. Yet in a recent communication from the archbishop to the president of the legislative assembly, Dr. Jose Leandro Echeverria, the archbishop courageously cites the need to grant amnesty to the 108 missing individuals and the 72 political prisoners who are languishing in jails. This letter was forwarded to me, in order to coincide with Dr. Echeverria's trip to the United States, and his meeting with President Carter. I include a translated text of the letter:

> Dr. José Leandro Echeverría,
> *President of the Legislative Assembly.*
>
> Dear Dr. Echeverría: The Archbishop of San Salvador, Monsignor Oscar A. Romero along with his Vicar General Monsignor Ricardo Urioste and the clergy of the Archdiocese, after having met during this week analyzing the present serious crisis which the nation is experiencing and the way we must help to resolve it through our pastoral labor, have come to the conclusion of asking you to listen to the outcry of the relatives of the 108 missing and 72 political prisoners and to accept the petition of general amnesty, freedom for the missing and repeal of the Law of Public Order which the Archbishop, innumerable institutions and national and international popular organizations in common cause with these families and as representatives of our people's feeling, have made.
>
> We believe that to accept these petitions, instead of being a symptom of weakness in the present government, is a sign of its attitude of wanting to listen and legally and peacefully channel the will of the people.
>
> In addition it would be a needed measure for favoring an environment of greater confidence and less tension to make possible dialoguing and collaborating with all sectors of the people until peacefully achieving daring and radical changes in the present economic, political and social structure of our country to make possible greater justice and equality among us: indispensable conditions for there being a real development and a genuine peace.
>
> We have decided to turn to you because we believe that it is incumbent on you as President of the Legislative Assembly to favor the fulfillment of these petitions and because your action in the face of the University problem has given us cause to expect a positive reply from you, which will undoubtedly bring great joy to the relatives of the missing and political prisoners and will be a good step for the nation towards attaining peace and order.
>
> For our part, we will appreciate anything you do to provide amnesty, freedom for the missing and to repeal the Law of Defense and Guarantee of Public Order and we shall try to keep on fostering a clear awareness in Christians that we are ALL children of God and as such we enjoy the same rights and obligations, we are brothers, and we must help one another build a nation worthy of bearing the name of "El Salvador".
>
> Sincerely yours,
>
> Oscar A. Romero,
> *Archbishop.*

The most recent aberration of human justice in El Salvador was the wanton murder of five people last weekend, including one priest, when a band of militia units stormed a peaceful, nonviolent, nonpolitical meeting in a parish hall. The Washington Office on Latin America was able to obtain a completely reliable, eyewitness account of this tragic event: The eyewitness is not identified to protect his/her life:

> On this day 20th January at 6 a.m. while I was asleep at the retreat house "El Despertar" for Christian groups, a property of the Archdiocese of San Salvador located in San Antonio Abad, many uniformed members of the National Guard and National Police entered the retreat house violently, shooting their weapons. A large, olive green vehicle, a military armored truck (tanquota) together with a jeep entered the patio, occupying the center 1 courtyard.
>
> I was at the retreat as co-director along with Father Octavio Ortiz and 10 other young persons, for a gathering of Christian Orientation for 28 young males, 12–20 years old. "El Despertar" is used exclusively for Christian instruction, and not for any other types of meetings. The center does not give instruction for any other types of meetings or any of which conspire against the state, nor are meetings used for teachings of doctrines of anarchy contrary to public order. During the study program called "Retreat for the Orientation of Young People" (Encuentro de Iniciación para Jovenes) which had been started Friday at 5 p.m., we used Catholic songbooks and what instruments there were were musical, such as guitars; no one possessed weapons of any kind.
>
> Before I was captured by uniformed members of the national police, I discovered that precisely in front of the office, at the threshold, Father Octavio Ortiz was lying in a pool of blood, with blood still flowing from his head. The police agents transported me with Ana María Barrientos, a leader of the Christian Orientation team, in a radio patrol car to central headquarters of the National Guard, where both of us were interrogated and where I gave witness to that which I have stated in the present document. At the headquarters, while standing frightened, following the hurried reading of a document, I signed that document, whose contents now in this present testimony, given freely and without coercion, I categorically deny. I swear that everything in this present testimony which I began at 7 p.m. on 20 January 1979 and which I finished at 7:50 p.m. of that same day, is true. I hereby end this declaration: Done at my own initiative and which I here sign. . . .

Just 1 year ago this month, I joined with Prof. Thomas Anderson, one of the foremost scholars on El Salvador, and John McAward, director of the international programs of the Unitarian Universalist Service Committee on a fact-finding journey to El Salvador. The findings of that mission, published by the Unitarian Universalist Service Committee, concludes that—

> The Church as a whole has been singled out as a victim of persecution on a scale seldom witnessed in a nominally Catholic country . . . [and that] . . . the Church as a whole continues to live in a climate of fear and intimidation clearly due to the violation of the most basic principles of religious freedom and human rights.●

WILSON INTRODUCES NEW POSTAL SERVICE LEGISLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. Charles H. Wilson) is recognized for 5 minutes.

● Mr. CHARLES H. WILSON of California. Mr. Speaker, for some time now it has been abundantly clear that the problems of the U.S. Postal Service are of considerable concern to the American public in general and the many businesses in particular which depend on prompt, reasonably priced, and reliable mail service to expedite various aspects of their operation.

In the 95th Congress overwhelming support for postal reform was shown by the House of Representatives when H.R. 7700, comprehensive legislation which I cosponsored with my good friend, Jim Hanley of New York, was passed by an overwhelming 384–11 vote. Unfortunately, delays in consideration by the Senate prevented floor action on the measure, despite committee approval of their version of the bill.

The fact is, postal problems are not simply going to fade away without some positive input from the Congress to reaffirm the principle of service to the public and other basic guidelines to direct postal management.

For that reason, on opening day of the 96th Congress I introduced a new postal bill which addresses many of the central issues facing the Postal Service.

While the legislation is by no means a cure-all for the myriad problems of the USPS, neither is it a "Christmas tree" of dozens of unrelated topics.

This legislation, which I introduce today, is tightly directed at some of the most important public policy issues facing the Postal Service.

I am confident that it will receive prompt attention by the Post Office and Civil Service Committee and be signed into law during 1979.

Specifically, the bill provides for the direct appointment of the chairman of the USPS Board of Governors by the President and provides the chairman with his or her own independent staff.

One of the greatest concerns in the Congress has been the failure of recent Postmasters General to be responsive to national public policy considerations in postal decisionmaking. Also, the failure of the Board of Governors to assert a fair degree of independence from "recommendations" by the Postmaster General has been properly criticized.

This provision for Presidential appointment of the Chairman of the Board will increase public accountability while preventing any wholesale political interference with postal operations. With an independent staff we can also be confident that the Postmaster General's policy proposals will no longer be simply rubberstamped. The PMG will, however, remain the chief administrative officer of the Postal Service.

Also, as part of this provision, in the future it will be mandated that at least one member of the Board have direct postal management experience and one member with postal labor background.

Further, it will be required that the Board meet at least twice during each calendar month so that it can play a more direct role in the formulation of postal policy.

Another provision of the bill deals with public service appropriations. Clearly, the idea that the Postal Service will "break even" in its finances without seriously curtailing necessary services is outdated. Whether or not at certain times the Postal Service loses less money than at other times, the point remains that it continues to operate at a deficit.

Under these conditions, the provision in the 1970 Postal Reorganization Act to begin cutting public service appropriations (as the "goal" of selfsufficiency was supposedly reached) in fiscal 1980 is clearly unrealistic.

In my bill, the $920 million in public service subsidy is raised to $1.1 billion for fiscal year 1980; to $1.2 billion for fiscal year 1981; and to $1.3 billion for the fiscal year 1982 and beyond.

I am confident that this very modest increase in public service financing will meet with the full approval of the administration which is, of course, committed to preventing any drastic postal financial crisis.

In relation to the President's anti-inflation goals, my bill also contains a small "stretch-out" of the phasing for postal rates other than first class and parcel post. Under this provision the 26-percent average increase in mail rates facing mailers in July of this year will be stretched by increasing the present 8 year phasing to 10 years for commercials, and from 16 years to 22 years for nonprofit organizations. Again, the cost involved in "revenue foregone" appropriations to cover this item will be quite small in relation to the full postal financial picture, averaging considerably under $100 million per year through 1984.

My bill calls for a complete study by the Postal Rate Commission of the present method of attributing or apportioning postal costs and any alternatives to such a system. It is my belief that in this very complicated area we in the Congress need a better base of data than is presently available.

The bill also provides for an annual report to Congress by the Postal Service on research and development, for certain minor modifications to the rate structure for book and educational materials, and for updating of certain outdated "size and weight" limitations.

Mr. Speaker, I also have introduced several other postal bills today which deal with specific problems.

Again, I introduce the so-called "postal supervisors" bill which passed the House by voice vote on September 26, 1977, but did not receive action in the Senate.

The bill which I am introducing today provides dispute resolution procedures with arbitration as the final step for disputes of national magnitude between the National Association of Postal Supervisors and Postal Service top management.

There is room in this bill for the Postmaster General to step in and resolve disputes in a reasonable way, but the final step of impartial arbitration will be available when necessary.

While Postal Service management continues to maintain that it is improving relations with postal supervisors after the generally-recognized management blunders of the early 1970's, the fact is that the supervisors' organization is once again in court challenging the Service's most recent pay proposals for supervisors. The proper place for resolution of postal top management's disputes with its supervisors is not in the courts. This bill establishes a much more reasonable procedure since the Postal Service has habitually ignored its responsibility under the Postal Reorganization Act to, in good faith, consult with postal supervisors during the development of major issues affecting them.

I am introducing another bill, identical to legislation I sponsored in the 95th Congress, which will place the U.S. Postal Service under all provisions of the Occupational Safety and Health Act.

The need for this legislation is obvious. High accident and injury rates plague the Postal Service. Adequate safety programs are lacking in many facilities, as has been demonstrated by numerous inspection tours which I or members of my staff have made. Indeed, statistics compiled under reports from the Federal Employees' Compensation Act for 1977 indicate that of about 200,000 total injuries to the entire Federal work force, postal workers suffered almost 90,000.

Consideration of this legislation will give the Post Office and Civil Service Committee an opportunity to focus on the deficiencies of the postal safety program and, I am confident, lead to some meaningful solutions.

I am also introducing a bill, identical to a provision in H.R. 7700 as passed by the House last year, which changes the method of transporting surface international outgoing mail. Under current law, the Postal Service contracts for the international carriage of surface mail with American and foreign carriers at negotiated rates. American carriers are generally preferred, and rates paid American carriers are about 25 percent higher than foreign rates. There were 123 million pounds of surface international mail last year.

Under the bill, the Postal Service would be required to contract with American carriers unless no American carrier served the route, and the rate would be based on fully distributed costs plus a fair profit. The Postal Service would be prohibited from specifying the size or characteristics of containers. Under current practice, the Postal Service generally specifies in its advertisements for a 30-, 35-, or 40-foot container.●

A TRIBUTE TO JOHN PILLION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arizona (Mr. RHODES) is recognized for 5 minutes.

● Mr. RHODES. Mr. Speaker, we are saddened by the passing of one of our former colleagues, John Pillion, who served in this body 12 years.

John Pillion and I came to the Congress in the 83d and we served together on the House Interior Committee. During his six terms in the House, he was a consistent opponent of waste and deficit spending by Government. He operated a large farm in Niagara, N.Y. and knew firsthand the problem faced by American agriculture.

John was a dedicated Member, and a good friend, and I have many pleasant memories of our associations. He was a fine public servant and earned the respect and admiration of Members on both sides of the aisle.

I join those who served with him in regret of his passing and offer condolences to his daughter.●

FEDERAL SPENDING LEGISLATION

(Mr. WYLIE asked and was given permission to extend his remarks at this point in the RECORD.)

● Mr. WYLIE. Mr. Speaker, on opening day I introduced 20 bills and resolutions dealing with Federal spending. My objective is twofold. I want to make it unmistakably clear as to my own position. Second, I want to make suggestions to the many Members of this Congress who have pledged during their election campaigns to do something about inflation by bringing discipline to Federal spending and by reducing or eliminating the deficit in the Federal budget.

I am under some restraints as a member of the minority party, in the committee hearing, consideration and reporting out process of a bill or resolution for consideration by the full House. Nevertheless, many of you who are new to Congress and many veterans of the House have only recently become convinced that in 1980 the voters will finally hold us in Congress accountable for our personal actions this year in getting something done about inflation and Federal spending. Please get a copy of all my bills and resolutions, look them over and if you decide any have merit, I would appreciate your support in getting the appropriate committee chairman to hold hearings on any of my bills or resolutions or any variation of any of the bills you might like to introduce yourself.

Together, we can work with the leadership of the majority party to get a better feel of the mood of this Congress on the issue of fighting inflation and reducing the Federal Government's role in promoting inflation. If the majority leadership knows that House Members truly want to help the country by reducing spending then some constructive action will be taken by this Congress.

The bills I have introduced fall into one of four different categories or sets.

The first group of bills and resolutions contain language requiring a balanced budget each year except in time of war or economic necessity declared by a two-thirds rollcall vote of Congress. This goal could be accomplished either by amending the Constitution or by just simply passing a new law.

The second category of bills provides for a national remedy for inflationary pressures if Congress is required by circumstances to declare a war or economic necessity which then increases the national debt, because of the deficits incurred while the declaration is in effect. Specifically, when a congressional declaration is terminated, some fixed percent of the Federal budget outlays each year thereafter must be used to reduce the national debt until it is returned to the level that prevailed before the declaration. My bills provide for annual reductions of either 1 or 2 or 3 percent per year. The purpose of this is to reduce systematically the inflationary pressures that will arise whenever Congress increases the national debt by running deficits in the Federal budget.

Any one of the third set of bills and resolutions I have offered will tie Federal spending or Federal budget outlays to 20 percent of gross national product. The purpose of this approach is to make sure that the Federal Government grows at the same rate as the rest of the economy except in time of war or economic necessity. What unfortunately has been happening for a number of years is that the Federal Government has been growing more rapidly than the private sector. If this faster rate of growth continues indefinitely, then, as a simple truism of arithmetic, the private sector will disappear and all that will be left will be the public or Government sector. If you feel for any of hundreds of reasons that the private sector of our economy must be preserved, then I urge you to make a commitment to tie Federal spending and outlays to some fixed percentage of gross national product (GNP). My bills all specify that Federal spending or budget outlays shall be tied to 20 percent of GNP. I personally definitely favor that particular number, but you may not. However, it is your commitment to some particular number that I urge you to consider. That is the only way there is, in my opinion, to make sure that the private sector of our economy is preserved for the benefit of posterity.

It seems to me that once a commitment is made to tie Federal expenditures and outlays to a given percentage of GNP, two relatively minor issues remain. One is, do you tie Federal spending or outlays to the gross national product of the same fiscal year or the previous fiscal year? Given the lags in statistical tabulation and reporting of actual gross national product and the wide range of estimates of current economic activity, I prefer tying Federal expenditures and outlays to the GNP of the previous fiscal year. The second choice that has to be made is to decide when (that is, in what year) the decision to the Federal outlays to GNP will take effect. In other words, how long a time span will we allow for the transition to a fixed percentage to occur. My personal opinion is that Federal outlays should be fixed in 1982 at 20 percent of the previous fiscal year's GNP. You may prefer some other year, some other percent, or some other GNP. I only ask that you consider the principle.

The fourth category of bills and resolutions to discipline Federal spending seeks to limit the growth rate of Federal expenditures and new budget authority to a percentage which cannot be exceeded except during a period covered by a congressional declaration of war or economic necessity. In the 1960's and 1970's the growth rate of the economy of the United States in current dollars ranged from just over zero to almost 20 percent from one year to the next. The average for the whole period was about 10.7 percent per year. The bills I have introduced would limit the growth of Federal new budget authority to a maximum in any one year of 7, 8, 9, 10, or 11 percent. If we can put a cap on the maximum for any one year then we will lower the trendline, long run growth rate of Federal expenditures. This must be done, one way or another. I personally prefer 10 percent at this time, but if another number is more acceptable, I will support it if it is reasonably close to the 10 percent.

The central need of our time and particularly this session of the Congress, as I see it, is to make a commitment to discipline Federal spending in order to bring the Federal Government out of the inflationary whirlpool which is buffeting all our constituents.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. FINDLEY, for 30 minutes, today.

(The following Members (at the request of Mr. SENSENBRENNER) to revise and extend their remarks and include extraneous material:)

Mr. KEMP, for 15 minutes, today.

Mr. TRIBLE, for 15 minutes, today.

(The following Members (at the request of Mr. RATCHFORD) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. KASTENMEIER, for 5 minutes, today.

Mr. FLOOD, for 5 minutes, today.

Mr. LEVITAS, for 5 minutes, today.

Mr. VANIK, for 5 minutes, today.

Mr. MATHIS, for 5 minutes, today.

(The following Members (at the request of Mr. OBEY) to revise and extend their remarks and include extraneous material:)

Mr. ALEXANDER, for 30 minutes, today.

Mr. DRINAN, for 10 minutes, today.

Mr. CHARLES H. WILSON of California, for 10 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revised and extend remarks was granted to:

(The following Members (at the request of Mr. SENSENBRENNER) and to include extraneous matter:)

Mr. SOLOMON.

Mr. CLAUSEN in two instances.

Mr. LOTT.

Mr. GILMAN in three instances.

Mr. GREEN.

Mr. SEBELIUS.

Mr. GINGRICH.

Mr. HYDE.

Mr. TRIBLE.

Mr. MCCLORY in two instances.

(The following Members (at the request of Mr. RATCHFORD) and to include extraneous matter:)

Mr. MOORHEAD of Pennsylvania in 20 instances.

Mr. RODINO.

Mr. ANDERSON of California in three instances.

Mr. GONZALEZ in three instances.

Mr. GORE in two instances.

Mr. VAN DEERLIN in two instances.

Mr. FITHIAN.

Mr. LEVITAS.

Mrs. SPELLMAN.

Mr. LAFALCE.

Mr. MILLER of California in five instances.

Mr. WAXMAN.

Mr. ROBERTS in two instances.

Mr. VANIK.

(The following Members (at the request of Mr. OBEY) and to include extraneous matter:)

Mr. LUKEN in two instances.

Mr. PEASE.

Mrs. COLLINS of Illinois.

Mr. PANETTA.

Mr. CLAY.

ADJOURNMENT

Mr. OBEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 26 minutes p.m.), under its previous order, the House adjourned until Monday, January 29, 1979, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

468. A letter from the Assistant Secretary of the Interior, transmitting certification that an adequate soil survey and land classification have been made of the lands in the Watsonville Subarea, San Felipe Division, Central Valley project, California, and that the lands to be irrigated are susceptible to the production of agricultural crops by means of irrigation, pursuant to Public Law 172, 83d Congress; to the Committee on Appropriations.

469. A letter from the Acting Assistant Secretary of the Army (Manpower and Reserve Affairs), transmitting a draft of proposed legislation to amend section 2107(a) of title 10, United States Code, to extend the age limitation on eligibility of students for the Reserve Officers' Training Corps financial assistance program to recognize active duty previously performed; to the Committee on Armed Services.

470. A letter from the Comptroller General of the United States, transmitting a report on the automated systems security programs in the Federal Government (LCD-78-123, January 23, 1979); to the Committee on Government Operations.

471. A letter from the Assistant Secretary of the Treasury for Legislative Affairs, transmitting various project performance audit reports prepared by the International Bank for Reconstruction and Development pursuant to section 301(e)(3) of the Foreign Assistance Act of 1961, as amended (87 Stat. 718); to the Committee on International Relations.

472. A letter from the Chairman, National Commission for the Protection of Human Subjects of Biomedical and Behavioral Research, transmitting a report recommending ethical principles and guidelines for the protection of human subjects of research, pursuant to Public Law 93-348; to the Committee on Interstate and Foreign Commerce.

473. A letter from the Chairman, National Commission for the Protection of Human Subjects of Biomedical and Behavioral Research, transmitting a report on the implications of advances in biomedical and behavioral research, pursuant to Public Law

93-348; to the Committee on Interstate and Foreign Commerce.

474. A letter from the Comptroller General of the United States, transmitting a report on the Defense Department's ability to manage all available manpower resources in the most cost-effective way (FPCD-78-82, January 24, 1979); jointly, to the Committees on Government Operations, and Armed Services.

475. A letter from the Comptroller General of the United States, transmitting a report on the Federal Deposit Insurance Corporation's supervision of State-chartered banks which are not members of the Federal Reserve System (FOD-79-1, January 24, 1979); jointly, to the Committees on Government Operations, and Banking, Finance and Urban Affairs.

476. A letter from the Comptroller General of the United States, transmitting a report on the effectiveness of hazardous waste management programs (CED-79-14, January 23, 1979); jointly, to the Committees on Government Operations, and Interstate and Foreign Commerce.

477. A letter from the Chairman, U.S. Consumer Product Safety Commission, transmitting the Commission's fiscal year 1980 budget request, pursuant to section 27(k) (1) of Public Law 92-573; jointly, to the Committees on Interstate and Foreign Commerce, and Appropriations.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ALEXANDER:

H.R. 1494. A bill to amend the Internal Revenue Code of 1954 to subject investors to the capital gains tax on gain from the sale of real property situated in the United States; to the Committee on Ways and Means.

By Mr. ANDERSON of California (for himself, Mr. Andrews of North Dakota, Mr. AuCoin, Mr. Barnard, Mr. Blanchard, Mr. Bonior of Michigan, Mr. Brown of Ohio, Mr. Buchanan, Mr. Burgener, Mr. Corcoran, Mr. Corrada, Mr. Davis of South Carolina, Mr. Downey, Mr. Duncan of Tennessee, Mr. English, Mr. Ertel, Mr. Fountain, Mr. Gephardt, Mr. Gibbons, Mr. Glickman, Mr. Heftel, Mr. Ichord, Mr. Jones of Oklahoma, Mr. Leach of Iowa, Mr. Levitas, Mr. Long of Louisiana, Mr. McHugh, Mr. Madigan, Mr. Martin, Mr. Mazzoli, Mr. Miller of California, Mr. Mineta, Mr. Mitchell of New York, Mr. Moakley, Mr. Panetta, Mr. Patterson, Mr. Rahall, Mr. Rangel, Mr. Robinson, Mr. Rose, Mr. Simon, Mr. Spence, Mr. Staggers, Mr. Charles H. Wilson of California, Mr. Won Pat, Mr. Young of Missouri, and Mr. Zeferetti):

H.R. 1495. A bill to amend chapter 44 of title 18 of the United States Code to extend the mandatory penalty feature of the prohibition against the use of firearms in Federal felonies, and for other purposes; to the Committee on the Judiciary.

By Mr. BIAGGI:

H.R. 1496. A bill to provide scholarships for the dependent children of public safety officers who are the victims of homicide while performing their official duties, and for other purposes; to the Committee on Education and Labor.

H.R. 1497. A bill to provide that the Sound View Park and the Pugsley Creek Park, both located in the city of New York, shall become part of the Gateway National Recreation Area; to the Committee on Interior and Insular Affairs.

H.R. 1498. A bill to amend section 924 of title 18 to increase the penalties for certain offenses relating to firearms, and to provide mandatory minimum penalties in certain circumstances; to the Committee on the Judiciary.

H.R. 1499. A bill to amend title 18 of the United States Code to provide that persons accused of committing Federal felonies who have attained the age of 15 years shall be tried as adults, and to require the several States, the District of Columbia, and the other territories and possessions of the United States to treat all felony offenders alike who have attained the age of 15 years; to the Committee on the Judiciary.

By Mr. MICHEL (for himself, Mr. Anderson of Illinois, Mr. Bedell, Mr. Beilenson, Mr. Bonior of Michigan, Mr. Conte, Mr. Corcoran, Mr. Derrick, Mr. Derwinski, Mr. Devine, Mr. Edgar, Mr. Emery, Mr. Erlenborn, Mr. Madigan, Mr. Martin, Mr. Mikva, Mr. Miller of Ohio, Mr. O'Brien, M. Pursell, Mr. Ritter, Mr. Simon, and Mr. Wylie):

H.R. 1500. A bill to terminate the authorizations for certain flood control and navigation projects, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. BIAGGI:

H.R. 1501. A bill to require the fingerprinting of juvenile delinquents upon conviction or adjudication and to forbid the withholding of information from criminal trials on the grounds such information relates to a juvenile proceeding; to the Committee on the Judiciary.

By Mr. CORRADA:

H.R. 1502. A bill to permit temporarily the transportation on foreign-flag vessels of passengers between certain ports in the Continental United States and ports in Puerto Rico; to the Committee on Merchant Marine and Fisheries.

H.R. 1503. A bill to amend title 38 of the United States Code to allow judicial review of decisions made by the Administrator of the Veterans' Administration; to the Committee on Veterans' Affairs.

By Mr. PHILIP M. CRANE:

H.R. 1504. A bill to amend title 39, United States Code, to eliminate certain provisions relating to private carriage of letters, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. EDWARDS of California:

H.R. 1505. A bill to amend subchapter III of chapter 3 of title 38, United States Code, in order to provide additional benefits to employees of the Veterans' Administration serving at offices in the Republic of the Philippines, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. ERTEL:

H.R. 1506. A bill for the relief of the Shippensburg Public Library, the Ousterhout Library, the West Pittston Library, the West Shore Public Library, the Milton Public Library, and the Himmelreich Library, and certain units of local government; to the Committee on the Judiciary.

H.R. 1507. A bill to amend the Flood Control Act of 1970 to provide that, determining the need for a local flood protection project, the Secretary of the Army shall consider the impact on the economy and social well-being of the local area and certain surrounding areas if flood protection is not provided, to specify the factors to be evaluated in considering such impact, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. FLOOD:

H.R. 1508. A bill to provide for construction of certain bridges, approaches, and roads in the Canal Zone within the framework of continued sovereign control of the Panama Canal and the Canal Zone by the United States, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. GLICKMAN:

H.R. 1509. A bill to amend the Saccharin Study and Labeling Act to extend the period during which the Secretary of Health, Education, and Welfare is prohibited from taking certain actions restricting the continued use of saccharin as a food, drug, or cosmetic; to the Committee on Interstate and Foreign Commerce.

By Mr. GONZALEZ:

H.R. 1510. A bill to authorize adjustment of the retired pay of certain former members of the uniformed services; to the Committee on Armed Services.

By Mr. HANSEN (for himself, Mr. Symms, Mr. Clausen, Mr. Bafalis, and Mr. Dornan):

H.R. 1511. A bill to prohibit the use of any U.S. funds to implement the Panama Canal Treaty of 1977 unless the use of those funds for that purpose is hereafter expressly provided for by the Congress, and to prohibit the transfer to the Republic of Panama any territory or other property of the United States in the Canal Zone unless the Congress hereafter enacts legislation which expressly authorizes such transfer; to the Committee on Merchant Marine and Fisheries.

By Mr. HOLLAND:

H.R. 1512. A bill to clarify the circumstances under which territorial provisions in licenses to manufacture, distribute, and sell trademarked soft drink products are lawful under the antitrust laws; to the Committee on the Judiciary.

By Mr. HOLLENBECK (for himself and Mr. Maguire):

H.R. 1513. A bill to provide that the U.S. District Court for the judicial district of New Jersey shall be held at Hackensack, N.J., in addition to those places currently provided by law; to the Committee on the Judiciary.

By Mr. HYDE:

H.R. 1514. A bill to amend the Flood Control Act of 1937 to increase the funds available for projects for the removal of obstructions and the clearing of channels; to the Committee on Public Works and Transportation.

By Mr. KASTENMEIER:

H.R. 1515. A bill to amend the Internal Revenue Code of 1954 to provide that ciga-retet advertising is not a deductible business expense; to the Committee on Ways and Means.

By Mr. LEACH of Iowa (for himself, Mr. Anderson of Illinois, Mr. Bonior of Michigan, Mr. Conable, Mr. Coughlin, Mr. Downey, Mr. Edwards of California, Mr. Frenzel, Mr. Gradison, Mr. Green, Mr. Hanley, Mr. Hillis, Mr. Hughes, Mr. Kastenmeier, Mr. Pritchard, and Mr. Sawyer):

H.R. 1516. A bill to require the establishment, on the basis of the decennial census, of congressional districts that are contiguous and compact and that meet certain other requirements, in order to insure fair and effective representation; to the Committee on the Judiciary.

By Mr. LEHMAN:

H.R. 1517. A bill to amend the Immigration and Nationality Act, to make it unlawful to knowingly hire an alien not lawfully admitted into the United States, and for other purposes; to the Committee on the Judiciary.

H.R. 1518. A bill to amend the Federal Water Pollution Control Act to increase the penalties for discharging oil and hazardous substances; to the Committee on Public Works and Transportation.

H.R. 1519. A bill to amend title II of the Social Security Act to provide that an insured individual otherwise qualified may retire and receive full old-age insurance benefits, at any time after attaining age 60, if he has been forced to retire at that age by a Federal law, regulation, or order; to the Committee on Ways and Means.

By Mr. LUKEN (for himself, Mr. Chappell, Mr. Myers of Pennsylvania, Mr. Price, Mr. Forsythe, Mr. Young of Missouri, Ms. Oakar, Mr. Mottl, Mr. Goldwater, Mr. Flood, Mr. Stratton, Mr. Brown of Ohio, Mr. Guyer, Mr. Collins of Texas, Mr. Cleveland, Mr. Yatron, Mr. Lederer, Mr. Dornan, Mr. Edgar, Mr. Snyder, Mr. Biaggi, Mr. Scheuer, Mr. O'Brien, Mr. St Germain, Mr. Murphy of Pennsylvania, Mr. Wampler, Mr. Russo, Mr. Robert W. Daniel, Jr., Mr. Wylie, Mr. Long of Maryland, Mr. Livingston, and Mr. Applegate):

H.R. 1520. A bill to amend the Internal Revenue Code of 1954 to provide a Federal income tax credit for tuition; to the Committee on Ways and Means.

By Mr. McCLORY:

H.R. 1521. A bill to amend chapter 30, title 28, United States Code, so as to place certain restrictions on the exercise of contempt powers by the U.S. Bankruptcy Court; to the Committee on the Judiciary.

By Mr. MILLER of California:

H.R. 1522. A bill to amend title 10 and title 37 of the United States Code to provide that a foster child of a member or former member of a uniformed service shall receive the same benefits provided a natural-born child, stepchild, or adopted child, of such member or former member; to the Committee on Armed Service.

H.R. 1523. A bill to amend the Social Security Act to provide improved assistance to children and families in need of services, to promote greater accountability for children in foster care, to promote greater permanency for children, to facilitate the adoption of children who would otherwise remain in indeterminate foster placement, and to reduce the wasteful expenditure of Federal funds, and for other purposes; to the Committee on Ways and Means.

By Mr. MILLER of California (for himself, Mr. Weiss, Mr. Thompson, Mr. Corrada, Mr. Maguire, Mr. Phillip Burton, Mr. Simon, and Mr. Richmond):

H.R. 1524. A bill to establish a program for the inspection of schools for the presence of hazardous asbestos materials, to create a Fund for the testing and evaluation of potential hazards, to create a loan program to assist in the containment or removal of imminent hazards to health and safety, and for other purposes; to the Committee on Education and Labor.

By Mr. McCLORY:

H.R. 1525. A bill to amend the Bail Reform Act of 1966 to authorize consideration of danger to the community in setting conditions of release, to authorize revocation of pretrial release for persons who violate their release conditions, intimidate witnesses or jurors, or commit new offenses and for other purposes; to the Committee on the Judiciary.

H.R. 1526. A bill to amend the Disaster Relief Act of 1974; to the Committee on Public Works and Transportation.

By Mr. NICHOLS:

H.R. 1527. A bill to amend title 10, United States Code, to authorize reserve enlisted members of the Army and the Air Force to retire with 20 years of service; to the Committee on Armed Services.

H.R. 1528. A bill to revise the rule for recalculation of military retired or retainer pay to reflect later active duty with respect to later active duty performed between October 1, 1963, and October 1, 1973; to the Committee on Armed Services.

By Mr. PEPPER:

H.R. 1529. A bill to amend title 5, United States Code, to make Inauguration Day a legal public holiday; to the Committee on Post Office and Civil Service.

H.R. 1530. A bill to amend the Tariff Schedules of the United States to repeal the special tariff treatment accorded to articles assembled abroad with components produced in the United States; to the Committee on Ways and Means.

By Mr. ROBERTS (for himself and Mr. Hammerschmidt):

H.R. 1531. A bill to amend title 38, United States Code, to exclude certain periods from the absence counting requirements for veterans and eligible persons enrolled in courses not leading to a standard college degree; to the Committee on Veterans' Affairs.

H.R. 1532. A bill to make certain technical corrections in laws administered by the Veterans' Administration; to the Committee on Veterans' Affairs.

H.R. 1533. A bill to amend title 38, United States Code, to reduce from 3 months to 12 weeks the period of active duty which a member of the Reserves must serve before being entitled to reemployment rights; to the Committee on Veterans' Affairs.

H.R. 1534. A bill to amend title 38, United States Code, to provide limitations on the payment of educational assistance allowances to certain veterans, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. ROE:

H.R. 1535. A bill to provide for the regular review of certain Federal agencies and for the abolition of such agencies after such review unless Congress specifically provides for their continued existence; to the Committee on Government Operations.

H.R. 1536. A bill to designate the birthday of Martin Luther King, Junior, a legal public holiday; to the Committee on Post Office and Civil Service.

H.R. 1537. A bill to amend title II of the Social Security Act so as to liberalize the conditions governing eligibility of blind persons to receive disability insurance benefits thereunder; to the Committee on Ways and Means.

H.R. 1538. A bill to provide that the Federal Government shall assume 100 percent of all Federal, State, and local welfare costs; to the Committee on Ways and Means.

By Mrs. SPELLMAN:

H.R. 1539. A bill to assist cities, counties, and States by amending section 5136 of the Revised Statutes, as amended, with respect to the authority of national banks to underwrite and deal in securities issued by State and local governments, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. STAGGERS:

H.R. 1540. A bill to amend the Federal Railroad Safety Act of 1970, and to amend the Hours of Service Laws, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. STANGELAND (for himself, Mr. Montgomery, Mr. Traxler, Mr. Symms, Mr. Duncan of Tennessee, Mr. Kindness, Mr. Lagomarsino, Mr. English, Mr. Lee, Mr. Evans of Georgia, Mr. Charles Wilson of Texas, Mr. Burgener, Mr. Johnson of Colorado, Mr. Sebelius, Mr. Huckaby, Mr. Erdahl, Mr. Edwards of Oklahoma, Mr. Lott, Mr. Winn, Mr. Jeffries, Mr. Andrews of North Dakota, Mr. Clinger, Mr. Nichols, Mr. Bafalis, and Mr. Hopkins):

H.R. 1541. A bill to modify the method of establishing quotas on the importation of certain meat, to include within such quotas certain meat products, and for other purposes; to the Committee on Ways and Means.

By Mr. TRIBLE:

H.R. 1542. A bill to amend the Internal Revenue Code of 1954 to allow individuals to compute the amount of the deduction for payments into retirement savings on the basis of the compensation of their spouses, and for other purposes; to the Committee on Ways and Means.

By Mr. VANIK (for himself, Mr. Ullman, Mr. Rostenkowski, Mr. Gibbons, Mr. Jones of Oklahoma, Mr. Mikva, Mr. Fisher, Mr. Ford of Tennessee, Mr. Brodhead, Mr. Lederer, Mr. Heftel, Mr. Sharp, Mr. Beard of Rhode Island, Mr. Duncan of Tennessee, Mr. Frenzel, and Mr. Mitchell of New York):

H.R. 1543. A bill to improve the operation of the adjustment assistance programs for workers and firms under the Trade Act of 1974; to the Committee on Ways and Means.

By Mr. WEISS (for himself, Mr. Green, Mr. Holtzman, and Mr. Stokes):

H.R. 1544. A bill to provide for payments in lieu of taxes to local governments by the Administrator of General Services based upon the amount of certain tax exempt property owned by the United States and foreign governments within such locality; to the Committee on Government Operations.

By Mr. WEISS (for himself, Mr. Akaka, Mr. Bonior of Michigan, Mrs. Collins of Illinois, Mr. Conyers, Mr. Edgar, Mr. Edwards of California, Mr. Ford of Tennessee, Mr. Garcia, Ms. Holtzman, Mr. Kastenmeier, Mr. Kildee, Mr. LaFalce, Mr. Lent, Ms. Mikulski, Mr. Mitchell of Maryland, Mr. Moffett, Mr. Nolan, Mr. Ottinger, Mr. Richmond, Mr. Rosenthal, Mrs. Schroeder, Mr. Seiberling, Mr. Solarz, and Mr. Stark):

H.R. 1545. A bill to facilitate the economic adjustment of communities, industries, and workers to civilian-oriented initiatives, projects, and commitments when they have been substantially and seriously affected by reductions in defense contracts, military facilities, and arms export which have occurred as a result of the Nation's efforts to pursue an international arms control policy and to realign defense expenditures according to changing national security requirements, and to prevent the ensuing dislocations from contributing to or exacerbating recessionary effects; jointly, to the Committees on Armed Services, Banking, Finance and Urban Affairs, Education and Labor, Government Operations, and Ways and Means.

By Mr. WON PAT:

H.R. 1546. A bill to terminate the requirement that Guam pay interest on certain sums received from the United States to provide assistance to Guam for disaster relief, public works, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 1547. A bill to recognize the cultural tradition of the Pacific territories and possessions of the United States by allowing the possession of betelnut for personal use by residents of such territories and possessions; to the Committee on Interstate and Foreign Commerce.

H.R. 1548. A bill to offset the loss in tax revenues incurred by Guam and the Virgin Islands by reason of certain Federal tax reductions; to the Committee on Ways and Means.

By Mr. LEHMAN:

H.R. 1549. A bill to amend title XVIII of the Social Security Act to eliminate all the deductibles, coinsurance, and time limitations presently applicable to benefits thereunder; to eliminate medicare taxes as the method of financing hospital insurance benefits and premium payments as the method of financing supplementary medical insurance benefits (so that all benefits under such title will be financed from general revenues); to provide payment for eye care, dental care, hearing aids, prescription drugs, prosthetics, one physical checkup a year, preventive care, diagnosis of breast cancer, services of certain psychologists, services of registered nurses, and certain other items not now covered; and to provide for the administrative and judicial review of claims (involving the amount of benefits payable) which arise under the supplementary medical insurance program; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. COELHO (for himself and Mr. Mineta):

H.J. Res. 162. Joint resolution to authorize and request the President to issue a proclamation designating April 1 through 7, 1979, "National Medic Alert Week"; to the Committee on Post Office and Civil Service.

By Mr. FITHIAN:

H.J. Res. 163. Joint resolution proposing an amendment to the Constitution of the United States to limit the expenditure of Government funds during any fiscal year to the total revenue of the Government as projected by the Congress for such year; to the Committee on the Judiciary.

By Mr. GUYER:

H.J. Res. 164. Joint resolution raising the price support levels for milk, wheat, corn, soybeans, and cotton to 90 percent of the respective parity prices therefor, and for other purposes; to the Committee on Agriculture.

By Mr. LUKEN:

H.J. Res. 165. Joint resolution proposing an amendment to the Constitution of the United States with respect to the right to life; to the Committee on the Judiciary.

By Mr. ROE:

H.J. Res. 166. Joint resolution designating April 17, 1979, as "National Food Day"; to the Committee on Post Office and Civil Service.

By Mr. WOLFF (for himself, Mr. Wright, Mr. Brademas, Mr. Rodino, Mr. Addabbo, Mr. Abdnor, Mr. Biaggi, Mr. Baldus, Mr. Beilenson, Mr. Buchanan, Mr. Coelho, Mr. Davis of Michigan, Mr. Dixon, Mr. Duncan of Tennessee, Mr. Edwards of California, Mr. Emery, Mr. English, Mr. Erdahl, Mr. Flood, Mr. Fountain, Mr. Gilman, Mr. Hanley, Mr. Hollenbeck, Mr. Howard, Mr. Ireland, Mr. Jones of Tennessee, Mr. Kildee, Mr. LaFalce, Mr. Lee, Mr. Levitas, Mr. Long of Maryland, Mr. Luken, Mr. Lundine, Mr. McHugh, Mr. Markey, Mr. Mica, Ms. Mikulski, Mr. Moorhead of Pennsylvania, Mr. Murphy of Pennsylvania, Mr. Neal, Ms. Oakar, Mr. Pease, Mr. Pepper, Mr. Pritchard, Mr. Rahall, Mr. Richmond, Mr. Roe, Mr. Sabo, Mr. St Germain, Mr. Sebelius, Mr. Simon, Mr. Solomon, Mr. Stratton, Mr. Williams of Montana, Mr. Charles H. Wilson of California, Mr. Wolpe, Mr. Wylie, Mr. Yatron, and Mr. Young of Missouri):

H.J. Res 167. Joint resolution regarding the peace, prosperity, and welfare of the people on Taiwan, and the Pescadores, and for other purposes; to the Committee on International Relations.

By Mr. PEASE (for himself, Mr. Bonior of Michigan, Mr. Burgener, Mr. Edwards of California, Mr. Buchanan, Mr. Drinan, Mr. Barnes, Mr. Corrada, Mr. Leath of Texas, Mr. D'Amours, Mr. Lehman, Mr. Livingston, Mr. Frenzel, Mr. Pepper, Mr. Daschle, Mr. Beilenson, Mr. Lagomarsino, Mr. Dannemeyer, Mr. Benjamin, Mr. Hughes, Mr. Corcoran, Mr. Gephardt, Mr. Gore, Mr. McDonald, Mr. Murphy of Pennsylvania, Mr. Corman, Mr. Bedell, Mr. Philip M. Crane, Mr. LaFalce, Mr. Downey, Mr. Waxman, Mr. Anderson of Illinois, Mr. Evans of Georgia, Mr. Young of Missouri, Mr. Coelho, Mr. Frost, Mr. Harris, Mr. Bonker, Mr. Dodd, and Mr. Donnelly):

H. Con. Res. 34. Concurrent resolution encouraging cooperation with Mexico in order to develop Mexico's potential as a major producer of oil and natural gas for export to the United States; to the Committee on International Relations.

By Mr. ROE:

H. Con. Res. 35. Concurrent resolution with respect to the freedom of the Republic of China and its people; to the Committee on International Relations.

H. Con. Res. 36. Concurrent resolution indicating the sense of Congress that every person throughout the world has the right to a nutritionally adequate diet; and that this country increase its assistance for self-help development among the world's poorest people until such assistance has reached the target of 1 percent of our total national production (GNP); jointly, to the Committees on Agriculture and International Relations.

By Mrs. SMITH of Nebraska (for herself, Mr. Andrews of North Dakota, Mr. Bereuter, Mr. Cavanaugh, Mr. Glickman, Mr. Guyer, Mr. Hagedorn, Mr. Johnson of Colorado, Mr. Sebelius, Mr. Simon, Mr. Stangeland, Mr. Whittaker, and Mr. Winn):

H. Con. Res. 37. Concurrent resolution expressing the sense of Congress that the Secretary of Defense should not choose a site for the launching base for the MX intercontinental missile that would result in the destruction or idling of productive farmland and the displacing of farmers and ranchers from their homes and land; to the Committee on Armed Services.

By Mr. BROOKS:

H. Res. 71. Resolution amending the Rules of the House of Representatives to establish a permanent Select Committee on Congressionnal Operations; to the Committee on Rules.

By Mr. ROE:

H. Res. 72. Resolution to create a Select Committee on the Fiscal Problems of Cities; to the Committee on Rules.

H. Res. 73. Resolution expressing the sense of the House of Representatives that the President should establish a Commission on Domestic and International Hunger and Malnutrition; jointly, to the Committees on Agriculture, and International Relations.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

18. By the SPEAKER: Memorial of the Assembly of the State of New York, relative to the retention of Jerusalem as the undivided capital of Israel; to the Committee on International Relations.

19. Also, memorial of the Assembly of the State of New York, relative to review by State legislatures of sites in their States selected by the Department of Energy for radioactive waste storage; jointly, to the Committees on Interior and Insular Affairs, and Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BRINKLEY:

H.R. 1550. A bill for the relief of Jahanshah Farokhtakin; to the Committee on the Judiciary.

By Mr. DRINAN:

H.R. 1551. A bill for the relief of Jesse Epstein; to the Committee on the Judiciary.

By Mr. ECKHARDT:

H.R. 1552. A bill for the relief of Brian Milton Bartusek; to the Committee on the Judiciary.

By Mr. ERTEL:

H.R. 1553. A bill for the relief of Yuk Lee Li; to the Committee on the Judiciary.

By Mr. GIAIMO:

H.R. 1554. A bill for the relief of John J. Egan; to the Committee on the Judiciary.

H.R. 1555. A bill for the relief of Roger W. Boyd, Jr.; to the Committee on the Judiciary.

By Mr. HEFTEL:

H.R. 1556. A bill for the relief of Fon-Chiau Shih; to the Committee on the Judiciary.

H.R. 1557. A bill for the relief of Kimiko Tengan Watanabe and Richard Kiyoshi Uyehara; to the Committee on the Judiciary.

By Mr. MILLER of California:

H.R. 1558. A bill for the relief of Antonios Kakoliris-Kekos; to the Committee on the Judiciary.

By Mr. OBERSTAR:

H.R. 1559 A bill for the relief of Nelia Ruiz Hedlund; to the Committee on the Judiciary.

By Mr. PEPPER:

H.R. 1560. A bill for the relief of Father Jose Antonio Esquivel; to the Committee on the Judiciary.

By Mrs. SMITH of Nebraska:

H.R. 1561. A bill for the relief of Leung, Tak-Ming; to the Committee on the Judiciary.

H.R. 1562. A bill for the relief of Doctor Francisco Dozon and his wife, Luzviminda Dozon; to the Committee on the Judiciary.

By Mr. TRIBLE:

H.R. 1563. A bill for the relief of Boulos Stephan; to the Committee on the Judiciary.

By Mr. VAN DEERLIN:

H.R. 1564. A bill for the relief of Guadalupe Garcia; to the Committee on the Judiciary.

H.R. 1565. A bill for the relief of Vladimir S. Gurevich; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 114: Mr. Pepper, Mr. Rahall, Mr. Panetta, Mr. Lott, Mr. Patterson, Mrs. Spellman, Mr. Forsythe, Mr. Lagomarsino, Mr. Lloyd, Mr. Lee, Mr. Yatron, Mr. Hughes, Mr. Goldwater, Mr. Dornan, Mr. Brown of Ohio. and Mr. Hopkins.

H.R. 365: Mr. Anderson of Illinois, Mr. Cheney, Mr. Hollenbeck, Mr. Lungren, Mr. Stangeland, Mr. Thomas, Mr. Wylie, Mr. Neal, Mr. Hopkins, and Mr. Bowen.

H.R. 460: Mr. Patten, Mr. Markey, Mr. Quillen, Mr. Pepper, Mr. Panetta, Mr. Roberts, Mr. Mitchell of New York, Mr. Long of Louisiana, Mr. Evans of Indiana, Mrs. Spellman, Mr. Clinger, Mr. Goodling, Mr. Dougherty, Mr. Bingham, Mr. Heftel, Mr. Hinson, and Mr. Bauman.

H.R. 654: Mr. Heftel.

H.R. 785: Mr. Roe, Mr. Richmond, Mr. Conyers, Mr. Mitchell of Maryland, Mr. Addabbo, Mr. Thompson, Mr. Rahall, Mrs. Collins of Illinois, Ms. Holtzman, Mr. Walker, Mr. Wyatt, Mr. Mineta, Mrs. Bouquard, Mr. Bonior of Michigan, Mr. Kildee, Mr. Markey, Mr. Dornan, Ms. Mikulski, and Mr. Panetta.

H.R. 786: Mr. Bingham, Mr. Conyers, Mr. Mottl, Mr. Simon, Mr. Stark, and Mr. Dixon.

H.R. 792: Mr. Stokes, Ms. Mikulski, Mr. Rangel, Mr. Vanik, Mr. Young of Missouri, Mr. Richmond, Mr. Mitchell of Maryland, Mr. Conyers, Mr. Pepper, Mr. Addabbo, Mr. Seiberling, Mr. Ottinger, Mrs. Collins of Illinois, Mr. Stark, Mr. Mikva, and Mr. Murphy of New York.

H.R. 1076: Mr. Frost, and Mr. Hall of Texas.

H.R. 1173: Mr. McDonald.

H. Res. 40: Mr. Beilenson, Mr. Boland, Mr. Cavanaugh, Mr. Cleveland, Mr. Corcoran, Mr. Dan Daniel, Mr. Kelly, Mr. McHugh, Ms. Mikulski, Mr. Nolan, Mr. Ottinger, and Mr. Solarz.

H.J. Res. 56: Mr. McDonald, Mr. Hopkins, and Mr. Mitchell of New York.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

43. By the SPEAKER: Petition of the General Assembly of the Presbyterian Church in America, Grand Rapids, Mich., relative to abortion; to the Committee on the Judiciary.

44. Also, petition of the Assembly of the Kenai Peninsula Borough, Soldotna, Alaska, relative to the Liberty amendment; to the Committee on the Judiciary.

45. Also, petition of the Assembly of the Kenai Peninsula Borough, Soldotna, Alaska, relative to land withdrawals in Alaska; jointly, to the Committees on Interior and Insular Affairs, and Merchant Marine and Fisheries.

SENATE—*Thursday, January 25, 1979*

(Legislative day of Monday, January 15, 1979)

The Senate met at 12 o'clock meridian, on the expiration of the recess, and was called to order by Hon. HARRY F. BYRD, JR., a Senator from the State of Virginia.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Let us hear the words of the Bible as written in the Book of Jeremiah, the 31st chapter:

* * * *After those days, saith the Lord, I will put my law in their inward parts, and write it in their hearts; and will be their God, and they shall be my people.*

Let us pray:

Almighty God, the source of all truth and the strength of our lives from generation to generation, we thank Thee for the divine law inscribed in scripture and written in the human heart. Put Thy grace and wisdom deep within us that the standards we set and the rules we make may be supported by the higher rule of the Spirit. Help us to know Thee better, to love Thee more sincerely, and to serve Thee more faithfully. May Thy Spirit direct and control this body and our Nation for the advancement of Thy kingdom on Earth.

We pray in the Redeemer's name. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The legislative clerk read the following letter:

> U.S. SENATE,
> PRESIDENT PRO TEMPORE,
> *Washington, D.C., January 25, 1979.*
>
> *To the Senate:*
>
> Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable HARRY F. BYRD, JR., a Senator from the State of Virginia, to perform the duties of the Chair.
>
> WARREN G. MAGNUSON,
> *President pro tempore.*

Mr. HARRY F. BYRD, JR., thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. The Senator from West Virginia is recognized.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings to date be approved.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

ORDER LIMITING TRANSACTION OF ROUTINE MORNING BUSINESS TO 1 HOUR, WITH RECESS UNTIL 2 P.M. THEREAFTER

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon yielding the floor, there be a period for the transaction of routine morning business, and that that routine morning business may be limited only to statements and to the introduction of resolutions and bills and the presentation of petitions and memorials; that it not be in order to proceed to any matter either by unanimous consent or by motion unless it has been cleared with me; and that Senators may be permitted to speak up to 15 minutes each during the period of the transaction of routine morning business; that the period for the transaction of routine morning business be limited to 1 hour, and that following that period the Senate stand in recess until 2 p.m., at which time I again secure the floor.

Before the Chair puts that request, the only thing I am trying to do is protect my resolution, Senate Resolution 9, and my motion. I do not intend to hold the floor at that time; I just want to be here. There may be a referral matter which may come up this afternoon, which the Senate may have to decide, and the two chairmen may want to debate that matter. I hope if the Senate has to decide it, they will obtain a time limitation on that debate.

But my request, as I have made it, is that following morning business, the Senate stand in recess until 2 p.m., and that at 2 p.m. I would have the floor again. I do not intend to keep it; I simply want to be here and be recognized when we come back.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from West Virginia?

The Senator from Tennessee.

Mr. BAKER. Mr. President, reserving the right to object, and I will not, I simply did not hear the part of the request the majority leader stated in reference to something being cleared with him. What was that part?

Mr. ROBERT C. BYRD. Yes. That the Senate not proceed to any matter either by unanimous consent or by motion unless such motion or unanimous-consent request has been cleared with me. I will add "today" to that; cleared with me today, not a month ago but today.

The Senator may be sure that before I would proceed under any situation of that kind today, I would alert him.

Mr. BAKER. Mr. President, I thank the Senator. I understand the reasons for the unanimous-consent request, and I have no objection to it.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

Is there further morning business?

THE CITIES' INCREASING DEPENDENCE ON FEDERAL AID

Mr. PROXMIRE. Mr. President, we are all aware of the pressure there will be on this Congress to hold down spending. I applaud that pressure; I think it is fine. I think no Senator is not conscious of the fact that our No. 1 economic problem is inflation, and we have to find ways of reducing spending and moving toward a balanced budget.

One area where Congress has been extraordinarily generous and has massively increased spending, and where that level of spending, while not quite as high as in 1979, will be extremely high in 1980, is in the area of aid to the cities. All of us are aware of the tremendous problems of our cities, but I think few of us are conscious of the fact that, although this Government has fantastically increased the amount of aid to our cities over the last 20 years, the results have been very poor.

In 1957, approximately $1 out of every $100 in the cities' budgets around the country was contributed by the Federal Government—$1 out of $100.

Last year more than $50 out of every $100 spent in the cities was contributed by the Federal Government: in other words, an increase of 5,000 percent. Fiftyfold, Mr. President, we have been pouring money into these cities, and I think we ought to give a hard look at the results.

Just this last week a report was disclosed by Brookings, a report written by a distinguished economist, Richard P. Nathan, which indicated that the cities are not getting better, but that, between 1960 and 1975, the cities have been getting worse.

Mr. Nathan applies three criteria: First, the fraction of older housing units—which would indicate, of course, the status and level of shelter in the cities; second, poverty as measured by per capita income; and third, population change, as indicated by whether or not

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

people are leaving the cities, and of course they are leaving the cities, primarily because jobs are not available.

These, I submit, are objective criteria. He finds that in the following cities between 1960 and 1975, in spite of this enormous infusion of Federal money, the situation deteriorated: Buffalo, St. Louis, Cleveland, Newark, Pittsburgh, Rochester, Boston, Detroit, Philadelphia, Minneapolis, Chicago, Cincinnati, Baltimore, Akron, St. Paul, Louisville, New Orleans, Milwaukee, Birmingham, and San Francisco.

New York was not listed because, of course, their problems developed somewhat later and they do not have the statistics. But in these other cities, the results have been negative.

Now, Mr. President, I think any businessman, any person, any individual, who finds when he is pouring in money to achieve an objective and that objective is not achieved, does not simply pour more money into it. He tries to find out why, and he adopts other techniques.

Mr. President, I submit that we should have that kind of skeptical attitude toward aid to our cities. All of us want to help our cities. We must find more effective methods. We must recognize we have not been able to solve that problem by throwing money at the cities. It just has not worked.

It is much harder, I am sure, to develop new programs than to go on with the old programs. When the old programs are failing as dismally as they are, I think they have to find new ways.

Mr. President, I ask unanimous consent that the newspaper article to which I referred be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

Cities in Poor Shape Getting Worse But Others Improve, a Study Finds

The disparity between distressed cities and those in relatively good condition increased from 1960 to 1975, Richard P. Nathan says in a paper prepared for the National Tax Association. The cities that are in the worst trouble are generally deteriorating further and those that are the least distressed, are improving, he says.

The recent calculation, showing the extent of change in urban distress, pointed up what has happened in the cities despite mounting Federal aid in that period.

In a project directed by Mr. Nathan, the Brookings Institution has been classifying cities according to their degree of urban trouble, based on such factors as age, the extent of poverty, the economy and population loss.

"In short, the figure suggests that between 1960 and 1975 the rich got richer and the poor got poorer," Mr. Nathan says.

In 1975, the 20 cities most in distress were listed in the following order: Buffalo, St. Louis, Cleveland, Newark, Pittsburgh, Rochester, Boston, Detroit, Philadelphia, Minneapolis, Chicago, Cincinnati, Baltimore, Akron, St. Paul, Louisville, New Orleans, Milwaukee, Birmingham and San Francisco. New York was not listed because of lack of statistical data, but New York is unusual in many respects and there is a consensus that its decline came later than most of the other cities.

DISTRESS INDEX UP IN 19

In all of the top 20 the distress index was higher in 1975 than in 1960, except for Birmingham, which showed a small improvement.

The 20 cities in the best condition in 1975 were given in the following order: San Jose, Calif.; Honolulu; Phoenix; Jacksonville, Fla.; Albuquerque, N.M.; Baton Rouge, La.; Nashville; Tucson, Ariz.; Houston, Austin, Tex.; Charlotte, N.C.; Dallas; San Diego; Tulsa, Okla.; Memphis; Sacramento, Calif.; El Paso, San Antonio, Oklahoma City and Los Angeles.

Of these, 15 showed improvement in the last 15-year period, some because of the expansion of city boundaries that helped their fiscal and economic condition. Only Phoenix, San Diego, Tucson, Albuquerque and El Paso showed a decline, all marginally so.

Because of a lag in gathering statistics, the latest classification is for 1975, and Mr. Nathan says that developments since then may have helped some of the distressed cities.

"Changed demographic conditions—more older persons, single-person households and childless couples—have tended to increase the relative size of the group likely to prefer city life," he says. "Related changes in social attitudes appear to reinforce this preference for an urban life style.

"Higher housing costs and energy costs are also pro-city. Rehabilitation makes more sense under current conditions in the housing market. Higher energy costs should also encourage people to choose shorter commutes and ride mass transportation. There seems to be a cooling off in the cities in terms of lower crime rates and levels of social tension."

Among the distressed cities that appear to have improved since 1975 are Boston, Baltimore, Chicago and Detroit, but there is skepticism about how deep the improvements go and how lasting they will be.

NOT THE TOURIST VIEW

Dr. George Sternleib of Rutgers University, who over the years has taken a nondoctrinaire approach to urban problems, says that people are often impressed by what he calls "the tourist view" of cities, of which Manhattan is the prototype—a lively center devoted to tourism, conventions, entertainment and the rehabilitation of old sections by the middle class. He says that beyond that, where the tourists never go, the distress continues and is compounded by the fact that the middle class, black and white, is still moving out, leaving a residue of the poor, frequently in large concentrations.

He reports that that is true of Baltimore and Chicago, the two cities most often cited as having turned the corner. And he says it is true of New York, where large sections of Brooklyn, Queens and the Bronx continue to decline at rates that may well outweigh improvements in Manhattan. He sees no hope in the foreseeable future for renewal of cities such as Newark and Buffalo.

An internal document circulating in the Department of Housing and Urban Development says there is no substantiation in any of the literature of statistics today to show that the movement of the middle class into the central cities is more than a "tiny fraction of any city's neighborhood and housing stock."

JANUARY GOLDEN FLEECE GOES TO DEPARTMENT OF LABOR

Mr. PROXMIRE. Mr. President, my Golden Fleece of the Month Award for January goes to the Department of Labor for funding a $140,000, never completed census of the Samoan population of Orange County, Calif. Bureaucrats say, "Samoa;" the taxpayers are saying loud and clear, "No-moa!"

The money for counting Samoans in Orange County was provided under the Comprehensive Training and Employment Act (CETA) public service jobs program to a nonprofit corporation, the Institute of Emergent Nationalisms Determinancy, Inc., largely created and actually controlled by the members of a single family. The corporation was incorporated only a few short months before it received the CETA grant.

NO RAW DATA OR FINAL REPORT SUBMITTED

Not only has no final report been submitted—4 months after it was due—but even the limited raw data supposedly collected cannot be found. The former head of the program is reported to now be in Western Samoa, outside U.S. jurisdiction, and authorities' attempts to contact him have so far failed

At the same time that local auditors were questioning the operation of the project, the same group applied for partial funding of a $2,332,702.14 program to create a "Pacific Island Cultural Art Demonstration Team." While the local CETA sponsors did turn down this particular request, they instructed their own staff to "provide technical assistance to this agency, assisting them to redesign this project into a workable format and toward resolving present operational problems."

NO LABOR DEPARTMENT REVIEW

When questioned about the Samoan project, Labor Department spokesmen justified their lack of oversight and review of the grant on grounds that it was locally reviewed and controlled. However, according to the Orange County Register one local official said that he is not upset by the lack of any finished product to show for the money:

> The purpose of the contract was to provide employment and training to unemployed Santa Ana residents and a by-product of this was to be a study. Just because the study wasn't completed I don't think it can be said the city got the raw end of things. That's the philosophy of the CETA program.

Fortunately, local law enforcement officials are presently reviewing the entire question.

WORK FOR SAMOANS IN NEED SHOULD BE PROVIDED

There are enough useful and constructive programs and projects—including genuine help to Samoans in need—to employ those unemployed willing to work without resorting to ridiculous make-work projects.

This mindless method of spending is exactly why there is so much waste and so little accountability of government spending. For example, the Law Enforcement Assistance Administration excused their research on why inmates want to escape from prison and the National Endowment for the Humanities for supporting a study of why people lie, are rude, and cheat on the local tennis courts on the grounds that the approval for spending the Federal money was given by the State or locality. Congress should reexamine the procedures that have led to this lack of Federal oversight of federally funded projects.

THE CASE FOR RATIFICATION OF THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, human rights has become a fashionable topic in foreign policy circles today—so much so that it has almost become a cliche. After all, who can be against human rights? Who?

But is it not time to bridge the gap between rhetoric and action? To my mind, the time for action is long overdue. There are specific steps this body can take and I want to make one specific suggestion today.

For almost three decades now, the Senate has failed to ratify the first major human rights treaty drafted since World War II—the Genocide Convention. The purpose of this treaty is simple: declaring genocide an international crime, whether it is committed in times of war or peace. What could be more straightforward? More ethical? We are simply attempting to outlaw the heinous, outrageous, crime of genocide—the mass murder of members of racial, ethnic, national, or religious groups.

Over the years the list of supporters of the Genocide Convention has grown in number so that now every major religious and civil rights group in America supports this treaty. So does the American Bar Association. And even more importantly, President after President—Truman, Kennedy, Johnson, Nixon, Ford, and Carter—have repeatedly called on the Senate to act.

Yet despite this broad support, the Genocide Convention has languished before the Senate. But this 30-year embarrassment could be overcome in a matter of days with proper consideration and action by each and every Member of this body.

As my colleagues have heard me say time and again, the case for ratification is extremely strong. For the benefit of my 20 new colleagues, I would like to review the case for ratification.

First, the United States is the only major Western nation that has failed to ratify the Genocide Convention. This failure has been a constant source of embarrassment to our representatives abroad, a source of confusion and puzzlement to our allies and a souce of delight to those wishing us ill. It simply makes no sense to ask our representatives to fight for human rights in international forums, only to be embarrassed time and again by our lack of action on human rights treaties here in the Senate.

Second, the development of international law requires the agreement of the major nations of the world. Our ratification will speed the development of international law in this vital human rights area.

Third, U.S. ratification will help to spur renewed interest in human rights treaties by the newly emergent nations of the world, which achieved independence long after these treaties were drafted.

Fourth, President Carter has made human rights the cornerstone of our foreign policy—a move which many of us in the Senate have both urged and applauded. But our Nation's representatives need the tools to carry out this policy and this treaty will strengthen their hand.

And, finally, ratification is important because it is the right thing to do. It is an important moral stand to take. And it is in the best of American traditions of standing up for the underdog—the oppressed.

Mr. President, let us begin this Senate with a pledge—a pledge to lead the movement for human rights both here and abroad.

The hour is already late.

But we can do no less.

Mr. President, I yield the floor.

THE LATEST ESTIMATES OF SOVIET STRATEGIC STRENGTH

Mr. MOYNIHAN. Mr. President, Senator Wallop and I wish to take the time of the Senate today to discuss a matter of very large consequence, in our view. My distinguished colleague, the senior Senator from Wyoming, and I are members of the Intelligence Committee and it is infrequently that we are able to come to the floor to discuss the matters with which the Intelligence Committee deals. Indeed, we do so today in large measure because we are at a beginning of a Congress and the beginning of a cycle in the activities of the executive branch, and, as such, we are free to discuss a matter which would not necessarily be possible to discuss later on. This has to do with the latest estimates of Soviet strategic strength and intentions. Since 1974, when Albert Wohlstetter, writing in "Foreign Policy," used some newly released data to show that Soviet intercontinental ballistic missile deployments had exceeded our intelligence predictions in certain respects, there has been a growing concern that the intelligence community may have been generally underestimating the extent, the dynamism, and the seriousness of purpose of the Soviets' long and persistent buildup of their military and, in particular, of their strategic forces.

In order to get a better handle on this question, the President's Foreign Intelligence Advisory Board, as it was then known, initiated in 1975 an experiment in "competitive analysis."

As an aside, it seems to me to have been one of the inspired actions of the then chairman, Leo Cherne, and it was, of course, completely supported by the distinguished head of the CIA at the time, the Honorable George Bush.

In this experiment, the B team, a panel drawn from persons inside and outside the Government who had, over the years, taken a generally more somber view of the Soviet military buildup, was assigned the task of reanalyzing the data available to the official estimators. They were to see if Soviet behavior admitted of explanations other than those offered in official intelligence community documents and which might better account for the persistence of the Soviet buildup.

The B team report was critical of past estimates of Soviet strategic strength and reached somber assessments of the challenge posed by it. Unfortunately, information concerning this report, which, like the national estimates themselves, was highly classified, was leaked to the press at the end of 1976. As a result, the Select Committee on Intelligence undertook an investigation of the B team episode, as it was known, and we issued a report in 1978. This, of course, is a public report.

The majority on the committee, who are our colleagues and with whom we share the closest association, concluded, that "past national intelligence estimates could have profited from drawing in experts on Soviet strategic questions from outside the intelligence community, both in and out of Government, and from subjecting NIE analyses and judgments on this and other areas to competing assessments from such sources." However, it went on to fault the "competitive analysis" experiment on the grounds that:

> The composition of the B Team dealing with Soviet objectives was so structured that the outcome of the exercise was pre-determined and the experiment's contribution lessened. The intelligence agencies were cast inaccurately in the role of "doves" when they in fact represented a broad spectrum of views.

In separate views appended to the majority report, Senator Wallop and I, in parallel and in complete accord, noted that the very existence of the B team was a sign of the serious questions which had risen concerning the accuracy of our estimates of Soviet strategic strength. We both noted the importance of the B team's assessments, and I even ventured the opinion that:

> Their notion, that the Soviets intend to surpass the United States in strategic arms and are in the process of doing so has gone [in the past year] from heresy to respectability, if not orthodoxy.

Now, Mr. President, the purpose of our rising today: there is now some evidence on this matter in the form of an open letter to President Carter, signed by more than 170 retired generals and admirals. I ask unanimous consent that this letter, published in the New York Times last Sunday, be reprinted in the Record at the conclusion of my remarks, along with an earlier article referring to it.

The PRESIDING OFFICER (Mr. Bumpers). Without objection, it is so ordered.

(See exhibit 1.)

Mr. MOYNIHAN. In this letter, the retired officers state:

> The National Intelligence Estimate, the most authoritative U.S. government evaluation of intelligence data, acknowledges at last that the Soviet Union is heading for superiority—not parity—in the military arena. This represents a complete reversal of official judgments that were a substantial factor in allowing our government to pursue detente and overall accommodations with the Soviet regime.

I hasten to point out that I have not yet seen the National Intelligence estimate to which the retired officers refer. After I have seen it, I will not be able to speak so freely about it in open session. For this reason, I wish to speak now on the basis of the open letter and of an article in the New York Times of January 12, which discusses the letter. I feel justified in doing this on the grounds that these 170 retired generals and admirals probably possess sufficiently good connections to know what they are talking about, and being men of good character and reputation, would not misrepresent the extent or import of their knowledge.

This raises the possibility that the B team was correct in its assessments. If so, then there are a number of important consequences. I shall only touch on them now, but I think even a brief discussion will indicate how important it is for us to absorb fully the implications of what this newest estimate appears to be.

First, we must raise the following question:

> While SALT I may have been for us a noble attempt to achieve a stable and mutually accepted parity, was it for the Soviets a means of dulling what might otherwise have been a strong sense of threat on our part? During the so-called "missile gap" of the late 1950s, and early 1960s, we reacted very vigorously to the possibility that the Soviets were superior to us in the vital area of intercontinental ballistic missiles. Khrushchev's boasts about this alleged superiority, as Myron Rush and Arnold Horelick showed in their book, "Strategic Power and Soviet Foreign Policy (1966)" heightened our concerns and increased the vigor of our reaction.

As a result, we built up a missile force which, by the mid 1960's, had greatly improved our strategic position vis-a-vis the Soviet Union. Having noted this, the Soviets may well have worried about how we would react to their actual buildup of the late 1960's and 1970's. They may have reasoned that the solution to their problem was SALT:

> As long as the buildup went on within the agreed-upon framework of SALT I, the danger of a major U.S. reaction was minimized.

This view of SALT may sound intolerably cynical, but it should not come as a total surprise. In a series of articles appearing in the Soviet Naval Digest in 1972, at the time the first SALT agreement was reached, the commander-in-chief of the Soviet Navy, Admiral Gorshkov, made this very point by means of an extended historical analogy to the process by which America supplanted England as the world's primary naval power. According to Gorshkov, the various naval arms limitation agreements of the 1920's and 1930's were an integral part of the story, which he describes as the "war of the diplomats for supremacy at sea." He concludes his discussion of the rise to predominance of American naval power by asserting that:

> The Americans . . . succeeded without a war . . . in achieving [the naval supremacy that] Germany could not achieve with two world wars.

Thus, Gorshkov implies, our goal was the same as Germany's: The difference was that we chose the route of negotiation, which proved to be a better route than that chosen by Germany.

Second, we must wonder what this tells us about the ability of the intelligence community to make accurate estimates of future trends in Soviet military forces. In this case, it seems that, having learned too well the lessons of the "missile gap"—in which we overestimated Soviet strength—we were slow to see, accept and digest the evidence that we were now making an equally serious underestimation. Unfortunately, once the initial error was made, the CIA, like any bureaucracy, may have acquired an interest in proving that it was right and hence may have resisted any tendency toward seriously questioning its position. In the case of the B team episode, this resistance was opposed by an outside force, the President's Foreign Intelligence Advisory Board. (This board no longer exists, but this experience should lead us to consider the advisability of recreating it or something similar.)

Finally, we must reflect on the inevitable limits to the knowledge we are likely to be able to collect about a closed society like the Soviet Union. In our domestic policy process, we are constantly impressed with how little we understand about the major trends at work in our own society; hence it should come as no surprise that we understand little about the forces that guide Soviet military development. But in this case, our ignorance is not half so dangerous as our ignorance of our ignorance. In deliberating on our military relations with the Soviet Union, we must always keep in mind that official expectations of Soviet behavior are often based on little more than a mixture of hopes and projections of what we might do in a similar position. In reviewing the SALT II Treaty, our trust must be placed in verifiable, enforceable limits on Soviet strategic forces, not on speculation about what the Soviets might or might not wish to do.

I should like simply to close now, in order that my colleague may speak, by saying that he and I rise because, at this moment, we have not seen the National Intelligence estimate to which this group of retired military officers refers. It is likely that, in the course of the Intelligence Committee's work, we will do so shortly. At that point, we will be required to remain silent. Yet we feel that it is not likely that a group of persons of such responsibility and experience would say they knew something which, in fact they did not know.

Indeed, it is equally likely that they did know it. They are a community. They speak one with the other. They tell us that the national intelligence estimate supports the B team judgment and asserts that the Soviet behavior now is to be accounted for by a move toward strategic superiority. This, to be sure, is not the final word on the matter, but were it the case, it would be the single most important piece of intelligence judgment to be made in our lifetimes.

Now, Mr. President, I see that my good friend and associate in this enterprise, the Senator from Wyoming, is on his feet, and I know he wishes to speak as well. I wish to yield my time, reserving such time as I am allowed.

Mr. WALLOP. Mr. President, I commend the Senator from New York (Mr. MOYNIHAN) for the remarks he has just made and the vigilance that he has held on that committee. It is a disquieting job, as he well knows, to be faced with the information that we are faced with and the constraints which are necessary to make such committee work in the first place.

As he says, neither of us has been privileged to view in any portion the current NIE and we are going on published reports of the contents of it, but which I think are of enough significance, as he says, perhaps the most important intelligence event of our lifetime, to bring us to our feet and take the time of the Senate to comment on it this morning.

NATIONAL INTELLIGENCE ESTIMATES OF SOVIET STRATEGIC ARMS

Mr. President, I commend the remarks of Senator MOYNIHAN, with whom I was proud to join in dissent from our subcommittee's judgment on the controversy over estimates of Soviet strategic strength. While our dissent has proven wise, no one can rejoice in the fact that a grievous national miscalculation did occur and is likely to reoccur unless the executive branch, the CIA, and the Congress come to grips with reality. Wishing the world well does not make it so.

The CIA, it seems, has finally realized what had long since become undeniable. As reported by January 12 New York Times, the new National Intelligence estimate of Soviet strategic strength, I quote, "had finally acknowledged that the Russians were heading for superiority, not parity, in the military arena." I do not doubt it, though I have not yet read the new estimate. I make these comments now because, after reading it, I will be constrained from commenting publicly on its contents.

The CIA has come to this acknowledgment of the Soviet drive for superiority the hard way. One can only hope they have done so wholeheartedly and that they will draw the appropriate conclusions. For 10 consecutive years, while the Soviet Union was engaged in the biggest military buildup of all time, the CIA ignored its own evidence, relegated the opinions of analysts from the Defense Department to footnotes, and minimized what was happening. When the B-team's distinguished scholars pointed out that the CIA's judgements were based less on evidence than on gratuitous assumptions, the response from the Agency and its loyalists was one of strong institutional defense. Nevertheless, they could not deny, as I wrote one year ago, that—

> While the Soviets were beginning the biggest military buildup in history, the NIE's declared that they would never try to build as many missiles as we had. When the Soviets approached our number, the NIE's said they were unlikely to exceed it substantially; when they exceeded it substantially, the NIE's said they would not try for decisive superiority—the ability to fight and win a nuclear war.

Then, long after it became known that the capabilities of the new Soviet systems, as well as the extent of the Soviets' plans for deploying them, would in effect give the Soviet Union the actual capability to fight and win a nuclear war, the NIE's reflected the possibility that the Soviets were seeking such a capability. Now that those deployments are well under way, it seems the NIE admits that the Soviets are planning to do just what they are doing.

As I say, I have not seen the new NIE, and can only hope that not only has it acknowledged the plans inherent to the Soviet arsenal, but also that its authors have dropped the CIA's old habit of dismissing those plans with a peculiar combination of ignorance and arrogance.

In the past, we have been told that it did not matter if the Soviets could deliver more megatonnage on us than we could deliver on them, that it did not even matter if the Soviets developed the capability to destroy most of our land-based strategic weapons while protecting their key population. We have been told that even if the Soviets possessed such capabilities they could never be confident enough to use them. The CIA, along with the administration, believe that the Soviet Union would not take advantage of the opportunity to win a war against us because, even if it destroyed most of our weapons and sheltered its key people, we could still do "unacceptable" damage to them. In his State of the Union, President Carter said that only one Poseidon submarine could destroy every large and medium-sized city in the U.S.S.R. He assumed that the proper task of our nuclear weapons is to destroy Soviet cities, an assumption as militarily unsound as it is immoral. He was expounding the still fashionable theory of mutual assumed destruction (MAD).

Mr. President, that is the most appropriate acronym existing in the world today.

As recent tests run by Boeing have shown, however, such damage claims are wildly exaggerated. But that is not the issue here. The salient fact, which the B-team pointed out and which I hope is dawning upon Langley, is that the Soviet Union's military strategy, unlike our own, does not consist of a second-strike spasm against cities; it is a serious strategy. If the Soviets decided they could not achieve their ends otherwise, they would strike first at our land-based strategic systems. Once these were largely destroyed, what could the United States do? A second strike by American submarines could only destroy some Soviet cities. American submarines, by design, are not equipped to kill Soviet missile silos. So an American second strike could not prevent a Soviet third strike which would quite devastate this country. The Soviets would have good reason to expect that we—and we alone—would be deterred from a second strike under such circumstances.

In the past, the NIE's analyses of Soviet forces simply dismissed the Soviet strategy. In so doing they assumed that the Soviets would be so cautious as to be deterred from doing something rational, while we would not be deterred from doing something irrational. Last year I wrote:

> The problem is . . . that while consciously refusing to entertain the Soviets' own conception of what they are about militarily, the authors of the NIE's over the years have evaluated Soviet strategic forces, using indexes which stress our own doctrine of MAD. . . . The B-team's position is that because the Soviet Union has built its forces all along with a view to fighting, surviving, and winning a war, the use of MAD criteria in evaluating Soviet forces makes no sense.

The sooner we begin to look at nuclear weapons as tools which, in the last resort, can be used to help safeguard this country, the less chance there will be that we will ever have to use them. Over the last decade we have built our nuclear forces unmindful of the fact that unless they can be used to fight and win a war, they will not be able to deter a war. Further, they will be unable to deter our enemies' aggressive local adventures around the world at our expense, and the expense of freedom.

Like my friend from New York, I am skeptical about SALT above all because it has dulled our perception of reality during a period when that reality has become vastly more dangerous to us and to the shrinking band of free nations from Tokyo to Tel Aviv. The proper task of intelligence is to keep nations in touch with hidden foreign realities. Today we are grateful because American intelligence seems to have risen to recognizing the obvious. Let us hope it draws, and inspires, the logical consequences of what it is now saying.

One must now fervently hope that the logical consequences of what the community is now saying will be recognized and reacted to with confidence in our own ability to remain a strength for freedom.

I thank my friend from New York for yielding to me.

Mr. MOYNIHAN. I am more than happy to have done so.

I congratulate the Senator on a clear, thoughtful, and careful statement.

If this is the beginning of the SALT debate in the Senate in the 96th Congress, I think we have set a serious tone which, I hope, will persist.

I would simply like, if I might, to recall to my good friend's attention two remarks I made in my earlier statement, which perhaps help explain what has happened, since we are dealing with people of manifest good will and competence in the intelligence community.

On the basis of reading Rush and Horelick's book, we might suggest that it was Khrushchev's boasting about Soviet missiles which accounted for the great movement forward in American missile efforts in the 1960's. This development greatly improved our strategic situation. They may have learned, it seems, not to do that the next time. So we have heard very little from them, while they do a great deal.

But we can learn something, from the remarkable series of articles by Admiral Gorshkov, to which I referred earlier. Gorshkov is a formidable man, as we know, and he dwelled at some length on the effects of the various naval arms limitations agreements of the 1920's and 1930's.

He described them as "the war of the diplomats for supremacy at sea." He concluded his discussion of the rise to predominance of American naval power by asserting that:

> The Americans . . . succeeded without a war . . . in achieving [the naval supremacy that] Germany could not achieve with two world wars.

I do not want to suggest that I know the workings of the Soviet mind; but it would seem that an admiral of a great power which has embarked upon a policy of détente would write for the Naval Digest in order to tell his community something. I think he was saying, "The Americans got superiority through the use of arms limitation treaties. We can, also."

At least, I suggest to my friend, the Senator from Wyoming (Mr. WALLOP), that this is an explanation we should entertain, because we must entertain the worst possible case as well as hope for the best.

Mr. WALLOP. I cannot disagree in any way. After all, the good admiral has been in charge of the Soviet naval planning, buildup, deployment, and strategy for a considerable period. Unlike ourselves, they are likely to be people who enter into long periods of stability in their planning and their leadership.

Mr. MOYNIHAN. Yes.

Mr. WALLOP. And there is no reason to suppose that he was engaged in any kind of diversion of our thinking by writing that article, because the only conclusion that can be drawn is the one the Senator from New York has drawn, and that is scarcely a diversion.

Mr. MOYNIHAN. It is not the practice of Soviet admirals to speculate to no purpose in a long series of articles in the Naval Digest, in the hope that they can get themselves an adjunct professorship after they retire.

I see that the Senator from Missouri is on the floor. Does he wish to join in this speculation?

Mr. DANFORTH. Not on this subject.

Mr. MOYNIHAN. I know that he has something else.

I simply would like to make clear, so that my distinguished friend will understand, that I hope to vote for a SALT treaty. I hope the President sends us one which will fit the description he gave in the state of the Union message.

There is not a more solemn judgment we will make in this Congress—possibly in our time in Congress—and in the end I hope to make it with as much independence of thought as I can muster, and with as much competence; and I know that is exactly the view of my friend, the Senator from Wyoming.

Mr. WALLOP. I hope to vote for one, also. I have doubts as to whether I will be able to do so, but I will view it openmindedly, until the very last day, when the judgment comes to 15 minutes, when we have that last moment to make up our minds.

EXHIBIT 1

[From the New York Times, Jan. 21, 1979, p. E5]

TEXT OF AN OPEN LETTER TO THE PRESIDENT, SIGNED BY 170 RETIRED GENERALS AND ADMIRALS

DEAR MR. PRESIDENT: As former members of our country's armed forces, we are taking the liberty of addressing you directly as concerned citizens.

Our concern is that current trends in U.S. policy may undermine the maintenance of peace—for America and the world.

Years of frequently tragic experience have taught us that the achievement of genuine peace is not simply a matter of strong desire or good intentions. Peace requires courage as well as patience. It cannot be bought cheaply or easily. Above all, it demands the will to contend with observable realities—even if they may not be to our liking.

The National Intelligence Estimate, the most authoritative U.S. government evaluation of intelligence data, acknowledges at last that the Soviet Union is heading for superiority—not parity—in the military arena. This represents a complete reversal of official judgments that were a substantial factor in allowing our government to pursue detente and overall accommodation with the Soviet regime.

By any criteria, the increasing Soviet challenge to America's position in global affairs is manifest:

. . . while the U.S. has developed only one ICBM system since 1965, the USSR has developed seven;

. . . in addition to modernizing its ICBM systems, the Soviet Union has invested heavily in additional submarine-launched ballistic missiles (SLBM);

. . . the Backfire bomber, the newest addition to the Soviet Union's strategic arsenal, launched from Arctic bases, is capable of delivering weapons anywhere in the U.S. without refueling;

. . . advances in Soviet MIRV technology are overcoming rapidly whatever lead we had in quality and quantity of warheads;

. . . the dramatic development in Soviet naval power, matching the modernization of Soviet air and ground forces, now threatens U.S. security in vital sea lanes providing access to essential resources.

Soviet defense literature explicitly rejects the Western doctrine of "Mutually Assured Destruction." It rejects specifically the notion that nuclear war means suicide. Soviet forces are structured to fight, survive and win nuclear war.

We urge you, Mr. President, to bring these facts to the attention of our fellow citizens so that all Americans will understand the dimension of the Soviet military challenge.

Under the umbrella of growing strategic nuclear and tactical military superiority, the Soviet leaders have become more aggressive. Soviet influence and power are increasingly evident in the Eastern Mediterranean and the Red Sea and Persian Gulf littoral. Afghanistan is being brought under Soviet control. Anti-American forces harass the governments of Iran and Turkey. Through the use of Cuban mercenaries the USSR has moved north from Angola to Ethiopia and Zaire. Some Cuban forces have returned to Syria from Angola and also are entering Lebanon.

Soviet imperial objectives appear to include the neutralization of Western Europe, in part by denying it access to critical raw materials; the encirclement of China; and the isolation of the U.S.

The Soviet focus on the Middle East, as a way of obtaining these aims, represents a real and growing threat to Western security. We strongly support the pursuit of friendship and improved relations with all responsible governments in the Middle East. However, the ability of the U.S. to protect its security interests in the Middle East is closely linked, if not dependent on, the maintenance of a potent Israeli military capability in the area.

In this context, a U.S. Interagency study on the global military balance concluded recently that, in the event of a non-nuclear super-power conflict in the Middle East, Israel, by itself, "might deter Soviet combat forces intervention or prevent the completion of such deployment." At this stage no other society in the area can be counted on to mobilize reliable, battle-tested ground and air units, or to make available secure access points. In brief, if not for the proven capability of the Israeli armed forces, we would be forced now to station a significant number of men and substantial materiel in that region.

We urge you, Mr. President, to recognize that Israel's value as a strategic asset depends on its ability to defend itself, and to reinforce Israel's military capability so that we will not be forced to deploy our own armed forces to the Middle East.

Clearly, moreover, we must restore the global military balance at both the strategic and conventional levels, or neither we nor our allies will be able to defuse the Soviet challenge. Our diplomacy will have little meaning and our search for peace will be futile unless we can demonstrate the necessary political will and military credibility to press effectively for peaceful co-existence based upon balance of power between East and West, between Israel and its Arab neighbors, between our friends and Russia's clients in Africa and Asia.

We urge you, Mr. President, to make our pursuit of genuine peace realistic and effective by moving now to restore the global military balance and America's credibility as a leader of the Free World.

In the absence of this indispensable equilibrium, we oppose any "deal" that freezes the current imbalance and reinforces permanent Soviet strategic superiority. While SALT I accepted our quantitative strategic inferiority, it did not prevent us from doing what was necessary qualitatively to regain equality. Current reports intimate that a SALT II agreement may prevent even these remedial measures. We stress these aspects because military imbalance has inescapable political consequences of global significance.

We urge you, Mr. President, to desist from any new arms control agreement that would threaten to perpetuate the current strategic imbalance and reinforce permanent Soviet strategic superiority.

If one adds up the manpower, productivity and scientific resources of the world's democracies, we have the makings of an effective coalition for global peace. The U.S. is not a helpless and vacillating giant. The American people, we are convinced, have not lost their love of freedom nor their willingness to sacrifice in its defense. They and we believe it is possible to retain control over our destiny.

America must lead the way in facing the challenge to freedom. Together with our friends and allies, we can rally from the defeatist atmosphere of the recent past and build a better more peaceful world.

For America and the world, we urge you, Mr. President, to lead in building a coalition for genuine peace in cooperation with the NATO nations, Japan, Israel and other proven friends and allies who share our commitment to freedom and human dignity.

[From the New York Times, Jan. 12, 1979]

170 Retired Top Military Officers Warn Carter of a Soviet Challenge

(By Drew Middleton)

More than 170 retired generals and admirals have warned President Carter of what they describe as an "increasing Soviet challenge" to the United States.

In an open letter, they said a National Intelligence Estimate that is described as "the most authoritative U.S. Government evaluation of intelligence data" and finally acknowledged that the Russians were "heading for superiority, not parity, in the military arena."

The letter said an American intergency study on the global military balance concluded recently that "in a nonnuclear conflict between the Soviet Union and the United States in the Middle East, Israel alone might deter Soviet combat forces' intervention or prevent the completion of such deployment."

Were it not for the ability of Israel's ground forces, the officers declared, the United States would have to station significant forces and equipment in the Middle East.

SOVIET OBJECTIVES DESCRIBED

The signers, among whom were 6 generals, 15 lieutenant generals and 4 admirals, included Adm. Elmo R. Zumwalt Jr., former Chief of Naval Operations; Gen. Paul L. Freeman Jr., former Army commander in Europe; Gen. T. W. Parker, former Army chief of staff in Europe; Gen. Albert C. Wedemeyer, who was comander of the China theater of operations at the end of World War II; Maj. Gen John K. Singlaub, former chief of staff, United States forces, Korea, and Maj. Gen. George J. Keegan Jr., former chief of intelligence, United States Air Force.

They urged Mr. Carter to recognize Israel's value as an ally that can defend itself and said Israel should be reinforced to avoid sending American forces to the area.

The Soviet Union's "imperial objectives" were described as the neutralization of Western Europe, partly by denying it access to oil, the encirclement of China and the isolation of the United States.

The letter said the Soviet focus on the Middle East to reach these objectives represented "a real and growing threat to Western security." It said Soviet influence and power had expanded in the eastern Mediterranean, the Red Sea and the Persian Gulf, Afghanistan had come under Soviet control and "anti-American forces" were harassing the Governments in Iran and Turkey.

Cuban mercenaries were described as carrying out Soviet policies in Angola, Ethiopia, Zaire, Syria and Lebanon.

DEBATE ON ARMS ACCORD

In appealing to the President to "restore the global military balance," the writers foreshadowed what is expected to be a national debate over the second strategic arms limitation treaty. In the absence of an "indispensable military equilibrium," they said, "we oppose a 'deal' that freezes the current imbalance and reinforces permanent Soviet strategic superiority."

The letter said the challenge was growing in these areas:

The Soviet Union has developed seven ICBM missile systems since 1965, the United States one.

The Russians have invested heavily in submarine-launched ballistic missiles and modernized their ICBM's.

The so-called Backfire bomber, which the letter lists in the Soviet strategic arsenal although the Russians call it a medium-range aircraft, "is capable of delivering weapons anywhere in the United States without refueling."

Soviet advances in multiple independently targetable re-entry vehicles (MIRV's) are rapidly overcoming the American lead in the quantity and quality of nuclear warheads.

The development of Soviet naval power threatens vital sea lanes that provide resources essential to the United States.

The writers also mentioned a point raised by nuclear scientists, academic students of Soviet policy and many foreign and American intelligence analysts: "Soviet defense literature expressly rejects the Western doctrine of 'mutual assured destruction.' It rejects specifically the notion that nuclear war means suicide. Soviet forces are structured to fight, survive and win a nuclear war."

Mr. Carter was urged to build a coalition of "genuine peace," including Israel and Japan as well as the North Atlantic Treaty Organization nations.

PAN AMERICAN-NATIONAL AIRLINES MERGER

Mr. MOYNIHAN. Mr. President, the proposed Pan American-National airlines merger is a matter of considerable importance to the State of New York. My colleague Senator JAVITS and I both appeared before an administrative law judge of the Civil Aeronautics Board and testified to that effect.

The 34 members of the New York State congressional delegation have submitted their views in support of the merger to the CAB. The mayor and deputy mayor of the city of New York, and the chairman of the Association for a Better New York, have endorsed it in the strongest terms, as have the New York State Senate, the New York State assembly, and the New York City Council.

Given the significance of the proposed merger to my State and to the United States' interest in a strong international air carrier, I am delighted that the Department of Transportation, which has primary authority and responsibility for air transportation matters within the executive branch, has urged the CAB to approve it. The CAB's Bureau of Domestic Aviation and Pricing also announced, at the conclusion of the hearings, that in its opinion the Board has no alternative but to approve the merger.

I was disappointed, but not surprised, that the Department of Justice, in its brief to the law judge, took a different view. The Department has a long history of opposing mergers between trunk carriers, and despite the clear economic realities of this case, despite the action of Congress last year in reducing the burden air carriers must meet when they seek to merge, Justice has adhered to its historical position.

Running through its brief is the notion that Pan American could, if it only would, develop a domestic route system from scratch, and thus avoid what Justice calls the "anti-competitive" alternative of acquiring National Airlines. Executives of Pan American have said unequivocally that Pan American neither can nor will attempt such a thing. The cost of acquiring the necessary aircraft and building the necessary ground stations is much too high. Even if the funds could be found for it, competitive circumstances would not permit it; by the time Pan Am got such a system under way several years from now, other carriers, in the new deregulated environment, would have already entered and absorbed most of the promising markets.

Mr. President, Pan American's vitality is important to New York and to the Nation. It needs a domestic route system that can feed traffic onto and from its international system, if it is to be and remain economically viable. The only practical way it can obtain such a system is to merge with a going domestic airline. National is the smallest of these. Merging Pan Am with National will eliminate no competition of consequence. On the contrary, it will enable the merged carrier to be more competitive. Thus it is in the public interest.

I sincerely hope that the Civil Aeronautics Board will find it so. I hope that the President, who will also have a role in deciding the matter, will agree.

In this morning's Washington Post there is an excellent editorial that calls on the Board, among other things, to approve the Pan Am-National merger. I ask unanimous consent that it may be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

WHO GETS NATIONAL AIRLINES?

The airlines are responding to deregulation just as the economists said they would. Competition is proliferating all over the place (Air Florida is opening up at Dulles), and lower fares are available to almost anywhere. That's the most visible part of deregulation, as well as the part that provides passengers with the most immediate benefits. But at the Civil Aeronautics Board, the other aspect of deregulation—the question of what the government should do about airlines that want to merge—is grinding along quietly.

The target, in the biggest airline merger case of the last decade, is National Airlines, the most sought after airline in the nation. Pan American World Airways wants to absorb it to get its domestic routes. Eastern Airlines wants it for its international routes. Texas International wants to latch onto it just to get bigger. Within the next two months or so, the CAB will decide who gets it and, in the process, tell airline companies how free of government regulation they really are.

In the days before deregulation, the CAB's job would have been comparatively simple. It would have weighed the anti-competitive aspects of each proposal as well as the strengths and weaknesses of each airline. Eastern, for example, would have been ruled out automatically because it is one of National's major competitors in the Southeast. But with the new kinds of competition the government is now fostering, the balance is more complex. Eastern argues that the competition that would be eliminated if it merges with National would be replaced almost immediately. It says other airlines would leap into the markets left vacant by National's disappearance, something they can do now but could not do before deregulation.

Eastern may be right, but it is doubtful if the CAB—or anyone other than Eastern's executives—is willing to take that chance so early in the new competitive era. There is too much of an overlap between the routes served by Eastern and National to run the risk of a sudden drop in competition in a growing part of the air network. Indeed, this particular merger proposal is a classic violation of old antitrust theory.

The situations involving Pan Am and Texas International are quite different. Neither is a major competitior of National, although Pan Am is a potential one because of National's newly acquired North Atlantic routes. But there is enough other competition already across that ocean so that the anti-competitive effect of a National merger with Pan Am would be minimal.

Texas International's effort to take over National grows from its desire to be a strong, big airline rather than a strong, regional one. That is certainly a desire the government ought not to squelch. On the other hand, Pan Am needs a domestic route structure in the new competitive climate to stop being a weak, big airline. It can get that structure cheaper by buying National than by building one itself, the course suggested to it by former CAB Chairman Alfred Kahn.

In this framework, the CAB Chairman might be well advised to bless both Pan Am and Texas International and let National's stockholders decide who wins. While such a decision could spur more merger proposals, it would be in keeping with the spirit of deregulation. A decision blocking either or both of these takeover bids would suggest the government is not yet ready to let go of the regulatory reins it has kept on the airline industry much too long.

TRADE ADJUSTMENT ASSISTANCE ACT

Mr. MOYNIHAN. Mr. President, I wish to associate myself with the position taken by Senator ROTH, the sponsor of the Trade Adjustment Assistance bill. It is a product of the 95th Congress' work and represents an enormous accomplishment; the changes it makes in the trade adjustment laws in title II of the Trade Act of 1974 are good, and necessary. But the real importance of this measure is as a symbol of what the Congress has been saying about U.S. trade policy since the enactment of the Trade Act of 1974, and the beginning of the Multilateral Trade Negotiations (MTN) in Geneva in 1975. We are, after all, charged by the Constitution with the responsibility of regulating commerce. And while we do not directly negotiate in Geneva, what we say should not go unheard by our own negotiators or our trading partners.

There are two things which ought to be learned from our actions in the past 3 years. The first is our interest in free trade. It is a principle on which the prosperity of the post-war world rested. We accepted that, and we promoted it. We institutionalized it in the international arrangements set up principally by ourselves in the first years after the Second World War. And, it is not too much to say that it is the principle to which the democracies of western Europe and Japan owe much of their remarkable post-war economic recovery. I am proud to say that we continue to act in accordance with those same principles.

But, there is a second, equally important lesson to be learned, which was dramatized in the last days of the 95th Congress.

Last October, in the final days of the 95th Congress, the President asked for additional authority to waive countervailing duties which had been levied on Government subsidized goods from foreign countries. Extending the waiver, which was originally a condition of the subsidy code negotiations in the MTN, was set forth as a condition for successful completion of the MTN. In the end, the 95th Congress did not grant the President his authority, but through a series of administrative and political measures, the negotiations have proceeded nonetheless. Just last week, the President sent a message to the 96th Congress, again asking for an extension of the waiver. Our trading partners have said they will not initial a final agreement unless the waiver is extended.

It may be reasonable to grant the President his extension, increasing the chances that we can complete a successful round of trade liberalization. But, it is also reasonable to say to him that we do so under the condition that he send us an agreement which is beneficial to American workers and industry.

It is in this context, then, that the bill we introduce today ought to be understood. Trade adjustment was a concept introduced into American trade policy in the Trade Expansion Act of 1962—an act which sought first of all to promote free trade. Until then, the only help available to firms and workers injured by import competition were antidumping laws and countervailing duty laws. We did not use those very much because we did not need them much. Times were different and less complicated, and we knew little of trade deficits.

Conditions have certainly changed. It is now common for us to experience a trade deficit. But the real meaning of this turnabout from trade surplus to deficit is the loss of jobs and the erosion of our industrial base which it reflects. Industry after industry—textiles, steel, electronics, shoes—has experienced devastating job losses due to competition, often unfair competition, from abroad. In my own State of New York we lost almost 600,000 jobs between 1969 and 1976—large numbers of which were lost to foreign competition.

Escape clause relief and adjustment assistance are both mechanisms through which we expect to compensate workers and firms hurt by imports. Unfortunately, neither mechanism prevents the problems. But, both become increasingly necessary in today's world economy where our trading partners subsidize goods to protect employment, wages and profit.

What this bill does is to help American firms, workers and communities adjust to patterns of international trade which are distorted by unfair practices of foreign governments. This bill may not be the answer to all the inequities of the international trading order, but it is something we can do for ourselves which has no adverse impact on our trading partners.

It is something we owe to the American people—employees and employers alike—whose life and work have been hurt by these circumstances.

I urge my colleagues to support the bill.

HAZARDOUS WASTE PROBLEM IN KENTUCKY

Mr. FORD. Mr. President, most Members of this body probably by now have either read or heard about a serious environmental problem in Kentucky caused by the improper disposal of thousands of barrels of toxic chemicals in a four-county area.

The magnitude of this situation is slowly beginning to unfold. Massive quantities of hazardous chemical wastes continue to be discovered, exposing residents of the area to a very real and present threat to public safety and health.

State and Federal environmental officials are stunned by the enormity of the problem and steps have been initiated to clean up and remove the chemicals from those sites where an eminent threat to water supplies exists. This threat will persist until an inventory of the chemicals is completed and the barrels can be removed to a safe and legal dumping ground.

Without a doubt, the cost of such an understaking will be staggering. Preliminary estimates run in the millions of dollars, and eventually this could turn out to be the most costly—and potentially dangerous—man-made disaster in our State's history.

The problem is complicated even further due to the fact that both the U.S. Environmental Protection Agency and the Kentucky Department for Natural Resources and Environmental Protection have indicated to me that neither has adequate funds available to cover the cost which will be involved in removing the waste to another site.

Nevertheless, the overriding concern in this situation must be to protect the safety and health of those who live in this area. In all likelihood the eventual decision for providing funds to eliminate the present danger will come before this Congress.

The EPA is now in the process of determining the probable cost which will be involved in relocating the hazardous wastes to a safe and legal site. Since those figures are not yet available, I am not in a position at this time to advise the Senate what assistance in the form of an emergency appropriation will be needed. However, I do want to alert my colleagues that in the not-to-distant future an appeal will be made to enact legislation which will enable the Federal Government to remove this eminent danger.

We will be turning to the Congress for help only as a last resort, and let me assure you that I do not believe the taxpayers of this country should be expected to foot the bill for negligent and irresponsible deeds which threaten public safety and health. While our first priority must be to protect those communities and citizens which are innocent victims, it is incumbent on both the State and Federal Government to insure that the party and/or parties responsible for this situation be held accountable for their actions.

Even though I hope the Congress will see fit to provide funding for the emergency clean-up operations, I have today called on U.S. Attorney General Griffin Bell and Kentucky Attorney General Robert Stephens to begin an immediate investigation to determine the party and/or parties responsible for this situation so that the appropriate legal steps can be taken to recover the full cost of removing the hazardous properties to an approved dumping ground and repairing the damages which occurred as a result of negligent or illegal actions.

There can be no excuse for such a blatant disregard for public health and safety. Such actions cannot be tolerated, and I urge the Attorneys General of the United States and Kentucky to utilize the full powers of their respective offices in recovering any and all expenditures of tax dollars used to remedy this critical situation.

SENATE JOINT RESOLUTION 28—DIRECT POPULAR ELECTION OF THE PRESIDENT AND VICE PRESIDENT OF THE UNITED STATES

Mr. BAYH. Mr. President, I send to the desk a joint resolution and ask that it be stated.

The ACTING PRESIDENT pro tempore. The joint resolution will be stated by title.

The legislative clerk read as follows:

A joint resolution proposing an amendment to the Constitution to provide for the direct popular election of the President and Vice President of the United States.

Mr. BAYH. Mr. President, I ask unanimous consent to dispense with reading of the measure.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The joint resolution is as follows:

S.J. RES. 28

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, (two-thirds of each House concurring therein) That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States within seven years from the date of its submission by the Congress:

"ARTICLE —

"SECTION 1. The people of the several States and the District constituting the seat of Government of the United States shall elect the President and Vice President. Each elector shall cast a single vote for two persons who shall have consented to the joining of their names as candidates for the offices of President and Vice President. No candidate shall consent to the joinder of his name with that of more than one other person.

"SEC. 2. The electors of President and Vice President in each State shall have the qualifications requisite for electors of the most numerous branch of the State legislature, except that for electors of President and Vice President the legislature of any State may prescribe less restrictive residence qualifications and for electors of President and Vice President the Congress may establish residence qualifications.

"SEC. 3. The persons joined as candidates for President and Vice President having the greatest number of votes shall be elected President and Vice President, if such number be at least 40 per centum of the whole number of votes cast.

"If, after any such election, none of the persons joined as candidates for President and Vice President is elected pursuant to the preceding paragraph, a runoff election shall be held in which the choice of President and Vice President shall be made from the two pairs of persons joined as candidates for President and Vice President who received the highest numbers of votes cast in the election. The pair of persons joined as candidates for President and Vice President receiving the greater number of votes in such runoff election shall be elected President and Vice President.

"SEC. 4. The times, places, and manner of holding such elections and entitlement to inclusion on the ballot shall be prescribed in each State by the legislature thereof; but the Congress may at any time by law make or alter such regulations. The days for such elections shall be determined by Congress and shall be uniform throughout the United

States. The Congress shall prescribe by law the times, places, and manner in which the results of such elections shall be ascertained and declared. No such election, other than a runoff election, shall be held later than the first Tuesday after the first Monday in November, and the results thereof shall be declared no later than the thirtieth day after the date on which the election occurs.

"SEC. 5. The Congress may by law provide for the case of the death, inability, or withdrawal of any candidate for President or Vice President before a President and Vice President have been elected, and for the case of the death of both the President-elect and Vice President-elect.

"SEC. 6. Sections 1 through 4 of this article shall take effect two years after the ratification of this article.

"SEC. 7. The Congress shall have power to enforce this article by appropriate legislation.".

Mr. BAYH. Mr. President, I ask unanimous consent that the joint resolution be placed directly on the calendar; and, on behalf of the majority leader, who would impose such objection if he were here, I do object.

The ACTING PRESIDENT pro tempore. Objection is heard.

Mr. BAYH. Mr. President, I ask that the Senate move to the immediate consideration of this joint resolution; and again on behalf of the majority leader, who would object if he were here, I do interpose an objection to the immediate consideration of this joint resolution.

The ACTING PRESIDENT pro tempore. Objection is heard.

The joint resolution, having been read once, will remain at the desk, pending second reading.

QUORUM CALL

The ACTING PRESIDENT pro tempore. The Chair, in his capacity as a Senator from Arkansas, suggests the absence of a quorum.

The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MATSUNAGA. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE VICTIMS OF CRIME ACT OF 1979—S. 190

Mr. MATSUNAGA. Mr. President, I was very pleased on last Tuesday, to join the distinguished chairman of the Judiciary Committee, the Senator from Massachusetts (Mr. KENNEDY), in introducing the proposed Victims of Crime Act of 1979, a bill to provide Federal assistance to State crime victim compensation programs.

As one who has introduced and cosponsored similar legislation in both Houses of Congress since 1965, I am most anxious to see the Victims of Crime Act signed into law during the 96th Congress. The enactment of legislation to provide Federal assistance to the States for the purpose of compensating victims of crime is long overdue. As many of my colleagues know, Mr. President, the Senate has long supported the idea of compensating innocent victims of violent crime. Indeed, in each of the past four Congresses, the Senate has approved some form of victims compensation legislation. Unfortunately, prior to the 95th Congress, the Senate-passed measures died in the House of Representatives.

During the 95th Congress, however, the momentum behind the idea of assisting the States for the purpose of aiding victims of crime led to action on victims compensation legislation in both Chambers of Capitol Hill. In the fall of 1977, the House of Representatives, for the first time, passed a victims compensation bill very similar to the bill we introduced yesterday. Following up on that long-awaited achievement last September, the Senate passed by unanimous consent its own bill to assist State victims compensation programs. A conference committee easily resolved the minor differences between the House- and Senate-passed bills, and accepted an important Senate amendment addressing the unique problems of elderly crime victims, which I authored along with the Senator from Massachsetts and our dear former colleague from Minnesota, Mrs. Muriel Humphrey.

Those of us in the Senate, on both sides of the aisle, who were deeply interested in the Victims of Crime Act, were very pleased with the conference committee bill, which represented an excellent compromise between those who believe that the States should have the prerogative to design their victims programs to fit their own needs, and those who are concerned that certain uniform standards should be established and met as a precondition to the receipt of Federal assistance under the act.

Shortly before Congress adjourned last October, the Senate brought us one step closer to the enactment of a victims compensation law by accepting the conference report by a voice vote. However, the compromise version, which was the product of years of effort by many Members of Congress and outside groups concerned about the plight of innocent victims of crime, was struck down by the House during the crush of adjournment business on October 14, 1978.

Mr. President, the Victims of Crime Act of 1979, which we introduced yesterday, is almost identical to last year's conference committee bill, with the exception of a provision which we have added prohibiting the imposition of a financial means test. This legislation is designed to provide Federal assistance to qualified State programs for the purpose of compensating all victims of crime for losses resulting in physical injuries or death. State programs will be entitled to a Federal reimbursement of 25 percent of the costs of compensating victims of State crimes and 100 percent of the costs of compensating victims of Federal crimes. This legislation will enable those States with crime victim compensation programs to favorably respond to more crime victims than ever before. It will assist more eligible victims by defraying the high costs of medical care and providing reimbursement for lost wages.

Mr. President, one of the newest and, in my judgment, most noteworthy features of our bill is its treatment of the serious problem of elderly crime victimization. Last year, it was brought to our attention by various senior citizen groups that elderly victims of crime, many of whom live at or below the poverty level in this country, experience monetary losses as a result of crime more often and more severely than any other segment of our population. Recent studies also indicate that due to their physical limitations, life styles, and social habits, elderly crime victims frequently require hospitalization and other special services. In short, the problems and needs of elderly victims of crime are different from other classes of victims, and therefore, they deserve special consideration. To insure that elderly victims are treated with special care and consideration under the Victims of Crime Act, a provision of the bill provides a waiver of the $100 deductible clause for victims 62 years of age and over. It is also our intention in this provision to encourage States with victims compensation programs to provide emergency compensation payments to elderly crime victims in view of their limited resources and special needs.

Mr. President, my colleagues and I who are sponsoring this legislation strongly believe that our criminal justice system has not, and is not doing enough to help the innocent crime victim who is assaulted, brutalized, injured or maimed. Indeed, the short-term effect of a crime upon a victim may be only physical injury. However, what has become the most devastating blow to many victims is the long-term financial injury caused by the time lost from work and the high costs of medical care. Financial injury to most Americans victimized by crime is a heavy burden to carry, particularly when high unemployment, runaway inflation, and high prices for housing and consumer goods provide the economic climate of our Nation.

It is certainly clear, Mr. President, that our criminal justice system is geared, as it should be, toward crime prevention and the care, treatment, and rehabilitation of criminal offenders. It is also clear, in my judgment, that there is a pressing need for our criminal justice system to address the plight of the innocent victim of crime. I have heard it said time and time again that innocent crime victims in this country are victimized first by the criminal offender and second by our own criminal justice system. Whether or not this statement is true has long been the subject of debate. However, I do believe that the plight of the innocent victim of crime in this country has had a serious impact on the functioning of our criminal justice system during these times of increasing crime and violence. While there is currently great public concern about crime in our neighborhoods, there is, ironically, a serious alienation on the part of the American public from our criminal justice system.

This alienation is reported by both law enforcement officials and prosecutors. People are becoming more and more unwilling to assist in apprehension and prosecution of criminal offenders. Those that are witnesses to crime do not want to become involved. Those who are victims of crime many times refuse to cooperate with police and refuse to press charges.

Mr. President, this desire not to become involved has an obvious and serious impact on our battle against crime. Without the full cooperation of victims and witnesses, it becomes very difficult, often impossible, to apprehend, prosecute, and convict criminals. An equally serious problem is the large number of crimes that are not reported by victims and witnesses to law enforcement authorities. As a result, many criminal offenders who are dangerous to the community remain free on our streets.

Mr. President, in the final analysis, we will only be successful in our war on crime if we have the cooperation of all citizens—victims, witnesses, complainants, and voluntary obeyers of the law. Voluntary cooperation is, indeed, the very foundation of our criminal justice system. The legislation which we have introduced is especially designed to reduce the alienation of the American public from our system. The Victims of Crime Act of 1979 will enhance our system of justice by encouraging both citizen cooperation with police and prosecutors and the reporting of crimes to law enforcement authorities. If this legislation would accomplish only these two goals, I believe that it would be worthy of our support.

Mr. President, support for the Victims of Crime Act has been bipartisan and has come from national, State, and local groups and organizations not always found on the same side of the crucial issues of the day.

The Victims of Crime Act has been endorsed by officials, both Democrat and Republican, of many States with and without crime victim programs. It has been endorsed by numerous and diverse groups and organizations such as the National Conference of State Legislatures, the National District Attorneys' Association, the National League of Cities and the U.S. Conference of Mayors, the American Bar Association, the National Council on Crime and Delinquency, the National Retired Teachers Association, the American Association of Retired Persons and the National Council on Senior Citizens, the International Conference of Police Organizations and the Fraternal Order of Police, the International Association of Chiefs of Police, Americans for Effective Law Enforcement, the National Moratorium on Prison Construction, the United Automobile Workers and the Americans for Democratic Action.

Most importantly, President Carter last year announced his administration's full suport for victims compensation legislation and urged the Congress to pass such a bill. I might also remind my colleagues that the Ford administration also endorsed similar legislation during the 94th Congress.

Mr. President, during this year in which Congress may be called upon to consider critical legislation designed to redefine and restructure the Federal role in the war on crime in this country, it is my fervent hope that the continuing plight of the innocent victim of crime is not overlooked. The enactment of a Victims of Crime Act, which will ease the suffering of crime victims young and old, and help curb the disturbing alienation of the American public from their own criminal justice system, will indeed be an important contribution to the improvement of our system, which we call American democracy.

TUITION TAX CREDITS

Mr. MOYNIHAN. Mr. President, our esteemed colleague, the distinguished senior Senator from Connecticut, has championed elementary and secondary tuition tax credits for 15 years now. In the last Congress, he was one of the principal sponsors of the bill that came very close to enactment, and in this Congress he is already one of the principal sponsors of the bills that we hope to enact. If this is an idea whose time has finally come, as I believe it is, much of the credit belongs to Senator RIBICOFF.

A few days ago, Senator RIBICOFF addressed the American Education Finance Association on this subject. His remarks are a concise, eloquent, evocative, and informative discussion of tuition tax credits and should reach a much wider audience. I, therefore, ask unanimous consent that they be printed in full in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS BEFORE THE AMERICAN EDUCATION FINANCE ASSOCIATION NATIONAL CONFERENCE

The debate over tuition tax credits for parents who pay elementary and secondary school tuition is a debate over the role for government in helping our citizens get an education.

Education has always held a special place in American society. For many it has been seen as the path upward. Look back over American history and you will find an almost mystical belief in the power of education to move people up the ladder. Parents have worked hard so that their children might obtain a decent education. In the United States we have always believed that education benefits not only the individual, but also the country as a whole. Thus, we have encouraged spending on education and the growth of educational institutions. In fact, we required territories to provide for basic education before entering the union as states.

Traditionally education has reflected both our shared beliefs and those beliefs special to the community or group establishing and running the school. Thus our public schools have been under state and local control rather than Federal control because we do not wish a single national curriculum.

Throughout American history parents are concerned that their children receive an education which meets their needs. Over great odds these parents have created and molded schools to meet their needs and philosophy; to reflect both national values and local values.

Today most parents find the public schools responsive to their needs. Others, however, feel that the public schools fail both them and their children. Often they are correct. When these parents seek alternative education for their children, they face a growing financial burden. They pay the rapidly-increasing taxes to support public schools. And at the same time they pay the rising cost of non-public education.

The right of parents to direct their children's education is a valued right—and it has been so recognized by our Supreme Court. This right will be meaningless if our non-public schools disappear.

Further, this right is threatened by a financial squeeze. Over the last ten to fifteen years our definition of "right" has advanced. We have come to see that promising someone a "right" is an empty promise if he cannot afford to exercise it. The rich have always been able to choose the education they want for their children. We who support tuition tax credits seek to make that right a reality for more of our citizens. We seek to extend freedom of choice.

This is not an argument for or against our public schools. I and my colleagues who propose tuition tax credits have a strong record of support for aid to public education. As Secretary of Health, Education, and Welfare under President Kennedy I fought for his proposals to provide aid to education. At the time this was very controversial and we failed to get favorable action on his program. When I moved to the Senate in 1963 I continued to advocate aid to education. Finally we were successful.

I remain firm in my conviction that the Federal Government should substantially support education and that its first responsibility is to the public institutions in which the vast majority of American students receive their education. However, we are not talking about the survival of the public schools in this country. Their future is secure—in no small part because of the aid for which we fought fifteen years ago. We are talking about preserving an important thread in the educational fabric of this country—the non-public elementary or secondary school. It is this sector which is in danger.

In 1963 when I first proposed a tax credit for elementary and secondary school tuition, over 14% of our Nation's students were enrolled in non-public schools. Today that figure is less than ten percent.

Enrollment in non-public schools has dropped from 6.3 million students in 1965 to 5.3 million in 1976—a drop of 16 percent. Some people are not troubled by this trend, but I believe that it threatens the richness of education in our nation. In the United States three kinds of education—public, parochial, and independent—have grown and existed side by side. There are many faces to education in our Nation: Many kinds of schools. This diversity is a tremendous strength.

There is diversity within each type of school. We are not discussing tax credits for tuition paid to a monolithic system of private schools. The largest number of students enrolled in non-governmental schools are in Catholic schools. These schools are our oldest school system. But there are also 166,000 students in schools run by the Missouri Lutheran Synod; 76,000 in Seventh Day Adventist schools; 49,000 in Calvinist schools; 230,000 in Evangelical Christian schools; 90,000 in Jewish day schools; 14,000 in Quaker schools; and 76,000 in Episcopal. In this country there are 14,000 students enrolled in military schools and 277,000 students in nonsectarian independent schools. This is indeed a varied picture.

Pluralism and diversity are precious. One's identity as an American does not require the abandonment of one's heritage. We do not wish all children to grow up alike. Yes, all children must have the same opportunity to grow and to fulfill their potential, but we must leave room for individual parent preferences. Just as we value the diversity in our people we must value it in our educational institutions. The only nations without non-governmental schools are either very small or very poor and/or one-party dictatorships. As a citizen I would be unhappy to see us lose the variety in our educational systems. I hope that in this country public and private schools continue to exist side by side as far down the road as we can see.

Diversity within schools is important as well. Some fear that a tax credit for elementary and secondary school tuition would be a "white flight" tax credit. This is not so. The legislation which we proposed provided that only tuition paid to schools with 501(c) (3) tax-exempt, tax-deductible status under the tax code would be eligible for the credit. 501 (c) (3) status is denied to schools which discriminate on the basis of race, color, national or ethnic origin. The Internal Revenue Service regulations on that are quite specific. A school must actively demonstrate its nondiscriminatory standards. The supporters of tuition tax credits expect and want strong enforcement of this requirement.

Those who are truly worried about segregation should take a look at the facts—at who is served by our public schools and who by our nonpublic schools. Most of our public elementary and secondary schools are neighborhood schools. Their student body reflects the racial and economic makeup of the neighborhood. It is generally a very homogenous group. For instance, look at the public school in a wealthy suburb—you will not see economic or racial diversity. In fact, in some suburbs you will see no religious diversity.

Private schools have a broader reach. Take a look at the student body at any one of our elite independent schools. Certainly you will see wealthy students, but you will also see poor and middle-class students. You will find a student body varied in its racial and ethnic makeup.

Then take a look at the efforts made by our parochial schools. In city after city the parochial schools have offered opportunity to all. In city after city the parochial schools have refused to let themselves be used by those fleeing integration. In fact, in Alabama the Archdiocese was attacked for refusing to open its doors to those trying to escape integration. In many of our inner cities we see parochial schools drawing protestant children because their parents want them to learn basic skills and the parochial schools teach them better. These are often parents who are too poor to choose any other private school but who care desperately about their children's education. In the Finance Committee hearings last year we heard from protestant parents in the District of Columbia struggling to pay tuition to a Catholic school in the city. One mother testified that she could not afford the tuition for all her children and so felt she was choosing which child would get a better education which year. We seek to lessen the burden of parents like these.

Today minorities make up over 10 percent of the enrollment in non-public schools. In state after state and city after city the distinguishing characteristic of non-public schools is their high degree of racial integration.

Let me cite just two examples from my own State of Connecticut. In our three largest cities the minority student population in the Catholic elementary schools is as high or higher than that in the public schools. In West Hartford the Northwest Catholic High School has more minority students enrolled in it than in any other high school in that city.

Nor are private schools havens for the rich. Fifty-one percent of families with children in non-public schools earn less than $15,000 per year.

Let us not then fall into the trap of assuming that private schools are schools full of people who are all the same while our public schools hold the full range of the American population. It simply is not true.

I have heard people say that tax credits for elementary and secondary school tuition will destroy the public schools of this country. I am truly puzzled by this argument. What can anyone who believes it think of our public schools?

In order to believe that tuition tax credits will destroy the public schools you must believe that given the choice all parents would pull their children out of public schools. I cannot believe that competition in education would be a bad thing. Given rough equivalence in quality there will always be a strong economic incentive to choose free public schools. Can anyone truly believe that providing lower-middle and middle-income parents with a portion of the options available to wealthier parents will result in the abandonment of the public schools? Are our public schools dependent on a captive population for their survival? Do they really offer so little?

Aid to private colleges and to parents paying tuition to those colleges did not destroy the public college system. Why should aid to parents who pay for non-public elementary and secondary education destroy the public elementary and secondary school system?

On the contrary, I believe that the preservation of real freedom of choice is important to the public schools as well as to the private schools. Think about what would happen if the decline in independent and parochial schools was to continue. In 1976 there were 5.3 million students in nonpublic schools. If all those students were to move to the public schools of this nation there would be a massive dislocation in our public school system. Could our public schools absorb these children? Think of the cost. In 1976 the average per pupil expenditure in the public elementary and secondary schools of this nation was over $1600 per year. If 5.3 million students moved into the public school systems of this country it would cost almost $9 billion. And this burden would not fall evenly. Much of it would fall on our already struggling city school systems. I suggest that in comparison a tuition tax credit of $1 billion is a small investment.

There is one other issue which must be addressed: that of constitutionality. In the Senate debate on tuition tax credits last year we heard a great deal about constitutionality. Of course I cannot guarantee that the bill we drafted last year was constitutional. The Senate does not rule on constitutionality; only the Supreme Court of the United States does. However, if I thought that tuition tax credits for those who pay tuition to elementary and secondary schools clearly failed the tests used by the Supreme Court in striking down aid programs designed by various states, I would not support such legislation. I am not interested in dramatic but futile gestures. However, our Supreme Court has never ruled on a Federal law in this area. The Congress does have a right to pass laws about which there exists a constitutional question. The Supreme Court does not issue advisory opinions; it only rules on actual controversies. We can only discover if this is a constitutional form of aid to tuition-paying parents if we try.

The debate over aid to those who pay tuition for non-public elementary and secondary schools will continue. This is an issue which will not go away. It is an important debate. At issue is whether we truly believe in a rich and varied educational fabric in this country or whether we wish to move toward state monopoly in education. Eventually tuition tax credits for elementary and secondary education will prevail.

A CABINET-LEVEL DEPARTMENT OF EDUCATION

Mr. MOYNIHAN. Mr. President, the Senate will soon resume consideration of the important question of whether or not there should be created a separate, Cabinet-level Department of Education. We will naturally want to have at hand the best analyses and best informed opinion that is available. At this time, I wish to draw the attention of my colleagues to a pair of thoughtful editorials that appeared in two of our most distinguished newspapers in recent weeks, and ask unanimous consent that they be printed in the RECORD at this time.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

SLOW LEARNERS

It may seem like just yesterday that the 95th Congress adjourned and gave us a brief respite from the legislative din, but people are already gearing up for the 96th. And unless we get really lucky, one of the perennials on the congressional agenda is going to be a proposal to establish a new Cabinet-level Department of Education. President Jimmy Carter, fulfilling a campaign promise to the National Education Association, has put his administration's support behind the idea; and last time around it actually passed the Senate. In the process, both supporters and critics of the plan gave us a discouraging glimpse into the state of education policy debate in the country today.

The NEA, the nation's largest teachers' union, is the bills' prime backer. The NEA says that the present system of federal aid to education is impossibly fragmented, and that consolidation—into a new department with a $14 billion budget and 16,000 employes—would give a "clear expression, from the national viewpoint, about what we should do for education in this country." The NEA says education merits more than its present "secondary" position in HEW, and surely deserves as much presidential attention as, say, the field of transportation gets through its Department of Transportation now.

But the American Federation of Teachers, a smaller rival educators' union, doesn't want a new department. The AFT says that federal aid to education has benefited mightily by being part of a coalition centered on HEW and including not only education advocates but health care enthusiasts and welfare organizations. And as for presidential attention, says the AFT, "the secretary of a huge department like HEW will always be able to get more time with the President" than if he were carrying the brief for education alone.

Certain jaundiced observers have remarked that the huge gap between the NEA and AFT views on the new department may just have something to do with the fact that the NEA has the better chance of being able to take it over once it's launched. But other interested parties have been weighing into the debate as well. Some Congressmen don't like the fact that a new department would make it easier to fashion a single, centralized education policy for the country. As Representative John Erlenborn has put it, "More educational decisionmaking as to course content, textbook content, and curriculum will be made in Washington at the expense of local diversity."

But not all the bill's opponents think the new department would exert such a centralizing influence. Representative Shirley Chisholm spoke for a number of other black leaders as well when she predicted that a Department of Education would split the educators off from allies who've helped them get more money for education in the past. But she also warned that a new department, by taking over part of HEW's present civil rights responsibilities, would be splitting up HEW's current Office of Civil Rights. The new fragments, she has said, won't be so strong or independent; affirmative action is liable to suffer.

So some of the educators think a Department of Education would get more money and attention paid to the country's schools, while others strongly contend that it would get less. Some people oppose the bill because they think it would promote harmful centralization, while others oppose it because they think in certain crucial respects the change would bring fragmentation. In short there's just not much anyone can agree on in the way of telling just what this reorganization is going to do. Under the circumstances, it would be a great relief to see people stop wasting everyone's time on this shuffling around and use some of that energy on the serious substantive problems that afflict American education.

[From the New York Times, Jan. 16, 1979]

AN ILLUSION OF EDUCATION REFORM

In what seemed like a well-planned omission, Congress concluded its last session without acting on the proposal to create a separate Department of Education. The measure had been overwhelmingly approved by the Senate, but it died quickly when the House leadership failed to bring it to the floor. Now there is a new Congress and, unfortunately, President Carter says that he'll try again.

A separate Department of Education would provide merely the illusion of reform. Unless all education-related items were to be plucked from their present jurisdictions and lumped together to create the Big E, the new department would carry less clout than education does even in its present inadequate form inside the huge Department of Health, Education, and Welfare. But why, for example, would uprooting a program like manpower-training from its functional niche in the Labor Department enhance its effectiveness?

Even more worrisome would be the intimate relationship that might develop between a separate education department and the National Education Association. The N.E.A. represents the professional public school establishment—a vital part of education, but still only a part. It is committed to a much larger Federal role in school financing than is compatible with the tradition of state and local responsibility.

Finally, the creation of a separate department could impel a host of other groups to mount special-interest campaigns for a Department of Science, a Department of Women, a Department of Consumers. There is already too much precedent feeding such appetites. Consider the subject of economic development, now dissipated in the Departments of Housing and Urban Development, Labor, Agriculture, Commerce, Interior and Transportation. Reorganization should be moving in the opposite direction.

President Carter supported a department for education only to fulfill a campaign pledge to the N.E.A. He would be wise now to accept the House leaders' well-considered second thoughts and let the matter drop. The energies of the White House would be better devoted to the long-overdue reorganization of H.E.W. to make that colossus more efficient and to give E an equal place there with H and W.

THE IMPACT OF EXPORTS ON THE AMERICAN ECONOMY

Mr. MOYNIHAN. Mr. President, the magazine, U.S.A. Today, carried an article in its January, 1979 issue on "The Impact of Exports on the American Economy" by Sol C. Chaikin, president of the International Ladies Garment Workers' Union. Mr. Chaikin is a leading citizen of New York and an eloquent and able spokesman for the workers he represents and as well for the entire American labor movement. In a year when Congress will be giving a lot of time to issues of international trade, Mr. Chaikin's article deserves close attention and careful analysis by all of us. I ask unanimous consent that the complete text be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE IMPACT OF EXPORTS ON THE AMERICAN ECONOMY

(By Sol C. Chaikin)

It is natural to assume that, when the president of the International Ladies' Garment Workers' Union argues for regulation of apparel imports, he is indulging in egregious special pleading. Hence, I should like to dispel all doubts at the outset and plead guilty.

It is my sworn responsibility to defend and protect the interests of the 600,000 garment workers in America, especially to safeguard their opportunities for employment. They are not people who can stand prolonged unemployment. Even when they work, their pay is relatively skimpy in a sector of the economy where competition can still be cut-throat; they are drawn from the marginal populations of the nation—black, Hispanic; recent immigrant, poor white; and they are 80% female—often heads of families. It would be a dereliction of duty if our union —or I, personally—were to stand by silently as we watched thousands of their jobs washed away annually in a flood of imports. Therefore, we do plead for our people. In doing so, we are mindful of the dictum of Hillel, who said: "If I do not speak for myself, who will?" However, we are not unmindful of his second dictum: "If I speak for myself alone, what am I?"

If we plead for garment workers alone without regard to what happened to others we would be doing what comes naturally, but not necessarily what is most socially responsible. Hence, in the pursuit of our self-interest—really, our self-defense—we have repeatedly tried to assess our role as it affects the society as a whole, both America and the world.

What we have discovered is that our peculiar problem is really not quite as parochial as we were inclined to believe. The threat to apparel is a threat—in greater or lesser measure—to similarly situated labor-intensive light manufacture in America, involving roughly about 10,000,000 jobs. The peril is spreading to heavy capital-intensive manufacture as well, albeit belatedly. Behind the decline of manufacture—under the assaults of commodity import and capital export—is the consequent decline of the service sector and the total American economy.

None of this sad script is inevitable, of course, if we begin to cope realistically with the realities of world trade in the last quarter of the 20th century—realities that are obscured under a heap of dead dogmas used in the making of our international economic moves.

THE THREAT FROM ABROAD

For some two decades now, the leadership of our union has been prodded by circumstances into a highly instructive intellectual odyssey over stormy economic oceans. In the 1950's, we saw apparel jobs wiped out by a flood of silk scarves from Japan. Our first response was to minimize the unhappy incident as too picayune to concern us in a booming industry in a bouncy economy. A few years later, however, the "dollar blouse" from Japan began to erode a larger sector of our industry, with other apparel lines looming on the horizon. As the picayune became potent, we could no longer afford to be cavalier. We had to think—and act.

How to act was not easy for a union such as ours that had been steeped in internationalist ideology from the day that its earliest founders heard the call: "Workers of the world unite!" We were anti-protectionist in principle, but we were also pro-working class in principle. So, to reconcile this clash of priorities, we fell back on the pragmatic approach of the unionist by urging a sort of collective bargaining with other nations at the international level.

We urged negotiated quotas—first with Japan and, step by step, with dozens of other nations under the currently formal rubric of the multinational Multifiber Arrangement. The basic concept was (and is) to agree upon levels of exports and imports that allow us to live while allowing other nations to share our market. As the American market expands, both imports and domestic production can expand.

Although such quotas have served a purpose, they have done so in a much too limited sense. In years when the U.S. market grew by only two or three per cent, imports were allowed to expand by six per cent. Through loopholes in the arrangements—allowing one year's quotas to be applied to another year, allowing one product to be substituted for another—imports in some lines grew by 25–35% per annum. Consequently, the quotas have become just a delaying action that postpones the day of our death.

In 1966, there were 641,000 employees in women's apparel; by 1976, that number had shrunk to 560,000—a loss of 81,000 jobs in one decade. Behind this sinister story stands a causative statistic: a dozen years ago, one garment out of every 25 was an import; now, it is one out of every four.

Although it was quite natural for us to become aware of the problem as it affected women's apparel only, we found out early on that the same problem was perplexing the entire textile and apparel (including men's clothing) industry—and for the same reasons. Imports were wearing away jobs by the thousands in America's largest factory industry—textile and apparel—that employs one out of every eight manufacturing workers.

As we began to cry out for relief, we were advised that there were many ways to cope with the problem of imports: first, we should be more competitive, both wage-wise and production-wise; second, we should encourage our people to find jobs in other sectors of the economy. Both suggestions were drawn from classical economic notions of "free trade" that assume an inevitable ultimate equilibrium as each country produces what it can turn out best and most cheaply for world sale and as workers move from one industry to another as each country does its special thing on the international mart.

Before applying ourselves to a theoretical consideration of this traditional tenet, however, we should like to present a few facts that confronted us as we considered these suggestions on what to do. The first fact was the degree of disparity between wages here and in the lands that were exporting to us. While an American sewing machine operator earned something in the vicinity of $3.00 an hour in 1975, workers doing the same job in Hong Kong got 62 cents an hour; in Korea and Singapore, 27 cents; and in Haiti, 18 cents. For American workers to "compete"—even at the low wage of garment workers in the industrial pecking order here—they would have to be five or 10 times as productive as their overseas counterparts. We have no such bionic women in our shops.

If the hands of our workers could not be that many times more nimble than those of workers in other lands, why couldn't we compete by putting our highly touted American know-how to work? In our experiential wanderings, we discovered what Pogo discovered long before us: "We have met the enemy and they is us." We learned that a vast portion of overseas production is carried on by American methods implanted by American companies. U.S. manufacturers and chain stores "contract" out garment manufacture to plants in other lands, where the work is done with American techniques, design, and sizing and is backed up with American financing and merchandizing skill. Indeed, the brand name of the American company is stitched into the garment in the far-away factory.

Under these circumstances, to expect the American worker to "compete" is just so much empty exhortation. The only alternative would be to cut the American wage to something like 75 cents an hour—a move that would not only make life intolerable for the individual worker, but that would (multiplied several million times over) undermine the viability of an American economy dependent on a mass market in America.

THE FREE TRADE FAILURE

These facts, however, did not deter the classic "free traders" from continuing with their formulae. If America's textile and apparel industry could not compete, then so be it. The displaced workers would find jobs in other trades—like boots or shoes or electronic assembly—or in other occupations where aptitudes were comparable roughly with those in textile and apparel.

Yet, precisely because these proposed alternate industries were also comparable—labor-intensive light product manufacture—they were suffering from the same sicknesses as we were. American boots and shoes were being wiped out as Oriental factories were committed to turning out footwear with American brand names on them. Radio assembly is totally foreign to America today, although we once had a thriving industry here. Black-and-white TV has left our land. Even color TV—our proud invention—is now losing its last American bastion as Zenith is forced to leave its native land under competition from others, like RCA, who exported production overseas.

Indeed, all labor-intensive manufacture in the U.S. has been hard hit: glass and rubber wear, metal fabrication, paper and wood products, ceramics, plastics, dolls, toys, novelties, cameras, bikes, furniture, junk jewelry, etc. Our displaced workers discovered that comparable employment was comparably non-available.

The next counsel we heard was to be broad-minded, generous, and far-sighted as our people, dispossessed from the labor-intensive, move into the capital-intensive sector—like steel, autos, chemicals. This forecast was generally packaged in glossy language about how low-wage, labor-intensive industries no longer had a future in America and how the resultant disturbances would only be temporary as workers were absorbed by high-technology sectors that could not be rivalled by any country in the world.

This hypothesis, of course, was pure Richardo. We would be doing what we can do best (capital-intensive production) and we would surrender to the poor lands what they can do best (labor-intensive production.) Thus would we live in the best of all possible worlds.

However, when we gathered at our labor conventions, we found that our brethren in the steel industry were complaining as loudly as we were. In a decade, the number of people employed in basic steel fell from 400,000 to 300,000. The unions representing workers in other heavy industry—like the International Association of Machinists—were bitterly objecting to the way corporations producing airplanes were closing shop here to open plants over there.

This, of course, was not supposed to be happening according to the script of the classic free traders, but the unions in heavy industries could not ignore the facts—and neither could we.

Two modern developments were at work to upset the classic hypothesis of free trade. First, many of the developed nations—with a capacity for capital-intensive production—were subsizing exports or permitting inflated prices in their domestic market to allow their producers to "dump" on the American market. Here, we use the term "dump" in its literal sense, as selling for export at prices below the domestic price or even the cost of production.

The second factor—more important and more enduring—has been the export of capital, plants, technology, and managerial skills by American companies (multinational corporations) to other lands. The movement has been massive and the motives have been many.

Many American corporations move production overseas because they can not move their product overseas. The Common Market, Japan, Argentina, Australia, Brazil, and the Iron Curtain countries make it difficult—sometimes impossible—for American-made wares to penetrate the trade walls. Sometimes, our goods are excluded by tariffs; more often, the obstacles are non-tariff barriers—thousands of bits and pieces of red tape that make entry impossible.

For pursuing such "protectionist" policies, many of these countries that should have been hit with retaliatory measures are rewarded. The reward comes in the form of American investment overseas. The forms of multinational operations are protean: wholly owned subsidiaries, joint ventures, franchises, licenses, patents, or—as noted earlier—use of overseas producers as captive contractors by American concerns.

The overseas investment has a dual advantage to many corporations. They can sell overseas in a protected market, with prices set profitably behind the national walls, then use overseas production as a launching pad to export to the U.S. Hence, many such corporations find themselves in a "captain's paradise," with a "protectionist" love over there and a love for "free trade" over here.

There are distinct tax advantages to multinational corporations who do their thing in another land. Any profits realized in a foreign country are not taxable by the U.S., unless and until the profits are repatriated. Any taxes paid to a foreign government are allowed as a tax *credit* (worth about twice as much as a tax deduction) when corporate income taxes are paid to Uncle Sam. Through a game called "transfer pricing," a corporation can have its subsidiaries bill one another in such a way as to show high profits in low-tax lands and no profits in high-tax lands, so that, when all the bookkeeping is totalled, little or no taxes will be paid anywhere.

This massive export of the *factors of production* makes the Ricardian tenet of "comparative advantage" a dead dogma. Our "advantages," we have been told, are our capital, technology, and management skills. However, when our capital goes overseas, the advantage becomes a disadvantage, as our big gun is turned against us. Ditto for technology and for entreprenurial know-how.

American manufacture—light and heavy, labor- and capital-intensive—is being worn away under the inflow of commodities and outflow of capital. Between 1974 and 1977, the number of jobs in American manufacture shrank by more than 435,000 at a time when the total number of jobs in the nation rose by 5,000,000.

A POLLYANNA STRATAGEM

It is this total rise in employment, at a time when manufacture is shrinking, that has given rise to another fashionable scenario for our future: a service economy without manufacture. The rationale for this prospect has been our experience since the end of World War II. The service sector has grown—at least in the number of its employees—from a minority to a majority position, now making up about 60% of the labor force. By simple extrapolation, it is predicted that, in the foreseeable future, we ought to be able to make do with a service economy that supplies employment to 75 to 80% of the labor force, providing jobs for all those displaced in the industrial sectors.

This Pollyanna proposition, however, pays no mind to the relationship between the commodity and service sectors of the society. So long as there is a powerful commodity foundation, there can be a lofty service superstructure. For instance, if there are enough taxpayers, we can afford to have one out of every five employees in the nation on government payrolls—as we do—and we can afford to have an expanding number of salespersons and repair people and personal service workers. However, can we continue to maintain such a superstructure once we lose the 20,000,000 jobs in American industry? If we can, then it should be possible to maintain a society by everybody taking in everybody else's washing.

An imaginative variation on the theme of a service economy is the forecast of the U.S. becoming a rentier nation—one living on its overseas investments. The sly stratagem here is to live eternally with an adverse balance of trade as we go on buying more than we sell, then making up for those losses by the returns on foreign investment to give us a tidy equilibrium—perhaps, even a gain—in the balance of payments.

The consequences of such a policy do not have to be left to conjecture. We can learn much from the experience of Great Britain, which became a rentier economy at the turn of the century. British capital sought clean profits in overseas investments that left British manufacture in a state of pernicious capital anemia. Because industry was neglected for at least three generations, Britain came out of World War II without any firm base for a viable economy. The mother of the industrial revolution found itself in the deplorable state of some backward country, with its Prime Minister declaring that the prime need of the United Kingdom was to "industrialize" the impoverished islands.

A rentier economy in America would be a rerun of the British story. First, a nation divided, as income from overseas flowed into the pockets of the elite while the great mass wallowed in unemployment and low wages, dependent on the dole; then, a nation in profound distress without a commodity base to support those employed in commerce, trade, services, or government.

A rentier economy must also assume that American investments overseas are safe, but how secure will they be in a world torn with national, tribal, and class conflict? In the long run, an American "empire," implied in a rentier economy, is likely to be as untenable as the old British Empire.

EXPLOITING THE THIRD WORLD

In our empiric and theoretic peregrinations over the last couple of decades, we have come to the conclusion that our attempts to apply the "free trade" policies of the past to the protectionist world of the present are not only bad for the garment industry, but for the entire economy.

We are also increasingly persuaded that the exploitation of the poor in the Third World countries to manufacture labor intensive products for exports to the developed nations has not proven to be in the best interests of the nations seeking economic "development." After two decades of development—based on a push for rapid industrialization—the masses in the poor countries are as poor as ever, even where there has been a growth in per capita income.

During the 1960's, for instance, Brazil's GNP per capita grew in real terms by 2.5 percent annually. However, the relative share of the national income received by the poorest 40 percent fell from 10 percent in 1960 to eight percent in 1970, while the relative share of the richest five percent increased from 29 percent to 38 percent. The British publication, *The Economist*, noted in September, 1974, that, "in 42 other developing countries, the same trend tends to recur—an enlargement of economic income for the community as a whole with the benefits disturbingly concentrated at the richest end of the spectrum of income." This sad finding is confirmed by the report of the Group of Eminent Persons to Study the Impact of Multinational Corporations on Development and on International Relations, a special committee of the United Nations. While a "host country" may experience "high rates of growth," notes the report, "its income distribution may not improve or may even deteriorate. Welfare standards may be kept low. . . . High income may accrue largely to domestic elites associated with foreign interests. . . . Basic needs of the population such as food, health, education and housing may be left unattended." In sum, the present policies of "industrializing" the Third World turn out to be a process for enriching the rich in both the rich and poor countries at the expense of the poor in both the poor and rich countries.

What the Third World countries need is an "agriculturization," rather than an "industralization," of their economies, since 50–80% of the populace of these lands is rural. What these populations can do best—if one is to return to the theory of comparative advantage—is to grow things in the soil. If they were to concentrate on agriculture, the income of their farm families, which represents the bulk of the nation, would rise; their families would, probably, be smaller; and they could compose a domestic market for their domestic manufacture as well as for imports.

Instead, the direction has been to industrialize and has had tragic consequences. Pinning their hopes on manufacture, these nations have neglected their agriculture. In 1964, a U.S. Department of Agriculture researcher, Lester R. Brown, concluded that ". . . . the less developed world is losing the capacity to feed itself." Up to 1940, these poor countries were all net exporters of wheat, rice, and other grains to the more industrial nations. By the end of World War II, this was turned around and the poor became net importers. Out of neglect, these countries were allowing their soils to be exhausted. As farm income sank, the poor families did what they do everywhere: they produced children as their best cash crop, and populations exploded as the soil shrank. Unable to live on the land, these desperate people poured into the cities to offer a cheap and ever cheaper labor supply. They offered their labor in factories for pennies to produce products to be sold in *other* lands. The foreign exchange they were supposed to accumulate for their countries was insignificant. These countries would have done better raising and selling agricultural commodities.

The poor countries are unable to buy needed food on the world market, since they are so deeply indebted that they find it harder and harder to buy on credit. Meanwhile, the great suppliers of food products—the U.S., Canada, Argentina, and Australia—are finding it harder to give the needed food products because the burden on this handful of grain exporters is becoming impossible to shoulder.

Sterling Wortman, vice president of the Rockefeller Foundation, argues that there still is some hope for these countries that face devastating hunger, provided ". . . that the development of agrarian countries be concentrated less on industry and more on agriculture. . . . If productivity of large numbers of small farmers can be increased in the poorer countries and if for added millions of farm families there is an increase in disposable income, markets will develop for imported food supplies and for products of urban industry" (emphasis added). As farm income rises, family size is likely to be smaller. As fewer rural people feel the need to pour into the cities, wages in the cities are likely to rise as the labor market tightens.

This means that there is no need for us to play this zero sum game in which we have to decide who shall go jobless and who shall go hungry. If the Third World increases its agricultural output and its industrial production, there can be more for all in both the rich and poor lands. Standards of living can go up in both worlds. In such an expanding universe, international trade can continue, as we share our growing market with other nations and as they—with newfound sources of wealth—share their markets with us.

A PRAGMATIC PROPOSAL

In the light of the changed nature of world trade and manufacture since World War II, the simplistic assumptions of classic free trade theory are a fatuous indulgence in outworn shibboleths—as are the equally simplistic notions that poor lands can become rich lands through a rapid industrialization financed with foreign capital to produce goods for sale in foreign lands. Indeed, the propagation of such fantasies serves merely to provide a rationale for the exploitation of working people in both the developed and developing nations by precisely those corporations that once were the prime proponents of old-fashioned protectionism. Their dramatic conversion to free trade and to the once-forbidden industrialization of the "backward" nations, we suspect, is not based on a love for either American consumers or Third World workers, but on a congenital love for profits.

Conversely, we—in the labor movement—now find ourselves advocates of policies that fit into none of the precast patterns of the past. We propose programs that are based on the pragmatic needs of our times:

Negotiated quotas with other nations based on a fair and realistic sharing of markets.

The removal of non-tariff barriers that make a mockery of low-tariff schedules.

Enforcement of anti-dumping provisions.

Retaliatory action where other countries subsidize exports.

Revision or repeal of American tax laws that encourage overseas production.

Repeal of Items 806 and 807 of the present U.S. Tariff codes that reward American companies for production abroad of products intended for sale in the U.S.

Regulation of the export of capital and technology.

Technical aid to the developing nations to assist them in their agricultural development.

These proposals do not exhaust all possibilities, but they do suggest that there are meaningful and constructive alternatives to our present meaningless and disastrous policies of "free trade" and rapid "industrialization."

CONCLUSION OF MORNING BUSINESS

The **PRESIDING OFFICER**. Is there further morning business?

If there be no further morning business, according to the previous order morning business is closed.

RECESS UNTIL 2 P.M.

The **PRESIDING OFFICER**. In accordance with the previous order, the Senate will stand in recess until 2 p.m.

The Senate, at 12:57 p.m., recessed until 2 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. Exon).

Mr. **STEVENS**. Mr. President, I suggest the absence of a quorum.

The **PRESIDING OFFICER**. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. **ROBERT C. BYRD**. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

EXTENSION OF ROUTINE MORNING BUSINESS

Mr. **ROBERT C. BYRD**. Mr. President, before I yield to Mr. Hollings, I ask unanimous consent that there be an extension of routine morning business today under the same conditions as previously stated, with the exception that a Senator may speak up to 30 minutes during that morning business.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

TOM McINTYRE

Mr. **HOLLINGS**. Mr. President, when the 1st session of the 96th Congress was gaveled to order, one of the Senate's most courageous and effective Members was absent. I refer to our good friend, Tom McIntyre, of New Hampshire. A legislator given to making headway rather than headlines, Tom McIntyre went about his work in a quiet, but always effective, way.

He and I were deskmates. I knew him intimately, and I take great pleasure in making these comments. When the need to speak out forcefully came, however, he did so, with a courage and a tenacity that marked him as one of the most candid and forthright men ever to serve in this Chamber. He had the facility to say exactly what he meant, and you always knew where he was on an issue and why he took the positions he did. Those who knew his background—who knew about his four Battle Stars from World War II infantry service, his Bronze Star with Oak Leaf Cluster—knew that here we had a man who would fight for his principles. And fight he did.

Most of the work of the Senate is laborious, difficult, and far from glamorous. It is not the stuff of which headlines are made and news specials produced. But the final judgment on any session must be made on the basis of what is accomplished in legislation, in committees, in moving one's colleagues along to a decision to enhance the public good. Tom McIntyre worked unsparingly and ceaselessly in the legislative vineyards. He became an expert on the matters before his committees. For example, he devoted much time and effort to military research and development programs, and could speak with an expertise unmatched in this area. Through the Banking, Housing, and Urban Affairs Committee, he came to a knowledge of our urban and housing problems and our financial system that won him the confidence of his colleagues—to such an extent that we eagerly sought his advice in this, as in many other, fields.

No mention of Tom's career would be complete without remembering the valuable work done by his wife and helpmate, Myrtle. As a champion of mental health programs, she contributed to an awakening of the problems of mental health that was long overdue. Although she held no office, she was a public servant in the finest sense, and she continues to work on these and other vital projects.

So I think it is only fitting that we pause today in tribute to this good and courageous Senator and his lovely and public-spirited wife. We hope to see much of them in the days ahead—to seek their counsel, to share their friendship, and to take inspiration from the high standards of character and service which they have contributed to their country. Theirs has been a job well done, and the heritage they left the Senate is written not only in legislation and service, but in the kind of high example to which every public servant, and every citizen of the land, should aspire.

SENATE RESOLUTION 9—PROPOSED AMENDMENT OF STANDING RULES OF THE SENATE

Mr. ROBERT C. BYRD. Mr. President, am I not still protected as far as Senate Resolution 9 and my pending motion, am I not still protected under the extension of morning business as I was earlier?

The PRESIDING OFFICER. The Senator is correct.

Mr. STEVENS. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. STEVENS. It is my understanding that no motions would in any way jeopardize Senate Resolution 9 and be in order; is that correct?

Mr. ROBERT C. BYRD. No motions or unanimous consent to proceed and no action whatsoever.

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. No action, even the ordering of yeas and nays.

ORDER FOR RECESS UNTIL 11 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until 11 o'clock tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask that we come in tomorrow so that Senators may have the opportunity to debate Senate Resolution 9 and my motion thereto, if I obtain unanimous consent for them to do that. I may change this later in the day. Senator BYRD of Virginia wants to speak for 30 minutes later today. May I ask how soon?

Mr. HARRY F. BYRD, JR. I hope to do so in 10 minutes.

Mr. ROBERT C. BYRD. I will ask Senator BYRD of Virginia to put in a quorum call when he finishes and protect my rights to the floor so that I might come in and change the order for recess over, if I see fit, or transact any other business that needs to be done at that time.

Mr. HARRY F. BYRD, JR. The Senator from Virginia will do so accordingly.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Does the Senator from Utah (Mr. HATCH) seek recognition?

Mr. HATCH. Yes, I do, Mr. President.

The PRESIDING OFFICER. The Chair recognizes the Senator from Utah.

THE MAJORITY LEADER'S PROPOSED RULES CHANGES

Mr. HATCH. Mr. President, the majority leader has given all of the Senate a good deal to think about by proposing Senate Resolution 9, a resolution to amend the Standing Rules of the Senate. While there are many unanswered questions regarding the impact of these proposed changes which are currently being studied, I wanted to share with my colleagues my preliminary observations on the impact of some of the provisions of the Byrd resolution.

On January 12, Majority Leader ROBERT C. BYRD notified Senate offices that he planned to introduce as a single resolution a number of Senate rules changes. He did so in the form of Senate Resolution 9 on January 15 of this year. Some of the modifications are similar or identical to portions of Senate Resolution 5, the proposal he introduced 2 years ago. Other parts of the new resolution are drawn from the letter which the majority leader wrote Senator NELSON on September 26, 1978, with regard to rule changes.

In this new proposal Senator BYRD recommends several changes which may have the effect of curtailing the freedom of individual Senators with regard to debate. One of the most important modifications is that dealing with the post-cloture period. Under it, there would be a fixed time of 100 hours for debate, which, unlike now, would apply to votes, quorum calls, and all other actions which consume floor time. The 1-hour time limit per Senator now in existence would be retained. At the end of the 100 hours only the pending amendment or motion and one live quorum call would be in order. The 100-hour limit, moreover, could be increased or decreased on a nondebatable motion if 60 Senators approve. At least 10 hours of consideration must elapse before the motion would be in order.

This proposal is similar to provisions in Senate Resolution 5, and much of the criticism made in 1977 by the Republican leadership and the minority members of the Rules Committee is still applicable. Traditionally, a Senator's freedom to offer amendments addressing his concerns or protecting his constituents is fairly broad. This freedom is an important distinguishing feature in the operation of the House and the Senate. Senator BAKER and others charged in 1977 that an automatic cutoff time for post-cloture debate could seriously inhibit a Senator's performance of his duties by, in essence, placing a "quota" on the number of amendments he could offer. This translates into a built-in restriction on the number of aspects of legislation which he could focus upon.

There are other problems with the proposal of this sort. Until now a Senator has been guaranteed an hour of post-cloture debate time. Under the Byrd amendment this would become his limit. No time is guaranteed to him; it is on a first-come-first-served basis. This could put pressure on Senators who are deeply involved in the bill to refrain from expressing their concerns fully, lest he be depriving colleagues of their access to the floor.

This problem is compounded by the provision allowing debate to be reduced to as little as 10 hours. Moreover, under Senator BYRD's wording, such a reduction in post-cloture time could come almost automatically on the heels of a vote successfully imposing cloture. This is because it only takes the vote of 60 Senators to reduce the time below 100 hours, and that is the same number as is needed for cloture. So a majority large enough to impose cloture can severely limit the time remaining for debate only a few hours later.

In 1977, the minority opposed these suggested modifications. Senator BYRD, acknowledging the Members' concerns, made a number of significant changes in his proposal. These liberalized considerably Senators' freedom under a post-cloture situation. Eventually, however, he withdrew his proposal, and now he proposes yet another series of proposals which could adversely impact on minority rights.

Senator BYRD offers two other modifications affecting extended debate. Under his resolution, after September of each calendar year cloture motions could be considered after only 3 hours of debate rather than 2 days as provided for under the current rules.

This proposal is clearly intended to mitigate the threat of filibusters toward the end of the session. Yet this should be considered carefully. It is agreed by all Members of Congress that the closing days of a session are chaotic, and that much unwise legislation is approved during that last-minute scramble. And it is not necessarily tragic for a filibuster to keep a measure from reaching the floor or passing during that time period. Given the existence of enough support, such legislation traditionally comes up again the next session. At that time Members have enough time at their disposal to study the bill carefully, and most importantly to draft whatever amendments he feels are necessary to serve the interests of his constituents. This applies equally whether the Member favors the legislation or is opposed to it. This necessary attention becomes impossible during the closing days of a Congress, when several important bills might be considered during a given day, and when an individual session might extend to 18 or 20 hours as we vividly saw last year.

Two objections can be raised against Senator Byrd's proposal limiting to half an hour debate on motions to consider measures. At times measures come before Congress to which the American people would respond with a strong reaction if they were aware of them. Labor reform is a classic example. Under those circumstances, time is needed to bring the matter to their attention and allow public opinion to coalesce. Prolonged debate on the motion to bring up a bill is a tool currently available to Senators in this regard. It is one which is rarely employed, so charges of abuse would be difficult to sustain. Senators should think carefully before depriving themselves of this option without any showing of abuse by Members of the Senate.

The need for such a change should be questioned from another point of view. Under morning business, measures can be brought up, and the motion to consider them is nondebatable. That would seem to address the problem, to the extent there is one, adequately. In practice, the Senate seldom has a morning hour because it seldom adjourns; but that could easily be remedied by the majority leader unilaterally if he chose to.

Another change proposed by Senator Byrd is to change the "3-day rule" on committee reports to 2 days. Furthermore, whereas now weekends and legal holidays are presently excluded, under the Byrd amendment those Saturdays, Sundays, and legal holidays when the Senate is in session would be included.

Given the workload of the average Senator and the complexity of much of the legislation voted upon, a good case could probably be made for extending the 3 days to 4 or 5 or more. Moreover, as Senator Mark Hatfield, ranking Republican on rules, observed in a November 21 memo:

> There seems to be no reason to believe that the three-day provision has been the vehicle for abuse.

We should really be guaranteeing time sufficient to insure a better informed Senate and a more deliberative process.

The subject of germaneness is also addressed by Senator Byrd. He proposes that germaneness be imposed by nondebatable motion agreed to by three-fifths of the Senators present and voting. Traditionally, Senators are free to present nongermane amendments in most instances except when these are specifically excluded by a previous unanimous consent order. Members of the minority should weigh this proposal very carefully. Minority Members by definition do not control committees nor have more than minimal input on floor scheduling.

In summary, the majority shapes legislation, decides if it will be considered, and when it will come up. Virtually the only outlets available to the minority for presenting its own proposals are morning hour, which seldom takes place, and the option of offering their bills as amendments to other measures. In practice, my colleagues do make an effort to offer their proposals in connection with germane vehicles, but this is not always possible. It might be that within a given year there will be only one bill on the floor dealing with the general subject in question. In such a situation, offering a proposal as a nongermane amendment becomes the only solution, and it is an option which should not be surrendered lightly.

During the 95th Congress, Senator Byrd publicly expressed concern about nongermane amendments. Clearly they can throw a carefully planned schedule off track. Yet the substance of the legislation should receive at least as much attention as the scheduling and the two interests must be carefully balanced.

Senator Byrd proposes three other changes first brought up in 1977. Under the first the reading of the Journal could be waived by majority vote on a nondebatable motion; and while motions to amend the Journal would remain privileged, they would become nondebatable and must be confined to "an accurate description of the proceedings of the previous day." Under the other proposals, the reading of amendments and conference reports could be waived by majority vote on a nondebatable motion if the document has been identified by the clerk and is available to the Senators in printed form.

When these changes were first suggested in 1977, Senators Baker and Griffin, in their minority views, raised questions about the language. Nothing in the amendment addressed the crucial point of the Senators specifically having access to the documents; the "availability in print" requirement, they pointed out, could be satisfied by the existence of two or three copies. The two Senators also expressed concern about the motions relating to the Journal, amendments and conference reports all being nondebatable. This, they felt, mirrored a trend toward further encroachment on the freedom of debate of individual Senators, and particularly of the minority.

Another objection can be made. Amendments and conference reports can be as small as half a page or as large as a big-city telephone directory. Conference reports can be very complex, and at times individual amendments involve more issues than the very bill they are offered to. Yet there is frequently heavy pressure to consider them hastily. It is infrequent for a Senator to request the reading of a document, but having the option to do so can sometimes make a sizable difference, allowing Members to read what they are about to vote on rather than make an uninformed decision. The elimination of this tool, which, like others previously discussed, allows Senators to slow down the sometimes breakneck speed of the Senate, should be carefully considered.

Mr. President, I hope I too have given the Senate something of value to think about when, and if, we are pressed to take a position on the matter or to vote upon, any of the proposed rules changes.

The PRESIDING OFFICER. The Chair recognizes the distinguished Senator from Virginia.

SENATE RESOLUTION 9—PROPOSED AMENDMENT OF STANDING RULES OF THE SENATE

Mr. HARRY F. BYRD, JR. Mr. President, the Senate is fortunate, I feel, in having as its majority leader, Robert C. Byrd of West Virginia.

He is an individual for whom I have warm affection and I regard him as one of my finest friends. As a legislator and parliamentarian he is superb. He is a leader of great ability.

Last week on the opening day of this session, the majority leader introduced Senate Resolution 9, which would amend the Standing Rules of the Senate. Its purpose, according to the majority leader, is to make the Senate more efficient. This is a reasonable goal.

But the majority leader's proposals, of which there are eight, need to be carefully studied.

In giving greater power to the leadership—and thus presumably creating a more orderly atmosphere—just what will be the real impact on Senate procedure, and on the rights of individual Senators, as legislation is formed and molded in the Senate.

Democracy, it has been accurately and frequently asserted, is not the most efficient form of government. Nor was it intended to be.

Likewise, the Senate, since its establishment nearly 200 years ago, has been unique among world parliaments.

It was fashioned not for speed or efficiency, but rather to be a deliberative body capable of resisting the passions of the moment and of protecting the rights of whichever group might be in a minority at a particular time.

The Senate has no rule of germaneness, unless cloture is invoked, except for appropriation bills.

From 1789 until 1917, there was no

provision in the rules for shutting off debate.

During World War I, on motion of one of my Virginia predecessors, Senator Thomas S. Martin, the then Senate majority leader, the rules were changed to permit debate to be brought to a close by a two-thirds vote of the elected membership. There have been subsequent amendments. Now cloture can be invoked by a constitutional three-fifths, or 60 Senators.

As one who believes the American people are best served in the long run by maintaining as nearly as possible the uniqueness of the U.S. Senate as created by the Constitution, I have studied Senate Resolution 9 with some care.

What the majority leader has proposed is not totally unreasonable. I can support some of the recommended changes.

Others, I must oppose.

The leadership has provided a section-by-section analysis of the proposed resolution. This analysis is accurate, but it is somewhat understated.

I propose today to go into greater detail than is done in the leadership memorandum. My purpose is to expand the leadership analysis and hopefully to bring into clearer focus the real impact Senate Resolution 9 would have on Senate procedure and on the rights of individual Senators as legislation is formed and molded on the floor of the Senate.

Mr. President, the first section of the proposed resolution is not objectionable; nor is it needed.

This first section of Senate Resolution 9 provides that the reading of the Senate Journal at the beginning of morning business may be suspended by adoption of a privileged motion decided without debate.

On rare occasions—and I emphasize, on very rare occasions—Senators have required that the Journal of the preceding legislative day be read in full during morning business as is provided in rule III of the standing rules. Ordinarily, the reading of the Journal is dispensed with by unanimous consent.

The Journal is not the CONGRESSIONAL RECORD. It is, instead, a concise log of major events occurring during each Senate legislative day.

If the leadership saw fit to adjourn the Senate with greater regularity than has occurred in recent years, then the Journal for any given legislative day would be a relatively short document. As it is, a full reading of the Journal, if it covers many calendar days in one legislative day, can indeed be somewhat onerous. I have no objection to the proposed change to provide for a privileged, nondebatable motion to suspend the reading of the Journal.

Further in the same first section of Senate Resolution 9, there is a provision that a motion to correct the Journal shall be privileged and also decided without debate. Should not the rules permit some limited debate, as there could well be a bona fide question of correcting the Journal?

But again, I have no strong objection to this recommended change in the Senate rules, although I would suggest a provision for at least 30 minutes of debate on a motion to correct the Journal.

I would point out, too, that if a dilatory motion to correct the Journal is made, then under existing rules that motion is already subject to a nondebatable motion to table.

Section 2 of Senate Resolution 9 would amend rule VII of the Standing Rules of the Senate by allowing a motion to proceed to a particular item of legislation to be made at any time outside of the morning hour and decided with only 30 minutes of debate equally divided between and controlled by the majority and minority leaders.

This provision would change existing procedure which permits unlimited debate of a motion to proceed except when the motion is made during the morning hour.

In my judgment, this proposed modification of the existing rule is perhaps the most objectionable feature of the entire proposed leadership resolution.

While functions and powers of the leadership are and should be considerable, they should be within reasonable limits. Now, in the Senate, all 100 Senators have some hand in deciding what legislation to consider, what legislation to postpone, and what legislation not to consider at all. That is how it has been throughout our history.

A motion to proceed decided after only limited debate would effectively take from the whole Senate its power in deciding collectively what legislation to consider. It would tend to turn that power over exclusively to the leadership.

Obviously, the majority leader must play a major role in scheduling bills for action on the floor. But the leadership should not have the power to disregard completely—if he so determines—the desires and views of individual Members. One cannot foresee who may be majority leader 5 or 10 or 20 years from now.

The proposed rule change would give to the majority leader the ability to shift at will back and forth and, in fact, roam all over the Senate Calendar by use of this proposed virtually nondebatable motion to proceed.

Use of this new proposed motion would make scheduling the exclusive province of the majority leader and would prevent individual Senators or the minority from having any real opportunity to affect scheduling decisions, to prepare for debate in an orderly fashion, or to contribute to the forming and modification of legislation called up for consideration.

As matters now stand under the existing rules, Senators have a reasonable expectation of receiving forewarning of leadership intentions in scheduling bills for debate. The views of individual Senators, both opponents and proponents, are solicited in connection with scheduling legislation in which they have particular interest. If this new procedure is adopted, I believe the leadership will find it largely unnecessary to consult with the minority or with individual Senators in deciding which item of legislation to bring before the Senate. That power would become the exclusive province of the leadership.

Some would assert, nevertheless, that extended debate of a motion to proceed can never be justified. But there is already a procedure which allows the decision of a motion to proceed without debate.

Under rules VII and VIII, a motion to proceed to the consideration of any matter on the Senate Calendar is determined without debate so long as the motion is made before the close of the morning hour and after the close of morning business or after the end of the first hour of the morning hour. In other words, at the beginning of any new legislative day, there is always a period of at least 1 hour's duration during which a nondebatable motion to proceed is in order.

If the leadership returned to the practice of adjourning the Senate with greater regularity, then after each adjournment, the leadership would have an opportunity at the beginning of the legislative day to make a motion to proceed and to have the motion decided without debate. That is provided in the present Standing Rules of the Senate.

The Standing Rules of the Senate are rules of procedure adopted under the Constitution. At present, they do not formally acknowledge the role of the leader by specifically granting special privileges in the rules. Those special privileges and prerogatives have developed as a result of long practice. To formalize any of these special privileges and prerogatives by setting them out in a provision of the permanent standing rules might well violate the clause in the Constitution which guarantees to the States equal representation in the Senate.

The Senate, by unanimous consent, may allow the two leaders—or one—to control time in a debate, but a rule of procedure to that effect adopted by majority vote falls afoul of the guarantee of equal representation set forth in the Constitution. While this is not a vital point, at least, I believe, it is a point that should be fully considered.

In any event, Mr. President, the existing Standing Rules of the Senate regarding the manner in which the Senate determines what legislation to consider are clearly rules of procedure permitted under the Constitution.

They are rules which insure that the whole Senate is involved in the decision-making process.

But the existing rules also protect at the same time rightful and needed prerogatives of the leadership by giving the leadership the practical ability to make, in an orderly fashion at the beginning of a new legislative day, a non-debatable motion to proceed, if that need should arise.

Section 3 of Senate Resolution 9 would amend rule XV of the Standing Rules of the Senate. The proposed change would prevent a dilatory demand for the reading of a printed amendment. I have no objection to this recommended change. Parenthetically, I believe that the Senate clerk would welcome this recommended change, also.

Section 4 of Senate Resolution 9, on the other hand, is highly objectionable and would deprive individual Senators of a cherished and valuable right.

There is in the Senate, unlike the House of Representatives, no rule of germaneness except after cloture has been invoked and except in connection with the consideration of general appropriations bills under rule XVI.

Thus, under the existing Standing Rules of the Senate, any Senator may offer a nongermane amendment to legislation under consideration on the floor of the Senate.

Under the existing rules, individual Senators ordinarily have full freedom to offer legislation as a floor amendment and thereby to obtain action on it, if they feel the matter is deserving of full Senate attention.

This freedom thus provides a method of achieving some form of Senate action in those areas in which an individual Senator—or a group of Senators—may have a particularly strong interest. It is a right which I would think individual Senators would be reluctant to give up voluntarily.

Unlike Members of the House of Representatives, Senators are not stifled by a rigid committee system and leadership program.

Moreover, the fact that there is in the Senate no general rule of germaneness permits the fashioning of legislation in the Senate without rigid adherence to the technicalities of a strict germaneness rule.

With 435 Members in the House of Representatives, a general germaneness rule is undoubtedly necessary; in the Senate, it is not.

Frequently, a floor amendment offered in the Senate will deal with the same general subject matter covered by the bill under consideration, but the amendment will not be strictly germane to a particular provision of the bill as reported by a committee. It will not be technically germane.

Even amendments which are nongermane only in a purely technical sense could be ruled out of order, because Senate Resolution 9 would block even those amendments by requiring strict, technical germaneness on the vote of only three-fifths of the Senators present and voting.

A motion to that effect, Mr. President, would be in order as soon as a bill was brought up for consideration. The motion would be decided without debate.

I would judge, Mr. President, that, in practice, we would see it used often and early. The manager of a bill would be likely to move immediately to block nongermane amendments.

I believe it would soon become standard procedure to make the motion promptly in connection with virtually all bills called up. If it failed the first time, the same motion could be made again in the same calendar day.

Now, Mr. President, present rule XXII provides that cloture may be invoked, except in matters directly involving the standing rules, by a vote of three-fifths of the Senate. Once cloture is invoked, two significant procedural changes occur: First, unlimited debate is brought to an end with each Senator allowed only 1 hour of additional time to speak; and, second, consideration of nongermane amendments is not permitted.

Thus, in effect, the proposed new, virtually nondebatable motion to cut off nongermane amendments would operate in practice as a form of partial cloture. By putting into effect one of the two principal features of cloture, it would shut off drastically the range of topics open to consideration and debate on the floor.

It would be a form of "half-cloture" which could be invoked by far fewer Senators than are now needed to invoke full cloture. It would reduce the present requirement for a vote of three-fifths of the Senate for full cloture to a vote for half-cloture of only three-fifths of those present and voting.

I do not know, Mr. President, what the average number of Senators present and voting has been in the past, but I would guess that the number rarely exceeds 80. Thus, under this new proposal, only approximately 48 Senators could, in the typical case, shut off, at will, all nongermane amendments and in effect achieve half of what heretofore could be achieved only by a vote of 60 Senators.

I believe this present provision is most wise. Unless cloture has been invoked, the limited germaneness rules of the Senate which provide one of the great strengths of the Senate—free and open debate—ought to be left alone.

Mr. President, the next section, section 5 of Senate Resolution 9 contains one provision which is acceptable and many provisions which are bad.

Mr. President, I have no quarrel with the first change proposed in section 5. That recommended change merely corrects by elimination a meaningless clause, "or the unfinished business", now found in present rule XXII. Since established rulings of the Chair have made clear that cloture can be invoked against any matter which has come before the Senate long enough for a cloture petition to be filed against it, whether or not it is later the unfinished business, this phrase is unnecessary and confusing. I support striking it out.

The balance of section 5 of Senate Resolution 9 is unacceptable and could do great harm. The balance of section 5 would limit time after the invocation of cloture to an absolute maximum of 100 hours and a possible maximum of only 12 hours.

On the surface, this provision might appear advisable and reasonable. After all, once the Senate has invoked cloture, then debate ought to be brought to a close in a reasonable time.

But under the present rules, debate cannot continue indefinitely. In my judgment, the problems associated with post-cloture consideration of amendments have been considerably exaggerated.

In any event, the proposal contained in Senate Resolution 9 is not the answer.

First, under this proposed 100-hour or 12-hour time limitation, there is no insurance that any individual Senator would, if he desired it, receive his presently guaranteed floor time after cloture.

Existing rules guarantee 60 minutes to any Senator desiring to use that time. But under the new proposal, it is almost inevitable that, even if the 100-hour limitation were not reduced, individual Senators would be entirely cut out of the proceedings by other Senators seeking consideration and action on numerous amendments.

In other words, an individual Senator might have one amendment which he felt to be extremely meritorious and which he particularly desired to be brought before the Senate. Yet, under this proposal, he might be denied that right, and his amendment and his right to speak might fall by the wayside at the expiration of 100 or 12 hours or any other hours in between.

The majority leader has said that if important amendments remain after cloture they will be brought up and debated. But there would be no guarantee. There would be instead the danger that a single Senator or group of Senators would dominate the post-cloture period possibly for the express purpose of blocking consideration of an important single amendment, even if it had leadership and committee support.

Now, Mr. President, so far as I am concerned, I have rarely—if ever—taken more than 4 or 5 minutes of Senate time after cloture. But each Senator should have the option to use his full hour if he feels the matter to be of importance to his State or the Nation. No Senator should be deprived of that right as could well happen under the leadership proposal.

Finally, Mr. President, I must say that the provision of section 5 would allow a cloture motion to be considered within 3 hours after filing the cloture petition is particularly undesirable. Use of this procedure would not be authorized until after September 1 of each calendar year, but why should debate be shut off in so short a time as 3 hours after legislation comes before the Senate? To me, that is very unreasonable.

The practical effect of this 3-hour proposal, Mr. President, would be to allow the leadership after September 1 in a calendar year to stampede the Senate into resolving in short order the entire legislative backlog which might have built up over the year.

Now, Mr. President, any legislative body develops a legislative backlog. It is in the very nature of the Senate as an institution that some legislation during the year will not be enacted.

Legislation can fall by the wayside at many points. The system is intended to operate in that fashion because, in a free society, there is a fundamental presumption against new law and new restrictions on our citizens.

New legislation must prove its value. Such proof is given as the legislation involved clears each hurdle placed before it in the legislative process. One of these hurdles is movement from the Senate Calendar to a final vote before the Senate. It is a hurdle not always cleared.

There is indeed a legislative backlog at the end of a session. There should be. Some bills and resolutions should die on the calendar. Rarely does truly needed legislation suffer that fate.

The leadership should therefore not be permitted to operate the Senate like an automated data processor spewing forth law with machine-like precision.

Law enacted in haste in the fashion which would be permitted by a 3-hour cloture rule is law likely to be dangerous to the individual citizen.

Now, Mr. President, the next section in Senate Resolution 9 is section 6. Its provisions would prevent dilatory action with respect to requiring the reading of a printed conference report. This is a good proposal. I have no objection to this provision.

Section 7, on the other hand, would tamper with the present requirement that 3 days expire before the consideration of any legislation reported by a committee unless unanimous consent is otherwise obtained.

This 3-day rule, I feel, is important and necessary. It is the only way that Senators can be assured of an opportunity to prepare for consideration of legislation reported from committees on which they do not serve.

Frequently, the 3-day rule is waived by unanimous consent, but it is followed in connection with the most controversial and complex bills so that all Senators will have at least 3 days in which to study the issues presented before the debate begins. Three days is not an unreasonably length of time to consider important legislation.

During the last Congress, the Senate considered a complete revision of the entire criminal law of the United States codified in a single bill. What a travesty of the deliberative process it would be to allow legislation of that magnitude and complexity to come before the Senate without even 3 days of prior study.

Billions upon billions of dollars are contained in a single appropriations bill. Even the appropriations bill for the legislative branch contained last year more than $1 billion. The foreign aid appropriation contained over $9 billion. The Departments of Labor and Health, Education, and Welfare appropriations exceeded $57 billion.

Is 3 days too much to ask before the Senate takes up for action bills involving sums of those magnitudes?

One reason our country is faced with such huge deficit-created inflation is lack of adequate consideration of appropriations bills by the Senate of the United States.

I see no reason to change the present rule. For a simple, noncontroversial bill, it is not difficult to obtain unanimous consent for waiver of the rule. In other situations, the rule is necessary. I have no objections, however, to having Saturdays, Sundays, and holidays included as a part of the 3 days provided, of course, the Senate is in session during such time.

Section 8 of the resolution provides for electronic voting.

As one who served 18 years in a legislative body—the Virginia Senate—which does have electronic voting, I know many of the advantages that can be obtained by the use of such voting machines.

On the other hand, I am not convinced that the use of electronic voting in the Senate of the United States would truly be beneficial to this body.

As far as section 8 is concerned, I shall reserve judgment until it is possible to obtain a little better feel as to how that might work in the Senate of the United States.

So, Mr. President, while there are reasonable proposals in Senate Resolution 9, the ultimate effect of the total resolution would be to give tremendous additional power to the Senate leadership and simultaneously deprive individual Senators of their full role in fashioning legislation brought before the Senate for consideration.

In no other legislative body in the world does the individual member have the authority now possessed by each Member of the U.S. Senate.

In trying to reduce inconveniences, in seeking to expedite the procedures, in desiring to cooperate with the wishes of a fine majority leader—I think it important that Senators not give away important advantages which now accrue to the individual Senator.

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

APPOINTMENT BY THE PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The Chair, on behalf of the President pro tempore, pursuant to Public Law 94-201, appoints Dr. Ronald Clifford Foreman, Jr., to the Board of Trustees of the American Folklife Center, Library of Congress, effective January 24, 1979, for the remainder of the term which expires March 9, 1980, in lieu of K. Ross Toole.

ORDER EXTENDING PERIOD FOR TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the period for the transaction of routine morning business be extended for another not to exceed 20 minutes and any Senator may be permitted to speak during that period for not to exceed 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the same constrictions with respect to that extended period for morning business as obtained during the earlier periods today apply.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the apropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

ECONOMIC REPORT OF THE PRESIDENT—MESSAGE FROM THE PRESIDENT—PM 17

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report, which was referred to the Joint Economic Committee:

To the Congress of the United States:

Two years ago when I took office our economy was still struggling to recover from the deep recession of 1974–75. Unemployment was widespread, and a substantial part of our industrial capacity stood idle.

Today 7 million more Americans are at work, and factories across the country have regained high levels of output. Family incomes, after adjustment for inflation, have risen handsomely and so have business profits.

The task now confronting us is to manage an economy operating at close to its capacity—to sustain prosperity and extend its benefits more widely among our citizens.

Under the best circumstances, designing economic policies to carry out that task calls for restraint and careful choices. Developing such policies has been made more complex by the acceleration of inflation last year and the declining growth of productivity that was partly responsible for it.

My economic and budgetary program deals forthrightly with the economic realities we face today. It is based on four principles.

First, reducing inflation must be our top economic priority. Inflation endangers the gains in employment and income that we have made during the past 2 years. We must act forcefully and effectively to combat inflation, and we must persist until the battle is won.

Second, government must do its job better. Reducing inflation will require budgetary austerity and moderation of economic growth. With productivity growth at a low ebb, living standards will not rise as fast as they have in the past 2 years. In such a climate, waste, inefficiency, or misplaced priorities are particularly intolerable. It is now more essential than ever that our government, in both its budgetary and regulatory programs, make the best use of the resources at its disposal and seek better, less costly means to achieve our national objectives.

Third, we will not reduce inflation at the expense of the most vulnerable members of our society—the poor, the elderly, and those who have difficulty finding jobs even in a high-employment economy. Ours is a compassionate Nation, dedicated to a sense of fairness. We will not lose sight of those who most need our help.

Fourth, our policies must reflect the fact that the United States is a very important part of a closely related world economy. We will continue to pursue domestic policies and undertake other actions as necessary and appropriate to foster a strong and stable dollar, and we will join with other countries to promote an open and growing world economy.

In the months ahead, I will work closely with the Congress to ensure that the policies adopted by this government are consistent with these four precepts. The budget for 1980 must be very tight, and I intend to make sure that a fiscal policy of firm and measured restraint is maintained. But the budget must continue and strengthen our most essential programs, and I have supported such programs strongly. In order to further the fight against inflation, I will seek prompt adoption of my real wage insurance program and my proposals for hospital cost containment and regulatory reform.

I will continue to seek the cooperation and support of the American people in the fight against inflation. Last October, I proposed to the Nation a program of price and pay standards designed to brake the price-wage spiral that has beset our economy for more than a decade. This program has received substantial support from the American people, and I will make every effort to enlist the broadest possible cooperation with it in the year to come.

The pay and price standards ask every American to exercise restraint. Every American should therefore expect the government to ensure that its own actions will contribute to, not undermine, the voluntary effort to reduce inflation. Steadfast pursuit of fiscal and monetary discipline and limits on the inflationary impacts of other government actions are crucial to the success to the anti-inflation program. Together, the actions of government and the private sector can lay a new foundation for a durable prosperity.

PROGRESS AND PROBLEMS IN 1978

Among my first actions in office were steps to strengthen economic growth and speed the return to a high-employment economy. Those actions paid generous dividends. In 1977 our rate of economic growth increased by nearly a full percentage point over the prior year, and in 1978 the Nation's output of goods and services advanced by a healthy 4¼ percent. Today our Nation is using its industrial capacity more fully than a year ago.

Last year 3 million new jobs were created. A larger proportion of our people is at work now than at any other time in our history. Gains in employment during the past 2 years have been especially strong among women and members of minority groups.

Unemployment declined to less than 6 percent of the labor force during 1978. Nearly 1½ million fewer Americans were unemployed in December 1978 than 2 years earlier. Unemployment among minority groups has also begun to decline from the very high levels that persisted earlier in the recovery, but these groups still bear a disproportionate share of the burden of unemployment.

Gains in employment and output produced strongly rising incomes for most Americans during 1978. Disposable personal income, adjusted for inflation rose by more than 3 percent over the 4 quarters of last year. The income of our country's farmers, which was severely depressed in 1976 and 1977, showed a marked recovery.

Business profits rose more than 10 percent in 1978, thereby promoting conditions for the continued growth in investment needed for productivity improvement and healthy economic expansion. Business investment in new plant and equipment also strengthened in 1978, raising the proportion of our national output devoted to capital formation to the highest level in 4 years.

On most counts, the prosperity of our Nation rests on a solid base. Our economy at the end of last year was still growing strongly. The momentum of expansion will be sustained early this year by the reductions in taxes on individual incomes and corporate profits that were provided in the Revenue Act of 1978. Last year, as in the earlier years of the recovery, the process of economic expansion remained relatively well balanced. Business inventories are lean. Industrial firms and financial institutions are in good financial condition. Shortages and speculative buying generally are absent. But inflation does pose a serious threat to the Nation's continued economic health. If we make progress in reducing inflation, the prospects are good for a successful transition from a period of economic recovery to a period of moderate but sustained growth.

For more than 10 years, our country, like many other nations, has faced stubborn inflation. During the course of 1978 our inflation problem worsened. Consumer prices rose by about 9 percent, a large acceleration from the 6¾ percent rate of inflation in 1977. Increases in wages also were larger and, since productivity gains declined sharply, costs of production moved up much more strongly.

The anti-inflation effort was given top priority in 1978. In May, I recommended that the Congress reduce by $5 billion and delay 3 months the tax cut that had been proposed earlier. In October, I set forth a strong and comprehensive program to combat inflation. Shortly thereafter, in cooperation with other countries, the Nation undertook a series of measures to strengthen the dollar abroad and further contribute to a reduction of inflation at home.

INFLATION IN 1978

Rising inflation last year stemmed from several sources. Cold winter weather affected food supplies and prices. Depreciation of the dollar in foreign exchange markets added to prices of imports and to prices of goods produced by U.S. firms that compete with imported products. Costs of land and building materials were driven up by exuberant demands for new homes, and the rise of mortgage interest rates added to the costs of buying a home. At the same time, the cumulative effects of government legislation and regulation over recent years gave further impetus to cost pressures.

A large part of the worsening of inflation last year, however, stemmed from poor productivity. Over the past decade or more, the rate of growth in our productivity has been slowing. In late 1977 and throughout 1978, the slowdown in productivity growth reached serious proportions. Last year the productivity of our economy increased by less than 1 percent.

The reasons for the weakening of productivity growth in our country, especially its poor performance last year, are complex and are not fully understood. But the consequences are well known. With slower productivity growth, our living standards individually and as a Nation cannot rise as fast. Slower productivity growth means that the resources available for carrying out governmental programs become scarcer. It means that large increases in wages and other incomes put greater upward pressure on costs and prices. If we ignore the realities of slower productivity growth—if governments continue to press forward with unabated claims on resources, and private citizens continue to demand large gains in money incomes—our inflationary problem will worsen.

DEALING WITH INFLATION

Inflation injures every person in our country. It means that paychecks do not go as far as they once did. It means that savings accumulated for retirement or for a child's education become inadequate. Many poor and elderly persons see prices they pay for food, shelter, and heat rise rapidly while their incomes rise slowly or not at all. These problems are so acute that they demand an all-out effort to reduce inflation. Yet rising prices and costs have additional and very serious effects on our economy as a whole.

Inflation drives up interest rates. It undermines the competitiveness of our industries and the value of our dollar abroad. Confidence of businesses in the future is reduced and investment plans are upset. Consumers' confidence in their own future is sapped. Sooner or later, these effects of inflation will undermine the basis for economic expansion and make sustained prosperity impossible.

Finally, the corrosive effects of inflation eat away at the ties that bind us together as a people. One of the major tasks of a democratic government is to maintain conditions in which its citizens have a sense of command over their own destiny. During an inflation individuals watch in frustration as the value of last week's pay increase or last month's larger social security check is steadily eroded over the remainder of the year by a process that is beyond their individual control. All of us have a plan for the future when we lend or borrow, save for a child's education, change a job, buy a home, or choose a career. The future is uncertain enough in any event, and the outcome of our plans is never fully within our own control. When the value of the measuring rod with which we do our planning—the purchasing power of the dollar—is subject to large and unpredictable shrinkage, one more element of command over our own future slips away. It is small wonder that trust in government and in social institutions is simultaneously eroded.

It is for all of these reasons that reducing inflation must now be the primary concern of economic policy.

POLICIES TO CONTROL INFLATION

Firm, sustained and carefully applied fiscal and monetary restraint must be the first element in our effort to reduce inflation. We have entered a period in which the high rate of economic growth that we experienced when the margin of unused resources was larger no longer is appropriate. We will apply the needed restraint and stick with it.

We will not try to wring inflation out of our economic system by pursuing policies designed to bring about a recession. That course of action would be unfair. It would put the heaviest burden of fighting inflation on those who can least afford to bear it. It also would be ineffective. Twice in the past decade inflation has accelerated and a recession has followed, but each recession brought only limited relief from inflation. The underlying pressures behind rising prices and costs continued to be strong, and inflation eventually accelerated again when recovery began. Stop-and-go policies do not work. A successful anti-inflation program must be durable to deal with a long-run inflation problem. Our problem meets that test.

When I announced my anti-inflation initiatives last October, I pledged to pursue a restrained budgetary policy in fiscal year 1980. I have kept that pledge. The central element of my fiscal program is tight control over Federal spending:

—Growth in Federal spending will be curtailed. As in 1979, Federal outlays in the next fiscal year will increase in real terms by significantly less than 1 percent.

—The share of the Nation's output accounted for by Federal spending will be reduced to about 21 percent in fiscal 1980, a full year ahead of the schedule that I had earlier announced.

Restricted growth in Federal spending, combined with the revenues yielded by a moderately growing economy, will reduce the budget deficit to $29 billion in fiscal 1980, less than half its size in the year before I took office. This course of fiscal policy will exert the measured restraint that is needed. Excessive demands upon the Nation's resources will be avoided. Growth in economic activity will slow to a little below the rise in the Nation's economic potential.

These measures of fiscal policy are being complemented by firm and careful monetary restraint on the part of the Federal Reserve Board. In this way, monetary and fiscal policy are supporting each other to combat inflationary pressures and foster a healthy and stable economy.

OTHER GOVERNMENTAL ACTIONS

I am taking other steps to reduce the inflationary effects of government actions. I have directed the agencies of the executive branch to pay special attention to ensuring that the regulations they issue do not impose unnecessary burdens on the public, and I shall continue the efforts that got under way in 1978 to improve the regulatory process.

Last year the deregulation of the airline industry brought American consumers the benefits of substantially lower prices and better service. This year I intend to seek congressional approval of legislation to increase the role of competitive forces in the trucking and railroad industries. I will submit to the Congress legislation to reform the process by which regulations are developed by Federal agencies, and to increase the emphasis on a careful balancing of costs and benefits. And I am taking steps to reduce the burden of paperwork imposed by the government on the private sector.

Government must set a clear example in the fight against inflation. For that reason, I ordered last year that the rate of pay increase for Federal workers be held to 5.5 percent and that sharp limitations be imposed on new Federal hiring.

Although these actions by government will not, by themselves, bring inflation to an end, they are indispensable. They can create an environment that encourages voluntary cooperation with the pay and price standards. Without restraint by government, the pressures of an overheated economy easily could render meaningless the best efforts of businesses and workers to reduce price and wage increases. However, it will take broad cooperation from the private sector if the voluntary effort is to succeed in reducing inflation.

VOLUNTARY WAGE AND PRICE STANDARDS

The voluntary wage and price standards call for an average rate of pay increase of 7 percent or less this year. I also have asked businesses to hold their average rate of price increase to at least one-half percentage point below the average rate of increase in 1976–77. Where such price deceleration is not possible, the standards provide for limitations on profit margins.

To meet these standards, both workers and businesses must exercise restraint. But they are fair and flexible standards. If they are widely observed, as I believe they will be, we can reverse the momentum of the price-wage cycle and gradually bring down the rate of inflation.

I recognize that cooperation with this program entails uncertainties for workers who comply with the wage standards. They may lose if others do not comply, or if forces beyond anyone's control cause prices to rise unexpectedly. In order to provide them some assurance that those who cooperate will not suffer as a result, and thus to motivate wider observance of the standards, I have proposed to the Congress a program of real wage insurance. Under this program, if inflation increases by more than 7 percent this year, groups of workers that meet the 7 percent pay standard will receive a tax credit at a rate equal to the difference between the actual inflation rate and 7 percent. This credit will insure workers' real wages over a range of inflation as high as 10 percent this year, far higher than is expected to occur.

The elements of my anti-inflation program are mutually supportive and designed to mount a sustainable attack on our long-run inflation problem. Voluntary cooperation with the pay and price standards is essential to reversing the momentum of inflation. Government needs to take strong action to avoid contributing to inflationary pressures in order to insure that the benefits of voluntary restraint are fully realized. Together, these policies offer our best opportunity to win the fight against inflation.

OUTLOOK FOR 1979

My anti-inflation program will support the health of our economy in 1979 in two respects. First, the rate of inflation should slow this year—to about 7½ percent over the year as a whole, and to somewhat below 7 percent by the end of the year. Second, moderation of inflation will help us avoid a recession and improve the prospects for sustained economic growth in 1980 and beyond.

Over the 4 quarters of 1979, the Nation's output should rise by about 2¼ percent, somewhat less than the economy's potential growth. This should create an economic climate in which the wage and price standards have good prospects for success. The labor force will continue to expand strongly and most new workers will find jobs.

Further progress in reducing inflation can be expected in 1980 as the effects of the anti-inflation program begin to cumulate. Moderate growth in the year ahead, combined with substantial progress against inflation, will lay the basis for an enduring prosperity.

In the years beyond 1980, as we are successful in containing the growth in Federal spending and bringing down the rate of inflation, we can look toward reductions in Federal taxes. Rising real income and inflation, even at a reduced pace, push taxpayers into higher tax brackets and thereby raise the average effective tax rate. Both to sustain economic growth and to relieve citizens from unwarranted tax burdens, tax reductions will, from time to time, be highly desirable.

It would be unwise—and, indeed, very dangerous—to commit ourselves now to any mechanical formula for future reductions. No such formula will pass the test of budgetary responsibility. Our knowledge of future economic conditions and developments affecting the rate of inflation is too limited to make such decisions at this time. There is simply no substitute for the difficult process of matching our overall budgetary policies year by year to the economic requirements of the Nation.

POLICIES TO MEET THE NATION'S NEEDS

In a period when the overall growth of budgetary resources must be tightly restrained, budget decisions take on special importance. Some real growth in our defense budget is essential to meet our national security needs and keep our international commitments in the face of the growing military strength of our potential adversaries.

Within the domestic budget I have given special priority to the needs of the poor and the disadvantaged. I have recommended substantial funding for programs that address their needs for assistance in health care, education, employment and training, and basic subsistence. The 1980 budget directs the resources of those programs more carefully toward those most in need. Similarly I have sought to maintain and, in some cases, expand the assistance provided to our financially troubled cities and counties. I have paid particular attention to the need to move ahead with the development of alternative energy sources, including solar energy, and to spur basic research and development, which has been lagging in our country.

We cannot be satisfied with the condition of our economy while many of our disadvantaged citizens, especially among minorities, are unable to find work even in periods of prosperity. In 1978, the Congress enacted with my support the Full Employment and Balanced Growth Act. That act restates and amplifies the responsibilities of economic policy that have faced our Nation in recent decades. The act challenges us to provide the fullest possible opportunities for useful employment, to rely on the private sector as the principal provider of jobs, and to create an environment of price stability that will make it possible to sustain prosperity. These are very ambitious goals that challenge us as a Nation to set our sights high. The act also establishes important new procedures for moving toward the realization of full employment and price stability.

Neither can we rest while large numbers of Americans still live in poverty. This Nation has made a concerted effort to provide for those in our society who are in need. We have assisted the poor to acquire the basic necessities of life. We have taken steps to assure adequate incomes and medical care for the elderly. And we have helped to assure better health care, nutrition, and education for the young. My budget for 1980 continues to respond to the challenge that poverty sets before our Nation.

Each of these challenges calls for action by the Government. In a period of inflation, however, our ability to act is limited. We cannot do everything, but we must do what we can and do it well. That is the framework within which I have constructed my budgetary program for 1979 and 1980. This budget provides a carefully balanced spending plan which will ensure that the activities of the Federal Government are well administered and effective, and that we continue to respond to the important needs of the country.

My 1980 budget provides important building blocks for the future in many areas:

—*Health programs*, which I have expanded substantially during my first 2 years in office, will be maintained at those levels and in some cases increased. In addition, consistent with the development of a National Health Plan, new resources have been provided for the Child Health Assessment Program, which will extend Medicaid benefits to over 2 million low-income children. Funds have also been provided for extending Medicaid coverage to 100,000 low-income pregnant women not now eligible.

—*Authority for new spending for education* is maintained at the level that I provided in my budget last year. This program will support spending nearly 20 percent greater, in real terms, than 2 years ago.

—*Publicly assisted housing* will be provided through subsidies for 325,000 new units for families with low or moderate incomes.

—*Job-related programs* will include funds that will support an average of 546,000 public service jobs, phasing down to 467,000 jobs by the end of 1980. These jobs have been targeted more tightly to serve the structurally unemployed. Another 424,000 training opportunities also will be provided for the structurally unemployed. Programs to provide employment and training opportunities for youths remain a high priority. More private sector job opportunities will be made available through the new private sector initiative and the targeted employment tax credit.

—*A welfare reform program*, to take effect in 1982, will expand aid to families with dependent children, increase the earned income tax credit for low-wage workers, substantially improve employment opportunities for the Nation's neediest citizens, and provide fiscal relief to State and local governments with severe welfare burdens. Important reforms in the administration of the program will make America's welfare system easier to operate.

—*Aid to our cities and counties* will continue to be provided through revenue sharing, community development block grants, urban mass transit assistance, and urban development action grants. My budget provides new resources for the National Development Bank and requests funding in fiscal 1979 and 1980 for a new program of special fiscal assistance to cities and counties with severe unemployment problems.

This spending program provides for our Nation's vital needs, while remaining within the constraints required by today's inflationary economy.

THE INTERNATIONAL ECONOMY

Developments last year reminded us once again of the interdependence of our economy and those of other nations around the world. Our trading partners are looking at our ability to deal with our economic problems at home as an indicator of the strength and leadership they can expect from the United States. We will not disappoint them.

Nineteen hundred and seventy-eight was a year of significant progress in the world economy. Real output began to pick up in industrial countries other than the United States. Important initiatives in the international arena occurred in trade policy, in balance of payments adjustment, and in financial markets—all influenced by the cooperation shown at the Bonn Summit.

Late 1978 and early 1979 will mark the culmination of the Tokyo round of Multilateral Trade Negotiations. These historic negotiations—which began in 1975 and were intensified in 1977—should lead to the first comprehensive overhaul of the rules of international trade since the 1960s.

The need for a revamping of the trading system is clear. Our large foreign trade deficit stems in part from a loss of American vitality in world markets. But it has also resulted from the tariff and nontariff barriers of our trading partners. Over the coming years, under a final multilateral trade agreement, barriers at home and abroad will be reciprocally dismantled.

During 1979 I will be working closely with the Congress to adopt the final multilateral trade agreement, along with implementing legislation, that will foster robust export growth and free and fair competition in world trade under rules that are both equitable and economically sensible. These measures will provide a framework for trade that will enhance our living standards in the decade to come.

In recent years, the United States has had a serious balance of payments deficit. Our imports surged as we grew rapidly and drew heavily on imported oil. Our exports lagged because of slow economic growth abroad. These factors contributed to a trade deficit rising from about $10 billion in 1976 to an annual rate of almost $45 billion in early 1978. As a result of the sharp increase in our external deficit and the acceleration of inflation in the United States, the value of the dollar in foreign exchange markets fell substantially last year.

We have taken important steps to correct the deficit:

—In late 1978, Congress enacted the National Energy Act, the first comprehensive legislation for dealing with our energy problems. The effect will be to reduce our oil imports in 1985 by 2.5 million barrels per day.

—In 1978, I announced the first phase of a National Export Policy. By setting up a framework to increase support for exports and reduce disincentives to export, we can begin to increase our share of world commerce. Fundamental improvement in our trade position is critical to a healthy dollar.

—A strong and effective anti-inflation program has been put into place. An integral part of that program consists of monetary and fiscal policies that will moderate the rate of economic expansion. These actions will help reduce our large foreign trade deficit.

These policies were beginning to bear fruit by the end of 1978. Exports today are growing more rapidly than the domestic economy. The merchandise trade deficit declined from a $38-billion annual rate in the first half of last year to about $32 billion in the latter half of the year. Narrowing of the deficit should continue and we foresee a marked improvement in the more comprehensive current account measure.

Nineteen hundred and seventy-eight was also a year of unusual instability in international financial markets. In the fall, movements in the exchange value of the dollar became very disorderly, and its decline became clearly excessive.

On November 1, I announced a series of steps to restore order to the foreign exchange markets and to correct the excessive decline of the dollar. Up to $30 billion in foreign exchange resources were assembled by the United States, to be used in coordination with other countries utilizing their own resources, to protect the dollar's value in currency markets. Domestic interest rates were raised significantly to help reduce inflation and strengthen the dollar in exchange markets. And the United States underlined its commitment to deal with its inflation problem and strengthen its underlying economic position.

These actions have improved the tone of the exchange markets and contributed to a rise in the value of the dollar. More importantly for the longer term, they are helping to create more stable conditions in the exchange markets, in which the value of the dollar can better reflect the fundamental strength of the U.S. economy.

Progress also was made in 1978 in achieving closer economic cooperation among the leading industrial nations. I met in Bonn with the leaders of the six major industrial countries to discuss major economic problems facing us. Out of this came a concerted action program to restore greater balance and confidence in the international economy and in world financial markets. Together, we took the necessary steps to achieve those ends—the United States committed itself to combat inflation and reduce oil imports, Germany and Japan to increase growth and reduce trade surpluses, others to take measures on trade or inflation. Only through continued economic cooperation and sound policies can we attain the goal of full employment and price stability that is our ultimate objective.

BUILDING FOR THE FUTURE

During this coming year, we as a Nation have an opportunity to strengthen our economy and lay the basis for continuing prosperity. The gains of the last 2 years have been notable. We have made great progress at home in recovering from the recession, and we have strengthened the stature of the United States in the world economy. In the year ahead, we can secure and extend those gains by working together to moderate inflation. I am confident that we will rise to the challenge.

JIMMY CARTER.

THE WHITE HOUSE, *January 25, 1979.*

REPORT OF THE COUNCIL ON ENVIRONMENTAL QUALITY—MESSAGE FROM THE PRESIDENT—PM 18

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Environment and Public Works:

To the Congress of the United States:

I am pleased to transmit to the Congress the Ninth Annual Report of the Council on Environmental Quality.

The Report contains abundant evidence of progress in meeting our national commitment to protecting our environment. The dimensions of the task still before us also emerge from the Report. For example, the Report cites encouraging evidence that the quality of our streams and lakes is improving in many places. Yet few areas of the country are entirely free of even those water quality problems which we understand best and control most effectively. And we are only on the threshold of comprehending and controlling newer problems of toxic pollution in water supplies.

Our efforts to enhance the quality of urban environments offer another example. We have gained many insights in the past few years into how tax, water, sewer, transportation, and a host of other Federal programs affect the shape of cities and the use of land. Those insights are reflected in my Urban Policy Message of last March and in many new laws and Executive Branch policies. Yet as we find ourselves better able to cope with the problems of urban sprawl, new and unfamiliar problems have emerged with the unprecedented migration from cities to small towns and rural counties in the 1970's. The lesson is that even as we learn more and do better in protecting our environment, new challenges will continue to appear.

We can be proud of our achievements so far. In my 1977 Environmental Message, I promised energetic enforcement of the environmental programs already on the books and asked your collaboration in developing certain new ones.

As a result of our partnership, we can point to:

—The first law setting Federal standards for the stripmining of coal;

—a renewal of the Clean Air and Clean Water Acts, with strict but enforceable standards;

—amendment of the 25-year-old Outer Continental Shelf Lands Act to provide orderly development of offshore oil and gas resources with high standards of environmental protection;

—a nuclear non-proliferation law;

—our selection of the environmentally preferable route for shipping Alaskan natural gas to the lower 48 States;

—the permanent protection of nearly 95 million acres of unspoiled lands in Alaska in our park and refuge systems;

—a major expansion of the Nation's park and wilderness systems, including the addition of large acreage to Redwood National Park; and

—effective regulation of fishing in the U.S. 200-mile fishery conservation zone, with a 50 percent reduction of foreign fishing and a total ban on commercial whaling within that zone.

Building on the foundation already laid by Congress and using authority already granted me, I asked agencies of the Executive Branch to undertake a number of broad policy reforms in environmental matters, including:

—a comprehensive new water resource policy that stresses conservation, environmental protection, Federal-State cooperation, cost sharing, and rational economic evaluation;

—an Administration policy that would reduce the risks of plutonium and nuclear weapons proliferation;

—vigorous support for the development of solar energy, continuation of selected solar projects, and a national policy review;

—improved protection of health and safety in the workplace, emphasizing serious health hazards while eliminating trivial regulations;

—a concerted drive by all Federal agencies to design a uniform approach toward the control of cancer-causing, life-altering toxic substances;

—a thoroughgoing reform by EPA of its regulations to minimize costs and delay, welcome outside ideas and participants and test flexible new approaches, while ensuring adequate protection of health and the environment.

Finally, I directed the Council on Environmental Quality to issue regulations under the National Environmental Policy Act which will help all Federal agencies make well-informed, environmentally sound decisions, with a minimum of paperwork and delay. I asked for new regulations which would improve the government's ability to assess the effects of its actions and encourage the preparation of concise, analytic environmental impact statements. After public hearings and a thorough review by other Federal agencies, the Council drafted regulations to achieve these goals.

I am pleased that the United States has pioneered laws to protect our air, water and land. I believe our leadership has proved its worth. Since the National Environmental Protection Act (NEPA) was passed, at least 25 States have adopted "little NEPAs" patterned after the Federal model, 16 other nations have adopted some form of environmental impact review of governmental activities, and more than 80 nations have incorporated into their governments a ministry with environmental responsibility.

In the years ahead, let us continue our fruitful collaboration and our leadership in environmental protection.

JIMMY CARTER.

THE WHITE HOUSE, *January 25, 1979.*

STATE OF THE UNION—MESSAGE FROM THE PRESIDENT—PM 19

The ACTING PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which was referred to the Committee on Appropriations, the Committee on the Budget, the Committee on Human Resources, the Committee on Finance, the Committee on Banking, Housing, and Urban Affairs, the Committee on Governmental Affairs, the

Committee on Rules and Administration, the Committee on Commerce, Science, and Transportation, the Committee on the Judiciary, the Committee on Agriculture, Nutrition, and Forestry, the Committee on Veterans Affairs, the Select Committee on Indian Affairs, the Committee on Energy and Natural Resources, the Committee on Environment and Public Works, the Committee on Foreign Relations, and the Committee on Armed Services, jointly, by unanimous consent:

To the Congress of the United States:

My State of the Union Address was devoted to what I believe are the highest priorities facing our Nation in 1979 as we seek to build a new foundation at home and abroad.

However, my Administration's time and effort this year will also be focused on a significant number of other important initiatives and goals. I am sending this State of the Union Message so that the Members of the 96th Congress are presented with a full picture of my basic legislative program in domestic and foreign affairs for the year.

Over the past two years, my Administration has developed a very cooperative relationship with the Congress. That relationship not only resulted in the extraordinarily productive record of the 95th Congress, but will provide the foundation for a renewed sense of trust and confidence by the American people in their government.

We have an enviable record to match. But with your help, the 96th Congress can meet this challenge. My Administration and I are eager to help in the effort.

Our basic goals will be to continue working with you to build solid foundations for the next century—a solid economic foundation of stable prices and continued growth—a solid foundation for a more efficient, less intrusive Federal government—a solid foundation for world peace and American security.

FOUNDATION FOR PROGRESS

When I took office two years ago, the country faced serious domestic problems:

—the economy had not recovered from a recession;

—unemployment was intolerably high at 7.8%, with 7¾ million Americans out of work;

—the Nation had no sound energy policy and oil imports were rising rapidly;

—the Federal government was operating inefficiently in numerous vital areas;

—trust in the openness and integrity of the government was low;

—major social problems were being ignored or inadequately addressed by the Federal government.

In the ensuing two years, we have tackled these problems head-on. While problems cannot be solved overnight, real progress has been made:

—the economy has strengthened—real Gross National Product has increased 10% and real disposable personal income has increased 8.9%;

—the unemployment rate has decreased by 25% since my election, from nearly 8% to 5.9%; 7.3 million new jobs have been created; total employment has reached a record of 95.9 million;

—a comprehensive national energy policy has been enacted and a Department of Energy created to help implement it;

—the first major reform of Civil Service System in nearly a century was enacted; 6 reorganization plans have been approved and implemented; the Federal paperwork burden has been reduced by 10%; inspectors general are being placed in departments and agencies to help root out fraud and abuse; zero-based budgeting practices have been instituted throughout the government; several hundred million dollars have been saved through sound cash management reforms; regulations are being written in simple English, and a Regulatory Council has been established to develop the Nation's first regulatory calendar and agenda:

—a renewed sense of confidence and faith in the government is gradually being restored;

—long-ignored domestic problems have been attacked aggressively: the Nation's first urban policy was developed and its implementation begun; the Social Security System was refinanced to assure its long run solvency; the Humphrey-Hawkins Full Employment Act was passed; aid to education has been expanded by 50%; and a welfare reform program was developed and debated in Congress and will serve as a foundation for our efforts this year to overhaul the welfare system;

—cumbersome regulatory apparatus which deters competition in our economy was dismantled by the deregulation of the airline industry.

DOMESTIC POLICY PRIORITIES

Over the next year, our domestic program will concentrate on further developing a new foundation for progress in each of several areas:

—restraining inflation, while continuing to pursue our employment and other economic and budgetary goals;

—making government more efficient and effective;

—enhancing basic human and social needs;

—protecting and enhancing our rights and liberties; and

—preserving and developing our natural resources.

INFLATION

My Administration's major domestic priority is to reduce the rate of inflation, while maintaining economic growth. That is clearly the major domestic concern of the American people, and it is the problem they are looking to us to help solve. Inflation places a cruel burden on the poor and on those on fixed incomes. It serves as a disincentive to investment. It threatens our continued economic growth and job creation. This is more than an economic challenge. Inflation is the persistent, historic enemy of a free society. It saps our confidence and faith in the future. It undermines our trust.

I am determined to meet the challenge now before us. Last October I announced an anti-inflation program which can aid significantly in the effort to reduce inflation. It is a tough and responsible voluntary program.

Throughout this year, we will be working to implement our anti-inflation program. Part of the program requires new legislation, and we intend to work closely with you in developing and enacting that legislation.

The effort to reduce inflation will be one of the most difficult battles our government has undertaken in many years. But it is not a battle we can afford to lose. Government cannot solve the problem of inflation alone. But we can and must lead the way. With your cooperation, we can and will win.

THE 1980 BUDGET

In announcing my anti-inflation program last year, I made a commitment to the American people to reduce the budget deficit for fiscal year 1980 to $30 billion or less. The budget I submitted to the Congress honors that commitment. The FY '80 budget projects a deficit of $29 billion, which is less than half the deficit the Nation had when I ran for office and represents the smallest budget deficit in the last six fiscal years.

The FY '80 budget has $531.6 billion in projected budget outlays, which is an increase of only 7.7% above the previous year. That is the smallest annual increase in Federal spending in the last seven years.

The $531.6 billion spending total also means that we will be meeting my goal of reducing Federal spending to about 21% of Gross National Product one year ahead of schedule.

The decisions I had to make in restraining spending were difficult. But if we are to succeed in breaking the back of inflation, Federal spending must be restrained to set an example for the private sector. If there were easier solutions, they would have been taken by now.

Finally, I want to emphasize that my FY '80 budget does not neglect the basic needs of the disadvantaged, the poor, and the unemployed. For instance, the budget will provide $4.5 billion in increased assistance to the poor. It also will provide a total of $11.2 billion for adult and youth employment and training programs, which will be especially targeted to the disadvantaged and long-term unemployed. Moreover there are significant increases for education programs for the disadvantaged and a new fiscal assistance program for our Nation's cities.

In short, this budget is austere, but it also maintains our commitment to help those in our country who most need it.

HOSPITAL COST CONTAINMENT

One of my highest legislative priorities for this year is hospital cost containment. It will be one of the clearest tests of the seriousness of the Congress in dealing with the problem of inflation. Clearly the most inflationary part of health care costs in recent years has been in the hospital industry. Last year, hospital charges grew at the rate of about 13 percent. Experience in several States has shown that through programs such as the one I will propose, hospitals can save money and reduce costs through sound cost containment practices. I expect to shortly propose hospital cost containment legislation which will build on the proposal passed last year by the Senate.

REAL WAGE INSURANCE

I have proposed to the Congress a real wage insurance program to protect employee groups that comply with the 7 percent voluntary wage standard against losses in purchasing power if inflation exceeds 7 percent. If inflation exceeds 7 percent, these employees will receive a tax refund equal to their 1979 income up to $20,000 times the difference between the actual inflation rate (up to 10 percent) and 7 percent. This program will give workers a strong economic incentive to cooperate with the voluntary pay standards I have established, thereby helping to break the wage/price spiral that is at the root of the current persistent inflation.

This is a novel approach to the inflation problem. The persistence of high inflation for the past ten years makes it clear that new solutions are needed. Innovative approaches must be added to the arsenal if we are to break the back of inflation. Real wage insurance represents the type of innovative approach which is required: it will provide a significant tax benefit for those working people who participate in helping to reduce the inflationary cycle, but without raising taxes for anyone else.

My Administration intends to work very closely with Congress in developing and enacting a real wage insurance law.

VOLUNTARY PAY AND PRICE STANDARDS

It is vital that our program of voluntary pay-price standards succeed. At stake is the reduced rate of inflation that all Americans demand and deserve. The cooperation of business and labor is obviously essential, and we have already had clear evidence of their willingness to join in this effort. I have already received assurance from over 200 of the Nation's largest corporations that they will comply with the standards. And just recently the Oil, Chemical, and Atomic Workers Union reached agreement on a contract with the major refineries that met the pay standards.

Throughout this year the pay and price standards will continually be tested. Your cooperation in encouraging voluntary compliance can help ensure the standards' success. The Administration will keep the Congress fully informed and involved as we work to implement this program.

STATE AND LOCAL GOVERNMENTS

If we are to succeed in our anti-inflation efforts, the cooperation and active participation of State and local governments is essential. We will soon announce, a program which actively involves the Governors, Mayors, County Executives, and other local officials in a comprehensive approach to restrain inflationary pressures within their control.

THE NECESSITIES

In recent years, the greatest inflationary burden on the working men and women has involved necessities of life—food, energy, housing, and medical care. An effective anti-inflation program must involve a series of concerted attacks on the sources of rising prices in these vital sectors.

In each of these areas, the Administration has established task forces to identify existing government policies that unreasonably inflate prices, and to suggest actions that can be taken, at both national and local levels, to combat inflation. In these efforts we will work directly with Congress, State and local governments, and consumer groups.

MULTILATERAL TRADE NEGOTIATIONS (MTN)

I have already notified the Congress that we expect to sign and submit for Congressional approval a set of trade agreements which we will reach in the Tokyo Round of the Multilateral Trade Negotiations. With these agreements, we expect to achieve major reductions in tariff and nontariff barriers to international trade. These agreements will:

—lead to increased opportunities for U.S. exports;

—ensure that import competition is fair; and

—result in lower prices, increased competition, and greater prosperity for the American people.

Passage of the MTN will be one of my highest legislative priorities this year. It is critical to the health of our domestic and of the world economy.

COUNTERVAILING DUTIES

I have recently sent to the Congress a message urging prompt passage of legislation permitting the waiver of the imposition of countervailing duties on certain imported products. Passage is essential to the successful completion of the Multilateral Trade Negotiations, and, therefore, should be one of Congress' highest priorities at the beginning of this session.

EXPORTS

The United States has entered a period where export growth is essential to improve our balance of payments, strengthen the dollar, and thereby help reduce inflationary pressures. To do this, both the private sector and the Federal Government must place a higher priority on exports.

With the National Export Policy I announced last year, we are moving to meet this need. First, we are working to reduce domestic barriers to exports so that exporters are not stifled by excessive governmental regulation. Second, we are providing further incentives in the form of better export financing and better government export development programs. Third, we are working with our trading partners in the Multilateral Trade Negotiations to reduce foreign barriers to our exports and to secure a fairer international trading system for all exporters.

These actions should expand our exports in 1979 and help us move toward a reduced trade deficit, although they will not cure our serious balance of trade difficulties overnight. They are the first steps in an essential, long-term effort to strengthen the U.S. position in world trade, while reaffirming the Nation's commitment to maintain an open world trading system and to resist protectionism.

COUNCIL ON WAGE AND PRICE STABILITY

The Council on Wage and Price Stability is playing a vital role in our anti-inflation efforts. The Council and its staff have the lead responsibility within the Executive Branch for implementing the voluntary wage and price standards that I have announced. Without the Council's continuing role, the anti-inflation effort would have a very slim chance of succeeding.

I therefore believe it is essential that the Council, along with its staff operation, be reauthorized early this year with the additional staff I will request to handle the enormous volume of work under my anti-inflation program. The reauthorization should not contain amendments that interrupt or restrain the necessary work of the Council or its staff.

EMPLOYMENT

The Administration, working closely with Congress, has made significant progress over the last two years in reducing unemployment and creating new jobs:

—The December unemployment rate of 5.9% represents almost a 25% reduction from the December, 1976 rate.

—7.3 million more people have jobs than they did before the beginning of the Administration. This increase exceeds the employment growth in any other two-year period since World War II.

—Total employment has reached an all-time high of 95.9 million.

—Over the past two years black employment is up by 12%; and black teenage employment is up by 19.7%; adult female employment has increased by 10.5%; teenage employment overall has increased by 11%. Although progress has been made, unemployment remains unacceptably high for these groups. And in inner-city areas unemployment remains much too high for all workers.

Last year, which ended with the lowest unemployment rate in 3 years, a framework for continued progress into the next decade was established:

—the Comprehensive Employment and Training Act (CETA) was reauthorized at high levels for four more years;

—the Humphrey-Hawkins Full Employment Act became law after many years of effort;

—the Administration's demonstration youth programs were extended for two more years;

—a new partnership between the government and the private sector to assist the unemployed was approved by Congress with the passage of a new Title 7 of CETA—the Private Sector Initiatives Program; the targeted jobs tax credit, to encourage private employers to hire our poor young people and others who are hard to employ; and an expanded tax credit for mothers on welfare.

In 1979 this framework will help us continue to improve the employment prospects for America's workers. We especially want to improve the targeting of job creation programs to those who most need these opportunities and to improve the quality of the training and employment assistance for the poor, blacks, Hispanics, youth and women.

We expect to achieve these goals through a number of actions:

First, we will continue working toward achievement of the Humphrey-Hawkins Full Employment Act goals. We will provide an average of 546,000 CETA public jobs, and shift many of them to the long-term or "structurally" unemployed. We will continue to search for the most promising ways to reduce the structural unemployment that denies many the opportunity for full participation in American life.

Second, we will begin implementing the new Private Sector programs, including establishment of Private Industry Councils in communities throughout the country, to encourage business to hire the hard-core unemployed. I am proposing to Congress that this effort be supported at a level of $400 million this year.

Third, we will continue our special efforts to provide jobs and training programs for young workers in cooperation with community-based organizations and the private sector. We must meet our responsibility to provide opportunities for young Americans to learn to work.

Fourth, we will take steps to improve the management and delivery of employment and training services. I will seek a reform of the Wagner-Peyser Act, which authorizes the U.S. Employment Service, to integrate that program more effectively into our employment and training system. My Administration will also implement the CETA amendments, which establish practices and procedures to improve the quality of programs, provide better management and prevent fraud and abuse.

MAKING GOVERNMENT MORE EFFICIENT AND EFFECTIVE

The American people are demanding a Federal government which is effective and efficient. For the past two years, I have worked toward that goal by reorganizing and reforming the government's operation and by uncovering and removing fraud, waste and abuse. Real progress has been made. But the government is still not operating as competently as I want or the American people deserve. In 1979, we must build on the base of the last two years to provide our people with the type of government they deserve. Your help in this effort is essential. We have already begun to build a new foundation of government efficiency and we will do more in the year ahead.

REORGANIZATION

We have begun to reorganize the government through the creation of a Cabinet-level Department of Energy and the changes resulting from the six reorganization plans approved by Congress over the past two years. Those plans helped to reshape and improve the operation of the Executive Office of the President, the international cultural and communications agencies, emergency preparedness agencies, the equal employment opportunity enforcement agencies, the Civil Service Commission, and the administration of the Employee Retirement Income Security Act.

I will again propose to the Congress that a Cabinet-level Department of Education be created. This will be a very high priority of this Administration. Education issues deserve far more attention and more accountable management than they can receive in a department as large and complex as HEW. The department would provide a Cabinet-level official devoting full-time attention to education and reporting directly to me. It will also enable the Federal government to be a more responsive and reliable partner with States, localities, and private institutions which have primary responsibility for education.

I will also be proposing to Congress reorganization plans involving economic development and the management of our natural resources development, and will intensively study possible reorganizations in the areas of surface transportation, the Selective Service system and the Alaska natural gas pipeline. The natural resources and economic development reorganizations involve areas where overlap, duplication and unclear authority have hamstrung our efforts. Reorganization here can save money and people. We will be consulting closely with Congress over the next several weeks before submitting these reorganization plans.

REGULATORY REFORM

Last year we took major steps toward reform of the Federal regulatory system, ranging from improved regulation writing to saving hundreds of millions of dollars through improved cash management techniques. The dramatic reductions in airline prices that occurred when Congress joined with us to lift the heavy hand of Federal regulation illustrate the advantages of letting the competitive market, rather than government, control industry performance. The public will benefit similarly through improved service, increased competition, and lower Federal expenditures, if we reform Federal regulation of surface transportation. I will send to Congress shortly a Surface Transportation Reform Message dealing with the rail, inter-city bus, and trucking industries.

In 1978 I used my authority as Chief Executive to improve the management of the Federal regulatory process. I issued Executive Order 12044, setting standards to ensure that each Executive Branch regulatory agency facilitates public participation and avoids needless costs. A regulatory analysis program was established under an inter-agency Regulatory Analysis Review Group to help ensure that major new regulations are as cost-effective as possible. The Executive Order also established procedures for all Executive Branch agencies to conduct sunset reviews to reevaluate outdated regulations and remove them from the books wherever warranted. Finally, I created a Regulatory Council composed of the Executive Branch regulatory agencies, with voluntary participation by independent agencies, to develop a calendar of all major Federal regulations to be issued or proposed in 1979. The Nation's first Regulatory Calendar will be published next month and will be used to eliminate duplication, overlap, and inconsistent practices.

This year I will propose to Congress a number of legislative actions that can be taken to improve the regulatory process. They will include improvements in specific regulatory programs, as well as a Regulatory Reform Act so that no regulation can be issued unless it is genuinely required, and unless it gets the job done with maximum efficiency and minimum paperwork, costs, and other burdens.

The quality of regulations can also be improved by providing opportunities for all interested parties to participate in regulatory proceedings. Public involvement should be enhanced by providing financial assistance to those whose participation is limited by their economic circumstances. While many agencies have inherent authority to fund participation, we will seek legislation to specificially authorize these programs.

While I will propose a wide-ranging legislative program, I will continue to oppose the legislative veto. This approach is unconstitutional; it increases uncertainty and delay; and it deflects attention from the real solutions.

None of our actions in this area will be taken at the expense of my deep personal commitment to protect health and safety in the environment, the workplace, the highway, and consumer products; and to prevent deception and unfairness to consumers. My regulatory reform program will help make needed programs work better, cost less, and gain support among all sectors of our society.

CIVIL SERVICE AND PAY REFORM

Enactment of the Civil Service Reform Act of 1978 by the 95th Congress represented one of the finest examples of cooperation between the Legislative and Executive Branches in recent times. That effort showed a determination to respond to the clear public desire to improve the management of the Federal bureaucracy. Implementation of the Reform Act is well under way. The Office of Personnel Management, the Merit System Protection Board, and the Federal Labor Relations Authority authorized by the Act have been established. In addition, the heads of the Federal departments and agencies have moved promptly to implement the new personnel procedures that will permit a better motivated and more effective civil service.

However, other improvements in management of the government's work force are needed. Our white collar, blue collar, and military systems must be reformed in order to make certain that we neither overpay nor underpay Federal employees. Therefore, I will propose Federal pay reform legislation covering each of these systems to the Congress that is equitable to Federal employees and the public. These pay reforms are an important follow-on to our civil service reform.

PUBLIC FINANCING

The time is long overdue for reforming the way Congressional elections are financed. The current flood of money threatens to pervert our electoral process. We can no longer permit our elections to be open to the highest bidder. The recent elections have clearly demonstrated the kinds of problems caused by uncontrolled campaign spending. It is time to adopt public financing for Congressional elections—before it is too late. Public financing operated successfully in the last Presidential election, and it can do the same in Congressional races. My Administration will work with Congress for passage of a sound Congressional public financing law.

SUNSET

My Administration will again work with the Congress to enact a sound sunset bill. Under such a bill, each Federal program would have to be carefully reexamined on a periodic basis to determine whether its continued existence is justified. Through such a procedure, the American people can be assured that unnecessary government programs and agencies will be ended, rather than continued through the force of inertia; and other programs and agencies will be improved.

There are few more important building-stones to the new foundation of government efficiency we seek than passage of sunset legislation. It goes to the heart of making government work.

LOBBY REFORM

The American people have a right to know what significant influences affect their national legislature. The proliferation of well financed, organizational lobbying activities during recent years has demonstrated the clear need for reform of the outdated and ineffective lobby disclosure law now in effect. This year my Administration will continue to work with Congress to pass a sound lobby law reform bill—one that respects the First Amendment right of all Americans and minimizes paperwork burdens, yet allows meaningful disclosures.

WASTE, FRAUD, AND INEFFICIENCY

Although the vast majority of Federal employees are able, honest, and hardworking, we need to continue to be vigilant to ensure that the taxpayers' dollars are not wasted through fraud or abuse. The implementation of civil service reform will lead to improvements in agency management practices and program efficiency. In addition, I am committed to continuing to cut excess paperwork, simplify grants requirements, and evaluate our programs better and more frequently. We have already significantly reduced the paperwork burden and implemented many of the recommendations of the Federal Paperwork Commission. We will continue to do more in 1979.

Early this year I will nominate highly qualified Inspectors General armed with tough new powers to prevent waste and corruption. The Justice Department will increase its already intensive effort to prosecute those few employees and contractors who abuse the public trust. In addition, a new Office of Ethics in the Office of Personnel Management and a Special Counsel in the Merit System Protection Board will help ensure the integrity of the Federal work force and protect its members from political abuse.

STATE AND LOCAL GOVERNMENT RELATIONS

As the first President in more than thirty years to be elected immediately after service as a Governor, I have made relations with State and local government a high priority of my Administration. During my first two years in office, we have strengthened the Federal system significantly. We have involved the Federal Regional Directors in the management of the government and have reinvigorated the Federal Regional Councils. As a result, the Federal government is now able to respond better and more quickly to State and local needs. In addition, we have involved State and local officials in the development of our policies to a greater degree than any previous Administration.

Since 1977, Federal grants-in-aid to State and local governments have increased to more than $80 billion per year, 25 percent above the level of aid when I first took office. Progress has also been made towards my goal of giving Governors, Mayors, and county officials more flexibility in managing Federal programs. The Federal government is now taking seriously, for the first time, the burdens and costs we impose on State and local governments and all taxpayers when we legislate and regulate from the Federal level.

In this time of limited budget resources we must achieve more cost-effective management of Federal resources and place greater reliance on the experience, knowledge, and ability of State and local governments.

In the future, we must attempt to limit the imposition of new costs on State and local governments, and to avoid where possible prescribing every detail of how they administer Federal programs. We must work together to identify specific ways in which more flexibility can be given to State, city, and county officials in the administration of Federal programs without compromising the national purposes that each program is designed to serve.

TRANSPORTATION

In 1979 we shall continue the effort begun in the 95th Congress to reduce the regulatory burden on the Nation's transportation industry. Our proposals for surface transportation deregulation will build upon the principles of increased competition that have proven successful for the airline industry.

Shortly, I will propose broad legislation which begins to deregulate the railroad industry. Regulatory reform is a crucial first step toward revitalizing this important transportation mode.

In addition, I will also be proposing significant reductions in the regulation of inter-city bus transportation and certain regulatory changes in the trucking area.

We are also committed to improving the level of safety for our transportation industry. As part of this effort, we intend vigorously to pursue legislation improving equipment and conditions affecting truck drivers, and giving stronger enforcement authority to Federal agencies.

My forthcoming Surface Transportation Regulatory Reform Message will provide the details of these proposals.

Finally, I will propose overdue changes in the Nation's maritime policies. We must improve the ability of our Merchant Marine to win a fair share of our cargo.

NO-FAULT

The Administration will continue to support legislation to establish Federal minimum standards for state no-fault automobile compensation systems. No-fault systems have proven to be far more efficient in delivering benefits to the victims of automobile accidents than the current tort system, and they also provide greater opportunities to coordinate and reduce overall insurance costs. Too great a percentage of the premiums paid by policy-holders goes for the administration of the current wasteful tort liability system. No-fault would save money and court-time. It deserves Congressional support.

CONSUMER REPRESENTATION

My Administration has developed new procedures that will set standards and assess performance for effective public representation within government agencies. These procedures are designed not only to improve the delivery of government services to our citizens, but also to enhance the awareness of government to the health, safety, and economic concerns of all consumers. In 1979, we will direct adequate resources to these procedures, which include complaint handling, training and technical assistance for consumer organizations, advocacy, consumer education and information, and citizen participation.

LEAA

Last year I proposed legislation which would institute significant and long-overdue changes in the structure and programs of the Law Enforcement Assistance Administration. The LEAA has the potential to improve and strengthen State and local law criminal justice programs, but in its present form it has fallen far short of its potential. My Administration will work with the Congress again this year to reform this framework, which includes a National Institute of Justice to enable us to obtain better information and research about crime problems. Once the legislation is enacted, we will make certain that the new agency is efficiently carrying out its mission of providing meaningful Federal law enforcement assistance.

JUDGESHIPS

Last year my Administration worked closely with the Congress to enact legislation creating the additional Federal judgeships needed to reduce our court's backlogs and delays. As a result, I will soon be nominating 152 new Federal judges—the largest addition to the Federal judiciary in our history. Some of these judges will still be serving in the next century.

I am determined to nominate judges of the highest quality; our Federal judiciary must be selected on the basis of merit. I am also determined to increase the low representation on the Federal bench of women, blacks, Hispanics, and other minorities. These goals are within our reach, if we work together cooperatively and recognize the importance our country places in the selection of these new judges.

JUDICIAL REFORM

Because our Federal courts do not function as well as we have the right to expect, my Administration has made judicial reform one of its goals. During 1978, Congress took major steps toward alleviating the problem by increasing substantially the number of Federal Judges and by adopting numerous substantive and procedural reforms in the handling of bankruptcy matters.

Other judicial reforms remain to be made. Some, such as expanding the authority of magistrates and curtailing diversity jurisdiction, were proposed to the last Congress. I will shortly send a message to the Congress urging prompt action on these and several additional proposals designed to improve the responsiveness and efficiency of our system of justice. They merit the attention and approval of the Congress.

In addition, as was indicated in my Consumer Message to Congress, the Administration will continue to support reform of class action procedures. Reform legislation should seek to ease unnecessary burdens and costs of class actions, while at the same time preventing them from being used in a harassing manner.

ANTITRUST ENFORCEMENT AND COMPETITION

Free enterprise and competition, protected by the antitrust laws, are the central organizing principles of our economic system. Competition produces powerful incentives for innovation and efficiency, fights inflation, and enhances consumer welfare. Strict enforcement of our antitrust laws are critical to the health of competition and the Nation's economy.

Several important strides were made last year in improving antitrust enforcement. In 1978, the courts imposed over $11 million in corporate fines for antitrust violations and imprisoned 29 individuals for antitrust violations. These fines and sentences are significantly larger than in past years, and are consistent with my strong commitment to vigorous antitrust enforcement.

Last year I appointed the National Commission for the Review of Antitrust Laws and Procedures to suggest ways of expediting antitrust cases and making relief more effective. Its members have recently reported to me, and we will work closely with the Congress and the Judicial Conference to implement many of its recommendations.

Similar progress in improving the effectiveness of antitrust enforcement can be made in the 96th Congress.

I continue to support legislation to allow those who are injured by antitrust violations to recover damages from the antitrust violator, whether the injured person is a direct or indirect purchaser. Under the Supreme Court's decision in the *Illinois Brick Case* only direct purchasers may recover, even though they may have passed on the injury to consumers, who are prevented from suing. This decision undercuts state and private enforcement of the antitrust laws, reduces their deterrent effect, may contribute to higher prices, and often allows the violator to keep his gain at the expense of the injured consumer. This needed legislation would overturn that decision.

BANKING

I anticipate receiving shortly the recommendations of the Administration's Task Force studying Regulation Q and the system of deposit interest rate controls, and I expect to make recommendations based upon the Task Force's findings.

My Administration remains supportive of Congressional action to deal with the need to halt the continuing attrition in the percentage of bank deposits subject to the reserve requirements of the Federal Reserve System.

CARRYOVER BASIS

Carryover basis was one of the most important reforms passed by Congress in the Tax Reform Act of 1976. This reform would add substantial equity to our tax laws and greater efficiency to our capital markets.

The carryover basis reform has the effect of ending a situation in which many of our wealthiest taxpayers could *permanently* escape paying income tax on their gains from inherited property. Unfortunately, the effective date has been delayed until the end of 1979.

My Administration will strongly oppose any efforts to repeal this reform or further delay its implementation.

ENHANCING BASIC HUMAN AND SOCIAL NEEDS

In the years immediately preceding my Administration, too many of our Nation's basic human and social needs were being ignored or handled insensitively by the Federal government. Over the past two years, we have significantly increased funding for many of the vital programs in these areas; developed new programs where needs were unaddressed; targeted Federal support to those individuals and areas most in need of our assistance; and removed barriers that unnecessarily kept many disadvantaged citizens from obtaining aid for their most basic needs.

The progress over the past two years *has* noticeably moved us forward toward building a new foundation to solve some of the country's fundamental human and social problems. My Administration has vastly expanded assistance in the last twenty-four months in areas of employment, education, housing, community and economic development and health care, which represent an improvement for the American people.

The record of the past two years demonstrates that government can meet our citizens' basic human and social needs in a compassionate way. No longer can there be any doubt that the government is able to treat Americans' problems with sensitivity.

In the coming fiscal year, budget restraints make it more difficult to expand funding significantly for many major domestic programs, though some programs *will* be increased. We will continue to make existing social programs work more effectively; to reduce the waste and fraud and excess bureaucracy which drains tax dollars intended to meet basic human needs. In a period of austerity, efficiency is itself an act of compassion because it unlocks resources needed for health care, education, housing, economic development and other urgent social priorities.

HEALTH PROGRAM

One of the highest goals of the 96th Congress should be taking action to provide all Americans with the opportunity to lead a more healthy life. This opportunity has been denied to many in our country because of health care services which are unaffordable, inaccessible, and inefficient. In addition, our current system of health care is focused on the treatment of disease, with too little attention being directed toward its prevention. We need a national health strategy which corrects these inadequacies in the existing system. Some of the elements of this strategy are already in place and need only be strengthened Others will require new legislation fro the 96th Congress.

NATIONAL HEALTH PLAN AND OTHER IMPROVEMENTS

Last year I outlined the principles upon which the National Health Plan I intend to propose will be based. Based on those principles, the Administration has been working to develop a National Health Plan that will enable the country to reach the goal of comprehensive, universal health care coverage. I remain committed to that goal.

The need for improved health care coverage is clear:

—About 19 million Americans have no health insurance.

—Another 65 million Americans face potential bankruptcy because they lack insurance protecting them against catastrophic medical expenses.

—The health care system is highly inflationary. Spending in the entire health care industry—has been rising at an annual rate of 12%. These expenditures cannot be successfully contained under current health delivery and financing methods, which produce unnecessary hospitalization. over-reliance on expensive technology and inadequate preventive care.

—Health resources are unevenly distributed across the country, resulting in significant gaps in vital medical services for many residents of rural and inner city areas.

Over the next several weeks, we will be consulting closely with Congress and interested outside groups on the scope and nature of the plan I will propose. I expect to submit a plan later in the year shortly after those consultations have been completed, and I look forward to working with the Congress toward a prompt enactment of that plan.

An essential companion to any plan must be hospital cost containment legislation. As I have indicated earlier in this Message, I will make passage of that legislation one of my highest priorities this year.

Our effort to control health care costs would be further strengthened by the early passage of the Health Planning Act.

We must also continue to promote competition in the health care sector of the economy. Accordingly, the FY '80 budget expands Federal support for Health Maintenance Organizations, which have demonstrated a significant potential for cost saving. I will also continue to press for reforms making it easier for HMO's to obtain equitable reimbursement under Medicare and Medicaid.

PREVENTION AND ACCESSIBLE HEALTH SERVICES

More health care services alone, however, will not necessarily improve the health status of our Nation—even if these services are affordable, accessible, and efficient. Our national health strategy must direct more attention to health promotion and disease prevention if we are to achieve our goal of improved health status. The Surgeon General will present this year a major report outlining our needs in this area. I will be asking for your help in carrying out many of its recommendations.

We have made great strides in expanding the availability of health care services to rural and low-income urban areas in recent years through the creation of the National Health Service Corps and the establishment of a system of Community Health Centers. If health care is to be accessible to all Americans, these programs must be expanded, and the FY '80 budget provides for such an expansion.

CHILD HEALTH ASSESSMENT

I believe that our health strategy must place high priority on the health of our children. Accordingly, I will submit a revised Child Health Assessment Program to improve the early and preventive screening, diagnosis, and treatment program for lower-income children under Medicaid. This program would cover over 2,000,000 low-income children who are not receiving Medicaid services. An additional 100,000 low-income pregnant women would become eligible for medical services prior to delivery, improving the health of both the mothers and infants. This should be part of a national health plan.

MENTAL HEALTH

Based upon last year's recommendations of the President's Commission on Mental Health, I will be proposing comprehensive mental health legislation this year along with a Mental Health Message. A new Community Mental Health System will make new efforts to link mental health, health, and social services for the chronically mentally ill to enable them to live successfully in the community and will provide new community mental health services. We will emphasize efforts to provide improved recognition and treatment of mental health problems in the general health care system. In addition, we will increase support for mental health research to restore our mental health research capacity, which the Commission found had seriously eroded over the past decade.

The First Lady has helped spearhead the Administration's efforts to sensitize the Nation to the problems in the mental health area. She will continue to work directly with me to implement the pertinent recommendations of the Commission.

DRUG ABUSE

In continuing our efforts to combat drug abuse, my Administration will rely on those programs and initiatives which have proven to be successful in the past year and which serve as building blocks for future programs. Today, in the United States, there are 110,000 fewer heroin addicts than there were in 1975; 1,000 fewer Americans died of heroin overdoses in the twelve-month period ending June 30, 1978 than in the previous twelve months. Seizures of illegal drugs are at their highest level ever. Improved coordination and cooperation among Federal agencies have resulted in a more effective drug program without major budget increases. But much remains to be done and the situation remains serious.

In 1979 we will look more to the behavior of the individual who turns to drugs, will stress financial investigations as a means of prosecuting those individuals responsible for the drug traffic, and will rely heavily on enlisting foreign cooperation in the overall drug program. These efforts should further our success in controlling drug abuse both in the United States and abroad.

DRUG REGULATION REFORM

My Administration will continue to work with the Congress to overhaul our current drug regulation laws in order to assure that consumers have prompt access to safe and effective drugs.

FOOD AND NUTRITION

Last year, we worked with the Congress to enact the Child Nutrition Amendments, which revamped many of our food programs and greatly expanded the Supplemental Food Program for Women, Infants and Children. This year I will propose further legislation to strengthen these and other food programs by: improving the targeting of school meal programs for the needy; instituting an error sanction scheme to encourage States to reduce costly Food Stamp errors; and eliminating the cap on food stamp expenditures. These reforms will insure that additional nutrition resources are targeted to those truly in need.

WORKER HEALTH AND SAFETY

We will continue to fully enforce laws protecting worker health and safety in a sensible and efficient manner. There will be further efforts to eliminate frivolous and unneeded rules while concentrating greater enforcement efforts on the most dangerous and particularly the most unhealthy occupational environments. More efficient management of this program will serve the interest that both labor and management have in better working conditions.

HOUSING

We are committed to holding down housing construction costs and eliminating unnecessary regulatory burdens, so that the American consumer will have an affordable choice in the housing marketplace. Our efforts will be accelerated this year. We have also supported introduction of the new money market certificates, which have helped the housing industry by maintaining a steady supply of mortgage credit.

The Administration has supported the provision of Federal housing assistance to low-and-moderate income people, including the elderly and the handicapped.

During the period of 1978 through 1980, the Administration will have committed resources for over one million additional units of assisted housing for low-and-moderate income renters and homeowners. This is evidence of our commitment to the goal of a decent home for every American. In 1980, I am recommending 325,000 units of housing for low-and-moderate income persons.

The problems of providing adequate housing in rural areas is especially acute. Lack of available land, high site development costs, widespread substandard, overcrowded housing, and limited credit opportunities continue to plague rural areas. Government attempts to help are often hampered by inappropriate, burdensome regulations and paperwork. This year the Administration will take steps to assure that Federal regulations accommodate locally acceptable housing codes and that the endless paperwork, inspections, and processing requirements currently mandated by the three major housing agencies, HUD, FHA, and VA, are consolidated and streamlined.

COMMUNITY DEVELOPMENT

My Administration remains committed to a partnership involving Federal, State, county, and local governments, the private sector, and community organizations. The Community Development Block Grant program is a cornerstone of that partnership, and I am proposing in my FY '80 budget that it be funded at the full authorization level. This will be an increase of $150 million in FY '80 above the FY '79 level.

In 1977, we developed the Urban Development Action Grant program and it has already succeeded in leveraging $2.9 billion in private investment and creating or saving 125,000 jobs. I am proposing a continuation of the Action Grant program next year, at the $400 million authorization level.

NEIGHBORHOODS

My Administration has been devoted to the preservation of neighborhoods and the development of sound neighborhood self-help projects. This goal has been evident in the emphasis on neighborhoods in my urban policy as well as in the operation of the Department of Housing and Urban Development and other agencies. Last year, as part of our urban policy, we proposed and Congress passed the Livable Cities and Neighborhood Self-Help Development programs to enable neighborhood groups and organizations to rebuild their neighborhoods. In addition, Congressional passage of the National Consumer Cooperative Bank makes available new sources of financing and technical assistance to groups who are engaged in building cooperative enterprises to reduce costs in key consumer goods and services.

This year, my Administration and Congress will receive the final report of the National Commission on Neighborhoods.

We look forward to working with the Congress on many of the Commission's recommendations. With your help, we can make the Federal government increasingly more responsive to the needs of neighborhood people who are working together to meet basic needs in housing and community development, health care, nutrition, and energy conservation.

URBAN POLICY

Last year, I proposed the Nation's first comprehensive urban policy. That policy involved more than one hundred improvements in existing Federal programs, four new Executive Orders and nineteen pieces of urban-oriented legislation. With Congress' cooperation, thirteen of these bills passed last year.

I will again propose to the Congress several important parts of the urban policy not adopted last year. The two principal proposals are: an urban fiscal assistance program, and the National Development Bank.

My fiscal assistance proposal will include two principal components. The first, a standby countercyclical fiscal assistance program, will protect State and local governments against unexpected changes in the national economy. It would trigger into place if the national unemployment rate rises above 6.5 percent and would provide fiscal aid to many needy governments. The second component is a transitional, highly targeted fiscal assistance program that provides fiscal aid to only the most fiscally-distressed local governments. Relatively few cities and counties will be eligible for this highly targeted program; but those eligible will be truly in need. I will seek a $250 million supplemental in FY '79 and $150 million in FY '80 for this targeted fiscal assistance program.

I also will propose a National Development Bank to provide financing for local economic development projects which will aid the revitalization of our Nation's communities. As part of the Bank, I will propose a significant increase in economic development funding—$550 million in new economic development capital grants to business and $2.65 billion in new loan guarantee authority for FY '80.

This Bank will be the central engine for the economic development in the government. We will propose the consolidation of many economic development loan programs into the Bank as part of the economic development reorganization. This will add over $1 billion in additional loan authority.

SOCIAL SECURITY CHANGES

In 1977 the Congress worked with the Administration to take the difficult but necessary action to make the Social Security system financially sound for the next fifty years. In so doing, we helped protect the benefits of current recipients and of those now working. However, the Social Security system from time to time needs adaptation to changing conditions, so the Administration this year will make proposals which will reduce somewhat the cost of the program by trimming the costs of certain benefits. These proposals will be sent to the Social Security Advisory Council, which is representative of the contributing employers, employees and the public, and to the National Commission on Social Security, appointed in part by the Congress and in part by me, so they can have an ample opportunity to review these proposals prior to the submission of the changes to the Congress and the Administration and the Congress can have their recommendations, if any.

If the Administration's proposals for Social Security outlay reductions and hospital cost containment legislation are enacted, it would be possible to consider a reduction in Social Security taxes beginning in 1981. However, such a reduction would have to be considered in light of alternative uses of such savings, including reduction of any budget deficit and funding of high-priority programs.

Beyond the immediate reforms I have proposed, the Administration is committed to review the entire pension system that has developed in our country. I have established a Pension Commission to provide the type of long-range analysis this vital area needs.

DISABILITY INSURANCE REFORMS

I will propose to Congress an integrated package of reforms for the Disability Insurance system, separate from the Social Security changes I have just discussed. These measures will improve incentives for rehabilitation of the disabled, ensure that benefits do not exceed pre-disability disposable income, and make administration of the system simpler and more consistent. We must make certain that those who should receive benefits are not excluded, but that those who are not truly disabled or can otherwise return to work, do so.

WELFARE REFORM

The Nation's welfare system is inequitable, inefficient and long overdue for serious reform.

I will recommend to the Congress a package consisting of reforms in cash assistance, expansion of the earned income tax credit, an expansion of private and public job opportunities for welfare recipients, and fiscal relief for State and local governments. This package will enable us to develop a welfare system that is more simple, narrows the great differences in the way States help the very poor, that encourages people to work, and that helps eliminate the fraud and abuse currently plaguing parts of our welfare system.

My Administration has already begun to work closely with this Congress to enact welfare reform this year. We must expeditiously move forward with welfare reform this year.

FAMILIES

Our major social initiatives and goals for this year will be undertaken with vigor and with a commitment to the security and enhancement of the American family structure. Our government must never impede nor work against the American family, but rather we must design programs and policies that support families and ensure that future generations of American families will thrive and prosper. The White House Conference on the Family will continue and expedite its planning this year with that goal firmly in mind.

CHILD WELFARE REFORM

The Nation's present system of overlapping, inadequate child placement programs does a great disservice to parents, foster parents, and children in need of homes. There is too little emphasis on reunification of families and permanent placement of children; the special problems of hard-to-place children often go unattended. I will therefore again propose to Congress major reforms in our foster care and adoption services, and urge prompt Congressional approval. This problem must not be left unattended any longer.

OLDER AMERICANS

Early in the Administration we moved to correct one of the major concerns of older Americans: the possible bankruptcy of the Social Security Trust Funds. The legislation that was enacted ensures the financial solvency of the funds through the beginning of the next century.

The Administration has also acted to help remove discrimination against senior citizens by supporting the legislation which removed the forced retirement requirement in the Federal civil service and postponed mandatory retirement in the private sector from age 65 to 70. In addition, the Administration worked with the Congress to amend the Older Americans Act in a way that will improve the administration of the Act's social and housing programs, employment provisions, food delivery, and establishment of centers for the elderly.

This year the Administration will continue its efforts to ensure that seniors remain in the mainstream of American life, free from age discrimination and able to receive the assistance and other benefits they have earned.

VETERANS

Our Nation has no obligation more basic than providing for those men and women who served us as members of our armed forces.

There are still many veterans who need medical care, employment assistance, and assistance in adjusting to disabilities that resulted from their service.

During the last two years we have made significant improvements in programs to help meet all these needs.

In 1979 my Administration will seek legislation to increase compensation rates for disabled veterans, improve education programs for the disadvantaged under the G.I. Bill, provide special readjustment counseling assistance for those Vietnam Era Veterans who need them, and modernize the VA vocational rehabilitation program. These efforts will help veterans help themselves. In addition, we will continue to provide quality medical care in our VA hospital system by making it more efficient and thus more responsive to the needs of a changing veteran population.

EDUCATION

Improving skills and educational opportunities has been one of my Administration's major goals. To aid in this improvement, I have increased the Federal Office of Education budget authority alone by 50 percent since taking office—

from $8 billion in FY '77 to $12.2 billion in the proposed FY '80 budget.

The increased education funding will continue to be targeted at programs which emphasize equal education opportunity, support for local schools, student assistance, basic skills, and the linkages between school and work.

School districts with high concentrations of low income children have extra costs in meeting their commitment to equal educational opportunity. Last year I proposed concentration grants which would give supplemental payments for compensatory education programs in high poverty school districts. This year I am requesting $400 million to fully fund this proposal.

As is stated elsewhere in this Message, I will continue to work with the Congress to create a Cabinet-level Department of Education. Through such a Department, we can make certain that education receives the attention at the Federal level that it deserves.

HIGHER EDUCATION

Last year, I signed into law the Middle Income Student Assistance Act, which extends Federal student aid to middle income families facing rising college tuition costs. I propose to fully fund the Basic Grants program and to continue funding for the other college student aid programs. This year I will propose reauthorization of our omnibus higher education legislation—the Higher Education Act and the National Defense Education Act. Through renewal of these acts, we can help enormously to ensure the continuation of strong higher education institutions and equal educational opportunities for all students.

Our Nation owes a debt of gratitude to the historically black colleges, which in the past were the only source of college education for talented blacks, and which today retain a critical importance to the production of college-educated black citizens. One-half of all college-educated blacks earned their degrees at black colleges. I have vowed that I would enhance the role of black colleges during my term in office. I recently directed all Federal agencies to utilize more fully the resources at black colleges. And, in my fiscal year 1980 budget I have increased funding for Howard University, and asked for $120 million to fully fund the Developing Institutions Program, which strengthens colleges with high concentrations of minority students.

SCIENCE AND TECHNOLOGY

When I came into office, I found Federal efforts to promote basic research and development lagging. I was determined to change this situation and develop a sounder scientific and technological foundation for the future. Basic scientific research and development is an investment in the Nation's future, essential for all fields, from health, agriculture, and environment to energy, space, and defense. We are enhancing the search for the causes of disease; we are undertaking research to anticipate and prevent significant environmental hazards; we are increasing research in astronomy; we will maintain our leadership in space science; and we are pushing back the frontiers in basic research for energy, defense and other critical national needs. Despite the severe budgetary constraints this year, we will continue to increase Federal support for basic research with a request for a 13 percent increase in outlays for fiscal year 1980.

Even though Federal funding for basic research is being increased, I believe that the government's role in demonstration and commercialization pilot projects should be more selective, with greater reliance upon private sector financing. We are enhancing our high technology approach to defense to counter the growth of Soviet forces. We have a broad energy research program that emphasizes long-term applications of solar, coal, geothermal, biomass and alternate nuclear technologies. But we will rely on industry to do its full part in the demonstration of new technologies in energy and in other fields.

Rather than government funding of their research and development, companies need more favorable investment climates, better economic growth, better trade prospects, and sound policies about patents, antitrust, procurement, and environmental regulation. Under the direction of the Department of Commerce, we are also engaged in a major Cabinet-level review of these aspects of technological innovation, with participation of numerous individuals from various industrial sectors.

Science and technology are playing an important part in our international relationships as well. Many countries, especially developing countries, look to America for our expertise and problem-solving abilities. I have proposed the establishment of a Foundation for International Technological Cooperation (FITC) to foster collaborative efforts with people and institutions in developing countries. These efforts will be directed to basic human needs in agriculture, nutrition, health, small-scale energy systems, and rural development.

Science and technology also have played a critical part in the dramatic advances of our relationship with the People's Republic of China. These scientific and technological relationships that will be built with China will be parallel to many such relationships we have established and enhanced over the years with other nations and groups of nations.

SPACE

Last year marked the 20th Anniversary of the National Aeronautics and Space Administration. The 21st year started with the incredible success of the Pioneer missions to Venus. This year we hope to open a new era in space with the first launch of the Space Shuttle.

Under the national civil space policy I announced last fall, we will remain dedicated to ensuring U.S. scientific and technological leadership in space. To further that policy, my budget request for FY '80 includes funding to maintain the Shuttle development and production schedule to continue space science and exploration; to initiate efforts on selected areas of advanced satellite communications techniques; and to enhance remote sensing activities that will bring benefits in areas such as earth resources, climate, weather, pollution and agriculture.

COMMUNICATIONS

Last year we worked with Congress to reorganize communications policy-making in the Executive Branch and enact legislation to strengthen public broadcasting. In 1979 our priorities will include:

—continued work with Congress on the important effort to revise the Communications Act to take account of technological changes;

—vigorous pursuit of the program already underway to increase minority ownership of broadcast stations through regulatory actions, government loan guarantees, and private loan and training programs;

—a program to use new communications technologies to improve rural life by delivering education, agricultural, and medical services and by increasing the diversity of radio and TV;

—elimination of unnecessary regulations and paperwork requirements in cooperation with the Federal Communications Commission;

—proposals on the role of the Postal Service in providing electronic mail services; and

—participation in the World Administrative Radio Conference to ensure that increasing demands for radio frequencies are balanced in a reasonable and flexible manner.

SMALL BUSINESS

As a former businessman, I am especially sensitive to the importance of small business in our economy and to the vital role the Federal government can play in assisting small business.

Through a number of actions over the past two years, my Administration has worked to help small business flourish and remain competitive. Under the leadership of the Small Business Administration, we have increased tax incentives significantly for small business; expanded small business loan opportunities; worked to increase small business exports; expanded opportunities for minority-owned small businesses; and initiated programs to increase small business opportunities for women. In addition, we have begun preparations for a White House Conference on Small Business in January of 1980 which will include local and regional conferences throughout the country.

This year, while continuing efforts to prepare for the White House Conference, the Administration will work closely with the Congress to develop legislation to improve the operation and effectiveness of the Small Business Administration.

CULTURAL AFFAIRS

Over the last decade, the National Endowments for the Arts and the Humanities have made enormous progress in developing projects and materials to enhance our Nation's cultural life. This year, the Endowments will continue their distinguished record of achievement. I am hopeful Congress will provide adequate funds for White House Conferences on the Arts and Humanities. This year we will also strengthen the programs of the International Communications Agency, which present the diversity of American culture to the world and deepen our appreciation of other cultures.

PROTECTING BASIC RIGHTS AND LIBERTIES

Since taking office, I have worked to protect and enhance the basic rights and liberties provided to Americans under the Constitution and our other laws. With the cooperation of the Congress, we have made important progress in this area. Over the next year, though, a great deal remains to be done if our goal of ensuring equality and basic freedoms for all Americans is to be realized. The dream of equal opportunity remains unfulfilled. I will do everything in my power to bring that dream closer to realization.

CIVIL RIGHTS

CIVIL RIGHTS AND EQUAL OPPORTUNITY

I take no obligation of my office more seriously than that of striving to secure full civil rights and equal opportunity for all Americans. In the quarter century since the Supreme Court's historic desegregation decision, our Nation's progress in these vital areas of human rights had been significant, but we have more to do. I am determined to use all of my authority to resist any efforts to weaken enforcement of any of our civil rights and equal opportunity laws. Recent actions by some in Congress to impair my Administration's efforts to enforce the law of the land will be forcefully opposed. These laws have made our society more open to equality of opportunity than virtually any on earth, and attempts to weaken them cannot be tolerated or allowed to succeed.

My Administration has taken important steps to make civil rights enforcement more effective. The Justice Department has been diligent in its prosecution of civil rights violations. The Office of Federal Contract Compliance Programs (OFCCP) and the Equal Employment Opportunity Commission (EEOC) has been reorganized and granted increased authority. The OFCCP will vigorously enforce the guidelines of Executive Order 11246, which prohibits employment discrimination by Federal contractors and requires affirmative action by these contractors. In addition the EEOC will continue this year to provide an effective central mechanism to enforce compliance with our equal opportunity laws.

As we have done in recent cases before the Supreme Court, my Administration will continue to strongly support affirmative action programs to help bring minorities into the mainstream of American life, while opposing rigid and inflexible quotas which have no place in our laws.

Beyond existing laws, however, as I state elsewhere in this Message, we need to ratify two amendments to the Constitution which will significantly clarify and enhance the liberties and rights of Americans: The Equal Rights Amendment and the District of Columbia Voting Rights Amendment.

The Equal Rights Amendment will provide women with equal legal status in our country. We cannot effectively champion human rights throughout the world until we have given to women the full rights they are entitled to as citizens.

We must also work to ratify the amendment that will finally give the citizens of the District of Columbia the rights other Americans have to elect voting representation in Congress.

In addition, we need to correct a weakness in an existing civil rights law. Title VIII of the Civil Rights Act of 1968, which prohibits discrimination in housing, remains largely an empty promise because of the lack of an adequate enforcement mechanism.

I will soon propose to the Congress that this problem be alleviated by providing the Department of Housing and Urban Development with cease and desist powers. That Department, which now investigates and makes findings upon individual complaints, would then be able to enjoin further discriminatory acts and to direct an appropriate remedy. My Administration will work with the Congress to see that this proposal is given prompt and favorable consideration.

WOMEN

One of the overriding concerns of my Administration is ensuring equal opportunity for women. Last year we worked closely with the Congress to extend the deadline for ratification of the Equal Rights Amendment until June 30, 1982. That extension will provide a greater opportunity to ensure ratification of this long-overdue Amendment. I will continue to dedicate myself, as well as the full resources of my Administration, to the ratification effort.

This is not a battle that we can afford to lose. I am determined to win. The opposition to the Amendment cannot be solidly based on an understanding of its legal effect. The Amendment will do nothing more—nor less—than provide equality to more than one-half of America's population. I am confident that with the active support of the members of Congress from States which have *not* yet ratified, we can achieve ratification of ERA. I urge you to join the effort to provide women, at long last, with equal rights under the law.

My Administration has championed, and will continue to champion, the right of women to choose their roles in society. To protect those who have chosen the role of full-time homemaker:

—We have succeeded in enacting legislation that provides assistance for displaced homemakers and we supported the legislation that has now reduced from 20 to 10 years the marriage requirement for a former wife to claim against her husband's social security entitlement.

We are facilitating the choice of many women to combine family and work responsibilities. To accomplish this goal:

—we supported the legislation passed to increase part-time and flexible-hour employment opportunities; and

—we supported the Pregnancy Disability Act that outlaws employment discrimination based upon pregnancy, childbirth, or related conditions.

We are striving to improve women's professional opportunities within the Federal government. To this end:

—women have been appointed in senior positions in the Administration, including two Cabinet officers. About 20% of my senior appointees have been women, and many of them are in areas in which no previous women had served; and

—we have strengthened and increased our equal employment opportunity enforcement.

This year, in addition to continuing our efforts to ratify the Equal Rights Amendment, we will work closely with the Congress to enhance the economic standing of women—particularly the poor, minority, and elderly—by improving their access to housing, health care, and child care for those who choose to work. We will expand additional opportunities this year for women business owners and will create a permanent interagency group to review and help improve the position of women business owners. I will make every effort to select as many women as possible to fill the 152 new Federal judgeships. Their underrepresentation in the courts cannot be continued. Our country needs and deserves the full participation of women in our society, and I am committed to taking the steps needed to ensure this partnership.

DISTRICT OF COLUMBIA

My Administration worked with the 95th Congress to pass a proposed amendment to the Constitution granting full voting representation to the citizens of our Nation's Capital. The ratification process for this proposed amendment has begun and I urge the state legislatures which have not ratified the resolution to join with the States of New Jersey, Ohio and Michigan by promptly ratifying the amendment. My Administration will work this year in the effort to ratify this amendment.

My Administration will also work closely with the Congress and the new District Government under Mayor Marion Barry to expand home rule for the District. This includes streamlining the procedures for Congressional review of locally enacted legislation, removal of the Federal government from the District budgetary process by 1982, developing a rational formula for determining the Federal payment to the District, and an equitable Federal sharing of financial responsibility for funding of the District's pension plan for police, firemen, teachers and judges.

I will work with Mayor Barry to make our Nation's Capital city a model for the rest of the Nation to emulate.

NATIVE AMERICANS

The Federal government has a special responsibility to native Americans, and I intend to continue to exercise this responsibility fairly and sensitively. My Administration will continue to seek negotiated settlements to difficult conflicts over land, water, and other resources and will ensure that the trust relationship and self-determination principles continue to guide Indian policy. There are difficult conflicts which occasionally divide Indian and non-Indian citizens in this country. We will seek to exercise leadership to resolve these problems equitably and compassionately.

HANDICAPPED

For Americans with physical disabilities, this year will result in continued improvements in their accessibility to many opportunities those of us who are not disabled take for granted—education opportunities, employment opportunities, and greater access to public facilities and services. We will make further progress in removing obstacles that impede and discriminate against our disabled community. If our Nation is to remove the barriers of discrimination in our society, the Federal government must serve as a model in the successful removal of physical and psychological barriers thrown in the way of our Nation's disabled. The Section 504 Regulations issued by the Department of Health, Education, and Welfare provide a basis for the Federal government to lead the way in ensuring the rights of the handicapped.

UNDOCUMENTED ALIENS

One of the most difficult and sensitive domestic issues facing the country concerns the Federal government's policy toward undocumented aliens.

I continue to believe that effective but humane measures need to be devised which will help relieve the causes and effects of the presence of large numbers of undocumented aliens in this country. I will pursue this issue in my consultations with the government of Mexico during my visit there next month and will make no final decisions until after those consultations.

MARTIN LUTHER KING, JR.

Dr. Martin Luther King, Jr. led this Nation's effort to provide all its citizens with civil rights and equal opportunities. His commitment to human rights, peace and non-violence stands as a monument to his humanity and courage. As one of our Nation's most outstanding leaders, it is appropriate that his birthday be commemorated as a national holiday, and I will strongly support legislation to achieve this.

MINORITY BUSINESS

This year we will move vigorously to implement the strong minority business legislation enacted by Congress in 1978; meet my goal of tripling Federal procurement from minority businesses (to a total of $3 billion); faithfully implementing the minority set-aside programs of the government and improve the operation of the several programs designed to achieve equal entrepreneurial opportunity and vital minority economic development. We are currently evaluating the adequacy and organization of current minority business development programs, with the commitment to taking whatever action, legislative or administrative, is needed to ensure that their operation is efficient and effective.

CIVIL LIBERTIES

PRIVACY

Government and private institutions collect increasingly large amounts of personal data and use them to make many crucial decisions about individuals. Much of this information is needed to enforce laws, deliver benefits, provide credit, and conduct similar, important services. However, these interests must be balanced against the individual's right to privacy and against the harm that unfair uses of information can cause. Individuals should be able to know what information organizations collect and maintain about them; they should be able to correct inaccurate records; and there should be limits on the disclosure of particularly sensitive personal information.

My Administration is developing a comprehensive privacy policy to address these concerns. Last year, legislation was enacted which established restrictions on wiretapping for intelligence purposes and on government access to financial records. Early in 1979, I will propose privacy legislation to cover medical, financial, and other sensitive personal records. I will also take administrative actions to strengthen privacy controls for Federal agencies' records. These measures will go far toward giving all American citizens the privacy protections they need in a modern society.

I recently announced my intention to submit legislation to Congress protecting the rights of the press, and others preparing materials for publication, from searches and seizures undertaken without judicial approval. Under the legislation I will propose, Federal, State and local law enforcement officials will generally be required to obtain a subpoena before conducting a search or seizure against those preparing materials for publication. Such legislation, which would deal with the problems created by the Supreme Court's decision in the *Stanford Daily* case, should serve as a solid protection of the rights of the news media and others under the Fourth Amendment.

LABOR LAW REFORM

The Nation's labor laws are vital to ensuring that a sound labor-management relationship exists in collective bargaining. Efforts to abuse those labor laws, especially by unduly slowing or blocking their implementation, have increased in recent years. As a result, a reform of our labor laws is required in order to guarantee that their intended spirit is fully observed and enforced.

I am again prepared to work with the Congress to develop legislation which improves the fairness and effectiveness of our labor laws. Efforts to defeat this legislation last year were based on emotion and a lack of information about its actual effect. If the will of the majority in Congress is allowed to prevail, we *can* enact sound labor law legislation.

EXPORT ADMINISTRATION/ANTI-FOREIGN BOYCOTT

My Administration will work with the Congress to reauthorize the Export Administration Act, which plays a vital role in ensuring that American trade serves our national interest. We will make particular efforts to reauthorize that part of the Act which prohibits American compliance with the foreign economic boycott of Israel. The anti-boycott amendments passed by the Congress were fair and equitable and must continue to be strenuously enforced.

INTELLIGENCE CHARTERS

I will be working closely with the Congress to develop and enact statutory charters, for the intelligence community. The charters, for the first time, will define in law the duties and responsibilities of our intelligence agencies and will set forth the authority of those agencies to fulfill those responsibilities. The disclosures of abuses in recent years make clear the need for charters, and my Administration is strongly committed to developing and passing charter legislation that protects our citizens' rights, while permitting our intelligence agencies to perform effectively their essential duties.

CRIMINAL CODE

The Federal criminal laws are often archaic, frequently contradictory and imprecise, and clearly in need of revision and codification. My Administration will continue to work with the Congress to develop a Federal criminal code which simplifies and clarifies our criminal laws—as well as protects our basic civil liberties. The criminal code which passed the Senate in the last session can serve as a basis for progress this year.

HATCH ACT REFORM

We will continue to support efforts to reform the Hatch Act so that Federal employees in non-sensitive positions will have the right to participate in off-the-job political activities while preventing any on-the-job political abuse.

HUNGER

We share a growing concern with other Nations and their people over the serious problem of world hunger. While our government and the governments of other Nations and international organizations are working to assure the basic right to food, the problems of hunger and malnutrition are a daily fact of life for millions of people throughout the world. In order to make our own programs more effective and to examine additional efforts that might be undertaken, I have established the Presidential Commission on World Hunger, under the leadership of Ambassador Sol Linowitz, to recommend realistic solutions which we and other Nations might undertake in a prompt and efficient manner. The Commission will report to me this year and will then be involved in the implementation of its recommendations. The Administration will be working closely with Congress on the Commission's recommendation.

HOLOCAUST COMMISSION

Last year I established a Holocaust Commission to recommend to me how our government might officially recognize, for the first time, the tragedy of the Holocaust. The Commission's work is well underway, and I will receive its report this year. I expect to work together with Congress in developing a suitable memorial to the millions who died in the Holocaust.

PRESERVING AND DEVELOPING NATURAL RESOURCES

My highest legislation priority during the 95th Congress was enactment of our first national energy plan. The dedication of many members of Congress made that goal a reality. My Administration is committed to using that legislation as the foundation for further efforts to reduce our dependence on foreign oil; to increase our ability to develop domestic energy sources; and to conserve wasted energy.

Our energy and other development goals can and will be reconciled with the Administration's resolve to clean the Nation's air and water and to preserve our most precious natural resources. We will continue to further the protection of our environment.

We will continue to develop our fertile agricultural land. The Administration is committed to helping our Nation's farmers continue to achieve record yields and exports.

ENERGY

The Administration remains committed to meeting our future energy needs. Building upon the framework of the National Energy Act, signed last November, we will be addressing key issues such as further developing and commercializing solar and renewable energy resources, making better use of our coal reserves and other abundant energy resources, continuing our emphasis on using energy more efficiently, and improving the manner in which we produce and use conventional sources of energy such as oil, natural gas, and uranium. To minimize the impacts of potential supply disruptions, we will continue the storage of oil in the Strategic Petroleum Reserve, and will be submitting for Congressional approval overall energy contingency plans.

While much remains to be done in the energy area, past investments in improving our energy supplies and our energy use are beginning to pay off: the rate of growth of our industrial energy use has dropped while industrial production has increased. From 1975 to 1977 the growth in domestic energy consumption has been 70% of the growth in GNP. Previously, the two growth rates had been roughly equal. With significant improvements in automobile efficiency, gasoline consumption is an estimated 5% lower than it otherwise would have been. Use of heating oil, electricity, and other home energy sources has become much more efficient. Oil consumption grew last year at a rate of only 1.5%.

On the supply side, the new natural gas legislation, whose provisions have just begun to take effect, will ensure new domestic production of this premium fuel and help expedite the delivery of natural gas to the interstate market. Furthermore, due to the addition of Alaska North Slope oil, our domestic production of oil has held steady over the last year, and foreign imports were down in 1978.

In 1979 and the FY '80 budget we are continuing strong investments in energy research and development. The FY 1980 budget provides outlays of $3.7 billion for a wide range of programs to develop energy technologies for the future. Particular emphasis will be given to long-term solar energy research and development, to improvements in the mining and burning of coal, fission and fusion research, to improvements in existing technologies for conservation, oil and gas recovery, and uranium efficiency, and to energy-related basic research. These commitments to technologies for the future, both long and shorter term, are critical to a sound and comprehensive energy policy.

SOLAR ENERGY

Within the next few weeks, I will send to the Congress a message on solar energy based on an interagency study under the Domestic Policy Review System. The transition to wide-spread use of solar and renewable resources can and must begin now. Solar, wind energy, and use of biomass resources can contribute significantly in both the short and long run to meeting our Nation's energy needs. Some of these technologies, such as solar heat and hot water, use of biomass for generation of electricity, and wind energy, are available now and are competing with other conventional energy sources. The tax credits in the National Energy Act, along with other commercialization incentives, will help accelerate the use of solar and other renewable technologies in the residential and industrial sectors of our economy.

The FY 1980 Budget increases our government-wide solar research and development programs by 40% over FY 1979. Total expenditures for solar energy will exceed $800 million, including tax credits and important initiatives undertaken by the Department of Energy, the Agency for International Development, the Tennessee Valley Authority, the Department of Agriculture and the Small Business Administration. Application of solar technologies in federally-owned buildings will also increase, thereby providing new markets for our existing solar industry.

In our research and development program, strong emphasis will be given to photovoltaics through which electricity can be produced directly from solar energy. Conversion of organic materials to useable energy forms will also receive increased funding. Funds for the new Solar Energy Research Institute at Golden, Colorado, will also be increased.

The proposals I will later announce, coupled with the FY '80 budget, will chart a firm and ambitious course for accelerating the use of solar and other renewable energy sources both now and in the future. The time for solar energy has come.

OTHER ENERGY RESEARCH, DEVELOPMENT, AND DEMONSTRATION

In the coming year, significant investments will be made in the demonstration of technologies which can convert coal to more useable and environmentally acceptable energy forms, continued strong research and development in fusion, development of geothermal energy sources, such as hot underground brines and hot rock resources, and efforts to resolve a range of environmental issues which these and other technologies raise.

NUCLEAR ENERGY

A wide range of Administration initiatives, both legislative and administrative, will be proposed to ensure that this country can further use light water reactors for the generation of electricity, safely and efficiently. Of central importance will be the development and implementation of a strong, responsible program to manage and dispose of nuclear wastes. As a result of the work of the Interagency Review Group on Waste Management, I will be making a series of legislative and administrative recommendations to ensure that the necessary schedules, coordination, and legislative authorities are firmly in place. Public discussion and participation in the nuclear waste management area, along with the close cooperation of State and local elected officials, will receive continued high priority. Legislation will also be proposed to provide interim storage for spent fuel from existing reactors until a permanent waste repository is established.

Enactment of nuclear licensing and siting legislation to shorten the lead-times required to plan, locate, construct and license nuclear power reactors will again be sought. Design and construction activities for the new centrifuge enrichment plant at Portsmouth, Ohio, will continue to ensure that the U.S. is able to meet the nuclear fuel needs of our domestic industry, as well as our international customers who share our non-proliferation objectives. These activities, coupled with the Administration's waste management program will help ensure that our country can continue to rely on current nuclear technologies to meet power needs.

Looking toward the future, we will seek to improve the efficiency of our existing power reactors by reducing their uranium feed requirements. For the longer run, the Administration will maintain and strengthen the strong research and development program we now have for more advanced nuclear fission technologies such as the fast breeder reactor. We continue to believe that the Clinch River Breeder reactor project is premature, technically inadequate, and should not go forward, but the Administration is committed to keeping the breeder option open for the future.

DOMESTIC CRUDE OIL PRICING

Provisions of adequate incentives for both domestic production of crude oil and for conservation must be carefully weighed in light of our efforts to control inflation. In consultation with the Congress, I will be making my decisions and recommendations on domestic crude oil pricing and related issues later this year.

ENERGY IMPACT ASSISTANCE

As new domestic energy resources are developed, particularly in rural or isolated areas of the country, provision must be made for the needs of rapidly developing communities. The Administration will again seek enactment of legislation establishing an Inland Energy Assistance program, with funding of $150 million per year, to aid those states and local areas which are experiencing a rapid growth in population as a result of new energy supply development. These communities often cannot plan for or meet increased need for new public facilites or services, since the population increases occur before the new energy supply activities are fully developed and producing local revenues. This legislation is essential to ensure that the burdens associated with solving our energy problems are borne equitably by all citizens and regions of the country.

MANAGEMENT OF FEDERAL ENERGY RESOURCES

The last two Congresses passed landmark legislation to reform the management of federally-owned coal, oil and gas resources. These new laws include Federal strip mine controls, and amendments to the Outer Continental Shelf Lands Act and the Mineral Leasing Act. With this new framework, the Administration is proceeding to implement swiftly new programs which will permit increased leasing and development activities while protecting our environment.

WATER POLICY LEGISLATION

Water is a basic human necessity and its proper management is essential to economic activity, particularly in the arid West. The policies of my Administration are designed to emphasize the more efficient use of water as well as the need to provide adequate water supplies. We are particularly sensitive to the interests of the West and other areas in the development of additional water resources, to the importance of water conservation, and to the concerns of many Eastern urban areas about their water systems.

Last year I announced a comprehensive water policy which included many reforms now being implemented administratively. In addition, I will propose legislation to increase the role of the States in water policy, through increased water planning grants and through new grants for state water conservation programs. I will also propose legislation which would provide for states to share in the costs of Federal water projects. This cost sharing proposal will result in direct participation by states in setting water project priorities and will help insure that Federal programs are responsive to the most pressing water-related needs.

Congressional action is also needed on Administration Amendments to modernize the 1902 Reclamation Act to ensure that acreage limitations in federally-funded irrigation projects are equitable and fair.

ENVIRONMENT

My Administration is committed to balancing the needs for development, conservation and preservation of our natural resources. Our Nation has been blessed with an outstanding natural heritage which, if properly cared for, can meet our needs for food and fiber, mineral, energy, recreation, and solitude in a way that is environmentally sound. The Congress and the Administration have worked together over the past two years to achieve this goal. We have enacted the first Federal standards for strip-mining coal; we have improved and extended the Clean Air and Clean Water Acts; we have created a substantial number of new National Parks and other protected areas. During 1979, protection of Alaska lands, implementation of water policy, resolution of wilderness and nonwilderness designations in the National Forest System and reformed management of Federal energy resources will be major environmental initiatives of my Administration. Efforts to enforce and implement environmental statutes firmly and fairly, to streamline environmental review requirements, to protect public health and to preserve wildlife resources will continue to be pursued vigorously and as cost-effectively as possible.

ALASKA

As in the last Congress, passage of legislation designating National Parks, Wildlife Refuges, Wilderness Areas, National Forests and Wild and Scenic Rivers in Alaska is the highest environmental priority of my Administration. To protect these magnificent Alaskan wild lands, I took several actions after the adjournment of the 95th Congress, including the creation of 17 National Monuments covering 56 million acres. These areas, as well as other outstanding parts of Alaska covered in Administration proposals, should be protected promptly by legislation in order to assure that the great national treasures of wildlife, scenery, history and untouched ecosystems can be saved for our children and grandchildren, while permitting appropriate commercial use of certain of the areas.

ROADLESS AREA DESIGNATIONS (RARE II)

The Agriculture Department has released tentative recommendations and nearly completed work on a study which will lead to proposals to resolve the status of most of the remaining roadless areas in the National Forest System. The Administration proposal will involve additional wilderness designations in many States and the release of remaining lands for nonwilderness activities. This initiative will also eliminate uncertainty over land uses in most parts of the National Forest System and will ensure that development uses will be adequately supported, while preserving critical parts of our natural heritage in an unspoiled condition.

ENVIRONMENTAL PROTECTION

In recent years, the quality of our environment has improved, but much remains to be done to clean up our air and water, and to control contamination by toxic materials. The Environmental Protection Agency is focusing its efforts on the protection of public health by assessing the effects of substances before they are introduced into the environment, and by ensuring that hazardous wastes are disposed of safely.

At the same time, EPA, and the other health and safety agencies are exercising new care when implementing environmental regulations to avoid imposing unnecessary costs or red tape. A healthy, safe environment need not be incompatible with a healthy economy. We are committed to both.

The Nation's investment in environment cleanup must have the incentives and the flexibility to allow our most important environmental goals to be achieved at the lowest cost. Unnecessary requirements which cause delays and increase costs will be removed. EPA will simplify and consolidate its permit programs to reduce paperwork, red tape and delays.

The Agency is beginning to introduce innovations which allow firms the flexibility to find the lowest cost methods of controlling pollution. I will submit legislation to consolidate Federal funds for environmental programs at the State level, thus giving the States more flexibility to use these funds to deal with their most pressing environmental problems.

These and other changes we are making will assure the American public that the money we spend on environmental controls is the best investment we can make in our future and our children's future.

THE STATE OF FOOD AND AGRICULTURE

World food security has been substantially improved in 1978. For the third consecutive year, good-to-record crops were harvested in most parts of the world, pushing supplies to record quantities and creating the opportunity for people all over the world to improve their diets.

For the United States, 1978 was also a year of records. Large food and record feed grain crops were harvested by U.S. producers, re-emphasizing the U.S. farm sector's capability to lead the world in productivity. But despite the record crops which placed downward pressure on prices here and abroad, our farm economy became stronger in 1978 and our agricultural trade reached record levels.

The value of U.S. agricultural exports reached $27.3 billion in fiscal 1978—14 percent above 1977's record. The volume of our farm exports was a record 125 million metric tons—up 18 percent from 1977. Agricultural trade made another record contribution to our balance of payments—$13.4 billion in fiscal 1978. Exports also accounted for one out of every four dollars the U.S. farmer earned.

Net farm income, which was $20.6 billion in 1977, is estimated at over $28 billion for 1978—second highest on record. In constant dollars, this was the best year since 1975. This was achieved while we met our domestic needs, fulfilled our commitments to our overseas customers and built reserves for future stability protection. This recovery in agriculture has been shared by crop and livestock producers alike. Indeed, American livestock producers can now look forward to several years of good returns to help them recover from the last four years which were marked by poor prices and forced liquidation of herds.

Part of the recovery in the farm sector can be attributed to the programs and policies adopted by my Administration and the Congress—which farmers have used to improved their incomes and stabilize prices.

I am personally proud of the recovery our farmers have made.

INTERNATIONAL AGRICULTURAL TRADE

Over the past 2 years, this Administration has worked to reduce barriers to international trade and to develop new markets and encourage increased exports of agricultural products. The Agricultural Trade Act of 1978, for example, provides important new authorities for intermediate credit and the establishment of trade offices in major markets. We have moved to establish new and stronger trade ties with several nations, including Japan and the People's Republic of China. Partly as a result of these efforts, exports of U.S. farm produced goods are expected to reach a record $29 billion in fiscal 1979—21 percent higher than 2 years ago—and contribute $15 billion to our balance of payments.

Unlike previous Multilateral Trade Negotiations, in the current MTN we have placed heavy emphasis on the lessening of restrictions on trade in agricultural products. Our efforts here should have a major impact on U.S. agriculture in the future, by broadening our access to important existing and new international markets.

CROP INSURANCE

The Federal government now operates several programs to protect farmers from economic losses associated with crop failure. The experience of recent years with these programs has demonstrated their many serious shortcomings—in the breadth of coverage, the equity of program benefits, and the efficiency of program administration.

We will propose again a comprehensive, nationwide all-risk insurance reform bill to the 96th Congress aimed at providing fairer and more effective protection for farmers, and at no additional cost to the taxpayer. Under this proposal, several existing disaster assistance programs would be consolidated into one comprehensive, share-the-cost program to ensure against economic losses resulting from natural disaster and other uncontrollable risks.

INTERNATIONAL EMERGENCY WHEAT RESERVE

The cornerstone of our domestic food and agricultural policy is the farmer-owned grain reserve. In little more than a year, we have built this into a 1.3 billion bushel grain reserve—the equivalent of more than a third of our carry-over stocks from the past year. These stocks remain under the ownership of those farmers who produced them rather than in the hands of government or international grain traders. This reserve provides a critical cushion against shocks in the market caused by production shortfalls either here or abroad.

We now need to establish the same sort of protection for our international food aid programs. Accordingly, the Administration will reintroduce legislation to authorize the establishment and management of an international emergency wheat reserve. This reserve will provide developing countries assurance that we will be able to fulfill our food aid commitments. At the same time, it will protect the domestic economy from further inflationary pressures during periods of grain shortages.

SUGAR

In the absence of Congressional passage of a domestic sugar program in the last session, the Administration has taken several further steps to assure domestic producers of a fair return and consumers an assured supply at stable prices. To underscore Administration commitment to achieving ratification of the International Sugar Agreement, I directed that sugar imports from countries not party to the agreement be strictly limited to the levels permitted under the agreement for 1979. We have also asked for and received an extension of the deadline for ratifying the ISA to June 30, 1979. In addition, at the end of last year, I issued a proclamation that provides for a new, more flexible system of sugar import fees protecting a domestic raw sugar price of 15 cents per pound.

To help stabilize world sugar prices, to satisfy our international commitments, and to protect our domestic sugar producers, my Administration is committed to working with the Congress to develop an effective, non-inflationary domestic sugar program early in this session, and to achieve ratification of the International Sugar Agreement.

RURAL DEVELOPMENT

Throughout 1978 my Administration took steps to make existing Federal rural development programs work better. For many rural areas, and for most rural residents, the 1970's have been a period of rapid growth and development. Income levels have risen and large numbers of better jobs have been created in rural communities across the Nation. Rates of population and employment growth for rural areas have been substantially greater than for urban areas—causing problems of unplanned rapid growth in some areas but also reversing decades of rural out-migration and economic stagnation. Nevertheless, rural Americans still experience a disproportionate concentration of pressing human problems:

—two-thirds of all homes lacking complete plumbing are in rural areas;
—rural infant mortality rates are 10 percent higher than urban ones;
—70 percent of the rural poor and half of the rural elderly have no automobile, causing great hardship because of the distances to travel to get access to basic health care, jobs, and other social services;
—while only a quarter of all Americans live in rural areas, 40 percent of the Nation's poor live there.

For too long the small town mayor, the rural county official and the individual rural American have been frustrated by a maze of Federal grant applications, requirements, eligibility standards, audits and deadlines which have made it virtually impossible to address these rural problems effectively.

For too many years, money and time has been wasted. We are moving to address this chronic problem. In the last year, White House Rural Development initiatives have resulted in:

—a commitment to build 300 rural primary health clinics to serve 1.3 million Americans who lacked access to care;
—major streamlining of the rural water and sewer grants process through which five agencies distribute $2.5 billion in Federal funds each year. The new process permits a single application, single audit, single funding source and single point of Federal contact—at a savings to local government of several hundred million dollars each year along with a reduction in processing time of as much as 15 months; and
—specially targeted rural job training programs for rural disadvantaged in the water and sewer and health support fields.

This effort to address rural problems will continue and be expanded in 1979, addressing the problems of rural transportation, housing, and economic development among others. In addition, during the year I plan to articulate a set of overall rural development principles and goals which will guide the actions of my Administration. These principles will provide focus, direction and priority to the myriad of now separate Federal actions and policies, so that we can more effectively work to:

—overcome the problems of rural isolation;
—promote economic development;
—meet basic human needs;
—protect the quality of rural life;
—assure equity in the administration of Federal programs for which rural Americans are eligible; and
—build a more effective partnership among Federal, State and local governments and the private sector in meeting locally defined rural development priorities.

Furthermore, several other Administration initiatives will have an impact on the conditions in rural America. We will make certain that the rural perspective is considered as initiatives are developed in such areas as welfare reform and a national health plan.

FOREIGN POLICY PRIORITIES

THE CONTINUING CHALLENGES OF CHANGE

When I took office two years ago this month, I was convinced that America had to pursue a changed course in a world which was itself undergoing vast change.

In the midst of this accelerating change, America's choice lies between facing chaos or building with others a new foundation for a true world community. Our foreign policy accepts the latter responsibility both because of our basic belief, and because of America's critical role in the world.

To this end, we must have four broad objectives:

—to buttress American power on which global security and stability depend;
—to strengthen our relations with other nations throughout the world in order to widen the spirit of international cooperation;
—to deal constructively with pressing world problems which otherwise will disrupt and even destroy the world community we seek;
—to assert our traditional commitment to human rights, rejoining a rising tide of belief in the dignity of the individual.

Progress towards these goals depends first on our ability as a Nation to work together in the common interest. During the coming year, the Congress, the Executive, and the public will be addressing an unusually wide range of international issues. The action taken will have an impact on our Nation's position in the world for many years to come—in establishing a secure nuclear balance, in developing closer relations with the world's most populous Nation; in achieving an historic step towards peace in the Middle East; or in setting the pattern of trade relations during the next decade and beyond.

This report elaborates on my address to the Congress and, in particular, concentrates on the issues in which the role of the Congress will be most important to building a new foundation for peace. In each case, the challenge is clear: to exercise strong American leadership with others to shape change rather than permit change to shape us.

AMERICA'S MILITARY STRENGTH

Elsewhere in this report I have described the domestic programs and policies required for a just, united and productive America. The maintenance of American military strength is an essential foundation for a successful foreign policy that safeguards our freedom, our accomplishments and our friendships. In a world of accelerating change, fraught with potential danger and uncertainty, and marked by a continuing Soviet military buildup, we must have, together with our allies, unsurpassed military capability to deter attack or attempts at political coercion. Moreover, we must have the military force to mount an effective defense at any level of hostilities where our vital interests are jeopardized.

The defense budget which I have presented to the Congress funds a program of prudent investments that will ensure the effectiveness of our strategic and conventional military posture. It will:

- —begin full-scale development of a new, more survivable ballistic missile system to enhance the ICBM component of our strategic triad;
- —maintain the Trident submarine and missile programs, increasing the security, striking power and the range of our submarine force;
- —extend the effectiveness of our bomber force with the addition of air-launched cruise missiles;
- —pursue a vigorous program of research and development in cruise missiles, aircraft and other systems to ensure the continued technological superiority of America's nuclear deterrent.

In addition, the defense budget I have submitted this week will strengthen our conventional capabilities to fulfill our commitments to our major allies and friends and retain a credible military presence in both the Atlantic and the Pacific. We will continue to add armor and firepower to our infantry and build a more modern, smaller aircraft carrier which, together with more frigates and destroyers, will improve the effectiveness and flexibility of our surface fleet.

In NATO, we have already achieved important progress toward making the Alliance more effective in the changing security environment.

- —We helped launch the Alliance's Long-Term Defense Program to offset growing Soviet modernization of its deployments in Europe. The LTDP will increase NATO military capabilities through better coordination of defense efforts, increased investment, and more modern equipment.
- —We removed, with the support of Congress, a serious obstacle to strengthening Turkey's defensive capabilities and made further progress toward the reintegration of Greek armed forces into NATO's military structure; both these efforts helped repair a serious deficiency on NATO's southern flank.
- —We neared final agreement with the Portuguese on the renewal of our base rights in the Azores.

The provision of adequate military as well as economic assistance to Turkey, Portugal and other allies and friends in need will be a matter of high priority during the coming year.

NATO's strength is growing. In 1979, we can further that encouraging process by standardizing more of the Alliance's equipment and improving Allied readiness. The proposal I will soon put before the 96th Congress calls for the authorization of intergovernmental agreements to simply logistical problems both in peacetime and during any period of hostilities. Such agreements will permit the U.S. to reinforce NATO more rapidly and provide more effective defense at lower cost.

We also intend to maintain a vigorous American military presence in the Pacific. Successful completion of a revised military base agreement in the Philippines, following 10 years of negotiations, provides an essential underpinning for our military capability in Asia.

Congressional authorization for the transfer of military equipment to the Republic of Korea was another contribution to assuring the security of Korea and Japan. Both actions unmistakably signal not only our desire to promote East Asian stability but our intention to remain a concerned, involved and responsible power in the Pacific.

The essential task of improving our military posture must also be accompanied by increased efficiency. I take this opportunity to thank the Congress for its support last year of our actions to reduce waste and needless duplication in our defense budget. Vigorous cost-saving efforts will continue this year in order to assure that the United States will possess military forces at the lowest possible cost.

BUILDING THE COMMUNITY OF NATIONS

Military strength is essential to peace but cannot alone guarantee it. The system of cooperation we have with the rest of the world is part of the foundation for our own security. Our best hope for a safer America and a peaceful world resides in the building of closer ties with as many nations as possible.

THE MAJOR ALLIES

Throughout 1978, the North Atlantic Alliance and the growing partnership which links us with both Western Europe and Japan remained at the heart of our foreign policy. The cooperation we share with those whose purposes and traditions are closest to our own is strong and growing stronger.

Through our summit meetings, and through an unprecedented pattern of consultations at other levels of our governments, we are working together on virtually all of today's most critical issues:

- —together we are seeking to reduce the risk of nuclear confrontation;
- —we are working on ways to strengthen the common defense;
- —we are attempting to promote a peaceful transition in southern Africa;
- —we are striving to resolve conflicts in the Eastern Mediterranean to support a just and lasting peace in the Middle East and to maintain stability in the Persian Gulf;
- —we are contributing to a sounder international economy;
- —we are consulting on the issues that confront all our societies: the problems of youth and age, family and community, growth and conservation—in short, advancing our democratic ideals at home in a time of change in each of our countries.

America's role as host for the NATO summit meeting in Washington last spring, and our attendance at the seven-nation economic summit in Bonn last summer, symbolized American commitment to the strength of relations with Europe and Japan. I look forward to meeting these and other allied leaders at the Tokyo Summit next June, where we will continue the essential effort to deepen further the cooperation between us.

A WIDER COMMUNITY

The changing realities of political and economic interdependence require that we strengthen our ties throughout the developing world and seek to improve relations with Communist nations as well.

My trips to Nigeria, India, Saudi Arabia, Iran, Brazil, and Venezuela underlined American sympathy and support for the international roles these countries are playing in the process of world change. Strengthened consultations with the ASEAN nations serve the same end.

My trip to Mexico early next month will be a part of this process; Mexico is important to us not only because it is a neighbor but also because it is one of the most vigorous democracies in this Hemisphere and a leader in the developing world. As neighbors, we share an agenda of common concerns—trade, migration, economic growth and social development—that provides an opportunity to establish a uniquely productive, cooperative relationship.

My trip to Poland and the visits of of Secretary Vance and Secretary Blumenthal to Hungary and Romania underscore the importance we attach to better relations with the nations of Eastern Europe. The support of the Congress for our policy toward Eastern Europe has provided a strong foundation for building a stronger economic, cultural and political relationship—a process that will continue to go forward in the coming year.

CHINA

The arrival next week of the first leader of the People's Republic of China to officially visit Washington will give us an early and welcome opportunity in the new year not only to cement the ties of friendship and hospitality between us but to emphasize our expectation that our relationship with China will be a constructive one. It will contribute to diversity in the world and to peace and stability in Asia. It is not directed against the interests of any other country.

To fulfill the promise of this new era in Sino-American relations, we will require legislation and support from the Congress. Such legislation is particularly important to facilitate continued trade and other relations with the people of Taiwan through non-governmental instrumentalities and to assure continued peace and prosperity there. This has very high priority in our legislative program for 1979.

USSR

We seek better relations with both the Soviet Union and the People's Republic of China. Doing so is profoundly in the interests of our Nation and of global security.

I therefore would like also to welcome President Brezhnev to our country in the near future. At that time we would hope to conclude an agreement curbing the strategic arms race. There are other areas where our two nations can work constructively together. These include a comprehensive nuclear test ban treaty; limits on Indian Ocean deployments, and on the transfer of conventional arms; and restraint in areas of turbulence and tension. Such cooperative effort would do much to make the world a safer place for all.

We will never ignore Soviet actions which challenge our interests. We both have a responsibility to our peoples and the world to maintain a pattern of detente which is genuinely reciprocal and broadly defined.

DEALING WITH WORLD PROBLEMS

A true world community cannot be fashioned or endure so long as the weapons of war multiply and spread, so long as ancient disputes fester and the demands for justice are unmet, so long as much of mankind remains impoverished and without hope.

As I emphasized in my State of the Union address, the need to curb the strategic arms race has never been more urgent. It increases the risk of nuclear war. It is a needless competition that draws away scarce resources we need to invest in other areas of our Nation's strength. It undermines America's security.

The conclusion and ratification of a satisfactory SALT II Treaty with the Soviet Union is therefore among our top priorities. It will make a major contribution to enhancing our long-term security, while keeping open our options to carry out needed modernization of our strategic forces and preserve our deterrence.

We will take whatever time is necessary to negotiate a sound, verifiable agreement. I am convinced that once the American people and Congress have had a chance to examine the terms and benefits of this Treaty—and consider the shape of our future without it—they will conclude it serves our vital security interests.

We will continue to consult the Congress as we proceed this year with other important arms control negotiations: on a comprehensive nuclear test ban; the prevention of anti-satellite warfare; mutual and balanced force reductions in Europe; and limits on the rising tide of conventional arms transfers.

The risks inherent in the proliferation of nuclear technology figure prominently among the dangers to the world community. Although we and the rest of the world still have far to go in dealing responsibly with such risks, the United States took an important step last March with the adoption of the Nuclear Non-Proliferation Act. For the first time in our history we established comprehensive legislation covering international cooperation in the nuclear field and the export of nuclear-related materials. To build on that promising beginning throughout 1979, we need progress in the following areas, both nuclear and non-nuclear:

—The International Nuclear Fuel Cycle Evaluation (INFCE), a 53-nation effort, can help us develop a new international nuclear fuel consensus that will adequately balance energy needs with non-proliferation concerns. We continue to believe that better alternatives exist to the commercialization of dangerous breeder reactors and we will cooperate as fully as possible with other countries in exploring those alternatives.

—We will seek more substantial progress in the problem of managing nuclear waste and in attracting greater international support for the acceptance of nuclear safeguards. I ask the Senate to ratify the treaty on the IAEA Voluntary Safeguards Offer which will provide concrete proof of our belief that international safeguards do not interfere with the successful development and operation of commercial nuclear power.

—I will call for early Senate ratification of Protocol I of the Treaty of Tlatelolco, which will contribute to the lessening of nuclear dangers for our Latin American neighbors; the U.S. and Cuba are now the only countries in our Hemisphere which have not yet ratified that Treaty.

REGIONAL CONFLICT AND TENSION

Curbing the means of war cannot in itself remove the threat of war. For that, we must seek to resolve conflicts, ease tension and build trust. The urgency of this task and its importance to the United States and the world is nowhere more clear than in the Middle East. Though there has been great progress, the goal of a just and lasting settlement in that troubled part of the world still eludes us. No one who has looked at Middle East history can harbor any illusion about the difficulties ahead. Yet we have made great strides toward a final peace agreement between the two principal adversaries in the Middle East. The differences which they have overcome far outweigh the issues which still divide them. Israeli and Egyptian commitment to peace will provide an indispensable step toward peace between Israel and all its neighbors and foster the stability and orderly change we favor for the entire Middle East region. Peace will permit us to strengthen our ties with the Arab states in the region and enhance our relationship with Israel, a relationship which will always be special to us.

In 1979 I will count on the continued collaboration of the 96th Congress on behalf of our efforts to gain and maintain peace throughout the region. The support of the Congress and the American people for a purposeful role in that region is particularly important in light of the tumultuous events taking place in Iran. Since the end of the Second World War, the United States has maintained a close relationship with Iran and it has a vital interest in Iran's independence and integrity. The people of Iran should shape their own future without foreign interference. That is the policy of the government of the United States and we expect it to be the policy of all of Iran's neighbors.

AFRICA

Congressional support for peace, stability, and orderly change are essential in other tense regions, as well.

In Southern Africa we are trying to help bring about a peaceful transformation to majority rule which will avoid growing bloodshed between white and black and deeper intervention by the Soviet Union and Cuba.

Together with our European allies, Canada, and African states directly concerned, we are making progress toward the independence and majority rule of Namibia—a step that would have a positive impact on the evolution of events in Rhodesia and elsewhere in Southern Africa. We are heartened by the support of the African leaders who have worked with us in efforts to resolve the Namibian and Rhodesian issues.

Congressional repeal of the Byrd Amendment was essential in enhancing our credibility in the effort to avoid a gathering war and further Soviet and Cuban gains in southern Africa. We will consult closely with the Congress during the coming months, as we seek the most constructive role we can play. It will be increasingly important to maintain our position of impartiality among the parties so we can help them resolve their differences should they choose the path of peace.

LATIN AMERICA

In our own Hemisphere, we can point with pride to the cooperative spirit which enabled us to change, in mutually beneficial ways, the basis of our relations with Panama. Senate approval of the two Panama Canal treaties last year has improved the quality of our historic relationship not only with Panama itself but with our friends in every part of Latin America. By that act, our country helped demonstrate its ability both to protect major security interests and to deal with smaller nations with dignity and mutual respect. Congressional action to pass the necessary implementing legislation for these treaties before the October 1 deadline will ensure that the Canal is efficiently operated during the transition to a new partnership with Panama.

The treaties and implementing legislation, like our efforts to help the people of Nicaragua find an enduring democratic solution to the current crisis there, are important to the future stability of Central America as a whole and the strengthening of our new and mature relationship with the nations of all Latin America.

THE INTERNATIONAL ECONOMY

In our daily lives, we are constantly reminded of the importance of a healthy world economy to the strength of our own. We see this in the wages of our workers who produce goods for export, in the choice of goods for our consumers, in the price of energy.

We must work closely with other countries to ensure that the world economy can steadily develop through noninflationary growth, while together we manage the use of its resources and protect our environment.

The focus for much of this effort during the past year was the Bonn Economic Summit. We worked out a strategy of cooperation with our partners to improve the world economic situation: within the framework of those Summit decisions, West Germany and Japan have taken measures to stimulate their economies while we are giving top priority to fighting inflation. Our actions, along with those taken by other Summit participants, are leading to a convergence of economic policies that will strengthen the global economy.

We have strengthened the dollar by working out arrangements with other countries to counter speculative disorder in currency markets. Since I announced my dollar stabilization measures last November, we stopped the dollar's decline in value against other currencies and have actually increased the dollar's value by around 10 percent against several major currencies. Moreover, we have announced a multi-faceted program to increase U.S. exports, which will benefit American farmers and workers, while further strengthening the position of the dollar.

We are now close to new agreements with our trading partners to establish a fairer, better operating and more open framework for world trade.

The American people have a vital stake in Congressional approval of these agreements. Ten million American jobs depend on our exports. Every third acre of our farmland produces for sales abroad. Two-thirds of our imports are essential raw materials or goods we cannot readily produce.

At a time of difficult strains in our own economy, there is always an impulse to abandon our commitment to an open world trading system. But the costs of such a course to the American people would be enormous. Each American family would pay more for what it buys and would have less choice in the goods available. Inflation would be fueled. Jobs would be jeopardized, for protectionism against our trading partners breeds protectionism by them against us.

I am convinced that our economy can adapt to changing patterns of world trade in ways that protect the future of our workers. We can compete effectively in the world economy. The new trade agreements give us the opportunity to do so.

Our programs of economic development assistance abroad are also an investment in our own future as well as the future of other nations. Our most rapidly growing markets lie in the developing world. By helping the people of these countries, we not only help extend their opportunities for a better life, we help ourselves. By demonstrating to their governments that we are concerned for the well-being of their people, we encourage their increasing cooperation with the West on a broad range of issues.

I therefore urge Congressional approval of the funding we propose for our bilateral assistance programs and our participation in the work of the multilateral development banks and UN agencies.

My proposal to establish a Foundation of International Technological Cooperation reflects our recognition that scientists in many developing nations are ready to work in collaboration with our technological institutions to solve the great problems of health, nutrition, productivity and other aspects of economic development.

Key commodity agreements can also help us deal with the legitimate needs and interests of the developing countries. Senate ratification of the International Sugar Agreement, which we signed last year, along with price support legislation will stabilize prices for that important commodity. We have pledged a contribution to the International Tin Agreement, and we will conduct negotiations on a rubber accord.

Efforts to build a stronger international economy are directed not simply at managing economic relationships among nations, but at improving the lives of individual people around the world. For it is the lives of individuals which define the success or failure of our foreign policies.

REASSERTING AMERICA'S VALUES

America's future is best secured in a world founded on decency, justice and compassion.

The effort to make human rights a central component of our foreign policy comes from our deepest sense of ourselves as a humane and freedom-loving people. We do not make our standards the precondition for every relationship we have with other countries; yet human rights can never be far from the focus of our thinking or we violate our own best values.

In the year just passed, some have quarreled with the timing or the tactics of our emphasis on human rights abroad. Others have pointed to our own imperfect record on human rights at home. Yet few can dispute an important fact of this experience: our concern for human rights has met with great resonance in the world at large. The very term has entered the language and become imbued with an everyday familiarity that was simply unknown little more than two years ago.

We believe our efforts have contributed to a global awakening:

- —thousands of political prisoners have been freed;
- —in several countries, torture of prisoners has been significantly reduced or eliminated and trials are more often open to the public;
- —open advocacy of human rights has occurred in nations where the concept was heretofore forbidden;
- —international organizations such as the UN and the OSA now have vigorous human rights commissions for the investigation and airing of human rights violations and the Commission on Security and Cooperation in Europe has helped to make human rights an institutionalized part of the international agenda on both sides of the Atlantic;
- —in a number of key nations around the world, democratic institutions are being strengthened as democratic values are reasserted.

Americans can be proud of the leading role their government has played in advancing this process. I now ask the Congress to take action in 1979 which will further strengthen our human rights record. I have signed four important human rights treaties, including the Convention on Racial Discrimination, the International UN Covenants on Economic and Social Rights, and on Political and Civil Rights, and the Inter-American Convention on Human Rights. Senate ratification of these treaties will firmly align our Nation with the growing forces for rule of law and human dignity in this world. Similarly, I call upon the Senate finally to ratify the Genocide Convention. The United States is one of the very few countries which have not yet ratified this convention; this anomaly should be corrected at the earliest possible moment in this Congress.

I am also proud of the efforts we have undertaken this past year to alleviate the plight of refugees from the far corners of the world, particularly those fleeing the troubled Indochinese peninsula. We have done a great deal to reduce suffering among these desperate people and to provide many of them with a possibility of a new home and a new start.

We will continue to do our part and to encourage others to increase their financial assistance and opportunities for resettlement. I hope to cooperate closely with this Congress in the passage of new legislation which will allow us to focus U.S. assistance more efficiently in working toward the solution of this global, human problem.

Our challenges reflect a single fact: the pressure of accelerating change in our century. We need not fear this phenomenon; indeed, we should welcome it. Change has not been merely a challenge in American history; to a very real degree, it has been our Nation's charter. We have not prospered and grown for more than two hundred years by worshipping the status quo. In building our

Nation and confronting the many tasks which history has assigned us, we have found change to be our natural element.

We should approach the task of building a New Foundation for a world of change with the confidence of a Nation whose strengths are unmatched. Our military forces are strong and growing stronger. Our technological and industrial capacities are unsurpassed. Our allies are strong and reliable. Our way of life, and what we stand for as a Nation, continue to have magnetic international appeal.

I do not pretend that change comes without cost. I do not pretend that it comes without pain. Neither the visionary men of the 18th Century who founded our Republic, nor the citizens of conscience who opposed slavery in the 19th, nor the men and women of the 20th who led us successfully through two world wars looked upon change as easy. They did, however, look upon it as inevitable.

So it was in the beginning of our country, so it has been through all the stages of our history. The future has always brought Americans to a higher level of national achievement as long as we were willing to invest the time and the energy and the imagination toward shaping that future ourselves.

As we begin a new year, I repledge my Administration to time, energy, and imagination essential to build a new Foundation for a world of peace, prosperity and human justice. Together, America's Congress, its people, and its President cannot only master the many challenges of change, but make them a part of our Nation's purpose in the world. In so doing, we can bring America closer to that "more perfect union" of Jefferson's dream in a wider and more secure global community congenial to our values, interests and ideals.

JIMMY CARTER.

THE WHITE HOUSE, *January 25, 1979.*

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a message from the President of the United States, containing an expansion of his state of the Union message, be jointly referred to all those Senate committees having legislative jurisdiction.

The PRESIDING OFFICER. Without objection, it is so ordered.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. SCHMITT, from the Select Committee on Ethics, without amendment:

S. Res. 25. An original resolution amending the Standing Rules of the Senate to allow the defraying of office expenses incurred in connection with official duties from funds derived from certain political committees (Rep. No. 96–1). Referred to the Committee on Rules and Administration.

By Mr. Cannon, from the Committee on Commerce, Science, and Transportation:

S. Res. 26. An original resolution authorizing additional expenditures by the Committee on Commerce, Science, and Transportation for inquiries and investigations. Referred to the Committee on Rules and Administration.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. DURKIN:

S. 213. A bill for the relief of Nesca Nicolas; to the Committee on the Judiciary.

S. 214. A bill for the relief of Rocio Edmondson; to the Committee on the Judiciary.

By Mr. PACKWOOD:

S. 215. A bill for the relief of Renuka Pavla; to the Committee on the Judiciary.

S. 216. A bill for the relief of Chong Hui Schrein; to the Committee on the Judiciary.

By Mr. PROXMIRE:

S. 217. A bill to prohibit political parties from engaging in credit card solicitations; to the Committee on Banking, Housing, and Urban Affairs.

S. 218. A bill to provide for congressional control over public policy with respect to variable rate mortgages; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. MOYNIHAN (for himself and Mr. Packwood):

S. 219. A bill to amend the Internal Revenue Code of 1954 to allow the charitable deduction to taxpayers whether or not they itemize their personal deductions; to the Committee on Finance.

By Mr. MATSUNAGA:

S. 220. A bill to amend the Social Security Act to provide for inclusion of the services of licensed practical nurses under medicare and medicaid; to the Committee on Finance.

By Mr. WALLOP (for himself, Mr. Baker, Mr Bellmon, Mr. Bentsen, Mr. Danforth, Mr. Ford, Mr. Hatch, Mr. Hayakawa, Mr. Heinz, Mr. Inouye, Mr. Javits, Mr. Lugar, Mr. Mathias, Mr. Matsunaga, Mr. McClure, Mr. Melcher, Mr. Moynihan, Mr. Schmitt, Mr. Simpson, Mr Stevens, Mr. Stevenson, and Mr Young):

S. 221. A bill to establish a congressional award program for the purpose of recognizing excellence and leadership among young people; to the Committee on Governmental Affairs.

By Mr. DURKIN (for himself, Mr. Nelson, Mr. Roth, Mr. Hollings, Mr. Kennedy, Mr. Leahy, Mr. Levin, Mr. Hart, Mr. Biden, Mr. McGovern, Mr. Metzenbaum, Mr. Pell, Mr. Proxmire, Mr. Ribicoff, Mr. Tsongas, Mr. Baucus, and Mr. Riegle):

S. 222. A bill to provide for the designation and conservation of certain public lands in the State of Alaska, including the designation of units of the National Park, National Wildlife Refuge, National Forest, National Wild and Scenic Rivers, and National Wilderness Preservation Systems, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. DANFORTH (for himself, Mr. Packwood, Mr. Bentsen, Mr. Moynihan, Mr. Dole, Mr. Roth, Mr. Heinz, Mr. Wallop, Mr. Randolph, Mr. Lugar, Mr. Hayakawa, and Mr. Hatch):

S. 223. A bill to amend the Antidumping Act, 1921, the Tariff Act of 1930, section 801 of the Revenue Act of 1916, and for other purposes; to the Committee on Finance.

By Mr. HATCH (for himself, Mr. Stevens, Mr. Young, Mr. Tower, Mr. Domenici, Mr. Hayakawa, Mr. Helms, Mr. Thurmond, Mr. Goldwater, Mr. Schmitt, and Mr. Dole):

S. 224. A bill to prohibit permanently the issuance of regulations on the taxation of fringe benefits; to the Committee on Finance.

By Mr. DOLE (for himself and Mr. Pressler):

S. 225. A bill to create a rural economic development bank to assist in rural community and agricultural development by making financial, technical, and other assistance available for the establishment or expansion of commercial, industrial, and related private and public facilities and services, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. MORGAN:

S. 226. A bill to provide for military registration and mobilization assessment, and for other purposes; to the Committee on Armed Services.

By Mr. ROTH (for himself, Mr. Heinz, Mr. Bayh, Mr. Moynihan, Mr. Javits, and Mr. Randolph):

S. 227. A bill to improve the operation of the adjustment assistance programs for workers and firms under the Trade Act of 1974; to the Committee on Finance.

By Mr. ROTH (for himself and Mr. Biden):

S. 228. A bill to insure equal protection of the laws as guaranteed by the 5th or 14th amendments to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. MATSUNAGA:

S. 229. A bill for the relief of Inocencio Eder and Lourie Ann Eder; to the Committee on the Judiciary.

By Mr. JAVITS (for himself, Mr. Kennedy, Mr. Williams, Mr. Randolph, Mr. Eagleton, Mr. Cranston, Mr. Riegle, Mr. Schweiker, Mr. Stafford, Mr. Levin, and Mr. Dole):

S. 230. A bill to amend title VIII of the Public Health Service Act to extend through fiscal year 1980 the program of assistance for nurse training, and for other purposes; to the Committee on Human Resources.

By Mr. BENTSEN:

S. 231. A bill to amend the Internal Revenue Code to help increase productivity and reduce inflation by providing larger tax deductions for depreciation; to the Committee on Finance.

By Mr. CRANSTON (for himself, Mr. Williams, Mr. Riegle, and Mr. Javits):

S. 232. A bill to amend title XI of the Public Health Service Act to increase appropriation authorization for 2 fiscal years, and for other purposes; to the Committee on Human Resources.

By Mr. CANNON (for himself and Mr. Inouye):

S. 233. A bill to amend the International Travel Act of 1961 to authorize additional appropriations, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. CRANSTON:

S. 234. A bill for the relief of certain employees of the Long Beach Naval Shipyard, Long Beach, Calif.; to the Committee on the Judiciary.

By Mr. CHURCH:

S. 235. A bill to amend titles II, VII, XI, XVI, XVIII, and XIX of the Social Security Act to provide for the improved administration of the old-age, survivors, and disability insurance program, the supplemental security income program, and the medicare program by a newly established independent Social Security Administration, to separate social security trust fund items from the general Federal budget, to prohibit the mailing of certain notices with social security and supplemental security income benefits checks, and for other purposes; to the Committee on Finance.

By Mr. CULVER:

S. 236. A bill to modify the Clinton, Iowa, local flood protection project; to the Committee on Environment and Public Works.

By Mr. DECONCINI:

S. 237. A bill to improve access to the Federal courts by enlarging the civil and criminal jurisdiction of United States magistrates, and for other purposes; to the Committee on the Judiciary.

By Mr. TOWER:

S. 238. A bill to establish a Citizens Commission on Economic Regulatory Oversight to study Federal economic regulation and recommend the elimination of unnecessary regulatory agencies and laws, and for other purposes; to the Committee on Governmental Affairs.

By Mr. CRANSTON (for himself, Mr. WILLIAMS, and Mr. RIEGLE):

S. 239. A bill to authorize appropriations for programs under the Domestic Volunteer Service Act of 1973, to amend such Act to facilitate the improvement of programs carried out thereunder, and for other purposes; to the Committee on Human Resources.

By Mr. RIBICOFF (for himself, Mr. PERCY, Mr. KENNEDY, Mr. INOUYE, Mr. JACKSON, Mr. MATSUNAGA, Mr. MOYNIHAN, Mr. WILLIAMS, Mr. ZORINSKY, Mr. DOMENICI, Mr. STEVENS, Mr. CHILES, and Mr. NUNN):

S. 240. A bill to amend title 18, United States Code, to make a crime the use, for fraudulent or other illegal purposes, of any computer owned or operated by the United States, certain financial institutions, and entities affecting interstate commerce; to the Committee on the Judiciary.

By Mr. BAYH:

S.J. Res. 28. A joint resolution proposing an amendment to the Constitution to provide for the direct popular election of the President and Vice President of the United States. Read the first time.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. PROXMIRE:

S. 217. A bill to prohibit political parties from engaging in credit card solicitations; to the Committee on Banking, Housing, and Urban Affairs.

BAN ON POLITICAL CREDIT CARDS

Mr. PROXMIRE. Mr. President, I am today introducing legislation which would prohibit political parties from engaging in credit card solicitations.

Both the Republicans and Democrats have recently announced plans under which they will provide a VISA-issuing bank with their mailing lists of party members and contributors. In the Republican plan, the party will turn its list over to Manufacturers Hanover Trust Co. who will screen the list for creditworthiness and then solicit VISA card requests. The solicitations will be made by letter signed by the chairman of the Republican National Committee, and the RNC will receive a "finder's fee" of $2.50 for each accepted card. Under the Democrats' plan, the party would receive an annual fee based on the use of accepted cards.

We had a hearing on this and it was a fascinating hearing because it indicated that in New York State alone the Republicans might very well be able to raise something like $3.5 million for their party. On a national basis, the amount which could be raised, of course, would be many times that.

These solicitation schemes are a bad idea for several reasons. First, they create serious conflict of interest problems for the political parties. Banks are among the most heavily regulated businesses in our society. They are constantly undergoing Government scrutiny for charter renewals, branch applications, holding company activities, correspondent relationships, and compliance with a host of banking laws. Each year the parties may become more dependent on the millions of dollars they receive from the banks through the VISA solicitations. Bank regulators, Congressmen, Senators, and even the President could not help being aware of this relationship. The temptation may well arise to push certain measures favorable to the banks or derail efforts which would harm them or the credit card arrangements. Even if no direct aid is given the banks, this conflict of interest creates a highly suspicious and unsavory appearance.

In other words, there is a conflict of interest here, Mr. President, that I think we should be aware of. I believe that is certainly one reason why we should be very skeptical.

These plans also divert the parties from their intended role in our society and involve them in cheap hucksterism. Far from rejuvenating the parties, these schemes are bound to turn off even more people at a time when voter turnout is at an alltime low and more public involvement is desperately needed. The Los Angeles Times put it well when it said:

> Political parties, we think, should stick to the business of selling candidates and ideas, not credit cards.

In the hearings, one member of the committee said that our parties and our political activities are notoriously underfinanced.

I believe we are all aware of the fact that the 1978 congressional race was the most heavily financed in our history by far. For example, senatorial races averaged $900,000 for the winners and the losers. That was the average expenditure. It was up 50 percent from 1976. It is getting sky high.

Anybody who says this is necessary to get the message out, in order to have people understand both sides, does not know what goes on in a political campaign and does not know where the money goes.

Mr. President, you know where the money goes: Billboards, 30-second spots in which the name of the candidate and the office and what a great guy he is are put forth in just a few seconds; bumper stickers; campaign literature, which, of course, builds up the candidate as the greatest person since George Washington or Thomas Jefferson. Any connection between that and reality and truth, of course, is coincidental.

The overwhelming majority of that money, 90, 95 percent, simply builds up candidates, tries to persuade people that one side has all the wisdom, and does not certainly get most of us to play any part in getting the political debate, the political understanding, across.

Mr. President, it is a great ego trip. I think all of us like to drive into a city and see a big billboard, "Proxmire For United States Senator." I like to see that. That is beautiful. One sees a nice, big picture that makes you look three times as beautiful as you do look. It is a wonderful thing to have. It costs a great deal of money. I doubt that it gets much in the way of votes. Maybe it does. But it certainly does not play a part in the debate which should permit the public to understand the issues between candidates in our political campaigns.

More and more it appears that congressional races are becoming spending contests in which victory goes to the biggest spender. Defenders of these credit card schemes are missing the point: there is already too much money in politics. The average cost of winning a Senate seat has just exceeded $1 million, almost twice the cost in 1974. Instead of trying to break this spiral by stressing grassroots volunteers and shoe leather, the political parties seem bent on outspending each other through elaborate fundraising gimmicks.

If the parties go ahead with these schemes (and there are some serious questions under Federal election law), I wonder where it will end. Once the parties have crossed the threshold and endorsed a particular credit card, it will be only too easy for them to endorse other products as well, for the right fee of course. This bothers the public, but unfortunately not the party leaderships.

Mr. President, these schemes will just add more momentum to campaign spending, place the parties in a serious conflict of interest, and badly cheapen the political parties in the process. These plans have been condemned by newspapers from coast to coast and my mail is universally negative. If the leadership of the Republican and Democratic Parties will not see the folly of these schemes, then I hope the Congress will by prohibiting this activity before it begins.

Mr. President, there are many other reasons why I feel that these credit cards are a bad idea. I do hope that the U.S. Senate will give serious consideration to prohibiting making the political parties simply huckster units.

The newspapers have been very negative on this. The Los Angeles Times had a good editorial. The Star wrote about this yesterday in which they criticized this approach and thought it was an approach which should not be adopted.

I ask unanimous consent that the article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CREDIT CARDS AND PARTY COFFERS

The Democratic and Republican Parties have come up with a new wrinkle in fund raising—peddling bank credit cards.

It goes like this: The Republican Party would contract with banks to solicit party members to sign up for Visa credit cards and would receive a fee for each card it sold. The Democratic version calls for that party to receive a percentage of the gross sales to cardholders signed up by the party.

In addition to these finder's fees and percentages, which could run into substantial amounts, party officials are not unaware of other potential benefits. Having peddled credit cards to party members, it's reasonable to assume that many of the cardholders could be persuaded to make regular contributions to the party, charging the contributions to the credit cards. Beats cold-turkey soliciting.

There are a couple of drawbacks, however. The legality of the scheme isn't exactly clear. And Sen. William Proxmire, among others, doesn't like the smell of involving political parties in lucrative financial deals with banks that are regulated by the government. Neither do we.

"This is a match made in heaven," said Senator Proxmire, during a discussion of it the other day before the Senate Banking Committee that he chairs. "Banks, credit cards and political parties—what a wedding night you might have with that combination."

The parties have postponed putting their plans into effect pending a ruling by the Federal Election Commission on whether they're legal. Corporations are prohibited by law from contributing to political candidates or parties, but the law is unclear about reimbursement for a service performed by a party for a corporation.

Besides the questions of legality and conflict of interest, there is something unseemly about the scheme. If this is successful, what's next? How about peddling gasoline credit cards for the major oil companies? Maybe the parties could set up a chain of fast food carryouts—there seems to be a lot of money in that. Maybe they could corner the pantyhose-from-vending-machines, market, or finagle a rakeoff on shipping carried in U.S. bottoms. The possibilities are unlimited.

If the parties found themselves too busy making money, maybe they could even farm out their political functions.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 217

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 132 of the Truth in Lending Act is amended—

(1) by inserting "(a)" before the first sentence; and

(2) by adding at the end thereof the following:

"(b) No card issuer may solicit a request or application for a credit card pursuant to any arrangement in which it agrees to compensate a political party, as defined by section 301 of the Federal Election Campaign Act of 1971, directly or indirectly based on the response to such a solicitation or the use of a credit card accepted through such a solicitation.".

Mr. MOYNIHAN. Will the Senator yield?

Mr. PROXMIRE. I am happy to yield.

Mr. MOYNIHAN. I would like very much to associate myself with the view of the Senator and express my appreciation for his taking the leadership on something which unfortunately was not thought about earlier. The sooner it is resolved the better. I am sure the chairman of the committee will consider it.

I would like to make one comment about the billboards. It is possible that the Senator from Wisconsin can think of those billboards as an ego trip, as he says, and how nice it is to see your name up there. That is because he always wins his elections.

How would he like to pay all that, lose the election, and still have to face that billboard all winter long?

Mr. PROXMIRE. Let me say to my good friend from New York I am very flattered. But this Senator ran for Governor of Wisconsin in 1952, in 1954, and in 1956, and lost. So I am very familiar with the other side of this.

This would not be anything in New York City or New York State, but in Wisconsin we spent a couple of hundred thousand dollars in that campaign and I lost it anyway.

Mr. MOYNIHAN. The Senator stands corrected, but he got rid of that habit.

Mr. PROXMIRE. I thank my friend from New York.

By Mr. PROXMIRE:

S. 218. A bill to provide for congressional control over public policy with respect to variable rate mortgages; to the Committee on Banking, Housing, and Urban Affairs.

VARIABLE RATE MORTGAGE ACT OF 1979

Mr. PROXMIRE. Mr. President, today I am introducing legislation to reassert congressional authority over variable rate mortgages.

This is to recognize the fact that the Home Loan Bank Board has issued regulations governing variable rate mortgages, something that I very much deplore, but since they are free to do so, and since I think it is unrealistic to expect we would be able to block them promptly at least, I think what we should do is provide that the safeguards the Board has written into this first proposal not be weakened at a later date.

So I introduce this legislation to codify and put into statutory form the regulations that have been issued by the Home Loan Bank Board so that we will be in a position to understand how variable rate mortgages are going to operate in the future, and to exercise the kind of control the Congress should exercise.

Mr. President, the Variable Rate Mortgage Act of 1979, which I am introducing today, is intended to provide for congressional control over public policy with respect to variable rate mortgages. It would do this by incorporating into statute various consumer safeguards and the geographic limitation that have been adopted by the Federal Home Loan Bank Board, so that changes in such provisions can only be made by the Congress, and by incorporating the Board's regulatory sunset provision into statute, so that Congress will have the final say on whether variable rate mortgage authority for Federal savings and loans is made permanent.

For a number of years now, there has been substantial disagreement and controversy as to whether or not variable rate mortgages are in the public interest. Since 1975, the Senate Committee on Banking, Housing, and Urban Affairs has held three separate sets of hearings on variable rate mortgages. The Federal Home Loan Bank Board has strongly supported the concept of variable rate mortgages, arguing that variable rate mortgages would help smooth cyclical swings in the flow of mortgage credit, and that such mortgages would promote consumer choice. The savings and loan industry has strongly urged that variable rate mortgages be authorized, because the industry sees it as a way of addressing the imbalance between their long-term assets and their relatively short-term liabilities.

On the other hand, variable rate mortgages have been strongly opposed by consumer groups, labor, civil rights groups, and the home building industry. These groups have argued: First, that variable rate mortgages unfairly shift the risk of rising interest rates from the lender to the borrower; second, that such mortgages pit the consumer against the lender in a match to see who can better predict future interest rate trends, and that in this process the lender has an enormous advantage; third, that because of more conservative underwriting due to the possibility of a monthly payment increase, variable rate mortgages will have a discriminatory impact on minorities and others whom the lender may not perceive as being "upwardly mobile," and fourth, that variable rate mortgages will fuel inflation.

There has also been substantial disagreement among Members of Congress regarding the merits of variable rate mortgages. About the only thing we have ever had a true consensus on is that the Congress—and not the Federal Home Loan Bank Board—ought to exercise the final say on public policy with respect to variable rate mortgages. In June, 1975 the Senate unanimously passed a resolution—Senate Concurrent Resolution 45—calling upon the Board to refrain from authorizing variable rate mortgages "unless Congress specifically, by law, authorizes such variable interest rates."

In passing this resolution, the Senate was clearly not making an ultimate determination as to whethre variable rate mortgages are in the public interest. The unanimous committee report accompanying the resolution made this point explicit, indicated the necessity of further review of the issue, and summarized the key thrust of the committee's views as follows:

> If variable rate mortgages are ultimately judged to be in the public interest, the Committee believes the authority to make variable rate mortgage loans should be prescribed by statute, and that such statute should contain appropriate safeguards to protect mortgage borrowers."

The committee stated its specific belief that—

> The subject of VRM's is so important to the public interest and so closely related to other issues before the Congress that the entire matter should be dealt with through legislation rather than by administrative regulation.

It should be noted that one of the related legislative issues which was specifically cited in the committee report was regulation Q. The report stated:

> Many of the claimed advantages of the VRM proposal depend ultimately upon the elimination of Regulation Q which limits the rate of interest payable on time and savings deposits. The entire issue posed by Regulation Q is under active reviewed by the Congress in the context of financial institution reform legislation. Thus the ultimate merits of the VRM proposal cannot be

> adequately assessed until the fate of Regulation Q is decided.

In 1978, the Congress began to reexamine the variable rate mortgage issue, but due to lack of time, neither House had an opportunity to vote on the issue. Nevertheless, the Federal Home Loan Bank Board acted to grant federally chartered savings and loans in California temporary authority, effective January 1, 1979, to make variable rate mortgages. While I believe that this action was unfortunate in that it contravened the resolution unanimously passed by the Senate in 1975, I do not believe it is productive to talk about rolling back the Board's action. But I do believe it is essential that the Congress act swiftly to reassert its authority and control of public policy on this issue.

In adopting its regulations, the Board, in the preamble, recognized that VRM's have been controversial. The regulations contain a sunset provision with an expiration date set for December 31, 1982. The Board indicated that this 4-year period would provide "sufficient time to assess the value and effect of VRM's in the mortgage market."

The Board's regulations include a number of basic consumer safeguards. One safeguard limits changes in interest rates to 0.5 percent a year and 2.5 percent over the life of the loan. Another provision requires that borrowers to whom a VRM is offered be given a "documented choice" of a standard fixed rate mortgage instrument. A third provision limits variable rate mortgages to no more than 50 percent of an association's home mortgage loans by dollar amount made or purchased in a given year.

The bill I am introducing today does not challenge or amend any of the regulatory actions taken by the Bank Board. Rather, the bill would codify into statutory form the key actions taken by the Bank Board. The effect of this bill would simply be to give Congress the final say over: First, any decision to expand VRM authority to additional States; second, any changes in the Board's basic consumer safeguards, and third, the ultimate decision as to whether VRM authority will become permanent.

Specifically the Variable Rate Mortgage Act of 1979 would provide the following:

First, the Board's action of authorizing federally chartered savings and loan associations in California to make variable rate mortgages would be codified into statute. The Board has determined at the present time that only Federal associations in California face a competitive situation warranting VRM authorization. Codifying this geographic limitation into the statute will assure that the Congress will have the final say on any decision to expand this authority to additional States.

Second, the basic consumer safeguards contained in the Board's regulations would be codified into statute. The unanimous 1975 Senate committee report stated clearly that—

> If the PRM concept is ultimately judged to be in the public interest, the safeguards designed to protect consumers should be outlined in law and not merely by regulation.

The committee was concerned that if contained only in regulation, safeguards could be eroded at a later date once VRM's became commonly accepted. The report continued:

> Of course, no law or regulation should be cast in concrete and some subsequent change might be necessary. Nonetheless, the Committee believes the Congress is the appropriate body to weigh and balance the conflicting claims of consumers and lenders with regard to VRM's.

Third, the 4 year sunset provision contained in the Board's regulations would be codified into statute. This will assure that Congress, and not the Bank Board, will make the ultimate decision on whether VRM authority is to be made permanent.

Fourth, the bill would require the U.S. Office of Consumer Affairs to conduct a study of consumer experience with variable rate mortgages. The study would assess the extent of consumer understanding of the specific provisions of their variable rate mortgage contracts, and would assess the capacity of consumers to evaluate the information disclosed by lenders in connection with the documented choice requirement.

The U.S. Office of Consumer Affairs was established by executive order in 1971. The Office is responsible for advising the President on all matters affecting the interest of consumers, and it is responsible for analyzing and coordinating the implementation of all Federal activities in the field of consumer protection. One of its specific missions, as set out in the executive order, is to conduct surveys concerning the needs, interests, and problems of consumers. The Office is therefore ideally suited to conduct a study of the experience of consumers with VRM's.

Fifth, the bill would require the Council on Wage and Price Stability to conduct a study of the possible inflationary impacts of variable rate mortgages. In hearings held by the Senate Banking, Housing and Urban Affairs Committee in August of 1978, the AFL–CIO and the National Association of Home Builders expressed strong concern that VRM's would aggravate inflationary pressures. Given the Nation's critical priority of combating inflation, we cannot afford to ignore any possible inflationary impact of VRM's.

Both the inflationary impact study and the consumer study will be completed prior to the expiration of the 4-year sunset period. The information provided by the studies will assist the Congress in making its ultimate determination on whether to make VRM authority permanent.

Finally, the bill would make the same consumer safeguards which are applied to Federal savings and loans in California also applicable to State chartered, federally insured savings and loans in California. This will assure that both the Federal and State chartered associations compete on the same basis. The Bank Board has often indicated that one of its main objectives in adopting VRM regulations was to establish a standard for consumer safeguards which could be applicable to State chartered savings and loan associations. However, currently the Board would appear to lack the legal authority to achieve this objective, and consequently, the Board's regulations apply only to federally chartered savings and loans. Thus if the Board's stated objectives is to become a reality, legislative action is necessary.

Mr. President, the variable rate mortgage represents a potentially fundamental change in the nature of home mortgage financing in this country. The Congress has a clear responsibility to set the policy in this area. I believe that the Variable Rate Mortgage Act of 1979 will preserve congressional control over variable rate mortgages while still permitting a fair test of this new mortgage form under controlled conditions.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 218

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Variable Rate Mortgage Act of 1979".

FINDINGS AND PURPOSES

SEC. 2. (a) The Congress finds that—

(1) there has been substantial disagreement and controversy as to whether variable rate mortgages are in the public interest;

(2) the Federal Home Loan Bank Board has authorized Federally chartered savings and loan associations in California to make, purchase, and participate in variable rate mortgages;

(3) careful study needs to be given (A) to the actual experience of consumers with variable rate mortgages, and (B) to the possible inflationary impact of such mortgages;

(4) any decision to expand variable rate mortgage authority to additional States should be made by the Congress;

(5) the ultimate decision on whether to continue to allow Federally chartered savings and loan associations to make, purchase, and participate in variable rate mortgages should be made by the Congress;

(6) safeguards designed to protect consumers should be outlined in law and not merely by regulation; and

(7) State chartered Federally insured savings and loan associations in California should be covered by the same consumer protection safeguards that are applied to Federally chartered savings and loan associations.

(b) It is the purpose of this Act to provide for Congressional control over public policy with respect to variable rate mortgages, by incorporating into statute various consumer safeguards and the geographic limitation adopted by the Federal Home Loan Bank Board, so that changes in such provisions can only be made by the Congress, and by providing for a sunset provision so that varaiable rate mortgage authority for Federal savings and loan associations will only become permanent if Congress, after careful study, renews such authority.

DEFINITIONS

SEC. 3. As used in this Act—

(1) the term "home mortgage loan" means a loan secured by real estate which is used or intended to be used as a residence containing not more than four dwelling units;

(2) the term "variable rate mortgage"

means a home mortgage loan in which the interest rate is not, by contract, held constant during the full term of the loan;

(3) the term "grace period" means the length of time, as provided in a variable rate mortgage contract, between the first regular monthly payment and the month when the interest rate can first be adjusted;

(4) the term "rate adjustment period" means the length of time, as specified in a variable rate mortgage contract, between possible changes in the interest rate; and

(5) the term "standard mortgage instrument" means a home mortgage loan with a contractually fixed interest rate, level payments and full amortization.

AUTHORIZATION

SEC. 4. Federally chartered savings and loan associations may make, purchase, or participate in variable rate mortgages, subject to the provisions of this Act and its implementing regulations, except that the authority of Federally chartered savings and loan associations to make, purchase, or participate in variable rate mortgages shall be limited to mortgages secured by real estate located in the State of California and made by associations whose home office is in the State of California.

INTEREST RATE ADJUSTMENTS

SEC. 5. (a) The grace period provided in a variable rate mortgage contract may be of any duration but not less than one year.

(b) The rate adjustment period specified in a variable rate mortgage contract shall be not less than one year. The contract may specify a rate adjustment period which exceeds one year, but any such longer rate adjustment period shall be a whole number of years.

(c) For variable rate mortgages with rate adjustment periods of one year, interest rate adjustments shall not exceed .5 percent in either direction in any given year. For variable rate mortgages with rate adjustment periods of two years or more, interest rate changes shall not exceed an amount equal to .5 percent multiplied by the number of years in the adjustment period.

(d) Interest rate adjustments shall only occur in response to movements of an index which has been approved by the Federal Home Loan Bank Board.

(e) The interest rate on the loan shall never exceed a level which is 2.5 percent above the initial interest rate.

(f) Allowable increases in interest rates pursuant to this section shall be at the lender's option. Allowable decreases in interest rates shall be mandatory.

DOCUMENTED CHOICE

SEC. 6. Each prospective borrower to whom an offer of a variable rate mortgage is made shall be given the option of selecting a comparable standard mortgage instrument. In connection with this option, each prospective borrower shall be provided information containing—

(1) a side-by-side comparison of differing interest rates and other terms;

(2) payment schedules for both types of instruments, including a schedule for the variable rate mortgage showing every maximum increase at the time it could first occur, the highest possible monthly payment during the loan term, and the maximum total payment in dollars over the full term of each loan;

(3) a statement, prominently displayed, that borrowers have the option to elect a standard mortgage instrument; and

(4) such other information as the Federal Home Loan Bank Board may prescribe.

PERCENTAGE OF LOANS LIMITATION

SEC. 7. Not more than 50 per centum of the principal amount of the home mortgage loans made in any year by a savings and loan association shall be variable rate mortgages. Not more than 50 per centum of the principal amount of the home mortgage loans purchased in any year by a savings and loan association shall be variable rate mortgages.

REGULATIONS

SEC. 8. The Federal Home Loan Bank Board shall issue regulations to carry out the provisions of this Act. Such regulations may contain additional provisions designed to protect consumers.

APPLICABILITY OF CONSUMER PROTECTION PROVISIONS TO STATE ASSOCIATIONS

SEC. 9. The provisions of sections 5, 6, and 7 of this Act, and regulations issued in accordance with section 8, shall be applicable to State chartered savings and loan associations in the State of California, the accounts of which are insured by the Federal Savings and Loan Insurance Corporation.

SUNSET PROVISIONS

SEC. 10. (a) The authority of Federally chartered savings and loan associations to make, purchase or participate in variable rate mortgages shall expire on December 31, 1982.

(b) The applicability of sections 5, 6, 7 and 8 of this Act to State chartered insured savings and loan associations in California shall expire on December 31, 1982.

CONSUMER STUDY

SEC. 11. (a) The United States Office of Consumer Affairs (hereafter in this section referred to as the "Office") shall conduct a study of consumer experience with variable rate mortgages.

(b) Such study shall include—

(1) an assessment of the extent of consumer understanding of the specific provisions of their variable rate mortgage contracts;

(2) an assessment of the capacity of consumers to evaluate the information provided in the side-by-side comparison required by section 6 of this Act; and

(3) such other information relating to possible advantages or disadvantages to individual consumers as is deemed by the Office to be significant and feasible to study.

(c) The Federal Home Loan Bank Board, the Federal Deposit Insurance Corporation, the Comptroller of the Currency and the Board of Governors of the Federal Reserve System shall cooperate with the Office for the purposes of this study, including the provision of available data relevant to the study, and, to the extent necessary to conduct the study, the provision of lists of consumers who have received variable rate mortgages and information contained in mortgage files. Any information which identifies individual consumers shall be handled by the Office so as to protect individual privacy.

(d) The Office shall transmit to the Congress an interim report by not later than December 31, 1980, and a final report by not later than March 15, 1982.

INFLATIONARY IMPACT STUDY

SEC. 12. The Council on Wage and Price Stability shall conduct a study of the possible inflationary impacts of variable rate mortgages. The Council shall transmit to the Congress an interim report not later than December 31, 1980, and a final report not later than March 15, 1982.

By Mr. MOYNIHAN (for himself and Mr. PACKWOOD):

S. 219. A bill to amend the Internal Revenue Code of 1954 to allow the charitable deduction to taxpayers whether or not they itemize their personal deductions; to the Committee on Finance.

Mr. MOYNIHAN. Mr. President, Senator PACKWOOD and I are today reintroducing a bill to provide a Federal income tax deduction to any taxpayer who makes a charitable contribution, whether or not he itemizes his other deductions. This proposal, which has been sponsored in the House of Representatives by Congressmen JOSEPH L. FISHER and BARBER CONABLE, attracted much interest in the 95th Congress, and when it was decided not to include it in last years tax bill it was with the understanding that it would receive the most serious consideration in the 96th Congress.

It is our view that nonprofit institutions and charitable organizations—collectively described as the "third sector'"—are a central element of American society as we know it. They are powerfully affected, sometimes for good but sometimes for ill, by the laws and regulations of the Federal Government. We intend this year to turn our attention to this complex impact of public policy on private activity and to seek to develop appropriate remedies for problems that are found there. One such problem that is already well established is the eroding incentive to private giving that results from ever-wider use of the standard deduction. The bill we are introducing today would go a long way to solve that problem. But let it be recognized that this legislation is based upon ideas which have been out of fashion until recently, indeed, ideas that run counter to the spirit that has dominated the welfare state for the better part of this country. Although I believe that interest in and support for our proposal will grow in the coming months, we must begin to develop a clearer appreciation of the fundamental premises upon which our proposition rests.

Return for a moment to a period of extraordinary intellectual ferment, just before the great crises of our century: the World Wars, the Depression, the rise of totalitarianism. Social and political thought was deadlocked in a conflict between two powerful schools. On one hand stood the classical liberals, who asserted the sovereignty of the individual, and looked with skepticism upon most forms of collective human enterprise. On the other hand, emerging from continental traditions both of socialism and conservative absolutism, stood the statists, who feared that such individualism would lead to the disintegration of society—reducing humanity, in Durkheim's powerful phrase, to "a dust of individuals."

In response to this dichotomy, in a sequence familiar to students of Hegel, a third tendency began to develop, a tendency which owed much of its strength to the Anglo-American experience. It was called pluralism. While it is not properly regarded as a school of political thought, its exponents stood more to the democratic left than to the right. Among them were English figures such as R. H. Tawney, G. D. H. Cole, and the young Harold Laski.

The pluralists challenged both the absolute sovereignty of the individual and the sovereignty of the corporate state. They argued that between the individual and the state were to be found a great array of social and economic entities, and that in the strength of these voluntary, private associations—church, family, club, trade union, commercial association—lay much of the strength of democratic society. Such ideas had considerable resonance here, for as Tocqueville observed a century and a half ago,

> In no country in the world has the principle of association been more successfully used, or more unsparingly applied to a multitude of different objects, than in America.

One ought not be smug about this, for voluntarism as it developed on this continent traces its roots to the other side of the Atlantic, and especially to Britain, where private charity had assumed vast proportions by the mid-Nineteenth century. As Prof. Calvin Woodard of the University of Virginia notes, in 1871 appropriations for the entire Royal Navy totaled 9 million pounds, while the collections and disbursements of the London charities came to 8 million pounds.

On these shores, the pluralist temper influenced the thought of Theodore Roosevelt and the Progressive Movement, and can be heard distinctly in this passage from a speech that Woodrow Wilson delivered a few weeks before his election in 1912:

> If I did not believe that monopoly could be restrained and destroyed, I would not believe that liberty could be recovered in the United States, and I know that the processes of liberty are the processes of life.

Wilson was indulging in a bit of uncharacteristic hyperbole, for liberty did not need to be "recovered" in the United States. It has never vanished. It is important to recall, however, that the monopoly of which he spoke was private sector monopoly, business monopoly. As I said at Skidmore College in May 1978:

> The public life of Wilson's time was much absorbed with fear and detestation of private monopoly, and great chunks of political and social energy were consumed in devising strategies for controlling it. While this was not an easy undertaking at the time, the means were at least conceptually at hand. For the public sector itself—along with public regulation—offered a clear alternative to the private sector and one obviously responsive to public policy. Whereas it is impossible to enact a statute to create a private institution, it is a relatively simple matter to establish public ones and to restrain the activities of private counterparts. In the process, the public sector became powerfully associated with social progress and with liberalism generally perceived.

Then came the cataclysms of our century—wars and economic crises which appeared to require a centralization of public authority and an expansion of public services far beyond anything previously envisioned. In that context, the Pluralists' ideas seemed cautious, deliberate, almost effete. Those seeking to meet social needs that individualism could not provide for turned more and more to the public sector, to the state, and away from the realm of private, voluntary associations.

To be certain, the results were salutary for the society. The result is an irreplaceable set of common provisions for the needy, the aged and the sick. But I sense that we are reaching a point at which it begins to be necessary to consider policies that will maintain a sound balance between our private and public spheres. As I further remarked at Skidmore, recalling Wilson's injunction against monopoly,

> . . . [W]ith its continuing expansion, the public sector commences to displace the private, and to display some of the qualities of an enterprise that desires monopoly control.

Today we begin to glimpse some questionable side effects of our mounting reliance upon government. We see it, I believe, in such diverse phenomena as the unsteady condition of the family and the erosion of private education, the faltering pace of our economic productivity and the cool impersonality that touches so many Government agencies. And if some in political life do not yet see it, or will not see it, it appears that the public sees it, and is beginning to act upon that perception.

Is this a movement of selfishness, miserliness, or a public lapse into what has been described as a "degraded hedonism?" I think not. More likely, we are witnessing a generalized discontent with the vastness, waste, and unaccountability that now characterizes much of the Government.

Here, then, is the larger argument for the incentives to private giving that our proposal would provide.

John W. Gardner, who is much engaged with these activities, put it this way—

> . . . preserving a role for the private citizen in these matters encourages creativity, keeps alive in individual citizens the sense of personal caring and concern so essential if a mass society is to retain the element of humaneness.

One remembers the irony of a phrase familiar in poor Irish neighborhoods of the depression era: "Cold as charity." Those who imagine that our system of public welfare today is no more than an unpleasant replacement for a more personalized, private arrangement should consider the social experience captured in that phrase. But these things do run in cycles. Today Government is coming to be seen as cold and impersonal: A recent Washington Post poll found that its respondents, by the impressive ratio of 2 to 1, hold salespeople and office clerks in the private sector to be more courteous and honest than most public employees. And just as Government once brought a humane touch to the field of public assistance, so now it may fall to private agencies to meet this need today.

Jack Moscowitz of the United Way of America argues that private charities have watched their neighborhoods change and grow and in some cases decay. They have the experience and valuable knowledge acquired throughout the history of service delivery and needs assessments. For the government to duplicate the efficiency of the voluntary agencies, it would first have to duplicate their experience.

Is it, then, some inchoate sense of envy that pushes our great public bureaucracies to advocate policies which can only drive private nonprofit activity out of existence, leaving the field clear for Government monopoly? Perhaps these policies are not so intended, but their effect is surely the same.

Consider the following:

Over the past 7 years, as the amount allowed by the Treasury as a standard deduction from taxable income has increased, the percentage of tax returns on which deductions are itemized dropped from 57 percent to 38 percent. As a result, Prof. Martin Feldstein, the outstanding authority in this field, calculates that private charities have lost about $5 billion since 1970.

Feldstein estimates that the above-the-line deduction would stimulate an increase in charitable giving significantly greater than its cost in Federal revenues. Surely it is at least curious that the Treasury Department last year objected to a method of cutting taxes which would have such a pronounced and salutary effect on nongovernmental activities.

We see here, intended or not, a pattern of Government disincentive and indifference toward private charity, and the distinctive benefits it confers upon our society.

It must be noted, too, that governmental attitudes influence the character of our voluntary organizations as well as their finances. More and more, eleemosynary organizations must turn to the wealthy for support. Taxpayers with incomes under $30,000 itemize their deductions far less often than those in higher brackets; more than 80 percent of the revenues lost to the Treasury under our proposal would sustain the charitable impulses of taxpayers making less than $30,000 a year. This would make it possible for the voluntary sector to look more to low- and middle-income citizens for its support, and would permit it to benefit from the added diversity, vigor, and moral legitimacy that their participation would bring.

Let it not be thought that our proposal embodies a simplistic reaction against Government or the political process. On the contrary, I believe that our politics and Government would be strengthened by renewed vigor in the voluntary sector. The relative decline of that sector has been accompanied not by a rise in the prestige and competency of Government, but by the reverse. I am prepared to believe that the two can prosper alongside one another, indeed, that neither can serve us well without the other.

Tocqueville understood this, as he did so many things:

> A government can no more be competent to keep alive and to renew the circulation of opinions and feelings amongst a great people than to manage all the speculations of productive industry. No sooner does a government attempt to go beyond its political sphere and to enter upon this new track, than it exercises, even unintentionally, all insupportable tyranny; for a government can only dictate strict rules, the opinions which it favors are rigidly enforced, and it is never easy to discriminate between its advice and its commands . . . governments therefore should not be the only active powers: associations ought in democratic nations, to stand in lieu of those private individuals whom the equality of conditions has swept away.

I submit that a revival of vigor in our private associations could well provide the spirit to arouse a revival in Government itself.

Mr. PACKWOOD. Mr. President, today Senator MOYNIHAN and I are introducing a bill to permit taxpayers to take a tax deduction for charitable contributions whether or not they itemize their other deductions. If enacted, this bill would help stem the decline of popular support for nonprofit organizations. It would give nonitemizers the same incentive to support nonprofit organizations available to itemizers.

ROLE OF NONPROFIT ORGANIZATIONS

One of America's traditional strengths is the willingness of its people to give time and money to help each other. Organizations devoted to charitable, religious, and educational purposes are exempt from Federal income taxation. Importantly, contributions to these organizations are tax deductible if a taxpayer chooses to itemize his or her deductions.

These organizations—and the countless number which have preceded them throughout America's history—have engineered a vast number of our most impressive accomplishments, and advances. This has included the fields of education, science, disease control, health and welfare services, adoption services, environment and conservation, the arts, amateur athletics, mental illness, human rights, civil rights, libraries, museums, civic organizations, consumer protection, symphony orchestras, tax reform, public policy research and improvement of relations among peoples of different nations.

Frequently, the goals of nonprofit organizations are identical to the goals of Government agencies. However, an important difference is the fact that nonprofit organizations are highly participatory.

Most Americans have donated time or money or both to nonprofit organizations. Just as many have participated in programs of nonprofit organizations, or utilized their facilities.

In many cases, the private sector has recognized a problem before the Government sector. For example, most education in the United States was in the hands of private organizations—with taxpayer support—prior to the middle of the 19th century.

Sometimes private action preceded Government action because the Government did not yet recognize the problem. For example, nonprofit organizations took the lead—prior to Government—in the areas of civil rights, elimination of the spoils system, prison reform, reform of mental hospitals, and environmental quality.

Unfortunately, in recent years, there has been a shift away from the nonprofit sector toward the Government sector.

For example, in 1971, charitable giving totaled 1.98 percent of the gross national product. By 1976, this had fallen to 1.74 percent. This decline occurred consistently throughout the 1970's, as shown by the following figures:

PERCENT OF GROSS NATIONAL PRODUCT CONTRIBUTED TO PRIVATE PHILANTHROPY

Year:	*Percent*
1971	1.98
1972	1.94
1973	1.79
1974	1.79
1975	1.77
1976	1.74

SOURCE.—Statistical Abstract of the United States, 1977 pages 354, 428.

The biggest decline in giving is among middle-income groups. This can have unexpected consequences. Upper income persons traditionally support a somewhat different range of nonprofit organizations than middle-income persons. For example, wealthy donors often emphasize higher education and cultural activities. In contrast, middle-income givers have more traditionally supported community-based charities such as the United Way, the Red Cross, the Salvation Army, Meals-on-Wheels, as well as the varied activities of churches.

One reason contributions are not keeping pace with the economy is that, as the Government offers more and more services, a citizen can say, "Let Uncle Sam do it."

But there is also a more concrete cause: The charitable deduction is vanishing. This is occurring because the dramatic increases in the standard deduction in recent years have led fewer and fewer persons to itemize. In 1970, 48 percent of taxpayers itemized. By 1977, only 23 percent itemized. If President Carter's proposals to eliminate and restrict several itemized deductions are enacted, the percentage of Americans itemizing will drop to 16 percent.

Thus, only 16 out of 100 Americans would be able to deduct charitable contributions. These tend to be in upper-income groups. This is shown by the fact that, in 1978, the average income of tax returns with itemized deductions is $25,782. The average income of tax returns with the standard deduction is only $8,969.

Itemizers contribute twice as much to charitable organizations as nonitemizers. This is true for every income level. And, just as importantly, they also contribute more time to nonprofit organizations than nonitemizers—by about the same proportion.

A national survey by the Michigan Survey Research Center in 1973 compares the average contribution of those who itemize with those who take the standard deduction:

Adjusted gross income:	Itemized	Did not itemize
Less than $4,000	[1]$119	$69
$4,000–$7,999	215	89
$8,000–$9,999	314	117
$10,000–$14,999	407	201
$15,000–$19,999	600	329
$20,000–$29,999	800	354
$30,000–$49,999	1,564	[1]171
$50,000–$99,999	5,679	[1]3,190
$100,000–$199,999	17,106	[1]816
$200,000–$499,999	39,763	[1]8,892
$500,000 or more	71,316	[1]5,000

[1] Based on fewer than 25 observations.

Source.—Sample survey for the Commission on Private Philanthropy and Public Needs by the Survey Research Center of the Institute for Social Research at the University of Michigan and the U.S. Census Bureau.

The Joint Committee on Taxation estimates that the tax reduction resulting from this bill is $2.2 billion for calendar year 1979, rising to $3.2 billion in calendar year 1983. Others have estimated that this loss of Government funds would be more than offset by an increase in charitable giving.

Prof. Martin Feldstein of Harvard University estimated that, if this proposal is enacted, charitable giving would increase by $4.1 billion. This would mean an increase from the estimated 1978 level of giving of $34.5 billion to a level of $38.6 billion.

This proposal targets the incentive to make charitable contributions to low- and middle-income groups. For example, 57.5 percent of the revenue effect of this bill will be reflected on the tax returns of those earning less than $20,000. More dramatically, 77.3 percent of the tax returns affected have income below $20,000. This is shown by the following table:

DISTRIBUTION OF TAX REDUCTION OF MOYNIHAN-PACKWOOD PROPOSAL

Expanded Income Class	Cumulative percentage of tax returns affected	Cumulative percentage of revenue loss
$0–5,000	7.9	3.0
$5–10,000	36.7	10.5
$10–15,000	59.5	36.0
$15–20,000	77.2	57.5
$20–30,000	93.8	82.8
$30–50,000	98.9	93.4
$50–100,000	99.7	96.0
$100–200,000	99.9	97.8
$200,000–up	100.0	100.0

Source: Joint Committee on Taxation, May 6, 1978.

PRESERVING CHOICE

Individuals taking the standard deduction should not continue to be taxed on private dollars contributed to nonprofit organizations for public purposes; 77 percent of our taxpayers currently pay tax on their voluntary contributions. This bill corrects that inequity.

The bill offers a philosophical choice. The choice is, should we cure the obstacles to continued strength in the nonprofit sector, or should we put this part of our national character behind us under the theory that "Uncle Sam can do it."

Executive branch bureaucracies, and their apologists in the private sector, will no doubt claim that this proposal to stem the decline of self-help organizations threatens continued support of Government programs. I doubt that this is true. Instead, the proposal simply recognizes that the nonprofit sector is a vital link in the chain of concern for our fellow man. The Government addresses many of the same problems as the nonprofit sector, but it cannot accomplish the goals alone.

The choice of determining the role of

the nonprofit sector is in the hands of the individual. Assume that a taxpayer decides to give $10 to a school for the blind. If this taxpayer is at a typical income level electing the standard deduction, his last dollar of income is taxed at about the 20-percent rate. This means that the school for the blind receives $10, and the aftertax cost to the individual is $8.

Our tax law has encouraged this choice—through a tax deduction for contributions—since the Second Revenue Act of 1917. To tax that $10—just as if it were used for private consumption—is self-defeating and inequitable.

This proposal is contrary to the theory that the tax code ought not be used to reward desirable conduct. This theory holds that the Government should encourage desirable behavior through Government-run direct subsidies instead of tax incentives to individuals. In my opinion, this view ignores the ability of citizens to recognize and act effectively to solve human needs.

Mr. President, I hope that Congress can approve this vital tax reform proposal this year.

I ask unanimous consent that the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 219

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 62 of the Internal Revenue Code of 1954 (defining adjusted gross income) is amended by inserting after paragraph (14) the following new paragraph:

"(15) Charitable Contributions.—The deduction allowed by section 170.".

(b) Paragraph (1) of section 57(b) of such Code (defining adjusted itemized deductions) is amended—

(1) by redesignating subparagraphs (C) and (D) as (D) and (E).

(2) by inserting after subparagraph (B) the following new subparagraph:

"(C) the deduction for charitable contributions allowed by section 170,",

(3) by striking out "the taxpayer's adjusted gross income for" and inserting in lieu thereof "the taxpayer's adjusted gross income (determined without regard to section 170) for", and

(4) by striking out "(A) through (D)" and inserting in lieu thereof "(A) through (E)".

(c) Subparagraph (E) of section 170(b) (1) of such Code (defining contribution base) is amended by inserting "and without regard to this section" after "section 172".

(d) Paragraph (1) of section 213 (a) of such Code (relating to allowance of deduction for medical, dental, etc. expenses) is amended by inserting after "adusted gross income" the following: "(determined without regard to paragraph (15) of section 62).".

(e) Section 213(b) of such Code (relating to limitation with respect to medicine and drugs) is amended by inserting "(determined without regard to paragraph (15) of section 62)" after "adjusted gross income".

(f) Subparagraph (A) of section 3402 (m)(2) of such Code (defining estimated itemized deductions) is amended by striking out "paragraph (13)" and inserting in lieu thereof "paragraphs (13) and (15)".

Sec. 2. The amendments made by the first section of this Act shall apply to taxable years beginning after December 31, 1978.

By Mr. MATSUNAGA:

S. 220. A bill to amend the Social Security Act to provide for inclusion of the services of licensed practical nurses under medicare and medicaid; to the Committee on Finance.

Mr. MATSUNAGA. Mr. President, I am introducing today legislation which would provide for the inclusion of licensed practical nursing services under the medicare and medicaid programs. This proposal would recognize for the first time on the Federal level the important contributions which licensed practical nurses have made throughout the years to our Nation's health care delivery system.

Over 500,000 licensed practical nurses can be found in a wide variety of work settings throughout the country. While the majority of licensed practical nurses work in hospitals, clinics, homes for the aged, and nursing homes, they can also be found working in doctor's offices, schools, public health agencies, and in private homes.

The medical duties of a licensed practical nurse are as varied as their settings. An LPN can provide direct patient care at the bedside in relatively stable nursing situations such as found in hospitals, extended care units, nursing homes, and in private homes in administering treatment and medication prescribed by a physician or dentist. LPN's can also perform nursing functions in semicomplex situations such as found in hospital nursing service units, recovery rooms, and labor rooms, and in more complex situations found in intensive care and coronary care units and in emergency rooms.

In the area of health care delivery, LPN's assist other members of the health care delivery team in the promotion of personal and community health by promoting and carrying out preventive measures in community health facilities such as healthy baby clinics and outpatient clinics.

Mr. President, licensed practical nurses have made and will continue to make valuable contributions to our health and medical care delivery system. By virtue of their training, LPN's are able to provide much needed basic nursing services in a wide variety of patient settings.

It is therefore apparent that in a multitiered, cost controlled, health and medical care delivery proposal such as comprehensive national health insurance, licensed practical nurses will play an important role in the delivery of basic health and medical care to our Nation's citizenry.

I am introducing this proposal today to assist in the recognition of that fact by providing a mechanism in the medicare and medicaid programs which will demonstrate the importance of licensed practical nursing services along with physician services, registered nursing services, and all the other health and medical care professional services which together compromise the health care system of the United States.

Mr. President, I urge my colleagues to give thoughtful consideration and support of this proposal in connection with medicare reform and comprehensive national health insurance legislation. I ask unanimous consent that my bill be printed in the Record for the benefit of any interested reader.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 220

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1861(s) of the Social Security Act is amended by inserting immediately before the matter following paragraph (13) the following: "The term 'medical and other health services' also means medical care, or any other type of remedial care recognized under State law, furnished by licensed practical nurses within the scope of their practice as defined by State law.".

Sec. 2. (a) Section 1905(a) of the Social Security Act is amended—

(1) by striking out "and" at the end of paragraph (16);

(2) by inserting "and" at the end of paragraph (17);

(3) by adding immediately below paragraph (17) the following new paragraph:

"(18) medical care, or any other type of remedial care recognized under State law furnished by licensed practical nurses within the scope of their practice as defined by State law;".

(b) (1) Section 1902(a) (13) (B) of such Act is amended by inserting after "through (5)" the following: "and (18)".

(2) Section 1902(a) (13) (C) (i) of such Act is amended by inserting immediately after "through (5)" the following: "and (18)".

(3) Section 1902(a) (13) (C) (ii) (I) of such Act is amended by inserting immediately after "through (16)" the following: "and (18)".

(4) Section 1902(a) (14) (A) (i) of such Act is amended by striking out "and (7)" and inserting in lieu thereof ", (7), and (18)".

Sec. 3. The amendments made by this Act shall be effective with respect to payments under titles XVIII and XIX of the Social Security Act for calendar quarters commencing with the first calendar quarter beginning after the date of enactment of this Act.

By Mr. WALLOP (for himself, Mr. Baker, Mr. Bellmon, Mr. Bentsen, Mr. Danforth, Mr. Ford, Mr. Hatch, Mr. Hayakawa, Mr. Heinz, Mr. Inouye, Mr. Javits, Mr. Lugar, Mr. Mathias, Mr. Matsunaga, Mr. McClure, Mr. Melcher, Mr. Moynihan, Mr. Schmitt, Mr. Simpson, Mr. Stevens, Mr. Stevenson, and Mr. Young):

S. 221. A bill to establish a congressional award program for the purpose of recognizing excellence and leadership among young people; to the Committee on Governmental Affairs.

CONGRESSIONAL AWARD PROGRAM ACT

Mr. WALLOP. Mr. President, at the end of last session, over one-third of the Senate cosponsored a bill to create a congressional award program. This year, I am pleased to reintroduce the bill and intend to work for its early consideration. We have an opportunity through the establishment of a congressional award program to elevate and encourage the pursuit of excellence and to focus the creative energies of America's young people on positive ends.

The congressional award is a program which seeks to give national recognition to the creativity, achievements, and leadership of young people of America and to create a real avenue of communication between the young and Members of the Congress and the Government.

Under the program, the young people would earn their awards by themselves, through organizations, or within the setting of their lives, be it industry, school, or Armed Forces. An important feature of the award is the contribution made by adults who, as members of a community with particular talents, are prepared to pass on their knowledge and creative spirit to the young. Understanding between generations is enhanced by a shared endeavor.

A congressional award may be earned by anyone between the ages of 14 and 23 who successfully completes all three sections of any of the three award levels: Bronze, silver, and gold. The qualifying standards are defined in terms of proficiency and perseverance. Participants are assessed on the use which they make of their individual creativity and aptitudes in the three defined sections: Public service, personal interests, and exploration, and not in competition with others. Successful completion in many cases may depend more on persistence than on "brains" or athletic prowess. A handicap should not deter anyone from taking part or prevent anyone from obtaining an award.

There are three levels of the award which may be earned by participants of differing age and maturity. There is no necessity to progress from one to the other, and thus either the bronze, silver, or gold award program may be entered directly. The bronze award is for individuals in the 14 to 16 age range and is a time to discover what their capabilities in the three areas are and what new goals they can achieve. The silver award, for those above 16, has as its goal achievement of a higher level of proficiency in public service, personal interests, and exploration, as well as increased time requirements. The gold award, for those above 19, requires one to take the major role in planning the goals of any area with less supervision and direction. Considerable is expected, both in time demands and levels of endeavor.

For each level of the congressional award, those taking part would have to meet requirements of three sections: Public service, personal interests, and exploration. Each of the three sections prescribes a different kind of activity. While the choice of activities within a section may vary, the names of the sections are the same for the bronze, silver, and gold.

The public service section involves practical community service after preliminary training or more specialized training in the more sophisticated fields. The aim is to encourage young people to develop compassion and a sense of responsibility in order to contribute in a creative manner to their community. Examples of public service could include such activities as lifesaving, youth service, disaster relief, or care of animals.

The aim of the exploration section is to foster the spirit of adventure and self-discovery that spans the history of our country. The cultivation of this aspect of everyone's life and its meaning in American culture cannot be emphasized enough. After training, journeys are planned and undertaken by one of the several modes of travel.

The purpose of the personal interests section is to stimulate young people to discover and develop interests of a creative and rewarding nature. It is hoped that this experience, as well as those of the other two sections, will have a lifetime effect. For all awards special provisions will be made for handicapped young people.

Some comparable perspective may perhaps be of value. A number of ideas for this award program have been developed from observation of the Duke of Edinburgh's award program in Great Britain. It was formulated by the individual who founded the outward bound schools. From its beginning 22 years ago, it has grown in 45 countries and has attracted over 1 million young people worldwide. There is no question that their particular program has been efficient and successful without depending on large government support. In England a high percentage of those achieving the Duke of Edinburgh's award feel it had a substantial part in shaping their lives and helping them reach their life's objectives.

The congressional award is nonetheless wholly American. Dr. Frank Arlinghaus, Jr., the chairman of the committee for the establishment and promotion of the congressional award, has assembled a group of dedicated individuals as well as political, financial, and administrative support. Thirty-seven Members of the House have cosponsored bills introduced by Representative JAMES HOWARD to establish the award program. Nationwide, some 32 Governors, 25 mayors, and 40 to 50 national State, and local organizations indicated their support or interest during the last session of Congress. More recently, other groups have added their blessings. In the last few months alone, letters of endorsement and support have been received by the following groups: National PTA; National Association of Manufacturers; Lions' Club International; National Council of State Committees for Children and Youth; Rev. Jesse Jackson's "Operation Push"; American Chamber of Commerce Executives; Kiwanis International; B'nai B'rith Youth; and the National Center for Voluntary Action.

The award will require no Federal appropriation. A congressional award foundation has been established as an IRS-approved public foundation in association with the National Heritage Foundation, and the fundraising campaign to attract voluntary donations to support the program has already been successful. Congress will neither create nor be obligated to any bureaucracy, and need only appoint a board to oversee the program's operations.

Mr. President, the congressional award will recognize the creative endeavors and achievements of the young people of America, while at the same time bringing the older and younger generations together to achieve that very end. Encouragement of young people is valuable and essential to the future of our country. The objectives of the program are significant, whether in a family, schools, youth organization, business, or government. They affect any community, large or small, and should be supported and encouraged.

Mr. President, I hope that the Senate has the opportunity to consider this legislation during the 96th Congress.

I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 221

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Congressional Award Program Act".

ESTABLISHMENT OF THE CONGRESSIONAL AWARD

SEC. 2. There is hereby established a program to be known as the Congressional Award. The Congressional Award shall be administered by a Congressional Award Board (hereinafter referred to as the "Board") and a Director (hereinafter referred to as the "Director").

CONGRESSIONAL AWARD MEDALS

SEC. 3. (a) There are established three Congressional Award Medals, to be designated gold, silver, and bronze awards. The medals shall be of such design and materials as the Board may prescribe.

(b) The Director shall arrange for the presentation of the awards, including participation by Members of Congress and opportunities for the exchange of information and views among award recipients and Members of Congress and the executive branch.

FUNCTIONS

SEC. 4. The Board is authorized to—

(1) initiate and administer in the United States and its territories a program open to young people aged fourteen through twenty-three (with exceptions to be made by the Board) designed to promote youthful initiative, achievement, and excellence in the areas of expedition fitness, personal creative development, and public service;

(2) set the standards of achievement required for young people to qualify as recipients of the gold, silver, and bronze Congressional Award Medals;

(3) establish procedures for the selection of individuals to be awarded the Congressional Award Medals, and designate the recipients of such medals;

(4) delineate the role, if any, of State directors in administering the Congressional Award;

(5) arrange appropriate ceremonies at the State and national levels for the presentation of the Congressional Award; and

(6) establish such policies and programs for the Congressional Award as may be appropriate to carry out the provisions of this Act.

(b) The Board shall prepare and submit an annual report to the Congress before January 31st of each year summarizing the activities of the Congressional Award and making appropriate recommendations. Minority views and recommendations, if any, of members of the Executive Committee of the Board shall be included in such reports.

MEMBERS OF THE BOARD

SEC. 5. (a) The Board shall consist of fifteen members, to be appointed by a Commission consisting of the majority and minority leaders of the Senate, and the Speaker and the minority leader of the House of Representatives.

(b) The Commission shall appoint individuals to the Board who are active in one of the fields of concern of the Congressional Award. The Commission shall, in making appointments to the Board, consider any recommendations submitted by the Committee for the Establishment and Promotion of the Congressional Award or its successor or by the members of the Board then in office.

(c) Members of the Board shall serve for a term of six years, except that, of the members first appointed, five shall serve for terms of two years, five shall serve for terms of four years, and five shall serve for terms of six years, as designated by the Commission at the time of appointment. Members of the Board, except members whose terms are designated by the Commission at the time of appointment, may serve until their successors are appointed. Any individual chosen to fill a vacancy on the Board shall be appointed only for the unexpired term of such vacancy. A vacancy on the Board shall not impair its power to function.

(d) The Board shall establish an Executive Committee and may delegate to such Committee or the Director such powers and functions the Board deems appropriate.

(e) The Board shall meet annually on June 15, unless, prior to May 1 of any year, the Chairman has set a date for the annual meeting for a day in June in that year other than the fifteenth. The Board shall meet at such other times as the Chairman may determine. The Chairman shall call a meeting whenever one-third of the Board requests a meeting in writing. Each member shall be given notice of the call of any meeting by registered mail or certified mail mailed to his last known address of record not less than fifteen days prior to such meeting.

(f) A majority of the members of the Board shall constitute a quorum.

(g) The Chairman and the Vice Chairman of the Board shall be elected at the annual meetings of the Board occurring in even-numbered years. The Vice Chairman shall perform the duties of the Chairman in his absence. In case a vacancy occurs in the Chairmanship or Vice Chairmanship, the Board shall elect a member to fill such vacancy at the next meeting of the Board following the date on which the vacancy occurred.

(h) The Board is authorized to appoint from among its members or otherwise such committees as may be necessary and to assign to such committees such functions as may be appropriate to assist the Board in carrying out the provisions of this Act.

DIRECTOR OF THE CONGRESSIONAL AWARD

SEC. 6. (a) The Director of the Congressional Award (referred to in this Act as the "Director") shall be appointed by a two-thirds vote of the Board. The Director shall serve for a term of five years unless removed by a two-thirds vote of the Board.

(b) The Director may from to time authorize any State director appointed pursuant to section 7 or any other officer or employee of the Congressional Award to perform any of the functions of the Director, including functions delegated to him by the Board, except that the Director may not redelegate policymaking functions delegated to him by the Board.

(c) The Director shall, in consultation with the Board—

(1) formulate programs to carry out the policies of the Congressional Award; and

(2) establish such divisions within the Congressional Award as may be appropriate.

(d) The Director shall be an ex-officio member of the Board.

STATE AWARD DIRECTORS

SEC. 7. State award directors (referred to in this Act as a "State director") may be appointed for each State and territory or groups of States and territories of the United States by a two-thirds vote of the Board. The Board shall make such appointments from lists of candidates submitted to the Board by the Director. The Director shall compile such lists from recommendations solicited from a representative number of public and private youth organizations within such State or group of States. Members of the Board may make nominations for State award directors.

ADMINISTRATIVE PROVISIONS

SEC. 8. (a) The Board shall have the authority, within the limits of available resources and donated funds, to take such action as may be necessary to carry out the provisions of this Act, including the authority—

(1) to prescribe such rules and regulations as may be necessary concerning the operations, organization, and personnel of the Congressional Award;

(2) to seek funds and resources only from institutions and sources other than the Government;

(3) to make such expenditures as may be necessary for administering the provisions of this Act;

(4) to enter into contracts or other arrangements, or modifications thereof, for the carrying out of such activities as may be necessary to carry out the purposes of this Act, except that no contract may be entered into for an amount in excess of the amounts available to the Board in any fiscal year;

(5) to acquire by purchase, lease, loan, or gift, and to hold and dispose of by grant, sale, lease, or loan property of all kinds necessary for, or resulting from, the exercise of authority granted by this Act;

(6) to receive and use funds donated from any source, if such funds are donated without restriction or without restriction other than that the funds donated be used in furtherance of one or more purposes among the purposes of the Congressional Award; and

(7) to accept and utilize the services of voluntary and uncompensated personnel.

(b)(1) The Board, its property, and its income (including any income of any fund established under this section) shall be exempt from all taxation now or hereafter imposed by the United States (other than taxes imposed under chapter 21 of the Internal Revenue Code of 1954, relating to Federal Insurance Contributions Act, and chapter 23 of such Code, relating to Federal Unemployment Tax Act), or by any State or local taxing authority, except that any real property and any tangible personal property (other than cash and securities) of the Board shall be subject to State and local taxation to the same extent according to its value as other real and tangible personal property is taxed.

(2) The receipts and disbursements of the Board in the discharge of its functions shall not be included in the totals of the budget of the United States Government and shall be exempt from any general limitation imposed by statute on budget outlays of the United States. The United States is not liable for any obligation or liability incurred by the Board.

(3) For purposes of sections 170, 2055, 2106, (a) (2), and 2522 of the Internal Revenue Code of 1954 the Board shall be considered to be an organization described in section 501 (c)(3) of such Code which is exempt from taxation under section 501(a) of such Code.

EMPLOYMENT OF PERSONNEL

SEC. 9. (a) The Director shall, in accordance with such policies as the Board shall from time to time prescribe, appoint such other personnel as may be necessary to carry out the provisions of this Act, and may compensate such personnel from the donated funds of the Congressional Award.

(b) The Director shall not engage in any other business, vocation, or employment while serving as Director. Neither the Director nor any other personnel of the Congressional Award may hold any office in, or act in any capacity for, any organization, agency, or institution with which the Congressional Award enters into any contract or other arrangement under this Act, except with the approval of the Board.

(c) A person holding any other office in any branch of the Government may serve as a member of a committee created by the Board, but shall not receive remuneration for services as a member of such committee during any period for which he receives compensation for such other office of the Government.

• Mr. HAYAKAWA. Mr. President, I am pleased and proud to join my colleague, Senator Wallop, in introducing the congressional award program. I cosponsored the legislation to create this program last year, and still feel it is important enough to take another look at it. The congressional award program offers opportunity and incentive to young people to excel and expand their interests through successful demonstrations of proficiency, perseverance, and sustained effort in public service, personal interests, and exploration. The congressional award is given in bronze, silver, and gold. Various well-known organizations such as the Camp Fire Girls, Sierra Club, Boys Club of America, Outward Bound Schools, and others have endorsed adoption of this program, believing it to be a unique way to channel youthful energies in a productive manner.

I think it is our responsibility to support establishment of the congressional award program this year so that we can establish this encouraging program of positive ideals for young people. I urge my colleagues to join me in supporting the congressional award program.•

By Mr. DURKIN (for himself, Mr. Nelson, Mr. Roth, Mr. Hollings, Mr. Kennedy, Mr. Leahy, Mr. Levin, Mr. Hart, Mr. Biden, Mr. McGovern, Mr. Metzenbaum, Mr. Pell, Mr. Proxmire, Mr. Ribicoff, Mr. Tsongas, Mr. Baucus, and Mr. Riegle):

S. 222. A bill to provide for the designation and conservation of certain public lands in the State of Alaska, including the designation of units of the National Park, National Wildlife Refuge, National Forest, National Wild and Scenic Rivers, and National Wilderness Preservation Systems, and for other purposes; to the Committee on Energy and Natural Resources.

ALASKA NATIONAL INTEREST LANDS CONSERVATION ACT OF 1979

• Mr. DURKIN. Mr. President, as we open the 96th Congress, I am proud to offer to my colleagues and the Nation the Alaska National Interest Lands Conservation Act of 1979—a bill I consider to be the greatest land and wildlife conservation measure ever to come before this distinguished body.

The bill I introduce today will be familiar to many of you who worked long and hard in attempting to secure passage of a strong Alaska lands bill in the last session of Congress. It guarantees protection for the best of Alaska's scenic treasures and wildlife habitat and, at the same time, insures the orderly and reasonable development of Alaska's natural resources.

This legislation is similar to a bill I introduced last May and was among the Alaska bills considered during an arduous schedule of markup sessions lasting over much of the summer before the Senate Committee on Energy and Natural Resources.

Despite conscientious work by members of the committee we were not able to complete work on the bill. Failure to complete action on this bill was a major disappointment to many of us who were involved with this legislation. But, at the same time we realize how important this issue is to Americans everywhere, and that is why we are back working for passage of an Alaska lands bill in the 96th Congress.

When I introduced my Alaska lands bill last year, I counted five of my colleagues as original cosponsors. The fact that 16 of my fellow Senators—from both parties and from all parts of the country—have chosen to back this legislation at the start of the 96th Congress is, to me, a good indicator of the high esteem in which Americans hold Alaska's natural beauty.

The support of Senators NELSON, PROXMIRE, LEAHY, METZENBAUM, TSONGAS, PELL, ROTH, HART, RIBICOFF, BIDEN, LEVIN, HOLLINGS, MCGOVERN, KENNEDY, BAUCUS, and RIEGLE convinces me that the American people want an Alaska lands bill this year.

Our constituents recognize, perhaps better than any of us do, the very real values that pristine, undeveloped land hold for them and the quality of their lives.

They also understand the responsibility, the obligation to pass on these magnificent natural places to future generations just as we received them. The people of this country want a strong Alaska lands bill to protect the valuable heritage that belongs to all of us, and they look to the Congress to assume the role of trustee for the lands and wildlife they want to leave for their children and grandchildren.

Today I challenge my colleagues to embrace this wish of the American people and accept this legislation as the best way to insure lasting protection for Alaska's wilderness.

Let me take a few moments to outline the major points of this finely balanced legislation which meets the needs of both environmental and prodevelopment groups.

Just as it did last year, the bill places federally owned land in Alaska in the three great national conservation systems: The National Park System, the National Wildlife Refuge System, and the Wild and Scenic Rivers System.

National park status is reserved for the best of Alaska's scenic wonders. The premier wildlife habitat in the State becomes a part of the National Wildlife Refuge System, and Alaska's most spectacular, free-flowing waterways are protected as wild and scenic rivers. The bill also gives wilderness protection to the outstanding natural areas in Alaska's two national forests.

The lands in these conservation areas, totaling slightly more than 110 million acres and comprising about 30 percent of Alaska's land mass, will create the greatest system of scenic lands and wildlife habitat on Earth.

NATIONAL PARK SYSTEM

The legislation before us today confirms the protection of 41 million acres of national monuments which President Carter created by executive action in December.

These monuments were established after the Congress was unable to pass an Alaska lands bill before the land freeze under the Alaska Native Claims Settlement Act of 1971 expired on December 18, 1978.

These areas encompass some of the most spectacular natural scenery in the United States today. The monuments protect classic national parks—from the majestic splendor of ice-laden Glacier Bay in the south to the formidable, desolate beauty of the Gates of the Arctic in the north—assuring that these national treasures will remain unspoiled for future generations.

I commend President Carter for his far-reaching actions and seek only to retitle these areas as "national parks," since that is a land designation which only the Congress can confer.

In addition, virtually all of these areas are given wilderness designation as an added measure of protection against incompatible development. About 7 million acres of the proposed parks will be classified as park/preserves and thus open to sport hunting.

NATIONAL WILDLIFE REFUGE SYSTEM

This bill creates 55 million acres in new national wildlife refuges in Alaska. Establishment of these areas means that species from the giant brown bear to the trumpeter swan will be certain of surviving in the variety and number that they do today.

In addition, the bill designates as refuges two national monuments created by President Carter for U.S. Fish and Wildlife Service management. These proposed refuges, the Yukon Flats and Becharof, bring the total refuge system to 66 million acres.

About 35 million acres—representing the most fragile and delicate lands within the proposed refuges—are given wilderness designation.

NATIONAL FOREST WILDERNESS

In southeast Alaska President Carter recognized the great natural significance of Admirality Island and Misty Fjords and established these areas as national monuments within the Tongass National Forest to preserve their unique scenic beauty and wildlife values.

Once again, I commend the President for his foresight in protecting the crucial brown bear and eagle habitat on Admiralty and the spectacular, finger-like canyons of Misty Fjords.

These two areas are part of the 6.4 million acres of wilderness proposed for the Tongass, the Nation's largest forest. The bill also recommends 12 million acres of wilderness in the Chugach National Forest.

Let me stress, as I have many times in the past, that this proposal in no way hinders the orderly development of Alaska's resources.

This concern is misplaced.

In the first place, the conflict between significant conservation lands and those with resource potential has largely been resolved, so there is not much land of high commodity value within the proposed conservation areas.

Testimony before congressional committees and numerous Interior Department studies have shown that the overwhelming majority of commodity resources—like oil and gas, hardrock minerals and timber—is located on lands that do not have the highest wilderness, wildlife, scenic, and ecological values.

Additionally, a rush to develop mineral resources at this time would only benefit our friendly economic competitors in the Far East, harming our already precarious balance of payments and costing New Hampshire workers and workers across this country their jobs.

Alaska, its beauty and its resources must be preserved for Americans.

For instance, 95 percent of all high potential oil and gas lands in Alaska will be open to possible development. Fully 70 percent of the lands with significant metallic mineral potential in Alaska will be outside the conservation system units; 88 percent of all lands in Alaska could be open to sport hunting.

Therefore, we need not fear to establish large national parks, wildlife refuges, wild and scenic rivers, and wilderness areas in Alaska, because we know that the land in question is valuable for these public purposes, and not for resource development.

It is also important to note that in title X of our bill, in the event of a national military or economic emergency, the President and Congress can act to allow rapid resource development where it is prohibited by existing law. Nothing in this bill will in any way endanger our Nation's well-being.

Second, we must remember that the resources located on conservation units are not going to disappear if they are not immediately exploited. We can keep these resources in the ground for the day we might need them, or we can strip Alaska bare of her timber, minerals, and oil for the benefit of our economic competitors in the Far East. And as I know my colleagues are aware, the end result will be increased unemployment for New Hampshire and for all American workers. Preserving the wilderness which will disappear forever without adequate protection, clearly is the better choice.

If we err, we should err on the side of setting too much land aside, since what is set aside is never lost forever.

In the late 19th century, the Congress showed great foresight and resolve by establishing the great national parks of the west—Yellowstone, Yosemite, Sequoia.

Today, the Congress has another once-in-a-lifetime chance to make a truly monumental contribution to this country's already great system of parks and refuges.

Alaska stands in precisely the same position now as the western lands did a century ago. We in the Congress have a responsibility to protect the splendid natural wonders of Alaska. We can save large areas of Alaska where the wilderness—with its scenic values and wildlife—remains untrammeled, existing as it was for decades. We can keep Alaska from falling into the hands of the pavers and the polluters, and that is the purpose of this legislation.

I ask unanimous consent that a detailed summary of the bill, a list of acreage totals, and a breakdown of the effect of this legislation of economic activity be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ALASKA NATIONAL INTEREST LANDS CONSERVATION ACT OF 1979

TITLE-BY-TITLE SUMMARY

Title I—Findings, Policy, and definitions: Sets forth the Congressional findings and policies which underlie the entire bill and defines terms used in the bill.

Title II—National Park System: Designates thirteen acres, totaling 45.23 million acres, as National Park System units (parks and preserves). Appropriate portions of these areas and existing national parks in Alaska, totaling 42.21 million acres, are designated as wilderness. Sets forth administrative provisions for national parks in Alaska.

Title III—National Wildlife Refuges: The Yukon Flats and Becharof National Monuments, totalling 11.8 million acres which President Carter designated for U.S. Fish and Wildlife Service administration, are confirmed and redesignated as National Wildlife Monuments. Twelve new units are designated and four existing units of the National Wildlife Refuge System are enlarged. Boundaries of these new units conform closely to the lands withdrawn by Secretary of the Interior Cecil Andrus on November 16, 1978, utilizing the emergency withdrawal authorities of the Federal Land Management and Policy Act. Appropriate portions of the National Wildlife Refuge Units, totalling 35 million acres, are designated as wilderness.

There are also provisions for two special studies, one concerning the barren-ground caribou and the other concerning a unique concentration of bald eagles in the Chilkat River area of Southeastern Alaska. The studies are to find out whether additional measures should be taken for proper protection of these populations.

Title IV—National Forest System: Section 401 adds 1.45 million acres of public lands to the Tongass National Forest and adds 1.29 million acres to the Chugach National Forest. Section 402 designates appropriate areas in the Tongass and Chugach National Forests as wilderness, 6.7 million acres in the former and 2.12 million acres in the latter.

The bill also contains provisions for a National Forest timber improvement program. This directs the Secretary of Agriculture to improve timber production from high-quality timber areas of the Tongass National Forest through a program of pre-commercial thinning, at an annual rate of $2,000,000. It also directs the establishment of a $5,000,000 program of guaranteed or insured loans to acquire new technology for more efficient harvesting and utilization of wood products, and calls for a study of ways to increase timber yields and reduce inefficiencies in timber harvest and transport in the National Forests.

Title V—National Wild and Scenic Rivers System: Designates 13 rivers outside other protected areas for immediate inclusion as new units of the National Wild and Scenic Rivers System, and 10 others for study as possible future additions to the system. Other rivers inside the park and refuge boundaries are specified as wild or scenic rivers.

Title VI—Federal-State coordination: This title creates an Alaska Advisory Coordinating Council to facilitate coordination and cooperation among Federal, State, and private land-owners and land managers in Alaska, and for creation of an Alaska Land Bank for similar purposes.

Title VII—Subsistence: This title is based on S.1500/amendment 2176 and the House-passed bill of 1978, with some refinements drawn from corresponding sections of last year's Senate Energy and Natural Resources Committee bill. In general, it would supplement existing law by explicitly providing for a mechanism whereby the State of Alaska would be able to regulate the taking of fish and game on the public lands in Alaska so that persons who are dependent upon subsistence resources would have a priority for the taking of fish, wildlife, and plant resources. As with last year's bill, there are provisions for appropriate federal oversight of this state game management responsibility, insofar as the public lands and their resources are concerned.

Title VIII—Administrative and Miscellaneous Provisions: This title contains a number of provisions for administering the lands dealt with in the bill, technical amendments to related statutes, and similar provisions. Two important parts of the title deal with access and mineral rights and assessments.

The bill applies existing laws governing access to or on national parks, wildlife refuges, wild and scenic rivers, and national forests. As did last year's bill, it specifically provides a guarantee of access for holders of valid mineral rights or other inholdings within conservation system units and guarantees traditional means of access across conservation system units.

This title also directs the Secretary of the Interior to assess, on an ongoing basis, the mineral potential of all public lands in Alaska. In an addition to last year's bill, this title also guarantees access for mineral assessment purposes.

Title IX—Improvements in Administration of the Alaska Native Claims Settlement Act: This title contains numerous provisions, mostly amendments to the Alaska Native Claims Settlement Act, to improve the administration of that Act. These provisions are based on similar recommendations in S.1500/amendment 2176, last year's Senate Energy and Natural Resources Committee bill, and the House-passed bill.

Title X—National Need Mineral Activity Recommendation Process: This title is adopted from last year's Energy and Natural Resources Committee bill. If there is a demonstrated national need for future mineral extraction in areas where it would otherwise be prohibited under existing law, this title establishes a procedure which allows the President, with Congressional approval, to permit such development.

ALASKA NATIONAL INTEREST LANDS CONSERVATION ACT OF 1979

Acreage totals

(Figures in millions of acres)

National Park System:	
Park system acreage within 1978 monuments	40.78
Park system acreage added to 1978 Monument acreage	4.45
Total National Preserve Acreage	7.13
Total	45.23
National Wildlife Refuge System:	
Refuge system acreage within 1978 Monuments	11.80
New refuges and additions to existing refuges from unreserved Federal land	46.29
New refuges redesignated from already reserved Federal land	7.71
Total	65.80

National Wild and Scenic River System: The bill designates 13 wild and scenic rivers and 10 study rivers for potential wild and scenic river status outside the boundaries of parks and refuges. There is no set acreage for these river units, but the total acreage is approximately 12-million acres.

Additions to the Tongass and Chugach National Forests	2.74
Wilderness designations:	
Park System wilderness	42.21
Refuge System Wilderness	35.18
Forest System Wilderness (includes 3.3 million acres of national monuments) (6.70–Tongass, 2.12–Chugach)	8.82
Total	86.21
National Park System and National Wildlife Refuge System Totals:	
Acreage within 1978 National Monument proclamations	52.58
Refuge and Park System additions on presently unreserved Federal land	50.74
Refuges redesignated from presently reserved federal lands	7.71
Total Park system and refuge system acreage	111.03

STATISTICAL BREAKDOWN OF ALASKAN LANDS

Under the Durkin bill:

95 percent of all high potential oil and gas lands in Alaska will be open to possible development.

100 percent of all Federal lands in Alaska will be open to mineral assessment for geological information by the Department of the Interior.

88 percent of all the land in Alaska could be open to sport hunting.

70 percent of the lands with metallic mineral potential in Alaska will be outside conservation system units.

61 percent (230 million acres, the sum of the above) of all land in Alaska will be open to a wide variety of uses.

40 percent (149 million acres) of all the land in Alaska will be or will become the property of the State, Native corporations or private land owners.

21 percent (80 million acres) of all the land in Alaska will be Federal land open to mineral entry, logging and other multiple uses.

36 percent (137 million acres) of all the land in Alaska will be in one of the conservation system units either already existing or designated by the bill.●

By Mr. DANFORTH (for himself, Mr. PACKWOOD, Mr. BENTSEN, Mr. MOYNIHAN, Mr. DOLE, Mr. ROTH, Mr. HEINZ, Mr. WALLOP, Mr. RANDOLPH, Mr. LUGAR, Mr. HAYAKAWA, and Mr. HATCH):

S. 223. A bill to amend the Antidumping Act, 1921, the Tariff Act of 1930, section 801 of the Revenue Act of 1916, and for other purposes; to the Committee on Finance.

INTERNATIONAL TRADE LAWS REFORM ACT OF 1979

Mr. DANFORTH. Mr. President, today I am introducing the International Trade Laws Reform Act of 1979. This bill is very similar to S. 3127, which I introduced in the last Congress along with Senators PACKWOOD, HEINZ, MOYNIHAN, and BENTSEN. These Senators, plus Senators DOLE, ROTH, WALLOP, RANDOLPH, LUGAR, HAYAKAWA, and HATCH join me as cosponsors today.

An increasing variety of industries from every section of the country are facing unfair foreign competition. Coping with unfair trade practices has been an important issue in the Tokyo round of multilateral trade negotiations currently nearing completion in Geneva. However, hoped-for reforms agreed to in Geneva are only one step in the process of securing fairer trade practices. Another important step is embodied in this bill. It is to improve procedures for enforcing the laws now on the books of our country against unfair foreign competition.

The bill is based on the belief that such unfair practices as dumping and sales of subsidized goods, although clearly proscribed under long existing law, are without timely and effective remedy because present enforcement procedures are inadequate. This bill would continue the process, begun in the Trade Act of 1974, of assuring a swift and certain response to such unfair trade practices by tightening enforcement procedures.

The bill should be seen in the larger context of the current condition of U.S. trade. Since the 1970's this country has experienced alarming deficits in its balance of trade. In 1971 our trade deficit was $2.2 billion—the first such deficit in more than 50 years. From 1971 through 1976, America had an accumulated trade deficit of $13.3 billion. By 1977 our trade deficit in a single year reached $26.5 billion. In 1978, in the month of February alone, the deficit—$4.5 billion—was higher than all three annual deficits in this country's history. It is expected the year's total will reach a record $30 billion or more following 30 straight months of deficits.

I believe these poor results are caused by a number of factors, including:

Massive U.S. imports of increasingly expensive petroleum;

A continuing high rate of inflation in the United States which contributes directly to an erosion of the value of the dollar;

Relatively rapid U.S. economic recovery vis-á-vis our trading partners;

A decline in the technological advantage that U.S. products historically enjoyed over foreign competition;

A lack of knowledge about foreign markets by many potential U.S. exporters who have never looked beyond our shores for sales opportunities; and

Unfair, predatory sales practices by other countries selling products in the United States.

What can be done? There are really two sides to the problem. First, we must find ways to encourage more exports by American firms. Over the next few weeks I expect to have more to say about how this might be done. Second, we must make sure that our own markets are operated on truly an equitable basis and are not disrupted by unfair and illegal practices of foreign competitors. That is the purpose of the bill I am reintroducing today.

Essentially, this bill would deal with imports which are subsidized or "dumped" into American markets, but would not impede in any way the importation of goods which are truly competitive on the basis of price or quality.

Many U.S. industries have been affected by unfair foreign competition. The steel industry is but one example. In 1977 alone, steel plant closings resulted in the layoff of 20,000 steel workers. The U.S. consumer electronics industry has also been hard hit. In the fall of 1977, color televisions were added to the list of products. including radios and black and white televisions, which are no longer produced in this country in any substantial quantities. Zenith Corp., the only remaining domestic producer of color televisions at the time, announced that it had to move all but a small fraction of its facilities abroad.

In Springfield, Mo., Zenith was forced to close its television assembly plant, resulting in the layoff of 1,000 workers. This was the end result of Zenith's futile efforts over 10 years to pursue every possible statutory remedy against unfair trade practices in the consumer electronics market. Today the least expensive 19-inch color televisions available for sale in Japan are priced at about twice the amount of similar products imported from Japan.

The manmade fiber industry—an integral and highly efficient segment of the textile industry has been hard hit by the dumping of foreign-made products and has sought aid through the antidumping laws. Smaller industries such as leather apparel, hand tools, motorcycle, bicycle, and valve industries have also attempted to make use of our unfair trade statutes in combating the importation of subsidized goods.

A number of heretofore healthy U.S. industries have begun to express concern about the imminent prospects of unfair international competition in their markets. Such industries include chemicals, semiconductors, and computers.

Unlike the halcyon days of the past, when American industry was preeminent in nearly everything it did, we are no longer invincible. Although U.S. companies are generally able to compete in a relatively free and fair international trading system, they are vulnerable to abuses of the marketplace.

In today's world, the absence of governmental action by the United States increases the likelihood that domestic producers will be victimized by international trade abuse. The sluggish pace of recovery from the world recession of 1974–75 shows only slight signs of improving. In addition, the emergence of major industries in some of the lesser developed countries (LDC's) is also bound to affect the delicate balance between the major trading nations. The trend in many developing nations, even more so than among our major trading partners, is toward greater governmental interference in the economy, both domestic and international. There is also a tendency in many cases simply not to abide by international trade rules.

Another trend which we must examine concerns the efforts of some of our trading partners to "rationalize markets" or to implement a system of "organized free trade." These phrases are meant to disguise the development of international cartels aimed at dividing markets—a concept which is a pernicious barrier to free trade.

In light of these developments, it is not surprising that increased demands for new quotas and other trade barriers have arisen to protect American industries.

The legislation I am introducing today, however, rejects a protectionist approach. It embraces, rather than abandons, the goal of free trade. It would help foster free and fair competition by offering effective procedures for dealing with such marketplace distortions as discriminatory pricing, unfair subsidization by foreign governments, and anticompetitive practices on the part of foreign manufacturers.

Any trade legislation should be dedicated to the principle that free trade must mean fair trade—that free competition must also mean fair competition. It is not free trade and it is not fair trade if Americans play by the rules and our competitors do not. It is not free and it is not fair if foreign manufacturers have ready access to our markets and we in turn are shut out from their home markets.

In the midst of growing cries for "protectionist" measures, we should not abandon our commitment to free competition until we first do a much better job of assuring that trade competition is fair. That is the simple and straightforward purpose of this bill.

Some doctrinarie free trade advocates adopt the view that any restrictions on the market are inconsistent with free trade and brand as "protectionist" those of us who advocate vigorous enforcement of existing antidumping and countervailing duty laws. I reject such arguments. As the Finance Committee report on the Trade Act of 1974 clearly states, the Antidumping Act "is not a 'protectionist' statute designed to bar or restrict U.S. imports, rather, it is a statute designed to free U.S. imports from unfair price discrimination practices."

The danger that Government subsidies and dumping will result in adverse distortions of free trade has been recognized for decades in our own law and in the laws of all of our major trading partners. Our countervailing duty statute was originally enacted in 1897, and our antidumping statutes were enacted in 1916 and 1921. It has been recognized by the General Agreement on Tariffs and Trade since 1947, and by international conventions considerably before that date, that member nations have a right to take action against certain unfair trade practices such as dumping or export subsidization without fear of reprisal from the offending nation.

The cornerstone of free trade theory is that consumers should be free to seek the cheapest and best products available anywhere in the world. Whereas some "free traders" argue that dumped products should be permitted as a benefit to consumers, it is possible to demonstrate that the U.S. consumer's interests are not served by dumping. Whereas there may be lower prices in the short run, the long run impact is likely to be higher prices and greater profits for the foreign producers once the domestic competition has been crippled.

There are three additional reasons why vigorous enforcement of our unfair trade laws is important:

First, we must take into account our national security interests. For example, how dependent on foreign steel can we afford to become?

Second, it is my view that the Government must not overlook the economic health of smaller communities throughout our country. Oftentimes, endangered factories are located in such areas and may be the only employer of any consequence. Consider, for example, what happened when the Pea Ridge Iron Ore Mine, Sullivan, Missouri's largest employer, shut down as a result of the decline in the steel industry. One thousand people lost their jobs with literally no place to turn. The very fabric of the community was damaged.

Third, we cannot ignore trade-distorting subsidies which are granted by governments to promote exports. Such subsidies often involve the triangular cooperation of the manufacturer, lending institutions, and the government's treasury. Especially during economic downturns, such arrangements can help to limit growth in unemployment and to earn foreign exchange capability. However, we cannot afford to permit countries to achieve their political and economic objectives through unfair manipulation of foreign trade. The price this country pays is simply too great.

Trade adjustment assistance and the administration's trigger price mechanism (TPM) for the steel industry, do not, as some contend, serve as adequate substitutes for vigorous enforcement of our trade laws. Offering trade adjustment assistance to those who have been put out of work is a manifestly inadequate response to unfair foreign competition. American labor does not want Federal handouts; it wants jobs. Likewise, industry is entitled to protection from abuses of the marketplace.

The TPM is a step in the right direction. Under a monitoring system, the Treasury Department has calculated a set of trigger prices for a range of steel products based upon Japanese production costs. If merchandise enters the country below these prices, Treasury under the TPM would conduct an expedited antidumping investigation. The TPM deserves a chance to operate, but it only affects one industry and has some definite limitations. Therefore, we must look beyond the TPM to establish the means to enforce promptly and fairly the existing antidumping laws.

Mr. President, that is the sole purpose of the legislation I am introducing today. The bill does not expand the scope of existing unfair trade statutes. Instead, it seeks to simplify, expedite, clarify, and make reliable the procedures under which domestic industries may obtain relief from unfair trade practices.

Mr. President, I ask unanimous consent to have the following material printed in the RECORD: The text of the bill, a document entitled "Explanation of the International Trade Laws Reform Act of 1979"; and a document entitled "International Trade Laws Reform Act of 1979, Section-By-Section Analysis."

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 223

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "International Unfair Trade Laws Reform Act of 1979."

TITLE I—ANTIDUMPING ACT AMENDMENTS

SEC. 101. Section 201 of the Antidumping Act, 1921 (19 U.S.C. 160), is amended to read as follows:

"DUMPING INVESTIGATIONS

"SEC. 201. (a)(1) Whenever the Secretary of the Treasury (hereinafter called the 'Secretary') receives information, whether from a petitioning party or any other source, to the effect that a particular class or kind of merchandise is being or is likely to be sold in the United States or elsewhere at less than its fair value, he shall conduct a preliminary investigation. Within forty-five days after receipt of such information, the Secretary shall determine whether there is a reasonable indication that such merchandise is being or is likely to be sold in the United States or elsewhere at less than its fair value. In the course of making such determination, the Secretary may request the assistance of the affected industry in gathering information, but shall not require of a petitioning party more information than is reasonably available to it and necessary to determine the question of sales at less than fair value. If his determination is affirmative, the Secretary shall publish his determination in the Federal Register, along with possible margins of dumping. Upon making an affirmative determination, the Secretary shall forward to the United States International Trade Commission (hereinafter referred to as 'Commission') a preliminary indication, based upon whatever price information is available, concerning possible sales at less than fair value, including possible margins of dumping and the volume of trade. (Throughout the investigation the Secretary shall provide the Commission with the most recent information he has on possible margins of dumping and the volume of trade.) If his determination is negative, the inquiry shall be closed. The Secretary shall publish his determination in the Federal Register and any party who has petitioned the Secretary on the matter shall be informed in writing of the negative determination as provided for under subsection (e) of this section.

"(2) Whenever a person files a petition with the Secretary requesting an investigation under paragraph (1), it shall also file with the Commission a petition containing information to the effect that an industry in the United States is being or is likely to be injured, or prevented from being established, by reason of the importation of the merchandise covered by said petition under paragraph (1). Upon initiation by the Secretary of a preliminary investigation under paragraph (1) without receipt of a petition, he shall notify the Commission which shall conduct a preliminary investigation into such question of injury to a United States industry. Within forty-five days after the receipt of a petition under this paragraph or upon being notified by the Secretary to conduct a preliminary investigation the Commission shall determine whether there is a reasonable indication that an industry in the United States is being or is likely to be injured, or is prevented from being established, by reason of the importation of such merchandise into the United States. The Commission shall publish its determination in the Federal Register and shall so notify the Secretary. If the Commission's determination is negative, the investigation by the Secretary shall be terminated and any party who has petitioned the Commission on the matter shall be informed in writing of the negative determination as provided for under subsection (e) of this section.

"(3) Upon the Secretary publishing his affirmative determination as provided under paragraph (1) and the Commission publishing its affirmative determination, as provided under paragraph (2), the Secretary shall

"(A) Initiate a full-scale investigation under subsection (b) of this section to determine whether such sales at less than fair value in fact are occurring or are likely to occur and publish notice to that effect in the Federal Register; and,

"(B) Require, as of that date, under such regulations as he may prescribe, the suspension of liquidation as to such merchandise entered or withdrawn from warehouse, for consumption, on or after the date of publication in the Federal Register, under this paragraph, of notice of the initiation of a full-scale investigation relating to such merchandise until the Secretary has made public a finding as provided under subsection (c) of this section in regard to such merchandise or has published notice of a negative final determination, a notice of discontinuance of the subject investigation, or the Commission has published notice of a negative injury determination. Such suspension of liquidation shall apply to merchandise not yet liquidated as of the date of publication in the Federal Register, under this paragraph, of notice of the initiation of a full-scale investigation.

"(b)(1)(A) The Secretary shall, within four months after publication of the notice of initiation of a full-scale investigation, determine whether there is reason to believe or suspect that a class or kind of merchandise is being or is likely to be sold in the United States or elsewhere at less than its fair value.

"(B) If, in the course of an investigation under this subsection, the Secretary concludes that the determination provided for in paragraph (1)(A) cannot be reasonably made within four months, he shall publish notice of this in the Federal Register, together with a statement of reasons therefor, in which case the determination shall be made within six months after the publication in the Federal Register of the notice of initiation of the full-scale investigation.

"(C) If the tentative determination made under paragraph (1)(A) or (B) of this subsection is affirmative, the Secretary shall publish notice of that fact in the Federal Register, along with the tentative margins of dumping and shall advise the United States International Trade Commission of his determination. He shall transmit to the Commission such information concerning the importation of such merchandise into the United States, and its sale in the United States, as is available to him.

"(D) If his determination is negative (or if he tentatively determines that the investigation should be discontinued), the Secretary shall publish notice of that fact in the Federal Register.

"(C)(1)(A) Within three months after publication in the Federal Register of a tentative determination under paragraph (1)(C) of subsection (b), the Secretary shall make a final determination as to whether the merchandise in question is being or is likely to be sold in the United States or elsewhere, at less than its fair value (or a final discontinuance of the investigation).

"(B) Whenever, prior to making his final determination, the Secretary believes that the margins of dumping have changed significantly from those disclosed in the tentative determination, he shall make available to the Commission the most recent information in his possession pertaining to the investigation of sales at less than fair value. Upon making an affirmative final determination under subparagraph (A) of this subsection, the Secretary shall so advise the Commission, and shall transmit to it any additional information concerning the investigation thus completed.

"(C) Upon making a final determination which is negative, or upon ordering a final discontinuance of the investigation, the Secretary shall so advise the Commission, which shall terminate any investigation it is conducting with respect to the same class or kind of merchandise.

"(2) (A) If the tentative determination by the Secretary is affirmative, the Commission shall, on the basis of the final determination by the Secretary and within four months after publication of such tentative determination, determine whether an industry in the United States is being or is likely to be injured, or is prevented from being established, by reason of the importation of such merchandise into the United States.

"(B) If an affirmative final determination by the Secretary follows a determination under subsection (b) that was negative, the Commission, after having had transmitted to it such information concerning the importation into the United States of the merchandise with respect to which the determination was made, and its sale in the United States, as is available to the Secretary and, following such investigation as it deems necessary, shall make its determination within three months.

"(C) The Commission shall publish any determination under subparagraphs (A) or (B) of this paragraph in the Federal Register and shall notify the Secretary of its determination. If the determination is affirmative, the Secretary shall make public a notice (hereinafter in this Act referred to as a 'Finding') of his determination and that of the Commission. For the purposes of this subsection, the Commission shall be deemed to have made an affirmative determination if the Commissioners voting are evenly divided as to whether the determination of the Commission should be in the affirmative or in the negative. The Secretary in his Finding shall order the assessment and collection of estimated special dumping duties on the affected merchandise in the amount of such margins of dumping determined in the Finding, with respect to articles entered or withdrawn from warehouse for consumption on or after the date of the suspension of liquidation on such merchandise. The Secretary's Finding shall include a description of the class or kind of merchandise to which it applies in such detail as he shall deem necessary for the guidance of customs officers.

"(d) Before making any determination under subsection (a), (c) or (f), or following any notice of a tentative discontinuance of an antidumping investigation, or a notice of a tentative modification or revocation of a dumping finding, the Secretary or the Commission shall, at the request of any foreign manufacturer or exporter, or any domestic importer, of the merchandise in question, or of any domestic manufacturer, producer, or wholesaler of merchandise of the same class or kind, or any other petitioning party, conduct a hearing at which—

"(A) any such person shall have the right to appear by counsel or in person; and

"(B) any other person may make application and, upon good cause shown, be allowed by the Secretary or the Commission to intervene and appear at such hearing by counsel or in person.

Sections 554, 555, 556, 557 and 702 of Title 5, United States Code, shall not apply to the hearings provided for under this paragraph. The transcript of any hearing, together with all information developed in connection with the investigation (other than items to which confidential treatment has been granted by the Secretary or the Commission), shall be made available in the manner and to the extent provided in Section 552(b) of such title.

"(e) Each determination under subsection (b), (c), or (f), whether affirmative or negative, and each negative determination under subsection (a) of this section, shall be published in the Federal Register, together with a complete statement of findings and conclusions, and the reasons or basis therefor, on all material issues of fact or law presented (consistent with confidential treatment granted by the Secretary or the Commission in the course of making their respective determinations).

"(f) (1) (A) Any foreign manufacturer or exporter, or domestic importer subject to a Finding may petition the Secretary to terminate a final determination of sales at less than fair value as to the merchandise covered by said Finding. The Secretary shall publish notice of receipt of the petition in the Federal Register. The Secretary may not grant any such petition until he first determines that sales at less than fair value have not occurred for at least three years since publication of the Finding and either the foreign manufacturer, exporter or domestic importer provide the Secretary with written assurances that sales at less than fair value will not be resumed or the Secretary determines that sales at less than fair value are not likely to resume.

"(B) Upon the Secretary terminating the final determination of sales at less than fair value, and the applicable Finding he shall, thereafter, monitor the importation of merchandise which had been subject to the Finding for at least three years. In the event sales are made at less than fair value during the monitoring period, the Secretary shall initiate an investigation into the existence of less than fair value sales as provided in subsection (a) of this section.

"(2) (A) Any foreign manufacturer or exporter or domestic importer subject to a Finding may petition the Commission to terminate its determination that a domestic industry in the United States is being or is likely to be injured or is prevented from being established by reason of the importation of merchandise at less than fair value. The Commission shall publish notice of receipt of the petition in the Federal Register. The Commission may not grant any such petition until it first determines that the injury found in the original determination has been absent for at least three years.

"(B) Upon the Commission terminating a final determination that a United States industry is being or is likely to be injured or is prevented from being established, the Commission shall notify the Secretary who shall terminate the applicable Finding.".

SEC. 102. Section 202(a) of the Antidumping Act, 1921 (19 U.S.C. 161) is amended to read as follows:

"SEC. 202(a) In the case of all imported merchandise, whether dutiable or free of duty, of a class or kind as to which a Finding under section 201 has been made, there shall be levied, collected and paid on or before entry of such merchandise into the United States in addition to any other duties imposed by law, a special dumping duty. The special dumping duty shall be the difference between the purchase price or the exporter's sales price and the foreign market value (or in the absence of such value, then the constructed value).".

SEC. 103. Section 205(a) of the Antidumping Act, 1921 (19 U.S.C. 164(a)) is amended by inserting after the first sentence the following sentence: "For the purpose of determining the foreign market value, the Secretary, pursuant to regulations prescribed by him, may calculate for each foreign manufacturer, producer, or exporter covered by the Finding, weighted averages over a period of time not to exceed six months.".

SEC. 104. Section 208 of the Antidumping Act, 1921 (19 U.S.C. 167) is amended to read as follows:

"PAYMENT OF ESTIMATED DUTY ON ENTRY

"SEC. 208(a) (1) In the case of all imported merchandise whether dutiable or free of duty, of a class or kind as to which the Secretary has made public a Finding under section 201, and the delivery of which has not been made by the appropriate Customs officer before such Finding has been so made public, such Customs officer shall not deliver such merchandise unless the person by whom or for whose account such merchandise is imported pays to such Customs officer the amount of the special dumping duty estimated to be payable thereon. The amount of such estimated dumping duty shall be based upon the margins of dumping for the foreign manufacturers, producers or exporters included in the final determination of the Secretary or the prior final revised margin of dumping.

"(2) Within fifteen months after publication of the Finding under Section 201, and at maximum intervals of fifteen months after publication of the final revised margin of dumping applicable to that Finding, the Secretary shall publish in the Federal Register a notice of tentative revised margins of dumping setting forth, in addition to any other information required by law, any proposed revisions in the margin of dumping, including any changes in the foreign market value, the constructed value, the purchase price, the exporter's sales price or any adjustment or allowance permitted, or a statement that no revisions are in order. There shall be an opportunity for public comment and a right to a hearing as provided under section 201(d). Within three months after publication of a notice of a tentative revised margin of dumping the Secretary shall publish in the Federal Register a notice of final revised margin of dumping, accompanied by a statement of reason as required by section 201(e).

"(3) The final revised margin of dumping shall be applied retroactively to imported merchandise appraised and liquidated from the date of publication by the Secretary of the prior margin of dumping and any amount owed to or by the Secretary as the result of the revision shall be payable. If, following appraisement and liquidation, the actual liability for dumping duties is less than the amount of estimated dumping duties paid, the excess shall be returned with interest, from the date on which the duty was paid, at the annual rate established under section 6621 of the Internal Revenue Code of 1954 in effect on the date on which such duty was paid.

"(b) Unless the person by whom or for whose account such merchandise is imported makes oath before the appropriate Customs officer, under regulations prescribed by the Secretary, that he is not an exporter, or unless such person declares under oath at the time of entry, under regulations prescribed by the Secretary, the exporter's sales price of such merchandise, such person shall, in addition to paying the estimated dumping duties pursuant to subsection (a), make oath before the appropriate Customs officer, under regulations prescribed by the Secretary, that such merchandise has not been sold or agreed to be sold by such person, and, shall prior to delivery of such merchandise, give bond to such Customs officer, in an amount equal to the estimated value of the merchandise, which shall be forfeited to the United States unless such person—

"(1) reports to such Customs officer the exporter's sales price of the merchandise within thirty days after such merchandise has been sold or agreed to be sold in the United States,

"(2) pays on demand from such Customs officer the amount of additional special dumping duty, if any imposed by this title upon such merchandise, and

"(3) furnishes to such Customs officer such information as may be in his possession, and arranges to furnish such other information as is deemed necessary by the Secretary for the ascertainment of any special dumping duty, and keeps such records as to the sale of such merchandise as the Secretary may by regulation prescribe.".

SEC. 105. Section 209 of the Antidumping Act, 1921 (19 USC 168) is amended by inserting "(a)" before "In the case of", and by adding at the end thereof the following new subsection:

"(b) At the request of an interested party, all information developed in connection with the assessment and liquidation process (other than items to which confidential treatment has been granted by the Secretary), shall be made available in the manner and to the extent provided in section 552(b) of title 5, United States Code.".

SEC. 106. Section 210 of the Antidumping Act, 1921 (19 USC 169) is amended to read as follows:

"PROTESTS FROM DETERMINATION OF CUSTOMS OFFICERS

"For purposes of sections 160 to 171 of this title, the determination of the Secretary of the Treasury as to the foreign market value or the constructed value, as the case may be, the purchase price, and the exporter's sales price, and the action of the appropriate Customs officer in assessing special dumping duty, shall have the same force and effect and be subject to the same right of protest, under the same conditions and subject to the same limitations; the United States Customs Court, and the Court of Customs and Patent Appeals shall have the same jurisdiction, powers, and duties in connection with such appeals and protests as in the case of protests relating to Customs duties under existing law.".

TITLE II—1930 TARIFF ACT AMENDMENTS

SEC. 201. (a) Section 303(a) of the Tariff Act of 1930 (19 USC 1303) is amended by striking out paragraphs (3), (4), (5), and (6), and by inserting in lieu thereof the following paragraphs:

"(3)(A) Whenever the Secretary of the Treasury (hereinafter referred to as the 'Secretary') receives information, whether from a petitioning party or any other source, alleging that a bounty or grant is being paid or bestowed with respect to any imported article or merchandise as to which the Secretary has not determined whether or not a bounty or grant has been bestowed, he shall conduct a preliminary investigation. Within forty-five days after receipt of such information, the Secretary shall determine whether there is a reasonable indication that a bounty or grant is being paid or bestowed. Upon making an affirmative determination, the Secretary shall forward to the United States International Trade Commission a preliminary indication, based upon whatever information is available concerning the possible size of the bounty or grant, the level of the countervailing duty to be imposed and the volume of trade. If the determination is negative, the inquiry shall be closed and any person who has petitioned the Secretary on the matter shall be informed in writing of the specific reason as provided for under paragraph (6) of subsection (c) of this section.

"(B) Whenever a person files a petition with the Secretary requesting an investigation under subparagraph (A) of this paragraph in the case of merchandise which is free of duty, he shall also file with the United States International Trade Commission (hereinafter referred to as 'Commission') a petition containing information to the effect that an industry in the United States is being or is likely to be injured, or prevented from being established, by the importation of the merchandise covered by said petition under subparagraph (a). Upon initiation by the Secretary of a preliminary investigation under subparagraph (A) without receipt of a petition, he shall notify the Commission which shall conduct a preliminary investigation into such question of injury to a United States industry. Within forty-five days after the receipt of a petition under this subparagraph, or upon being notified by the Secretary to conduct a preliminary investigation, the Commission shall determine whether there is a reasonable indication that an industry in the United States is being or is likely to be injured or is prevented from being established by reason of the importation of such merchandise into the United States. The Commission shall publish its determination whether affirmative or negative, in the Federal Register, and shall so notify the Secretary. If its determination is negative, any investigation by the Secretary shall be terminated and any party who has petitioned the Commission on the matter shall be informed in writing of the specific reasons for the negative determination as provided for under paragraph (6) of subsection (c) of this section.

"(C) Upon the Secretary publishing his affirmative determination as provided under subparagraph (A), or in the case of duty-free merchandise upon the Secretary publishing his affirmative determination, and upon the Commission publishing its determination of a reasonable indication of injury under subparagraph (B), he shall—

(A) initiate a full-scale investigation as provided in paragraph (4) of this subsection to determine whether such bounty or grant is being paid or bestowed with respect to any imported article or merchandise and shall publish notice of such investigation in the Federal Register along with a determination of the possible size of the bounty or grant and the level of countervailing duty to be imposed, and

(B) require, under such regulations as he may prescribe the suspension of liquidation as to such merchandise entered or withdrawn from warehouse, for consumption, on or after the date of publication in the Federal Register under this paragraph of the notice of the initiation of a full-scale investigation relating to such merchandise, until the date of publication in the Federal Register of a countervailing duty order pursuant to paragraph (5) of this subsection or the publication of a negative final determination. Such suspension of liquidation shall apply to merchandise not yet liquidated as of the date of publication in the Federal Register under this paragraph of the notice of the initiation of a full-scale investigation.

"(4) Within four months from the date on which the notice of a full-scale investigation is published, the Secretary shall make a tentative determination, and within three months thereafter, he shall make a final determination, as to whether any bounty or grant is being paid or bestowed.

"(5) If the Secretary makes a final determination that a bounty or grant is being paid or bestowed and, with respect to duty free merchandise, the Commission makes a determination that an industry in the United States is being or is likely to be injured or is being prevented from being established, the Secretary shall make public a notice (hereinafter 'Countervailing Duty Order') of his determination and, with respect to duty free merchandise, the determination of the Commission."

(b) Subsection (b) of Section 303 of such Act (19 USC 1303) is amended to read as follows:

"(b)(1) Whenever the Secretary makes a tentative determination under subsection (a)(4) that a bounty or grant is being paid or bestowed with respect to any article or merchandise which is free of duty, so long as a determination of injury is required by the international obligations of the United States, he shall so advise the United States International Trade Commission, and shall transmit to the Commission such information concerning the importation of such merchandise into the United States, and its sale in the United States, as is available to him. The Commission, on the basis of the final determination of the Secretary, shall determine within four months after the publication of the tentative determination under subsection (a)(4) whether an industry in the United States is being or is likely to be injured, or is prevented from being established by reason of the importation of such merchandise into the United States.

"(2) Whenever, prior to making his final determination, the Secretary believes that the amount of bounty or grant ascertained has changed significantly from that disclosed in the tentative determination, he shall make available to the Commission the most recent information in his possession pertaining to the investigation of such bounty or grant. Upon making an affirmative final determination, the Secretary shall so advise the Commission, and shall transmit to it any additional information concerning the investigation thus completed. After such investigation as it deems necessary, the Commission shall notify the Secretary of its determination under paragraph (1). For the purposes of this subsection, the Commission shall be deemed to have made an affirmative determination if the Commissioners voting are evenly divided as to whether the determination of the Commission should be in the affirmative or in the negative.

"(3) Upon making a final determination which is negative, the Secretary shall so advise the Commission, and any ongoing investigation with respect to the same class or kind of merchandise shall be terminated.

"(4) If an affirmative final determination by the Secretary follows a tentative determination under subsection (a)(4) of this section that was negative, the Secretary shall so advise the Commission, transmitting to the Commission such information concerning the importation into the United States of the merchandise with respect to which the determination was made, and its sale in the United States, as is available to him. The Commission, following such investigation as it deems necessary, shall make its determination within three months after the final determination. The Commission shall notify the Secretary of its determination and if it is in the affirmative, the Secretary shall make public an order as provided for in subsection (c)( ) of this section."

(c) Subsection 303(c) of the Tariff Act of 1930 is amended to read as follows:

"(c)(1) Following an affirmative final determination by the Secretary under subsection (a)(4) as to dutiable merchandise not subject to an injury determination, or both an affirmative final determination and an affirmative determination by the Commission under subsection (b) in the case of duty-free merchandise subject to an injury determination the Secretary shall make public an order (Countervailing Duty Order) directing the assessment and collection of estimated countervailing duties on the affected merchandise in the amount of such bounty or grant with respect to articles entered, or withdrawn from warehouse, for consumption on or after the date of the suspension of liquidation on such merchandise. The Secretary's order shall include a description of the class or kind of merchandise to which it applies in such detail as he shall deem necessary for the guidance of Customs officers.

"(2) For all imported merchandise of a class or kind as to which the Secretary has made public an order, and the delivery of which has not been made by the appropriate Customs officer before such order has been so made public, such Customs officer shall not deliver such merchandise unless the person by whom or for whose account such merchandise is imported pays to such customs officer the amount of countervailing duty estimated to be payable thereon. The estimated countervailing duty shall be levied, collected and paid on affected merchandise on or before entry. The amount of such estimated countervailing duty shall be based upon the bounty or grant established by the Secretary in his final determination or the final prior revised bounty or grant.

"(3) Within fifteen months after such final determination of bounty or grant, and at maximum intervals of fifteen months after publication of the final revised margin of bounty or grant, the Secretary shall publish in the Federal Register a notice of tentative revised bounty or grant setting forth, in addition to any other information required by law any proposed revisions in the bounty or grant, or a statement that no revisions are in order. There shall be an opportunity for public comment and a right to a hearing as provided under subsection (d)(3)(A) of Section 303 of the Tariff Act of 1930. Within three months after publication of a notice of a tentative revised bounty or grant the Secretary shall publish in the Federal Register a notice of final revised bounty or grant, accompanied by a statement of reasons as required by paragraph (6) of this subsection.

"(4) The final revised bounty or grant shall be applied retroactively to imported merchandise appraised and liquidated from the date of publication by the Secretary of the prior bounty or grant and any amount owed to or by the Secretary as the result of the revision shall be payable. If, following appraisement and liquidation, the actual liability for countervailing duties is less than the amount of estimated duties deposited, the excess shall be returned with interest, from the date on which the duty was paid, at the annual rate established under section 6621 of the Internal Revenue Code of 1954 in effect on the date on which such duty was paid.

"(5) At the request of an interested party, all information developed in connection with the assessment and liquidation process (other than items to which confidential treatment has been granted by the Secretary), shall be made available in the manner and to the extent provided in section 552 (b) of title 5, United States Code.

"(6) Each determination under subsections (b) (c) or (d) of the Tariff Act of 1930 whether affirmative or negative and each negative determination under paragraph (3) of subsection (a) of said Act, shall be published in the Federal Register, together with a complete statement of findings and conclusions, and the reasons or basis therefor, on all material issues of fact or law presented (consistent with confidential treatment granted by the Secretary or the Commission in the course of making their respective determinations).

"(7) The Secretary shall make all regulations he deems necessary for the identification of articles and merchandise subject to duties under this section and for the assessment and collection of such duties.".

SEC. 202 (a) Sections 303 (d) and (e) of the Tariff Act of 1930 (19 U.S.C. 1303) are amended by redesignating subsection (d) as (e) and (e) as (f) and by adding the following new subsection (d):

"(d)(1)(A) Any foreign manufacturer or exporter or domestic importer of merchandise subject to an order under subsection (c)(1) of Section 303 of the Tariff Act of 1930 may petition the Secretary to terminate a final determination of a bounty or grant as to the merchandise covered by said order. The Secretary shall publish notice of receipt of the petition in the Federal Register. The Secretary may not grant any such petition until he first determines that no bounty or grant has been afforded for at least three years since the publication of the order.

"(B) Upon the Secretary terminating the final determination of the existence of a bounty or grant he shall, thereafter, monitor the importation of merchandise which has been subject to the finding for at least three years. In the event renewed grants or bounties on the merchandise in question are found the Secretary shall initiate an investigation into the existence of a bounty or grant as provided in subsection (a) of section 303 of the Tariff Act of 1930.

"(2)(A) Any foreign manufacturer or exporter or domestic importer of merchandise subject to an order under subsection (c) (1) of Section 303 of the Tariff Act of 1930 may petition the Commission to terminate its determination that a domestic industry in the United States is being or is likely to be injured or is prevented from being established by reason of the importation of such merchandise if such determination is required under this statute. The Commission shall publish notice of receipt of such petition in the Federal Register. The Commission may not grant any such petition until it first determines that the injury found in the original determination has been absent for at least three years.

"(B) Upon the Commission terminating a final determination that a United States industry has been or is likely to be injured or prevented from being established the Commission shall notify the Secretary who shall terminate the applicable order.

"(3)(A) Before making any determination under this subsection, paragraph (3) of subsection (a) or a final determination under paragraph (4) of subsection (a) or subsections (b) or (c) of Section 303 of the Tariff Act of 1930, the Secretary or the Commission shall, at the request of any foreign manufacturer or exporter, or any domestic importer, of the merchandise in question, or of any domestic manufacturer, producer, or wholesaler of merchandise of the same class or kind, or any other petitioning party, conduct a hearing at which:

"(i) any such person, shall have the right to appear by counsel or in person; and

"(ii) any other person may make application and, upon good cause shown, be allowed by the Secretary or the Commission, to intervene and appear at such hearings by counsel or in person.

"(B) Sections 554, 556, 557, and 702 of Title 5, United States Code, shall not apply to the hearings provided for under this paragraph. The transcript of any hearing, together with all information developed in connection with the investigation (other than items to which confidential treatment has been granted by the Secretary or the Commission, as the case may be), shall be made available in the manner and to the extent provided in section 552(b) of Title 5.".

SEC. 203. Section 484(b) of the Tariff Act 1930 (19 U.S.C. 1484(b)) is amended to read as follows:

"PRODUCTION OF CERTIFIED INVOICE

"(b) The Secretary of the Treasury shall provide by regulation for the production of a certified invoice with respect to such merchandise as he deems advisable and for the terms and conditions under which such merchandise may be permitted under the provisions of this section without the production of a certified invoice. In addition to such other information as the Secretary may require, the certified invoice shall require a statement of the price at which such or similar merchandise is sold or, in the absence of sales, is offered for sale in the principal markets of the country from which it is exported, in the usual wholesale quantities and in the ordinary course of trade for home consumption, to be called the home consumption price, and the purchase price of each item. In determining the merchandise to which the certified invoice is applicable, the Secretary shall make no distinction on the basis of whether merchandise is duty free or subject to an ad valorem or specific rate duty."

SEC. 204. Section 484(e) of the Tariff Act of 1930 (1930 (19 USC 1484(e)) is amended to read as follows:

"STATISTICAL ENUMERATION

"(e) The Secretary of the Treasury, the Secretary of Commerce, and the Chairman of the International Trade Commission are authorized and directed to establish and publish at least every three months for statistical purposes an enumeration of articles in such detail as in their judgment may be necessary, comprehending all merchandise imported into the United States, and including purchase prices and home consumption prices, and as a part of the entry there shall be attached thereto or included therein an accurate statement specifying, in terms of such detailed enumeration, the kinds and quantities of all merchandise imported and the unit value and the value of the total quantity of each kind of article.".

SEC. 205. Section 484(h) of the Tariff Act of 1930 (19 USC 1484) is amended by adding a new subsection (h) and redesignating existing subsections (h) through (j) accordingly.

"STATEMENT OF PRICE INFORMATION

"(h) Where the imported merchandise is of a type which supplies ten percent or more of apparent United States consumption either by quantity or value, the collector or the appraiser shall require a verified statement from the manufacturer or producer showing the home market value and the purchase price or exporter's sales price, whichever is applicable, as defined in sections 161–164 of this title.".

SEC. 206. (a) Section 337(b)(3) of the Tariff Act of 1930 (19 USC 1337) is amended to read as follows:

"(3) Whenever, in the course of an investigation under this section, the Commission has reason to believe, based upon information before it, that the matter may come within the purview of section 303 or of the Antidumping Act, 1921, it shall promptly notify the Secretary of the Treasury so that such action may be taken as is otherwise authorized by such section and such Act, and, pending such action, the Commission may suspend its investigation as to those matters which may come within the purview of such section or such Act.".

(b) The first sentence of subsection (c) of section 337 of the Tariff Act of 1930 (19 USC 1337) is amended to read as follows:

"The Commission shall determine, with respect to each investigation, not resolved by consent, conducted by it under this section, whether or not there is a violation of this section, unless, where the Commission has reason to believe that the matter may come within the purview of section 303 or the Antidumping Act, 1921, action taken as is authorized by such section or such Act determines the controversy before it.".

(c) Section 337(f) of the Tariff Act of 1930 (19 USC 1337) is amended by inserting "(1)" before "In lieu of", and by adding at the end thereof the following new paragraph:

"(2) Any person who violates an order of the Commission after it has become final, and while such order is in effect, shall forfeit and pay to the United States a civil penalty of not more than $10,000 for each violation, which shall accrue to the Untied States and may be recovered in a civil action brought by the Commission. Each separate violation of such an order shall be a separate offense, except that in a case of a violation through continuing failure or neglect to obey a final order of the Commission, each day of continuance of such failure or neglect shall be deemed a separate offense. In such actions, the United States district courts are empowered to grant mandatory injunctions and such other and further equitable relief as they deem appropriate in the enforcement of such final orders of the Commission.".

SEC. 207. Section 514 of the Tariff Act of 1930 (19 USC 1514) is amended by adding at the end thereof the following new subsections:

"(d) Within thirty days after the Secretary publishes his Finding under section 201 of the Antidumping Act, 1921, or makes public a Countervailing Duty Order under section 303 of the Tariff Act of 1930, an adversely affected foreign manufacturer, producer, or exporter or domestic importer of merchandise of the same class or kind as that described in such finding or order may commence an action in the United States Customs Court contesting the Finding or Order or any part thereof, including the size of the margins of dumping or the amount of the bounty or grant found.

"(e)(1) Suits challenging decisions to impose countervailing or antidumping duties upon a class or kind of merchandise or the imposition of countervailing or antidumping duties upon particular merchandise, shall be subject to review based upon the administrative record, which consists of the determination, the reasons or basis therefor, the transcript of any hearing, and all information developed in connection with the investigation and in a challenge to the imposition of countervailing or antidumping duties upon particular merchandise, the records pertaining to the liquidation and assessment and the most recent estimated antidumping or countervailing duty adjustment. The Finding or Order of antidumping or countervailing duties shall be upheld if supported by substantial evidence on the record as a whole.

"(2) In any action under this section the Customs Court may order that trade secrets and commercial or financial information which is privileged or confidential of a nonparty to the action, or of a party or information provided to the United States by foreign governments or foreign persons shall not be disclosed to any party or its counsel or shall be disclosed to a party or its counsel only under such forms and conditions as the court may provide.

SEC. 208. Subsections (d) and (e) of section 516 of the Tariff Act of 1930 (19 U.S.C. 1516) are amended to read as follows:

"(d)(1) Within thirty days after a determination by the Secretary under section 201 of the Antidumping Act, 1921, is published in the Federal Register that a class or kind of foreign merchandise is not being, nor likely to be sold in the United States at less than its fair value, or under section 303 of the Tariff Act of 1930 that a bounty or grant is not being paid or bestowed, a domestic manufacturer, producer, or wholesaler of merchandise of the same class or kind as that described in such determination, or a domestic or international labor organization or trade association connected with the production of such merchandise may commence an action in the United States Customs Court contesting the determination.

"(2) Within thirty days after a determination by the United States International Trade Commission under section 201 of the Antidumping Act, 1921, that an industry in the United States is not being nor likely to be injured or is not prevented from being established, by reason of the importation of a class or kind of merchandise into the United States which is being or is likely to be sold at a price less than its fair value, or under section 303 of the Tariff Act of 1930 than an industry in the United States is not being nor likely to be injured or is not prevented from being established by reason of the importation into the United States of merchandise, otherwise free of duty upon which a bounty or grant is being paid or bestowed, a domestic manufacturer, producer, or wholesaler of merchandise of the same class or kind as that described in such determination or a domestic or international labor organization or trade association connected with the production of such merchandise, may commence an action in the United States Customs Court contesting the determination.

"(3) Any party who has filed a petition pursuant to section 201 of the Antidumping Act, 1921, or section 303 of the Tariff Act of 1930 may challenge in the United States Customs Court the following decisions of the Secretary or the Commission within thirty days after notice is given the party or the decision is published in the Federal Register:

"(A) A final discontinuance, under section 201 investigation, either in whole or in part, or the decision by the Secretary to exclude one or more foreign manufacturers, producers, or exporters from a final determination of sales at less than fair value.

"(B) A determination by the Secretary under section 201 of such Act that a particular class or kind of merchandise is being or is likely to be sold in the United States or elsewhere at less than its fair value or under section 303 of the Tariff Act of 1930 that a bounty or grant is being paid or bestowed, which determination includes margins of dumping or an amount of a bounty or grant which the petitioning party believes incorrect.

"(4)(A) A preliminary determination by the Secretary under section 201(a) of the Antidumping Act, 1921, that there is no reasonable indication that a particular class or kind of merchandise is being or is likely to be sold in the United States at less than fair value or, under section 303(a)(3) of the Tariff Act of 1930, that there is no reasonable indication that a bounty or grant is being paid or bestowed shall be subject to review by the Customs Court upon the filing of a request for review by the party who petitioned the Secretary for an investigation within 15 days of the publication of the preliminary determination. The Customs Court shall schedule a hearing as soon as possible, giving precedence to the consideration of such request for review over all other business before the Customs Court. Foreign exporters, importers, or domestic producers of merchandise described in the petition and the Secretary shall be permitted to appear in the proceedings.

"(B) A preliminary determination by the Commission under section 201(a) of the Antidumping Act, 1921, that there is no reasonable indication that an industry in the United States is being or is likely to be injured or prevented from being established or, with respect to duty-free merchandise, under section 303(a)(3) of the Tariff Act of 1930, that there is no reasonable indication that an industry in the United States is being or is likely to be injured or prevented from being established, shall be subject to review by the Customs Court upon the filing of a request for review by the party who petitioned the Commission for an investigation, or, if the Secretary directed an investigation, by the Secretary, within 15 days of the publication of the preliminary determination by the Commission. The Customs Court shall schedule a hearing as soon as possible, giving precedence to the consideration of such request for review over all other business before the Customs Court. Foreign exporters, importers, or domestic producers of the merchandise described in the petition and the Commission shall be permitted to appear in the proceedings.

"(5) If the court determines in favor of the petitioning party as to actions commenced under paragraph (3) or (4) of this subsection, it shall remand the matter to the Secretary or the Commission, whichever is appropriate, for action, not inconsistent with the court's determination, or it may order the Secretary or Commission to take action under section 201 of the Antidumping Act, 1921, or section 303 of the Tariff Act of 1930, where appropriate.

"(e)(1) Suits challenging decisions reviewable under paragraph (1), (2), (3), or (4) of subsection (d) of this section shall be subject to review based upon the administrative record, which consists of the determination, the reasons or basis therefor, the transcript of any hearing, and all information developed in connection with the investigation. The determination of the Secretary or the Commission shall be upheld if supported by substantial evidence on the record as a whole.

"(2) In any action under this section the Customs Court may order that trade secrets and commercial or financial information which is privileged or confidential of a nonparty to the action, or of a party or information provided to the United States by foreign governments or foreign persons shall not be disclosed to any part or its counsel or shall be disclosed to a party or its counsel only under such forms and conditions as the court may provide.".

SEC. 209. The amendments made by sections 204 and 205 of this Act become effective on the day following the date of enactment of this Act. Nothing contained in this Act, or in the amendments made by this Act, shall be construed to require the dismissal of any action brought before the day after the date of enactment of this Act under subsection 1582(b) of title 28, United States Code, to contest any failure of the Secretary of the Treasury to assess countervailing duties or antidumping duties, pursuant to subsection 516(c) of the Tariff Act of 1930, as amended (19 USC 1516(c)), due to negative injury determinations by the United States International Trade Commission under section 303 of the Tariff Act of 1930, as amended (19 USC 1903), or under section 201 of the Antidumping Act, 1921, as amended (19 USC 160).

TITLE III—AMENDMENTS TO CUSTOMS COURT PROCEDURE LAWS

SEC. 301. Section 2632(a) of Title 28 (28 USC 2632(a)), is amended to read as follows:

"(a) A party may contest (1) denial of a protest under section 515 of the Tariff Act of 1930, as amended; (2) a decision of the Secretary of the Treasury made under section 516 of the Tariff Act of 1930, as amended; (3) a determination by the Secretary of the Treasury under section 201 of the Antidumping Act, 1921, as amended, that there is no reasonable indication of the existence of sales or a likelihood of sales at less than fair value, or a determination that a class or kind of merchandise is being or is not being, or is likely or is not likely to be sold in the United States at less than fair value, or that a Finding should be terminated, or under section 303 of the Tariff Act of 1930 that there is no reasonable indication of the existence of a bounty or grant, or a determination that a bounty or grant is or is not being paid or bestowed or that a Countervailing Duty Order should be terminated; or (4) a determination by the United States International Trade Commission under section 201 of the Antidumping Act, 1921, that there is no reasonable indication that an industry in the United States is being or is likely to be injured or prevented from being established by sales at less than fair value or a determination that an industry in the United States is being or is not being injured or is likely or is not likely to be injured or prevented from being established by sales at less than fair value or that a determination and Finding should be terminated, or under section 303 of the Tariff Act of 1930 that there is no reasonable indication that an industry in the United States is being or is likely to be injured or prevented from being established or a determination that an industry in the United States is being or is not being injured or is likely or is not likely to be injured or prevented from being established by the importation of duty free merchandise on which is paid or bestowed a bounty or grant or that a Countervailing Duty Order should be terminated; by bringing a civil action in the Customs Court. A civil action shall be commenced by filing a summons in the form, manner and style and with the content prescribed in rules adopted by the court.".

TITLE IV—STUDY OF TRANSFERRING TREASURY INVESTIGATIVE RESPONSIBILITIES TO INTERNATIONAL TRADE COMMISSION

SEC. 401. The Comptroller General shall undertake a study of the need for and feasibility of a transfer of the duties of the Secretary of the Treasury under the Antidumping Act, 1921, and section 303 of the Tariff Act of 1930 to the United States International Trade Commission, or to an independent section of a department of international trade, and report back to Congress with such study not more than one year after the date of enactment of this Act.

TITLE V—AMENDMENTS TO THE REVENUE ACT OF SEPTEMBER 8, 1916

SEC. 501. The text of section 801 of the Act of September 8, 1916, entitled "An Act to raise revenue, and for other purposes" (15 USC 72) is amended to read as follows:

"(a) It shall be unlawful to sell in the United States, whether through a related or unrelated importer, merchandise manufactured in a foreign country for which the purchase price or the exporter's sales price is less than the foreign market value (or, in the absence of such value, than the constructed value), and where the effect of such sale has been substantially to lessen competition or to restrain trade or monopolize any part of trade or commerce within the United States.

"(b) Upon proof being made under subsection (a) that there has been such sale, the burden of rebutting the prima facie case thus made by showing justification shall be upon the person charged with violation of this section. Nothing in this section shall be construed to prevent the sale of merchandise in the United States from any foreign country at a lower price which makes only due allowance for differences in the cost of manufacture, sale, or delivery resulting from the differing methods or quantities in which such merchandise is sold or delivered, or at a price established in good faith to meet an equally low price of a competitor in the United States market, or at a price which changes from time to time in response to changing conditions affecting the market for or the marketability of the merchandise concerned, such as, but not limited to, actual or imminent deterioration of perishable merchandise, obsolescence of seasonal merchandise, distress sales under judicial order, or sales in good faith in discontinuance of business in the merchandise concerned or which is the result of good faith reliance by the importer on information contained in the Customs invoice.

"(c) Any person injured in his business or property by reason of any violation of, or combination, conspiracy, or contract to violate this section, may sue therefor in the district court of the United States for the district in which the defendant resides, transacts business, is found, or has an agent, without respect to the amount in controversy, and shall recover threefold the damages by that person sustained, and the cost of the suit, including a reasonable attorney's fee. The action brought under this title shall be barred unless commenced within four years after the cause of action accrued.

"(d) For the purpose of determining the 'purchase price', 'exporter's sales price', 'foreign market value', or 'constructed value', the courts shall take into account and be guided by the applicable provisions of the Antidumping Act, 1921.

"(e) The acceptance by any foreign manufacturer or exporter of any right or privilege conferred upon him to sell his products or have his products sold by another party in the United States shall be deemed equivalent to an appointment by the foreign manufacturer or exporter of the Commissioner of Customs to be the true and lawful attorney upon whom may be served all lawful process in any action or proceeding arising against the foreign manufacturer or exporter under this section.".

EXPLANATION OF THE INTERNATIONAL TRADE LAWS REFORM ACT OF 1979

I. AMENDMENTS TO 1921 ANTIDUMPING ACT

Briefly stated, "dumping" is the sale of foreign made merchandise on the American market at a price (adjusted for transportation and other circumstances of sale) which is below the price at which it is sold in the home market, or in other export markets, or below the cost of producing the merchandise. The 1921 Antidumping Act requires Customs to collect a duty equal to the difference in price if the International Trade Commission finds that a domestic industry is being, or is likely to be, injured or is prevented from being established by reason of the sales at less than fair value.

Enforcement of this law has historically suffered from inadequate staffing, low administrative priority, and lack of will to carry it out, perhaps for what are perceived to be more general economic and foreign policy considerations. In part and for these reasons, Congress in the Trade Act of 1974 found it necessary to make several structural changes in the antidumping laws, principally by means of imposing time limits on investigations. Subsequent events, including the unprecedented level of utilization of unfair trade laws by a wide range of industries, have demonstrated that Congress did not go far enough in 1974 in fashioning statutory procedures to ensure that our laws are vigorously enforced. The proposed legislation addresses four principal problems which stand in the way of fair, swift and effective enforcement of the law:

(A) Treasury's failure to initiate its own investigations, and its movement in the direction of hindering the ability of domestic firms to instigate investigations by filing petitions;

(B) Periods for investigation and delays in obtaining relief that are unnecessarily lengthy;

(C) Lax enforcement after the investigation is completed, permitting the payment of duties frequently to be postponed for an indefinite period of time, with the only payment necessary for years being the posting of a modest bond; and

(D) Judicial review provisions which are not sufficiently broad in their scope to check abuses of the wide discretion possessed by the Treasury and the International Trade Commission.

To correct these flaws, the proposed legislation does the following:

(A) Clarifies Treasury's Duty to Enforce the Law.

In the last decade, with the exception of its administration of the Trigger Price Mechanism for steel and related products, Treasury has not conducted a single investigation on its own initiative. The bill makes clear that it has a duty to do so. It requires Treasury to determine within 45 days upon receipt of information from any source, whether there is a reasonable indication that dumping is, or is likely to be, occurring. If Treasury determines there is present such a reasonable indication then it must initiate a full-scale investigation.

In practice, by imposing burdensome informational requirements, Treasury regulations have made it very difficult for some affected firms or industries, especially the small ones, to instigate a Treasury investigation. The proposed legislation would put more of a burden on Treasury during its 45 day preliminary determination investigation to develop the initial facts when additional information cannot reasonably be required of a petitioning party.

In addition, Treasury in January of 1978 promulgated a new regulation, which subsequently was withdrawn, that would have necessitated the inclusion in petitions of an extraordinarily high level of detailed information regarding the causal linkage between less than fair value sales and injury to domestic industry. The regulation went far beyond the authority given Treasury in the Trade Act of 1974 to conclude that there is "substantial doubt" of injury. The proposal also would very likely have had a significant chilling effect on the filing of antidumping petitions.

The bill eliminates the involvement of Treasury in the injury question by putting the matter entirely in the hands of the International Trade Commission, which has expertise in the area and which has the responsibility for making the ultimate decision. Under the bill, when a petition is filed with Treasury alleging the dumping of merchandise, information pertaining to injury must be filed directly with the Commission and the Commission will determine within 45 days, whether there is a reasonable indication of injury.

(B) Shortens the Overall Investigation and the Delivery of Relief.

Under current law, Treasury has six months following the initiation of the investigation in which to reach a tentative determination, and nine months in especially complicated cases. Following the tentative determination, Treasury has three months to make a final determination. These time periods are almost never completed before the deadline. The bill shortens the period of the tentative investigation to four months, or six months in complex cases, and makes concurrent the final three month investigation at the agencies, with the extension of the Commission's investigation for an additional month so that the injury question can be decided on the basis of the final margins of dumping found by the Treasury.

Thus, the maximum duration of a normal dumping case would be reduced from 13 months to 9½ months, and the length of more complicated investigations from 16 to 11½ months. Shortening the length of the the investigation is in the interest of both domestic industry and importers because both parties are prevented from accurately determining their true market positions until the investigation is completed. These changes would also move us in the direction of greater conformity with the International Antidumping Code, which requires simultaneous consideration of evidence of dumping and injury. The provision also would reduce the time delay before collection of duties would begin.

The present statutory procedures have the effect of deterring sales at dumping prices only after the "withholding of appraisement" (referred to in the bill by the more modern term "suspension of liquidation") following an affirmative tentative determination by Treasury that dumping is or may be likely to occur. The effect of such action is that a potential liability for dumping duties attaches to goods entering the country after that date. Typically, liquidation is not suspended until seven months after the affected industry files its petition. During this seven month period, foreign manufacturers have an incentive to dump all they can into the American market knowing that Treasury has rarely, if ever, used its authority to suspend liquidation retroactively back to 120 days before the initiation of the investigation.

For example, in the month before the tentative determination was to be announced in a dumping case filed in the summer of 1977 by Monsanto Company against Japanese producers of sorbates, a chemical preservative, the amount of imported sorbates was three times the total for each of the previous months. Even if relief from dumping were to follow shortly thereafter, it is contended that recovery from such an onslaught of imports could take upwards of a year.

In order to deter continued and in some cases increased dumping after the initiation of the investigation, the bill would require that suspension of liquidation occur after the preliminary determination is made by Treasury that there is a reasonable indication of LTFV sales and the Commission had determined that there is a reasonable indication that injury is present.

(C) Requires Timely Collection of Duties.

The one phase of antidumping proceedings which Congress failed to regulate in 1974 was the period after the initial investigation was completed. Consequently, Treasury enforcement has been particularly lacking in this respect. According to an April 1978 General Accounting Office review of the Administration of the Antidumping Act, the average delay in the collection of duties is currently 3 to 3½ years. The G.A.O. concluded that "faced with mandated time requirements for other segments of the antidumping process, Customs has simply not concentrated on the assessment phase."

In 1971, Treasury issued a finding against televisions from Japan. For six years, while Admiral, Motorola, Magnavox, Philco and other American television manufacturers were being forced out of business, the Treasury Department did nothing. It was not until March, 1978, that Treasury, under heavy Congressional pressure, finally assessed dumping duties of $46 million on entries of sets imported into the U.S. in 1972 and the first six months of 1973. The $46 million assessment represents a dumping margin of at least $30 per set at wholesale, and $50 at retail prices. Four more years of imports, on which dumping duties are believed to approximate $350 million, remain unresolved. No reason was offered for the continued delay, but the apparent purposes were to minimize the adverse impact on the importers and to provide time for a protest of the assessments, thus making the limited Treasury action essentially a trial run. Meanwhile, as this delay continues, merchandise under current procedures is permitted to enter under a minimal bond even though the final determination of dumping has been issued, and injury has been found.

The proposed legislation would require payment of estimated duties "up front" after the investigative phase is concluded with a finding of dumping. The estimated duty would be payable retroactively on all merchandise under suspension of liquidation at that time. Such payment, which is required by the European community at the initiation of an investigation and which is the U.S. procedure for payment of regular customs duties, would provide that tough deterrent that is needed to ensure that dumping practices end immediately. It would provide foreign manufacturers with an incentive to cooperate during the assessment process, rather than to obfuscate and delay as they sometimes do under the current system. In the interest of fairness, the bill provides for reasonable flexibility in determining the estimated duty, and for refund payments with interest. Under the bill, once a finding of dumping is made, merchandise covered by that finding could not enter the country and be cleared through Customs unless the estimated special dumping duty is paid.

Recently, Treasury took a significant step to correct this problem of delay in the assessment and then collection of duties on goods covered by a dumping finding. Treasury on December 14, 1978 announced in the Federal Register proposed regulations which would require the payment of estimated duties on goods entered after the finding of dumping.

(D) Expands the Scope of Judicial Review.

There is wide concern that both Treasury and the International Trade Commission frequently infuse their analysis of the facts with economic and political concerns not germane to their statutory obligations. Both agencies at present have little check on their discretion. The standard of judicial review is not at all spelled out in the statute, so the courts have cautiously interpreted it to be minimal. The bill would clarify and increase the scope of judicial review, but not so as to jeopardize the basic informal nature of the present system. Review is not expanded to the extent that reversing and administrative determination would be so easy as to maintain a considerable degree of uncertainty in the marketplace following the completion of agency action. Rather, the greater reviewability should induce the administrative agencies to be more careful in applying the law consistently to the facts, and induce greater disclosure of the issues decided and the reasons for those decisions.

II. AMENDMENTS TO THE COUNTERVAILING DUTY STATUTE

Under Section 303 of the Tariff Act of 1930, Treasury may impose a duty equal to the amount of a bounty or grant bestowed by foreign governments upon articles exported to the United States. The problems resulting from sales of merchandise at less than normal prices in response to government subsidies are very similar to those resulting from pricing decisions made by private firms. Yet the procedures followed under the countervailing duty statute are in some way even less adequate than those under the antidumping law. The bill would make the statutory procedures in countervailing duty cases the same as antidumping procedures, except where the involvement of foreign governments warrants a distinction.

Under current law, Treasury may take six months to make its tentative determination under the 1930 Act and another six months for a final determination. If the merchandise is duty-free, another three months is allowed for an injury determination by the International Trade Commission. The bill would reduce to four months the period before the tentative determination, and to three months the time for a final determination, and would make the injury determination for duty-free merchandise concurrent with Treasury's final determination as provided under proposed amendments to the antidumping laws.

Presently, no potential liability for countervailing duties attaches until after the final determination by Treasury, which means that an industry must wait one year to begin to get relief. Under this proposal, as in the antidumping statute, liquidation occurs when a preliminary determination—that a bounty or grant is being given—is made within 45 days after a petition is filed or Treasury self-initiates an investigation, thus bringing to bear the deterrent value of the statute no later than 45 days after an investigation is initiated.

When the merchandise entering the country is duty-free, the International Trade Commission, as under the antidumping statute, must make a preliminary injury determination within 45 days of the filing of a petition. If the ongoing Tokyo round of discussions relative to reform of the GATT results in the addition of an injury test within the U.S. domestic laws implementing the provisions of the international subsidy/countervailing duty code, as applied to both duty and duty-free merchandise, then the provisions for determining injury contemplated within the International Trade Laws Reform Act of 1979 as relates to duty-free merchandise need only be expanded to cover all merchandise.

III. AMENDMENTS TO SECTION 337 OF THE TARIFF ACT OF 1930

Section 337 authorizes the International Trade Commission to issue cease and desist or exclusion orders in cases of unfair competition where there is substantial injury to a domestic industry or an attempt to restrain or monopolize trade.

Unfortunately, effective enforcement of this statute has been and is likely to continue to be inhibited by a wasteful jurisdictional dispute between Treasury and the International Trade Commission over which cases come within Treasury's responsibilities. In April, 1974, the President disapproved the Commission's first order in a Section 337 predatory pricing case, an order against Japanese producers of stainless steel pipe and tube to cease and desist from selling in the United States at prices below the average variable costs of production. Leaving aside the question of whether the disapproval was justified on the facts of the case, a serious concern has developed that the broad policy terms and precedent-setting manner in which the President disapproved of the use of Section 337 will effectively eliminate that section from use in non-patent infringement cases until Congress legislatively reasserts its support for such broadened use of the 337 remedy.

As a matter of policy, cases involving only dumping should be handled by Treasury which has the authority and expertise necessary for the mathematical calculations required in those cases. On the other hand, the Commission should be empowered to deal with unfair trade practices which extend beyond dumping or countervailable subsidies.

The proposed bill would authorize the International Trade Commission to suspend or terminate its investigation when matters within the purview of the antidumping or countervailing duty statutes come before it. The proposed legislation would preclude the Commission from making a determination where it found that action taken by Treasury had determined the controversy before it.

The second procedural change in Section 337 would vest the International Trade Commission with powers similar to those of the Federal Trade Commission, including a $10,000/day penalty for violations of its cease and desist orders. Under present law, the only sanction for such violations is the possibility of excluding the merchandise entirely, a remedy which is often too drastic to be viable.

IV. STUDY OF CONSOLIDATION OF RESPONSIBILITIES IN AN INDEPENDENT AGENCY

The bill proposes a study of the feasibility and desirability of transferring Treasury's functions under the antidumping and countervailing duty laws to an independent body such as the International Trade Commission or perhaps to an independent section of a possible new department of international trade. This question merits serious consideration for two reasons: (a) the division of responsibilities under the Antidumping Act, and the overlap between that act and Section 337, lead to administrative inefficiencies that would be eliminated by consolidation in one agency, and (b) the history of Treasury's enforcement of these laws raises questions as to whether they can be vigorously enforced by an executive branch agency subject to the pressures exerted by broader trade and foreign policy considerations.

V. PRIVATE CAUSES OF ACTION

Unfair practices in foreign trade often bear striking resemblance to violations of antitrust laws. Yet, while antitrust laws rely heavily on private lawsuits for their enforcement, private enforcement of trade laws is rare.

This is more by accident than by design. The original antidumping statute was Section 801 of the Revenue Act of 1916 (15 U.S.C. Section 72), which provides for treble damages where an American business sustains a competitive injury by reason of dumping. However, the 1916 Act has been invoked in only a few cases, most of which were brought very recently. To date not one case has been prosecuted successfully to conclusion under this statute. As early as the Tariff Commission report of 1919, commentators have noted that the 1916 Act is a dead letter. The Commission, at that time, concluded that, "Evidently, for the most part, the language of the Act makes difficult, if not impossible, the conviction of offenders and, for that reason, the enforcement of its purpose. . . . If the Act of 1916 is adhered to, attention should be devoted to careful revision and strengthening of its provisions." Primarily out of frustration with the ineffectiveness of the 1916 act, Congress in 1921 legislated the administrative remedies under a new Antidumping act.

The 1916 Act suffers from three defects: (1) plaintiffs must prove a specific motive—a criminal intent—to destroy or injure American business, or to restrain trade; (2) the 1916 Act has been interpreted as a criminal statute, requiring strict construction of its terms and a criminal burden of proof beyond a reasonable doubt; and (3) the statute is laden with vague and uncertain language purporting to describe the proscribed behavior.

The proposed legislation would give substance to the private antitrust remedy enacted by the Congress in 1916 by making use of two statutes enacted subsequently—the Robinson-Patman Act (15 U.S.C. 13, the domestic price discrimination law) and the 1921 antidumping Act.

If dumping is alleged, an injured party would not have to prove that the sales were made with a specific anticompetitive intent, but rather would have to show sales at less than fair value (as defined in the 1921 act) which had the effect of substantially lessening competition or restraining trade or monopolizing any part of trade or commerce. The plaintiff would establish the elements of the violation under a civil standard of proof, by a preponderance of the evidence. As in Robinson-Patman, the burden would then shift to the defendant to establish that the price differential was justified. As in Robinson-Patman, it would be assumed that the party to whom the burden shifts is the party best able to come forward with evidence justifying its action.

An adequate private antitrust remedy directed at predatory dumping is necessary for three reasons:

(1) Neither Treasury action under the 1921 statute nor Commission action under Section 337 of the 1930 Tariff Act will make our free enterprise system whole for anticompetitive harm done to it. The latter actions serve only as deterrents to prospective unlawful acts;

(2) The 1921 Act approach of imposing dumping duties is not a foolproof deterrent to the continuation of dumping practices. A firm may be willing to arrange with its corporate relatives who import the merchandise at an unfair price. The recent history of the television antidumping case has brought to light the possibilities for evading the intending effect of tariff actions under the 1921 Act through kickbacks and rebates. In addition, the use of cease and desist and exclusion orders by the Commission in Section 337 predatory pricing cases is as yet too new to be able to ascertain its effectiveness; and (3) Other domestic antitrust laws are not adequate remedies for predatory dumping. Section 1 of the Sherman Act (15 U.S.C. 1) outlawing combinations in restraint of trade is applicable only to multiple party activity. Dumping is generally viewed as an act not performed in concert or combination with other co-participants. Section 2 of the Sherman Act (15 U.S.C. 2) is directed not so much against anticompetitive conduct as against anticompetitive market structures. Dumping would be cognizable under Sherman 2, but it would simply be one element in a scheme to monopolize or attempt to monopolize trade.

For these reasons, two additional statutes, the 1921 Antidumping Act and the Robinson-Patman Act, were passed subsequent to Sherman 1 and 2 to address specifically the problem of price discrimination. Robinson-Patman, however, has been held to be inapplicable to acts of price discrimination occurring in international commerce even where the effect is on the United States market.

INTERNATIONAL TRADE LAWS REFORM ACT OF 1979

SECTION-BY-SECTION ANALYSIS

Title I—Antidumping Act amendments

Section 101. This section revises section 201 of the Antidumping Act, 1921 (19 USC 160). The subsections are rearranged so that the procedures read in chronological order. Subsection (a), concerning the initiation and preliminary phases of the investigation, replaces subsection (c) of the current statute. Subsection (b) continues to cover the tentative determination of the Secretary of the Treasury. Subsection (c) deals with the final determination of the Secretary and the injury determination of the International Trade Commission while subsections (d) and (e), respectively, deal with the hearings and the statements of reasons supporting the determinations, and replace subsections (a) and (d) of the current statute. Subsection (f) establishes the process by which a final determination of sales at less than fair value or an injury determination may be terminated.

Each subsection amending Section 201 of the Antidumping Act, 1921, is discussed separately below.

Section 201, subsection (a), paragraph (1). Current law simply requires the Secretary to decide within thirty days after receipt of information alleging dumping whether to initiate an investigation. The bill requires the Secretary to conduct a preliminary investigation upon being informed of the existence or likelihood of the dumping of merchandise, and sets a "reasonable indication" standard for the Secretary's determinaton no more than 45 days later as to whether such merchandise is being or is likely to be dumped. The bill makes clear that information from sources other than a petition submitted by an affected domestic industry should trigger a preliminary investigation. The Secretary would continue to receive help from domestic industry in developing facts, but could not require the submission of more information than is reasonably available to a petitioning party nor necessary to determine the question of sales at less than fair value. The bill adds a requirement that possible margins of dumping be published in the Federal Register along with the notice of the initiation of a full-scale investigation in order to provide foreign manufacturers or importers of the merchandise in question information upon which to make price adjustments. In the case of a determination not to initiate a full-scale investigation, the Secretary will inform in writing a petitioning party of the specific reasons for such determination.

Section 201, subsection (a), paragraph (2) concerns the receipt by the Commission of information pertaining to injury to a domestic industry by reason of imported merchandise sold at less than fair value (LTFV). Under subsection (c)(1) of Section 201 of the current law, a petitioning party submits both information of injury and sales at less than fair value to Treasury. The bill provides that a petition setting forth the belief of injury, with reasons, be submitted to the Commission concurrent with the submission of LTFV information to Treasury. In the case of self-initiated investigations by Treasury, the lack of injury information from a petitioner is remedied by the provision for the Secretary to notify the Commission which shall conduct a preliminary investigation to develop facts regarding injury to a domestic industry. Paragraph (2) of subsection (a) also replaces paragraph (2) of section 201(c) of the current law which was added by the Trade Act of 1974 to provide for the interim injury referral by Treasury to the Commission. The bill retains the concept of a selective early injury determination, but eliminates entirely the involvement of Treasury in the injury question. Under current law, the Secretary is authorized to conclude, during the initial thirty day investigation, whether there is "substantial doubt" of injury. If he so concludes, he forwards to the Commission the reasons for such doubt, along with whatever LTFV information is available. Under the bill, upon receipt of a petition or upon being informed by the Secretary of a self-initiated investigation, the Commission conducts a preliminary investigation into the question of injury to a United States industry. The Commission must within 45 days determine if there is reasonable indication of injury or the likelihood of injury or that an industry in the United States is prevented from being established. The Commission is required to publish in the Federal Register its determination, whether affirmative or negative, along with a complete statement of reasons.

Section 201, subsection (a), paragraph (3) Under current law the Secretary upon making a tentative determination of sales at less than fair value withholds appraisement of the merchandise in question. Current law includes the authority to withhold appraisement covering merchandise which entered up to 120 days prior to the publication of the notice of initiation of a full-scale investigation. The withholding, however, would only cover that merchandise which has not been liquidated (fully cleared through Customs). The bill replaces the archaic term "withholding of appraisement" with the more accurate term "suspension of liquidation" inverted into the countervailing duty statute by the Trade Act of 1974. The bill mandates that the Secretary, upon publishing his determination of a reasonable indication of sales at less than fair value and upon a determination by the Commission of a reasonable indication of injury, shall require the suspension of liquidation as to merchandise entered or withdrawn from warehouse, for consumption, or after the date of publication in the Federal Register of the Secretary's notice of the initiation of a full-scale investigation. Also, as of that date, the Secretary must initiate a full-scale investigation under subsection (b) and publish notice to that effect in the Federal Register.

Section 201, subsection (b) Under current law, in the usual case, Treasury is afforded six months to make its tentative determination of LTFV sales. The bill cuts this time to four months. For the more complicated case the time is shortened by the bill from nine to six months.

Section 201, subsection (C), paragraph (1) and (2) Under current law, Treasury has three months following the tentative determination in which to make a final determination. If the final determination is affirmative, the case is then sent to the Commission for an injury determination which may take another three months. The bill makes concurrent the final three-month investigations at the agencies, with the provision of an additional month for the Commission to enable it to base its determination upon the margins of dumping disclosed in the final determination of Treasury. The Secretary is required to make available to the Commission his most recent LTFV data whenever he believes that the margins of dumping have changed significantly from the tentative determination. This provision is designed to give the Commission as much notice as possible relating to the likely final margins of dumping, so that it can complete its injury inquiry as efficiently and expeditiously as possible. The bill makes clear that a negative final LTFV determination or a final discontinuance of the investigation would terminate the Commission's inquiry in progress. In the case in which the Secretary reaches an affirmative final determination following a negative tentative determination, a three month injury inquiry by the Commission would follow the final determination, as under current law. The bill provides that upon the Secretary making an affirmative final LTFV determination and the Commission determining injury, the Secretary shall make public a finding of dumping which shall order the assessment and collection of estimated special dumping entries on the merchandise subject to the suspension of liquidation order.

Section 201, subsection (d) adds to those circumstances under current law following which a hearing will be available the notice of tentative discontinuance of an antidumping investigation or notice of a tentative modification or revocation of a dumping finding. Hearings are now provided for these circumstances by regulation. The paragraph also makes clear that any petitioning party, which may include a labor union or trade association under current regulations, may request and appear at the hearing. The bill requires that a hearing be held before any determination under subsections (a) (preliminary determination stage), (c) (final determination) or (f) (termination of a Finding).

Section 201, subsection (e) includes, along with those provided under current law, the tentative LTFV determination, whether affirmative or negative, in the list of determinations for which a complete statement of findings and conclusions must be published in the Federal Register. This addition would provide interested parties with considerably more information upon which to base their oral and written arguments at the hearing prior to the final determination, and would make more difficult inappropriate uses of the Secretary's discretion in making adjustments and calculating the margins of dumping. The bill also requires that a complete statement of Findings and conclusions be published in the Federal Register for a negative determination under subsection (a) (preliminary determination stage) and determinations, affirmative or negative, under subsection (c) (final determination) and subsection (f) (termination of a Finding).

Section 201, subsection (f), paragraph (1) Current law does not provide for the revocation of a dumping finding or an injury determination. However, both the Secretary of the Treasury and the International Trade Commission have adopted procedure permitting the revocation of dumping findings. The bill provides that a determination of sales at LTFV may be terminated upon petition by a party subject to the Finding but only if the Secretary first determines that such sales have not occurred for 3 years and receives assurances that sales at LTFV will not be resumed or himself determines that such sales are not likely to resume. After terminating such a Finding the Secretary is required to monitor the importation of such merchandise for 3 years and in the event that sales at LTFV resume shall initiate an investigation.

Section 201, subsection (f), paragraph (2) provides that an injury determination may be terminated upon petition by a party subject to the Finding but only if the International Trade Commission first determines that the injury found in the original determination has been absent for at least three years.

Section 102. This section amends Section 202(a) of the Antidumping Act, 1921 (19 USC 161) which provides for the calculation and imposition of the special dumping duty as to merchandise subject to a Finding of dumping, to conform that section with the amendments made to the Antidumping Act by this bill.

Section 103. This section amends section 205(a) of the Antidumping Act, 1921 (19 USC 164(a)) by authorizing the Secretary to calculate the foreign market value for purposes of assessing antidumping duties through the use of averaging techniques used in the LTFV investigation. Currently, Customs attempts to compare the purchase price or exporter's sales price (where the foreign manufacturer and the importer are related) in this country with the home market price or constructed value of the merchandise on the same date, or as near as possible to the same date as the date of purchase or export. Such a detailed comparison is quite time consuming and is in general in the interests of neither domestic industry nor the importers. This section permits the use of weighted averages on a manufacturer-by-manufacturer basis over a period of no longer than six months, which is generally the length of time over which such averages are currently being calculated in LTFV investigations.

Section 104. This section amends section 208 of the Antidumping Act, 1921 (19 USC 167) to provide for payment "up front" of estimated duties upon entry following a Finding of dumping (which includes affirmative determinations by the Secretary and the Commission). The current section 208 simply requires that an "exporter" under Section 207 of the Act (a purchaser who is related to the foreign manufacturer), who does not declare at the time of entry the exporter's sales price (his first sales price in this country), give bond in an amount equal to the estimated value of the merchandise. The bond is conditioned upon (1) reporting the exporter's sales price within thirty days after the merchandise is sold or agreed to be sold; (2) paying on demand the amount of dumping duty imposed; and (3) furnishing to Customs such information as may be in his possession and as may be necessary for the ascertainment of the dumping duty, and the keeping of records as to the sale of the merchandise as the Secretary may by regulation prescribe.

The bill's provision for payment of estimated dumping duties applies to all merchandise subject to a dumping Finding, and would bring the practice with respect to collection of dumping duties into conformance with the collection of regular duties.

Section 208, subsection (a), paragraph (1) provides that upon the Secretary making public a Finding, Customs shall not deliver merchandise subject to that Finding unless the special estimated dumping duty assessed on such merchandise is paid.

Section 208, subsection (a), paragraph (2) provides for adjustments, the necessity of which is to be made every fifteen months, to the amount of the estimated duty, based upon the most recent available data. Initially, the amount of the estimated duty would be based upon the margins of dumping for that manufacturer in the final LTFV determination. The bill provides that at fifteen month intervals after the publication of the Finding the Secretary is to publish tentative revised margins of dumping and three months thereafter the final revised margin of dumping. The opportunity for public comment and the right to a hearing is provided.

Section 208, subsection (a), paragraph (3) provides that the final revised margins of dumping are applied retroactively to merchandise appraised and liquidated from the date of publication of the prior margin of dumping. The bill provides for the return of any excess duties deposited, with interest, from the date on which the duty was deposited, at the annual rate established under section 6621 of the Internal Revenue Code of 1954 in effect on that date.

Section 208, subsection (b) restates the bonding requirement in the special circumstances listed under current law (19 USC 208) but amends the third condition of the bond to require the "exporter" to furnish to Customs such information as is in his possession, and to arrange to furnish other information, which the Secretary deems necessary for the ascertainment of the dumping duty. This should help ensure that Treasury has sufficient access to information upon which to assess duties.

Section 105. This section adds to section 209 of the Antidumping Act, 1921, (19 USC 168), new subsection (b).

Section 209, subsection (b) requires all information developed in connection with the assessment and liquidation of antidumping duties (other than items to which confidential treatment has been granted) to be made available, upon request of an interested party, in accordance with the provisions of the Freedom of Information Act.

Section 106. This section amends Section 210 of the Anti-dumping Act, 1921 (19 USC 169) which provides for the right of protest from certain actions of the Customs officers, to conform that section with the amendments made to the Antidumping Act by this bill.

Title II—1930 Tariff Act amendments

Section 201, subsection (a). This subsection replaces paragraphs (3) through (6) of subsection (a) of Section 303 of the Tariff Act of 1930 (19 USC 1303), the countervailing duty statute.

Section 303, subsection (a), paragraph (3), subparagraph (A) establishes the automatic nature of the initiation of an investigation by the Secretary upon the filing of a petition by any person setting forth his belief that a bounty or grant is being paid or bestowed. Current law provides that the Secretary initiates a "formal" investigation whenever he concludes from information presented to him that such an investigation is warranted. The bill requires the Secretary to conduct a preliminary investigation upon receipt of information to the effect that a bounty or grant is being paid or bestowed. Within forty-five days after receipt of such information, the Secretary initiates a full-scale investigation if he determines that there is a "reasonable indication" that such bounty or grant is being paid or bestowed. The bill adds a requirement that the Secretary publish in the Federal Register the possible size of the bounty or grant and the level of countervailing duty to be imposed. In the case of a determination not to initiate a full-scale investigation, the Secretary will inform in writing a petitioning party of the specific reasons for such determination.

Section 303, subsection (a), paragraph (3), subparagraph (B) provides that a petition setting forth the belief of injury be submitted to the Commission concurrent with its submission to Treasury alleging the paying or bestowing of a bounty or grant as to imported merchandise which is free of duty. In the case of self-initiated investigations by Treasury the lack of injury information from a petitioner is remedied by the provision for the Secretary to notify the

Commission which shall conduct a preliminary investigation to develop facts regarding injury to a domestic industry. Upon receipt of a petition or upon being informed by the Secretary of a self-initiated investigation, the Commission is to conduct a preliminary investigation into the question of injury to a United States industry. The Commission must within 45 days determine if there is reasonable indication of injury or the likelihood of injury or that an industry in the United States is prevented from being established. The Commission is required to publish in the Federal Register its determination, whether affirmative or negative, along with a complete statement of reasons.

Section 303, subsection (a), paragraph (3), subparagraph (C). Current law provides for suspension of liquidation only in the case of duty-free merchandise subject to an injury determination at the time the Secretary makes his final determination. Under the bill the Secretary is required, at the time he publishes his determination of a reasonable indication that a bounty or grant is being bestowed and, where applicable for duty-free merchandise where the Commission determines that there is reasonable indication of injury, to order the suspension of liquidation as to merchandise entered or withdrawn from warehouse, for consumption, on or after the the date of publication of the notice of the full-scale investigation.

Section 303, subsection (a), paragraph (4) shortens from current law the maximum time between notice of the initiation of a full-scale investigation and the tentative determination from six months to four and the additional time before the final determination from six months to three.

Section 303, subsection (a), paragraph (5) provides that when the Secretary makes a final determination that a bounty or grant is being paid or bestowed and, where applicable, the Commission determines injury the Secretary shall publish a Countervailing Duty Order.

Section 201, subsection (b). This subsection amends subsection (b) of Section 303 of the Tariff Act of 1930, which concerns duty-free merchandise made subject to an injury determination by the Trade Act of 1974. The subsection tracks precisely the proposed amendments to the Antidumping Act under Title I of this bill which make the final three-month investigations at Treasury and at the Commission concurrent, with the addition of an extra month for the Commission to make its injury determination on the basis of the final determination of the Secretary.

Section 201, subsection (c). This subsection amends subsection (c) of Section 303 of the Tariff Act of 1930, and brings together the paragraphs concerned with the actions of the Secretary following the issuance of an order directing the assessment and collection of countervailing duties.

Section 303, subsection (c), paragraph (1) provides that upon the Secretary making an affirmative final determination and, in the case of duty-free merchandise, the Commission determining injury, the Secretary shall make public an order directing the assessment and collection of estimated countervailing duties on the merchandise subject to the suspension of liquidation order.

Section 303, subsection (c), paragraph (2) provides that as to all merchandise subject to a countervailing duty order, Customs shall not deliver the merchandise unless the estimated countervailing duties are paid.

Section 303, subsection (c) paragraph (3) provides for adjustments, the necessity of which is to be made every fifteen months, to the amount of estimated duty, based upon the most recent available data. Initially, the amount of the estimated duty would be based upon the bounty or grant established by the Secretary in his final determination. The bill provides that at fifteen month intervals after the publication of the Order the Secretary is to publish tentative revised levels of bounty or grant and three months thereafter a final revised bounty or grant. The opportunity for public comment and the right to a hearing is provided.

Section 303, subsection (c), paragraph (4) provides that the final revised bounty or grant is applied retroactively to merchandise appraised and liquidated from the date of publication of the prior level of bounty or grant. The bill provides for the return of any excess duties deposited, with interest, from the date on which the duty was deposited, at the annual rate established when section 6621 of the Internal Revenue Code of 1954 in effect on that date.

Section 303, subsection (c), paragraph (4) requires all information developed in connection with the amount and liquidation of countervailing duties (other than items to which confidential treatment has been granted), to be made available, upon request of an interested party, in accordance with the provisions of the Freedom of Information Act.

Section 303, subsection (c), paragraph (6) extends the scope of the current requirement under (a)(6) of Section 303 of the Tariff Act of 1930 that the tentative and final determinations of the Secretary, and the injury determination of the Commission, be published in the Federal Register. The bill also requires that any negative preliminary determination under Section 303(a)(3) be subject to the requirement that the determinations be accompanied by a complete statement of findings and conclusions, and the reasons or basis therefor, on all material issues of fact or law presented (consistent with confidential treatment granted by the Secretary or the Commission in the course of making their respective determinations).

Section 303, subsection (c), paragraph (7) restates existing paragraph (6) of Section 303(a) of the Tariff Act of 1930.

Section 202, subsection (a) amends Section 303 by redesignating sections (d) and (e) as (e) and (f), respectively and adding a new subsection (d).

Section 303, subsection (d), paragraph (1) provides that a determination that a bounty or grant is being bestowed may be terminated upon petition by a party subject to the determination but only if the Secretary first determines that such bounty or grant has not been afforded for three years. After terminating such a finding the Secretary is required to monitor the importation of such merchandise for three years and in the event that renewed grants or bounties are found shall initiate an investigation.

Section 303, subsection (d), paragraph (2) provides that as to duty-free merchandise an injury determination may be terminated upon petition by a party subject to the Finding but only if the Commission first determines that the injury found in the original determination has been absent for at least three years.

Section 303, subsection (d), paragraph (3) establishes at what stages hearings are to be afforded if requested.

Section 203. This section amends section 484(b) of the Tariff Act of 1930. The bill requires the mandatory reporting to the Customs Service of the home market price and sales price of goods selected by the Secretary which goods represent a major factor within the domestic market at the time the goods are being processed for entry.

Section 204. This section amends section 484(e) of the Tariff Act of 1930. The bill provides for publication of statistical summaries of the kinds and quantities of merchandise imported into this country, their home market price, and the domestic price of the goods. Along with Section 203 this section will permit interested parties to monitor for dumping, thereby encouraging the active enforcement of the antidumping laws by domestic industry.

Section 205. This section amends section 484 of the Tariff Act of 1930 by adding an additional subsection, designated (h). The bill would require information (currently asked for on Customs invoices) on home market price and purchase price or exporters sale price. This provision should facilitate Custom's ad valorem calculations.

Section 206, subsection (a). This section addresses procedural aspects of the jurisdictional overlap between the Treasury Department's enforcement of the Antidumping Act and the countervailing duty law and the International Trade Commission's enforcement of Section 337 of the Tariff Act of 1930 which proscribes "unfair methods of competition." Current subsection (b)(3) of section 337 of the Tariff Act of 1930 simply requires the Commission to notify promptly the Secretary whenever it has reason to believe that the matter may come within the purview of the antidumping or countervailing duty statutes. The bill provides that the Commission not only continue to so notify the Secretary, but that it may suspend its investigation as to those matters which may come within the purview of the above statutes, pending Treasury action. Suspension is discretionary because in all likelihood there will be cases in which a part of the allegation though it be minor in scope may fall within the purview of the antidumping or countervailing duty statutes. To require suspension of the investigation in such cases for a period of many months would deprive interested parties of timely relief from unfair trade practices. It is also felt that an enumeration of the circumstances under which the Commission must suspend its investigation would prove much too complicated to be appropriate for statutory treatment.

Section 206, subsection (b). Under current Section 337(c) of the Tariff Act of 1930, the Commission is required to make a determination in each Section 337 case whether or not there is a violation of that section. This section amends subsection (c) of Section 337 of the Traiff Act of 1930.

Section 337, subsection (c) provides a substantive standard by which the Commission shall decide whether it has jurisdiction to issue a determination under Section 337. Where the Commission has reason to believe that the matter in controversy may come within the purview of the antidumping or countervailing duty laws, it shall not retain jurisdiction to issue a determination if it determines that action taken as is authorized by those statutes "determines the controversy" before the Commission. The latter language means that the dumping or subsidy problem had been or was being eliminated by action taken by Treasury. In requiring the Commission to examine Treasury action to ascertain whether such has determined the controversy, it is contemplated that either the Section 337 case would have been filed after Treasury had acted on the matter, or that the Commission would have made appropriate use of its discretion in suspending its investigation pending such action.

A degree of uncertainty as to where a case is most appropriately determined will remain under this formulation. To completely resolve the jurisdictional dispute would require either total elimination under Section 337 of cases involving discriminatory pricing, or total elimination of any checks on the Commission's ability to decide such cases. It is felt that neither approach would make sound policy. It is contemplated, however, that the legislative history of this bill would expand upon the comment made in the Finance Committee report on the Trade Act of 1974, "it is expected that the Commission's practice of not investigating matters clearly within the purview of either Section 303 or the Antidumping Act will continue."

Section 206, subsection (c). This section adds to Section 337(f) authority for the Commission to seek in a civil action brought by the Commission a civil penalty of no more than $10,000 for each violation of its cease and desist orders. Each day of failure or neglect to obey a final order of the Commission is deemed a separate offense, and the district courts are also empowered to grant mandatory injunctions and other equitable relief in the enforcement of Commission orders. These additional means of enforcing cease and desist orders are now available to the domestic counterpart of the Commission, the Federal Trade Commission, under 15 U.S.C. 45(m).

Section 207. This section clarifies and expands the scope of judicial review of affirmative final determinations and affirmative injury determinations in antidumping and countervailing duty cases by amending Section 514 of the Tariff Act of 1930 (19 USC 1514).

Section 514, subsection (d) permits challenge in the Customs Court of a Finding of dumping or an order directing the assessment and collection of countervailing duties within thirty days after its issue by the Secretary of the Treasury. The parties who may file such a challenge are expanded to include adversely affected foreign manufacturers, producers or exporters of merchandise of the same class or kind covered by the determination. The party bringing the action may contest both the final determination of the Secretary and the injury determination of the Commission or it may challenge only one of the determinations. Challenges may also be made to the size of the margins of dumping or the amount of the bounty or grant disclosed in the final determination. Current law permits only the domestic importer or his consignee or agent to challenge impositions of antidumping or countervailing duties, and then only following the liquidation of a specific shipment, which does not occur generally until at least many months (or in some cases, years) after Treasury and the Commission had issued their determinations with respect to the class or kind of merchandise in question. An earlier challenge to those determinations is desirable in the interests of fairness because of the bill's provision for payment of estimated duties "up front" on entries following a Finding of dumping or an order to collect countervailing duties. The authority of the courts to consider challenges to the margins of dumping or the amounts of subsidies found is added because there should be some review of the decisions by Treasury as to what constitutes appropriate adjustments for differences in the merchandise, circumstances of sale or quantities sold.

Section 514, subsection (e), paragraph (1) specifies the standard of and record for review in actions under Section 514 contesting determinations by the Secretary or the Commission in countervailing duty or antidumping cases. Current law makes no mention of these matters, and the courts are not certain what Congress intended.

Under existing law, two types of decisions are made respecting the imposition of antidumping or countervailing duties. The first type of decision is one to impose those duties upon a certain class or kind of merchandise. The second type involves an application of a decision of the first type to particular merchandise. The bill provides that the record for review shall include the determination published in the Federal Register, the reasons or basis therefor, the transcript of any hearing, and all information developed in connection with the investigation.

Section 514, subsection (e), paragraph (2) provides authority to the Customs Court to disclose information of a privileged or confidential nature obtained in an investigation to any party or its counsel under such orders as the Court deems necessary.

Section 208. This section clarifies and expands the scope of judicial review of negative final determinations and negative injury determinations in antidumping and countervailing duty cases as set forth in Section 516(d) of the Tariff Act of 1930.

Section 516, subsection (d), paragraph (1) changes existing law by making clear that a labor union or trade association connected with the production of merchandise of the class or kind covered by the Finding or order may challenge the above negative determinations in the Customs Court. Even though such union or association may file an antidumping or countervailing duty petition, they would not in all likelihood, be construed as "an American manufacturer, producer or wholesaler" of such merchandise, and would thus not be permitted to vindicate their rights in the courts under current law. The paragraph also eliminates the need to file with the Secretary a written notice of a desire to contest the determination within thirty days after its publication. Under current law, the Secretary publishes such notice, and it is not until thirty days thereafter that suit may be filed. The extra thirty day delay is unnecessary in view of the public nature of the proceedings under the antidumping and countervailing duty statutes.

Section 516, subsection (d), paragraph (2) locates in the Customs Court on the same basis as provided in paragraph (1), the contesting of a negative injury determination of the International Trade Commission. The failure of current law to address this question, led to two years of senseless litigation which concluded in May of 1978 with a determination by the Customs Court that there is a right to review negative ITC injury determinations under Section 516 (c), and that such review is to be held in the Customs Court (*SCM Corp.* v. *United States*, Customs Court No. 77-4-00553).

Section 516, subsection (d), paragraph (3) adds the right of a petitioning party to seek review of the following two types of decisions not clearly reviewable under current law: (A) a final discontinuance under subsection (c) of Section 201 of the Antidumping Act, 1921, either in whole or in part, or the decision by the Secretary to exclude one or more foreign manufacturers, producers, or exporters from a final LTFV determination; or (B) an affirmative final determination by the Secretary under the antidumping or countervailing duty statutes which contains margins of dumping or an amount of a bounty or grant which the petitioning party believes incorrect. These decisions may be challenged in the Customs Court within thirty days after notice is given the party or the determination is published in the Federal Register.

Section 516, subsection (d), paragraph (4) adds the right of a petitioning party to seek review of the following two types of decisions: (A) a preliminary determination by the Secretary of no reasonable indication of LTFV sales or the giving of a bounty or grant; or (B) a preliminary determination by the Commission under section 201 of the Antidumping Act or section 303 of the Tariff Act of 1930 of no reasonable indication of injury. These decisions may be challenged in the Customs Court within fifteen days after publication of the preliminary determination.

Section 516, subsection (d), paragraph (5) indicates that actions under paragraphs (3) or (4) wherein the court determines in favor of the petitioning party shall be remanded to the Secretary for action not inconsistent with the court's determination or the Secretary may order that action be taken (i.e., an investigation commenced) where appropriate.

Section 516, subsection (e) specifies the same standard of and record for review in actions under Section 516(d) as is provided for actions under Section 514 of the Tariff Act of 1930, under Section 207, Title II of this bill. The Court is given authority to protect from disclosure privileged or confidential information obtained during an investigation.

Section 209. This is a savings clause necessary to prevent the judicial relief amendments contained in the bill from causing the dismissal of any action wihch was instituted under the present section 516 (c) or (d) of the Tariff Act of 1930 and which is currently pending in the Customs Courts.

Title III—Amendments to Customs Court procedures laws

Section 301. This section amends section 2632(a) of Title 28 (28 U.S.C. 2632(a)) of the Customs Court procedure laws to conform that section to the amendment made by Section 208(d)(4)(A) and (B) of Title II of this bill.

Title IV—Study of transferring Treasury investigative responsibilities to International Trade Commission

Section 401. This provision directs the General Accounting Office to undertake a one-year study of the need for and feasibility of a transfer of the duties of the Treasury Department under the Antidumping and Countervailing Duty statutes to the International Trade Commission, or to an independent section of a possible new Department of International Trade.

Title V—Amendments to Revenue Act of 1916

Section 501. This section amends Section 801 of the Revenue Act of 1916, the original antidumping statute commonly known as the "Predatory Dumping Act." The bill maintains the right as provided under current law for any person injured in his business or property by reason of a violation of, or combination or conspiracy to violate that act, to recover treble damages, and the cost of the suit, including a reasonable attorney's fee in the United States District Court in which the defendant resides or is found or has an agent. This section, however, makes substantial changes in the 1916 Act in nearly every other respect.

The jurisdictional elements establish that the cause of action runs against any person who sells merchandise in this country, at a price proscribed by the Act, which merchandise was manufactured in a foreign country. By comparison, the present 1916 Act reaches any person importing or assisting in importing such merchandise from any foreign country into the United States. The foreign manufacturer is not subject to prosecution notwithstanding its predatory conduct under the 1916 Act.

The proscribed behavior under the proposed legislation is a sale or sales which would constitute an act of dumping under the 1921 Antidumping Act (19 USC 160-173). The 1921 Act defines such dumping to occur when the "purchase price" or "exporter's sales price" is less than the "foreign market value" (or, in the absence of such value, than the constructed value) of such or similar merchandise. Subsection (d) of Section 801 of this bill specifies that for the purpose of construing these terms the courts shall take into account and be guided by the provisions of the 1921 Act. The present 1916 Act, by contrast, proscribes dumping by use of terminology which is vague and has no modern meaning. The 1916 Act proscribes the common and systematic importation of merchandise at a price "substantially less" than the actual market value or wholesale price of such merchandise, at the time of exportation to the U.S., in the principle markets of the country of its production, or of other foreign countries to which it is commonly exported. Under the bill, the elements of a price discrimination under the 1921 Act would be the same as the elements of such a discrimination under the now amended 1916 Act, except that an anti-competitive effect is required under the amended 1916 Act as opposed to injury to an industry (competitors) under the 1921 Act. Subsection (b) incorporates a technique borrowed from the Robinson-Patman Act (15 USC 13) of shifting the burden of proof once the plaintiff has established a prima facie case, to the defendant, who possesses the best information to establish that a price differential was justified. Justification may be shown, as under Robinson-Patman, by establishing that the lower price (1) makes only due allowance for differences in the cost of manufacture, sale or delivery resulting from the differing methods or quantities in which such merchandise is sold or delivered; (2) was established in good faith to meet an equally low price of a competitor in the United States market; or, (3) was set in response to changing conditions affecting the market for marketability of the merchandise concerned. Also a justification could be that the importer set his price based upon a good faith reliance on information contained in the Customs invoice. This latter defense affords protection to the unrelated importer who sells the merchandise unaware that it is being "dumped" in the U.S. markets.

The anti-competitive effect that must be established under the bill is harm in fact. This is the same as under the Sherman Act standard of restraint of trade or monopolization of any part of trade or commerce within the United States (15 USC 1 and 2). Also, language is borrowed from the domestic price discrimination statute, the Robinson-Patman Act, to proscribe harm to competitors where there has been a substantial lessening of competition. The language differs from Robinson-Patman in that the effect must have occurred in fact, not merely be proven to be incipient. Under the present 1916 Act, no harm to the competitive process needs to be shown. Rather, the act or acts of dumping must be undertaken with a specific criminal intent to destroy or injure an industry in the United States, to prevent the estabilshment of such an industry, or to restrain or monopolize any part of trade or commerce in such articels in the United States. The bill eliminates the criminal liability contained under current law. The statute of limitations for a cause of action is set at four years.

Mr. HATCH. Mr. President, it is my pleasure to cosponsor, with Senator DANFORTH of Missouri, the "International Unfair Trade Laws Reform Act of 1979."

Two of Utah's largest employers, the steel and copper industries, have been crippled in recent years by a deluge of unfair foreign imports, while the administration has failed to offer protection. Countless small businesses have felt an immeasurable effect from an untold number of subsidized imports.

By the failure of the administration to adequately enforce fair trade laws, which protect our open market from "dumped" goods, the administration has endorsed a policy of eroding industry's world and domestic market shares and have severely handicapped industry's ability to obtain the capital to modernize. By an unresponsive administration untold numbers of small businesses have borne the burden of subsidized goods flooding our open market. What the law has lacked in protection, what Treasury has lacked in initiative and enforcement, this act will correct.

The "International Unfair Trade Laws Reform Act of 1979" will clarify the role of the U.S. Department of Treasury in insuring a fair market in the United States. The antidumping provisions of this bill substantially reduces the timetable for halting imports of unfairly traded goods. It requires Treasury to determine within 45 days, upon receipt of information from any source, whether there is a reasonable indication that dumping is, or is likely to be, occurring. If Treasury finds such a reasonable indication, then it must initiate a full-scale investigation. Payment of estimated duties after a "finding" of dumping would be required "up front" rather than at the current collection time of 3 to 3½ years, if at all. Finally, the antidumping portion of this bill would clarify and increase the scope of judicial review to induce administrative agencies to more carefully apply the law, while not jeopardizing the basic informal nature of the present system.

The countervailing duty provisions of this bill similarly substantially reduces the timetable for halting imports of subsidized goods. Likewise, liquidation of countervailing duties is mandated after the preliminary determination stage, rather than little or no previous payment of countervailing duties. This bill is but one step on the road of effectively maintaining free global trading. Procedurally, it provides the way for protecting our open market from unfair imports. Substantially, much paving must be made, and this bill is not intended to so pave. This is but the first step.

This bill is long overdue. Relief from unfair imports is long overdue. Let us now serve notice on the world that our free enterprise system will not fall from the predatory and unfair practices of the unscrupulous. Free trade will prevail, and a global benefit will be felt. Utah needs these measures, as does the whole of the United States.

By Mr. HATCH (for himself, Mr. STEVENS, Mr. YOUNG, Mr. TOWER, Mr. DOMENICI, Mr. HAYAKAWA, Mr. HELMS, Mr. THURMOND, Mr. GOLDWATER, Mr. SCHMITT, and Mr. DOLE):

S. 224. A bill to prohibit permanently the issuance of regulations on the taxation of fringe benefits; to the Committee on Finance.

Mr. HATCH. Mr. President, today I am introducing a bill to restrain the Treasury Department from issuing administrative regulations to include employee fringe benefits as part of gross income.

This bill will accomplish the following:

First. Return to Congress the responsibility of levying taxes on employer fringe benefits, an increasingly substantial portion of personal income;

Second. Aid business and labor in negotiating future contracts by ending speculation as to what the IRS might define as taxable income; and

Third. Save taxpayers billions of dollars in additional taxes.

On August 2 of last year, the Senate passed H.R. 12841, a bill which prevented the Treasury Department (IRS) from issuing final regulations on the taxation of fringe benefits until 1980. This bill extended an earlier bill which restricted Treasury from issuing regulations until July 1, 1978. Instead of providing the IRS with specific guidelines concerning fringe benefits, Congress has twice put off considering the matter until "a proper review of these issues" can be undertaken. The manner in which this problem has been handled has only increased the uncertainty about the future taxation of fringe benefits.

It is the constitutional duty of the Congress to legislate tax policy and thus determine what portion of personal income is taxable. If the Congress wants to tax fringe benefits, the Congress, not the IRS, should act. The bill I am offering today will place the burden on the legislative branch to take the initiative in deciding what fringe benefits that are not already taxed should be included as taxable income. This bill will avoid the cumbersome process of legislative veto in which Congress attempts to review and modify regulations put forth by an executive department.

Congress must take affirmative action now. The IRS has already targeted a score of fringe benefits to tax. In an article last May, U.S. New & World Report cataloged several benefits which will no longer be tax-exempt unless additional legislation is passed.

Mr. President. I ask unanimous consent that the article entitled "Forty Fringe Benefits IRS Wants To Tax" from the U.S. News & World Report of May 8, 1978, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FORTY FRINGE BENEFITS IRS WANTS TO TAX

New rules that would impose taxes on dozens of employe fringe benefits are about to be unveiled by the Internal Revenue Service.

Just about every employe in the country appears to be a potential target. Congress, which would not have to pass on the actions now in the works, can be expected to howl—and maybe even move to thwart IRS plans.

The boxes on these pages indicate how extensive the tax-free perks of executives and other employes are—and how sizable they can be.

Fringes for millions. At least 40 benefits are under scrutiny, and they reflect an astonishing variety. Many perks, such as price discounts allowed for retail clerks, are the privilege of millions of individuals.

Some, such as free tuition for children of college staff members and free or nearly free air travel for families of airline employes, can mean thousands of dollars in tax-free benefits in a year.

While many business executives are enjoying the use of company cars and airplanes, car salesmen are getting full-time use of demonstrator models and millions of other employes are benefiting from subsidized lunchrooms and free parking spaces—all tax-free.

If all these fringe benefits were to be taxed, the added revenues would run into the billions.

The position of the IRS is that, legally, all of these benefits are taxable compensation to employes.

The Internal Revenue Code, officials point out, defines income for tax purposes as "all income from whatever source derived," including "compensation for services."

That section, the Supreme Court has ruled, "is broad enough to include in taxable income any economic or financial benefit conferred on the employe as compensation, whatever the form or mode by which it is effected."

Officials point out, however, that there are two kinds of exceptions to that dictum. Many of the most important fringe benefits—pension and profit-sharing programs, group health coverage and the like—are exempted from current taxes by acts of Congress.

In addition, three major perks have been made tax-free by specific rulings or regulations issued by the IRS. These are: free or reduced tuition for children of college employes, free or nominal fares for employes of airlines, railroads and bus lines, and reimbursement of supper money for employees when they work overtime.

However, Internal Revenue Commissioner Jerome Kurtz warns that, for those three benefits, "IRS is legally empowered to change these rules to bring them more into line with the law as it has been developed by the courts over the years."

IRS officials are preparing to act on their own, without seeking legislation from Congress.

What to expect. Tax-agency lawyers are drawing up proposed new regulations that, if adopted, will tax many fringe benefits for the first time.

How inclusive will the proposed rules be? Commissioner Kurtz answers: "I would hope that we can draft rules including most items."

Not all fringe benefits will come under the tax law, to be sure. Many will specifically be made tax-exempt under carefully spelled out guidelines. Some small fringe benefits for example, will be made exempt because they are not worth trying to tax. Just as the law itself now exempts Christmas gifts valued at $25 or less, the new rules will exempt fringes of strictly nominal value. Reimbursement for an occasional dinner brought by an employe working overtime, for example, might come under that exception.

Some other benefits are to remain tax-free because they are too difficult to evaluate. For example, the market value of free parking at a downtown office building is easy to determine, but a space outside a plant miles from any city might be hard to price.

What the IRS is trying to do in writing the landmark regulations on fringes, Commissioner Kurtz says, is "to screen out small, hard-to-handle, difficult-to-value items." But on a vast array of fringes, workers, executives and other recipients may well find themsleves liable for tax payments.

Why is the IRS moving to tax fringe benefits that traditionally have been tax-free?

Because, says Kurtz, "basically, fringe benefits are taxable income under the law," and the IRS is bound to enforce that law.

The problem, he explains, is that the law does not spell out the tax treatment for most fringe benefits. As a result, some or all of them are likely to be subjected to taxes in specific cases when they show up in an audit of an individual's tax return.

Tax lawyers and accountants say this means that any individual's tax may depend on which Internal Revenue district he lives in, or on the mood of the agent who audits his return.

Seeking answers. In an effort to get the fringe issue settled, the Treasury in September, 1975, wrote a set of proposed new regulations setting out standards for determining the taxability of fringe benefits. However, recognizing the explosive nature of the issues, officials did not formally propose the new rules, but simply published them in the form of a "discussion draft."

The move met such a storm of protest from Congress and elsewhere that the draft was suddenly withdrawn on Dec. 17, 1976, by then-Secretary William Simon. He said the blanket approach to the fringe-benefit problem was all wrong.

And Congress, playing for time, wrote legislation forbidding the IRS to issue new fringe-benefit regulations before mid-1978. That measure has yet to become law, but the IRS has committed itself to adopt no new regulations on the subject before July 1.

As a result, the IRS is not even issuing any new fringe-benefit rulings to inquiring taxpayers or responding to revenue agents who request advice in cases that are under audit.

But the pledge to defer the actual adoption of new regulations is not being allowed to prevent the IRS from drawing up and proposing such rules for public study and comment. The plan is to issue these in a few weeks.

Washington's silence has not kept revenue agents in the field offices from demanding added taxes when fringe benefits show up on audits of returns. Some of the resulting disputes find their way to the Tax Court. When they do, the IRS usually wins.

Dealer pays up. Take the case of the auto dealer who was ordered to pay taxes on the value of his free use of one of his company's executive cars. Knowing that dealers and their executives all over the country enjoy free use of company cars without any tax liability, the man was outraged. But the court could find nothing in the law or regulations to let him off free.

In another case, the Supreme Court held that cash reimbursement of troopers' expenses for lunch while they are on duty is taxable income, even though tax law says reimbursement for meal expenses on overnight business travel is not counted as income.

Opponents of the IRS position argue that, because Congress has had many years in which to make fringes clearly taxable, the agency is usurping authority in going ahead on its own.

But Commissioner Kurtz insists that the IRS simply wants to get the issue settled—to make fringe benefits clearly taxable or tax-free under law.

By proposing new regulations imposing taxes on most such perks, Kurtz hopes to push Congress into writing legislation that spells out clearly the tax treatment on all such benefits.

But with Congress already balking on President Carter's tax-reduction-and-reform program, the IRS effort may draw nothing from Congress but another "stop" order on taxing employe perks.

In the Tax Collectors' Sights

Scores of employe fringe benefits go untaxed without any provision for them in law. Now the IRS wants to tax most of them. Here are 40 examples of perks under scrutiny:

1. Price discounts for store clerks.

2. Free trips in the U.S. and, in many cases, abroad for employes of airlines, railroads and bus lines.

3. Free tuition for spouses and children of university faculty members and other employes.

4. Free parking on employers' premises.

5. Overdraft privileges for bank officers and directors, often at low or no interest.

6. "In kind" benefits such as free or cut-rate telephone and power service for retired employees of phone companies and other utilities.

7. Use of company cars by executives and other employes, including use of demonstrators and "executive cars" by salesmen and executives of auto dealerships.

8. Cars and chauffeurs provided for high executives of federal, state and local governments.

9. Travel reimbursement for employes going between home and temporary work sites—say, an accountant driving to or from a client's office.

10. Season tickets to football, baseball and other games, used by employes.

11. Free tickets to the theater and concerts.

12. Christmas gifts—worth more than the $25 exempt by law—from employers.

13. Beach cottages and other vacation facilities maintained by companies for free use by employes.

14. Conferences at resorts for "sales leaders," spouses.

15. Employment-agency fees and expenses of interview trips paid by prospective employers.

16. First-class air travel when first class is not essential to the business of company officers and directors.

17. Rebates to employes who buy their firms' products.

18. Free subscriptions and low-cost gift subscriptions for employes of magazines and other periodicals.

19. Executive use of assistants and other staff members on personal matters.

20. Residences provided free for executives.

21. Free receptions and entertainment for wives at trade conventions—some of them overseas.

22. Education in the form of free on-the-job training.

23. Loans to employes at low or no interest to buy company stock or for other purposes.

24. Employer's credit cards used by employes to shift interest costs to the firm.

25. Old-age homes provided by companies for their retired employes.

26. Executive memberships in lunch and country clubs.

27. Home improvements for executives that are paid for by employers.

28. Financial counseling and accounting services provided by companies for executives.

29. Employe cafeterias and executive dining rooms offering subsidized prices.

30. Lunch and dinner money provided for employes in all sorts of situations.

31. Deferred pay for executives who each year elect to forgo a specific amount of their salaries and channel it into tax-sheltered investment accounts.

32. Executive trips on company planes to resorts.

33. Annual medical checkups, with health-unit services.

34. Company picnics, Christmas lunches, parties.

35. Bodyguards for corporate executives.

36. Taxi fares for employes coming or going after dark.

37. Tennis, squash courts, swimming pools, other recreational facilities provided by companies for free use by employes.

38. Free bus transportation to plants in distant locations or offices in unsafe neighborhoods.

39. For Americans working overseas, such benefits as education for children, residences, decoration and furnishing of homes, maid and valet services, meals and entertainment at nominal cost at military or government posts.

40. For members of Congress, haircuts, shoeshines, discounts on merchandise, transportation and meal reimbursements, limousines, parking, personal work by secretaries, day-care facilities, picture framing—and one free steamer trunk each session.

Mr. HATCH. Mr. President, we have heard a great deal about the "three-martini lunch," but the IRS appears to be after ordinary employees. As the U.S. News & World Report article says:

> Just about every employee in the country appears to be a potential target.

I hope my colleagues in the Senate will notice how many of these fringe benefits belong to middle and lower income people. How many "fat cats" work as store clerks? None. But if we let them, the IRS will tax store clerks on the price discounts that their employers grant them.

Another fringe benefit that the IRS wants to tax is free parking on an employer's premises. The brunt of this kind of "tax reform" is going to fall squarely on the shoulders of the average employee. When I think of the expanse of parking that surrounds many manufacturing plants, I see this reform as a tax against unions.

If allowed, the revenues created by a tax on these benefits would run into the billions. Should the IRS have such powers of taxation? Should the American people be forced to depend on the often inefficient operation of congressional oversight to protect their interests against the IRS?

I am equally concerned, Mr. President, that companies and labor unions which must negotiate long-term labor contracts have no clear indication from the Congress as to what portion of fringe benefits will be taxable. The one most affected by this instability is the middle-income wage earner. Any gains he might achieve in contract negotiations may be wiped out if IRS regulations are upheld at some future date. In addition, long-term planning by business is seriously curtailed by uncertainty with regard to future wage and benefit commitments.

Finally, this bill will have no effect on budget receipts. If the Congress wishes to raise revenues by taxing these benefits, it will still have the authority to do so.

In my opinion, Mr. President, this bill will allow the legislature to maintain direct control over the creation of new taxes at a time when the American people are crying for an end to the increasing tax burden.

Mr. President, I urge adoption of this bill and ask unanimous consent that it be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 224

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (a) of section 1 of the Act entitled "An Act to prohibit the issuance of regulations on the taxation of fringe benefits, and for other purposes", approved October 7, 1978 (Public Law 95–427; 92 Stat. 996) is amended to read as follows:

"(a) In General.—No fringe benefit regulation shall be issued in proposed or final form after April 30, 1979.".

Mr. STEVENS. Mr. President, I am happy to join with Senator HATCH in cosponsoring this legislation to prohibit the Internal Revenue Service from issuing regulations on the taxation of fringe benefits. The Treasury Department has tried for years to include these benefits in the computation of gross income despite widespread opposition. In 1975, for example, the Treasury Department prepared a draft of proposed regulations which set up criteria to determine which fringe benefits would be taxed. After extensive criticism, they withdrew the proposal the following year. In place of the draft, however, Treasury prepared a package of rulings in this area which would have raised an individual's taxes even more than the draft regulations. Again, these rulings were never issued due to pressure from both labor and business groups.

Mr. President, I do not want to imply that the subject of fringe benefits should not be addressed. The use of these untaxed benefits is becoming increasingly widespread and is a potential threat to Government's anticipated revenues. But the necessity or the equity of taxing fringe benefits is not the issue. What is of concern is Treasury's past unsolicited attempts to bypass Congress and deal with the problem through administrative fiat. I noticed that the administration's budget contains a proposal to make certain fringe benefits taxable items and it is encouraging to note that the administration is recognizing the fact that the duty to legislate tax policy lies with the Congress, not the Internal Revenue Service.

My new Senate colleagues may not be aware that the Senate passed legislation in May of last year prohibiting the issuance of regulations on this subject and extended this prohibition last August until January of 1980. Despite the administration's budget proposal, Congress may not act on this issue before the 1980 deadline. As Senator HATCH has pointed out on previous occasions, the IRS is threatening to take tough measures on taxing fringe benefits in 1980, thereby ignoring the clear intent of our recently passed prohibitions. By making the prohibition permanent through this legislation, we would remove any doubt that it is Congress responsibility to levy taxes on fringe benefits and it would keep us from having to continually extend the prohibition should the issue not be resolved this year.

Mr. President, at a time when we are all extremely sensitive to the problems of inflation and balancing the budget, it is important that we review the issue of untaxed fringe benefits and find a reasonable and fair manner in which to approach the question. The IRS claims that billions of dollars worth of fringe benefits are going untaxed and represent uncollected Federal revenues. While uncollected revenues are of concern, it is also important to remember that the growing inclination of workers to seek jobs with attractive fringe benefits is an attempt to escape high taxes. Fringe benefits are simply another indication of taxpayers' unwillingness to pay large portions of their incomes to the Government. Most experts believe that an IRS crackdown on untaxed benefits will increase lower and middle income taxes more than those of higher income earners, because, generally, the smaller one's salary, the greater the percentage of total income represented by fringe benefits. If Congress wishes to tax fringe benefits as income, we have to consider the net effect this will have on individual tax liabilities in all income groups.

Despite the intent of the Revenue Act, the majority of Americans will experience a tax increase this year and further tax cuts are still necessary. If fringe benefits are to be included as taxable items, even more substantial cuts will be required. I hope that we in Congress will accept our responsibility to handle this problem and find a solution that is both equitable and consistent with our general goal of cutting taxes.

Mr. DOLE. Mr. President, I ask unanimous consent that my name be added as a cosponsor of the bill (S. 224) introduced by the distinguished Senator from Utah (Mr. HATCH) with reference to taxation of fringe benefits.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. I would say to the Senator, as the ranking Republican member of the Finance Committee, that this is an area we will be addressing. I understand all the frustrations he has expressed, and applaud his initiative and leadership in this area.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. DOLE. I yield.

Mr. HATCH. I am deeply grateful to the Senator from Kansas, and very happy that he will join with me on this particular bill.

Mr. DOLE. I thank my colleague.

By Mr. DOLE (for himself and Mr. PRESSLER):

S. 225. A bill to create a rural economic development bank to assist in rural community and agricultural development by making financial, technical, and other assistance available for the establishment or expansion of commercial, industrial, and related private and public facilities and services, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

RURAL ECONOMIC DEVELOPMENT BANK ACT OF 1979

Mr. DOLE. Mr. President, I am introducing today a bill on a subject in which I am certain that the present Presiding Officer of the Senate (Mr. EXON) has had a longstanding interest, which is that of rural America and some of the problems we have had insofar as rural American economic development is concerned.

It seems to me that all of us, whether we classify ourselves as rural, urban, or suburban, have an obligation to be concerned in this area, because if rural America goes, the best food bargain in the world goes with it.

I know of the Presiding Officer's longstanding interest and the great work he has done in this effort.

The bill I am introducing today is designed to assist the revitalization and continued economic growth of our rural communities. The bill would stimulate and support balanced economic growth in rural communities by establishing a rural economic development bank, which would make financial, technical, and planning assistance available to small communities in nonmetropolitan areas.

PAST INITIATIVES HAVE FALLEN SHORT

Mr. President, past Federal initiatives for rural economic development have fallen short. Notwithstanding recent growth trends in some rural sections of our country, substantial disparities still exist between rural and metropolitan areas in terms of job opportunities, income levels, adequacy of housing, access to quality health care, and other public facilities and services.

Rural America is 87 percent of the Nation's land area. It contains 27 percent of the people—over 60 million persons.

It is where all the Nation's food and fiber for 215 million people are produced by just over 3 percent of the people.

Rural America has over 50 percent of the Nation's substandard housing and 40 percent of the Nation's poverty-line families. Rural America lags behind the rest of the Nation in health, education, and other necessary public and social facilities.

NEW AWARENESS OF RURAL AMERICA

There is a new awareness of the potential attractiveness and future of rural America. The Nation would be wise and foresighted if it would invest its attention, its resources, and its energies to develop this potential.

Since 1979, almost 2 million more people have moved to rural places than have opted for metropolitan life and this migration is more than just a continuation of urban sprawl. Counties not adjacent to population centers are increasing in population after decades of steady out-migration.

Though this rural population trend is not occurring in every area, the general trend is nevertheless real. A national poll revealed that more than half the people now living in urban areas would prefer to live in the countryside, the small towns and cities of rural America, if adequate economic and social opportunities were available.

NEW JOB OPPORTUNITIES NEEDED

The legislation I propose would encourage creation of new job opportunities in rural areas by attracting private capital through the mechanism of a federally chartered rural economic development bank. Such a bank could support local financial institutions and insure that adequate credit resources were available to meet the needs of private enterprises that would expand or locate in small communities.

The development bank concept is not, of course, a new idea. Senator James Pearson, of Kansas, introduced such legislation when he was in the Senate. Other rural development bank proposals have been introduced in previous Congresses by other Senators.

I am continuing the rural development bank concept today, because I sense a reawakening of interest in the economic well-being, and quality of life in general, of rural America.

RURAL ECONOMIC DEVELOPMENT BANK

Mr. President, the rural economic development bank that I propose would be a self-financing, government chartered corporation. The bill provides that the bank would be capitalized through the sale of $3 billion in nonvoting stock to the U.S. Treasury. Initially, the Treasury would purchase 20 percent of this amount. As the bank's business develops, the Treasury would be authorized to purchase additional bank stock in amounts of up to $600 million a year.

The startup moneys paid in by the Federal Government would be financed through the sale of Treasury obligations to the public. Consequently, the $3 billion capitalization of the bank would not represent any direct appropriations from the Treasury. The bank could also require persons who receive financial assistance to purchase bank stock.

With this capital surplus, the bank could issue bonds for sale in the private market to raise the funds it would use to provide loans, loan guarantees, and other financial assistance. The terms and conditions for such financial assistance would be set at a level to recover the bank's operating expenses.

BOARD OF DIRECTORS

Bank policies would be governed by a 17-member board of directors. Initially, 13 members would be appointed by the President, with the advice and consent of the Senate, from the Government and private sectors. The four remaining members would be elected by borrowers and other recipients of bank assistance who held bank stock.

When the amount of voting stock exceeded the amount of nonvoting stock, five of the directors appointed by the President would be replaced by directors elected by recipients of bank assistance, giving them a majority voice in bank policy.

When the amount of nonvoting stock was reduced to zero all of the board of directors would be elected by the recipients of bank assistance.

BANK AUTHORITIES

Mr. President, the bank would be authorized to make loans and loan guarantees to new or expanded private enterprises in small communities located in nonmetropolitan counties. Although small communities in some nonmetropolitan areas have been experiencing economic growth in recent years, these areas are primarily in counties adjacent to metropolitan areas. Other nonadjacent rural areas have experienced little or no growth.

Consequently, the bank's principal focus would be upon communities not located in standard metropolitan statistical areas (SMSA). Nonetheless, a small community located in a SMSA could qualify for assistance if the bank found there was a lack of credit resources available for investment in that community and the community was rural in nature.

PUBLIC AND QUASI-PUBLIC ENTITIES

The bank would also be authorized to provide financial assistance to public and quasi-public entities for the development, expansion, or improvement of industrial sites and other public facilities necessary to support a community's development effort.

Financial assistance could also be provided for housing construction if it were determined that additional housing were necessary for the employees of a new or expanding business.

In addition to loans and loan guarantees, the bill would authorize the bank to buy and sell its own obligations and to buy and sell obligations originated by other lenders for rural development purposes consistent with those outlined in the bill.

The bank would be encouraged to involve other lending institutions in rural development loans and to create a secondary market for such loans.

Finally, the bill provides that the bank would make technical and planning assistance available to public bodies to enable them to maximize the benefits from rural investment in their communities.

LIMITATIONS ON FINANCING

The bank will not provide financing or other assistance for any commercial or industrial facility, supporting public or private development facility, or housing necessarily related unless the bank determines that other public or private financing could not be obtained on reasonable terms and conditions. The bank will not be in competition with private lenders.

Mr. President, the rural economic development bank will not guarantee equality of economic opportunity between rural and urban areas. A rural development bank, however, can contribute to balanced national growth by insuring that adequate credit resources are available to rural communities to encourage and sustain their economic growth.

Mr. President, I think this is a step in the right direction, and it seems to me it is a step that is needed as we look down the road, as far as food supply is concerned, as far as stable growth is concerned, and to assure continuing opportunities in rural America.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 225

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Rural Economic Development Bank Act of 1979".

FINDINGS AND PURPOSE

SEC. 2. (a) The Congress finds that—

(1) the economic development of rural communities is essential to balanced national growth;

(2) many rural communities are in urgent need of economic development;

(3) such development can be assisted by the establishment or expansion of commercial or industrial enterprises and related public and private services and facilities;

(4) existing rural financial institutions do not have adequate resources to satisfy the capital needs for investment in rural development; and

(5) creation of a rural development bank will attract and support additional private investment in rural communities.

(b) It is the purpose of this Act to stimulate the economic development of rural communities by—

(1) providing financial assistance for the establishment and improvement of commercial and industrial agricultural facilities that increase job opportunities in such communities, supporting private and public development facilities, and housing related to rural development projects financed under this Act;

(2) encouraging private investment in such facilities;

(3) bringing together investment opportunities, public and private capital, and capable management;

(4) making available technical and other supportive assistance to aid rural economic development; and

(5) seeking to achieve these purposes through the establishment of a borrower-owner rural development bank, which will aid private investors, financial institutions, and public agencies to finance rural development projects.

DEFINITIONS

Sec. 3. As used in this Act—

(1) The term "commercial or industrial facility" means a fixed place of business, in or from which a manufacturing, processing, assembling, sales, distribution, storage, service, or construction business is carried on.

(2) The term "supporting private or public development facility" means an element of infrastructure, including recreational and cultural facilities, typically developed and owned by a public agency or private utility, or other service or facility made available to the public which is necessary to support economic development activities under this Act.

(3) The term "housing necessarily related" means housing of all types in or near a rural community which will provide living quarters for the personnel of any new or expanded commercial or industrial facility if the governing body of the political subdivision in which development assisted under this Act will be undertaken, certifies that there exists a need for additional housing in or near the development.

(4) The term "rural community" means any community, whether or not incorporated, which is located in a county that is not part of a standard metropolitan statistical area, except that the bank may determine that a community located in a standard metropolitan statistical area is a rural community if it finds that (i) there is a lack of public or private financial resources available for investment in the community, and (ii) assistance under this Act is necessary for the continued economic development or redevelopment of such community, (iii) the community is essentially rural in nature.

ESTABLISHMENT OF BANK

Sec. 4. There is hereby created a corporation to be known as the "Rural Economic Development Bank" (hereinafter referred to as the "bank") which shall be an instrumentality of the United States Government, and shall be subject to the provisions of this Act.

DIRECTORS AND OFFICERS

Sec. 5. (a) The bank shall have a Board of Directors consisting of seventeen individuals who are citizens of the United States of whom one shall be elected annually by the Board to serve as Chairman. Members of the Board shall be selected as follows:

(1) (a) Except as provided in paragraph (b) of this paragraph and paragraph (4) of this subsection, the President of the United States shall appoint, by and with the advice and consent of the Senate, seven members of the Board who shall be officials or employees of the government. The terms of directors so appointed shall be for four years, except that the terms of such directors first taking office shall expire as designated by the President at the time of appointment, four at the end of two years, and three at the end of four years after such date. Any director appointed to fill a vacancy occurring before the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term. At the discretion of the President, any individual who ceases to be an official or employee of the Government during his term as director may, notwithstanding that fact, complete his term.

(b) Whenever all class A stock issued under section 6(a) of this Act is retired, all replacement appointments of these seven members thereafter shall be made by election of the holders of class B stock.

(2) The President of the United States, by and with the advice and consent of the Senate, shall appoint six members of the Board from among representatives of the private sector. Of the six persons so appointed, three shall be from among representatives of business and finance, one from among representatives of organized labor, one from among representatives of community development organizations and one from among representatives of the general public. The terms of directors so appointed shall be for four years, except that the terms of such directors first taking office shall expire as designated by the President at the time of appointment, three of the members at the end of two years, and three at the end of four years after such date. Any director so appointed to fill a vacancy occurring before the expiration of the term for which his predecessor was appointed, shall be appointed for the remainder of such term and shall be chosen from among representatives of the same category as his predecessor.

(3) Four members of the Board will be elected by holders of class B stock. The terms of elected directors will be for four years, except that the terms of such directors first taking office shall expire as designated by the President at the time of appointment of directors under paragraphs (1) and (2), two of the members at the end of two years, and two at the end of four years after such date.

(4) At the first annual meeting of the Corporation after the amount of class B stock issued and outstanding exceeds the value of class A stock issued and outstanding, three of the members of the Board appointed by the President under subsection (a)(1) and two of the members of the Board appointed by the President under subsection (a)(2) shall, in accordance with the regulations of the Board, be subject to replacement by directors elected by the class B stockholders.

(b) The President, by and with the advice and consent of the Senate, shall appoint a president of the bank. The president of the bank shall be the chief administrative officer of the bank and shall perform all functions and duties of the bank, in accordance with the general policies established by, and subject to the general supervision of, the Board, and shall engage such other officers and employees as the bank deems necessary to carry out its functions. The appointment of the president and not more than two vice presidents may be made without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and they may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates. The president of the bank shall be an ex officio member of the Board of Directors and may participate in meetings of the Board, except that he shall have no vote except in case of an equal division. No individual other than a citizen of the United States may be an officer of the bank.

(c) Members of the Board may receive up to $200 for each day or part thereof spent in the performance of their official duties, which compensation, however, shall not be paid (1) for more than seventy-five days (or parts of days) in any calendar year, (2) to any Board member who is a full-time officer or employee of the United States, or (3) if such payment is otherwise prohibited by law. In addition, such members shall be reimbursed for necessary travel, subsistence, and other expenses incurred in the discharge of their official duties without regard to the laws with respect to allowances which may be made on account of travel and subsistence expenses of officers and employed personnel of the United States.

CAPITALIZATION OF BANK

Sec. 6. (a) Subject to the provisions of this section, the bank is authorized to issue from time to time and to have outstanding class A capital stock of an aggregate purchase price not to exceed $1,000,000,000. Shares of such stock shall be nonvoting and without par value.

(b) The Secretary of the Treasury is authorized to and shall subscribe for and acquire on behalf of the United States, as an initial investment in the stock of such bank to begin financial assistance operations, upon request of the Board of Directors, the class A capital stock of the bank of a total purchase price of $1,000,000,000. The subscription of the United States shall be paid as follows:

(1) Not more than 20 per centum shall be paid at the time the bank is organized, as provided for in an appropriliation Act, and shall be available as needed by the bank for its operations.

(2) The remaining 80 percentum shall be paid on call by the bank only when required to carry out the provisions of this Act, except that not more than 20 per centum of the total amount may be called in any fiscal year, as provided for in an appropriation Act.

The Secretary of the Treasury is authorized and directed to pay the subscription of the United States to stock of the bank from time to time when payments are required to be made to the bank. For the purpose of making these payments, the Secretary of the Treasury is authorized to use as a public-debt transaction $1,000,000,000 of the proceeds of any securities hereafter issued under the Second Liberty Bond Act, and the purposes of which securities may be issued under that Act are extended to include such purpose. Payment under this paragraph of the subscription of the United States to the bank and repayments thereof shall be treated as public-debt transactions of the United States.

(c) In addition, the Board of Directors is authorized from time to time to issue to the public and have outstanding class B stock of an aggregate purchase price not to exceed $1,000,000,000, or such larger amount as may be approved in an appropriation Act. Shares of such stock shall be nonvoting until such time as the amount of such stock issued and outstanding exceeds the aggregate amount of class A stock issued and outstanding.

(d) In providing for the issuance of class B stock, the Board is authorized to require a person receiving financial assistance from the bank to purchase a minimum number of amount of class B shares, but in no case shall such minimum amount execeed five per centum of the amount of the loan, loan guarantee, or other assistance provided by the bank.

(e) Stock and other securities issued by the bank pursuant to this section and section 7 shall be exempt securities under section 3 of the Securities Act of 1933 (15 U.S.C. 77c).

(f) When a person receiving financial assistance from the bank that holds class B stock pays off its indebtedness to the bank, its class B stock may be redeemed in cash at par value: *Provided*, That such class B stock may in the alternative be used as a credit to extinguish final indebtedness at par value. Class A stock held by the Secretary of the Treasury may be retired at any time, subject to approval of the Board, and shall be retired each year to the extent of the availability of earnings in accordance with the provisions of this Act.

(g) The earnings of the bank shall be determined in accordance with approved accounting principles and practices, as established by the Board subject to examination under policies of the General Accounting Office. Earnings shall be distributed as follows:

First, not less than 10 per centum of net earnings for the year shall be paid into the reserve fund of the bank until said reserve fund shall equal 150 per centum of outstanding stock.

Second, not less than 10 per centum of net earnings for the year shall be paid into the capital surplus fund of the bank.

Third, not less than 10 per centum of net earnings shall be used for retirement of class A stock and other evidences of indebtedness of the Bank held by the Secretary of the Treasury.

Fouth, dividends shall be paid on class B stock, at a rate not exceeding the average cost to the Bank of funds obtained through issuance of bonds, debentures, and other evidences of indebtedness in its funding operations.

OPERATIONS AND POWER OF THE BANK

SEC. 7. (a) In order to carry out the purposes of this Act, the bank is authorized to—

(1) make, participate in, or guarantee loans for real or personal property or for working capital to any individual, association, partnership, corporation, or public agency, including a cooperative, for the establishment, expansion, or preservation of any commercial or industrial facility, housing necessarily related thereto, or a supporting private or public development facility which is to be established or is located in or near a rural community;

(2) make, participate in, or guarantee loans, including interim financing, for the construction or improvement of such facilities to building contractors, subcontractors, or other persons engaged in such work;

(3) provide technical assistance to State and local governments in the preparation and implementation of comprehensive rural community development projects and programs, including the evaluation of priorities and the formulation of specific projects proposals, and charge appropriate fees for such assistance;

(4) undertake research and information gathering, and to facilitate the exchange of advanced concepts and techniques relating to rural community growth and development among State and local governments;

(5) develop criteria to assure that projects assisted by it are not inconsistent with comprehensive planning for the development of the community in which the projects to be assisted will be located or disruptive of Federal programs which authorize Federal assistance for the development of like or similar categories of projects;

(6) seek to bring together investment opportunities in such facilities, capital, and capable management; and

(7) carry on such other activities as would further the purposes of this Act.

(b) To obtain indirect participation by private and public financial sources, the bank is authorized to—

(1) issue such obligations as it may determine on a competitive, negotiated or other basis at the discretion of the Board of Directors;

(2) invest funds not needed in its financing operations in such property and obligations as it may determine;

(3) purchase and sell securities or obligations it has issued or guaranteed or in which it has invested;

(4) guarantee securities in which it has invested for the purpose of facilitating their sale; and

(5) purchase and sell loans originated by private financial institutions to borrowers for rural development purposes consistent with the purposes of this Act.

(c) Whenever necessary to meet contractual payments of interest, amortization of principal, or other charges on the bank's own borrowing, or to meet the bank's liabilities with respect to similar payments on loans guaranteed by it, the bank may call an appropriate amount of the unpaid subscription of the United States in accordance with section 6(b)(2).

(d) If the bank finds that a default on financing provided by it may be of long duration, the bank may call an additional amount of such unpaid subscriptions for the following purposes—

(1) to redeem prior to maturity, or otherwise discharge its liability on, all or part of the outstanding principal of any loan guaranteed by it with respect to which the debtor is in default; or

(2) to repurchase, or otherwise discharge its liability on, all or part of its own outstanding borrowings.

(e) The bank is authorized to establish a principal office and branch offices in such locations as it may determine. It may establish regional offices and determine the location of, and the areas to be covered by, each regional office. It may make arrangements with public or private organizations at the regional, State, and local levels, including banking organizations and other financing institutions, to act as agents or otherwise to assist the bank in the conduct of its business.

(f) To carry out the foregoing purposes, the bank shall have such additional powers as are necessary or appropriate in carrying out this Act.

OPERATING PRINCIPLES

SEC. 8. The operations of the bank shall be conducted in accordance with the following principles:

(1) The bank shall undertake its financing, technical assistance, and other operations on such terms and conditions and for such fees as it considers appropriate, taking into account the requirements of the enterprise, the risks being undertaken by the bank, the benefits to the rural community or to the residents of such communities, and the conditions under which similar financing might be available from private investors.

(2) The bank shall maintain such liaison or consultation with other departments, agencies, or instrumentalities of the Government as may be necessary to insure that its operations are carried out in a manner which will supplement and not duplicate the operations and functions of any other department, agency, or instrumentality of the Government.

(3) The bank shall consult with and shall seek to encourage local banking and other financial institutions to participate in its financing and other activities.

(4) The bank shall, to the extent feasible, give emphasis in its activities to providing financing and other assistance to facilities owned in whole or in part by residents of rural communities or to facilities in which such ownership is made available to such persons.

(5) The bank shall seek to revolve its funds by selling its loans, loans guaranteed by it, and other investments to private investors whenever it can do so on satisfactory terms.

(6) The bank shall be subject to the Government Corporation Control Act (31 U.S.C. 841 et seq.) in the same manner and to the same extent as if it were included in the definition of "wholly owned Government corporation" as set forth in section 101 of that Act (31 U.S.C. 846).

(7) The bank shall pay, as an operating expense, a return out of gross income, at a rate determined by the Board, not to exceed 5 per centum per annum, on the amounts of outstanding class A subscriptions actually paid into the bank.

(8) The bank shall adopt such bylaws as may be necessary for the conduct of its business and the management of its affairs and may adopt such additional rules and regulations as are necessary and appropriate for carrying out the provisions of this Act.

LIMITATIONS ON FINANCING

SEC. 9. (a) The bank shall not provide financing or other assistance for any commercial or industrial facility, supporting public or private development facility, or housing necessarily related, unless it determines that—

(1) other public or private financing could not be obtained on reasonable terms and conditions;

(2) adequate arrangements have been made to insure that the proceeds of any loan or other financing are used only for the purpose for which the financing was provided, with due attention to considerations of economy and efficiency;

(3) the borrower or other recipient of financing has adequate equity or other financial interest in or income from the facility to insure his or its careful and businesslike management of the projects;

(4) the governing body of the city or, as appropriate, the governing body of the county, parish, or other political subdivision in which the facility is located or is to be established, or an agency or other instrumentality of such political subdivision designated by such body, has certified to the bank its approval of (A) the establishment of the facility at the particular location, (B) the proposed standards of construction and design, and (C) provisions for the relocation of any residence or businesses to be displaced; and

(5) the establishment, expansion, or preservation of the facility in the particular location will contribute to the level of economic opportunity for residents of the community and contribute to the general development of the community.

(b) The bank shall not provide financing for any commercial or industrial facility which has been relocated from one area to another, except that this requirement may be waived by the Board of Directors if it determines (1) that the establishment of such facility in the new location will not result in an increase of unemployment in the area of original location or in any other area where the enterprise conducts business operations, or (2) that such facility is not being established in the new location with any intention of closing down the operations of the enterprise in the area of original location or in any other area where the enterprise conducts its operations.

EXEMPTION FROM TAXES

SEC. 10. Except as specifically provided in this Act, the bank, including its capital and reserves or surplus and income derived therefrom, shall be exempt from Federal, State, municipal, and local taxation, except taxes upon real estate held, purchased, or taken by the bank under the provisions of this Act. The security instruments executed to the bank and the bonds, obligations, debentures, issued under the provisions of this Act shall be deemed and held to be instruments of the Government of the United States, and as such they and the income derived therefrom shall be exempt from Federal, State, municipal, and local taxation.

ANNUAL REPORT

SEC. 11. Not later than one hundred and twenty days after the close of each fiscal year the bank shall prepare and submit to the President and to the Congress a full report of its activities during such year.

AMENDMENTS RELATING TO FINANCIAL INSTITUTIONS

SEC. 12. (a) The sixth sentence of paragraph Seventh of section 5136 of the Revised Statutes, as amended (12 U.S.C. 24), is amended by inserting before the comma after the words "or obligations, participations, or other instruments of or issued by the Federal National Mortgage Association or the Government National Mortgage Association" the following: ", or obligations of the Rural Economic Development Bank".

(b) Section 5200 of the Revised Statutes, as amended (12 U.S.C. 84), is amended by adding at the end thereof the following:

"(15) Obligations of the Rural Economic Development Bank shall not be subject to any limitation based upon such capital and surplus.".

(c) The first paragraph of section 5(c) of the Home Owners' Loan Act of 1933, as amended (12 U.S.C. 1464(c)), is amended by inserting before the semicolon in the second proviso following "stock of the Federal National Mortgage Association" the following: "; or in obligations of the Rural Economic Development Bank".

By Mr. MORGAN:

S. 226. A bill to provide for military registration and mobilization assessment, and for other purposes; to the Committee on Armed Services.

MILITARY REGISTRATION AND MOBILIZATION ASSESSMENT ACT OF 1979

Mr. MORGAN. Today, Mr. President, I am proposing a bill directly related to the defense of the United States. The subject of my proposed bill is registration of our young people to meet any future national emergencies.

My bill also provides for specific mobilization planning authority within the Office of the Secretary of Defense to make sure adequate continuing attention is given this crucial defense area, and to report to us with an assessment of the Nation's mobilization capability.

In addition the bill provides for certain reports to be made to the Congress which will enable us to maintain oversight of the way Selective Service registration is to operate, to make sure it is equitable and efficient.

The bill also provides the statutory authority for Selective Service to obtain the information it needs to find and register young men. The following remarks outline my reasons for this amendment.

In 1972, the United States embarked upon an unprecedented method of recruiting military manpower by suspending the draft and moving to a Volunteer Force. As a direct result of this policy, which had its origins and support in the Congress, the U.S. Army Reserves have declined in strength each year until we are at the lowest point in numerical strength in 20 years. Yet the very foundation of the Volunteer Army is based upon the Reserves since half of the combat power and deployable units now reside in the Reserves and the National Guard.

The United States Army has suffered from dwindling strength levels and our pool of Reserve filler personnel in the individual Ready Reserve has declined from 900,000 in 1972 to 150,000 today and the future trends indicate that this pool will stay at a low level.

Mr. President and my fellow Senators, this is an alarming situation since this pool of personnel is supposed to provide the personnel to fill up our Active Army and Reserve forces in the event of a national emergency. It is becoming clearly evident that a standby draft is essential to insure that the necessary personnel can quickly be called up and trained. But do we have a strong standby system?

The answer is no. Testimony by the Defense Department and the Army shows that a standby draft will be required for even a moderate conventional war of short duration. The Defense Department increased its requirements for the Selective Service System by requiring that personnel be furnished to the training base earlier than was previously thought necessary.

The present requirements for Army personnel are presidentially directed and supported by the Defense Department and the Joint Chiefs as necessary for the security of our Nation.

The current Selective Service System cannot meet this new requirement. We simply do not have the machinery and we do not know where our young people are. An expansion of mission will be required if the Selective Service System is to carry out this vital requirement. At present, the Selective Service System cannot adequately meet the deadlines and it could be 5 to 7 months before the first inductions occur. If you combine the weak mobilization posture of the Selective Service and the low force strength levels of the Army Reserve, it becomes clear why the Joint Chiefs have expressed deep concerns about our military posture to the Congress.

My bill is for registration only and is focused upon strengthening the mobilization base for all three services, principally the Army Reserve. Registration would be limited to 18-year-olds in the year of their birthday.

Registration is also cost-effective, since it will save millions of dollars through cost avoidance rather than to patch together a system in the period following a national emergency. Many months of lost time can be saved by returning to registration and the very act of registration makes it plain to the potential enemies of the United States that we still retain our resolve to fully bear arms should this be the decision of the Congress and the President.

Registration also signals to the youth of America that the price of freedom is founded upon a commitment of sacrifice. This action will also clarify the fact that the volunteer force is a peacetime organization only and additional personnel to defend our Nation must come from our citizenry. The volunteer force cannot provide all the personnel to meet every contingency.

Also, Mr. President, registration is not a hardship, it is a civic duty and responsibility in the same manner as registering for a driver's license or for a social security account. It recognizes the right of the Government to call upon its citizenry for information, support, and defense.

There is a historical precedent for this action, since registration existed from 1972 to 1975 during the same period that the draft had ceased. In fact, the Presidential Proclamation that stopped registration in 1975 included language authorizing future registrations. Last year, the Senate Armed Services Committee recommended that the Defense Department furnish a detailed plan on how to implement a program of registration. In my testimony to the Senate Armed Services Committee last year, I stressed the need to move ahead now. Mr. President, we should not wait for another series of studies but be decisive now. The Constitution states that it is the duty of the Congress to raise armies and navies, therefore it is our responsibility to decide how ready we want to be in peacetime and how strong we want to be in wartime. This issue is vital to the security of the United States and it is not an inconsequential matter.

Our military leaders fully support this bill and we need to only look to recent history for a model. In World War II, the Selective Service System had been in operation since 1938 and when the bombs fell upon Pearl Harbor many thousands of young men had already been inducted and the Selective Service was operating. That is why it was possible to enroll over 16 million men 15 months before Pearl Harbor. We have no such capability now and our present Selective Service System is a far cry from its status during World War II and Korea. We must resolve the future of the Selective Services, so let us do the courageous thing by acting now. If we are willing to do controversial things in our treaties, let us not weaken our resolve to wrestle with difficult problems at home. Let us once again put planning, preparation and time on our side. I call upon you and my colleagues to vote in favor of this bill.

I want to make sure everyone understands that I am not proposing a return to the draft. This bill is only to register young men for Selective Service so that, if we ever again had to mobilize for war, we would not have to wait several months while we tried to locate and register the eligible men.

Mr. President, Selective Service registration has the support of the Marine Corps and the chairman of the Joint Chiefs of Staff, among others. We must have the courage to support them and assure the mobilization base now so sadly lacking.

Mr. HARRY F. BYRD, JR. Mr. President, I wish to comment at this point on the legislation just offered by the able Senator from North Carolina. The Senator from Virginia offered what may well be very similar legislation a couple of days ago. In any case, if I understand the legislation of the Senator from North Carolina accurately, it would provide for registration of those who normally would be required to register under Selective Service but who are not now required. I think what the Senator from North Carolina is proposing is important to the national welfare of our Nation. Perhaps the Senator from Virginia and the Senator from North Carolina, at a later date, can get together and work out one bill between us.

Mr. MORGAN. I thank my distinguished colleague. I am delighted to know that he did that.

I might say, I offered this bill last year. While I only got 13 votes on the floor of the Senate, I do not think that accurately reflected the views of our colleagues. I think there were procedural matters.

Also, I do know that the reaction I received back in my State supports the idea of a registration or an inventory of our young men so we may know where they are in the event an emergency does come.

I thank the Senator.

Mr. HARRY F. BYRD, JR. I think the able Senator from North Carolina is so correct in his analysis. I look forward to working with him on this subject.

By Mr. ROTH (for himself, Mr. Heinz, Mr. Bayh, Mr. Moynihan, Mr. Javits, and Mr. Randolph):

S. 227 A bill to improve the operation of the adjustment assistance programs for workers and firms under the Trade Act of 1974; to the Committee on Finance.

TRADE ADJUSTMENT ASSISTANCE

Mr. ROTH. Mr. President, I am pleased to introduce today a bill to strengthen our Nation's trade adjustment assistance programs for workers and firms and to remove inequities existing in the present program. Senators Heinz, Bayh, Javits, Moynihan, and Randolph are joining me in sponsoring this bill.

An identical bill is being offered in the House of Representatives by Representative Charles Vanik. Our bill is similar to H.R. 11711 in the 95th Congress, which passed the House (by a 261 to 24 vote) and the Senate, but which was not enacted because there was no time for a conference committee to iron out differences on nongermane amendments.

This bill has strong bipartisan support in both Houses. In 1977 and 1978, the Trade Subcommittee of the House Ways and Means Committee, under the leadership of Mr. Vanik and the late and much-missed Congressman, Bill Steiger, spent many months in developing this bill. It was a great tragedy for trade impacted workers and firms that it was not enacted in the last Congress.

In originally establishing trade adjustment assistance programs, Congress recognized the fact that changes in foreign trade policies designed to enhance our overall prosperity to injure some workers, firms, and communities. Adjustment assistance helps those who are injured to adjust to changing import conditions and patterns of international competitiveness.

It is, of course, not the only remedy that import-impacted workers and firms have. The Trade Act of 1974 also provides other forms of import relief and protection against unfair competition. But adjustment assistance is an essential element in a balanced international trade policy.

I support strong and effective programs of adjustment assistance because those injured by changes in Government foreign trade policies are entitled to relief. Adjustment assistance can help maintain a strong, healthy, competitive, and productive American economy. Unfortunately, present programs are not as effective as they should be, and there have been a number of unintended inequities. As Senator Russell Long said last year, trade adjustment assistance programs are "now quite inadequate." H.R. 11711 will improve the effectiveness of these programs, correct inequities and extend benefits to a number of workers and firms that should be covered by trade adjustment assistance. It will also accelerate the provision of benefits, provide more realistic job search and relocation allowances, and strengthen industrywide programs to adjust to import competition. In our hearings, on this bill, I think it is also essential to explore means of reducing paperwork connected with the programs.

Mr. President, at a time when the multilateral trade negotiations are being concluded in Geneva, I believe it is essential to put into place a truly effective trade adjustment assistance program. I hope this bill will receive prompt and careful consideration in the Senate Finance Committee.

• Mr. HEINZ. Mr. President, today I join Senator Roth and a member of our colleagues in introducing legislation to make major revisions in our trade adjustment assistant program. This bill is similar to H.R. 11711, Adjustment Assistance for Workers and Firms, which both the Senate and the House passed overwhelmingly last year in different forms. Regrettably, that bill was not enacted into law.

Today's bill, which is also similar in many respects to legislation I introduced last year (S. 1658), is of considerable importance to trade-impacted industries, such as steel and related products, copper, zinc, footwear, textiles, and apparel, among others.

Adjustment assistance has often been cited as an effective and necessary approach to dealing with trade and import problems. Though I would prefer to see such problems prevented in the first place through more aggressive enforcement of our trade laws—and in fact am introducing other legislation to accomplish that objective—I also believe that there is inevitably a need for domestic adjustment to changing economic conditions in any dynamic economy, and that the Federal Government has a responsibility to assist workers and firms in such adjustment when it is caused by imports.

At present, unfortunately, our programs of assistance have been seriously deficient. Aid to workers has all too often been only a dole instead of providing meaningful help for job retraining and relocation. The program for businesses has been chronically a case of too little too late, mired in redtape that has resulted in many applicants going out of business before they ever receive any assistance. As the General Accounting Office summarized in a recent report: GAO has determined that the assistance program is benefiting only a small fraction of firms in need of assistance.

Changes made by the Trade Act of 1974 made some significant improvements in the program—which had scarcely been used prior to that time—serious problems remain, which this bill will help correct.

The bill broadens the adjustment assistance program for workers by extending eligibility to workers in firms which provide services or articles which are essential to the production of import-impacted products, and to workers manufacturing component parts in a subdivision of an impacted company. In addition, benefits are extended for older workers, job search and relocation benefits are increased, and the threshold of eligibility is extended retroactively to certain workers who were denied in the past because of a time limitation, notwithstanding the fact that the layoffs were import-related.

With respect to assistance for firms, the bill broadens eligibility criteria to conform with the changes in the worker program, makes it easier to obtain technical assistance in preparing a proposal, and increases to 90 percent the proportion of cost of that assistance the Commerce Department will bear. In addition, the effective rate on loans and guaranteed loans to impacted businesses is decreased and the ceiling on loans and loan guarantees is increased.

Finally, with respect to both programs, the bill broadens eligibility to include workers and their firms threatened with an absolute decrease in sales or production, rather than limiting it to those which have experienced an absolute decrease. This expansion will insure that the programs are timely and that assistance does not arrive, as has been alleged, only in the time for "burial."

Mr. President, the bill we are introducing today is not identical to the legislation I have proposed in the past. In some respects it is broader; in others it is noticeably narrower. In any event. I believe it is so important to promptly correct the deficiencies in the current program that the most efficient course of action at this point is to simply pass this consensus bill which has broad support and has passed the Congress before. The same legislation is being introduced today in the House by Congressman Vanik. I have previously indicated to Senator Long and Senator Ribicoff my support for this bill, and my strong hope that the Finance Committee will be able to find time in its schedule to take it up immediately. I urge my colleagues to do likewise and express to the committee their support for the bill.•

• Mr. BAYH. Mr. President, I am pleased to join with several of my colleagues in cosponsoring legislation which will make several necessary changes in the trade adjustment assistance program and will, importantly, rectify an error in past administration of the program which has deprived several thousands of workers around the country of the trade readjustment allowances which they were clearly qualified for.

In the closing hours of the 95th Congress, a bill identical in purpose to the legislation being introduced today could not receive final consideration. This is all the more reason that I expect the Senate to move promptly to speed enactment of this long overdue measure.

For the workers in Indiana, the section

of this bill extending retroactively the deadline for filing for trade readjustment allowances will put substance in the pledge of the Federal Government to assist those who might suffer economically as a consequence of a more liberal international trade policy. The cost of providing TRA benefits to those who should have received them in the first place cannot compare to the shock of being unemployed after working for years at a job which required significant skill levels and was a source of pride and support for the workers family.

In passing the Trade Act of 1974, the Congress properly provided various forms of adjustment assistance to workers whose jobs were lost as a result of increased import competition.

Since that time, more and more workers in industries such as textiles, steel, electronics, footwear and other sectors have found themselves laid off, temporarily and permanently, due to foreign imports which have not always been fairly traded. In too many instances, workers who believed they would be compensated under the terms of the TRA program were bitterly disappointed to discover that the inflexibility of an arbitrary 1-year filing rule prevented payments to them of benefits to which they were clearly eligible.

Whether employed by the Warner Gear Co. in Muncie, Ind. or the Allegheny Ludlum Steel Corp. in New Castle, Ind., those workers were simply excluded from receiving compensation they definitely needed and deserved.

In addition to addressing this vital question, the bill we are introducing today also improves the program now in being to assist firms who have been injured because of foreign competition. In so doing, we will be placing our Government more squarely behind home industries whose very existence is threatened, in many instances because our fair trade laws to prevent "dumping" and predatory pricing simply have not done the job.

Finally, approval of this legislation should have a positive impact on our consideration of a good multilateral trade agreement providing expanded markets abroad for our businesses, workers and farmers here at home. Passage of this bill will also help restore the confidence of those who have been hurt in the past by a policy of "free" trade which has not always been fair trade.

Mr. President, I certainly hope that the rest of my colleagues in the Senate will see the wisdom of timeliness of this legislation and move with all deliberate speed to achieve its final passage at the earliest possible date.●

By Mr. ROTH (for himself and Mr. Biden):

S. 228. A bill to insure equal protection of the laws as guaranteed by the 5th or 14th amendments to the Constitution of the United States; to the Committee on the Judiciary.

Mr. ROTH. Mr. President, the measure my distinguished colleague from Delaware and I are introducing this year is the same we offered last Congress to limit the use of busing as a remedy in school desegregation cases. Our distinguished colleague in the House, Mr. Evans, is offering an identical measure in that body today. The primary purpose of this measure is to establish guidelines that are consistent with the U.S. Constitution regarding the circumstances under which courts may order the transportation of students on the basis of race, color, or national origin. Reintroducing this bill fulfills the commitment we have made to the citizens of Delaware and to the American people to keep fighting for a clear, rational and uniform Federal policy on public school desegregation.

This bill was the subject of extensive hearings by the Judiciary Committee in June and July of 1977 at which time we heard from legal scholars sociologists and other experts in support of the legislation. The full Judiciary Committee reported the bill out in September 1977 by a vote of 11 to 6.

Our legislation codifies the recent Supreme Court decisions of Dayton Board of Education against Brinkman, Village of Arlington Heights against Metropolitan Housing Development Corporation, and Washington against Davis concerning equal educational opportunity under the 14th amendment to the Constitution. Our bill is completely consistent with the recent actions of the High Court in the Austin, Indianapolis, Pasadena, and Omaha desegregation cases. We believe these cases signal the Court's readiness to accept a clear mandate of Congress establishing reasonable guidelines for court-ordered busing.

In summary, our legislation provides as follows:

First, it requires a court to find that "a discriminatory purpose in education" was a principal motivating factor in the constitutional violation for which busing is proposed as a remedy.

Second, courts would be required to determine the extent to which acts of unlawful segregation have caused a greater degree of racial segregation in a school or schools than would have otherwise existed, and student busing would be limited to eliminating the degree of racial segregation attributable to those proven unlawful acts.

Third, all Federal inter-district busing orders would be stayed pending appeal. However, such stays could be vacated by a majority of the Supreme Court or a court of appeals panel of not less than three members.

Finally, our bill would take effect with respect to any judgment or order not final or effected by June 27, 1977, the effective date of the amendment. Thus, in addition to prospective cases, the bill would apply to cases in litigation on its effective date.

In short, our bill would establish clear guidelines for the Federal courts concerning the use of busing. In practice, it would require the Court to determine the extent to which specific acts of unlawful discrimination by governmental officials have caused a greater degree of racial concentration in a school or school system than would have existed absent those acts. It would further require the Court to limit remedial busing to that necessary to eliminate racial imbalance caused by those deliberate acts. In other words, courts would no longer be able, where only limited or isolated acts are proven, to order busing throughout the entire school district or between districts simply for the purpose of achieving racial balance.

Mr. President, in the name of educational quality, in the name of our colorblind society, above all, in the name of our melting pot of neighborhood schools and our American families and school children of all races, creeds, and colors, I say to my colleagues: The time has come to put this issue of busing to rest.

At the heart of this issue lies a simple but incontrovertible fact: Both opponents and proponents believe busing directly affects the American ideal of human rights for all, the human rights of American families and communities to nurture and convey their culture to their children.

Why are we back on the Senate floor with another anti-busing bill? many of our colleagues ask us.

Because, Mr. President, the vast majority of Americans, black and white, in opinion poll after opinion poll, ask and deserve no less than simple human rights. These rights include not only the right to equal educational opportunity, but also the right to send their children to the neighborhood schools of their choice, the right to set the standards of educational quality for their schools, and the right to self-determination in their own lives and families and in their own neighborhoods and communities.

Local control over education is the history of this Nation and is guaranteed by the constitutional requirements of the 10th amendment, recently underscored by the Supreme Court in the National League of Cities versus Usery case. No tradition in this country is stronger than local control over schools, and no local governmental function in America is more traditional than education.

But in the past decade, the delicate line between the judiciary in the form of Federal district courts and the legislative branch in the form of local control over community schools has been dangerously blurred. In the guise of achieving a supposedly "ideal" racial mix in our schools even where no discriminatory intent has been found, the courts have reached deep into the once private confines of family life to engineer social change that separates families from their communities and children from their families.

The real tragedy is that, while the debate over busing continues, national attention and energy are diverted from the urgent problem of educating the Nation's youth. The quality of public education, as we are only too aware, has declined precipitously. School tests demonstrate that children no longer learn the basic skills that have sustained America's growth and development for two centuries. And the results of the scholastic aptitude test taken by college-bound seniors have been steadily declining since 1963.

Mr. President, the results are now coming in on forced busing, and a threefold consensus is developing among local leaders, legal scholars, educators, sociologists, and, above all, the American people:

First, a broad majority of Americans, black and white, still oppose busing as a means of achieving equal educational opportunity for all. Opinion polls continue to show that public opposition to forced busing is deeply felt and cuts across all races, colors and income levels.

Second, busing does not work. That is, busing provides neither higher educational quality for blacks and whites nor better relations between the races. In fact, busing has brought confusion, havoc and disruption to many of our Nation's best public school systems.

Finally, an emerging consensus of educators, sociologists, and legal scholars ranging from Dr. Nathan Glazer, Professor of Sociology at Harvard University, to Dr. David Armor of the Rand Corporation, and including Dr. James S. Coleman of the University of Chicago, author of the landmark 1966 "Coleman Report" on equality of education in America, and Professor Raoul Berger, of Harvard University, author of a recent masterwork of constitutional scholarship on the 14th amendment—this consensus concludes that forced busing, far from reducing the inequality of educational opportunity in the United States, has in fact had the exact opposite effect: Busing causes a white exodus from the public schools, sharpens the conflict among groups, and lowers the quality of education for all students, black and white.

In sum, forced busing, far from achieving the goal of a desegregated society, in fact exacerbates urban residential segregation and increases inequality of educational opportunity.

Mr. President, I want to make it clear that I strongly support the goal of a society free from racial prejudice. I also strongly support the concept of quality education and the neighborhood school.

Mr. President, it is time that this Nation moves in new directions to obtain what we all want and that is a colorblind society. It makes no sense to continue along a path that neither provides quality education for our children, black or white, nor achieves desegregated schools. It is time we quit experimenting with the lives of tens of thousands of children that is achieving no meaningful good.

Mr. President, the American people look upon education as the means, the door to a better life, to success for the children. As the committee report points out, in reporting out favorably, our legislation—each generation has sought the best possible education for its children. In neighborhoods everywhere, the school has been the tie that binds an area into a community.

Public schools exist in a world in which confidence in Government is seriously eroded. Schools are a nerve, close to the surface of an anxious public, and the erosion of confidence rubs that nerve raw. The committee report on S. 1651 continues to point out that the parents of minority families are concerned about the quality of education provided their children. There is a crushing burden of evidence that the segregated schools of years ago were inferior schools and that this was a wrong that must be remedied.

Brown against Board of Education recognized equality of educational opportunity as a principle to which our Government must adhere, and it offered proof that courts were an avenue that could restore confidence in public institutions in general and public schools in particular. The Brown case opened a whole new field of law, and it is only now that we can see what equal opportunity means in a legal sense.

This is a diverse Nation and the facts which underlie each court case are different. This makes the process of clarifying the law a time-consuming one. The status of public education in our Nation today dictates that Congress take note of the constitutional meaning which has emerged from these decisions.

Mr. President, that is exactly what this bill intends to do. The principles adopted in our proposed legislation are simple ones with a long history in law.

I believe adherence to these principles, as the committee report points out, will help restore public confidence in schools and Government. I think it important that Congress does that. It is our responsibility, not that of the courts, to establish this type of school policy for the Nation and its children.

Mr. President, I ask unanimous consent that a paper by Dr. Glazer on the supervision of education and social services by courts, which he presented to the American Enterprise Institute recently, as well as three recent articles on desegregation and the role of the Federal courts be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Overseeing Education and Social Services

(By Nathan Glazer)

It was only in 1971 that the Supreme Court approved for the first time a busing plan to overcome the vestiges of school desegregation—and thereby put the district courts into the business of school management in ways that they had never been before, and never contemplated being. It is doubtful that the state courts have ever become as deeply involved in issues of school management as the district courts now were to become. For busing meant new systems of assignment of children to schools, based on residence and race.

It meant standards reviewed by the district court as to which child could transfer to which school, on what grounds, with what controls to prevent escaping desegregation. It meant setting up standards as to when the system of assignment could or should change in response to changing racial and residential patterns. It meant deciding on the special status of Mexican American and other Hispanic American children, of Japanese, Chinese, and Filipinos, and how their assignments might affect pre-existing bilingual programs or pre-existing after-school programs.

It meant—as school administrators and judges became more creative in trying to connect educational schemes with desegregation schemes—ever deeper involvement in strictly educational considerations, such as, to take some examples, whether children bussed half a day to integrated settings would be hurt or helped by the experience, what programs should be left in home schools and what programs they should be bussed to, whether special examination schools should be allowed to continue, what should be done about tracking, what type of magnet schools should exist and how would choices for them be monitored, how schools might be linked to colleges and universities so as to improve education to counter white flight, and how new programs might be put in place to improve education as well as racial balance for minority children.

How deeply involved courts have become in these matters is indicated in the matter-of-course way in which the Boston newspapers report on Judge W. Arthur Garrity as the overall arbiter of school issues that, on the surface, are remote from issues of desegregation. Thus, in a lengthy report in the Boston Globe on the chances of the politically experienced new superintendent of the Boston schools, Robert C. Wood, getting Judge Garrity to give up jurisdiction of the Boston school system, we may read the following: "But before Judge Garrity is willing to hand over the reins of the schools, there are still unresolved items on his agenda. He wants in place long-range plans on school facilities and vocational education, including completion of the $29 million Occupational Resource Center, which will provide job training for thousands of youngsters."[1]

Now this monster facility may be a very good thing, but one may be tempted to ask—but what is Judge Garrity doing in that galley? And the question arises not only when we deal with school issues, where a long history of Federal judicial involvement may have led insensibly from management of desegregation to management of many things very far from desegregation, but in other areas of social policy, too, where a very recent history of Federal—and state—judicial involvement has raised questions that we are just beginning to ask, and are very far from answering.

It was only in 1972 that Judge Frank M. Johnson, Jr., of Alabama, mandated sweeping reforms in the institutions for the mentally ill and the mentally retarded in Alabama.[2] Since then, the treatment of mentally retarded and the mentally ill in many states has been attacked in suits, the Department of Justice has become regularly involved in these cases, and major changes in the treatment of the mentally retarded in particular have been undertaken under consent judgments or judicial decrees.

The Federal judiciary—again Judge Johnson played a key role—only involved itself in a major way in overseeing the treatment of prisoners a few years later. In many places in the past few years, Federal judges have begun to demand that jails be closed and that new ones be built. The oversight of housing projects is still not a matter for Federal judicial intervention—but at least one state court, as I will report, is involved in these matters as deeply as any Federal court has been in school desegregation. Welfare has, since the later 1960's, been a regular subject of major judicial decrees, and it is a rare change or practice in state welfare administration that is not tested in court, sometimes—as I shall point out—to the point of deep involvement in issues of administration. And intervention in school issues is now based on more than segregation. Bilingual education has been mandated in detail in court decisions and consent judgments, as has been the pattern of education for the mentally retarded.

I would like to give some details on just what this kind of intervention may involve. The details are from Boston cases, but they can be duplicated almost anywhere. Boston is not unique in the enterprise of its litigators or its judges—though perhaps it has somewhat more than its share of foundation and government sponsored public law groups,

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Footnotes at end of article.

and the influence of the Harvard Law School may encourage more creative kinds of intervention than elsewhere. But I believe the newspapers of any major city will give similar details.

A note in explanation as to why I depend so heavily in reporting these cases on newspaper reports. Reported decisions will not get us very far in understanding the character and impact of judicial intervention in social services. Yet the typical law review article does just that. While the reported decision may go into considerable detail on implementation, the day-to-day nuts and bolts of implementation of court decisions, which brings the judge deeper into issues of administration, is to be found in the generally unreported give-and-take of hearings before the judge and in the actions of the masters and reporting or review groups of varying kinds he sets up to implement his decisions. Thus a kind of research is needed to understand judicial role in education and social services that is as yet not too common. Donald Horowitz has written the first book on this subject, an invaluable one, The Courts and Social Policy.

The two footnotes referred to in footnote 2 are model examples of the kind of work that is necessary to understand problems of implementation. But as we move deeper into this area, we will inevitably see a kind of study and analysis that is not characteristic of constitutional law but of social research, and specifically of research evaluating the consequences of social policy. For the fact is that the judges are implementing policy and administering it in an ever wider range of educational and social services, and whatever the constitutional basis for this startling expansion of the judicial role, the typical form of constitutional law analysis gives us no guidance as to whether this is a good or bad thing.

Consider, to see how far we are from what we ordinarily consider constitutional law analysis, the actions of Judge Frank H. Freedman, who ruled on October 21, 1974, in a class action suit, that Massachusetts welfare services were not being rendered with "reasonable promptness," as required by Federal law. On December 20, he directed the state welfare officials to prepare a plan for ensuring that welfare recipients get emergency services immediately, and all other aid and services not later than 45 days after a recipient applies. (One wonders why Judge Freedman did not ask the Federal government to enforce its own rules as to "reasonable promptness," because it would seem this was a matter between the Department of Health, Education, and Welfare, and the Massachusetts welfare services, but as is common in these cases, a Federal regulation gives warrant for extensive judicial intervention.) Judge Freedman also ordered that all vacancies in welfare social worker jobs as well as all necessary new jobs to fulfill his orders be filled.

He ordered the welfare commissioner and other state officials to request supplemental appropriations from the legislature to fill all the authorized social workers jobs in the Welfare Department and for the necessary new social worker positions. At this point (as one might expect), the welfare commissioner and the president of the Massachusetts Social Workers Guild disagreed on how many workers were needed. In his order, Freedman wrote, "The court expects that the Legislature will take all necessary steps to approve the request for appropriations and new positions" that the state welfare officials decided were necessary to fulfill the court's order.

The court's club was withholding all Federal aid for welfare. The judge urged quick approval of the requests "in order that the court may avoid having to enjoin the defendants from receiving hundreds of millions of dollars of Federal welfare funds."[3]

The welfare commissioner estimated he had 186 social worker vacancies; the union leader said there were 225. When the deficiency budget was presented, the number requested was 255 more social workers. Presumably the welfare commissioner was as startled as the legislature that his requests were now to be fulfilled without question or delay.

The legislature balked, and the judge ordered the cutoff of all Massachusetts welfare funds. The legislative revolt was brief—it lasted one day. The judge—perhaps to punish the recalcitrant legislature?—then added 90 more social workers to be hired before the new fiscal year. In this manner, the number of social workers employed by Massachusetts to process welfare cases rose in short order from 1,450 to 1,795, an increase of 24 percent.[4]

Judge Freedman was luckier than many others, since his total victory over the Massachusetts state government seems to have gotten him out of the welfare business for the moment. More typically, there is a more than a few months or even a few years involvement in an education or social services case which reaches to the point of the recasting of the pattern of services and delivery under judicial oversight.

Take, for example, the career of a state judge—Paul G. Garrity, no relative to W. Arthur (those dealing with Massachusetts politics must be aware of many people bearing the same surname)—sitting in a special Housing Court, in dealing with a class action brought against the Boston Housing Authority by the Boston Legal Assistance Project. Many of the project apartments were vacant owing to their poor repair, and there were endless examples of broken windows, inoperative elevators, broken plaster, broken or vandalized mailboxes, water leaks, plugged toilets and sinks.

He ruled in March, 1975, that great numbers of apartments and buildings were not in compliance with the state sanitary code, and issued an order which required the BHA to come up with a plan not only to bring its apartments and buildings up to code standards, but to curb vandalism and reduce crime, which the BHA claimed was the reason its projects were in such bad shape, a judgment with which the judge apparently agreed.

Judges are apparently used to having the authority to deal with the violations that evidence demonstrates to them exist—and so the demand in the judge's order for a plan to curb vandalism and reduce crime, challenges which have defeated more qualified agencies than the Boston Housing Authority.

The original decree was the basis for a 250-page consent decree which emerged more than two years later. Judge Garrity, like his Federal colleague, sought to acquire the funds necessary for the massive overhaul of the projects he required, and thought to do so by diverting the proceeds of state bond issues that were to be devoted to new housing to federal project repairs, but he was overruled in this by the Supreme Court of Massachusetts. He appointed a master to oversee the clean-up of the projects and the reduction of vandalism and crime, who would monitor the authority until June, 1980.

But we may doubt that this Canutian order will be fully implemented in a mere four years. A year and a half have passed since the consent judgment (almost five years since the suit was instituted). The master, in first year's report, asserted with a cautious optimism: "This first year under the consent judgment has resulted in a number of improvements in BHA. Perhaps the most striking change is in the hiring of a large number of highly qualified individuals in senior management positions and in the creation and staffing of a new division of planning, development and modernization.

The hiring of a new, forceful and energetic administrator (Bradley Biggs) . . . has been a major step forward in establishing new leadership for the authority." But the improvement of the projects, and the reduction of vandalism and crime? That would presumably await the ministrations of the new expanded staff.

The Boston Housing Authority has not taken lightly to the reduction of its authority by the appointment of a master and a special administrator who is apparently considered the creature of the master and the court, if we may judge by a remarkable order of last September by Judge Garrity to the BHA "not to interfere in any manner with day-to-day operations of the BHA."

To explain the order, the *Boston Globe* reports, "Bruce Mohl of Greater Boston Legal Services who sought the order for BHA tenants, . . . said testimony before Garrity has brought out such instances of board interference as granting a rental subsidy to someone the BHA staff had deemed ineligible and inquiring of maintenance personnel about whether repairs had been made in certain BHA apartments." The latter peccadillo seems almost innocent—why be a member of the board if one can't ask if repairs have been done for a tenant with the modest influence that a housing project tenant is likely to have?

In any case, the politically appointed authority members seem to have resources that even firm court orders cannot eliminate—the court-favored administrator, on whom the master was counting to do so much, resigned after six months.[5]

One more tale from Boston, and we will distance ourselves from the details of judicial administration to raise the grave questions it suggests, and to consider how far along we are in answering them. Here we come to the well-known Garrity, Federal Judge W. Arthur, who in addition to overseeing the Boston school system has also had before him since 1973 the problem of the Charles Street Jail. This is the jail of Suffolk County, that is, Boston, which, as is true of so many jails, has been found, because of its conditions, to violate the constitutional provision of "cruel and unusual punishment."

This is an impressive great granite structure, and the issue presented to the mayor and city council of Boston was whether to build a new jail—preferred by the mayor—or repair the old one—preferred by the council. In this case, there were no federal funds to cut off, or state bond issues to seize, but the judiciary had set a deadline, after which no further inmates could be put in the jail. The council and the mayor agreed, after a day and a half of court-ordered meetings, on the renovation. That would have seemed to end the matter. But no. There was still further work for the weary judge.

The bare newspaper report may raise eyebrows among constitutional lawyers. It reads: "U.S. District Judge W. Arthur Garrity, Jr., said last night he will rule today whether a $15.4 million proposal to renovate the Charles Street Jail is constitutional." The mayor at the last minute balked, still believing there was a better alternative than an expensive renovation, but an "angry" judge then threatened to close the jail, and the problem of where to put the 230 inmates seemed insuperable. The mayor signed.[6]

The first question that arises in trying to deal with this rising phenomenon of judicial

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intervention in administration of social services is, how did it happen? I have, in an earlier article, suggested that the experience of the desegregation of the schools was decisive in accustoming Federal judges to involvement in the detailed and day-to-day administration of the schools.[7] After fifteen years of trying to circumvent Southern state evasion of the implementation of the constitutional right to an unsegregated education, District Courts had to become more and more intimately involved with school administration. Just how were students assigned to school? What would be the consequences on racial distribution of one kind of assignment or another? What exceptions would be allowed? What were the requirements for desegregation affecting teachers and administrators? How were they to be assigned, how promoted, who was to be removed from positions of authority when dual school systems were unified?

Insofar as desegregation was finally a reality, there arose a set of "second generation" problems. Were students being unfairly disciplined, dismissed, tracked? How were we to know? What standards were to be set up and who was to monitor them?

Yet a third set of problems arose—not before the early 1970's—when courts began to take into account, under the pressure of both defendant school districts and plaintiffs, educational issues per se only lightly linked to desegregation. The school systems—whether honestly or evasively—proposed a variety of integration schemes that were less than full busing for equal racial representation, at which point the question of whether programs less than this were being suggested for valid educational reasons.

One the other side, creative plaintiff lawyers or citizen groups that were set up by the judge to play a role in desegregation, or masters appointed by the courts, trying to overcome, in particular in the North, the rising resistance to busing, proposed education reforms that they hoped would mollify the parents who would have their children bussed, exchanging educational advantages for the unwanted transportation.

This is a long and complex history, and with great variations in each school district, with very few cases as yet dismissed from judicial oversight, and with many cases rising to barely comprehended heights of complexity. Superintendent Wood of the Boston school system has asserted in a speech that he is operating under 247 separate and distinct court orders.

Under the circumstances, even a fairly full account of the Boston desegregation case and the first two years of its implementation is woefully inadequate in dealing with the issues that deeply concern the analyst of social policy—that is, how have these cases affected the pattern of educational services, in the short run and the long, taking account of the varying kinds of effects court orders and court oversight have had? Only Donald Horowitz, in his analysis of *Hobson* v. *Hansen* in the District of Columbia, has explored effects on the schools in any detail—and this is, one may say, a relatively simple case in terms of the kinds of effects the order has brought, compared with the Boston, San Francisco, Denver, Detroit and many other cases. The analyses of cases, as I pointed out earlier, is still mostly in the hands of constitutional lawyers.[8]

In answer then to my first question, it would appear it was the effort to guarantee rights that created a rising tendency to intervention in the administration of educational and social welfare agencies. Of course this gives us only one reason why the courts became more interventionist. It was necessary for cases to be brought to judges, and the explosion of public-interest law firms that began with the poverty program provided the resources for bringing cases to judges, and for proposing more extensive intervention to guarantee rights than judges had contemplated before.

This explosion began with groups funded by the poverty program and liberal foundations, and has expanded into specialized groups—both for legal investigation and research, and for intervention in cases—that matches the array of governmental social services. There are now legal research and backup groups and public-interest law firms specializing in education, welfare, housing, prisons, mental retardation, and mental health, each with their attendant newsletters and publications. Certainly this has helped expand the scope of judicial intervention.

A second question: There are fifty states, hundreds of Federal district judges, thousands of school districts—to what extent do these operate under the aegis of judicial intervention? Are we not perhaps speaking of "landmark" cases with modest consequences affecting only a few jurisdictions, of hit and run intervention that is not really changing the pattern of social services? I do not believe so. I have not attempted to make full inventories to the cases and consequences in various fields. Yet any given case does expand, and its influence is felt, if not throughout the whole area of social policy involved, in very substantial parts of it.

On the basis of some research I have done in the mental retardation field, I would argue that one reason the influence of a case spreads is because of the specialized bar that develops in each area. From the point of view of the lawyers involved, they may be overwhelmed by the magnitude of the tasks they have undertaken, they may see their work as consisting of modest inroads into the sea of illegality and misery.

Yet from the point of view of the state administrators, a decision in one district has substantial consequences. Every branch of public service now has its specialized lawyers working for the state who will give guidance to social policy administrators as to what they can or cannot do on the basis of key decisions. Many cases are started—which may not involve great resources—and then not carried through, but their presence is known to administrators and affects them.

A key case may lead to many other consent judgments, because the state feels it cannot win. While consent judgments may not make law to the same degree as reported decisions, or appeals court decisions, they do make and effect policy. So the judge's judgment is not something for only a given institution, or limited geographic scope—it may become a model for many other institutions and areas of much larger scope, and thus the decisions we are considering cannot be taken as eccentric and partial and of little consequence.

Welfare agencies do operate under various judicial constraints—through Judge Freedman's rapid expansion of the Massachusetts welfare department is perhaps exceptional. Housing projects and housing administrators must know that their tenants have recourse to legal action—though Judge Garrity's consent judgment is particularly broad in its scope. And prisons are being closed in many places, or are being replaced by new ones.

Indeed, there is a boom in prison building—and it is based not only on a rising prison population but more directly on judicial requirements for the kinds of prisons that will not constitute a form of "cruel and unusual punishment."

From the point of view of the administrator, the new sources of control include state requirements, Federal statutory requirements, Federal regulatory requirements. Thus, one of the main objectives of mental retardation litigation has been to set up systems of protection and advocacy of the mentally retarded, so their fate is not determined solely by either state officials, or medical specialists, or their parents and guardians.

Under these systems, an independent advocate—a lay advocate or a lawyer—would be involved in determining whether a specific retarded person should be institutionalized, or deinstitutionalized, and with what kind of treatment. These systems are specified in court judgments as in the major consent decree affecting the Willowbrook Development Center in New York (now the Staten Island Development Center) in the case of the New York State Association for Retarded Children v. Carey.

But at the time a new protection and advocacy system for persons of the Willowbrook class were specified in a Federal judge's consent judgment, there already existed a state system under the state courts with the same objectives, and Federal requirements for such protection and advocacy systems.

And these Federal requirements were made law in part because of the existence of a movement of parents and guardians of the retarded, because of the growth of a specialized bar in the field of mental retardation, and because of key cases, in particular Wyatt v. Stickney in Alabama. The courts not only enforce what had passed into law; what they enforce in any given case sometimes leads to the passage of laws making the individual judgment national policy.

There is an interaction between judicial role, legislative role, regulatory role. What judge, legislature, or Federal agency in its regulatory capacity pronounces as judgment, law, or regulation all interact, with at times one giving the lead, at times another.

If one wants to make judicial intervention responsible for some course of policy—for good or evil—one must be aware that the judge is not the exclusive actor. But since he is not the exclusive actor in the explosion of rights, not even necessarily the initiator, why concentrate on judicial oversight of educational and social policy?

There are two reasons. One is because of the question of the proper role of the judiciary, and of the structure of our constitutional order and our democracy. There is a growing feeling and suspicion that judges have taken on more than their proper role when they engage in intervention in social policy, regardless of the fact that state and federal legislatures and officials are also involved in the expansion of rights.[9] Certainly there are important questions here. There are questions not only for constitutional lawyers, but for all concerned with the proper ordering of the polity.

The second reason why we concentrate on the judicial role is because there are distinctive characteristics of judicial intervention in social policy which change policy, and in ways, I would argue, the legislative and executive action would not or might not. Let me develop this second issue first. I have in an earlier article argued some points as to what the character of judicial intervention in social policy is.

I pointed out that first, judicial intervention is on the basis of rights, rather than efficacy or efficiency—though it reaches to all the aspects of policy. Rights inevitably have a grandeur that efficacy or efficiency do not. They must prevail even if the resulting program is less efficient or less economic.

Because of their superior position in shaping policy, they inevitably restrict the roles of administrators more severely—in theory, at least, there is even the contempt power under which a judge may place them in jail,

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a rather more severe constraint than cutting their budget, for example. And I argued that reducing the power of administrators also reduced their sense of responsibility and might well lead to less effort to achieve well rather than more.

I might add here that a judge is more capable of punishing than of motivating. An executive or legislature can do more in this respect. They can provide more resources, expand the scope of powers of administrators, raise them to higher positions. Of course, as we have seen, courts expand resources and powers, too, for some levels—only to punish other levels of government which are presumed to be responsible for the deprivation of rights the court is correcting.

My research on the Willowbrook case has not led me to modify this view of this effect of judicial intervention, that is, to reduce responsibility by raising over the administrator the power of the judge, enforcing rights. The judge of course may be distant and indifferent and dealing with other cases, but the plaintiffs' lawyers are ever-present, or, if not the plaintiffs' lawyers, the master or other overseer the judge decrees.

In the Willowbrook case, the Willowbrook Review Panel, created by the judge, representing the plaintiffs, funded by the state, is an ever-present critic and correcter supervisor of the work of the administrators of mental retardation facilities in New York.

I emphasized, second, the procedural emphasis in judicial administration as having certain consequences. Now any bureaucracy operates under procedures, and it scarcely needs judges and judicial intervention in administration to increase the number of papers administrators must deal with, or the steps of procedure they must endure.

But since the judge is not a regular administrator, since he intervenes basically with a major decree or consent judgment, since he does not have the opportunity of day-to-day adjustment or correction, his order—as guided by plaintiff lawyers—is particularly strong in instituting hopefully fail-safe procedures to assure the rights that have been proclaimed. Of course this also reflects the view of lawyers, who are shaping the decree.

The Willowbrook consent judgment is a mere 39 single-spaced pages, but much of what it calls for are procedures—on who must participate in determining the program for a mentally retarded recipient, who must sign off, under what circumstances he may be shifted, with what rights of appeals, under what procedures.

Of course it includes much else, too. Even though it is nowhere near the length of the 250-page consent judgment under which the Boston Housing Authority operates, it is still remarkably extensive, with many loose requirements—for example, for a "meaningful" "table of organization," or "budget statements" or "policies and procedures manual," all of which opens the way to endless elaboration by the Willowbrook Review Panel.

The procedural emphasis of judicial intervention is demonstrated by the fact that the audit instrument to determine whether and to what extent the consent judgment is being carried out has been expanded to some 500 specific items, which are to be checked presumably for each of—or a reasonable sample of—the 5300 members of the Willowbrook class, now spread through many institutions and mini-institutions.

Now one can foresee that some administrators—indeed most, except for those strong-minded enough to resist the notion that 500 specific requirements add up to good and sound treatment—will operate according to the procedures. They will simply check off that something has been done—rather than consider whether it was done well, or it is the thing that should be done. The procedural emphasis is also an emphasis on rights and guarantees, which inevitably reduces administrators (and their lesser staff) in the eyes of those they deal with and their guardians and their lawyers. Their ability to act professionally is circumscribed.

Their dignity—whatever it consists of—is reduced. Their discretion is limited. And their effectiveness is reduced by proceduralism, just as it is reduced by the introduction of a higher order of administration dealing with rights. My research on the Willowbrook case did not give me any reason to change the hypothesis I proposed on the procedural orientation of judicial intervention and its effects.

I also argued in this earlier essay that the litigational approach resulting in judicial intervention will reduce the effect of practical or clinical knowledge in determining social policy, and raise the weight of theoretical knowledge. My research in the Willowbrook case gave the strongest support to this expectation.

The experts who testify are either professors, or ideologically oriented administrators who are known for being the strong exponents of a distinctive point of view. The plaintiffs' lawyers in this type of case are interested in bringing in the widest possible reform in the service that is the subject of the litigation. That is after all the creative legal task, rather than compensation for or protection of the rights of this or that individual or group of individuals.

The Willowbrook case was started in 1974, tried in 1975. By the time it was tried the intellectual leaders in the field of mental retardation had turned strongly against institutionalization and particularly large institutions. Indeed, by the time of the case persons who had earlier supported institutions of a smaller magnitude than Willowbrook (for 500 or 750 residents as against four or five thousand) had turned against any institutions at all and favored community placements—that is, placing the retarded back with their families, with foster families, or in family-like settings.

The consent judgment accepted this view of optimal treatment and called for the reduction of Willowbrook to an institution of 250, and the placement of Willowbrook residents into settings of not more than 15 residents maximally.

Now the question of whether this is the proper course will not be debated here. But professional opinion, which has moved so sharply against institutions, may well shift back to seeing the virtue of some degree of institutionalization, perhaps in order to concentrate remedial resources, or to permit better oversight and prevent abuse (there are small snake pits as well as large, and it may be easier to supervise a few large institutions than the 500 mini-institutions that are expected to replace Willowbrook).

What do I mean when I say that theoretical knowledge replaces clinical and practical knowledge in judicial intervention? The directors of Willowbrook may barely get to testify—and then very much on the defensive. Nor may the administrators closest to grass roots problems. The top administrators and their experts testify for the defense, and it is their lawyers, guided by them, who engage in the negotiations that lead to a consent judgment.

It is easier to accept high theory on radical deinstitutionalization to get the consent decree signed and settled, and get the governor off the hook, than to examine, with the administrators lower down, just what the problems will be in implementing it. At one point in the many Willowbrook hearings on various problems in meeting deadlines, the judge asked an administrator in some irritation, "Well, didn't you read the decree, didn't you sign it, why are you telling me about problems now?" The hapless administrator answered, "I didn't sign it," and of course he had not. Other cases I have examined—for example, the Aspira judgment mandating extensive bilingual programs in the public schools of New York—have also gotten into serious administrative difficulties "down below."

I am not saying that clinical and practical knowledge is "better" than theoretical knowledge. I am saying that in litigation it is the latter that is emphasized, not the former, which doesn't make for good or coherent testimony. In school desegregation cases and in mental retardation cases, indeed, what we have is travelling testifiers—experts in their field—who, one may doubt, have gotten very deeply into the specific situation they are testifying about.

The defendants are rarely likely to come up with anyone as persuasive, in part because they do not have as good a network as the linked public-law attorneys in the specific field of litigation, and in part simply because in these soft educational and social service fields there is at any given point a dominant ideology and there may well be no university or theoretical expert who can be found willing to testify against the prevailing views in his field.

I argued finally that judicial intervention strengthens some groups in social policy against others. Obviously it strengthens lawyers—who are now important in guiding administrators on what may or may not be done, and who become in many cases the chief advisors of harried administrators. Within each field of educational or social policy, it favors one professional group against another.

One thing that is particularly characteristic of judicial decrees and consent judgments is the demand for "training"—to train teachers on how to participate in desegregation, guidance counsellors on how to deal with minority students, or students who are mentally retarded, to re-train the staffs of institutions. Training sessions and training manuals are often called for—with the state of course footing the bill. Whether this training does any good is another question.

It certainly does a great deal of good for trainers and consultants, whose services the state must use according to the consent judgment. This was certainly the case in Willowbrook, where the preparation of training manuals and training itself was considered an important part of the measures required by the consent judgment.

But what about the larger end of the intervention, first the protection of rights, second the effectiveness of the educational or social program? As to the first, undoubtedly a greater emphasis in protecting rights leads to more rights protection. At what cost, in reducing the effectiveness of administrators and face-to-face workers, it would be difficult to say, because this would involve the kind of research in these cases that simply has not been done. Tens of thousands of students, thousands of teachers, are involved in a desegregation decision, or in a decision to mainstream the handicapped, or to implement bilingual programs.

There are more than 5,000 members of the Willowbrook class, 4,000 employees at Willowbrook itself, hundreds of people engaged in deinstitutionalization, hundreds of thousands more employed in the new smaller institutions or mini-institutions. Just how one evaluates educational or social programs is in any case difficult. Where a wrenching process of reform and administrative change is under way—as in school busing cases or mental retardation cases—it is very difficult to come up with any estimate of whether it is all for the best or not, in the end.

For one thing, it is hard to know in these endless cases where the end is. David and Sheila Rothman are engaged in a three-year evaluation of the Willowbrook case, and when that evaluation comes to an end we will certainly know more—about this case. And it is true well-studied cases—studied in terms of their effects, not their legal history—will be very helpful in coming to some overall judgment in this area. But we know how complicated it has been to say anything about the educational or social or race-relations effects of school desegregation cases, even three, four or five years after initial implementation of major orders.

But while we may have to hold judgments on social policy effects in abeyance—which is true unfortunately of most programs, whether their origin is executive, legislative, or judicial—we can say more about the political significance of judicial intervention. I would like first to consider a basic political argument for judicial intervention: The judges are there because the legislature and executive would not solve the problem in the first place.

They would not desegregate, improve the conditions of the mentally retarded, appropriate money for new jails or more prison services. A more sophisticated political argument asserts the executive and legislature are perfectly content to have the courts do it, and so let them off the hook of making decisions that must offend someone (in particular, the taxpayers).

For example, the cost of treating persons at Willowbrook expanded in a few years sixfold, and mostly because of the huge infusion of personnel required by the consent judgment. Could Governor Carey or the state legislature have done that if there were no court order? There have been similar huge increases in costs in other mental disability cases, in the education of the mentally retarded and handicapped mandated by courts, and substantial increases in costs of hard-pressed school districts in busing decisions.

The renovation of the Charles Street Jail will cost $70,000 a prisoner. How else could one get that kind of money out of mayors, councils, governors, and legislators?

There is much in these arguments. Difficult problems are sometimes shoved onto the courts by executives and legislatures. In this way they can explain to every group of voters that they have not acted against their interests—the judge did it, and he cannot be reached by ordinary political processes. But these explanations, which incorporate the judicial action ingeniously into our democracy, do not leave me satisfied. I do not believe that the courts are simply taking over when the other branches of government have failed. Or at least that is true only in some cases—in particular, Southern school desegregation cases.

It is not true that the courts move only when legislatures and executives fail. Very often, as was true at Willowbrook, the judicial action took place while legislative and executive were engaged in strenuous action to improve conditions at Willowbrook.

In other cases, we have seen substantial improvements, similar to that instituted by legislative and executive action without the need for court intervention. Indeed, a reform quite similar to that mandated by the Willowbrook judgment was instituted in California through legislative action.[10]

What I am arguing is that judicial intervention, initiated by plaintiff lawyers, is not simply expanding and protecting rights—it is trying to implement in one forum, remote from democratic controls, the kinds of policies that have failed as yet in the arenas of legislative and executive action. Just as war is a way of carrying on foreign policy through other means, judicial action is a way of advancing domestic policy by other means.

To do so one must claim "rights". But the disguise is often transparent. The key *Wyatt* v. *Stickney* case was started by state employees who were losing their jobs in an economy move. For this reason they argued the rights of mental patients were being infringed. Perhaps they were. But clearly it was the rights of employees that was the chief initial motor.

The regular political process also offers safeguards in the defense of interests that the judicial process does not. The judicial process, structured in an adversary mode, assumes that there are only two interests—the plaintiff v. the defendant. In these cases, the story is not so simple.

There are many plaintiffs, and some of them want very different things than others. In the Willowbrook case, the initial plaintiffs wanted better conditions at Willowbrook. In time, the plaintiffs' lawyers decided they wanted institutional reform. The original plaintiffs—the New York State Association for Retarded Children—broke away because they did not find the New York Civil Liberties lawyers represented them properly, and got their own lawyers. Why the New York Civil Liberties lawyers are still considered to represent the "class' when they have lost their clients is an interesting question I leave it for lawyers to settle. Just as the plaintiffs are varied—even though the judge allows only one group of lawyers to defend them—so is the defendant class. There are many state interests involved. There is the governor, the legislature, the different factions within it, the administrators—whose interests may be different from both that of the executive and the legislature—the taxpayers. In what sense is the structure of legal action competent to represent and balance all these interests? It is not, and the fate of intervenors in many of these cases is evidence of how the interests of many affected parties are ignored.

Finally, one outcome of these cases that is almost normal is that one service of state government is favored over others. The judge decided that the protection of rights demands a great infusion of state money. One asks, why in the mental hospitals, and not the jails, in welfare and not police, in the schools and not the universities. The judge is incapable of determining these questions—he is examining "rights". But actually he is distributing resources, but without the structure of representation and the resources of knowledge with which executive and legislature operate when they distribute resources.

And, I would argue, without the constitutional warrant. Admittedly that is a bold statement by a non-lawyer, when many judges, supported by appeals courts and on occasion the Supreme Court (though that Court, observing its delphic character, has never ruled on many of these cases of judicial intervention in educational and social services), have ruled otherwise. But I would argue that judges are making policy and distributing resources, and without the ability or the warrant to do either.

Whether or not it turns out—as it may—that the judge as administrator has improved the performance of one or another branch of government, the larger question will arise: is that his function? Does his intervention truly reflect the failure of the democratic branches of government that have been assigned the task he is now undertaking? Or does his intervention not contribute to the further weakening of democracy?

I believe the latter. It weakens democracy because it removes from the people and their representatives the ability to shape policy. It weakens it further by creating and fostering a cynicism about how things get done—whatever the judgment of the representatives of the electorate, bright lawyers and ingenious new arguments, it seems, can do anything. Finally it weakens democracy because it encourages that very refusal to deal with great issues directly or indirectly, among legislatures and executives, that many argue is the cause and justification of judicial intervention.

If the judges didn't do it, I believe the executives and the legislatures would have to do it. And I see no reason why we should overthrow this pattern that prevailed under the Constitution for so long.

FOOTNOTES

[1] "Wood Aims at Court Pullout," *The Boston Globe*, December 3, 1978.

[2] See Note: "The Wyatt Case: Implementation of a Judicial Decree Ordering Institutional Change," *Yale Law Journal*, 84:6, May 1975, pp. 1338–1379. and Note: "Implementation Problems in Institutional Reform Litigation," *Harvard Law Review*, December 1977, pp 428–463, for very valuable analyses of the problems of implementing this, and other decisions in the mental health and retardation field.

[3] "Court Tells Welfare Dept. to Hire More Workers or Forfeit Federal Aid," *The Boston Globe*, December 21, 1974.

[4] *The Boston Globe*: "Judge Orders Welfare Funds Cut Off, State Moves to Save Them," February 25, 1978; "Social Worker Funds Voted to Block Cutoff, House Refuses $5000 Pay Raise for Welfare Head," February 26, 1978.

[5] *The Boston Globe*: "Court orders BHA to file repair plan," March 30, 1975; "Court names master to clean up projects," June 1, 1977; "BHA praised for progress in 58 projects", July 9, 1978; "BHA board ordered to keep its distance," September 21, 1978; Editorial, "A turning point at the BHA." November 14, 1978.

[6] *Boston Globe*, "Charles St. Jail repair voted by city council," September 23, 1978; "Garrity plans ruling today on Jail plan," September 29, 1978; "White OK's Charles St Jail plan—reluctantly," October 2, 1978.

[7] Nathan Glazer, "Should Judges Administer Social Services?", *The Public Interest* No. 50, Winter 1978, pp. 64–80.

[8] Horowitz's analysis of *Hobson v. Hansen* is in *The Courts and Social Policy*, Brookings; Ralph R. Smith analyzes the Boston case ("Boston: Two Centuries and Twenty-Four Months: A Chronicle of the Struggle to Desegregate the Boston Public Schools"), pp. 25–114, in *Limits of Justice: The Courts' Role in School Desegregation*, edited by Howard I. Kalodner and James J. Fishman Cambridge, Mass.: Ballinger, 1978. It is characteristic of much of the literature on school desegregation in that there is very little in this study—and that inadequate—in answer to the follow-up question of what happened after the judge issued his decisions, the masters their plan, the busing instituted Even the important and disputed question of how many white students were lost to the Boston schools, and the effect of the order and its implementation in causing this loss, is barely touched upon. The studies in this useful volume are studies of legal process, primarily, rather than of school consequences.

[9] In Massachusetts, the silliest problems in the sphere of boys' sports and girls' sports in schools arises from state legislation, and state enforcement of this legislation, not from HEW regulation. See, "What has happened to boy-girl programs," *Boston Globe*, December 3, 1978, p. B–13.

[10] See Eugene Bardach, *The Implementation Game*, Cambridge, Mass.: M.I.T. Press, 1977.

[From the Washington Post, Sept. 18, 1978]

DESEGREGATION DISCOUNTED—SCANT BENEFITS FOUND FOR BLACK PUPILS

(By Lawrence Feinberg)

Sociologist James S. Coleman, whose massive study in the mid-1960s has been widely used to support school desegregation, now says it is a "mistaken belief" that black students learn better in integrated classrooms.

During the past decade, Coleman said, research throughout the country has shown that "it is not the case that school desegregation, as it has been carried out in American schools, generally brings achievement benefits to disadvantaged (black) children."

In some situations, Coleman said, desegregation has brought slight gains in black achievement, but in many others there has been no change or a slight loss.

Even though he had argued a decade ago that "integration would bring about achievement benefits," Coleman said, "It has not worked out this way in many of the school desegregation cases since that research. . . .

"Thus, what once appeared to be fact is now known to be fiction," Coleman said.

Coleman, a professor of sociology at the University of Chicago, presented his new conclusions in a paper in April. He repeated them in an interview this weekend.

"Desegregation has turned out to be much more complicated than any of us ever realized," Coleman said. "There appear to be beneficial effects for some black kids, those who are better students, and harmful effects for blacks who are poorer students. It all seems to balance out, which is quite the reverse of the implications of my own research" in the mid-1960s.

Coleman's 1966 report, called "Equality of Educational Opportunity," was authorized by Congress in the 1964 Civil Rights Act and sponsored by the U.S. Office of Education. It still is the most extensive piece of educational research ever conducted, involving tests and surveys of about 600,000 students and 60,000 teachers in 4,000 schools around the country.

Its most widely noted conclusions were that the social class composition of a school had more impact on student achievement than either resources or teaching methods, and that lower-class black children scored somewhat higher on standardized tests in schools with a middle-class white majority than they did in schools where all the children were poor and black.

Coleman stressed that the achievement gain occurred not because of skin color but because of the middle-class background and "educational resources" that many white children bring from home.

After his report, Coleman expressed his views widely, not only in scholarly articles but also in testimony before congressional committees and in school desegregation cases in courts.

Among these was Julius Hobson's suit against the Washington school system. Coleman testified in Hobson's behalf and was cited by U.S. Judge J. Skelly Wright to support the court's finding that "Negro students' educational achievement improves when they transfer into white or integrated educational institutions."

Coleman said he now believes that this view is "incorrect . . . wishful thinking."

In the interview, Coleman said the difference between his conclusions a decade ago and the results of desegregation since then reflects two main factors—a difference in the way desegregation has been carried out, and the availability of new research.

When he collected his data in 1965, Coleman said, nearly all the black children attending integrated school in the South were well-motivated volunteers under "open enrollment" plans. In the North almost all integration had occurred in neighborhood schools where blacks and whites lived nearby.

Since then, Coleman noted, many school districts have been desegregated through mandatory busing programs, ordered by courts or state agencies, that bring children together from wide areas.

"Much of it has been accompanied by the kinds of things that don't foster achievement," Coleman said. "Often there's been some degree of turmoil and lower standards, with white teachers being afraid to apply the same standards to black students and therefore not teaching them as well."

Coleman said his 1966 report was based on data collected at one time, with conclusions drawn by comparing youngsters in schools with different proportions of black and white students.

Since then, he said, researchers have been able to follow children for several years after they switched to desegregated schools. Although Coleman has not been directly involved in any of this research, he said a review of over 100 desegregation studies in cities around the country—from Boston to Berkeley—shows "no overall gains."

"Some of the most carefully studied cases, such as in Pasadena and Riverside, Calif." Coleman said, "show either no achievement effects or else losses."

In the South some gains by blacks have been reported by the National Assessment of Educational Progress, but Coleman said these occurred in both segregated and integrated classrooms. He said these gains probably are the result of "the broader impact of desegregation in the South . . . it drew a lot of attention to schools that used to be the worst in the nation," rather than a direct result of blacks and whites being taught together.

Before going to the University of Chicago in 1973, Coleman taught at Johns Hopkins University of Baltimore. He took part in civil rights demonstrations there, and was arrested in one of them.

He said he still strongly opposes legal segregation and strongly favors integrated schools. But he said mandatory busing in many cities has been "counter-productive" because it has been followed by an extensive loss of white students.

Coleman also rejects "the belief that an all-black school is inherently bad."

"That has a curiously racist flavor," Coleman said, "which I can't accept. There have been, and there are, all-black schools that are excellent schools by any standard."

"What is essential," he said, "it that if a child is in an all-black school, it should be because . . . his parents want him to be there, not because it is the only school he has a reasonable chance to attend."

Coleman said he thinks the best ways of increasing school integration now would be to encourage voluntary transfers between city and suburban schools or to offer vouchers allowing parents to pick any school for their children but providing more funds for integrated schools.

"We ought to take measures so we can become a more integrated society," Coleman said, "but we ought to be clear that integrated education does not depend on maintaining romantic notions that are not true."

[From the Washington Star, Aug. 25, 1978]

Busing in the Senate

"Busing" for the racial integration of public schools, mainly in the Southern states, has been a constitutional fixture for eight years and in most places an unwelcome one. But the busing debate, initially heated, has cooled.

There was a curious illustration of that Wednesday evening in the Senate. Delaware's senators sought again to limit the discretion of judges to order busing. Their amendment to an educational appropriations bill was narrowly beaten, 49 to 47—chiefly, it seems, on the plea of Majority Leader Robert Byrd that a prolonged wrangle might disrupt the Labor Day adjournment schedule.

Congress has toyed intermittently with legislated restrictions on busing; but when the Senate's schedule becomes more important than the issue, something has changed. What is it? Recent Supreme Court decisions, for one thing, have advised the lower court judges that remedies must be limited to the extent of demonstrable injury, thus sweeping aside residential segregation as a target of cross-busing.

But we suspect there is a more fundamental and less encouraging explanation. It is the feeling that, in large metropolitan areas at least, busing has irremediably failed. "It is now evident," Dr. James Coleman recently observed, "that there are extensive losses of white students from large central cities when desegregation occurs," these losses reflecting the inablity of judges to control the decisions of parents.

All this seems obvious today, but it was less obvious eight years ago. Dr. Coleman, the University of Chicago sociologist whose optimistic 1964–66 studies became the rationale for a number of extensive urban desegregation plans, pleads guilty to a misjudgment. He is now persuaded that if integration is ever to succeed it must flow from a quite different set of premises and policies, all taking account of urban realities.

In a recent paper, he proposes several. School districts, he believes, should recognize their integral part in statewide systems and stop excluding children who wish—*voluntarily*—to go to school outside their places of residence. Otherwise, suburbs will continue to be havens for mobile parents in flight from integration plans. Vouchers, he further believes, ought to permit parents and children to choose freely among accredited schools, public or private, and their monetary value might be increased for those who choose integrated schools.

Dr. Coleman's vision has a familiar look. It strikingly resembles the "freedom-of-choice" plans that predated busing, with the wrinkle that they would actually guarantee choice. "The aims," he writes, "would be . . . not to 'eliminate segregation' but to provide opportunity to every child, and to facilitate school integration that would have long-term stability. . . . There would be a recognition of the diversity of schools that would result: some black, some white, some integrated. The insurance that equal opportunity was in fact being provided would not lie in an artificial numbers game with children moved like pawns on a chessboard, but in the range of opportunities available to every child."

Dr. Coleman's proposals, though eminently sensible, are likely to be attacked—as he foresees—from two angles: both by suburban school districts whose arbitrary boundaries now guard them against metropolitan integration; and by militant integrationists who view the arbitrary distribution of races in every school as the test of success, even when the success is brief and unstable.

Few of us, unfortunately, are prepared to face earlier errors of judgment and policy with Dr. Coleman's directness and honesty. If the debate over busing has, as suggested above, lost its spark, it has lost it because failure has begotten two attitudes: either a stubborn refusal to admit the failure, and a determination to compound it at all cost, or a decision motivated by the failure to look to educational alternatives outside the public school system.

Neither, of course, is bringing closer the equality of educational opportunity with which the integration experiment began 24 years ago.

[From Time, Jan. 22, 1979]

Have the Judges Done Too Much?

(By Evan Thomas)

"In a pitilessly consistent democracy, judges would not be making law at all," said Judge Learned Hand. Why, then, he wondered, do people not resent it when they do? That was 35 years ago, when judges were for the most part more restrained about making new law than they are now. Today many

Americans do resent an ever-more-activist judiciary. Beware, warns a vocal group of scholars: the Imperial Presidency may have faded, but now an Imperial Judiciary has the Republic in its clutches. The fear, as Constitutional Scholar Alexander Bickel once expressed it, is that too many federal judges view themselves as holding "roving commissions as problem solvers, charged with a duty to act when majoritarian institutions do not." Given license by a vague Constitution and malleable laws, and armed with their own rigorous sense of right and wrong, judges have been roving all over the lot: into school desegregation, voting rights, sex, mental health, the environment—the list goes on and on.

Judges do not just judge any more; they legislate, make policy, even administer. Indeed, says U.S. Court of Appeals Judge Irving Kaufman, "sometimes it seems that business, psychology and sociology degrees, in addition to a law degree, should be prerequisites for the federal bench." When Boston's duly elected school committee refused to bus schoolchildren, the local federal judge did it himself, right down to approving the bus routes. A federal judge in Alabama ruled that inadequate mental-health care is unconstitutional. So what is adequate? His answer was a list of 84 minimal standards, reaching down to a supply of hot water at 110° F. Result: while Alabama in 1971 spent $14 million on its mental institutions, in 1973, after the court order, it spent $58 million.

"Courts are not a budgeting agency," says Harvard Law School Professor Emeritus Paul Freund. "They see problems through a keyhole. What they ordain in the way of expenditures is not correlated with expenditures for other needs." To clean up state prisons, judges in Alabama, Rhode Island, Oklahoma and Louisiana have decreed elaborate instructions on food handling, hospital operations, recreation facilities, sanitation, laundry, painting and plumbing, including the number of inmates per toilet. In Virginia, a federal judge overruled a school-board ban on the publication of a high school poll on birth control; in New Mexico, a judge ruled that Mexican American children must have bilingual education. To save a three-inch fish, the snail darter, the U.S. Supreme Court stopped a $116 million hydroelectric project in Tennessee.

With the 49% growth in the number of civil lawsuits since 1970, courts have seemingly become a forum for redress of all things unfair in life. Old judicial barriers that kept people out of court unless they had been personally harmed have been so loosened that not long ago the Supreme Court allowed five George Washington University law students to oppose a railroad-rate surcharge. Why? Because, the students argued, the surcharge would increase the cost of recyclable goods and thus mean more beer cans littering public parks. (They lost.) Conservatives like Yale Law Professor Robert Bork, who was U.S. Solicitor General during the Nixon Administration, understandably worry that "democratic government gets pushed back and back, as judicial government takes over."

For all their power, judges remain remarkably unaccountable and unknown. Most state judges are elected, but by voters who usually have no idea whom they are voting for. Federal judges are appointed for life; they can be removed only by a two-thirds vote of the Senate, and so far only four have been so punished (the last in 1936). One despotic old coot, Judge Willis Ritter of Utah, was allowed to stay on the bench, despite his erratic behavior and abusive temper (he even threatened workmen with contempt for making too much noise near the courtroom), until he died at 79 last year.

Faceless men in black robes, judges speak a tongue that laymen find baffling. They are beholden only to higher judges, which means the Supreme Court is beholden to no one at all. Said blunt-spoken New Yorker Robert Jackson, a Supreme Court Justice in the Roosevelt and Truman years: "We are not final because we are infallible, but we are infallible because we are final."

Heralded into court by the bailiff's command, "Hear ye! Hear ye!" (*Oyez! Oyez!* in the Supreme Court, which prefers Old French), judges understandably take an exalted view of themselves. An Indiana judge, sued for authorizing in 1971 the sterilization of a 15-year-old girl without her knowledge proclaimed in his plea for judicial immunity: "An aura of deism is essential for the maintenance of respect for the judicial institution." The judge's claim of something like divine right worked: last March, the Supreme Court ruled, 5 to 3, that a judge could act maliciously, exceed his authority and even commit "grave procedural errors" and still be immune to personal-damage suits. Judges must be free to follow their own convictions, said the court, though Justice Potter Stewart dissented: "A judge is not free, like a loose cannon, to inflict indiscriminate damage."

Letting judges roll around like untethered cannons seems indefensible at a time when the public clamor is all for accountability in government. Yet, before judges are judged too harshly, it is necessary to understand how they fit into the political process and became so powerful.

While the Constitution was going through the ratification process in 1788, Alexander Hamilton confidently predicted that the judiciary would be "the least dangerous" branch of the new Government, since judges would not have the power of the purse or of the sword. Indeed, the first Chief Justice of the United States, John Jay, who resigned to be Governor of New York, refused President John Adams' invitation to return, saying that the court lacked "weight and dignity." It was the fourth Chief Justice, John Marshall, who gave the federal bench real clout. Marshall, who believed that a judge should be responsible not to Congress or the President but only to "God and his own conscience," declared in *Marbury* vs. *Madison* (1803) that the judiciary had the right, indeed the duty, to strike down acts of Congress that conflicted with the Constitution. This right of judicial review had support from Federalists like the complacent Hamilton, but is far from explicit in the Constitution.

The Supreme Court did not use the power *Marbury* gave it for 54 years. When it did, with the *Dred Scott* decision of 1857, which struck down the Missouri Compromise and declared slaves to be property with no rights as citizens, it helped start the Civil War. During Reconstruction, the Constitution was amended to ensure that blacks were treated equally: no state, said the majestically vague 14th Amendment, shall deprive persons of "equal protection" or "due process" under the law.

Judges eventually found in the 14th their greatest tool of judicial review, but not for the reasons intended by the amendment's drafters. At the beginning of the 20th century, the 14th was used principally to protect property, not the disadvantaged. The court protected business from government regulation, thwarted unionization and struck down minimum-wage and maximum-hour laws. That trend began to fade only in the late 1930s, after F.D.R. threatened to "pack" the courts with liberals to get his New Deal through.

By the '50s and the coming of the Warren Court, the roles were reversed. It was legislatures that were resisting reform, and the court that was pushing social change. The landmark of that era was *Brown* vs. *Board of Education* (1954), which established that separate was not equal in public schools. The 14th acquired new meaning; judges became guardians of the poor and forgotten. The criminally accused were guaranteed the right to free counsel when indigent, the right to a jury in a felony case, and, with *Miranda* (1966), the right to be told of their rights before confessing. Free-speech guarantees were widely extended; in the 1960s, electoral districts were reapportioned to ensure one-man, one-vote.

The Burger Court of the 1970s has proved less liberal, but it is hardly a model of judicial restraint. Rather, it is what scholars call "selectively activist," which some say means that its activism depends on whether or not it likes the result. One of its most activist decisions remain *Roe* vs. *Wade* (1973), which found in the Constitution an implicit right for women to have abortions. Although equal protection has of late been invoked less in the cause of the poor and the black, it has been extended to just about everyone else, including aliens, bastards and even 18-to-21-year-old males who were barred from drinking 3.2 beer in Oklahoma while women were not. And in areas the high bench has refused to enter, state courts are now active; for example, courts in New York, California, Ohio, Connecticut and New Jersey have mandated equal financing for school districts. Whatever restraint the courts have shown, says Harvard's Freund, are "eddies in the mainstream."

While listening to his brethren's legalistic arguments at Supreme Court conferences during the '60s, the late Chief Justice Earl Warren would impatiently interject. "Yes, yes, yes. But is it right? Is it good?" His stance remains at once noble and unsettling. Says Stanford Law Professor Gerald Gunther: "Part of the price of their remarkable independence, tenure, reverence, is that judges are under a special obligation to justify their opinions, even if they got there by their guts originally." Judges are supposed to look for the intent of lawmakers, heed precedent, and hesitate to read their own moral views into the law.

Most important, the judges are bound to uphold the Constitution. But that is not an immutable piece of parchment that judges can apply to laws like litmus paper. It is rather a set of principles that have proved enduring partly because they are flexible. When the original Constitution was written in Hamilton's day, the U.S. was mostly a nation of small farmers who would have fallen on their pitchforks at the thought of todays' complicated modern society, or of the broad role that Government plays in running it. By giving the Constitution new meaning, the judiciary has allowed it to keep pace with change, to meet what Justice Oliver Wendell Holmes called the "felt necessities of the time."

Moreover, as Kaufman argues, "it is not enough for justice to be declared. The judge must assure that justice is done." That is why judges get involved in decreeing drastic remedies, as in many school-busing decisions. Usually, a court does not start off by telling the state what to do; it just says what the state cannot do: it cannot stuff ten men into a cell built for two; it cannot provide one toilet per 200 inmates; it cannot warehouse mental patients like old furniture. Sometimes that is enough. One Massachusetts judge, hearing a suit protesting prison conditions, took state authorities on a tour of the prison and asked: "You're sure you really want to defend this case?" The state did not, and (wisely) accepted a consent decree to fix the place up. More often, the state does nothing, and the judge will call in the parties to work out a solution.

Thus judicial activism is in large part the product of legislative inaction. Says Yale's Bork: "Rather than making the tough choices, legislatures will frequently write a vague law, and pass [the hard decisions] off on the courts." A phenomenally litigious society also fuels judicial power; judges, after all, cannot make law without lawsuits. Tocqueville observed more than a century ago that there is "hardly a political question in the United States which does not sooner or later turn into a judicial one." With the growth of Government, the power of the judiciary has naturally expanded. Thus public-interest groups that cannot sway legislatures will not hesitate to run off to the courts to get their "rights" upheld. Judges are often more likely to extend a sympathetic ear, less likely to get hamstrung by opposing interests.

Finally, democratic institutions simply are not as democratic as they look in civics textbooks. Bureaucrats who actually run so much of government, may be as insulated from popular accountability as judges, and legislatures are notoriously swayed by special-interest groups. By offering redress to people with no special political clout, says Harvard Law School Professor Laurence Tribe, judges give otherwise disenfranchised groups a voice in the way public funds are spent and Government affects their lives. Activist Tribe, complains that what really irks critics of an interventionist judiciary is not activism per se but the (often) liberal result. Says he: "The myth of the Imperial Judiciary is nothing but a mask for injustice." Or, as Civil Rights Lawyer Joseph Rauh puts it: "The Imperial Judiciary is simply the conservative doctrine of inaction dressed up in $5 words."

Still, the feeling persists: the judges have gone too far. Sociologist Nathan Glazer says that the progression of judicially enforced rights has given the country "indigestion," like a boa constrictor that has swallowed a goat. Though judges rate high in public opinion surveys—a poll commissioned by the American Bar Association last year found that 77% believed that judges are "generally honest and fair"—politicians and public alike have begun agitating to make them more accountable for both their judgments and their conduct. But accountability should not come at the cost of compromising judicial independence. The U.S. at once prizes majority rule and individual freedom; an independent judiciary remains the best insurance that the former does not steamroll the latter. In the end, that means relying on judges themselves to exercise self-restraint. Few would ask the judges to undo all the rights they have advanced in the past 25 years. Yet, having done so much to change society, the judiciary might now pay more heed to the dictum of Justice Louis Brandeis. "The most important thing we do," he said, "is not doing."

SOCIOLOGISTS IN THE ROBES OF PROPHETS

(By Edwin M. Yoder, Jr.)

Sociology, you may recall, entered the great debate over school segregation almost casually. The Supreme Court, finding no firm guidance in a mountain of briefs about the 14th Amendment, decided, in the words of Chief Justice Earl Warren, that racial segregation of school children "generates a feeling of inferiority . . . that may affect their hearts and minds in a way unlikely to be undone": a fact, he declared, "amply supported by modern authority."

To this or to some allied passage in the first *Brown* decision in 1954, the Chief Justice appended a memorable footnote: "See Myrdal, *passim*." He spoke of Gunnar Myrdal's encyclopedic study of race. *An American Dilemma*, and the reference set legal conservatives into a rolling boil. The Court, they cried, had not ruled by law; the justices, rather, had fled solid ground for the quicksand of social and psychological theory.

That complaint then seemed suspect and self-interested to many of us. One suspected that if the Court had rested its opinion on law the law would have been as sharply attacked as the sociology.

After a quarter century, however, it is clear that the Court's choice of tactics did have far-reaching effects. Social "science" had got its nose in the tent. Desegregation was thereafter to be defended not only as a matter of right reason but because it promised miraculous social benefits; and it was not surprising that a whole sequence of decisions following the *Brown* case, including the 1970 decision to bus big-city school children across neighborhood boundaries, relied on the confident assertions of sociologists.

Dr. James Coleman of the University of Chicago, whose famous 1966 Report predicted rich academic rewards for minority children transposed to white middle class schools, is today the saddest and wisest of these crestfallen prophets.

He has recently admitted, with rare candor, that all his former beliefs about compulsory integration have been dashed by events and now seem to him "wishful thinking," "romanticism," more "fiction" than fact. Judges, confidently advised by sociological studies, could proclaim good intentions; they could not control the consequences.

There is a striking lesson in all this—a lesson in the humility that becomes (or ought to become) social "science." It is not a new lesson, of course. But the rising prestige of the social sciences has made its absorption more urgent than ever. As sociology supplants the older disciplines of history, law and politics as the underpinning of social policy, the illusion of predictability spreads. Some sociologists are not unhappy to wear prophetic robes. But the fine print in my book says that sociology constructs static, not dynamic, models of human behavior. It gives us cross-sections and snapshots, not movies. Prediction is beyond its powers, if not beyond its ambitions.

Gunnar Myrdal could show the evil consequences of racial discrimination at a fixed point in the American experience. Neither he nor any social scientist could read the future from their candid snapshots.

Now that this old lesson has repeated itself in the disillusioning cross-busing experiment, I notice a tendency to dismiss undesirable consequences as essentially irrelevant to the original aims of the policy. Mr. Eliot Marshall, for instance, commenting in *The New Republic* on Dr. Coleman's "recantation," writes: "The decision to integrate the schools was made because it was judged by moral and legal standards the right thing to do. Integrated schools are crucial to the effort to create an integrated society, in which social interaction defeats racism. Any educational benefits or losses that may have come about as a result of the decision were merely incidental, and should be regarded as such."

The premise is right; the inferences are dubious; the conclusion is astonishing. Are "educational gains and losses" resulting from a given school policy merely "incidental"? This is as if to say that because the "real" intention of Prohibition was to dry up America and transform us into a nation of temperate saints, the "incidental" consequences (crime and scofflawism on a vast scale) should have been received philosophically as the acceptable price of pursuing exalted hopes.

But there are times when "incidental" consequences become a comment upon good intentions, or on the means chosen for their pursuit. Why is it that social engineers resist this fundamental truth? Their blindness, their stubborn determination to "square the error by redoubling the effort," explains in part why so many American reforms remain unconsolidated and eventually fade into disillusioning sham and mockery.

Mr. BIDEN. Mr. President, the legislation which Senator ROTH and I propose today is a reasonable and balanced effort to deal with the problem of involuntary busing.

Unlike some other congressional efforts in the busing area, we believe it is constitutional and will be followed by the courts.

It is predicated on a series of Supreme Court decisions in which the Court has clarified the rules in racial discrimination cases.

The basic rule which the Court has applied is that a court may not impose a remedy for alleged discrimination based on evidence of discriminatory effect alone.

The Court now requires that there be a finding that:

> A discriminatory purpose has been a motivating factor [in the constitutional violation for which the remedy is proposed.] *Arlington Heights v. Metropolitan Housing Corporation* 429 U.S. 252 (1976).

In essence, the Roth-Biden legislation would incorporate that principle for busing cases, along with other important provisions.

First, it would require a court to find a "discriminatory purpose in education" behind any violation for which student transportation is proposed as a remedy.

Second, courts would be required to determine the extent to which acts of unlawful segregation have caused a greater degree of racial segregation in a school or schools than would have otherwise existed, and student busing would be limited to eliminating the degree of racial segregation attributable to those proven unlawful acts.

All Federal interdistrict busing orders would be stayed pending appeal. However, the stay could be vacated by a majority of the Supreme Court or a court of appeals panel of not less than three members. Finally, these requirements would apply both to orders issued after the effective date and to those which have not been put in effect by that date.

The bill would establish for the Federal courts clear guidelines concerning the use of busing.

In practice, it would require the Court to determine the extent to which specific acts of unlawful discrimination by governmental officials have caused a greater degree of racial concentration in a school or school system than would have existed absent those acts.

It would further require the court to limit remedial busing to that necessary to eliminate racial imbalance caused by those deliberate acts.

In other words, courts would no longer be able, where only limited or isolated acts are proven, to order busing throughout the entire district or between districts simply for the purpose of achieving racial balance.

Our amendment strikes at the heart of the injustice of court-ordered busing—in Wilmington, Del. and throughout the country.

It prohibits the Federal courts from disrupting our educational system under the guise of the Constitution where there is no evidence that Government officials intended to discriminate.

However, we believe that the amendment is both limited and reasonable. It does not prohibit all busing orders. On the contrary, it goes only as far as the Supreme Court has gone in circumscribing busing orders.

The Judiciary Committee held extensive hearings on S. 1651 last year—a substantially similar bill which Senator ROTH and I introduced in the last Congress. S. 1651 which was reported out of the Judiciary Committee last September on an 11 to — vote.

There were two main issues which the hearings on this bill sought to address.

The first was the question of the bill's constitutionality. The committee heard testimony on that issue from constitutional law experts across the country and across the political spectrum.

Although not all the witnesses supported the purposes of the bill, there was remarkable agreement that its provisions are arguably constitutional.

These expert witnesses generally affirmed that the bill closely tracks and clarifies recent Supreme Court decisions in the area of the 14th amendment guarantees insofar as it requires a finding of discriminatory purpose before busing may be ordered to remedy an alleged constitutional violation.

And while they diverged on the desirability of enacting the bill, there was some agreement that it is—on the whole—a sound and moderate piece of legislation.

Perhaps most significant is a memorandum by Attorney General Bell on the bill in which he agrees that the legislation can be interpreted so as to be constitutional.

The second issue focused on in the hearings was the social impact of busing on our communities.

We heard from distinguished sociologists such as Nathan Glazer and David Armor that some Federal judges have ordered busing remedies which far exceed any proven or, indeed, any possible wrong.

These judges have either ignored or been unaware of data showing that some residential racial concentrations are not attributable to official action but to patterns of urban and ethnic development.

What was formerly thought of as the American "melting pot" may be more analogous to a "salad bowl" where all the component parts retain some individual identity.

While not all housing and school concentrations can be thus explained and factors such as income certainly play a part, many judges have discounted this factor entirely, to the detriment of individuals, groups, and society as a whole.

Furthermore, busing orders which are intended to promote integration may sometimes have the opposite effect. Many parents who do not wish to relinquish control over their children's education leave the city and move to areas where their children can attend neighborhood schools.

The separation which results from this exodus is often far more extensive than which existed before the busing order and it cannot be cured by judicial fiat.

Thus, what begins as an attempt to increase integration frequently ends up achieving the opposite result.

In the view of these sociologists, to the extent that the Roth-Biden bill will clarify what is and is not a proper circumstance for busing, it will help alleviate the problems that result when unwarranted and counterproductive orders are imposed.

Unfortunately, last year Senator ROTH and I were unable to have our legislation brought before the Senate in regular order. Therefore, we sought to have it brought up as an amendment to the Elementary and Secondary Education Act. We lost by one vote. Based on evidence we heard before the Judiciary Committee last year, we are more convinced than ever that this bill does represent an acceptable means of reconciling the worthy goals of eliminating unconstitutional segregation from our society while preserving the invaluable asset of our neighborhood communities and schools.

By Mr. JAVITS (for himself, Mr. KENNEDY, Mr. WILLIAMS, Mr. RANDOLPH, Mr. EAGLETON, Mr. CRANSTON, Mr. RIEGLE, Mr. SCHWEIKER, Mr. STAFFORD, Mr. LEVIN, and Mr. DOLE):

S. 230. A bill to amend title VIII of the Public Health Service Act to extend through fiscal year 1980 the program of assistance for nurse training, and for other purposes; to the Committee on Human Resources.

NURSE TRAINING AMENDMENTS OF 1979

• Mr. JAVITS. Mr. President, I am pleased to introduce today with Senators KENNEDY, WILLIAMS, RANDOLPH, EAGLETON, CRANSTON, RIEGLE, SCHWEIKER, STAFFORD, LEVIN, and DOLE the Nurse Training Amendments of 1979. This bill authorizes a 1-year extension—through fiscal year 1980—of all existing nurse training authorities (except the authority for financial distress grants which this legislation eliminates) at an authorization level of $125 million.

Mr. President, last year the Congress overwhelmingly passed S. 2416, the Nurse Training Amendments of 1978—a bill which extended through fiscal years 1979 and 1980 the provisions of the Nurse Training Act. The Senate unanimously passed this measure; the House passed the bill by a vote of 393–12. Despite overwhelming approval by the Congress, the President pocket-vetoed this measure. Nurse training programs are now being funded through fiscal year 1979 under a continuing resolution adopted at the end of the 95th Congress.

The bill I am introducing today contains authorization levels which are $287 million less than those contained in S. 2416. The proposed authorization level of $125 million for fiscal year 1980 represents a modest 12.5 percent increase over the 1979 appropriations. The 12.5 percent increase is the inflation factor which was assigned to most health programs in the 95th Congress.

I believe the President's decision to veto S. 2416 wholly unjustified. The President took this action in the belief that the current supply of nurses is adequate to meet the needs of the Nation and that there is no longer a need to continue Federal support of nurse training programs. Mr. President, I disagree.

There are an estimated 1,018,000 registered nurses practicing in this country. The Department of Labor's Occupational Outlook Handbook, a survey of employment trends between now and 1985, estimates that the country will need 1,320,000 registered nurses in 1985 and projects that 83,000 new RN's will be needed annually to fill available positions. In 1976 the Nation's nursing schools graduated 77,633 RN's—with the assistance of the programs funded by the Nurse Training Act. This level of output must be maintained in order to meet the Department of Labor's projected requirements.

Moreover, the need for RN's trained to perform specialized functions varies greatly by category. Nurses with graduate degrees are required to function as practitioners, clinical specialists, educators, administrators, and researchers.

Unfortunately, data which accurately matches our needs in these areas with the current output is virtually nonexistent. What we do know, according to a study conducted by the American Association of Colleges of Nursing, is that in 1978 schools of nursing had 381 budgeted, unfilled faculty positions requiring minimal preparation at the master's level, and 513 budgeted, unfilled positions for faculty prepared at the doctoral level. Projection of additional needs for the year 1980 triples for master's preparation and more than doubles for doctorally prepared nurses.

The relationship between the supply of and demand for nurses is exceedingly complex. It simply cannot be dismissed with broad generalizations such as the one contained in the President's veto message as these could be deceiving, to wit:

> For the past 22 years, the Federal government has provided substantial financial support for nursing education. . . . With the help to this support, the number of active nurses has more than doubled since 1957 to over 1,000,000 in 1978. Ten years ago, in 1968, there were 300 active nurses per 100,000 population in the United States. By the beginning of 1977, this ratio had risen to 395 per 100,000 population.

These are indisputable facts and statistics. But the critical question is, so what? Implicit in the administration's statement is the contention that 395 nurses per 100,000 population are "enough." On the contrary, the Human Resources Committee heard testimony on S. 2416 last year from the American Hospital Association that:

> Hospitals in Texas . . . are forced to recruit foreign nurse graduates to fill posted positions; Chicago hospitals presently have over 2,000 positions unfilled. The shortage of nurses to fill available positions is particularly acute in the inner cities and rural areas. The quantification of nursing shortages, furthermore, is often difficult to document where hospitals have been forced to compromise staffing patterns because of the unavailability of registered nurses in their areas.

These conditions may reflect only a problem of geographic distribution; they may reflect a shortage of nurses trained in particular specialties. Despite the fact that conclusive data is nonexistent, the President has clearly based the veto decision upon certain unestablished conclusions. But, the consequences of not approving the bill were serious indeed.

Today there are 248,000 nursing students in 1,349 nursing schools throughout the country. Of these nursing schools 1,082 receive capitation grants from the Federal Government totaling $30 million. These capitation grants are used to support faculty salaries, to purchase instructional equipment, for the development of curricula, for payment of clinical training facilities, for development of continuing education programs, and for support of research activities. Clearly, the sudden elimination of these funds must result in financial hardship for these schools. A national survey of the deans and directors of nursing education programs was conducted in December 1977 by the National League for Nursing. Of those responding, over 90 percent indicated that a substantial reduction in capitation funds would create financial difficulty for their programs and in about 50 percent of these instances the impact would be severe.

Not only would the schools suffer severe consequences, the students would also be distressed. Aside from capitation, which indirectly aids every student enrolled in a participating school, the elimination of student assistance in the form of scholarships, traineeships, and loans would leave many students in severe financial straits. Today it is estimated that 37,500 students receive direct assistance under the Nurse Training Act.

Preliminary results of a survey conducted by the National Student Nurses' Association indicated that 51 percent of the respondents come from families with an income of $15,000 or below. Sixteen percent of all respondents were the primary financial contributors to their family units. Furthermore, 65 percent of those surveyed currently hold a job in addition to attending school and 43 percent of the responding students have postponed pursuing a baccalaureate or graduate degree because of the unavailability of financial assistance. Most importantly, 81 percent of the respondents expressed the need for some type of financial assistance.

The President stated flatly in his veto message, "The outlook is good * * * for sustained growth in the supply of nurses." I doubt this assertion will hold true when funds for capitation, other forms of institutional assistance, and student assistance are suddenly withdrawn. Given the absence of relevant data regarding the Nation's nursing needs, and given the obvious hardships which the sudden elimination of institutional and student assistance would cause, I firmly believe we must continue funding these programs for another year. In the interim, we can generate the necessary data and, if appropriate, develop a more rational approach to the curtailment of unnecessary programs.

Although I disagree with the administration's assessment of the impact of S. 2416, the bill I am introducing today I believe responsibly answers the President's concerns regarding the authorization levels. The bill authorizes a 1-year extension of the Nurse Training Act. The purpose of the 1-year extension is twofold: First, it will permit the completion of a study designed to assess the country's needs with respect to the nursing supply. This study is authorized in the bill and was contained in S. 2416. I believe the conduct of this study is vitally important if the current dispute between the administration and the nursing profession is to be successfully resolved. I hope to rely heavily on the results of this study when the Human Resources Committee undertakes its substantive review of the Nurse Training Act next year.

Second, it will bring the review of the nurse training programs in line with the review of all other health manpower programs since the Health Professions Educational Assistance Act of 1976 (Public Law 94–484) expires at the end of fiscal year 1980.

In addition, as I explained earlier, the authorization levels for nurse training programs have been substantially reduced.

This bill is not designed to permit any expansion in nurse training programs; it is designed simply to sustain ongoing efforts until the Congress has had an opportunity to evaluate these programs in conjunction with all other health manpower programs.

Before turning to a discussion of other amendments contained in this bill, I would like to comment on the administration's proposed rescission of $84 million in nurse training funds in the current fiscal year. I believe the President made an implied promise to the nursing schools and nursing students of this country which this proposed rescission would negate. In his veto message, the President said, "Disapproval of this bill will not cause an abrupt termination of funding of the nurse training programs, since funds are available for fiscal year 1979 under the continuing resolution." I believe it is wrong to propose rescinding 70 percent of nurse training funds in the current fiscal year on the heels of this commitment. For the same reasons which make the pocket veto of S. 4216 unjustified, this proposed rescission will have, if adopted, catastrophic consequences for the nursing schools and nursing students of this country.

MISCELLANEOUS AMENDMENTS

The bill contains several other amendments, all of which were included in S. 2416. These are:

First. Section 201. An amendment which permits the Secretary to raise the annual limit on federally insured loans to students in schools of medicine, osteopathy, and dentistry from $10,000 to $15,000 and to raise the overall limit on federally insured loans to such students from $50,000 to $60,000 if the Secretary determines that the costs of education at such schools requires such increases.

Second. Section 202. An amendment which authorizes the Secretary to extend the period of deferral of a National Health Service Corps scholarship recipient beyond 3 years (the current limit) in order to enable the recipient to complete a residency, internship, or other advanced clinical training.

Third. Section 203. An amendment relating to requirements for participation of schools in area health education center programs which provides that if one medical or osteopathic school participating in the program conducted a program for the training of nurse practitioners or physician assistants, any other such participating school would not be required to conduct such a program. Existing law requires each participating medical and osteopathic school to conduct such a program.

Fourth. Section 204. An amendment which provides that those AHEC programs which were first funded under section 774 of the act prior to October 12, 1976, would continue to be eligible for Federal support through fiscal year 1981 without meeting the new AHEC requirements of section 781 of the act as added by Public Law 94–484.

Fifth. Section 205. An amendment relating to the maximum amount of funds authorized under section 788(e)(1) which may be obligated for financial distress grants for schools of the health professions. Current law limits the size of a financial distress grant to any particular school to $5 million per year. This amendment would increase that individual limit to $10 million. This amendment does not increase the overall authorization level for financial distress grants; it simply permits the Secretary to award larger grants to individual institutions. This amendment is primarily designed to aid several predominantly black medical schools which are in very serious financial trouble.

Mr. President, I urge early approval of this legislation. I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection the bill was ordered to be printed in the RECORD, as follows:

S. 230

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—NURSE TRAINING

SEC. 101. (a) This Act may be cited as the "Nurse Training Amendments of 1979".

(b) Whenever in this Act (other than section 204) an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Public Health Service Act.

SEC. 102. Section 801 (relating to authorizations for construction grants) is amended by—

(1) striking "and" after "1977", and

(2) inserting before the period at the end thereof "and $4,000,000 for the fiscal year ending September 30, 1980".

SEC. 103. (a) Subsections (a) and (b) of section 805 (relating to loan guarantees and interest subsidies) are each amended by striking out "1978" and substituting "1980".

(b) Subsection (e) of section 805 is amended by—

(1) striking out "and" after "1977" and

(2) inserting before the period ", and $17,- year ending September 30, 1980" after "1978".

Sec. 104. Subsection (f) of section 810 (relating to capitation grants) is amended by—

(1) striking "and" after "1977", and

(2) inserting "and $34,000,000 for the fiscal year ending September 30, 1980" after "1978,".

Sec. 105. The first sentence of subsection (d) of section 820 (relating to special project grants and contracts) is amended by—

(1) striking out "and" after "1977", and

(2) inserting before the period ", and $17,000,000 for the fiscal year ending September 30, 1980".

Sec. 106. Subsection (b) of section 821 (relating to advanced nurse training programs) is amended by—

(1) striking "and" after "1977", and

(2) inserting before the period ", and $13,500,000 for the fiscal year ending September 30, 1980".

Sec. 107. Subsection (e) of section 822 (relating to nurse practitioner programs) is amended by—

(1) striking "and" after 1977", and

(2) inserting before the period "and $15,000,000 for the fiscal year ending September 30, 1980".

Sec. 108. Subsection (b) of section 830 (relating to traineeships) is amended by—

(1) striking "and" after 1977", and

(2) inserting before the period at the end thereof "and $15,000,000 for the fiscal year ending September 30, 1980".

Sec. 109. (a) Subsection (b) (4) of section 835 (relating to loan agreements) is amended by striking out "1978" and substituting "1980".

(b) Section 837 (relating to authorizations for student loan funds) is amended by—

(1) striking "and" after "1977",

(2) inserting before the period in the first sentence "and $25,500,000 for the fiscal year ending September 30, 1980",

(3) striking out "1979" and substituting "the fiscal year ending September 30, 1981", and

(4) striking out "October 1, 1978" and substituting "October 1, 1980".

(c) (1) Subsection (a) of section 839 (relating to distribution of assets) is amended by striking out "September 30, 1980, and not later than September 30, 1977" and substituting "September 30, 1981, and not later than December 30, 1983".

(2) Paragraph (1) of such subsection is amended by striking out "1980" and substituting "1983".

(3) Subsection (b) of such section is amended by striking out "1980" each place it occurs and substituting "1983".

Sec. 110. (a) Subsection (b) of section 845 (relating to scholarship grants) is amended by—

(1) striking out "next two fiscal years" in the first sentence and substituting "next four fiscal years",

(2) striking out "1979" and substituting "1981", and

(3) striking out "1978" and substituting "1980".

(b) Subsection (c) (1) of such section is amended by—

(1) striking out "next two fiscal years" in subparagraph (A) and substituting "next four fiscal years",

(2) striking out "1978" in subparagraph (B) and substituting "1980", and

(3) striking out "1979" in subparagraph (B) and substituting "1981".

Sec. 111. Section 836(b) (3) (relating to student loans) is amended by—

(1) inserting after "(3)" the following: "in the case of a student who received such a loan before the date of enactment of the Nurse Training Amendments of 1979", and

(2) striking out "any such loan" and substituting "any such loan made before the date of enactment of the Nurse Training Amendments of 1979".

Sec. 112. (a) The Secretary of Health, Education, and Welfare (hereinafter in this section referred to as the "Secretary") shall arrange, in accordance with subsection (b), for the conduct of a study to determine the need to continue a specific program of Federal financial support for nursing education, taking into account—

(1) the need for nurses under the present health care delivery system and under that system as it may be changed by the enactment of legislation for national health insurance,

(2) the cost of nursing education, and

(3) the availability of other sources of support for nursing education, including support under general programs of Federal financial support for postsecondary education, under State and other public programs, and from private sources.

(b) (1) The Secretary shall first request the National Academy of Sciences (hereinafter in this section referred to as the "Academy"), acting through the Institute of Medicine, to conduct the study required by subsection (a), under an arrangement whereby the actual expenses incurred by the Academy directly related to the conduct of such study will be paid by the Secretary. If the Academy agrees to such request, the Secretary shall enter into such an agrement with the Academy.

(2) If the Academy declines the Secretary's request to conduct such study under such an arrangement, then the Secretary shall enter into a similar arrangement with another appropriate public or nonprofit private entity to conduct such study.

(3) Upon completion of the study, the entity conducting the study shall provide a report of the results to the Secretary and shall include in such report any recommendations for legislation which the entity determines are appropriate.

(4) Any arrangement entered into under paragraph (1) or (2) of this subsection for the conduct of a study shall require that such study be completed and reports thereon be submitted within such period as the Secretary may require to meet the requirements of subsection (c).

(c) Not later than January 15, 1980, the Secretary shall report to the Committee on Human Resources of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives the results of the study conducted pursuant to subsection (a) together with such recommendations for legislation as the Secretary determines are appropriate.

TITLE II—OTHER HEALTH PROFESSIONS PROGRAMS

Sec. 201. Section 729(a) (relating to limits on Federal loan insurance and insured loans) is amended by—

(1) inserting before the period in the first sentence a comma and the following: "except that in the case of loans to students in schools of medicine, osteopathy, and dentistry, the Secretary may increase the total of such loans which may be covered by Federal loan insurance to $15,000 if he determines that the costs of education at such schools requires such increase"; and

(2) inserting before the period in the second sentence a comma and the following: "except that the Secretary may increase such amount for borrowers who are or were students in schools of medicine, osteopathy, and dentistry to $60,000 if he determines that the costs of education at such schools requires such increase".

Sec. 202. Section 752(b) (5) (A) (relating to service requirements for National Health Service Corps scholarships) is amended by striking out "(not to exceed three years)" and substituting "(not to exceed three years or such greater period as the Secretary, consistent with the needs of the Corps, may authorize)".

Sec. 203. Section 781(c) (relating to requirements for participation of schools in area health education center programs) is amended by adding after and below paragraph (4) the following:

"The requirement of paragraph (3) shall not apply to a medical or osteopathic school participating in an area health education center program if another such school participating in the same program meets the requirement of that paragraph.".

Sec. 204. Section 802(a) of the Health Professions Educational Assistance Act of 1976 (relating to transitional provisions on area health education centers) is amended by—

(1) striking out "for the next fiscal year" and substituting "for the next three fiscal years";

(2) striking out "no payment shall be made to an entity under such a contract" and substituting "no payment under such a contract shall be made to an entity which had not first entered into such a contract before October 12, 1976, (1)"; and

(3) inserting before the period at the end thereof: ", or (2) for any fiscal year beginning after September 30, 1979".

Sec. 205. Subparagraph (B) of section 788 (e) (2) is amended by striking out "$5,000,000" and substituting "$10,000,000".

● Mr. KENNEDY. Mr. President, I am pleased to join my distinguished colleague, Senator Javits, in cosponsoring the Nurse Training Amendments of 1979. This bill extends through fiscal year 1980 the nurse training authorities.

I was surprised and disappointed that the President did not sign S. 2416, the Nurse Training Amendments of 1978. This bill, which was introduced by Senator Javits, was cosponsored by 26 Members of the Senate. It passed the Senate by voice vote on June 7, 1978. It passed the House on September 19, 1978, by a vote of 393 to 12.

The bill that we are introducing today extends the programs through fiscal year 1980. The 1979 authorities were contained in a continuing resolution passed in the closing hours of the 95th Congress. The authorization levels in this bill have been reduced to a simple 12.5-percent increase over the appropriations level for 1978 and 1979. The extension through 1980 will bring the nurse training programs in line with the major review we have scheduled of the Health Professional Education Assistance Act (Public Law 94–484).

Included in this bill is a provision that was also in S. 2416 that is of vital importance to three schools active in training much-needed minority health personnel. The amendment would give the Secretary of Health, Education, and Welfare more flexibility in awarding financial distress grants. Meharry Medical College of Nashville, Tenn.; Tuskeegee School of Veterinary Medicine; and Xavier University School of Pharmacy estimate funding deficits totaling at least $7 million a year over the next several years. These schools are in desperate need of this assistance and I am deeply disappointed that the administration ignored this tragic need in the pocket veto of S. 2416.

In his pocket veto message on November 11, 1978, the President stated that "objectives have been accomplished and * * * there is no longer a need" for some of the nurse training authorities.

I believe that the administration's position that the current supply of nurses is adequate to meet the needs of the existing health care system is premature and unsubstantiated by available data. This bill has a similar provision to the vetoed bill that would require the Secretary of Health, Education, and Welfare, to arrange for a study by the Institute of Medicine to determine the need to continue a specific program of Federal financial support. This study will be the definitive study used by Congress to resolve the longstanding controversy between the nursing profession and the Department of Health, Education, and Welfare over the need for Federal support of nursing education programs.

I know that Senator JAVITS has already outlined the reasons why this bill is so important—and why we so drastically disagree with the administration. I think we should also discuss the people who will be affected by the administration's position.

In the academic year 1978–79 the nurse training authorities issued $22,282,160 in loans and $8,914,314 in scholarships. The students who were awarded these loans and scholarships demonstrated serious financial need. A May 1978 CBO report states that 66 percent of these loan recipients were from families with incomes under $10,000.

This situation is further illustrated by the Howard University School of Nursing here in the District. Seventy-five percent of the students are receiving Federal aid. Dean Anna B. Coles has stated:

> Without assistance they cannot come to school, even though our tuition is very low. As it is, they go from semester to semester, not knowing whether they can return.

We must provide the needed funds for these students.

And when these students graduate, they willl find an employment market eagerly awaiting them. The unemployment rate for newly licensed nurses is only 1.9 percent as compared to the 6-percent national average. A recent Bureau of Labor Statistics report listed nursing as one field with plenty of future job opportunities. BLS projects an increase of 240,000 jobs by 1985.

According to the American Hospital Association, two-thirds of the hospital directors of nursing reported difficulty in recruiting nurses. To confirm this you need only to look at "Nursing" in the employment section of any Sunday newspaper.

Nursing is an integral and major part of our health care system. Nurses are responsible for much primary care and have, in many instances, the most direct patient contact. We have also seen in recent years an expanded role for nurses as nurse practitioners, nurse midwives, nurse anesthetists, and in many other areas. These nurses are making great strides in care of the elderly and children. They are working diligently in many underserved rural and urban areas.

We know how cost effective prevention programs can be. Nurses play a key role in any effective preventive health program. The nurse is also vital to our increased concern over alternatives to high cost institutional care. Nurses are working effectively in caring for the dying at home in many hospice programs across our country.

In conclusion, Mr. President, I urge my colleagues to support this vital piece of legislation. Senator JAVITS has introduced a sound responsible bill and I hope the Senate will act expeditiously on this bill.●

● Mr. RIEGLE. Mr. President, I rise at this time to introduce along with Senators JAVITS, KENNEDY, WILLIAMS, and SCHWEIKER, the Nurse Training Amendment of 1979. The purpose of the bill is to authorize a 1-year extension of the Nurse Training Act at a level of $125 million. Although this authorization level is $81 million lower than 1978 levels, it does come in line with actual 1978 appropriation levels. This 1-year extension would assure continuation of nurse training and at the same time it will permit completion of a study designed to clarify this country's needs with respect to the nursing supply.

Many communities around the country are severely understaffed by medical personnel, particularly primary care registered nurses. Two-thirds of hospital directors surveyed in 1977 complain of difficulty recruiting adequate nursing staff. Nurses today are in greater demand than ever. Any abrupt change in Federal support of nurse training would severely curtail the supply of these vitally needed professionals and would leave severe shortages nationwide.

The new professional demands on nurses are great. Primary and critical care units in hospitals are equipped with modern, sophisticated equipment, and require highly trained nursing staff in their use and in dealing with day-to-day life-threatening situations. Advanced medical or graduate school training is being required in the preparation of nurse practitioners providing care to the elderly, children, and underserved rural and inner-city populations. At a time when 35 million people in 7,000 communities across the Nation are "medically underserved," there is an obvious need to encourage students to enter this health profession. It is imperative that the Federal Government make every effort to increase access to medical care in this Nation.

I encourage my colleagues to join me today in support of the Nurse Training Amendments of 1979.●

● Mr. DOLE. Mr. President, I am pleased to join my distinguished colleague from New York, Senator JAVITS, as a cosponsor of the Nurse Training Amendments of 1979.

The Senator from Kansas, along with the Senator from New York, believes that there is still a possibility that a shortage of nurses continues to exist in the United States or that one may occur in the near future.

IMPLICATIONS FOR RURAL AREAS

There are many Americans, particularly those who dwell in our rural areas, who question the availability of nursing services in these United States. The Senator from Kansas can speak from personal experience that this perception is real and growing on the part of residents from my State. On the surface, at least, a number of indices seem to give credence to this fear.

Employers in States with relatively small populations of registered nurses, have been forced to import hundreds of personnel from Canada to meet the demand for services. One need look no further than the nearest help-wanted page to perceive that demand. The shortage is also confirmed by raw data on unemployment compensation paid to registered nurses. Beyond that, employers in 1977 reported a 30-percent increase in the use of part-time nurses, because of staff shortages. Yet the numbers alone do not tell the whole story. They can hardly convey the suffering and hardship brought on by inadequate health services in rural parts of the land. Nor do they reveal the critical shortage in urban areas and in large hospitals generally, of nurses with specialty preparation.

NEED FOR SPECIALISTS

A study mandated by the 1975 Nurse Training Act revealed serious shortages among nurses whose advanced preparation expands into fields such as community health nursing, teaching, administration, consultation, and research. The study predicted a substantial rise in demand for the services of these registered nurses, precisely at a time when such services were threatened by the overall shortage of trained professionals.

HISTORY OF GOVERNMENT INVOLVEMENT

Ten years ago the Government took the position that an increased supply of nurses and physicians would help solve the problems that both rural and urban citizens experienced with respect to access to health care. Our efforts to produce more health personnel can only be regarded as a success. The growth in the number of registered nurses, for instance, aided by Federal expansion of nursing schools, has been dramatic. But now, the administration's perceptions have altered and apparently they believe that the time for support has ended. The irony of this situation certainly lies in the fact that nursing as a profession has finally begun to come into its own and truly shows the promise of helping us solve the problems with access to care and rising health care costs. Now is not the time for us to back away from our commitment to nursing as a profession and to our citizens as a population.

NEED FOR DATA

Without question we must look carefully at our needs for health manpower and plan rationally for the future. Such planning will require detailed up-to-date information on the present supply and utilization of registered nurses and realistic future projections. I do not believe that we are presently in a situation where we can say precisely how many nurses we will need in the future or what skills or specialties will be of most use. We must take account of the expected societal changes with respect to health care delivery. For instance, I believe that we will finally see a concerted effort on behalf of the Congress and the health care industry as a whole to make home health care a reality and to give those in our society who are terminally ill a choice regarding the location and type of care they receive during their final days.

Efforts in these areas will certainly require the ongoing support of those in the nursing profession.

IMPACT ON STUDENTS

In discussing the Nurse Training Act, we must not overlook the impact of our policy decisions on those who have chosen nursing as a profession. Make no mistake, a great many lives are at stake when we talk about students. Any abrupt change in our Nation's funding policies will profoundly disrupt the lives of more than a quarter of a million individuals. We cannot overlook those lives, nor can we abandon the hopes of millions of rural and urban Americans for the quality health care made possible by these individuals.

With respect to direct student support, the Training Act provides for scholarships, loans, traineeships, and loan repayments. The scholarships and loans are particularly important to students from disadvantaged backgrounds many of whom are minorities.

A May 1978 CBO report stated that 66 percent of Nurse Training Act loan recipients were from families with incomes of less than $10,000. Of these recipients 20 percent were black and 5 percent were from other minorities. A recent survey conducted by the National Student Nurses Association further documented the reliance of students on Federal assistance. Eighty-one percent of the students they surveyed indicated that they could not have attended school without some sort of Federal aid.

Of interest to the citizens of my State was a statistic that NSNA was also able to determine that 65 percent of the students that were surveyed would be willing to work in a critical health manpower shortage area to pay back their loans.

CONCLUSION

As the Senator from Kansas has indicated, we need to give continuing attention to the development of data indicating our real and perceived need for nurses. However, until we have such data, it would be unwise and foolhardy to back away from our long-term commitment to nursing education. We should be fiscally conservative in deciding where our money can best be spent and how much we should spend. But to cut off the majority of these funds at this time is not a fiscally conservative move—it is a foolhardy one. I urge your support of this legislation.●

By Mr. BENTSEN:

S. 231. A bill to amend the Internal Revenue Code to help increase productivity and reduce inflation by providing larger tax deductions for depreciation; to the Committee on Finance.

ACCELERATED DEPRECIATION FOR SMALL AND LARGE BUSINESSES—A METHOD TO HELP INCREASE PRODUCTIVITY AND REDUCE INFLATION

● Mr. BENTSEN. Mr. President, I am today introducing legislation to give businesses larger tax deductions for depreciation. This legislation will help fight inflation by encouraging firms to invest in new equipment to boost productivity and to avoid inflationary capacity shortages.

The proposal was carefully formulated to provide investment incentives for both small and large firms. It is a balanced proposal which recognizes the important contribution that the small business sector of our economy as well as larger businesses can play to help reduce price for the American consumer.

Productivity growth is an important factor in promoting economic growth and curbing inflation. Productivity gains help offset wage increases and thereby help restrain higher prices. This can be particularly important in stopping price-wage spirals.

The President's inflation adviser, Mr. Alfred E. Kahn, recently said that he would surely like to see more liberal depreciation as a way to encourage investment and give a boost to the sagging rate of productivity improvement.

Federal Reserve Chairman G. William Miller said that faster depreciation is the most effective method to increase investment in the modernization of our manufacturing capacity.

My proposal has three parts:

The so-called ADR System (Asset Depreciation Range) would be increased from its present level of 20 to 30 percent.

ADR would be simplified to enable taxpayers to more easily take advantage of this incentive.

A simple depreciation table will be provided for small business.

The United States ranks last in a list of seven major industrial nations with respect to productivity growth. We are even behind Great Britain. According to the Congressional Budget Office, economists generally believe that accelerated depreciation has a larger impact on investment in productive capacity than corporate income tax rate reductions.

Mr. President, I would like to briefly explain the details of this legislation.

My bill would increase the Asset Depreciation Range System from its present level of 20 to 30 percent. Under present law, taxpayers are allowed to increase or decrease the guideline life of eligible machinery by 20 percent. This would be increased to 30 percent under the proposal. Under existing law, if the normal life of a given piece of equipment is 10 years, a business can depreciate that equipment over a range of 8–12 years. Under my bill, the range would be increased to 7–13 years.

ADR will be substantially simplified under my proposal. The complicated annual Federal form will be eliminated and salvage value will be disregarded for purposes of ADR computations.

Investment tax incentives must recognize the particular needs of the small businessman. Accordingly, my bill would allow small firms to use a very simple table for depreciation purposes. It would give small firms the opportunity to choose useful lives for assets which are shorter than the useful lives that other businesses can use. The shorter lives are set so that the present value of the economic benefits of straight line depreciation using those lives is equivalent to the benefits which bigger firms get using ADR lives and double declining balance depreciation.

The lives for different assets will be set forth in a simple table. The proposed system will be available to any business with an adjusted tax basis in assets (other than most real estate assets) of $250,000 or less. This will include more than 90 percent of all businesses. The use of shorter lives will not affect the small business' ability to use the investment tax credit which would have been available if it had used the longer normal ADR lives.

Mr. President, one of the more serious problems facing our Nation is inadequate productivity. The United States ranks last in a list of seven major industrial nations with respect to productivity growth. We are even behind Great Britain. Liberalized depreciation which is directly linked to investment in new equipment will help boost productivity and moderate inflation. We must modernize American industry if we are to remain competitive in world markets and reduce the staggering trade deficit.

Lagging productivity is one of the primary reasons prices are rising so rapidly in this country. Our productivity increased by 3.3 percent a year from 1948–67, but from 1967–77 the increase was only 1.8 percent a year.

Productivity measures the average output per man-hour. Low productivity usually indicates that businesses are not investing in newer, more efficient equipment and machinery. When increases in productivity fail to keep pace with increases in wages, businesses have to charge higher prices for their products and inflation results. An increase in productivity growth will help moderate so-called wage-price spirals.

Gains in productivity helped contain labor costs before 1967. However, as productivity gains slackened after that year, unit labor costs increased and this contributed to inflation.

Barry Bosworth, Director of the President's Council on Wage and Price Stability, has stated:

> We're turning into the British situation of the early '70's when they had almost no productivity growth.

An increase in depreciation will help reverse the trend.

A February 1978 report of the Congressional Budget Office points out that economists generally believe that accelerated depreciation has a larger effect on investment per dollar of tax reduction than a cut in the corporate income tax rate.

Accelerated depreciation is a very efficient way to encourage investment. The tax benefits of faster depreciation accrue to a firm only after new plant and equipment has been in place. Federal Reserve Chairman G. William Miller told the Senate Finance Committee last September:

> It is my judgment that at the present time, when changes affecting the environment in which firms operate seem to occur rapidly and unpredictably and businessmen are highly risk-averse, faster depreciation is

likely to yield the greatest addition to investment per dollar of tax reduction.

Although lower tax rates would improve after-tax profits, the linkage between this improvement in cash flow and spending on new plant and equipment is a loose one. The additional cash might be channeled into any of a number of uses—including the acquisition of other firms, the purchase of securities, or an increase in dividends. A smaller gain in real investment would be achieved for a given dollar of tax revenue loss than would be the case with tax reductions that are linked directly to capital expenditures.

Accelerated depreciation would redress—if in an indirect way—the serious drag on real corporate profitability that has occurred in recent years as inflation has caused replacement costs to exceed depreciation deductions by a wide margin. With high rates of inflation in recent years, the use of historical cost depreciation unadjusted for inflation reduces depreciation deductions by billions of dollars each year relative to economic depreciation.

Mr. President, our economy has been experiencing inadequate levels of capital investment. Of the many factors that influence economic growth rates, none is more important than the level of capital investment. A strong rate of new capital investment is required to generate sustained economic growth. However, during the 1960's, the United States had the worst record of capital investment among the major industrialized nations of the free world. A study prepared by the Department of the Treasury indicates that total U.S. fixed investment as a share of national output between 1960 through 1973 was 17.5 percent. The U.S. figure ranks last among a group of major industrial nations and Great Britain ranks second to last. Our investment was 7.2 percentage points below the average commitment of the entire group.

The following Treasury Department statistics dramatically illustrate this problem:

Investment as percent of real national output 1960–73

	Total fixed	Nonresidential fixed
Japan	35.0	29.0
West Germany	25.8	20.0
France	24.5	18.2
Canada	21.8	17.4
Italy	20.5	14.4
United Kingdom	18.5	15.2
United States	17.5	13.6
11 OCED countries	24.7	19.4

In 1976, the Department of Commerce prepared one of the most detailed and comprehensive discussions of investment requirements. In its "Study of Fixed Capital Requirements of the U.S. Business Economy, 1971 to 1980," the Department's Bureau of Economic Analysis looked at capital needs on an industry-by-industry basis. The purpose of this study, was to estimate the amount of investment necessary, through 1980, in order to have an economy capable of meeting three objectives—reasonably full employment; a national program of environmental protection; and decreased dependence on potentially unstable foreign energy resources. The Bureau found that capital investment—that is, nonresidential fixed investment—must average about 11.4 percent of gross national product. However, capital spending has averaged less than 10 percent in recent years.

The Commerce Department's study is consistent with other studies. In 1977, the Council of Economic Advisers estimated that business fixed investment would need to account for 12 percent of forecast GNP during the last half of the decade to achieve full employment, reasonable growth in productivity, certain environmental objectives, and greater energy independence. In 1976 however the actual rate of fixed business investment hit a 13-year low of 9.1 percent and in 1977 it was 9.4 percent.

Federal Reserve System Chairman G. William Miller recently stated:

> The Japanese economy spends over 20 percent of GNP on capital investment; West Germany 15 percent. It certainly would be appropriate for us to seek a 12 percent level.

During the decade of the 1960's the United States ranked 17th in a list of 20 industrial nations belonging to the Organization for Economic Cooperation and Development (OECD) as to the average annual growth rate of real output. As the following OECD statistics illustrate, our growth rate was only about one-third the rate in Japan.

Average annual rate of change in real growth for member nations of OCED, 1960–70

	Percent
Japan	11.1
Greece	7.6
Portugal	6.3
Yugoslavia	6.7
France	5.8
Italy	5.6
Canada	5.2
Finland	5.2
Australia	5.1
Netherlands	5.1
Norway	5.0
Belgium	4.9
Denmark	4.9
West Germany	4.8
Austria	4.8
Iceland	4.3
Ireland	4.0
United States	4.0
Luxembourg	2.8
United Kingdom	2.8

SOURCE.—Organization for Economic Development and Cooperation.

Mr. President, faster depreciation will help increase capital investment and promote economic growth. Most importantly this proposal is directly related to investment in new equipment and machinery and will help boost productivity.

Nothing can demonstrate the need for this legislation more than a look at the following Treasury Department statistics which indicate our productivity growth compared to our competitors abroad.

Productivity growth, 1960–1973

[Average annual rate]

	Gross domestic product per employed-person	Manufacturing output per manhour
United States	2.1	3.3
Japan	9.2	10.5
West Germany	5.4	5.8
France	5.2	6.0
Canada	2.4	4.3
Italy	5.7	6.4
United Kingdom	2.8	4.0
11 OECD nations	5.2	6.1

Source: Department of the Treasury.

Mr. President, at this point in the RECORD I ask unanimous consent to have printed an article from the Washington Post of October 4, 1978 on productivity as well as a chart illustrating my small business depreciation proposal.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

PRODUCTIVITY PROBLEMS OUTLINED

(By Bradley Graham)

NEW YORK.—It had the look of a sober business conference, but the feel and ring of a pep rally.

In what was billed as part teach-in, part political blitz, 130 representatives of business, government and labor met here yesterday to draw attention to an issue that has been remarkable in its singluar ability to put people to sleep—America's productivity slowdown.

The point of the two-day conference is to warn that the U.S. can no longer afford to slough the problem off, that without a concerted effort to improve productivity America stands both to suffer continued inflation and to lose what competitive edge it still has in world markets.

It wasn't your normal demonstration. As a theme, productivity lacks the moral force of a peace movement or the emotional charge of a drug legalization drive. As a drawing card, it isn't likely to attract a militant crowd. The featured speakers, all very establishment, weren't the kind of people one would expect to find raising a ruckus—people like the chairman of General Motors, the chairman of the Federal Reserve, a few distinguished labor leaders and a couple of top Carter administration officials.

But their message was as urgent and alarmist as any clarion call to arms or action. America, they said, has to figure out again how to work efficiently.

"Productivity is a terrible problem for this nation," said Robert Strauss, President Carter's special assistant for both inflation and trade policy and the keynote speaker at yesterday's conference luncheon. "It is a difficult and debilitating problem. The time has come we all are in accord that we must face up to it."

The figures on what's been happening to productivity are indeed disturbing—and were quoted by almost every speaker at some point or another. They show that in the past decade, U.S. productivity gains have slowed to only half what they were during the previous 20-year period (1.6 percent per year increase versus 3.2 percent). In the past four quarters, the gains have averaged less than one percent.

But the U.S. is doing poorly not only in relation to its past record. It has also fallen to the bottom of the list among the world's industrial powers, each of which achieved larger gains in productivity over the last 10 years than the U.S.

"Why don't we shake ourselves awake?" asked Thomas Murphy, chairman of GM. "Why don't we get on with the all-important job of improving?"

The answer isn't simple. For one thing, as Murphy noted, "too few people understand what the concept of productivity really means."

Literally, productivity is a measure of what you get out for what you put in. But a common understanding of the subject ends there. Though economists have a number of ideas about what lies behind America's productivity slump, it remains to most of them somewhat of a puzzle.

The factors most frequently cited as contributing to the slowdown are:

A fall-off in capital investment by industry.

A large influx of relatively inexperienced teenagers and women into the labor force, estimated at 15 million, or 80 percent of the growth in the labor force over the last 10 years.

The rise of service occupations, which are often thought of as less productive than manufacturing jobs.

A slackening in the introduction and development of new technology.

However, in what was generally regarded as the most impressive talk of the day, Barry Bosworth, head of the president's Council on Wage and Price Stability, debunked most of these explanations as hardly significant enough to explain the severity of the current productivity decline.

As critical as the slowdown has been, there is no national program to address it. The National Center for Productivity and the Quality of Working Life, chartered in 1971 to keep at least some discussion going on the subject, went out of business four days ago.

Strauss indicated that President Carter is considering appointing a cabinet-level council which would both monitor productivity improvement within the federal government and draft a national action plan.

Other speakers offered a variety of proposals to improve productivity. Fed Chairman William Miller stressed the need for tax incentives to spur capital investment. GM's Murphy called for major reform of costly and counterproductive government regulations. And Bruce Thrasher, a director of the United Steel Workers of America, emphasized the role labor unions could play in cooperating with management to increase productivity—providing labor received sufficient guarantees that any gains in productivity would not cost jobs.

The thrust of the conference was summarized by C. Jackson Grayson, chairman of the year-old American Productivity Center in Houston and who, along with Business Week magazine, organized the meeting. "Productivity must be put on the national agenda," Grayson said. "We must somehow get the interest, the motivation and the attention of the average individual."

PROPOSED DEPRECIATION LIVES FOR SMALL BUSINESS ASSETS

	Lowest life under 20 percent ADR [1]	Life under administration proposal [2]	Lowest life under 30 percent ADR [1]	Life under administration proposal [2]
SPECIFIC DEPRECIABLE ASSETS USED IN ALL BUSINESS ACTIVITIES				
Office furniture and fixtures	8.0	5	7.0	5
Information systems (computers) and other data-handling equipment	5.0	3	4.0	2
Airplanes	5.0	3	4.0	2
Automobiles	2.5	1	2.0	1
Buses	7.0	5	6.0	4
Light trucks	3.0	1	3.0	1
Heavy trucks	5.0	3	4.0	2
Truck trailers	5.0	3	4.0	2
Vessels and barges	14.5	10	13.0	9
Land improvements	20.0	14	20.0	14
DEPRECIABLE ASSETS USED IN BROAD ACTIVITY GROUPS				
Farming assets	8.0	5	7.0	5
Farm buildings	20.0	14	17.5	12
Mining	8.0	5	7.0	5

	Lowest life under 20 percent ADR [1]	Life under administration proposal [2]	Lowest life under 30 percent ADR [1]	Life under administration proposal [3]
Construction	4.0	2	3.5	2
Manufacturing:				
A. Production of electronic products, textured yarn, sawmill and logging operations and oil well drilling	6.0	4	5.5	3
B. Production of machinery; metal, stone and clay, glass, rubber, chemical, wood, plastic, textile, apparel, leather, paper, electric and aerospace products; boat building, and printing and publishing	8.0	5	7.0	5
C. Production of grain, sugar and vegetable food products, tobacco products, and petroleum refining	13.0	9	11.0	8
Wholesale and retail trade, recreational activities, and personal and professional services	8.0	5	7.0	5

[1] Accelerated depreciation methods (e.g. double-declining balance) permitted.

[2] Straight line depreciation used.

Office of the Secretary of the Treasury, Office of Tax Analysis.●

By Mr. CRANSTON (for himself, Mr. WILLIAMS, Mr. RIEGLE, and Mr. JAVITS):

S. 232. A bill to amend title XI of the Public Health Service Act to increase appropriation authorizations for two fiscal years, and for other purposes; to the Committee on Human Resources.

SUDDEN INFANT DEATH SYNDROME ACT AMENDMENTS OF 1979

● Mr. CRANSTON. Mr. President, I introduce today the Sudden Infant Death Syndrome Act Amendments of 1979, a bill to amend title XI, part B, of the Public Health Service Act, regarding sudden infant death syndrome—SIDS—counseling, information, educational, and statistical programs. I am pleased to be joined in introducing this bill by the distinguished Senator from New Jersey (Mr. WILLIAMS), chairman of the Committee on Human Resources, the distinguished Senator from New York (Mr. JAVITS), and the distinguished Senator from Michigan (Mr. RIEGLE).

SIDS, also known as crib death, claims the lives of approximately 7,000 babies annually, making it the leading cause of death of infants between the ages of 1 and 12 months. But, unlike other diseases, there is no warning as to when SIDS will strike. One of the most consistent characteristics of this malady is that the babies who fall victim to it are seemingly healthy, normal infants with no obvious or significant sign of disease. The fact that these babies do appear to be normal at the time of death causes their parents and surviving family members to suffer an incredible amount of guilt, leading them to ask, "Why did it happen to my baby?", or "What could I have done to prevent it?"

And this guilt is not short-lived. It is often compounded by the fact that, indeed, so very little is known about SIDS. Not only about the causes of and the methods of preventing the syndrome, but even the fact that it exists. Because of this lack of information, parents, in certain areas, are sometimes accused unjustifiably of child abuse or neglect. In the past, we have heard stories of parents arrested and jailed on charges of involuntary manslaughter.

Although there have been great advances since the passage of the Sudden Infant Death Syndrome Act of 1974 (Public Law 93–270) in terms of the dissemination of information and the provision of counseling services to those families who have experienced SIDS deaths, there is still a great void in terms of what the public knows about the syndrome—particularly those individuals—such as health professionals and paraprofessionals, who must come to the assistance of families who experience a SIDS death—and in terms of the availability of appropriate counseling services throughout the United States for SIDS families.

Presently, there are only about 32 federally funded information and counseling projects serving only about half of the Nation's population in need of such services. Last year, Mr. President, I introduced legislation to extend for 5 years the SIDS authority in the Public Health Service Act.

In March of last year, the Subcommittee on Child and Human Development, which I am privileged to chair on the Human Resources Committee, held a hearing on extension legislation and on progress that had been made as a result of Public Law 93–270 in terms of the dissemination of information and the provision of counseling services. At that hearing we received testimony from administration witnesses; representatives of the voluntary parent self-help groups, including several SIDS parents themselves; a panel of individuals representing federally funded counseling and information projects; a multi-disciplinary panel which included a medical educator, a medical examiner, and a law enforcement representative; and lastly, but perhaps most significantly, representatives from the SIDS research community.

Over and over again, witnesses called for not only an extension of the existing SIDS Act but also various amendments to this legislation so that improvements could be realized in both the administration of the program and in making the services more widely available to a much broader population. I believe the bill we are introducing today does just that.

This legislation was first drafted during the 95th Congress after taking into account all the testimony received at the March 1 hearing. It contained several important revisions in the existing law including an increase in the appropriation authorization levels to permit an extension of federally funded counseling and information projects to those areas of the country not yet being served.

Mr. President, last Congress this legislation was reported from the Human Resources Committee—on May 15, 1978—as part of S. 2522, and it was passed by the Senate on June 7. The corresponding House legislation, however, was not taken up by that body until October 13—just a few days before the 95th Congress adjourned. As my colleagues can well remember, the legislative backlog at that time prohibited our conferring with the House, and so the Senate reluctantly agreed to accept the simple extension of the SIDS legislation as passed by the House.

Thus, the legislation as enacted did not include any of the changes which the Senate deemed necessary based on expert testimony from witnesses at the March 1978 hearing. A significant shortcoming was its failure to increase the appropriation authorization levels so that the badly needed information and counseling services could be expanded to reach those poor, bewildered parents who lost babies to SIDS and are even now wondering if there was anything they might have done to prevent their children's deaths. The amount authorized to be appropriated for fiscal year 1978 was $3,650,000; the figures added to the law for fiscal years 1979, 1980, and 1981 were, respectively, $3,500,000, $4,000,000, and $5,000,000.

The legislation we are introducing today is, except as I will note, derived from S. 2522 as passed by the Senate last June 7. It would require the following:

That an administrative unit be identified within the Department of Health, Education, and Welfare by the Secretary to carry out the SIDS program in a coordinated and cohesive fashion;

That a reporting system be developed so that the information on SIDS, collected at the project level, can be forwarded to HEW in a manner conducive to its full utilization and evaluation;

That coordinated clearinghouse activities be developed with the various entities interested in SIDS both within and outside of HEW;

That the federally funded projects provide for the involvement of parent self-help groups in the development and operation of such projects where appropriate; that the information these federally funded projects collect relate not only to the causes of SIDS, but also to other aspects of the disorder as well; and that the Secretary make an equitable distribution of funds among urban and rural areas to insure that the needs of these areas are appropiately addressed;

That the authorizations of appropriations be extended for 2 years at the following levels: $7 million for fiscal year 1980 and $9 million for fiscal year 1981, rather than through fiscal year 1983 as in S. 2522, which also authorized higher levels;

That the prior requirement for annual reports regarding research activities be renewed and that, in addition to reporting information on the research being carried out specifically related and generally related to SIDS, such reports include information on research being carried out on activities in the area of high-risk pregnancy and high-risk infancy;

That an annual report regarding the federally funded counseling and information projects be instituted and that the first report—required to be submitted not later than February 1, 1980—include a plan for expansion of counseling and information projects to all States and territories not later than July 1, 1981;

That the Secretary conduct a study regarding the death investigation laws and systems in the various States and the impact of these laws and systems on sudden and unexplained infant deaths; and

That the Secretary provide assurances that adequate funds are available for research activities in the area of SIDS.

Mr. President, as I indicated earlier in this statement, this bill includes a modest increase in the authorizations of appropriations for information and counseling programs and other activities for fiscal years 1980 and 1981 to $7 million and $9 million, respectively. The Senate-passed bill had authorized $9 and $11 million, respectively, for those years. These increases were clearly justified by testimony we received at the March 1978 hearing during which expert witnesses called for an extension of counseling and information projects to that half of the population of the United States not presently served by such projects; mandatory reporting requirements for the data gathered at the project level to the central SIDS project office; an improvement in the collection and dissemination of this data and other information relating to sudden and unexplained infant deaths through a clearinghouse mechanism; and activities to help improve death investigation laws and systems. All of these functions are included in the bill we are introducing today, and it is necessary to begin these activities immediately.

We have delayed too long in the application of adequate funding to expand the already successful programs as well as to extend coverage through new programs. We had hoped to enact this legislation last Congress, and achieve needed funding increases in fiscal year 1979. However, due to the heavy legislative backlog during the closing days of the 95th Congress, the bill which was hurriedly enacted provided for an inadequate authorization level of only $3.5 million for fiscal year 1979—a decrease in the authorization level from fiscal year 1978 in which $3,650,000 had been authorized. Because of the requirements of the Congressional Budget Act, however, it will not be possible to increase the appropriation authorization level for the present fiscal year without obtaining a Budget Act waiver. But we can still initiate our schedule and move ahead prudently.

It is my hope, as chairman of the Subcommittee on Child and Human Development—a position in which I hear frequently of the psychological pain and torment experienced by the many young parents and families who lose children to SIDS—that this bill will be taken up and enacted early in the 96th Congress. It is my hope that we here in the Senate who are in a position to do something to alleviate the burden of guilt of these young families, that we who are in a position to encourage the researchers to carry on their studies in the area of sudden infant death syndrome, will respond affirmatively to that responsibility and will quickly pass the proposal we are introducing today.

Mr. President, at this point I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 232

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Sudden Infant Death Syndrome Act Amendments of 1979".

SEC. 2. Title XI of the Public Health Service Act (42 U.S.C. 300c–11(b)(5)) is amended by amending part B to read as follows:

"PART B—SUDDEN INFANT DEATH SYNDROME

"SUDDEN INFANT DEATH SYNDROME COUNSELING, INFORMATION, EDUCATIONAL, AND STATISTICAL PROGRAMS; PLANS AND REPORTS

"SEC. 1121. (a)(1) The Secretary, through an identifiable administrative unit under the supervision of the Assistant Secretary for Health, shall carry out a program to develop public information and professional educational materials relating to sudden infant death syndrome, and to disseminate such information and materials to persons providing health care, to public safety officials, and to the general public. The Secretary shall administer, through such unit, the functions assigned in this section, and shall provide such unit with such full-time professional and clerical staff and with the services of such consultants and of such management and supporting staff as may be necessary for it to carry out such functions effectively.

"(2) The Secretary shall—

"(A) develop and implement a system for the periodic reporting to the Department, and dissemination by the Department, of information collected under grants and contracts made under subsection (b)(1) of this section; and

(B) carry out coordinated clearinghouse activities on sudden infant death syndrome, including the collection and dissemination to the public, health and educational institutions, professional organizations, sudden infant death syndrome parent self-help organizations, and other interested parties of information pertaining to sudden infant death syndrome and related issues such as death investigation systems, personnel training, biomedical research activities, and information on the utilization and availability of treatment or prevention procedures and techniques, such as home monitors.

The Secretary is authorized to enter into contracts with public or private entities to carry out the information and clearinghouse activities required under this subsection.

"(b)(1) The Secretary is authorized to make grants to public or nonprofit private entities, and enter into contracts with public or private entities, for projects which include both—

"(A) the collection, analysis, and furnishing of information (derived from post mortem examinations and other means) relating to the causes and other appropriate aspects of sudden infant death syndrome; and

"(B) the provision of information and counseling to families affected by sudden infant death syndrome.

"(2) No grant may be made or contract entered into under this subsection unless an application therefor has been submitted to and approved by the Secretary. Such application shall be in such form, submitted in such manner, and contain such information as the Secretary shall, by regulation, prescribe. Each application shall—

"(A) provide that the project for which assistance under this subsection is sought will be administered by or under the supervision of the applicant;

"(B) provide for appropriate community representation (including appropriate involvement of parent self-help groups) in the development and operation of such project;

"(C) set forth such fiscal controls and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to the applicant under this subsection; and

"(D) provide for making such reports in such form, at such times, and containing such information as the Secretary may reasonably require, including such reports as will assist in carrying out the provisions of subsection (a)(2) of this section.

"(c)(1) Not later than February 1 of each year after 1979, the Secretary shall submit to the Committee on Human Resources of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives a comprehensive report on the administration of this part (including funds and positions allocated for personnel) and the results obtained from activities thereunder, including the extent of allocations made to rural and urban areas. The report submitted on or before February 1, 1980, shall also set forth a plan to—

"(A) extend counseling and information projects to the fifty States and the District of Columbia by July 1, 1980; and

"(B) extend counseling and information projects to all possessions and territories of the United States by July 1, 1981.

"(2) The Secretary shall conduct or provide for the conduct of a study on State laws, practices, and systems relating to death investigation and their impact on sudden and unexplained infant deaths, and any appropriate means for improving the quality, frequency, and uniformity of the post mortem examinations performed under such laws, practices, and systems in the case of sudden and unexplained infant deaths. Not later than December 31, 1980, the Secretary shall report to the Congress the results of such study, including recommendations as to any appropriate actions by the Department of Health, Education, and Welfare with respect to the conduct of post mortem investigations in all cases of sudden and unexplained infant death (including the desirability and feasibility of establishing pilot projects for centralized post mortem and specimen examination systems on a statewide or regional basis).

"(d)(1) For the purpose of making grants and contracts under and otherwise carrying out this section, there are authorized to be appropriated $2,000,000 for the fiscal year ending June 30, 1975; $3,000,000 for the fiscal year ending June 30, 1976; $4,000,000 for fiscal year 1977; $3,650,000 for fiscal year 1978; $3,500,000 for fiscal year 1979; $7,000,000 for fiscal year 1980; and $9,000,000 for fiscal year 1981.

"(2) Payments under grants under this section may be made in advance or by way of reimbursement, and at such intervals and on such conditions, as the Secretary finds necessary.

"(3) Contracts under this section may be entered into without regard to sections 3648 through 3709 of the Revised Statutes (31 U.S.C. 529; 41 U.S.C. 5).

"(4) The Secretary shall seek to make equitable distribution of funds appropriated under this section among the various regions of the country and to ensure that the needs of rural and urban areas are appropriately addressed.

"SUDDEN INFANT DEATH SYNDROME RESEARCH AND RESEARCH REPORTS

"SEC. 1122. (a) From the sums appropriated to the National Institute of Child Health and Human Development under section 441, the Secretary shall assure that there are applied to research of the type described in paragraph (1) (A), (B), and (C) of subsection (b) of this section such amounts each year as will be adequate, given the leads and findings then available from such research, in order to make maximum feasible progress toward identification of infants at risk of sudden infant death syndrome and prevention of sudden infant death syndrome.

"(b)(1) Not later than ninety days after the close of fiscal year 1979 and of each fiscal year thereafter, the Secretary shall report to the Committees on Appropriations of the Senate and the House of Representatives, the Committee on Human Resources of the Senate, and the Committee on Interstate and Foreign Commerce of the House of Representatives specific information for such fiscal year on—

"(A) the (i) number of applications approved by the Secretary in the fiscal year reported on for grants and contracts under this Act for research which relates specifically to sudden infant death syndrome, (ii) total amount requested under such applications, (iii) number of such applications for which funds were provided in such fiscal year, and (iv) total amount of such funds;

"(B) the (i) number of applications approved by the Secretary in such fiscal year for grants and contracts under this Act for research which relates generally to sudden infant death syndrome, (ii) total amount requested under such applications, (iii) number of such applications for which funds were provided in such fiscal year, and (iv) total amount of such funds; and

"(C) the (i) number of applications approved by the Secretary in such fiscal year for grants and contracts under this Act for high-risk pregnancy and high-risk infancy research which relates to sudden infant death syndrome, specifying how these conditions relate to sudden infant death syndrome, (ii) total amount requested under such applications, (iii) number of such applications for which funds were provided in such fiscal year, and (iv) total amount of such funds.

"(2) Each report submitted under paragraph (1) of this subsection shall—

"(A) contain a summary of the findings of intramural and extramural research supported by the National Institute of Child Health and Human Development relating to sudden infant death syndrome as described in clauses (A), (B), and (C) of such paragraph (1), and the plan of such Institute for taking maximum advantage of such research leads and findings;

"(B) provide information on activities underway and plans to bring about the appropriate clinical application of current research findings and the cost and implications of such applications; and

"(C) provide an estimate of the need for additional funds over each of the next five fiscal years for grants and contracts under this Act for research activities described in such clauses.

"(c) Within five days after the Budget is transmitted by the President to the Congress for each fiscal year after fiscal year 1980, the Secretary shall transmit to the Committees on Appropriations of the Senate and the House of Representatives, the Committee on Human Resources of the Senate, and the Committee on Interstate and Foreign Commerce of the House of Representatives an estimate of the amounts requested for the National Institute of Child Health and Human Development and any other Institutes of the National Institutes of Health, respectively, for research relating to sudden infant death syndrome as described in paragraph (1) (A), (B), and (C) of subsection (b) of this section, and a comparison of such amounts with the amounts requested for the preceding fiscal year.".

SEC. 3. This Act shall take effect on October 1, 1979.●

By Mr. CANNON (for himself and Mr. INOUYE):

S. 233. A bill to amend the International Travel Act of 1961 to authorize additional appropriations, and for other purposes; to the Committee on Commerce, Science, and Transportation.

● Mr. CANNON. Mr. President, the administration's budget for fiscal year 1980, confirmed the fears which my committee expressed to the President over the past 2 months.

Specifically, the administration proposes to discontinue the international tourism marketing programs currently being administered by the Department of Commerce through the U.S. Travel Service in six major markets and other designated special markets throughout the world.

By failing to request funds for the U.S. Travel Service the administration is, in effect, repealing the International Travel Act of 1961.

When Congress enacted that law we recognized what practically every nation in the world had recognized for some time—there are some international travel promotion efforts which can only be carried out efficiently and effectively under Government auspices. The U.S. Travel Service was, therefore, intended to have a supplementary role assisting the marketing efforts of the public and private sectors of our travel industry to promote the United States as an international destination.

Mr. President, Congress did not act precipitously in an area of little consequence to our national economic interest. Today, travel is a $115 billion a year industry in the United States which supports about 5 million jobs. International travel to the United States in 1978, accounted for 20 million arrivals, who brought $8.6 billion into our country.

According to the Travel Service, package tour programs through which the agency provided "seed" money to trip wholesalers alone generated $400 million in tourist expenditures here and with U.S. airlines.

Every dollar spent by USTS to promote the United States results in $18.60 foreign exchange earnings. I doubt if many Federal programs can claim to be even one-third that cost effective.

Given these impressive statistics it is not difficult to understand why the futurist Herman Kahn of the Hudson Institute predicts that—

> By the end of this century tourism will be one of the largest industries in the world, if not the largest.

When it enacted the Travel Act of 1961, therefore, it is accurate to say that Congress anticipated Mr. Kahn's prediction by almost 20 years.

And, 5 years ago, the Senate undertook to build upon the modest initiative it undertook in 1961, by unanimously agreeing to Senate Resolution 347, which had been cosponsored by 71 Senators.

That resolution authorized the Senate Commerce Committee to undertake a study and recommend a national tourism policy and a mechanism which would enable the Federal Government in conjunction with the public and private sectors of the industry to capitalize fully on the potential of travel and tourism to contribute to the Nation's economic welfare.

From the outset it was recognized that whatever was done, the role of the Federal Government to assist the industry promote and market the United States as an international travel destination had to be strengthened and made more effective.

That study has been completed, and 3 days of hearings were held last September. A final 3 days are scheduled for February 26, 28, and March 2. Shortly thereafter the committee expects to recommend legislation as mandated bf Senate Resolution 347.

Mr. President, survey after survey has shown that the United States is the country most people wish to visit. Lower air fares and the relative strength of the dollar now make our country the best tourism bargain in the world. Indeed the number of our visitors is increasing in record proportions.

For all of these reasons the committee was especially perplexed to learn almost 2 months ago that the OMB was recommending that USTS be phased out by the end of fiscal year 1979.

We were especially troubled, because OMB had made its recommendation without at least asking for the committee's advice in view of our national tourism policy study which was nearing completion.

Accordingly, Senator INOUYE, chairman of the Tourism Subcommittee, and I twice wrote to the President urging him to withhold action pending completion of the policy study. Numerous industry organizations such as the Hotel & Restaurant Employees & Bartenders International Union, AFL-CIO, the American Hotel & Motel Association, the Air Transport Association, the American Society of Travel Agents, Discover America Travel Organizations, Inc., and others publicly supported the position we had expressed to the President.

In the second of our two letters to the President, dated December 21, we expressed support for his efforts to reduce the cost of Government, and noted that the recently completed study which Arthur D. Little had done for the committee found there was a disproportionate amount of USTS resources devoted to administration, and that industry sources had suggested that USTS could function effectively in its international marketing role with a 60-percent reduction in Washington staff, and a budget of $8 million.

The administration's budget proposal indicates that the recommendations which we made and in which the industry concurs are unacceptable.

Accordingly on behalf of myself and Senator INOUYE I am today introducing legislation which will permit USTS to continue its present international marketing programs for fiscal 1980, with an $8 million budget and a 60-percent reduction in its Washington staff. This will keep USTS' international offices operational while the Congress, the President, and the private sector are considering the legislative recommendations which the committee expects to make shortly pursuant to our national tourism policy study. It will also enable the USTS to continue rendering valuable assistance to the private sector in our common effort to capitalize on an unprecedented opportunity to bring visitors to the United States from abroad.

Since time is of the essence the committee will hold hearings on this legislation beginning at 10 a.m. on February 2. At that time we expect to hear testimony from the administration and representatives of the private sector of the industry.●

By Mr. CRANSTON:

S. 234. A bill for the relief of certain employees of the Long Beach Naval Shipyard, Long Beach, Calif.; to the Committee on the Judiciary.

● Mr. CRANSTON. Mr. President, I am reintroducing legislation today which the 95th Congress did not have time to act upon to relieve Rodney Herold and others listed below of liability for the excess payment for per diem and actual subsistence expenses which they received. These employees were overpaid due to administrative failures in implementing reductions in per diem rates for long-term training assignments. The General Accounting Office has reviewed this case and has recommended that these employees be relieved from liability. This legislation is intended to carry out this recommendation. I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 234

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That each of the following named employees of the Long Beach Naval Shipyard, Long Beach, California, is hereby relieved of all liability to repay to the United States the sum of money specified opposite the name of such employee, such sum representing overpayment of per diem made through administrative error and received in good faith by such employee:

(1) Rodney L. Herold the sum of $2,018.25;
(2) Albert L. Christiansen the sum of $1,254.50;
(3) Edward E. Goodrich the sum of $101.41;
(4) Kenneth E. Butler the sum of $1,808.25;
(5) Allen H. Reynard the sum of $1,310.50;
(6) Donald D. Fish the sum of $1,182.00;
(7) Steve A. Robertson the sum of $2,302.01;
(8) David W. Alton the sum of $1,890.52;
(9) George J. Larson the sum of $1,653.39;
(10) William R. Dow the sum of $1,626.11;
(11) Daniel L. Holly the sum of $1,475.07;
(12) Donald E. Jelinski the sum of $1,412.13;
(13) Leland Kocher the sum of $797.37;
(14) Carl R. Gonsalves the sum of $712.07;
(15) George E. McGuire the sum of $617.25;
(16) Herbert E. Tonkin the sum of $435.45;
(17) Virgil L. Nickell the sum of $194.03.

SEC. 2. The Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to any employee named in the first section an amount equal to the aggregate of any amounts paid by such employee or withheld from any sum due such employee on account of the liability referred to in the first section of this Act.

SEC. 3. No part of the amounts appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.●

By Mr. CHURCH:

S. 235. A bill to amend titles II, VII, XI, XVI, XVIII, and XIX of the Social Security Act to provide for the improved administration of the old-age, survivors, and disability insurance program, the supplemental security income program, and the medicare program by a newly established independent Social Security Administration, to separate social security trust fund items from the general Federal budget, to prohibit the mailing of certain notices with social security and supplemental security income benefits checks, and for other purposes; to the Committee on Finance.

SOCIAL SECURITY ADMINISTRATION ACT

● Mr. CHURCH. Mr. President, I introduce for appropriate reference the Social Security Administration Act.

This bill is based upon legislation that I sponsored during prior Congresses. Those proposals received strong bipartisan support. In fact, a clear majority—51 Senators in all—sponsored the Social Security Administration Act during the 94th Congress. However, no final action was taken on this legislation, because the House Ways and Means Committee acted on several other high priority legislation during the past two Congresses, including tax reductions, a tax reform proposal, a comprehensive energy package, social security financing, unemployment compensation amendments, and others.

The need, though, for the Social Security Administration Act is perhaps more pressing now than ever before.

A clear need exists to reinforce in the minds of the public that social security is a separately financed program from earmarked taxes from workers and employers.

In a very real sense, social security represents a compact between the Government and private citizens to provide partial protection against loss of earnings, because of retirement, death, or disability.

Every effort should be made to safeguard the justifiable expectations of those who have paid into social security.

And, every effort should be made to resist actions to tamper with social security for temporary purposes unrelated to the program's objectives.

MAJOR PROVISIONS

Three major provisions are incorporated in the Social Security Administration Act.

First, the Social Security Administration would become an independent agency under the direction of a three-member bipartisan governing board appointed by the President with the advice and consent of the Senate.

This new autonomous unit would continue to have administrative responsibility for:

The social security cash benefits program—old-age, survivors, and disability insurance;

Medicare;

Supplemental security income; and

The portion of the black lung program now under the direction of the present Social Security Administration.

Second, this proposal would ban the mailing of political notices with social security or supplemental security income checks.

Third, it would remove the transactions of the social security trust funds from the unified budget.

INDEPENDENT AGENCY

Social security affects almost every family in the United States. More than 90 percent of all persons 65 or older are eligible for social security retirement benefits. About 80 percent of all men and women 21 to 64 years old are protected in the event a family breadwinner suffers a long-term disability. And, 95 percent of all mothers and dependent children are eligible for benefits if the father in the family dies.

Every one of these individuals has a very direct and important stake in the financial soundness of social security and the way it is administered. They deserve effective and efficient service from social security offices throughout the country.

An independent Social Security Administration would help to implement these objectives.

First, a three-member governing board—appointed for staggered terms—would permit continuity of operations. This is crucial, because social security affects the day-to-day activities of almost every American family. A gap in leadership while an administration searches for a Commissioner can have an enormous impact on the operations of the social security system.

Second, a three-member board would permit the directors to specialize in particular areas, such as operations, cash benefits, and medicare. Social security is a highly technical and complex program. An opportunity for specialization would be helpful not only for the program operations, but also for the board members.

Third, many leading authorities agree that the Department of Health, Education, and Welfare is unwieldy and unmanageable because of its vast and diverse programs. The job of administering HEW effectively is simply too massive for any one person.

Removal of the Social Security Administration would help to reduce HEW to more manageable proportions. In addition, this action would give the Secretary and his staff more time to devote to other important programs, as well as the smaller units in the Department.

Social security has clearly evolved to the point where it is large enough and important enough to justify independent status. It is one of the larger direct line operations of the Federal Government, employing about 87,000 persons throughout the country.

Fourth, social security clearly deserves full-time nonpolitical executive attention. The rapid changeover in HEW Secretaries and their staff—and there have been a dozen Secretaries during the past quarter of a century—poses operational problems for social security. This situation undoubtedly impedes the administration of this vital institution.

BANNING POLITICAL NOTICES

The Social Security Administration Act includes another safeguard to prevent the social security system from becoming politicized.

Specifically, the bill would prohibit the mailing of notices with social security and SSI checks which make any reference whatsoever to elected Federal officials.

In the past, Republican and Democratic administrations alike have customarily included announcements with social security checks, generally suggesting that benefits were increased, because of action taken by a particular President.

This practice offers great potential for political mischief. It is not only demeaning for the social security system; it can also create misleading inferences from beneficiaries.

Social security should not become a political football to be used by those in positions of high trust or individuals seeking to gain power.

It is simply too important to be exploited for narrow, partisan purposes.

This provision would not—and I want to emphasize this point—prohibit the Social Security Administration from mailing announcements for legitimate informational purposes.

It is designed simply to ban the mailing of political announcements with social security or SSI checks.

REMOVE TRUST FUNDS FROM UNIFIED BUDGET

Finally, this bill would remove the transactions of the social security trust funds from the unified budget.

Prior to the fiscal 1969 budget, the financial transactions of the social security system—except for purposes of economic analysis—were kept entirely separate from the general revenue operations of the Government. And, this is the way it should be.

Social security is, after all, a separately financed program paid for by earmarked taxes from workers, self-employed persons, and employers. These funds can be used for only two purposes: Payment of benefits and the administrative expenses of the program.

Social security represents a commitment by the Federal Government to pay benefits to workers and their families with separate financing on the basis of past earnings and contributions from covered employees. These obligations should not be lumped together with other programs—as if it were possible within the budgetary process to make choices between social security payments and other Government expenditures.

The unified budget has caused confusion for many Americans. Some are concerned whether their social security benefits are secure. Others wonder how separate social security is from general revenue operations.

Public understanding about managing the budget, as a whole, would also be improved if there would be general recognition that social security is separately financed. Its obligations are built up in the past, and no administration should be permitted to repudiate the promises that have been made.

Even though the social security transactions would not be a part of the unified budget, they would be taken into account for purposes of economic analysis, as has always been the case. Any general revenue contributions to social security would also be reflected in the expenditures of the general budget.

EXISTING FEATURES UNCHANGED

I also want to emphasize that the bill would leave unchanged most of the existing relationships between the Social Security Administration and other units of Government.

The Secretary of the Treasury, for example, would still retain responsibility for investment of trust funds.

Authority to spend from the trust funds for administrative purposes would continue to be a part of the regular budget process, as it is now.

The Advisory Council on Social Security would be retained, as well as other special purpose advisory councils. Their membership, though, would be appointed by the three-member governing board.

The new agency would also be subject to the usual clearances on legislative proposals. In general, it would operate under the board supervision of the various control agencies of the Government. The bill would not disturb the existing relationship between social security and the Office of Management and Budget, the General Accounting Office, and the General Services Administration.

NEED FOR PROMPT ENACTMENT

All Americans—whether they are young or old—have a very real and direct interest in the soundness and integrity of the social security system. They also have a right to insist that the program continue to be built upon sound actuarial principles and equitable policy considerations. They must be assured that the program is administered fairly, impartially, and effectively.

For these reasons, I urge prompt approval of this legislation.

Mr. President, I ask unanimous consent that the text of this bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 235

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Social Security Administration Act".

DECLARATION OF PURPOSE

Sec. 2. (a) The purpose of this Act is to strengthen the fiscal and administrative structure of the contributory social security programs. These programs constitute a retirement and group-insurance plan that provides nearly all American workers and their families protection designed to partly make up for the loss of earned income during retirement, during periods of extended and total disability before retirement age, or because of death, and provides protection against the costs of medical care during periods of extended and total disability and after age sixty-five. In conjunction with the program of supplemental security income to the needy, designed to fill the gaps in insurance protection, these contributory social insurance programs form a universal structure of economic security. It is essential that every practical step be taken to assure the long-range fiscal integrity of these programs and to provide for nonpolitical, objective and skilled program administration.

(b) In creating the contributory social security and health insurance programs, the Congress has undertaken a fiscal obligation which differs in essential respects from its obligations under programs financed in other ways. The distinctive nature of this obligation results from (1) the contributory character of the programs which gives to nearly every American a personal financial stake in future benefit rights, (2) the concomitant obligation of Government to assure beyond peradventure that these rights earned by compulsory contributions and based on past earnings will, in fact, be honored when they fall due, whether in the near or distant future, (3) the dependence of the programs, if this assurance is to be fully credible, on adequate long-term sources of income dedicated exclusively to these programs, and (4) the need that changes in these systems which may be required to meet changing economic and social conditions be developed on a long-range basis and in the context of their interrelated benefit and financial structures. In order to assure more completely the full recognition of the fiscal obligations inherent in these programs, this Act separates the transactions of the self-financed social insurance programs from the transactions of the general budget.

(c) The magnitude of these social insurance programs and of the supplemental security income program—in terms of the number of people affected by them, the volume of income and expenditures, the number of persons engaged in their operation, the nationwide network of local offices, and the complexity of these huge operations—demands the utmost in skillful, nonpolitical administration. To help assure such administration and continuously high levels of service to the beneficiaries of and contributors to the programs, this Act constitutes the Social Security Administration as an independent agency in the executive branch, responsible directly to the President. The independence accorded by this change will also serve to emphasize to the public that the Government's role in the insurance programs is essentially that of trustee and manager for those who have worked in covered employment and contributed to the support of the program, a role which is markedly different and carries different obligations from the Government's role in programs financed in other ways.

TITLE I—SOCIAL SECURITY ADMINISTRATION

Sec. 101. (a) Title VII of the Social Security Act is amended by inserting immediately before section 702 the following new section:

"SOCIAL SECURITY ADMINISTRATION

"Sec. 701. (a) (1) There is hereby established, as an independent agency of the executive branch of the Government, a Social Security Administration (hereinafter in this section referred to as the 'Administration'). The Administration shall be headed by a Board which shall consist of three members who shall be appointed by the President, by and with the advice and consent of the Senate. The President shall, from time to time, designate one of the members as Chairman of the Board.

"(2) No individual shall, during the time that he holds office as a member of the Board, engage in any business, vocation, or employment, other than the discharge of his duties and the exercise of his authority as a member of the Board.

"(3) Not more than two of the members of the Board shall be members of the same political party.

"(4) Each member of the Board shall hold office for a term of four years, except that (A) a member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed, shall be appointed for the remainder of such term, and (B) the terms of office of the members first taking office after the date of enactment of the Social Security Administration Act shall expire, as designated by the President at the time of appointment, one on January 20, 1981, one on January 20, 1982, and one on January 20, 1983.

"(5) Actions taken, and decisions made by, members of the Board shall be by majority vote; and any action so taken, or decision so made, shall be the action or decision of the Administration.

"(b) (1) It shall be the duty of the Administration to administer the program established by title II, the supplemental security income program established by title XVI, and the programs established by title XVIII of this Act, and to discharge the duties and responsibilities imposed on the Secretary of Health, Education, and Welfare in connection with the administration of the program established by title IV of the Federal Coal Mine Health and Safety Act of 1969.

"(2) The Administration shall also have the duty of studying and making recommendations as to the most effective methods of providing economic security through social insurance, and as to legislation and matters of administrative policy concerning the programs referred to in paragraph (1), and to other programs having similar objectives.

"(3) The Administration shall prepare and submit to the Congress an annual report on its activities, which report shall include the recommendations of the Administration made pursuant to paragraph (2).

"(c) (1) There shall be in the Administration an Executive Director, who shall be appointed by and serve at the pleasure of the Administration, and who shall perform such functions concerning the programs administered by the Administration as the Administration may prescribe.

"(2) There shall be in the Administration a General Counsel, who shall be appointed by and serve at the pleasure of the Administration, and who shall be the principal legal counsel in the Administration. The Administration may obtain the services of experts and consultants in accordance with the provisions of section 3109 of title 5, United States Code."

(b) Section 702 of such Act is amended by inserting, immediately before the period at the end thereof, the following: "; except that nothing in this section shall be construed to require the Secretary to make studies of or recommendations with respect to programs administered by the Social Security Administration".

(c) Section 706 of such Act is amended—

(1) by striking out "Secretary", wherever it appears therein, and inserting in lieu thereof "Social Security Administration",

(2) in subsection (c) (1) thereof, by striking out "Department of Health, Education, and Welfare" and inserting in lieu thereof "Social Security Administration", and

(3) in subsection (a) thereof, by striking out "the public assistance programs under this Act" and inserting in lieu thereof "the supplemental security income program established by title XVI of this Act".

(d) Section 201(c) of such Act is amended—

(1) in the first sentence thereof, by inserting "the Chairman of the Board of the Social Security Administration," immediately after "Secretary of Labor,", and

(2) in the third sentence thereof, by striking out "Commissioner of Social Security" and inserting in lieu thereof "Executive Director of the Social Security Administration".

(e) The last sentence of section 205(g) of such Act is amended by striking out "in the person occupying the office of Secretary or any vacancy in such office" and inserting in lieu thereof "in the membership of the Board of the Social Security Administration or any vacancy in the membership of such Board".

(f) Section 1817(b) of such Act is amended—

(1) in the first sentence thereof, by inserting ", the Chairman of the Board of the Social Security Administration," immediately after "the Secretary of Labor,", and

(2) in the third sentence thereof, by striking out "Commissioner of Social Security" and inserting in lieu thereof "Executive Director of the Social Security Administration".

(g) Section 1841(b) of such Act is amended—

(1) in the first sentence thereof, by inserting ", the Chairman of the Board of the Social Security Administration," after "Secretary of Labor", and

(2) in the third sentence thereof, by striking out "Commissioner of Social Security" and inserting in lieu thereof "Executive Director of the Social Security Administration".

(h) Title II (other than the first sentence of section 201(c) thereof, and the last sentence of section 205(g) thereof), title XVI, and title XVIII (other than the first sentence of section 1817(b) thereof, and the first sentence of section 1841(b) thereof), of the Social Security Act are each amended—

(1) by striking out, wherever it appears therein, "Secretary of Health, Education, and Welfare" and inserting in lieu thereof "Social Security Administration",

(2) by striking out, wherever it appears therein, "Department of Health, Education, and Welfare" and inserting in lieu thereof "Social Security Administration",

(3) by striking out, wherever it appears therein, "Department" (but only if it is not immediately succeeded by the words "of Health, Education, and Welfare", and only if it is used in reference to the Department of Health, Education, and Welfare) and in-

serting in lieu thereof "Social Security Administration", and

(4) by striking out, wherever it appears therein, each of the following words (but, in the case of any such word only if such word refers to the Secretary of Health, Education, and Welfare): "Secretary", "Secretary's", "his", "him", and "he," and inserting (in the case of the word "Secretary") "Social Security Administration", (in the case of the word "Secretary's") "Social Security Administration's", (in the case of the word "his") "the Social Security Administration's", (in the case of the word "him") "the Social Security Administration", and (in the case of the word "he") "the Social Security Administration".

(i) Section 1867 (b) of such Act is amended by adding at the end thereof the following new sentence: "Any advice or recommendations so provided by the Advisory Council with respect to title XIX shall be transmitted by the Social Security Administration to the Secretary.".

(j) (1) Title XIX of the Social Security Act is amended by striking out "Secretary" wherever it appears, and inserting in lieu thereof "Social Security Administration" in—

(A) section 1902(a)(9)(A) thereof,
(B) section 1902(a)(33)(B),
(C) section 1902(a)(39), and
(D) section 1903(i)(2) and (j)(2) thereof.

(2) Section 1902(a)(13)(F) of such Act is amended by striking out "Secretary" the first place it appears therein and inserting in lieu thereof "Social Security Administration".

(k) Section 1122 of such Act is amended—

(1) in subsection (c) thereof, by striking out "The Secretary shall pay" and inserting in lieu thereof "The Social Security Administration shall (pursuant to and in accordance with directives from the Secretary) pay",

(2) in subsection (d)(1)(B) thereof, by striking out all the matter that follows clause (ii) of subparagraph (B) and inserting in lieu thereof the following: "then, for such period as he finds necessary in any case to effectuate the purposes of this section, he shall in determining the Federal payments to be made under titles V and XIX with respect to services furnished in the health care facility for which such capital expenditure is made, not include (and shall direct the Social Security Administration, in determining the Federal payments to be made under title XVIII with respect to services furnished in such health care facility, not to include) any amount which is attributable to depreciation, interest on borrowed funds, a return on equity capital (in the case of proprietary facilities), or other expenses related to such capital expenditures. With respect to any organization which is reimbursed on a per capita or a fixed fee or negotiated rate basis, the Secretary shall, in determining the Federal payments to be made under titles V and XIX, exclude (and shall direct the Social Security Administration, in determining the Federal payments to be made under title XVIII, to exclude) an amount which in his judgment is a reasonable equivalent to the amounts which would otherwise be excluded under this subsection if payments were to be made on other than a per capita or a fixed fee or negotiated rate basis.", and

(3) in subsection (e) thereof, by striking out "in determining the Federal payments" and inserting in lieu thereof "for the purpose of the determination of the Federal payments".

(l) Part B of title XI of such Act is amended—

(1) in section 1152(e) thereof, by—

(A) inserting "or title XVIII" immediately after "(other than this part", and

(B) inserting at the end thereof the following new sentence: "In order to avoid duplication of functions and unnecesary review and control activities, the Social Security Administration is authorized to waive any or all of the review, certification, or similar activities otherwise required under or pursuant to title XVIII when it finds, on the basis of substantial evidence of the effective performance of review and control activities by Professional Standards Review Organizations, that the review, certification, and similar activities so required are not needed for the provision of adequate reveiw and control.",

(2) in section 1155(f)(2) thereof, by inserting "(or cause to be made, in appropriate cases, by the Social Security Administration)" immediately after "that the Secretary make",

(3) in section 1158 thereof, by striking out "entered into by the Secretary" wherever it appears and inserting in lieu thereof "entered into by the Social Security Administration",

(4) in section 1159(b) thereof, by—

(A) inserting "(or by the Social Security Administration, in the case of a beneficiary or recipient under title XVIII" immediately after "to a hearing thereon by the Secretary", and

(B) inserting "(or the Social Security Administration's final decision, in the case of a beneficiary or recipient under title XVIII)" immediately after "review of the Secretary's final decision", and

(c) inserting "(or the Social Security Administration, as the case may be)" immediately after "The Secretary",

(5) in section 1165 thereof, by inserting "(promulgated in consultation with the Social Security Administration)" immediately after "The Secretary shall by regulations", and

(6) in section 1168 thereof, by adding at the end thereof the following: "In determining the amount to be payable from the Federal Hospital Insurance Trust Fund, the Secretary shall consult with the Social Security Administration; and any amount payable from such Fund shall be payable by the Social Security Administration, pursuant to and in accordance with directives of the Secretary.".

Sec. 102. (a) Except as provided in subsection (b), the term "Secretary of Health, Education, and Welfare" and the term "Secretary", when used to refer to the Secretary of Health, Education, and Welfare, shall be deemed to refer to the Social Security Administration when (and to the extent that) such term is employed in any provision of law which imposes any duty or responsibility on, confers any authority on, or imposes any limitation on the exercise of authority by, the Secretary of Health, Education, and Welfare with respect to the administration of the programs established by (1) title II, XVI (relating to the supplemental security income program), or XVIII, of the Social Security Act, or (2) title IV of the Federal Coal Mine Health and Safety Act of 1969.

(b) The provisions of subsection (a) shall not apply to any provision of law which is contained in (1) title II, XVI (relating to the supplemental security income program), or XVIII, of the Social Security Act, (2) title IV of the Federal Coal Mine Health and Safety Act of 1969, or (3) section 1122 of the Social Security Act, or part B of title XI of such Act.

Sec. 103. (a) There are transferred to the Social Security Administration (established by section 701 of the Social Security Act under the amendment made by section 101 (a) of this Act) all functions carried out by the Secretary of Health, Education, and Welfare, with respect to the administration of programs and activities the administration of which is vested in such Administration, by reason of this Act and the amendments made thereby.

(b) There are transferred to the Social Security Administration (as established by section 701 of the Social Security Act under the amendment made by section 101 (a) of this Act) all personnel, assets, liabilities, contracts, property, and records, which the Director of the Office of Management and Budget determines to be employed, held, or used by the Secretary of Health, Education, and Welfare primarily in connection with the functions, activities, and programs which, by reason of this Act and the amendments made thereby, are vested in or become the responsibility of such Administration.

(c) The position of Commissioner of Social Security is abolished.

Sec. 104. (a) All orders, determinations, rules, regulations, permits, contracts, certificates, licenses, and privileges—

(1) which have been issued, made, promulgated, granted, or allowed to become effective, in the exercise of functions (A) which were exercised by the Secretary of Health, Education, and Welfare (or his delegate), and (B) which relate to functions which, by reason of this Act and the amendments made thereby, are vested in the Social Security Administration (as established by section 701 of the Social Security Act under the amendment made by section 101(a) of this Act), and

(2) which are in effect at the time this Act takes effect,

shall (to the extent that they relate to functions described in paragraph (1)(B)) continue in effect according to their terms until modified, terminated, suspended, set aside, or repealed by the Social Security Administration (as established by section 701 of the Social Security Act).

(b) The provisions of this Act (including the amendments made thereby) shall not affect any proceeding pending at the time this Act takes effect before the Secretary of Health, Education, and Welfare with respect to functions vested (by reason of this Act and the amendments made thereby) in the Social Security Administration (as established by section 701 of the Social Security Act under the amendment made by section 101(a) of this Act), except that such proceedings, to the extent that they relate to such functions, shall continue before the Social Security Administration (as so established). Orders shall be issued under any such proceeding, appeals taken therefrom, and payments shall be made pursuant to such orders, in like manner as if this Act had not been enacted, and orders issued in any such proceeding shall continue in effect until modified, terminated, superseded, or repealed by the Social Security Administration (as so established), by a court of competent jurisdiction, or by operation of law.

(c) Except as provided in this subsection—

(1) the provisions of this Act shall not affect suits commenced prior to the date this Act takes effect; and

(2) in all such suits proceedings shall be had, appeals taken, and judgments rendered, in the same manner and effect as if this Act had not been enacted. No cause of action, and no suit, action, or other proceeding commenced by or against any officer in his official capacity as an officer of the Department of Health, Education, and Welfare, shall abate by reason of the enactment of this Act. Causes of action, suits, actions, or other proceedings may be asserted by or against the United States and the Social Security Administration (as established by section 701 of the Social Security Act under the amendment made by section 101(a) of this Act), or such official of such Administration as may be appropriate, and, in any litigation pending when this section takes effect, the court may at any time, on its own motion or that of a party, enter an order which will give effect to the provisions of this subsection (including, where appropriate, an order for substitution of parties).

(d) This Act shall not have the effect of releasing or extinguishing any criminal prosecution, penalty, forfeiture, or liability incurred as a result of any function which (by reason of this Act) is vested in the Social Security Administration.

(e) Orders and actions of the Social Security Administration in the exercise of functions vested in such Administration under this Act (and the amendments made thereby) shall be subject to judicial review to the same extent and in the same manner as if such orders and actions had been taken by the Secretary of Health, Education, and Welfare in the exercise of such functions immediately preceding the effective date of this Act. Any statutory requirements relating to notice, hearings, action upon the record, or administrative review that apply to any function so vested in the Social Security Administration shall continue to apply to the exercise of such function by such Administration.

(f) In the exercise of the functions vested in it under this Act (and the amendments made thereby), the Social Security Administration shall have the same authority as that vested in the Secretary of Health, Education, and Welfare with respect to the exercise of such functions immediately preceeding the vesting of the same in such Administration, and actions of such Administration shall have the same force and effect as when exercised by such Secretary.

TITLE II—MISCELLANEOUS AND CONFORMING AMENDMENTS

SEC. 201. (a) Section 205 of the Social Security Act is amended by adding after subsection (q) thereof the following:

"(r) The Social Security Administration shall not permit to be enclosed with any check for benefit payments under this title any material which—

"(1) is not related to the provisions of this title or title XVIII, or

"(2) contains the name, signature, or title of any officer of the Government of the United States.".

(b) Section 1631(a) of such Act is amended by adding at the end thereof the following new paragraph:

"(6) The Social Security Administration shall not permit to be enclosed with any check for benefit payments under this title any material which—

"(A) is not related to the provisions of this title or title XVIII, or

"(B) contains the name, signature, or title of any officer of the United States.".

SEC. 202. Title IV of the Federal Coal Mine Health and Safety Act of 1969 is amended—

(1) in section 402(c) thereof, by striking out "where used in part B means the Secretary of Health, Education, and Welfare, and", and

(2) in all the provisions thereof (other than section 402(c) and section 427) by—

(A) striking out, wherever it appears therein, "Secretary of Health, Education, and Welfare" and inserting in lieu thereof "Social Security Administration", and

(B) striking out, wherever it appears therein, each of the following words (but, in the case of any such word, only if such word refers to the Secretary of Health, Education, and Welfare): "Secretary", "Secretary's", "his", "him", and "he", and inserting (in the case of the word "Secretary") "Social Security Administration", (in the case of the word "Secretary's") "Social Security Administration's", (in the case of the word "his") "Social Security Administration's", (in the case of the word "him") "the Social Security Administration", and (in the case of the word "he") "the Social Security Administration".

SEC. 203. (a) Section 201 of the Budget and Accounting Act, 1921 (31 U.S.C. 11), is amended—

(1) in the second sentence of subsection (a) thereof, by striking out "The Budget" and inserting in lieu thereof "Except as provided in subsection (k), the Budget"; and

(2) by adding at the end of such section the following new subsection:

"(k) The Budget shall set forth the items referred to in paragraphs (4), (5), (6), (7), (8), (9), and (12) of subsection (a) which are attributable to receipts of and expenditures from the general fund of the Treasury (commonly referred to as the 'administrative budget'), and shall set forth separately such items which are attributable to receipts of and expenditures from the Federal Old-Age and Survivors Insurance Trust Fund, the Federal Disability Insurance Trust Fund, the Federal Hospital Insurance Trust Fund, and the Federal Supplementary Medical Insurance Trust Fund.".

(b) The amendment made by subsection (a) shall apply with respect to the Budget for the fiscal year ending September 30, 1980, and for each fiscal year thereafter.

SEC. 204. (a) Section 5312 of title 5, United States Code (relating to level I of the Executive Schedule), is amended by adding at the end thereof the following new paragraph:

"(14) Chairman of the Board of the Social Security Administration.".

(b) Section 5313 of such title (relating to level II of the Executive Schedule) is amended by adding at the end thereof the following new paragraphs:

"(24) Member of the Board of the Social Security Administration.

"(25) Executive Director, Social Security Administration.".

(c) Section 5314 of such title (relating to level III of the Executive Schedule) is amended by adding at the end thereof the following new paragraph: "(66) General Counsel, Social Security Administration.".

(d) Section 5315 of such title (relating to level IV of the Executive Schedule) is amended by striking out—

"(99) Commissioner of Social Security, Department of Health, Education, and Welfare.".

The officers referred to in the preceding sentence shall be compensated from the date they first take office, at the rates provided for in the amendments to title 5, United States Code, made by section 204 of this Act. Such compensation and related expenses of such officers shall be paid from funds available for the functions vested in the Social Security Administration by this Act and the amendments made thereby.●

By Mr. CULVER:

S. 236. A bill to modify the Clinton, Iowa, local flood protection project; to the Committee on Environment and Public Works.

PARK AND BIKEWAY FOR THE CLINTON LOCAL FLOOD PROTECTION PROJECT

● Mr. CULVER. Mr. President, today I am introducing legislation to authorize the U.S. Army Corps of Engineers to construct recreational facilities as part of the Clinton, Iowa, flood control project. This legislation also permits the city of Clinton to include the value of the land to be donated for these facilities as part of its share of the cost of this proposal.

Clinton is one of the most rapidly expanding and dynamic communities in Iowa, but over the years it has been vulnerable to severe floods which have hampered its economic and social growth. Prior to the initiation of construction of the current flood protection project in 1974, average flood damage in Clinton was as high as $1 million annually. A single, disastrous flood in 1965 caused over $5.5 million in damages, including $1.6 million in lost earnings. Over 50 major businesses and industrial firms were temporarily closed, and 50 square blocks of the city's residential section were damaged.

As a Member of the House of Representatives from the district which includes Clinton, I worked with city officials and the Rock Island District of the Corps of Engineers to expedite congressional consideration of the necessary improvements to prevent further flood damage. Subsequent testimony before the House Public Works Committee supported the need to initiate work on the flood control measures immediately. In 1968, Congress authorized 8.1 miles of earthen levees and a concrete floodwall along the city's waterfront. The estimated Federal cost of this project is $30 million.

The proposed recreational plan calls for the development of two facilities: A bicycle path on top of the flood control levee and a small park outside the levee with open fields and equipment. The path would be located on the levee entirely within the public property required for the project, and additional easements would not be necessary. Approximately 6.5 acres of land is needed for the proposed Garfield Park recreational development. The city and Federal Government would each pay half of the $224,000 cost of including these facilities in the flood control project. The city will contribute about $70,000 along with the land for the park site.

The bikeway and park were not incorporated in the original project design because the Corps of Engineers was precluded at that time from including such facilities in flood control projects. However, corps regulations were changed in 1970, and it is now usual for local flood control measures to have recreational features. With this new authority, the corps began plans to add the park and bikeway to the Clinton project, which, consequently, constitute a postauthorization change. Congress must specifically authorize these facilities.

Congress must also act to let the city donate the land for the park and bikeway as part of its share of total project costs. Regulations promulgated by the corps in 1977 preclude the value of land donated by local project sponsors from counting as partial fulfillment of its share of project costs. However, before these new regulations were issued, the Rock Island District and Clinton city officials had already agreed to consider the price of the land to be donated as part of the city's overall financial responsibility. If this agreement is not authorized now, the corps would have to renegotiate the local cost share, which would increase the eventual cost of the park and bikeway due to added delays.

Mr. President, the Senate approved these postauthorization changes last year. The House of Representatives, however, failed to take final action on the conference report at the end of the 95th Congress. Consequently, I am introducing legislation today authorizing the modification of the Clinton project to include these recreational amenities and will work for final congressional approval this year.

Mr. President, I visited the Clinton flood control project site last fall and was extremely pleased that the structure is currently about 60 percent finished and is on schedule for completion in fiscal year 1981. The proposed recreational facilities have the strong support of the citizens of Clinton, and I know that city officials are quite anxious for the corps to begin constructing them. When completed, the park and bikeway will provide significant recreational opportunities for the community, and I strongly urge Congress to approve this legislation to enhance the overall benefits of the Clinton flood control project.●

By Mr. DECONCINI:

S. 237. A bill to improve access to the Federal courts by enlarging the civil and criminal jurisdiction of U.S. magistrates, and for other purposes; to the Committee on the Judiciary.

MAGISTRATE ACT OF 1979

● Mr. DECONCINI. Mr. President, I am introducing today, S. 237, a bill to amend title 28, United States Code, to improve the access to the Federal courts by enlarging the civil and criminal jurisdiction of U.S. magistrates, and for other purposes.

The main thrust of the bill is to amend the current jurisdictional provisions for U.S. magistrates—section 636, title 28, United States Code, in civil cases and section 3401, title 18, United States Code, in misdemeanor cases—in order to further clarify and expand the jurisdiction of U.S. magistrates and improve access to the Federal courts for the less advantaged. The bill provides for an expansion of the present power of magistrates to dispose of certain minor criminal cases by including all Federal misdemeanors within that jurisdiction. The bill further provides for case dispositive jurisdiction for magistrates in civil cases where the parties to the litigation consent to the exercise of such power by the magistrate.

When the 90th Congress enacted the Federal Magistrates Act in 1968 (Public Law 90–578), it created a system of full-time and part-time judicial officers who would perform various judicial duties under the supervision of the district courts in order to assist the judges of these courts in handling an ever-increasing caseload. The experiment has proven to be enormously successful. During the fiscal year 1977, magistrates performed a wide variety of additional duties for the district judges under the authority of 28, U.S.C., 636(b), including the conduct of 22,787 civil pretrial conferences in 66 districts, the disposition of 17,687 civil motions in 64 districts, the review of 8,515 prisoner petitions in 67 districts, the review of 3,449 social security appeals in 59 districts, and the service as special masters in 871 cases.

In addition, in the criminal area magistrates conducted 4,787 pretrial conferences, ruled on over 7,300 motions, and conducted nearly 22,000 arraignments for the various district courts in which they serve. Magistrates also heard over 85,000 petty offense cases and 17,181 other minor offenses. Magistrates conducted 83,357 preliminary proceedings in more serious criminal cases, of the nature of those formerly conducted by U.S. commissioners, the magistrates' predecessors.

In enacting the Federal Magistrates Act in 1968, the Congress clearly intended that the magistrate should be a judicial officer whose purpose was to assist the district judge to the end that the judge could have more time to preside at the trial of cases. The act facilitated a rational division of labor among judicial officers in the district court, as the magistrate would relieve the judge from personally hearing each and every pretrial motion or proceeding in the preparation of a case for trial. That the magistrates have fulfilled this function to date seems clear from the statistics relating to magistrate activity in the fiscal year 1977. The 1976 jurisdictional amendments to the Federal Magistrates Act clarified and broadened the role of magistrates in assisting district judges in the disposition of cases which would ordinarily be tried by a district judge. This bill would enlarge upon the jurisdiction of magistrates to actually allow them to conduct trials of cases and enter final judgments themselves, in both civil and criminal cases, where both parties to the case had consented. In the civil area the bill would permit magistrates, where specially designated by their district courts, to try any civil case upon the consent of the parties. No limitation is placed on the type of case which may be referred to a magistrate under this provision. Thus, cases may be referred regardless of complexity or the amount of recovery sought.

In the criminal area under present law magistrates are empowered to try persons accused of minor offenses for which maximum penalty that may be imposed does not exceed imprisonment for a term of 1 year or a fine of $1,000, or both (with certain limited exceptions), if the defendant consents to trial before a magistrate rather than before a district judge, and if the defendant also waives whatever right to trial by jury he may have. The bill would expand this trial jurisdiction to include any misdemeanor prosecuted in the Federal district court. The bill would also allow for the first time: First, the trials of misdemeanors above the petty offense level could be by jury before the magistrate; and second, that the Government would be permitted to petition the district court to remove a particular misdemeanor above the petty offense level from the magistrate for good cause shown.

During the last Congress this bill was unanimously enacted by the Senate and later was also enacted by the House of Representatives but failed in the final days of the Congress to make its way through the conference committee. It is my hope that I can bring this bill quickly before the Senate and that it again can receive expeditious treatment and final passage. I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 237

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Magistrate Act of 1979".

SEC. 2 Section 636 of title 28, United States Code, is amended—

(1) by redesignating subsections (c) through (f) thereof as subsections (d) through (g), respectively; and

(2) by inserting immediately after subsection (b) thereof the following new subsection:

"(c) Notwithstanding any provision of law to the contrary—

"(1) Upon the consent of the parties, a full-time United States magistrate or a part-time United States magistrate who is not engaged in the practice of law may conduct any or all proceedings in a jury or nonjury civil matter and order the entry of judgment in the case, when specially designated to exercise such jurisdiction by the district court or courts he serves.

"(2) Upon entry of judgment in any case referred under paragraph (1) of this subsection, an aggrieved party may appeal on the record to a judge of the district court in the same manner as on an appeal from a judgment of the district court to a court of appeals. Wherever possible the local rules of the district court and the rules promulgated pursuant to section 2072 of this title shall endeavor to make such appeal expeditious and inexpensive.

"(3) Cases in the district courts under paragraph (2) of this subsection may be reviewed by the appropriate United States court of appeals upon petition for leave to appeal by a party stating specific objections to the judgment. Nothing in this paragraph, however, shall be construed to be a limitation on any party's right to seek review by the Supreme Court of the United States.

"(4) Notwithstanding the provisions of paragraphs (2) and (3) of this subsection, at the time of reference to a magistrate, the parties may further consent to appeal directly to the appropriate United States court of appeals from the judgment of the magistrate in the same manner as an appeal from any other judgment of a district court. In this circumstance, the consent of the parties allows a magistrate designated to exercise civil jurisdiction under paragraph (1) of this subsection to direct the entry of a judgment of the district court in accordance with the Federal Rules of Civil Procedure. Nothing in this paragraph shall be construed as a limitation on any party's right to seek review by the Supreme Court of the United States.

"(5) The district court shall inform the parties of the provisions of this subsection. The court, however, shall not attempt to persuade or induce any party to consent to a reference of any civil matter to a magistrate under this subsection.

"(6) The court may, on its motion, or for good cause shown, vacate a reference of a civil matter to a magistrate under this subsection.".

SEC. 3. (a) The first sentence of section 631(b) of title 28, United States Code, is amended by inserting "reappointed to" immediately after "appointed or"; and

(b) Section 631 of title 28, United States Code, is amended by inserting immediately at the end thereof the following new paragraph:

"(5) He is selected pursuant to standards and procedures promulgated by the Judicial Conference of the United States. Such standards and procedures shall contain provision for public notice of all vacancies in magistrate positions and in the case of appointments to full-time magistrate positions for the establishment by the district courts of merit selection panels, composed of residents of the individual judicial districts, as to assist the courts in identifying and recommending persons who are best qualified to fill such positions.

(c) The Congress suggests that the district courts, in selecting individuals for appointment to magistrate positions, select the best qualified individuals regardless of race, color, sex, religion, or national origin.

Sec. 4. Section 633(c) of title 28, United States Code, is amended by striking the final sentence.

Sec. 5. Section 604(d)(3) of title 28, United States Code, is amended by adding immediately after the word "magistrates" the following: ", their professional backgrounds and qualifications, and any appeals that may be taken from the decisions of magistrates".

Sec. 6. Section 1915(b) of title 28, United States Code, is amended to read as follows:

"(b) Upon the filing of an affidavit in accordance with subsection (a) of this section, the court may direct payment by the United States of the expenses of (1) printing the record on appeal in any civil or criminal case, if such printing is required by the appellate court; (2) preparing a transcript of proceedings before a United States magistrate in any civil or criminal case, if such transcript is required by the district court, in the case of proceedings conducted under section 636(b) of this title or under section 3401(b) of title 18, United States Code; and (3) printing the record on appeal if such printing is required by the appellate court, in the case of proceedings conducted pursuant to section 636(b) of this title. Such expenses shall be paid when authorized by the Director of the Administrative Office of the United States Courts.".

Sec. 7. Section 3401 of title 18, United States Code, is amended—

(1) by amending subsection (a) to read as follows:

"(a) When specially designated to exercise such jurisdiction by the district court or courts he serves, a United States magistrate shall have jurisdiction to try persons accused of, and sentence persons convicted of, misdemeanors committed within that judicial district.";

(2) By amending subsection (b) to read as follows:

"(b) The magistrate shall carefully explain to the defendant that he has a right to trial before a district judge in any misdemeanor case, including a petty offense case, and that he also has a right to trial by jury before either a judge or magistrate. A petty offense case, however, shall not be tried before a jury except as guaranteed by the United States Constitution.

If the offense charged is a petty offense, the magistrate shall not try the case if the defendant, before the commencement of the trial, demands to be tried before a judge of the district court. If the offense charged is a misdemeanor other than a petty offense, the magistrate shall not try the case unless the defendant first signs a written consent to be tried before the magistrate that specifically waives a trial before a district judge.

(3) by adding at the beginning of subsection (d) the following:

"A magistrate may impose sentence and exercise all powers under chapter 402 of this title. No such sentence shall include a commitment for a period in excess of the maximum term which could have been imposed on an adult convicted of the same offense.";

(4) by amending subsection (f) to read as follows:

(f) The district court may order that proceedings in a misdemeanor case be conducted before a district judge rather than a United States magistrate upon the court's own motion or, for good cause, shown, upon petition by the attorney for the Government. Such petition should note the novelty, importance, or complexity of the case, or other pertinent factors, and be filed in accordance with regulations promulgated by the Attorney General."; and

(5) By adding at the end therefore the following new subsection:

(g) "A magistrate may exercise all powers of the court pursuant to chapter 403 of this title in the case of a juvenile accused of a violation which would be a misdemeanor, including a petty offense, if committed by an adult. If the violation would be a petty offense if committed by an adult, proceedings pursuant to chapter 403 may be initiated against the juvenile by a violation notice or complaint without the certification of the Attorney General referred to in section 5032 of this title. Any term of commitment or imprisonment imposed upon a juvenile by a magistrate shall not exceed six months."

Sec. 8. (a) The heading for section 3401 of title 18, United States Code, is amended by striking the words "MINOR OFFENSES" and inserting in lieu thereof "MISDEMEANORS".

(b) The item relating to section 3401 in the table of sections of chapter 219 of title 18, United States Code, is amended by striking the words "MINOR OFFENSES" and inserting in lieu thereof "MISDEMEANORS".

Sec. 9. Such sums as may be necessary to carry out the purposes of this Act are hereby authorized to be appropriated for expenditure on or after October 1, 1979.●

By Mr. TOWER:

S. 238. A bill to establish a Citizens Commission on Economic Regulatory Oversight to study Federal economic regulation and recommend the elimination of unnecessary regulatory agencies and laws, and for other purposes; to the Committee on Governmental Affairs.

CITIZENS COMMISSION ON ECONOMIC REGULATORY OVERSIGHT ACT OF 1979

● Mr. TOWER. Mr. President, I am today introducing a bill to establish a commission of citizens from outside the Government to review Federal economic regulatory agencies and laws and to recommend to Congress the elimination of those agencies, laws and regulations which are no longer needed.

THE HIGH COST OF GOVERNMENT

The almost unanimous voice of my constituents urging that I take steps to "get Government off their backs," led me in the last session of Congress to introduce the forerunner of my current bill to establish a Citizens Commission on Economic Regulatory Oversight.

The aims initially of Government involvement were the expected immediate benefits to flow from dollars invested or the social or economic problems to be solved over the long term. Performance fell short of the promise and more recently, the public focus has shifted to hard realities: Costs to the American taxpayer in terms of reduction in efficiency and productivity, paperwork, delays, and inflation.

In spite of the public concern and political rhetoric calling for less regulation, there has been no appreciable decline in Government intervention. For example, in the January 19, 1979, Federal Register, the Department of Health, Education, and Welfare reported that it had 453 significant regulations under development. The President's budget for fiscal year 1980 reveals that outlays for civil rights enforcement are projected to increase by 32 percent from $448 million in 1978 to $592.5 million in 1980. Outlays for pollution control and abatement enforcement activities are due to increase by about $100 million in 1979. Nor are the oldline alphabetical agencies taking a cut. The 1979 outlays for the FTC are anticipated to increase from $59,446,000 to $64,919,000; for the ICC, from $65,077,000 to $72,008,000; for the SEC, from $61,328,000 to $67,985,000; and for the FCC, from $64,084,000 to $70,154,000.

A current example may be seen in the recently passed Right to Financial Privacy Act which requires all financial institutions and credit card issuers to "notify promptly all of their customers of their rights" under the act. It has been estimated that the economic impact of sending multiple privacy disclosure notices to millions of people will cost approximately $1 billion.

Of gravest concern to me is the effect regulation is having on our productivity and capital formation.

Within the last decade, a new type of regulation which has nothing to do with harmful or unfair business practices has emerged to change the way capital is allocated. Thus, the large body of environmental regulation growing out of the Clean Air Act, the Occupational Safety and Health Act, and some portion of consumer protection legislation of the last 10 years oblige businesses to do things that they would otherwise not do because there is no market demand for these things. Regulatory agencies "require" business firms to use capital for purposes that they would not otherwise use it for because it would not yield the market rate of return.

The effect of such regulation is to allocate a larger portion of capital generated by businesses into investments required to meet the regulatory objectives such as clean air, a safer workplace, and so forth. This leaves a decreasing percentage for investments that are in response to market factors such as new products and new technology that increase productivity and our standard of living.

While I do not know of a responsible legislator who argues that a share of our capital resources should not go for social purposes, we are faced with the practical problem that if this practice is continued on a sufficiently large scale, it will cause our overall supply of capital to be reduced. Those savers who supply the capital must be compensated adequately or they will not voluntarily make their savings available. If a very large share of the savings invested in the business sector were mandated for social purposes, the private return on capital would visibly decline, and so would the supply of capital available for investments which would increase productivity.

The failure of our productivity rate to increase at an annual rate of more than 2 percent over this last decade of regulation should be of concern to all Americans. An unsatisfactory increase in the rate of productivity will lead to a lower standard of living for most Americans. Those citizens on the bottom rung of the ladder will suffer most because there will be no upward step for them to take.

Another major concern of mine is the effect regulation has on small business. Most of the regulatory laws that are passed by Congress and regulations that are issued by the agencies are framed with large corporations in mind. The corporate lobbyists and attorneys play an influential role in the shaping of these laws and regulations. Although they seldom get all they want, they at least make the laws and regulations "livable" for their clients. What is "livable" for the big boys "clobbers" the small enterpreneur. Small firms seldom have the computers, copying machines, lawyers, and accountants needed to comply with the paperwork demands of the regulators.

FUNCTIONS OF THE COMMISSION

The primary role of the Commission is to study and evaluate the functioning of the independent economic regulatory agencies and economic regulation generally. The focus of this study is to be on:

Whether, and to what extent, Federal laws and regulations which provide economic regulation and which have been in effect for 5 years or more accomplish their intended goals in light of the economic and judicial costs which they generate, including estimates of the increase in the cost to the consumer of housing, food, transportation, energy, and consumer products;

Which regulatory agencies, due to changed conditions or achievement of intended goals, are no longer needed;

Which regulatory agencies need to be strengthened or altered due to changed conditions; and

Whether economic and tax incentives or penalties may be substituted as alternatives to Federal rules, regulations, and standards.

In order that the Commission can complete its work in a timely fashion, it is anticipated that its research efforts will commence where the many excellent reports of Congress and commissions have left off. Prior work need not be duplicated. The primary effort of the Commission should be on its public hearings in an attempt to develop a national consensus on the appropriate role of the government in the market.

ALTERNATIVES TO REGULATION

An important role of the Commission is to look at alternatives to classical regulation.

First, it is intended that the Commission analyze the desirability of relying on the competitive marketplace to provide the greatest economic benefit to the American consumer. The early initiatives now being taken in the airline industry give strong indication that both the consumer and the industry benefit from deregulation. Looking at natural gas regulation, one finds that the nonregulated intrastate markets fare better than the regulated interstate markets.

Where the market factors are demonstrated to be unable to perform the needed regulatory function and Government intervention in some form appears necessary, the Commission is to look at alternatives to classical regulation. For example, economists have urged that taxes be used to aid in controlling certain kinds of pollution in lieu of regulatory standard-setting.

In some instances, the Commission may find that there are areas where classical regulation is needed but outmoded. Most observers feel that safety standards are needed for food and drugs but that these must be updated to keep pace with modern technology.

Mr. President, the piecemeal remedies and incremental intrusion of the heavy hand of Government into our daily lives and work are destroying individual incentives which are that wellspring of economic growth.

The Citizens Commission on Economic Regulatory Oversight would help channel public disenchantment with government meddling and mismanagement in the direction of constructive action—to give the public a forum and the tools to apply pressure on Congress to make changes by cracking down on unnecessary regulation. It would help develop the necessary public consensus for action.

Mr. President, I ask unanimous consent that the bill and the report of the Committee on Federal Legislation of the New York County Lawyers' Association be printed in the RECORD.

There being no objection, the bill and report were ordered to be printed in the RECORD, as follows:

S. 238

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Citizens Commission on Economic Regulatory Oversight Act of 1979".

ESTABLISHMENT OF COMMISSION

SEC. 2. There is established a Commission to be known as the Citizens Commission on Economic Regulatory Oversight (hereinafter referred to in this Act as the "Commission").

MEMBERSHIP

SEC. 3. (a) The Commission shall be composed of fifteen members appointed, from among distinguished citizens not employed in a full-time capacity by the United States, as follows:

(1) three members shall be appointed by the President of the Senate and two by the minority leader of the Senate,

(2) three members shall be appointed by the Speaker of the House of Representatives and two by the minority leader of the House of Representatives, and

(3) five members shall be appointed by the President.

(b) Any vacancy occurring in the membership of the Commission shall not affect its powers, and shall be filled in the same manner as in the case of the original appointment.

(c) Seven members of the Commission shall constitute a quorum for the transaction of its business, but the Commission may provide for the taking of testimony and the receiving of evidence at hearings at which there are present not less than three members of the Commission.

(d) The members of the Commission shall elect a Chairman and a Vice Chairman from among its members. It is the duty of the Vice Chairman to serve in the absence of the Chairman and carry out his duties and responsibilities.

(e) The members of the Commission shall be appointed not later than three months after the date of the enactment of this Act. If the members of the Commission have not been appointed within the above period, the Commission shall begin to transact business as soon as seven members have been appointed and shall have all the powers and authority to act as if the full membership had been appointed.

FUNCTIONS

SEC. 4. (a) It shall be the duty of the Commission to study and evaluate the functioning of the independent economic regulatory agencies in the United States, as well as economic regulation generally, and to present administrative and legislative recommendations to Congress.

(b) In carrying out its duties under subsection (a), the Commission shall conduct a study and analysis—

(1) of whether, and to what extent, Federal laws and regulations which provide economic regulation and which have been in effect for five years or more accomplish their intended goals in light of the economic and judicial costs which they generate, including estimates of the increase in the cost to the consumer of housing, food, transportation, energy, and consumer products;

(2) to determine which regulatory agencies, due to changed conditions or achievement of intended goals, are no longer needed;

(3) to determine which regulatory agencies need to be strengthened or altered due to changed conditions;

(4) of economic and tax incentives or penalties as alternatives to Federal rules, regulations, and standards; and

(5) of the variations in agency procedural requirements as well as compliance machinery.

(c) In carrying out its duties under this section, the Commission shall present to Congress an interim report one year after the time allotted for appointment of members as provided in section 3(e), and shall submit to the President and to the Congress a final report of its findings and recommendations not later than eighteen months after the appointment of members pursuant to section 3(e). The Commission shall cease to exist sixty days after its final report is submitted. The Commission shall not be required to obtain the clearance of any Federal agency prior to the submission of any interim or final report.

(d) In carrying out its functions, the Commission shall conduct town hall meetings in different sections of the country to learn the views of citizens of local communities on the topics of inquiry. These meetings may be conducted simultaneously in different sections of the country.

(e) In carrying out its functions, the Commission shall establish a toll free telephone number which may be used by citizens to express their views on the topics of injury.

POWERS OF THE COMMISSION

SEC. 5. (a) The Commission or, on the authorization of the Commission, any subcommittee or member thereof, may, for the purpose of carrying out the provisions of this Act, hold such hearings and sit and act at such times and places, administer such oaths, and require, by subpena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memoranda, papers, and documents as the Commission or such subcommittee or member may deem advisable.

(b) (1) Subpenas shall be issued under the signature of the Chairman or any member of the Commission designated by him and shall be served by any person designated by the Chairman or any members. Any member of the Commission may administer oaths or affirmation to witnesses appearing before the Commission.

(2) The provisions of section 1821 of title 28, United States Code, shall apply to witnesses summoned to appear at any such hearing. The per diem and mileage allowances to witnesses summoned under authority conferred by this section shall be paid from funds appropriated to the Commission.

(3) Any person who willfully neglects or refuses to qualify as a witness, or to testify, or to produce any evidence in obedience to any subpena duly issued under the authority of this section shall be fined not more than $500, or imprisoned for not more than six

months, or both. Upon the certification by the Chairman of the Commission of the facts concerning any such willful disobedience by any person to the United States attorney for any judicial district in which such person resides or is found, such attorney may proceed by information for the prosecution of such person for such offense.

(c) The Commission may acquire directly from the head of any department, agency, independent instrumentality, or other authority of the executive branch of the Government, available information which the Commission considers useful in the discharge of its duties. Each department, agency, and independent instrumentality, and any other authority of the executive branch of the Government, shall cooperate with the Commission and furnish all information requested by the Commission to the extent permitted by law.

ADMINISTRATION PROVISIONS

SEC. 6. (a) Subject to such rules and regulations as may be adopted by the Commission, the Commission is authorized—

(1) to appoint and fix the compensation of an Executive Director, and such additional personnel as it deems necessary to enable the Commission to carry out its functions, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to chapter 51 and subchapter III of chapter 53 of such title relating to classification in General Schedule pay rates, but—

(A) in the case of the Executive Director, at a rate equal to that for level V of the Executive Schedule under section 5316 of title 5, United States Code; and

(B) in the case of all other personnel, at rates not in excess of the maximum rate for GS-18 of the General Schedule under section 5332 of such title; and

(2) to procure temporary and intermittent services to the same extent as is authorized by section 3109 of title 5, United States Code.

(b)(1) The Commission is authorized to enter into agreements with the General Services Administration for procurement of necessary financial and administrative services, for which payment shall be made by reimbursement from funds of the Commission in such amounts as may be agreed upon by the Chairman and the Administrator of General Services.

(2) The Commission is authorized to make grants and enter into contracts for the conduct of research and studies which will assist it in performing its duties under this Act and all such grants and contracts shall be subject to the time limitations imposed upon the Commission by this Act.

(c)(1) Any Federal employee subject to the civil service laws, rules, and regulations may be detailed to the Commission, and such detail shall be without interruption or loss of civil service status or privilege.

(2) Any staff member of any committee of the Senate or of any committee of the House of Representatives may be detailed to serve on the staff of the Commission by the chairman of the respective committee. Any staff members so detailed shall serve on the staff of the Commission without additional compensation except that such staff member may receive such reimbursement of expenses incurred as the Commission may authorize.

COMPENSATION OF MEMBERS

SEC. 7. (a) The Chairman of the Commission shall receive compensation at a rate equal to the daily rate prescribed for level III of the Executive Schedule under section 5314 of title 5, United States Code, and the Vice Chairman shall receive compensation at a rate equal to the daily rate prescribed for level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day the Chairman or Vice Chairman is engaged in the performance of the duties vested in the Commission.

(b) All other members of the Commission who are not officers or employees of the Federal Government shall receive compensation at the rate of $200 for each day such member is engaged in the performance of the duties vested in the Commission.

(c) All members of the Commission shall be reimbursed for travel, subsistence, and other necessary expenses incurred in connection with their activities as members of the Commission.

AUTHORIZATION OF APPROPRIATIONS

SEC. 8. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

REPORT ON PROPOSED CREATION OF "LITTLE HOOVER COMMISSION" TO REVIEW FEDERAL ECONOMIC REGULATION

RECOMMENDATION: APPROVAL

S. 3459, 95th Cong., 2d Sess. (1978) would establish a twelve member[1] commission with an eighteen-month lifespan to review federal economic regulation as it has accumulated over the decades and to evaluate the independent economic regulatory agencies themselves to determine whether the regulators and their regulations may be failing to achieve their intended purposes or may be creating economically detrimental side effects.

Such an effort is urgently needed because of the tendency of our society to add new layers of rules to deal with our constantly shifting eocnomic problems, while paying minimal attention to those regulations which may have become counterproductive and thus no longer needed.

Unlike many other proposals, this bill would not add another permanent layer of bureaucracy to deal with problems involving existing institutions. Nor would it be aimed at a study of a particular subject matter area. Rather, it would seek to determine whether economic regulations in effect five years or more are worth their cost to consumers and which regulatory agencies should be either strengthened or eliminated. That this is a laudable goal, few could dispute.

In the absence of this type of independent, outside intervention, it is extraordinarily difficult for existing agencies, particularly those that may have become captives of the industries they regulate, to take the kind of critical introspective look at themselves that is so essential to efficiency in government.[2]

In recommending approval of the bill, we suggest that the Commission's charge include preparation of an analysis of the variations in agency procedural requirements[3] as well as compliance machinery.

In this way the triple threats of delay, expense and regulator overreaction can each be subjected to detailed examination.

The proposal has a precedent in the highly successful Commission on Organization of the Executive Branch of the Government ("Hoover Commission") created in 1947.[4]

There are two practical defects in this measure, however. First, the 18-month life span for the Commission seems inadequate for the discharge of the broad review committed to the body. The Commission will necessarily have to study areas of regulation individually or in related groups, and a 3-year or 5-year span for the entire job would seem more realistic. Second, the composition of the Commission (see note 1, *supra*) seems unlikely to produce the overall membership needed to get this job done effectively. Two-thirds of the members are to be appointed by the four separate congressional leaders, with one-third of the body to be appointed by the President. It would be better to reverse those proportions, or provide entirely for presidential appointment, so as to enable the President to have sufficient selections from which to assemble a balanced panel representing the varied groups interested in and affected by federal economic regulations.

Respectfully submitted,

Richard A. Givens, Chairman, Linda Hawley Asay, Sandra Lopez Bird, Edward Broksky, Matthew Burns, Evan A. Davis, Stephen V. Dubin, Elise Anne Geltzer, Robert Lawrence Geltzer, Robert John Grimm, Eric Thomas Haas, Jack Harold Halperin, Michael D. Hess, Robert Elihu Kushner, George William Leopold, Jr., Kim Quincy Matland, Henry Mittler, Solomon D. Monshine, Peter Henry Morrison, Peter M. Phillipes, Ellen M. Poler, Lorraine Cooper Presnick, James W. Rayhill, Peter Repetti, Martin Franklin Richman, Margarita C. Salvia, Salvatore F. Sangiorgi, Lisa A. Whitney, Robert W. Wien, Benjamin J. Zinkin, Lawrence X. Cusack, Ex-Officio, Daniel C. Draper, Ex-Officio.

FOOTNOTES

[1] Four members to be appointed by the President and two each by the House and Senate majority and minority leadership.

[2] See A. Jay, Management and Machiavelli (1968); Peter Drucker, Concept of the Corporation (1960); Robert Townsend, Up the Organization (1970); C. Northcote Parkinson, Parkinson's Law (1957); Peter & Hull, The Peter Principle (1969); Kharasch, The Institutional Imperative (1973); Gall, "Why Nothing Works the Way It's Supposed To", N.Y. Times, 12/26/76, p. 10; R. Alec Mackenzie, The Time Trap ch. 7 (1972); and compare Hermann Hesse, The Glass Bead Game (1943).

[3] See H. Rept. No. 95-575, 95th Cong., 1st Sess. (1977).

[4] Pub. L. 80-162, ch. 207, 1047 U.S. Code Cong. & Admin. News 256; for unanimous legislative committee comment, see id. at 1274-5, H. Rep. No. 704, 80th Cong., 1st Sess. (1947).

For a spectacularly successful example of the influence of the work of a broadly-based study commission, see To Preserve these Rights: Report of the President's Committee on Civil Rights (1947). On inter-interest group consultation in a number of other contexts, compare Frances Perkins, The Roosevelt I Knew (1946). See also Givens, "Deliberative Processes of the Committee on Labor and Social Security Legislation", 21 Record of The Ass'n of the Bar of the City of New York 482 (1966).●

By Mr. CRANSTON (for himself, Mr. WILLIAMS, and Mr. RIEGLE):

S. 239. A bill to authorize appropriations for programs under the Domestic Volunteer Service Act of 1973, to amend such Act to facilitate the improvement of programs carried out thereunder, and for other purposes; to the Committee on Human Resources.

DOMESTIC VOLUNTEER SERVICE ACT AMENDMENTS OF 1979

● Mr. CRANSTON. Mr. President, today I am introducing S. 239, the proposed "Domestic Volunteer Service Act Amendments of 1979". This bill is similar to S. 2617 which unanimously passed the Senate last July 21, but remained pending in the House of Representatives when the 95th Congress adjourned. It would extend for 3 additional years authorizations of appropriations in the Domestic Volunteer Service Act of 1973 for the VISTA program—Volunteers in Service to America—the service-learning programs, including University Year for ACTION—UYA—, and the discretionary programs administered by the ACTION Agency, and provide for the initiation of new volunteer programs focused on urban problems. I am joined in this legislation by the distinguished chairman of the Human Resources Committee (Mr. Williams) and the ranking majority member of the Child and Human Development Subcommittee (Mr. Riegle), which I am privileged to chair on that committee. They were also cosponsors of the predecessor legislation in the last Congress, S. 2617.

Mr. President, the major provisions of S. 239 are the following:

ANTIPOVERTY MISSION OF TITLE I PROGRAMS

Mr. President, S. 239 would continue the basic antipoverty nature of the title I programs—VISTA, service-learning programs, including the University Year for ACTION program (UYA), the agency's discretionary programs, and the new urban neighborhood volunteer programs—by requiring that 80 percent of the funds appropriated pursuant to title I must be spent on programs to eliminate poverty and poverty-related human, social, and environmental problems.

UNIVERSITY YEAR FOR ACTION

It would continue to propose protection—although consistently less than S. 2617 did—for the University Year for ACTION—UYA—program by modifying the limitations in present law on the funding for service-learning programs other than UYA so that the requisite amount to continue current commitments to UYA could be provided, dependent upon appropriations actions. Last year, the administration had recommended eliminating all funding for UYA projects beginning fiscal year 1979.

However, since the House was unable to act on extension legislation last year, UYA funding is being continued in fiscal year 1979 under a continuing resolution. Although the administration is requesting no funds for this purpose for fiscal year 1980, it is now requesting approximately $1.7 million for fiscal year 1979; the bill would assure that two-thirds of the first $1 million appropriated for learning programs are made available for UYA programs.

SPECIAL VOLUNTEER PROGRAM EMPHASIS

Mr. President, S. 239 would highlight special volunteer programs authorized to be conducted which would provide assistance to victims of domestic violence, and those which would focus on deinstitutionalization and on the provision of consumer counseling to fixed-income and low-income persons.

SHORT-TERM VOLUNTEER SUPPORT

It would provide the Director of the ACTION Agency with new authority to provide certain in-service support for short-term, part-time, volunteers enrolled for periods of service of 20 hours or more per week for 26 or more consecutive weeks.

URBAN NEIGHBORHOOD VOLUNTEER PROGRAMS

S. 239 would add a new part D—urban neighborhood volunteer programs—to title I of the present law. This new set of provisions results from some very successful collaboration between Senator Javits and myself working closely with the administration. The new programs authorized under the new part D would include "urban neighbors programs" and "national urban neighborhood priority programs." The priority programs would include a new program designated "helping hand" focused on deinstitutionalization, and a program to provide personal and group financial counseling to low-income and fixed-income individuals.

APPROPRIATE RECOGNITION OF ENCOURAGING CREDIT FOR VOLUNTEER WORK

S. 239 would include a new provision making it an affirmative responsibility of the Director of the ACTION Agency, in consultation with appropriate governmental units, to take all appropriate steps to encourage State and local governments, charitable, and service organizations, and private employers first to take into account experience in volunteer work in the consideration of applicants for employment and second to make provision for the listing and description of volunteer work on their employment application forms.

NONDISCRIMINATION PROVISION

S. 239 would extend the nondiscrimination provisions of the present law pertaining to volunteer service to include title VI of the Civil Rights Act, section 504 of the Rehabilitation Act of 1973, and the Age Discrimination Act of 1975, so as to cover both volunteers serving in programs authorized by the Domestic Volunteer Service Act of 1973 and volunteer applicants. It would charge the Director to establish a remedy process for volunteers and applicants for volunteer service in programs under the ACTION Agency (including Peace Corps service).

RURAL PROGRAMING EMPHASIS

Mr. President, S. 239 includes provisions to insure that the ACTION Agency gives appropriate focus to programing in rural as well as urban areas.

CHANGES FROM S. 2617 AS PASSED BY THE SENATE

Mr. President, in addition to these major provisions which also were included in the Senate-passed S. 2617 last year, S. 239 includes several modifications and new provisions which I would like to highlight for the benefit of my colleagues.

DELETION OF OLDER AMERICAN VOLUNTEER PROGRAM PROVISIONS

First and foremost, the provisions in S. 2617 amending the title II National Older American Volunteer Programs and significantly increasing the authorizations of appropriations for those programs for 3 additional years are not a part of the bill I am introducing today. Those provisions were enacted last Congress as part of Public Law 95–478, the Comprehensive Older Americans Act Amendments of 1978. My detailed remarks on the substance of those provisions are included in my October 14, 1978, floor statement on the conference report. As I indicated at that time, although I would have preferred that all amendments to the Domestic Volunteer Service Act of 1973, including the National Older American Volunteer Program amendments, be enacted in the same piece of legislation, I was quite satisfied with the conference provisions, and was pleased that the 95th Congress was able to provide 3 more years of life for these very valuable ACTION agency programs—the Retired Senior Volunteer Program (RSVP), the Foster Grandparent Program, and the Senior Companion Program.

Our action has been well justified by the Administration budget request for fiscal year 1980 to increase the appropriations for these programs by $10 million—a 17-percent increase—over the standstill fiscal year 1979 budget request and continuing resolution level. I am delighted that this amount would permit an increase in the Foster Grandparent/Senior Companion stipend up to $1.80.

Mr. President, the following are other differences between the Senate-passed S. 2617 and S. 239, some of which are the result of House/Senate staff discussions held last October to prepare for a compromise bill when it appeared that the House might take up the ACTION domestic programs extension legislation prior to adjournment:

GOVERNOR'S APPROVAL PROVISIONS

The new bill modifies somewhat the Governor's approval provisions for VISTA projects and volunteer assignments which were included in S. 2617. It retains those provisions which require the Governor to provide in writing his reasons for disaproval of a VISTA project or volunteer assignment, but does not include those S. 2617 provisions which would have given the Director of the ACTION agency, under certain circumstances, authority to override a Governor's disapproval.

NATIONAL STUDENT VOLUNTEER PROGRAM

As I indicated earlier, the new bill allows for funding at approximately the amount expended in recent years—$333,000—of title I, part B, service-learning programs of demonstrated effectiveness, such as the popular National Student Volunteer Program—NSVP—while assuring at least $667,00 for the UYA program. NSVP is a technical assistance program designed to encourage part-time campus volunteer efforts.

PRE-PROGRAM REPORTING REQUIREMENTS

The new bill deletes some of the extensive pre-program reporting requirements for the new part D urban initiatives which were included in S. 2617 as passed by the Senate in recognition of the fact that the Congress had not held hearings on the administration's specific plans for implementing the new programs. I intend to devote much attention to this subject at hearings I am calling on S. 239 for next month. Because of this change in circumstances, I do not believe that the expense and paperwork burdens that would be associated with the preprogram reporting requirements are justified. The Agency would still be required to include progress reports on its implementation of the urban initiatives in its annual report and to submit a special report on part D activities after 18 months. Moreover, the Subcommittee on Child and Human Development will be monitoring closely program implementation.

DELETION OF PROVISIONS RELATING TO TITLE III

The new bill does not include extensions of authorizations of appropriations for the small business-related volunteer programs previously authorized by title III of the Domestic Volunteer Service Act of 1973 which were included in S. 2617, since these provisions were repealed effective October 24, 1978, by Public Law 95–510, an act to amend the Small Business Act by transferring thereto those provisions of the Domestic Volunteer Service Act of 1973 affecting the operation of volunteer programs to assist small business, to increase the maximum allowable compensation and travel expenses or experts and consultants, and for other purposes.

Mr. President, as chairman of the Subcommittee on Child and Human Development which is responsible for the enabling legislation for and oversight of the domestic volunteer programs of the ACTION Agency, I have scheduled hearings on S. 239 for February 8 with the hope that we can move this bill quickly through the legislative process. As I indicated earlier in my remarks, a major focus of the hearing will be the proposed new part D urban initiatives.

Mr. President, the ACTION Agency programs involved in this legislation are currently operating under the authority of a continuing resolution which expires at the end of the current fiscal year. We owe it to the many dedicated individuals who serve in ACTION Agency programs, and we have a responsibility to the low-income client communities with whom they work to enact extension legislation for these ACTION Agency domestic volunteer programs without delay. The introduction of S. 239 in this, the second week of the 96th Congress, signifies our early start toward that goal.

Mr. President, having described the provisions of S. 239, I ask unanimous consent that the text of the bill and a section-by-section analysis be printed in the Record at the conclusion of my remarks.

There being no objection, the bill and analysis were ordered to be printed in the Record, as follows:

S. 239

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Domestic Volunteer Service Act Amendments of 1979".

Sec. 2. Section 103 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4951 et seq.) (hereinafter referred to as "the Act") is amended by—

(1) amending subsection (b) by—

(A) striking out "Prior to" and inserting in lieu thereof "Within thirty days after" in the second sentence; and

(B) inserting at the end thereof the following new sentence: "The Director shall offer to provide each volunteer enrolled for a period of fulltime service of one year or more under this title, and, upon the request of such volunteer, provide such volunteer with an individual and updated plan as described in the preceding two sentences."; and

(2) amending subsection (d) by—

(A) inserting "in a program or project" after "work";

(B) inserting "or project" after "program";

(C) striking out from "has not" in the first sentence through "concerned" in the second sentence and inserting in lieu thereof "such Governor or chief executive officer has not, within forty-five days of the date of such submission, notified the Director in writing, supported by a statement of reasons, that he or she disapproves such program or project. In the event of a timely request in writing, supported by a statement of reasons, by the Governor or other chief executive officer of the State concerned, the Director shall terminate the assignment of a volunteer"; and

(D) striking out "The assignment of a volunteer shall be terminated by the Director when so requested by the Governor or chief executive officer of the State concerned" and inserting in lieu thereof "In the event of a timely request in writing, supported by a statement of reasons, by the Governor or other chief executive officer of the State concerned, the Director shall terminate the assignment of a volunteer".

Sec. 3. Section 105(a)(2) of the Act is amended by amending the first sentence thereof to read as follows: "Stipends shall be payable only upon completion of a period of service, except that under such circumstances as the Director shall determine, in accordance with regulations which the Director shall prescribe, the accrued stipend, or any part thereof, may be paid to the volunteer, or, on behalf of the volunteer, to members of the volunteer's family or others during the period of the volunteer's service.".

Sec. 4. Section 114(a) of the Act is amended by—

(1) striking out in the first sentence "10" and inserting in lieu thereof "15";

(2) striking out in the second sentence "$6,700,000" both places it appears and inserting in lieu thereof "$4,600,000"; and

(3) inserting before the period in the second sentence a comma and "except that, notwithstanding the limitation provided in the first sentence of this subsection, of the funds made available for the operation of projects under this part, one-third of the first $1,000,000 may be used to continue programs of demonstrated effectiveness under this section".

Sec. 5. Section 122 of the Act is amended by—

(1) amending subsection (a) by—

(A) inserting "in urban and rural areas" after "programs" the first place it appears;

(B) striking out "and" the first place it appears and inserting a comma and "a program of assistance to victims of domestic violence, and the programs specified in section 134 (1) and (2) of this Act" after "abusers"; and

(C) inserting at the end thereof the following new sentence: "In carrying out programs authorized by this part, the Director is authorized to provide for the recruitment, selection, and training of volunteers."; and

(2) amendnig subsection (c) to read as follows:

"(c)(1) The Director, in accordance with regulations which the Director shall prescribe, may provide to volunteers enrolled for periods of part-time service of twenty hours or more per week for twenty-six or more consecutive weeks under this part such allowances, support, and services as are described in section 105(b) and as the Director determines are necessary to carry out the purpose of this part, and shall apply the provisions of sections 104(c) and 105(b) to the service of volunteers enrolled for full-time service under this part.

"(2) The Director, in accordance with regulations which the Director shall prescribe with respect to volunteers enrolled for periods of full-time service of one year or more under this part—

"(A) may provide to such volunteers such stipends, in total amounts not in excess of stipends provided under section 105(a) to volunteers serving under part A of this title, as the Director determines are necessary to carry out the purpose of this part; and

"(B) to the extent that the terms and conditions of the service of such volunteers are of similar character to the terms and conditions of the service of volunteers enrolled under part A of this title, shall apply to the service of such volunteers enrolled under this part the provisions of sections 103(b) (with respect to low-income community volunteers), 103(d), 104(d), and 105(a) to the extent such provisions are applied to the service of volunteers enrolled under such part A.".

Sec. 6. Section 221 of the Act is amended by striking out "Office of Economic Opportunity" and inserting in lieu thereof "Community Services Administration".

Sec. 7. (a) (1) Title I of the Act is amended by adding at the end thereof the following new part:

"PART D—URBAN NEIGHBORHOOD VOLUNTEER PROGRAMS

"STATEMENT OF PURPOSE

"Sec. 131. The purpose of this part is to strengthen and encourage the involvement of individuals, neighborhood groups, voluntary associations, labor organizations, local enterprises, local governments, and other local entities in community revitalization and person-to-person service activities in distressed urban neighborhoods by providing for Urban Neighborhood Volunteer Programs which build on the capacity of existing and emerging neighborhood groups, through the use of volunteers enrolled for a period of full-time service and volunteers enrolled for periods of part-time service, to assist in efforts to reverse deterioration of and improve the quality of life in their neighborhoods, particularly in situations where the application of human talent and dedication may assist in the solution of poverty and poverty-related problems, and to provide appropriate authorities and responsibilities designed to assist in the development and coordination of such programs.

"GENERAL PROVISIONS

"Sec. 132. (a) The Director is authorized to conduct or make grants to and contracts with public agencies and private nonprofit organizations, or both, for projects to carry out the purpose of this part in accordance with the authorities and subject to the restrictions in the provisions of this part.

"(b) The assignment of volunteers under this part shall be on such terms and conditions, and volunteers may be provided only such allowances, stipends, and benefits and be afforded such status and be subject to such restrictions as are provided for in this Act (except with respect to coverage under section 415(d)) for volunteers whose service and time commitment is of similar character. The Director shall take appropriate steps to encourage the assignment together of volunteers from various age groups, particularly young and old, and the use of volunteers enrolled for a period of full-time service of one year or more and volunteers enrolled for periods of part-time service in assignments as catalysts to extend the effectiveness of paid employees of projects and in assignments to carry out recruitment and placement activities.

"(c) Notwithstanding any other provision of this Act or any other law, not more than an amount equal to 15 per centum of the total amount available for grants and contracts and the conduct of programs under this part for each fiscal year shall be expended for administrative expenses from sums appropriated under section 504 of this Act in order to carry out this part.

"(d) In prescribing regulations to carry out this part and in designating lead agencies pursuant to section 133(a) of this Act, the Director shall consult with the Director of the Community Services Administration established under section 601(a) of the Economic Opportunity Act of 1964, as amended (42 U.S.C. 2941(a)).

"AUTHORITY TO OPERATE URBAN NEIGHBORS PROGRAMS

"SEC. 133. (a)(1) The Director, with the concurrence of the mayor or other chief elected governmental authority of an urban area with distressed neighborhoods, is authorized to designate and provide financial assistance to a lead agency in accordance with the provisions of paragraph (2) of this subsection to support the efforts of teams (each team consisting of one professional employee familiar with the distressed urban area in question, at least one volunteer enrolled for a period of full-time service of one year or more, and volunteers enrolled for periods of full-time and part-time service) and essential support staff to operate Urban Neighbors Programs to carry out community revitalization and person-to-person service activities in distressed urban neighborhoods through—

"(A) the recruitment, on a request-for-service basis, of volunteers who possess needed skills and the matching of such volunteers with neighborhood groups requiring the skills of such volunteers in carrying out community revitalization and person-to-person service projects, with appropriate emphasis on activities to carry out the national neighborhood priority programs established under section 134 of this Act;

"(B) the development of a resource bank listing locally-recruited persons willing to serve as volunteers enrolled for periods of part-time service to assist such group in such projects;

"(C) the encouragement of the development of neighborhood groups in distressed urban neighborhoods to carry out such projects;

"(D) the coordination and facilitation of volunteer assistance available pursuant to subsection (b) of this section; and

"(E) such other activities consistent with the provisions of this part as the Director determines are necessary to carry out the purpose of this part.

"(2) An organization which is a public or private nonprofit organization (such as a local governmental agency, a community action agency, a community college, a broad-based coalition of neighborhood groups, or other voluntary organization or agency) or a combination of such organizations may qualify for designation as a lead agency under paragraph (1) of this subsection. In the selection of lead agencies, the Director shall assure that—

"(A) an application process, pursuant to regulations which the Director shall prescribe, has been established for organizations and agencies interested in being designated as a lead agency;

"(B) public announcement has been made and other appropriate efforts have been made to provide individual notification about such process to potentially eligible organizations and agencies; and

"(C) special consideration is given to those organizations and agencies which have demonstrated their effectiveness in serving persons in distressed urban areas and in mobilizing volunteers, coordinating volunteer assistance projects, and working with other appropriate private, public, and voluntary organizations and agencies or Federal, State, and local governmental agencies, with priority given to community action agencies (as defined in section 212(b) of this Act) of such demonstrated effectiveness where the program in the urban area in question will focus predominantly on low-income persons served by such agency.

"(b)(1) The Director is authorized to provide directly, and not by grant or contract, appropriate assistance to programs operated under this section, including (A) the recruitment of scarce-skill volunteers to assist in projects carried out pursuant to this part, (B) the provision, where appropriate, of such payments (such as essential job-related expenses) to volunteers serving under this part as are authorized under section 132(b) of this Act, and (C) the provision of technical, management, and coordination assistance for lead agencies designated under subsection (a) of this section.

"(2) The Director, after consultation with the mayor or other chief elected governmental authority of the urban area involved, is authorized to make neighborhood seed-money grants to nonprofit organizations in distressed urban neighborhoods (either directly or for distribution to such organizations by lead agencies designated under subsection (a) of this section) for the purpose of promoting volunteer activities in such neighborhoods, and providing volunteers working in neighborhood groups with such materials, tools, supplies, training, and administrative support as the Director deems necessary to enable such volunteers to work effectively, in community revitalization and person-to-person service projects. No nonprofit organization grantee shall be eligible to receive in any fiscal year funds under this subsection in excess of $15,000 or a total of $30,000 over any three fiscal years for use by an entity in a particular neighborhood.

"(3) Not more than 30 per centum of the sums appropriated to carry out this part for each fiscal year shall be used for the purpose of making grants under this subsection in any fiscal year.

"(c) With respect to activities carried out under this section to assist low-income persons residing in areas served by community action agencies (as defined in section 212(b) of this Act), lead agencies designated under subsection (a) of this section and the Director shall consult with such community action agencies, and, with respect to activities carried out under this section to assist elderly persons residing in an area served by an area agency on aging designated under title III of the Older Americans Act of 1965, as amended (42 U.S.C. ch. 35), such lead agencies and the Director shall consult with such agency.

"AUTHORITY TO DEVELOP AND CARRY OUT NATIONAL URBAN NEIGHBORHOOD PRIORITIES PROGRAMS

"SEC. 134. The Director shall develop and carry out National Urban Neighborhood Priorities Programs, including—

"(1) a program designated 'Helping Hand', utilizing person-to-person services to reduce the necessity for institutionalization (in hospitals, mental institutions, nursing homes, other extended-care settings, and facilities) and to ameliorate residential isolation (through senior centers, halfway-house facilities, and other settings) of older persons, handicapped persons, and other affected persons, stressing interactions between persons from various age groups, particularly young and old, and carried out in coordination with the appropriate State system for the protection and advocacy of the rights of persons with developmental disabilities established pursuant to amendments made by section 203 of the Developmental Disabilities Assistance and Bill of Rights Act (Public Law 94–103);

"(2) a program designed to provide personal and group financial counseling to low- and fixed-income individuals, utilizing volunteers with specialized or technical expertise; and

"(3) such other additional program as the Director may identify each year as a national program priority (based on the Director's determination that the activities to be carried out under such program have been demonstrated in programs carried out under part C of this title to be effective in achieving their purposes) to stimulate and initiate improved methods of utilizing volunteers to carry out the purpose of this part, and the continuation of any such programs as the Director may determine.".

(2) Not later than 18 months after funds are first made available to carry out activities under part D of title I of this Act (as added by paragraph (1) of this subsection), the Director of the ACTION Agency shall submit to the appropriate committees of the Congress a report on programs, activities, grants, and contracts so carried out, including a description of all programs established and contracts and grants made under such part D and funds obligated therefor and thereunder and the specific arrangements for the conduct of evaluations of such programs, activities, grants, and contracts pursuant to section 417 of this Act.

(b) The table of contents of the Act is amended by inserting below the heading for section 123 the following:

"PART D—URBAN NEIGHBORHOOD VOLUNTEER PROGRAMS

"Sec. 131. Statement of purpose.
"Sec. 132. General provisions.
"Sec. 133. Authority to operate Urban Neighbors Programs.
"Sec. 134. Authority to develop and carry out National Urban Neighborhood Priorities Programs.".

SEC. 8. Section 404(g) of the Act is amended by—

(1) inserting "(1)" after "(g)";

(2) inserting before the period at the end of paragraph (1) (as redesignated by clause (1) of this section) a colon and "*Provided*, That this paragraph shall not apply in the case of such payments when the Director determines that the value of all such payments, adjusted to reflect the number of hours such volunteers are serving, is equivalent to or greater than the minimum wage then in effect under the Fair Labor Standards Act of 1938, as amended (29 U.S.C. 201 et seq.)"; and

(3) inserting at the end thereof the following new paragraph:

"(2) Notwithsanding any other provision of law, a person enrolled for full-time service as a volunteer under title I of this Act who was otherwise entitled to receive assistance or services under any governmental program prior to such volunteer's enrollment shall not be denied such assistance or services because of such volunteer's failure or refusal to register for, seek or accept employment or training during the period of such service."

SEC. 10. Section 410 of the Act is amended by inserting at the end thereof the following new sentence: "The Director, in consultation with the Director of the Office of Personnel Management and the Secretaries of Labor, Commerce, and the Treasury and officials of other appropriate departments and agencies, shall take all appropriate steps to encourage State and local governments, charitable and service organizations, and private employers (1) to take into account experience in volunteer work in the consideration of applicants for employment, and (2) to make provisions for the listing and description of volunteer work on all employment application forms.".

SEC. 10. Section 414 of the Act is amended by inserting "among various regions of the country and" after "equitably".

SEC. 11. Section 415 is amended by—

(1) amending subsection (b) by—

(A) striking out in the first sentence "in programs under title I of this Act for periods of service of at least one year" and inserting in lieu thereof "as volunteers for periods of full-time service, or, as the Director deems appropriate in accordance with regulations, for periods of part-time service of not less than twenty hours or more per week for twenty-six or more consecutive weeks, under title I of this Act";

(B) striking out in clause (3) "and";

(C) amending clause (4)(A) by striking out "the monthly pay of a volunteer shall be deemed that received under the entrance salary for a grade GS–7 employee," and inserting in lieu thereof "the annual rate of pay of a volunteer enrolled for a period of full-time service under such title I shall be deemed to be that received under the entrance salary for a grade GS–7 employee, and the annual rate of pay of a volunteer enrolled for a period of part-time service under such title I shall be deemed to be such entry salary or an appropriate portion thereof as determined by the Director,"; and

(D) striking out the period at the end thereof and inserting in lieu thereof a comma and "and (5) be deemed employees of the United States for the purposes of section 5584 of title 5, United States Code (and stipends and allowances paid under this Act shall be considered as pay for such purposes."); and

(2) inserting at the end thereof the following new subsection:

"(f)(1) The remedy—

"(A) against the United States provided by sections 1346(b) and 2672 of title 28, United States Code, or

"(B) through proceedings for compensation or other benefits from the United States as provided by any other law, where the availability of such benefits precludes a remedy under section 1346(b) or 2672 of such title 28,

for damages for personal injury, including death, allegedly arising from malpractice or negligence of a physician, dentist, podiatrist, optometrist, nurse, physician assistant, expanded-function dental auxiliary, pharmacist, or paramedical (for example, medical and dental technicians, nursing assistants, and therapists) or other supporting personnel in furnishing medical care or treatment while in the exercise of such person's duties as a volunteer enrolled under title I of this Act shall hereafter be exclusive of any other civil action or proceeding by reason of the same subject matter against such person (or such person's estate) whose action or omission gave rise to such claim.

"(2) The Attorney General shall defend any civil action or proceeding brought in any court against any person referred to in paragraph (1) of this subsection (or such person's estate) for any such damage or injury. Any such person against whom such civil action or proceeding is brought shall deliver, within such time after date of service or knowledge of service as determined by the Attorney General, all process served upon such person or an attested true copy thereof to such person's immediate supervisor or to whomever is designated by the Director to receive such papers, and such person shall promptly furnish copies of the pleading and process therein to the United States attorney for the district embracing the place wherein the proceeding is brought and to the Attorney General.

(3) Upon a certification by the Attorney General that the defendant was acting in the scope of such person's volunteer assignment at the time of the incident out of which the suit arose, any such civil action or proceeding commenced in a State court shall be removed without bond at any time before trial by the Attorney General to the district court of the United States of the district and division embracing the place wherein it is pending and the proceeding deemed a tort action brought against the United States under the provisions of title 28, United States Code, and all references thereto. After removal the United States shall have available all defenses to which it would have been entitled if the action had originally been commenced against the United States. Should a United States district court determine on a hearing on a motion to remand held before a trial on the merits that the volunteer whose act or ommission gave rise to the suit was not acting within the scope of such person's volunteer assignment, the case shall be remanded to the State court.

"(4) The Attorney General may compromise or settle any claim asserted in such civil action or proceeding in the manner provided in section 2677 of title 28, United States Code, and with the same effect.".

Sec. 12. Section 417 of the Act is amended by—

(1) inserting at the end of subsection (a) the following new sentence: "For the purposes of this subsection, title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), and the Age Discrimination Act of 1975 (Public Law 94–135, title III; 42 U.S.C. 6101 et seq.), any project or activity to which volunteers are assigned under this Act shall be deemed to be receiving Federal financial assistance."; and

(2) inserting at the end thereof the following new subsection:

"(c) The Director shall apply the nondiscrimination policies and authorities set forth in section 717 of the Civil Rights Act of 1974 (42 U.S.C. 2000e–16), in title V of the Rehabilitation Act of 1973 (29 U.S.C. ch. 16, subch. V), and in the Age Discrimination Act of 1975 (Public Law 94–135, title III; 42 U.S.C. 6101 et seq.) to applicants for enrollment for service as volunteers and to volunteers serving under this Act and the Peace Corps Act (22 U.S.C. 2501 et seq.), and any remedies under such laws shall be available to aggrieved such applicants or volunteers. Not later than ninety days after the date of the enactment of this Act, the Director, after consultation with the Equal Employment Opportunity Commission with regard to the application of the policies set forth in section 717 of such Civil Rights Act and with the Interagency Coordinating Council (established by section 507 of the Rehabiliation Act of 1973 (29 U.S.C. 797)) and the Interagency Committee on Handicapped Employees (established by section 501(a) of such Rehabilitation Act (29 U.S.C. 791(a))) with regard to the application of the policies set forth in title V of such Rehabilitation Act, and not later than ninety days after the Secretary of Health, Education, and Welfare publishes final general regulations to carry out such Age Discrimination Act, the Director, after consultation with the Secretary with regard to the application of the policies set forth in such Act, shall prescribe regulations establishing the procedures for the application of such policies so as to promote the enrollment and services of persons as such volunteers without regard to the discriminatory factors proscribed in such laws.".

Sec. 13. (a) Title IV of the Act is amended by adding at the end thereof the following new section:

"REDUCTION OF PAPERWORK

"Sec. 423. In order to reduce unnecessary, duplicative, or disruptive demands for information, the Director, in consultation with other appropirate agencies and organizations, shall continually review and evaluate all requests for information made under this Act and take such action as may be necessary to reduce the paperwork required under this Act. The Director shall request only such information as the Director deems essential to carry out the purposes and provisions of this Act.".

(b) The table of contents of the Act is amended by inserting below the heading for section 422 the following:

"Sec. 423. Reduction of paperwork.".

Sec. 14. Title V of the Act is amended by—

(1) amending section 501 by—

(A) striking out "(a)" and striking out "and" after "September 30, 1977," in the first sentence, and inserting "September 30, 1979, September 30, 1980, and September 30, 1981," after "September 30, 1978," in such sentence;

(B) striking out "$29,600,000" in the second sentence of subsection (a) and inserting in lieu thereof "80 per centum", striking out "this" and inserting in lieu thereof "such", and inserting before the period a comma and "and, of the sums so appropriated, not more than $5,000,000 for the fiscal year ending September 30, 1979, not more than $27,500,000 for the fiscal year ending September 30, 1980, and not more than $30,000,000 for the fiscal year ending September 30, 1981, shall be available for the purpose of carrying out part D of such title: *Provided*, That, notwithstanding any other provision of law, no sums appropriated for such purpose shall be obligated or expended (except insofar as is necessary in order to comply with clause (2) of this section) unless (1) not less than a total of $72,000,000 has been appropriated and made available under section 502 of this Act, and (2) not less than $8,100,00 of the sums appropriated for the purpose of carrying out such part D has been obligated for carrying out the programs authorized by section 134 (1) and (2) of this Act"; and

(C) striking out the last sentence of subsection (a) and all of subsection (b); and

(2) amending section 504 by striking out "and" after "September 30, 1977,", and inserting "September 30, 1979, September 30, 1980, and September 30, 1981," after "Septemper 30, 1978,".

Sec. 15. Not later than February 1, 1979, the Director of the ACTION Agency shall submit to the appropriate committees of the Congress a report specifying the special needs and circumstances to be addressed in designing programs under the Domestic Volunteer Service Act of 1973 for implementation in rural areas, and a strategy and timetable for meeting such needs and circumstances.

Sec. 16. Section 5(b) of the Act entitled "An Act to amend further the Peace Corps Act, and for other puropses", approved November 14, 1975 (Public Law 94–130; 89 Stat. 684), is amended by striking out the last sentence thereof.

Section-by-Section Analysis of S. 239, the Proposed Domestic Volunteer Service Act Amendments of 1979

Section 1 establishes the short title of the bill as the "Domestic Volunteer Service Act Amendments of 1979".

Section 2(1) amends section 103(b) of the Act to modify the career provisions for low-income VISTA volunteers by requiring that a plan for each such volunteer designed to provide opportunity for job advancement or for transition to a situation leading to gainful employment be developed within 30 days after the assignment of the volunteer, rather than prior to such volunteer's assignment. Section 103(b) is also amended to provide that such career development assistance be provided to any other volunteer (enrolled for at least 1 year of full-time service under title I) who requests such assistance.

Section 2(2) amends section 103(d) of the Act, which presently prohibits the assignment of volunteers to a state unless the Governor has been given 45 days advance notice of the project and has not disapproved it, by providing that if a Governor requests the Director to terminate the assignment of a volunteer within a state, the Director must do so within 30 days. The amendment requires a Governor to state, in writing, the reasons for disapproval of a project or the assignment of a volunteer, or of a request for termination of a project or a volunteer.

This authority is derived from that contained in section 242 of the Economic Opportunity Act of 1964, as amended (42 U.S.C. § 2834) with respect to community action programs.

Section 3 amends section 105(a)(2) of the Act, relating to the payment of volunteers' end-of-service stipends, to make it consistent with a similar provision in the Peace Corps Act. The purpose of the amendment is to authorize advances of the end-of-service stipend under such conditions as the Director of the ACTION Agency shall determine, rather than only in "extraordinary circumstances," as is the case at present.

Under the new provision, the Director could, for instance, authorize the advance of part of the end-of-service stipend for purchase of U.S. Savings Bonds, as has been done with respect to the readjustment allowances of Peace Corps volunteers.

Section 4 amends section 114(a) of the Act, which currently prohibits the expenditure of more than 10 percent of the first $6,700,000 of the service-learning program appropriation for programs other than UYA. The amendments would raise the 10 percent to 15 percent and reduce the $6,700,000 to $4,600,000, so that if the full $4.6 million is appropriated, the requisite amount to continue current commitments to UYA would be available (approximately $3.9 million) for UYA in addition to allowing expenditures for non-UYA service-learning activities. An exception is provided so that one-third of the first $1,000,000 appropriated may be used to continue service-learning programs other than UYA which have demonstrated their effectiveness, such as the National Student Volunteer Program.

Section 5(1) amends section 122(a) of the Act—the Director's discretionary special volunteer and demonstration project authority—to encourage development of these programs in both rural and urban areas and to include specific mention of a program to provide assistance to victims of domestic violence, and the "Helping Hand" and fixed income consumer counseling programs authorized in the proposed new title I, part D. The amendment also clarifies the authority for the Director to recruit, select and train volunteers.

Section 5(2) revises subsection (c) of section 122 to allow the Director, for the first time, to provide, except for stipends (end-of-service allowances), support for short-term, part-time volunteers who are enrolled for periods of service of 20 hours or more per week for 26 or more consecutive weeks. The amendment also (1) requires that full-time volunteers serving in part C programs take the same oath required for VISTA volunteers by section 104(c), and that the Director insure that they have sufficient support to carry out their assignments (as required for VISTA volunteers by section 105(b)). (2) provides the Director with discretionary authority to provide stipends, in amounts not to exceed the stipends for VISTA volunteers, to full-time, full-year volunteers enrolled under part C programs (such as the National Youth Service demonstration program); and, with respect to those full-time, full-year volunteers whose service under part C is of similar character to VISTA service under part A, requires application of the provisions of section 103(b) (relating to employment counseling and services to low-income community volunteers) section 103(d) (relating to the Governor's veto), section 104(d) (relating to grievance procedures), and section 105(a) (relating to the payment of stipends) to the extent those provisions are applied to part A volunteer service.

Section 6 is a technical amendment to section 221 of the Act by striking "Office of Economic Opportunity" and inserting in lieu thereof "Community Service Administration", which is the name given that agency by section 9(a) of the Headstart, Economic Opportunity, and Community Partnership Act of 1974 (Public Law 93-644).

Section 7 (a) amends title I of the Domestic Volunteer Service Act of 1973 (Public Law 93-113) by adding a new part D—"Urban Neighborhood Volunteer Programs." The new part D combines provisions of the Javits proposals introduced in the 95th Congress for an Urban Service Corps (S. 2740), Senator Cranston's proposals, and the Carter administration urban policy proposals (submitted on April 13, 1978) for a new partnership among governments, voluntary associations, local businesses, neighborhood groups, and individuals to work for urban social and community development. The strength of the approach in new part D lies in its recognition of the vital role which can be played by neighborhood groups through volunteer activities and through teaming volunteers and paid workers to combat urban ills, and in the opportunities it provides for residents of all ages to join together in urban areas in providing person-to-person services to persons in distressed urban areas and elsewhere who need special help to overcome isolation and poverty, poverty-related, or near-poverty conditions.

The new programs authorized by the new part D include "Urban Neighbors Programs" and "National Urban Neighborhood Priority Programs" (which shall include a program designated "Helping Hand," and a program to provide personal and group financial counseling to low- and fixed-income individuals.

NEW PART D—"URBAN NEIGHBORHOOD VOLUNTEER PROGRAMS"

New Section 131 sets forth the purpose of the new part—to strengthen and encourage the involvement of individuals, neighborborhood groups, voluntary associations, labor organizations, local enterprises, local governments, and other local entities (including community action agencies) in community revitalization and person-to-person service activities in distressed urban neighborhoods; and to build on the capacity of existing and emerging neighborhood groups, through the assistance of part-time and full-time volunteers, to assist in efforts to reverse deterioration and improve the quality of life in their neighborhoods.

Program emphasis is directed to problems associated with poverty.

Subsection (a) of new section 132 provides the Director of the ACTION Agency with the authority to establish and operate programs and projects pursuant to the new part D.

New Subsection (b) of new section 132 provides that volunteers working in the new part D programs would serve under the same terms, conditions, and restrictions, and would receive and accrue and be subject to the same limitations as volunteers of similar character serving in programs under the various authorities of the Domestic Volunteer Service Act of 1973. These provisions will serve to encourage—as subsection (b) also requires—the working together of volunteers from various age groups and of volunteers able to commit themselves to various periods of full-time and part-time service, while insuring that volunteers serving under this part receive no more or no fewer benefits than volunteers of a similar character serving in other programs under the act, such as VISTA, Foster Grandparents, or RSVP.

Thus, all full-time volunteers would be deemed to be Federal employees to the extent provided in section 415 of the Act, except that section 415(d) relating to noncompetitive appointment to the competitive civil service would not apply to any such volunteers. To the extent that full-time volunteers are enrolled for a full year of service, they would be eligible to receive both stipends and allowances, not in excess of those paid to VISTA volunteers. Part-time volunteers would not be eligible to receive either stipends or allowances, except that volunteers enrolled for not less than 20 hours per week for at least 26 weeks could be paid appropriate allowances (but not stipends). To the extent that volunteers under this part meet the eligibility requirements of section 404(g) of the Act, relating to income disregard for public assistance eligibility, that section would apply to them.

New subsection (c) of new section 132 provides that administrative expenses (appropriated under section 504 of the act) for carrying out the new part D may not exceed 15 percent of the amount available for carrying out part D programs.

Subsection (d) of new section 132 requires consultation between the Directors of the ACTION Agency and the Community Services Administration both during the process of establishing regulations to carry out the new part D programs and in designating lead agencies to carry out the Urban Neighbors Programs authorized by new section 133(a).

Section (a) of the new section 133 establishes "Urban Neighbors Programs" under which the Director—with the concurrence of the mayor or other chief elected governmental authority of an urban area with distressed neighborhoods—would designate and provide financial assistance to a "lead agency" to coordinate and support community revitalization and person-to-person projects in distressed urban neighborhoods. Paragraph (2) of the subsection specifies that an organization which is a public or private nonprofit organization (such as a local governmental agency, a community action agency, a community college, a broad-based coalition of neighborhood groups, or other voluntary organization or agency) or a combination of such organizations may qualify for designation as a lead agency.

In the selection of lead agencies, the Director of the ACTION Agency is directed to assure (a) that an application process is established for agencies and organizations interested in being designated as a lead agency; (b) that public announcement and other appropriate efforts have been made to provide individual notification to potentially eligible organizations and agencies of that process; and (c) that special consideration be given to those organizations and agencies that have demonstrated their effectiveness in serving persons in distressed urban areas in mobilizing volunteers, coordinating volunteer assistance projects, and working with other appropriate private, public, and voluntary organizations and agencies or Federal, State, and local governmental agencies. The requirement that there be "appropriate efforts" made by the agency to make individual notification to potential lead agencies does not require that any particular type of potential lead agency receive individual notification, although community action agencies will be so notified in every case where a section 133(a) grant is being contemplated and where the Agency has decided to designate other than the CAA as the lead agency.

Under subsection (a), the Director would further give "priority" in the lead agency designation process—that is, a presumptive role as the lead agency—to a community action agency (CAA) of demonstrated effectiveness in terms of the enumerated factors where the section 133(a) program in the urban area in question will focus predominately on low-income persons residing in the area served by the CAA. In such cases, it is the intention underlying this provision that such a CAA should be designated as the lead agency unless there is strong justification for concluding that another agency in the area would be superior. This priority would not supersede the request in new section 133(a)(1) that the mayor or other chief elected official must approve of the lead agency designation.

The "lead agency" would be required to provide staff consisting of a team or teams of paid employees and volunteers (each team composed of one professional employee familiar with the neighborhood and the support systems which can assist in its revitalization, at least one full-time volunteer, and part- and full-time volunteers) and essential support staff. Their work would include—

(1) the recruitment, on a request-for-service basis, of volunteers who possess needed skills (such as lawyers, architects, city planners) and the matching of such volunteers with neighborhood groups requiring their skills with appropriate emphasis on activities consistent with the national neighborhood priority programs established under section 134;

(2) the development of a resource bank listing locally recruited persons willing to volunteer to work with the neighborhood groups in carrying out community revitalization and person-to-person projects;

(3) the encouragement of the development of neighborhood groups in distressed urban neighborhoods to carry out such projects;

(4) the coordination and facilitation of volunteer assistance authorized under the new part (section 133(b)(1)); and

(5) such other activities consistent with the provisions of the new part as the Director determines are necessary to carry out the purpose of the part.

The process of lead agency selection will be based on a partnership with the chief elected official who will be involved in the process from the outset. No proposal will be funded without the concurrence of the chief elected official. It is expected that this process will include the following operational steps:

1. First notice of availability of "urban neighbors programs" grants will go to the mayor.

2. The ACTION Agency and the mayor will work together in developing a proposal from the lead agency.

3. A letter of support from the mayor will be required as part of all lead agency proposals.

Subsection (b)(1) of new section 133 authorizes the Director to provide directly (but not by grant or contract) for backup assistance to lead agencies through the Agency's regional and State offices. *Subsection (b)(2) of new section 133* authorizes the Director, as part of the "urban neighbors programs," to make neighborhood seed money grants (similar to the successful "mini-grants" program now operated by the ACTION Agency)—after consultation with the mayor or other chief elected governmental authority of the urban area involved—generally averaging $5-7 thousand, but restricted to not in excess of $15 thousand nor a total of more than $30 thousand over any 3 fiscal years to a particular entity for use in a particular neighborhood. The purpose of these grants is to promote volunteer activities in community revitalization and person-to-person service projects and provide volunteers working in neighborhood groups with such materials, tools, supplies, training, and administrative support as the Director deems necessary to enable such volunteers to work effectively in such projects. The grants would be made to nonprofit organizations in distressed urban neighborhoods either directly or for distribution by lead agencies. Not more than 30 percent of the sums appropriated for the new part shall be used to fund the neighborhood seed-money grants program. It is expected that the mayoral concurrence process will be followed as follows:

1. Advance Notice.—Upon receipt of proposals from neighborhood groups the ACTION Agency will send a letter to the appropriate mayor or chief elected official. This letter will notify the mayor that the proposals have been submitted.

2. Formal Notice of Intent.—After the ACTION Agency has screened the proposals and selected the finalists, the ACTION Agency will notify the mayor or chief elected official of the intent to award a grant. The mayor will have 30 days to communicate concurrence or nonconcurrence. If the mayor takes no action within 30 days the grant will be awarded. If the mayor informs the ACTION Agency within 30 days that he or she does not concur within the 30 day period, no award will be made.

In focusing the urban neighborhood volunteer programs on distressed urban neighborhoods, it is intended to provide the Director with authority to provide assistance to a wider range of neighborhoods and communities than those that meet the test of a poverty target area because they have a high proportion of low-income residents. Neighborhoods might be suffering from stress, for instance, because of a combination of some or all of the following: racial tensions, deterioration or lack of needed municipal services, instability of population, deterioration of housing stock, displacement of residents, or any one of a number of other conditions which combine to prevent the realization of a vital, stable urban environment. The committee expects that the Director will develop standards for determining those areas which may be considered distressed.

It is recognized that the term neighborhood is an imprecise one, and intends that it shall be interpreted to include logical groupings of individuals and families in contiguous areas who are affected in common by the problem sought to be addressed, without regard to traditional political or other subdivisions.

Subsection (c) of new section 133 requires the Director to consult regarding section 133 activities (1) with the respective CAA when an agency other than a CAA is designated as the lead agency and where section 133 Urban Neighbors Program activities will assist low-income persons served by CAA's, and (2) when Urban Neighbors Program activities will assist elderly persons residing in an area served by an area agency on aging (designated under title III of the Older Americans Act of 1963, as amended), with that area agency on aging.

New section 134 establishes "urban neighborhood priorities programs," which the Director is mandated to develop and carry out, with two mandated programs: (1) "Helping Hand," utilizing person-to-person services to reduce the necessity for institutionalization and to ameliorate residential isolation of older, handicapped (physically or mentally) and other persons, stressing interactions between persons from various age groups, particularly young and old, and requiring that the Director coordinate programs under "Helping Hand" which assist handicapped persons with the appropriate State system for the protection and advocacy of persons with developmental disabilities; and (2) a program designed to provide personal and group financial counseling to low- and fixed-income individuals, utilizing volunteers with specialized or technical expertise. The new section also authorizes the Director to add each year (and continue thereafter) a new priority program to stimulate and initiate improved methods of utilizing volunteers to carry out the purpose of the new part. Any new such priority programs must have first been developed as part of programs of demonstrated effectiveness carried out by the Agency under its existing title I, part C, discretionary demonstration and special volunteer authority. It is not intended that the person-to-person services authorized by the national urban neighborhood priorities programs be limited to individuals living in distressed neighborhoods. These services are designed to assist individuals, and are not necessarily related to the place of residence of the person being served.

Paragraph (2) of subsection (a) of section 7 requires a detailed report on new part D activities to be submitted to the appropriate Congressional Committees within 18 months after funds are first made available to carry out the new part.

Section 7(b) amends the table of contents of the Act to reflect the addition of new part D made by subsection (a) of section 7.

Section 8 amends section 404(g) of the Act by limiting the application of that provision (redesignated as paragraph (1) to payments to volunteers the value of which, when reflecting hours worked by a given volunteer, is less than the minimum wage.

Section 8 also amends section 404(g) by adding a new paragraph to resolve an unintended conflict between the Domestic Volunteer Service Act of 1973 and the Work Incentive provisions of title IV of the Social Security Act, which require that recipients of Aid to Families with Dependent Children (AFDC) register with a sponsor of the Work Incentive (WIN) program for manpower services, training, and employment as a condition of eligibility for AFDC (and resultant medicaid eligibility). More recently, eligibility for food stamps has been conditioned on a similar requirement (section 6(d)(1) of the Food Stamp Act of 1977 (Public Law 95-113, section 1301)).

Section 103(b) of the Act contains explicit authority for the Director of the ACTION Agency to enroll low-income individuals as full-time volunteers, and requires that, as part of their service, they receive an individual plan designed to provide an opportunity for job advancement or transition to gainful employment. Section 104(b) requires that all volunteers in the VISTA program be enrolled for periods of service of at least 1 year, with limited exceptions. Section 404(g) of the Act provides that payments to volunteers under the Act shall not reduce or eliminate the level of or eligibility for assistance or services any such volunteers may be receiving under any governmental program.

It is the intention of these provisions that low-income persons should be encouraged to participate in programs of voluntary service, and that the allowances they receive not be counted as income to reduce public assistance benefits for which they or their families were eligible prior to commencing volunteer service. The purpose of this provision is to assure that the families of these volunteers would continue to receive the same level of benefits, for instance medicaid coverage for children, during the volunteer's service as they received prior to the commencement of the service. A WIN registration requirement would disqualify for AFDC, medicaid, and food stamps benefits the families of individuals who are otherwise qualified but who cannot participate in training or register for or seek employment because of their enrollment as volunteers.

Volunteer service provides a positive benefit to the volunteer as well as to the community, and low-income volunteers and their families should continue to receive throughout their service public assistance benefits to which they were entitled before becoming volunteers. If they are required to accept training, or to seek employment, during their service as a condition to receiving benefits, their service will be disrupted, to the detriment of the individual and the community.

Section 9 amends section 410 of the Act, relating to coordination of programs, to require the Director, in consultation with the Director of the Office of Personnel Management and the Secretaries of Labor, Commerce, and the Treasury and officials of other appropriate departments and agencies, to take all appropriate steps to encourage State and local governments, charitable and service organizations, and private employers to take into account experience in volunteer work in the consideration of applicants for employment, and to make provision for the listing and description of volunteer work and all employment application forms.

The concepts embodied in this section were introduced during the 95th Congress by Senator Cranston as part of Senate Concurrent Resolution 21, expressing the sense of the Congress that experience in volunteer work should be taken into account for this purpose. Volunteers acquire valuable skills, which, if remunerated, would no doubt be immediately marketable. But the irony of volunteer work lies in the tendency of employers to measure contributions and skills only by the amount of money expended to secure them. The result is that the value of the contributions made and the skills developed by those dedicated enough to work for little or no pay too often have been underrated.

This section seeks to turn around this situation by making it an affirmative responsibility of the ACTION Agency to encourage employers to take a new look at whether they give sufficient consideration to volunteer experience in the information requested on their standard application forms, and to take positive action to improve the situation. The Civil Service Commission standard form for application for Federal employment (SF–171) already contains an appropriate provision for the listing of volunteer work.

Section 10 amends section 414 of the Act so as to provide that benefits and services under the Act be distributed equitably among the various regions of the country.

Section 11(1) (A), (B), and *(C)* amend section 415(b) of the Act—the provision deeming volunteers as Federal employees for certain purposes—to provide that, in addition to the full-time, full-year volunteers now covered under this section, part-time volunteers enrolled for periods of service of not less than 20 hours per week for at least 26 consecutive weeks are deemed to be Federal employees, as the Director determines is appropriate in accordance with regulations, for the purposes of the Hatch Act, the Internal Revenue Code, title II of the Social Security Act, the Federal Tort Claims Act, and the Federal Employees Compensation Act.

It would not be appropriate, however, for the Director, as an exercise of the Director's descretion, to determine under this provision that part-time volunteers are to be covered by the Hatch Act. For purposes of treating volunteers as Federal employees for purposes of Federal workers' compensation benefits, the Director is authorized to determine the appropriate annual pay rate for a part-time volunteer not to exceed the GS–7 annual rate.

Section 11(1) (D) amends section 415(b) of the Act by deeming full and part-time volunteers covered under this section to be Federal employees for the purposes of section 5584 of title 5 of the United States Code, which authorizes the waiver of collection of erroneous overpayments of pay to Federal employees, up to a limit of $500, where collection would be against good conscience and not to the advantage of the Government. This authority is already available with respect to Peace Corps volunteers, and is necessary because the agency has, in the past, been required to attempt recovery of relatively small overpayments, with consequent damage to volunteer morale and loss of substantial parts of the volunteers' end-of-service allowances. Volunteer in-service allowances are designed to meet only basic needs, and are insufficient to permit repayment of overpayments. In addition, the administrative cost burden to the agency has been substantial in relation to relatively small amounts recovered.

Section 11(2) makes the Federal Tort Claims Act the sole available remedy of an individual making a medical malpractice claim as a result of actions by a volunteer serving in a health-care capacity. At present, the individual can elect to make a claim against the Government, or against the individual volunteer. Since volunteers serve for no personal gain and are paid only minimal allowances, not sufficient to pay for expensive medical malpractice insurance, the agency's ability to attract individuals to serve in health-care programs is severely limited by its present inability to give assurance that there is no possibility of a ruinous malpractice claim against the individual volunteer. This section is similar to the malpractice provisions contained in section 4116 of title 38 of the United States Code which applies to health personnel employed by the Veterans' Administration and similar authority in section 224 of the Public Health Service Act (42 U.S.C. 223) applicable to commissioned officers and employees of the Public Health Service.

Section 12(1) amends section 417(a) of the Act—the provision prohibiting discrimination in programs receiving financial assistance under the Act—to provide that the assignment of volunteers under programs authorized by the Act shall be deemed to be the provision of Federal financial assistance for purposes of the anti-sex-discrimination provision presently incorporated by reference in subsection (a) of section 417 as well as for purposes of title VI of the Civil Rights Act, section 504 of the Rehabilitation Act of 1973, and the Age Discrimination Act of 1975. This new provision will assure that minority individuals or those with handicaps, or other conditions which do not interfere with their ability to perform volunteer service, will have remedies against any discrimination by any project or sponsor under the Act if such individuals desire to participate in or secure the benefits of these Federally-supported volunteer programs.

Section 12(2) adds a new subsection (c) to section 417 to make the policies (and remedies thereunder) set forth in section 717 of the Civil Rights Act of 1964, as amended (42 U.S.C. section 2000e–16), title V of the Rehabilitation Act, and the Age Discrimination Act, applicable to volunteers and applicants for volunteer service under the ACTION Agency (including Peace Corps service). At present, since volunteers under title I are not deemed employees of the Federal Government, they have no statutorily guaranteed remedy in cases of racial, religious, age, sex, or handicap discrimination. The new subsection charges the Director of the ACTION Agency to establish (generally within 90 days after enactment) a remedy process for volunteers and applicants for volunteer service, after consulting with the Equal Employment Opportunity Commission, the new Interagency Coordinating Council (for discrimination based on handicap), and the Interagency Committee on Handicapped Employees.

Section 13(a) and *(b)* amend title IV of the Act and the table of contents of the Act so as to add a new section 423 concerning the reduction of paperwork. This amendment requires the Director to review critically and evaluate requests for information made under this Act and to take such other action as is necessary to reduce required paperwork.

Section 14 amends title V of the Act—providing authorizations of appropriations—to provide authorizations of appropriations for the ACTION Agency domestic activities carried out under titles I and IV for fiscal years 1979, 1980, and 1981.

Clause 1 amends section 501 of the Act to provide an authorization of appropriations for programs under title I of the Act (National Volunteer Antipoverty Programs) as follows: such sums as are necessary, except that 80 percent of the funds appropriated pursuant to title I must be spent on programs to eliminate poverty and poverty-related human, social, and environmental problems. The Act now stipulates that not less than $29.6 million shall be used for this purpose. Section 501(a) and (b) is also amended by deleting the earmarking for the part A VISTA program and deleting subsection (b) which sets forth a formula for distribution of funds appropriated for title I in excess of $37.6 million. These changes are made to provide greater flexibility to the Director in carrying out title I.

Clause (1) also limits the three-year authorization of appropriations for the new part D programs to $5 million for FY 1979 (the amount requested by the Administration in its revision of its FY 1979 budget request, as set forth in its FY 1980 budget materials, is $4,680,000), $27.5 million for FY 1980 (the Administration's revised FY 1980 request is $25,457,000)), and $30 million for FY 1981. It further adds a proviso to existing section 501 to require (1) that at least an additional $10 million be appropriated in each of the three fiscal years over the Administration's fiscal year 1979 amended budget request of $62 million for the title II, Older American Volunteer Programs (Foster Grandparents, Senior Companions, and the Retired Senior Volunteer Programs), before the Agency may obligate and expend funds to undertake the new part D urban initiatives, and (2) that the first $8.1 million of funds available for these new part D programs be obligated for the new Fixed Income Counseling and Helping Hand programs authorized by new section 134 (added by section 7 of the bill) before further obligations may be made to carry out such part D programs.

Clause (2) amends section 504 to authorize the appropriation of such sums as may be necessary for the ACTION Agency to perform administrative functions in fiscal years 1979, 1980, and 1981.

Section 15 requires that the Director of the ACTION Agency submit a report to the appropriate committees of Congress, not later than February 1, 1979, on the special needs and circumstances to be addressed in designing programs under the Domestic Volunteer Service Act of 1973 for implementation in rural areas, and a strategy and timetable for meeting such needs and circumstances.

Section 16 amends section 5(b) of the 1975 Peace Corps Act Amendments (Public Law 94–130) by striking out the last sentence thereof. This amendment will permit continuing appropriations for the increases in the VISTA volunteer stipend authorized by that Public Law—increased from $50 per month to $75 per month—which have now been fully funded by Congress, without the existing condition in subsection (b) which is no longer necessary to protect the level of volunteers in the program.●

● Mr. WILLIAMS. Mr. President, I am pleased to join my colleague, Senator CRANSTON, the chairman of the Subcommittee on Child and Human Development, in cosponsoring the Domestic Volunteer Service Act Amendments of 1979.

A measure nearly identical to this bill was considered by the Committee on Human Resources last year. That bill was favorably reported by the committee and was passed by the Senate on July 21, 1978. Unfortunately, due to the press of other legislative business, the House was unable to complete action on this measure in the closing hours of the 95th Congress. I am hopeful that we can achieve passage of the Domestic Volunteer Service Act Amendments of 1979 at an early date this year.

The bill we introduce today would extend the ACTION Agency's domestic volunteer programs through fiscal year 1981. It is designed to improve the ACTION programs and strengthen the administration and overall operation of this unique agency.

Since the establishment of ACTION in 1971, this Agency has made marked gains in addressing the needs of the disadvantaged through voluntary efforts and has served as the vehicle to engage older Americans in a variety of productive activities benefiting young and old alike.

The Volunteers in Service to America (VISTA) program, authorized under title I of the act, has served a vital role in the overall strategy to fight poverty. In the State of New Jersey, VISTA has been an invaluable tool for helping those in need. Among the services presently being provided are assistance in neighborhood renewal, day care services, legal services to those who otherwise could not afford them, youth training services, auxiliary health care services, and urban assistance.

These services are at the cutting edge of meeting the basic human needs of the disadvantaged. An increased allocation of appropriations, as authorized under this measure, for these and other services could provide compounded dividends to these communities and others like them across the Nation.

My longstanding and continuing interest in the needs of the disabled and the elderly move me to strongly endorse the proposed provision in the bill which would require ACTION to apply the nondiscrimination policies and authorities set forth in the Civil Rights Act of 1964, the Rehabilitation Act of 1973, and the Age Discrimination Act of 1975. I am hopeful that this provision will assist in opening new horizons for the handicapped and the elderly so that they may fully participate in the multiplicity of volunteer activities of the Agency.

An important provision of the Domestic Volunteer Service Act Amendments of 1979 is new authority for an urban neighborhood volunteer program designed to assist in revitalizing communities and delivering self-help services in distressed urban neighborhoods. This program would stimulate neighborhood residents to join forces against urban deterioration and equip communities with the needed resources and manpower to accomplish this objective. The urban neighbors program would provide financial assistance to such organizations as a local government agency, a community ACTION Agency, a community college, or a broad-based neighborhood coalition to administer, coordinate, and support efforts to solve debilitating community problems. Funding for this program would be used to promote volunteer activities, as well as to provide volunteers and neighborhood groups with materials, supplies, local transportation, training and administrative support.

During the 95th Congress, my colleagues, Senators Cranston and Javits, worked very closely in the development of two self-help programs that would be implemented through the urban neighborhood priorities programs. The "Helping Hand" program would utilize volunteers to reduce the unnecesary institutionalization and isolation of elderly and handicapped persons. The second program would provide financial counseling to low- and fixed-income persons through the utilization of volunteers with specialized or technical expertise. Both of these programs would bring together a coalition of neighborhood based organizations and a cadre of volunteers with particular technical expertise.

Mr. President, I strongly endorse the reauthorization of the Domestic Volunteer Service Act programs which have served so well to enhance the lives of the elderly, the impoverished, and disadvantaged.●

By Mr. RIBICOFF (for himself, Mr. Percy, Mr. Kennedy, Mr. Inouye, Mr. Jackson, Mr. Matsunaga, Mr. Moynihan, Mr. Williams, Mr. Zorinsky, Mr. Domenici, Mr. Stevens, Mr. Chiles, and Mr. Nunn):

S. 240. A bill to amend title 18, United States Code, to make a crime the use, for fraudulent or other illegal purposes, of any computer owned or operated by the United States, certain financial institutions, and entities affecting interstate commerce; to the Committee on the Judiciary.

FEDERAL COMPUTER SYSTEMS PROTECTION ACT

● Mr. RIBICOFF. Mr. President, I am today introducing the Federal Computer Systems Protection Act.

Sponsoring the bill with me are Senator Charles H. Percy of Illinois, who worked very closely with me on this legislation from the beginning of our Governmental Affairs Committee investigation of computer security in Federal programs beginning in May of 1976; Senator Edward M. Kennedy of Massachusetts; Senator Daniel K. Inouye of Hawaii; Senator Henry M. Jackson of Washington; Senator Spark M. Matsunaga of Hawaii; Senator Daniel Patrick Moynihan of New York; Senator Harrison A. Williams, Jr., of New Jersey; Senator Edward Zorinsky of Nebraska; Senator Pete V. Domenici of New Mexico; and Senator Ted Stevens of Alaska, Senator Lawton Chiles of Florida and Senator Sam Nunn of Georgia.

I first introduced this legislation on June 27, 1977. Hearings on the bill, S. 1766, were conducted by the Criminal Laws and Procedures Subcommittee of the Senate Judiciary Committee on June 21 and 22, 1978. At that time the measure was endorsed by the Department of Justice, the Federal Bureau of Investigation, the U.S. General Accounting Office, and several former U.S. attorneys.

Mr. President, I ask unanimous consent that the text of the bill I am introducing today, the Federal Computer Systems Protection Act of 1979, be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 240

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Computer Systems Protection Act of 1979".

Sec. 2. The Congress finds that—

(1) computer related crime is a growing problem in the Government and in the private sector;

(2) such crime occurs at great cost to the public since losses for each incident of computer crime tend to be far greater than the losses associated with each incident of other white collar crime;

(3) the opportunities for computer related crimes in Federal programs, in financial institutions, and in other entities which operate in interstate commerce through the introduction of fraudulent records into a computer system, unauthorized use of computer facilities, alteration or destruction of computerized information files, and stealing of financial instruments, data, or other assets, are great:

(4) computer related crime directed at institutions operating in interstate commerce has a direct effect on interstate commerce; and

(5) the prosecution of persons engaged in computer related crime is difficult under current Federal criminal statutes.

Sec. 3. (a) Chapter 47 of title 18, United States Code, is amended by adding at the end thereof the following new section:

"§ 1028. Computer fraud and abuse

"(a) Whoever knowingly and willfully, directly or indirectly accesses, causes to be accessed or attempts to access any computer, computer system, computer network, or any part thereof which, in whole or in part, operates in interstate commerce or is owned by, under contract to, or in conjunction with, any financial institution, the United States Government or any branch, department or agency thereof, or any entity operating in or affecting interstate commerce, for the purpose of:

(1) devising or executing any scheme or artifice to defraud, or

(2) obtaining money, property, or services, for themselves or another, by means of false or fraudulent pretenses, representations or promises, shall be fined a sum not more than two and one-half times the amount of the fraud or theft or imprisoned not more than 15 years or both.

"(b) Whoever intentionally and without authorization, directly or indirectly accesses, alters, damages, destroys, or attempts to damage or destroy any computer, computer system, or computer network described in subsection (a), or any computer software, program or data contained in such computer, computer system or computer network, shall be fined not more than $50,000 or imprisoned not more than 15 years, or both.

"(c) For purposes of this section, the term—

"(1) 'access' means to approach, instruct, communicate with, store data in, retrieve data from, or otherwise make use of any resources of, a computer, computer system, or computer network;

"(2) 'computer' means an electronic device which performs logical, arithmetic, and memory functions by the manipulations of electronic or magnetic impulses, and includes all input, output, processing, storage, software, or communication facilities which are connected or related to such a device in a system or network;

"(3) 'computer system' means a set of related, connected or unconnected, computer equipment, devices and software;

"(4) 'computer network' means the interconnection of communication systems with a computer through remote terminals, or a complex consisting of two or more interconnected computers;

"(5) 'property' includes, but is not limited to, financial instruments, information, including electronically processed or produced data, and computer software and programs in either machine or human readable form, and any other tangible or intangible item of value;

"(6) 'services' includes, but is not limited to, computer time, data processing, and storage functions;

"(7) 'financial instrument' means any check, draft, money order, certificate of deposit, letter of credit, bill of exchange, credit card, or marketable security, or any electronic data processing representation thereof;

"(8) 'computer program' means an instruction or statement or a series of instructions or statements, in a form acceptable to a computer, which permits the functioning of a computer system in a manner designed to provide appropriate products from such computer system;

"(9) 'computer software' means a set of computer programs, procedures, and associated documentation concerned with the operation of a computer system;

"(10) 'financial institution' means—

"(A) a bank with deposits insured by the Federal Deposit Insurance Corporation;

"(B) a member of the Federal Reserve including any Federal Reserve Bank;

"(C) an institution with accounts insured by the Federal Savings and Loan Insurance Corporation;

"(D) a credit union with accounts insured by the National Credit Union Administration;

"(E) a member of the Federal Home Loan Bank Systems and any Home Loan Bank;

"(F) a member or business insured by the Securities Investor Protection Corporation; and

"(G) a broker-dealer registered with the Securities and Exchange Commission pursuant to section 15 of the Securities and Exchange Act of 1934.".

(c) The table of sections of chapter 47 of title 18, United States Code, is amended by adding at the end thereof the following:

"1028--------Computer fraud and abuse."

Mr. RIBICOFF. Mr. President, the legislation would impose heavy prison terms and stiff fines for electronic burglars who use computers and computer technology to steal or manipulate information, financial instruments, and other property.

The bill would make it a crime to misuse the computer systems of the Federal Government, certain financial institutions, and other entities involved in interstate commerce.

Because of a growing national dependence on computers, the opportunities for white collar crime in this area are becoming great with little chance for prosecution under existing law.

If adopted, this bill would be the first law enacted by the Congress aimed directly at controlling crime by computer or computer-related crime. Present Federal criminal law, as reflected in title 18 of the United States Code, contains some 40 sections which the Government can use to combat computer-related crime. But all 40 of the statutes were written to combat abuses other than computer crimes and, as such, Federal prosecutors have been handicapped because they have had to construct their cases on laws that did not envision the technical aspects of computer crime.

The measure is a result of a year-long inquiry, begun May 10, 1976, conducted by the Senate Governmental Affairs Committee.

As chairman, and with the concurrence of Senator PERCY, the ranking minority member, I directed the release on February 2, 1977, of a staff report, "Computer Security in Federal Programs," a 130,000-word document that demonstrated evidence of:

First. The Government's inability to adequately secure its 10,000 computers against fraud, compromise, and physical assault. This lack of adequate security is especially evident in those Government computers which handle the distribution of public funds and those which hold economically valuable and privacy data.

Second. Weaknesses in Government procedures for predicting the integrity of its computer personnel; and

Third. A concern on the part of Federal law enforcement and prosecutorial officials that the United States Code, title 18, should be amended to strengthen the Government's ability to prosecute computer crime.

It was noted in the committee staff report, for example, that a major computer crime conviction had been won in one well-known case only because the perpetrator had used a telephone line to penetrate the computer system of a Federal contractor across State lines. Had the telephone been used intrastate rather than interstate, Federal prosecutors said, the wire fraud statute (18 U.S.C. 1343) under which the indictment was brought may have been inadequate. In the same case, a part of the indictment was dismissed because electromagnetic impulses which transmitted valuable data were determined not to be "property" as defined in the interstate transportation of stolen property statute (18 U.S.C. 2314).

In another attempted prosecution, the Government lost the case because of definitional difficulties in establishing whether checks issued by a computer on the basis of fraudulent or manipulated data were forgeries.

The bill we are introducing today would amend title 18 of the United States Code in such a way as to make virtually all unauthorized use of Federal computers and computers used in interstate commerce a Federal offense.

There would be no requirement that telephones or other forms of illicit computer penetration across State lines be used in order to qualify the act as a Federal crime. The bill is further intended to ease the jurisdictional and evidentiary burdens posed by computer technology on Federal prosecutors and law enforcement personnel.

This bill represents an important step forward in combating crime by computers.

The computer has meant progress in our society almost everywhere—from our ability to predict weather to our ability to detect potential health problems.

But the computer, because it has become such an essential aspect of our financial world—both in the private sector and in government—has also become vulnerable to criminal penetration. Another serious threat is the potential compromise and misuse of vast quantities of data on the private lives of individuals currently stored in the computed systems of the Federal Government and private industry.

Crime by computer is relatively new. But when it strikes it is not shy. Violators, with even a limited amount of technical knowledge, can literally steal hundreds of thousands of dollars, either from computer check-writing systems or by directing the computer to divert valuable data or costly equipment.

Our committee investigation revealed that the Government has been hampered in its ability to prosecute computer crime. The reason is that our laws, primarily as embodied in title 18, have not kept current with the rapidly growing and changing computer technology.

Consequently, while prosecutors could, and often did, win convictions in crime by computer cases, they were forced to base their charges on laws that were written for purposes other than computer crime.

Prosecutors are forced to "shoe horn" their cases into already existing laws—when it is more appropriate for them to have a statute relating directly to computer abuses.

This bill will provide the needed corrective action. My committee staff, consulting with Justice Department officials, computer security scientists, and persons expert and actively involved in the criminal justice system, concluded that this measure, if adopted by the Congress will have applicability in virtually every computer crime case not already adequately covered by an existing law.

This bill is specifically designed to give Federal prosecutors a weapon against the four main categories of computer crime. They are:

First. The introduction of fraudulent records or data into the computer system;

Second. The unauthorized use of computer related facilities;

Third. The alteration or destruction of information or files, and

Fourth. The stealing, whether by electronic means or otherwise, of money, financial instruments, property, services, or valuable data.

Computer technology, which has produced enormous benefits for mankind, has also produced great potential for the sophisticated white collar criminal. The simple fact as demonstrated in the staff report is that computer technology has created vulnerability to white collar crime. This bill is designed to provide criminal sanctions at all points where computer operations are targets for criminals.

There are five key stages in a sophisticated computer system, and each stage of operation is vulnerable to a particular method of criminal attack. The first and most important stage is translation of data into computer language or input, where the data is placed on card readers or magnetic tapes. At this stage criminals can introduce false data into the computer so that key documents could be removed and fraudulent records inserted. A criminal or a criminal group with access to this stage of operation could manipulate the computer with introduction of false data, and it might be years before anyone discovers the fraud.

Computer programing is the second stage of operation and occurs when the computer is supplied with a logical sequence of instructions for the solution of problems. The computer then responds in a manner dictated by the program. Programs are easily modified, destroyed, or stolen and sold to a competitor.

The third stage involves the computer's brain, known as the central processing unit (CPU). The CPU, which contains the operating system software, guides the computer and directs it to perform the necessary functions following the instructions in the program and is susceptible to various forms of electronic penetration and manipulation. Destruction of the CPU could stop computer operation and be disastrous to a Government agency, industry, or company with most of its records computerized.

Once data is received from the CPU, it is translated into an intelligible form called output—the fourth stage of the operation. Output is vulnerable to theft. Criminals at this stage could steal confidential data, such as privacy information or trade secrets. The computer systems of Government agencies, financial institutions, and others contain voluminous confidential data on firms and individuals; theft of such data could easily lead to blackmail or even be sold on a black market.

The final stage of the operation, communication, involves the transmission of output to other computers and/or users. The computer is vulnerable at this stage to electronic penetration. Initially, the information will be transmitted by telephone circuits, which can be tapped.

The main section of this bill makes it a Federal crime to "access" a computer for the purpose of perpetrating fraud or obtaining money, property or sevice under false or fraudulent pretenses. It should be made clear that the term "access" specifically includes within its meaning as defined in the bill all forms of unauthorized or clandestine penetration of a computer, computer system or computer networks. These penetrations include but are not necessarily limited to:

First. Wiretapping which is gaining access to a system via direct connection to a communication line or part of the central system.

Second. Radiation which is passive eavesdropping without direct connection. It siphons data from a system by detecting acoustic or electromagnetic signals emanating from a computer or component.

Third. Artifice or "trapdoor entry" which is the intentional introduction of a clandestine code into a system to be used later for subversion from within. It is created by unscrupulous programers and designers. An artifice can be implanted at the time the system is implemented or during subsequent modification; it can also be implanted by a successful penetration.

Fourth. Impersonation which is unauthorized activity carried out by performing as a legitimate user or device such as using someone else's user identification, code and/or password to gain access to the system.

All phases of computer operations need to be made more secure from criminal penetration but all the physical security precautions in the world will be of little use if they are not accompanied by adequate personnel procedures to reduce the possibility of employment of dishonest persons. Dishonest employees who themselves engage in computer crime or engage in collusion with criminals on the outside pose the biggest threat to government and business. Computer criminals are the most sophisticated of all white collar criminals. They currently operate in an environment and conditions in which the successful detection and prosecution of their crimes is very difficult. When they are apprehended and convicted, all too often the sentences they receive are extraordinarily light. It is for this reason that I attach great importance to the penalty provisions of this bill.

Under terms of this bill, a Federal judge may, in his discretion, depending on the severity of the crime, impose jail terms of 15 years and fines up to $50,000 or 2½ times the amount of the fraud or theft.

It is my hope that these increased penalties, unprecedented in Federal criminal law for white collar crime, will deter the potential computer thief and at the same time pose a warning to all white collar criminals that the Congress of the United States sees white collar crime as a threat to our society which should be dealt with in a manner befitting the crime.

It is time to tell criminals who use computer terminals, fountain pens, and phony stock certificates to rob millions of dollars, that their corrosive activities will not be tolerated.

This bill also places particular emphasis on the prosecution of crimes against the computer systems of banks and other financial institutions which are insured or regulated by the Federal Government. Today, financial institutions are heavily dependent on computers which process and record billions of dollars in financial transactions daily. If present trends continue, however, banks and other financial institutions will become more dependent on computers in the future. As electronic funds transfer systems are perfected and implemented, more computers, terminals, wires, data banks, and operators will be employed to operate these intricate and complex systems of recordkeeping. Electronic fund transfer systems involve the use of communication and computer networks to relay, process, and store fund transfer information. They may involve transferring funds from a buyer's account to the account of a seller or from an employer to an employee.

A national electronic fund transfer system could supplant the present paper exchange system so that paper currency or stock certificates as we know them would play an insignificant role in transactions or even become obsolete.

The beginnings of a national EFTS can be witnessed today. Computers with multiprocessing capability and high speed mass memory are in operation, providing a basis for at least a regional EFTS. Taking advantage of this technology, several automated clearinghouses appeared in the early 1970's. Under the present system, banks maintain clearing balances on one another or on a common bank such as the Federal Reserve Bank. Because transactions are processed electronically, the cumbersome process of handsorting and paper and pen work has been eliminated; in addition, the automated clearinghouse rapidly adjusts balances. Automated clearinghouses are a logical starting point for the development of a national EFTS.

The "point-of-sale" system represents a more sophisticated step in the development of an EFTS. Under a point of sale the buyer can pay for his purchase without the intervention of currency. As in an EFTS the buyer gives the store clerk an identification card to insert in a terminal linked to a bank's computer; the purchase price is then transferred from the buyer's account to the store account. If the store does not maintain an account at the bank, the transfer process takes place as it presently does through some form of clearinghouse.

The automated clearinghouse and the point-of-sale systems are rudimentary compared to the sophisticated and elaborate technology required to link up a national EFTS. A national system will rely on thousands of computers, millions of terminals, and millions of miles of wire with thousands of technicians and computer operators needed to man it. It can totally displace ink. The workhorse of EFTS is the computer, and the technology which makes the system possible also makes it vulnerable to criminal attack.

There are at least four areas where the protective criminal law sanctions of the bill I am introducing today will apply to EFTS.

They are:

First. Unauthorized access to a customer's account by means of the theft or reproduction of an access "key," such as the plastic card, given the customer;

Second. Unauthorized access to accounts by personnel manning access terminals, such as the store employees operating the supermarket remote deposit-withdrawal system;

Third. Unauthorized access to communication lines between remote terminals and information storage areas, such as a financial institution's central processing unit, in short, wiretapping; and

Fourth. Unauthorized access at the central processing unit site by employees or outsiders.

In addition, I wish to make it clear that nothing in this legislation is intended to reduce, restrict, or supersede existing statutes and nothing in this legislation reduces existing investigative authority of any law enforcement or national security agency under existing law or duly authorized practices.

The Senate Governmental Affairs Committee investigation, which led to the staff report, "Computer Security in Federal Programs," and this bill have been studied by the Office of Management and Budget (OMB). Issues raised in the staff report have been examined by OMB, which has overall fiscal and policy control of all automatic data processing (ADP) operations in the executive branch.

As a result of the attention focused

on computer security by the committee inquiry, OMB is in the process of revising its governmentwide regulations affecting computer security. These regulations, which are contained in OMB Circular A–71, are being strengthened and, upon completion of their revision, will be made available to the public.

I wish to note that Senator PERCY, as ranking minority member of the Senate Governmental Affairs Committee, has worked closely with me and the staff for the past year as this examination of computer security and computer crime progressed. Owing to his personal knowledge of how computers fill a great need in financial transactions, Senator PERCY has offered encouragement and advice and the benefit of his long and time-tested expertise in this complicated area.

The committee investigation was conducted at the staff level by Philip R. Manuel and Fred Asselin.

Witnesses who testified in support of the Federal Computer Systems Protection Act before Senator BIDEN'S Criminal Laws and Procedures Subcommittee in June of 1978 included John C. Keeney, then Acting Assistant Attorney General, Criminal Division; Special Agent Joseph E. Henehan, Chief of the FBI's White Collar Crimes Section, Criminal Investigative Division; and Donald L. Scantlebury, Director, Financial and General Management Studies Division, General Accounting Office.

Mr. President, I ask unanimous consent that the prepared testimony of each of these witnesses before the Criminal Laws and Procedures Subcommittee be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATEMENT OF JOHN C. KEENEY, ACTING ASSISTANT ATTORNEY GENERAL, CRIMINAL DIVISION

I am pleased to be here today to present the views of the Department of Justice on S. 1766, the proposed "Federal Computer Systems Protection Act". Accompanying me are Mark Richard, Chief of the Fraud Section of the Criminal Division and David Geneson, an attorney with the Fraud Section who, unlike Mr. Richard and myself, has extensive experience in the field of computer technology.

At the outset let me state that the Department of Justice supports the passage of a computer crime statute and believes that, if enacted, S. 1766 will be an important addition to the legal arsenal currently available to prosecutors. The nature and scope of the problem of computer offenses was explored by the Senate Committee on Government Operations in 1976 and 1977 through means of an extensive staff investigation and study. The results of that inquiry, along with those of three separate GAO studies on the subject, the experience of the law enforcement community and a variety of private research efforts, support the following general conclusions regarding computer related abuses:

1. Our political, economic and social institutions have grown increasingly dependent on computers to the point that their illicit manipulation or malicious destruction can potentially wreak havoc on society. Consider in this regard the consequences resulting from the willful disruption of the computer-generated social security checks flowing to the elderly or disabled, the destruction of a bank's computer records of its demand deposits, or the malicious destruction of irreplaceable medical research data stored in a computer bank. Computers have become a part of everyone's life and are being integrated into virtually every facet of human activity at an ever increasing rate. The very existence at the present time of a broad base of computer usage and computer knowledge, and its projected increase in the years to come, suggests that we will experience an increase in the opportunities for computer-related abuses in the years ahead.

2. Computer misconduct can and does take many forms. Examples include:

A. An outsider securing access to a telephone company's computerized inventory control system diverted approximately $1 million of inventory to himself which he thereafter sold on the open market.

B. A bank official with access to computerized account records manipulated dormant accounts to cover up his theft of close to $1 million.

C. A University computer center was destroyed by a bomb with attending loss of life.

D. A disgruntled student employed by a University computer center intentionally placed a 19¢ soybean based milk shake into the central processing unit of the computer whereupon the heat vaporized the milk shake coating the entire insides of the apparatus causing $500,000 worth of damage.

E. A systems programmer who put a secret patch into the system which was designed to reactivate his payroll account and issue him checks six months after he left the firm.

3. Computer experts tend to agree that no computer system, whether in the Government or private sectors, can ever be made completely safe from crime, damage or unauthorized access to data. While Government and the private sector are becoming increasingly more sensitive to the need for adoption of appropriate security measures for their computers, the general consensus nevertheless remains that opportunities for crime, destruction or unauthorized access to data can, at best, be minimized but never entirely eliminated.

4. Although GAO suggests that the incidence of computer fraud is growing in both the Government and private sectors, in the final analysis no precise conclusions can be reached regarding the incidence of computer offenses. In this regard many factors, in my view, contribute to our current inability to determine the extent and magnitude of such offenses and I would like to briefly highlight just a few of them at this time.

To begin with, a consensus has yet to be reached as to what types of situations should be classified as computer crimes. For example, one case currently being prosecuted by the Department involves in part the falsification of computer generated financial statements. However, unlike the notorious Equity Funding case, in this instance no false or fraudulent data was actually fed into the computer. Instead the subjects intentionally provided accurate, but incomplete, data to the computer. By failing to place on the computer financial data which they knew would severely impact on the financial posture of the firm, the subjects were able to distort the entire fiscal picture of the firm and thereby deceive the public. Should such a case be considered as a computer crime notwithstanding the fact that the computer's role was merely to provide credibility for the false financial statements and mask the true picture? As a practical matter, as we become a society dependent on computers, we can expect to find that computers figure into more and more white-collar crime cases, in at least a limited fashion. Yet most of us would be hesitant to suggest that we abandon traditional criminal classifications, such as securities, or banking or bankruptcy frauds merely because a computer was tangentially involved.

Compounding the problem of assessing the extent of computer crimes is the detected but unreported case. There is a growing belief by those working in the field that there exists a large body of detected but unreported cases. As in other areas of white-collar crime, some victims of computer crimes are reluctant to report such offenses because of a real or imagined fear of loss of public confidence, a possible concern over their own liability to shareholders, and a belief that public exposure would be tantamount to an admission that the firm is vulnerable to such penetrations. In fact, one high level executive purportedly argued that he was grateful to the offender who manipulated the firm's computer and stole $250,000 for helping the company pinpoint specific deficiencies in its security.

The final factor that must be considered when evaluating the incidence of computer crimes is that such offenses are more often than not difficult to detect. If white-collar crimes in general are characterized by their low visibility, then computer frauds are characterized by an almost complete lack of visibility. Consider for example a bank programmer who inserts a single so-called "patch" in the bank's computer program directing it to ignore his own overdrafts or credit to his account all fractional splits of interest payments. Or the individual who utilized the computer to break its own access codes, manipulated the data for his own profit and then programmed the computer to destroy all traces of his unauthorized intrusion. Or the technique referred to by some as the "Trojan Horse" approach whereby the computer is programmed to engage in fraudulent manipulations at some predetermined time in the future and then to erase all traces of the transactions. Little wonder then that that experience to date suggests that, to the extent such offenses are detected, they are exposed primarily through happenstance and accident and not by traditional audit procedures.

5. Another characteristic of computer crimes upon which there appears to be general agreement is that the real or potential losses of such crimes tend to be greater than other forms of white-collar crime. The Equity Funding case, which has received such extensive notoriety, involved actual or potential losses in the hundreds of millions of dollars. This loss potential is a function of the concentration of data in the computer. In a sense the virtues of the computer, the ease in storing and manipulating vast amounts of data, is also its Achilles Heel. Fraudulent manipulations of data which, if done in a non-computer environment would be tedious, reasonably visible and require the cooperation of many, can be accomplished in the computer environment in split seconds, frequently without the aid of accomplices, and often without leaving a trace or trail for investigators.

Prosecutions both at the state and Federal levels of computer offenses have been marked by a degree of uncertainty as prosecutors seek to utilize traditional criminal statutes to reach these offenses. It has been estimated by at least one researcher that, depending on the precise factual setting, no less than forty different Federal statutes may be applicable. Yet none of these statutes were originally designed to reach the type of illicit conduct associated with computers. At the Federal level we have been successful in prosecuting cases under various statutes including the wire fraud statute (18 U.S.C. 1343). Illustrative of the problems encountered, however, when applying the wire fraud statute to computer crimes is the *Seidlitz* case which was prosecuted several years ago in the District of Maryland. The case involved the owner of a computer firm who stole a valuable and confidential program by tapping into his former employer's computer center by telephone.

He was charged and convicted under the wire fraud statute which essentially makes it a criminal offense to engage in a scheme or artifice to defraud and using interstate wire signals, such as the telephone and telegraph or other signals, in furtherance thereof. The broad concept of a "scheme and artifice to defraud" found both in the wire and mail fraud statutes, has been widely interpreted by the courts and conveniently fits many factual situations involving computer manipulations.

On the other hand, the interstate requirement of the wire fraud statute, or the requirement that the mails be used in furtherance of the scheme and artifice under the mail fraud statute, can conceivably be an obstacle to successful prosecution. For example, had the defendant in the *Seidlitz* case placed all of the approximately forty telephone calls to the Maryland firm from his home in Maryland instead of the two occasions in which the calls were made from his office in Virginia, there would have been no Federal jurisdiction under the wire fraud statute.

If a Federal computer facility is victimized, the fraud against the Government or theft of Government property statute may be available to Federal prosecutors, while if the crime results in the unauthorized movement of merchandise or other "property" across state lines, the statute dealing with the interstate transportation of stolen property (18 U.S.C. 2314) may be applicable. However, under the latter statute, and given a computer context where the item "stolen" is information and the victim is not denied access to the property because the information still "resides" in the computer, a prosecution may be hindered by traditional notions of what constitutes a "taking" and "property". For example, in the *Seidlitz* case the District court dismissed a count charging the interstate transportation of stolen property on the theory that the movement of the magnetic impulses from the victim's computer in Maryland to the defendant's computer terminal in Virginia did not satisfy the interstate transportation requirement of the statute.

For state and local prosecutors without a comparable mail or wire fraud statute, the road to a successful prosecution may be a difficult one. In terms of common law theft concepts, the distinction between theft and grand theft is muddied where the property stolen is "information" whose monetary value is difficult to determine. Moreover, even where such information is construed as a trade secret and there is an existing state statute proscribing the theft of such secrets, the offense is frequently a misdemeanor.

I have intentionally dwelled on these factors associated with computer crimes for I believe that they should be considered when evaluating the specific provisions of S. 1766. It is because of them that the Department of Justice endorses the passage of a broad criminal statute directly aimed at computer crimes. In our view a specific statute would achieve a greater deterrent effect than existing criminal statutes which may, through strained interpretations, be available for prosecution purposes. Considering the magnitude of the potential injury to society, the difficulty associated with detecting such offenses and the proliferation of computer knowledge throughout broad segments of the community, a specific statute which will be highly publicized in data processing circles is needed, in our view, to achieve maximum deterrence.

We recognize that S. 1766, as currently worded, would reach virtually all computer offenses and contains broad Federal jurisdictional authority. While we are not advocating that Federal law enforcement authorities preempt the computer field, we do believe that broad concurrent jurisdiction with the states is desirable, if not essential, because of the difficulties which may arise in investigating and prosecuting such offenses. As a matter of policy, where the state and local authorities have the investigative and statutory means of reaching such offenses and there is no compelling Federal interest, we would defer to the states and local authorities just as we do in the area of car thefts. Concurrent jurisdiction would, however, provide law enforcement with the flexibility to adequately address the problem regardless of the nuances of the particular case. A similar approach is currently utilized in dealing with a variety of problems which involve concurrent Federal, state jurisdiction including the Hobbs Act (18 U.S.C. 1951) and the Controlled Substance Act (21 U.S.C. 801 *et seq.*). The Department of Justice has no interest in prosecuting every computer fraud and abuse case occurring in the United States.

We have previously communicated several additional suggestions regarding the proposed statute to Senator Ribicoff and I would like to briefly make reference to them at this point.

1. Proposed Section 1028 of Title 18 is titled *Computer Fraud*. In that it also deals in subsection (b), with damage and destruction of hardware, might it not more appropriately contain some reference to that facet in the title, such as *Computer Fraud and Abuse.*

2. In subsection (a), the required intent element is not spelled out in as much detail as we would prefer. This can be corrected by modifying the provision to read: "Whoever knowingly and willfully, directly or indirectly accesses . . . "

3. Neither subsection (a) nor subsection (b) contains an "attempt" provision. As to subsection (a), the preparation of a computer fraud, e.g., file or program manipulation, may be the most time-consuming and traceable portion of the crime, while the actual perpetuation might take place in a fraction of a second. Yet, all the efforts leading up to the execution, if effected without accessing the computer, or if the final step were not taken and the scheme uncovered, would be outside the scope of statute without such an attempt provision. Similarly, in subsection (b), if the perpetrator were unsuccessful in his destructive activities or did not take the final step, he might be beyond the reach of the statute without inclusion of an attempt proscription.

4. While the word "foreign commerce" is not used, it would in our view be desirable to have the legislative history reflect that the statute is not intended to be limited to purely interstate frauds.

5. Subsection (a)(2) speaks of obtaining money, property, etc. It may be desirable to add the phrase "for themselves or another" in order to include those who, while not actually involved in the perpetration, are the knowing beneficiaries of the fraud.

6. Subsection (b) is targeted at those "unauthorized" persons who do harm, but overlooks those who are "authorized" and for whatever reasons under color of their authority may commit the same acts or cause them to be committed. Might it not be better to rephrase the section to address *anyone* who alters, accesses or manipulates any aspect of the computer, computer network, etc., or any part thereof, with "intent to cause destruction or damage" to the computer, the company, or entity or any person related or associated thereto, or causes such acts to be done?

7. In subsection (c)(4) the definition of computer network is restricted to communication lines. Current networks, however, may actually communicate by microwave transmission. It may therefore be more appropriate to speak of "communication systems".

8. Subsection (c)(5) defines property to include electronically produced data. In actuality data is more often processed than produced. For completeness it is probably better to say "electronically processed or produced data".

9. The definition of financial instrument, subsection (c)(7), does not specifically mention electronic fund transfers. Consideration should be given to adding to the end of the definition ". . . credit card, marketable security, or any electronic data processing representation thereof".

10. Subsection (c)(8) defines computer program in terms of a "series" of instructions or statements. While this is technically correct, it is possible to do quite a bit of damage with the execution of a *single* instruction or statement. It is probably unnecessarily restrictive to include the word "series".

This concludes my formal remarks. We would be pleased to receive any questions the Subcommittee may have.

Thank you.

STATEMENT OF JOSEPH E. HENEHAN

Mr. Chairman, I am special agent Joseph E. Henehan, chief of the FBI's white-collar crimes section, criminal investigative division, FBI headquarter's. I have with me this morning from the FBI's training division, special agent James Barko, unit chief of the economic and financial crimes training unit, and special agent William Colvin who has been the principal developer of the FBI's computer fraud training program. Both of these gentlemen are currently assigned to the FBI Academy at Quantico, Virginia. We have been requested to appear before you today and discuss Senate bill 1766. The FBI shares the national concern for the problem of computer fraud and considers this proposed legislation as an outstanding additional tool that could be used in combating sophisticated white-collar crime (WCC).

The FBI's WCC investigative jurisdiction runs the gamut from bank fraud and embezzlement through fraud against the government, to corruption of public officials. A substantial portion of our investigative effort in these areas deals with a review of records maintained by government entities, financial institutions and the business community, the vast majority of which are kept on computerized systems.

The Bureau currently has no specific investigative jurisdiction covering computer fraud matters. We encounter some of these matters in our investigations involving bank fraud and embezzlement, fraud against the government, fraud by wire, interstate transportation of stolen property, and miscellaneous other criminal statutes. Because of our current jurisdictional limits, the FBI is not in a position to view the entire spectrum of the problem of computer abuses. The vast majority of computer abuses that we hear and read about today come under the investigative jurisdiction of state and local authorities.

We maintain our management information system based on specific investigative classifications which do not permit us to pick out from these various investigative categories investigations involving computer fraud. The FBI does not specifically maintain statistics on cases involving the abuses of the computer; however, in preparation for the testimony today I have conducted a survey of our field operations and we have determined that we currently have approximately 50 investigations being conducted that have some aspect of computer fraud.

In approximately 40 of the cases reported there was an altering of the computer data input in order to obtain money or something of value illegally; by way of example, a bank teller substituting mechanically coded deposit tickets in order to place money into an account other than the one for which it was intended, as well as the government supplier who places false material codes into the computer causing the government to be billed at a higher rate for material. In those cases not involving altered input data we encountered such matters as theft of computer time, use of a computer to keep track of kickbacks, the theft of computer software and the alteration of programs for either financial gain or destruction of records. While the examples I have cited are being successfully prosecuted under existing federal legislation within our jurisdiction, the FBI can foresee that with the increased proliferation of computer equipment in government and the business sectors, the proposed legislation could well enhance our position in combatting complicated WCC.

The FBI fully supports this legislation with the reservation that it could have an awesome impact on the Federal Government's investigative resources. The breadth of this act would make virtually every false entry type crime committed on an automated accounting system a federal violation regardless of the amount involved. In addition, it would be putting the Federal Government into a very broad area of concurrent jurisdiction with state and local law enforcement authorities. This bill is recognized by the FBI as being an extremely valuable investigative tool. However, it would be impossible for the FBI armed with this legislation to enter the field of computer fraud in a wholesale fashion with our current investigative resources. Even with an increase in investigative resources it may be necessary for the bureau should we receive investigative jurisdiction to seek prosecutive criteria from local U.S. Attorneys limiting the matters to be investigated so as to continue our quality over quantity thrust in investigating only the most significant cases.

This approach would also require close liaison with local and State authorities to insure there will be no duplication of effort and that less involved matters of concurrent jurisdiction are being handled by someone.

A common problem of law enforcement in handling computer fraud matters is the lack of technical expertise. The FBI for the past couple of years has been attempting to develop expertise in this field. We currently have a computer at the FBI Academy in Quantico, Virginia, that is used for computer fraud training. We have in excess of some 40 special agents who have completed a 4-week course given at the FBI Academy aimed at developing expertise in conducting investigations of complicated computer fraud matters. In addition, we have trained some 500 of our special agent investigators in an abbreviated 1-week computer course aimed at developing a basic understanding of automated accounting systems. Recognizing that local law enforcement has the broader jurisdiction for these matters, the FBI Academy is attempting to expand training being offered to local and State authorities. Some members of the National District Attorney's Association were given a 1-week computer fraud course early this year and a second is planned for the fall. The FBI Academy has also recently developed a road school for computer fraud that will be offered to local law enforcement throughout the country when these resources are available. Enactment of the proposed legislation and the resulting work if handled by the FBI would present a serious training challenge for the FBI. It will not only be necessary to train additional investigators, but consideration will also have to be given to keeping these individuals updated as the science advances.

In summary, we can fully support this legislation as an outstanding investigative tool. However, there is great concern for the breadth of the proposed bill, and it must be recognized that virtually any crime associated on or with a computer will be a Federal violation and will necessitate substantial Federal resources almost immediately.

We will honor any questions.

STATEMENT OF DONALD L. SCANTLEBURY, DIRECTOR, FINANCIAL AND GENERAL MANAGEMENT STUDIES DIVISION

Mr. Chairman and Members of the Subcommittee: We welcome this opportunity to appear before your Subcommittee to discuss the issue of computer-related crime and fraud, for we in GAO have been concerned for some time about the need for more protection against the many types of crimes that affect computer systems. Before proceeding I would like to introduce, Mr. Walker Anderson, Associate Director, of the Financial and General Management Studies Division, who is accompanying me today.

The use of computers has become widespread in the past few years. So much so that they are now indispensible to the delivery of Government services, with virtually all Government agencies dependent upon computers for carrying out programs and missions. Today, there are nearly 12,000 computers in the Government's inventory and there is every indication that the number will increase. These computer systems impact almost every aspect of Government operations, and have changed the way in which functions are performed and transactions carried out. Moreover, the computer has made obsolete many traditional methods of control, and has created a need for improved methods to assure the protection of the Government's funds and other assets.

In the past couple of years GAO reviews have shown that computer crimes are a serious problem in the Federal Government. The computer crimes we reviewed have resulted in:

Sizeable dollar losses;

Damages to building and equipment;

Losses of software and data;

Personnel injuries; and, in one case

A loss of life.

The types of crimes that produced these results parallel those cited in the bill. They include:

Fraudulent input into the systems.

Unauthorized use of computer-related facilities.

Destruction or alteration of data and computer hardware and software.

Thefts of Government property, including cash, valuable data, and other assets.

Let me cite some information from two of our reports:

Computer-Related Crimes in Federal Programs (FGMSD-76-27, April 27, 1976).

Managers Need to Provide Better Protection for Federal Automatic Data Processing Facilities (FGMSD-76-40, May 10, 1976).

FRAUDULENT INPUT

Our studies show that the majority of computer crimes against the Federal Government—about 62 percent—involved persons preparing fraudulent input to computer-based systems.

We found many cases in which fraudulent input data was introduced into systems that make direct payments to individuals or businesses. The results were fraudulent payroll, social welfare, and compensation payments as well as payments for nonexistent goods and services. For example, a supervisory clerk responsible for entering claim transactions to a computer-based social welfare system found that she could introduce fictitious claims on behalf of accomplices and they would receive the benefits. She was able to process over $90,000 in known fictitious claims (authorities believe such claims might have totaled as much as $250,000) before she was discovered.

Other cases involved individuals stealing Government property through the use of computers. For example, a perpetrator used a computer terminal to ascertain the location and availability of items desired by outside conspirators. Once he located those items, the perpetrator caused the system to prepare fraudulent requisitioning documents. Then he used the documents to obtain the items he wanted, took the items from the installation, and sold them to the outside parties.

The total amount of property stolen through computerized supply systems cannot easily be determined, but our review revealed a number of such cases. One loss of over $300,000 was averted when discrepancies were discovered and the material recovered.

UNAUTHORIZED USE OF FACILITIES

Another type of crime, which has occurred in several agencies, is the unauthorized use of computers by ADP personnel. An engineer who was no longer employed at one Government installation managed to continue using the equipment for his own purposes. Before he was discovered, he had used over $4,000 worth of computer time. At another installation, a programer used a self-initiated training program to obtain use of his agency's computer system. But instead of working on the training exercise, he was developing his own computer programs which he hoped to sell.

Computer-related crime does not always lead to direct losses of Government funds or property. In one case we reviewed, the manager of a non-Federal computer center processing personal information for the Government, was able to steal some of this data and sell it to outside parties who were not authorized to use it. Although the Government did not lose any money, the privacy of individuals whose data records were involved was violated, and this is of concern in protecting the privacy of personal information.

DESTRUCTION OR ALTERATION OF COMPUTER HARDWARE, SOFTWARE AND VALUABLE DATA

We also found a number of cases involving losses of computer facilities or data.

On August 24, 1970, a bomb exploded outside the Sterling Hall Building at the University of Wisconsin. This building housed the Army Mathematics Research Center and other federally funded research activities. One employee was killed and three others were injured during this incident. This explosion damaged 25 buildings at the university, and resulted in a total loss of about $2.4 million for buildings and equipment. Computers at the Army Mathematics Research Center were damaged, and some programing efforts and 20 years' accumulated data was destroyed. It has been estimated that this research data represented over 1.3 million staff hours of effort which we calculate to represent an investment of about $16 million. The intent of the persons who did the bombing is not known to us but it seems likely to us that the target was the computer facility.

Attempts at sabotage of computers have also been made by employees within data processing centers. For example, there were four attempts to sabotage computer operations at Wright-Patterson Air Force Base during a 6-month period, by using magnets, loosening wires on the computer mainframe, and gouging equipment with a sharp tool.

During our study we identified other locations which were susceptible to sabotage. For instance, in some cases outside personnel were not carefully monitored while on the premises or in the computer areas.

We have even heard of cases in which disgrunted persons shot or used other tools to attack and damage computer equipment.

THEFT OF GOVERNMENT PROPERTY

Computerized systems are also vulnerable to theft or stealing by electronic means or otherwise. We noted numerous cases of publicized thefts or misuses involving data or assets; financial frauds; embezzlements; and mistakes made by computer employees.

Industry literature indicates thefts or misuses of computer systems are increasing at an alarming rate.

One case we noted during our study involved theft of Government funds at Kelly Air Force Base, San Antonio, Texas. The Government paid approximately $100,000 to bogus fuel companies for aircraft fuel never delivered to the Air Force. The bogus fuel companies were established by a dishonest Government employee working at the air base. This employee had indepth knowledge of the computerized fuel accounting system which he helped develop and install. An investigation of this matter was initiated when a bank contacted the Air Force regarding suspicious banking transactions involving Government checks. The employee was later arrested.

Other studies of theft and misuse to data processing operations have been identified within the Federal Government and private sectors. Noteworthy were March 1973 studies by the Stanford Research Institute on "Threats to Computer Systems" and a November 1973 study on "Computer Abuse." Each study catalogued over 100 data processing security incidents within and outside the Federal Government that were identified from sundry sources.

INADEQUATE INTERNAL CONTROLS

Next, I would like to comment on the problem of internal controls over data processed through computer systems. "Internal control" is the phrase we accountants use to describe the system of checks and balances that are designed to protect against theft and error. A simple example is the long-honored practice of having two people sign checks. By having 2 signatures, one person has a far greater difficulty in fraudulently obtaining funds for his personal use.

The truth today in most automated systems is that no one signs checks. The signature is simply printed on the check by the computer. Obviously, when a control like double signature is given up in favor of no signature, some new controls are needed as substitutes. There are a host of such controls but they are not always used in computer systems because they take up computer time, storage, or have other effects that cost money and sometimes produce delays in getting the work out.

As an example, let's look at the way in which Federal disbursements were processed a few years ago and how they are processed today in the most modern computer systems.

In the old manual system days, those with responsibility for preparing checks could maintain close supervision over the pay clerks, voucher examiners, and similar employees who computed and/or verified the correctness of payments or transactions. They could see to it that these employees examined the source documents supporting each payment and made sure that—

Each transaction was supported by proper documentation (a purchase order, a receiving document and the vendor's invoice) and was not obviously improper or incorrect;

Each document had been properly approved and processed through all the required steps and was complete;

The data in the various documents was consistent;

All computations were correct; and

The transactions complied with the laws, rules, and regulations which they were responsible for enforcing.

However, in many of today's automated systems, most of this work is done by the computer. The documents often aren't even physically at the same location. Under such circumstances, the controls to prevent fraudulent input into the system, becomes very important. For if the controls don't prevent such input, it is unlikely to be detected at all because the transactions do not receive a detailed review by a human supervisor.

In fact, literally millions of Federal actions take place regularly on automated systems without anyone checking them for correctness. For example, amounts due employees for salary payments are calculated inside the computer system, unseen by human eyes. Parts for aircraft, ships and other equipment are ordered by the computer without human verification of the amounts ordered or the price to be paid.

Despite the need for such controls to supplant those given up when the systems were computerized, Government Managers have not insisted that the appropriate controls be installed. In fact, much education is needed to get managers to take advantage of such controls. We found in many of the computer crimes we reviewed that managers placed more emphasis on making the new automated systems work as soon as possible rather than on designing control over them. For example, one crime involving a social compensation system, the computer operation was built around second-generation computers and had no fraud-oriented controls built in. When the agency converted to more modern equipment, the system was not redesigned because of pressure to get the new computers running. An employee submitted fraudulent claims to this system, and the automated system sent the checks totaling over $15,000.

Our findings with regard to the need for better controls have been reported to the Congress principally in the three reports listed below.

Improvements Needed in Managing Automated Decisionmaking by Computers Throughout the Federal Government (FGMSD-76-5, April 23, 1976).

New Methods Needed for Checking Payments Made by Computers (FGMSD-76-82, November 7, 1977).

Challenges of Protecting Personal Information in an Expanding Federal Computer Network Environment (LCD-76-102, April 28, 1978).

Some action is being taken in regards to better controls over computer systems. Actions include:

The drafting and issuance of policy guidance by the central management agencies[1] on improving controls and developing and implementing computer security programs, and

The strengthening of control over the computer systems at some Federal agencies.

Getting better controls over computer systems is important, but controls alone doubtless will not solve the fraud and abuse problem. History has shown that it is difficult to keep up with the inventiveness of some of the persons who seek to obtain money and other valuables fraudulently. Therefore, we believe a strong deterrent in the form of punishment—like that included in S-1766—is also needed to protect the Government's computers and others from fraud and abuse.

Mr. Chairman, this concludes my prepared statement; we will be pleased to try to answer any questions or furnish additional information.

Mr. RIBICOFF. Mr. President, the bill I am introducing today has been amended slightly compared to the bill I introduced June 27, 1977. Most of the amendments which I have made in the bill are the result of minor changes proposed by the Department of Justice on February 14, 1978 in a letter to me from Benjamin R. Civiletti, then Assistant Attorney General, Criminal Division.

Mr. President, I ask unanimous consent that Mr. Civiletti's February 14, 1978 letter to me be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C.,
February 14, 1978.

Hon. ABRAHAM RIBICOFF,
U.S. Senate, Russell Senate Office Building, Washington, D.C.

DEAR SENATOR RIBICOFF: As you requested, the Department of Justice has reviewed Senate Bill 1766, the proposed Computer Fraud statute. We agree with your view that the potentials for computer related criminal activity, inadequately addressed by current law make a strong Federal statute such as S. 1766 highly desirable. With a view toward further strengthening the bill, we would suggest consideration of the following points prior to action on a final version.

1. The statute is titled Computer Fraud. In that it also deals in Section B, with damage and destruciton of hardware, might it not more appropriately contain some reference to that facet in the title, such as Computer Fraud and Abuse?

2. In Section A, the required intent element is not spelled out in detail. This can be corrected by modifying the provision to read: "Whoever knowingly and willfully, directly or indirectly accesses . . ."

3. Neither Section A nor Section B contains an "attempt" provision. As to Section A, the preparation of a computer fraud, e.g., file or program manipulation, may be the most time consuming and traceable portion of the crime, while the actual perpetration might take place in a fraction of a second. Yet, all the efforts leading up to the execution, if effected without accessing the computer, or if the final step were not taken and the scheme uncovered, would be outside the scope of statute without such an attempt provision. Similarly, in Section B, if the perpetrator were unsuccessful in his destructive activities or did not take the final step he might be unassailable without inclusion of an attempt proscription.

4. While the word "foreign commerce" is not used, it would in our view be desirable to have the legislative history reflect the fact that the statute is not intended to be limited to purely interstate frauds.

5. Section A(2) speaks of obtaining money, property, etc. It may be desirable to add the phrase "for themselves or another" in order to include those who, while not actually involved in the perpetration, are the knowing beneficiaries of the fraud.

6. Section B is targeted at those "unauthorized" persons who do harm, but overlooks those who are "authorized" and for whatever reasons under color of their authority may commit the same acts or cause them to be committed. Might it not be better to rephrase the section to address anyone who alters, accesses or manipulates any aspect of the computer, computer network, etc., or any part thereof, with "intent to cause destruction or damage" to the computer, the company, or any person related or associated thereto, or causes such acts to be done?

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[1] Office of Management and Budget draft TM No. 1 to OMB Circular A-71 on policy guidance for developing and implementing a computer security program. National Bureau of Standards Federal Information Processing Standard Publication 31, titled "Guidelines for Automatic Data Processing Physical Security and Risk Management".

National Bureau of Standards special publication 500-24 on performance assurance and data integrity practices.

7. In Section C(4) the definition of computer network is restricted to communication lines. Current networks, however, may actually communicate by microwave transmission. It may therefore be more appropriate to speak of "communication systems".

8. Section C(5) defines property to include electronically produced data. In actuality data is more often processed than produced. For completeness it is probably better to say "electronically processed or produced data".

9. The definition of financial instrument. Section C(7), does not specifically mention electronic fund transfers. Consideration should be given to adding to the end of the definition ". . . credit card, marketable security, or any electronic data processing representation thereof".

10. Section C(8) defines computer program in terms of a "series" of instructions or statements. While this is technically correct, it is possible to do quite a bit of damage with the execution of a single instruction or statement. It is probably unnecessarily restrictive to include the word "series".

We would like to assure you of our complete cooperation in providing whatever assistance is necessary to aid the Congress in its discussion and debate of this bill. Its passage will create a new and valuable weapon in the fight against white collar crime.

Very truly yours,

BENJAMIN R. CIVILETTI,
Assistant Attorney General, Criminal Division.
By JOHN C. KENNEY,
Deputy Assistant Attorney General, Criminal Division.

Mr. RIBICOFF. Mr. President, in redrafting the Federal Computer Systems Protection Act, I accepted all but one of the recommendations from the Justice Department. The Department's recommendation to alter section B was not followed. In addition, the monetary penalty provision in section A of the bill was changed.

Philip R. Manuel, an investigator on the permanent Subcommittee on Investigations working at the full Governmental Affairs Committee level for the computer inquiry, assisted me in the original drafting of S. 1766. This year I asked Mr. Manuel to prepare a memorandum for me on the advisability of redrafting the bill to reflect the proposed Justice Department recommendations and other proposed changes we had been considering since the original introduction of the bill. Mr. Manuel presented the memorandum to me January 10, 1979.

Mr. President, I ask unanimous consent that Mr. Manuel's memorandum of January 10, 1979 be printed in the RECORD.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

MEMORANDUM

To Senator ABRAHAM RIBICOFF.
From Phil Manuel.
Via Fred Asselin.
Re Redraft of the Computer Fraud and Abuse Bill.

At your request, I have redrafted S. 1766 to reflect your concept of how the bill can be strengthened. None of the changes is major.

In the redraft, as you directed, I have incorporated all but one of the recommendations made by the Justice Department as contained in Mr. Civiletti's February 14, 1978 letter to you. In addition, based on advice I have received from certain computer security specialists and law enforcement sources, I have also made an adjustment in the monetary penalty provision in Section A of the bill for your consideration.

The one Justice Department recommendation that is not included, namely number six in Civiletti's letter, has to do with Section B of the bill. If this recommendation were to be incorporated into the bill, it would completely change the thrust of Section B in a way that would not achieve the original intent of that section. Therefore, Section B is essentially intact so that acts of unauthorized trespass into a computer are covered, as well as those criminal acts which do damage or destruction to either the computer hardware or software.

When Senator Biden's Criminal Laws Subcommittee held hearings on S. 1766 last summer, the bill was strongly endorsed by the Justice Department, FBI, GAO and an array of former U.S. Attorneys who have experienced difficulties in prosecuting computer crimes under current Federal law.

Certain private individuals who are regarded as computer experts were somewhat critical of the bill, especially Section B. They charged that 1766 was overly broad and, in essence, would bring ostensibly harmless acts, such as the creation of so-called Snoopy calendars, by computer operators and programmers under the prosecutive power of the Federal Government.

This "Snoopy Calendar" argument appears to have become the main line of opposition to the bill among certain computer professionals along with a similar argument that somehow this bill will insert Federal jurisdiction over operators and owners of hand-held calculators and other sophisticated electronic appliances which now are capable of performing memory and logic functions.

In my view, these arguments have very little merit when one considers that: (1) the same type of browsing and manipulation which creates a Snoopy calendar could facilitate a major fraud; and (2) the Wire Fraud Statute, after which this bill is patterned and which has been consistently upheld by the courts since 1934 is broader than S. 1766 and allows for as much prosecutorial discretion in its application. Taken to the extreme, the Wire Fraud Statute would technically allow the Federal Government to prosecute anyone who uses a slug to make an interstate telephone call from a phone booth. That does not happen because federal prosecutors would not waste their time on such matters, but nevertheless, the discretion to prosecute remains. The same principle holds in S. 1766.

I feel that S. 1766, as currently amended, adequately remedies deficiencies in Federal law with respect to computer crime and abuse.

As you directed, I am attaching a copy of the proposed bill in which the amendments are underlined and footnoted. Explanation of the footnotes is as follows:

Footnote 1.—the phrase "and abuse" is added to the title of 1028 in line with Justice Department recommendation #1 of 2/14/78.

Footnote 2.—the phrase "knowingly and willfully" is added to Section A in line with Justice Department recommendation #2 of 2/14/78.

Footnote 3.—the phrase "or attempts to access" is added to Section A in line with Justice Department recommendation #3 of 2/14/78.

Footnote 4.—the phrase "for themselves or another" is added to Section A (2) —in line with Justice Department recommendation #4 of 2/14/78.

Footnote 5.—the phrase "not more than two and one-half times the amount of the fraud or theft" is added to Section A (2) in lieu of a fine of not more than $50,000. This was not a Justice Department recommendation, but is based on the suggestion that since computer crimes usually involve the theft of large amounts of money, a maximum monetary penalty of $50,000 may be too low. For example, in the recent Security Pacific Bank case, Stanley Mark Rifkin, allegedly accessed the bank's Federal Reserve transfer computer indirectly to transfer $10.2 million dollars to an account in Switzerland via a New York bank. In such a colossal fraud, a maximum fine of $50,000 would appear to be very inappropriate. The increased penalty would allow a federal judge to levy a fine more consistent with the severity of the crime.

Footnote 3A.—The phrase "attempts to damage or destroy" is added to Section B in line with Justice Department recommendation #3 of 2/14/78.

Footnote 6.—the word "systems" is added to Section c(4) in line with Justice Department recommendation #7 of 2/14/78.

Footnote 7.—the words "processed or" are added to Section c(5) in line with Justice Department recommendation no. 8 of 2/14/78.

Footnote 8.—The phrase "or any electronic data processing representation thereof" is added to Section c(7) in line with Justice Department recommendation no. 9 of 2/14/78.

Footnote 9.—the phrase "an instruction or statement" is added to Section c(8) in line with Justice Department recommendation no. 10.

Footnote 1A.—the phrase "and abuse" is added to Section c (Page 4) in the title of §1028.

GAO CITES NEED FOR COMPUTER CRIME BILL

Mr. RIBICOFF. Mr. President, the United States General Accounting Office recently cited the need for passage of the Federal Computer Systems Protection Act, legislation which I reintroduced today with Senators PERCY, KENNEDY, DOMENICI, INOUYE, JACKSON, MATSUNAGA, MOYNIHAN, STEVENS, WILLIAMS, ZORINSKY, CHILES, and NUNN.

The bill would make it a crime to misuse the computer systems of the Federal Government, certain financial institutions and other entities involved in interstate commerce.

In testimony before the Senate Subcommittee on Criminal Laws and Procedures in June of 1978, officials of the General Accounting Office, as well as spokesmen from the Justice Department and the Federal Bureau of Investigation, endorsed the bill.

In addition, on January 17, 1979, Elmer Staats, the Comptroller General of the United States, cited a major computer compromise at the Department of Agriculture to demonstrate the need for passage of the Federal Computer Systems Protection Act.

In his letter to me, Mr. Staats commented on data gathered by the Agriculture Department's Office of Inspector General in connection with security procedures at the Washington Computer Center. The Inspector General's information is contained in a report issued October 13, 1978, entitled, "Review of ADP Security Procedures and Controls, Washington Computer Center and User Agencies as of September 28, 1978" and is identified as No. 50530-4-Hd.

The IG report says that Agriculture Department employees, using remote terminals, gained unauthorized access to computerized Government data on file at the USDA's Washington Computer Center more than 6,400 times in a recent

12-month period, an average of 17 times a day for 365 days.

The Washington Computer Center issues at least $83 million in Government checks annually through the USDA Child Nutrition Service.

Using the Washington Computer Center are more than 20 components of the Department of Agriculture and nine non-USDA agencies including the Department of the Navy, the Treasury Department, the General Accounting Office and the Bureau of the Census of the Department of Commerce.

Although the Agriculture Department identified 6,400 unauthorized accesses to these files, no prosecutions or other legal actions were initiated. Mr. Staats is of the opinion that the computer crime bill I have reintroduced, known as S. 1766 in the last session of Congress, would have enabled the Government to initiate legal action against certain perpetrators of the unauthorized accesses. Mr. Staats said:

> Had S. 1766 been enacted and in effect at the time these activities had occurred, there would have been a clear case for legal steps against the perpetrators, as their actions would have been covered.

Mr. President, I ask unanimous consent that Mr. Staats' letter of January 17, 1979 to me be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Hon. Abe Ribicoff,
U.S. Senate,
Dear Senator Ribicoff:

Thank you for your letter of December 7 concerning the penetrations of the U.S. Department of Agriculture's Washington Computer Center (WCC). We had been aware of the matter since April 3, 1978, the date an informant advised us that extensive security breaches had occurred. This was about the time that WCC, which had been tracking the penetrations for some months, took action to stimulate an investigation.

We discussed the matter with representatives of the Department's Office of Inspector General in April, and it was decided that they were the logical group to make the investigation. We have discussed aspects of their report with them, and believe that they have given adequate coverage to the subject. Their work was materially aided by cooperation from technically qualified staff of the WCC itself. Had S. 1766 been enacted and in effect at the time these activities had occurred, there would have been a clear case for legal steps against the perpetrators, as their actions would have been covered.

The enclosure to this letter responds to your request as to what data GAO had on the WCC's systems during the period covered by the OIG review, and presents their current status. We have orally supplied Mr. Asselin with other information on the operations of WCC.

As part of our on-going interest in the area, we plan to keep ourselves aware of further security developments at WCC.

Sincerely yours,
Elmer B. Staats,
Comptroller General of the United States.

Mr. RIBICOFF. Mr. President, on page 38 of the USDA Inspector General's report an assertion similar to Mr. Staats' is made, indicating that there is not now a legal mechanism for moving against perpetrators of the unauthorized accesses at the WCC but that there would be if the computer crime bill is adopted. The IG report says:

> Because of possible large dollar losses from a single act of computer abuse, specific reference of possible adverse actions against computer abuse should be stated in the Department's regulations. Therefore, until the Ribicoff bill becomes law, the Department should remind employees of possible administrative penalties for unauthorized computer accesses and other computer abuses.

According to the IG report, then, the only method now available to the Department for moving against perpetrators of unauthorized accesses is "administrative penalties."

I would like now to cite the specific language from the bill which would apply to the unauthorized accesses at the Agriculture Department's Washington Computer Center. The legislation says that:

> Whoever intentionally and without authorization directly or indirectly accesses, alters, damages, destroys, or attempts to damage or destroy any computer, computer system, or computer network . . . shall be fined not more than $50,000 or imprisoned not more than 15 years, or both.

This language is very important to the computer crime bill. In order to understand why, it is necessary to point out that there are two actions—deliberate destruction and unauthorized access—which this language in the bill is written to respond to.

The first action, deliberate destruction of a computer, its data or program, can be initiated by a disgruntled employee, a vandal or a terrorist. The significant consideration about this person whose intent is to destroy is to recognize that his motive is not necessarily to realize a financial profit. It is to inflict damage.

That in itself should be a crime. This kind of damage need not be limited to a traditional assault, property loss or property impairment, such as detonating an explosive inside or near the computer. Instead the damage may be inflicted by peneration into the computer where through means of electronic manipulation data or software can be selectively or indiscriminately erased, altered or destroyed.

At present there is no specific language in Federal law that would adequately cover this form of deliberate action. The Federal Computer Systems Protection Act clearly specifies that this kind of action is against the law. An unauthorized access into a computer is in traditional legal terms, a trespass, and it is this act of trespass which my bill seeks to prohibit.

The IG report on the USDA Washington Computer Center addresses this issue in this explanation:

> Most agencies personnel who did not have data considered sensitive were not concerned about data integrity. Data integrity refers to the description of the sensitivity of data to accidental or unauthorized intentional destruction or modification, which indicates the need for protection.
>
> These personnel stated that a person could not gain financially from the unauthorized access of their data. Therefore, they believe that there was no need for concern. Although no financial gain can be obtained from some unauthorized accesses, any malicious change or manipulation of data could cause a temporary or a prolonged setback to the agency. For example, one agency personnel stated that they would have been "wiped out" if there were some unauthorized changes to their data. Their computer files were not password protected. Agencies should be concerned with possible degradation of their data integrity due to unauthorized changes and other malicious acts via computer. Agencies should review this risk in regard to the cost of recovering if their computer data is destroyed or changed.

I have discussed how the computer crime bill responds to deliberate physical damage to computers. The second action the legislation is drafted to confront has to do with what is known in the computer business as "browsing." According to the Federal Information Processing Standards Publication Series of the National Bureau of Standards, "browsing" is defined this way:

> Searching through storage to locate or acquire information without necessarily knowing of the existence or the format of the information being sought.

With that definition in mind, it is useful to consider what the USDA Office of Inspector General found in its review of security procedures at the Department's Washington Computer Center.

The 40-page report says that the more than 6,400 trespasses or unauthorized accesses at the WCC occurred in the 12-month period of April 1977 to March 1978. Unauthorized accesses of computer files were made to the Food and Nutrition Service (FNS) payment system which makes payments of about $83 million annually. The IG report goes on to say:

> There was no physical evidence of fraudulent payments to individuals and companies. Because of the inadequate computer security environment, individuals could have fraudulently manipulated the payment system without leaving any evidence in the computer of their penetration.

In other words, because they accessed the computer without authorization, the perpetrators at the WCC did what they wanted to do—and left no trace. Because security procedures were lax, they were able to "browse" until they found what they wanted. And no one will ever know what it is they wanted to find, or what they did with the information they found.

Imagine a similar situation in a bank. What bank or other financial house would allow unauthorized employees to go "browsing" through the vault or otherwise wander about the premises, particularly those rooms and offices which contained financial document-issuing apparatus? No bank would tolerate that for a minute.

Yet it went on continuously within the computers at the USDA in Washington Computer Center where at the minimum $83 million in Government checks were issued.

Some persons have said the trespass and "browsing" control section of the computer bill is too broad, that it would make it a Federal offense for harmless activities at the computer console such as making "Snoopy calendars" or filing away and tabulating bowling league scores and standings.

It is the view of many persons concerned about computer security that the same type of browsing, unauthorized access and manipulation which creates a Snoopy calendar also could facilitate a major fraud; or a serious act of intentional destruction. In addition, the criticism of the legislation is oblivious to the fact that Federal prosecutors have discretion in their application of the law.

As the staff of the Senate Governmental Affairs Committee has pointed out, the Federal Computer Systems Protection Act is patterned after the Wire Fraud Statute. The Wire Fraud Act is patterned after the Wire Fraud Statute. The Wire Fraud Statute has been consistently upheld by the courts since 1934 and is actually broader than the Federal Computer Systems Protection Act.

The Wire Fraud Statute allows for as much prosecutorial discretion as does the computer crime bill. The staff of the Committee noted:

> Taken to the extreme, the Wire Fraud Statute would technically allow the federal government to prosecute anyone who uses a slug to make an interstate telephone call from a phone booth. That does not happen because prosecutors would not waste their time on such matters but nevertheless the discretion to prosecute remains. The same principle holds in S. 1766.

On the subject of computer security in Federal programs, we must decide whether or not we truly wish to secure Federal facilities and data. Are Federal ADP equipment and facilities purchased and leased at enormous sums of money and vested with huge volumes of information to allow programmers and other support personnel the opportunity to "fool around" by making calendars and maintaining bowling league scores? I hope not. If we are to succeed at protecting Federal ADP facilities and programs against fraud, intentional destruction and unauthorized access, let us do it, and not be persuaded to dilute our efforts to convenience personnel who have become accustomed to utilizing the computer in an unauthorized way.

In the Agriculture Department IG report we have ample evidence of what happens when unauthorized accesses occur at the average rate of 17 a day for 365 days. The IG report cites instance after instance of why unauthorized access to Federal computers ought to be against the law.

The IG report says perpetrators at the WCC accessed confidential data of the U.S. Census Bureau. This data is not made available to the public.

The IG report says perpetrators accessed proprietary computer software programs "which possibly violates contractual agreements and copyright laws."

The IG report says perpetrators accessed computer files containing personnel data which is required to be protected from disclosure based on the Privacy Act of 1974.

On the subject of unauthorized accesses in violation of the Privacy Act, the IG report says:

> The Privacy Protection Study Commission recommended amendments to the Privacy Act to Congress which would make the individual gaining unauthorized access to such files subject to a $5,000 fine. Under the proposal it will not be necessary to prove intent, but merely that the Privacy Act violation was done without a "need to know."
>
> Also under the proposed amendment a person whose privacy was violated will be allowed to sue for damages without having to prove personal injury because of the privacy violation. The person will have only to substantiate that the agency did not comply with the Privacy Act.

The USDA IG report goes on to say that among the 6,400 unauthorized accesses to computerized Government data were penetrations of commercial trade information required to be protected from disclosure based on the Freedom of Information Act. The IG report adds:

> We believe that no damage resulted from the above unauthorized access of computer files on commercial trade information. However, this area is potentially vulnerable to unauthorized disclosure of commercial trade information and trade secrets.

The IG report says the computer programs used to operate and manage the Washington Computer Center itself were penetrated. The WCC did not use adequate password protection devices and other methods to safeguard against unauthorized access. The report says:

> Any tampering or unauthorized changes to the WCC computer programs were potentially damaging to the WCC operating system such as manipulating the WCC billing system and disrupting services provided to customers.

Without proper controls on who could do what, security procedures—or the lack of them—enabled individuals to do pretty much what they wanted to do at the WCC. The IG report says one person copied the WCC computer security system before it was fully implemented in 1976. This security system, along with other computer files copied by employees, gave personnel unlimited capability to manipulate, change or copy most data processed by WCC.

One employee used the WCC computer to assist him in his outside consulting business. The employee also allowed his children to play computer games on the WCC computer from a Government-owned remote terminal in his home, the IG report says.

Most computer programers using the WCC do not have security clearances even though some deal with sensitive data and data required to be safeguarded under the Privacy Act, the IG report says, adding that some agency users of the WCC did not password protect or use other means to safeguard sensitive data and data required to be protected from unauthorized disclosure based on the Privacy and the Freedom of Information Acts.

The IG report offers this warning:

> The Department has a chance to correct its computer security procedures and practices before current strong legislation on such areas in Congress become law. If the major provisions of the Computer Crime Bill become law, employees could be subject to stiff penalties for unauthorized computer accesses and other computer abuses.

The IG report also addresses itself to the overall climate concerning security among user agencies of WCC.

> Computer security was sacrificed for convenience. A general attitude was found among agencies that password protecting and changing were an inconvenience. There was a lack of employee security consciousness demonstrated by not exercising proper care in handling sensitive data.

The IG report explains one instance of why unauthorized accesses to computer data should be a matter of deep concern to the Department:

> At the beginning of this inquiry we noted weaknesses in computer security and internal control procedures concerning ESCS' (Economics, Statistics and Cooperative Service) Agriculture Information System (AIS) formally called Project OASIS (Outlook and Situational Information System). The AIS data base contains historical data, price projections, variables, and computer modeling techniques on domestic and foreign agricultural products. For example, AIS data base contains historical and forecast information on world production and consumption of major grains, vegetable oils and meats. The AIS data base contains sensitive information which will eventually be used to assist in setting USDA agricultural policies.

While acknowledging that investigators found no evidence that financial losses occurred as a result of the more than 6,400 unauthorized accesses at the WCC, the Inspector General's report takes small comfort in the fact, saying:

> Although no evidence of large dollar losses were found during this inquiry, a very real potential exists for large dollar losses, damage to agencies' operations, lawsuits, and embarrassment to the Department. In other words, the Department may still have an opportunity to "lock the barn door before the horse gets out."

The Agriculture Department components which used the WCC during the 12-month period are Marketing Research Institute, Agricultural Research Service, Agricultural Stabilization and Conservation Service, Animal and Plant Health Inspection, Automated Data Systems, Cooperative State Research Service, Economic Research Service, Extension Service, Farmer Cooperative Service, Farmers Home Administration, Food and Nutrition Service, Food, Safety and Quality Service, Foreign Agricultural Service, Forest Service, National Agricultural Library, Office of Audit, Office of Economic Management Support Center, Office of Operations, Office of Personnel, Packers and Stockyards Administration, Rural Electrification Administration, Soil Conservation Service, Statistical Reporting Service, and Washington Computer Center.

Nonagriculture users of the WCC included the U.S. Navy, the Treasury Department, the Bureau of Census of the Commerce Department, the GAO, the Federal Mediation Board, and the Renegotiation Board.

It is a matter of concern that agencies such as the Navy, Treasury, and GAO, all of which handle data of varying degrees of sensitivity, have stored information in the WCC. I have notified the Office of Management and Budget, Navy, Treasury, and GAO of my interest. Of special concern was the possibility that the Navy might have had data of a sensitive nature in the WCC.

Equally important, it is apparent that the USDA IG's report demonstrates that when widespread unauthorized accesses are tolerated in any Government computer center compromises of security will be commonplace. An "anything goes" attitude will prevail and the facility will relegate appropriate security procedures to a back seat status—and all for the convenience of personnel.

It is important, then, that the Government have at its disposal a computer crime statute that enables it to take legal action against perpetrators who are found to have conducted unauthorized accesses of ADP facilities and data in Federal programs and certain organizations involved in interstate commerce. It would be regrettable if a computer crime statute is adopted that does not include such provision because the Congress does not wish to inconvenience personnel accustomed to "playing around" at the console. Moreover, those employees who wish to use the computer to improve their own professional skills or to improve a program have only to obtain needed authority before doing so. Federal procedures in the ADP field ought to require such authorization anyway.

Finally, I wish to commend the Department of Agriculture for this report by its Office of Inspector General. The Department already enjoys a reputation for being concerned about computer security. This report, specific, comprehensive and candid, will result in improved security at the WCC and elsewhere in the Department's computer operations. In addition, the report has shown the need for a Federal computer crime statute.●

Mr. PERCY. Mr. President, I am most pleased to join Senator RIBICOFF in introducing S. 240, the Federal Computer Systems Protection Act of 1979. This is the first Federal criminal legislation that would specifically prohibit misuse of the computer.

The difficulties we face in combatting crime in the computer age are many. Computer thefts and misuse are extremely hard to detect. Very few law enforcement officials and prosecutors are familiar enough with the technical issues to prosecute effectively and convict computer criminals. Private firms and banks are sometimes reluctant to divulge the fact that such crimes have occurred within their institutions. Present laws do not provide the public with adequate protection against computer theft.

Computer crimes often result in losses of millions of dollars. It is imperative that our criminal laws be brought up to date to aid Federal prosecutors in combatting electronic thefts. Presently prosecutors have to "shoe-horn" computer crime prosecutions under antiquated statutes. We cannot expect 19th century statutes to stop 20th century crimes.

This bill is essentially the same as the version introduced in the 95th Congress. However, the bill incorporates a number of revisions, including practically all the suggestions made last year by the Justice Department for improving the legislation.

One of the more significant changes has been the toughening of the financial penalty for computer crime. The permissible fine for computer fraud under this legislation could be as much as two and a half times the amount of the theft. This notion of letting the monetary punishment fit the crime is one I strongly support. I have incorporated this same approach into my proposed legislation, the Securities Protection Act (S. 2323 in the 95th Congress), which would broaden and toughen Federal jurisdiction over stolen and counterfeit securities.

We must bear down hard on white collar crime. Not only should the sentencing judge be able to impose heavy fines, but, when appropriate, he should be able to mete out stiff prison sentences. Under this measure, a maximum prison term of up to 15 years may be imposed.

This legislation prohibits the theft, destruction or fraudulent use of data from computers owned or used by the U.S. Government, or by financial institutions or entities operating in interstate commerce. In addition to facilitating the prosecution of computer crimes, it will serve as a badly needed focus for increased law enforcement efforts that have been to date woefully inadequate.

The bill would make it a Federal crime to "access" a computer for fraudulent purposes such as theft, sabotage, or embezzlement. "Access" includes four specific categories of computer crime:

> (1) tampering with the input system by programming fraudulent data into the computer bank;
>
> (2) using computer facilities for illegal purposes;
>
> (3) altering or destroying vital data within the computer system; and
>
> (4) stealing money, property or confidential information through the manipulation of the computer output process.

This includes, but is not limited to, four typical types of computer fraud:

> (1) *wiretapping*. This is gaining a direct connection to the computer in order to perpetrate fraud;
>
> (2) *radiation*. This is a sophisticated way to "eaves-drop" on the data within a computer system;
>
> (3) *artifice*. This is the introduction of a secret code or program within the computer banks which can be used for subversion from within; and
>
> (4) *impersonation*. This is using another person's identification or performing as a legitimate user to gain access to the computer for illegal purposes.

This legislation is the result of a year long investigation of the Governmental Affairs Committee which revealed the insufficient security of government computers and the absence of adequate protection in our Federal criminal code against computer crime. The legislation is necessarily designed to be broad and flexible in combating the many sophisticated ways in which the computer can be used to perpetrate fraud.

It has been a year and a half now since this bill was first introduced. That time has only served to emphasize the need for the Congress to act on this legislation. According to a recent article in Police Chief magazine, the Stanford Research Institute forecasts that unless countermeasures are implemented, computer fraud may reach $40 billion a year. That staggering sum is approximately the amount of money that the United States spends annually on imported oil.

As is so often the case, the American consumer ultimately shoulders the burden of the mammoth thefts, which add fuel to the fires of inflation through rising prices and increased cost of services.

Nobody knows for sure how much is actually lost each year. According to the U.S. Chamber of Commerce, computer thefts amount to $100 million a year; an article in the Harvard Business Review estimates it to be as high as $3 billion. Even these figures may be too small. A recent report by the Commerce Department noted that:

> It is estimated that for every detected computer crime, there are 100 undetected crimes in progress. Furthermore, another estimate indicated that for every five computer-related crimes detected, four go unreported.

Computer crime has huge payoffs. While the average bank robbery results in a loss of under $10,000, bank theft by means of a computer averages $193,000 per heist; computer crime against corporations results in an average loss of $621,000; against State and local government, the average is $329,000. This, coupled with the slight chances of being jailed, makes computer crime a very lucrative business for the criminal element.

According to August Bequai, the past chairman of the Federal Bar Association Subcommittee on White Collar Crime, "the likelihood of being convicted of a computer crime is one in five hundred and of going to jail one in a thousand." These odds are appealing to the thief, but appalling to the American public.

As we move closer to becoming a "cashless" society, we see more examples of computer criminals with higher and higher "takes." One of the more recent computer capers involved a very ordinary man who managed to steal an extraordinary $10.2 million from the Security Pacific National Bank of Los Angeles without the bank ever realizing it. Somehow, this self-employed computer expert learned the code to tie into the Federal Reserve Board wire and had $10.2 million transferred to a bank in Switzerland. He flew there and purchased 19 pounds of diamonds which he then smuggled back into the United States. The wire theft slipped past the bank's security system and was only brought to their attention by the FBI a week later. This becomes more understandable, but far more troubling, when you realize that the Federal Reserve normally transfers some $20 billion a week by wire. This computer criminal was apprehended due to his own mistake—he bragged of his crime.

Computer crime not only threatens our property, it also threatens our right to privacy. Computers are increasingly being used to store mountains of personal data due to their massive capabilities and efficiency. The computer saves us incredible amounts of time and effort, accomplishing in a few minutes complex, tedious calculations that would take months or even years to complete without it. But, it also has the Big Brother potential for invading our privacy and destroying our freedom. Like any tool of man, it can be used and misused. But unlike most other tools, its potential harm as well as its potential benefit is almost unlimited.

Most white collar crimes involve hundreds, or even thousands, of victims. Our law must reflect the interest of this nameless group and take a firm stance against white collar crime. Such a stance is presently lacking in the area of computer crime.

I am encouraged by the early introduction of such significant legislation. I hope that it will receive expeditious treatment by the Congress.

Senator Ribicoff, and his staff have worked long and hard on this problem and have done a truly outstanding job. They deserve a tremendous amount of credit for alerting the Congress and the American public to the necessity of a strong Federal response to computer crime.

What once we thought of as futuristic fantasy is now a criminal reality. Our hesitation contributes to the public dismay and the computer criminal's success.

ADDITIONAL COSPONSORS

S. 33

At the request of Mr. Roth, the Senator from Alaska (Mr. Stevens) was added as a cosponsor of S. 33, a bill to provide for permanent tax rate reductions for individuals.

S. 34

At the request of Mr. Roth, the Senator from Alaska (Mr. Stevens) was added as a cosponsor of S. 34, the Spending Limitation Act of 1979.

S. 43

At the request of Mr. Hatch, the Senator from Washington (Mr. Magnuson), the Senator from South Carolina (Mr. Hollings), the Senator from California (Mr. Cranston), the Senator from Alaska (Mr. Stevens), the Senator from New Jersey (Mr. Williams), the Senator from Michigan (Mr. Riegle), the Senator from New Mexico (Mr. Schmitt), and the Senator from Oklahoma (Mr. Bellmon) were added as cosponsors of S. 43, the National Ski Patrol System Recognition Act.

S. 80

At the request of Mr. Nelson, the Senator from Michigan (Mr. Riegle) was added as a cosponsor of S. 80, to maintain through September 30, 1981, an 80-percent minimum support level for dairy products.

S. 93

At the request of Mr. Nelson, the Senator from Kentucky (Mr. Huddleston) was added as a cosponsor of S. 93, to require that Federal agencies publish certain statements during the rulemaking process, and for other purposes.

S. 67

At the request of Mr. Hollings, the Senator from Arkansas (Mr. Bumpers), the Senator from Arizona (Mr. Goldwater), the Senator from North Carolina (Mr. Helms), the Senator from New Hampshire (Mr. Humphrey), the Senator from New York (Mr. Moynihan), the Senator from Rhode Island (Mr. Pell), the Senator from West Virginia (Mr. Randolph), the Senator from Mississippi (Mr. Stennis), and the Senator from Alaska (Mr. Stevens) were added as cosponsors of S. 67, a bill to amend the Trade Act of 1974.

S. 102

At the request of Mr. Tower, the Senator from Wyoming (Mr. Wallop) and the Senator from Utah (Mr. Garn) were added as cosponsors of S. 102, a bill to postpone the increase in the minimum wage and the adjustment to the tip credit under the Fair Labor Standards Act of 1938.

S. 112

At the request of Mr. Dole, the Senator from Texas (Mr. Tower) was added as a cosponsor of S. 112, a bill to repeal the carryover provisions added by the Tax Reform Act of 1976.

S. 211

At the request of Mr. Hart, the Senator from Arkansas (Mr. Pryor) and the Senator from Arizona (Mr. Goldwater) were added as cosponsors of S. 211, to amend the Internal Revenue Code of 1954 to provide for the indexation of individual income tax brackets, and for other purposes.

SENATE RESOLUTION 25—ORIGINAL RESOLUTION REPORTED TO AMEND THE STANDING RULES OF THE SENATE

Mr. SCHMITT, from the Select Committee on Ethics, reported the following original resolution, which was referred to the Committee on Rules and Administration:

S. Res. 25

Resolved, That paragraph 1(c) of rule XLVI of the Standing Rules of the Senate is amended to read as follows:

"(c) funds derived from contributions (as defined in section 301(e) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(e)) to—

"(1) the Member's principal campaign committee (as defined in section 301(n) of such Act (2 U.S.C. 431(n));

"(2) the Democratic Senatorial Compaign Committee and the National Republican Senatorial Committee; and

"(3) the national committee of a political party and the State committee of a political party with which the Member is affiliated; and".

SENATE RESOLUTION 26—ORIGINAL RESOLUTION REPORTED AUTHORIZING ADDITIONAL EXPENDITURES

Mr. CANNON, from the Committee on Commerce, Science, and Transportation, reported the following original resolution, which was referred to the Committee on Rules and Administration:

S. Res. 26

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on Commerce, Science, and Transportation is authorized from March 1, 1979, through February 29, 1980, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

Sec. 2. The expenses of the committee under this resolution shall not exceed $2,652,800, of which amount (1) not to exceed $100,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended), and (2) not to exceed $2,300 may be expended for the training of professional staff of such committee (under procedures specified by section 202(j) of such Act).

Sec. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 29, 1980.

Sec. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

SENATE RESOLUTION 27—SUBMISSION OF A RESOLUTION RELATING TO "DAY OF MARTI, APOSTLE OF LIBERTY"

Mr. STONE submitted the following resolution which was referred to the Committee on the Judiciary:

S. Res. 27

Whereas the contributions of Jose Marti to the cause of liberty, freedom, and the self-determination of peoples of the world are worthy of the praise and admiration of mankind;

Whereas the Cuban people derived their independence from colonial government much as a result of the efforts and inspiration of Jose Marti; and

Whereas Jose Marti is remembered as "The Apostle of Cuban Independence" by hundreds of thousands of Cubans and Cuban-Americans residing in the United States who contribute richly to the life of our Nation: Now, therefore, be it

Resolved by the Senate of the United States of America in Congress assembled, That the President is authorized and requested to issue a proclamation designating January 28, 1979, as "Day of Marti, Apostle of Liberty", and calling upon the people of the United States and interested groups and organizations to observe such day with appropriate ceremonies and activities.

● Mr. STONE. Mr. President, the United States has profited immensely, in fact has achieved greatness in large part through, the contributions of the successive waves of immigrants who have provided our Nation with diversity, richness, and a desire to perpetuate and strengthen our institutions of liberty.

I am submitting a resolution to honor the many hundreds of thousands of Cuban refugees in the United States and the man whose efforts secured independence for their homeland: Jose Julian Marti.

Although Cuba is small in size and population, her people's heroic struggles for independence fill the pages of history with heroism, courage, and determination. Both old and young, black and white, rich and poor fought side by side to achieve their liberty.

This small island was the birthplace of Jose Marti, one of the great figures of

Latin American history and culture. Marti dedicated his life to the cause of Cuban independence and ultimately died a martyr's death. He is remembered by Cubans as their "Apostle," and the message he preached of equality, democracy, and justice will be remembered in the hearts of freedom-loving men forever.

It is proper that we remember Jose Marti's birthday, January 28, as the national "Day of Marti, Apostle of Liberty." ●

AMENDMENT SUBMITTED FOR PRINTING

FEDERAL ACQUISITION REFORM ACT—S. 5

AMENDMENT NO. 54

(Ordered to be printed and referred to the Committee on Governmental Affairs.)

Mr. CHURCH submitted an amendment intended to be proposed by him to the bill (S. 5) the Federal Acquisition Reform Act.

ARCHITECTURAL-ENGINEERING PROJECT PROCUREMENT

● Mr. CHURCH. Mr. President, today I am resubmitting my amendment to the Federal Acquisition Reform Act. S. 5. My amendment would simply clarify current law, the Brooks bill, which governs the procurement of services directly related to Federal architectural-engineering projects.

Since introducing this amendment, I have received a number of expressions of interest and support, both from the public and Members of Congress. Although there has been no opposition to my proposal, there have been reservations over its wording, and I wish to emphasize that I am open to suggestions to perfect it. For this purpose, I ask unanimous consent that my statement on introducing the amendment last year, along with the text revised to conform with S. 5 be printed in the RECORD at the conclusion of my remarks.

I want to take this opportunity, Mr. President, to again commend Senator LAWTON CHILES for his outstanding work for reform of Federal procurement law. The Federal Acquisition Reform Act is the culmination of years of effort. With the recent prosecutions in the GSA scandals, it has become most timely for the Senate to act on this matter, and I note in Senator CHILES' introductory statement for S. 5 that that is exactly his intention. He has been most helpful to me on my own amendment, and I am confident that this entire matter can be presented for action in the near future.

There being no objection, the statement and amendment of last year were ordered to be printed in the RECORD, as follows:

PROCUREMENT OF SERVICES INCIDENTAL TO ARCHITECTURAL ENGINEERING PROJECTS

Mr. CHURCH. Mr. President, today I have submitted an amendment to S. 1264, the Federal Acquisition Act of 1977, in order to clarify present law governing Federal procurement of services which are directly related to Federal architectural engineering (A-E) projects.

S. 1264 would rewrite Federal procurement laws, based upon the recommendations of the Commission on Government Procurement. It is a major and much-needed undertaking that has spanned several years, and Senator CHILES, chairman of the Governmental Affairs Subcommittee on Federal Spending, is to be commended for his efforts in reporting this legislation to the Senate for action.

One procurement law which S. 1264 would not amend is Public Law 92-582, commonly called the Brooks bill after the chairman of the House Committee on Governmental Operations. This law was enacted in 1972 in order to codify a unique procurement procedure which had been used for A-E projects.

The Brooks bill procedure requires that A-E contracts be negotiated rather than let by competitive bidding. In addition, however, a relatively unique characteristic of the Brooks bill as compared to other present procurement laws—whether they prescribe negotiations or competitive bidding—is its requirement that these projects be publicly announced. Therefore, even though these contracts are negotiated rather than bid competitively, they are negotiated in the sunshine.

The Brooks bill procedure itself is also unique. It requires that Federal agencies maintain a list of eligible firms. When the agency contemplates an A-E project, three firms are selected from the list, and negotiations are undertaken with each in order of preference. I ask unanimous consent that the Brooks bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

SUBCHAPTER VI.—SELECTION OF ARCHITECTS AND ENGINEERS (NEW)

§ 541. Definitions.

As used in this subchapter—

(1) The term "firm" means any individual, firm, partnership, corporation, association, or other legal entity permitted by law to practice the professions of architecture or engineering.

(2) The term "agency head" means the Secretary, Administrator, or head of a department, agency, or bureau of the Federal Government.

(3) The term "architectural and engineering services" includes those professional services of an architectural or engineering nature as well as incidental services that members of these professions and those in their employ may logically or justifiably perform. (June 30, 1949, ch. 288, title IX, § 901, as added Oct. 27, 1972, Pub. L. 92-582, 86 Stat. 1278.

§ 542. Congressional declaration of policy.

The Congress hereby declares it to be the policy of the Federal Government to publicly announce all requirement for architectural and engineering services, and to negotiate contracts for architectural and engineering services on the basis of demonstrated competence and qualification for the type of professional services required and at fair and reasonable prices. (June 30, 1949, ch. 288, title IX, § 902, as added Oct. 27, 1972, Pub. L. 82-582, 86 Stat. 1279.)

§ 543. Requests for data on architectural and engineering services.

In the procurement of architectural and engineering services, the agency head shall encourage firms engaged in the lawful practice of their profession to submit annually a statement of qualifications and performance data. The agency head, for each proposed project, shall evaluate current statements of qualifications and performance data on file with the agency, together with those that may be submitted by other firms regarding the proposed project, and shall conduct discussions with no less than three firms regarding anticipated concepts and the relative utility of alternative methods of approach for furnishing the required services and then shall select therefrom, in order of preference, based upon criteria established and published by him, no less than three of the firms deemed to be the most highly qualified to provide the services required. (June 30, 1949, ch. 288, title IX, § 903, as added Oct. 27, 1972, Pub. L. 92-582, 86 Stat. 1279.)

§ 544. Negotiation of contracts for architectural and engineering services.

(a) The agency head shall negotiate a contract with the highest qualified firm for architectural and engineering services at compensation which the agency head determines is fair and reasonable to the Government. In making such determination, the agency head shall take into account the estimated value of the services to be rendered, the scope, complexity, and professional nature thereof.

(b) Should the agency head be unable to negotiate a satisfactory contract with the firm considered to be the most qualified, at a price he determines to be fair and reasonable to the Government, negotiations with that firm should be formally terminated. The agency head should then undertake negotiations with the second most qualified firm. Failing accord with the second most qualified firm, the agency head should terminate negotiations. The agency head should then undertake negotiations with the third most qualified firm.

(c) Should the agency head be unable to negotiate a satisfactory contract with any of the selected firms, he shall select additional firms in order of their competence and qualification and continue negotiations in accordance with this section until an agreement is reached. (June 30, 1949, ch. 288, title IX, § 904, as added Oct. 27, 1972, Pub. L. 92-582, 86 Stat. 1279.)

Mr. CHURCH. My amendment, Mr. President, will clarify the basic scope of the law as it applies to "incidental services." The general services to be contracted under the Brooks bill procedure are defined to include "those professional serivces of an architectural or engineering nature, as well as incidental services that members of these professions and those in their employ may logically or justifiably perform." My amendment will reiterate the intent of the Brooks bill's inclusion of incidental services when contracts involve these services alone in the context of A-E projects.

The incidental services to which my amendment is targeted are themselves performed by professionals. The best example is surveying. My State of Idaho and a number of others license surveying as a profession. Licensing for professions has traditionally been the responsibility of the States, and I believe that it should remain so. Although States may choose not to license certain professions, such as chiropractic, naturopathy or many others, or, as in the case of surveying, to incorporate it into other professions like architecture or engineering, the Federal Government must not override or "delicense" professions which States do choose to license.

The Brooks bill does not "delicense" surveying because of its specific inclusion of incidental services. A decision by the Comptroller General "Ninneman Engineering," addressed this matter and held:

> Where performance of cadastral (land) survey is incidental to professional A-E services, survey must be procured in course of procurement of such professional A-E services, which must follow method prescribed in Brooks Bill. . . . If survey is independent of A-E project, established competitive procedures may be used."

In this decision and another involving the profession of mapping, the Comptroller General ruled that the services in these specific cases were not incidental to A-E projects, and therefore were not covered by the Brooks bill.

In a letter to the Comptroller General requesting a review of these adverse linkage determinations Chairman Brooks wrote:

"As you know, the Brooks Act encompasses the procurement of professional services of an architectural and engineering nature, including those involving ancillary services that members of these professions or those in their employ may logically and justifiably perform. Such ancillary services clearly include those involving surveying and mapping. I recognize that instances may occur where an agency may seek to obtain such services which have no connection with any aspect of an architectural or engineering project and would not fall within the Act. However, if such a service is utilized by an agency, directly or indirectly, in an A-E project, or in gathering data and professional opinions upon which to base a decision to enlist A-E services, then such services would fall within the Act."

Furthermore, Mr. President, the Comptroller General has affirmed the inclusion of contracts for services which are incidental to A-E projects in his letter to me on this matter of April 5, 1978. He also states that surveyors are engaged in a licensed profession under the Brooks bill. I ask unanimous consent that this letter be printed at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. CHURCH. Despite all of these assurances, Mr. President, Idaho surveyors and others have told me emphatically that they have been excluded from consideration for contracts let under the Brooks bill procedure. My amendment is designed to clarify the fact that they must be included.

I have discussed this situation and my amendment with Senator CHILES. I am most grateful for his sympathetic and supportive response, although I recognize he may have reservations over its wording. So that all concerned can have an opportunity to review its text, I ask unanimous consent that my amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 3435

On page 92, immediately after line 4, insert the following new title:

TITLE X—SELECTION OF FIRMS TO PERFORM INCIDENTAL SERVICES AMENDMENTS TO THE FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT OF 1949

SEC. 1001. (a) Section 901(1) of the Federal Property and Administrative Services Act of 1949 is amended by inserting immediately before the period a comma and the following: "except in the case of incidental services as described in paragraph (3), the term 'firm' includes any individual, firm, partnership, corporation, association, or other legal entity permitted by law or otherwise professionally qualified to perform such incidental services".

(b) Section 901(3) of such Act is amended by striking out "that members of these professions and those in their employ may logically or justifiably perform" and inserting "to professional architectural and engineering services".

On page 43, in the table of contents, immediately after item "Sec. 902." insert the following:

TITLE X—SELECTION OF FIRMS TO PERFORM INCIDENTAL SERVICES

SEC. 1001. Amendments to the Federal Property and Administrative Services Act of 1949.

EXHIBIT 1

COMPTROLLER GENERAL
OF THE UNITED STATES,
Washington, D.C., April 5, 1978.

Hon. FRANK CHURCH,
U.S. Senate.

DEAR SENATOR CHURCH: We refer to your letter of January 10, 1978, enclosing correspondence you received concerning Federal procurement and the profession of surveying. You suggest that two of our recent decisions reflect a usurpation of the states' surveyor licensure requirements by Federal procurement regulation, which you believe was not intended by Congress.

The decisions you reference are Ninneman Engineering-reconsideration, B-184770, March 9, 1977, 77-1 CPD 171, and United States Geological Survey, B-118678, May 6, 1977, 77-1 CPD 314. Copies are enclosed, as well as in a copy of our initial decision in Ninneman Engineering, B-184770, May 11, 1976, 76-1 CPD 307. In the March 9, 1977, decision we considered whether cadastral surveys must be procured in accordance with the Brooks Bill, 40 U.S.C. § 541 et seq. (Supp. V, 1975), which states the Federal Government's policy in the procurement of architect-engineer (A-E) services. Our findings in that decision served as the basis for the May 6, 1977, decision, which involved certain mapping services.

The Brooks Bill declares it to be Federal policy to publicly announce all requirements for achitectural and engineering services and to negotiate contracts for such services on the basis of demonstrated competence and qualification and at fair and reasonable prices. In Ninneman Engineering-reconsideration, we outlined the procedures prescribed in the Bill as follows:

"Generally, the selection procedures prescribed require the contracting agencies to publicly announce requirements for A-E services. (This represents a change in the traditional method of obtaining A-E services.) The contracting agency then evaluates A-E statements of qualifications and performance data already on file with the agency and statements submitted by other firms in response to the public announcement. Thereafter, discussions must be held with 'no less than three firms regarding anticipated concepts and the relative utility of alternative methods of approach' for providing the services requested. (The discussion requirement is also a change in the traditional selection method.)

"Based on established and published criteria, the contracting agency then ranks in order of preference no less than three firms deemed most highly qualified. The legislative history makes it clear that the criteria to be used in ranking the firms for selection and final negotiation should not include or relate, either directly or indirectly, to the fees to be paid the firm. S. Rep. No. 1219, 92d Congress, 2d Sess. 8 (1972); H.R. Rep. No. 1188, 92d Congress, 2d Sess 10 (1972).

"Negotiations are held with the A-E firm ranked first. Only if the agency is unable to agree with the firm as to a fair and reasonable price are negotiations terminated and the second ranked firm invited to submit its proposed fee."

The Bill defines A-E services at 40 U.S.C. § 541(3) to include "those professional services of an architectural or engineering nature as well as incidential services that members of these professions and those in their employ may logically or justifiably perform." The issues before us arose because we were advised that performance of the surveys and the mapping services are not unique to professional A-E firms but are often performed by them. In this connection, it is not our position, as represented in the correspondence enclosed with you letter, that surveying is not a "professional" service. On the contrary, we recognize that states may require that land surveyors be licensed by the State. We also recognize, however, that states may have separate registration requirements for architects and engineers.

In considering whether Brooks Bill procedures applied to cadastral surveys, or whether agencies could instead use standard competitive procurement procedures, we reviewed the legislative history of the Bill. The history shows that the first part of the above definition, "professional services of an architectural or engineering nature," refers to services which are either unique to the A-E profession, or to a substantial or dominant extent logically fall within the particular expertise of its members. See S. Rep. No. 1219, 92d Cong., 2d Ses. 7 (1972); H.R. Rep. No. 1188, 92d Cong., 2d Sess. 7 (1972). Those services would essentially consist of design and consultant services traditionally obtained in connection with Federal construction and related programs, including alteration and renovation projects. S. Rep., supra, 1; H.R. Rep., supra, 1. Since we were advised that cadastral surveys could be adequately and properly performed by other than an architect or an engineer, the cited phrase in the definition at 40 U.S.C. § 541(3) could not be a basis to require their procurement by Brooks Bill procedures.

However, we were also advised that cadastral surveys may "logically or justifiably" be performed by professional A-E firms. Thus, their procurement would in fact be subject to the Brooks Bill if, as stated in the second part of the definition, they are "incidental" to otherwise professional A-E services, as described above.

We therefore concluded that where such services are to be performed in conjunction with "professional services of an architectural or engineering nature," which clearly must be procured by the Brooks Bill procedures, they should be contracted for in the course of the procurement of the professional A-E services under the Brooks Bill method. A number of the types of services which may be considered "incidental" are listed at Federal Procurement Regulations § 1-4.1002(c) (1964 ed. amend. 150).

We trust that the above discussion and the enclosed material serve the purpose of your inquiry.

Sincerely yours,
ELMER B. STAATS,
Comptroller General
of the United States.●

NOTICE OF HEARING

SUBCOMMITTEE ON SOCIAL SECURITY

● Mr. NELSON. Mr. President, I wish to announce that the Subcommittee on Social Security of the Finance Committee will hold a hearing on the requirements for deposit by the States of the amounts due to the social security trust funds as contributions related to the wages of State and local governmental employees who are covered under social security. The hearing will be held on January 29, beginning at 10 a.m. in room 2221 of the Dirksen Office Building.

Further information can be obtained from the Finance Committee's office in room 2227 of the Dirksen Building, telephone 224-4515.●

ADDITIONAL STATEMENTS

JAY SOLOMON

● Mr. BAKER. Mr. President, Jay Solomon, the head of the General Services Administration, has apparently made a terrible mistake. He has taken President Carter at his word.

Mr. Solomon heard, as we did, that the President wanted a vigorous investigation of the scandals at GSA.

Mr. Solomon also heard, as we did, that the President wanted an "open" administration.

Acting on these instructions, Mr. Solomon initiated a comprehensive investigation of his own agency—an investigation which has thus far yielded 41 indictments and 27 guilty pleas for defrauding the Government.

Mr. Solomon also made himself readily available to members of the press who thought the American people had a right to know what was going on with these investigations.

His openness and candor, even when the news was not good, won for Mr. Solomon a rare degree of respect from journalists and the public alike.

They have not won him many friends at the White House. For following the President's instructions, Mr. Solomon is being dismissed. But first, he is being allowed to twist slowly in the wind while the President's men decide how to handle a messy situation.

There is a discomforting sense that we have seen all this before, and seeing it again is not likely to arouse new confidence in the Carter administration in particular or Government in general.

It is people like Jay Solomon, Mr. President, who could help restore the confidence in Government so sadly lacking today.

He left a profitable business in Tennessee to take a thankless job at a scandal-ridden agency in Washington, and he has done that job very well.

He has stood firm against political cronyism, against enormous odds, only to be undercut and maligned by the same people who made "cronyism" a major campaign issue 3 years ago.

If Jay Solomon leaves the Government under these conditions, he will leave the Carter administration staring at a credibility gap as wide as any we have seen in Washington in recent years—and that is stiff competition, indeed.●

FOREIGN INVESTMENT IN AMERICAN FARMLAND

● Mr. CULVER. Mr. President, as a cosponsor of the legislation which requires nonresident aliens to pay capital gains taxes when they sell U.S. agricultural land, I urge the Senate to act on it at its earliest opportunity. Current law, which allows foreign individuals who own American farmland to avoid capital gains taxes when they sell or transfer that land, is totally unjustified. This exemption enables nonresident individuals to bid higher than our own farmers for our farmland and still realize the same profits when they sell that land. This not only exacerbates the problem of land price inflation, but is also contrary to the long-stated policy of preserving and promoting the family farm.

In light of the serious questions being raised about the desirability of foreign ownership, there certainly is no excuse for, in effect, subsidizing foreign investors to the detriment of our own farmers. Nor are the potentially harmful effects of this favorable tax treatment for foreigners confined to farmers. As the increased competition for farmland pushes land prices higher, consumer food prices will be increased. In addition, the U.S. Treasury is deprived of tax revenues on these sales.

Since 1967, average farmland prices have more than tripled. The total value of American farmland is now estimated at more than $500 billion. Every time farmland changes hands the escalated costs must be included in the prices farmers receive for their product. With a total value of $500 billion in farmland, it is easy to see that even a small change in land prices can add millions of dollars a year to food production costs and ultimately to our food bills.

For example, we currently have approximately 350 million acres of land in crop production. If foreign investment incentives, such as this discriminatory capital gains tax treatment, result in only a one-dollar-a-year increase in average land values, food production costs, at an estimated 14 percent for interest and property taxes combined, would be increased by almost $50 million per year. Ultimately, this overhead would have to be passed on to the consumer, and if experience is any teacher, the consumers would in fact see some multiple of this increase in farm costs.

This country remains an example to the world of the benefits of economic freedom. Free and fair trade has been and remains a vital determinant of the economic welfare of all nations. Investment is a legitimate aspect of international trade, and this amendment is not intended to pass judgment on the question of the desirability or undesirability of foreign access to investment in U.S. agricultural land. This question is being closely studied now as a result of the broad concern that has arisen in recent years and legislation that has already been enacted into law.

There can be little question, however, that the current capital gains tax exemption for foreign investment is in direct conflict with the principle of free and fair trade. The American farmer is put at an immediate disadvantage to foreign investors in his attempts to compete for land. Elimination of this tax loophole will help restore the competitive position of the American farmer and simultaneously serve the best interests of the consumer and taxpayer.●

PEACE IN THE MIDDLE EAST

● Mr. PACKWOOD. Mr. President, when President Carter, Prime Minister Begin, and President Sadat returned from Camp David last September, we were confident a solution to the Middle East dilemma was finally within our grasp. Our optimism has since faded. Because of the administration's shortsighted concentration on the West Bank and the Palestinian problem, the chance for success of any agreement between Egypt and Israel is now in serious trouble.

The administration's current Middle East policy is threatening the future of a stable solution to the Arab-Israeli dispute—the first step of which is a treaty between Egypt and Israel. If the selling of American jet fighters to the Saudis was an attempt to appease the Arab nation, it did not work. And if our present policy is an attempt to foster stability in that region, it is certainly misguided.

The turmoil in Iran is an omen of, and the nucleus for, a potential disruption of American security interests in that area. Syria and Iraq are controlled by the Soviet Union. Afghanistan has signed a 20-year military cooperation treaty with the Soviets. Most importantly, the dialog between Israel and Egypt is in danger. The situation demands a new American initiative.

Mr. President, in light of this, I am asking that Prof. Steven L. Spiegel's recent article in Commentary magazine be printed in the RECORD in its entirety. His arguments for a "Middle East Alternative" are insightful and provocative, and I think will be of great interest to my colleagues.

The article follows:

TOWARD A MIDDLE EAST ALTERNATIVE

(By Steven L. Spiegel)

A peculiarity of the Camp David accords is that they lend themselves to two opposing visions of the future of the Middle East. In the first vision, held by the Carter administration, the accords are a critical vehicle, but the core of the conflict in the area in the Palestinian issue and therefore an Egyptian-Israeli peace must be linked to a resolution of the future of the West Bank and Gaza. In the second vision, held by many of the administration's critics, an Egyptian-Israeli peace can stand by itself and the Palestinian issue is only one of a host of problems in the area that American policy should confront in the immediate future. To the proponents of the latter vision, a Cario-Jerusalem rapprochement opens new opportunities for American policy and should be pursued as the basis for developing a new strategy.

In this sense the two documents which make up the Camp David accords are contradictory and co-exist uneasily, for they suggest competing strategies. To the administration, Camp David presented the opportunity to produce a comprehensive settlement. When Jordan, Saudi Arabia, and the West Bankers demurred, the accords themselves became less useful and the primary aim became to protect Washington's position among pro-American Arabs and to convince them that Camp David constituted the kind of approach in which their interests could be satisfied. To the critics, Egyptian-Israeli relations were always central, not merely a step toward the resolution of other issues. The most important aim, for these observers, was to achieve a Cario-Jerusalem peace treaty and then move to the structuring of a different order in the region.

These two positions are thus divergent in philosophy, outlook, and the policies they prescribe. They have been, and are likely to remain, at the heart of the national debate over American Middle East policy. The direction of American policy in the area, the fate of American interests, and perhaps the next American election will be determined by the outcome of the national discussion which is currently proceeding. The stakes are thus very high and the rhetorical confrontation has been and will continue to be fierce.

Both sides agree as to the nature of the problems the United States faces in the Middle East: energy, Soviet encroachment, the vulnerability of pro-American and oil-rich regimes to radical assault, the Arab-Israeli conflict, the Palestinian issue, Lebanon, Iran. But each side places these issues in a different context, with a resulting difference in priorities and emphasis.

To the administration, East-West (or Soviet-American) issues are giving way to North-South (or have vs. have-not) questions in international affairs. Economic matters (both among the Western allies and between the West and the developing nations) are becoming more prominent in a world growing more interdependent. The Third World's claims against the West for a greater share of wealth must be taken seriously and accommodated. As the President put it at the 1977 Notre Dame commencement, in his most significant foreign-policy address thus far: "We know that a peaceful world cannot long exist one-third rich and two-thirds hungry."

The administration's Middle East policy follows from this view of the world. The emphasis on economic factors and Third World ideology leads to a diminished focus on the Soviet threat and a heightened concern that anti-American regimes or movements may undermine pro-American oil producers. For the first time since World War II, an American administration sees energy and not Moscow as the central global challenge facing the United States in the Middle East.

Given Saudi Arabia's crucial world role in energy and finances, this perspective leads to a strong reliance on Riyadh as the linchpin of American policy. Saudi Arabia is closely associated with the United States, but the common view is that Washington's failure to resolve the Arab-Israeli conflict will lessen Saudi interest in the American connection and also unleash radical forces (particularly Palestinian) against the regime in Riyadh. The way, then, to keep the Saudis satisfied and safe (and therefore to keep the energy problem manageable) is to resolve the Arab-Israeli conflict. Such a settlement must, in this view, include a major resolution of the Palestinian question. As Zbigniew Brzezinski wrote in 1975: "It is impossible to seek a resolution to the energy problem without tackling head-on—and doing so in an urgent fashion—the Arab-Israeli conflict. Without a settlement of that issue in the near future, any stable arrangement in the energy area is simply not possible." And since the Palestinians have become a rallying cry for "progressive" Third World forces at the UN and elsewhere, this orientation fits neatly into the general conception of world affairs prevalent among the Carter team.

This Weltanschauung explains why the administration at first favored the "Geneva" approach involving a conference of all parties to the conflict under the joint chairmanship of the United States and the Soviet Union. Syria was wooed because of its connection with both moderates and radicals. Including the PLO would have protected the Saudis from accusations of having deserted the Arab cause if they supported American policy. And involving Moscow would have made it easier to arrive at the kind of comprehensive settlement which, it was thought, would protect pro-American clients even at the price of increased Soviet influence in the area.

It was the failure of these efforts that prompted the Sadat to visit Jerusalem. Given its ideological blinders, it is not surprising that the administration initially responded with coldness and bewilderment to the visit. Only after the debate unleashed in this country over the sale of advanced jets to Egypt and Saudi Arabia did the administration come to terms with the reality that no other option than the Sadat initiative existed for promoting peace in the area. Out of the fear that the failure of this initiative would result a new war—with the dreaded cycle of Israeli victory, Arab oil embargo, energy-supply disruption, gas-station liens—the Camp David strategy was conceived. But Camp David was undertaken as a desperate means not only or even primarily of keeping the Egyptian-Israeli negotiations alive; it was seen as a way of saving the original comprehensive approach.

Thus President Carter said plainly in his speech to Congress at the conclusion of the summit: "I have already invited the other leaders of the Arab world to help sustain progress toward a comprehensive peace." A few days later Carter suggested what that comprehensive peace was about:

"There are three elements that no Arab leader would ignore, nor on which they would yield, including Sadat. One is Israeli withdrawal from the West Bank-Gaza Strip territory; secondly, a return of eastern Jerusalem to Arab sovereignty, possibly excluding the Hebrew University area, and probably excluding the Jewish holy places, particularly the Wailing Wall. And the third one is a resolution of the Palestinian question 'in all its aspects.' "

On these three points, over which the Israelis were just as unlikely to yield, the President thus indicated where his influence was to be exerted. And in case anyone had any doubt, the Assistant Secretary of State for Near East and South Asian Affairs, Harold Saunders, was soon sent to Amman with replies to King Hussein's questions about the accords. The answers he brought with him were rumored to contain assurances that Israeli settlements on the West Bank would be withdrawn as part of any future peace agreement—a report which gained substance when Saunders met with Arab notables in Jerusalem and commented that the United States regarded the eastern half of the city as "occupied territory." Reports also circulated in Washington that American officials would like to revise the September 1975 agreement with Israel in which—among other promises—the then Secretary of State, Henry Kissinger, had agreed not to deal with the PLO unless it recognized Security Council Resolution 242 and the right of Israel to exist. This rumor, too, seemed confirmed in an obscure report (never denied) which appeared in the *Jordan Times* of Amman in mid-October, based on what the reporter claimed was a series of interviews with "senior American Mideast experts." According to one such official, "We can get some PLO people into the negotiations, but not the big names."

It was clear by now that U.S. officials feared that once an Egyptian-Israeli peace treaty was signed, the chances of moving on toward a comprehensive settlement would be lost. They were therefore trying to set up a series of preconditions which would force continued Israeli concessions over the West Bank. One official told the *Jordan Times*: "What we want to do is start an irreversible process in the West Bank which would be tantamount to ending the Israeli military occupation in most of its visible forms. We are trying to create a new reality on the ground in the Middle East to which all people would have to react." As part of this process, commitments made to Israel at Camp David were being interpreted in their weakest light and the United States was remaining tough on aid to Israel for the removal of heavy equipment from the Sinai to the Negev and the building of two new air bases there.

Many critics in Congress and elsewhere have found these administration efforts perplexing and misguided. To these critics, American policy in the Middle East should be designed to contain the Soviet Union, not Israel. They are concerned about Soviet encroachments in Afghanistan, Ethiopia, and South Yemen, and about radical anti-Western nationalists like Libya's Qaddafi, who are willing to cooperate with the spread of Soviet power in the Persian Gulf. This seems to them a greater threat to the energy supplies of the West than a future oil embargo. They are thus more prone to emphasize strategic and geopolitical factors (such as who will maintain control of the critical Straits of Hormuz, gateway to the oilfields) than to ask who has how many dollars in Swiss banks.

In this light, Israel is seen as an asset because of its political stability, its unswerving opposition to Soviet power, and the utility of its intelligence sources throughout the area. Iran is also viewed as essential to American interests, less for its oil production and reserves (surpassed by Saudi Arabia) than because of its pivotal strategic location, its protective military role in the Persian Gulf. If Iran were to be radicalized, either cooperation or competition with Iraq would arise. Either way, pressures would increase on the Saudis for more hawkish policies on questions of international finance within OPEC and the regime in Riyadh would be threatened by radical forces within and without its borders. Already, moves toward the Soviet Union in Ethiopia, Afghanistan, and South Yemen have cast a shadow over the politics of the Gulf. It can happen here," becomes a prominent whisper among political elites.

From this perspective, the administration's ideological preoccupation with the Palestinian question has clouded its perception of, and damaged its ability to deal effectively with, the more serious threat to American interests in the Middle East. Iran, where the only alternatives being considered seem to be all-out military intervention or occasional verbal outbursts by the President in favor of the Shah, is one example. Lebanon is another.

In Lebanon, a Syrian hegemony would lead to a future confrontation with Israel and would increase tension on the "eastern front"—especially if an Iraqi-Syrian rapprochement should proceed. Yet in Lebanon, a counterbalance exists in the form of the Christian forces seeking, with Israeli assistance, to maintain their identity and continued independence. If the Christians hold out and force the Syrians out of Lebanon, which has become Syria's Vietnam, then the basis for a resolution of the conflict founded on the stalemate among existing forces will have been established. But if this occurs, it will be in spite of rather than because of American policy. The Carter administration tends to see the Christians as an aristocracy fighting to maintain its position and wealth in the country, and little concern has therefore been expressed about the consequences if the Soviet-armed Syrians and their Muslim allies within the country emerge victorious. Thus at a critical moment in late September, when the Syrian "peacekeepers" were bombing Christian neighborhoods in Beirut, the White House exerted the full weight of its political influence in Congress behind $90 million in economic aid for Syria. Simultaneously, it allowed discussions to proceed on the sale to Damascus of four L–100 jets—which is the civilian equivalent of the much vaunted C–130 of Entebbe fame. As also in the case of the potential threat to the Persian Gulf, American actions convey signals, and here Washington's willingness to countenance a major Syrian role in Lebanon was a conclusion that key regional leaders were bound to draw. The Russians were having their revenge for Camp David, with American assistance.

Again, from this perspective, the Palestinian issue was another arena where the wrong signals were being conveyed. The Palestianian question is certainly important and must be confronted by American policy, but critics of the administration argue that this problem should be placed in the context of other, more pressing Middle East issues. Even if the West Bank/Gaza entity which the administration advocates does come into existence, the problems will remain—energy, Iran, the future of the Persian Gulf, Lebanon, a growing Soviet presence, the fragility of oil-rich pro-American regimes. As Elic Kedourie has written:

"It by no means follows that a settlement—even a pro-Arab settlement—of the Arab-Israeli conflict will necessarily safeguard American interests in Saudi Arabia. Such a settlement will not do away with radicalism and instability in the Arab world, and will thus by no means lessen the threat to the present Saudi regime. It may even, conceivably, increase it. . . ."

The critics of the administration have an alternative approach of their own: it is more activist, less defeatist, and paradoxically more comprehensive in its approach to the Middle East as a whole. Because it is propounded by individuals who are out of power and disparate in motive and ideology, it often appears less coherent. But that appearance is deceptive.

So far as the Arab-Israeli conflict is concerned, this alternative strategy would first have been designed to encourage the rapid signing of an Egyptian-Israeli peace treaty and then to encourage the Jordanians and the West Bankers to negotiate with Israel on the basis of the first model. Thus, Egypt would have been pressed to leave the West Bank/Gaza issues until later while proceeding with plans for positive acts of normalization with Jerusalem. Israel would have been rewarded for its Sinai concessions with ample aid to cover the expensive move to the Negev and would have been encouraged to adopt the Egyptian-Israeli normalization as a model for the future resolution of issues on other fronts. The Jordanians, the West Bankers, and the Saudis would have been informed, in no uncertain terms, that the United States expected them to participate in negotiations with Israel on precisely this basis.

The second element of this strategy envisions the promotion of Egyptian-Israeli normalization as a top priority. Some advocates of this approach have gone so far as to recommend that the United States set up a kind of Marshall Plan for the Middle East based on these countries willing to cooperate in moves toward regional integration and therefore beginning, if necessary, only with Cairo and Jerusalem. At the heart of these suggestions is the realization that a stable relationship between Egypt and Israel cannot develop without positive and concrete steps that create an irreversible process which will withstand political differences and changes in leadership. The advocates of this strategy also recognize that unless Egyptian-Israeli contacts succeed, the Middle East peace process is likely to end abruptly because the Israelis will be disillusioned with contacts with their Arab neighbors and the moderate Arabs will have no model on which to base future dealings with Israel except support for terrorism and war.

But for this alternative strategy the Arab-Israeli conflict is only one element of a wider geopolitical context, and it addresses itself to the other elements as well. Thus it would involve a new approach toward Lebanon aimed at achieving a stalemate through support for Christian self-sufficiency followed by a negotiated reconciliation. In Iran, it would mean greater emphasis on the pivotal strategic role of the country, a higher priority given to preserving a pro-American regime. In the Persian Gulf as a whole, it would mean recognition of the strategic dangers inherent in the Soviet role in such peripheral countries as Ethiopia and Afghanistan, and it would mean plans devised for countering the negative momentum created by these Russian gains. These plans would be pursued short of military intervention but in a manner that could check the political and psychological defeatism which promotes unfavorable political adjustments by local regimes and movements. For even if current Soviet objectives are limited and circumscribed, Moscow is bound to gain from a tide of local anti-Western nationalism (as, for example, it has done in Libya despite the anti-Communism of Quaddafi's regime).

The main instrument would be to develop a "cooperative system" among countries of the area willing to align themselves with the United States—Iran, Turkey, Israel, Egypt, Saudi Arabi, Jordan, Oman, Morocco, Tunisia, the Sudan. Several proponents of this strategy have suggested a multilateral alliance, but a formal mecahnism reminds participants too much of Dulles' pactomania and may be politically provocative to countries associated with the USSR. Instead, American diplomacy could simply encourage contacts and informal coordination among friends of Washington. There are precedents. For example, in 1971 Sadat saved the current Sudanese regime from a pro-Communist coup by flying home loyal Sudanese troops stationed along the Suez Canal. In the summer of 1977, Israel passed Sadat information on a planned Libyan-sponsored coup in both Egypt and Saudi Arabia.

A "cooperative system" would serve several purposes. First, it would place new Arab-Israeli contacts in a wider context which could well deepen and solidify them. Second, it would demonstrate an American determination to exercise a newly-regained activist role in defense of American security interests in the entire area. Third, it would serve as a warning to radical movements and regimes that those countries which stand with the United States would be prepared to resist, as a group, asaults on their integrity and security. Fourth, it would create a framework in which interested countries in the area could help each other as they saw fit to withstand mutually perceived dangers. (Sadat's fear of Soviet-Cuban encroachments in Africa—a fear Begin could comprehend—seems to have been one of the factors leading to his Jerusalem visit.) Fifth, a cooperative system would avoid the pattern of the Nixon era when individual states were singled out for "proxy status," thereby exposing them to charges of subservience to Washington without the countervailing protection of regional cooperation.

Most important, a cooperative system would allow Washington to make detailed plans with local participants to withstand what must be recognized as an inevitable onslaught on the Persian Gulf regional structure. Much as NATO was organized to provide stability in the key world crisis a generation ago, so too even a more informal Middle East regional system could strengthen local leaders sufficiently to deter assaults against them.

At Notre Dame, President Carter told us:

"It is a new world, but America should not fear it. It is a new world, and we should help to shape it. It is a new world that calls for a new American foreign policy—a policy based on constant decency in its values and on optimism in its historical vision."

Ironically, however, the President's policies in the Middle East are based on pessimism and a historical vision rooted in the old world we have known since 1948. The actions of his administration reflect an inability to perceive the implications of the dramatic changes which are occurring as a result of Sadat's visit to Jerusalem or to adjust to the challenges posed by the political vulnerability of the Persian Gulf.

Ironically, too, it is the critics of Carter's administration who have heeded the President's words. They have correctly sensed the opportunity which the new Egyptian-Israeli connection provides for addressing the Arab-Israeli problem in particular and the Middle East structure as a whole. But they have also understood that a mixture of impatience over the Palestinian question, pessimism over American power, and passivity in the face of threats to critical American concerns will only result in lost opportunities and a deteriorating American position.●

AMENDMENT OF THE TRADE ACT

● Mr. DURKIN. Mr. President, it is a pleasure for me to sign on as an original cosponsor of the legislation introduced by Senator Hollings, S. 67, to exclude textile and apparel goods from tariff reductions at the multilateral trade negotiations. The distinguished Senator from South Carolina, long an articulate spokesman for a fair trade environment for the U.S. textile industry, has brought before the Senate a bill that is critical to the health and well-being of the American worker.

The administration is proposing significant cuts in the tariff schedules at a time when the domestic textile and apparel industries can least afford them. Already, foreign interests are guaranteed 6 percent annual growth in imports under the multifiber agreement. Rather than negotiating away American jobs by allowing more imports, I believe that it is time that we implement a realistic trade policy that is in the best interests of the United States.

It is well known that the United States faces record levels of trade deficits. What is not common knowledge is that the majority of that trade imbalance is not due to oil imports, but due to imports of manufactured products, the bulk of which is contained in textile and apparel imports that are approaching $5 billion annually. The trade deficit has contributed to the decline of the dollar and to the U.S. inflation rate. To allow increased textile and apparel imports when inflationary presures on the economy are already great seems to directly contradict the administration's own policies on wage and price stability. Not only that, but consumers do not necessarily benefit from low-priced imports. A Library of Congress study has shown that markups on imported goods are higher than on domestic products. Thus, the winners are foreign manufacturers and the losers are American manufacturers, American workers, and American consumers.

The scope of the problem can be seen by the fact that the textile industry is the largest manufacturing employer in the country and the sixth largest in New Hampshire. Moreover, the industry is a major employer of women and minorities—a critical sector of the economy that many costly Government programs are designed to benefit. Textile workers are not looking for welfare handouts; they simply want to keep their jobs and earn their living.

To allow textile and apparel imports to increase would be sadly ironic as the industry has taken major steps to improve its competitive position. In the last few years, the industry has directed its capital spending toward modernization, evolving from a labor and raw material intensive industry to a capital intensive one. A study prepared for the Council on Wage and Price Stability states that—

> This evolution has led to lower costs and an increasing trade surplus.

Indeed, the report concludes that the U.S. textile industry has become more efficient than its competitors.

When given a fair chance, American workers can compete effectively against foreign workers. However, they cannot compete against the power of foreign governments, particularly when their own Government chooses to leave them defenseless. Textile interests abroad do not have the expense of OSHA or environmental regulations, nor do they have to pay reasonable wages.

According to some forecasts, if textile tariffs are cut in half, the U.S. manufacturing industry would stand to lose 500,000 jobs over the next two decades. The actual impact would be even more severe if one takes into account the number of lost jobs in supplier industries. This situation also needs to be considered with the perspective that many of the areas that employ textile and apparel workers already have depressed economies. If U.S. trade policy is not adjusted, more imports could mean the crushing blow to many localities.

The solution lies in section 203 of the 1974 Trade Act, which gives the President authority to reserve articles from negotiations under any tariff round. This bill would compel the President to exempt textiles and apparel industries from the negotiations. As any further cuts in tariffs would pose a direct threat to the solvency of the entire industry, New Hampshire textile workers and workers across this country, already at a disadvantage, because of other nations' unfair trade practices, deserve equitable consideration from their own country.

I urge my colleagues to join in support of the Hollings legislation.●

PRESERVING THE ALASKAN WILDERNESS

● **Mr. RIBICOFF.** Mr. President, during the waning hours of the 95th Congress the Senate had an opportunity to act on a conservation issue of enormous consequences—the preservation and protection of the Alaskan wilderness. As Interior Secretary Andrus remarked at the time, the Senate had "an opportunity of historic dimension to protect for the benefit of this and future generations the 'crown jewels' of Alaska."

Unfortunately, Congress failed to act. The critical Alaskan lands and their natural resources were seriously jeopardized. The national interest lands would have been left open to mining claims, State selections for development, and other noncompatible uses. A chance for further congressional consideration may have been denied.

The Carter administration took bold and prompt action to offer some protection to these areas. In mid-November Secretary Andrus withdrew, for 3 years, 110 million acres of Federal land in Alaska, from mineral entry and from State selection. Shortly thereafter President Carter signed proclamations creating 17 new national monuments on federally owned land in Alaska, covering an additional 56 million acres. Agriculture Secretary Bergland called upon the Interior Department to withdraw some 11 million acres of the Tongass and Chugach National Forests from mineral entry and other developments for 2 years.

These important developments assure that Congress can now act with care on the Alaskan lands issue. We must not shirk our responsibility on this critical issue but must proceed in an affirmative manner without delay. We must renew our efforts to enact a strong Alaska Federal lands protection measure.

Mr. President, for those of us who live in the East, life is richer for the existence of wild and scenic areas, despite the settlement which surrounds them. We turn from our cities to rivers, forests, mountains, lakes, and hiking trails and find solace and refreshment there. I can fully appreciate the desire to preserve for our children, our grandchildren, and future generations of Americans the land, wildlife, and resources of the Nation's last great frontier.

Last August an editorial appeared in the Hartford Courant on the Alaska lands issue. As this editorial so appropriately notes:

> So much American scenic beauty has been blighted by overdevelopment it would be tragic to make that same mistake in Alaska.

Shortly thereafter the New London Day published an article by John B. Oakes entitled "Will Alaskan Land Be Opened to Plunder?" In this very perceptive piece Mr. Oakes quite properly states that:

> The basic issue is whether the last major areas of ecological significance in the United States . . . will be opened to the usual coterie of developers, prospectors, oil-men, loggers and lobbyists—or whether the unique wildlife, water, forest, wilderness and scenic resources of these fragile Alaskan lands will be protected for the permanent enjoyment and benefit of all the American people who own them.

I shall submit these newspaper articles as well as a summary of the legislation, for printing in the RECORD, at the conclusion of my remarks.

Mr. President, we must make the Alaskan lands legislation a model for the intelligent stewardship of Federal lands. We must consider the long-term impacts of our failure to act on the Alaskan lands bill on the northern wilderness we have been entrusted to protect.

I am pleased to join with Senator DURKIN and others in sponsoring this important Alaskan lands bill. Prompt and affirmative action must be taken on this measure as the Nation cannot afford to lose such a rich and unique natural resource as the Alaskan wilderness. Although President Carter took far-reaching steps in the national interest, legislation is required to insure more permanent and comprehensive protection.

The articles follow:

ALL WE HAVE LEFT IS ALASKA

The U.S. House of Representatives has kept mainly intact the original and sound proposal of the Carter administration to preserve much of Alaska's magnificent land. The Senate should do the same, but obstacles persist.

One of them is the Senate Committee on Energy and Natural Resouces, where sentiment remains strong for exploiting Alaska's mineral and power wealth. The other is the state's U.S. senators, Ted Stevens and Mike Gravel, who argue Alaska should not be arbitrarily limited from developing lands within its borders. They have threatened to filibuster the bill when and if it reaches the Senate floor.

Alaskans who protest there is too much federal interference in their affairs have become a highly vocal group. Their stance has some merit, although the assertion the last frontier isn't a national concern is totally unconvincing.

The state's governor, Jay Hammond, is more realistic and he is opposed to any rapid development of Alaska's 375 million acres. As he has said in his campaign for re-election, "growth comes in two varieties—benign and malignant." Though he opposed the House-passed Alaska National Interest Lands Conservation Act, he stressed that change should be made gradually and carefully.

That point has received strong support from Senator Patrick J. Leahy of Vermont, who has noted that "we can always make available the resources of Alaska, but once the wilderness is lost, it is lost forever." Senator Edward M. Kennedy of Massachusetts agrees Alaskan lands must be protected because "our generation is but the temporary custodian of a heritage we must pass on to future generations."

The House-approved legislation is indeed restrictive but it isn't a "total lockup," as some Alaskans claim. It would set aside 120 million more acres for national parks, refuges, forests, and wild and scenic rivers. That land couldn't be mined, drilled, farmed or developed. However, 86 million acres will become open to logging, mineral exploration and other uses. Furthermore, 149 million acres would become the property of the state, native corporations or private landowners.

So much American scenic beauty has been blighted by overdevelopment it would be tragic to make that same mistake in Alaska. True, our rapacious appetite for energy and minerals may eventually force a retreat in preserving Alaska just to assure national survival.

But as of now, the conclusion in John McPhee's book, "Coming Into the Country," deserves overriding consideration. As he noted:" In the society as a whole, there is an elemental need for a frontier outlet, for a pioneer place to go—important even to those who do not go there. All we have left is Alaska . . . "

WILL ALASKAN LAND BE OPENED TO PLUNDER?

(By John B. Oakes)

Though few Americans outside Alaska seem to be aware of it, a classic struggle to prevent one of the great environmental rip-offs of the 20th century has been taking place this summer in an obscure committee room of the United States Senate—and at this point it looks as though the American people may well turn out to be the losers once again.

The basic issue is whether the last major areas of ecological significance in the United States, whose ultimate disposition is still in the hands of Congress, will be opened to the usual coterie of developers, prospectors, oilmen, loggers and lobbyists—or whether the unique wildlife, water, forest, wilderness and scenic resources of these fragile Alaskan lands will be protected for the permanent enjoyment and benefit of all the American people who own them.

Because of lack of leadership in the Senate Committee on Energy and Natural Resources, the prognosis at this stage of the game is not good.

It is not as though Alaska—by far the largest state (more than twice the size of Texas) and with by far the smallest population (about that of Buffalo)—were being deprived of what rightfully belonged to it, as many of Alaska's hungry politicians led by its two senators, Stevens and Gravel, would have the American people believe.

Congress has already given Alaska and its 400,000 inhabitants—in the most generous endowment ever bestowed on a new state—the right to select more than 100 million of its total 375 million acres (including Prudhoe Bay and most of the other potential oil lands) as a kind of dowry for economic development. In addition, 45 million acres (and nearly a billion dollars) have been assigned to the 65,000 Aleuts and Eskimos in settlement of native claims.

What more then, can Alaska's people and politicians want? "They want it all, and they want it now," says Chairman Morris K. Udall of the House Interior Committee, who shepherded his Alaska "national interest" land-use bill (H.R. 39) through the House of Representatives in May.

This bill, a compromise proposal that badly needs strengthening in the Senate, would at least reserve, under varying degrees of federal protection for conservation purposes, about 100 million acres of Alaska's irreplaceable natural resources, mainly in the form of national parks, wildlife refuges, scenic rivers and wilderness.

Left open, for all the exploitation Alaska's developers are capable of, would be at least 90 percent of the state's high-potential oil and gas lands, and 60 to 70 percent of its potential hard-rock mineral producing areas.

Yet many of Alaska's development-oriented politicians would undermine the entire system of federal protection in the very areas most in need of it, through a high-sounding but totally destructive proposal for "cooperative management" of state and federal lands.

They want the state to be able to select some 10 million acres (of the 100 million allotted to it) that are included in proposed national parks and refuges of vital ecological significance, thus creating inholdings and reducing boundaries to the extreme detriment of some of the very areas most in need of protection.

They would open up particularly vulnerable parts of the Arctic National Wildlife Refuge to oil and gas exploration that would be sure to result in decimation of one of the greatest remaining caribou herds on earth, on which many Eskimos rely for their livelihood.

They would shrivel the stupendous Gates of the Arctic National Park to promote mining and other forms of exploitation. They would cut into the Yukon Flats for alleged agricultural and probable second-home development, thus further reducing what is still one of the major sources of water fowl for the entire continent.

Alaska's senators have threatened to filibuster the Senate bill if it does not meet their approval; and in a pusillanimous attempt to appease them, the Senate Energy and Natural Resources Committee under Sen. Henry Jackson of Washington (whose great conservation record of the past is in danger of being swept away by his weak leadership in the present crisis) has been giving the exploiters practically everything they want.

The bill to be reported from committee next month looks now as if it is going to be virtually dictated by the Alaskans—who are not even members of the committee but seem to be controlling it. It is shaping up as a rejection of the view held by most Americans that it is more to the national interest to preserve Alaska's resources intact in the most crucial and sensitive areas than it is to exploit every last acre for immediate and transitory gains.

The loss would be a national one, for Congress, ignoring popular opinion and yielding to localized and concentrated pressure groups, would have proved itself this year powerless to prevent the most blatant give-away of natural, environmental and ecological values since the days of the Robber Barons a century ago.

ALASKA NATIONAL INTEREST LANDS CONSERVATION ACT OF 1979

TITLE-BY-TITLE SUMMARY

Title I—Findings, Policy, and definitions. Sets forth the Congressional findings and policies which underlie the entire bill and defines terms used in the bill.

Title II—National Park System. Designates thirteen areas, totalling 42.79 million acres, as National Park System units (parks and preserves). Appropriate portions of these areas and existing national parks in Alaska, totalling 42.21 million acres, are designated as wilderness. Sets forth administrative provisions for national parks in Alaska.

Title III—National Wildlife Refuges. The Yukon Flats and Becharof National Monuments, totalling 11.8 million acres which President Carter designated for U.S. Fish and Wildlife Service administration, are confirmed and redesignated as National Wildlife Monuments. Twelve new units are designated and four existing units of the National Wildlife Refuge System are enlarged. Boundaries of these new units conform closely to the lands withdrawn by Secretary of the Interior Cecil Andrus on November 16, 1978, utilizing the emergency withdrawal authorities of the Federal Land Management and Policy Act. Appropriate portions of the National Wildlife Refuge Units, totalling 35 million acres, are designated as wilderness.

There are also provisions for two special studies, one concerning the barren-ground caribou and the other concerning a unique concentration of the bald eagles in the Chilkat River area of Southeastern Alaska. The studies are to find out whether additional measures should be taken for proper protection of these populations.

Title IV—National Forest System. Section 401 adds 1.45 million acres of public lands to the Tongass National Forest and adds 1.29 million acres to the Chugach National Forest. Section 402 designates appropriate areas in the Tongass and Chugach National Forests as wilderness, 6.7 million acres in the former and 2.12 million acres in the latter.

The bill also contains provisions for a National Forest timber improvement program. This directs the Secretary of Agriculture to improve timber production from high-quality timber areas of the Tongass National Forest through a program of pre-commercial thinning, at an annual rate of $2,000,000. It also directs the establishment of a $5,000,000 program of guaranteed or insured loans to acquire new technology for more efficient harvesting and utilization of wood products, and calls for a study of ways to increase timber yields and reduce inefficiencies in timber harvest and transport in the National Forests.

Title V—National Wild and Scenic Rivers System. Designates 13 rivers outside other protected areas for immediate inclusion as new units of the National Wild and Scenic Rivers System, and 10 others for study as possible future additions to the system. Other rivers inside the park and refuge boundaries are specified as wild or scenic rivers.

Title VI—Federal-State coordination. This title creates an Alaska Advisory Coordinating Council to facilitate coordination and cooperation among Federal, State, and Private land-owners and land managers in Alaska, and for creation of an Alaskan Land Bank for similar purposes.

Title VII—Subsistence. This title is based on S.1500/amendment 2176 and the House-passed bill of 1978, with some refinements drawn from corresponding sections of last year's Senate Energy and Natural Resources Committee bill. In general, it would supplement existing law by explicitly providing for a mechanism whereby the State of Alaska would be able to regulate the taking of fish and game on the public lands in Alaska so that persons who are dependent upon subsistence resources would have a priority for the taking of fish, wildlife, and plant resources. As with last year's bill, there are provisions for appropriate federal oversight of this state game management responsibility, insofar as the public lands and their resources are concerned.

Title VIII—Administrative and Miscellaneous Provisions. This title contains a number of provisions for administering the lands dealt with in the bill, technical amendments to related statutes, and similar provisions. Two important parts of the title deal with access and mineral rights and assessments.

The bill applies existing laws governing access to or on national parks, wildlife refuges, wild and scenic rivers, and national forests. As did last year's bill, it specifically provides a guarantee of access for holders of valid mineral rights or other inholdings within conservation system units and guarantees traditional means of access across conservation system units.

This title also directs the Secretary of the Interior to assess, on an ongoing basis, the mineral potential of all public lands in Alaska. In an addition to last year's bill, this title also guarantees access for mineral assessment purposes.

Title IX—Improvements in Administration of the Alaska Natives Claims Settlement Act. This title contains numerous provisions, mostly amendments to the Alaska Native Claims Settlement Act, to improve the administration of that Act. These provisions are based on similar recommendations in S.1500/amendment 2176, last year's Senate Energy and Natural Resources Committee bill, and the House-passed bill.

Title X—National Need Mineral Activity Recommendation Process. This title is adopted from last year's Energy and Natural Resources Committee bill. If there is a demonstrated national need for future mineral extraction in areas where it would otherwise be prohibited under exisitng law, this title establishes a procedure which allows the president, with Congressional approval, to permit such development.

ALASKA NATIONAL INTEREST LANDS CONSERVATION ACT OF 1979

Acreage totals

(Figures in millions of acres)

National Park System:	
Acreage within 1978 Monuments	40.78
Preserve and Park additions to 1978 Monuments	2.01
Total	42.79

National Wildlife Refuge System:	
Acreage within 1978 Monuments	11.80
New Refuges and additions to existing refuges from unreserved federal land	48.73
New Refuges redesignated from already reserved federal land	7.70
Total	68.23

National Wild and Scenic River System: The bill designates 13 wild and scenic rivers and 10 study rivers for potential wild and scenic river status outside the boundaries of parks and refuges. There is no set acreage for these river units, but the total acreage is approximately 1–2 million acres.

Additions to the Tongass and Chugach National Forests	2.74
Wilderness designations:	
Park System wilderness	42.21
Refuge System Wilderness	35.18
Forest System Wilderness (includes 3.3 million acres of national monuments) (6.70—Tongass, 2.12—Chugach)	8.82
Total	86.21

National Park and National Wildlife Refuge totals:

Acreage within 1978 National Monument proclamations	52.58
Refuge and Park System additions on presently unreserved federal land	50.73
Refuges redesignated from presently reserved federal lands	7.70
Total Park System and Refuge System acreage	111.01

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UKRAINIAN PEOPLE UNDER SOVIET RULE

● Mr. JACKSON. Mr. President, I wish to bring to the attention of my colleagues a speech delivered on January 20 by Senator METZENBAUM before the United Ukrainian Organizations of Greater Cleveland.

The distinguished Senator from Ohio recalls the sufferings of Ukrainian peasants during the Stalin-imposed famines of the thirties and the current persecution of Ukrainian cultural heroes like Valentin Moroz, Mykola Rudenko, Oleksii Tikhy, Mykola Matusevych, who are suffering incarceration even now because of their devotion to the basic personal rights of their fellow citizens.

Pointing out "that the existence of the dissidents demonstrates that there is a deep unease in Soviet society," Senator METZENBAUM calls for continued worldwide efforts to encourage and persuade the Soviet Government to respect its solemn commitments under the Universal Declaration of Human Rights and the Helsinki Final Act.

In noting that the Soviet Union needs Western technology to modernize their economy, Senator METZENBAUM has called attention to a significant Soviet vulnerability. I hope my colleagues will think seriously about regulating the transfer of advanced Western technology to the Soviet Union.

I request that the full text of Senator METZENBAUM'S address be printed in the RECORD.

ADDRESS BY SENATOR HOWARD M. METZENBAUM

I am honored that you have asked me to be here tonight to join you in commemorating the sixty-first anniversary of the Ukrainian Declaration of Independence.

This weekend, Ukrainian-Americans will gather in cities and towns across this country to observe the anniversary. In doing so, they will renew their commitment to preserving their rich culture here in America. And at the same time, they will rededicate themselves to strengthening the bonds that exist between the two million Americans of Ukrainian heritage and the fifty million people of the Ukraine.

All of us in this country should be aware that those bonds continue to exist. Anyone who doubts it need only remember that just a few days ago, a group of young Ukrainian-Americans stood in the freezing cold in Cleveland's public square for twenty-four hours to express their support for the many courageous Ukrainian dissidents who have been consigned to Soviet jails and labor camps.

I know that you join me in congratulating those young people. And I want them to know that their action has my warmest endorsement.

This commemoration is an occasion for sadness—sadness because the independence that was proclaimed in the ancient city of Kiev on January 22, 1918, could not for long survive in the face of Soviet power.

It is an occasion to remember and it is also an occasion to remind other Americans of the great suffering that the Ukrainian people have endured under Soviet rule.

It is a time to remember the millions of Ukrainian lives that were lost in the early 1930's, when Stalin's collectivization of agriculture led to one of this century's most devastating famines.

It is a time to remember as well that even while those millions were dying in the Ukraine, Stalin was exporting the food he extracted from them in order to pay for his imports of heavy industrial equipment.

It is a time to remember that for more than half a century, the Soviet Government has spared no effort to Russify the Ukrainians, to root out their distinctive culture and to suppress their religious faith.

And it is a time for all of us to keep in mind that in the Ukraine today no group like this one will be allowed to publicly observe the nation's independence day.

But as we remember these terrible things and as we mourn for the victims of a cruel regime, I believe that we can at the same time find good reason to hope that the future for the people of the Ukraine and for other oppressed peoples as well will be far better than what they have known until this moment.

I say that because I believe that we are now in a period in human history in which people all over the world are demanding the same fundamental human rights that are now enjoyed by the citizens of only a few fortunate countries.

This profoundly important movement for human rights first appeared here in the United States. And it led to this Nation's commitment to bring to an end the shameful discrimination that we have inflicted upon our people on the basis of their race, their ethnicity, and their religious beliefs.

There is much that we in America have yet to do to make our commitment to equal rights a reality. Yet the fact remains that this country has moved. And it is also a fact that we will continue to move toward a better and juster society for all of us.

But Americans are not alone in the high value they place on freedom and equality. Far from it.

In the vast, impoverished nation of India, for example, Mrs. Indira Gandhi tried a few years ago to dismantle that country's democratic institutions. The Indian people, she said, were too poor and uneducated to use them.

Mrs. Gandhi got a surprise.

Her people may be poor. They may not be educated. But when they got the chance to express their opinion, they turned out by the hundreds of millions to do so. And by a huge majority, they removed Mrs. Gandhi and her supporters from office.

The people of India were lucky. They had a chance to vote. But there are too many countries in this world in which that opportunity does not exist. In those countries—and the Soviet Union is foremost among them—the struggle for human rights goes on against overwhelming odds. It is a struggle that requires heroic courage, profound commitment and bitter sacrifice.

The election last year of Pope John Paul II was a reminder to all of us of the way in which the people of one country—Poland—have fought to keep their faith and their national identity.

The Soviet Union dominates the government of Poland.

Large units of the Soviet Army are stationed there.

For more than thirty years, Communists have controlled Poland's schools, cultural institutions and communications media.

Yet the Poles have not given in.

They have rallied around their religious faith. They have found extraordinary leaders. And they have said to all who will listen that they remain Polish, that they remain Catholic and that they will not be absorbed into the Soviet system.

The Poles have made their point. But in the Soviet Union itself, the situation is far more difficult.

Consider for a moment what is means to be a human rights activist in the Soviet Union.

At the very least, it means loss of employment and educational opportunity for oneself and one's family.

It means tapped telephones, opened mail and visits by the KGB.

For Valentyn Moroz, a distinguished Ukrainian historian, it has meant years in prison. And it has also meant commitment to psychiatric hospitals and treatment with dangerous drugs and chemicals.

For Mykola Rudenko, a member of the group established in the Ukraine to monitor Soviet compliance with the Helsinki accords, it meant arrest, a ludicrous trial and a twelve year sentence—seven years at hard labor, followed by another five years of exile in Siberia.

Rudenko, who is sixty years old, is a poet, a philosopher, and a severely wounded combat veteran of the second world war. What was his crime? He was convicted of "anti-Soviet agitation and propaganda" for asking the Soviet Government to honor its own solemn word, given in writing to the other nations of the world, that it would observe the human rights provisions of the Helsinki accords. It is no crime in the Soviet Union for the government to promise such things. It is a crime only when a Soviet citizen asks the government to live up to its promises.

But in spite of what has happened to Moroz, to Rudenko and to other brave people like the Jewish activist Shcharansky in Moscow, the Catholic leader Petkus in Lithuania and to Helsinki monitors like Orlov and Ginzburg in Moscow, Tikhy and Matusevych in the Ukraine and to many others, there are still people in the Soviet Union who are willing to step forward. There are still those who are unafraid to take the places of the brave men and women who have been sent off by the Soviet authorities to the jails, the mental hospitals and the remotest parts of Siberia.

These people deserve all the gratitude, all the admiration, and especially, all the support that we can give to them. They are among the great heroes and heroines of our times.

We have given them support in the past.

Members of the Senate, myself included, have written time and again to the Soviet leaders to ask that peaceful dissenters be treated in accordance with internationally recognized standards of fairness and decency. But we have heard nothing in return.

Some Senators, myself included, have asked our Government to take steps to withdraw our teams from the 1980 Moscow Olympics to protest Soviet human rights violations.

Some Senators, myself included, have called for trade sanctions against the Soviet Union. We have proposed denying to the Soviets the western technology that they desperately need to modernize their backward economy.

Our government has not taken these steps. But the president has spoken out. He has made it clear to the Soviet Union that human rights are of deep concerning to the people of this country. And for that, the President deserves great credit.

Nevertheless, I think you ought to know that there are those in our government who believe that we should back away from the human rights issue.

There are those who argue that our support for human rights in the Soviet Union complicates our relationship with that country.

We must realize, these people say, that the Soviets consider this an internal matter.

And we must be aware, they tell us, that the Soviet leaders are very sensitive about our criticism.

Well I am sorry to hear that the Soviet leaders are sensitive.

I would not want to hurt their feelings.

But I want the Soviets to know that I am sensitive too. And I want them to know that the American people are sensitive.

I am sensitive and I am angry when I hear that people like Valentyn Moroz have been confined to mental hospitals and subjected to mind-altering drugs. And the American people are angry too.

I am sensitive and I am angry when I hear of the Soviet Jews who have been denied the right to emigrate to Israel. As many as 200,000 have already asked to leave.

I am sensitive and I am angry when I read that people like Orlov and Ginzburg, Rudenko and Petkus have been jailed for slandering the Soviet state.

How, I ask you, can these men slander a state whose own actions bring down upon it the scorn and contempt of civilized humanity?

If it is a crime in the Soviet Union to make that country look absurd, then let them put the judges in these cases on trial. Let them haul Mr. Brezhnev into the dock. Let them try the secret police, the informers, and the communist party officials who are so frightened, so insecure in their moral claim to power that they make their great country the laughing stock of the world.

The Soviet government may suppress individuals. But even the KGB cannot kill the idea of liberty.

And make no mistake about it—the idea of liberty is loose in the Soviet Union today.

I do not say tha major changes are about to take place in Russia.

I do not think that the dissidents are in a position to challenge the might of the Soviet state.

But I do think that the existence of the dissidents demonstrates that there is a deep unease in Soviet society. I think that they represent a desire on the part of millions of people there for a better life, for more freedom, for the right to practice religion and to honor a national heritage. I believe that those desires will grow stronger and better organized. And someday, they will be felt at the center of Soviet power.

Because I believe these things, I reject the counsel of those who think that our country should back down on human rights.

I reject the idea that we should stop bothering the Soviet authorities with demands about the liberties guaranteed to their citizens by the Helsinki accords and the universal declaration of human rights.

I believe that we should bother them, that we should bother them as often and as forcefully as we can.

And I believe further that we should continue to bother our own government, to let our leaders know that the American people strongly support them when they take up the cause of human rights.

I pledge to you that I, for one, will never back down on human rights. And I urge you in the strongest terms to continue the efforts that you have made so consistently over the years to keep alive the hope that the fifty million Ukrainians—a people as numerous as the French or the British—may someday enjoy the basic freedoms that we in America take for granted.

That is a worthy cause. It is a cause that is in keeping with this country's finest traditions. And it is a cause that will continue to have my strong support.●

A HELPFUL PUBLICATION FOR SENIOR CITIZENS

● **Mr. DURKIN.** Mr. President, the Senate's Special Committee on Aging has prepared a summary to assist senior citizens as they prepare their income taxes. "Protecting Older Americans Against Overpayment of Income Taxes" is a much needed simplification of our tax code.

The 125,000 senior citizens of New Hampshire and senior citizens all over the country need relief from inflation, crushing health costs, and the redtape that surrounds many Government programs. Although the checklist will not solve these problems, it will help senior citizens utilize, to the greatest extent, our current tax laws to their advantage. Senior citizens struggling on fixed incomes need every penny they can save. Certainly, they must not pay any more in taxes than the law requires.

The checklist does not cover every conceivable circumstance; but it does summarize the major tax breaks passed in recent Congresses. It is vital that senior citizens know to what they are entitled.

I ask unanimous consent that this very helpful and timely checklist of itemized deductions and summary of tax relief measures for older Americans be printed in the RECORD.

The checklist follows:

CHECKLIST OF ITEMIZED DEDUCTIONS FOR SCHEDULE A (FORM 1040)

MEDICAL AND DENTAL EXPENSES

Medical and dental expenses (unreimbursed by insurance or otherwise) are deductible to the extent that they exceed 3 percent of your adjusted gross income (line 31, Form 1040).

INSURANCE PREMIUMS

One-half of medical, hospital or health insurance premiums are deductible (up to $150) without regard to the 3 percent limitation for other medical expenses. The remainder of these premiums can be deducted, but is subject to the 3 percent rule.

DRUGS AND MEDICINES

Included in medical expenses (subject to 3 percent rule) but only to extent exceeding 1 percent of adjusted gross income (line 31, Form 1040).

OTHER MEDICAL EXPENSES

Other allowable medical and dental expenses (subject to 3 percent limitation):

Abdominal supports (prescribed by a doctor).

Acupuncture services.

Ambulance hire.

Anesthetist.

Arch supports (prescribed by a doctor).

Artificial limbs and teeth.

Back supports (prescribed by a doctor).

Braces.

Capital expenditures for medical purposes (e.g., elevator for persons with a heart ailment)—deductible to the extent that the cost of the capital expenditure exceeds the increase in value to your home because of the capital expenditure. You should have an independent appraisal made to reflect clearly the increase in value.

Cardiographs.

Chiropodist.

Chiropractor.

Christian Science practitioner, authorized.

Convalescent home (for medical treatment only).

Crutches.

Dental services (e.g., cleaning, X-ray, filling teeth).

Dentures.

Dermatologist.

Eyeglasses.

Food or beverages specially prescribed by a physician (for treatment of illness, and in addition to, not as substitute for, regular diet; physician's statement needed).

Gynecologist.

Hearing aids and batteries.

Home health services.

Hospital expenses.

Insulin treatment.

Invalid chair.

Lab tests.

Lipreading lessons (designed to overcome a handicap).

Neurologist.

Nursing services (for medical care, including nurse's board paid by you).

Occupational therapist.

Ophthalmologist.

Optician.

Optometrist.

Oral surgery.

Osteopath, licensed.

Pediatrician.

Physical examinations.

Physical therapist.

Physician.

Podiatrist.

Psychiatrist.

Psychoanalyst.

Psychologist.

Psychotherapy.

Radium therapy.

Sacroiliac belt (prescribed by a doctor).

Seeing-eye dog and maintenance.

Speech therapist.

Splints.

Supplementary medical insurance (Part B) under Medicare.

Surgeon.

Telephone/teletype special communications equipment for the deaf.

Transportation expenses for medical purposes (7¢ per mile plus parking and tolls or actual fares for taxi, buses, etc.).

Vaccines.

Vitamins prescribed by a doctor (but not taken as a food supplement or to preserve general health).

Wheelchairs.

Whirlpool baths for medical purposes.

X-rays.

Expenses may be deducted only in the year you paid them. If you charge medical expenses on your bank credit card, the expenses are deducted in the year the charge is made regardless of when the bank is repaid.

TAXES

Real estate.

State and local gasoline.

General sales.

State and local income.

Personal property.

If sales tax tables are used in arriving at your deduction, ordinarily you may add to the amount shown in the tax tables the sales tax paid on the purchase of the following items: automobiles, trucks, motorcycles, airplanes, boats, mobile homes, and materials used to build a new home when you are your own contractor.

When using the sales tax tables, add to your adjusted gross income any nontaxable income (e.g., Social Security, Veterans' pensions or compensation payments, Railroad Retirement annuities, workmen's compensation, untaxed portion of long-term capital gains, dividends untaxed under the dividend exclusion, interest on municipal bonds, unemployment compensation and public assistance payments).

CONTRIBUTIONS

In general, contributions may be deducted up to 50 percent of your adjusted gross income (line 31, Form 1040). However, contributions to certain private nonprofit foundations, veterans organizations, or fraternal societies are limited to 20% of adjusted gross income.

Cash contributions to qualified organizations for (1) religious, charitable, scientific, literary or educational purposes, (2) prevention of cruelty to children or animals, or (3) Federal, State or local governmental units (tuition for children attending parochial schools is not deductible).

Fair market value of property (e.g., clothing, books, equipment, furniture) for charitable purposes. (For gifts of appreciated property, special rules apply. Contact local IRS office.)

Travel expenses (actual or 7¢ per mile plus parking and tolls) for charitable purposes (may not deduct insurance or depreciation in either case).

Cost and upkeep of uniforms used in charitable activities (e.g., scoutmaster).

Purchase of goods or tickets from charitable organizations (excess of amount paid over the fair market value of the goods or services).

Out-of-pocket expenses (e.g., postage, stationery, phone calls) while rendering services for charitable organizations.

Care of unrelated student in your home under a written agreement with a qualifying organization (deduction is limited to $50 per month).

INTEREST

Home mortgage.

Auto loan.

Installment purchases (television, washer, dryer, etc.).

Bank credit card—can deduct the finance charge as interest if no part is for service charges, loan fees, credit investigation fees, or similar charges.

Other credit cards—you may deduct as interest the finance charges added to your monthly statement, expressed as an annual percentage rate, that are based on the unpaid monthly balance.

Points—deductible as interest by buyer where financing agreement provides that they are to be paid for use of lender's money and only if the charging of points is an established business practice in your area. Not deductible if points represent charges for services rendered by the lending institution (e.g., VA loan points are service charges and are not deductible as interest). Not deductible if paid by seller (are treated as selling expenses and represent a reduction of amount realized).

Penalty for prepayment of a mortgage—deductible as interest.

Revolving charge accounts—may deduct the separately stated "finance charge" expressed as an annual percentage rate.

CASUALTY OR THEFT LOSSES

Casualty (e.g., tornado, flood, storm, fire, or auto accident provided not caused by a willful act or willful negligence) or theft losses—the amount of your casualty loss deduction is generally the lesser of (1) the decrease in fair market value of the property as a result of the casualty, or (2) your adjusted basis in the property. This amount must be further reduced by any insurance or other recovery, and, in the case of property held for personal use, by the $100 limitation. Report your casualty or theft loss on Schedule A. If more than one item was involved in a single casualty or theft, or if you had more than one casualty or theft during the year, you may use Form 4684 for computing your personal casualty loss.

MISCELLANEOUS

Appraisal fees to determine the amount of a casualty loss or to determine the fair market value of charitable contributions.

Union dues.

Cost of preparation of income tax return.

Cost of tools for employee (depreciated over the useful life of the tools).

Dues for Chamber of Commerce (if as a business expense).

Rental cost of a safe-deposit box used to store income-producing property.

Fees paid to investment counselors.

Subscriptions to business publications.

Telephone and postage in connection with investments.

Uniforms required for employment and not generally wearable off the job.

Maintenance of uniforms required for employment.

Special safety apparel (e.g., steel toe safety shoes or helmets worn by construction workers; special masks worn by welders).

Business entertainment expenses.

Business gift expenses not exceeding $25 per recipient.

Employment agency fees under certain circumstances.

Cost of a periodic physical examination if required by employer.

Cost of installation and maintenance of a telephone required by your employment (deduction based on business use).

Cost of bond if required for employment.

Expenses of an office in your home if used regularly and exclusively for certain business purposes.

Educational expenses that are: (1) required by your employer to maintain your position; or (2) for maintaining or sharpening your skills for your employment.

Political Campaign Contributions.—You may claim either a deduction (line 31, schedule A, Form 1040) or a credit (line 38, Form 1040), for campaign contributions to an individual who is a candidate for nomination or election to any Federal, State, or local office in any primary, general, or special election. The deduction or credit is also applicable for any (1) committee supporting a candidate for Federal, State, or local elective public office, (2) national committee of a national political party, (3) State committee of a national political party, or (4) local committee of a national political party. The maximum deduction is $100 ($200 for couples filing jointly). The amount of the tax credit is one-half of the political contribution, with a $25 ceiling ($50 for couples filing jointly).

PRESIDENTIAL ELECTION CAMPAIGN FUND

Additionally, you may voluntarily earmark $1 of your taxes ($2 on joint returns) for the Presidential Election Campaign Fund.

ADDITIONAL INFORMATION

For any questions concerning any of these items, contact your local IRS office. You may also obtain helpful publications and additional forms by contacting your local IRS office.

OTHER TAX RELIEF MEASURES

Filing status	*Required to file a tax return if gross income is at least—*
Single (under age 65)	$2,950
Single (age 65 or older)	3,700
Qualifying widow(er) under 65 with dependent child	3,950
Qualifying widow(er) 65 or older with dependent child	4,700
Married couple (both spouses under 65) filing jointly	4,700
Married couple (1 spouse 65 or older) filing jointly	5,450
Married couple (both spouses 65 or older) filing jointly	6,200
Married filing separately	750

Additional Exemption for Age.—Besides the regular $750 exemption, you are allowed an additional exemption of $750 if you are age 65 or older on the last day of the taxable year. If both a husband and wife are 65 or older on the last day of the taxable year, each is entitled to an additional exemption of $750 because of age. You are considered 65 on the day before your 65th birthday. Thus, if your 65th birthday is on January 1, 1979, you will be entitled to the additional $750 exemption because of age for your 1978 Federal income tax return.

"Zero Bracket Amount".—The "zero bracket amount" is a flat amount that depends on your filing status. It is not a separate deduction; instead, the equivalent amount is built into the tax tables and tax rate schedules. Since this amount is built into the tax tables and tax rate schedules, you will need to make an adjustment if you itemize deductions. However, itemizers will not experience any change in their tax liability and the tax computation will be simplified for many itemizers.

Tax Tables.—Tax tables have been developed to make it easier for you to find your tax if your income is under certain levels. Even if you itemize deductions, you may be able to use the tax tables to find your tax easier. In addition, you do not have to deduct $750 for each exemption or figure your general tax credit, because these amounts are also built into the tax table for you.

Multiple Support Agreements.—In general, a person may be claimed as a dependent of another taxpayer, provided five tests are met: (1) Support, (2) gross income, (3) member of household or relationship, (4) citizenship, and (5) separate return. But in some cases, two or more individuals provide support for an individual, and no one has contributed more than half the person's support. However, it still may be possible for one of the individuals to be entitled to a $750 dependency deduction if the following requirements are met for multiple support:

1. Two or more persons—any one of whom could claim the person as a dependent if it were not for the support test—together contribute more than half of the dependent's support.

2. Any one of those who individually contribute more than 10 percent of the mutual dependent's support, *but only one of them*, may claim the dependency deduction.

3. Each of the others must file a written statement that he will not claim the dependency deduction for that year. The statement must be filed with the income tax return of the person who claims the dependency deduction. Form 2120 (Multiple Support Declaration) may be used for this purpose.

Sale of Personal Residence.—You may exclude from your gross income some or all of your gain from the sale of your principal residence, if you meet certain age, ownership, and occupancy requirements at the time of the sale. These requirements, and the amount of gain that may be excluded, differ depending on whether you sold your home before July 27, 1978, or on or after that date. The exclusion is elective, and you may elect to exclude gain only once for sales before July 27, 1978, and only once for sales on or after that date.

If you sold your home before July 27, 1978, and you were age 65 or older before the date of sale, you may elect to exclude the gain attributable to $35,000 of the adjusted sales price if you owned and occupied the residence for 5 of the 8 years ending on the date of sale. If you sold the home after July 26, 1978, and you were age 55 or older before the date of sale, you may elect to exclude $100,000 of gain on the sale if you owned and occupied the residence for 3 of the 5 years ending on the date of sale (or 5 of 8 years under certain circumstances). Form 2119 (Sale or Exchange of Personal Residence) is helpful in determining what gain, if any, may be excluded.

Additionally, you may elect to defer reporting the gain on the sale of your personal residence if within 18 months before or 18 months after the sale you buy and occupy another residence, the cost of which equals or exceeds the adjusted sales price of the old residence. Additional time is allowed if (1) you construct the new residence; (2) you were on active duty in the U.S. Armed Forces; or (3) your tax home was abroad. Publication 523 (Tax Information on Selling or Purchasing Your Home) may also be helpful.

Credit for the Elderly.—You may be able to claim this credit and reduce taxes by as much as $375 (if single), or $562.50 (if married filing jointly), if you are:

(1) Age 65 or older, or

(2) Under age 65 and retired under a public retirement system.

For more information, see instructions for Schedules R and RP.

Credit for Child and Dependent Care Expenses.—Certain payments made for child and dependent care may be claimed as a credit against tax.

If you maintained a household that included your dependent child under age 15 or a dependent or spouse incapable of self-care, you may be allowed a 20 percent credit for employment related expenses. These expenses must have been paid during the taxable year in order to enable you to work either full or part time.

For detailed information, see the instructions on Form 2441.

Earned Income Credit.—If you maintain a household for a child who is under age 19, or is a student, or is a disabled dependent, you may be entitled to a special payment or credit of up to $400. This is called the earned income credit. It may come as a refund check or be applied against any taxes owed. Generally, if you reported earned income and had adjusted gross income (line 31, Form 1040) of less than $8,000, you may be able to claim the credit.

Earned income means wages, salaries, tips, other employee compensation, and net earnings from self-employment (generally amount shown on Schedule SE (Form 1040), line 13). A married couple must file a joint return to be eligible for the credit. Certain married persons living apart with a dependent child may also be eligible to claim the credit.

For more information, see instructions for Form 1040 or 1040A.

ENERGY TAX ACT

The Energy Tax Act of 1978 is directed at providing tax incentives for energy conservation measures and for conversion to renewable energy sources.

A credit of up to $300 may be claimed for expenditures for energy conservation property installed in or on your principal residence, whether you own or rent it. The residence must have been substantially completed by April 20, 1977. Items eligible for the credit are limited to the following: insulation (fiberglass, cellulose, etc.) for ceilings, walls, floors, roofs, water heaters, etc.; exterior storm (or thermal) windows or doors; caulking or weatherstripping for exterior windows or doors; a furnace replacement burner which reduces the amount of fuel used; a device to make flue openings (for a heating system) more efficient; an electrical or mechanical furnace ignition system which replaces a gas pilot light; an automatic energy-saving setback thermostat; and a meter which displays the cost of energy usage.

A maximum credit for renewable energy source property is $2,200. Equipment used in the production or distribution of heat or electricity from solar, geothermal, or wind energy sources for residential heating, cooling, or other purposes may qualify for this credit.

Energy credits may be claimed by completing Form 5695 and attaching it to your Form 1040. Credit for expenditures made after April 19, 1977, and before January 1, 1979, must be claimed on your 1978 tax return. Do not file an amended 1977 return to claim a credit for expenditures in 1977.

Examples of items which do not qualify for energy credit are the following: carpeting, drapes, wood paneling, exterior siding, heat pump, wood or peat fueled residential equipment, fluorescent replacement lighting system, hydrogen fueled residential equipment, equipment using wind energy for transportation, expenditures for a swimming pool used as an energy storage medium, and greenhouses.

For further information, consult the instructions for Form 5695 and IRS Publication 903, Energy Credits for Individuals.●

INFLATION

● Mr. RIBICOFF. Mr. President, the most serious problem confronting our Nation today is inflation. Inflation impacts every segment of our society. It erodes gains made in every area. If we do not come to grips with this inflation, nothing else we do will be worth anything.

A column by Vermont Royster put the issue very well. I should like my colleagues to see this column. Therefore I ask that Vermont Royster's column from the January 3, 1979, issue of the Wall Street Journal be printed in the RECORD.

The column follows:

1979: THE YEAR OF TESTING

(By Vermont Royster)

There come times in the history of a nation when one issue is so vital to its future that it overrides all other political questions. These are the times that test the vision of its leaders and the resolution of its people.

Such times are most readily recognized in war, as in 1832 when the issue was whether the union could survive. But they come in other guises, as in the Great Depression when what was at issue was whether American society itself would endure.

Now we could well be entering another year of such national testing. The enemy this time comes in the guise of inflation. Will President Carter in his wisdom see the nature of the challenge, and will the people have the resolution to meet it?

If he—or we—should fail, we could be engulfed by a wild, runaway inflation as destructive to our economic and social structure as an invading army. Defeat there could undermine every other national aspiration, social or political, and not least our strength to face a determined foreign foe.

PRESIDENT LINCOLN'S INSIGHT

No one understood the importance of recognizing the central issue of his time better than President Lincoln. "My paramount object in this struggle," he wrote to Horace Greeley in 1862, "is to save the union and it is not either to save or destroy slavery."

It was a statement that outraged the liberals of his time. What he went on to say was even more shocking to those for whom the abolition of slavery was both the cause and justification of the war.

"If I could save the union without freeing any slaves, I would do it," he wrote to Greeley. "If I could save it by freeing all the slaves I would do it; if I could save it by freeing some and leaving others alone, I would also do that."

This did not mean that Lincoln was callous about slavery. He was simply wise enough to see that saving the union was the issue upon which all else depended. The union lost, there was nothing his government could do about slavery. The union saved, the rest became possible.

President Lincoln, as the historians remind us, did much floundering in the conduct of that war, changing policies and generals as he groped his uncertain way to a victory long in doubt. His greatness lay not so much in brilliance as in his perception of the overriding question.

Much the same can be said of President Roosevelt in another time of trial. We tend to forget how much he too floundered in his efforts to pull the country out of that Great Depression. In the beginning he went one way with the NRA, then reversed himself 180 degrees with all his pump-priming spending programs. The history of the 1930s is littered with FDR's mistakes, some of which plague us still.

Nonetheless President Roosevelt had one quality that made the people trust him and that would have given him a place in history even if he had not later also been a wartime leader. Throughout the 1930s he never lost sight of what the nation's number one problem was.

It ought also to be added that from 1932 onward, as in 1862, the people understood the importance of the struggle and faced the problems, each in its own time, with resolution.

The question today is not merely whether the President and the nation will recognize the enemy within, the insidious, corroding inflation; surely by now that is plain enough for all to see. Rather, it is whether all will understand that, for our time, this is an issue so vital that it overrides all other political questions.

If we conquer inflation, everything is possible for this country. If we do not, everything is thrown in doubt.

Failure will undermine our economic prosperity. It will cost us our position in the world. It will weaken our ability to defend ourselves against any enemy from without the gates. It will, because its injuries will fall heaviest upon the poor and the middle class, strain the social contract which binds us together.

And not least, it will put beyond reach all the very social programs, such as a national health plan, so avidly sought by those who think of themselves as liberals devoted to the people's welfare. It is not, then, an issue that ought to divide liberals and conservatives.

To say that the nation has so far failed in this battle is but to state a stark truth. Presidents from Lyndon Johnson to Gerald Ford have talked much of whipping inflation; what happened was that inflation whipped into a frenzy. Some years it hit double-digit figures; over the past decade alone the value of the dollar has been cut in half.

President Carter, so far, has also floundered. First he appointed Robert Strauss, then Alfred Kahn, to jaw-bone inflation to death; he has sought "voluntary" controls to disguise it. Yet the result is that a year which began with a 6 percent inflation rate ended with at least a 9.5 percent rate, if indeed it hadn't in fact hit double-digits again. For 1979, despite all the talk, his own economists concede the rate will be no less than 7 percent; many expect it to be worse.

But now President Carter has promised a federal budget with a drastically reduced deficit, no more than $30 billion. He has also indicated that he will support moves by the Federal Reserve System to slow the expansion of the money supply.

If that is what actually happens, then at last inflation would be hit head-on. Its root cause has been the creation of money and credit—that is to say, running the printing presses at full tilt—to "pay for" the huge accumulated government deficits of the past. The way to halt inflation is to stop those printing presses.

POLITICAL WILL NEEDED

Make no mistake about it, though. None of this will be easy. To slow down the printing presses will bring complaints about higher interest rates and a slower growth. There is no place the President can cut the budget without an outcry from some quarter; he will be accused of being callous about social needs. So it is not enough that he propose a frugal budget; he must have the political determination to stand behind it on its tortuous way through Congress.

Congress itself will be equally tested. It must have the political will to resist the clamor against any cuts and the pressure for new "socially desirable" programs.

Finally, there is the rest of us. Neither the President nor Congress can be expected to stand fast if they do not receive political support from the public.

As in the nation's past trials, what matters in the end is how it comes out in the end. The future will forgive floundering along the way. What it will not forgive, in this challenge as in others, is a want of courage from our leaders or resolution from ourselves.

All that makes 1979 a crucial year. For we begin it with a nagging doubt whether we will meet the challenge, and with the haunting question: If not this year, then whenever?●

VISIT TO THE MIDDLE EAST

● Mr. ROBERT C. BYRD. Mr. President, in November and December I made a 16-day trip to Iran, Egypt, Israel, Jordan, Syria, Saudi Arabia, and Turkey in my dual capacity as Senate majority leader and as the special emissary of President Carter.

Following my visit to those seven countries I met in London with Secretary of State Vance to discuss the results of the trip prior to his journey to Egypt and Israel. Upon my return to Washington I present President Carter with a lengthy confidential report containing my conclusions and observations.

Although much of the information in the report was based on confidential discussions with foreign leaders and there have been further developments since my trip, I would like to make public a summary of the trip and some of the major points which emerged during my meetings.

Intensive discussions with the key leaders of five Middle East nations—Egypt, Israel, Jordan, Saudi Arabia, and Syria—and with a group of West Bank Palestinians, underscored both the potential and the difficulties of the effort to achieve a comprehensive peace settlement in the region.

My mission also took me to the troubled nation of Iran, and to Turkey, where there is an opportunity for a new era of cooperation.

In each Middle East country, I strongly emphasized the commitment of President Carter, the Congress, and the American people to achievement of a comprehensive peace.

If we are able to move ahead in the peace process, and if there is evidence of strong American commitment to work for a comprehensive settlement on all fronts, there is reason to expect a growing recognition on the part of the affected peoples and states that it is in their process.

One of the most encouraging aspects of my discussions with leaders of five Middle East countries was the increasing conviction that the United States and each of these nations share the objective of achieving peace and stability in the region. The emphasis, and the degree of optimism or skepticism about the achievability of the goal, varied. Motivations also varied. The Saudis are extremely anxious to limit conflict in order to foreclose the threat of Soviet subversion. The Egyptians wish to repossess territories lost in war, and to achieve external stability in order to focus on domestic problems. The Israelis strongly desire a peace settlement which assures their national security. Both Jordan and Syria are anxious to see territorial and refugee problems resolved, and, along with the Saudis, feel strongly about the need to promote Arab unity.

With the exception of Israel and Egypt, national leaders were doubtful about the potential for achieving the common objective through the Camp David accords. An important ingredient in involving these countries in the process begun at Camp David would clearly seem to be continued demonstration of the genuine American commitment to see the process through to a resolution of all the major problems which produce conflict and instability in the region—particularly the Palestinian issue.

In my view, a continuing dialog, at all levels, with the Middle East countries, is needed in order to convey a strong sense of the American commitment to continue our efforts to achieve a comprehensive peace settlement on all fronts.

Of immediate and critical importance is the need for specific evidence of linkage—a need which transcends the achievement of an Egyptian-Israeli Treaty. Definite progress on the West Bank and Gaza issues, as evidenced by a side letter or some positive gesture on linkage, is crucial to encouraging Arab support of President Sadat.

This point was made very clearly by one of the leaders of Saudi Arabia who said to me, "Give Sadat something tangible. He needs to have something in his hands which he can wave in front of his fellow Arab countries." There were indications that specific evidence of movement on the West Bank issue would also strengthen the hand of the Saudis in supporting the peace process. King Hussein of Jordan also indicated that he could not seriously consider entering into the negotiating process without some tangible assurance that it would have a "known end." The requirement of a "known end" would seem to involve time limitations and some indication that the objective is a form of self-rule that is more than simple administrative authority.

A concrete commitment to target dates for elections and for some form of self-determination would help convince skeptical Arab countries of the American concern with the plight of the Palestinians and our commitment to remain an active partner throughout the successive stages necessary to achieve a comprehensive settlement.

Israel and Egypt are far apart with respect to their goals—and apparent intentions—for West Bank autonomy. Leaders of other Arab countries with whom I met were well aware of the differences, shared President Sadat's goals, and were highly skeptical of Israeli intentions.

Prime Minister Begin stated very clearly that, with respect to the West Bank, Israel was not talking in terms of legislative autonomy, but of administrative autonomy only. Defense Minister Weizman stated that Israel's security required a continued military presence on the West Bank for an unspecified period.

West Bank representatives with whom I spoke emphasized their belief that Israel had no intention of permitting self-determination for the Palestinians. Israeli plans for new settlements solidify this belief. Prime Minister Khalid of Egypt and King Hussein of Jordan expressed similar skepticism about Israel's intentions. The continuing establishment of new West Bank settlements by Israel would be a major impediment to peace.

The Israeli plan to create new settlements and to thicken existing settlements is a major irritant to Arab countries—tangible proof in their eyes that the Israelis have no intention of relinquishing military and legislative authority there.

Arab and Israeli leaders with whom I spoke repeatedly expressed admiration for President Carter's concern with, and efforts on behalf of, a Middle East peace settlement. There was universal agreement that his sincerity and dedication are genuine. At the same time, however, there did not seem to be a widespread conviction that the United States is, indeed, committed to seeing the process through to completion.

In order to counteract this view, I feel that the United States must give more evidence of its concern for the Palestinian people and of its determination to press for resolution of the West Bank, Gaza, and Golan Heights issues. Additionally, we must actively encourage the participation by moderate Arab nations and Palestinian leaders in the peace process.

The Arab attitude toward President Sadat's initiative and the ensuing events continues to be marked by coolness and concern. The Saudis are clearly distressed by Sadat's independent action, which they view as a threat to Arab solidarity; they fear instability and disunity in the region as a breeding ground for subversion, and an invitation to Soviet intervention. The Saudis are distressed by what they describe as Sadat's unwillingness to let them help him.

Specifically, they noted Sadat's refusal to meet with the delegation from Baghdad which went to Cairo at the suggestion of the Saudis. The Saudis are well aware of the need for Arab support and participation in the peace process if it is to succeed, and appear willing to be of assistance with respect to both.

The Jordanians and Syrians are more skeptical of Sadat's ability to obtain settlement on any issues beyond those directly involving Israel and Egypt, and are also more skeptical of his commitment to do so. Leaders of both of these countries—and especially the Syrians—were more outspokenly critical of Sadat, and less positive about the prospects for their eventual support or involvement.

President Sadat should recognize the importance of increased dialog and cooperation with moderate Arab countries. We should continue our efforts to promote such cooperation.

The Israelis feel that they have already made a tremendous concession by agreeing to withdraw from the Sinai, as well as major sacrifices over the years in order to maintain their national security. There is an overriding, ever-present concern among the nation's leaders about the need to assure Israel's security. Among some Israeli leaders, there is uncertainty about the future of their country's relationship with the United States.

Many Israelis have looked upon the Sinai and other occupied territories as buffers against hostile neighbors. The Sinai is not as close to Israel's population centers and is not seen as being as essential to Israel's defense as are the other occupied territories.

Distrust of their neighbors still runs deep among the Israelis and although the nation's leadership seems to believe that President Sadat is truly committed to peace, there is a great concern about what might happen in a post-Sadat Egypt. There is a belief that the Arab countries are characteristically unstable and that most of these countries remain committed to Israel's destruction. Thus Israeli officials say they cannot consider reducing their military deterrence capability.

The Israelis are extremely concerned about the possibility that an independent Palestinian state might someday be created on the West Bank, and they see their settlements and military presence on the West Bank as a continuing and integral part of their defense policy.

Although the Baghdad Conference certainly cannot be viewed as a positive development in regard to the Camp David peace process, discussions with some of the Arab leaders provided a new perspective on the events at Baghdad and their meaning. It was pointed out on a number of occasions—by the West Bank group, among others—that a major result of Baghdad was de facto acceptance of U.N. Resolution 242 by all the Arab world, including the Palestine Liberation Organization. The Saudis, and to a lesser degree the Jordanians, emphasized the "moderating" role they had played at Baghdad and felt there had been significant accomplishments in "limiting damage." It is important to understand the continued significance and renewed vitality of the concept of Arab unity.

Clearly, Baghdad was in reaction to Sadat's independent approach; its greatest significance may lie in the fact that the participants did not break irrevocably and openly with Sadat. Saudi Arabia and Jordan feel that they made important "moderating" contributions at Baghdad, while at the same time keeping their Arab credentials in order—which they believe is a prerequisite for having the ability to influence events within the context of Arab unity.

The Saudis remain committed to strengthening their relationship with the United States by cooperating in a variety of ways. The Saudis are also committed to preserving Arab unity in order to forestall Soviet exploitation of instability in the region. Because of the Saudi capacity to provide financial aid to other Arab countries, they are in a particularly influential position.

Throughout the region I encountered great concern about the instability in Iran and its implications for other countries in the area.

Turkey is facing a particularly difficult situation. In my meeting with Prime Minister Ecevit I discussed Turkey's precarious economic condition, as well as the Cyprus problem, and the importance of a continued growth in our bilateral relationship.

Three major points emerged from my discussions in Turkey. First, though there are stumbling blocks remaining, the atmosphere for movement on the Cyprus question appears improved. Second, if some of the pressure of Turkey's economic problem is not eased, there could be serious domestic and international repercussions. In particular, Turkey needs assistance and a more understanding attitude on the part of the international financial institutions. Third, since the removal of the arms embargo, bilateral relations between Turkey and the United States are beginning to be revitalized and there is an opportunity for growing cooperation.●

THE EXIMBANK AND SOLAR TECHNOLOGY EXPORTS

Mr. PERCY. Mr. President, I wish to draw my colleagues' attention to an exchange of letters I recently had with Mr. John Moore, president and chairman of the Board of the Export-Import Bank, concerning the Bank's program to promote exports of American solar technology. Due to an amendment I authored last year, the Eximbank now has the legislative authority to implement such a program.

The benefits which would accrue to the United States from launching a major solar export program are numerous. Most important, by offering non-OPEC developing countries an alternative to importing oil, demand for OPEC oil could be decreased. This in turn would relieve upward pressure on international oil prices and help reduce our inflation rate at home.

Mr. President, I ask unanimous consent that my letter to Mr. Moore, and his response to me, be printed in the RECORD at this time.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C. December 7, 1978.

Hon. JOHN L. MOORE, Jr.,
President and Chairman, The Export-Import Bank, Washington, D.C.

DEAR MR. MOORE: As you know, I have a special interest in Section (2)(b)(1)(c) of the Export-Import Bank Act of 1945 as amended which requires the Bank to designate an officer to promote exports of American renewable energy technology. I believe that this provision gives the Bank a mandate to promote aggressively American solar exports.

I am aware that the Export-Import Bank has already taken certain initiatives to meet the requirements of section (2)(b)(1)(c). For example, a copy of a trip report made by two of Eximbank's engineers to the Solar Energy Research Institute, Sandia Laboratories and E Systems, Inc. was recently given to me. However, I would like to learn more about what the Bank is now doing and how it plans to fulfill this mandate.

My major concern is that the "solar officer" be given "line" responsibilities. He should not be relegated to a powerless position without authority to implement innovative programs to assist solar industries to export. Proliferation of renewable energy technologies is too important a national policy goal. Increased solar energy use by developing nations would lessen worldwide demand for OPEC oil supplies thereby helping to alleviate the upward pressure on prices, and decrease the potential for the spread of sensitive nuclear technologies.

Specifically, I believe this officer should be responsible for determining whether the Bank's existing procedures for approving loans and guarantees constitute a barrier to solar energy technology exports. Should this be so, this officer should be given the responsibility of developing special Bank procedures to fit the particular needs of the solar industry.

This officer should also participate actively in negotiating solar export transactions. Small U.S. solar firms frequently do not have the capability to identify or negotiate with foreign purchasers. The officer could be particularly useful in helping those companies, often lacking foreign manufacturing, installation, delivery or maintenance capabilities, to form joint ventures with foreign partners.

I would very much appreciate knowing whether this officer is already charged with the responsibilities mentioned above or whether they will be part of his duties in the future.

Would you also let me know the name of the person designated as the "solar officer" and the expertise he/she brings to the job. In addition, since the legislation only requires that the Bank select an officer who shall, among other duties, be responsible for solar energy, I would be interested to learn how much of this officer's time will be spent on this issue.

I am confident that Eximbank's present legislative mandate is broad enough to enable the Bank to take decisive steps to develop export markets for the American solar industry. However, should it prove otherwise, I would welcome your suggestions for legislative changes in the Bank's authorization so that it can pursue an aggressive solar export policy in the years ahead.

I appreciate your time and consideration of this vital issue.

Sincerely,

Charles H. Percy,
U.S. Senator.

Export-Import Bank of the
United States,
Washington, D.C., January 3, 1979.

Hon. Charles H. Percy,
U.S. Senate,
Washington, D.C.

Dear Senator Percy: I was pleased to receive your thoughful letter of December 7, 1978, regarding the Bank's efforts to promote U.S. exports of renewable energy technology and equipment.

Section (2) (b) (1) (c) of the Export-Import Bank Act as amended requires the Bank to designate an officer who, among his other duties, will advise the President of the Bank "on ways of promoting the export of goods and services to be used in the development, production and distribution of non-nuclear renewable energy resources." The Bank has designated one of its three Senior Vice Presidents, John B. Bierman, as its "Solar Officer." Mr. Bierman has responsibility for all of the Bank's short and medium term export support programs and has over ten years of experience in the supplier credit area of Eximbank. He has been a Senior Vice President of the Bank for nearly two years. Mr. Bierman has designated one of his senior loan officers to work with him on this program and also is receiving technical assistance from our engineering staff. Mr. Bierman has line responsibility for those programs which appear to have most direct application for the solar industry.

Mr. Bierman has addressed the Solar Energy Commercialization group sponsored by the Department of Energy and will also take part in a two day Solar Export Opportunities Workshop this January 9–10 in Atlanta. The Workshop is being co-sponsored by the Department of Energy and the Solar Energy Research Institute of Golden, Colorado. I understand there will be 150 to 200 attendees at the Workshop.

In addition to these formal presentations, Bank personnel have had numerous discussions with interested exporters of renewable energy technology and equipment. Further, the senior management of the Bank has been briefed by two experts in the solar field. While I cannot point to any success stories as yet, more and more companies in this field are becoming aware of the existence of the Bank and familiar with its programs.

Let me assure you of our strong interest and commitment in assisting the solar and other renewable energy industries in their export efforts. We appreciate your interest and would welcome any comments on how we might more effectively perform our task.

Very truly yours,

John L. Moore, Jr.

NSGA CELEBRATES 50TH ANNIVERSARY

Mr. PERCY. Mr. President, the National Sporting Goods Association (NSGA) will celebrate its 50th anniversary year and hold its 50th Anniversary Convention and Show at Chicago's McCormick Place and McCormick Place West—Donnelley Hall—February 8–11, 1979.

The NSGA show is the world's largest sporting goods trade event. It will attract an estimated 50,000 industry members from all over the country. There will be 1,600 exhibits by sporting goods manufacturers.

With Americans participating in active sports more than ever, consumer purchases of sports products have increased from a level of $1 billion in 1947 to $15 billion in 1978.

Membership of NSGA includes more than 4,000 sporting goods retailers and 2,500 sporting goods manufacturers who are associate members.

NSGA's primary purpose is to provide efficient and effective communication among all elements of the sporting goods industry, to encourage more knowledgeable, accurate and target marketing of sporting goods products. The association, working with its members, stresses effective marketing of quality merchandise to the American public.

Founded in 1929, NSGA now has a staff of 50 full-time employees at its Chicago headquarters.

In addition to the annual convention and show, NSGA conducts two other annual trade shows: the Annual Fall Market and the Sports and Apparel Market. Each is designed to facilitate retailer purchasing in advance of peak selling seasons.

Sports interests are much more diverse now than a decade ago. More leisure time, more disposable income and greater attention to physical fitness for health and appearance are some of the factors responsible for the ever-increasing interest in recreational and athletic activities. Many Members of the Congress have raised physical fitness to a higher priority in their own personal lives.

The types of member services provided by NSGA include:

Industry research into the recreational pursuits of Americans. Reports cover consumer expenditures for sporting goods, analyze growth areas and predict future marketing opportunities. The statistics help retailers and manufacturers meet changing consumer preferences.

Publications report on industry news and present informative feature articles on a variety of topics related to the successful marketing of sporting goods and accessory equipment. NSGA publishes Selling Sporting Goods, a monthly trade publication with a circulation of over 20,000 readers, and the NCGA Memo to Management, a confidential newsletter for its members.

Promotions which encourage consumers through national advertising and publicity programs to shop in stores displaying the NSGA seal as a guarantee of product quality.

Seminars that bring together sporting goods retailers and manufacturers to exchange the latest information on how best to serve consumer needs.

Retail management advice on store designs, accounting systems, wage and hour guidelines, personnel training programs, promotion and advertising.

Specialty divisions servicing ski retailers, athletic goods team distributors, outdoor sports stores and award specialists.

The Sports Foundation, Inc., organized in 1965 by the association and leaders of the sporting goods industry, strives to stimulate greater interest and participation in active sports and to support worthy recreational activities.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATE RESOLUTION 9—PROPOSED AMENDMENT OF STANDING RULES OF THE SENATE

Mr. ROBERT C. BYRD. Mr. President, sincere and dedicated efforts are being made among Senators on both sides of the aisle on the ad hoc committees that were appointed to reach some resolution of the problem involving the rules, and I have been privy to some of those discussions. The distinguished minority leader is present and I am sure he contributed some.

I am impressed by the fact that there are diligent efforts being made with Senators meeting. I think that if the Senate were not in session tomorrow it would perhaps allow those Senators the opportunity, without being interrupted by quorum calls by the Senate session, to continue their work. So in the long run, it may expedite the final resolution of this matter.

I do not want to unduly press for action without every reasonable opportunity being made available to bring about a resolution of the matter.

ORDER FOR RECESS UNTIL MONDAY, JANUARY 29, 1979

Mr. ROBERT C. BYRD. Mr. President, I, therefore, ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 12 o'clock noon on Monday.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION FOR CERTAIN ACTION DURING RECESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that during the recess over until until Monday the Secretary of the Senate may be authorized to receive messages from the President of the United States and/or the House of Representatives and that they may be appropriately referred.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that during the recess of the Senate over until 12 o'clock noon on Monday the Vice President of the United States, the President pro tempore, and the Acting President pro tempore may be authorized to sign all duly enrolled bills and joint resolutions.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECORD TO REMAIN OPEN TODAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Senators may have until 5 p.m. today to submit statements for the RECORD and to introduce bills and resolutions, petitions, and memorials.

The PRESIDING OFFICER. Without objection, it is so ordered.

SPECIAL ORDER FOR MONDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Mr. PROXMIRE be recognized for not to exceed 15 minutes, after the prayer, on the next day that the Senate is in session but that I be recognized before Mr. PROXMIRE, simply to protect my rights under resolution No. 9 and the motion pending, and it will not be my purpose to keep the floor except to make a unanimous-consent request that will do that and such unanimous-consent request that appears to be advisable at that time to establish the format for morning business, et cetera, for that day.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL MONDAY, JANUARY 29, 1979

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate stand in recess, under the order, until 12 o'clock noon on Monday.

The motion was agreed to; and at 3:19 p.m., the Senate recessed until Monday, January 29, 1979, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate January 25, 1979:

DEPARTMENT OF STATE

Jonathan Dean, of New York, a Foreign Service officer of class 1, for the rank of Ambassador during the tenure of his service as Representative of the United States of America for Mutual and Balanced Force Reductions Negotiations.

DEPARTMENT OF DEFENSE

Michael Blumenfeld, of the District of Columbia, to be an Assistant Secretary of the Army, vice Victor V. Veysey, resigned.

THE JUDICIARY

Robert E. Keeton, of Massachusetts, to be U.S. district judge for the district of Massachusetts, vice a new position created by Public Law 95–486, approved October 20, 1978.

John Joseph McNaught, of Massachusetts, to be U.S. district judge for the district of Massachusetts, vice a new position created by Public Law 95–486, approved October 20, 1978.

David Sutherland Nelson, of Massachusetts, to be U.S. district judge for the district of Massachusetts, vice a new position created by Public Law 95–486, approved October 20, 1978.

Rya W. Zobel, of Massachusetts, to be U.S. district judge for the district of Massachusetts, vice a new position created by Public Law 95–486, approved October 20, 1978.

COMMODITY CREDIT CORPORATION

James H. Williams, of Florida, to be a member of the board of directors of the Commodity Credit Corporation, vice John C. White, resigned.

IN THE AIR FORCE

The following-named officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. Evan William Rosencrans, [redacted]FR, U.S. Air Force.

Lt. Gen. Andrew B. Anderson, Jr., U.S. Air Force (age 52), for appointment to the grade of lieutenant general on the retired list pursuant to the provisions of title 10, United States Code, section 8962.

EXTENSIONS OF REMARKS

TRIBUTE TO JOE HATCHER

HON. ALBERT GORE, JR.

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1979

● Mr. GORE. Mr. Speaker, Joe Hatcher, the dean of Tennessee's political reporters, died last week at the age of 80. Joe worked for the Nashville Tennessean for more than half a century, and his political reporting and columns will stand as a lasting memorial to the skill and dedication he brought to his profession.

I had the privilege of knowing Joe Hatcher as a friend and a colleague during the years I spent at the Tennessean as a reporter and editorial writer. I valued his friendship, and I learned from his work. Even though Joe had retired from daily reporting in 1970, he continued to write a weekly column recalling for younger persons like myself the rich heritage of Tennessee's political history.

As a reporter and a columnist, Joe Hatcher always stood for honest, progressive government. He was always for reform: even in his last political column, which I will reprint, he was fighting for public campaign financing in order to reduce the influence of special interests on politics.

Tennessee politics was better because of Joe Hatcher. All Tennesseans share in the loss which Joe's friends, colleagues, and family feel with his death.

Charles L. Fontenay, Joe's colleague for many years, has written a full account of his career, which I will reprint at this point:

[The Nashville Tennessean, Dec. 17, 1978]

IT'S TIME TO CUT POLITICAL SPENDING

(By Joe Hatcher)

"The time has come, the walrus said, to talk of many things." And our Alice in Wonderland subject is the recent race for governor of Tennessee.

Did you know that if Jake Butcher had been elected governor he would have had to serve 92 years at the $50,000 a year salary just to make back what he spent to be elected?

Did you know that Governor-elect Lamar Alexander would have to spend 36 years in the office at $50,000 a year just to make back what he spent to be elected?

That is not to say, of course, that these men were spending their own money—the greater part of it was contributed by various individuals for reasons of their own.

If this state of affairs doesn't serve as a warning to us to take restrictive measures, we may as well put up a sign over the Governor's office at the State Capitol and offer it to the highest bidder. The auction would save a lot of energy and perhaps attract more outside money into the state for spreading around among the voters on Election Day.

Lamar Alexander and Jake Butcher attracted a total of some 1,185,454 votes last November 7 at a cost overall of $6,400,000 between the two in primaries and general elections. That's an expenditure of some $5.40 a vote for the two major candidates, with some $2 million additional "chicken feed" spent by other candidates.

Lamar got 661.959 votes to win the election, and if my birthday present pocket calculator is correct, they cost him $2.72 for each and every vote. And keep in mind that Alexander won over Butcher, who spent an incredible $8.78 for each of the 523,495 votes he polled.

The costs of running in party primaries compare closely with the general election campaign, except that the candidates are merely seeking the votes in primaries to entitle them to run in general elections.

In the Republican primaries last summer, Lama Alexander spent some $3.47 per vote for the 230,922 votes he got—more expensive than the 661,959 votes he got in November. Butcher polled 320,329 in the Democratic primary at a cost of some $7.50 per vote.

State Senator Anna Belle Clement has recently filed proposed legislation that would set spending limits on all races in public offices in the State. Perhaps the limits proposed are too restrictive after the wild spending on the elections just past, but the whole problem needs study and strong action. The spending can be limited without bankrupting any TV station, radio station, or newspaper in the state, and still give them a fair share of the campaign dollar.

Recent years have brought about the passage of much legislation toward exposing the sources of campaign funds and reports on where it goes, all to the good. Now comes the time that limits should be put on expenditures, lest the cost of winning public office becomes ridiculous.

For example, just think how ridiculous it sounds that an official should serve 92 years at $50,000 yearly salary to earn back what he spent to win a four-year term in the office—and then did not win.

It was probably Butcher's reluctance to make full disclosure that in the final analysis cost him dearly at the polls.

EDITOR'S NOTE: This column was written before Joe Hatcher became seriously ill on Friday.

TENNESSEAN'S JOE HATCHER DIES IN HOSPITAL

(By Charles L. Fontenay)

Joe Hatcher, political columnist for the Tennessean for half a century and one of the state's most colorful old-time newspapermen, died last night in Baptist Hospital, where he had been confined since Dec. 15.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Hatcher, of 1139 Tyne Blvd., was 80 years old Christmas Day, 10 days after he was admitted to the hospital suffering subdural hemotoma, a form of brain hemorrhage. He underwent surgery for removal of a blood clot on his brain.

Funeral arrangements were incomplete last night. The body is at Roesch-Patton Funeral Home, 1715 Broadway.

"Joe was more than the dean of Tennessee political reporters," said Amon Evans, president of the Tennessean. "He was the best.

"His broad knowledge, extensive experience, keen insight and wide range of contacts contributed immeasurably to the credibility, prestige and standing of the Tennessean during the more than 40 years of ownership by the Evans family. My father, my brother and I knew Joe as a great journalist and a true friend.

"He will be missed, but his work will never be forgotten when the subjects of politics and the press are discussed. My mother and I are saddened by his death."

"On the day I went to work for the Tennessean, Joe Hatcher, who was managing editor, gave me some advice I have remembered during the ensuing 30 years," said John Seignethaler, the newspaper's publisher. "He said, 'Always be straight with the paper and with yourself.'

"He always followed his own advice. Joe possessed a rare mixture of character traits—wisdom, wit, good judgment, courage, candor and plain common sense—that made him an outstanding newspaperman and an outstanding man.

"Dozens of younger journalists, like me, who were befriended and helped by him will never forget him."

Lloyd Armour, executive editor of the Tennessean, said: "Joe was a colleague, and a gentle man with warmth, compassion, integrity, and a wisdom that came not of age, but of keen observance of the world around him.

"He was a democrat with both a capital and a small D. He believed in party, but he also believed in people—all people."

Hatcher had not been in the best of health in recent years and had not been seen around much since his retirement April 1, 1970. He continued, however, to write a weekly column for the newspaper, spending much of the rest of his time at home, where he pursued his years-long hobby of rose gardening.

But during most of the years of the mid-century, his short, somewhat stocky form was a familiar sight in the legislative halls, in government offices, and at political gatherings. Hatcher was a quiet man, rarely raising his voice, with a slow, alert smile.

He had two trademarks through the years of his activity on the political scene: his hat and his cigar. Indoors and out, he constantly wore a gray fedora hat with brim turned down front and back, covering the fact that he was totally bald from a youthful illness. Occasionally indoors, he wore a skullcap instead.

And he chewed incessantly on a cigar, right down to the last inch of the stub, even after he had to give up smoking them as much as in earlier years.

Hatcher was generally conceded to know more about the ins and outs of politics, all factions of it, than almost any other person in Tennessee. Except for a break during World War II, his column, Politics, appeared regularly or irregularly without a break since the late 1920's, even when Hatcher was holding management posts on the newspaper staff.

Although occasionally his personal feelings and convictions diverged from the Tennessean's editorial viewpoint—for example, he remained close to Gov. Gordon Browning when the newspaper broke with him during his first term—the two were so closely attuned that Hatcher's column was generally looked on as the "political voice" of the paper for many years.

And both the *Tennessean* and Hatcher were strongly reformist over most of those years, especially the early ones when the *Tennessean* was fighting against the long-entrenched political domination of the state by E. H. Crump, fiery Shelby County political boss.

Hatcher did not lose that orientation with advancing years. One of his last columns decried the increasing cost of conducting political campaigns, brought out so sharply in the 1978 statewide races.

Hatcher had served in most editorial positions in the *Tennessean* city room. He began newspaper work as Vanderbilt University correspondent for the old *Evening Tennessean* in 1918 and 1920, and joined the staff as sports editor Oct. 1, 1921.

He began covering politics for the *Tennessean* during Gov. Austin Peay's campaign for re-election in 1926, and for a good many years was the newspaper's Capitol beat reporter. At different times, he served as telegraph editor, city editor and managing editor.

Joseph T. Hatcher was born Dec. 25, 1898, at Anding, Miss., where his father was temporarily vacation relief agent for the Illinois Central Railroad. Orphaned as a child, he was reared by foster parents at Greenfield, Tenn., where he attended public school and preparatory school.

In a Christmas column in 1976, Hatcher recalled the Christmases of his childhood years in West Tennessee, when there were no electric lights on the Christmas tree, and no radio or television playing Christmas carols.

"It's possible there was a telephone somewhere in my neighborhood in those days," he wrote, "but there were no electric lights in that rural area. There were only wood burning stoves or fireplaces. There were mantles over the fireplaces, and there we hung our long black stockings."

He reminisced about the Christmas dinners, with either a baked hen or turkey "and always a baked country ham," and the side dishes and desserts.

Hatcher entered Vanderbilt University in October 1917 and a few months later became college correspondent for the *Tennessean*. But he entered the Student Army Training Corps in October 1918, and was transferred to the artillery officers' school at Camp Taylor, Ky.

But Hatcher was under-age for a commission, and when the Armistice was signed the following month, he returned to Vanderbilt. There he became the first student ever to edit both the *Hustler* and the *Commodore*, the college's weekly and annual respectively.

Hatcher was also a member of the Honor Committee at the school, and lettered in baseball. A good baseball player, he played some semi-pro ball on a part-time basis during his summers a few years later.

In the summers of 1920 and 1921, he worked as a baseball and golf writer in the sports department of the Atlanta *Constitution*, and after his graduation from Vanderbilt in 1921, he joined the *Evening Tennessean* as sports editor. Later he became a sports writer and then acting sports editor in 1925 of the morning *Tennessean*.

Although he did not become more or less a full-time political writer until Austin Peay's 1926 campaign, Hatcher covered Sen. Kenneth D. McKellar's campaign in 1922, and, he said later, acquired McKellar's political philosophy at that time, "which I think I have followed since."

McKellar became crusty and irritable in later years, but at that time he was a young senator seeking re-election to his second term, and he told Hatcher:

"Never let politics be personal. We may disagree today, but we may get together tomorrow and need each other."

In 1928, T. H. Alexander, a nationally-known columnist, began the newspaper's *Politics* column. Hatcher substituted for Alexander as writer of the column from time to time, then took over the column some time during the 1930's.

He covered virtually all beats of the *Tennessean* during his early years with the paper. He was police and criminal courts reporter, covered the federal courts and all sessions of the legislature beginning with 1921, and covered the state Supreme Court for a number of years.

Hatcher served a total of five years as city editor, then five years as managing editor and for a time was acting editor in the absence of John H. Nye, the paper's editor during the period. He continued to write his *Politics* column during those desk jobs, though, and returned to it exclusively in the late 1940's.

Hatcher volunteered for military service in 1942, soon after the United States was drawn into World War II, and wrote some columns as a private from Fort Oglethorpe, Ga. Later he went to Virginia for officer training, but incurred a hernia during the training period, and was released from service after surgery.

He returned to the *Tennessean* in 1943 and resumed his job as city editor.

Hatcher gained a reputation throughout the South for his familiarity with the shifting political scene, his friendship with men in high office and his understanding of behind-the-scenes forces that permitted him to interpret trends and events consistently and to forecast election results accurately.

He did not accomplish this by buttonholing legislators and other political figures as his contemporaries in the newspaper field were forced to do. So well known was Hatcher that he would post himself at the stairway in the Hermitage or Andrew Jackson Hotel, and politicians, both friendly and hostile to the *Tennessean*, would pause to give him the latest "dope" in low-toned conversation. Many of his major "beats" were acquired simply through knowing where to make a single telephone call.

Although the newspaper was strongly opposed to Browning during the last months of his first administration, from 1936 to 1938, Hatcher remained a close personal friend and adviser to the governor. Later when the paper made its peace with Browning and backed him in an effort to oust Crump from power, Hatcher made a trip by plane to Germany in 1946 to interview Browning, then a lieutenant colonel in the Army.

Browning announced his candidacy for governor through Hatcher that year. He was defeated, but two years later, he and Estes Kefauver won races for the governorship and the U.S. Senate, sweeping Crump out of power and achieving a long-sought goal of Hatcher and the *Tennessean*.

Hatcher's running fight against Crump and the state administrations Crump sponsored infuriated the Memphis boss, who attacked Hatcher and his employer, *Tennessean* publisher Silliman Evans, viciously through public statements and advertisements.

In 1947, *Newsweek* magazine noted that Hatcher, editorial writer Jennings Perry and cartoonist Tom Little were Evans' chief editorial weapons against Crump and his political machine.

"They goad Crump into such fits of rage, he buys space in rival newspapers to blast back, and makes his state and national legislative stooges use personal privilege to call Evans 'bubonic rat' and 'frog' at taxpayers' expense," *Newsweek* said.

"Bubonic rat," however was a term Crump reserved for Hatcher. In 1945, pro-Crump legislators read to the state House and Senate Crump's letter to the *Tennessean*, which began:

"If the city of Nashville should ever follow the lead of the progressive city of Memphis and inaugurate a campaign for the extermination of rodents, Silliman Evans, Jennings Perry and Joe Hatcher will undoubtedly take to the tall timbers. . . . Rat Joe Hatcher . . . hasn't character—he has a low, filthy diseased mind—lies by nature and tells the truth by accident."

Hatcher became accustomed to such statements, sometimes read in the legislative chambers in his presence. In 1949, Sen. Frazier Riggins of Stewart County, offended at one of Hatcher's columns criticizing his vote against an election reform bill, threatened to have Hatcher arrested and hauled before the Senate, and remarked, "Many a farmer in Stewart County keeps his gun loaded for better men than Joe Hatcher."

Hatcher replied quietly, "There's been too much smoke from Stewart, not to be any fire there."

At the time, Hatcher was a member of the Tennessee Press Association's committee for election reform, which sponsored bills to clean up the election process in the state.

He served on the same committee for the TPA in 1963, and wrote numerous columns on election reforms. It was only one of the campaigns he waged through his writing for the newspaper. Others included efforts to eliminate the state's poll tax, and other conditions that he considered contrary to democratic government in the state.

While he was serving as an executive of the *Tennessean*, Hatcher was the newspaper's representative with the TPA.

Hatcher had covered most of the national Democratic and Republican conventions during the period of his active political writing, and reported the impeachment proceedings against Gov. Henry Horton for the *Tennessean*, the *Commercial Appeal* in Memphis and the Knoxville *Journal*.

In a final column before leaving for military service in 1942, Hatcher reviewed his 20 years as a political observer, and said Tennessee and its Democratic Party stood "at its lowest ebb in modern history, at least, if not at all times." This, he said, was because of the rise of the Crump machine, but he predicted—accurately—that its power was on "the down road toward eventual disaster."

In 1969, nearly a year before his retirement, Hatcher was honored at a luncheon in Washington by national leaders, Tennessee lawmakers and fellow newsmen for his near-half century of news and political writing. The entire Tennessee delegation in Congress was present, along with Amon Carter Evans, then publisher, and John Seigenthaler, editor, of the *Tennessean*, House Speaker John McCormack of Massachusetts and House majority leader Carl Albert of Oklahoma.

"Joe Hatcher is the peer of any newspaperman I've ever known," said Bascom Timmons, dean of Washington political columnists, who had covered Woodrow Wilson's nomination in 1912.

At Vanderbilt, Hatcher was a member of ATO fraternity. He was a member of American Legion Post 5 for many years.

He was married to the former Miss Dorothy Tolman of Boston, who survives.●

UKRAINIAN INDEPENDENCE

SPEECH OF

HON. JAMES M. HANLEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 24, 1979

● Mr. HANLEY. Mr. Speaker, I rise to join my distinguished colleagues in observing the 61st anniversary of the independence of Ukraine, a time to pay tribute to the struggle of a brave nation.

While it is a day of honor for these great people, the Ukraine will spend this Independence Day under Soviet domination. It is a tragic reality that millions of Ukrainian people are subjected to live as slaves in their own country, captives of the Soviet Union. However the efforts of the Soviets to stamp their initials into the hearts, souls, and minds of the proud Ukrainians has been fruitless. It is very important for Americans to continue kindling the spirits of Ukrainians in hopes that they will someday attain personal liberty and political freedom. This is our role as the champion of all free people of the world, and of all those who desire to be free.

Congress, as a group must assure our Government's representatives that we will be following their efforts to promote basic human rights for the people of the Ukraine and will hold them accountable for their actions. Only through the continued efforts of the Americans will the hopes of freedom-loving Ukranians remain alive.

As the people of Ukraine look to America they must be proud of their heritage. It is necessary that we as Americans must continue to give these nationalists some encouragement by applying pressure and attempting to make the Soviet Union comply with the Helsinki agreement.

On this day let us not forget that the struggle of an oppressed nation has not ended, and we must continue to offer hope and guidance to the people of Ukraine.●

RECOMPUTATION OF MILITARY RETIRED PAY

HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1979

● Mr. GONZALEZ. Mr. Speaker, for many years now I have been proposing recomputation legislation for retired members of the military. Recomputation is a complex subject that has aroused considerable debate since 1958 when the hundred year old tradition of tying retirement annuities directly to active duty pay scales was abandoned in favor of a cost of living increase system. Originally I proposed a bill calling for complete recomputation for all retirees, but in view of the economic realities of the military budget I am proposing a compromise measure.

The bill I am introducing today calls for a one time recomputation to basic rates of pay in effect on October 1, 1979 for those 65 years of age or older, and disability retirees with a rating of 30 percent or more. There is no doubt that any pay equalization plan for retirees will be costly, but we must also consider equity and justice when reviewing my proposal.

Mr. Speaker, we cannot ignore the history behind the military retirement system. From 1858–1958 military retirees received a retirement pay based on current active duty pay—50 percent if they served 20 years, and 75 percent if they served for 30 years. This was a principal attraction of military service and indeed was an institution of service—so much so that no one dreamed the retirement system would ever change drastically. One can only imagine the shock felt by those who had served in the military and had counted on the retirement remaining the same when they were ready to retire as it was when they joined the service. As of 1958 it was not; Congress had changed the game plan.

The retirement system currently in operation is not a just one. This system is currently providing one man only half as much retirement pay as another—even though those men served the same length of time and retired in the same rank. Yet both of these men must pay the same prices for food, rent, clothing and utilities which as we all know have increased drastically since 1958.

The retirees who would benefit from my bill are not seeking a bonanza, but only what they had expected to receive when they first entered into the service of our country, and what they truthfully need now to provide the minimal comforts of life.

I was very pleased to note that the President's Commission on Military Compensation, which was submitted to President Carter last April, includes a recommendation that the Congress resolve the problem of pay equalization for those older retirees and I would hope that we could pass a meaningful law in this Congress that would provide these retirees with the income they need and deserve in exchange for the dedication and service that they provide our Nation.●

THE POSITIVE SIDE OF U.S. INVESTMENTS IN SOUTH AFRICA

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1979

● Mr. LAFALCE. Mr. Speaker, many commentators would have us believe that doing business with the Republic of South Africa directly supports the system of apartheid and represents U.S. backing for that extremely repugnant form of blatant racism and exploitation.

Chief Gatsba Buthelezi, the foremost black leader in South Africa, has taken strong issue with that viewpoint in an interview in the November 27, 1978 issue of Forbes. The chief, who is a firm and unrelenting opponent of apartheid, argues that U.S. companies can be a positive force for peaceful change in South Africa and provide tangible benefits to the black majority in South Africa. His call for steady and peaceful pressure for change is a welcome relief to the frequently invoked bloodbath theory of political change in that country and should be given serious consideration by everyone interested in the future of South Africa and U.S. companies' role there.

The article follows:

SOUTH AFRICA: U.S., DON'T GO HOME

(By John Train)

At more than 25 U.S. corporations this year resolutions have been proposed for inclusion in proxy statements, calling on companies like Coca-Cola and GM to quit doing business in the Republic of South Africa. Polaroid has already acceded. Students demonstrating at dozens of universities wave placards demanding that their trustees sell the stocks of companies that do business in South Africa. Some schools have done so. Doing business with South Africa, the protesters insist, supports social injustice and the exploitation of blacks.

The quit-South Africa argument sounds plausible, given the American belief in democracy and equality. But is it? Absolutely not, says the most popular leader of South African blacks, Gatsha Buthelezi. This champion of black rights is the elected chief minister of KwaZulu, the Zulu homeland, and founder and chairman of Inkatha, the National Cultural Liberation Movement whose first bulletin was seized by the police last year. A recent poll gave him a two-to-one advantage over his nearest competitor as the recognized leader of black South Africa generally.

His credentials as a nationalist leader are impeccable. Only last summer he was brought to the U.S. by the National Urban League and he attacked his country's white government in strong language. He spoke of "unschooled Boers [who] joined hands with the scum of Europe to behave with crass stupidity. . . ." He said: "You know that apartheid is so ugly that it can only survive if it is enforced with the barrel of a gun." He warned South African whites: "Whites should realize that they will have no peaceful future at all without sharing it with the blacks."

And yet here is this same antiapartheid nationalist leader almost begging U.S. firms not to cease doing business in his country.

In a meeting in a village on the Tugela River, in Zulu territory near the Mozambique border, and in a subsequent telephone conversation, Buthelezi was interviewed by Forbes columnist John Train, whose report follows:

A strongly built man, looking younger than his 50 years, the chief talks with rapid intensity. The black leader was blunt about it: American business, he said, was a welcome force for change. Said Buthelezi, "Some of your superliberals in America have got the whole issue exactly upside down. They seem to think it is immoral for American companies to invest here, but irresistably profitable. The truth is the opposite. It is morally imperative that American firms remain active here—and support us in our struggle—even though the business aspects may well present problems. We have been passing through difficult times and will doubtless pass through more in the future. It may be that from a purely financial standpoint there will be disappointments, remembering that labor costs—meaning black labor—are rising fast. But morally, yes! My people want you and need you here, just as we need the whites and the whites need us.

"The uninformed liberals abroad who would like to see a violent confrontation in my country are working for the very thing that *everybody* here most wants to avoid, although it may happen. Black and white alike, our need is for *peaceful* change, and foreign investment is one of the best agents of that change.

"Here is why: Foreign investment creates jobs. Jobs bring money to the blacks, who are by far the majority of all industrial labor—71.6%, to be precise. Money means power. And working in industry also gives the black man the training and experience that he will need to assume his rightful place in our country—just as he did in yours.

"One black journalist, whom I will quote without comment, has also pointed out that the classical Marxists always emphasized that capitalist industrialization, as it develops, revolutionizes traditional relations and thus revolutionizes people's minds; Lenin, this black journalist added, stressed constantly that capitalist industry eliminates the slave mentality among workers and lifts them to the point where they demand a full share in society.

"As industry expands, propelled by domestic and foreign investment, a severe shortage of qualified men is increasingly appearing, and black people are of necessity being advanced to more responsible positions. The government has not only accepted this but made it a matter of policy. So I'd say that further improvement in black labor conditions is irreversible unless something happens to cause the economy to slow down—such as a withdrawal of foreign investment. As the process continues, the role of blacks in South African industrial management will become critical, which will give us more and more economic and political leverage. Our demands are thus increasingly likely to be met, as long as we maintain the pressure at other points.

"Mind you, although pressure on the government in Pretoria must be kept up, I'm not in favor of just any kind of pressure. Some kinds are extremely effective, and American firms should apply them. Pressures in sport have had good results, and I applauded the arms embargo as a meaningful bit of symbolism. But the pressure to disinvest, which brings misery to my people, slows development and may lead to the loss of all we are achieving: That is worse than simplistic thinking; it is reckless and dangerous."

Buthelezi pointed across the river to the barren hills beyond, dotted by the huts of subsistence farmers. He continued: "Johannesburg isn't Africa, any more than New York is America. It is extraordinarily arrogant of visitors to prescribe what's best for my people on the basis of a limited exposure. When I hear them calling, with more enthusiasm than wisdom, for an end to American investment, I say the same thing to them that I say to some people in Pretoria who want to prescribe at a distance what's best for KwaZulu. 'To hell with you,' I say.

"You know," said Buthelezi, shaking his head, "your superliberals don't seem to *want* to learn what conditions here are really like. Many influential persons from abroad come to South Africa. They arrive in Johannesburg, and stay in the Carlton Hotel and see lots of clever and important people. They think they know what is happening. But they don't get around the country. They don't come here to KwaZulu. They don't see me, and they don't see my people. Still, they want to tell us what to do.

"Often they don't seem aware, or even want to hear, of the remarkable gains we have made in the last few years."

Black mine workers have made tremendous earnings gains in recent years. Though their wages are low by U.S. or European standards, they are paid as much as ten times what black workers earn elsewhere in southern Africa. While this may still sound like exploitation, it is several times what blacks make in black-ruled countries that lack substantial U.S. investment.

"And some of that is thanks to the American companies," the chief said. "They pay more, offer better conditions and local companies have to follow suit to be competitive in the labor market.

"But it's very important that your American companies, when they come here, do *more* than just invest. They must take an active role, not just a passive one. They should have a commitment to peaceful change in South Africa, which means more than being model employers, more than giving a good example, useful though that is. It means exercising influence wherever they can to promote peaceful change. If we don't have peaceful change here we're all too likely to have violent change, which none of us wants, not blacks, not whites, not Americans, not foreign investors—only certain groups that we both know."

I nodded. Chief Buthelezi kept coming back to the same theme: that those foreigners and local radicals who call for bloody revolution in South Africa are less interested in the welfare of the South African blacks than they are in proving a political point.

"I often wonder what those bloodthirsty gentry are really up to. I suspect that they are trying to stir up the pot down here, advocating policies that are likely to lead to violence, not for reasons that have much to do with our struggle for decent conditions but instead are projections of political—and indeed emotional—needs of their own. Their opinions seem to flow from *their* politics, *their* needs, *their* conditions, not from *our* conditions. I wish they would give vent to their talents on some other battlefield. They aren't benefiting my people.

"The first need of the impoverished black man is for money to feed his family and to permit him a little freedom of action. What kind of struggle for independence can you wage from a level of utter impoverishment? I am a student of history, and I know that in the past hunger has caused many revolutions. But it's also true that an army marches on its stomach.

"All too often your hard-liners in ivory towers abroad are playing into the hands of the right wing here. When they call for a slowdown of investment, or actual disinvestment, they call for an aggravation of exactly the conditions that we are struggling against. What we demand is a more equitable share of the benefits that investment—both foreign and domestic—is bringing about: education, jobs, human dignity. Things are improving, but they will slow down drastically if foreign investment dries up and a climate of peaceful change is replaced by one of fear."

South Africa is not Rhodesia, where 263,000 whites rule 6.6 million blacks; the South African whites are 4.3 million strong. They are not recent colonists; many of their ancestors arrived three centuries ago, at about the same time the ancestors of the present blacks moved into the then almost empty territory. The whites are well armed and determined, their backs to the wall. They are not going to be driven out or wiped out. Thus the only alternative to perpetual bloodshed is peaceful compromise. For saying so, Buthelezi has annoyed the extremists both of the left and the right. His retort to both sets of extremists: Your violent rhetoric makes compromise difficult.

"Already," said Chief Buthelezi, "the Afrikaners are feeling the wind of fear. Already, as one says here, they are drawing into the *laager* [an encampment protected by a circle of wagons], giving reactionary forces an excuse for repression. It's fear that makes them draw into the *laager*, fear that is the chief impediment to peaceful change. Certain carefully calculated pressures and influences from abroad are fine; but generalized expressions of hatred and encouragement to violence are disastrous.

"The different races here in South Africa know they need each other. The superliberals abroad don't understand that at all. We know that there can be no South African economy within which we can all prosper without the managerial and technical skills that the whites possess, or the jobs, advanced technology and other benefits brought in by foreign investment. It is a wild fantasy to suppose that if the whites were somehow driven away, the economy could function at all. Blacks are not ready to assume their positions, and won't be for a long, long time. The last thing my people want is to bring industry to a standstill.

"I do not, however, favor foreign investment on any terms. We want foreign investors who observe the Sullivan Code and other such codes of conduct and who work for economic and political change."

Buthelezi was referring to the code of corporate conduct promulgated by the Reverend Leon Sullivan, which has been generally accepted by U.S. firms operating in South Africa, whether directly or through affiliates. Its six points are the following:

1. Nonsegregation of the races in all eating, comfort and work facilities.
2. Equal and fair employment practices for all employees.
3. Equal pay for all employees doing equal or comparable work for the same period of time.
4. Initiation of and development of training programs that will prepare, in substantial numbers, blacks and other nonwhites for supervisory, administrative, clerical and technical jobs.
5. Increasing the number of blacks and other nonwhites in management and supervisory positions.
6. Improving the quality of employees' lives outside of the work environment in such areas as housing, transportation, schooling, recreation and health facilities.

"By and large though," says Buthelezi, "American companies are leaders and are so recognized in this compaign. Their presence does a lot of good, in more than just the economic sphere. They pay exceptionally high wages and offer good conditions. As a result, the other companies have to raise wages and improve conditions to remain competitive in the labor market. Thus, the secondary results of your investment are very beneficial.

"I think of such companies as Ford, which has given a good example in providing housing and in eliminating discrimination in eating facilities, and of Amoco, which has provided loans for housing. Polaroid set up an excellent education fund, but then unfortunately left—under pressure—although the fund carries on. I was sorry Polaroid was pressured into withdrawing."

I asked Chief Buthelezi if he thought foreign firms should be encouraged to invest in the so-called black homelands rather than South Africa proper.

"I have a strong opinion on that," the chief replied. "I am opposed to the homelands policy. The homelands are a way for Pretoria to shed its responsibilities and to disenfranchise whole segments of the South African population. I don't want it to succeed. These are places, not just political concepts; they have people living in them—my people. And some of these areas are being bypassed by development.

"It's essential, in the interests of peaceful evolution here, that nobody be left behind and that every region should be included in the development process as far as possible. People must feel that they have a stake in the success of our country.

"As chief minister of KwaZulu I've been pushing for what I call 'tri' companies, which draw on local black businessmen, some white businessmen for their expertise and various forms of government support."

I mentioned that one of the problems of the "minority-owned" businesses encouraged by the American government had been that the availability of large amounts of easy money encouraged unsound projects. The system in the U.S. often favored entrepreneurs who were better at wire-pulling and filling out forms than at actually starting and running small businesses, an extremely difficult trick at best.

Buthelezi was intrigued by this point. "We're very conscious of the problem," he replied. "Pretoria wants us to get the whites out of the 'tri' companies as soon as practicable, but in my opinion that's a bad idea, and I'm opposing it. The important thing is to have the projects succeed, to create useful jobs for our people and to make needed products available at attractive prices. The skin color of the participants is irrelevant if they do the job, and besides, that approach is based of Pretoria's ideal of racial homogeneity for the homelands, which I oppose anyway. So to me it's a good thing if American firms come to South Africa, and best if they come to the undeveloped homelands, where they will get the warmest of welcomes.

"My friend Ambassador Andrew Young is hated and vilified by many people in South Africa, but I want to say that I think he is one of the greatest friends of my country, a great ally of *all* the people of South Africa, not just the blacks. He supports American investment here for the same reasons I do. He saw the same thing happen in your South that I want to see happen here: violence being defused by more and more people being drawn into the upward spiral of economic opportunity." (Andrew Young, queried by Forbes on the subject, turned silent. Said his press secretary: "Ambassador Young would be reluctant to comment at all." Has the usually voluble Young suddenly turned prudent? Or is he simply reluctant to antagonize his friends on the liberal left?)

"I challenge anyone to prove that the black people themselves are against American investment," Buthelezi continued. "Some of the Sowetoans and some of the banned leaders are, naturally. They're bitter, I understand that. But not the people who speak for a constituency. . . . Do you understand?" He looks at his interviewer intently. "Not the leaders who have to live with the consequences," he adds, "not those who speak for my people as a whole!"●

UKRAINIAN INDEPENDENCE

HON. WILLIAM J. HUGHES

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 24, 1979

● Mr. HUGHES. Mr. Speaker, I rise to salute the people of the Ukraine and to join with them in the commemoration of the 61st anniversary of their Proclamation of Independence. Each year on July 4, we celebrate the anniversary of our independence and the freedoms which our Founding Fathers enumerated. But for the people of the Ukraine there will be no celebrations, for these people will be marking this occasion under the yoke of Soviet oppression. The spirit of independence and the insatiable desire for freedom are very much in the hearts of these people, but the practice of these freedoms, which we take for granted each day, is far from their grasp.

The Ukrainians are a Slavic nationality group that has its own customs and language. Their universities are among the oldest and most famous in eastern Europe. Ukrainian farms produce one-fourth of the Soviet Union's meat and dairy products, and one-fifth of its grain. The Ukraine has rich mineral deposits, and about one-fifth of the steel and nearly one-third of the coal produced in the Soviet Union comes from the Ukraine.

On January 22, 1918, the Ukraine was declared an Independent Republic. But this independence was fleeting. During the next 3 years the Ukraine was invaded from all sides. The Ukrainian people fought gallantly against formidable military forces in the defense of the country, but they ultimately succumbed to the invasion and subjugation by the Russians. In 1922, the Ukrainian Soviet Socialist Republic was established.

The Soviet Union has severely limited the cultural and political activity of the Ukrainians. The years of suffering these people have endured under Soviet domination have been exacerbated by religious and national persecution, Russification and inhuman treatment. And yet, despite the attempts of the Russian Government to suppress the aspirations for independence and nationalism in the Ukrainian people, their struggle for freedom has been continuous and vigorous with the flame of hope burning as brightly as ever. Suppression and domination have not quelled the desire for independence in the hearts of these brave people nor arrested their prodigious efforts for freedom from foreign hegemony.

It is a great privilege for me to pay tribute to the courage, spirit and forcefullness these people have demonstrated in their struggle. I urge my colleagues to not merely reflect upon the past and present status of those under oppression; but to renew our conviction to secure for all mankind their basic inalienable rights. The subject of human rights has become a volatile international issue. But all signatory nations should be urged to comply with the Helsinki Accords which set forth basic ideals of human rights and individual freedoms. Let us make this anniversary more than a time of commemoration; let us make it a time of commitment with the intent of making waves in the sea of oppression which continues to engulf not only eastern Europe but also Southeast Asia and Africa. It is my hope that one day the spirit of independence and the reality of freedom will be inextricably linked for the people of the Ukraine, and that life, liberty, and the pursuit of happiness will become the birthright of all peoples.●

CHARLES W. HACKNEY RETIRES

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 18, 1979

● Mr. DINGELL. Mr. Speaker, one of the most loyal and conscientious employees of the House of Representatives, Charles William Hackney, whom we all affectionately call Charlie, deserves our applause and commendation as he chooses to retire from service in the House.

We can sincerely say thanks to Charlie for his steadfast service, cooperation, and personal assistance he has provided us as majority reading clerk for 16 years, which is but half of his over 32 years of service as a House employee working on the floor of this Chamber with our colleagues. His dedication truly has been to the House.

I have a personal affection for Charlie. We both came up through the ranks in the House having begun our congressional experiences as pages and can easily claim we both know the system inside and out.

Charlie's career expanded to include

service on the staff of the Democratic cloakroom and then as assistant manager of the cloakroom before becoming our reading clerk. Whenever the Chair announced, "The clerk will read," it was Charlie who always for the most part recited page after page of legislative citations in thousands of bills. He may very well hold the record of having had the most time on the floor.

It is, Mr. Speaker, with privilege that I insert my remarks on behalf of Charlie Hackney and take the opportunity to wish him and his family the very best for the future. I am sure he will be successful in any new adventure or career he seeks as his service has been excellent and he has earned the respect of the House and its Members.●

PRESIDENT'S BUDGET REPRESENTS A SETBACK FOR ADEQUATE FUNDING FOR ELDERLY SOCIAL AND HUMAN SERVICES

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1979

● Mr. BIAGGI. Mr. Speaker, as the chairman of the Subcommittee on Human Services of the House Select Committee on Aging, I would like to outline the adverse impact of the President's proposed supplemental and fiscal year 1980 budgets on the Older Americans Act programs.

As an original cosponsor of the Older Americans Act Amendments of 1978 as well as a member of the House Education and Labor Committee and finally as a conferee, I am proud of the final bill. My role in the drafting and enactment of the amendments was direct and had followed many months of oversight hearings and conferences on the then current programs. Those hearings identified inadequate funding as the No. 1 shortcoming of the act. After many debates the final legislation passed by Congress contained adequate authorization levels totaling $4 billion over the next 3 years.

The Older Americans Act programs range from social services to nutrition services; from employment opportunities to research. As a conferee, I can attest to the fact that the final authorization levels were prudent and reflected funding levels absolutely necessary to fulfill the mandate of the act.

The fiscal year 1979 appropriations for the Older Americans Act programs are funded under a continuing resolution that makes funds available at the fiscal year 1978 level of $709 million. The resolution does not make allowances for inflation; nor does it provide for those programs first authorized in 1979.

The President's fiscal year 1980 budget request contains a supplemental appropriation request for fiscal year 1979. That supplemental requests a paltry $12 million for Older Americans Act programs in fiscal year 1979. Simple arithmetic tells us that the $12 million averages out to 50 cents per senior.

The following chart compares the appropriation, authorization, and President's budget request levels:

[In millions]

OAA program:	1978 appropriation	1979 authorization	1979 supplemental	1980 authorization	1980 budget request
Title III:					
State administration	$19		$3.5		$22.5
Social services	153	$300	3.97	$360	196.57
Nutrition:					
Congregate	250	350	4.5	375	277.5
Home delivered		80	0	100	0

In order to demonstrate how these figures translate into services, I figured that the $4.5 million supplemental budget request for nutrition services in fiscal year 1979 would provide approximately 6,900 meals per day. With 800,000 currently on the waiting list and over 3,000,000 homebound citizens not receiving federally supported meals, it does not take long to figure out the $4.5 million is inadequate.

The President's budget request for fiscal year 1980 does not offer any comfort. Funding for the most important initiative included in the 1978 amendments is completely missing. Funding requests for the social services and congregate programs each fall approximately $100 million short of the respective authorized levels.

I propose to reverse this situation. When the supplemental appropriations bill is introduced to Congress, I will move to amend it to make it more realistic and reflective of the will of Congress as demonstrated in the Older Americans Act Amendments of 1978. My amendments will seek full funding of this legislation, which is the sole social services statute designed exclusively for this country's 23 million senior citizens.

I agree that the goal of reduced spending is laudable; however, I question the priorities used to determine reductions. We must avoid having the elderly, who are already vulnerable to the high cost of living, set up to bear the brunt of budget cuts.

In our passion for economy let us not economize on compassion for those in need.●

UKRAINIAN INDEPENDENCE

HON. RAYMOND F. LEDERER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 24, 1979

● Mr. LEDERER. Mr. Speaker, I would like to take this opportunity to ask my colleagues to join me in commemorating the 61st anniversary of Ukraine's independence.

Mr. Speaker, the term independence is one that is dear to the hearts of the 50 million Ukrainians who suffer under Russian domination. The Ukrainian nation is a proud one, proud of their culture, heritage and belief in human rights. They have a fierce desire to throw off the bonds of Soviet oppression which runs counter to these rights.

Mr. Speaker, here in the United States, we also have a long and strong tradition of support for human rights. Domination by any foreign state would be considered an intolerable condition here. President Carter has stated that human rights are the soul of U.S. foreign policy. However, human rights must be given an expanded meaning in U.S. foreign policy. Not only must individual and civil rights be an integral and forceful element of our policy, but so must national rights. National rights, the freedom for a nation of people to live as they wish, without fear of reprisals cannot be denied in any sensible human rights policy.

Mr. Speaker, above and beyond all else, the Ukraine nation suffers from a lack of national rights. Russian oppression is designed to deny the Ukraine people any hope of independence as a nation, even going so far as to run campaigns against the Ukrainian Orthodox and Catholic churches.

Mr. Speaker, as a Member of the U.S. Congress and as a strong believer in human rights, including national rights, I ask my colleagues to join with me in voicing our support for the independence of the Ukrainian nation on their 61st anniversary.●

MILITARY FOSTER CARE REFORM ACT

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1979

● Mr. MILLER of California. Mr. Speaker, today I am introducing legislation to alter existing policies of the Defense Department which severely inhibit the placement of foster children with military families. These policies result in a drastic reduction in the potential pool of foster homes in areas of large military concentration, thereby increasing the likelihood of inappropriate, overly costly placement, often at distances from the natural home which are greater than necessary or beneficial to the child.

Current military policy draws distinctions between foster children residing in a military household, on or off base, and natural or adopted children. Foster children are not extended the full military benefits of medical and quartering expenses. This creates enormous financial disincentives against a military family's taking in a foster child.

The result of the Defense Department rulings is that many children are needlessly warehoused in institutions or boarding homes. Often children are simply denied care away from their families when they may be desperately in need of such care. Through a variety of surveys and studies, we know that as many as two-thirds of the children in foster care, regardless of the state studied, are in inappropriate placements. In addition, the paucity of available foster homes prohibits placement of the child near his natural parents, which studies have shown makes even more difficult the eventual return of the child to his family.

The inadequate supply of foster homes contributes to the existing disproportionate allocation of funds for foster care. Institutional care is the most expensive form of child care. In New York City alone, the State comptroller pointed to excessive expenditures of $233,000,000 resulting from inappropriate placements.

My bill would facilitate the placement of foster children with military families. It would extend the full benefits of medical and quartering expenses to dependent foster children who are eligible to receive maintenance costs under title IV-A of the Social Security Act. In addition to providing these essential benefits to foster children, my legislation would eliminate inequities stemming from the restricted issuance of military base identification cards. Currently, the foster child is subject to daily discrimination when entering military confines or using base facilities.

These practices are unfair and unwarranted. In areas of the country with large concentrations of military personnel, they handicap local foster placement efforts and encourage antifamily policies. I invite other Members to cosponsor this legislation.

H.R. —

A bill to amend title 10 and title 37 of the United States Code to provide that a foster child of a member or former member of a uniformed service shall receive the same benefits provided a natural-born child, stepchild, or adopted child, of such member or former member

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1072(2)(E) of title 10, United States Code, is amended by inserting ", a foster child," immediately after "adopted child".

SEC. 2. Section 401(2) of title 37, United States Code, is amended by inserting "a foster child;" immediately after "an adopted child;".

SEC. 3. Section 551(1)(B) of title 37, United States Code, is amended by striking out "or adopted child" and inserting in lieu thereof ", adopted child, or foster child".●

UKRAINIAN INDEPENDENCE DAY

HON. S. WILLIAM GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 24, 1979

● Mr. GREEN. Mr. Speaker, New York City has long been America's welcome mat to individuals from throughout the world seeking a better life in a free country. While many of us share that heritage, at times we need to be reminded that the opportunity our forebears had is denied to millions of others. Though we may forget, the dreams of freedom live on in the hearts of all of these people, and they courageously live for the day when that opportunity will be theirs.

Such a group are the Ukrainians, who are celebrating both in the United States and in the Soviet Union the 61st anniversary of their former independence from Russia and Communist rule. While that independence was short lived, its spirit remains—it remains in those locked up in Soviet prisons, in those unable to live freely in their own land, and in their families in the United States and other nations who look to us for support in reuniting them with their loved ones.

Despite Russian attempts to repress their national identity, the Ukrainian people have remained a proud people, rich in heritage and tradition. They heroically have refused to succumb to the cultural genocide practiced by the Soviets.

The Ukrainian community everywhere should know that the United States stands behind them in their continuing fight for freedom.●

A CONSTITUTIONAL AMENDMENT TO BALANCE THE FEDERAL BUDGET

HON. FLOYD J. FITHIAN

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1979

● Mr. FITHIAN. Mr. Speaker, I am introducing a joint resolution proposing a constitutional amendment to balance the Federal budget—an amendment which recognizes the need to balance the budget while remaining reasonably flexible to meet potential recessions as well as human and national security needs.

The Federal budget has been balanced in only 8 of the 33 years since the Second World War and only once since 1961. During the 1970's, budget deficits have substantially increased, averaging $41 billion per year.

The turbulent economy of the 1970's has been escalating inflation, at times even in double-digit figures, soaring interest rates, rising Government spending, and a shrinking amount of capital formation funds. The purchasing power of the dollar has been cut in half since 1967. Sluggish economic growth coupled with unfavorable trade balances and a disastrously weakened dollar in foreign money circles have been disruptive forces in the economy. By balancing the budget in a reasonable and flexible manner it might be possible to stabilize the economy, encourage economic growth, and bring more discipline to our economic priorities.

A constitutional amendment for a balanced Federal budget has won the overwhelming support of the American people. Assorted public opinion polls demonstrate that more than three-fourths of the American people support a constitutional amendment. At present at least 26 States have requirements for a balanced budget. In addition, 22 States have urged Congress to adopt a balanced budget and about 16 States have requested a constitutional convention for the purpose of drafting a balanced budget amendment. If 34 States petition for a constitutional convention, an unprecedented and unpredictable convention may result. The time for Congress to act is now—now, before such a convention is thrust upon the Nation. It is imperative that the Congress be more responsive to the desires of the American people for fiscal restraint, spending limitations, and a balanced budget. Congress can do this, and the American people insist that it be done.

The escalation of Federal spending in the 1970's, combined with mounting billion dollar deficits and rapid inflation, has stimulated numerous proposals to balance the budget both in the 96th Congress and in previous years. Some mandate a balanced budget, but require a systematic repayment of the national debt. Some require the imposition of an income surtax to raise whatever additional revenues may be necessary to balance the budget. Some place a ceiling on Government expenditures, providing that appropriations shall not exceed 33⅓ percent of the average national income of the previous 3 calendar years. Some link increased Federal spending to the percentage increase in the gross national product. Some restrict an unbalanced budget only to times of war or national emergency, providing little or no flexibility. Some allow an unbalanced budget whenever the Congress, by a two-thirds vote, deems it necessary.

Each of these proposals has some merit and scattered support around the country. After a comprehensive review of the various alternatives, I am today proposing a different approach—a realistic but flexible proposal to balance the Federal budget while combating recession and meeting human and national security needs.

Since I believe that the Constitution should not contain statute-like verbiage, the language of my amendment is succinct and deals only with a balanced budget. It is not tied to repayment of the national debt or to tax and spending programs per se. It centers the budget authority with the Congress, giving it the power to estimate revenues and expenditures.

The resolution which I introduce today proposes a constitutional amendment to balance the budget, except in times of war or a state of national emergency as declared by a two-thirds vote in the Congress. It allows a budget deficit of up to 2 percent of the revenues projected by the Congress in any given year but provides that this temporary deficit be fully repaid within 5 fiscal years. Upon ratification of this amendment, there would be a 3-year delay in implementation to allow the Government adequate time to make the necessary economic adjustments required to balance the budget. This amendment constructively deals with the basic problem of deficit financing and does so with the reasonableness and flexibility required of so fundamental a change in our Constitution.

This flexible constitutional amendment does not require a balanced budget in every fiscal year but allows the Congress to make critical decisions on a yearly basis. Flexibility is an essential ingredient of the budget process due to the extreme difficulties in calculating revenues in any given year. Economic circumstances fluctuate frequently, resulting in increases or decreases of anticipated revenue, and Congress must have the constitutional flexibility to deal with such fluctuations to meet pressing human needs or maintain national security.

This amendment contains an important ingredient which other proposals have not considered. By allowing a 2 percent deficit in any given fiscal year, without a declaration of war or national emergency, this constitutional amendment has a built-in flex clause that permits the Congress to adjust the Federal budget to changing economic conditions or accommodate shortfalls in anticipated revenues. Under the provisions of this flex clause, the amendment would have permitted a budget deficit of about $10 billion in fiscal year 1979. From 1946 to 1970, only 3 years—1946, 1959, and 1968—had budget deficits larger than $10 billion. Only in the 1970's did the Nation almost consistently pile up huge deficits. During the 1980's the budget receipts and outlays will increase sharply and the 2 percent fixed flex clause will allow deficits larger than $10 billion if needed.

The flex clause is not, however, a loophole by which Congress could substantially increase Federal deficits and defeat the ultimate purpose of balancing the budget. The most critical aspect of the flex clause is the payback proposal. Under this amendment, any deficits accumulated under the 2 percent deficit provision would have to be paid back by including them as budget obligations within the 5 succeeding fiscal years. Thus, the Federal Government assumes the ultimate responsibility to put its own fiscal house in order and balance the budget. By allowing 5 years, it provides the flexibility to adjust to recessions or other economic consequences without declaring a national emergency. If the Nation were to face a severe 1930's-type depression, it would, however, be a national emergency subject to the provision permitting deficits upon two-thirds vote of the Congress.

The payback provision of the flex clause will provide a reasonable structure by which the executive and legislative branches must exercise self-discipline and make the necessary decisions to cut outlays and/or increase revenues. The 5 year time period is certainly enough time for Congress to make these critical decisions.

The flex clause could be implemented by a majority vote in Congress and would not require a two-thirds or three-fourths vote. Consequently, a small minority of one-third plus one could not thwart the will of the majority, and the Congress could vote this temporary deficit if it were deemed necessary.

This constitutional amendment with a built-in flex clause would neither disrupt the existing congressional budget procedures nor require alteration of the Budget Act. It could be implemented simply. The annual vote on the second budget resolution could serve as the final congressional determination on a balanced Federal budget. By majority vote, the Congress could favor a deficit in a given year. Consequently, the second budget resolution could serve as the device to implement this proposed constitutional amendment.

This amendment also has another degree of flexibility. Some amendments require immediate implementation, a process which is probably impracticable. This amendment provides for its implementation within the third fiscal year after ratification by the States, thus allowing an adequate adjustment time. The time needed to pass both Houses of Congress with the required constitutional majority and secure ratification by three-fourths of the States, plus the 3-year implementation delay, would give Congress and the President adequate time to adjust to the concept of living within our national means.

This amendment also plugs a major loophole neglected by other constitutional proposals. By utilizing the term total expenditures of government, as opposed to a budget term like outlays, the amendment includes both on-budget items and off-budget items. Off-budget items were created in 1973 and showed an additional deficit of $60 million that year. By 1975, the total had skyrocketed to $8.1 billion and jumped to $11.5 billion for 1978. The estimate for 1979 is $12.5 billion. These figures undoubtedly will climb in the 1980's unless remedial action is taken.

Except for the Board of Governors of the Federal Reserve and foreign transactions of the Exchange Stabilization Fund, all other off-budget agencies should be included in the budget process and expenditures for them ought to be included in the total expenditures of government. Consequently, the Postal Service, the Rural Electric Administration, the Rural Telephone Bank, the United States Railway Association, and others would again be included as part of the Federal budget. This amendment, therefore, would prevent the situation in which agencies and programs could be transferred on and off the budget. It enables the American people to get a truer picture of what their Government is really spending.

In addition, this amendment confirms the existing budget procedure of treating capital expenditures and military public works as part of a unified budget and prevents the adoption of a separate capital budget, a procedure many States have followed to give the appearance of a balanced budget.

Many critics argue that it is not possible to balance the Federal budget while providing the necessary human and national security needs. Others consider such a proposal a throwback to the horse-and-buggy days of President McKinley. Still others dismiss it as a conservative, even right-wing proposal not feasible in the post-World War II era. I differ strongly with these assumptions.

One does not have to look too far back into history to find a courageous political leader who achieved balanced budgets in turbulent times and who met not only the human needs of the era but implemented numerous national security programs. The leader is a man I greatly admire—President Harry Truman. During the Truman administration the United States went through a difficult post-war economic adjustment period with social and economic turmoil and great inflation. In the area of foreign affairs, the United States under Truman undertook the rebuilding of Europe via the Marshall plan, provided international security by creating NATO, provided the wherewithal to fight the Korean war, dealt with the Soviet threat, enlarged our role in China, and undertook some far-reaching domestic programs. Despite these obstacles, President Truman did balance the budget during 4 of his 7 years in office. Between 1946 and 1952 Truman actually showed a total budget surplus of more than $2 billion. If President Truman could balance the budget while meeting human and national security needs in difficult, turbulent times, so can we. With discipline, courage, and the will to address a reordering of our national priorities, today's leaders, I believe, can achieve this goal. It is my hope that the passage of this constitutional amendment will provide a structure by which future leaders will act responsibly to curb excessive spending and balance the Federal budget. We as a nation cannot continue to mortgage the future by simply piling one deficit upon another. Reason, sanity, and fiscal responsibility must prevail.

Budgets during the Truman administration [1]

Year	Deficit	Surplus
1946	−$15,856	
1947		$3,862
1948		12,001
1949		603
1950	−3,112	
1951		6,100
1952	−1,517	
Total	−20,485	22,566

[1] Figures are in millions of dollars.

I am hopeful that the Government will conduct a disciplined analysis of priorities and make the courageous, though unpopular, decisions necessary to balance the budget. When opinions differ on the merits of program X or project Y, it is easily expedient to compromise by funding both and piling up the deficit. This trend must be reversed if the Nation is to achieve a balanced budget.

While not central to the arguments for or against a constitutional amendment, I believe that those who propose such an amendment to balance the budget have a moral obligation to suggest what areas the Congress might consider targeting to either reduce spending or increase revenues. I would like to suggest several potential areas for reducing Federal expenditures or increasing revenues. These target areas include: First, reduction of wasteful and ineffective Federal programs; second, elimination of fraudulent Federal payments; third, reduction of Federal regulations; fourth, reduction of aid to State and local governments; fifth, selective cuts in national defense budget to eliminate waste and cost overruns, and sixth, increase in revenue by revising the Tax Code and closing loopholes to reduce tax spending.

I am sure that other target areas could and should be added to this list. But I believe they are a starting point. I am not suggesting that budget changes in any one of the target areas will instantly create a balanced budget. Working within reasonable political and economic constraints, it might be possible to make budgetary changes in each of these areas and perhaps others so that the cumulative effort would result in a balanced Federal budget. A courageous but unpopular program-by-program analysis of the budget, aided by a balanced budget structure mandated by a constitutional amendment, should result in balancing revenues with expenditures in the 1980's. I would like to sketch the prospects of altering the budget in each of these target areas.

A target for potential reduction in Federal spending would be the numerous wasteful and duplicative Federal programs. Congress and the executive branch tend to pile one program upon another without adequately addressing the fundamental question of whether or not these programs ought even to exist. If the Congress adopted sunset provisions, agencies and programs would be automatically terminated every few years unless they were reauthorized by Congress. It would force a regular review of spending priorities, eliminate waste and overlap, and stop the proliferation of unneeded programs. I believe the American people are telling us to reduce spending and enhance our effort against our most pressing problem—inflation. Government must be more efficient and less expensive.

Another target for reducing Government expenditures is the elimination of fraudulent Federal payments. At the Department of Health, Education, and Welfare, top officials admitted last year that approximately $1.5 billion is lost annually as a result of fraud and waste. Overpayments and fraudulent payments for medicare and welfare must be eliminated. Educational loans must be repaid. The Government must determine where the money is going and how the drain can be stopped. Widening reports of payoffs for lucrative contracts from the General Services Administration indicate the need for a thorough examination of Government agencies with contracting authority. The passage last year of legislation establishing offices of Inspector General in executive departments and agencies will strengthen the ability of the Federal Government to audit and investigate programs and operations. A rigorous investigation by the Inspector General will help.

Another target area for reducing Federal expenditures is the need to eliminate unneeded Government regulations. Each year the Federal Government publishes some 10,000 new regulations which have the force of law. Millions of man-hours are expended and thousands of Federal employees become involved in writing, interpreting, and enforcing these regulations. By reducing or even eliminating some of these regulations, it is possible to save the Federal Government millions of dollars and better allocate the Federal work force.

One area of the Federal budget which has escalated dramatically in the last 40 years have been Federal aid to State and local governments. In 1940, the Federal Government gave only $872 million to State and local governments—9.2 percent of the budget and 0.9 percent of the gross national product. By 1949, it had climbed to $18 billion or 48 percent of the budget and 0.7 percent of the GNP. In 1959 the Federal Government contributed $6.4 billion, or 7 percent of the budget and 1.4 percent of the GNP. Ten years later, the amount had climbed to $20 billion, or 11 percent of the budget and 2.2 percent of the GNP.

Since 1972, Federal aid to State and local governments has more than doubled. In 1972, aid was $34 billion. On January 17, 1979, the Treasury Department announced that Federal aid would reach nearly $78 billion this year. This huge increase made Federal aid to the State and local governments one of the fastest growing portions of the Federal budget, outpacing even costs of social security benefits and national defense spending. These huge expenditures require a more careful analysis.

I am not suggesting that the Federal Government take a meat ax to programs of State and local government. I am not suggesting that revenue sharing be terminated or that deep cuts be made in health, education, or transportation programs. If we are to reasonably approach the task of reducing Federal spending and achieving a balanced Federal budget, though, I think it is important to reevaluate and reexamine some of the Federal aid programs to State and local governments and cut those programs where possible. Some programs are no longer needed and can, therefore, be eliminated.

It would be easy to say, let us slash the aid to State and local governments and balance the budget. It is easy to point out that the aid to these governmental units substantially exceeded the national deficit in the past few years and that the Nation could balance the budget by eliminating this aid. It is equally demagogic for the States to cut taxes and to balance their budgets while holding out their hands for Federal aid. Last year, the non-Federal governmental units ran up a surplus of nearly $30 billion, while the Federal deficit plunged to more than $70 billion. The Federal portion of the State and local budgets has almost doubled since 1960, from less than 15 percent to almost 30 percent. It is this trend that must be halted and turned around if we are to accomplish a balanced Federal budget in the 1980's.

While many critics have considered the national defense budget sacred, I believe that it can be selectively pared by reducing wasteful and unneeded programs, by eliminating cost overruns on weapons systems, by reducing the number of military brass in the Armed Forces, and by carefully evaluating future retirement programs and benefits. Recent studies point out that our military forces have a higher proportion of brass to soldiers than we had at the peak of World War II—meaning that we were probably paying for too many admirals and generals in the Pentagon and not getting enough military strength for the dollars we spend.

While spending may be reduced, it is also possible to increase revenue by obtaining tax reform and altering the tax code. Loopholes, tax preferences, tax incentives—call them what you will—usually mean only one thing: lower taxes for a preferential few and higher taxes for the rest. Closing these tax loopholes will not be easy, but a stab must be made. If we can succeed in eliminating unfair tax breaks for the priviledged few, we as a nation can make the tax system more equitable, increase Federal revenues, and balance the budget.

Another target area for the increase of revenues is the need for reductions in tax spending. In fiscal year 1980 almost 100 separate tax expenditures programs will result in a loss of about $150 billion in revenue or 28 percent of the current services budget. Tax expenditure programs have more than doubled since 1971, with total revenues lost increasing at a rate of 141 percent. In the past these programs have enjoyed a preferred status. I suggest that these programs be subjected to the same analytical decisionmaking process and priority basis as all current spending programs are. Perhaps we need to examine the basic tax spending programs in education, housing, employment, health care, nutrition, income security, and other areas. It is important that the Government undertake a comprehensive review of all Federal spending programs, including the need for reductions in tax spending. Increasing revenue, as well as cutting spending, is necessary if we as a nation are going to achieve a balanced budget.

In conclusion, the amendment I am introducing today will establish a reasonable means of balancing the Federal budget while providing flexibility to deal with shifting economic circumstances, human needs, and national security. It will create a structure by which Government can make a disciplined analysis of expenditures and revenues, perhaps on a program-by-program basis, and make the courageous decisions necessary to balance the budget.

I urge my colleagues to support this measure, and I especially urge my colleagues on the Judiciary and the Budget Committees to hold indepth public hearings on this important constitutional amendment. The text of the resolution follows in the RECORD.

H.J. RES. —

Joint Resolution proposing an amendment to the Constitution of the United States to limit the expenditure of Government funds during any fiscal year to the total revenue of the Government as projected by the Congress for such year

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, to be valid only if ratified by the legislatures of three-fourths of the several States within seven years from the date of its submission by the Congress:

"ARTICLE

"SECTION 1. Except as provided in section 3, the total expenditure of Government funds during any fiscal year shall not exceed the total revenue of the Government as projected by the Congress for that fiscal year.

"SEC. 2. The provisions of section 1 shall not apply with respect to any fiscal year during any part of which the United States is in a state of war declared by the Congress pursuant to section 8 of article I of the Constitution or any fiscal year during which the Congress, by a vote of two-thirds of each House, adopts a joint resolution stating that a national emergency requires the suspension of the application of section 1. This joint resolution shall not be effective unless approved by the President.

"SEC. 3. The total expenditure of Government funds during any fiscal year may exceed the total revenue of the Government as projected by the Congress for that fiscal year by two percent of the total revenue of the Government as projected by the Congress for that fiscal year.

"SEC. 4. If the total expenditure of Government funds during any fiscal year exceeds the total revenue of the Government for that fiscal year, the resulting deficit shall be extinguished by the end of the fifth fiscal year after the fiscal year in which that deficit occurs.

"SEC. 5. If the total revenue of the Government during any fiscal year exceeds the total expenditure of Government funds for that fiscal year, the resulting surplus shall be deemed revenue of the Government for the following fiscal year.

"SEC. 6. As used in this article, expenditure of Government funds shall not include any expenditure for the redemption of bonds, notes, or other similar obligations of the Government, and revenue of the Government shall not include any revenue derived from the issuance of bonds, notes, or other similar obligations of the Government.

"SEC. 7. The Congress shall have power to enforce this article by appropriate legislation.

"SEC. 8. This article shall take effect on the first day of the third fiscal year beginning after the date of the adoption of this article."●

ECONOMIC ADJUSTMENT ASSISTANCE AND DEFENSE SPENDING

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1979

● Mr. WEISS. Mr. Speaker, one of the most formidable obstacles to effective arms control initiatives is the argument that cutbacks in defense spending will cause serious economic dislocation. The cause of world peace and mutual disarmament is hindered by fears that the conversion of military facilities to peaceful purposes will result in significant job losses and industrial disruption.

To counter these claims and to facilitate a smooth transition from unnecessary defense activity to essential human service production, I am today introducing a Defense Economic Adjustment Act. This legislation represents a sound method of encouraging arms limitation and promoting both economic expansion and the national welfare.

My bill provides economic assistance to those communities, industries and workers affected by reductions in defense expenditures. The legislation would create a Defense Economic Adjustment Council in the Executive Office of the President and would establish an economic adjustment trust fund to finance conversion of defense facilities to peaceful production. Alternative use committees would be formed under the bill to undertake careful economic planning and research. Workers displaced by reductions in defense contracts would receive financial assistance and employment training under my bill.

The Defense Economic Adjustment Act is an essential step toward a more secure world and a more prosperous America. There are currently 24 cosponsors of the legislation—listed below—and I invite our other colleagues to join in this effort to accomplish the urgent goals of arms limitation and socially and economically beneficial production.

H.R. —

A bill to facilitate the economic adjustment of communities, industries, and workers to civilian-oriented initiatives, projects, and commitments when they have been substantially and seriously affected by reductions in defense contracts, military facilities, and arms export which have occurred as a result of the Nation's efforts to pursue an international arms control policy and to realign defense expenditures according to changing national security requirements, and to prevent the ensuing dislocations from contributing to or exacerbating recessionary effects

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Defense Economic Adjustment Act".

DECLARATION OF PURPOSE AND POLICY

SEC. 2. (a) The Congress finds and declares that the United States during the past two and one-half decades made heavy economic, scientific, and technical commitments for defense; that these commitments led to the development of specialized skills and business practices not directly applicable in the civilian sector of the economy; that as these commitments are modified to take account of changing requirements for national security and domestic needs, careful preparation is necessary if serious economic dislocations are to be avoided; and that the economic ability of the Nation and of management, labor, and capital to adjust to changing security needs is consistent with the general welfare of the United States.

(b) It is the purpose of this Act to provide the means through which the United States can promote orderly economic adjustment which will (1) minimize the dislocation of workers, communities, and industries, (2) assure that the dislocations do not compound recessionary trends, and (3) encourage conversion of technologies and managerial and worker skills developed in defense production to the service of projects in the civilian sector.

DEFINITIONS

SEC. 3. As used in this Act, the term—

(1) "Council" means the Defense Economic Adjustment Council established under section 101 of this Act.

(2) "Defense agency" means the Department of Defense, the Energy Research and Development Administration, or the National Aeronautics and Space Administration.

(3) "Defense contract" means any contract entered into between a person or nonprofit organization and a defense agency to furnish defense material or services to such agency, and any contract entered into between a person or nonprofit organization and any foreign country or person acting on behalf of a foreign country to furnish defense material or services to or for such country pursuant to the Arms Export Control Act or similar Act.

(4) "Defense contractor" means any person having not less than 5 per centum of the organization's labor force engaged in the furnishing of defense material pursuant to the terms of the defense contract or subcontract and for whom such contract or contracts, including any under negotiation, represents more than 20 per centum of the total plant business.

(5) "Defense facility" means any private plant or other establishment (or part thereof) used under a defense contract or engaged in the production, repair modification, maintenance, storage, or handling of defense material, or any Government-owned military facility such as a base, fort, shipyard, or depot.

(6) "Defense material" means any item of weaponry, munitions, equipment, or specialized supplies or services intended for use by a defense agency or for sale to or for the use of a foreign country which has primarily military application.

(7) "Defense service" means the research, development, production, test, inspection, or repair of any defense material for use by a defense agency or pursuant to a defense contract.

(8) "Displaced" or "displacement" means with respect to any worker of a defense facility or defense agency the separation, on a permanent or temporary basis, of such worker from employment with such facility or agency.

(9) "Fund" means the Workers Economic Adjustment Reserve Trust Fund established by title III of this Act.

(10) "Person" means any corporation, firm, partnership, association, individual, or other entity.

(11) "State" includes the District of Columbia and the Commonwealth of Puerto Rico.

(12) "State agency" means the agency of a State which administers its unemployment compensation law, approved by the Secretary of Labor under section 3304 of the Internal Revenue Code of 1954.

(13) "Substantially and seriously affected" means any community in which more than 5 per centum of its labor force is directly employed by a defense facility or contractor in furnishing specialized materials or services under a defense contract.

TITLE I—DEFENSE ECONOMIC ADJUSTMENT COUNCIL

ESTABLISHMENT

SEC. 101. (a) There is established in the Executive Office of the President the Defense Economic Adjustment Council which shall be composed of—

(1) the Secretary of Commerce;

(2) the Secretary of Labor;

(3) the Secretary of Health, Education, and Welfare;

(4) the Secretary of Housing and Urban Development;

(5) the Secretary of Transportation;

(6) the Chairman of the Council of Economic Advisers;

(7) six representatives of the business-management community who represent nondefense business to be appointed by the President; and

(8) six representatives of labor union organizations to be appointed by the President.

(b) The Secretary of Commerce shall be Chairman of the Council, shall preside over meetings of the Council, and shall designate a member of the Council to preside in the absence of the Chairman.

(c)(1) An Office of Economic Adjustment shall be established within the Executive Office of the President to provide staff support for the Council with a maximum staff size of fifteen. The Office shall be headed by an Executive Secretary who shall be appointed by the President (after consultation with the Council) and who shall be compensated at the rate provided for grade 18 of the General Schedule under section 5332 of title 5, United States Code.

(2) The members of such staff and any task force established by the Council shall include marketing specialists, production

engineers, plant layout experts, urban planning experts, and manpower training experts. At the request of the Council, the staff and any task force established by the Council shall carry out such duties as the Council may prescribe.

(3) The Council may appoint and fix the compensation of such personnel as it deems advisable. The Council may procure temporary and intermittent services to the same extent as authorized by section 3109 of title 5, United States Code.

(4) The Council is authorized to secure directly from any executive department, bureau, agency, board, commission, office, independent establishment, or instrumentality, information, suggestions, estimates, and statistics to carry out this Act, and each such entity shall furnish such information, suggestions, estimates, and statistics directly to the Council upon request made by the Chairman.

(d) Members of the Council who are officers or employees of the Federal Government shall receive no additional compensation by virtue of membership on the Council. Other members appointed to the Council shall receive compensation at the rate of not to exceed $135 per diem when engaged in the performance of duties of the Council. While away from their homes or regular places of business in the performance of services for the Council, members of the Council shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703(b) of title 5, United States Code.

DUTIES

SEC. 102. (a) The Council shall—

(1) encourage the preparation of concrete plans for civilian-oriented public projects addressing vital areas of national concern (such as mass transportation, housing, education, health care, environmental protection, renewable energy resources, et cetera) by the various civilian agencies of the Federal Government, as well as by State and local governments;

(2) supervise the establishment in the Department of Labor of a Job Information Bank intended to coordinate State, local, and Federal employment services so as to serve as a resource on civilian job information for workers released from defense-related employment as a result of the shifting or reduction, or both, of defense-related expenditures;

(3) prepare suggestive lists, by geographic region and area of specialization, of organizations and individual consultants in fields such as marketing, facilities design, organization, production engineering, and engineering economy whose major professional experience has been in civilian-oriented activity, and furnish such lists to local Alternative Use Committees upon their request, without explicit or implicit endorsement of the personnel so listed;

(4) prepare and distribute a Conversion Guidelines Handbook, not to exceed three hundred pages in length, which shall—

(A) include a discussion of the basic problems involved in the retraining, reorientation, and reorganization of personnel (managerial, technical, administrative, and production) and the redirection of physical plants for efficient, civilian-oriented productive activity;

(B) outline the basic requirements of programs for professional retraining of managerial personnel in order to reorient them to the management of civilian, market-oriented enterprise;

(C) outline the basic requirements for a program of professional retraining of technical personnel in order to effectively reorient them to the prevailing conditions of research, product design, and production operations within civilian-oriented facilities;

(D) outline the basic requirements for the length and nature of occupational retraining for production workers and junior level administrative employees;

(E) include illustrative case studies of successful conversion to efficient civilian-oriented production, or references thereto;

(F) provide a checklist of critical points requiring attention at each stage of the conversion process;

(G) contain an annotated bibliography of conversion related works; and

(H) be revised, as necessary, every two years; and

(5) perform such other duties as are imposed upon the Council by this Act; and

(6) promulgate such regulations as may be necessary to carry out the provisions of this Act.

TITLE II—ALTERNATIVE USE COMMITTEES

ESTABLISHMENT

SEC. 201. (a) There shall be established at every defense facility employing at least two hundred persons, and at every business concern having at least 20 per centum of gross revenue due to business resulting from any defense contract or contracts, an Alternative Use Committee to undertake economic conversion planning and preparation for the employment of the personnel and utilization of the facilities in the event of a reduction or elimination of any defense facility or the curtailment, conclusion, or disapproval of any defense contract, resulting in substantial and serious unemployment.

(b) In the case of a defense facility that is a Government military installation, the Alternative Use Committee shall consist of at least nine members, an equal number of whom shall (1) be designated by the base commander, (2) represent the civilian employees of the installation, and (3) represent the local community and interested citizens as designed by the chief executive officer of the local government of the community, but shall not include any individuals employed at the military installation.

(c) (1) In the case of a defense facility that is not a governmental military installation, and of any defense contractor subject to subsection (a), there shall be included in each defense contract provisions to assure that an Alternative Use Committee is established in accordance with the provisions of this subsection.

(2) The Alternative Use Committees shall consist of at least nine members, an equal number of whom shall be named by—

(A) the management of the facility,

(B) the nonmanagement employees of the facility, and

(C) the chief executive officer of the local community government, representing the local community, interested citizens, but shall not include any individuals employed at the defense facility.

(d) The funds for performing the planning and reporting requirements imposed under this title as applied to defense contractors, including market research, independent studies, and the employment of specialized personnel, shall be paid from funds derived from the military contract or base operating costs at a rate equal to $50 per employee per year in the first year and $25 per employee per year in subsequent years. Office space shall also be provided by the management of the facility, without charge.

FUNCTIONS OF THE ALTERNATIVE USE COMMITTEES

SEC. 202. (a) The Alternative Use Committees shall—

(1) evaluate the assets of the defense facility and the resources and requirements of the local community in terms of physical property, manpower skills and expertise, accessibility, environment, and economic needs;

(2) develop and review at least once every two years detailed plans for the conversion of the facility to efficient, civilian-oriented productive activity to be carried out in the event the facility is substantially and seriously affected by a Government decision to reduce, modify, or close the facility, conclude any defense contracts, or disapprove a license to sell or export defense materials to nongovernmental parties;

(3) provide occupational retraining and reemployment counseling services for all employees to be displaced by the implementation of a conversion plan or closing of the facility, beginning eighteen months before the date of commencement of the implementation of that plan or the permanent closing of that facility; and

(4) dissolve itself and return all of its assets to the control of the management of the facility immediately upon final completion of the conversion process.

ADMINISTRATIVE PROVISIONS

SEC. 203. (a) The Alternative Use Committees may hire staff personnel as well as any specialists it may determine necessary.

(b) The Alternative Use Committees are authorized to obtain a complete and detailed inventory of all land, buildings, capital equipment, and other equipment, including its condition, and are authorized to obtain information regarding the occupations and skills of all civilian employees of the facility.

CONVERSION PLANS

SEC. 204. (a) The conversion plans shall—

(1) be so designed as to maximize the extent to which the personnel required for the efficient operation of the converted facility can be drawn from personnel with the types and levels of skill approximating skill levels and types possessed by civilian personnel employed at the defense facility prior to its conversion;

(2) specify the numbers of civilian personnel, by type and level of skill, employed at the facility prior to conversion, whose continued employment is not consistent with efficient operation of the civilian-oriented converted facility;

(3) specify the numbers of positions, by level and type of skill, if any, that will be needed at the converted facility because personnel employed at the preconverted facility do not possess the levels or types of skills required;

(4) indicate in detail what new plant and equipment and modifications to existing plant and equipment are required for the converted facility;

(5) include an estimate of financing requirements and a financial plan for the conversion; and

(6) provide for completion of the entire conversion process within a period not to exceed two years.

TITLE III—ECONOMIC ADJUSTMENT FUND

FUND ESTABLISHED

SEC. 301. There is hereby established in the Treasury of the United States a trust fund to be known as the Workers Economic Adjustment Reserve Trust Fund.

DEPOSITS INTO THE FUND

SEC. 302. (a) The Federal Government shall not enter into any defense contract with any defense contractor to furnish defense material or services to a defense agency, nor shall it permit the sale of such defense material or services to or on behalf of any other country, unless the defense contractor fulfills a requirement to pay to the fund an amount equal to 1¼ per centum per year of the value of the contractor's gross revenue on such sales.

(b) Amounts paid by a defense contractor pursuant to this section shall be deposited in the fund.

MANAGEMENT OF THE FUND

SEC. 303. (a) It shall be the duty of the Secretary of the Treasury to invest such portion of the moneys in the fund as is not, in the judgment of the Secretary, required to meet current withdrawal requirements. Such investments may be made only in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States. For such purpose, such obligations may be acquired (1) on original issue at the issue price, or (2) by purchase of outstanding obligations at the market price. The purposes for which obligations of the United States may be issued under the Second Liberty Bond Act, as amended, are hereby extended to authorize the issuance at par of special obligations exclusively to the fund. Such special obligations shall bear interest at a rate equal to the average rate of interest, computed as to the end of the calendar month next preceding the date of such issue, borne by all marketable interest-bearing obligations of the United States then forming part of the public debt; except that where such average rate is not a multiple of one-eighth of 1 per centum, the rate of interest of such special obligations shall be the multiple of one-eighth of 1 per centum next lower than such average rate. Such obligations shall be issued only if the Secretary of the Treasury determines that the purchase of other interest-bearing obligations of the United States, or of obligations guaranteed as to both principal and interest by the United States on original issue or at the market price, is not in the public interest.

(b) Any obligations acquired by the fund (except special obligations issued exclusively to the fund) may be sold by the Secretary of the Treasury at the market price, and such special obligations may be reduced at par plus accrued interest.

TITLE IV—ECONOMIC ADJUSTMENT ASSISTANCE FOR WORKERS

CERTIFICATION

SEC. 401. (a) All displacements affecting more than 5 per centum of workers employed by a defense contractor attributable, in whole or in part, to a reduction of the volume of defense work in such facility shall upon certification by the local Alternative Use Committee be reported by the management of the firm or government facility to the State employment office acting as agent for the administration of the employees benefit program.

(b) Any worker (or union representing such worker) of a defense contractor or nonprofit contractor aggrieved by any matter contained in a report filed by such contractor pursuant to subsection (a) of this section (or by any matter relating to such worker's certification, or failure to be so certified, or such worker's eligibility for such conversion benefits, or the kind or amount thereof) shall be entitled to appeal such matter to the Secretary of Labor, or, if such worker is in a State which has entered into a contract with the Council pursuant to section 403 of this Act, to the appropriate State agency.

ENTITLEMENT TO BENEFITS

SEC. 402. (a) Any worker certified pursuant to section 401 of this Act as eligible for adjustment benefits by reason of such worker's displacement from a defense contractor shall be entitled, for the two-year period following displacement, to whichever of the following benefits are applicable:

(1) Compensation, on a weekly basis, sufficient, when added to any benefits which such worker receives or is entitled to receive for such weekly period under any Federal or State unemployment compensation program (or any plan of such worker's employer providing for such benefits) by reason of such worker displacement, and any earnings during such weekly period from other employment, to maintain an income at a level equal to 90 per centum of the first $20,000 per year and 50 per centum of the next $5,000 in excess of $20,000 for that year, of that worker's regular annual wages (based on a forty-hour workweek, or, in the event a defense contractor has a regular workweek payable at straight-time wage rates other than forty hours, for such regular workweek) prior to that worker's displacement.

(2) Vested pension credit under any applicable pension plan maintained by the defense contractor from which such worker was displaced, for the period of that worker's employment with such facility, and the two-year period following that worker's displacement, during which two-year period, for the purpose of the Employee Retirement Income Security Act of 1974 and the corresponding provisions of the Internal Revenue Code of 1954 (relating to a qualified plan) such worker shall be treated as if such worker were employed by such contractor on the same basis as such worker was employed on the day preceding such worker's displacement; except that pension credit during such two-year period shall be reduced to the extent of vested pension credit earned with another employer during such two-year period.

(3) Maintenance of any hospital, surgical, medical, disability, life (and other survivor) insurance coverage which such individual (including members of such individual's family) had by reason of employment by a defense contractor prior to such displacement; except that if such worker so displaced is otherwise employed during such two-year period, such worker shall be entitled to receive benefits under this paragraph to the extent necessary to provide such worker with the same protection described in this paragraph as such worker (including family members) would have had if such worker had not been displaced.

(4) Retraining for civilian work providing pay and status as comparable as possible to the employment from which such worker was displaced or retraining under title I, II, or III of the Comprehensive Employment and Training Act of 1973.

(5) Retraining for civilian work approved by the Secretary of Labor or, in the case of a worker in a State which has entered into a contract with the Council pursuant to section 403 of this Act, by the State agency, and reimbursement for reasonable relocation expenses as specified in regulations prescribed by the Secretary of Labor incurred by such worker in moving to another location in order to take advantage of an employment opportunity to which such worker is referred, or which is determined to be suitable, by the Secretary of Labor or, in the case of a worker in a State which has entered into a contract with the Council pursuant to section 403 of this Act, by the State agency.

(6) No individual shall be eligible for more than one conversion related program of benefits.

(b) All managerial and technical employees who have spent more than 50 per centum of the ten years preceding implementation of the conversion plan working in defense-related industry or at military bases must participate in or have completed a program of professional retraining meeting the requirements specified in the Conversion Guidelines Handbook of the Defense Economic Adjustment Council in order to be eligible for the special financial assistance, relocation aid, and special job information services provided by this Act. All other employees may elect to enter such a program.

STATE AGREEMENTS

SEC. 403. (a) The Council is authorized to enter and shall, on behalf of the United States, enter into an agreement with a State, or with any agency administering the unemployment compensation law of any State approved by the Secretary of Labor under section 3304 of the Internal Revenue Code of 1954, which—

(1) as agent of the Council, shall upon certifications and other determinations required in section 401 of this Act, make such payments and provide such benefits as are authorized by section 402 of this Act, on the basis provided for in this Act, and shall otherwise cooperate with the Council and other State agencies in carrying out the provisions of this Act; and

(2) shall be reimbursed for all benefits paid pursuant to such agreement and all administrative costs incurred in carrying out such agreement.

(b)(1) There shall be paid to each State agency which has an agreement under this section, either in advance or by way of reimbursement, as may be determined by the Council, such sum as the Council estimates the agency will be entitled to receive under such agreement for each calendar month, reduced or increased, as the case may be, by any sum by which the Council finds that its estimates for any prior calendar month were greater or less than amounts which should have been paid to the agency. Such estimates may be made upon the basis of statistical sampling, or other method as agreed upon by the Council and the State agency.

(2) The Council shall from time to time certify to the Secretary of the Treasury for payment to each State agency which has an agreement under this section sums payable to such agency under paragraph (1) of this subsection. The Secretary of the Treasury, prior to audit or settlement by the General Accounting Office, shall make payments to the agency, in accordance with such certification, from the fund.

(3) All money paid a State agency under any such agreement shall be used solely for the purposes for which it is paid; and any money so paid which is not used for such purposes shall be returned, at the time specified in such agreement, to the Treasury.

(c) In any case involving a worker entitled to benefits under section 402 who is in a State with respect to which there is no agreement pursuant to this section, the Secretary of Labor shall, under regulations prescribed by the Secretary, administer such benefits on behalf of such worker. The Secretary of Labor, in administering such benefits, shall, from time to time, certify to the Secretary of the Treasury for payment to such worker the amounts of such benefits to which such worker and the Secretary of the Treasury shall make payments to such worker, in accordance with such certification, from the fund.

LIMITATION ON BENEFITS

SEC. 404. In no case shall any displaced worker be eligible for benefits under section 402(a) of this Act unless such worker agrees (1) to maintain, on a current basis, during the period of his displacement, an active registration with the Secretary of Labor or an appropriate State employment agency, as the case may be, and (2) to accept any employment, determined by the Secretary of Labor or agency, as the case may be, to be suitable, to which such worker is referred by the Secretary of Labor or such agency. No such benefits shall be paid under this Act to any worker who fails to maintain such registration or to accept such employment.

TREATMENT OF UNEMPLOYMENT COMPENSATION

SEC. 405. In no case shall any adjustment benefits paid pursuant to this Act be taken into consideration in determining eligibility for unemployment compensation under any Federal or State unemployment compensation law or in determining the amount of entitlement thereunder.

TERMINATION OF BENEFITS

SEC. 406. Adjustment benefits shall terminate when a worker eligible for benefits obtains employment providing 90 per centum of the first $20,000 per year and 50 per centum of the next $5,000 in excess of $20,000 for that year of that worker's previous wages or two years after displacement, whichever occurs sooner.

TITLE V—USE OF CERTAIN RESEARCH FUNDS

AMENDMENT TO PUBLIC LAW 91–441

SEC. 501. (a) Section 203(a) of the Act of October 7, 1970 (Public Law 91–441), is amended by—

(1) inserting "or, in the opinion of the Defense Economic Adjustment Council, a potential relationship to an urgent national requirement in a designated nondefense sector," after "function or operation";

(2) inserting "or the Defense Economic Adjustment Council" after "Department of Defense" in paragraph (1); and

(3) adding at the end of such section 203 the following:

"(f) The Defense Economic Adjustment Council shall be required to define urgent national requirements for non-defense sectors of the economy, and shall be required to include in the designation, any areas so defined by the Congress. Research and development related to energy and fuel efficiency shall be considered a designated area.".

(b) Section 204 of such Act is amended by inserting "or, in the opinion of the Defense Economic Adjustment Council, a potential relationship to an urgent national requirement in a designated nondefense sector of the economy" after "military function or operation".

TITLE VI—AUTHORIZATION OF APPROPRIATIONS

APPROPRIATIONS AUTHORIZED

SEC. 601. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.●

GAO AUDIT OF LEGISLATIVE ACCOUNTS

HON. ELLIOTT H. LEVITAS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1979

● Mr. LEVITAS. Mr. Speaker, during the 95th Congress, there were numerous allegations about misconduct or abuse of funds by our colleagues in Congress. These charges, substantiated or not, have cast a shadow over the credibility of Congress in general. One very direct way I know of restoring public confidence in the honesty and integrity of elected officials is to let the sun shine on official office accounts as provided for in legislation that I plan to reintroduce.

The Legislative Accounts Audit and Control Act, which I will introduce, requires an annual audit by the General Accounting Office of House Members' and committees' accounts. At the present time, every appropriation made by the Congress for any function of the Federal Government is subject to an annual audit by the GAO, except for the Congress of the United States. Our predecessors in the Congress established the GAO and required annual audits to insure that taxpayers' dollars were being properly spent.

In my view, the congressional exemption should never have been granted in for the other body, we in the House have an obligation to the taxpayer to let him know how we expend public funds to run our individual offices and our committees. Certainly, it is not too much to ask that those who set policy and appropriate funds for other governmental functions be subject to scrutiny on how they will spend $1,118,244,400 in tax dollars in 1979 to carry out the legislative function.

Therefore, my bill would require the GAO to perform an audit of any expenditures or financial transactions of each Member, officer, or standing committee of the House of Representatives involving disbursements from the contingent fund of the House during calendar years 1974, 1975, 1976, 1977, and 1978, such audit to be completed within 9 months. Beyond that, my bill would require, beginning with calendar year 1979 and each calendar year thereafter, an annual GAO audit to be completed no later than 3 months following the close of the calendar year. Upon completion of any audit, the Comptroller General would transmit a report to the Speaker of the House with respect to the results of such audit and any such report would be available to the public for inspection and copies furnished upon request for a reasonable charge.

More than ever, Government, and certainly Congress, is being held up to public scrutiny. If we already resolved in the 95th Congress to open up our personal finances to public view, I can think of no reason for not letting the taxpayers see how their public moneys are being used.●

TRIBLE HOMEMAKER RETIREMENT BILL REINTRODUCED

HON. PAUL S. TRIBLE, JR.

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1979

● Mr. TRIBLE. Mr. Speaker, I am pleased today to reintroduce the Trible homemaker retirement bill. During the 95th Congress you may recall, a bipartisan group of 150 Members of the House and 10 Members of the Senate cosponsored this bill, making it one of the more popular pieces of legislation introduced. Unfortunately, the Committee on Ways and Means was unable to take final action on the bill because work on social security financing and tax reduction took precedence. However, the committee did hear testimony on the bill and I understand the committee intends to consider this and other legislation this year as part of its work on the Employee Retirement Income Security Act.

I am optimistic about this bill becoming law during the 96th Congress. Substantial public interest in the Trible homemaker retirement bill has been aroused already through a series of articles appearing in national magazines—such as McCall's and Women's Day—national newspapers—such as the Christian Science Monitor, Los Angeles Times, Wall Street Journal, and Washington Post—and various special interest and trade publications.

My confidence is also buoyed by the addition of a new Senate sponsor for the Trible homemaker retirement bill. During the 95th Congress, former Senator Wendell Anderson of Minnesota introduced S. 1783 as the companion to my H.R. 4649. However, with Senator Anderson's defeat, this bill became a piece of legislation in search of a sponsor—and I believe it has found an outstanding one in Senator LLOYD BENTSEN of Texas. Senator BENTSEN serves as chairman of the Senate Subcommittee on Private Pension Plans, which will be handling the homemaker retirement bill in the other body. Moreover, the other two democrat Members of that subcommittee in the 95th Congress (Senators GRAVEL and MATSUNAGA) were both cosponsors of Senator Anderson's bill.

I believe an urgent need exists for prompt action on the Trible homemaker retirement bill.

The statement follows:

TRIBLE HOMEMAKER RETIREMENT BILL

Recently passed laws permit wage earners to add to their financial security by establishing personal retirement plans. Unfortunately, these laws have done little to help the largest group of workers in America—the homemaker.

My bill would end this discrimination against homemakers and allow these individuals to establish individual retirement accounts—commonly known as IRA's.

Before I outline the specifics of my bill, I would first like to give you some background information on IRA's.

The most commonly asked question is: "What is an individual retirement account and how does it work?"

An IRA is a personal, tax-sheltered retirement plan. Any wage earner who is not currently a participant in any other retirement plan may establish an IRA.

Establishing an IRA is relatively simple. Almost any bank, savings and loan association, mutual fund, insurance company, or other financial institution can complete the paperwork. There are a wide variety of plans available, but they are all subject to the same legal restrictions.

Once a person establishes an account, he or she can make annual contributions to the account up to $1,500 or 15 percent of his or her income, whichever is less. For Federal income tax purposes, contributions to an IRA are fully deductible from the gross income of the wage earner. In the long run, this can mean considerable savings for the taxpayer.

The earnings of an IRA are, likewise, tax-free until retirement. In fact, the owner of an IRA does not pay any taxes on the account until retirement when the proceeds are taxed as ordinary income. These taxes are generally lower because a retired employee will usually receive less income and pay taxes at a lower rate than he or she did while working. In addition, all persons 65 or older qualify for a double tax exemption on the Federal income tax return.

Under the present law, a homemaker may have an IRA in only two limited situations. First, a homemaker can own an IRA if he or she is employed and not participating in any other retirement plan. Specifically, a homemaker is treated as other workers as long as he or she is earning wages. Second, a homemaker may participate in an IRA if his or her spouse is eligible for an IRA. However, participation in this plan is limited to a maximum of $875 each year for each spouse, instead of the $1,500 ceiling for all other accounts. Homemakers, who are not members of one of these two narrow groups, cannot now participate in an IRA.

Mr. Speaker, many people have recently been asking me a second question:

"How will the Trible homemaker retirement bill change the present law?"

The answer is fairly simple.

My bill would allow each and every American homemaker to own an IRA, regardless of whether their spouse participates in an IRA, Keogh, corporate, government, union, or other retirement plan.

Relatively minor changes in the law are needed to allow all homemakers to have an IRA. In fact, there is only one reason why homemakers who want an IRA cannot get one today: homemakers are not paid for their work in the home. The law now requires earned income before anyone can have an IRA. Consequently, homemakers cannot participate because the law defines their labor as being economically worthless.

Mr. Speaker. I think this is an irrational provision in the law which should be eliminated. You and I are both well aware of the great worth of the American homemaker's work. Yet, in spite of our common agreement, homemakers cannot own an IRA because they do not draw a paycheck for their work in the home.

My bill would amend the present law and allow homemakers to count as their own income the compensation of their spouse. In other words, the bill recognizes the economic value of a homemaker's work.

Let me give you three examples and compare how a homemaker would fare under my bill as contrasted with the present law.

First, let us consider the situation of Tom and Sally Jackson. Tom works as a lineman for the telephone company. He earns $10,102 per year. The telephone company deducts 5 percent of Tom's annual salary as his contribution to the company's retirement plan. Sally keeps their apartment in order and attends afternoon classes at the local college. Under the present law, Sally cannot have an IRA because she has no earned income.

If my bill is enacted, Sally would be able to put away for her retirement $1,500 per year in her IRA. If Tom earned less than $10,000, she would be limited to 15 percent of his income. For example, if Tom earned $9,000 per year, Sally could put a maximum of $1,350 per year into her account.

Jennifer Wright, Bill Stark, and Betty Herman could also establish their own IRA's although none of them earn any wages. Like Sally, each of their respective spouses is covered by a retirement plan at work. However, they no longer need to be concerned that they cannot get an IRA because their spouses cannot. My bill would allow each of them, as well as all other homemakers without retirement plans, to own an IRA regardless of what type of retirement plan their spouses have. As with all IRA plans under my bill, their annual IRA contributions would be limited to a maximum of $1,500 or 15 percent of their spouse's annual income, whichever is less.

Second, compare with me the opportunities for Jim and Sharon Cram. Jim is a substitute teacher at the local elementary school. His wages average $240 per month. When he is not teaching, Jim takes care of their 3-year-old son, Jason. Sharon is the family's prime wage earner. As the assistant to the city manager, she earns $12,317 per year and participates in the city's retirement system. Jim is not eligible to participate in the teacher's retirement system because he is a part-time employee. Instead, he owns an IRA but can contribute only 15 percent of his annual wages of $2,300 to the account. Jim would like to put more than this $345 in his IRA each year but he cannot. The present law permits homemakers who earn wages to invest only 15 percent of their annual wages in an IRA.

My bill would allow Jim to put away $1,500 in his IRA every year. This would be possible because the bill allows homemakers to count their spouse's income as their own in determining the maximum amount they can put in their IRA. In short, Jim would have the same opportunity and be subject to the same limits as any other homemaker. He would not be penalized for working.

Finally, the Trible homemaker retirement bill will also help Donald and Louise Parker, who face an entirely different situation. Donald is a self-employed newspaper columnist. From his work, he earns an average of $18,000 per year. In March of 1976, he established an IRA for himself and contributed $1,500 to it. Last year's action by Congress has forced Donald into a difficult position. Louise is now eligible to have an IRA because she earns no wages and because Donald now has an IRA. However, if Louise opens an IRA, Donald must reduce the annual contributions to his IRA from $1,500 to $875. Likewise, Louise cannot invest more than $875 per year in her account.

Donald and Louise would both be able to contribute up to $1,500 per year to their individual accounts if my bill became law. Donald would not have to limit contributions to his own account to permit Louise to have an IRA. They can both look forward to retirement with security.

Mr. Speaker, at this point, you are probably ready to ask me:

"In dollars and cents, how much is an IRA worth?"

The answer to this question will vary from person to person and from plan to plan. However, I can give you some examples.

For purposes of illustration, let me discuss what would happen if a homemaker invested the same amount of money in IRA, tax-sheltered certificates of deposit as contrasted with investment in the same certificates of deposit without the benefits of an IRA. In the examples that follow, I will assume that the certificates of deposit earn 7¾ percent interest, compounded quarterly.

If Sally Jackson, the spouse of the telephone lineman, contributes $750 per year to her IRA for 40 years, she will have paid in a total of $30,000. During that 40 years, her investment will earn $172,719 in interest, giving her IRA a total value for her retirement of $202,719. When she retires at the end of this 40 years, she will have an annual net income after taxes of $18,482.

If the law is not amended and Sally invests the same $750 in the same certificates of deposit for each of the next 40 years, she will set aside the same total amount of her income for retirement, $30,000. However, her retirement income will be substantially less. Because she has to pay taxes on the annual interest from the certificates of deposit, her savings will be worth only $88,936 at the end of the 40 years. When she retires, she can expect to draw only $9,560 in annual net income after taxes.

If the law is not changed, Sally's annual after tax income will be $8,922 per year less than it could be if my bill became law. In short, Sally will receive about one-half of the retirement income she would get if she could own an IRA.

Jim Cram, the substitute school teacher-homemaker would fare no better under the present law. If he invested $1,000 per year for each of 40 years in nonsheltered certificates of deposit, he would receive only $12,744 per year when he retires. If, instead, he was able to put the same money in an IRA for 40 years, his investment would be worth $247,317 and he could depend on an annual after tax income of $23,625. Not having an IRA would cost Jim $10,881 per year in lost retirement income.

Finally, consider the advantages of an IRA for Louise Parker, the wife of the newspaper columnist. My bill would let Louise pay up to $1,500 per year into her own IRA. At the end of 40 years, her investment of $60,000 would have earned interest of $345,438 to make the total value of her IRA $405,438. Her after tax retirement income would be $32,405 per year.

Without the protection of an IRA, her investment would accrue a total value of only $177,872. Her annual after tax retirement income would be $19,116. If the law is not changed, Louise will lose $13,289 in annual retirement income.

The future experience of these three couples with and without an IRA can be summarized easily.

RETIREMENT INCOME WITH AND WITHOUT THE TRIBLE HOMEMAKER RETIREMENT BILL

Annual amount invested for retirement for each of 40 yr	Annual net retirement income after taxes		
	With an IRA (Trible bill)	Without an IRA (present law)	Lost income without an IRA
(A) Sally Jackson—$750	$18,482	$9,560	$8,922
(B) Jim Cram—$1,000	23,625	12,744	10,881
(C) Louise Parker—$1,500	32,405	19,116	13,289

This table makes clear that the present IRA law discriminates against the American homemaker. By enacting my bill, the Congress would permit Sally, Jim, Louise, and millions of other homemakers to have the same retirement opportunities as other self-employed workers. No longer will homemakers face the unenviable dilemma of having to choose between no retirement protection and leaving the home to find a job where he or she can acquire pension rights.

Mr. Speaker, there is one more question that should be answered:

"Does the Trible homemaker retirement bill have any spillover benefits for the public as a whole?"

The answer is yes.

My bill would encourage people to commit their money to long-range savings. The dollars placed in an IRA would increase the supply of money and the formation of private capital. As a result, interest rates should lower and, eventually, become more stable. Ultimately, the money invested in IRA's should stimulate the economy, cut unemployment, and reduce dependence on Government.

In conclusion, I urge the House to take speedy action on the Trible homemaker retirement bill, H.R. 4649. The time has come to end discrimination against the American homemaker and to recognize the economic value of this work. American homemakers should have an equal opportunity to plan for their retirement.●

INCENTIVES FOR PEACE IN THE MIDDLE EAST

HON. CHRISTOPHER J. DODD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1979

● Mr. DODD. Mr. Speaker, I would like to bring to my colleagues attention an address on American policy in the Middle East by Senator FRANK CHURCH delivered before the American Friends For Haifa University in New York City.

In his address, the new Chairman of the Senate Foreign Relations Committee calls for a new American policy in the Middle East, a policy based on the incentives for peace which the United

States can most effectively pursue. Senator Church rightfully points out that we have paid heavily for the past wars in the Middle East and that now we should stand prepared to invest generously in the furtherance of peace. We must support those nations which are sincerely interested in a lasting peace in the region, and equally clearly Senator Church adds, we must not continue to give financial and political support to those Middle Eastern countries which are uninterested in the efforts of the Egyptian and the Israeli people to find a just and lasting peace.

I commend the Senator's thoughtful speech to my colleagues, and hope that his strategy for peace in the Middle East through incentives will be considered by all.

Incentives For Peace In The Middle East

It is a great honor to receive the Carmel Laureate Award, which takes its name from the legendary Mount Carmel that overlooks the beautiful City of Haifa. I am told that the Prophet Elijah ascended to Heaven from this mountain after having made a fiery political speech in front of a great gathering. If my talk tonight appears to be a bit restrained, I hope you will understand that I see no reason to take unnecessary chances.

The Prophet Elijah is the symbol of the very precepts forming the spiritual cornerstone of the State of Israel—independence, freedom and rejuvenation. The symbol is embellished in the wake of Camp David, and on this, the anniversary of the Jewish New Year. For on this Rosh Hashana, I believe the promise of peace has finally come within sight of the people of Israel who have so long yearned for it.

The face of the Middle East, distorted for 30 years by destruction and death, could be vastly transformed in the years ahead. Admittedly, the rapid sequence of events during the past year, since President Sadat's historic trip to Jerusalem, has strained our emotions. Our initial euphoria last November eventually gave way to deep-seated frustration as we witnessed the seeming disintegration of an historic opportunity for a settlement with Egypt. And as the long days and nights at Camp David wore on with increasingly gloomy reports, hope seemed to fade. But the determination of President Carter and the courage and vision of Prime Minister Begin and President Sadat in agreeing upon a framework for peace have renewed our faith.

It is my sincere belief that within a scant two months Israel will be signing a peace treaty with Egypt—removing the most powerful military force in the Arab world from its posture of unremitting hostility toward Israel. An Egypt at peace with Israel changes the whole equation in the Middle East. For, as President Sadat himself has observed: "Without Egypt, there can be no peace, and without Egypt, there can be no war."

It would be a fruitless exercise to try to quantify the concessions made by each side at Camp David, or to determine who came out "ahead." When history is finally written, it will be said that both President Sadat and Prime Minister Begin felt the weight of the past and the responsibility of the future. Neither flinched, despite the heavy pressures upon them, thus bearing out Shakespeare's perception that "courage mounteth with occasion."

President Sadat can now promise his people that within two or three years, Egypt will regain every inch of the Sinai without sacrificing the life of one more Egyptian soldier. He can also honestly claim that he has remained faithful to the larger Pan-Arab concerns by conferring on the Palestinians full autonomy over their own affairs in the immediate future, while furnishing them a framework within which they might peacefully resolve their remaining differences with Israel.

At the same time, Prime Minister Begin can truthfully point out to the Israelis that peace between them and the strongest Arab country is the gateway that can lead to peace throughout the Middle East.

While Sadat and Begin seem irrevocably committed to establish peace between their two countries, it remains to be seen whether the Palestinians, King Hussein, President Assad, and the rulers of Saudi Arabia can be persuaded to cooperate in a common effort to convert a bilateral peace into a regional peace for the whole Middle East.

The United States is attempting to bring the other Arab states into the peace process, as evidenced by Secretary Vance's recent trip to the capitals of these countries. But, thus far, the initial public reactions are not good. President Assad has emphatically endorsed the hard line P.L.O. rejection of the peace accords. King Hussein has negatively characterized the accords as not capable of achieving a just and lasting peace, while the Saudi Government has called the Camp David framework not acceptable.

While relations between Syria and the United States have improved slightly in recent years, we still have limited influence in Damascus. Our leverage over King Hussein, on the other hand, is considerable. Over the years, the United States has been a staunch supporter of the Hashemite Kingdom, and now is the time to bring our full weight to bear upon Jordan to support the Camp David accords. But even in Amman, full account must be taken of another major player in the Middle East drama—Saudi Arabia.

The prospects for peace in the Middle East will be greatly influenced by the decisions in Riyadh, the royal capital of Saudi Arabia. Through its massive financial aid to Syria and Jordan, Saudi Arabia exerts much leverage over the policies of those three countries. If it withdraws its support for Sadat, Saudi Arabia could make it extremely difficult for the Egyptian President to complete the agreement with Israel while withstanding external opposition from the hard line Arab states. Likewise, by threatening to cut off economic assistance to Hussein, the Saudis might block his participation in further talks with Israel. Finally, there is little doubt that the absence or availability of Saudi funds would also have great impact on the attitudes of West Bank and Gaza Strip Palestinians.

Even a Saudi policy of benign indifference falls immeasurably short of what we, the *de facto* protector of Saudi Arabia, should expect. When this Administration successfully proposed furnishing F–15's to the Saudis, I opposed the sale on the grounds that F–15's were not the answer to oil price moderation, nor the appropriate weapon for Saudi defensive needs.

The Administration justified the sale in terms of the immense importance of Saudi Arabia in promoting a moderate and responsible course, both in Middle East regional development, including peacemaking, and international economic and financial affairs. Tonight, I remind the Administration of its own words. It is imperative that we make clear to the Saudi Government that our strategic concerns are mutual, that our interests are intertwined and, in the last analysis, it is the American security umbrella which shields the kingdom from potential Iraqi or Soviet aggression. In such circumstances, we have every right to expect the full and forthcoming cooperation of Saudi Arabia in our quest for a regional peace!

Ultimately, to be genuine and lasting, such a regional peace cannot rest for long upon treaties or individual leaders. It is all too fresh in Israeli minds that historical opportunities for peace have been quashed before by an assassin's bullet, or simply the fear of one. It will be recalled that in 1950, intensive secret negotiations took place with King Abdulla of Jordan and culminated in the initialing of a non-aggression pact. At the time, it was the most far-reaching document negotiated between Israel and any of its neighbors. But before the agreement was signed, Abdulla broke off negotiations as a result of violent opposition by the other Arab governments and the threat of expulsion from the Arab league. In 1951, Abdulla was assassinated as he left the Al-Aksa Mosque in Jerusalem.

Even Gamal Abdul Nasser, the self-proclaimed spokesman for all the Arab countries, is reported to have expressed a desire to meet with David Ben-Gurion. According to Golda Meir, Nasser once said to an intermediary, "If Ben-Gurion came to talk to me, he would return home as a conquering hero. But if I went to him, I would be shot when I came back."

At long last, however, the mood has changed. Anwar Sadat was greeted in the streets of Cairo as a conquering hero. For the first time, the odds in favor of more war in the Middle East have shifted to odds that favor peace.

But advocacy alone may not keep these odds favorable. Diplomatic talk may not be enough to persuade the other Arab countries to cooperate. New incentives for peace should be created. The United States should begin now to fashion a policy that will plainly demonstrate to the hold-outs that the fruits of peace can be infinitely more attractive than the spoils of war.

Having been a partner in hammering out the accords at Camp David, and having agreed to assume the same role in the upcoming peace treaty negotiations between Israel and Egypt, it is time we began to consider the kind of partnership we are willing to enter, once the treaty has been signed. I believe the United States should then become a partner for an expanded peace, working in tangible ways to strengthen its foundations and to extend its frontiers.

Therefore, I call tonight for a new addition to American policy in the Middle East, one based upon a strategy that rewards those that work with us to construct and complete the peace, while extracting a price from those who work against us.

Henceforth, the United States should be prepared to invest generously in the furtherance of peace. We have paid dearly for the wars in the Middle East, and our national interest calls out for an end to the conflict there.

Let us begin our new partnership with the initial peacemakers, Israel and Egypt. We can help Sadat with his pressing economic problems. Take, for example, Egypt's dwindling harvests. Israel's advanced irrigation techniques could be of great help to the Egyptians in making their deserts bloom, as the spectacular success of the Negev proves. The opportunities are ample for the creation of joint projects for water desalination, reclamation, and solar energy.

Similarly, we should declare our willingness to extend the same measure of support to Jordan and Syria, if and when they choose to participate in the building of a regional peace. Once they join in, they can expect our help in alleviating the suffering and in lifting the living standards of their people.

The other side of such a new policy should be made equally clear. If Assad turns his back on the establishment of a "secure and recognized" border on the Golan Heights; if he refuses to withdraw his forces from Lebanon, or to cooperate in the restoration of good order in that tormented land, then I see no reason why the United States should continue to supply him with $90 million a year!

And the same goes for Jordan, where the United States, over the years, has provided

King Hussein—and his grandfather before him—with the princely sum of $1.5 billion.

President Sadat has called on Hussein to "shoulder his responsibilities" on the West Bank, within the framework of the Camp David accords. If he now refuses to do this, thus complicating the movement toward a reconciliation with the Palestinians, then let him look elsewhere for his financial support in the future. Why should we continue to pick up the tab!

Let us hope that such a policy is put into effect, and that it proves an effective instrument in widening the boundaries of peace in the Middle East. Still, Israel will be confronted for years to come with those Arab extremists bent upon the destruction of the Jewish state. Unfortunately, savage terrorist attacks by such fanatics will not soon disappear. Thus, it will be necessary for Israel to maintain her preparedness, and for the United States to see to it that her military capabilities remain sufficient.

Let me close with a few words about the institution you support, Haifa University. In a span of eight short years, this university has emerged as a major center of higher learning for the people of northern Israel. It is a unique university, vibrant, young, and bristling with new social experiments. Haifa University has been instrumental in furthering two of the most cherished goals of the Jewish tradition: education and equality. I commend all of you tonight, the American Friends of Haifa University, for helping the people of Israel to realize another part of their impossible dream. For the impossible may yet be the attainable. A great Jewish historian, Cecil Roth, looked toward a future for the Middle East which is no longer beyond the reach of our years.

"Again," he wrote, "as in the days of Solomon, the area seemed about to become a bridge between East and West, drawing and giving inspiration in both directions. In the changed world in the second half of the Twentieth Century, this could well be part of Israel's function and mission

On this joyous occasion marking both the Jewish New Year and the beginning of the road to peace, I would like to extend my heartfelt congratulations to the courageous people of Israel and to Jewry around the world.

On this Rosh Hashana, let us all rejoice in the beginning of a new year, a year that will continue to affirm the Jewish sanctity of peace, the indivisibility of freedom, and the brotherhood of man.●

BAIL REFORM ACT SHOULD BE AMENDED

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1979

● Mr. McCLORY. Mr. Speaker, today I will introduce legislation aimed at amending the Bail Reform Act of 1966 in such a way as to help provide added security to our communities when potential criminals are apprehended. Under current law, a Federal judge is able only to consider the probability that a criminal defendant will flee the jurisdiction when setting bail. Whatever record he may have for prior arrests and convictions is not subject to consideration. I believe this state of affairs has proven to be a mockery of our criminal justice system and must be corrected. I introduced this bill in 1977 along with 24 cosponsors and nothing was done. I hope we can do better this time.

How many times in the past few years have we read about crimes committed by persons on bail for another offense? When the Department of Justice funded "Sting" operations throughout the Nation, many of those arrested were convicted felons awaiting trial. I cannot help but wonder how a society can generate respect for law when persons who have a history of ignoring it reappear on the streets within hours of their arrest? How too can we expect law-abiding citizens to report crimes when they know only too well that the person they accuse will soon be free to retaliate? It is a situation where society becomes a victim of itself, where its desire to give the potential criminal the benefit of every doubt backfires in disaster. The irony of it all is that we who make the laws are not the ones most frequently victimized by them. The Bail Reform Act of 1966, as presently applied, is a point in fact.

Behind my motivation is a belief that the Federal courts now have the inherent constitutional right to consider the safety of the community and of future witnesses while setting bail. Many of them do, using the label of "community ties" to justify their action. This view has, in fact, been advocated by the Court of Appeals for the Sixth Judicial Circuit in *United States* v. *Wind*, 527 F. 2d 672 (1975). However, the Wind case, which has not been overturned, is also not yet universal law. It seems only appropriate, then, to codify what I believe to be sound jurisprudence. I urge that this bill be seriously considered and acted upon.●

DIGGS STILL SHOULD RESIGN

HON. NEWTON LEROY GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1979

● Mr. GINGRICH. Mr. Speaker, recently, an editorial appeared in the Atlanta Daily World expressing its support of the forced resignation of Congressman Charles Diggs of Michigan. The Atlanta Daily World is a black newspaper.

A quote from that article reads:

> Apparently Congressman Charles Diggs has come to the end of his career as a law maker from Detroit, and for the good of his race, and the future of black elected officials, he should resign.

I urge my colleagues to read this editorial, printed Sunday, November 26, 1978. The text of the article is inserted below:

> Diggs Still Should Resign
>
> Apparently Congressman Charles Diggs has come to the end of his career as a law maker from Detroit, and for the good of his race, and the future of black elected officials, he should resign.
>
> Congressman Diggs has now been convicted, and sentenced to a term in prison. As a convicted felon, he can no longer serve his race as a leader nor his constituents in general.
>
> And although he has been elected to office again, remaining there after his conviction could serve no purpose, unless there was a strong chance of his being vindicated.
>
> To most observers, however, vindication will not come, because of the strong evidence against him.
>
> The congressman has enjoyed 24 years on the public payroll and he owes much to his people for it. He has been a speaker at NAACP gatherings, and a voice that called for better things for his race. . . . But this was in the days, before the shadow of dishonestly descended upon his shoulders, and cast suspicion on everything that he has touched. This, already has hurt the chances of advancement of other black people in his area.
>
> We have come a long way, but we still can't afford to have the reputation of supporting illegal doing. The eyes of leaders still watch the development of the Negro, and always there is the suspicion that we are not ready to take over leadership mantels in our cities and states. This means we must obey the law rather than the majority race, and this means in the same sense, that we can no longer afford Congressman Diggs.
>
> We consider the three year sentence given by the judge most lenient. There is always the danger of too much leniency encouraging others to do likewise in violating the law.●

JACK PORT TO RETIRE

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1979

● Mr. MILLER of California. Mr. Speaker, an outstanding public servant, Jack Port, will soon retire as the executive secretary for the Contra Costa Water Agency.

Since 1958, Jack has served as the first and only executive secretary for the agency, the water arm of the county board of supervisors. In that capacity, he served as liaison between the board and all public and private individuals and organizations interested in protecting and enhancing the economic and water-oriented resources of the Sacramento-San Joaquin Delta and San Francisco Bay.

In carrying out his responsibilities, he worked with the late Congressman John F. Baldwin, the late Senator George Miller, Jr., former Assemblyman James W. Dent, Senator John A. Nejedly and Assemblyman Daniel E. Boatwright and John T. Knox, and numerous consultants and legal experts in the field of water, most notably William J. O'Connell, Jr. and Walter M. Gleason. It has also been my own pleasure to work very constructively with Jack for many years.

Starting in 1964, when the State department of water resources publicly proposed to build and use the peripheral canal as the means of increasing transfer of northern California water around the delta to southern California, Jack successfully spearheaded the fight to prevent the construction of this dangerous facility with its imminent threat to the integrity of the delta and the bay.

In this work, he appeared before numerous Federal and State legislative committees pointing out the dangers and the harm that the canal would wreak upon the bay-delta system. In recent years, Jack's efforts centered on Senate bill 346, which passage would have represented the first step toward the realization of the peripheral canal. His efforts on behalf of the county were critical in the defeat of this unwise legislation twice in the last State legislative session.

In addition to these duties, Jack served as one of the county's expert witnesses in the famous landmark decision 1379 of the State water resources control board, commonly called the delta decision. His testimony, along with other agency witnesses, convinced the State water resources control board that the beneficial uses of the delta, both economic and environmental, came first, ahead of the demand for water in San Joaquin Valley and southern California, and that these uses had to be protected before more water could be exported out of the delta to the southern areas.

From 1958 on, Jack represented the county at several Federal and State hearings and spoke out against the discharge of the San Luis drain into the delta. As a result, the State and Federal Governments have conducted numerous studies concerning the selection of a possible terminus for the drain.

In addition to his water duties, Jack, under the direction of former Public Works Director Victor W. Sauer and present Public Works Director Vernon L. Cline has been responsible for countywide general planning for sewerage, which, among his duties included the administration of five county sanitation districts governed by the board of supervisors and has been instrumental in realizing the subregional facility now under construction in the Pittsburg, Antioch, and west Pittsburg area, and the subregional facility in the Oakley-Bethel Island area. Finally, over the years, he has been directly responsible for countywide planning for solid waste disposal.

Mr. Speaker, Jack's commitment to the people of Contra Costa County has been total. His work there, since 1952, personifies the very best kind of public service. On behalf of the people of our county, I want to congratulate Jack on his retirement, and to express our gratitude to him, his wife Jean, and their family.●

UNITED STATES EUROPEAN COMMUNITY TARIFF TALKS

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1979

● Mr. VANIK. Mr. Speaker, I ask unanimous consent to include an article from the Washington Post of January 25, 1979, by John Robinson entitled "Hard-Line U.S. Stand Revealed in Trade Talks."

The news, of course, is welcome, if true. However, since it is based on an exchange of correspondence between the U.S. Special Trade Representative Robert Strauss and the European Communities Vice President Wilhelm Haferkamp mysteriously obtained exclusively by the Post reporter, it bears examining. We have been following these negotiations closely. What is at issue here is the unwillingness of the European Community to offer meaningful tariff reduction on imports of paper products, important U.S. exports to the Community. On the U.S. side the European Community is dissatisfied with the tariff offers on U.S. imports of benzenoid chemicals which are presently subject to the high duty incidence of the American selling price—ASP—valuation method. The United States is agreeing to give up the ASP valuation system if the United States is adequately compensated for such reductions in chemical tariffs.

The attempt by the European Community to lay the blame on Bob Strauss for its own hard line of the extent of tariff reductions just would not work. The Post reporter apparently was not briefed too well since he reported the United States has announced its intention to increase rates of duty on a whole range of chemicals imported into the United States.

We have known all along that the European negotiators are skilled, and particuarly so at the end of the negotiation when the United States is placed in the position of wanting to conclude the negotiations. However, they seemed to have met their match in Bob Strauss, and are attempting to take their case to the press.

The European Communities and the United States have a lot to gain from a real balanced package.

I hope that our efforts will continue in this direction.

The article follows:

HARD-LINE U.S. STAND REVEALED IN TRADE TALKS

(By John Robinson)

BRUSSELS, Jan. 24.—Two confidential memos exchanged between top United States and Europe Economic Community trade officials, obtained here exclusively by the Washington Post, dramatically reveal the precarious state of transatlantic efforts to reach a European-American trade compromise permitting a successful end to the multilateral trade negotiations under way in Geneva.

The EEC letter, sent late last week to Robert Strauss, President Carter's special trade representative, reveals a new hard-line stance being adopted by Washington in crucial trade talks with the Europeans. This has created "a situation gravely prejudicial to a successful conclusion" of the MTN, claimed the author of the letter, chief EEC negotiator Wilhelm Haferkamp.

But in a secret memo recently received here, Strauss stressed the problems he is encountering in his attempts to woo Congress into accepting the emerging MTN liberalization package. Strauss' letter appears to suggest that his task could well prove impossible unless the EEC grants new trade concessions favoring U.S. exporters. This the EEC clearly will not do in view of what European officials see as a new bout of American protectionism which has crept into the trade negotiations.

According to the Haferkamp letter, the major focus of the European complaint is the recently announced American intention to raise tariffs on a whole range of chemicals imported into the U.S. The EEC letter said the administration's move provoked "a background of shock" against which European negotiators cannot respond positively to the demands outlined by Strauss.

The central request in the Strauss letter is for a reduction of EEC tariffs on paper products in an effort to maintain the American paper industry's competitive position on the markets of the nine-nation EEC. Strauss warned in his letter that such an EEC gesture "is absolutely essential for me politically" in his struggle to get Congress to agree to the trade package. President Carter recently said he intends to send it to the Hill in the coming weeks.

But the terse European reaction to the Strauss request appears certain to remain "no dice" for as long as the president's trade representative does not instruct his negotiators, led by Ambassador Alonzo McDonald in Geneva, to soften the administration's tough position on chemical imports.

According to EEC negotiators, who had a "disappointing" meeting here with McDonald last weekend, the new conflict centers on the American selling price, a system which they say has been used by Washington to artificially increase the price of certain chemicals imported into the U.S. to protect domestic manufacturers.

In response to other agreements reached in the MTN, the ASP is to be phased out, but disgruntled EEC officials complain that Washington now has revealed that it intends to replace it by applying higher customs duties on a whole range of chemicals, even including those not protected by the ASP mechanism.

This has come as a hard blow to European negotiators, one of whom bitterly complained that "the Americans are trying to pull a fast one." Another griped that Washington "is simply not playing it straight."

The Haferkamp letter claimed that the net impact of the move would be to raise U.S. tariff protection on chemicals from 12.5 percent "to rates of 20 percent or more before falling to 13.5 percent by 1987."●

FINANCIAL SUPPORT FOR THE UNITED NATIONS FUND FOR DRUG ABUSE

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1979

● Mr. GILMAN. Mr. Speaker, I would like to commend Ambassador Andrew Young, our chief spokesman to the United Nations, for implementing my suggestion that the State Department organize a meeting of nation members of the United Nations to help support the United Nations Fund for Drug Abuse Control—UNFDAC—whose budget is dependent upon voluntary contributions from the international community and from the private sector. Representatives from approximately 20 nations attended the donors meeting at the U.S. Mission to the United Nations on November 9, 1978. At that meeting, the gentleman from New York, Mr. WOLFF and I, along with Ambassador Young; Mathea Falco, the State Department's Assistant Secretary-designate for Narcotics Matters; Lee Dogoloff; Associate Director of the White House Drug Abuse Policy; George Davidson, United Nations Under Secretary for Administration and Management and Dr. Bror Rexed, Executive Director of UNFDAC, discussed the work of UNFDAC and the need for nations of the international community to contribute to the U.N. Fund or to increase their contributions to the Fund.

As I have noted before:

> It is a myth to think that the drug problem is a problem unique to the United States. Quite to the contrary, drug abuse is a global problem for both heroin user nations and heroin producer nations . . . for developed nations and for the less developed nations" . . .

The drug problem is global, calling for immediate, concerted action of the entire international community to combat the highly organized and heavily financed international criminal syndicates whose illicit drug trafficking tentacles reach into every region of the world, undermining the health of all minkind and corrupting the political, economic and social order of every society.

It is appalling that in 1978 only 30 nations or approximately 20 percent of the 151 nation members of the United Nations contributed or pledged the paltry sum of $7,210,000—an amount that would not even purchase a sophisticated jet aircraft. It is distressing that the United Nations General Assembly regards the drug problem as a low priority in its deliberations.

Last July, a foreign ministerial conference on European cooperation in the struggle against drug abuse and illicit traffic—the Pompidou Initiative Group—met in Stockholm, Sweden to study measures that have been taken to deal with this problem. That conference noted that in most European countries "the drug problem has not improved but is worsening." According to one report:

> The foreign ministers are convinced that the fight against drug abuse is a task for the whole international community and that these conditions ought to be given a higher priority within the framework of the regular budget of the United Nations according to Resolution No. 8 taken by the Commission on Narcotic Drugs at its Fifth Special Session in February 1978 and approved by the Economic and Social Council by taking note of the Commission's Report at its first regular session in 1978.

Mr. Speaker, in February of 1978, I presented a paper at the Fifth Special Session of the Commission on Narcotic Drugs urging members of the international community to intensify their efforts to interdict narcotics trafficking, to eradicate the illicit production of drug at their source, to educate citizens regarding the dangers of drug abuse, to treat and rehabilitate individuals who have become dependent upon or addicted to narcotics, and to urge nations to contribute to UNFDAC or, in the alternative, to increase their contributions to the U.N. Fund.

Yet at the U.N. General Assembly, drug abuse prevention and control is given below average priority. On November 28, 1978, the U.S. representative to the U.N. General Assembly, the distinguished Senator from Connecticut (Mr. RIBICOFF) stated in the General Assembly's Third Committee:

> A resolution (32/124) was passed by the General Assembly last year calling upon the United Nations drug control units to take new and bold steps in controlling the drug menace. But not one dollar was added to their budgets. Even the voluntary contributions to the United Nations Fund for Drug Abuse Control have dwindled. By some estimates the United Nations and all other international organizations combined are providing only one tenth of one percent of the resources necessary to control the abuse of drugs in this world.

Mr. Speaker, international organizations, whether they be the United Nations or international specialized agencies or commissions, must do more than pass resolutions. The time to translate our well intentioned declarations and resolutions is at hand. If we truly intend to wage war on drug abuse, then nations of the international community must realize that it is in their interest to exert concerted action against a common enemy—the international criminal syndicates that peddle their deadly drugs throughout the world, irreparably maiming the health of our citizens and corrupting our societies.

We must fight this common enemy by contributing to the U.N. Fund, by pooling our resources, technology, personnel, and expertise, by coordinating our efforts to interdict narcotics traffickers, eradicating the illicit production of drugs at their source, reducing the demand for drug abuse, and treating and rehabilitating those who have fallen victim to the deadly dependence upon drugs. If we do not intensify our efforts at waging war on drug abuse by translating our flowery words into joint constructive action, then the international community will truly have lost the war and our societies will reel under the debilitating effects of a drugged citizenry.

Mr. Speaker, in an effort to inform my colleagues regarding the financial plight of UNFDAC, I am inserting at this point in the record, the complete text of my statement at the donors meeting on November 9, 1978:

REMARKS BY REP. BENJAMIN A. GILMAN AT THE UNITED STATES MISSION TO THE UNITED NATIONS

Thank you. Ambassador Young, Secretary Falco, Dr. Rexed, Mr. Dogoloff, my colleague Congressman Wolff, distinguished panelists and guests:

I welcome this opportunity to participate at this donors meeting and wish to thank Ambassador Young for implementing my suggestion that the State Department organize a meeting to help support the work of UNFDAC.

I am pleased that the Administration and the White House is so ably represented here by Secretary-designate Mathea Falco and by Mr. Lee Dogoloff of the White House Drug Abuse Policy Staff. I hope that this donors meeting will be the first in a series of meetings to help raise the consciousness of nations of the international community concerning the necessity to contribute to the UN Fund.

The narcotics problem is a world wide problem. Its resolution necessitates a world wide effort. If the "war" on drug abuse is going to be won, then it is imperative that the member nations of the United Nations pool their expertise, personnel, equipment and funds to exert a unified, concerted effort against this scourage of all mankind . . . against the highly organized international criminal syndicates whose drug trafficking operations reap billions of dollars from the human suffering that their sordid business transactions bring to all of us.

Since its inception in 1971, the United Nations fund for Drug Abuse has received only $37 million to conduct a world wide campaign against drug traffickers and abusers, with the U.S. contribution exceeding 50 percent of the entire UN Fund.

It is appalling that for 1978 only 30 nations or approximately 20 percent of the 151-nation membership in the United Nations have contributed or pledged slightly more than 6 million dollars to UNFDAC. This is a pathetically paltry contribution for a "global war" on drug abuse. That sum would not even purchase a sophisticated jet aircraft. The international community can and must do better . . . UNFDAC urgently needs substantial funding—substantially more than 6 million dollars if it is to effectively fulfill the mission we have assigned to it.

We have heard Dr. Rexed's report—actually the work of UNFDAC is just beginning to be felt and just beginning to be productive.

It is a myth to think that the drug problem is a problem unique to the United States. Quite to the contrary, drug abuse is a global problem for both heroin user nations and heroin producer nations . . . for developed nations and for the less developed nations.

Drug abuse has reached epidemic proportions throughout the world and requires the concerted action by the entire international community. No nation, regardless of its political power, socio-economic status or ideology is immune from the devastating and debilitating effects that drug abuse causes to its citizens or from the drug merchants whose highly organized and sophisticated operations reach into every corner of the world undermining the political, economic, social and moral values of that nation's society.

The statistics on drug addiction are alarming:

Thailand, a major heroin producer, reports a drug addiction population estimated between 300,000 and 600,000;

Iran reports an estimated 400,000 addicts;
Mexico—50,000 addicts;

Burma reports 20,000 individuals that are registered for treatment which international health officials state is many times higher than this registered figure;

West Germany estimates that 40,000 of its citizens are drug addicts; and

In Canada, heroin trafficking represents the fifth largest industry in British Columbia grossing, according to Canadian law enforcement officials, at least $255 million a year and requiring over 365 pounds of heroin to support Vancouver's addict population.

And these statistics do not include the immense trafficking in marihuana and cocaine, the billions of dollars that these illicit drugs produce for the coffers of the international criminal syndicates, or the amount of illicit drugs that have been seized by drug law enforcement officials of the United States, Canada, Western Europe and the Soviet Union. Colombian law enforcement officials are now concerned that the 2 billion dollars of marihuana and cocaine that is being trafficked through that nation is having an injurious effect on its own citizens and upon that nation's economy. The Chief of the Egyptian Anti-Narcotics Administration, General Sami Assad Farag, recently wrote me that Egypt may soon become an illicit opium producing nation. Heroin addiction in Canada and Western Europe has reached such epidemic proportions that Canadian, British, French, West German, Dutch, Swedish and American law enforcement agents have joined their colleagues in Thailand in trying to eradicate the illicit opium production and trafficking. And the amount of marihuana being seized by United States law enforcement agents is staggering: It is being seized, not by the pound but by the ton . . . by the boatload. During a five-month operation running from December of 1977 through April of this year, our drug law enforcement agents seized 40 marihuana vessels flying flags from Colombia, Mexico, Venezuela, Honduras, Panama and Liberia that carried 575 tons of marihuana worth an estimated retail value of $400 million.

If the United Nations means what it says about waging "war" on drug abuse, then it must back up its well-intentioned words with financial support to the UN Fund. It should not rely on the United States to dominate the financial contributions to UNFDAC that currently represents about 50 percent of UNFDAC's budget and it is unrealistic to expect the United States to contribute more than 50 percent to UNFDAC.

Some of the largest nations of the international community have not contributed a single penny to UNFDAC: the Soviet Union, the People's Republic of China, India, and the Eastern European bloc of nations have failed to contribute one red cent.

Certain oil-rich nations—Venezuela, Kuwait, Iran, Libya—have made only token contributions to the UN Fund.

Major illicit drug producers—Colombia, Bolivia, Ecuador, Peru, Burma—have yet to contribute a single penny to the "war" on drug abuse.

Too many nations have contributed only token amounts to the UN Fund, but disproportionate to their ability to assist in the war on drug abuse.

Greater participation by nations of the international community to back up their well-intentioned words with financial contributions to the UN Fund is urgently needed.

More coordinated and cooperative efforts at the regional level to interdict narcotics trafficking and to eradicate the illicit production of drugs at their sources is also needed.

Clearly, more nations in the UN family of nations must become stockholders in the "war" on drug abuse.

Drug abuse prevention and control has been given a below average priority by the UN General Assembly, a priority position that I find unacceptable and which is shared by many of my colleagues in the Congress. The low priority given to problems of drug abuse prevention and control by the General Assembly also runs counter to UNFDAC's proposed expensive move from Geneva to Vienna and comes at a time when UNFDAC has a relatively small cash reserve.

Ambassador Young, ladies and gentlemen, the issue before us is very clear: The time to translate our well intentioned declarations and resolutions is at hand. We must translate our flowery speeches into action. We must pool our resources, personnel, funds, and technology if we are to effectively win the "war" on drug abuse.

We have a common enemy . . . the highly organized, heavily financed illicit drug trafficking organizations. Accordingly, we must intensify our international efforts to combat their activities to interdict their narcotics trafficking, to eradicate their production of illicit drugs.

In order to achieve this goal, we must provide the necessary funds to assist UNFDAC in accomplishing its mission.

If we truly intend to wage, a "global war" on drug abuse and if we are sincere in creating a better world for all of us, then we must give this problem a top priority.

I commend and thank Ambassador Young for taking the initiative to hold this donors meeting . . . an important step that hopefully will lead to increased contributions for UNFDAC.●

PRESIDENT CARTER'S FISCAL YEAR 1980 BUDGET

HON. WILLIAM HILL BONER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1979

● Mr. BONER of Tennessee. Mr. Speaker, on January 23, 1979, my colleagues and I received President Carter's state of the Union address to the 96th Congress and his budget recommendations for the U.S. Government for the fiscal year 1980. I should like to take this opportunity to applaud the President in his efforts to reduce the Federal deficit to $29 billion in 1980 down $8.4 billion or 22.4 percent from the 1979 deficit of $37.4 billion which was estimated to be $11.5 billion or 23.5 percent below 1978. In addition, the President is trying to curtail Federal spending and in his message to the Congress provide the necessary "discipline over Federal spending by eliminating programs that are unworkable and proving programs to make them more effective and focusing a system and reorganizing and consolidating Federal activities to improve the efficiency and avoid waste, abuse, or mismanagement."

All of these efforts, Mr. Speaker, are geared toward controlling the No. 1 problem that faces the American public, that is inflation, and the possibility of recession and depression.

While I applaud our executive branch in its efforts to come to grips with Federal spending, I want to reemphasize my belief that the Congress of the United States must give direction and policy guidelines to the Federal budget and determine itself and not through the Office of Management and Budget which areas need to be increased or decreased depending on their merits and their needs.

I refer specifically, Mr. Speaker, to many of the areas that have been decreased as proposed in the President's and the OMB-directed budget. Specifically, some of the areas that concern the Fifth District of my State of Tennessee and the United States in general relates to cutbacks in many of the areas of social welfare and agriculture. I understand from reports that new authority to build new or subsidized existing housing units would drop from 323,660 to 300,000 units and a $45 million cut has proposed in the highly popular program that provides low interest loans for the rehabilitation of older houses, a cutback in the level of summer jobs for youth from 1 million next summer to 750,000 in 1980 by eliminating 14-year-olds from eligibility.

The budget proposes slashing programs under the Comprehensive Employment and Training Act by $729 million below their 1979 level reducing the number of public service jobs 625,000 to 467,000 by the end of 1980. The Labor Department officials have indicated that these jobs will be provided by private employers who hire people eligible for CETA jobs. Cutbacks in the Department of Justice in law enforcement, slashing $111.5 million and reducing by 1,000 positions in the Department of Justice in addition to 281 special agents and Board of Patrol personnel. This is also in addition to a law enforcement reduction of $122 million in State and local assistance programs.

I am especially concerned, Mr. Speaker, in the proposed cuts in alcohol and drug rehabilitation programs. The budget is replete with reductions relating to this key program. In addition, the largest cuts have been initiated in the area of agriculture and community development. Major cuts in agriculture spending included $326 million reduction in rural development projects and cuts in grant and loan for rural housing by more than $400 million. In addition the agriculture budget calls for $110 million spending cut by eliminating the Federal substantive for milk at schools or milk as provided as part of other food programs.

Mr. Speaker, at the same time that I have detailed several of the major areas of concern to me that reflect decreases in the fiscal year 1980 budget, I want to also highlight some of the budget increases that merit a second reflection by the Congress during our authorization and appropriations process. Two of the areas which received large increases were international affairs, up 12 percent since last year, and military defense budget areas, up 10 percent since last year. I understand that the agencies for international development operates development assistance programs designed principally to help meet basic needs of the poor in developing countries through promotion of economic growth. These programs were expected to rise $1.2 billion in 1979 to $1.3 billion in 1980.

In addition, outlays for foreign economic and financial assistance are to increase by $220 million to $5.5 billion in 1980 and outlays for multilateral development banks are estimated to rise from $0.9 billion in 1979 to $1.0 billion in 1980. While I understand the need for foreign assistance and international cooperation, especially with financial institutions overseas, I think the Congress should take a long look, Mr. Speaker, in cutting programs at home while increasing programs for the poor around the world. I shall look forward to studying the authorization hearings relating to international affairs and to consider further the President's recommendations in this area.

In addition, I am a strong believer in a national defense structure that is second to none. I understand the President's thrust in beefing up our military strength, both at home and especially with our NATO allies abroad. However, there must be some reflection on the part of the Congress to specific weapon systems and purchases in our overall strategic doctrine as well as our commitment to our NATO allies toward fulfilling their role in defense expenditures.

Mr. Speaker, I will personally review each and every area that affects the interest and the well-being of my constituents in the Fifth District of Tennessee. I shall fight for programs whose reduction affects directly the lives and well-being of the people of Tennessee, ever mindful, however, of the need to control Federal spending and reduce our deficit. It is easy, Mr. Speaker, to attack the President and to call for budget cuts in an ever-constricting Federal budget, however, in my short review of the over 1,180 pages that contain the Federal budget, I have found that the President has tried to grapple with the problem of increased Federal spending and fulfill many of his campaign promises to reduce inflation and prevent recession and depression in this Nation. I shall, where possible, support the President in these efforts keeping in mind the authority of the Congress to authorize and to appropriate the funds for the Federal Government.●

WETA BEHIND CLOSED DOORS

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1979

● Mr. CLAY. Mr. Speaker, recently I brought to the attention of my colleagues, a report issued by the Task Force on Minorities in Public Broadcasting which outlines some of the problems associated with the Public Broadcasting System.

Today, I would like to share an article from the January/February issue of Washington Journalism Review, "WETA Behind Closed Doors." I feel this article is particularly important as it provides a case study illustration of the kinds of problems plaguing public broadcast stations.

The article follows:

WETA Behind Closed Doors

(By John S. Friedman)

In 1967, E. B. White wrote that public broadcasting "should be our Lyceum, our Chautauqua, our Minsky's, and our Camelot." Although non-commercial broadcasting's budget has increased about seven-fold in the last decade and its influence has grown commensurably, White's now-famous hope was never achieved.

Except for a few gems like *Sesame Street, The Adams Chronicles*, the Watergate hearings, and the BBC imports, public broadcasting has, in general, been bogged down by contorted methods of government financing, an expanding bureaucracy, a structure that shuts out independent producers, and by constant pressure to raise funds. And when a local station has its own problems, the faults of the system magnify.

Particularly egregious is the example of a station in the nation's capital, which is supposed to be a model for the approximately 270 public television and 200 public radio stations across the country. Instead, Washington's WETA (Channel 26 TV and 90.9 FM radio) is an example of how a station can go awry in its finances and management, resulting in mediocre programming and an unresponsive attitude to local needs.

The financial picture of the Greater Washington Educational Telecommunications Association, Inc. (WETA), a not-for-profit corporation, is murky because station officials are reluctant to reveal any financial information, even though the Public Telecommunications Financing Act of 1978 specifically requires non-commercial broadcasters to make many of their financial records available. Stations that fail to comply face a possible revenue cutoff from the Corporation for Public Broadcasting (CPB), which distributes federal funds.

In proposing the legislation, President Carter said that stations "should be required to open their board meetings and financial records to the public," because "local citizens should have access to the basic decisions public stations make in allocating tax funds and private donations."

This opinion was echoed during subsequent House and Senate hearings. Rep. Lionel Van Deerlin (D-CA), chairman of the House Communications Subcommittee, noted, "no recipient of public funds should be guaranteed the freedom to waste or misuse such funds." His Senate counterpart, Earnest F. Hollings (D-SC), chairman of the Senate Communications Subcommittee, noted, "we must improve the system's accountability and accessability."

Ward B. Chamberlin, Jr., WETA's president, first said he would show me some of WETA's books, then called and said I'd have to wait until he returned from a 12-day vacation, even though his staff could have supplied the information.

When reminded about the new disclosure requirements, he replied, "I don't want to get into an argument." Why is Chamberlin hesitant to open WETA's books?

A few months ago, CPB completed an audit of the station and discovered that for fiscal 1977, WETA had overstated its non-federal revenue for radio and television by approximately $500,000—about 10 percent of its total income from private sources. This discrepancy of about half a million dollars is one of the largest downward "adjustments" CPB has found recently in its station audits. Moreover, the figure reported for non-federal revenue is crucial because it is the figure CPB uses to compute its federal Community Service Grants to the station. The more a station reports in non-federal revenue, the more it receives in federal revenue.

CPB also warned the station, in particularly strong language, that if it did not implement a "basic audit trail" for the expenditures of the Community Service Grants—that is, detail them more precisely and thoroughly—"it could result in the station repaying part or all of its CSG in future audits." This could mean a loss of up to $800,000, the amount in CSG grants WETA expects to receive for fiscal 1979. Piling this amount on top of WETA's $200,000 deficit of last year would be catastrophic. Unexplainably, the language of the draft audit report was weakened in a second version after WETA executives conferred with CPB officials.

The draft audit report also noted that it was "impossible" to go from records to other documentation, and without the "intimate knowledge," of the vice president of finance, the auditors "could not have substantiated many of the charges made to the grant." This language also was changed.

Although the final audit report was released to the station in late November of last year, the Board of Trustees of the station had not officially learned of the results as late as the end of December. Asked why he had not informed the board of the audit, Chamberlin said, "I do not consider this to be of any significance." He said he didn't know when he would inform the board.

It is a federal offense to "knowingly and willfully" falsify the amount of non-federal contributions that a station reports to CPB. The amount is used not only to compute CSG grants to the stations, but also the federal government's contribution to CPB.

WETA is appealing the audit, contending that the "'Handbook of Instructions' was not clear enough."

The station also has given different agencies of government different figures for the same categories. In the official annual report filed with CPB in December 1977, signed by Chamberlin, WETA listed its total income for the radio station in fiscal '77 as $548,000, of which $52,000 was a Federal CSG grant. But eariler on June 1, John O. Flournoy, then vice president of financial affairs, sent a covering letter and memorandum to the Office of Education of HEW, as part of an application for a facilities grant, in which he claimed that the station received a total income of only $446,000, of which $41,000 was a Federal CSG grant. In February, Chamberlin and Flournoy had requested $52,000 for the fiscal year '77 Community Service Grant from CPB and the entire amount was paid by the end of March.

The memorandum with the lower amount had originally been sent in May to WETA's Board of Trustees. It gave a detailed breakdown of radio's total income and expenses. Described by Flournoy as the "latest forecast" for that year, the memorandum was sent to HEW about thirty days before the end of the fiscal year.

Either CPB received an inflated figure, which would give the station a higher CSG award or the board and HEW were misled. (WETA) did supply other figures to HEW by the end of the year which were the same as the figures it supplied to CPB but still different from the Board.)

Perhaps Flournoy, an experienced accountant, was confused because CPB had changed its fiscal year from June to September, but his office certainly knew what the correct amount was when it submitted the request to CPB in February, and when it prepared the final report for CPB in December.

Asked about the different sums, Flournoy mentioned the change in CPB's fiscal year. Chamberlin said he had "never see" Flournoy's memo to HEW and the board.

The conflicting financial reports and questionable bookkeeping are indicative of WETA's operation. Another examination of the records last spring was conducted by the General Accounting Office (GAO), an arm of Congress. This "summary" investigation, hardly mentioned by the press, was recently made available to me. The GAO examined five public broadcasting stations and singled out WETA for charging the government twice for the same equipment: first when the equipment was purchased with government grant funds; second when equipment depreciation was added to production costs funded by the government.

"Federal funds paid for 22 percent of the cost of equipment purchased in fiscal year 1977," according to the summary. "Also, about 20 percent of the cost of WETA's production that year were financed by CPB production grants." The GAO concluded: "about $8,000 of the depreciation charges related to equipment purchased with federal funds."

WETA was also singled out for charging the government and private underwriters unusually high production costs because equipment and personnel were included as overhead even when they were not used. The investigation found that in 1975 (1976 was said to be the same), "for every dollar paid for actual use of the studio, $2.17 would be added, primarily to make up for underuse."

WETA's own auditors, Seidman & Seidman, also found problems in the station's accounting methods. The firm made seven recommended changes in its October 1977 letter to management. The auditors learned that although "several items of property and equipment were sold" during the year, "none of these items" was "accounted for properly in the general ledger." They also noted that WETA had not conducted a physical inventory of its equipment. In addition, there was "no control" over membership contributions sent to the station.

Many of the auditor's recommendations were implemented, but one recommendation management still refuses to follow. According to the auditors, the salaries of the national programming staff are based on budgets prepared before programs are produced rather than upon actual time spent. For example, 60 percent of Paul Duke's time may be charged in the budget for *Washington Week in Review* and 40 percent to the *Federal City Project*, which produces public affairs programs. The station could list 70 percent of his time on one program's expense reports and 70 percent on another. Duke's salary would not be affected, but the station would benefit from the added revenue. Program personnel have indicated that overcharges and "double timing" are common. Underwriters are thus deceived by the station when this practice occurs.

According to R. Bruce MacGregor, chairman of the finance committee of the Board of Trustees and the board's treasurer, "less than ten" people's time is involved who are not covered by time sheets. (WETA management believes that it is often difficult to list when a producer, correspondent, or researcher is working on a particular show and therefore doesn't accept the need for time sheets.) But according to John Flournoy, thirty people are involved. If all of their time is overcharged, the station would receive substantially more income.

The station is known to inflate salaries in other ways. Several WETA producers have revealed that a salary, for instance, will be listed in the budget for $30,000. The government or other underwriters will pay this amount, but the producer will only receive $22,000. The station benefits from the difference and in addition receives an added income from fringe benefits and overhead which are based on the higher salary.

Finally, WETA uses funds restricted to the production of one specific program for another program. In the official minutes of the Board of Trustees finance committee meeting of February 21, 1978, Flournoy recorded that an excess of funds or "underages from on-going projects (such as the *MacNeil/Lehrer Report*) are being used to fund pilots or developing programs (such as *Tonight at Carnegie Hall*)." Among the underwriters of the *MacNeil/Lehrer Report* are the Station Program Cooperative of the Public Broadcasting Service, which distributes programs to the system and CPB.

Cortland Anderson, executive vice president of CPB, said that if CPB funds designated for one program were used for another it would be a violation if CPB were not notified of the contract agreement. Chamberlin himself said that the "proper posture would be to inform the underwriter," adding, you can't transfer funds from the government.

Besides submitting conflicting financial reports, inflating salaries and overhead, transferring restricted funds for unrestricted purposes, the station wastes a great deal of money. About a year and a half ago, a truck with mobile cameras was purchased for about $200,000, with a grant from CPB, for coverage of special Washington events. Since then, the truck has been idle most of the time. Producers claimed the equipment until recently didn't work. Also, an $85,000 editing machine was purchased nearly two years ago and couldn't be used until recently, forcing production crews to pay outside editing costs.

There are other "horror stories": of video tapes being ruined and of programs which had to be filmed twice, of expensive equipment being improperly maintained, and of crews sitting around for hours while equipment was being repaired.

WETA's mismanagement, however, is not limited to finances. There has been an unusually large turnover of personnel. Within a little over a year, five vice presidents have left, and in about the same period of time, of six key executives who served on a program planning committee, only one is still working for WETA—Gerald Slater, the executive vice-president.

Chamberlin and Slater treat WETA as their personal fiefdom. Suspicious of the press, Chamberlin sent a scolding poem to the *Washington Post*, after writer Tom Shales had criticized WETA programming in an article. The *Post* refused to publish the poem. Another station official has been known to make inquiries about a critical writer's personal life.

Employees and former employees are afraid to talk about the station. In the tightly-knit world of public broadcasting, it is easy for high-level management to blacklist someone throughout the entire system and make it impossible to find a job.

Chamberlin often ignores and keeps the fifty-one other members on the Board of Trustees uninformed about certain matters affecting the station, including the details of WETA's deficit the CPB audit report, and recommendations from WETA's own auditors. Stephen Ailes, an attorney, who was selected several years ago as chairman of the board by the board's nominating committee, is mainly concerned that meetings end on time. To make sure, he frequently cuts off discussion. A number of board members never attend board or committee meetings; many don't speak when they do attend, perhaps serving only because of the social cachet.

Who suffers from WETA's mismanagement? The answer is Washington viewers as well as viewers across the nation. The Washington community is affected because there is not even one regularly scheduled program specifically for the Washington audience on WETA–TV. Programming for the Washington area has been confined to a few specials on the mayoral election and other special events. This, despite repeated requests by Harry N. Rosenfield, an attorney and respected member of the board, for more such programming, and despite repeated promises by station officials that "next year" they would have more programs specifically for Washington residents. The country suffers because national public affairs programs such as the Federal City Project are constantly forced to cut back production, and the staff beomes discouraged with WETA policies, causing the best people to leave.

WETA is particularly insensitive to the needs of blacks. A coalition of predominantly black organizations, including the D.C. Media Task Force and the Office of Human Rights of the District of Columbia, has filed a petition with the Federal Communications Commission to deny renewal of WETA's broadcast licenses, in part, because the needs of the community are not being met.

Although WETA's way of management reflects the problems of a system that does not permit advertising or allow profits, WETA is an extreme case and seems atypical of most public broadcasting stations.

For example, William McCarter, president of WTTW in Chicago, said that he believes "records must be meticulous. There is no excuse. You can't run a business any other way."

Lloyd Kaiser, president of WQED in Pittsburgh, noted that his station, with a budget fairly close to WETA's, broadcasts about two-and-a-half hours a week of local programs.

Early this year, the Carnegie Commission on the Future of Public Broadcasting is expected to release its report and recommend increased government support of up to a billion dollars a year. Hearings are also expected in Congress on the rewrite of the 1934 Communications Act. Both should be concerned about the management and finances of a station like WETA, which is one of the most important operations in the public broadcasting system. WETA does produce a fair number of quality programs that are distributed nationally, but the overcharging, transference of funds, and inflated budgets suggest that even more money should be available for programming. Instead, there are constant program budget reductions.

WETA is a $9-million-a-year operation, not a mom and pop store. The station must be accountable to its membership and to its viewers. ●

NEW INS TELEPHONE NUMBERS FOR IMMIGRATION CASEWORKERS

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1979

● Mr. RODINO. Mr. Speaker, I have been advised that a large number of caseworkers from the various congressional offices have experienced difficulties in receiving assistance from the Immigration and Naturalization Service in recent weeks due to a changeover in the telephone system of that agency.

The Department of Justice has recently converted to a consolidated Centrex II telephone system and new telephone numbers have been assigned to all the offices in the Immigration and Naturalization Service.

For the benefit of my colleagues, I wish to advise you that the new telephone numbers for the Immigration and Naturalization Services' offices of congressional and public liaison are as follows: 633–3189; 633–3190; 633–3196; 633–3035; 633–3042; 633–3043.●

INGLENOOK VINEYARDS CELEBRATES CENTENNIAL

HON. DON H. CLAUSEN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1979

● Mr. CLAUSEN. Mr. Speaker, January 24, 1979, was an important milestone in the American wine industry. Inglenook Vineyards of Napa Valley, Calif., inaugurated its year-long centennial celebration with a gala banquet and tasting of old and rare vintages at the Garden Court of the Sheraton-Palace Hotel in San Francisco.

Founded in 1879 by Finnish sea captain Gustave Niebaum, Inglenook is an internationally acclaimed producer of limited quantity, premium Napa Valley wines. Its classic vintages of 1933, 1941, and 1943 Cabernet Sauvignon are considered among the finest ever produced in the United States. Not the least measure of Inglenook's many honors is the world record price of $5,000 for a case of pre-1900 Napa Valley wines paid at auction in 1971.

The year 1879 saw Mrs. Rutherford B. Hayes, wife of the 19th President, create a stir in Washington, D.C., by refusing to serve wine at White House dinners. Fortunately for those who savor the flavor and lore of wine, Mrs. Hayes' temperance did not deter Gustave Niebaum from establishing his Inglenook Vineyards. During its span, Inglenook has made many significant contributions to the development of winemaking in America. Inglenook was the first to establish distributorships in principal American cities thereby insuring availability and correct handling of premium California wines for U.S. consumers. Inglenook was the first to use the now world renowned Napa Valley appellation on its labels. To insure against Pasteur's "micro-organisms," and the then-common practice of adulteration by overzealous merchants, Niebaum required that his Inglenook be sealed and "Sold Only in Glass," a forward-looking practice not adopted by the industry as a whole until the repeal of Prohibition, a half century later.

Today the California wine industry is internationally respected for its advanced technology and superior product quality. Inglenook's devotion of time, talent, and technology throughout its

100-year history has done much to elevate the prestige of our great American wines.●

VA'S HOSPITAL AND MEDICAL CARE SYSTEM

HON. RAY ROBERTS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1979

● Mr. ROBERTS. Mr. Speaker, Members of the House will recall that last year Congress added several million dollars to the President's budget request to increase the staffing in veterans hospitals and outpatient clinics. This was necessary in order to take care of increased patient demand, eliminate long waiting periods, and so forth.

The conference report on the HUD—Independent Agencies Appropriations bill for fiscal year 1979 added: $32,300,000 for 1,500 staff years to keep open existing hospital beds (3,132 were scheduled to be closed by the administration in fiscal year 1979); $18,000,000 for 700 staff years to meet anticipated increases in outpatient caseload; and $4,375,000 for staffing (175 staff years) new medical facilities.

Notwithstanding these substantial personnel increases, the Office of Management and Budget has informed the Veterans' Administration that the agency cannot use the funds for the purpose for which they were appropriated. OMB is allowing VA to spend the additional $54,675,000 not only for cost-of-living salary adjustments that became effective last October, but also for wage board increases, special and incentive pay for physicians and dentists, and postal rate increases.

After much delay the VA has informed the committee that although funds were included in the budget to keep open the 3,132 beds scheduled to be closed during fiscal year 1979, the agency has already proceeded to close these beds in order to reduce personnel by 1,500 during the first quarter of the new fiscal year.

In addition, Mr. Speaker, in order to meet the ceiling imposed by the Office of Management and Budget, the administrator has reduced medical care personnel in existing facilities by an additional 5,000. This means that within 1 year health care personnel will have been reduced by 6,500, maybe even more. The committee has been informed that some allocations would be made to field stations later on for various "new starts" between now and September 30. This notwithstanding, the fact is that many beds are being closed—entire wards in too many cases, and health care personnel involved in direct patient care are being lost in great numbers. It simply means that fewer veterans are going to be treated in VA hospitals.

Finally, the existing hospitals will lose another 1,646 personnel in fiscal year 1980. In only 2 years, Mr. Speaker, the Department of Medicine and Surgery will experience a reduction of some 8,000 people.

Veterans throughout the country are extremely disturbed by this action, Mr. Speaker. They have every reason to be.

There follows an article that recently appeared in the DAV magazine, by Billy O. Hightower, the organization's national commander. Although this organization represents all veterans, its membership is composed of service-connected disabled veterans. I think Commander Hightower's comments reflect the view of most veterans throughout the country.

The commander's comments follows:

OUR STAND!

(Billy O. Hightower, National Commander)

The Carter Administration has mounted a new assault against the VA's hospital and medical care system during the past month. And the new threat is more menacing than all the threats that have gone before it during recent years.

This time, the Administration is using its anti-inflation program as an excuse to carve right into the muscle of the VA health care system.

The details are spelled out in the "Special Report" on the next page. Briefly put, however, the President has wiped out . . . in one devastating stroke . . . all the gains for the VA's health care programs that you won through your long, difficult battle over the VA budget last spring.

I'm distressed that VA Administrator Max Cleland seems to be going along with the President's plan without so much as a mutter of protest. This has caused further erosion of what little support Mr. Cleland still enjoys in the veterans' community. The feedback I'm getting indicates that the erosion is proceeding rapidly among Vietnam Era veterans in the veteran's organizations, who were among Mr. Cleland's strongest supporters when he first took office.

During the last few years, we've been forced to defend the VA medical system from serious budget cuts and attacks against its integrity on several occasions. Because we've asked you to write so many letters and make so many phone calls, I think it's a good time to examine the DAV's basic stand on the hospital system and the reasons why we want to maintain this system exclusively for veterans.

The DAV's long-standing commitment to preserving the VA medical system is based on demands voiced by our organization's membership. Ever since some leaders in government and medicine began talking about using the VA medical system as the core of a new, national health care system for all Americans, the delegates to DAV National Conventions have been passing resolutions opposing any such move.

We've never taken a stand on the issues of national health insurance or the creation of a national health care system. But, our members have consistently opposed use of the VA's hospitals and outpatient clinics as building blocks in the construction of such a system.

Because of this stand, several DAV National Commanders over the past few years have asked you to write to your President and your representatives in Congress to protect the VA's health care programs from various kinds of threats. But, let's ask ourselves a really tough question here. Is the DAV "crying wolf" with its seemingly constant warnings that powerful people in our government are attempting to destroy the VA medical system?

I don't think so. I really believe the DAV's firm stand has been one of the few obstacles that have prevented social planners from including the VA medical system in their plans for a larger health care system for the general population.

This doesn't mean the DAV is satisfied with the care the VA delivers to disabled veterans. No way! There are several severe problems in the VA's medical programs that demand immediate attention. But, there are quite a few convincing reasons why we feel a separate medical system for veterans is essential. Consider the following:

The nation owes a special debt to those who became disabled in the course of wartime military service to our country. After the sacrifices these men and women made, it would mock all concepts of justice to ask them to stand in line with others whose only claim to government medical treatment is their inability to pay for private care.

A separate medical treatment and research system is needed for veterans because so many war-related disabilities are unique in nature. How many doctors in the general community have experience in treating shrapnel wounds? How many non-VA psychiatrists, psychologists, and social workers know anything at all about post-Vietnam syndrome? How many rehabilitation therapists have worked in a non-VA setting with persons suffering multiple amputations? Getting down to the most common types of combat-related injuries, how many non-VA doctors have extensive experience in the care of bullet wounds?

Specialism in these areas of treatment and rehabilitation is concentrated in the VA. This specialism would be lost if the VA's medical programs were merged with those in the general community.

VA researchers have consistently led the way in the treatment of such severe disabilities as spinal cord injuries and blindness. The VA's work in the field of prosthetics has made immense contributions.

The global impact of VA medical research was highlighted a couple of years ago when two VA scientists received the Nobel Prize. Outside the VA, there is no single system of medical and rehabilitation research that could even compare in size and comprehensiveness in our country. If this system were destroyed nothing could take its place. And it would be a blow to medical science throughout the entire world—not just to disabled veterans.

We've had tremendous problems in trying to get the VA to give priority in treatment to veterans with service-connected disabilities, even though the agency is perfectly willing to admit that the service-connected should come first. Imagine how difficult it would be to secure this priority in an HEW system in which service-connected disabled veterans form only a small part of the total patient population. I think it would be nearly impossible.

If the VA system were destroyed, a number of administrative problems would plague disabled veterans. How would the VA manage admissions into hospitals in a non-VA system? How would the agency locate special medical facilities for a veteran if they did not exist in the veterans' community?

How would the VA obtain the medical records it needs to administer its compensation and pension programs? Where would its examinations for claims purposes be conducted? How would the VA obtain outpatient services for veterans when they were needed? And, how could any level of control be maintained? This is only a partial list, and I'm sure there are many problems we haven't even dreamed of yet.

The VA provides medical care for significantly lower costs than community hospitals, approximately 10 percent lower across the board. Though some of this is due to understaffing, etc., the budget cutters should take note of this efficiency.

These are only the most obvious reasons why the VA health care system should be maintained exclusively for veterans. But, the people who would like to use the system for their own pet projects simply refuse to understand these arguments.

There are two strategies that are working against the VA health care system. One is direct attacks on the system, recommending that it be used as the foundation upon which a national health care system would be built. The last time we saw this tactic in use was 18 months ago when the National Academy of Sciences (NAS) recommended merging the VA system with the health care system of the entire country.

Though the VA system's enemies scored some propaganda points with this proposal, the NAS recommendation to merge the VA and community health care systems was never seriously considered by Congress. Following a show of strength by the DAV and other veterans' groups the recommendation died in the Veterans' Affairs Committees of Congress.

The second strategy working against the VA medical system has a greater chance of success than proposals like the NAS recommendation. This is the strategy of cutting the system's budget until the quality of care the system can deliver has declined to such a point that no one wants the system anymore. At that point, the only way veterans could get decent health care would be through some national medical or health insurance system.

This budget-cutting tactic is a reality. It's the tactic that eventually bled the Public Health Service's hospital system to death. At this very moment, the medical programs of the U.S. Armed Forces are gasping their last breaths because of budget cuts piled on top of budget cuts.

And we know what budget cutting has done to the VA health care system. The quality of care at many VA facilities has declined to deplorable levels. The slogan, "Care Second to None," has become a grim joke in the waiting lines of many VA outpatient clinics and the wards of many VA hospitals. Conditions at the VA hospital in Fort Lyon, Colo., provide a tragic example. Things reached such a low point there that the hospital's accreditation has been taken away.

In all of this, we shouldn't look at the VA medical system's problems as something caused specifically by the Carter Administration. The problems are older than that. They were building under the Administrations of Presidents Ford, Nixon, and Johnson.

But, that doesn't absolve the Carter Administration from blame for the current round of budget cutting. The President is fond of comparing himself with former President Harry Truman by quoting Truman's phrase, "The buck stops here." Well, until 1980 at least, it sure does stop with President Carter. And, I don't intend to let him forget it.●

TEMPLE BETH EL OF TROY CELEBRATES 50TH ANNIVERSARY

HON. GERALD B. H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1979

● Mr. SOLOMON. Mr. Speaker, on March 31, 1979, Temple Beth El of Troy, N.Y., will celebrate its 50th anniversary. I want to take this opportunity to express my best wishes to Rabbi Mordecai Kieffer and the members of Temple Beth El on this proud occasion.

For 50 years, Temple Beth El has radiated the light of its message, raising a strong, clear voice for that which is good and just in our society. Together with other churches and synagogues in the Troy area, Beth El has added a positive dimension to the spirit and atmosphere of the Troy community.

Our Nation can be justly proud of the freedom of religious expression guaranteed by the Constitution, a freedom which is so evident on so many streets and avenues in the 29th Congressional District. This diversity of religious and ethnic belief is, indeed, one of the strengths of our society.

The members of Temple Beth El have my most sincere congratulations on this occasion, and I look forward to our long and rewarding association.●

WILDLIFE TRAPPING ACT OF 1979

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1979

● Mr. ANDERSON of California. Mr. Speaker, I recently introduced legislation, H.R. 953, to regulate the trapping of mammals and birds on Federal lands. This bill is identical to H.R. 5292, which I introduced last Congress with the cosponsorship of nearly 100 of our colleagues.

First, my bill attempts to discourage the use of cruel traps and trapping methods by instructing the Secretary of the Interior to issue regulations for the trapping of animals on Federal lands. Included are provisions for the designation of "approved" traps, which must provide the most humane capture method available for the species of mammal concerned, and minimize the probability of capturing animals other than those for which the trap is intended. A seven-member advisory commission, appointed by the Chairman of the Council on Environmental Quality, would assist the Secretary in preparing these regulations.

Second, the bill provides for a trap research program to develop more humane traps.

Third, the bill would halt the interstate shipment of all traps not approved by the Secretary, and would prohibit the interstate commerce of all furs, pelts, hides, et cetera, not trapped according to the regulations issued by the Secretary.

In addition, since the States have traditionally reserved the right to manage resident wildlife, I have devised a State/Federal cooperative arrangement whereby States may follow their own trapping regulations if they are at least as strong as the Federal regulations.

Plus, this bill requires trap identification tags to make proper enforcement of regulations possible.

There are currently no restrictions at all on the use of the steel leg-hold trap during the open season in 10 States. Sixteen States have no limits on the length of time an animal may remain in a trap; only 22 States require daily visits to the trap. Identification marks on traps are mandatory in 27 States.

The cruelty involved in the trapping of animals is totally unnecessary. We must strive to develop more humane ways to capture these animals, for these animals do feel pain and suffer in the grips of present traps. Animals such as the raccoon, use their forepaws to examine things, much the same as we use our hands. His paw is surely quite sensitive to pain, just as dogs are quite sensitive to having their paws trodden upon.

I believe this legislation introduces some reasonable restrictions on the use of traps; restrictions which will move toward eliminating some of the pain and suffering endured by trapped animals, yet reasonable enough as not to drive our American fur industry out of business. If you have any questions, or wish to add your name in cosponsorship, please contact my legislative assistant, John Cullather, at 225-6676.●

"CONTINUITY" BY MARY KENNEDY

HON. LEON E. PANETTA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1979

● Mr. PANETTA. Mr. Speaker, I would like to bring to the attention of my colleagues a beautiful poem written by Mary Kennedy, the wife of Bob Kennedy, who is retiring at the end of this month as president of California Polytechnic State University at San Luis Obispo.

Bob has worked at Cal Poly since 1940 and has served as president for over 11 years. Mary has continually worked at his side, sharing the burdens of the job while they both became familiar with—and gave many fond memories to—several generations of students at the university.

This poem by Mary is one she wrote back in 1967, and I think it expresses very well the feelings of one individual for her town—and the people who live there—and it does it in such a way that we can all identify with her emotions. I hope my colleagues will enjoy the poem:

CONTINUITY

(By Mary E. Kennedy)

This place has put up with me for so many seasons;
Why have I stayed? Oh, perhaps many reasons.
Existence before essence—I had to live,
That's the first excuse I'd give.

Then larger pattern grew from smaller habit,
Conforming ways, some sheer Babbitt;
And pride, I'd say, in some little contribution
To this or that local institution.

At any rate I stayed,
And not until now have I exactly weighed
The reasons this place may have me 'til I die.
I need not strain to express the why.

This landscape in shadow or sunlight's brightest glow,
The seasons of this place I have come to know.
But most of all, you, the people and your way,
You comfort me as I move among you day by day.●

FEDERAL CONSTITUTION CONVENTION AMENDMENT ACT

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1979

● Mr. HYDE. Mr. Speaker, on the opening day of the 96th Congress, I introduced H.R. 500, the Federal Constitution Convention Amendment Act. H.R. 500 is identical to legislation I sponsored in the 95th Congress, and is substantially the same as the "Ervin bill" which passed the Senate unanimously in October 1971, and by voice vote in July 1973.

There are two methods of proposing and ratifying amendments to the U.S. Constitution, and they are set forth in article V:

> The Congress, whenever two-thirds of both Houses shall deem it necessary shall propose Amendments to this Constitution, or on the Application of the Legislatures of two-thirds of the several states, shall call a Convention for proposing Amendments, which in either case, shall be valid to all intents and purposes, as part of this Constitution, when ratified by the Legislatures of three-fourths of the several States, or by Conventions in three-fourths thereof, as the one or the other Mode of Ratification may be proposed by the Congress. . . .

In 1971, the Senate Judiciary Committee declared:

> The Committee believes that the responsibility of Congress under the Constitution is to enact legislation which makes Article V meaningful. This responsibility dictates that legislation implementing the Article should not be formulated with the objective of making the Convention route a dead letter by placing insurmountable procedural obstacles in its way.

A resolution was approved by the House of Delegates of the American Bar Association in August 1973, upon the unanimous recommendation of the ABA Constitutional Convention Study Committee, stating, among other things, that—

> 1. It is desirable for Congress to establish procedures for amending the Constitution by means of a national constitutional convention.
>
> 2. Congress has the power to establish procedures limiting a convention to the subject matter which is stated in the applications received from the state legislatures.
>
> 3. Any Congressional legislation dealing with such a process for amending the Constitution should provide for limited judicial review of Congressional determinations concerning a constitutional convention.
>
> 4. Delegates to a convention should be elected and representation at the convention should be in conformity with the principles of representative democracy as enunciated by the "one person, one vote" decisions of the Supreme Court.

The ABA report, in its conclusion, said:

> Much of the past discussion of the convention method of initiating amendments has taken place concurrently with a lively discussion of the particular issue sought to be brought before a convention. As a result, the method itself has become clouded by uncertainty and controversy and attempted utilization of it has been viewed by some as not only an assault on the congressional method of initiating amendments, but as unleashing a dangerous and radical force in our system. Our two-year study of the subject has led us to conclude that a national constitutional convention can be channeled so as not to be a force of that kind but rather an orderly mechanism of effecting constitutional change when circumstances requires its use. The charge of radicalism does a disservice to the ability of the states and people to act responsibly when dealing with the Constitution. . . . so long as the convention method of proposing amendments is a part of our Constitution, it is proper to establish procedures for its implementation and improper to place unnecessary and unintended obstacles in the way of its use.

The Constitutional Convention Study Committee was composed of two U.S. district court judges, a judge of the Supreme Court of the District of Columbia, a present and former law school dean, two former presidents of State constitutional conventions, a former Deputy Attorney General of the United States, and a practicing lawyer with wide experience in the amendment process.

Mr. Speaker, the need for legislation to implement article V is ever present. Since 1789, more than 300 petitions have been reecived from State legislatures requesting Congress to call a Constitutional Convention to propose amendments to the Constitution. Every State in the Union, at one time or another, has petitioned Congress for a Constitutional Convention. These State applications have covered a wide range of subjects: For example, slavery, deficit spending, busing, prayer in public schools, apportionment of State legislatures, and revenue sharing. The pressure generated by numerous petitions for a Constitutional Convention is believed to have motivated Congress to propose the 17th amendment providing for the direct election of U.S. Senators, and in more recent times, to Federal legislation providing for revenue sharing.

Public interest in amending the Constitution, for one reason or another, is steadily mounting. I need only refer to California Gov. Jerry Brown's recent attempt to convince the public of his newfound conservatism by calling for a constitutional amendment to balance the budget. Twenty-two States have already submitted such a convention call: Only 8 more are needed to comply with article V; 13 States have submitted a conventional call on the right-to-life issue.

Now that it has suddenly become politically popular to want to balance the budget, the Congress faces the distinct possibility of 34 States asking Congress to call a convention, and the Congress failing to comply with its obligation as set forth in article V.

There seems to be great editorial fear that we may be faced with a run-away convention—a possibility if the Congress fails to enact this measure.

We have an excellent opportunity to act rather than react, as we so often do. We should be able to answer the questions which are being asked today and which will be asked in the future. We should act now, while there is no compelling issue immediately before us, in an objective, unbiased and impartial manner, on an issue of such great significance.

We have an obligation as elected representatives of the people to enact H.R. 500 or some similar legislation which will implement article V. In so doing, we need not get side-tracked by the emotionalism of any single issue—a balanced budget, school busing, prayer in public schools, or abortion. H.R. 500 does not address itself to any single issue now before the various States.

I direct my colleague's attention to Senator Sam J. Ervin, Jr.'s masterful law review article on this subject, which first appeared in March 1968, in the Michigan Law Review, and is available in reprinted form from my office.

I am aware that there are those in authority who believe that in passing such needed legislation they are giving "momentum" to the various resolutions now pending before many State legislatures which call for a Constitutional Convention on one topic or another. But I would hope these Members' commitment to and trust in the processes of representative government will overcome narrow political or ideological considerations.

Following are the main points of H.R. 500. I respectfully suggest to my colleagues that these be studied, and welcome co-sponsors of this Federal Constitution Convention Amendment Act:

H.R. 500—FEDERAL CONSTITUTIONAL CONVENTION PROCEDURES ACT

1. States use the same procedure for adopting convention application as they use for the passage of statutes, but without the approval of the Governor.
2. Receipt of an application by Congress is to be announced on the Floor of both Houses, and copies sent to each Member of Congress and state legislature.
3. Each application is to remain in effect for 7 years, unless rescinded by the state legislature.
4. Applications may be rescinded by state legislatures until two-thirds of the states have submitted applications, then all applications remain in effect.
5. After Congress determines the validity of the applications, it shall pass a concurrent resolution calling for a convention.
6. The convention must be convened within 1 year after adoption of the concurrent resolution by Congress.
7. Delegates to the convention shall be popularly elected, one delegate from each congressional district and two additional at large delegates from each state.
8. The convention shall elect its own officers.
9. Each delegate may cast one vote.
10. Each delegate's vote must be recorded and a verbatim record kept.
11. Amendments shall be proposed by majority vote of the delegates.
12. The convention shall be limited to subjects named in the concurrent resolution, and the delegates subscribe to an oath to refrain from proposing or voting in favor of any proposed amendment not so named.
13. The convention shall be terminated 1 year after the date of its first meeting, unless Congress extends its life.
14. Questions arising as to convention procedures shall be determined solely by Congress.
15. Congress may disapprove a proposed amendment on the ground that substantial procedural irregularities occurred at the convention or that the amendment pertains to a subject different from that described in the resolution calling the convention.

16. Congress may not disapprove a proposed amendment on the ground that it disagrees with the substance of the amendment.

17. Congress must transmit the proposed amendment to the States for ratification.

18. The proposed amendment must be ratified by three-fourths of the States.

19. Each state shall adopt its own rules of procedure for ratifying proposed amendments, except that any state ratifying action shall be valid without the assent of the Governor.

20. State ratifications may be rescinded by the same process by which the amendment was ratified; except that a ratification may not be rescinded when there are valid ratifications by three-fourths of the States within the requisite time.●

TUITION TAX CREDITS

HON. THOMAS A. LUKEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1979

● Mr. LUKEN. Mr. Speaker, today I am introducing the Tuition Tax Credit Act of 1979, to offer relief to students and parents of students who attend colleges, vocational schools, and nonpublic secondary and elementary schools. This is the exact same legislation which passed the House on June 1, 1978, and was shunted aside in the last days of the 95th Congress.

Tuition tax credit legislation offers the freedom of educational choice that students and parents desire. In my district in Hamilton County, Ohio, 24,410 students attend 40 parochial elementary schools and 7 parochial high schools. In attending these schools, students have expressed a strong desire to choose a religiously based education. Yet in this time of high taxation and inflation, it has become increasingly difficult for them to do so.

The parents of these students pay property taxes to support public schools. Yet financial restrictions may well prohibit them from sending their children to the schools which best fit their needs. They pay taxes which allow for the education of others, yet they receive no relief from the soaring costs and the mounting tax burden imposed upon them by the government.

Mr. Speaker, it is not only the tax burdened middle-income group that is calling out for tuition relief. I have received a more consistent flow of mail on this issue than on any other matter before the Congress. This has come from parents and students of various income levels. Even the head of a household in the top 25 percent of income who pays a heavy tax burden and is faced with major educational expenses can be affected severely by rising educational costs. At the same time, children from lower-income families are being forced from attending the school of their choice simply because the expense is too great for their parents to bear.

The taxpayers of our Nation are reaching the end of their rope in terms of taxes and inflation. I believe that parents deserve the right to send their children to the school of their choice without overriding financial burdens. Tuition tax credit legislation, such as that mentioned previously offers the freedom of education at all levels. To insure the development of our Nation's most precious resource, our children, I urge your support of this legislation.

Thank you.●

ON THE CONDITION OF THE UKRAINIAN CATHOLIC CHURCH IN THE SOVIET UNION

HON. LUCIEN N. NEDZI

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1979

● Mr. NEDZI. Mr. Speaker, recently a member of Michigan's considerable Ukrainian community gave me a very interesting message on the condition of the Ukrainian Catholic Church in the Soviet Union.

The author of the message was Joseph Cardinal Slipyj, patriarch of the Ukrainian Catholic Church. He appeals for help for the oppressed clergy and faithful in the Ukraine, whose burdens are not often reported in the Western World.

Under leave to extend my remarks, the statement is set forth below:

VATICAN CITY, *August 20, 1978.*

YOUR EXCELLENCY: May I be permitted to present to Your Excellency the difficult situation of our Ukrainian Catholic Church in the Soviet Union.

On the 7th of October 1977, in Belgrade, during the Conference on European security and cooperation, Msgr. Achille Silvestrini, Undersecretary of the Council for the Public Affairs of the Church and the representative of the Apostolic See pronounced the following declaration: "There are also some serious open wounds that we would like, with a hope that we cannot abandon, to see put right and healed. It is the case, for the Catholic Church, of certain communities of faithful of the Eastern rite which in the past, had a flourishing religious life rich in centuries-old traditions and which, in the new juridico-political post-war regimes have lost the civil right to exist. This is all the more painful because it concerns specifically a central point of religious freedom, which is to profess a faith 'according to the dictates of one's own conscience'." /L'Osservatore Romano, English edition, No. 45 (502), November 10, 1977, p. 4/.

It was the general opinion of the observers that the statement of the representative of the Holy See referred primarily to the Ukrainian Catholic Church. In it he stressed that: 1. The Ukrainian Catholic Church has an ancient history and until recently was flourishing. 2. Today in the Soviet Union she is outlawed and as such does not have the right even to exist. 3. Her state is that of an open wound, which must be healed.

For eighteen years, between 1945 to 1963, I lived under and up to date "carry the marks on my body" of this regime. At the Third Papal Synod on October 23, 1971, before the bishops of the entire world, in the name of the Synod of the Ukrainian Catholic Church, I stated: "The Soviet government liquidated our entire episcopate in Ukraine. The profession of our Catholic faith is forbidden: Celebration of the Divine Liturgy or the administering of Holy Sacraments can be done only in secret. Tens of thousands of faithful, priests and bishops were arrested and deported to Siberia . . . For our faith and for our loyalty to the Apostolic See, we, Ukrainian Catholics, have suffered great losses—mountains of bodies and rivers of blood".

Despite the "Iron Curtain" which separated the Soviet Union from the rest of the world, Pope Pius XII received information about the fierce persecution of this largest Church of the Eastern Rite with 4,300,000 faithful, and on December 15, 1952, for the second time, issued an encyclical "Orientales Ecclesias".

"For the present, however, We sadly turn Our thoughts and affections to another people, truly dear to Us, namely, to the people of Ukraine . . . In a special way We would recall the memory of those bishops of the Oriental Rite, who were among the first in the defence of their religion to endure hardship, affliction and outrage; who transported to the city of Kiev—We say Kiev whence once shone forth throughout all those regions the light of Christian doctrine and whence Christian worship was propagated. Some of these have already met a glorious death, and so, as one may hope, from the abode of heavenly blessedness, which they enjoy, lovingly look down upon their sons and their companions in their unarmed struggle, and implore for them the all-powerful protection of God." (AAS, vol. XLV, Nr. 1, p. 5–14). Today again there are protests against the persecution in the Soviet Union, which uplift in spirit those persecuted, and call out to the conscience of the entire Catholic world—to pray, to do penance, to plead to God for comfort and strength for those persecuted.

On basis of personal experience and of later verified reports, at the Fourth Papal Synod /October 3, 1974/, during the debate on evangelisation in the world, I repeatedly declared before the Fathers of the Synod that our Church does not have the right to exist in the Soviet Union and consequently is not able to spread the Word of God. "A decent person is astounded—I said—when he learns that, today, a priest, who celebrates the Divine Liturgy in secret is sentenced to three or more years of forced labour in Siberia or in the Polar North; or, if someone sends petitions of faithful to the government asking for the right to celebrate the Divine Liturgy, he is locked up in a psychiatric ward, surely not for medical reasons, but to drive him insane. Faithful priests, monks are terrorised by persecutions, inquisitions, searches, beatings. Most of them die after a few days. If such is the reality what is the possibility of preaching the Gospel? Should not the Synod take a stand in this matter? There, the faith does not die. Doctors, artists and other educated persons take vows and heroically hold on to the faith and defend her".

A year ago, on March 6, 1977, a letter from Ukraine, from one of our faithful—Josyf Terelia—was sent to Pope Paul VI asking for help for himself and his family to emigrate from the Soviet Union, because for him, there is no other way out.

Following are some excerpts from the letter describing the situation of our Greek-Catholic Church (the traditional title that the author uses): "Bitter times have come upon the Greek-Catholic Church in Ukraine. We, the faithful of the Church, are forced christen, marry, confess and bury in secret. Our priests are in camps, psychiatric hospitals, physically destroyed . . . I live in a state where to be a Christian is a crime. Never before have the faithful of the Church of Christ been subjected to such persecution as today and as here. Ukrainian Catholics have been deprived of everything—normal family life, freedom of speech, celebration of the Liturgy of our Church—we are in catacombs! For the Word of God they crucify the living spirit! Out of my 34 years of life I spent 14 in jails, concentration camps and psychiatric hospitals . . ."

Further on in the letter, he writes:

"The end to the crimes in the godless world cannot be expected without an counteraction of all the Christian forces of the world . . . The only road for my family and me is the illegal crossing of the border. For the USSR the Helsinki Agreement is a pure fiction, under which the Stalinists have hidden themselves . . . My only hope is that the Holy Apostolic Catholic Church and Your Holiness will help us to leave this terrible state.

"We beg our Catholic brothers and sisters and all Christians of the world to stand up in our defence; to stand up in behalf of the tormented Greek-Catholic Ukrainian Church".

This plea, by a believing Greek-Catholic Ukrainian is made today on behalf of millions of faithful; on behalf of the persecuted, but still living Ukrainian Catholic Church.

We, the Ukrainian hierarchy in the free world together with our faithful are deeply distressed and sympathise with our brethren. We pray unceasingly to God for them. Remembering the words of St. Paul: "That each part be equally concerned for all the others. If one part is hurt, all parts are hurt with it"/I Cor. 12, 25/, we turn also to you.

We call to you: present this injustice and persecution in your press, on radio and in television, stir the public opinion, and warn your faithful of atheistic communism, because on the basis of our 60 years of painful experience, we say to you that it is a very terrible evil. In anguish we also call on you: help us! Implore God and intervene before men on behalf of our persecuted Ukrainian Catholic Church.

Sincerely Yours in Christ,
JOSEPH CARDINAL SLIPYJ,
Patriarch.●

MRS. DOROTHY JOHNSON, GRANDMOTHER OF THE YEAR

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1979

● Mr. MOORHEAD of Pennsylvania. Mr. Speaker, I rise in support of a new and expanded role for the grandmothers of America and the world. As we all know, grandmothers are an integral part of society; both figuratively and literally, we would be nowhere without them. They mend things and people, they cook up a storm, they are mothers to our parents, they are active and youthful in spirit if not in years, they take pleasure in spoiling their grandchildren, they are wise—and even a few get elected to the Congress.

All this is fine and good and as it should be. Yet, a constituent of mine, Mrs. Dorothy Johnson, who was recently named "Grandmother of the Year" by the Pennsylvania Year of the Child Committee in the Miller School area of Pittsburgh, is and has been demonstrating a new role for grandmothers. She is serving as a liaison between her community, the kids of her school, and the Pennsylvania Year of the Child Committee. This effort is part of the International Year of the Child declared by the United Nations General Assembly to focus attention on the concerns and needs of those who are the most special to us but perhaps the least able to effectively articulate those needs and concerns—children. And who among adults is better qualified to voice such concern and needs with force and compassion than grandmothers? And who among adults is better qualified to talk and listen to kids than grandmothers?

Personally, I think the whole idea is splendid. Splendid. With such people as Mrs. Johnson who have the energy, motivation, and feeling to energize a communication link from the smallest of schools all the way up to the United Nations, it strikes me that the International Year of the Child can only be a success. It will emphasize to the people of this Nation and to the people of the world that the greatest resource any of us have—whether we are rich or poor, white or black, tall or short—is our children. It is the children that hold all of our futures and it is they, too, who will measure the quality of their past, which is no more or less than grading us. As we may be good to them, so may they be good to us.●

GENERAL SERVICES ADMINISTRATOR JAY SOLOMON

HON. ALBERT GORE, JR.

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1979

● Mr. GORE. Mr. Speaker, Jay Solomon has performed a tremendous public service to the Nation in his tenure as Administrator of the General Service Administration (GSA).

He came to this office just as allegations of a major scandal were surfacing—involving alleged theft, fraud, bribes, and kickbacks, by Government employees and Government contractors. He immediately directed an intensified investigation into these allegations, and he has done everything in his power to insure that this scandal is fully exposed and that guilty parties are disciplined or prosecuted. He has already instituted new administrative procedures to try to prevent these abuses.

As a Member of Congress from Tennessee, I take particular pride in the fact that Jay Solomon is a Tennessean who has earned the respect of persons in his home State and across the country. For that reason, I was distressed to read news reports over this past weekend suggesting that Mr. Solomon might be asked to leave his office.

Jay Solomon has brought credit upon this administration for his efforts to deal with this scandal in a courageous and forthright manner. I am concerned that President Carter may not be aware of all the developments that are now taking place or may not fully appreciate their implications.

For my own part, I would strongly urge the President to ask Jay Solomon to continue to do the excellent job he has been doing as head of the GSA. An editorial which appeared in the Nashville Tennessean states my own feelings—and the feelings of Tennesseans—that Jay Solomon should complete the job he has undertaken, and I insert it in the RECORD at this point:

KEEP MR. SOLOMON AT GSA

Surely President Carter hasn't taken leave of his pragmatic sense by deciding to dump Mr. Jay Solomon as head of the General Services Administration.

The Washington Post has quoted an unnamed White House official as saying Mr. Solomon would be replaced, probably in April. The Post said some White House officials have been upset by Mr. Solomon's disclosures to the news media of each facet of the investigation of the GSA scandals.

The White House has now indicated that Mr. Solomon has agreed to resign in the near future. He had said earlier he had no intention to leave at this time.

Mr. Solomon, of Chattanooga, hadn't intended to stay for the full term of the administration. But it was he who initiated the investigation of the GSA which subsequently exploded into full scale probes and actions by grand juries. The investigation is still going on and until it is pushed to its conclusion one would assume that an administration which has pledged war on corruption in government would not only desire, but insist, that Mr. Solomon stay.

It is true that Mr. Solomon has been fairly candid about the problems he inherited at GSA and in discussing high-level corruption within the government's housekeeping agency.

But when corruption is found in government the full spotlight of publicity ought to be turned on it and kept on it. One of the reasons that GSA got into the mess that it did was because nobody was paying much attention to it or putting the flashlight on the dark corners.

A replacement for Mr. Solomon at this time would take some impetus out of the investigation and house-cleaning. And no matter whom the White House chose, there would be public suspicion that Mr. Carter is more interested in covering up than cleaning up. That is one suspicion it surely doesn't need.

Mr. Carter pledged an open administration. Is it that Mr. Solomon is too open?●

PRESIDENTIAL CLASSROOM STUDENTS

HON. TRENT LOTT

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1979

● Mr. LOTT. Mr. Speaker, I would like to take this opportunity to recognize several outstanding young people from the Fifth Congressional District of Mississippi: Karen Jane Hall and Michael Wayne Neeley of Biloxi; Cynthia Kay Sanford, Norma G. Cuellar, and Chandra Juanette Hogan of Petal; Melinda Anne Dodson of Bay St. Louis; and Lori Annette Ehlers and Deena Marie Necaise of Long Beach, who are here in Washington this week to participate in the 1979 Presidential Classroom for Young Americans.

I always enjoy discussing the operations of our Federal Government with the Presidential classroom students and commend these young Americans for their interest and attitude toward our Nation's destiny.●

MEXICAN OIL RESOLUTION

HON. DONALD J. PEASE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1979

● Mr. PEASE. Mr. Speaker, more and more Americans question the assumption underpinning the Carter administration's energy policies—that the world is running out of oil and that conservation and conversion to alternate energy sources are the only recourse we have. I happen to be a fan of both conservation and alternate energy, but distrust is prevalent in the public mind. Many people have lost faith in their Government's willingness or ability to formulate a comprehensive energy policy that serves the national interest and not just the interests of the major oil companies and the utilities.

The American people have good reason to be skeptical. There is mounting evidence—from responsible scholars and skilled professionals—which contradicts official pronouncements that the world will run out of oil in the next few decades and that there is little we can do to affect the price manipulation of the OPEC cartel. In simple terms, many Americans are very unhappy with policies which appear to reflect greater concern for the well-being of oil and gas producers than for consumers. Moreover, they are tired of our Government acquiescing to OPEC's control over oil supplies and prices. Commonsense tells them that a major cause of inflation, if not the leading cause, is the steadily rising price of imported oil which is subject to the calculated designs and whims of the OPEC magnates.

The primary focus for our national energy policy should be to provide energy at the lowest possible price to the U.S. consumer. A secondary focus should be to insulate a significant portion of our imports from international political upheavals such as we are currently witnessing in Iran.

To further both of these objectives, we ought—as a matter of policy—to do more to increase the world's supply of petroleum products. The most likely sources for increasing supply are the lesser developed countries, particularly the non-OPEC developing countries like Mexico. Bernardo Grossling, a research scientist with the U.S. Geological Survey, recently completed a study for the World Bank which estimated total global petroleum reserves as high as 6,000 billion barrels and which found that the density of drilling in the developing nations is only 1 percent of that of the United States.

It is in the non-OPEC developing countries like Mexico that we should devote more of our attention and energies to increasing the world's supply of oil and gas. The people of these countries and their governments have been more severely affected by the OPEC machinations, in many instances, than we have.

It follows that some of these countries want to develop and sell their resources as a prelude to internal development. But they often lack the money and the technical expertise. We are in a particularly advantageous position to help on both counts.

Unfortunately, past administrations as well as the Carter administration have shown little interest in oil and gas development in non-OPEC countries. Mexico is a case in point. Consider the following facts:

More than 2 years ago, the CIA knew that Mexico possessed oil and gas reserves far in excess of earlier estimates, but it was only last fall that the Congress and the American people were told.

In 1977, Mexican authorities reached a tentative agreement with six American pipeline companies to sell more than 2 billion cubic feet of natural gas per day to the United States, only to have the sale blocked in its final stages by the U.S. Department of Energy.

On January 10, 1979, Energy Secretary Schlesinger was quoted in the Washington Post advocating that the United States place the highest priority on developing domestic natural gas, including building the Alaskan gas pipeline, and only afterward consider buying Mexican gas. He failed to mention that Mexico is offering to sell gas at half the price ($2.60 to $2.90 per thousand cubic feet) of what Alaskan gas will cost (minimum of $5 per thousand cubic feet) when delivered via the proposed $12 billion Alaskan gas pipeline.

Frankly, I do not understand why the administration has not taken full account of Mexico's potential as a major oil and gas exporting country and tailored our policies accordingly.

But it is not to late to overcome this shortsightedness. Today, I am joined by 39 cosponsors in introducing a concurrent resolution calling upon President Carter during his upcoming visit to Mexico in February to agree upon a framework for cooperation with Mexico on several common concerns, including terms for mutually beneficial development of Mexico's oil and natural gas reserves.

There are many compelling reasons why our Government should strive to develop a partnership with Mexico. First, it is in our national interest to diversify our foreign oil and gas supplies and to reduce our dependency upon oil produced in OPEC countries. The recently approved 14.5-percent OPEC price hike is a fresh reminder that OPEC price manipulation is a major contributing cause of our inflation problem.

Second, our national security is undermined by too great a reliance on Middle East oil. Recent events in Iran underscore the limits of our control over events in this volatile region.

Third, increased oil and natural gas revenues could significantly help Mexico cope with such problems as overpopulation, poverty, and large-scale unemployment. The repercussions of these problems have a very real impact upon our own country, so we have an interest in helping Mexico find some solutions.

Fourth, we continue to run up major trade deficits month after month. In November, the trade deficit was $1,945,000,000. If we buy more of our oil and gas from Mexico and assist in its development, it is very likely that Mexico will spend many of those dollars for American goods.

Finally, Mexico is the world's 11th most populous country with more than 65 million people. It represents one of America's most promising export markets for decades to come.

For far too long, at great expense to the American people, U.S. policymakers have assigned little importance to formulating policies to promote oil and gas exploration and development in non-OPEC countries. Hopefully, the discoveries in Mexico and a growing awareness of the oil possibilities elsewhere in the underdeveloped world will help expose the shortcomings of past and present administration policy and will provide some stimulus for new approaches. We should start anew in our relations with Mexico and build from there.

Lest you think the potential for oil and gas development in non-OPEC developing countries is a fanciful illusion not worth pursuing, let me call your attention to an excerpt from an article entitled "Mexico: Emerging Oil Superpower?", by Lawrence Goldmuntz, former Assistant Director of Civil Technology in the Executive Office of the President, which appeared in the Wall Street Journal:

> If the Mexican reserves—or any other reserve in a country that needs income—can be brought to production, OPEC's power to set oil prices would be decreased. Mexico, not presently an OPEC member, might follow OPEC pricing policies. Nevertheless, an increase in Mexico's production from one million to five million barrels per day would tend to destroy OPEC's cohesiveness. If enough reserves could be brought to production in the underdeveloped countries, the monopoly rents of OPEC might be reduced and oil prices might fall as much as $4 per barrel. At today's import levels, this might save the U.S. as much as $12 billion annually. This is a measure of the amount the U.S. might invest to develop resources in underdeveloped countries. Other industrialized countries that import major quantities of oil, such as Germany, France and Japan, should be as interested as the U.S. to make such an investment.●

CHINESE-AMERICAN ACCORDS PLEASE ALF LANDON

HON. KEITH G. SEBELIUS

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1979

● Mr. SEBELIUS. Mr. Speaker, since the recent turn of events in our Chinese policy many opinions have been tendered for public consumption including those of a respected statesman from Kansas, our former Governor, Alf Landon.

Recently Governor Landon, a long time student of Sino-American relations, was interviewed by the Kansas City Times. I would like to share his thoughts and this article with my colleagues:

Chinese-American Accords Please Alf Landon

(By Ray Morgan)

TOPEKA.—Senior Republican statesman Alf M. Landon officially gave his blessing this week to normalization of relations with communist China—a dream he has nurtured for 20 years.

The move constitutes a major step forward in U.S. diplomatic relations, said the 1936 presidential hopeful and former governor of Kansas.

And the economic consequences of such recognition, which goes into effect Jan. 1, could be so far-reaching as to offset reports of a possible economic recession in the U.S., Landon added.

The 91-year-old father of Sen. Nancy Landon Kassebaum, R-Kans., is entitled to a little pride in his foresight.

"As a Republican, I have long supported the concept of better relations with the mainland Chinese, and I applauded the steps taken by Richard Nixon . . . in 1972 and those of Henry Kissinger, the secretary of state, in setting up negotiations that led to the visit to Peking by Nixon as president and the eventual admission of China to the United Nations."

In the world of realistic foreign relations, Landon said, it is much more sensible to maintain open relations with China than "to have the kind of misunderstanding that could bring her to shaking her fist in continual fashion at America."

"It also seems to me to be wise, in the light of global politics, to maintain relations with both the Soviet Union and the Chinese at a time when both . . . appear to distrust each other almost more than they do the United States," Landon said.

A relationship between the United States and China would give the Soviet Union cause to "stop and think," he added.

Landon said he was struck by the fact that Soviet President Leonid Brezhnev acted so quickly in informing Carter of his approval of the new American-Chinese relations.

"Despite the fact that one of the official Soviet organs, Pravda, has since said the words of President Brezhnev may have been misinterpreted by President Carter, the fact remains that the Russians could do little else," Landon said.

With problems in their own camp, the Soviets could not afford to take a hard line toward the new U.S.-Chinese pact, he pointed out.

"From all indications, Russia has failed over the last five years in its plans to become self-sufficient in many areas. Climate and the inefficiency of Soviet workers have mitigated its efforts to develop Siberia for mineral and food production. The touted efforts at grain production in eastern Russia have failed for similar reasons. All in all, the current estimates for the Russian future are not bright."

The Soviets also would be a little less inclined to throw their weight around in Western Europe if friendly relations exist between the United States and China, Landon said.

"The Russians would always be faced with the possibility than the Chinese might move against them in the East if the Russians became involved in any kind of action in Europe," Landon said.

"This possibility is doubly important when even among its own European allies, the Warsaw Pact nations, Russia has been less than successful. There are stirrings of unrest in Poland, with a more independent stance by the Poles. In Romania, the leaders even went so far as to entertain the Chinese leaders royally a little over a year ago."

Landon, long a student of American foreign relations, is particularly intrigued by the actions of Chinese Premier Hua Kuo-feng and Vice Premier Teng Hsaio Ping, apparently the new strong man.

"They are openly seeking technological help from us," Landon said. "I believe that this kind of technological help can work to the advantage of both our country and the Chinese, but more particularly I believe that the more Chinese we can expose to Western technology and ideas, the better off we are."

Landon's belief that the new Chinese-American accords might offset a recession is based on estimates that the Chinese expect to spend $40 billion to $48 billion for technology over the next several years.

"Even more particularly, the Chinese have indicated a willingness to purchase American technology in a variety of areas," Landon said, reeling off a list: heavy tractors, plows and harvesting equipment for improved food production; improved electronic equipment for computer technology and communications; development of off-shore oil deposits along both the north and south coasts of China and improved airline operations, "to mention only a few."

"Pan American World Airways has entered into contracts to plan, build and supervise operations of at least five intercontinental Hotels in China over the next three years," he pointed out. "Several major American oil companies, Mobil, Phillips and Exxon, are in major negotiations with the Chinese for construction and operation of offshore drilling platforms."

Landon does not share the fear of some that the Chinese will expect the United States to provide foreign aid funds for such purchases.

"The Chinese appear to have the supply of gold and the credit record which would allow them to obtain the credit to make these purchases," he said. "Here, too, American interests appear to be in a position to benefit, since major U.S. banks are involved in Western financing consortiums which would make the financing available to the Chinese."

Unlike Sen. Barry Goldwater, R-Ariz., and others, Landon is untroubled by the effect of the new accords on Taiwan.

"Certainly it would appear to me that the U.S. has more than fulfilled its commitment to the Chinese on Taiwan over the last 30 years," Landon said. "Taiwan has appeared to have little effect in changing the course of events on the mainland over the past 30 years, even before the death of the real leader of the Taiwanese, Chiang Kai-shek, who incidentally was "originally" trained by the Russians.

"No one realistically can believe that an island of 16 million people could ever retake the mainland with nearly 1 billion people. Rightly or wrongly, diplomatic foreign policy is conducted in the interests of the nation conducting it, and it would seem to be much more in the American interest to have full relations with mainland China."

The Taiwanese could be in a position to profit from the new relationship if they play their cards right and accomplish what they could not do in the past, Landon said.

"Taiwanese business leaders have been astute in developing business and industry," he said. "As far as China is concerned, they (the Taiwanese) are in a better position to provide some of the technology and business counseling than any area of the world."

And the Republican who was offered a diplomatic post by the Democratic president who defeated him emphasized that normalizing relations with China has been a bipartisan effort.

"We should all remember that the effort in this direction was begun by a Republican president, Nixon; continued by his Republican successor, Gerald Ford; ahd is now furthered by our Democratic president," he said. "I cannot help but feel optimistic about the future as a result of these steps."●

TORRANCE MEMORIAL HOSPITAL CENTER

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1979

● Mr. ANDERSON of California. Mr. Speaker, for over 53 years the residents in the southern California community of Torrance have had the good fortune of having available the medical care service offered at the Torrance Memorial Hospital. Today, I would like to share with you a brief part of this institution's history. This is especially appropriate since on February 3, 1979, expanded facilities will be dedicated and the hospital will be renamed to become the Torrance Memorial Hospital Medical Center. As we continue the great debate on the state of this Nation's health care system, it would seem valuable to present the story of this institution which has served so well the need for health care services in our local community.

The Torrance Memorial Hospital was built in 1925 through the generosity of the Jared Sidney Torrance family. It was originally located on Engracia Street in old Torrance, then was moved to a new location to accommodate expansions and improvements. It opened at the new setting in April 1977 after the Riviera Community Hospital agreed on a merger proposal.

During its growth, the hospital was linked with the area's educational community. It became an extended campus of the University of California at Long Beach to provide nursing internships and to give medical personnel the opportunity to gain additional expertise in their own fields and in other areas of specialty.

The hospital promotes preventive health care by providing health education programs through its series entitled "Miracle of Living."

To combat the fast rising costs of health care, the board of trustees and the medical staff of the Torrance Memorial Hospital and Medical Center have publicly committed themselves to the national voluntary cost containment effort. Programs and procedures have been initiated that are reducing patient's bills by creating thousands of dollars in savings to the hospital each year.

To further improve its services, starting February 3, the hospital will begin to make use of an enlarged emergency facility, day surgery center, critical care wing—which includes the area's only burn unit—heart catheterization laboratory, radiation oncology department, auditorium, health sciences library, gymnasium, surgery suites, labor and delivery rooms, and remodeled areas in other parts of the hospital. This will make available to our South Bay citizens one of the most up-to-date medical facilities in the country, and will allow the hospital to continue its emphasis on acute and comprehensive rehabilitation.

Later this year, the Congress will consider a series of sweeping proposals which are aimed at revamping our health care delivery system. This task will be difficult, since a most basic need of Americans is being dealt with. Knowing that there are some institutions such as the Torrance Memorial Hospital Medical Center striving to make readily available the most modern equipment and contain costs can help us keep an optimistic attitude.

My wife, Lee, joins me in congratulating the board of trustees, the medical staff, and the volunteers who devote much time to work at the hospital for their successful efforts in making the new Torrance Hospital Medical Center a reality. The entire community owes them many thanks for keeping to their commitment of continuing excellence and making the concern for patients their first priority.●

SOCIAL SECURITY TAX ROLLBACK ALTERNATIVES

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1979

● Mr. PICKLE. Mr. Speaker, yesterday the Democratic Caucus passed a resolution directing the Ways and Means Committee to formulate and report legislation in this Congress to reduce the Social Security tax burden by 1981. As was expected, this resolution passed by voice vote. It is popular to reduce taxes.

In the discussion of this resolution I made some observations about the difficulty of this situation and about the paucity and unpleasantness of our choices. I expressed the hope that the caucus would not lock the subcommittee in before it had a chance to meet—and the concern that if the caucus did so it might be setting in motion forces which can only result in reductions of social security benefits.

In order that all Members might have a chance to know of my statement, I include the substance of it in the following remarks.

I outline in those remarks three choices which could result in reduced social security taxes. During the meeting one member suggested a fourth: that we increase income taxes in some sort of automatic matter. This is a fourth route to explore, although it may be complicated to formulate it so that it would not result in lowering people's benefits because they would not receive credits for as many social security taxes as they would under the current system.

The other three routes I saw were: First, to cut benefits; Second, to add to the deficit; or third, to hurry through some new tax such as the VAT.

My main concern is simply that what we may be able to produce in the way of a social security tax reduction will be even more unpopular than the taxes we now face.

The gist of my remarks in the caucus follow:

I rise to ask that we assess a bit where we are and what our options and possibilities are.

In 1981 the Social Security trust funds will have a reserve level of 22%. This means that in 1981 we will have less than three months of money in the bank to pay social security benefits—and that we will have that much only if there are no unforeseen economic problems between now and then. This 22% projection is already down from a 25% projection made last summer.

This tells me that if we cut taxes we have three choices. We can cut benefits. We can add to the deficit. Or we can hurry through some new tax such as the VAT.

Every tenth of a percent cut in the employer/employee tax rate currently costs the system $2 billion. To cut a 6.65% rate back to 6.13% would cost over $12 billion. To cut the wage base back in 1981 would cost almost $2 billion more. That's a $14 billion total to knock out in benefits, add to the deficit, or fund in some new tax.

The disability program by 1981 will have an outgo of $19 billion. To fund it with general revenues would add that $19 billion to the deficit that year—and toward the end of the 1980s would add $35 billion each year.

The Hospital fund will have an outgo in 1981 of almost $30 billion. To fund it with general revenues would add to the deficit, for this one program, a figure equal to what the President wants to have for his total deficit for this year for all programs. By the end of the 1980's the Hospital program would be adding $80 billion each year to the deficit.

Let's look at the benefit side. The President has proposed some benefit cuts which have already met with a storm of disapproval. Yet all of those cuts would not reduce the 6.65% 1981 tax rate back to previous tax levels.

Which other benefits shall we cut?

What are our alternatives?

We have no reserves to dip into. So first we can add to the deficit. Second, we can cut benefits. Or, third we can find a new tax.

I think we need to turn this program inside out and find every nickel and dime that we can possibly save. I think we need to try to reduce tax burdens in this program. And I am going to be doing everything in my power to bring that about.

But I think we shouldn't fool ourselves that we can simply order the Ways and Means Committee to act and not expect a product that may be as unpopular as the taxes we now face.●

UKRAINIAN INDEPENDENCE

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wed., January 24, 1979

● Mr. RODINO. Mr. Speaker, this week marks the 61st anniversary of the Ukrainian people's pursuit of national independence. Ever since their initial attempt to win political and social freedom, they have sought the kind of individual liberties which we in America take for granted. While their goal of national self-determination has not been realized, the Ukrainian people remain steadfast in their love of liberty and their commitment to their heritage.

Americans of Ukrainian descent have brought pride to their people by their many contributions to American society. Perhaps they appreciate our principles of democracy and human rights all the more because their relatives abroad have been denied these rights.

Mr. Speaker, I think this week is an important time for us to pause and reflect on the many struggles for human rights and national independence being waged all over the world. The quiet courage and unyielding faith of the Ukrainian people should not be forgotten as we pledge our efforts to advance human freedom.●

AMERICAN'S PROBLEMS PARALLEL NEW YORK'S

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1979

● Mr. McCLORY. Mr. Speaker, the problems of our domestic economy, including persistent budget deficits and inflation, pose problems which extend beyond our national borders.

The depreciation of the value of the dollar and the lack of respect which our currency commands in foreign money markets, adversely affect our prestige and our relations with other nations around the world.

Mr. Speaker, my friend, Felix G. Rohatyn, who managed so successfully the Municipal Assistance Corporation for the city of New York, spoke recently to the French-American Chamber of Commerce in New York City. His remarks should help alert us to the magnitude of our national economic problems—problems which are being experienced by cities other than New York City, for which he provided successful support, and for other communities around the Nation and for our National Government itself. A condensed version of his remarks appeared in the Friday, January 19, addition of the Chicago Tribune which I am pleased to attach hereto:

AMERICA'S PROBLEMS PARALLEL NEW YORK'S

(By Felix G. Rohatyn)

NEW YORK—We are by any standard the richest country in the world. We carry the heritage of democracy handed down from Pericles through the French Revolution to our Founding Fathers. Yet we treat this heritage, the most precious of our possessions, with contempt in the way we abdicate our responsibility to vote, contempt, in the way we go about our way of life, contempt in our acceptance of mediocre leadership.

I traveled recently to Israel, for the first time. Out of a jumble of impressions one came through most strongly: commitment. Commitment to freedom, commitment to survival, commitment to a way of life. People from all walks of life, from all over the world clawed a country out of rock and desert, fought for it against great odds, prevailed, and still fight, every day.

Commitment is not a museum piece. A great Frenchman, Jean Monnet, changed the face of postwar Europe when, through sheer personal willpower, he brought about first the European Coal and Steel Authority and then the European Common Market.

Commitment saved New York City from a bankruptcy that many cool and sophisticated people led it to. New York did not go down because we would not let it, because we willed it not to. At a time of visible, palpable crisis people rallied around, private citizens and politicians, Democrats and Republicans, union leaders and bankers.

America today is not so different from

New York City in 1975. The similarities are rather striking:

Increasing deficits, internal and external, year after year, papered over with accounting gimmicks to allow sidestepping politically difficult decisions;

Increasing reliance on borrowed money to finance those deficits (N.Y. with short-term notes, the U.S. with Arab oil money) while neglecting capital formation, with resulting dramatic deterioration of physical plant;

Creating greater and greater hidden liabilities in the form of unfunded private and public pensions, Social Security, etc.

What the country faces is not a bigger or smaller recession, more or less inflation, a stronger or weaker dollar. Those are all effects. They are not causes. We face the possible loss of our most precious asset, Western democracy, surely the most magnificent form of organized life, because we are lazy, cynical, and unwilling to make the effort, unwilling to demand the kind of leadership democracy requires.

It is easy to blame the politicians but we put them there by our votes or lack of votes. It is easy to blame the unions but we, in the business leadership, have exercised no greater restraint. It is easy to blame the press, the academicians, almost anybody but ourselves.

New York City found itself at war and put in motion the equivalent of a wartime austerity program and coalition government. A coalition government should manage a similar program on a national scale. If this means gas rationing in order to reduce oil imports, so be it; if it means wage and price restraints, voluntary or mandatory, for some time, so be it; if it means temporarily limiting imports from Japan, so be it.

The President must mobilize the country's dreams as well as its muscle and demand that the people and the Congress support a true wartime program. The hour is very late, almost as late for the U.S. as it was for New York in 1975. In the city, we fought against bankruptcy; in Washington they are fighting the same thing under different names. Controlling inflation, protecting the dollar, avoiding a recission. It does not sound as dramatic, unfortunately.

But there is the real question: Can a Western democracy only find leadership, nobility of purpose, and sacrifice in a time of crisis, at the brink of disaster? Or can it be done in normal, everyday times, recognizing the problems but with the crisis only dimly perceived on the horizon?

We will soon have the answer. But, if the President loses this fight, if, collectively, we cannot create the climate to help him to win, the result will not be noteholders with a moratorium imposed on them or a wage freeze on the unions, but it could be the end of a form of government which, since the days of the French Revolution, has done more for more people than any other system ever invented. ●

KENNETH EDWARD STEVENSON, JR.

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1979

● Mr. MOORHEAD of Pennsylvania. Mr. Speaker, I rise with pride to report on the activities and accomplishments of a young man I had the privilege to appoint to the Air Force Academy in 1965. Kenneth Edward Stevenson, Jr., has done so much in so little time that his efforts stand as a testimony to what one human being can do when he is both determined and talented. Upon graduation from the Air Force Academy—one of only five blacks in his class of almost 700—he successfully completed pilot training. He then served in the strategic air command and volunteered for combat duty in Southeast Asia where he logged almost 1,200 combat hours, flew almost 200 missions, earned 10 air medals and three Distinguished Flying Crosses and ended up commanding his own B-52 crew—all by the age of 25.

After the war, Mr. Stevenson was sent by the Air Force to the University of Pittsburgh where he completed his masters of arts in English, Cum Laude, in only 9 months. While a graduate student he was asked to, and did establish and teach a course in black literature for undergraduates, and served as a liason officer for the Air Force Academy, working to publicize the educational potential the Academy provides to the youth of this country.

Thereafter, he was assigned to the faculty of the Air Force Academy where he taught English and developed a special tutorial program for minority students. He was promoted to the academic rank of assistant professor within 2 years of his appointment on the faculty. As a writer, Mr. Stevenson—whose first poem was published at the age of 16—has recently had published a poem which won a Writer's Forum Award—"On Discussing Revolution With a Dedicated Sister". He was also the editor of the proceedings of the 1977 U.S. Conference of Research on the Shroud of Turin.

He has been deeply involved with and committed to community service. He was instrumental in reestablishing an annual Black Arts/Awareness Festival at the Air Force Academy, which provided both the military and civilian community with increased exposure to black culture. He also lectured in the local community and high schools on black history and culture. And he conceived and implemented a program to feed needy families at Thanksgiving through community contributions and without administrative cost eating away at the effort. In 3 years this program has fed more than 1,000 handicapped, disadvantaged, senior citizens, and refugees a real Thanksgiving dinner in a family-style atmosphere.

There is more. With such people, there always is. But through his accomplishments and interests one easily draws the conclusion that this is a remarkable human being—one with commitment, energy, talent—one who sets an example for others to follow in whatever circumstances. A superb young man. It is clearly no surprise that Mr. Stevenson was recently selected as one of the 10 outstanding in America for 1979 by the National Jaycees. I am proud of him, Pittsburgh is proud of him, and America is proud of him.●

EXCLUSION OF FEDERAL PROPERTY FROM THE TAX BASE

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1979

● Mr. WEISS. Mr. Speaker, whatever the merit of property tax cuts like Proposition 13, they are vivid reminders of the importance of property taxes to local governments. Efforts, however, to reduce local property taxes are severely hampered by the exclusion of Federal property from local tax bases. I am thus introducing legislation today to address this major problem facing local governments.

Three-fifths of the revenues generated by local governments are derived from property taxes. Undoubtedly, the need to provide adequate services without making property taxes prohibitive is one of the biggest challenges facing communities across the Nation. Exacerbating this problem for localities is the fact that one-third of all the land in the United States is tax exempt, because it is owned by the Federal Government.

As part of an effort to help local jurisdictions, the 94th Congress passed the Payment in Lieu of Taxes Act (Public Law 94-565). Under this law the Federal Government makes payments to local governments in place of property taxes for national park system lands, national forest lands, wilderness areas under the jurisdiction of the Forest Service, Bureau of Land Management (BLM) lands, and other lands within the boundaries of eligible localities.

The payment in lieu of taxes program was enacted in part as a result of a recommendation by the Public Land Law Review Commission. The Commission found that new programs to compensate localities for the reduced tax base caused by Federal lands in their midst had to be established.

Although Public Law 94-565 covers about one-half of all Federal properties, it does not cover property involved in general administration of the Federal Government—facilities designed to assist and promote commerce and other types of properties. For example, Federal office buildings, lighthouses, and Army installations are exempted from paying taxes and are not covered under any Federal program which compensates localities for lost revenues.

The legislation which I am introducing will include these kinds of properties under a payment formula based on the appraised value of property and the local property tax rate. The Administrator of the General Services Administration would be responsible for administering this formula and making payments to local governments.

I believe this bill will go a long way in alleviating local property tax burdens and allow localities to continue to develop essential public services:

H.R. —

A bill to provide for payments in lieu of taxes to local governments by the Administrator of General Services based upon the amount of certain tax exempt property owned by the United States and foreign governments within such locality

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Administrator is authorized and directed to make payments under section 3 of this Act for each fiscal year beginning on and after October 1, 1979, to each unit of local government in which entitlement properties are located.

SEC. 2. (a) To be eligible for payments

under this Act for any fiscal year, a unit of local government shall submit an application, at such time, in such form, and containing such information as the Administrator prescribes by regulation.

(b) Such applicant shall include a statement by the unit of local government, and an independent verification, of each of the following:

(1) the entitlement properties within its jurisdiction;

(2) the appraised value for each such property for purposes of the local property tax;

(3) the tax rate applicable to each such property;

(4) any other factors used by the unit of local government in computing tax liability; and

(5) the total tax revenues that would be available from the entitlement properties, determined by multiplying the value stated under paragraph (2) by the rate stated under paragraph (3) and applying any other factors stated under paragraph (4), for each such property, and adding the resulting figures for all such properties within the jurisdiction.

(c) The Administrator shall disapprove any application in which he determines that there exists a significant discrepancy between the figures provided by the unit of local government and by the independent verification under subsection (b), or otherwise determines that the figures provided by such unit are not reliable.

(d) Before disapproving any application the Administrator shall give notice thereof to the unit of local government. Such unit may then request a hearing before the Administrator within ninety days of such notice. It shall be within the discretion of the Administrator after such hearing to approve the original application or an amended application, or require a new application to be filed.

SEC. 3. The amount of any payment made under the first section of this Act for any fiscal year to a unit of local government whose application has been approved by the Administrator shall be the amount stated by the unit of local government under paragraph (5) of section 2(b).

SEC. 4. (a) There are authorized to be appropriated such sums as may be necessary for carrying out the provisions of this Act.

(b) If sums appropriated in any fiscal year are not sufficient to carry out the provisions of this Act, the Administrator shall ratably reduce the amounts paid to all units of local government whose applications are approved for such year. If additional funds are made available for such year, they shall be used to ratably increase the amount paid to each such unit of local government.

SEC. 5. As used in this Act, the term—

(1) "Administrator" means the Administrator of General Services;

(2) "entitlement property" means any of the following types of property which are exempt from the property taxation of the applicable unit of local government—

(A) buildings, structures, and other facilities, and land, owned by a foreign government or by an international organization as defined in section 1 of the International Organizations Immunities Act (22 U.S.C. 288);

(B) buildings, structures, and other facilities, and land upon which such improvements have been built, owned by the United States, excluding "entitlement lands" as defined in section 6(a) of the Act entitled "An Act to provide for certain payments to be made to local governments by the Secretary of the Interior based upon the amount of certain public lands within the boundaries of such locality" (31 U.S.C. 1606(a); 90 Stat. 2665); and

(C) military installations.

(3) "unit of local government" means a county, municipality, parish, township, or other unit of government below the State which is a unit of general government and has taxing authority with respect to real property, as determined by the Administrator.●

PRESIDENT CARTER'S PROPOSED FISCAL YEAR 1980 BUDGET

HON. CARDISS COLLINS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1979

● Mrs. COLLINS of Illinois. Mr. Speaker, President Carter has just unveiled his proposed fiscal year (FY) 1980 budget for review before Congress begins formulation of its own economic priorities in coming months. I intend to work toward restoration of those cuts made in such vital programs as labor, manpower, social security, in the Department of Housing and Urban Development's (HUD) section 312 program, and education.

It is of grave concern to me that defense spending is geared to rise 9.9 percent or 3 percent faster than inflation—while the President intends to combat the rising inflation rate plaguing our economy by following policies that will keep the unemployment rate at 6.2 percent throughout 1980. Again and again this Nation's poor and disadvantaged are asked to bear a disproportionate share of the burden when it comes time to cut back on national spending. As the representative of a congressional district in which a large number of ill-housed, ill-fed, and jobless people live, I intend to work in coming months toward restoring the 158,000 public service jobs so unwisely scratched out of the Comprehensive Employment and Training Act (CETA) by the Office of Management and Budget's (OMB) injudicious pencil. Congress reauthorized CETA only 4 months ago with the express intention of creating jobs for those who otherwise would be unable to locate meaningful employment. As a cosponsor of H.R. 50, the Full Employment and Balanced Growth Act, which received the support of not only the entire Congressional Black Caucus and the Congress but was also signed into law by the President, I am shocked to learn of this latest lack of commitment by the administration to a program so essential to the national welfare.

In particular, President Carter has indicated a rollback from 72 to 70 for the age at which Social Security retirees may earn as much money as they choose and still receive full social security benefits. The many letters that reach my desk each week attest to the extreme importance of this provision to my many constituents who must depend on social security benefits for the necessities of life.

The section 312 program administered by HUD enjoys a very high cost-benefit ratio. By offering low-cost loans for the rehabilitation of single and multifamily structures, this program is not only popular but successful in counteracting urban deterioration. By reducing the funds available to low-income families to allow them to rehab their homes, the displacement of long-term urban residents by high-income suburbanites will continue unabated.

In the education section of this proposed budget, I am pleased to note an increase in title I grants in the Elementary and Secondary Education Act. However, I intend to push for more funds for vocational education and student loans.

As a strong supporter of Representative MITCHELL's transfer amendment which advocates a reordering of our economic priorities to favor increased spending for social programs, I cannot condone what I view as the administration's effort to buy support in Congress for the upcoming SALT agreement by unfairly biasing the fiscal 1980 budget toward defense spending. The SALT agreement must be reviewed on its own merits. If it cannot stand alone, I cannot agree to selecting the disadvantaged as that group of Americans most suited to paying for national economies through the sacrifice of their jobs, their houses, and their children's education.●

RIGHT TO LIFE AMENDMENT

HON. THOMAS A. LUKEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1979

● Mr. LUKEN. Mr. Speaker, I am today proposing an amendment to the Constitution of the United States, guaranteeing the right to life for all human beings, both born and unborn. This extraordinary step of a constitutional amendment is necessary, because the Supreme Court of the United States, 6 years ago, attempted to define human beings in terms of "meaningful life," a definition which I, and a large and ever-growing number of American people, find intolerable.

For any legal body to attempt to define human life, a decision upon which scientists and physicians widely disagree, is to threaten the moral and ethical principles on which our country was founded, and the progress of human rights over the past two centuries. Throughout our Nation's brief history more and more groups were brought into full citizenship. Now we our asked to regress and deny the most fundamental right of all, the right to live.

We need the unborn protected, not by a hit-and-miss approach and not by amending various bills to get the Federal Government out of the abortion business. It is our responsibility to reverse the Supreme Court's decision once and for all by amending the U.S. Constitution to protect the right to life of the unborn child. By this action, we would thus recognize the moral principle of protecting human life, which is a part of our heritage contained in the spirit of the Bill of Rights and the 14th amendment to our Constitution.●

SAN DIEGO MAGAZINE: A 30-YEAR SUCCESS STORY

HON. LIONEL VAN DEERLIN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1979

● Mr. VAN DEERLIN. Mr. Speaker, San Diego magazine celebrated its 30th birthday last fall, an occasion worthy of note since the publication is the oldest of the so-called city magazines now flourishing in many parts of the country.

The anniversary issue, recently published, is 400 pages long, and packed with reminiscences on how the magazine and the city it covers so well have evolved over the decades.

I used to contribute myself to San Diego magazine in its early years, so I am inclined to regard the magazine and its publishers, Ed and Gloria Self, as an enduring part of my own background and not just a valued source of information about my home city. But its quality should be manifest to anyone.

The magazine is thought-provoking as well as good to look at. It consistently showcases some of the most incisive coverage of economic, social and political issues on the San Diego scene.

The first years were a struggle for the Selfs, but now the magazine is a well established fixture—"must" reading for thoughtful San Diegans and a glossy vehicle for a long roster of advertisers.

The contributions of San Diego magazine have been aptly summed up by author-editor Carey McWilliams in a commentary published in the November issue. I include Mr. McWilliams' comments at this point as an extension of my own remarks:

WHAT HAS SAN DIEGO MAGAZINE BEEN UP TO FOR 30 YEARS

A FEW OUTSIDE OPINIONS

(By Carey McWilliams)

San Diego, the first independent city magazine and by all odds still the best, is a happy product of the right people appearing at the right place at the right time with a new idea. The Selfs were the right people in the sense that both are magazine buffs, Gloria with a lively interest in magazine graphics, Ed with a fine sense of civic responsibility and sound political instincts. A city of 350,000, in October 1948, San Diego was about to enter its modern phase and to register significant population growth in the three decades that followed. With a superb natural setting, it needed editorial guidance and direction.

The "new idea" that the Selfs had in mind was that of an independent city magazine—not a chamber of commerce bulletin—that would present a cross section of city interests and concerns and maintain a good balance between broad civic interests and the social and cultural life of the city. A case can be made that San Diego has been a major influence on the city's press. After 1950 San Diego was a monopoly newspaper town and, frankly, the monopoly paper was not the best. It was not only conservative—in itself that would be no offense—but editorially biased, and it censored news and slanted stories. Also it did very little magazine-style writing or in-depth reporting.

Today the press is much better—the Los Angeles Times is providing some competition—and San Diego Magazine is in no small measure responsible for the improvement. It did so by creating a new climate of opinion and a greater awareness of the city's real assets and possibilities. Eventually this opinion began to feedback to the press and it also had a noticeable effect on city politics. The city began to develop a new consciousness of its prime values and assets and of its place in the California scheme of things. And in providing an outlet for young writers of talent, eager to have their say about various aspects of the community's life, San Diego has performed a prime service.

Ideas are often contagious and provide the energy that can move mountains. All in all, San Diego Magazine's contribution to American journalism as the initiator of the "city magazine" concept has been noteworthy. San Diego is well-named: it *is* San Diego, at its best, as it struggles to achieve a unique status among American cities. And to have maintained its high standards for 30 years is a remarkable achievement; to have avoided routine performances is no small feat.

My only criticism of the magazine is that it is getting to be so heavy, with bountiful advertising and editorial material, that reading it is a bit like trying to read the New York Telephone Directory. But if necessary I can and will provide a hoist. Congratulations to San Diego, its editors and staff, and best wishes for the next 30 years.●

TRIBUTE TO WACO VA REGIONAL OFFICE

HON. RAY ROBERTS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1979

● Mr. ROBERTS. Mr. Speaker, there has been a great deal of newspaper ink devoted to the so-called bloated bureaucracy and malfeasance in office. I applaud the press for exposing malefactions by public officials. I also commend it for keeping the matter in perspective by praising those to whom praise is due.

One of the finest group of employees our Government can boast works in the Veterans' Administration regional office in Waco, Tex. They are led by a man whose acumen and leadership qualities have been recognized again and again—Jack Coker.

That Mr. Coker was singled out for praise by the Waco Tribune-Herald honors all employees and the newspaper itself. I include the article in the RECORD:

VETERANS AND THEIR SERVANTS HONORED

Most Americans, we believe, approve the restoration of Nov. 11 as Veterans Day for official national recognition to the men and women who served in all the wars of this century. This anniversary of the ending of World War I in 1918, it seems to us, carries a penetrating message across the years: even total armed victory is no assurance of permanent safety. This message was underscored in World War II and again and again since then. Only vigilance and self-sacrifice can preserve a nation against outside enemies. All honor to the men and women who gave of themselves in the name of freedom on the high seas and on the far-flung battlefields starting in 1916 and continuing ever since.

While we honor the service of those men and women, we in Waco may salute as well those who serve their postwar needs, the men and women who staff the Veterans Administration regional office and hospital here. Accountable to a veterans population of 910,000 ex-service personnel in 164 Texas counties, the VA regional office has earned so many repeated honors for excellence that their work is nationally famous.

Starting with Regional VA Director Jack Coker, the list of awards in 1978 to VA regional office workers would fill a book. Coker was accorded by VA Administrator Max Cleland the Administrators Award for Executive Leadership, one of six persons nationwide so recognized this year. All the service organizations have added to the official commendations to this office here in Waco for the help given by its workers to veterans across Texas from Texarkana to El Paso and from Amarillo to Austin. While the regional office is ninth largest in the nation, it ranks as No. 1 in economy and efficiency, the only one of the 54 nationwide to take top honors in all categories of evaluation.

Nor do the VA regional staff members confine their service solely to veterans. Through United Way, through the blood center, through U.S. savings bond promotions, they continue to stand at the top of extra achievement on behalf of this community.

Theirs is a record of unselfishness that stands as an example to all of us in private and public life and Veterans Day is an appropriate time to say so.●

NATIONAL MIME WEEK, APRIL 1–7

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1979

● Mr. WAXMAN. Mr. Speaker, during the week of April 1–7, 1979, the Los Angeles Mime Guild, a nonprofit organization of over 100 professional mimes, will celebrate, in conjunction with similar groups throughout the country, National Mime Week. Festivals, benefit performances, and special theme concerts will be held in Los Angeles and cities across the Nation.

Mime is an enchanting and special art form which is enjoying a renaissance. Mime engages audiences and imaginations, and provides its own counterpoint to the experiences of music, drama, dance, and cinema. Mime is a unique part of our culture, and deserves our fullest support.

The celebration of National Mime Week confirms the emergence of a distinctly American contribution to mime. For the citizens of Los Angeles, the schedule of events is especially rewarding. I am pleased to take this opportunity to inform my colleagues of National Mime Week, and to insert in the RECORD the plans of the Mime Guild:

NATIONAL MIME WEEK, APRIL 1–7, 1979

National Mime Week is an explosion of Mime across the country—a celebration of American Mime and the growth it has experienced in recent years.

People Love Mime—once they see it and know what it is; once they see the range of Mime, its comedy, its drama, its beauty and humour—once they see it.

That's what National Mime Week is all about: Getting Mime out where everybody can see, enjoy and learn to love it.

The L.A. Mime Guild is heading up the National Steering Committee to coordinate the multitude of events planned for National Mime Week all over the country. Our goal is some 2,000 events: Concerts, festivals, parades, workshops, charity fund-raisers—all happening during National Mime Week and the month before.

Local plans for our celebration during the month of March include:

Vaudeville Mime at the Variety Arts Theatre, March 15, 16 & 17.

Dance Mime at IDEA in Santa Monica on March 11.

Shakespearean Mime at the Globe Playhouse in Hollywood.

Space Age Mime at Griffith Park Observatory.

Childrens Mime at Century City Playhouse on March 10 & 11.

History of Mime lecture-demonstration at Los Angeles City College March 16.

Disco Mime Fashion Show featuring the fashions of Mary Hegges.

Tribute to Silent Westerns at Gower Gulch.

Improve Mime at the Improvisation nightclub.

Comic Mime at The Comedy Story, Hollywood.

Special Events with Municipal Arts and Ports O' Call.

The celebrations for National Mime Week will kick off with an April 1 Parade of Fools on the sidewalks of Westwood, Century City and Hollywood.

Next come Lunchtime Mime Concerts at ARCO Plaza, Broadway Plaza, Music Center, Triforium, Century City & The Security Pacific Plaza.

Joining in Mime Week festivities, the L.A. Schools are planning a series of special performances at high schools throughout the city featuring mimes currently working in the schools. They plan to bring in kids from surrounding elementary schools for the special shows.

Filmex will dedicate one evening of National Mime Week to a Mute Tribute to Silent film Greats with special live mime performances.

The Mime Guild and a private sponsor will stage charity fundraising Mime-A-Thons throughout Southern California to benefit United Cerebral Palsy.

The culmination of the week's events in Los Angeles will be a benefit performance for the Mime Guild and United Cerebral Palsy: An Evening of Caberet Mime in the Grand Salon of the Queen Mary.

We're also planning souvenir programs of the week's events, posters, bumper stickers, buttons, T-shirts, etc. all with National Mime Week's logo and slogan — "Mime's the word".

Around the country news of National Mime Week is spreading and many events are being planned including parades, workshops, special performances, tours of schools and a TV special in Chicago, Washington, D.C., Milwaukee, Pennsylvania, Texas, Ohio and Alabama.

We are expecting many more events to be planned between now and April 1 and hope to see National Mime Week become a truly national celebration of American Mime.●

MANDATORY MINIMUM PENALTIES AND THE ILLICIT TRAFFICKING IN MARIHUANA AND COCAINE

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1979

● Mr. GILMAN. Mr. Speaker, during the 95th session, I introduced H.R. 2583, the Narcotics Sentencing Act of 1977, imposing mandatory minimum prison sentences with restricted parole eligibility for persons illicitly manufacturing, distributing or dispensing narcotic drugs. At the beginning of this session, on January 18, I invited my colleagues in the House to join me in cosponsoring a legislative proposal—the Controlled Substances Sentencing Act of 1979—that would extend the same stiff, mandatory minimum penalties stipulated in H.R. 2583 to both narcotic and nonnarcotic drugs included in schedule I, II, III, or IV of the Controlled Substances Act of 1970 (Public Law 91–513), thereby attacking the extensive illicit trafficking of not only heroin, but also such dangerous nonnarcotic drugs as pep, cocaine, amphetamines and barbituates. The current issue of Time, January 29, 1979, has featured as its cover story "The Colombia Connection: Billions in Pot and Coke," detailing the multibillion dollar drug trafficking industry in that nation with revenues exceeding that nation's export of coffee. The Washington Post this week, January 24, 1979, reported the arrest by Federal and local drug law enforcement officers of a gang of international heroin traffickers who, during the past 2 years, have smuggled into the Nation's Capital at least 100 pounds of 90 percent pure heroin from Southeast Asia at an estimated value of $30 million.

As a member of the Select Committee on Narcotics Abuse and Control that last year studied the illicit drug trafficking operations in Central and Latin America (in Colombia, Ecuador, Peru, Brabil, Bolivia and Mexico), I can assure my colleagues that drug trafficking in Latin and Central America is a gigantic business, involving billion of untaxed dollars, a network of tens of thousands of poor farmers who cultivate cocaine poppies and marihuana over an estimated 500,000 acres, and international criminal syndicates, small-time entrepreneurs and corrupt officials who combine to feed an almost insatiable worldwide demand for narcotics.

Mr. Speaker, in the interest of bringing to the attention of my colleagues the magnitude of the illicit trafficking of marihuana and cocaine from just one of these countries, Colombia and the obstacles that our Nation's drug law enforcement agencies face in interdicting drug trafficking, I am inserting at this point in the RECORD, the complete text of the recent Time cover story. I will welcome the support of my colleagues for my legislative proposal—Dear Colleague letters of January 18, 1979—will help to crack down on the illicit trafficking in drugs that causes so much suffering throughout the world.

THE COLOMBIAN CONNECTION

Like a bird searching for scraps of food, the little Cessna circled lazily over the green hillsides. Below, everything looked peaceful. The one thatched hut nestled in a clearing appeared deserted. This was remote Guajira province in northern Colombia, which stretches from the Caribbean up into the rugged hills and ravines of the Sierra Nevada de Santa Marta. Suddenly three shots rang out, reported Time Correspondent Donald Neff. His Cessna twisted into a steep climb and fled to safety.

The farmers of Guajira do not like visits from inquisitive reporters or other strangers. They have good reason. For the grassy harvest ripening in the sun is marijuana, a luxurious marijuana of heady strength known as Santa Marta Gold. Most of it is destined for the U.S., where the 42 million Americans who have tried pot have made smoking it the most widely accepted illegal indulgence since drinking during Prohibition. They now consume about 130,000 lbs. per day, quadruple the 1974 consumption, and they spend $25 billion per year on their pleasure. Mexico provided most of the best marijuana until two years ago, when the government there began cracking down on drug smugglers and spraying marijuana fields with the herbicide paraquat. Colombia moved rapidly to fill the gap. It now provides roughly two-thirds of all the pot smoked in the U.S. "Colombia is the largest supplier of marijuana in the world," says Peter Bensinger, head of the U.S. Drug Enforcement Administration. "It's a trafficker's paradise."

This is the Colombian Connection, a network of farmers, smugglers, brokers and fixers that extends more than 5,000 miles from Bogotá to the great markets of New York, Chicago and Los Angeles. It owns an armada of ships and planes, and it has recruited an army of bush pilots, seamen, electronics experts, roustabouts and cutthroats. Though the Mafia is starting to move in on this stream of gold, the connection is still operated mainly by Colombians (some 70,000 families are believed to be involved), most of them novices or small-time entrepreneurs. It is by far the largest business in Colombia, providing more revenue than coffee; it is also, astonishingly enough, the largest retail business in Florida. Those who enjoy smoking the weed may regard the traffic as essentially harmless, but wherever the Colombian Connection extends, it spreads violence and corruption.

Although marijuana is its main product, Colombia is also America's chief cocaine supplier, processing paste from the leaves of the coca plant, grown in the Andes, into the snowy-white chic drug of the 1970s. About 2 million Americans pay $20 billion annually for 66,000 lbs. of the stuff, and Colombia provides about 80 percent of it. It is the fashionable drug among movie stars, pop singers and jet-setters. As Robert Sabbag wrote in *Snow Blind*, his hip account of the cocaine trade: "To snort cocaine is to make a statement. It is like flying to Paris for breakfast." Those who have been arrested for possessing it include Rolling Stones Guitarist Keith Richard, New York Rangers Forward Don Murdoch, TV Star Louise Lasser, Conductor Michael Tilson Thomas and one of the owners of Manhattan's top discotheque, Studio 54, where a flashing light tableau shows the man in the moon sniffing coke from a spoon.

Why did Colombia, a relatively backward land, become the world's drug provider? One reason is that climate and soil conditions in the Andes are ideal for growing high-quality marijuana. Another is that Guajira is remote and inaccessible, hard to police from Bogotá, with a long and irregular Caribbean shoreline that is ideal for smugglers. Still another reason is that after World War II, Colombia was prey to 15 years of civil strife, generally known simply as *"La Violencia."* That left 200,000 dead and a society habituated to frontier justice and pervasive corruption. There were widespread rumors that government officials winked at or even sponsored the drug traffic. That changed, however, with the election last June of Julio César Turbay Ayala, 62, former ambassador to Washington, as President.

Until then nobody had any idea of just how big Colombia's marijuana crop was. Former Assistant Attorney General Rodolfo Garcia Ordonez doubted reports that 25,000 acres were being used to grow marijuana. To disprove what he considered wild overestimates, he took a three-day helicopter tour of the northern provinces and made a "strict calculation." His final report: the weed was flourishing on not 25,000 but about 250,000 acres in Guajira. Perhaps 50,000 more acres are cultivated in the southern plains. "I was shocked," he said. "No one thought the problem could be of such dimensions." At a maximum yield, such fields have a potential of producing annually 6 billion lbs. of marijuana, each pound worth $600 on American streets.

A Colombian marijuana grower gets only about one percent of what his harvest will eventually be worth, $6 per lb., but that is five or six times as profitable as growing coffee, corn or cotton. Despite the fact that the government has begun cracking down (it has burned more than 2,000 tons of marijuana since autumn), it is not inclined to be too harsh on the farmers. Says José Miguel Garavito, the swashbuckling operations officer of the Attorney General's antidrug unit: "It is hard to blame a farmer who is growing corn and earning a few pesos for switching when he sees his neighbors working no harder to grow marijuana and earning lots of pesos. The traffickers come in, give them the seeds and then collect the crop."

It comes in many varieties. The *"catadores,"* or crop tasters, report that although Santa Marta Gold is still the most famous of the Colombian line, the Arhuaco Indians in the higher altitudes are growing an even more potent variety of pot: Mona (blond) plants so pale that they look bleached. The Cielo Azul heights produce a pale plant known as Blue Sky Blond, developed as a hybrid two years ago with seeds from Thailand. Even the arid and low-lying fields of the Guajira peninsula, which are irrigated and farmed with tractors, grow a good green grass. The broiling sun forces the plants up to 15 ft. within six months and infuses them with an abundance of powerful resin. The emerging new drug-cultivation area is the Llanos plains, on the edge of the Amazon jungle, where pruning has improved the original coarse green cannabis.

Samples of all these varieties can be found in Bogotá's dope marketplace, just behind the Bogotá Hilton. One of the traders, known only as Ricardo, touts a red hashish from the Llanos area. He waves a smoldering lump of it on the tip of a needle in front of his clients. As the smoke does its magic, he smiles and exhorts the potential buyers, "Just taste the quality."

Cocaine, which reaches the U.S. through the Colombian network, often does not originate in Colombia. Most coca shrubs grow in neighboring Peru, Bolivia and Ecuador, where the Indians of the Andes have chewed the leaves for more than 2,500 years. According to legend, the founder of the Inca dynasty, Manco Capac, brought coca to earth from his father, the sun. The Indians used it to dull their hunger, cold and weariness. (When Georgia Pharmacist John Styth Pemberton invented Coca-Cola, he included small amounts of cocaine to "cure your headache" and "relieve fatigue," but the drug was eliminated from the syrup shortly after 1900.) Colombia's role in the coke trade is middleman and processor. At kitchen labs dotted around the country, coca leaves brought in from all over the Andes are distilled into a paste and then converted into a base (150 lbs. of leaves make 1 lb. of base, worth more than $2,000). In a final stage, this base is crystallized into 1 lb. of pure cocaine, for which a smuggled will pay $7,000.

On a slightly higher level of technology, Colombia drug traffickers have started to manufacture and smuggle other drugs, most notably a counterfeit line of Quaaludes, a prescription brand of the sedative methaqualone. At least five presses for making the white pills have been smuggled into Colombia recently. For 10c apiece, they churn out tablets of methaqualone that are being popped at 35 times that price in the U.S. Last month, during a raid on a marijuana warehouse on the Guajira peninsula, soldiers found a million fake Quaaludes.

The fortune brought in by drugs has created an underground economy that fuels Colombia's 20 percent inflation. Prices of land and homes in coastal areas like Santa Marta have rocketed. Rolls-Royces and $30,000 beds with built-in stereos are among the signs of the drug traders' conspicuous consumption. Also being purchased by traffickers: Colombia's judges, customs agents and police. The jail in the capital of the Guajira is so corrupted that the army has quit sending captured smugglers there. They routinely escape.

The big money in the Colombian drug operations goes not to those who grow narcotics or process them, but to those who get them to the American consumer. One way to get the drugs out is to fly them from one of the hundreds of clandestine airstrips that have been bulldozed in Guajira peninsula. The Colombian army's map of the region is speckled with 150 pinpoints, but an officer admits, "There are so many illegal airstrips we don't really count them."

"The Americans stupidly land here, and and then they naively make up the same lies to explain their presence," according to General Jose Maria Villarreal Abarca, commander in the northern provinces. "They say they got lost." Shortly after he spoke, one of his deputies came in and reported that three Americans had been caught making an emergency landing. The general went to investigate.

"Gosh," said Donald Davis, 36, a former employee of the Michigan state police who was co-piloting the lumbering old DC-6. "I don't know what all the activity is about. We were headed for Costa Rica from Florida when our navigation went out. We were down to our last drop of fuel when we landed."

In Pilot Riddel Marvin's pocket, however, the authorities found evidence indicating another objective: a smudged note giving the coordinates of a large clandestine airstrip in the area. The army, tipped off by the U.S. Drug Enforcement Administration, had been waiting for the three Americans. According to intelligence, they were supposed to pick up six tons of grass and another American, who had been arrested last November after illegally flying into the country. The three are now being held in Colombia on illegal-entry charges, and DEA officials say they may be prosecuted for conspiracy to smuggle when allowed to return to the U.S.

Getting caught is not the only risk facing drug pilots. The peninsula is littered with planes that were overloaded with tons of marijuana and crashed while trying to take off. General Villarreal says he has found. within four months, eleven downed planes and the bodies of ten smugglers. Local fishermen tell tales of planes crashing into the sea and their crews being devoured by sharks.

Finding a safe landing field in the U.S. on the return run is not easy either, but more and more crude landing strips have appeared in rural areas in the South. One pair of hapless smugglers this month made it all the way into the U.S. only to land in a Florida pasture being used by local politicians for a turkey shoot. The pilot was promptly arrested. But for those who make it in safely, and most do, the payoff is high. A pilot can pocket $50,000 for one trip. Ten tons of marijuana, if landed safely, immediately becomes worth $6 million wholesale, making the trip profitable even if the old plane must be abandoned on its makeshift runway in the woods.

Air transport is only one of marijuana's ways north. Colombia has 1,300 miles of jagged coastline, from which it is easy enough to load 20 tons or more of grass aboard freighters, trawlers or large (often stolen) yachts. These mother ships, as they are called, are monitored by the U.S. Coast Guard at a series of "choke points" as they work their way north through the Caribbean. But American authorities have little power as long as the drug ships hover outside the twelve-mile limit of U.S. territorial waters. Using sophisticated electronic equipment, the smugglers on these mother ships monitor Government surveillance and attempt to rendezvous with souped-up speedboats and pleasure craft that dart out from the U.S. coast at night on duty-free shopping sprees, just as in the old rum-running days of Prohibition.

The Winnebago lurking on the shore of Chesapeake Bay one recent weekend looked like any other mobile camper, but with the radio scanner and communication equipment inside, it resembled a war room in the Pentagon. As a command post for the onshore operations of a marijuana-smuggling confederacy, it had been monitoring the area's police for a week, preparing for a mother ship's arrival in nearby waters. The camper was in contact with small trucks and vans waiting along the coast for the merchandise. As the ship reached the southern tip of Assateague Island, five miles off Virginia, the camper, using code that would bewilder a CB buff, arranged meetings with the contact speedboats and guided them back to rendezvous points on the shore.

When the Coast Guard gets a break, it is often by chance: Coast Guardsmen had boarded one mother ship last July when a smuggler's plane, unaware of the seizure, flew over and dropped a note giving directions for a rendezvous with a cabin cruiser. The officers dressed up as deck hands, kept the appointment with the yacht, sold three 80-lb. bales of grass, and then arrested the American buyers. For each such capture, the Coast Guard cutter gets to display a marijuana leaf on its hull.

Despite the ever larger captures (more than 5 million lbs. of marjuana in the first nine months of last year, compared with 2 million lbs. in all of 1977). Coast Guard Admiral John Hayes admits, "We are at almost a wartime status, but we are interdicting only about 10 percent of the illegal drugs coming in." Most dealers feel even that is an overestimation. Successful smugglers hardly bother to hide their activities. Two Florida brothers, Tracy and Darrell Boyd, once donated $10,000 to the muscular-dystrophy telethon signing themselves "the blockade runners."

Cocaine too is carried on mother ships and lumbering old planes, but since it is so much more compact than marjuana, and worth almost six times its weight in gold, there are simpler methods of shipment. A commercial air traveler flying from Bogotá can make $10,000 tax free by carrying a pound about the size of a paperback book. Many passengers do. They carry the white powder on their bodies, inside candy bars or toothpaste tubes, under slightly askew wigs, sewn into leather saddles.

Major coke dealers have bought furniture factories, which churn out coke-filled lamps and stools for the discerning buyer. Forty pounds of coke was recently seized in a load of South American furniture being trucked from Grand Rapids to Detroit. Compressing machines have allowed exporters to conceal their coke inside products ranging from record jackets to water skis. Cocaine can even be dissolved in liquor or perfume (it is easily recovered after passing customs). Water containing dissolved cocaine can be soaked into cotton clothes and retrieved days later with a loss of only about 10 percent. Middle-size traders often hire "mules," innocent-looking travelers, to walk their goods through customs; they profess ignorance if caught.

A former Los Angeles probation officer and his Colombian wife were arrested with five associates last month; 6 lbs. of coke were concealed in the soles of their wedge shoes.

Braniff Flight 922 from Bogotá to Los Angeles is nicknamed "the cocaine special." One scam is for a passenger to hide the powder somewhere on the plane, clear customs in Los Angeles, reboard the plane for the continuation to San Francisco, then collect his hidden coke. Panel bolts in many planes are visibly worn from smugglers' screwdrivers. Four unclaimed kilos were found last month in one jet's nose cone.

Yet another smuggling technique involves an artful use of the mails. Phil is a young entrepeneur from Chicago who went to Colombia last year on vacation. Like many vacationing students, he happened to stumble across someone in the "snow" business. Nervous but eager, he went one night to see his new friend Rafael at a house on a back street of Bogotá's barrio. He had to bring $3,000. Rafael was holding a .38-cal. automatic when he opened the door, but he was ready to deal. For two hours they packaged 18-gram portions of cocaine in cellophane, attached them to greeting cards with flypaper and placed the cards in business envelopes. At different intervals and from different places, the cards, 47 in all, were mailed to the business address of one of Phil's friends in Chicago. Phil never opened the envelopes: he merely picked them up and delivered them to a local dealer recommended by Rafael, charging him $1,000 an oz. For his work and $3.000 investment, Phil made $25,000. He repeated the scam for a few more months: then, $100,000 later, he pocketed his winnings and retired.

Despite such examples of outsiders' getting involved, the Colombians have been fairly successful in keeping the traffic to themselves. They can recognize each other by their accents, and their clannishness has made it difficult for the police to infiltrate their operations.

The cocaine distribution capital of America today is probably Jackson Heights, a quiet, middle-class residential section of Queens in New York City, within walking distance of La Guardia Airport. Despite the elevated train tracks over Roosevelt Avenue, the neighborhood is neat and clean and, except for those in the drug trade, safe. At present 200,000 Colombian immigrants live there, most of them working in garment factories or running small legitimate businesses. But in the early '70s, half a dozen Colombian gangs, a network of perhaps 1,000, established the connection there.

"Restrepo" is 22, about average age for that specialist known as a cocaine diver. He is darker skinned than most Colombians and a good swimmer, both characteristics common to people from the Buenaventura coastal area where he was born. His role is to retrieve a 4-lb. waterproof bag of cocaine dumped overboard from a Grancolombiana line freighter docked at the Atlantic Avenue wharf in Brooklyn. He works at night, wearing a black wetsuit, and he is very cautious. A similar diver, Carlos Riascos, had his throat slit and body dumped in the river as he clambered ashore with his catch. Restrepo is also honest, at least to his trade; another diver, Asaiel Alomia, who decided last spring to keep his valuable garbage bag, was shot and killed. Restrepo brings the package to a sparsely furnished $300-a-month apartment his boss has rented in a quiet building just off Roosevelt Avenue. His fee for a night's work: $2,000.

The boss, "Martinez," has five divers working for him. He cuts the coke by 50% with borax, a cheap powder that adds a lot of weight but nothing else to the once pure coke. At each stage of dealing, the coke will be cut with substances such as procaine, lactose or—for an extra buzz—amphetamines. When finally consumed, it may be no more than 10 percent pure. Martinez deals only with people he knows well. It is up to these additional middlemen, who know the right artists and hairdressers and doormen, to push it further toward the users.

Around midnight, Martinez drops by a club he frequents on Atlantic Avenue carrying a pack of his 50 percent pure. By day the club is a pleasant bar and restaurant, but when the last diners leave, the door is locked and only the select can enter. The man who answers the door after three quick knocks nods Martinez into the red-draped dark room, with music blaring from a four-piece Latin band. After a round of beer with his friend the middleman, Martinez makes the transaction and goes home.

Although Jackson Heights is a quiet neighborhood, the cocaine dealing is dangerous. At least 14 murders there last year were related to the drug trade. Oscar Toro was part of the coke-smuggling gang of Alberto Bravo, in charge of laundering money and sending it from Jackson Heights to Bogotá. One day, perhaps because it was suspected that he had skimmed some of the cash or cooperated with the police, Toro returned home to find his five-year-old daughter hanged from a rafter in the basement. The bodies of his ten-year-old son and the family's babysitter were later found nearby in an abandoned post office. Toro and his wife offered the police no help, and the murders have never been solved.

Violence among traffickers seems to be part of the trade. In the Guajira capital of Riohacha, 92 people were killed in drug wars within a period of two months. In Florida, there have been 27 unsolved drug-related murders in the past year. One case that was solved was the death of Robert Topping, son of former New York Yankee Owner Dan Topping. He was abducted from the Miami airport, robbed of $47,000 he had brought to buy cocaine, stabbed 33 times and dumped on a Miami street. Barry Adler, 19, was sentenced to life in prison plus 99 years for the crime. Said he at his sentencing: "I'm a young boy and not prepared for it."

The Mafia underestimated the American appetite for drugs and has been unable to dominate the lucrative cocaine and marijuana market. This fits the pattern established at the 1957 Apalachin, N.Y., meeting of Mafia dons, where Carlo Gambino counseled that the drug trade was bringing too much heat. A number of old-line families moved out of the business then and have stayed out. But there is so much money involved, police report, that four families—the old Lucchese, Colombo, Bonanno and Genovese clans—are starting to move in after all. One group of Italians was discussing the cocaine trade in the back room of a Bronx restaurant not long ago when they were visited by a pair of Colombians, one of whom had a machine gun. The gun jammed, and the Italians and Colombians ran off in different directions. Says New York Narcotics Officer Bob Mogevaro: "When push comes to shove, watch out."

American enforcement, like Colombia's is hampered by corruption. Says Dade County, Fla., Chief of Narcotics Investigation Jack Rafferty: "The money floating around has the potential to corrupt nearly anyone." Coast Guard officers have reported attempted bribes of as much as $15,000, and one secretary working for the DEA in Florida went to jail for stealing secret intelligence files. In Key West, four city police were charged last September with serving as lookouts while marijuana was unloaded at a city dock by a smuggling ring. In Jamaica Bay, Long Island, a fishing boat named *The Darlene C.* carrying 30 tons of marijuana, was seized last November, but the customs and Coast Guard officers let the two dozen smugglers escape during the bungled and uncoordinated raid. TIME has learned that the smugglers fled because they were tipped off by a well-placed informant in one of the law enforcement agencies. To top that, 1,300 lbs. of Colombian Gold, most of it from the raided boat, were stolen from a "secret" DEA warehouse just three weeks later, once again on the basis of an inside tip.

At the source, however, a major crackdown has been ordered by Colombian President Turbay Ayala. The various Colombian agencies combatting drugs have been unified as a new group, the Judicial Police. Inefficiency and bureaucratic jealously got the agency off to a slow start: the military, in fact, refused to supply Judicial Police with weapons. U.S. officials ended up smuggling 100 pistols in to them past Colombian customs. Last fall the Colombian army placed the Guajira peninsula under military restrictions, and within two months, the government claims to have captured 15 planes, including a four-engine DC–6; seized 36 boats; confiscated 259 weapons, including an American M–16; and arrested 318 people. More than 3,000 troops are taking part in the effort. Says General Villarreal: "There are so many fields under marijuana cultivation that we couldn't possibly destroy them all. So we are operating against the warehouse and loading areas, the beaches and airstrips. The traffickers have already suffered major injury because they can't move the marijuana out and it's losing its potency." But there is no evidence yet that the crackdown has made a major dent in the flow of grass.

To strengthen customs work in the U.S., the Government is training agents to use the Air Force's new AWAC (airborne warning and control system) planes to track small aircraft from Colombia. Last week, the AWAC plane, at 29,000 ft., spotted a twin-engined D–18 moving north along the Florida coast and alerted customs and police. They seized 1,600 lbs. of Colombian pot shortly after the D–18 landed near Fort Lauderdale. Says Coast Guard Commandant John Hayes: "For once we have something more sophisticated than smugglers can buy."

DEA Chief Bensinger outlines other measures he hopes will cut down the drug flow: "We are going to catch up by hitting their financial base: seizure of assets, real estate, all of the investments that go into a criminal organization. Then get penalties commensurate with the criminal profits; the returns for a smuggler far exceed the risks. Also, we hope to promote a better understanding of the health hazards. And in Colombia, you need the type of commitment that will stop production at the source."

TIME has learned from Latin American sources that the DEA is readying a blockbuster cocaine conspiracy case, involving indictments in four countries, to be made public within two months. The case, part of which has been presented to a San Diego grand jury, involves dozens of people, including high-ranking diplomats and airline officials in the U.S., Colombia, Peru and Mexico, who are accused of trading cocaine worth almost $500 million wholesale.

Current attempts to stamp out Colombia's drugs still seem to be mere stopgaps, however, ineffectual against the tide of American demand for, and tolerance of, marijuana and cocaine. Says Bensinger: "Our efforts are so uphill that it is more than a challenge. The public attitude must change about drugs so the profitability for traffickers will decrease." On this point, Colombia President Turbay agrees: "Colombians are not corrupting Americans. You are corrupting us. If you abandon illegal drugs, the traffic will disappear."●

SENATE—*Monday, January 29, 1979*

(Legislative day of Monday, January 15, 1979)

The Senate met at 12 o'clock meridian, on the expiration of the recess, and was called to order by Hon. EDWARD ZORINSKY, a Senator from the State of Nebraska.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

The Lord gave and the Lord hath taken away; blessed be the name of the Lord.—Job 1: 21.

O God our Father, from whom we came, unto whom we return, and in whom we live and move and have our being, we pause to thank Thee for the life and work of our fallen friend and former President of this body, Nelson Aldrich Rockefeller.

We thank Thee for his high service to the State, the Nation, and the world as executive, diplomat, and benefactor. We thank Thee for his love of beauty, for the vitality of his manhood, the quality of his mind, the warmth of his spirit, the durability of his friendship, the selflessness of his service, and the completeness of his dedication. Bind us heart to heart to those who mourn that they and we may find new faith, wisdom, and strength for the coming days.

We pray in His name who is the Resurrection and the Life. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., January 29, 1979.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable EDWARD ZORINSKY, a Senator from the State of Nebraska, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. ZORINSKY thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. The Senator from West Virginia is recognized.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT—SENATE RESOLUTION 9

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that following the order for the recognition of Mr. PROXMIRE, the Senators may speak up to 15 minutes each during the period for the transaction of routine morning business or longer if they are speaking, if they are delivering eulogies, with respect to the departing of the former Vice President, Mr. Nelson Rockefeller, and that, in any and all events, no action be taken that can in any way relate to or prejudice Senate Resolution 9, my resolution, or the pending motion thereto for the remainder of this day.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

NELSON ALDRICH ROCKEFELLER

Mr. ROBERT C. BYRD. Mr. President, America has lost a great and good friend. Nelson Aldrich Rockefeller's death is mourned by those who knew him well, and by those who knew of him, and admired his energy, courage, and determination.

Nelson Rockefeller was a man I held in high esteem. He served his country from a profound sense of patriotism. His family name and vast wealth could easily have guaranteed him a leisured, idle life. But, to his credit, he chose instead to devote himself to his city, his State, and his country, and he served all with boundless zeal.

Rockefeller never let his privileged background blind him to the suffering of those in less fortunate circumstances. His concern for, and his dedication to, those struggling in misery and poverty was a mark of his deep compassion for all people, rich and poor.

Rockefeller packed many achievements into his seven decades, and he turned his great political energy to many tasks during his long career.

As Governor of New York State and leader of his party there, he made great contributions to the economic, cultural and political life of New York. As the Nation's 41st Vice President, he helped heal the wounds left by the tortured Watergate years. His political career was marked by disappointments as well as triumphs, but he never let the dark moments blunt his dedication, or his appetite for public service.

In the final years of his life, he left the political arena and devoted himself to his second love—art. With the same enthusiasm that marked his public life, Rockefeller turned his attention to making beautiful objects accessible to all lovers of art.

Nelson Rockefeller was a man of many facets and many talents. He will be missed.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. May I yield first, if the distinguished minority leader wishes me to yield to him?

Mr. BAKER. Mr. President, I thank the majority leader. I would hope it might be possible at this time, in deference to the obvious propriety of the circumstance, to ask the majority leader if he will yield to the distinguished Senator from New York.

Mr. ROBERT C. BYRD. I yield to the distinguished Senator from New York.

DEATH OF NELSON A. ROCKEFELLER

Mr. JAVITS. I thank my colleague. I thought it would be appropriate to read the resolution if the clerk would be kind enough to read it by title first.

The ACTING PRESIDENT pro tempore. The clerk will state the resolution by title.

The legislative clerk read as follows:

A resolution (S. Res. 28) relative to the death of the Honorable Nelson A. Rockefeller, a former Vice President of the United States.

Mr. JAVITS. Mr. President, the resolution, which has been drawn by the majority and minority leaders, and which I find eloquent and very satisfactory, is introduced for myself, Senator MOYNIHAN, Senator ROBERT C. BYRD, and Senator BAKER. I am deeply grateful to them, as is the Rockefeller family, for this unique mark of distinction. The resolution reads as follows:

Resolved, That the Senate has heard with profound sorrow and deep regret the announcement of the death of the Honorable Nelson A. Rockefeller, a former Vice President of the United States.

Resolved, That in recognition of his illustrious statesmanship, his leadership in national and world affairs, his distinguished public service to his State and his Nation, and as a mark of respect to one who has held such eminent public station in life, the Presiding Officer of the Senate appoints a committee to attend the memorial service for the former Vice President.

Resolved, That the Senate hereby tender its deep sympathy to the members of the family of the former Vice President.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Resolved, That when the Senate recesses today, it recess as a further mark of respect to the memory of the deceased.

Mr. President, may I also say that in my weekend communications with the leadership of the Senate there was the utmost sympathy and the utmost understanding for what had occurred and

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

the suddenness with which it struck his close friends and his family .

May I say, too, the leadership was prepared to do everything we could do considering the eminence of the deceased, including the services which were had here for Hubert Humphrey and which are traditional for America's greatest sons.

The family, in deference to its own wishes, which we all, of course, deeply respect, has decided upon what shall be the memorial service and what shall be the burial and that shall ensue, perhaps in the New York State capitol.

I make this very clear because I think it is very proper to note that as far as the leaders of the Senate were concerned there was absolutely no honor which could be paid to Nelson Rockefeller which they would not accord, and the present procedure, which is by the adoption of this resolution, is entirely and just exactly what the family would desire and exactly the way in which it would desire it.

I hope Mr. President, that we will have a very proper and suitable committee of Senators. Many of us Nelson Rockefeller knew personally, and with many of us he had close and intimate relations, including one of our number who is a relative by marriage of Nelson Rockefeller.

I will say a little more later in the morning hour, but again I express the gratitude of the family and my own gratitude as a longstanding friend and political colleague of Nelson Rockefeller for the tact, kindness, and political sensitivity which has been shown by the membership on this occasion.

The ACTING PRESIDENT pro tempore. Is there further morning business?

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the recognition of the Senator from Wisconsin (Mr. PROXMIRE) be vitiated.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I thank the Senator from New York for his remarks. I see the distinguished majority leader on the floor. I concur in the assessment of the situation made by the Senator from New York; the majority leader and I have conferred about an appropriate arrangement to do honor to our former Vice President; and it would have been entirely appropriate, I think, to include even a rotunda ceremony for our former Vice President and colleague; but the wishes of the family, of course, prevailed; we honor and respect those wishes, and that is reflected in the contents of this resolution.

Mr. President, Nelson Rockefeller was not only a great Vice President and Governor and a great Republican, but he was that unique and special personality in America's public life who stands on his own feet because of the caliber of his contribution to the national affairs of this Nation.

In more than 30 years of public service, Nelson Rockefeller distinguished himself as one of the most innovative, forceful, and talented men ever to have served the American people.

His 15 years as Governor of New York set a high standard for vigorous and compassionate leadership, and his service as Vice President of the United States helped give the Nation a much needed sense of strength and stability at its most critical hour.

His commitment to a better life for the American people found expression not only in the offices he held, but in the art he greatly shared with us.

The citation accompanying the Medal of Freedom awarded Governor Rockefeller by President Ford in 1977 well states the legacy of this great man:

> Patriot, philanthropist, patron of the arts, diplomat, Governor of New York, Vice President of the United States, his long years of service to his country have yielded governmental, economic, social and cultural contributions beyond measure.

Our deepest sympathy is with the Rockefeller family at this time of sorrow, but there is comfort and solace in the fact that Nelson Rockefeller lived such a long and useful and graceful life.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the resolution.

The resolution (S. Res. 28) was considered and agreed to.

Mr. JAVITS. Mr. President, I hope that we will hear from other Members as to their views on our former Vice President, the former Governor of the State of New York, and my friend.

I think I expressed my own deep feeling about this very eminent son of our country between 2 and 4 a.m. on Saturday morning, when I heard this news, and quite spontaneously wrote out what I thought about Nelson Rockefeller. I would like to read that into the RECORD, Mr. President, as my personal memorial tribute:

> His was a big vision and a big concept of what the American people were capable of achieving in peace or prosperity for themselves and the world. His extraordinary public services to our Nation, to New York State, and to his political party are the material of history and will mark him as one of America's most distinguished sons. We will do well to remember his ideas, his teachings, and his personal warmth and dynamism. It will help us as individuals and as a people. We have all lost a good friend.

Mr. President, I appeared on a television program in New York early this morning, giving some of my personal recollections of Nelson Rockefeller's life and career, and was joined in that by William Ronan, who is the chairman of our New York Transportation Authority, one of his closest personal friends and associates, and by Dorothy McHugh, the Republican State Committeewoman from New York, and also a very close and personal friend.

Mr. President, I think the universal feeling which emerged was very accurate. It not only emphasized his dynamism, his friendship, his warmth, his ability to make his presence felt wherever he was and whenever he spoke, but it also epitomized one other thing which I would like to emphasize as his finest memorial: Mr. President, he not only loved the American people—he did that—but he had the most enormous confidence in their dignity, their fairness, their ability to choose among alternatives, and beyond all else, their mission to make a better world and a better life, not only for themselves but for all of us, and also their ability to accomplish anything. Really, his broad mind visualized great alternatives and grand solutions, because he felt that those were the proper measure of the American people.

When he, for example, suggested that we spend $100 billion over 10 years to break the hold of foreign oil upon our balance of payments as well as upon our politics and our society, it was not just an expression of the fact that he could think in big terms; it was an expression of the fact that he believed the American people could accomplish anything to which they set their minds.

Mr. President, I ask unanimous consent that an article written by Linda Greenhouse in the New York Times, be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, Jan. 28, 1979]

FOR NEARLY A GENERATION, NELSON ROCKEFELLER HELD THE REINS OF NEW YORK STATE

(By Linda Greenhouse)

He sought the Presidency of the United States three times, and in his final years of public life he served as the nation's 41st Vice President. But for all his aspirations for national leadership, Nelson Aldrich Rockefeller was a New York institution. He was, it seemed, the eternal Governor.

By the time he left office in Albany in 1973, an entire generation of New Yorkers had reached voting age and entered adulthood scarcely able to remember a time when he was not the state's chief executive. Only New York's first Governor, George Clinton, who served 21 years, held the office longer.

Mr. Rockefeller dominated the state as few men have ever dominated any government. Starting with his upset defeat of the Democratic incumbent, W. Averell Harriman, in 1958, Mr. Rockefeller—a political neophyte whom the Republican leadership had indulged largely because he could finance his own campaign—left his mark indelibly on the economic, political and cultural life of New York.

$1 BILLION ALBANY MALL PROJECT

His influence was measured not in increments but in quantum jumps: under his leadership, the state university system increased from 38,000 students on 28 campuses to 246,000 students on 71 campuses; the number of state employees nearly doubled, from 102,000 to 183,000; the state budget more than quadrupled, from $2 billion to $8.85 billion; and the tax levy went from $94 to $460 for every man, woman and child in the state.

In the $1.5 billion, gleaming white marble South Mall state office building complex in Albany and in 29 other state office buildings from Hauppauge, L.I., to Buffalo, Mr. Rockefeller left a physical legacy that was among the more controversial aspects of his four administrations.

On Dec. 11, 1973, slightly more than a year before the expiration of his fourth term, Mr. Rockefeller announced that he was resigning in order to devote his time to two organizations he headed, the National Commission on Critical Choices for Americans and the Commission on Water Quality.

WAS EXPECTED TO TRY AGAIN

The move was widely interpreted as a prelude to a fourth try by the Governor for the Presidency, a goal that had eluded him throughout his political life. He cheerfully denied that assessment, saying he wished to keep his options open, and turned over the governorship to Malcolm Wilson, who had been his Lieutenant Governor the entire 15 years.

Mr. Rockefeller did not run again for the Presidency, but his political career was not yet finished. After Gerald R. Ford succeeded to the Presidency with the resignation of Richard M. Nixon at the climax of the Watergate scandal, Mr. Rockefeller was persuaded to become an appointed Vice President and was sworn in on Dec. 19, 1974.

"I feel a great sense of gratitude for the privilege of serving the country I love," he said the day he took office as Vice President.

Mr. Rockefeller was the second Vice President installed under the 25th Amendment, which provides for filling vice presidential vacancies with nomination by the President and confirmation by the Congress. Mr. Ford was the first. He succeeded Spiro T. Agnew as Vice President after Mr. Agnew's resignation in the wake of a bribery scandal.

Mr. Rockefeller served two years under Mr. Ford, who completed Mr. Nixon's second term of office.

WORKED ON ART COLLECTION

Since leaving public life in January 1977, after the Republicans lost the White House, Mr. Rockefeller had focused his energies on his considerable art collection, on writing books on art, on setting his family's financial affairs in order and on providing new direction for the $209 million Rockefeller Brothers Foundation.

Notably, he did not involve himself extensively with politics. On the contrary, in what many observers interpreted as a falling-out with the Republican Party, Mr. Rockefeller sharply diminished his contributions to any fund-raising efforts for G.O.P. causes and candidates. He also stopped attending political dinners and managed often to be out of country when important political meetings were being held.

Mr. Rockefeller did, however, take on a few peripherally political assignments, lobbying privately for President Carter's Panama Canal treaties, urging the United States Senate to support a $100 billion Government corporation to finance high-risk energy ventures and attempting to attract Middle East oil money to venture capital investments in the West.

In the past two years, he made a couple of trips to the Middle East, describing himself as a mere tourist, and traveled to Iran in 1977 at the behest of the Shah to dedicate an art museum.

Last November, without fanfare, Mr. Rockefeller opened a retail store at 48 East 57th Street displaying expensive, high-quality reproductions of his own art and art-objects collections. Catalogues were made up and the merchandise was sold by mail order, with the store billed as a place where customers could merely get a look at the goods.

What some critics called the "commercialization" of the Rockefeller collections generated some debate in art circles, but the store was a big success. As a result, Mr. Rockefeller decided to make it a permanent operation and was to have announced today that he had taken out a five-year lease.

Last March, Mr. Rockefeller signed a contract with Alfred A. Knopf, the publishers, to produce five books about his extensive art collections, and had spent much of his time since at work on the project.

The first volume, on his extensive primitive art collection, was published last month. Titled "Masterpieces of Primitive Art," it had a text by Douglas Newton, photographs by Lee Boltin and an introduction by Mr. Rockefeller. At the time of his death, Mr. Rockefeller was at work on the second volume in the series.

Since leaving politics, Mr. Rockefeller had made only one foray—a somewhat sentimental journey—back into the limelight, traveling to the state capital last May for the rededication of the Albany Mall as "the Nelson Rockefeller Empire State Plaza."

HIS GREETING WAS POLITICAL ASSET

When Mr. Rockefeller left Albany in 1973, members of both parties found it difficult to imagine life in the state capital without him. Over the years, his magnetic grin and his perennial greeting of "Hiya, fella!" had become the stuff of political cartoons and easy parody, but there was no disputing their value as political assets, and no doubt of the force of his personality.

Those whom he failed to enchant maintained that the public Rockefeller, with the hearty, good-natured ease he projected, was only a facade carefully constructed to mask a crafty, ambitious, thoroughly political nature.

His critics were most vociferous after he refused to go to the scene of a prisoner riot and cellblock takeover at the Attica State Prison in western New York in September 1971 to negotiate the release of guards seized as hostages. The rebel inmates had demanded his presence as a condition for talks.

Instead of going to Attica, however, he ordered the rebellion crushed by force, and 29 inmates and 10 hostages held by prisoners were killed in the ensuing blaze of gunfire and tear gas. Eventually, 43 persons died of injuries sustained in the insurrection and its bloody conclusion.

MANY NEVER FORGAVE HIM

The Governor defended his refusal to go to Attica and his orders to end the uprising forcibly on the ground that it was his "best judgment," but many people—critics and supporters alike—disagreed with the decisions. His political opponents, contending that it showed he lacked compassion, never forgave him, and even some of his supporters and staff aides were hard pressed to defend the decisions.

A commission headed by Robert R. McKay, then dean of the New York University Law School, concluded in 1972 that Mr. Rockefeller should have gone to Attica before ordering the assault to recapture the prison.

Critics of Mr. Rockefeller attacked him in harsh terms again in 1973, when, nearing the end of his administration, the Governor backed a tough revision of the criminal penalties for convicted narcotics pushers and users. Most of the laws survived court tests, but the harshest sentences called for —up to life in prison for heroin sales—have not been widely imposed.

Mr. Rockefeller's ambition was difficult to deny, but to his supporters, his public personality indicated a real enjoyment of people and a disinterested commitment to public service, in the tradition of his philanthropist father.

HOSPITALITY AND LARGESSE

In any event, the private side of Mr. Rockefeller's life was one that only a very few intimate friends ever saw. Casual acquaintances might be invited to a function at the Playhouse, the "public" building with an indoor swimming pool and bowling alleys on the Rockfeller family's 4,180-acre estate at Pocantico Hills, near Tarrytown in Westchester County.

Closer friends and political notables might gain entrance to the Governor's own castlelike home on the estate or to his Fifth Avenue duplex apartment, where they could admire a Matisse mural that the artist, working in France from a scale model, designed to fit around the livingroom fireplace, or an abstract landscape that Fernand Léger came to the apartment to paint. When Meade H. Esposito, the Brooklyn Democratic leader, admired a lithograph in that apartment, Mr. Rockefeller took it off the wall and gave it to him.

But beyond the affable hospitality and largesse, Mr. Rockefeller was a complex man who used his great wealth to protect his and his family's privacy. There were a number of people he called on often for advice, but few among them could consider themselves his intimate friends or confidants. He usually vacationed in the family's retreat at Seal Harbour, Me., or at his large ranch in Venezuela; spent nearly every weekend at the discreetly but very well guarded Pocantico Hills, and was rarely seen in the Executive Mansion in Albany, the Governor's official residence, except to stand on a receiving line.

STYLE OF HIS YOUNGER DAYS

Mr. Rockefeller's associates like to tell how as a young boy he shined the family's shoes and raised rabbits for use in the Rockefeller Intitute's laboratories to earn money, and how as an undergraduate at Dartmouth he customarily wore baggy pants and a sweater with holes in it. The point such stories were designed to make was that this scion of one of the world's wealthiest families had an ordinary childhood and grew up considering himself just one of the boys.

But in the light of both the circumstances of his early life and some of the rare personal comments he occasionally dropped, that analysis seems disingenuous at best.

One winter night in the early 1960's, Governor Rockefeller's private plane swept in over Washington, the floodlit White House clearly visible below. "How long has it been, Governor, since you wanted to live in that house?" a passenger asked.

Mr. Rockefeller fingered his glass of Dubonnet thoughtfully for a moment, then replied: "Ever since I was a kid. After all, when you think of what I had, what else was there to aspire to?"

And once, when a dinner partner at a small party he gave complimented him on his skill as a dancer, Mr. Rockefeller answered with a short laugh. "Yes, I had two choices," he said. "I could have become a gigolo or I could have become Governor. I chose the latter."

USED TO "GOLDFISH BOWL"

"Being a Rockefeller is like living in a goldfish bowl," he said on another occasion. "The goldfish get used to it and so do we."

He learned early to protect himself from those who might want to use his money or name for their own purposes. As a young man, he served briefly on a civic commission with 20 other persons, none of whom he knew. Before the group disbanded a month later, a third of the members had approached him with a business proposition or other deal.

But if the family name and fortune imposed burdens, they also offered enormous power and instant access to the world's leaders, access that did not depend on a particular Rockefeller's holding public office at a given time. It was Nelson Rockefeller who, out of office in 1946, persuaded his father on a few hours' notice to put up the $8.5 million necessary to acquire the East River site for the United Nations, thus preventing the world organization from building its headquarters in Philadelphia.

Nelson Aldrich Rockefeller was born July 8, 1908 at the family home in Bar Harbor. He was the third of six children of Abby Green Aldrich Rockefeller and John D. Rockefeller Jr., the son of the founder of the Standard Oil fortune. He was named for his maternal grandfather, Senator Nelson Aldrich of Rhode Island, a powerful figure in national Republican politics.

IMAGE AS "MALEFACTORS"

At the time of his birth, the Rockefeller family was not only rich but also notorious—"malefactors of great wealth," Theodore Roosevelt once called them. In 1908, the Standard Oil Company was in the midst of massive legal battles, which it eventually lost, against Federal and state attempts to break up the huge monopolistic trust. A typical political cartoon of the day, by Frederick B. Opper, showed a giant thug labeled "Standard Oil Trust" stomping on a small figure identified as "The Public."

The image changed, largely because of the work of Mr. Rockefellers father. Before he died in 1960 at the age of 86, John D. Rockefeller Jr. gave uncounted millions of dollars for medical research and other charitable and humanitarian endeavors, and the Rockefeller name came to be associated no longer with malevolence but with philanthropy on a previously unmatched scale.

Nelson Rockefeller was educated at the Lincoln School, a "progressive private school in Manhattan and at Dartmouth College, where he majored in economics, wrote his senior thesis on his grandfather and graduated as a Phi Beta Kappa in 1930.

A few days after graduation, he married Mary Todhunter Clark, the daughter of a prominent Philadelphia family. The couple took a round-the-world cruise financed by Mr. Rockefeller's father as a reward for not smoking. His father and grandfather were abstemious Baptists who neither drank nor smoked, and Nelson Rockefeller usually confined himself to a single glass of Dubonnet.

HEADED ROCKEFELLER CENTER

The young graduate took a job as a clerk in the family bank then called the Chase National. He later worked in the bank's Paris and London branches. He also worked in the rental department of Rockefeller Center, then newly completed. Mr. Rockefeller was later president and then chairman of the center, resigning when he was elected Governor.

The year of his college graduation he signaled another lifelong interest by joining the board of trustees of the Metropolitan Museum of Art. His mother was one of the founders of the Museum of Modern Art and urged her children to collect and admire modern art. Nelson Rockefeller took the advice to heart, and during his lifetime he assembled one of the world's most spectacular private collections of modern paintings and sculpture and primitive art of all kinds.

He founded the Museum of Primitive Art in 1957 to accommodate his fast-growing collection. For advice on his collection of American and European art, which was especially strong in cubism, futurism and abstract expressionism, Mr. Rockefeller had the services of a "shadow cabinet" of some of the country's leading curators and museum directors. For many years, he employed a fulltime curator of his own, Mrs. Carole Uht, who kept his catalogues up to date and kept track of works out on loan and of his voluminous transactions with dealers.

However, Mr. Rockefeller himself was extremely knowledgeable about art, and actively enjoyed his paintings, not only as investments but also as objects of beauty. He served as president of the Museum of Modern Art in 1939.

LECTURED ON A MARC PAINTING

In a lecture he gave at the New School for Social Research in 1967, Mr. Rockefeller commented on his fascination as an art student in college with "Red Horses," a painting by the German artist Franz Marc.

"This is a subject in which the composition, the color, the motion, the strength constantly keep hitting you," Mr. Rockefeller said. "If you are in a different mood than when you previously saw it, you are going to see a different painting, different portions, with their fine points of variation in color, as viewed through the slightly tinted glasses of a different mood or attitude of the day. Talking now not of this particular painting alone but in general, this always makes such artistry exciting."

He filled the Governor's mansion in Albany with paintings from his collection, many of them abstract works that left his fellow politicians frankly confused. "They had never seen anything like it," he recalled. "You know: 'My son, who's 3 years old, could have done better.' I got the standard reaction. It was delightful."

Only by outright arm-twisting of the Legislature did the Governor get the state to approve a $15 million contribution to Lincoln Center for the Performing Arts to build the New York State Theater there.

A MEETING WITH MORGAN

Once while Mr. Rockefeller was an officer of the Museum of Modern Art, the museum invited the painter William Gropper to do a modern mural for a special exhibition. The painter selected J. P. Morgan as his subject and also included a chorus girl and a man clutching a bulging moneybag. Mr. Rockefeller, who was in his 20's at the time, was mortified, and decided to go see the older man before the exhibition opened and explain what had happened.

As Mr. Rockefeller later recounted the incident, Mr. Morgan told him: "Of course you've got to hang it. Don't give it another thought," Mr. Rockefeller called that exchange "one of the great experiences in my life."

From 1935 until 1940 Mr. Rockefeller was a director of Creole Petroleum, a Standard Oil affiliate with large holdings in Venezuela, where he spent much time. He became fluent in Spanish and acquired a lifelong interest in South America.

In 1940 he joined the State Department as coordinator of Inter-American Affairs, helping to formulate President Franklin D. Roosevelt's "Good Neighbor" policy for Latin America. In 1944 he was named Assistant Secretary of State for the American Republics.

Mr. Rockefeller left Government service in 1945, and the next year helped to found the American International Association for Economic and Social Development, a private, nonprofit group, to work with Latin American governments in agriculture and nutritional research and development.

ADVISER ON POINT FOUR

In 1947 he helped to organize the International Basic Economy Corporation, a profit-making organization, to foster investment in Latin American industrial and agricultural enterprises.

President Harry S Truman recalled him for a year in 1950 as chairman of the International Development Advisory Board to advise on the Point Four technical aid program.

He served in the Eisenhower Administration as Under Secretary of Health, Education and Welfare from 1953 to 1955, when he became a special assistant to the President for foreign affairs

Frustrated by the lack of effective power in appointive office, he left government in 1956, looking for a place to run. Two years later, he won the Republican gubernatorial nomination in New York, primarily because the party was looking for a wealthy newcomer willing to make what was seen as a doomed run against Governor Harriman.

Mr. Rockefeller was chauffeured around the state by a fellow Westchester County Republican, Malcolm Wilson of Yonkers, a 20-year veteran of the State Assembly. In return, Mr. Rockefeller insisted that Mr. Wilson be given the nomination for Lieutenant Governor. With an expensive media campaign and the tactile, personal campaign style Mr. Rockefeller was to develop into an art form, the Republican ticket won in an upset by 573,000 votes, and the newly elected 50-year-old Governor was immediately projected onto the national political scene as a potential Republican Presidential candidate in 1960.

He made some hesitant overtures toward seeking the nomination, eventually saying that he would accept a draft, but finally backed away from a showdown fight with Vice President Richard M Nixon, who won the nomination easily.

INCOME-TAX WITHHOLDING

Mr. Rockefeller's first years in Albany meanwhile, were busy ones. Soon after he took office on Jan. 1, 1959, he announced the state's first $2 billion budget together with $277 million in tax increases and the state's first withholding for income taxes. There were howls of protest in the Legislature, but Mr. Rockefeller prevailed.

His fiscal policy during the early years of his administrations was traditionally conservative—pay-as-you-go—with little or no borrowing. Eventually he reversed himself—as he did on many other issues—and came to rely on massive borrowing and record bond issues to finance capital improvements, sewer projects, transportation and other major programs.

The voters twice rejected major transportation bond issues. But he was able to incur an additional $6.7 million in state debt without voter approval by creating semiautonomous agencies such as the Housing Finance Agency and the Urban Development Corporation with the power to issue their own bond.

Under Mr. Rockefeller, the state got its first sales tax, which had risen to four cents on the dollar by the end of his 15 years. Taxes of various kinds were imposed or increased in 1959, 1963, 1965, 1966, 1968, 1969, 1971 and 1972. The state debt increased from $92 million in 1959 to $3.4 billion by the end of 1973.

A LIST OF ACHIEVEMENTS

However, for their money the voters got a long list of achievements. Among bricks and mortar, in addition to the State University and the Albany mall and other state office buildings, were the construction of 200 water-treatment plants to combat pollution; the construction of 30,000 housing units by the Urban Development Corporation and 60,000 units by the Housing Finance Agency; three new model communities built by the Urban Development Corporation at Lysander near Syracuse, Amherst outside Buffalo, and Welfare Island; 23 new state mental health facilities; 109 voluntary and municipal hospitals and nursing homes constructed or expanded, and completion of the Long Island Expressway, which opened up Long Island to residential and industrial expansion.

In education, there were major increases in state aid to local school districts, state aid to parochial schools—most of which was later declared unconstitutional; state aid to private universities; 235,000 scholar-incentive awards of $100 to $600 annually for students attending private and public colleges in the state, and 75,000 Regents scholarships of up to $1,000 annually. In most of these areas, the Governor blazed new trials.

So, too, did he pioneer in injecting the state into the mass transit business by creating the regional Metropolitan Transportation Authority, which took over New York City's subway system and pumped into it funds for new subway cars and new subway-line construction. He also was largely responsible for creating a State Council on the Arts, which provided about $15 million annually for local cultural events.

As Mr. Rockefeller began preparations for running for a second term, the announcement suddenly came that he and his wife of 31 years were being divorced. They had last been seen together in public on March 3, 1961, when they were rescued by firemen from from the Executive Mansion in Albany. A fire almost completely wrecked the interior of the mansion, although no one was injured. The Governor personally paid $58,000 of the $558,000 in the restoration costs.

The Rockefellers had five children: Rodman, Ann (now Mrs Lionel Coste), Steven, Mary (now Mrs. William J. Strawbridge Jr.) and Michael, Mary's twin brother. Michael was lost and declared dead on an anthropological expedition to New Guinea in November, 1961, the month that his parents' impending divorce was announced. He was 23 years old and, according to most accounts, was the closest of the five children to his father.

Mr. Rockefeller chartered a jet from Honolulu and flew to New Guinea to join in the search, but gave up and returned home after 10 days.

Mrs. Rockefeller was granted a divorce on the grounds of mental cruelty. Some political leaders expected the divorce to hurt the Governor's chances for re-election, but he easily won a second term in 1962 by defeating the Democratic candidate, Robert M. Morgenthau. The margin was 530,000 votes.

The next year, he married Mrs. Margaretta Fitler Murphy five weeks after her own divorce. The new Mrs. Rockefeller, nicknamed Happy, was 19 years the Governor's junior. Her former husband received custody of the couple's children.

Whether it was the divorce and remarriage or the conservative tide in the country that defeated Mr. Rockefeller's second try for the Presidency in 1964 was a subject of lengthy debate. He won Republican primaries in Oregon and West Virginia, but lost the important California primary to Senator Barry Goldwater of Arizona and withdrew his candidacy in favor of Gov. William W. Scranton of Pennsylvania.

BOOED AT 1964 CONVENTION

At the Republican nominating convention in San Francisco, Governor Rockefeller was loudly booed by conservatives when he took the rostrum to denounce the philosophy of the extreme right. He did not campaign for Senator Goldwater, who won the nomination and whose defeat by Lyndon B. Johnson was a major disaster for Republicans in New York State: The party lost a Senate seat, seven seats in the House of Representatives and, for the first time in 25 years, both houses of the State Legislature.

Governor Rockefeller began his campaign for a third term in 1966 by declaring: "I speak as one who has taken himself out of national contention, completely and forever, without reservation." He was reported to have spent between $5 million and $6 million on the campaign, a new national record for a state election, and won with 44.6 per cent of the vote in a four-way race against Frank D. O'Connor, the Democrat candidate; Francis Adams, the Conservative, and Franklin D. Roosevelt Jr., on the Liberal party line.

As the 1968 Presidential election approached, Governor Rockefeller once again vacillated to the crucial moments. He first declared that he would support Gov. George Romney of Michigan for the Republican nomination. When Mr. Romney withdrew, Governor Rockefeller called a news conference at which it was widely believed he would announce his own candidacy. But he still hung back, waiting 40 more days until May 1968 to announce that he would fight Mr. Nixon for the nomination "right up to the last vote."

NIXON AN EASY WINNER

Mr. Rockefeller campaigned vigorously, but Mr. Nixon easily won the nomination on the first ballot at the Republican National Convention at Miami Beach. Mr. Rockefeller expected to be offered a high Cabinet position in the Nixon Administration, but no serious offer ever came.

Mr. Rockefeller won his fourth term in 1970 by easily defeating Arthur J. Goldberg, the former Supreme Court Justice and chief United States representative at the United Nations, by 688,000 votes, the largest plurality in his career.

Although he was obviously as effective a vote-getter as ever, and showed few signs that he was approaching an age when many men consider retiring from active life, the flow of innovations that had marked Mr. Rockefeller's first decade as Governor seemed to come to an end, replaced instead by an emphasis on holding down state spending and keeping new programs to a minimum.

Typical of this latter period was the Governor's attempt to impose a residency requirement for welfare—a proposal he had assailed when it was suggested by Mr. Goldwater eight years earlier—and his appointment of a welfare "inspector general" to crack down on welfare recipients.

Liberals, who had once considered Governor Rockefeller one of their number, denounced him for these shifts, especially after he refused to go to Attica in 1971. The criticism reached a peak in 1973 when Mr. Rockefeller proposed a revision of the penalties for convicted narcotics sellers that some considered Draconian.

REVERSED STAND ON U.D.C. POWER

Also that year, Mr. Rockefeller reversed an earlier stand and allowed the Legislature to strip the Urban Development Corporation of its controversial power to override local zoning regulations in the construction of low-income housing, a power the Governor had insisted on when he forced the bill creating the U.D.C. through the Legislature, in the wake of the assassination of the Rev. Dr. Martin Luther King Jr. in 1968.

This later period was also marked by Governor Rockefeller's feud with Mayor John V. Lindsay of New York. The relationship between the two reached its nadir in 1973 when Mr. Rockefeller teamed up with Alex Rose, the Liberal Party leader, to try to put across a former Democratic Mayor, Robert F. Wagner, as the Republican-Liberal candidate for Mayor of New York. Eight years earlier, Mr. Rose and Mr. Rockefeller had joined to back Mr. Lindsay, supposedly to rescue the city from the effects of 12 years of Wagner rule.

As Mr. Rockefeller's politics changed over the years, so did his personality. In the early years of his administration, he was often testy and arrogant off camera, despite his public image of ebullience.

But he mellowed considerably, and toward the end of his four terms his private demeanor more closely resembled his public personality. Some attributed the relaxation to the effect of the second Mrs. Rockefeller, who, at least in public, lived up to her nickname, Happy. The couple had two children, Nelson, Jr., born in 1964, and Mark, born in 1967.

RETAINED A JAUNTY BEARING

At 5 feet 10 inches tall and about 185 pounds, Mr. Rockefeller had a broad-shouldered, stocky build. His reddish-brown hair turned gray during his 15 years in office, but his bearing remained jaunty. He had a rather flat high-pitched speaking voice with an accent that seemed to fluctuate between the broad "a" of the upper classes and the twanged, nasal vowels of upstate New York.

Mr. Rockefeller was not at his best when reading a speech. Few people were aware of the problem, but all his life he suffered from an innate tendency to read backward from right to left, a difficulty that may have had its origin in his fathers' unrelenting effort to change young Nelson from a left-hander to a righthander. Around the family dinner table, the elder Mr. Rockefeller would put a rubber band around his son's left wrist, tie a long string on it and jerk the string whenever Nelson started to eat with his left hand, the one he naturally favored. Eventually, the boy achieved a rather awkward ambidextrous compromise.

But Nelson Rockefeller could be fluent and effective when, as was his habit, he discarded a prepared speech, promised the reporters present that "Boys, I'll stand behind every word," and spoke extemporaneously. His nickname "Rocky" was purely a convenient political invention. His family and friends always addressed him as "Nelson."

His tireless, tactile campaign style was famous. He nudged and hugged and winked his way through crowds with his "Hiya, fella" or "You're terrific, I want to tell you," leaving beaming voters everywhere he went.

A SURPRISE TO CRONKITE

One of the few spontaneous movements of the Republican National Convention in 1972 occurred when Walter Cronkite invited Mr. Rockefeller to the broadcast booth for an interview. After some minutes of perfunctory questions and answers the Governor suddenly thrust his hand out toward Mr. Cronkite, grinned and said, "Walter, I just want to tell you, I think you're terrific, fantastic." It took the usually unflappable Mr. Cronkite a few silent seconds before he realized he should take the proffered hand and return the compliment.

On rare occasions, the homey touch fell flat. Once, for example, he passed a baseball diamond where small boys were playing, Mr. Rockefeller commented on how much he enjoyed the game in his youth. Near him was a boy in shinguards and a chest protector, carrying a big, round glove, "And what position do you play, son?" asked the Governor, putting his hand on the boy's head.

And sometimes there was an outright blunder. He was once asked what he thought of his protégé, Dr. William J. Ronan, head of the Metropolitan Transit Authority. "He's doing a horrendous job," Mr. Rockefeller replied proudly. While reporters tittered, his staff gathered around him in consternation. He emerged to say he had meant to say "terrific." An aide explained that the Governor had always thought "horrendous" was a term of praise.

In his work, his greatest strength, aside from his nearly limitless resources, was an expert, loyal and secure staff. He rewarded competence handsomely, and the men around him worked with the knowledge that when their days on the public payroll were over, there would almost certainly be a position in the far-flung family enterprises.

His aides examined issues meticulously, preparing detailed briefing papers on everything from the apple crop to sewage disposal. Mr. Rockefeller was rarely caught should be being unprepared in discussions around the state.

His years as Governor were remarkably free of public scandal. The only major scandal that struck close to home involved L. Judson Morhouse, the Republican state chairman and former Rockefeller political mentor, who was convicted in 1966 of bribing the chairman of the State Liquor Authority, another Rockefeller appointee named Martin Epstein. Although sentenced to three years in prison, Mr. Morhouse was ganted executive clemency by the Governor on the grounds of illness.

The day after Rockefeller announced his intention to resign from office, Perry B. Duryea, Speaker of the Assembly, and other Republican figures were indicted by a grand jury on charges of violating the election law in an alleged vote-siphoning scheme. The charge against Mr. Duryea was later dropped, and he unsuccessfully challenged Hugh Carey for the Governorship last year.

OBJECTIVITY STRESSED

Mr. Rockefeller's supporters stressed the objectivity and humanity of his years in power. "When I make a decision," the Governor once said, "I think: 'It's human, it's right, it's neither liberal nor conservative, but it's the right thing to do.' I have as much to 'conserve' as anyone."

To his detractors, he was arrogant, opportunistic and shallow, able to retreat to his mansions and pass out of reach of the consequences of his policies, so sure that his decisions were selfless and free from desire for private gain that he held competing views in utter contempt. They saw him as so isolated by millionaire comforts that he was capable of giving an aide a nickel to make a telephone call.

Like many wealthy people, he never carried money and once had to borrow a dollar from a startled receptionist at the Department of Health, Education and Welfare to pay a 90-cent taxi fare.

There never was a precise estimate of Mr. Rockefeller's worth. The family fortune was said to be between $6 billion and $10 billion, and Mr. Rockefeller was estimated to have a personal fortune of something like $200 million. He said in the early 70's that his yearly income taxes had not been under seven figures for the last 25 years.

He dressed impeccably, lived with great style and paid many expenses of the governorship out of his own pocket. He had been brought up with the strong belief that money should not be squandered or spent ostentatiously. Yet he felt he owed no apologies or explanation for spending it as he pleased.

One year he presented Mrs. Rockefeller with a new Rolls-Royce that cost $33,000. Since the car was to be used almost exclusively for driving among other Rockefellers at the Pocantico Hills estate, an aide asked only half-facetiously whether the Governor didn't think the purchase a bit extravagant.

"Well, you know, we're getting along," replied Mr. Rockefeller, who was 64 years old at the time. "It's time to have a little fun."

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. JAVITS. Of course.

Mr. GOLDWATER. Mr. President, I appreciate the Senator's yielding to me. I probably had the occasion of knowing Nelson Rockefeller and actually living with his political life more closely than most other Americans. I watched his development.

While we had political differences, they were never of any great nature. But I came to know this man, and I can say, too, without any hesitancy, that I do not think I have ever known another man who lived in America who so strongly supported American ideals and who always put America and the American people at the forefront of everything that he was thinking. I want to join my friend from New York in what he has just said about this great man.

Mr. JAVITS. I thank my colleague very much. I am really grateful to him, and Nelson would be if he could hear it. The Senator has captured the spirit of a political relationship extending over many years.

Mr. President, I ask unanimous consent that the RECORD remain open for 10 days for the convenience of Senators who may not have had the opportunity on this day to express their condolences and their feelings on the passing of former Vice President Rockefeller.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. JAVITS. I further ask unanimous consent that at the end of that period of 10 days, all eulogies with respect to our late departed colleague, former Vice President Rockefeller, be compiled and published as a Senate document.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. PROXMIRE. I do not know whether the Senator from New York had a chance to hear the magnificent prayer that the Chaplain gave this morning. It was related entirely to the life of Nelson Rockefeller. I would hope that that prayer might be included also. It was a most moving tribute, as I am sure the Senator will agree if he heard it.

Mr. JAVITS. Mr. President, I was on my way back from New York and was not here to hear it. I ask unanimous consent that the Chaplain's prayer of this morning may be included in the body of that document.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

NELSON ROCKEFELLER (1908–79)

Mr. DOLE. Mr. President, this morning is one of historic proportions, of bright beginnings and poignant endings. While most eyes are firmly focused on Blair House and Vice Premier Teng, you will forgive me for casting a glance northward, to Westchester County and the family of Nelson Rockefeller, gathered for a simple farewell to this remarkable man. We have heard thousands of words of official sorrow since Governor Rockefeller left us Friday night. We have the tributes of Presidents and Potentates, of political friends and foes. But what struck me as revealing, in a way that Nelson Rockefeller himself might have been moved, was the message from Western Union that their lines were swamped with the condolences of ordinary people, the men and women who were charmed and uplifted by Nelson Rockefeller's obvious love for humanity. It was they who elected him four times Governor of the Empire State, and who grasped in his passion for problem solving a rare blend of compassion and competence.

Americans understand what they have lost. They have lost a political leader who was truly larger than life. They have lost a man who served as a guidepost of sorts, through two tumultuous decades of change here and abroad. They have lost another practitioner of the politics of joy.

Nelson Rockefeller loved people. It was as simple as that. It was the thing that motivated his career of public service. It was the quality most apparent in the man many considered the best street campaigner of our time.

A LEGACY OF LOOKING TO THE FUTURE

Equally important, Governor Rockefeller was never content to rest upon accumulated laurels. Perhaps his most important service, after his assumption of the Vice Presidency in a time of grave peril to our national faith in ourselves, is the example of vision and national foresight that he leaves behind.

Nelson Rockefeller felt that Government in the modern era could not simply administer a nation. To have moral and political legitimacy, it must look to the future, determine trends, ascertain goals, and plan for their implementation. Who else is doing such important work today? Who in current Government is as concerned with what the future might bring? Who brings to the political arena such breadth of vision, such sweeping confidence in America's ability to solve its dilemmas?

Nelson Rockefeller is gone. The man we were privileged to know as our Presiding Officer and our personal friend is consigned this day to the soil of Pocantico—a place rich in American history, cherished by a great American family.

The man's passing should not destroy what he fought for. Perhaps most important for those of us frustrated by the myopia and confusion of present-day Washington, Nelson Rockefeller reminds us that democracy must anticipate the future rather than dwell in the past. We must press forward in the spirit of optimistic conviction that he carried always, rejecting the timid or the prophet of doom.

America is a great Nation because the American people have never shied away from great deeds. The present age, no less than past ones, calls forth all the vision and stamina we possess. That was Nelson Rockefeller's lesson to us. May we accept it as his legacy. To his family, I extend my deepest sympathy, along with my congratulations for having shared in so triumphant a life.

Mr. THURMOND. Mr. President, the death of former Vice President Nelson A. Rockefeller is a cause for sadness throughout this land, for his life was one of service and dedication to America. As a former President of this Senate, he capped a long public career with distinction and effectiveness.

Long before he came to this Chamber, however, he had been a dynamic force in this country for a number of years, whether as Governor of New York or in numerous public and private posts. As one who might have been President of the United States on several occasions, his voice and his driving energy influenced public policy in so many fields. As a major figure in the Republican Party, he was devoted to broadening its ranks and expanding its scope.

Mr. President, all of us knew Nelson Rockefeller as a man of versatile talent who was not only willing but also eager to tackle the jobs he felt would benefit the world around us. His commitment to goals of public well-being was total, and he brought his considerable talent to these often-formidable tasks.

Although we did not always agree on matters of public policy, I always knew that his views were based on the facts as he knew them and a genuine regard for his fellow man. He could be a tough opponent and he could be an irresistible ally.

Although a man of great wealth, Nelson Rockefeller was concerned about the needs and aspirations of average citizens. The obligation he felt to provide a public service to all Americans was the impetus for his outstanding career. Since he left the Vice-Presidency 2 years ago, he had devoted himself to private pursuits in the field of art with the same vigor as in earlier days. Characteristically, he died at his desk, while working well past the normal hours of daily toil.

Mr. President, a person of the stature and national following of Nelson A. Rockefeller comes along only on rare occasions, and he will be missed by people all over America.

My wife, Nancy, joins me in extending deepest sympathy to Mrs. Rockefeller and all members of the Rockefeller family on this sad occasion.

● Mr. MATSUNAGA. Mr. President, the people of Hawaii join other Americans throughout this country in mourning the death of Nelson Aldrich Rockefeller, the 41st Vice President of the United States.

In reviewing the remarkable career of this remarkable man, I was struck by his statement when he was sworn into the Office of Vice President. He expressed gratitude for "the privilege of serving the country I love." Although his name was synonymous with wealth and power, Nelson Rockefeller will be remembered primarily as a servant of the public. Once Vice President, four times Governor of the great State of New York, and three times a candidate for the Office of President of the United States, Mr. Rockefeller also gave generously of his time to the arts and humanities, his family's extensive efforts in conservation and historic preservation, and philanthropies which had as their objective the public good. Having retired from public life to devote his time to these private pursuits, Mr. Rockefeller unselfishly returned at a time of crisis, when the country needed him to help restore dignity to the Office of the Vice President. That debt can never be fully repaid.

Mr. President, I extend heartfelt sympathy to Mr. Rockefeller's widow, Margaretta "Happy" Rockefeller, his children, and the other members of his family. I hope that their grief will be assuaged somewhat by the gratitude and sympathy of a grateful nation.●

CARRYOVER BASIS IN THE ESTATE TAX LAW—A MATTER OF IMPORTANCE FOR ALL TAXPAYERS

Mr. HARRY F. BYRD, JR. Mr. President, in March, the Subcommittee on Taxation and Debt Management of the Senate Finance Committee, of which I am chairman, will hold hearings on the "carryover basis" provision of the estate tax law. It was enacted in 1976, but the Congress last year deferred its application until 1980.

There is tremendous opposition to "carryover basis" as I learned anew when I addressed the Trust and Estates Law Section of the New York State Bar Association in New York City last week.

"Carryover basis" is a dramatic departure from prior estate tax law in which the tax basis of property at the owner's death was "stepped-up" to its estate tax value.

Under carryover basis, the original cost of an asset "carries over" from the decedent to the beneficiary, and a tax upon appreciation of the asset is imposed whenever it is sold.

Today, virtually everyone acknowledges that the present carryover basis law is unworkable.

The way carryover basis got into the 1976 Tax Reform Act is a perfect example of why Congress must take more time in enacting complicated legislation.

At the 59th minute of the 11th hour, after the 1976 Tax Act passed both the Senate and the House, carryover basis was brought up in the conference between the House and the Senate.

There had been no House action.

There had been no hearings by the Senate Finance Committee, and indeed no consideration of this matter by the Senate Finance Committee or by the Senate.

Nine months after enactment, in July of 1977, the Subcommittee on Taxation held hearings on this part of the estate tax law. Witness after witness declared it to be totally unworkable.

It is clear that the carryover basis law as written in 1976 cannot be implemented. Indeed, the Treasury Department itself acknowledged to the Senate-House conference last October that it cannot be administered.

Today, there is strong sentiment for repeal. The Subcommittee on Taxation will be holding hearings on March 12, 19, and 20. These hearings will look closely at the many difficult problems created by carryover basis.

In looking at carryover basis, one proposal is to exempt all but 15 percent or 10 percent or 2 percent of the estates from the law. Treasury advocates something along this line.

While such a proposal may be politically expedient, it certainly offends one's sense of fairness. By subjecting a very small minority of our population to a very complex law—one that cannot be complied with nor administered—we would violate the fundamental principle that tax laws should apply equally to all taxpayers.

Recordkeeping problems associated with carryover basis deserve close attention. Even the most sophisticated taxpayers have difficulty producing adequate tax records when alive.

This problem becomes almost impossible under carryover basis when the taxpayer is dead, and the estate must produce basis information for every conceivable asset—some held for decades or a lifetime.

Another consideration is that carryover basis poses real dilemmas for fiduciaries. If a fiduciary wants to treat all beneficiaries fairly, he must take into account not only the market value of an asset, but also its basis. Otherwise, some beneficiaries will receive low basis assets and others will receive high basis assets.

This is particularly important since fiduciaries are held to high standards and, in some States such as New York, may be held liable if they fail to take basis into account when distributing assets.

Yet, this type of consideration is almost impossible, since beneficiaries' tax brackets may differ and there may be many different types of assets in an estate.

Citizens and private business today cry out for more certainty and freedom from arbitrary changes in Government regulations and rules, and in congressional legislation.

Since 1969, 10 years ago, there has been a tax bill of fairly major proportions every year except three. In 1978, we had two tax bills—the Energy Tax bill and the 1978 Revenue Act.

The uncertainty associated with carryover basis is an important consideration in evaluating it.

For many years, taxpayers have relied upon a step-up in basis at death. Such a step-up provides certainty since it clears the books at death and permits the beneficiaries of an asset to start off again with a known value.

If not carryover basis, then what? That question is asked frequently.

One, the law could again be deferred as it was by the past Congress.

Two, it can be repealed. The chances of repeal are at least 50 to 50.

Three, a total rewrite of the law could be attempted.

Four, another form of taxing capital gains at death could be proposed. In my judgment, there is almost no likelihood that Congress would support any proposal more radical than carryover basis. Indeed, carryover basis would not have been approved if Congress had been aware of what it was doing.

Thus, this Congress will be confronted with deciding upon repeal of carryover basis as enacted in 1976, modification of the current carryover basis law, or further deferral. Other proposals involving a tax at death are not serious possibilities.

Whatever is done, we should remember that carryover basis is not merely a technical problem of legislative drafting. It raises fundamental questions of social and economic policy, which were not debated in 1976.

If one can assume that death usually is an unwelcome event, I am not impressed with the argument that death is a tax loophole. I doubt that the average American is either.

The idea of taxing appreciation of capital assets must be looked at closely in the overall context of American capital formation. American productivity lags greatly behind our competitors in Europe and in the East. If we are to have a strong, vigorous economy which is essential to maintain the American standard of living, we must provide individuals with incentives to take risks and accumulate capital.

It is important to remember, too, that much capital appreciation is due to inflation caused by Government policies in Washington, D.C.

I urge my colleagues to take a close look at this matter of carryover basis as it is of the utmost importance to nearly everyone—except, perhaps, those with everlasting life, of whom I know none.

SOUTHERN AFRICA AND WORLD STRATEGY

Mr. HARRY F. BYRD, JR. Mr. President, developments in recent months in southern Africa have caused concern in many quarters, but a coherent American policy toward the region has not developed.

My purpose today is to suggest courses of action for the Congress and the administration and to urge the adoption of a Western strategy for southern Africa which will protect the vital security interests of Japan, Western Europe, and the United States.

But first, to understand events in southern Africa in proper perspective, I believe a brief review of other developments in foreign affairs would be useful.

Mr. President, 1978 was not a good year for the United States in world politics. Significant changes of strategic proportion occurred in virtually every geographic area of the world, often in locations critical to a sound American defense.

Regrettably, events abroad have, in the main, not been of advantage of the West, and they have come to pass in a manner which suggests an absence of coherent policy and a lack of planning in our relations with foreign nations. Although a busy year, indeed, an interesting year, I believe 1978 must be counted on balance as disappointing for American foreign policy and for Western security.

In this hemisphere, the U.S. Government took the first step in relinquishing control of the Panama Canal and worked hard to plan its transfer to a regime notably friendly to Cuba and receptive to Marxist ideology. This retreat from the defense of this vital strategic waterway was a step which has symbolically, if not materially, weakened the position of the United States in the Americas. It is a step which has, in my judgment, increased the potential for the eventual Cubanization of Central America.

In Nicaragua, the general policy of retreat set in motion in Panama has contributed to instability. Viewed in the best light, the Department of State appears to have done little or nothing to merit while yet another friendly government has been subjected to Cuban-inspired insurrection.

In the Middle East, our Government's policy, while laudable in intent, has come to very little in practical effect. The potential for war in the Middle East remains.

While events at Camp David gave temporary hope for substantial progress toward peace, those well-intended efforts have not proved successful.

In the Far East, the Carter administration has initiated a new diplomacy which threatens to undermine an ally of decades.

I object to the manner in which this diplomacy was put into effect. The President's unilateral action in breaching our defense treaty with Taiwan without Senate approval or even consultation was not proper and may well have been unconstitutional.

While I favor recognition of mainland China, I do not believe it should have been accomplished at the expense of a friend and ally.

In Korea, the withdrawal of U.S. troops has jeopardized the military balance between the North and South. New intelligence assessments of North Korea military power have invalidated the faulty data used last year to justify reductions in American forces. Yet further troop withdrawals are still planned.

As a result of these events affecting Taiwan and Korea, the ability of the United States to project strategic power in the western Pacific has been brought into serious doubt. Certainly our will to do so is now questioned by our few remaining allies in Asia.

In Afghanistan, a coup de'etat brought to power a Communist military government which promptly entered into a 20-year mutual defense treaty with the Soviet Union. Yet, unbelievably, U.S. foreign aid continues.

In Iran, administration miscalculation and inaction has left us unprepared for the events of recent weeks.

The vast petroleum resources of Persia have been shut of. The Persian Gulf region—including Saudi Arabia—is threatened with further and greater instability.

To the west of Saudi Arabia, in the Horn of Africa, the Soviet Union in 1978 achieved the virtual colonization of Ethiopia and regained power and influence in Somalia, in large measure as a result of bungled American programs in both countries.

Meanwhile, throughout the course of all of these disturbing events, the executive branch has, from a position of increasing global weakness, continued negotiations for agreement on strategic arms limitation, an agreement, which if achieved, may prove to be of little practical value in the face of an aggressive and imperialistic Soviet foreign policy.

But these events have not occurred, Mr. President, solely because of errors and misjudgments by the Carter administration. These events of the year past have occurred not by chance and American miscalculation alone. These events have occurred, because our opponent—the Soviet Union—understands global strategy and directs foreign policy in a coherent and integrated fashion, each part interlocked with all other parts.

The United States and the West, on the other hand, have had no ascertainable, comprehensive program, except possibly a program of long-term acquiescence and day-to-day crisis management.

Each facet of American policy can only be considered to have been determined separately from every other facet. Most American foreign policy decisions in 1978 appear to have been made in crisis, on an ad hoc basis, according to the whims of the moment.

But nowhere, Mr. President, has a lack of coherent policy been more evident than in our relations with the countries of Southern Africa.

During the course of each new, dramatic shift in the strategic balance in other locations in the world, American attention has been diverted, perhaps unintentionally, from developments in Southern Africa.

This diversion of attention and of public concern to other regions may in part explain our ongoing failure to adopt a rational policy toward the countries of Southern Africa.

While the public has seen up close each new play of global conflict in Iran, in Israel, and Egypt, in Central America, and in China, while the American public has been absorbed in the ebb and flow of the SALT negotiations, policymakers may have felt free to ignore events in a continent little known to our citizens although in many ways evermore important to our security.

In short, the countries from Zaire to the Cape of Good Hope—principally Rhodesia and South Africa—form an overlooked strategic area in which the security of the West confronts a serious threat.

Moreover, the Southern African region, already important to the West, greatly increased in importance to us during 1978 as a direct result of the many foreign policy defeats we suffered elsewhere.

As maritime routes are threatened, as areas of natural resource production are shut off or potentially shut off from our utilization, so the resources and maritime routes dominated by the countries of Southern Africa become even more vital.

But notwithstanding the growing critical nature of the problem presented, planners at the Department of State persist in pursuing an outdated and unrealistic policy toward Southern Africa. This policy, I believe, is based at least in part on a misplaced nostalgia for the politics of the civil rights movement of the 1960's and on an almost 19th century missionary attitude toward the solution of African problems.

Both these underlying motive trends in forming American policy have confused a perception of society in the United States with the reality of a brutal power struggle in Africa.

The West cannot any longer afford this confusion. The United States cannot afford a foreign policy in Southern Africa based on domestic political extremism.

The Carter administration should act now to divorce domestic political considerations of a past era from decisions on foreign policy in Southern Africa.

Stated simply, the conflict in Southern Africa is a war for resources and strategic position. It is not a war for national liberation between the forces of good and evil.

Virtually no so-called liberated state in Southern Africa has escaped the iron rule of one man or avoided the control of one central party authority. Nowhere has majority rule been achieved except in fiction.

In fact, nearly every state in Southern Africa recently achieving so-called national liberation has promptly been brought closer to political repression and Soviet domination and further from Western contact and liberty.

There are 51 countries in Africa, and not more than three have any semblance of parliamentary democracy. Yet from the pro-Western governments in Southern Africa we continue to demand one man, one vote. From pro-Communist governments in Africa and elsewhere, we demand nothing and actively curry favor.

It is true, Mr. President, that the new Communist or Marxists governments in Southern Africa have—in their own self-interest—to some extent continued to allow the export of resources to the West. But in a strategic sense these resources must be counted as not available to us, because our potential adversaries have the power to deny their export in a crisis.

Thus, for example, with Cuban soldiers protecting Gulf Oil Co. property in the Cabindan enclave in Angola, it matters little from the perspective of strategic value that oil production from Angola for the present continues available in Western commerce.

No, Mr. President, the policy at the Department of State, which apparently envisions a program of competition with the Soviet Union for the favor of the Marxist liberation movements in Africa, is not going to work. It has set our country at a foolhardly game in which the reward for success will be at best only temporary access to Southern Africa resources doled out to us according to the direction of the new Soviet imperialists.

No amount of Western good behavior toward these new Marxist regimes and Cuban-advised guerrilla movements can provide the required minimum assurance that critical strategic materials and maritime routes will not be denied to the West in a time of need.

I believe, Mr. President, that this misguided American policy in Southern Africa has been permitted by the American public because there is a general failure by Americans to appreciate the true value of the resources and sea lanes of Southern African or to understand fully the region's direct link to the industrial economies of Japan, Europe, and the United States.

This general failure of public understanding is rooted perhaps in American reluctance to admit the unsettling fact that the United States also—in addition to Europe and Japan—depends heavily on imports to satisfy requirements for strategic materials.

A comparable dependence, Mr. President, is not found in the Soviet Union. The Soviets can rely on resources within their own borders for virtually all strategic requirements.

Thus, while the United States must import 100 percent of all manganese, almost 100 percent of all cobalt, titanium, and chromium, and over 90 percent of all aluminum, tantalum, and platinum group metals, the Soviet Union, on the other hand, of the same strategic minerals must import only approximately 40 percent of its aluminum and is entirely self-sufficient in the other materials listed.

This same general contrast in relative dependence on imports is true for tin, fluorspar, nickel, tungsten, germanium-indium, beryllium, zirconium, barium, iron, lead, and even copper.

There are 18 strategic materials which the United States must import from foreign countries at a level of 50 percent or more of its consumption, and 14 of these 18 strategic materials must be imported at a rate of at least 70 percent of use. The Soviet Union must import at a significant level only three.

And when I refer to strategic materials, Mr. President, I do not wish to give the impression that these materials are for military and heavy industrial uses only. Literally thousands upon thousands of basic consumer products could not be made—or could only be made at great expense—if these materials were not freely imported.

If these raw materials were denied to us, major changes in the American standard of living and in our consumer oriented economy would necessarily and promptly occur. Not only would national defense be jeopardized, but the national economy at all levels would inevitably suffer as well.

The picture is of course no brighter in Western Europe. Dr. Wolfgang Bulbrich, of the European Economic Community Center for Industrial Development, states that Germany depends 100 percent on imports for consumption of uranium, chromium, antimony, chrome, gold, cobalt, copper, manganese, nickel, platinum, titanium, vanadium, tungsten, tin, asbestos, diamonds, and phosphate; its dependence on imported petroleum is 95 percent, iron 94 percent, lead 85 percent, zinc and fluorspar 70 percent. Dr. Bulbrich states further that—

> For the EEC as a whole, the picture does not differ very much from the German situation.

Dr. Peter Janke, of the London-based Institute for the Study of Conflict, adds that the United Kingdom is considerably worse off than either the United States or Western Europe insofar as it is dependent on mineral imports. He points out that, with the exception of miniscule iron and tin deposits, there are no strategic ores in Great Britain at all nor are there any deposits near at hand on which the United Kingdom could rely in an emergency.

Japan is, of course, in a comparable predicament and like Britain must rely almost entirely on imports for the base materials needed to sustain its industrial economy.

Thus, Mr. President, because the Communist world is self-supporting in strategic raw materials, and because only the industrial nations of the free world are vulnerable to denial of the many strategic materials found in Southern Africa, a Soviet strategy of resource denial in Southern Africa could prove highly effective if implemented.

Without even taking into account the other countries of Southern Africa, South Africa alone holds 86 percent of the world's reserves in the platinum group metals, 64 percent of world reserves in vanadium, 49 percent of the world's gold, 48 percent of the world's manganese, and 46 percent of the world's fluorspar. Finally, Rhodesia and the countries of the South African Customs Union account for virtually all known chrome ore deposits outside the Soviet Union.

In short, Mr. President, the United States and our closest allies are critically dependent on imports from Southern Africa for essential strategic materials, and the Soviet Union is not.

Now, Mr. President, directly related to the strategic dependence of the West on Southern African mineral resources is the equally important Western dependence on shipping lanes dominated by the seacoast countries of the southern part of the African continent.

An often-quoted passage by Bayard Rustin in his 1977 article in "Commentary," entitled "Africa, Soviet Imperialism, and the Retreat of American Power," summarizes best the nature of this maritime dependence. In describing the Soviet Union's strategy of resource denial in Southern Africa, Mr. Rustin states:

> The significance of command of the vital sea route around the Cape of Good Hope, considered the busiest in the world, is contained in two simple statistics: 70 percent of the strategic raw materials now needed by the European members of NATO, and 80 percent of their oil supplies, now reach them by way of it. The Cape is the only available sea route for oil which is now shipped in supertankers too large to pass through the Suez Canal.

Frankly, Mr. President, Southern African sea lanes must now be considered the most important in the world. Used by about 24,000 oceangoing vessels annually, the route around the Cape of Good Hope is the most crowded and the most heavily utilized shipping channel anywhere on the globe.

We should recognize also that ships transiting this area are not bound exclusively for Western Europe and the United Kingdom. The U.S. Strategic Institute has estimated that, by the 1980's, 60 percent of American oil imports—assuming the continued availability of Persian Gulf oil—will reach our country via the Southern African Cape.

In summary, Mr. President, the industrialized economies of the United States and Western Europe cannot afford to have the maritime chokepoint at the Cape of Good Hope or at the Mozambique Channel become vulnerable to Soviet interdiction, nor can the free world afford a loss of Southern African strategic minerals.

The Soviet strategy of denying to the free world both Southern African resources and Southern African maritime routes must be recognized and met.

But, Mr. President, the Carter administration has, in the face of these very sobering facts, refused to acknowledge the Soviet menace in this critical area. The Carter administration instead has worked actively to undermine the few stable governments friendly to the United States which remain in the area.

The administration's misguided vision of what is right for Southern Africa has nowhere been more evident in 1978 than in the administration's deplorable conduct toward Rhodesia.

Having first baited the trap by proposing to Rhodesia the so-called Anglo-American plan for transition to majority rule, the Carter administration has now literally pulled the rug out from under the transitional government in Salisbury, a government for transition to majority rule which was formed in the first instance in direct response to the original United States-British proposal.

Now that Rhodesia has complied with both the letter and the spirit of the Anglo-American plan and is fighting desperately to insure free elections unfettered by terrorism, the Department of State, with the express approval of the British, refuses even the slightest gesture in support of the internal settlement now in process.

The Congress, Mr. President, has at least partially recognized the impropriety of administration policy toward Rhodesia. During the last days of the 95th Congress, legislation was enacted to require the removal of trade sanctions after free elections are held.

I fear, however, that this legislation may ultimately be rendered meaningless since it contains a clause—the provision is in section 27 of Public Law 95-384—granting to the Carter administration discretion in determining whether the Rhodesian elections have satisfied subjective standards of legality and participation.

Rhodesia, Mr. President, is caught in a dilemma in which the transitional government must insure free elections to achieve a removal of sanctions, but free elections are difficult without removal of sanctions to allow trade with the West and improvements in internal security sufficient to guarantee the safety of voters.

There is in 1979 no justification for a policy of continued, callous disregard for the efforts of Rhodesians to achieve an internal settlement leading to a stable, pro-Western government. Even in the minds of those who have supported sanctions in the past, there can be no remaining justification for refusing to lift an economic blockade which has already achieved the results intended.

Yet both the Carter administration and the British persist in refusing to lift sanctions, operating under the deluded notion that the hearing of a Marxist victory in Rhodesia will somehow be to the advantage of the West and that somehow Western good behavior in siding with Marxism will guarantee access to Rhodesian resources.

This policy is both wrong and dangerous. It promises only the same access we now have to the oil fields at Cabinda, access guaranteed by the Cuban troops of a Soviet-advised regime. The State Department, Mr. President, is apparently determined to bring to Rhodesia the same stabilizing influence Ambassador Young applauded in Angola and Mozambique.

Now, admittedly, I have described a bleak future for the West and for Western influence in Southern Africa, but I have done so because I believe that we must immediately face the reality of this struggle in Southern Africa for resources and strategic position.

The present situation is not irreversible if we act promptly and intelligently.

The Soviet Union has a strategy; the West must develop one.

The United States and other Western nations must first acknowledge the true nature of Soviet strategy in the region. Thereafter we must formulate a coherent policy of our own to offset the threat.

The Soviet strategy is a strategy intended to deny the free world access to vital resources through a process of political and economic disruption. Therefore, the first and most critical step in developing a Western strategy for Southern Africa is to realize that true political stability and real economic health are the two strongest defenses against Soviet penetration.

Rather than seeking to destroy the economies of Southern African countries by embargoes and Trade restrictions, the United States and other Western nations should seek, through trade and through technical assistance, to foster economic and political stability throughout the region.

This policy should be applied evenly, and its benefits should not be denied any country by a blind adherence to the prejudices of doctrinaire American liberalism.

In Rhodesia, a policy of encouraging and supporting the emerging, moderate regime which will follow the transitional government would be a policy directed toward stabilizing a country which holds the key to a new, successful Western strategy for Southern Africa.

I believe the United States should indicate now its readiness to recognize the new government of Rhodesia which will be elected in April. Further, the United States should end immediately the 12-year-old embargo on trade with Rhodesia and should encourage new Western investment in the country. Such action now would go a long way toward launching a politically viable government friendly to the West.

At the same time, the Soviet Union and Cuba should be put on notice that continued adventuring in Africa will result in serious, negative reactions from the United States. The United States should continue to deny additional credits to the Soviet Union for the purchase of material and equipment. Regulations concerning the export of technology to the Soviet Union should be reexamined, revised, and tightened.

Meanwhile, the Cubans—who have been described by our distinguished colleague from New York, Mr. MOYNIHAN, as the Ghurkas of the new Soviet colonial empire—the Cubans should also be made to recognize separately that a price must be paid for aggression. All initiatives toward normalization of diplomatic relations with Cuba should be withdrawn. Cuba should be warned that American recognition of the Cuban Government cannot occur while Cuban troops and military advisers are marauding in Africa and fomenting violence in Central America.

From a defensive perspective, the United States should encourage NATO and Japan to work out sharing arrangements and stockpiling policies that would ease the short-term effects of an interruption in the supply of strategic materials either as a result of source denial from southern Africa or as a result of interdiction of the cape shipping lanes.

In dealing with the new governments of southern Africa, the Western Powers should recognize their own collective ability to affect prices paid in the marketplace. The West should show itself willing to use the power of the buyer in what is no talways a seller's market.

The new governments of southern Africa could thereby be made to understand that their individual need to sell is at least as great as our combined need to purchase.

With a view to the longer term, the United States must maintain a Navy capable of protecting the cape route and able to act in the Indian Ocean.

We cannot, as some have suggested, rely on the small naval forces of Brazil or South Africa for protection of a vital artery of ocean trade of such tremendous magnitude.

The withdrawal of the British from the Indian Ocean, the victory of the Soviet Union in Ethiopia, the instability of Iran, and the daily-increasing presence of Soviet military might in many African countries along the littoral of the continent, all work together to demand a potential for a greater American naval presence near the cape and Mozambique Channel than can now be accomplished in operations from the relatively small American naval base at remote Diego Garcia.

With unfriendly governments in power on both sides of the 1,200-mile-long channel between the island of Madagascar and Mozambique and with South Africa and the Cape seriously threatened, the time has now come for opening discussions with South Africa for increased American naval use of the superb maritime facilities at Simonstown. Only this step can give adequate protection to the Cape route.

Mr. President, I suggest these alternatives to current American policy toward Southern Africa, because it is clear that current policy has not worked and is not going to work.

I suggest these alternatives in the hope that the Carter administration will recognize that the vital security interests of the free world must be allowed to outweigh the lingering extremism of a past era in American politics.

I urge that these actions be taken now before yet another area of the world is brought under Soviet influence.

The ACTING PRESIDENT pro tempore. The Chair recognizes the Senator from North Carolina.

Mr. HELMS. I thank the Chair.

(The remarks by Mr. HELMS in connection with the introduction of a joint resolution are printed under statements on introduced bills and joint resolutions.)

THE ECONOMIC DEBATE OF 1979

Mr. HELMS. Mr. President, the issue of wage and price controls is one of the major matters that this Congress will confront. The present system of voluntary controls contains the seeds for massive compulsory financial, wage, and price controls. The same arguments which justify the present voluntary program can be used to justify an authoritarian system of economic controls.

On Tuesday, January 2, an article by Herbert Stein appeared in the Wall Street Journal which discusses these important issues.

I ask unanimous consent that this thoughtful analysis be printed in the RECORD at the conclusion of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE CLASH OF 1979

(By Herbert Stein)

The 1978 congressional election campaign and its outcome led to the cliche that the Republicans do not have any issues because the Democrats have appropriated what would normally have been the Republican issues, such as fiscal conservatism. The more learned pundits like to quote Disraeli saying: "The right honorable gentleman caught the Whigs bathing and walked away with their clothes."

But the present fact is that the Democrats have not really preempted what should be the Republican issues. If the American people are now greatly concerned about inflation, about the burden of taxation and about the size of government spending, about excessive and inept government interference with their lives and about slow growth of their real incomes, the Democrats have done nothing to justify confidence in their determination or ability to deal with these problems. But they have adopted the rhetoric of sharing these concerns, and only in this sense have stolen the Republican clothes.

But this theft has been possible only because the Republicans were not wearing their clothes; they were not exploiting what should have been their issues.

One would get the impression from reading the papers these days that all the live economic issues are between President Carter and the Kennedy wing of the Democratic Party. However, that is not the case.

1979 is, in fact, building up to be the year of the great clash between those who seek a fundamental change in the direction which economic policy has taken since 1933—the direction of bigger and more dominant government—and those who want only to make a feint, or a temporary detour, toward change.

1979 will be the year of this clash because we are running out of the time when it seemed that we could have everything—spending without taxes, rapid expansion without inflation, and controls without compulsion. Choices will have to be made, and the choices are fundamental. Moreover, if the Republicans want to run in 1980 on the platform of limited government, they must start making their record in 1979.

The battlegrounds of the clash of 1979 will be a number of specific issues on which decisions have to be made, mainly in Congress, during the year. I would like to indicate here what some of these likely battlegrounds are. (I confine myself to economic issues, although there are clearly issues of at least equal importance in the fields of foreign policy and national security.)

MILD REPUBLICAN CRITICISM

The Republican leadership has so far been strangely mild in its criticism of Mr. Carter's guidelines policy. Perhaps this is because they don't want to risk seeming less anti-inflationary than the President. Perhaps they defer to the polls which show that a majority of the American people like this kind of thing. However, in a country said to be increasingly distrustful of government regulation and suspicious of Executive power, the institution of these cryptocontrols by presidential fiat deserves to be and will be a big issue. The issue may confront the Congress in three forms:

1. The real wage insurance plan is the only part of the administration's guidelines program which, at least in the President's opinion, requires congressional approval. This plan is the cheese with which the administration hopes to lure labor into the trap of wage controls. There are many reasons why the Congress should reject the real wage insurance plan; it is inequitable, difficult to administer and possibly destructive of the budget. But the key point is that approval of the plan would constitute congressional endorsement of the whole guidelines program, whereas rejection of the plan would be a severe blow to the program. This issue will present the first opportunity for Congress to express its opinion of this unprecedented assertion of Executive power over the private economy.

2. The act which authorized the existence and operation of the Council on Wage and Price Stability will expire on September 30, 1979. Although the act, first passed in 1974, specifically says that it does not confer authority to impose mandatory controls, the council and its machinery are now being used to establish controls which are effectively mandatory as far as a number of private businesses and unions are concerned. Legislation to extend the life of the Council on Wage and Price Stability will be another test of acquiescence in the controls system.

3. Problems with the present "voluntary" controls are likely to give rise in 1979 to proposals for giving the President explicit authority to do what he is now doing without authority. Such proposals would probably not originate with the administration, which within a few months may have had a bellyfull of the controls business, but they could easily arise on the Democratic side of the Congress. In 1970 the Democratic Congress gave President Nixon authority to impose controls, against his wish, in order to assure that he bore the sole blame for the inflation. But it would be a mistake of principle and tactics for the Republicans to return this favor by joining in a congressional move to give similar authority to Jimmy Carter.

Republican politicians have rarely made an issue of the need for an anti-inflationary monetary policy. This may have been in deference to the independence of the Federal Reserve or in the belief that the Fed was anyway the strongest opponent of inflation in Washington. But the Republicans cannot hope to have an effective program against inflation without a clear position on monetary policy. Moreover, the administration's intervention in the making of monetary policy has recently become more overt than ever. And in the last few years Congress has taken steps, including provisions of the Humphery-Hawkins Bill passed in 1978, to inject itself further into monetary policy. So we no longer need to consider monetary policy to be outside the bounds of partisan politics.

Since Nov. 1 the President and his team have given some signs of conversion to an anti-inflationary monetary policy. A simple but significant test of the durability of this conversion will come soon. There are now two vacancies on the Board of Governors of the Federal Reserve System. When he fills those vacancies President Carter will have appointed a majority of the members of the board and will have set his stamp on monetary policy for years to come. (One of the new members to be appointed will have a term running until 1990.)

There is every reason for the Senate, in the exercise of its authority to confirm appointees to the Board, to assure itself that the new members can be counted on to follow an anti-inflationary policy. "Equal opportunity" may require that there be at least one woman and one black on the Board of Governors; it does not require that there be any inflationists.

In 1975 Congress established a regular procedure for examining the past and prospective policy of the Federal Reserve and commenting on it. This procedure is further elaborated by the Humphrey-Hawkins Act, to take effect in 1979. This procedure has not yet led to any statement or guidance by the Congress to the Federal Reserve. However, an anti-inflationary environment cannot be established as long as the present degree of uncertainty about the future of monetary policy exists.

The time has come to use the congressional procedures to obtain from the Federal Reserve a commitment to a lasting anti-inflationary policy and to assure the Fed of congressional support for such a policy. A Republican move to do this would reveal whether there is an issue between the parties on this basic element of a policy to check inflation.

THE DIFFERENCE BETWEEN THE PARTIES

The President has adopted the whole Republican vocabulary of austerity and prudence as far as the budget is concerned. This has contributed more than anything else to the notion that there are no longer any economic issues between the parties. However, there is a sharp difference. The President regards what he calls budget austerity as an unfortunate necessity, whether or not there is inflation, because the expenditure programs are not yielding benefits that are worth what the citizen pays.

The Republican program for the budget has as its goal and promised result the reduction of taxes. The President's program does not. The President calls for no tax reduction while the inflation goes on. After that, whether we get tax reductions or expenditure increases will depend on the situation of the moment, which means the politics of the moment, and that is precisely what has given us the trend to high expenditures and high taxes.

The test of the difference between the Republicans and the President is the willingness to make a commitment now to tax and expenditure reduction in the future, or at least to procedural change which will tilt the bias of future decision-making less in the direction of expenditure increases and more in the direction of tax reduction. Such commitments or intentions have been embodied in various legislative proposals—the Roth-Kemp Bill, the Nunn Amendment and suggestions by Senators Dole and Danforth—and in a proposed constitutional amendment that would limit federal expenditures.

These have had their support largely from Republicans and have been opposed by the Carter administration. Presumably some of these proposals will be before the Congress in 1979, with the same lineup.

There is one characteristic of these issues which will surely not have escaped the notice of the reader. The "Republican" side of these issues is the hard side—hard to explain and hard to understand and accept. Which is why, no doubt, the Democrats have left that side of the issues for the Republicans. But if our generation is finally ready to accept the fact that life is often hard, the hard side of the issues may turn out to be the winning side.

NELSON ROCKEFELLER

Mr. STEVENS. Mr. President, it was with deep regret that I learned early Saturday morning of the passing of our former Vice President, Nelson Rockefeller.

Having just come through a shocking personal loss, my family and I certainly know the anguish that Mrs. Happy Rockefeller and her children now face.

About 16 years ago I first started working with Nelson Rockefeller as one of a group that sought to nominate him as a Presidential candidate. One of the things that I shall always remember about Nelson Rockefeller was his insistence that those of us who served as his State campaign chairmen meet together from time to time, not only on a regional basis but also on a national basis so that he could be sure that we were, in fact, conducting a coordinated campaign, and, what is more, that we accurately reflected the desires and goals of Nelson Rockefeller should he become President of the United States.

A summary of those goals was reflected in a book he wrote which was entitled "The Future of Federalism."

I urge that those who are interested in discovering what the country would have been like had he been nominated and elected to refer to that book for I believe it contains recommendations which would still solve many of the problems that we face in the Nation today.

Let me share some of the thoughts embodied to "The Future of Federalism." Rockefeller writes:

> The federal system, conceived by the Founding Fathers and embodied in the Constitution, is a crucial stone of our arch of liberty. For us, it has provided unity without the sacrifice of desirable diversity, strength to achieve national goals while simultaneously enhancing human dignity, and an energized environment of law and custom wherein economic and social progress is achieved through equal opportunity for free individuals rather than the totalitarian dictates of a ruling hierarchy.
>
> The genius of the American concept of federalism and the hope it offers not only for continued solution to our complex national problems but also for adaptation to the problems of the wide community of the free world is the subject matter of this book.
>
> To realize our opportunities and meet our needs at home, we must see to it that our federal system works at its creative best. On the world scene we must strive to match the political creativity of our Founding Fathers and secure a free and better world for all men.

In researching the material for his book, Nelson Rockefeller drew upon his vast personal experience and participation in the Federal system of which he writes. His outstanding record of political accomplishments is well known and need not be detailed here.

But Nelson Rockefeller had another more private passion to which he devoted the early part of his career. He began his illustrious public life in the field of art when he was first elected as a trustee of the New York City Museum of Modern Art. Later, in 1954, he founded the Museum of Primitive Art and served as its president and trustee from that time on.

It is interesting to note that Nelson Rockefeller's life ended in the pursuit of the career in which he began—art. I know how personally thrilled he was at the success of his new business of buying and selling art reproductions, and his enthusiasm for this new venture was infectious and engaging.

The life of Nelson Rockefeller certainly reflects the extent of his many contributions to our times and I am grateful I was alive to share in it.

Again, I quote from "The Future of Federalism" where he describes the hope that the publication of his book will:

> Demonstrate to even more Americans that our system of government, perceptively appreciated and permitted to function at its creative best, contains within it every potentiality for achieving a better Nation and a better world.

And so even though fate may have cut short Nelson Rockefeller's ability to reach his every potentiality in the field of art, there is no doubt that his contributions to America have, in fact, made this a better nation and a better world for us all.

THE ECONOMICS OF AMERICA'S THIRD CENTURY

Mr. STEVENS. Mr. President, last year I brought to the attention of this body a story about the alarming trend of Government to continue to take land from the private sector and put this land in the public domain. Today, I want to bring to the Senate's attention a paper on the same subject written by M. Bruce Johnson, professor of economics at the University of California, Santa Barbara. Professor Johnson's credentials include his being director of the Institute for Economic Research at the University of Washington and departmental chairman at the University of California.

In forecasting the economics of America's third century, Professor Johnson sees the current trend by Government to acquire private property for public parks as the result of an "ecological zoo"—a habitat in which no detail of our private lives will escape the control of the Federal bureaucratic zoo keepers.

Addressing the environmental movement coalition, Professor Johnson says:

> Almost without exception, its members scorn both private property as a tradition and individual free choice as a goal as they seek to impose their allegedly superior view of the end state of nature and society on their less enlightened—if not nefarious—fellow citizens.

He says if the environmentalists succeed and this environmental zoo is created, then:

> In order that the inhabitants of the zoo live in harmony with their environment, the caretakers will tell the occupants where to live and how to live.

Mr. Johnson predicts this new environmental zoo will know no boundaries, and there will be no private sector beyond the gates:

> Indeed, there will be no visitors to the zoo—only the bureaucratic keepers and the caged citizens.

Professor Johnson concludes:

> If you would know what the future holds, visit your local zoo. Watch the restless pacing of the cats, the listless posturing of the apes, and the relentless circling of the seals. Listen to the frantic screams of the monkeys. That habitat is the emerging model of life in America's third century.

Mr. President, I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE ECONOMICS OF AMERICA'S THIRD CENTURY

(By M. Bruce Johnson)

Trade or exchange among consenting individuals is the stuff of which economics is made. The existence of trade—whether by isolated exchange or in organized markets—presupposes that individuals have assets to exchange—goods, services, and claims to resources. The voluntary nature of exchange activity also implies that trade among consenting individuals is the result of conscious personal choice—how much of which assets should one trade and what should one ask in return?

In a free and open society, the opportunities for individual trade (and, hence, choice) are maximized. So it has been through America's history, and so it will be in our third century—to the extent that free market forces are allowed to operate. On the other hand, the state is the enemy of choice. Every regulation by the state restricts the choice of some without necessarily increasing the range of choice for others. Consequently, the economics of America's third century will be shaped by the struggle between two major forces and orientations: the philosophy of the free market, which expands individual opportunities for choice and trade, versus the philosophy of state control, which reduces and even eliminates the scope for individual choice and action.

The virtues of the free market have been extolled by various scholars for more than two hundred years. Indeed, free markets developed as a reaction to the heavy bureaucratic hand of the state during the mercantilist era of the sixteenth, seventeenth, and eighteenth centuries. Two hundred years of relatively free markets have produced remarkable varieties of options as well as enormous increases in income, which permit individuals to indulge their tastes for an ever-enriched variety and increased quantity of goods and services. The available mix is so rich today in America that no two individuals need choose exactly the same lifestyle and menu of goods and services.

The diversity of experiences available in a free-market society extends far beyond matters of grubby materialism. Every dimension of human activity—social, intellectual, and aesthetic—is affected by the institutional organization within which resource-use decisions are made. The richness and breadth of personal experience is directly related to the extent to which individuals are permitted to determine the use of their own resources (including time).

Two hundred years ago, ninety percent of Americans could reasonably anticipate lean, difficult, and brief existences; today, over ninety percent expect, and receive, the bounties of the free market. But it would be a mistake to judge the merits of a free market by noting simply the array of goods, services, and life-styles available at any moment. Instead, it is the process of free-market exchange among consenting individuals that is central to the attainment of the most highly desired mix of goods and services.

The market process is often misunderstood and frequently misrepresented. Since advocates of state action cannot (or will not) acknowledge the spontaneous efficiency of the market process as it works without central direction, they must base their case for state interference on so-called market failures. However, the myriad areas and ways in which the state interferes with voluntary individual activities have expanded far beyond the list of genuine market failures by any reasonable definition. A more persuasive explanation is the following: The critics of the free market attempt to justify state intervention on grounds of market failure, but their true complaint is directed to the results of market success—not failure. For those who wish to shape the community and control the lives and property of others, the market performs too well, as it produces religious books and pornography, junk food and wheat germ, hamburger palaces, massage parlors, and EST seminars, in response to our distinct and evolving individual wants.

Just as free markets produce an amazing variety of goods in a striking range of standards and qualities, state action constrains individual choice. Each activity by the state, whether it be automobile safety standards, food and drug regulations, environmental controls, worker safety rules, automobile insurance standards, "equal" employment opportunity programs—to name a few—restricts and reduces the choices open to individuals. Whether or not one finds some particular interference personally attractive, the net result is an involuntary homogenization and reduction of available goods and services. More and more products and activities that were voluntarily chosen by private decision are becoming involuntarily imposed, restricted, or eliminated by state mandate. Yet, it does not follow that because we are all one people, we all want the same diets, automobiles, medical services, pension benefits, and environmental amenities—or that we all are willing to bear the same costs to obtain a given benefit.

Many special interest groups turn to the state as the easiest and cheapest way to impose their own values and standards on others and to line their own pockets. Perhaps the very effectiveness of the free market frightens them as it responds to the desires of others and, on occasion, threatens vested economic interests.

A desire for predictability and for high standards of product and of conduct can engender in some a fear of freedom—at least, a fear of freedom for *other* people; and, even among those who are not lineal descendants of Attila the Hun, a fear of freedom can lead to an imposed, centrally directed order and Procustean standardization. After all, it is apparent—is it not?—that someone must "run the store." And as the "store" becomes bigger and more complex (the United States annual GNP is now at the two trillion dollar level), the "someone" in charge must have and must exercise greater and more pervasive powers. Granted, some of the spontaneity and variety of activity may be thereby curtailed—but tutored discipline may develop character, and, at its worst, the reduction of freedom is surely a small price to pay in order to have the trains run on time!

The hunger for stability and controlled predictability initially manifests itself in a variety of "concerns"—the environment, energy, income distribution, health, safety, transportation, *etc.* But this desire for stability cannot be permanently realized when the very process of state action relies on *ad hoc* intervention. Although a particular coalition may muster the political clout to win a specific battle, its victory is temporary and uncertain as long as the outcome is subject to change by subsequent *ad hoc* political intervention by an opposing coalition.

Genuine stability, predictability, and confidence in the system follow only from adherence to principles. Professor L. B. Yeager said it well:

"The principled approach to economic policy recognizes the task of the policy maker is *not* to maximize social welfare somehow conceived, and *not* to achieve specific patterns of outputs, prices, and incomes. It is concerned, instead, with a framework of institutions and rules within which people can effectively cooperate in pursuing their own diverse ends through decentralized coordination of their activities."[1]

When the state—not content with tending the institutions and administering the rules—assumes the activist role and attempts to legislate end results, the principled approach to economic organization and policy is sacrificed to political expediency. Decisions are made on a case-by-case basis, guided only by situation ethics and transitory majorities. This *ad hoc* political approach, without the benefit of guiding principles, both invites and requires recurrent interference and perpetual readjustment of the system. Individuals with "diverse" interests will not passively accept the official goal or end state; invariably, many will respond to state interference by behaving in a fashion imperfectly anticipated by the authorities. Illegal as well as legal efforts in the economic sphere, and collective pressures and reactions in the political arena, will be used to "beat the system." Hence, unlike a free-market regime, wherein the state enforces the rules of the game, social goals defined in terms of end results are only temporarily achievable, stable, and secure. The transitory nature of his success frustrates the activist and creates an intense sense of betrayal. Who, for example, is more outraged at the failure of "the system" to generate a Consumer Protection Agency than that consummate end-result advocate, Ralph Nader?

The typical interventionist's concern for an "optimal" social goal governing environmental, natural resource, technological, and economic matters betrays a lack of coherent commitment to the tenets of a free society. In order to sell his social goal, he must discredit that which he mistakenly believes is the prevailing social goal. For example:

"The social goal dominant in American economic thought today—to maximize the economic value of our nation's capital, labor and natural resources—does not have a long history. Today the social goal is taken as self-evident by virtually all economists—from Marxists on the left, to capitalist conservatives on the right. Yet, this social goal, first fully articulated in 1776 when Adam Smith published his *Wealth of Nations,* evolved only in the two centuries between 1750 and 1950.[2]

This statement is distressingly inaccurate and misleading. First, individuals have goals, but society does not—except in the crass sense that special interest spokesmen attempt to justify their ends by cloaking them in the rhetoric of "social" goals, the "public" interest, and the "common" purpose. Second, despite the claim that state policies have been designed to maximize the economic value of our resources, evidence from virtually every economic study of regulation suggests otherwise.

Americans—collectively—do not have a social goal; we have individual goals. The state's pervasive interference in our private individual activities cannot be justified by suggesting that its mission is to "maximize the economic value of our resources." Taken literally, this would mean that GNP, the dollar value of new domestic output, is considered an index of our collective well-being.

GNP is a weighted sum of outputs times their respective prices. Clearly, if outputs are chosen by political means and if prices are set by the state's bureaucrats, the resulting value of GNP is meaningless for measuring individual Americans' valuation of goods and services. GNP then is not a reflection of individual desires backed up by purchasing power but, instead, is the result of myriad special interest proponents exercising political forces which only coincidentally reflect the true preferences of other individuals.

The state inteferes with the free market process and arbitrarily sets almost countless prices and outputs. For example, the prices of petroleum products, public transportation, public education, and many rental units are set below market-clearing levels. The prices of interstate trucking, air travel, fresh milk, peanuts, and the wages of unskilled labor are set above free market levels. Many rates of output, as well as terms and conditions of sale, are dictated by the state. Subsidies, tariffs, and quotas abound. State interference with economic activity creates so many distortions that only the ignorant would claim the state maximizes, or effectively induces the maximization of, the economic value of our resources, and only the devious would misrepresent the state's behavior as pursuant of that "social" goal.

In order to play the game of social goals successfully, state-sponsored coercion must be rationalized by the interventionists. The dictates of political propaganda and manipulation require that they represent *their personal* goals as *our social* goals.

Today, Americans have expanded still further their view of social justice, to include not only maintaining minimal standards of living for everyone and opportunity for advancement equally without regard to race, religion, sex or economic status, but also access for everyone to natural amenities to enrich life and to a healthy environment."[3]

Clearly, as soon as the game of "social" goals begins, the contending political forces can (only) temporarily strike a bargain by multiplying the number of goals. The preceding passage lists goals for living standards, equal opportunity for advancement, and universal access to natural amenities and a healthy environment. The next iteration of the game can be expected to augment that list with the addition of such social goals as minimizing energy consumption, minimizing oil imports, extending subsidized airline service to small communities, and preserving the snail darter and the furbish lousewort. Attainment of all of these social goals is not possible; the goals—as a group—are mutually incompatible, since typically only one thing can be optimized at a time.

As the contending special interest coalitions jockey to impose their own goals on their fellow citizens, the scope and foundation of individual choice, private property, free markets, and the free society are progressively destroyed. Protestations of good intentions—and even actual purity of heart, combined with befuddlement of mind—will not preclude subversion of freedom as the market is diluted, constrained, and distorted by government.

No single coalition of contemporary interventionists deserves the full blame for the accelerating shift from free market processes to centralized government control. Yet, the coalition of environmental activists that has coalesced into a major force over the past decade and a half is symbolic of the threat that state control holds for our future.

The environmental movement coalition clearly has a specific end result as a goal. Almost without exception, its members scorn both private property as a tradition and individual free choice as a goal as they seek to impose their allegedly superior view of the "end state" of nature and society on their less enlightened (if not nefarious) fellow citizens. Like many other special interests in contemporary society, they have discovered that it is cheaper to expropriate through state action than it is to work toward their objective through voluntary, private market actions. Their efforts to legislate environmental ends cannot avoid massive costs resulting from the adverse effects to the structure and the performance of the free market process. They regard the destruction of private property and individual free choice as a necessary, but incidental, side effect of the noble, environmental quest. If any compensation is needed, environmentalism provides its adherents with feelings of higher purpose, group identification, and triumph over evil. Compensation to those whose private property is involuntarily pressed into environmental service is rarely contemplated—and less frequently supported—by the environmental coalition, even when public rather than their own money is at stake.

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[1] Leland B.Yeager, "Economics and Principles," *Southern Economic Journal,* 42 (April 1976), p. 560.

[2] *Dollars and Sense. The Economic Context of the California Coastal Plan* (Sacramento: The Planning and Conservation Foundation, 1975), p. 11.

[3] *Ibid.,* p. 12.

It is unlikely that any economic analysis, however cogent and complete, will convince the ardent environmentalists that the techniques they use to achieve their end result of a managed, ecological zoo on earth are inherently vicious and destructive of economic performance and individual freedom. Reasoned concern for material wellbeing and individual rights is not the driving force of the modern environmental movement.

Once the environmentalist has dedicated his own life to the natural environment and has relinquished his own freedom to the power of the state as an instrument for achieving ecological grace, he engages in missionary activity in the worst sense of that word.

"* * * it is always the wish of those who subject themselves to power that others, still able to evade that power, should also subordinate themselves and conform to it. Phenomena such as the totalitarian state and modern dictatorship cannot be fully understood if the social relations between those who have, and those who have not yet, conformed are overlooked * * * these men who have already submitted to the new power are not satisfied with conforming, themselves, and almost invariably develop intense feelings of hostility toward those who continue to stand aside skeptically appraising the new power and considering whether to remain aloof." [4]

The contemporary environmental movement is one of the most potent "new powers" that threaten private property and individual free choice at the beginning of America's third century. The techniques that environmentalists use to achieve their ends include an alliance with the state which, at the expense of private property rights and individual free choice, promises to solidify the state's grip on virtually all uses of private resources. Champions of freedom can hardly be optimistic about future prospects when the system continues to deteriorate:

"Descriptively, we now live in what might best be called 'constitutional anarchy,' where the range and the extent of federal government dominance over all our lives, over all our private behavior, is largely dependent on the accidental preferences of politicians in judicial, legislative, and executive positions of power. Increasingly, men feel themselves at the mercy of a faceless bureaucracy, itself irresponsible and subject to unpredictable twists and turns that destroy and distort personal and private expectations. Furthermore, men have little or no opportunity for redress or retribution." [5]

If the environmentalists and other interventionists ultimately prevail, private property will cease to be the well-spring of individual liberty, the free market will wither and die, the competitive process will channel our individual energies into self-defensive political, rather than voluntary economic, activities, and free choice will be displaced by the edicts of the leviathan state at its zenith of power.

The ecological paradise which is the vision of the environmentalists can be likened to the zoo found in many communities. No detail, however small, will escape the control of the environmental system planner. Individual human residents of the zoo will have no more control over their habitats than the bears and the lions do now. We may—sometimes with fearful misgivings—growl and roar to express our discontent, but the keepers of the environmental zoo will have the authority and the force to prevail. Claws will be clipped and fangs removed as the authorities deem appropriate.

In order that the inhabitants of the zoo live "in harmony" with their environment, the caretakers will tell the occupants where to live and how to live. If the planners find the inhabitants need exercise, they will provide appropriate facilities, as they currently provide a barren tree for the monkeys to climb at the zoo. If some of us require shade, we will be provided an awning of officially approved design and color. If others require special diets, that will be arranged the same way the fox receives his daily ration of rabbit from his keeper. Since freedom of movement would lead to chaos in any zoo, restrictions on movement will be necessary except for the keepers and a few species which, like the domesticated fowl at the contemporary zoo, are thought to be mischief-proof.

Economic interaction or trade among the inhabitants of the zoo will, of course, be out of the question unless it is under the careful supervision of the zoo-keepers. Since "neighborhood" or "spillover" effects will be of paramount concern, all individual action will be carefully controlled by official permit in order to avoid adverse environmental consequences. Production, in particular, will be subject to controls, directives, and constraints. Only that which the keepers find is "needed" will be produced.

It is possible that the environmental zoo will appear pleasant, coherent, and well-run to the visitor—if not to those inhabitants who prize liberty. Some animal zoos are pleasant, largely because of taxes on, or gifts from, the outside private sector. But the new environmental zoo will know no boundaries, and there will be no private sector beyond the gates. Indeed, there will be no visitors to the zoo—only the bureaucratic keepers and the caged citizens.

If you would know what the future holds, visit your local zoo. Watch the restless pacing of the cats, the listless posturing of the apes, and the relentless circling of the seals. Listen to the frantic screams of the monkeys. That habitat is the emerging model of life in America's third century.

The author, M. Bruce Johnson, is Professor of Economics at the University of California, Santa Barbara. He taught and was Acting Director of the Institute for Economic Research at the University of Washington before joining the University of California faculty in 1968, where he has been departmental Chairman. He has been Visiting Professor at U.C.L.A. and Associate Director for Research at the Law and Economics Center, University of Miami. He has served as a Commissioner of the South Central California Regional Coastline Commission. He has written on congestion, peak-load pricing, economics growth, costs of environmental action, economics of time, consumer behavior, and industrial organization.

NEW YORK CITY

Mr. PROXMIRE. Mr. President, back in 1975, the Congress of the United States took an unprecedented action by providing substantial assistance to the city of New York. Never before in the 200-year history of this country had the Congress of the United States, the Federal Government, come to the assistance of a city the way we did New York City.

We had permitted other cities to go into default or, indeed, into bankruptcy, but New York City was a special case.

One of the reasons was, of course, because New York City is an enormously big city, so big that New York State was unable to meet the problem it faced.

Many of us felt, however, that if push came to shove the terrific capital resources in New York City would have been able to prevent the city from going through default or bankruptcy.

At any rate, in 1978, as is well known, we provided a guarantee for another 4 years to help New York out.

All along, I had been urging New York City to go to the market and sell obligations. They came close to it, but they did not do it until about a week ago. When they did go to the market, they were surprised to find that they could, indeed, sell obligations. In fact, they were able to sell at a lower interest rate than they originally asked. They started out at 8¼ percent and ended up with an 8 percent rate. They also were able to sell $125 million in notes.

I think we should put this in perspective, however. I do not think it means that New York is out of the woods, and an excellent editorial in the New York Times makes the same point.

In view of the fact that there is a Federal interest here and a Federal obligation, and our Banking Committee has the responsibility of discharging that obligation on the part of the Senate and keeping the Senate advised, I call to the attention of the Senate the nature of that sale and its significance. I think the best way to do it is to quote from this editorial of last Monday in the New York Times. The editorial reads, in part, as follows:

> It should be clear by now how far ahead the road stretches before New York will be able to sell long-term bonds on its own credit to pay for its urgently needed capital improvements. Already the city is responsible for $14 billion in bonds that it has either sold or guaranteed. The new $125 million in short-term notes are less than one percent of its total obligations, but if the sale leads New Yorkers to believe that the worst is over and the city's credit has been restored, it will make the way back even harder.
>
> Borrowing always seems easier than budget-cutting or tax-raising, and City Hall must not be tempted to return to its old tricks of misclassifying current expenses as capital investments, or of trying to turn a profit by investing borrower money in high-interest securities.

The editorial concludes:

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[4] Helmut Schoeck, *Envy: A Theory of Social Behavior* (New York: Harcourt, Brace and World, Inc., 1969), pp. 89–90.

[5] James M. Buchanan, "America's Third Century in Perspective," *Atlantic Economic Journal*, 1 (November 1973), p. 6.

What we saw this week was not a sign of April, but a January thaw. There is more cold weather ahead.

Mr. President, the Senate Banking Committee will hold hearings on the New York issue in the next 10 days or so. The Governor of New York State, the mayor of New York City, and other officials will testify.

I think it is very clear that for New York to be able to make the grade, it will be very important that New York holds down its spending. The cuts are extremely difficult—maybe even cruel under some circumstances—but that is the only way they can make the grade, and it is going to be very difficult.

Mr. President, I ask unanimous consent to have printed in the Record the editorial which appeared in the New York Times.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

It's Still Winter in New York

This week, for the first time in four years, investors did not keep their hands in their pockets when New York City offered to sell $125 million in short-term notes. Instead, they bought them at a lower interest rate than experts had predicted. This merits celebration, but those who dance in the streets should watch out for ice. The fiscal winter is not over.

New Yorkers, who must pay the interest on the city's debt, owe thanks to Comptroller Goldin and his staff for managing the sale and its timing so well that the interest rate has been held to 8 percent a year. Over the 5-month life of the notes, that will mean $1 million less in interest than the city would have had to pay to the clearinghouse banks and the union pension funds for the same loan under a standby credit arrangement.

The public offering was not undertaken to save interest however. By the time the city pays for legal and accounting services and commissions to the underwriters the saving will be reduced to $250,000. Mainly the city undertook the sale because of its commitment to the Federal Government to re-enter the normal private lending market as soon as possible.

This sale was based on the state's credit, not the city's. The security for the notes consists of about $600 million in unpledged state revenue supervised by the state comptroller. The 8 percent interest would probably have been as low as 6 percent if the state borrowed the same amount on the same day for the same five months without putting the city's name on the paper. But the city hopes by this sale to re-establish its credit for the long-term future. A carefully protected borrowing is the necessary first step.

It should be clear by now how far ahead the road stretches before New York will be able to sell long-term bonds on its own credit to pay for its urgently needed capital improvements. Already the city is responsible for $14 billion in bonds that it has either sold or guaranteed. The new $125 million in short-term notes are less than one percent of its total obligations, but if the sale leads New Yorkers to believe that the worst is over and the city's credit has been restored, it will make the way back even harder.

Borrowing always seems easier than budget-cutting or tax-raising, and City Hall must not be tempted to return to its old tricks of misclassifying current expenses as capital investments, or of trying to turn a profit by investing borrowed money in high-interest securities.

What we saw this week was not a sign of April, but a January thaw. There is more cold weather ahead.

THE GENOCIDE TREATY

Mr. PROXMIRE. Mr. President, I have risen on the floor of the Senate many times during the past years urging the Senate to ratify the Genocide Convention. It would outlaw genocide, the crime of deliberately destroying a racial group or a religious group by outright murder or by any other means of extermination. That treaty has been pending for a long, long time before this body.

I call the attention of the Senate this afternoon to the reaction in Germany to the showing of the television dramatization of genocide, "Holocaust." The reaction in West Germany was remarkable. It was not shown on a nationwide network; it was shown on a regional television. It was expected that, at best, there would be about 15-percent viewership. First reports showed 34-percent viewership of the first segment and 39-percent viewership of the second.

There was a great interest in Germany and an overwhelmingly interesting response, because the Germans called the station and told them, by a 3-to-1 margin, that they thought the program was desirable and necessary and very moving.

A followup story in the New York Times a day or so ago indicated that not only were the West Germans impressed but also that those East Germans who had crossed the border are now agitating to have "Holocaust" shown in East Germany, where there also is deep concern about the terrible outrage that the Nazis perpetrated on the Jews.

Mr. President, "Holocaust," of course, is a dramatization of what happened; and I think it is very useful in calling to the attention of the West Germans, as it did to the Americans, the terrible genocide that was perpetrated against 6 million Jews. But we can do more than be horrified. We can do more than just hope that the murder of 6 million people never occurs again. We can act today to prevent these horrible atrocities from every occurring again.

For the last 30 years, the Genocide Treaty, which makes genocide an international crime, has been before the Foreign Relations Committee of the U.S. Senate. Four times that committee has reported it to the floor of the Senate, and we have failed to act on it.

This treaty is one small step toward prevention of future final solutions such as Hitler's plan, and it is before the Senate.

Mr. President, West Germany and 81 other nations have ratified the treaty. Unfortunately, the world waits for the Senate to take action. The United States is the principal large country in the world that has failed to ratify a treaty which Harry Truman, as President of the United States, was more responsible than any other individual in persuading the United Nations to recommend. As I say, other nations have done it. It is time we did likewise.

RULE XXII SHOULD BE AMENDED

Mr. PROXMIRE. Mr. President, the resolution proposed by the majority leader, Mr. Robert C. Byrd, Senate Resolution 9, to amend a number of the standing rules of the Senate, but principally to amend rule XXII, deserves our support.

These amendments are long overdue. Far from any radical departure of the historic rules of the Senate, they would, in fact, return the Senate to a set of rules closer to those prevailing in the first two decades of the Senate—namely, from 1789 to about 1814—than are the rules of the Senate today.

The proposed rules changes are designed to carry out the basic principles of any parliamentary body: First, that there should be full and free debate, but second, after full and free debate, that the body must be able to act and to vote. In my opinion, a majority should be able to act and to vote, but at least the votes of 60 Senators, as in the present rule, should be allowed to bring debate to a close and allow the Senate to act.

Because of a series of rules which were designed to be dilatory and to prevent a majority or even 60 Senators from acting, the majority leader has proposed Senate Resolution 9.

In any parliamentary body and in any democracy itself, the minority must be allowed the right to speak, to debate, to criticize, and, if it can convince the country, to ultimate become the majority itself. The majority must allow the minority this right to peacefully criticize and overturn the government by democratic means. The minority must not use force, provided the majority allows it to criticize and, possibly, to govern.

But there are obligations on the minority as well. After full and free debate and after it has had a chance to be heard, the majority must be allowed to act.

In the Senate, that is now prevented through dilatory tactics which can be exercised by a number of Members far less than a majority. In fact, I am amazed at the modesty and the overgenerous spirit of the majority leader, who is asking merely that 60 Senators—three-fifths—can under his proprosals bring debate to a close and get a vote and a final conclusion.

FILIBUSTER

A filibuster is not only long talk. A filibuster is an extended debate which also has the purpose of preventing a vote.

In the early Senate, a filibuster was not possible. Contrary to the often heard opinion that the filibuster in the Senate is a creature of the Founding Fathers, that is simply not the case. The early Senate operated under Jefferson's Manual, which is still a part of the Rules of the Senate. Jefferson, himself, as Vice President, was not in the chair.

Rule 17 of Jefferson's Manual provided that—

> No Senator may speak impertinently, or beside the question, superfluously or tediously.

If we had that rule today, the Senate would come to a screeching halt. Imagine: No Senator may speak "tediously" or "superfluously."

In addition, rule 17 provided that—

> In the Senate of the United States the President's decision is without appeal.

There you have it. If a Senator engaged in long talk or spoke tediously or superfluously or beside the question—such as reading cookbooks and nongermane reports—that Senator would be out of order.

Further, the President's decision to call the Senator to order was final. There was no appeal. A filibuster could not happen under those provisions, properly enforced.

In addition, the Senate also had rule XXXIV, the previous question rule. It provided that—

> When any question is before the House, any member may move a previous question whether that question (called the main question) shall now be put. If it pass in the affirmative, then the main question is to be put immediately, and no man may speak anything further to it, either to add or alter.

In other words, by moving the previous question and by passing it by a simple majority vote, debate was closed.

During the debate over changing rule XXII in 1957, the constitutional historian and Madison biographer, Irving Brant, researched this issue and found that on four occasions in the early Senate the previous question was moved. On two occasions it had the effect of shutting off debate by majority vote. Mr. Brant's work was brought to the attention of the Senate by Senator Paul H. Douglas of Illinois, who was leading the fight to change rule XXII.

NOT ONLY A MOTION TO POSTPONE—STOPPED DEBATE

Senator Richard Russell of Georgia then asserted that this was the previous question motion from the House of Commons and that its nature was to postpone rather than to end debate. That was a position which previously had been asserted by both Henry Cabot Lodge and Robert A. Taft.

Historian Brant, assisted by Howard E. Shuman, then Senator Douglas' legislative assistant and now my administrative assistant, researched this issue. Mr. Brant examined and Mr. Shuman tabulated the effect of the previous question motion in the House of Commons from 1604, when it was adopted, until 1789, when the Senate adopted the rule.

They found that the "previous question" motion had been moved or "put" on 899 occasions in those 185 years. On 539 occasions, or 60 percent of the time, it brought debate to a close by majority vote. On 360 occasions, or 40 percent of the time, it had the effect of postponing debate. The result depended on whether the motion was put in the affirmative or negative and whether the "yeas" or "nays" prevailed.

The filibuster is, therefore, not a creature of the Founding Fathers. It was effected in the mid-19th century and is the child of sectionalism and slavery.

FILIBUSTER NOT NEEDED

There is one further general point I should like to make. The filibuster is not needed in the Senate of the United States to protect the minority. The minority in the Senate, Congress, and the country is more than adequately supported by the provisions of the Constitution without adding an artificial protection like the filibuster. Here is why:

First of all, any bill or law must first pass Congress. It must then be signed by the President. If the President vetoes it, Congress can overrule that veto by a two-thirds vote in both Houses. Finally, such a law is subject to the will of the courts and can be declared unconstitutional by a majority vote of the Supreme Court. This division of power provides great protection for the minority in the United States.

Second, for a bill even to get to the President's desk it must run a series of hurdles or through a legislative maze which by its intricacies is designed to protect the minority. A bill can be defeated at any of numerous places in the legislative process. Often it must be passed in both subcommittee and committee of the House and again in the Senate. It must pass in both the House and the Senate. It goes to a conference committee if there are differences in the two bills. It must again pass each House in the form of a conference report. In the House of Representatives, it must also get a "rule." In the Senate, it can be subjected to dilatory tactics on the motion to proceed to its consideration.

Altogether, there are almost a dozen key points where a determined minority can kill a bill.

But the majority must pass a bill over all of these hurdles in order for it even to be sent to the President. That is a built-in protection for the minority.

Finally, there is the constitutional provision that each State shall have two Senators, regardless of its size. The Senate of the United States is now the only constitutionally gerrymandered legislative body in the United States.

That provision of the Constitution, article I, section 3 cannot be changed for it provides that—

> . . . no State without its consent, shall be deprived of its equal suffrage in the Senate.

Thus, unless there was unanimous consent by all 50 States, even a constitutional amendment could not change this provision.

The 17 largest States and the 17 smallest States each have 34 votes in the Senate. But the former have 70 percent of the population and the latter only 7 percent—one-tenth as many. Talk about protection for the minority. Theoretically, the 7 percent could defeat a treaty, prevent conviction for impeachment, beat a constitutional amendment, or sustain a veto.

What more protection does a minority need? We do not need to add to all these protections—the division of power, the two-House legislature, and a Senate based on each State having equal representation without regard to population—an artificial barrier to action giving 40 Senators or fewer the ability to bring action to a screeching halt.

NEED FOR AMENDMENTS AND SENATE RESOLUTION 9

What we have seen, however, in recent times, is the ability of a very few Senators to thwart the will of even 60 Senators who have voted cloture.

As I said to begin with, in the Senate there should be full and free debate. But ultimately, the Senate must be able to act and to vote.

The majority leader's amendments are designed to bring this about when 60 Senators vote to end debate. Further, he has provided a number of changes to rules other than rule XXII which have been used to waste time and to tie up the Senate, including reading amendments which are printed, filibustering the motion to proceed as well as the substance of bills, and to filibuster by requiring the reading of the Journal. Furthermore, he provides that at the end of the session, which we all know is the time when even one person can tie up the Senate, for a change in the rules allowing cloture motions to be presented and voted on quickly.

On the whole I believe these provisions are sound and that they would return the Senate closer to the body it was when created by the Founding Fathers than it is today. Furthermore, the provisions would both protect the minority while allowing 60 Members of the Senate, more than a majority, to vote and to act.

I applaud the majority leader's proposal and state only that it is a most modest one which may become much less modest if it fails.

ORDER GRANTING EXTENSION OF TIME TO JOINT ECONOMIC COMMITTEE TO FILE CERTAIN REPORTS

Mr. BENTSEN. Mr. President, I ask unanimous consent that the Joint Economic Committee be granted an extension of time from March 1, 1979, to March 30, 1979, to file a report of its findings and recommendations with respect to the Economic Report of the President, as required by section 5(b)(3) of the Employment Act of 1946 (15 U.S.C. 1024 (b)(3)); and further, that the Joint Committee be granted an extension of time from March 1, 1979, to March 30, 1979, to file the report of its findings and recommendations required under section 5(c) of the Comprehensive Employment and Training Act Amendments of 1978 (Public Law 95-524).

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BOSCHWITZ. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. JACKSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RETIREMENT OF REXFORD A. RESLER AND WILLIAM TOWELL

Mr. JACKSON. Mr. President, on December 30, 1978, after more than 30 years of service to conservation and to his Nation, Resler retired as Associate Chief of the Forest Service. The Forest Service of the U.S. Department of Agriculture has long been recognized as an efficient, well-managed agency which has acted responsibly to conserve the natural resources entrusted to it. Rex Resler's career has epitomized this popular concept of the agency. In these days, when we are so often inclined to overlook the contributions which our public servants are making to our Nation, it gives me pleasure to call attention to Rex Resler's contributions to the cause of conservation.

Mr. Resler is a native of Indiana where he grew up and which he left to serve from 1941 to 1945 in the Army Air Force. After graduating with honors and receiving a master of forestry degree from Oregon State University in 1954, he began work with the Forest Service on the Siuslaw National Forest in Oregon. He served as a District Ranger on the Siuslaw and Rogue River National Forests, as a Deputy Supervisor of the Willamette National Forest, and as a Supervisor of the Melheur National Forest.

In 1968, he transferred to the Forest Service's Washington, D.C. headquarters to the Division of Recreation. During this time he was not only concerned about expanding the national forest wilderness system, he also took a personal interest in expanding recreation opportunities for disadvantaged minorities and the handicapped in urban areas near national forests. He also served as assistant director of timber management before returning to the Pacific Northwest in July 1970 as deputy regional forester.

In 1971, he was named regional forester of the Pacific Northwest region covering Oregon and Washington. He returned to the Washington office of the Forest Service as Associate Chief in August 1972. In that capacity, he has served as an alternate and associate to the Chief of the Forest Service responsible for all activities of the agency.

It was my privilege to know and work with Rex Resler when he was a regional forester of the Pacific Northwest region and to have been closely associated with many facets of his work as Associate Chief of the Forest Service during his recent years in Washington. Rex Resler was not one to seek the limelight. Rather he worked with boundless energy, good humor, great depth of knowledge and expertise, patience, and persistence in order to achieve the conservation goals of the U.S. Department of Agriculture and the Forest Service. He was a "doer."

He liked to get things done and he was willing to work the long hours that it takes to get results. He had many specific areas of interest beyond those of the broad management of natural resources. Although he devoted much energy to improving the timber management operations of the Forest Service, he worked equally hard and was equally concerned with the establishment by the Forest Service of a quality national wilderness preservation system.

He was a well-rounded conservationist and administrator in every sense of the word. During his 6½ years as Associate Chief of the Forest Service, he devoted much energy to improving the efficiency and management of the Service so that it could handle the expanded and more complex programs for which it has become responsible within the limited manpower and budget constraints that have been available. The fact that the work has been done so well is a credit to his managerial abilities. Professionalism and Rex Resler are synonymous. Rex Resler stands tall as a fine example of competence, integrity, and dedication.

Upon his retirement from the Forest Service, Rex Resler has not rested even 1 day. He immediately assumed a position beginning January 1, 1979, as executive vice president of the American Forestry Association replacing William E. Towell who retired at the end of December 1978 after a long and distinguished career in conservation work.

Mr. Towell retired after 12 years as executive vice president of the American Forestry Association. Like Rex Resler, Bill Towell is a professionally trained conservationist, and he has had several leadership positions in conservation organizations. He came to the American Forestry Association from Missouri where he was director of the Missouri Department of Conservation. He has also been a member of many advisory boards and committees and of many professional and scientific organizations. Bill will best be remembered for his work in establishing an "areas of agreement" group which consisted of members from many conservation organizations.

That group sought to find areas of agreement and to emphasize and work together in those areas rather than to use up much energy in disagreements. With this as a background for his operations, Bill has been able to substantially increase public understanding of complex resource issues and has been very helpful to those of us in the Congress in dealing with these issues. Like Rex Resler, Bill Towell is not retiring to a life of inactivity. He has moved to North Carolina and plans to continue his interests in conservation, acting as special consultant and advisor to several organizations.

Bill Towell has always been willing to give of his time, energies, and abilities for causes in which he believed. He will be sorely missed by those of us left here in Washington to continue on with the work.

Mr. President, it has been my pleasure to give this tribute to these two great Americans who in their own way have each made such a substantial contribution to the welfare of our Nation. It can truly be said that this country is better off because Rex Resler and Bill Towell live and work here. I am sure my colleagues join me in wishing them continued success.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Chair recognizes the majority leader.

Mr. ROBERT C. BYRD. I thank the Chair.

AUTHORIZATION TO PRINT REPORT ENTITLED "CHINA" (S. DOC. NO. 96–4)

Mr. ROBERT C. BYRD. Mr. President, I shall send to the desk a resolution and I shall ask for its immediate consideration. I ask unanimous consent that there be a time limitation thereon of 2 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I send to the desk a resolution and ask that it be stated by the clerk.

The PRESIDING OFFICER. The clerk will state the resolution by title.

The assistant legislative clerk read as follows:

S. Res. 29. A resolution authorizing the printing of the report entitled "China" as a Senate document.

Mr. ROBERT C. BYRD. Mr. President, I sent this resolution to the desk on behalf of Mr. MUSKIE, and I ask for its immediate consideration.

There being no objection, the resolution (S. Res. 29) was considered and agreed to as follows:

Resolved, That the report entitled "China", prepared by Senator Muskie, chairman of a bipartisan congressional delegation to the People's Republic of China, be printed with illustrations as a Senate document.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I believe other speakers are on their way to the floor and I, therefore, suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION FOR INSERTION OF STATEMENTS IN THE RECORD AND INTRODUCTION OF BILLS, RESOLUTIONS, PETITIONS, AND MEMORIALS UNTIL 5 P.M. TODAY

Mr. ROBERT C. BYRD. Mr. President, I do not think the Senate will be in long today. The Senators who have been working on the rules matter have been participating in the discussions to a considerable extent, and I feel that progress at least is being made at this point and I would expect the Senate not to be in long today. I know there will be a meeting of the ad hoc committee on my side of the aisle this afternoon, and I am informed by Mr. STEVENS there will be one on his side of the aisle. He is chairman of that committee there. So the Senate will not be in long.

I ask unanimous consent that the Senators may have until 5 p.m. today to insert statements in the RECORD and to introduce bills, resolutions, petitions, and memorials.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNION POLITICAL POWER

Mr. THURMOND. Mr. President, I have before me an excellent analysis of "Legal Sources of Union Political Privileges" by Thomas R. Haggard, associate dean and professor of law, University of South Carolina. He has also taught at Rutgers University, Camden, N.J., and is the author of "Compulsory Unionism, the NLRB and the Courts," the Wharton School of Finance and Commerce Industrial Research Unit, University of Pennsylvania, 1976. The remarks of Dean Haggard were made, while a participant, in a colloquium at Chicago in April 1978. As we begin our work in the Senate as a part of the 96th Congress, his commentary on the use of political power by unions is most timely and deserving of careful study.

Mr. President, in order to share the views of Dean Haggard with my colleagues, I ask unanimous consent that they be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LEGAL SOURCES OF UNION POLITICAL PRIVILEGES

(By Dean Thomas R. Haggard)

All of us are aware, in a generalized sort of way, of the vast political influence that labor unions exercise in this country. Millions of dollars have been paid by labor unions into the campaign chests of political candidates who are, or who thus become, sympathetic to labor. On top of that is a virtually incalculable amount of so-called "in kind support"—free use of telephones, mailing lists, postage meters, cars, airplanes, computer time, and even the services of union staff members and secretaries. When legislation affecting labor comes up, massive and expensive lobbying activities are undertaken. And even in the ostensibly non-partisan political vein, labor unions spend a great deal of time, effort, and money in voter registration campaigns, get-out-the-vote drives, and the like.

My purpose today, however, is not to describe in detail the various ways in which unions exercise their political power and privilege. It is, rather, to expose the extent to which this power and privilege find their source in the force of law.

But before getting to that, I must define my terms. First, the term "legal" is used here to include not only statutory authorizations to do things that unions would not otherwise be able to do; it also refers to union conduct which may be technically illegal but which, as a practical manner, cannot be stopped (i.e. most public employee strikes) or which is simply ignored or tacitly tolerated by the government officials (i.e. union violations of the election laws).

Second, in this context, the term "political" is used to refer not only to the traditional activities of the kind that I described in my opening remarks, but also to activities that we would normally think of as "economic." Take public employee unions, for example. They are, by definition, political organizations—even when they are merely engaged in the economic activity of bargaining. The wages that city garbage men are paid is, ultimately, a political issue, as is the question of when a public school teacher can be fired, or the matter of whether certain public employees will provide their services on Saturday.

To a less obvious extent, the same is true of labor unions in what we nostalgically refer to as "the private sector." It is unfortunate but true that, in our present state of syndicalist existence, larger economic issues and disputes are routinely treated as if they were also politial issues and disputes—the recent coal strike, for example.

Finally, by "privilege" I mean preferential treatment that flows from either exemptions, the non-enforcement of prohibitions, and/or affirmative grants of permission.

Let us start, now, with public employee unions. As I indicated earlier, even when they are acting in the traditional union capacity as a bargaining representative of employees, they are, by definition, also acting in a political manner. Indeed, in a sense, they are exercising the ultimate political power, the power of sovereignty itself. What, then, is the nature and source of the privilege to act in this manner?

First, public employee unions have the extraordinary privilege of representing *everyone* within a particular agency or other government unit, whether *all* of those people want to be so represented or not, which is a form of compulsory unionism in and of itself. There is of course, strength in unanimity—even if it is forced! And by virtue of this power to "speak with one voice" unions are able to exert an influence on the political issues of public employee wages and working conditions that they could never hope to exert if they were truly voluntary associations.

Second, there is the matter of mandatory collective bargaining. Here the state imposes on itself and its political subdivisions a duty to recognize a union as the exclusive bargaining representative of its own employees and a duty to bargain with that representative over a wide range of political issues. This is an extraordinary political privilege that is enjoyed by unions, and unions alone. If the state, by law, said that the legislature could not pass an abortion statute until it had first bargained with and obtained the approval of the Right-to-Life Committee, our liberal, labor, and ACLU type friends would raise proverbial Cain about such a perversion of the democratic process.

Next, and in a related vein, there is the matter of compulsory arbitration/mediation. Here again, public employee unions enjoy a privileged position in the political process. By imposing on itself a duty to submit to binding arbitration or mediation all contract disputes that may arise between it and the union, the state surrenders to a third party its sovereign power to decide these clearly political matters.

Finally, there is the so-called "right to strike." Although most public employee collective bargaining statutes contain some kind of prohibition against public employee strikes, as we all know these strikes take place with increased frequency. And the state seems unable, or unwilling, to do anything about it. This, I think, is an inevitable result of the fact that these unions possess and exercise the extraordinary privileges and powers of an exclusive collective bargaining representative, referred to before. To have this power but not the power to strike is almost a contradiction of terms, as events have clearly demonstrated.

To the extent that unions are thus "privileged" to engage in strikes, by virtue of the fact that nothing is or can be done about it, they are able to exert a tremendous influence on the political process. We have made the tragic mistake of giving government a monopoly over many services that are absolutely necessary in an urban society, but which could better be performed by diverse elements within the private sector—the collection of garbage, for example. And we compound that mistake when, through public employee bargaining statutes, we effectively arm labor unions with the power to shut down those services—by going on strike when they don't get in collective bargaining what they have been led, erroneously, to believe that they have an entitlement to.

Well, what exactly are the sources of these privileges? Most courts have held that, in the absence of some statutory or quasi-statutory authority, public agencies have neither the duty nor the power to engage in exclusive collective bargaining with labor unions. That makes it fairly easy to pin-point the source of the privilege; at the state level it is the state legislatures, supposedly the political bodies that are closest and most responsive to the desires and best interests of political bodies that are closest and most respect to the postal workers it is Congress that has authorized the privileged status of those unions. For the unions that represent most of the remainder of the federal work force, privileges flow from a Presidential executive order.

Now, although in my opinion even the purely economic collective bargaining activities of public employee unions should be considered "political," they also encourage in political activities of the more traditional variety—supporting specific candidates, lobbying for legislation, and what have you. The question, thus, is this: To what extent are unions "privileged" in this context?

The privilege, I would suggest, consists in the *source* of the power that they have to engage in these activities. In no small part, that power is simply an overflow or surplusage of the unions' statutory power to act as an exclusive bargaining agent—an equal, in many respects, of the state itself. The concentration of such power in an organization naturally attracts the financial support and allegiance of those who are dependent upon it for their livelihoods, with such support and allegiance being used as the union desires, as in promoting its overtly political ends. Candidates and office holders are, moreover, very apt to listen to so powerful a voice; and all of this thus suggests the presence of an unusual—i.e. a privileged—political power.

There is, however, an even more direct source of the political power of public employee unions—a power of the financial variety. It is a phenomenon most often referred to as "compulsory unionism," whereby public employees are required to pay the equivalent of union dues for the dubious honor of being forced, against their will, to be represented by a union in collective bargaining. This money is used, not only to finance the political activity of collective bargaining, but also for the more literal kinds of political activities.

True, the Supreme Court has indicated that using compulsory dues for these latter kinds of political activities is unconstitutional—although using it for the political activity of collective bargaining is not, a distinction I have some difficulty in accepting. Nevertheless, the vindication of this constitutional right leaves something to be desired. The unions' so-called "rebate procedures" are complicated and inadequate, at the very best; and it seems to require lawsuit after lawsuit to get the unions to go even that far! So again, in furthering their political aims, unions are the privileged beneficiaries of the non-vindication of rights.

So much for public employee unions. Let us now look at the political privileges of private sector labor unions. As I indicated earlier, when a labor union achieves an agreement—or fails to achieve an agreement, and then goes on strike—in any basic industry, such as coal, oil, steel, automobiles, this is, in a realistic sense, a political event, in that the President and/or Congress inevitably become concerned about and involved in the end result.

The political response of the President and Congress is, I think, merely a reflection of the fact that unions are themselves already exercising political, or sovereign, power when they negotiate labor contracts with private employers. And in the exercise of this power, unions are clearly privileged—in that few others in our society enjoy a similar power.

What is the exact nature and source of this power? It consists, again, of the privilege of being the exclusive bargaining representative of *all* employees in a unit, and the corollary power to extract the equivalent of union dues from those who do not want to join the union voluntarily. It consists of the union's legally-backed power to compel employers to recognize and bargain with this representative.

This is all very similar to the powers public employee unions possess, discussed earlier. But in addition, private sector unions, under the guise of engaging in "protected concerted activities," are privileged to do certain things that clearly enhance their economic-cum-political powers. In a variety of ways they are licensed by law to use the employer's private property for their own purposes. Similarly, many union organizational and collective bargaining activities are privileged against any kind of employer counterresponse. And because of their special privileges in this regard, which are created by law, unions are able to achieve economic results that have clearly political consequences.

Presently pending before Congress is the so-called "Labor Law Reform Act." I do not have time to go into the details of this Act, but lest there be any doubts in your minds about it, let me assure you that the "reform" in question consists entirely of increasing the privileged status of labor unions—in many of the ways that I have already discussed.

As for the purely political activities of private sector unions: There was a time in the history of the labor movement when a substantial portion of the leadership believed that the improvement of the workers' conditions should be brought about only by collective bargaining or, if need be, by economic pressure, rather than by political action. That, of course, is no longer the case. Unions have found that the political approach is often quicker, easier, cheaper, and altogether more efficient. Instead of bargaining with a multitude of employers to increase the bottom tier of wages, unions will now use their political muscle on Congress to get the minimum wage raised. And in many other instances, things that were formerly matters of contract are now being imposed by law—at the instigation of labor unions; all of which suggest that labor unions are really political action groups in the purest sense of the word.

And our question, thus, is this: What kind of special privileges do unions enjoy in this regard?

Well, there is first the matter of the momentum that unions have by virtue of their special powers to act as a bargaining representative. This is sufficient to carry them not only to the bargaining table with strength, but beyond that into the legislative halls as well, just by the very nature of things. It is foolish for the law to think that it can give an entity extraordinary power to act in one sphere (collective bargaining) without having that power spill over and be exercised in other spheres—as here, in the political arena. So, as a political action group, labor unions enjoy a privilege few if any others do—i.e. their power flows ultimately from the state itself.

Next, there is the matter of the use of compulsory dues for political purposes. Let me outline for you briefly how the law deals with compulsory dues generally, and then indicate how it deals with their use by the union to promote the union's political causes. Section 8(a)(3) of the National Labor Relations Act makes it illegal for an employer to discriminate against employees on the basis of union affiliation, membership, or support—or the lack thereof. In other words, insofar as the employer is concerned, an employee's membership or non-membership in the union is irrelevant. The law then goes on to provide an exception to that prohibition. The law says it will *not* be considered illegal for an employer to agree with a union that it, the employer, will require of its workers, as a condition of their continued employment, that they pay to the union the equivalent of the union's normal initiation fees and dues. This is aptly called a "union security agreement." Armed with the extraordinary powers mentioned earlier, unions were, of course, quick to exploit this exception—and in non-right to work states they have bargained for, struck over, and frequently obtained union security agreements whereby employees are required, as a condition of their employment, to pay money to the union. Much of this money is, of course, used to finance union organizational and collective bargaining activities. But since modern labor unions obviously consider themselves political as well as economic associations, it naturally follows that unions will spend dues, not only for collective bargaining purposes, but also for political purposes—this to the chagrin and outrage of those who disagree with the union's political positions *and* who are required to pay the money under duress.

In the early 1950's litigation was instituted challenging this, and the Supreme Court ultimately held that under the federal statutes a union's privilege of extracting membership dues from unwilling workers does *not* include the privilege of spending that money for political causes which the worker is opposed to. The Court, indeed, intimated that such a practice—or rather, the statutes authorizing it—would probably be unconstitutional.

Well, that was the law; but for the last 20 years or so the problem has been enforcing it. The unions have *not* voluntarily stopped spending compulsory dues for political purposes; they have *deliberately* obscured the amount they spend for this purposes, so as to make it difficult for an employee to know how much of a rebate he is entitled to; and it has only been within recent years, because of a series of cases supported by the National Right to Work Legal Defense Foundation, that any appreciable dent has been made in this illegal practice. Again, this represents political privilege by non-enforcement of rights.

And what has been the impact of the Federal Election Campaign Act of 1974 on all this political activity by unions? Very little, insofar as I can tell, although I am by no means an expert on this particular aspect of my topic. But these observations are in order: First, since organized labor actively supported this bill, one might reasonably conclude that on balance the bill was more helpful than hurtful to unions in the pursuit of their political ends. One way in which this is so lies in the fact that the Act strongly favors incumbents; many of the current crop of Representatives and Senators were put into office by means of (sometimes illegal, even then) union campaign contributions. Thus any Act that favors the status quo, as this one did, naturally tends to favor the labor unions.

It should also be noted that the Act provides special exceptions for some kinds of allegedly non-partisan political activities, such as "get out the vote" drives, which unions nevertheless manage to use with very partisan results! And finally, although the Act does impose various kinds of limits on union political activity, I get the distinct impression that enforcement of the law against unions has been rather lax. Thus again, through non-enforcement of law, we give unions a privileged political status.

So, do unions have too much privileged political power? Yes, I think they do. And so what should be done about it? Let us take public employee unions first. Initially, I *must* note this: If government were reduced to its proper size, and if government did not try to perform so many services (often on a monopoly basis) that could be better left to private industry, the problem of public employee unionism would diminish considerably, if not disappear altogether. And the political power of public employees would be properly insignificant. That is perhaps not a very realistic solution, but I cannot resist venturing it nonetheless.

Next we must attempt to educate both the public and public employees to the fact that no one has a moral right to work for the government (or anyone else) under his own terms—namely, by insisting that the government recognize and bargain with a labor union, and not do anything with respect to terms and conditions of employment unless this third party consents. A lot of people cave in to the notion of public employee bargaining, not because they think it is necessarily a good thing, but because they have been convinced that to deny the (mere) *majority* of public employees the privilege of selecting a representative for *every* public employee, the majority's "inalienable rights" have somehow been violated. So we just give in, out of a sense of "fair play." Clearly, before we can get anywhere with this problem, we must refute that pernicious notion of "rights."

And finally, on a policy basis, we must convince the public of the fact that public employee collective bargaining is not in the public's best interests, that it is inconsistent with both the democratic and the republican forms of government, and that it involves the creation of state-sponsored political action groups that bode ill for our liberties.

Turning now to labor unions in the private sector, and the exercise of their political privileges: One answer that springs readily to mind is to simply pass more election and campaign laws that would restrain labor unions from spendnig their money in this direction.

To me that is an inadequate, temporary kind of solution. The present laws which limit campaign donations are predicated on the notion that all excessive political power and influence is bad—*regardless of how it is obtained*. I do not subscribe to such a conclusion. The political power and influence that a group can amass through voluntary membership and support is *legitimate* power and influence—whether that group be a labor union, the National Right to Work

Committee, or the South Carolina Association of Outdoor Privy Makers! The problem with labor unions is not the political power that they have; it is rather the source of that power. As I have tried to demonstrate, the source of union political power is federal law which gives unions an extraordinarily privileged status as the exclusive collective bargaining representative of millions of American workers who would not otherwise have anything at all to do with a union.

To find a solution to the problem of abusive union political privileges, we must thus look to the laws which lie at the root of their artificial power—we must let unions win adherents and supporters through persuasion rather than through the force of law. We must, in other words, significantly alter the National Labor Relations Act.

But, I must concede, in order for that to be a practical solution, we as a people must *first* educate ourselves to and accept the true meaning of "liberty" within a free and orderly society. More narrowly, until labor unions and their supporters are genuinely dissuaded from the notion that they somehow have an inalienable, God-given right to be recognized and bargained with by otherwise unwilling employers, to be supported and financed by otherwise unwilling employees, and to exercise extraordinary privileges within our political society . . . until they truly give up that pernicious notion, such alterations in the laws which *do* give them those rights may well plunge us back into the violence and disorder that was used to blackmail us, back in the 1930's, into passing these laws in the first place.

It is a tragic dilemma that we face. But I am confident that men of good will and intelligence can resolve it. And it is to those qualities that we must aspire.

THE DEATH OF MR. J. FRED BUZHARDT

Mr. THURMOND. Mr. President, just before Christmas, a great American and brilliant attorney passed away. J. Fred Buzhardt, Jr., a good friend and trusted adviser, died in Hilton Head, S.C., at the age of 54, bringing to an end an illustrious career and a noble life.

I have known the Buzhardt family for many years and well remember the milestones of Mr. Buzhardt's life, beginning with his youth. He was an eager, inquisitive young man, and the spark of greatness could be seen in him at an early age. It was as a cadet at West Point that his inbred qualities of patriotism, leadership, and excellence were finely honed. Throughout his days, he was to carry the West Point ethic of duty, honor, and country with him and apply it to every phase of his life.

After graduation Mr. Buzhardt served in the Army Air Corps during World War II and the Air Force from 1946 to 1950. During his military career, he gained a thorough-going understanding of our armed services which was to prove invaluable later when he was a top policymaker at the Department of Defense.

He left a promising military career, however, to return to his native South Carolina and study law. Characteristically he threw himself totally into his studies as a law student, and, upon graduation he was graduated first in his class. Many professors believed him to be the most brilliant law student ever to graduate from the University of South Carolina.

After graduation Mr. Buzhardt began practicing law with his father in the small town of McCormick, S.C. Since I had long been aware of his keen mind and his constant striving for excellence, I felt he could put his talents to use on a broader scale. Consequently, I induced him to come to Washington as my legislative assistant. In this capacity and as my administrative assistant he served with distinction for nearly 10 years. His service was exemplary.

His association with my office was one which I shall always cherish. During that period he provided invaluable insight and wisdom to a variety of pressing issues. His hard work, dedication, and irreproachable integrity were always his hallmark, and I could always depend on him for sound advice. During his years in my office, he was often considered one of the brightest young men on Capitol Hill.

Fred Buzhardt was a conscientious, energetic man who believed that everything worth doing was worth doing well. He was supremely confident in his work, for he always had a thorough grasp of even the most complex issues. His remarkable erudition coupled with his level-headed judgment enabled him to unravel intricate problems and make sound decisions.

Fred Buzhardt was a brilliant, unflappable man. But, more importantly, he was a gracious, unassuming gentleman. A devout Christian, he was forever sensitive to the people around him, and his casual good humor and genuine concern for his colleagues made him truly a beloved man.

After he left my staff in 1967, Fred Buzhardt practiced law in South Carolina again for a short time and then he became chairman of a special reorganization panel at the Defense Department. His splendid performance in that important post led to his appointment as General Counsel to the Department of Defense. While there he gained the respect and admiration of all who knew him. He immediately steeped himself with the workings of the armed services and was instrumental in many beneficial changes in policy and procedure.

In 1973 Mr. Buzhardt was named Chief Counsel to the White House. In this role he labored assiduously under most difficult and trying circumstances. His loyalty and love for America caused him to work almost round-the-clock in an effort to help ease our Nation through a very grave crisis. For his untiring efforts he gained the respect of people across the country.

Even when he moved back to South Carolina 4 years ago, Fred Buzhardt was never far away from Washington. His keen mind and thorough knowledge of world events made him invaluable, and I continued to draw on his wise counsel up until the time of his death.

When Fred Buzhardt died, I lost one of the best friends I have ever had. But I feel fortunate to have known him for so many years, and to have shared so much with him.

My deepest sympathy is extended to Mr. Buzhardt's wife, Imogene; to his two sons, Joseph and George; and to his two daughters, Linda and Jill. They can take genuine solace, however, from the lifelong benefits gained by sharing a close family association.

Mr. President, I ask unanimous consent that numerous newspaper articles, the eulogy I delivered at his funeral, and other tributes to Mr. Buzhardt be printed at this point in the RECORD so that I may share them with my colleagues.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

EULOGY BY SENATOR STROM THURMOND

Today is one of the saddest days of my life. I have lost a brilliant and dedicated coworker, but more than that, I have lost one of my best friends ever.

Fred Buzhardt, Jr., was like a son to me, not only because of our close relationship but also because I never had a dearer friend than Fred Buzhardt, Sr., Fred, Sr., studied law under my father and me, and Fred, Sr., and I practiced together here in McCormick for about four years.

The Buzhardt family—Fred, Sr., and Edna, Fred, Imogene, Linda, Joe, George, and Jill have been almost as close to me as my own family.

I watched Fred grow to young manhood. He first enrolled at Wofford College before being appointed to the United States Military Academy at West Point, where he further developed his qualities of leadership and excellence. In fact, throughout his life he was imbued with the West Point Code of Honor—Duty, Honor, Country—which he always carried out in all endeavors.

After serving several years in the U.S. Air Force, Fred decided he wanted to be a lawyer, as his father before him, so he went to the University of South Carolina Law School where he was graduated first in the class of 1952. He then practiced law here in McCormick with his father, but he was such a bright young man that I felt his talents could be used on a broader scale. Consequently, I induced him to come to Washington as my Legislative Assistant. Later, he served as my Administrative Assistant when Harry Dent returned to South Carolina.

His association with my office was one which I shall always cherish. It was an association which lasted about 10 years and he provided invaluable insight and wisdom to a wide variety of pressing issues. During the years that Fred Buzhardt and Harry Dent served together in my office, they were considered to be two of the brightest young men in Washington.

Fred Buzhardt was a man of dedication and believed that everything worth doing was worth doing well. He was a person of confidence because he had the knowledge to back up his beliefs. A widely read, thoroughly informed man, he had a natural talent for law and intelligence. He had a great talent for getting information and analyzing it properly.

Holmes Alexander, a respected nationally syndicated columnist, once said that Fred Buzhardt was one of the two top staff members on Capitol Hill. It was no exaggeration.

In addition to all his qualities for efficiency and effectiveness he was a devout man who loved his country and was a great believer in the private enterprise system in America. It is a source of great satisfaction to me that I was able to induce him to Washington where he served so brilliantly, both on Capitol Hill and in the Executive Branch of government. As a matter of fact, when Mr. Nixon was elected President, I flew to New York with Fred Buzhardt and Harry Dent to propose them to the President-Elect because I felt the new administration could not have found two better men for important positions in our government. Both subsequently did excellent jobs.

I shall always be grateful for such dedicated and effective service. After Fred left my staff, I continued to draw on his wise counsel on many tough problems and knew that I was getting the soundest advice available.

Fred Buzhardt gained nationwide fame later, however, for his distinguished work at the Defense Department and at the White House. As General Counsel at the Defense Department and Chief Counsel at the White House, he provided able and courageous leadership for the welfare of this country.

There has never been a more effective and respected General Counsel of the Defense Department than Fred. He completely reorganized all our armed services.

In the White House he served with distinction and honor under most difficult and dangerous circumstances. When the embattled President of the United States needed help in his gravest hours, he summoned Fred for that awesome task.

The role of leaders in Washington who admire and respect Fred are too numerous to mention, and the list reads like the Who's Who of the top policymakers of our country.

Former Presidents Nixon and Ford head the list, followed by Fred's former boss, ex-Defense Secretary Melvin Laird, Henry Kissinger, General Alexander Haig, Armed Services Committee Chairman John Stennis—and many more of the nation's most distinguished leaders.

They came to admire and respect Fred as we here in South Carolina.

To the family and to all Fred's friends I extend my deepest sympathy in our mutual loss. Our only consolation—and a great one it is—is that we all know Fred Buzhardt measured up to the rigid requirements entitling him to be counted among the sheep to be assembled at the right hand of our Heavenly Father.

[From the Anderson (S.C.) Independent, Dec. 17, 1978]

Watergate Counsel for Nixon Dies

Hilton Head Island.—J. Fred Buzhardt, 55, chief Watergate Counsel for former President Richard M. Nixon, died Saturday of a heart attack.

Buzhardt was stricken about 9 a.m. at his home on Hilton Head Island. He was rushed to the Hilton Head Hospital and died shortly after arrival.

A native of McCormick, S.C., Buzhardt was a top aide to Sen. Strom Thurmond, R-S.C., before he got involved in Watergate. Thurmond praised him Saturday as "one of the most capable and astute men I have ever known.

"As a top member of my Senate staff for 10 years, he provided invaluable insight and wisdom to a variety of pressing issues. In his service as general counsel of the Defense Department and chief counsel to the White House, he provided courageous leadership for this country," Thurmond said in a prepared statement.

After the Watergate scandal broke in 1973, Buzhardt was named chief White House counsel by President Nixon. He was later replaced by James D. St. Clair in what was regarded by some as a rebuke, reflecting Nixon's dissatisfaction with Buzhardt's handling of Watergate matters.

Since 1975, Buzhardt was with a Beaufort-based law firm which also maintained offices in the Hilton Head resort community.

He is survived by his wife, Imogene Sanders Buzhardt; their two sons, Joseph Fred Buzhardt III of Centerville, Va., and George Sanders Buzhardt of Thomasville, Ga.; two daughters, Mrs. Henry W. Brown and Jill Buzhardt, both of Columbia, S.C.

He was born in Greenwood, the son of the late J. Fred Buzhardt Sr., and the late Edna Hardin Buzhardt, both of McCormick.

Buzhardt was a graduate of West Point and received his law degree from the University of South Carolina School of Law.

He practiced law with his father in McCormick before becoming Thurmond's assistant for 10 years. He left Thurmond's staff to become chief adviser to former Secretary of Defense Melvin Laird before being named to the White House staff in 1972.

He suffered a heart attack in 1974 and moved to Hilton Head Island.

He was a member of the law firm of Dowling, Sanders, Dukes, Novit and Szalina.

Buzhardt was also affiliated with the Washington law firm of Dickstein, Shapiro and Morin.

He was president of the Hilton Head Island Bar Association, a member of the board of Baptist College at Charleston and head of the Strom Thurmond Foundation, which Thurmond set up to provide aid to students to attend college.

A memorial service will be held at 1:30 p.m. Sunday at the Hilton Head First Baptist Church in Hilton Head.

Funeral services are scheduled for 3 p.m. Monday at the McCormick Baptist Church, with the Rev. Henry Gambrell officiating. Burial will be in the McCormick City Cemetery.

The body is at Strom Funeral Home where the family will receive friends from 8–10 p.m. Sunday. The body will be placed in the church at 2 p.m. Monday.

The family is at the home of G. J. Sanders Sr., of Gold Street in McCormick.

[From the Charleston (S.C.) News and Courier, Dec. 17, 1978]

Former Nixon Aide Fred Buzhardt Dies

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Buzhardt was stricken about 9 a.m. at his home on Hilton Head Island. He was rushed to the Hilton Head Hospital and died shortly after arrival.

A native of McCormick, Buzhardt was a top aide to Sen. Strom Thurmond, R-S.C., before he got involved in Watergate. Thurmond praised him Saturday as "one of the most capable and astute men I have ever known."

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Since 1975, Buzhardt had served with a Beaufort-based law firm which also maintains offices at Hilton Head.

He is survived by his wife, Imogene Sanders Buzhardt; their two sons, Joseph Fred Buzhardt III of Centerville, Va., and George Sanders Buzhardt of Thomasville, Ga.; and two daughters, Mrs. Henry W. Brown and Jill Buzhardt, both of Columbia.

He was born in Greenwood, a son of the late J. Fred Buzhardt Sr. and Edna Hardin Buzhardt.

Buzhardt was a graduate of West Point and received his law degree from the University of South Carolina School of Law.

He practiced law with his father in McCormick before becoming Thurmond's assistant for 10 years. He left Thurmond's staff to become chief advisor to former Secretary of Defense Melvin Laird before being named to the White House staff in 1972.

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He was president of the Hilton Head Island Bar Association, a member of the board of the Baptist College at Charleston and head of the Strom Thurmond Foundation, which Thurmond set up to provide aid to students to attend college.

The funeral will be 3 p.m. Monday at McCormick Baptist Church, with burial in McCormick City Cemetery.

Thurmond said of Buzhardt, "In his service as general counsel of the Defense Department and as chief counsel at the White House, he provided courageous leadership for the welfare of this country."

[From the Hilton Head (N.C.) Island Packet, Dec. 19, 1978]

Fred Buzhardt Dies

J. Fred Buzhardt Jr., 55, chief White House counsel during much of the Watergate affair, died in the Hilton Head Hospital Saturday following a heart attack.

The attack occurred four years to the day since the prominent attorney and his wife, Imogene, moved to Hilton Head Island.

Buzhardt was stricken about 9 a.m. in his Port Royal Plantation home but was revived by personnel from the Hilton Head Island Rescue Squad-EMS and the Hilton Head Fire Department before being taken to the hospital, where he died at 10:20 a.m.

A native of McCormick, S.C., where he once practiced law with his father, Buzhardt served as administrative assistant to U.S. Sen. Strom Thurmond for 10 years before becoming general counsel to the Department of Defense and top advisor to Defense Secretary Melvin Laird in 1969.

In 1972, he joined the White House staff, and in 1973 he replaced John Dean as President Nixon's counsel. It was in this capacity that J. Fred Buzhardt became known to the American public. It repeatedly fell to him to notify the Watergate prosecution staff and Judge John J. Sirica that subpoenaed conversations were not available, including the infamous "18 minute gap" of the June 20, 1973, conversation between Nixon and H. R. Haldeman.

Unlike many of the figures involved in the case, Buzhardt declined to write about Watergate, refusing to betray his former client's confidence, although, as an associate here said, he would discuss the "tenor of the times" with close friends.

Joab Dowling, fellow partner of the Beaufort-based law firm of Dowling, Sanders, Dukes, Novit and Svalina, P.A., was responsible for luring Buzhardt to Hilton Head, where the firm maintains an office.

When the Beaufort attorney realized that Buzhardt was thinking of leaving Washington following his first heart attack in June 1974, Dowling said, "I went up there and asked him to come to work for us and he accepted. We'd been friends since we were young.

"He was an international lawyer, the finest lawyer I ever knew," Dowling said. "We'll have to hire three or four lawyers to take his place, and they won't be able to take up the slack. We'll miss him."

Buzhardt, an expert in federal law, was on retainer to the Raytheon Corp., one of the nation's largest defense contractors, and frequently traveled to Washington in that capacity. Nevertheless, he found time to serve as president of the Hilton Head Island Bar Association, as a trustee of the Baptist College of Charleston, and as head of the Strom Thurmond Foundation, which provides funds for the education of needy students.

He was recently elected a director of the Port Royal Property Owners Association, an honor of which he was particularly proud. According to one islander, he was also valued for his insights as a member of the Seminar on Science and Human Values.

In a statement issued Saturday afternoon, Sen. Thurmond praised Buzhardt as "one of the most capable and astute men I have ever known.

"As a practicing attorney and as a good citizen," Thurmond continued, "Fred Buzhardt was a person who matched his deep concern with the effectiveness of his vision and hard work."

In recent months, Buzhardt and other members of his firm had been hard at work on two landmark cases, involving the ownership of tidelands, which will be argued before the South Carolina Supreme Court. The cases involves old rice fields, whose titles date back to the king of England, that were constructed along the Combahee River during Colonial times.

As recently as last Thursday, Buzhardt had complained of chest pains and had expressed an interst in attending a "longevity" clinic in Florida or California stressing diet and exercise, according to Joab Dowling.

"I urged him to go on right now," said Dowling, "but he insisted on wating until he had argued the Lane case (one of the tideland cases)."

He was the son the late J. Fred Buzhardt Sr. and Edna Hardin Buzhardt. He was born in Greenwood, S.C., but grew up in McCormick, where his father was a respected attorney, state representative and circuit judge.

Buzhardt was a graduate of West Point and received his law degree from the University of South Carolina School of Law.

In addition to his wife, he is survived by two sons, Joseph Fred Buzhardt III of Centerville, Va., and George Sanders Buzhardt of Thomasville, Ga.; two daughters, Mrs. Henry W. Brown and Miss Jill Buzhardt, both of Columbia, S.C.; and two grandchildren.

The funeral was scheduled for 3 p.m. Monday at the McCormick Baptist Church, with burial in the McCormick City Cemetery. The family has requested that in lieu of flowers, donations be made either to the First Baptist Church of Hilton Head Building Fund or to a favorite charity.

[From the New York Times, Dec. 17, 1978]

Fred Buzhardt, Jr., Nixon's Counsel in Watergate, Dies

Hilton Head Island, S.C., December 16.—J. Fred Buzhardt, Jr., a former legal counsel to President Nixon, died today of a heart attack. He was 54 years old.

Officials said Mr. Buzhardt was stricken in Beaufort, S.C., and taken to nearby Hilton Head Island, where he died.

A Loyalist and Able Lawyer

(By Peter Kihss)

Joseph Fred Buzhardt, Jr., was a Southern lawyer, courtly and courteous. He was able and a prodigious worker. He was at times open, at other times evasive—but he was at all times a loyalist for President Nixon, and a fighter who yielded legal ground only after intense resistance.

Mr. Nixon brought him into the White House on May 10, 1973, as special counsel in problems growing out of the Watergate investigations, a move that resulted in some unhappy experiences for Mr. Buzhardt. He had to make the uncomfortable disclosures that two tape recordings promised to a court did not exist and that somehow 18 minutes and 15 seconds of a conversation on a third tape had been erased.

For a time, Mr. Buzhardt faded into the background as James D. St. Clair, a Boston lawyer, became special counsel on Jan. 4, 1974. Mr. Buzhardt took the day-to-day job of counsel to the President.

But he turned out to be the so-called "keeper of the tapes," the man who controlled access to that evidence, probably the person who had listened to more White House tapes than anyone else.

He was described by Cecil Emerson of Dallas, a departed St. Clair staff member, as "the political person—the only one who knows everything that is going on." In March 1974, when secretaries typed up transcripts to be made public, Mr. Buzhardt marked up sections for deletion, although he said the President made the final decisions on what stayed in or went out.

Mr. Buzhardt was of medium height, slender, a bit puffy around the eyes. Gold-rimmed glasses emphasized his seriousness. Under pressure as a witness, he might look pale or meek; he hunched over, appearing somewhat embarrassed, and seemed anxious to be friendly.

Under attack elsewhere as in encounters with newsmen or television, he would be forceful, determined, insistent, a man of confidence—and with the confidence of President Nixon, as before he had been troubleshooter for Secretary of Defense Melvin R. Laird and earlier for Senator Strom Thurmond, Republican of South Carolina.

Mr. Buzhardt was born in Greenwood, S.C., on Feb. 21, 1924, and grew up in McCormick, S.C. He first aspired to a military career. He was graduated from the United States Military Academy at West Point in 1946, and served in the Air Force for the next four years.

GRADUATED MAGNA CUM LAUDE

But, as a first lieutenant piloting troop carriers from Japan, he found that his ears could no longer endure air pressures encountered in flight. Back home, he went to the University of South Carolina and received a law degree in 1952, graduating magna cum laude.

He then practiced law with his father. In 1958, he became legislative and later administrative assistant to Senator Thurmond, staying eight years.

After another interval of private practice, Mr. Buzhardt joined the Defense Department in 1969.

As general counsel, it was disclosed much later, Mr. Buzhardt objected to the 1971 Nixon Administration decision to prosecute Dr. Daniel Ellsberg, who had helped make public the Pentagon Papers on United States involvement in the Vietnam War. In March 1974, Mr. Buzhardt said he had argued that the case was too complex and technical to win.

It was not quite 11 months after the June 17, 1972, burglary of the Democratic National Committee's office in the Watergate apartment and office complex in Washington that President Nixon brought Mr. Buzhardt into the White House for temporary duty on the ramifying issues of the break-in.

Six weeks after Mr. Buzhardt was assigned to the White House, the Senate Watergate committee heard John W. Dean, the Presidents' former counsel, assert that Mr. Nixon had been deeply involved in a Watergate cover-up.

A counterattack written by Mr. Buzhardt was read into the committee record on June 27, 1973, contending that "John Dean was the principal actor in the Watergate cover-up," and suggesting that Mr. Dean might have been protecting "his patron." John N. Mitchell, former Attorney General and one-time chairman of the Nixon re-election campaign committee.

Ronald L. Ziegler, the President's press secretary, disclaimed the document as any definitive White House position. Mr. Buzhardt then said his paper was "a hypothesis prepared as a basis for cross-examination from available statements of other witnesses in the several investigative forums."

On July 16, 1973, Mr. Mr. Buzhardt confirmed in a letter to the Watergate committee that Mr. Nixon had tape-recorded White House talks since the spring of 1971, and the lawyer became a central figure in disputes over investigative needs for tapes.

In April and May 1974, Mr. Buzhardt was twice subjected to more than three hours of closed-door interrogation by Senate Watergate investigators looking into a $100,000 cash campaign contribution from the late Howard R. Hughes, the multimillionaire industrialist, to Charles G. Rebozo, a close friend of President Nixon.

On June 12, Mr. Buzhardt appeared before Federal District Judge Gerhard A. Gesell in a dispute over bids by John D. Ehrlichman, the President's former chief adviser for domestic affairs, for access to personal notes for defense on charges of plotting a break-in at the office of Dr. Ellsberg's former psychiatrist.

Mr. Buzhardt had spent almost all of the previous night reviewing the notes. He reported he found nothing bearing on Mr. Ehrlichman's guilt or innocence, and testified that he believed the President would waive claims of executive privilege on a file of personal correspondence also sought by Mr. Ehrlichman.

After that court appearance, Mr. Buzhardt was hospitalized briefly for what was called a "mild coronary."

Mr. Buzhardt was married on July 15, 1946, to the former Imogene Sanders. They had four children—Linda, J. Fred 3d, George and Jill—and lived in Fairfax, Va.

[From the Augusta (Ga.) Chronicle-Herald, Dec. 17, 1978]

J. Fred Buzhardt, Counsel for Richard Nixon, Dies

Hilton Head Island, S.C.—Fred Buzhardt, 55, chief Watergate Counsel for former President Richard M. Nixon, died Saturday of a heart attack.

Buzhardt was stricken about 9 a.m. at his home on Hilton Head Island. He was rushed to the Hilton Head Hospital and died shortly after arrival.

A native of McCormick, S.C., Buzhardt was a top aide to Sen. Strom Thurmond, R-S.C., before he got involved in Watergate. Thurmond praised him Saturday as "one of the most capable and astute men I have ever known."

After the Watergate scandal broke in 1973, Buzhardt was named chief White House counsel by President Nixon. He was later replaced by James D. St. Clair in what was regarded by some as a rebuke, reflecting Nixon's dissatisfaction with Buzhardt's handling of Watergate matters.

Since 1975, Buzhardt was with a Beaufort-based law firm which also maintained offices in the Hilton Head resort community.

The funeral will be 3 p.m. Monday at the McCormick Baptist Church with the Rev. Henry Campbell officiating. Burial will be in the McCormick City Cemetery.

Survivors include his wife, Imogene Sanders Buzhardt; their two sons, Joseph Fred Buzhardt III of Centerville, Va., and George Sanders Buzhardt of Thomasville, Ga.; two daughters, Mrs. Henry W. Brown and Jill Buzhardt, both of Columbia, S.C.

Friends may call from 8 p.m. to 10 p.m. at Strom Funeral Home, McCormick. The family will be at the home of Mr. G. J. Sanders Sr. on Gold Street beginning Monday. There will be a memorial service 1:30 p.m. today at the Hilton Head Baptist Church. Donations may be made to the Hilton Head Baptist Church building fund.

Buzhardt was born in Greenwood, the son of the late J. Fred Buzhardt Sr., and the late Edna Hardin Buzhardt, both of McCormick.

Buzhardt was a graduate of West Point and received his law degree from the University of South Carolina School of Law.

He practiced law with his father in McCormick before becoming Thurmond's assistant for 10 years. He left Thurmond's staff to become chief advisor to former Secretary of Defense Melvin Laird before being named to the White House staff in 1972.

He suffered a heart attack in 1974 and moved to Hilton Head Island.

He was a member of the law firm of Dowling, Sanders, Dukes, Novit and Szalina.

Buzhardt was also affiliated with the Washington law firm of Dickstein, Shapiro and Morin.

He was president of the Hilton Head Island Bar Association, a member of the board of Baptist College at Charleston and head of the Strom Thurmond Foundation, which Thurmond set up to provide aid to students to attend college.

Funeral services are scheduled for 3 p.m. Monday at the McCormick Baptist Church, with burial at the McCormick City Cemetery.

Thurmond said of Buzhardt, "In his service as general counsel of the Defense Department and as chief counsel at the White House, he provided courageous leadership for the welfare of this country."

[From the Union (S.C.) Daily Times Dec. 18, 1978]

FORMER NIXON COUNSEL BURIED

HILTON HEAD ISLAND, S.C.—Funeral services were held this afternoon for J. Fred Buzhardt, 55, chief Watergate Counsel for former President Richard M. Nixon.

Buzhardt died Saturday of a heart attack at Hilton Head Hospital where he had been taken after he was stricken at his home in Hilton Head Island.

Buzhardt, a McCormick, S.C. native, was a top aide to Senate Strom Thurmond, R-S.C., before he got involved in Watergate. Thurmon praised him as "one of the most capable and astute men I have ever known."

President Nixon named Buzhardt chief White House counsel after the Watergate scandal broke in 1973. He was later replaced by Jamse D. St. Clair in what was regarded by some as a rebuke, reflecting Nixon's dissatisfaction with Buzhardt's handling of Watergate matters.

He has been with a Beaufort-based law firm which also maintained offices in Hilton Head since 1975.

He is survived by his wife, Imogene Sanders Buzhardt; their two sons, Joseph Fred Buzhardt III of Centerville, Va., and George Sanders Buzhardt of Thomasville, Ga.; two daughters, Mrs. Henry W. Brown and Jill Buzhardt, both of Columbia, S.C.

Buzhardt, a graduate of West Point, was born in Greenwood, the son of the late J. Fred Buzhardt Sr., and the late Edna Hardin Buzhardt, both of McCormick.

He received his law degree from the University of South Carolina School of Law, and then practiced law with his father in McCormick before becoming Thurmond's assistant for 10 years. He left Thurmond's staff to become chief advisor to former Secretary of Defense Melvin Laird before being named a White House counsel by Nixon in 1972.

After suffering a heart attack in 1974, Buzhardt moved to Hilton Head Island.

A specialist in federal law, Buzhardt was a member of the law firm of Dowling, Sanders, Dukes, Novit and Szalina and was also affiliated with the Washington law firm of Dickstein, Shapiro and Morin.

[From the Columbia (S.C.) State, Dec. 19, 1978]

DENT CITES BUZHARDT'S ROLE IN MAJOR NATIONAL DECISIONS

(By W. Clark Surratt)

A long-time associate of J. Fred Buzhardt Jr., who died Saturday, says Buzhardt had far more impact on national affairs than most people realize, including the main role in a decision that ultimately led to Gerald Ford serving as president.

Harry S. Dent Jr. of Columbia who served as a political adviser to former President Richard Nixon, said it was Buzhardt who delivered the key piece of advice to Nixon to name Ford to replace Spiro Agnew in 1973.

Dent said in an interview that John Connally had been the pick right up to the day of Ford's appointment, but that Buzhardt advised Nixon to name Ford instead.

Buzhardt, for years on the staff of U.S. Sen. Strom Thurmond along with Dent, died Saturday of a heart attack at Hilton Head Island. Buzhardt was buried Monday at his hometown McCormick.

Dent said Buzhardt, who was Nixon's Watergate legal defender at the time, had enough savvy of potential problems the Connally appointment might bring to suggest to Nixon that Ford be appointed instead.

Connally, a former Texas governor and treasury secretary during Nixon's first terms as president, was in line to succeed Agnew as vice president in the fall of 1973 after Agnew resigned, but Dent said Ford became the man at nearly the last minute, on Buzhardt's advice.

"Fred knew enough that the potential existed for problems with Connally," said Dent. Connally was acquitted in April, 1975, in connection with bribery charges alleged to have occurred in 1971.

Dent said then President Nixon spoke with him (Dent) by telephone on Oct. 11, 1973, and the conversation ended with the understanding that Connally would be appointed vice president the next day. But with Buzhardt's intervention, Ford became the man, Dent recalls.

Ford, of course, became president in August, 1974, when Nixon resigned, becoming the first president in history to gain the office other than through election or death of the incumbent.

Dent said, "As close as I was to Fred, he would never talk much about Watergate happenings. He was the kind of guy who kept his mouth shut and stayed in the background."

Dent attributes Buzhardt's intense devotion to his work with bringing on two heart attacks, one that led to his giving up the post as Nixon's chief defense lawyer during Watergate and the fatal attack over the weekend at Hilton Head. Buzhardt was 54.

Dent also credits Buzhardt with playing the lead role in reorganizing the Department of Defense when Buzhardt was general counsel to the department under former Defense Secretary Melvin Laird.

In addition, said Dent, the bulk of military intelligence was routed through Buzhardt at the Pentagon post to the White House.

"He had a deep mind, steeped in analytical capability, a tremendous problem solver," Dent said Monday.

Dent said Buzhardt's "workaholic" personality continued after he established his Hilton Head law practice, although Dent said Buzhardt had indicated to friends he had planned to slow down beginning next year.

[From the State, Columbia (S.C.), Dec. 22, 1978]

A PERSONAL CODE OF HONOR

(By Harry S. Dent)

(The author of this article on the late J. Fred Buzhardt was a long-time friend. The two worked together in the Washington office of Sen. Strom Thurmond and later in the Nixon White House where Mr. Dent was a political adviser to President Nixon and Mr. Buzhardt was the special Watergate counsel.)

J. Fred Buzhardt Jr. was one of the few people I have known "to have it all put together" in "mind, spirit, and resources." He had a superior mind, a big heart, a voracious appetite for hard work, and sincere, reasoned convictions based on solid moral and Christian principles. He knew what he believed and why. And, he lived in accord with his beliefs.

The character of Fred Buzhardt was built on the Code of Honor he learned to revere at West Point and on his convictions about his personal relationship with his Maker.

In recently responding to a rating request on Fred Buzhardt from a legal directory, I commented that there "was no attorney in South Carolina who could match the combination of his intellect, his varied and responsible experiences, and his personal integrity."

Similar sentiments by others were responsible for the award to Fred of an appointment to West Point, his selection as the top graduate in his 1952 USC Law School class, his recognition as the most capable assistant in the U.S. Senate, his employment as executive director of the Blue Ribbon Commission to Reorganize the U.S. Deptartment of Defense, his nomination and confirmation as general counsel of the Department of Defense, his appointment as counsel to President Richard M. Nixon when the President was needing the best possible legal counsel in the midst of the Watergate scandal, and his leadership positions in every Baptist church he joined.

Fred dedicated most of his life to working in the interest of the national security of his country. His best work for national security was performed in the U.S. Senate under the direction of Sen. Strom Thurmond and in his duties as a key Defense Department leader under Defense Secretary Melvin Laird. He was concerned that America was losing its strength, respect, and position as the leader of the Free World. Fred loved his country because his country provided our rights to be a free people. No one ever believed more in individual responsibility than Fred.

In 1961, Fred caused an investigation in the Senate of military information and education programs on communism. Through speeches and reports written by him, Fred and Senator Thurmond sounded the first alarms on Soviet missiles in Cuba, and they focused attention on "no win" foreign policy decisions and failures in U.S. military preparedness programs.

In 1969, Fred prepared the analysis and recommendations resulting in the most massive reorganization of the U.S. armed services in American history.

As general counsel of the entire defense establishment, Fred became the chief trouble shooter for the Secretary of Defense in defense reorganization, spending procurement, intelligence activities, and in all legal matters affecting the armed services.

While DOD general counsel, Fred defied a White House directive to engage in improper activities concerning the Ellsberg affair. He resisted to the point where President Nixon reversed the order issued in the President's name by John Ehrlichman.

As counsel to the President, Fred convinced President Nixon to name Rep. Jerry Ford as Vice President to succeed Spiro Agnew, who had resigned under fire. President Nixon awarded Fred the only pen used to sign Ford's nomination form.

In 1973 and 1974, Fred was one of the keys to the resignations of Vice President Agnew and President Nixon. He was the one who, in his diligent search for evidence to save the Nixon Presidency, found the "smoking gun" evidence he feared would provide the basis for impeachment. Thus, he recommended immediate resignation. He gave similar advice to Agnew.

While serving the President, Fred suffered a heart attack from his gruelling overtime work. He was counseled to "escape the sinking Nixon White House before its demise." However, he returned to his duties at the side of the President and averted the impeachment processes which were virtually paralyzing the U.S. government.

Fred Buzhardt is one of the few persons so close to the Watergate investigation to refuse to write a book or article on the true, inside story of Watergate. He died determined not to betray his attorney-client relationship. No one person could have provided a more interesting and illuminating book. However, Fred protected the confidences of his leader in accord with his personal and public code of honor.

Fred was most appropriately eulogized at his funeral Monday by Senator Thurmond, the Rev. Henry Gambrell of McCormick, and Dr. Wilford Lee of Hilton Head, where Fred had been practicing law.

Senator Thurmond paid tribute to Fred's brilliant mind and his impact on national affairs. Dr. Lee stressed that Fred found his greatest satisfaction not in all his great political achievements but rather in his post-White House realization that the most important work for man was in trying "to achieve the salvation of souls."

McCormick County, South Carolina and Sen. Strom Thurmond provided America with one of the most honest, selfless, valuable, and effective men ever to serve our country in crucial times.

[From the Columbia (S.C.) State, Dec. 22, 1978]

BUZHARDT: A QUIET MAN IN HIGH PLACES

When Fred Buzhardt died of a heart attack Saturday, his passing made the national news wires. But we can imagine many persons over the land may have looked at each other quizzically and asked, "Fred who?" And someone may have replied, "Wasn't he one of those fellows messed up in Watergate?"

In all of his public life, Mr. Buzhardt was a very private person. But we know of no one who knew him who did not totally respect him for his intellect, his integrity, his honesty, and his loyalty.

Perhaps the first public official to appreciate Mr. Buzhardt's attributes was U.S. Sen. Strom Thurmond. Their relationship was a natural one. The senator had read law with Mr. Buzhardt's father, J. Fred Buzhardt, Sr., and the two once practiced law together in Edgefield and McCormick.

After graduating from West Point, young Fred Jr. went to the U.S.C. School of Law and was considered by some veteran faculty members to be one of the most brilliant graduates of that institution.

That sharp legal mind was to be tested many times during a career that led him from a law practice with his father in tiny McCormick to Senator Thurmond's staff to the Defense Department and to the White House, where he was handed the excruciatingly difficult job of trying to save President Nixon from all of his troubles growing out of the Watergate affairs.

Mud was flying everywhere, but, even though Mr. Buzhardt was in the middle of things as White House legal counsel, none landed on him. His reputation, so esteemed on Capitol Hill and elsewhere in the national government, was enhanced while so many of his colleagues were going down the tube.

Some have speculated that he may have become disgusted with what he saw going on in the White House and become "Deep Throat," the shadowy source of information for The Washington Post reporters who broke the Watergate story. Maybe he was, but we doubt it. It would be uncharacteristic of a man who was deeply loyal to his client, Mr. Nixon, and who was always reticent with the press.

That reticence came naturally. He was a military intelligence specialist. When he was a top aide to Defense Secretary Melvin Laird, for example, most of the military intelligence flowed through him to Mr. Laird. A masterful troubleshooter, Mr. Buzhardt had the ability to separate the wheat from the chaff. Loyal people trained in intelligence work don't talk about their work much.

In his White House role, Mr. Buzhardt did a lot more than conduct Mr. Nixon's defense—a task which, incidentally, led to his first heart attack. He also participated in historic decisions. He is generally thought to have been the key man in persuading Mr. Nixon to appoint Gerald R. Ford as Vice President to replace the disgraced Spiro Agnew. And he is supposed to have been the one who, after finally getting to the real evidence, advised Gen. Alexander Haig, then the White House chief of staff, that Mr. Nixon had to resign. Those were momentous hours, but Fred Buzhardt went to his grave without ever discussing them in public.

When on Senator Thurmond's staff, Mr. Buzhardt found himself working with Harry S. Dent, another savvy South Carolinian who went on to become a political adviser to President Nixon. The two remained fast friends after returning to South Carolina to practice law. At our request, Mr. Dent has written a personal assessment of his former colleague, which appears elsewhere on this page. It is a fine tribute to a rare man.

[From the Columbia (S.C.) State, Dec. 30, 1978]

FRED BUZHARDT GOOD MAN, GOOD FRIEND

(Letters to the Editors)

Sir: South Carolina and the nation were saddened by the death of J. Fred Buzhardt Jr. of Hilton Head Island.

As the news reached editors and columnists, note was made in their articles of his brilliant, analytical mind. His contributions to the nation regarding broad-sweeping military decisions, constitutional policy, and national problem-solving were reflected by heads of state. At his funeral service, eulogies were bestowed from Presidents, cabinet members, senators and governors. His pastor recalled his Christian service to his church, to those who sat to hear his Bible teaching, to his neighbor, who recognized that Fred lived the deep faith that he professed.

The tributes to this stalwart man cannot go unfinished without mentioning the magnanimous contributions that he made to those around him that would never reach a newspaper, that would never become a part of national history, and that would never be known except by the person who received his kindness. His magnanimity may have even shortened his life—but Fred would have preferred it, rather than abort the kind of love that expected nothing in return.

In 1974, Fred had been chosen as chief legal counsel for the Watergate defense; his burdens were heavy, the pressure was growing, and the decisions that he had to make were awesome. That did not deter him from visiting and keeping in constant touch with my son and me at Walter Reed Army Hospital, where my son was being treated for a life-threatening brain tumor. Fred and his wife came faithfully to the hospital with words of encouragement. After surgery, my son suffered a cardiac arrest but was revived to comatose state. Fred and his wife waited with me until my family arrived from South Carolina. When the physicians informed me that my son had died, Fred and his wife sat the night with me to give me comfort. Fred suffered his first massive heart attack the next evening.

After his recovery, Fred continued to be that kind of friend—not just to me, but to all he knew. I am proud, honored, and grateful to have been his friend.

RUTH D. KNIGHT.

COLUMBIA.

[From the Washington Star, Dec. 17, 1978]

FRED BUZHARDT DIES, WAS NIXON ATTORNEY

HILTON HEAD ISLAND, S.C.—J. Fred Buzhardt Jr., 54, who presented most of the Watergate defense of former President Richard Nixon, died yesterday after a heart attack.

Officials said Buzhardt was stricken with a heart attack in Beaufort and rushed to nearby Hilton Head Island, where he died.

Sen. Strom Thurmond, R-S.C., who first brought Buzhardt to Washington as a legislative and administrative aide, expressed sorrow upon hearing of the death of his close friend.

"I am deeply bereaved by the death of Fred Buzhardt," Thurmond said. "In addition to being a friend, he was one of the most capable and astute men I have ever known.

"Throughout his adult life he made outstanding contributions to the public well-being and to those around him."

Buzhardt was general counsel to the Department of Defense when he was picked by Nixon on May 10, 1973, to be his special counsel on Watergate matters. Buzhardt managed most of the former president's Watergate defense before suffering a mild heart attack and turning the defense duties over to James D. St. Clair, a Boston attorney, in January 1974.

During his eight months as Nixon's special counsel, Buzhardt spent much of his time haggling with U.S. District Judge John J. Sirica and Watergate prosecutors over whether Nixon would have to divulge the contents of tapes he had made of conversations in his office.

It was Buzhardt who publicly confirmed the disclosure of the tape's existence by presidential aide Alexander Butterfield.

When it was disclosed that Rose Mary Woods, Nixon's personal secretary, had erased 18½ minutes of a subpoenaed tape, Buzhardt said in testimony before Sirica's court that at first he thought there was "no innocent explanation" for the erasure.

He added, however, that after reviewing the situation, he discovered a plausible explanation for the buzzing sounds heard on the tape—a combination of pushing the right buttons on her tape recorder and placing the machine near an electric typewriter and high-intensity lamp.

During Nixon's lengthy battle to retain possession of the tapes, Buzhardt presented the former president's assertion that if he were to turn the tapes over to the Watergate special grand jury, "the damage to the institution of the presidency will be severe and irreparable."

He joined the Department of Defense in 1969 as special assistant to the assistant secretary of defense. He gained notice while serving as special assistant to the chairman of the Blue Ribbon Defense Panel, which after a year of study advocated major cutbacks in the department's bureaucracy.

He encountered some controversy after his appointment in August 1970, as counsel to the department. A former Air Force officer testified on Jan. 30, 1973, in the Pentagon Papers trial that Buzhardt's office had ordered him to destroy a report he had written.

In that report, the officer asserted that Daniel Ellsberg had not compromised national security by allowing others to see government documents he had in his possession.

The officer, retired Lt. Col. Edward A. Miller, could not say for sure whether Buzhardt had issued the order, however.

But former Secretary of Defense Melvin Laird said when Buzhardt was hired as the White House's special counsel that he and Buzhardt had turned down a request in September 1971, by two White House officials for access to Pentagon files.

A native of McCormick, S.C., Buzhardt graduated from West Point and served in the Army Air Corps during World War II and Air Force from 1946 to 1950. He returned home to South Carolina and entered law school, graduating magna cum laude from the University of South Carolina.

He practiced law in McCormick for six

years with his father, a friend and law partner of Thurmond, before the senator persuaded him to come to Washington to work on his staff.

[From The Washington Post, Dec. 16, 1978]

J. FRED BUZHARDT DIES: A KEY LEGAL DEFENDER OF NIXON DURING WATERGATE

(By Martin Weil)

J. Fred Buzhardt Jr., 55, a politically conservative military officer turned lawyer who was one of former president Richard Nixon's key legal defenders during the Watergate scandal, died yesterday in a South Carolina hospital after a heart attack.

Quiet, intense and extremely hard-working, Mr. Buzhardt was striken at his home in Beaufort and died shortly after being taken to Hilton Head Hospital. He had practiced law since 1975 in both Beaufort and the nearby resort community of Hilton Head Island.

Named special White House counsel for Watergate matters on May 10, 1973, Mr. Buzhardt served as the president's top legal defender during the period of the Senate Watergate hearings and through much of the legal controversy over the celebrated White House tapes.

In a telephone interview on June 30, 1973, after the testimony of former White House counsel John W. Dean, Mr. Buzhardt gave a strong impression of bewilderment.

Dean had alleged before the Senate committee that Nixon was involved in the cover-up.

"What do you do?" asked Mr. Buzhardt. "Do you (have the president) testify or make a statement after each witness?"

He also said he did not know which one if any of the president's former aides to believe. "I'm not sure what I believe beyond the innocence of the president," he said.

The interview came after Mr. Buzhardt had given a controversial memo to the Watergate committee calling Dean the "principal actor in the Watergate cover-up," and placing much of the blame for the scandal on former attorney general John N. Mitchell.

During the interview, the bespectacled attorney said his role in the White House was "not that of an investigator," but rather one that primarily involved supplying information and documents to the Senate committee and the special prosecutor's office.

After the revelation in July 1973 of the existence of the White House tapes, Mr. Buzhardt was active in resisting efforts by the special prosecutor's office to obtain them.

In this regard, it fell to Mr. Buzhardt to make known one of the most celebrated symbols of the entire Watergate affair—the famed, and as yet unexplained, 18½-minute gap.

On Nov. 21, Mr. Buzhardt told Judge John J. Sirica of the U.S. District Court that an 18-minute portion of a key tape contained an "audible tone" but no conversion.

The tape in question was made during a conversation on June 20, 1972, between Nixon and his chief of staff, H. R. (Bob) Haldeman. The gap occurred at a point where discussion by the two men of the scandal was just beginning.

After court testimony about the gap on Nov. 29, Mr. Buzhardt told reporters he still had "no explanation" for the gap, whose existence was seen as an important element in the undermining of Nixon's credibility.

On Jan. 4, 1974, it was announced that James D. St. Clair would handle the president's Watergate defense. Mr. Buzhardt was elevated to the post of White House counsel with the expectation, according to a White House spokesman, that he would participate occasionally in the defense, but would gradually become absorbed in other duties.

Mr. Buzhardt continued, according to a White House aide, to work seven days a week, 16 to 18 hours a day. At 12:30 a.m. June 13, he was admitted to Fairfax Hospital, suffering from a heart attack.

Mr. Buzhardt recovered and returned to work. On July 24, 1974, the Supreme Court ruled that Nixon could not withhold from prosecutors 64 disputed tapes. Soon afterward Nixon reportedly telephoned Mr. Buzhardt to say "there may be some problem with the June 23 tape."

Mr. Buzhardt studied the tape, found the significant passages in a conversation between Nixon and Haldeman, and concluded, according to reconstructions of the last days of the Nixon administration, that the president could not remain in office.

Nixon resigned Aug. 9 and Mr. Buzhardt returned the next year to practice law in his native state.

Joseph Fred Buzhardt was born in Greenwood, S.C., on Feb. 21, 1924, and grew up in McCormick, S.C. During World War II he served in the Army Air Corps for two years, and in 1946 he graduated from West Point.

He was an Air Force first lieutenant and troop carrier pilot in 1950 when an inability of his ears to withstand the pressure of flying caused him to abandon plans for a military career.

The son of a lawyer, Mr. Buzhardt studied law at the University of South Carolina. He graduated in 1962 and practiced law in a rural section of his state with his father, a friend of Sen. Strom Thurmond (R-S.C.).

Mr. Buzhardt worked as an aide to Thurmond for eight years, specializing in military affairs and winning a reputation as an expert in the workings of the Pentagon bureaucracy.

He enhanced this reputation after joining the Defense Department in 1969 as special assistant to the assistant secretary of Defense. Named general counsel in 1970, he was known unofficially as the Pentagon's top troubleshooter, handling many of the thorny problems that confronted the military in the 1970s.

"He was one of the most capable and astute men I have ever known," Sen. Thurmond said in a statement.

Mr. Buzhardt was married and had four children.

PRIVILEGE OF THE FLOOR

Mr. THURMOND. Mr. President, I ask unanimous consent that the privilege of the floor be granted to the following members of the Judiciary staff during the pendency of Senate Resolution 9: Jim Lockflemy and Eric Hultman.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. Mr. President, I yield the floor.

MESSAGE FROM THE HOUSE

At 1:43 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House has agreed to Senate Resolution 74, relating to the death of the Honorable Nelson A. Rockefeller, former Vice President of the United States.

The message also announced that, pursuant to the provisions of section 2(a), Public Law 85-874, as amended, the Speaker has appointed Mr. THOMPSON, Mr. CORMAN, and Mr. MCDADE as members of the Board of Trustees of the John F. Kennedy Center for the Performing Arts on the part of the House.

PROPOSED LEGISLATION CONCERNING OUR RELATIONS WITH TAIWAN—MESSAGE FROM THE PRESIDENT—PM 20

The PRESIDING OFFICER laid before the Senate the following message received from the President of the United States on January 26, 1979, during the recess of the Senate, together with accompanying papers, which was referred to the Committee on Foreign Relations:

To the Congress of the United States:

The United States of America has recognized the Government of the People's Republic of China as the sole legal government of China and is establishing diplomatic relations with that government. The Joint Communique issued by the United States and the People's Republic of China was the culmination of a long process begun by President Nixon and continued by President Ford and me.

I have also announced that, in the future, the American people will maintain commercial, cultural, and other relations with the people on Taiwan without official government representation and without diplomatic relations. In furtherance of that policy, and pending enactment of legislation on the subject, I have directed all departments and agencies to continue unofficially to conduct programs, transactions and other relations with Taiwan.

To authorize legally the permanent implementation of that policy. I am today transmitting to the Congress a bill "to promote the forign policy of the United States through the maintenance of commercial, cultural and other relations with the people on Taiwan on an unofficial basis, and for other purposes."

This bill will confirm the continued eligibility of the people on Taiwan for participation in programs and activities that under United States law are to provide for the carrying out of such programs and activities on an unofficial basis through the American Institute in Taiwan, a non-profit corporation, and the corresponding instrumentality being established by the people on Taiwan; and establish funding, staffing and administrative relationships of the Institute. It also contains other authorizations and provisions relating to the foregoing matters.

I am confident the Congress shares my view that it is in the national interest that these unofficial relations between the American people and the people on Taiwan be maintained. It is highly desirable that this legislation be enacted as promptly as possible. I look forward to working with the Congress on this important project.

JIMMY CARTER.

THE WHITE HOUSE, *January 26, 1979.*

COMMUNICATIONS

The PRESIDING OFFICER laid before the Senate the following communications, together with accompanying reports, documents, and papers, which were referred as indicated:

EC–402. A communication from the Deputy Director, Office of Management and Budget, Executive Office of the President, reporting, pursuant to law, that the appropriation to the U.S. Coast Guard for "Retired Pay," for the fiscal year 1979, has been reapportioned on a basis which indicates the necessity for a supplemental appropriation; to the Committee on Appropriations.

EC–403. A communication from the Assistant Secretary of the Interior, reporting, pursuant to law, on soil survey and land classification of lands in the Watsonville Subarea, San Felipe Division, Central Valley Project, California; to the Committee on Appropriations.

EC–404. A communication from the Assistant Secretary of the Interior, reporting, pursuant to law, on soil survey and land classification of lands in the Watsonville Subarea, San Felipe Division, Central Valley Project, California; to the Committee on Appropriations.

EC–405. A communication from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to authorize appropriations for fiscal year 1979, in addition to amounts previously authorized for procurement of aircraft, missiles, naval vessels, and other weapons, and for research, development, test, and evaluation for the Armed Forces, and for other purposes; to the Committee on Armed Services.

EC–406. A communication from the Assistant Secretary of the Army (Manpower and Reserve Affairs), transmitting a draft of proposed legislation to amend section 6(d) (1) of the Military Selective Service Act (50 U.S.C. App. 456(d) (1)) to provide greater training flexibility for Reserve officers ordered to active duty for training for not more than six months by deleting the requirement that they be ordered to active duty for not less than three months; to the Committee on Armed Services.

EC–407. A communication from the Acting Assistant Secretary of the Army (Installations, Logistics and Financial Management), transmitting, pursuant to law, the annual report of Department of the Army architect-engineer contracts awarded to the 10 A–E firms receiving the largest dollar total of contracts in the categories of civil works, military construction and work for foreign governments, for the period of 1 October 1977 through 30 September 1978; to the Committee on Armed Services.

EC–408. A communication from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting, pursuant to law, a report of the design and construction supervision, inspection, and overhead fees charged by the construction agents for the military construction projects of the Military Departments and the Defense Agencies; to the Committee on Armed Services.

EC–409. A communication from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting, pursuant to law, reports of military construction projects placed under contract in Fiscal Year 1978, in which it was necessary to exceed the amount authorized for the project by the Congress by more than 25 percent, or reduce the project scope by more than 25 percent; to the Committee on Armed Services.

EC–410. A confidential communication from the Director, Defense Security Assistance Agency, reporting, pursuant to law, concerning the Department of the Army's proposed Letter of Offer to the Netherlands for Defense articles estimated to cost in excess of $25 million; to the Committee on Armed Services.

EC–411. A communication from the Assistant Secretary of the Army (Manpower and Reserve Affairs), transmitting a draft of proposed legislation to amend section 2107 of the United States Code, to remove the limitation on the number of cadets or midshipmen who may be appointed from the two-year Senior Reserve Officer's Training Corps Course; to the Committee on Armed Services.

EC–412. A communication from the Director, Defense Civil Preparedness Agency, reporting, pursuant to law, on property acquisitions of emergency supplies and equipment for the quarter ending December 31, 1978, and covering items acquired pursuant to the authority transferred to the Secretary of Defense by Executive Order 10952, effective August 1, 1961; to the Committee on Armed Services.

EC–413. A communication from the Acting Assistant Secretary of the Army (Manpower and Reserve Affairs), transmitting a draft of proposed legislation to amend section 2107(a) of title 10, United States Code, to extend the age limitation on eligibility of students for the Reserve Officers' Training Corps financial assistance program to recognize active duty previously performed; to the Committee on Armed Services.

EC–414. A communication from the President of the United States, transmitting a draft of proposed legislation to implement the Panama Canal Treaty of 1977 and its Related Agreements; to the Committee on Armed Services.

EC–415. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Banks Having Problems Need Better Identification and Disclosure," January 24, 1979; to the Committee on Banking, Housing, and Urban Affairs.

EC–416. A communication from the Comptroller of the Currency, transmitting, pursuant to law, the 1977 Annual Report of the Comptroller of the Currency; to the Committee on Banking, Housing, and Urban Affairs.

EC–417. A communication from the Administrator, National Aeronautics and Space Administration, transmitting a draft of proposed legislation to authorize a supplemental appropriation to the National Aeronautics and Space Administration for research and development; to the Committee on Commerce, Science, and Transportation.

EC–418 A communication from the Secretary, Interstate Commerce Commission, reporting, pursuant to law, that it is unable to render a final decision in Docket No. 36746 (Sub-No. 67), Iron or Steel, Boyles, Alabama, to Youngstown, Ohio, within the initially-specified 7-month period; to the Committee on Commerce, Science, and Transportation.

EC–419. A communication from the Administrator, National Aeronautics and Space Administration, transmitting, pursuant to law, a report with respect to waiving the contract clause requirement in section 2313(b) of Title 10 which provides for the examination of books and records of a foreign contractor by the Comptroller General; to the Committee on Commerce, Science and Transportation.

EC–420. A communication from the Secretary of Transportation, transmitting, pursuant to law, the third annual report of the Automotive Fuel Economy Program; to the Committee on Commerce, Science, and Transportation.

EC–421. A communication from the Administrator, Energy Information Administration, Department of Energy, transmitting, pursuant to law, report entitled (1) "Petroleum Market Shares: Report on Sales of Refined Petroleum Products"; and (2) "Petroleum Market Shares: Report on Sales of Retail Gasoline"; to the Commitee on Energy and Natural Resources

EC–422. A communication from the Secretary of the Interior, reporting, pursuant to law, that Chevron U.S.A., Inc., has submitted an application to the department for repayment of annual rentals totaling $87,519.00 for lease numbers OCS–P 0200, 0201, 0206, 0211, 0212, and 0213, offshore California; to the Committee on Energy and Natural Resources.

EC–423. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Solving Corrosion Problems of Bridge Surfaces Could Save Billions," January 19, 1979; to the Committee on Environment and Public Works.

EC–424. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, international agreements other than treaties entered into by the United States within 60 days after the execution thereof, to the Committee on Foreign Relations.

EC–425. A communication from the Assistant Secretary (Legislative Affairs), Department of the Treasury, transmitting, pursuant to law, report prepared by the International Bank for Reconstruction and Development (IBRD); to the Committee on Foreign Relations.

EC–426. A communication from the Secretary of Transportation, transmitting, pursuant to law, the department's fiscal year 1978 report of disposal of foreign excess property; to the Committee on Governmental Affairs.

EC–427. A communication from the Deputy Assistant Secretary of Defense (Administration), transmitting, pursuant to law, the fiscal year 1978 report of the disposal of excess personal property located in areas outside of the United States, Puerto Rico, American Samoa, Guam, the Trust Territory of the Pacific Islands, and the Virgin Islands; to the Committee on Governmental Affairs.

EC–428. A communication from the Secretary of Health, Education and Welfare, transmitting, pursuant to law, a report covering the disposal of excess property in foreign countries for fiscal year 1978; to the Committee on Governmental Affairs.

EC–429. A secret communication from the Comptroller General of the United States, transmitting, pursuant to law, a report relating to the readiness status and ability of Marine Corps amphibious forces to carry out their more demanding missions and recommending to the Secretary of Defense and the Commandant of the Marine Corps actions to improve capabilities; to the Committee on Governmental Affairs.

EC–430. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Hazardous Waste Management Programs Will Not Be Effective: Greater Efforts Are Needed," January 23, 1979; to the Committee on Governmental Affairs.

EC–431. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Automated Systems Security—Federal Agencies Should Strengthen Safeguards Over Personal and Other Sensitive Data," January 23, 1979; to the Committee on Governmental Affairs.

EC–432. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "DOD 'Total Force Management'—Fact Or Rhetoric?" January 24, 1979; to the Committee on Governmental Affairs.

EC–433. A communication from the Chairman, National Commission for the Protection of Human Subjects of Biomedical and Behavioral Research, transmitting, pursuant to law, a report entitled "Special Study: Implications of Advances in Biomedical and Behavioral Research"; to the Committee on Human Resources.

EC–434. A communication from the Chairman, National Commission for the Protection of Human Subjects of Biomedical and Behavioral Research, transmitting, pursuant to law, a report entitled "Belmont Report: Ethical Principles and Guidelines for the Protection of Human Subjects of Research"; to the Committee on Human Resources.

EC-435. A communication from the President, Legal Services Corporation, transmitting, pursuant to law, its budget request for fiscal year 1980; to the Committee on Human Resources.

EC-436. A communication from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, reports covering the period of January 2 through January 15, 1979, concerning visa petitions which the service has approved according the beneficiaries of such petitions third and sixth preference classification under the Immigration and Nationality Act, as amended; to the Committee on the Judiciary.

EC-437. A communication from the FOIA Administrator, International Boundary and Water Commission, United States and Mexico, transmitting, pursuant to law, a report on administration of the Freedom of Information Act for calendar year 1978; to the Committee on the Judiciary.

EC-438. A communication from the Chief Commissioner, United States Court of Claims, transmitting, pursuant to law, a report of the Trial Commissioner, dated September 29, 1978, *Marlin Toy Products, Inc.* v. *The United States*, Cong. Ref. 2-74 and 1-75, and report of the Review Panel dated December 19, 1978; to the Committee on the Judiciary.

PETITIONS

The PRESIDING OFFICER laid before the Senate the following petitions and memorials, which were referred as indicated:

POM-26. A resolution adopted by the Kenai Peninsula Borough, Soldotna, Alaska, relating to the Antiquities Act; to the Committee on Energy and Natural Resources.

POM-27. A resolution adopted by the Kenai Peninsula Borough, Soldotna, Alaska, relating to the Antiquities Act, to the Committee on the Judiciary.

POM-28. A resolution adopted by the Legislature of the State of Michigan; to the Committee on the Judiciary:

"House Joint Resolution 554

"Article —

"Section 1. For purposes of representation in the Congress, election of the President and Vice President, and article V of this Constitution, the District constituting the seat of government of the United States shall be treated as though it were a State.

"Sec. 2. The exercise of the rights and power conferred under this article shall be by the people of the District constituting the seat of government, and as shall be provided by the Congress.

"Sec. 3. The twenty-third article of amendment to the Constitution of the United States is hereby repealed.

"Sec. 4 This article shall be inoperative, unless it shall have been ratified as an amendment to the Constitution by the legislatures of three-fourths of the several States within seven years from the date of its submission.

"Therefore, in the name of, and on behalf of, the people of the state of Michigan, we ratify, approve, and assent to the proposed amendment to the constitution of the United States.

"Resolved further, That certified copies of this joint resolution be transmitted by the governor of the state of Michigan, to the president of the United States, the secretary of state of the United States, the president of the Senate of the United States and the speaker of the House of Representatives of the United States."

POM-29. A joint resolution adopted by the Legislature of the Northern Marianas Commonwealth; to the Committee on Energy and Natural Resources:

"Senate Joint Resolution No. 1-40

"Whereas, section 105 of United States Public Law 95-134 authorizes the appropriation of funds as 'may be necessary to satisfy all adjudicated claims and final awards made by the Micronesian Claims Commission' under title I of the Micronesian Claims Act of 1971 (85 Stat. 96); and

"Whereas, section 105 also provides that no sums appropriated pursuant to section 105 may be paid on awards pursuant to title I of said 1971 Act, until, subsequent to the date of enactment of section 105, the Government of Japan has provided to the Government of the Trust Territory of the Pacific Islands a contribution, which contribution may be in goods and services, which has a value, as determined by the Secretary of Interior equivalent to not less than 50 per centum of the total awards made pursuant to title I of said 1971 Act less $10,000,000 from such total; and

"Whereas, the provisions of Public Law 95-134 are concededly at odds with the provisions of the United States-Japan Agreement of 1969 regarding war damage compensation in that said Agreement purported to absolve the Government of Japan of any future Micronesian war damage claims and that Japan has consistently maintained that it has no legal obligation to provide additional payments under title I of the Micronesian Claims Act of 1971; and

"Whereas, this impasse which has thwarted resolution of the Micronesian war claims issue under title I of said Act cannot be resolved unless both the United States and Japan negotiate to implement section 105 of United States Public Law 95-134; and

"Whereas, the lack of interest and humanitarian concern demonstrated by the Government of Japan toward Micronesians regarding Japan's moral and rightful obligations discourages the United States Congress from paying its 50 per centum share pursuant to United States Public Law 95-134; and

"Whereas, it is the sense of the Legislature that the people of the Commonwealth of the Northern Marianas are once again innocent victims of conflicts between nations; and

"Whereas, it is also the sense of the Legislature that while it understands the binding legal commitments of the United States and Japan in their 1969 Agreement, it is also conscious of the fact that such Agreement was entered into without consultation with the people of Micronesia, and without both the United States and Japan being aware of the total magnitude of claims which were subsequently computed by the Micronesian Claims Commission established by United States Public Law to be $3,895,885 for the Northern Marianas and a total $34,349,509 for all of Micronesia, inclusive of the Northern Marianas; and

"Whereas, subsequent to the first and only payment executed by the 1969 Agreement, the Northern Marianas' balance under Title I is $2,488,686; and

"Whereas, it is the understanding of the Legislature that Japan refuses to provide compensation to the Northern Marianas if such compensation is identified as war claims payments, but is willing to extend economic development assistance in the form of goods and services; and

"Whereas, the Legislature believes that this approach will satisfy conditions imposed by United States Public Law 95-134 for the appropriation of the U.S. contribution; and

"Whereas, the Legislature believes that said goods and services will promote desperately needed economic and social development in the Northern Mariana Islands; now, therefore,

"Be it resolved by the First Northern Marianas Commonwealth Legislature, Second Regular Session, 1979, that the United States Congress is urgently requested to implement the provision of Section 105 of United States Public Law 95-134 relative to appropriating funds for final and full settlement of war damage claims under Title I of the Micronesian Claims Act of 1971; and

"Be it further resolved that the Government of Japan is hereby exhorted to provide the equivalent of the U.S. contribution in the form of goods and services as a humanitarian gesture to the people of Micronesia and for the promotion of Micronesia's economic and social advancement; and

"Be it further resolved that such extension of goods and services is recognized as a gesture of humanitarian concern and goodwill; and

"Be it further resolved that certified copies of this Joint Resolution be transmitted to the President of the United States; the President of the United States Senate; the Speaker of the House of Representatives of the United States Congress; the United States Secretary of State; and Prime Minister of the Government of Japan and the Minister of Foreign Affairs of the Government of Japan."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. WILLIAMS, from the Committee on Human Resources, without amendment:

S. Res. 31. An original resolution authorizing additional expenditures by the Committee on Human Resources for inquiries and investigations. Referred to the Committee on Rules and Administration.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. KENNEDY (for himself, Mr. Thurmond, Mr. DeConcini, Mr. Glenn, Mr. Javits, Mr. Leahy, Mr. Bayh, and Mr. Baker):

S. 241. A bill to restructure the Federal Law Enforcement Assistance Administration, to assist State and local governments in improving the quality of their justice systems, and for other purposes; to the Committee on the Judiciary.

By Mr. BAKER:

S. 242. A bill to amend the Endangered Species Act (18 USC 1530 et seq.) by eliminating the Endangered Species Committee; to the Committee on Environment and Public Works.

S. 243. A bill to exempt the Tellico Dam Project of the Tennessee Valley Authority from the provisions of section 7 of the Endangered Species Act; to the Committee on Environment and Public Works.

By Mr. STEVENSON (for himself, Mr. Cannon, Mr. Cranston, Mr. Ford, Mr. Hayakawa, Mr. Hollings, Mr. Mathias, and Mr. Zorinsky):

S. 244. A bill to establish national space policy and program direction, and for other purposes; to the Committee on Space, Science, and Transportation.

By Mr. CHURCH (by request):

S. 245. A bill to promote the foreign policy of the United States through the maintenance of commercial, cultural and other relations with the people on Taiwan on an unofficial basis, and for other purposes; to the Committee on Foreign Relations.

By Mr. BENTSEN:

S. 246. A bill to amend the Internal Revenue Code of 1954 to encourage greater individual savings; to the Committee on Finance.

By Mr. STEVENS:

S. 247. A bill to amend the Shipping Act, 1916, in order to provide that a State, the District of Columbia, the Commonwealth of Puerto Rico, and a territory or possession of the United States shall be considered a citizen of the United States for the purposes of such Act; to the Committee on Commerce, Science, and Transportation.

By Mr. DOLE:

S. 248. A bill to amend title II of the Social Security Act to as to modify the criteria respecting certain self-employment income, derived from the sale of certain agricultural or horticultural commodities, for purposes of the social security retirement test; to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. Hatch, and Mr. McClure):

S. 249. A bill to amend the Communications Act of 1934 in order to prohibit the television broadcasting of programs portraying nudity, obscenity, explicit sexual activity, gross physical violence or morbid torture any of which is offensive to the public taste and morals; to the Committee on Commerce, Science, and Transportation.

By Mr. THURMOND (for himself, Mr. Percy, Mr. Eagleton, Mr. Hollings, Mr. Heinz, Mr. Humphrey, Mrs. Kassebaum, Mr. McGovern, Mr. Randolph, Mr. Simpson, and Mr. Tower):

S. 250. A bill to amend chapter 41 of title 38, United States Code, to authorize the appointment of an Assistant Secretary of Labor for Veterans' Employment, and for other purposes; to the Committee on Governmental Affairs.

By Mr. THURMOND:

S. 251. A bill to amend the Occupational Safety and Health Act of 1970 to insure equal protection of the laws for small business and to provide that any employer who successfully contests a citation or penalty shall be awarded a reasonable attorney's fee and other reasonable litigation costs; to the Committee on Human Resources.

By Mr. GLENN:

S. 252. A bill to establish an Interagency Committee on Arson Control to coordinate Federal anti-arson programs; to amend various provisions of the law relating to programs for arson investigation, prevention, and detection, and for other purposes; to the Committee on the Judiciary.

By Mr. WILLIAMS:

S. 253. A bill to declare a portion of the Delaware River in Burlington County, New Jersey, nonnavigable; to the Committee on Environment and Public Works.

By Mr. CHURCH (for himself and Mr. Inouye):

S. 254. A bill to provide that time spent by American civilians in enemy prisoner-of-war camps and similar places shall be creditable (as though it were military service) toward pensions, annuities, or similar benefits under various Federal retirement programs; to the Committee on Armed Services, the Committee on Finance, the Committee on Governmental Affairs, and the Committee on Human Resources, jointly, by unanimous consent.

By Mr. WILLIAMS:

S. 255. A bill to create a National Commission on Compulsive Gambling; to the Committee on Human Resources.

By Mr. GOLDWATER:

S. 256. A bill to amend title 5 of the United States Code to allow congressional employees with long periods of service with the same Member of Congress to receive civil service retirement credit for employment by the Member during a break in service of the Member; to the Committee on Governmental Affairs.

By Mr. LONG:

S. 257. A bill to extend certain expired provisions related to the child support program under title IV–D of the Social Security Act and to child care under title XX of the Social Security Act; to the Committee on Finance.

By Mr. ROTH (for himself and Mr. Biden):

S. 258. A bill to amend section 144 of title 23 of the United States Code, relating to the special bridge replacement program, in order to make highway bridge projects costing more than one million dollars in those States receiving minimum apportionments of Federal funds under such program eligible for Federal aid under the discretionary part of the program; to the Committee on Environment and Public Works.

By Mr. NELSON:

S. 259. A bill to establish the goal of reducing Federal paperwork costs by 25 percent, to prescribe the procedures for the reduction of such costs, to provide for the development of strategies and methods for determining such costs and effecting such reductions, and for other purposes; to the Committee on Governmental Affairs.

By Mr. BAYH (for himself, Mr. Baker, Mr. Javits, Mr. Mathias, and Mr. Inouye):

S. 260. A bill to create a National Institute of Justice; to the Committee on the Judiciary.

By Mr. HELMS:

S.J. Res. 29. A joint resolution to establish a Commission on Security and Cooperation in China; to the Committee on Foreign Relations.

By Mr. WILLIAMS (for himself and Mr. Cranston):

S.J. Res. 30. A joint resolution authorizing and requesting the President to issue a proclamation designating the month of June as "National First Aid Month"; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. KENNEDY (for himself, Mr. Thurmond, Mr. DeConcini, Mr. Glenn, Mr. Javits, Mr. Leahy, Mr. Bayh, and Mr. Baker):

S. 241. A bill to restructure the Federal Law Enforcement Assistance Administration, to assist State and local governments in improving the quality of their justice systems, and for other purposes; to the Committee on the Judiciary.

JUSTICE SYSTEM IMPROVEMENT ACT OF 1978

● Mr. KENNEDY. Mr. President, today I join a bipartisan group of colleagues in introducing comprehensive legislation to reauthorize, restructure and streamline the Federal Law Enforcement Assistance Administration. This legislation is of critical importance to the American people and constitutes the most ambitious effort yet undertaken to reform an agency which has often been sharply criticized.

LEAA is the major Federal vehicle to assist localities in their struggle against crime; the "Justice System Improvement Act" is designed with one overriding thought in mind—to make the LEAA program more effective in assisting our local governments deal with crime in America. This legislation, first introduced at the close of the 95th Congress, has enjoyed broad bipartisan support in both the Senate and the House.

Many sections of the bill have been personally endorsed by President Carter, Attorney General Bell and Chairman Rodino and are the result of constructive cooperation involving LEAA and the Congress.

This legislation is the culmination of a decade of debate over the nature and scope of the LEAA program. Its roots go back to the early part of this decade when I and others first proposed steps to improve the functioning and effectiveness of LEAA.

For too long the Congress and the executive have been unable or unwilling to confront the structural and administrative defects of the LEAA program; The Justice System Improvement Act is designed to deal with the problems which have plagued the agency and limited its impact.

Band-aid reforms will not do; major surgery is necessary and is provided for in this legislation I introduce today. The administration, Attorney General Bell, Chairman Rodino and Senator Thurmond have all played a particularly influential role in the development of this bill.

I believe this legislation will go a long way in making LEAA the type of Federal agency contemplated by the Congress when it enacted the LEAA program over 10 years ago.

During the past decade I have often been a vocal critic of LEAA, questioning, not the concept of Federal assistance to aid localities improve their criminal justice systems, but, rather, the nature and administration of that assistance. I have often questioned LEAA's priorities and excessive bureaucracy.

I am, of course, aware that crime is primarily a local problem and that LEAA accounts for less than one cent of every dollar spent on criminal justice at the local level. But the issue is not whether LEAA can cure the Nation's crime problem—it cannot—but whether LEAA can be altered and restructured in order to make a more meaningful contribution. I believe it can.

The legislation introduced today gives LEAA that opportunity—long overdue—to provide valuable assistance to local governments. The bill is designed to assure that the American taxpayers will receive a better return on their investment in the war on crime than they have received so far. As I have often said, we owe it to the public to put this agency in order and to restore the confidence of the people that we are making progress in dealing with the problem of crime in America.

The job is made all the more difficult, however, if LEAA lacks the necessary funding to make the program work. All the substantive reforms envisaged in this legislation are undercut if the agency does not enjoy the type of financial support needed to make it effective and worthwhile. The figures tell the tale.

The administration's 1980 budget provides $536,453,000 in funding for LEAA, $110,000,000 less than that provided for in fiscal 1979. This, in and of itself, is nothing new. Since 1974 each successive administration budget request has involved a reduction in funds from the amount requested in the previous year. The reductions have been especially serious, in light of the high inflation rates the Nation has endured in recent years.

Simply to maintain levels of funding from year to year, the budget requests would have to be increased to compensate for inflation. But instead they have been consistently reduced each year, to the point where the requests no longer give the program a real chance to make a meaningful contribution at the local level. The following chart demonstrates the nature of the problem:

TABLE 1.—FUNDS REQUESTED, AND APPROPRIATED FOR LEAA, FISCAL YEARS 1968–78

[In thousands of dollars]

Fiscal year	Budget request	Appropriation	Percent increase or decrease in appropriations from year to year
1968			
1969	$98, 600	$63, 000	
1970	296, 570	268, 119	325. 59
1971	532, 200	529, 000	97. 30
1972	698, 400	698, 919	32. 12
1973	855, 000	855, 597	22. 42
1974	891, 124	870, 675	1. 76
1975	886, 400	895, 000	2. 79
1976	769, 784	809, 638	(9. 54)
1977	707, 944	754, 442	[1] (7. 00)
1978	704, 500	647, 250	(14. 21)
1979	651, 488	646, 488	(. 12)
1980	536, 453		

[1] Compared to fiscal year 1976.

In recent years, my late, distinguished colleague from Arkansas, Senator McClellan, and I made frequent pleas to the Appropriations Committee to restore needed moneys for the LEAA program. We were often successful in getting some of the cuts restored. But a major effort will have to be made this year in the Senate Appropriations Committee if the LEAA program is to have a chance to succeed. The $110,000,000 cut is unwise, unnecessary and unfair. The fact is that LEAA has been forced to assume an undue burden of the budget cuts in the Department of Justice budget. The administration's overall budget for the Department calls for a cut of $111,560,000; yet LEAA has assumed $110,000,000 of this cut.

The Justice Department has worked closely with us in helping to draft this new legislation—with its new formulas for the special targeting of funds. But now the administration's budget request threatens to damage severely the final product by singling out LEAA for excessive reductions in the level of funding.

It appears that LEAA constitutes the lowest priority in the administration's budget for law enforcement and that Federal officials are all too eager to become conscientious budget cutters at the expense of the only major Federal criminal justice program providing needed financial and technical assistance to States and localities; one cannot help but wonder about the administration's future commitment to this important program.

Many of my colleagues will join me in urging the Senate Appropriations Committee to restore these cuts. Nevertheless, acting on the assumption that the proposed budget will constitute the amount actually appropriated, I plan to offer a series of amendments, joined by my distinguished colleague from South Carolina, Mr. Thurmond, to alter the formulas and distribution of moneys in this authorization bill. I will likely offer the following:

First, provide that 80 percent of the total LEAA budget be set aside for distribution to State and local governments under part D of the legislation. This amount—after deducting the $50,000,000 earmarked for the juvenile justice program—would come to some $317,500,000 of the remaining funds;

Second, provide that 10 percent of the total LEAA budget be set aside under part E for distribution to State and local governments as national priority grant moneys. This will approximate $39,700,000;

Third, provide that 10 percent of the total LEAA budget be set aside under part F for distribution to State and local governments as discretionary grants. This will approximate $39,700,000.

These three amendments—again assuming a bare bones appropriation of $546,000,000—will have a major impact on the LEAA program. Despite a proposed cut of over $110,000,000 in the LEAA programs, available moneys for distribution to State and local jurisdictions will actually increase by over $30,000,000 over fiscal 1979 levels. These amendments are based on my belief that local units of government—the statutory beneficiaries of the LEAA program—should not bear the brunt of proposed LEAA budget cuts. Obviously, Washington-based programs will suffer—training and manpower programs, technical assistance, statistics and research, and others. All will be subject to a certain amount of budget rollbacks. But these reductions should be offset to some extent by provisions of the bill eliminating the earmarking of funds and excessive agency overhead.

I will, of course, continue the struggle to restore these cuts. But this fight will likely be waged in the Senate Appropriations Committee and not in the reauthorization hearings to be conducted in the next few weeks.

I am aware that much of the reluctance to fund LEAA adequately can be traced to the program's questionable past performance record and the lack of faith, held by many, concerning the program. But if the Justice System Improvement Act is indeed to part company with the past and provide new directions and leadership it is essential that it not be stymied at the outset with a limited barebones appropriation.

It is ironic that the LEAA program has, perhaps, the broadest mandate of any federal financial assistance program—criminal justice improvement—yet receives less funding than any of these other programs. This legislation simply cannot work if the amounts appropriated do not approximate to some extent the amounts authorized in the legislation.

I believe that this legislation is a major forward step in the Federal Government's commitment to help States and units of local government in the war against crime. The bill can still be improved and I look forward with anticipation to the upcoming hearings and debate because I am convinced we can do an even better job.

What is especially needed during the months ahead is the valuable input of those manning the front lines in the battle against crime—the police, members of the judiciary, corrections officials, district attorneys, and the defense bar. I also hope to hear from the Governors, mayors, county officials, criminal justice planners, and all those who have a very real, dedicated interest in seeing the LEAA program succeed.

Last year's hearings were most valuable in this regard; initial responses to the legislation were quite favorable. I believe that in the next few weeks we will strengthen the proposal even further.

In introducing this legislation last year, Chairman Rodino and I expressed our strong commitment to the future of the LEAA program. I am convinced that a point has now been reached where effective reform of the Federal Law Enforcement Assistance Administration is nearing reality after more than a decade of delay. This legislation makes the fundamental changes necessary if LEAA is to provide important leadership in the struggle to improve our local criminal justice systems. The bill answers the critics by restructuring and refining the proper Federal role in assisting these localities. It incorporates structural and administrative changes that I and others have long urged.

Despite past LEAA failures I do not believe that we should abandon the potential for leadership that the Federal Law Enforcement Assistance Program holds. We need LEAA.

As I have often stated—rather than throwing out the good with the bad; rather than sacrificing LEAA's potential for achievement and success on the basis of a past record of poor performance in some limited areas; rather than simply throwing up our hands about the Nation's crime problem and saying, like we do, about the weather, while we care there's not much that we can do, we must reshape and restructure LEAA to fulfill the Nation's objectives and expectations. The Justice System Improvement Act goes a long way in achieving that reform. I urge its enactment.

Mr. President, I ask unanimous consent that an outline of the basic features of the Justice System Improvement Act be printed in the Record.

There being no objection, the outline was ordered to be printed in the Record, as follows:

Outline

I. SUMMARY

The Justice System Improvement Act restructures, reorganizes and reauthorizes the ten year old Law Enforcement Assistance Administration program. It significantly alters the current LEAA statute and is designed to deal with the major criticisms directed at the current program:

Poor priorities;

Excessive red tape;

Lack of clearly delineated federal, state and local crime-fighting roles;

Excessive state control of the program at the expense of the cities and counties;

Poor internal LEAA structural organization;

Absence of effective research and evaluation components;

Lack of clearly understandable purposes and goals;

Poor targeting of block grant funds;

Failure of "comprehensive planning".

The Justice System Improvement Act would reauthorize the program for an additional four years at a cost of $3.3 billion ($825,000,000 per year). The Act is divided into four major new sections: Reorganization, Formula Grants, Priority Grants and Discretionary Grants (additional parts deal with Administration, Funding, Law Enforcement Training, Police Death Benefits and Transition).

II. LEAA REORGANIZATION

In the area of reorganization, the bill adopts in large part suggestions made by the Attorney General's LEAA Task Force. It creates a separate National Institute of Justice (NIJ) and Bureau of Justice Statistics (BJS) within the Justice Department (and outside of LEAA) and places both of them, in addition to LEAA, under a new umbrella office—the Office of Justice Assistance, Research and Statistics (OJARS). OJARS oversees LEAA, NIJ, and BJS. There are various goals underlying this reorganization:

Improve the quality of justice research by taking NIJ out of LEAA (where it was unable to perform effective research);

Separate completely the research (NIJ) and financial grant (LEAA) functions;

Improve the quality of criminal justice statistics through the establishment of an independent Office for that purpose (BJS);

Establish a new agency—OJARS—to coordinate all activities under the new Act and set priorities for Priority and Discretionary Grants after receiving input from both LEAA, NIJ and local officials;

Expand the NIJ research effort to include both civil and criminal justice research (an idea long advocated and championed by the American Bar Association.)

III. FORMULA GRANTS

The sweeping changes in the Law Enforcement Assistance Administration block grant program are designed to make the Act more effective and efficient. The significant features of this new Part include:

The elimination of the annual comprehensive plan requirement and its attendant red tape, one of the most persistent criticisms leveled at the current act;

The replacement of State planning agencies with Criminal Justice Councils having a fixed proportion of city and county representatives, to coordinate—but not plan—under the new program;

Special recognition of judicial needs and programs and the continuation of Judicial Planning Committees (a feature of the 1976 amendments to the current act);

Prohibitions on the use of LEAA funds for construction, since there is simply not enough money for such efforts;

Direct financial assistance.

A provision giving LEAA authority, after public notice, to declare certain programs ineligible for further LEAA funding if shown, through evaluation, to be ineffective or wasteful;

An end to all earmarking of funds (except for Juvenile Delinquency Maintenance of Effort—19.15%) thus allowing more local flexibility to deal with unique local problems;

Greater community and neighborhood involvement in choosing local priorities;

New criminal justice formulas designed to target funds to local areas of greatest need.

The bill contemplates the submission of a simple three-year application to LEAA (as opposed to the annual complex "plans" of current law), thus avoiding much of the current needless paperwork. Annual updates are required. Three year application—still prepared by the State—must reflect an analysis of the crime problems in the State and must include designated priorities for addressing these problems. Formula comprehensive planning is eliminated and is replaced by those criminal justice priorities established by the State after consultation with local governments and representatives of the various components of the criminal justice system.

Under the bill, the State Council would prepare those portions of the three year application which relate to State government and to cities under 100,000 population and counties under 250,000 population, i.e., as to the State and smaller units of government, the State continues to control the distribution of funds. The reason for this apparent—the LEAA authorization of $825 million is simply insufficient to permit a direct distribution of funds to all units of government, regardless of size. There is simply not enough money to allow this. The result would be widespread, in effectual dispersion of funds without effective targeting.

The State courts, through Judicial Coordinating Committees, would continue to prepare a comprehensive application for local court funding. The larger cities and counties prepare their own applications, which are then integrated into the State application, which is then submitted to LEAA for ultimate approval. Neighborhood involvement in the preparation of the applications is mandated.

Unlike the State applications and project applications from the smaller units of government, state review of these applications from larger cities and counties would be very limited. They could only be reviewed for (1) compliance with Federal requirements and State law, (2) duplication with other projects, and (3) inconsistencies with state priorities. Any disagreements between a State and large unit of local government would be resolved by agreed upon procedures. Thus, the State would no longer have absolute veto power over applications from large cities and counties. Resolution of most disputes would occur at the local level.

Block grant funds would be distributed by LEAA to the State on the basis of a two-track alternate formula. Whichever track is chosen by a State, however, a "hold harmless" provision assures that no State receives less than its block grant share under the current Act.

The alternate two-tracks are as follows:

Distribution based on population.

A complex "crime" formula, reflecting both criminal justice need (i.e., extent of crime among a particular jurisdiction's population) plus effort (criminal justice expenditures at the State level weighted by the nature and extent of that jurisdiction's tax effort). Under this approach sixteen States (New York, California, Arizona, Colorado, Alaska, Michigan, Delaware, Hawaii, District of Columbia, Massachusetts, New Jersey, Oregon, Maryland, Washington, Florida and Nevada) receive additional funds. However, a 10 percent ceiling is placed on the funds awarded these sixteen States to prevent funding aberrations. (For example, under this formula, the District of Columbia would receive 76 percent more than it would receive under a population formula. This is unacceptable given the limited LEAA authorization level and requires that a statutory ceiling be imposed to prevent such aberrations.

Larger cities and counties receive a fixed entitlement of funds from this total State share. The amount of funds received by such cities and counties would also be determined by formula and not, as under the current Act, as the discretion of the State.

It is important to point out, however, that these larger cities and counties would *not* be receiving extra funding at the expense of the State and the rest of the smaller localities within the State; these provisions go only to the *method* of distributing funds to localities—direct entitlement for large localities; funding competition among the smaller units of government (again, this is necessitated by the limited amount of available funds.)

The formula for determining the allocations to local government is complex. It is based on local criminal justice expenditures; seventy percent of the money is distributed on the basis of total criminal justice expenditures within the State; the remaining thirty percent is distributed on the basis of local criminal justice expenditures broken down by four specific functions—police, courts, corrections and criminal justice alternatives (for example, counseling, alternatives to judicial resolution, etc.) The impact of this thirty percent breakdown is crucial; it provides badly needed additional funding for county and State governments, where the bulk of court and corrections funding occurs. This formula also assures better targeting of available LEAA funds to those geographical subdivisions most responsible for soldiering the bulk of the local crime fighting effort.

The three-year applications are to be updated annually, with the State performing the evaluation and monitoring functions. An annual performance report is to be submitted to LEAA each year. LEAA will review this performance report; if it determines that the funds are not being used effectively, it can suspend all funds to that jurisdiction or can suspend funds targeted to such ineffective programs or projects.

The larger local governments receiving LEAA funds must establish Advisory Boards at the local level to designate local priorities.

In a major alteration of the current program, none of these block grant formula funds need be matched at the local level (current law requires a ten percent match at the local level.) This reflects the fact that under the current law many localities are simply unable to meet their match obligations and are forced to forego worthwhile projects.

IV. NATIONAL PRIORITY GRANTS

The national priority grants are a major innovation.

Under the priority grant provisions, the Office of Justice Assistance, Research and Statistics is directed, after consultation with the National Institute, Bureau of Criminal Justice Statistics, State and local governments, representatives of the various components of the criminal justice system, and others, to establish voluntary programs and projects for funding, which programs have shown, through research, demonstration or evaluation, to be particularly effective in improving the justice system and/or reducing crime. The priorities are established for up to three years but are subject to annual review. Local jurisdictions or organizations voluntarily may apply for financial assistance under this Part and may be awarded up to fifty percent of the cost of the priority program or project from LEAA priority grant funds. The other fifty percent can come from block grant funds, general revenue sharing funds, State and local appropriations, or any other sources of funds available (thus, there is a fifty percent match but the match need not come from State or local sources.) National priority grants will be awarded on a competitive basis and can be awarded for a maximum three-year period.

This innovative approach to LEAA spending is designed to strike a careful balance between those advocating greater local control of LEAA monies and those still desirous of more federal leadership. The Priority Grants approach is, I believe, a worthy model for other revenue sharing programs: It is purely voluntary; it is competitive (thus assuring funding of the most qualified applications); and, above all, it provides for the type of federal leadership too long absent from the program. Model LEAA projects—such as the Career Criminal Program and Witness Assistance Program—are encouraged and are assured of continued funding and support.

V. DISCRETIONARY GRANTS

Discretionary grants are also a significant feature of the new bill. These funds are to be used primarily to fund programs for improving the justice system, which programs might not otherwise be undertaken under the block grant or priority grant programs. These grants are made at the discretion of LEAA. There is no matching requirement and the grants may fund projects for up to three years (with an additional two year funding period allowed if the locality subsequently picks up fifty percent of the cost, i.e., a fifty percent match for the additional two year period only).●

By Mr. BAKER:

S. 242. A bill to amend the Endangered Species Act (16 USC 1530 et seq.) by eliminating the Endangered Species Committee; to the Committee on Environment and Public Works.

S. 243. A bill to exempt the Tellico Dam project of the Tennessee Valley Authority from the provisions of section 7 of the Endangered Species Act; to the Committee on Environment and Public Works.

● Mr. BAKER. Mr. President, I was extremely disturbed with the decision made a few days ago by the newly created Endangered Species Committee regarding an exemption from the requirements of section 7 of the Endangered Species Act for the Tellico Dam project. As I am sure most of my colleagues are aware, the creation of this committee and the exemption process for conflicts arising under the Endangered Species Act, were the most complex and controversial issues in consideration of the reauthorization of the Endangered Species legislation during the last Congress.

In work last year on these amendments, it was my desire that a process be created that could effectively deal with conflicts involving retroactive application of the requirements of the Act such as that now existing at Tellico Dam. The Senate Environment and Public Works Committee report of this legislation specifically states that the Endangered Species Committee in considering the available alternatives to resolve a conflict under section 7, should give special recognition to the stage of completion of the project involved. The committee report as well as debate on the Senate floor further recognize that as a project approaches completion, certain alternatives to the proposed action may not be reasonably or prudently available as options. Finally, I would like for each of my colleagues to make special note that H.R. 1404, the endangered species bill, which was ultimately approved by the House of Representatives last Congress, contained a specific exemption for Tellico. This exemption was approved by the House principally because of the Tellico project's advanced stage of construction when confronted with the new requirements of the Endangered Species Act.

The fact is that the Tellico project was nearly 50 percent completed when the snail darter was discovered and was over 75 percent completed when the darter's critical habitat was designated within the proposed impoundment area of the project. Thus the question now should really not be whether the project should be completed. The dam is built and the reservoir has been ready for filling since January 4, 1977. Not only is the project essentially completed, but more than $100 million of public funds have been expended at Tellico and little remains to be done before filling the reservoir.

In my opinion, the Endangered Species Committee did not give proper consideration to these facts in reaching their decision on Tellico, and therefore the committee has charted a course which has and will continue to cause their decision to stray far from what the Congress intended when it created this exemption process.

Such a shortsighted decision by the committee not only thwarts the process which Congress set up to deal with this situation but actually jeopardizes the future of the entire Endangered Species Act.

In view of the congressional intent, which is outlined above, the actions taken in the House, and the waste of funds, time, and effort that would result from the committee's decision, I am introducing today amendments that will delete the Endangered Species Committee process from the act and in addition provide a specific exemption for the Tellico project. It has now become my opinion that because the public officials on the Endangered Species Committee by their decision on Tellico have shown an inability to act reasonably within the process which the Congress created to deal with conflicts under the act, that we should eliminate the time-consuming committee process and allow conflicts to be resolved on an ad hoc basis by the Congress. The amendments I introduce today would have that effect.●

By Mr. STEVENSON (for himself, Mr. CANNON, Mr. CRANSTON, Mr. FORD, Mr. HAYAKAWA, Mr. HOLLINGS, Mr. MATHIAS, and Mr. ZORINSKY):

S. 244. A bill to establish national space policy and program direction; and for other purposes; to the Committee on Space, Science, and Transportation.

SPACE POLICY ACT OF 1979

● Mr. STEVENSON. Mr. President, I introduce for myself and Senators CANNON, CRANSTON, FORD, HAYAKAWA, HOLLINGS, MATHIAS, and ZORINSKY the "Space Policy Act of 1979," a revision of S. 3530 that I introduced last year. As I noted then, S. 3530 was circulated for comment and reaction. I have received numerous comments on S. 3530, many of which are incorporated in the present legislation.

While the language of the bill has been improved, its purpose and substance are similar to the initial version. The legislation establishes policies and goals to guide civilian space activities of the United States during the first decade of the Space Shuttle era. The need for such legislation is clearer today than it was last September when I introduced S. 3530.

CARTER ADMINISTRATION POLICY

In October, President Carter issued a directive covering U.S. efforts in space for the next decade. The administration's civil space policy recognized the changing nature of U.S. activities in space, a tenet on which the Space Policy Act is based. The new era in space—made possible by the Space Shuttle—will be characterized by "routine utility," using the space environment on a regular basis to bring economically productive services directly to people on Earth.

The administration's civil space policy also recognized the need to maintain U.S. leadership in space and the importance of continuing research and development to achieve this objective. NASA was given specific authority to resume research and development in communications satellites following a 6-year hiatus in such activity. Such an effort is essential if the United States is to respond to vigorous competition from Japan, France, and West Germany in communications satellite technology. The policy also commits the United States to maintaining a position of leadership in space science and planetary exploration.

President Carter's directive was a good beginning, but only that. The opportunities and challenges in space were recognized. The need for the United States to maintain its position of leadership was acknowledged. Yet the directive was silent on the programmatic goals in space applications and space science that can give meaning to these words. The Space Policy Act of 1979 identifies these goals and establishes a procedure to bring increased purpose and direction to annual authorization and appropriation decisions.

There is no inherent contradiction in setting longer term goals and maintaining a constrained budget in any given fiscal year. To the contrary, a clear sense of direction is essential in making wise decisions about annual expenditures. What we face today is a space budget which is little more than a collection of ad hoc decisions often forced by short-run objectives of the Office of Management and Budget. It makes far greater sense to establish basic programmatic objectives and tailor annual budget outlays to fiscal realities. Passage of the Space Policy Act will provide such a procedure.

NEED FOR A NEW SPACE POLICY

The prospect of conducting frequent trips aboard the Space Shuttle to near Earth orbit—up to 60 flights per year according to current projections—opens a range of applied and scientific activities not feasible with more expensive and less adaptable expendable rockets.

Never has the potential been greater for using the space environment to serve human needs. Remote-sensing satellites can provide vital information in climate and weather research, environmental and pollution monitoring, crop forecasting, plant disease control, drought and flood control, mineral and natural resources exploration and management, land use planning, geodesy, mapping, earthquake research and prediction, and search and rescue missions. The potential for generating electric power in space and for space manufacturing is real. Advanced communications satellites will open up new services to commercial and public users, including educational and medical applications. Advances such as electronic mail and wrist radios are within reach. And we stand on the verge of mankind's most promising era of scientific exploration. Within the next decade we can unravel many of the mysteries of the origin and evolution of our solar system and the universe beyond.

Beyond the economic and scientific and public services afforded by the space exploration and development is the expanded view of mankind's place in the universe that can be achieved. Norman Cousins, editor of the Saturday Review, discussed this aspect of the space program last year before the Subcommittee on Science, Technology, and Space. He noted that:

> The case for space exploration has to do with our philosophy as a people and as a nation—how we see life; how we think about our place in the world's future; how much knowledge can contribute to the quality of life; and finally whether we attach any importance to our uniqueness as members of the human species.

We must also recognize that other nations are challenging the United States' lead in space technology forged during the 1960's. The Soviet Union has given priority to manned space activities. Last year's record breaking missions to near Earth orbit are a prelude to longer and more extensive efforts. Much larger rockets will permit construction of elaborate space facilities by the Soviet Union; a permanently occupied station is only a matter of time. The European Space Agency is developing its own expendable launch vehicle, the Ariane, which will compete with the Space Shuttle for commercial business. France is developing a remote-sensing satellite comparable to the U.S. Iandsat. And Japan, Germany, and France are making rapid strides in satellite communications systems.

These achievements involve more than national pride and prestige. Increasingly, the industrialized nations will have to rely on high technology products to retain a competitive position in domestic and foreign markets. Fundamental changes have taken place in the structure of the world economy. Developing countries are providing an increasing share of the world's manufactured goods at terms the industrialized countries find difficult to match. To survive economically in these conditions, we must recognize the need to replace uneconomic low technology and low productivity enterprises with high technology and high productivity manufacturing.

The choice is ours. We can blindly try to preserve the past through protectionist trade policies and government subsidies of failing industries. Or we can move to build a U.S. economic structure that is attuned to the realities of today's interdependent world. A healthy and growing space program helps sustain this country's scientific and technological base, and we squander these resources at our economic peril.

This does not mean that the Federal Government should do it all. To the contrary, the new era in space should increasingly be pursued by the private sector, using private capital, and offering services and benefits on the open market. The private sector is now the dominant force in satellite communications. The next area ready for substantial non-Government participation is the processing of remotely sensed data and information. Private companies have been exploring ways to lease or purchase one of the Space Shuttle orbiters for commercial use.

It is too early to know what kinds of arrangements will prove to be desirable. I only note that a major consideration in developing greater non-Government participation will be the Government's commitment to maintain U.S. leadership in space science and technology. Passage of the Space Policy Act would be a major step toward establishing the climate in which mutually beneficial public-private sector relationships could be developed.

SPACE POLICIES AND PROGRAM

The findings of the Space Policy Act describe new opportunities and applications in space which are made possible by the development of the space shuttle. The bill then declares fundamental policies that will govern United States' activities in space. Among the more important declarations of policy are:

That the United States rejects any claims over outer space or over natural celestial bodies;

That space systems for peaceful purposes have the right to operate in space without interference;

That the United States will encourage and continue to participate in cooperative international space activities; and

That there should be close coordination among the space activities of the departments and agencies of the Government to avoid unnecessary duplication and achieve maximum use of resources.

The bill identifies a series of goals in space and terrestrial applications and in space science to be achieved within 10 years after the date of enactment.

The goals have been identified on the basis of testimony before the Subcommittee on Science, Technology, and Space and consultation with experts in space applications and space science. Among these goals are:

Design and construction in space of a first generation of large structures;

Research and development leading to the design and testing of prototype systems for electric power generation if technological, environmental, and economic programs can be resolved satisfactorily;

Resumption of communications R. & D. research;

Design and testing of space-based manufacturing technologies;

Establishment of an operational system for remote-sensing of the Earth's resources and environment.

In space science, the bill sets goals to maintain U.S. leadership in planetary and lunar exploration, the study of dynamic relationships between the Sun and the Earth, the understanding of astrophysical phenomena, and the study of life sciences as related to human performance in space and the evolution and distribution of life in the universe.

The President is directed to prepare a 5-year plan that spells out annual funding levels to achieve these goals. He is to update the plan annually, and he has authority to propose revisions. The existing annual authorization and appropriations process would be unchanged. This procedure would hopefully improve what is now a nearly mindless battle between Congress and the OMB over budget details while no one in either branch relates these annual expenditures to broader purposes and directions.

COST OF PROGRAM

In this period of constrained Federal funds, it is necessary to face squarely the budgetary impact of a revitalized U.S. space program. Testimony before the Subcommittee on Science, Technology, and Space indicates the feasibility of initiating a program of this magnitude at the level of recent NASA budgets, adjusted for inflation. Funds which have been used to develop the Space Shuttle, in the range of $750 million to $1 billion annually, can be gradually shifted to other space activities as the shuttle development program concludes. As new technologies mature, some additional Federal funding may be required, but under the terms of the Space Policy Act these will be subject to the scrutiny of Congress through the normal authorization and appropriations process. The 5-year planning process specified in the bill provides a mechanism to hold total expenditures in any fiscal year to acceptable levels. In any event, the goals contained in the Space Policy Act will not require a return to expenditure levels of the Apollo program.

As I have noted, new opportunities also will be opened for greater financial participation by the private sector. Unlike the Apollo program which was supported entirely by Federal funds from start to finish, the new era in space will be characterized by an expanding role for nongovernmental participants. As technologies mature, the potential economic returns from space-based services will generate increasing private entrepreneurial activity.

However, a commitment by the Federal Government is needed to initiate this new era in space. With the launching of the Space Shuttle approximately 1 year away, we are at a watershed. Decisions during the next year or so will more than likely set the course of U.S. space activities for the balance of this century. A balanced and reasonable program, as set forth in this legislation, will insure this Nation's leadership in developing the space environment for the benefit of people in this country and around the world.

Hearings on U.S. civilian space policy before the Subcommittee on Science, Technology, and Space, Committee on Commerce, Science, and Transportation, will begin on January 25, 1979, in room 235, Russell Senate Office Building. Dr. Frank Press, Director of the Office of Science and Technology Policy, and Dr. Robert Frosch, Administrator of NASA, will testify. Other witnesses will be heard on January 31 and February 1.●

By Mr. CHURCH (by request):

S. 245. A bill to promote the foreign policy of the United States through the maintenance of commercial, cultural, and other relations with the people on

Taiwan on an unofficial basis, and for other purposes; to the Committee on Foreign Relations.

ENABLING LEGISLATION FOR TAIWAN

● Mr. CHURCH. Mr. President, today, at the request of the administration, I am introducing enabling legislation designed to permit us to continue our trade and cultural relations with Taiwan in the wake of normalizing relations with the People's Republic of China.

While the recognition of the Peoples' Republic of China is a move I applaud and one that brings our policy in line with Asia realities, I consider the legislation deficient and in need of improvement in several areas. Most notably, the legislation fails to provide a statement of official U.S. policy concerning the future security of Taiwan. The President was unable to obtain from the Peking government a commitment that mainland China will not attempt reunification with Taiwan by force of arms. While the mainland presently lacks the military capability to invade and capture Taiwan, I believe it important that the United States make it clear to the Peoples' Republic of China that U.S. recognition rests on the assumption that any resolution of the Taiwan question would be sought only by peaceful means.

The legislation also appears to be deficient on the question of safeguarding and protecting the property of the people of Taiwan in the United States. Taiwan is our eighth leading trading partner with an annual bilateral trade of $7.2 billion; this year that trade is expected to reach $10 billion. Some $4 billion in assets are held in this country by Taiwanese firms. It is most assuredly in the mutual interests of both our country and Taiwan that the legislation insure our trade relations can continue unhindered and unhampered.

Finally, the legislation does not address the question of immunity and privileges for those who represent Taiwan in the United States after March 1, 1979. After more than a quarter of a century as allies, important trading partners, and good friends, I feel that some provision must be made for these people, particularly since the United States granted immunity and privileges to the people in the liaison office of the Peoples' Republic of China before we formally recognized them.

This bill and resolutions pertaining to the security of Taiwan will be considered by the Committee on Foreign Relations on February 5, 6 and 7, 1979. At that time we will be able to fully explore all the issues raised by the normalization of relations with the People's Republic of China and insure that the interests of both the United States and Taiwan are protected.●

By Mr. BENTSEN:

S. 246. A bill to amend the Internal Revenue Code of 1954 to encourage greater individual savings; to the Committee on Finance.

INDIVIDUAL SAVINGS ACT

Mr. BENTSEN. Mr. President, I am today introducing legislation to give individuals a tax exemption for the first $500 of interest ($1,000 for a husband and wife who make a joint return) earned from a savings account at a bank, savings and loan association or a credit union.

This would be an important tax incentive to encourage the average taxpayer to save for retirement, education, or other objective.

The United States has a very poor record of savings and investment compared to other industrialized nations. The U.S. rate of savings as a percentage of disposable national income in 1976 was only 4.8 percent compared to a rate of 6.6 percent in the United Kingdom, 13.1 percent in France, 13.2 percent in Germany, 17.2 percent in Switzerland, and 25.3 percent in Japan. A study prepared by the Department of the Treasury indicates that total U.S. fixed investment as a share of national output between 1960 through 1973 was 17.5 percent. The U.S. figure ranks last among a group of major industrial nations. Our investment rate was 7.2 percentage points below the average commitment of the entire group. Even below that of Great Britain. Greater savings and investment will help boost productivity and reduce inflation.

Due to inflation, individuals actually receive a "negative" rate of return on savings deposits. A tax on the interest received further penalizes the consumer who has already been hurt by inflation. The money deposited in a savings account has already been taxed at the time the individual earned the income. A second tax can be harsh.

This proposal would also increase the flow of capital to savings and loan associations and provide a more stable source of funds for homebuilding. Efforts must be taken to reduce the severe fluctuations in the housing industry.

Mr. President, I urge Congress to enact this important incentive for greater savings.

By Mr. STEVENS:

S. 247. A bill to amend the Shipping Act, 1916, in order to provide that a State, the District of Columbia, the Commonwealth of Peutro Rico, and a territory or possession of the United States shall be considered a citizen of the United States for the purposes of such act; to the Committee on Commerce, Science, and Transportation.

Mr. STEVENS. Mr. President, in 1972, the Alaska State Legislature, established a commercial fishing revolving loan fund.

The purpose of this act is to promote the development of a predominantly resident fishery and continued maintenance of commercial fishing gear and vessels throughout the State by means of long-term low interest loans.

The maximum loan amount under this act is currently $150,000 per applicant, available to individual commercial fishermen who have been State residents for a continuous period of 5 years and have engaged in commercial fishing for 3 of the last 5 years. The loan may not run longer than 15 years or bear interest exceeding 7 percent. The loans may not exceed 75 percent of the appraised value of the collateral used to secure the loan. A first lien in favor of the State is required.

When a documented vessel is offered a security for a loan, this means the State must perfect a first preferred ships mortgage as outlined in the Federal Shipping Act of 1916 (46 U.S.C. 801). In order to perfect a first preferred ships mortgage, the holder of the mortgage must be a citizen of the United States as defined in the Shipping Act of 1916. The State of Alaska is not a citizen of the United States as that term is used in the Ship Mortgage Act (46 U.S.C. 922(a)(5)).

In order to implement this loan program the State was forced to use a trust deed-bond issue procedure. Although this procedure has enabled us to implement the loan program, it is extremely cumbersome and costly. Trustee cost this year will be over $60,000 and will exceed $100,000 a year beginning in 1979. The individual fishermen who receive loans are forced to pay this added expense in the form of a service fee of one-half of 1 percent on the outstanding balance of their loan to the trustee.

Over 400 Alaska commercial fishermen have received loans through this program and the number of applications is increasing steadily. The trustee service fee is an unnecessary added expense to the fisherman.

I strongly urge the Senate to support favorable action on the legislation I introduce today, legislation which would amend the Shipping Act of 1916 (46 U.S.C. 801) in order to provide that a State, the District of Columbia, the Commonwealth of Puerto Rico, and a territory of the United States shall be considered to be a citizen of the United States for the purposes of such act. The bill, if passed, will allow any State, Alaska included, to proceed to create and hold preferred ship mortgages.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being on objection, the bill was ordered to be printed in the RECORD, as follows:

S. 247

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1 of the Shipping Act, 1916 (46 U.S.C. 801), is amended by adding the following definition: "The term 'citizen of the United States' also includes a State, the District of Columbia, the Commonwealth of Puerto Rico, and a territory or possession of the United States".

By Mr. DOLE:

S. 248. A bill to amend title II of the Social Security Act so as to modify the criteria respecting certain self-employment income, derived from the sale of certain agricultural or horticultural commodities, for purposes of the social security retirement test; to the Committee on Finance.

Mr. DOLE. Mr. President, I am today introducing legislation which will correct a defect in the 1977 amendments to the Social Security Act which has caused a serious inequity for a number of retired farmers. The 1977 legislation shifted from a monthly to an annual test of retirement (that is, the time period over which income is measured to determine whether the individual is, in fact, retired changed from a month to a year). In doing that, the Congress overlooked the problem that this would create for farmers, many of whom sell their crops in the year following their retirement.

The real test should be when the money was earned, not when the money comes in. Accordingly, the legislation I am introducing today would exempt, on a one-time only basis and only if the farmer is truly retired, income received from the sale of commodities grown or produced in the prior taxable year.

Identical legislation was adopted by the Senate last year and sent to the House as a part of H.R. 12380, the unemployment compensation amendments, but as the Members of this body know that legislation died pending a conference between the House and the Senate. This critical legislation, then—like the bill of which it was a part—simply was caught in the legislative logjam, and we should move swiftly and decisively in the current session to remedy the inequity this has caused for farmers across the Nation.

I am aware that the bill is tightly drawn and applies only to farmers; I also know that there are a number of other groups, such as life insurance agents, accountants, and lawyers, who may derive income after retirement from work done preceding such retirement. I would hope that, as we consider this overall problem in the Committee on Finance, we can identify a generic solution that may be commonly applied to the overall problem without undue administrative complexity or cost. In the meantime, however, I believe it is imperative that the clear inequity in the current treatment of farm income from the sale of crops or commodities in a year following retirement be rectified.

Mr. President, I ask unanimous consent that the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 248

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 203(f)(5) of the Social Security Act is amended—

(1) in subparagraph (B)(i), by striking out "subparagraph (D)" and inserting in lieu thereof "subparagraphs (D) and (E)", and

(2) by adding after subparagraph (D) the following new subparagraph:

"(E) For purposes of this subsection, there shall be excluded from the gross income of any individual any amount received by him during any taxable year which ends after December 31, 1977, if—

"(i) such amount constitutes net earnings from self-employment of such individual derived from his engagement in a trade or business which, if such trade or business were carried on exclusively by employees, the major portion of the services involved in the carrying out of such trade or business would constitute agricultural labor as defined in section 210(f),

"(ii) such amount is derived from the sale of agricultural or horticultural commodities (including livestock, bees, poultry, and fur-bearing animals and wildlife) produced prior to such taxable year in such trade or business,

"(iii) during such taxable year such individual did not render any substantial services (as determined pursuant to methods and criteria which the Secretary shall by regulations prescribe) with respect to any trade or business described in clause (i), and

"(iv) no amount has been excluded from such individual's gross income pursuant to this subparagraph (E), for any preceding taxable year.".

By Mr. THURMOND (for himself, Mr. Hatch, and Mr. McClure):

S. 249. A bill to amend the Communications Act of 1934 in order to prohibit the television broadcasting of programs portraying nudity, obscenity, explicit sexual activity, gross physical violence, or morbid torture any of which is offensive to the public taste and morals; to the Committee on Commerce, Science, and Transportation.

PROHIBITION OF CERTAIN TELEVISION BROADCASTING

Mr. THURMOND. Mr. President, I rise today to introduce legislation which I believe may ultimately affect the attitudes, behavior, and moral fiber of the citizens of this great Nation.

With the advent of the television, all Americans—old and young, rich and poor—were given the opportunity to become a more meaningful part of our society. This medium was a giant step in modern technology and mass communications. Broad vistas of opportunities and challenges were opened to all who viewed these "images on screen." People could travel to the four corners of the Earth without leaving their living room. The confines of a classroom or library were removed, giving way to a vehicle through which all Americans could become better educated and improve their status in life. The impact of this invention is immeasurable, yet, Mr. President, this great gift to mankind has become a two-edged sword.

Recently, many Americans have become concerned about the effects that the television has had on young people during their maturation process. Educators like Dr. Benjamin Bloom, of the University of Chicago, maintain that by the time a child reaches 5 years of age, he has undergone as much intellectual growth as will occur over the next 13 years.

According to the noted television pollster, A. C. Nielsen, children under the age of 5 watch an average of 23.5 hours television a week. Children between 2 and 11 years of age watch 24.5 hours television a week, and teenagers 12 to 17 years of age watch 22.5 hours per week. Adults have an even greater appetite for television, consuming an average of 27 hours per week. However, the effects on young people can be enormous and possibly dangerous. It has been estimated that by the time of one's high school graduation, today's typical teenager will have logged approximately 15,000 hours before a television screen. These are perhaps the most important years of an individual's life. They are growing years, the learning years.

In a 1975 study by the University of Utah researchers, it was found that children who view television heavily can become desensitized to violence in real life. They concluded that "normal emotional responses to human suffering become blunted and this desensitization may easily cause not only major increases in our society of acts of personal aggression but also a growing attitude of indifference and nonconcern for the victims of real-life violence."

Dr. Robert Liebert, a psychologist at the State University of New York concluded that—

> The more violence and aggression a youngster sees on television, regardless of his age, sex or social background, the more aggressive he is likely to be in his own attitudes and behavior. The effects are not limited to youngsters who are in some way abnormal, but rather were found for large numbers of perfectly normal American children.

He arrived at this conclusion from analyzing over 50 studies on the behavior of 10,000 children between 3 and 19 years of age. Dr. Liebert further states that one important study showed—

> It was not a boy's home life, not his school performance, not his family background, but the amount of TV violence he viewed at age 9 which was the single most important determinant of how aggressive he was 10 years later, at age 19.

A more recent and yet unpublished study conducted with preschool children ages 3 and 4 by Drs. Jerome and Dorothy Singer at the Yale University Family Television Research Center found that the heavy television viewers displayed more aggression during nursery school play.

Almost 2,000 studies have been made over the past two decades into the effects of television. The conclusions are inescapable—televised sex and violence has had and continues to have, a pervasive effect on the entire socialization process of children.

Mr. President, I stand today not as a foe and archenemy of the field of television and its related industries, but rather as both a concerned parent of four children 7 years of age or younger, and as an advocate of responsible television programing. The question I place before the Senate today in the form of this legislation, is whether we, as Senators, owe a duty to require responsible regulation of an industry which profoundly affects the attitudes, behavior and general complement of Americans.

Each of us recognizes that television broadcasting is unique because it is directed indiscriminately toward the public. In a different way from other media of mass communication, it is both pervasive and intrusive. The passive act of watching television is different, practically, socially, and physically from obtaining literature or gaining admission to a movie theater. To gain access to risque literature or motion pictures, a consumer must enter a store or theater and make a purchase. Bookstore and theater proprietors can easily exclude persons who are under age and thus reduce the likelihood that young children will be exposed to matters that are deemed unacceptable for their consumption. Furthermore, the use of magazines, books, and movies are matters which parents find it both simple, and natural, to regulate. Parents can monitor both the movies their children see and the books they read. But television broadcasts are much more difficult for parents to supervise. Such broadcasts are easily accessible to young persons even in the privacy of the home, without the need for comparable affirmative acts. The offensive matter may be received and consumed with no one the wiser.

Thus, unlike a bookstore owner or theater operator, a broadcast licensee has no comparably effective means of sorting out and excluding youthful customers. Moreover, as is widely known and widely deplored in our society, television viewing for young children is an experience largely devoid of direct parental supervision. Although most parents monitor their children's viewing and listening habits some of the time—particularly during later evening hours when parents themselves place heavy reliance on broadcast media to satisfy their entertainment needs—it is unrealistic to expect such close oversight all the time.

Mr. President, it is those times when unsupervised children are most likely in the audience that I express particular concern. It is at this time that I believe broadcasters must use the "public interest" standard, and program accordingly. A broadcaster should not force parents to accept the risk that their children will be exposed to portrayals of nudity, obscenity, and gross physical violence while in the privacy of their own home.

Mr. President, I believe that a licensee television network station should conduct itself as a fiduciary with obligations to present those views and voices which are representative of the community which it serves. Also, the courts have long recognized the existence of a special societal interest in protecting young children from sexually explicit material. This interest is warranted not only by the State's interest in the moral and emotional adjustment of children, but also a recognition of parents' right to rear their children according to their own best judgment.

Therefore, Mr. President, I believe it is entirely appropriate for Congress, through legislation, to assist the FCC to determine and define the standard by which the "public interest" is judged. It seems to me that an elementary standard of the public interest would be to take into account the concern that millions of Americans share about the level of sexual material, violence and carnage entering their homes.

Today, I, along with Senators Hatch and McClure, am sending to the desk a bill which would direct the FCC to prohibit television stations from broadcasting portrayals of nudity, obscenity, explicit sexual activity, gross physical violence, or morbid torture, any of which is offensive to the public taste and morals. I ask unanimous consent that the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 249

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That part I of title III of the Communications Act of 1934 is amended by inserting at the end thereof a new section as follows:

"PROHIBITION OF CERTAIN TELEVISION BROADCASTING

"Sec. 332. (a) The Congress finds that in view of the purpose of this Act, as stated in section 301, 'to maintain the control of the United States over all the channels of interstate and foreign radio transmission', television broadcasting stations should in the public interest be prohibited from broadcasting programs portraying nudity, obscenity, explicit sexual activity, gross physical violence, or morbid torture, any of which are offensive to the public taste and morals.

"(b) The Commission shall as soon as practicable prescribe regulations prohibiting such broadcasting stations from broadcasting such portrayals of nudity, obscenity, explicit, sexual activity, gross physical violence, or morbid torture.".

By Mr. THURMOND (for himself, Mr. Percy, Mr. Eagleton, Mr. Hollings, Mr. Heinz, Mr. Humphrey, Mrs. Kassebaum, Mr. McGovern, Mr. Randolph, Mr. Simpson, and Mr. Tower):

S. 250. A bill to amend chapter 41 of title 38, United States Code, to authorize the appointment of an Assistant Secretary of Labor for Veterans' Employment, and for other purposes; to the Committee on Government Affairs.

ASSISTANT SECRETARY OF LABOR FOR VETERANS' EMPLOYMENT

Mr. THURMOND. Mr. President, on October 1, 1976, the Senate took a monumental step in the direction of assisting unemployed veterans, especially hardcore unemployed veterans of the Vietnam era consisting principally of blacks and other minorities, by passing the Veterans' Education and Employment Assistance Act of 1976 (S. 969). Title VI of this act amended chapter 41 of title 38 to create within the Department of Labor a separate agency to be known as the Veterans' Employment Service to be headed by an Assistant Secretary of Labor for Veterans' Employment.

It is the opinion of the Veterans' Affairs Committee in enacting this legislation that the creation of the position of an Assistant Secretary of Labor for Veterans' Employment would significantly increase the ability of the Veterans' Employment Service to deal effectively with employment problems in governmental and private sectors. Unfortunately, the Senate provision creating the Assistant Secretary of Labor for Veterans' Employment was amended in the House and the position was reduced to that of a Deputy Assistant Secretary (DASVE). The DASVE position was formally authorized under Public Law 94-502.

Mr. President, effective administrative implementation of the employment laws is one of the keys to resolution of employment problems. A stronger institutional role in Government policymaking for the Veterans' Employment Service would substantially assist in alleviating the unemployment which is so rampant today among our veterans' population.

Unfortunately, the inefficacy of the role of the Deputy Assistant Secretary of Labor for Veterans' Employment has been tragically dramatized by the administration's dismal failure to implement effectively any of its major employment initiatives for veterans. On March 20, 1978, I stated my criticisms of the Department of Labor's failure to carry out the administration's veterans' employment initiatives or to administer the variety of programs with which it is charged responsibility under existing law. I will not repeat them here today. It is sufficient to say that the administration's record in this vital area is ample evidence that new direction and clout are needed within the Department of Labor to assure that the incidence of veterans' unemployment is reduced. Something positive needs to be done.

I think the proper course which should be pursued by the Senate concerning this critical problem is to reaffirm what was done by the Senate Veterans' Affairs Committee and by the full Senate in the passage of S. 969. The bill which I now propose would do precisely this. The bill would authorize the appointment of an Assistant Secretary of Labor for Veterans' Employment to head the Veterans' Employment Service. I believe this step would assure that veterans' employment problems would receive the attention needed at an appropriate policy level within the Department of Labor to effect genuine results.

Mr. President, The American Legion, the Veterans of Foreign Wars, the Disabled American Veterans, and AMVETS support the establishment of a full Assistant Secretary of Labor for Veterans' Employment. I ask unanimous consent that letters addressed to me in support of this bill from the above named veterans' organizations be printed in the Record.

There being no objection, the letters were ordered to be printed in the Record, as follows:

AMVETS,
Washington, D.C., January 11, 1979.

Hon. Strom Thurmond,
Russell Senate Office Building,
Washington, D.C.

Dear Senator Thurmond: We have learned that you and Senator Percy are going to introduce legislation elevating the current position of Deputy Assistant Secretary of Labor for Veterans Employment (DASVE) to the establishment of the office of a full Assistant Secretary.

Time and circumstances, subsequent to the appointment of the DASVE has, we believe, supports the rationale that a full Assistant Secretary would provide the needed direct line of communication and liaison between the Veterans Employment Service and the Secretary of Labor and the White House.

Therefore, AMVETS strongly urges that steps be taken to elevate the position of Deputy Assistant Secretary for Veterans Employment to that of a full Assistant Secretary and that the person selected to fill that position be a qualified, career professional possessing the knowledge and expertise required for the effective performance of the duties thereof.

AMVETS believes that this action is of vital importance to our Nation's veterans and will fully support all legislation directed thereto.

Sincerely,

Gabriel P. Brinsky,
National Service and Legislative Director.

Disabled American Veterans,
Washington, D.C., January 12, 1979.
Hon. Strom Thurmond,
U.S. Senate,
Washington, D.C.

Dear Senator Thurmond: This office has recently been informed that you intend to introduce legislation in the U.S. Senate relating to the Department of Labor's Veterans Employment Service (VES).

The VES is presently administered within DOL by a "Deputy Assistant Secretary for Veterans Employment." It is my understanding that your bill would confer upon the head of the VES the title and position of "Assistant Secretary of Labor for Veterans Employment."

As yourself, our organization has long been concerned over the high unemployment rate of veterans—especially those veterans who served during the Vietnam Era Conflict.

The DAV, through this office and through the office of our National Employment Director, has attempted to ameliorate the employment rate of veterans in both the private and Federal sectors. With respect to the latter, we have had extensive dealings with the VES, as that agency is responsible for policy formulation and administrative implementation of all DOL programs affecting veterans.

In recent years, the DAV has been highly critical of what we perceived to be a definite ineptitude on the part of the VES to effectively and energetically fulfill its responsibilities.

With the establishment of a Deputy Assistant Secretary of Labor for Veterans Employment in 1976 (P.L. 94–502), we had hoped to see a noticeable revitalization of veterans employment intiatives by the Federal Government.

Unfortunately, this has not occurred.

The VES, under the "leadership" of its first DASVE, made no noteworthy contributions in the form of new veterans employment initiatives or effective implementation and enforcement of existing veterans programs. This dismal fact was undoubtedly due in part to the inability of the DASVE himself—who has since resigned.

However, notwithstanding the fact that the new DASVE may be a highly competent individual, we believe that the efforts and impact of the VES in solving veterans employment problems has been and will continue to be impeded due to that agency's status within DOL itself. At present, the DASVE (and the VES Director before him) simply does not have the authority and status within DOL to effectively initiate, administer and enforce veterans employment programs. In our opinion, the DASVE must have such authority and this, in essence, means he must have direct and immediate access to the Secretary of Labor himself.

Your intended legislation would address this problem. Its enactment would place the VES on an equal footing with all other Assistant Secretaries and programs within DOL and at last foster the type of Federal veterans employment effort that all of us have so long desired.

In short, Senator Thurmond, our organization considers passage of this legislation to be most essential and we support and commend you in your efforts to effect such passage.

Sincerely yours,
John F. Heilman,
National Legislative Director.

Veterans of Foreign Wars
of the United States,
Washington, D.C., January 10, 1979.
Hon. Strom Thurmond,
U.S. Senate,
Washington, D.C.

Dear Senator Thurmond: It is my understanding that you and the Honorable Charles H. Percy will introduce legislation to establish within the Department of Labor the position of Assistant Secretary of Labor for Veterans Employment.

The 79th National Convention held in Dallas, Texas last August passed Resolution No. 693 entitled, "Assistant Secretary of Labor for Veterans Employment", supporting the introduction and passage of the necessary legislation to establish such position and a copy thereof is enclosed.

It is my personal opinion that the employment needs of our nation's veterans will only be adequately met when there is an Assistant Secretary of Labor for Veterans Employment, with direct access to the Secretary of Labor and authority commensurate with his vast responsibilities.

On behalf of the 1.85 million men and women of the Veterans of Foreign Wars of the United States and the 610,000 women of our Ladies Auxiliary, I commend both you and Senator Percy for your effort in this regard and you have our full support.

With best wishes and kindest personal regards, I am

Sincerely,
Eric Sandstrom,
National Commander-in-Chief.

Resolution No. 693: Assistant Secretary of Labor for Veterans Employment

(Adopted by the 79th National Convention of the Veterans of Foreign Wars of the United States held in Dallas, Texas, August 18–25, 1978.)

Whereas, Congress has established a Veterans Employment Service in the United States Department of Labor to promote vocational opportunities for veterans and to monitor and functionally supervise the many laws related to veterans employment and training; and

Whereas, Congress has required that the Secretary of Labor shall assign to each State a Representative of the Veterans Employment Service and additional representatives when justified by the veteran population of the state to carry out the purposes of the Veterans Employment Service in the several states; and

Whereas, the Department of Labor has assigned a Regional Veterans Employment Representative to each of its ten Regional Offices to direct veterans employment affairs in the Region; and

Whereas, because of the complexity of veterans employment and training laws and programs, including numerous references to veterans in the various titles of the Comprehensive Employment and Training Act, and because of the involved channels of organization through which he must operate, it is difficult to maintain the necessary direction and control of these significant programs; and

Whereas, Public Law 94–502 established within the Department of Labor the position of Deputy Assistant Secretary of Labor for Veterans Employment; and

Whereas, the present level of the position sufficiently isolates the incumbent from the Secretary of Labor to the detriment of veterans employment; and

Whereas, we believe a full Assistant Secretary is necessary so that the incumbent will have direct access to the Secretary and authority commensurate with his vast responsibility; now, therefore

Be it resolved, by the 79th National Convention of the Veterans of Foreign Wars of the United States, that we support the introduction and passage of legislation in the Congress of the United States, to authorize an Assistant Secretary of Labor for Veterans Employment.

The American Legion,
Washington, D.C., January 10, 1979.
Hon. Strom Thurmond,
U.S. Senate, Russell Senate Office Building, Washington, D.C.

Dear Senator Thurmond: The 1978 National Convention of The American Legion adopted Resolution No. 343 calling for the establishment of an Assistant Secretary of Labor for Veterans Employment. The American Legion knows how strongly you feel about this issue, and we are pleased to learn that Senator Charles Percy shares your concern for the creation of this position.

We would deeply appreciate your assistance in satisfying the intent of our resolution by introducing legislation along the lines that we suggest. I am enclosing a copy of the resolution, a draft bill, and an explanatory memorandum in support of our draft.

Your attention to this request is appreciated, and I remain

Sincerely,
Mylio S. Kraja,
Director,
National Legislative Commission.

Resolution No. 343: Establishment of Assistant Secretary of Labor for Veterans Employment

Whereas, The American Legion from time to time has passed resolutions urging the Congress of the United States to enact legislation creating a position of Assistant Secretary of Labor for Veterans Employment to supervise and direct a meaningful job placement for all veterans; and

Whereas, The Congress has enacted legislation creating a Deputy Assistant Secretary of Labor for Veterans Employment, to be nominated and confirmed by the U.S. Senate, to implement programs to provide employment for the Nation's veterans; and

Whereas, It was intended by Congress that the Deputy Assistant Secretary of Labor for Veterans Employment was to be the principal advisor to the Secretary of Labor regarding the formulation and implementation of all policies affecting veterans within the Department of Labor, such as in the Comprehensive Employment and Training Act, mandatory listing and affirmative action requirements, etc., and

Whereas, The Deputy Assistant Secretary was not placed at a high enough level in the organizational structure of the Department of Labor; did not have direct access to the Secretary of Labor, but was confined to the former channels of command, and, in addition, was given responsibility for the day-to-day operations of the Veterans Emloyment Service, thus being unable to fulfill the intentions of Congress; now therefore be it

Resolved, By the American Legion in National Convention assembled in New Orleans, Louisiana, August 22, 23, 24, 1978, that The American Legion support legislation to establish a full Assistant Secretary of Labor for Veterans Employment, and to establish the Veterans Employment Service as a separate agency within the United States Department of Labor; and be it further

Resolved, To support legislation to establish, in the career civil service, the position of Director, Veterans Employment Service, charged with the day-to-day responsibility of carrying out the veterans programs.

Mr. THURMOND. Mr. President, I also ask unanimous consent that the text of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 250

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Chapter 41 of title 38, United States Code, is amended by—

(1) striking out in the table of sections the word "Deputy" in the item relating to section 2002A;

(2) striking out "Deputy" before "Assistant Secretary" in section 2002;

(3) striking out "Deputy" in the catchline of section 2002A; and

(4) striking out "Deputy" before "Assistant Secretary" in section 2002A.

Sec. 2. Any reference in any law, regulation, directive, or other document to the Deputy Assistant Secretary of Labor for Veterans' Employment shall be deemed to refer to the Assistant Secretary of Labor for Veterans' Employment.

● Mr. EAGLETON. Mr. President, I am proud to join my colleague from South Carolina (Mr. THURMOND) in advocating the elevation of the Office of Deputy Assistant Secretary of Labor for Veterans Employment to that of a full Assistant Secretary.

In my roll as a member of the Labor, HEW Appropriations Committee, I have been concerned that the Department's rhetoric on behalf of veterans employment is not always matched by its work in solving this problem. Possibly, part of the problem in the past may have been the individual holding the position who, as my colleagues are aware, is no longer with the Department.

However, it also seems to me that until the Department elevates the position of the person responsible for veterans employment to the Assistant Secretary level, veterans employment matters never are going to get the consideration they deserve.

In November of 1978, the unemployment rate for veterans age 20 to 24 years of age was 11.8 percent as compared to nonveterans in that same age group with an 8.1 percent unemployment rate. Veterans age 25 to 29 had an unemployment rate of 6.6 percent compared to nonveterans of 4.5 percent as of November 1978. A look at the minority unemployment rate among veterans provides an even bleaker picture—an unemployment rate of 10.5 percent. A problem of this severity deserves top-level action.

Clearly, in my opinion this severe problem has not received that kind of attention from the Department. For example, Congress mandated that certain classes of veterans receive special treatment under the Comprehensive Employment and Training Act. However, a General Accounting Office report entitled "Much More Could Be Done For Veterans In Employment And Training Programs" concluded that "priority veterans have not received special treatment."

It is my hope that by elevating the position of the bureaucrat who is ultimately responsible for veterans employment we will provide a greater awareness within the administration of the need to work tirelessly to find suitable employment for the more than 300,000 unemployed Vietnam era veterans. I am extremely hopeful that this legislation will be enacted into law during the 96th Congress.●

By Mr. THURMOND:

S. 251. A bill to amend the Occupational Safety and Health Act of 1970 to insure equal protection of the laws for small business and to provide that any employer who successfully contests a citation or penalty shall be awarded a reasonable attorney's fee and other reasonable litigation costs; to the Committee on Human Resources.

Mr. THURMOND. Mr. President, I am introducing today a bill that would provide equal protections for small business under the Occupational Safety and Health Act of 1970.

This legislation amends section 10(c) of the Occupational Safety and Health Act of 1970 to give any employer subject to the provisions of the act the opportunity to be awarded attorney's fees for successfully contesting a citation or penalty.

Mr. President, the reasons for amending OSHA in this matter are based on sound principles of law. In almost any civil suit in this country the prevailing party is generally awarded reasonable attorney's fees and costs of litigation. In an action for damages these expenses are charged to the defendant. Thus, there is precedent for requiring the receipt of attorney's fees by a prevailing party. I see no reason for not requiring similar awards in OSHA compliance proceedings.

In the OSHA law now there is no provision for attorney's fees or costs of litigation. Although large companies and businesses have their own counsel or retain counsel, small businesses usually do not have the luxury of permanent counsel. So while a large company can easily challenge and question OSHA compliance notices or citations, a small businessman is not as fortunate. He must, if he wishes to contest a citation or any assessment of penalty with any prospects of success, retain counsel and expend a considerable amount of money to fight these regulatory actions.

Mr. President, the burden on the small employer is great. The employer must show "a good faith effort to comply with the abatement requirements of a citation, and that the abatement has not been completed, because of factors beyond his reasonable control." Other showings and pleadings must be made in order to challenge OSHA orders. Without the possibility of receiving an award of attorney's fees and costs of litigation, most small employers are faced with only the prospect of complying with the order regardless of its validity or reasonableness.

This legislation provides the opportunity for attorney's fees in successful cases where the actions of the Occupational Safety and Health Administration are shown to be unreasonable and inconsistent with the act. It is only a small change in current law, but one that could help thousands of small employers throughout the country.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 251

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 10(c) of the Occupational Safety and Health Act of 1970 is amended by inserting immediately after the second sentence thereof the following new sentence: "In any case where the Secretary's citation or proposed penalty is vacated, such order shall include an assessment against the United States of a reasonable attorney's fee and other reasonable litigation costs in connection with contesting the citation or proposed penalty, which shall be paid to the employer contesting the citation or proposed penalty.".

(b) The first sentence of section 11(a) of such Act is amended by inserting immediately after "section 10" the following: ", or any employer seeking enforcement of an order of the Commission issued under such subsection for assessment against the United States of attorney's fees and other litigation costs,", by inserting "or enforcement, as the case may be," immediately after "review", and by inserting immediately before the period "or enforced".

(c) Section 11(a) of such Act is amended by inserting immediately after the third sentence the following: "In any case in which an order affirming or modifying a citation or proposed penalty is set aside by the court, such decree shall include an assessment against the United States of a reasonable attorney's fee and other reasonable litigation costs in connection with contesting the citation or proposed penalty and seeking review of such order, which shall be paid to the employer contesting the citation or proposed penalty and seeking review of such order.".

(d) Section 11 of such Act is amended by adding at the end thereof the following new subsection:

"(d) Notwithstanding section 2408 of title 28, United States Code, costs assessed against the United States under subsection (a) or under section 10(c) shall be paid from funds appropriated under section 33.".

By Mr. GLENN:

S. 252. A bill to establish an Interagency Committee on Arson Control to coordinate Federal antiarson programs; to amend various provisions of the law relating to programs for arson investigation, prevention, and detection, and for other purposes; to the Committee on the Judiciary.

ANTIARSON ACT OF 1979

Mr. GLENN. Mr. President, I am pleased to introduce S. 252, the Antiarson Act of 1979. S. 252 represents a continuation of my efforts in the 95th Congress to curb the rising epidemic of torching and arson throughout the United States. It was 2 years ago that I first introduced the Arson Control Assistance Act which, for the first time, mandated the FBI to treat arson as a major crime for the purposes of the FBI crime reporting system. The bill also gave LEAA specific authority and thus a clear legislative mandate to provide arson-fighting assistance to local authorities. Following the bill's introduction, I chaired 2 full days of hearings in the Governmental Affairs Committee on the impact of arson for profit on States and localities. We then proceeded on a long legislative journey that culminated in enactment into law of the requirement that the FBI classify arson as a major crime under its crime reporting system. The FBI is now implementing this mandate and, hopefully, the Nation will soon have its first reliable statistics on arson-related criminal activity.

However, as our first hearings and those held last fall by the Permanent Subcommittee on Investigations illustrated, the arson problem in the United States will not be solved by improved statistics alone, although these will help attract attention and resource deployment to this rampaging crime. What we really need is an improved and better coordinated Federal strategy of assistance to State and local governments in arson-fighting training and technical assistance. This is the goal of the Antiarson Act of 1979. Our efforts last year disclosed that Federal efforts in the arson area often are duplicative, working at cross-purposes, are underfunded and uncoordinated. Arson assistance does not have a high priority at the Federal level. Training efforts have been spotty at best. S. 252 is specifically designed to fashion a coordinated and upgraded Federal antiarson effort.

FEATURES OF THE ANTIARSON ACT

First, the Antiarson Act creates a Federal Interagency Committee on Arson Control composed of a representative of every Federal agency involved in helping combat arson. Specifically, these officials or representatives of the following nine offices are required on this committee:

The Attorney General, the FBI, the Postmaster General, the Secretary of the Treasury, the National Fire Prevention and Control Administration, the Federal Insurance Administration, the Director of the Bureau of Alcohol, Tobacco and Firearms, the Commissioner of the IRS, and the Director of LEAA.

This committee's duties are to, first, develop and implement a comprehensive and coordinated Federal strategy and methodology for improving assistance to States and local governments for the prevention, detection, and control of arson; second, to coordinate Federal antiarson training and educational programs; third to coordinate Federal research and development relating to arson prevention; and fourth to make recommendations for anticipated budget levels. So that this committee does not become yet another layer of permanent desultory bureaucracy I have attached a "sunset" provision whereby the committee terminates 3 years from the date of enactment of this act. The committee's mandate is to coordinate to establish lines of continued cooperation and to make recommendations not to become another layer of Government.

Second, the Antiarson Act amends the Omnibus Crime Control and Safe Streets Act by giving specific authority to provide grants to States and localities for purposes of purchasing equipment, establishing laboratories and developing training programs for prosecutors. Although LEAA has provided some antiarson assistance to States and units of local government, its record has been extremely poor. Of roughly $2 billion in LEAA funds distributed to States and local governments over the period 1975–77, only $1.7 million went for antiarson efforts, this at a time of an arson rampage throughout the country. This feature of S. 252 will give the clear message to LEAA that the Congress expects a strong LEAA effort in arson fighting.

Third, the Antiarson Act authorizes, on a permanent basis, the classification of arson as a major crime in the FBI's uniform crime reports. This provision was enacted into law as part of the fiscal year 1979 Department of Justice authorization bill. Since enactment of my bill, the FBI has seriously begun efforts to collect arson data and I applaud their efforts. The Director of the FBI, William H. Webster, has moved aggressively in making arson a priority area for FBI efforts and local assistance. Section 4 of this act further codifies the FBI's responsibility in this area and provides that arson will be considered a major crime for statistic gathering on a permanent basis. This is the first new crime added to the FBI's list of major crimes since 1928 and it reflects the need to greatly modernize the FBI's statistical capacity to more clearly reflect modern, sophisticated criminal activity. Section 4 of S. 252 further directs the FBI to set up and carry out a special investigation program for the crime of arson.

Fourth, in the only spending provision of this bill, $5 million is authorized for the National Fire Prevention and Control Administration for a research program in developing, testing, and evaluating techniques and equipment in arson prediction, prevention, and control. I have been concerned that NFPCA should have more budgetary freedom to provide greater assistance in the arson area. Last year, Senator Cannon and the Commerce Committee and Senator Hollings of the Appropriations Committee were strongly supportive of my efforts along those lines while Members of the House of Representatives were less supportive. Hopefully, in this new Congress, we can give NFPCA a stronger, more effective role.

Finally, S. 252 amends the Urban Property Protection and Reinsurance Act of 1968 by providing that prior to issuance of policies pursuant to FAIR (fair access to insurance plans) that the prospective insurance owner list properties which he owns and whether destruction to any properties has been caused by arson or is arson-related. Coverage would not be automatically withheld due to previous incidents but a pattern or history of owner-related arsons would serve to disqualify the prospective policyholder. I anticipate that some well-intentioned individuals will oppose this provision, arguing that it undermines the purpose of FAIR plans, which is to guarantee availability of insurance to high-crime, inner-city areas.

I want to make it very clear that I strongly support the goals of FAIR plans and that I fully recognize the problem of "red-lining" entire neighborhoods. However, from extensive hearings and days of testimony from professional criminals, exploitative absentee slumlords, and law enforcement officials, I also recognize that the essential purpose of FAIR plans has been subverted in many areas. It is often not honest, low-income residents of inner-cities who are utilizing FAIR plans, but rather fast writeoff absentee speculators and real estate hustlers who are repeatedly hiring professional torches to burn structures down expressly for the purpose of collecting insurance payments. Often, slumlords with actual arson convictions, or with 5- to 10-year histories of other owned properties being torched have utilized FAIR plans as an "incentive to burn." It is this form of parasite that my bill is directed toward. I understand the very real problem faced by honest property owners in low-income areas where high unemployment, drug addiction, and other problems creates other "incentives" to arson. Hopefully, during the course of hearings, we can sharpen and clarify the language of the Antiarson Act so that we deter the criminal element from benefits from FAIR plans while strengthening its overall operation and potential as a tool for community development.

CONCLUSION

Mr. President, the Antiarson Act should be enacted quickly. I plan on early hearings at full committee in Government affairs and, hopefully, this will provide a fresh, solid record for further committee action. Arson for profit is a deadly, expensive, contagious plague that is known as "the easiest crime." It is consuming block after block of many major city neighborhoods, undermining local and Federal rehabilitation efforts, eroding city tax bases, and adding to the insurance premiums of every American taxpayer. In 1977 alone, arson killed 700 people and caused an estimated $1.6 billion in property damage plus millions in hidden damages from lost jobs and tax base erosion, according to a January 8 Newsweek article. Arson losses have tripled since 1975. The Treasury Department's Bureau of Alcohol, Tobacco and Firearms (ATF) has created arson task forces in 26 cities and placed two flying squads on call for particularly tough cases. I have had the pleasure of working with ATF and can testify to their excellent efforts to help stem the growing tide. However, we must develop a totally coordinated local and Federal effort that encompasses research training, investigation, insurance considerations, and so on. This bill is not only the product of our extensive activities in the 95th Congress. S. 252 is also the culmination of 3 full months of work by my staff in consulting with all of the relevant Federal agencies, police and fire officials, public interest groups, insurance officials, and more. Many of their suggestions are incorporated into this bill.

I believe that the Antiarson Act of 1979 will receive broad support and I urge its early enactment.

Mr. President, I ask unanimous consent that an article from the January 8 issue of Newsweek and an article from the Baltimore Sun of January 2 be printed in the Record, together with a statement from the Director of the FBI, taken from the FBI Law Enforcement Bulletin of December 1, 1978.

There being no objection, the material was ordered to be printed in the Record, as follows:

The Hottest New Crime

Sam Kerns was getting edgy. "You've got to make sure this roof comes down," he said.

"Sam, don't worry about the roof coming down, it's going to come down," said the confident pro, Vinnie Fardella. "We're going to use napalm and get that roof down."

"Geez," said Kerns' bookkeeper who was listening. "Like we're in Vietnam."

At 3:40 a.m. on March 1, 1977, the roof came down. So did the rest of Kern's bankrupt furniture store, Mr. Living Room, in Marlton, N.J. The long display window blew up, spraying jagged shards. Flames leaped out 40 feet, the glass in the nearest fire truck melted and explosions shook the building for ten minutes. Firemen ran for their lives.

After Vinnie Fardella's expert craftsmanship, store owner Sam Kerns performed as instructed. He visited the fire and immediately suffered a "heart attack," forcing investigators to treat him gently. But the insurance company, suspecting arson, refused to pay the $1.2 million policy, and the conspirators began to squabble over how to collect.

HIGH STAKES

The Federal Organized Crime Strike Force in Philadelphia knew all this because it had "turned" one of the henchmen, wired him for sound and set him loose among his accomplices. Sam Kerns broke first; he pleaded guilty and was sentenced to eight years. Last fall, five others—two of them allegedly involved in organized crime—were found guilty of conspiracy and violation of Federal anti-racketeering laws.

The stakes were a bit higher than usual at Mr. Living Room, but the practice was sadly routine: arson is the nation's fastest growing crime. According to the National Fire Prevention Association, losses in arson-caused fires jumped from $74 million in 1965 to $634 million a decade later—and they have tripled since then. In 1977, arson killed 700 people and caused an estimated $1.6 billion in property damage plus millions in hidden damages from lost jobs and destruction of the tax base. Arson cost Massachusetts an estimated $1.4 billion in property taxes over seven years. "These fires, especially in commercial blocks, have a disastrous economic effect on neighborhoods," says James McCormack, fire marshal of the Bronx, in New York City.

Belatedly, both Federal and local authorities have begun a serious counterattack. The Treasury Department's Bureau of Alcohol, Tobacco and Firearms (ATF) has created arson task forces in 26 cities and placed two flying squads on instant call for tough cases anywhere. The FBI elevated arson to a Class I crime like murder and burglary last year, and director William Webster recently sent a confidential memo to field offices ordering stepped-up enforcement. But arson remains primarily a local law-enforcement problem, and cities such as Boston, San Francisco and New York have all organized their own task forces.

PROFIT MOTIVE

Some people start fires to exorcize personal demons. They may want revenge. A man whose girlfriend went to a party against his wishes hired two teenagers to set fire to a Bronx social club; 25 people died. They may want thrills. Three teen-age boys, who admitted being high on drugs, caused $400,000 damage to a San Jose, Calif., junior high school, then $50,000 more by setting fire to a high school 26 hours later.

But primarily, arsonists simply want money. "Profit is the single greatest motive for arson," McCormack says. This appeals to organized crime, which can deliver a complete package—from hiring a "torch" to buying off insurance adjusters—for a cut of the proceeds. Some property owners and public officials are also attracted by what seems to be easy money. Last year, after FBI agents cracked an arson ring in Tampa, Fla., a Federal court convicted a onetime mayoral candidate, an architect, an insurance agent and nine businessmen. "Arson involves people who are ostensibly respectable citizens," says Massachusetts Attorney General Francis X. Bellotti. "It's a very cool, calculated business venture."

Arson for profit is the hardest of all major crimes to prove. With tips from informants, the torch himself can be an easy catch. But he is usually a small-time hoodlum or a teen-ager who has earned $25 to $150 for his efforts. "Any nitwit can start a fire," say New York fire marshal Cecil Maloney. "All you need is gasoline and something that will burn." The tough job is following a paper chain of building deeds and insurance purchases to determine who profited significantly from the fire. "Prosecution of street-level arsonists alone will never serve to effectively eliminate arson," Eleanor Hill of the Organized Crime Strike Force in Tampa told a Senate committee last summer. "The financiers of arson protect themselves behind the façade of apparently legitimate business, good community reputations and legions of legal documents and paper work."

ELUSIVE VALUE

Businessmen—and organized crime—profit mainly through insurance claims. "Insurance companies don't care about fires," grumbles one fire marshal. "Fires generate a demand for more insurance and higher rates." But companies insist that refusing to sell policies or denying claims is far more difficult than it appears. "The value of a building is elusive," says Walter Swift, vice president of the American Insurance Association, "and how much time and money can be spent appraising each potential policy?" If an insurance company refuses to honor a claim, it can be sued, which means expenses for lawyers, investigators and tests. Unless a claim is large, the company saves money by paying.

Insurance companies face a particular dilemma in deteriorating city centers. Often store owners are losing so much money that the quickest escape is, as one fire marshal says, "to sell your business to the insurance company." But if companies cut back in ghetto areas, they are open to charges of bias. "There are plenty of people in these communities living in well-kept buildings, who are entitled to fire insurance," Swift says.

One well-intentioned Federal scheme to improve deteriorating neighborhoods has actually increased the risk of arson. Since 1968, 25 states have cooperated with the U.S. Government in the Fair Access to Insurance Plan, which requires companies to make insurance available in ghettos so that businesses and residents will remain. But rigid rules sometimes force the insurers to take bad risks. In Illinois, even a person under indictment for arson cannot be refused insurance.

For a long time, wobbly law enforcement almost abetted arson, since authorities lacked both the skill and the will to conduct painstaking investigations. Firemen were usually responsibile for arson control, though they considered their principal job to be fighting fires, not sorting through the ashes. District attorneys begrudged the time needed to build a case since the arson conviction rate was low. But now arson task forces—like the model program in Seattle—have encouraged tougher enforcement. To avoid bickering and confusion among authorities, Seattle's special arson unit takes charge from the momement a fire is reported until the evidence is presented to a grand jury. Investigators arrive at fires while they are still burning and, says Lt. Obert Thomas, "their work could be half over by the time the fire is out."

Arson is a crime that conveniently destroys most of its evidence. Yet skilled investigators know what to look for. They first identify the "seat" of the fire, the point where it burned longest and most intensely. There they search for traces of an "accelerant," some flammable material, usually gasoline. "We've found that if someone throws gasoline on the floor and lights it, the gas seeps into the floor," says San Jose, Calif., fire captain Larry Salo, "We can go in two days later, take a wood scraping, have it analyzed and determine conclusively what liquid was involved." Glass fragments tell their own story. If fire begins accidentally, it will usually grow slowly and glass will soften before its cracks, leaving rounded particles. In an arson fire—which burns more rapidly because it is set with highly combustible materials—the glass will shatter sooner, leaving sharper fragments.

NEW LEGAL TACTICS

Conscientious law enforcement does produce results. From 1971 to 1974, arson damage in Seattle quintupled to $3.2 million, while the number of people arrested declined by two-thirds. Since the arson squad was created in 1975, losses have been cut almost in half. In 1977, 222 suspects were arrested and a remarkable 87 per cent convicted.

"Conviction, that's the key," say San Francisco fire chief Andrew Casper, who set up a task force two years ago. After a nearly 800 percent rise in arson over the previous fourteen years, San Francisco held the annual increase to 7 per cent, and boosted convictions by 67 per cent.

New legal tactics are aiding in the battle against arson. Although arson itself is not a Federal crime, the Justice Department's strike force prosecuted the Tampa case under the RICO (Racketeer-Influenced and Corrupt Organizations) Act; Treasury's ATF won another round recently when a U.S. jury in Georgia found that gasoline, as used in arson, constituted an "explosive" under the Federal Explosives Act.

Stricter laws and tighter enforcement will help, too. Perhaps more important is the growing realization of the damage caused by arson; it is a toll measurable not merely in dollars and deaths but, as FBI director Webster says, in a "considerably diminished quality of life." Arson, says Seattle senior investigator Jack Hickam, "is an absolutely manageable crime if everybody is willing to cooperate to stop it." With organized crime grasping for another new source of profit, arson is not likely to diminish rapidly. But some semblance of control seems possible—and that, as things go, means progress.

Arson "Epidemic" Stirs United States To Take Lead in Crackdown

(By Stephen E. Nordlinger)

WASHINGTON.—Federal law-enforcement agencies, reversing a long-standing passive policy, are planning a wide-ranging program to combat a nationwide epidemic of arson, the nation's fastest growing major crime.

Starting in March, the FBI will gather statistics on arson and list it among the country's most serious crimes. Officials hope that this step, mandated by Congress, will focus the attention of fire and police departments on the problem and encourage them to cooperate.

At the same time, the Justice Department's Law Enforcement Assistance Administration, which channels federal funds to states and cities, is inviting state and local officials, prosecutors and insurance companies to a meeting in early February to chart a joint drive against arson.

"We are going to provide national leadership to cope with arson, which has not received enough attention because it is difficult to detect," said Henry S. Dogin, a former New York prosecutor who is the new acting LEAA administrator. "We are making arson a top priority for our agency."

While no firm plans have been made, the LEAA is expected to provide $500,000 in late 1979 to test anti-arson programs in three cities.

Officials said these programs would involve finding ways to spot likely targets for arsonists, studying motives for arson ranging from revenge to profit, training police and fire departments in detecting arson, revising insurance practices to discourage arson and organizing communities to patrol arson-prone areas.

The new campaign was prompted in large part by hearings of the Senate Permanent Subcommittee on Investigations, which found that federal officials had been remiss in helping states and cities combat arson, and by a report issued recently by the LEAA disclosing a heavy nationwide toll from arson.

This report, "Arson and Arson Investigation," prepared by the Aerospace Corporation under a $90,000 LEAA grant, said that in 1974 the property loss from arson had reached $1.2 billion, compared to $325 million 10 years earlier, with the sharpest rises in the last two years of the study.

A thousand persons were killed in the 1974 fires believed to have been set by arsonists and 10,000 persons were injured, the study said.

According to the report, in the decade that ended in 1974 the number of building fires attributed to arson rose 270 percent to 194,000. This was 15 percent of all building fires in the country, but 36 percent of dollar losses from building fires.

These figures were based on samples of fires provided by the National Fire Protection Association, a private group, and statistics from several states. But experts said that, because of the lack of adequate police and fire investigations, the amount of arson in the nation could exceed the report's figures, although at this point the LEAA report is considered the most definitive study.

"The enormity of the arson problem and its dramatic rate of increase in recent years are appreciated by few people," the report said. "Although arson is a felony it is not included in police crime statistics because, in most states, the fire service has the responsibility for arson detection and investigation.

"Since arson cases are characterized by both lack of witnesses and devastation of the crime scene, the arson investigator faces difficulties not posed by other types of crime. Yet less assistance—such as training, equipment, research and development—has been given to arson investigators than to other criminal investigators."

The report said that only 9 persons on the average are arrested for every 100 cases of known or suspected arson and only 2 are convicted.

Jonathan Cottin, a top investigator for the Senate hearings, said the difficulty of detecting arson has discouraged police and prosecutors from becoming deeply committed to investigating suspicious fires.

At the same time, he said fire departments generally do not have the necessary training or equipment to cope with the problem, which is affecting not only cities but also rural areas. Of the nation's firefighters, 85 percent are volunteers, Mr. Cottin noted.

He said local politics has sometimes hampered efforts to crack down on arson because the police have looked down on firefighters and have shied away from joint investigations where fire departments might have received considerable credit for arrests and convictions.

Despite the rapid rise in arson over the last decade, the FBI has omitted arson from its index of serious crimes. This index has remained unchanged since it was created 50 years ago at the request of the International Association of Chiefs of Police.

This omission reflects the past limited interest in the crime by the police and the special nature of arson. To be eligible for the index, which includes offenses from murder to motor vehicle theft, a crime must be reported to the police and be easily identified. Arson failed to meet these standards.

At the urging of Senator John H. Glenn, Jr. (D., Ohio), and Representative John F. Seiberling (D., Ohio), Congress two days before its October adjournment tacked onto the Justice Department's appropriations bill a rider requiring the FBI to include arson in its index of serious crimes.

Although the bill applies only to one year, Richard Dean, a special agent working on the project, said the FBI intends to make arson a permanent part of the index, but to place it in a separate category to avoid duplication.

Often, he said, burglary or some other crime accompanies arson and the FBI wants to avoid inflating the index by counting the crime twice.

The Senate investigations subcommittee also is moving ahead with its study of arson by checking more deeply into the practices of insurance companies to determine whether they encourage the outbreak of arson.

A questionnaire has been sent to the companies writing fire policies asking what their practices are in determining whether to provide insurance and in paying damages after a fire.

These are some other developments in the new federal effort to combat arson:

The Justice Department is setting up arson "strike forces" throughout the country to co-operate with the fight against organized crime, which is believed to be behind some of the major cases.

The Commerce Department's Fire Administration is providing special training to local fire officials in investigating arson.

The Internal Revenue Service is reported to be paying closer attention to arson convictions where insurance has been paid. Payments on fire insurance need not be considered income for tax purposes when an ordinary fire occurs. But taxes must be paid.

STATEMENT FROM THE DIRECTOR OF THE FBI

The FBI is committed to the allocation of investigative, training, and laboratory resources to the growing problem of "arson-for-hire." Senator John Glenn, in hearings of the Subcommittee on Intergovernmental Relations, noted that arson-for-hire is not a new phenomenon: "As residents of older, denser and poorer inner cities can readily testify, the smell of gasoline and the sound of fire engines in the night is an all-too-common characteristic of inner city life."

Arson has a direct and frightening effect; people are killed, including dedicated firefighters, property is destroyed, insurance premiums for all have to be raised. While the investigation of arson is primarily the job of our professional fire services and local law enforcement, the FBI can, and does, help fight this battle.

First, the Racketeer Influenced and Corrupt Organizations Statute and Interstate Transportation in Aid of Racketeering-Arson law offer two avenues for the FBI to investigate organized criminal activity, including arson. We are using these laws: one recent investigation resulted in the conviction and jailing of 19 persons in connection with over 400 arsons. Another case involved the formation of an association to buy slum properties, inflate their insurance value, and burn them—six convictions and jail sentences resulted.

Second, our training of local police and our own personnel in arson investigations has been increased—in the case of FBI Special Agents to meet the increased emphasis on organized arson-for-hire matters—and this training includes participation of the firefighting, prosecutorial, and insurance sectors.

Third, the resources of the FBI Laboratory are available to municipal, county, and State law enforcement agencies—over 1,000 items of evidence in arson cases were examined by us in the last fiscal year alone, all at no charge to the requesting agency, as is the case with all evidence submitted to our laboratory.

Senator Charles Percy, of the same subcommittee, has described arson as "* * * heinous, in terms of ruined lives, ravaged property, whole neighborhoods reduced to rubble, and nightmarish remembrances of things that could have been but will be no more."

The Senate has generated new thinking about this problem; now it is up to us in law enforcement and the fire services to follow through. The FBI pledges to do its part.

By Mr. CHURCH (for himself and Mr. INOUYE):

S. 254. A bill to provide that time spent by American civilians in enemy prisoner-of-war camps and similar places shall be creditable—as though it were military service—toward pensions, annuities, or similar benefits under various Federal retirement programs; to the Committee on Armed Services, the Committee on Finance, the Committee on Governmental Affairs, and the Committee on Human Resources, jointly, by unanimous consent.

CIVILIAN POW'S

Mr. CHURCH. Mr. President, I am reintroducing my legislation to provide retirement credit for time spent as prisoners-of-war after December 7, 1941, as these prisoners had been performing military service.

Among those who would benefit from my legislation are a group of civilians employed by Federal contractors at Pacific naval aid bases at the outset of World War II. Many in this group were captured on Wake Island, Guam and Cavite at the very beginning of that conflict and remained imprisoned for years thereafter.

These gallant Americans endured grievous suffering during their lengthy internments. Their numbers and the numbers of their survivors are very small. Providing retirement credit for these years under Federal programs like social security, civil service, railroad retirement and the military program itself, would be entirely consistent with the same provisions for Japanese-Americans tragically interned in the United States for that period, a task which Congress completed just last year.

In this regard, I am very pleased, Mr. President, to have Senator INOUYE, who I have joined in supporting such credits for Japanese-American internees, as an original cosponsor of my bill. Over the years, the executive branch has opposed legislation in this area based largely on the argument that benefits should not be credited unless traditional work and service have been performed. Nevertheless, in commenting on H.R. 9471, Japanese-American internee civil service credits finally enacted into law last year, Alan Campbell, speaking for the executive branch, concluded:

> Therefore, while still opposing the principle of granting credit for non-Federal service, the Commission, because of the unique circumstances of this group of Japanese-Americans and because non-Federal employees receive credit for similar service under Social Security, does not oppose enactment of H.R. 9471.

I would hope, Mr. President, that the executive branch will also come to appreciate the unique circumstances of all Americans who were interned during World War II. In fact, prisoners-of-war do perform "work and services" for our Government and our Nation. I ask unanimous consent that my correspondence calling upon the administration to reconsider its position on my legislation, and the bill itself, be printed in the RECORD at the conclusion of my remarks.

I feel very strongly that it is only just that we make appropriate compensation for the heroic service these civilian POW's have performed. The accounts of their deeds and courage are among the finest chapters in our history, and I urge the Senate to act on this fair measure of appreciation for the torturous service they rendered.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

U.S. SENATE,
SPECIAL COMMITTEE ON AGING,
Washington, D.C., January 16, 1979.

ALAN CAMPBELL,
Director, Office of Personnel Management, Washington, D.C.

DEAR MR. CAMPBELL: I am writing you concerning legislation I am reintroducing concerning American civilians who were interned as prisoners-of-war during World War II.

In your comments on H.R. 9471 (P.L. 95-382), concerning Japanese-Americans interned in the United States during that time, you concluded:

"Therefore, while still opposing the principle of granting credit for non-Federal service, the Commission, because of the unique circumstances of this group of Japanese-Americans and because non-Federal Employees received credit for similar service under Social Security, does not oppose enactment of H.R. 9471."

My legislation would provide the same credits for American civilian prisoners-of-war that has finally been accomplished for Japanese-Americans. I would hope that the Executive Branch will come to appreciate the unique circumstances of all Americans who were interned during World War II. In fact, prisoners-of-war do perform "work and services" for our Government and our Nation. I would urge you and all others in the Administration to reconsider my legislation, and I look forward to having your comments.

Sincerely,

FRANK CHURCH.

Enclosure.

U.S. SENATE,
SPECIAL COMMITTEE ON AGING,
Washington, D.C., January 16, 1979.

Hon. HAROLD BROWN,
Secretary of Defense,
Washington, D.C.

DEAR MR. SECRETARY: I am taking the liberty of enclosing a copy of my correspondence to the Director of the Office of Personnel Management concerning the legislation I am reintroducing regarding American civilians who were interned as prisoners-of-war during World War II.

As I have asked Mr. Campbell, I would urge you to reconsider my legislation, and I look forward to having your comments.

Sincerely,

FRANK CHURCH.

Enclosure.

U.S. SENATE,
SPECIAL COMMITTEE ON AGING,
Washington, D.C., January 16, 1979.

WILLIAM P. ADAMS,
Chairman, Railroad Retirement Board, Washington, D.C.

DEAR MR. CHAIRMAN: I am taking the liberty of enclosing a copy of my correspondence to the Director of the Office of Personnel Management concerning the legislation I am reintroducing regarding American civilians who were interned as prisoners-of-war during World War II.

As I have asked Mr. Campbell, I would urge you to reconsider my legislation, and I look forward to having your comments.

Sincerely,

FRANK CHURCH.

Enclosure.

U.S. SENATE,
SPECIAL COMMITTEE ON AGING,
Washington, D.C., January 16, 1979.

STAN ROSS,
Commissioner, Social Security Administration, Baltimore, Md.

DEAR STAN: I am taking the liberty of enclosing a copy of my correspondence to the Director of the Office of Personnel Management concerning the legislation I am reintroducing regarding American civilians who were interned as prisoners-of-war during World War II.

As I have asked Mr. Campbell, I would urge you to reconsider my legislation, and I look forward to having your comments.

Sincerely,

FRANK CHURCH.

Enclosure.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a bill introduced today by the Senator from Idaho (Mr. CHURCH), relative to the relief of American civilian former prisoners of war, be jointly referred to the Committees on Armed Services, Finance, Human Resources, and Governmental Affairs.

It is my understanding that this request has been cleared with the chairmen of all four committees.

The PRESIDING OFFICER. Without objection, it is so ordered.

By Mr. WILLIAMS:

S. 255. A bill to create a National Commission on Compulsive Gambling; to the Committee on Human Resources.

NATIONAL COMMISSION ON COMPULSIVE GAMBLING ACT

● Mr. WILLIAMS. Mr. President, today I am introducing legislation to create a National Commission on Compulsive Gambling in order to initiate a comprehensive study of the social, financial and health problems caused by this illness.

Gambling in America, final report of the Commission on the Review of the National Policy Toward Gambling, October 15, 1976, begins:

> Gambling is inevitable. No matter what is said or done by advocates or opponents of gambling in all its various forms, it is an activity that is practiced, or tacitly endorsed, by a substantial majority of Americans.

Gambling appears to have been with us since the beginning of recorded history. And in all probability, it will always be with us. I would no more advocate outlawing all forms of gambling than I would recommend a return to the Volstead Act. But like the problem of alcoholism until recent years, little attention has been paid to compulsive gambling.

Four hundred years ago Gerolamo Cardano, a physician and scholar of Milan, himself a heavy gambler, wrote:

> A man is carried away into playing for high stakes and into feelings of enmity, so that he no longer has control of his own mind. As a result he throws out large sums of money and may be said to abandon them rather than play for them . . . it ought to be discussed by a medical doctor like one of the incurable diseases.

My interest in compulsive gambling began on August 2 of last year, when I was visited by three representatives of the National Council on Compulsive Gambling: Monsignor Joseph A. Dunne, president and chairman of the board; Mr. Arnold Wexler, a recovered compulsive gambler and vice president; and Robert L. Custer, medical advisor. Dr. Custer is chief of the Veterans Administration treatment service division.

During the several hours which I spent with these three men, I was struck by the similarities between compulsive gambling and alcoholism—a subject to which I and the Human Resources Committee which I chair have given considerable attention over the past decade.

Dr. C. F. Mynatt, a psychiatrist from Las Vegas, was quoted in the January 5 issue of the American Medical News as saying that the compulsive gambler shares a common goal with those who exhibit other forms of destructive behavior, such as alcoholics and drug abusers. "Winning is not the goal of the compulsive gambler," according to Dr. Mynatt. "Self destruction is the goal."

Most persons who use beverage alcohol use it in moderation—we usually refer to them as "social drinkers." They might, during their early experimentation, consume too much alcohol and become ill, deciding never to drink again. Others might go on drinking, but never consuming more than they can handle and remain able to stop before becoming intoxicated or incapacitated. A number of drinkers, however—perhaps as many as 10 million in America—seem unable to control their drinking and develop alcoholism or other serious alcohol-related problems.

So it is with gambling: most people who gamble do so sporadically. If they lose they might decide not to gamble again, or they may go on gambling occasionally, being careful never to gamble more than they can afford to lose. But some individuals are unable to control their gambling, and become compulsive gamblers. The results are serious financial, social and family problems.

Until recent years, most people thought of the alcoholic as the "skid row bum." Now most Americans realize that alcoholism is an affliction which strikes every element in our society and that the homeless public inebriate represents no more than 5 percent of the Nation's alcoholics.

So it is with compulsive gambling. The National Council on Compulsive Gambling indicates that compulsive gamblers come from all social and economic backgrounds, races and religions, and from both sexes.

They quote cases which include a titled heiress who dropped millions of dollars at Monte Carlo and was forced to declare personal bankruptcy, little old ladies who gamble away their social security checks on slot machines, printers who bet away their paychecks on the numbers, housewives who gamble away their household allowances at bingo parlors, and bank presidents convicted of embezzling funds to pay gambling debts.

The January 5, 1979, issue of the American Medical News also reports the case history of a former city attorney in Texas, 49, Phi Beta Kappa, honor graduate of the University of Texas law school at age 23, whose bad checks and fraud charges totalled $780,000. Federal charges were brought against him in Las Vegas, and State charges in Texas, Louisiana, Florida, and Nevada.

A recent article in the New York Times told of a socially prominent, impeccable lawyer who had the "Midas touch."

> He borrowed hundreds of thousands from acquaintances over six years, but carefully paid interest of 50 percent a year. He told the lenders he was involved in cattle investing in Canada. The only problem was that his cattle didn't exist.

In November 1977 he confessed to fraud. One law partner put the losses at $1.25 or $1.5 million, much of which was gambled away at the casinos of Las Vegas.

On May 5, 1978, a New York Times article by John Vinocur reported a case of a compulsive gambler who embezzled $474,137 from his employer, a chemical company, most of which he lost at the dice tables. He could not say why he gambles except that "From the beginning at Yonkers I loved the noise, the . . . people, and all the . . . screaming." While his gambling habit was growing he received degrees from Hunter College and New York University, worked at a cancer research foundation and published about 30 scientific papers.

The National Council on Compulsive Gambling has defined compulsive gambling this way:

> A progressive behavior disorder in which an individual has a psychologically uncontrollable preoccupation and urge to gamble. This results in excessive gambling, the outcome of which is the loss of time and money. The gambling reaches the point at which it compromises, disrupts, or destroys the gambler's personal life, family relationships, or vocational pursuits. These problems in turn lead to intensification of the gambling behavior. The cardinal features are emotional dependence on gambling, loss of control and interference with normal functioning.

Comparing compulsive gambling to drug abuse or alcoholism, Dr. Custer claims that "gamblers get high on the excitement, the 'action.' They find betting as intoxicating and addictive as narcotics." Indeed, Dr. Custer has found that gamblers trying to break their habit even experience withdrawal symptoms.

Mr. President, at the present time compulsive gamblers and their families have few places to which to turn for help. However, they have formed self-help groups in many cities. Patterned on Alcoholics Anonymous and Al-Anon, they call themselves "Gamblers Anonymous." The family groups are called "Gam-Anon."

Gamblers Anonymous began in California in 1957 with two compulsive gamblers. They decided that if they were to control their addiction they would have to bring about personality changes within themselves. In order to accomplish this they used the spiritual principles developed by A.A. Their recovery program consists of the following 12 steps:

> 1. We admitted we were powerless over gambling—that our lives had become unmanageable.
> 2. We came to believe that a Power greater than ourselves could restore us to a normal way of thinking and living.
> 3. We made a decision to turn our will and our lives over to the care of this Power of our own understanding.
> 4. We made a searching and fearless moral and financial inventory of ourselves.
> 5. We admitted to ourselves and to another human being the exact nature of our wrongs.
> 6. We were entirely ready to have these defects of character removed.
> 7. We humbly asked God . . . to remove our shortcomings.
> 8. We made a list of all persons we had harmed and became willing to make amends to them all.
> 9. We made direct amends to such people wherever possible, except when to do so would injure them or others.
> 10. We continued to take personal inventory and when we were wrong, promptly admitted it.
> 11. We sought through prayer and meditation to improve our conscious contact with God as we understood Him, praying only for knowledge of His will for us and the power to carry that out.
> 12. Having made an effort to practice these principles in all our affairs, we tried to carry this message to other compulsive gamblers.

In Gamblers Anonymous meetings, many members have confirmed the self-destructive bent which psychiatrists have attributed to them. GA claims that most compulsive gamblers will answer "Yes" to at least seven of the following questions:

> Do you lose time from work due to gambling?
>
> Is gambling making your life unhappy?
>
> Is gambling affecting your reputation?
>
> Have you ever felt remorse after gambling?
>
> Do you ever gamble to get money with which to pay debts or solve other financial problems?
>
> Does gambling lessen your ambition or efficiency?
>
> After losing, do you feel you must return as soon as possible and win back your losses?
>
> When you win, do you have a strong urge to return and win more?
>
> Do you often gamble until your last dollar has gone?
>
> Are you reluctant to use "gambling money" for normal expenses?
>
> Does gambling make you careless of your family's welfare?
>
> Do you ever gamble longer than you planned?
>
> Do you ever gamble to escape worry or trouble?
>
> Have you ever committed, or considered committing, an illegal act to finance gambling?
>
> Does gambling cause you to have difficulty in sleeping?
>
> Do arguments, disappointments or frustrations create within you an urge to gamble?
>
> Do you have an urge to celebrate any good fortune by a few hours of gambling?
>
> Does gambling, especially winning, build up your ego?

The classic example of the self-destructive addict is to be found in the novel "The Gambler" by Fyodor Doestoevsky, the famous Russian novelist, himself a compulsive gambler, who wrote:

> I lost everything I had then . . . I walked out of the casino, and suddenly discovered that I still had one gulden in my waistcoat pocket. Well, that'll pay for my dinner at least, so I changed my mind and went back to the roulette table . . . It's true, it gives you a special feeling when you're all alone in a foreign country, not knowing whether you're going to eat that day, and gambling your very last gulden.

Mr. President, in 1976 the federally appointed Commission on the Review of a National Policy Toward Gambling estimated that there were 1.1 million probable compulsive gamblers in the United States. Some members of the National Council on Compulsive Gambling estimate that there may be as many as 10 million compulsive gamblers. Whatever the figure, it is obvious that this is a growing problem which must be addressed. The Gambling Commission report stated:

> In 1960, Americans wagered about $5 billion through legal commercial channels. By 1974, this figure had grown to more than $17 billion, an increase of about 340 percent. This phenomenal growth in legal gambling has taken two forms: Existing legal industries have undergone substantial expansion, and new forms of legal gambling have been created. During this 15-year period, for example, six additional states established parimutual horseracing and the total number of horseracing dates increased from 6,000 to 12,000. Nevada's casino industry also underwent significant growth; gross taxable casino revenue increased almost 600 percent, from less than $200 million in 1960 to more than $1 billion in 1974. In 1964, New Hampshire became the first of 13 states so far to establish a state-operated lottery; in 1971, New York legalized the nation's first parimutual off-track betting system; and in 1974, New Jersey added still another industry to the gambling field by establishing the first legal numbers game. Today, the growth in legal gambling shows no signs of abating and may even be accelerating, as additional states compete in the gambling arena with an expanding array of "bigger and better" games of chance. . . .

I might add that on November 1, 1976, New Jersey voters approved a referendum authorizing the establishment of casinos in Atlantic City, a measure which I wholeheartedly support. Nevertheless, I believe it imperative that we not be insensible to those families which will be harmed by the inability of the breadwinner to control compulsive gambling.

Dr. Custer has stated that, as legalized gambling continues to increase throughout the country, so will the problems of compulsive gambling. He points out that:

> The lesson learned from the recent International Study on Alcoholism probably applies to gambling problems in that "total consumption is a common denominator for problems." Thus: "If per capita consumption increases, problems increase. Further, the prevalence of heavy users will probably increase at a much higher rate than total consumption."

He notes that compulsive gambling has reached epidemic proportions and he cannot dismiss alarmist arguments that legalization will lead to an increase in the number of compulsive gamblers. He hopes that State governments, especially those which, like my home State of New Jersey, have legalized various forms of gambling, will set aside a percentage of their revenue for research and treatment.

The State of Maryland last year became the first State to enact legislation which defines compulsive gambling and establishes a pilot program for its treatment. The Maryland law declares that:

> (1) Compulsive gambling is a serious social problem and there is evidence that availability of gambling increases the risk of becoming a compulsive gambler; and (2) that Maryland with its extensive legalized gambling has an obligation to provide a program of treatment for those persons who become addicted to gambling to the extent that it seriously disrupts lives and families.

Maryland's law defines the compulsive gambler as:

> A person who is chronically and progressively preoccupied with gambling and the urge to gamble, with gambling behavior that compromises, disrupts, or damages personal, family, or vocational pursuits.

Mr. President, with legal and illegal gambling escalating at alarming rates, we cannot afford to neglect those many Americans who will be adversely affected. I would hope that we can avoid the mistake we made in our neglect of the victims of alcoholism which is costing our economy more than $42 billion a year. With major cuts in the Federal health budget, it is imperative that we carefully examine these issues in order to reduce not only the economic and societal waste, but the loss of human life and potential as well.

For these reasons I am introducing today a bill to establish a National Commission on Compulsive Gambling. It is my hope that this Commission will study such issues as the impact of the compulsive gambler and his family on the welfare system, the relationship of compulsive gambling to prison populations and the load on the judicial system, the relationship of compulsive gambling to white collar—nonviolent—crime, and related issues.

Mr. President, I ask unanimous consent that the text of the bill be printed at this point in the RECORD, together with an article from the April 1977 issue of "Today in Psychiatry."

There being no objection, the bill and article were ordered to be printed in the RECORD, as follows:

S. 255

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Commission on Compulsive Gambling Act".

SEC. 2. (a) The Secretary of Health, Education, and welfare (hereinafter referred to as the "Secretary"), after consulting with the Administrator of the Alcohol, Drug Abuse and Mental Health Administration, shall, within 60 days after the date that funds become available, establish a National Commission on Compulsive Gambling (hereinafter referred to as the "Commission").

(b) The Commission shall be composed of 22 members as follows:

(1) ten members, appointed by the Secretary from among persons who are scientists, physicians, and other health professionals, not in the employment of the Federal Government;

(2) six members, appointed by the Secretary from among persons who are members of the general public, of whom at least three shall have personal or close family experience with compulsive gambling;

(3) three members, appointed by the Secretary, one each from the National Advisory Council on Mental Health, the National Advisory Council on Alcohol Abuse and Alcoholism, and the National Advisory Council on Drug Abuse whose primary interest is in the field of compulsive or addictive behaviors;

(4) the Director of the National Institute of Mental Health or his designee; the Director of the National Institute on Alcohol Abuse and Alcoholism or his designee, the Director of the National Institute on Drug Abuse or his designee.

At no time shall more than five members appointed under paragraph (1), three members appointed under paragraph (2) be members of the same political party.

(c) The Secretary shall designate one of the members of the Commission as Chairperson, and one as Vice Chairperson. Twelve members of the Commission shall constitute a quorum, but a lesser number may conduct hearings.

(d) Members of the Commission who are full-time officers or employees of the United States shall serve without additional compensation but shall be reimbursed for travel, subsistence, and other necessary expenses incurred in the performance of the duties vested in the Commission. Other members of the Commission shall each be entitled to receive the daily equivalent of the annual rate of basic pay in effect for grade GS–18 of the General Schedule for each day (including traveltime) during which they are engaged in the actual performance of the duties of the Commission; and, while away from their homes or regular places of business in the performance of duties of the Commission, they shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703(b) of title 5 of the United States Code.

(e) The Commission shall first meet as directed by the Secretary, not later than 60 days after the Commission is established, and thereafter shall meet at the call of the Chairperson of the Commission or at the call of a majority of the members thereof.

(f)(1) The Commission may appoint and fix the pay of an executive secretary to assist the Commission in carrying out its functions. The executive secretary shall be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and the provisions of chapter 51 and subchapter III of chapter 53 of such title, relating to classification and General Schedule pay rates.

(2) The Secretary shall provide the Commission with such additional professional and clerical staff, such information, and the services of such consultants as the Secretary determines necessary for the Commission to carry out effectively its functions. Such consultants shall receive compensation at a rate to be fixed by the Secretary, but at rates for individuals not to exceed the daily equivalent of the annual rate of basic pay in effect for grade GS–18 of the General Schedule. While away from his or her home or regular place of business in the performance of services for the Commission, any such person may be allowed travel expenses, incluring per diem in lieu of subsistence, as authorized by section 5703 (b) of title 5, United States Code, for persons in the Government service employed intermittently.

(3) The Commission may secure directly from any department or agency of the United States information necessary to enable it to carry out its duties under this section. Upon request of the Chairperson of the Commission, the head of such department or agency shall furnish such information to the Commission consistent with applicable laws and regulations with respect to the privacy of medical records.

STUDY AND REPORT

SEC. 3. (a) The Commission shall conduct a study of compulsive gambling and problems related thereto including but not limited to the following areas:

(To be supplied.)

(b) The Commission shall submit to the President and the Congress such interim reports as it deems advisable and shall within 12 months after the date on which funds first become available to carry out the provisions of this section submit to the President and the Congress a final report which shall contain a detailed statement of its findings and conclusions and also such recommendations for legislation and administrative actions as it deems appropriate. The Commission shall cease to exist 60 days after the final report is submitted under this subsection.

COORDINATION AND AUTHORIZATION OF APPROPRIATIONS

SEC. 4. (a) The Secretary of Health, Education, and Welfare shall be responsible for the coordination of the activities of the Commission.

(b) There are authorized to be appropriated to carry out the purposes of this Act $1,000,000 to remain available until the expiration of the Commission.

THE COMPULSIVE GAMBLER

"Compulsive gambling is a progressive behavior disorder that we psychiatrists must look on as we do any other very serious emotional illness," said Dr. Robert L. Custer. "Unfortunately, one of the things I hear from a few of the psychiatrists I talk to about this is that they feel that the compulsive gambler is someone who could control his gambling on his own if he really wanted to. Well, I would hope that psychiatrists who think this way, or who have the feeling that somehow these are 'bad' people, don't ever attempt to treat them. They're doomed to failure right from the start. But if you do recognize compulsive gambling as an illness, you can be of tremendous help. And this work is so rich in psychological material. Gamblers fantasies, their magical thinking, rationalizations, denials, their almost delusional type of optimism, are fascinating."

I was sitting with Dr. Custer in his office at Veterans Administration headquarters, in Washington, D.C., where he is Chief of Treatment Services of Mental Health and Behavorial Sciences Services. An expert on alcohol and drug abuse, he first became interested in treating compulsive gamblers when he was a staff psychiatrist at the VA Hospital in Brecksville, Ohio, which is in the Cleveland area. There, in 1972, he was instrumental in starting an inpatient and follow-up outpatient program for compulsive gamblers, which today is headed up by Dr. Alida Glen, a psychologist who helped pioneer it.

In addition to his other duties, Dr. Custer is interested in starting similar programs in other VA hospitals. He also serves as a consultant to the National Council on Compulsive Gambling in New York, a nonprofit agency that was organized in 1975 to disseminate information about the problem to the public and professionals.

AA APPROACH

Dr. Custer explained that the Brecksville program got its start after he was approached by three members of Gamblers Anonymous who had attended a lecture he gave on alcoholism. "They wanted to know if we could do for gamblers what we were doing for alcoholics. I took it up with members of my staff and they liked the idea. We reviewed the literature on gambling, but that took only a very short time because there was very little of it.

"Anyway, we gathered as much information as we could, set up a program that was pretty much modeled after our alcoholism program, and began admitting these patients to the hospital. Basically, the program consists of three or four weeks of inpatient treatment—daily group therapy sessions, individual therapy, recreation, vocational rehabilitation and then, of course, outpatient treatment. And even while they're in the hospital they also attend meetings of Gamblers Anonymous. A branch meets there.

"For years, Gamblers Anonymous—which uses just about the same techniques as Alcholics Anonymous—has been about the only organization providing treatment for these people. Even today, relatively little work is being done in the field. and little or no funds have been allotted for research. We should know, for instance, how many compulsive gamblers there are. One study has put the figure at about 1.1 million. But I've looked at the study and I think it is primarily about people who are in the late phase."

PHASES

Late Phase? What was the early phase like? "Actually, I've found there are three phases. Most compulsive gamblers start when they're between 13 and 18. Women, however, generally start a little later. Now, I call this first phase the 'winning phase.' They're excellent gamblers, are frequent winners, and though they might start off with two dollar bets they may eventually be making two or three hundred dollar bets. Now, the one thing that characterizes the end of this first phase is what they call a 'big win.' This big win puzzled me for a long time, because in one case it might be a few thousand dollars, in another case ten thousand, in still another sixteen thousand. But what eventually struck me was that this big win was just about the same amount of money they were making as a salary all year. And the fact that they could make a whole year's income in just one gambling session hooked them."

In the second phase they start losing progressively. "After they've been a winner, and particularly after that big win, they find losing intolerable. They start structuring their life around gambling. And they lose regularly. Furthermore, they move from being excellent gamblers to very stupid gamblers. For example, they may want to bet on a certain horse, but they'll pick another one because the odds are bigger. And they start losing control—begin cashing in bonds, their insurance, take out another mortgage and so on. They owe a significant amount of money now, and they're getting pressure from their wives, and they're beginning to miss work and get fired. What you then find is that someone in the family pays off their debts on the promise that they'll stop gambling. We call this the 'bail out' and it's really the worse thing anyone can do for them. As far as they're concerned it's another 'big win.' "

Then begins what Dr. Custer calls the "desperate stage." They not only return to gambling, but do so more passionately and at an accelerated pace. "They're gambling with a frenzy now. Although they bet just as stupidly in the second phase, now it's with greater amounts of money. They do win now and then, of course, but they are very hesitant to pay off their debts because they see the money as their one way of making more. If they do pay anyone off it would be a loan shark, someone in the rackets, someone who's threatening them physically. But they still have this fantasy that they're going to win big and they even have this exciting picture in their mind of paying everyone off. But meanwhile they're writing bad checks, might start embezzling. Though it might have taken them fifteen years to reach the third stage, everything happens fast after that. In a year or two they're human wrecks. And it's still all downhill."

LOSERS

But are all compulsive gamblers *unsuccessful* gamblers? What about the person who makes money at it? A compulsive gambler is someone who loses heavily in the long run, who can't afford the losses, and whose whole *life* is gambling. The difference between the compulsive and the professional gambler is that the professional is betting in a controlled way and copes with losses well. And one of the differences between the compulsive and social gambler is that the latter does it to *be* social and, though he may go over his head occasionally and suffers terribly when he loses, he doesn't throw his life after it. Although the compulsive gambler naturally does want to win, *that* isn't his main drive. Basically, he's gambling because he wants to gamble. When these people are gambling they're on as much of a high as if they were on a narcotic. Now, in the late stage those highs aren't anywhere as high as they used to be; but nevertheless, there's still that excitement of gambling."

I wondered if compulsive gamblers had anything in common that would help the psychiatrist differentiate them from other people. "No, there isn't anything that separates them from people with other types of emotional problems. One of the things I've found is that they've invariably been very emotionally deprived as children, maybe a little more so than most, but there's nothing unique about emotional deprivation. But a remarkable characteristic about them is that they don't display antisocial behavior as children; and as adults they're very verbal and can be charming."

TREATMENT

What does treatment consist of? "Let me go into our work with the first group, show how it developed and see how the private practitioners can apply it to his own practice. The first thing we did was check to see if they had any physical or other psychiatric problems. It's important that you rule out such things as chronic brain syndrome, mental retardation, schizophrenia, and manic-depressive disease. It's also important to find out if the main problem is really compulsive gambling, or if it's alcoholism or drug addiction. We found that they were generally pretty healthy. although some were a little malnourished because they hadn't been eating well. We spent the first week getting information. And we didn't expect something that began to happen, although as I look back on it I imagine we should have. They began developing withdrawal symptoms such as restlessness, irritability, diarrhea, abdominal pain, headaches. We thought they might be involved in alcohol or drug abuse, but we ran tests and they turned out negative. It was withdrawal from gambling.

"That lasted for about a week, during which time a lot of their restlessness and hostility would come out toward the staff. They were also preoccupied with returning to gambling. They were sure if they started gambling again the symptoms would disappear. Some of them developed such anxiety or became so depressed that we had to give tranquilizers and antidepressants.

CONTRACT

"You get nowhere with the compulsive gambler, unless you make a 'contract' with him that he must immediately stop gambling. They get very challenged by the fact that they have to change their lives; some find it extremely stimulating. And these are people who have been concerned with challenges ever since they started gambling. But they need a great deal of support, which is why being part of a group, going to Gamblers Anonymous, is so important. You also have to fill the void that gambling occupied. So, during the second and third weeks we got them involved in a lot of physical activity, in sports, as an outlet for their energies. Also, almost all of them were very much in debt; some were faced with having to go to court. These people are extremely good, hard workers; they never have problems getting a job; their problem is *keeping* it. We tried to shift their compulsion from gambling to working, with the idea that they must make complete restitution. Part of the therapy was helping them set up a budget. No way we would let them drop money they owed. But about half of them didn't have a job. However, I can't think of any one of them who left the hospital *without* a job. They got them through the help of our vocational therapy program. Gamblers Anonymous, friends, family and so on."

How to help them with their marital problems? "We learned something interesting very quickly. These people became attached to their therapists. We found that they got jealous and upset if the same therapist who worked on them also counseled, their wives. They looked on it as breaking their trust. So, the wife would have to see a therapist who was not associated closely with the husband. Now, after the patient was out of the hospital and involved in outpatient treatment for about six months, this was no problem. They didn't feel as alienated or sensitive, and we could work with them and their wives together."

I wondered what a psychiatrist could possibly do if his patient couldn't make restitution within a reasonable amount of time to a racketeer-type who was threatening him. "What we do is have the patient contact the person and try to defer payment. We've found that if you tell the person that the patient's undergoing treatment, is going to be working and will pay him back, he will usually go along with it. If it looks to be a very serious threat to the patient's life, I would agree to someone in the family providing a limited amount of 'bail out.' "

RECOGNIZE PROBLEM

How can a private psychiatrist possibly help these patients without the resources of a Brecksville program? "Well, the first thing you have to do, of course, is recognize the problem. Most or these people come to a psychiatrist for other problems—martial, employment, everything—and won't tell you about the gambling unless you ask. After you identify the problem I think it would be a good idea to hospitalize the patient for awhile, to get him away from his environment and to help him deal with the anxiety or depression that crops up."

He went on to say that trying to give the patient insight into his behavior is a waste of time. "You're only going to lose him. Later on, after he's stopped gambling for about three months, you can then start giving him insight. And it works beautifully and very quickly; they make excellent patients."

Since we'd been speaking primarily of male gamblers, I asked if the woman compulsive gambler had any special problems. "Yes, because society looks on gambling as more acceptable for men than women. And the woman is supposed to be the one to 'preserve' the home. Here that whole mystique is shattered. Also, the woman is often able to go undetected for a longer time than the man, particularly if her husband is financially well-off, because she siphons off her allowance, her dues for organizations and so on, and he may not find out about it for years. Women gamblers generally don't commit a crime to cover up."

LEGALIZED GAMBLING

I was curious about how he felt about legalized gambling. "Let's just say I'm not opposed to it," he said. "But I think we should all be aware that certain types of gambling are more addictive than others.

The shorter the period between the bet and the payoff, the more addictive the game. The number of times you can win also makes it more addictive. For example, if you play Black Jack you might win every other time, while you can go for years playing the lottery without winning anything. And in horse racing, of course, you can have a long lucky streak. Consequently, we should realize that casino gambling and horse racing and sports betting are the most addictive. Not only do they have all the elements I mentioned, but you can play them very conveniently. Many casinos are open 24 hours a day; and some bookies will take bets at all hours.

"So, one of the things I would like to see in legalized gambling is that casinos shouldn't be allowed to be open around the clock. I would also hope they wouldn't permit anyone under 21 to bet, since the disorder generally does begin at a young age."

Moreover, he wished that the judges knew far more than most of them did about compulsive gambling. "Sending these people to jail for embezzlement generally means they don't have to pay back the money, and all it really adds up to is another bail out. And they're not going to get any therapy in prison. The most therapeutic thing the courts could do is put the person on probation, give him so many years to pay every cent back, and have him make regular reports to the court concerning repayment. If he isn't paying the money back, then put him in jail."

Did he think that organized psychiatry is alert enough to the problem of compulsive gambling? "I think it's doing what has to be done at the present time. I've been in contact with the APA's Task Force on Nomenclature, which is working on the third Diagnostic and Statistical Manual of Mental Disorders—I think it will be out next January. They're looking into it as a disease, and I don't see any reason why they won't list it as such. Once it's an official diagnosis, I'm sure we in psychiatry will put more of our resources into dealing with it."—SCYMOUR SHUBIN.●

By Mr. ROTH (for himself and Mr. BIDEN):

S. 258. A bill to amend section 144 of title 23 of the United States Code, relating to the special bridge replacement program, in order to make highway bridge projects costing more than $1 million in those States receiving minimum apportionments of Federal funds under such program eligible for Federal aid under the discretionary part of the program; to the Committee on Environment and Public Works.

SPECIAL BRIDGE REPLACEMENT PROGRAM

Mr. ROTH. Mr. President, I am pleased to introduce this legislation which amends the national discretionary bridge program established by the Surface Transportation Assistance Act of 1978. This bill is of great importance to my home State of Delaware, and I am happy my distinguished colleague from Delaware, Mr. BIDEN, is joining me in sponsoring this legislation. Our colleague Mr. EVANS of Delaware is introducing identical legislation in the House. We are hopeful our bill will receive early consideration when the Environment and Public Works Committee undertakes corrective legislation on the 1978 act.

Last year, the Environment and Public Works Committee under the leadership of its distinguished chairman and ranking member, as well as the chairman and ranking member of its Transportation Subcommittee, established a $200 million discretionary bridge program. This program addresses the critical needs of States to be able to fund high-cost bridge projects which cannot be funded in a reasonable time under the regular bridge replacement program begun in 1970.

However, the States with the smallest annual allocations under the regular bridge program, such as Delaware, are in a real bind when it comes to funding bridge replacement projects. These minimum allotment States cannot accumulate sufficient funds from regular Federal-aid apportionments to undertake even those high traffic volume bridge projects that are only moderately costly. For example, the Augustine Bridge, a high-traffic volume bridge in the commercial and civil heart of metropolitan Wilmington, Del., was closed to all traffic on May 24, 1978, as unsafe. Replacing the Augustine Bridge will now cost $6 million. On August 18, 1978, the Senate adopted my bridge replacement amendment which gave priority under the discretionary bridge program to bridge projects like the Augustine Bridge in small States. At that time, the distinguished chairman of the Transportation Subcommittee of the Environment and Public Works Committee made clear the Augustine Bridge and projects like it were eligible for the discretionary bridge program. However, the House rejected my amendment and the Surface Transportation Act of 1978 included a provision requiring a bridge to cost at least $10 million before it is eligible for Federal funds under the discretionary bridge program.

When it enacted the 1978 act, I do not believe Congress foresaw the effect this $10 million minimum would have on the critical bridge replacement needs of States such as Delaware, where the $6 million Augustine Bridge project is as difficult to finance as a $10 million bridge in a large State. The Federal Highway Administration has refused to fund the Augustine Bridge under the "discretionary bridge program" because of the $10 million minimum, even though the $200 million annual fund remains largely unallocated. The discretionary program is one of the few options available to fund the bridge. This encourages Delaware to inflate its bridge costs in order to meet the $10 million minimum.

The New York Times on January 16, 1979, reported local officials all over the country are citing the Augustine Bridge and the $10 million minimum as an example of the unintended consequences legislative technicalities can have on a perfectly sound Federal program. Our bill will end this technical roadblock and add a strong dose of commonsense to the discretionary bridge program.

In short, our bill will make bridge projects costing less than $10 million but at least $1 million eligible for the discretionary bridge program where they are located in States which receive only a minimum share of national bridge replacement funds, such as Delaware. Other States receiving a minimum share in 1979 include Alaska, Arizona, Nevada, Utah, and Wyoming. This bill will not add one single dollar to Federal spending. It will only make these States eligible for Federal funds already appropriated for bridge replacement out of the highway trust fund. The States made newly eligible under our bill could receive at most, in the discretion of the Secretary of Transportation, only $30 million out of the entire $200 million already available to large States under current law.

Mr. President, the decision by Congress last year to establish the discretionary bridge program was wise, and I believe our corrective legislation is fiscally sound and consistent with the goals of the Surface Transportation Assistance Act of 1978. I ask unanimous consent that a letter I wrote the distinguished chairman of the Environmental and Public Works Committee on this subject be printed in the RECORD, together with an editorial by the Wilmington (Del.), Evening Journal, excerpts from an article in the New York Times, a table comparing Delaware's annual share of the regular bridge replacement funds with those of other States, and also the text of the bill.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., December 29, 1978.

Hon. JENNINGS RANDOLPH,
Chairman, Committee on Environment and Public Works, Washington, D.C.

DEAR MR. CHAIRMAN: On August 18, 1978, the Senate adopted my bridge replacement amendment to the Surface Transportation Assistance Act of 1978. My amendment required the Secretary of Transportation in making funds available under the Discretionary Bridge Program to give priority to those otherwise eligible projects whose total project cost would exhaust at least five years of a state's annual allocations under the regular bridge program but whose cost in no case would exceed $8 million, in those states (Alaska, Delaware, Hawaii and Nevada) whose annual allocations under the regular bridge program do not exceed two-tenths of one percent of the total funds available annually nationwide.

My amendment recognized the unique problems of states such as Delaware who cannot accumulate sufficient funds from regular Federal-Aid apportionments to undertake even those high traffic volume bridge projects that are only moderately costly. For example, the Augustine Bridge, a high-traffic bridge in the commercial and civic heart of metropolitan Wilmington, Delaware, was closed to all traffic on May 24, 1978 as unsafe. Replacing Augustine Bridge will now cost $6 million, and prior to my amendment, Delaware would never have accumulated enough Federal funds under its annual allocations to replace the bridge.

Under your leadership, the Senate-House conferees on this bill responded to the problems of states such as Delaware and substituted a one-quarter of one percent (0.25%) minimum apportionment formula under the regular bridge program for the Roth amendment to the Discretionary Bridge Program. The conference agreement adopted by Congress October 14, 1978 boosted Delaware's share of Federal Funds for bridge replacement from $216,481 in 1978 to $1,564,000 in 1979.

However, Delaware in financing the Augustine Bridge project has run into two severe problems unforeseen at the time Congress acted on the Surface Transportation Act of 1978. These are:

1. The Federal Highway Administration has advised Delaware that, despite the intention of the Senate in adopting my amendment, the Augustine Bridge is not eligible for funding under the Discretionary Bridge Program because the final bill limits eligibility to

those bridges costing a minimum of $10 million. This statutory minimum shuts states such as Delaware completely out of the Discretionary Bridge Program, even though their moderate cost bridge projects are as difficult to finance as the high cost projects of larger states.

This is exactly the problem the Discretionary Bridge Program is intended to remedy. The Report of your Committee on the Senate bill stated at page 8:

Because construction of new bridges over major waterways is very costly, many States cannot accumulate sufficient funds from regular Federal-aid apportionments to undertake projects within a reasonable time. Section 139 authorizes a discretionary bridge fund from which the Secretary may provide assistance for costly, high traffic volume bridges over major waterways.

In Senate debate on the bill, the following colloquy took place between Senator Bentsen and myself:

Mr. ROTH: ". . . Is it not true the Augustine Bridge as I have described it is the type of bridge the committee has in mind for eligibility under the Discretionary Bridge Program in Section 140(a) of this bill, as an example of 'high traffic volume bridges located on the non-interstate primary system which traverse major bodies of water'?"

Mr. BENTSEN: "That is correct. The Senator from Delaware is correct in stating that is the type of bridge the committee had in mind." *Congressional Record*, August 18, 1978 at p. 26927.

Clearly, the $10 million minimum slams the door on the critical bridge replacement needs of states such as Delaware. It also provides strong encouragement to such states to inflate their bridge cost in order to meet the $10 million minimum.

2. The 1976 Federal-Aid Highway Act made regular bridge replacement funds apportioned to the states available until obligated or "for a reasonable time," and did not therefore provide for the lapse of unexpended funds. However, the 1978 Act provides that regular bridge replacement funds remain available *only* for three years after the year first made available, and amounts unexpended after that time lapse.

Delaware may be able to accumulate the $4.8 million Federal share necessary to finance the $6.0 million Augustine Bridge, but those funds will lapse if construction is not begun until 1982. In addition, a $6 million bridge in 1979 will cost more than $8 million in 1982, at current inflation rates.

To solve these two problems in the bridge replacement program, I recommend the Environment and Public Works Committee under your leadership in the 96th Congress:

1. Seek passage in early 1979 of corrective legislation which modifies the $10 million statutory minimum in the Discretionary Bridge Program to make projects such as the Augustine Bridge eligible under the same criteria contained in my original amendment which passed the Senate last August. For example, a $1 million minimum and $10 million ceiling placed on projects made eligible under such a modification in those states which receive the minimum apportionment under the regular bridge program would insure the needs of such states (Delaware, Alaska, Arizona, Nevada, Utah, Wyoming) do not outweigh the needs of other states for similar projects whose costs exceed $10 million.

Of projects approved for Federal funding in the 1978 Special Bridge Replacement Program, only 8 projects with a total cost of $26.6 million would be eligible under this modification. Of these eligible projects, the Secretary of Transportation could fund a $6 million bridge project over a period of two years ($3.0 million each year) without significantly depleting the total $200 million available nationwide under the Discretionary Bridge Program.

2. Endorse the "staging" or "phasing" of funding by the Department of Transportation for high cost bridge projects in states such as Delaware unable to finance such projects without an accumulation of more than one year's entire apportionment under the regular bridge program. Staging would allow planning, design and construction to proceed even though the state had not yet accumulated the funds for the total project. Staging would also reduce inflation in the costs of large bridge projects which require more than one year's apportionment of Federal funds to finance as well as more than one year to construct.

Thank you for your consideration of these two problems which are of such critical concern to the citizens of Delaware.

Sincerely,

WILLIAM V. ROTH, Jr.,
U.S. Senate.

[From the Wilmington Evening Journal, Dec. 29, 1978]

YET ANOTHER PROBLEM

Not very much has to be said. All that is necessary is to point out that the federal government has just proven, once again, that what people say about it is true.

It's goofy.

Wilmington's Augustine Bridge is not a big enough project for the federal government to concern itself with. That's what it really amounts to.

The state has been working its corporate head off, trying to cut down the time when this vital crossing of the Brandywine River (maybe if we call it a river instead of a creek the feds will be more impressed) can be restored. The state of Delaware, remiss enough in other areas, has been turning in a stellar performance, paring a month off here, advancing the planning stage here, all under the direction of Secretary of Transportation George Jarvis.

Now the feds come up with the interesting ruling that Washington will not, after all, be anteing up its presumed share of the cost of the replacement project.

Reason? As said earlier, the project isn't costly enough to qualify for the federal aid.

A Washington spokesman—sometimes "Washington spokesman" seems like the most damning swearword in the language—says, "We're aware of the problems."

We wonder, although the spokesman says all three members of Delaware's congressional delegation have been busy pressing for the feds to make good on their presumed commitment. Sens. William Roth and Joe Biden and Rep. Thomas Evans deserve recognition for any efforts in this problem.

We doubt that "Washington" is "aware" of the millions of dollars in the cost of gasoline alone as hundreds of thousands of motorists are forced to drive miles out of their way over the long, weary months to cross the magnificent Brandywine. Some federal energy conservation program! What is this, be kind to OPEC?

Let's face it. The stream is too small, the state is too small. The bridge replacement doesn't cost enough to interest the feds. Delaware, despite the billions it sends to "Washington" in taxes each year, is too small to be worthy of the help it needs in the crisis created by the closing of this small bridge.

A bright spot in this dismal picture is that Secretary Jarvis is mad as hell about it, as we are.

He swears that "We're going to build that bridge next year, come hell or high water."

Maybe the secretary will just get mad enough about this little bridge to stay on in his big job despite his announced intention to resign.

That's just wishful thinking, of course, but it would be nice.

[From the New York Times, Jan. 16, 1979]

CARTER TO STUDY OPTIONS ON REFORM OF $80 BILLION DOMESTIC AID PLANS

(By John Herbers)

WASHINGTON, Jan. 15.—President Carter is scheduled to receive a series of options tomorrow for reforming the Federal Government's complex, sometimes wasteful apparatus for administering more than $80 billion a year in grants in aid.

The President's decision on which plan to present to Congress is expected within a few days, but some of the proposals have already run into tough opposition in and out of the Government.

And some state and local officials, enraged by delay and duplication in the proliferation of programs, say even the most ambitious measures under study are no more than a first step toward reform.

They cite a Delaware case as example.

An old bridge over the Brandywine River in Wilmington has been closed since May. The state applied for Federal aid to rebuild the bridge, which is on a busy traffic artery, at a cost of $6 million, but the request was rejected on the ground that the bridge-replacement program could not consider an application under $10 million.

FIRST STEP INVOLVES H.U.D.

Gov. Pierre S. du Pont 4th said that the bridge could easily have been designed to cost $10 million, but that that would be wasteful, "so we are still in a begging position with Washington."

Delaware's bridge and a host of other problems in a wide range of public services across the country apparently would not be touched under the proposals before Mr. Carter.

Members of a special reorganization project in the Office of Management and Budget have been studying the lack of organization of Federal aid programs for two years, and they suggested recently that Mr. Carter recommended that the Department of Housing and Urban Development be restructured as a Department of Development Assistance to administer a number of economic, urban and rural development, and planning programs now scattered over several departments and agencies. A number of those programs, it was suggested, should be consolidated.

A similar but less sweeping proposal submitted to Mr. Carter would restructure the Interior Department as the Department of Natural Resources, with jurisdiction over several programs and agencies—for example, the Forestry Department, which is now under the Agriculture Department.

Even before these proposals could be sent to the President, however, opposition arose to giving one department authority to handle development grants to both the public and private recipients. Thus one of the options prepared for Mr. Carter's consideration is a compromise that would let the Commerce Department continue as the chief administrator for the private sector and H.U.D. or its replacement for the state and local governments.

One of Mr. Carter's chief campaign promises has been Government reorganization—a misnomer, students of government say, since there has never been any organization to the jungle of programs scattered throughout the executive branch.

And the nation's Governors, who are promising to support Mr. Carter's planned budget cuts, if he will move strongly to reform the aid programs, have told him he could make no greater contribution to improve life and restore faith in government. [Emphasis added]

Estimated apportionments of Federal-aid highway funds authorized by H.R. 11733 for fiscal year 1979 non-interstate programs and fiscal year 1980 interstate system program

[In thousands of dollars]

State:	Bridge R. & R.[2]
Alabama	$8,768
Alaska	1,564
Arizona	1,564
Arkansas	10,403
California	16,525
Colorado	2,941
Connecticut	2,130
Delaware	1,564
District of Columbia	6,806
Florida	21,842
Georgia	16,457
Hawaii	2,292
Idaho	3,776
Illinois	50,060
Indiana	5,649
Iowa	14,933
Kansas	16,713
Kentucky	25,950
Louisiana	37,152
Maine	4,424
Maryland	11,678
Massachusetts	13,408
Michigan	9,091
Minnesota	20,967
Mississippi	4,626
Missouri	8,740
Montana	2,977
Nebraska	10,329
Nevada	1,564
New Hampshire	6,567
New Jersey	10,779
New Mexico	2,672
New York	50,060
North Carolina	14,735
North Dakota	4,110
Ohio	14,305
Oklahoma	3,935
Oregon	6,160
Pennsylvania	36,153
Rhode Island	3,798
South Carolina	10,065
South Dakota	2,853
Tennessee	20,916
Texas	25,619
Utah	1,564
Vermont	6,995
Virginia	24,038
Washington	17,795
West Virginia	9,334
Wisconsin	14,809
Wyoming	1,564
Puerto Rico	2,031
Secretary of the Interior	—
American Samoa	—
Guam	—
Virgin Islands	—
Total	625,750

[2] Primary funds are apportioned after deduction of $125,000,000. Bridge R. & R. are apportioned after deduction of $200,000,000 for discretionary fund and $54,000,000 for two Ohio River Bridges has been deducted.

S. 258

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 144(g) of title 23 of the United States Code is amended by striking out "the replacement or rehabilitation cost of each of which is more than $10,000,000" and inserting in lieu thereof "(1) the replacement or rehabilitation cost of each of which is more than $10,000,000, or (2) the replacement or rehabilitation cost of each of which is more than $1,000,000 and which are in any State which is receiving the minimum apportionment for such fiscal year under subsection (e)".

SEC. 2. The amendment made by this Act shall be effective for fiscal years ending September 30, 1979, and thereafter.●

● Mr. BIDEN. Mr. President, I am pleased to join today with my senior colleague from Delaware, Senator ROTH, in sponsoring legislation to assure that Federal bridge replacement funds are available equitably to all States to meet critical bridge safety problems. In passing the Surface Transportation Act of 1978, Congress made unsafe bridge replacement a major national transportation priority.

Unfortunately, because of a quirk in the law as finally adopted, the national purpose may be difficult to accomplish in some of the smaller States. This is because the law provides that, under the discretionary bridge program, intended to finance major projects that cannot be met from regular bridge fund apportionments, no project costing less than $10 million can be undertaken. However, in States receiving the minimum allocation under the regular bridge replacement program it may not be possible to fund a bridge of major economic and transportation significance with costs less than $10 million.

Mr. President, my State of Delaware offers an example of how the law can operate to withhold funding from an important bridge safety problem. In May 1978 the State of Delaware closed to all traffic a 93-year-old bridge known as the Augustine Bridge. Replacement costs are estimated to be $6 million. This bridge is a major transportation route across the Brandywine River in the heavily populated northern portion of Delaware. At the time it was closed it was being used by about 16,000 vehicles daily. These vehicles have been forced to seek alternate crossings of the Brandywine which cuts through the economic heart of northern Delaware. These alternates are not satisfactory substitutes requiring much longer journeys. For the most part, the alternates were operating at or near capacity before the Augustine Bridge was closed and the structural integrity of several of these alternates has also been questioned.

The Augustine Bridge crosses the Brandywine River Valley which contains numerous roads, pedestrian ways and railroad sidings. Thus, even though closed to traffic, it continues to pose a threat to persons passing under it.

The Bridge was originally opened as a railroad bridge and was converted for vehicular traffic in 1920. It is 870 feet long and is over 100 feet above the Brandywine River. Despite repairs in 1970 and the closing of the bridge to truck traffic, it was the unanimous view of State and Federal highway officials in 1978 that this bridge was so hazardous as to warrant its closing. This was done despite the inconvenience to motorists and the serious impact on the economy of this heavily populated portion of the State.

Despite the national priority of repairing important bridges just like this one, Federal financing apparently is not available from the discretionary bridge program because the replacement cost is less than $10 million. If an effort were made to accumulate funds from the annual bridge allotment, it is likely that some of the accumulated funds would lapse because they had not been obligated in a timely fashion. In any event, this is not the only bridge in Delaware needing repair or replacement and it would not make good sense to devote the State's entire allotment for several years to finance this one bridge. In fact, this is one thing the discretionary bridge program was intended to prevent.

Yet the State of Delaware has been told that because the bridge replacement costs only $6 million, it is disqualified from consideration because the discretionary bridge program can finance only projects costing more than $10 million. The idea of funding only major projects may be a sound one, but for a State the size of Delaware, $6 million—or even less—"is" a major project because of the relatively small allotment of bridge funds. My colleague Senator ROTH and I are proposing in this bill, therefore, to allow States receiving the minimum allotment to finance projects from the discretionary bridge program if the cost exceeds $1 million. This should meet the needs of smaller States without doing violence to the concept of the discretionary bridge program. It will correct what I am sure was an inadvertent flaw in the law. I hope the Senate will act on the measure promptly.●

By Mr. NELSON:

S. 259. A bill to establish the goal of reducing Federal paperwork costs by 25 percent, to prescribe the procedures for the reduction of such costs, to provide for the development of strategies and methods for determining such costs and effecting such reductions, and for other purposes; to the Committee on Governmental Affairs.

EMERGENCY PAPERWORK REDUCTION ACT OF 1979

● Mr. NELSON. Mr. President, today I introduce legislation calling for a 25-percent cut in Federal paperwork as an emergency matter. Coping with Federal forms, or "redtape," presently takes 787 million hours of our citizens' time at a cost of about $11½ billion a year. This bill could thus save the American public between $2½ and $3 billion annually.

WHAT THE BILL WOULD DO

The Emergency Paperwork Reduction Act would direct Federal agencies to reduce paperwork by 25 percent within 24 months or explain to Congress why it cannot be done.

Paperwork reduction is not an impossible dream. The evidence which I will discuss is conclusive that the Federal Government can reduce its paperwork requirements on small business and individual citizens if it is given the necessary incentives and tools for doing the job. The Emergency Paperwork Reduction Act of 1979 will provide those incentives and tools.

The bill provides a strong incentive by legislatively requiring Federal agencies to reduce paperwork by 25 percent within a 2-year period. If they are unable to do so, they will have to explain their failure to the President and the Congress.

In order to accomplish this objective, the President is directed to develop a method for assessing reliably the cost of Federal paperwork. The President and Comptroller General are responsible for developing an overall strategy and specific methods for the 25-percent cost reduction by executive agencies and the independent agencies. The Federal agencies would be required to use those cost assessment methods and reduction strategy as tools for assessing and reducing their paperwork costs.

I would like to add that the determination of costs is one of the recommendations of the Citizens Committee on Paperwork Reduction which is helping to implement the recommendations of the Commission on Federal paperwork.

There is no question that upon careful evaluation of the duplication and unnecessary paperwork requirements of the Federal Government, at least 50 percent of all such paperwork could be eliminated. Accordingly, there should be no excuse for not being able to meet the 25-percent goal in this bill.

PAST REDUCTIONS IN PAPERWORK SHOW WHAT CAN BE DONE

The Senate Small Business Committee, which I chair, has had several specific successes in the past several years in achieving substantial reductions in Government paperwork requirements.

One of the most dramatic examples was in 1976 when Treasury accepted my suggestion that they cancel all general revenue sharing reports that called for the same information already available in even greater detail from the Census Bureau. We cut this paperwork burden by 100 percent. This means that 39,000 units of Government—every city and county in the country—that were previously filing two reports a year with the Treasury Department could stop doing so.

The House of Representatives wanted even more annual reports, a total of five. But, we insisted that reports to Treasury would be completely duplicative, and we finally prevailed. As a result, a stack of paper potentially as high as the dome of the U.S. Capitol was eliminated.

Another example of drastic paperwork reduction was accomplished by an amendment to the minimum wage bill in 1977 which reduced 12 pages of applications and instructions to a single postcard form for employers hiring part-time students. That represented a 92 percent paperwork reduction. A reaction from the business community was immediate. In 1977, the year before the shortened form came into use, only 973 retail, service and agricultural establishments applied for this program; in 1978, the first year of the short form, 5,810 firms applied. This constitutes almost a sixfold increase in a single year. It means at least 5,000 more part-time jobs for students with far less aggravation for employers.

Another sizable reduction came when, beginning in January 1978 we were able to require consolidation of the quarterly wage reporting form 941 into one annual report. Statistically this resulted in a 75-percent reduction of annual paperwork for small operators. In actuality, because 4½ million employers were required to list the name of every employee on every one of their quarterly forms, the consolidation means a stack of paper 2 miles high should be eliminated every year from now on.

In 1976 and 1977 we were able to reduce a proposed new 16-page pension reporting form to 5½ pages—a 65½ percent paperwork cut. For the 710,000 pension plans that were required to comply with ERISA, this eliminated 7½ million pages of reports.

The magnitude of these past paperwork reductions gives us some basis and some hope that further massive reductions can in fact be made.

I am convinced we can get results if we require Government agencies to devote as much time and effort to cutting paperwork in the future as they have done to generating it in the past, and this bill would direct their efforts toward that end.

PAPERWORK CONSTITUTES A SERIOUS DRAIN IN MONEY, TIME AND CONFIDENCE OF OUR CITIZENS

Mr. President, we need to add some logic to the disorder wrought by not knowing exactly what kinds of information we need, why and whether we need it, and whether it is available elsewhere within the Federal Government.

The Office of Management and Budget estimates that citizens and businesses spend 787 million hours each year filling out reports for the Federal Government.

Unfortunately, no one knows for sure the total cost of the paperwork burden. In order to arrive at a ball park figure, we multiplied the 787 million hours times $15, a figure used by the Federal Paperwork Commission, as the hourly cost to business of filling out Federal forms, arriving at an estimated cost of $11.5 billion.

A 25 percent reduction in Federal paperwork would thus save the American taxpayers between $2½ billion and $3 billion. And that figure does not even begin to cover Government costs such as processing, review and filing, which is ultimately also passed on to the taxpayers.

My bill would direct the President to develop methods of determining the costs imposed by the Government on the non-Federal sector due to data collection and recordkeeping, preparation and submission of forms. To obtain a complete picture, administrative costs to the Federal Government of collecting, processing, and filing would also be included.

Federal agencies would be required to use the President's cost methods to determine their overall paperwork costs and then reduce those costs by 25 percent.

One expression of this burden is in the reduced productivity of the U.S. economy. Since World War II, there have been about three dozen new regulatory systems that have required compliance by business.

From 1950 to 1965 productivity in this country grew at an annual rate of 2.5 percent. Between 1965 and 1973 this rate of productivity growth fell to 2 percent per year. Since 1973, productivity growth fell to 1 percent annually, and in 1978, it was down to eight-tenths percent. Regulation and paperwork are not the sole cause of this slump but the President's 1979 Economic Report cited regulation and its uncertainty as a contributing cause, and I believe it is a substantial contributing factor to this slowdown.

Paperwork costs time and money. Perhaps one of the most important costs is the diminution of trust that the public has in their government. People are weary of struggling to comply with complex regulations and fill out incomprehensible forms.

Moreover, this process has affected the way people feel about their elected governments, and the public climate reflects an increased suspicion, and even hostility in some instances. This can only change if Government agencies are made strictly accountable for the burdens they impose upon the citizens and small businesses they are meant to serve.

ACTION TO REDUCE PAPERWORK AN URGENT NECESSITY

The unchecked wave of unnecessary, duplicative, and conflicting paperwork reporting requirements contribute significantly to the costs of a small firm and therefore to the national inflation rate. It diverts businesses from productive work and saps their initiative. It costs jobs and profits and growth. Inevitably the quality of life suffers for business, consumers, labor, and everyone in this country.

If we fail to act now, this unchecked growth of regulation and its attendant paperwork will imperil the very life of every remaining independent entrepreneur in this country. And if that happens, only the giant corporations who have the financial ability to cover the cost of regulation and paperwork will survive. And then our society will be deprived of the intrinsic human touch and spirit that made this country great.

It is with these thoughts and this purpose that I introduce to the Senate the Emergency Paperwork Reduction Act of 1979 and ask for its early consideration by the Senate. I ask unanimous consent that the text of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 259

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Emergency Paperwork Reduction Act of 1979".

STATEMENT OF FINDINGS

Sec. 2. The Congress finds that—

(1) the citizens of the United States spend 787,000,000 hours per year in filling out forms required by the Federal government;

(2) the expenditure of time and money on Federal paperwork constitutes an unnecessary burden on the initiative and productive energies of our citizens and businesses; and

(3) reduction of the burden created by Federal paperwork is an urgent necessity.

REDUCTION OF FEDERAL PAPERWORK

Sec. 3. (a) Each executive agency and independent agency shall reduce by 25 percent the Federal paperwork costs of that agency. Each executive agency and independent agency shall make such reduction in Federal paperwork costs within two years after the date of enactment of this Act unless the agency certifies in a report to the Congress prepared in accordance with subsection (b) that it is possible for the agency to make such reduction within the two year period. If an executive agency or independent agency makes a certification under this subsection, it shall reduce the Federal paperwork costs of that agency to the maximum extent feasible within two years after the date of enactment of this Act, and shall complete the 25 percent reduction of such costs required by this subsection within five years after the date of enactment of this Act.

(b) Within two years after the date of enactment of this Act, each executive agency and independent agency shall report to the Congress concerning the actions of the agency to reduce by 25 percent the Federal paperwork costs of the agency. If an agency certifies that it is impossible to reduce the Federal paperwork costs of that agency by 25 percent within two years from the date of enactment of this Act, it shall include in the report required by this subsection—

(1) an explanation of why the agency has failed to reduce the Federal paperwork costs of the agency by 25 percent within the two year period, including a citation and analysis of any provision of law contributing to such failure; and

(2) a description of the efforts that will be made by the agency to complete such reduction within five years after the date of enactment of this Act.

DEVELOPMENT OF STRATEGIES AND METHODS

SEC. 4. (a) The President, for the executive agencies, and the Comptroller General of the United States, for the independent agencies, shall develop strategies for the reduction of Federal paperwork costs in accordance with section 3. The President and the Comptroller General shall consult concenrning the development of strategies under this subsection to assure that the strategies developed for the executive agencies and the independent agencies provide as unified an approach as possible to the reduction of Federal paperwork costs.

(b) The President shall develop a methodology for the determination of Federal paperwork costs.

(c) The head of each executive agency and independent agency shall utilize the strategies and methods developed under this section to carry out the provisions of section 3.

DEFINITIONS

SEC. 5. For purposes of this Act—

(1) the term "Federal paperwork" means any requirement under which an executive agency or independent agency seeks to obtain or solicits information through the use of written report forms, application forms, schedules, questionnaires, or other similar methods which request—

(A) answers to identical questions from ten or more persons other than agencies, instrumentalities, or employees of the United States; or

(B) answers to questions from agencies, instrumentalities, or employees of the United States which are to be used for statistical compilations of general public interest,

and includes recordkeeping requirements which require action by more than ten or more persons other than agencies, instrumentalities, or employees of the United States;

(2) the term "Federal paperwork costs" include the costs of compliance with Federal paperwork requirements by the public and the costs to the Federal government of administering such Federal paperwork requirements;

(3) the term "independent agency" means an agency of the United States having quasi-legislative or quasi-judicial powers, as determined by the Director of the Office of Management and Budget, except that the term independent agency does not include any executive department as defined in section 101 of title 5, United States Code; and

(4) the term "executive agency" means any agency of the United States within the executive branch which is not an "independent agency" as defined in clause (3).●

By Mr. BAYH (for himself, Mr. BAKER, Mr. JAVITS, Mr. MATHIAS, and Mr. INOUYE):

S. 260. A bill to create a National Institute of Justice; to the Committee on the Judiciary.

NATIONAL INSTITUTE OF JUSTICE ACT

● Mr. BAYH. Mr. President, today I join a bipartisan group of my colleagues in reintroducing legislation to create an independent agency, the National Institute of Justice. This proposal developed by the American Bar Association over the past 7 years, would provide a research and information center on problems in our justice system. The legislation has broad bipartisan support in both the Senate and the House, has been personally endorsed by President Carter—as former Governor Carter and Candidate-elect Carter—and by numerous national groups—see appendix.

Several State and local bar associations, Governors and other State officials and hundreds of individual lawyers, judges, and lay persons already have strongly supported this proposal.

It is gratifying that our support of the independent NIJ has resulted in such an extraordinary spirit of constructive cooperation between such diverse groups as the United Auto Workers, the Communication Workers of America, the American Bar Association, the American Judicature Society, the Institute for Court Management, the National Juvenile Detention Association, the National Conference of Commissioners on Uniform State Laws, the National Legal Aid and Defender Association, the Salvation Army, the Volunteers of America and the Native American Rights Fund, to mention only a few.

The extremely able and dedicated staff of the ABA has played a particularly helpful role in the development of the bill. I wish to personally acknowledge the efforts of Robert D. Evans, Esq., on the ABA staff and the Honorable Robert H. Hall, chairman of the ABA Commission on a National Institute of Justice, and presently Justice of the Supreme Court of Georgia.

In focusing on the NIJ programs and activities, we have become aware of two things: First, we know very little about the functioning of the justice system in this country; and second, the present efforts to learn more about these systems are meager and distressingly uncoordinated.

In 1972, Bert H. Early, the executive director of the ABA, published an article in the West Virginia Law Review—see appendix—which highlighted these deficiencies and suggested the creation of an independent agency to fund and coordinate justice system research efforts. The article stimulated the ABA's then-president, Leon Jaworski, to appoint a task force to explore the concept, and that task force in turn led to the creation of the commission which Justice Robert H. Hall of the Supreme Court of Georgia now chairs. That commission developed a "Bill to Create a National Institute of Justice," which was approved in principle by the ABA's House of Delegates in August 1974.

I should also note that the ABA proposal was not a criticism of the Law Enforcement Assistance Administration or its research component, the National Institute of Law Enforcement and Criminal Justice (NILE). The ABA proposal was the product of an independent concern with the overall pattern of justice research.

The National Institute of Justice Act has been developed over the years by the ABA with the involvement of many Senators and Representatives. As I mentioned, Leon Jaworski, as president of the ABA, created a 22-member interdisciplinary commission in 1972 to consider the creation of such an NIJ. The commission held a national conference to consider the concept in December 1972, which was attended by 150 national leaders from a variety of fields. The commission thereafter worked for several months preparing its proposal and sent two versions of the proposal to over 12,000 lawyers, judges, and lay persons for their comments and reactions.

The commission also held public hearings in five cities around the country in the spring of 1974 to receive further public response. Thus, the final proposal reflects the collective thinking and ideas of a great number of people from throughout the country. Our highly esteemed late colleague, Senator Hubert Humphrey, introduced a similar version of this bill in the 92d and 93d Congresses.

Among the cosponsors during the 92d and 93d Congresses, in addition to Senator Hubert Humphrey and myself, were Senators BAKER, Bible, INOUYE, MONDALE, Moss, NUNN, Pastore, PELL, PERCY, RANDOLPH, and STEVENSON. In light of former Senator Hubert Humphrey's support and leadership for an independent NIJ, I was especially pleased to have Senator Muriel Humphrey join with Senators Eastland, BAKER, MATHIAS, Paul Hatfield, RIBICOFF, INOUYE, and Abourezk in reintroduction of this bill in the 95th Congress.

This bill would create an independent agency to fund research and pilot projects aimed at making the justice systems in this country more responsive and more efficient. The proposed Institute would provide badly needed funding and coordination to the few already-existing public and private efforts in this area. A Presidentially appointed Board of Trustees would establish overall research priorities; the Institute would then contract with existing organizations knowledgeable in the particular subject area to conduct research or pilot projects. The range of the NIJ would include constitutional rights, civil and criminal law and procedure, as well as juvenile rights and administrative and regulatory matters at the Federal, State and local levels. The new agency would be authorized to evaluate the effectiveness and quality of justice and the administration of law.

Mr. President, I would like to note that I also am joining my friend, colleague, and Judiciary Committee chairman, Senator KENNEDY, along with several other Members of this body today, in cosponsoring the administration's proposal for the restructuring of LEAA. I am sure this bill will be given careful study. This proposal, the Justice System Improvement Act, provides for the creation of a National Institute of Justice to perform some similar functions, but would place it within the new Office of Justice Assistance, Research and Statistics in the Department of Justice. The ABA believes that, in order to have the public visibility and credibility which is essential for the success of this program, the NIJ must be established as an independent agency, and not be made part of OJARS or the Department of Justice. This is an issue which I believe deserves careful consideration.

I am joining in cosponsorship of the administration's proposal because I believe it represents a needed legislative vehicle for the improved operation of LEAA and it presents suggestions which deserve our careful consideration. However, I oppose placing the NIJ within the Department of Justice. Among my concerns are:

The political needs of the Department and the State and local governments who receive LEAA grant funds should not dictate the research programs which will be undertaken. These problems have plagued the current LEAA research institute, and I see little possibility of change unless the NIJ is independent of Department control.

To the extent that judicial administration is a problem worthy of study, responsibility for such a study should not rest within the control of a Department that regularly appears before the Judiciary.

The Institute should conduct a balanced research program covering constitutional, criminal, civil, juvenile, administrative and regulatory matters. By placing an Institute under the complete control of the Department of Justice, the administration's proposal may offer little hope of addressing major areas of our justice system other than criminal justice.

In light of these differences in perspective, I look forward to working with Senator KENNEDY and the administration in restructuring LEAA while also assuring that the National Institute of Justice will have independence in its governance and operation.

The National Institute of Justice which is proposed in the legislation I introduced today would not duplicate activities of the many law reform programs now being conducted by such groups as the National Center for State Courts, the ABA, and the American Judicature Society, nor would it duplicate the work of LEAA. The research would be conducted not by the Institute itself, but by persons and groups having expertise in particular subjects. The NIJ would strengthen existing efforts, rather than duplicate them. The Institute would also permit a coordination of effort between such groups which have similar but not identical jurisdiction.

Our proposal has several important features:

First. Research and experimentation will be performed by an independent agency.

Second. The Institute will be governed by a Board of Trustees appointed by the President. It is essential that the Institute have an interdisciplinary, broadly representative governing body; this is much more likely if the President makes the appointments.

Third. Our proposal contemplates a comprehensive research and pilot project effort encompassing all aspects of the justice system—constitutional, criminal, civil, juvenile, administrative, regulatory and so forth. Research is presently done on a piecemeal basis, with little coordination between the various efforts. A comprehensive approach would permit both greater awareness of other research projects and appropriate exchange of information and ideas between, for example, researchers in the criminal justice field and those in the civil field.

Fourth. The great bulk of research would be performed by outside individuals and organizations, thereby fostering diversity rather than a monolithic Federal bureaucracy. Of course, it is important that the Institute's staff be current with the research in the field; otherwise, they will be unable to evaluate research needs and project results. The in-house staff will also be authorized to perform pilot, developmental and evaluative studies.

I have also suggested a variety of other functions which a National Institute of Justice might perform: training and educational programs in the law and information-gathering and dissemination functions. These functions are intended to supplement the primary research function of the NIJ, and the demands for these services hopefully will not divert the Institute from its principal role.

Mr. President, in conclusion, I would like to quote from a statement made in April 1974, about the NIJ proposal by a former Governor of the State of Georgia, Jimmy Carter. The ABA Commission on the NIJ held a series of public hearings around the country to receive comments and reactions to the ABA proposal. Governor Carter submitted a statement at the hearing held in Atlanta—see appendix—and his statement concluded as follows:

> I for one believe that a body like the National Institute of Justice is essential to study these and other problems of our justice system and to achieve meaningful reform. No single city or state can command the resources and personnel to undertake such an effort. Many problems of our justice system are, of course, local in nature; but many others recur time and time again in different cities and in different states. A national body which would study these problems and suggest, not dictate, solutions would be a great resource to me and other governors. The role which the Institute could serve in publicizing and coordinating existing reform efforts would also be a genuine step forward. I commend you for the fine and diligent effort which your Commission has put into this effort so far, and I heartily endorse your proposal. Its unified approach will assist us in establishing justice throughout the United States and thereby create "a more perfect Union."

Mr. President, Thomas Jefferson once said:

> I am not an advocate for frequent changes in laws and constitutions. But laws and institutions must go hand in hand with the progress of the human mind. As that becomes more developed, more enlightened, as new discoveries are made, new truths discovered and manners and opinions change, with the change of circumstances, institutions must advance also to keep pace with the times. We might as well require a man to wear still the coat which fitted him when a boy as civilized society to remain ever under the regimen of their barbarous ancestors.

Mr. President, I believe this bill can be a turning point in the Federal Government's commitment to assist State and local governments in their administration of justice. I look forward to the hearings and debate over the next few months.

Mr. President, I ask unanimous consent that the National Institute of Justice Act and the accompanying section-by-section analysis be printed in the RECORD.

Mr. President, I also ask unanimous consent that the following materials be printed in the RECORD:

National Institute of Justice Proposal Endorsements;

ABA-NIJ question and answer;

ABA-NIJ former members of the Commission on a NIJ;

ABA-NIJ present members of the Commission on a NIJ;

National Institute of Justice—A proposal by Bert H. Early, West Virginia Law Review, April 1972;

The Association of the Bar of the City of New York, "A National Institute of Justice Report";

Letter from William B. Spann, Jr., president of the ABA to the President, April 18, 1978;

William B. Spann, Jr., president of the ABA information in response to President Carter's remarks to the Los Angeles Bar Association, May 10, 1978;

American Bar Association Journal, "The Candidates Answer" October 1976, volume 62, President Ford and Governor Carter;

Statement of Gov. Jimmy Carter, public hearings, ABA-Commission on a National Institute of Justice. Stouffer's Inn, Atlanta, Ga., April 22, 1974; and

Letters and editorials endorsing the independent NIJ.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 260

Be it enacted by the Senate and House of Representatives of the United States of America in Congress, That this Act may be cited as the "National Institute of Justice Act".

FINDINGS AND DECLARATION OF PURPOSE

SEC. 2. The Congress hereby finds that—

(1) continuous efforts must be made to improve the quality and access of justice and the fairness and effectiveness of the administration of law and to assure that all persons are able to secure prompt and efficient enforcement of their constitutional rights, legal rights, privileges, and obligations, and will receive equal justice without regard to

wealth, social position, race, sex, age, religion, or national origin;

(2) improvement of justice and the administration of the law must be made not only in courts but also in administrative tribunals, agencies of government, and in relations among private individuals and organizations:

(3) the task of improving the quality and access to justice and the administration of law requires development and dissemination of knowledge and understanding of the circumstances and processes through which law affects the lives of persons at all levels of government and society;

(4) the Federal Government, through an independent body can contribute to improving justice and the administration of the law by aiding in the development and dissemination of knowledge while also recognizing the authority and responsibility of state and local government and private individuals and organizations so that their efforts are not displaced but supplemented and assisted; and

(5) the creation of a National Institute of Justice would further these purposes.

CREATION AND POSITION IN GOVERNMENT

SEC. 3. There is hereby established an independent agency to be known as the National Institute of Justice (hereinafter referred to as the "Institute").

POWERS

SEC. 4. (a) The Institute is authorized and directed, through grants, contracts, and its own activities:

(1) to make evaluations and appraisals of the effectiveness and quality of justice and the administration of law, including but not limited to constitutional and statutory rights of individuals, civil and criminal justice, juvenile justice, administrative and regulatory law, and private legal conflicts and their resolution, and to make recommendations based thereon;

(2) to conduct basic and applied research concerning justice and the administration of law, employing all necessary forms of research inquiry, including empirical and doctrinal inquiry and policy and jurisprudential analysis, according to their prospects for valuable results;

(3) to conduct experimental programs in the field of justice and administration of law through responsible public and private agencies and organizations, including agencies and organizations of state and local government;

(4) to conduct training and educational programs in law, legal and judicial procedures, and law-related research procedures, including, if desirable, fellowships for research, technical training, and advanced education;

(5) to coordinate its functions with those of other governmental, academic, and research agencies and organizations, public and private, to avoid as far as possible conflict of purpose and duplicalton of effort and to promote as far as possible a common set of national priorities in improving justice and the administration of law; and

(6) to conduct such library, clearinghouse, information gathering, and information dissemination functions as may further the realization of its other responsibilities;

(b) In carrying out these functions the Institute shall not undertake research, experimentation, or training through personnel of the Institute, but the Institute through its staff may engage in such developmental studies as may be necessary to formulate or evaluate research, experimental, or training proposals.

(c) In its research, experimental, and training programs, and in making recommendations for improvement and access of justice and the adminisrtation of law, the Institute shall give particular attention to the impact of justice and the administration of law on individual citizens and their opportunities to secure prompt and effective enforcement of their constitutional rights, legal rights, privileges and obligations, and to securing to them equal access to legal redress without regard to wealth, social position, race, sex, age, religion or national origin.

ORGANIZATION OF THE INSTITUTE

SEC. 5. The Institute shall consist of a Board of Trustees, a Director, and a Council.

APPOINTMENT OF BOARD OF TRUSTEES

SEC. 6. (a) The Board of Trustees shall consist of 16 members. The members of the Board of Trustees shall be appointed by the President, by and with the advice and consent of the Senate. The persons appointed shall be eminent in community and public affairs, public administration, the law, the administration of justice, or scholarship in law or related academic disciplines, and shall be selected on the basis of established records of distinguished service or accomplishment.

(b) The membership of the Board shall include:

(1) two persons, each of whom is chosen from a list of not less than five nominations made by the National Governors Conference;

(2) two persons who are judges of the courts of the States, each of whom is chosen from a list of not les than five nominations made by the Conference of Chief Justices;

(3) at least four members who are lawyers;

(4) at least four persons who are neither judges nor lawyers; and

(5) the Attorney General, the Secretary of Health, Education, and Welfare, the Secretary of Labor, the Secretary of Housing and Urban Development, the Administrator of the Office of Juvenile Justice and Delinquency Prevention, the Commissioner of the Office of Education, the Director of the Bureau of Prisons and the Director of the Legal Services Corporation or their respective designees as ex officio members of the Board. Appointments to the Board shall be so made that its membership shall include one resident of each of the Circuits of the United States Courts of Appeals.

(c) In making appointments, the President shall solicit and give due consideration to recomendations submitted by members of Congress and other officers of Federal, State, and local government, by civic and citizen organizations that have manifested an interest in justice and the administration of law, by organizations of the legal profession (including the judiciary), and by the academic branches of the law and law-related disciplines.

(d) The term of each member of the Board shall be four years, except that (1) a member appointed to fill a vacancy occurring prior to the expiration of the term for which his or her predecessor was appointed shall be appointed for the remainder of that term; and (2) the terms of office of the members first taking office after the date of enactment of this Act shall expire, as designated by the President at the time of appointment, four at the end of one year, four at the end of two years, four at the end of three years, and four at the end of four years after the date of the first appointments made under this Act. Any person who has been a member of the Board for two consecutive terms shall thereafter be ineligible for any subsequent appointment to the Board. Such members shall be appointed within ninety days after the date of the enactment of this Act.

POWERS AND RESPONSIBILITIES OF THE BOARD OF TRUSTEES

SEC. 7. (a) The Board shall elect a Chairperson from among its members and may elect from such membership a Vice Chairperson and such other officers as it may designate. The Chairperson and other officers so elected shall hold office for one year and until their respective successors are qualified and may be re-elected so long as they continue as members of the Board.

(b) The Board may appoint from its members an Executive Committee and assign to the Executive Committee such powers of the Board as it deems appropriate except that of reviewing and approving the budgetary proposals of the Director. It may appoint such other committees, whose membership need not be limited to members of the Board, as it deems appropriate, including advisory committees in specific areas of its work.

(c) The Board shall also:

(1) meet quarterly and at such other times as it may specify, or upon the call of the Chairperson, the Director, or at least one-third of its members;

(2) in consultation with the Director, formulate the policies and programs of the Institute;

(3) at least annually prepare and make public distribution of the program plans and descriptions of projects proposed and contemplated by the Institute and solicit suggestions and comments concerning the same, with particular regard to their relationship to similar or related programs and projects of other public and private agencies concerned with justice and the administration of law;

(4) monitor and cause evaluations to be made of the value and effectiveness of the programs of the Institute;

(5) after consultation with the Council, render an annual report to the people of the United States and to Congress on the work of the Institute and the state of justice and cluding, if desirable, recommendations for improvement and access of justice and administration of law;

(6) determine the time and place of sessions of the Council, which shall meet at least twice per year; and

(7) approve and submit budgetary proposals for the Institute.

(d) The members of the Board shall receive compensation at the rate of $100 for each day engaged in the business of the Institute and shall also be allowed travel expenses as authorized by section 5703 of Title 5, United States Code.

DIRECTOR

SEC. 8. (a) The Director shall be appointed by the Board without regard to the provisions of Title 5, United States Code, governing appointments in the competitive service. The term of the Director shall be six years unless he or she is sooner removed by the Board. The Board may remove the Director by vote of a majority of its members.

(b) The Director shall, subject to the direction of the Board, be responsible for carrying out the functions of the Institute and, except as otherwise provided in this Act, shall exercise all authority granted to the Institute by this Act. In addition, the Director shall:

(1) recommend to the Board policies and programs;

(2) prepare, for approval of the Board, estimates of the budgetary requirements of the Institute; and

(3) with the advice and approval of the Board, appoint a Deputy Director, without regard to the provisions of Title 5, United States code, governing appointments to the competitive service.

(c) The Director may delegate to any other officer or employee of the Institute any duty or authority he or she has, except those specified in subsection (b) (1), (2) and (3).

COUNCIL

SEC. 9. (a) The Council shall consist of not less than fifty nor more than 100 members appointed by the Board for terms of three years, except that those selected initially shall be chosen in a manner such that the terms of one-third of them expire respectively one, two and three years after their appointment. The members of the Council shall be selected to provide broad representation of the views of private citizens and groups and various types of agencies concerned with the administration of justice and to draw upon diverse experience in life and various regions of the nation.

(b) The Council shall meet as provided in Section 7(c)(6). The Chairperson of the Board of the Institute, or another member of the Board designated by him or her, shall preside at meetings of the Council. The Council:

(1) shall receive and may discuss and make recommendations concerning proposals and reports of activity by the Institute;

(2) may authorize creation of study and advisory committees of the Council, whose members shall be appointed by the Chairperson;

(3) may suggest problems and topics which the Institute should undertake as authorized by this Act; and

(4) may make reports and recommendations to the Board.

(c) Members of the Council shall receive compensation at the rate of $100 per day for each day engaged in the business of the Institute and shall be allowed travel expenses as authorized by Section 5703 of Title 5, United States Code.

FURTHER POWERS

SEC. 10. (a) In addition to any authority vested in it by other provisions of this Act, the Institute, in carrying out its functions, is authorized to:

(1) prescribe such regulations as it deems necessary governing the manner in which its functions shall be carried out;

(2) receive money and other property donated, bequeathed, or devised, without condition or restriction other than that it be used for a purpose of the Institute; and to use, sell, or otherwise dispose of such property for the purpose of carrying out its functions;

(3) in the discretion of the Institute, receive (and use, sell or otherwise dispose of, in accordance with paragraph (2)) money and other property donated, bequeathed, or devised to the Institute with a condition or restriction, including a condition that the Institute use other funds of the Institute for the purposes of the gift;

(4) appoint advisory committees composed of such private citizens, members of civic, citizen, and professional organizations, and officials of Federal, State, and local governments as it deems desirable to advise the Institute with respect to its functions under this Act;

(5) appoint and fix the compensation of such personnel as may be necessary to carry out the provisions of this Act without regard to the provisions to Title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates;

(6) obtain the services of experts and consultants in accordance with the provisions of Section 3109 of Title 5, United States Code, at the rates for individuals not to exceed the rate prescribed for GS–18 in the General Schedule under Section 5332 of Title 5, United States Code;

(7) accept and utilize the services of voluntary and non-compensated personnel and reimburse them for travel expenses, including per diem, as authorized by Section 5703 of Title 5, United States Code;

(8) enter into contracts, grants, or other arrangements, or modification thereof to carry out the provisions of this Act, and such contracts or modifications thereo may, with the concurrence of two-thirds of the members of the Board, be entered into without performance or other bonds, and without regard to Section 3709 of the Revised Statutes, as amended (41 U.S.C. 5);

(9) provide for the making of such reports (including fund accounting reports) and the filing of such applications in such form and containing such information as the Director may reasonably require;

(10) make advances and other payments which the Director deems necessary under this Act without regard to the provisions of Section 3648 of the Revised Statutes, as amended (31 U.S.C. 529); and

(11) make other necessary expenditures.

(b) Each member of a committee other than a member of the Board appointed pursuant to Section 7(b) or paragraph (4) of subsection (a) of this section who is not an officer or employee of the Federal government shall receive an amount equal to the maximum daily rate prescribed for GS–18 under Section 5332 of Title 5, United States Code, for each day he or she is engaged in the actual performance of duties (including travel time) as a member of a committee. All members shall be reimbursed for travel, subsistence, and necessary expenses incurred in the performance of their duties.

POLITICAL BAN

SEC. 11. Neither the Director nor any other employee of the Institute shall take any active part in political management or in political campaigns, and no such officer or employee shall use his or her official position or influence for the purpose of interfering with any election or affecting the result of any election.

COMPENSATION OF DIRECTOR

SEC. 12. (a) Section 5315 of Title 5, United States Code, is amended by adding at the end thereof the following new paragraph:

"(95) Director, National Institute of Justice."

(b) Section 5316 of Title 5, United States Code, is amended by adding at the end thereof the following new paragraph:

"(130) Deputy Director, National Institute of Justice."

AUTHORIZATION OF APPROPRIATIONS

SEC. 13. (a) To carry out the purposes of this Act there is authorized to be appropriated $30,000,000 for the fiscal year ending September 30, 1980, $40,000,000 for the fiscal year ending September 30, 1981, $50,000,000 for the fiscal year ending September 30, 1982, $60,000,000 for the fiscal year ending September 30, 1983, and $70,000,000 for the fiscal year ending September 30, 1984.

(b) For purposes of the Budget and Accounting Act estimated expenditures shall be transmitted to the President on or before October 15 of the year preceding the beginning of each fiscal year and shall be included by the President in the Budget without revision, and the Institute shall not be considered to be a department or establishment for purposes of such Act.

SECTION-BY-SECTION ANALYSIS

SECTION 1

Provides that the Act may be cited as the "National Institute of Justice Act".

SECTION 2—FINDINGS AND DECLARATION OF PURPOSE

The objective in creating a National Institute of Justice is to provide an informed mind and voice on matters concerning access to justice and the administration of law in all its aspects in the American community. The Institute is authorized to inquire, to study, and to report concerning the way in which law and justice function in specific contexts of public importance, and to recommend measures for their improvement. The Institute would not be an operating agency, except to the limited extent of being authorized to assist and evaluate experimental programs conducted by other agencies and organizations. The assumption underlying creation of the Institute is that an agency with intelligent and disinterested concern for law and justice can advise and educate public opinion, and thereby help stimulate action for needed change and improvement in this vital aspect of our country's general welfare. To this end, it is contemplated that the Institute will be autonomous, non-partisan, and endowed with excellence and continuity in leadership.

The statement of findings and purposes provides a general statement of the Institute's aims and role. The Institute's field of concern is law and justice in the broadest sense, not merely the courts of the criminal justice system. In the presently foreseeable future it is contemplated that the Institute will play a subordinate role in research and experimentation in matters concerning the courts and criminal justice, because these areas are now being vigorously explored and developed by existing agencies, notably the Law Enforcement Assistance Administration and public and private agencies with which it is collaborating. There are many other important areas of justice and law to which attention and inquiry need presently to be addressed, including such matters as constitutional rights of individuals, legal protection for consumers, access to health-care services, availability of legal services, due process and equal protection in dealing with public agencies, legally secured opportunity to participate in government decision-making, protection of privacy from official intrusion, protection of juvenile rights, accountability of public officials for actions that affect individuals, and economical adjustment of private legal disputes through such devices as arbitration. Our society has become one in which there are ever-increasing involvements of government and private organized groups in the security and well-being of individuals in these respects and many others. There should be a correspondingly increased effort to improve awareness of the legal aspects of these involvements and to reform and improve the law and its administration in response. The Institute would have a responsibility to provide leadership and support for efforts to this effect, collaborating with public and private agencies already concerned with specific areas in the general field.

SECTION 3—CREATION AND POSITION IN GOVERNMENT

Designates the name of the Institute and provides that it is an "independent" agency. In the nature of its work, the Institute will be involved in studying, experimenting, and making recommendations on matters that are complex and potentially controversial. Its effectiveness in doing so will be determined by its record and reputation of candor, thoroughness, and disinterestedness. To assure such effectiveness, it is essential that the Institute be enabled to develop its program without political interference or intervention by other branches or agencies of government. The objective in this regard is an agency maintaining the kind of independence characteristic of the National Science Foundation, the Administrative Conference of the United States, and comparable existing agencies.

SECTION 4—POWERS

States the responsibilities and goals of the Institute and provides directions for pursuing them. The provisions in Section 4(a) that the Institute may act "through grants, contracts, and its own activities" is designed to indicate that the Institute, while having wide flexibility in carrying out its responsibilities, is to draw primarily upon outside capabilities through grants and contracts rather than attempting to perform its functions "in house." Experience with government sponsored research indicates the importance of trying to avoid the insularity or bias that can result from staff-centered operations. At the same time, the Institute must have the capacity to engage in such development studies as may be necessary to formulate or evaluate research, experimental or training proposals. No percentage or like limitation is imposed on the proportions of effort involved, but it is contemplated that something like three-quarters of the Institute's budget would be expended through grants and contracts.

Section 4(a) paragraphs (1) through (4) describe the basic responsibilities of the Institute. The subject matter domain of the Institute is "justice and the administration of law," a term intended to signify in the broadest sense all aspects of law and justice. It includes not only such matters as the operation of courts and administrative agencies and tribunals but the systems of nongovernmental dispute resolution, the problem of access of citizens and private organizations to legal assistance and redress, and the fairness and efficiency with which laws of various kinds operate in everyday life. It includes also education in law, both in law schools and in general education, penal law and corrections, the rights of juveniles, effectiveness of legal services, and comparable specific problem situations. In this large and complex subject area, the Institute, of course, will have to make continuous selection of matters for immediate attention. It cannot be expected to consider all matters included in its authority but will have to develop priorities in the light of the general public importance of various matters within its purview. It is not contemplated that the Institute would engage in any functions or activities, the undertaking of which by another agency has been specifically rejected by Congress as an inappropriate use of Federal funds. The Institute might, however, make further inquiry or investigation into the matter if it appeared that Congress had acted on inadequate or erroneous informatnon in making such rejections.

The methods by which the Institute may concern itself with the subject of law and justice include evaluations and appraisals, basic and applied research experimentation, and training and educational programs. These methods are described in intentionally general terms. At the same time, the Institute is not authorized to become an operating gency in any field of justice or the administration of law, not to become an ongoing source of funding for such operations conducted by other agencies.

The Institute is given no authority to establish or impose standards. Its authority is limited to the persuasive effects of its studies and recommendations, and the influence which it is hoped its prestige and reputation will provide. The provisions of Section 4(a) (4) concerning fellowships contemplate stipends for specific research and educational undertakings, some of which might be made available for research in residence at the Institute, as in the program of the National Institute of Health. It is not intended to authorize a general plan of scholarships for attending law school.

Section 4(a) (5) provides that the Institute shall pursue its responsibilities in a way that minimizes conflict or duplication with existing agencies in the field of justice and the administration of law. This provision recognizes that there are already many private and public organizations devoted to research, education, and reform in law and justice, and that there will continue to be, It is impossible to define jurisdictional boundaries in such a large and complex area, and unwise for an existing or proposed organization to be given preemptive authority in any field within it. Yet it is also important at any given time to avoid duplication and wasteful competition. Many significant problems in law and justice are not now receiving the attention they require and deserve. The direction to promote a common set of priorities requires the Institute to develop its program with an eye to the relative importance of problems, the feasibility of remedies within a given time span, and economy of available resources. Another provision, Section 7 (c) (3), requires the Institute to make public dissemination of its program plans and project descriptions on a regular periodic basis and to solicit suggestions and comments concerning them. Administered by a properly constituted Board and a conscientious Director, these provisions could make possible a much greater degree of harmony and coordination of effort than presently exists.

Section 4(a) paragraphs (6) and (7) authorize library, clearinghouse, and publication activities. These are essential to the collation of existing knowledge and the dissemination of new studies and proposals. The requirement of coordination in Section 4 (a) (5) applies to these provisions as well as to other elements in the Institute's program.

Section 4(b) makes clear the priority that the Institute is to give to the use of grants and contracts, and the aim of keeping its staff small. The Institute is authorized to perfom pilot, developmental, and evaluative studies through its own staff, for this is often an essential element in determining whether a particular program is feasible and potentially productive. Aside from this authority, however, the Institute is to conduct its program through outside agencies—academic, research, and governmental—rather than through its own staff.

Section 4(c) provides that the Institute shall give particular attention to the impact of justice and the administration of law on private individuals. Specific attention is directed toward problems of equal protection and access to legal redress where an individual's situation may be affected by discrimination or disability on account of income status, race, sex, age, religion, or national origin. This concept is general and necessarily somewhat vague, but it signifies a very important concern. The Institute is required to give continuing attention to those who are affected by the systems of law and justice, and not merely those who administer the law or who are otherwise involved with it in a professional capacity. The ultimate aim of all legal institutions and procedures is a better and more acceptable quality of justice for the citizenry at large. Primary concern for this interest is a vital element of the Institute's responsibilities.

SECTION 5—ORGANIZATION OF THE INSTITUTE

Provides that the Institute shall consist of a Board of Trustees, a Director and a Council. This arrangement is intended to provide the Institute with a responsible governing body consisting of a small number of nationally distinguished members, competent professional leadership and administration, and the advice of a broadly representative consultative council. The aim is a balance between public stature, technical and intellectual expertise, and popular expression in the policy and program of the Institute.

SECTION 6—APPOINTMENT OF BOARD OF TRUSTEE

Section 6(a) provides for the Board of Trustees. There are to be 16 trustees, a number large enough to have wide representation and yet small enough to assure efficiency and direct responsibility in supervision of the affairs of the Institute. The members of the Board are to be appointed by the President, by and with the advice and consent of the Senate. This is the method most widely employed in constituting an independent federal agency, and has the advantage that the appointments may be made from a single national perspective and through a procedure that facilitates maintaining balanced diversity in the Board's membership.

The trustees are to be chosen on the basis of civic concern and professional stature. All appointments are to be made without regard to partisan or special interest affiliation and with due concern for establishing a broadly representative group. At the same time, recognition of the central importance of the states in the administration of justice is preserved through participation of the National Governors Conference and the Conference of Chief Justices in the process of selecting the Board. Similarly, the requirements for geographical diversity in the Board's membership and inclusion both of persons who are lawyers and those who are neither judges nor lawyers are designed to assure that the Board will have a broad perspective of the administration of justice. In addition a group of ex officio members shall be on the Board composed of the Attorney General, the Secretary of Health, Education and Welfare, the Secretary of Labor, the Secretary of Housing and Urban Development, the Administrator of the Office of Juvenile Justice and Delinquency Prevention, the Commissioner of the Office of Education, the Director of the Bureau of Prisons and the Director of the Legal Services Corporation. The cause of justice is far too important to be left entirely in the hands of the legal profession or to a group of persons from any one region.

The terms of the Board members are four years, in terms staggered to provide continuity. A limit of two consecutive terms is imposed to provide gradual turnover on the Board and thus the introduction of fresh viewpoints and abilities.

SECTION 7—POWERS AND RESPONSIBILITIES OF THE BOARD OF TRUSTEES

The Chairperson and other officers of the Board are to be chosen by the Board from its members. It is contemplated that the burdens of time and effort falling on the Chairperson will be very substantial, and those on the other officials similar though in lesser degree. The Chairperson in particular should therefore be a person who is able and willing to give substantial and continuing attention to the business of the Institute. The Board would be in the best position to know which of its members could most effectively discharge these responsibilities. Section 7(b) authorizes the Board to constitute necessary committees, including an Executive Committee. This will permit the Board to give close and continuing attention to the program of the Institute. To the same effect is the provision in Section 7(c) (1) that the Board shall meet at least quarterly.

The remaining provisions of Section 7 specify responsibilities and authority of the Board. The Board is required by Section 7(c) (3) to disseminate its program plans and proposed projects on a periodic basis. This provision, as noted earlier, is designed to facilitate coordination of the Institute's program with that of other public and private agencies concerned with justice and the administration of law. It should also provide the Institute with valuable critical commentary on the feasibility and value of projects it is considering to undertake. Section 7(c) (4) requires the Board to monitor the programs of the Institute, which is its inherent responsibility in any event, and to cause evaluations to be made of the Institute's work. The aim is to make sure that the Board has independent advice concerning the usefulness and progress of projects it has authorized. Section 7(c) (5) requires the Board to make an annual report on behalf of the Institute. The report is to be addressed to the people as a whole and to the Congress inasmuch as the points of implementation of its findings or recommendations, depending on their subject and substance, may be either legislative, judicial, or executive at national, state, or local levels of government.

SECTION 8—DIRECTOR

Provides for a Director to be appointed by the Board. The Director is chief administrative and professional officer of the Institute, but is responsible to and subject to the direction of the Board, by whom he or she may be removed.

SECTION 9—COUNCIL

Provides for the Council. The size of the Council is to be determined by the Board within the limits of 50 to 100 members. It is contemplated that the number may vary from time to time, depending on experience as to the participation of Council members and on availability and willingness to serve of properly qualified individuals. The Board is directed to constitute the Council in such a way as to provide a wide cross-section of civil, vocational, professional and individual interests.

The Council is intended to serve as a forum for suggesting matters to which the Institute should give its attention and for reviewing and commenting upon endeavors which the Institute has undertaken. It is empowered to have committees created and to make reports and recommendations to the Board. It is not empowered to speak for the Institute, nor to authorize expenditure of Institute funds. The Council will thus be dependent on the force of persuasion to make itself effective. If the Board exercises its power of appointment with vigor and diligence, as it may be expected to do, the Council can provide both guidance and strong public support for the efforts of the Institute.

SECTION 10—FURTHER POWERS

Provides housekeeping provisions, patterned after those in effect for comparable independent agencies already constituted by law.

SECTION 11—POLITICAL BAN

Prohibits political activities as applied to the Director and other staff members of the Institute. It would not prohibit persons who hold political office, for example a state governor, from being on the Board.

SECTION 12—COMPENSATION OF DIRECTOR

Provides for the compensation of the Director and the Deputy Director, under Section 5315 of Title 5, United States Code and Section 5316 of Title 5, United States Code, respectively.

SECTION 13—AUTHORIZATION OF APPROPRIATIONS

Provides for the authorization of appropriations, of $30,000,000, $40,000,000, $50,000,000, $60,000,000 and $70,000,000 for fiscal years 1980 through 1984 respectively.

Provides as a safeguard of the Institute's independence that pursuant to the Budget and Accounting Act, that estimated expenditures shall be transmitted to the President on or before October 15 of the year preceding the beginning of each fiscal year and shall be included by the President in the Budget without revision, and that the Institute shall not be considered to be a department or establishment for purposes of such Act.

NATIONAL INSTITUTE OF JUSTICE PROPOSAL ENDORSEMENTS

American Bar Association.
American Judicature Society.
Association of American Law Schools.
Association of the Bar of the City of New York.
Bar Association of Erie County (N.Y.)
Bar Association of Metropolitan St. Louis.
Barristers Club of Nashville Tennessee.
Barristers Club of Sacramento County.
Chicago Council of Lawyers.
Communications Workers of America.
Detroit Bar Association.
Federal Bar Association (by its Council on Federal Law, Agencies & Practice).
Institute for Court Management.
League of Women Voters of Kansas.
Long Beach (Calif.) Bar Association.
Los Angeles County Bar Association.
Michigan State Bar Association.
National Bar Association.
National Conference of Commissioners on Uniform State Laws.
National Juvenile Detention Association.
National Institute of Municipal Law Officers.
National Legal Aid and Defender Association.
Native American Rights Fund.
New York State Association of Magistrates.
North Dakota State Bar Association.
Salvation Army.
State Bar of Georgia.
Toledo Bar Association.
United Auto Workers.
Vermont State Bar Association.
Volunteers of America.
Washington State Bar Association.
Wichita Bar Association.
Young Lawyers Section of the State Bar of Arizona.

AMERICAN BAR ASSOCIATION—NATIONAL INSTITUTE OF JUSTICE, JULY 1978

Question. How well is our justice system working?

Answer. No one knows. The system is at once huge and complex. Getting a handle on its operation is a massive task. It is perhaps understandable that no on-going comprehensive study of our justice system (or rather systems—local, state and federal civil; criminal; administrative; regulatory; law schools; courts; police; correctional facilities; arbitration panels; small claims courts; legal insurance, etc.) is being made.

We do know that the demands made upon these many components of our justice system grow daily. It is estimated some 20,000 state laws and 300 federal laws are passed each year. The burden on our courts has increased dramatically. The federal criminal caseload alone increased 172 percent between 1960 and 1970. Prisons and other correctional facilities house 450,000 offenders watched over by 150,000 correctional personnel. The system grows like Topsy, moving from crisis to crisis and without the capacity for calm reflection.

Question. What is presently being done?

Answer. A considerable number of groups are doing excellent work with respect to particular aspects of the justice system. But the resources available to these groups have been very limited and have inhibited these groups from achieving the prominence and impact which they deserve. Furthermore, while there has been some attempt to coordinate efforts, there has been no effective system for doing so. Overall, legal research has been performed in a piecemeal and largely uncoordinated fashion. And federal efforts to provide leadership and assistance have been fragmented and very limited in scope.

By contrast, federal investment in research programs in other fields are substantial. The National Institutes of Health are currently funded at an annual level of $2.8 billion; the National Science Foundation, $884.9 million; the National Institute of Education, $90 million; and the National Foundation on the Arts and Humanities, $114 million.

Daniel Webster once said "Justice is the most important thing on this earth." But the problems of justice can't be solved by piecemeal voluntary efforts. To insure a significant national investment of resources into finding solutions for the problems facing our justice system, the American Bar Association in 1974 first proposed the creation of a National Institute of Justice.

Question. What is the American Bar Association's proposed National Institute of Justice?

Answer. As proposed, the National Institute would be an independent agency of the federal government. (The American Bar Association, therefore, would have no control over the National Institute's affairs.) The National Institute would review and study the ways our various justice systems operate in practice and would develop imaginative ways of improving those systems. Research and pilot programs would be conducted under its auspices by groups around the country already having expertise in a particular area. Thus, a large isolated bureaucratic regime would not be created in Washington.

The jurisdiction of the National Institute would be as broad as the field of justice itself. The governing Board of the National Institute would select the specific issues and concerns within that broad jurisdiction which would be dealt with by the National Institute. The following issues are representative of those which the Institute might explore:

(a) How can citizens be better informed about the workings of the justice system which affect their lives so greatly every day?

(b) How might the frequent conflict between an individual's right of privacy and the public's right to security be sensibly resolved?

(c) How might legal procedures and legal documents commonly used by average citizens be simplified to reduce confusion and misunderstandings?

Question. How was the proposal developed?

Answer. The American Bar Association, under the leadership of its then president, Leon Jaworski, created a 22-member interdisciplinary Commission in 1972 to consider the creation of such a National Institute of Justice. The Commission held a national conference to consider the concept in December 1972, which was attended by 150 national leaders from a variety of fields. The Commission thereafter worked for several months preparing its proposal and sent two versions of the proposal to over 12,000 lawyers, judges and laypersons for their comments and reactions. The Commission also held public hearings in five cities around the country in the spring of 1974 to receive further public response. Thus, the final proposal reflects the collective thinking and ideas of a great number of people from throughout the country.

Question. How does the ABA's proposal differ with the Carter Administration proposal to create a National Institute of Justice within the Department of Justice?

Answer. The Carter-proposed National Institute of Justice (DJNIJ) is merely a revamp of the existing National Institute of Law Enforcement and Criminal Justice. As such, the Administration's NIJ would not be independent, would not guarantee a substantial civil justice research program, and would not have the public visibility and credibility which is essential for the success of this program.

In fact, the Administration's NIJ would be plagued by many of the same problems which have plagued the existing LEAA research program. For example, the existing LEAA research arm (NILECJ) has been widely criticized for its lack of independence. Yet the Administration plans not only to leave the institute within the Department of Justice but within the same office which will supervise the LEAA block-grant program.

Question. Why is the question of independence so important?

Answer. Independence is crucial to the effectiveness and eventual success of a National Institute of Justice.

A research institute within the Department of Justice and part of a grant-making "action agency," as the Carter Administration is proposing, could face a number of serious problems that would endanger its control and credibility.

For example, political pressure for short-term results are likely to be far greater if the research institute is part of a mission-oriented agency. Operational needs of an "action agency," too, could influence the nature of the research program. And, it is quite possible the research institute would be totally obscured and overwhelmed by grant-making activity. Another concern is that budgetary considerations within a Department may prevent the research program from receiving an appropriate level of funding.

Also there is some question as to whether the Department of Justice would be as willing and able to reach out and attract the diversity of cooperation and support from other disciplines which an independent agency could attract. Certainly independent status would substantially enhance the credibility afforded to a federal justice institute by state and local governments. And there is no question that public credibility of and visibility for the research institute and its work will be far greater if it is independent and not part of an action agency.

Finally, justice research, to the considerable extent it involves the Judicial Branch, should not be placed in a line agency within the federal Executive Branch but should be housed in a more neutral setting.

Question. Doesn't the justice system need more money to solve its problems, not more research studies?

Answer. No one disputes that many components of the legal system—the corrections components, for example—are underfunded and understaffed. But throwing money blindly at major problems is not a productive or fiscally-sound approach. A research body offers the promise of returning greater financial returns to society than it costs, apart from the primary benefit of improving the justice system.

Question. Wouldn't NIJ activities duplicate many law reform programs now being conducted by such groups as the National Center for State Courts, the ABA, the American Judicature Society, and others?

Answer. No. The primary purpose of the NIJ would be to infuse badly-needed public funds into the legal research and reform field. The research would be conducted not by the Institute itself but by persons and groups having expertise in particular subjects. Thus, the NIJ would actually greatly strengthen existing efforts rather than duplicate them. The Institute should also permit a coordination of effort between such groups which have similar but not identical jurisdiction.

Question. Isn't the NIJ just another example of the Federal Government telling the states how to run their affairs?

Answer. Absolutely not. The NIJ would have no control over the operations of any component of any state's justice system. It would have no control over decisions as to what states should receive federal assistance for the operation of their legal system. It would perform research and conduct pilot programs in an effort to develop suggestions for improvement to the justice system nationally; but it would have no authority to compel compliance with its suggestions in any fashion.

There are problems common to each State. Some localities do not have the resources to devote to solving some of these problems. The NIJ will be able to help states and localities interchange ideas and coordinate efforts to improve the justice system. It will not, and cannot, tell state and local governments how to run their justice systems.

Question. How much will this cost?

Answer. The projected cost of this agency is small—perhaps $30 million to start (roughly the budget of the research institute now operated within the Law Enforcement Assistance Administration), expanding to around $50–60 million when fully operational. In comparison to the funds now spent for similar federal efforts in the health and science fields (current appropriations for the National Institutes of Health total over $2.8 billion and for the National Science Foundation $864.9 million), and in relation to the benefits which such a program is likely to return to society, the cost is remarkably low. The returns to society—both in dollar savings and in improvement in the quality of justice—will far exceed this modest cost.

Question. Is the ABA the only supporter of this proposal?

Answer. Not at all. The following national groups are among those which have already endorsed the concept: American Judicature Society; Association of American Law Schools; National Bar Association; National Conference of Commissioners on Uniform State Laws; National Juvenile Detention Association; National Legal Aid and Defender Association; Native American Rights Fund; Salvation Army; United Auto Workers; Volunteers of America.

In addition, several state and local bar associations, governors and other state officials and hundreds of individual lawyers, judges and lay persons already have strongly supported the proposal.

AMERICAN BAR ASSOCIATION—FORMER MEMBERS OF THE COMMISSION ON A NATIONAL INSTITUTE OF JUSTICE

Lucy Wilson Benson, Amherst, MA., former President, U.S. League of Women Voters; Under Secretary of State for Security Assistance, Science and Technology.

Warren Christopher, Los Angeles, CA., Deputy Secretary of State.

James W. Cobb, Washington, D.C., former President, National Bar Association; private practice.

Martin E. Danziger, Washington, D.C., former DOJ liaison; now Director, United Mine Workers Health and Retirement Fund.

Eli Goldston, Boston, MA., deceased, former President, Eastern Gas and Fuel Associates.

Patrick H. Hays, North Little Rock, AR., former President, ABA Law Student Division; now Counsel, Department of State, State of Arkansas.

M. Carl Holman, Washington, D.C., President, National Urban Coalition.

Joseph D. Keenan, Washington, D.C., former International Secretary, International Brotherhood of Electrical Workers.

Calvin H. Plimpton, Brooklyn, NY., President, Downstate Medical Center.

Charles S. Rhyne, Washington, D.C., former NIJ Commission Chairman; Former President, ABA; private practice.

Jonathan C. Rose, Washington, D.C., was DOJ liaison to NIJ Commission; now in private practice somewhere.

Dean Rusk, Athens, GA., former Secretary of State, now on University of Georgia Law School faculty.

Bernard G. Segal, Philadelphia, PA, former ABA President, private practice.

Sargent Shriver, Washington, D.C., former Ambassador, OEO head, now in private practice.

Robert D. Stuart, Jr., Chicago, IL, Chief Executor and Chairman of the Board, Quaker Oats Corp.

Barbara M. Watson, Washington, D.C., Assistant Secretary of State for Consular Affairs.

Nils Y. Wessell, New York, NY, President, Alfred P. Sloan Foundation.

AMERICAN BAR ASSOCIATION—1977–78 MEMBERS OF THE COMMISSION ON A NATIONAL INSTITUTE OF JUSTICE

Hon. Robert H. Hall, Chairman, Justice, Supreme Court of Georgia, Atlanta, Georgia.

Grant Armstrong, Esq., private practice, Chehalis, Washington.

David Ellwanger, Esq., Executive Director, Los Angeles County Bar Association, Los Angeles, California.

Hon. John M. Ferren, Judge, District of Columbia Court of Appeals, Washington, D.C.

Hon. Erwin N. Griswold, former Solicitor General of the United States, and Dean of Harvard Law School, now in private practice, Washington, D.C.

Hon. Howell T. Heflin, former Chief Justice, Alabama Supreme Court, Tuscumbia, Alabama.

Andrew Hourigan, Jr., Esq., private practice, Wilkes-Barre, Pennsylvania.

Leon Jawarski, Esq., Special Counsel, House Committee on Standards of Official Conduct, former Watergate Special Prosecutor, Houston, Texas.

John A. Krsul, Esq., private practice, Detroit, Michigan.

Mr. Donald H. McGannon, President, Westinghouse Electric Corporation, Broadcasting, New York, N.Y.

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James L. O'Keefe, Esq., private practice, Chicago, Illinois.

Hon. Edward E. Pringle, Justice, Colorado Supreme Court, Denver, Colorado.

Chancellor A. Kenneth Pye, Duke University, Durham, N.C.

Harold E. Read, Jr. Esq., private practice, Hartford, Connecticut.

Hon. William P. Rogers, former Secretary of State, Washington, D.C.

Stephen I. Schlossberg, Esq., general counsel, UAW, Washington, D.C.

Hon. Robert L. Shevin, Attorney General of the State of Florida, Tallahassee, Florida.

Mr. Wayne E. Thompson, senior vice president, Dayton Hudson Corporation, Minneapolis, Minnesota.

Mr. Glenn E. Watts, president, Communication Workers of America, Washington, D.C.

Hon. Malcolm R. Wilkey, judge, U.S. Court of Appeals, Washington, D.C.

Gibson B. Witherspoon, Esq., private practice, Meridian, Mississippi.

BOARD OF GOVERNORS LIAISON

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[From the West Virginia Law Review, April 1972]

NATIONAL INSTITUTE OF JUSTICE—A PROPOSAL

(By Bert H. Early*)

FOREWORD BY WARREN E. BURGER †

From his long experience and the vantage point of his unique position in the organized bar, Mr. Early has given voice to a great need—a great void—in our system. He correctly and carefully disclaims any thought of "homogenizing" the systems of justice, but rather presses for some central means to energize the valuable programs for improved justice now in being and to probe for new solutions. We spend more than two billion dollars annually through the National Institutes of Health and the country is better for it. But the social, economic and political health of the country must be fostered by a comparable facility to revitalize the faltering machinery of justice—and happily that can be done for a mere fraction of the NIH budget. Whether it is financed by private as well as public funds is not central to the proposal—the key is the *function* of such an institute.

Mr. Early's provocative article is advanced by him to stimulate debate. It deserves a wide audience and I sincerely hope it will be challenged and debated—vigorously—by the bar and the public.

I. THE PROPOSAL

The intent of this article is to advance a proposal for the creation of a new type of

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Footnotes at end of article.

organization, national in scope and purpose, to marshal our resources and energies for an accelerated program of modernization of our system of law and justice to serve better the needs of over 200 million Americans.

Such an organization might be called *The National Institute of Justice*. At the outset, it should be clearly understood that the Institute would not conflict with or duplicate the Federal Judicial Center, the National Center for State Courts or other existing organizations. It would, rather, complement their activities and encourage a broader base of support. In broad perspective the concept may be stated simply: the establishment of a national public agency, governed by the most eminently qualified individuals available, and dedicated to the mission of giving national cohesion and increased public and private support to the now inadequate and piecemeal efforts directed toward improving the justice system at all levels. The National Institute must deal with the system of justice as a whole. That system consists of interlocking and interdependent components—substantive laws; procedures; legislative bodies; institutions for dispute settlement, such as courts and administrative agencies; law enforcement offices and agencies and corrections and rehabilitation facilities and services; and a host of individuals who work within the legal profession. The ultimate aim is to achieve a structure of civil and criminal justice that is more effective, expeditious and accessible to the present day needs of all our people.

The goal is unassailable. It was the dream of our founding fathers and it has been the aspiration of our nation's foremost leaders for nearly two centuries. And yet it has eluded us.

No less a figure in American jurisprudence than Roscoe Pound spoke prophetically of its elusiveness as early as 1906. In his historic paper, entitled *The Causes of Popular Dissatisfaction with the Administration of Justice*,[1] Dean Pound addressed the Annual Meeting of the American Bar Association with these words:

"I venture to say that our system of courts is archaic and our procedure behind the times.

"Uncertainty, delay and expense, and above all the injustice of deciding cases upon points of practice, which are the mere etiquette of justice, direct results of the organization of our courts and the backwardness of our procedure, have created a deep-seated desire to keep out of court, right or wrong, on the part of every sensible business man in the community. . . .

"But too much of the current dissatisfaction has a just origin in our judicial organization and procedure. The causes that lie here must be heeded. Our administration of justice is not decadent. It is simply behind the times. . . .[2]"

Again in 1937, more than thirty years later, in Law: A Century of Progress,[3] Dean Pound tolled the same ominous bell:

"Looked at superficially, many features of the legal order of today may well give us pause. . . . The multitude of regulations required by an urban, industrial society encountering the pioneer habits of self-reliance and private judgment which have come down from the past make the time seem one of disrespect for law. . . . The inadequacy of the judicial organization and legal procedure of the past century to deal with the mass of litigation arising in our great urban centers leads to widespread complaint and popular dissatisfaction with the administration of justice. . . .

"Questions of law have ceased to be local. We are so unified economically that no question is limited by jurisdiction and venue as questions used to be. Questions of law today are likely to be questions of business as well. Creative work cannot be done under limitations of party and jurisdictions and venue.

"Even less may the work of reshaping the law be left to occasional legislative commissions or to the intermittent and hurried action of judiciary committees. In such matters as procedure the judicial councils which have been set up so generally in the past decade will do much. But the ministry of justice, which will take the functioning of the legal order as a whole for its province and give to the problems of peace the continuous study which is so generally given by governments to preparations for war, seems to be a long way off in the English-speaking world.[4]"

Progress in the administration of justice has been painfully slow. It has failed to keep pace with a burgeoning, automated, electronic society that is increasingly urban, impatient and demanding. Indeed, the situation has taken on crisis dimensions.

This is not to say or to imply that there has been no progress. Indeed, there has been much. However, its hallmarks too frequently have been a patchwork of effort lacking focus, continuity and adequate funding. Notwithstanding accelerating efforts to improve the administration of justice, Chief Justice Burger, in his address on the State of the Judiciary in July, 1971, was compelled to observe that:

"Essentially the problems of the federal courts, in common with state courts and indeed much of the entire fabric of our national life, are suffering from an accumulated neglect. This disrepair became an acute problem as the load increased, and we cannot ignore it any longer."

It is not the purpose of this article to dwell on the obvious and profound inadequacies of our present system of justice. It is rather to suggest that the evolution of our legal system makes it clear that vital elements still are missing. Those elements are focus, continuity, innovation, experimentation, and research, all melded under capable direction and with adequate funding. The catalytic agency to synthesize these elements can, in this writer's judgment, be a National Institute of Justice.

This article is then a document of advocacy. The historical details of our failure to attain the noblest purposes of our founding fathers are left to the legal philosophers and historians. It is sufficient to accept the fact of that failure as a point of reference and to move on to more promising methods that offer brighter hope for future progress.

II. A NATIONAL INSTITUTE OF JUSTICE

It is proposed that the National Institute of Justice take the form of an independent, not-for-profit, federally chartered corporation designed to coordinate and support the machinery of justice. It would be governed by a board composed of the most eminently qualified and widely representative individuals available. Its mission would be to make the administration of justice more fully responsive to the needs of our contemporary society.

Purposes of the Institute

The primary purposes of the Institute would be as follows:

First, to provide direction and leadership that would be both responsible and responsive. The Institute would serve as consultant and adviser to all components of the machinery of justice at both federal and state levels.

Second, the Institute would provide a permanent body charged with the development of an overview of the law, with the establishment of priorities, with responsibility for the coordination of educational resources, research activities and projects of the organized bar.

Third, the Institute would serve as a fiscal agent to receive and disburse public and private funds for research, evaluation and action.

There is today no single body or individual in the federal or state governments charged with these ongoing overall responsibilities. Cooperation has improved between states and the federal government, but cooperation is not enough. Although each government has certain officers in each branch responsible for specific areas of the administration of justice, each is limited by constitution or statute to only a part of the law's sweep. It seems clear that the three branches of government should have the benefit of the research, counsel, advice and recommendations of an agency that has the primary mission for and a continuing commitment to the improvement of the quality of the legal system as a whole.

Functions of the Institute

It is envisioned that the proposed Institute would perform the following functions:

1. Survey, Appraisal and Information Collection and Dissemination Function

It would be essential that the Institute undertake and maintain an ongoing survey and appraisal of the functioning of the legal system and of the principal efforts to modernize, reform and reconstitute legal processes and the administration of justice. The task of determining what has been and is being done by the federal, state and local governments, private foundations, law schools, interest groups, professional organizations and other educational institutions is a task of great magnitude, but is essential to any coordinated effort directed toward modernization and reform.

The collection and dissemination of information about the operation of our society—*a law society*—is presently conducted by a variety of federal, state and local government agencies, private foundations, the organized bar and private institutions. The present efforts are uncoordinated, frequently incomplete, redundant and permeated with frustrating, circular reference systems. The creation of a National Institute of Justice would, for the first time, provide a single source from which comprehensive and complete information might flow. The Institute could provide an invaluable national link among governmental, private and professional interest groups directly or tangentially concerned with the same or closely related problem areas. The use of modern computer technology makes the goal achievable within a reasonable time and within our economic means.

2. Diagnostic function

The diagnostic function would have as its goal the discovery and evaluation of the principal bottlenecks in the flow of civil and criminal justice and the recognition of new problem areas as they arise. This function has never been assumed by any agency or organization in the country on a continuing and permanent basis. So little attention and money have been devoted historically to this function that the legal profession is constantly in the posture of reacting to certain issues only after they have developed to crisis proportions. With an effective diagnostic function, problem areas can be dealt with more expeditiously and effectively.

3. Coordination function

Coordination would be one of the Institute's foremost roles. This necessarily includes the establishment of priorities, the development of long range goals and a continuing evaluation of the results of action and research programs of the various components of the law society, both public and private.

4. Research catalyst function

The disorganized and proportionately insignificant allocation of resources for legal research is evidence of the crucial need for

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a catalytic function of the Institute in this area. Although lack of sufficient funding is certainly one of the most crippling aspects of the anemic state of legal research in the nation today, a solution does not involve solely the infusion of more dollars. Continual inquiry must be made as to the value and relevance of research undertakings. The Institute could perform a highly valuable service as a catalyst in the development of areas in which research has been long neglected.

Most legal research of the past has been doctrinal research *in law*. However, studies have begun to appear which shed new light on the operation of the processes of law in society—research *about law*.[5]

5. Advisory function

The Institute could play a significant and effective role as an advisor to all branches of government and to the profession. Its recommendation, based upon research and analysis, would certainly tend to carry great weight.

6. Continuity function

Perhaps one of the critical roles which the Institute would assume is to provide functional continuity for the modernization effort. History demonstrates clearly that continuity of direction and operation has been a principal weakness in the functioning of law and in the quest for more effective administration of justice.

7. Neutrality function

A seventh function of the Institute would be its mandate to insure neutrality. It should remain, as much as possible, free from political control of its decision making. While the rule of law in theory knows no party, the nature of our representative government inevitably brings political influences into the operation of the system of justice. An Institute governed impartially is both possible and essential.

Funding

It is contemplated that the Institute would be funded from both public and private sources. It would be both a grantor and a grantee of funds.

In its role as grantee, the Institute would be authorized to receive funds for its general administration, under contract for specific projects and programs and under grants for either specified or unspecified uses. As grantor, the Institute might serve as a funding agency for investment of public or private funds in research or action programs.

It is this writer's view that the creation by Congress of this Institute would not eliminate the continuing need for funding from numerous other sources including individuals, organizations, foundations and state and local governments. On the other hand, it is perfectly apparent to all who have examined the problem that the costs involved in modernizing the justice system—after generations of neglect—will be so large that additional responsibility for making funds available must necessarily rest with the federal government. As the Institute progresses in its survey function, it will only then be able to project accurately financial needs in a realistic way.

It should also be understood clearly that the Institute is not intended to supplant or put out of business existing agencies performing valuable work in the various areas of law and justice. Its aim will be to do more, not less. The Institute will be in posture to provide a common rallying point for concerned individuals and organizational efforts to obtain congressional and executive response for projected needs.

Staff

It is contemplated that the Institute would have an interdisciplinary, broadly experienced professional staff of modest size. The staff, as directed by the governing authority, would not assume the functions presently performed by other organizations; rather, it would undertake functions not now being performed or being performed on a very limited basis.

It is not anticipated, for example that the Institute would itself be a large research organization. It would contract with universities, law schools, bar associations, legal associations, bar foundations, other professional organizations, private corporations and governments to carry out evaluation and research projects.

The staff would be responsible to and serve under the direction of a governing body which might be constituted as a Board of Directors.

Governing authority

It does not seem desirable at this juncture to suggest the specific type, size, or constituency of a governing board. Suffice it to say that the governing body should be appointed for a term of years by the President with the advice and consent of the Senate. Ex officio members might include the Chief Justice of the United States and other high government officers. In all events, members of the governing body should be selected with due regard to their experience, knowledge and proven dedication to the mission of justice.

What the Institute should not be

In any attempt to define what the National Institute of Justice should be, it is critical to inquire as to what it should not be.

The Institute should not usurp functions of existing entities. On the scene today are a number of public and private organizations dedicated to the modernization and efficient functioning of the law society. These include the Federal Judicial Center, the National Center for State Courts, the Law Enforcement Assistance Administration, the American Judicature Society, the American Bar Foundation and other private foundations of research and action in the field of justice, bar-related organizations and research centers. In its coordination role, the Institute would utilize existing organizations, and indeed nurture their further development and usefulness.

The role of the Institute would most certainly not include any attempt to federalize the state courts. Such a statement hardly seems necessary except for the extreme fear of some that action at a national level that involves funding by the federal government may be so motivated. It is contemplated that the Institute would be as much the servant of the states as it would of the federal government. If the Institute were to be successful, its reputation would depend upon its even-handed administration, its thoroughness and its understanding of the broad spectrum of problems in the administration of justice on the local, state and national levels.

It was said long ago and repeated many times since that the law is too important to be left to lawyers. The work of the Institute would be much too pervasive and too important to be other than interdisciplinary in its governing body, its staff and its concept.

The institute is envisioned as a cooperating, coordinating, and consulting organization that would make its resources available for the investigation, analysis and solution of legal and law-related problems. Thus, its staff would primarily perform consulting services, as opposed to having direct responsibility for the implementation of reform movements. In short, the staff would provide insight into ways that modernization resources might be utilized most efficiently.

Because the Institute would not be possessed with coercive power, its effectiveness could only develop as a result of its creativity and its applied expertise in fulfilling its functions. Only if the Institute proves capable of performing that function would its services be in demand or its recommendations be heeded.

III. STRUCTURES OF RESPONSE IN OTHER DISCIPLINES

The concept proposed in this article is not entirely new. Almost precisely fifty years ago Mr. Justice Benjamin Cardozo urged the creation of a ministry of justice.[6] He envisioned that a ministry consisting of five members might observe the law in action, develop recommendations for reform in the civil law and report to Congress and the state legislatures where change was needed. In making his recommendations, Mr. Justice Cardozo observed that his thought was not novel, pointing to the prior proposals of Roscoe Pond, Lord Westbury, Lord Haldane and others.[7]

Other proposals have been made in Congress in more recent years. The late Senator Dirksen and Congressman Emanuel Celler proposed the creation of a national foundation of law in bills submitted in 1967.[8] These bills were offered in full cooperation with the American Bar Association, the Association of American Law Schools and the American Association of Law Libraries. In both the 90th and 91st Congresses Senator Fred Harris submitted proposals for the creation of a National Foundation of the Social Sciences.[9] Senator Harris' proposal envisioned a foundation designed to support academic research, education and training in the fields of political science, economics, psychology, sociology, anthropology, history, law, social statistics, demography, geography, linguistics, communications, international relations, education and other social sciences. In presenting his bill, Senator Harris called particular attention to the fact that his proposed foundation would perform no in-house research, but would, in keeping with the precedents set by the National Science Foundation and the National Foundation for the Arts and Humanities, underwrite, fund and support academic research, education and training in the social science field.

Appropriate inquiry might be made as to whether a National Foundation for the Social Sciences could adequately perform the functions of the proposed National Institute of Justice. The argument can be made quite forcefully that the interdisciplinary atmosphere of an organization devoted to the social sciences might indeed have a statutory effect.

This proposition has been thoughtfully analyzed by Robert B. McKay, Dean of New York University Law School, when he made the following observation: [10]

"[S]ocial scientists do not regard law as a kindered discipline. Accordingly it seems likely that in a social sciences foundation the law would always be the poor relation and that the important tasks we believe should be undertaken would not be supported except where there was an interdisciplinary study to be made in which law could play a complementary, but secondary, role."

With respect to the Dirksen-Celler proposals of 1967, it should be made clear that the leadership of the American Bar Association played a very significant role. Indeed, the leadership of the ABA, the Association of American Law Schools and the American Association of Law Libraries actively solicited the support of Senator Dirksen, Congressman Celler and their colleagues in both the House and Senate in support of that proposal. Why then, it may be asked, after four years has the proposal not been more actively pursued by the associations to the point that it might even today already be a reality. Such legislation commonly requires a germination period. At the time the Dirksen-Celler proposals were introduced it was assumed that it would take a number of years to bring about the adoption of them or similar legis-

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lation. Indeed, the history of the several models described above indicates that this has been the pattern in each case.

The present proposal is thus not reflective of any abandonment of the broad principles contained in the original Dirksen and Celler bills, but is rather reflective of the refinements in thought that have evolved during the past four years. Indeed, it is recognized that there may be other refinements of the concept suggested from many sources before any proposal becomes a reality.

Both the Dirksen and celler bills and the Harris bills envisioned the creation of their proposed foundations as Independent administrative agencies of the federal government—one of four general types of independent government or government funded entities. These are the independent administrative agency, the government owned corporation, and the federally chartered not-for-profit corporation, and federally chartered profit making corporation. The National Institute of Justice is envisioned as a federally chartered not-for-profit corporation.

Existing models of independent administrative agencies are the National Science Foundation and the National Foundation of the Arts and Humanities. An example of a federally chartered not-for-profit corporation is the Corporation for Public Broadcasting.

The National Science Foundation was created to strengthen both research and education in the natural sciences. It was brought into existence as the result of a report prepared at the request of the President describing how best to develop a national science policy and to support basic research and education in the natural sciences. The report was submitted in 1945 by Dr. Vanevar Bush, Director of the Office of Scientific Research and Development. It recommended the establishment of an independent federal agency composed of members to be selected by the President. The establishment of the National Science Foundation took some five years after submission of the Bush report. The Foundation is authorized to make grants to institutions and provide fellowship programs for individuals; it now receives about a half billion dollars annually for its work.

The National Foundation of the Arts and Humanities was created to encourage and support the humanities and the arts through studies and grants. It was many years aborning. In 1951 President Truman requested a report on the status of the arts with respect to government. Two years later a report was submitted to President Eisenhower and in 1962 President Kennedy urged approval of a measure establishing a federal advisory council on the arts. Proposals were made in the next two years for a national council on the arts and a national arts foundation. In 1964 the National Council on the Arts was created and in the following year the National Commission on the Humanities joined forces with the Council to bring about the creation of the National Foundation of the Arts and Humanities. The Foundation has certain unique qualities of organization that are not here relevant. Its importance lies in the fact that responsible individuals in the field envisioned an independent agency modeled along the lines of the National Science Foundation, which would provide general support for research and education in the humanities. There appeared to be no other logical place within the federal establishment to provide a home for the arts and humanities.

The Corporation for Public Broadcasting was created in 1967 following a study by the Carnegie Commission on Educational Television. While acknowledging the free speech dangers implicit in government participation in the communications media, the Commission recommended extensive federal funding for television program production. In terms of structure, it is significant that the Commission proposed the establishment of a federally chartered not-for-profit corporation which would be neither an agency nor an establishment of the United States Government Under the enabling legislation the President of the United States, operating under certain guidelines, appoints the fifteen members of the Corporation's Board of Directors. The Corporation may receive funding from the federal and other sources.

It was thought that the federally chartered not-for-profit corporate structure would most effectively provide the independence, continuity, funding and political insulation vitally needed for operation in this controversial and sensitive area.

Each of the foundations and corporations described above bears some similarities of purpose and function to the proposed National Institute of Justice. Each is designed to provide a home for a discipline or a profession wtih great public service commitment that will make possible a continuity of direction and leadership, will encourage development, research and education, will provide responsible funding grants and will insure competent, independent and neutral direction. Each of these provides an analogy and insight for considering the creation of a National Institute of Justice.

IV. THE MANY PRESSURES OF MULTIPLE CHANGE

An overview of developments within the profession emphasizes the need for the creation of a National Institute of Justice.

In addition, inquiry is justified as to whether any existing institution, or a combination of institutions, including the organized bar, are presently capable of performing along the functions deemed necessary for effective and comprehensive modernization.

Accordingly, some of the major areas of evolution in the modernization process are considered, followed by an analysis of the role of the organized bar in this process.

During the Twentieth Century the components of our machinery of justice—the courts, the practicing profession, legal education, the methods of practice, law related research—have too frequently lagged in their response to the problems and challenges of our rapidly changing society. Indeed, the practice of law in this country has been described as the last cottage industry. It should be observed that this has not been for want of concern on the part of dedicated lawyers, judges and numerous organizations of the profession. Rather, problems concerning the administration of justice and the practice of law have for too long been considered primarily the provincial concern of judges, lawyers and their constituent organizations. As has been described, in areas such as medicine, the natural sciences, and the arts and humanities, it was deemed in the national interest to create national organizations to foster development, research and innovation.

In contrast, the failure of this nation, until recently, to view problems concerning the effective administration of justice with sufficient seriousness to warrant a commitment of substantial resources from the federal government, has meant that those struggling to modernize the legal profession, legal education, and our justice machinery, have had to work with minimal funding wholly inadequate to meet the magnitude of the problems. We have too often gone in separate ways without carefully evaluating the merits and effectiveness of our efforts and without resources to interrelate results with the overall problems of judicial administration. The inescapable conclusion one draws from most of these past efforts is that the approach has been comparable to trying to construct a space vehicle by assigning a thousand engineers, each left in isolation, to design one specific component with little comprehension as to how the components would function together when assembled. It may, therefore, be helpful to look briefly at certain components of the justice system in terms of the recognized needs of an urban society.

How law is practiced

In comparison with other vital aspects of society, the practice of law today and the basic methodology of the courts have changed relatively little from the days of Thomas Jefferson and John Marshall.

For many early nineteenth century lawyers the primary and often sole source of legal research and knowledge * * * and Blackstone's *Commentaries*. And between 1790 and 1840 our courts produced only about 50,000 reported decisions. The next fifty years produced about nine times as many—450,000. From 1890 to the present the courts have added almost two million published decisions to our legal storehouses of knowledge. And this does not include the hundreds of thousands of new regulations which have been issued by administrative agencies or the approximately 10,000 new statutes adopted by legislatures each year.

New tasks and new demands have been placed on today's lawyer. The call for equal access to the machinery of justice and to professional legal counselling for the poor and for members of minority groups has created new demands to which the bar has responded. Increasingly, questions are being raised as to the adequacy of available legal services to middle income American families.

Inherent in the increased recognition and utilization of the courts as effective vehicles for social and political change has been the mounting pressure on the lawyer and his profession to promote and protect equally due process, and the "public interest" for those who could not individually afford a lawyer's services. New opportunities for public service by younger attorneys have developed. Law firms and bar associations have been challenged to attain an even higher level of public service activity.

Unlike industry and government, lawyers have not been able to reduce appreciably the number of expensive man-hours they devote to routine legal tasks. With certain exceptions, which will be discussed later, the ideal of the profession has long been to provide custom-tailored services to each client. The sources of essential legal research—court decisions, statutes, and administrative regulations—have skyrocketed quantitatively. Lawyers' research has become increasingly costly, and it is the client who must pay for the straining shelves of law books and the expensive manpower necessary to extract needed materials in them.

Yet young associates and solo practitioners, still pore through indices, digests, cases, commentaries and looseleaf services in the same manner as their great-grandfathers. These laborious methods remain the primary information retrieval system of the profession.

To this day routine legal research remains largely untouched by computer technology. The reasons are probably less the limitations of the computer than the high capital cost of better legal indices for computer use and for programming millions of bits of information. This high initial cost has certainly been a major deterrent to extensive utilization of automated information retrieval.

Another characteristic of the legal profession today is its increasing specialization. The lawyers image of himself as a generalist, fully proficient in the law as a whole, bears little relation to reality. New areas of legal practice and inquiry have been added steadily during this century, *e.g.*, labor relations law, federal tax law, civil rights law, antitrust law, and securities regulation law. Numerous other examples could be cited. The practicing lawyer today is constantly confronted with the problem of how little of the "seamless web of the law" he can hope to practice with proficiency.

The growing national uniformity of laws harbors profound implications for the profession and its admission procedures. This century has been particular witness to the growing influence of federal laws and agencies regulating both man and his industry, labor and finance. The portion of a lawyer's time spent on matters regulated solely by state law has declined steadily. Suffice it to say that many practitioners today devote most of their practice to federal matters which were unknown 75 years ago.

The move toward modernization: An unfinished saga

The American Bar Association and the legal profession as a whole have in recent years devoted increased time and resources to consideration of methods for modernization. There exists a growing awareness in the Bar that the profession as traditionally structured has not met many of the legal needs of individual citizens. Changes in society as a whole have exerted certain but incalculable pressure on the profession to change. They have been affected by the emphasis upon research and innovation and by the increasing demands first of the poor and now of the middle class to share in the benefits on an affluent society, including quality professional services of the doctor and lawyer.

Issues with respect to the modernization of the profession have arisen in two broadly defined areas. First, issues concerned with the internal organization of the legal profession, including specialization, use of paraprofessionals and computer technology are increasingly being considered. Second, issues related to the delivery of legal services to individuals are undergoing intensive scrutiny. These include, *inter alia,* prepaid legal cost programs, group legal practice, legal aid and judicare, and lawyer referral services.

Specialization

Specialization in the legal profession is a fact of life. A proportionately smaller number of lawyers today practice alone or with one partner—the standard form in rural small town America—the America of the Nineteenth Century. Industrialization and urbanization brought the growth of large industrial, financial and governmental organizations. As these institutions grew, so did the law firms which provided them with legal services. As large law firms developed, the lawyers within them often began to specialize and to organize into departments in order to provide better services to the client. Large corporations promoted specialization in the legal profession by employing lawyers as corporate counsel to serve the highly specialized legal needs of the corporation. The growth of widely diversified and specialized government agencies resulted in the need for large numbers of attorneys to work in the agency's specialized area. Government has become a vast training ground for specialized legal practice. As a result of these changes in the structure of the profession, over twenty percent of the lawyers who practice in the United States today are "one client"—government or corporation—lawyers. The move toward specialization also has affected the single practitioner and small firm. Specialties such as personal injury litigation, criminal law, domestic relations, and labor law are increasingly areas of specialization for the single practitioner or small firm lawyer.

While the de facto growth of specialization has been recognized both within the profession and by its clients, the bar has only began to cope with the implication, opportunities, and problems of the formal recognition of specialization. Much experimentation will be necessary concerning certification requirements, e.g., the roles of laws school curriculum, "internship" or apprenticeship, continuing legal education and graduate law study in training for a specialty. The area of examinations in speciality certification is still largely unexplored. No state as yet has developed a comprehensive specialist certification procedure, although California presently is experimenting with a certification system for specialists in workmen's compensation, tax law and criminal law.

The implications of specialization also remain largely unexplored. Careful study and thought must be given to the role of the general practitioner in an era of increasing specialization. A determination must be made as to the appropriate mix of formal education and practice for training in various fields of specialization. For example, it may be reasonable to require a litigation specialist to have more courtroom experience than classroom experience. The mix of the practical and the formal education for a tax expert may be quite different. Heretofore, the resources for exploring these questions have been woefully lacking.

Paraprofessionals

The case of greater utilization of paraprofessional legal assistants was well stated by the ABA Special Committee on Availability of Legal Services, which observed that: "freeing a lawyer from tedious and routine detail, thus conserving his time and energy for truly legal problems, will enable him to render his professional service to more people, thereby making legal services more fully available to the public."

Traditionally lawyers have used clerks and secretaries as assistants for handling administrative aspects of the practice of law such as filing papers, searching court records, preparing forms, and other routine tasks. As the profession strives to extend legal services to more and more individuals in lower and middle income groups, the occasions in which routine operations may be performed by trained lay assistants will be multiplied.

The ABA Special Committee on Lay Assistants for Lawyers recently conducted a pilot training program for legal assistants and is developing model curricula for training law office personnel. The future for the development of educational programs for such training in colleges and law schools and of certification standards and procedures for this new vocation are virtually unlimited.

New systems for delivering legal services to individuals

The profession is in a state of ferment with respect to the development of new systems for the delivery of legal services to persons of moderate means and to the disadvantaged. There are genuine considerations of professional standards concerned with independence of the attorney and with conflicts of interest. Serious questions have been raised as to whether the present pattern of providing legal services to individuals is adequate to enable the average person to know when a problem confronting him is one in which a lawyer can help, to know whether the lawyer's service is worth its cost; and to locate a lawyer he is confident can and will provide the expert legal assistance he needs, at a cost he can afford. The conclusion is unavoidable that the profession, as presently structured, does not adequately meet these criteria, to serve low and middle income people.

Pressures of change have come from several sources. In the 1960s the Legal Services Program of the Office of Economic Opportunity was created, as a result of the widespread recognition of the inadequacy of the then existing legal services delivery system for low income Americans. Today about 2,000 legal services attorneys are handling approximately two million cases each year for the poor. The same questions are being raised now of the adequacy of legal services available to individuals above the poverty line—those in the middle and lower-middle income groups.

Probably the greatest force today behind the development of new systems to make legal services more readily available to middle income groups is the trade union movement. Labor organizations have obtained, through collective bargaining, substantial medical coverage benefits for their members in the form of insurance and group practice programs. It was predictable that they would also turn their attention to legal services available to their members.

Group legal services

The term "group legal services" as discussed here connotes a plan in which a group or organization designates one or more lawyers to represent individual members of a group. Numerous group legal service plans are operating today, frequently under the sponsorship of unions.

These plans have created continuing controversy within the legal profession. However, the issue no longer primarily revolves around whether such plans may be allowed to exist. The United States Supreme Court, in a series of decisions, the most far-reaching of which was *United Mine Workers* v. *Illinois State Bar Association,*[11] has shielded such arrangements against charges of unauthorized practice. One commentator has stated that the holding in the *Mine Workers case* makes it "difficult to conceive a practical and attractive group legal arrangement that would not be protected by the rule it announces." [12]

Group legal services have been around for some time. Certain forms of group practice have been accepted by the profession. Probably the most common group legal service arrangement is in the automobile insurance industry. Individuals protected by automobile casualty insurers must, in the event of a claim, accept counsel of the company's choice. In addition, the legal needs to the poor served through the OEO-funded Legal Services Program are primarily met by a group legal services structure. A substantial amount of additional study and analysis must be performed to determine the effectiveness of group legal services plans. But the need for new methods to better meet the legal services requirements of large numbers of people can be said to constitute one of the most pressing problems facing the profession today. The Bar can ill-afford to ignore the reality of group legal service programs; a brochure published by the ABA Standing Committee on Lawyer Referral Service has observed that "the time may well come when a majority of the general public will receive all needed legal services from lawyers provided by lay organizations."

Prepaid legal cost insurance

Another change in the structure, primarily in the funding of legal services for the middle class, has been embryonic development of prepaid legal cost programs. Examples of the growth and success of hospital and medical insurance plans have raised the question of the feasibility of financing legal services generally through pre-payment plans. The funding of "routine" legal services under this concept is, strictly speaking, a pre-payment or financing mechanism rather than a spreading of the risk. The automobile insurance industry has long had experience in calculating the cost of legal services as part of the insurance premium; but this has been primarily coverage for legal catastrophe. As yet we have had little experience with prepayment mechanisms for routine legal services.

The American Bar Association Special Committee on Prepaid Legal Services is sponsoring a pilot program in Shreveport, Louisiana, in cooperation with the Shreveport and Louisiana State Bar Associations, which has been in operation since January, 1971, with Ford

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Foundation funding. The Committee is undertaking sponsorship of a pilot program in Los Angeles, California, which has not yet begun operation. Prepaid legal service programs are attractive to trade unions, and other consumer groups, including teachers and municipal, state and federal employee associations. However, problems concerning such sponsorship are myriad. For example, employer contributions to such plans are presently not authorized under the Taft-Hartley Act. Unlike health and medical service benefits, contributions to these plans are not tax deductible. Whether state insurance departments will consider prepayment plans as insurance for the purpose of state regulation is not presently known. These and other questions require further exploration.

Many members of the organized bar see prepaid legal cost programs as a vehicle for providing more effective legal services for individuals without placing a lay intermediary between the attorney and his client. Indeed, due in large part to efforts of the Association, twenty-three state bar committees have been established to explore the establishment of prepaid plans.

Lawyer referral services

Although lawyer referral systems have been in operation in the United States since 1937, there are today only 267 lawyer referral offices in operation, dealing with approximately 250,000 clients each year.

The present system bears some similarities to the legal aid system as it was constituted prior to the introduction of the OEO Legal Services Program. It is typically underfinanced, inadequately advertised, and underutilized. To be sure, the present system is making a substantial day-to-day contribution to the availability of legal services to the public, but those who have given the most penetrating consideration and study to the problem are generally dissatisfied with the capacity of the present system to meet the much wider unfilled needs of middle-income families. The ABA Standing Committee on Lawyer Referral Service has indicated that a major problem is to provide some assurance to the public that the quality of service which an individual will receive would be significantly better than could be accomplished by selecting a lawyer at random from the yellow pages of the telephone book.

Judicare

The OEO Legal Services Program has almost exclusively utilized the approach of funding offices staffed by attorneys employed to perform legal services for the poor. Only a few OEO-funded programs permit the client to select a private practitioner who is then reimbursed by the funded agency. This system is known in the profession as "Judicare," and its supporters argue with considerable logic that it is the only practical method of providing legal services in rural and sparsely settled areas.

The need for evaluation of methods

Thus, there is a pressing need to intensify the study of the effectiveness and relative cost of new and old systems for the delivery of legal services. The basic obligation of the profession is to provide legal services to the public, to make such services available to all members of society, and, in so doing, to insure that they are performed by qualified persons who have been adequately educated.

Legal education—Law schools in lockstep

Law schools are today in a period of profound soul searching and re-evaluation. With striking uniformity they have followed curriculum and teaching methods developed in the late Nineteenth Century. Most are now revising their curricula to introduce more effective methods of educating and training lawyers to deal with the problems of the late Twentieth Century.

Traditionally, the source of most law school teaching materials has been appellate court opinions. Of course, any practicing lawyer knows that the world of the appellate court opinions is often a considerable distance from the real world of most legal practice. Until recently there was little innovation in law school teaching methods and content. The case method of teaching long reigned supreme.

It has been suggested that the complete lawyer should receive three types of education which may or may not be subject to combination. He should be taught to analyze the legal significance of issues. He should be taught techniques of practice. He should learn the social, political and economic dynamics of our society inasmuch as the law is the basic regulator of these dynamics. Traditionally too, law schools have seen themselves as educating prospective lawyers to *think* like lawyers, leaving to others education in the technique of practice. Clinical teaching was relatively rare, with legal writing reserved, in the main, for the law review editor.

Until recently little concern was evidenced over the failure of legal education to familiarize prospective lawyers with how society works. But today, law schools are profoundly involved in a re-evaluation of their role and responsibility to themselves and to society as a whole. Law schools are increasingly concerned with the relevance of their curriculums. This concern has produced new courses and orientation. There has been increasing concern with interdisciplinary aspects of legal education. Clinical training is increasingly supplementing the traditional classroom curriculum.

In the past a major limitation of experimentation with curricula and teaching methods was the view perhaps accurate, that most law students were headed in the same direction, i.e., toward traditional private practice. Law schools today are faced with a far greater diversity of student interest. This is due in part to expanded opportunities for legal practice in government, legal aid, and other full-time public service activities, and to the increasing specialization of private practice. Teaching has been oriented to training legal generalists on the theory that even a specialist needs to know something about other areas of the law. However, the reality of specialization has raised questions about whether there is a role for law schools in the training of specialists. Moreover, continuing controversy revolves around the relevance and use of the third year of law school. Clinical training, interdisciplinary studies and specialization are all increasingly vying for that last year of the law student's education.

Increasingly, law schools are asking whether they should break the uniformity of past patterns and begin to develop specialties and particular emphasis, i.e., should urban law schools emphasize urban legal studies with perhaps a greater research and behavioral orientation.

Three major barriers have served to retard experimentation with new curricula; the conservation inspired by the success of the case method in its time; bar examinations; and funding. The so-called "national" law schools are perhaps most affected by the first factor, because they have been most successful by traditional standards of legal education. On the other hand, although the national law schools have not oriented their course primarily toward bar examination, the majority of schools have been sensitive to that practicality. Undoubtedly, tradition-bound bar examinations have discouraged innovation in law schools. Some experimentation with a national bar examination is now going forward under the auspicies of the Association of American Law Schools and the National Conference of Bar Examiners. This effort is being widely applauded and carefully observed.

Formal education in the law is still a remarkably young idea in this country. In fact, it has only been in the last half century that the majority of practicing lawyers have been trained by law schools. Historically, young aspirants to a legal career "read law" in the office of a licensed practitioner, and the requirement of formal legal education as a prerequisite to taking a bar examination is a comparatively recent development.

Many law schools had their beginning in the basement of a YMCA and as night schools catering to the part-time student. A large number of schools were started as proprietary institutions and there remain a surprising number of such institutions, especially in the State of California. Among the law-budget proprietary operations large classes are the normal mode of operation. It is also true that even the law schools forming a part of universities are expected to produce a profit. The notion of a university law school receiving research and educational grants from its parent organization generally has been a foreign thought. As an inevitable result, curricular innovation, including greater clinical and research programs, which would require significant increases in law faculties, facilities and funding, have been slow to develop.

Research by law school faculties and students has, over the years, been minimal, especially as compared with other desciplines. That which has been undertaken has largely been of a doctrinal nature.

The history of the funding of legal education and research from private sources suggests that significant change in the foreseeable future is unlikely, unless new and substantial sources of income are made available.

Continuing legal education

Continuing legal education has in recent years become a significantly more important component of the lawyer's training.

This, too, reflects a recognition of the incompleteness of law school education as preparation for legal practice.

The early efforts of the Practicing Law Institute and the Joint Committee on Continuing Legal Education of the American Law Institute and the American Bar Association paved the way for rapid growth of programs of continuing legal education. Such programs are now widespread. Today most state and some local bar associations, as well as many law schools, sponsor continuing legal education programs.

Increasingly, the profession sees continuing legal education as at least a partial answer to a number of its problems. It is seen as a way of minimizing the learning which a new attorney might otherwise experience at a client's expense. It is looked upon as a method by which specialists can increase their proficiency and general practitioners develop specilties. It is an avenue for bridging the knowledge gap created every time major new legislation is enacted.

Funding is and will continue to be a major problem in continuing legal education. It restricts the types of programs which can be offered; programs must appeal to significant numbers of attorneys in order to pay for themselves. To a limited extent profitable programs can support the unprofitable ones, but this places serious limitations on developing programs for less profitable specialties or in areas of public service. The result is that these areas are likely to be neglected.

Two illustrations of education in the area of court administration are worthy of note. Until 1964 there did not exist in this country a school for state trial court judges. It was only with the inspired leadership of Tom C. Clark, then Associate Justice of the U.S.

Supreme Court, and the infusion of substantial funding by the Kellogg and Fleischmann Foundations that the American Bar Association's National College of the State Judiciary became a reality. More than 30 percent of the state trial judges of courts of general jurisdiction have since attended the college.

Until last year there was no institution in the United States for the education of court administrators and executives. Under the leadership of the Chief Justice, Warren Burger, and with a large grant from The Ford Foundation, the Institute for Court Management was created. It already has graduated two classes and has inspired some law schools to undertake the development of programs leading to a master's degree in Court Administration. It was a large factor in persuading Congress to enact the Court Executives Act creating "business managers" for each of the Federal Circuits.

Regulating professional qualifications

The state has conferred on the lawyer the exclusive right to provide legal services. Yet neither the profession nor the state has developed a procedure for admitting attorneys to the bar which assures the public that those who are licensed to practice have achieved a reasonable level of competency or possess the necessary moral qualifications. It is fair to say that there is near consensus within the legal profession and state bar examinations do not truly test whether an applicant is competent to practice law. Indeed, no law firm would base its decision to employ an admittee on the strength of his passage of such a written examination. The plain fact is that no written test can measure the ability of an applicant to perform many of the facets of practice. Furthermore, while specialization is a growing reality in the legal profession, bar examinations do not reflect this fact, and at the present time there is no later certification procedure regulating such specialization.

Many are of the view that the regulation of professional qualifications is not the concern of the law school. Some suggest that it is the responsibility of the organized bar. Others lay the responsibility on the judicial branch of the state government. In any event, it is certainly the responsibility of some group within the profession, and the plain fact is that professional competency is not now receiving sufficient constructive attention.

Research in and about law

One of the hallmarks of today's society is its reliance upon research as an instrument of development and progress and for the solution of problems. One need look no further than his television set to observe the constant emphasis on research in the advertisements of program sponsors. Typically, one hears such slogan as "progress through research;" "Ford has a better idea;" "progress is our business;" etc.

Insofar as research in the law is concerned, it may be divided into two types: doctrinal and empirical. They have been described by Professor David Cavers of the Harvard Law School, as research in law and research about law. In the field of doctrinal research, or research in law, the legal profession has historically made important contributions. This kind of research required little money and could be traditionally performed in the library. This was pointed out by Dean Robert B. McKay of New York University Law School in his testimony before the Senate Subcommittee on Government Research[13] in which he observed that lawyers have made great progress in systematizing and unifying the law through their doctrinal research. This has been true despite the obstacles presented by a diverse federal system comprising more than fifty separate jurisdictions. By way of illustration, Dean McKay pointed to the substantial contributions of the American Law Institute and the Commissioners on Uniform State Laws as examples of what lawyers could do with modest sums of money.

However, it has been only in very recent years that the professional has come to realize the importance of empirical research and the responsibility of the profession for its conduct. This awakening concern for research about the law led to the establishment of the American Bar Foundation, the research arm of the American Bar Association. The work of the Foundation has been primarily limited by the funds available to it. Law schools evidence a growing commitment to research about the law, but here, too, financial resources are limited.

As Chairman of a Special Committee on Financial Resources of the Association of American Law Schools, Dean McKay conducted a study financed by the Walter E. Meyer Research Institute of Law, the purpose of which was to ascertain the level of private philanthropic contribution to legal education and legal research. The results of that study indicated that private foundation support has not been large. During the twelve-year period of the study most of the funds were granted for construction, fellowships and individual research. Only a modest amount was made available for empirical research.

Of the funds granted to law schools, more than 60 percent was concentrated among five schools and nearly 80 percent was concentrated among ten. The Ford Foundation was the principal grantor, accounting for more than two-thirds of all foundation support. Grant money went primarily to international legal studies, graduate fellowships for law teachers and the administration of justice, particularly in the criminal field. In the final year of the period studied, only a little over one percent of all foundation grants allocated to the sciences and social sciences was directed to law.

In the same period, the government was providing only negligible support for legal research. At the time of Dean McKay's study, the National Science Foundation had made no grants for legal education or legal research. Likewise the National Endowment for the Humanities made no research grants to lawyers. Proposals introduced in Congress for a National Foundation for Social Sciences and a National Foundation of Law and Justice have not yet received wide support.

In contrast, research in support of the physical sciences has fared very well at the hands of both private and public agencies. Admittedly, the legal profession has been slow to awaken to its responsibilities and opportunities to improve the function of our law society through research about the law. But it has been demonstrated that lawyers working together and working in conjunction with other disciplines are quite capable of making the system work better. The obvious need today is to provide adequate funding, continuity and direction.

The crisis in the administration of justice

The inadequacy of our nation's judicial machinery, which was designed to meet the needs of an agrarian society in the late Eighteenth Century, has produced a crisis in our judicial system. This crisis is the result of a multitude of long-neglected problems which, because of increasing demands being placed upon our court system, now threaten much of the system with virtual collapse. There is hardly an urban court which is not touched by the crisis. Interminable delays threaten to destroy the usefulness of our civil courts for the peaceful and orderly resolution of conflicts. Delays in the criminal courts too often mock both the concept of deterrence or the rights of accused. Many judges now must devote an inordinate amount of time to administrative details which could be better handled by others. At the same time, assembly line justice often prevails. Appellate courts are equally affected. In many state systems the average time required to process an appeal can consume in excess of eighteen months.

The task of resolving the problems which contribute to this crisis is not easy, for resort to simplistic solutions usually creates a high risk of destroying the very system which such solutions are intended to save. What is needed is reform within the context of our legal traditions.

The focal point of the machinery of justice in our country is, of course, the judge himself. Too frequently judges, especially in the minor courts that process the bulk of the civil and criminal litigation, receive little or no judicial training or orientation. There remain substantial problems with respect to insuring that judicial officers are competent and have the requisite temperment to adjudicate disputes in a courtroom setting.

On the positive side of the ledger, this is an area which is receiving substantial direction and attention from Chief Justice Burger. He, for example, has been instrumental in the creation of the new National Center for State Courts. His predecessor, Chief Justice Warren, was the moving force in the establishment by Congress of the Federal Judicial Center. Under the broad mandate of Congress, one of the primary functions of the Federal Judicial Center is "to conduct research and study of the operation of the courts of the United States, and to stimulate and coordinate such research and study on the part of other public and private persons and agencies."

The new National Center for State Courts, together with the Federal Judicial Center, the National College of the State Judiciary under the sponsorship of the Section of Judicial Administration of the ABA, and the Institute for Court Management, all are recent examples of advances in strengthening judicial training and support.

V. TRANSLATING DESIRE INTO REALITY

Inherent in the efforts of most legal reformers, voluntary and professional, has been the assumption that if enough human energy were applied by enough dedicated groups existing machinery could be improved and the crisis in justice could be met. The piecemeal, uncoordinated nature of the various efforts seems not to have been regarded as a deterrent. At least they have been accepted as an inevitable fact of judicial life. But with it all, comprehensive, coordinated national planning is lacking and effective modernization of the system appears still to be an elusive and urgently needed element.

From the time of the creation of our constitutional government, the condition of justice has suffered almost directly in proportion to the increasing population and the increasing complexity of our society. The responsibility, although often the subject of partisan political debate, has fallen on the lawyer and ultimately the organized bar. Lawyers are educated to understand and deal with the application of the rule of law. Moreover, they are virtually the only professional group having complete access to the machinery of the administration of justice; the enforcement of societal mandates through law. In short, they are intermediaries between the theory of the law and its application to society.

Yet the very nature of the practice of law can be contradictory in terms of the interests of society and the interests of particular individuals, or organizational and governmental entities. They are paid advocates, ethically bound to consider the client's interest as paramount to virtually all other considerations. This obligation is to be juxtaposed with a commensurate obligation—also a matter of ethics—to work for the public good.

Footnotes at end of article.

Efforts to accommodate these co-equal obligations have been pursued, in the past, mainly through the organized bar or through government. One has only to consider the makeup of the executive, judicial and legislative branches of government to note the intricate and pervasive involvement of the lawyer in the administration of justice. Chief Justice Burger aptly articulated this in his State of the Judiciary address at the 1971 ABA Annual Meeting several months ago:

"A strong, independent, competent legal profession is imperative to any free people. We live in a society that is diverse, mobile and dynamic, but its very pluralism and creativeness make it capable of both enormous progress or debilitating conflicts that can blunt all semblance of order. One role of the lawyer in a common law system is to be a balance wheel, a harmonizer, a reconciler. He must be more than simply a skilled legal mechanic. He must be that, but in a larger sense he must also be a legal architect, engineer, builder and, from time to time, inventor as well. This is the history of the lawyer in America, and in this respect he is unique among the lawyers of all societies."

While it cannot be said that kinship among lawyers is so great that one may find them huddled together under one roof, they are gregarious enough that the vast majority of them belong to state and local bar associations. More than half of them voluntarily belong to the American Bar Association, the national organization of the profession.

The movement to organize lawyers into bar associations on a national, state and local level is a little over a hundred years old. The organization started in metropolitan areas and the more populated states. The early associations were voluntary in nature and had modest budgets. Permanent staffs did not exist; association projects were carried on by volunteers. The Bar was not seen in those days as responsible for the discipline of members and certainly not as the harbinger of reform.

The passage of time brought many changes. As bar associations assumed larger roles in professional standards of conduct and practice, and a larger share of responsibility for the machinery of justice, the so-called integrated bar began to develop among the states. This concept, requiring every practicing lawyer to belong to the professional organization of lawyers in a state, took place largely during the middle third of this century. Today, half of the States have integrated bars and the trend in that direction is continuing. Even with this movement, inadequate funding has in most states prevented the mounting of effective programs of discipline, education and improvement of judicial machinery.

It may surprise some to realize that the American Bar Association had no permanent staff for the first half of its nearly one hundred years. Indeed, not until the middle of the 1950's did it have sufficient funds to staff a limited number of projects and activities. Membership in the American Bar Association has trebled in the past fifteen years, while its income has grown by more than 600 percent. In the last decade an even more significant development has taken place—the funding of public service and educational projects through foundation and government funds. About half of the Association's annual income now comes from such sources. It is this writer's belief that that percentage will grow in the decade ahead to between 65 percent and 75 percent of the Association's entire income.

Indeed, the progress of the organized bar in the past decade has been so marked that some believe that the crisis in the administration of justice can be met by the organized bar under the direction and leadership of the American Bar Association. While the forward strides of the last decade are a source of encouragement and even some pride, and while the leadership of the American Bar Association is dedicated to the proposition that this organization has the potential for even greater and more significant contributions to the cause of justice, it must be recognized that there are some inherent qualities of a voluntary organization that militate against its completely effective fulfillment of this lofty role.

On the one hand, the ABA House of Delegates includes the widest possible range of representation from all groups who constitute the legal profession today. The Association's present day structure is its strength when called upon to pass upon the conclusions or proposals of others.—Nevertheless, because it is a voluntary organization and represents so many diverse and often irreconciliable views, it should not surprise or discourage us to note that the contribution of the organized bar to the solution of today's social problems has been, of necessity, confined largely to the realm of ideas. Time freely contributed by volunteers, projects financed by volunteers, machinery tuned to decision by consensus, cannot produce the kind of massive, venturesome, sustained and coordinated attack which is required in the field of justice today. Volunteer bar associations, the American Bar in particularly, perform at their maximum efficiency in unfolding and debating a wide range of views. By their very nature, however, voluntary bar associations cannot, at the same time, be fearless in research, forceful in exposition and confident in criticism.

Even if the organized bar could, through reorganization or otherwise, build a sufficient structure from which to conduct far-reaching research programs and substantial pilot programs in our quest for a better society, an argument can well be made against proceeding in that direction. As long as bar associations remain voluntary, their ability to represent all lawyers is impeded. Should the day come when all lawyers speak with one voice, the rest of society may nonetheless readily question both our method and our motive.

The very size of life and society today minimizes the effectiveness which any voluntary group can now offer. Individual contractors alone cannot produce coordinated space programs. Individual railroads cannot serve a sprawling nation. Society today requires a National Institute of Justice.

VI. CONCLUSION

The late Reginald Heber Smith once observed that men can learn, if they must to put up with physical imparity and economic inadequacy; but that a brooding sense of injustice makes them want to tear things down. We who bear the primary responsibility for the machinery of justice in this nation, if we are to be faithful to our oath, must be vigilant in our search to find new and better ways to make equal justice under the law a living reality. It is incumbent upon us to move forward with common purpose and high aspiration that is worthy of our heritage. The National Institute of Justice is a concept whose time has come.

FOOTNOTES

*Executive Director, American Bar Association, Chicago, Illinois; A.B., Duke University, 1944 ('46); J.D., Harvard University, 1949. Mr. Early wishes to thank his associates, John W. Atwood and David C. Long, for their invaluable assistance in the preparation of this article. Mr. Early practiced law in Huntington, West Virginia from 1949 to 1962.

† The Chief Justice of the United States.

[1] Pound, *The Causes of Popular Dissatisfaction with the Administration of Justice*, 40 AM. L. REV. 729 (1906).

[2] *Id.* at 742, 749.

[3] Pound, *A Hundred Years of American Law*, in LAW: A CENTURY OF PROGRESS 8 (A. Reppy, ed. 1937).

[4] *Id.* at 20, 23, 24.

[5] *E.g.* Laswell and McDougal, *Criteria for a Theory About Law*, 44 S. CAL. L. REV. 362 (1971).

[6] Cardozo, *A Ministry of Justice*, 35 HARV. L. REV. 113 (1921).

[7] *Id.* at 114.

[8] S. 2627 and H.R. 13584, 90th Cong., 1st Sess. (1967).

[9] S. 836, 90th Cong., 1st Sess. (1967), and S. 508, 91st Cong., 1st Sess. (1969).

[10] *Hearings on S. 836 Before the Senate Subcomm. on Government Research*, 90th Cong., 1st Sess. 1967).

[11] 389 U.S. 217 (1967).

[12] Schwartz, *Changing Patterns of Legal Services, in* LAW IN A CHANGING AMERICA 117, (G. Hazard, Jr., ed. 1968).

[13] *Hearings on S. 836 Before the Senate Subcomm. on Government Research*, 90th Cong., 1st Sess. 1967).

A NATIONAL INSTITUTE OF JUSTICE

INTRODUCTION

Vigorous attention is given to specific aspects of justice and law in the American community by numerous government and private groups. But, no overall program exists concerning law and justice. Toward that end, the American Bar Association has proposed the establishment by Congress of a National Institute of Justice. The proposal is the product of a three-year effort by a distinguished commission of the American Bar Association, which conducted hearings, solicited comments from a broad cross section of organizations and individuals, and carefully studied the concept.[1] At its August 1974 meeting the House of Delegates of the American Bar Association voted its approval for a law establishing a National Institute of Justice.[2]

Briefly, the Institute would be established as an independent federal agency along the lines of the National Science Foundation, designed to aid in the continuing task of improving the quality of justice and the administration of law. The Institute would not be empowered to effectuate changes but rather its mandate would be to inquire, study, and report to decisionmakers and the public recommended measures for improving the manner in which law and justice function.

Unlike existing agencies,[3] the Institute's mandate would extend throughout the entire field of law and justice. Areas to which it would devote attention include legal protection for consumers, availability of legal services, access to health-care services, and economical adjustment of private legal disputes.[4]

To implement its far-reaching purposes, yet to avoid duplication, the proposal envisions that the Institute would coordinate its efforts with the many governmental, academic and other organizations currently working in the field of law and justice.

In our opinion, the American Bar Association's proposal for the establishment of an independent, nonpartisan agency to provide leadership on matters concerning law and justice has considerable merit. Although we suggest changes in the present form of the proposal, we join the American Bar Association in urging the establishment by Congress of a National Institute of Justice.

1. EXPLANATION OF THE AMERICAN BAR ASSOCIATION PROPOSAL

Since no bill embodying the proposed National Institute of Justice has been introduced in Congress,[5] our comments necessarily are limited to the form of proposal endorsed by the American Bar Association at its August 1974 meeting. The principal features of the ABA proposal are as follows.

Section 1 of the proposal establishes the Institute as an independent agency of the federal government.

Section 2 authorizes the Institute to conduct research, experimental programs, train-

Footnotes at end of article.

ing and educational programs, and clearing house and library functions. Such efforts may be carried out by the Institute through grants contracts, or its own activities, and must be coordinated with the activities of other bodies to avoid duplication.

Section 3 provides that the Institute shall be composed of a board of trustees, a director and a council.

Section 4 sets forth rules concerning the constituency of the Institute's board of trustees. Charged with primary responsibility for the activities of the Institute, the board would consist of 16 members appointed by the President, with the advice and consent of the Senate. In order to insure that a broad representation of views will influence the board's decision making, it is provided that the members of the board shall include not less than:

(i) Two persons chosen from a list suggested by the National Governors Conference;

(ii) Two state court judges chosen from a list submitted by the Conference of Chief Justices;

(iii) Four lawyers; and

(iv) Four members who are neither judges nor lawyers.

In addition, the membership of the board must include one resident of each of the circuits of the United States Courts of Appeals.

Section 5 provides for the election of a chairman by and from among the board members, as well as for the appointment of an executive committee. This section also describes the powers and duties of the board, to-wit: to hold periodic meetings, formulate the policies and programs of the Institute, and prepare annual reports concerning the program plans and descriptions of projects proposed and contemplated by the Institute.

Section 6 provides for the appointment of a director for the Institute, whose responsibility is to carry out the day-to-day functions of the Institute. The director is to be appointed by the board, and serve a six-year term unless removed earlier by a majority vote of board members.

Section 7 provides for the establishment of a council of the Institute consisting of not less than 50 nor more than 100 members appointed by the board, selected to provide broad representation for the views of private citizens and groups with emphasis on diversity of experience and geography. As so constituted, the council would function as an advisory panel to make suggestions to the board in connection with the work of the Institute.

Other sections of the ABA proposal endow the Institute with various housekeeping powers and authority; provide that neither the director nor any other Institute employee may take an active part in political management or campaigns; provide that the director shall be compensated under the provisions of 5 U.S. Code § 5515 (level 4); and authorize the appropriation of such sums as may be necessary to carry out the provisions of the proposal.

II. L.E.A.A. AND S. 2212

Although, as noted, the American Bar Association proposal has not been introduced in Congress, the issue of whether an independent Institute should be established may already have been joined through the introduction of S. 2212, which deals generally with the Law Enforcement Assistance Administration of the Department of Justice.

By way of background, in 1968 there was established within the Department of Justice a mechanism to provide financial and technical assistance to help state and local governments control crime (42 U.S.C. § 3701 et seq.). The program, identified as the Law Enforcement Assistance Administration ("L.E.A.A."), includes a "National Institute of Law Enforcement and Criminal Justice" as a subsidiary facility and therefore under the control of the Department of Justice.[6]

The L.E.A.A. was originally granted an eight-year tenure, to expire in 1976. In June 1975, however, President Ford urged extension of the L.E.A.A. through 1981, and in response Senator Roman Hruska (for himself and Senator John McClellan) introduced S. 2212.

In addition to extending the tenure of the L.E.A.A., S. 2212 would authorize Department of Justice grants "to strengthen courts and improve the availability and quality of justice including court planning."[7] (In this regard, we wish to emphasize here that neither this report nor our Committee expresses any opinion concerning the extension of the L.E.A.A.) The previously authorized National Institute of Law Enforcement and Criminal Justice would have its name changed to the National Institute of Law and Justice[8] and the Attorney General would be authorized to make grants for research and projects pertaining to both criminal and civil justice matters.[9] We note that in introducing S. 2212, Senator Hruska stated, with respect to broadening L.E.A.A.'s research arm to include civil justice, that "it is sometimes impossible to reform the criminal justice system without at the same time reforming the civil justice system." He also indicated his view that the provision had particular applicability to state and local court customs which perform both civil and criminal functions.[10]

III. NECESSITY FOR AN INDEPENDENT INSTITUTE OF JUSTICE

In April 1974 this Committee issued a report on the proposal to remove the Department of Justice from the Executive Branch.[11] The report concluded that the advisory and prosecutorial functions of the Department of Justice should remain intact under the jurisdiction of the Executive Branch, but stated that "the functions of the Department might well be examined to consider whether any of these [functions] might more effectively be performed by an independent agency or agencies."

We think that research projects pertaining to law enforcement methods and the procedural aspects of the criminal justice system, subject to constitutional restraints, correctly belong within the controlling discretion of the Attorney General.[12] However, to an important degree, other aspects of justice can be, and should be dissected under the eye of an agency which is in no way perceived to be political and which enjoys a reputation for disinterested appraisal. The need for independence in areas of law and justice recently was underscored by both the President and Congress in creating the Legal Services Corporation.

Establishment of the Institute as an independent agency would abrogate the risk that its work would be subject to one of the political branches of government controlling its research priorities so as to paper over or disregard establishment infirmities or selecting research projects which could be accompanied by directions to produce "legislative facts" thought of as politically desirable. To be effective, the Institute must consider all views and can not be subject to accusations that its work is slanted so as to achieve a desired result. More importantly, the Institute must be permitted to devise and conduct its programs without political interference of any kind.

A. The Institute's research function

The federal funding of research and investigative projects dealing with our system for delivering justice, and the quality of justice so delivered, is a governmental imperative which is long overdue. The need clearly exists for an interdisciplinary approach to the broad range of problems confronting the administrators of justice today. We foresee for the Institute a vital role in assembling data from the fields of economics, sociology, political science and even raw public opinion, which must all be of significant concern to those addressing legal issues with broad policy implications. The intent of the ABA proposal is to include, in addition to those previously mentioned, such areas as due process in dealing with public agencies, legally secured opportunity to participate in government decision-making, protection of privacy from official intrusion, and accountability of public officials for actions that affect individuals.

B. The Institute's coordination function

At the present time, a number of entities of all varieties exist on the federal, state and local levels for the purpose of conducting studies, developing plans, making recommendations or funding specific projects relating to various aspects of our system of law and justice. Virtually all of these entities, however, were created to deal with a specific part of the system such as, for example, poor court administration, lack of available legal services for the needy, or the failure of correctional institutions to rehabilitate inmates. Moreover, a substantial majority of these entities focus primarily on improving the criminal justice system, where the problems are particularly visible.

Nowhere does there exist today an entity charged with broadly viewing our nation's entire system of justice, civil as well as criminal, and suggesting improvements from this broader perspective. Indeed, no central organization currently exists for the purpose of providing administrative or clearing house functions to diverse groups dealing with similar problems. It is to be hoped that the Institute would fill this void.

Notwithstanding the obvious advantages in favor of a central agency such as a National Institute of Justice, it is equally important that the Institute neither duplicate nor interfere with the work of the many existing groups which focus on specific aspects of our system for delivering justice. Examples of some of these excellent organizations are the Federal Judicial Center,[13] The National Center for State Courts,[14] the Administrative Conference of the United States,[15] and the American Law Institute.[16]

IV. RECOMMENDATIONS WITH RESPECT TO THE FORM OF THE AMERICAN BAR ASSOCIATION PROPOSAL

A. Scope of the Institute

In reviewing the form of the present ABA proposal to create the Institute, many members of our Committee expressed concern that the Institute might take positions on isolated substantive legal issues, including questions arising under the Constitution, thereby interfering with the work of the Judiciary. In particular, there was concern that the Institute might conceivably operate in a manner that undercut judicial policy and undermined the constitutional principle that the authority to interpret the Constitution and the law rests with the courts. Some Committee members expressed the view that the present wording of certain sections erroneously indicates that the Institute should give priority to substantive issues of equal protection under the Constitution. As we understand the intent of the ABA proposal, however, the Institute is to give priority not to these substantive issues but rather to mechanisms for insuring the delivery of quality legal services to all. Because of these concerns, we believe that certain language changes should be made in the proposal:

First, we suggest that the third paragraph under the heading "Findings and Purposes" and Section 2(c) be amended to make clear

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Footnotes at end of article.

that the Institute, although not precluded from dealing with substantive matters, is to give priority to the problem of assuring the availability to all of quality legal services and mechanisms for the just, speedy and inexpensive resolutions of disputes.[17]

Second, we suggest that Section 2(a)(1) be amended to insure that the Institute does not purport to assume the role of interpreting the law. Consideration might be given to adding a provision to the effect that the Institute shall take no position on the proper construction of any regulation, statute or constitutional provision or on the remedy required by any such regulation, statute or constitutional provision to redress any violation thereof. Such a provision, however, should not preclude the Institute from setting forth its understanding of the law while taking a position on what the law should require.

Third, we believe that an Institute recommendation for the enactment or modification of legislation is of sufficient importance to warrant plenary consideration by both the board and council of the Institute and that such recommendations should not be made on the authority of the board alone. We therefore suggest the addition of a new subdivision (d) to Section 2 providing that any recommendation by the Institute for legislative action be made only with the approval of a majority of both the board and council.

B. Fact finding

Section 2 of the ABA proposal authorizes the Institute to conduct all forms of research inquiry in its efforts to evaluate and appraise the effectiveness and quality of justice and the administration of law. In so doing, it is imperative that the Institute be entitled to maximum cooperation from other instrumentalities of government. In this context, we believe that consideration should be given to including in the proposal some form of statutory mandate to other agencies, consistent with the laws of privacy governing those agencies, to cooperate with the Institute. However, this mandate should not include the furnishing of information concerning specific individuals or groups of individuals and the Institute's authority for fact finding should be assiduously tailored.

C. Status of director

The effectiveness of the Institute will essentially become a function of its record and reputation for excellence and independence. We believe that in order for the Institute to provide significant impact on the decision-making bodies and public officers who will ultimately decide the fate of the Institute's recommendations, the director of the Institute should be granted greater visibility, power and esteem than is provided by Sections 6 and 10 of the ABA proposal. In order to enhance his position, we suggest that the director be chosen by the President, with the advice and consent of the Senate, rather than appointed directly by the board. Obviously, the President should and would solicit the views of the Institute's board in making the choice. As a presidential appointee, we believe that the director should be compensated under the provisions of Section 5314 (level 3), and not Section 5315 (level 4), of Title 5 of the U.S. Code. As such, his compensation would be established at a level already in existence for the Director of Defense Research and Engineering, Department of Defense; the Deputy Administrator, Energy Research Administration; and the Director of the Federal Bureau of Investigation.

D. Membership of board and council

We agree with the Institute's objective of having a broad representation of views on its board and council. In this regard, one suggestion made during our Committee's deliberations was that the Attorney General and possibly representatives of other agencies operating in the legal area should be made *ex officio* members of the Institute in order to facilitate the Institute's role as coordinator.

We question the advisability of limiting the President's choice of certain nominees to the board to lists of certain groups. We prefer instead the flexibility of an earlier draft of the ABA proposal which placed no rigid restrictions on the President in his choice of persons of merit. In this regard, we note that there are no similar restrictions in the legislation creating the Legal Services Corporation or the National Science Foundation.

E. Reporting function

We note that in a prior draft of the ABA proposal, the Institute was granted authority to issue reports from time to time embodying the results of its research and its recommendations. Such express authority is deleted from the most recent draft. We believe, subject to appropriate privacy safeguards, that this authority should be restored, since the Institute will have no power of persuasion other than the reputation of its work. That work should be disseminated as frequently as possible and should not be limited to an annual report.

CONCLUSION

As we mark the first two hundred years of our history, we believe that the establishment of a National Institute of Justice would be a meaningful affirmation of our belief in law and justice. As Daniel Webster said, "Justice, sir, is the great interest of man on earth." And, indeed, it probably remains true that an ultimate measure of our society is the quality and availability of justice to all our citizens.

We recognize that merely establishing another governmental body is no assurance that justice and its availability will be improved. But we are satisfied that a unifying point for coordination and leadership such as the Institute is needed and, if staffed well, can do important work. We have indicated our national concern with Science and Health and Arts and Humanities by establishing National Institutes and Foundations in those areas. We believe that Justice merits no less a place of national priority and concern.

Our profession can be proud that the system of justice, as imperfect as it may well be, is so often sought out as the mechanism for dealing with the social and economic problems we face. Multiple and diverse approaches to problem solving are desirable. Coordination and cooperation will, in our judgment, make success in solving these problems more likely.

Committee on Federal Legislation

John D. Ferrick, Chairman, Harvey E. Benjamin, Barry A. Berger, Eric Bergman, Jack David, George A. Davidson, Evan A. Davis, Albert W. Driver, Jr., Arnold B. Elkind, Howard L. Feinsand, William Josephson*, John G. Koeltl, Marc J. Luxemburg.

Gerald T. McLaughlin, Gary T. Naftalis, Mathew Nimetz, John F. X. Peloso, Stanley Plesent, Dean Ringel, Steven B. Rosenfeld, Rhoda S. Roth, Thomas J. Schwarz, Richard C. Seltzer, Robert S. Sheehan, Leonard W. Wagman, Harold P. Weinberger.

FOOTNOTES

* Mr. Josephson dissents from this report.

[1] The commission, under the chairmanship of Charles S. Rhyne, solicited comments from over 12,000 lawyers, judges and laypersons; over 100 suggestions for changes were analyzed and the draft was reworked in response thereto. The vast majority of respondents agreed that the Institute would be valuable.

[2] The vote was recorded as 141 for and 86 opposed.

[3] See notes 13–16, *infra*, and accompanying text.

[4] These areas are specifically identified in the informational material accompanying the ABA proposal.

[5] A bill to establish a National Institute of Justice was introduced by Senator Humphrey during the 93rd Congress, but no legislative action resulted.

[6] 42 U.S.C. § 3742.

[7] S. 2212, Part C, § 4(1).

[8] S. 2212, Part C, § 4(2).

[9] S. 2212, Part D, § 5.

[10] 121 Cong. Rec. S. 14089 (daily ed. July 29, 1975).

[11] Federal Legislation Report No. 74–2 (April 30, 1974).

[12] For example, the National Institute of Criminal Law and Justice has conducted studies relating to voice identification, private police, patterns of burglary, and ballistic resistance of police body armor. The annual budget of this organization exceeds $30,000,000 representing only a small fraction of the L.E.A.A.'s multi-billion dollar program.

[13] Pursuant to P.L. 90–219 (1967), a Federal Judicial Center was established within the judicial branch of the government. The Center's purpose is to further the development and adoption of improved judicial administration in the federal courts. Its reports are channeled to the Judicial Conference of the United States for action. Its fiscal 1974 appropriation amounted to some $2,500,000. The Center's studies have focused on such matters as reducing the workload of the Supreme Court and the use of video technology on the trial court level.

[14] The National Center for State Courts was incorporated as a non-profit organization in June 1971. Its financing (approximately $3,000,000 per year) has to date come primarily from grants made by the Law Enforcement Assistance Administration. Its studies are concerned with aspects of state court administration and modernization on both appellate and trial levels. For example, the National Center has funded studies relating to technology and information gathering, financing of state court operations, budgetary procedures, and computer preparation of court transcripts.

[15] The Administrative Conference of the United States, established by P.L. 88–499 (1964), is charged with studying the efficiency, adequacy and fairness of the procedures used by administrative agencies in carrying out their programs. Based on its studies, the Administrative Conference provides evaluations and recommendations for changes to the President, Congress and the Judicial Conference of the United States, as it deems appropriate. In addition, the Administrative Conference arranges for the interchange between administrative agencies of information potentially useful in improving administrative procedures, and collects and publishes informational and statistical reports dealing with administrative procedures and their improvement. Its budget for the year ending June 30, 1976, is $850,000, all of which is federally funded. Among the Administrative Conference's most publicized studies is the recently completed critical analysis of the procedures followed by the Internal Revenue Service in dealing with taxpayers.

[16] Established in 1923 for the purpose of drafting "an orderly statement of our Common Law," the American Law Institute today is engaged in a broad range of activities including sponsoring and coordinating the drafting of model legal codes, the publication of legal texts and periodicals, and promoting continuing legal education in various aspects of the law through its sponsorship of conferences. Funded by an annual budget of approximately $400,000 (derived primarily from dues, sales of published materials and voluntary grants and contributions), the American Law Institute has recently completed such projects as the drafting of a model Code of Pre-Arraignment Procedure; and continuing revisions of the Uniform

Commercial Code; the development of video programs in connection with such current legal topics as the Employee Retirement Income Security Act of 1974; the publication of various practical legal handbooks; and the sponsorship of study conferences for lawyers such areas as bankruptcy, estate planning and litigation.

[17] Consideration might be given to the following amendment of the third paragraph under the heading "Findings and Purposes":

"Particular attention must be given to assuring that *the* individual[s] *citizen is* [are] able to secure prompt and *efficient* [effective] recognition of *his* [their] legal rights, privileges, and obligations *and will receive equal justice without regard to income status, race, sex, age, religion, or national origin,**

[through the availability to all of quality legal services and through the just, speedy and inexpensive resolution of disputes.]"

And in Section 2(c) as follows:

"In its research, experimental, and training programs, and in making recommendations for improvement of justice and the administration of law, the Institute shall give particular attention to the impact of justice and the administration of law on *the* individual[s] *citizen* and *his* [their] opportunity to secure prompt and effective recognition of *his* [their] legal rights, privileges and obligations *and to securing to him equal legal protection and access to legal redress without regard to income status, race, sex, age, religion or national origin*, [through the availability to all of quality legal services and through the just, speedy and inexpensive resolution of disputes.]"

American Bar Association,
April 18, 1978.

The President,
The White House,
Washington, D.C.

Dear Mr. President: The American Bar Association has been gratified by the support you have voiced, both as Governor of Georgia and as a Presidential candidate, for the American Bar Association's proposed National Institute of Justice. Your public statements recognizing the need for an independent institute to foster research aimed at improving the civil and criminal justice systems, particularly as they affect the average citizen, have been both perceptive and supportive.

We are informed that you will soon be considering a proposal prepared by the Department of Justice and the Office of Management and Budget for the restructuring of the Law Enforcement Assistance Administration (LEAA) in the Department of Justice. The restructuring plan provides for the creation of a research institute within the Department of Justice to be called a National Institute of Justice.

Despite our strong belief in the need for a new federal initiative in justice research, the American Bar Association strongly opposes the plan suggested by the Department of Justice and the Office of Management and Budget. As proposed, the new National Institute of Justice (DJNIJ) would not be independent, would not include a civil justice research component, would be subject to many of the same problems which have plagued the existing LEAA research program, and would not have the public visibility and credibility which we believe are essential for the success of this program.

The question of independence is crucial. The existing LEAA research arm, the National Institute of Law Enforcement and Criminal Justice (NILECJ), has been widely criticized for its lack of independence; yet the current proposal would form the DJNIJ out of NILECJ, leaving the institute not only within the Department of Justice but within the same office which will supervise the LEAA block-grant program. While certain steps to provide some measure of independence for the DJNIJ are proposed, such as the strengthening of the institute's advisory board and the giving of final sign-off authority on grants to the Director of the institute, these measures fall far short of the level of independence needed for this program.

Independence for the NIJ is necessary for several reasons:

(a) The NIJ must not be part of an "action agency" whose operational needs are likely to influence the nature of the research program;

(b) Additionally, political pressure for short-term results are likely to be far greater if the research institute is part of a mission-oriented agency;

(c) The NIJ must not be connected with a grant-making agency which provides state and local assistance. The research institute would be totally obscured and overwhelmed by the grant-making activity;

(d) Justice research, to the considerable extent it involves the Judicial Branch, must not be placed in a line agency within the federal Executive Branch but should be housed in a more neutral setting;

(e) A research entity operated within a Department may be less inclined and less able to attract the diversity of cooperation and support from other disciplines which an independent agency could attract;

(f) Public credibility will be greatly increased if the institute is not part of an action agency but instead has independent status. In addition, independent status would substantially enhance the credibility afforded to a federal justice institute by state and local governments;

(g) Budgetary considerations within a Department may prevent the research program from receiving an appropriate level of funding; and

(h) Public visibility for the research institute and its work will be far greater if it is independent.

The lack of independence is only one of the problems with the proposed DJNIJ. There is a great need to establish an institute to promote research in all areas of the justice system—civil, criminal, administrative, and regulatory—at federal, state and local levels. The new proposal states that the DJNIJ would cover both civil and criminal justice issues; yet the Attorney General has suggested a manner of implementation for the DJNIJ which would seriously inhibit its ability to become involved in civil justice research.

Attorney General Bell proposed, in testimony before the House Judiciary Subcommittee on Crime on March 1, 1978, that the DJNIJ be created as soon as possible under Presidential reorganization authority. As the Attorney General stated in his testimony, if the new DJNIJ were created under the Presidential reorganization authority, it would be confined to the legislative mandate already given to the existing NILECJ. Initially, therefore, the DJNIJ would be able to generate only criminal justice research. An expansion into the civil justice field would require additional legislation. Thus, the DJNIJ would be created this year with only criminal jurisdiction; its orientation, advisory board selection process, goals and staffing would be shaped accordingly. Expansion into the civil justice field would occur at the earliest, and only if Congress so provided, a year later when LEAA reauthorization legislation is likely to be considered. By that time, the criminal justice component would be well-established, limiting the likelihood that civil justice research would be accorded due consideration.

We are concerned with other features of the proposal before you. For example, appointments to the advisory board of the DJNIJ should be made by the President and not the Attorney General. Also, the degree of supervision and control to be exercised over the DJNIJ by the Director of the new Office of Justice Research and Assistance should be clarified in a way which will not endanger the independence of the institute. But our principal concerns, articulated above, are sufficient to lead us to the conclusion that we must oppose the proposal submitted by the Department of Justice and the Office of Management and Budget.

The enactment of the half-way measure proposed to you will effectively preclude serious consideration of the ABA proposal which you have previously endorsed. We ask "Why not the best?," and urge that you call for a truly indpendent National Institute of Justice of which we can all be justifiably proud.

Sincerely,

Bill Spann.

William B. Spann, Jr., President, American Bar Association Information in Response to President Carter's Remarks to the Los Angeles Bar Association, May 10, 1978

LEAA Reorganization.—President Carter refers to plans to reorganize LEAA and make it more efficient. Yet there is little evidence in preliminary reports on his reorganization plan that he is taking any significant steps to implement campaign pledges.

Item: Candidate Carter pledged his support for creation of an independent, publicly-funded National Institute of Justice. Instead, it seems the Administration's current thinking is to call merely for a revamp of the existing National Institute of Law Enforcement and Criminal Justice. As proposed, the Administration's NIJ would not be independent, would not guarantee a civil justice research program, and would not have the public visibility and credibility which is essential for the success of this program.

Item: Candidate Carter criticized LEAA for providing only 6 per cent of its funding to the courts of this country. To date, nothing indicates this situation will be improved under Carter's reorganization plan.

[From the American Bar Association Journal, October 1976—Volume 62, pages 1270–76, President Ford and Governor Carter]

The Candidates Answer

Question No. 5: Do you favor the creation of an independent, publicly funded National Institute of Justice to conduct, appraise, and co-ordinate research and programs in the administration of justice and the quality and effectiveness of justice?

CARTER

A. Yes. Many people believe that they are denied fairness in the courts, in the marketplace, and in the government generally. Fundamental to this attitude is the lack of a workable system of justice in the broadest sense. As governor of Georgia, I studied court records and visited our prisons. I talked with inmates and heard convincing stories of injustice and inequality. I traveled the state and listened, again and again, to the questions and frustrations of average citizens who had come in contact with our system of justice.

With the co-operation of the Georgia bar, I went to the legislature and we were successful in implementing a series of reforms in our judicial system:

A nominating system to ensure merit appointment of judges;

Mandatory retirement for judges and a method of hearing citizen complaints and removing incompetent judges from office;

Automatic review to ensure increased uniformity of sentencing among judges;

A uniform and unified court system (to allow a more efficient and timely dispensation of justice);

Prison reform with emphasis on rehabilitation;

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* The Committee's suggestion is that the italicized words be eliminated and the bracketed letters and words added.

A professionalized Georgia Bureau of Investigation;

A reduction of emphasis on victimless crimes;

Expanded staff aid for judges and administrative officers for the courts.

My experience as a scientist, a naval officer, a businessman, and a governor of Georgia has convinced me of the critical importance of coming to grips with new ideas, so our institutions can be prepared to cope with the future without abandoning the traditional principles in which we believe. To achieve these ends, we must have solid study and research, guided by devotion to honesty and moral principle, and implemented by leaders who can make and stand on tough decisions. A National Institute of Justice would address itself to the demands for significant, often controversial changes in our legal system. In proper coordination with the Federal Judicial Center and the National Center for State Courts, it could lead toward responsible reforms in our institutions.

FORD

A. No, because its establishment would duplicate other activities already supported by the federal government.

The Law Enforcement Assistance Administration provides national leadership in this area, in addition to providing block grant funds to assist state and local criminal justice agencies. L.E.A.A.'s National Institute of Law Enforcement and Criminal Justice, established by law in 1968, now pursues most of the objectives called for by the National Institute of Justice proposal. It encourages research and innovation and provides training and information for local agencies. The administration had asked Congress to expand the charter of the institute to include civil justice, but this was rejected.

Another effective resource for states and localities is the National Center for State Courts, which is funded largely by L.E.A.A. but which operates independently. The center has received approximately $10 million in federal funds for more than fifty projects to assist state and local court systems in meeting their responsibility to dispense justice.

Also important is the work of the National Advisory Commission on Criminal Justice Standards and Goals. The commission has published a series of thorough and comprehensive volumes containing hundreds of recommendations for all elements of the criminal justice system, including courts, corrections, police, community crime prevention, and the criminal justice system as a whole. These standards and recommendations constitute a detailed blueprint for state and local governments to consider in the improvement of their own law enforcement and criminal justice systems. The role of the commission is a continuing one.

NOTE.—The American Bar Association supports the creation by federal legislation of an independent National Institute of Justice to evaluate the effectiveness and quality of justice in the nation, conduct research, provide training and experimental programs, and to co-ordinate the gathering and publishing of information about the administration of justice.

STATEMENT OF GOV. JIMMY CARTER

(Public hearing, ABA Commission on a National Institute of Justice, Stouffer's Inn, Atlanta, Ga., Monday, April 22, 1974)

Thank you Mr. Chairman.

I want to welcome the Commission and its representatives to our state and to its capital. We are honored that you have selected Atlanta as the culmination of your schedule of hearings; and in looking over the list of fine witnesses you will hear from today, I can see that your selection of Atlanta for your final hearing was indeed auspicious.

But I am here today to do more than extend our state's welcome and hospitality to you. I am here because I share with you a dedication to the cause of securing justice for all the citizens of our land. It is a concern which I have held foremost since becoming Governor of this State. In my inaugural address, I stated that no person should be deprived of simple justice. In my first State of the State address, I said, "The entire field of criminal justice cries out for improvement in Georgia. I shall stake my own personal reputation on this improvement." With support and hard work from judges, lawyers and lay persons we have successfully completed major improvements in the administration of justice in Georgia.

During the first year of my administration I created a Commission on Judicial Processes and instructed it to come up with meaningful improvements in the administration of justice. It was a broad based body composed of lawyers and judges. The Commission submitted a comprehensive report and at the past three sessions of the General Assembly of Georgia most of its recommendations have been adopted. The result is that more improvements have taken place in the judicial branch of government in Georgia in the past three years than over the previous one hundred years. The success of the program was due to unified support we had—lawyers, judges, legislators, and, most important, lay persons—who were interested in their system of justice.

The most important accomplishment has been the establishment of the Administrative Office of the Courts under the supervision of the Judicial Council and the enactment of a constitutional amendment to be voted on this November creating unified court administration for our state. The people have a right to know what is going on in their courts. With unified court administration they now have the means to get this information.

The second most important accomplishment was the enactment of a constitutional amendment creating a Judicial Qualifications Commission with jurisdiction to investigate complaints against any judge or justice in the Georgia Judicial System for misconduct in office. Now any citizen has a remedy for complaints against the judicial branch of government. This will enhance the integrity of the judicial process.

Public drunkenness as a criminal offense has been abolished. Georgia has now repealed the old common law rule that a person charged with a crime was incompetent to testify under oath and became the last State to abolish the right of an accused to make an unsworn statement.

During the 1974 session of the General Assembly, the Commission recommendation that jury sentencing in non-capital cases be abolished was adopted, as was the recommendation to provide for a sentence review procedure.

We have enacted many proposals to strengthen the criminal justice system and to secure more effective means for administering our criminal laws.

One of the most awesome responsibilities of a Governor is to appoint persons to judicial vacancies caused by death, retirement or new judgeships created by the legislature. In the first year of my administration I created a Judicial Nominating Commission to nominate the five best qualified candidates for a judgeship on the Superior, Appeals, and Supreme Court. Since its creation, I have appointed 10 Superior Court Judges, 3 Court of Appeals Judges and 4 Supreme Court Justices. In every instance I have appointed from the list of five nominated by the Commission.

I will, within the next few weeks, appoint, 5 new Superior Court Judges and have asked the Judicial Nominating Commission for their recommendations with respect to these appointments.

It is important to note that I am not a lawyer. I am a graduate of the United States Naval Academy and was a nuclear physicist. Prior to becoming Governor I was, and I still am, a farmer. I am also a firm believer in the saying that "Justice is too important to be left to lawyers and judges." The average citizen in our nation is becoming aware of many deficiencies in our court system and he wants and deserves the right to participate in its improvement. We would have never made all these court improvements in my administration without the support from the general public.

The courts, of course, are only one part of our legal structure. Our police and law enforcement officials, our jails and prisons, our district attorneys and our public defenders, our various administrative bodies, our State mental facilities and our educational institutions—indeed, almost every aspect of our State Government is influenced by the legal processes of our society. We are blessed here in Georgia with a wealth of capable and dedicated public servants working in all of the institutions of our state government. But they often have to work without adequate resources and information; and in making some of the changes and reforms that we have in Georgia, I often have the feeling that we are either inventing or re-inventing the wheel. This situation isn't their fault or anyone else's; it just reflects the fact that our nation has for too long neglected the problems of justice in this land. It is high time that a concerted effort with substantial financial support was established to provide support and guidance for the State and local components of the justice system.

I interpret your presence here today as an indication that you support, as I do, the establishment of such an Institute of Justice.

Take the area of consumerism, for example. What real rights does the average consumer have? Suppose he or she wants to buy a refrigerator or a car or some other item for which he or she has scrimped and saved. And suppose that the only way he or she can purchase that particular item is by an installment sales contract, or "on time". Now I work every day with legal documents as Governor of the State of Georgia; but as I said earlier I am not a lawyer. I am a layman. And when I look at a piece of legislation or some other legal documents, I can call in my legal advisers to tell me the legal implications and consequences of certain provisions of those documents. But if I am out at a store buying a refrigerator, I don't have that option. I am presented with a long contract and am told to take it or leave it. And if I need that refrigerator, I sign that contract and hope for the best. Now as it often happens, the "best" doesn't happen. The refrigerator is damaged when it arrives, or it breaks down under normal use. And the consumer complains, and nothing is done, except that the bills keep coming in like clockwork. Now I am not suggesting that this is the normal course of events, but it happens all too often. And if the matter is ever brought to court for resolution, it is usually brought by the seller's attorneys, while the consumer ends up representing himself.

There ought to be some means or mechanism by which the unequal bargaining position between seller and consumer could be equalized and by which problems such as these could fairly and justly be resolved. I wonder whether some of these problems should even end up in our courts and whether some means of outside arbitration might not be better. No one today, to my knowledge, has even looked to see how widespread this problem is or what its ramifications may be.

Another area where I think we are long on problems and short on solutions is our correctional program—the jails and prisons we maintain and the people who occupy them. There are an estimated 425,000 persons now occupying the nation's jails, prisons, and juvenile detention facilities. Add to this figure the 900,000 persons on probation and the 300,000 on parole, and you have close to 2% of our population at any one time being under correctional supervision.

If we could get at the root causes of crime we could not only spare our taxpayers from the tremendous burden of supporting our various correctional institutions, but could produce the sort of society in which all people can live without fear or restraint.

Our traditional methods of dealing with those who have violated the law is to lock them up behind bars. Has this proved to be an effective approach to eliminating crime and restoring offenders to a useful and productive role in society? Nationally, it has been estimated that up to 80% of these persons released from prison end up committing further crimes. Obviously our rehabilitation efforts have not been very successful. What is the answer? New, modern prison facilities? Or should we move away from building new prisons in favor of smaller community-based facilities? And what about programs to divert offenders from the usual incarceration process entirely? While these questions are being debated by many, there is a crying need for an intensive and thorough examination of this problem. Only in that way can we eradicate the "revolving door" syndrome that has come to characterize our prisons.

I for one believe that a body like the National Institute of Justice is essential to study these and other problems of our justice system and to achieve meaningful reform. No single city or state can command the resources and personnel to undertake such an effort. Many problems of our justice system are, of course, local in nature; but many others recur time and time again in different cities and in different states. A national body which would study these problems and suggest, not dictate, solutions would be a great resource to me and the other governors. The role which the Institute could serve in publicizing and coordinating existing reform efforts would also be a genuine step forward. I commend you for the fine and diligent effort which your Commission has put into this effort so far, and I heartily endorse your proposal. Its unified approach will assist us in establishing justice throughout the United States and thereby create "a more perfect Union."

Thank you.

Resolution of the Communication Workers of America, 1977 Convention

The Chair recognizes the Resolutions Committee.

Chair Dempsey. The Delegates will please turn to page 23. I will call on Committee Member Mary Gregory to read Resolution 39A–77–11, National Institute of Justice.

Member Mary Gregory (Local 12128 Member of the Resolutions Committee):

Resolution 39A–77–11:

NATIONAL INSTITUTE OF JUSTICE

Among the issues which showed Governor Jimmy Carter different from President Gerald Ford was the proposal for a National Institute of Justice, to be created as an independent agency to help improve the quality of law practice in civil, criminal and administrative tribunals.

In his statement of support for the Institute, Mr. Carter said it would ". . . address itself to the demands for significant, often controversial, changes in our legal system. In proper coordination with the Federal Judicial Center and the National Center for State Courts, it could lead toward responsible reforms in our institutions."

The proposed legislation calls for creation of a small Institute, to give particular attention the impact of justice and the administration of law on the individual citizen and the opportunity to secure prompt and effective recognition of his or her legal rights, privileges, and obligations, and to securing equal legal protection and access to legal redress without regard to income status, race, sex, age, religion or national origin.

In stating the case for establishment of the National Institute, a study commission of the American Bar Association noted that its members almost unanimously shared several important views: "The most important of these was that public authority, at all levels of government, is suffering from a severe problem of 'credibility.' By this is meant that agencies of public authority, including the courts, were not regarded by the public as usually being fully truthful about what they were doing, wholeheartedly concerned about discharging their responsibilities, or even really thoughtful about what they were trying to do. . . .

"Another widely shared recognition," the ABA study group stated, "was that many of the institutions of justice had become fearful, defensive and introverted."

The new Institute, as proposed, would not duplicate other agencies' functions, nor would it become a bloated bureaucracy. Its attention would be concentrated on such subjects as consumer protection, access to adequate health-care services, availability of legal service, due process and equal protection in dealing with public agencies, the opportunity to participate in government decision-making, protection of privacy from official intrusion, accountability of public officials for actions that affect individuals, and economical adjustment for private legal disputes through such methods as arbitration.

Resolved: That this 39th Annual Convention of the Communications Workers of America endorse Presidential and Congressional actions to establish the National Institute of Justice.

Mr. President, the Resolutions Committee moves adoption of Resolution 39A–77–11, National Institute of Justice.

President Watts. You have heard the motion, and there is support from the Committee.

At Microphone No. 3, the Chair recognizes Delegate Griffiths, Local 1009.

Delegate Rosalie Griffiths (Local 1009). Mr. President, all my handsome Brothers and Lovely Sisters (applause) I rise in support of this resolution. There is little question that the American people are troubled by gaps in the law that too often let the wealthy escape with little or no penalty for major financial crime, while imposing harsh penalties upon those unable to secure the services of the well-paid lawyer who enters the courtroom preceded by high reputation and awesome fees.

The American people rightly are concerned with the problems of street crime, violence, personal insecurity and the apparent inability of our system of criminal justice to cope with these problems.

As workers, we are deeply concerned with the ability of the Union-busters in major areas of the country to twist the law and even to defy it and to frustrate the desire of workers to choose Unions to represent them.

The outstanding example, of course, is that of the J. P. Stevens Corporation, which stands as the employer-bulwark against the organization of the South.

We have had during these recent years the divisive issue of Watergate and Vietnam and all that has happened since those days. We now have the issues of equal rights in law regardless of sex, race or national origin.

We also have the question of equal representation before the courts and in the administration of justice for all regardles of wealth, education, social status, sex, race, national origin or religion.

The law must deal with the problems of consumer rights, accessibility to health care, equal protection of the law, the ability to cope with government and corporate bureaucracy, and in some equal access to the democratic process.

There now is upon the statute books a freedom of information act, which is balanced by federal law, guaranteeing us the right to privacy in our personal affairs. These two must be balanced, so that the citizens shall have access to affairs of government that affect his or her welfare, while being assured that his or her personal life shall not be assaulted without reason or by arbitrary authority.

The American dream holds that there shall be equal justice before the law, that this is a government of laws not of people. This nation approaches that ideal, as do few others upon this earth, but we would be fool-hardy not to understand that this is the ideal, not the fact.

The American Bar Association, as this resolution states, has recognized the need for greater credibility in government, and that many of our institutions of justice are in retreat.

President Carter has proposed that we begin now to attend to the problems involved, that we begin by establishing a small and scholarly national institute of justice, which shall be an independent agency, devoted to the improvement of the administration of the law in this nation.

This is a concept whose time has come.

Such an institute can be highly influential in the improvement of the legal climate in our land.

I urge the adoption of this resolution. (Applause)

President Watts: Microphone No. 5, Delegate Ryan, Local 9415.

Delegate Ryan (Local 9415): Mr. President, in supporting this, how do we insure that the same people who are causing these problems will not be on this institute that we are trying to set up?

President Watts: One of the ways of insure it would be for us to make recommendations and be involved in the process of developing the institute in its final form. With the present administration, I am inclined to believe that we can have such input to good advantage.

You are entitled to a second question.

Delegate Ryan: We may have input, but just about every agency that is set up ends up being run by the people we are trying to protect our members against.

Some of the problems we are having have been caused by members of the American Bar Association. I don't think that is going to—well, there is too much federal government in our lives now.

President Watts: That was not a question, but we heard what you said.

At Microphone No. 3, Delegate Kinney, Local 7102.

Delegate Wanda Kinney (Local 7102): I too rise in support of this resolution.

There is a definite need for the creation of this type of agency, an agency that would give all the opportunity to secure legal advice regardless of income, race, age or sex. We have all been paying the price of unequal justice in America. Every time the Supreme Court overturns a decision of the lower court because someone's rights had been violated, it comes out of my pocket and comes out of your pocket.

Another area the institute would cover is that of consumer protection. God only knows, we need help there.

The Bill System's program to charge for direct assistance is probably the biggest consumer ripoff in this country. We can use all the help we can get.

I am not sure that the National Institute would solve all of our problems, but it seems like a viable alternative.

I urge support in passage of this resolution. (Applause)

President **Watts**: At Microphone No. 1, the Chair recognizes Delegate Ibsen, Local 9415.

Delegate **Ibsen** (Local 9415): I move the previous question. (Applause)

President **Watts**: You have heard the motion to close debate. There is support.

Will all those in favor signify by raising their right hand. Down hands. Opposed, by a like sign. Down hands. Debate is closed.

The question before you now is the adoption of the resolution on a National Institute of Justice, Resolution 39A–77–11.

Will all of those in favor of adoption signify by raising their right hand? Down hands. Opposed, by a like sign. Down hands.

The motion is carried.

The Chair recognizes the Resolutions Committee.

International Union, United Automobile, Aerospace & Agricultural Implement Workers of America,

July 13, 1978.

Hon. Birch Bayh,
U.S. Senate,
Washington, D.C.

Dear Senator Bayh: On behalf of the International Union, UAW I am delighted to lend our strong support, as we have in the past, to your legislation to create an independent, adequately funded National Institute of Justice.

Your legislation earns our support because it not only would create an independent institute with adequate funding, but ensures that the institute will consider a full range of issues. While there are those who would concentrate research on problems of criminal law, and those are important problems, we must not fail to undertake also an intensive study of such issues as individual rights, civil law and procedure, and regulatory matters, among others.

It is important that your legislation is the product of years of work, beginning with an initiative by the American Bar Association, but involving a comprehensive process in which many concerned sectors of our society were involved. The process which led to the creation of the bill you have introduced represents a sincere undertaking in which a conscientious effort was made to reach out for the widest possible points of view. While that alone would not make the legislation meritorious, the bill deserves support on its face and that support is enhanced by the thoroughness, hard work and sincere commitment which went into its formulation.

I mentioned that the independent nature of the institute you propose to create was important. If we are to fund, as the UAW thinks we should, expert outside research, it is essential that the institute providing those funds exist outside the political crucible of a cabinet-level department, and that it also have the stature of a presidentially-appointed board. The fundamental questions that need to be asked about the adequacy and responsiveness of our system of justice demand independence, stature and the funds required to perform this important task. Your bill meets all of those tests and we are pleased to be able to give you not only this statement of support but our commitment to help you secure passage of this important bipartisan legislation.

Sincerely,

Howard G. Paster,
Legislative Director.

On an Independent National Institute of Justice

The establishment of a National Institute of Justice appears to be imminent. Legislation pending in both the House and Senate proposes the creation of such an agency, raising the welcome prospect that it may soon become a reality.

Envisioned as far back as the 1920s, a National Institute of Justice would coordinate and fund, on a nationwide basis, public and private efforts aimed at making the justice system more effective and more responsive to the changing needs of society. Specifically, it would establish overall research priorities and make grants to or contracts with organizations operating in the justice field and having the requisite expertise to conduct research or manage innovative demonstration programs.

For such an agency to fulfill its promise as an instrument for improvement in our nation's legal and justice system, however, it should have the freedom to act and react with a high degree of independence. This aspect of a National Institute of Justice is crucial to its success. There are compelling reasons for such independence.

First, any agency with ill-defined ties to a branch or department of government will inevitably be subject to political pressures. Its programs and the projects it funds will too often be dictated by other than professional or scholarly considerations. Further, a NIJ that becomes the handmaiden to any branch or department simply cannot maintain a balanced program perspective. And, perhaps most importantly, in the current climate public credibility could soon wither if the agency were to be viewed as an instrument for carrying out politically motivated objectives.

In its deliberations on this important legislation. Congress must address those considerations which will help to insure that the National Institute of Justice which emerges has independence both to undertake those programs and projects which it deems most appropriate, and to provide funding to organizations best able to carry them out.

[From the Massachusetts Lawyers Weekly, Oct. 30, 1978]

National Institute of Justice

For a number of decades the federal government has funded the National Institute of Science, which has sponsored and funded major scientific research. The overall record has been outstanding. We have expanded scientific knowledge greatly and have assured ourselves as a nation that science fits into the larger pattern of economic and social structures.

We need a comparable National Institute of Justice. As a nation, we are based upon the concept that law rules rather than man, but we know almost nothing of how our system of justice actually works. Despite its critical importance in the functioning of the government and society, our knowledge is incomplete and based more on hunch than scholarly research.

We have also created an incredible amount of law, most of it legislation, that we hope will solve some social and economic woes. Again, this proliferation of law has never been analyzed to determine if the solutions proposed are the best ones that could be developed and, once adopted, if they are functioning as anticipated.

WHAT WOULD IT DO?

The first proposal for a National Institute of Justice was created by the American Bar Association and sent to Congress in 1974. It is again before Congress for its consideration. The purpose of the NIJ is stated in broad terms—and would involve a comprehensive research program. In the words of one of the sponsors of the legislation, the effort would encompass "all aspects of the justice system—Constitutional, criminal, civil, juvenile, administrative, regulatory and so forth." Coordination of research could be accomplished through the NIJ, and much new and critical research be funded.

President Carter has also proposed a somewhat different form of the National Institute of Justice in the Justice System Improvement Act. The NIJ in this proposal would be a part of the Department of Justice. While this plan seems logical enough on its face, it would limit and perhaps destroy the independence of the proposed Institute.

The Justice Department will have, necessarily, its own research priorities and the NIJ would be the instrument for carrying out these priorities. The problems of justice are, however, much broader than those within the purview and jurisdiction of the Department and the Institute should not be limited by Department policy.

MUST BE INDEPENDENT

Recent history also suggests that the NIJ should be independent. Justice under law is too important to be left solely to government officials. We need a breadth of studies that may, in some cases, require action adverse to the interests of those holding government positions. Studies of this type would not be funded or publicized by at least some persons and agencies.

Lawyers should be strongly encouraging the creation of an independent National Institute of Justice. Improvements in our justice system can only occur if we understand the strengths and weaknesses of the system as it now operates.

Such knowledge, in an organized and complete form, can only be developed by a national organization. And this organization should be independent of any branch of the government, or agency within a branch, if it is to be effective in reviewing and improving the entire justice system.

[From the Wilmington, (Del.), News, July 17, 1978]

New Directions Needed

On the whole, President Carter's proposals to drastically overhaul the Law Enforcement Assistance Administration make a lot of sense. It certainly is a better solution to the problem-plagued agency than abolishment.

The decade-old federal agency has been fraught with lack of direction and any real sense of what it should be doing. The result, in the words of the president, is that LEAA has been "ineffective."

Perhaps the essence of the agency's problems lies in its attempt to be all things to all aspects of the criminal justice system. Because money to help state and local anticrime efforts came through this agency, all those with any legitimate claim on such money were constantly battling each other for it.

Police departments wanted hardware (patrol cars, uniforms, weaponry), the courts wanted more clerks or pre-sentence investigators, the prosecutors and corrections systems had their demands.

As each group became more sophisticated in the writing of complex applications and in the art of courting the state coordinating body and federal bureaucrats, their slice of the pie got bigger.

A key to intelligent coordination in this scrambled eggs program was the state commission. In Delaware the commission, known variously as Delaware Agency to Reduce Crime, the Law Enforcement Planning Commission, the Governor's Commission on Criminal Justice, and now, the Delaware Criminal Justice Planning Commission, has had a spotty record.

Over the years there have been cries of "Too much money for administration" or "The police are getting all the money." At a meeting last summer a skillfully coordinated coalition managed to gain several changes in the commission staff's proposal, much to the chagrin of other commission members.

Yet, on balance, a federally supported effort to curb crime at local and state levels makes sense. LEAA money was largely responsible for improving the Delaware Superior Court's docketing procedures, establishing the computerized network on criminal records and motor vehicle records used by the courts and police, and LEAA is now funding Atty. Gen. Richard R. Wier Jr.'s investigation of white collar crime.

What President Carter wants to do is streamline the agency and give it some direction. Major elements of his proposal are:

—Ban the use of federal money for salary increases or construction projects and sharply reduce use of federal money for police hardware.

—Eliminate the requirement that state and local applicants submit annual plans—and instead submit three-year plans.

—Guarantee fixed allotments for cities over 100,000 and counties with populations of more than 250,000 because that's where most crime occurs.

These all make a lot of sense. If nothing else they would reduce the amount of needless, repetitious paperwork that applicants must go through year after year.

One part of the president's proposals establishing a research oriented National Institute of Justice within the Justice Department gives us some trouble. We agree with the American Bar Association that such a research unit should be clearly separated from the "action" part of anti-crime efforts. The ABA is promoting legislation that would make a National Institute of Justice a separate governmental body, not unlike the National Science Foundation or the National Institutes of Health. Such an independent body would be relatively free of the kinds of political pressure that have marred the efforts of LEAA for years. So freed it could produce valid data on ways to improve court procedures, police and corrections operations without concern for stepping on toes.

The president's proposals were introduced in the Senate by Sen. Edward M. Kennedy, who is scheduled to head the Judiciary Committee next year. With that kind of backer the reorganization could be accomplished soon.

[From the Miami (Fla.) Review and Daily Record, July 19, 1978]

PUBLISHER'S DESK

JUSTICE SYSTEM NEEDS MODERNIZATION

There's many a slip twixt the cup and lip and it appears that there is also many a slip between what a candidate for president promises and what a president finally proposes.

President Carter's plan for a National Institute of Justice (NIJ) is in the words of William B. Spann Jr., president of the American Bar Association, "an inadequate retread of LEAA's old, worn and much criticized research program."

When he was seeking office, Mr. Carter asked for an independent NIJ to take an in-depth look at the entire justice system. Now, he would bury it in the Department of Justice and deny the visibility and credibility needed for public understanding and success.

In other words, President Carter just isn't giving the nation the bold and innovative leadership needed to reform, strengthen and modernize the justice system.

By placing the NIJ within the Justice Department and closely tied to the grant-making activity of LEAA, the political needs of the Justice Department and the desires of state and local governments who receive LEAA funds are apt to dictate the research program which will be undertaken.

It's too bad the administration proposes a weak Advisory Board for NIJ, with the real power and status vested in the staff. Spann says the authority should be placed mainly in a prestigious, independent Board of Trustees, appointed by the President and not in federal bureaucracy.

We agree with the president of the ABA that the NIJ should conduct a balanced research program covering criminal, civil, administrative and regulatory matters. Enactment of the halfway measure offered by the administration will sound the death knell for any independent agency and end the chances for solving the problems facing our justice system.

Proposals for creation of an independent, federally funded, NIJ have been introduced in Congress. We join with the ABA in urging our national legislators to weigh the two approaches carefully and select a no-strings path which should prove to be far more beneficial for the American people.●

By MR. HELMS:

S.J. Res. 29. A joint resolution to establish a Commission on Security and Cooperation in China; to the Committee on Foreign Relations.

COMMISSION ON SECURITY AND COOPERATION IN CHINA

Mr. HELMS. Mr. President, the recognition of the Government of mainland China by President Carter has raised a great amount of anxiety over the future of the island province of Taiwan, and the Government of the Republic of China which is located there in Taipei. Despite assurances by President Carter that the mainland government is pledged not to use force against the government of Taipei, recent statements by Chinese Vice Premier Teng Hsiao-ping that he would not rule out the use of force as the ultimate sanction to induce negotiations have unveiled the ultimate goal.

The question is whether there are any circumstances whatsoever under which U.S. policy would like to see the peaceful unification of Taiwan with any Communist government on the mainland. The issue raises larger questions about our belief in the nature of freedom and our willingness to see any group of peoples in the world lose their right of self-determination. It is scarcely conceivable —at least to this Senator—that any people living in the relative freedom of life on Taiwan would willingly choose to be absorbed into a Communist society, even if such a fate took place peacefully.

Teng's threat that force must be reserved as the ultimate sanction to induce the government of the Republic of China to negotiate indicates that a policy of pressure will be followed, one that doubtless will include diplomatic, economic, and psychological efforts to isolate Taiwan, to restrict its freedom of action in international activities, and to destroy its economy. Taiwan cannot be said to have a choice if its freedom is strangled "peacefully" in a silken noose.

Similarly, Taiwan's choice cannot be said to be free if it is threatened militarily by a buildup of the kind of forces and armaments directed at military invasion, particularly if these forces are concentrated in regions adjacent to the Taiwan Straits. In part, Taiwan's ability to respond will depend upon the United States; but a great deal will depend upon the actions of the Peking government.

There are those who say, hopefully, that Peking will never invade because it would disrupt relations with Japan and the United States. But no one can predict under what future circumstances Peking might decide to act.

The fact remains that the Peking government has the worst—let me repeat for the purpose of emphasis—the worst human rights record in history, one that surpasses even the graphic descriptions of witnesses to the Cambodian tragedy. A study prepared for the Senate in 1971 estimated that as many as 64 million Chinese died during the Communist programs of liquidation and purge.

Even today, Chinese Communist officials estimate that between 5 and 10 percent of the Chinese people suffer "the dictatorship of the proletariat" in forced labor camps. With a population of 900 million, 5 to 10 percent in forced labor camps is a number equivalent to one quarter to one half of the population of the United States. So that, Mr. President, is what we confront.

Those who are not in the forced labor camps live continually in the fear that they, too, might fall under surveillance or "dictatorship." Legal protections are virtually nonexistent; men and women are incarcerated by party directive (the Gang of Four being the most notorious examples).

Personal mobility is restricted not only by the poverty and failure of the Chinese economic system under communism, but also by one of the most restrictive systems of rationing basic daily necessities in the world. Indeed, the very rights which we hold to be fundamental to the nature of man are rigorously suppressed, including the following:

First. The rights of family. The Chinese sense of family runs very deep, based upon the Confucian ideal of respect for one's ancestors. The party has worked very hard to break down this tradition. The "liberation" of women, most of whom do manual work in the fields, has placed great stress on the family unit. Parents have no control over the education of their children. Millions of so-called "educated" youth have been sent from urban centers to remote villages for permanent settlement. Restrictions on marriageable ages, forced separation of married couples to job assignments hundreds of miles apart, and public pressures on individual women for abortion and contraception further erode marital rights and privacy.

Second. The rights of religion. Millions of Chinese were adherents of the Buddhist, Taoist, Moslem, and Christian faiths before 1949, and millions more were active followers of the ethical precepts of Confucius. The thousands of temples have been closed, many have been destroyed. A mere handful of religious buildings are kept open for the inspection of foreigners, but no Chinese citizen would dare to enter. Attendance at religious rites would result in job loss, discrimination, surveillance, decrease in rations, and perhaps even a trip to the labor camps.

Third. The rights of labor. No Chinese may join an independent trade union, much less enter upon a strike. Wages in China have been raised only twice in 20 years. A worker has no right to select his job or his assignment.

Fourth. The rights of property. Needless to say, the right to hold private property has completely disappeared, including peasants who may have owned only 2 or 3 acres. Forced collectivization was imposed on all agriculture. Property rights are the foundation of human liberties, and they are nonexistent in Communist China.

Fifth. The rights of political expression. There is only one party in China. There is not even an organized network of dissenters, such as in the Soviet Union. The recent, brief flowering of big character posters, under the careful guidance of Party officials, shows that free political expression on the mainland is nonexistent.

Sixth. The rights of economic-self determination. Anyone who advocates personal or private enterprise, no matter how insignificant, is considered a "capitalist roader." No individual may attempt to establish his own economic self-sufficiency outside of the collective plan.

Seventh. The rights of due process. Legal rights simply do not exist in China, and the recent calls for the establishment of legal procedures only points up the fact that, for 20 years, citizens have been at the mercy of party directives, as interpreted by local officials. There is not even a criminal code, much less a code for political offenders.

Mr. President, it is the hope of many that the total absence of human rights, as generally understood in the West, will be ameliorated as time goes by. The emergence of Teng as the strong man in China after the death of Mao has given an indication that there might be evolution toward a better situation. But no one knows how long the adherents of Teng will hold power. The historical record gives little confidence that the situation will change for the better permanently. It is far too soon to decide.

All of these reasons are reasons why we should not be in haste to consign the people on Taiwan to the benevolence of the Peking regime. After all, the Republic of China has not ceased to be a legitimate government merely because the United States has withdrawn its ambassador. It remains in control of a significant part of the territory of China. I believe that it is generally accepted under international law that a country cannot be "de-recognized." A new government may be recognized once it has de facto control of territory. But once it is recognized, it is recognized as long as it has that control. The withdrawal of ambassadors is a separate act that has no bearing on recognition.

Indeed, nations may withdraw ambassadors and go to war with each other, without any implication that their opponents no longer exercise sovereignty over such territory as they control. Infact, quite the opposite is implied.

However, since the administration has chosen to withdraw the U.S. Ambassador from Taiwan and to recognize Peking as the sole government of China, in defiance of reality and international law, special steps should be taken by Congress to safeguard the human rights of the Chinese people who are under the Government of the Republic of China on Taiwan. Neither that Government nor the people cease to exist because of the President's action. It is up to Congress to monitor the human rights situation on the mainland and any potential military buildup which would threaten Taiwan.

Accordingly, the resolution which I am proposing would set up a Commission on Security and Cooperation in China. It would parallel the work of the presently existing Commission on Security and Cooperation in Europe, the so-called Helsinki Commission, which monitors human rights violations of nations which have signed the Helsinki accords.

Like the Helsinki Commission, the China Commission would be a body consisting of six Members of the Senate, six Members of the House, and three members appointed by the administration. Like the Helsinki Commission, the congressional Members would be selected in a ratio of 2 to 1 from the majority and minority parties. Again like the Helsinki Commission, there would be a small staff to perform necessary tasks to implement its mandate.

The main difference between the two commissions, of course, has to do with its goals. Since Peking looks upon human rights as a bourgeois fiction designed to impede the class struggle, the People's Republic has not signed the Helsinki agreement.

Its mandate, therefore, is based upon the implied promises of the People's Republic with regard to its aspirations toward Taiwan. Its role would be as follows:

First. To monitor the acts of the PRC to determine whether the PRC has directed any aggressive or hostile action against the territory of the Republic of China, or has taken any step which would have the purpose or effect of undermining the governing authorities;

Second. To encourage and monitor the activities of the U.S. Government and of private organizations in strengthening economic and military cooperation with such territory and to conduct liaison with the governing authorities in the territory controlled by the Republic of China, for the purpose of assuring the security of that territory; and

Third. To monitor the status of the People's Republic of China of internationally recognized human rights, including the rights of family, religion, property, labor, political expression, economic self-determination, and due process, in order to decide whether the rights of the people on Taiwan would be abridged if "unification" should take place.

It should be noted that, like its model, the Helsinki Commission, the proposed China Commission does not intrude upon the President's right to conduct foreign policy. Its function is only a monitoring function so as to collect vital information to report to Congress. It is merely an expression of congressional oversight authority, and is designed to have input both from congressional and administration sources.

Mr. President, I ask unanimous consent that the text of my joint resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 29

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That there is established the Commission on Security and Cooperation in China (hereinafter referred to as the "Commission").

SEC. 2. The Commission shall—

(1) monitor the acts of the Government of the People's Republic of China to determine whether such Government has directed, contrary to the understanding of the President, any aggressive or hostile action against the territory of the Republic of China or has taken any step which would have the purpose or effect of undermining the *de facto* governing authorities in such territory;

(2) encourage and monitor the activties of the United States Government and of private organizations in strengthening economic and military cooperation with such territory and to conduct liaison with the *de facto* governing authorities in the territory of the Republic of China, for the purpose of assuring the security of such territory; and

(3) monitor the status in the People's Republic of China of internationally recognized human rights, including the rights of family, religion, property, labor, political expression, economic self-determination, and due process, in order to determine whether the incorporation of the territory of the Republic of China into the People's Republic of China would have the effect of denying or abridging such rights of the people of such territory.

SEC. 3. The Commission shall be composed of fifteen members. Of the members provided for under the preceding sentence—

(1) six shall be Members of the House of Representatives to be appointed by the Speaker of the House of Representatives, four of whom shall be selected from the majority party, and two of whom shall be selected, after consultation with the minority leader of the House of Representatives, from the minority party. The Speaker of the House of Representatives shall designate one of the Members appointed under this paragraph as Chairman of the Commission;

(2) six shall be Members of the Senate to be appointed by the President of the Senate, four of whom shall be selected from the majority party, and two of whom shall be selected, after consultation with the minority leader of the Senate, from the minority party;

(3) one shall be a member of the Department of State to be appointed by the President;

(4) one shall be a member of the Department of Defense to be appointed by the President; and

(5) one shall be a member of the Department of Commerce to be appointed by the President.

SEC. 4. (a) Members of the Commission shall serve without compensation but shall be entitled to reimbursement for travel, subsistence, and other necessary expenses incurred by them in carrying out the duties of the Commission.

(b) The Commission may appoint and fix the pay of such staff personnel as it deems desirable, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and general schedule pay rates.

SEC. 5. The Commission may, in carrying out its duties under this joint resolution, sit and act at such times and places, hold such hearings, take such testimony, and require, by subpena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memoranda, papers, and documents as it deems necessary. Subpenas may be issued over the signature of the Chairman of the Commission or any member designated by him, and may be served by any person designated by the Chairman or such member. The Chairman of the Commission, or any member designated by him, may administer oaths to any witness.

SEC. 6. The Commission shall report quarterly to the President and to the House of Representatives and the Senate with respect to the matters covered by this joint resolution and shall provide information to Members of the House of Representatives and the Senate as requested. For each fiscal year for which an appropriation is made the Commission shall submit to the Congress a report on its expenditures under such appropriation.

SEC. 7. There are authorized to be appropriated to the Commission for each fiscal year and to remain available until expended, $350,000 to assist in meeting the expenses of the Commission for the purpose of carrying out the provisions of this joint resolution, such appropriation to be disbursed on a voucher to be approved by the Chairman of the Commission.

By Mr. WILLIAMS (for himself and Mr. CRANSTON):

S.J. Res. 30. A joint resolution authorizing and requesting the President to issue a proclamation designating the month of June as "National First Aid Month"; to the Committee on the Judiciary.

NATIONAL FIRST AID MONTH

● Mr. WILLIAMS. Mr. President, I am pleased to introduce a Senate joint resolution to declare the month of June as "National First Aid Month." The purpose of this observance is to increase public awareness and knowledge of basic first aid and emergency procedures.

Statistics compiled by the National Safety Council and the National Center for Health Statistics reveal much about the health of Americans.

Accidental injury is the leading cause of death among Americans aged 1 to 38. It is the fourth leading cause of death among all Americans and claims more lives among youth aged 15 to 24 than all other causes combined.

In 1976, chronic and acute illnesses or injuries resulted in an estimated 18.2 days of restricted activity or disability per person. Restricted-activity ranged from about 11 days for children under 17 years of age to approximately 40 days for persons 65 years of age or over.

Motor vehicle accidents are the major single cause of death and disability in this country, however, drownings, fires, poisoning, and firearms also inflict a heavy toll. The cost of these accidents to the individual, his family, and our society is enormous. Accidents in which deaths or disabling injuries occurred, together with noninjury motor vehicle accidents and fires, cost our Nation $52.8 billion in 1976. Included in this total was $31.7 billion for wage losses, medical expenses, and insurance administrative costs.

In 1973, the Congress recognized that disability, loss of health, and death from accidents, as well as from sudden illnesses such as heart failure, could be substantially reduced with an improved emergency medical services system. To help communities meet emergency situations immediately and effectively, Congress enacted the Emergency Medical Services Systems Act. Through this act, communities have been able to correct service deficiencies irrespective of the relative wealth or urban-rural nature of their local areas.

Despite the expansion of professional emergency medical services in this country, there is a need to assure that each American has an awareness and knowledge of basic first aid and emergency procedures. When an accident occurs, use of basic first aid techniques can mitigate the need for professional medical treatment. In life-threatening situations, the use of relatively simple procedures, until professional medical care can be obtained, can often make the crucial difference between life or death.

A number of voluntary organizations diligently work to teach people about basic first aid and emergency medical procedures. The resolution I am introducing today would focus concerted attention on the need for every American to obtain information about these procedures. Several voluntary organizations have already indicated their support for this effort including the National Safety Council, the Boy Scouts of America, the Salvation Army, and the American Heart Association. I am confident support for this resolution by the Congress will result in the protection of the health of countless Americans.

Mr. President, I ask unanimous consent that the text of this resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 30

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

Whereas, accidental injuries and sudden illnesses result in loss of health, disability, or death for millions of Americans each year;

Whereas, the prompt application of first aid and emergency procedures can preserve health, reduce suffering, and save lives;

Whereas, there is a demonstrated need to increase public awareness and knowledge of basic first aid and emergency procedures; and

Whereas, basic first aid and emergency care information should be accessible to every American: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to issue a proclamation designating the month of June of each year as "National First Aid Aid Month" and calling upon the people of the United States and interested groups and organizations to observe such month with appropriate ceremonies and activities.●

ADDITIONAL COSPONSORS

S. 5

At the request of Mr. CHILES, the Senator from Pennsylvania (Mr. HEINZ) was added as a cosponsor of S. 5, to provide policies, methods, and criteria for the acquisition of property and services by executive agencies.

S. 10

At the request of Mr. BAYH, the Senator from Arizona (Mr. DECONCINI) was added as a cosponsor of S. 10, The Rights of Institutionalized Persons.

S. 25

At the request of Mr. BAYH, the Senator from Maine (Mr. MUSKIE), the Senator from Washington (Mr. MAGNUSON), and the Senator from Ohio (Mr. METZENBAUM) were added as cosponsors of S. 25, a bill to designate the birthday of Martin Luther King, Jr. as a national holiday.

S. 46

At the request of Mr. STONE, the Senator from Nevada (Mr. CANNON) and the Senator from Arizona (Mr. GOLDWATER) were added as cosponsors of S. 46, a bill extending diplomatic privileges and immunities to all offices representing the Republic of China in the United States.

S. 55

At the request of Mr. BENTSEN, the Senator from Oklahoma (Mr. BOREN) was added as a cosponsor of S. 55, the Meat Import Act of 1979.

S. 188

At the request of Mr. STEVENSON, the Senators from Iowa (Mr. CULVER and Mr. JEPSEN) were added as cosponsors of S. 188, a bill to amend the Disaster Relief Act of 1974.

S. 196

At the request of Mr. THURMOND, the Senator from New Jersey (Mr. WILLIAMS) was added as a cosponsor of S. 196, to provide chiropractic treatment when requested for veterans eligible for outpatient care.

S. 227

At the request of Mr. ROTH, the Senator from Arizona (Mr. DECONCINI) was added as a cosponsor of S. 227, to improve the operation of the adjustment assistance programs for workers and firms under the Trade Act of 1974.

SENATE RESOLUTION 30—SUBMISSION OF A RESOLUTION TO AMEND THE STANDING RULES OF THE SENATE

Mr. WILLIAMS (for himself, Mr. RANDOLPH, Mr. PELL, Mr. KENNEDY, Mr. NELSON, Mr. EAGLETON, Mr. CRANSTON, Mr. RIEGLE, Mr. METZENBAUM, Mr. SCHWEIKER, Mr. JAVITS, and Mr. ARMSTRONG) submitted the following resolution, which was referred to the Committee on Rules and Administration:

S. RES. 30

Resolved, That—

(1) clause (1) of paragraph 1.(1) of Rule XXV of the Standing Rules of the Senate is amended by striking out "Committee on Human Resources," and inserting in lieu thereof "Committee on Labor and Human Resources,", and

(2) the table contained in paragraph 2 of such Rule is amended by striking out the item relating to the Committee on Human Resources and inserting in lieu thereof "Labor and Human Resources".

SEC. 2. The standing committee described in paragraph 1.(1)(1) of Rule XXV of such

Standing Rules is hereby designated as, and shall be known for all purposes after the date of adoption of this resolution as, the "Committee on Labor and Human Resources".

SENATE RESOLUTION 31—ORIGINAL RESOLUTION REPORTED AUTHORIZING ADDITIONAL EXPENDITURES BY THE COMMITTEE ON HUMAN RESOURCES

Mr. WILLIAMS, from the Committee on Human Resources, reported the following original resolution, which was referred to the Committee on Rules and Administration:

S. Res. 31

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on Human Resources is authorized from March 1, 1979, through February 29, 1980, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

Sec. 2. The expenses of the committee under this resolution shall not exceed $2,792,000 of which amount not to exceed $50,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended).

Sec. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 29, 1980.

Sec. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

NOTICES OF HEARINGS

COMMITTEE ON AGING

● Mr. CHILES. Mr. President, I would like to announce that a hearing of the Senate Special Committee on Aging will be held in Missoula, Mont. on February 14 at 9:30 a.m. and 1:30 p.m. at the Eagles Lodge, 2200 Stephens, Missoula. Senator JOHN MELCHER will preside. The hearing will focus upon rising energy costs and their impact on the elderly. In addition, the afternoon session will concentrate on the nutrition and commodities program for the elderly.●

ADDITIONAL STATEMENTS

SALT II

● Mr. HART. Mr. President, the debate over Senate ratification of the expected SALT II Agreement has been made more complex than necessary by misleading statements from SALT opponents. They have suggested, for instance, that our European allies have serious misgivings about the value of the nearly completed agreement.

The recent summit in Guadeloupe should help to dispel such misapprehensions of European attitudes. President Giscard of France, Prime Minister Callaghan of Britain, and Chancellor Schmidt of Germany were unanimous and unambiguous in their support for an early conclusion to the SALT talks and swift ratification of a SALT II Agreement. I would like to have printed in the RECORD excerpts from their concluding remarks at Guadeloupe. When others present alleged evidence of European concerns over SALT, let us remember the official public views of these three leading NATO allies.

The excerpts follow:

EXCERPTS OF CONCLUDING REMARKS ON SALT BY WESTERN LEADERS

PRESIDENT GISCARD D'ESTAING OF FRANCE

We considered that the legitimate recognition of the realities of the present-day world should be accompanied by the pursuit of efforts designed to improve the world situation, and in particular, the pursuit of efforts toward detente, and efforts toward limitations of armaments and, in particular, express the hope for an early conclusion of the SALT Agreement.

PRIME MINISTER CALLAGHAN OF THE UNITED KINGDOM

. . . We heard from President Carter about the SALT Agreement. It is reaching its final stages now. He gave us his analysis of the (current) position. Of course, during the whole process, there has been continuous consultation. I would like to urge, speaking as someone who is on the other side of the Atlantic, I would like to urge the speedy ratification, the conclusion of the agreement and speedy ratification on both sides, that is, on the United States side and on the Soviet Union. I think it would be a very sad day if this agreement were not ratified, and the Administration will have our support in their efforts when they place it before the American people. And we look forward to the development of a SALT III negotiation, which we believe will be of benefit to us.

CHANCELLOR SCHMIDT OF THE FEDERAL REPUBLIC OF GERMANY

Representing nations who belong to the same Alliance, it was, of course, natural that we at some length dealt with security questions, among which, of course, was of great importance the report that we were given by the American President, Jimmy Carter, on the progress of SALT II, and I would like to join my British colleague here in stressing that in our view, SALT II is going to be a very important contribution toward stabilizing world peace. I do hope for early conclusion, and also for swift ratification thereafter. And as far as my country is concerned, we will take the appropriate opportunity to make this clear to everybody in the world.●

S. 227—TRADE ADJUSTMENT ASSISTANCE ACT

● Mr. JAVITS. Mr. President, I rise in support of the Trade Adjustment Assistance Act, which will substantially improve the delivery of adjustment assistance benefits and, thereby, make the program more effective in carrying out the mandate contained in the 1974 Trade Act—to safeguard American industry and labor against harmful import competition. The bill will raise the ceiling on direct loans to firms from $1 to $3 million and on loan guarantees from $3 to $5 million, extend assistance to workers and firms that manufacture component parts of import-impacted articles, and include provisions for determining the cause of industries' competitive problems and possible adjustment options.

The Trade Adjustment Assistance Act is an essential domestic counterpart to the Multilateral Trade Negotiation package. Our dedication to free international trade must be accompanied by a commitment to assist U.S. industry and labor adjust to structural changes in the international economy. Only by assuring appropriate assistance to workers and firms affected by imports can we build a foundation of support for the MTN and acceptance of its critically important goals of an open international economy.

At present, manufacturing industries in every State benefit from trade adjustment assistance benefits. New York State alone received 30 percent of the total trade adjustment assistance for firms since the Trade Act of 1974 went into effect. As for worker benefits, in 1978, 387,000 U.S. workers were certified for trade adjustment assistance with 41,000 New York State workers—15 percent—receiving benefits. In 1978, New York State received $59 million out of a U.S. total of $507 million. This firm and worker assistance was especially important to the apparel, textile, steel, footwear, and television industries.

I have already written to Ambassador Strauss asking him to submit the Trade Adjustment Assistance Act as early as possible, and I ask that my letter to him be printed in the RECORD. Now that Senator ROTH and I have introduced this legislation, I urge the administration to support its passage. I plan to ask Ambassador Strauss when he testifies before the Joint Economic Committee tomorrow what the position of the administration is on this bill.

In conclusion, I urge my fellow Members to join Senator ROTH and myself in ensuring U.S. workers and firms adequate and effective assistance in adjusting to changes in the international economy.

The letter follows:

U.S. SENATE,
Washington, D.C., January 18, 1979.

Hon. ROBERT S. STRAUSS,
Washington, D.C.

DEAR BOB: I am writing in reference to a matter that I believe is of considerable mutual concern.

As you know, in the rush to adjourn in October, the Trade Adjustment Assistance Amendments were not passed by Congress. This legislation would have substantially improved the delivery of adjusted assistance benefits, thus making the program more effective in carrying out the mandate contained in the 1974 Trade Act to safeguard American industry and labor against harmful import competition.

I urge you to resubmit the Trade Adjustment Assistance Amendments as early as possible in this session. Early resubmission will greatly help consideration of the Multilateral Trade Negotiation package by creating the proper climate in Congress for more liberalized international trade. A strong commitment on your part to support adjustment assistance will help allay protectionist fears in the Congress that may well accompany this major step toward free trade and will also set a receptive stage for successful consideration of the MTN package.

With best wishes,
Sincerely,

JACOB K. JAVITS.●

THE MEAT IMPORT ACT OF 1979

● Mr. BOREN. Mr. President, today, I am cosponsoring S. 55, the Meat Import Act of 1979. This legislation is needed to help alleviate the boom and bust cycles of the livestock industry and will help assure a more dependable supply of quality meat for consumers. Ranchers in my State of Oklahoma and in the rest of the Nation are still heavily in debt from the depression which hit the beef industry from 1973 to 1977. They deserve our help and consideration. One of the causes of the boom and bust cycle has been our present law on meat imports.

The present law has been counterproductive in recent years, and changes are necessary to maintain the economic well-being of our Nation. The current law lets in more imports when domestic supplies are high and prices are low. Additional imports further depress prices. Such was the case recently when many ranchers, both young and old, were on the brink of economic disaster and some were forced out of business. It makes very little sense to allow a greater amount of imported beef into the country at the time when there is already a domestic surplus.

On the other hand, the current law restricts imports when domestic supplies are low and prices are high. With less imports allowed, total supplies are tightened and prices rise. This action may result in Presidential action to suspend quotas and let in more imports. At the very time we should be encouraging our producers to increase production, suspension of quotas causes anxiety and a lack of confidence within the cattle industry. The present law works in just the reverse of market forces and neither the consumer nor the producer benefits in the long run.

S. 55 provides for a countercyclical formula to be used in determining quantities of beef imports. Under this formula, imports will vary inversely during periods of low domestic supplies which will benefit the consumer. Conversely, imports will be reduced as domestic supplies increase which will help the cattle producer.

This bill also tightens two loopholes in the present law. First, live cattle in from foreign countries are considered a part of domestic commercial production. Under the provisions of S. 55, carcass weight of live cattle imports would not be counted as domestic commercial production. Second, partially processed beef which may be shipped in is not counted as imported beef. This bill would include this kind of beef in calculating total imports. This a far better approach because realistically all foreign beef in these categories which comes into this country should be counted as imported beef and be subject to quotas.

I am well aware of the fact that legislation very similar to this bill passed the Congress last year, but unfortunately was vetoed by the President. It is my hope that Congress and the administration can work together in passing and enacting legislation such as this. It is reasonable and fair to both producers and consumers.●

CONDOMINIUMS AND THE OLDER PURCHASER

● Mr. CHILES. Mr. President, in recent years, condominiums have become a major form of housing in the United States with nearly 2 million units currently providing shelter for 5 million Americans. Housing experts predict that within a very few years, at least half of all new housing starts will be condominiums. This supports a 1975 projection by HUD that condominiums which had a dominant share in new-for-sale housing in some areas, "are likely to do so in other rapidly expanding metropolitan housing markets in the future."

One reason for the condominium boom is the record increase in the costs of traditional detached homes. But there are other advantages. For two growing population groups in particular—young marrieds and retirees—condominiums offer attractive homeownership combining amenities, freedom from maintenance responsibilities, and neighborly social interaction.

There is, however, a negative side to condominium growth, especially for older Americans. The widespread conversion of rental housing to condominiums is resulting in the eviction of thousands of elderly tenants around the Nation. This is a deeply troubling situation now under scrutiny by the Senate Committee on Aging.

A second blight on the condominium industry is the abusive schemes and practices of some developers. Shoddy construction, escalating long-term leases, misuse of purchase deposits, deliberate underestimations of operating expenses, and complex and confusing documents are just a few of the frauds and deceptions which have been perpetrated against consumers. The monetary losses, the grief and frustration suffered by buyers, and the damage done to honest builders are incalculable.

Despite these problems, there seems little doubt that condominiums will continue to flourish. Because potential purchasers today face an array of State consumer protection laws which range from the excellent to the nonexistent, and which lack any degree of uniformity, I joined with my colleagues Senators PROXMIRE, STONE, and MATHIAS in sponsoring the administration's proposed Condominium Act in the 95th Congress. That legislation would have established minimum national protection and disclosure standards for purchasers, while leaving it to the States to enact more stringent regulatory provisions. The act held paperwork burdens for developers to an absolute minimum. It also provided notice and option protections to tenants in buildings undergoing condominium conversions. Finally, it contained strong enforcement provisions, and permitted the Federal judiciary to revise or void abusive leasing practices which are today bilking tens of thousands of those who have already purchased condominium units.

There was insufficient time for hearings in the Banking Committees on that legislation in the last Congress, but it is my intention to join in reintroducing it shortly, and to press for early hearings.

In order to assess the problems which elderly households have confronted in the absence of adequate condominium laws, I recently chaired two Committee on Aging hearings on "Condominiums and the Older Purchaser" in Florida.

Today, Florida has one of the Nation's best condominium statutes. But it was achieved at a terrible price in deceptions and abuses which have robbed retirees of their money and their peace of mind, and which for a time crippled that State's development industry.

Thousands of elderly unit owners continue to live under the fear of personal foreclosure and project bankruptcy due to escalating, 99-year leases for recreational facilities. These unconscionable arrangements, where developers are guaranteed rising fees tied to the Consumer Price Index for facilities which they have no obligation to maintain, are cheating retirees of funds which are sorely needed for food, transportation, and medical care. I was told of one particularly outrageous instance where a facility which cost $200,000 to construct returned more than $300,000 in fees to the developer in the first year, and will cost owners more than $700 million over the term of the lease if inflation averages 5 percent annually. However, long before the 99 years have expired, the recreation facilities will need to be replaced, the condominium units will be unsalable, and the project will be forced into bankruptcy.

Assistant Florida Attorney General Thomas Pflaum provided this general prognosis for the recreation lease situation: "The economics of the situation are impossible. In the cases that I have handled, the rent under the leases has doubled, gone up 1 hundred percent in 5 years, and it probably will do so again. That bubble is inconceivable, it simply can't continue to grow."

Some unit owners associations are seeking to evade this tightening noose by purchasing their recreation leases. But, here too, abuses are rampant. One developer is asking for $31 million for a facility which was constructed almost 10 years ago at a cost of $750,000.

And, while Florida law now bans recreation leases, some inventive developers have been quick to write new schemes into condominium documents. Recreation facilities have been replaced by "social clubs," and some condominums have come to resemble the "company stores" of yesteryear—with developers retaining exclusive rights to provide insurance, cable television, management, vending and laundry machines, garbage collection and extermination, and a list of similar services.

Mr. President, uniform national standards and access to the Federal courts for redress are essential if retirees moving to other States are not to suffer the same agonies that took place in Florida before adequate minimum State laws were enacted. I urge my colleagues to join with me to prevent any future perversions of what should be a sound and attractive housing concept, and I ask that excerpts from my opening statement, and several articles which more fully explain the hearings, be printed in the RECORD.

The material follows:

Opening Statement—Senator Chiles

Today's hearing on "Condominiums and the Older Purchaser" is undertaken in the belief that condominiums and other new forms of residence ownership will be chosen increasingly by the growing ranks of older Americans. Despite the problems which which characterized the early years of Florida's condominium industry, the 1975 HUD Condominium/Cooperative Study foud that 96 percent of South Florida unit owners were either satisfied or very satisfied with the condominium lifestyle, and that more than 70 percent would again purchase a condominium if they could choose again. Clearly, condominium living can offer good housing, recreational opportunities, and a potential for community self-management and social interaction which is attractive to retirees, and well within the means of many.

If so many older residents are so satisfied, then why are these hearings being held, and why in Florida? I believe that the Florida condominium experience has much to teach us about the pros and cons of condominium living for the elderly, and whether there is a need for minimum national standards to protect older purchasers no matter which State they settle in. Florida is in the forefront of condominium construction, and is unique in the percentage of retirees occupying those units. Florida now has one of the Nation's exemplary condominium laws. However, this body of law was not developed to forestall difficulties but came as a result of abusive practices, carried out by a destructive minority within the development industry; at one point threatening not only the savings and well-being of purchasers, but the entire condominium industry.

In April of this year I cosponsored, at its introduction, the "Condominium Act of 1978." This bill, drafted by a Task Force headed by the Department of Housing and Urban Development, would set minimum national standards for consumer protection and disclosure in both new construction and conversion condominiums. It would encourage the individual States to enact strong condominium laws. It would hold red tape and costly regulations for developers to an absolute minimum, while at the same time recognizing that asking this industry to meet basic consumer protection standards is not a large price to ask in exchange for the legitimacy and stability which Federal and State laws have conferred upon it.

It should be realized that enactment of this Federal law would not have a major effect upon Florida's condominium statutes, which now offer sufficient protections to be certified in compliance with the proposed minimum national standards. However, in one specific area, the "Condominium Act of 1978" would offer substantial relief to tens of thousands of older Floridians who have been unduly victimized. This is in regard to the abusive practice of escalating, 99-year leases for recreation facilities, for the bill would authorize the Federal courts to grant relief which Florida's judiciary has not seen fit to confer.

These contractual arrangements are intolerable.

Purchasers were unaware of them and had no power to negotiate and modify them.

They extend far beyond the useful life of these recreational facilities and reimburse developers many times over for their costs.

And, due to escalation clauses tied to the Consumer Price Index, they threaten to rob elderly residents of their dignity and their life savings, and even to destroy the fiscal stability of the condominiums they occupy.

. . . Neither Congressional Committee having responsibility for housing held hearings on this bill during 1978, but prospects for action may be better next year . . .

I pledge today that I will take the evidence gathered at these hearings to tell the Congress about the damage to purchasers and the honest majority of developers in the absence of strong minimum standards to forestall abusive and deceptive practices.

Today's hearing has a wider purpose beyond an examination of the need and specific form of Federal condominium legislation. We want to consider such questions as:

How are retirees coping with the self-management responsibilities, often of enormous proportions, in multi-million dollar projects?

What effect is inflation having upon older residents who have retired on fixed incomes an anticipated relatively stable residential expenses as one of the chief benefits of condominium living?

And, with the conversion of rental units to condominiums on the rise both in Florida and nationwide, is enough being done to protect the interest of both long-term renters and new purchasers?

Finally, we will inquire into whether sufficient thought and planning is being directed to meeting the present and future needs of aging condominium populations.

In our two days of hearings, we will hear from Floridians who are expert in these matters. We will hear from condominium association leaders, from representatives of developers and management, from attorneys, from State officials, and from those who provide social services to older persons.

We will also hear from the real experts, from the condominium residents themselves, during special "Town Meetings" at the conclusion of our scheduled witnesses.

[From the Sun-Sentinel, Nov. 29, 1978]

Federal Legislation Asked to Curb Recreation Leases

(By Linda Kleindienst)

HALLANDALE.—The evils of condominium recreation leases and the problems older Americans have winning the fight against inflation were the messages delivered yesterday to U.S. Sen. Lawton Chiles, D-Fla.

Chiles, a member of the Senate Special Committee on Aging, chaired a field hearing for the committee at City Hall to get input from condominium owners and builders on proposed federal condominium legislation.

A second hearing will be held beginning at 9 a.m. today at the federal building in West Palm Beach.

Chiles said the purpose of the hearings is to gather testimony that will give impetus to legislation he and U.S. Sen. Richard Stone, D-Fla., cosponsored last year. (The same bill in the House was sponsored by U.S. Rep. William Lehman, D-North Miami, U.S. Rep. Paul Rogers, D-West Palm Beach, and U.S. Rep. Dante Fascell, D-Miami.)

The proposed condominium legislation died without ever having a hearing before a congressional committee.

This year the bill will be filed again and Chiles hopes it will get a better reception.

Although the special committee on aging cannot introduce legislation, Chiles said, "We can build a fire under other committees, such as Banking and Finance."

The hearings this week are being held in South Florida because the state's condominium experience "has much to teach us about the pros and cons of condominium living for the elderly, and whether there is a need for minimum national standards to protect older purchasers, no matter which state they live in," Chiles explained.

Calling Florida's condominium laws "exemplary," the senator said one of the problems is that the legislation was enacted as a result of abusive practices. He said federal laws should be passed to help states where the condominium problem has not yet reached a crisis point.

Chiles explained the ill-fated Condominium Act of 1978, which was drafted by a task force headed by the Department of Housing and Urban Development, proposed minimum national standards for consumer protection in both new construction and conversion condominiums. It encouraged individual states to develop strong condominium laws.

He added the law would not dramatically affect Florida but would "offer substantial relief to tens of thousands of older Floridians who have been unduly victimized. This is in regard to the abusive practice of escalating, 99-year leases for recreation facilities, for the bill would authorize the federal courts to grant the relief which Florida's judiciary has not seen fit to confer."

Those who appeared before the hearing, which was attended by Broward Legislative Delegation Chairman Rep. Harold Dyer, D-Hollywood, told Chiles of the problems Florida's condominium dwellers have had meeting increased costs for recreation and maintenance leases.

Most encouraged the federal legislation to help stave off problems in other states where there are growing numbers of condominium developments.

Statements from Stone and Lehman were read into the record, calling for an end to condominium abuses and reiterating support of a federal law.

Annie Ackerman, a leader of the Point East Condominium Association in Dade County, told Chiles Floridians don't mind being the "guinea pigs" as long as they and other Americans can get some protection now from the government.

"A national standard for condominium housing is imperative," she said. "There is no question future housing will be some form of condominium housing throughout the United States."

Sid Nerzig of Pompano Beach, president of the Condominium Co-op Executive Council, said federal legislation is necessary because standards and degrees of protection for condominium purchases vary among the various states.

"For instance, New York State does not allow these now-infamous and notorious recreational leases, with their even more notorious escalation clauses, while in a number of Sun Belt retirement areas like Florida, such arrangements are still legally permitted," he said.

While the unit owners must pay all costs and expenses for leased facilities and their maintenance, Nerzig said the developer still gets rental escalations based on increases in the Consumer Price Index.

He added there is "no justification or morality for the unit owners to be saddled with any such rental escalations."

The story that developed during yesterday's hearing was that a growing number of elderly Americans are moving into condominiums where they sign contracts before realizing the full legal and financial implications.

To combat what they call "unconscionable" leases, the condo owners have organized into political action groups and have brought developers into court.

Although state law says no escalation clauses are now permitted in Florida recreation leases, those who signed contracts before the legislation are still faced with that financial responsibility.

Chiles said at least passage of national legislation would bring the issue under the jurisdiction of the federal court, where a more equitable solution might be found for the state's condominium owners.

Several speakers at the hearing urged that Congress consider including cooperative apartments and single-family housing developments which have communal recreation facilities into the proposed federal law.

"The cooperative units have the same problems," said Ernest Samuels of Miami, president of the Condominium and Cooperative Officers Association. "There are some cooperatives where the land has been leased to the unit owners."

Condominium activity has been limited to a few states, which have enacted "second generation" statutes, and as a result Chiles said the Condominium Act lacks the "national constituency required for congressional support."

However, Bob Rosen, president of the South Florida Chapter of the Community Associations Institute, said yesterday there is an "explosive growth in the condominium and cluster-housing concept."

He predicted by the mid-1980s, 50 percent of all new residential housing will be the cluster concept.

Chiles, who blamed the necessity for legislation on "greedy developers," promised to bring the testimony back to the special committee "to tell Congress about the damage to purchasers and the honest majority of developers in the absence of strong minimum standards to forestall abusive and deceptive practices."

[From the Sun-Sentinel, Nov. 30, 1978]

CONDO-RELATED ABUSES SHATTER RETIREES' DREAMS

(By Linda Kleindienst)

WEST PALM BEACH.—Tales of Florida retirement dreams that turned into nightmares were unraveled yesterday before a Senate Special Committee on Aging hearing chaired by U.S. Sen. Lawton Chiles, D-Fla.

In a federal courtroom filled with retirees, Chiles learned of the heartaches suffered by those who hoped to spend the rest of their lives in a tranquil Florida retirement.

But that tranquility was shattered for many by legal battles and unscrupulous practices of condominium developers.

Chiles, along with U.S. Sen. Richard Stone, D-Fla., plans to reintroduce federal condominium legislation when the new Congress convenes Jan. 15.

The purpose of the field hearing yesterday in West Palm Beach and Tuesday in Hallandale was to gather information from South Florida residents on condominium problems and abuses and to better determine the needs of the elderly living along the state's Gold Coast.

Yesterday the 48-year-old senator from Lakeland learned about the transportation, social service and medical problems the aged face.

Witnesses testifying before the committee indicated they moved into particular Broward and Palm Beach county condominiums because of the free transportation offered. Later they found out the transportation wasn't free.

Lucille Stang, a resident of Hawaiian Gardens in Lauderdale Lakes, said the primary reason for her purchase of a condominium was the provision of courtesy transportation service.

"After the developer sold the last unit, they moved out the buses," she said. "Then I had to resort to public transportation."

She said she has problems getting public transportation on evenings and Sundays and had to give up her hopes of going to night classes.

"Many times we have to stand in the buses and I've seen many elderly people fall," she said.

Mrs. Stang said there are some people who will drive the elderly to shopping centers, the drug store or a doctor's appointment, but they charge a fee. It may be illegal, but she said the fee is cheaper than taxi fares so many willingly pay it.

"Our sunshine state will be a sunset state unless we take care of these people in some way," she said.

Nan Hutchison, executive director of the Broward County Area Agency on Aging, called for more money to help the elderly with transportation.

She said since the agency was first established as a pilot project in 1972, transportation has been listed by the elderly as one of their three most important needs.

She said 29.7 percent of the nearly 1 million people living in Broward are 60 years or older. That percentage, Mrs. Hutchison added, jumps to 85 percent in Tamarac.

"If we had 100 buses to put into operation we still wouldn't meet the need," she said. "And I'm just talking about buses needed for the handicapped and the elderly."

Although there are some services in the county where a senior citizen can call for a special pick-up to a doctor's appointment or a shopping trip, those reservations have to be made two weeks in advance.

"The only emergency service we have is the paramedics," said Gladys Borenstein; also a resident of Hawaiian Gardens. "They can't take you to a hospital, so they have to call an ambulance which costs money. What happens if I get sick today and have to get to a private doctor?"

Kelly Mann, a resident of Century Village in West Palm Beach and president of the politically powerful Village Mutual Association—a coalition of condominium groups throughout Palm Beach—explained the senior citizens had to group together through condo organizations to gain strength.

"Our feeling was the only way to accomplish something was through the medium of politics," he said, explaining the frustration condominium owners had when they went to court to fight recreation leases and unconscionable escalation clauses.

"When we got involved in politics in 1973 we were horrified by the lack of knowledge of the condominium law on the part of the legislators," Mann said. "It was practically nil."

He said many condominium owners today suffer from "true serfdom" and said many face the reality of losing their apartments because their fixed incomes cannot keep up with the escalated lease costs.

Chiles learned about 300 apartments in Century Village are now undergoing foreclosure and nearly 3,000 more are scheduled to be filed. Besides that, many aged condominium owners are now to the point where they have to apply for food stamps and other welfare-related services.

With recreation lease escalation clauses tied to the rising Consumer Price Index, Bernard Kantor, a Century Village resident who is president of the Village Mutual Service, said many owners will be priced out of their homes.

A battery of state and private attorneys told Chiles the state Supreme Court's reluctance to help those condominium owners who signed contracts with recreation lease escalation clauses indicates the need for federal action.

"The courts of Florida have turned down the antitrust tie-in theory and the state's Little FTC Act and current legislation cannot be applied retroactively to the real problem period between 1968 and 1974," explained Thomas Pflaum, an assistant attorney general in the consumer division. "The situation looks a little grim. I've seen recreation leases go up 100 percent in only five years. Congress has to become involved where the states have failed."

R. Jeff Andrews, chief of the state's Bureau of Condominiums, urged better education programs for the prospective condominium dweller.

"Even people with legal counsel don't always realize what they're getting into," he said.

Gary Poliakoff, a Miami Beach attorney who served as a consultant to the U.S. Department of Housing and Urban Development task force which wrote the proposed legislation, urged a congressional investigation into construction abuses in South Florida condominiums.

"It has been estimated that in excess of one million Floridians reside in condominiums," Poliakoff said. "A substantial percentage of those individuals are senior citizens over the age of 65 who came to Florida seeking carefree living in their retirement years. In a number of instances their dreams have been shattered, life's earnings lost and health impaired by condominium-related abuses."

He said some of the problems have been caused by the owners themselves and some by the developers.

"Most of the problems, however, relate directly to the inexperiences of a rampaging industry which grew too fast to enable it to accumulate a history of experiences and solutions which would have provided readily available answers to the problems associated with the operation and maintenance of commonly owned property," he said.

Rod Tennyson a West Palm Beach attorney who worked on the state's Little FTC Act while in the Attorney General's Office, said federal agencies have an obligation to look at what he calls the "company store concept"—where condo residents have to pay for services provided in the development.

"When you have monthly payments for those services secured with a lien on someone's home, I call that a second mortgage and I call it the new company store," Tennyson said.

Chiles said he hopes to get committee hearings on the proposed condominum legislation started early next year in an effort to get passage of the bill. Although he does not sit on the committee that would hear the bill, Chiles indicated the Committee on Aging will provide testimony to give it impetus.

He said the South Florida hearings were aimed at "building a record to show the plight the people have."

[From the Miami Herald, Nov. 29, 1978]

CONDOMINIUM OWNERS DESCRIBE RECREATION-LEASE WOES TO CHILES

(By Rebecca Ross)

When Fred Engel moved into his Lauderdale Lakes Condominium in 1973, he paid $22 a month for the use of condominium swimming pools, shuffleboard and tennis courts.

Five years later, Engel is doling out $37 a month for recreation fees, and he sees no relief to the increases.

Like thousands of Floridians who bought condominiums during South Florida's peak growth years, Engel is saddled with a 99-year lease for use of his condominium's recreation facilities.

I'm just one of the suckers who was suckered into buying one of these condominiums," Engel said.

Engel and other South Floridians who have adopted the condominium lifestyle in their retirement years testified Tuesday before Sen. Lawton Chiles (D., Fla.) on the problems of older condominium residents.

Chiles, a member of the Senate Committee on Aging, is pushing for adoption of a federal law that would set consumer protection standards for condominium buyers.

To draw attention to the proposed law, Chiles held a hearing at Hallandale City Hall. Another hearing will be held today in West Palm Beach.

"Because the Congress has yet to act on the legislation," he said, "I feel that there is a need for the Committee on Aging to take an in-depth look at both the benefits and problems which confront older condominium owners."

Since Florida already has a strict state law governing condominiums, Chiles said the proposed federal law would not have as much impact here as in other states that are just beginning to grapple with condominium buyers' problems.

A major part of the proposed law, Chiles said, would allow federal courts jurisdiction in cases challenging escalating 99-year recreation leases. The Florida Supreme Court has refused to rule on cases challenging the constitutionality of these leases.

But Chiles warned senior citizens now tied to recreation leases that even if the proposed law passes it won't offer condominium owners immediate relief and probably will be challenged for several years in court.

Sam Schoninger, president of the South Florida Builders Association, said the 99-year lease is a "dead issue."

"Most of the buyers today are sophisticated to the point that they will not buy a condominium with a recreation lease," he said. "Few buildings in the last two years have had recreation-land leases."

Recreation leases have been outlawed in New York, but they are still permitted in Florida.

Recently, some condominium associations have been able to buy their recreation lease from developers and reduce recreation fees.

Other condominium residents are considering forming special tax districts to issue bonds to buy recreational facilities from developers.

Residents of Sunrise Lakes Phase I recently declared themselves a special tax district. Now residents of The Hemispheres, a 1,300-unit Hallandale condominium, are attempting to follow Sunrise Lakes' lead.

The Hemispheres has asked the Hallandale City Commission to set an election date so condominium owners can vote on whether to form a special tax district.

In September, Hemispheres' residents were ready to go to the polls to decide the issue. But concern over possibly having to open recreational facilities to the public once the condominium became a taxing district threw a scare into condominium owners and they put off the election.

Hallandale City Attorney Bart Budetti studied the problem and determined that the public would not have access to The Hemispheres' recreational facilities.

Chiles said the question of special tax districts is a state and local matter and not something for the federal government to solve.

But condominium owner Engel remained skeptical about the tax district plan and asked Chiles to have the Committee on Aging study it.

"Please keep condominium owners from jumping from the frying pan to the fire," he said.

[From the Palm Beach Post, Nov. 30, 1978]

CONDO CLOSINGS SOAR, CHILES TOLD

ATTORNEY: DEALS HIT OWNERS' POCKETBOOK HARD

(By Martha Musgrove)

Thousands of condominium apartments might be foreclosed or abandoned because their owners can't afford the escalating recreation, maintenance and service leases tied to their property by developers, Sen. Lawton Chiles (D-Fla.) was told yesterday.

Pleading for federal legislation to break the leases, local consumer attorney Rod Tennyson also warned Chiles that the tied-in lease is rapidly spreading to other segments of the housing industry, including mobile homes, townhouses and single-family, moderate-price housing.

"No longer are developers content to build, sell and take their profit," Tennyson said. "They want a continuing income and they've discovered the way to get it is with deed restrictions, leases, almost any kind of document which the purchaser must accept as a condition of sale.

"We've seen tie-ins to cable television, management services, vending machines, carpet selection. The developer also goes one step further and says, 'If you don't pay me, I've got a lien on your house.' All they've done is create a new company store."

Fort Lauderdale attorney Gary A. Poliakoff, another specialist in condominium law, said developers are skirting state laws on recreation leases by requiring apartment purchasers to join "social clubs" for which they pay additional fees.

Escalating maintenance fees, special assessments and construction defects are "placing an increasing burden on fixed-income and retired condominium owners," Poliakoff said.

"Evidence of the problem is beginning to manifest itself in terms of an increasing number of foreclosures being filed against delinquent owners. We're also beginning to see the abandonment of condominiums where owners cannot meet monthly expenses."

Tennyson said Century Village developers have filed 320 foreclosures and are threatening 2,900.

Chiles heard a litany of complaints about developers:

Failing to disclose terms of leases.

Reneging on sales promises of free bus service and construction warranties.

Refusing to negotiate the sale of recreation leases and facilities or contacting unit owners individually offering to sell the lease but neglecting to mention the proposed sale would not include the actual land or buildings.

Refusing owners the right to inspect financial records or challenge maintenance costs.

Threatening and harrassing owners with lawsuits if they don't agree to additional service leases.

Assistant Atty. Gen. Thomas Pflaum told Chiles federal legislation must come because despite numerous attacks on the leases by the state, it has failed to get a good appellate court decision with precedent value.

He said state courts have rejected theories that tie-in sales violate antitrust laws. "Congress has often had to come in when the states failed. However, I'm concerned as I don't see this as an era in which we can get this kind of legislation through."

The Carter administration's Condominium Reform Act was introduced last June, but Congress adjourned without holding hearings on it. Chiles said he and Sen. Richard Stone (D.-Fla.) will reintroduce the reform act which offers the best chance of voiding leases signed before state regulation in 1974.

"If the Florida delegation alone could pass the law, it would be passed today," Chiles told the applauding crowd in the Federal Courthouse, "But we are dealing with members from 50 different states many of whom don't have the situation we have—yet."●

S. 190, THE VICTIMS OF CRIME ACT OF 1979

● Mr. WILLIAMS. Mr. President, I am pleased to join my distinguished colleague, the Senator from Massachusetts, in support of S. 190, the victims of Crime Act of 1979.

Our Nation's citizens are often forced to bear extreme physical and economic hardships as a result of criminal violence. Many of the victims of violent crime are those who can least afford to be hospitalized or out of work; the elderly and the poor. In addition, after such an experience, many victims may feel angry at society and alienated. Compassion dictates a response to the problems of these innocent victims and their dependents. We cannot undo the damage caused by a violent crime, but we can at least ease the financial burden it can present.

The Federal Government already provides grants to States and local municipalities for law enforcement activities, but not for aiding those who suffer from criminal acts. Through their taxes, crime victims support the vast funding requirements of the criminal justice system, which until recently has paid little attention to the plight of the innocent victims of crime. The Victims of Crime Act represents the first attempt by the Federal Government to compensate these unfortunate victims. This legislation will aid those State programs which have been established to compensate the victims of crime, and help to encourage their institution by those States which have not already done so.

Mr. President, many of these State compensation programs are faced with serious budgetary problems and large backlogs in claims, and Federal assistance will be necessary if these worthwhile programs are to continue. S. 190 will authorize the awarding of grants of up to 25 percent of the State's for providing compensation to victims of State crimes and 100 percent for Federal crimes. The qualifying costs for compensation will include medical, dental, and psychiatric services as well as physical and occupational therapy, and loss of income. This measure will provide substantial relief through these matching funds, which will enable the State compensation programs to aid more people.

The States will be directly involved in the administration of this program through membership on the Advisory Committee on Victims which will be established by this act. Therefore, the Federal Government will have the benefit of the views and guidance of those States which operate compensation programs, while providing the needed funds for their preservation.

Mr. President, since 1971, my State has been operating a victims compensation program. The New Jersey Violent Crimes Compensation Board would qualify for assistance under this legislation. The New Jersey program has, to date, helped some 1,500 people. This is an excellent program, Mr. President, which truly serves the people. The proposed legislation can only enhance such programs.

The lives of victims of violent crimes are often tragically altered. The need for this legislation is reflected in the financial, physical, and emotional hardships sustained by the innocent victims of crime. Mr. President, it would be useful at this time to recount several actual cases which were handled by my State's Violent Crimes Compensation Board.

CLAIM NO. 2185 P 75

This claim involved a 76-year-old man who, with his wife, operated a small grocery store. On May 9, 1975, the claimant was violently attacked and robbed at his place of business. He suffered a fractured hip, and he is now permanently restricted to a wheelchair; the business has been abandoned.

The claim was processed, and the victim was awarded the present maximum of $10,000.

CLAIM NO. 1986 D 75

This case involved a man, age 52, and his adult son who were both shot on May 28, 1974. The son was rendered blind and partially paraylzed. His father was killed.

The board, verifying that the son was totally dependent on the decedent at the time of his death, awarded the son $10,000.

CLAIM NO. 69 TP 74

The innocent victim in this case was assaulted in his backyard which resulted in his falling into a nearby fire. The claimant suffered extensive burn injuries as well as a skull fracture. He was unemployed for 26 weeks as a result of the injuries he had received.

The board awarded the claimant $7,435.60.●

ABANDONED CHEMICAL DUMP SITES WARRANT URGENT ATTENTION

● Mr. **MUSKIE**. Mr. President, toxic waste from abandoned and illegal dump sites continues to percolate to the topsoil of various dumping grounds and to the top of the front pages of our newspapers across the Nation. In that process, the public health continues to be endangered, and the public demand that something be done to rectify the situation has been intensified.

During the congressional adjournment alone, it was reported that three more chemical dump sites in the Love Canal area had been found which could be as potentially dangerous as the first site found; we heard that more than 600 steel barrels filled with industrial waste were found floating in flood waters near Louisville, Ky.; and we have seen the problems that the State of North Carolina has had in trying to safely bury more than 40,000 cubic yards of soil contaminated with toxic PCB's when the public is alarmed.

In my own State of Maine, citizens of the town of East Gray are unable to drink water from their wells because of toxic chemicals. The chemicals found in the well water were also found at a waste oil disposal site in the same community. The town had to appropriate $600,000 in order to extend public water lines to the affected area.

Siting hazardous waste facilities and expanding State and local roles in the planning and management of hazardous wastes are topics which the 96th Congress will have to monitor through the implementation of the Resource Conservation and Recovery Act in this session. But we also will not be able to ignore the question of who should be responsible for the damages caused by abandoned industrial dump sites. The tough question of who will pay for the mitigation made necessary by the years, sometimes decades, of careless solid waste disposal must be addressed.

An article in the New York Times and two pieces from the Washington Post, printed during adjournment, touch upon many of the significant problems we will encounter as we begin implementing the Resource Conservation and Recovery Act and trying to determine the liability of careless dumping.

Mr. President, I ask that the articles entitled "Niagara Finds New Love Canals," "A $6 Million Hassle Over Spilled Poison," an editorial entitled "Those Deadly Dumps," and from the Maine Sunday Telegram, "Environment, Dumps and Drinking Water" be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the New York Times]

A $6 MILLION HASSLE OVER SPILLED POISON

(By Joanne Omang)

WOOD-RIDGE, N.J.—Exhibit B-40/40 appears to be a jar of black earth, but if you tilt it you can see small silvery globules and rivulets of mercury rolling back and forth in the dirt.

The spot this dirt came from is so contaminated with the toxic metal that it allegedly contains more mercury than any place on earth outside a mercury mine. A mercury processing plant made fungicides and mercury compounds here for years under a series of owners prior to 1974, slopping as much as 4 pounds a day of the metal onto the floors and washing it into the swampy field out back. Eventually much of it drained into Berry's Creek and now sits in the sediment on the bottom of the stream.

The jar can be found in a file cabinet along with mountains of documents at the New Jersey Superior Court at Hackensack.

Nearby, as more evidence in the tangle of lawsuits that have sprung up around this case, are several cardboard boxes of dirty, broken bottles, plastic jugs and grimy trash from the field, all enclosed in tightly knotted plastic bags.

"One of the expert witnesses told me we shouldn't be breathing the air around that stuff so I ordered the bags put on," said Judge Sherwin D. Lester.

Judge Lester will rule sometime next spring on what kind of cleanup will take place at the Wood-Ridge site and who will pay some or all of the estimated $6 million cost. His decision could set precedents for dealing with the growing number of old hazardous waste sites that are being discovered almost daily, their sources and owners lost in a fog of corporate buck-passing.

"If there are 1,000 hazardous waste sites around the country—and that's not an unreasonable figure—and if we assume $5 million to clean each one up, and that's not unreasonable either, then that's $5 billion that has to be found somewhere," said Steffen Plehn, head of the hazardous waste program at the Environmental Protection Agency.

The EPA last week estimated that 32,000 sites nationwide may contain hazardous wastes in the form of pesticides, acids, caustics, nuclear residues and other chemicals, many of them carcinogenic, from some 425,000 companies. An estimated 30 to 40 million tons of hazardous stuff is produced and is disposed of every year, up to 90 percent of it in ways we will probably regret later, the EPA said.

"WE CAN'T BE TOO CAREFUL"

Mercury in its various forms, for example, can be nasty stuff, causing blindness, nerve decay, birth defects and death. The New Jersey Department of Environmental Protection wants 3,000 feet of Berry's Creek to be dredged out and the entire 40-acre Wood-Ridge field to be blacktopped and then surrounded by an impermeable wall reaching 20 feet underground to a natural layer of clay. Along with a monitoring program, the cleanup would ccst $6 million.

"This site is the major source of mercury contamination in the Meadowlands and everything else is insignificant by comparison," said Ronald P. Heksch, deputy attorney general of New Jersey.

He does not try to present Berry's Creek as some kind of pristine brook full of jumping trout that must be saved from the mercury. Much of the swampy, tidal area called the Jersey Meadows has been grossly polluted for decades from dozens of industrial sources, and there have been no oxygen and no fish in Berry's Creek as far back as anyone can remember. That is one of the complications.

Heksch cannot produce a horror story of dead or dying people or hundreds of fish belly up in the water as evidence of damage, but must rely, he said, "on the potential for what could happen" because of the mercury now in the ground and in the sediment of the stream.

Two miles downstream from the Wood-Ridge site is the new Giants' stadium and sports complex, built on mercury-polluted land. Further along is the Hackensack River, which flows into New York harbor. None of the murky water is now used for drinking. "But when the stream gets cleaned of other pollutants and the fish begin to come back, they will spend more time here and will stir up the bottom and pick up the mercury," Heksch said.

We take the position that we can't be too careful. There are a million ways for the stuff to leave the site."

Much of the 50 days of courtroom testimony has involved experts arguing about the relative dangers of one kind of mercury over another, the total tonnage of the metal present in the field and the chances of it moving downstream. These issues of quality and technology recur in virtually every hazardous waste case nationwide. Even when all sides agree, as they do here, that there is in fact a pollutant present, it may still be hard to fix the blame and harder yet to get the cleanup paid for.

In many cases the disposal was perfectly legal at the time it occurred and in others the firms have vanished or been absorbed in a corporate merger.

Some examples cited by EPA's Plehn:

Salisbury Laboratories, a veterinary pharmaceuticals plant in Charles City, Iowa, has been dumping arsenic and other chemical sludge onto an 8-acre site since 1953. The arsenic is now leaking from the landfill into the Cedar River, a major waterway, and the estimated cost of digging up the landfill and moving it is $30 million. But the company's total net worth is only $5 million. Who pays for the repairs?

Pesticide chemicals in the water supply of Hardeman County, Tenn., are identical to those in 50,000 leaky drums of waste that the Velsicol Chemical Corp. buried nearby from 1965 to 1972. There is no other apparent source for the toxic stuff, but even if the drums are the cause, burying them there was perfectly legal when it was done. Should Velsicol have to pay?

The area around New York's Love Canal has been declared a federal disaster area with the discovery that at least 82 different chemicals, including radioactive and carcinogenic compounds, are simmering in leaking drums in a dump that the city of Niagara used legally for 25 years. At least nine chemical producing companies used the dump before it was deeded over to a school district, allegedly against the companies' will, and the chemicals are turning up in basements and back yards. Cleanup may cost $8 million plus whatever it takes to move about 235 families to new homes. Who will pay?

REGULATION BY HINDSIGHT

On top of all these cases is the feeling that pollution control watchdogs should have spoken up earlier when the dangers were first realized. Robert M. Wolf, the New Jersey realtor and developer who now owns part of the Wood-Ridge site, insisted he knew nothing about any mercury on the property when he bought it for $90,000 an acre in 1974 from the Ventron Corp., and if he had, "I wouldn't have touched it with a 10-foot pole."

The contamination was first documented when Wolf began tearing down the old chemical processing plant in order to build warehouses to rent. Wetting the structures for demolition produced a silvery runoff and environmental experts soon overran the place. They found concentrations of mercury up to 123,000 parts per million in the surrounding land and in the stream bed. Nationwide background mercury levels rarely exceed one part per million, and EPA limits mercury levels in drinking water to two parts per billion. A dose of 160 parts per million can be lethal.

Under some state laws, Wolf could be liable for cleaning up the mercury on his portion of the area simply because he now owns the property. But New Jersey wants him merely to be responsible for maintaining and monitoring a containment tank it required him to build under one of his warehouses for the 10,000 cubic yards of topsoil he was forced to scrape off the site. The various requirements, Wolf said, have cost him more than $2 million.

"Ventron ought to pay for this," he said. "They put the stuff there and they can handle the expense of removing it."

Ventron, a subsidiary of the chemical and aerospace giant Thiokol Corp. of Beverly, Mass., and Newton, Pa., has maintained in turn that any mercury emitted during its period of ownership, from 1968 to 1974, was in accordance with federal guidelines and that new, tougher laws cannot be applied retroactively.

The plant, said Ventron attorney Harry R. Hill Jr., was making a mercury-based fungicide and compounds for resale, obtaining the mercury from mines in Spain and Italy and from old battery casings and thermometers. At the time it was one of the largest such operations in the country, selling several hundred thousand pounds of the compounds each year. But three or four pounds of mercury per day were sloshing into the field and the stream when Ventron took over. Hill said Ventron managed to reduce that to about one-tenth of a pound per day by the fall of 1971, substantially complying with a goal set by the EPA.

"But they were hollering about mercury in effluent to the point where there was some feeling there would be none at all allowed in the future . . . and rather than get to that point, which would be uneconomical; we shut it down." Hill said. No mercury has been produced at the site since 1974 and the emission law now being cited passed in 1976.

Ventron disclaims responsibility and wants the state to go to the people who owned the site before 1968 or to the special Spill Compensation Fund of New Jersey to pay for the cleanup.

For eight years before 1968, the mercury compound plant was owned and run by the Wood-Ridge Chemical Corp., a wholly owned subsidiary of the Velsicol Chemical Corp, Velsicol is the Chicago-based firm involved in the Tennessee leakage case and in several other pollution controversies, and Velsicol also denies any responsibility.

"We did not conduct any mercury operations of any kind there," said Velsicol attorney John F. Neary. But didn't the conglomerate have total control of its subsidiary. Wood-Ridge Corp.? "We had the usual control of 100 percent stockholders, but no control of the day-to-day operations," Neary said.

"If we lose on this and get liability for ownership, anybody who owns property in New Jersey and finds out that 40 years ago someone put pollutants on their property . . . could be hit with a substantial judgment for something they didn't know about and had no part in," he said.

Velsicol also wants the state to use its Spill Compensation Fund to pay for any containment wall or other cleanup.

Attorneys for the fund argue in their turn that the fund was set up in 1977, long after the Wood-Ridge plant closed down, and was intended anyway to finance mop-up operations for oil spills off the New Jersey coast. To use it as Wood-Rridge, they say, would be taxing the oil companies to pay for the chemical companies' sins.

The oil companies, unsurprisingly, support that view. "You just have to know New Jersey. There's no way to calculate the numbers of oil, chemical and liquid waste companies here . . . you could have thousands of this kind of claim," said Marvin J. Brauth, attorney for Exxon, Mobil, Chevron and Texaco in this case. "If the state wants to clean this up it should pay for it out of a general revenue fund."

NOBODY FELL OVER

So there is the buck again, having gone round the circle and been passed back to the state. Going back further than Velsicol's subsidiary to the original site owner, F. W. Berk & Co., probably pointless since Berk is out of business. Velsicol still owns the polluted field of swamp grass behind Wolf's warehouses and maintains that, if anything, it is a victim there of others' waste.

Unraveling all this. Judge Lester is expected to make some kind of finding on the applicability of the pollution laws to events that occurred before they were passed. He will look at Velsicol's "corporate veil" and decide whether the firm is liable for what its subsidiary Wood-Ridge may have done. He will consider whether the state has obligations under its tidal waters responsibilities, and whether the spill fund is at all involved, and whether the various parties owe damages to one another. And then he will decide how the mercury is to be dealt with, trying to balance the degree of danger to public safety against progressively higher costs of various remedies. The case is certain to be appealed.

While he ponders, Wolf's warehouse tenants try to ignore the problem. "We were upset when we found out about it, but we've had everybody in the world here to check the plant and there's no mercury anywhere." said Jerry Rosenblum, head of the J. Rosenblum & Sons Inc. food distributors warehouse.

"Well, we used to ask each other how we felt and all, and we were pretty upset at first," echoed Jill Thielmann, office manager of the neighboring Gailyn Packaging Corp. "But when nobody fell over in the first few days, well, you know how it is, you forget about it."

[From the Washington Post, Jan. 9, 1979]

Those Deadly Dumps

The rising concern about dangerous industrial wastes has made officials more aware of how much toxic junk becomes hot cargo, transported and dumped illegally. "Gypsy hauling" and "midnight dumping" have been widespread and presumably lucrative covert business for years. In a report last year, the magazine Chemical Week cited examples from all over—50 barrels of nitrocellulose (gun cotton) found under a freeway in Newark, caches of waste-filled drums "in the South Carolina pines," 80,000 gallons of waste oil that "just disappear" in Hawaii each month, and 25,000 barrels of wastes abandoned in Minnesota when a disposal site was closed by a court.

Kentucky officials and the Environmental Protection Agency are now trying to deal with 300 to 600 drums, containing an array of dangerous chemicals, that were stored on a farm and swept into an Ohio River tributary by a flood last month. Some of the drums have started to leak. An even more blatant case is causing a furor in North Carolina, where officials are trying to decide how to dispose of some 40,000 cubic yards of soil contaminated with PCBs (polychlorinated biphenyls) contained in wastes illegally dumped, apparently from tank trucks, along 250 miles of rural roads last August.

The most immediate problem in such cases is removing the threat to public health. These hot cargoes are like time bombs whose fuse may be very short or very long. That was proved, of course, by the Love Canal tragedy that gained national attention last summer when foul wastes from an old (and, when it was established, legal) industrial dump bubbled to the surface in Niagara Falls, New York. Authorities found high rates of birth defects and miscarriages among residents of the neighborhood. A number of families had to be relocated—too late. The cleanup there is costing millions of dollars; the human damage can never be repaired.

Nobody wants any more Love Canals. That's why EPA and many states are now trying to identify and cope with other potentially dangerous dumping grounds. That's why stringent controls are being imposed on future transporting and dumping of dangerous wastes. And that's why it's disheartening to see North Carolina officials seeking a waiver of three EPA safety rules in order to bury the PCB-contaminated dirt in rural Warren County—where many residents, understandably, hotly oppose the plan.

We don't mean to suggest that the North Carolina agencies involved are taking a cavalier approach or deliberately trifling with the problem. They face a very real difficulty: cost. Disposal in Warren County might cost the public $2.5 million. Trucking the massive amounts of waste to an EPA-approved site in Alabama would take around $12 million. The difference is not insignificant. In our view, however, securing this toxic stuff where it is less likely to seep into groundwater or otherwise pose a future threat is worth the added expense.

That gets back to the heart of the matter—the immense burdens imposed on the public by people who break the pollution and health laws and spread this potentially lethal litter around. They are the ones who ought to pay, as much as possible, for the damage already done. And vigorous prosecution of such scofflaws is the best way to keep the problem from exploding all around us as the costs of lawful waste disposal continue to rise. In the North Carolina case, three men, charged with a number of state and federal offenses are scheduled to be tried later this month. Elsewhere, other midnight dumpers are being pursued. Those found guilty of such contempt for public safety should be made to pay a lot.

[From the Maine Sunday Telegram, Jan. 29, 1978]

Dumps—And Drinking Water

(By Bob Cummings)

It's been a spotty month for Maine dumps and for those who dream of better and less wasteful disposal of the trash society creates.

Portland's controversial trash baler began operations—after a final week delay because of the weather.

Shops and stores gradually got geared up to comply with the State's returnable bottle law—which supporters say will reduce the volume of wastes at municipal dumps six percent.

The legislative committee on Natural Resources voted unanimously to allow the giant sawmills of the state to continue to burn wood wastes capable of generating millions of kilowatt hours of electricity a year.

A $300,000 "sanitary landfill" dump in York may not be so sanitary after all. A Department of Environmental Protection report says the dump threatens underground water supplies in the community.

And a Solid Waste Management Advisory Committee issued a comprehensive report urging that the state double its efforts to help Maine cities and towns dispose of their wastes without polluting the air and water of the state.

The solid waste committee concluded that safe and sane dumps are possible, but conceded the task of creating them isn't easy.

"Few environmental problems are as difficult and controversial to solve as finding satisfactory ways of disposing of, or utilizing our solid wastes," the committee concluded.

"Maine's geology is not hospitable to solid waste landfills and Maine's location is not near enough to markets to make reuse or recycling as attractive as in some other states.

"Communities face large capital and operating expenditures to find and implement solid waste practices that will be environmentally acceptable."

The warnings proved prophetic.

For as the DEP board began to ponder the implications of the report, word came from the Town of York that test wells around its new landfill dump show water levels three feet higher than is considered safe.

The board last week ordered the town to take corrective action or close the dump down. The town said it would appeal.

Dump specialists employed by the department had warned last summer that the abandoned gravel pit used by York probably wouldn't be suitable.

But they reluctantly recommended that the board give its okay anyway, when engineers hired by the town said they were confident no water problems would develop.

Less than six months later, however, problems did show up. Corrections could prove expensive and perhaps impossible.

The DEP staff suggested the town try putting another three feet of clay and fine sand on the bottom of the dump in hopes of bringing it above the level of the water.

Town officials complained that this would cost another $200,000.

The appeal procedure will delay a final decision, but if the fears of the DEP staff are borne out time won't help and even the extra dollars may not be enough.

"Another three feet at this time is a reasonable compromise," one DEP geologist commented. "But eventually considerably more fill may be necessary to protect ground water."

Mary Sottery, one of two DEP board members who had opposed using the gravel pit, thinks the site never should have been used.

She argues that ground water supplies are among the state's most precious resources. "If we can keep our water clean, a big industry in the future may be selling clean water to other states," she argues.

No dump, Sottery believes, should be located on top of an aquifer—the underground sand, gravel and rock deposits that hold the drinking water supplies used by thousands of Maine families.

Scientists estimate these underground reservoirs store two-thirds of the world's supply of fresh water.

As such they represent a tremendously valuable resource, but a resource that can be destroyed by pollution.

There is no known way for a polluted underground reservoir of water to be cleaned of wastes from misplaced municipal dumps or poisonous industrial wastes—as has occurred at Gray.

Most wastes normally decay into harmless substances eventually. But in cool, below ground temperatures, this can take centuries. Poisons allowed to seep underground because of poorly placed dumps may eventually become diluted to harmless levels. But this also may require many decades.

Residents of Gray, where industrial solvents have seeped into about 30 wells, have been told they may never be able to use them again.

A similar dilemma faces Provincetown on Cape Cod, where a leaky gasoline storage tank seeped 3,400 gallons of gasoline into the underground water that supplies the town-owned wells.

The town is drilling test wells to monitor how rapidly the gasoline is drifting towards adjacent swamps and ocean waters, in hopes that the town water may be turned on again by the time summer visitors arrive.

York isn't the first Maine community to have dump-polluted ground water.

The solid waste committee report says several privately-owned wells and a pond are threatened in Saco from rain water that has seeped through that communities old dump and into underground reservoirs.

The Norridgewock town dump on the Kennebec River was closed when water tests indicated that wastes were seeping into the town water there also.

And tests at Hartland and Rockland suggest wastes from a tannery and the town dump, respectively, are polluting underground supplies of potentially important drinking water.

No one knows how many other dumps may be causing ground water problems, because no one has ever looked to find out.

The Department of Environmental Protection only recently began a comprehensive inventory of environmental conditions at Maine dumps.

The surveys "will undoubtedly reveal many more examples of environmental pollution," committee members believe.

"One of the most serious concerns is that poorly located dumps will pollute ground water sources virtually forever because groundwater may flush at an extremely slow rate. Pollutants may persist for years."

The committee, however, thinks the state as well as local communities must share the blame.

Members say the $63,000 the legislature has appropriated to manage the dump laws is "woefully inadequate."

The DEP has used its money to enforce the laws, rather than to educate local officials about what has to be done, the committee insists.

"This has led to hard feelings among municipal officials who feel that they are being asked to do things that are unrealistic or confusing."

Because of generally poor soils for burying wastes, the committee thinks top priority should be given to reducing the volumes that have to be buried.

"We are consuming more as a society and as a result, we have more waste" the panel says.

"Fortunately, we in Maine have adopted bottle bill legislation as a first step in reducing our waste at its source."

The bottle bill is expected to eliminate about six per cent of the wastes that have until now been placed in dumps.

Recycling of paper, bottles and cans, and miscellaneous other scrap can reduce the waste load on the state's dumps another 40 per cent, the committee thinks.

But there may be other uses for some dump wastes. The solid waste committee cities efforts by the City of Auburn to burn its wastes to produce energy for an industrial plant.

But ironically, as the report was being pondered, the Natural Resources Committee of the Maine Legislature was approving an amendment to the air pollution laws that would permit waste wood from saw mills to be burned without collecting the energy.

A bill to make "teepee burners" again legal in Maine was approved by the legislative panel unanimously after wood mill owners said they couldn't find a market for any energy produced.

The "teepees" are actually huge cone-like structures, where wood wastes are burned in a controlled bonfire.

The DEP says seven cone burners within one 50-mile radius are capable of burning the equivalent of 30,000 gallons of fuel oil a day.

But owners said there is no market for this amount of energy, even if it could be efficiently produced.

Portland's new baler doesn't produce any energy either, but like the cone burners it reduces the volume of wastes to more manageable levels.

The baler cost $3.2 million to buy and install, but it squeezes wastes to about half their normal volume, making dumps last longer.

The Portland baler will be used by Portland, South Portland, Scarborough and Cape Elizabeth. The baled wastes will be buried in an abondoned gravel pit in Scarborough.

Some fear the compressed wastes may also cause ground water pollution. But the Greater Portland Council of Governments doesn't think so. It has spread an inch-thick plastic liner on the floor of the gravel pit to catch any water that may seep through.●

SALT II AND AMERICAN SECURITY

● Mr. HART. Mr. President, the new strategic arms limitation treaty between the United States and the Soviet Union is nearly complete. This momentous document, the final product of years of protracted negotiations, merits our close scrutiny. When assessing the treaty, we must avoid the temptation to adopt the narrow position of either the technician or the doomsayer. Jan M. Lodal, a well-known defense analyst, offers a broader approach to the SALT II agreement in his article, "SALT II and American Security," which appears in the current issue of Foreign Affairs. Mr. Lodal bases his consideration of the treaty on a wide range of factors: Our ability to verify Soviet compliance, to develop new strategic weapons systems, and to deter a Soviet attack.

Mr. Lodal's thorough analysis leads him to conclude that the SALT II Treaty is clearly in the U.S. interest. The agreement will enhance our security by underscoring our commitment to arms control as an ongoing process that will extend beyond SALT II. At a time when the development of new nuclear weaponry continues to escalate, the SALT negotiations are a means of preserving the global security that spiraling arms races between the superpowers can only destroy.

I commend Jan Lodal's article to the attention of my colleagues, and ask that it be printed in the RECORD.

The article follows:

SALT II AND AMERICAN SECURITY

(By Jan M. Lodal)

A new strategic arms limitation treaty between the United States and the Soviet Union (SALT II) is now essentially complete. As is always the case with a complicated negotiation, each side has conditioned acceptance of key provisions on the successful resolution of remaining open issues. Thus, it is always possible that the process will break down as each side plays out its end game. But at this stage, it seems extremely unlikely that the basic provisions of the agreement will change further.

The ensuing ratification debate will be one of the major foreign policy debates of the decade, and one of the most intellectually challenging. The complexities of nuclear strategy, weapons technology and our overall policy toward the Soviet Union all come together in SALT. Some will evaluate the treaty primarily from a political perspective, assessing its role in both domestic and international politics; others will focus on predominantly technical questions, such as the extent to which the treaty actually limits the nuclear deployments of the two sides. Yet SALT is much more than either a political exercise or arms control for its own sake. To be successful, SALT must improve our security by helping to stabilize the strategic balance between the United States and the Soviet Union. Evaluating strategic stability involves complex technical questions, and even among the experts there is no consensus on how to measure the strategic balance. But, in the end, no final judgment on the new treaty's worth can be rendered without considering the projected stability of the U.S.-U.S.S.R. strategic relationship during the next decade.

Other considerations, such as the success of our negotiators in obtaining Soviet agreement to our positions, our ability to verify Soviet compliance, and the agreement's effect on our allies are also important in assessing the worth of the new treaty. The following sections contain analyses of the new agreement according to each of these criteria, as well as an evaluation of its likely effect on the strategic balance between the Soviet Union and the United States. I believe these analyses demonstrate that those who examine the technical provisions of the new agreement carefully will find little to criticize. SALT II will undoubtedly stimulate intense debate, but in the end, this debate is likely to focus on the pros and cons of the SALT process itself, rather than those of this particular treaty.[1]

II

The negotiation of the SALT II treaty that is now nearing completion has been underway for four years—since President Ford and President Brezhnev agreed on the basic framework at Vladivostok in November 1974. Not surprisingly, a negotiation of this duration has resulted in significant changes and additions to the original agreement.

The new treaty's numerical limits provide an illuminating example of these changes. The key result of the Vladivostok negotiations was to limit both strategic nuclear delivery vehicles (the sum of land-based intercontinental-range ballistic missiles [ICBMs], submarine-launched ballistic missiles [SLBMs], long-range airlaunched ballistic missiles, and heavy bombers) and MIRVed missiles (missiles equipped with multiple independently targetable reentry vehicles) to equal numbers for each side—2,400 delivery vehicles and 1,320 MIRVed missiles.[2] The Ford Administration received significant criticism of the 2,400 and 1,320 limitations, primarily that they were so high that they represented little real constraint on the programs of either side.[3] Secretary of State Kissinger continued to push the Soviets for lower numbers in subsequent negotiations, and by the time the Carter Administration took office, the Soviets had already agreed to reduce the overall ceiling to a number "below 2,300." They have now accepted a final limit of 2,250 rather than 2,400 on the total number of launchers, and also agreed to reduce the limit on MIRVed missiles from 1,320 to 1,200. A new sub-limit of 820 on land-based MIRVed missiles will also be set.

While these revised limits are not as low as some would like, they do have a significant effect on Soviet programs. The reduction in the overall ceiling to 2,250 will require the Soviets to dismantle an additional 150 older systems, although it will have no effect on U.S. force levels. The limit of 1,200 on MIRV launchers cuts somewhat into U.S. plan to deploy 1,238 MIRVs by 1985, but it will almost certainly require a greater cutback in the Soviet MIRV program. The new sublimit of 820 on land-based MIRVs is perhaps the most important of the revised ceilings; when combined with the limitation on reentry vehicles (warheads) discussed below, it sets an overall ceiling on the total number of Soviet land-based warheads. It also sets an important precedent for including special limitations on land-based MIRVs, the most potentially destabilizing components of the two sides' force structures.

One of the most contentious issues in the negotiations has been that of limits on cruise missiles. The two sides have disagreed on cruise missile limits since immediately after the Vladivostok negotiations.[4] The Soviets took the position that air-launched cruise missiles of a range greater than 600 kilometers should count within the 2,400 ceiling, and that testing and deployment of ground-launched and sea-launched cruise missiles with a range of over 600 kilometers should be banned. The U.S. position was that there should be no limits on cruise missiles.

In the agreement finally reached, air-launched cruise missiles on heavy bombers, which are especially important to the U.S. defense program, are permitted with no limit on their range. The only limits affecting these systems result from the inclusion of aircraft equipped with long-range cruise missiles within the various numerical ceilings specified by the treaty. Such aircraft will have to count as heavy bombers within the 2,250 overall ceiling on strategic nuclear launchers, as well as within a combined ceiling of 1,320 on MIRVed missiles and cruise missile-equipped aircraft. Furthermore, the average number of cruise missiles on the aircraft equipped to carry them is limited to approximately 30.[5]

These limits have the overall effect of permitting the United States to deploy at least 3,000 long-range cruise missiles on strategic aircraft without having to make any offsetting reduction in other strategic forces.[6] Even more cruise missiles could be deployed by reducing the number of MIRVed missiles on a one-for-one basis as each cruise missile carrier is deployed, but it seems unlikely that the United States would desire to deploy more than 3,000 nuclear-armed cruise missiles, each with a 200–400 kiloton warhead, over the next seven years.

The situation with respect to long-range ground-launched and sea-launched cruise missiles is somewhat more complicated. The position of each side on this issue has changed several times in the course of the negotiations. No mention of these systems was made at Vladivostok, or in the subsequent aide mémoire. But as mentioned above, shortly thereafter the Soviets took the position that the deployment of ground-launched and sea-launched cruise missiles should be banned. During the 1975 Helsinki summit meeting between President Ford and President Brezhnev, the Soviets proposed to count only intercontinental-range (greater than 5,500 kilometers) ground-launched cruise missiles. The United States later decided that it preferred a 2,500-kilometer limit, at which point the Soviets returned to their demand for a 600-kilometer limit. Clearly, neither side has been sure even of its own position in these negotiations.

The final agreement includes no limits on these systems in the treaty itself, but a protocol to the treaty prohibits the deployment of all ground-launched and sea-launched cruise missiles with a range greater than 600 kilometers for three years. The United States has no capability to deploy such systems during the next three years, and there are no limits on testing cruise missiles, should we decide it is in our interest to continue developing them for later deployment. Thus, in a technical and legal sense, there is no effective limit on U.S. land-based or sea-based cruise missiles. Nevertheless, as I discuss subsequently, the protocol has significant political implications for both U.S.-European relations and the dynamics of the SALT III negotiations. It will undoubtedly receive considerable attention as the SALT II debate continues.

The major U.S. objective of limiting "qualitative" force improvements (improvements in the capabilities of individual delivery vehicles) has also been achieved. The Soviets agreed over three years ago to limit the throw-weight of individual missiles to that of the largest missiles now deployed in each class—about 7,000 pounds for "light" missiles and 15,000 pounds for "heavy" missiles. But, more importantly, limits have now been placed on new types of land-based missiles and on the number of warheads permitted on each MIRVed missile.

With respect to new land-based missiles, each side has agreed to limit its deployment of new ICBMs to one type over the term of the treaty. The agreement's definition of a "new type" of missile, however, will not necessarily require that either side stop developing all but one new generation of land-based missile, since new missiles do not have to count as a "new type" if they are substantially the same as the older generation they replace. For example, the Soviets' new "fifth generation" systems, which have not yet been fully tested, may in the end not be limited at all by this provision. But if the Soviets act as expected and use their allowance of one new ICBM type to develop a single warhead missile to replace their existing SS–11s, any "modernization" of their land-base MIRV force with a new "fifth generation" will result in replacing existing missiles with new missiles of very similar dimensions and propulsion characteristics.

The number of reentry vehicles (warheads) on each new type of MIRVed missile will be limited by the new agreement to something no greater than ten on ICBMs (the exact limits are not yet agreed) and to 14 on SLBMs. The number of warheads on each existing type of missile is frozen at its present level. These provisions solve a major military problem for U.S. force planners, making a "multiple aim point" (MAP) system—having more hardened shelters than there are missiles with the missiles clandestinely shuffled about among the shelters—at least theoretically feasible for the United States.[7] Without such a limit, proliferating the number of aim points (targets) that the Soviet Union would have to attack if it wished to destroy our land-based missile force could lead to no more than a continuing race between our deployment of additional aim points and the Soviets' deployment of additional warheads. But the treaty will restrain the number of Soviet counterforce warheads to a practical limit of about 9,000, setting this as the worst case situation for which U.S. force planners might have to prepare.

As these examples illustrate, on the whole the United States has achieved almost every negotiating objective it set during the last year. This is also true with respect to its objectives in the important area of verification constraints, a subject which is discussed separately in the next section.

III

The Soviets have maintained from the beginning of the SALT process that the only

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provisions necessary to ensure adequate verification were those contained in the SALT I agreement: prohibitions on deliberate concealment and on interference with "national technical means" of verification. The United States, on the other hand, has argued that a variety of "counting rules" and "collateral constraints" are necessary to permit U.S. verification of Soviet compliance. The Soviets have strongly opposed such an approach, primarily because the U.S. proposals would require significant modifications in Soviet deployment programs, while requiring no changes at all in U.S. programs.

Nevertheless, the Soviets have now agreed to two important "counting rules" related to MIRVed missiles,[8] accepted in principle the important concept of "functionally related observable differences (FRODSs)"[9] agreed to terminate their SS–16 mobile ICBM program for verification reasons, and accepted an important principle on the concealment of testing results relevant to verification. Furthermore, by dropping their demand for a 2,500 kilometer upper limit on the range of air-launched cruise missiles, they have eased the problem of verifying cruise-missile range limits.

The agreement concerning the SS–16 land-based mobile ICBM provides a useful illustration of the extent to which the Soviets have been willing to accept provisions designed to facilitate verification, as well as the thoroughness with which the provisions of the treaty have been worked out. The issue arises because of the similarity of the SS–16 to the SS–20, a mobile intermediate-range ballistic missile (IRBM) capable of hitting targets in China and Europe, but not the United States. The SS–20 is apparently only a shortened version of the SS–16—the two missile stages of the SS–20 are identical to the first two stages of the three-stage SS–16. Furthermore, the mobile launchers for the two systems are almost identical.

This situation led the United States to worry that an SS–16 ICBM deployment could not be distinguished from an SS–20 IRBM deployment by satellite verification methods. The SS–16 missile is considerably less capable than the other new Soviet missiles (SS–17s, SS–18s, and SS–19s); nonetheless, such a clandestine deployment would give the Soviets a certain advantage. In any event, the uncertainty about the size of the Soviet program would lead to continuing arguments about Soviet compliance with the treaty.

It has been reported that the Soviets have agreed to ban the deployment of the SS–16 as a mobile missile for the duration of the treaty, a provision that apparently eliminates the problem of distinguishing between the two systems. But if this were the extent of the treaty's handling of this problem, the provision would still be susceptible to criticism. The Soviets could continue testing and producing the SS–16 missile without deploying it in a mobile mode, and the launchers for the missile could be produced and deployed under the guise of the SS–20. Such a state of affairs would leave the Soviets only a few weeks away from being able to deploy an operational SS–16 ICBM system.

The final agreement, however, provides stronger assurance that the United States can verify compliance with this aspect of the treaty. The Soviets have now agreed to ban *all* deployment of the SS–16, whether in a mobile mode or at fixed sites. They have further agreed to ban the production of all missile components that are unique to the SS–16 ICBM version and to cease testing SS–16. These provisions eliminate the possibility of developing a capability to deploy rapidly the SS–16 should the treaty be abrogated.

While the new agreement is by and large extremely comprehensive in its verification provisions, one notable absence is a rigorous definition of a missile launcher. In order to eliminate any possible ambiguity about the meaning of other provisions, such a definition should be agreed upon by the two sides. However, the United States has resisted the inclusion of such a definition, apparently because it would be difficult to write one that drew any distinction between the unMIRVed Minuteman II missile silos and the MIRVed Minuteman III silos, and because such a definition might stand in the way of an American multiple aim point ICBM-basing system.

The Minuteman II and Minuteman III silos are so similar that almost any conceivable definition would result in their both being classified as a single-launcher type. Since we have pressed for any gotten Soviet agreement to a "counting rule" requiring that any launcher of a type that has ever launched a MIRVed missile be counted as containing a MIRVed missile, a launcher definition that did not distinguish between Minuteman II and Minuteman III silos would require that we count all 450 single-warhead Minuteman II missiles within the treaty's ceilings on MIRV launchers—an unacceptable result.

The lack of a precise definition of a launcher is also important to protect America's option to deploy a multiple aim point system. As described earlier, such a system relies on the deployment of a greater number of hardened shelters than missiles, with the missiles being moved clandestinely from one shelter to another. If the "shelters" were actually additional missile silos, an approach now favored by the Air Force, and if the silos themselves were counted as "launchers," they would be prohibited under provisions carried over from SALT I banning new land-based ICBM launchers. But in the U.S. interpretation, the new agreement does not ban a multiple aim point system, because the transportable capsule containing the missile is considered the launcher, rather than the silo itself.

This is one of several examples in the new agreement where the United States has sacrificed its principles in order to avoid a constraint on its programs. In this particular case, the Soviets do not appear concerned about their ability to verify U.S. MIRV deployments; thus, they have been willing to "look the other way." One can only hope that in the end the Soviets do not attempt to take advantage of the agreement's ambiguous definition of a launcher, leading us to wish we had insisted upon a more explicit resolution of the problem.

Obtaining Soviet agreement on these verification provisions involved considerably more than convincing them to accept a set of abstract principles. The verification provisions of the new treaty will actually constrain Soviet programs. The SS–16 mobile ICBM, which was fully tested and ready for deployment, will have to be abandoned altogether. The fully tested single-warhead versions of the SS–17 and SS–18 missiles, some of which may have already been deployed, will either have to be counted as MIRVed missiles or abandoned. Finally, the Soviets probably have 120 unMIRVed missiles now deployed in modernized silos that will have to count as MIRVed missiles unless they are moved to other silos, since the silos they are now in are the same as those used to launch the MIRVed SS–19.

On balance, the new agreement embodies a sensible approach to verification. It implicitly acknowledges that any verification requires cooperation of the two sides, not only in general measures such as noninterference and nonconcealment, but in specific instances as well. By including specific verification provisions, our job is made easier; in many cases, we must verify only that the cooperative procedures are being complied with, rather than verifying compliance with the treaty directly. Finally, the treaty embodies an important shift in the emphasis of the SALT process, with relatively more weight being given to what it is we wish to limit as opposed to what limits we could most easily verify. Only a few years ago, there was almost unanimous agreement among experts that once MIRVs had been fully tested, limits on MIRVed missiles could not be verified. But such limits are one of the most important results of the SALT II agreement. It is gratifying that we sought and achieved limits on MIRVs, albeit modest ones, despite the difficulties in verification which required working out explicit "counting rules."

IV

As discussed earlier, one cannot adequately evaluate the new treaty without considering its effect on the strategic balance between the United States and the U.S.S.R. The simplest measures of the strategic balance are "static" indicators of force quantities, such as numbers of launchers, numbers of weapons, megatonnage, "equivalent" megatonnage, throw-weight, and so forth.[10] Projections are that the Soviets will lead the United States by 1980 in most of these static indicators, although the United States will retain a significant lead in the total number of weapons deployed.

The weaknesses inherent in attempting to measure the strategic balance using static indicators are well known. These indicators do not account for some of the most important characteristics of our forces, such as their survivability against a Soviet attack. It is for exactly this reason that U.S. force planners have consistently chosen not to attempt to match the Soviets in such measures, but rather to emphasize more important force characteristics. Nevertheless, it is worth pointing out that under the terms of the agreement, the United States could essentially match the Soviet Union in each of the commonly used static indicators of force capability, should it choose to do so.

The one unequal limit in the new agreement is the freeze on "heavy" land-based missiles carried over from SALT I. Under this provision, the United States is prohibited from deploying heavy missiles, while the Soviet Union may keep the 300 it now has. Thus, the Soviets could, in theory, deploy four to five million pounds more land-based missile throw-weight than could this country, although the United States could offset this somewhat with additional throw-weight in its submarine-launched ballistic missiles or payload in its bombers. But, in practice, the United States has no interest in heavy missiles, so this apparent asymmetry is of little importance.

A more sophisticated approach to assessing the strategic balance is to examine the results of simulated force exchanges between the two countries. The United States has accepted for many years the notion that the most important criterion for assessing the adequacy of its strategic forces is that enough forces be able to withstand a Soviet surprise attack to destroy Soviet society and industry in retaliation. There is little argument about either the present or projected capability of U.S. forces to carry out this mission with or without SALT II.[11] But there are serious arguments about whether such an "assured destruction" scenario is the proper one for measuring the deterrent capacity of our forces, and whether our forces will remain adequate when their capability is assessed under more complex scenarios.

Until the Soviets began deploying MIRVs

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on their land-based missiles in 1973, the United States maintained an overwhelming superiority in its strategic forces. Furthermore, the SALT I treaty prohibiting antiballistic missile systems (ABMs) meant that U.S. ballistic missiles could attack the Soviet Union in a retaliatory strike without facing the uncertainties associated with having to penetrate enemy defenses. Under such circumstances, there was little reason to use complex force exchange scenarios in assessing the deterrent capacity of the U.S. force.

The advent of large, accurate MIRVs on Soviet missiles changed this situation. The extensive Soviet MIRV deployment program, coming on the heels of SALT I and the beginning of what was supposed to be a period of détente, and occurring simultaneously with Soviet initiatives in Vietnam, the Middle East and Africa, has led to a widespread questioning of Soviet motives. I have argued elsewhere that the Soviets had good military reasons for deploying large throw-weight land-based MIRVed missiles; one does not have to attribute to them a motive of attempting to achieve strategic superiority over the United States to explain these deployments.[12] But the new Soviet MIRVs do create real military problems for the United States: for the first time, the Soviets appear headed for a capability to attack a major component of the U.S. deterrent force—our land-based ICBMs.

It is important to emphasize that most military planners are concerned only secondarily with what might happen once a nuclear war began. The level of destruction of any nuclear war would be so overwhelming that the primary focus must of necessity be on our ability to deter the start of any war. Thus, the concern is not so much that the Soviets might actually attempt a surprise attack against our Minuteman force, although military planners obviously must consider such an eventuality. Rather, the issue is the ability of our strategic nuclear forces to serve as a "nuclear umbrella" in a crisis, given the Soviets' newfound capability to attack our land-based ICBMs.

In the mid-1980s, the Soviets will be able theoretically to destroy virtually all of our land-based ICBM force in a surprise attack. This would leave us with only our submarine-launched ballistic missile force, our strategic bomber force (equipped with air-launched cruise missiles), and our theater nuclear forces deployed overseas and on aircraft carriers. Some of these forces are also susceptible to attack, since not all U.S. bombers are on alert at any one time, some submarines are in port, and many of our theater nuclear forces are vulnerable. Nevertheless, even in the worst case, 5,000 to 6,000 nuclear weapons on alert bombers and submarines at sea would survive a surprise attack.

This force is more than enough to destroy all major Soviet cities and Soviet industry. But defense planners argue, with good reason, that in such a situation, no President of the United States would want to be faced with only "the options of doing nothing or launching an all-out attack on Soviet cities—an attack that would almost certainly lead to a Soviet counterstrike against U.S. cities, presumably left largely undamaged by the Soviets' earlier strike against our land-based ICBMs [13] Many argue that in such circumstances, the United States would be deterred from retaliating by the Soviet's retention of a large residual "assured destruction" force after attacking our Minuteman force.

I find two weaknesses in this line of thought. First, in the mid-1980s the United States will have the capability to respond to a Soviet counterforce attack with a counterforce response of its own. The United States will have 2,000 to 3,000 highly accurate cruise missiles deployed on its alert bombers, each having a 50–80 percent probability of destroying any hardened target against which it is launched. These weapons could be used in a counterforce retaliation while still leaving the alert U.S. SLBM force, with 3,000 weapons, as an "assured destruction" reserve.

Cruise missiles do have two deficiencies when used in a counterforce attack. First, they require many hours to reach their targets, making them less flexible than ICBMs, which have more "prompt" effects. Second, the Soviets could easily destroy most U.S. airfields in an initial strike, which would require a U.S. President to use his cruise missiles immediately after a full-scale Soviet attack while they remain airborne, or risk their loss. But these deficiencies are relatively minor. If the Soviets' initial attack against our Minutemen were less than all-out, surviving land-based missiles would be available for selective counterforce attacks. We would find ourselves without surviving land-based missiles, and thus without the capability to launch "prompt" counterforce attacks, only after a very large Soviet attack—a circumstance under which no U.S. President should have any hesitance about launching an all-out cruise missile counterforce retaliatory attack.

The second fallacy in using a Soviet find-strike "war-fighting" scenario to evaluate the U.S. deterrent stems from a failure to consider using his counterforce threat to extract U.S. concessions. While there are uncertainties both in force exchange calculation and in force projections for 1985, the Soviets will in all likelihood face a significantly greater potential loss from a U.S. preemptive strike than the United States would face from a Soviet preemptive strike. This stems directly from the Soviets' decision to place the majority of their forces in land-based silos, which will be vulnerable to attack in the mid-1980s.

The United States has long recognized this problem and has put relatively less emphasis on its land-based missile force. By this time, the U.S. land-based missile force will be able to destroy 80 to 90 percent of the Soviet land-based MIRVed missile force in a preemptive strike, even if no new land-based missile is deployed. If the new MX missile (a land-based missile that would carry six to ten weapons, each of one to two megatons yield) is deployed, the United States could destroy virtually all Soviet land-based missiles, MIRVed and single warhead, in such a strike. Soviet submarines in port and Soviet bomber bases could also be destroyed. Thus, the Soviets could well face a situation where they had lost the mainstay of their force, their MIRVed land-based missiles, while the United States retained 7,000–9,000 weapons on its submarines and bombers. If one believes that the prospect of retaining an adequate residual reserve force after absorbing a first strike would deter American Presidents from acting firmly is confrontations with the Soviet Union, a Soviet leader should be even more deterred from initiating a confrontation since he would face an even less favorable situation.

Although the Soviet deployment of a counterforce capability against our Minuteman missiles does not leave the United States at a relative disadvantage, it does give a more significant military advantage to the striking first than has been the case previously, reducing the inherent stability of the nuclear balance. A preemptive strike by either side would risk an immediate retaliation that could destroy most of the attacker's society, so war is still an unlikely event. Nevertheless, in an extreme crisis, such as that which might grow out of a gradual escalation of hostilities in Europe or the Middle East, the world would be safer if neither side felt it could achieve any significant advantage by launching a preemptive strike.

The preferable solution to this problem would be to obtain Soviet agreement in SALT III to reduce fixed-point-based missile deployments. To date, the Soviets have rejected U.S. proposals for such reductions, although past U.S. proposals have tended to be somewhat one-sided in their relatively greater effect on Soviet programs. The Soviets have already accepted separate limits on land-based MIRVed missiles in SALT III, and they have agreed to principles for SALT III calling for reductions and increasing mutual confidence in the stability of the nuclear balance. Thus, it is not inconceivable that they would negotiate a balanced proposal for ICBM reductions.

But unless the Soviets agree early in SALT III to significant reductions in land-based ICBMs, the strategic balance in the mid-1980s is likely to be determined to a much greater extent by the force deployment programs of the two sides than it is by the provisions of arms control agreements. Thus, it is important that the United States retain the flexibility it needs to undertake programs that will maintain this balance. Perhaps the most extensive program suggested to date has been that outlined by the Committee on the Present Danger, a citizens' group organized to support a stronger U.S. response to the Soviet military buildup. Stating their position that "in the short run, it is unlikely that a comprehensive SALT agreement can be negotiated," the Committee has recommended an eight-point program for restoring "both real and perceived strategic adequacy for the 1980s":

1. Urgent attention to the survivability and endurance of our information, communications, and command and control systems;
2. Rapid deployment of an alternate basing mode for our ICBMs;
3. Development of a more capable follow-on missile to replace our Minuteman IIIs;
4. Procurement of a high quality strategic bomber and cruise missile-tanker system with high pre-launch survivability and penetrability;
5. Acceleration of the Trident I SLBM deployment program, Trident II development, and, if possible, Trident submarine construction, and renewed study and development of a smaller SLBM submarine;
6. Rehabilitation of the air defense program with AWACS, F–14/Phoenix, and new surface-to-air missiles.
7. Reexamination of the token U.S. civil defense program;
8. Reinvigoration of ABM research and development programs.[14]

One may or may not agree with the wisdom of the particular measures suggested by the Committee. But in assessing the effect of SALT II on the strategic balance, it is important to note that the new agreement does not prohibit the United States from carrying out any of these recommendations; all eight could be fully implemented under the terms of the agreement. As much as one might believe that the United States needs a larger strategic nuclear defense program, one cannot argue that SALT II will stand in the way of even extensive force enhancement programs such as this one.

V

SALT II has already stimulated considerable debate within the NATO alliance. The U.S. allies clearly see a stronger relationship between their security interests and the terms of the emerging agreement than was the case with SALT I. During SALT I, the allies' primary concern was to ensure that existing nuclear cooperation and technology transfer programs would not be jeopardized. The inclusion in SALT II of only very general "noncircumvention" provisions seems to ensure that the new agreement will pose no

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problems in this regard, especially since the United States explicitly rejected the more restrictive language constraining transfers of weapons technology proposed by the Soviets.

But since SALT I, the Soviets have deployed longer range tactical aircraft capable of launching nuclear attacks in Europe, the new SS-20 mobile intermediate-range ballistic missile with MIRVs, and the Backfire aircraft—an aircraft somewhat more capable than the F-111, our largest aircraft in Europe. At the same time that these deployments have occurred, the Soviets have moved to overall parity with the United States in intercontinental nuclear forces, reducing the Europeans' confidence in the capability of the U.S. "strategic nuclear umbrella" to deter Soviet attacks on them. These two events have stimulated considerable anxiety in Europe, particularly in the Federal Republic of Germany.

The difficulties associated with attempting to accommodate in arms control negotiations the "grey area" systems, such as U.S. forward-based systems and Soviet intermediate-range ballistic missiles and medium bombers, have been analyzed extensively elsewhere.[15] My objective here is not to repeat this analysis, but rather simply to suggest that the problem of providing an adequate nuclear defense for Europe goes well beyond the difficulties the Europeans might have with the specific limits included in SALT II. This is not to claim that SALT II has no effect on Europe. The treaty does not include limits on systems such as the Backfire and the SS-20 IRBM, while it does limit U.S. SLBMs, some of which are specifically dedicated to the defense of Europe and intended to offset these Soviet systems. The three-year protocol to the treaty also limits cruise missiles, which might be used to enhance NATO's "Euro-strategic" nuclear balance. The Europeans correctly perceive a Soviet effort through SALT to limit weapons systems seen as Europe's main hope for offsetting any advantage the Soviets might obtain through their recent SS-20 and Backfire deployments, without the Soviets accepting any limits on their own deployments; the United States must be sensitive to this legitimate European concern.

To a large extent, the United States has brought about the Europeans' present state of anxiety with respect to SALT II. The United States has certainly not spoken with a single voice in its consultation with the Europeans on SALT II and theater nuclear programs. U.S. officials responsible for the SALT negotiations have tended to downplay the significance of land-based and sea-based long-range cruise missiles, while at the same time Pentagon officials have extolled the virtues of cruise missiles to their European counterparts. The fact is that ground-launched and sea-launched cruise missiles have significant weaknesses as nuclear weapons for use in the European theater. While the cruise missiles themselves are relatively inexpensive, the total systems, including the sea-based platforms to carry them and the ground-based launchers and associated systems, are not likely to be significantly less expensive than alternative nuclear systems. Furthermore, no reliable concepts have been developed for solving the pre-launch vulnerability problem of ground-launched cruise missiles. Hardened fixed sites will be vulnerable to Soviet attack, but serious problems exist in attempting to deploy long-range mobile nuclear systems in densely populated Western Europe. Moving nuclear-armed missiles throughout the West German countryside in peacetime is unthinkable, yet stationing them in *kasernes* renders them vulnerable to surprise attack. Deployments on surface ships face similar vulnerability problems, and deployments on submarines would divert valuable antisubmarine warfare systems to a less useful military mission.

All apart from the relative worth of cruise missiles as "Eurostrategic" nuclear weapons, the basic strategic dilemma associated with providing an independent European force to counter the Soviet theater-oriented forces remains much the same as it has been for the last 20 years. As long as the U.S. President controls the release of the bulk of NATO's strategic nuclear weapons, their use would immediately involve the United States in a strategic exchange with the Soviet Union, with all of the implications, both positive and negative, which that linkage involves. As the French have long realized, for a European deterrent to be truly independent, the Europeans must have complete control of it. Yet no one suspects that West Germany either desires to have or should have its own independent nuclear force, and many Europeans doubt the inherent wisdom of "decoupling" from the U.S. strategic deterrent in any event.

In my view, a threefold set of actions on the part of the United States is necessary to overcome our allies' anxiety created by the growing Soviet Euro-strategic capabilities, the fading of the boundary in SALT between intercontinental and theater forces, and continuing concern over "decoupling." First, the United States must play a more assertive and consistent leadership role in alliance nuclear affairs and demonstrate increased sensitivity to legitimate European defense needs. The enhanced radiation warhead (neutron bomb) affair provides an excellent example of how these almost trite principles seem to have been overlooked in recent months. The United States put the issue to the German government for decision in such a way that it was inevitably propelled into a public debate. The German government was required to chose between rejecting a weapon it thought might be important to Germany's defense (although they would have to look to the United States for a more thorough technical judgment in this respect), or accepting the domestic political consequences of pushing for a new weapon that had come to have particularly distasteful moral implications in the public mind. The German political system, especially while the Social Democratic Party is in power, simply could not be expected to generate a rational policy under such circumstances.

Second, our European allies must more thoroughly accept, nearly 20 years after it was first put forth, the proposition that the "nuclear umbrella" can only go so far in providing adequate security for Europe. The best way to enchance European security is to improve Europe's own conventional defense capability, and any available additional European defense resources should be allocated principally to this task.

Finally, the United States must make clear to the Soviets that large-scale SS-20 and Backfire deployments will be met by comparable U.S. programs—either cruise missiles, extended-range Pershing deployments, or additional nuclear-capable aircraft—unless the Soviets agree to reasonable limits on their "Euro-strategic" forces, or demonstrate unilateral restraint. While one might allow that too many exclusively European-based American nuclear forces could lead to an undesirable "decoupling" of the U.S. strategic deterrent, it seems clear that too extreme an imbalance in the other direction would also have a similar "decoupling" effect. An overwhelming local nuclear superiority might well tempt the Soviets in a confrontation to assume that their intercontinental forces could deter U.S. intercontinental forces, leading them to push for concession in Europe. Thus, it is absolutely unrealistic for the Soviets to expect the United States to accept SALT III limits on systems useful primarily in the European theater without restraints being placed on comparable Soviet systems.

If the United States adopts a firm position on these issues in SALT III, there should be little need for complicated new forums for negotiating "gray area" systems. As I discuss in the concluding section, the Soviets are likely to agree to negotiate on Euro-strategic forces in SALT III as the three-year protocol limiting deployment of long-range ground-based and sea-based cruise missiles nears expiration. If U.S. programs make it clear to the Soviets that this country fully intends to deploy new systems designed to redress the imbalance in Euro-strategic forces created by Backfire and SS-20 deployments, the Soviets should be willing to negotiate reasonable limits on these systems.

VI

The new SALT agreement is, in many respects, more than the sum of its individual provisions. It differs significantly from its predecessors in both its form and in its basic approach, and it sets important precedents for the future.

It is important to review the history of SALT in order to compare the two approaches. SALT I consisted of two parts: a permanent treaty banning antiballistic missile systems (ABMs), and a five-year interim agreement freezing deployment levels of strategic missiles. The ABM treaty has caused very little controversy and remains the preeminent achievement of SALT to date. Without ABMs, it is virtually impossible for either side to eliminate the retaliatory deterrent force of the other side. We have the luxury to debate issues such as the importance of emerging Minuteman vulnerability only because the ABM treaty exists. If both sides had proceeded with antiballistic missile programs, the stability of our deterrent would be dramatically reduced, and the size of the deployment program needed to maintain our deterrent correspondingly increased.

The criticisms of SALT I focused on the offensive forces agreement. Even during the negotiating process, there was considerable controversy concerning whether or not any attempt at all should be made to negotiate offensive limits. In the end, it was the United States that insisted upon the linkage between the offensive agreement and the ABM treaty.[16] The Nixon administration argued that achieving any offensive forces agreement was a major accomplishment since the Soviets were deploying new missiles at a rapid rate, while the United States had no new deployments underway. Thus, it was argued that the interim offensive agreement stopped the Soviet deployment program, while having no effect on U.S. programs.

Nevertheless, the critics, led by Senator Henry Jackson, focused on the offensive agreement, particularly on the fact that the ban on additional launchers left missile launchers frozen at unequal levels for the two sides—approximaetly 2,400 for the Soviet Union, versus 1,700 for the United States. Later, further controversy arose on two grounds. First, the terms of the agreement itself proved subject to differing interpretations. Terms such as "light missile" and "deliberate concealment" were interpreted quite differently by the United States and the Soviet Union. Second, it quickly became apparent that limiting deployments of new missile launchers had very little effect on the offensive arms race between the two countries. Both sides continued modernizing their forces, with the Soviets pursuing an aggressive program of replacing older single-warhead missiles with larger more capable MIRVed ICBM's.

Since SALT I, there has been considerable debate concerning the best way to proceed with offensive force limitations. Some have argued that the focus on quantitative limits is not itself a problem, but that the limits imposed on so far are simply too high to have any effect. Others have argued that massive reductions are not in the cards and per-

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Footnotes at end of article.

haps not even desirable, and that only a direct assault on advancing technology through limits on qualitative force characteristics can be of any real arms control use. Finally, some have argued that the greatest utility of SALT is likely to come from ruling out destabilizing missions, such as hard target counterforce,[17] or, at a minimum, focusing on measures that will enhance startegic stability, such as limiting the numbers of land-based MIRVs—the weapons that could most easily be used to attack the land-based ICBMs of the other side.

The new treaty at least takes steps toward meeting almost all of these earlier objections. The numerical limits are equal for both sides, which meets Senator Jackson's main criticism of SALT I. The final numerical limits have been reduced from those agreed at Vladivostok and represent a real constraint on future Soviet programs, even requiring that the Soviets dismantle over 250 older systems. Even though the numerical limits themselves still leave room for increases in the capabilities of each side through qualitative improvements, they do eliminate the "worst case" projections of future force levels which would otherwise be considered by force planners in each country. Finally, the new agreement does represent an evolution of SALT in the direction of the United States has long argued that SALT must go if it is to continue to play a significant role in stabilizing the nuclear balance.

There are modest but significant qualitative limits in the treaty, through the ban on more than one new type of ICBM and the ceilings on the number of weapons each missile or bomber can carry. Furthermore, the various limits on land-based ICBMs, as well as the continuation of the ABM treaty, demonstrate at least an implicit acceptance of the basic U.S. strategic view that insuring the survival of secure second-strike retaliatory forces even after a first strike should be SALT's major military contribution.

The new SALT treaty also demonstrates an implicit understanding and acknowledgement of the limits of arms control agreements. Strategic arms agreements will not eliminate nuclear weapons, or even eliminate the military problems faced by the United States in maintaining its deterrent capability against the Soviet Union. The best we can hope for is that they will moderate the competition, reduce the level of hostility, and clarify the intentions of each side. In the long run, it can be hoped that such agreements will set firm limits on the total nuclear capabilities of each side, effectively stopping the arms race. But they cannot, as was attempted by the Administration's March 1977 "comprehensive" proposal, redress what we perceive to be Soviet advantages in the strategic balance—at least not without our offering major concessions in terms of our deployment programs.

Admittedly, this means that the United States faces something of a dilemma. On the one hand, neither our political system nor our objective of rational defense planning is likely to permit us to undertake major force deployments strictly for the purpose of developing SALT "bargaining chips." Yet without programs to trade, we cannot expect the Soviets to make major unilateral concessions, simply because we have chosen unilaterally to forgo certain programs on our own. Perhaps the solution to this problem is inherent in another new direction set by this treaty when compared to SALT I. By including a set of principles for governing SALT III, the new agreement establishes SALT as an ongoing process, rather than as an individual treaty required to stand by itself. Since many of the limitations accepted by the Soviet Union in the negotiation of SALT II represent at least implicit acceptance of arms control principles the United States has always put forward (adequate verification, emphasis on protecting the deterrent forces of the two sides, rigorous definitions, mutual exchange of data, and true limits on overall force capabilities), there remains substantial hope that SALT III will be able to constrain new programs before they are so far underway that the vested interests and bureaucracies on each side make it impossible to curb them.

VII

Much of the criticism of SALT II has focused either on the specific provisions of the Vladivostok accord on which the agreement is based, or on the deficiencies of the treaty when compared to the more ambitious "comprehensive" approach set forth by the Administration in March 1977. But if one puts aside preconceptions based on these earlier efforts and examines the treaty which has actually been negotiated, it is difficult to see how it can be opposed on its technical merits. The treaty embodies a substantial amount of "true arms control," in that it requires actual dismantling of some Soviet systems, cuts off certain areas of possible new competition, and eliminates the "worst case" force projections which have tended to drive the deployment programs of each side. At the same time, the new agreement does not stand in the way of necessary defense programs. It permits the United States to carry on with any necessary modernization of its strategic Triad, whether it be a new bomber or cruise missile carrier, a multiple-aim-point system of ICBM launchers, a new land-based missile, or new types of submarine-launched ballistic missiles. The treaty language is extremely carefully drafted, so that subsequent misunderstandings between the two sides should be small in number, especially when compared to those which occurred in SALT I, and the Soviets have accepted the special verification "counting rules" sought by the United States. The treaty should provide a framework within which the United States can develop a stable strategic program to respond to recent Soviet deployments, knowing that major surprises in the Soviet program are unlikely to occur. This should permit setting aside the present diversionary debate over strategic forces and moving on to focus our defense planning on correcting more serious weaknesses in conventional forces.

Given these technical characteristics of the new agreement, the debate over treaty ratification is likely to focus on predominantly political questions. There is a legitimate issue about whether or not the United States should enter into any additional agreements with the Soviet Union as long as the Soviets continue with their worldwide military buildup and expansionist policies. There will also be a political debate about the relationship between the new agreement and the defense budget, with some arguing that the treaty is unacceptable without a significant increase in the defense budget, including approval of major new strategic nuclear programs, and others cautioning against linking treaty approval to increased defense spending, lest we mortgage our ability to proceed with further arms control measures. Finally, there will be considerable debate about the treaty's three-year protocol.

The protocol will cause particular concern because it limits weapons systems which could potentially be of vital importance to the United States in overcoming what are perhaps the two most significant strategic nuclear problems the nation will face in the 1980s. The protocol limits the testing and deployment of mobile land-based ICBMs (such as the multiple-aim-point system discussed earlier), systems whose main purpose would be to eliminate the emerging vulnerability of our Minuteman ICBMs. The protocol also limits ground-launched and sea-launched cruise missiles, systems proposed primarily to counter the growing imbalance in Euro-strategic forces brought about by Soviet deployments of new systems such as the Backfire and the SS-20. Given the potential importance that mobile ICBMs and cruise missiles could have for the U.S. defense program, any agreement placing limits on these systems would be controversial. The fact that the protocol contains no reciprocal limits on Soviet systems, such as the SS-20 or the Backfire, makes it even more controversial.[18]

As I have pointed out earlier, the protocol will expire before the United States could conceivably deploy any of the systems limited by it, so that in a technical sense, it represents no real constraint on U.S. programs. But it is always difficult politically for the United States to end a deployment moratorium, since the American public never wishes to support what might be seen as unnecessary military competition. Moreover, the protocol does set a precedent for U.S. acceptance of continuing limits on cruise missiles and mobile land-based ICBMs in SALT III.

My own view is that in the absence of a serious SALT III negotiation, political pressures will not inevitably require the United States to continue with the protocol limits. But the Soviets are unlikely to turn down a serious SALT III negotiation, or even to reject a negotiation that includes the important questions of the Euro-strategic balance and Minuteman vulnerability. Initially, they will resist U.S. demands in these areas. But as the expiration of the protocol nears, they will offer enough tangible concessions to induce the United States to extend the protocol's moratoria as the negotiations continue. For the United States, there would be great benefit in obtaining a negotiated solution to the problems of Minuteman vulnerability and Euro-strategic balance, since the deployment of cruise missiles in Europe or a mobile ICBM in the United States are not attractive options from a technical standpoint. Thus, if the protocol serves to engage the Soviets in a serious negotiation on these issues, it will have served a useful purpose. One can only hope that the United States will remain firm in its insistence that the Soviets agree to serious and balanced provisions in both areas, rather than continuing the protocol limits indefinitely while the Soviets continue to threaten both our land-based ICBMs and our European allies.

Most of the political issues raised by SALT II, including the protocol limitations, relate to a more fundamental concern that the United States has lost its will to maintain adequate defenses in the face of Soviet expansion. The strong anti-defense reaction brought about by the years of Vietnam and Watergate, and the hopes that détente with the Soviet Union would mean a greater degree of Soviet restraint in weapons deployments and geopolitical expansionism, led to a period of perhaps excessive reductions in real defense spending. But recent events indicate that this trend has now ended, and that there is a strong and increasing national will to maintain adequate defenses. Public opinion polls indicate that the American people are willing to support higher spending on defense, despite the growing negative reaction to government spending in general and the emergence of the "taxpayer's revolt."[19] President Carter has successfully increased the defense budget and is publicly committed to a three percent annual real growth in our spending on defense. Nor is there any evidence that Congress will oppose necessary defense spending; the defense appropriations veto fight that occurred this year was not over the level of spending, but rather over the best way to spend the available dollars.

Footnotes at end of article.

Even if one believes that the nation's main defense problem is the need to demonstrate a strong will to respond to Soviet force deployments and geopolitical expansion, it is not at all clear that Senate rejection of the SALT II agreement would demonstrate such will. If the treaty contained serious technical flaws, or if it explicitly prohibited necessary defense programs, its rejection would perhaps be seen as a demonstration of renewed American strength. But this agreement does not contain such deficiencies. Therefore, in my view its rejection would more likely convey a different set of signals. It would indicate first of all that the U.S. political system cannot generate a stable national consensus on even the most crucial foreign policy issues. Second, rejection would make it clear to our allies that a relaxation of East-West tensions is not likely to come about from bilateral U.S.-U.S.S.R. negotiations; thus, if they wish to pursue a political détente, they will have to do so on their own. Finally, a rejection would imply that we have no confidence in our own defense programs—that we are seriously worried about our military position relative to that of the Soviet Union, and feel that even the modest limits within the treaty would stand in the way of redressing any imbalance.

If there were no other reason to accept the new treaty than to avoid the negative consequences which might flow from its rejection, one could hardly expect more than reluctant acquiescence of either the Senate or the American public. But the new treaty deserves more than this. As this essay has argued, it is a treaty very much in the U.S. interest, and it sets important and positive precedents for a continuation of the SALT process. Given the quality of the treaty, its rejection would lead the rest of the world to see the United States as hesitant, insecure, and incapable of mounting an effective political and military effort to establish a stable peace in the nuclear age.

FOOTNOTES

[1] For a reasonably current statement of the structure and key provisions of the new agreements, see Richard Burt, "The Scope and Limits of SALT," *Foreign Affairs*, July 1978, pp. 756–60.

As this article goes to press, apparently only two issues remain open whose final resolution could significantly affect an overall evaluation of the new agreement. One concerns a U.S. proposed ban on concealing test results through telemetry encryption an issue on which the Soviets now seem to be retracting their apparent willingness to cooperate. The other concerns the Soviets' long-standing insistence that all cruise missiles, even if equipped with conventional warheads, be subject to the agreement's cruise provisions. The United States maintains that on aircraft other than heavy bombers only nuclear-armed cruise missiles are covered by the agreement, and that conventionally armed cruise missiles should not count if they can be distinguished from nuclear cruise missiles by externally observable characteristics.

[2] The term "missiles" is shorthand in this connection. Technically the number of missiles is not limited by the treaty. Rather, the treaty's limits apply to missile launchers.

[3] The 2,400 limit would require the Soviets to dismantle about 100 older systems, but it would still permit them to modernize their remaining systems, leading to a dramatic increase in their overall strategic nuclear capability. The 1,320 limit was above the existing deployment level of either side, permitting both to build up further. It was even above the projected 1985 U.S. program, which includes only 1,238 MIRVed missiles. Furthermore, the 1,320 limit, while below projected Soviet deployment levels, was not enough of a constraint on the Soviets' new generation of MIRVed land-based ICBMs to prevent them from eventually posing a serious threat to the U.S. land-based Minuteman ICBM force.

[4] The words "cruise missile" were never mentioned in the Vladivostok negotiations. However, air-to-surface missiles were discussed, and the United States did agree to count ballistic air-to-surface missiles with a range greater than 600 kilometers in the 2,400 ceiling.

[5] The exact limit has not yet been agreed by both sides, but it will probably be in the range of 25–35.

[6] The 1,320 is 120 above the 1,200 limit on MIRVed missiles; thus, the first 120 cruise missile-equipped aircraft can be considered "free." Nor is the 2,250 ceiling a constraint, since no foreseeable U.S. program would reach that limit. Taken together, these provisions mean that if an average of 30 missiles are permitted on each of the 120 "free" cruise missile carriers, a total of 3,600 could be deployed without affecting any other U.S. strategic program.

[7] The United States has agreed that deployment of such a system is prohibited for a three-year period by treaty protocol provisions covering land-mobile ICBMs, but has stated that it would be free to deploy a MAP system when the protocol expires.

[8] These two counting rules require first that any missile of a type ever tested with MIRVs must be counted as a MIRVed missile, and second, that any launcher of a type that has ever launched a MIRVed missile must count as a MIRV launcher. Additional rules require that if new launchers are to avoid being counted as MIRV launchers, they must differ from launchers that have been tested launching MIRVed missiles.

[9] This concept is an important example of the innovative solutions our negotiators have found to complicated verification problems. A long-standing issue in SALT has been how to distinguish between two aircraft of the same type when one is used as a heavy bomber and another is not. This is a problem for both sides in SALT; the United States would like to retain the option of using existing wide-body airframes for a new cruise missile carrier, and the Soviets' Bear and Bison aircraft are used not only as heavy bombers, but also as naval reconnaisance and tanker aircraft.

While the exact details of the treaty language are not yet worked out, the new agreement is likely to permit the use of bomber aircraft in multiple roles, but require that all such aircraft be counted as heavy bombers unless there are observable differences clearly related to the function of the aircraft between the bombers and the nonbombers. For example, the Soviets' Bison tankers have refueling probes, so that they are observably different from Bison bombers. However, some of these tankers also have bomb bays. Since the existence of a a refueling probe is not "functionally related" to the ability to drop bombs, these aircraft will all have to count as heavy bombers, unless they are modified to eliminate the bomb bays. In an analogous fashion, the United States could use an existing wide-body aircraft type for its new cruise missile carrier, without having to count all aircraft of that type as heavy bombers, since existing transport aircraft would not contain the bomb bays or external mounting racks necessary to carry cruise missiles.

[10] Equivalent megatonnage is a measure of blast damage against soft-area targets, and throw-weight is roughly the weight of warheads and MIRV-related devices carried out of the atmosphere by the missile.

[11] Some have argued that Soviet civil defense measures could reduce civilian casualties in such an attack to under ten million. I find such arguments implausible, but will not repeat the debate here. See *United States/Soviet Strategic Options*, Hearings before the Committee on Foreign Relations, U.S. Senate, 95th Cong., 1st Sess., January 16, January 19, and March 16, 1977, Washington: GPO, 1977, for a discussion of both sides of the issue, and *Soviet Civil Defense*, Director of Central Intelligence, July 1978, for the CIA's view. I should point out, however, that if Soviet civil defense is a significant worry, the redeployment of a relatively small number of stockpiled large megatonnage bombs on our alert bomber force could dramatically increase the radioactive fallout associated with a U.S. retaliatory attack, substantially offsetting the Soviet civil defense program.

[12] Jan M. Lodal, "Assuring Strategic Stability: An Alternative View," *Foreign Affairs*, April 1976, p. 467.

[13] There are serious questions about the Soviets' ability to carry out an effective counterforce strike without killing significant numbers of Americans—a key assumption behind the argument that a nuclear exchange could be limited to military targets. See *Analyses of the Threat of Limited Nuclear Warfare*, Congressional Office of Technology Assessment, September 1975, and *Effects of Limited Nuclear Warfare*, Hearings before the Subcommittee on Arms Control, International Organizations and Security Agreements, Committee on Foreign Relations, U.S. Senate, 94th Cong., 1st Sess., September 18, 1975, Washington: GPO, 1975.

[14] *Is America Becoming Number 2? Current Trends in the U.S.-Soviet Military Balance*, Washington, D.C.: Committee on the Present Danger, October 5, 1978.

[15] Lothar Ruehl, "The Grey Area Problem," in Christoph Bertram, ed., *Beyond SALT II*, Adelphi Paper No. 141, London: International Institute for Strategic Studies, Spring 1978, pp. 25–34.

[16] John Newhouse, *Cold Dawn: The Story of SALT*, New York: Holt, Rienhart & Winston, 1973, pp. 195–207.

[17] Christian Bertram, "Arms Control and Technological Change: Elements of a New Approach," Adelphi Paper No. 146, London: The International Institute for Strategic Studies, Summer 1978.

[18] See Burt, *loc. cit.*, pp. 751–770, for an eloquent and thorough discussion of the protocol issue.

[19] For example, see the Harris poll released September 7, 1978, reporting on results of a poll taken in late June 1978 in which 36 percent favored an increase in the defense budget, 18 percent a decrease, 41 percent the same, and 5 percent no opinion.●

SENATE RESOLUTION 12—RELATIONS BETWEEN THE UNITED STATES AND THE PEOPLE'S REPUBLIC OF CHINA

● Mr. **BAYH**. Mr. President, the beginning of a new era in relations between the United States and the People's Republic of China (PRC) has ushered in a period of uncertainty for the people of Taiwan, a long-time U.S. friend and ally. Despite efforts to assure the Government on Taiwan that the United States remains committed to its security and to a peaceful resolution of the "Taiwan issue," doubts persist as to future relations without the formal assurance of a Mutual Defense Treaty with the United States and in the absence of official diplomatic relations with our country. Therefore, in order to provide tangible proof to the people of Taiwan that we do not intend to "abandon" them, I am cosponsoring resolutions here in the

Senate that call for settlement of the Taiwan issue through peaceful means and stipulate that the People's Republic of China would run great risk to its newfound diplomatic and commercial relations with us if it decides to use military force to unite Taiwan with mainland China.

When considering the future of Taiwan, we are discussing a nation of over 17 million people who enjoy a standard of living exceeded only by that of Japan in all of East Asia. This prosperity is based on a system of private enterprise not unlike our own and depends upon an atmosphere of security in order to continue. There is no question that Taiwan plays an important role in the overall economic development of the East Asian region. For the United States, Taiwan has been a reliable customer for farm and manufactured products. In 1977 about 23 percent of its $17.8 billion in trade was with the United States. Interestingly enough, this trade turnover was greater than that of the People's Republic of China whose population is almost 60 times that of Taiwan.

While the system of government on Taiwan is dominated by a single political party, the Taiwanese continue to express a profound desire for national self-determination and economic progress. Those qualities merit the continued support and respect of the American people. As we continue to develop our relationships with the People's Republic of China in diplomatic, commercial, cultural, and scientific areas we must not forsake our moral responsibility to a gallant and industrious people who have been our allies in war and peace. I am convinced that support expressed by Congress for the future security and prosperity of the people of Taiwan will provide an important source of confidence for them in order to face the future free from the fear of a military invasion or outbreak of hostilities in the Taiwan Strait.

The Danforth and Kennedy-Cranston resolutions which I have cosponsored specifically address these concerns and provide for a process whereby the President will inform the Congress of any danger to the interest, concerns, and expectations of the United States in the peace, prosperity, and welfare of Taiwan and that Congress will act to meet any danger. Importantly, the Danforth resolution puts the People's Republic of China on notice that it is the sense of the Senate that any military aggression against Taiwan should result in the termination of diplomatic and commercial relations with the Government on the mainland and should also prompt military assistance to the people of Taiwan on an urgent basis.

Finally, I would also add that I do not believe that the People's Republic of China possesses now or in the near future the military capability to conduct a successful military operation against Taiwan. Nor do I feel that the leadership in Peking now believes it advisable to settle this issue through military means. In fact, the prospects for resolution of this difficult problem are probably improved by our diplomatic recognition of the People's Republic of China. But our responsibility as a great power in our dealings with smaller nations who depend upon us for military and economic support remains clear. Approval by the Senate of the resolutions I am cosponsoring will provide to Taiwan, the People's Republic of China, and the world added proof that we shall not fail that obligation. We do not intend to desert the people of Taiwan.●

FEDERAL NATURAL RESOURCE AND ENVIRONMENTAL PROGRAMS

● Mr. LAXALT. Mr. President, I would like to take this opportunity to bring to the attention of my colleagues my concern about organization of Federal natural resource and environmental programs and to comment on possible improvements which may prove helpful in our efforts to control inflation in our country.

In the way of some background, in order to preserve our quality of life, Nevada's posture has been one of expansion of tourism and visitor development, with promotion of payroll diversification through attraction of light, clean, diversified industry, and the encouragement of a productive attitude on the part of Nevada's work force. In this direction, I believe Nevada has been highly successful by most measurements.

However, within the past year a disturbing trend has evolved bringing concern to many residents of the State, as well as myself. With other citizens of the United States looking for a better life style and the opportunity for economic advancement, whether as a member of the labor force or as an entrepreneur willing to risk capital and create jobs, Nevada has had a steady population increase. As would be expected, this has produced side effects addressed by regulatory agencies, most particularly the Environmental Protection Agency and the Department of the Interior.

At this point let me point out that Nevadans and I share the beliefs and concepts of clean water, clean air, and efficient utilization of natural resources, just as we believe in the principles of conservation. It has, therefore, become a paradox to find that the Federal agencies created to help solve and alleviate these problems have, for reasons which will be presented later in the text of this statement, functioned in a manner counterproductive to these concepts; often in a manner that appears to be arbitrary and capricious, and which has certainly resulted in unwarranted increases in the cost of living for Nevadans, and delay, rather than facilitation of solutions of many of Nevada's problems.

Mr. President, Nevadans and I also mutually believe that a more reasonable approach to rules and regulations is in order, and that regional needs should receive more consideration and attention.

While many of the following comments will be critical, I would like to state that I believe that the criticisms are justified, and I hope they are perceived as being presented constructively.

OBSERVATIONS REGARDING THE ENVIRONMENTAL PROTECTION AGENCY

Generally, it appears to me that the policymakers of the EPA are remote and insulated from local and regional problems. For example, solutions that might be necessary in a high density, highly industrialized manufacturing area which has had a multitude of complex problems contributing to the deterioration of air and water quality, should not be treated in the same manner as low density, isolated areas. Further, criteria for compliance are often completely inflexible without regard to reasonable community standards or the economic health of the community affected.

It appears that regional staffs are arrogant and abusive. As one would expect, this leads to an unresponsive attitude and delays in problem solving. It further appears that perhaps the regional offices have been delegated too much power to grant or withhold the necessary sanctions to solve problems.

Mr. President, it also appears that the higher administrative levels only reinforce lower level administrative decision, which might be considered as questionable as a simple matter of self-preservation. The corollary to this is that various middle level administrators insulate the top level administrators and policymakers from legitimate criticism.

The EPA is slow to respond to needs. Duplication of studies and review time delays implementation and solution oriented programs. This adds to total costs through paying twice for the same study or through substantial increases in costs through inflation.

The agency is in a position of setting new compliance rules which, after substantial local investment in time and money to meet original compliance, can be negated by these new rules for compliance, which can have the effect of forcing a start from ground zero, here again adding to costs and of course causing confusion.

There appears to be a serious inconsistency with the stated goal of full employment of the administration and the Congress and the Environmental Protection Agency's objectives which penalize successful communities which have adopted policies to reduce unemployment. Using just two examples from Nevada—the Ely-McGill area and the Reno-Sparks area—I suggest that a major reason for artificially created unemployment or the threat of unemployment in the future lies with EPA policies.

In the case of Ely-McGill, Nev., an isolated community with generally physically healthy citizens, they suffer unemployment and uncertainty, because the Kennecott Copper operation located there is unable to, but forced to, comply with standards created mainly to alleviate situations in eastern communities. The local economy relied heavily on the functioning of the plant but the unreasonable regulations imposed against Kennecott Copper Corp. in Ely, Nev., has been devastating. Among other things that occur to me is that Federal officials, in their diligence to dot every "i" and cross every "t," have created unnecessary adversary relationships involving added costs to the taxpayers through numerous court actions and added costs to the consumers of Kennecott's final product, because Kennecott was forced to oppose those regulations at substantial costs. More importantly, this has created trauma, havoc, and unemployment in this small community of 9,000 whose very livelihood depended upon Kennecott Copper being able to remain in operation.

In the case of Reno-Sparks, which has been reasonably successful in creating opportunity, jobs, and employment, that success is now in the process of being slowed or perhaps stopped or reversed, primarily because of the Reno-Sparks joint sewer treatment plant expansion. This has been held up in a maze of unnecessary redtape and what often appears to be intentional delay tactics. Certainly the citizens of these communities have suffered a cost-of-living increase in the last few years, because of confusion, uncertainty, and delay created by EPA.

To be more specific regarding the Reno-Sparks area wastewater treatment expansion, over 5 years ago it became apparent, in order to facilitate proper planning and to prevent deterioration of water quality in the Truckee River, that an expanded and modernized treatment plant was necessary. Although the conditions impacting this issue are quite complex, I believe that rather than provide assistance to expedite and accommodate the area's needs, region IX of the EPA has done just the opposite. Whether this series of delays was intentional or is being fostered by authority higher than region IX, is not completely clear to me.

Factually, the city of Reno commissioned the necessary environmental impact study on August 11, 1975. That study progressed with numerous intermediate review steps by region IX and payment approvals to the consultant. Upon completion of the report, delay and confusion was created by the EPA by not accepting the report in a timely fashion. Further, the cities were advised after the report was almost completed that there would be a change in criteria and that with the passing of time it was necessary to redo the original study, as conditions had changed sufficiently in the area to warrant a new and updated study.

Under this type of condition where the original ground rules are allowed to change, it is not inconceivable that this could accur again and again at some future date. This creates an added burden to the taxpayers since additional studies cost money and the time delay of this situation adds to the capital costs of the plant expansion because of inflationary pressures.

COURT ACTION AGAINST CARSON CITY AND DOUGLAS COUNTY, NEV.

Mr. President, on August 1, 1978, the Justice Department, upon recommendation by EPA, filed a civil suit against Douglas County, Nev. for alleged violations of Federal wastewater discharge standards. A similar suit was then filed against Carson City, Nev., on September 18, 1978. In my view, both suits reduce down to the abuse of administrative process.

Mr. President, because of the complexities of this matter, and in the essence of time, I ask that my letter to Douglas Costle, Administrator of EPA, dated December 12, 1978, be printed in the RECORD at the conclusion of my statement in its entirety.

(See exhibit 1.)

Mr. President, some agencies are in a position of using tax dollars which is counterproductive and works to the detriment of the majority of taxpayers. The following will serve as examples:

O'NEAL BASIN TRANSMISSION LINE ROUTE

As you are aware, power companies everywhere are under attack, because of the high cost of power service. In an attempt to comply with all regulations, Sierra Pacific Power Co., which serves all of northern Nevada, had the necessary environmental impact statements compiled on what their experts considered to be the most efficient routing for a needed intertie connection in Idaho. The substantial cost for the study, required by the EPA and the Department of the Interior, will, of course, be assumed by every power user in northern Nevada.

It is important to note that at the conclusion of the study, the Secretary of the Interior denied the routing, because the area might possibly be considered for a wilderness area.

In response to the contention by Sierra Pacific officials that the alternative routing suggested by the Department of the Interior could cost up to $20 million extra (requiring more delay, studies, costs, et cetera), the Secretary of the Interior, if correctly quoted by the media, stated that he did not care if it did cost an additional $20 million. During the course of the study, consultants retained by the utility company worked closely with BLM field representatives. It is difficult for me to understand how the Secretary could completely ignore their recommendations.

If this attitude continues to prevail, Mr. President, without regard for the taxpayers or the consumers who must bear this burden, then the private individual has practically no hope of saving money or improving his personal circumstances.

TRUCKEE RIVER—PYRAMID LAKE INDIAN LAW SUIT

Mr. President, a suit was brought on behalf of approximately 800 members of the Paiute Indian Tribe, who reside on the Pyramid Lake Reservation, against 13,000 taxpayers, most of whom had no knowledge of what was involved. It is my belief that this suit either was, first, caused by the negligence of the Federal Government in the past, or second, should never have been brought at all.

However, due to an arbitrary and seemingly inflexible court decree mandating a certain flow of water in the Truckee River in order to provide continuity for fish studies on the lower Truckee, virtually all upstream storage was dissipated during a year when serious drought conditions existed. Although Federal officials had this matter called to their attention, and there was sufficient time to prevent this upstream storage from reduction to dangerous levels, nothing was done.

I find it particularly frustrating to learn that of the three Federal agencies involved, none accepted responsibility or leadership to find a solution to this potential problem for the taxpayers they represent. The excuses and the jungle of redtape encountered produced what appears to be intentional delay to the point where another year of drought conditions would have produced health hazards and disastrous side effects for the communities involved. Fortunately, this never came about, but the point is that those who allowed the citizens of the Truckee Meadows to be placed in such a dangerous position had no assurance that drought conditions would be relieved.

Further regarding this matter, and as a separate part of this particular problem, some 13,000 taxpayers in the Truckee Meadows area were individually served with a rather bulky legal document in the above-mentioned lawsuit. For the most part, the individuals served would be presumed to hold properly adjudicated water rights pursuant to the laws of the State of Nevada and had no knowledge of the reason for the lawsuit. Yet, the very tax money with which they support the Government was being used by that Government to bring a suit against them. Naturally, this has required legal costs to provide for their defense. For the Truckee Carson Irrigation District alone this has amounted to $881,583 as of November 1978. Legal costs are running at $20,000 per month and this is assessed back against the district water users per acre they hold. The paradox presented here is that if inequities were visited upon the Indians, this was done without the knowledge of the people joined in the lawsuit and, even more appalling, the fact is that whatever treaties were negotiated in the far-distant past were negotiated by the Federal Government on behalf of the Indians.

In my view, there is a gross injustice in this entire situation. If the Federal Government wishes to discharge its obligations to the Paiute Tribe, and if, in fact, such an obligation was determined to be warranted, the obligation could have been discharged with alternative methods of compensation which would have resolved the problem more equitably and at far less cost to the taxpayers.

Locally this suit has become known in frivolous terms as the "Lawyers Relief Bill." And tragically, during the past and present litigation, this suit has prohibited proper conservation and management of the waters of the Truckee River.

SUGGESTED SOLUTIONS

First. Ways must be found to shorten study periods to a definite time frame and with ground rules which agencies cannot change, once a study is inaugurated.

Second. Regulatory agencies, administrators and staff should become accountable for their actions.

Third. The policy of these agencies and the administrators should be that they are in existence to serve the needs of the taxpayers and not to create adversary relationships between the taxpayers and their departments.

Fourth. Less emphasis should be placed on regulatory enforcement and more on tax incentives for private industry to provide solutions.

Fifth. In terms of air and water quality, more emphasis and flexibility should be placed on local and regional conditions, creating buffer or mixing zones between population and climatological zones.

Sixth. Eliminate the necessity for duplicated studies. At present, private industry must undergo requirements to provide and pay for comprehensive studies. Following this the agency or agencies involved then do their own independent study, thereby duplicating the costs to the taxpayers who pick up the bill for both studies. I would hope that some method will be found that would simplify requirements to reduce the time and cost so that a single study may be devised which could possibly be cost shared by industry and the involved agency or agencies.

In conclusion, Mr. President, the issues I am addressing are complex. It is difficult for the general public and taxpayer to become completely informed as to the serious consequences that may be before them. And although the taxpayers are aware their taxes are increasing, in general they are not aware that the contributing reasons many times are the duplication of regulatory agencies, complicated and unnecessary forms and study requirements, and built-in delays which escalate costs in many ways.

I am sure my colleagues will all agree with me that it is the responsibility of Government to provide efficient and strong leadership by doing for the citizens who we represent what they cannot do for themselves. I am hopeful at the conclusion of this 96th Congress we will be able to recommend positive policies to cure many of the present abuses. To this end, I pledge my support.

EXHIBIT 1

DECEMBER 12, 1978.

Mr. DOUGLAS M. COSTLE,
Administrator, Environmental Protection Agency, Washington, D.C.

DEAR MR. COSTLE: On March 21, 1978, I wrote you to ask that the Environmental Protection Agency defer any punitive court actions contemplated by EPA's Regional Office in San Francisco against Carson City and Douglas County, Nevada, for alleged violation of the Federal Waste Water Discharge Standards.

I noted at that time that EPA had made no direct contact with either community to furnish a bill of particulars or specifics defining the supposed violations, or to offer remedial assistance, and that both communities, within their limits, were making good faith efforts, backed by financial commitments, to comply.

Pursuant to this letter, a meeting was called here in Washington attended by EPA Enforcement Division officials, representatives of Carson City and Douglas County, and the Nevada Congressional Delegation.

This exchange of views produced an indication from the EPA representation that there was some uncertainty about filing the prosecutions, that the cases were still with EPA, Washington, and had not been forwarded to the Justice Department for prosecutive purposes.

We were given assurance that before any prosecutive action was taken by EPA, the Nevada Congressional Delegation would be advised and provided with the specific bases for the charges.

This commitment was not honored. Without contact with the Delegation, a civil suit was filed against Douglas County on August 1, 1978, and against Carson City on September 18, 1978, both in Federal Court in Reno, about which the Delegation learned from news items in California papers several days before each filing.

At the time of both filings, the San Francisco Regional Office of EPA was well aware that both sanitation districts were making every effort to comply, both were acting in good faith; it is an asinity to assume they would do otherwise to their own injury or the injury of the communities they serve.

Let me note here that my interest in the preservation of Lake Tahoe long precedes the entrance on the scene of the EPA or its allies. As an attorney practicing in both Douglas County and Carson City, as District Attorney of Carson City County, as Lieutenant Governor of Nevada, as Governor of Nevada, and now as a United States Senator, my energies and efforts have long been directed to that end.

Aside from petty technical considerations, it takes no great expertise to realize that the Carson River is a distinctly seasonal stream and during the periods EPA San Francisco alleges the violations, the West was in the grip of one of its worst and well publicized droughts and the treated discharges were enhancing both water quality and quantity in the river, which was running dry, not degrading it.

It can be no accident that, with over two-thirds of the nation's sanitation districts not in compliance, EPA would initiate civil suits against two very small counties, side by side in Nevada, with virtually no industrial waste discharge, which happen by chance, to border on Lake Tahoe.

The continuity and circumstances under which both suits were filed can lead only to the conclusion that the prosecutions were selective, arbitrary, and perhaps even filed in bad faith for reasons other than violations of standards or compliance schedules on the Carson River under adverse conditions.

To put it simply, EPA's San Francisco Regional Office and the groups it has aligned itself with can have very little interest in the trickle of water called the Carson River. As we both know, the prosecutions are aimed at Lake Tahoe.

Carson City has no casinos within it on Lake Tahoe and no prospects for any. It is the innocent victim of the by-play between EPA San Francisco Office and organizations which not only pressured the suits but joined them immediately on being filed.

Let me carry this further. The two suits were filed in August and September, 1978. It came as no surprise to me, therefore, to be advised that EPA, with both suits well into litigation, would again single out both sanitation districts in November, 1978, for surprise inspections by EPA's National Field Inspection Center, of Denver.

There must be some plausible explanation for unleashing on those two tiny communities, several months after they were charged, an EPA task force composed of eighteen technical and forensic personnel and three supervisors plus their mobile laboratories and other equipment. At this point, I don't know what that explanation could be or what, under the circumstances, would justify the costs involved.

Further, it can be no more coincidence that while the prosecutions against the two communities were being promoted in San Francisco, Charles Warren, the Chairman of the White House Council on Environmental Quality, was in negation with representatives of Nevada for a revision of the Tahoe Regional Planning Agency Compact.

And it should come as no surprise that both prosecutions were handed up by the U.S. Justice Department's Land and Natural Resources Division under the direction of Mr. James W. Moorman, Assistant Attorney General, the former staff attorney for the Sierra Club, a primary instigator of the suits along with the National Resources Defense Council.

Under the circumstances, the filing of both suits reduces itself to an abuse of process and has little to do with the Carson River, miles removed from Lake Tahoe, and is nothing more than a contrivance to curb construction of casinos at Lake Tahoe, an empty gesture in itself since Nevada has already conceded there will be no new construction.

There is little doubt that if the funds wasted on legal fees, administrative costs and other useless gestures in both cases had been placed in remedial and constructive actions, the minor technical problems would have long since been solved.

As it stands, Nevada citizens, many of them with no connection with casino operations at Lake Tahoe, are being victimized by the Regional Office of EPA in collusion with the Sierra Club, the Natural Resources Defense Council and others.

In the light of what has been outlined above, I would ask you to conduct through independent sources within your agency a complete investigation of the San Francisco Regional Office and its relationships with the Sierra Club and the Natural Resources Defense Council and to take whatever remedial steps are indicated by the results.

By means of a copy of this letter to you, I am asking the Attorney General, Mr. Griffin Bell, to review the handling of both cases in the Justice Departments Land and Natural Resources Division under Mr. Moorman and to take remedial steps based upon those findings.

The economic distress being inflicted on all the people of Nevada by the actions cited in the above cases and others is already incalculable and escalating rapidly.

Sincerely,

PAUL LAXALT,
U.S. Senator. ●

QUORUM CALL

Mr. SIMPSON. I suggest the absence of a quorum, Mr. President.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL JANUARY 31, 1979

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, when the Senate completes its business today, it stand in recess until the hour of 12 noon on Wednesday.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR PROXMIRE ON WEDNESDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, following the prayer on Wednesday and following recognition of the majority leader, which I shall seek, Mr. Proxmire then be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL WEDNESDAY, JANUARY 31, 1979

Mr. ROBERT C. BYRD. Mr. President, I move, in accordance with the order previously entered, and pursuant to Senate Resolution 28, as a further mark of respect to the memory of the deceased Honorable Nelson A. Rockefeller, a former Vice President of the United States, that the Senate stand in recess until 12 o'clock noon on Wednesday.

The motion was agreed to; and at 1:51 p.m., the Senate recessed until Wednesday, January 31, 1979, at 12 noon.

HOUSE OF REPRESENTATIVES—*Monday, January 29, 1979*

The House met at 12 o'clock noon.

Chaplain James David Ford, B.D., offered the following prayer:

Hear the words of Psalm 121.

I will lift up mine eyes unto the hills, from whence cometh my help. My help cometh from the Lord, who made heaven and earth.

Let us pray.

O God, from whom comes every good and perfect gift, remind us that we do not walk through life alone, or face the cares of the day by ourselves. Make us aware that no matter how great the task or awesome the event we face, we can depend on your guidance and leading.

We give thanks for the life of Nelson Rockefeller and his service to our country. For his enthusiasm and spirit and his selfless contributions to all the people, we offer praise. Give to his family and all those who mourn the assurance of your abiding presence and the certain confidence in the promise of eternal life. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Vice President, pursuant to Public Law 79-304, appointed Mr. Javits, Mr. Roth, Mr. McClure, and Mr. Jepsen as members of the Joint Economic Committee for the 96th Congress.

And that the President pro tempore, pursuant to Public Law 94-201, appointed Dr. Ronald Clifford Foreman, Jr., from private life, to the Board of Trustees of the American Folklife Center, Library of Congress, effective January 24, 1979, for the remainder of the term which expires March 9, 1980, in lieu of K. Ross Toole.

That the Vice President, pursuant to Public Law 94-304, appointed Mr. Javits to the Commission on Security and Cooperation in Europe, in lieu of Mr. Case, retired.

THE AMERICAN FARMER IS SUBSIDIZING THE TAXPAYERS OF JAPAN AND EUROPE

(Mr. HIGHTOWER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HIGHTOWER. Mr. Speaker, as the 96th Congress begins I am sure that all of its Members are going to be looking very carefully at the President's budget and will be giving special attention to all items that are contributing to the inflation that the President recognizes as the top issue before the Congress today.

If we are to control inflation we are going to have to attack it on many different fronts, and one very critical area is our balance of payments and the whole field of international trade.

Mr. Speaker, I have been very much upset by the fact that in our major field of export agriculture, we are not getting the price for American products that we should. If we were getting a fair price, then we would see a substantial improvement in our balance of payments and the entire economy.

Some of the countries that are importing U.S. wheat are raking off substantial profits because of low prices being paid to American producers. The Japanese Government has recently decided that it will continue reselling U.S. wheat to flour millers at $9.11 a bushel. This gives the Japanese Government Treasury a profit of about $5 a bushel after paying freight and handling costs. I understand that the European Community is making a profit of $3.60 a bushel on wheat purchased in the United States.

The American farmer is subsidizing the taxpayers of Japan and Europe. These are direct benefits that are flowing out of the pockets of American farmers into the foreign national treasuries. This is one reason why farmers continue to be very much concerned about the treatment they are apparently receiving from their own Government.

While it may be true, as the President stated, that the average farm income is up 25 percent, this really tells us only that farm income was already way too low and even this kind of increase has not been felt in many critical areas. The wheat and cotton farmers in Texas are still hurting.

In building a new foundation I hope we will build it on fair play for our own producers who must provide the real foundation for a healthy American economy.

THE LATE HONORABLE NELSON A. ROCKEFELLER

(Mr. PEYSER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PEYSER. Mr. Speaker, as my colleagues have heard over this past weekend, my good friend, Nelson Rockefeller, whom I have had the privilege of representing in this Congress for a number of years, our former Vice President and four-time Governor of the State of New York, passed away. In order to give Members an opportunity to express their feelings about Nelson Rockefeller, I will be taking a special order for 1 hour on Thursday in order that we can all properly show our concern and respect for a great American who has left our scene.

THE VISIT OF VICE PREMIER TENG HSIAO-PING

(Mr. ALEXANDER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ALEXANDER. Mr. Speaker, today the Vice Premier of the People's Republic of China, Teng Hsiao-ping, is visiting Washington. I have been impressed with some of the response of the American people. I see where former Governor Meldrim Thomson has characterized this visit as immoral, disgusting, and treasonous, and he says that President Carter is putting the dollar ahead of patriotism.

I am reminded of a discussion that I had with Foreign Minister Carlos Romulo of the Philippines in Manila last month, an authority on China. I asked him, "Mr. Minister, if you were to rank the priority of the PRC's concern for modernization and its concern for defense against the Soviet Union, which would you consider their principal concern?" He replied that the people in the People's Republic of China want to enjoy a better life, but China is modernizing in order to defend itself against the Soviet Union.

We are not going to turn our back on Taiwan. Patriotism, Governor Thomson,

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☐ This symbol represents the time of day during the House Proceedings, e.g., ☐ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

is serving the best interests of the American people.

□ 1205

PRO-COMMUNIST APPEASERS HAVE THEIR DAY

(Mr. ASHBROOK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ASHBROOK. Mr. Speaker, Monday, January 29, 1979, is a day which will live in infamy. The unrepentant tyrant of the most repressive, murderous regime in history will get the red carpet treatment by the leader of a free society which supposedly stands as a beacon of freedom and symbol against tyranny. When they lift their glasses to toast at the White House tonight, the memories of more than 50 million Chinese slaughtered by the Communists on the mainland will be mocked, human and civil rights will be set back, and America will stand guilty of complicity in the systematic repression of 800 million Chinese on the mainland.

No amount of pro-Communist sophistry by the State Department patsies can gloss over the brutal record of the Communists. That our Government leaders would roll over to every demand of our Communist enemies and yield to so-called normalization is a national disgrace. The betrayal of our staunch allies and friends of free China on Taiwan should bring a stench to the nostrils of all decent Americans. The only thing normal about the sad affair is the unbroken record of the State Department in accommodating our enemies.

Bad enough to yield to this barbarous regime which has not changed, not recanted for their atrocities but rather "waited it out" until a liberal administration would cave in to their demands. Worse, however, that this same Carter administration would actively engage in a pro-Communist propaganda drive, painting Vice Premier Teng Hsiao-ping and his Communist government in a favorable light that does not approximate any faint resemblance to the bleak, repressive reality on the mainland.

This is indeed a day which will live in infamy. The pro-Communist, anti-American bureaucrats in the State Department and administration have had their day. The people will have their day in 1980 when they turn this sorry bunch out into the streets.

THE NEW BUDGET

(Mr. BADHAM asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BADHAM. Mr. Speaker, the rhetoric of austerity is permeating the press. The President's budget—which calls for spending $135 per person in the Nation more than is taken in with our already too high taxes—is being portrayed as "lean." The press is reporting as fact the representations of those who should know better that this budget is heavy on defense spending at the expense of so-called "social programs."

The proposed increase in defense spending of 9.9 percent is less than the proposed 11 percent increase for payments to individuals and grants. The increase in defense spending is $11 billion compared to an increase of $24 billion for payments to individuals and grants.

It is incredible that we are greeted with headlines such as "Defense Up, Social Spending Down" and "Budget Cuts $5 Billion from Federal Social Programs."

The proposal for 1980 defense spending from President Carter, while a 9.7-percent increase over the budget he was so successful in decimating for 1979, is a mere $2 billion above President Ford's projections for the 1979 budget for defense. Thus, Carter's so-called increase for defense puts us almost a year behind the official projection of President Ford's budget people in just 2 years.

The central fact to remember is this: The new budget falls far short of expectations on three fronts. It does too little to balance our budget. It does too little to reverse the damage done to our defense posture in the first 2 years of the Carter administration. It does not cut spending for social programs.

SMALL BUSINESS TAX RELIEF ACT OF 1979

(Mr. SCHULZE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHULZE. Mr. Speaker, in the last Congress my Small Business Tax Relief Act attracted the bipartisan support of over 100 Members of the House. Unfortunately the conditions which motivated my introduction of this bill still exist. I am therefore, today introducing the Small Business Tax Act of 1979.

Briefly, the seven provisions of my bill would:

First. Permit a small businessman to sell his business, reinvest the profit within 18 months in another small business without paying tax as in the case of an individual's residence;

Second. Increase the allowance of additional first depreciation for small business;

Third. Permit rapid amortization of certain federally required expenditures;

Fourth. Liberalize the provisions with respect to small domestic international sales corporations;

Fifth. Provide for the optional cash or accrual method of accounting for sole proprietors;

Sixth. Require the IRS to refund to employers their proportionate share of excess social security payments made on behalf of employees who were employed by two or more employers during the year. And finally my will would—

Seventh. Grant a tax credit of $5 for each document or form which a small business is required to file under Federal law.

The Small Business Tax Relief Act of 1979 is a balanced and multifaceted bill which will assist our small entrepreneurs in a meaningful way. I urge all of my colleagues whose constituencies include small businesses to join me in facilitating the formation and growth of small business by cosponsoring the Small Business Tax Relief Act of 1979.

To give a more detailed explanation of my bill I am providing a description of each provision:

First gain from sale sole proprietorship. This "rollover" provision would allow a small businessman who sells his entire business interest and reinvests the entire proceeds in another qualifying small business venture within 18 months to recognize no gain at that time. If the sale occurs after age 55 years, the taxpayer has the option of electing capital gains treatment on the accumulated gain or ordinary income treatment in conjunction with a special 10-year averaging mechanism.

Second. Increase in additional first-year depreciation allowance for small business. This section of the bill simply increases the amount which may be claimed for additional first-year depreciation from the existing 20 percent of the first $10,000 to $20,000 if married and filing jointly—of investment to 25 percent of the first $25,000 to $50,000 if married and filing jointly—of investment. This provision is designed primarily to benefit the small businessman by allowing him to recoup a greater part of his investment via reduced tax liability.

Third. Rapid amortization of certain federally required expenditures. This section provides for the rapid amortization, over a 36-month period, of federally required expenditures to plant and equipment. The aim of this provision is to give a rapid writeoff to businesses enforced to comply with Federal laws or regulations such as OSHA, HEW rules for the handicapped, regulations governing pollution control, and so forth. To qualify for rapid amortization, such changes would have to be certified by the particular Federal agency as being in compliance with the law and of a type which does not significantly increase output or capacity. The provision would apply only to existing facilities.

Fourth. Removal of certain limitations of deferral in case of small DISC's. The Domestic International Sales Corporation is an important device for increasing export sales and in so doing, reducing our balance-of-payments deficit and inflation. This provision of my bill changes current law to allow a small DISC having adjusted taxable income of $1 million or less to be exempt from the base period limitations imposed on large DISC's. As a result of this change, small manufacturers will be encouraged to develop export sales as a result of the tax deferral offered via the small DISC provision.

Fifth. Optional cash method of accounting for taxpayers operating as a sole proprietor. This section allows the sole proprietor to choose the method of accounting, either cash or accrual, which will be more beneficial. Small businesses with inventory which are frequently not equipped to utilize the LIFO accounting provisions currently suffer a hidden tax which is brought about by the inflationary increase in the value of that inventory. Under this section of my bill, any appreciation in inventory would not have to be shown until such time as there is a cash sale providing the proceeds with which to pay the tax.

Sixth. Refund or credit of employer share of certain excess social security taxes. Social security taxes are a source of agitation to most employers, because of the amount and related paperwork. Yet, many employers unknowingly pay a greater amount in social security than is necessary. This occurs when an employee is employed by two or more employers during the year. In this situation there is, generally, an excess employer contribution which is never refunded to the employers. Presently, an employee can claim a credit for excess social security tax withheld. However, there is currently no similar provision for employers. This provision of my bill would require the IRS to credit or refund to each employer his proportionate share of the overpayment. Qualifying employers would be identified when an employee claimed the credit. Within 90 days, the IRS must credit or refund the appropriate amount to each employer. One of the benefits of this plan is that employers automatically receive the payment without having to complete any complex forms or paperwork.

Seventh. Expense of filing Federal forms. This final section of the bill grants a tax credit of $5 for each form or document which a small business is required to file pursuant to Federal law. The crushing burden of Federal paperwork is well known to every small businessman. The theory behind this provision is simply that the Government should help to defray the expense of complying with the requirements it imposes on business.

The tax policy plays an integral part in the success or failure of a new business enterprise. It is significant to note that the Small Business Administration indicates that out of every 10 new businesses, only 5 will be operating within 2 years. In order to insure the viability of our economy, it is essential that the Congress take the actions needed to bolster the existing small business community and encourage the creation of new businesses.

I urge my colleagues to join me in aiding American small business. Thank you.

AMERICAN BUSINESSMEN—EGYPT

(Mr. COLLINS of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. COLLINS of Texas. Mr. Speaker, on my visit to Egypt last month, I asked U.S. Ambassador Hermann F. Eilts about U.S. businessmen. Specifically, my concern was about American oil companies and how the Egyptians viewed them.

I just received a report from Ambassador Eilts. He stated the report was prepared without the assistance or knowledge of any American oil company operating in Egypt. It was based on embassy files and interviews with Egyptian officials. It was an extensive report, but the Egyptian respect for American businessmen is a credit to Americans abroad. Below are quotes from sections of Ambassador Eilts' report.

The history of petroleum in the Middle East begins in Egypt in the year 1869. U.S. firms, although active in exploration, remained essentially on the sidelines until 1964 when Egypt signed exploration/production agreements with Standard Oil of Indiana (Amoco) and the Phillips Petroleum Co. The modern history of petroleum development in Egypt began with these agreements, and since then U.S. firms have taken a leading role in this development. Both Amoco and Phillips struck oil in 1964–65, Amoco in the Gulf of Suez and Phillips in the Western Desert. Production began in 1967, but the Arab-Israeli war of June 1967 set back Egyptian plans for increased oil production.

With the creation of the Ministry of Petroleum in 1973, a new impetus was injected into the oil picture, and the new minister began an active campaign to attract foreign oil companies to Egypt. He pointed to the excellent relationship Egypt had maintained with Phillips and Amoco throughout the trying years between 1967 and 1973. The October war of 1973 served to boost the confidence of Egypt's planners, and from 1973 until January 1979, the Egyptian General Petroleum Co. (EGPC), an agency under the Ministry of Petroleum, has signed 53 exploratory/production agreements, representing the involvement of 69 foreign companies, 47 of which are American. Nearly $1 billion has been committed to exploration for the period 1974–82.

THE CURRENT SITUATION

Egypt's oil production has risen steadily since 1973, as the following figures indicate:

Crude oil production

[Barrels per day average]

1974	171,500
1975	269,300
1976	335,370
1977	419,717
1978	[1]484,110

[1] Final.

Production in January 1979 is averaging between 505,000 and 515,000 barrels per day, and Egypt expects to hit an average daily production of 570,000 barrels by the end of this year.

The U.S. firm Amoco accounts for nearly 80 percent of Egypt's current production, and should maintain this percentage in the near future. Phillips accounts for an additional 2.2 percent of production.

While 85 percent of the marketing of petroleum products is in the hands of the Egyptian Government, approximately 10 percent is handled by Mobil, and 5 percent by Esso.

EGYPTIAN VIEWS OF U.S. OIL COMPANIES

In conjunction with this report, officials of the Ministry of Petroleum, Egyptian General Petroleum Corp. (EGPC), and General Petroleum Corporation (GPC) were interviewed. The ministry is essentially concerned with policymaking regarding Egypt's petroleum development, GPC is a public sector company involved in production, thus making it, in the words of Chairman Ahmed Barquqi "a competitor of U.S. oil firms," while EGPC handles concession agreements, exploration, and production studies, and day-to-day relations with foreign oil companies. EGPC unquestionably has the most contact with oil firms, and more officials from this agency were contacted for their views.

Without exception, the Egyptian officials interviewed expressed their satisfaction with the performance of U.S. oil companies. Hussein Abdallah, Undersecretary of the Ministry of Petroleum, said that U.S. oil firms "are best suited for Egypt." He explained that U.S. oil companies are the recognized international leaders in oil technology, have ample financial resources, and since there is a relatively large number of them, fit well into Egypt's policy of diversification. He added that U.S. oil companies are the "easiest to deal with, since they have flexibility."

Ramsey Leithey, Chairman of EGPC, noted that there have been no cases of arbitration between the Egyptian Government and U.S. oil companies. He added that they have always honored their obligations, and fulfilled their expenditure commitments.

Ahmed Barquqi, Chairman of GPC, said that Egyptians feel they have a firm share of the decisionmaking regarding exploration and production. He said that Egypt gets a "fair deal," and these companies are not dictating their point of view.

Emileen Youssef, Director General for Production at EGPC, said that the Egyptian system of requiring establishment of joint venture operating companies between the Egyptian Government and international oil firms has worked very well. The two sides share in the management and decisionmaking, and one Egyptian Gupco (a joint venture between EGPC and Amoco) official, who was not interviewed for this report but who is contacted frequently by an Embassy officer, has noted on many occasions that seldom are there differences regarding the day-to-day decisions and management policy at Gupco.

Dr. Mustafa Ayouti, Deputy Chairman of EGPC and keynote speaker at a reception held for Standard Oil of Indiana's board of director's meeting held in Cairo last October, believes that recognition should be given for what some firms have done which went far beyond contract stipulations. He cited Conoco, for example, which has completed an invaluable set of geologic maps of Egypt's Western Desert at their own expense. Conoco derives nothing from these maps, except the obvious goodwill which they have generated among Egyptian officials.

Dr. Ibrahim Radwan, Director of Agreements at EGPC, has provided the following table on how much U.S. firms have overspent their expenditure obligations under concession agreements:

[In percent]

Conoco	400
Esso	150
Chevron	200
Arco	150
Amoco	more than 1,000
Union	200
Santa-Fe	200
LVO	120
Tripco	120
Transworld	600
Phillips	200

He added that these figures only cover up to April 1978, and will rise even further for most firms listed.

Dr. Hussein Abdallah made a special point of noting the performance of U.S. oil firms during the difficult period 1967–73 when the United States and Egypt did not maintain diplomatic relations. In his view, they were America's tie with Egypt and the symbol of America to Egyptians. In his view, they performed admirably. Mr. Youssef remarked that during this period there was stronger cooperation and better mutual treatment than at any other time. Amoco and Phillips were visible daily reminders of America's continuing relationship with and contribution to Egypt.

On the somewhat negative side, Dr. Barquqi mentioned that U.S. firms should provide more training for Egyptians, and should employ fewer expatriates. He did, however, recognize the problem of Egyptians receiving training and then leaving Egypt for more lucrative work in other Arab oil-producing countries.

The petroleum sector in Egypt is an increasingly important factor in Egyptian economic development. In addition to its notable contribution to wages and employment foreign sales brought in an estimated $600 million in hard currency in 1978, and may top the $1 billion mark by 1980. Egypt is optimistic that oil production will hit 1 million barrels per day in the early 1980's.

Egypt has had a long, friendly relationship with U.S. oil firms. One, however, must look at both sides of the coin. As the director of one of America's oil companies in Egypt once told an Embassy officer, "You have to look hard to find an unpleasant Egyptian. They are all a pleasure to work with."

Our country needs stronger and more active economic ties all over the world. All of us are proud to see the American oil companies leading the way with their exemplary experience.

☐ 1210

IN APPRECIATION OF THE EFFORTS OF GSA ADMINISTRATOR JAY SOLOMON

(Mr. BROOKS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BROOKS. Mr. Speaker, I have been distressed by the recent stories in the newspapers indicating someone is trying to hasten the departure of Jay Solomon as Administrator of the General Services Administration.

I have had occasion over the years in my work on the Government Operations Committee to work closely with a number of GSA Administrators, and I can say without hesitation that Jay Solomon is one of the very best they have had.

He has worked hard and with a sense of dedication to improve the operations of this large, but very important Government agency. I sincerely hope it has not been his zeal to uncover past misdeeds in GSA that has led to the highly placed leaks and unattributed statements on which the current news stories appear to be based.

Mr. Speaker, if someone is unhappy with the way Jay Solomon is running GSA, they should at least have the decency to bring the matter before him personally and not leave it for him to find out about in the newspapers. That is no way to treat a dedicated public servant who is carrying out his responsibilities in a highly capable manner.

I hope Jay Solomon stays on long enough to assure that the investigation he helped launch is carried out successfully. And while he remains in office, I hope this sniping—wherever it is coming from—ceases.

MYTHICAL HITLER WELCOME POSTULATED ON BASIS OF PEOPLE'S REPUBLIC OF CHINA WELCOME

(Mr. BAUMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BAUMAN. I want to compliment the gentleman from Ohio (Mr. ASHBROOK) for his earlier remarks. One can only wonder whether, had Adolf Hitler and his successors continued in control of Germany until this present day, our State Department and our President would be welcoming them at a banquet at the White House. Such a comparison certainly can be made with today's tragic event.

Teng Hsiao-ping is one of the leaders of a Communist regime directly responsible for one of the most brutal mass slaughters of a nation ever recorded in history. He served not only as a provincial official of the Communist government under Mao but as General Secretary of the Communist Party, and depending on which estimate one accepts, 20 to 40 million Chinese were systematically annihilated by this man and the henchmen who have worked with him in the government since 1949. Yet our national leaders embrace him and fawn over him. It is a strange sense of priorities when a South African prizefighter is the subject of a deportation proceeding by our State Department but one of those who led in the mass murders of the Chinese is welcomed by our leaders.

Mr. Speaker, the American people should know the truth about this Red visitor and the truth about those in our Government responsible for his presence in this country. His visit defiles the history of our Nation and makes further mockery of President Carter's alleged concern for human rights.

APPOINTMENT AS MEMBERS OF BOARD OF TRUSTEES OF THE JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS

The SPEAKER. Pursuant to the provisions of section 2(a), Public Law 85–874, as amended, the Chair appoints as members of the Board of Trustees of the John F. Kennedy Center for the Performing Arts the following Members on the part of the House: Mr. THOMPSON of New Jersey; Mr. CORMAN of California; and Mr. McDADE of Pennsylvania.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C., *January 26, 1979.*

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 9:50 a.m., Friday, January 26, 1979, and said to contain a message from the President wherein he transmits proposed legislation concerning our relations with Taiwan, together with a section-by-section analysis.

With kind regards, I am,

Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

PROPOSED LEGISLATION CONCERNING RELATIONS BETWEEN THE UNITED STATES AND TAIWAN—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 96–45)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on International Relations and ordered to be printed:

To the Congress of the United States:

The United States of America has recognized the Government of the People's Republic of China as the sole legal government of China and is establishing diplomatic relations with that government. The Joint Communique issued by the United States and the People's Republic of China was the culmination of a long process begun by President Nixon and continued by President Ford and me.

I have also announced that, in the future, the American people will maintain commercial, cultural, and other relations with the people on Taiwan without official government representation and without diplomatic relations. In furtherance of that policy, and pending enactment of legislation on the subject, I have directed all departments and agencies to continue unofficially to conduct programs, transactions and other relations with Taiwan.

To authorize legally the permanent implementation of that policy, I am today transmitting to the Congress a bill "to promote the foreign policy of the United States through the maintenance of commercial, cultural and other relations with the people on Taiwan on an unofficial basis, and for other purposes."

This bill will confirm the continued eligibility of the people on Taiwan for participation in programs and activities that under United States law are to be carried out with foreign governments; provide for the carrying out of such programs and activities on an unofficial basis through the American Institute in Taiwan, a non-profit corporation, and the corresponding instrumentality being established by the people on Taiwan; and establish funding, staffing and administrative relationships of the Institute. It also contains other authorizations and provisions relating to the foregoing matters.

I am confident the Congress shares my view that it is in the national interest that these unofficial relations between the American people and the people on Taiwan be maintained. It is highly desirable that this legislation be enacted as promptly as possible. I look forward to working with the Congress on this important project.

JIMMY CARTER.

THE WHITE HOUSE, *January 26, 1979*.

□ 1215

HON. ALBERT GORE, JR., INTRODUCES LEGISLATION TO REEMPHASIZE INTENT OF CONGRESS TO ALLOW TVA TO MAINTAIN HEADQUARTERS IN MOST COST-EFFECTIVE LOCATION

Mr. GORE. Mr. Speaker, last Thursday, January 25, the U.S. District Court for the northern district of Alabama ordered the Tennessee Valley Authority to uproot almost 5,000 employees and their families and move its administrative headquarters from Knoxville, Tenn., to Muscle Shoals, Ala. If this sounds like a joke, Mr. Speaker, it is not. The court has ordered 4,900 employees occupying a brandnew twin tower complex in Knoxville, constructed especially for TVA, to descend upon an unprepared rural Alabama town with a population of 7,000. The moving and construction costs would be astronomical. The disruption to the workers and their families would be chaotic. Unfortunately, the judge's opinion is quite sweeping and uncompromising. Thus today I am introducing legislation cosponsored by the entire Tennessee delegation to reemphasize the intent of Congress to allow TVA to maintain its headquarters in the most cost-effective location.

The judge's opinion focused on one sentence in section 831(g) of the TVA Act which says:

> The Corporation shall maintain its principal office in the immediate vicinity of Muscle Shoals, Alabama.

The judge interpreted "principal office" to mean "headquarters." However, a careful reading of the original act, I think makes it clear that the Congress intended this to be construed as the "principal office" for the purposes of venue and other legal purposes. This is how TVA has interpreted the language since 1933. Congress has amended the act four times since 1933 and has not found it necessary to change this section. Congressional intent was being carried out in allowing TVA the discretion to locate its office in the most cost-effective manner anywhere in the area served by it.

It is a well-established practice of corporations to incorporate in one State for legal purposes and to establish operating headquarters in another. There is nothing devious about this, nothing unusual. The place of incorporation becomes its residence for service of notice, venue, and similar legal purposes.

In 1933, the Federal Government was operating a number of facilities at Muscle Shoals and it made perfect sense to establish its legal residence there. However, the Congress did not think it necessary to specifically mention that TVA should have the discretion to locate its offices anywhere in its service area. That seemed a bit too obvious.

Our judicial system has long noted the dangers of plain meaning in statutory construction. There are not more than a handful of words in the English language, if that many, that are not subject to more than one interpretation. Certainly "principal" and "office" are not in that select group. There is no absolute plain meaning of those words.

It is not my intention to quarrel with the legal analysis of the judge. Reasonable men can always differ on the meaning and interpretation of words. However, I think it is safe to assume that this case will find its way into the legal textbooks as an example of the mischief of plain meaning.

I would also like to stress that the introduction of this legislation in no way ratifies the court decision. This is not a confirmation of the ruling passed down by U.S. District Judge Frank McFadden. I direct your attention to my introductory phrase "To clarify the authority." The thrust of our action today is to illuminate the language set out in section 8 of the TVA Act of 1933.

Our Constitution set up an incredibly durable system of checks and balances between the three branches of Government. In this case, the judicial branch has, in my opinion, erroneously interpreted the meaning of the TVA Act and overlooked the intent of Congress. I am hopeful that the appeals court will lend a fresher analysis to this debate. However, if the court upholds this ruling, the Congress has the right and the duty to clarify the intent legislatively. The bill I have drafted makes a very simple change in the act making explicit that Muscle Shoals is the TVA residence for legal purposes only.

In President Carter's address introducing the National Energy Act, he emphasized the role he would like TVA to assume as "a model for energy efficiency in this country." Chairman S. David Freeman and Director Richard Freeman have breathed new life into TVA and have made innovative efforts toward realizing President Carter's goals. This lawsuit, which now appears to be a mere annoyance, has the potential to completely disrupt an entire Government agency, its workers, and their families. Simply put, TVA has better things to do with its time. This bill has been introduced to make certain that rationality has a chance to win out.

STATEMENT OF HON. EDWARD J. DERWINSKI ON WASHINGTON VISIT OF TENG HSIAO-PING, DEPUTY PREMIER OF THE PEOPLE'S REPUBLIC OF CHINA

(Mr. DERWINSKI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DERWINSKI. Mr. Speaker, the Deputy Premier of the People's Republic of China, Teng Hsiao-ping, is visiting Washington and is receiving news coverage and a public relations buildup that borders on the unprecedented.

If there is a weakness in the makeup of the American public, it is the tendency to believe the best and, therefore, prove susceptible to euphoria. Without being critical of the Peking Government, I believe that some practical points must be made.

We must keep in mind that Mr. Teng will be concentrating on refurbishing the image of his government with the American public. We once again will find the Communist Government of Peking pictured as peaceful, agrarian reformers who now wish to industrialize their backward country.

The realities are that there will be substantial limits on how far U.S. trade with the People's Republic can expand and for many, many years, our trade volume with Taiwan will surpass that with the mainland. A further reality in the race for foreign trade with the People's Republic of China is that the Japanese will be competing directly with us and other nations, and realistically, they will outmaneuver us, utilizing their standard procedures of government subsidy of business which is evident in their worldwide trade.

The next point that must be made is that the Government in Peking is not by any stretch of the imagination a democracy nor is there any evidence it would permit its political structure to evolve into a democracy.

The reality is that the Peking Government is absolutely paranoid about the Soviet Union. The reality of the situation is that Mr. Teng and his government are interested in the U.S. presence in Asia as a balance to Soviet power. Their sudden affection for us is really motivated by their fear of their Communist neighbor.

In addition to a few of the realities which I have noted, there are some timely questions that should be asked. Will our President, fortified by his personal religious zeal, inquire of Mr. Teng whether freedom of religion will be restored to the People's Republic? Will this administration recognize the fifth column problem which the Chinese Reds create in the overseas Chinese communities througout Asia and, for that matter, here in the United States?

Mr. Teng is a major public official of a major nation. But he should not be mistakenly identified as a knight in shining armor, a peace-loving rural philosopher, or as a spokesman for moderation in world affairs.

Last but not least, we must with constant realism recognize the motivations of the Peking leaders, their desperate need for capital and industrial know-how, the internal weakness within their country, their lack of a modern infrastructure, and other obvious complications which they face. Any government that must remain in power by depriving its citizens of their basic rights has to be thoroughly suspect.

To sum up, the visit of Mr. Teng is a major international episode, but the realities of United States-PRC relations are such that the limitations, rather than the expectations, must be appreciated.

KEMP-ROTH II

The SPEAKER. Under a previous order of the House, the gentleman from New York (Mr. Kemp) is recognized for 10 minutes.

● Mr. KEMP. Mr. Speaker, today I am introducing a legislative package to reduce tax rates 30 percent for all Americans, to "inflation-proof" the tax code against automatic tax increases, and to limit the excessive growth of Federal spending. Our legislative goal is to restore incentives for noninflationary growth to the economy.

The Tax Rate Reduction Act of 1979 and the Spending Limitation Act of 1979, which Senator William Roth of Delaware has introduced in the Senate, are cosponsored by the following 70 Congressmen:

Mr. Ashbrook of Ohio, Mr. Badham of California, Mr. Bauman of Maryland, Mr. Brown of Ohio, Mr. Buchanan of Alabama, Mr. Burgener of California, Mr. Campbell of South Carolina, Mr. Chappell of Florida, Mr. Clausen of California, Mr. Cleveland of New Hampshire.

Mr. Clinger of Pennsylvania, Mr. Collins of Texas, Mr. Corcoran of Illinois, Mr. Coughlin of Pennsylvania, Mr. Courter of New Jersey, Mr. Davis of Michigan, Mr. Dickinson of Alabama, Mr. Duncan of Tennessee, Mr. Edwards of Alabama, Mr. Edwards of Oklahoma.

Mr. Erdahl of Minnesota, Mr. Forsythe of New Jersey, Mr. Gingrich of Georgia, Mr. Goldwater of California, Mr. Goodling of Pennsylvania, Mr. Gradison of Ohio, Mr. Grisham of California, Mr. Guyer of California, Mr. Hansen of Idaho, Mrs. Holt of Maryland.

Mr. Hopkins of Kentucky, Mr. Horton of New York, Mr. Hyde of Illinois, Mr. Jeffries of Kansas, Mr. Kindness of Ohio, Mr. Kramer of Colorado, Mr. Latta of Ohio, Mr. Lee of New York, Mr. Lent of New York, Mr. Livingston of Louisiana.

Mr. Lott of Mississippi, Mr. Lungren of California, Mr. Madigan of Illinois, Mr. Marlenee of Montana, Mr. Martin of North Carolina, Mr. Miller of Ohio, Mr. Mitchell of New York, Mr. Moore of Louisiana, Mr. Moorhead of California, Mr. O'Brien of Illinois.

Mr. Pashayan of California, Mr. Quillen of Tennessee, Mr. Ritter of Pennsylvania, Mr. Robinson of Virginia, Mr. Roth of Wisconsin, Mr. Rousselot of California, Mr. Rudd of Arizona, Mr. Shumway of California, Mr. Shuster of Pennsylvania, Mr. Spence of South Carolina.

Mr. Stangeland of Minnesota, Mr. Stockman of Michigan, Mr. Symms of Idaho, Mr. Vander Jagt of Michigan, Mr. Walker of Pennsylvania, Mr. Wampler of Virginia, Mr. Whittaker of Kansas, Mr. Wilson of California, Mr. Winn of Kansas, and Mr. Young of Alaska.

Last year was a learning experience for politicians about the way our economy works. Most of that education was performed by the voters at the polls, and its effect is obvious in the membership here today. But I believe last year's debate on the Kemp-Roth bill also had something to do with airing the issues raised in recent years by economists like Robert Mundell of Columbia and Arthur Laffer of the University of Southern California. In a December 4, 1978 editorial the Wall Street Journal gave this postelection analysis:

> The economic case for Kemp-Roth made serious points about both revenue feedbacks and the response of private saving to higher after-tax rates of return. Whatever magnitudes these supply-side responses turn out to be, the economic debate generated by Kemp-Roth has established that these responses do in fact occur. Models that assume only demand responses are no longer taken seriously. This in itself is no small accomplishment in the sphere of theoretical economics.
>
> The political accomplishments of the Republican tax proposals are even clearer. A Republican issue that results in big-spending Democrats proposing cuts in spending is a political victory of the first magnitude for the entire country. In the days before Kemp-Roth, when politicians attempted to compete politically with spending programs by offering to cut the budget, they were always asked where they proposed to make the cuts. Did they want to cut national defense or aid to education or unemployment compensation or Social Security or agricultural subsidies? Obviously, such a political platform is treacherous, and decades of such "competition" resulted in an enormous growth in government.
>
> The Kemp-Roth bill let politicians from both parties get out of this box. The spenders, who never worried about budget deficits when they proposed spending increases, did not declare themselves against tax cuts but against the deficits they said would result if spending were not restrained.
>
> In effect, the big spenders were mousetrapped by the Kemp-Roth bill, and the Holt-Nunn version of it swept through the Congress. Although abandoned in conference by tax committees that naturally don't want their handout power automated, Holt-Nunn was an amazing end to a year that started out with justifications of $60 billion budget deficits and all sorts of tax-increase proposals in the guise of tax reform. The Kemp-Roth bill was the most successful bill in recent memory in terms of what it prevented from happening.
>
> By emphasizing the effect of incentive on the supply of goods and services, the Republicans' "blunder" offers a promising alternative to the stop-go policies of Keynesian "Phillips curve" thinking.

As the Wall Street Journal points out, the issue in this Congress is no longer whether a deep and permanent tax rate reduction will lead to more work, saving, investment, and real economic growth. That is beyond doubt, To be sure, there will always be a few holdouts who will attempt to replay last year's debate, but history and the voters have passed them by.

Instead, the administration poses the question, "Do we really want economic growth?" The same economists who brought us "stagflation" advise the President that the way to reduce inflation is to slow down the economy to a standstill—and hope to avoid recession. Using code words like "national austerity" and "the new realities," the administration is saying that putting a few hundred thousand people out of work is simply the price we in Washington must pay to reduce inflation half a percentage point.

The President's budget is supposed to be a symbol—if only a symbol—for the fight against inflation. But how does it propose to reduce the budget deficit? By massive tax increases caused by inflation moving all Americans relentlessly into higher and higher marginal tax brackets.

The administration's "lean, austere" budget proposes to increase spending by 7.7 percent in fiscal 1980, or 10 percent more than the pay limit the administration seeks to impose on American workers. At the same time, the budget calls for tax increases of 13.4 percent this year, 10.3 percent in fiscal 1980, and 14.5 percent in fiscal 1981, financed primarily, as I said, by inflation pushing taxpayers into higher tax brackets. Personal income taxes alone are proposed to increase $24 billion next year. This makes nonsense of last fall's alleged "tax cut."

Debate in this Congress will quickly demonstrate why the "Phillips curve" notion of a tradeoff between inflation and unemployment is no longer seriously believed anywhere outside the White House. The single cause of inflation is the Government's failure or refusal to maintain the value of its currency, period. Inflation means the Government is creating too much money while the economy produces too few goods. The price of goods necessarily rises. Applying the administration's "tax brake" to economic activity can only increase inflation, not reduce it, because incentives for production are being eroded day by day with counterproductively high tax rates on both labor and capital.

The Kemp-Roth legislative package is an anti-inflationary plan for real economic growth, because it increases the after-tax incentives for work, saving, and investment. It is obvious, of course, that completely stopping inflation will also require responsible monetary policy, and further relief from oppressive tax rates, excessive spending, and over regulation. But Kemp-Roth II is a beginning.

TAX RATE REDUCTION ACT

The Tax Rate Reduction and Indexing Act of 1979, the first part of the Kemp-Roth package, would reduce personal income tax rates for all Americans about 10 percent a year for 3 years, beginning January 1, 1980. Tax rates would be reduced from the current range of 14 to 70 percent, to 10 to 50 percent. Following this rate reduction, beginning January 1, 1983, all tax brackets would be adjusted yearly according to the Consumer Price Index, to prevent taxpayers from being pushed into higher tax brackets without real increases in income.

There are two results of every reduction in tax rates—a revenue effect and an incentive effect. The revenue effect reduces the revenue collected on a given amount of a taxpayer's income. The incentive effect increases revenue through economic growth, by increasing the size of taxable incomes and the number of people who earn them.

The revenue effect of tax rate reduction will leave more after-tax income in the hands of Americans. The Joint Committee on Taxation estimates the average reduced tax liability for the 66 million tax returns filed will be $724 when the rate reduction is complete.

The joint committee estimates that the reduced tax liability from 1978 income levels would total $19.7 billion in calendar 1980, $34.9 billion in 1981, and $53.7 billion in 1982. We should also add the revenue effect due to the fact that real economic growth will not be pushing people into higher tax brackets as quickly. Assuming 3-percent real growth, this amounts to $0.9 billion in calendar 1980, $2.4 billion in 1981, and $5.3 billion in 1982. The sum of these figures is what I consider the real revenue effect of the Kemp-Roth tax rate reduction:

Real revenue effect of Kemp-Roth tax rate reduction

[From 1978 income levels, billions of dollars]

Calendar year	1980	1981	1982
Real reduced tax liability	$19.7	$34.9	$53.7
Real growth bracket creep	.9	2.4	5.3
Total real revenue effect of Kemp-Roth bill	20.6	37.3	59.0

Although this is the "real" revenue effect of Kemp-Roth, ignoring incentive effects, it is not the "official" estimate. The Treasury asserts that the size of any cut in tax rates is not, in fact, the actual amount by which taxes are reduced. In the Treasury's view, the "cost" of a cut in tax rates includes the yearly tax increases which are prevented because inflation cannot push taxpayers as fast into higher tax brackets. The Treasury calculates that every 10-percent increase in inflation is worth a 16.7-percent increase in revenue.

At the request of my staff, the Joint Committee on Taxation has calculated how much of the Treasury-based estimates are due entirely to inflation. These are arranged in the following table:

Real revenue effect of Kemp-Roth compared with Treasury estimate

[Billions of dollars]

Calendar year	1980	1981	1982	1983	1984
Treasury estimate	$25.8	$52.5	$92.6	$109.2	$128.9
Real revenue effect[1]	20.6	37.3	59.0	62.9	67.1
Tax increases due to inflation[2]	5.2	15.2	33.6	46.3	61.8

[1] Actual reduced tax liability plus bracket creep assuming 3 percent real economic growth.

[2] Assumes 8 percent inflation.

Source: Joint Committee on Taxation.

As the table so startingly shows, the Treasury's estimate overstates the real revenue effect of Kemp-Roth by 25 percent the first year, increasing to 92 percent within 5 years. If the table is extended for 10 years, the overstatement amounts to more than 200 percent.

In other words, the Treasury's assumptions support the position that significant tax-rate reduction will be increasingly impossible, because inflation is an ever more lucrative revenue-raising device.

I have thought long and hard about this question, and I must reject the Treasury's assumptions. If the administration, as it claims, is truly committed to stopping inflation, then it should not count on profiting by it. Either the Treasury must concede that it may not claim automatic tax increases due to inflation as a "cost" of cutting tax rates—or the administration must admit that it depends on perpetuating inflation as a source of revenue.

As a matter of fact, I received some figures from the Joint Committee on Taxation only this morning which astonished me with how modest a 30-percent reduction in tax rates really is. Considering scheduled social security tax increases, if inflation continues at 8 percent, Kemp-Roth would not reduce revenue at all after the first year. Unfortunately, the Joint Committee on Taxation has not released figures beyond fiscal 1981.

Clearly, the Kemp-Roth bill can be only the beginning of tax rate reduction to reduce the massive economic disincentives which are caused by the combined impact of inflation and a highly progressive tax system on all Americans. A 30-percent tax rate reduction over the next 4 years will unmortgage only a few of the past 13 years of automatic tax increases. We must also unmortgage the future.

Revenue effect of Kemp-Roth tax reduction bill, net of inflation and social security tax increase in 1980 and 1981

[Billions of dollars]

Fiscal year	1980	1981	1982	1983
Tax reduction	$16.1	$42.4	$77.5	$102.9
Tax increase:				
Inflation	7.6	19.5		
Social Security	11.1	17.7		
Net revenue effect	−2.6	+5.7		

Source: Joint Committee on Taxation.

REBUILDING THE TAX BASE

Static revenue estimates are only half the story of tax rate reduction. The existence of powerful offsetting incentive effects is undeniable. Last year, even the Treasury conceded for the first time that there are substantial "feedback effects" from tax rate reduction, in the case of capital gains. The Congressional Budget Office now finds in Kemp-Roth a feedback of 20 to 30 precent a year. Michael Evans of Chase Econometrics has placed the amount of "reflow" caused by Kemp-Roth at a minimum of 30 to 53 percent a year. Walter Heller has testified that after the virtually identical Kennedy tax cut of 1964–65:

> Within one year the revenues into the Federal Treasury were already above what they had been before the tax cut. * * * Did it pay for itself in increased revenues? I think the evidence is very strong that it did.

Of course, he said that before KEMP and ROTH dared to emulate the Kennedy tax cut strategy.

What is meant by all this technical language is that people work for after-tax income, not to pay taxes. Reducing marginal tax rates increases incentives for work, saving, and investment, with a powerful positive effect on our economy's efficiency and real output. It follows that not all "tax cuts" are created equal. A direct rebate, for example, even in the same dollar amount as Kemp-Roth, would have little if any impact on the way people behave. The reason is that the marginal tax rate—the tax on the next dollar earned—would be same. By reducing tax rates, Kemp-Roth increases incentives for both capital and labor.

Unfortunately, no econometric model in the country is yet fundamentally equipped to estimate the magnitude of these incentive effects in dollar terms. I hope to be able to present such figures early in this session of Congress. In the meantime, we do have the encouraging historical evidence of the Kennedy 30-percent reduction in tax rates. While the Treasury predicted an $89 billion revenue loss over 5 years as a result of the cuts, revenue actually increased by $54 billion in that time—an error of $143 billion.

Along with tax reduction for business from 1962–66, the Kennedy income tax cuts of 1964–65 had a dramatic positive impact on saving and investment.

Increase in savings resulting from Kennedy tax cuts

Year	Total individual savings[1] (billions)	Increase over preceding year: Dollars (billions)	Increase over preceding year: Percent
1960	$34.900	−$2.472	−6.61
1961	34.693	−.207	−.59
1962	40.243	+5.550	+16.00
1963	45.232	+4.989	+12.40
1964	54.901	+9.669	+21.38
1965	62.028	+7.127	+12.98
1966	72.003	+9.975	+16.08
1967	72.726	+.723	+1.00
1968	78.028	+5.302	+7.29
1969	69.563	−8.465	−10.85

[1] Increase in financial assets, plus net increase in tangible assets, less debt.

The size of these dramatic increases in private and business saving strongly indicates that any short-term increase in the budget deficit would be more than covered by private saving. Deficits are not in themselves inflationary if they do not require "borrowing from the Federal Reserve"—that is, printing money.

This across-the-board rate reduction provides relief for all Americans, not just a favored few. Both capital and labor desperately need incentives for increased production. When the Government taxes trucks, there are fewer jobs for truck drivers. When the Government taxes the drivers, there are more idle trucks. The following table shows that Kemp-Roth is not biased toward any income groups:

Income groups	Percent of taxes paid	Percent of tax cut
0 to $10,000	4.9	5.5
$10,000 to $15,000	9.4	9.9
$15,000 to $20,000	13.2	13.8
$20,000 to $30,000	24.4	24.8
$30,000 to $50,000	21.3	21.5
$50,000 to $100,000	13.0	13.0
$100,000 and over	13.9	11.4

TAX INDEXING

Reducing tax rates for all Americans is not enough. As we have seen, the proposed Kemp-Roth tax-rate reductions are almost too modest, considering the impending tax increases due to social security payroll taxes and the automatic increases caused by inflation. The 30-percent reduction in tax rates would bring Americans barely back to 1972 in terms of tax rates on real income.

Yet even this modest progress would quickly be erased by inflation pushing people into higher tax brackets. For example, a family of four earning this year's median income of $18,000 pays $1,343 in Federal income taxes. A cost-of-living raise of 7 percent increases the family's nominal income to $19,260, even though real income has not increased. Yet this inflation puts the family in a higher tax bracket, where it pays $1,537 instead of $1,343. The $194 tax increase is a real loss of $100 in the spendable income.

Title II of the Tax Reduction Act would "inflation-proof" the Tax Code by fixing the tax brackets to the Consumer Price Index. In other words, taxes would not increase in real terms unless real income increased.

Indexing the Tax Code would end the unlegislated tax windfall to the Treasury, and release the inflationary tax brake on our economy.

SPENDING LIMITATION ACT

The Spending Limitation Act, the companion bill to the Kemp-Roth Tax Reduction Act, would limit Federal spending to a declining share of the gross national product. The act would limit Federal spending to 21 percent of GNP in fiscal year 1980, 20 percent in 1981, 19 percent in 1982, and 18 percent in 1983. Given the probable inflation rates if current Government money and tax policy does not change, this amounts to a maximum 7-percent annual Federal spending increase, or no growth in real terms.

The Tax Reduction and Spending Limitation Acts are separate but mutually reinforcing. Government spending as a share of GNP has been above 22 percent for the past 5 years—a historically almost unprecedented level.

Runaway Federal spending is only half the reason. The other half is the staggering burden of rising tax rates, which act as a "tax brake" on real growth of GNP. This sluggish growth, in turn, increases the need for spending on social welfare programs to alleviate the symptoms of economic stagnation.

The Spending Limitation Act would encourage the administration to cut tax rates to promote real economic growth, since Federal spending could not increase in real terms unless the economy grew even faster.

The Tax Reduction Act would increase real economic growth, providing more revenue while reducing the need for spending on welfare, unemployment, and public jobs without forced slashes.

Mr. Speaker, the first priority of Congress is promoting real economic growth, not squabbling over peripheral issues. Attempts by Congress or the administration to reduce the deficit through spending restraint alone are meaningless without significant tax rate reduction. Without tax rate cuts, the increasing tax burden caused by inflation will throw the economy into recession, further mushroom Federal spending, and the deficit will balloon anyway.

Americans want and need both tax rate reduction and spending limitation now. This is the only way we can avoid higher unemployment and higher inflation.

I ask the unanimous consent that the texts of these two bills be printed in the Record.

There being no objection, the bills were ordered to be printed into the Record, as follows:

H.R. 1597

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Spending Limitation Act of 1979."

Sec. 2. Add to the Congressional Budget and Impoundment Control Act of 1974 the following new section:

"Sec. 312. Notwithholding any other provision of this Act, in calendar years 1979 through 1982, the total amount of Federal outlays agreed to in the second concurrent resolution on the Budget or any further concurrent resolution on the Budget adopted by Congress under section 310 of the Congressional Budget and Impoundment Control Act of 1974 (referred to elsewhere in this section as the 'budget resolution') for the fiscal year which ends within such next calendar year shall not exceed, unless waived by a two-thirds vote in each House of Congress, the following percent of the projected gross national product projected by the Congressional Budget Office for that fiscal year on the basis of the budget resolution for that fiscal year:

21.0% in FY 1980.
20.0% in FY 1981.
19.0% in FY 1982.
18.0% in FY 1983.

H.R. 1598

A bill to provide for permanent tax rate reductions for individuals

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) this Act may be cited as the "Tax Rate Reduction and Indexing Act of 1979."

(b) Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1954.

TITLE I—INDIVIDUAL TAX RATES

Sec. 101. Reduction in Rates.

(a) In General.—Section 1 (relating to tax imposed) is amended by striking out subsections (a), (b), (c), and (d) and inserting in lieu thereof the following:

"(a) General Rule.—There is hereby imposed on the taxable income, for the taxable years beginning in the calendar years specified in subsection (b)(2), of every—

"(1) married individual (as defined in section 143) who makes a single return jointly with his spouse under section 6013, and every surviving spouse (as defined in section 2(a)), a tax determined under the applicable schedule for the taxable year,

"(2) head of a household (as defined in section 2(b)), a tax determined under the applicable schedule for the taxable year,

"(3) every individual (other than a surviving spouse as defined in section 2(a) or the head of a household as defined in section 2(b)) who is not a married individual (as defined in section 143) a tax determined under the applicable schedule for the taxable year, and

"(4) married individual (as defined in section 143) who does not make a single return jointly with his spouse under section 6013 a tax equal to one-half the tax which would be determined for an individual described in paragraph (1) with the same taxable income.

"(b) Applicable Schedules.—For purposes of subsection (a) the applicable schedule for—

"(A) individuals described in subsection (a)(1) is schedule 2,

"(B) individuals described in subsection (a)(2) is schedule 3, and

"(C) individuals described in subsection (a)(3) is schedule 1.

"(2) Application of schedules to taxable years.—

"(A) Calendar year 1980.—The schedules in effect for taxable years beginning in 1980 are as follows:

"Schedule 1

"If the taxable income is over the amount in the left-hand column but not over the amount in the right-hand column:	The tax is the amount in the left-hand column plus a percentage (as shown) over the amount of the taxable income shown in the right-hand column:	
$0– $2, 300	$0+ .0%	$0
$2, 300– $3, 400	$0+12. 0%	$2, 300
$3, 400– $4, 400	$132+14. 0%	$3, 400
$4, 400– $6, 500	$272+16. 0%	$4, 400
$6, 500– $8, 500	$608+17. 0%	$6, 500
$8, 500– $10, 800	$948+19. 0%	$8, 500
$10, 800– $12, 900	$1, 385+21. 0%	$10, 800
$12, 900– $15, 000	$1, 826+23. 0%	$12, 900
$15, 000– $18, 200	$2, 309+27. 0%	$15, 000
$18, 200– $23, 500	$3, 173+30. 0%	$18, 200
$23, 500– $28, 800	$4, 763+35. 0%	$23, 500
$28, 800– $34, 100	$6, 618+39. 0%	$28, 800
$34, 100– $41, 500	$8, 685+44. 0%	$34, 100
$41, 500– $55, 300	$11, 941+50. 0%	$41, 500
$55, 300– $81, 800	$18, 841+57. 0%	$55, 300
$81, 800–$108, 300	$33, 946+61. 0%	$81, 800
$108, 300	$50, 111+63. 0%	$108, 300

"Schedule 2

"If the taxable income is over the amount in the left-hand column but not over the amount in the right-hand column:	The tax is the amount in the left-hand column plus a percentage (as shown) over the amount of the taxable income shown in the right-hand column:	
$0–$3,400	0+.0%	$0
$3, 400–$5, 500	0+12. 0%	$3, 400
$5, 500–$7, 600	252+14. 0%	$5, 500
$7, 600–$11, 900	$546+16. 0%	$7, 600
$11, 900–$16, 000	$1, 234+19. 0%	$11, 900
$16, 000–$20, 200	$2, 013+22. 0%	$16, 000
$20, 200–$24, 600	$2, 937+25. 0%	$20, 200
$24, 600–$29, 900	$4, 037+28. 0%	$24, 600
$29, 900–$35, 200	$5, 521+33. 0%	$29, 900
$35, 200–$45, 800	$7, 270+39. 0%	$35, 200
$45, 800–$60, 000	$11, 404+44. 0%	$45, 800
$60, 000–$85, 600	$17, 652+49. 0%	$60, 000
$85, 600–$109, 400	$30, 196+53. 0%	$85, 600
$109, 400–$162, 400	$42, 810+58. 0%	$109, 400
$162, 400–$215, 400	$73, 550+61. 0%	$162, 400
$215, 400–	$105, 880+63. 0%	$215, 400

"Schedule 3

"If the taxable income is over the amount in the left-hand column but not over the amount in the right-hand column:	The tax is the amount in the left-hand column plus a percentage (as shown) over the amount of the taxable income shown in the right-hand column:	
$0– $2, 300	$0+ .0%	$0
$2, 300– $4, 400	$0+12. 0%	$2, 300
$4, 400– $6, 500	$252+14. 0%	$4, 400
$6, 500– $8, 700	$546+16. 0%	$6, 500
$8, 700– $11, 800	$898+20. 0%	$8, 700
$11, 800– $15, 000	$1, 518+22. 0%	$11, 800
$15, 000– $18, 200	$2, 222+23. 0%	$15, 000
$18, 200– $23, 500	$2, 958+28. 0%	$18, 200
$23, 500– $28, 800	$4, 442+32. 0%	$23, 500
$28, 800– $34, 100	$6, 138+38. 0%	$28, 800
$34, 100– $44, 700	$8, 152+41. 0%	$34, 100
$44, 700– $60, 600	$12, 498+49. 0%	$44, 700
$60, 600– $81, 800	$20, 289+54. 0%	$60, 600
$81, 800–$108, 300	$31, 737+57. 0%	$81, 800
$108, 300–$161, 300	$46, 842+61. 0%	$108, 300
$161, 300	$79, 172+63. 0%	$161, 300

"(B) CALENDAR YEAR 1981.—The schedules in effect for taxable years beginning in 1981 are as follows:

"Schedule 1

"If the taxable income is over the amount in the left-hand column but not over the amount in the right-hand column:	The tax is the amount in the left-hand column plus a percentage (as shown) over the amount of the taxable income shown in the right-hand column.	
$0– $2, 300	$0+ .0%	$0
$2, 300– $3, 400	$0+11. 0%	$2, 300
$3, 400– $4, 400	$121+13. 0%	$3, 400
$4, 400– $6, 500	$251+15. 0%	$4, 400
$6, 500– $8, 500	$566+16. 0%	$6, 500
$8, 500– $10, 800	$886+17. 0%	$8, 500
$10, 800– $12, 900	$1, 277+19. 0%	$10, 800
$12, 900– $15, 000	$1, 676+21. 0%	$12, 900
$15, 000– $18, 200	$2, 117+24. 0%	$15, 000
$18, 200– $23, 500	$2, 885+28. 0%	$18, 200
$23, 500– $28, 800	$4, 369+31. 0%	$23, 500
$28, 800– $34, 100	$6, 012+36. 0%	$28, 800
$34, 100– $41, 500	$7, 920+40. 0%	$34, 100
$41, 500– $55, 300	$10, 880+45. 0%	$41, 500
$55, 300– $81, 800	$17, 090+51. 0%	$55, 300
$81, 800–$108, 300	$30, 605+55. 0%	$81, 800
$108, 300–	$45, 180+56. 0%	$108, 30

"Schedule 2

"If the taxable income is over the amount in the left-hand column but not over the amount in the right-hand column:	The tax is the amount in the left-hand column plus a percentage (as shown) over the amount of the taxable income shown in the right-hand column:	
$0– $3, 400	$0+ .0%	$0
$3, 400– $5, 500	$0+11. 0%	$3, 400
$5, 500– $7, 600	$231+13. 0%	$5, 500
$7, 600– $11, 900	$504+15. 0%	$7, 600
$11, 900– $16, 000	$1, 149+17. 0%	$11, 900
$16, 000– $20, 200	$1, 846+20. 0%	$16, 000
$20, 200– $24, 600	$2, 686+23. 0%	$20, 200
$24, 600– $29, 900	$3, 698+25. 0%	$24, 600
$29, 900– $35, 200	$5, 023+30. 0%	$29, 900
$35, 200– $45, 800	$6, 613+35. 0%	$35, 200
$45, 800– $60, 000	$10, 323+40. 0%	$45, 800
$60, 000– $85, 600	$16, 003+44. 0%	$60, 000
$85, 600–$109, 400	$27, 267+48. 0%	$85, 600
$109, 400–$162, 400	$38, 691+52. 0%	$109, 400
$162, 400–$215, 400	$66, 251+55. 0%	$162, 400
$215, 400	$95, 401+56. 0%	$215, 400

"Schedule 3

"If the taxable income is over the amount in the left-hand column but not over the amount in the right-hand column:	The tax is the amount in the left-hand column plus a percentage (as shown) over the amount of the taxable income shown in the right-hand column:	
$0– $2, 300	$0+ .0%	$0
$2, 300– $4, 400	$0+11. 0%	$2, 300
$4, 400– $6, 500	$231+13. 0%	$4, 400
$6, 500– $8, 700	$504+15. 0%	$6, 500
$8, 700– $11, 800	$834+18. 0%	$8, 700
$11, 800– $15, 000	$1, 392+19. 0%	$11, 800
$15, 000– $18, 200	$2, 000+21. 0%	$15, 000
$18, 200– $23, 500	$2, 672+25. 0%	$18, 200
$23, 500– $28, 800	$3, 997+29. 0%	$23, 500
$28, 800– $34, 100	$5, 534+34. 0%	$28, 800
$34, 100– $44, 700	$7, 336+37. 0%	$34, 100
$44, 700– $60, 600	$11, 258+44. 0%	$44, 700
$60, 600– $81, 800	$18, 254+48. 0%	$60, 600
$81, 800–$108, 300	$28, 430+51. 0%	$81, 800
$108, 300–$161, 300	$41, 945+55. 0%	$108, 300
$161, 300	$71, 095+56. 0%	$161, 300

"(C) CALENDAR YEAR 1982.—The schedules in effect for taxable years beginning in 1982 are as follows:

"Schedule 1

"If the taxable income is over the amount in the left-hand column but not over the amount in the right-hand column:	The tax is the amount in the left-hand column plus a percentage (as shown) over the amount of the taxable income shown in the right-hand column:	
$0– $2, 300	$0+ .0%	$0
$2, 300– $3, 400	$0+10. 0%	$2, 300
$3, 400– $4, 400	$110+11. 0%	$3, 400
$4, 400– $6, 500	$220+12. 0%	$4, 400
$6, 500– $8, 500	$472+13. 0%	$6, 500
$8, 500– $10, 800	$732+16. 0%	$8, 500
$10, 800– $12, 900	$1, 100+18. 0%	$10, 800
$12, 900– $15, 000	$1, 478+19. 0%	$12, 900
$15, 000– $18, 200	$1, 877+21. 0%	$15, 000
$18, 200– $23, 500	$2, 549+25. 0%	$18, 200
$23, 500– $28, 800	$3, 874+28. 0%	$23, 500
$28, 800– $34, 100	$5, 358+32. 0%	$28, 800
$34, 100– $41, 500	$7, 054+36. 0%	$34, 100
$41, 500– $55, 300	$9, 718+40. 0%	$41, 500
$55, 300– $81, 800	$15, 238+46. 0%	$55, 300
$81, 800–$108, 300	$27, 428+49. 0%	$81, 800
$108, 300	$40, 413+50. 0%	$108, 300

"Schedule 2

"If the taxable income is over the amount in the left-hand column but not over the amount in the right-hand column:	The tax is the amount in the left-hand column plus a percentage (as shown) over the amount of the taxable income shown in the right-hand column:	
$0– $3, 400	$0+ .0%	$0
$3, 400– $5, 500	$0+10. 0%	$3, 400
$5, 500– $7, 600	$210+11. 0%	$5, 500
$7, 600– $11, 900	$441+13. 0%	$7, 600
$11, 900– $16, 000	$1, 000+15. 0%	$11, 900
$16, 000– $20, 200	$1, 615+18. 0%	$16, 000
$20, 200– $24, 600	$2, 371+21. 0%	$20, 200
$24, 600– $29, 000	$3, 295+23. 0%	$24, 600
$29, 900– $35, 200	$4, 514+27. 0%	$29, 900
$35, 200– $45, 800	$5, 945+32. 0%	$35, 200
$45, 800– $60, 000	$9, 337+36. 0%	$45, 800
$60, 000– $85, 600	$14, 449+40. 0%	$60, 000
$85, 600–$109, 400	$24, 689+43. 0%	$85, 600
$109, 400–$162, 400	$34, 923+47. 0%	$109, 400
$162, 400–$215, 400	$59, 833+49. 0%	$162, 400
$215, 400	$85, 803+50. 0%	$215, 400

"Schedule 3

"If the taxable income is over the amount in the left-hand column but not over the amount in the right-hand column:	The tax is the amount in the left-hand column plus a percentage (as shown) over the amount of the taxable income shown in the right-hand column:	
$0– $2, 300	$0+ .0%	$0
$2, 300– $4, 400	$0+10. 0%	$2, 300
$4, 400– $6, 500	$210+11. 0%	$4, 400
$6, 500– $8, 700	$441+13. 0%	$6, 500
$8, 700– $11, 800	$727+16. 0%	$8, 700
$11, 800– $15, 000	$1, 223+17. 0%	$11, 800
$15, 000– $18, 200	$1, 767+19. 0%	$15, 000
$18, 200– $23, 500	$2, 375+23. 0%	$18, 200
$23, 500– $28, 800	$3, 594+26. 0%	$23, 500
$28, 800– $34, 100	$4, 972+31. 0%	$28, 800
$34, 100– $44, 700	$6, 615+34. 0%	$34, 100
$44, 700– $60, 600	$10, 219+39. 0%	$44, 700
$60, 600– $81, 800	$16, 420+43. 0%	$60, 600
$81, 800–$108, 300	$25, 536+46. 0%	$81, 800
$108, 300–$161, 300	$37, 726+49. 0%	$108, 300
$161, 300–	$63, 696+50. 0%	$161, 300

TITLE II—INFLATION ADJUSTMENT

SEC. 201. INFLATION ADJUSTMENTS TO INDIVIDUAL TAX RATES.

(a) GENERAL RULE.—Section 1 of the Internal Revenue Code of 1954 (relating to tax imposed) is amended by adding at the end thereof the following new subsection:

"(f) ADJUSTMENTS IN TAX TABLES SO THAT INFLATION WILL NOT RESULT IN TAX INCREASES.—

"(1) IN GENERAL.—For taxable years after 1982—Not later than December 15 of each calendar year beginning in 1982, the Secretary shall prescribe tables which shall apply in lieu of the tables contained in subsections (a), (b), (c), (d), and (e) with respect to taxable years beginning in the succeeding calendar year.

"(2) METHOD OF PRESCRIBING TABLES.—The table which under paragraph (1) is to apply in lieu of the table contained in subsection (a), (b), (c), (d), or (e), as the case may be, with respect to taxable years beginning in any calendar year shall be prescribed—

"(A) by increasing—

"(i) the maximum dollar amount on which no tax is imposed under such table, and

"(ii) the minimum and maximum dollar amounts for each rate bracket for which a tax is imposed under such table,

by the cost-of-living adjustment for such calendar year,

"(B) by not changing the rate applicable to any rate bracket as adjusted under subparagraph (A)(ii), and

"(C) by adjusting the amounts setting forth the tax to the extent necessary to reflect the adjustment in the rate brackets.

If any increase determined under subparagraph (A) is not a multiple of $10, such increase shall be rounded to the nearest multiple of $10 (or if such increase is a multiple of $5, such increase shall be increased to the nearest multiple of $10).

"(3) COST-OF-LIVING ADJUSTMENT.—For purposes of paragraph (1), the cost-of-living adjustment for any calendar year is the percentage (if any) by which—

"(A) the CPI for the preceding calendar year, exceeds

"(B) the CPI for calendar year 1981.

"(4) CPI FOR ANY CALENDAR YEAR.—For purposes of paragraph (3), the CPI for any calendar year is the average of the Consumer Price Index for the months ending in the 12-month period ending on September 30 of such calendar year.

"(5) CONSUMER PRICE INDEX.—For purposes of paragraph (4), the term 'Consumer Price Index' means the Consumer Price Index for all-urban consumers published by the Department of Labor."

(b) DEFINITION OF ZERO BRACKET AMOUNT.—

Subsection (d) of section 63 of such Code (defining zero bracket amount) is amended to read as follows:

"(d) ZERO BRACKET AMOUNT.—For purposes of this subtitle, the term 'zero bracket amount' means—

"(1) In the case of an individual to whom subsection (a), (b), (c), or (d) of section 1 applies, the maximum amount of taxable income on which no tax is imposed by the applicable subsection of section 1, or

"(2) zero in any other case."

SEC. 302. COST-OF-LIVING ADJUSTMENTS IN AMOUNT OF PERSONAL EXEMPTIONS.

(a) GENERAL RULE.—Section 151 of the Internal Revenue Code of 1954 (relating to allowance of deductions for personal exemptions) is amended by striking out "$1,000" each place it appears and inserting in lieu thereof "the exemption amount".

(b) EXEMPTION AMOUNT.—Section 151 of such Code is amended by adding at the end thereof the following new subsection:

* * * the term 'exemption amount' means, with respect to any taxable year, $1,000 increased by an amount equal to $1,000 multiplied by the cost-of-living adjustment (as defined in section 1(f)(3))—for the calendar year in which the taxable year begins. If the amount determined under the preceding sentence is not a multiple of $10, such amount shall be rounded to the nearest multiple of $10 (or if such amount is a multiple of $5, such amount shall be increased to the nearest multiple of $10)."

SEC. 203. ADJUSTMENTS IN WITHHOLDING.

(a) IN GENERAL.—Subsection (a) of section 3402 of the Internal Revenue Code of 1954 (relating to requirement of withholding) is amended by inserting after the third sentence the following new sentence: "The Secretary shall, not later than December 15 of each calendar year prescribe tables which shall apply in lieu of the tables prescribed above to wages paid during the succeeding calendar year and which shall be based on the tables prescribed under section 1(f) which apply with respect to taxable years beginning in such succeeding calendar year."

(b) PERCENTAGE METHOD OF WITHHOLDING.—Paragraph (1) of section 3402(b) of such Code (relating to the percentage method of withholding) is amended by adding at the end thereof the following new sentence: "The Secretary shall not later than December 15 of each calendar year, prescribe a table which shall apply in lieu of the above table to wages paid during the succeeding calendar year and which shall be based on the exemption amount (as defined in section 151(f)) which applies to taxable years beginning in the succeeding calendar year."

(c) WITHHOLDING ALLOWANCES BASED ON ITEMIZED DEDUCTION.—Paragraph (1) of section 3402(m) of such Code (relating to withholding allowances based on itemized deductions) is amended—

(1) by striking out "$1,000" and inserting in lieu thereof "the exemption amount (as determined under section 151(f) for taxable years beginning in the calendar year)"; and

(2) by striking out subparagraph (B) and inserting in lieu thereof the following:

"(B) an amount equal to the maximum amount of taxable income for taxable years beginning in the calendar year on which no tax is imposed by section 1(a) (or section 1(b) in the case of an individual who is not married, within the meaning of section 143, and who is not a surviving spouse, as defined in section 2(a))."

SEC. 204. RETURN REQUIREMENTS.

(a) Clause (i) of section 6012(a)(1)(A) of the Internal Revenue Code of 1954 is amended by striking out "$3,300" and inserting in lieu thereof "the sum of the exemption amount and the zero bracket amount applicable to such an individual".

(b) Clause (ii) of section 6012(a)(1)(A) of such Code is amended by striking out "$4,400" and inserting in lieu thereof "the sum of the exemption amount plus the zero bracket amount applicable to such an individual."

(c) Clause (iii) of section 6012(a)(1)(A) of such Code is amended by striking out "$5,400" and inserting in lieu thereof "the sum of twice the exemption amount plus the zero bracket amount applicable to a joint return."

(d) Paragraph (1) of section 6012(a) of such Code is amended by striking out "$1,000" each place it appears and inserting in lieu thereof "the exemption amount."

(e) Paragraph (1) of section 6012(a) of such Code is amended by adding at the end thereof the following new subparagraph:

"(D) For purposes of this paragraph—

"(i) The term 'zero bracket amount' has the meaning given to such term by section 63(d).

"(ii) The term 'exemption amount' has the meaning given to such term by section 151(f)."

(f) Subparagraph (A) of section 6013(b)(3) of such Code is amended—

(1) by striking out "$1,000" each place it appears and inserting in lieu thereof "the exemption amount",

(2) by striking out "$2,000" each place it appears and inserting in lieu thereof "twice the exemption amount", and

(3) by adding at the end thereof the following new sentence:

"For purposes of this subparagraph, the term 'exemption amount' has the meaning given to such term by section 151(f)."

SEC. 205. EFFECTIVE DATES.

(a) The amendments made by sections 201, 202, and 204 of this Title shall apply to taxable years beginning after December 31, 1982.

(b) The amendments made by section 203 of this Act shall apply to remuneration paid after December 31, 1982.●

CONGRESSMAN ANNUNZIO SUPPORTS CONSTITUTIONAL AMENDMENT TO END FORCED BUSING OF SCHOOLCHILDREN

The SPEAKER. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. I wish to address the issue of unwarranted intrusion by the Federal courts into the day-to-day administration of the public schools to enforce student busing orders.

Public school systems all across the country have become the virtual captives of Federal judges who, in the name of educational equality, have assumed the role of self-appointed school superintendents. Instead of law, these unelected officials of the people are seeking their own brand of social justice by imposing a costly and educationally self-defeating regime of racial quotas in the public schools.

The failure of these efforts is obvious in the experience of communities in the North and South where the disruption visited upon the school systems, and the consequent loss of public support, have far outweighed any imagined gains.

To resolve this tragic situation, and restore a measure of rationality to the law of school desegregation, I have introduced House Joint Resolution 20. That measure proposes an amendment to the Federal Constitution which, very simply, is designed to place parents back in control of their children's educational destiny.

Section 1 states that "No student shall be compelled to attend a public school other than the one nearest his home." Section 2 confers on the Congress power to enforce this mandate by legislation insuring equal educational opportunity for all students wherever located.

It is all too apparent that a constitutional amendment is necessary if we are to succeed in ending judicial tyranny in the matter of forced busing. Recently, the Supreme Court has itself attempted to restrain the zeal of the lower Federal courts by placing stringent limits on judicial authority to formulate busing remedies.

Almost 3 years ago, the Supreme Court in Dayton Board of Education against Brinkman, vacated a busing plan ordered by the sixth circuit which required a racial balance in every school in the Dayton, Ohio system. The Supreme Court declared that the lower Federal courts may act only where it is proven that school officials are guilty of intentional discrimination, and that remedial decrees must be specifically tailored to eliminate the "incremental segregative effects" of those past discriminatory actions. Subsequently, the Court remanded the Omaha and Milwaukee cases for additional proceedings in light of Dayton.

Nonetheless, the sixth circuit in Dayton proceeded at its first opportunity to ignore and distort the Supreme Court's ruling and reinstated its original racial balance decree. The Supreme Court this term agreed to review this latest Dayton ruling and a companion sixth circuit decision out of Columbus, and it can be hoped that the Court will again correct these instances of judicial abuse.

However, experience such as this, and the courts' consistent disregard of congressionally legislated limits on student busing decrees, leave one skeptical of permitting the courts to police themselves in this area. Only by adoption of a constitutional amendment can we insure that our children will no longer be uprooted from their neighborhood schools at the whim of Federal judges and forced to attend schools many miles, and in many cases hours away from their homes.

House Joint Resolution 20 would require the courts to employ remedies other than busing to desegregate the schools. As final arbiter of Federal policy in this area, Congress could, under section 2, shift the emphasis to where it properly belongs—that is, to the development of programs to improve educational quality in all schools regardless of their student racial composition. At the same time, the amendment is restricted to governmentally coerced student transfer schemes. It would not prevent the voluntary transfer of students to schools outside their neighborhood to obtain the benefits of special or enriched programs, vocational education, or otherwise.

I urge the Congress to act swiftly on this proposal so that the ratification process can begin. Only in this manner may we bring to an end the long national turmoil caused by the excesses of the Federal judiciary. Immediate action is especially important now as we enter a period of economic hard times when the school systems in many strapped urban areas face imminent financial collapse. During such time, it is indeed wasteful and foolhardy to pursue an expensive policy of racial balance that promises neither improvement in education nor good social relations in the community.

The courts have usurped unprecedented power over educational decisionmaking in this country. As a consequence, the schools have suffered, our people have suffered, and what is more tragic, the education of our children has suffered. This process cannot be permitted to continue. We must act at once to restrain the intemperate hand of the judiciary so that the long delayed objective of equal educational opportunity promised nearly three decades ago by Brown against Board of Education may finally be fulfilled.●

ELIMINATING SCHOOL ASBESTOS HAZARDS

The SPEAKER. Under a previous order of the House, the gentleman from New York (Mr. WEISS) is recognized for 10 minutes.

● Mr. WEISS. Mr. Speaker, I am today introducing legislation along with other Members of the House which will help eliminate hazardous exposure to asbestos for schoolchildren thoughout our Nation.

Asbestos is a proven carcinogen that is especially dangerous for young persons. In many older school buildings, the substance is visibly damaged and may be flaking from walls and ceilings. The problem has reached alarming dimensions in some areas, such as New York City, where schools have been closed because of the seriousness of the danger.

Local governments and school districts lack the resources needed to ascertain the extent of the hazard and to eliminate the possibility of asbestos exposure. The gravity of the situation demands federal attention and the active cooperation of asbestos manufacturers. The legislation I am cosponsoring recognizes these factors by establishing an asbestos hazard detection fund and a Federal loan program for removal of the substance.

The trust fund would consist of payments by asbestos manufacturers based on the amount of material they produced over a given period. Asbestos corporations have a moral obligation to assist in the amelioration of this problem. Through this legislation, they would have a legal obligation as well.

The bill would also create a task force under the auspices of the Secretary of Health, Education, and Welfare to coordinate Federal efforts in detecting the hazard and assisting in its elimination.

I believe that enactment of this legislation is a vital step toward safeguarding the health of thousands of schoolchildren.

Asbestos has been found in 1,000 of 6,000 schools inspected in the country, and in New York City the presence of asbestos has been identified in 70 percent of schools surveyed.

I urge Congress to consider this legislation and to move toward its passage. It offers us the opportunity of preventing a major public health calamity that would strike hardest at our children.●

JOURNEY TO CHINA: AN ANTAGONIST BECOMES AN ALLY

The SPEAKER. Under a previous order of the House, the gentleman from Arkansas (Mr. ALEXANDER) is recognized for 30 minutes.

Mr. ALEXANDER. Mr. Speaker, last November I was part of a 25-member delegation, including 8 members of the House Appropriations Committee and Under Secretary of State for Management Ben H. Read, which traveled to the People's Republic of China.

Upon my return, I wrote a series of articles which were published by interested newspapers in Arkansas. Inasmuch as this Nation welcomes China's Vice Premier Teng Hsiao-ping to this country today, I would share these articles with my colleagues. The four-part series follows:

Journey to China: An Antagonist Becomes an Ally

(By Bill Alexander)

Confusius said, "A journey of 1,000 miles begins with a single step." Perhaps. But my recent journey to the land of Confucius began with a long reading list and a half dozen briefings by government agencies, including the most famous (or infamous) agency of them all—the CIA. However, nothing in all the books or all the briefings truly prepared me for what I was to experience during my stay in China.

With the exception of a few personal Chinese-American friends, like Mayor and Mrs. Charlie Wah of Turrell, Ark., my knowledge of China and its people was painfully limited. Arkansas does not have a large Chinese population, as does California or New York. The cultural diffusion that made those states truly metropolitan did not extend to mid-American, much less to Mississippi County, where I was raised.

So, I read and listened and tried to learn. But the more I knew, the less I understood of a culture and a people that has regarded itself as the center of humanity on this planet for the last 4,000 years.

When I was a boy, growing up in Osceola, I loved to dig caves. My mother told my brother and me that if we dug deep enough, we would come out in China. After digging so long and so deep that we needed a rope to climb out of the hole, I decided that there had to be an easier route.

Now, 30 years later, I was on my way to China—via Anchorage and Tokyo, aboard a U.S. Air Force C–137 as a member of a congressional delegation composed of members of the House Appropriations Committee. As I reflect back, my boyish fantasies about China were probably not as wild as the realities I encountered.

When the delegation departed, our itinerary was as mysterious as the land we were about to visit. The Chinese government kept our route and agenda completely secret until we arrived in Peking. I guessed that they were reluctant to commit themselves to any particular stop lest there be unrest, disturbances, natural disaster or political chaos.

I was wrong. They merely concluded that we foreigners simply didn't know enough about China to make an intelligent choice about what to see.

That sort of benevolent contempt for foreigners is probably the most characteristic thing about the Chinese. After all, China was the fabled "Middle Kingdom" whose tradition held that all foreigners were barbarians; that all foreign nations were vassal states. Throughout her long history, China has gazed inward at herself. Not since Marco Polo's travels in the 13th century has China voluntarily opened her doors to outsiders. Her land and her people have been denied to all but a very few Western observers since the Communist victory in 1949.

Why does China, long contemptuous of the ways of the rest of the human race, suddenly wish to reverse its course of isolation and look to the West for ideas that will change the direction and orientation of the "ancient kingdom?"

To answer that question, it is necessary to look backward for about four decades. When the Japanese attacked China in 1931, America sympathized, but we were in the throes of a Great Depression and could not help—even if we'd had a mind to. During World War II, we embraced the government of Chiang Kai-shek as one of our principal allies. Our support for Chiang during the Civil War did nothing to endear us later to the government of Mao Tse-tung. Our subsequent protection of Chiang and our policy of non-recognition of the Maoist victory aggravated the growing antagonism.

Then in November 1950, Gen. Douglas MacArthur's resurgent United Nations forces in Korea appeared to be ready to drive across the Yalu, threatening the young Communist Chinese government at a time when they were still consolidating their power at home. For the first time in history, American and Chinese armies fought one another, and Mao hurled massive numbers of ill-equipped troops at the U.N. forces, driving them back to a position below the 38th Parallel.

Our relations with China then went from bad to worse. The vast ideological chasm between us deepened; the bitterness between our two counties intensified. Our interests in Asia—in Korea, Vietnam and elsewhere—brought us time and again to the edge of conflict with the Chinese. Our policy of nonrecognition and containment was an openly expressed strategy for destroying the government of Peking. In that climate of mutual fear, China was quick to express its hatred.

Then, in 1972, the world was shocked to learn that Henry Kissinger had been secretly shuttling in and out of Peking and that an American president had been invited to China. From that visit came the Shanghai Communique which established official contact and promised movement toward widened relations on the political, economic and cultural levels.

Why the dramatic turn-around? Certainly, the most important factor was the Sino-Soviet split that began in the late 1950s. The level of conflict between the two socialist powers escalated during the next decade from ideological name-calling to open military confrontation. In 1965, the Soviet Union began its military build-up along its common border with China, a move that culminated in bloody, full-scale fighting along the Ussuri River a few years later. Today, the Soviet Union has replaced the United States as the main threat to China's security and the Russians have become her principal enemy.

To counter-balance the Soviet threat, China has turned westward. But it is not military assistance that China seeks. Rather, the new generation of Communist leaders in Peking is beginning to recognize that in a world of increasing interdependence, not even a nation as huge as China can go it alone.

They are threatened by forces more dangerous than Russian infantry or American bombers. Their population is burgeoning but industrial development has lagged. Agricultural production is near capacity. The old revolutionary leaders are nearly all dead. The time has come for China to assume a place among the international community of nations.

So, in the fall of 1978, I find myself in Peking, preparing to discuss ways of solving mutual economic problems with Chinese officials and hopeful that old antagonisms won't obscure new opportunities.

ALEXANDER "SELLS" STATE PRODUCTS TO THE CHINESE

(By BILL ALEXANDER)

We have just been informed that the delegation's itinerary will take us from Peking to Chungking to Chung-tu to 'K'unming. The inclusion of Chung-tu is surprising. Chung-tu is the provincial capital of Szechwan, the locus of the vast preponderance of Chinese agriculture. They've just experienced a second year of drought in Szechwan and I'm surprised they'll let us go there. My main interest is agriculture so the surprise is a pleasant one.

After five days in Peking, I'm ready to see more of the country, although the Chinese have treated us well. Our delegation is housed on the eighth floor of the Peking Hotel, a new and imposing structure facing Eternal Peace Boulevard. The furnishings are all Chinese, the service is prompt and courteous and my room has all the comforts of home—including television. There is even an English language channel to which Alyse, my 10-year-old daughter, is becoming addicted. The programming is right out of the Chinese propaganda phrase-book, full of references to "capitalist bandits" and "running dogs of imperialism." However, I don't think Alyse will become a convert to the Chinese brand of communism. Fifteen minutes viewing is all it takes to put her soundly to sleep, curled up in the overstuffed armchair.

Our business in Peking is nearly completed. I have spoken with Li-Chiang, the Chinese minister of foreign trade, about the possibility of establishing direct contact between his government and Arkansas farmer-owned cooperatives. I explained that Arkansas has some of the most productive farmers in the world who grow more cotton, soybeans, feed grains, breeding stock, poultry, cattle and swine than almost any state in our country.

I also explained that although we are great producers of food, we are lousy salesmen. The usual practice is for the individual to sell to large dealers who then resell the products to customers abroad. This practice has the effect, I told him, of forcing the farmer to sell at whatever the market price happens to be at harvest time while allowing the large trading companies to store the products until prices are driven higher by the market. As a consequence, most of the profits of the sale go to the dealer while the customer must pay higher prices and the farmer receives less profit for his efforts. Some years, I explained, there is no profit for the farmer.

Mr. Li seemed somewhat surprised that an American politician would be interested in seeking an arrangement which would be more beneficial to the farmer and the customer than to big business. He responded that "China would welcome the opportunity to deal directly with farmer-owned cooperatives that wish to sell directly to the PRC."

At the conclusion of the meeting, I invited Li, or his representative, to visit Arkansas to discuss methods of direct merchandising and assess the quality of our products. He seemed genuinely interested in the proposal.

Later, I had an opportunity to discuss the possibility of exporting Arkansas rice directly to the PRC. At the present time, China is an exporter of rice, selling about 1 million metric tons abroad each year. However, the population is growing by an estimated 15–20 million persons annually and the Chinese will consume more than they grow by the mid-1980s. Chinese government economists are aware of that sobering fact and are going ahead with development of their huge oil reserves which can be traded for food and fiber products.

I next met with Li Hsien-nien, vice premier and number three man in the PRC. During the lengthy meeting, he discussed the state of Chinese relations with Vietnam, Cambodia, Singapore, Indonesia, Cuba and the Soviet Union. Generally, relations with all of these nations are not very stable. He exhibited considerable hostility toward Vietnam, which he said, is "the mad dog of the Soviets." He was certain that we, as Americans, could understand what it meant to have a "mad dog of the Soviets" on one's doorstep because, after all, we have Cuba less than 90 miles from our shores.

On the positive side the vice premier was pleased and optimistic over the direction of Sino-Japanese relations and indicated that China would continue to encourage independence among the socialist states of Eastern Europe.

He also asserted that agricultural and trade policy enjoy the highest priority within the government of the PRC. "We will buy more than we export," he said, "until we catch up. But we realize it will take us a few more years to equal the United States." I admired the vice premier's determination but could not share his optimism about Chinese agriculture.

Practically every square inch of arable Chinese land is already under intensive cultivation, whereas the full productive capacity of American agriculture has yet to be tested. Li Hsien-nien concluded by announcing that "China will buy 10 million tons of grain this year—five to six million tons from the United States."

That announcement reverberated loudly in the commodity trading market at home because, until now, China has preferred to buy most of its grain from Canada and Australia. The U.S. has been only a residual supplier. The announcement was, in my view, a signal that the PRC was ready to regularize its trade with the United States. We now know that it was also a signal that normalization of relations was in the offing.

CHINA'S INTERIOR TEEMS

(By BILL ALEXANDER)

Peking is behind us. CAAC Flight 145 to Chungking moves through the clear winter air at jet age speeds but the terrain passes below almost languidly. The topography is mostly mountainous but there are no forests nor rocky promontories such as we're used to seeing in America. Every square foot of the land below is cultivated. Even the mountain tops are capped by terraced fields. Villages are tucked into river valleys that fan out into alluvial plains. The cottages and huts cluster closely together. The fields are cultivated nearly to the front doors. The fall harvest is almost in and the fields are sear and brown.

We touched down in Chungking right on schedule. Our luggage was gathered up and hauled away to our quarters where it was waiting when we arrived. Then, I noticed a curious thing. Before leaving Peking, I had purchased a $6 zippered duffle bag and in my last-minute haste to pack, I broke the zipper by overstuffing the bag. I finally secured it with a spare belt. When I started to unpack in Chungking, I saw that the bag was closed and that the zipper was working perfectly. Somehow, our hosts had managed to repair the zipper between the time we landed and delivery of the luggage at the guest house. Not even Hilton Rainbow service could provide that nice little touch.

The Chinese are honest to a fault. Personal property and valuables can be left out without fear they'll be stolen. Crime, as we think of it—robbery, burglary, muggings—is practically non-existent.

As a matter of fact, Chinese honesty can become a problem. It's nearly impossible to throw anything away. Plastic dry cleaning bags, bottles and cans casually tossed into the trash are sure to reappear in a prominent place after the room has been cleaned. In a country which wastes nothing, the people have trouble understanding our "disposable society."

Chungking sits on a narrow wedge of cliffs, squeezed by the Yangtse and Chia Long Rivers which drain the Tapa Shan mountains to the east, the Min Shan range to the north and the Fah Sueh Shan on the west and south. These mountains encircle the fertile Szechwan Basin, the principal agricultural region of China.

The city of Chungking was once the provisional capital of Generalissimo Chiang Kai-shek's Nationalist government. But our communist tour guides never mentioned that fact. Chungking's only claim to historical fame lies in the existence of Chou En-lai's civil war headquarters at Number 50, Tseng Chia Ai. It was from that shabby, darkened house that Chou directed all military operations of the South China communist forces during the revolution.

The house had been restored to the same condition it enjoyed during the conflict. That means it was a damp, drafty, leaky, sparsely furnished and as ramshackle on the day we saw it as when Chou lived there. As a national shrine, it wasn't much to look at but I came away from the place with a firmer appreciation for the sheer doggedness and determination of the Chinese character.

We traveled by train to Chung-tu, the capital of Szechwan Province. Amtrak could take lessons from the Chinese in how to run a railroad. The berths were spotless, the compartments spacious and the food and service superb. The coal burning steam engine didn't set any speed records, but we arrived in Chung-tu right on time at dawn, as refreshed as though we had slept all night in our beds. I asked the conductor, through an interpreter, whether many Americans had ridden on his run. "I don't know," he said. "All foreigners look alike to me." Touché.

In Chung-tu, we were greeted by the vice chairman of the Szechwan Revolutionary Committee, Mr. Ju Fuyi. Since we had no formal commitments until that evening, I decided to see some of the countryside. Driving out of the city, the poplar-lined roadways were alive with incredible vigor. They were choked with a staggering variety of animal-drawn and people-powered vehicles carrying a montage of fruits, vegetables, grain, bamboo bundles and livestock. A common sight was a squirming, squealing pig draped over a bicycle frame pushed along by a leather-skinned peasant farmer.

The fields teemed with production brigade workers, hoeing, digging, cutting, planting, fertilizing and plowing with water buffalo. Everywhere there were people working—repairing roads, quarrying stone, digging irrigation ditches, building terraces, constructing their peasant-proletarian society.

And where there was no work or cultivation, there were flowers. The roadways were festooned in a veritable riot of reds, yellows, purples, greens and oranges. Life in the People's Republic may be drab, but the countryside certainly isn't.

The Chinese are a vigorous and determined people. They willingly subject themselves to discipline and no people on Earth work harder. I came to have a great respect for the people in the few days I was in China. Politics and poverty, power and propaganda, poise and patience are the fundamental characteristic of modern-day China. The government and the people are doggedly determined to catch up with the world and only the doctrinaire approach to development has inhibited them in achieving that goal.

But in recent days, there has been a stirring in the cities . . . an elusive air of both discontent and hopefulness. The words democracy and liberty are faintly heard. Wall posters calling for more personal liberty, for modernization, and some openly critical of political deities are appearing in Peking. There is no doubt that the government is carefully orchestrating the campaign, but for good or ill, China has turned westward and maybe, just maybe, she has caught the scent of freedom.

THE CHINA DECISION: REALITIES DICTATED CHANGE

(By BILL ALEXANDER)

To the world at large, President Carter's announcement of normalization of relations with Peking came as a surprise but for those of us who were in China during the past month the announcement should not have come as a shock. There were signs, signals and hints aplenty that something big was afoot.

Chinese government officials and bureaucrats, famed for their implacable close-mouthedness, talked freely of China's problems and how the U.S. could help solve them. Democracy Wall in Peking was pasted with posters calling for freedom and liberty. They could not have appeared there a year ago. The number three man, Li Hsien-nien, informed our delegation that the United States was being elevated to the status of a principal supplier of agricultural products to the People's Republic. There was a new spirit of tolerance for the decadent westerner. The polemic of hate once reserved for the United States is now being directed at the Soviet Union. High government officials and other knowledgeable Chinese hinted that Taiwan was not the insurmountable obstacle to normalized relations that we had long been led to believe. Everywhere there was enthusiasm for the recently concluded Treaty of Friendship and Cooperation with Japan, as though the agreement were proof positive of Chinese willingness and ability to cooperate with capitalist governments. It was a new version of Mao's "Let a hundred flowers bloom, a thousand voices speak." The announcement of normalization should not have come as a complete surprise and it didn't.

Perhaps the suddenness of the event was more surprising than the event itself. Normalization was inevitable. A nation of 900 million persons could not forever be consigned to the position of international nonperson. But it was not preceded by the signals that usually serve as indicators of major policy shifts. There were no hastily called consultations with congressional leaders in the Oval Office. There were no furtive, backgate ambassadorial visits to the White House. In fact, even those countries most concerned weren't consulted in advance. It was reported that ROC President Chiang Ching-kuo was awakened by his brother-in-law at 2 a.m. and informed of the announcement.

Congressional reaction was mixed. Some thought the President had acted wisely and well. Others grumbled that they should have been consulted. Still others, like Arizona Senator Barry Goldwater, rose up in outrage and have threatened to test the President's authority to unilaterally abrogate our mutual defense treaty with the Republic of China in the courts.

What will normalization mean? Those who favored the move contend that recognition of Red China will strengthen the U.S. strategic position and enhance the chances for success in ongoing negotiations with the Soviet Union on SALT, a nuclear test ban and mutual force reductions in Europe. They say also that the potential for trade with a nation of 900 million is vital to curing our own domestic economic ills. They conclude that recognition of China is a recognition of current international realities.

Those who opposed the move say that we are abandoning a friend while further eroding the confidence of American allies. Opponents assert that trade with Taiwan, roughly 15 times our trade with the People's Republic, is as important as the potential offered by the mainland market. Finally, they argue, the Russians are likely to become more intransigent in current talks rather than more conciliatory.

Whatever the merits of each of the arguments, there are some irrefutable facts which must be taken into account. First, China's turn westward is the consequence of political and economic necessity, not the result of an ideological turnabout. With a population nearing a billion persons, China was faced with three alternatives—to seek rapprochement with the Soviets, to move toward closer relations with the United States and the west or to continue to try to make her own way. Her choice of the middle course underlines the visceral hostility China harbors for her socialist neighbor to the north. Even more important, China's abandonment of a go-it-alone policy is tacit admission of its failure to achieve its economic objectives in a world of increasing interdependence.

Second, it is clear that for the United States, China represents the last great untapped market for U.S. products remaining on the globe. Our faltering economy badly needs to find new customers for its products so long as we insist on squandering our wealth on foreign oil. China's need for food and technology is as great as our need for fossil fuels, which as fortune would have it, she has in great abundance. Our ideological differences pale by comparison with our mutual needs. In China, the United States could have a near perfect trading partner.

Third, despite the lack of public urgency and concern over the Soviet threat, there is no question of their emerging military preimminence. A strong and developing China would undoubtedly have the effect of checking Soviet adventures in South and Southeast Asia with the added bonus of diluting Soviet military power in Europe by creating the necessity of maintaining a two-front defense posture.

Fourth, Taiwan has been and will continue to be our ally. The economy is tied inextricably to our own. Our two-way trade with Taiwan last year was nearly $6 billion. That amount constituted roughly half of Taiwan's total trade. President Carter has vowed to maintain close economic, commercial and cultural ties with Taiwan and if that promise is kept, there is little chance that the island republic will be the one to sever the bonds. From a military standpoint, Taiwan sits a comfortable 200 miles from the mainland shores. It has a standing defense force of about a million men, well equipped and well trained. The chances of China mounting an invasion on Taiwan (even if we were to stand still for such a move) are very slim given the current state of communist Chinese military capability.

Fifth, China is real. The communist government is in effective control of 3.7 million square miles of territory, has an estimated gross national product of $300 billion per year, is a member of the United Nations, and enjoys diplomatic relations with most of the world's nations, including our own NATO allies. It is ironic that the majority of the states with which China has no formal ties are socialist countries, aligned with the Soviet Union. For too many years, and on too many occasions, the United States has pursued international policies defined in terms of rhetorical ideals rather than objective realities. Our China policy has been a reflection of that tendency. We could not indefinitely persist in the political fantasy that the Nationalist government on Taiwan will someday achieve reunification of China by force of arms. Nor ought we to believe that the PRC will be tumbled by internal dissent. My recent travels in China led me to one inescapable conclusion: life for the common people there may not be the socialist paradise their government has sometimes claimed, but it is substantially better than it has ever been in the four thousand years of Chinese history.

Hua Kuo-feng, China's Communist Party Chairman and Premier is a pragmatic, practical politician. "I do not care whether a cat is black or white, so long as it catches mice," he has said in defending China's move toward liberalization. In my view, China is a long way from democracy, but its turn to the West perhaps represents the first halting step in that direction.

TIME SEQUENCES IN HOUSE PORTION OF CONGRESSIONAL RECORD

The SPEAKER. Under a previous order of the House, the gentleman from New Jersey (Mr. THOMPSON) is recognized for 5 minutes.

Mr. THOMPSON. Mr. Speaker, Members may have noticed that the House portion of the CONGRESSIONAL RECORD now carries time sequence notations at roughly 5-minute intervals during House proceedings. The time is shown following a box ☐ symbol utilizing the 24-hour clock system. For example, ☐ 1315 indicates 1:15 p.m. and ☐ 1945 would be 7:45 p.m.

The purpose of this new system, authorized by the Joint Committee on Printing, is to provide easier cross reference to audio and video taped versions of House proceedings with the printed proceedings in the RECORD. A byproduct of the time sequence notations will be the easier location of Member's remarks in the printed RECORD than has often been possible in the past.

LEGISLATION INTRODUCED BY CONGRESSMAN ROBERT F. DRINAN

The SPEAKER. Under a previous order of the House, the gentleman from Massachusetts (Mr. DRINAN) is recognized for 5 minutes.

Mr. DRINAN. Mr. Speaker, today I am inserting in the RECORD a list and brief description of 39 bills which I have introduced in the first 2 weeks of the 96th Congress.

Only a few hundred of the thousands of bills introduced in the House during each session of Congress are signed into law. I am hopeful that several of the measures described here will find themselves among the select few:

ECONOMY AND BANKING

H.R. 270. A bill to provide more effective job placement services through improved management and planning in state employmen offices;

H.R. 267. A bill to extend the two-year prohibition on employment of bank regulators by insured banks and Federal Reserve member banks to include bank holding companies;

H.R. 296. A bill to require that whenever the International Trade Commission recommends import restrictions, it shall examine and report on the probable impoct those restrictions would have an domestic prices;

H.R. 268. A bill to strengthen the Truth in Lending Act to require biannual examination of creditors and public disclosure of information obtained in such examinations; and to require persons affected by violations of the Act to be so notified; and

H.R. 269. A bill to require banks to disclose how they compute and pay interest on savings accounts.

EDUCATION

H.R. 272. A bill to exclude the value of a home when determining eligibility for Basic Education Opportunity Grants.

ENERGY AND ENVIRONMENT

H.R. 278. A bill to authorize matching grants to public water systems to clean and update waterlines in order to meet federal drinking water standards;

H.R. 298. A bill to provide for incentives for the commercial application of solar energy, energy conservation, and renewable resource equipment and devices;

H.R. 273. A bill to authorize grants for special educational programs designed to promote conservation of energy and more efficient use of natural resources; and

H.R. 290. A bill to provide for research and demonstration respecting the disposal of sludge and the reclamation of waters damaged by sludge and sewage.

FOREIGN AND MILITARY POLICY

H.R. 276. A bill to allow Congress more time to review proposed arms sales; and

H. Con. Res. 8. A resolution to work toward strengthening the Charter of the United Nations.

HEALTH AND CONSUMER PROTECTION

H.R. 275. A bill to restrict major agricultural exports which would result in increased retail prices or unemployment within the United States;

H.R. 279. A bill to authorize the Food and Drug Administration to regulate tobacco products;

H.R. 280. A bill to provide for an annual report to Congress on the effect of cigarette smoke on nonsmokers;

H.R. 281. A bill to strengthen the warning label on cigarette packages and advertisements;

H.R. 293. A bill to establish a health protection tax on cigarettes;

H.R. 300. A bill to protect the rights of nonsmokers by separating smokers and nonsmokers in Federal facilities and in facilities used for interstate transportation; and

H.R. 284. A bill to provide for attorney fees, expert witness expenses, and other costs reasonably incurred in certain proceedings before Federal agencies.

OLDER AMERICANS

H.R. 294. A bill to provide for cost-of-living increases to social security recipients twice a year;

H.R. 295. A bill to provide that an individual may qualify for disability insurance benefits if he or she has enough quarters of social security coverage to be fully insured for old-age benefit purposes, regardless of when such quarters were earned; and

H.R. 631. A bill to prohibit discrimination based on age in employment, housing, and other activities covered by the civil rights laws.

TAX REFORM

H.R. 301. A bill to allow private citizens to challenge in Federal court certain lenient tax rulings affecting third parties.

SMALL BUSINESS

H.R. 291. A bill to help small businesses acquire procurement information and contracts from the Federal Government; and

H.R. 299. A bill to require the payment of interest by Federal agencies on overdue contract payments to small businesses.

CIVIL LIBERTIES

H.R. 271. A bill to provide increased job protection for employees who celebrate the Sabbath on a day other than Sunday;

H.R. 283. A bill to secure and protect the freedom of the press against surprise police searches;

H.R. 287. A bill to carry out the principles of the Helsinki Final Act by making it easier for foreign citizens to obtain a visa for travel to the United States; and

H.R. 1294. A bill to modify the Communications Act of 1934 to strengthen and further the objectives of the first amendment as applied to radio and television broadcasting.

GOVERNMENT REFORM

H.R. 292. A bill to establish an independent agency to administer the internal revenue laws;

H.R. 274. A bill to limit congressional members of the Advisory Commission on Intergovernmental Relations to single two-year terms;

H.R. 265. A bill to allow the President greater flexibility in choosing a person to chair the Federal Reserve Board; and

H.R. 266. A bill to shorten the terms of the Board of Governors of the Federal Reserve system from 14 to 8 years.

OTHER PROPOSALS

H. Res. 17. A resolution seeking to shift the site of the 1980 Summer Olympics from Moscow;

H.R. 282. A bill to promote methods of testing and research that would minimize the use of, and pain and suffering to, live animals;

H.R. 285. A bill to restrict the availability of handguns;

H.R. 286. A bill to provide for a federal system of registration and licensing of all firearms, and for a ban on the sale, manufacture, or importation of certain handguns;

H.R. 288. A bill to protect the rights of visual artists not to have their works distorted, mutilated, or altered; and

H.J. Res. 31. A resolution proposing a constitutional amendment to lower the age requirement for membership in Congress.

THE RETIREMENT OF THE HONORABLE JOHN MOSS OF CALIFORNIA

The SPEAKER. Under a previous order of the House, the gentleman from California (Mr. JOHNSON) is recognized for 5 minutes.

Mr. JOHNSON of California. Mr. Speaker, one of the finest Representatives from the State of California to serve in the Congress was my good friend and colleague John Moss. After 26 years of service to this Nation and to the people of Sacramento, John decided to retire at the end of the last session.

Throughout his career in the House of Representatives, John was a strong advocate of representative government and continually strove to make government as responsive to the needs of the general public as possible. His principal weapon in this never-ending battle was the oversight investigation by congressional committees. John was a master of this art and demonstrated time and time again that Congress could act on behalf of the little man and his needs.

The past two decades have seen a plethora of legislation pass through these halls. If a problem needed correcting, all too frequently we simply passed further legislation. John foresaw the need to review what we had done and made the executive branch of Government more responsive to the needs of the people by bringing abuses to light.

The wisdom of the oversight approach is just now being clearly made evident to us. Unfortunately, John Moss who spent a career showing us how to effectively use the oversight hearing, has chosen to retire. It is ironic that now that oversight has become a key goal of the Congress, John is no longer serving in the House.

It was with great pleasure that I read an excellent article in the Outlook section of the Washington Post of Sunday, January 14, 1979, concerning our former colleague. Ward Sinclair has outlined the important contributions of John Moss to the Congress and discusses the effect of John's example on oversight in the 96th Congress.

So that my colleagues that did not see this article may have a chance to review it and learn from it, I ask permission that it be reprinted in its entirety at this point in the RECORD.

[From the Washington Post, Jan. 14, 1979]

THE MAN WHO PERFECTED OVERSIGHT

(By Ward Sinclair)

It never fails. Just when they find a use for the wheel, the inventor is not around to explain it. So it goes on Capitol Hill where this year's reinvention of the wheel is something called "oversight."

The papers will be full of talk this year about the 96th Congress being the Oversight Congress. The sense of that term is that enough laws have been passed, enough Big Issues confronted and it is now time for a pause. They will go back and study what they have wrought.

The truth of the matter is that oversight is one of the lesser understood and least exercised functions of Congress. It is overseeing the functions of government and the actions of its officials. In a word, it is investigation. All congressional committees have an oversight role, but few take it seriously. It is messy, it takes time and concentration and, should one dare a cynical thought, it has little appeal to the young and chi-chi Boob-Tube Babies who increasingly inhabit the House and Senate.

So whatever the meaning, oversight is "in" and now that Congress is about to rediscover this wheel, the past master of the art—and be not mistaken, it is an art—has gone home to retirement in Sacramento.

At noon on Jan. 3, for the first time since 1953, John E. Moss was no longer the representative from California's 3rd District. Too bad. For if this is in fact the Oversight Congress, as its leaders have proclaimed, Moss would have been in hog heaven had he stayed.

In many ways, at least in recent times, John Moss had to be considered the inventor of oversight. For two decades, his subcommittee investigations put a relentless light on almost every imaginable kind of federal and corporate misdeed. Moss flayed, groused, flayed, pestered and then flayed some more as he charged along on his legislative Rocinante.

IMPRINT ON GOVERNMENT

But why John Moss? Why this mild, not very colorful, onetime appliance dealer and real estate salesman from the Central Valley? The best answer seems to be that Moss somehow figured that a congressman was supposed to come here and take names and kick tail. So he did, to a fare-thee-well.

By the time Moss left Washington he had achieved something that others can lay only spurious claim to: an imprint on the way life is lived in the United States, an imprint on the way government governs.

Almost single-handedly, over enormous resistance, Moss championed the Freedom of Information Act of 1966 that opened government files to the public. Subsequent amendments in 1975 refined the law further and opened the process even more. Most of his colleagues and admirers agree the FOIA was the brightest of the gems Moss left behind.

But laws broadening the scope of the Federal Trade Commission, tightening securities regulation, establishing automobile and tire-safety standards, providing product-warranty protection and setting up a Consumer Product Safety Commission are among the other major legacies. The list is more impressive because Moss never was chairman of a full committee, the usual power base of the super-doer.

The subcommittee level, to which he was limited by the seniority system, was where Moss as overseer compiled his lengthy record as the House's gadfly. His last assignment, as chairman of the Commerce Committee's subcommittee on oversight and investigations, gave him rein to look into almost anything that tweaked his pique.

In the 95th Congress, in 1977 and 1978, the inquiries and investigations rolled at floodtide: the world uranium cartel, FBI foreign security surveillance, Air Force contract shenanigans, accountants' practices, hospital care and unnecessary operations, natural gas shortages, drug costs, college athletics, HEW birth-control policy, pesticide regulation all came under the subcommittee's investigative eye.

The results then, as before 1975, when Moss directed oversight investigations by other Commerce subcommittees, often meant hearings that attracted the press and reports that made Moss a front-page name all over the country.

ASSESSING THE RECORD

In a world where ego-tripping is *de rigeur*, there's an almost sour grapes view among some of Moss' old House Democratic colleagues, conceding that he did some big things but that all in all he wasn't the most effective congressman a district might have. To be sure, Moss made enemies, not a few of them in the House, where he violated the old-boy codes by calling the drones by their real names. His detractors—mostly Republicans and corporate captains—liked to say he was arrogant and unfair, publicity-happy, a power-crazy left winger.

One day before he left for home, Moss looked back to ponder the record. The criticism, if anything, mostly amused him. He treated it the same way he treated critical reactions to his votes: "Too many people want to be popular around here. I don't really give a damn. If it's the right vote, it will become popular."

The notion that he was antibusiness or a shill for the lefties amused him equally. "Actually" he said, "I am very conservative. People who want to dismantle the regulatory machinery of government are not conservatives, as many of them claim. They are very radical. That machinery is there because abuses occurred: the FTC, the Federal Reserve, the Securities and Exchange Commission, the Interstate Commerce Commission. These things, you just don't tear down and destroy. Those cries come from people who claim regulation is onerous."

Typical of his don't-give-a-damn attitude was what Moss did in early 1973, when those early rockets from Nixon's Watergate started bursting. Moss called on the House to get the machinery ready to deal with a presidential impeachment. The House, typically, decided to wait awhile after less blunt but more timorous souls prevailed.

"The leadership told me I was premature," Moss recalled "but the thing of concern to me was that the House do its job . . . The pardon of Nixon [by Gerald Ford] interfered with the role of the House. The House should have completed its impeachment action. We were less than we should have been on that occasion. I don't think the country would have been hurt by an impeachment. I like nice clean pages of history."

PRAISE FROM NADER

Ralph Nader, who is not given to soaring praise of your public servant, thinks the clean pages of history will show Moss to be "one of the greatest members of Congress of this century." Before Nader was inspiring legions of young idealists into their own oversight of corporate and governmental waywardness, Moss had been there already. "Nobody perfected oversight as John Moss did," Nader said.

The curious thing is that Moss came to Congress in 1953 with none of the polished tools one might expect a bulldog investigator to have. He did have, however, a high indignation level, a basic sense of right and wrong and a belief that Congress was intended to be something more than a rubber stamp for vested interests.

He was born in Utah, the son of a coal miner, but moved to California with the family as a boy. He attended a Sacramento college for two years, then went into business and Democratic politics. He was a state assemblyman for two years before his election to Congress in 1952.

His victory that year was by four-tenths of one percentage point and, as Moss remembered it, "By all that was holy, I was surely destined to be a one-termer." He seemed to seal his fate when he voted against California's interests, citing constitutional grounds, on the controversial Tidelands oil legislation. "With that, the opposition savored victory. But, in 1954, I got 62 percent of the vote. People said they admired my courage and that became a rule with me—to vote the way I think I should vote."

So with relative electoral security at home and armed with his idea that he was a part of the most representative segment of the federal government, Moss was a natural for the investigative work his subcommittees did. Before there was such a thing as "consumerism," Moss was practicing it on Capitol Hill. "I just have a strong feeling that when I buy something I am committing my dollars and my confidence to a product and I have a right to get a commitment of quality. It is wrong to sell people things that are dangerous to them in normal use."

The trouble with Congress, he continued, is that not enough of its members are looking much beyond the next election—they're too busy with their political careers to let sensitive and potentially damaging issues get in the way.

"Congress is not doing the kind of work that ought to be done. We ought to be monitoring the executive branch much more closely here. Take the General Services Administration. That is an incredible situation. What were the committees with the proper jurisdiction doing when these scandals were occurring? That is where the failure occurs."

BELIEF IN CONGRESS

Michael Lemov, a Washington attorney who once was Moss' chief counsel on consumer oversight, remembers him as "a brave man in a town of compromisers . . . While he was not a lawyer, he knew as much law as there was to be known about legislation. He also had a great belief in Congress as an institution. Whenever he took up the gavel, he felt he was representing an institution created by the Congress, and he was very strict and demanding in public as a chairman."

"In private," Lemov went on, "he was gentle and fair—revered by his staff—and he would never end a meeting until the other side had finished its presentation. Never blew his top, never raised his voice."

In public, with the gavel in hand, though, Moss gave another impression. He could be downright nasty with witnesses who spouted mumbo jumbo. He was unforgiving of malfactors and curt with bureaucrats who didn't want to share information with Congress.

"You have to hold a tight rein on a hearing," was the way Moss explained that. "Maybe I was too tight . . . . But I think if we are to preserve our system, we have to be certain that nothing shatters the integrity of this institution."

Moss had a simple formula for conducting his subcommittee inquiries. He hired the brightest investigators he could find and then let them go where the leads took them. He made up his mind that he would be prepared to take "all the heat your opponents can put on you."

"Every Congress needs an SOB who ignores courtesy and convention. Moss did it without compromise. It's pretty glib to call a man courageous, but he was. He was persona non grata to a lot of members of the House—and that is what made him so essential around here," said one of his admirers.

Thomas Greene, a young lawer from Sacramento who was Moss' last general counsel, said the congressman's "secret" such as it was, was that "he always perceived himself as a man from Sacramento—never a part of the Washington establishment, never got into the big power game. He never said he was a crusader. He would feel uncomfortable saying that. But he had a sense of where he was going. In that area of the country, you can't be too outrageous and continue to be elected."

John Moss did his thing and now he's gone, maybe to teach in California, maybe to go back into business, but, at 63, not regretting for a minute that he could walk away from Washington cold turkey.

"You actually do represent the people when you come here. You are selected to speak for them and it is a great opportunity. But Congress should not be a career, and staying here should not be more important than the quality of your work."

THE OLD FOUNDATION

(Mr. ASHBROOK asked and was given permission to extend his remarks at this point in the Record.)

● Mr. ASHBROOK. Mr. Speaker, I doubt that anyone on either side of this House honestly believes that the President said anything in his speech here on January 23. It was a long, dreary, vacuous performance, and for a very good reason: the only solutions to our problems the President knows to offer are liberal, and it is the liberal approaches that have failed.

The dead-end nature of liberal Democratic policy was admitted by the very title of Mr. Carter's effort: The New Foundation. His party has controlled Congress for 50 of the past 54 years. It is his party which has so badly damaged the foundations upon which this country must stand. Liberal Democrats have done enormous damage to our economy, our balance of payments, and our international fiscal reputation by their steady expansion of the budget deficit. Liberals have steadily limited our freedoms by the constant expansion of government and bureaucracy, and by their erosion of the separation of powers and the rights of States.

Liberal weakness against our enemies and hostility toward our friends has almost completely undermined our once towering reputation in international affairs. Under liberal leadership, our national genius is dissipated by trying to find loopholes in the crushing tax burden, and we are even failing to teach our children to read in an educational system increasingly run from Washington.

We do need to return to a solid foundation, but not one jerry-built by James Earl Carter. Our old foundation, built by the genius of Washingtons, Jeffersons, and Franklins, is the finest any nation has ever been blessed with. That foundation, which encourages individuals rather than government to blaze new trails and to make thier own fair deals, is the basis upon which we must build in the future. The country is clearly in a mood for it. Any President who offers us less will be, like Mr. Carter, a stopgap between the liberal past and a future which has outgrown that ideology.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Badham) to revise and extend their remarks and include extraneous material:)

Mr. Wydler, for 60 minutes, February 6, 1979.

Mr. Wydler, for 60 minutes, February 7, 1979.

Mr. Wydler, for 60 minutes, February 8, 1979.

Mr. Kemp, for 10 minutes, today.

Mr. Collins of Texas, for 15 minutes, today.

(The following Members (at the request of Mr. Matsui) and to revise and extend their remarks and include extraneous matter:)

Mr. Wolff, for 60 minutes, today.

Mr. Gonzalez, for 5 minutes, today.

Mr. Annunzio, for 5 minutes, today.

Mr. Weiss, for 10 minutes, today.

Mr. Alexander, for 30 minutes, today.

Mr. Thompson, for 5 minutes, today.

Mr. Drinan, for 5 minutes, today.

Mr. Johnson of California, for 5 minutes, today.

Mr. Peyser, for 60 minutes, on February 1, to pay tribute to the memory of the late Nelson A. Rockefeller.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Perkins.

Mr. Alexander, and to include extraneous matter notwithstanding the fact that it exceeds two pages of the Congressional Record and is estimated by the Public Printer to cost $965.

(The following Members (at the request of Mr. Badham) and to include extraneous material:)

Mr. Kemp in three instances.

Mr. Derwinski in three instances.

Mr. O'Brien.

Mr. Michel.

Mr. Symms.

Mr. Conable.

Mr. Collins of Texas in four instances.

Mr. Lagomarsino in three instances.

Mr. Lent.

Mr. Gradison.

Mr. Regula.

Mr. Hansen in five instances.

(The following Members (at the request of Mr. Matsui) and to include extraneous matter:)

Mr. Anderson of California in three instances.

Mr. Gonzalez in three instances.

Mr. Brown of California in 10 instances.

Mr. Annunzio in six instances.

Mr. Drinan in 10 instances.

Ms. Holtzman in 10 instances.

Mr. Jones of Tennessee in 10 instances.

Mr. Boner of Tennessee in 10 instances.

Mr. Natcher.

Mr. Thompson.

Mr. Rahall.

Mr. Simon in two instances.

Mr. McDonald in five instances.

THE LATE NELSON A. ROCKEFELLER, FORMER VICE PRESIDENT OF THE UNITED STATES

Mr. STRATTON. Mr. Speaker, as dean of the New York delegation and on behalf of the majority leader of the House and of the minority leader of the House, I offer a resolution (H. Res. 74) on the death of the Honorable Nelson A. Rockefeller.

The Clerk read the resolution, as follows:

H. Res. 74

Resolved, That the House has heard with profound sorrow of the death of the Honorable Nelson A. Rockefeller, former Vice President of the United States.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

Resolved, That a committee of such Members of the House as the Speaker may designate, together with such Members of the Senate as may be joined, be appointed to attend the memorial service.

Resolved, That the Sergeant at Arms of the House be authorized and directed to take such steps as may be necessary for carrying out the provisions of these resolutions and that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

Resolved, That as a further mark of respect to the memory of the deceased the House do now adjourn.

The SPEAKER. The gentleman from New York (Mr. Stratton) is recognized for 1 hour.

Mr. STRATTON. Mr. Speaker, this resolution of course expresses the sorrow of the House over the sudden and untimely passing last weekend of the former Vice President of the United States and Governor of New York, Nelson A. Rockefeller. As all of us in New York who had the privilege of knowing Nelson Rockefeller and serving with him—as I did over an exciting and hectic 20-year period, know that he was a most remarkable individual who gave fully of his time and enormous energies to public service in both the State and the Federal Government. His passing has created a great void, and he will be sorely missed by the people of the State and the Nation that he served so enthusiastically and diligently.

□ 1225

This public service began when Mr. Rockefeller was a young man, in the administration of Franklin Roosevelt as coordinator of inter-American affairs, and ended formally, but not informally, as Vice President under President Ford.

We in New York realize that his long governorship of our State resulted in many dramatic improvements, and transformed our State in many ways. For example, in my own district, which includes the capital at Albany, Governor Rockefeller, was responsible for creating what was known originally as the South Mall but now has been officially designated by Governor Carey as the Nelson A. Rockefeller Plaza, one of the truly architectural wonders of the modern world, and an urban redevelopment program of almost fantastic proportions. When the project first began it was widely criticized around the State. But today the Governor's vision and courage have been vindicated and people come from all around the world to see it.

Even Vice President Rockefeller's passing was characteristic of his fabulous drive and energy. Although he had officially retired from public life, although his wealth was obviously enough to allow him to spend his remaining days in leisure, he had embarked on still another project which was very dear to his heart. That was to make available to the people of the United States, at comparatively small cost, reproductions of the very remarkable collection of works of art, particularly modern art, which he had amassed over his lifetime. His death came last Friday night while he was working on the details of a book that would make those paintings available.

The gentleman from New York (Mr. Peyser), who is Vice President Rockefeller's own Congressman, has already obtained a special order on Thursday so that Members of the House might be able to pay their tributes to the late Vice President and his remarkable service to his country. So I will reserve the balance of my remarks for that time. But it might be appropriate to conclude by mentioning the fact that just about a year ago the organization of Former Members of Congress met in this Chamber for the unique purpose of presenting to the former Vice President, their special award for distinguished public service. At that time the former Vice President made a very profound and impressive address on some of the critical problems facing our Nation. Once again he demonstrated his profound understanding of the critical issues of our time, a subject to which he had also dedicated much of his time and energies in recent years.

Mr. RHODES. Mr. Speaker, will the gentleman yield?

Mr. STRATTON. I yield to the distinguished minority leader.

Mr. RHODES. Mr. Speaker, I thank my friend, the gentleman from New York.

It was with profound sorrow that Mrs. Rhodes and I learned of the passing of the late Vice President.

Nelson Rockefeller was not only a distinguished and able public servant. He was a person with great capacity for friendship and for love. We both have had the honor of being personal friends of the Governor. It is because of that warm personal friendship that I will miss him. He will leave a void certainly in the public life of our country, but he leaves a bigger void in the lives of those of us—and there were many of us—who knew him and thought of him as a very warm personal friend.

I join my friend, the gentleman from New York in expressing sympathy to Mrs. Rockefeller and her family.

Mr. STRATTON. I thank the gentleman from Arizona.

Mr. KEMP. Mr. Speaker, will the gentleman yield?

Mr. STRATTON. I yield to the gentleman from New York (Mr. Kemp).

Mr. KEMP. Mr. Speaker, I appreciate my friend, the gentleman from New York yielding, and I am glad to join my friend, Mr. Stratton in this bipartisan tribute to Governor Rockefeller.

It was 20 years ago this month, on a frigid morning in Albany, N.Y., that Nelson A. Rockefeller took the oath of office to become the State's 49th Governor since the American Revolution. Repeating the event three more times, he served as Governor for 15 years, to become affectionately known to a generation of New Yorkers as "the Governor."

To most he appeared to be a figure that was bigger than life, an activist, as he inspired civil servants, State legislators, and his personal staff to take on the toughest problems and find a solution. He knew there were no easy answers and that the political risks were high, yet he believed it would be an act of cowardice to avoid taking a stand on the most controversial issues of the day. While some of his decisions may not have been universally popular, he could rest assured, knowing he acted in behalf of his beloved State.

Perhaps, had he acted differently or taken the expedient approach in these tough situations, he might have grasped the brass ring—the Presidential nomination, as did other former Governors of New York. But Nelson Rockefeller never took the easy way, even when the stakes were at their highest. He knew that to achieve the Presidency and to lose one's principles along the way would be an empty victory. He never became President, but he will always stand tall as a national leader whose impact was felt far beyond the geographic boundaries of New York State.

He was the architect of open and responsive government in New York. Through his actions tens of thousands of young people got the chance to attend college, health care was brought to those who could not afford to be treated, and he was the first to take action to restore our deteriorating environment so that future generations could swim in clean lakes and rivers, and breathe healthy air.

It is difficult in a few words to mark the passing of a great man, indeed an institution. Nelson Rockefeller was a man of vision, a patron of the arts, a patriot, and an exceptional humanitarian. Although he never liked being second in anything, he agreed to serve as Vice President during a difficult time in our history. In that position, he turned his administrative expertise over to a new President in order to help get the country on the right track again.

It is a tribute to his life that he did not sit on the sidelines in the splendid isolation of wealth and let others play the game. He got on the playing field and gave it his best efforts. He led what President Theodore Roosevelt called "the strenuous life" and Nelson Rockefeller died as he lived—working.

On that cold day in Albany 20 years ago, many New Yorkers wondered what to expect from its new Governor, and he wondered aloud what sort of mark he would leave upon the State. Time has answered that question. Unlike footsteps in the sand that are soon washed away by the sea, Nelson Rockefeller has indelibly carved his mark upon the face of New York and its people. From the shores of Lake Erie to the beaches of Long Island are the thousands of parks, schools, buildings, cultural centers, health facilities, transportation systems, and housing that all stand in silent tribute to the career of one man. All of us shall miss him.

I strongly urge the adoption of this resolution.

☐ 1230

Mr. STRATTON. Mr. Speaker, I thank the gentleman from New York (Mr. Kemp) for the fine remarks he has made.

Mr. Speaker, just permit me to observe that former Vice President Hubert Humphrey was known around the Nation for many years as an examplar of the happy political warrior. In many respects Nelson Rockefeller represented the same kind of ebullient, enthusiastic and dedicated public service. Certainly this House and the people of this great Nation will miss him very, very much.

Mr. Speaker, I move the previous question on the adoption of the resolution.

The previous question was ordered.

The resolution was agreed to.

ADJOURNMENT

Accordingly (at 12 o'clock and 32 minutes p.m.), under its previous order and pursuant to House Resolution 74, the House adjourned until Wednesday, January 31, 1979, at 3 p.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

478. A letter from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to authorize appropriations for fiscal year 1979, in addition to amounts previously authorized for procurement of aircraft, missiles, naval vessels, and other weapons, and for research, development, test, and evaluation for the Armed Forces, and for other purposes; to the Committee on Armed Services.

479. A letter from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to authorize appropriations for fiscal year 1980 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training students loads and for other purposes; to the Committee on Armed Services.

480. A letter from the Director, Defense Civil Preparedness Agency, transmitting a report covering the quarter ended December 31, 1978, on property acquisitions of emergency supplies and equipment, pursuant to section 201(h) of the Federal Civil Defense Act of 1950, as amended; to the Committee on Armed Services.

481. A letter from the Attorney General, transmitting his annual report for fiscal year 1978 on the enforcement of title II (Extortionate Credit Transactions) of the Consumer Credit Protection Act of 1968, pursuant to section 203 of the act; to the Committee on Banking, Finance and Urban Affairs.

482. A letter from the Chairman of the Board of Governors, Federal Reserve System, transmitting a report on the study of the feasibility and usefulness of requiring depository institutions located outside standard metropolitan statistical areas to make disclosures comparable to those required by the Home Mortgage Disclosure Act of 1975, pursuant to section 308(a) of the act; to the Committee on Banking, Finance and Urban Affairs.

483. A letter from the Chairman, Federal Council on the Arts and the Humanities, transmitting the Council's third annual report on the arts and artifacts indemnity program, covering fiscal year 1978, pursuant to section 8 of Public Law 94–158; to the Committee on Education and Labor.

484. A letter from the Secretary of Health, Education, and Welfare, transmitting a re-

port on the Department's disposal of foreign excess property during fiscal year 1978, pursuant to section 404(d) of the Federal Property and Administrative Services Act of 1949, as amended; to the Committee on Government Operations.

485. A letter from the Secretary, American Battle Monuments Commission, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1978, pursuant to 5 U.S.C. 552 (d); to the Committee on Government Operations.

486. A letter from the General Counsel, Securities and Exchange Commission, transmitting notice of proposed changes in an existing records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

487. A letter from the Comptroller General of the United States, transmitting a list of reports issued or released by the General Accounting Office during December 1978, pursuant to section 234 of the Legislative Reorganization Act of 1970; to the Committee on Government Operations.

488. A letter from the Secretary of the Interior, transmitting notice of the bidding systems to be used and the tracts to be offered in OCS Lease Sale No. 49, pursuant to section 8(a)(8) of the Outer Continental Shelf Lands Act, as amended (92 Stat. 60); to the Committee on Interior and Insular Affairs.

489. A letter from the Clerk, U.S. Court of Claims, transmitting a copy of the court's judgment order in docket Nos. 13–F, 15–I, 29–G, 133–C, 141 and 308, *James Strong et al. and Related Cases* v. *The United States*; to the Committee on Interior and Insular Affairs.

490. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of the State Department's intention to consent to a request by the Government of Iran for permission to transfer certain U.S.-origin military equipment to the Government of Pakistan, pursuant to section 3(a) of the Arms Export Control Act; to the Committee on International Relations.

491. A letter from the Chief Commissioner, U.S. Court of Claims, transmitting the reports of the Trial Commissioner and the Review Panel on Congressional Reference Cases 2–74 and 1–75, *Marlin Toy Products, Inc.* v. *The United States*, pursuant to 28 U.S.C. 2509; to the Committee on the Judiciary.

492. A letter from the Secretary of the Army, transmitting a Corps of Engineers report on Madaket Harbor, Nantucket, Mass., pursuant to section 219 of the River and Harbor Act of 1968; to the Committee on Public Works and Transportation.

493. A letter from the Secretary of the Army, transmitting a Corps of Engineers report on Mill Creek at Ripley, W. Va., in response to a resolution of the House Committee on Public Works adopted July 18, 1963; to the Committee on Public Works and Transportation.

494. A letter from the President, Legal Services Corporation, transmitting the Corporation's budget request for fiscal year 1980, pursuant to section 1105(e)(2) of the Economic Opportunity Act, as amended (88 Stat. 380); jointly, to the Committees on Appropriations, and the Judiciary.

495. A letter from the Comptroller General of the United States, transmitting a report on Navy's shore-based ship maintenance support in the Western Pacific and Indian Oceans (LCD–78–426, January 26, 1979); jointly, to the Committees on Government Operations, and Armed Services.

496. A letter from the Comptroller General of the United States, transmitting a report on the Navy's shore-based ship maintenance support in the Western Pacific and Indian Oceans (LCD–78–426A, January 26, 1979); jointly, to the Committees on Government Operations, and Armed Services.

497. A letter from the Mayor of the District of Columbia, transmitting his response to the Comptroller General's report on mental health services at St. Elizabeth's Hospital (HRD–78–31, September 27, 1978), pursuant to section 736(b)(3) of Public Law 93–198; jointly, to the Committees on Government Operations, and the District of Columbia.

498. A letter from the Comptroller General of the United States, transmitting a report on the development of a domestic common carrier telecommunications policy (CED–79–18, January 24, 1979); jointly, to the Committees on Government Operations, and Interstate and Foreign Commerce.

499. A letter from the Deputy Assistant Secretary of Energy for Environment, transmitting certification that a safe container for air transport of plutonium has been developed and tested which will not rupture under crash and blast testing equivalent to the crash and explosion of a high-flying aircraft, pursuant to section 501 of Public Law 94–187; jointly, to the Committees on Armed Services, Science and Technology, and Interior and Insular Affairs.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ASHLEY:

H.R. 1566. A bill to amend section 521 of the Housing Act of 1949; to the Committee on Banking, Finance and Urban Affairs.

By Mr. BRINKLEY:

H.R. 1567. A bill to amend title 38, United States Code, to grant eligibility for home, condominium, and mobile home loan benefits to certain persons who are serving or have served in the Selected Reserve of the Ready Reserve of any of the reserve components of the Armed Forces; to the Committee on Veterans' Affairs.

By Mr. PHILLIP BURTON:

H.R. 1568. A bill for the relief of certain natives of the Philippines who served in the U.S. Armed Forces during World War II; to the Committee on the Judiciary.

By Mr. CARR:

H.R. 1569. A bill to amend the Employee Retirement Income Security Act of 1974 to provide that benefits paid by the Pension Benefit Guaranty Corporation under terminated employee benefit plans be adjusted annually by the percentage change in the Consumer Price Index; to the Committee on Education and Labor.

H.R. 1570. A bill to amend the Employee Retirement Income Security Act of 1974 to require the Pension Benefit Guarantee Corporation to insure certain nonbasic benefits; to the Committee on Education and Labor.

H.R. 1571. A bill to amend the Internal Revenue Code of 1954 to deny the business deduction for amounts paid or incurred for lobbying before Congress or other legislative bodies; to the Committee on Ways and Means.

H.R. 1572. A bill to provide for equalizing the costs of unemployment compensation, revising the extended benefits program, and for other purposes; to the Committee on Ways and Means.

By Mr. CARTER:

H.R. 1573. A bill to authorize the Secretary of Agriculture to convey any interest held by the United States in certain lands located in Bell County, Ky., to the Board of Education, Bell County, Ky.; to the Committee on Agriculture.

By Mr. COLLINS of Texas:

H.R. 1574. A bill to amend the U.S. Housing Act of 1937 for the purpose of assuring energy savings with respect to rental units assisted under such act; to the Committee on Banking, Finance and Urban Affairs.

By Mr. CONABLE:

H.R. 1575. A bill to amend the Internal Revenue Code of 1954 to exclude certain mission societies and their missionary members from social security taxes; to the Committee on Ways and Means.

H.R. 1576. A bill to amend the Internal Revenue Code of 1954 to permit a church plan to continue after 1982 to provide benefits for employees of organizations controlled by or associated with the church and to make certain clarifying amendments to the definition of church plan; to the Committee on Ways and Means.

H.R. 1577. A bill to amend section 403(b) of the Internal Revenue Code of 1954 with respect to computation of the exclusion allowance for ministers and lay employees of the church, and to amend sections 403(b)(2)(B), 415(c)(4), 415(d)(1), and 415(d)(2) and to add a new section 415(c)(8) to extend the special elections for section 403(b) annuity contracts to employees of churches, conventions, or associations of churches, and their agencies and to permit a de minimis contribution amount in lieu of such elections; to the Committee on Ways and Means.

H.R. 1578. A bill to amend the Employee Retirement Income Security Act of 1974 to permit a church plan to continue after 1982 to provide benefits for employees of organizations controlled by or associated with the church, and to make certain clarifying amendments to the definition of church plan; jointly to the Committees on Education and Labor, and Ways and Means.

By Mr. EDWARDS of Alabama:

H.R. 1579. A bill to amend the Communications Act of 1934 to establish orderly procedures for the consideration of applications for renewal of broadcast licenses to the Committee on Interstate and Foreign Commerce.

H.R. 1580. A bill to reaffirm the intent of the Congress with respect to the structure of the common carrier telecommunications industry rendering services in interstate and foreign commerce; to reaffirm the authority of the States to regulate terminal and station equipment used for telephone exchange service in certain instances; to require the Federal Communications Commission to make certain findings in connection with Commission actions authorizing specialized carriers; and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 1581. A bill to amend the Internal Revenue Code of 1954 to exclude certain service performed on fishing boats from coverage for purposes of unemployment compensation; to the Committee on Ways and Means.

H.R. 1582. A bill to disregard, for purposes of certain taxes imposed by the Internal Revenue Code of 1954 with respect to employees, certain changes since 1975 in the treatment of individuals as employees; to the Committee on Ways and Means.

H.R. 1583. A bill to amend the Internal Revenue Code of 1954 to provide income tax incentives to improve the economics of recycling waste paper; to the Committee on Ways and Means.

Mr. EVANS of Georgia (for himself and Mr. PEASE):

H.R. 1584. A bill to amend section 203 of the Federal Property and Administrative Services Act of 1949 to require, prior to disposal, that notice and first right of refusal be given to certain previous holders of surplus real property; to the Committee on Government Operations.

By Mr. FRENZEL:

H.R. 1585. A bill to amend title 18 of the United States Code to eliminate racketeering in the sale and distribution of cigarettes, and for other purposes; to the Committee on the Judiciary.

H.R. 1586. A bill to authorize the Secretary of Transportation to make grants for the construction of bikeways; to the Committee on Public Works and Transportation.

H.R. 1587. A bill to suspend the duty on gypsum building boards and lath until the close of June 30, 1981; to the Committee on Ways and Means.

H.R. 1588. A bill to amend the Internal Revenue Code of 1954 to allow the tax-exempt status of the interest of certain life insurance accounts to flow-through to policyholders; to the Committee on Ways and Means.

H.R. 1589. A bill to amend the Internal Revenue Code of 1954, and the Tax Reduction Act of 1975, with respect to employee stock ownership plans; to the Committee on Ways and Means.

H.R. 1590. A bill to amend the Internal Revenue Code of 1954 to permit heads of households to use the standard deduction used by married persons; to the Committee on Ways and Means.

H.R. 1591. A bill to amend the Internal Revenue Code of 1954 relating to group-term life insurance purchased for employees; to the Committee on Ways and Means.

H.R. 1592. A bill to amend title II of the Social Security Act to provide that insurance renewal commissions, and other income attributable to services performed prior to retirement, shall not be taken into account in determining net earnings from self-employment for purposes of the earnings tests; to the Committee on Ways and Means.

H.R. 1593. A bill to declare the need for an explicit population policy and to establish an Office of Population Policy; jointly, to the Committees on Government Operations, and International Relations.

H.R. 1594. A bill to regulate smoking in Federal facilities and in facilities serving interstate common carrier passengers, and for other purposes; jointly, to the Committees on Interstate and Foreign Commerce, and Public Works and Transportation.

By Mr. GORE (for himself, Mr. Jones of Tennessee, Mrs. Bouquard, Mr. Ford of Tennessee, Mr. Boner of Tennessee, Mr. Quillen, Mr. Duncan of Tennessee, and Mr. Beard of Tennessee):

H.R. 1595. A bill to clarify the authority of the Tennessee Valley Authority to establish and maintain administrative offices anywhere within its service area; to the Committee on Public Works and Transportation.

By Mr. KASTENMEIER:

H.R. 1596. A bill to protect the public health and welfare by providing certain minimum standards of sanitation for imported dairy products; to the Committee on Agriculture.

By Mr. KEMP (for himself, Mr. Ashbrook, Mr. Badham, Mr. Bauman, Mr. Brown of Ohio, Mr. Buchanan, Mr. Burgener, Mr. Campbell, Mr. Chappell, Mr. Clausen, Mr. Cleveland, Mr. Clinger, Mr. Collins of Texas, Mr. Corcoran, Mr. Coughlin, Mr. Courter, Mr. Davis of Michigan, Mr. Dickinson, Mr. Duncan of Tennessee, Mr. Edwards of Alabama, Mr. Edwards of Oklahoma, Mr. Erdahl, Mr. Forsythe, Mr. Gingrich, Mr. Goldwater, Mr. Goodling, Mr. Gradison, Mr. Grisham, Mr. Guyer, Mr. Hansen, Mrs. Holt, Mr. Hopkins, Mr. Horton, Mr. Hyde, Mr. Jeffries, Mr. Kindness, Mr. Latta, Mr. Lee, Mr. Lent, Mr. Livingston, Mr. Lott, Mr. Lungren, Mr. Madigan, Mr. Marlenee, Mr. Martin, Mr. Miller of Ohio, Mr. Mitchell of New York, Mr. Moore, Mr. Moorhead of California, Mr. O'Brien, Mr. Pashayan, Mr. Quillen, Mr. Ritter, Mr. Robinson, Mr. Roth, Mr. Rousselot, Mr. Rudd, Mr. Shumway, Mr. Shuster, Mr. Spence, Mr. Stangeland, Mr. Stockman, Mr. Symms, Mr. Vander Jagt, Mr. Walker, Mr. Wampler, Mr. Whittaker, Mr. Bob Wilson, Mr. Winn, and Mr. Young of Alaska):

H.R. 1597. A bill to establish a spending limitation; to the Committee on Rules.

H.R. 1598. A bill to provide for permanent tax rate reductions for individuals; to the Committee on Ways and Means.

By Mr. LAGOMARSINO (for himself and Mr. Akaka):

H.R. 1599. A bill to provide that time spent by American civilians in enemy prisoner-of-war camps and similar places shall be creditable (as though it were military service) toward pensions, annuities, or similar benefits under various Federal retirement programs; jointly, to the Committees on Armed Services, Interstate and Foreign Commerce, Post Office and Civil Service, and Ways and Means.

By Mr. SCHULZE:

H.R. 1600. A bill to aid in the creation and expansion of American small Business enterprise through the enactment of tax reform and relief amendments to the Internal Revenue Code of 1954; to the Committee on Ways and Means.

By Mr. LEACH of Iowa:

H.R. 1601. A bill to amend title II of the Social Security Act and chapter 21 of the Internal Revenue Code of 1954 to provide mandatory social security coverage for Members of Congress, and for the President and Vice President, offsetting against any benefits based on the coverage so provided the amount of any civil service annuities simultaneously payable on the basis of such coverage; to the Committee on Ways and Means.

By Mr. McDONALD:

H.R. 1602. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

By Mr. MARLENEE (for himself, Mr. Barnard, Mr. Sensenbrenner, Mr. Lott, Mr. Kindness, Mr. Conte, Mr. Johnson of Colorado, Mr. Ichord, Mr. Lagomarsino, Mr. Nichols, Mr. Evans of Georgia, Mr. Hughes, Mr. Robinson, Mr. Glickman, Mr. Soloman, Mr. Price, Mr. Stockman, Mr. Whitley, Mr. Abdnor, Mr. Lundine, Mr. Fazio, Mr. Cheney, Mr. Jenkins, Mr. Chappell, and Mr. Weaver):

H.R. 1603. A bill to amend the Federal Mine Safety and Health Amendments Act of 1977 to provide that the provisions of such act shall not apply to stone mining operations or to sand and gravel mining operations; to the Committee on Education and Labor.

By Mr. O'BRIEN (for himself, Mr. Murphy of Illinois, Mr. Russo, Mr. Derwinski, Mr. Hyde, Mr. Yates, Mr. Mikva, Mr. McClory, Mr. Erlenborn, Mr. Corcoran, Mr. Anderson of Illinois, Mr. Michel, Mr. Railsback, and Mrs. Collins of Illinois):

H.R. 1604. A bill to amend the Disaster Relief Act of 1974; to the Committee on Public Works and Transportation.

By Mr. RAHALL:

H.R. 1605. A bill to amend the Internal Revenue Code of 1954 to treat permanently and totally disabled individuals in the same way as individuals who have attained the age of 55 for purposes of the one-time exclusion of gain from the sale of a principal residence; to the Committee on Ways and Means.

By Mr. ROUSSELOT:

H.R. 1606. A bill to amend the Internal Revenue Code of 1954 to provide for automatic cost-of-living adjustments in the income tax and withholding rates; to the Committee on Ways and Means.

By Mr. SATTERFIELD:

H.R. 1607. A bill to provide for the confidentiality of individually identifiable medical records; jointly, to the Committee on Interstate and Foreign Commerce, and Ways and Means.

By Mr. SATTERFIELD (for himself, Mr. Roberts, and Mr. Hammerschmidt):

H.R. 1608. A bill to amend title 38, United States Code, to revise and improve certain health-care programs of the Veterans' Administration, to authorize the construction, alteration, and acquisition of certain medical facilities, and to expand certain benefits for disabled veterans; and for other purposes; to the Committee on Veterans' Affairs.

By Mr. SIMON:

H.R. 1609. A bill to amend the Legislative Reorganization Act of 1946 to establish a board to supervise a school for congressional pages; to the Committee on House Administration.

By Mr. SLACK:

H.R. 1610. A bill to amend the Internal Revenue Code of 1954 to provide a tax credit or deduction to individuals who maintain within their homes a dependent aged 65 or older; to the Committee on Ways and Means.

By Mr. STAGGERS:

H.R. 1611. A bill to provide that certain territorial provisions in licenses relating to trademarked soft drink products shall not be considered to be in violation of the Federal Trade Commission Act or the Federal antitrust laws; jointly, to the Committees on Interstate and Foreign Commerce, and the Judiciary.

By Mr. WOLFF:

H.R. 1612. A bill to direct the Department of Commerce to prepare an economic impact statement with respect to the proposed rule of the Department of Commerce revising the criteria for determining standard metropolitan statistical areas; to the Committee on Post Office and Civil Service.

H.R. 1613. A bill to provide that statistical data and Federal benefits provided to a standard metropolitan statistical area be provided to the same extent to certain designated statistical areas under revised criteria of the Department of Commerce for designating such areas; to the Committee on Post Office and Civil Service.

By Mr. ZABLOCKI (by request):

H.R. 1614. A bill to promote the foreign policy of the United States through the maintenance of commercial, cultural, and other relations with the people of Taiwan on an unofficial basis, and for other purposes; to the Committee on International Relations.

By Mr. FRENZEL:

H.J. Res. 168. Joint resolution proposing an amendment to the Constitution of the United States to provide an age limit and a single 6-year term for the President; to the Committee on the Judiciary.

H.J. Res. 169. Joint resolution proposing an amendment to the Constitution of the United States to limit the tenure of office of Senators and Representatives; to the Committee on the Judiciary.

By Mr. GLICKMAN (for himself, Mr. Luken, and Mr. Kogovsek):

H.J. Res. 170. Joint resolution proposing an amendment to the Constitution of the United States providing for staggered 4-year terms for Representatives, for a limitation on the number of terms a person may serve in the House of Representatives or the Senate, and for other purposes; to the Committee on the Judiciary.

By Mr. DERWINSKI:

H. Con. Res. 38. Concurrent resolution expressing the sense of Congress with respect to the complexity of Federal income tax forms; to the Committee on Ways and Means.

By Mr. SATTERFIELD:

H. Con. Res. 39. Concurrent resolution expressing the sense of Congress with respect to the Internal Revenue Service's proposed revenue procedure on private tax-exempt schools; to the Committee on Ways and Means.

By Mr. CARR:

H. Res. 75. Resolution amending clause 2(n) of rule XI of the Rules of the House; to the Committee on Rules.

By Mr. FRENZEL:

H. Res. 76. Resolution to require that the Congressional Record contain a verbatim account of remarks actually delivered on the floor, and for other purposes; to the Committee on Rules.

H. Res. 77. Resolution amending rule XXII of the Rules of the House of Representatives to remove the limitation on the number of Members who may introduce jointly any bill, memorial, or resolution, and to provide for the addition and deletion of names of Members as sponsors after the introduction of a bill, memorial, or resolution; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII,

20. The SPEAKER presented a memorial of the Assembly of the State of California, relative to the Federal Republic of Germany's statute of limitations on war crimes; to the Committee on International Relations.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. PHILLIP BURTON:

H.R. 1615. A bill for the relief of Theresa Macam Alcalem; to the Committee on the Judiciary.

H.R. 1616. A bill for the relief of Caroline M. Babcock; to the Committee on the Judiciary.

H.R. 1617. A bill for the relief of Marie Georgette Claire Danielle Bouchard Bihr; to the Committee on the Judiciary.

H.R. 1618. A bill for the relief of Roberto Santiago Galos, his wife, Flora Justina Borjas de Galos, and their children, Giselle Sofia Margarita Galos, Denise Renee Galos, and Leonie Desiree Claudia Galos; to the Committee on the Judiciary.

H.R. 1619. A bill for the relief of Rolando R. Gaza and Teresita C. Gaza; to the Committee on the Judiciary.

H.R. 1620. A bill for the relief of Edgardo Faro Herrera and Elisa Feliciano Herrera; to the Committee on the Judiciary.

H.R. 1621. A bill for the relief of Efren Segovia Hunter; to the Committee on the Judiciary.

H.R. 1622. A bill for the relief of Amelia B. Rivera; to the Committee on the Judiciary.

H.R. 1623. A bill for the relief of Ernestina Rosales; to the Committee on the Judiciary.

H.R. 1624. A bill for the relief of Norman Tam; to the Committee on the Judiciary.

H.R. 1625. A bill for the relief of Antonio T. Tangalin; to the Committee on the Judiciary.

H.R. 1626. A bill for the relief of Ralph Lafi Alisa Toelupe; to the Committee on the Judiciary.

H.R. 1627. A bill for the relief of Barry David Tombs; to the Committee on the Judiciary.

By Mr. FRENZEL:

H.R. 1628. A bill for the relief of Susan Katherine Adamski; to the Committee on the Judiciary.

H.R. 1629. A bill for the relief of William Greerson; to the Committee on the Judiciary.

H.R. 1630. A bill for the relief of Anthony McCartney; to the Committee on the Judiciary.

H.R. 1631. A bill for the relief of M. Javier Rivera; to the Committee on the Judiciary.

By Mr. LAGOMARSINO:

H.R. 1632. A bill for the relief of Jeffrey Parrack; to the Committee on the Judiciary.

H.R. 1633. A bill for the relief of Jeffrey Parrack and Wanda Parrack; to the Committee on the Judiciary.

By Mr. LEWIS:

H.R. 1634. A bill for the relief of Teresa Miramontes Yglesias; to the Committee on the Judiciary.

By Mr. RAHALL:

H.R. 1635. A bill for the relief of Kumarlal Khemchand Nichani; to the Committee on the Judiciary.

By Mr. ULLMAN:

H.R. 1636. A bill for the relief of Julia S. Gardner; to the Committee on the Judiciary;

By Mr. YOUNG of Missouri:

H.R. 1637. A bill for the relief of Irene Hoffman; to the Committee on the Judiciary.

H.R. 1638. A bill for the relief of the Jewish Employment Vocational Service, St. Louis, Mo., to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 34: Mr. BROWN of Ohio, Mr. DAN DANIEL, Mr. EDGAR, Mr. GEPHARDT, Mr. MCEWEN, and Mr. SCHEUER.

H.R. 35: Mr. BROWN of Ohio, Mr. DAN DANIEL, Mr. EDGAR, Mr. GEPHARDT, Mr. HOPKINS, Mr. MCEWEN, Mr. SCHEUER, and Mr. CLINGER.

H.R. 262: Mr. COLLINS of Texas, Mr. DODD, Mr. DORNAN, Mr. MCDONALD, Mr. MURPHY of New York, and Mr. MYERS of Indiana.

H.R. 282: Mrs. SCHROEDER, and Mr. HOWARD.

H.J. Res. 23: Mr. BROWN of Ohio.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

46. By the SPEAKER: Petition of the membership of Trinity Baptist Church, Lake Charles, La., relative to China; to the Committee on International Relations.

47. Also, petition of the 1978 National Convention of the American Legion, New Orleans, La., relative to the Federal Bureau of Investigation; to the Committee on the Judiciary.

48. Also, petition of Frederick Mosteller, Belmont, Mass., relative to the proposed transfer of National Science Foundation education programs to a new Department of Education; to the Committee on Science and Technology.

EXTENSIONS OF REMARKS

OFFSHORE OIL—MORE ENERGY

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 29, 1979

● Mr. COLLINS of Texas. Mr. Speaker, in this morning's mail, my friend Wally Roath asked if I had seen Dick West's column on offshore oil. Since Wally is an Armstrong Cork man, I wondered what his interest was. When I read the concise analysis by West, I see that offshore oil is essential as an answer to all of us for Energy.

This country has too much Energy Department bureaucracy and needs to give more encouragement to drillers to develop offshore oil.

Dick West has been writing editorials for the Dallas News for decades. Here is part of West's most recent excellent column in the Dallas Morning News:

The Department of Energy now employs 20,000 permanently entrenched employees with an annual budget of $10 billion.

For your information, the oil companies themselves don't earn that much in any given year.

The industry must employ 10,000 people just to handle the red tape and regulations conceived in the Department of Energy. The regulations, themselves, cost the companies $500 million each year; for half a billion, they could drill more than 3,000 new wells.

The consumer who fills 'er up once or twice a week is furious about the dent in his wallet. Has he taken the trouble to learn what's behind it?

Never, never does he realize the element of risk in the industry. And no other industry in America has such costly and often-ruinous risks.

Why don't we get it? he asks himself—as though getting it is as simple as pulling a head of cabbage out of a backyard garden.

The Continental Oil Company got a dry hole in its first attempt to drill off the Atlantic seaboard.

This venture cost Continental $4 million. It was a tremendous risk, as are all such ventures.

But the government never takes such a risk—in an operation like this, it gains any way you look at it. Two years ago the oil companies paid Washington $1.1 billion in bids just for the privilege of taking the risks.

If they don't hit, it's their loss—the record in offshore ventures is one producing well in 48 drilling attempts.

If they do hit, the government is the winner again.

From 1953 to 1977, the volume of offshore oil production amounted to $33.3 billion. Of this amount, the government got $25.4 billion in bids, rentals and royalties.

Commented columnist John Chamberlain not long ago: "If the $33.3 billion represented an obscenity, the government profited by taking 76 percent of it."

To the less knowledgeable who wonder why the companies don't rush out into the ocean

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

and get the oil as easily as a gardener pulls his cabbage, consider this: In the 1953–77 period, the industry paid $10 billion in offshore exploration and production costs—and at last reports it still was in the red on this operation.

In the immediate future, the oil and gas bounties—if any—appear to lie beneath the ocean floors.

Our coastal waters, geologists say, may contain 20 billion barrels of undiscovered petroleum; a third of all the oil remaining in the United States is in offshore areas.●

PRESIDENT McKINLEY'S BIRTHDAY

HON. RALPH S. REGULA

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, January 29, 1979

● Mr. REGULA. Mr. Speaker, Scotland has its heather, and, as you know so well, Ireland has its shamrock. Hawaii can boast of a multitude of magnificent orchids and Florida of its fragrant orange blossoms.

Ohio, the Buckeye State, is equally proud of its State flower, the red carnation, which is adding a pleasing splash of color to the House floor today.

This bright and lovely blossom was a favorite of William McKinley of Ohio, our Nation's 25th President. During his early political campaigns for the office I now hold, Congressman from Ohio's 16th District, he always wore a scarlet carnation boutonniere.

He initiated this custom in the campaign of 1876 when he and his opponent appeared together throughout the district. The carnations, incidentally, were willingly provided from a greenhouse owned by his opponent.

For many years now, on this date, I and my predecessor, the late Frank Bow, have distributed carnations to the Members of the House in memory of our martyred President's birthday.

Many of my colleagues have heard these testimonials before but this year there is an unusually large number of new Members. For them, especially, I would recall the distinguished career of William McKinley.

This man, who won fame for his Canton, Ohio, front-porch campaigns, ably served 13 years as a member of this body from Ohio's 16th District, including 2 years as chairman of the Ways and Means Committee.

He also had a distinguished career as a trial lawyer and served as Governor of Ohio prior to becoming President.

In one of his speeches as President he made a statement which I have repeated before. However, I think its message has special meaning for Americans today and for our country as it strives to reestablish its diminished eminence:

> Let us ever remember that our real eminence lies in victories of peace, not those of war. Our earnest prayer is that God will graciously vouchsafe prosperity, happiness and peace to all our neighbors—and like blessings to all peoples and powers on earth.

The carnations we are wearing today in observance of William McKinley's birthday were provided by Dale Anderson of the Lamborn Floral Co. of Alliance, Ohio.●

AN EVENING WITH LEONARD KUMMER

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

Monday, January 29, 1979

IN THE HOUSE OF REPRESENTATIVES

● Mr. LAGOMARSINO. Mr. Speaker, as many of us plod through life, burdened by responsibility, material worries and objectives, striving always for one's self, we often miss those who walk tall, standing head and shoulders above mediocracy, devoting their lives to serving their fellow man. One such person is Leonard Kummer of Santa Barbara, Calif.

His list of accomplishments and community service is legion; Santa Barbara Man of the Year. 1973; service to his community recognized by the California Assembly, 1974; advisory council to Santa Barbara Adult Rehabilitation Center; award for 20 years of service to scouting; charter member, director, secretary, president, and executive board member of the Santa Barbara Better Business Bureau; active member of Santa Barbara Elks since 1959; member, director, president, life member, Santa Barbara Chamber of Commerce; active in Kiwanis since 1936 receiving many of its awards for community service and unselfish dedication to youth; a participant in Santa Barbara Old Spanish Days since 1938, chairman of its parade for 2 years, its president in 1959; Meritorious Community Service Award from California Gov. Pat Brown in 1960 and from Gov. Ronald Reagan in 1971; Semana Nautica; Novena Toastmasters; Harbor Pageant; only non-Catholic in group of 10 to meet with Cardinal McIntyre, result, Bishop Diego High School, Santa Barbara; Santa Barbara Girls Club; WORK, Inc.; Tri-Counties Air Conditioning and Sheet Metal Contractors Association for over 30 years.

I personally introduced a resolution in the California State Senate, in 1973, commending Leonard Kummer for his program of voluntary binding arbitration to resolve, out of court, problems between business and consumers; my predecessor, the Honorable Charles Teague, entered into the RECORD a commendation for the same program.

With all these activities he still found time to work at his trade, plumbing, heating, and sheet metal.

A man who walks tall indeed. Is it any wonder that his friends wish to acknowledge our debt and pay tribute to Leonard at an "Evening With Leonard Kummer" on Saturday, February 17, 1979?

Because of this life of service to others I ask the Members of the House to join with me, his wife, Mary, and Leonard's myriad friends, in thanking this quiet, unassuming, dedicated man, and wishing him many more years of happiness.●

FREE KUZNETSOV NOW

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 29, 1979

● Mr. LENT. Mr. Speaker, I would like to direct the attention of my colleagues to a letter from the noted author, Herman Wouk, which appeared today in the Washington Post. In commenting on the 40th birthday of Edward Kuznetsov, well-known Soviet author imprisoned for his efforts to bring the plight of Soviet Jewry to the attention of the world, Wouk asks us to redouble our efforts to secure his release. Mr. Speaker, this is a cause for which we should all speak out. I ask that Mr. Wouk's letter be reprinted in its entirety that we may all speak out in demanding the Soviet Union end its brutal oppression of Soviet Jews, and release Kuznetsov and his equally courageous comrades who are suffering in Soviet prisons for their beliefs.

The text of the letter follows:

EDWARD KUZNETSOV'S 40TH BIRTHDAY

Today is the birthday of Edward Kuznetsov, one of the most famous of the imprisoned Soviet dissidents. Kuznetsov is 40. He has spent 15 of his 40 years incarcerated. He has seven more years of imprisonment to serve. Unless world opinion compels a swift reconsideration of his case, he will not survive to be freed. His health, deteriorated by prison life and by a hunger strike, is now at the breaking point.

Edward Kuznetsov is a fellow author. All over the world today, writers are speaking out on behalf of Kuznetsov—in letters such as this one, in speeches, at rallies, at artistic exhibitions, at concerts—wherever and however we can attract public attention to this remarkable and endangered human being.

Kuznetsov's legal offenses are these. First of all, he participated in the underground literary movement in Russia, *samizdat*, the private dissemination of "forbidden literature." For this he served seven years. We who live in freedom tend to forget that there can be such a thing as a forbidden literature, but in the Soviet Union it includes a large proportion of modern thought and art.

After his release, the undaunted dissident joined a rash and pitiful plot to steal an airplane and fly it to Sweden, as a stunt to call world attention to the plight of Soviet Jewry. The plot was exposed before the plan was put into action, and Kuznetsov was condemned to death. That was "commuted" to 15 years in the harshest of the *gulags*—the sentence he is now serving.

Kuznetsov is the son of a Jewish father and a Russian mother. He has himself insisted that his Soviet identity documents bear the special mark for Jews. Upon his first release from prison he tried to emigrate to Israel, thus removing a troublesome presence from the Soviet Union. Denial of that request led him to the desperate fiasco of the airplane plot.

If the Soviet authorities want to lend credence to their claim that their country lives up to the Helsinki agreements on human rights, here is a chance for an act of clemency with world repercussions among intellectuals and artists. Kuznetsov incarcerated is a widely known disgrace to the Russian people and to the Soviet system. Kuznetsov freed can be a visible token that times are changing, that the hopes of further détente, and of tangible results from the SALT talks, may not be the empty delusions that our hardliners scornfully call them.

HERMAN WOUK.

WASHINGTON.●

A STATE DINNER AT THE WHITE HOUSE

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Monday, January 29, 1979

● Mr. SYMMS. Mr. Speaker, today President Carter is hosting a State dinner at the White House for Teng Hsiao-ping, the 74-year-old Vice Premier of Communist China. Any number of Congressmen may, out of a sense of protocol, have to be on their best behavior with a man who is partially responsible for the murder of at least 45 million Chinese persons. Such diplomatic etiquette needs to be balanced as if one were meeting Adolph Hitler.

Vice Premier Teng (pronounced dun) is the official representative of Communist China and has been a member of the brigands that originated under the leadership of Mao Tse-tung. Teng was an early member of the Communist Party and trekked the wilds with Mao on his famous long march to the province of Yenang. Such an early antidemocrat is expected to be familiar with the words of his fellow traveler Liu Shao-chi who correctly epitomized Teng when he stated on July 13, 1947:

> There is no such thing as a perfect leader, either in the past or present, in China or elsewhere. If there is one, he is only pretending, like a pig inserting scallions into his nose in an effort to look like an elephant.

In the history of humanity, no greater murderer exists than Teng. Jimmy Carter's White House bash for this political heir to Caligula is reminiscent of the utter decadence of the last days of Rome. I urge all of those attending this event to remember the untold millions of corpses while they enjoy a dinner prepared in a free society for the totalitarian ruler of the People's Republic of China.

Mr. Chairman, at this time I should also like to introduce into the RECORD an excellent article that appears in the February 3, 1979, issue of Human Events. Smith Hempstone, a noted Washington journalist, writes in an article entitled "Let's Not Forget What Teng Represents" the true picture of this tyrant. It would behove the Members of Congress to read and understand the article:

LET'S NOT FORGET WHAT TENG REPRESENTS

(By Smith Hempstone)

For hype and hoopla, it promises to be the gaudiest spectacular since Superbowl XIII.

We will hear President Carter, his Camp David Middle East peace initiative in shambles, pull out all the stops in hailing a new era of peace and understanding between the United States and the People's Republic of China.

We will see Vice Premier Teng Hsiao-ping dutifully plodding over the frozen fields of a Middle Western farm, peering at the wonders of a Texas oil refinery and flinging witty aphorisms about cats that catch mice at television anchormen whose networks hope to open bureaus in Peking.

We will be treated to the spectacle of the entire American Congress in the unfamiliar setting of the Kennedy Center for a gala starring the top entertainers in the land.

But one thing we are unlikely to hear much about during Teng's visit is human rights, be it Chinese aggression in Tibet or the fate of the mainland's millions of Christians. The twice-purged Great Survivor made that clear as a nun's conscience in Peking on January 25 when he told a group of visiting American reporters:

"As for the question of human rights, I hope that we will not discuss it, because each has his own interpretation of the question."

Just so. And the Chinese Communist "interpretation" of human rights has according to Sinologist Richard L. Walker of the University of South Carolina, cost somewhere between 34 million and 64 million lives.

Ever since 1971, when diplomatic ping-pong became the vogue, many American visitors to China have found it convenient to accentuate the positive aspects of life on the mainland while ignoring the equally real and massive evidence of inhumanity there.

Former Sen. James O. Eastland, in commenting on this phenomenon some years ago, put it about right when he observed:

"It was almost as though American reporters in Hitler Germany during the 1930s had limited themselves to reporting that the streets were clean, there was an air of general prosperity, the trains were running on time, unemployment had been eliminated, and the people appeared well fed and contented. All these things were true about Nazi Germany. But any reporter who focused exclusively on these aspects of Nazi rule and ignored all the negative aspects would justly have been excoriated as a propagandist."

Which is not to say that the diminutive Teng and the forces he represents are the worst in China. They are not; indeed, they are the best that unhappy country can hope to experience under the yoke of communism. But one does not live to be 74 and reach the pinnacle of power under such a system, as Teng has done, without climbing a ladder of dead men's bones.

This is not to suggest that Teng should not have been invited here, or that his visit should be protested. Worse tyrants than he, including Comrade Brezhnev, have been our guests, and will be again.

But it is important that the American people understand what Teng is and why he is here.

He is here not because he loves us, but because he covets our technology, not because he respects our political system but because he needs us as a counterweight to the Soviet Union.

Teng is here to import computers, not constitutions; fertilizers, not freedom; radar, not religion; electronics, not elections. He is here because the massive failures of the totalitarian system of which he is part and product have made it impossible even for a people as industrious and intelligent as the Chinese to raise themselves, as their brothers in Singapore and Taiwan have done, above a bare subsistence level.

He is here, not because he is pro-American, but because he is intelligent and pragmatic enough to understand that China cannot hope to achieve great-power status without access to American technology and financial credits.

Because he needs these things and understands that people must have some incentive if they are to produce, he is willing to ease up a bit on domestic oppression. The scope of this tyranny was illustrated by the release in June of some 110,000 political prisoners, most of them Teng's supporters. Some of their cells in all probability will soon be filled by his foes, for the apparatus of control, the *Pao-wei* (secret police), remains firmly in place.

By all means, let us help China to modernize if by so doing we can restrain the Russians. But let's not kid ourselves about the nature and objectives of the regime in power in Peking.

We have made a marriage of convenience with a despotic, tyrannical state. Such calculated unions are best celebrated without a euphoria that is both undue and indecent.

In conclusion, Mr. Speaker, I would like to emphasize the irony in all this. Would President Carter be likely to hold a State dinner for Samoza of Nicaragua or the head of state of Chile or Botha of South Africa or Ian Smith of Rhodesia? I think not. But why not? If asked this question the White House or State Department would likely say that all of these leaders violate the principles of human rights. Now that is ironic, is it not? I suppose it is all right to violate human rights if you are a Communist dictator, but if you are an anti-Communist accused of human rights violation—well, that is another matter.

UKRAINIAN INDEPENDENCE DAY—1979

HON. LUCIEN N. NEDZI

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, January 29, 1979

● Mr. NEDZI. Mr. Speaker, January 22 marked the 60th anniversary of the proclamation of independence of the Ukrainian Republic.

The history of that period is rather hazy for us more than two generations later. It was a time which saw the collapse of the Tsarist forces, the coming of Kerensky, then of the Bolsheviks, and of efforts by the Allies to keep Russia in the war and by the Germans to get Russia out of the war. Inevitably, the Ukrainians had contacts with both sides. But the essential moving force of Ukrainian thought was to establish an independent state.

The idea of Ukrainian nationhood is, at this point in history, beyond achievement. But it is not beyond imagination.

What we can be sure of is there exists among people of Ukrainian blood a permanent sense of grievance.

The grievance is based on the collective memory of independence snuffed out, of famines, deportations, persecutions, and arbitrary controls. And the grievance relentlessly searches for means of popular expression.

We do not know where the undercurrent of Ukrainian protest will take them. We do know that longer than the Russians, perhaps longer than the Poles, the Ukrainian people have maintained a sense of national identity.

Generations of anonymous Ukrainians have worked, suffered, loved and died. They left children and grandchildren informed enough, caring enough, and daring enough to keep Ukrainian culture and nationalism alive.

This we acknowledged by observing Ukrainian Independence Day, and we thank them for alerting us once again to history, hope, and opportunity.●

UKRANIAN INDEPENDENCE

HON. PETER A. PEYSER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 24, 1979

● Mr. PEYSER. Mr. Speaker, I want to take this opportunity on the day of the congressional commemoration of the 61st anniversary of Ukrainian Independence to reaffirm the American people's dedication and commitment to the cause of human and civil rights both here at home and for the many peoples and nationalities of the world.

Today we are here to celebrate the anniversary of the freedom of a great nation of people in the 47 million of the Ukrainian nation. This is the largest of the 100 million of non-Russian nationality groups in the Union of Soviet Socialist Republics.

Today we memorialize and witness the continuing struggle for the social, cultural, and religious freedom and identity that is the mark of a truly free people.

Today, we pay tribute to a nation with a long illustrious, and often tragic history—a people who have fought domination many times throughout its centuries of existence.

The Ukrainian nation is a rich and prosperous nation. Its fertile lands and industrious people once earned it the title of "bread basket of Europe." It is a country blessed not only with a rich cultural and religious heritage, but also with natural resources from manganese and iron ore to coal and salt and oil.

Because of these resources the Soviet Russian regime has systematically explcited this region; at the same time it has systematically endeavored to deprive the people of this region of their social, cultural, and religious rights.

From the forced collectivization and resulting deaths of millions in the 1930's to the abolition of the Ukrainian Orthodox and Catholic Churches, to the recent persecution of those who sought merely to monitor and promote implementation of the Helsinki accords; the Soviet Union has followed a policy of Russification and resulting cultural and religious genocide in its attempts to subvert and destroy the uniqueness and spirit of a great people.

The Soviet Union in its own Constitution provides in article 124 that—

> In order to insure citizens freedom of conscience, freedom of religious worship, and freedom of anti-religious propaganda is recognized for all citizens.

Yet, despite this provision, it continues to practice its brutal antireligious policy and refuses to grant legitimacy to the Ukrainian Orthodox and Catholic religions.

The Soviet Union, a signatory of the Helsinki Accord granting basic human rights to participating nations, continues to persecute such leaders as Mykola Rodenko, Oleksiy Tykhy, Lev Lukyvnenko, and others who have attempted to monitor the implementation of these accords in the Soviet Union and the Ukraine.

Apart from these much publicized events there are other examples that demonstrate the policy of denial and destruction. Take for instance, the lack of adequate supplies of Ukrainian language books or the policy of favoring Russian language secondary school graduates over those from Ukrainian language schools in job opportunities and access to institutes of higher education. I cite also the persistent official denial of Ukrainian historical cultural heroes.

These examples may seem small matters in the world of détente and super power strategies and conflicts; but they constitute an important part of the everyday struggles these people must endure.

As important, such actions demonstrate that despite contrary official policy, the ruling regime continues to utilize its massive centralized state powers and control to methodically subvert and deny the reality of a unique and separate nationality.

Mr. Speaker, in the interest of basic human rights we call on all Americans to celebrate this great commemoration and we reaffirm our commitment not to allow détente to form the basis or justification for the continued denial of the identity of a great people.●

USFS FUELBREAK SAVES $2.6 MILLION OF TAX MONEY

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 29, 1979

● Mr. LAGOMARSINO. Mr. Speaker, much is said today about misspent tax dollars. If it please my colleagues in the House, I would like to mention some well-spent tax money.

Some of our Nation's most unique environment and priceless resources are contained in our national forests. Fires, from whatever cause, often decimate great areas of this environment, in addition to lives and private property. The Los Padres National Forest, part of which is in my congressional district in California, has only recently been able to complete the Nordhoff Fuelbreak in the forest behind the community of Ojai. This fuelbreak, late in September 1978, held the Cozy Dell fire to 900 acres. Without this fuelbreak a potential 7,400 acres would have been lost. The Cozy Dell fire cost $300,000 in damage and rehabilitation and $400,000 to put out. Professionally projected loss from this fire was $3,600,000. The Nordhoff Fuelbreak, 14 miles in length, cost $300,000 to construct, it saved the taxpayers, in this fire alone $2,600,000.

Today's modern fuelbreak, as opposed to the old firebreak provides many benefits, only two of which are: First, a safety zone for firefighters during the battle, and second, a protection of the scenic qualities of an area that would be degraded by hastily constructed fire lines. In this respect it is interesting to note that there are only 265 miles of fuelbreaks in the 2,000,000 acre Los Padres National Forest; 685 miles more are needed to properly manage and protect the many resources here.

Oldtime firebreaks left giant scars and were objectionable to almost everyone. The USFS has developed techniques to make fuelbreaks naturally appearing parts of the mountain slopes and ridges.

Because of this ecologically and environmentally significant breakthrough in the protection of life, property and natural resources, I would like to take this opportunity to congratulate the Department of Agriculture and the USFS.●

NEED MORE ENERGY—LESS PAPER

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 29, 1979

● Mr. COLLINS of Texas. Mr. Speaker, down in Texas people are disturbed about Government overregulation and excessive paperwork requirements. I have called on our businessmen to tell me about their own experiences. Here are some facts that I received from Frank Cass in Dallas who is a small gas producer with only three people working in his office:

> Let me give you an example of over-regulation. I have made my first filing under the Natural Gas Policy Act of 1978 for a determination covering "Interim Collection Authority" and "price request" for new gas under the NGPA. We have conducted an analysis of the time and number of documents to be filed with the Federal Energy Regulatory Commission, Jurisdictional Agency, the purchaser and offset lease owners to obtain a price determination under the present FERC procedures for *one* well. It should be noted that a separate filing must be made for each well.
>
> It requires 240 pages (legal and letter size) consisting of Federal and State forms plus, among other things, 40 pages of notary acknowledgements, 52 pages of certifications, 48 pages of various RRC documents, miscellaneous statements, etc. I have eight new wells selling gas that qualify under the NGPA for new gas pricing; 1,920 pages of documents must be filed to determine the new gas rates for these wells. There is no conceivable way I can do this paper performance without error or inadvertently omitting some instrument.
>
> To illustrate this point, what is being determined in the filing for rates under the NGPA for each well is (1) date spudded, (2) depth drilled, (3) completion reservoir, (4) proration unit and (5) property identification. I contend this information can be furnished on a single page. Provided the government found the information improper or not factual, then the massive filing should be required as we are subjected to up front now.
>
> FERC has resurrected all the old procedures of its predecessor agency that were discarded, set up a compliance procedure that proved obsolete and ineffective long ago, and subjected the producer to a paper blizzard that is ridiculous. This exercise was a failure when the FPC administered the Natural Gas Act controlling natural gas pricing; it is regula-

tion overkill. It will prove to be unnecessary red tape that will drive some people out of business, cut down production and eventually hurt the national interest.

Small business cannot withstand this form of bureaucratic regulation. Federal regulatory affairs have become the dominant factor in my business.

The small businessman with three employees is subject to regulations that would be too much for a Washington lawyer, a New York C.P.A., and a Harvard economist. I agree with this businessman that all of the facts could be put on one page. He has already filed all of these documents with the Texas Railroad Commission. If his basic facts are right, let the matter stand. Let us have less paperwork and more production. Let us have less Government so America can become self-sufficient in energy.●

POPE JOHN PAUL II'S VISIT TO LATIN AMERICA

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 29, 1979

● Mr. DERWINSKI. Mr. Speaker, Pope John Paul II's visit to the Latin American countries represents a great challenge not only for religious but also for diplomatic purposes.

I noted a very positive editorial in the January 22, Southtown Economist Newspaper, serving suburban Cook County, Ill., which I believe is a practical commentary on this historic trip.

I insert it at this point:

POPE JOHN PAUL II ACCEPTS CHALLENGE

Those who have traveled in Mexico can well imagine the impact of a visit by Pope John Paul II this month.

It will be the pontiff's first trip outside Italy since his election this past fall.

Mexico and Latin America hold almost half of the world's Roman Catholics and, in most cases, their devotion is overwhelming.

On the other hand, the government of Mexico has disassociated itself from the church and cannot offer an official welcome. That is an historical reminder of the controversial role of the church in the colonization of Latin America and in the turbulent period when these countries won their independence from colonial rule. Anti-clericalism became especially strong in Mexico in the aftermath of the Mexican revolution of 1910.

The pope's trip is not to be a social visit. He will be attending a critical meeting of Latin American bishops opening January 27 in Puebla, Mexico. A number of the bishops and priests want the church to support Marxist liberation movements in order to alleviate the blinding povery of the pious masses. Others want the church to steer clear of anything resembling politics, unless it is to support the established power, no matter how selfishly they use that power.

John Paul II knows first-hand the dangers of encouraging leftists and helping them obtain political influence. Having lived under communism in Poland, he is under no illusion as to the hostility of Marxism toward the church, toward religious freedom and indeed to all human rights.

It looks like a visit that will try the pontiff's skill in diplomacy and reconciliation.

John Paul II had been advised by many Vatican officials to avoid the Puebla meeting but he has courageously accepted the invitation. May he have the strength to meet the challenge.●

COMMEMORATING UKRAINIAN INDEPENDENCE DAY

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 24, 1979

● Mr. CONTE. Mr. Speaker, I take pride in joining my colleagues in commemorating the 61st anniversary of Ukrainian independence. While the shackles of Communism chain the people physically, the Ukrainian soul is still characterized by the indomitable independence which led to the rebirth of a sovereign nation—the Ukrainian National Republic—in 1917. This state's life was cut short by forced cooption by the Union of Soviet Socialists Republics in the early 1920's. But, as manifestation of the spirit of the Ukrainians, it has given inspiration to the generations which have followed. It is such spirit which deserves recognition and praise today.

One often wonders at how a people so oppressed can retain that idealism, that driving force for freedom. It is a tribute to the nation and her people that she has not been crushed by the countless burdens inflicted upon her. In the late 1920's Soviet fear of rising independence movements culminated in a mass attack on Ukrainian culture. The intellegentsia began to be dismantled, the planned destruction of the orthodox church was undertaken, forced collectivization of the peasantry became an overriding goal, and most importantly, the deportation of the youth—the future portenders of Ukrainian culture and spirit—began. All were designed to annihilate the particular characteristics of the Ukrainian culture. Yet, six decades of oppression have been countered by six decades of Ukrainian struggle for independence. Although classified as a captive nation, the Soviets have been unable to capture the minds and hearts of these people.

As a free Nation, we often become too complacent about our apparent freedoms. We have the liberty to speak our minds, to publish our ideas, to worship as we please. Yet, for the 50 million Ukrainians and millions of others throughout the world, such liberties are only ideals. But such ideals have kept the quest for freedom alive.

I have let my voice be heard on the plight of the captive nations countless times. As these words echo and re-echo from this well, I hope that their import will transcend the bounds of mere rhetoric and help to inspire the Ukrainians to continue their struggle. Without a doubt, the perseverance of these people is inspiration to all freedom lovers around the globe. It further makes us realize that despite its shortcomings, the American system which nurtured freedom and human rights throughout the decades is a system worthy of admiration, respect, and love.●

THE DISTRICT AND HOUSE DEPENDED ON REPRESENTATIVE NATCHER

HON. FRANK THOMPSON, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, January 29, 1979

● Mr. THOMPSON. Mr. Speaker, an article appeared in the January 27, 1979 issue of the Washington Star which I hope my colleagues in the Congress will read.

The title of this article is "The District—and House—Depended on Representative Natcher" and it pertains to our friend BILL NATCHER of Kentucky.

The article follows:

[From the Washington Star, Jan. 27, 1979]

THE DISTRICT—AND HOUSE—DEPENDED ON REPRESENTATIVE NATCHER

(By Diane Brockett)

The name William H. Natcher for many people conjures up the image of the District's foremost budget cutter.

He is the man who as chairman of the House District Appropriations subcommittee single-handedly blocked the proposed subway and proposed convention center, who ordered the District to increase D.C. taxes or he wouldn't give them their requested federal payment increase, who in his Southern gentlemanly soft-but-firm tone chastized numerous D.C. officials over the years for appetites grander than the District's pocketbook.

But now that the Kentucky representative is stepping down as chairman after 18 years, the one thing that anyone close to the situation is quick to say is that "the District is losing a friend."

Natcher will remain on the D.C. subcommittee, but is relinquishing the chairmanship to assume the leadership role being vacated by Rep. Daniel Flood on the Appropriations' labor and health, education and welfare subcommittee.

Although the rhetoric and headlines every year targeted what programs were headed for the Natcher ax, the actual figures are that, during Natcher's tenure, the District's operating budget requests—before the current year's when the shadow of Proposition 13 echoed in most congressional committees—were cut less than one-half of one percent.

Today, the District has a $1 billion budget in addition to millions more in federal program funds and is at the tail end of a 10-year capital program unmatched in any other city, one Capitol Hill staffer pointed out. "Basically, he has supported the city and what it's wanted," the staffer said.

"He has basically supported us except where certain issues had a larger perspective than the city," a District Building official agreed.

The two primary examples of those exceptions are the subway and D.C. police department.

Natcher, adamant about the need for a "balanced transportation system," held up funding for the new Metro system for two years, attempting to force D.C. and Arlington to build driveways as well as a subway.

And he has been a sharp-eyed friend of the D.C. Police Department, refusing all proposed cuts and standing fast on the need to add an additional 2,000 officers to the District force in the late 1960s.

Both items "scarred his image, maybe somewhat unfairly," one person who worked with Natcher a number of years recalled.

The subway versus highway controversy came at a time when blacks were fighting superhighways as "white men's roads through black men's homes," and the police additions came when the D.C. Department was "just plain unpopular," the source said.

Natcher vigorously opposed the D.C. convention center proposal when then Mayor Walter E. Washington first suggested it, but after home rule was enacted, the chairman said it was the city's decision to make, and he became an active supporter of the project.

The annual appearance before Natcher was an uncomfortable one for many D.C. bureaucrats, especially those who had been cited in a GAO report or newspaper story for financial waste or other shenanigans. The reports and articles always laid in a pile to his right, ready for refreshing the memory of a forgetful witness.

However, said one who appeared before him regularly for more than a decade, "if you met his number one requirement of absolute candor and had done your homework, you always got a fair shake with Natcher."

And although Natcher requested detailed statistics from each department annually, only once in his 18 years as chairman did he ask for a special investigation in any area and that was at the request of another committee member. Similar investigations have not been infrequent by his counterparts in the Senate.

Another difference between Natcher and the Senate side of the hill has been that senators have relinquished the D.C. Appropriation Subcommittee chairmanship just as soon as another became available.

Another aspect of Natcher's chairmanship that the District government may miss is that, once Natcher had approved the budget the fight was over, several persons agreed. The full Appropriations Committee and then the full House would take only a pro-forma vote adopting his package.

While the District budget, over which Congress has total authority, is generally of little to no interest to other members, several hill insiders said it could easily come in for more scrutiny by the full committee and on the floor under a new and more liberal chairmanship. "Under Natcher's care, everyone is assumed it was well taken care of," one member said.

One phrase used by everyone asked about Natcher was "a man of integrity."

For the District, this meant a chairman who never called the District Building to recommend someone for a job or who used his almost absolute voice over District resources for other personal favors.

A very private man who avoids the press except to extend a courtly "good morning," Natcher also never used the chairmanship for political headlines.

Natcher's replacement won't be clear until next week when appointments to the committee are completed. The uncertainty is, as least in part, because it is one of the least promising leadership posts in the House.

The Carter administration is supporting the District's goal for achieving financial independence from Congress by 1982 and a set formula for the federal payment to D.C. If both of these come about, the House Subcommittee could be abandoned. It now appears the new chairman will likely be a freshman and thus an unknown quantity for the District.●

DEPUTY CHIEF EUGENE FLETCHER

HON. DANIEL K. AKAKA

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Monday, January 29, 1979

● Mr. AKAKA. Mr. Speaker, it is my pleasure to bring to the attention of my colleagues, Deputy Chief Eugene Fletcher, of the Honolulu Police Department, a man of great dedication, who retired on December 30, 1978.

A native of Texas, Deputy Chief Fletcher came to Hawaii in military service prior to World War II. In 1946, Fletcher joined the police force as a patrolman and continued to work through the ranks, serving in every major division of the department. After graduation from the Traffic Institute at Northwestern University, he took command in 1956 of the Traffic Division of the Honolulu Police Department until transferred to command the Criminal Investigation Division. In June 1968, he was appointed commander of the rural districts of the Field Operations Bureau, and on December 15, 1971 was promoted to Assistant Chief of Police as Head of the Technical Bureau. Fletcher became Deputy Chief of Police on June 5, 1974 and has served in that capacity since that date.

Not only was Fletcher an outstanding member of the Honolulu Police Department, he also held several different positions in community-oriented services. These positions have included being a member of the Board of Directors of the Niu Valley Community Association and President of the Board of Directors of the Princess Kealoha of Owners. Fletcher has served the Hawaiian citizens admirably since 1946 and deserves much recognition for his outstanding service to the Aloha State.

Mr. Speaker, I ask my colleagues to join me in congratulating this fine public servant for his many contributions to Hawaii and its citizens. No doubt the police department will face problems replacing a man who was such a highly able official and public spokesman.●

REMOVING EARNINGS LIMITATION FOR SOCIAL SECURITY RECIPIENTS

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 29, 1979

● Mr. McDONALD. Mr. Speaker, today I am introducing legislation to remove the outside earnings limitation on social security benefits.

Presently, eligible recipients between the ages of 65 and 72 have their social security benefits reduced if they are earning an income greater than $375 per month or $4,500 per year. The rate of reduction is $1 for every $2 earned.

Thus if an individual becomes eligible for social security benefits at age 65 and continues to work, he or she must pay what amounts to a tax of 50 percent on their income.

Mr. Speaker, this is grossly unjust on a number of grounds to those so penalized.

First, to deny the recipient his full benefits is to imply that social security is a welfare program—that if someone is earning outside income, he or she does not need the income from social security.

But this is not what those who have been paying social security have been told by their Government. The program was and is presented to them as a retirement program. And, although they are forced to pay into it for their own good, the payments are earned income held in trust by the Government to be repaid at age 65.

In other words, social security beneficiaries are not welfare recipients or wards of the State, but self-respecting Americans who have paid for the benefits they thought they would receive at age 65. They are entitled to receive these benefits as a matter of right.

Second, the earnings limitation is discriminatory, hitting hardest those who have limited means and who wish to continue working to supplement their income. Not only are their social security benefits reduced or eliminated, but they are taxed on their outside income to finance the social security benefits which they are not receiving. A person of greater means, on the other hand, may receive his full social security benefits while drawing a large income from his investments.

Third, by punishing those who work, the earnings limitation punishes and discourages productivity. Every individual has an unalienable right to pursue his own goals in life and his own happiness, and thus to continue to be productive after age 65 if he so chooses, for whatever reasons be they financial or psychological.

Therefore, Mr. Speaker, I sincerely hope that the Committee on Ways and Means will give this bill early and favorable consideration.●

THE EXPORT IMPERATIVE

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 29, 1979

● Mr. LAFALCE. Mr. Speaker, international trade is at long last now receiving attention as one of the most important economic subjects. This has been brought home to us by the substantial trade deficits which this country has been running for the past few years.

As has been true in the past, the first reaction to those deficits was renewed calls for higher tariff barriers against foreign goods, in order to protect jobs at home. While this protectionist wave is still mounting, a counter current has appeared, which empahsizes the other side of the deficit: the increasing U.S. inability to effectively compete both at home and abroad. As evidence for this trend, a congressional export task force has been formed; and the administration has announced a new export policy.

As Secretary Juanita M. Kreps argues in an incisive article in the January 17, 1979 edition of the Washington Post, entitled "Looking Beyond the Rush to China," international trade holds many benefits for this country. However, along with those benefits are many challenges for U.S. industry, because it must be prepared to seek out innovative products and technologies to sell in the emerging markets of the Third World.

Henry Brandon makes a similar point in an article in the January 20, 1979 edition of the Washington Star, entitled "America's need to compete." Drawing parallels between the British and the American experiences, the author calls for greatly intensified efforts by U.S. industry to compete in foreign markets, in order to avoid the fate of British industry.

The articles follow:

LOOKING BEYOND THE RUSH TO CHINA

(By Juanita M. Kreps)

The rush to China is on. It is reminiscent of the drive to trade with the Soviet Union when détente unfolded in 1972. U.S. businessmen are eager to supply nations throughout the world with the capital and technology that they seek to help them become modern industrial states.

The new export opportunities are welcome. But they foreshadow a significant expansion in worldwide industrial capacity that will eventually affect world trade in fundamental ways nd severely test both our commitment to free trade and our ability to compete. The emergence of new centers of industrial capacity abroad is a challenge that to date we have largely ignored.

The dilemma was captured by a question often raised during my recent trip to India: Why does the United States continue to produce goods which can be made more cheaply in other countries?

An answer based on the need for jobs in a nation with six million unemployed is unpersuasive to a nation that suffers a hundred million idle—a total that is roughly the size of our entire labor force.

It is not surprising that pressures for protectionism are strong today. They will mount as wordwide industrial capacity expands. With the help of Western capital and technology, China in time will be selling machinery, steel, chemicals and smilar goods to the rest of the world, including the United States. Countries such as India, with far fewer resources, will intensify their demands for access to Western markets for products such as textiles, with which the world is already oversupplied. The Soviet Union has ambitious plans for major new factories, built with Western equipment and technology to produce truck tires, automobile engines, television tubes, even blue jeans. The image of a generation of card-carrying comrades clad in American-style blue jeans gives as much pause, perhaps, as the one now being offered for refreshment in Peking.

As China, India, the Soviet Union and others build their industrial bases, they will make for themselves things they now buy from us; they will intensify their demands to sell in the United States; and they will compete with us in Third World markets.

In response, we can retreat into fortressed America, erecting walls around domestic industries threatened by competition from "cheap foreign labor" and restricting the transfer of capital and technology abroad.

But to do so would be inefficient, because it would lock us into wasteful patterns of production and would violate the basic principle of competition, which helped build the richest country on earth.

It would be self-destructive, because it would trigger a chain of similar defensive meausres around the world.

And it would be irresponsible, because it would condemn the world to missed opportunities as the engine of change embodied in U.S. economic power withers from lack of competition.

Alternatively, we can view what is happening as an opportunity, not a threat—an opportunity to apply our resources to the things we do best and most efficiently. Increasingly, much of our advantage will lie in the high technology and service industries. Increasingly, too, the change will involve a shrinking of old industries with all the pain that such decline entails. But if we believe that worldwide economic growth promises a better life for all mankind, we have a profound responsibility to help rather than hinder that promise.

Mere recognition of the gains from trade and a willingness to let it occur are not enough. Our survival as a world leader and our commitment to expanded trade cannot be taken for granted in a world reshaped by powerful new participants in international trade, many of which have highly centralized economies and are capable of bending economic decisions to political objectives.

To survive and advance, economic policymakers must look further ahead than is our custom. We need a clearer notion of probable shifts in the composition of world output and a realistic assessment of our future competitive strengths. We need to sustain an economic environment in which industries that offer the best promise for the United States in the years ahead can emerge and prosper. High employment, rationality in regulation and a tax system that encourages private initiative should all be part of this environment. At the very least, government should take care not to impede industrial development.

In short, we need an industrial policy that permits us to take advantage of the trade opportunities that lie ahead. We now lack a clear sense of direction, perhaps because we continue to think of our markets as domestic rather than worldwide.

Although these are not new issues, China dramatizes their importance. If industrial development around the world is to be a positive force and if we are to compete effectively with powerful new economies now bursting on the world scene, we shall have to do more to emphasize our industrial strength by providing the climate necessary to permit its full expression.

In recent discussions with Soviet leaders, I stressed the fact that trade itself is not our common goal. The goal is the well-being of all people, and reaching that goal is a common responsibility.

All of us will have to adjust. Countries that seek our markets will have to open theirs. We, in turn, must accept rapid economic evolution as our charter and deal with it with foresight. To do otherwise would impair mankind's chances for a better life. History will judge harshly a generation that fails to meet that challenge.

Perhaps cola in China, vodka on U.S. tables and blue jeans on Soviet youths will help ease the way.

AMERICA'S NEED TO COMPETE

(By Henry Brandon)

It will surprise many Americans, who feel a justifiable pride in American industrial power, that the Carter administration is deeply worried about the eroding competitiveness of American industry. But unlike the decline of American military dominance to "rough equivalence" with the Soviet Union or the dramatic enfeeblement of the dollar, this erosion has so far aroused relatively little public attention.

It was an act of true British smugness when in 1898 the board of General Electric of Great Britain gave an American firm permission to use its name, which after World War II led to a bitter controversy with General Electric of America and has cost millions in legal fees since then to settle. But however trivial in retrospect, it was indicative of what foreigners at that time thought of the risks of American industrial competition. They expected it to concentrate on domestic expansion.

Historically this period lasted until World War II. Then during the war American industry became the powerhouse of the Western alliance and by the end of that war was the most powerful in the world. In this second phase it was kept busy and prosperous by helping to restore the shattered industrial capacities of Western Europe and by the rearmament needs during the Cold War and the war in Indochina.

The third phase began about 10 years ago, when the American share of world markets began to fall from 23½ percent in 1968 to 14 percent in 1978. As a consequence the United States, despite the massive power of its industrial machine, is only sixth among the world's leading exporting countries, a loss that accounts for about half of the current American trade deficit.

A profound change of the whole world trading situation is in the making. International economic forces are challenging the United States as never before and unless American industry becomes more export-minded, this country is bound to fall even further behind in the fierce competition for foreign markets.

American companies have been in many ways as smug about this international challenge as the British were when they could rely on secure markets in the Commonwealth and in the colonies. They prefer to rely on the huge domestic market, which they know and are accustomed to. They find it hard to compete with such aggressive exporting countries as Japan and West Germany, whose industries are willing to cater to the specific needs of foreign countries. They are also up against better credit facilities offered by many foreign governments.

This lack of interest in exporting on the part of American industry and the growing competition from more efficient foreign manufacturers has not only hurt the American foreign trading balance, it has also reinforced protectionist sentiment, which will make congressional ratification of the world trade accords such a savage battle.

The forces arrayed against ratification can be gauged by the relatively small number of companies involved in exports: 100 of the major companies account for 50 percent of American exports and 2,000 for 85 percent of the total, of 300,000 manufacturers in the United States. Much will therefore depend on whether the administration can make the trade agreement palatable to American industry as offering great opportunities to be taken advantage of.

When the U.S.-USSR Trade and Economic Council took some 400 American businessmen to Moscow last December, it was not only to promote a list of 28 major projects worth close to $10 billion to expand trade with the Soviet Union, but also to open the eyes of these American businessmen to the opportunities of doing business with the Russians.

It would be an exaggeration to say that the reversal of last summer's restrictions on official visits to the Soviet Union was influenced by commercial considerations, but they did play a role. It would also be misleading to attribute the swift normalization of relations with China to the vast commercial opportunities that suddenly opened up with the abandonment of the principle of Chinese self-reliance.

But there is no doubt that concern that the United States would fall badly behind other countries in not being able to compete with other countries for Chinese orders helped to accelerate that decision.

The bitter battle over the ratification of the world trade accords in Congress will have a good deal in common with the ferocious fight over the SALT II agreement. Ratification of both will neither seriously restrain the arms race nor have a dramatic effect on world trade. Yet both will have an important salutary effect, and failure to ratify them would have devastating psychological repercussions on international relations in this unstable world.●

DAILY NEWS FINDS WIDE COST RANGE FOR SAME Rx

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 29, 1979

● Mr. ROSENTHAL. Mr. Speaker, several years ago I conducted a survey of pharmacies in the Washington, D.C., area as well as in New York City.

I found that for the identical prescription, prices were grossly inconsistent. They varied from store to store in the same neighborhood and, in some instances, even from customer to customer in the same drug store.

These findings were reaffirmed in recent days when the New York Daily News published the results of a similar survey in the New York-New Jersey metropolitan area.

These findings also emphasize the need for legislation I have introduced to promote better retail prescription drug price competition. My bills call for drug price posting and advertising, open dating of prescriptions, generic prescribing and dispensing, and patent licensing. The object of these four pieces of legislation is to improve competition, give consumers the information they need to make their decisions, and protect against abuses. The four bills are H.R. 43, the Prescription Drug Price Information Act; H.R. 44, the Prescription Drug Labeling Act; H.R. 45, the Prescription Drug Freshness Act; and H.R. 46, the Prescription Drug Patent Licensing Act.

The pricing practices discovered by the Daily News and by my survey are not unique to New York City or Washington, D.C. In the 6-year period separating these two studies, many similar ones have been conducted by the media, consumer groups, and others throughout the country and the findings have been the same. This is a nationwide problem. Accordingly, I am today inserting in the RECORD the report by the New York Daily News.

[From the New York Daily News, Jan. 21, 1979]

DRUG PRICE SPREAD A BITTER PILL—NEWS FINDS WIDE COST RANGE FOR SAME RX

(By Steve Lawrence)

Drug pricing is so chaotic in the New York-New Jersey metropolitan area that some people are paying four times more than others for the same precription.

Fourteen reporters, members of a Daily News investigative team, made 58 purchases in 47 drugstores in the five boroughs, Long Island, Westchester County and New Jersey, with identical prescriptions (20 capsules of 250 milligrams of tetracycline, a common antibiotic).

The lowest price was $1.20; the highest, $4.50, a difference of 364 percent. And one druggist in the Bronx apparently misread the prescription and charged $5.85 for 500 milligrams of tetracycline instead of 250.

The price variation did not seem to depend on the neighborhood. The highest priced drugs were bought in Harlem as well as Nassau County. The lowest prices were found on 14th St. in Manhattan, as well as in Nassau County's New Hyde Park.

SAME STORE, DIFFERENT PRICE

In four boroughs, two reporters intentionally took the same prescription to the same store. At two Manhattan pharmacies the reporters were charged different prices. However, reporters who checked pricing consistency of two pharmacies each in Queens, the Bronx and Brooklyn found no such discrepency.

At Halpern Pharmacy, 420 Second Ave., at 24th St., reporter Sheryl McCarthy paid $4.50 for her tetracycline. Six hours later Alex Michelini paid $2.25 for the same quantity and dosage of the drug.

"Gee I'm sorry to hear that because that's not right," said Halpern Pharmacist Donald Dinerman. "She must have been charged the price of a branded generic of tetracycline called Sumycin, which is about twice the price of the generic," he said.

Then, at Martin's Pharmacy, 451 Third Ave., at 31st St., Michelini paid $2.75 for his prescription. Three hours later, McCarthy was charged $2.95 for the same thing.

"It's possible, but the 20 cents doesn't really make any difference," said Louis Cohen, a pharmacist at Martin's. "Okay, so there may have been an oversight for the 20 cents," he said.

POOR BUSINESS PRACTICE

"There's no reason for that; it's really poor business practice," said Sal Rubino, executive director of the Pharmaceutical Society of the State of New York. "It not only alienates the consumer, but it shows he hasn't done his homework to determine the cost of business."

The prescription blanks were all signed on the "substitution permissible" line. Under a state law that went into effect last April, druggists receiving such prescriptions were required to fill them with a lower priced generic drug, instead of a higher priced, brand-name alternative.

A survey by The News last April showed that brand-name tetracycline such as Achromycin can cost 20 percent to 50 percent more than its generic equivalent.

The News team spent $173.57 in the latest survey. Purchases were made in at least five drug counters in each of the five boroughs; three each in Nassau and Westchester counties, two in Suffolk and four in New Jersey.

WIDE PRICE VARIETY

The result was 30 different prices for the same prescription in the 47 stores with most of the stores charging $2.75 to $3.95.

Three Manhattan stores charged the highest price, $4.50. They were Cambridge Chemists, 702 Madison Ave., at 62d St.; Halper Pharmacy, 420 Second Ave., at 24th St., and Harlem Community Pharmacy, 2149 Eighth Ave, near 116th St.

But a Manhattan store, Central Prescription Center, 145A Fourth Ave., at 14th St., charged the lowest price, $1.20. The next lowest price was $1.25 at the Pathmark Pharmacy, 2317 New Hyde Park in Nassau.

The survey did not determine which drugstores had the lowest or highest prices for a full range of drug products. But the message is that you can save a considerable amount of money by shopping and comparing prescription prices.

There was yet another hurdle for consumers. In New York, pharmacies are required to post the prices for the 100 most prescribed drugs. The News survey found that many are not complying with the law.

"Some wholesalers charge as low as $1 a hundred and some as high as $10 a hundred, so depending on the quality of the product and the pharmacist's costs, the retail price will vary," said the Pharmaceutical Society's Rubino. "And some of these places probably offer different services, delivery for instance, and that too would affect retail prices," he said.

Each borough sampled showed a considerable range of prices. In Brooklyn, for instance, the high was $3.95 and the low $1.29. In the Bronx, $3.95 was the highest price paid, but the low was $1.75. The Queens range was $3.95 to $1.50.

On Staten Island, reporter Mary Engels paid $3 to $1.89 for the same prescription. The Long Island high was $4.40 and the low was $1.29. New Jersey's prices showed the most limited range, $3.95 to $3, but the sample there also was the smallest.

The reporters who participated were: Jesse Brodey, Westchester County; Alice Murray and Jerry Cassidy, Long Island; Randall Sullivan and Bernard Rabin, Queens; Roger Witherspoon, New Jersey; Alex Michlini and Sheryl McCarthy, Manhattan; Albert Davila, Keith Moore and Robert Kappstater, Brooklyn; Mary Engels, Staten Island; John Cirri and Daniel O'Grady, the Bronx.

HERE'S THE DOPE ON PHARMACY SURVEY

Here is a list, 58 purchases, in the 47 pharmacies covered in the Daily News survey and the retail prices charged by them for the same amount (20 capsules) of the prescription drug, 250 mg, tetracycline:

WESTCHESTER COUNTY

Courtesy Drug, 109 Mamaronek Ave., White Plains	$1.59
Finch's Drug, Rye Ridge Center, Port Chester	$3.95
Less 10% Sr. Citizens discount	$3.55
Scott's Drug Store, 157 Westchester Ave., Port Chester	$3.85
Less 10% Sr. Citizens discount	$3.47

NASSAU COUNTY

Mar's Pharmacy, 152 7th St., Garden City	$4.40
Genovese Drug Store, 3056 Hempstead Turnpike Levittown	$1.29
Pathmark Pharmacy, 2317 New Hyde Park Road, New Hyde Park	$1.25

QUEENS

Carol Pharmacy, 64–28 108th St., Forest Hills	$3.19
Birchwood Pharmacy, 205–21 35th Ave., Bayside	$3.45
Blank Drug Corp., 28–16 Ditmars, Astoria	$2.75
Square Pharmacy, 103–04 Roosevelt Ave., Corona	$3.50
Disco Drugs, 82–13 37th Ave., Jackson Heights	$2.29
Blank Drug Corp., 28–16 Ditmars, Astoria	$2.75
Carol Pharmacy, 64–28 108th St., Forest Hills	$3.19
Estates Pharmacy, 169–01 Hillside Ave., Jamaica	$3.95
Whelan Drug, 147–02 Jamaica Ave., Jamaica	$1.50
Medical Hall Pharmacy, 108–15 Queens Blvd., Forest Hills	$3.19

SUFFOLK COUNTY LONG ISLAND

Melville Whitman Pharmacy, 638 Walt Whitman Rd., Huntington Station	$3.50
Rexall Liggett Drugs East Islip, 16 Wheeler Road	$2.69

NEW JERSEY

Broadway Health Pharmacy, 57 Broadway, Newark	$3.00
Hamilton Pharmacy, 3500 Park Ave., Weehawken	$3.95
Teaneck Drugs Inc., 939 Teaneck Rd., Teaneck	$3.50
Lozito's Pharmacy, 276 Trenton Ave., Paterson	$3.85

MANHATTAN

Gallery Drug, 131 E. 60th St.	$1.85
Halpern Pharmacy Inc., 420 Second Ave.	$2.25

MANHATTAN	
Martin's Pharmacy, 451 Third Ave. (31st St.)	$2.75
Central Prescription Center, 145A Fourth Ave.	$1.20
Cambridge Chemists, 702 Madison Ave.	$4.50
Martin's Pharmacy, 451 Third Ave.	$2.95
Halpern Pharmacy, 420 Second Ave.	$4.50
Harlem Community Pharmacy, 2149 Eighth Ave.	$4.50
Martley Drug Co. 731 Columbus	$2.95
Whelan Drug, 402 Sixth Ave.	$2.25
BROOKLYN	
Adams-Whelan Drug, 168 Montague St.	$1.29
Goldberg's Drug Store, 1709 Pitkin Ave.	$3.45
Harrico Pharmacy, 893 Manhattan Ave.	$2.99
Rossi Pharmacy, 1906 Eastern Parkway	$2.95
Saffrans Pharmacy Inc., 5624 Eighth Ave.	$3.95
Key Drug Co., 1212 Neptune Ave.	$2.39
STATEN ISLAND	
Millers Pharmacy, 173 Broad St.	$2.50
The Medicine Man, 2204 Victory Blvd.	$1.95
Green's Drugs, 253 New Dorp Land	$3.00
Delco Drugs, 3833 Richmond Ave.	$2.95
Dongan Hills Pharmacy, 1674 Richmond Rd.	$2.75
Say-On Drugs, Hylan Shopping Plaza	$1.89
BRONX	
Korvettes, 1998 Bruckner Blvd.	$2.75
Ratner's Pharmacy, 4196 White Plains Rd.	$3.95
Ju-Ton Pharmacy Corp., 236 Willis Ave	$5.86
Leff Prescription Center, 70 E. 161 St.	$3.39
Fordham Drug Store, 2487 Creston Ave.	$3.75
S&A Pharmacy Inc., 702 Allerton Ave.	$1.75
Ju-Ton Pharmacy, 236 Willis Ave.	$3.50
Leroy Pharmacy, 1448 Metropolitan Ave.	$2.25

DISASTER RELIEF CLARIFICATION

HON. GEORGE M. O'BRIEN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 29, 1979

● Mr. O'BRIEN. Mr. Speaker, today, I am introducing a bill to amend the Disaster Relief Act to clarify the intent of Congress in enacting the original legislation in 1974 with respect to the date an emergency or disaster commences for assistance purposes. I am pleased that 13 members of the Illinois delegation have joined me in cosponsoring this bill.

On January 16, President Carter declared 22 counties in Illinois eligible for emergency assistance and later added 2 additional counties. Unfortunately, the Federal Disaster Assistance Administration has determined that the current law permits Federal assistance for snow removal only from the date of the President's declaration. The emergency in Illinois began 2 days before the declaration. While I agree that local and State governments must plan in their annual budgets for snow removal, it is not possible to budget sufficient funds to anticipate the magnitude of snow removal that my district, and a large portion of the State has been forced to deal with this winter. Although 75 inches of snow means little in some mountainous regions of the country, in Illinois it is a disaster. And more is on the way. Local funds are exhausted and, in many communities, were already exhausted by the time of the President's declaration.

I welcomed the President's efforts to restrict Federal spending and reduce the Federal deficit. However, disaster assistance is not an area where Federal spending can be or should be reduced. We are dealing with human lives and property. I urge my colleagues to work with me in obtaining immediate hearings on this bill and swift enactment, so that proper assistance can be provided.●

NEW STUDY INDICATES MARKED EDUCATIONAL ACHIEVEMENT LEVELS FOR NEW YORK CITY CATHOLIC SCHOOL STUDENTS

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 25, 1979

● Mr. BIAGGI. Mr. Speaker, last spring, a major survey was conducted of some 100,000 students attending Catholic elementary schools in the city of New York. The results were released last week and they were extremely positive. The children surveyed were achieving on the average at a rate 2 or 3 months above the national norm in reading and math skills.

These dramatic findings are a tribute to the excellence inherent to the Catholic school system in the city of New York. The Archdiocese of New York has always run these schools with the highest degree of competence and as a result it is one of the most stable systems in the Nation.

Interpretations of the survey findings have been varied. Some point to the outstanding quality of the teachers in the system. Others cite the nature of the curriculum in the schools with its heavy concentration of learning the basic skills.

The absence of crime was cited as another contributing factor to the levels of achievement. I have a special interest in this area and this year I was successful in offering an amendment to the Education Amendments of 1978 to provide $15 million for 15 local educational agencies to establish or maintain school safety programs. If the diminution of school crime results in better education for students, my amendment is a step in the right direction.

Also of special interest to me is the dramatic improvements recorded among students attending the 100 title I parochial schools in the city. These schools are primarily located in inner city neighborhoods and have been designated as areas of educational deprivation. This permits the schools to be eligible for title I assistance. The survey revealed that in just over 1 year, students in these schools improved from being 4 months behind the national norm in math to only one-half a month behind and from 6 to 3½ months behind in reading.

These figures are quite relevant especially in light of the continuing dispute about the use of title I funds in non-public schools. I fully respect the need to separate church and state but I do not feel the distinction need be so overly rigid as to prevent Federal funds from being used to teach students basic skills. The New York survey indicates that where title I moneys are used in nonpublic schools it is producing excellent results. It must also be kept in mind that the parochial school system in New York has considerably widened its constituency in recent years with many more non-Catholics and minority students attending its schools. We cannot lose sight of the fact that the objective of title I is to improve the education of children.

I am most enthusiastic about the results of this survey. I commend the Archdiocese of New York for its outstanding administration of its school system and hope they will continue to pursue this standard of excellence.

At this point in the RECORD I wish to insert an article from the New York Post of Thursday, October 19, which discusses the survey at length:

CATHOLIC SCHOOL PUPILS MAKING HIGH MARKS IN MATH, READING

(By Peter Honerkamp)

New York City's 325 Catholic elementary schools are achieving at a level two to three months above the national norm in math and reading skills, according to newly released test results obtained by The Post.

The tests were given last spring to more than 100,000 students in the 3d through 7th grades.

The students were an average of 2.7 months above national norms in reading, and 2.5 months above the math norms.

"The parochial school results indicate achievement well above average. When you're dealing with large numbers of students a shift of one month is a very significant figure," said Dr. Leigh Van Ausdall, Senior Programs Manager at Scientific Research Associates, the national agency that conducts the tests for city parochial schools.

1978 IMPROVEMENT

"We're very encouraged by the results, especially the improvement in the last year. We've got nothing to hide. We're very proud of what we're doing and the fact that our students are bearing us out," said Brother Robert Kealy, Archdiocesan Associate Superintendent for Curriculum.

Catholic officials were quick to point out that credit for the dramatic results belongs equally to the increasing number of noncatholics enrolled, now over 25 percent of the students in city parochial schools.

Numerous reasons were cited for the dramatic success:

"Essentially it's the dedication of our teachers and the high expectations they have of their pupils," said Kealey.

PARENTAL INTEREST

Frank DeRosa, director of public information in the Brooklyn Diocese, credited parental interest, while Kealy noted that the absence of crime contributed to an "environment conducive to education."

They said that the small size of parochial schools enabled them to attain "a professional give and take among students, principals, teachers, and parents."

Officials pointed out that a student's intelligence is not a factor in the admissions policy. One said it is a "myth that Catholic elementary schools screen out intellectually undesirable applicants." The official said there is no evidence that any student was ever denied admission or expelled from an elementary school on the basis of his grades.

TITLE I SCHOOLS

Kealy referred to the results of the poverty-stricken Title I schools as a key indication of the parochial system's success. There are more than 100 parochial Title I schools in the city.

These inner-city schools, located primarily in Manhattan, Brooklyn and The Bronx, are located in areas the state has listed as "educationally deprived." This designation entitles them to special federal funding.

"Nationally, Title I students are performing well below the national norm," Kealy said.

In 1977 Title I parochial school students were performing at an average of over four months below the national norm in math and six months below it in reading.

But in 1978 the average student was only one half month below the national standard in math and three and one half months below it in reading.

MATH EMPHASIS

In math, where city parochial schools have placed increasing emphasis, students had done significantly better than in 1977, Kealy said.

In the Bronx the 4th through 7th grades averaged one and one half months above the national norm in 1977. In 1978 they averaged nearly three months above it.

Similar trends were evident in the other two counties of the Archdiocese, Manhattan and Staten Island, and in Brooklyn and Queens in the Brooklyn Diocese.

In Brooklyn and Queens math scores rose an average of more than one month from 1977 to 1978 while reading scores rose an average of one month.

The statistics also show that parochial school children are scoring well above the national standard on every grade level tested.●

THE PRESIDENT IS MISINFORMED ON OUR NATIONAL DEFENSE

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 29, 1979

● Mr. McDONALD. Mr. Speaker, the President in his state of the Union message stated:

> The American nuclear deterrent will remain strong after SALT II. For example, just one of our relatively invulnerable Poseidon submarines—less than two percent of our total nuclear force—carries enough warheads to destroy every large and medium-sized city in the Soviet Union. Our deterrent is overwhelming. . . .

This is a gross oversimplification. It is true that all the missiles fired from one Poseidon submarine, which carries 24 missiles, each having 10 MIRV's (Multiple Independent Re-entry Vehicles), could hit all major Soviet cities. But would it destroy them? Not likely. Under present Soviet Civil Defense readiness, most of the Soviet population would survive and most of its factories would be back in operation within weeks. In fact, if the radiation levels were tolerable the machinery would be in operation in an even shorter period of time. Yes, some buildings would have been knocked down and some utilities would be in bad shape. But this would be nothing as compared to the damage suffered by the American cities in a similar exchange. A Poseidon missile exploding in the center of a Soviet city would create a 100 percent damage radius of one-sixteenth of a mile—800 feet—against present Soviet defenses. The explosive power of one Soviet SS–9 or SS–18 warhead, 25 Megatons versus 50 Kilotons in a Poseidon warhead, could create a 100 percent damage radius of 14 to 20 miles. This means that a Soviet ICBM has 500 times the yield of destructive power of the Poseidon weapon. Our cities would be blown off the map. This is in addition to the fact our cities have few shelters, no evacuation plans and no protection for our factories. I ask you is that insurance or calculated insanity? ●

SOVIET UNION VERSUS UNITED STATES MILITARY STRENGTH

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 29, 1979

● Mr. LAGOMARSINO. Mr. Speaker, the upcoming congressional debate over the Salt II Treaty will raise a number of questions about the relative military strength of both the Soviet Union and the United States. The following article by William Randolph Hearst, Jr., warns that the massive increase in Soviet military spending over the past decade has eclipsed the effect of the deterrent force which the United States once possessed.

MILITARY MIGHT NOW FAVORS SOVIETS

(By William Randolph Hearst, Jr.)

For more than 30 years, the world's two great superpowers have maintained a rough equality in their military defenses. Russia has often enjoyed superior land forces, but the United States has, throughout that period, maintained effective sea power and nuclear supremacy.

Now it has all changed. The U.S.S.R. is stronger in just about every way. The balance that was believed to have staved off any aggressive action by the Russians has now tipped in their favor. The Soviets have a four-ocean navy, compared to our two-ocean force. They can out-gun us in just about every kind of warfare.

When we decided to abandon the B–1 bomber, they went ahead with their new Backfire bomber which is capable of reaching any part of Europe, Asia, or the United States.

The blunt truth: The United States of America is now second-best militarily, vulnerable to attack from a nation that declared its enmity toward us, and its goal of world domination, from the moment the communists seized control.

As I have pointed out at other times, being second-best militarily is like having the second best hand in a poker game—you lose, this is the time to play the role of Avis, in second place and trying harder.

This is why one finds it difficult to understand the opposition by some to the president's budget requests for higher defense spending at the expense of some of our social programs. It really is not a decision to be made in Washington, it is made in the Kremlin if we are to continue to seek equality with the Soviet war machine.

I am no warmonger, but I see no alternative. A course which leads to unilateral disarmament is sheer folly, and one which would virtually invite the Russians to shift to an aggressive role.

This year we will spend $112.4 billion on defense, which is 29.1 percent of the tax bill of $4,800 that would be paid by a married couple with a family income of $25,000.

By comparison, we will spend $159.3 billion on welfare and pensions which is 31.1 percent of the same tax bill of $4,800.

Let us admit freely that the military can be wasteful in its procurement programs and that it is reckless about cost overruns. Surely it can tighten up and do a more efficient job. But you can say the same for even foreign aid (a form of defense) which will nick the taxpayers for $7.1 billion this year.

I strongly support President Carter in his efforts to beef up defense spending and for heavier spending for NATO, and I urge him to go forward with plans for developing the neutron weapon for battlefield defense against armored equipment.

Another thing he might do to ease the cost burden on Americans, is to convince the West Germans and the Japanese to spend more on their own defense, relieving us of some of the responsibility.

There is a great deal of imbalance between what we spend for defense and what these two major allies spend.

The Pentagon says that West Germany is spending 3 percent of its gross national product for defense, and Japan—which is geographically vulnerable—is spending only 1 percent.

The United States is spending more than 6 percent of its gross national product for defense, a good portion of which goes to maintain the U.S. garrison in West Germany and the Pacific fleet that protects navy-less Japan.

It must be recognized, also, that the pressure on the U.S. dollar would be relieved if Japan and West Germany bore a greater share of their own defense needs. After World War II, it was perfectly normal to insist that both Japan and West Germany maintain a meager military force, but that time has long since passed.

Defense Secretary Harold Brown, on a recent trip to Japan, claimed some success in persuading the Japanese to pick up a more substantial share of Pacific defense costs. He said the Japanese had made a "great step forward," but he did not give any specifics.

I, for one, would not be very frightened to see both Japan and West Germany with large and powerful defense forces of their own. The same could be said for all of the NATO countries.

There is some movement underway by the West Germans and other NATO countries toward increasing their defense expenditures, the Pentagon stated to reporter John Hall of the Hearst Newspapers' Washington bureau.

Even so, the United States share of NATO defenses is increasing this year as a result of President Carter's heavy stress on the defense of Western Europe. Navy brass is said to be burned up because their programs were severely cut back to make room in the defense budget for increased air force and army costs in Western Europe.

If Japan and West Germany are to boost their defense spending, much maneuvering will have to be done. The Japanese are prevented by treaty from rearmament except for self-defense forces. West Germany's neighbors, especially France, have a deep-seated fear of a strong German force.

In fairness, it must be noted that, in constant dollars, United States outlays for defense declined by 1.2 percent between 1971 and 1977, reflecting, of course, the end of the war in Vietnam. West Germany, in the same period, increased its defense budget in constant dollars by 2.42 percent.

Thus, the framework for improvment is already in existence.

While there has been a modest improvement by the West Germans, that nagging imbalance in defense costs—which may be a major cause of the sinking dollar—continues, as it has since the end of the war in Europe.

It is time we got around to making the game more even so that, in pooling our defenses we can present a stronger front to Soviet aggression.

Let's deal ourselves the winning hand in this poker hand.●

INAUGURAL ADDRESS OF ROBERT J. BUCHERT

HON. WILLIS D. GRADISON, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, January 29, 1979

● Mr. GRADISON. Mr. Speaker, I wish to share with my colleagues the inaugural address of Mr. Robert J. Buchert, president of the Home Builders Association of Greater Cincinnati. His remarks are particularly appropriate as the 96th Congress begins to grapple with the problem of excess Government regulation.

His address follows:

A GREAT EXPERIMENT

As I accept the presidency of this association, I must think for a moment about what made this possible. The logical answer would be my parents; without them I wouldn't be here. But, what they really made possible, about my being here tonight, was a loving childhood, a good upbringing, a super home life and moreover, encouragement, continual encouragement, to be whatever I wanted to be, to do whatever I wanted to do. But then maybe what made it possible was the Arcose Company, where I became a carpenter's helper; or Coral Homes, where I was a draftsman and salesman; or Jim Brown, who needed a general manager; or Bill Ryan, who wanted to have a Ryan Home of his own. All of these things I'm sure helped to make my being here this evening possible. However, we all realize that the real reason it's possible for me to accept this presidency, is just that there is a Home Builders Association of Greater Cincinnati.

It is said that you would no more want to be in an industry without a trade association than in a community without churches. Just as churches set the moral environment in which to raise a family, so do trade associations set the ethical and economic environment with which to run a business. Trade associations are part of a great experiment in democracy, a bulwark against government regulations and dictatorship, a protector of our free enterprise system. As we near 1979 and set our goals for this association, we realize that it will be an unsteady and uncertain year, facing an economic downturn due to the tight money policy being used by our government, to cure the ills of past mistakes. It's our responsibility to review the problems that cause these drastic economic cycles that are so devastating to our industry.

FREEDOM TO BUILD

Just a little over two hundred years ago, George Washington designed and built Mount Vernon, his beautiful residence on the Potomac River. He had but two major hurdles to overcome: he had to expedite construction and he had to pay for it. He was free to be his own unlicensed architect, his own unlicensed builder. He was free to build to his own sensible building code. He was free to plan Mount Vernon for whatever square footage, whatever density he chose without approval from any zoning board or even private deed restrictions. He was free to cut any trees, to take advantage of any view of the river he deemed best without the prior approval of an environment protection agency, regional or state planning commission. He was free to hire whomever he pleased, at whatever labor rate he could negotiate, without interference from labor unions or government restrictions.

In our industry today there are enough regulations on a builder's freedom to discourage even George Washington. There is a maze of building codes, stretching from Mount Vernon to the Pacific Ocean, that defies understanding in their lack of uniformity. There are zoning restrictions that wouldn't even permit Mount Vernon to be built in some areas today. There are local planning commissions, regional planning commissions, environmental protection administrations, sewer and water commissions, fire and police commissions, noise and smoke abatement commissions, private deed restrictions, and even the Army Corps of Engineers standing in the way of the builder's freedom to buy land and develop it the way he chooses.

GOVERNMENT INFLUENCE GROWS

As we look at our country today, we see a powerful, but uncertain and unsteady giant caught in a growing web of government rules and regulations, to the point where it can no longer exert its strength.

Perhaps it's only a coincidence that the recent period of rapidly rising government spending and regulations also has been a time of soaring government deficits and unprecedented inflation. But we don't believe it's a coincidence at all. Despite the mounting record of failure and frustration, our leaders have failed to grasp the fact that too much government inevitably leads to economic decay. It should be obvious that the more government spends, the less wealth is left for productive investment as well as for private consumption. What is not so obvious is that private spending to meet government requirements has similiar consequences.

We should not argue with the need for government action to conserve energy, reduce harmful pollution and protect the health and safety of all of us. But what we must argue with is the tendency to sanctify each goal, to seek instant perfection with little regard for the cost and consequences, in our national effort to solve common problems caused by private choices.

We have spent too much time on moralistic and ideological disputes and too little time seeking practical compromises. Our real task in this effort is to find the best balance between benefits to people as citizens and cost to people as consumers.

THE ASSOCIATION RESPONDS

Through troubled times as well as the good, it should still be the goal of our association to accomplish—as a group—what we cannot accomplish for ourselves as individuals. We must continue to voice our opposition against deficit spending and over regulation in order to end these drastic economic cycles which dramatically affect our members, to protect the freedoms of the private enterprise system:

. . . freedom to choose to be a giant builder selling hundreds of millions of dollars of houses annually

. . . freedom to remain a small builder producing houses that are a pride to both the builder and to the buyer

. . . freedom to finance our building—large or small—with long-term mortgages and a modest cash downpayment

. . . freedom to build many houses at a time in various locations because of the availability of materials, tools and equipment

. . . freedom to build whole new communities and environments that were impossible to build when George Washington built Mount Vernon.

Working together we must preserve this freedom, not so much for ourselves, but for the generations that will follow us. Not so they can do what we do, but so they can do so much more. As an association and as individual entrepreneurs we must face the challenges of 1979 and get started now.

For, as a builder, we are the backbone of this nation. Collectively we employ more people directly and indirectly than any other industry in America. We use more initiative, have more technical skills, take greater risks and simply have more guts than any group of businessmen in America today. And when we prosper, this nation is in better shape and better served.●

CAPT. DAWN D. TANNER—AN OUTSTANDING LAW ENFORCEMENT OFFICER RETIRES

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 29, 1979

● Mr. ANDERSON of California. Mr. Speaker, the people of southern California rely on the automobile as its major mode of transportation. Here, each day, hundreds of thousands of people use their cars to travel to their jobs, schools, and favorite recreation spots. This creates congestion and safety problems of the greatest magnitude. The California Highway Patrol is given the enormous task of keeping order on the highway network. They are charged with enforcing the State's traffic laws and assuring safe travel. It is a heavy responsibility.

Today, I would like to share with you an account of how one individual, Capt. Dawn D. Tanner, lived up to this responsibility in an admirable fashion as commander of the south Los Angeles office of the California Highway Patrol. It is a special privilege for me to bestow this recognition, since this man displayed outstanding citizenship traits by serving the State of California through the highway patrol and at the same time serving his country with a career in the U.S. Naval Reserve.

Mr. Tanner was born in San Diego to Leola G. Tanner and Hurschel C. Tanner. He was raised in this city and graduated from Hoover High School in 1942. He furthered his education by traveling to the Southwest and attending the University of Arizona. He returned to the west coast to study at the University of California at Los Angeles and Pomona State College.

In 1942, Tanner began his long and achievement-filled career in the military service by enlisting in the U.S. Naval Reserve as an aviation cadet. Two years later he was commissioned an ensign-naval aviator. He fought in World War II, flying F-4U Corsairs in the Pacific.

He had a brief stint out of active military duty between the years 1947 and 1952 but was then called back once again to fly in combat. From the U.S.S. *Princeton,* Tanner flew intruder missions to North Korea. After this, he moved on to piloting jet fighters.

In 1967, he received recognition for his long and efficient service with promotion to the rank of captain. He continued to serve with the U.S. Naval Reserve until October 1975. He has been awarded the Navy Commendation Medal and 12 air medals earned during his 33 years of both active duty and Reserve service and 5,000 flight hours.

His career with the highway patrol paralleled his time with the Naval Reserve. In 1949 he joined the organization as a radio dispatcher in San Diego. After 2 years he entered the Highway Patrol Academy as a traffic officer, then was assigned to Ventura as a motorcycle officer.

He applied his aviation skills with the highway patrol by flying in the patrol's first fixed wing aircraft program in 1960. His quality performance earned him an assignment as the supervisor of the third CHP fixed wing aircraft program in Indio. In 1968 he was promoted to the position of lieutenant and assigned for the first time to the south Los Angeles office. A transfer took him to San Diego, then a promotion to captain brought him back to command the south Los Angeles office.

During his tenure as commander of the south Los Angeles office, the highway patrol was experiencing difficult times. The demands made by Californians for tax relief brought great budget reductions in many State agencies, including the California Highway Patrol. At the same time the number of vehicles on the highways and vehicle miles traveled continued to soar. However, this did not prevent Commander Tanner from giving the southern Los Angeles community excellent service. By implementing a number of cost cutting measures such as developing a more effective personnel deployment policy, he managed to absorb the cuts and still prevent a rise in accident rates or a reduction in arrest rates.

Mr. Speaker, the law enforcement effort in Los Angeles county will certainly miss the talents of this man. He deserves the highest recognition for what he has done to make our freeway system work.

My wife, Lee, joins me in congratulating Mr. Tanner for his outstanding career with the California Highway Patrol. His years of service with the California Highway Patrol combined with his service in the U.S. Naval Reserve make him a citizen of great standing. We also offer our best wishes to his wife, Mary, and their children Eric, Mary, Dane, Joan, and Randy.●

BOTSWANA—AND EDUCATION IN THE UNITED STATES

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 29, 1979

● Mr. SIMON. Mr. Speaker, columnist William Raspberry, whose writings appear in newspapers throughout the country, recently had a column commenting on the teaching of English in Botswana, that country in southern Africa that defies the circumstance of geography to provide an example of stability and progress.

But more than a commentary about Botswana is the commentary on education in the United States.

The column suggests that the efforts of our colleague, Representative Ron Mottl, of Ohio, to encourage basic education make a great deal of sense.

I hope my colleagues will take the time to read the Raspberry column.

WHY BOTSWANIANS CAN WRITE

WASHINGTON.—I've been making excuses to Ernie Ingram, a tennis-instructor friend who is trying to talk me into taking lessons.

I'd like to play better, of course, but the truth is I have no patience for practicing footwork, rehearsing kneebends, swinging at balls thrown at me by a machine, or the other drills that Ernie thinks are so important to a good game. Tennis, even when poorly played, is fun. Drill isn't. That's why I keep making excuses.

So why is it that I have no sympathy for teachers who want to teach writing while sparing their students the tedium of drills on grammar, spelling, punctuation, sentence structure, and paragraphing?

Why don't I want students to get directly to the fun part: drawing on their imagination and creativity, writing about things that interest them, taking a shot at exposition, argumentation, and description, without all those boring drills?

You see the logical trap, of course, even if an entire generation of educators has managed to miss it. I never expect more from my tennis than to have fun and keep myself in reasonable physical condition. For my purposes, mediocrity will suffice.

But learning to write is not primarily recreational, although writing can be a good deal of fun. Good writing, like good arithmetic, good music, and good tennis—requires discipline, a grounding in the basics until they become second nature. It requires drill.

And if this flies in the face of the learning-should-be-fun precept of recent years, so be it. Adherence to that precept may be one of the key reasons why so many young Americans write so badly.

An article in the August issue of Human Nature magazine makes precisely that point. The author, Edward T. Hall, had been aware of the decline in the writing ability of the students who came to his private school.

But it wasn't until he went off to Botswana, to teach English to boys and girls for whom it is a second language, that the reason crystalized for him.

"The Botswana program is as rigid and authoritarian as the American one was loose and permissive," he found. "One of the required exams [for future academic opportunities] is English language. . . . To prepare students for this exam we give them an essay nearly every week, or as often as we can. We give them practice in English usage, punctuation, and vocabulary. We correct with care and require revisions of papers until they are acceptable. We stress proper paragraphing."

And the result? "The 15- and 16-year olds whom I have had in this program for two years write better and with more ease than the privileged 17-year-olds I left behind in America four years ago. And only a handful of my students know English as their first language."

Hall acknowledges that the Botswana program is too rigid, even for his taste. For example, the literature examination is based on only four or five "set" books, and only these books are taught in the literature classes.

He also acknowledges that the course is old-fashioned, repetitious, and, yes, boring—so much so that American students would surely rebel. But:

"Boring drills are as necessary to the ability to speak and write correct English as piano scales are to the ability to play concertos. There are some things that students simply will not learn without routine practice.

"Young Africans here tend to say: 'I am ready of going,' or, 'We will eating.'' The only way to correct this type of error is by precise and patient drill.

"I think that the American student who says, 'I would of come,' or, 'Play like you mean it,' needs the same treatment. At the moment, he or she is not getting it because teachers in America are afraid to stifle a student's 'individuality' or to restrain his 'creativity' by instructing him to write well."

Hall believes that the biggest problem with the esoteric electives routinely available in many American schools is less in the courses themselves than in the time they take away from the classics. "Science Fiction" or "The Literature of War" are fine, but not at the expense of Shakespeare, classical novels, and poetry.

But his major pitch is for a solid grounding in the basics. "Teachers are shortchanging our young people, whatever their race or background, if they let a false emphasis on self-expression stand in the way of accuracy and basic skills," he said. "Their attitude reminds me of Robert Frost's observation that 'free verse is like playing tennis with the net down.'

"They are teaching netless tennis when they refuse to point out or correct errors in students' spoken and written English."

Maybe I'll give Ernie Ingram a call after all.●

THE DEPARTMENT OF EDUCATION: BORN LOSER

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 29, 1979

● Mr. MICHEL. Mr. Speaker, Washington Post columnist William Raspberry has written an incisive and thoughtful column about the proposed Department of Education. Since Mr. Raspberry writes so well, I will let him speak for himself. I only want to say that either the Congress makes a firm stand on this issue and ignores the threats of reprisal from the well-financed, special-interest big education lobbies, or else the American educational system will be totally dominated by those who have given it such horrors as declining test scores, parent and taxpayer dissatisfaction, and the epidemic of illiterate high school graduates that has become the disgrace of many American school systems.

The Washington Star recently published an editorial which addressed the same problems in education. The Star quotes one scholar who states the Federal Government's involvement in education has been a multibillion-dollar source of fraud and political interference. Amen.

At this time I insert in the Record "A Federal Education Policy," by William Raspberry, the Washington Post, January 26, 1979, and "The Literacy Hoax," the Washington Star, January 27, 1979.

A FEDERAL EDUCATION POLICY?

(By William Raspberry)

I suppose there may be some bureaucratic efficiencies that have resulted from the creation of the Department of Energy.

But bureaucratic efficiency was not the reason for creating the department. President Carter wanted to pull together the bits and pieces of energy programs scattered throughout the federal bureaucracy for one principal reason: so that the federal government could bring a unified approach to energy—so it could get a handle on energy policy.

Similarly, there might be some efficiencies that would result from the creation of a Department of Education, though I doubt it.

But don't kid yourself for one second that efficiency is the reason the backers of the idea are so fervent about it. The real reason is that pulling together the bits and pieces of education-linked programs presently scattered throughout the federal bureaucracy would give the federal government—and those who could reasonably expect to influence the new department—a handle on educational policy.

The difference between the two things is this: We were pretty well agreed that we needed a rational, consistent federal policy on energy. But we are by no means agreed that we want a federal policy on education, with Washington taking over more of the policy function now relegated to state and local officials.

We aren't agreed because we haven't even debated the question. We haven't understood that the creation of a Department of Education is in fact a policy question, not merely a matter of efficiency.

Do we want a federal policy on education? The impulse is to say: Why not? Standards (for high school graduation, for instance) vary so much from jurisdiction to jurisdiction that a diploma cannot be taken at face value. Why not a single, federal standard?

Wouldn't it make sense to have consistent standards to determine what and how much children should be expected to learn at every grade level? After all, we already have nationally standardized tests to see what they've absorbed.

"That's easy enough for you noneducators to say," one government official told me. "But if one of us said it, I can predict what would happen.

"The first day, there would be applause. The second day, the unions and chief state school officials and the school boards would attack.

"And the third day, the same people who thought it such a wonderful idea on Day One would begin saying, 'On second thought . . .' "

The scenario might not be far off. The teachers' unions—including members of the National Education Association, one of the major lobbyists for the proposed department—would quickly learn that national standards for what and how much should be taught naturally lead to national standards for determining who is qualified to teach it. All teachers' colleges are not created equal.

The state and county school authorities would attack because they are responsible for running some of these bad schools. The school boards would resent the federal usurpation of their policy-making role.

Okay, I know that the supporters of the proposed department don't anticipate federal standard-setting and policy-making. Their dubious rationale is that a president would pay more attention to education if its interests were articulated at the Cabinet level. Thus, a Department of Education would enhance the visibility and prestige of education within the federal establishment.

But visibility and prestige for *what?* For greater federal outlays? Is there any reason to suppose that creation of the department would in fact increase the amount of federal money available? And if it did, do they think for one moment that they could get more Washington money without more Washington standard-setting?

Maybe we ought to have national standards and educational policy. The point is, you cannot create a Department of Education first and decide the question of policy and standards later.

The creation of the department is a policy decision—even if it masquerades as reorganization for bureaucratic efficiency.

We ought to keep that in mind when the proposal is taken up again, probably later this month.

"THE LITERACY HOAX"

It would be nice if we could definitively focus responsibility for one or another of our nagging national concerns: A blue-ribbon presidential commission would call a press conference and announce: "Low productivity rates during the past fiscal year are wholly due to Farley Fennell, 1089 E. Turnip Terrace, Apt. 301, Ottumwa, Iowa, who on Aug. 3, at 10:06 a.m. refused to. . . ."

Nonsense, of course. From time to time, though, a problem is illuminated with wonderful clarity. A news item several days ago was one such rocket. Another is David Copperman's book, *The Literacy Hoax.*

The news squib reported that two professors at Eastern New Mexico University—whose names we omit, out of charity if the item was askew, out of malice if they were indulging in intellectual exhibitionism—are campaigning for what they call a grammarless English, without sentence structure or punctuation. The "whole cancerous structure of the English language" and its complicated rules are driving students away from reading and writing, the pair contended.

An appropriate reaction to that sort of absurdity is to pray that the two academicians are not tenured. But the brief story also said their notions are being put on film for public television. If that is so, absurdity becomes dangerous.

Mr. Copperman's *The Literacy Hoax* (William Morrow and Co.) drew attention when it was published late last year, but not in proportion to its merit and the subject: The frightful decline in the quality of the public schools and student achievement.

Mr. Copperman is young, in his early 30s, a Phi Beta Kappa graduate of the University of California at Berkeley, and the founder of the Institute for Reading Development. He began research for the book in 1974 after experiences at his reading school first astonished and then appalled him.

"The decline in basic academic skills is directly attributable to the curricular degeneration of the past dozen years (and) the curricular deterioration is a direct result of the degeneration of authority relations in education," he writes.

Mr. Copperman's analysis is as thorough as his indictments are broad. The federal government's involvement in education has been a "multi-billion-dollar source of fraud and political interference," with efforts at "compensatory education" among the most dismal. Institutional and personal authority have become anathema, parents have abnegated responsibility, teachers have not taught and are not supported when they attempt to; the educational bureaucracy, inside and outside government, has created a fortress increasingly managed by younger troops from the counter-culture '60s, bringing with them a spurious egalitarianism that disdains both traditional values and educational methods; innovations have been shoved into classrooms without adequate testing of their validity.

The result of this unholy pattern is that "young people have been given the freedom not to learn." And take full advantage of it.

All of which may be shrugged off by some as a case of premature old-fogeyism in Mr Copperman. Except that the arguments and the data he marshals are persuasive unto despair.

We are seeing the growing dissatisfaction with the public school system being translated into action—competency testing, the return-to-basics movement. But it will be a long war against an entrenched opponent.

The subject requires urgent and informed national debate. *The Literacy Hoax,* and Mr. Copperman's prescriptions, would be one of the texts.●

BUT RADIOACTIVE RAIN MUST STOP

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 29, 1979

● Mr. DRINAN. Mr. Speaker, today Teng Hsiao-ping, Vice Premier of the People's Republic of China will be welcomed at the White House by President Jimmy Carter. This historic occasion marks a new period in modern history that will witness a new spirit of cooperation between our two great nations.

At the outset of this new relationship it is imperative that the President bring to the attention of the Vice Premier the dangerous detonation of nuclear devices into the atmosphere. China remains the only nation in the world that still conducts these harmful explosions which raise radiation levels throughout the Northern Hemisphere.

In the following article which appeared in the Boston Globe, Jerome Grossman, one of the organizers that led the movement for the Partial Test Ban Treaty in 1963, explains the necessity for strong action at the outset of normalization of relations with China.

The article follows:

BUT RADIOACTIVE RAIN MUST STOP

(By Jerome Grossman)

When President Carter sits down to dinner at the White House this Monday evening with his new friends, the Chinese Communists, he ought to make an important request. He should ask the Vice Premier of the People's Republic of China, Teng Hsiao-P'ing to stop exploding atom bombs in the atmosphere.

And he should insist. For every time it rains, it rains Chinese radiation on some part of the United States. This radioactive material, even in small doses, may cause cancer and generate birth defects in children. The United States is right in the path of the prevailing west-east winds. Some of these radioactive clouds have passed over New England.

This does not mean that I am against President Carter's new policy of normalization of relations with Mainland China. Nor does it mean that I am unimpressed with the new slogans about freedom and democracy coming out of Peking. But if Teng really wants to do something for us, he ought to stop poisoning the air we breathe and the food we eat.

China is the only country in the world that still makes these explosions in the atmosphere. It did not sign the 1963 Partial Test Ban Treaty, now in force for 105 countries, that prohibits underwater, atmospheric and outer space testing. Neither did France sign the treaty, but a threatened worldwide boycott of French products and the protests of Pacific islanders near the testing grounds forced the French to stop atmospheric explosions in 1974. Now China is the only country still sending clouds of radioactive dust around the world to fall on grazing lands where cows and other animals ingest the material and pass it on to humans.

The President might point out to Teng that the first increase in worldwide radioactive fallout in four years took place in 1977, triggered by a large 1976 Chinese nuclear atmospheric test. The Environment Measurements Laboratory of the U.S. Energy Department, which was charged with measuring fallout of radioactive strontium and cesium from A-bomb nuclear weapons tests, reported the increase. The Chinese test was on Nov. 17, 1976. The radioactive clouds reached the U.S. Pacific Northwest on Nov. 20 and New England on Nov. 21. Radioactive debris from this four-megaton explosion (equivalent to four million tons of TNT) did not begin to fall out of the stratosphere until April 1977. It then dropped in such large quantities that it produced for all of 1977 the greatest amount of fallout since 1974. The laboratory calculated that the 1976 Chinese test produced as much as 95 percent of the Strontium 90 that appeared in the 1977 rainfall. The fallout for 1978 was only a little less than the previous year. Most of this radioactive debris, even in 1978, was from the Chinese test.

As recently as Dec. 14, China detonated a nuclear bomb in the atmosphere at its Lop Nor test site in northwest China. The test was in the yield range of less than 20 kilotons, equal tot 20,000 tons of TNT, larger than the explosion that destroyed Hiroshima. Even though this was a much smaller bomb and produced much less radiation, increases in ground level radiation were detected in some areas of the United States.

Underground nuclear tests such as those conducted by the United States, USSR, Great Britain, France, and India also put lethal debris into the atmosphere. They could also contaminate underground water and surrounding earth. But the hazards surrounding atmospheric testing are much greater.

Since normalization, the Coca-Cola Corporation has received a tremendous contract, making it the sole maker and distributor of cola drinks to the one billion people of China. Boeing Aircraft and other U.S. corporations have also made profitable commercial arrangements. I do not begrudge them their profits. But I think the American people deserve a dividend from the new diplomatic state of affairs, too. And Jimmy Carter can get it for us. All he has to do is ask Teng Hsiao-p'ing to stop nuclear weapons testing in the atmosphere. Friends should do no less. ●

HAS UNITED STATES DRAWN BOTTOM LINE?

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 29, 1979

● Mr. DERWINSKI. Mr. Speaker, veteran Washington correspondent, Paul Sisco, in his regular column, "Capitol Comments," appearing in the January 17, Suburban Life Citizen, serving Cook County, Ill., discusses the pertinent question in the application of U.S. foreign policy—namely, can the United States, with its present leadership, draw a hard fast line against Soviet machination? His column follows for the Member's attention:

HAS U.S. DRAWN BOTTOM LINE?

(By Paul Sisco)

WASHINGTON.—At a gathering at our home a few days ago the teen-age son of a cousin of ours wanted to talk about the situation in Iran.

After a few minutes of discussion, he said "Well, I don't want to fight for Iran."

Some time later we got to thinking: okay, but where will the United States fight? Where will the U.S. stand and say, "No farther?"

NOT SEEN IN AFRICA

Clearly our bottom line wasn't reached in Angola when that nation was overrun by a Cuban-Soviet-backed revolutionary group. It wasn't in Somalia where a government that kicked out the Soviets was abandoned by us.

It doesn't seem to be in Rhodesia where the U.S. backs a solution which would turn the nation over to guerillas who refuse even to negotiate.

We could add a diminishing commitment to Taiwan and to South Korea to this list and there are probably other areas of U.S. disinvolvement if we put our minds to it.

In Angola and Somalia the United States had few of its citizens and some, but not much, involvement of economic interests. In Iran this nation has more than 40,000 American citizens and millions, perhaps billions, in investments, particularly in oil.

MORE TALK THAN ACTION

And still we seem to have done little except for lukewarm public pronouncements supporting the government headed by the Shah.

Americans have been killed in Iran. Americans have been run out of the country. American businesses, and don't kid yourself, U.S. firms depend on profits from foreign investments for much of their economic well-being, are being destroyed.

There is another factor. Evidence is mounting that the Soviet Union has taken a direct hand in supporting the groups demonstrating in Iran. Regardless of the right of the demonstrators, they are clearly getting Soviet help.

MINORITY MAKES TROUBLE

Bear in mind, too, that despite all the publicity surrounding the disorders, it is still only a fraction of the Iranian populace which is taking part.

The frustration in all this, of course, is what can the United States do? After all, it is an internal Iranian situation.

For one thing, we can get tough with the Iranian students in the United States who have demonstrated against the Shah in Washington and on the West Coast. The irony is that the U.S. demonstrators are almost all university students whose education here is being paid for by the Iranian government.

We see nothing wrong with "gunboat" diplomacy of some sort. And if need be, I think our Air Force has every right to conduct evacuation of Americans if they are in danger.

Diplomatically we have to expand our neglected weapon of "linkage"; that is we have to make it plain to the Soviet Union that they cannot act irresponsibly in one area of the world and still seek SALT and other agreements with the United States at the same time.

Where is that bottom line for the U.S.? ●

THE NEA: A WASHINGTON LOBBY RUN RAMPANT

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 29, 1979

● Mr. McDONALD. Mr. Speaker, the National Education Association long ago ceased to be really interested in education. It is really just another power-hungry lobby that has now assumed all the functions of a nationwide militant union. It is interesting to note that the NEA's tax exempt status was recently modified from that of a business league under section 501(c)(6) to that of a labor association under section 501(c)(5). The NEA's principal activity is the exercise of raw political power through its teacher membership across the Nation. There is really a basic question as to whether it deserves tax-exempt status at all. The Reader's Digest in its November 1978 issue describes this new NEA and its power brokers; I commend the article to the attention of my colleagues.

THE NEA: A WASHINGTON LOBBY RUN RAMPANT

(By Eugene H. Methvin)

"Teachers in 1976 earned an A in advanced politics!" exclaimed John Ryor, president of the National Education Association, as he addressed the 1977 national convention of his 1.8-million-member union.

And a well-earned A it was. NEA sent 265 members to the 1976 Democratic National Convention, more than any other organization in the nation. That November, NEA endorsees won in 291 of 349 House and Senate contests. For the first time, NEA endorsed a Presidential candidate, Jimmy Carter; and after his victory, President-elect Carter made a prompt personal thank-you call to Ryor. Carter's campaign manager, Hamilton Jordan, said enthusiastically, "The massive support from teachers was crucial to our winning. We turned to the NEA for help and it delivered nationwide."

Now President Carter has delivered for the NEA. Last spring, he formally asked Congress to create a separate Department of Education—a cherished NEA goal—and raised his overall budget so as to make available a record $12.9 billion for federal aid to education, a 46-percent increase since he came into office.

Yet the President appears to understand the problem. "The fight against inflation," he said in a recent speech, "becomes nearly impossible when special-interest lobbyists are successful." Well, certainly the NEA lobbyists were successful, and the political payoff they earned dramatically demonstrates why President Carter has now admitted he will not fulfill his promise to balance the federal budget by 1980. And why, instead, deficits and inflation are soaring, imposing the equivalent of a ten-percent tax on every dollar American families spend this year. It also demonstrates why every American voter needs to bone up on "advanced politics" as practiced by the NEA.

Warns Rep. John Ashbrook (R., Ohio), a veteran member of the House Education and Labor Committee: "An integral part of the NEA design is to siphon ever more control of public education from the grass roots to Washington, closer to its own powerful lobbying influence, farther from the parents and taxpayers who elect the school boards and pay the bills."

YOUNG TURKS

Fifteen years ago, the NEA was chiefly a staid coffee-and-doughnuts professional association. Most state and local affiliates did not require members to pay dues. "Strike" was generally a dirty word. But then the American Federation of Teachers (AFT) mounted a militant challenge, and teachers walkouts erupted across the nation. In 1968, afraid it might lose the whole teaching profession to the AFT, the NEA backed its first full-fledged strike.

By the early 1970s, a "Young Turk" faction had gained control of the NEA. They wrote a new constitution compelling the payment of national dues, drove out most of the administrators who were also members, dispensed with the trappings of a "professional organization" and launched into full-scale unionism. Using militant strike action, the new NEA has won collective bargaining for 5000 of its 12,000 locals, and leaped headlong into national political campaigns. A succession of NEA presidents have proclaimed its aims:

"We are the biggest potential political striking force in this country," said Catharine Barrett in 1972. "And we are determined to control the direction of education."

"We must reorder Congressional priorities by reordering Congress," Helen Wise told NEA political fund-raisers in 1974. "We must defeat those who oppose our goals."

Promised current NEA president, John Ryor, "We will become the foremost political power in the nation."

At NEA headquarters, five blocks from the White House, Ryor and executive director Terry Herndon, a 39-year-old former teacher, now lead 1.8 million of the nation's 2.2 million public-school teachers. Already they outnumber all other public-employe unions by far, and among all unions trail only the No. 1 Teamsters. With its affiliates, NEA has a combined annual budget of $250 million, more than ten times that of the AFL–CIO. And Ryor and Herndon oversee 1436 professional field organizers, who keep the political and legislative machinery well-oiled.

TEACHER POWER

When Herndon became NEA's executive director in 1973, he set about building a huge political machine. One project was to beef up the newly formed Coalition of American Public Employes (CAPE), an umbrella group including the American Federation of State, County and Municipal Employes (AFL–CIO) and several other public-employe unions. Financed largely by NEA, CAPE has organized chapters in 21 states to promote political and legal action. And, come election time, CAPE orchestrates the march of its unions' four million members into political work.

Campaign consultant Matt Reese, hired to help NEA develop its "teacher clout," marveled at the potential: "Teachers are the ideal political organization. They're in every precinct." Indeed, NEA averages 4,000 members in each Congressional district—and many elections turn on smaller margins than that.

Since 1972, NEA professionals have run an estimated 30,000 teachers through "political-action workshops," in some cases giving them graduate-study credit for taking the program. The union offers political candidates privileged access to these trained battalions. In every state, the NEA has set up political-action commitees (PACs). At election time, screening committees quiz candidates, and once PAC endorses a candidate, its chairman uses the NEA "talent-inventory" files to provide campaign managers with volunteers for every imaginable task, from stuffing envelopes and manning telephone banks to chauffeuring voters to the polls. "We can elect friends of education and unelect foes," boasts Ryor.

Is he right? Sen. Claiborne Pell (D., R.I.), chairman of the Senate education, arts and humanities subcommittee, candidly admits that he owes his 1972 re-election to "teacher power": "Before they arrived, I was a two-to-one underdog. Then an army of teachers began knocking on thousands of doors and making thousands of phone calls, and I won by 33,000 votes. You can be sure," he concludes, "that I will continue to fight in Washington for a better deal for education."

"A GOOD THING"

The teachers' special capacity for organizing and motivating people is awesome—and there is money, too. In 1976, NEA-PAC and the state PACs funneled an estimated $3 million into federal, state and local campaign coffers, with notable effect. For example, the Michigan Education Association helped elect three-fourths of its chosen candidates for the House by pouring $138,000 into their campaigns—$36,000 more than the giant United Auto Workers, long the biggest powerhouse in Lansing.

Writing in the NEA's official journal, the *Reporter*, Ryor has urged every teacher to contribute to the 1978 Congressional campaign: "We've got a good thing going politically. Let's keep it going." By August, NEA-PAC had raised $536,000 to ladle out before Election Day. And NEA's state and local PACs have raised an estimated $2.5 million for their own war chests.

CALLING THE TUNE

What is NEA's ultimate goal? Herndon is blunt: "To tap the legal, political and economic powers of the U.S. Congress. We want leaders and staff with sufficient clout that they may roam the halls of Congress and collect votes to re-order the priorities of the United States of America."

NEA's drive for a Cabinet education department is a part of this reordering. As a separate, Executive Branch pipeline into the budget process, such a department would help to achieve the aim of swelling the federal share of the nation's education spending to a third of the total. NEA's campaign-aid dispensers would also be better able to influence state and local officials.

For example, in 1976 then-Senator Walter Mondale (D., Minn.)* and Sen. Alan Cranston (D., Calif.) sponsored an obsecure, complex provision that now appears as part of a 161-page law called the Education Amendments of 1976. This provision, largely written by NEA, authorized a new three-year-grant program of up to $203 million for "teacher centers" that would take responsibility for local in-service teacher training and curriculum development. The hooker: Each center had to be run by a "policy board" manned by a majority of teachers (meaning, almost everywhere, NEA members). Neither Senate nor House seems to have held a single hearing to find out whether such centers actually need federal financing—or *why* Washington should try to induce elected school boards to turn over their own statutory duties to non-elected union officials. Crowed the NEA: "For the first time, federal law has cut teachers into policymaking."

DEMOGRAPHIC DYNAMITE

Fueling the NEA's turn to political militancy are radical changes in the composition and prospects of the nation's 2.2 million public-school teachers. In the 15 years between 1961 and 1976, there were relatively few senior teachers from the low-birth years of the 1930s to replace retirees. The gap was eventually filled by young teachers born in the postwar baby boom. But just as the eager fledglings began to pour out of college, school enrollments dropped in response to post-1961 birth declines.

This was a sure-fire demographic recipe for explosion. For several years, school boards avoided reductions. But in 1975–76 they issued layoff notices to 61,000 teachers. Some were rescinded as the boards scraped up additional funds, but the notices had sent a chill through all teachers. That school year, strikes hit a record 203, most of them led by the NEA.

Although the current school year began with 20,000 fewer teachers than last year, public schools now employ 177,000 *more* teachers than in 1969–70, for 2.7 million *fewer* pupils. Says a National Institute of Education school-finance expert: "For years, policymakers have been told, 'More kids cost more money.' Now they're asking, 'Why don't fewer kids cost *less* money?' "

To counter this pressure, the NEA is demanding that class size be limited to 15 pupils (the current mean is 25). This move would require hiring hundreds of thousands of additional teachers. NEA also wants a national $15,000-a-year minimum salary for starting teachers with bachelor's degrees, rising to $34,500 in ten years for those with master's degrees.

"Teachers are more dependent than ever on their ability to concentrate power on the federal decisionmakers," proclaims Herndon. "One thing no school board can manufacture is money." But Congress can and does manufacture money, especially when surrounded by special pleaders with political muscle. The legislators can cry "aye" on appropriations "for education," without voting for taxes to pay the bill; those "taxes" then come via inflation.

POWER ELITE

Americans—and teachers above all—should look carefully before rushing headlong to the Potomac power brokers for educational salvation. Of course, the NEA can more easily move a few dozen key Capitol Hill committeemen, whose election campaigns it has backed, than it can move 50 state legislatures and 16,000 school boards. But is this really in the best interests of teachers?

In his 1976 nomination-acceptance speech, President Carter declared, "Too many have had to suffer at the hands of a political and economic elite who have shaped decisions and never had to account for mistakes." If the alliance now building among Capitol Hill politicians, the White House and the NEA's power brokers continues to grow, decisions for America's teachers—and for pupils, parents and taxpayers, too—will more than ever be made by a permanent Potomac power elite. Which would deliver a mortal blow to our traditional system of grass-roots control of education.●

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*Mondale's brother is an NEA state president turned full-time union organizer.

BUCHWALD HAS WISDOM WITH HUMOR ON WEAPON

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 29, 1979

● Mr. SIMON. Mr. Speaker, Art Buchwald entertains America through his well-done column.

And every now and then he is not only humorous, but he brings a point to the Nation that is worth listening to.

He did this recently in a column on the neutron bomb.

My colleagues who may have missed this column while they were out campaigning will, I think, enjoy reading this column.

And more than that, I hope we heed its wisdom.

The article follows:

THIS WHOLE IDEA IS BOUND TO BOMB

(By Art Buchwald)

My wife and I were watching the evening news when Walter announced that President Carter had given the go-ahead to the Defense Department to start making the components for a neutron bomb. Walter said that while the components would be manufactured, they would not be assembled at the present time.

My wife, whose only weakness is she doesn't keep up on sophisticated nuclear weaponry, turned to me and said:

"What's a neutron weapon?"

"It is designed to kill people without destroying property. We call it an enhanced radiation weapon," I told her.

"Who's we?"

"Those of us in the military-industrial complex."

"Are you in the military-industrial complex?" she wanted to know.

"No, but some of my best friends are. It's one helluva piece of hardware. With the right warhead you can zap a battalion of Soviet tanks 80 miles away," I said.

"Why do we need it?" she wanted to know

"That's the most stupid question I ever heard. We need every type of nuclear weapon we can get. We've got hydrogen bombs and atomic warheads, and Nike and Polaris missiles. But they're too powerful to use in the field. The neutron weapon fills the gap and lowers the kill threshold to just the right level to fight a civilized war."

"Do the Russians have it?" She asked.

"They certainly do not. All they have is monster weapons that can destroy entire cities. They're in a lot of trouble."

"I guess I should know this," she said, "but if the Soviets don't have a neutron weapon and we do, how do we prevent them from using their monster weapons after we use our small one on them?"

"Because if they use their monster ones they know we'll use ours, and then we'll destroy each other," I said patiently.

"But if we use the neutron weapon against their armies in the field, won't we be destroying them? They're certainly not going to stand by and see all their men and tanks destroyed without retaliating with everything they've got."

"I'm sorry but I'm not at liberty to answer that at this time," I replied.

"Can I ask you another question? If we have developed a smaller weapon that just kills people and doesn't destroy property, what is to prevent the Soviets from doing the same thing?"

"They don't have the know-how to make a neutron bomb or they would have before now."

"That's what you said about the atomic bomb after World War II."

"Can you keep a secret?" I asked her.

"You know I can."

"Carter really doesn't care if we have a neutron bomb or not. But he wants a SALT treaty very badly. Even if the Soviets agree to one, he'll have a hard time getting the Senate to approve it. So by announcing he was going ahead with the neutron bomb, he'll win over the senators who are against SALT."

"Then," she said, "Carter's not going ahead with the neutron weapon to impress the Soviets, but to placate the U.S. Senate?"

"Now, you're catching on," I said.

"I think I'll watch The Gong Show."

"How can you watch The Gong Show at a time like this?" I asked.

"Because it makes a lot more sense than building a neutron bomb." ●

TROOP WITHDRAWALS FROM SOUTH KOREA

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 29, 1979

● Mr. DERWINSKI. Mr. Speaker, with their return to the United States, a number of Congressional delegations that have recently visited the Asian area, have expressed opposition to the President's plan of further troop withdrawal from South Korea, and have contended that troops presently stationed in South Korea be at this time. I share that assessment.

An editorial in the Chicago Tribune of January 23, very accurately addresses the situation in the Asian area. This editorial follows for the Member's attention:

SHAKING THE WEB IN ASIA

When President Carter began to withdraw U.S. ground combat troops from South Korea, it shook the whole web of assumptions and relationships in that part of the Far East. The latest demonstration of this shift is South Korean President Park Chung Hee's offer to hold summit talks with North Korea about the means to achieve peaceful reunification. For 17 years, Mr. Park has refused to consider such discussions. North Korean President Kim II Sung still refuses.

Among the nations alarmed at U.S. plans to withdraw from South Korea were, naturally enough, Japan, Taiwan, and South Korea itself. They fear that the U.S. retreat from the Korean demilitarized zone would encourage Mr. Kim in his grand and open designs of conquest and also that the U.S. move signals a general retreat from its commitments to other allies in this part of the world. Taiwan's fears, at least, seem to have proven justified.

But alarm was also registered, ironically, in Peking. China, of course, fought the U.S. during the Korean war and is still regarded as North Korea's patron. But the Soviet Union, which has become increasingly aggressive in North Asia as its relations with China deteriorate, also has a strong presence in Pyongyang. And the Chinese fear that a U.S. withdrawal could provoke competition between themselves and the Soviets in encouraging Kim II Sung to fill the vacuum.

China, having just reached new agreements with Japan and the U.S., has much more to lose than the Soviet Union from conflict between the two Koreas. But this doesn't mean that China is likely to restrain North Korea, which is far from China's puppet. Indeed, the indomitable Mr. Kim probably thinks of both China and the Soviets as marionettes he can make march to his own music.

The Carter Administration is bound to be pleased with Mr. Park's new willingness to talk with North Korean leaders. The withdrawal plan put pressure on the South Korean leader to moderate his position, and the administration will probably note this as an example of the virtues of its North Asian diplomacy. Discussions might serve a constructive purpose if there were corresponding pressure on Mr. Kim to participate in them and to agree to a fair settlement.

But the Carter policy does no such thing, and Mr. Kim shows no signs that his belligerence has been tempered by his age. Indeed, recent intelligence estimates indicate that North Korea's army is 60,000 men stronger than previously believed. Talks between north and south, if they ever do begin, would open with South Korea at a disadvantage.

The idea of withdrawing troops from South Korea was conceived by Mr. Carter during his presidential campaign for purely domestic political reasons. He believed the nation was tired, after the Viet Nam War, of military activity in Asia. And Korea looked like the best place to demonstrate that he was tired, too. The announced withdrawal schedule has already been postponed. Pressure is growing in Congress that the plan be suspended entirely, and we favor this. But President Carter has not yet admitted that, like many of his other campaign promises, this one would be better honored in the breach.

North Asia is one area in which a U.S. Third World ally has found itself in a state of sufficient military and diplomatic stability to undertake rapid economic development. South Korea, like Taiwan, is a model of what U.S. economic ideas can accomplish in comparison with communist development theories. The faint promise of negotiations between North and South Korea is small compensation for the instability that our troop withdrawal would be bound to produce in an area where the east-west balance of power has been genuinely stable.●

LEGISLATION TO EXCLUDE CAPITAL TAX ON RESIDENCES OF PERMANENTLY DISABLED

HON. NICK JOE RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 29, 1979

● Mr. RAHALL. Mr. Speaker, today I am introducing legislation to amend the Revenue Act of 1978 (Public Law 95-600). The purpose of my amendment is to permit totally and permanently disabled individuals, regardless of age, a one-time exclusion on the capital gain from the sale of their principal residence. This would merely amend the provision we adopted as part of the Revenue Act of 1978 which extended this provision to homeowners age 55 and above.

I am sure we will all agree that being disabled has many financial burdens that others do not experience in life. In many cases the cost resulting from their disability proves to be over 50 percent of their income. I believe that we must provide additional tax benefits to these individuals to counter their exceptional expenses.

It is one thing for all of us to acknowledge that the disabled people of this country are denied many basic rights, and also to agree that they have a right to participate in our society to the fullest possible extent: but, it is quite another thing for us to commit ourselves to these principles we espouse. As in the past when Congress has tried to end discrimination against other oppressed groups in the country, we have found that simply acknowledging the oppression but offering no assistance to put an end to it was not enough. I believe it is time we play our cards face up and give the benefits and assistance where they are needed most. The disabled of our country deserve every tax benefit and assistance program we have provided to this date. I intend to continue to monitor programs providing assistance to the disabled and call upon my fellow colleagues to lend their support to this endeavor.●

THE NONPROFIT TAX REFORM ACT OF 1979

HON. BARBER B. CONABLE, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 29, 1979

● Mr. CONABLE. Mr. Speaker, on January 18 I introduced H.R. 990, a bill entitled The Nonprofit Tax Reform Act of 1979. This is a comprehensive measure with a number of separable provisions, and I introduced it for study purposes so that interested parties can consider its impact on their organizations and their tax relationships.

Tax problems in the nonprofit area are frequently complicated, although they often do not involve large amounts of revenue. Due to complexities, uncertainties and ambiguities, and the evolution of increasingly diverse functions, considerable man-hours can be invested by both the Internal Revenue Service and the nonprofit groups themselves in assuring compliance with the law. H.R. 990 is designed to try to reduce the problems inherent in nonprofit status and to make the overseeing of such organizations by the IRS more definite and certain so that activities and programs can be planned with confidence. The law must change through redefinition and increasingly precise provision for changing institutions, including those in the nonprofit sector.

I am hopeful that interested parties will suggest changes and additions to the provisions of this legislation. Although I have reservations about some of the matters included in the bill, I introduced it in the hope that Congress will benefit from the public discussion, definition, and efforts to resolve the many different issues involved.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings when scheduled, and any cancellations or changes in meetings as they occur.

As an interim procedure until the computerization of this information becomes operational the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, January 30, 1979, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

JANUARY 31

9:00 a.m.

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on S. 212, to establish a national space policy which would enable the U.S. to maintain a lead in space science and technology.
235 Russell Building

9:30 a.m.

Human Resources
To hold hearings to explore the trends affecting the conditions of American women in the coming decade and on proposed human resources policies and programs.
4232 Dirksen Building

10:00 a.m.

Appropriations
Defense Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for the Department of Defense.
1114 Dirksen Building

Environment and Public Works
To hold an organizational meeting to consider committee budget and other administrative matters.
4200 Dirksen Building

Rules and Administration
To hold an organizational meeting to consider its budget and other administrative business, and to hold hearings on the nominations of John W. McGarry, of Massachusetts, and Max L. Friedersdorf, of Indiana, each to be a member of the Federal Election Commission.
301 Russell Building

Joint Economic
To receive testimony from Secretary of the Treasury Blumenthal on the state of the U.S. economy.
1202 Dirksen Building

Select Small Business
To hold hearings on the issues of the safety, effects, and medical use of Darvon.
6226 Dirksen Building

Foreign Relations
To hold a business meeting to consider the nomination of George M. Seignious II, of South Carolina, to be Director of the U.S. Arms Control and Disarmament Agency, followed by hearings on and consideration of the nominations of Stephen W. Bosworth, of Michigan, to be Ambassador to the Republic of Tunisia; W. Beverly Carter, Jr., of Pennsylvania, to be Ambassador at Large; Jonathan Dean, of New York, to be Ambassador during the tenure of his service as U.S. Representative for Mutual and Balanced Force Reductions Negotiation; K. Mathea Falco, of the District of Columbia, to be Assistant Secretary of State for International Narcotics Matters; and Robert H. Pelletreau, Jr., of Connecticut, to be Ambassador to the State of Bahrain.
4221 Dirksen Building

FEBRUARY 1

9:00 a.m.

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To continue hearings on S. 212, to establish a national space policy which would enable the U.S. to maintain a lead in space science and technology.
235 Russell Building

9:30 a.m.

Human Resources
To continue hearings to explore the trends affecting the conditions of American women in the coming decade and on proposed human resources policies and programs.
4232 Dirksen Building

Judiciary
To hold hearings on proposed legislation to permit those injured by antitrust violations to recover civil damages measured by the extent of their injury.
2228 Dirksen Building

10:00 a.m.

Armed Services
To hold closed hearings on proposed military procurement authorizations for fiscal year 1980 for the Department of Defense, and to receive the nuclear forces report.
212 Russell Building

Budget
To hold an organizational meeting.
6202 Dirksen Building

Select Small Business
To continue hearings on the issues of the safety, effects, and medical use of Darvon.
5110 Dirksen Building

3:00 p.m.

Select on Ethics
To hold a closed business meeting.
357 Russell Building

FEBRUARY 2

10:00 a.m.

Armed Services
To hold closed hearings on proposed military procurement authorizations for fiscal year 1980 for the Department of Defense, with testimony on funds for Air Force programs.
212 Russell Building

Banking, Housing, and Urban Affairs
To hold hearings on S. 108, to simplify the truth-in-lending laws.
5302 Dirksen Building

Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittee
To hold hearings on S. 233, to extend programs administered by the U.S. Travel Service through fiscal year 1980.
235 Russell Building

Joint Economic
To receive testimony on the employment-unemployment situation for January.
1202 Dirksen Building

FEBRUARY 5

10:00 a.m.

Banking, Housing, and Urban Affairs
To hold oversight hearings on U.S. export policies.
5302 Dirksen Building

Foreign Relations
To hold hearings on proposed legislation to continue current trade and economic relations with Taiwan.
4221 Dirksen Building

Judiciary
Citizens and Shareholders Rights and Remedies and Subcommittee
To hold oversight hearings on the effect of pension fund investment policies on individual contributors.
2228 Dirksen Building

Joint Economic
To receive testimony from Director of the Office of Management and Budget McIntyre on the state of the U.S. economy.
1202 Dirksen Building

Select Small Business
To resume hearings on the issues of the safety, effects, and medical use of Darvon.
5110 Dirksen Building

FEBRUARY 6

9:30 a.m.

Agriculture, Nutrition, and Forestry
Environment, Soil Conservation, and Forestry Subcommittee
To hold hearings on the economic implications of the Department of Agriculture's RARE II wilderness proposals, and on the Nation's outlook for timber and lumber supplies.
322 Russell Building

Human Resources
Child and Human Development Subcommittee
To hold hearings on S. 4, proposed Child Care Act.
6226 Dirksen Building

10:00 a.m.

Banking, Housing, and Urban Affairs
To continue oversight hearings on U.S. export policies.
5302 Dirksen Building

Budget
To hold hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.
6202 Dirksen Building

Foreign Relations
To continue hearings on proposed legislation to continue current trade and economic relations with Taiwan.
4221 Dirksen Building

10:30 a.m.

Human Resources
To hold hearings on proposed legislation to amend the Employee Retirement Income Security Act (ERISA), P.L. 93-406.
4332 Dirksen Building

FEBRUARY 7

9:30 a.m.

•Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold oversight hearings on the implementation by the ICC of provisions of the Railroad Revitalization and Regulatory Reform Act (P.L. 94-210).
235 Russell Building

Human Resources
To continue hearings on proposed legislation to amend the Employee Retirement Income Security Act (ERISA), P.L. 93-406.
4232 Dirksen Building

Veterans' Affairs
To resume hearings on S. 7, proposed Veterans' Health Care Amendments.
412 Russell Building

10:00 a.m.

Banking, Housing, and Urban Affairs
To hold hearings to receive testimony from N.Y. State officials on the progress being made by N.Y. City toward balancing its budget and regaining access to the credit markets.
5302 Dirksen Building

Budget
To continue hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.
6202 Dirksen Building

Foreign Relations
To mark up proposed legislation to continue current trade and economic relations with Taiwan.
4221 Dirksen Building

3:00 p.m.

Banking, Housing, and Urban Affairs
To continue hearings to receive testimony from N.Y. State officials on the progress being made by N.Y. City toward balancing its budget and regaining access to the credit markets.
5302 Dirksen Building

FEBRUARY 8

9:30 a.m.

Agriculture, Nutrition, and Forestry
Environment, Soil Conservation, and Forestry Subcommittee
To resume hearings on the economic implications of the Department of Agriculture's "RARE II" wilderness proposals, and on the Nation's outlook for timber and lumber supplies.
322 Russell Building

Human Resources
To hold hearings on proposed legislation to amend the Employee Retirement Income Security Act (ERISA), P.L. 93-406.
4232 Dirksen Building

Human Resources
Child and Human Development Subcommittee
To hold hearings on proposed authorizations for FY 1979 for ACTION.
6226 Dirksen Building

11:00 a.m.

Commerce, Science, and Transportation
To hold hearings to examine safety problems in the transportation and storage of liquified energy gases.
235 Russell Building

10:00 a.m.

Banking, Housing, and Urban Affairs
To hold hearings on proposed legislation to extend for two years, through 1981, the Council on Wage and Price Stability.
5302 Dirksen Building

Budget
To continue hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.
6202 Dirksen Building

Foreign Relations
To hold hearings on the nomination of Leonard Woodcock, of Michigan, to be Ambassador to the People's Republic of China.
4221 Dirksen Building

FEBRUARY 9

10:00 a.m.

Banking, Housing, and Urban Affairs
To continue hearings on proposed legislation to extend for two years, through 1981, the Council on Wage and Price Stability.
5302 Dirksen Building

Governmental Affairs
Federal Spending Practices and Open Government Subcommittee
To hold hearings on GSA's methods of procuring contracts.
1114 Dirksen Building

3:00 p.m.

Banking, Housing, and Urban Affairs
To continue hearings on proposed legislation to extend for two years, through 1981, the Council on Wage and Price Stability.
5302 Dirksen Building

FEBRUARY 20

10:00 a.m.

Banking, Housing, and Urban Affairs
To hold oversight hearings on present U.S. monetary policies.
5302 Dirksen Building

11:00 a.m.

Veterans' Affairs
To hold hearings to receive legislative recommendations for fiscal year 1980 from Disabled American Veterans.
318 Russell Building

FEBRUARY 21

9:00 a.m.

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee.
To hold hearings on proposed FY 1980 authorization for NASA.
5110 Dirksen Building

9:30 a.m.

Human Resources
Child and Human Development Subcommittee
To resume hearings on S. 4, proposed Child Care Act.
4232 Dirksen Building

10:00 a.m.

Budget
To resume hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.
6202 Dirksen Building

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on the Northeast corridor improvement project.
235 Russell Building

FEBRUARY 22

9:00 a.m.

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To continue hearings on proposed FY 1980 authorizations for NASA.
5110 Dirksen Building

9:30 a.m.

Veterans' Affairs
To hold hearings on proposed legislation to provide for a judicial review of decisions made by the VA in matters involving claims for veterans.
318 Russell Building

10:00 a.m.

Budget
To continue hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.
6202 Dirksen Building

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on proposed FY 1980 authorizations for the U.S. Railway Association and the Office of Rail Public Counsel.
235 Russell Building

FEBRUARY 23

10:00 a.m.

Banking, Housing, and Urban Affairs
To resume oversight hearings on present U.S. monetary policies.
5302 Dirksen Building

Joint Economic
To receive testimony from Advisor to the President on Inflation Kahn on the state of the U.S. economy.
1202 Dirksen Building

FEBRUARY 26

10:00 a.m.

Banking, Housing, and Urban Affairs
To hold hearings on S. 85, proposed Monetary Policy Improvement Act.
5302 Dirksen Building

Commerce, Science, and Transportation
To hold hearings on the objectives that a national policy on tourism should seek to achieve.
235 Russell Building

FEBRUARY 27

9:30 a.m.

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold oversight hearings to assess Government and industrial potential needs for powered "lighter-than-air" vehicles used for surveillance and reconnaissance.
235 Russell Building

Human Resources
Child and Human Development Subcommittee
To resume hearings on proposed authorizations for FY 1979 for ACTION.
4232 Dirksen Building

10:00 a.m.

Banking, Housing, and Urban Affairs

To mark up S. 108, proposing simplification of the truth-in-lending laws, and on proposed legislation to extend for two years, through 1981, the Council on Wage-Price Stability.

5302 Dirksen Building

FEBRUARY 28

9:00 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To resume hearings on proposed FY 1980 authorizations for NASA.

235 Russell Building

10:00 a.m.

Budget

To resume hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.

6202 Dirksen Building

Commerce, Science, and Transportation

To resume hearings on the objectives that a national policy on tourism should seek to achieve.

5110 Dirksen Building

MARCH 1

9:30 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To resume oversight hearings to assess Government and industrial potential needs for powered "lighter-than-air" vehicles used for surveillance and reconnaissance.

235 Russell Building

10:00 a.m.

Budget

To continue hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.

6202 Dirksen Building

MARCH 2

9:00 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To resume hearings on proposed FY 1980 authorizations for NASA.

235 Russell Building

10:00 a.m.

Commerce, Science and Transportation

To resume hearings on the objectives that a national policy on tourism should seek to achieve.

5110 Dirksen Building

MARCH 5

10:00 a.m.

Budget

To resume hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.

6202 Dirksen Building

MARCH 6

11:30 a.m.

Veterans' Affairs

To hold hearings to receive legislative recommendations for fiscal year 1930 from Veterans of Foreign Wars.

318 Russell Building

MARCH 7

9:00 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To hold oversight hearings on the implementation of P.L. 94-282, establishing the Office of Science and Technology Policy.

2355 Russell Building

9:30 a.m.

Human Resources

Child and Human Development Subcommittee

To hold hearings on proposed legislation to coordinate programs designed to prevent domestic violence.

4232 Dirksen Building

10:00 a.m.

Budget

To resume hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.

6202 Dirksen Building

MARCH 8

9:30 a.m.

Veterans' Affairs

To consider recommendations which it will make to the Budget Committee in accordance with the Congressional Budget Act.

412 Russell Building

MARCH 12

10:00 a.m.

Commerce, Science and Transportation

Surface Transportation Subcommittee

To hold hearings on proposed fiscal year 1980 authorizations for the National Rail Passenger Corporation (AMTRAK), and on proposed route restructuring of AMTRAK.

235 Russell Building

MARCH 14

9:00 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To resume hearings on proposd FY 1980 authorizations for NASA.

235 Russell Building

10:00 a.m.

Budget

To resume hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.

6202 Dirksen Building

MARCH 15

9:00 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To continue hearings on proposed FY 1980 authorizations for NASA.

235 Russell Building

10:00 a.m.

Budget

To continue hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.

6202 Dirksen Building

MARCH 16

10:00 a.m.

Budget

To continue hearings in preparation for reporting the first concurrent resolution on the fiscal year 1980 budget.

6202 Dirksen Building

MARCH 20

9:30 a.m.

Human Resources

Child and Human Development Subcommittee

To mark up S. 4, proposed Child Care Act, and proposed legislation to coordinate programs designed to prevent domestic violence.

4232 Dirksen Building

MARCH 21

9:00 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To resume oversight hearing on the implementation of P.L. 94-282, establishing the Office of Science and Technology Policy.

235 Russell Building

MARCH 29

9:00 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To hold hearings on proposed legislation to establish an Earth Data and Information Service which would supply data on the earth's resources and environment.

235 Russell Building

9:30 a.m.

Veterans' Affairs

To hold hearings to receive legislative recommendations for fiscal year 1980 from AMVETS, Paralyzed Veterans of America, Veterans of World War I, and blinded veterans.

6226 Dirksen Building

MARCH 30

9:00 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To continue hearings on proposed legislation to establish an Earth Data and Information Service which would supply data on the earth's resources and environment.

235 Russell Building

APRIL 10

9:30 a.m.

Veterans' Affairs

To hold oversight hearings on the role of the Federal government in providing educational, employment, and counseling benefits to incarcerated veterans.

6226 Dirksen Building

MAY 1

9:30 a.m.

Human Resources

Child and Human Development Subcommittee

To hold oversight hearings on the implementation of the Older American Volunteer Programs Act (P.L. 93-113).

4232 Dirksen Building

CANCELLATIONS

FEBRUARY 5

10:00 a.m.

Energy and Natural Resources

To hold hearings on proposed regulations to control surface mining operations.

3110 Dirksen Building